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Foreclosures continue climb in '09 to close out a forgettable decade

Business First of Columbus - by [Kevin Kemper](#)

2009 marked another in a growing line of disappointing years for Central Ohio homeowners facing foreclosure.

Preliminary data from state courts show foreclosure lawsuits in Franklin, Union, Delaware, Licking, Fairfield, Pickaway, Madison and Morrow counties increased more than 3 percent last year to 13,900 from 13,480 filed in 2008. The rise meant foreclosures increased every year over the past decade in Central Ohio, totaling 99,370 since 2000 – roughly one filing for every six households in the region.

While 2009 data for all of Ohio are not available, records from state Supreme Court show filings statewide rose 1.5 percent through the first nine months of 2009 to 66,453 from 65,452 during the same period in 2008.

“I haven’t seen any indication ... the situation is getting better,” said Larry McClatchey, a bankruptcy lawyer at **Kegler Brown Hill & Ritter Co. LPA** in Columbus. “I think it will take a significant turnaround in the employment numbers first.”

McClatchey, a bankruptcy trustee who helps shepherd liquidation and restructuring cases through **U.S. Bankruptcy Court**, has been working with more filers who also are facing foreclosure. It wasn’t always that way, he said.

“Initially, the (foreclosure) cases we saw were involving debtors that invested in real estate as a business,” McClatchey said. “They bought six, eight or 10 properties and got in over their head.”

But since mid-2008, McClatchey said he’s been dealing with more Ohioans who are losing homes after losing jobs. Since the recession began in December 2007, the unemployment rate in the eight-county Columbus area nearly doubled from 4.8 percent to 9.3 percent in July before easing to 8.5 percent in November, the latest month for which data are available.

Problems widespread

In Franklin County, foreclosure filings increased from 8,928 in 2007 to more than 9,500 last year. Licking County is the next largest contributor to the region’s foreclosure rolls: Nearly 1,180 cases were filed there last year, a marginal decline from about 1,200 filed in 2008.

As the recession continues, the foreclosure crisis has become more than an inner-city problem, said Loretta King, assistant director of the housing advisory center at the **Columbus Housing Partnership**.

“This is not a low- to moderate-income situation anymore,” King said. “It’s affecting everyone.”

Of the 1,600 clients the nonprofit agency helped with foreclosure counseling last year, 20 percent were from outside Franklin County and lived in such well-to-do places as New Albany and Delaware, King said.

Foreclosure filings in Delaware County climbed to 962 in 2009, from 909 in 2008. Fairfield County foreclosure filings jumped to about 1,020, from 964 a year earlier.

While the Columbus Housing Partnership expects to see roughly the same number of people walk through its doors this year asking for help, King said there are efforts being taken to hold back the flood – namely the federal government’s Home Affordable Modification Program, instituted as part of the economic stimulus effort. Designed to help lenders and struggling homeowners work out mortgage modifications, the program has a target of helping up to 4 million homeowners. The **U.S. Department of Housing and Urban Development** reported 850,000 homeowners nationwide had received some kind of payment reduction through December.

Still, homeowners must make a series of on-time, reduced payments before a permanent modification is put in place, King said.

“It’s a four- to six-month process,” she said.

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