

# Real estate industry

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Property and mortgage go together, and it's likely that we find property more exciting than mortgage, although mortgage is a necessary evil. Almost everyone relies on mortgage and payment of loans when it comes to buying a house, and this is probably the best payment plan, but it results in foreclosure sometimes. " Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan.

The foreclosure process begins when a borrower/owner defaults on loan payments (usually mortgage payments) and the lender files a public default notice. " (from <http://agentcampus.blogspot.com/search/label/mortgage>). The lender can then foreclose on the property and sell it to the public at a foreclosure auction. Unanticipated situations like loss of a job, medical expenses and other life-altering occurrences can happen to anyone, causing us to fall behind in our loan payments.

If we neglect paying our credit cards, it hurts our credit rating, but if we stop paying our home loan, the situation is even worse; the loss of a home. There is nothing to be embarrassed about when facing foreclosure. There are many ways to overcome it like reinstatement, forbearance, mortgage modification, repairing credit, and repayment plan, or selling the house can work too. With reference to an article, ' Realtors team up to save homeowners from foreclosure', published at [txcn.com](http://txcn.com), it seems as the real estate agents are also willing to facilitate homeowners.

The realtors' team, including couple Stacey and Michael Spickes, is helping homeowners to avoid foreclosure. The team is not only educating people

over this issue, giving guidelines, sharing its professional and personal experiences but also generating opportunities and opening new learning ventures for agents to enter into this business. I believe that this effort can bring a sense of security to homeowners by putting them in a better position to deal with foreclosures. (from <http://agentcampus.blogspot.com/search/label/mortgage>).

Managing mortgages can be hard, especially for the first time-home buyers. Most people lack knowledge about mortgages and home buying, and overlook the financial gains of holding a mortgage. Accredited mortgage broker training also plays an important role. If buyers don't find a competent loan officer, they could end up facing foreclosure, or short sale, as their mortgage plan will not be consistent with their purchase objectives and financial situation. Real estate agents are responsible for guiding their clients to find a proficient loan officer.

Real estate owner/brokers who operate under present disclosure consolidate sales operations through the creation of real estate consulting teams. This allows real estate professionals to expend more of their time, talents, and energies toward helping clients get the right mortgage and proper insurance coverage as opposed to simply tracing each others steps chasing potential clients. Equity plays in asset building for lower income households, and is an important store of wealth for low and moderate income (LMI) households. Home owners have so much at stake in being able to maintain homeownership.

Non-payment on a mortgage and being confronted with the prospects of losing one's home is a potentially distressing situation for any family, despite that family's income or wealth. However, it is likely to be a particularly severe setback for households who have moved into homeownership hoping to build assets to instead lose ground financially due to the damage of their credit records and loss of home equity that comes with mortgage foreclosure. Currently, there is not a national crisis in mortgage performance or in foreclosures.

However, in contrast to this seemingly unexceptional drift in the delinquency trend for the U. S. as a whole, some local areas have seen sharp increases in the share of mortgage loans in default in the past few years. Garcia (2003) found that the city of Buffalo experienced an increase in mortgage foreclosures of nearly 400% between 1990 and 2000; somewhat amazingly, the foreclosures were twice as likely to occur in the suburbs of the Buffalo-Niagara metro area. In like manner, Rose (2006) discovered that the Chicago metro area went through an increase in foreclosures of 54% between 1993 and 2005.

Employing a more graphic and methodical approach, Apgar and Duda (2004) established that 14, 415 homeowners or nearly 1. 4% of homeowners with a mortgage that live within the city or county of Los Angeles lost their house to foreclosure between 2003 and 2006. Delinquency and foreclosure rates increased during the 2000 to 2002 period, most probably as a result of the 2001 recession. Over the past several years this broad overall measure has come down a bit as the share of loans 60 or more days delinquent has

remained relatively steady, nonetheless, the foreclosure rate has declined a little.

Although sub-prime delinquencies and foreclosures (the top line) have gone down since 2003, they have gone up a few percentage points in the last several quarters. As in the prime market, the measure of foreclosures went lower after 2003, while delinquencies are relatively flat, on net, over the period. As of 2006: Q2, the share of sub-prime loans that were 60 or more days past due stood at 6.25% and the share in foreclosure at around 2.75%.