

Foreclosure Crisis Enters 9th Inning; Outcome All But Guaranteed -RealtyTrac

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Foreclosure starts reached a 95 month low in November. RealtyTrac, in its November U.S. Foreclosure Market Report, said that a total of 52,826 properties entered formal foreclosure for the first time in November, **down 10 percent** from the previous month and 32 percent from a year ago. This was the smallest number of foreclosure starts **since December 2005**, when 49,236 mortgages were put into the foreclosure process.

The slowing rate of starts drove overall foreclosure activity for the month of November down by 15 percent from October's levels. A total of 113,454 or one in every 1,155 housing units received a default notice, notice of a scheduled auction, or were subject to a bank repossession during the month. The month-over-month drop was the **largest since November 2010** when reactions to the robo-signing scandal forced a drop of 21 percent. November's activity was down 37 percent from one year earlier.

Foreclosure starts continued to rise on an annual basis in 15 states and scheduled auctions which equate to starts in some states increased in 19 states. Some of the increases were dramatic; scheduled auctions increased by 726 percent in Oregon, 217 percent in Massachusetts; Utah was up 214 percent and Connecticut 199 percent. Foreclosure starts in Delaware were up 104 percent.

Bank repossessions or completed foreclosures (REO) numbered 30,461 nationally, **down 19 percent** from October and 48 percent from November 2012. It was a 76 month low for REO which were last at this level in July 2007.

Only five states posted year-over-year increases in REOs with Delaware (up 179 percent) and Maryland (a 41 percent increase) again among the most active.

States with the highest foreclosure rates were Florida, Delaware, Maryland, South Carolina, and Illinois. Activity in Florida was down 15 percent from the previous month and 23 percent from one year earlier but despite four consecutive months of annual decreases the state still leads the nation in foreclosures with one filing for every 392 housing units.

Delaware foreclosure activity spiked 56 percent from October to November and was up 141 percent year-over-year, boosting the state's foreclosure rate to second highest in the country. One in every 480 Delaware housing units had a foreclosure filing during the month, and foreclosure activity in Delaware has now increased on an annual basis in seven of the last nine months.

Despite a 16 percent monthly decrease, Maryland foreclosure activity continued to increase on annual basis in November, up 42 percent from a year ago, helping the state post the nation's third highest state foreclosure rate: one in every 618 housing units with a foreclosure filing. November marked the 17th consecutive month where Maryland foreclosure activity increased on an annual basis.

Rounding out the **top five states** were South Carolina (one in every 660 housing units with a foreclosure filing), and Illinois. Other states with elevated heavy activity were Ohio, Connecticut, Nevada, Iowa, and Utah.

Among metro areas with a population of 200,000 or more, those with the highest foreclosure rates were the Florida cities of Jacksonville, Miami, Port St. Lucie and Palm Bay, along with Rockford, Ill.

"While some of the decrease in November can be attributed to seasonality, the depth and breadth of the decrease provides strong evidence that we are **entering the ninth inning of this foreclosure crisis** with the outcome all but guaranteed," said Daren Blomquist, vice president at RealtyTrac. "While foreclosures will likely continue to stage a weak rally in certain markets next year as the last of the distress left over from the Great Recession is dealt with, it is highly unlikely that there will be a foreclosure comeback that poses any major threat to the solid housing recovery that has now taken hold."

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