

# One-third of Shadow Inventory Cleared in Last Year

By: Jann Swanson | Thu, Sep 26 2013, 10:49 AM

The pre-foreclosure or "shadow inventory," that is homes that are in the process of foreclosure, has **fallen by over a third** since August of 2012 to its lowest point in 4-1/2 years. Lender Processing Services (LPS) said today that the inventory, which was once viewed as a major hurdle to recovery of the housing market, now contains 1.34 million housing units compared to 2.02 million in August 2012. The current number represents 2.66 percent of mortgaged homes in the country compared to 4.04 percent a year ago or a -34.08 percent change. The inventory has, in fact **fallen 5.74 percent** in a month—coincidentally similar to the 6% month-over-month increase in [cash sales reported this morning](#).

LPS, in its "first look" at data from its *August Mortgage Monitor* said that the current rate of mortgages that are delinquent 30 days or more but not yet in foreclosure stood at 6.20 percent in August, a -3.31 percent change since July and a **decline of 9.71 percent** since August 2012. This is a total of 3.12 million properties that are behind at least one mortgage payment. Of these 1.29 million properties are seriously delinquent (90 days or more) but not in foreclosure. Thus the number of properties in some degree of distress in August totaled 4.47 million.

The **states with highest percentage** of non-current loans are Florida, Mississippi, New Jersey, New York, and Maine.

LPS said it will release the full *August Mortgage Monitor* by October 7.

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