

# Merrimack Valley

## *housingreport*

An e-publication of UMass Lowell and the Middlesex North Registry of Deeds



University of  
Massachusetts  
Lowell

MIDDLESEX NORTH  
REGISTRY OF DEEDS

### Volume 5, Issue 8 August 2012

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## Year over Year and Month over Month Results

By: Mike Poore

There are several positive housing indicators this month. Year over year statistics saw deeds (sales) and mortgages up across each of the four recording cities. Nevertheless, foreclosure deeds were mixed and orders of notice (foreclosure petitions) up substantially. Lowell saw a 16.2% increase in deeds, with mortgages up 44.2%. Foreclosures dipped 10% with a huge spike in orders of 70%. Lawrence saw similar results with deeds up 7.6%, mortgages up 20.4% with foreclosures dropping 25% and seeing a smaller spike in orders with a 36.6% increase. Haverhill had the biggest increase in orders of 76% from July 2011. Deeds were up 8.08% and mortgages up 41.4%. Methuen saw a 100% increase in both Mortgages and Foreclosures, with about a 25% increase in both deeds and orders of notice.

The month over month statistics are a bit different from the year over year results. From June to July two cities saw increases in deeds, while two saw decreases, which is the same outcome for mortgages. Foreclosures were down in three cities and orders were up in three cities.

Lowell had a 10.8% increase in deeds from June to July with a -2.5% decrease in mortgages. Foreclosures and orders were both up at 80% and 41.6% respectively. Lawrence had a mix with deeds decreasing 8.6% and mortgagees up 4.6%. Foreclosures were down 57.1% with orders up 42.8%. Haverhill had a 9.1% increase in deeds with mortgages flat and foreclosures down 16.6%. Haverhill orders had the biggest increase from the previous month with a 64.2% increase.

The Case/Shiller Home Price Index for the Boston area also shows a slight increase in housing prices for the spring buying season. Although there are not specific numbers for the Merrimack Valley area it is a positive for the overall market in general. Overall deeds and mortgages are doing well while foreclosures are mixed; keeping an eye on orders over the next several months will help determine which way the market is headed. If orders of notice continue to increase then we will see an uptick in foreclosures that will likely put downwards pressure on housing prices. (See Charts Pg. 4) 

## Deeds, Mortgages, Foreclosures and Orders of Notice Recorded

July 2011 and July 2012 compared

	Haverhill		Lawrence		Lowell		Methuen	
	July-11	July-12	July-11	July-12	July-11	July-12	July-11	July-12
Deeds	99	107	79	85	123	143	80	102
Mortgages	128	181	93	112	156	225	108	214
Foreclosure Deeds	10	10	8	6	20	18	2	4
Orders of Notice	13	23	22	30	20	34	12	15

## Foreclosures Edge Upwards

By: Richard P. Howe Jr.

While there was some good real estate news in the July 2012 recording statistics – there were 75% more mortgages recorded in the month than there were in July 2011, for instance – one negative number that jumped from the statistics was a 63% increase in the number of Orders of Notice recorded. In July 2011 there were 52 for the entire Middlesex North Registry of Deeds district; in July 2012 there were 85. Because the three previous months had all shown drops in the number of Orders of Notice recorded compared to the same month in the prior year – down 19% in June, 20% in May and 62% in April – this might just be an aberration. Still, with the real estate market showing some signs of revival, any increase in foreclosure activity bears close watching.

In scrutinizing the data for the July 2012 Orders of Notice, no clear patterns emerge. Most are for properties in Lowell but that is not unusual. Of the 52 Orders of Notice recorded in July 2011, 38% (20) were from Lowell; of the 85 recorded in July 2012, 40% (34) were from Lowell. The following table shows the distribution by town of Orders of Notice recorded in both years: (See Chart)

Although significant increases are evident in some communities (Lowell rising from 20 to 34, Dracut from 4 to 14, and Wilmington from 0 to 5), the total numbers of Orders of Notice outside of Lowell are insufficient to detect any real geographic trends. Two other areas worth examining are the date of origin of the mortgage being foreclosed and the lender conducting the foreclosure. The first two columns of the following table show the year of the mortgage, most of which are from the “boom” years of 2004 to 2007. During those same years, many foreclosures

occurred within two years of the mortgage, so the relative lack of foreclosures on post 2007 mortgages should be seen as a positive indicator that post-mortgages had better and more prudent underwriting procedures associated with them.

