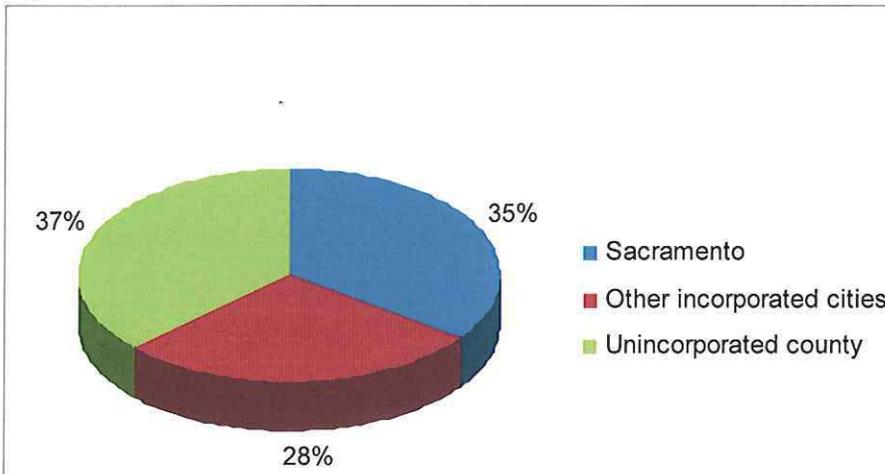


- 95835 (389 NODs)
- 95820 (374 NODs)
- 95822 (362 NODs)
- 95828 (344 NODs).⁸

Figure 4: Distribution of Notices of Default Within County, 2007



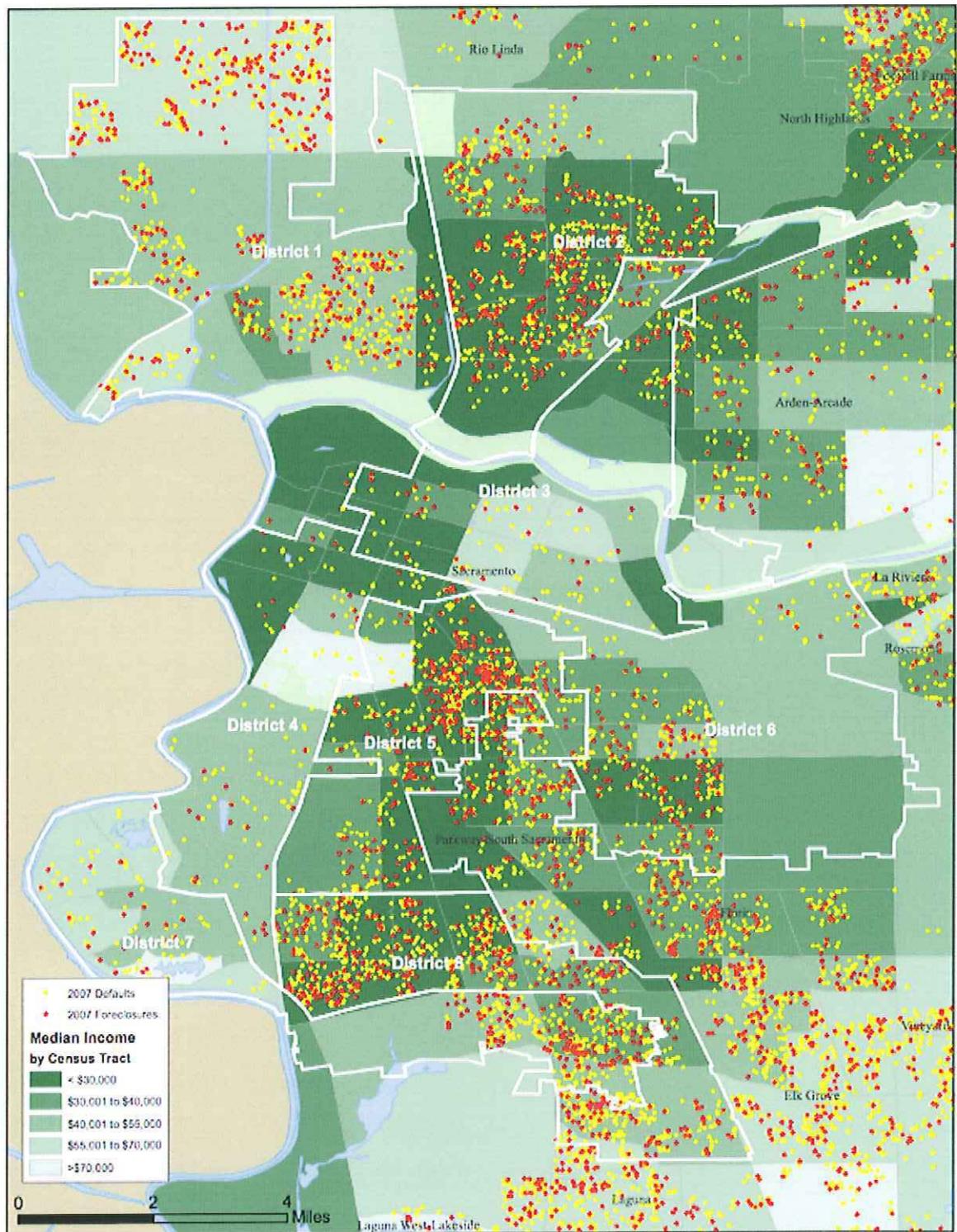
Other Incorporated Cities

Incorporated cities other than the City of Sacramento accounted for more of the defaults within the county, with 37 percent of all defaults within the county. The two cities with relatively high default counts were:

