

30 MONTHS OF MORTGAGE FORECLOSURE AUCTIONS IN HENNEPIN COUNTY

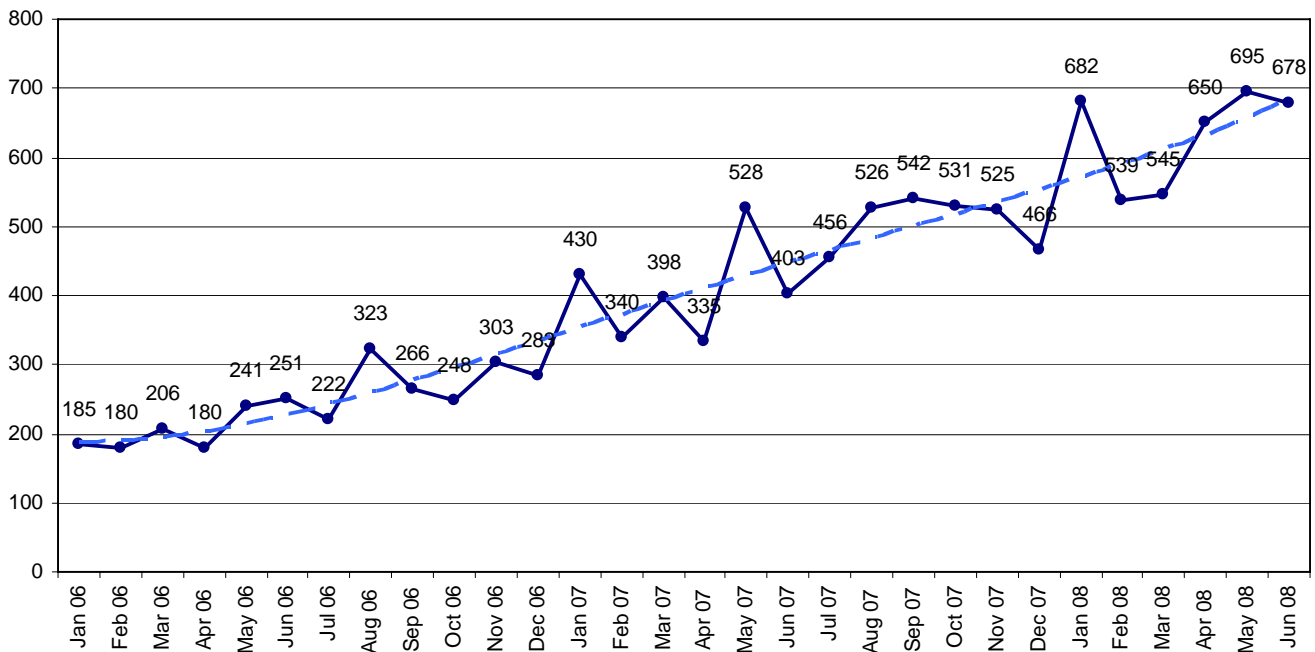


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In January 2008, HSSC and the Northwest Hennepin Human Services Council (NWHHSC) released a report entitled, "Shattered Dreams: The Mortgage Foreclosure Crisis in Suburban Hennepin County and its Impact on Cities and Communities." That report detailed the origins of the mortgage foreclosure crisis, its broad impact, and current efforts to alleviate the crisis. The report also contained data on the number of mortgage foreclosure auctions (commonly referred to as "Sheriff Sales") in Hennepin County for calendar year 2007. Since the release of that report, HSSC has obtained foreclosure data from the Hennepin County Sheriff's Office for all of 2006 as well as the first six months of 2008 – thus, we now have 30 months of data to analyze the long term trends in mortgage foreclosures in Hennepin County.

