



# Forbearance Won't Destroy Housing Market

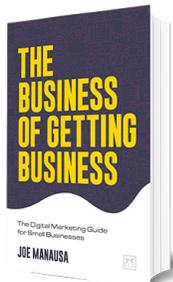


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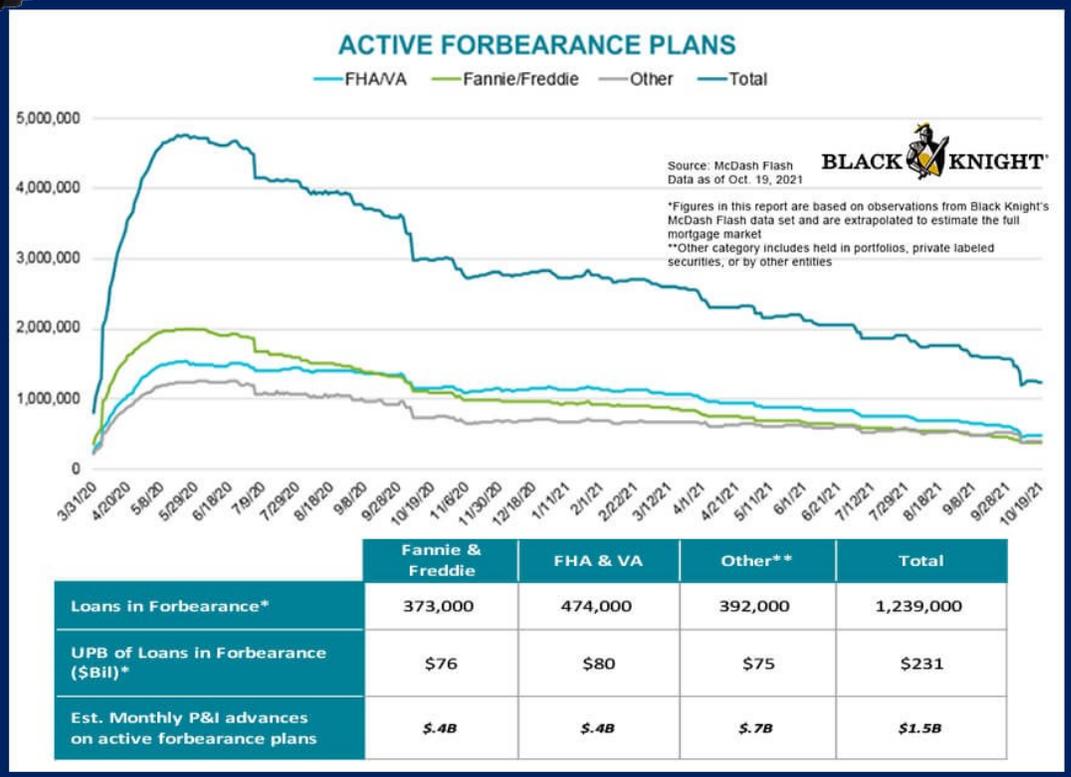


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According to mortgage industry tracking leader Black Knight Inc., the number of homeowners on active forbearance plans is on a rapid decline.

As a reminder, forbearance is when your mortgage servicer or lender allows you to temporarily pay your mortgage at a lower payment or pause paying your mortgage. You agree to pay the payment reduction or the paused payments back later.

During COVID, approximately 15% of all mortgages were put on a forbearance plan at some point over the past 18 months. This caused a panic among many self-appointed real estate experts who immediately mapped out the timeframes for a housing market collapse of epic proportions. Most showed that it would happen in the

second half of 2021, while a scattered few identified 2022 as the year of the reckoning. I think they'll be trying to delete their articles and videos now.

At this point, 84% of those participating in forbearance have exited their plans, with 51% of those having paid off their mortgages and 23% having refinanced their homes. Currently, there are roughly 505K borrowers in post-forbearance loss mitigation and Black Knight said that it appears that servicers remain reluctant to start foreclosure proceedings as the continue to pursue available workout options.

The end of the world will come one day, but it won't be due to the millions of people who chose to participate in forbearance programs during the early uncertainty of COVID 19.

