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Fragile health and fragile wealth: Mortgage strain among African American homeowners

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ABSTRACT

Several recent studies identify illness and disability as contributors to mortgage strain, suggesting that the disproportionate burden of poor health that African Americans experience may be an important source of housing fragility in this population. In order to understand how poor health plays out in the lived experiences of African-American homeowners and contributes to mortgage strain, we present an analysis of 28 in-depth interviews conducted with middle and working-class African-American homeowners at risk of losing their homes. Our interviews show how racial inequalities in health, which result from an ongoing history of racial discrimination, intersect with other racially stratified sources of housing fragility to put homeowners at risk of foreclosure. Many participants in this study were long-term homeowners who experienced mortgage strain as result of a health-related event that triggered the collapse of a fragile household budget. Like many middle and working-class African Americans, participants experienced poor health and disability at relatively young ages. Additionally, they often lacked access to personal and public safety nets that could buffer the consequences of illness. Understanding how poor health contributes to mortgage strain among African-American homeowners provides important insight into the downstream consequences of health inequalities. Furthermore, understanding the processes through which illness can act as a financial shock has important policy implications.

1. Introduction

African-American and other minority homeowners have been particularly hard hit by the mortgage foreclosure crisis that peaked in 2007–2010 (Rugh and Massey, 2010). In 2010, more than 20% of black homeowners were at imminent risk of foreclosure (Bocian et al., 2011). While the recent housing crisis brought foreclosures into the headlines, in many African-American communities, mortgage problems were on the rise decades before the burst of the housing bubble (Saegert et al., 2011). African-American homeowners were disproportionately targeted by an emerging market of risky subprime lending starting in the 1990s (Faber, 2013). Furthermore, persistent racial disparities in health and wealth may also play a role in the ongoing fragility of black homeownership. These larger structural processes have been underrepresented in the public discourse surrounding the mortgage crisis, which has largely focused on the recent subprime lending market as an explanation for high rates of foreclosure in African-American communities.

Particularly absent from the discourse surrounding mortgage default and foreclosure is recent evidence pointing to poor health and the onset of illness as important contributors to mortgage strain (Pollack and Lynch, 2009; Pollack et al., 2011; Robertson et al., 2008). In light of this evidence, the disproportionate burden of poor health that African Americans experience (Geronimus and Thompson, 2004) may be an important source of housing fragility in this population. While poor health alone cannot explain the high rates of foreclosure that African-American homeowners have experienced both during the recent mortgage crisis and prior to it, it is likely an important factor that intersects with other sources of fragility to which African-American homeowners are disproportionately exposed.

In this paper, we draw on data from semi-structured interviews in order to illustrate how health inequalities play out in the lived experience of middle and working-class African-American homeowners and contribute to mortgage strain. We begin the paper by summarizing the results of a systematic content analysis of

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newspaper articles on mortgage strain and foreclosure in order to document the extent to which health has been absent from the dominant discourse surrounding the recent mortgage crisis. We then present a brief overview of how racial stratification has structured inequalities in housing, health and wealth. We also describe the unraveling of the broader social safety net and its potential contribution to racially stratified housing fragility. In the bulk of the paper, we present an analysis of 28 semi-structured interviews conducted with middle and working-class African-American homeowners who were experiencing mortgage strain. Poor health emerged as a major theme in participants' discussions of their mortgage trouble. In particular, our data illustrate how fragile health can intersect with limited access to personal wealth, limited public safety nets and recession-related hardships to produce mortgage strain.

Understanding how poor health contributes to mortgage strain among African-American homeowners provides important insight into the downstream consequences of health inequalities. While a large body of literature has sought to describe the causes of health inequality, our paper provides insight into their potentially devastating social and economic consequences. Furthermore, understanding the processes through which illness can act as a financial shock has important implications for the design of effective public policy.

2. Background

2.1. The dominant public narrative

The dominant public narrative surrounding foreclosure and mortgage strain in African-American communities emphasizes housing market dynamics, particularly subprime lending. The contributions to foreclosure of other sources of housing fragility such as health problems and fragile safety nets, while they appear prominently in our interview data, are not nearly as clear in this narrative. To evaluate the relative weight of these two causal frames, we conducted a systematic content analysis of newspaper coverage of mortgage strain and foreclosures in minority communities published between January 1, 2005 (two years before the peak of the subprime mortgage crisis) and July 15, 2013. We searched LexisNexis and Ethnic NewsWatch to identify articles from four national newspapers (*Wall Street Journal, Washington Post, New York Times, and USA Today*), six mainstream newspapers in major media markets throughout the country, and seven newspapers targeting African-American audiences in major media markets. We coded these articles for proposed causes of mortgage strain and foreclosure. Methodological details and full results of the content analysis are available from the authors on request.

