

[To Avoid Possible Foreclosure, Use the FHA Secure Loan](#)

The recent rise in both mortgage rates and the price of gas has affected all areas of the economy and as a result many people have discovered that they are in financial trouble. In fact, more and more people are finding themselves on the fast track to foreclosure on their home. Those with adjustable-rate mortgages are struggling when it comes to making regular mortgage payments, but even in these difficult times, there are new choices at hand to help those trying to avoid foreclosure, and one of these is the FHA Secure Loan.

At the end of October 2007, President Bush was the one to announce that a new FHA Secure Refinance Loan would be launched. It was designed to help homeowners avoid delinquent payments and even foreclosure. When it comes to the new FHASecure product that is now available, basically it is a refinancing product designed to help people who are suffering from higher mortgage payments. This new product requires escrow for both insurance and taxes and will offer excellent assistance for people trying to avoid foreclosure.

FHA Secure Loan - The Benefits

FHASecure offers a variety of benefits, including:

Benefit #1 - Prevention of Foreclosure - This is perhaps the main benefit homeowners can expect with the FHA Secure Loan. Instead of facing foreclosure because of current economic events beyond your control, if you have a good payment history in the past, FHASecure can help you keep your home.

Benefit #2 - There are No Prepayment Penalties - Another great benefit for homeowners is that the FHA Secure Loan, unlike other loans, is available without any prepayment penalties if you pay off the loan early. The FHA is fully aware that the last thing people can cope with is having more financial problems to face at an already difficult time.

Benefit #3 - Keep Your Good Credit - Of course, if you have to foreclose on your home, it can mean major damage to an otherwise good credit report. It can also create problems that you will carry with you into the future. You might have difficulty purchasing another home, getting a credit card, or even renting an apartment. However, the FHA Secure Refinance Loan helps you avoid just this type of situation by letting you sidestep foreclosure and keep your good credit.

Criteria for Getting a FHA Secure Loan

The FHA Secure Loan is not suitable for everyone and it is important to note that certain criteria will have to be met in order to qualify for the loan. Here are a few of the requirements needed to secure the loan.

1. The first point of criteria that you must meet is a good history of paying your mortgage payments on time in the past; however, the past refers to the time before the previous rates expired and the whole loan was reset.
2. A history of sustained employment showing you can meet the requirements to pay off the new loan is necessary.
3. You must also be able to prove not only that you are in employment but that you actually earn enough money each month to meet the new loan payments.
4. You must have at least 3% of the cash needed or the equity in the home in order to qualify for the FHA Secure loan.
5. Finally, you must be able to prove that your interest rates were reset after June 2005 or that they will be reset before June 2009, if you wish to qualify.

The FHA Secure Loan aims to provide a much needed break for borrowers who have been good business for lenders in the past, but due to rates changing, are having problems repaying their mortgage at the present time. The new FHA Secure Loan will inject liquidity into a mortgage market which has been struggling over the past twelve months and similar products insured by the FHA from other lenders are likely to appear on the market in the near future. So, for those finding themselves on the verge of foreclosure, the FHA Secure Loan is the lifeline they have been desperately looking for to save the day, as well as saving their home.

About the Author

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