



NEVADA'S
FACE OF FORECLOSURE
AN IN-DEPTH LOOK AT NEVADA'S HOUSING CRISIS

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Methodology

Individual Foreclosure Filings

- Record-level data on property foreclosures were acquired from RealtyTrac®, an aggregator of nationwide foreclosure filings. Data were obtained on both residential and non-residential foreclosures notices issued from January 1, 2009 to May 31, 2012, comprising 551,777 records.
- These included Notices of Default, Notices of Trustee Sale, and Real Estate Owned (REO) filings. While a Notice of Default signifies the initiation of the foreclosure process, not all properties that receive a Notice of Default are eventually sold at foreclosure auction. Moreover, most properties that receive a Notice of Default will go on to receive additional foreclosure notices of varying types, often leading to misleading estimates of the true foreclosure “rate.” In this report, the foreclosure “rate” is considered to be the number of unique properties receiving at least one filing, divided by the total number of residential properties in that geographic region.
- All filings were geocoded (assigned a latitude and longitude) by street address for geographic analysis, mapping and facilitating matches to Census data. Additional data hygiene was conducted to standardize property type and address information.

Surveys

- Two live telephone surveys were conducted to gauge the opinions and attitudes of the current state of the foreclosure crisis, the future of homeownership, and proposed remedies and solutions for Nevada’s housing market.
- The first was a survey of 500 individuals currently undergoing, recently experiencing, or narrowly avoiding home foreclosure in Nevada since May of 2010. Interviews were conducted on the evenings of April 22–24, 2012 with respondents on both landline and mobile phones.
- The second study was a Random Digit Dial (RDD) survey conducted among residents 18 years and older on both landlines and mobile phones on the evenings of March 29 – April 2. The results of this survey are roughly representative of adult Nevada residents.
- On both surveys, weighting was applied to ensure representation with respect to age, gender, and geography. For results based on these sample sizes, one can say with 95% confidence that the error attributable to sampling for each survey is +/- 4.9%. In addition to sampling error, question wording and other practical difficulties in conducting telephone surveys can introduce error or bias into the findings of public opinion surveys.

Focus Group

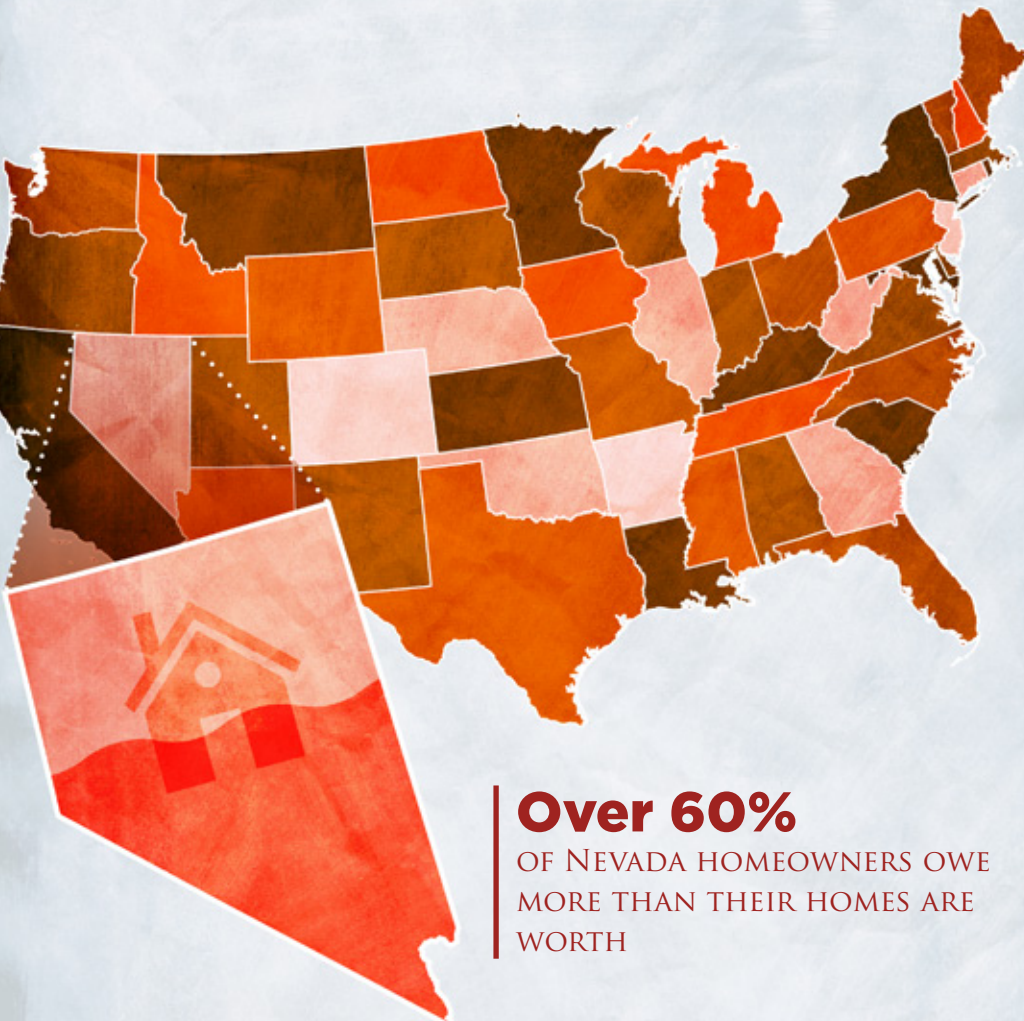
- A focus group of licensed Realtors® from around the state was conducted Friday, April 6th, 2012 in Las Vegas. Realtors from Northern Nevada were also flown in to participate and ensure solid representation of Realtors® from various parts of the state. The group included agents focusing on various aspects of distressed sales. Discussion focused on the biggest barriers to recovery currently present in the market, the most acute problems in working with distressed properties and ideas for the best solutions going forward.

Personal Interviews

- Individuals with various personal experiences in the foreclosure crisis were sought out to put human stories with the robust body of data. Each interview was conducted in person by SGS and Carrara Nevada staff in Las Vegas from April 4th – 6th, 2012. These interviews are highlighted in the report.



Executive Summary



Over 60%
OF NEVADA HOMEOWNERS OWE
MORE THAN THEIR HOMES ARE
WORTH

FORECLOSED



1/16 Foreclosed

ABOUT ONE IN SIXTEEN PROPERTIES IN NEVADA
HAD A FORECLOSURE NOTICE IN 2011



What We've Found

The 2012 Face of Foreclosure study reveals for the first time a sharp divide in public opinion regarding strategic default and demonstrates the frustration of many in wondering about the best way forward. The findings are, however, surprisingly hopeful about the attitudes and plans of Nevada's residents in the months and years to come.

The "Plus-One" Factor

The primary cause of the foreclosure crisis in Nevada continues to be job loss – 53% of those personally experiencing foreclosure in the past 12 months lost a job. But the "plus one" factor discovered in the previous Face of Foreclosure studies – the presence of two or more significant life events – is still present in many stories. Twenty percent saw an addition to their household, 6% experienced the death of the primary wage-earner, 14% had a tax increase and 41% had unexpected medical bills.

A State Divided on Strategic Default

Strategic defaults continue as a key element in the foreclosure discussion, with residents of Nevada sharply divided in their opinions on the matter. Just over one-quarter of those personally experiencing foreclosure (27%) said theirs was a strategic default – defined as being financially able to pay your mortgage but choosing not to. The divide in public opinion centers around the acceptability of this practice.

Forty-five percent of all Nevada residents surveyed said strategic default is an acceptable, logical financial decision while 45% said homeowners should not strategically default and they have a legal and ethical obligation to pay their mortgage if they are able. This finding demonstrates, for the first time, the underlying public opinion environment sometimes paralyzing the policy and ethical debate.

Nevadans Surprisingly Hopeful

Nevada residents, those personally experiencing foreclosure, industry leaders and practitioners alike are united, however, on several fronts. These include the importance of some role for the government in the crisis, the failure of existing government programs, and most notably a seemingly *unshakable belief that homeownership is a part of the American Dream – fully 79% of all residents AND 79% of those who had personally experienced foreclosure.*

The Faces of Foreclosure in Nevada are many. Their stories are varied. Both those directly affected and those working in the industry express a wide array of emotions and opinions regarding who's to blame, the role of government, strategic default and the best way forward. But one thing is clear – they're not giving up.

THE EVOLVING FACE OF FORECLOSURE

The Evolving Face of Foreclosure

- The primary cause of the foreclosure crisis in Nevada continues to be job loss – 53% of those personally experiencing foreclosure in the past 12 months lost a job. But the “plus one” factor discovered in the previous Face of Foreclosure studies – the presence of 2 or more significant life events – is still present in many stories.

Twenty percent saw an addition to their household, 6% experienced the death of the primary wage-earner, 14% had a tax increase and 41% had unexpected medical bills.

- The majority of homeowners experiencing foreclosure have been in their homes longer than five years. This finding continues to call into question the rash judgments of some to blame the crisis solely on bad loans and irresponsible homeowners.