Our search retrieved 230 news articles and editorials covering mortgage strain and foreclosure in minority communities. 79 percent of these articles ($N = 182$) mentioned at least one cause of foreclosure. A very high proportion (94%, $N = 171$) of the articles that mentioned at least one cause of foreclosure cited predatory or illegal lending practices and/or subprime lending as a cause. Only 9% ($N = 17$) of the articles mentioned factors related to borrower behavior such as lack of financial literacy, or purchasing more house than the borrower could afford. Additionally, only 9% of the articles ($N = 16$) mentioned one or more health-related causes of foreclosure (lack of insurance; cost of insurance or medical care; medical debt; decrease in earnings or inability to work due to illness, disability, or the need to care for a sick family member; the death of an earner). Even fewer articles (3%, $N = 5$) mentioned holes in the safety net (e.g. unemployment insurance benefits, disability insurance, means-tested income supports, public or subsidized housing) as causes of foreclosure.

2.2. Racial disparities in subprime lending

The housing market dynamics emphasized by the dominant narrative described above have indeed contributed to a fragile homeownership, particularly among African Americans. The most recent inequalities in lending are rooted in a history of social policies that first denied African Americans access to credit and then granted it on unequal terms (Saegert et al., 2011; Williams et al., 2005). Prior to the 1970s, many African Americans were denied mortgages as a result of institutionalized discrimination in the form of redlining practices which designated many predominantly African-American neighborhoods as off-limits for government-backed FHA loans (Newman, 2009). As a result, many aspiring African-Americans homeowners were forced to rely on predatory schemes such as contract buying which came with large risks and high costs (Coates, 2014).

Fair Housing legislation in the 1960s and 1970s legally abolished redlining and expanded homeownership opportunities for African Americans. However, this legislation was followed in the 1980s by deregulation of the mortgage industry, which led to an explosion of subprime lending that capitalized on the demand for credit in many African-American communities. Risky subprime loan products such as adjustable rate mortgages were disproportionately marketed to African Americans who, owing to pronounced and ongoing residential racial segregation, often resided in communities that lacked access to mainstream lenders (Rugh and Massey, 2010). According to one study, subprime lending accounted for 43% of the increase in black home-ownership during the 1990s (Williams et al., 2005). These trends were compounded for African-American women, and in particular single African-American women, who faced additional barriers to homeownership (Baker, 2014; Wyly and Ponder, 2011).

The rise in subprime loan products also opened up a door for subprime and predatory lending that was directed at older and long-term homeowners (Faber, 2013; Renuart, 2004). Second mortgages or home equity loans were aggressively marketed to seniors who were often cash poor, but relatively house rich (Renuart, 2004). In many cases, these loans had unfavorable terms and worked to strip the equity that had accrued from long-term ownership. These loans also created added risk for default among aging homeowners whose incomes were declining or fixed and whose health needs and costs were increasing. Subprime lending thus contributed to housing fragility among African Americans, but as we discuss below, is only one piece of the larger landscape of inequality that appears to give rise to housing risk.

2.3. Fragile wealth

The inequalities in credit access described above have contributed to vast and persistent black–white disparities in wealth, which are compounded by a range of discriminatory policies and practices in other domains (racial wage gaps, for example) (Shapiro, 2001). These inequalities in wealth grew to unprecedented levels during the recession of 2007–2009 (Shapiro et al., 2013; Taylor et al., 2011). Between 2005 and 2009 median wealth fell by 66% among blacks in comparison to just 16% among whites, and by 2009 white Americans experienced a nearly 20 fold wealth advantage compared to black Americans (Taylor et al., 2011). Not only did black homeowners lose more home equity during the recession, but black workers experienced more job loss than their white counterparts (Shapiro et al., 2013). Thus while the contribution of wealth inequalities to mortgage strain is not only a recent story, the recent recession has likely exacerbated this source of fragility.