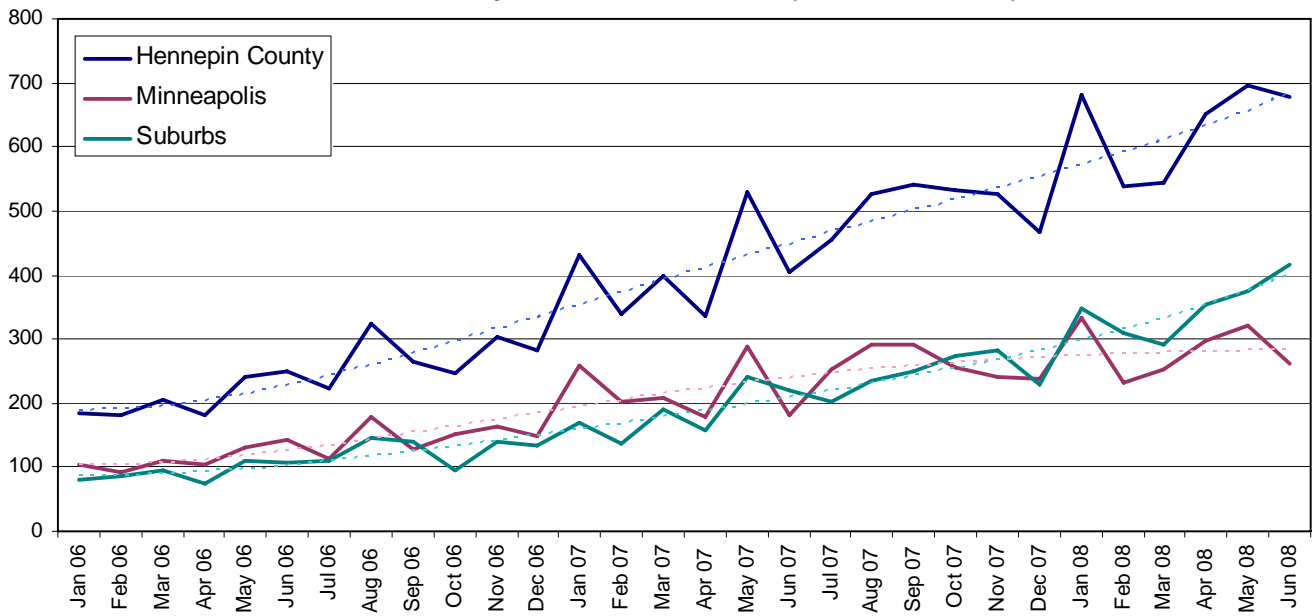
There has been no slowdown in the increasing number of mortgage foreclosure auctions in Hennepin County since January of 2006. The number of foreclosure auctions in June 2008 (678) increased 68.2% from the number in June 2007 (403) which itself was an increase of 60.6% from the number of auctions in June 2006 (251). Similarly, the number of mortgage foreclosure auctions in Hennepin County in the Second Quarter of 2008 (2,023) increased 59.8% from the Second Quarter of 2007 (1,266) which was an increase of 88.4% from the Second Quarter of 2006 (672). For the 12 month period from July 2007 to June 2008, the number of mortgage foreclosure auctions in Hennepin County (6,835) increased 67.6% from the number of auctions in the 12 month period from July 2006 to June 2007 (4,079).

**Monthly Mortgage Foreclosure Auctions in Hennepin County
from January 2006 to June 2008 (with trendline)**



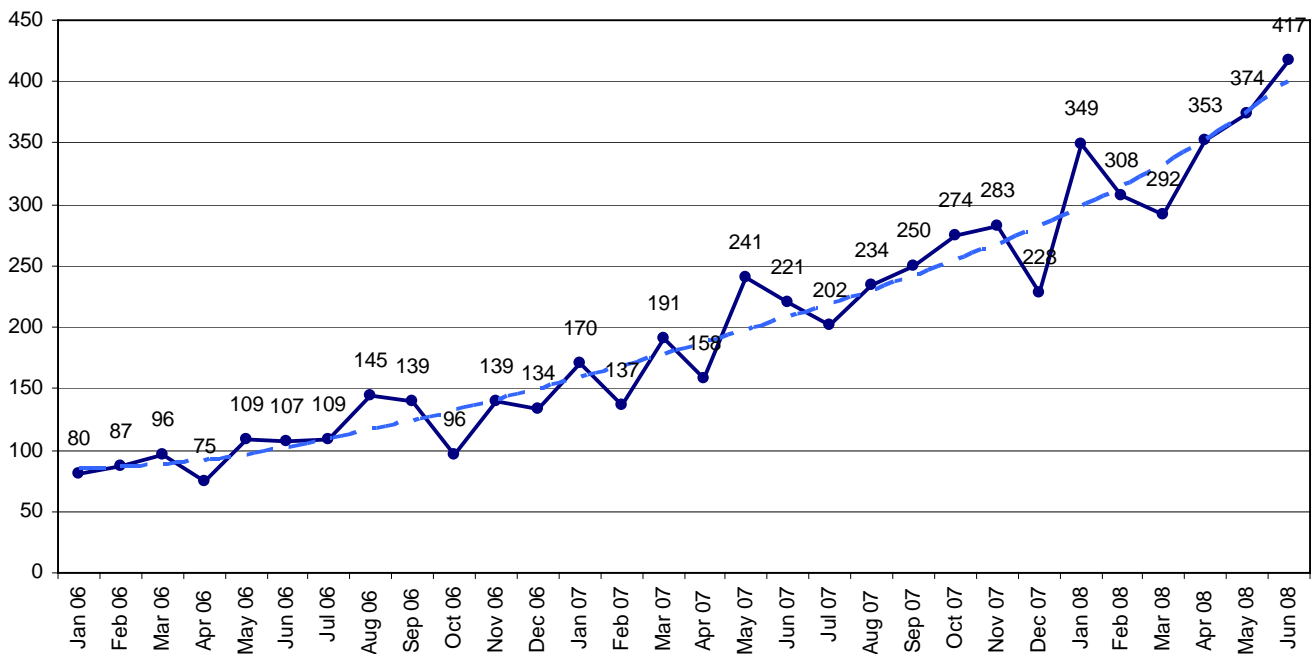
Although the rising trends for Minneapolis and the Suburban Cities were once similar, they have now become divergent – the number of Minneapolis foreclosures appears to be leveling off while the number of Suburban foreclosures is beginning to accelerate.

