



CALIFORNIA FORECLOSURE FILINGS DROP

Foreclosures “HAMPered” by Making Home Affordable Program

Discovery Bay, CA, September 15, 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 August 2009. Foreclosure filings dropped both month-over-month and year-over-year, while the inventory of properties scheduled for foreclosure sale continued to grow, and foreclosure sales were flat.

Key findings for August 2009 include:

- Notices of Default filings, the first step in the foreclosure process, dropped substantially from July to 36,396 filings, a 19.1 percent decrease. Year-over-year filings dropped by 14.2 percent from August 2008.
- Notice of Trustee Sale filings continued to swing wildly, dropping 15.1 percent from July to 33,362, after having jumped 31.6 percent from June to July. Year-over-year filings dropped by 8.1 percent from August 2008.
- Foreclosures scheduled for trustee sale increased to 131,300, a 5.1 percent increase from July, and an 89.1 percent year-over-year increase from August 2008.
- Foreclosures sold at auction increased 3.4 percent to 17,829 sales, with a combined loan value of \$8.31 Billion. Year-over-year trustee sales remain 32.2 percent lower than August 2008. Just 13.4 percent of scheduled foreclosure sales were sold at auction this month, while 37.9 percent of scheduled foreclosure sales were sold in August 2008. The majority of sales are being postponed to a future date at either the lenders request or with their agreement.
- Sales to third party bidders rose 22.3 percent from July, with 3,280 foreclosures sold primarily to investors. As a percentage of total sales, sales to third parties continued to increase; though lenders still took back 81.4 percent of foreclosures at auction, representing 14,327 loans, a decline of 1.6 percent from July.
- Opening bids placed by lenders at trustee sale were an average of 39.5 percent lower than the loan balance, and 10.2 percent higher than estimated market value. Opening bids that did not

result in a sale to a 3rd party were on average 19.9 percent higher than estimated market value, whereas those purchased by third parties were on average 29.7 percent below market value.

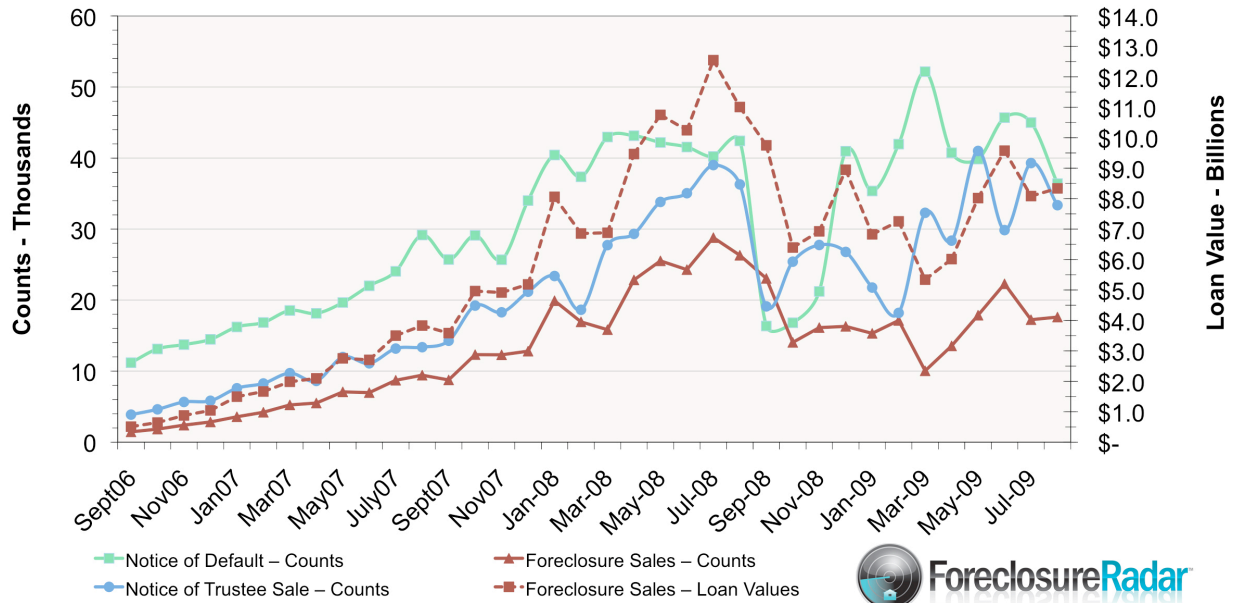
- Cancellation of foreclosure sales dropped by 7.5 percent from July to 9,976, with no signs yet that foreclosures being postponed for the new “Home Affordable Modification Program” are being cancelled after successful trial periods.

“It is clear at this point, that foreclosures are being HAMPered” says Sean O’Toole, founder and CEO of ForeclosureRadar. “Where foreclosures head from here will depend a lot on the administration’s Home Affordable Modification Program, commonly referred to as HAMP. We can clearly see that this program is postponing an awful lot of foreclosures, but don’t expect a wave of foreclosures if it fails, instead expect further government intervention.”

