

Watch CBS News
MONEYWATCH >

Foreclosures spike as banks lower the boom on homeowners



BY KHRISTOPHER J. BROOKS
APRIL 21, 2023 / 10:13 AM / MONEYWATCH



Watch CBS News

Americans are losing their homes at a faster rate this year as banks make up for lost time after state and federal foreclosure bans expired.

Lenders repossessed nearly 96,000 properties during the first three months of 2023, up 22% from the same period last year, according to real estate data provider ATTOM. Foreclosures are especially surging in some states – Illinois had the nation's highest foreclosure rate last year at 1 in every 762 homes, followed by Delaware (1 in 812) and New Jersey (1 in 824).

Housing experts in Illinois pointed to the expiration of a foreclosure moratorium the state implemented during the pandemic as one factor behind the jump in people losing their homes. That "created a potential backlog of foreclosure activity," said Geoff Smith, executive director of DePaul University's Institute for Housing Studies in Chicago, noting that many households were technically in foreclosure while the ban was in place.

The restrictions on foreclosures were lifted in late 2021, "so now lenders are catching up," Daniel Lindsey, the chief litigation officer for Legal Aid Chicago, told CBS MoneyWatch.



Housing insecurity becoming a crisis

Elsewhere around the U.S., California had the most foreclosure proceedings under way in the first quarter, with nearly 7,000 cases in the courts, followed by Texas, Florida and New York.



A home is considered to be in foreclosure after a mortgage payment is between 30 and 90 days late, depending on the state.

ATTOM CEO Rob Barber said foreclosures are rising even though the federal government took steps during the pandemic to limit the activity. The U.S. Department of Housing and Urban Development [suspended foreclosure and eviction proceedings](#) from March 2020 to July 2021. The moratorium helped 1.6 million homeowners avoid foreclosure as of September 2022, according to Federal Housing Administration [data](#).

Barber attributed the rise in foreclosures to "ongoing economic challenges," such as rising unemployment and [persistent inflation](#), which has slammed U.S. household budgets.

Trending News

[Most Facebook users can now claim settlement money. Here's how.](#)

[Celebrity Cruises let passenger's body decompose on a ship, suit claims](#)

[Jeff Shell, CEO of NBCUniversal, departs company following "inappropriate relationship"](#)

[Did Ed Sheeran hit steal Marvin Gaye classic? Trial to tell.](#)

In: [Homeowners](#)

First published on April 21, 2023 / 10:13 AM

© 2023 CBS Interactive Inc. All Rights Reserved.
[Christopher J. Brooks](#)

We may receive commissions from some links to products on this page. Promotions are subject to availability and retailer terms.

MONEYWATCH: MANAGING YOUR MONEY >

How travel insurance can protect you from flight delays