

Economic Distress and the Mortgage Companies Forcing Illegal Foreclosure

Lately, there has been a notable rise in economic crisis. Due to these the arising shortfall to meet basic needs surmounts to economic stress. The escalating costs of essential goods due to inadequate financial stability aggravate the crisis. Thus in regards to these, there has been a rise in mortgage companies' foreclosure of individuals' property to redeem their funds. The reduced income rate at household level has denied many individuals accessibility to the right mortgage companies. Consequently, these research paper aims to explore increased illegal mortgage closure in line with recent economic crisis.

Several cases have been filed in courts over repossession of personal premises following closure measures by fraudulent mortgage companies. Due to the legal obligation one commit to service a mortgage within the specified time the borrower has no illegal defense over property repossession by the bank. Most cases that have been brought to public involves the mortgage company's inefficiency.

From http://www.interest.com/mortgage/mortgage_rates_fail_to_motivate_0929.html it can be noted that, some borrowers who have diligently serviced their loans, have fallen victims either due to the bank picking on a wrong house hold, the banks greed for money or foreclosure after a sale to another owner. Following the public cry by homeowners over the mistreatment they face from the mortgage firms several organizations have taken the initiative to curb the illegal and wrongful seizures and foreclosure of property. This is due to the need to establish the credibility of loaners in order to infringe fraudulent activities by imposters. In Washington, it is reported that money lenders gain more profit through foreclosure practices. Thus, the government haste to disband these practices has resulted into massive mortgage foreclosure. Studies on these issue, shows that the widening of the crisis is a result of the disrespect portrayed by the greedy buyers and disregarding of the state and federal regulations (Barlas, S. (2010). Obama Administration Establishes Corporate Fraud Task Force. Strategic). From the article USA; it is worth noting that home owners have devised modest way to alleviate the mortgage position. It has been observed that by refinancing subsequently to the principle, some individuals reduced their monthly rates. A representative is of one George a special education teacher who, by repaying twice per since 2006 reduced his 30-year mortgage to a 15-year which in the end thus anticipating to save \$95,000 in the end of the mortgage period.

In regards to the increasing malicious lending practices which have skyrocketed massive foreclosure turnout, these research paper aims to unravel major causes and propose possible remedies. This is justified by the fact that several of the mortgage company recognition of the need to effect corrective measures and changes on signing and evaluation of foreclosure documents.

The research will be conducted by administering questionnaire as a survey instrument. The question will include both open ended and closed ones. For closed ended question the responded will be required to make an option from the provided choices while the open ended the respondent will have to provide a answer in his or her own way by writing. The questionnaires are intended to capture demographic information. This will include the gender, the respondent's timeframe in the mortgage industry, whether they are first time or second time owners of the house in question following the foreclosure. Moreover, the questionnaire will be aimed at evaluating the causes of the increased mortgage foreclosure based on the recent economic crisis. It will assess the respondent's

perception to rationalize the degree to which the borrower's greed to own more they can financially afford, the prevalent economic crisis, the market foreclosure and the lack of proper governing rules have escalated mortgage foreclosure. In addition, offer a free response question to ascertain the respondent's evaluation of the mortgage industry and their probable contribution towards mortgage foreclosure. Finally, the population under study will be expected to either first time or second time home buyers through the mortgage system. They should be aged -25 years and above facing a mortgage foreclosure or are in the process of modification proceedings. The obtained will be compiled and a final research report presented.

References

Barlas, S. (2010). Obama Administration Establishes Corporate Fraud Task Force. *Strategic Finance*, 91 (7), 25. Retrieved noember 21, 2010, from ABI/INFORM Global.