Emerging public health crisis linked to mortgage default and foreclosure

October 20 2011

Researchers warn of a looming health crisis in the wake of rising mortgage delinquencies and home foreclosures. The study, released today in the *American Journal of Public Health,* is the first long-term survey of the impact the current housing crisis is having on older Americans. The study focused on adults over 50 and found high rates of depression among those behind in their mortgage payments and a higher likelihood of making unhealthy financial tradeoffs regarding food and needed prescription medications.

"More than a quarter of people in mortgage default or foreclosure are over 50," says the study's principal investigator, Dawn E. Alley, PhD, assistant professor of epidemiology and public health at the University of Maryland School of Medicine. "For an older person with chronic conditions like diabetes or hypertension, the types of health problems we saw are short term consequences of falling behind on a mortgage that could have long-run implications for that person's health."

The study was prompted in part by the rapid rise in foreclosure rates that began in 2007 following a dramatic increase in subprime lending. By 2009, 2.21 percent of all homes in the United States, a total of more than 2.8 million properties, were in some stage of foreclosure. Previous research had shown that home ownership is associated with better health while financial strain is associated with worse health and higher death rates.

"This study has pinpointed an issue that until now has been somewhat under the radar, but which threatens to become a major public health crisis if not addressed," says E. Albert Reece, M.D., Ph.D., M.B.A., vice president for medical affairs at the University of Maryland and dean of the University of Maryland School of Medicine. "Through research such as this, faculty epidemiologists and public health specialists provide valuable information and perspectives that are useful for government and private policy makers as they work to meet the health and economic needs of Americans."

The researchers examined data from the Health and Retirement Study, a nationally representative panel study of Americans older than age 50. In 2008, 2,474 participants were asked if they had fallen more than two months behind on mortgage payments since 2006. The survey included questions designed to measure psychological impairment, general health status and access to important health-relevant resources. In predicting these health outcomes, researchers controlled for demographic factors, health behaviors, chronic diseases, sources of debt and annual household income.

Among participants who were mortgage delinquent, 22 percent developed elevated depressive symptoms over the two-year period compared to only three percent of non-delinquent respondents. Twenty-eight percent of mortgage-delinquent participants reported food insecurity compared to four percent in the non-delinquent group. In addition, the delinquent group reported much higher levels of cost-related medication non-adherence (32 percent compared to five percent).

The study also found that lower-income and minority homeowners were at higher risk for mortgage default. "Our results suggest that the housing crisis may be making health disparities worse," says Dr. Alley, "because these groups had poorer health, lower incomes and higher levels of debt even before the current mortgage crisis." The researchers note that it will likely take decades for African American and Hispanic communities to recover the wealth lost during the housing crisis and that minority communities are disproportionately affected by declining home values and lost tax revenue.

The study began just as mortgage delinquencies and subsequent home foreclosures began to rise in the United States, driven mainly by increases in mortgage payments related to adjustable rate loans. Dr. Alley says the health picture is much worse today because rising mortgage defaults are compounded by unemployment. "Recent data from the Centers for Disease Control and Prevention show that the number of Americans with depression has been increasing along with rising unemployment."

Dr. Alley adds that mortgage counselors are seeing a rising tide of health issues. "We did a separate nationwide survey of mortgage counselors and found that almost 70 percent of them said many of the clients they worked with were depressed or hopeless. About a third of them said they had worked with someone in the last month who expressed intent for self harm or suicide. These are very serious and clearly ongoing issues."

More information: Alley DE, Lloyd J, Pagan JA, Pollack CE, Shardell M, Cannuscio C. "Mortgage delinquency and changes in access to health resources and depressive symptoms in a nationally representative cohort of Americans older than 50 years." American Journal of Public Health. Published online October 20, 2011. doi: 10.2105/AJPH.2011. 300245

Provided by University of Maryland Medical Center

October 20) retrieved 5 May 2024 from https://medicalxpress.com/news/2011-10-emerging-health-crisis-linked-mortgage.html