

<http://dsnews.com/news/03-10-2015/report-foreclosure-rate-in-judicial-states-more-than-triple-that-in-non-judicial-states>

## Report: Foreclosure Rate in Judicial States More Than Triple That of Non-Judicial States

CoreLogic Judicial Non-Judicial Foreclosures While 36 states reported a level of foreclosure inventory below the national average of 1.4 percent in January, the rate remained high in some states – namely in judicial states where the foreclosure process has to pass through the courts, according to CoreLogic's January 2015 National Foreclosure Report released on Tuesday.

The foreclosure rate in judicial states was more than triple the rate in non-judicial states in January (2.4 percent compared to 0.7 percent, according to CoreLogic). New Jersey, a judicial foreclosure state, led the pack in foreclosure rate with 5.2 percent of all residential homes with a mortgage in some state of foreclosure during January. Second was New York, another judicial foreclosure state, with 4.0 percent. Two more judicial foreclosure states, Florida and Hawaii, were third and fourth with 3.5 percent and 2.7 percent, respectively. District of Columbia, which is non-judicial, was fifth at 2.5 percent. According to CoreLogic, the largest banks are currently pushing legislation that would expedite the foreclosure process in Washington, D.C.

Besides District of Columbia, only two non-judicial states out of 25 had a foreclosure rate higher than the national average of 1.4 percent in January: Nevada at 2.2 percent and Rhode Island at 1.6 percent.

"In judicial foreclosure states, lenders must provide evidence to the courts of delinquency in order to move a borrower into foreclosure," analyst Shu Chen wrote on CoreLogic's blog. "In non-judicial foreclosure states, lenders can issue notices of default directly to the borrower without court intervention. This is an important distinction since judicial foreclosure states have longer foreclosure timelines, thus affecting foreclosure statistics."

Florida led all states in the number of completed foreclosures for the 12-month period starting February 1, 2014, and ending January 31, 2015, with 111,000. Florida's total accounted for nearly one-fifth of the nation's total of completed foreclosures during that period (552,000). Still, Florida is making great strides in clearing the backlog of foreclosure inventory. The Sunshine state experienced a year-over-year decline in foreclosure inventory of 49 percent in January, the second-highest rate of decrease behind only Maine (49.5 percent).

Every state except Wyoming and Massachusetts posted a double-digit year-over-year percentage decline in foreclosure rate in January (Wyoming's decline was 0.2 percent, and Massachusetts had a 4.4 percent decline). In the District of Columbia,

foreclosure inventory increased 22.1 percent year-over-year in January, according to CoreLogic. Twenty-four states posted declines of 30 percent or more.

"The foreclosure inventory continues to shrink with declines in all 50 states over the past 12 months," said Anand Nallathambi, president and CEO of CoreLogic.

"Florida, one of the hardest hit states during the foreclosure crisis, experienced a decline of almost 50 percent year over year, which is outstanding news."

In addition to having the highest foreclosure rate, New Jersey also had the highest serious delinquency rate (rate of loans that are 90 days or more overdue or in foreclosure) at 8.9 percent in January, more than double the national average of 4.0 percent for the month. Florida was second at 7.7 percent and New York was third with 7.2 percent. All three are judicial foreclosure states.

The nationwide judicial foreclosure rate peaked at 5.3 percent in February 2012, while the non-judicial foreclosure rate peaked in January 2011 at 2.8 percent, according to CoreLogic.