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Foreclosures fall, but outlook isn't bright

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By Les Christie @CNNGMoney December 15, 2011: 5:30 AM ET



PHOTO: JOE RAEDLE/GETTY IMAGES

There were fewer foreclosed homes in November, but the outlook for the New Year isn't bright.

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NEW YORK (CNNGMoney) -- Foreclosure filings may have fallen in November but the number of homes scheduled for bank auctions grew significantly, indicating that a new wave of foreclosures are set to take place in the New Year.

The number of foreclosure filings dropped to 224,394 properties in November, a 3% decline from October and a 14% drop year-over-year, according to RealtyTrac.

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During the month, one in every 579 housing units received either a default notice or underwent a scheduled auction or bank repossession, the online marketer of foreclosed homes said.

The number of completed foreclosures, the last stage of the process when banks repossess the homes of delinquent borrowers, fell to 56,124 homes, a 17% plunge from

a month earlier and the fewest since March 2008. Such repossessions are

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off 45% from their September 2010 peak, when more than 102,000 homes were lost to foreclosure.

Foreclosure filings have been artificially depressed for more than a year now as banks **slowed the processing of paperwork** in the wake of the robo-signing scandal.

10 cheap foreclosed homes for sale by Uncle Sam

"The banks had taken some of the homes out of the foreclosure pipeline while they cleaned up their books," said Pat Newport, a housing market analyst for IHS Global Insight.

The paperwork issues have been mostly resolved and that could mean bank repossessions will come roaring back in 2012, said James Saccacio, CEO of RealtyTrac.

"Despite a seasonal slowdown similar to what we've seen in each of the past four years, November's numbers suggest a new set of incoming foreclosure waves, many of which may roll into the market as REO's or short sales sometimes early next year," he said.

More foreclosure auctions scheduled

Among the most telling of RealtyTrac's statistics was a significant jump in scheduled auction sales, which grew 13% from October and stood at a nine-month high of 96,540 properties.

"Many of the new defaults that started the foreclosure process over the past few months are now being scheduled for public foreclosure auction," said Saccacio.



Giving foreclosure families a second chance

However, there was some good news concerning initial default notices, when banks first send out legal papers to borrowers informing them that they have missed at least one payment. The number of notices fell 8% month-over-month and are down 9% from 12 months earlier.

Still, according to Newport, there are as many as 6 million mortgage borrowers who have missed payments and, with the economy still struggling, the prospects for many of those borrowers are dim.

"In most cases, their problems will be resolved through foreclosure," he said.

Foreclosure hot spots

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30 yr fixed			3.93%		3.96%
15 yr fixed			3.26%		3.30%
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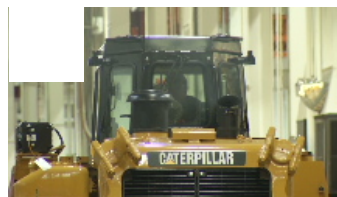
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Nevada continued to lead the country in defaults in November, taking the number one spot for the 59th month in a row. In the state, one in every 175 housing units received a foreclosure filing during the month.

Foreclosures halted for the holidays

California cities dominated the list of metro area with the highest foreclosure rates: Nine out of the top 10 highest were in California. Only Las Vegas, with one foreclosure filing per every 150 housing units, broke the Golden State's stranglehold.

Stockton, with one filing for every 120 housing units, posted the nation's highest foreclosure rate for the second month in a row. The Central Valley city had 1,913 properties with foreclosure filings in November, up 20% from October. ■

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Ventrquist, Today 01:23 PM

I thought obama's economic people said the recession was over last year? Instead, everything's worse--what gives? When should I buy a condo?



Gorgo7, Today 01:12 PM

Here in Metro detroit you can buy great houses at 40% of the

construction cost. Amazing. I bought a house this year that I bought in 1992 for \$72k sold on 2001 for \$154k, I did improvements and the people who bought it from me did improvements, unfortunately they lost their jobs and had to do a short sale, I picked it up for \$65k and my daughter lives there now. We, as a society screwed... [show more](#)

Davel liked this



Davel, Today 01:38 PM in reply to Gorgo7

AGREED.



gooseyme, Today 01:07 PM

Yep, sure looks like the economy is improving -- NOT !

JackiMaddie liked this



Bulworth, Today 12:01 PM

It's about jobs, if people felt secure about their jobs and were earning decent wages the housing markets problems would come to an end.

