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Women in Foreclosure: Social Reproduction & Mortgage Strain in the Subprime Era

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WOMEN IN FORECLOSURE:

SOCIAL REPRODUCTION & MORTGAGE STRAIN

IN THE SUBPRIME ERA

by

AMY BAKER

A dissertation submitted to the Graduate Faculty in Social Welfare in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

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This manuscript has been read and accepted for the Graduate Faculty in Social Welfare in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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THE CITY UNIVERSITY OF NEW YORK
Abstract

WOMEN IN FORECLOSURE: SOCIAL REPRODUCTION &
MORTGAGE STRAIN IN THE SUBPRIME ERA

by

Amy Baker

Advisor: Professor Mimi Abramovitz

This research captures the experiences of 31 single female homeowners with risky lending markets and mortgage foreclosure in the city of Philadelphia. In-depth, semi-structured interviewing was employed to build knowledge about single women’s experiences with seeking a loan, buying a home, entering default and attempting to stall foreclosure. Thematic analysis of the data demonstrated that risky lending and foreclosure did not mark the onset of financial instability among study participants. Instead, it functioned as a tipping point for single women unable to access upward mobility and asset accrual throughout the lifespan. Women’s status as the strongest members of a financially fragile network interacted with holes in the social safety net, lack of protective legislation and lending policies that placed them at risk of foreclosure.

The research also indicates that the privatization of social reproduction acted as an amplifier and conduit of market risk that extends the responsibility for unpaid care work well into older adulthood. As a result, social reproduction revisited the homeowners either exacerbating or contributing to foreclosure and the early onset of disease and disability before women were eligible for Medicare and Social Security. When homeowners experienced mortgage strain they all negotiated with their lenders, increased hours at work, employed strict household budgeting and sought aid from social services to offset mortgage costs. Black
homeowners (n=15) immediately searched for assistance, while White homeowners (n=15) were comparatively slower to contact housing counselors and service agencies. Despite these variations, when and how a homeowner searched for aid did not meaningfully alter the onset of default.

To date, foreclosure policy and practice interventions have been predicated on an assumption that the onset of foreclosure is an isolated market event. In contrast, the women’s lived experiences within risky markets and their personal encounters with the threat of default are tied to a larger context shaped by the prevailing gender division of labor, the erosion of assets and health within the context of a poorly resourced network, the failing safety net and the resulting shift of market risk onto female homeowners.
DEDICATION

For Katie, who was a feminist first.

“The best definition of poverty is lack of choice.”

~Katie Nolan (1980-2009)
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To the women who lent their voices to this research, you are the bravest people I have ever encountered. Thank you for entrusting your stories to me, they matter.

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CHAPTER ONE: PROBLEM FORMULATION, THEMES & THEORY

Problem Formulation

The toll of the foreclosure crisis on vulnerable populations is far from over. According to the largest US mortgage securities firm, one out of five US homeowners are projected to be in default by the end of 2014 (Goodman, 2011), which is more than double the number of people who already lost homes at the peak of the mortgage fallout. Mortgages of any type can be in default, but homeowners with subprime loans are more likely to experience foreclosure due, in part, to the fluctuating interest rates and features associated with these products (Crump, 2008; Keest, 2008). While the complex causes of the crisis continue to be a matter of political, ideological, and economic debate (Aalbers, 2012), the connection between default and subprime lending is clear (Aalbers, 2012; Hernandez, 2012; Newman & Wyly, 2004). More specifically, homeowners with a subprime mortgage are six to nine times more likely than those with a traditional prime mortgage to be in foreclosure (Renuart, 2004; Schloemer et. al. 2006).

Single women, particularly women of color, represent one of the largest groups of homeowners affected by mortgage strain. Single women experience higher rates of subprime lending than their male peers, even when controlling for risk factors such as credit, income, and neighborhood location (Fishbein & Woodall, 2006; Phillips, 2012; Wyly & Ponder, 2011). Despite having higher credit scores (Phillips, 2012), single female homeowners are overrepresented among subprime mortgage holders by 29.1 %, and African American women in particular are 256% more likely to have a subprime mortgage than a white man with the same financial profile (Fishbein & Woodall, 2006; Phillips, 2012). The overrepresentation of single women in the subprime lending pool cannot be explained by assets, property location, or market
conditions (Cheng, Lin & Liu, 2011). Rather, they were targeted (Dymski, Hernandez & Mohanty, 2013). Cash-strapped but equity rich elderly African American women were more likely than anyone to receive these costly loans (Wyly & Ponder, 2011). For example, one former financial manager described his “perfect customer” as an uneducated widow who is on a fixed income--hopefully from her deceased husband’s pension and Social Security, who has her house paid off, is living off credit cards, but having a difficult time keeping up with her payments, and who must make a car payment in addition to her credit-card payments (Wyly and Ponder 2011, p. 8).

Racial analysis of foreclosure, housing, tenant eviction, and mortgage lending has a well established body of literature, but gender analysis remains minimal (Cheng, Zinghou, & Lingchung, 2009; NCNW, 2009; Reid, 2010; Sen, 2010; Wyly & Ponder, 2011). Robust research on the overrepresentation of women among risky sub-prime lending has been conducted (Fishbein & Woodall, 2006; Wyly & Ponder, 2011), but few have applied a gender lens to foreclosure.

**Sub-Prime Lending.** Subprime loans carry high costs and high risk (Crump, 2008). They fluctuate with the ups and downs of the market, charge high interest rates (Keest, 2008), and tend to be densely concentrated in neighborhoods of color (Hernandez, 2012; Renuart, 2004) where women are predominately the heads of households (Phillips, 2012). Their problematic practices include expensive up-front fees designed to make up for the supposedly risky borrower and deceptive teaser interest rates that lead to unexpectedly high mortgage payments in the future (Immergluck, 2009a; Keest, 2008). A central component of most subprime loan products is the
practice of “risk layering (Keest, 2008, p. 3)” which includes bundling together more than one of those high-risk features into the same loan. Subsequently, risk layering generates a higher return for the broker and dangerous levels of default risk for the borrower, particularly if they cannot refinance in a down market (Keest, 2008).

The Center for Responsible Lending found that even when the housing market remained strong and conducive to refinancing, one out of eight subprime loans still lead to foreclosure (Schloemer et. al., 2006). That rate has climbed to as high as one out of five as the housing market bottomed out in recent years (Goodman, 2011; Schloemer et. al., 2006). These dynamics virtually ensure that even homeowners with substantial assets remain at serious risk of default due to fluctuating, high-cost loan products in tandem with a stagnant, or depreciating housing market (Immergluck, 2009; Schloemer et. al., 2006).

**Predatory Lending.** Subprime loans are not synonymous with predatory lending, but it is unlikely that a predatory loan would originate in the prime market (Renuart, 2004). The federal definition of predatory lending involves “engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower’s lack of understanding about loan terms” (Treasury, 2000). Subprime loans need not be predatory or abusive if they appropriately provide options for borrowers with compromised credit (Kaplan, 2008). However, predatory subprime lending is far from open, transparent, or equitable (Engel & McCoy, 2002; FCIC, 2011; Kaplan, 2008; Renuart, 2004). Either the terms of the loan involve outright deception, or the fees exceed the risk of the supposedly hazardous borrower (Engel & McCoy, 2002; FCIC, 2011; Renuart, 2004).
The predatory lending market is characterized as a “push market” (Renuart, 2004, p. 480) in which lenders shop for customers rather than wait for the customers to shop for mortgages (Kaplan, 2008). Lenders target neighborhoods and demographic groups as likely buyers of subprime loans. Push marketing tactics include, but are not limited to: door-to-door solicitation among the elderly and neighborhoods of color, using community institutions like churches to recruit potential buyers, and pairing contractors with brokers to push refinance loans in amounts greater than what is necessary for a given remodeling project (Hernandez, 2012; Renuart, 2004). During the risky lending boom, homeowners were often targeted for subprime refinancing when they were not even looking to buy prior to solicitation (Immergluck & Smith, 2005; Kaplan, 2008; Renuart, 2004). Lenders exploited unsuspecting borrowers who they knew could not possibly handle future skyrocketing payments (FCIC, 2011). Christopher Cruise, who estimated training 10,000 loan officers per year, testified before the Financial Crisis Inquiry Commission:

‘I was a sales and marketing trainer in terms of helping people to know how to sell these products to, in some cases, frankly unsophisticated and unsuspecting borrowers,’ he said. He taught them the new playbook:

‘You had no incentive whatsoever to be concerned about the quality of the loan, whether it was suitable for the borrower or whether the loan performed. In fact, you were in a way encouraged not to worry about those macro issues.’ He added, ‘I knew that the risk was being shunted off. I knew that we could be writing crap. But in the end it was like a game of musical chairs. Volume might go down but we were not going to be hurt (FCIC, 2011, p. 8).’
**Implications for Social Work.** Despite the sheer numbers of people experiencing mortgage strain, foreclosure and displacement, research into this crisis from a social work perspective remains nearly nonexistent. The few studies that have examined social services and foreclosure indicate a mismatch between service provision and client needs (Castro Baker, 2012; Fields, Libman & Saegert, 2010). Problematically, agencies responded to foreclosure clients with exhortations for disciplined household budgeting or financial literacy, when no amount of either can mathematically resolve an adjustable rate mortgage (Castro Baker, 2012; Fields, Libman & Saegert, 2010).

Although economic policy can be interpreted as outside the purview of social work, social policy is increasingly path dependent on lending policies as the risks of the market economy are steadily shifted onto the individual. As the social safety net continuously erodes under austerity (Abramovitz, 2012), the tasks of social reproduction, such as care for the elderly, childrearing, education, and health care, which were previously underwritten by the state or employers, must instead be conducted in an environment of extreme market risk (Roberts, 2013). As a result, low-income, female-headed households are dependent on either debt, home equity, or financial markets for security (Hacker, 2006) and the financing of unpaid tasks typically assigned to women (Bezanson & Luxton, 2006; Roberts, 2013). Social workers’ remarkably low levels of financial literacy compounds the problem (Kindle, 2013), because current foreclosure trends indicate rising numbers of single women in need of housing and social services during a time marked by lack of funding for both. Equally important, the ripple effects of mortgage default occur along multiple systems occupied by social workers, who may be ill prepared to handle the precarious financial situations of their new clients.
Women who experience foreclosure face difficulties becoming rehoused as they are met by shrinking funding for low-income housing, a distressed rental market, and increased competition for affordable housing. In 2011 alone, the rate of households renting rose by one million, marking the greatest rise in renters since the 1980s (JCHS, 2012). The struggle to find adequate housing was further compounded in 2012, as the median time on a waiting list for aid rose to two years and there were only 30 affordable housing slots for every 100 low-income rental households (Leopold, 2012; JCHS, 2012). The competition for those affordable housing opportunities will grow even steeper. An additional 10.4 million homeowners are projected to default on their mortgages by the end of 2014, which will propel new families into the rental market (Goodman, 2011). Not surprisingly, some women have moved from foreclosure to homelessness. At the peak of the crisis, 79% of family homelessness providers reported that at least some of their clients entered homeless shelters following foreclosure (NCH, 2009), but the profile of a female-headed household in foreclosure may sharply differ from that of clients historically served by shelters.

Record high numbers of people experiencing mortgage strain are also contributing to the creation of a financially fragile class of homeowners and former homeowners (Keene, 2013; Saegert, Fields & Libman, 2009), many of whom are women (Castro Baker, 2012). On the micro level, default results in impaired credit and significant losses in wealth and equity that carry lifelong consequences for households. Default and foreclosure eliminate a crucial financial

1 While this particular study was not tracking gender, with very few exceptions, only single women with children are permitted access to family shelter systems. Shelters for single fathers or married couples with children are nearly non-existent. Therefore, it is highly likely that the 79% of homeless providers reporting an increase in foreclosure clients are serving single women with children.
cushion historically relied upon for unexpected financial events, medical expenses, college education, and periods of unemployment (CRL, 2013). Saegert, Fields, and Libman (2009), as well as Keene (2013), found that many working-class homeowners in foreclosure were the strongest members of a fragile social network. In other words, the experience of foreclosure within the microcosm of a poorly resourced social system means some homeowners are seeking help from the social safety net because family and friends cannot provide assistance.

Finally, concentrated mortgage strain and high levels of default produce serious complications for community-based agencies, local municipalities, and homeowners in adjacent properties. Foreclosure rates have outpaced the traditional mechanisms of communal responsibility for vacant property maintenance (Immergluck, 2009a). The result is a snowball effect of interrelated implications involving crime, erosion of community institutions, public health threats and safety issues, population loss, declining school tax revenue, and institutional stress (CRL, 2013; Immergluck & Smith, 2006; Kingsley, Smith & Price, 2009). These shifts also contribute to the price decline of housing stock in low-income communities of color where subprime lending is more prevalent and where women are predominately the heads of households (Phillips, 2012). In 2013, the Center for Responsible Lending found that more than 95 million US households experienced a loss in home equity due to neighboring foreclosures. In communities of color, families stand to lose an average of $40,297 in home equity due not to their own personal experiences with mortgage default, but those of their neighbors (CRL, 2013).

