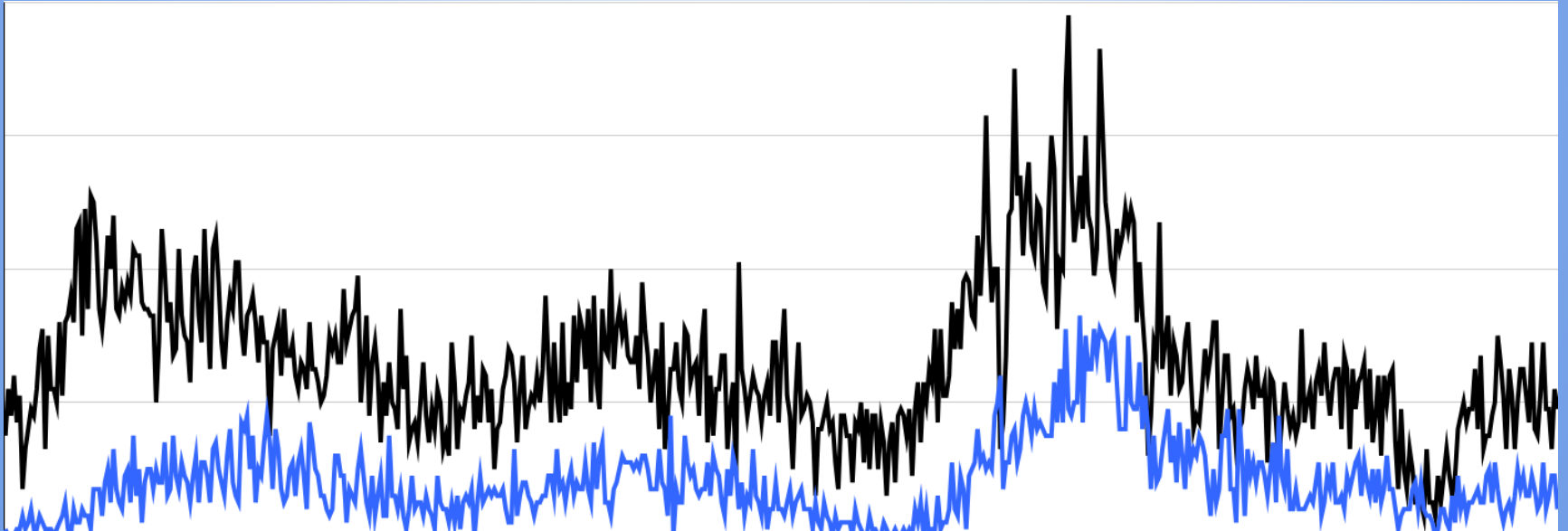


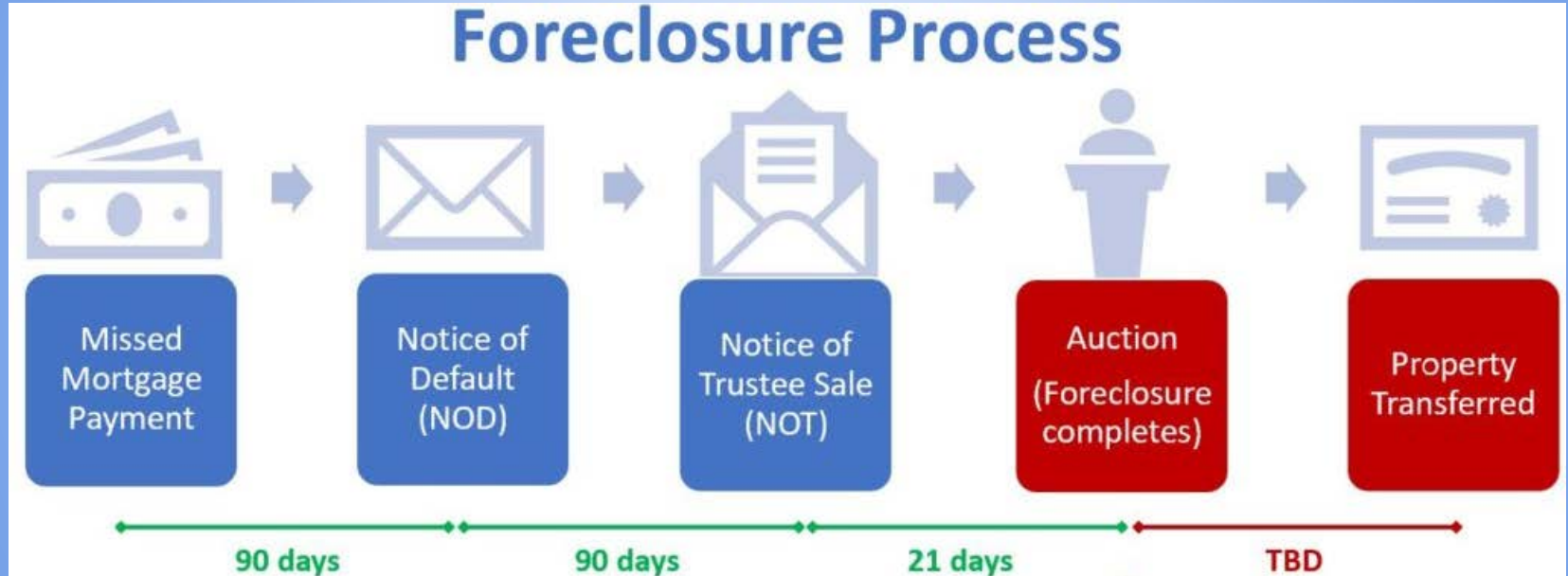
# Foreclosures in Humboldt County, California



