

## **2nd Bailout Plan of \$40 Billion Plan To Help You Refinance**

*By RateTake.com*

*Dated: Oct 23, 2008*

*The Federal Government is working on \$40 billion plan to help homeowners refinance their mortgage and avoid foreclosure.*

The Federal Government is working on \$40 billion plan to help homeowners refinance their mortgage and avoid foreclosure.

Sheila Bair, chairman of the Federal Deposit Insurance Corp., told the Senate Banking Committee that the government can do more to help homeowners to avoid foreclosure, prepared by <http://www.RateTake.com>

"Specifically, the government could establish standards for loan modifications and provide guarantees for loans meeting those standards," Bair said. The FDIC is working "closely and creatively" with the Treasury Department on such a plan, she said.

First bailout package of \$250 billion allows government buy preferred shares directly from banks in return for injected capital. Nine of the largest U.S banks were signed into \$125 billion capital infusion.

For more financial news visit <http://www.RateTake.com>

Monthly report by Realty Track suggests that foreclosures are up by 21 percent from a year earlier. Foreclosure filings, default notices, auction sale notices and bank repossessions—fell by 12 percent from August to 265,968 in September.

Many state laws have changed which helped slow down foreclosure filings. California requires lenders to contact a borrower 30 days prior of filling a Notice of Default (NOD). However, California accounted for more than 27 percent of the nation's foreclosure activity, with 210,845 properties receiving a foreclosure filing during the quarter.

Massachusetts law requires homeowners to give 90 days to become current before filling for foreclosure.

Arizona, Georgia, Michigan, Ohio, New Jersey, Indiana and Colorado were among the top ten states with the highest foreclosure rate in September.

With increased foreclosures U.S home prices fell 0.6 percent in August versus July as huge supply of unsold homes, foreclosures and tighter lending standards have pushed down home prices.

For the 12 months ending in August, U.S. home prices fell 5.9 percent, and the cumulative decline since the April 2007 peak is 6.5 percent, according to the Federal Housing Finance Agency's House Price Index...

On a Capitol Hill Former Federal Reserve Chairman Alan Greenspan told Congress on Thursday he is "shocked" at the breakdown in U.S. credit markets.

While Greenspan has been known as one of the most accomplished central bankers in U.S history, the low interest rates during his last years as Fed. Chairman have been blamed for fueling the housing bubble and eventually led to financial crises.

“At the heart of the breakdown of credit markets was the securitization system that stimulated appetite for

loans made to borrowers with spotty credit histories”, Greenspan said.

Former Treasury Secretary John Snow added that risks in mortgage markets were added by accounting irregularities at Fannie Mae and Freddie Mac.

Greenspan called the \$700 billion rescue package passed by Congress on Oct. 10 "adequate to serve the need" and said that its impact was already being felt in markets.

RateTake.com an Internet consumer banking marketplace is a destination site of personal finance, investing, taxes and mortgage rates. RateTake.com provides mortgage guides and financial rates and information. RateTake.com also operates

<http://www.1HomeImprovementServices.com>

<http://www.1DebtMoney.com>

<http://www.1AmericanMortgage.com>

<http://www.lendingsandiego.com>

<http://www.1HomeGym.com>

<http://www.1BusinessWebHost.com>

<http://www.1AmericanInsurance.com>

Category	Banking, Business, Finance
Tags	bailout, credit crises, wall street, stocks, refinance, house, Mortgage
Email	<a href="#">Click to email author</a>
Country	United States