If a foreclosed property fails to sell, the lender repossesses it, and it becomes a real estate owned (REO) property. A concentration of real estate owned properties that are vacant for a long time can cause problems for a neighborhood. The map represents the number of REO properties in a ZIP code weighted by the ratio of REOs to active mortgages. The results are revealing in that, besides major population centers, some areas not typically associated with high foreclosures are also facing tough REO challenges.

For information on the Federal Reserve Bank of Boston’s REO Stabilization Opportunity Score, designed to help communities to target their resources, e-mail Kai-yan.lee@bos.frb.org.