

## **What's In Store For The Housing Market - Housing Market Update**

Euphoric media reports about the housing market are starting to come into question, as the fragility of the housing market is gradually being exposed. The FHFA House Price Index revealed that housing prices nationwide rose a paltry 5.4% in the past year, with some regions seeing much slower growth.

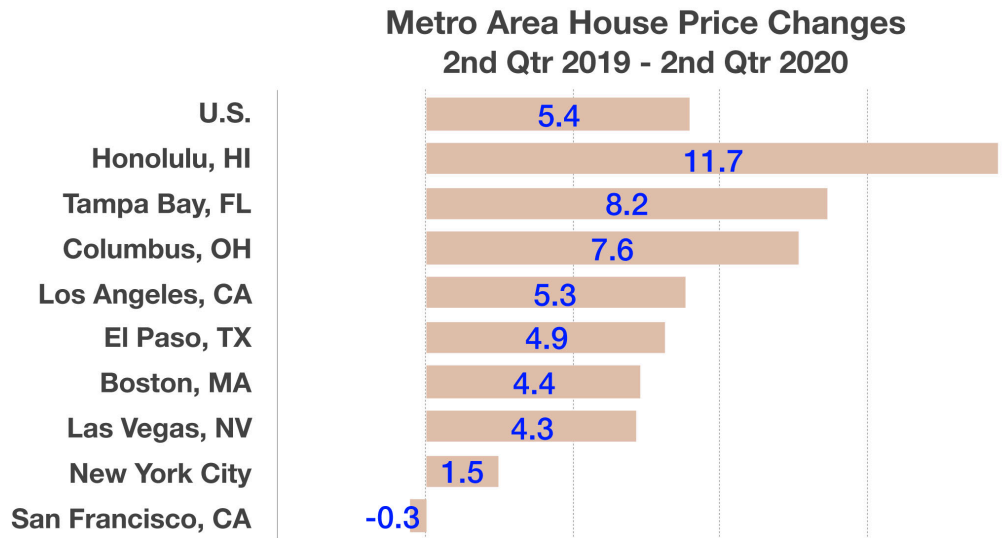
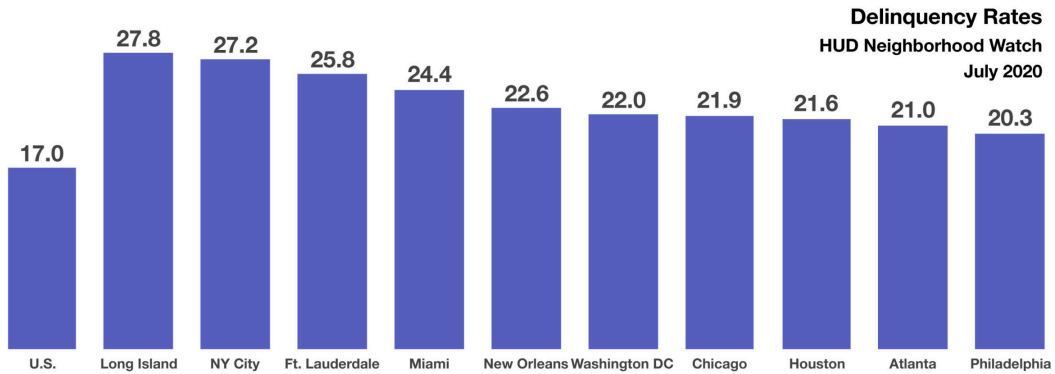
The onset of the pandemic in March brought about a flurry of stimulus efforts meant to ease the financial burden for millions of Americans. Housing was a primary concern as the unemployment rate spiked and paychecks dwindled. In response, the Federal Housing Finance Administration (FHFA) announced a moratorium for both evictions and foreclosures through August 31, 2020. That moratorium has since been extended to the end of the year to allow homeowners additional time to sort out and catch up on their rent and mortgage payments.

Any federally backed loans, such as FHA-insured loans, have allowed homeowners to skip their mortgage payments by means of forbearance. According to the Mortgage Bankers Association, roughly 3.5 million home loans were in forbearance as of September 6th, representing 7.01% of all FHA-insured loans. In addition to homeowners in forbearance, there are those homeowners that are delinquent on the loans. It is expected that millions of homeowners on forbearance will become delinquent on those loans by the end of 2020, including many who have not made a payment since March of this year. Another government housing entity, the U.S. Department of Housing and Urban Development (HUD) tracks loans in delinquency via its Neighborhood Watch list. The data reported that 17% of all FHA-insured loans were delinquent in July of this year. The figure includes mortgages in forbearance as well as those not in forbearance.

Sources: Federal Housing Finance Administration, Mortgage Bankers Association, U.S. Department of Housing and Urban Development

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