

More Americans face risk of foreclosure

By Derek Kravitz

The Associated Press

WASHINGTON — The number of Americans at risk of foreclosure is rising, reflecting the U.S. economy's continued struggles.

The Mortgage Bankers Association said Monday that 8.44 percent of homeowners missed at least one mortgage payment in the

April-June quarter.

That figure, which is adjusted for seasonal factors, rose 0.12 percentage point from January-March.

In a normal market, the percentage of delinquent borrowers is about 1.1 percent, according to the trade group.

Delinquent mortgages have plummeted from a

record high of more than 10 percent of residential mortgages a year ago. But the decline is due partly to delays in foreclosure filings backlogged in several state courts, including Florida and New York.

The end of a state and federal investigation into faulty foreclosure paperwork will likely lead to increased foreclosures later

this year.

Analysts say the increase is worrisome because it's due mainly to high unemployment, which tends to raise the number of missed payments and foreclosures over time. And once delayed foreclosures are restarted, the economy could suffer a hit.

"The current process-

ing delays mean this will not happen quickly, underlining our view that both the housing market and the economy will remain weak for a few years," said Paul Dales, senior U.S. economist at Capital Economics.

The quarterly survey covers nearly 88 percent of primary residential mortgages.