



Mortgage Takeover

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The federal government takes over Fannie Mae and Freddie Mac in a move aimed at putting the market on the road to recovery...But not without some pain in your pocketbook.

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"It doesn't matter where you are in the country," Economist Ilhan Geckil explains. "If you're a taxpayer, you're going to pay some portion of the bill."

Is it worth the estimated \$100 million price tag? Geckil thinks so.

"Basically, this will help high-credit, high-risk people get credit from mortgage institutions," he says. "

But MSU Law Professor Elliot Spoon says it won't fix everything in Mid-Michigan.

"The availability of mortgage money to buyers is only one element of getting the buyers into the market," explains Spoon.

Experts predict the takeover will lead to lower interest rates. That's good news if you're looking to buy a home or hoping to refinance your mortgage.

Bringing more buyers into the market is key to turning it around. Industry experts say falling mortgage rates will attract more buyers, which would increase home prices. But that doesn't come with a timetable.

"Ultimately, it depends on people who are saying, okay, i'm ready to buy," Spoon says.

General consensus is the bailout is a step in the right direction.

"It's a pretty solid plan," Geckil says. "But it's only a short term solution."

Spoon asks, "What will our system look like in the next 3-5 years?"

Short term, the bailout looks good. Long term, it's uncertain.

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