Foreclosure activity down 32 percent

Analyst: Things to normal in early 2015

By Julie Schmit
USA Today

The nation's foreclosure crisis continues to abate, but some states still have a long way to go.

Foreclosure filings last month — including default notices, auctions and bank repossessions — increased 2 percent from their 78-month low in June but were still down 32 percent from a year ago, market researcher RealtyTrac says.

Foreclosure starts — the beginning of the process — were up 6 percent from June but 38 percent lower year over year.

While down nationwide, foreclosure starts actually increased from a year ago in 15 states.

Foreclosures are continuing to "boil over" in a few markets where state laws and court rulings delayed activity for years, but those "markets are becoming fewer and farther between," says Daren Blomquist, RealtyTrac vice president.

Overall, foreclosure activity in July touched almost 131,000 homes. That's down 64 percent from the peak in early 2010, but still 54 percent above the average monthly foreclosure activity before the 2006 housing bust.

Based on the declining pace of foreclosure activity over the past 40 months, it'll be early 2015 before national foreclosure activity returns to its pre-housing bust average, Blomquist says.

However, a dozen states are already at or below those earlier foreclosure levels, RealtyTrac's data show.

Those states include Texas, Colorado and Oklahoma, places where housing prices didn't fall nearly as far as in other states and where stronger economies have helped a housing recovery.

Foreclosure activity in some Western states that were once at the epicenter of the crisis is fading.

In July, for the first time since early 2007, Arizona fell out of the top 10 states with the highest foreclosure rates. California was out of the top 10 for the sixth consecutive month, RealtyTrac says.