**Monthly Mortgage Foreclosure Auctions in Hennepin County,
Minneapolis, and the Suburban Cities
from January 2006 to June 2008 (with trendlines)**



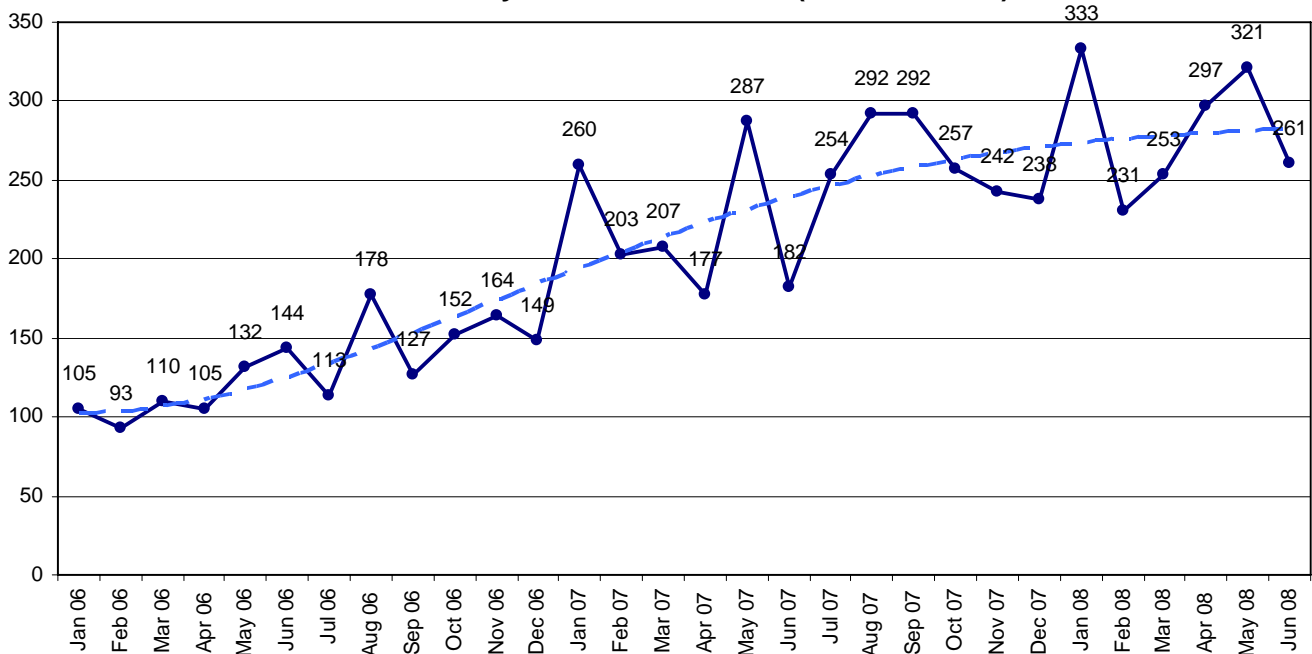
This graph illustrates the increasing number of Suburban mortgage foreclosure auctions – the number of auctions in June 2008 (417) increased 88.7% from the number in June 2007 (221) which itself was an increase of 106.5% from the number of foreclosure auctions in June 2006 (107); thus, the number of Suburban mortgage foreclosure auctions in June 2008 was almost four times the number in June 2006. Similarly, the number of Suburban foreclosure auctions in the Second Quarter of 2008 (1,144) increased 84.5% from the number in the Second Quarter of 2007 (620) which was an increase of 113.1% from the Second Quarter of 2006 (291). For the 12 month period from July 2007 to June 2008, the number of mortgage foreclosure auctions in the Suburban Cities of Hennepin County (3,564) increased 89.6% from the number of auctions in the 12 month period from July 2006 to June 2007 (1,880).