Limited wealth means that African-American homeowners, even those who have prime loans with favorable terms, may be less able to buffer against financial shocks that can contribute to

mortgage strain. Furthermore wealth inequalities also mean that the social and family networks of African-American homeowners often contain fewer resources than those of their white counterparts (Heflin and Pattillo, 2006; Pattillo, 2000). One consequence of this is that working and middle-class African Americans often cannot draw on family wealth in the event of a sudden economic hardship, while at the same time they are more likely to have friends and relatives turning to them for financial support, particularly during hard economic times (Heflin and Pattillo, 2006).

In summary, not only did a history of subprime lending contribute to wealth inequalities among African-American homeowners, these wealth inequalities in turn contribute to a broader fragility of homeownership among African Americans who, regardless of loan type, were less able to weather unexpected expenses or shocks to their earnings. As we describe below, owing to persistent racial disparities in health, these shocks themselves are likely to be disproportionately common among African-American homeowners.

2.4. Fragile health

Survey research points to poor health as an important risk factor for mortgage strain (Pollack and Lynch, 2009; Pollack et al., 2011; Robertson et al., 2008) and focus group data suggest that experiences with illness and medical debt are common among those facing foreclosure (Libman et al., 2011). Additionally, a broader literature on financial strain points to illness as a major risk factor for debt and bankruptcy (Himmelstein et al., 2009).

Given the importance of health as a determinant of financial and housing stability, existing racial disparities in health are likely to be an added source of fragility for African-American homeowners. A large literature documents the excess burden of morbidity and mortality among African Americans (Adler and Rehkopf, 2008). Not only do African Americans experience higher rates of chronic conditions and disabilities than their white counterparts; they also become ill at earlier (Geronimus et al., 2006). These life-course disparities, or “weathering” patterns, persist independent of socioeconomic status and are thought to result from the cumulative exposure to the stressors associated with racism and a racial stratification (Geronimus and Thompson, 2004). Weathering may be an important source of mortgage strain among middle-aged adults who are too young to qualify for income supports or who have not been able to adequately save for retirement. Furthermore, racial and ethnic health disparities mean that African-American homeowners are more likely than whites to be caring for a sick relative (Burton and Whitfield, 2003). These caretaking responsibilities can be an additional source of financial and mortgage strain, particularly among single female homeowners who are likely to bear a greater burden of care work than their male counterparts (Burton and Whitfield, 2003).

2.5. Devolution of the social safety net

Over the last few decades, personal risks related to the fragility of health and wealth have occurred in the context of a diminishing social safety net. As a result, an increasing burden of responsibility for life course risks such as illness, disability, unemployment and family disruption have been transferred from the state to individuals (O'Rand, 2003; Saegert et al., 2009). Throughout the 1980s and 1990s, public spending and responsibility for social programs shifted from the federal government to the states and the private sector through either limited block grants or fee-for-service contracts. Social safety net programs such as unemployment insurance, social security and food stamps were cut substantially (Hacker, 2006). Furthermore, in the wake of the recession and recent mortgage crisis, existing sources of aid to struggling homeowners have been over extended (Fields et al., 2010). The diminishing social safety net has immersed many middle and working-class homeowners in an environment of pervasive economic risk (Saegert et al., 2009). This situation may be compounded for African Americans who are more likely to experience fragile health, limited wealth, and to have less favorable loan terms.

To date, there have been few qualitative studies conducted among families experiencing mortgage strain (Fields et al., 2010; Nettleton and Burrows, 2000; Ross and Squires, 2011 are notable exceptions). The interview data that we turn to next thus provide unique insight into the ways that these intersecting sources of risk create mortgage strain on the ground in one predominantly African-American community.

3. Methods

3.1. Setting

This study took place in Locust Park (pseudonym), a neighborhood in a northeastern city. Locust Park is stable, predominantly working-class, and almost exclusively African-American. It is 97% black and approximately 80% owner occupied (US Census, 2010). Many of its residents are long-term homeowners who purchased their homes in the 1960s and 1970s from whites who were moving out en masse to the suburbs. Locust Park's poverty rate is relatively low compared to other predominantly African-American neighborhoods in the city, but less than 10% of its residents have a bachelor's degree, and the median household income is approximately $40,000 (US Census, 2010).

