

Foreclosures Soar in March, Up 44 Percent Over February's High

By [Global Research](#)

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Lenders End Moratoria, Opening Flood of Foreclosures; Re-Defaults and Job Losses Also Take Their Toll

SACRAMENTO, Calif.-([BUSINESS WIRE](#))-Completed foreclosures hit another monthly record in March as 175,199 homes were lost to foreclosure, up 44 percent from February's record high, according to the latest U.S. Foreclosure Index released today by ForeclosureS.com, a leading real estate information provider.

The number of foreclosed properties was up dramatically from 121,756 in February. Nearly 370,000 properties have been repossessed by lenders so far this year - 18.3 of every 1,000 households - up more than 38 percent from 266,986 in the fourth quarter of 2008, the U.S. Foreclosure Index shows, and up 76 percent from 210,280 in the first quarter of 2008.

The first-quarter 2009 total is the highest quarterly total of completed foreclosures since the foreclosure crisis began. Pre-foreclosure filings - filings that could lead up to a completed foreclosure - also reached their highest quarterly level, topping 600,000 for the first time since the foreclosure crisis began.

While February and March headlines boasted of government efforts to stop foreclosures, in fact March was the first month when major government-backed lenders - including Fannie Mae and Freddie Mac - lifted moratoria on many properties in the first week of March. Only properties eligible for modification under the Obama administration's plan were covered by continuing foreclosure moratoria, according to statements by the two agencies.

"The floodgates of foreclosure opened with the expiration of these foreclosure freezes," says Alexis McGee, foreclosure expert, educator, and author. "With rising unemployment, a backlog of delayed foreclosures and increasing abandonment of properties, foreclosures soared in March to levels we have not seen in this crisis."

"Hopefully, this is a short-term surge caused by months of delayed foreclosures. This is a very troubling turn after seeing some bright spots earlier this year. However, with Obama's new Making Homes Affordable Plan now in effect we are hoping that in the near future we will see a reduction in new pre-foreclosure filings, which will help stabilize the housing markets," McGee said.

"March's high numbers may also be caused by defaults on previously modified loans. Earlier this month the Office of the Comptroller of the Currency and the Office of Thrift Supervision reported higher and rising re-default rates on modified mortgages as part of their fourth-quarter 2008 report," McGee added. "The report points to the fact that not all previously

modified loans result in lower monthly payments, and when combined with today's economics, the result can be catastrophic for already strapped homeowners."

The Obama administration's Making Home Affordable Plan is intended to help promote loan modifications by bringing debt-to-gross income ratios down to 31 percent. In short, that would allow homeowners to only spend 31 percent of their income on the mortgage, including taxes. With such low payment levels - compared to 50 percent payments as the recent norm of banks - people who get their loans modified under the new plan will be far more likely to remain in their home.

Regionally, the U.S. Foreclosure Index of Completed Foreclosures (Real Estate Owned) shows double-digit increases in March over February's already record high monthly numbers:

NATIONWIDE REOs

Region

January

February

March

Mar-Feb Increase

Totals

Midwest

12,716

24,130

35,707

48%

72,553

Southeast

21,839

32,024

43,085

35%

96,948

Northeast

4,495

10,706

12,645

18%

27,846

Southwest

33,513

54,676

83,363

52%

171,552

Other States

131

220

399

81%

750

Nationwide

72,694

121,756

175,199

44%

369,649

California led the nation in number of foreclosures last month — 38,318, up more than 59 percent from February, the U.S. Foreclosure Index shows.

“But the state also is a leader in the housing recovery,” says McGee, “and mixes the good with the troubling news. It’s indicative of what’s beginning to happen in states across the country.”

Consider a few numbers from the California Association of Realtors:

- Existing, single-family home sales in the state increased 83 percent in February to a seasonally adjusted rate of 620,410 on an annualized basis.
- The statewide median price of an existing single-family home decreased 40.8 percent in February to \$247,590.
- CAR’s Unsold Inventory Index fell to 6.5 months in February, compared with 15.3 months in February 2008.
- The median number of days it took to sell a single-family home declined to 51.5 days in February 2009, compared with 69.3 days in February 2008.

The U.S. Foreclosure Index ranks Florida No. 2 nationally in March foreclosure numbers, with 18,946 foreclosures, up 33 percent from February. Similarly the Florida Association of Realtors reports solid housing economic news, too:

- Existing home sales in that state rose 20 percent in February over a year ago, the sixth month in the row with year over year increases.
- February’s statewide existing home sales were 16.7 percent higher than January’s statewide sales.
- Statewide sales of existing condominiums rose 15 percent in February over a year ago, with sales also up 25.1 percent over January.

