

# Merrimack Valley *housingreport*



MIDDLESEX NORTH  
REGISTRY OF DEEDS

An e-publication of UMass Lowell and the Middlesex North Registry of Deeds

## Volume 2, Issue 1 January 2009

The 2008 Foreclosure Crisis: What will 2009 bring? .....	1
Foreclosed Properties: Taking Responsibility.....	1
2007 and 2008 Deed's, Mortgage's and Foreclosure's Compared .....	2

## The 2008 Foreclosure Crisis: What will 2009 bring?

*David Turcotte and John Fraser*

The number of foreclosures within the Merrimack Valley during 2008 reached levels not seen since the crisis of the 1990s. As indicated by the enclosed table, the quantity of foreclosure deeds recorded in 2008 within Haverhill, Lawrence, Lowell, and Methuen all increased substantially from 2007 levels. The City of Lawrence experienced the largest number of foreclosures in the region with 457, a 74.4% increase from the 262 foreclosures recorded in 2007. Lowell had

the second biggest amount of foreclosure deeds filed with 370, but saw a smaller increase than Lawrence (38%) from the previous year's total of 268. Methuen, with 97 foreclosures had the smallest number of recorded deeds among the four communities in 2008, but witnessed the largest increase (86.5%) from 2007 totals of 52. Haverhill experienced 201 foreclosures in 2008 a 34.5% increase from the 149 foreclosure deeds recorded in 2007.

*cont. on pg.6*

## Foreclosed Properties: Taking Responsibility

*Richard P. Howe Jr.*

Last summer, the Lowell City Council enacted a Foreclosed and Abandoned Property Ordinance (sections 227-7 to 227-16 of the City Code) that set certain upkeep and registration requirements for the owners of abandoned or foreclosed properties. It also imposed registration fees and fines for non-compliance. The Lowell ordinance is comprehensive and much needed, but the scale of the problem almost dwarfs the city's ability to act effectively. In 2007, there were 283 foreclosure deeds recorded for property in Lowell. In 2008, that number rose to 392\*. March, April and May of 2008 saw the most

foreclosures, but after a lull in the summer and early fall, the monthly numbers are climbing once again. At almost every foreclosure auction, the high bidder is the lender who is conducting the foreclosure, so the new owner of the property immediately after the foreclosure sale is the very same lender who made what was often a reckless and ill-considered loan in the first place. These lenders cared little about the community when they were making these loans, so it's not realistic to expect them to have developed a civic conscience in the meantime.

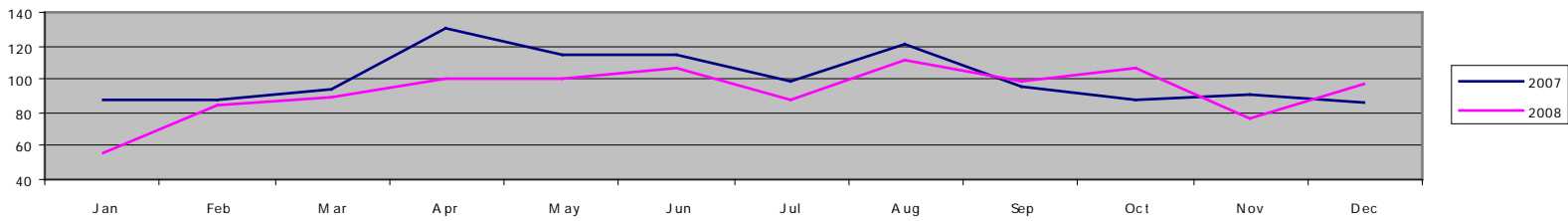
\*Recorded and Registered land.