**Statement of the Research.** Embedded in these aforementioned trends are the lives of women who are more likely than anyone to receive mortgages at high risk of default (Dymski, Hernandez & Mohanty, 2013; Fishbein & Woodall, 2006; Philips, 2012). This leaves single
women, and those who depend on them, at risk for eviction, loss of intergenerational wealth, and the erosion of a financial cushion that could otherwise protect them. As this research will demonstrate, single female homeowners are immersed in a risky marketplace absent a legislative safety net that could grant them equitable treatment within housing and lending. Therefore, women in foreclosure are mired in a policy gap in which they face the loss of their major financial cushion (home equity) at a moment in policy history when protective legislation does not match the reality of market risk. While the prevalence of female foreclosure remains unknown, the established connections between subprime lending and foreclosure (Aalbers, 2012) and the overrepresentation of women among subprime mortgage holders suggests the importance of applying a gender lens to the housing crisis and recession. More specifically, the proposed research entails exploring the primary research question, “What are women’s experiences with foreclosure?”

Core Themes & Theories

The relationship of gender to lending and mortgage foreclosure is currently under theorized (Roberts, 2013). Mainstream economic theories often treat the relationship between gender and markets as ahistorical, static and governed by rational decision making (Ferber & Nelson, 1993). Social orthogonality is therefore assumed within modeling, meaning they treat

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2 To date, there is no published data known to this author documenting the rate or prevalence of women in default or foreclosure. Thus far, the only established link between gender and foreclosure has been the overrepresentation of single women among holders of the risky loans that are likely to default and enter foreclosure proceedings. Not all risky loans end in foreclosure, as some homeowners are able to refinance or sell their property at a loss. Likewise, not all foreclosure filings end with an eviction and a home sold at public auction. Judicially speaking, foreclosure is a process that spans a continuum from default to eviction. Depending on local housing markets, short sale opportunities, local foreclosure laws, and access to legal aid, homeowners who enter default may find a way out beyond eviction, but that does not mean their credit and ability to accrue assets are not seriously impaired.
non-economic forces governing the behavior, choices and power available to lenders and borrowers as though they bear no weight on events in the marketplace (Dymski, 1998). In this chapter I draw on economic and gender theory, as well as feminist political economy literature, to engender the obscured role gender plays in mortgage lending and policy. The following themes and concepts guided the literature review and the data analysis: (1) social reproduction, (2) the gender division of labor, (3) market assumptions and (4) privatization. Each theme illuminates how women are socially situated within the marketplace.

**Social Reproduction.** Social reproduction, also referred to as care work or women’s unpaid work in the home, includes the activities set up by society to maintain the family, reproduction, socialization, consumption management and the development of the future labor force (Laslett & Brenner, 1989; Bezanson & Luxton, 2006; Abramovitz, 2000). Ideally, the process of social reproduction ensures (1) the care and maintenance of children, the elderly and others unable to care for themselves (2) the transference of cultural practices, values and social norms to the next generation, and (3) maintenance of the current work force (Bezanson & Luxton, 2006). The gender division of labor (*discussed further below*) typically assigns these tasks primarily to women but it is also carried out by societal institutions such as schools, religious organizations and the state (Abramovitz, 2000; Bezanson & Luxton, 2006). When alternatively performed by an institution, similar divisions are mirrored in the marketplace through occupational segregation (Cohen, 2004). However, even if the marketplace or the state commodifies care work through waged labor, it is remarkably undervalued and underpaid (Bezanson & Luxton, 2006). Further, the impact is magnified for low-income women of color who are dramatically overrepresented as employees in low-wage caregiving sectors.
Crises in the process of social reproduction follow looming dips in the market and unforeseen events like war, widespread economic catastrophe and natural disasters, all of which can upset the actors carrying out the tasks that maintain the workforce, the home and consumption management (Abramovitz, 2000; Floro & Dymski, 2000). While men experience economic crises primarily through spikes in unemployment, married and unmarried women bear greater risks, financial adjustments and a rise in their unpaid care work during times of macroeconomic disaster (Floro & Dymski, 2000). These trends can trigger strain within households and social networks as women are expected to sustain care work with less capital while working additional hours in the paid workforce (Dymski & Floro, 2000; Singh & Zammit, 2000; Warren & Warren Tyagi, 2003).

Although the unpaid work associated with social reproduction is rarely acknowledged within economic modeling (Floro & Dymski, 2000), macroeconomic performance is dependent on social reproductive flourishing (Grown, Elson & Cagatay, 2000). First, if the task of social reproduction is being covered by the unpaid labor of some, it frees the labor of others to fuel the economy. Second, it mediates consumption. A market economy cannot function absent the behavior of consumers. Historically speaking, women are primarily the ones expected to combine a range of strategies to care for the basic needs of their families (Abramovitz, 1996). Namely, by determining what is produced in the home and how versus what goods and services should be purchased in the market (Floro & Dymski, 2000). Finally, since a steady supply of cheap labor is required to drive down production costs and increase profits, the activities of care work also serve as a cheap reserve labor pool.
The Gender Division of Labor. The sociological shifts prompted by the industrial revolution drove our modern conception of the gender division of labor (Abramovitz, 1996). Prior to industrialization, colonial agrarian homes were the site of economic activity in the United States (Abramovitz, 1996; Gilman, 1898). Women were still expected to be subordinate to men and financially dependent upon a male breadwinner, but the physical and economic climate of a colonial agrarian society meant the gender division of labor was allocated differently. The rule of patriarchy dictated that women were to live under the hierarchy of their husband, but they were also expected to contribute to the economic well-being of the family through their work at home (Gilman, 1898). Unlike the modern gender division of labor, few tasks beyond sexual reproduction and breastfeeding were the exclusive domain of women (Abramovitz, 1996). In addition, female sexual desire was openly accepted and considered a natural part of adulthood. Men, according to both law and custom, were unequivocally considered the head of the home, but participated in the raising of children who worked alongside their parents.

The industrial revolution dramatically shifted the site of economic activity, and with it the gender division of labor. Whereas pre-industrialization both men and women contributed to wage and unwaged labor at home, the development of factory life marked a distinct gender line between paid and unpaid work. Under this new arrangement, the idealized woman was expected to persist in the unpaid work of reproduction, childrearing and homemaking while men now physically left the home to garner wages (Spain, 1992). Women were therefore assigned to the private sphere of the home and men to the public sphere of the market (Chafetz, 1991). The modern division of labor explicitly defined a woman’s proper place as in the home inherently
limiting and devaluing women’s labor force participation thereby increasing her economic

The gender division of labor also shapes the workforce and macroeconomic policy. First,
although the trend shows signs of decline, women still occupy jobs that parallel women’s
caretaking tasks in the home. Occupational segregation marks fields like social work, teaching
and nursing where they both serve others, and function as assistants to men (Cohen, 2004). When
women cross over into occupations traditionally reserved for men, they typically earn less than
their male counterparts (Hays & Hartmann, 2010). In these, and other ways, the gender division
of labor serves to legitimize a gendered power relationship based on unequal access to resources
and market exclusion (Abramovitz, 1996). This gender demarcation controls and constrains
women’s choices, including housing market options where women are summarily locked out of
home ownership, traditional loan products and other economic benefits more readily available to
their male counterparts.

Second, the gender division of labor inherently assumes a heteronormative male
breadwinner model, alternatively called a “male breadwinner bias” (Elson & Cagatay, 2000, p.
1355). The model presumes that the costs of women’s unpaid labor will be subsidized through
the wages of a full-time male worker. Macroeconomic policy structurally rests on this idealized
arrangement rendering the unpaid work of women monetarily and socially invisible. Their role
in maintaining the male workforce is only rewarded via his wages locking her out of decision
making power and some social programs based on long term employment. Further, as mentioned
prior, women locked into social reproductive tasks also serve as a cheap reserve labor pool.
When, and if they are pulled into the marketplace out of macroeconomic necessity, it is still
under a male breadwinner bias model. That is, their part time, contingent or seasonal work renders them ineligible for most social programs that are tied into full time employment. Finally, relegation of women to the home also serves as a de facto safety net (Warren & Warren Tyagi, 2003). Her unpaid status retains her labor as a backup waged employee in times of unemployment, as an at home caregiver for elderly adults and any other task of social reproduction in need of fulfillment.

**Market Assumptions.** Three assumptions about the economy permeate economic policy, social policy and mainstream economics, (1) the market is filled with rational actors, (2) that perfect (symmetrical) information exists should someone seek it, and (3) that markets are not socially situated. These assumptions function as political and public explanations for the lack of upward mobility, asset accrual and financial stability among any group of financial actors. With regards to women, these assumptions interact symbiotically with the aforementioned themes (social reproduction and gender division of labor), precariously situating women on the edge of financial disaster absent adequate safety nets. For women of color these dynamics are compounded by the legacy of racism, exclusion and oppression experienced throughout US history.

First, there is a prevailing assumption that all economic actors function as rational decision makers along a plane of cost-benefit analysis (Harvey, 2005). In other words, it presumes that individuals and groups make financial decisions based on which choice will yield the highest profit. Problematically, this presumes assumption number two, that perfect symmetrical information about the market exists. In reality, asymmetrical knowledge underpins the market economy (Stiglitz & Weiss, 1992). Lenders and financial institutions possess not only
more information about which loans are more likely to perform over time, they also possess the commodity of credit necessary to function in modern life (Ashton, 2009). Further, under financialization, capital accumulation now occurs primarily through market manipulation rather than through production of goods and services (Krippner, 2005). As a result, it is not possible to accrue assets, upward mobility or financial stability throughout the lifespan without engaging asymmetrical markets. As the literature review will demonstrate, perfect information on lending rarely exists for groups historically excluded from housing and lending (women and people of color). However, if one clings to assumption one (that we are all rational economic actors) the overrepresentation of women among risky loans or poor financial products can be attributed to her status as a “bad rational decision-maker.” In the more repugnant justifications, the “bad rational decision-maker” is interpreted to be solely responsible for their predicament and simultaneously representative of their entire gender, race or ethnicity.

Presuming rational decision making and perfect information likewise rests on assumption three, that markets are not socially situated or constructed. The asymmetrical information characterizing the market is indicative of the “thick social relations” (Dymski, 1998, p. 242) embedded in the power dynamics between lenders and borrowers. Accidental or willful ignorance of those power dynamics disembodies market behavior from the social context creating the conditions for market behavior to exist. In turn, this disembodiment then obscures (1) the role of gender, race and place in lending, and (2) the path dependency of current market trends on past market regulations.

Antithetically, the financial disasters experienced by consumers are commonly attributed to how they may be socially situated, while financial institutions and the actors within them are
presumed to be ahistorical and entirely void of social construction. Stark evidence of this dynamic litters decades of housing and lending history. From the 1930s-1970s the government refused to lend to borrowers of color because it was assumed race cemented their status as bad investments (Squires, 1992). Women were likewise excluded because their capacity for biological reproduction was seen as deterministic of future loan default (Card, 1985; Hyman, 2012). Today, pregnant women are routinely denied access to mortgages on the presumption that pregnancy precludes default and an inability to manage one’s finances (St. Cyr, 2011). Since gender dynamics pervade all institutions, including economic, the financial systems themselves act as conduits for gendered assumptions and bias (Grown, Elson & Cagatay, 2000). When that process is ignored or presumed non-existent, disparity perpetuates and evolves if intervention does not occur. Problematically, since rational decision making and symmetrical information are also assumed to exist, disparity can then be explained away as individually errant investments.

**Privatization.** In the 1970s the United States experienced a severe economic crisis fueled by deindustrialization, loss of American production hegemony and increases in unemployment (Blau & Abramovitz, 2007; Harvey, 2005). In response, the Reagan administration popularized and promoted neo-liberal economic theory which was quietly building since the 1960s (Harvey, 2005). This shift towards neoliberalism has pervaded both the public and private sectors in each decade since (Abramovitz, 2012; Harvey, 2005). The theory is grounded in the premise that laissez-faire economics, underpinned by privatization and deregulation, presents the optimum path for human and market flourishing. The market assumptions mentioned prior (rational actors, symmetrical information, disembodied markets) functionally legitimize any resulting disparities

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3 Fuller discussion of the tenets and impact of neoliberalism is located in the literature review.
for groups locked out of upward mobility.

