



**Contact:**

Dan Downey

ForeclosureRadar.com

925.513.7175 ext. 16

[dan@foreclosureradar.com](mailto:dan@foreclosureradar.com)

## **LENDER TURMOIL IMPACTS FORECLOSURE NUMBERS**

### **Auction investment opportunities continue to increase.**

Discovery Bay, CA, February 12, 2009 – ForeclosureRadar ([www.foreclosureradar.com](http://www.foreclosureradar.com)), the only website that tracks every California foreclosure, and provides daily auction updates, issued its monthly *California Foreclosure Report*. January brought an unexpected, across the board drop, in the total Notices of Default, Notices of Trustee Sale, and sales at auction, not only from the prior month, but year over year as well. Even after accounting for the fact that January had two fewer days than December, only properties sold at auction saw a slight increase of 3.4 percent. Analyzing the data at the lender level, it appears these drops can be primarily attributed to the significant changes taking place among the country's major lending institutions. Wells Fargo, with its recent acquisition of Wachovia, saw a drop in Notice of Default filings of 46 percent, while JP Morgan, which acquired Washington Mutual, saw a drop of 49 percent. Bank of America, which earlier acquired Countrywide, saw a significant 281 percent increase in filings, though still below the levels Countrywide experienced in the second quarter of 2008. Given the significant integration issues faced by most major lenders today, it would be irresponsible to draw any conclusions about market direction from current foreclosure numbers.

The number of properties sold to third parties at auction continues to rise – up 6.6 percent from December 2008 and more than doubling from January of last year. Lender discounts at auction statewide averaged 41.4 percent from the outstanding loan balance for January, a significant increase from the 16.1 percent average discount a year earlier. Overall, lenders discounted their opening bid on 92 percent of properties taken to sale, making prices at auction reasonable for third party buyers.

### **High-level findings for January include:**

- Notices of Default decreased 11.8 percent over Notices recorded for December, to a total of 36,138 default filings, a 10.6 percent decrease from January 2008. Due to the fact that January had two fewer recording days than December the average daily decrease was only 3 percent.

- The average daily volume for Notices of Trustee Sale filed from December to January decreased 8.3 percent, with a month over month total decline of 16.6 percent. The 22,328 Notice of Trustee Sale filings for January represent a 4.5 percent decrease from Notices of Trustee Sale recorded in January 2008.
- Properties taken to sale at auction decreased 6 percent from December to January; a 23.1 percent decline from the same period last year, and a 46.8 percent decrease from peak volumes seen in July 2008. The 15,314 properties sold at auction represent \$6.8 billion in loan value. Slightly more than 94 percent of these properties were sold back to the bank at auction.

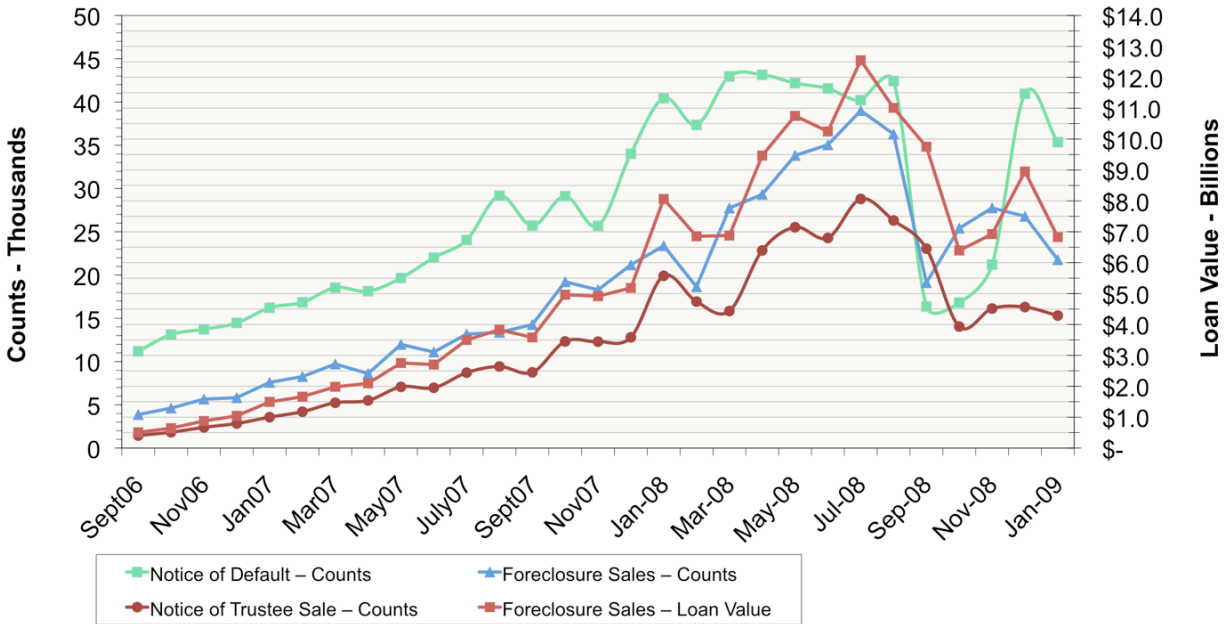
“Foreclosure is currently the only functioning mechanism for clearing the negative equity that is otherwise leaving homeowners in a prison of debt,” says Sean O’Toole, founder of ForeclosureRadar. “While it is our hope that better mechanisms for clearing unsustainable mortgage debt are ultimately identified, we are delighted to see continued improvements in the efficiency of California’s foreclosure marketplace as evidenced by the increasing number of sales to third parties at auction.”

