



PROVIDENT TITLE  
COMPANY

FORECLOSURE

FOR  
SALE

## MOST SERVICERS ANTICIPATE MORE FORECLOSURES NEXT YEAR

SEPTEMBER 2022 — Auction.com, a leading distressed real estate marketplace, released its 2022 Seller Insights report. The report found nine out of ten mortgage services that utilize the platform expect to see an increase in foreclosure volume in the next 12 months.

“Now that most pandemic-era foreclosure protections have expired or are winding down, it’s clear that the pro-active response to the pandemic by policymakers and mortgage servicers helped to avoid a feared foreclosure wave triggered by the crisis,” Auction.com CEO Jason Allnutt said. **“While most in the default servicing industry expect to see foreclosures gradually increase over the next year, they are expecting a higher percentage of delinquent mortgages to avoid foreclosure than the historical average prior to the pandemic.”**

Based on the data collected from over 50 Auction.com clients, the report also showed that a backlog of distressed mortgages from the pandemic is expected to have the most impact on distressed disposition volumes over the next 12 months, beating out regulatory intervention, a recession, home equity and interest rates.

The survey also asked servicers about outcomes for their inventory of **seriously delinquent (SDQ) mortgages, many of which are no longer protected by the forbearance programs** enacted in the early days of the COVID-19 pandemic.

On average, respondents expect 23 percent of their SDQ inventory as of June 2022 to go to foreclosure auction in the following 12 months, although 20 percent of clients expect more than 30 percent of their SDQ inventory to roll into foreclosure auction sometime in the next 12 months.