Monthly Mortgage Foreclosure Auctions in the Suburban Cities of Hennepin County from January 2006 to June 2008 (with trendline)



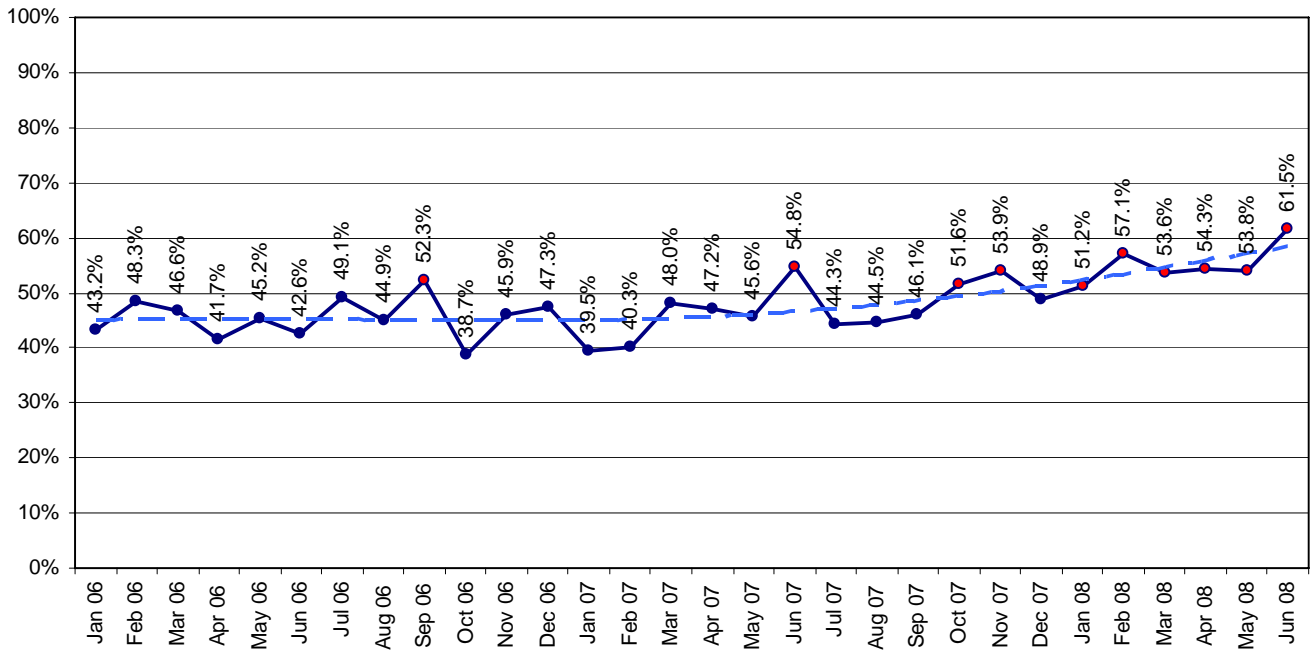
This graph illustrates the apparent beginning of a leveling off in the number of mortgage foreclosure auctions in Minneapolis – however, even with that leveling off, the number of Minneapolis foreclosure auctions in June 2008 (261) was still an increase of 43.4% from the number in June 2007 (182) which itself was an increase of 26.4% from the number of auctions in June 2006 (144). Similarly, the number of Minneapolis foreclosure auctions in the Second Quarter of 2008 (879) increased 36.1% from the number in the Second Quarter of 2007 (646) which was an increase of 69.6% from the Second Quarter of 2006 (381). For the 12 month period from July 2007 to June 2008, the number of mortgage foreclosure auctions in Minneapolis (3,271) increased 48.7% from the number of auctions in the 12 month period from July 2006 to June 2007 (2,199).

