



## Foreclosure Filings Reflect End of Moratorium

As was probably inevitable, **foreclosure files rose significantly in the third quarter of 2021** and appeared to accelerate in the last month of that quarter. The moratorium on foreclosures which was put in place in March 2020 in response to the COVID-19 pandemic expired on July 31.

ATTOM, in its Q3 2021 U.S. Foreclosure Market Report says there were 45,517 foreclosure filings - default notices, scheduled auctions or bank repossessions - during the quarter, a 34 percent increase from Q2 and 68 percent more than in the third quarter of last year. Over 19,000 of those filings occurred in September, 24 percent more than in August and slightly more than double (102 percent) the volume in September 2020.

"Despite the increased level of foreclosure activity in September, we're still far below historically normal numbers," said Rick Sharga, executive vice president at RealtyTrac, an ATTOM company. "September foreclosure actions were almost 70 percent lower than they were prior to the COVID-19 pandemic in September of 2019, and Q3 foreclosure activity was 60 percent lower than the same quarter that year. Even with similar increases in foreclosures over the next few months, we'll end the year significantly below what we'd see in a normal housing market."

Filings to start the foreclosure process dominated activity at 25,209 during the quarter, up 32 percent from Q2 and 67 percent on an annual basis. **It was the first quarter-over-quarter double digit increase since 2014.** In September, the pace stepped up to 10,289 such filings, 23 percent more than in August and up 106 percent from September 2020.



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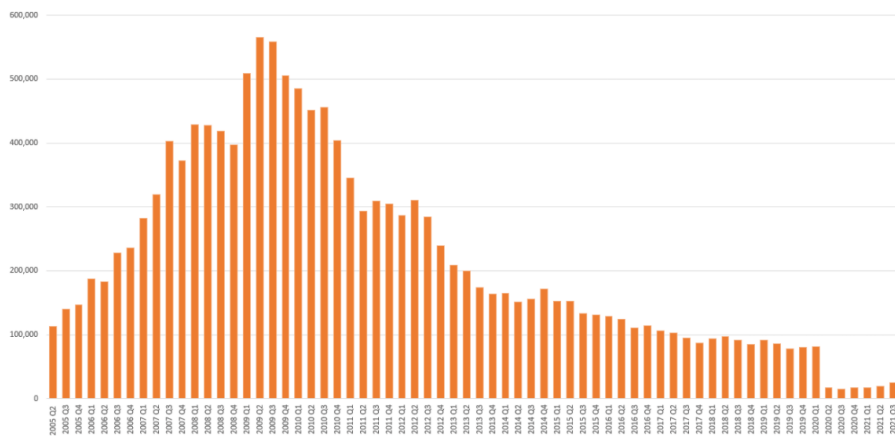
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U.S. Foreclosure Starts

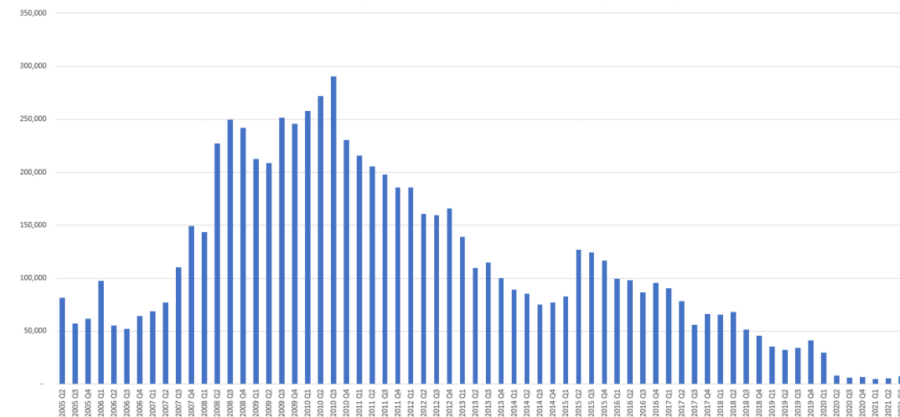


Nationwide one in every 3,019 properties had a foreclosure filing during the third quarter. The highest incidence was in Nevada, one of the states that consistently was at the top of filings throughout the 2007-2011 foreclosure crisis. During the third quarter one in 1,463 Nevada properties received a filing. Illinois was second (one in every 1,465 properties), followed by Delaware (one in every 1,515); New Jersey (one in every 1,667); and Florida (one in every 1,743). Among the 220 metropolitan statistical areas that ATTOM tracks, the highest filing rates were in were Atlantic City, Peoria, Bakersfield, Cleveland, and Las Vegas.

"So far the government and the mortgage industry have worked together to do an extraordinary job of **preventing millions of unnecessary foreclosures using the foreclosure moratorium and mortgage forbearance program**," Sharga added. "But there are hundreds of thousands of borrowers scheduled to exit forbearance in the next two months, and it's possible that we might see a higher percentage of those borrowers default on their loans."

A total of 7,574 properties were foreclosed in the third quarter, a 22 percent increase from Q2 and up 46 percent from a year earlier. Sources other than ATTOM have said that many of the bank repossessions that took place after the moratorium expired were on loans that had been seriously delinquent before it was invoked.

U.S. Completed Foreclosures (REOs)



Properties foreclosed in Q3 2021 had been in the foreclosure process an average of 924 days, up slightly from 922 days in the previous quarter but up 11 percent from 830 days in Q3 2020.

### Average Days to Complete Foreclosure