HUD estimates indicate that approximately 9% of Locust Park homes were in foreclosure in 2007, nearly double the city average (US Department of Housing and Urban Development, 2008). “For Sale signs” are prevalent and hand-written “We Buy Homes for Cheap” signs dot telephone poles throughout the neighborhood. However, despite the prevalence of foreclosures, Locust Park seems to have maintained its reputation as a good place to live. Its tree-lined streets of brick row houses with neatly manicured front lawns strike a positive contrast to the more impoverished urban neighborhoods nearby, and vacant homes are bought up relatively quickly.

3.2. Sampling and recruitment

All study procedures were granted ethical approval by our institution's Institutional Review Board. We relied on a local mortgage counseling agency to recruit an initial group of participants who were experiencing mortgage strain by sending recruitment letters to its former clients who resided in our study area. We did not anticipate a large response rate given the general inefficiency of mail recruitment, which was compounded in this case by the fact that individuals who are behind on bills often avoid opening their mail (Libman et al., 2011). However, because the goal of our research did not necessitate a representative sample of individuals, a low response rate was not particularly problematic. Approximately 300 letters were mailed, 26 individuals responded and 19 were eligible and agreed to participate in the study. We provided all participants with recruitment flyers that they could distribute to acquaintances or post in their community. An additional 9 participants were recruited through this snow-ball approach. This offered us an opportunity to interview participants who had not been referred by a housing counselor, which has been the approach used in other studies (Saegert et al., 2011).

We initially intended to limit our sample to individuals who were facing imminent foreclosure. However, our initial interviews

led us to expand our definition of mortgage strain. We interviewed individuals who had recently caught up on their mortgage payments, but were behind on other bills. We also interviewed a few participants who had never missed a mortgage payment, but was paying her mortgage at the expense of other basic necessities. Given that we wanted to understand the experiences and consequences of mortgage strain, we felt that it would be imprudent to exclude these individuals who were "paying the mortgage first".

Given our deliberately broad inclusion criteria, participants displayed a range of mortgage strain experiences. Fourteen participants were behind on their mortgage at the time of the interview and 11 participants had recently been behind. One of these participants had no mortgage on the house, but had fallen behind on taxes. Eleven had taken out a second mortgage. Only 5 participants were facing imminent foreclosure at the time of the interview, but 16 had received a foreclosure notice at some point. Two participants had never missed a mortgage payment but were behind on other bills and concerned about imminent default. One participant had avoided default by taking out a reverse mortgage, which allows older homeowners to draw on their home equity without having to make loan payments. Similar to other studies of mortgage strain (Fields et al., 2010), most of our participants were unable to provide detailed information about their loans. However, 8 discussed predatory lending or loan conditions (such as adjustable interest rates) among the factors contributing to their mortgage trouble.

While not specified as a requirement for participation in the recruitment material, all 28 participants identified as African American. Twenty-three were female. The high portion of female participants may reflect the over representation of women among risky subprime loan holders (Wyly and Ponder, 2011), but it may also reflect a greater willingness among women to participate in the study. Eighteen participants were over the age of 50 and the oldest was 79. Eighteen participants had lived in their home for more than 10 years, and 11 had lived in their home for more than 30 years. (In a few cases, the home was inherited from a parent). While the respondents are not necessarily representative of the neighborhood, the prevalence of older and long-term homeowners is typical of Locust Park.

Participants described past or current employment in a range of service and blue collar professions. They worked as nurses, certified nurse assistants, medical technicians, home health aides, cooks, teachers, maintenance personnel, factory workers, house-cleaners and for the US Post Office. Nine participants were employed at the time of the interview and 13 were receiving Social Security benefits for either age (4) or disability (9). Three participants held college degrees. Given these characteristics, we consider the majority of our sample to be working-class (Lacy, 2012).

Nearly half (13 of 28) participants identified their overall health as "fair" or "poor". Additionally, 13 met the diagnostic criteria for depression using the abbreviated Physician Health Questionnaire (PHQ2).

3.3. Data collection and analysis

We conducted semi-structured interviews between March 2012 and June of 2013. The interviews covered broad themes related to residential history, buying and maintaining a home, securing a loan, making ends meet, social support resources and neighborhood context. The bulk of the interviews focused on eliciting participants' experience of mortgage debt, their emotional responses to mortgage debt and the strategies that they employed in order to mitigate their financial struggles. The interviews concluded with a short set of close-ended questions about health and healthcare. However, in many cases, the answers to these health questions emerged during participants' narratives.

The majority of interviews took place in participants' homes. The remainder took place at neighborhood restaurants. Interviews lasted between 1 and 4 h, and 3 participants were interviewed over the course of two meetings. All participants were compensated $50.00. Twenty-three were interviewed by Keene and 5 by Baker.

