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AVERAGE NEGATIVE EQUITY AT FORECLOSURE EXCEEDS \$200,000

Notices of Default and Properties Sold at Auction Continue to Rise in February

Discovery Bay, CA, March 12, 2009 – ForeclosureRadar (www.foreclosureradar.com), the only website that tracks every California foreclosure, and provides daily auction updates, issued its monthly *California Foreclosure Report* for February 2009. The average difference between current market value and outstanding loan amount exceeded \$200,000 for properties sold at foreclosure auction in February. This represents a 189 percent increase in negative equity when compared to properties foreclosed on a year earlier. Notices of Default have increased 21.3 percent from January and have nearly returned to the peak levels reached in April 2008, despite the President's Day holiday and February being a short month. Properties sold at foreclosure auction (trustee sales), rose 11.9 percent from January to 17,131.

High-level findings for February include:

- Notices of Default, the first step in the [foreclosure process](#), increased 21.3 percent over notices recorded in January. A total of 43,836 default filings represents a 17.3 percent increase from February 2008. Given the short month, the average daily number of Notices of Default recorded in February was up 27.6 percent from January.
- Notices of Trustee Sale filed in February decreased 14.7 percent from January filings, with a moderate year over year increase of 2.2 percent from February 2008. With the current average delay of 125 days from the filing of a Notice of Default to filing the Notice of Trustee Sale, this drop follows the decline in Notices of Default seen late last year in response to Senate Bill 1137.
- Auction sales for February increased 11.9 percent from January to February, to 17,131 sales, representing \$7.2 Billion in loan value. While sales were up 1.2 percent year over year, they remain 41 percent below the peak reached in July 2008. Of the properties sold at auction, 92.8 percent went back to the lender, representing \$6.65 Billion in loan value for the 15,904 properties.

- Properties sold to third parties at auction continue to increase, rising 222.9 percent from the same time last year to a record 1,227 properties, a 38.8 percent increase from January.

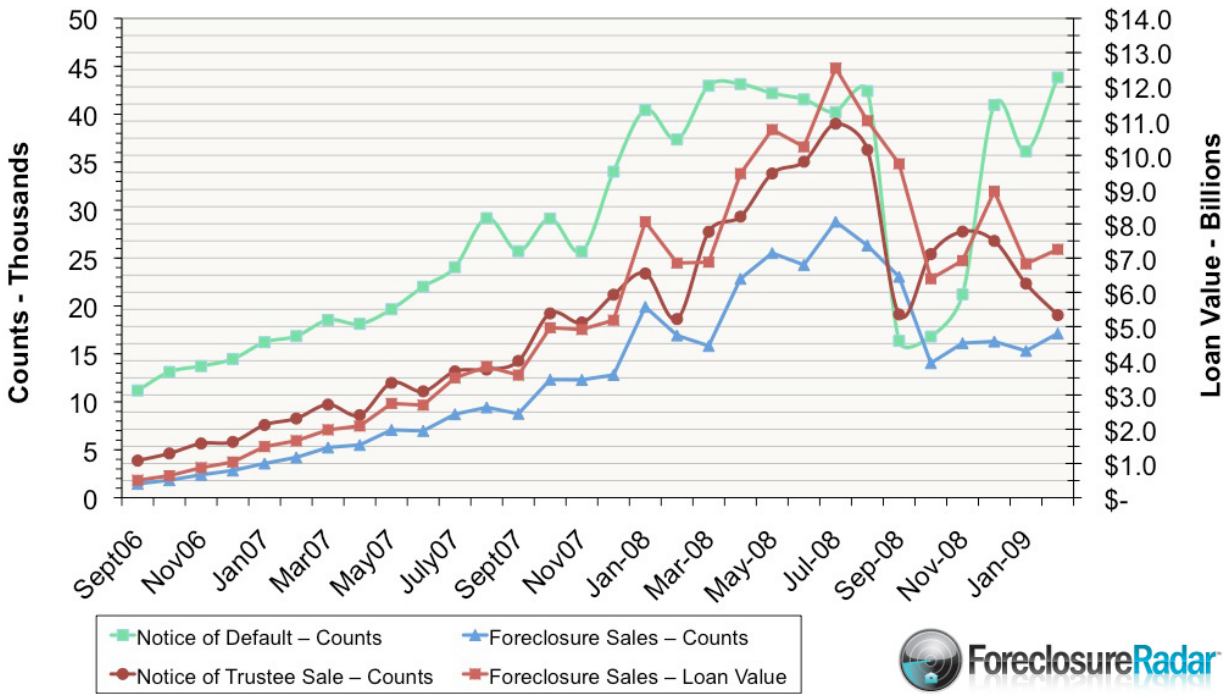
“Despite their unpopularity, foreclosures and short sales are currently the only mechanisms working to eliminate the negative equity now plaguing 30 percent of Californians,” says Sean O’Toole, founder and CEO of ForeclosureRadar. “While prices have corrected to affordable levels in many parts of California, housing markets and the economy continue to suffer due to the unsustainable debt taken on during the housing bubble.”