# Overview

1. The Foreclosure Process
2. Getting the Data
3. Analyzing the Data
4. Moratoria
5. Conclusion

# The Foreclosure Process



# What we are going to be analyzing

## 1. Notice of Default (NOD)

- a. This is the second step in the process where the person who has missed their payment is given a notice that they are about to default on their mortgage

## 2. Trustee's Deed

- a. This is the last step. After the property is transferred a new deed is drafted that is called the trustee's deed.

We are looking at step 2 and step 5 of the process

- a. There is at least 111 days (~ 4 months between steps 2 and 5)

# Getting the Data

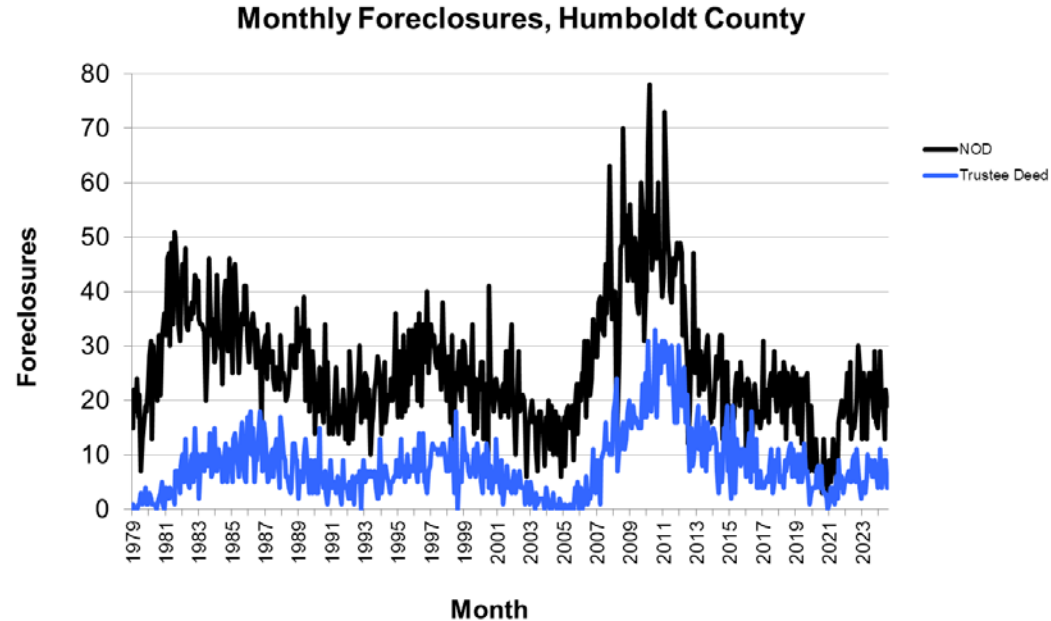
## 1. These records are held at the Courthouse

- a. Spent a couple of hours going through records month by month to get the totals for the NOD

## 2. Data Setup

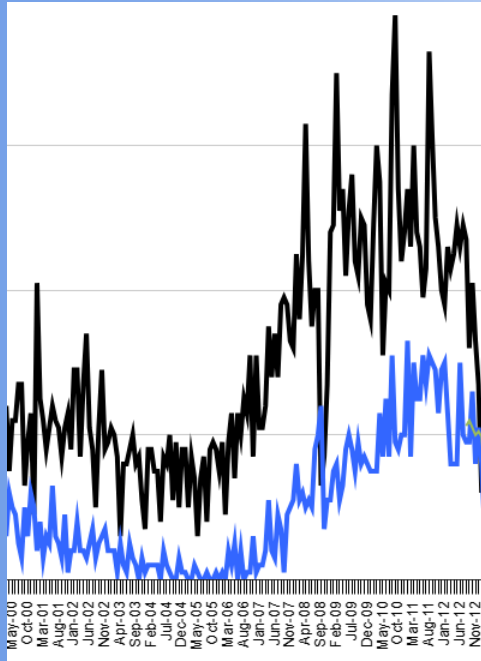
- a. Between January 1, 2020 and February 1, 2020 there were 20 NOD and 12 Trustee's Deeds
  - i. This means in the month of January
    - 1. 20 Notices of default were sent out to people
    - 2. 12 properties that had ownership transferred. These properties:
      - a. already had prior NOD sent
      - b. are at least 111 days old
      - c. have gone through auction

