

Falling Credit Scores And A Squatting Epidemic

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For the first time in years US credit scores are falling. Along with that there appears to be a tsunami of new squatting incidents across the country. Both are situations where real estate wholesalers can offer valuable help, and find more deals.

Declining Credit Scores

FICO's latest report shows American credit scores have begun declining for the first time in a decade. Since right before the last financial crisis.

Consumers have tapped out savings, and have increasingly tapped out credit cards, which they've now been defaulting on at record dollar amounts. Along with auto loans. We are also seeing foreclosures surge as a result according to ATTOM Data.

When consumers max out their credit balances, their credit lines get cut, and their costs go up, like car insurance and interest rates on other debt. That's an expensive snowball that just takes

them down, and just keeps fueling their financial distress.

Squatting On The Rise

Every day it seems the news headlines feature a new squatting incident. Again, another issue that doesn't appear to have been this wide spread for a decade.

Squatters are getting smarter, and they can be expensive to get out. It can take months. One homeowner even just went to jail for protesting in front of his own home that a squatter took over.

This is only likely to escalate as credit scores fall and foreclosures rise. More people will be left with no choice but to try and squat somewhere. Especially as homelessness is increasingly being criminalized across the US. As more homes go vacant through foreclosures and are abandoned, there will be more places for squatters to pick from.

Creating Solutions

Real estate wholesalers can help both homeowners and rental property owners as their credit begins to slide. Find signals of these credit and cash crunch issues, and make offers early in the default process, when there is more equity.

If they have squatters, you can hire a great lawyer, or find other creative and legal ways to convince them to leave. In the process you can create a lot of value between the time you go to contract to purchase, and then wholesale the property to another buyer. Those who begin specializing in buying squatter properties may find they strike gold in a growing niche.

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