Since the 1970s privatization has dramatically reconstructed the means of social reproduction and the male breadwinner model (Abramovitz, 2012; Roberts, 2013). Importantly, an idealization of the gender division of labor has not shifted with it. As the state promotes privatization, social safety net provisions face rollbacks, austerity measures and privatization of care work previously underwritten by the government (Bezanson & Luxton, 2006; Roberts, 2013). Similar assaults appear in the employment sector as employees are provided with health insurance vouchers or investment portfolios in lieu of health insurance or pensions. As the wages of the male breadwinner consistently fail to match inflation and benefits continue to fall the model fractures. Instead, women are forced to rely on the market to underwrite the care tasks still assigned to them at home. In short, volatile markets governed by assumptions of rational actors competing in a class, color and gender blind market have replaced what “a man” or “the man” formerly provided. Meanwhile, this fundamental restructuring fails to account for the legacy of gender and race inequality in markets, wages and asset accumulation.

In the chapters that follow I use the aforementioned themes to explicate women’s relationship to housing and lending policy, lending markets and home foreclosure. Taken together, these themes have implications for the types of mortgage products offered to women, the availability of foreclosure interventions and their experiences in the market. The next chapter provides a comprehensive overview of the literature on women, lending and mortgage foreclosure.
CHAPTER TWO: LITERATURE REVIEW

Gender in the History of Housing & Lending

Era I: The New Deal through the Equal Credit Opportunity Act (1930s-1970s). Other than the recession of the 2000s, the Great Depression was the only time in American history when an economic catastrophe was entwined with a large-scale home foreclosure crisis (Schwartz, 2009). Before the Great Depression, the government did little to promote homeownership or regulate housing policy (Jackson, 1987; Stuart, 2003). Mortgages were short-term and lenders only covered up to 60% of the total value of a home, restricting homeownership to those with access to significant family savings or members of the upper class (Immergluck, 2009a; Jackson, 1987). As large-scale unemployment and subsequent depletion of personal saving accounts escalated during the Depression, an estimated 1,000 previously stable families experienced mortgage foreclosure every day (Jackson, 1987). More than half of all mortgages were in default (Jackson, 1987; Wheelock, 2008). As in the 2000s, many who managed to avoid default were still underwater on their mortgages, meaning they owed more on their homes than they were worth (Schwartz, 2009).

In response, the Roosevelt administration powerfully altered access to homeownership through the establishment of two new agencies. First, the Home Owners Loan Corporation (HOLC) was established as part of the Home Owners Loan Act of 1933 (Jackson, 1987; Stuart, 2003). The HOLC provided immediate relief for families facing foreclosure and established the self-amortizing, long-term, fixed rate mortgages that dominated the housing markets until the onset of subprime (Jackson, 1987; Stuart, 2003). The new mortgages stabilized the industry, putting homeownership and the American Dream within reach of millions of male breadwinners.
and their families. Notably, under these policies, female-headed households and neighborhoods of color were not provided access to the same benefits, nor were low-income families, whose housing was provided through an increasingly volatile rental market (Reid, 2010).

Second, in conjunction with the HOLC, Congress established the Federal Housing Administration (FHA) to stimulate housing construction and insure mortgage lenders, whose costs would now be covered by the FHA if the homeowner defaulted in the future (Immergluck, 2009a; Stuart, 2003). Shifting the risk of default from the lender to the FHA decreased mortgage costs, lengthened the life of most mortgages from 15 to 30 years, and set specific standards that the property, lender, and borrower would be required to meet for FHA backing (Immergluck, 2009a; Jackson, 1987). Consequently, Congress lowered unemployment as housing construction expanded, putting many men back to work, and freed up credit for borrowers and banks whose lending activity was now insured by the federal government (Immergluck, 2009a).

At this point, inequitable access to mortgages for women, minorities, and lower classes was explicitly written into federal housing and lending policies. Although married white women were able to access the aforementioned benefits through their marital status, access to the credit associated with homeownership ceased if they experienced divorce, widowhood, or abandonment (Card, 1985; Hyman, 2012) because women fell entirely under their spouses’ credit standing for the length of their marriages (Hyman, 2012). Following dissolution of their marriages, banks routinely denied them access to credit, claiming they had no credit history (US 93rd Congress, 1973). These exclusions and other forms of discrimination such as redlining, a practice that denied loans to those living in specific geographic areas based on the race and composition of the neighborhood (Jackson, 1987; Stuart, 2003), locked entire populations out of
the intergenerational wealth, increased social status, civic engagement, and economic security that are associated with homeownership (Rohe, Van Zandt & McCarthy 2002; Schwartz, 2009).

**Housing and Lending Inequity as a Matter of Federal Policy.** From its inception in the 1930s until the Equal Credit Opportunity Act (ECOA) of 1974, the FHA and the Veteran’s Administration (VA) treated men and women differently when they applied for loans (Card, 1985; Ladd, 1998; Reid, 2010). Instead of solely evaluating a borrower’s financial profile, FHA policy also evaluated applications based on the racial composition of neighborhoods, thereby compounding access for women of color (Schwartz, 2009). The underwriting handbook explicitly instructed lenders to assess loans based on race, stating:

> The valuator should investigate areas surrounding the location to determine whether or not incompatible racial and ethnic groups are present, to that end an intelligent prediction may be made regarding the possibility or probability of the location being invaded by such groups... The protection offered against adverse changes should be found adequate before a high rating is given in the future (Immergluck, 2004, p. 95).

The 1968 Fair Housing Act later rendered that practice illegal, along with refusing to sell or rent a property based on race, national origin, color, or religion (Yinger, 1999). Nevertheless, various forms of discrimination against homebuyers of color persisted well into the 2000s (Massey, 2005; Williams, Nesiba & Diaz McConnell, 2005). Women were entirely excluded from the 1968 act and were not added as a legally protected category until the Equal Credit Opportunity Act (ECOA) of 1974 (Card, 1985; Ladd, 1982). While women of color occupied the protected category of race as early as 1968, they were still restricted based on gender and the persistence of redlining (Schwartz, 2009; Williams, Nesiba & Diaz McConnell, 2005). Familial
status, which is particularly salient to single mothers and pregnant women, was not added as a protected housing category until 1988 (Reid, 2010).

Bolstered by the social movements of the 1960s and 1970s, women entered the labor market in massive numbers and, despite low wages and unequal pay, began to strengthen their buying power. In the 1960s, women’s labor force participation grew by 39% and in the 1970s, 13 million additional women entered the workforce (Bergman, 1986). Despite their growing earning power and marital status, women continued to face credit discrimination in all sectors of the market, including mortgage lending (Card, 1985; Hyman, 2012; Ladd, 1982). Therefore, although women made steady gains in the employment sector, their ability to accrue assets, intergenerational wealth, and financial stability remained stagnant without equitable access to credit. The effects of these exclusions were perhaps most acute in the mortgage market, as home equity and tax incentives for homeownership have been key to upward mobility since the New Deal. Further, although redlining communities of color was now illegal, discrimination based on gender or marital status was not only legal, but considered sound business practice (Card, 1985). For example, 1973 Congressional hearings document one VA official stating that “it is un-American to count a woman’s income” and that he would only support counting a woman’s income “if she were to have a hysterectomy” (US 93rd Congress, 1973, p. 196).

The assumption that a woman’s status as a married wage earner indicated future risk of default was borne out of myth and stereotype not economic data. As early as 1964, research demonstrated that families with a male breadwinner as sole wage earner had a higher risk of default than those with both spouses working (US 93rd Congress, 1973). By 1970, the National Bureau of Economic Research released data indicating that there was no statistically significant
relationship between marital status and risk of default (Herzog & Earley, 1970). Despite that, both lenders and the federal government persistently adhered to stereotypical gender roles and marital status when evaluating loan applications. The Federal Home Loan Bank Board found that before the Equal Credit Opportunity Act, 18% of Savings and Loans would consider entirely ignoring the financial profile of an applicant in favor of evaluating based on marital status alone (US 93rd Congress, 1973).

Gendered credit discrimination altered access to mortgages for both women and men. Discounting a woman’s income by 50% or more on a joint application sets an artificial ceiling on how much credit should be extended to the couple, limiting both partners’ ability to secure a mortgage. In other words, if a man’s spouse’s income were given equal weight, he would have greater access to credit along with his wife. Instead, he was arbitrarily bound by the same limits placed on his spouse. Again, without an economic rationale, the FHA explicitly assumed single men were less credit-worthy than their married counterparts, saying, “The mortgagor who is married and has a family generally evidences more stability than a mortgagor who is single, because among other things, he has responsibilities holding him to his obligations” (US 93rd Congress, 1973, p. 198).

The assumption that single men are somehow less capable of meeting financial agreements if they do not have familial obligations keeping them accountable to their creditors is embedded in this statement from the FHA handbook. Further, it tasks women with simultaneously being economically dependent on a male breadwinner and being responsible for his creditworthiness. While the presence of a wife in the household increased the likelihood that a man was seen as a good investment by mortgage lenders, any careful management of
household finances wives performed throughout their marriages did not benefit them in the case of divorce or abandonment, after which their entire financial history evaporated (Card, 1985; Hyman, 2012). Conversely, their former wives’ efforts to maintain financial security would benefit men, as they were able to retain their credit scores and financial history following divorce without any additional penalties (Hyman, 2012).

Women of color faced additional barriers in accessing credit of all types (Card, 1985; Hyman, 2012). Loan officers routinely noted race when evaluating credit applications, eventually prompting widespread investigations by the Federal Trade Commission (FTC) (Hyman, 2012). According to the FTC, “Whether an applicant was White, Black or of ‘Spanish origin’ was noted on every application. The credit applications were all given a point score of which White borrowers got 7 points, a ‘person of Spanish origin’ four points, and a Black borrower no points at all” (US 94th Congress 1975, p. 52). While White women, and even some women of color, could vicariously access credit through their spouses, those in mixed race marriages “were automatically rejected because of what was considered to be the inherent instability of such marriages” (US 94th Congress 1975, p. 52).

By the 1970s, deeply rooted sexist assumptions about gender roles and the ability of women to manage their own financial welfare openly drove lending policy in both the private and public sector (Card, 1985; Hyman, 2012). The discriminatory acts conducted by banks and federal agencies expanded over time. They included maintaining different salary levels, length of residency, and length of employment requirements for women and men when evaluating mortgage applications; refusal to include the wife’s income or the practice of discounting it by 50 % or more when a married couple applied for a mortgage; and applying stricter standards of
assessment when the wife, rather than the husband, was the primary earner (US 93rd Congress, 1973; Card, 1985; Hyman, 2012). Single women, divorcees, and widows were more likely to be denied credit than any other group (Ladd, 1982). Regardless of age or income, lenders required single women to secure their own mortgages with a man’s signature (Card, 1985). Adult women with steady employment often had to obtain their retired or unemployed, elderly fathers’ signatures on their mortgages to keep their homes after divorce, abandonment, or death of a spouse (Card, 1985).

Others, like the Veteran’s Administration (VA), did not stop at institutionalizing socio-cultural gender assumptions, but also attempted to regulate female bodies as a condition of credit approval. Women were often required to provide affidavits colloquially known as baby letters, in which they detailed medical proof of birth control or family size (US 93rd Congress, 1973; St. Cyr, 2011). If a woman could medically demonstrate that she could not or would not have more children, lenders would label her and her spouse as “preferred candidates,” but if the couple were young and childless, the VA required evidence of their sterility, saying:

In certain instances, a veteran and his wife may be unable to have children and supporting medical evidence may be submitted to the lender for transmittal to the VA to establish the likelihood of the wife continuing to work (Card, 1985, p. 43).

Further, in some states where abortions were available, baby letters required a written pledge from married women that they would terminate any unexpected pregnancies if a couple wanted to include both spouse’s salaries on a loan application (US 93rd Congress, 1973; St. Cyr, 2011). Notably, lenders did not require statements from medical professionals establishing the
health of single or married men, nor did they require medical documentation from men who had experienced disabilities or catastrophic illness (Hyman, 2012).

Discrimination based on sex, geography, and race was not solely an outcome of overt discriminatory beliefs and behaviors by banks. Rather, it was due to the way discrimination operated within an economic paradigm governed by credit rationing, state caps on interest rates, and regional lending limitations. Lenders in this era were largely regional and specialized at working within specific geographic areas (Aalbers, 2009). Banks could not price mortgages based on individual risk, nor did they have the option to package loans together and sell them to other lenders (Ashton, 2009; Dymski, 1996). Unlike the 2000s, when abundant, fractured, and risky credit was available to everyone, credit was meted out carefully as banks sought to protect themselves from risky investments (Avery et. al. 1996; Stiglitz & Weiss, 1981). Prudent lenders in this era were vigilantly protective of credit, and attempted to identify which applicants would yield profits by paying off their mortgages (Stiglitz & Weiss, 1981). This dynamic left potential homeowners in competition with one another over the scarce commodity of credit and lenders with, at times, incomplete information about which borrowers were likely to be safe bets (Ashton, 2009; Stiglitz & Weiss, 1981).