The average property sold at auction in February of 2009 had \$201,052 in negative equity, based upon an average value of \$250,030, \$422,349 in loans, and an additional \$28,733 in negative amortization, interest and fees. A year earlier the average foreclosure had \$69,529 in negative equity, based on a value of \$378,578, loans totaling \$423,111 and negative amortization interest and fees of \$24,997. These averages likely underestimate negative equity as they exclude past due amounts and negative amortization on 2nd mortgages for which no Notice of Default has been filed.

Nearly 99 percent of the loans foreclosed on in February were originally made between 2004 and 2007, with 46 percent having been made in 2006 alone. On average, these properties were 3 bedrooms, 2 baths and 1,589 square feet, with more built in 2005 than any other year at 5.7 percent of February’s foreclosures.

Opening bids at auction were discounted an average of 36.3 percent from the outstanding loan balance, a decline of nearly 5 percent from the prior month. Still, the number of properties that were discounted by 50 percent or more increased to 6,307 of the 17,131 taken to auction. The largest discounts were found in Monterey, San Benito and San Joaquin counties, at over 46 percent, while San Francisco County continued to see the smallest discounts of any major county at 20 percent. “These deep auction discounts reflect the significant negative equity lenders and homeowners are facing, while also offering opportunities for knowledgeable investors,” offers O’Toole.

California Foreclosure Activity



ForeclosureRadar February Report by County:

Rank	Change in Rank	County	NOD	NTS	Sales	Population Per Sale	% Change Jan 2009	% Change Feb 2008
1	0	Merced	600	301	328	778	36%	10%
2	0	Riverside	5287	2458	2418	864	28%	16%
3	0	Stanislaus	1124	547	567	928	41%	-2%
4	1	San Joaquin	1346	621	725	946	46%	-19%
5	8	Yuba	165	68	73	985	109%	-9%
6	-2	San Bernardino	4820	2302	1875	1096	25%	24%
7	-1	Solano	809	383	363	1176	21%	-1%
8	6	Madera	235	107	126	1198	50%	20%
9	49	Alpine	1	0	1	1222	ND	ND
10	5	Kern	1546	711	625	1308	64%	8%
11	-3	Sacramento	2422	1105	1043	1366	26%	-23%
12	0	Imperial	134	45	117	1506	21%	17%
13	-2	Calaveras	17	7	30	1538	15%	-9%
14	2	Monterey	483	223	274	1564	41%	27%
15	-5	Colusa	9	5	14	1565	17%	75%
16	-7	Contra Costa	1736	740	619	1699	2%	-21%
17	17	Mono	1	0	8	1720	167%	ND
18	0	Sutter	126	43	54	1776	54%	-17%
19	-12	San Benito	44	17	32	1806	-20%	-24%
20	1	Placer	478	225	174	1916	50%	-7%
21	5	Lake	1	0	33	1941	74%	-34%
22	5	El Dorado	240	100	88	2042	80%	26%
23	2	Fresno	1170	536	411	2265	34%	-1%
24	5	Yolo	178	88	85	2342	37%	9%

25	-1	Tulare	489	202	183	2378	27%	38%
26	-3	San Diego	3353	1443	1276	2466	25%	3%
27	3	Tuolumne	40	32	22	2582	38%	100%
28	-8	Mariposa	1	0	7	2629	0%	250%
29	6	Tehama	1	0	23	2714	53%	10%
30	-8	Shasta	165	99	66	2761	6%	27%
31	-14	Amador	42	26	13	2919	-13%	44%
32	-4	Sonoma	362	195	159	3047	14%	-29%
33	-1	Nevada	98	47	32	3100	19%	52%
34	18	Modoc	1	0	3	3234	200%	-50%
35	-2	Ventura	852	313	255	3261	16%	1%
36	-5	Sierra	1	0	1	3380	0%	ND
37	9	Butte	162	71	65	3391	86%	81%
38	0	Alameda	1486	654	421	3665	11%	-10%
39	-2	Los Angeles	9150	3610	2797	3705	12%	15%
40	2	Napa	134	48	36	3797	29%	-29%
41	-1	Santa Barbara	320	100	106	3978	12%	-3%
42	-6	Orange	1641	608	757	4123	-1%	2%
43	-2	Glenn	1	0	7	4171	0%	75%
44	0	San Luis Obispo	190	78	64	4208	16%	8%
45	2	Mendocino	50	23	21	4293	40%	110%
46	-1	Santa Cruz	164	72	62	4299	27%	19%
47	-8	Santa Clara	1465	543	415	4427	-3%	21%
48	2	Siskiyou	29	10	10	4597	100%	67%
49	-30	Plumas	18	5	4	5229	-50%	-20%
50	-7	Kings	107	45	28	5516	-15%	-43%
51	2	Marin	108	42	41	6278	95%	116%
52	-4	San Mateo	222	88	115	6430	8%	58%
53	1	Trinity	13	4	2	6983	100%	ND
54	-5	Lassen	1	0	5	7151	25%	-38%
55	2	Inyo	1	0	2	9076	100%	100%
56	-5	Humboldt	37	16	12	11068	-14%	-25%
57	-2	Del Norte	2	0	2	14710	0%	ND
58	-2	San Francisco	167	42	36	22903	-16%	20%

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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 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.

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