

Foreclosures Rise From 75-Month Low, Quickly in Some States

By: Jann Swanson | Thu, Jun 13 2013, 11:20 AM

RealtyTrac reported today that an **increase in bank repossessions** in May boosted foreclosure activity by **2 percent** compared to April when foreclosure activity had reached a **75-month low**. There were foreclosure filings - default notices, scheduled auctions, and bank repossessions or REO - reported on 148,054 U.S. properties during the month which, while a higher number than April was down 28 percent from the May 2012 total of 205,990 filings. One in every 885 U.S. Housing units was the subject of a foreclosure filing in May compared to one in every 639 a year earlier.

RealtyTrac, in its *U.S. Foreclosure Report* said the foreclosure problem continued to **shift away from non-judicial states** and toward judicial states which accounted for five of the **top six foreclosure rates** nationwide: Florida, Ohio, Maryland, South Carolina and Illinois. At No. 2, Nevada's foreclosure rate was the highest ranked among non-judicial states.

Foreclosure or REO activity increased by 11 percent in May with 38,946 properties taken into bank inventories, down 29 percent from a year earlier. Thirty-three states noted increases in REO activity from April, some substantial. North Carolina was up 60 percent, Oregon 57 percent, and Wisconsin and Illinois both increased 44 percent. REO activity increased 9 percent month-over-month in non-judicial states and 13 percent in judicial states.

Among the five lenders involved in last year's **national mortgage settlement**, all but one (Citi) posted monthly increases in REO activity, indicating that temporary stoppages of foreclosure sales announced during the month by some of the lenders involved in the settlement had little lasting impact on the number of completed foreclosures for the month.

There were 60,311 foreclosure starts in May, a 4 percent increase month-over-month but 33 percent below the 109,051 filings one year earlier. Foreclosure starts increased from the previous month in 26 states and were up from a year ago in 14 states. Large annual increases occurred in Maryland (+229 percent), Connecticut (+122 percent), Hawaii (+108 percent), Arkansas (+84 percent), New Jersey (+82 percent) and Nevada (up 81 percent).

Foreclosure filings increased 20 percent in **Florida** in May, pushing the state to the top in total foreclosure activity, up from the number two ranking in April. One in every 302 Florida housing units received a filing during the month, nearly three times the national average. Foreclosure starts were up 39 percent and scheduled foreclosure auctions increased 6 percent from April and were up 79 percent from a year earlier. Bank repossessions increased 14 percent month over month and 20 percent on an annual basis.

Nevada saw its first annual increase in foreclosure activity in 27 months but still slipped from first to second place among the states. One in every 305 housing units was the subject of a foreclosure filing with foreclosure starts jumping 81 percent compared to May 2012.

Ohio posted the nation's third highest state foreclosure rate for the second month in a row in May, with a total of 8,770 properties or one in every 584 housing units with a foreclosure filing during the month. Maryland's overall activity increased 11 percent from April and 134 percent from a year earlier and the state now ranks fourth nationally South Carolina foreclosure activity decreased 2 percent from the previous month and was down 11 percent from a year ago, but the state still posted the nation's fifth highest activity rate in May with a foreclosure filing for one in every 600 housing units.

"Foreclosure activity continued to bounce back in some markets where it may have appeared the foreclosure problem had been knocked out by an aggressive combination of foreclosure prevention efforts over the past two years," said **Daren Blomquist**, vice president at RealtyTrac. "Places like Nevada, where foreclosure starts increased to a 20-month high, and Maryland, where overall foreclosure activity increased to a 33-month high. Still, the emerging housing recovery has strengthened most local markets enough to quickly shake off a few more blows from these nagging foreclosures."

Among the nation's 20 largest metros, those with the biggest increases in median home prices tended to be in states where a non-judicial foreclosure process has allowed foreclosures to be absorbed by the market more quickly. Seven of the 10 metros with the biggest jumps in median home prices from a year ago were in non-judicial states, while all five metros with flat or declining median prices were in states with a judicial foreclosure process.

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