

Acclaimed Attorney, Timothy McFarlin, Examines the Spike in Mortgage Delinquencies as an Ominous Sign for Housing Prices

By Timothy McFarlin

LOS ANGELES, CA, UNITED STATES,
September 21, 2020 /

EINPresswire.com/ -- The shockingly high delinquency rates for mortgage loans (1-4 units) has been out for about a month now, and no one seems to care. It seems this "leading indicator" is being shrugged off by the housing market as prices have not moved at all. This is a dangerous statistic to ignore!

In April 2020 6.1% of mortgages were delinquent by at least 30 days (according to Core Logic), this is the highest delinquency rate in 21 years. Prior to April, the delinquency rates had declined for 27 consecutive months and foreclosures were at record lows. As forbearance periods come to a close and the economy remains at a standstill, it is very likely these delinquencies become foreclosures, especially as unemployment reached its highest level in 80 years.

The adverse effect of this on the overall housing market can not be overstated. As homes begin to go to foreclosure, or get liquidated by the homeowner to at least recover some equity, prices decline quickly as we saw in 2007-2009. Just a few foreclosures in a neighborhood can destroy



Timothy McFarlin



the comps (comparable sales), giving appraisers no choice but to value the home lower and hindering the ability for a buyer to even get a loan on a declining asset, no matter how low the rate may be.

To put this delinquency rate in perspective, during the peak of the previous housing downturn in November 2008, delinquencies were only at 2%. Further, the Core Logic data suggests the areas hit hardest with delinquencies are also those hit hardest with COVID such as Miami and New York City.

As delinquencies continue to increase, the housing market suffers downward price pressure. Although a recovery is always possible, it seems we are on the verge of another home value correction which may catch many by surprise.

If you feel you may be at risk of losing your home or would like to discuss foreclosure issues, [McFarlin LLP](#) is here to help. There are some government programs on the horizon which may stem the tide of foreclosures, but we must stay ahead of the problem.

Timothy G. McFarlin | McFarlin LLP
Founding Attorney, Partner

<https://www.mcfarlinlaw.com/attorneys/timothy-g-mcfarlin/>
Call 949-570-5025

Timothy G. McFarlin is an attorney at McFarlin LLP who practices many areas of law, including real estate law, debt reorganization, bankruptcy, business litigation, consumer law, and mortgage litigation. Clients range from individual consumers to large national corporations.

Mr. McFarlin has previously worked for the Honorable Christopher M. Klein, Chief US Bankruptcy Court Judge, Eastern District of California as a judicial extern. Additionally, Mr. McFarlin also worked for Charles W. Daff, Chapter 7 Bankruptcy Trustee in the Central District of California, in areas of law related to Business Law, Consumer Bankruptcy, Commercial Bankruptcy, and Foreclosures. Mr. McFarlin maintains a strong working relationship with Chapter 7 Trustees as well as the US Trustee.

Mr. McFarlin is admitted to practice law before all Superior and Federal Courts in the State of California, including the Southern District of California, Central District of California, Northern District of California, and Eastern District of California. Mr. McFarlin has filed cases in, and practiced before, all Federal Courts in California.

Mr. McFarlin is a member of the Orange County Bar Association and has been a speaker at Orange County Bar Association Events, Real Estate Division on matters related to foreclosures,

mortgage litigation and short sales. McFarlin has previously been a member of National Association of Bankruptcy Attorneys and has also been cited and quoted by National Publications (including USA Today), as well as a variety of local publications such as the Orange County Register on topics related to bankruptcy and foreclosure.

Mr. McFarlin graduated from the University of California at Los Angeles (UCLA) with a B.A. degree in Economics, and an emphasis in Accounting. Mr. McFarlin received his J.D. from the University of California at Davis (King Hall). Mr. McFarlin focused specifically on reorganization and bankruptcy, litigation, and business law.

Aurora DeRose
Boundless Media Inc.
+1 951-870-0099
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/526724602>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2020 IPD Group, Inc. All Right Reserved.