
North Minneapolis Mortgage Originations and Foreclosures

Based on information for ZIP codes 55411 & 55412

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About Housing Preservation Project, Inc. (HPP)

The Housing Preservation Project (HPP), founded in 1999, is a nonprofit public interest advocacy and legal organization whose primary mission is to preserve and expand affordable housing for low-income individuals and families. HPP seeks to prevent the loss of affordable rental housing by conversion to market rate, demolition, foreclosure and other causes. HPP attorneys work with tenant and advocacy organizations, public and private housing funders, owners, developers, and policy makers in their efforts to protect and expand affordable housing. Although based in Minnesota, HPP works nationwide.

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Study Purpose and Objectives

The Foreclosure Relief Law Project (FRLP) was established by Housing Preservation Project (HPP) to identify and implement legal strategies that stop or prevent foreclosures, provide meaningful relief for affected homeowners and neighborhoods, and hold those who have played a significant role in causing the foreclosure problem accountable for the results. In pursuing these objectives, HPP has asked HousingLink to provide the background information and facilitate the following report to provide a better understanding of the dynamics of foreclosure (as established by 2005-2006 sheriff's sale records) in the ZIP codes of 55411 and 55412.

Figures 1 to 4 were statistics previously provided in HPP and HousingLink's first report, *Analysis of Detailed Sheriff's Sale Data* (March 6, 2008), related to foreclosures in the 55411 and 55412 zip codes. They are repeated here as background information.

Figures 5 and 6 provide new information related to the originating lenders in the 55411 and 55412 zip codes of mortgage loans that resulted in a foreclosure. Due to the method of recording mortgage loans, the recorded "mortgagee" is often not the originating lender. Figures 5 and 6 are the result of a review of the actual mortgage documents and the "lender" identified on such documents.

Analysis of Originating Lenders in 55411 and 55412

Figure 1 - Foreclosure summary for 55411 & 55412 ZIP codes (2005-2006)
(Abstract and Torrens records)

The following figure provides totals for sheriff's sale records in ZIP codes 55411 and 55412, including both Abstract and Torrens land records. From 2005 to 2006, sheriff's sales increased 68% and 82% in ZIP codes 55411 and 55412, respectively.

ZIP Code	2005 Sheriff's Sales	2006 Sheriff's Sales	05-06 Total Sheriff's Sales	05-06 Percentage Change
55411	282	473	755	68%
55412	176	321	497	82%
Totals	458	794	1252	73%

Figure 2 – Foreclosure summary for 55411 & 55412 ZIP codes (2005-2006)
(Abstract records only)

The following figure provides totals for sheriff’s sale records in ZIP codes 55411 and 55412, including Abstract land records only. The numbers in parentheses reflect the percentage of Abstract records found in all sheriff’s sale records for the relevant years and ZIP codes.

ZIP Code	2005 Sheriff's Sales (Abstract)	2006 Sheriff's Sales (Abstract)	05-06 Total Sheriff's Sales (Abstract)
55411	235 (83%)	385 (81%)	620 (82%)
55412	146 (83%)	248 (77%)	394 (79%)
Totals	381	633	1014

Figure 3 - Top 10 mortgagees for ZIP codes 55411, 55412 and 7-county area¹
(Abstract records only)

The following figure provides the top 10 mortgagees for the combined ZIP codes of 55411 and 55412. As a reference, the figure also includes the rankings of the top 10 purchasers from the same ZIP codes, along with each mortgagee’s rank in the Twin Cities seven-county metro area for December of 2006. Please note that the listed “mortgagee” is typically not the name of the actual lender. The lenders are identified in Figures 5 and 6.