- Elk Grove (1537 default notices filed) and
- Citrus Heights (621 default notices filed).

⁸ Each zip code listed accounts for more than three percent of total filings for Sacramento County.

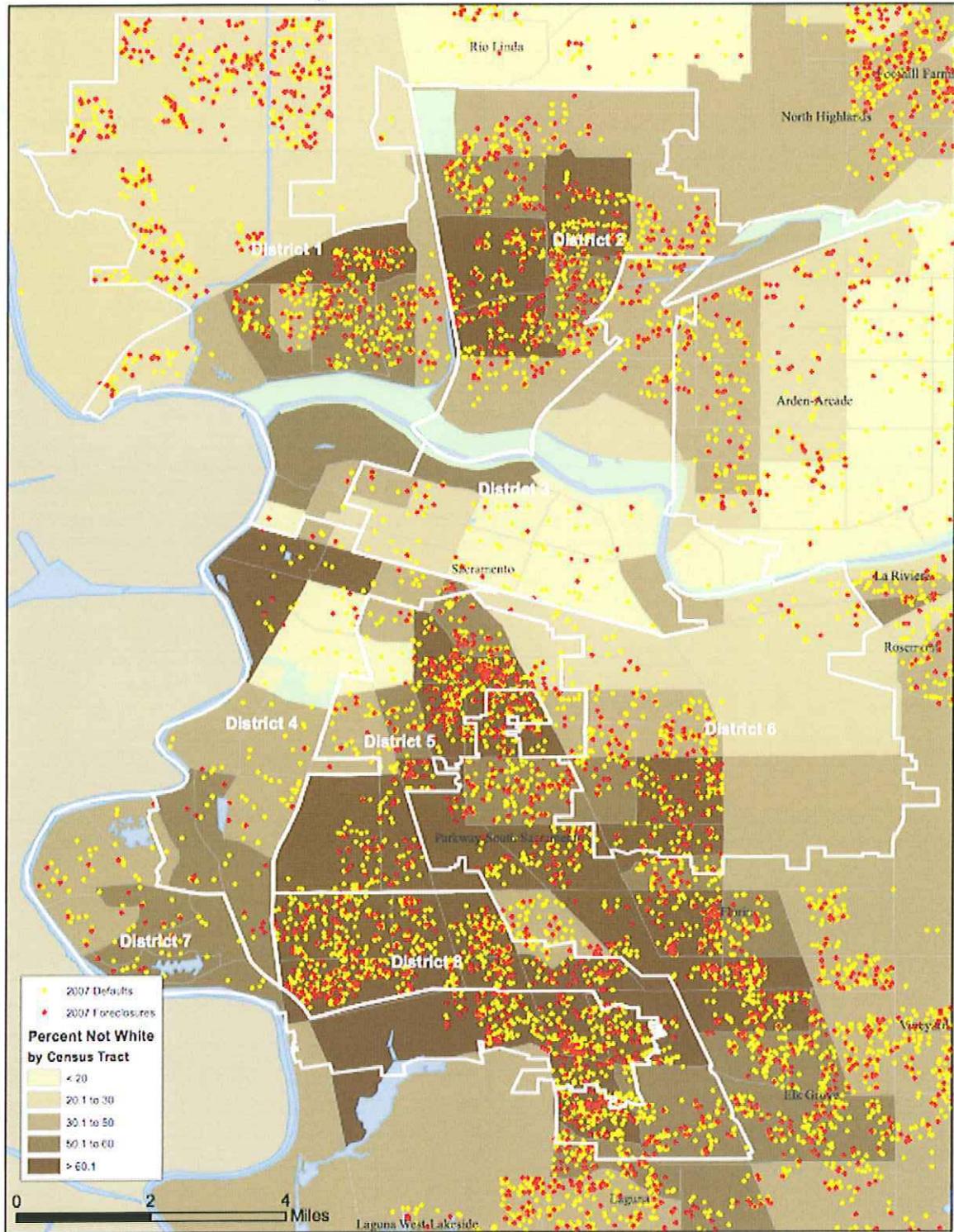
Figure 5: Defaults and Foreclosures in the City of Sacramento in 2007 as Distributed Across Median Income Levels by Census Tracts



