

September 20, 2013 /**24-7PressRelease**/ -- According to a recent report issued by CoreLogic, foreclosures in the U.S. have been dropping at a significant rate. In fact, during July alone the report discovered a 25 percent drop in foreclosures when compared to the number of foreclosures in July of 2012 - a decrease from 65,000 in 2012 to only 49,000 in 2013. Sadly, however, New Jersey did not contribute to this trend as homeowners in the Garden State actually saw their foreclosure rates increase.

Specifically, while the national average foreclosure rate is 2.4 percent, New Jersey hovers around 6 percent, which is the second highest rate in the country. Moreover, another report recently issued by RealtyTrac found that [foreclosures in New Jersey](#) were up 89 percent in July 2013 when compared to the same period the year before - with a corresponding 40 percent increase in home repossessions. According to RealtyTrac, one out of every 864 New Jersey homes received a foreclosure filing in July 2013.

Several reasons have been posited as to why New Jersey is bucking the national trend when it comes to foreclosure rates. First, New Jersey is a judicial foreclosure state. This means that forecloses must go through the courts, which inevitably makes them take longer. For instance, an average foreclosure in New Jersey still takes roughly nine months to complete.

Second, in 2010 the New Jersey Supreme Court requested six banks to review their foreclosure signing practices due to possible violations of the Fair Foreclosure act. Consequently, foreclosures plummeted in New Jersey while banks completed these reviews. Both this Supreme Court decision and the fact that New Jersey is a judicial foreclosure state has contributed to a foreclosure logjam, which homeowners and banks are still working their way through. As such, possible foreclosures continue to be a very real threat to New Jersey homeowners.

How bankruptcy can help during a New Jersey foreclosure

Thankfully, there are several options available for New Jersey homeowners currently facing foreclosure, such as foreclosure mediation and loan modifications. However, for many New Jersey families, one of the best courses of actions when going through a foreclosure is bankruptcy.

First of all, when a homeowner files for bankruptcy, all collection actions against the individual must cease, including foreclosures. Also, if a homeowner is behind on mortgage payments but

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wants to save his or her home, a [Chapter 13](#) payment plan - which usually lasts three to five years - may allow the individual to get current on his or her mortgage payments.

However, every situation is different, which is why it is always best to seek the counsel of an experienced bankruptcy attorney if facing foreclosure and think bankruptcy may be helpful. A knowledgeable attorney can review your finances and help determine what bankruptcy option may be best suited to fit your needs.

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