**Monthly Mortgage Foreclosure Auctions in Minneapolis
from January 2006 to June 2008 (with trendline)**



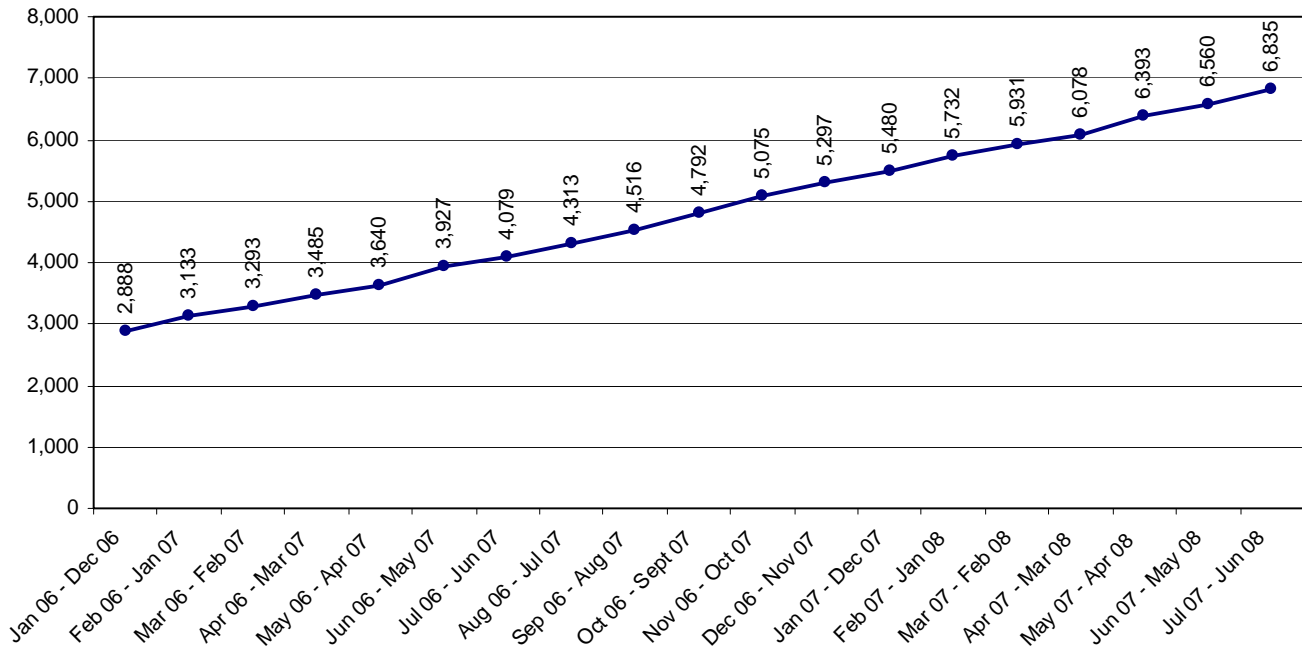
Mortgage foreclosure auctions are increasingly occurring for Suburban homes – in fact, the majority of Hennepin County foreclosure auctions were in Suburban Cities in eight of the last nine months and in every month of 2008, reaching the highest percentage to date in June 2008 at 61.5%.

Suburban Percentage of Monthly Mortgage Foreclosure Auctions in Hennepin County from January 2006 to June 2008 (with trendline)



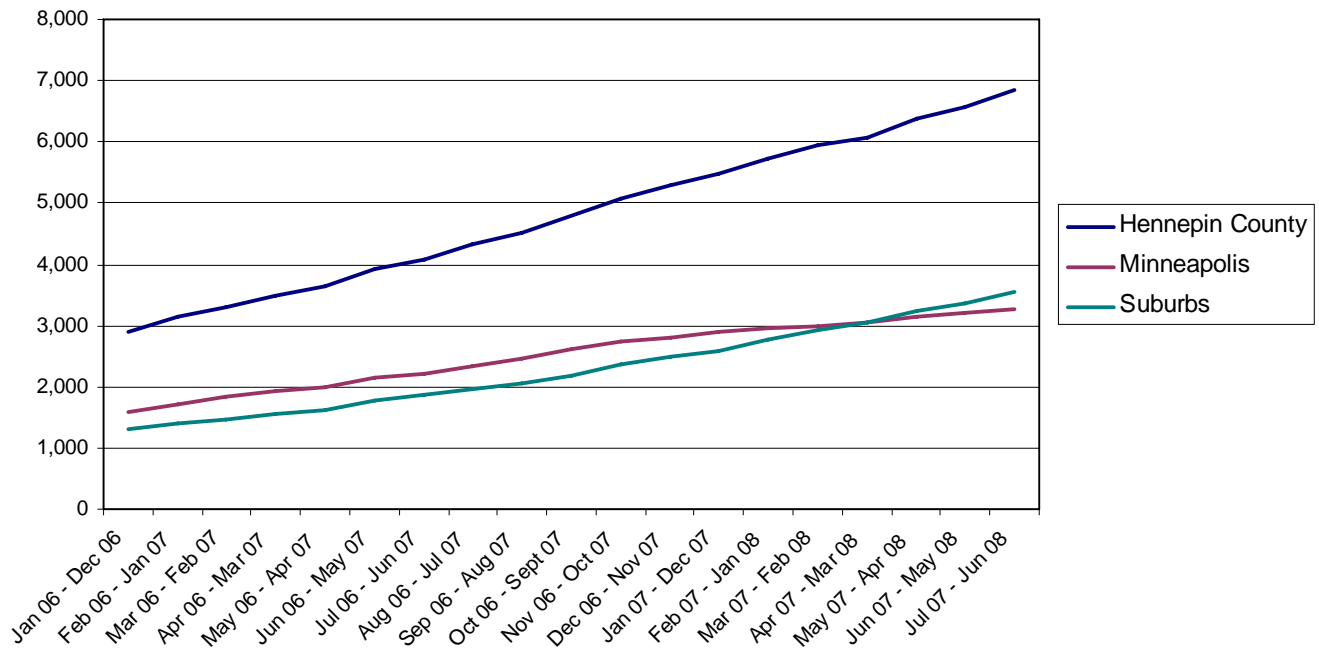
Since there is so much month-to-month fluctuation in the number of foreclosure auctions, one way to “smooth out” the variation is to look at 12 month cumulative numbers (effectively creating rolling years of foreclosure data). Once again, this graph shows that there is no apparent slowing down in the increasing number of mortgage foreclosure auctions in Hennepin County – the number of auctions in the 12 month period from July 2007 to June 2008 (6,835) increased 67.6% from the number in the 12 month period from July 2006 to June 2007 (4,079); similarly, the number of foreclosure auctions in Hennepin County in all of 2007 (5,480) was an increase of 89.8% over the number in 2006 (2,888).