Prepared by the California Reinvestment Coalition for the Sacramento Housing and Redevelopment Agency

GIS Data Source: County Recorder and 2000 US Census

Figure 6: Defaults and Foreclosures in the City of Sacramento in 2007 as Distributed Across Racial Concentrations by Census Tracts



Prepared by the California Reinvestment Coalition for the Sacramento Housing and Redevelopment Agency

GIS Data Source: County Recorder and 2000 US Census

Unincorporated County of Sacramento

Approximately 15 percent of all defaults in Sacramento County were in the unincorporated County of Sacramento. The communities with the highest number of default notices were:

- North Highlands with 371 default notices filed; and
- Antelope, with 329 notices filed.

Figure 7: Defaults and Foreclosures in the Unincorporated County of Sacramento in 2007 as Distributed Across Median Income Levels by Census Tracts

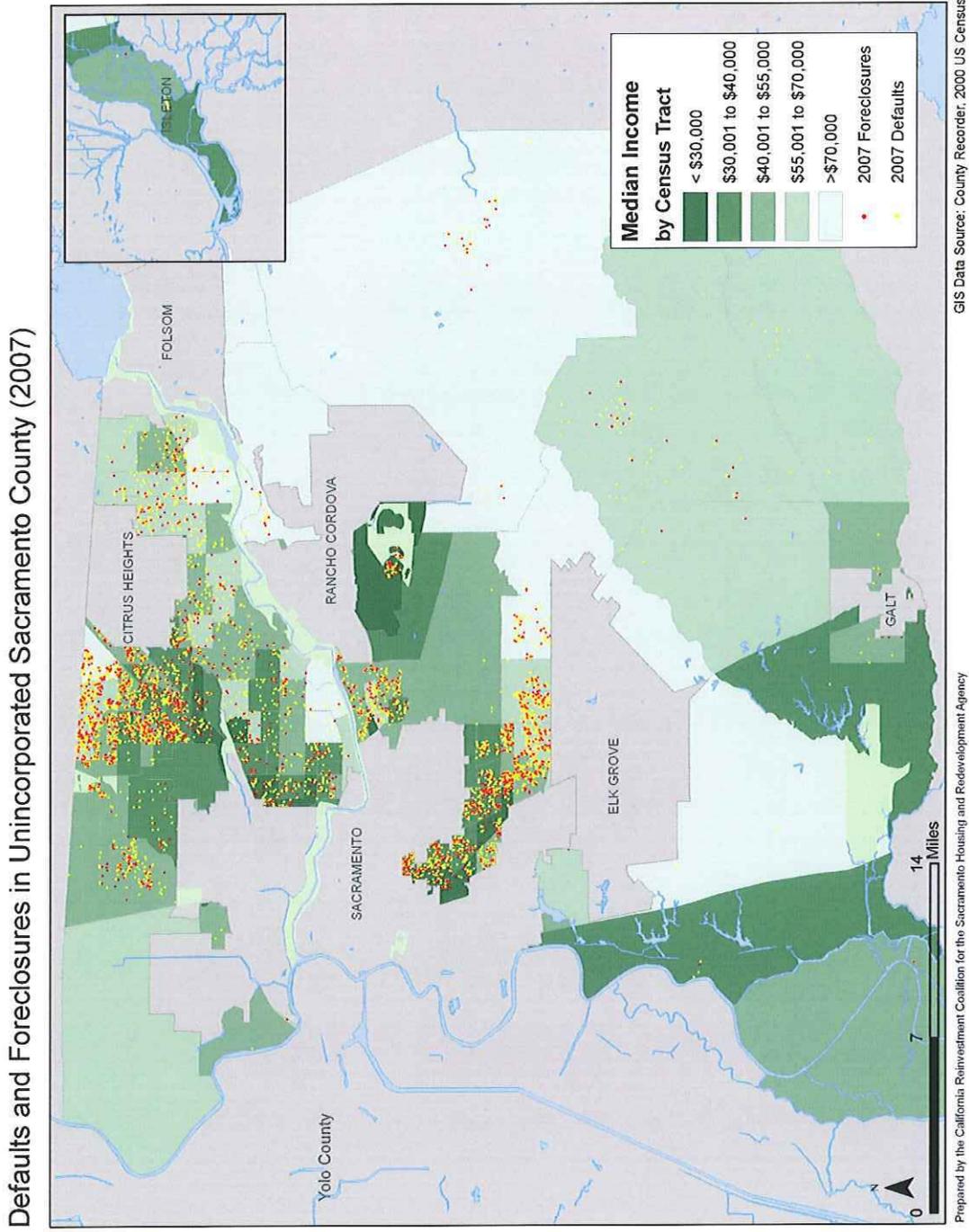
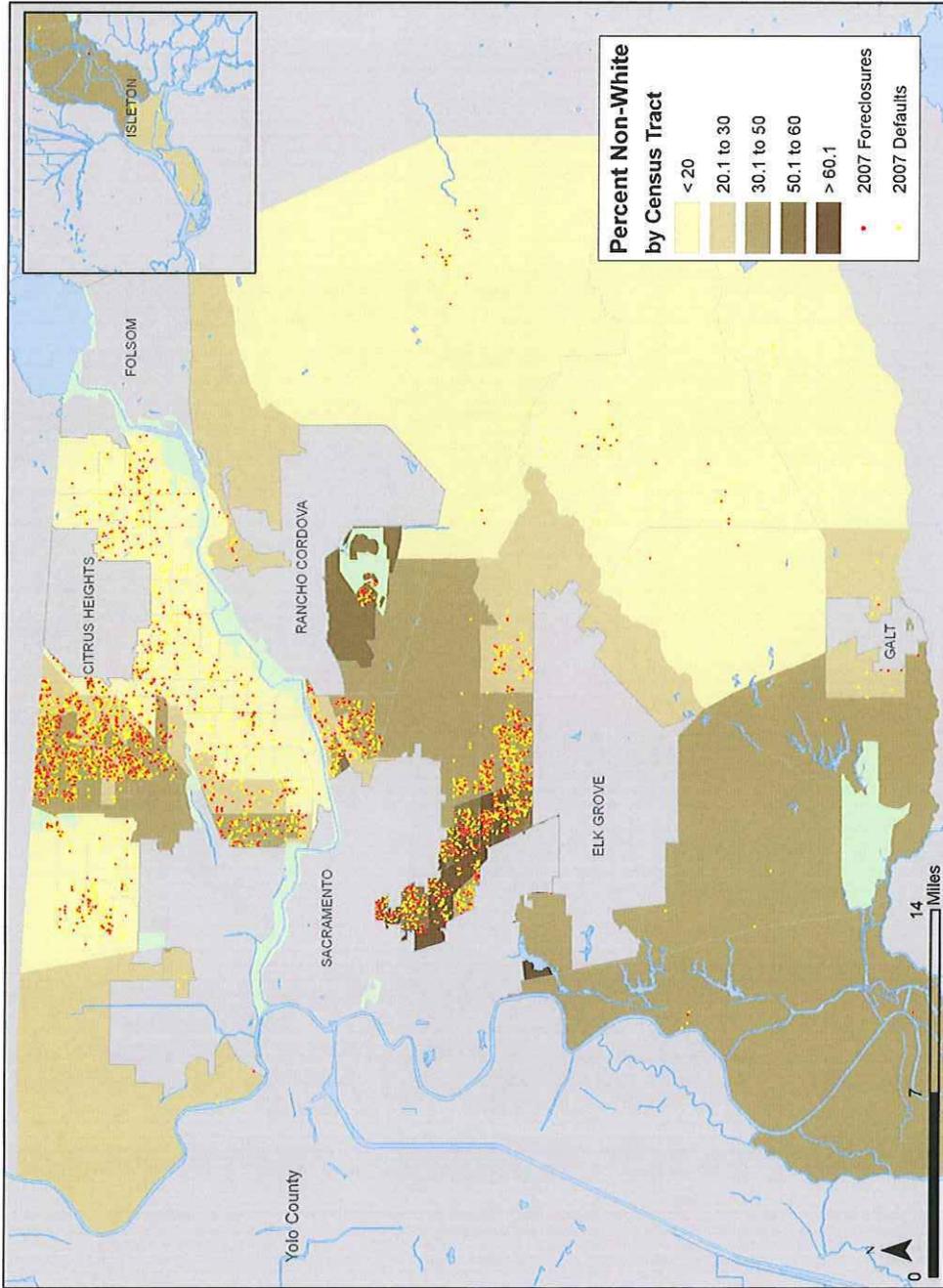


