New Housing Market Report Finds Foreclosure Activity Rising Without Signs of a 2008-Style Collapse

THORNWOOD, NY, UNITED STATES, July 22, 2026 /EINPresswire.com/ -- Mr. Short Sale today released the first edition of its Quarterly Distressed Property Market Report: Q2 2026 Review / Q3 2026 Outlook, a recurring market intelligence publication designed to help real estate professionals, investors, lenders, and homeowners better understand the trends shaping today's distressed-property market. The report concludes that while foreclosure activity is steadily increasing across the United States, current market conditions differ fundamentally from those that preceded the 2008 housing crisis.

JD Summa, CEO Mr. Short Sale

Drawing from publicly available data published by ATTOM, ICE Mortgage Technology, the Mortgage Bankers Association, Harvard Joint Center for Housing Studies, Redfin, Cotality, the Bureau of Labor Statistics and other leading industry sources, the report analyzes foreclosure activity, mortgage distress, repossessions, homeowner hardship indicators and short-sale market signals to provide an evidence-based outlook for the quarter ahead.

The report finds that foreclosure filings are rising from historically suppressed levels rather than signaling a nationwide housing collapse. Instead, distress is becoming increasingly concentrated among borrowers facing overlapping financial pressures, including rising insurance premiums, property taxes, medical expenses, shrinking equity cushions and loan-specific risk factors.

Key findings from the Q2 2026 report include:

Foreclosure filings increased 26% year over year, signaling that more borrowers are entering the foreclosure process after years of historically low activity.

Approximately 280,000 loans are now in active foreclosure—the highest level in six years.

Bank repossessions increased 45% year over year, indicating more distressed properties are reaching the final stage of the foreclosure pipeline.

FHA borrowers continue to experience elevated financial pressure, posting an 11.88% delinquency rate, compared with 2.75% for conventional mortgages.

National home equity remains relatively strong, but borrower stress is becoming increasingly localized and concentrated in specific markets and loan segments.

Cristina Gaspar, President Mr. Short Sale

"The data doesn't point to a nationwide foreclosure crisis," said JD Summa, CEO of Mr. Short Sale. "It points to a market where borrower hardship is becoming more concentrated, more technical and more dependent on individual circumstances. Understanding those signals early gives homeowners and real estate professionals more opportunities to act before options disappear."

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> *JD Summa, CEO, Mr. Short Sale*

Beyond the statistics, the report examines the entire distressed-property pipeline—from borrower hardship and delinquency to lender timelines, equity position and repossession risk—to identify where short-sale demand is most likely to emerge before foreclosure becomes unavoidable.

"The numbers only tell part of the story," said Cristina Gaspar, President of Mr. Short Sale. "Behind every statistic is a homeowner facing rising costs, unexpected hardship or difficult financial decisions. Our goal with this report is to help the industry recognize those trends sooner, so professionals can respond with better information and homeowners have more opportunities to preserve their financial future."

Looking ahead to Q3 2026, the report anticipates foreclosure starts, active foreclosure inventory and repossession activity will remain elevated, while rising ownership costs continue to place financial pressure on vulnerable homeowners. Rather than predicting a broad market collapse, the report concludes that the next phase of the distressed-property market will be regional, technical and driven by borrower-specific circumstances.

Mr. Short Sale plans to publish the Quarterly Distressed Property Market Report every quarter, providing ongoing analysis of foreclosure trends, mortgage distress, short-sale activity and emerging market conditions to help industry professionals make more informed decisions. The complete Q2 2026 Review / Q3 2026 Outlook is available at www.MrShortSale.net.

About Mr. Short Sale

Mr. Short Sale is a national short-sale advisory firm specializing in helping homeowners and real estate professionals navigate complex distressed-property transactions. Through expert guidance, lender negotiations and specialized loss-mitigation expertise, the company helps homeowners explore alternatives to foreclosure while helping real estate professionals successfully close complex short-sale transactions.

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