

## Foreclosure option: Sure, why not?

by UPI

WASHINGTON - Not every homeowner is crushed by the prospect that a bank might foreclose on their home, a report issued Friday said. In better times, when loans were less restricted, many homeowners jumped into mortgages with little or no down payments, The New York Times reported. In 1989, the National Association of Realtors said, the median mortgage down payment was 20 percent. In 2007, the figure had dropped to 9 percent. Almost a third -- 29 percent -- of home buyers put no money down, the report said. For many that meant home ownership was not much different than a rental agreement. With adjustable rates -- 39 percent of the mortgages written in 2006 -- a raised rate was equal to a landlord raising the rent. With the value of homes declining, some prefer to drop a mortgage quickly rather than struggle and end up with a bad credit history. If the value of homes falls 10 percent more, one analyst said 20 million home owners will owe more than their house is worth. "Will everyone walk out? No," said Christian Menegatti, of RGE Monitor. But, "I wouldn't be surprised to see 5 or 6 million homeowners walk away."

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