# Analyzing the Data



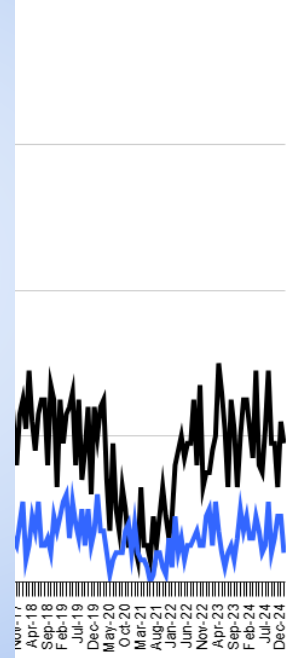
Source: Humboldt Economic Index and Humboldt County Recorder

# Analyzing the Data (2008 and 2020)



## 2008 Financial Crisis

- Steady, slight decline in both from 2002-2006
- Steady increase in both from 2006-2012



## 2020 Covid-19 Pandemic

- Sharp decline especially in NOD from 2020-2021
- Sharp increase from 2021-2022
- Regular level to today

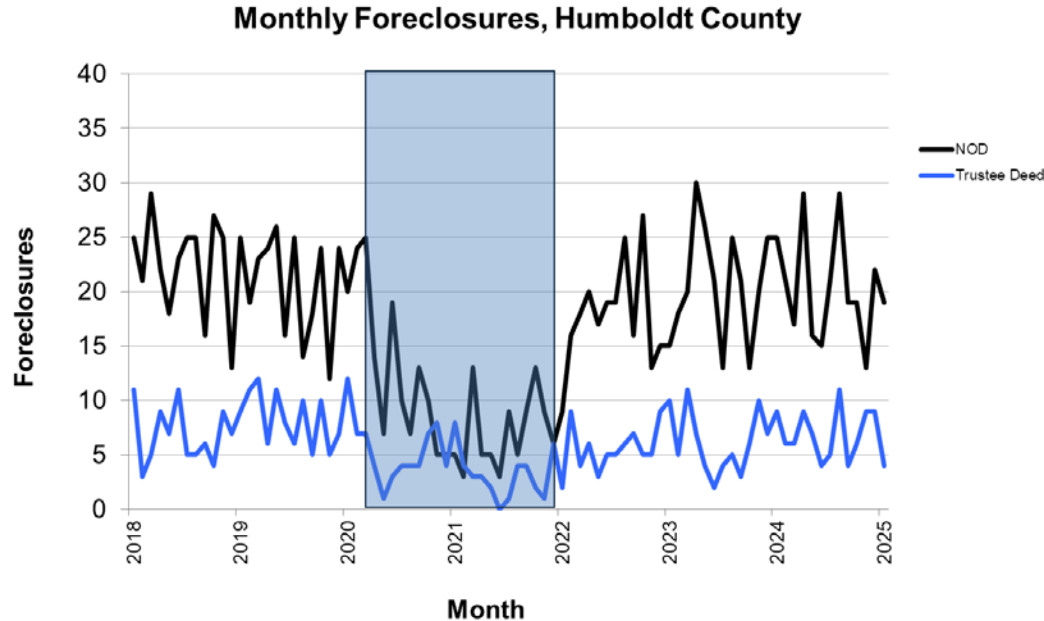


# Foreclosure Moratoria

- California Governor issues emergency orders, March 16-June 30, 2020. “Localities may restrict evictions in cases where nonpayment was caused by income reduction or increased household expenses”
- Emergency Rules of California Rules of Court, April 6, 2020. Rule No. 2 suspends judicial foreclosures. Stays all judicial proceedings to foreclose on a mortgage or deed of trust, including an action for a deficiency.
- A.B. 3088, August 31, 2020. Chapter 2 of A.B. 3088 addresses mortgage relief. The law expresses a general intent that servicers comply with the CARES Act and with COVID-19 servicing guidelines applicable to mortgages. The servicer of loans must review the borrower for forbearance and post-forbearance options.
- Foreclosure moratoria expire December 1, 2021.
- See: <https://www.nclc.org/wp-content/uploads/2022/11/COVID-19-State-Foreclosure-Moratoriums-and-Stays.pdf>



# Analyzing the Data Again



Shaded months are during foreclosure moratorium.

Source: Humboldt Economic Index and Humboldt County Recorder

## Covid-19 Pandemic

- NODs and Trustee Deed Sales fell during foreclosure moratoria.
- **But there was no foreclosure “catch up” after moratoria lifted.**

# Conclusion

- The moratoria on foreclosures created a pressure that was released once the moratoria were lifted
  - a. We see NOD fall to 0 but we also see trustees deeds stay relatively steady
    - i. This is due to the lag between NOD and trustee deeds in the foreclosure process
    - ii. This is also why trustee deeds never drops to 0 because there were still auctions happening and properties being transferred to new owners