



ARE YOU READY FOR MOSQUITO SEASON?
LIFE & ARTS, 1E



A HIGH NOTE
JOJO STARS IN LATE SHOW
LOCAL & STATE, 1B

TANK TYLER PICKED BY CHIEFS
SPORTS, 1C

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9 troops die in clash, blasts

Dozens of Iraqis killed in holy city

By Kim Gamel
The Associated Press

BAGHDAD — A car bomb exploded Saturday in the Shiite holy city of Karbala as the streets were packed with people heading for evening prayers, killing at least 58 and wounding scores near some of the country's most sacred shrines. Separately, the U.S. military announced the deaths of nine American troops, including three killed Saturday in a single road-

INSIDE
■ Iraq money With black smoke clogging the skies above Karbala, angry crowds hurled stones at police and later stormed the provincial governor's house, accusing authorities of failing to protect them from the unrelenting bombings usually blamed on Sunni insurgents. It was the second car bomb to strike the city's central area in two weeks.

Near the blast site, survivors frantically searched for missing relatives. Iraqi television showed one man carrying the charred body of a small girl above his head as he ran down the street while ambulances rushed to retrieve the wounded and firefighters sprayed water at fires in the wreckage, leaving

See **IRAQ**, Page 8A

AN OBSERVER INVESTIGATION

FAMILIES CAUGHT IN MORTGAGE TRAPS



Staff photo by David Smith

Gwen McBryde leaves the home in Lafayette Village that she lost to foreclosure in late January after falling behind on mortgage payments. She moved her family into an apartment. 'I know what I have to do next time,' she said of her first home-buying experience.

Rising defaults bring decline to many neighborhoods

BROKEN HOMES



The price of foreclosures

FIRST IN A FIVE-PART SERIES

By Matt Leclercq
Staff writer

Almost every morning, families lose their homes in swift, unceremonious auctions on the sidewalk of the Cumberland County Courthouse.

A paralegal rattles through the latest list of addresses and defaulted mortgages, even when no one shows up to listen. Investors or gawkers occasionally hover nearby, but usually the dozens of foreclosure auctions each week go unnoticed.

The consequences, though, aren't so invisible. A Fayetteville Observer investigation found that failed mortgages have quietly plagued dozens of middle-class neighborhoods in Cumberland County, eroding property values and suffocating entire blocks. Questionable deals have sunk hundreds of families into financial ruin. And with all the houses sent to the auction block, risky investment schemes have flourished — leading to even more foreclosures.

The number of defaulted mortgages has grown 43 percent across the state since 2001. More recently, the crashing subprime market has fueled fears of even more failed loans. In North Carolina's largest Army community, military families are among the thousands who have lost homes.

See **FORECLOSURE**, Page 4A

BY THE NUMBERS

- 4,979** Homes sold in Cumberland County foreclosure auctions, 2001-05
- \$316.6** Total sales, in millions, of homes sold at auctions
- 36** Neighborhoods where lenders foreclosed on at least 10 percent of houses
- 1 in 3** Portion of foreclosures falling within three years of home purchase or refinance

Based on analysis of Cumberland County real estate and tax records

Glazier trying to close gun loophole

■ Reporting problems let mentally ill people illegally buy weapons.

A staff and wire report

State Rep. Rick Glazier wants to close a loophole that could allow thousands of mentally ill North Carolina residents to buy handguns illegally.



The problem is this: It's illegal under state and federal law for many mentally ill people to buy guns. But it's also illegal under privacy laws for the state government to forward names of the mentally ill to a federal database, which law enforcement

See **GUNS**, Page 7A

THE SERIES

- **TODAY:** Foreclosures on the rise
- **MONDAY:** One neighborhood's nightmare
- **TUESDAY:** "Flip" investments risky
- **WEDNESDAY:** Property values take a hit
- **THURSDAY:** Calls for reform

INSIDE

- Red dots on our map locate foreclosure properties; how many are near you?
- Page 5A

SHARE YOUR STORY



- Join the discussion about the county's high foreclosure rate with staff writer Matt Leclercq in his blog at www.fayobserver.com. Other online features include:
- A breakdown of foreclosure filings in other Cape Fear region counties.
 - An audio slide show with staff photographer David Smith.

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TOMORROW

- **Sports:** A breakdown of where the local players were drafted (if at all) by Sammy Batten.
- **Life:** How fast can you text? 'Supercalifragilisticexpialidocious?'

WEATHER

- Mostly sunny and nice; high of 82, 10B