

U.S. Foreclosure Filings Rise 47 Percent in March (Update2)

By Bob Ivry

April 18 (Bloomberg) -- Banks began foreclosure proceedings against 47 percent more U.S. homeowners last month compared with a year ago as falling housing prices made it more difficult for borrowers to refinance mortgages.

More than 149,000 filings were posted in March, the highest number since RealtyTrac Inc. began collecting data in January 2005, the Irvine, California-based research company said today in a statement. California filings rose to 31,434, more than triple the number a year ago. Nevada and Colorado had the largest percentage gains.

The number of owners making late payments on mortgages is at a four-year high and the failure or sale of 50 subprime mortgage companies has tightened the supply of money for lending. The National Association of Realtors is forecasting that the median price of a home will fall 0.7 percent this year to \$220,300.

"Foreclosure activity shifted into a higher gear in the first two months of 2007, and March's numbers continued that trend," James Saccacio, chief executive officer of RealtyTrac, said in the statement. "Last year we saw a surge in foreclosures in the first quarter followed by a leveling off through the second and third quarters."

Foreclosure filings in March rose 7 percent from those in February, RealtyTrac said.

Nevada's foreclosure filings last month were triple those of a year earlier. Nevada's rate of one for every 183 households was more than four times the national average, RealtyTrac said. Colorado's rate was one for every 292 households.

Nationally, one of every 775 households moved into the foreclosure process, which can range from default notices for late payment to auction sales and bank repossessions, RealtyTrac said. Banks typically start the process after mortgage payments are 90 days late.

California had six of the 10 metropolitan areas with the highest foreclosure rates. Stockton, California was the top metropolitan area in March for foreclosure filings, RealtyTrac said. Las Vegas was second.

The other California metro areas in the top 10 were Vallejo-Fairfield; Modesto; Sacramento; Riverside-San Bernardino and Bakersfield. Greeley, Colorado, Detroit and Denver were also among the top 10, according to RealtyTrac.

Mark Zandi, chief economist for Moody's Economy.com in West Chester, Pennsylvania, said last week that the home median price will slide to \$210,000 in 2008, the lowest level since March 2004.

That will make it tougher for homeowners to refinance their home loans. The number of adjustable-rate mortgages due to reset at higher monthly payments will peak in September, October and November, Zandi said.

The National Association of Home Builders/Wells Fargo Index of builder sentiment fell this month to the lowest level this year, the group said earlier this week. The gauge declined to 33 from 36 in March as buyer traffic fell and builders said cancellations remained high.

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