

Foreclosure auctions online

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NEW PORT RICHEY — Starting Nov. 1, foreclosure auction sales in Pasco County will move off the courthouse steps and onto the Internet.

Said Circuit Judge Lowell Bray, "It's the eBay of mortgage foreclosures."

That's an accurate comparison.

Prospective buyers, anywhere in the world, will post their bids online, without even having to monitor the auctions live. The host site, Realauction.com, will let them know if they've "won" one of Pasco's many beleaguered properties.

Clerk of Courts Paula O'Neil, whose office handles the sales, has seen her staff overwhelmed by the huge volume of foreclosure filings, sustained by a stagnant housing market, sputtering economy and high unemployment rate.

As the foreclosure lawsuits move through the courts system, the ones that cannot be resolved through a loan modification or other means are normally set for a short sale by the lenders.

You might have noticed the gaggles of people at the courthouses in Dade City and New Port Richey: bidders, often holding cell phones to their ears, surround a clerk who shuffles stacks of files and emcees the sales in a monotone voice.

"We're swamped in that area, so (going online) will help us," O'Neil said, predicting that online sales will reduce the time her staff has to spend with each file.

But the biggest advantage, she said, is the potential to attract more bidders than just those willing to go to the courthouse for sales held during the workday.

Online bidders will be required to register on the site and create an account to hold a 5 percent deposit on all bids. Realauction makes its money through a \$27 fee paid by the highest bidder in each sale. The clerk will continue to charge a \$70 fee to the entity — usually the mortgage lender — that requests the property be put up for auction.

At the Realauction Web site, bidders will find all the property information in one place. Tax information, satellite maps, assessed and market values are available online already, but bidders have to navigate among several sites to find it all.

The Realauction site, O'Neil said, will provide links to all that information.

"Everything's right there, so people can do good research," she said.

Given the current market conditions, however, it's uncertain whether the expected increase in bidders will result in any bump in sale prices.

Marti Bishop handles foreclosure sales for the Walton County clerk's office, which moved its foreclosure sales online in March.

Bishop said they're dominated by bidders thinking they'll get a house for a steal — bids of less than \$2,000 are not uncommon — who are almost always outbid by representatives of the lenders.

"The banks don't let them go, for the most part, for less than what they're owed," Bishop said.

She directs online sales several times a week in the Panhandle county. But she said only one or two properties a month end up purchased by a regular bidder paying what the home is actually worth.

O'Neil acknowledged that reality but is looking toward the future.

"It may be difficult in the beginning to find purchasers that are different than the bank, but we do believe in the long run it'll make a

difference," she said.

Pasco Tax Collector Mike Olson moved his office's annual tax certificate sales online three years ago and says he'd never go back to the old way.

In those sales, investors pay the taxes on delinquent properties, then place a lien on the property for that amount, plus interest.

He said the most recent sale in May, and another "cleanup auction" about 10 days later, was a huge success: In the end Olson's office had collected virtually the entire tax roll.

"It's just an idea whose time had come," Olson said. "It's the future, and it's one of those things that you don't ever go backward. It's a concept that's here to stay."

So is there any nostalgic downside to ending the live foreclosure auctions? O'Neil thought for a moment before noting that "on the courthouse steps" is merely a euphemism now — the auctions have already moved into the courthouse lobbies to escape the heat.

"We're just trying to serve the public where they are," she said.

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