

LOOK FOR FORECLOSURES IN YOUR NEIGHBORHOOD: AN EXCLUSIVE INTERACTIVE MAP ONLINE AT - charlotte.com

Foreclosures

Mapping Mecklenburg's Mortgage Failures

Each small square on the map marks a foreclosure – the forced sale of a Mecklenburg family's home.

They're rare in south Charlotte. They cluster ominously in the city's western, northern and eastern quadrants.

About 80 percent of Mecklenburg's rising foreclosures are homes priced \$150,000 or less, the Observer's study found. Real estate experts consider those starter homes.

"Some of the starter-home neighborhoods are sad," says Tony Smith, a Charlotte real estate broker who specializes in foreclosures. "Sometimes I actually deal with the same house twice. It will foreclose after about a year. I help sell it. Then in about 18 months, it's foreclosing again."

The newspaper's study, the first to map rising foreclosures here, looked at more than 4,900 single-family home loans that failed between 2003 and early 2005.

The Observer found 54 Mecklenburg neighborhoods hard hit by skyrocketing foreclosures. They have at least one street where 15 percent or more of homes have foreclosed in about two years. A handful had even higher rates.

That's "stunningly high," says Mal Maynard, who heads the

Financial Protection Law Center, a Wilmington nonprofit. Nationally, about 3 percent of all home loans were in foreclosure in the same period.

In Mecklenburg's high-foreclosure neighborhoods, the consequences were widely felt.

Property values were much more likely to drop in those neighborhoods than in others with average or below-average foreclosure rates.

Almost all buyers in neighborhoods with high foreclosure rates got easy-credit loans, the study found.

"People are being told it's their right to own a home, regardless of their credit or history," says real estate educator Cindy Chandler of Charlotte. "Bad loans are being made."

Northridge Village: A Portrait of Foreclosure Pain

Since the first family moved to Northridge Village in 1999, more than a third of the owners in the northeast Charlotte subdivision have lost their homes to foreclosure.

The total includes nine of 13 homes on Hope Valley Lane, the highest share on any street in Mecklenburg County, according to an Observer analysis.

Some homes sit vacant, and several residents said they are concerned about rising crime.

Northridge is a neighborhood of one- and two-story homes, with mostly vinyl siding. Average size is 1,279 square feet. Initial sales prices averaged \$106,367.

Many buyers borrowed more than they could afford. They mostly used loans guaranteed by the federal

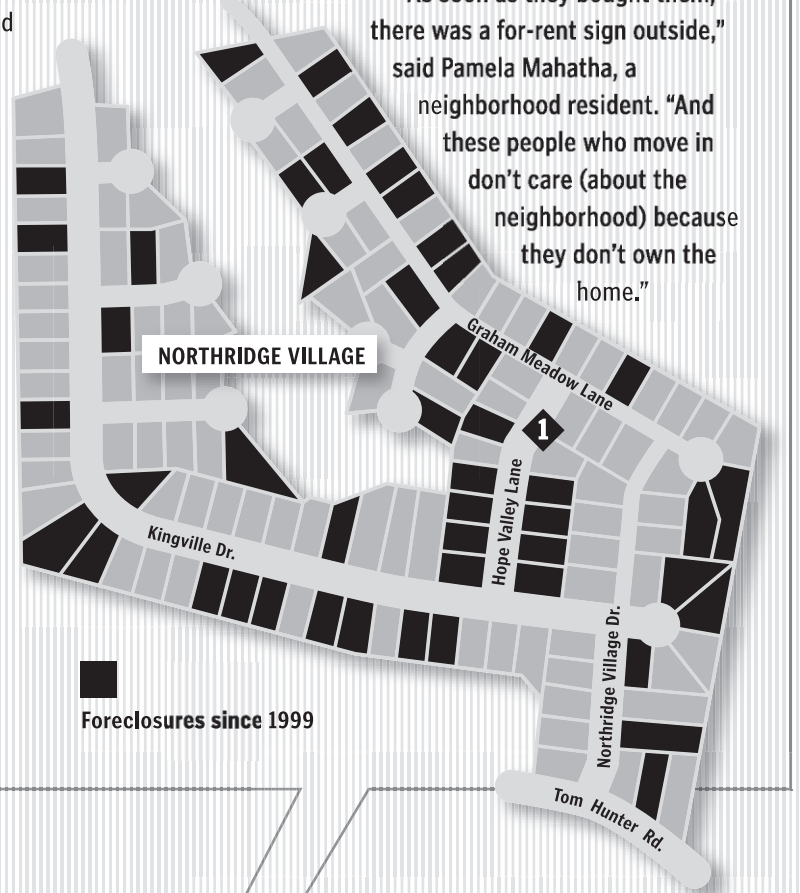
government. They fell behind, and lost their homes.

Some remaining owners would like to sell, but can't. In six years, only four residents have sold their homes for a profit. Four more sold for a loss.

The problem is that foreclosed homes are available at a steep discount.

High numbers of rental homes haven't helped. The builder sold 20 percent of the neighborhood to investors. One person bought 13 homes. Another bought six on a single day.

"As soon as they bought them, there was a for-rent sign outside," said Pamela Mahatha, a neighborhood resident. "And these people who move in don't care (about the neighborhood) because they don't own the home."



High Foreclosure Streets

These eight streets have foreclosure rates that were above 30 percent from 2003 to early 2005. By comparison, less than four percent of all home loans nationally failed in that time.

