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## **There is no silver lining: Home foreclosures on the rise again**

Posted Apr 16th 2009 10:00AM by [Connie Madon](#)

Last October 31, [the Administration placed a moratorium on new foreclosures](#). In February 2009, the Obama administration announced a new housing rescue plan that gives incentives to mortgage companies and investors to reduce payments to affordable levels for qualifying homeowners.

The October 31 moratorium expired March 31. Since then, banks have gone back to their original foreclosure procedures. They have by now sifted through loan files, decided who they can help, and are foreclosing on the rest of the delinquent homeowners.

The numbers for this year are quite discouraging. [American families threatened with foreclosure grew by 24%](#) this year and this number is set to keep rising. Nationwide, nearly 804,000 homes received foreclosure notices from January to March, up from 650,000 a year ago. RealtyTrac, which publishes data on foreclosures, said that 340,000 properties were affected up 17% from February and 46% higher than a year ago.

One obvious effect of the increased foreclosure action will be a further decline in housing prices. According to the *Wall Street Journal*, "Ronald Temple, co-director at Lazard Asset Management, expects home prices to fall by 22% to 27% from their January levels. More than 2.1 million homes will be lost this year up from 1.7 million in 2008 according to Moody's Economy.com."

