



MISSOURI CREDIT UNION ASSOCIATION

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738,000 Missouri Homeowners Could See Their Property Values Decline ***The Subprime Mortgage Impact on Missouri Consumers***

St. Louis, MO – (May 22, 2008) –Missourians, along with consumers across the country, are being hit hard by the subprime mortgage crisis - and it isn't just those losing homes to foreclosure who are being hurt. The Missouri Credit Union Association (MCUA) is examining the trends and possible solutions for everyone affected.

The Missouri Credit Union Association commissioned Dr. Nancy Pierce of the Tipton Research Group and Dr. Robert Weagley, Chair of the Personal Financial Planning Department of the University of Missouri-Columbia, to conduct a study on how the subprime mortgage crisis has affected Missourians and suggest possible responses by lawmakers, credit unions, and consumers.

The study analyzes the mortgage activity in each of Missouri's 114 counties and the City of St. Louis. Missouri is listed as one of 24 states projected to lose more than \$1 billion in local home values from foreclosure. It is estimated that almost 17,000 homes could be lost to foreclosure. In turn, this affects another 738,000 homeowners who could see their property values decline. The overall declines could impact tax revenues for many communities that are already financially strapped due to the economic downturn.

According to Realtytrac, Missouri's foreclosure rate at the end of 2007 was up 91.4 percent from one year ago, and the mortgage delinquency rate is above the national average. Missouri ranked fifth in the nation in its mortgage delinquency rate. Because of this, Missouri foreclosures could increase in the last half of 2008.

The full results of the MCUA study include those counties and demographics most affected by the mortgage crisis, and predictions for the future. MCUA will release the final study results in early July, and provide suggested responses to help lawmakers, homeowners, credit unions, and communities take action.

For more information on the study or to arrange interviews with Dr. Nancy Pierce, contact Peggy Nalls, SVP/Public and Legislative Affairs, pnalls@mcua.org or (573) 636-1010.

The Missouri Credit Union Association is the trade association representing the state's 154 credit unions and nearly 1.3 million credit union members. Credit unions are not-for-profit financial cooperatives that exist to serve their members, not to make a profit. Credit unions return earnings back to their owner-members and help people, including those of modest means, achieve financial success. Credit unions provide financial education, counseling, and charitable assistance in their communities. For more information on Missouri credit unions or the Missouri Credit Union Association, visit www.mcua.org.

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