Rank	Rank in Figure 4	Rank in 7-County (12/06)	Mortgagee²	# of Listings	% of Listings
1	1	1	Mortgage Electronic Registration Systems, Inc.	389	38.4%
2	2	4	Deutsche Bank National Trust Company	142	14.0%
3	3	2	Wells Fargo Bank, N.A.	105	10.4%
4	4	3	U.S. Bank, N.A.	55	5.4%
5	5	8	JP Morgan Chase Bank, N.A.	47	4.6%
6	6	N/A	HSBC Bank USA, N.A.	22	2.2%
7	7	6	Argent Mortgage Company, LLC	15	1.5%
8	8	N/A	Option One Mortgage Corporation	14	1.4%
9	9	10	LaSalle Bank, N.A.	13	1.3%
10	10	N/A	Wachovia Bank, N.A.	10	1.0%

¹ Twin Cities seven-county metro data only reflects records from December 2006

² Not reliable as name of actual lender, as transaction agent is often listed instead

Figure 4 - Top 10 purchasers for ZIP codes 55411, 55412 and 7-county area³
 (Abstract records only)

The following figure provides the top 10 purchasers for the combined ZIP codes of 55411 and 55412. A “purchaser” is the entity that was the highest bidder at the Sheriff’s sale of the foreclosed property. As a reference, the figure also includes the rankings of the top 10 mortgagees from the same ZIP codes, along with each purchaser’s rank in the Twin Cities seven-county metro area for December of 2006.

Rank	Rank in Figure 3	Rank in 7-County (12/06)	Purchasers ⁴	# of Listings	% of Listings
1	1	1	Mortgage Electronic Registration Systems, Inc.	388	38.3%
2	2	3	Deutsche Bank National Trust Company	142	14.0%
3	3	2	Wells Fargo Bank, N.A.	105	10.4%
4	4	4	U.S. Bank, N.A.	55	5.4%
5	5	5	JP Morgan Chase Bank, N.A.	47	4.6%
6	6	7	HSBC Bank USA, N.A.	22	2.2%
7	7	N/A	Argent Mortgage Company, LLC	15	1.5%
8	8	N/A	Option One Mortgage Corporation	14	1.4%
9	9	7	LaSalle Bank, N.A.	12	1.2%
10	10	N/A	Wachovia Bank, N.A.	10	1.0%

³ Twin Cities seven-county metro data only reflects records from December 2006.

⁴ Not reliable as name of actual purchaser, as transaction agent is often listed instead.

Figure 5 - Top 10 originating lenders of mortgage loans that resulted in a foreclosure for ZIP codes 55411 and 55412 in 2006 and 2007 based on Optical Character Recognition Scan⁵

(Abstract records only)

The following figure provides the top 10 originating lenders of mortgage loans that resulted in a foreclosure for ZIP codes 55411 and 55412 in 2006 and 2007.

Rank	Originating Lender	# of Foreclosures	% of Overall Northside Foreclosures
1	BNC	128	12.6%
2	Argent	127	12.5%
3	Fremont Investment and Loan	60	5.9%
4	Ameriquest	34	3.3%
5	Decision One	33	3.2%
6	Wells Fargo	32	3.1%
7	New Century	31	3%
8	Great Northern	24	2.4%
9	Long Beach Mortgage	23	2.3%
10	America's Wholesale	22	2.2%
10	First Guaranty	22	2.2%
10	Maribella	22	2.2%

Figure 6 - Top 5 originating lenders of mortgage loans that resulted in a foreclosure for ZIP codes 55411 and 55412 in 2006 and 2007 based on six month sample and review⁶

(Abstract records only)

The following figure provides the top 5 originating lenders of mortgage loans that resulted in a foreclosure for ZIP codes 55411 and 55412 in 2006 and 2007.

Rank	Originating Lender	# of Foreclosures	% of Sample
1	BNC	25	10%
2	Argent	23	9.2%
3	Wells Fargo	9	3.6%
3	Fremont Investment and Loan	9	3.6%
4	Decision One	6	2.4%
4	New Century	6	2.4%
4	Aames	6	2.4%
5	Maribella	5	2%
5	America's Wholesale	5	2%

⁵ There were 1014 abstract records reviewed for this sample.

⁶ There were 248 foreclosure records reviewed for this sample.