Stereotypes, myths, and assumptions about women and people of color filled in the vacuum of incomplete financial information. Despite the growing income of women and the data presented by John P. Herzog and James S. Early (1970), which showed that marital status was not a predictor of loan performance, assumptions about women’s inability to manage their own financial welfare acted as a sorting mechanism to determine who was deserving and undeserving of a mortgage. As the Congressional testimony presented earlier demonstrates, sex and race
discrimination in that economic environment locked women and people of color out of the loan pool, containing the carefully rationed supply of credit. As a result, single and married White men with the requisite income competed with no one other than their White male peers for credit, boosting their assets and widening the gap between White men and everyone else.

**The Response: The Equal Credit Opportunity Act.** In response to consumer complaints and pressure from the women’s movement about these exclusionary practices, Congress enacted the federal Equal Credit Opportunity Act (ECOA) in 1974, and later amended it in 1976 (Ladd, 1982). ECOA extended the definition of individual credit discrimination to include sex, marital status, and age, explicitly labeling it unlawful to discriminate against an applicant based on those categories (Ladd, 1982; Reid, 2010). Despite the new regulations, subsequent audit testing demonstrated that individual discrimination against women, single parents, pregnant women, and people of color persisted in certain housing markets (Ladd, 1982; Reid, 2010). The ECOA outlawed denial of credit based on income deriving from state benefits (Card, 1985), which was especially important for women because they represent the majority of public assistance recipients (Abramovitz, 1996). Lenders could not legally deny credit based on receipt of income from the social safety net as long as an applicant’s net income met the requirements for the loan.

The features of loan products at the time determined the manner in which ECOA addressed credit discrimination. In contrast to the mortgage pool in the subsequent 1990s and 2000s, most borrowers had only one type of mortgage available to them. Regardless of the type of lender (e.g. thrifts, the FHA, the VA, a local bank, or another mortgage lender), the mortgage terms were generally the same (Stuart, 2003). The interest rate offered at closing typically varied
with either the ups and downs of the market or whether a lender deemed the borrower a higher risk, prompting an increased interest rate (Ashton, 2009; Immergluck, 2009a). Nevertheless, the buyer almost invariably received a fixed rate mortgage that, once signed, would not fluctuate with the ups and downs of the market (Immergluck, 2009a; Stuart, 2003). Whether it was a 15 or a 30 year mortgage, buyers were assured that the interest rate at closing would remain fixed for the life of the loan (Immergluck, 2009a; Schwartz, 2009).

This relatively stable mortgage pool presented a uniform context in which proponents could advocate for the expansion of credit to women. Access to the market meant access to fixed rate, 30-year prime mortgages. While meeting lending qualifications remained problematic for many, buyers had full confidence that once women could enter the market, the mortgage pool itself would not be as variable and laden with risk as it would be in later decades. In brief, the protection of women’s access to credit, asset building, and intergenerational wealth rested on the Equal Credit Opportunity Act, which aimed to remove barriers to mortgage market entry faced by women from all walks of life.

**Era II: The Neoliberal Shift (1980s-2000s).** In the mid-1970s, the nation experienced a major economic crisis fueled by deindustrialization, loss of American hegemony in global production of goods, economic decline, and escalating unemployment (Blau & Abramovitz, 2007; Harvey, 2007). In response, the Reagan administration popularized neoliberal economic theory, which had been quietly building since the 1960s (Harvey, 2007). Neoliberalism is grounded in the premise that embracing free market principles will serve the dual purpose of growing the economy and solving social problems (Harvey, 2007; Mullaly, 1997). The theory hinges on the central constructs of rugged individualism; a laissez-faire market; the accumulation
of property; decreased social spending; and a highly competitive, capitalist market fueled by
deregulation (Harvey, 2007; Mullaly, 1997).

The shift to neoliberalism formed an ideological context that paved the way for the
deregulation of lending policy and the development of securitization, which is the practice of
consolidating various types of debt, such as mortgages or credit card debt, and selling it to
investors (Kendall & Fishman, 1997). Subsequently, the competitive relationships between
financial institutions heightened and the conception of market risk altered, expanding
homeownership to previously underserved groups, albeit on dramatically different terms than
those envisioned by the ECOA (Ashton, 2008; Ashton, 2009; Immergluck, 2009a). Additionally,
advances in technology allowed for data-mining, and automated underwriting provided financial
institutions with a greater capacity to increase their customer base (McCoy & Renuart, 2008).
Taken together, these trends altered lending policy and mortgage products for the next three
decades, ultimately shifting the way lending disparity operated in a new economic climate. This
era was later described by the Financial Crisis Inquiry Commission as “a highway where there
were neither speed limits nor neatly painted lines (FCIC, 2011, p. 17).”

**The Rise of the Subprime Market.** Congruous with neoliberal theory, the federal
government began deregulating the banking industry in the 1980s to increase profits and
stimulate the economy following the economic downturn of the 1970s (Immergluck, 2009a;
Schwartz, 2009). The 1980 Depository Institutions Deregulation and Monetary Control Act
(DIDMCA) eliminated interest rate caps set by states on mortgages, specifically stating that the
policy’s aim was to eliminate limitations on how high an interest rate could be (Tempkin,
Thompson & Levy, 2002). Shortly thereafter, the 1982 Alternative Mortgage Parity Act
(AMTPA) also usurped state lending laws by permitting lenders to sell mortgage products with adjustable interest rates, negative amortization, and balloon payments in an attempt to widen access to homeownership and stimulate a sluggish housing market (Chomsisengphet & Pennington-Cross, 2006 Tempkin, Thompson & Levy, 2002).

Removing state caps on interest in tandem with the technological capacity to weight credit scores as predictive of default was theoretically supposed to provide institutions with the ability to match a borrower’s level of risk with an appropriate product, thereby eliminating subjective assessment of borrowers (Ashton, 2008; 2009; Avery et. al., 1996). Under the credit-rationing environment of era I, mortgage originators were largely unable to predetermine risk of default, and instead relied on assumptions about women and people of color to ration who would be granted mortgages. Within the new climate, complex algorithms were supposed to objectively determine who was deserving and undeserving of a mortgage based on financial profile alone, resulting in maximization of profits for both consumer and lender (Ashton, 2009; Dymski, Hernandez & Mohanty, 2013). However, rigid adherence to the belief that technology and accurate pricing can eliminate both risk and disparity fails to account for the fact that credit, risk, borrowers, and lending institutions are all socially situated within power dynamics shaped by the inertia of structural forces over time (Dymski, 1998). While the positionality of a potential borrower (that is how they are socially situated along axes of race, class, and gender) is historically recognized within economic modeling, namely as a proxy for categorizing the borrower as a good or bad investment, the position of the financial institutions within the broader context often remains obscured. The result is an insufficient picture of the roots of lending inequity and widespread mortgage foreclosure.
Deregulation not only shifted the types of mortgage products available to consumers, it also shifted the relationships between lenders as specialized subprime financial institutions emerged, competing for profits with the prime lenders of the past (Ashton, 2009; Dymski, Hernandez & Mohanty, 2013). The growth of the subprime sector was initially slow. However, as deregulation and the 1989 federal bailout of the protracted savings and loan crisis coalesced, barriers between different financial sectors collapsed, pushing firms into new markets and spurring the creation of entirely new, non-bank lenders (Aalbers, 2009). These new lenders specialized in targeting those with poor credit and, unlike the long-standing lending institutions from era I, their activities went largely unregulated (Aalbers, 2009; Ashton, 2009). As additional and differentiated types of lenders began to crowd the market, competition for yield increased along with the competition for borrowers (Chomsisengphet & Pennington-Cross, 2006; Ashton, 2009). In the wake of deregulation, the subprime market boomed, profits soared, and lenders clamored for customers who were previously ignored under the umbrella of credit rationing. Competition and incentives for lucrative subprime loan origination alone do not, however, explain why lenders fought to sell loans that would have threatened carefully rationed credit 20 years prior. According to Kathe Newman (2008; 2012), financialization, securitization, and channel specialization also functioned to shift the calculus on how mortgage lending operated, creating new forms of lending disparities among women and people of color.

**Operationalizing Neoliberal Housing & Lending Policy**

**Neoliberal Housing and Lending Policy: The New Inequity.** Consistent with neoliberal reliance on the free market, financialization and securitization were also promoted through the deregulation of real-estate markets (Newman, 2008; 2012). Financialization is a “pattern of
accumulation in which profit-making occurs increasingly through financial channels rather than through trade and commodity production” (Krippner, 2005, p. 181). In other words, the financial services industry now carries more weight in the economy than it did in the past, and capital accumulation is generated through market manipulation rather than in the production of goods and services (Krippner, 2005; Foster, 2010). When the government altered the regulatory framework between the lending industry and the state, it created the necessary conditions for the financial service industry’s expansion, prompting increased competition for yield and borrowers (Ashton, 2009; Epstein, 2005; Newman, 2008).

The context created by financialization and securitization allowed the number of subprime loan originations to skyrocket from $35 billion in 1994 to $332 billion in 2003 (Apgar & Calder, 2005). Financialization and securitization fostered the development of a dual market system that evolved outside fair lending legislation enacted in era I. The protected access to the mortgage market provided by ECOA, the Community Reinvestment Act, and the Fair Housing Act grant any financially solvent buyer market entry, but they do not delineate the terms or type of mortgage product these buyers receive.

Neoliberal ideology holds that the government should remove itself from the economy so that all firms are free to compete (Newman, 2008; 2012). In reality, there is a stark divide in the way neoliberalism is operationalized in different sectors of the same economic continuum (Newman, 2008; Peck & Tickell, 2002). On the one hand, the federal government continuously intervenes in the market to persistently stimulate the growth of the financial sector (Peck & Tickell, 2002; Newman, 2008). The government actively engages the market on behalf of banks, brokers, lenders, and the entire financial industry by creating the macro conditions necessary for
them to generate profits. The secondary mortgage market could not have developed to dominate
the housing and financial services industry without lawmakers taking active steps to cultivate its
growth (Newman, 2008; Peck & Tickell 2002). On the other hand, the federal government does
not intervene in the regulation of the newly financialized system in which increasing numbers of
women, minorities, and low-income consumers are obtaining home loans (Apgar, Bendimerad &
Essene, 2007; Immergluck 2004). This laissez-faire approach on behalf of the consumer leaves
them in a completely unregulated marketplace in which lenders have tremendous incentives to
defraud customers or take advantage of historic market exclusions and inequities. Underneath the
rubric of stimulating a free economy, the government actively intervenes in the market to
promote financialization. Simultaneously, the federal government refuses to intervene in
regulating the conditions that the new environment creates because such controls are interpreted
as inhibiting the market freedom. Early local efforts to stem the first wave of subprime lending
offers a clear example of this dynamic (Immergluck 2004, 2009b).

In the late 1990s, local foreclosure crises occurred in communities where predatory
lending was rampant (Crump, 2008). In response, from 2001 to 2002, community advocates and
local officials in Illinois, North Carolina, Georgia, and New York collaborated to pass state
regulations guarding against predatory lending known to yield concentrated neighborhood
decline (Immergluck 2004, 2009b). The financial services industry immediately countered these
efforts by lobbying for federal legislation that would override or weaken local regulations
(Immergluck 2004, 2009b). Their arguments rested on claims that regulation harms the economy

\[ \text{For fuller discussion of specific legislative steps taken by the state to promote financialization, see Kathe Newman’s article “The Perfect Storm: Contextualizing the Foreclosure Crisis” (2008) or Jamie Peck and Adam Tickell’s article, “Neoliberalizing Space” (2002).} \]
by slowing growth, undercutting competitive capitalism, and unjustly limiting consumers by
diminishing their options (Immergluck 2004, 2009b). To the dismay of advocates, the federal
government honored the demands of the financial industry. As requested by the lobby,
Washington intervened in local markets to undermine local regulation efforts (Immergluck
2009b; McCoy & Renuart, 2008).

In other words, the application of neoliberalism dictated different levels of market
intervention for consumers and lenders. For the industry, the federal government intervened in
financial markets to bolster growth (Newman 2012; Peck & Tickell, 2002), creating a new
mortgage marketplace that bore little resemblance to that of the past 75 years (Immergluck,
2009a; Stuart, 2003; Williams, Nesiba & Diaz McConnell, 2005). For the borrower, particularly
women and people of color who were systematically locked out of homeownership for decades,
the government uniformly withdrew from regulating the new products, leaving borrowers
immersed in a fractured, risky market without a legislative safety net.

Financialization and securitization, in tandem with risk-based pricing, in which interest
rates are determined in part by the lender’s assessment of the borrower’s likelihood to default,
flipped the profit motivator for mortgage brokers. Before these financial innovations, the highest
profit was gained from closing loans where the likelihood of default was the least (Ashton, 2009;
Immergluck, 2009a). When an originator is no longer responsible for backing the loans they sell,
it removes all incentive to offer prime loans, which carry far less risk. Since subprime loans
result in higher profits for the broker, they are inherently more lucrative for the lender making
the initial sale (Immergluck, 2009a). Under these new market conditions, it is now in a broker’s
best financial interest to close as many subprime loans as possible, even if a borrower qualifies
for a safer prime loan. Indeed, at the height of the housing boom, more than one-third of borrowers qualified for prime loans but received fluctuating subprime mortgages instead (Brooks & Simon 2007; Keest, 2008).

