



INVESTORS PURCHASE RECORD NUMBER OF FORECLOSURES AT AUCTION

April Foreclosure Notices Drop from March Record Levels

Discovery Bay, CA, May 12, 2009 – ForeclosureRadar (www.foreclosureradar.com), the only website that tracks every California foreclosure, and provides daily auction updates, issued its monthly [California Foreclosure Report](#) for April 2009. In a reversal from the prior month, foreclosure notices dropped while foreclosure sales rose. Sales at auction rose by 35 percent overall and a record number of those properties were purchased by third parties at an average 28 percent discount from estimated market value. Notices of Default, the first step in the [foreclosure process](#), dropped by 18.2 percent from the record level set the prior month. Notices of Trustee sale, which set the auction date and time, also dropped by 8.5 percent from the prior month.

High-level findings for April 2009 include:

- Notices of Default remained near earlier record levels, despite falling 18.2 percent from March to 42,675 filings. Year-over-year filings dropped by just 1.1 percent, though April of 2008 had held the record for Notices of Default until March 2009.
- Notices of Trustee Sale declined by 8.5 percent to 29,552 filings, a .8 percent decrease from the prior year, and a 24.2 percent decrease from the peak reached in July 2008.
- Foreclosures taken to sale at auction increased by 35 percent, to 13,550 representing \$6.0 Billion in loan value. Despite the significant increase, these trustee sales remained 40.7 percent lower than the prior year, and 52.0 percent lower than the peak reached in July 2008. Nearly 90 percent of the foreclosed loans this month were originated between January 2005 and December 2007.
- Lenders took back 11,916 foreclosures for which no third party bid was received representing \$5.3 in total loan value. Of these loans, nearly 99 percent were first mortgages, with many of these foreclosures wiping out the secured interest of junior lenders. Potential losses by junior lenders exceeded \$623 Million across 6,911 wiped out junior loans.
- The number of foreclosures sold to third parties increased in April to 1,634 a 52.3 percent increase over March. Though the increase was significant, the percentage of foreclosures sold to

third parties remains just 12 percent of the total, with 88 percent going back to the lender. The number of foreclosures sold to third parties increased 217.9 percent increase from April 2008.

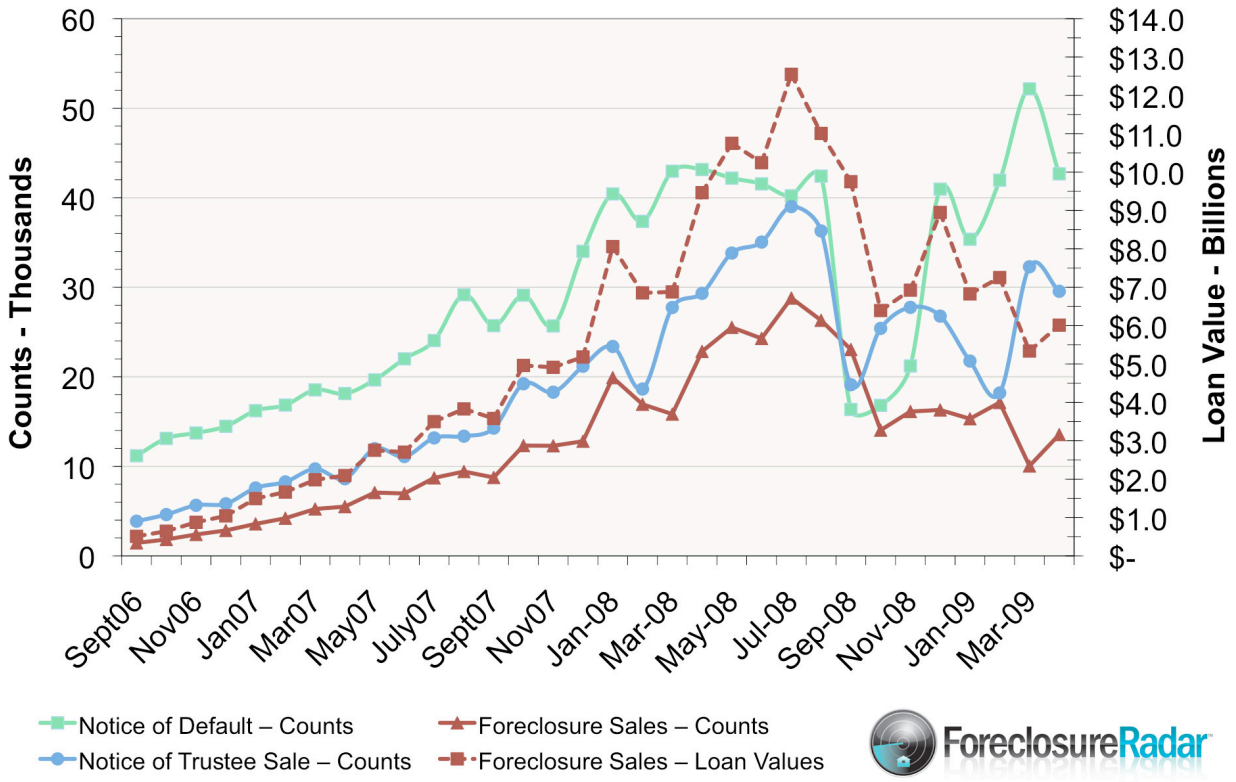
- Lender discounts at auction decreased slightly to an average of 40 percent with Merced, San Joaquin, Stanislaus and Monterey counties seeing the largest discounts at 47 to 49 percent on average.