2Late2Duck and 2 more liked this



Davel, Today 12:15 PM in reply to Bulworth

Partially...It's also about changing the mindset of the population. That you save. That you CAN get by with only one car. That you live within your means. That you don't go to restaurants every week. This is the way it used to be. The mindset of the 30 to 50 population changed that they can have everything now (ON CREDIT). I once had to go with the Constable to seize items on a rental property... [show more](#)

gooseyme and 5 more liked this



Mark Coble, Today 11:03 AM

Investors chasing higher and higher returns....add in Wall Street greed....add in "securitization" of mortgage loans whereby the bank/lender sells the note without any recourse....add in home ownership mania and you have the ingredients for a disaster. Banks FEAR you to know that the banks have to have the original mortgage note to foreclose. Where is your original mortgage note and who is the beneficial owner?



Davel, Today 11:15 AM in reply to Mark Coble

Add in the "I want everything now generation"...And yeah...Disaster...Oh well...Apartments should be a good investment for some time.

2Late2Duck liked this

sunny5280, Today 11:11 AM in reply to Mark Coble



"Banks FEAR you to know that the banks have to have the original mortgage note to foreclose. Where is your original mortgage note and who is the beneficial owner? show more"

Who rally cares? While I understand the law and insist it be followed to the letter this argument make little sense. In the majority of cases the borrower is behind and the property is going to be foreclosed on. Who is doing the foreclosure... [show more](#)



itsajskid, Today 12:24 PM in reply to sunny5280

I think we all "should" care. Laws like this make it so that banks or financial institutions cant just say you owe them money out of left field. Lack of documentation (on part of the banks who wanted to approve everybody and everyone quickly to turn around and sell the mortgage) is part of the reason the housing market is in this mess in the first place!

2 people liked this.



sunny5280, Today 01:04 PM in reply to itsajskid

I agree the law should be followed. But in the end it doesn't matter. The borrower hasn't paid their mortgage so who is actually foreclosing is not all that relevant except to those who are desperately attempting to hang on to a house they cannot afford. It's a stall tactic.



Davel, Today 12:37 PM in reply to itsajskid

No...It's in this mess because they made no down payment loans to people they never should have made the loans to due to no actual money to show they knew how to save and insufficient wages to cover ANY little change in their circumstances or the interest rates. Basically they were making loans to people that should have never been approved.

sunny5280 liked this



itsajskid, Today 12:51 PM in reply to Davel

Well I agree with a lot of what you said which is why I said PART of the reason why in post!



Davel, Today 10:54 AM

NOW is the time to buy. We got our house which was originally listed in 2007 for over \$700,000 we bought it last year for \$315,000 (It was 6 years old and had more than \$525,000 invested in it in 2004...If you were one of the people like us and didn't squander your money in the boom NOW is the time to get in on a deal before the market recovers. Look for SHORT SALES.... [show more](#)

SLBoston and 1 more liked this



LibMedia, Today 10:29 AM

Not to worry. According to the census, Obama has one out of two people considered to be poverty level. With all these vacant homes, people will have plenty of housing available.

1 person liked this.



Davel, Today 11:03 AM in reply to LibMedia

Nobody should be building a new home with all the deals to be had (Unless your rich and money is no object). You can get beautiful homes at huge discount. Some of these homes these people built have so many luxury features you wonder what was going on in these people's heads with their two or three fancy cars, their boats, their Harleys, their vacations, etc. etc. Oh well...Open season for the people who knew... [show more](#)

SLBoston and 1 more liked this



LibMedia, Today 11:38 AM in reply to Davel

Got that right. It is open season on every responsible person who knew better. Every government bailout, cash for clunkers program, or wasted refinance and lower the amount you owe the bank program, is a slap in the face for every responsible tax payer paying for these welfare programs.

sunny5280 and 1 more liked this



Davel, Today 11:48 AM in reply to LibMedia

I agree...The government only cares about bailing out the people who are willing to buy everything on credit...It's like the old days of the company store. They want you to just continue to work and make the credit payments..Never making a dent in the principal. I mean they don't even show what a car costs anymore. Just what the interest rate and monthly payment is. A huge part of the American population are idiots...Which is... [show more](#)

sunny5280 and 3 more liked this



toolttime, Today 10:18 AM

Why does CNN have to have a negative tone to every article that has some good news in it.

1 person liked this.



Hawkeye2012, Today 10:06 AM

After reading the article Stockton Ca. sounds like it's fast becoming the newest ghetto town in CA. I've taken some classes in Stockton and some places 10 years ago you didn't want to go at night. Haven't been there in a few years but it sounds bad.

LibMedia liked this



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