We followed a grounded theory approach to our analysis (Corbin and Strauss, 1998). According to this approach, our analysis was an ongoing process that co-occurred with data collection. We wrote thematic summaries after each interview occurred and wrote frequent memos about developing concepts throughout the data collection process. This allowed us to adapt our inquiries to incorporate emerging ideas. While we began the project with interest in how mortgage strain could affect health, the role of health as a trigger for mortgage strain developed through our review of the data.

We used our memos, notes and early coding schemes to collaboratively develop a focused codebook that was used to code all of the interview transcripts in ATLAS.ti. The transcripts were coded primarily by Baker who wrote frequent memos about coding decisions. All coded transcripts were reviewed by Keene. Coding allowed us to carefully review and compare data extracts within and across categories. For the analysis presented in this paper, we extracted and reviewed data for a number of codes relating to health, healthcare and safety nets. We also reviewed full transcripts in order to contextualize these isolated quotes within participants' broader narratives. Ongoing memo writing during our review of the coded data allowed us to refine our initial categories and better understand their relationships. Ultimately, this process led to the development of a story about the intersection of multiple, structurally produced fragilities. In telling this story below, we use pseudonyms to protect participants' anonymity.

4. Findings

4.1. "Couldn't work because of the pain and everything": health, employment and mortgage strain

Poor health was a common theme in our interviews. Participants not only reported experiencing high rates of illness at relatively young ages; they also were embedded in networks where illness was prevalent. Illness often seemed to act as a shock that upset the balance of fragile household budgets, in particular through loss of income.

The story of one participant, 67 year-old Theresa Martin, exemplifies this process. Like many participants in the study, Theresa is a single, older, female homeowner. She purchased her home with her ex-husband in the late 1960s. When Theresa and her ex-husband were first married, they put all of their efforts into saving for a home – as she states, "No Honeymoon. Just saving." By 1968, they had saved enough for a down-payment and were able to pay off their mortgage completely within 5 years.

After their divorce in the 1980s, Theresa maintained the home and her budget single-handedly by working long hours at two different jobs. When extra expenses arose, she simply took on another shift. However, as she approached her late 50s, her health began to deteriorate. She suffered from debilitating arthritis and could no longer work the long hours that she used to. She was also diagnosed with high blood pressure and diabetes. Around this time, she also took custody of her toddler-grandson whose own health issues contributed to her bodily and financial strain. Her only financial cushion was the equity that she had in her home so, like several other study participants, she took on a loan against this equity. Then in 2006, at the age of 60, she lost her job completely. She says, "Things got really bad after 2006 with trying to pay my

bills because my health started failing me. So I was classified as being disabled to work. Couldn't work because of the pain and everything."

Theresa was too sick to find a replacement job; but like several other participants in the study, she was too young to qualify for age-related income supports. She applied for disability benefits, but it took a year to negotiate her eligibility. During this time she accumulated large credit card debt, destroying her previously excellent credit. She also cashed in her entire 401 (k) retirement savings account. Despite having once had the security of owning her home outright, Theresa describes an ongoing struggle to maintain her loan payments. Furthermore, her health had continued to deteriorate. Despite her age of 67, she says "[I] feel 90 sometimes".

For Theresa, work in the form of overtime was the cushion that she had relied on to make ends meet in the context of unanticipated expenses. Failing health eliminated this cushion. The same was true for 43-year-old Leigh Jones, a registered nurse and divorced mother of four. After her divorce, Leigh took on a more demanding job in order to stay on top of her bills. However, she had to give up this position because of a neuromuscular condition that prevented her from working the long hours. She says, "I hadn't had any flare-ups until I was on this job trying to juggle all these responsibilities … So I had to give it up because I had an exacerbation". In her struggle to make ends meet, she missed mortgage payments and received a foreclosure notice.

Other participants also describe their mortgage trouble as originating from an experience of illness or disability at a relatively young age which led to a loss of employment and income. For example, 55-year-old Alice Coles fell behind on her mortgage in the year prior to the interview, after back trouble forced her to give up her 30-year nursing career. She explains:

> I couldn't get up in the morning, you know. Back and forth to the doctor, getting therapy on the back and everything, and still - then when I go back to work, 'Oh, we don't have light duty,' … I just couldn't take it. One night, I couldn't even move my back. Couldn't get up. So I said, you know what, it's time to go out on disability. It's time.