**Channel Specialization.** Geographically speaking, the aforementioned dynamics took on particularly dangerous inertia within cities, the historic sites of compounded racial inequity and exclusion, which were ripe for exploitation by lenders who were well aware of their untapped market potential (Aalbers, 2012). Financialization and securitization, scaffolded by a deregulated marketplace, created incentives to expand mortgage lending to groups historically excluded from the market, but on dangerous terms that amounted to wealth extraction from women and people of color (Dymski, Hernandez & Mohanty, 2013).

These conditions created a financial incentive for brokers to steer consumers into risky loans, coalescing with the emergence of “channel specialization” (Apgar, Bendimerad & Essene, 2007, p. 3). Within channel specialization, two different markets exist simultaneously and each offers borrowers different financial products governed by different regulatory frameworks (Aalbers, 2012; Apgar & Calder, 2005; Apgar, Bendimerad & Essene, 2007). In the prime market, borrowers have access to traditional, fixed, 30-year mortgages, which dominated the housing and mortgage industry from the New Deal era until the 1990s (Immergluck, 2004; Jackson, 1987). Legislation protecting women and minorities typically only applies to loans obtained in the prime market, creating regulatory gaps that exacerbate existing inequalities (Apgar & Calder, 2005). The fair lending legislation enacted prior to the neoliberal shift of the 1980s promotes equitable access to the mortgage market writ large, but it does not promote access to equitable products or prime markets within the loan pool.
In sum, these dramatic shifts in the market fundamentally altered the relationship between marginalized populations and homeownership in two ways. First, a wide regulatory gap opened, allowing shifts in the market to develop ahead of protective legislation. As mentioned earlier, in the 1990s, when local legislatures attempted to stem the tide of predatory subprime lending, the federal government blocked their efforts (Immergluck 2009b). In the 2000s, women, especially women of color, saw their access to credit and homeownership increase. However, neoliberalism changed the conditions in which those legislative gains were made, leaving a gap between existing protective legislation and the reality of a far riskier marketplace. The dual mortgage market emerged in the policy gap left between ECOA, the Community Reinvestment Act, and newly loosened federal regulations designed to stimulate the financial services industry.

**Reverse Redlining.** Second, by 1999, consumer advocates drew attention to a new phenomenon rapidly developing in low-income communities of color, where women are often the heads of households, which they called reverse redlining (Engel & McCoy 2002; Immergluck 2004; Kaplan 2008; Squires 1992; 2003). Throughout the post-World War II era (1945-1975) the FHA, the VA, and private companies all practiced redlining with impunity (Schwartz, 2009; Jackson, 1987). Regardless of their financial capacity, prospective borrowers of color were systematically excluded based on race and geographic location (Stuart, 2003; Kaplan 2008). The Housing Act of 1968 began the process of banning overt redlining, but it persisted well into the 1990s (Stuart, 2003).

By 1999, under reverse redlining, the earliest waves of subprime lending were densely concentrated in neighborhoods previously locked out by redlining (Kaplan 2008; Newman &
Wyly, 2004; Wyly, Atia, and Hammel 2004). Instead of excluding entire neighborhoods based on race, entire neighborhoods appear to have been marked for subprime lending (Kaplan, 2008; Newman & Wyly, 2004). In fact, lenders excluded whole communities from the prime market, and instead steered the residents into riskier loans. Given that high concentrations of risky loans translate into high concentrations of foreclosure, reverse redlining illustrates how banks extract wealth from people of color and single women (Hernandez, 2012). Women and people of color are more likely than white men, either married or single, to have their home as their primary asset (Oliver & Shapiro, 1997). Their home not only represents ontological security, but is also their primary vehicle to build and maintain wealth.

**Disproportionate Realities: Women and the Subprime Loan**

While subprime loans were rapidly eclipsing the prime market, the number of single female homebuyers was simultaneously doubling in size (Drew, 2006). As of 2006, single women represented one-fifth of all homebuyers, making them the fastest growing group of homeowners in the United States (Drew, 2006; Melia, 2004). From 2008 to 2012 the trend persisted, as one out of five homebuyers continued to be single women, making them the second largest group of homebuyers after married couples (National Association of Realtors, 2012). That pool of female-headed households represent a diverse group of divorcees, young singles, seniors, and single mothers of a variety of ages and races, 41% of whom are first-time homeowners (Drew, 2006).

In the early 2000s, the housing industry took notice of the influx of single women in the real-estate market. Self-identified female-friendly real estate brokers and home repair services appeared, and in 2003, the National Association of Realtors began calling attention to the new
market (Evans, 2004). Some realty associations openly questioned city planners about the feasibility of continuing to promote the “Levittown model (of housing) with the home as haven for the male worker” because they felt it was unsuitable for a new marketplace of women interested in integrated mixed-use housing (Evans, 2004, p. 2). For example, in 2004 the popular industry publication *Realty Times* labeled women “the rising minority” (Dratch 2006, p. 1) and further questioned the profession, saying, “They aren’t waiting to find a mate to buy a home, but are community planners, builders, or realtors getting the message? Are we planning, building, and selling the homes single women really want? (Evans, 2004 p. 1).”

An increase in women accessing risky subprime loans, either for the refinance of an existing property or for an original mortgage, coincides with their new status as the rising minority. The disproportionate number of women in the subprime market cannot be explained by financial profiles, assets, property locations, and market conditions (Cheng, Lin & Liu, 2011). At every income level, women are more likely than men with similar assets to receive a costly subprime loan, and women of color are more likely than any group of homebuyers to acquire these risky products (Dymski, Hernandez & Mohanty, 2013; Phillips, 2012). Of particular concern is the finding that the subprime disparity between women and men increases as a woman’s level of income rises (Fishbein & Woodall, 2006), challenging the assumption that increased wealth consistently acts as a protective factor in risky credit markets.

The dramatic overrepresentation of women among risky mortgage-holders is further compounded by the gender wealth gap. Even though 91% of women’s jobs lost in the recession were restored by June of 2013 (Hartmann, Shaw & Pandya, 2013) and women now make 77 cents for each dollar earned by a man, female wealth lags far behind. A woman’s wealth, or
assets, includes her debt to income ratio, stocks, bonds, property, mutual funds, retirement
accounts, and other investments. In addition to being a buffer in times of economic uncertainty,
retirement, job loss, or major illness, wealth provides upward mobility across generations
through inheritance and funding for higher education, and it can act as a resource for others
within a woman’s family and social networks. Currently, women only have 36 cents for each
dollar in wealth that is owned by men, and the picture grows bleaker when differentiated by
marital status (Chang, 2012). Never-married women possess just six cents in wealth for each
dollar in wealth held by never-married men, while divorced women own 45 cents and widowed
women own 60 cents (Chang, 2012). The drastic within-group differences among women is due
to a variety of factors such as life stage, the presence of dependents, and the persistence of
student loan debt, which is currently plaguing younger generations of women (Chang, 2012).

**Summary and Conclusions.** Under Era I, before deregulation collapsed the financial
walls allowing for new forms of lending, risk, and super-competition between brokers (Ashton,
2009), essentialist beliefs about race and gender drove the gatekeeping behavior of banks
regarding their carefully rationed credit. One’s status as deserving or undeserving of a mortgage
was determined by one’s race, gender, and proximity to a neighborhood of color. Even if one was
a woman of economic means, class did not act to position her as deserving unless she was one
half of an intact White, heterosexual marriage.

Under Era II, financial and technological innovation may have enhanced the
capacity for risk-based pricing, but instead of eliminating lending disparities, it enhanced them.
Most economic accounts of the crisis dismiss gender and racial gaps in the market as hubris on
behalf of the industry, misinformation, or misaligned profit motivators (Dymski, Hernandez &
Mohanty, 2013). However, each of those explanations fail to account for the ways in which the discrimination of the past gave way to the disparities of the present, because those accounts disembody risk from the power dynamics embedded in the system itself. If the default risk of a borrower was truly an inert byproduct of his or her financial profile or an accident of misaligned incentives, risk-based pricing in a climate uninhibited by federal regulation should have been mediated by class. A borrower’s class, or his or her credit score, income, and assets, should have determined whether or not the borrower fell into the safer, fixed prime loan market covered by some level of regulatory oversight. Instead, more than one-third of all subprime borrowers actually qualified for prime (Brooks & Simon, 2007; Keest, 2008) and a glass ceiling of lending prevented women from accessing safer mortgages. In 2006, the Consumer Federation’s review of more than 4 million home loans found that women earning double the median income were 46.4% more likely to have a subprime loan than their similarly situated male peers (Fishbein & Woodall, 2006). As it did in Era I, class failed to act as a fig leaf permitting women equitable access to the mortgage pool. Instead, the disparity between men and women actually increased as incomes rose (Fishbein & Woodall, 2006; Phillips, 2012).

Several dynamics drove the likeliness that women, particularly women of color, would end up in the subprime pool. First, the overtly racist redlining practices during Era I contributed to the development of highly segregated neighborhoods that were entirely locked out of homeownership and upward mobility. This accumulated disadvantage severely inhibited the accrual of assets among people of color, whose households are predominately headed by women. Second, the deregulation of markets and the associated development of securitization flipped the profit motivator for brokers, who could shift the risk of a subprime mortgage onto the borrower.
and into the secondary mortgage market. Since originators no longer held the mortgages, and instead acted as middle men between investors and borrowers, they could legally extract wealth and equity out of borrowers with little to no consequence. Third, according to neoliberalism, an expansive social safety net inhibits the development of markets, decreases competition, and slows down the economy writ large (Harvey, 2007). While mortgage markets were evolving and shifting the conception of competition and risk, the relationship of the state to the tasks of social reproduction was simultaneously being altered (Roberts, 2013). Whereas the social safety net and employers once underwrote social reproductive tasks, like care for the elderly, childrearing, healthcare, and education, those tasks are now largely privatized and procured through increasingly risky markets (Bakker, 2007; Bezanson & Luxton, 2006; Roberts, 2013).

Simultaneously, many middle- and low-income Americans, particularly women, have been relying on debt to finance everyday consumption as incomes have not kept pace with the costs of living (Hyman, 2012). The cumulative effects of these shifts situated some female-headed households over the brink of financial disaster just as markets began to evolve, rendering protective legislation moot. In short, the lending disparities of the past situated women and people of color at risk for dangerous products in the present. Subprime loans were once lauded as a new vehicle for upward mobility among women, people of color, and previously redlined neighborhoods. Instead, they extracted wealth from vulnerable populations into the secondary mortgage market, benefitting investors at the expense of borrowers and effectively stifling progress toward gender equity.
Local Operationalization of Neo-liberal Mortgage Markets

**Abandonment, Crime & Adjacent Property Owners.** An overabundance of abandoned and vacant properties has been linked to the deterioration of communities (Hillier et. al. 2003; Immergluck & Smith, 2006; Immergluck & Smith, 2005). An increased incidence of abandoned and blighted properties marks neighborhoods dominated by foreclosure rates, which can lead into spillover effects like crime and social disorder (Immergluck & Smith, 2006; Immergluck & Smith, 2005; Immergluck, 2011; Kingsley et. al., 2009; Squires & Hyra, 2010).

In a community with a strong real-estate market, the costs involved with deteriorating or abandoned properties is typically absorbed by neighborhoods and community organizations (Immergluck, 2011; Kingsley et. al., 2009). Property owners surrounding empty homes traditionally served as unofficial watchdogs preventing arson, squatting and drug dealing, as well as unkempt lawns and pools that can breed insects, illness, and public health threats (Kingsley et. al., 2009). Financial and social incentives motivate neighbors and community organizations to provide some level of care for adjacent properties to protect the value of their own investments. When a vacant or abandoned property develops signs of blight it affects the housing prices in the entire vicinity because realtors and potential new owners can perceive it as signs of a neighborhood on the decline (Kingsley et. al., 2009; Miroff, 2008).

In previously stable neighborhoods, the rate of foreclosure has outpaced the traditional mechanisms of communal responsibility for vacant property maintenance (Immergluck, 2009). The result is a snowball effect of interrelated implications involving crime, the price decline of housing stock, public health threats, public safety issues, population loss, declining tax revenue, declining school tax revenue, and institutional stress (Immergluck, 2011; Kingsley et. al., 2009).
These shifts have contributed to the price decline of surrounding properties and concentrated institutional strain (Kingsley, 2009; Schloemer, 2009; Squires & Hyra, 2010). Since 2007, an estimated $5 trillion in total home equity has been lost, and $32 billion in equity has been lost by properties next to foreclosed homes (Abromowitz, 2008; Carr, 2008; Squires & Hyra, 2010). Immergluck and Smith demonstrated that for each home foreclosure, the surrounding properties lose up to 1.44% of their total value (Immergluck & Smith, 2006). In Chicago, Immergluck and Smith demonstrated that the citywide losses for neighborhood properties averaged more than $371,000 for each foreclosed home (Immergluck & Smith, 2006).