The Home Affordable Modification Program (HAMP) is a critical piece of President Obama’s Financial Stability Plan first unveiled February 9th, 2009, with details released on March 4, 2009. One of three parts of the Making Home Affordable program, HAMP was designed to reduce mortgage payments for up to 3 to 4 million homeowners. Payments are reduced by first lowering interest payments to as low as 2%; then if necessary, extending amortization periods to 40 years, and finally forbearing principal, interest free, until the payment reaches a 31% debt to income ratio for a borrower. The program also provides incentives to mortgage loan servicers for participating, and requires participation by servicers of loans owned or guaranteed by Fannie Mae and Freddie Mac. Through August 2009, 360,165 trial modifications had been started. For more information, see makinghomeaffordable.gov.

A key feature of the HAMP program is a 3-month trial period, during which foreclosures are postponed to see whether or not the homeowner makes the new, reduced payment as agreed. As a result, the number of scheduled foreclosures that are being postponed at the lenders request or with their agreement has doubled since details of the program were announced. At the end of August 2009 there were 131,300 foreclosures scheduled for sale, compared to 64,177 at the end of February 2009. If the HAMP trials succeed, foreclosures should begin to cancel at record rates, which has yet to happen. If HAMP trials fail, foreclosure sales should increase, which also has yet to happen.

California Foreclosure Activity



ForeclosureRadar August Report by County:

Rank	Change in Rank	County	NOD	NTS	Sales	Population Per Sale	% Change July 2009	% Change Aug 2008
1	2	Yuba	109	103	87	827	18%	4%
2	25	Calaveras	ND	ND	50	923	35%	0%
3	3	San Joaquin	1155	1147	707	970	14%	-45%
4	8	Lake	99	80	65	986	33%	55%
5	-3	Riverside	3960	3953	2100	994	-9%	-38%
6	-2	Stanislaus	815	826	519	1013	4%	-43%
7	-2	Plumas	13	8	20	1046	5%	400%
8	-7	Merced	432	423	238	1072	-15%	-57%
9	1	Madera	175	171	139	1086	13%	-15%
10	-3	San Bernardino	3194	2947	1741	1181	3%	-31%
11	-3	Solano	630	594	357	1195	2%	-38%
12	1	Kern	1087	1052	683	1197	16%	-22%
13	-2	Sacramento	1954	1835	1113	1280	3%	-38%
14	1	Mono	1	0	10	1376	-23%	25%
15	22	Tuolumne	63	51	39	1456	95%	144%
16	0	Contra Costa	1335	1312	702	1498	2%	-41%
17	1	Placer	510	433	218	1529	18%	-10%
18	-1	Imperial	128	138	115	1532	1%	-19%
19	-5	El Dorado	307	219	116	1549	-3%	15%
20	-1	San Benito	42	30	37	1562	16%	-48%
21	14	Amador	43	45	23	1650	64%	-8%
22	-1	Sutter	93	116	53	1809	15%	-44%
23	0	Fresno	844	774	480	1940	11%	-23%
24	19	Colusa	21	17	11	1992	-15%	-27%
25	11	Yolo	163	145	98	2031	38%	-16%
26	8	Nevada	125	93	48	2066	30%	4%
27	6	Sonoma	433	374	230	2106	21%	-29%
28	-8	Monterey	362	392	196	2186	-8%	-62%

29	2	Tulare	409	324	192	2267	9%	-18%
30	0	Napa	126	103	60	2278	7%	-18%
31	-7	Tehama	37	29	26	2401	-13%	-47%
32	0	San Diego	2855	2623	1305	2411	3%	-29%
33	-5	Shasta	172	151	74	2463	-3%	3%
34	-5	Glenn	20	17	11	2654	-15%	38%
35	3	Alameda	1225	1150	568	2717	7%	-38%
36	4	Ventura	700	636	277	3002	10%	-35%
37	4	Los Angeles	7480	7042	3046	3402	1%	-25%
38	-16	San Luis Obispo	266	136	79	3409	-39%	-16%
39	-14	Kings	130	89	45	3432	-37%	-10%
40	7	Mendocino	62	54	25	3607	39%	127%
41	10	Del Norte	7	3	8	3677	60%	300%
42	-3	Butte	89	62	58	3800	-23%	-31%
43	1	Orange	2202	1982	771	4048	-1%	-38%
44	1	Santa Clara	1256	1007	439	4185	6%	-49%
45	-3	Santa Barbara	245	237	97	4347	-16%	-52%
46	11	Inyo	1	0	4	4538	ND	33%
47	9	Trinity	5	6	3	4655	200%	-63%
48	6	Modoc	5	0	2	4851	100%	100%
49	-23	Siskiyou	23	22	9	5108	-55%	50%
50	3	Lassen	30	19	7	5108	75%	-22%
51	-2	San Mateo	388	343	138	5358	1%	-18%
52	-4	Santa Cruz	130	89	46	5794	-13%	-64%
53	-3	Marin	158	84	33	7800	-28%	-28%
54	-2	Humboldt	41	28	16	8301	0%	-6%
55	-9	Mariposa	1	0	2	9203	-50%	-50%
56	-1	San Francisco	241	152	66	12493	-19%	-8%

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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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