

# News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY

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## **CHARACTERISTICS OF HIGH-FORECLOSURE NEIGHBORHOODS IN THE TENTH DISTRICT**

Since 2006, the country's foreclosure crisis has continued to grow, with more than 3 million homeowners losing their homes. The crisis is widespread, but the impact has varied across different geographic areas. Low-income neighborhoods were hit hard early on, and while foreclosures are starting to rise in higher-income areas, these neighborhoods have not been hit uniformly.

In the article "Characteristics of High-Foreclosure Neighborhoods in the Tenth District," senior economist Kelly Edmiston of the Federal Reserve Bank of Kansas City examines the factors that help account for the differences in foreclosure rates across neighborhoods in the seven states that make up the Tenth Federal Reserve District. Edmiston also explores how the pattern of foreclosures will evolve in the future. The article appears in the second quarter edition of the Bank's *Economic Review*.

Edmiston's analysis confirms that low-income neighborhoods in the Tenth District have experienced high foreclosure rates, but only to the extent that subprime mortgages have penetrated those areas. Furthermore, Edmiston finds that foreclosures are growing in higher-income areas, primarily because of unfavorable economic conditions and weak residential real estate markets.

The article is available on the Bank's website at [www.KansasCityFed.org](http://www.KansasCityFed.org).

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