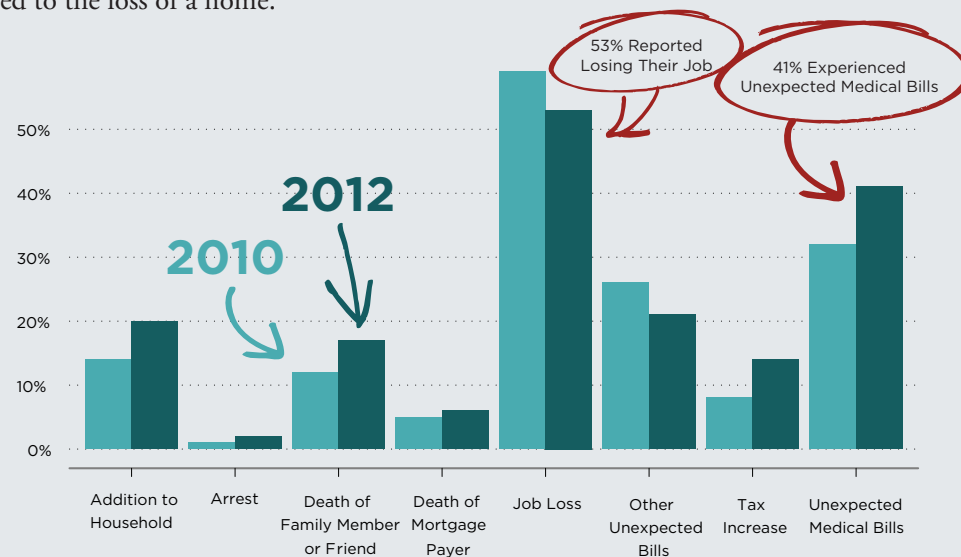
There’s no doubt that loans and decision-making have a role, but there is clearly a direct link to job-loss and other life factors beyond lending practices. Moreover, this finding demonstrates the very real impact foreclosures are having on the fabric of life in Nevada as well-established families and individuals who are losing their homes.

- Government programs continue to fall short. Only 9% of those surveyed said they believe government foreclosure programs are making the situation better while 20% think they’re making it worse and the majority, 58%, believe they’re not really having an impact.

FORECLOSURE

Factors Contributing To Home Foreclosure

Job loss was a leading factor in home foreclosure, with over 50% of those experiencing home foreclosure reporting losing their job in the preceding year. For many, it was not a single event, but rather the combination of several factors that led to the loss of a home.



Effectiveness of Government Programs

Q8 - Would you say most government foreclosure prevention programs are improving Nevada’s foreclosure situation, making it worse, or not really having an impact?

** Among Foreclosed Individuals*

| | |
|------------------------------------|-----|
| Base | 501 |
| Making it better (Improving) | 9% |
| Making it worse | 20% |
| Not really having an impact | 58% |
| Unsure | 12% |



Maria

EXPERIENCED FORECLOSURE



“...WE WORKED HARD TO BUILD OUR HOME AND WE HAD TO MOVE OUT...”

The “Plus One” Effect - Medical Bills

Q21 - Did you or another household wage earner experience unexpected medical bills?

** Among Foreclosed Individuals*

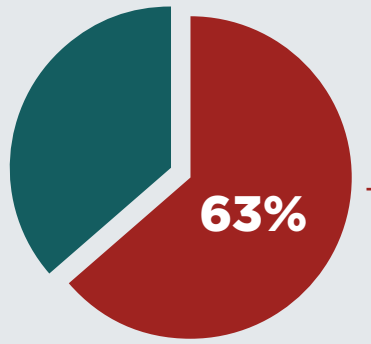
| | |
|------------|-----|
| BASE | 501 |
| YES | 41% |
| NO | 58% |

Years Owning Home When Foreclosure Began

Q25 - At the time your foreclosure began, how long had you owned your home?

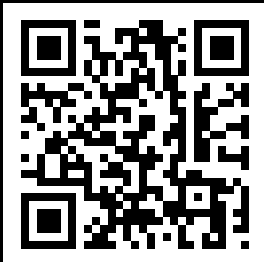
** Among Foreclosed Individuals*

| | |
|-------------------------|-----|
| BASE | 501 |
| LESS THAN 1 YEAR | 1% |
| 1 YEAR TO 2 YEARS | 5% |
| 2 TO 5 YEARS | 30% |
| 5 OR MORE YEARS | 63% |



Owned Home for 5+ Years Before Experiencing Foreclosure

SEE MARIA'S VIDEO



MARIA'S STORY

Maria and her husband built and lived in their Las Vegas home for 8 years before falling behind on their mortgage and being forced to resort to a short sale.

Hear her story. Scan the QR code or visit www.FaceOfForeclosure.com/Nevada



MORTGAGE BROKER

Rick



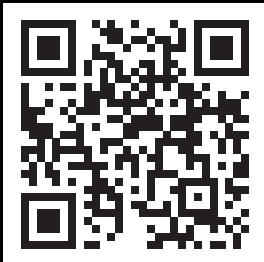
"...THE PRESIDENT HAS THE BEST INTENTIONS... BUT THEY HAVEN'T DONE A THING..."

RICK'S STORY

Rick is spearheading an ambitious mortgage program for those seeking a second chance in the Nevada market.

After years in the business, he bowed out just as the crisis hit but recently re-opened with the goal of helping those who have experienced default and foreclosure to find loans again.

Hear his story. Scan the QR code or visit www.FaceOfForeclosure.com/Nevada



SEE RICK'S VIDEO

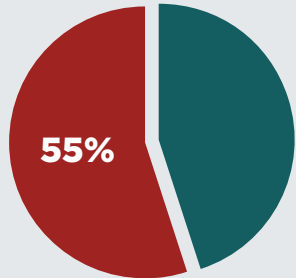
Effectiveness of Government Programs

Q4 - Would you say most government foreclosure prevention programs are improving Nevada's foreclosure situation, making it worse, or not really having an impact? * Among All Nevada Residents

| | |
|-----------------------------------|-----|
| BASE | 500 |
| MAKING IT BETTER | 10% |
| MAKING IT WORSE | 20% |
| NOT REALLY HAVING AN IMPACT | 52% |
| UNSURE | 17% |

55% of Nevada Homeowners Think The Government Should Assist Homeowners Struggling To Make Their Payment

Question 5, All Residents Survey



Homeownership - The American Dream

Q1 - Would you say owning a home is a major part of the "American Dream" or is it not really a part of the "American Dream"?

* Among Foreclosed Individuals

| | |
|------------------------------------|-----|
| BASE | 501 |
| PART OF THE "AMERICAN DREAM" | 79% |
| NOT REALLY AN IMPORTANT PART | 16% |
| UNSURE | 5% |

The "Second Chance" Mortgage

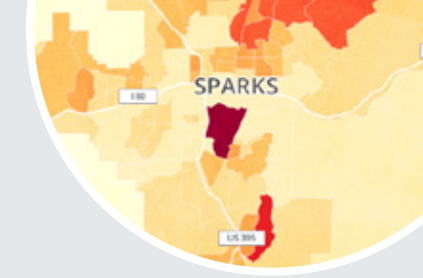
Q20cat - Would you support or oppose legislation making it easier for people who have experienced foreclosure to qualify for a new mortgage?

* Among All Nevada Residents

| | |
|---------------------|-----|
| BASE | 501 |
| TOTAL SUPPORT | 67% |
| TOTAL OPPOSE | 24% |
| UNSURE | 8% |

REALTOR®

Greg



Home Values

Q11 - Over the next year, would you say most single-family homes in Nevada will increase in value, decrease in value, or stay pretty much the same? * Among All Nevada Residents

| | |
|---------------------------------|-----|
| BASE | 500 |
| TOTAL INCREASE | 21% |
| STAY PRETTY MUCH THE SAME | 56% |
| TOTAL DECREASE | 20% |
| UNSURE | 2% |



"...OVER THE NEXT FIVE YEARS WE'RE GOING TO SEE A SIGNIFICANT DROP..THEN WE'RE GOING TO SEE A SIGNIFICANT CLIMB..."

Improvement In Foreclosure Rates

Q13 - Over the next year, would you say the foreclosure rate in Nevada will improve, get worse, or stay about the same?

* Among All Nevada Residents

neither optimistic or pessimistic

| | |
|------------------------|-----|
| BASE | 500 |
| TOTAL GET BETTER | 22% |
| STAY THE SAME | 54% |
| TOTAL GET WORSE | 21% |
| UNSURE | 2% |

Property Types Foreclosed

Q14 - Was the property that received the foreclosure filing your primary residence, an investment property, a vacation property or used for something else? * Among Foreclosed Individuals

| | |
|-------------------------------|-----|
| BASE | 501 |
| PRIMARY RESIDENTS | 93% |
| INVESTMENT PROPERTY | 4% |
| VACATION PROPERTY | 1% |
| USED FOR SOMETHING ELSE | 1% |
| UNSURE | 1% |

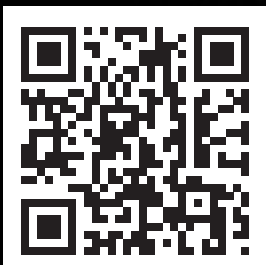
GREG'S STORY

SEE GREG'S VIDEO

Greg is a Realtor® from northern Nevada where the media spotlight on foreclosures is not as bright.

But his stories of working with sellers in short sales highlight just how real the crisis is all over the state.

Hear his story. Scan the QR code or visit www.FaceOfForeclosure.com/Nevada





MORTGAGE BROKER

Mark



“IF THE GOVERNMENT GIVES THIS COMPANY AN INCENTIVE TO WRITE THE MORTGAGES DOWN WHO’S GONNA PAY FOR THAT? WE ARE.”

SEE MARK'S VIDEO

MARK'S STORY

Mark is a successful mortgage broker who has weathered much of the foreclosure storm. But the personal stories have greatly affected him.

