Mortgage delinquencies spike in TX and FL in wake of hurricanes

Hurricanes Harvey and Irma continued to wreak havoc in October as the number of delinquent mortgages soared for the second month in a row, rising 24 percent in regions of Texas and Florida where the storms hit hardest, according to new loan performance data.

More than 160,000 delinquent mortgages in Florida and 66,000 in Texas are directly tied to the powerful pair of Category 4 hurricanes, which caused $250 billion in combined damages following back-to-back landings in late August, according to Black Knight Financial Services.

In Florida, where Hurricane Irma made landfall on Aug. 30, delinquent mortgages rose 36 percent from September, with non-current loans, those that are 30 days past due, rising 79 percent over the past six months, according to Black Knight's monthly "First Look" report.

In Texas, where Hurricane Harvey caused nearly $200 billion in damage following its Aug. 24 landfall, the number of non-current loans have risen 30 percent over the past six months.

Hurricanes skewed the national delinquency rate, causing it to rise 4 basis points due to huge increases in Florida and Texas—instead of declining by 14 points without those states. Nationally, the number of non-current loans rose by 17,000 month-over-month to 2.26 million. Among those loans, 589,000 are more than 90 days past due, but not yet in foreclosure.

Beside hurricane-related delinquencies, however, Mississippi remained the nation's most dilatory borrower, with non-current loans in the Magnolia State rising to 10.62 percent. Florida's delinquency rate cruised to 9.9 percent, followed by Louisiana (9.2 percent) and Alabama and Texas at 7.33 percent and 7.32 percent respectively, according to the report.

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Nonetheless, some good news emerged from the performance data. In October the foreclosure inventory, which tracks homes in the process of foreclosure, declined by 10,000 to 348,000, It's the first time since 2006 that the inventory has dipped below 350,000, according to the report.

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