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Foreclosure rates slowly rise in Lynn

By Thor Jourgensen / The Daily Item

LYNN - Lynn home foreclosure rates are climbing at a much slower pace than an alarming statewide increase, but local real estate agents said struggling homeowners need more financial options to help them stay in their homes.

More than 1,200 homeowners statewide lost their homes in August, according to Boston real estate research company Warren Group, compared to 659 homeowners in August 2009. That 83 percent jump outpaced an increase in Lynn foreclosures from 24 in August 2009 to 26 last month.

But Keven Harvey, first assistant register for the Southern Essex Registry of Deeds, said the relatively slight increase in local foreclosures cannot mask a serious problem. Peabody, he noted, saw foreclosures jump from three in August 2009 to nine last month.

"We see it ruining neighborhoods," Harvey said.

Lynn real estate agent John Connor said the moderate rise in local foreclosures may mirror an increase in financial relief available to homeowners at risk of losing their homes. He said lenders are lowering mortgage principal balances and redrafting loan-payment schedules to help homeowners.

He said lenders offer most of these modifications on an initial three-month trial basis.

"They want to see some good faith on the part of people," Connor said.

Real estate agent Annmarie Jonah said the nearly three-year-old foreclosure crisis has shifted from mortgage holders who lost their homes because they signed mortgages they could not pay to "ordinary everyday people whose homes are not worth what they paid for them."

"They are divorced or they lost their job. They have to move on so they throw up their hands and walk away from their homes," she said.

Harvey and Jonah said loaners need to increase homeowners' opportunities to refinance or structure loans that may be driving them to foreclosure. She said the much-touted federal mortgage assistance programs have not attracted many people, as far as she has noticed, because homeowners cannot find lenders who can meet their needs.

Harvey said Register John L. O'Brien, Jr. has called for banks to offer 3 percent loans to qualified homeowners.

"He has spoken out about this and called for mortgage restructuring to allow people to stay in their homes," Harvey said.

Connor said mortgage modification makes sense to many homeowners in foreclosure danger providing they seek a qualified attorney to advise them.

"You should do your homework," he said.

Foreclosures up from last year in area cities

	August 2009	August 2010
Lynn	24	26
Peabody	3	9
Salem	2	7

SOURCE: SOUTHERN ESSEX REGISTRY OF DEEDS