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## Foreclosure filings drop slightly as banks move slowly on closings

DISCOVERY BAY

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- **Foreclosure 'suspensions' show little impact**
- **'The latest foreclosure scandal will likely lead to little more than a new scam'**

The suspension of foreclosures by a handful of lenders after certain procedures were called into question such as "robo-signings" of foreclosure papers has had little impact on the actual sales of foreclosed homes in California, according to data in a report Tuesday.

"Despite a short-term impact to foreclosure sales, the latest foreclosure scandal will likely lead to little more than a new scam perpetrated on those who have already lost their home," says Sean O'Toole, CEO and founder of ForeclosureRadar.com, a Discovery Bay-based company that tracks foreclosures in California and several other western states.

"Much like the cottage industry of loan modification consultants that took up-front fees and provided little in return, we are now seeing consultants promising to overturn foreclosure sales, despite any experience in actually doing so."

While the announcements initially focused on 23 judicial foreclosure states, Ally (GMAC), PNC and Bank of America all later announced that they would be suspending foreclosures nationally.

"The week after the announcements, we saw evidence of those suspensions on October 12, after the Columbus Day holiday," says Mr. O'Toole. Ally restarted foreclosures just a week later on October 18; but neither Bank of America nor PNC had resumed foreclosure sales as of Nov. 15.

With Bank of America's freeze still in place, November's sales will clearly be down as well, says Mr. O'Toole. "Still, the exit of just one lender from our western states has only continued our belief that the long term impact in our markets will be minimal," he says.

Foreclosure sales dropped across the West as a result, though slight declines by other lenders would have likely led to a drop in October's foreclosure sales regardless, the report from ForeclosureRadar says.

Foreclosure filings were less impacted by the announced suspensions. Filings by Bank of America dropped slightly just after their announcement, but began picking up the following week. PNC appears to have largely stopped new filings, but they typically represent less than 2 percent of filings, so their impact was minimal. Despite the limited impact of announced suspensions, Notices of Default filings were generally down.

California preforeclosure inventories dropped 11.8 percent in October from the prior month, largely thanks to a 16.8 percent drop in Notice of Default filings. Foreclosure suspensions led to a 29.9 percent decline in foreclosure sales that went back to bank (REO), and a 26.4 percent decline in those sold to third parties. Despite the significant decline in new bank owned (REO) properties, bank owned (REO) inventories actually rose, as REO resales continued to slow.

Here are snapshots of foreclosure activity in the Central Valley, according to the figures compiled by ForeclosureRadar. The counties are listed alphabetically:

- **Butte County**

Initial filings were down sharply from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 57.61 percent from September and 51.25 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were off 54.29 percent from September and 65.78 percent from October 2009.

- **Fresno County**

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 15.43 percent from September and 14.29 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were off 0.60 percent from September and 27.47 percent from October 2009.

- Kern County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 17.69 percent from September and 24.76 percent from 2009. However, Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were up 10.19 percent from September but down 25.04 percent from October 2009.

- Kings County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 13.08 percent from September and 28.46 percent from 2009. However, it was a mixed story when it came to Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale. NOS increased 6.98 percent from September but were down 42.14 percent from October 2009.

- Madera County

Initial filings were down sharply from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 34.05 percent from September and 28.65 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were down 16.77 percent from September and 41.36 percent from October 2009.

- Merced County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 21.91 percent from September and 29.72 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were off 11.08 percent from September and 36.90 percent from October 2009.

- Sacramento County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 19.49 percent from September and 18.85 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were off 1.34 percent from September and 24.47 percent from October 2009.

- San Joaquin County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 10.54 percent from September and 18.55 percent from 2009. However, it was a mixed picture when it came to Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale. NOS were up 5.58 percent from September but down 27.55 percent from October 2009.

- Stanislaus County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 18.22 percent from September and 22.50 percent from 2009. Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, were off 4.97 percent from September and 30.77 percent from October 2009.

- Sutter County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 10.75 percent from September and 16.16 percent from 2009. But Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, showed mixed results. NOS increased by 3.75 percent from September but dropped 16.16 percent from October 2009.

- Tulare County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 9.09 percent from September and 21.35 percent from 2009. But Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, showed mixed results. NOS increased by 4.18 percent from September but dropped 16.49 percent from October 2009.

- Yolo County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 28.75 percent from September and 26.28 percent from 2009. But Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, showed mixed results. NOS increased by 6.11 percent from September but dropped 2.11 percent from October 2009.

- Yuba County

Initial filings were down from September and when compared to October 2009. Notices of Default, the first step in the foreclosure process in California, dropped 24.11 percent from September and 6.59 percent from 2009. But Notices of Sale, which set the date and time of an auction, and serve as the homeowner's final notice before sale, showed mixed results. NOS increased by 5.56 percent from September but dropped 22.76 percent from October 2009.

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