12 Month Cumulative Mortgage Foreclosure Auctions in Hennepin County

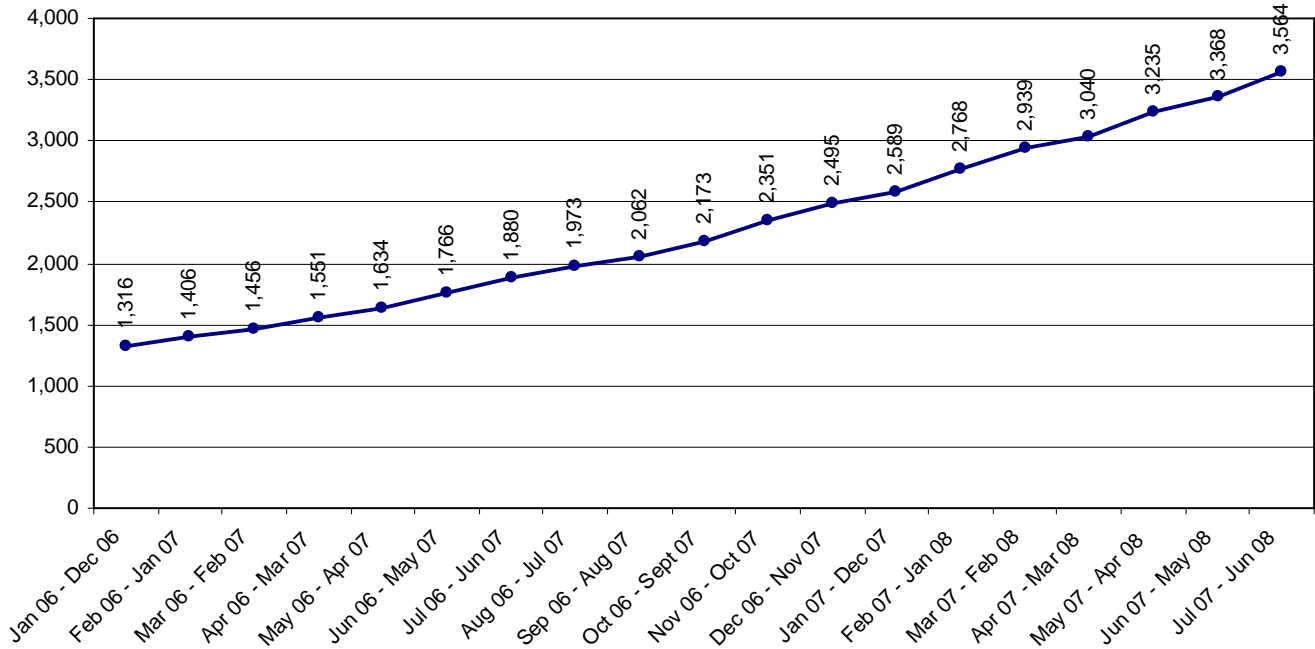


This graph again illustrates the divergent trends for Minneapolis and the Suburban Cities using the 12 month cumulative number of mortgage foreclosure auctions – the trend in the number of Suburban auctions overtook the Minneapolis auction trend in the 12 month period of April 2007 to March 2008.

