



## Foreclosure cataclysm hits anew in L.A. area

By Gregory J. Wilcox, Staff Writer

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Home foreclosures in Los Angeles County soared more than 60 percent in February after moderating for several months, a sign that mounting job losses are exacerbating the market's woes, an industry tracker said today.

Foreclosures and notices of default both made huge jumps from the prior month and the previous year, suggesting that unemployment has joined bad loans in beating down the housing market, Foreclosures.com analysts wrote in a new report.

"Despite the efforts to stem foreclosures by government and many banks, the hopeful signs of the last quarter of 2008 and January didn't follow through in February," company President Alexis McGee said in an interview Tuesday.

"Many homeowners are in trouble, and rising unemployment continues to threaten to intensify the problem."

L.A. County's unemployment rate hit 10.5 percent in January, the latest figure available. That compared with the statewide rate of 10.1 percent and the national rate of 7.6 percent in January, according to the California Employment Development Department. The national rate then

hit 8.1 percent in February, with California's and L.A. County's data for last month still to come.

The report from Foreclosures.com also showed:

A total of 3,921 foreclosures were reported in February, up 69 percent from 2,314 in January and 58 percent from 2,481 in February 2008.

The record of 4,748 foreclosures was set last August.

Notices of default, the first step in the process, were issued on a record 9,228 properties in February, up from 6,286 in January, a 47 percent jump. And they increased 37 percent from 6,737 in February 2008.

The big jump in default notices may also mean that lenders have worked through a backlog of pending seizures that resulted when a new law lengthened the foreclosure process.

The Web-site report also said the nation hit a record in February, with 121,756 foreclosures - up 58 percent from 76,909 in January and 83 percent from 66,780 a year ago.

The national number is 17percent higher than the previous record of 104,243 in September 2008.

McGee said that, at January's and February's pace, there could be an additional 1.2million homes foreclosed on this year across the country.

Last week, the Mortgage Banker's Association

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reported that a record 8 percent of the nation's home were delinquent at the end of last year's fourth quarter.

Also last week, the Obama administration rolled out a massive housing-market rescue plan that included \$75 billion for loan modifications, which analysts say may ease the foreclosure crisis in the months ahead.

The plan also enables lenders to reduce mortgage payments to 38 percent of a household's gross monthly income and the government will then take the payment down to 31percent.

"That's going to help tremendously. We're going to see a drop in foreclosures," McGee said of the rescue plan. "But we don't know how many that's going to help."

One drawback for the Los Angeles area, among the nation's most expensive housing markets, could be the fact that the plan doesn't offer relief to holders of jumbo mortgages that were often used to buy high-price homes here.

And the housing-sector pain will likely persist, said Nima Nattagh, an analyst at Lender Processing Services, which provides mortgage data to the lending and housing industries.

"I think we still are going to be in for a very tough market," he said.

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