Hear his story. Scan the QR code or visit www.FaceOfForeclosure.com/Nevada



Legislative Solutions

Q20 - Would you support or oppose legislation making it easier for people who have experienced foreclosure to qualify for a new mortgage?

** Among All Nevada Residents*

| | |
|-----------------------|-----|
| BASE | 500 |
| STRONGLY FAVOR | 38% |
| SOMEWHAT FAVOR | 29% |
| SOMEWHAT OPPOSE | 8% |
| STRONGLY OPPOSE | 16% |
| UNSURE | 8% |

Government Assistance (Responses from All Residents)

Q5 - If a homeowner is having trouble paying their mortgage should...the government make assistance available to the homeowner...or...should the government stay out of the way...?

| | |
|---|-----|
| BASE | 500 |
| GOVERNMENT SHOULD STEP IN AND HELP | 55% |
| GOVERNMENT SHOULD STAY OUT OF THE WAY | 35% |
| UNSURE | 9% |

public opinion supports government assistance

Government Assistance (Responses from Foreclosed Individuals)

Q9 - If a homeowner is having trouble paying their mortgage should...the government make assistance available to the homeowner...or...should the government stay out of the way...?

| | |
|---|-----|
| BASE | 501 |
| GOVERNMENT SHOULD STEP IN AND HELP | 58% |
| GOVERNMENT SHOULD STAY OUT OF THE WAY | 30% |
| UNSURE | 12% |

but nearly a third of foreclosed individuals think the government should get out of the way



REALTOR®

Carol

CAROL'S STORY

Carol is a Realtor® who specializes in helping those in distressed properties. Her heart for helping and her skill in the market has proven valuable to her and her insights echo what many practitioners are saying.

Hear her story. Scan the QR code or visit www.FaceOfForeclosure.com/Nevada

SEE CAROL'S VIDEO



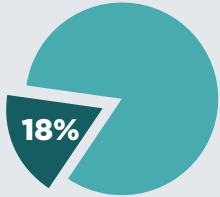
Family Members Experienced Foreclosure

Q18 - In the last 12 months, not including yourself, how many of your family members have experienced a home foreclosure in Nevada?

** Among All Nevada Residents*

| | |
|------------|-----|
| BASE | 500 |
| 0 | 80% |
| 1 | 9% |
| 2-3 | 8% |
| 4+ | 1% |

FAMILY FORECLOSED

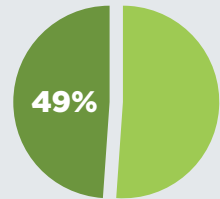


Q19 - In the last 12 months, besides your family, how many of your close personal friends have experienced a home foreclosure in Nevada?

** Among All Nevada Residents*

| | |
|------------|-----|
| BASE | 500 |
| 0 | 47% |
| 1 | 11% |
| 2 | 12% |
| 3 | 8% |
| 4+ | 18% |

FRIEND FORECLOSED

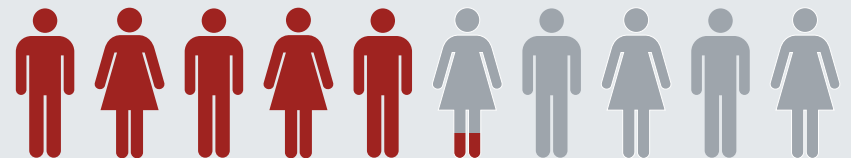


Loss of Job & Foreclosures

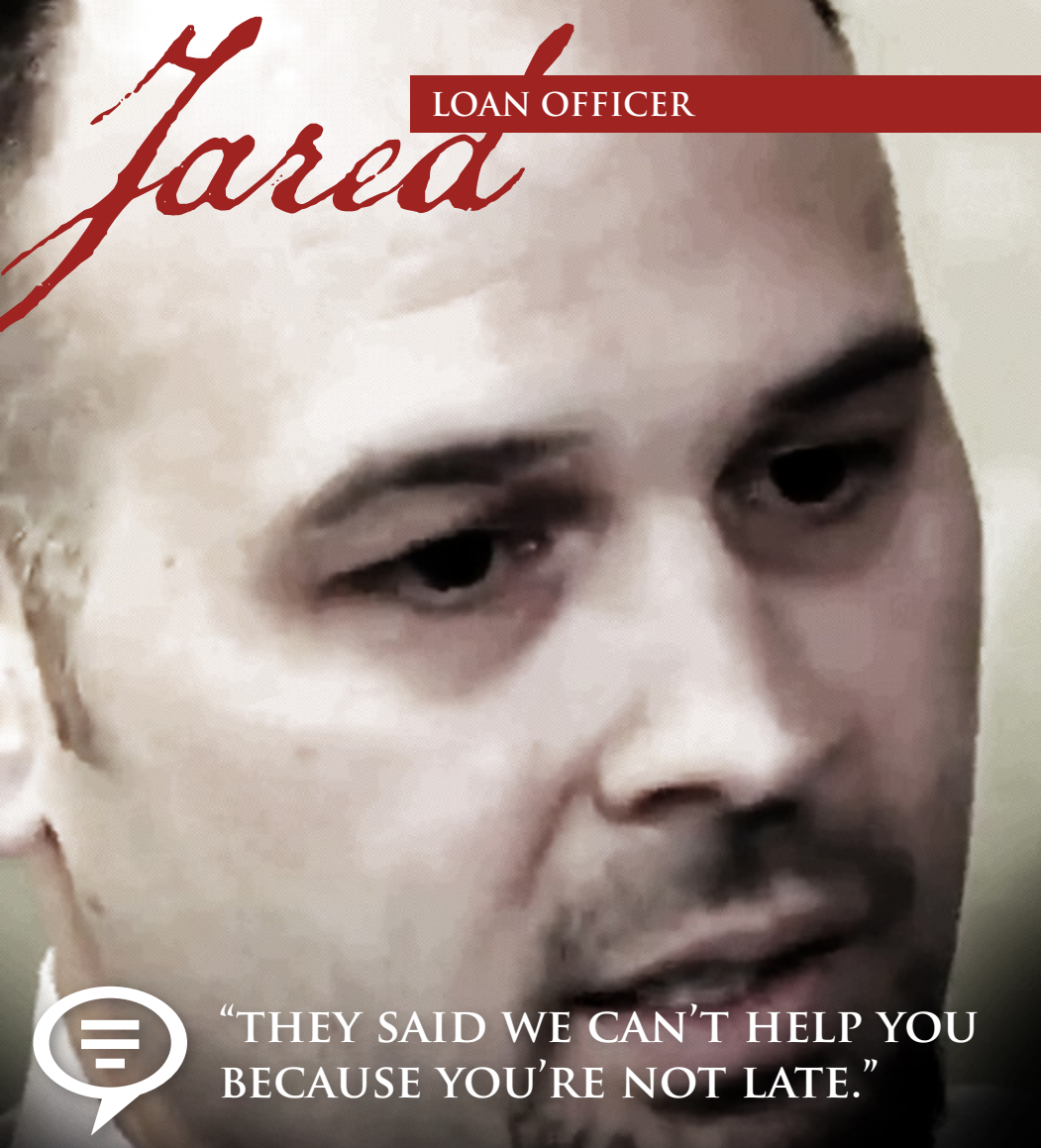
Q15 - Did you or another household wage earner experience loss of job?

** Among Foreclosed Individual*

| | |
|------------|-----|
| BASE | 501 |
| YES | 53% |
| NO | 45% |



“...THE MAJORITY OF THE PEOPLE WHO ARE GOING THROUGH SHORT SALE DO IT BECAUSE THEY HAVE PURSUED EVERY OTHER AVENUE...”



LOAN OFFICER

Jared



“THEY SAID WE CAN’T HELP YOU BECAUSE YOU’RE NOT LATE.”

JARED’S STORY

Jared, a loan officer in Las Vegas, now hosts a regular radio show discussing the housing crisis and attempting to help as many as he can. He and his family personally experienced default. Listen to Jared describe his story .

Scan the QR code or simply visit www.FaceOfForeclosure.com/Nevada



SEE JARED’S VIDEO

40% WERE ADVISED TO STOP PAYING

Q7 - At any point in the foreclosure process, were you advised by your bank, lender, or financial advisor to stop paying your mortgage in order to qualify for assistance from your lender?

** Among Foreclosed Individuals*

| | |
|--------------|-----|
| BASE | 501 |
| YES | 40% |
| NO | 59% |
| UNSURE | 1% |

Q16 - Did you or another household wage earner experience an addition to household, such as having a baby, or a relative or friend move in?

** Among Foreclosed Individuals*

| | |
|------------|-----|
| BASE | 501 |
| YES | 20% |
| NO | 80% |

Q13 - Which of the following best describes your foreclosure experience?

** Among Foreclosed Individuals*

| | |
|--|-----|
| BASE | 501 |
| PERSONALLY EXPERIENCED FORECLOSURE | 50% |
| NARROWLY AVOIDED FORECLOSURE | 30% |
| RENTED FROM A PROPERTY THAT WAS FORECLOSED | 1% |
| CURRENTLY IN THE FORECLOSURE PROCESS | 16% |
| OTHER | 1% |
| UNSURE | 1% |

Jared's foreclosure story stretches nearly 4 years...

A State Divided - The Split On Strategic Default

Residents of Nevada are sharply divided in their opinions about strategic default.

This finding demonstrates, for the first time, the underlying public opinion environment sometimes paralyzing the policy and ethical debate.

