

Foreclosure Filings Hit Record Number of Properties in 2010

By: Jann Swanson | Thu, Jan 13 2011, 9:21 AM

One in every 45 U.S. housing units was the subject of a foreclosure filing in 2010, a year in which a total of 3,825,637 such filings were recorded. Foreclosure filings include default notices, scheduled auctions and bank repossession.

In all, 2,871,891 properties were affected by the filings, a new record. The numbers were reported by RealtyTrac on Thursday in its [Year-End 2010 U.S. Foreclosure Market Report](#). The filings represented an increase of 2 percent from 2009 and 23 percent from 2008.

RealtyTrac, an Irvine California company, compiles a U.S. Foreclosure Market Report each month by tracking documents filed in all three stages of foreclosure:

1. **Notice of Default (NOD)** and Lis Pendens (LIS). This is the first legal notification from a lender that the borrower on a mortgage loan has defaulted under the terms of their mortgage and the lender intends to foreclose unless the loan is brought current.
2. **Auction - Notice of Trustee Sale and Notice of Foreclosure Sale (NTS and NFS)**: if the borrower does not catch up on their payments the lender will file a notice of sale (the lender intends to sell the property). This notice is published in local paper and contains information pertaining to the date, time and subject property address.
3. **Real Estate Owned or REO properties** : "REO" stands for "real estate owned" and typically refers to the inventory of real estate that banks and mortgage companies have foreclosed on and subsequently purchased through the foreclosure auction if there was no offer higher than the minimum bid.

Figures for the both the fourth quarter of 2010 and for the month of December, also included in the report, were a bit more hopeful.

In December filings of all types were down 2 percent compared to November and down 26 percent from one year earlier. This was the biggest annual decrease since RealtyTrac began reporting the figures in December of 2005 and the lowest single month total since June 2008.

Default notices decreased four percent from November and 35 percent since last December while scheduled foreclosure auctions were down 3 percent and 20 percent from the two earlier periods. Bank repossessions were up nearly 4 percent from November (a month where several lenders had a foreclosure moratorium in place) but were down 24 percent year-over-year. Bank repossessions were up very substantially in several states, with Nevada, Arizona, and California showing December increases 71 percent, 52 percent, and 47 percent respectively compared to November numbers.

The fourth quarter filings were down 14 percent from Quarter Three and 8 percent from the same quarter in 2009. The 799,064 filings registered in the quarter was the lowest quarterly number since December 2008.

"Total properties receiving foreclosure filings would have easily exceeded 3 million in 2010 had it not been for the fourth quarter drop in foreclosure activity - triggered primarily by the continuing controversy surrounding foreclosure documentation and procedures that prompted many major lenders to temporarily halt some foreclosure proceedings," said James J. Saccacio, chief executive officer of RealtyTrac. "Even so, 2010 foreclosure activity still hit a record high for our report, and many of the foreclosure proceedings that were stopped in late 2010 - which we estimate may be as high as a quarter million - will likely be re-started and add to the numbers in early 2011."

Nevada, Arizona, and Florida had the highest foreclosure rates for the year. Despite four years as the number one state for foreclosures, filings were still made on one in every 11 housing units in Nevada during the year.

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