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Foreclosures of Homes Experience a Drop

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[Minnesota](#), during the early 2009 witnessed a major fall as the data of HousingLink displayed a drop by 19.5% in the first few months of 2009 as compared to 2008.

This reduction may have occurred due to the suspensions of the [lenders](#) regarding fresh foreclosures in order to help the borrowers to resolve the issues of defaulting regarding the [loans](#). According to some observers, this declining number may again start increasing once the [foreclosures](#) are resumed.

On the contrary, some experts contradict this view as they focus mainly on the [Hennepin County](#) report about the foreclosures for the months of April and May these records indicate towards a continuation in this falling trend. The foreclosures in the Hennepin County showed a 32% decline for the initial 5 months.

Hennepin County mostly leads the state regarding the foreclosures. Specifically, the northern region of Minneapolis is about to be the worst hit area.

As per the analysts, there are primarily three aspects, which will determine if the present trend of declining foreclosures will continue or not. Firstly, the speed of the economic recovery, secondly, the results of negotiations among the lenders and the borrowers in order to change the terms of the loans. Thirdly, the affect of the sudden hikes in the rate of interest on few [mortgages](#).

According to a professor in the University of Minnesota, Prentiss Cox, "A lot of people are going to hang on for a while and hope things get better. There's a lot of question marks about where the foreclosure numbers are going to go."

As observed by Ed Nelson who is the representative for the [Home Ownership Center](#) taking care of the foreclosure counseling agencies in Minnesota, the various borrowers affected due to recession are now being hit by foreclosures due to sub prime loans decided on certain adverse terms.

The rate of foreclosures will be greatly affected by the recent developments of negotiations about loans between the lenders and the borrowers. The borrower proposals are already increasing in the servicing companies for loans as noticed by Alexa Milton, the supervisor of negotiation teams for loans for ACORN Housing Corp.

The changes in the adjustable-rate mortgages on the present borrowers also play a role in determining the condition of the foreclosures. The possibilities of success of the scheme to some extent depends on the Obama administration's program that has rendered above \$50 billion as motivation amount for the lenders as this will help them by altering the terms of the loans.

The seven-county metro region recorded a drop of approx 23% and contrarily the remaining 80 counties of the state featured a drop of 12.5%. In [Dakota County](#) the foreclosures fell by 41%, Hennepin experienced 26% fall while in [Ramsey](#), [Washington](#), [Carver](#) and [Anoka](#) the fall was by 21%, 16%, 5% and 2% respectively.