

# Foreclosure pace drops for South Florida owners

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Florida leads the nation in foreclosures long after the housing crisis, but new data show the pace has dramatically slowed in Broward and Miami-Dade counties, and the numbers even fell in Palm Beach County.

Analysts predicted foreclosures would plunge as the crushing flood of cases worked through an overwhelmed legal system. And a new report from California-based real estate research firm RealtyTrac suggests the courts are whisking through the back-

log.

From July to August, total foreclosures filings jumped 54 percent to 2,343 in Broward County. But a closer look shows a year-over-year increase of only 7.7 percent from 2,175 in August 2013. The same was true in Miami-Dade, where a nearly 16 percent spike from July to August brought the tally to 2,838 compared to a 24 percent drop from 3,737 a year before.

The numbers indicate cases are rushing through the legal system each month, and that the rate of default has significantly slowed in the last 12

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months.

"The lawsuits that were up in the air are now finally coming to a close," said Reese Stigliano, senior vice president of Brenner Real Estate Group in Fort Lauderdale. "And people who bought bad loans are now going around cleaning up these loans and settling with the borrowers."

The picture is clearest in Palm Beach County. Lenders filed 480 new foreclosures cases in August—down 9.9 percent from 533 cases in July and about



Stigliano

17 percent from 578 in August 2013, according to the latest count from the clerk's office.

"The number of new cases filed in Palm Beach County has maintained a steady pace for the past year," said Palm Beach County clerk and controller Sharon Bock.

"I think homeowners who are behind on their mortgages are finding other alternatives such as selling their homes to avoid foreclosure."

Last year it looked like the positive momentum might become sluggish when the federal government removed a major incentive for struggling homeowners. The federal Mortgage Forgiveness Debt Relief Act of 2007 provided a tax benefit for short sales of primary residences, but that reprieve expired Dec. 31.

With less motivation for short sales, analysts expected fewer deals after December, but the latest numbers show



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Roy D. Oppenheim of Oppenheim Law worries about lenders using new legal strategies to foreclose. "The lenders still have a mortgage of record, and they're trying to collect," Oppenheim said.

homeowners are successfully avoiding new foreclosure suits.

The questions now are whether new legal challenges will emerge from the breakneck speed of ongoing cases or if lenders will consider new maneuvers to recoup losses before the statute of limitations wipes out those claims.

"We have clients who were foreclosed once, had the case dismissed and are now in foreclosure again," said Roy D. Oppenheim, co-founder and senior partner at Oppenheim Law in Weston, which represents homeowners. "The lenders still have a mortgage of record, and they're trying to collect."

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