Figure 8: Defaults and Foreclosures in the Unincorporated County of Sacramento in 2007 as Distributed Across Racial Concentrations by Census Tracts

Defaults and Foreclosures in Unincorporated Sacramento County (2007)



Prepared by the California Reinvestment Coalition for the Sacramento Housing and Redevelopment Agency
 GIS Data Source: County Recorder, 2000 US Census

2.4 High-cost lending trends

Based on historic patterns of default, areas with large numbers of high-cost loan⁹ originations in 2005 and 2006 would be the most likely to have higher default and foreclosure rates in 2007. This pattern holds true in Sacramento. The data for the City of Sacramento and unincorporated County of Sacramento show that the distribution of high-cost loans originated in 2006 essentially mirrors the distribution of default and foreclosure activity in 2007. “High-cost loans,” with annual percentage rates (APRs) above those charged for prime rate loans, have become synonymous with “subprime” loans.

Just under one third of borrowers in Sacramento County received high-cost loans in 2005 (32,856 high-cost loans out of 114,793 total loans made) and 2006 (24,256 high-cost loans out of 80,463 total loans made). The levels of high-cost lending were not uniform across Sacramento County. Minority households, which comprise relatively low shares of the population in Sacramento County, had considerably higher rates of high-cost loans than white households. Additionally, predominantly minority and low-income census tracts had much higher rates of high-cost loans than predominantly white and higher-income census tracts as detailed in the table below.

Borrower and Neighborhood Characteristics	% of loans that are high-cost	Disparity Ratio
American Indian/ Alaska Native	32.8%	1.5
Asian	29.5%	1.3
Black or African American	48.4%	2.2
Native Hawaiian/ Other Pacific Islander	40.2%	1.8
Hispanic or Latino	45.6%	2.1
White, non-Hispanic	21.9%	-
Census Tract Racial/ Ethnic Composition		
>80% Minority	48.7%	2.5
<20% Minority	19.7%	-
Census Tract Income		
Low-Moderate (<79.99% Area Median)	40.5%	1.5
Middle-Upper (>80% Area Median)	26.2%	-

