

FORECLOSURE ACTIVITY DECREASES 12 PERCENT IN SEPTEMBER 2008

*Third Quarter Activity Up 3 Percent From Q2 2008, Up 71 Percent From Q3 2007
New State Laws In California, Other States Impact Numbers*

IRVINE, Calif. – Oct. 23, 2008 – RealtyTrac® (realtytrac.com), the leading online marketplace for foreclosure properties, today released its U.S. Foreclosure Market Report™ for September 2008 and Q3 2008. Foreclosure filings — default notices, auction sale notices and bank repossessions — were reported on 265,968 properties in September, a 12 percent decrease from the previous month but still a 21 percent increase from September 2007. One in every 475 U.S. housing units received a foreclosure filing in September.

Foreclosure filings were reported on 765,558 U.S. properties during the third quarter, up more than 3 percent from the second quarter and up 71 percent from the third quarter of 2007.

RealtyTrac publishes the largest and most comprehensive national database of foreclosure and bank-owned properties, with over 1.5 million properties from over 2,200 counties across the country, and is the foreclosure data provider to MSN Real Estate, Yahoo! Real Estate and The Wall Street Journal's Real Estate Journal.

"Much of the 12 percent decrease in September can be attributed to changes in state laws that have at least temporarily slowed down the pace at which lenders are moving forward with foreclosures," said James J. Saccacio, chief executive officer of RealtyTrac. "Most significantly, SB 1137 in California took effect in early September and requires lenders to make contact with borrowers at least 30 days before filing a Notice of Default (NOD). In September we saw California NODs drop 51 percent from the previous month, and that drop had a significant impact on the national numbers given that California accounts for close to one-third of the nation's foreclosure activity each month. Another example is North Carolina, where legislation was signed into law in August that requires lenders to provide homeowners and the state's commissioner of banks a 45-day notice prior to filing a Notice of Default. We saw NODs drop 66 percent in North Carolina in September.

"On the other hand, initial foreclosure filings in Massachusetts jumped 465 percent from August to September after being much lower than normal in June, July and August. That temporary lull happened after a new law took effect in May requiring lenders to give homeowners a 90-day right to cure notice before initiating foreclosure. But in September, about 90 days after the law took effect, initial foreclosure notices jumped back up close to the level we were seeing earlier in the year."

Nevada, Florida, California post top state foreclosure rates in September
Nevada continued to document the nation's highest state foreclosure rate in September thanks to an 11 percent increase in foreclosure activity from the previous month. Foreclosure filings were reported on 13,022 Nevada properties during the month, an increase of 137 percent from September 2007 and one in every 82 housing units — more than 5 times the national average.

A 9 percent month-over-month increase in foreclosure activity helped Florida's foreclosure rate leapfrog past foreclosure rates in Arizona and California to take the No. 2 spot, with one in every 178 housing units receiving a foreclosure filing in September. Foreclosure filings were reported on 47,956 Florida properties during the month, an increase of 44 percent from September of 2007.

Foreclosure filings were reported on 69,548 California properties in September, a 32 percent decrease from the previous month but still up 36 percent from September 2007. With one in every 189 housing units receiving a foreclosure filing during September, the state's foreclosure rate slipped to third highest among the states.

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Other states with foreclosure rates ranking among the top 10 in September were Arizona, Georgia, Michigan, Ohio, New Jersey, Indiana and Colorado.

Top six states account for 60 percent of third quarter foreclosure activity
Six states accounted for more than 60 percent of U.S. foreclosure activity in the third quarter. California alone accounted for more than 27 percent of the nation's foreclosure activity, with 210,845 properties receiving a foreclosure filing during the quarter — up 4 percent from the previous quarter and up more than 122 percent from the third quarter of 2007.

Foreclosure filings were reported on 127,306 Florida properties during the third quarter, the second highest state total. The state's foreclosure activity increased 16 percent from the previous quarter and nearly 109 percent from the third quarter of 2007.

Arizona documented the third highest state total in the third quarter, with 40,419 properties receiving a foreclosure filing — a 9 percent increase from the previous quarter and a 189 percent increase from the third quarter of 2007.

Ohio, Michigan and Nevada all reported foreclosure filings on more than 30,000 properties during the third quarter, although foreclosure activity in Ohio was down 11 percent from the previous quarter and foreclosure activity in Michigan was down 8 percent from the previous quarter. Nevada's foreclosure activity increased more than 22 percent from the previous quarter and was up more than 132 percent from the third quarter of 2007.

Sun Belt cities dominate top metro foreclosure rates in third quarter

The cities with the 10 highest foreclosure rates among the nation's 100 largest metropolitan areas in the third quarter were all located in California, Florida, Arizona and Nevada.

California alone accounted for six of the top 10, and Stockton, Calif., took the top spot, with 3.69 percent of its housing units receiving a foreclosure filing during the quarter. Stockton's foreclosure activity was down 9 percent from the previous quarter but still up 87 percent from the third quarter of 2007. Other California cities in the top 10 for foreclosure rate were Riverside-San Bernardino at No. 3, Bakersfield at No. 4, Sacramento at No. 7, Fresno at No. 9 and Oakland at No. 10.

With 3.48 percent of its housing units receiving a foreclosure filing during the third quarter, Las Vegas documented the second highest metro foreclosure rate. Foreclosure filings were reported on 26,304 Las Vegas properties in the third quarter, up 21 percent from the previous quarter and up 129 percent from the third quarter of 2007.

Two Florida metro areas were in the top 10: Fort Lauderdale at No. 5, with 2.30 percent of its housing units receiving a foreclosure filing during the quarter; and Orlando at No. 8, with 1.87 percent of its housing units receiving a foreclosure filing during the quarter.

Phoenix documented the sixth highest metro foreclosure rate, with 2.11 percent of its housing units receiving a foreclosure filing during the third quarter.

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