

Home Mortgage Foreclosures Increase

The rate of foreclosures on home [mortgage loans](#) continued to go up last month. Both home mortgage delinquencies and foreclosures are at the highest points the Mortgage Bankers Association has recorded since they began keeping track in 1972. The number of people who were unemployed went up to over 8 percent last month, as well. Home values continue to decrease in many areas of the country. Buyers in large part seem hesitant to jump into the ailing housing market, in spite of the announcement of a new \$275 billion government stimulus plan. The President vows to lend a hand to responsible homeowners before they are in danger of losing their homes.

Some homeowners who took on a mortgage that was well within their means and have made all their payments on time, are angered that taxpayers have to pick up the tab for irresponsible borrowers who bought more than they could afford. The Obama plan, which designates \$75 billion to help ease mortgage payments for troubled consumers, claims to help all homeowners in the long run. The argument for helping troubled homeowners is that home values will be driven down in neighborhoods that have many foreclosed properties. Communities will deteriorate, as more and more people lose their homes. Every tax dollar is helping all homeowners prevent their communities from falling apart.

Not just anyone will be eligible to modify a home mortgage under the housing stimulus plan. A home owner must own the property and occupy it as a primary residence. The home mortgage must have been established before the beginning of 2009. The home owner must have experienced some event that led to financial loss, such as being laid off or a decrease in pay that will prevent him from making his payments. Lastly, it must be determined that the current home mortgage bills each month are greater than 31 percent of monthly earnings. The housing aid plan does not mean that no homeowner will go into foreclosure. Those who will clearly not be able to make their home mortgage payments, in spite of loan modifications, may have to go into foreclosure. Only time will tell if giving home mortgage modifications to troubled borrowers will be enough to help drastically reduce the rising rate of foreclosures and delinquencies. Those consumers who have been living within their means and have made sound financial decisions will, indeed, be giving tax dollars to help those that did not make such wise decisions. But many experts believe the consequences of not doing so would devastate an already battered staple of the economy. More Reading [Mortgage payment calculator](#) ... [Equity loans](#) ... [Home loan rates](#) ...

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