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New mortgage delinquencies decline

A new report issued by the Mortgage Bankers Association shows a dramatic decline in the amount of borrowers who are falling behind on their mortgage payments. During the fourth quarter only 3.6 percent of homeowners fell behind in their payments by 30 days or more.

“We are likely seeing the beginning of the end of the unprecedented wave of mortgage delinquencies and foreclosures that started with the sub-prime defaults in early 2007,” chief economist Jay Brinkmann said. “It also gives us growing confidence the size of the problem now is about as bad as it will get.”

However, not all the news in the report was good. The MBA also notes that 9.47 percent of all homeowners were delinquent in the fourth quarter while 4.8 percent of homeowners are in some stage of foreclosure. Estimates put the amount of mortgages in distress as 7.9 million mortgages.

The Obama administration continues to push the Making Home Affordable program which is aimed to help struggling homeowners receive mortgage modifications from their lenders. “The bad news is that we still have a big problem,” Brinkmann said. “The good news is it looks like it may not get much bigger.”