



\$10 BILLION IN LOANS GO “BACK TO THE BENE”

Investor activity increases at the courthouse steps

Discovery Bay, CA, June 11, 2008 – ForeclosureRadar (www.foreclosureradar.com), the only website that tracks every California foreclosure with daily auction updates, today issued its *California Foreclosure Report*. Lenders, technically called the beneficiary or “bene” by foreclosure auctioneers, took back \$10.4 Billion in California loans as a result of foreclosure activity in May. Despite this record the company’s report noted a significant increase in investor purchases at auction.

High-level findings include:

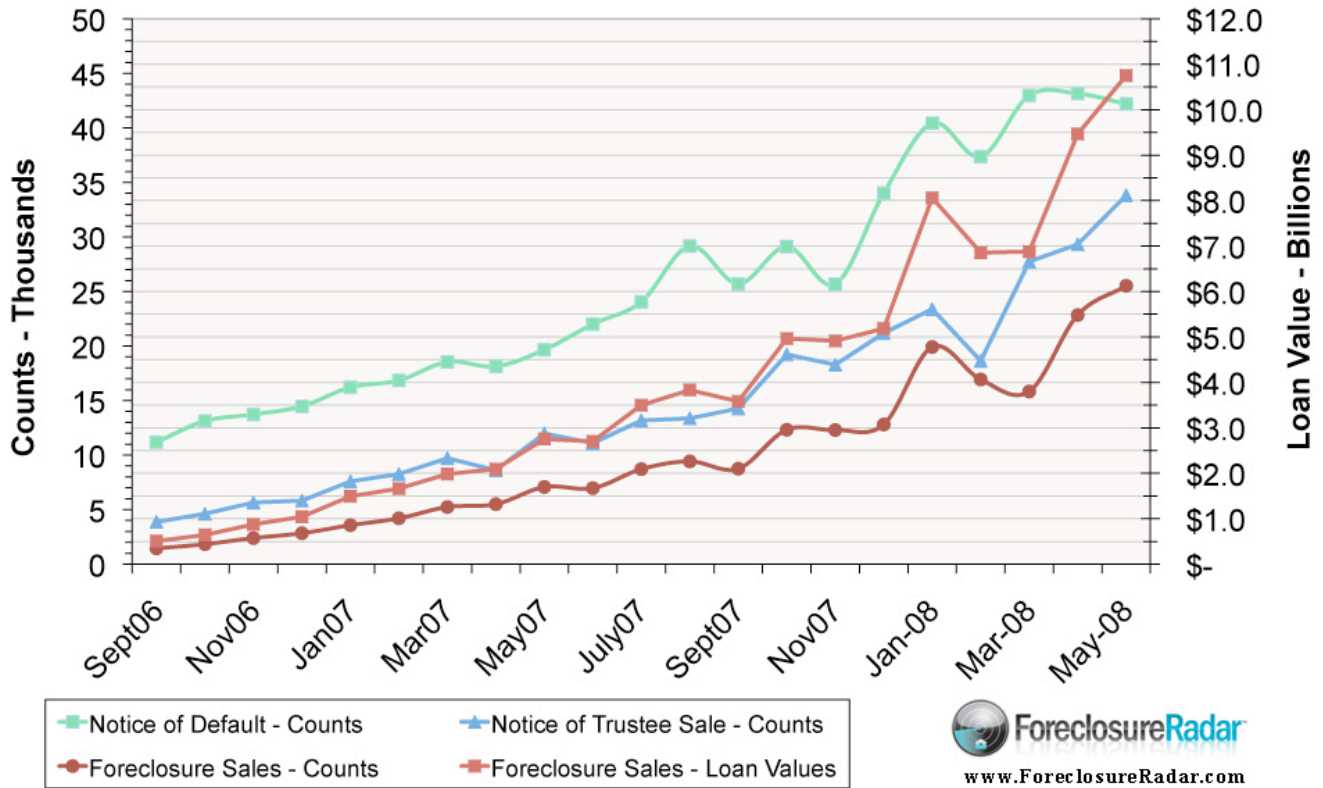
- Notices of Default, the first step in California’s foreclosure process, were down 2.5% for the month totaling 43,011 new filings. Daily average filings were actually up 2.4% to 2,009 filings per day.
- Notices of Trustee Sale can be issued 3 months following a Notice of Default and set the date, time and location of the foreclosure auction, increased 15.6 percent in May to a record 34,564 new filings.
- Sales at auction increased 11.8% to a total of 25,523 properties. Of those 24,831 received no bid higher than the lenders opening bid and became lender owned (REO). The combined loan value at the time of foreclosure on this new REO inventory exceeded \$10 Billion for the first time.
- Despite more than 97% of foreclosed properties being returned to the lender, there was a notable 34.6% increase in properties purchased by third parties. We believe this third party bidding is due to a renewed investor interest as the lenders continue to increase discounts at auction.

“The increase in investor purchases at foreclosure auction is a welcome change.” said Sean O’Toole, founder of ForeclosureRadar. “For too long lenders were unrealistic about opening bids at auction. They finally seem to realize the magnitude of the problem and are beginning to discount accordingly.”

Lenders discounted 86 percent of all foreclosures taken to sale with an average discount of 28 percent. The Northern California Counties of Sacramento, San Joaquin, Stanislaus and Merced saw the largest average opening bid discounts ranging from 31 to 37 percent. In Southern California, Riverside saw the largest discounts, with an average of 27.5 percent, followed by San Bernardino at 25 percent.