“As the inventory of bank owned, or REO, inventories drop across California, we’ve seen a dramatic increase in demand for information on the foreclosure auctions as an alternative source for buying property in the current market”, says Sean O’Toole, founder and CEO of ForeclosureRadar. “Despite the discounts offered at the trustee sale auctions, we’d like to remind everyone that these discounts come with significant risks, especially for consumers and inexperienced investors”.

There are a number of inherent risks when bidding at a foreclosure auction, technically referred to as a “trustee sale”. All sales are as-is, with little or no opportunity to inspect the property before purchase. Sales are also subject to existing liens and encumbrances so buyers must carefully research any outstanding debt that may be owed after the purchase. Since there is no title insurance, any mistake made when researching those liens and encumbrances is the buyers’ alone to bear. In addition, the successful bidder may also have to evict the prior owner or tenant, before taking possession of their new purchase.

In return for taking on these risks, third party buyers enjoyed an average 28 percent discount from our estimated market value. With an average estimated market value of \$294,000, that discount represents a significant savings of nearly \$82,000. Despite the size of this discount, actual margins are lower given the costs associated with evicting occupants, cleaning, repairing, maintaining and reselling these properties. Private investors can often accomplish these tasks far more cost-effectively than large banks, making it a win-win for both parties.

California Foreclosure Activity



ForeclosureRadar April Report by County:

Rank	Change in Rank	County	NOD	NTS	Sales	Population Per Sale	% Change Mar 2009	% Change Apr 2008
1	0	Yuba	154	88	67	1074	20%	-17%
2	0	Merced	304	196	233	1095	26%	-47%
3	2	San Joaquin	1066	838	579	1184	42%	-50%
4	0	Riverside	4969	3629	1674	1248	31%	-49%
5	1	Stanislaus	984	789	389	1352	25%	-51%
6	2	Kern	1274	1056	599	1365	35%	-23%
7	4	San Bernardino	3978	3058	1485	1384	50%	-32%
8	6	Solano	732	546	289	1477	45%	-41%
9	10	Lake	1	0	43	1490	87%	-35%
10	6	Madera	212	146	96	1572	45%	-24%
11	-1	Sacramento	2186	1587	867	1643	21%	-48%
12	-5	Colusa	7	3	13	1685	-7%	-35%
13	11	Placer	482	319	180	1852	73%	-15%
14	-2	Plumas	16	4	11	1902	10%	83%
15	3	Contra Costa	1611	1094	552	1905	36%	-42%
16	-7	Calaveras	1	0	24	1922	-4%	-44%
17	-2	Imperial	273	221	87	2025	9%	-19%
18	2	Sutter	122	84	46	2084	39%	-27%
19	10	El Dorado	224	157	86	2090	83%	-2%

