



RECORD NUMBER OF FORECLOSURES SCHEDULED FOR SALE

California Foreclosure Prevention Act fails to slow filings

Discovery Bay, CA, August 11, 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 July 2009. Once again, foreclosure stats were mixed, with Notice of Default filings flat, Notice of Trustee Sale filings rising by 31.6 percent and foreclosure sales dropping 22.7 percent. The number of properties scheduled for foreclosure sale – new Notices of Trustee Sale minus those sales that have cancelled or sold – rose to a record level of 124,874, nearly double the levels reached during the foreclosure peak last year.

High-level findings for July 2009 include:

- Filings of new Notices of Default were little changed from June at 44,996 filings, a 1.5 percent decrease. Year-over-year filings rose by 11.9 percent from July 2008.
- Notice of Trustee Sale filings bounced back after dropping in June to 39,294; a 31.6 percent increase over the prior month, and a 0.7 percent increase over the prior year. The California Foreclosure Prevention Act, which adds 90 days prior to the filing of the Notice of Trustee Sale for lenders that do not have a comprehensive loan modification plan in place, had only a fleeting impact last month; with Notice of Trustee Sale filings hitting their second highest level on record in July, just two weeks after the law took affect.
- After increasing for 3 consecutive months, foreclosure auction sales dropped by 22.7 percent to a total of 17,239, with a combined loan value of \$8.08 Billion dollars. Year-over-year sales dropped a substantial 40.1 percent, with July 2008 having the highest level of foreclosure sales on record at 28,795. Opening bids set by lenders were an average of 39.1 percent lower than the loan balance, with 45.0 percent of sales discounted by 50.0 percent or more.
- Sales to third party bidders were flat from June, with 2,683 foreclosures sold to investors, or in increasingly rare instances, junior lenders. As a percentage of total sales, sales to third parties continued to increase; though lenders still took back 84.4 percent of foreclosures at auction, representing 14,555 loans, with a total of \$6.93 Billion dollars in loan value.

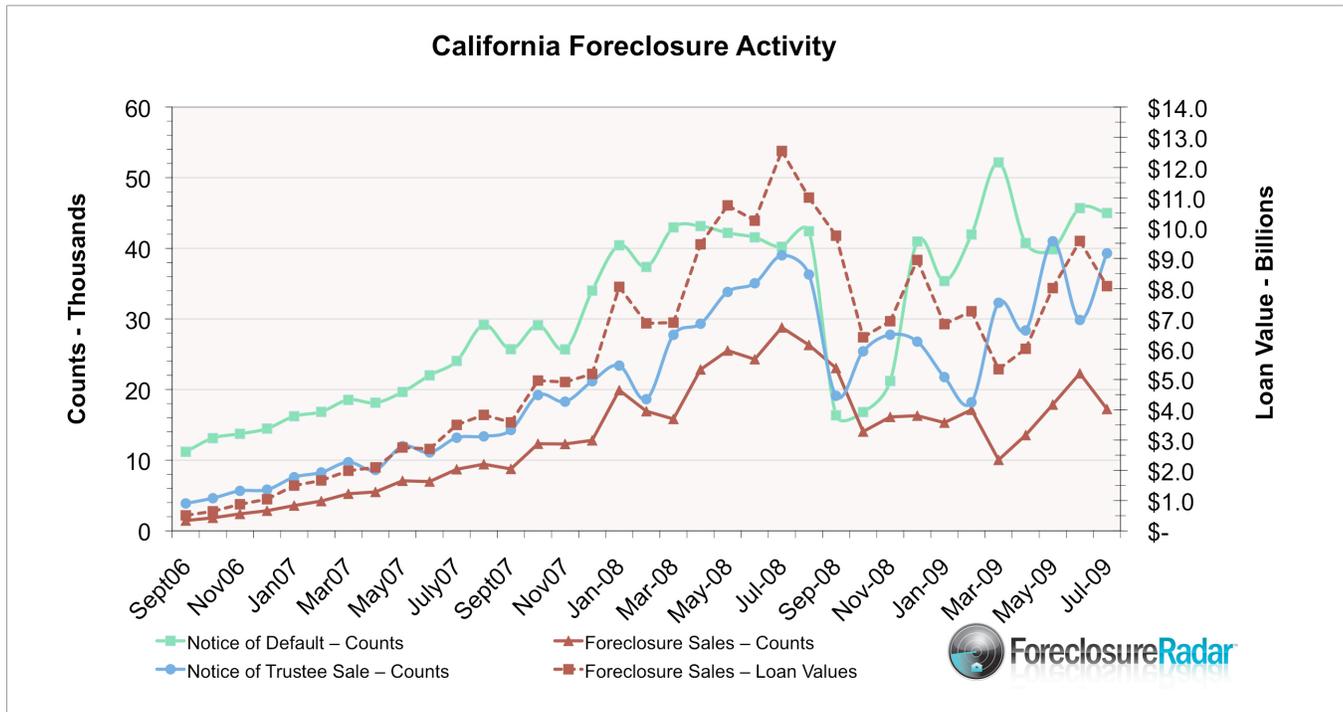
- Foreclosures scheduled for sale rose to 124,874, a 10.4 percent increase from the prior month, and a 93.3 percent increase year-over-year from July 2008. The year-over-year increase is significant given that foreclosure sales in July 2008 set a record that has not again been reached. The increase appears to be primarily due to the fact that lenders are willingly postponing foreclosure sales.
- The new “Home Affordable” loan modification plans now include a 3-month trial. It is our understanding that foreclosures are not cancelled until the completion of this trial period. As such, we believe monitoring the cancellation of scheduled foreclosures should provide some insight into the effectiveness of this program, as successful trials should result in cancelled foreclosures. We had a record number of cancellations in July at 10,789, a 24.8 percent increase over the prior month and an 86.3 percent increase year-over-year. It should be noted, however, that as a percentage of the foreclosures actively scheduled for sale, there was little change from prior months. It appears that the significant increase is primarily due to the high number of foreclosures that are scheduled for sale, but postponing rather than selling.

