

## More Walking Away From Mortgages

More and more people are simply walking away from their homes because they can't keep up with their mortgage payments. But experts say that isn't the only option if you're facing foreclosure.

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Foreclosures are nothing new to Michigan. But the reasons homeowners are finding themselves in the situation have changed.

"Where it started out as a crisis with people with subprime mortgages, that is no longer the case," said Neeta Delaney, director of community foreclosure coalition at Community Action Agency. "Now, it's much broader. It's expanding. It's including people of all walks of life. All education levels. It's involving homes of all values. And neighborhoods of all kinds."

Mortgage foreclosure experts say walking away from a mortgage doesn't have to be the answer. In fact, there's many other options available.

"Probably close to a third of people that are actually in that kind of situation where there actually are at risk of losing their home or walking away from it are people who can afford their mortgage," Delaney said.

Delaney said bankruptcy, deed in lieu; short sales, forbearance and loan modifications are all alternatives to choosing to walk away.

In June, mortgage giant Fannie Mae announced policy changes that it hopes will stem the tide of strategic "walk aways." Experts are finding there is a growing number of homeowners who are employed and who can afford their home, but are choosing to move to perhaps a larger, but cheaper home.

"People are walking away consciously. They are making a choice to do this. So they are putting a 7-year moratorium on anyone that's caught trying to walk away," said Fred Parker, Jr., of the Community Action Agency. "They will not be able to get a Fannie Mae-backed mortgage for seven years."

Experts say Fannie Mae's hope is that the moratorium prevents homeowners from walking away from their home and destabilizing neighborhoods and home values.