



Foreclosures Escalate in 2008

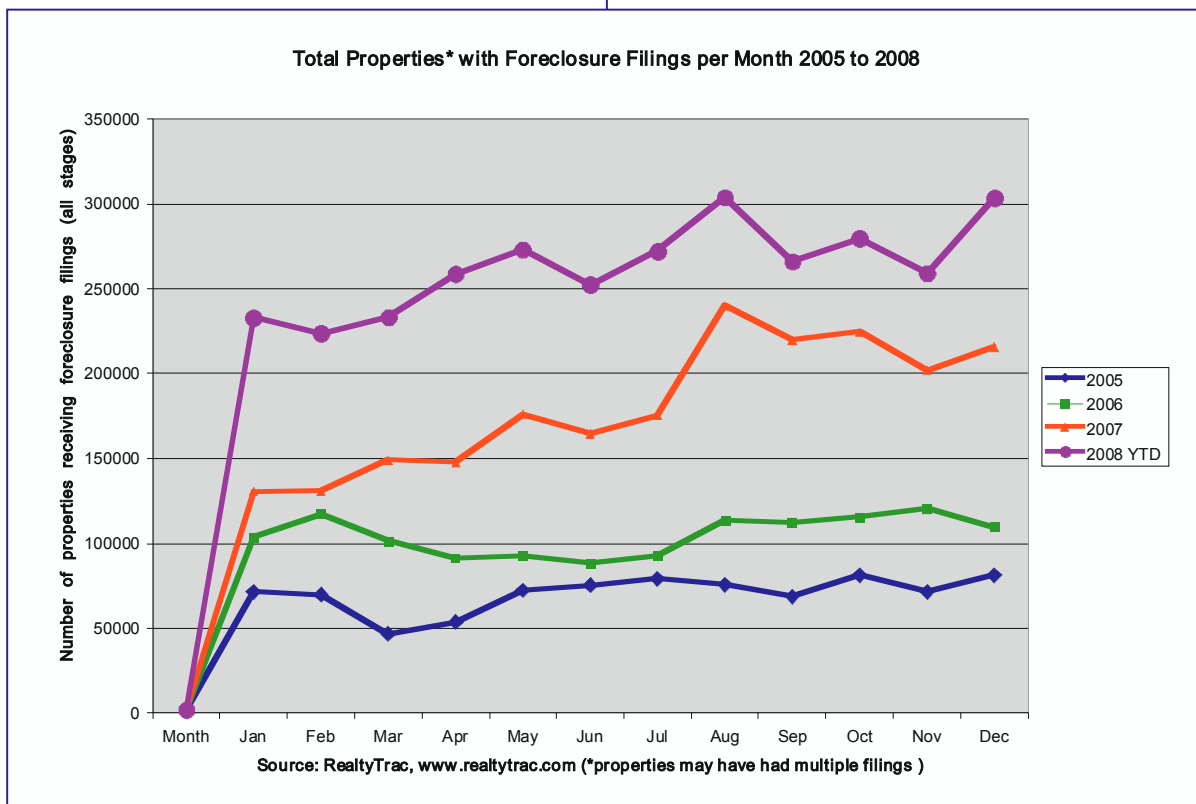
RealtyTrac®, the online marketplace for foreclosure properties, has released its annual U.S. Foreclosure Market Report for 2008, indicating that 2,330,483 properties nationwide entered some stage of foreclosure, an 81 percent increase from 2007 and 225 percent higher than the total number in 2006.¹

The total number of filings reported of all types of foreclosure activity, including default notices, auction sale notices, and bank repossessions, was 3,157,806. Multiple filings per property are common and average 1.36 filings per property. The graph below shows the number of

properties with foreclosure activity since 2005.

Comparing the total number of properties with at least one foreclosure filing to the total number of U.S. households yielded a ratio of one foreclosure filing of some type for every 54 U.S. households during 2008. This was 1.84 percent of all U.S. housing units, up from 1.03 percent in 2007.²

The number of properties affected by foreclosure activity in December was 303,410, up 17 percent from November and almost 41 percent from December 2007. Foreclosure



2008 Foreclosures – still rising

activities in the fourth quarter slowed somewhat from third quarter, and was down almost 4 percent.³

“State legislation that slowed down the onset of new foreclosure activity clearly had an effect on fourth quarter numbers overall, but that effect appears to have worn off by December,” said James J. Saccacio, chief executive officer of RealtyTrac. “The big jump in December foreclosure activity was somewhat surprising given the moratoria enacted by both Freddie Mac and Fannie Mae, along with programs from some of the major lenders and loan servicers aimed at delaying foreclosure actions against distressed homeowners.”

