

Foreclosure sales soaring across Ohio

By [William Hershey](#)

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COLUMBUS | The number of Ohioans who lost their homes at sheriff sales caused by foreclosures skyrocketed in 2003, with Montgomery County emerging with the highest rate of sales among the state's major urban counties.

Last year county sheriffs put up for sale more than 36,425 foreclosed properties, an increase of 26 percent from 2002 and a 57 percent increase from 2001, according to a study released Wednesday by Policy Matters Ohio of Cleveland.

The group is a nonprofit, nonpartisan research institute that focuses on issues relating to low- and middle-income Ohioans.

The study also showed an increased in the filings of the foreclosures that led to the sales, but this increase wasn't as dramatic. There were 57,083 foreclosure filings statewide in 2002, a 3 percent increase from 2002 and a 31 percent increase from 2001, the study showed.

Statewide, the number of foreclosed properties put up for sale by sheriffs equaled about one in every 117 Ohio households in 2003, compared to one out of every 185 households in 2001, the study found.

Montgomery County rated sixth among all counties, with a rate of one sale out of every 83 households.

Montgomery County fared worse among the counties when it came to foreclosures. Statewide, there was one foreclosure filing for every 78 households, the study found. In Montgomery County, the rate was one filing for every 54 households, according to the study.

Zach Schiller, research director for Policy Matters Ohio, said he did not know why rates were so high in Montgomery County, compared to the rest of the state. Neither did state Sen. Tom Roberts, D-Trotwood, who has worked to crack down on so-called "predatory lending," one of the reasons cited by county sheriffs for foreclosures and sheriff sales.

However, the results appear consistent with a report released last month by Montgomery County Clerk of Courts Dan Foley. It found that Montgomery County had the highest foreclosure rate among the state's seven largest counties during the last five years. Foreclosure rates more than doubled between 1999 and 2003, reaching 4,227 last year, Foley's report found.

Not all foreclosures result in sheriff sales. Sometimes agreements are reached between borrowers and lenders before a sale is necessary, said Schiller.

The study found some signs of improvement. New foreclosure filings declined in 22 Ohio counties in 2003, according to the study. Also, the Mortgage Bankers Association of America found in a survey that new foreclosures as a share of one-to-four unit residential mortgage loans in Ohio fell in the first quarter of this year from the last quarter of 2003.

Among 57 county sheriffs' departments that responded to the questions in the study, 31 ranked predatory lending as the first cause of foreclosures and sheriff sales and 16 cited job loss or a weak economy as the first cause.

Predatory lending, according to the study, covers practices such as deceptive, high-cost loans with excessive interest rates, fees and penalties.

As a result of recommendations from a committee formed to study predatory lending, state Rep. Chuck Blasdel, R-East Liverpool, in May introduced legislation aimed at protecting borrowers.

Among other measures, Blasdel's bill would require licensing for appraisers and national criminal background checks for mortgage brokers, loan officers and appraisers. The bill also would prohibit anyone from knowingly affecting the independent judgment of an appraiser on a dwelling's value.

Blasdel said that he hopes to win both House and Senate approval of the bill when the legislature returns after the Nov. 2 election.

"It's not like this bill has been introduced cold. The study committee did a lot of work," he said.

Denise Lee, spokeswoman for the Ohio Commerce Department, said the department supports the bill.

Schiller said Blasdel's bill would provide some safeguards for consumers against predatory lending, but does not go far enough. He said that legislators should expand the state Consumer Sales Practice Act to cover mortgage lending. Among other things, this would allow consumers to sue mortgage lenders for lending fraud, said Schiller.

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