In Orange County, third parties purchased foreclosures with loan balances totaling \$67.5 million at auction, representing 14 percent of the total properties sold. The average discount from the loan balance to the opening bid in Orange County was 34.1 percent. Ten percent of properties sold in Sacramento County went to third parties, with an average discount of 45.9 percent. San Francisco County, with one of the lowest average discounts in the state of just 24.6 percent, still saw 9 percent of auction properties sold to third parties.

A review of Notices of Default filed within the last 120 days, commonly referred to as preforeclosures, against data from Multiple Listing Services, found less than 7.8 percent are currently listed for sale. Marin and Sonoma Counties have the highest numbers of listed preforeclosures at 15.4 and 14.1 percent respectively. These figures are disappointingly low given the significant advantages to both homeowners and lenders of completing a short-sale when compared to allowing the home to be sold at foreclosure auction.

A similar review of properties taken back by a bank in the last 120 days found that only 12.9 percent were currently listed. Contra Costa County, at 20.1 percent, has the highest percentage of listed bank owned properties. These numbers are not surprising given the time involved in evicting the prior owner or occupant, and preparing the property for sale. In fact, it is not unusual to see bank owned properties listed six months to a year after the foreclosure auction.

### California Foreclosure Activity



### ForeclosureRadar January Report by County:

Rank	Change in Rank	County	NOD	NTS	Sales	Population Per Sale	% Change Dec 2008	% Change Jan 2008
1	0	Merced	451	390	271	942	-7%	8%
2	2	Riverside	4509	3127	2072	1008	-2%	-27%
3	3	Stanislaus	841	647	446	1179	-9%	-29%
4	4	San Bernardino	4022	2427	1674	1228	-7%	-13%
5	-2	San Joaquin	1142	861	544	1260	-25%	-46%
6	1	Solano	688	435	323	1321	-17%	-17%
7	-2	San Benito	26	31	42	1376	-26%	-33%
8	6	Sacramento	1900	1253	911	1564	-8%	-44%
9	4	Contra Costa	1302	757	655	1606	-13%	-20%
10	-8	Colusa	8	9	13	1685	-46%	8%
11	1	Calaveras	12	11	27	1708	-40%	170%
12	3	Imperial	266	140	97	1816	-19%	20%
13	-4	Yuba	111	87	39	1844	-34%	-51%
14	-4	Madera	114	59	80	1886	-33%	-24%
15	-4	Kern	1325	761	418	1956	-30%	-31%
16	1	Monterey	346	349	216	1984	-16%	-11%
17	2	Amador	41	14	18	2108	-10%	50%
18	-2	Sutter	109	65	41	2338	-32%	-34%
19	14	Plumas	8	1	8	2615	0%	14%
20	31	Mariposa	1	0	7	2629	250%	133%
21	2	Placer	366	246	125	2667	-13%	-45%
22	5	Shasta	147	87	67	2720	-1%	18%
23	5	San Diego	2732	1830	1133	2777	0%	-30%
24	7	Tulare	362	223	156	2790	7%	3%
25	-4	Fresno	998	532	326	2856	-21%	-22%
26	-6	Lake	1	0	21	3050	-45%	-36%
27	-5	El Dorado	193	107	58	3099	-28%	-19%

28	-2	Sonoma	369	231	156	3106	-14%	-26%
29	1	Yolo	145	100	64	3110	-4%	-40%
30	5	Tuolumne	63	27	17	3341	6%	-6%
31	-13	Sierra	1	0	1	3380	-67%	ND
32	-7	Nevada	83	44	29	3420	-24%	16%
33	1	Ventura	699	376	243	3422	7%	-38%
34	20	Mono	1	0	4	3440	300%	100%
35	20	Tehama	37	18	17	3672	325%	-6%
36	4	Orange	1806	1118	838	3725	17%	-15%
37	1	Los Angeles	7407	4036	2740	3782	7%	-15%
38	-9	Alameda	1307	703	405	3810	-27%	-28%
39	-3	Santa Clara	915	490	455	4038	-3%	21%
40	2	Santa Barbara	203	146	102	4134	13%	-39%
41	2	Glenn	20	10	7	4171	17%	600%
42	-18	Napa	99	55	32	4272	-42%	-11%
43	-6	Kings	85	43	34	4542	-8%	-6%
44	-3	San Luis Obispo	156	90	59	4565	0%	-16%
45	-6	Santa Cruz	135	82	55	4846	-15%	-5%
46	-14	Butte	71	36	41	5376	-45%	-47%
47	3	Mendocino	34	22	16	5635	60%	23%
48	-2	San Mateo	200	118	114	6487	-2%	-7%
49	-1	Lassen	1	0	4	8939	-50%	-33%
50	-6	Siskiyou	20	9	5	9194	-44%	-38%
51	2	Humboldt	28	12	14	9487	27%	0%
52	0	Modoc	1	0	1	9702	0%	0%
53	-4	Marin	64	33	23	11192	-28%	-41%
54	-7	Trinity	6	4	1	13966	-50%	ND
55	-10	Del Norte	8	4	2	14710	-60%	-50%
56	1	San Francisco	151	72	46	17924	12%	-19%

[Sign up to receive the California Foreclosure Report](#)

## 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 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.