20	-7	Amador	39	33	17	2232	-6%	-6%
21	4	Fresno	1130	842	404	2305	50%	-13%
22	-19	San Benito	41	20	23	2512	-36%	-57%
23	-1	Monterey	452	308	165	2597	14%	-45%
24	4	Tulare	459	318	166	2622	36%	-26%
25	-8	Mariposa	1	0	7	2629	-13%	0%
26	0	Shasta	153	116	67	2720	29%	18%
27	7	Tuolumne	43	21	20	2840	67%	54%
28	2	Sonoma	422	305	154	3146	36%	-35%
29	6	San Diego	3441	2381	993	3168	50%	-41%
30	19	Siskiyou	28	18	14	3284	180%	27%
31	-8	Nevada	101	76	30	3306	-3%	-9%
32	25	Sierra	1	0	1	3380	ND	0%
33	3	Napa	138	74	40	3418	60%	-13%
34	-2	Mono	1	0	4	3440	-20%	-43%
35	-8	Yolo	166	104	56	3555	0%	-48%
36	-5	Kings	113	75	41	3767	17%	5%
37	0	Butte	108	61	58	3800	45%	0%
38	8	Tehama	22	21	16	3901	45%	-54%
39	-1	Ventura	763	543	212	3923	48%	-49%
40	-7	Alameda	1618	985	349	4421	6%	-47%
41	-1	Los Angeles	9740	6223	2140	4843	34%	-43%
42	-3	Santa Barbara	277	180	79	5337	11%	-54%
43	2	Orange	2002	1326	573	5447	52%	-49%
44	-2	Santa Cruz	315	144	48	5552	20%	-41%
45	-4	San Luis Obispo	194	113	45	5985	10%	-48%
46	-2	Santa Clara	1352	885	294	6249	19%	-41%
47	7	Mendocino	71	25	14	6440	133%	0%
48	-5	Trinity	3	5	2	6983	0%	-33%
49	-2	Lassen	5	20	5	7151	0%	-38%
50	-29	Glenn	18	15	4	7299	-60%	-50%
51	1	Marin	136	81	33	7800	27%	-30%
52	1	Humboldt	43	31	16	8301	78%	45%
53	-3	San Mateo	438	257	89	8309	13%	-25%
54	1	San Francisco	230	126	49	16827	96%	-22%
55	-7	Inyo	1	0	1	18152	-50%	ND
56	-5	Del Norte	11	4	1	29419	-67%	-50%

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CALIFORNIA FORECLOSURE REPORT METHODOLOGY

Rankings are based on population per foreclosure sale. **NOD** indicates the number of Notices of Default that were filed at the county, and **NTS** indicates filed Notices of Trustee Sale. **Sales** indicates the number of properties sold at foreclosure auction. Percentage changes are based on monthly Sales. The data presented by ForeclosureRadar is based on county records and individual sales results from [daily foreclosure auctions](#) throughout the state – not estimates or projections.

ABOUT FORECLOSURERADAR.COM

ForeclosureRadar is the only web site that tracks every foreclosure in California with daily updates on all foreclosure auctions. ForeclosureRadar features unprecedented tools to [search, manage, track and analyze preforeclosure, foreclosure auction, short sale and bank owned real estate](#). The web site was launched in May 2007 by Sean O'Toole, who spent 15 years building and launching software companies before entering the foreclosure business in 2002 where he successfully bought and sold more than 150 foreclosure properties. ForeclosureRadar is an indispensable resource for real estate agents, brokers, investors, lenders, mortgage brokers, attorneys and other real estate professionals specializing in the California real estate market.

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