

## **Fed Chief Favors Turning Foreclosures Into Rentals**

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At a Federal Reserve conference in Washington, D.C., Federal Reserve Governor Elizabeth Duke said that she is in favor of financial institutions promoting the rental of homes undergoing foreclosure to help stabilize communities hit hard by the housing crisis.

According to a [Bloomberg report](#), Duke said that “It is not sufficient to do things the way we have always done them” given current economic conditions, and that a rental option makes sense, particularly at a time of high unemployment.

Duke said that the redevelopment strategies for high foreclosure rate neighborhoods should include lease-purchase as well as converting owners to renters in order to avoid vacancies. She noted that while the housing crisis was rooted in bad loans, a slow economic recovery and high unemployment is hindering a housing recovery and lenders must pursue opportunities to keep homes occupied until the housing market starts to recover.

Last month, the Mortgage Bankers Association reported that early mortgage loan delinquencies rose in the second quarter for the first time in almost a year, even though the inventory of homes in foreclosure and seriously delinquent mortgages declined slightly.

If you are a Florida homeowner and need more information on how to [avoid foreclosure](#), contact our [Jacksonville foreclosure defense law firm](#).