45%

said homeowners should not strategically default and they have a legal and ethical obligation to pay their mortgage if they are able

45%

said strategic default is an acceptable, logical financial decision

A Divisive Issue Between Foreclosed Individuals

Q6 - Which statement best describes your opinion? “There is nothing wrong with a strategic default” or “Homeowners should not choose a strategic default”? * Among Foreclosed Individuals

- There is nothing wrong with a strategic default. It is a logical financial decision made by homeowners who are underwater and don't have a better option.
- Homeowners should not choose a strategic default, even if they're underwater. They have a legal and ethical obligation to pay their mortgage if they can.

| | |
|--|-----|
| BASE | 501 |
| NOTHING WRONG WITH STRATEGIC DEFAULT | 51% |
| SHOULD NOT CHOOSE STRATEGIC DEFAULT | 36% |
| UNSURE | 12% |

Even More Divisive Among All Nevada Residents

Q15 - Which of the following two statements best describes your opinion of strategic defaults: [ROTATE] * Among All Nevada Residents

- There is nothing wrong with a strategic default. It is a logical financial decision made by homeowners who are underwater and don't have a better option.
- Homeowners should not choose a strategic default, even if they're underwater. They have a legal and ethical obligation to pay their mortgage if they can.

| | |
|--|-----|
| BASE | 500 |
| NOTHING WRONG WITH STRATEGIC DEFAULT | 45% |
| SHOULD NOT CHOOSE STRATEGIC DEFAULT | 45% |
| UNSURE | 9% |

A one-to-one split on strategic default

Factors of Strategic Default

According to those personally experiencing foreclosure in the state, just over one-quarter (27%) indicate theirs was a strategic default.

What's more alarming, however, is that 40% of those experiencing foreclosure were advised by financial professionals to strategically default. It is clear from the numbers that many still choose not to strategically default.

What Percentage of Foreclosure Is Strategic Default?

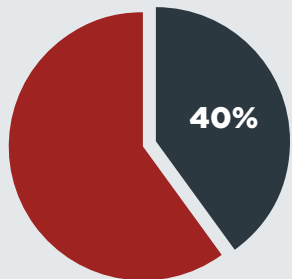
Q4 - Some homeowners in Nevada have chosen to undergo a "strategic default" and stop making mortgage payments despite having the financial ability to make the payments. Would you describe your current or recent situation as a "strategic default"? * Among Foreclosed Individuals

| | |
|--------------|-----|
| BASE | 501 |
| YES | 27% |
| NO | 66% |
| UNSURE | 6% |

Advised To Stop Making Payments

Q7 - At any point in the foreclosure process, were you advised by your bank, lender, or financial advisor to stop paying your mortgage in order to qualify for assistance from your lender? * Among Foreclosed Individuals

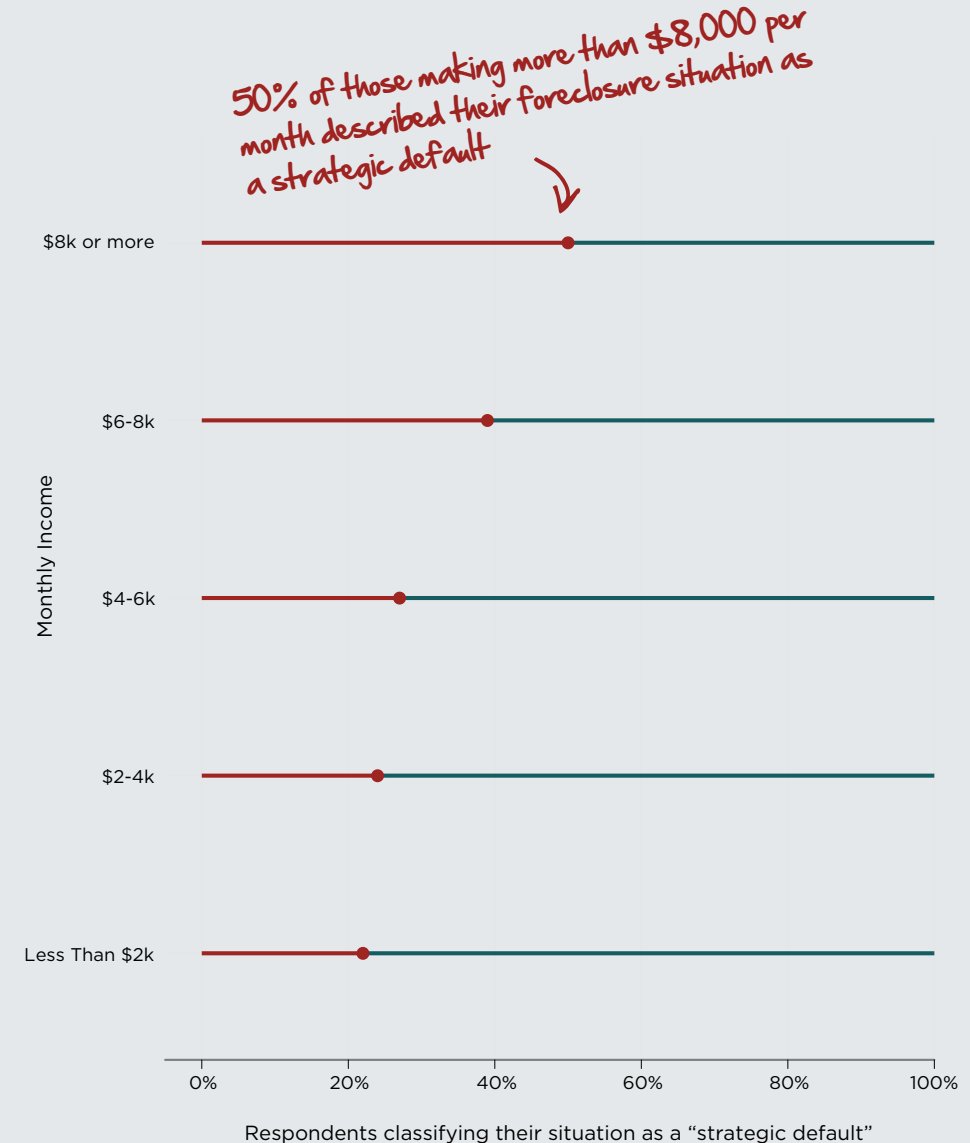
| | |
|--------------|-----|
| BASE | 501 |
| YES | 40% |
| NO | 59% |
| UNSURE | 1% |



40% advised to stop making payments

Income and Strategic Defaults

27% of those recently undergoing home foreclosure classified their situation as a "strategic default," saying they had the means to continue paying their mortgage but chose not to. Those with higher incomes were more likely to describe their situation as a strategic default; among those making \$8,000 or more per month, half (50%) described their situation as a strategic default.



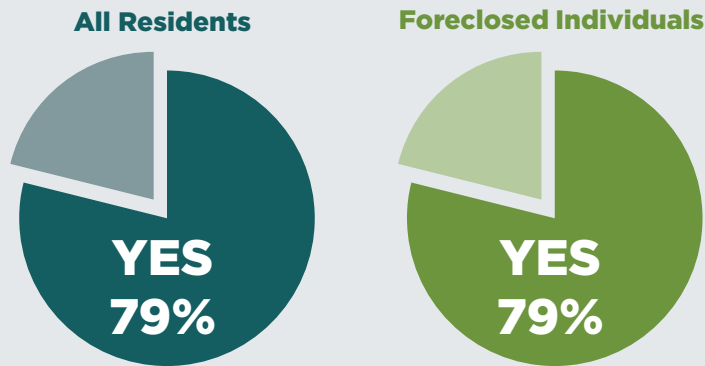
A Hopeful Future for Homeownership In Nevada

The Future of Homeownership In Nevada

While Nevada residents and opinion leaders are divided on many issues they appear united on several fronts. These include the importance of some role for the government in the crisis, the failure of existing government programs, and most notably a seemingly unshakeable belief that homeownership is a part of the American Dream – fully 79% of all residents AND 79% of those who had personally experienced foreclosure.

Is Owning a Home Part of the American Dream?

Q: “Would you say owning a home is a major part of the American Dream?”



Which is a safer long term investment? (Q9, Among All Nevada Residents)

| | |
|-------------------------------|-----|
| Owning A Home | 53% |
| Investing In the Stock Market | 31% |
| Unsure | 15% |

What is a better value: owning a home or renting in Nevada?

(Q10, Among All Nevada Residents)

| | |
|---------------|-----|
| Owning A Home | 55% |
| Renting | 39% |
| Unsure | 5% |

Future Home Purchase, All Nevada Residents

Q24 - Are you considering purchasing a home in Nevada in the next 12 months?

| | |
|------|-----|
| BASE | 500 |
| YES | 18% |
| NO | 80% |

Future Home Purchase, Foreclosed Individuals

Q11 - How likely are you to buy a home in Nevada in the next two years? Would you say very likely, pretty likely, somewhat likely, or not very likely?

| | |
|-----------------|-----|
| BASE | 501 |
| VERY LIKELY | 11% |
| PRETTY LIKELY | 3% |
| SOMEWHAT LIKELY | 12% |
| NOT VERY LIKELY | 72% |
| UNSURE | 3% |

Handwritten note: they're still looking to purchase a home (with an arrow pointing to the 11% Very Likely category)

This hopeful view of homeownership underscores a vision for the future of Nevada that appears to be emerging. In personal interviews, focus groups and quantitative research alike, there is a clear understanding that things can get better. The conversation also appears to be taking on a very matter-of-fact, realistic tone. More people are talking about the market needing to work itself out. Many recognize that the government alone cannot “fix” this problem but are envisioning more clearly a healthy role for government. And many are more cautiously optimistic about the market and their own prospects for buying a home – even those who have personally experienced foreclosure.

