

Foreclosures see significant increase as moratorium ends

There were 45,517 properties with foreclosure filings in the third quarter, up 34 percent from the second quarter and 68 percent from a year ago, according to ATTOM's Q3 2021 U.S. Foreclosure Market Report. There were 19,609 properties with foreclosure filings in September, up 24 percent month-over-month and 102 percent year-over-year.

"Despite the increased level of foreclosure activity in September, we're still far below historically normal numbers," Rick Sharga, executive vice president at RealtyTrac, an ATTOM company, said in a release. "September foreclosure actions were almost 70 percent lower than they were prior to the COVID-19 pandemic in September of 2019, and Q3 foreclosure activity was 60 percent lower than the same quarter that year. Even with similar increases in foreclosures over the next few months, we'll end the year significantly below what we'd see in a normal housing market."

Lenders started the foreclosure process on 25,209 properties in the third quarter, up 32 percent from the second quarter and up 67 percent from a year ago, marking the first double-digit quarterly percent increase since 2014.

States that posted the greatest number of foreclosure starts in the third quarter included California (3,434); Texas (2,827); Florida (2,546); New York (1,363); and Illinois (1,362 foreclosure starts). The metro areas analyzed in the report that posted **the most third-quarter foreclosure starts included New York (1,456); Chicago (1,122); Los Angeles (1,102); Miami (992); and Houston (866).**

Metro areas with a population over 1 million that saw a decline in foreclosure starts in the third quarter include Charlotte, N.C. (down 32 percent); Portland, Ore. (down 26 percent); Rochester, N.Y. (down 17 percent); San Jose, Calif. (down 13 percent); and Hartford, Conn. (down 6 percent).

"So far the government and the mortgage industry have worked together to do an extraordinary job of



preventing millions of unnecessary foreclosures using the foreclosure moratorium and mortgage forbearance program," Sharga said. "But there are hundreds of thousands of borrowers scheduled to exit forbearance in the next two months, and it's possible that we might see a higher percentage of those borrowers default on their loans."

States with the highest foreclosure rates in the third quarter were Nevada (one in every 1,463 housing units with a foreclosure filing); Illinois (one in every 1,465); Delaware (one in every 1,515); New Jersey (one in every 1,667); and Florida (one in every 1,743).

Those metro areas analyzed that had the highest foreclosure rates in the third quarter included Atlantic City, N.J. (one in every 709); Peoria, Ill. (one in every 754); Bakersfield, Calif. (one in every 923); Cleveland, Ohio (one in every 936); and Las Vegas (one in every 1,167).

States that posted the largest number of completed foreclosures the third quarter included Illinois (965 REOs); Florida (564 REOs); Pennsylvania (480 REOs); Michigan (401 REOs); and New York (370 REOs).

States with the longest average foreclosure timelines for homes foreclosed in the third quarter were Hawaii (2,070 days); Nevada (1,989 days); Kansas (1,901 days); New York (1,659 days); and Washington (1,611 days). States with the shortest average foreclosure timelines were Montana (94 days); Wyoming (102 days); Mississippi (133 days); Missouri (213 days); and Virginia (272 days).