

SPOTLIGHT ON FACULTY RESEARCH

A Q&A with Assistant Professor Kathe Newman on her research work regarding the foreclosure crisis and her recent article “The Perfect Storm: Contextualizing the Foreclosure Crisis,” which appeared as part of a forum published in November in Urban Geography (Volume 29, Number 8, 2008, Pages 745-784, Bellwether Publishing, Ltd.)

Q. Your most current research focuses on the foreclosure crisis. What got you interested in this topic? How does it relate to your previous research?

My research agenda is more broadly focused on understanding and explaining urban change. I have most recently focused on gentrification and foreclosure as they are two of the most dramatic forces changing cities today.

I've been working on foreclosures and subprime lending since about 2002. Community organizations in Newark and elsewhere were concerned about a foreclosure crisis in the late 1990s. They wanted to measure the incidence of foreclosure, but the data is buried in court files and property records. I started working with the New Jersey Institute for Social Justice and others to develop research strategies to better understand lending processes and how they affect borrowers and neighborhoods.

Q. How have you collected data on how foreclosure affects local communities? What is innovative about your approach?

We have collected pre-foreclosures, the point when the lending institution states its intent to foreclose, from the New Jersey State Courts and the Essex County registrar. We gather additional information from property sale and deed records and in collaboration with the Newark/Essex Foreclosure Task Force, we have been surveying properties in Newark to gather information about the properties themselves. The approach is innovative in a few ways. First, we are only using data from publicly available sources. This is extremely labor intensive, but it produces excellent quality data and suggests ways that we can modify existing data processes to respond to these crises in the future. Second, we have gathered data over a long period of time which allows us to look at the problem and how it has changed through the peak of the lending crisis. Third, we work collaboratively with the Newark/Essex Foreclosure Task Force to gather data, create research questions, interpret the results, and direct outreach to at risk borrowers and renters.

Q. From your research, what, in your view, have been the major contributing factors to the current foreclosure crisis? How has the crisis impacted the communities that you studied?

There are many factors that are contributing to the current foreclosure crisis including loose underwriting, insufficient regulation, and economic restructuring. I wrote an article called "The Perfect Storm" in which I tried to untangle some of these factors.

Q. What can policymakers do about the current crisis, and how can they prevent this from happening again?

There are many answers to this question. One smallish answer is that states can change the way they record foreclosures. There is no national dataset on foreclosures which made it difficult to see some of these problems brewing. If states record foreclosures digitally and require additional information when lenders file foreclosure complaints, states can watch for patterns that might suggest problems. It would be possible, for example, to see when loans were going to foreclosure very quickly after origination, and where foreclosures were concentrated; states could also identify and watch lenders that have comparatively high foreclosure rates.

Q. What is next on your research agenda?

In addition to continuing to gather data on foreclosure and learning about structured finance, I'll be thinking about capital flows and urban change. I'm also launching a project with James DeFilippis on community development and immigration.

ABOUT THE AUTHOR

Kathe Newman is an Assistant Professor in the Urban Planning and Policy Development Program at the Edward J. Bloustein School of Planning and Public Policy, a member of the graduate faculties in the Department of Geography, and an affiliated member of the Department of Latino and Hispanic Caribbean Studies at Rutgers University. Her research explores how and why cities change and how those changes affect people of color, women, and the poor. She is particularly interested in how capital flows transform urban places. Her research has explored gentrification, foreclosure, urban redevelopment and community participation. Dr. Newman holds a Ph.D in Political Science from the Graduate School and University Center at the City University of New York. Dr. Newman has published articles in *Urban Studies*, *Urban Affairs Review*, *Shelterforce*, *Progress in Human Geography*, *Housing Studies*, *GeoJournal*, and *Environment and Planning A*.

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