Moreover, many residents still see owning a home as a sound investment. Asked if owning a home or investing in the stock market was a safer bet, 53% said owning a home while only 31% said investing in the stock market. 55% percent said it was better to own than rent in Nevada right now. And 77% said they believe the value of single-family homes in Nevada will either stay the same or increase of the next year.

With so many still believing in homeownership and a market where opportunities abound, Nevada’s economy – and the housing market – do indeed appear to be on the road to recovery.

The Numbers

Weekly Foreclosure Notices Issued

With the passage of AB284, the number of new foreclosure filings (Notice of Default) dropped dramatically. However, foreclosures continued with thousands of notices per month, including over 2,000 Notice of Trustee Sales in both March and April of 2012.



Monthly Foreclosure Filings, June 2011 - May 2012

New foreclosure filings fell by about 86% after AB 284 went into affect, falling from 4,539 notices issued in September 2011 to 611 notices issued in October 2011. Subsequent foreclosure filings have been falling as well, but at a much more gradual rate. For the most part, there continue to be thousands of notices per month.

| Month | Notice of Default (NOD) | Notice of Trustee Sale (NTS) | Real Estate Owned (REO) |
|----------|-------------------------|------------------------------|-------------------------|
| JUN 2011 | 3,093 | 5,413 | 4,508 |
| JUL 2011 | 3,009 | 4,302 | 4,442 |
| AUG 2011 | 5,181 | 4,131 | 3,622 |
| SEP 2011 | 4,539 | 4,281 | 2,887 |
| OCT 2011 | 611 | 4,215 | 2,865 |
| NOV 2011 | 1,410 | 3,750 | 2,649 |
| DEC 2011 | 1,008 | 4,374 | 2,543 |
| JAN 2012 | 862 | 3,957 | 3,050 |
| FEB 2012 | 654 | 2,879 | 2,366 |
| MAR 2012 | 1,480 | 2,282 | 2,004 |
| APR 2012 | 1,465 | 2,104 | 1,723 |
| MAY 2012 | 942 | 1769 | 1,357 |

AB 284
 (Nevada Assembly Bill 284)

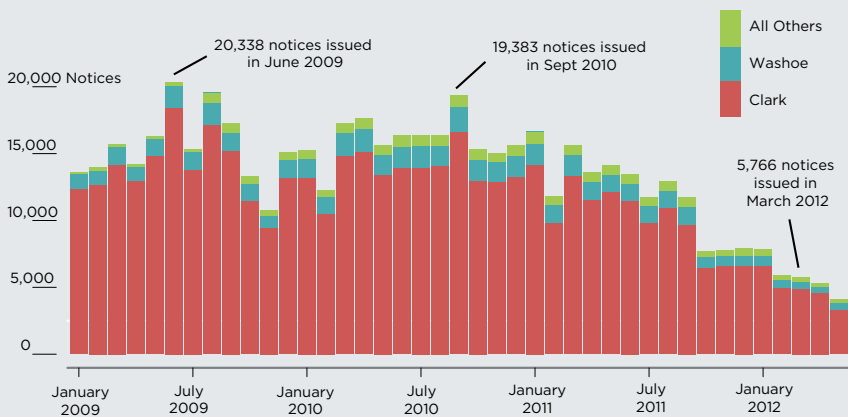
Adds stricter requirements to the foreclosure process to protect Nevada property owners from fraudulent foreclosure.



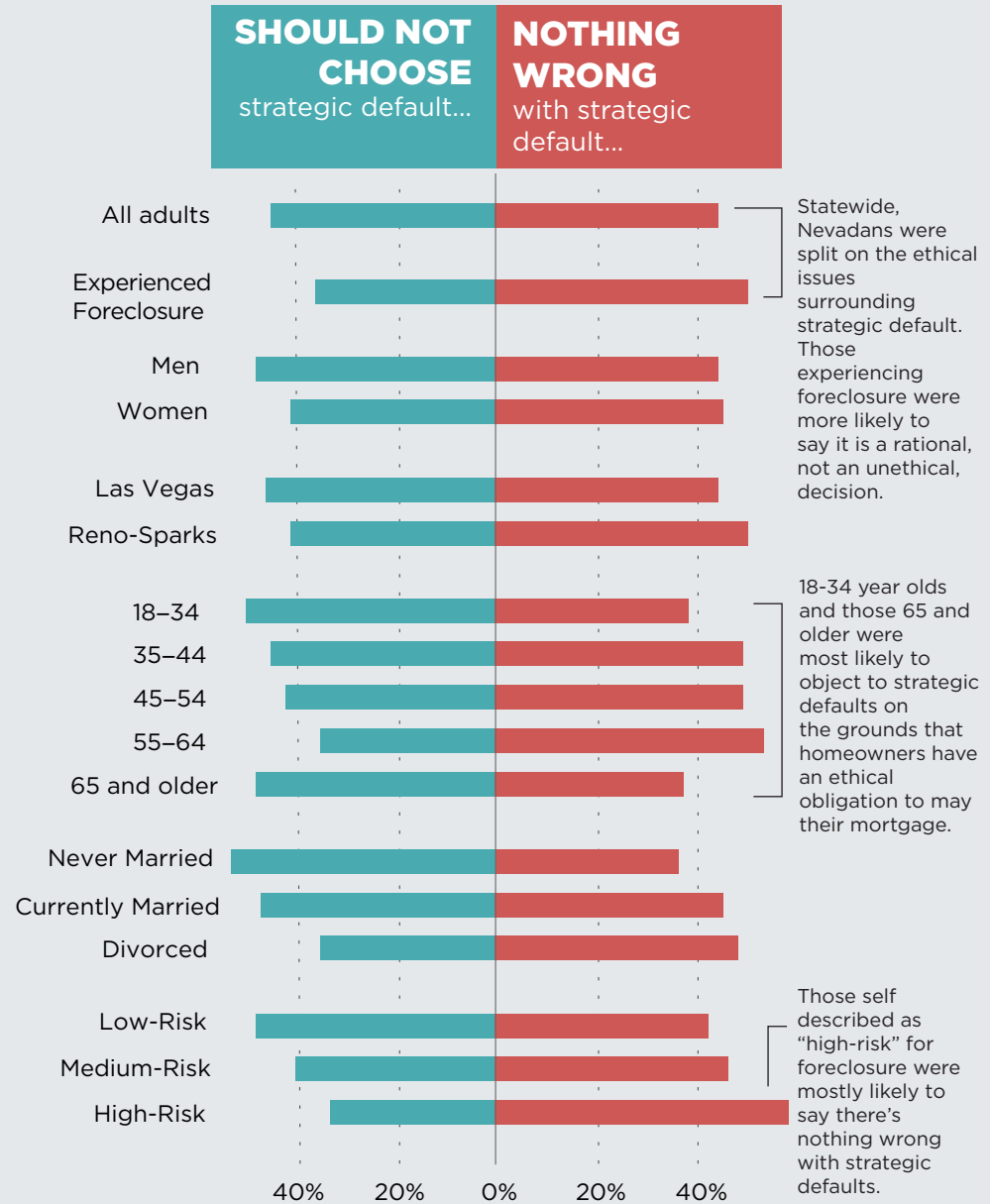
Foreclosure Rates Since January 2009

Clark County has been the hardest hit county in Nevada since January 2009, both in terms of the number of properties receiving a foreclosure notice and the overall foreclosure rate. Since January 2009, about one in five Clark County properties has received a foreclosure filing.

