Foreclosure sales may reach record

By DOUGLAS DEMMONS
Advocate staff writer

With the local economy on the ropes, sheriff's sales on foreclosed real estate are expected to reach a record 1,600 this year.

The crush of paper has created a four-month waiting list in the sheriff's civil division, where foreclosure sales have brought at least one benefit — a huge increase in fees and commissions.

In 1983, the sheriff's department collected $975,000 for conducting foreclosure sales, serving subpoenas and other services. This year, the amount is expected to be $1.57 million.

"We'd much prefer to have the increase from growth in our tax rolls than from foreclosures," said Lee Guidry, chief civil deputy sheriff.

Guidry said the extra money has not been used for any special purposes such as capital expenditures and should not be thought of as a permanent source of income.

"Obviously it's put additional revenue in the general fund, but you have to be very cautious about committing this extra money," he said.

The sheriff's office receives a 3 percent commission on the sale of foreclosed real estate and 6 percent on movable property such as automobiles.

Record unemployment and huge numbers of bankruptcies and business failures have accelerated the foreclosure rate from 940 sales in 1984. By the end of April, the sheriff's office will have conducted 536 sales so far this year.

The increase has meant an additional two part-time employees for the department, which still is overworked, Guidry said.

"For the longest time we were able to absorb the extra work," Guidry said. "This has created a tremendous amount of work for everyone."

Publicity about the problem also has prompted an additional burden for the office, Guidry said.

Many people — some of whom have taken get-rich-quick courses that stress buying real estate at distressed prices — have bombarded the office with calls. Most are usually disappointed, he said.

"They never buy anything because they're looking for something for nothing," Guidry said.

Typically, a bank holding a mortgage will be prepared at the sheriff's sale to purchase the property unless a third party steps in with a better offer.

Sheriff's sales are held every Wednesday at 10 a.m. on the first floor of the Governmental Building in an informal huddle around the building's information booth.

"It used to be if we had a million-dollar sale, it caused quite a stir," Guidry said, "but that's pretty commonplace now."

The sheriff's office also reported an increase in the number of bad checks received for payment on property taxes.

Steve Blount, director of taxation, said about

SEE FORECLOSURES, 4A