

# Mortgage delinquencies hit another record in 3Q

## Mortgage delinquencies peak again in 3rd qtr, but pace of growth slows for 3rd straight period

- By Eileen Aj Connelly, AP Personal Finance Writer
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NEW YORK (AP) -- The pace at which people fell behind on their mortgages slowed during the summer for the third consecutive quarter, but the overall delinquency rate hit another record, a new report shows.

For the three months ended Sept. 30, 6.25 percent of U.S. mortgage loans were 60 or more days past due, according to credit reporting agency TransUnion. That's up 58 percent from 3.96 percent a year ago.

Being two months behind is considered a first step toward foreclosure, because it's so hard to catch up with payments at that point.

The rate was up 7.6 percent from the second quarter. That's a much smaller jump than the 11.3 percent rise in the second quarter from the first, and the 14 percent leap seen in the quarter before that.

While the slowing growth rate is a positive sign, the increase shows there's still a lot of problematic mortgages out there, said F.J. Guarrera, vice president of TransUnion's financial services division. The company doesn't expect the figure to start declining until the middle of 2010.

Two things must get better before mortgage delinquency rates start reversing themselves, he said: home values and unemployment. "Until we see improvement in both of those areas, it's possible that it will take longer for delinquency to improve," Guarrera said.

The statistics, which are culled from TransUnion's database of 27 million consumer records, show that mortgage delinquencies remain highest in the four states where the crisis has hit the worst.

-- In Nevada, the rate reached 14.5 percent, up from 7.7 percent a year ago.

-- In Florida, the rate was 13.3 percent, up from 7.8 percent last year.

-- In Arizona, the rate hit 10.4 percent, up from 5.5 percent in 2008.

-- In California, the rate jumped to 10.2 percent, from 5.8 percent last year.

North Dakota remained the state where mortgage holders most often paid on time, with just 1.7 percent delinquency, up from 1.4 percent last year.

TransUnion expects delinquency to rise to just short of 7 percent for the fourth quarter, compared with 4.6 percent for the 2008 fourth quarter. The rate may reach 16 percent in Nevada. Those states with the highest delinquency and foreclosure rates will likely continue to see depressed housing prices.

The average mortgage debt per borrower nationwide edged up to \$193,121 in the third quarter, from \$192,287 last year. The District of Columbia had the highest average mortgage debt per borrower at \$359,788. The lowest average mortgage debt per borrower was in West Virginia at \$97,265.

[http://finance.yahoo.com/news/Mortgage-delinquencies-hit-apf-3335040402.html;\\_ylt=Ag\\_iHCWHPwhBCirdC82uaS27YWsA;\\_ylu=X3oDMTE1cjdwZm9pBHBvcwMzBHNIYwN0b3BTdG9yaWVzBHNsawNtbC?x=0&sec=topStories&pos=1&asset=&ccode=](http://finance.yahoo.com/news/Mortgage-delinquencies-hit-apf-3335040402.html;_ylt=Ag_iHCWHPwhBCirdC82uaS27YWsA;_ylu=X3oDMTE1cjdwZm9pBHBvcwMzBHNIYwN0b3BTdG9yaWVzBHNsawNtbC?x=0&sec=topStories&pos=1&asset=&ccode=)