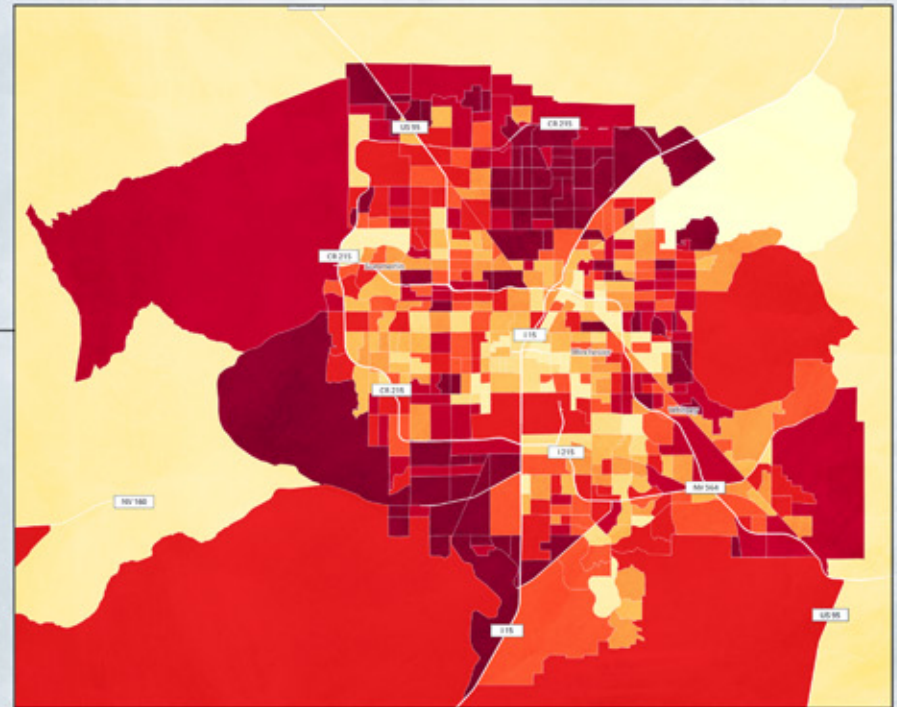
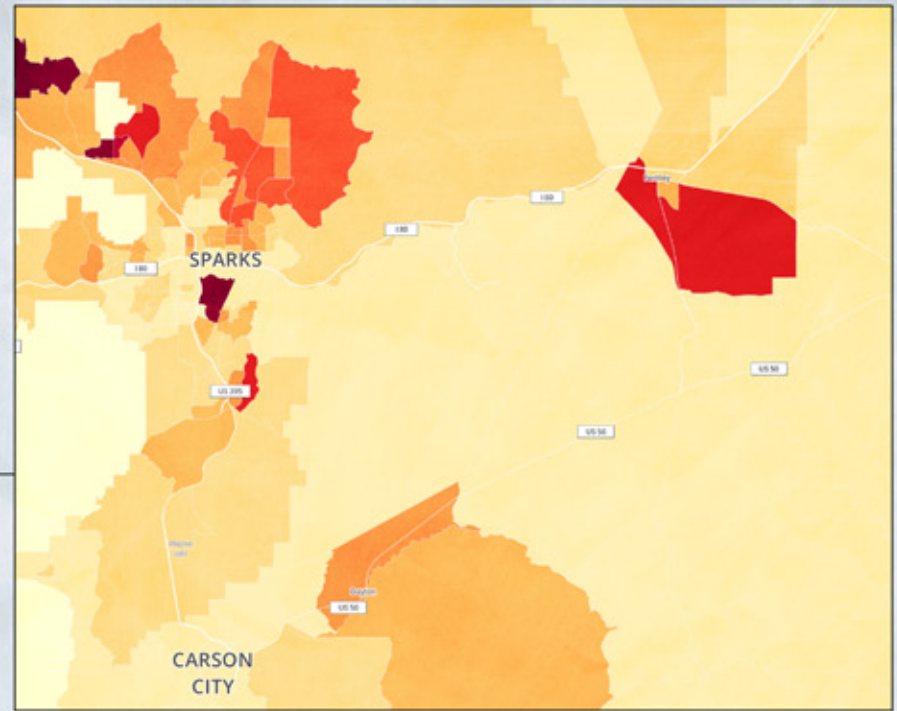
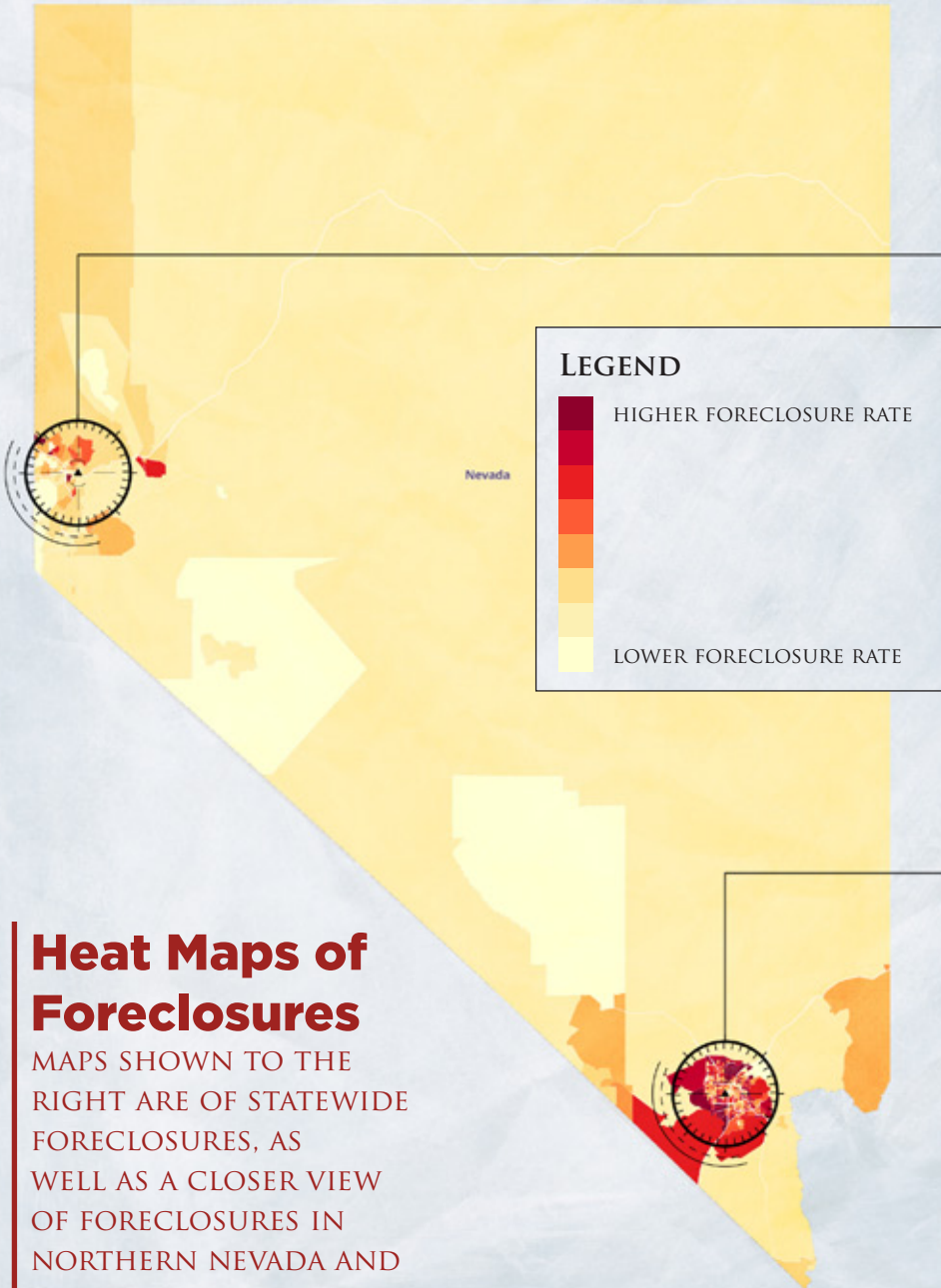
| County | Unique Foreclosed Properties | Housing Units | Rate |
|-------------|------------------------------|---------------|-----------|
| CARSON CITY | 1,044 | 23,534 | 1 IN 23 |
| CHURCHILL | 528 | 10,826 | 1 IN 21 |
| CLARK | 167,692 | 840,343 | 1 IN 5 |
| DOUGLAS | 1,097 | 23,671 | 1 IN 22 |
| ELKO | 229 | 19,566 | 1 IN 85 |
| EUREKA | 1 | 1,076 | 1 IN 1076 |
| HUMBOLDT | 31 | 7,123 | 1 IN 230 |
| LANDER | 7 | 2,575 | 1 IN 368 |
| LINCOLN | 9 | 2,730 | 1 IN 303 |
| LYON | 2,713 | 22,547 | 1 IN 8 |
| MINERAL | 21 | 2,830 | 1 IN 135 |
| NYE | 2,108 | 22,350 | 1 IN 11 |
| PERSHING | 13 | 2,464 | 1 IN 190 |
| STOREY | 8 | 1,990 | 1 IN 249 |
| WASHOE | 19,059 | 184,841 | 1 IN 10 |
| WHITE PINE | 26 | 4,498 | 1 IN 173 |



The Divisive Issue of Strategic Default



Foreclosure Maps



Heat Maps of Foreclosures

MAPS SHOWN TO THE RIGHT ARE OF STATEWIDE FORECLOSURES, AS WELL AS A CLOSER VIEW OF FORECLOSURES IN NORTHERN NEVADA AND LAS VEGAS

Appendices

Survey Toplines - All Residents (500 Respondents)

Q1 - Generally speaking, do you feel that Nevada is headed in the right direction, or do you feel that we have gotten off track and are headed in the wrong direction?

| | |
|---------------------------------|-----|
| BASE | 500 |
| RIGHT DIRECTION | 32% |
| OFF TRACK/WRONG DIRECTION | 51% |
| UNSURE | 16% |

Q2 - Would you say owning a home is a major part of the American Dream, or is it not really a part of the American Dream?

| | |
|--|-----|
| BASE | 500 |
| PART OF THE AMERICAN DREAM | 79% |
| NOT REALLY AN IMPORTANT PART OF THE AMERICAN DREAM | 19% |
| UNSURE | 2% |

Q3 - At the state level, which party is doing a better job of addressing Nevada's foreclosure crisis: Republicans or Democrats?

| | |
|-------------------|-----|
| BASE | 500 |
| REPUBLICANS | 26% |
| DEMOCRATS | 21% |
| BOTH | 1% |
| NEITHER | 30% |
| UNSURE | 20% |

Q4 - Would you say most government foreclosure prevention programs are improving Nevada's foreclosure situation, making it worse, or not really having an impact?

| | |
|-----------------------------------|-----|
| BASE | 500 |
| MAKING IT BETTER | 10% |
| MAKING IT WORSE | 20% |
| NOT REALLY HAVING AN IMPACT | 52% |
| UNSURE | 17% |

Q5 - If a homeowner is having trouble paying their mortgage, should the government make assistance available to the homeowner or should the government stay out of the way?

| | |
|---|-----|
| BASE | 500 |
| GOVERNMENT SHOULD STEP IN AND HELP | 55% |
| GOVERNMENT SHOULD STAY OUT OF THE WAY | 35% |
| UNSURE | 9% |