At the county level we saw noticeable increases in foreclosure sales in both Riverside, which saw the highest level of foreclosures per capita in May, and San Bernardino which saw foreclosure sales increase by 22%. By total loan value, Southern California counties filled out the top five with Los Angeles having \$1.83 Billion in loans foreclosed, Riverside \$1.43B, San Bernardino \$900k, San Diego \$883K, and Orange at \$695k. This is primarily due to the size of these counties – for example Los Angeles always has the highest foreclosure counts, yet ranks 33rd in our report when normalized for population.

California Foreclosure Activity



ForeclosureRadar May Report by County:

Rank	Change in Rank	County	NDF	NTS	Sales	Population Per Sale	% Change Apr 2008	% Change May 2007
1	2	Riverside	5385	4447	3564	548	9%	269%
2	-1	Merced	564	509	431	573	-2%	307%
3	-1	San Joaquin	1498	1426	1102	605	-5%	232%
4	1	Stanislaus	1271	1080	817	630	4%	304%
5	4	San Bernardino	4106	3359	2648	752	22%	322%
6	7	San Benito	49	54	76	758	41%	375%
7	-1	Sacramento	2620	2237	1730	801	5%	169%
8	0	Yuba	143	90	86	812	6%	146%
9	6	Madera	206	148	170	849	34%	448%
10	-3	Solano	826	612	481	879	-2%	285%
11	3	Contra Costa	1723	1356	1141	902	20%	310%
12	-1	Kern	1266	1037	795	981	2%	235%
13	5	Sutter	141	99	76	1,203	21%	204%
14	5	Placer	432	370	248	1,276	18%	188%
15	2	Monterey	613	449	307	1,384	2%	339%
16	12	Sonoma	488	428	328	1,463	39%	438%
17	6	San Diego	3362	2801	1977	1,551	17%	191%
18	7	Fresno	957	738	561	1,603	21%	257%
19	-9	Lake	ND	ND	40	1,603	-39%	186%
20	-8	Calaveras	ND	ND	26	1,758	-40%	2500%
21	1	Tehama	ND	ND	33	1,865	-6%	106%
22	4	Ventura	784	635	437	1,870	5%	267%
23	6	Amador	28	29	20	1,907	11%	82%
24	3	El Dorado	185	141	91	1,936	3%	107%
25	-4	Yolo	200	136	97	1,962	-9%	116%

26	6	Alameda	1457	1080	754	1,991	15%	259%
27	-7	Imperial	229	193	83	2,007	-22%	137%
28	7	Napa	116	85	65	2,068	41%	282%
29	-13	Colusa	ND	ND	10	2,151	-44%	900%
30	-6	Tulare	415	275	193	2,179	-14%	245%
31	-1	Santa Barbara	311	256	188	2,243	9%	300%
32	1	Orange	2528	2046	1332	2,307	18%	302%
33	1	Los Angeles	8209	6416	4274	2,397	15%	283%
34	6	Santa Clara	1291	920	674	2,631	35%	536%
35	3	Shasta	107	101	65	2,792	14%	81%
36	6	Butte	95	54	75	2,896	29%	108%
37	2	Santa Cruz	183	127	85	3,086	5%	673%
38	5	Kings	93	53	46	3,212	18%	360%
39	-3	Nevada	85	58	30	3,336	-9%	100%
40	-3	San Luis Obispo	190	118	74	3,557	-14%	196%
41	4	Tuolumne	45	22	16	3,639	23%	433%
42	9	Mendocino	36	28	18	5,025	29%	260%
43	6	Marin	98	80	50	5,067	6%	400%
44	-13	Mariposa	ND	ND	3	6,072	-57%	ND
45	5	San Mateo	417	318	119	6,085	1%	240%
46	-2	Siskiyou	18	18	7	6,592	-36%	75%
47	5	Trinity	ND	ND	2	7,012	-33%	100%
48	7	Del Norte	ND	ND	3	9,732	50%	200%
49	-2	Modoc	ND	ND	1	9,836	-50%	ND
50	-9	Plumas	12	4	2	10,722	-67%	100%
51	-5	Mono	2	2	1	13,597	-86%	-50%
52	2	San Francisco	171	110	54	14,790	-14%	200%
53	0	Humboldt	39	20	8	16,566	-27%	33%
54	-6	Lassen	ND	ND	2	17,726	-75%	-50%

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CALIFORNIA FORECLOSURE REPORT METHODOLOGY

Rankings are based on population per foreclosure sale. **NOD** indicates the number of Notices of Default that were filed at the county, and **NTS** indicates filed Notices of Trustee Sale. **Sales** indicates the number of properties sold at foreclosure auction. Percentage changes are based on monthly Sales. The data presented by ForeclosureRadar is based on county records and individual sales results from daily foreclosure auctions throughout the state – not estimates or projections.

ABOUT FORECLOSURERADAR.COM

ForeclosureRadar is the only web site that tracks every foreclosure in California with daily updates on all foreclosure auctions. ForeclosureRadar features unprecedented tools to search, manage, track and analyze preforeclosure, foreclosure auction, short sale and bank owned real estate. The web site was launched in May 2007 by Sean O'Toole, who spent 15 years building and launching software companies before entering the foreclosure business in 2002 where he has successfully bought and sold more than 150 foreclosure properties. ForeclosureRadar is an indispensable resource for real estate agents, brokers, investors, lenders, mortgage brokers, attorneys and other real estate professionals specializing in the California real estate market.