



DEFAULTS SHOW SIGNS OF LEVELING

Percent of foreclosures that result in home loss continues to worsen

Discovery Bay, CA, July 15, 2008 – ForeclosureRadar (www.foreclosureradar.com), the only website that tracks every California foreclosure with daily auction updates; today issued its *California Foreclosure Report*. Noted in the report was a minor decrease in the number of homeowners entering the foreclosure process. This marked the fourth month new Notices of Default remained essentially level. Since foreclosure sales can be postponed up to one year in California, the percentage of defaults that result in home loss takes time to determine. Looking back one year to defaults filed in June 2007, 60 percent of those defaults resulted in the property being sold at foreclosure auction. Since that time default filings have increased 88.8 percent, while properties sold at auction have increased 248 percent. The difference between these increases speaks clearly to the issue that for most homeowners there is no way out, and while defaults may be stabilizing, the impact on homeowners and lenders continues to worsen.

High-level findings include:

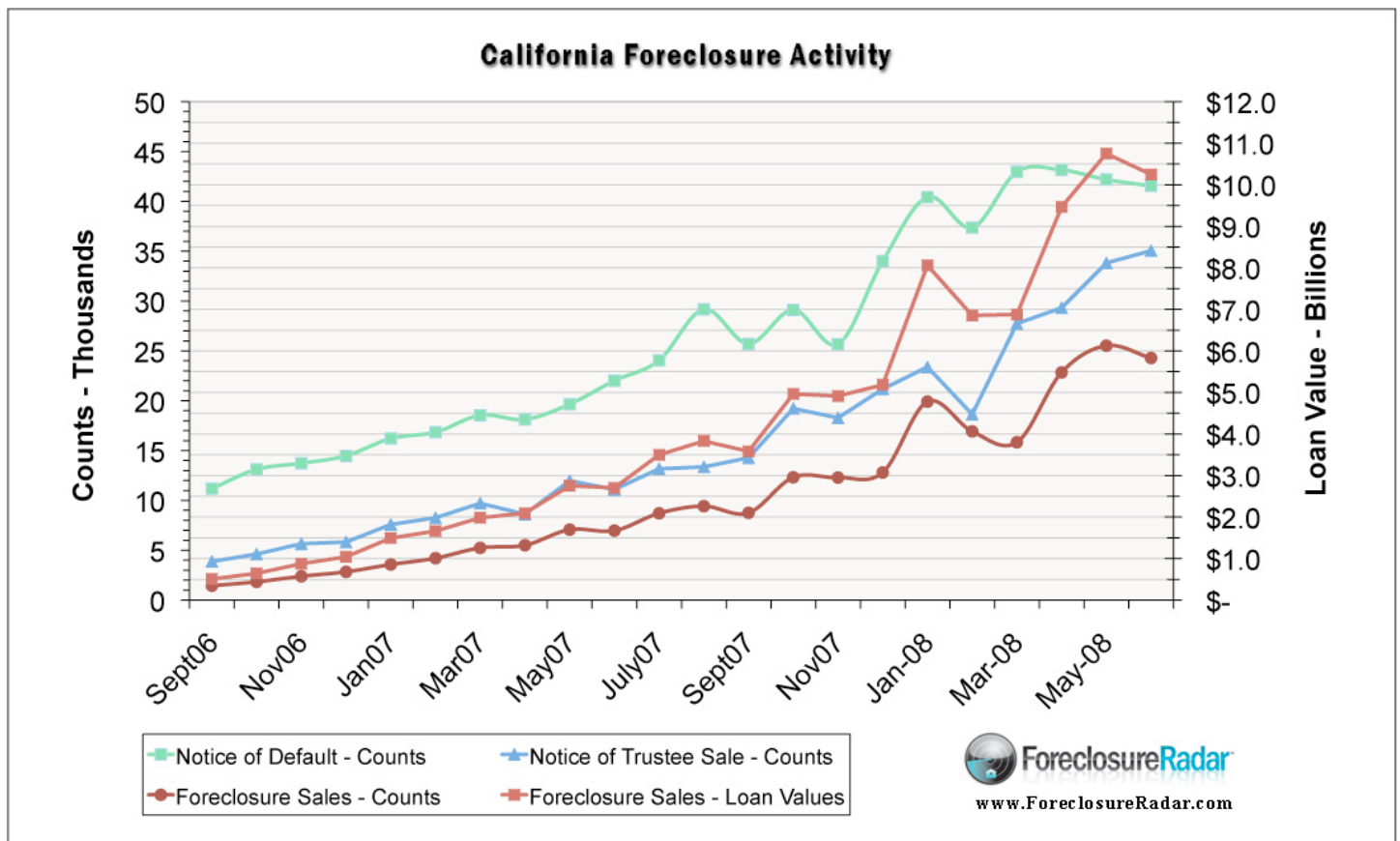
- Notices of Default declined for the second month, though by just 2 percent, to a total of 42,151 filings. This represents \$16.95 Billion in loans.
- Notices of Trustee Sale, which follow the notice of default by an average 105 days and set the date and time of the foreclosure auction, rose again to 35,544 filings, an increase of 2.8 percent over last month's record.
- Sales at auction decreased 4.8 percent, despite past increases in notices of trustee sale, to a total of 24,286 properties with a combined loan balance of \$10.25 Billion. Of those, 23,526 received no bid higher than the lenders' opening bid and became bank owned (REO).
- Sales to 3rd parties at auction continued to increase, and were up 9.8 percent from the prior month. 3rd Party purchases, which must be paid in full at the time of auction, exceeded \$180 Million. The percent of properties returned to the lender decreased to 96.8%, the lowest it has been since last October.