Q6 - Should banks make loans more accessible so more people have the opportunity to own a home or should they have stricter requirements to obtain a loan?

| | |
|--|-----|
| BASE | 500 |
| SHOULD MAKE LOANS MORE ACCESSIBLE | 37% |
| SHOULD HAVE STRICTER REQUIREMENTS TO OBTAIN A LOAN | 54% |
| UNSURE | 8% |

Q7 - A recent Nevada law requires lenders to gather and present the necessary documents before meeting with a homeowner for foreclosure mediation. Do you believe this law has improved Nevada's foreclosure situation, made it worse, or had no effect?

| | |
|--------------------------------|-----|
| BASE | 500 |
| IMPROVED | 26% |
| MADE IT WORSE | 8% |
| NOT REALLY HAD AN EFFECT | 45% |
| UNSURE | 20% |

Q8 - Would you say owning a home is a very safe, pretty safe, somewhat safe, or not very safe long-term investment?

| | |
|--------------------|-----|
| BASE | 500 |
| VERY SAFE..... | 15% |
| PRETTY SAFE | 26% |
| SOMEWHAT SAFE..... | 26% |
| NOT VERY SAFE..... | 28% |
| UNSURE | 5% |

Q9 - Which is a safer long-term investment: Owning a home in Nevada or investing in the stock market?

| | |
|-------------------------------------|-----|
| BASE | 500 |
| OWNING A HOME | 53% |
| INVESTING IN THE STOCK MARKET | 31% |
| UNSURE | 15% |

Q10 - Would you say it's a better value to own a home or to rent in Nevada right now?

| | |
|------------------|-----|
| BASE | 500 |
| OWN A HOME | 55% |
| RENT | 39% |
| UNSURE | 5% |

Q11 - Over the next year, would you say most single-family homes in Nevada will increase in value, decrease in value, or stay pretty much the same?

| | |
|---------------------------------|-----|
| BASE | 500 |
| INCREASE A LOT | 6% |
| INCREASE A LITTLE | 16% |
| STAY PRETTY MUCH THE SAME | 56% |
| DECREASE A LITTLE | 13% |
| DECREASE A LOT | 7% |
| UNSURE | 2% |

Q12 - Which of the following would be the biggest obstacle or barrier if you were considering a purchase:

| | |
|--|-----|
| BASE | 500 |
| SAVING FOR A DOWN PAYMENT | 22% |
| NAVIGATING THE HOME-BUYING PROCESS | 8% |
| AFFORDING THE MORTGAGE PAYMENT | 12% |
| HAVING A STEADY SOURCE OF INCOME | 28% |
| OVERCOMING POOR CREDIT HISTORY | 17% |
| NONE OF THE ABOVE | 7% |
| UNSURE | 3% |
| OTHER | 2% |

Q13 - Over the next year, would you say the foreclosure rate in Nevada will improve, get worse, or stay about the same?

| | |
|------------------------|-----|
| BASE | 500 |
| TOTAL GET BETTER | 22% |
| STAY THE SAME | 54% |
| TOTAL GET WORSE | 21% |
| UNSURE | 2% |

Q14 - Would you say strategic defaults are a major problem, a moderate problem, a minor problem, or not a problem at all in your neighborhood?

| | |
|------------------------|-----|
| BASE | 500 |
| MAJOR PROBLEM | 35% |
| MODERATE PROBLEM | 24% |
| MINOR PROBLEM | 17% |
| NOT A PROBLEM | 16% |
| UNSURE | 7% |

Q15 - Which of the following two statements best describes your opinion of strategic defaults: [ROTATE]

- There is nothing wrong with a strategic default. It is a logical financial decision made by homeowners who are underwater and don't have a better option.
- Homeowners should not choose a strategic default, even if they're underwater. They have a legal and ethical obligation to pay their mortgage if they can.

| | |
|--|-----|
| BASE | 500 |
| NOTHING WRONG WITH STRATEGIC DEFAULT | 45% |
| SHOULD NOT CHOOSE STRATEGIC DEFAULT | 45% |
| UNSURE | 9% |

Q16 - Have you experienced a home foreclosure in Nevada within the last twelve months?

| | |
|------------|-----|
| BASE | 500 |
| YES | 7% |
| NO | 93% |

Q17 - How would you rate your level of risk of experiencing a foreclosure on a scale of 1-10?

| | |
|------------|-----|
| BASE | 500 |
| 1 | 56% |
| 2 | 5% |
| 3 | 5% |
| 4 | 4% |
| 5 | 16% |
| 6 | 2% |
| 7 | 3% |
| 8 | 3% |
| 9 | * |
| 10..... | 5% |

Q18 - In the last 12 months, not including yourself, how many of your family members have experienced a home foreclosure in Nevada?

| | |
|-----------------|-----|
| BASE | 500 |
| 0 | 80% |
| 1 | 9% |
| 2-3 | 8% |
| 4 OR MORE | 1% |

Q19 - In the last 12 months, besides your family, how many of your close personal friends have experienced a home foreclosure in Nevada?

| | |
|-----------------|-----|
| BASE | 500 |
| 0 | 47% |
| 1 | 11% |
| 2 | 12% |
| 3 | 8% |
| 4 OR MORE | 18% |
| UNSURE..... | 3% |

Q20 - Would you support or oppose legislation making it easier for people who have experienced a foreclosure to qualify for a new mortgage?

| | |
|-----------------------|-----|
| BASE | 500 |
| STRONGLY FAVOR | 38% |
| SOMEWHAT FAVOR | 29% |
| SOMEWHAT OPPOSE..... | 8% |
| STRONGLY OPPOSE | 16% |
| UNSURE | 8% |

Q20cat - Would you support or oppose legislation making it easier for people who have experienced a foreclosure to qualify for a new mortgage?

| | |
|---------------------|-----|
| BASE | 500 |
| TOTAL SUPPORT | 67% |
| TOTAL OPPOSE | 24% |
| UNSURE | 8% |

Q21 - Would you support or oppose legislation that encourages lenders to offer long-term leases of foreclosed homes, preferably to the families who were foreclosed on.

| | |
|-----------------------|-----|
| BASE | 500 |
| STRONGLY FAVOR | 43% |
| SOMEWHAT FAVOR | 33% |
| SOMEWHAT OPPOSE | 8% |
| STRONGLY OPPOSE | 8% |
| UNSURE | 7% |

Q21cat - Would you support or oppose legislation that encourages lenders to offer long-term leases of foreclosed homes, preferably to the families who were foreclosed on.

| | |
|--------------------|-----|
| BASE | 500 |
| TOTAL FAVOR | 76% |
| TOTAL OPPOSE | 15% |
| UNSURE | 7% |

Q22 - If someone were to buy a home that was illegally foreclosed on, should the original owner have the right to reclaim the property, or does the new owner retain the rights to the home?

| | |
|---|-----|
| BASE | 500 |
| ORIGINAL OWNER SHOULD HAVE THE RIGHT TO RECLAIM | 43% |
| NEW OWNER SHOULD HAVE THE RIGHT TO STAY | 39% |
| OTHER | 4% |
| UNSURE | 11% |

Q23 - Do you own or rent your current residence?

| | |
|------------|-----|
| BASE | 500 |
| OWN..... | 66% |
| RENT | 32% |
| OTHER..... | 1% |

Q24 - Are you considering purchasing a home in Nevada in the next 12 months?

| | |
|------------|-----|
| BASE | 500 |
| YES | 18% |
| NO | 80% |

Q26 - Do you own a cell phone that is used to make or receive calls?

** Among those interviewed on a landline*

| | |
|--------------|-----|
| BASE | 393 |
| YES | 58% |
| NO | 41% |
| UNSURE | 1% |

Q28 - Do you have a hard-wired, landline telephone at home?

** Among those interviewed on a cell phone*

| | |
|--------------|-----|
| BASE | 107 |
| YES | 6% |
| NO | 91% |
| UNSURE | 2% |

Marital Status

| | |
|-------------------------|-----|
| BASE | 500 |
| NEVER MARRIED | 17% |
| CURRENTLY MARRIED | 61% |
| DIVORCED | 8% |
| WIDOWED | 4% |
| SOMETHING ELSE | 7% |

Age

| | |
|--------------------|-----|
| BASE | 500 |
| 18-24 | 10% |
| 25-34 | 18% |
| 35-44 | 19% |
| 45-54 | 20% |
| 55-64 | 14% |
| 65-74 | 10% |
| 75 AND OLDER | 7% |
| REFUSED | 1% |
| UNSURE | 2% |

Gender

| | |
|--------------|-----|
| BASE | 500 |
| MALE | 51% |
| FEMALE | 49% |

Survey Toplines - Foreclosed Individuals

(501 Respondents Receiving At Least One Foreclosure Notice)

Q1 - Would you say owning a home is a major part of the “American Dream,” or is it not really a part of the “American Dream?”

| | |
|---|-----|
| BASE | 501 |
| PART OF THE “AMERICAN DREAM” | 79% |
| NOT REALLY AN IMPORTANT PART OF THE “AMERICAN DREAM” .. | 16% |
| UNSURE | 5% |

Q2 - Over the next year, would you say the foreclosure rate in Nevada will get a little (better/worse) or get a lot (better/worse) or stay about the same?

| | |
|---------------------------|-----|
| BASE | 501 |
| GET A LOT BETTER | 1% |
| GET A LITTLE BETTER | 11% |
| STAY THE SAME | 40% |
| GET A LITTLE WORSE | 17% |
| GET A LOT WORSE | 21% |
| UNSURE | 10% |