Saccacio added, “Clearly the foreclosure prevention programs implemented to date have not had any real success in slowing down this foreclosure tsunami. And the recent California law (required 30-day notice by lenders), much like its predecessors in Massachusetts and Maryland, appears to have done little more than delay the inevitable foreclosure proceedings for thousands of homeowners.”⁴

In sheer volume, California’s foreclosure filings (837,665) and unique property count (523,624) were both the highest among all the states in 2008. Florida reported the second highest totals, with 501,396 foreclosure filings on 385,309 properties. Florida’s foreclosure rate, 4.52 percent of all households in the state, also ranked second highest among all the states. Nevada ranked highest with 7.59 percent of its households in some stage of foreclosure.

The foreclosure rates in the 100 largest metro areas in the country shows the variability of the foreclosure activities within the states as shown below.⁵

The ten highest metro areas for foreclosure rate (number of homes in some stage of foreclosure per total number of households) in 2008 vs. 2007 were:

Metro Area	Rates in:	
	2008	2007
• Stockton, CA	9.5	4.8%
• Las Vegas/Paradise, NV	8.9	4.2%
• Riverside/San Bernadino, CA	8.0	3.8%
• Bakersfield, CA	6.2	2.9%
• Phoenix/Mesa, AZ	6.0	1.9%
• Fort Lauderdale, FL	6.0	2.6%
• Orlando, FL	5.5	1.9%
• Miami, FL	5.2	2.7%
• Sacramento, CA	5.2	3.2%
• Detroit/Livonia/Dearborn, MI	4.5	4.9%

The ten metro areas least impacted by the foreclosure crisis were ranked 100 to 91 (lowest foreclosure rates):

Metro Area	Rates in:	
	2008	2007
• Baton Rouge, LA	.35	.27%
• Syracuse, NY	.36	.12%
• Birmingham/Hoover, AL	.47	.52%
• Honolulu, HI	.50	.16%
• Allentown/Bethlehem, PA	.50	.17%
• El Paso, TX	.56	.51%
• Scranton/Wilkes Barre, PA	.63	.27%
• Albany/Schenectady/Troy, NY	.63	.26%
• Wichita, KS	.67	.26%
• New York/Wayne/ NY-NJ	.71	.52%

Dale Vermillion⁶, a prominent mortgage industry trainer and consultant, has written a new book for consumers on dealing with the current housing and mortgage situation. A mortgage consultant with a strong Christian perspective, Vermillion also has articles at www.crown.org/articles/housing on *Surviving a Mortgage Crisis*. His book and articles provide guidance from the consumer’s perspective in dealing with mortgage and foreclosure issues. To purchase a copy of *Navigating the Mortgage Maze* (ISBN# 0802483119), contact your local book retailer.



Crown Financial Ministries provides many free calculator tools on its Web site, including mortgage calculators for mortgage pre-payment, 15 versus 30 year loans comparisons, and adjusted (ARM) versus fixed rate mortgage comparisons. Click on <http://www.crown.org/Tools/Calculators/>.

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The information in this UPDATE was adapted from the original articles by Bette Noble, Crown Sr. R&D Specialist, Global Strategic Research and Innovation. Quotes or statistics must reference the original source.

¹ Foreclosure activity increases 81 percent in 2008, RealtyTrac Press Release, January 15, 2009, www.realtytrac.com.

² Ibid. RealtyTrac Press Release, January 15, 2009.

³ Ibid. RealtyTrac Press Release, January 15, 2009.

⁴ Ibid. RealtyTrac Press Release, January 15, 2009.

⁵ Highest Metro Foreclosures in 2007, RealtyTrac Press Release, February 13, 2008.

⁶ Navigating the "Perfect Storm", by Dale Vermillion, *Broker Magazine*, April 2007, www.dalevermillion.com.