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Home Foreclosures Soar in August, Up 36 Percent

MoneyNews

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LOS ANGELES -- The number of foreclosure filings reported in the U.S. last month more than doubled versus August 2006 and jumped 36 percent from July, a trend that signals many homeowners are increasingly unable to make timely payments on their mortgages or sell their homes amid a national housing slump.

A total of 243,947 foreclosure filings were reported in August, up 115 percent from 113,300 in the same month a year ago, Irvine, Calif.-based RealtyTrac Inc. said Tuesday.

There were 179,599 foreclosure filings reported in July.

The filings include default notices, auction sale notices and bank repossessions. Some properties might have received more than one notice if the owners have multiple mortgages.

August's total represents the highest number of foreclosure filings reported in a single month since the company began tracking monthly filings two years ago.

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The national foreclosure rate last month was one filing for every 510 households, the company said.

"The jump in foreclosure filings this month might be the beginning of the next wave of increased foreclosure activity, as a large number of subprime adjustable rate loans are beginning to reset now," RealtyTrac Chief Executive James J. Saccacio said.

The mortgage industry has been rocked by a surge in defaults, particularly among borrowers with subprime loans and adjustable rate mortgages that initially had attractive "teaser" interest rates but

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then can adjust upward, resulting in a payment shock.

Many of the loans, some of which adjust in as little as two years, were issued in 2005 and 2006 during the height of the housing boom.

Lagging home sales and flat or decreasing home prices have also left homeowners unable to make their mortgage payments hard-pressed to find buyers.

The latest figures also reflect an increase in the number of homes going into foreclosure that are not being picked up in estate sales and are ending up going back to lenders.

The number of bank repossessions jumped to 42,789 in August, compared with 20,116 a year earlier, the RealtyTrac said. In July, there were 26,842 bank repossessions.

Nevada, California and Florida had the highest foreclosure rates in the country last month, the firm said.

Nevada reported one foreclosure filing for every 165 households _ more than three times the national average. The state had 6,197 filings in August, an increase of 21 percent from July and more than triple the year-ago figure.

California's foreclosure rate was one filing for every 224 households. The state reported the most foreclosure filings of any single state with 57,875, up 48 percent from July and an increase of more than 300 percent from August 2006.

Florida had one foreclosure filing for every 243 households. In all, the state reported 33,932 foreclosure filings, up 77 percent from July's total and more than twice the year-ago total.

Georgia, Ohio, Michigan, Arizona, Colorado, Texas and Indiana rounded out the 10 states with the highest foreclosure rates.

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