*cont. on pg.6*

## Deeds, Mortgages, and Foreclosure Recorded for the City of Haverhill\* 2007 and 2008 Month by Month Comparison

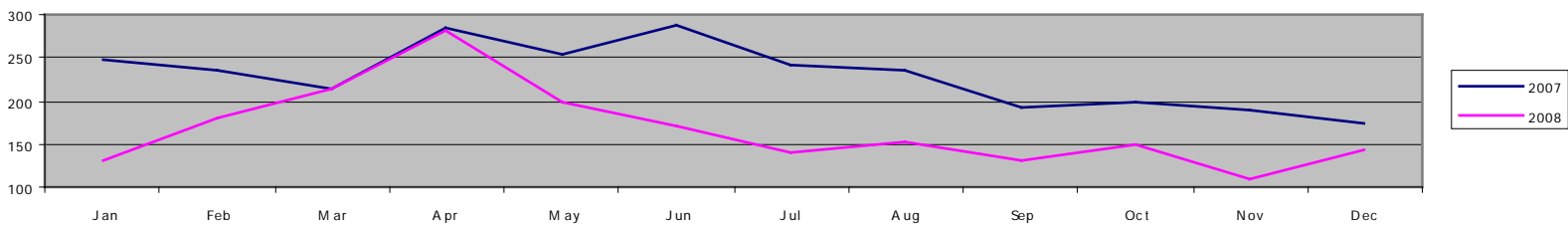
### Number of Deeds Filed in Haverhill 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Deeds '07	88	88	94	130	115	115	99	121	95	98	91	86	1210
Deeds '08	56	84	89	101	101	106	88	111	99	106	77	97	1115



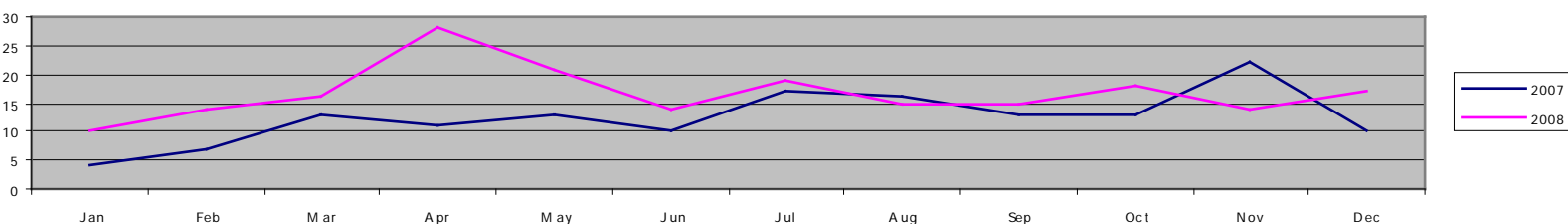
### Number of Mortgages Filed in Haverhill 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mortgages '07	247	235	215	285	253	288	243	234	193	197	190	175	2755
Mortgages '08	132	180	215	282	197	171	139	152	132	148	108	144	2000



### Number of Foreclosures Filed in Haverhill 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Foreclosures '07	4	7	13	11	13	10	17	16	13	13	22	10	149
Foreclosures '08	10	14	16	28	21	14	19	15	15	18	14	17	201

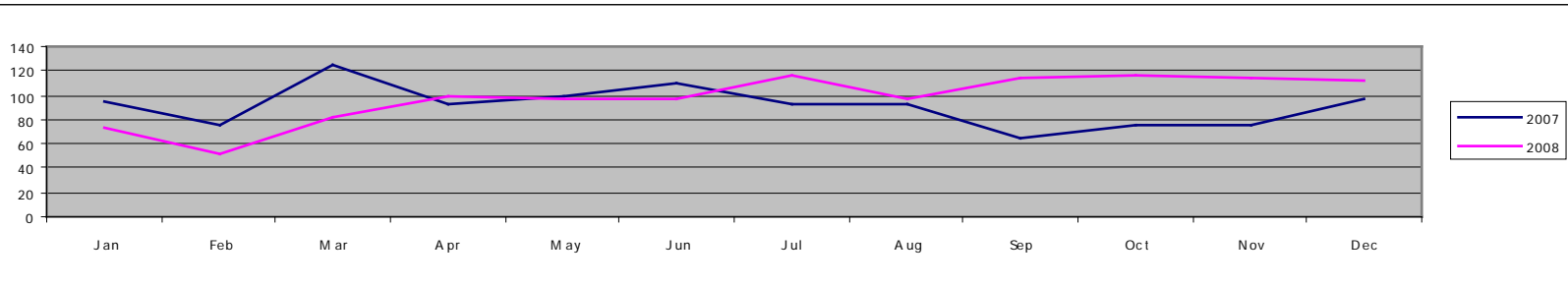


\*Data collected from "Recorded Land Documents" only.