Prior to leaving her job, Alice had not missed a mortgage payment for the home that she had purchased in the late 1990s. Though she sometimes fell behind on other bills, she always "paid the mortgage first". However, with no income coming in, she defaulted on the mortgage and received a foreclosure notice.

56-year-old Walt Williams began receiving disability benefits when a heart problem forced him out of work at the age of 50. However, despite these payments, his mortgage remains unaffordable. He says, "I love to work. I was forced out of work… That really bothered me. Not just that. When you're on a fixed income, I only get like $800.00 a month, you know? I'm paying like $700.00 a month mortgage."

50-year-old Carla Lyons, a single mother, had recently caught up on her mortgage after a recession-related job loss led her to default on the mortgage for a home that she purchased in 2006 with 100% financing and a high interest rate. She describes her health as excellent, but worries about getting sick and falling behind again. She says, "It's just like the financial burden is on me and only me so that kinda – that takes a toll … It does. I mean, I'd say if I was to- if my health was ever to decline, I think about that."

Participants' experiences of mortgage strain and lost income were not only linked to their own health challenges, but also to those of their family members. For example, 57-year-old Ronald Morris began to experience financial difficulties when he downsized his cleaning business to care for his mother who had Alzheimer's. After his mother passed away, in the context of the recession, he was unable to recoup these hours. At the time of the interview, he was facing foreclosure on the home that he had shared with his mother. Though she once owned it outright, she took on a second mortgage in 2005, right around the time she became sick.

In other cases, family co-morbidities limited income at the household level. For example, 59 year-old Deborah Harriswas in the process of filing for bankruptcy as a way to reduce payments on a subprime second mortgage that she had taken out in the late 1990s. She was on a fixed-income through disability and also had high healthcare costs (see below). Though she lived with her brother, his own chronic health issues prevented him from contributing financially to the household.

While the significance of poor health as a contributor to mortgage strain was more salient in the stories of older and middle-aged adults, even younger adults were vulnerable to the financial ramifications of health problems experienced by older family members. For example, 32-year-old Bria Johnson describes relying on her parents for financial support when she purchased her home in 2003. However, when she lost her job and fell behind on her mortgage her father had also recently become ill and was no longer able to help out. She says, "My parents … they helped me as long as they could. Like they helped a lot actually. But then my dad got sick, so then, you know, yeah, I couldn't – we couldn't – couldn't do as much. My mom was, you know, trying to make ends meet there, so I felt like I was a burden."

For several participants, not only did experiences of illness precede mortgage trouble, but the stress associated with mortgage strain seemed to exacerbate underlying health issues. In some cases, this then made it even harder to regain a secure financial footing through employment. For example, 51-year-old Felicia Reed describes how the threat of losing her home exacerbated her depression which then interfered with her employment prospects. As she says, "People won't hire people with sad eyes."

Additionally, participants' stories highlight an interaction between tough economic times, job loss and poor health. The effects of the recession were prevalent in the interviews, and not all job loss was health related. However, the poor economy seemed to present additional challenges to those struggling with health issues and aging bodies. For example, 55-year-old Sandra Nelson, who suffers from debilitating back trouble, had been supplementing her disability income with odd jobs. But she was very limited in what she could physically do and these jobs became harder to find in the context of the recession. She says, "There were no jobs 'cause I was trying to find something else, plus I'm disabled, partially disabled, but I still can work part-time. So I really was trying to find something that I could do. It was really hard and it was very frustrating".

4.2. "I started putting out money for health care": medical costs and mortgage strain

Not only did health issues result in loss of income, they also resulted in healthcare costs when participants were uninsured or underinsured. Deborah (introduced above) illustrates how healthcare costs can intersect with chronic financial hardship to bring about mortgage strain. She was diagnosed with cancer in 2010 and though she was already receiving disability benefits for her chronic high blood pressure, many of her new medications were not covered by her insurance. When asked when it first became hard to pay her mortgage, she says, "After I got sick and a lot of medicine that I was buying, my insurance wouldn't pay for it. And I started putting out money for medical expenses".

For other participants, medical costs were not the precipitating cause of their mortgage strain, but they exacerbated it. For example,

Theresa describes medical bills as part of her ongoing financial struggle. She says,

> Each time you go, you have to pay $35.00 with my insurance. Even though I have insurance, I pay $35.00 just for … the consultation. And then when I go for the procedure, I have to pay something.

