

Growth in foreclosure filings cools

Four of 10 problem states improve

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Foreclosure-related filings rose 12 percent from July to August and were up 27 percent from a year ago, according to data aggregator RealtyTrac.

RealtyTrac counted 303,879 foreclosure-related filings during August, the highest since it began issuing reports in January 2005. **But the 27 percent year-over-year increase in foreclosure filings was less than seen in recent months, when it has ranged between 50 percent and 65 percent.**

RealtyTrac, which sells information on distressed properties on a subscription basis to home buyers, investors and real estate agents, said part of the reason for the smaller increase was a spike in foreclosure activity a year ago.

"The lower annual percentage increase this month is due to a big spike in activity last August -- particularly in default activity," said James J. Saccacio, chief executive officer of RealtyTrac, in a press release. "Over the past few months we've seen annual increases in default activity and auction activity moderating, and that trend continued in August, with default activity up just 10 percent from a year ago and auction activity up 7 percent from a year ago."

Saccacio thinks legislation passed by several states to give troubled borrowers more time before foreclosure proceedings are initiated could be one reason for the smaller increases in default and auction activity. Loan servicing guidelines that encourage workouts and short sales as alternatives to foreclosure could also be a factor, he said. Either way, those measures may only delay, rather than prevent, some foreclosures.

Not all properties that are subjected to foreclosure-related filings end up being repossessed or sold. In addition to tracking real estate-owned properties that are foreclosed on and repurchased by banks, RealtyTrac tallies notices of default and lis pendens filed when borrowers are far behind on their payments, and notices of foreclosure sales.

The 303,879 foreclosure-related filings in August included 119,059 notices of default and lis pendens, 93,927 notices of foreclosure or trustee sales, and 90,893 homes that became real estate-owned properties.

Nevada, California, Arizona and Florida had the highest foreclosure rates, with California accounting for one-third of foreclosure activity. Among the 10 states with the highest foreclosure rates, four saw a decrease in the rate of filings per household from the previous month: Florida, Georgia, Ohio and Colorado.

Top 10 foreclosure states				
Rank	State	Filings per household	Change from July (percent)	Change from last year (percent)
	US	416	11.65	26.69
1	Nevada	91	16.36	88.90
2	California	130	40.73	75.77
3	Arizona	182	7.36	62.60
4	Florida	194	-4.11	29.67
5	Michigan	332	17.38	-12.59
6	Georgia	442	-12.98	-10.98
7	Ohio	444	-15.59	-36.16
8	Colorado	452	-13.82	-29.65
9	Illinois	483	20.66	72.91
10	Indiana	522	10.35	5.39

Source: RealtyTrac

Courtesy of JB Goodwin