

Homeowners Are In Trouble With Their Mortgages

Contributed by Webmaster

By Aydan Corkern

There are a lot of homeowners in many states that have mortgages; they owe the bank a lot more money than their houses are worth. To name off a few like Michigan, Nevada, Arizona, Georgia, Florida, and California are underwater with their mortgages, which can lead to foreclosure and bankruptcy. With the way the economy has gone, people have been laid off and our government has gotten worse, people have been scared with all the problems, no work and they are sinking worse everyday. Even though the house prices have dropped 20 percent since mid-2006 the mortgage percent on them still leaves 40 percent of the homeowners still underwater today.

Because of the meltdown of the global financial market, there has been no forecast as to when the market of the real estate will bottom out. No one knows when this whole crisis will eventually end. To make matters worse they have or are rising the rates on the mortgages, for a 30 year mortgage the rate is 6.04 percent and it is pulling people deeper underwater, which is hurting them more and more everyday. For families that are low income, it is almost impossible for them to get out of it and rise from the water because they can't get it paid off, so some of them may lose what they have worked so hard to keep. For the family that has no problem with money, they may not have a problem but if the stocks keep dropping they will and then they will be in the same position as those who are in that rut.

If people have to go on bankruptcy they will be paying their mortgage longer than 30 years and it will be on their credit for years after they have paid it off. It is unclear whether the government can help us undo the trouble we are having, because they as the government are in so much debt and they can't really get out of it because the damage is too big and it will take years to fix it again. Stocks are dropping, people are losing their jobs because of it, price of gas was going up and now it is going down, which is a good thing, and food has gone up so high that it is hard for people to put food on the table because they don't have enough money to pay it with.

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