

Foreclosures postings down for Central Texas

Austin defies national trend, but future could bring trouble

By [Shonda Novak](#)

AMERICAN-STATESMAN STAFF

Thursday, November 22, 2007

Foreclosure postings fell 8 percent for the year in Central Texas, the only major metropolitan area in the state to have a decline, according to the latest report from Addison-based Foreclosure Listing Service Inc.

Monthly figures also reflected the trend. The postings for the Dec. 4 foreclosure auction for the region that includes Travis, Williamson, Hays and Bastrop counties were down 9 percent, the lowest level in five years.

While Central Texas foreclosures continue to defy national trends, the region still could face rising delinquencies in the next few years, said George Roddy, president of the service that tracks the numbers.

The average age of a loan posted for foreclosure is a little less than four years old, and "that means we still have to weed out the problem loans" made since 2004, Roddy said. "Simple math tells us that we have several more years to go through this particular phase in the foreclosure cycle. After all, a tremendous amount of lending has taken place during the last four years."

But another expert doesn't think the situation is that dire because the local economy is adding jobs and the area's median home price is rising.

David Reed, president of CD Reed Mortgage Bankers in Austin, said he's not sure it will take several more years. Because property values in Central Texas have steadily improved in recent years, homeowners have the option of either refinancing or selling their property, Reed said. "As long as we add jobs and our economy is steady, people will need a place to live and place a reasonable demand for housing," he said.

The new report breaks down foreclosures by county as well as by region.

In Travis County, the number of properties posted for the Dec. 4 auction was down 4 percent compared with December 2006, and down 6 percent for the year.

Hays County postings were down 6 percent in December, and 10 percent for the year, the lowest level since Roddy's firm began tracking foreclosures in that county in 2003.

Williamson County had the steepest annual and monthly declines among the four counties. Postings fell 22 percent in December and 11 percent for the year.

Postings in other Texas metro areas are rising: up 16 percent for the year in Dallas/Fort Worth and up 4 percent in Bexar County, which includes San Antonio.

Several factors are contributing to the foreclosure rates, Roddy said. They include lenient lending practices that have made it much easier for many homebuyers to qualify for mortgages, as well as rising monthly payments on adjustable rate mortgages and interest-only loans.

Roddy advises homeowners with delinquent mortgages to talk with their lenders.

"Lenders ... would prefer not to own more real estate," he said. "So I am confident that we will see more willingness to work with delinquent homeowners who are communicating with their lender than in past years."

In March, \$1 trillion in loans are due to reset. But the government is stepping in to offer relief to homeowners who have been making timely payments but are having difficulties with new, higher payments because of adjustable-rate loans, said Wendy Dabrusin, a mortgage planner in Austin at Executive Mortgage Center.

The FHASecure Plan allows borrowers with strong credit histories to qualify for refinance when they would otherwise be unable to qualify. Borrowers who became delinquent after their mortgages reset are eligible for the program as long as they meet qualifying criteria, Dabrusin said.

snovak@statesman.com; 445-3856

Area Foreclosures

For 4th quarter Total Total Pct.

2006 2007

Austin metro 2,002 1,771 -12%

Travis 942 855 -9%

Williamson 652 526 -19%

Hays 258 224 -13%

Bastrop 150 166 +11%

For year Total Total Pct.

2006 2007

Austin metro 7,709 7,110 -8%

Travis 3,718 3,482 -6%

Williamson 2,435 2,157 -11%

Hays 968 871 -10%

Bastrop 588 600 +2%

Source: Foreclosure Listing Service Inc.