

Is It Becoming Acceptable to Walk Away From Your Home Loan?

Local News

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KIRKLAND, Wash. - At least one in five homeowners owes more on their mortgage than their home is worth, and an i
Pew Research Center
survey found that about two-thirds of respondents still believe it's unacceptable to stop making house payments, but

Liz Quick is a Kirkland attorney who specializes in consumer, bankruptcy and personal injury law. She counsels people

"You might end up having issues related to your loan, perhaps predatory lending - or perhaps just a contract that you

Quick thinks "walking away" isn't an especially accurate term - that most people try to hang on and keep paying as long as they can, even when bankruptcy or negotiating with creditors would be better options. In the *Pew* survey, the less secure people felt about their finances and the more their homes had dropped in value, the more likely they were to say it's okay to default on a mortgage.

In Quick's experience, most people don't intend to default on their obligations. Instead, she says, they run through their savings to stay current and often wait too long to seek help.

"You know, educating yourself and getting as much information as you can, as early as you can, is always the best advice. There's a lot going on now on that's there to find, but you do have to put out the effort and go after it."

She has found, in some cases, that a bank suggests people stop making house payments and then drags its feet on making modification arrangements, causing the homeowners to fall farther behind.

"Many of the banks that were purportedly considering modifications would actually require folks to be at least two months delinquent on their mortgage in order to even be eligible to apply for a modification."

Quick says the federal mortgage modification programs got off to rocky starts, but in her view they seem to be more responsive now.

The full survey, "Walking Away," is available at www.pewsocialtrends.org.