“Price declines and negative equity continue to drive foreclosures, leaving homeowners upside down and with few options if they need to sell.” said Sean O'Toole, founder of ForeclosureRadar. “The continued failure of lenders to approve short sales on a timely basis is leading to greater losses for both the homeowner and the foreclosing lender, decreasing transaction volumes for Realtors, lenders and title companies (which directly impacts the California economy), and is littering neighborhoods with vacant, unkempt and vandalized homes.

Providing timely responses to short sale offers should be the number one priority for every lender and legislator, yet California's latest foreclosure law completely failed on this front."

Discounts offered by lenders at auction increased again. In June 2008, the average opening bid was 31 percent below the amount owed on the loan in foreclosure. 87 percent of opening bids were discounted, with nearly 1 in 4 discounted by 50 percent or more. Opening bid discounts exceeded 40 percent, on average, in Merced, Monterey, San Joaquin and Stanislaus counties.

Los Angeles, Riverside and San Bernardino counties continued to lead the state in absolute volume of foreclosures due to their large size; yet each county also recorded declines in foreclosure sales month-over-month of 10, 10 and 11 percent respectively, which accounted for much of the overall decline in June. San Joaquin, Merced and Stanislaus all saw modest increases and had the highest foreclosure rates in the state after adjusting for population.



Foreclosure Radar June Report by County:

Rank	Change in Rank	County	NDF	NTS	Sales	Population Per Sale	% Change May 2008	% Change June 2007
1	2	San Joaquin	1396	1508	1236	539	5%	329%
2	0	Merced	625	560	439	562	2%	416%
3	1	Stanislaus	1169	1072	857	600	5%	318%
4	-3	Riverside	5109	4619	3213	608	-10%	200%
5	3	Yuba	127	125	91	767	6%	203%
6	1	Sacramento	2521	2262	1728	802	0%	182%
7	3	Solano	831	672	513	824	6%	298%
8	-3	San Bernardino	4280	3451	2346	849	-11%	286%
9	-3	San Benito	89	91	61	945	-20%	239%
10	1	Contra Costa	1743	1463	1087	947	-5%	224%
11	-2	Madera	220	132	147	982	-14%	568%
12	0	Kern	1258	1024	793	983	-1%	236%
13	2	Monterey	616	563	411	1,034	33%	463%
14	-1	Sutter	141	107	85	1,076	12%	166%
15	43	Alpine	1	0	1	1,241	0%	NA
16	-2	Placer	392	344	249	1,271	0%	251%
17	3	Calaveras	63	39	29	1,576	-22%	1350%
18	0	Fresno	965	776	565	1,592	1%	242%
19	-3	Sonoma	434	410	299	1,605	-9%	390%
20	-3	San Diego	3158	2784	1856	1,652	-6%	183%
21	7	Napa	150	104	80	1,681	23%	627%
22	5	Imperial	240	206	99	1,683	-19%	209%
23	2	Yolo	194	173	109	1,746	12%	195%
24	0	El Dorado	196	121	94	1,875	3%	154%
25	-3	Ventura	806	680	429	1,905	-3%	325%
26	4	Tulare	410	288	203	2,072	5%	269%
27	-8	Lake	1	0	30	2,137	-49%	50%
28	-2	Alameda	1507	1115	697	2,154	-9%	202%
29	-6	Amador	36	28	17	2,243	-15%	240%
30	1	Santa Barbara	325	245	185	2,279	-2%	249%
31	8	Nevada	87	65	40	2,502	33%	233%
32	4	Butte	76	88	85	2,555	13%	270%
33	-12	Tehama	1	0	24	2,564	-43%	140%
34	-2	Orange	2258	1979	1168	2,630	-12%	274%
35	-2	Los Angeles	8115	6496	3837	2,670	-10%	264%
36	1	Santa Cruz	193	124	95	2,762	12%	352%
37	18	Glenn	11	13	10	2,865	NA	900%
38	-9	Colusa	1	0	7	3,073	-30%	133%
39	1	San Luis Obispo	212	132	85	3,097	15%	174%
40	-6	Santa Clara	1218	953	568	3,122	-16%	498%
41	-6	Shasta	146	95	58	3,129	-12%	100%
42	8	Plumas	4	4	6	3,574	200%	50%
43	-2	Tuolumne	49	26	16	3,639	0%	220%
44	1	San Mateo	343	227	165	4,389	39%	416%
45	6	Mono	1	0	3	4,532	50%	NA
46	0	Siskiyou	22	27	10	4,615	43%	900%
47	-9	Kings	87	69	29	5,094	-37%	190%
48	-6	Mendocino	37	21	15	6,030	-17%	200%

49	-6	Marin	99	94	39	6,496	-24%	550%
50	-3	Trinity	1	4	2	7,012	0%	100%
51	2	Humboldt	35	29	16	8,283	100%	167%
52	-8	Mariposa	7	2	2	9,108	-50%	-33%
53	-1	San Francisco	131	125	63	12,677	17%	163%
54	0	Lassen	1	0	2	17,726	-33%	100%
55	-7	Del Norte	10	7	1	29,196	-75%	0%

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CALIFORNIA FORECLOSURE REPORT METHODOLOGY

Rankings are based on population per foreclosure sale. **NOD** indicates the number of Notices of Default that were filed at the county, and **NTS** indicates filed Notices of Trustee Sale. **Sales** indicates the number of properties sold at foreclosure auction. Percentage changes are based on monthly Sales. The data presented by ForeclosureRadar is based on county records and individual sales results from daily foreclosure auctions throughout the state – not estimates or projections.

ABOUT FORECLOSURERADAR.COM

ForeclosureRadar is the only web site that tracks every foreclosure in California with daily updates on all foreclosure auctions. ForeclosureRadar features unprecedented tools to search, manage, track and analyze preforeclosure, foreclosure auction, short sale and bank owned real estate. The web site was launched in May 2007 by Sean O'Toole, who spent 15 years building and launching software companies before entering the foreclosure business in 2002 where he has successfully bought and sold more than 150 foreclosure properties. ForeclosureRadar is an indispensable resource for real estate agents, brokers, investors, lenders, mortgage brokers, attorneys and other real estate professionals specializing in the California real estate market.