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**Foreclosures Hit Six-Year High as Costs Keep Rising**

BY NICOLE FRIEDMAN AND VERONICA DAGHER

U.S. foreclosure filings hit a six-year high in the first quarter. Fast-rising homeownership costs such as property tax and insurance bills are a reason to blame.

The number of U.S. properties with a foreclosure filing rose to almost 119,000 in the first quarter, according to property-data provider Attom. That marked a 26% jump from the same period a year earlier.

The figure is also the highest since the first quarter of 2020, when pandemic-era mortgage-relief measures and stimulus payments first led to a huge drop in foreclosures.

The current foreclosure rate is a return to the prepandemic norm and not a sign of widespread borrower distress, analysts say. Many homeowners have low mortgage rates and have benefited from home-price appreciation in recent years.

But the recent increase is an indication that more people are struggling, especially when rising costs for home insurance, property taxes or homeowners association dues push up their monthly bills.

These new causes of distress could be a warning sign of more pain to come. Some borrowers' student-loan payments have also resumed, adding to their expenses. Delinquencies for credit-card bills and car loans have also risen.

Homeowners who bought their homes within the past few years might be even worse off, because they bought at higher mortgage rates. In some areas, prices have slipped, leaving some owners underwater. They also have fewer relief options than they did during the pandemic.

"They're having payment shocks from taxes and insurance... along with potential job distress," said Marina Walsh, an economist at the Mortgage Bankers Association. Especially for homeowners who bought recently, "it's this layering effect that could create distress," she said.

The average annual home-insurance bill was \$2,948 last year, up 12% from 2024, according to Insurify. The average property tax for U.S. single-family homes, meanwhile, rose 3% to \$4,427, according to Attom.

Homeowners who spend a bigger share of their housing costs on home insurance are more likely to be past due on their mortgage payments, according to an analysis by Intercontinental Exchange earlier this year.

Foreclosure-related legal requests rose 20% year-over-year in March, according to the LegalShield Consumer Stress Legal Index, which is calculated based on more than 150,000 attorney calls a month.

Homeowners were comfortable with their monthly costs when they bought their homes, but "all of a sudden, a year later or three years later, that mortgage payment jumps beyond that percentage that they had accounted for, when you add in

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insurance and taxes,” said Rebecca Carter, a LegalShield provider attorney who works with clients in the mid-Atlantic and Northeast.

Mary Merenda fell behind on property-tax payments for her house in Barnesville, Pa., after her husband died. She also canceled her home-insurance coverage to save money.

“The expenses and everything else, it just overwhelmed me,” said Merenda, who is 63. She receives about \$12,000 a year from Social Security, and her property taxes come to almost half of that.

She had already paid off her mortgage. But she had to take out a reverse mortgage last year to pay off her back taxes and prevent a pending foreclosure.

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