

RealtyTrac: April foreclosures rise 32 percent

April foreclosures rise 32 percent, with more bank repossessions likely to come

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MIAMI (AP) -- The number of U.S. households faced with losing their homes to foreclosure jumped 32 percent in April compared with the same month last year, with Nevada, Florida and California showing the highest rates, according to data released Wednesday.

More than 342,000 households received at least one foreclosure-related notice in April, RealtyTrac Inc. said. That means one in every 374 U.S. housing units received a foreclosure filing last month, the highest monthly rate since the Irvine, California-based foreclosure listing firm began its report in January 2005.

April was the second straight month with more than 300,000 households receiving a foreclosure filing, as the number of borrowers with mortgage troubles failed to abate.

The April number, however, was less than 1 percent above that posted in March, when more than 340,000 properties were affected. The March data was up 17 percent from February and 46 percent from a year earlier.

"We've never seen two consecutive months like this," said Rick Sharga, RealtyTrac's senior vice president for marketing. "It's the volume that's surprising."

While total foreclosure activity was up, the number of repossessions by banks was down on a monthly and annual basis to their lowest level since March of last year, RealtyTrac said.

But that's far from positive news. Because much of the foreclosure activity in April was in the default and auction stages -- the first parts of the foreclosure process -- it's likely that repossessions will increase in coming months, RealtyTrac said.

About 63,900 homes were repossessed in April, down 11 percent from about 71,700 in March, RealtyTrac said. But the mortgage industry has resumed cracking down on delinquent borrowers after foreclosures were temporarily halted by mortgage finance companies Fannie Mae and Freddie Mac, together with many other lenders.

"All of these loans are now being processed pretty rapidly by the servers," Sharga said.

Help might be on the way. President Barack Obama's administration announced a plan in March to provide \$75 billion in incentive payments for the mortgage industry to modify loans to help up to 9 million borrowers avoid foreclosure.

But the extent of the relief remains unclear, with questions lingering about how much the lending industry will cooperate in modifying loans.

After banks take over foreclosed homes, they usually put them up for sale at deep discounts. Nationwide, sales of foreclosures and other distressed properties made up about half of the market in the first quarter, the National Association of Realtors reported.

First-quarter home sales fell in all but six states -- Nevada, California, Arizona, Florida, Virginia and Minnesota -- where buyers have been able to grab foreclosed homes at discounts, the real estate group said Tuesday.

On a state-by-state basis, Nevada had one in every 68 households receive a foreclosure filing, down 18 percent from March but still the nation's highest rate. In Florida, one in every 135 households received a filing in April. For California, the rate was one in every 138 households.

Rounding out the top 10 were Arizona, Idaho, Utah, Georgia, Illinois, Colorado and Ohio.

Among large cities, Las Vegas led the way with one in every 56 households receiving a filing. That was a slightly higher rate than the southwest Florida metro area of Cape Coral-Fort Myers, which saw one in 57 housing units receive a filing.

Cities in California took the next six spots: Merced, Modesto, Riverside-San Bernardino, Bakersfield, Vallejo-Fairfield and Stockton. The Florida cities of Miami and Orlando were ninth and 10th, respectively.

<http://finance.yahoo.com/news/RealtyTrac-April-foreclosures-apf-15224722.html/print>