

**Title:**

Is It Risky Taking Out A Home Equity Loan In 2006?

**Word Count:**

317

**Summary:**

Is the party over for people looking for home equity loans? It may be, by the looks of the financial reports coming in from 2005. It seems that there was a slowing down in the housing market at the end of last year. House prices have started to slowly fall although they are still higher than they were last year and the number of people looking to take out new mortgages has started to decrease.

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**Keywords:****Article Body:**

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Many home owners have had a bonanza this past couple of years by freeing up the increasing equity in their home to purchase big ticket items like cars, home improvements and using their home as a virtual ATM machine to make up the difference that maybe lacking in their take home income. But as easy as it maybe have been to get the new home equity loan it all has to be paid off, with interest, added to the fact of declining house prices and a few home owners could be putting themselves to added risk.

Last week the federal regulators to gain some control have advised banks and lending agencies from offering interest only loans they have people needed to purchase homes at today's prices. Interest rates have risen by more than three percentage points since mid 2004 which have had the effect of slowing up consumer spending and slowing up the housing market. Although this has worked

well up this point in time the housing market has now become nearly half of last years growth rate and has been estimated to have given one million extra jobs to the economy. To avoid putting this in jeopardy it's thought interest rates may be cut back to protect this. So what about 2006, it looks like the property market will still remain strong this year but take you time and shop around for the best deals before taking out a home equity loan.