



BUY ONE PHONE & GET ONE FREE
Find your perfect match

PLAY THE GAME ▶
> Get a phone

CNNMoney.com

 **PRINT THIS**

Powered by  Clickability

Foreclosure plague slows Filings fall 8%

Foreclosures fell month but are still up nearly 2 with a year ago. Plus, I wasn't the worst-hit cit

By Les Christie, CNNMoney.com
Last Updated: December 10, 2009: 7

NEW YORK (CNNMoney.com) -- Foreclosure filings fell 8% in November, making it the fourth improvement in the housing market.

There were 306,627 filings last month, a 3% decline that follows a 3% drop in October.

"Loan modifications and other foreclosure relief programs, the homebuyer tax credit, are keeping a lid on the number of foreclosures and home value depreciation," Saccacio said.

However, while there are signs of improvement, the industry has yet to turn around: Foreclosure filings were still a lofty 18% above November 2008's levels.

"This is providing a welcome respite for the real estate industry, but a full recovery will only come when unemployment recedes to normal, healthy levels and when availability of credit reaches a more rational balance between the extremes of the past few years," Saccacio said.

Additionally, RealtyTrac spokesman Rick Sharga isn't convinced the decline is a natural outgrowth of improved market conditions.

"I really don't believe we're looking at a trend that suggests the problem is going away," he said. "Much of the drop was artificially induced."

He attributes the stabilization to mandatory mediation programs that some states have introduced. For example, in Nevada, where filings have declined for three months in a row, lenders are required to go through mediation with borrowers before moving forward with foreclosure documents. In many cases, Sharga said, these programs just



SPECIAL ADVERTISING FEATURE

An Industry Gaining Altitude

Cloud computing is booming as companies rely on outside vendors to manage their on-demand technology needs.

 at&t

delay the inevitable.

But there has been some real help for turning the foreclosure tide. One factor has been a firming up of home prices. The S&P/Case-Shiller Home Price Index has reported five consecutive months of improved prices through September.

As a result of this mild upswing in prices, fewer homeowners owe more than what their homes are worth, a status known as being underwater. Zillow, the online appraisal service, reported recently that the proportion of [underwater homeowners dropped to 21%](#) at the end of September from 23% at the end of June.

Home sellers have also grown more confident. The real estate Web sites Trulia and ZipRealty both reported that fewer home sellers are slashing their listing prices. Trulia said that 22% of homes currently on the market as of Dec. 1, 2009 had gone through at least one price cut, the lowest level since Trulia started tracking price reductions in April 2009.

ZipRealty said the average home in 27 markets it covers was discounted \$23,953 in November, a 3% smaller discount than prevailed a month earlier.

Even with gain, there's still pain

All those positive signs do not mean that there's no foreclosure pain. RealtyTrac reported 76,701 homes were repossessed during the month, only a tad down from the 77,077 lost in October. For the year, there have been a total of 777,630 properties taken back by banks.

The "sand states" -- Nevada, Florida, California and Arizona -- continued to amass the largest numbers of foreclosure filings with Nevada the hardest hit state of all. One of every 119 households had a filing in November, nearly four times the national average of one for every 417.

Florida had one for every 165 households, California one for every 180, and Arizona one for every 186.

There was a bit of surprise among the worst hit cities. Las Vegas dropped out of the top spot it has occupied for the past four months. A 33% decline in filings to one for every 102 housing units put it in fifth place. Instead, Merced, Calif., took over the top spot with one filing for every 83 homes. Following Merced was Stockton, Calif., one for every 85; nearby Modesto, one for every 87; and Cape Coral, Fla., one for every 96. ■

First Published: December 10, 2009: 4:11 AM ET
[Find mortgage rates in your area](#)

Find this article at:

http://money.cnn.com/2009/12/10/real_estate/November_foreclosure_report/index.htm

Check the box to include the list of links referenced in the article.