More than One Million Mortgages Nationwide are in Forbearance

October 26, 2021 - More than a million home mortgages nationwide are now in forbearance and mortgage delinquencies stand at 3.5%. That's an all time high. At the same time, foreclosures are low because of forbearance programs. But many of those programs are winding down and that means that a lot of homeowners will need to make some hard choices. They need to figure out how to bring in the income they need to keep their homes or they will have to sell them.

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While this isn't good news for affected homeowners, things could be significantly worse. Back in 2008 when the financial crises hit the country, there wasn't a lot of pent-up demand for homes. That's not the case today. There is actually a shortage of real estate listings across the country. If a lot of home suddenly hit the market today, the buyers will likely be there to snap them up.

That's good news for anyone attempting to sell, and good news for those who arenâ€™t, because it significantly reduces the prospect of a market collapse similar to the one, we went through twelve years ago. It would also be good news for frustrated home buyers who currently find themselves getting into bidding wars on most properly priced homes.

Anyone who is in a forbearance program and who already believes that they will need to sell should list there home as soon as they can. As a seller, you want to be in the position of receiving multiple offers and maximizing value. Again, if a lot of property comes on the market, the prospect of having that happen will be reduced significantly. These sellers should also be in communication with their mortgage companies and letting them know what they are planning. Remember, lenders don't want to foreclose on your property. They just want their money back and they are willing to work with most borrowers to achieve that goal.
by Jim Malmberg
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