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U.S. foreclosures in 10-month retreat

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IRVINE, Calif., Aug. 11 (UPI) -- Foreclosure activity in the United States fell 35 percent in July from the same month a year earlier, online real estate marketplace RealtyTrac said Thursday.

RealtyTrac defines foreclosure activity as homes involved in scheduled auctions, bank repossessions or those presented with default notices.

For July, the company said, foreclosure activity dropped to a 44-month low with a month-to-month decline of 4 percent.

For July, one out of every 611 U.S. housing units was involved in some form of foreclosure activity, which dropped for the 10th consecutive month.

The number of foreclosures has dropped to levels not seen since November 2007.

"This string of decreases was initially triggered by the robo-signing controversy back in October 2010, which forced lenders to substantially slow the pace of foreclosing," RealtyTrac Chief Executive Officer James Saccacio said in a statement.

However, he said, "The downward trend in foreclosure activity has now taken on a life of its own."

Robo-signing refers to short cuts lenders were taking in reaction to high numbers of foreclosures, including signing documents so quickly they were likely not read by the signer. The controversy, once it became public, forced banks to withdraw from foreclosures and reassess their legal processing.

"It appears that the foreclosure processing delays, combined with the smorgasbord of national and state-level foreclosure prevention efforts ... may be allowing more distressed homeowners to stave off foreclosures," Saccacio said.