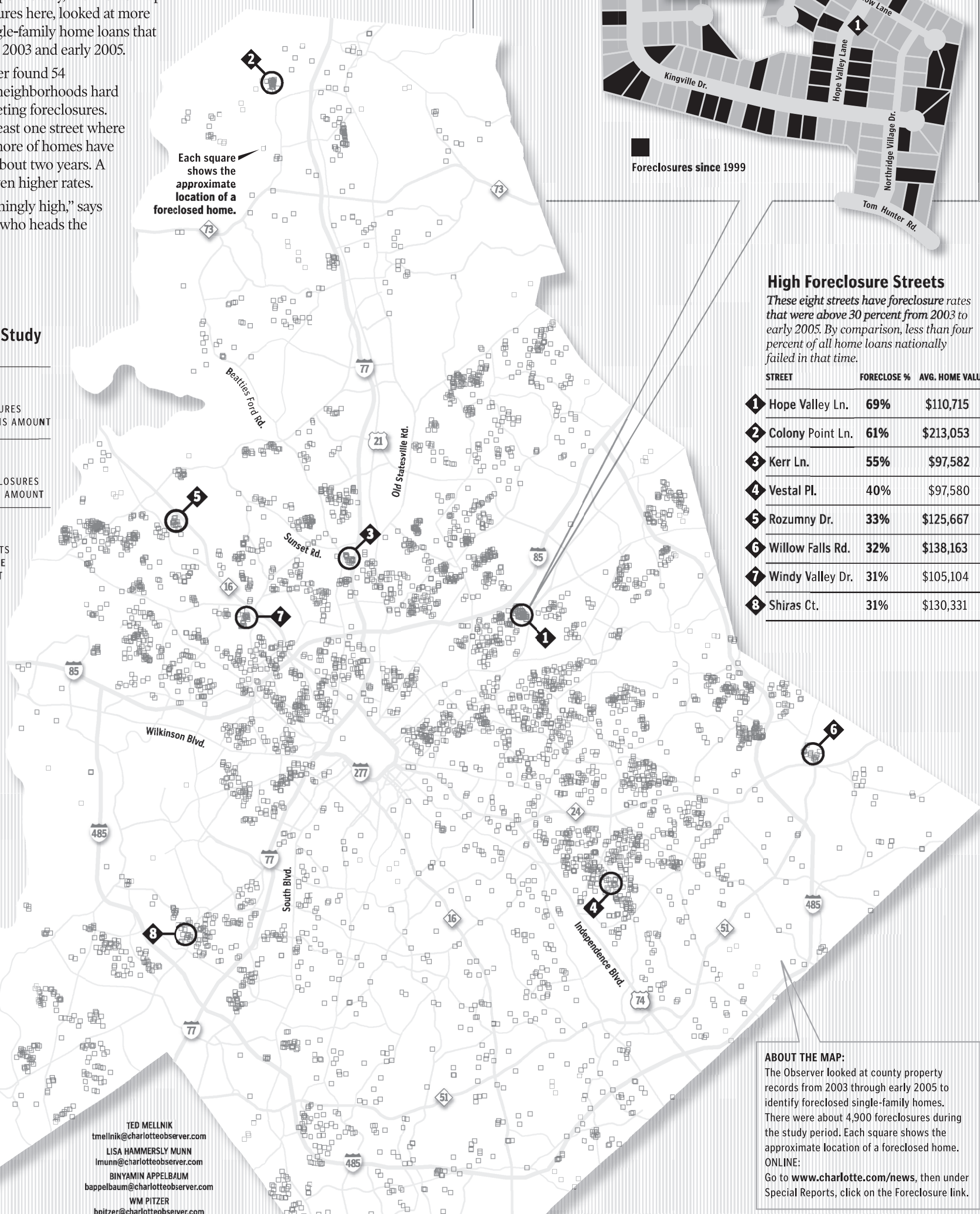
STREET	FORECLOSE %	AVG. HOME VALUE
1 Hope Valley Ln.	69%	\$110,715
2 Colony Point Ln.	61%	\$213,053
3 Kerr Ln.	55%	\$97,582
4 Vestal Pl.	40%	\$97,580
5 Rozumny Dr.	33%	\$125,667
6 Willow Falls Rd.	32%	\$138,163
7 Windy Valley Dr.	31%	\$105,104
8 Shiras Ct.	31%	\$130,331

Foreclosure Study Highlights

\$150,000
81% OF FORECLOSURES VALUED UNDER THIS AMOUNT

\$500,000
ONLY 1% OF FORECLOSURES VALUED OVER THIS AMOUNT

71
NUMBER OF STREETS WITH FORECLOSURE RATES OF AT LEAST 15% - ABOUT FIVE TIMES THE NATIONAL AVERAGE.



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ABOUT THE MAP:
The Observer looked at early property records from 2003 through early 2005 to identify foreclosed single-family homes. There were about 4,900 foreclosures during the study period. Each square shows the approximate location of a foreclosed home.
ONLINE:
Go to www.charlotte.com/news, then under Special Reports, click on the Foreclosure Link.

Mecklenburg Foreclosure Filings are the State's Highest

Mecklenburg and area counties had some of the highest foreclosure rates in 2004, following sharp increases in recent years. South Carolina's foreclosure filing records include only part of 2004.

COUNTY	FORECLOSURE FILINGS	RATE PER 1,000 POP	COUNTY	FORECLOSURE FILINGS	RATE PER 1,000 POP
Mecklenburg	6,584	8.6	Alexander	147	4.2
Gaston	1,306	6.8	Burke	364	4.1
Lincoln	437	6.4	Stanly	229	3.9
Iredell	839	6.2	Anson	97	3.8
Union	923	6.1	OTHER LARGE URBAN AREAS		
Cabarrus	886	6.0	Durham	1,434	6.0
Cleveland	566	5.8	Guilford	2,557	5.9
Caldwell	453	5.8	Forsyth	1,609	5.0
Rowan	746	5.6	Wake	3,350	4.6
Catawba	774	5.2	N.C.	42,882	5.0

