BUSINESS

Filing issues slowing foreclosures

Documentation problems, not housing rebound, linked to drop

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The nationwide slowdown in foreclosure processing may still be weighing down filings locally and statewide.

Foreclosure filings — default notices, scheduled auctions and bank repossessions — in the first three months this year fell 34 percent in Greenville and 12 percent statewide, according to RealtyTrac, an online marketplace for foreclosure properties.

The Greenville-Mauldin-Easley metropolitan area also had a 37 percent year-over-year decrease in the foreclosure rate in March. Statewide, the foreclosure rate was down 23 percent in March, compared to the same time last year.

James J. Saccacio, RealtyTrac's chief executive officer, said foreclosure activity nationwide has fallen to a three-year low.

The nationwide filings were down seven percent in March from February, 15 percent from the previous quarter, and 27 percent from the first quarter of 2010.

Daren Blomquist, a spokesman for RealtyTrac, said the numbers were surprising because a rebound was anticipated from the fourth and the first quarter.

"We believe the fourth quarter numbers were somewhat artificially low because of the documentation issue that was causing lenders to slow down their processing of foreclosures," he said.

The issue, he said, has "kind of ballooned into a whole political issue now that involves all 50 state attorney generals, and it's taking longer to resolve."

"The bottom line is we don't think this slowdown is indicative of the market suddenly recovering kind of magically but it's more a result of artificial delays on foreclosures," he said.

Many states where foreclosures have to go through the courts posted some of the biggest quarterly decreases, according to RealtyTrac.

The foreclosure rate in Florida, for example, was down 47 percent from fourth quarter 2010, while Massachusetts had a 46 percent decline and New Jersey had a 43 percent. South Carolina, which is a judicial state, was an exception with its 12 percent drop.

"We think this documentation issue is definitely affecting those judicial states more and it probably will take those states longer, in general, to rebound," Blomquist said.

Spartanburg and Anderson bucked a trend among Upstate counties, showing a first-quarter decrease. Both had a decrease from the fourth quarter of 2010, but the filings were up 6 percent in Anderson and 47 percent in Spartanburg for the first quarter.