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## South Florida foreclosure rate among nation's highest

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In the months before robo-signing scandals threw much of the foreclosure system into distress, lenders had hit stride in South Florida's civil courts, reclaiming homes at an increasingly fast pace, a report released Thursday by real estate research firm RealtyTrac shows.

In the third quarter of 2010, South Florida led the nation with the highest number of foreclosure filings among large metropolitan areas, with more than 59,064 homes in distress. That's a 24 percent increase from the previous quarter, and a 9 percent jump from the same period in 2009. Led by a large increase in bank repossessions, the region's foreclosure rate ranked 7th nationwide, with one out of every 41 homes in some stage of foreclosure.

“In contrast to what we're seeing happening in the other foreclosure hotspots in Nevada, California and Arizona, many of the metro areas in Florida are actually posting increases from a year ago,” said Daren Blomquist, spokesman for Irvine, Calif.-based RealtyTrac, a market research firm. “Whereas the foreclosure activity in other areas is going down.”

RealtyTrac's South Florida analysis includes Miami-Dade, Broward and Palm Beach counties.

Its foreclosure report for October, to be released next month, will reflect the region's foreclosure environment in the weeks after banks like GMAC and Bank of America halted their foreclosure processes to review faulty paperwork.

A handful of major lenders halted their foreclosure processes last month, after employees confessed to signing thousands of court documents, without reviewing the details of the cases.

As Florida's attorney general and other law enforcement agencies investigate the foreclosure practices of lenders and their law firms, banks stand accused of filing shoddy court documents in order to expedite the process of reclaiming

homes from distressed owners.

The third-quarter figures showed banks had ramped up the rate at which they repossessed homes to unprecedented levels in the months leading up to the foreclosure freezes. In Miami-Dade County, for example, banks took back 5,842 homes in the third quarter, compared to only 2,032 in the same three-month period last year. Across South Florida, bank repossession reached 12,963 in the third quarter, up 15.1 percent from the previous quarter and up 98 percent from last year's third quarter.

“Up through September, [the court] was starting to pick up steam in terms of those old cases beginning to close out,” said Dennis Donet, a Miami foreclosure defense attorney. “Most of that just ground to a halt as soon as the foreclosure-gate scandal broke.”

A new foreclosure-processing system in the courts has also helped cases move through the pipeline more rapidly. With a \$9.6 million federal grant and instructions to clear up more than 340,000 cases from the state's foreclosure backlog within a year, Florida courts brought on more judges to hear cases.

In Miami-Dade County, a grant of \$862,053 went out on July 1 to take on the backlog of more than 87,000 cases. In Broward, courts used a \$646,540 grant to create a separate division for foreclosure cases, a method that Hollywood foreclosure attorney Marcy Abitz said has led to an increase in bank repossessions.

“The new foreclosure system I think has definitely streamlined the process a bit but the system is still very overloaded and there are more coming in every day,” she said. “They're pushing those files pretty quickly to repossess, reclaim and sell the property.”

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