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Thursday, Oct. 11, 2007

US Foreclosures Nearly Double

By AP/ALEX VEIGA

(LOS ANGELES) — Foreclosure filings across the U.S. nearly doubled last month compared with September 2006, as financially strapped homeowners already behind on mortgage payments defaulted on their loans or came closer to losing their homes to foreclosure, a real estate information company said Thursday.

A total of 223,538 foreclosure filings were reported in September, up from 112,210 in the same month a year ago, according to Irvine-based RealtyTrac Inc.

The number of filings in September was down 8 percent from August's 243,947, the firm said.

Despite the sequential decline, the September figure represents the second-highest total for filings in a single month since the company began tracking monthly filings two years ago.

"August was an extraordinarily high month for foreclosure activity, so some falloff was almost predictable," said Rick Sharga, RealtyTrac's vice president for marketing.

The filings include default notices, auction sale notices and bank repossessions. Some properties might have received more than one notice if the owners have multiple mortgages.

Typically, borrowers must be 60 to 90 days past due on their mortgage payments before their lender will consider them in default, the first stage of the foreclosure process. If a homeowner can't find a way to get current on payments, the home is then often put up for auction, and if it doesn't sell, it eventually goes back to the bank.

In all, 39 states saw a decline in foreclosure filings, the firm said.

Sharga noted that there was a spike in the number of bank repossessions in August that did not occur in September.

It's likely that the sequential decline in foreclosure activity between August and September was just a blip, not a bellwether of lessening foreclosure filings.

"We don't see September as the beginning of the end in this cycle of foreclosures," Sharga said.

The foreclosure rate for the nation in September was one foreclosure filing for every 557 households, the firm said.

The U.S. housing market has seen sales decline and home prices fall or remain flat, making it harder for homeowners who can't afford to make mortgage payments to sell their homes or seek refinancing.

Many of those troubled homeowners were among those who took on adjustable-rate mortgages that are now adjusting to a higher interest rate, translating into payments they cannot afford to make.

The rising delinquencies and foreclosures this year have led the mortgage industry to tighten lending standards, further narrowing options for homeowners struggling to pay their mortgage.

Nevada, Florida and California had the highest foreclosure rates in the country last month, the firm said.

Nevada reported one foreclosure filing for every 185 households, earning the state the highest foreclosure rate in the nation for the ninth month in a row. The state had 5,504 filings in September, down 11.1 percent from August and more than triple from September 2006.

Florida had one foreclosure filing for every 248 households. The state reported 33,354 foreclosure filings in September, down just less than 2 percent from August, but more than three times greater than September 2006's total.

California's foreclosure rate was one filing for every 253 households. The state reported the most foreclosure filings of any single state with 51,259, down 11 percent from August but a fourfold increase from September of last year.

Rounding out the states with the top 10 foreclosure rates last month were Michigan, Arizona, Georgia,

Ohio, Colorado, Texas and Indiana.

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