- Florida’s median sales price for existing homes last month was \$141,900, down 29 percent from a year ago.

Even in an economically hard-hit state like Michigan where the unemployment rate is among the highest in the nation, and March foreclosures top 11,000 (up 25.6 percent from February), the Michigan Association of Realtors reports year-over-year home sales up 3.5 percent in February. Average home prices were down nearly 30 percent, too.

Nationwide REOs 6 month

Rank

State

Oct-08

Nov-08

Dec-08

Jan-09

Feb-09

Mar-09

Totals

Per
Household

1

California

17,214

16,032

20,952

14,351

23,988

38,318

130,855

1.14%

2

Florida

10,187

11,373

12,786

10,007

14,243

18,946

77,542

1.23%

3

Arizona

7,415

7,553

7,658

5,250

10,651

15,401

53,928

2.84%

4

Texas

5,425

4,645

7,505

5,367

7,998

9,140

40,080

0.66%

5

Michigan

4,783

4,974

5,138

2,465

8,869

11,138

37,367

1.25%

6

Georgia

5,524

5,322

5,753

4,746

6,170

8,831

36,346

1.73%

7

Ohio

3,884

3,314

5,594

4,300

4,763

7,046

28,901

0.74%

8

Nevada

3,196

3,551

4,039

3,207

3,989

8,778

26,760

3.60%

9

Illinois

2,909

2,155

2,217

2,111

3,301

4,869

17,562

0.46%

10

Tennessee

1,795

2,252

2,529

1,659

2,988

3,935

15,158

0.72%

The U.S. Foreclosure Index also found that nationally the number of properties in the pre-foreclosure process climbed slightly to 225,131 in March, up 5.8 percent from February's 212,703.

Nationwide Preforeclosures 2009

State

January

February

March

**Mar-Feb
% Change**

Totals

Midwest

19,319

23,021

24,665

7%

67,005

Southeast

56,853

70,491

67,642

-4%

194,986

Northeast

15,616

17,020

21,839

28%

54,475

Southwest

74,563

101,492

110,132

9%

286,187

OtherStates

405

679

853

26%

1,937

Nationwide

166,756

212,703

225,131

6%

604,590

For the quarter, 604,590 pre-foreclosure filings occurred nationwide, up 14.5 percent from 528,241 in the fourth quarter of 2008 and up 17.3 percent from 515,411 in the first quarter of 2008. The quarterly pre-foreclosure filings are also the highest quarterly numbers since the foreclosure crisis began.

Annualizing that number, the U.S. is on track to top 2.4 million pre-foreclosure filings before year-end.

California had the most pre-foreclosure filings, followed closely by Florida, in March. Over the last six months, however, Florida has had the most pre-foreclosure filings, followed by California, Arizona, Illinois and Nevada.

Nationwide Pre-Foreclosures 6 month

Rank

State

Oct-08

Nov-08

Dec-08

Jan-09

Feb-09

Mar-09

Totals

Per
Household

1

Florida

46,281

47,371

50,633

43,070

53,173

51,985

292,513

4.62%

2

California

19,211

30,363

41,710

33,008

44,713

59,763

228,768

1.99%

3

Arizona

10,970

11,988

12,327

10,223

16,453

15,477

77,438

4.10%

4

Illinois

9,016

7,549

9,637

8,165

10,725

11,130

56,222

1.45%

5

Nevada

8,132

6,891

6,935

6,774

9,738

13,081

51,551

6.97%

6

Texas

7,899

7,471

8,210

9,917

8,661

2,954

45,112

0.86%

7

New Jersey

8,180

7,219

7,385

5,887

6,928

7,775

43,374

1.42%

8

Michigan

5,847

4,574

4,728

5,752

6,033

6,979

33,913

1.21%

9

Georgia

5,888

4,487

4,585

4,315

6,129

4,995

30,399

1.22%

10

Colorado

2,810

3,463

3,914

3,373

3,811

4,542

21,913

1.38%

ForeclosureS.com has been the professional's source for accurate foreclosure property information for more than 20 years. To ensure the accuracy of its foreclosure statistics, ForeclosureS.com bases its analysis on the number of formal notices filed against a property during the foreclosure process. That can include notice of default, notice of foreclosure auction, and/or notice of REO (lender-owned real estate that occurs after a foreclosed property fails to sell at auction and reverts back to the lender). Pre-foreclosure filings are initial notices that all do not end up as foreclosures.

For more Foreclosure Statistics and Information for your area, as well as expert commentary from Alexis McGee, president of ForeclosureS.com, please contact Sofia Gutierrez, ForeclosureS.com, or sofia@halldinpr.com.

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