## Deeds, Mortgages, and Foreclosure Recorded for the City of Lawrence\* 2007 and 2008 Month by Month Comparison

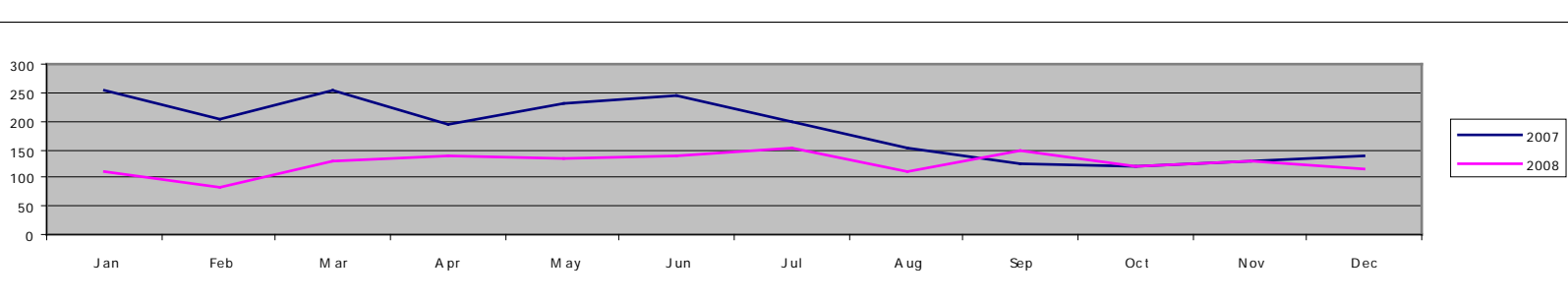
### Number of Deeds Filed in Lawrence 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Deeds '07	95	75	124	92	99	110	93	92	64	75	75	96	1090
Deeds '08	74	51	82	100	98	98	116	97	115	116	115	111	1173



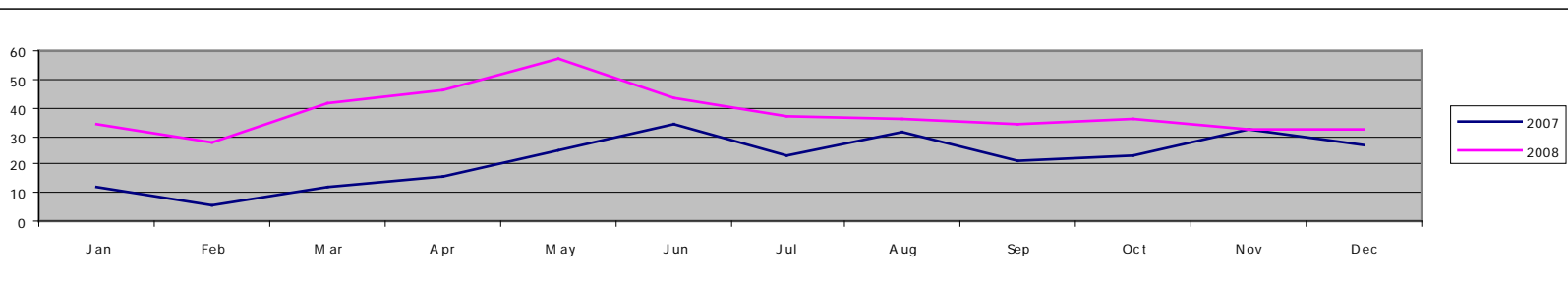
### Number of Mortgages Filed in Lawrence 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mortgages '07	253	201	256	195	231	243	199	151	126	122	130	139	2246
Mortgages '08	111	81	130	138	132	138	152	112	146	120	128	115	1503



