

Another Rash of Foreclosures Coming Soon

Some economic observers are predicting another wave of foreclosures later this summer or in the fall. That's because lenders that have held off on foreclosures as part of President Obama's plan will now move forward aggressively to clear the backlog of troubled mortgages.

Rising foreclosures will further depress home values, says Mark Zandi of Moody's Economy.com, who calculates that 15.4 million home owners—one in five of those with first mortgages—will be underwater.

Seth Wheeler, a senior adviser to Treasury Secretary Timothy Geithner, says the government is "unlikely to implement another moratorium."

But Wheeler says the government plans to put in place some programs that encourage lenders to try some alternatives to foreclosure.

Source: Chicago Tribune, Don Lee (07/06/2009)