12 Month Cumulative Mortgage Foreclosure Auctions in Hennepin County, Minneapolis, and the Suburbs

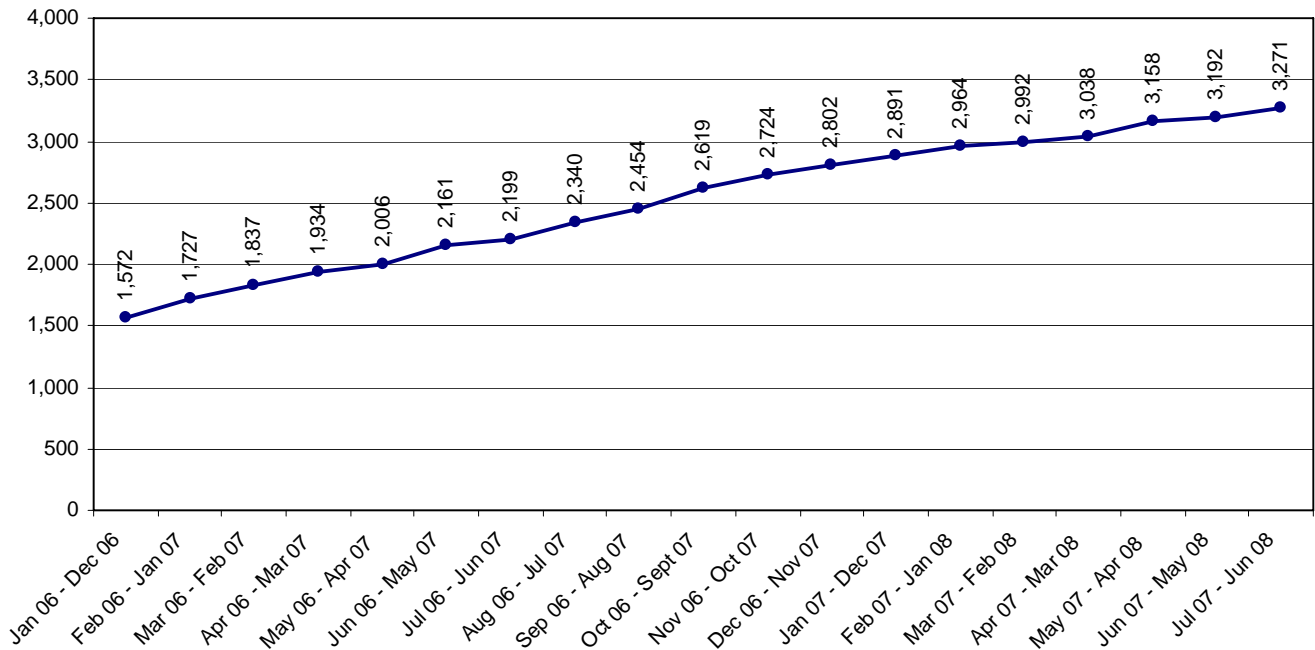


12 Month Cumulative Mortgage Foreclosure Auctions in the Suburban Cities of Hennepin County



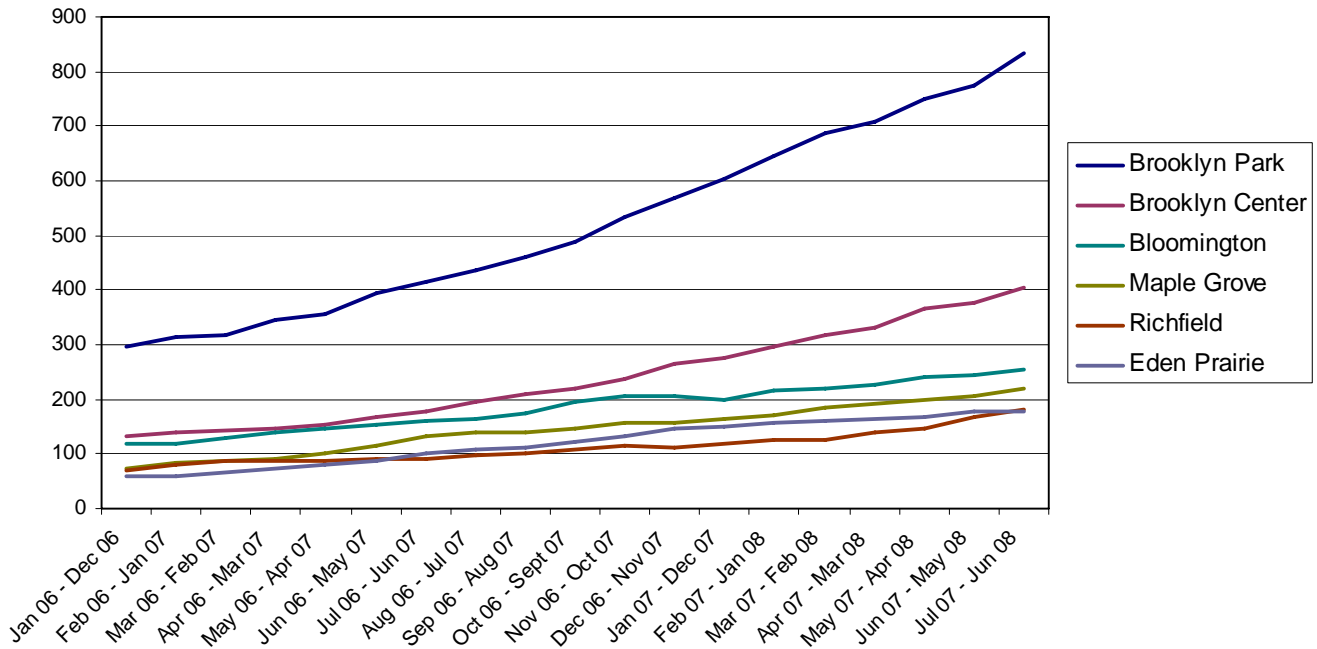
Once again, the increasing number of Suburban mortgage foreclosure auctions is evident above while the apparent beginning of a leveling off in the number of Minneapolis auctions is seen below.