### Number of Foreclosures Filed in Lawrence 2007-2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Foreclosures '07	12	6	12	16	25	34	23	31	21	23	32	27	262
Foreclosures '08	34	28	42	46	57	43	37	36	34	36	32	32	457

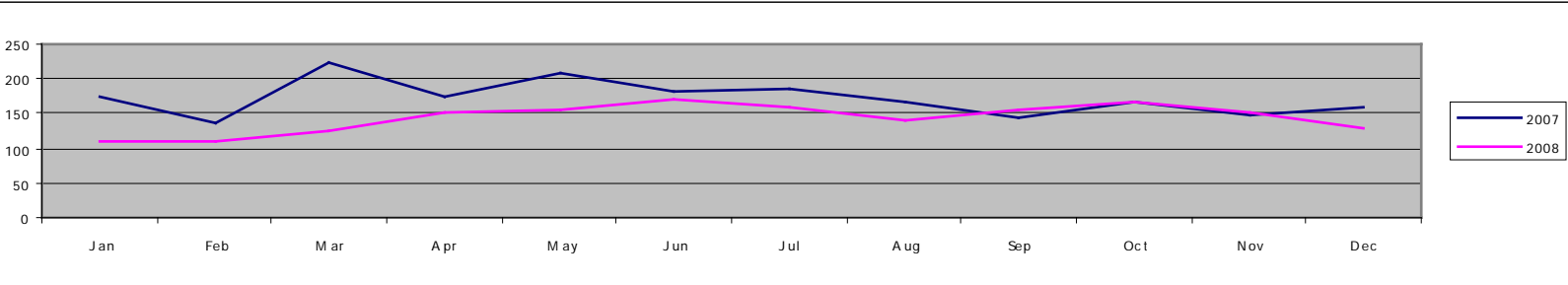


\*Data collected from "Recorded Land Documents" only.

## Deeds, Mortgages, and Foreclosure Recorded for the City of Lowell\* 2007 and 2008 Month by Month Comparison

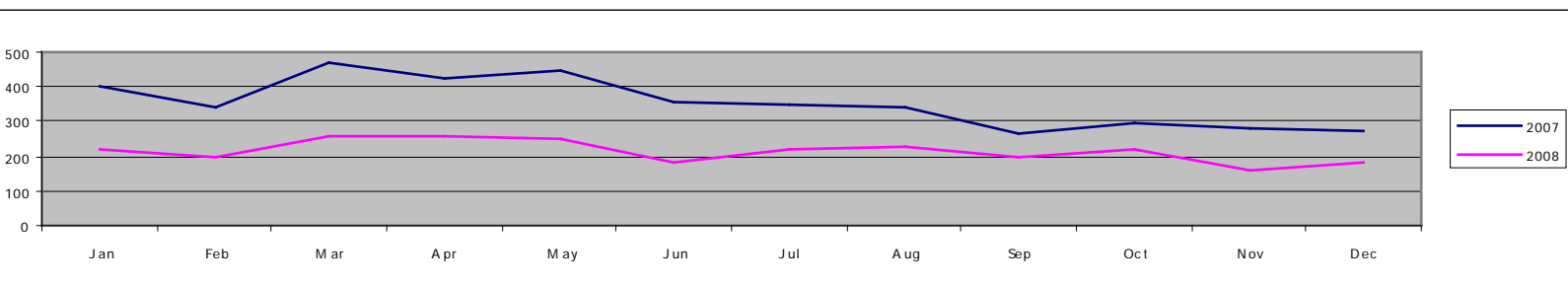
*Number of Deeds Filed in Lowell 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Deeds '07	174	137	222	173	207	183	187	166	144	167	146	159	2065
Deeds '08	111	111	125	151	156	171	158	139	157	166	152	130	1727



