

Local Foreclosures Hit a Record High in March

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The number of foreclosures in Hampton Roads jumped to a record high in March as lenders continued to repossess and auction off homes despite national efforts to stem foreclosures, a report to be released today found.

The number of local foreclosure-related notices last month reached 1,329, up 2.1 percent from February and 22.4 percent higher than a year ago, according to RealtyTrac, a foreclosure-monitoring service based in Irvine, Calif. That tops the earlier high of 1,302 last month. The number includes home repossessions and auctions.

Foreclosure notices fell slightly in Virginia Beach, Chesapeake, Portsmouth and Hampton. But repossessions and auctions rose 4 percent in Norfolk, 8.7 percent in Newport News and 38 percent in Suffolk, which had the highest foreclosure rate in the region.

Nationwide, foreclosure activity also rose to its highest point on record last month, as 367,056 properties received foreclosure notices, up 19 percent from February and 8 percent from a year earlier. The national data include notices of default, the first stage of the foreclosure process after a homeowner has missed mortgage payments.

This "may be further evidence that lenders are starting to make a dent in the backlog of distressed inventory that has built up over the last year as foreclosure prevention programs and processing delays slowed down the normal foreclosure timeline," James J. Saccacio, RealtyTrac's CEO, said in a news release.

Banks and lenders, though reluctant to own real estate, are under pressure to deal with loans that are in default, said James Koch, an economist at Old Dominion University.

"They see this flow of houses coming into their hands that they'd rather not have," he said. "They'd rather put people in the position of making a payment."

Luanne Gallagher, who oversees Catholic Charities' foreclosure counseling program, said lenders have been quick to foreclose on homeowners who don't qualify for national foreclosure prevention programs.

"My sense is that there was a lull in foreclosure activity to allow the opportunity to evaluate prospective workout packages as these new programs were coming on board," she said. "So as loans were stalled, for those who did not qualify, they went ahead and processed the foreclosures."

While the national programs are helping keep many individuals in their homes, Gallagher said housing counselors and homeowners are still sometimes frustrated by the process.

"We're seeing the same type of frustrations since the inception of the program," she said. "Lost documents, never the same answer twice."

There seems to be a high level of turnover there. You start with one person working the loan, and then it changes to someone else."