Other participants describe forgoing medical care or medical insurance as a way to pay the mortgage. For example, Alice, introduced above, lost her health insurance when she lost her job. She was too young to qualify for Medicare. When, after several months of eligibility struggles, she began to receive disability income, there was a 24 month waiting period before her insurance would begin. She opted to go without insurance. She says, "I could get insurance. Okay. So how is my mortgage going to be paid? How is the rent going to be paid? I mean, it's ridiculous. I don't understand. Who can afford $500.00 for insurance?"

For Alice, this lack of insurance and the unmet need for medical care that resulted from it seemed to exacerbate her health issues and create additional financial burdens. For example, she could not afford to take her hypertension medication and later found herself in the emergency room with "stroke-level pressure". This incident resulted in large bills that are compounding her mortgage struggles and also, she believes, exacerbating her high blood pressure. She says, "I'm telling you, my pressure – I will have a stroke because if they send me another bill, what am I going to do? I can't have these bills coming in here, over $1000.00".

Similarly, 37-year-old Keith Stanley describes how the costs associated with unmet health needs have contributed to his current mortgage trouble. He has had ongoing problems with stomach pain. However, he has been uninsured since losing his full time job and taking on a part-time one and has not seen a doctor. He says, "So, I missed some days of work because of pain that my stomach is in and … and I've been in the emergency room and got billed." Likewise, Felicia, who was introduced above, suffered from debilitating depression that made it hard for her to get on her feet financially. However, because she lacked health insurance, she did not seek treatment until, after several months, she discovered a subsidized mental health clinic.

4.3. Nowhere to turn: limited personal and public safety nets

A common theme throughout the interviews was that participants did not have the resources to buffer the effects of the illness and disability that they experienced. In addition to inadequate health insurance coverage described above, participants also describe limited personal resources and inadequate public safety nets. This amplified the effect of health problems on their status as homeowners.

The majority of our participants maintained their households on tight budgets with minimal cushion (other than their home equity) to absorb unexpected expenses or a lost income due to illness. Many were divorced or single mothers who were raising children or grandchildren on limited income. Many describe lacking emergency funds and continuously juggling bills. As 64 year old Sherry says, "I thought I'd have a little something saved or a little something put aside for emergency or if something else breaks down, but that did not work out like that. It did not work out that way." Or as Theresa says, "I borrow from Peter to pay Paul, and forget about John."

Most participants did not have well-to-do family members to whom they could turn for financial assistance help. As Daniel Henry, a 38-year-old college graduate says, "I don't have an immediate family member that's just wealthy and I can be like, look, we need this type of assistance. It's a hit or miss. My mom will help us out, too, but does she have funds right now?"

In fact, like many middle and working-class black homeowners, several of the study participants were among the *most* resourced members of their kin and social networks. For example, when asked whether there were people in her family to whom she could turn for financial help, Leigh says,

> No, back then, no, because I was the first person to go to college in my family. The one time I asked my grandmother, she didn't have that type of money, but when she passed she tried to give me a couple hundred dollars, but that wasn't still like a mortgage payment.

Participants also discussed providing resources for other family members. As 36-year-old Nicole Lewis says, "before this [mortgage default], it seemed like I was the backbone of my family … When we got our home and everything, we helped everybody. My mom lived with me at one time … My brother lived with me at one time and my older sister".

These limited personal safety nets seem to be further constrained by tough economic times. As Sandra explains, "I just really didn't go to my friends. And a lot of them – they weren't going to foreclosure, but they were going through other things. Financially. It seems like everybody at that time was having some kind of financial stress".

The financial vulnerabilities faced by participants and their social networks seemed to be further exacerbated by an inadequate public safety-net. For example, when Alice was unable to afford a new roof she applied to the city for aid. However, her appeal was denied when the inspector told her, as she reports, "Oh, you're not qualified for the new roof because I don't see a squirrel and the sky. Yeah, you definitely need a new roof, but you're not qualified because it's not a hole when you can't see the sky or a squirrel."

Others met the requirements for aid, but the assistance funds were depleted. As Sandra says,

> Sometimes you just don't know where to turn, 'cause everywhere you go, if you're not there, it seemed like maybe from about like maybe September to maybe December, places have funds. After that, they don't – no funds left after that.