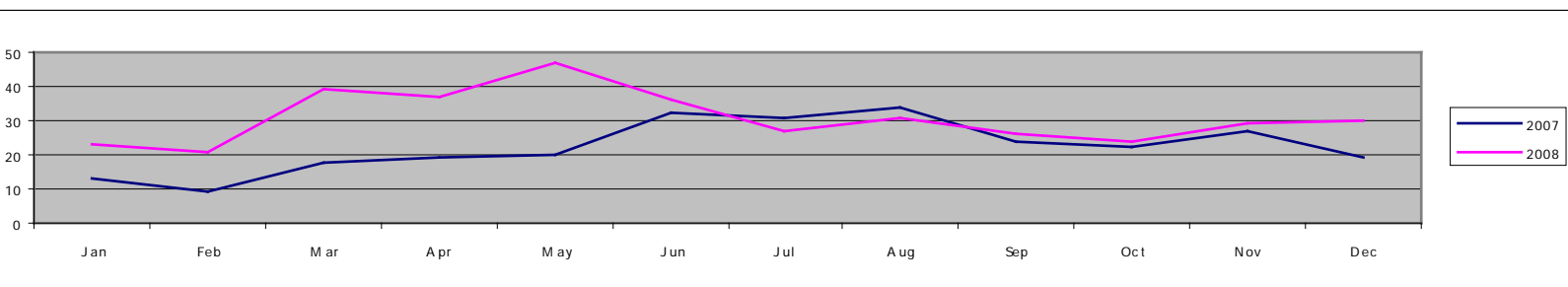
*Number of Mortgages Filed in Lowell 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mortgages '07	398	344	470	425	449	357	352	343	268	295	279	270	4250
Mortgages '08	222	196	259	254	253	181	220	227	196	222	162	183	2575



*Number of Foreclosures Filed in Lowell 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Foreclosures '07	13	9	18	19	20	32	31	34	24	22	27	19	268
Foreclosures '08	23	21	39	37	47	36	27	31	26	24	29	30	370

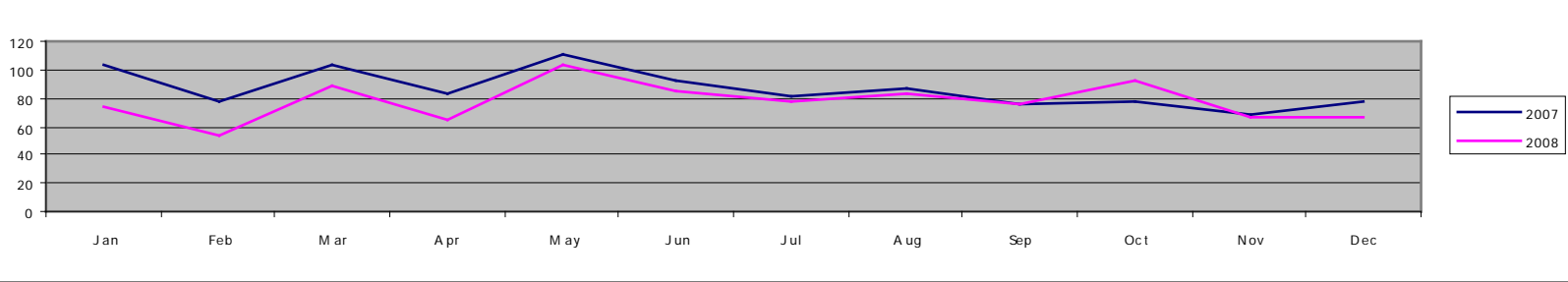


\*Data collected from "Recorded Land Documents" only.