“Despite the failure of the California Foreclosure Prevention Act to slow Notice of Trustee Sale filings it is clear that lenders and servicers are delaying foreclosure” says Sean O’Toole, founder and CEO of ForeclosureRadar. “More homeowners are now sitting at the brink of foreclosure, just days away from the next scheduled auction date, then ever before, yet we simply aren’t seeing the wave of foreclosures many predicted.”

Political pressure, financial incentives and the postponement of sales awaiting the completion of loan modification trial periods are likely reasons for the delays. The vast majority of foreclosures, 72 percent, are postponing either due to lenders request, or mutual agreement between the lender and borrower. Only 10 percent are being postponed due to bankruptcy. With few exceptions the remainder have not yet been postponed and are scheduled for their first sale date.

The average California foreclosure has a total loan balance of \$425,134 on a home that is now worth \$236,739. While negative equity is a prerequisite for the vast majority of foreclosures in California, the degree of negative equity varies a great deal by location. Foreclosures in Santa Cruz County had loan balances just 110 percent of the current estimated value, while Foreclosures in Merced County had loan balances an average 283 percent higher than the estimated value. The Bay Area counties of Santa Cruz,

San Francisco, Marin, San Mateo were among the least underwater. Inland counties including Merced, San Joaquin, Stanislaus, Solano, Sacramento, San Bernardino, and Riverside were among the most underwater.



ForeclosureRadar July Report by County:

Rank	Change in Rank	County	NOD	NTS	Sales	Population Per Sale	% Change June 2009	% Change July 2008
1	0	Merced	507	429	281	908	-33%	-53%
2	3	Riverside	4776	4681	2297	909	-19%	-40%
3	0	Yuba	141	145	74	972	-25%	-43%
4	-2	Stanislaus	1072	957	499	1054	-33%	-53%
5	17	Plumas	25	27	19	1101	36%	111%
6	-2	San Joaquin	1468	1236	619	1108	-34%	-55%
7	2	San Bernardino	3927	3643	1691	1216	-24%	-42%
8	-2	Solano	932	670	351	1216	-31%	-40%
9	48	Alpine	1	0	1	1222	NA	-86%
10	-3	Madera	248	256	123	1227	-31%	-33%
11	1	Sacramento	2440	2230	1083	1315	-22%	-45%
12	-4	Lake	109	98	47	1363	-36%	-36%
13	-3	Kern	1341	1168	590	1386	-33%	-37%
14	4	El Dorado	325	220	118	1523	-13%	13%
15	8	Mono	1	0	9	1529	-25%	29%
16	-2	Contra Costa	1981	1502	688	1529	-26%	-46%
17	-2	Imperial	133	71	114	1545	-24%	-36%
18	1	Placer	564	465	184	1812	-25%	-30%
19	-8	San Benito	45	30	30	1926	-52%	-57%
20	0	Monterey	538	395	212	2021	-29%	-48%
21	-5	Sutter	127	104	46	2084	-39%	-54%

22	22	San Luis Obispo	227	176	129	2088	43%	47%
23	3	Fresno	1088	923	434	2145	-25%	-37%
24	10	Tehama	34	16	29	2152	-17%	-24%
25	15	Kings	178	103	71	2175	27%	13%
26	15	Siskiyou	44	21	20	2299	25%	-38%
27	-14	Calaveras	1	0	20	2306	-66%	-62%
28	0	Shasta	168	115	76	2398	-28%	-6%
29	4	Glenn	1	4	12	2433	-14%	-29%
30	5	Napa	172	126	56	2441	-10%	-15%
31	-2	Tulare	435	414	176	2473	-30%	-25%
32	-1	San Diego	3444	2941	1266	2485	-22%	-42%
33	-1	Sonoma	605	416	190	2550	-19%	-44%
34	-7	Nevada	139	91	37	2681	-38%	-29%
35	-10	Amador	46	34	14	2710	-42%	-42%
36	-6	Yolo	169	168	71	2804	-35%	-50%
37	-13	Tuolumne	20	17	20	2840	-44%	0%
38	-1	Alameda	1705	1331	532	2900	-23%	-41%
39	-3	Butte	119	62	75	2939	-25%	-18%
40	-1	Ventura	845	754	252	3300	-22%	-52%
41	1	Los Angeles	9276	8976	3008	3445	-16%	-33%
42	4	Santa Barbara	324	244	116	3635	-11%	-46%
43	-22	Colusa	1	0	6	3652	-60%	-67%
44	3	Orange	2591	2166	782	3991	-14%	-46%
45	0	Santa Clara	1543	1138	414	4437	-30%	-36%
46	-29	Mariposa	1	0	4	4602	-71%	0%
47	2	Mendocino	72	54	18	5009	-28%	29%
48	0	Santa Cruz	125	87	53	5029	-30%	-21%
49	2	San Mateo	547	380	135	5478	-11%	-24%
50	2	Marin	166	112	46	5596	-8%	-32%
51	-1	Del Norte	2	6	5	5884	-29%	-58%
52	1	Humboldt	33	23	16	8301	-27%	-20%
53	-10	Lassen	6	4	4	8939	-69%	-56%
54	2	Modoc	6	2	1	9702	NA	NA
55	-1	San Francisco	268	210	81	10179	16%	40%
56	-18	Trinity	5	4	1	13966	-83%	-67%

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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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