While families struggle to hold onto their homes, some report “robbing Peter to pay Paul,” meaning they ignore other necessary bills and home repairs to divert any available money into their mortgage payments (Fields et. al. 2007b, p. 11). As a result, when the families move out, they may leave behind a home whose maintenance ceased long before the foreclosure process was complete. In states like California, Florida, and Arizona, home swimming pools sometimes translate into public health threats as mosquitoes and snakes infest and multiply in the water when properties become vacated (Hazell, 2008). Empty homes are also targeted for theft of copper and other building materials (Crump, 2008; FCIC, 2010).

**Institutional Strain.** Local municipalities face significant institutional strain in the wake of mass default and foreclosure. Foreclosure simultaneously drops tax revenue and increases community costs at the municipal and local level. Before the current crisis, one study placed average city costs for one foreclosed property at $27,000, and neighborhood costs at $10,000 (Moreno, 1995). In Chicago, Apgar & Duda (2005) determined that each home foreclosure required the involvement of over 2 dozen specified municipal activities. That can exacerbate
existing fiscal problems for cash strapped municipal agencies and increase strain on city workers.

Likewise, sub-prime lending and foreclosure is densely concentrated in low-income neighborhoods that were already resource deprived prior to the crisis (Immergluck, 2011). The dense concentration of foreclosures and the spill over effects of crime, deterioration, and displacement increase trash collection costs, police department costs, education costs, and social service costs (Kingsley, 2011; National Coalition for the Homeless, 2008). The National Coalition for the Homeless reported that 61% of agencies nationwide reported an increase in family homelessness due to foreclosures in 2008 (National Coalition for the Homeless, 2008).

**Network Strain.** Homeownership is linked to a community’s ability to develop strong social capital (Brisson & Usher, 2005; Rohe & Basolo, 1997; Rollins, Saris, & Johnston-Robledo, 2001). However, social capital in the subprime and foreclosure crisis has been threatened, eroded and used by some predatory brokers to push risky lending. First, the snowballing effects of foreclosure on community resources translates into a loss of social capital for women. As institutional and municipal frameworks are strained (Apgar & Duda, 2005), the strength of local institutions can be diminished. Local institutions, like churches, schools and local governments provide a foundation for people to build the necessary trust and cohesion tied to building social capital (Saegert, et.al., 2001). When those necessary “trust building sites” face extinction, the development of social capital development is threatened for women who are more likely to rely on it as a resource (Desmond, 2010; Stack, 1974).

Second, single women and people of color experiencing foreclosure are often the strongest members of a financially fragile social network (Castro Baker, 2012; Keene, 2013). In

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5 The exploitation of trusting relationships by brokers will be discussed further in the next section.
other words, the impact of foreclosure is experienced multi-directionally (Keene, 2013). The homeowner possesses few network resources to assist with their personal financial strain, while the network simultaneously is experiencing the loss of the homeowner as a resource.

**Micro Implications & Social Service Response**

**Qualitative Foreclosure Research.** Qualitative study into the experience of mortgage trouble is rarely conducted. There is an emerging literature within sociology that is exploring the experiences of eviction in the lives of women, but it is focused on the rental market not homeowners (Desmond, 2010; Tester, 2007). In addition to this research, I was only able to locate two research teams who studied U.S foreclosure qualitatively, and one in the U.K. In the US, Susan Saegert, Desiree Fields, and Kimberly Libman published an important series of papers (Fields et. al. 2007a; Fields et. al. 2007b; Fields et. al. 2010; Saegert et. al. 2009) from the same large-scale data set. The team conducted focus groups with 88 homeowners experiencing mortgage trouble in New York, NY, St. Louis, MO, Hamilton, OH, Duluth, GA, and Waco, TX (Fields, et. al., 2010). They also conducted focus groups with 39 non-profit professionals working with homeowners at risk for, or experiencing, foreclosure (Fields, et. al., 2010).

The second body of qualitative data came from research I conducted with Danya Keene and Julia Lynch among working class homeowners in a large Northeastern metropolitan area. This research included interviews with working class homeowners experiencing mortgage strain, default and foreclosure (Keene, 2013; Keene, Lynch & Castro Baker, under review). Twenty-eight participants identified as African American and ten as White. Stage one of our results were published at an academic conference (Keene, 2013) and the remainder are under review (Keene, Lynch & Castro Baker, under review). The only other qualitative study in the US that could be
located, was a qualitative study set in Philadelphia, where homeowners at risk for default and foreclosure were interviewed via phone (Ross & Squires, 2011).

Importantly, several themes consistently emerged in both the U.S. and UK research. Themes of stress, depression, guilt, shame, problem internalization, insecurity and distrust of institutions featured prominently in each study (Fields et. al., 2010; Keene, 2013; Keene, Lynch & Castro Baker, Unpublished; Ross & Squires, 2011; Saegert et. al., 2009; Fields et. al., 2007a; Fields et. al., 2007b; Nettleton & Burrows, 2001; Nettleton & Burrows, 2000). Each one also noted how the interplay between those themes affected the manner in which participants attempted to access and navigate housing and credit assistance.

In each report, stress was the first theme identified by the researchers. Study participants described emotional, financial and relational stress (Fields et. al., 2007a; Fields et. al., 2007b; Fields et. al., 2010 Nettleton & Burrows, 2001; Nettleton & Burrows, 2000; Ross & Squires, 2011; Saegert et. al., 2009). In “American Nightmare,” Fields described the stress clinically as “attendant trauma (Fields et. al. 2007a, p.1).” The stress and trauma that families described caused many people to withdraw from supportive networks and relationships that may have offered them assistance in preventing foreclosure (Fields et. al., 2007; Ross & Squires, 2011). One homeowner described their stress physically, “You feel sick to your stomach and scared every time the phone rings (Fields et. al., 2007 a, p.2).”

The stress accounts were also intertwined with feelings of depression and shame, all of which would contribute to increased feelings of panic and isolation (Fields et. al., 2007a; Fields et. al., 2007b; Nettleton & Burrows, 2001; Ross & Squires, 2011). Homeowners described themselves as “feeling like the world was closing in on me,” “it was total depression,” or as
having “anxiety attacks” (Fields et. al., 2007 b, p. 7; Ross & Squires, 2011). Ross’ long interviews with 22 adults revealed that every participant in their study was either diagnosed with or had signs of clinical depression, high blood pressure, or anxiety (Ross & Squires, 2011). That finding was consistent with a quantitative public health study conducted with 250 participants in Philadelphia who were currently experiencing foreclosure (Pollack & Lynch, 2009). In that sample, 44% of participants were clinically diagnosable for depression, and 36.7% for major depression (Pollack & Lynch, 2009). By comparison, only 12.7% of the population in their comparison sample met the criteria for depression (Pollack & Lynch, 2009).

A common thread throughout each qualitative theme was an individualization and internalization of the homeowner’s situation. Although participants in each study described narratives of predatory lending, outright deception by lenders, or exceedingly confusing loan applications, it was common for individuals to take sole blame for their situation and describe feelings of moral and personal failure (Fields et. al. 2007b; Fields et. al. 2007a; Keene, Lynch & Castro Baker, under review; Ross & Squires 2011; Saegert et. al. 2009). Even though 18 of the 22 participants in the Ross & Squires (2011) study were previous homeowners who had never missed a payment until sub-prime refinance, homeowners described the deceit they experienced as a reflection of themselves. One of the women who refinanced and then lost her home described herself as follows:

Even I was educated, and you know what, I call myself a very smart person….I have been married for the last 24 years. I have raised successful children. They all go to good schools and everything. I just don’t know how things happened, I just don’t know. (Ross & Squires 2011, p. 155).
An additional participant described picturing herself as a “burden on the rest of society” (Ross & Squires 2011, p. 156). While this was a small sample (n=22), it is telling that even when those homeowners were attempting to function in a high-risk market with little power and protection, they seemed to internalize exclusive blame for their predicament.

The only time participants appeared to externalize any aspects of their situation was in focus groups (Saegert et. al., 2009). In that instance, there were moments in the group when participants criticized what they felt were unjust bank bailouts for companies that had a hand in their mortgage defaults (Saegert et. al., 2009). At other times, participants described feeling as though the American Dream had failed them, instead of the homeowner failing to achieve the American Dream (Saegert et. al. 2009). However, those instances were the exception not the rule. In contrast, Ross & Squires (2011) posited that the individual nature of their participant responses via phone versus some of the macro level responses in the aforementioned study could be attributable to the group discussion process.

Also endemic in the qualitative literature was the dynamic between families at-risk of foreclosure and social service agencies. The cumulative pressure of the emotional, physical, and financial stress, depression, shame, guilt, and insecurity was linked with delayed attempts to seek assistance from nonprofit agencies in each report (Fields et. al. 2010; Fields et. al. 2007a; Fields et. al. 2007b; Nettleton & Burrows 2000; Nettleton & Burrows 2001; Ross & Squires 2011). Homeowners described being so overwhelmed by pressure from their lenders, that they did not have the emotional resources, time, or energy to begin seeking help outside of their lending institution until they were seriously delinquent (Fields et. al. 2007b; Fields et. al. 2010). Their exhaustion was likely compounded by the manner in which lenders treated homeowners who
attempted to make partial payments or lenders who said they lost paperwork, and had no record of receipt of payment (Saegert et. al., 2009). Participants reported lender robo-calls every few hours, including in the middle of the night (Saegert et. al., 2009). In 2010, similar themes were brought to the attention of the American public when Congress halted foreclosures following evidence of lenders robo-signing foreclosure documents, mishandling payments, and intentionally ignoring documentation that would have kept families in their homes (Field, 2010).

All homeowners in the focus groups first sought to negotiate with their lenders when their mortgage unexpectedly skyrocketed, but their efforts were uniformly unsuccessful (Saegert et. al., 2009). When homeowners finally did seek assistance from nonprofit or housing agencies, they were met with ineffective solutions, assumptive attitudes on behalf of staff, and lack of a response to requests for help (Fields et. al. 2007a; Fields et. al. 2007b; Field et. al. 2010; Ross & Squires 2011; Saegert et. al. 2009). Each report noted instances of homeowners’ experiences with counselors they felt were ineffective or disrespectful (Fields et. al. 2007a; Fields et. al. 2007b; Field et. al. 2010; Ross & Squires 2011; Saegert et. al. 2009). Homeowners often described financial counselors making suggestions that did not match their situation. The most common attempt made on behalf of the agencies was to teach budget counseling, even when no amount of budget management could ever resolve the risk layering intrinsic to high-risk loans (Fields, 2007b; Ross & Squires, 2011; Saegert et. al. 2009). Participants felt that counselors seemed unable to understand that it did not matter how anyone realigned their finances there was not enough money coming in to cover their bills (Fields et. al., 2010; Saegert et. al., 2009). For example, one person reported:
He told us ‘Get rid of your credit cards.’ I said ‘We don’t have credit cards. We never have. We stay away from credit cards.’ Well get rid of your cable TV.’ We’ve never had cable TV ever and he’s going through telling me all this stuff to get rid of. We don’t have cell phones. We’ve never had cell phones ever….. So he’s telling me to cut out all this extra stuff and I’m like there’s nothing extra to cut (Fields et. al. 2010, p. 666).

Others were told, “handouts aren’t the answer,” and “these people (the homeowners) have Champagne tastes and they’re living on a beer budget” (Fields et. al., 2010, p. 666). One homeowner interviewed at the same agency where the counselor claimed their clients had “champagne tastes,” told the interviewer “I don’t have champagne tastes on a beer budget” (Fields et. al., 2010 p. 666).

The quantitative literature supports similar narratives, which demonstrates that the dominant response provided to at-risk homeowners is financial counseling (Saegert et. al., 2009). The dynamics of these micro-level interventions that recommend change on the part of the borrower, but not on the part of the lender will be explored further in the next section.

The proliferation of foreclosure prevention scams compounds the search for housing aid (Comptroller of the Currency, 2009; Castro Baker, 2011). The NY Times reported extensively on former sub-prime brokers who stopped originating mortgages only to reform as prevention schemes that victimized at-risk populations for the second time (Goodman, 2009). One executive who turned his company from brokering sub-prime loans to foreclosure prevention described his business model to the NY Times as follows, “We just changed the script and changed the product
we were selling…. The new script: ‘You got a raw deal, and Now, we’re able to help you out because we understand your lender.” (Goodman 2009, p. 1).