**Deeds, Mortgages, and Foreclosure Recorded for the City of Methuen\***  
 2007 and 2008 Month by Month Comparison

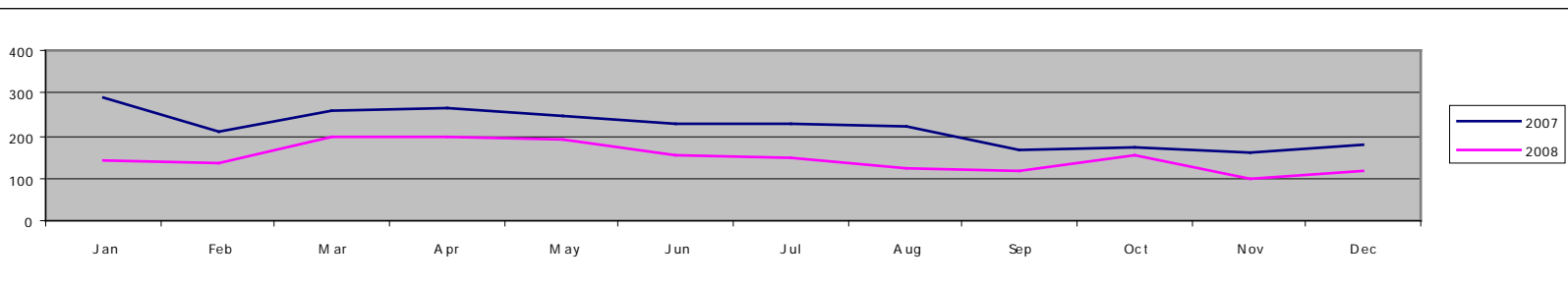
*Number of Deeds Filed in Methuen 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Deeds '07	104	78	104	84	111	92	81	87	75	77	69	78	1040
Deeds '08	74	54	89	65	103	85	78	84	76	93	67	67	935



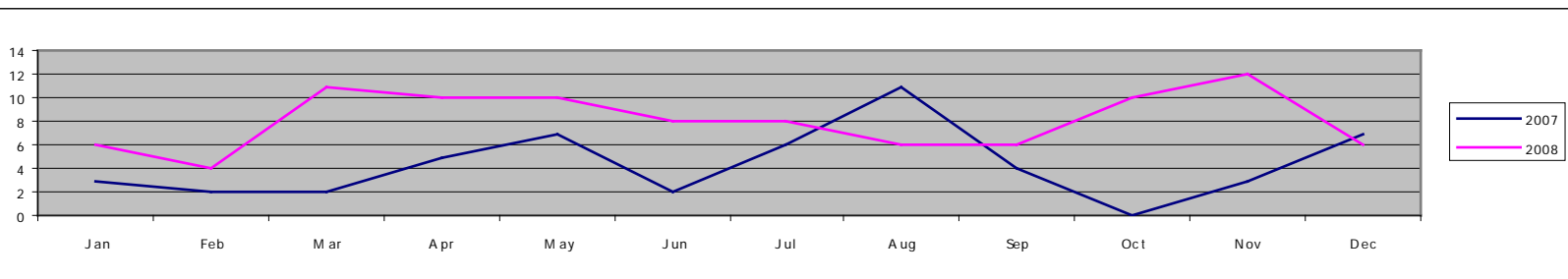
*Number of Mortgages Filed in Methuen 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Mortgages '07	290	212	259	266	246	225	226	224	167	170	162	178	2625
Mortgages '08	143	135	197	199	193	153	146	122	120	152	100	115	1775



*Number of Foreclosures Filed in Methuen 2007-2008*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Foreclosures '07	3	2	2	5	7	2	6	11	4	0	3	7	52
Foreclosures '08	6	4	11	10	10	8	8	6	6	10	12	6	97



\*Data collected from "Recorded Land Documents" only.

*2008 Foreclosures cont. from pg.1*

A comparison of 2008 foreclosure numbers in Lowell and Lawrence to levels during the crisis of the 1990s illustrates the severity of the problem for the two biggest cities in the region. With 457 deeds recorded in 2008, Lawrence surpassed the 1990s highpoint of 416 foreclosures in 1992. While Lowell's last year's total of 370 failed to exceed the 380 foreclosure deeds recorded in 1993, it certainly came close. A further look at foreclosure numbers recorded in the year after the highpoint in the 1990s may give us some indication of the number of foreclosures these cities could experience in 2009. Lawrence had 393 foreclosures in 1993, a 5.5% decline from the previous year. In addition, Lowell experienced only a slight decrease the following year with 366 foreclosure deeds recorded in 1994. However, it was not until 1995 that both cities began to experience a significant reduction in foreclosure rates.