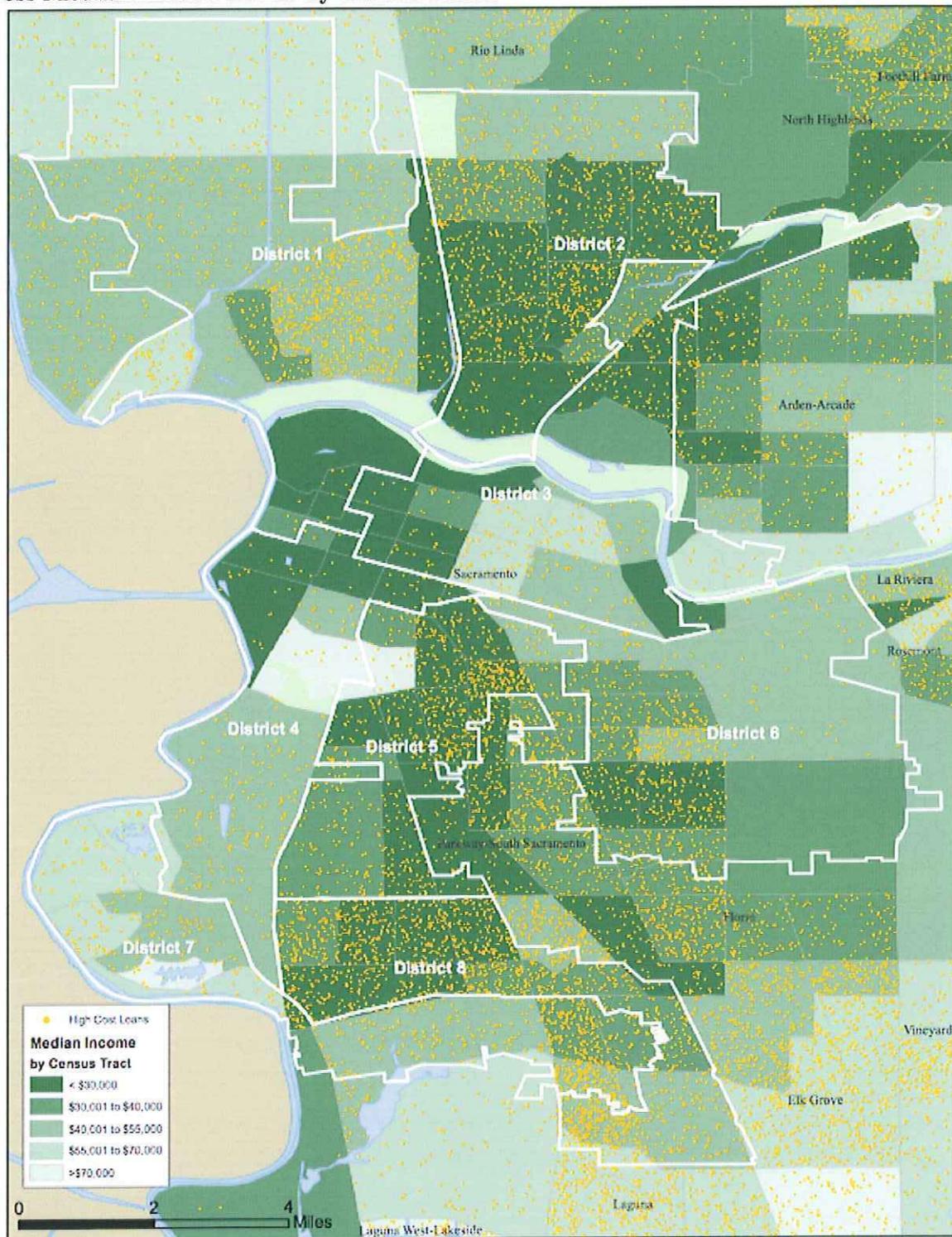
The top four lenders that originated high-cost loans in 2006, which together accounted for more than a quarter of the market share in Sacramento County, were:

- WMC Mortgage Company (1,940 subprime loans made)
- Long Beach Mortgage Company (1,746)
- New Century Mortgage Corporation (1,707), and
- Fremont Investment and Loan (1,102).

⁹ A “high-cost loan” is defined in this report as a loan that was reported as a “rate spread” loan under the Home Mortgage Disclosure Act (HMDA) reporting requirements. More specifically, this includes first lien loans with annual percentage rates (APRs) that exceed the rate on Treasury securities of comparable maturity by three percent and second liens with APRs that exceed the rate on Treasury securities of comparable maturity by five percent. Using the Federal Financial Institutions Examination Council “Treasury Securities of Comparable Maturity under Regulation C” Table, it is estimated that the average comparable Treasury rate for 2006 was X percent and that high-cost loans in 2006 therefore carried APRs of X percent or higher for first lien loans and X% or higher for second lien loans. See www.ffiec.gov.

All of these companies are no longer originating home loans. New Century filed for bankruptcy as too many of its loans went into default. A recent National Servicing News article reported that New Century account executives allegedly instructed loan brokers to print up business cards for loan applicants seeking stated income loans. Fremont Investment and Loan was subject to a rare cease and desist order from the FDIC, and many of its loans were recently deemed “presumptively unfair” by a Massachusetts state court. All this suggests that there are likely many problematic loans sitting in Sacramento communities.

