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## Foreclosures slow dramatically, down more than 25 percent in January

FAIR OAKS

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- **California foreclosures at lowest level since December 2007**
- **'Home sales are roaring back'**

Foreclosures across the United States plummeted by more than 25 percent in January, with many of the hardest-hit states seeing dramatic drops in the number of homes repossessed by lenders, according to figures compiled by real estate information company Foreclosures.com Inc. of Fair Oaks.

Nationally, the number of completed foreclosures dropped from 97,841 in December to 72,694 in January 2009 – the lowest number of completed foreclosures since April 2008, Foreclosures.com says.

Pre-foreclosure filings – an indicator of future completed foreclosures – also dropped 12 percent, from 190,467 in December to 166,860 in January.

California continued to see dramatic change as foreclosures drop and buyers move into the real estate market, the company says.

Completed foreclosures in the Golden State dropped more than 31 percent in January to 14,351, the lowest level since December 2007, and less than half the 31,851 properties foreclosed in the peak month of September 2008.

In Florida, there were 10,007 foreclosures completed in January, down from 12,786 in December – a nearly 22 percent drop. Nevada experienced a 20 percent drop in completed foreclosures, going from 4,039 in December to 3,207 in January.

"Efforts last year by government and industry to lay the groundwork for housing recovery finally are yielding the hoped-for slowdown in the foreclosure hemorrhage," says Alexis McGee, president of Foreclosures.com.

"The nation's foreclosure crisis largely began in California. The comeback is spreading from there as well," says Ms. McGee, "It's not quite time to pop that celebratory champagne, but Fannie Mae and Freddie Mac's moratorium on foreclosures after the holidays, and the big lenders following suit, along with emphasis on working out loan problems with strapped homeowners, is making a difference."

In addition to California, Florida and Nevada, other states at the center of the foreclosure crisis – including Arizona, Texas, Georgia, and Ohio – also experienced declines in completed foreclosures filings, according to Foreclosures.com's figures. Among states with the most pre-foreclosure filings, only Texas and Michigan saw increases.

"While unemployment definitely is a concern to the economy overall, it appears it's outweighed by favorable conditions bringing buyers into the housing markets," says Ms. McGee. "Home sales are roaring back. The dramatic drop in home prices and historically low mortgage interest rates are making homes more affordable – and accessible – than we've seen in almost 30 years."

Ms. McGee says investors and first-time homebuyers are coming off the sidelines and buying homes. "While many headlines still focus on foreclosures, the story is now the recovery of real estate," she says.

With the amount of both state and federal government foreclosure intervention programs and mortgage lenders who are finally starting to be more accommodating on their loan modifications to avoid foreclosure, Ms. McGee expects the growth of 2009 foreclosures to be much less than many experts are predicting.

"Other factors are also laying the groundwork for a housing comeback," she says. "Historic lows of new construction and a growing U.S. population put us on course for a housing shortage."

### *Methodology*

Foreclosures.com bases its analysis on the number of formal notices filed against a property during the foreclosure process. That can include notice of default, notice of foreclosure auction, and/or notice of REO (lender-owned real estate that occurs after a foreclosed property fails to sell at auction and reverts back to the lender). Pre-foreclosure filings are initial notices that all do not end up as foreclosure.

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