

Bankers: The End of Foreclosure Crisis Is Near

The Mortgage Bankers Association is seeing signs that the foreclosure crisis is ending.

“The continued and sizable drop in the 30-day delinquency rate is a concrete sign that the end may be in sight,” says Jay Brinkmann, MBA’s chief economist, in a published statement.

Brinkmann said that normally there is a large spike in short-term mortgage delinquencies at the end of the year because of high heating bills and holiday expenditures. This year, there was not only no spike, but the 30-day delinquency rate actually fell from 3.79 percent to 3.63 percent.

Thirty-day delinquencies have historically been a leading indicator of serious delinquencies and foreclosures, Brinkmann said.

“[This] gives us growing confidence that the size of the problem now is about as bad as it will get,” he said.

Source: Mortgage Bankers Association (02/19/2010)