Q2cat - Over the next year, would you say the foreclosure rate in Nevada will get a little (better/worse) or get a lot (better/worse) or stay about the same?

| | |
|------------------------|-----|
| BASE | 501 |
| TOTAL GET BETTER | 13% |
| STAY THE SAME | 40% |
| TOTAL GET WORSE | 38% |
| UNSURE | 10% |

Q3 - Over the next year, would you say most single-family homes in Nevada will increase (a lot/little) in value, decrease (a lot/little) in value, or stay pretty much the same?

| | |
|---------------------------------|-----|
| BASE | 501 |
| INCREASE A LOT | 2% |
| INCREASE A LITTLE | 14% |
| STAY PRETTY MUCH THE SAME | 45% |
| DECREASE A LITTLE | 25% |
| DECREASE A LOT | 11% |
| UNSURE | 3% |

Q3cat - Over the next year, would you say most single-family homes in Nevada will increase (a lot/little) in value, decrease (a lot/little) in value, or stay pretty much the same?

| | |
|---------------------------------|-----|
| BASE | 501 |
| TOTAL INCREASE | 16% |
| STAY PRETTY MUCH THE SAME | 45% |
| TOTAL DECREASE | 37% |
| UNSURE | 3% |

Q4 - Some homeowners in Nevada have chosen to undergo a “strategic default” and stop making mortgage payments despite having the financial ability to make the payments. Would you describe your current or recent situation as a “strategic default”?:

| | |
|--------------|-----|
| BASE | 501 |
| YES | 27% |
| NO | 66% |
| UNSURE | 6% |

Q6 - Which statement best describes your opinion?

- There is nothing wrong with a strategic default. It is a logical financial decision made by homeowners who are underwater and don't have a better option.
- Homeowners should not choose a strategic default, even if they're underwater. They have a legal and ethical obligation to pay their mortgage if they can.

| | |
|--|-----|
| BASE | 501 |
| NOTHING WRONG WITH STRATEGIC DEFAULT | 51% |
| SHOULD NOT CHOOSE STRATEGIC DEFAULT | 36% |
| UNSURE | 12% |

Q7 - At any point in the foreclosure process, were you advised by your bank, lender, or financial advisor to stop paying your mortgage in order to qualify for assistance from your lender?

| | |
|--------------|-----|
| BASE | 501 |
| YES | 40% |
| NO | 59% |
| UNSURE | 1% |

Q8 - Would you say most government foreclosure prevention programs are improving Nevada's foreclosure situation, making it worse, or not really having an impact?

| | |
|------------------------------------|-----|
| BASE | 501 |
| MAKING IT BETTER (IMPROVING) | 9% |
| MAKING IT WORSE | 20% |
| NOT REALLY HAVING AN IMPACT | 58% |
| UNSURE | 12% |

Q9 - Which comes closest to your view on how the government should approach offering assistance to homeowners struggling to pay their mortgage?

- If a homeowner is having trouble paying their mortgage, the government should make assistance available so the homeowner doesn't lose his or her home.
- If a homeowner is having trouble paying their mortgage, the government should stay out of the way even if it means the homeowner could lose his or her home.

| | |
|---|-----|
| BASE | 501 |
| GOVERNMENT SHOULD STEP IN AND HELP | 58% |
| GOVERNMENT SHOULD STAY OUT OF THE WAY | 30% |
| UNSURE | 12% |

Q10 - According to Nevada law, AB284, lenders are required to gather and present the necessary documents before meeting with a homeowner for foreclosure mediation. Has this law improved Nevada's foreclosure situation, made it worse, or had no effect?

| | |
|--------------------------------|-----|
| BASE | 501 |
| IMPROVED | 18% |
| MADE IT WORSE..... | 9% |
| NOT REALLY HAD AN EFFECT | 54% |
| UNSURE | 18% |

Q11 - How likely are you to buy a home in Nevada in the next two years? Would you say very likely, pretty likely, somewhat likely, or not very likely?

| | |
|-----------------------|-----|
| BASE | 501 |
| VERY LIKELY | 11% |
| PRETTY LIKELY | 3% |
| SOMEWHAT LIKELY | 12% |
| NOT VERY LIKELY | 72% |
| UNSURE | 3% |

Q12 - Regardless of whether or not you're considering it, which of the following would be the biggest obstacle or barrier if you were considering purchasing a home in Nevada in the next two years:

| | |
|---|-----|
| BASE | 501 |
| SAVING FOR A DOWN PAYMENT | 14% |
| NAVIGATING THE HOME-BUYING PROCESS | 4% |
| AFFORDING THE MORTGAGE PAYMENT | 5% |
| HAVING A STEADY SOURCE OF INCOME | 13% |
| OVERCOMING POOR CREDIT HISTORY | 33% |
| IT'S JUST NOT WORTH IT TO TRY AGAIN | 22% |
| UNSURE | 8% |

Q13 - Which of the following best describes your foreclosure experience?

| | |
|--|-----|
| BASE | 501 |
| PERSONALLY EXPERIENCED FORECLOSURE | 50% |
| NARROWLY AVOIDED FORECLOSURE | 30% |
| RENTED FROM A PROPERTY THAT WAS FORECLOSED | 1% |
| CURRENTLY IN THE FORECLOSURE PROCESS | 16% |
| OTHER | 1% |
| UNSURE | 1% |

Q14 - Was the property that received the foreclosure filing your primary residence, an investment property, a vacation property, or used for something else?

| | |
|-------------------------------|-----|
| BASE | 501 |
| PRIMARY RESIDENCE | 93% |
| INVESTMENT PROPERTY | 4% |
| VACATION PROPERTY | 1% |
| USED FOR SOMETHING ELSE | 1% |
| UNSURE | 1% |

Q15 - Did you or another household wage earner experience - Loss of Job?

| | |
|------------|-----|
| BASE | 501 |
| YES | 53% |
| NO | 45% |

Q16 - Did you or another household wage earner experience- An addition to household, such as having a baby, or a relative or friend move in?

| | |
|------------|-----|
| BASE | 501 |
| YES | 20% |
| NO | 80% |

Q17 - Did you or another household wage earner experience- Death of primary mortgage payer?

| | |
|------------|-----|
| BASE | 501 |
| YES | 6% |
| NO | 94% |

Q18 - Did you or another household wage earner experience- Death of an immediate family member or friend?

| | |
|------------|-----|
| BASE | 501 |
| YES | 17% |
| NO | 83% |

Q19 - Did you or another household wage earner experience- An arrest?

| | |
|------------|-----|
| BASE | 501 |
| YES | 2% |
| NO | 98% |

Q20 - Did you or another household wage earner experience- A tax increase?

| | |
|------------|-----|
| BASE | 501 |
| YES | 14% |
| NO | 83% |

Q21 - Did you or another household wage earner experience- Unexpected medical bills?

| | |
|------------|-----|
| BASE | 501 |
| YES | 41% |
| NO | 58% |

Q22 - Did you or another household wage earner experience- Other unexpected bills?

| | |
|------------|-----|
| BASE | 501 |
| YES | 21% |
| NO | 77% |

Q23 - At the time of foreclosure, was your total household income greater than or less than \$4,000 per month?

| | |
|---------------------------------------|-----|
| BASE | 501 |
| \$0 TO \$1,000 PER MONTH | 4% |
| \$1,000 TO \$2,000 PER MONTH | 18% |
| \$2,000 TO \$4,000 PER MONTH | 37% |
| \$4,000 TO \$6,000 PER MONTH | 19% |
| \$6,000 TO \$8,000 PER MONTH | 9% |
| \$8,000 TO \$10,000 PER MONTH | 5% |
| GREATER THAN \$10,000 PER MONTH | 3% |
| UNSURE | 3% |
| REFUSED | 4% |

Q24 - Just before the time of foreclosure, were your monthly mortgage payments, including taxes and insurance, greater than or less than \$1,300 Per Month?

| | |
|------------------------------------|-----|
| BASE | 501 |
| LESS THAN \$350 PER MONTH | * |
| \$350 TO \$700 PER MONTH | 3% |
| \$700 TO \$1,300 PER MONTH | 14% |
| \$1,300 TO \$2,000 PER MONTH | 37% |
| \$2,000 TO \$2,700 PER MONTH | 23% |
| \$2,700 TO \$3,300 PER MONTH | 9% |
| MORE THAN \$3,300 PER MONTH | 9% |
| UNSURE | 3% |

Q25 - At the time your foreclosure experience began, how long had you owned your home?

| | |
|-------------------------|-----|
| BASE | 501 |
| LESS THAN 1 YEAR..... | 1% |
| 1 YEAR TO 2 YEARS | 5% |
| 2 TO 5 YEARS..... | 30% |
| 5 OR MORE YEARS | 63% |

Marital Status

| | |
|-------------------------|-----|
| BASE | 501 |
| NEVER MARRIED | 8% |
| CURRENTLY MARRIED | 63% |
| DIVORCED | 17% |
| WIDOWED..... | 6% |
| SOMETHING ELSE..... | 5% |

Age

| | |
|--------------------|-----|
| BASE | 501 |
| 18-24 | 1% |
| 25-34 | 9% |
| 35-44 | 20% |
| 45-54 | 23% |
| 55-64 | 25% |
| 65-74 | 16% |
| 75 AND OLDER | 7% |

Gender

| | |
|--------------|-----|
| BASE | 501 |
| MALE | 44% |
| FEMALE | 56% |

*This is a time of crisis...
...and a time for hope.*



NEVADA'S
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