

BD Nationwide Mortgage Introduces a Second Mortgage and Home Equity Loan Compatible with the Controversial "Pick a Payment Loan" Featuring a Negative Amortization Option

BD Nationwide Mortgage introduces a second mortgage loan that can subordinate to 100% behind a negative amortization first mortgage. This new home equity feature opens the doors for many homeowners who have found it very difficult to get a second mortgage or home equity loan that is compatible with a first mortgage that has a negative amortization.

(PRWEB) September 24, 2006 -- BD Nationwide Mortgage introduces a break-through second mortgage loan that is compatible with payment option first mortgages featuring options for fixed rate, interest only, and the controversial negative amortization. BD Nationwide is excited to release the "Neg-Am Compatible Second Mortgage Loan." This unique home equity loan product allows homeowners to qualify for a cash-out second mortgage while keeping their existing payment option loan. This revolutionary equity loan can be subordinated to 100% combined loan to value behind a negative amortization existing first mortgage. This new home equity feature opens the doors for many homeowners who have found it very difficult to get a [second mortgage or home equity loan](#) behind any mortgage that has a negative amortization.

Payment option loans have been controversial in the mortgage industry because they are attached to volatile indexes in which the interest rates can adjust rapidly and the borrowers can find their mortgage payment increasing 100% to 200%. Mortgage product analyzers point out that default ratios may increase significantly with these risky loans that allow borrowers to choose their payment each month. Most traditional home equity lenders are weary of offering second mortgages behind this type of loan, because with negative amortization, the interest is deferred and added to the balance of the consumers principal balance at the end of the year. This concerns most mortgage lenders and banks because these consumers have rising mortgage balances rather than the decreasing mortgage balances that traditional principal and interest home mortgages have.

Unfortunately there are too many loan officers that are not properly placing the payment options loans with the right borrowers. Too often the option ARM is offered to borrowers who are trying to increase their home purchase power because initially these loans offer interest rates as low as 1.25 percent and the borrower qualify for a home that would normally be out of their price range. Unfortunately we find that these same homeowners do not have a plan for paying their mortgage when the rate adjusts back to a fully indexed payment. BD Nationwide Mortgage found that borrowers were rarely informed when they financed their home about the potential difficulties for qualifying for a second mortgage behind a negative amortization 1st mortgage.

According to IHE executive, Sandy Sarconi, "Adding a home equity loan to a negative amortized 1st mortgages increases the risk factor and most lenders will not allow subordinate financing with payment option mortgages." BD Nationwide Mortgage is one of the few lending brokers to offer second mortgages behind neg-am loans and payment option 1st mortgages. Even if a borrower is deferring the interest on their first mortgage now, BD Nationwide can help you find a great second mortgage. The mortgage broker offers 2nd mortgages for people with good and bad credit scores ranging from 500-800. BD Nationwide also provides prime rate home equity loans, as well as non-prime second mortgages for people with past late payments, collections or bankruptcies.

Brendon Daly, a Mortgage Consultant at BD Nationwide, said, "This [second mortgage](#) enables my clients to get additional cash out of their home without refinancing their current mortgage." According to Daly, "The

payment option loans were designed for the self-employed borrower with cash flow obstacles as well as savvy investors who are freeing up funds to buy more properties." Daly continued, "These types of borrowers are more likely to use their home equity and take out a second mortgage to raise cash. Being able to offer this 2nd mortgage product to my borrowers may create new opportunities because their are less lending restrictions."

BD Nationwide Mortgage suggests going online and getting additional advice from experienced mortgage brokers. Start with reading the relevant loan articles. The company also recommends to research loan program parameters and credit qualifications for [sub-prime credit second mortgages](#). Consumers searching for current interest rates, should visit: [Home Equity Loan Rates](#).

About [BD Nationwide Mortgage Company](#)

BD Nationwide Mortgage is a second mortgage broker from Southern California who specializes in home equity loans and debt consolidation. They offer cutting edge loan products for refinance, second mortgages, home credit lines, and jumbo purchase loans. The company continues to promote second mortgage loans with more options for people with all ranges of credit. Always striving to offer "out of the box" loans, BD Nationwide Mortgage is determined to help expand home financing solutions so more Americans can maximize the financial rewards of being a homeowner.

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