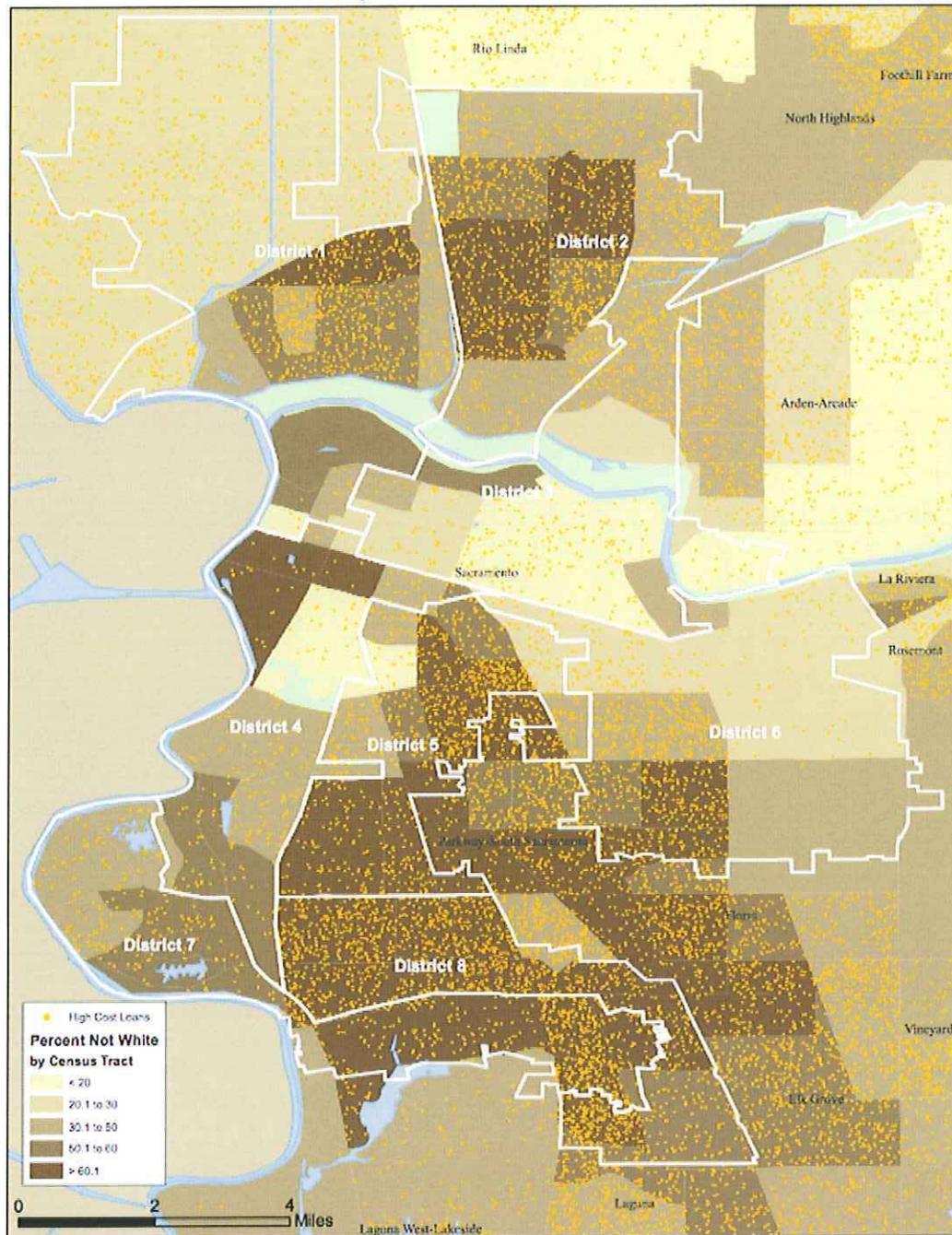
Figure 9: High-Cost Loans in the City of Sacramento Originated in 2006 as Distributed Across Median Income Levels by Census Tracts



Prepared by the California Reinvestment Coalition for the Sacramento Housing and Redevelopment Agency

GIS Data Source: HMDA and 2000 US Census

Figure 10: High-Cost Loans in the City of Sacramento Originated in 2006 as Distributed Across Racial Concentrations by Census Tracts



Prepared by the California Reinvestment Coalition for the Sacramento Housing and Redevelopment Agency

GIS Data Source: HMDA and 2000 US Census