



Subprime Mortgage Woes and Federal Bailout Not Needed

No matter where you turn today, if the news is about housing or mortgages, it seems as though everyone is in a complete panic and all they can talk about is the huge "subprime mess." For years LowVARates.com and LowFHALoanRates.com have been educating clients on why using federally guaranteed or insured loans is the absolute safest and most secure route to home ownership in the great Nation that we live.

Salt Lake City, UT, September 08, 2007 --(PR.com)-- Our Nation's mortgage markets are in the midst of major turmoil and trouble. If you have been following the news lately then you have most likely heard all sorts of mortgage horror stories of people who have ARM loans or adjustable rate loans that are sky rocketing and the families are being forced to walk away from their homes and get foreclosed on. Perhaps you have heard stories of others who were sitting at the title company all ready to close on their dream home only to get a call from the bank or loan officer, regrettably telling them that the loan they were approved for is no longer available and they cannot buy the home. These are all true stories, however if you are a holder of a [VA](#) or [FHA](#) loan or are trying to secure VA or FHA financing, then you have no need to worry.

It is true that the mortgage market has seen over 150 Lenders to date go out of business or declared Bankruptcy due to the pressures in the industry. However, not one of the lenders associated with [LowVARates](#) and [LowFHALoanRates](#) has had to cease operations. As a matter of fact, the recent turmoil facing the mortgage industry has made Big Banks and Lenders nationwide look more closely at the benefits of VA and FHA loans.

In a nutshell it is the loans that required no income documentation, or no employment verification and even did not require any asset verification that has caused this mortgage disaster. Banks were allowing people to buy homes even though the applicants in no way could afford them. Basically people were "lying their way" into the home and the underwriters of such mortgages allowed this.

VA and FHA loans are full documentation loans. This means you will have to verify your employment, income and even money in the bank. This is exactly why both VA and HUD/FHA guarantee or insure these types of loans to the lenders. There is much less risk attached to a loan that has been fully documented and has been guaranteed by the federal government.

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