In other cases, receipt of assistance from one program negated help from another. In Theresa's case, obtaining disability benefits resulted in the loss of much-needed food assistance. She says,

> I used to get food stamps, 300 and some dollars food stamps, but once I got my Social Security and disability, they cut that off. They cut it down to $16.00 a month.

Participants also discussed limited access to income supports after they were no longer able to work because of health issues. Because most participants were too young to qualify for age-related Social Security benefits, their only options for assistance were Social Security disability programs (SSI or SSDI) or public assistance. In many cases, neither of these programs provided sufficient income for recipients to maintain their mortgage payments. Other interviewees, as we saw in Theresa's case above, fell behind on their mortgages as a result of bureaucratic battles that resulted in the delay of disability benefits.

5. Discussion

Many participants in this study were long-term homeowners who experienced mortgage strain as result of a health-related event that triggered the collapse of a fragile household budget. Like many

working-class African Americans, participants experienced poor health and disability at relatively young ages, before they were able to qualify for age-related income supports. To make matters worse, participants often had little family or personal wealth to draw on in the event of a health crisis and existing public safety nets often proved inadequate. These experiences of vulnerability are not unique to black homeowners. However, the magnitude of these health and wealth vulnerabilities are linked to an ongoing history of race-based policies and social stratification.

While the focus of our discussion has been on race and mortgage strain, our data also point to the intersection of race, gender and age. Many of our participants were single, older African-American women. Research suggests that this demographic group is at a particularly high-risk for subprime lending (Baker, 2014; Wyly and Ponder, 2011). Furthermore, our data suggest that care-taking burdens, parenting challenges, inadequate wages and age-related health declines may be an added source of stress among this population. Although it should be noted that in our data, men too were involved in care-taking that contributed to their mortgage strain.

Although these interviews took place in the wake of the mortgage crisis, the dominant story that they tell is not about the burst of the housing bubble or the well-documented rise in subprime lending. Subprime lending did play a role in mortgage strain for some of our participants, including those homeowners who once owned their homes outright, but then took out second mortgages. However, the loans themselves were rarely discussed as the primary source of trouble. Our analysis instead shows how both subprime and prime loans intersected with inequalities in wealth and health that may have been exacerbated during the recession, but certainly did not start there. These inequalities were produced by ongoing structural processes that have been largely discounted in a dominant narrative about the recent rise in foreclosures which has focused largely on the behaviors of lenders and borrowers.

In line with this dominant narrative, current policy discussion around foreclosure prevention has often targeted financial literacy and increased regulation of lending practices (Hornburg, 2004). Regulatory reform that can protect people from predatory or unsustainable loans is a much needed intervention (Fields et al., 2010). However, the narratives presented here suggest that in communities like Locust Park, such reforms are likely to have limited impact on the underlying causes of mortgage strain that are only partially related to homeowners' loans. Furthermore, such regulatory reforms may do little for those homeowners who, like many participants in our study, have good loans, but bad circumstances.

The narratives presented here suggest that policies to promote stable homeownership will need to go beyond the realm of housing finance to include efforts to strengthen the broader safety nets that support individuals who become ill or disabled. Disability benefits through SSI or SSDI are one of the few remaining sources of income assistance for individuals who are unable to participate in the labor market (Hansen et al., 2014) and were the primary source of income for many of our participants. However, as noted above, these benefits were not sufficient to maintain mortgage payments and often were delayed as a result of bureaucratic struggles. Expanded health insurance through the Affordable Care Act will be an important step in reducing costs associated with illness. The ACA may also help to protect people like Alice, whose health problems led to loss of both her job and her health insurance. However, as several scholars have noted, the causes of health inequality lie largely outside the healthcare system (Link and Phelan, 1995). In this sense, our data also remind us of the need to address the broader social, political and economic determinants of race-based health inequalities (Geronimus and Thompson, 2004).

The semi-structured interviews used in this study portray the lived experiences of health inequalities among African-American homeowners. This qualitative analysis helps to illuminate the downstream consequences and added burdens that African-American communities must contend with as a result of premature and disproportionate rates of illness and disability. Further, our findings tell a story about the insidious reproduction of racial marginalization. Many participants in this study viewed homeownership as the route to upward mobility for themselves and their children. However, when health inequality intersected with other racially patterned sources of disadvantage, this dream was threatened. In other words, for many of our participants, poor health itself was a barrier to the social conditions that support health and well-being.

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