

COUNTY FORECLOSURES QUADRUPLE U.S. RATE

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Foreclosure rates in Palm Beach County soared in August to more than four times the national rate - and rose a sobering 226 percent compared with the same month last year, a study released Wednesday shows.

The RealtyTrac foreclosure report provides grim evidence that the pain many local homeowners are suffering is real. As the five-year housing boom winds down, that includes creeping mortgage costs, soaring insurance premiums, rising property taxes, stagnant home prices and a growing inventory of houses for sale.

Statewide, 16,533 homes entered some stage of foreclosure in August, more than any other state in the country and a jump of more than 50 percent over July, RealtyTrac said. On a year-over-year basis, considered the most accurate comparison because it eliminates seasonal differences, the 16,533 foreclosures statewide in August represented a 62 percent increase over the previous August, when there were 10,175, the report shows. In Palm Beach County, a total of 2,241 homes entered some stage of foreclosure in August, up from the 688 homes in the same month a year ago, or 226 percent, according to the report. That is one in every 248 homes in the county. Florida's rate is one foreclosure for every 442 households.

The county's foreclosure rate ranks third in the state, according to Irvine, Calif.-based RealtyTrac, which maintains an online database of foreclosed properties throughout the country.

Wednesday's foreclosure report comes on the heels of one published report indicating that 24 percent of all purchase and refinance mortgages in Palm Beach County are "option ARMs," or option adjustable-rate mortgages. Since ARMs can raise monthly payments, placing more pressure on people who were stretched to buy their home in the first place, that could portend even more bad news in the future.

"The homeowner at risk of losing his or her home through default or foreclosure is most likely someone who opted for an option adjustable rate mortgage, or no-money-down loan product, any time after the fall of 2004," said Wanda Alexander, chief executive of Horizon Consulting of Falls Church, Va., and a member of the Foreclosure Economic Advisory Council.

In the Treasure Coast, the foreclosure rate for August is considerably less dire. In Martin County, one in every 1,091 homes entered some stage of foreclosure last month, on par with the national rate of one in every 1,003 homes. A total of 60 Martin County properties entered some stage of foreclosure in August, RealtyTrac says, an increase of 50 percent compared with the 40 homes that entered foreclosure in August 2005.

Martin County's foreclosure rate ranks 23rd in Florida.

In St. Lucie County, one in every 707 homes is in some stage of foreclosure, the report shows, with 129 homes entering the process in August, the 12th-highest rate in the state.

RealtyTrac reports include all three stages of foreclosure: pre-foreclosure (notice of default and lis pendens); foreclosure (notice of trustee sale and notice of foreclosure sale); and real-estate-owned transactions (properties that have been foreclosed on and repurchased by the lender).

Also Wednesday, the delinquency rate for mortgage loans on one- to four-unit homes in Florida stood at 3.6 percent for the second quarter, the Mortgage Bankers Association said. Nationwide, the rate was 4.4 percent, down 2 basis points from the first quarter and up 5 basis points from a year ago. The August numbers, which aren't included, will be reflected in MBA's third quarter report.