Other researchers found that the effects of mortgage strain, foreclosure and financially fragile social networks were amplified by holes in the public safety net (Keene, 2013). Homeowners experiencing mortgage strain and default either (1) were in need but the city denied aid (2) met the requirements, but funds were depleted before their case was processed, or (3) admittance into one program, like food stamps, negated access to another such as disability.

**Financial Literacy.** Financial literacy and homebuyer education programs have been the recommended response to the foreclosure crisis (Fogel et. al., 2008; Hornburg, 2004; Lusardi, 2006). While the phrase financial literacy is widely utilized none of the articles reviewed for this research provided a conceptual definition of what the term means. Despite that, researchers claim that poor financial literacy is common among women, lower classes, and minorities (Lusardi, 2006; Weir & Willis, 2000). Annamaria Lusardi’s analysis of the Health and Retirement Study (HRS), which is a nationally representative longitudinal dataset of older adults, found that only one-third of women attempted to create a retirement plan, and that only two-thirds of women who attempted it succeeded (Lusardi, 2000). Furthermore, the study demonstrated that women are more likely to rely on personal networks for financial advice than on financial experts (Lusardi, 2000).

Such data highlights how the predatory nature of sub-prime lending can be particularly pernicious for women. It has been widely documented that lenders targeted particular groups (Williams, Nesiba, & McConnell, 2005), and that women are over-represented in sub-prime lending (Fishbein & Woodall, 2006). Furthermore, some lenders, like Wells Fargo, are accused
of identifying community leaders and liaisons to “market” their loan products in specific communities (Powell, 2009). In other words, they are accused of using the social capital endemic to a community as a vehicle to market a dangerous product.

A prime example of relational “push marketing” can be seen in Baltimore, where Wells Fargo is embroiled in ongoing lawsuits with the City of Baltimore alleging illegal racial discrimination in mortgage lending (Powell, 2009). According to the testimony of Wells Fargo’s top producing loan officer, black church leaders were used to market sub-prime loans among their parishioners, “We just went right after them…Wells Fargo Mortgage had an emerging-markets unit that specifically targeted black churches, because it figured church leaders had a lot of influence and could convince congregants to take out subprime loans” (Powell 2009, p.1).

The compound effects of these trends illustrate how women can become potential prey within the market regardless of how they pursue a loan. Women who did consult financial experts, were met with a structurally discriminatory dual system whereby brokers had a high incentive to deceive the borrower or steer them into a sub-prime loan (Immergluck, 2009; Keest, 2008). Conversely, those who relied on personal connections for loan information were at-risk for predatory sub-prime lending if they were living in communities that were either targeted for push marketing or if their social networks possessed little knowledge about mortgage lending.

Along with the high profits garnered by the financial institutions through securitization, some agencies would reward their loan officers with bonuses for closing sub-prime deals with borrowers. After testifying that the company had an “affinity group marketing” section that matched black loan officers with black church leaders, the affidavit of another loan officer involved in the Baltimore suit described such incentives this way, ‘The company put ‘bounties’
on minority borrowers,’ Mr. Paschal said. ‘By this I mean that loan officers received cash incentives to aggressively market subprime loans in minority communities” (Powell 2009, p. 2).

Financial literacy recommendations are emblematic of the market assumptions described prior. First, attempting to resolve the problem with budgeting or financial literacy cannot resolve mortgage strain if no mathematical method exists to cover your expenses. Second, the market is asymmetrical (Stiglitz & Weiss, 1992) and perfect information about the market economy does not exist (Harvey, 2005). Attempting to ameliorate foreclosure through educating consumers already in default ignores the power dynamics structurally embedded in the market, because it strips the problem of foreclosure from the context that caused it.

Summary & Conclusions

The literature review demonstrates three knowledge gaps regarding women and foreclosure. First, beyond data documenting the overrepresentation of women among risky lending (Fishbein & Woodall, 2006; Phillips, 2012) and how they were targeted (Wyly & Ponder, 2011), their experiences within risky lending markets remain missing. Second, the policy analysis demonstrated how and why single female homeowners are immersed in risky lending environments, but their experiences obtaining a mortgage, facing foreclosure and attempting to navigate social service systems are all absent from the literature. Finally, the only social service interventions documented thus far include counseling methods that do not appropriately account for the market dynamics and assumptions discussed in Chapter One. This research will not be testing, evaluating or designing an appropriate intervention. Rather, addressing these aforementioned lacunae creates both a space and a foundation for future policy and practice recommendations.
CHAPTER THREE: DESIGN & METHODOLOGY

Study Purpose & Rationale

**Purpose.** The aim of this research is to add to the thin knowledge base regarding women’s experiences with mortgage lending, default and foreclosure in the United States. As the literature review demonstrates, women disproportionately experience risky lending, and yet their voices and lived experiences remain nearly absent from the academic and public discourse surrounding lending and foreclosure. Previous research suggests that the few policies and interventions that do exist are a mismatch for the needs of single female homeowners and those who rely on them (Castro Baker, 2012). Building their experiences into the literature creates a foundation for policy and community based interventions that can potentially disrupt women’s experiences with foreclosure. The primary question driving this exploratory qualitative research is, “What are women’s experiences with foreclosure?” To answer this question I recruited a purposive sample of 30 single female homeowners who experienced default and foreclosure in the recent subprime crisis. I employed in-depth semi-structured interviewing to capture their stories of foreclosure and their interactions with housing and lending markets.

**Rationale.** The understanding and documentation of women’s experiences with foreclosure is underdeveloped, leaving minimal data to create viable variables and hypotheses. The goal of this research is to uncover the emerging patterns of single women and foreclosure so that future quantitative work can be grounded in a more developed body of knowledge. This research presumes there is no one singular reality (Guba, 1994) regarding the experiences of women in foreclosure, although there can be similarities of shared experience. While each
research participant interprets homeownership and foreclosure through their own context, it is expected that some patterns will emerge as they discuss experiences with mortgage trouble.

The participants’ varied reactions to the onset of foreclosure represent how there can be multiple or contradictory perspectives of a shared process. Give Em’ Hell’s description was laced with anger and profanity saying, “Rage. Rage. Rage (pounded table) You’re some--y'all motherfuckers are damn, fuck y’all. Fuckers won’t pick up the phone how y’all gonna kick me out my home?” Meanwhile, Kathy did not realize foreclosure meant she would likely lose her home. During the interview she asked me, “that just means I’m behind though, right?” While Ann described relief by saying, “I thought, finally, I can move on with my life. I didn’t even care that my credit was shot. I wanted it over.” All three women received identical notices, but one reacted with anger, one with confusion, and another experienced relief. Do foreclosure notices prompt anger, relief or confusion? Qualitative research presumes that multiple perspectives of the same event will shift based on the subjectivity and complexity of the experience: Ann “wanted it over,” and Give Em Hell felt “Rage. Rage. Rage.”

**Study Location: Philadelphia.** The study was focused on single female homeowners in owner-occupied homes rather than landlords managing rental units. I chose to situate the research in Philadelphia for several reasons. First, I have deep knowledge of the neighborhoods and housing resources developed over a decade of community based social work and research. My practice relationships provided me with access to a stigmatizing social problem that would be difficult to obtain otherwise. Second, unlike cities such as New York, the majority of foreclosures in Philadelphia involved owner-occupied properties (Reinvestment Fund, 2011). Despite the extreme poverty of Philadelphia (Pew Charitable Trusts, 2013), the relatively poor
performance of the housing stock kept homeownership within reach of many in the decades preceding the housing crash. Third, Philadelphia law also limits foreclosure filings to the judicial process only (court system). In contrast, some municipalities process foreclosures both judicially and non-judicially within the same geographic region creating complex research barriers (Newman, 2010). The use of a single process means that each filing is labeled as a “foreclosure” by a standard set of criteria creating strong consistency for using the term “foreclosure” citywide during recruitment and data analysis. In addition, it ensures a consistent basis for measuring the prevalence of female foreclosure in future research.

**Judicial Foreclosure.** As noted in chapter one, judicial foreclosure is a process that spans a legal continuum within the court system and social practices beyond that system. Once a homeowner defaults, the lender initiates foreclosure through the sheriff’s office, the homeowner is notified via mail\(^6\) and the person’s name and address is published in the newspaper, as well as on the city website. The term “foreclosure” encompasses the moment of filing through loss of the property either by eviction, sheriff’s sale (public auction) or short sale, which involves selling one’s home at a loss to avoid foreclosure. In some cases homeowners can halt foreclosure by covering back payments, making arrangements with their lender or through refinancing. Securitization\(^7\) adds an additional layer of obscurity and confusion as the mortgage can still be sold while a foreclosure is underway rendering prior agreements moot. As a result, even if a homeowner eventually covers back mortgage payments they may not know who owns their debt

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\(^6\) Philadelphia is unique in the region, as the sheriff’s office mails their notices instead of stapling them to people’s front doors. In the suburbs, where I conducted a separate study, the sheriff staples or duct tapes a large 12” x 24” inch sign stating “NOTICE OF SHERIFF’S SALE” in bold large font. The signs are often attached while the homeowner is at work or out during the day. Several participants aware of this local practice expressed relief they were spared public humiliation through a notice in the mail instead.

\(^7\) As a reminder, securitization involves bundling together mortgages and selling them to another financial institution.
at a given time. This inherently limits their options for negotiating and accessing what few resources may be available.

**Inclusion Criteria & Recruitment**

The inclusion criteria for the study were as follows: (1) single female homeowner (2) foreclosure was either in process or occurred at some point between 2000 and 2013 (3) foreclosure took place in Philadelphia (4) foreclosure occurred in an owner-occupied property. The status of single female homeowner was chosen based on prior data indicating that single women possess the greatest number of loans likely to default and enter into foreclosure (Fishbein & Woodall, 2006). In this research, single female homeowner is defined by women who are both the sole name on the deed and the primary mortgage holder at the time of foreclosure.

The time span of 2000-2013 was selected as it captured the rise of the foreclosure crisis in the city. A purposive sampling strategy was used to recruit 30 participants through a local mortgage counseling agency and two social service agencies that provided housing and credit counseling referrals as part of their services. Recruitment consisted of two stages that are outlined below.

**Recruitment & Sampling Stage I.** Part I of my sample came from data that I collected in tandem with the Robert Wood Johnson Foundation (RWJ) and the University of Pennsylvania’s (UPenn) Wharton School of Business. Within my role on the RWJ project, I interviewed African American homeowners who experienced mortgage strain, default and/or foreclosure in a specific historically Black working and middle class neighborhood. As approved by the IRB, study participants were informed their interview would be used for this research.

Recruitment occurred through a partnership with a local mortgage counseling agency. The agency sent 300 recruitment letters to their former clients and 26 homeowners responded to
a study phone line where they were screened over the phone by me or the PI. Following screening, 19 homeowners met the inclusion criteria and agreed to participate in the study. As the study progressed, nine additional interviewees were recruited via snowball sampling.

Recruitment and data collection took 15 months to complete (January 2012 - March 2013). The entire RWJ sample included 28 self-identified African American homeowners, 23 were women, 18 were 50 or older, and 11 owned their property for more than 30 years.

Any participant in the RWJ study that also fit the criteria for this research was included in my sample. Out of 28 participants, 10 were single female homeowners who had experienced foreclosure and were included in the study. The remaining 13 single female homeowners were either experiencing mortgage strain and had yet to enter foreclosure, or it was not clear during the interview if foreclosure paperwork had ever been filed.

Recruitment & Sampling Stage II. The remainder of participants was recruited from a social work agency that provided an array of social services and referrals throughout Philadelphia. Recruitment and data collection took place over eight months (January 2013-August 2013). Staff expressed interest in the study based on the rapid rise of clients experiencing mortgage or financial trouble. IRB approved fliers were posted in common areas and made available in the waiting room.

During the first three months of recruitment, 100 fliers were distributed without a single response, even though agency staff and the foreclosure heat maps indicated rapid spikes in mortgage default. In response, I contacted two foreclosure lawyers I knew professionally and

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8 As will be discussed in the next chapter, an unexpected finding from this study was that women at times did not realize that they were in foreclosure because they either avoided opening mail after months of failed negotiations, did not understand what the sheriff sale notice meant or in some cases could not remember whether the home officially entered foreclosure or not. Of the 13 RWJ single female homeowners excluded from this sample, 3 stated they were behind but not in foreclosure and the remaining 10 either did not know or it was unclear in the interview.
raised the issue with members of a housing and hunger coalition. Uniformly, each professional working with foreclosure clients identified two practice trends. The first was that foreclosure carried a stigma stronger than any other problem they previously encountered in the field. The second was that many homeowners at risk of foreclosure know they are at risk of eviction but may not immediately realize the severity of the situation. Based on those insights, I altered the flier to state “mortgage trouble,” instead of “foreclosure.” I then distributed approximately 260 additional fliers and 13 women contacted me through the study phone line in the span of three weeks. Twelve met the criteria and chose to participate. An additional nine participants contacted me the next month after seeing the revised flier, all of whom met the criteria and agreed to participate. Three additional women fit the criteria, but I did not include them in the study because they contacted me two weeks prior to the IRB expiration date. Further, data analysis was underway and no new themes were apparent indicating saturation had been reached (Eisner & Peshkin, 1990; Lather, 1995). The final sample (n=31) included 10 participants recruited through the RWJ project, and 21 participants recruited from the aforementioned social service agency. A more detailed description of the sample is provided in a subsequent section.

