

# The Refi Delusion

Providing fresh evidence that it is intellectually exhausted, the Obama administration is flirting with revisiting the mortgage-refinancing market. And like the semi-criminal scam that was the Home Affordable Mortgage Program, this new push is not really about helping out innocent bystanders crushed by the housing crash, but about the hundreds of thousands of market-massacring new foreclosures that are coming down the pipe – foreclosures that may be delayed, even if they are not prevented. The Committee to Reinflate the Bubble is in session.

Banks are reasonably eager to refinance certain kinds of mortgages – what they lose in interest, they make up in fees and other compensation. But the banks are not keen on refinancing a lot of the mortgages that the government would like to see refinanced: those for “underwater” borrowers, who owe more on their houses than their houses are worth.

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