What do 2008 foreclosure statistics and a comparison to the 1990s crisis tell us about what to expect in 2009?

*Taking Responsibility cont. from pg.1*

Looking at the list of the top ten participants in foreclosures held from January 1, 2002 through December 31, 2008 helps illustrate this problem.

Deutsche Bank – 150  
 Wells Fargo – 100  
 US Bank NA – 94  
 Federal National Mortgage Assoc – 63  
 Bank of New York – 57  
 HSBC Bank – 39  
 Federal Home Loan Mortgage Corp – 32  
 LaSalle Bank – 27  
 JP Morgan Chase – 12  
 WM Specialty Mortgage LLC – 12

Nearly every entity that was involved in more than five foreclosures was a major national lender. Contrast those statistics with the number of foreclosures during the same

A monthly analysis of 2008 foreclosure deeds recorded indicate that the number of foreclosures stabilized and saw a slight decline in the second half of year when compared with the first six months. For example, Lawrence average 41.7 foreclosure monthly during the first half of 2008 with May reaching a high of 57, while the last half of the year averaged 34.5 per month. Lowell had almost 38 foreclosed deeds recorded monthly in the first half, while the average decreased to approximately 28 each month in the second half. This decline in foreclosure deeds filed in the second half could be due to a combination of governmental efforts to mitigate the crisis and lenders increased willingness to arrange loan modifications. Nevertheless, the wildcard appears to be the overall economy. If Federal efforts to stem the foreclosure crisis and stimulate the overall economy are successful, then we may see further decline in the number of foreclosure deeds recorded in 2009. However, if unemployment continues to increase and the economy worsens, then we could see a spike in foreclosures this year. The next several months should give us a good indication of how foreclosure rates will trend in 2009. █

time period that involved local banks:

Enterprise Bank & Trust Co. – 1  
 Jeanne D'Arc Credit Union – 1  
 Lowell Five Cent Savings Bank – 1  
 Lowell Cooperative Bank – 0  
 Butler Bank – 0  
 Washington Savings Bank – 0

As you can see, the local banks lent responsibly during the recent housing boom. The problem came from national lenders for whom loans in Lowell were merely statistics, which is the same way they look at the foreclosures – statistics. The city should vigorously enforce the ordinance, but the biggest offenders in Lowell will be the biggest offenders in every other community in America that's drowning in foreclosures (which is most of them). The only way out of this problem is to get new, responsible homeowners into these foreclosed properties as quickly as possible, but with the economy in such dire straits, that will be no easy task. █

The *Merrimack Valley Housing Report* is published by  
UMASS Lowell and the Middlesex North Registry of Deeds.

Richard P. Howe Jr., Editor  
[Richard.Howe@sec.state.ma.us](mailto:Richard.Howe@sec.state.ma.us)

David Turcotte, Editor  
[David\\_Turcotte@uml.edu](mailto:David_Turcotte@uml.edu)

John Fraser, Research Assistant/Writer  
[John\\_Fraser@student.uml.edu](mailto:John_Fraser@student.uml.edu)

Center for Family, Work, and Community  
University of Massachusetts Lowell  
600 Suffolk Street, First Floor South  
Lowell, MA 01854  
Tel. (978) 934-4682  
[www.uml.edu/mvhousing](http://www.uml.edu/mvhousing)

*This project is funded in part by the Office of the Chancellor  
and the Office of Outreach, UMass Lowell.*

---

### **Subscribe to the Merrimack Valley Housing Report**

To begin receiving this monthly e-publication, please e-mail David  
Turcotte at [David\\_Turcotte@uml.edu](mailto:David_Turcotte@uml.edu).