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Foreclosure filings continue to decline

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The worst of the foreclosure crisis appears to have passed for much of the Natural State as new filings in July fell nearly 80% from a year ago.

[RealtyTrac](#) ^[2] reported 341 new foreclosure filings in July statewide, that compared to 1,476 in the year-ago period. One in 3,860 households in Arkansas faced possible foreclosure last month. This rate compared to one in 686 households nationwide

It's been more than three months since the moratorium on foreclosures was lifted following a ruling [reversal](#) ^[3] in the Eastern District of Arkansas that virtually halted foreclosure activity since October of 2011.

Local agents say foreclosures are trickling back into the regional listing service but they are priced to sell quickly and many are getting multiple offers.

Tami Fagan, Crye-Leike agent in Fayetteville, says she recently had a couple looking for a starter home who bid on a Fannie Mae property in West Fayetteville priced at \$84,900.

"My clients bid \$89,000 to try and get the three bedroom, two bath property, but it sold for \$97,000 - some \$12,000 over list price because of multiple offers. That has been the case for several properties that have been slightly refurbished by the bank. They are putting these homes on the market below appraised value and creating bidding wars in some cases," Fagan said.

Jim Long, an agent in Bentonville, said his office is getting about a dozen or so HUD listings a week — properties coming back on to the market as foreclosures.

"They are selling about as fast they hit the listing service in most cases." Long said.

He said there are 252 bank-owned properties in the listing service, which includes both Northwest Arkansas and the Fort Smith area. These foreclosure listings compared to 254 in June and 258 in May.

Northwest Arkansas, a region heavily plagued by foreclosures in recent years, has begun to see market equilibrium fueled by higher employment numbers and improving home values.

Benton County still ranks No. 1 in the state in foreclosure activity but in July filings were down 83.50% from a year earlier. There were 53 new filings in Benton County last month, evenly divided between new default notices and bank-owned properties on their way out of the foreclosure pipeline.

Washington County showed similar results with 34 new filings at the courthouse in July. This compared to 198 filings a year ago, down 82.93%.

Economists say the overall housing market is showing visible signs of improvement and it's no coincidence this helps to yield fewer foreclosures.

"We know the federal litigation stalled the foreclosure process in the state but now it looks like the once forecast shadow inventory could be less than anticipated locally because home prices have started to improve and job numbers in Northwest Arkansas have rebounded above their pre-recession levels," said Kathy Deck, director for the Center for Business and Economic Research at the University of Arkansas.

Deck said the preliminary June employment numbers show the Fayetteville metro area to have 211,100 jobs, recovering 15,000 since the post-recession low in July 2009.

She said lower foreclosures are likely part of the new normal and there have been lots of factors working together to help reduce the overall filings. She credits numerous government intervention programs, lower interest rates, stabilizing home prices and better job prospects as each playing a part.

Daren Blomquist, Vice President of RealtyTrac, said overall foreclosures filings have declined for the last 22 months. States like Arkansas and Texas seem to be headed toward a longer downward trend, he noted.

South of the Bobby Hopper Tunnel, the housing market continues to hold its own. Although plagued with ongoing job losses, foreclosure activity in Fort Smith never saw the large numbers of neighboring Benton and Washington counties.

Kevin King, broker with Weichert Realtors in Fort Smith, said the foreclosure market has been pretty stable and those homes generally sell quickly. He said demand for rental property remains strong in the Fort Smith market.

In July, there were 19 new foreclosure filings in Sebastian and Crawford counties. Those filings ranged from initial default notices to bank repossession. Total foreclosure activity fell 84% in the two-county area from a year ago, according to RealtyTrac.



The majority of the new filings in the Fort Smith area were for notices of default and trustee sale notifications — the front end of the pipeline.

The average time to process a foreclosure in Arkansas ranged between 126 and 157 days prior to the moratorium placed last fall. In the third quarter of 2011 foreclosures stalled out to 387 days, that time frame shortened to 326 days in the first quarter of this year and fell to 188 days in the quarter ending June 30.

Arkansas is a non-judicial state which allows banks to forego longer court proceedings and a judge's signature that is required in states with mandatory judicial foreclosures.

JULY FORECLOSURE FILINGS

Northwest Arkansas (Properties in the foreclosure process)

Benton County

2012: 53

2011: 323

Washington

2012: 34

2011: 198

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Fort Smith Region

Crawford County

2012: 3

2011: 38

Franklin County

2012: 1

2011: 5

Logan County

2012: 1

2011: 4

Sebastian County

2012: 16

2011: 79

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