12 Month Cumulative Mortgage Foreclosure Auctions in Minneapolis



This graph shows the trend in 12 month cumulative mortgage foreclosure auctions for the six Suburban Cities that have had the greatest number of foreclosures in the past 30 months.

12 Month Cumulative Mortgage Foreclosure Auctions for the "Top Six" Suburban Cities in Hennepin County



Brooklyn Park is by far the hardest hit Suburb with 1,384 mortgage foreclosure auctions from January 2006 to June 2008 – in fact, the number of auctions in Brooklyn Park in the 12 month period from July 2007 to June 2008 (834) was more than twice the number from July 2006 to June 2007 (414). Brooklyn Park is then distantly followed by Brooklyn Center, Bloomington, Maple Grove, Richfield, and Eden Prairie.

The complete “Top 10” list of Suburban Cities with the largest number of mortgage foreclosure auctions from January 2006 to June 2008 is:

1. Brooklyn Park (1,384)
2. Brooklyn Center (649)
3. Bloomington (459)
4. Maple Grove (380)
5. Richfield (306)
6. Eden Prairie (297)
7. Crystal (293)
8. Plymouth (256)
9. Minnetonka (229)
10. St. Louis Park (224)

However, looking only at the total number of mortgage foreclosure auctions in a city does not fully describe the magnitude of the impact since cities vary so widely in geographic size and housing density. Therefore, two additional “Top 10” lists are provided below to put the number of auctions into some other, albeit imperfect, context – the first ranks Suburban Cities by the percentage of households in foreclosure and the second ranks Suburban Cities by the number of foreclosures per square mile.

Foreclosure Breadth: the “Top 10” Suburban Cities with the largest percentage of households in foreclosure (i.e., total number of mortgage foreclosure auctions from January 2006 to June 2008 divided by the total number of households¹):

1. Brooklyn Center (5.8%)
2. Brooklyn Park (5.2%)
3. St. Bonifacius (4.1%)
4. Hanover (3.6%)
5. Greenfield (3.3%)
6. Rogers (3.3%)
7. Mound (3.2%)
8. Crystal (3.1%)
9. Robbinsdale (2.9%)
10. Champlin (2.6%)

Foreclosure Density: the “Top 10” Suburban Cities with the highest number of foreclosure per square mile (i.e., total number of mortgage foreclosure auctions from January 2006 to June 2008 divided by the total number of square miles of land area):

1. Brooklyn Center (82.2)
2. Spring Park (70.0)
3. Robbinsdale (62.9)
4. Brooklyn Park (53.0)
5. Crystal (50.5)
6. Mound (46.9)
7. Richfield (44.3)
8. St. Bonifacius (32.7)
9. Hopkins (29.8)
10. Greenwood (26.7)

Three cities that are in all three “Top 10” lists (magnitude, breadth, and density) and thus appear to be most impacted by mortgage foreclosure auctions: Brooklyn Park, Brooklyn Center, and Crystal. However, four other cities are in two of the three lists and thus are still greatly impacted: Richfield, St. Bonifacius, Robbinsdale, and Mound.

¹ Metropolitan Council estimates of the number of households on April 1, 2007.