

Third-quarter foreclosures plummet



There were 27,016 U.S. properties with default notices, scheduled auctions, or bank repossessions in the third quarter, down 12 percent from the previous quarter and down 81 percent from a year ago, according to ATTOM Data Solutions' latest foreclosure report.

ATTOM said the foreclosure level in the third quarter was the lowest since it began tracking quarterly filings in 2008.

"Foreclosure activity has, for all intents and purposes, ground to a halt due to moratoria put in place by the federal, state and local governments and the mortgage forbearance program



initiated by the CARES Act," RealtyTrac Executive Vice President Rick Sharga said in a release. "But it's important to remember that the numbers we're seeing today are artificially low, even as the number of seriously delinquent loans continues to increase, and that we'll see a significant – and probably quite sudden – burst of foreclosure activity once these various government programs expire."

During September, there were 9,707 U.S. properties with foreclosure filings, down 2 percent from the previous month and down 80 percent from September 2019.

According to the report, the states with the greatest year-over-year decreases in

foreclosure starts in the third quarter were Pennsylvania (down 95 percent); Wisconsin (down 93 percent); Washington (down 93 percent); Maryland (down 91 percent); and Colorado (down 90 percent).

ATTOM said the metro areas with the greatest year-over-year decreases in foreclosure starts in the third quarter were Washington, D.C. (down 91 percent); Philadelphia (down 90 percent); Cleveland (down 89 percent); Denver (down 89 percent); and Baltimore (down 88 percent).

It said other markets with third-quarter, year-over-year decreases of at least 80 percent were Columbus, Ohio; Detroit, Chicago, Illinois; Providence, R.I.; and Charlotte, N.C.

The highest foreclosure rates in the third quarter were in South Carolina (one in every 2,339 housing units); Illinois (one in every 3,031); New Mexico (one in every 3,079); New Jersey (one in every 3,314); and Delaware (one in every 3,482).

The metro areas with the highest foreclosure rates in the third quarter were McAllen-Edinburg, Texas (one in every 1,134 housing units); Davenport, Iowa (one in every 1,346); Shreveport, La. (one in every 1,640); Columbia, S.C. (one in every 1,664); and Rockford, Ill. (one in every 1,696).

"We'll certainly see more repossession by lenders once the foreclosure moratoria have ended, but maybe not as many as people might expect," Sharga said. "Given the record amount of homeowner equity – over \$6.5 trillion – it seems likely that many homeowners in financial distress will opt to take advantage of strong demand among homebuyers and sell their property rather than risk losing it to a foreclosure auction."