House Prices and Mortgage Performance in Jefferson County

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These comments reflect my own views, not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.
Goal

• Provide an overview of the evolution and current conditions of house prices and mortgage performance in Jefferson County

• Compare Jefferson County with the St. Louis MSA and the nation.
House Prices
House Prices
the boom, the bust and where we are today

Indexed: Jan. 2000 = 100

Jefferson County
United States
St. Louis, MO-IL (MSA)

United States: Back to Feb. 2003 levels
St. Louis MSA: Back to Dec. 2001 levels
Jefferson County: Back to Mar. 2000 levels

Source: CoreLogic
House prices in Jefferson County:

- Increased less during the boom but fell just as much during the bust as in the U.S.
- Are currently at levels not seen since March 2000

What does this mean for mortgage performance?
Delinquencies
Delinquencies fell in early 2011, but have increased again

Share of mortgages delinquent 30+ days

Source: Lender Processing Services (LPS)
Seriously delinquent loans increased in early 2009 and have remained high

Share of Jefferson Co. mortgages at various stages of delinquency:

Source: Lender Processing Services (LPS)
Foreclosures
Foreclosures are at peak levels, but much lower than in the U.S.

Share of Mortgages in Foreclosure:

Source: Lender Processing Services (LPS)
Mortgages originated near the peak of prices have worse performance


Source: Lender Processing Services (LPS)
Who owns the mortgages in foreclosure?

Jefferson Co. mortgages in foreclosure by investor

Source: Lender Processing Services (LPS)
Mortgage performance maps
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code:
Jan. 2007

Source: Lender Processing Services (LPS)
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code: Jan. 2008

Source: Lender Processing Services (LPS)
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code:
Jan. 2009

Source: Lender Processing Services (LPS)
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code:

**Jan. 2010**

Source: Lender Processing Services (LPS)
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code:
Jan. 2011

Source: Lender Processing Services (LPS)
Share of Mortgages 90+ Days Delinquent or in Foreclosure by ZIP Code: Jan. 2012

Source: Lender Processing Services (LPS)
Geographical Concentration

• Mortgage performance is relatively homogeneous across Jefferson County.

• Southwest and central-east zip codes slightly more stressed than ones in the north.
In Summary:

- **House prices:**
  - Increased less than in the U.S., but fell just as much
  - Current price levels not seen since March 2000

- **Foreclosures and delinquencies in Jefferson County remain at very high levels.**
  - 1.6% of mortgages are in the foreclosure process.
  - 10.5% of mortgages are in some stage of distress.
  - Although slightly better from two years ago, mortgage distress is widespread across the county—most Jefferson County ZIP codes still have high delinquency rates.
Questions?
To receive a copy of my slides, please e-mail me at:

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Jefferson Co. population in 2010

Source: Census and PolicyMap
Jefferson Co. zip codes
Jefferson County unemployment rate is slightly above that of the St. Louis MSA

Source: Bureau of Labor Statistics