

Nevada leads country in number of houses underwater

By Bob Brundage, Reno Gazette-Journal

One of the many real estate issues homeowners in the United States face is negative equity, which occurs when homeowners owe more on their homes than they are worth.

It's a more significant problem here in Nevada than it is in any other state.

According to a recent report from CoreLogic, 55.6 percent of all homeowners with a mortgage in Reno-Sparks owed more than their homes were worth at the end of 2010.

An additional 4.4 percent were in the near-negative equity category or at less than 5 percent equity.

The data showed Nevada as the runaway leader in the nation, with 65 percent of all mortgaged properties underwater. Arizona is second at 51 percent followed by Florida (47 percent), Michigan (36 percent) and California (32 percent).

In Las Vegas, 69 percent of all residential properties with a mortgage were in negative equity at the end of 2010, according to CoreLogic.

"From a lender's perspective, there are a lot of people we can't help refinance," said Pam Robinson, a sales manager/loan officer for Eagle Home Mortgage in Reno. "Also, long-term, property values could decline more – I hope they don't. Because there would be more people underwater, there could be more foreclosures."

For homeowners in near-negative or negative equity, there are some refinancing options available.

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