



In front of the San Diego Superior Courthouse, auctioneer Jay Gafner (center) works through his list of 255 properties to be auctioned off on Monday. JOHN GIBBINS • U-T

FORECLOSURE AUCTIONS TO BE BANNED AT COURTHOUSE STEPS

Crowds attending trustee sales downtown are posing safety concerns, sheriff's officials say

LILY LEUNG • U-T

Foreclosure auctions — a longtime fixture at courthouse steps in California and across the country — will be banned from downtown's San Diego Superior Courthouse starting Sept. 1.

Trustee sales and people's interest in them have exploded since the recession, with atten-

dance increasing from a handful to at times more than 100 people since 2008. The increase in traffic has posed safety and security concerns for attendees and those tending to court business, said Michael Roddy, the court's executive officer.

The daily disruptions prompted the San Diego County Sheriff's Department, which provides security for the courthouse, to recommend a ban on trustee sales at the site at 220 West Broadway and outside the Hall of Justice at 330 West Broadway. Superior Court Judge Kevin A. Enright on July 1 signed the court or-

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AUCTIONS • Popularity of trustee sales has increased during economic downturn

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der authorizing the ban.

Auctions at courthouses in Vista and El Cajon will not be affected because neither have had access problems.

Trade group United Trustees Association plans to correspond with court officials to outline the detriment the ban could cause trustee companies and borrowers if the location is changed, said Michelle Mierzwa, a local member of the organization and part of the group's legislative committee.

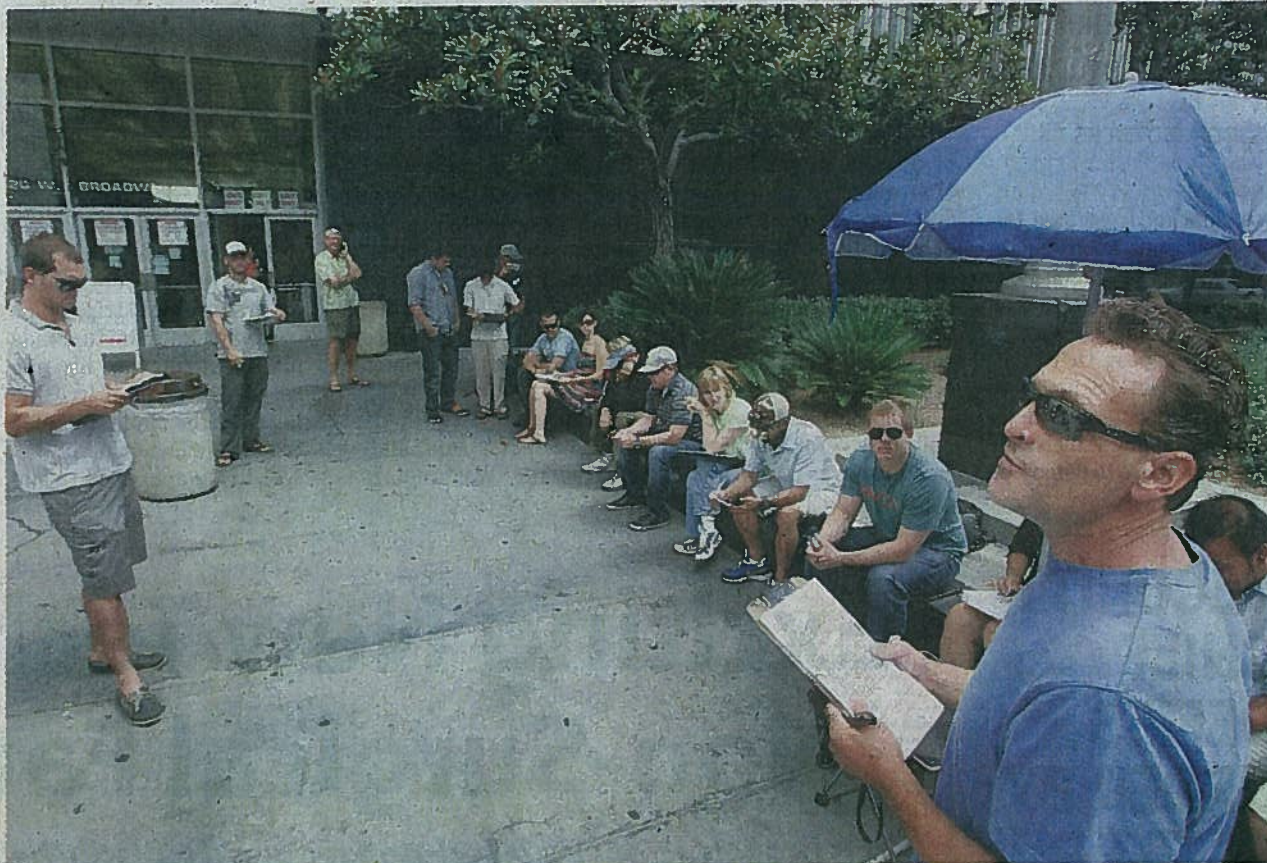
Since the downtown courthouse draws large crowds, that means more bids and potentially higher prices for distressed homes. It also means more money that could go back to borrowers, Mierzwa said.

Foreclosure auctioneers have used the downtown courthouse steps since the building's inception in the 1960s. Early on, the activity was "three or four people standing out there," Roddy said. But attendance shot up as the economy worsened and more people lost their homes to banks.

Crowds of investors and the curious stake their places outside the entrance of the courthouse from about 10 a.m. to 2 p.m. every day to hear about and bid on homes. Some sit in lawn chairs with laptops, and others idle at the staircases that lead up to the main entrance. Tour groups even turn up.

"Out of tradition, these sales have been held on the steps of the courthouse from a time when such sales were conducted by the court," Roddy said. "That is no longer the case; these are commercial activities being conducted on public property. These sales not only lack proper permits for conducting business in such a manner but they impact court business."

Court officials have mailed



Auctioneer Jay Gafner provides instructions to potential bidders on Monday in front of the San Diego Superior Courthouse at 220 W. Broadway. JOHN GIBBINS • U-T PHOTOS



A buyer stamps his paperwork at the close of an auction on Monday outside downtown's San Diego Superior Courthouse. Such auctions will be banned starting in September.

notices to trustee companies that Aug. 31 is the last day they can legally hold a sale around the courthouse's perimeter.

The change will apply to trustee sales of nonjudicial foreclosure sales, which means the court system is

not involved. California is primarily a nonjudicial state.

Court officials are not responsible for finding an alternative venue. It's unclear where trustee companies will go, but they're operating on a tight schedule because all trustee sales require at least

Court order excerpt

This Order is necessary to ensure the safe, secure, and orderly use of and access to the Superior Court, County of San Diego courthouse facilities; to minimize activities which unreasonably disrupt, interrupt, or interfere with the orderly conduct of court business; and to promote the free ingress and egress at court facilities.

—July 1 court order signed by Superior Court Judge Kevin A. Enright

three-weeks' public notice.

Foreclosure auctions can be held anywhere within the county where the properties are located as long as they are properly noticed, said Mierzwa, of the trustees organization and corporate counsel for Cal-Western Reconveyance Corporation based in El Cajon.

Roddy said Superior Court officials are working with a company that had already posted some notices past

Sept. 1 at the downtown location before the ban was made official. The company could repost the notice, but that can cost up to \$1,000 per notice.

Riverside and Los Angeles counties have recently taken similar measures to stop foreclosure auctions at their courts.

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