Town	July 2011	July 2012
Billerica	8	8
Carlisle	0	2
Chelmsford	7	11
Dracut	4	14
Dunstable	0	2
Lowell	20	34
Tewksbury	5	6
Tyngsboro	5	2
Westford	3	1
Wilmington	0	5
District Total	52	85

The final area of scrutiny – foreclosing lender – yields no surprises. The bulk of the newest foreclosures are from national lenders although two banks that I would call “regional” – Sovereign and TD Bank – both appear on the list while no local banks had more than a single Order of Notice. (See Charts Pg. 4)

Many indicators in real estate are trending positive: the number of refinancings is up substantially; the number of home sales is also up; and the number of foreclosure deeds is still down. The uptick in Orders of Notice seen in July should not be overemphasized but neither should it be dismissed. 📈

### Looking to Showcase Your Vacancy or Looking to Move?

**Community Teamwork Inc. (CTI) developed a new website designed to help landlords showcase their vacancies, and tenants to easily find them.**

**This free service is offered throughout the Merrimack Valley and the North Shore.**

**For more information go to:**

**[www.nearlistings.org](http://www.nearlistings.org) or contact Avi Glaser at [aglaser@comteam.org](mailto:aglaser@comteam.org)**

## Massachusetts New Foreclosure Prevention Law

*By: Mike Poore*

On Friday August 3rd Governor Deval Patrick put his final stamp of approval on the compromised bill to prevent unnecessary and unlawful foreclosures. The House and Senate's show down over foreclosure mediation has become the new hot topic among states housing legislation. The Senate's bill included a provision which required banks to sit down with homeowners and a neutral third party to seek a plan which would allow the homeowner to stay in their home, either through loan forbearance, principal reduction, interest rate reduction, or a combination. In the US, 23 states have some type of mediation program, with a mix between opt-out (mandatory mediation) and opt-in. Each type has significantly different outcomes, opt-out seeing upwards of 80% homeowner retention rates, and a 70% participation rate. Optional mediation has low participation rates of 30% with similar homeowner retention rates. Having done extensive research on the topic with the help of the Lowell Foreclosure Prevention Task Force, we concluded that mandatory mediation has positive outcomes both for the banks, homeowners, and community. The Senate's provisions were not included in the bill, although there are many who support this including Boston's Mayor Menino.

The new legislation requires lenders to assess the owner's circumstances to determine whether the change in net value of the existing loan is more than the anticipated

recovery from the foreclosure, in which case the bank would be required to offer a modification of the loan. Also included is a clause which prohibits lenders from foreclosing without proper documentation, as well as the creation of a task force to study the effectiveness of foreclosure mediation. Supporter's hopes that if there are positive findings then a mediation program could be enacted.

The argument against mediation is based on the idea that it would slow the foreclosure process as well as increase the cost. Both of these arguments are weak, because mediation sessions would occur with-in the 150 day right to cure and not impact the time in which it takes to foreclose on a property. The cost for mediation is covered in several different ways depending on which program you examine, some are covered by the fees banks pay when they file a foreclosure deed. Some states programs are not only revenue creating, but profitable.

The compromised bill is no question a step in the right direction by protecting consumers against the big banks and their questionable foreclosure proceedings. It keeps Massachusetts homeowners from being held out to dry as the next wave of foreclosures creep into the market. Foreclosure mediation is just one idea on how to help address the problems plaguing the housing market over the past several years. █

*Year over Year and Month over Month Results from Pg. 1*

<b>Year Over Year</b>	<b>Haverhill</b>	<b>Lawrence</b>	<b>Lowell</b>	<b>Methuen</b>
Deeds	+8.08%	+7.60%	+16.20%	+27.50%
Mortgages	+41.40%	+20.40%	+44.20%	+98.10%
Foreclosures	0	-25%	-10%	+100%
Order	+76%	+36.60%	+70%	+25%

(July 2011 vs. July 2012)

<b>Month over Month</b>	<b>Haverhill</b>	<b>Lawrence</b>	<b>Lowell</b>	<b>Methuen</b>
Deeds	+9.10%	-8.60%	+10.80%	-7.20%
Mortgages	-0.05%	+4.60%	-2.50%	+7.50%
Foreclosure	-16.60%	-57.10%	+80%	-33.30%
Order	+64.20%	+42.80%	+41.60%	0

(June 2012 vs. July 2012)

*Foreclosures Edge Upwards Con't. from pg 2*

<b>Year of Mortgage</b>	<b># Of OrdNo</b>
Pre 2000	3
2001	2
2002	2
2003	9
2004	12
2005	14
2006	14
2007	16
2008	8
2009	5
2010	1
2011	0
2012	0

<b>Lender</b>	<b># Of OrdNo</b>
Bank of America	13
CitiMortgage	10
Wells Fargo	8
JPMorgan Chase	7
US Bank	6
Bank of New York	4
GMAC	4
MetLife	3
PNC Bank	3
Sovereign	3
TD Bank	3
Deutsche Bank	2
OneWest	2
Suntrust	2
Singles	15

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