Abstract:

This paper explores benefits to seniors and extended family of aging in place, and the wealth stripping practices that mortgage servicers are engaging in that not only affects surviving seniors when their loved one has died, but also affects other surviving homeowners and heirs who stand to lose generations of wealth as a result. Women, and low and moderate income communities of color are negatively affected the most, but the practice has broad, negative impacts on households, localities and states, especially in our current cycle of a significant increase in the number of seniors in our population.
Where other reports discuss such costs to seniors as home repairs, medical bills, property taxes, and a plethora of other expenses that can affect seniors’ ability to keep their home, this issue brief seeks to fill in a gap in the discussion by focusing on the hardship faced by survivors trying to keep the family home after a loved one has passed away. HERA is uniquely positioned to tell the story, as a California statewide providers of legal services that works directly with a significant number of households each year and also provides technical assistance to other advocate and agencies and interacts with local, state and federal government, as well as advocates nationally. The story also summarizes some of the mechanics of our campaign to address one of the most important threats to asset preservation for low and moderate income communities that our country has seen since the Great Recession.

TABLE OF CONTENTS

Introduction 1
You’re a Homeowner Now- So What’s the Problem 2
Homeownership for Low and Moderate Income Residents- Health and Wealth Effects 4
Home equity 5
Stable Senior Homeownership 6
Healthy Aging in Place = Wealth Building And Emotional Well-Being Combined: The Double-Bottom Line. 7
Mortgage Servicers Impeding the Ability of Low and Moderate Income Seniors to Retain Home Increases Risk of Senior Homelessness 8
Limited Income 8
Significant Debt Load 9
High Cost of Rentals 9
Surviving Owners of “Under Water” Homes At Higher Risk of Foreclosure Due To Mortgage Servicer Mistreatment 10
Older Female Homeownership Particularly At Risk 11
Current California State and Federal Policy On Survivors’ Rights 12
A Lesson in State-Wide and National Organizing and Policy Advocacy 13
Conclusion 17
ACKNOWLEDGEMENTS 18