**Human Subjects Protections: Responding to Stigma & Suspicion.** The protocol used with all participants was approved by the University of Pennsylvania’s IRB in February 2012 and by the CUNY Graduate Center’s IRB in November 2012. Identical protocols, designed by me in concert with the RWJ PI, were used in each recruitment site. As outlined in the approved protocol all participants were notified verbally and in writing that (1) their participation was entirely voluntary, (2) it would not affect their relationship with their housing agencies, (3) that they could stop the interview at any time and would still receive $50 for their time, (4) that their
information would be kept entirely confidential and (5) that the de-identified data would be used in research journals, book chapters and other forms of publication (Appendix A: Informed Consent). All participants were provided $50 cash as a token of appreciation for their time. Each respondent chose their own pseudonym to be used in the interview and in subsequent publications. Any other identifying information was removed from the transcriptions.

In preliminary conversations with community stakeholders, social workers and housing counselors, it was apparent that deliberate steps were required to mask the personal information of participants and their communities. Philadelphia is characterized as a city of neighborhoods, many of which are distinct, tightly knit and fiercely proud. Further, while gentrification has established footholds in various areas of the city, many small neighborhoods have maintained distinct ethnic identities widely conflated with the names of the areas themselves. Community stakeholders and one of the recruiting agencies specifically requested that the names of specific neighborhoods be altered in publication to avoid stigmatization of their communities, and by proxy the ethnicities they represent, as being in financial distress. In keeping with that request, I chose pseudonyms for the neighborhoods both here and in other publications.

My experiences during recruitment and data collection solidified the need to treat the neighborhoods as anonymously as the participants. As I waited on a busy corner with fliers in hand, a local resident directly asked me what they were for. Although I said they were for local agencies only, both he and another man waiting for the bus emphatically insisted they would take the fliers down if they saw them on the street saying, “Makes our people look bad. Ain’t no lazy people here. These are working homeowners, we take care of our business.”
Even when the women were actively navigating the foreclosure process, they struggled to use the term foreclosure to describe their situation. As Saegert, Fields & Libman (2009) noted, the threat and experience of foreclosure undermines not only a homeowner’s finances, but their ontological security and identification as citizens who played by the rules and achieved the American Dream. As a social worker and researcher, women have candidly shared an array of experiences ranging from positive and private sexual experiences to instances of abuse, rape, murder, assault, crippling mental illness, financial crises and addiction, but mortgage foreclosure stands out as the most difficult topic I have ever discussed with someone. Despite my many years of experience, establishing trust and explaining their rights required significant effort.

The stigma women expressed was possibly compounded by the manner in which many of them initially signed their mortgages. As Wyly & Ponder (2011) document, subprime mortgage brokers often conduct business in the homes of clients. Ann, a Black homeowner, pointedly told me, “The only other time a white person I didn’t know sat in my kitchen this long was when I got my mortgage.” In another instance a White woman set up an interview, but when I arrived she met me on the sidewalk saying she could not go through with it because she was afraid I was “from her bank and in disguise.” The suspicions and fears of women in foreclosure were likewise highlighted during my interview with Gucci who asked me to turn off the recorder, but let me listen in as a mortgage broker called her three times during our two hour visit pressuring her to sign a reverse mortgage. She wanted me to, “Hear his voice, tell me if he sounds shady. I don’t trust the phone anymore.” Similarly, Alice ceased using her front door, because she noticed if she entered through the front and not the back creditors would ring for hours. She assumed her
home was being monitored by the bank. Debora compared my driver’s license and Hunter College ID to my name on the IRB paperwork before discussing informed consent.

In response to those experiences I continuously refined how I interacted with participants to build trust and clarify their rights. In addition to carefully explaining how their information would be managed and checking in with them throughout the interview I also took small steps to disclose my personal identity as a student and mom. When entering homes I took care to have a university sticker on my phone, carried everything in a bag with a CUNY logo, used one of my children’s reusable water bottles and brought their lightly used coloring books for kids in the home to use during the interview. In short, establishing trust and rapport immediately was crucial to ensuring the women understood how their privacy would be maintained.

Sample

The final sample included participants from the Locust Park and Queen’s Ferry (pseudonyms) neighborhoods. Initially, the sample criteria included any female homeowner experiencing default or foreclosure within the entire city, but early in recruitment participants began to cluster in these two particular neighborhoods. Subsequently, the sample criteria were deliberately narrowed to these two communities, as only one respondent called from elsewhere9.

The concentration of female foreclosure within Locust Park and Queen’s Ferry may be due to the high foreclosure rate in both locations, but it was more likely an unintended effect of the recruitment strategy. Although the agency recruitment sites worked with clients throughout the city, they are geographically located in those two communities. Further, access to services does not require them to visit the physical location if they are calling for a referral or receive in-

9 This interview was removed from the final data set because the foreclosure occurred well out of either neighborhood boundary.
home social work services. Since waiting room fliers were the primary form of recruitment beyond participants recruited through RWJ only clients who physically visited the agency would have found out about the study.

**Locust Park.** According to the 2010 census, Locust Park is a working class community where 97% of residents identify as black (Census, 2010). Locally, homeownership in this neighborhood is perceived as a mark of upward mobility for African Americans citywide. Well-kept lawns and sidewalks surround nearly each block of tidy brick row homes. Unlike surrounding communities, there is an absence of noise and abandoned properties. Outside of the occasional child on a bike, an elderly resident on the porch or riders waiting for public transit, few people can be found outdoors or on the corner. The presence of work vans, trucks and vehicle union stickers reflects the working class roots of the residents. Most juggle multiple hourly waged jobs with under the table work, and few have completed higher education. As a result, the foreclosure crisis and recession hit this community from two angles, (1) mortgage default and (2) declines in the working class employment sectors in which many historically participated in. While some of the older residents remarked on poorly supervised young people and violence in neighboring areas, most participants described the community as filled with long-term homeowners who know one another.

At 9% the foreclosure rate is consistent with foreclosure rates experienced by other predominately black communities across the US, but it is double the average for the rest of the city (US Department of Housing and Urban Development, 2012). Despite the high rates of default, outward signs of concentrated foreclosure, like poorly maintained properties and rapid housing turnover, remain less obvious than in other communities. The absence of abandoned
properties remains low due to a very active community development initiative that buys empty properties to rent as affordable housing. The only indication of housing trouble lies in the hastily designed signs proclaiming “WE BUY HOMES FOR CASH” on almost every single corner. At one particularly busy intersection I counted more than 20 of these signs.

**Queen’s Ferry.** Queen’s Ferry reflects all the marks of an urban community in transition. The geographic proximity to the city’s main arts and culture district on the north and deeply concentrated poverty on the south is currently driving up the cost of living and dramatically shifting the ethnic composition of the neighborhood. In decades prior, Queen’s Ferry was the site of an ethnically intact community of European immigrants and a thriving outdoor market boasting food and religious iconography for sale from what Pam described as “back home in the old world.” Tourists from the suburbs and abroad previously flocked in droves to wander the tight, narrow streets and experience the market first hand. Although the market’s monolithic ethnic identity is largely lost, visitors can still find historic placards pointing towards the community from almost anywhere downtown. Today, the neighborhood reflects a diversity of cultures from around the world; a current visitor will find meat and spice market signs in multiple languages reflecting the changing local demographics.

Unlike the quiet tree-lined streets of Locust Park, Queen’s Ferry bustles day and night with people, bikes, cars, buses and skateboards. Traditional meat markets, delis and Catholic parishes now share the compact urban space with upscale boutiques and coffee shops catering to college students and young professionals on the north. Conversely, on the south, long-term residents and business owners are newly interspersed with the occasional Buddhist temple and
first generation Chinese, Vietnamese, Southeast Asian and Mexican immigrants. Three interview participants described the south end as “Little Mexico.”

In 2000, the census listed the community as 60% White (Non-Hispanic), 6% Black, 4% Hispanic or Latino and 26% Asian (Census, 2000), but by 2010 it was 44% White (Non-Hispanic), 21% Black, 27% Asian and 7% Hispanic or Latino (Census, 2010). Notably, rent in this community far exceeds that of the mortgages held by the long-term homeowners. Fear of losing their homes and being unable to pay a median rent double or triple that of their mortgages permeated every interview in this location. Similar to Locust Park, the vast majority of long-term homeowners do not hold college diplomas and depend on hourly waged work, contracting jobs and under the table construction work. Additionally, vacant or dilapidated properties are entirely absent as any available real estate is quickly purchased by developers or new residents.

Description of the Sample. The final sample consisted of 31 single female homeowners, 15 identified as Black, one identified as biracial and 15 identified as White. Ten homeowners resided in Locust Park, and 21 in Queen’s Ferry. As mentioned in the recruitment section, 15 additional interviews were held in Locust Park by RWJ, but those interviews did not fit the recruitment criteria for this research either because there were 1) two names on the mortgage, 2) conducted with a male homeowner or 3) the status of their foreclosure process could not be clearly determined. Their ages ranged from 26 to 75, and the median age was 57. Thirteen women had lived in their homes for more than 25 years, and eight had entirely paid off the original mortgage before the current foreclosure experience involving a second mortgage. Their current and former occupations spanned a range of blue collar, service or social service professions, including postal workers, teaching aides, line factory workers, entry level social
workers, health aides and former mortgage originators. None of the women ever described being stay-at-home-mothers, but several described working part-time only while their children were young. Twenty-eight women cited one or more of the following issues as contributing to or compounding their mortgage trouble: disability, unexpected illness, unemployment, underemployment, divorce or death of a spouse. The aforementioned issues were experienced either personally or within the social network of family members for whom they financially provided.

**Semi-Structured Interview & Data Collection**

A semi-structured interview approach was chosen to both maximize flexibility and opportunities for efficient data collection. Only a small handful of qualitative studies (Ross & Squires, 2011; Fields, Libman & Saegert, 2010; Saegert,Fields & Libman, 2009) have been published on the experience of default and foreclosure leaving few models on which to develop the semi-structured guide. This study and my work with RWJ are the first two projects known to me employing in-depth individual interviewing with people in foreclosure. Given the lack of data, I spent an extensive amount of time informally meeting with social workers, housing counselors and pro-bono housing lawyers to whom I had access based on my professional practice to develop appropriate questions for the interview protocol. Further, I contacted those few researchers who had published qualitatively on the topic of mortgage foreclosure to inquire if they had additional data in press, but also to build on any insight they were willing to share about their research experiences. Each researcher I contacted complied. These meetings served to orient me to the way foreclosure currently unfolded in urban areas, not to generate specific items for the protocol.
**The Research Instrument.** The final protocol was developed by me in concert with my dissertation chair and the PI of the RWJ project (Appendix B: Interview Protocol). It is designed to discover how women have made sense of, perceived, and navigated the experience of obtaining a loan, entering foreclosure, and attempting to save their properties. The goal was to explore the meanings women have attached to the causes, processes, and strategies they employed in the housing market, and to pinpoint patterns of divergence and similarities in their narratives. For instance, how is it that women interpreted offers of risky loans as opportunity, instead of danger? What shaped their decision-making in signing loans of a particular type? What types of services did women report having access to when experiencing default and foreclosure? How has their ability to provide stable housing for themselves been shaped by the encounters they had with the mortgage market?

Once a participant completed eligibility screening on the phone, an interview was scheduled in their home. Two women arranged to schedule their interviews in a private space at a local social service agency because they had family members at home who remained unaware that foreclosure was in progress\(^\text{10}\). Following discussion of their participant rights the interviews took anywhere from one to three hours depending on how they answered the questions. Uniformly, the lengthier interviews were those where the homeowner defaulted or refinanced multiple times lengthening the narrative. Each participant received $50 cash as a token of appreciation, as well as a store bought pie as a way of building rapport. All interviews were recorded with a digital voice recorder.

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\(^{10}\) The participant’s themselves arranged these locations in lieu of meeting at home.
The interviews began with a few questions to collect basic background information, “To start with, could you tell me a little a bit about yourself and your family? Your age? Who lives with you?” Starting with biographical questions allowed me to gather necessary basic information and oriented me contextually to her story. More importantly, it provided me with an opportunity to build rapport prior to discussing sensitive financial information.

Following that, they were asked to provide a brief overview of their current mortgage situation: “Before we get into more specific interview questions, could you tell me a little bit about your situation with your current mortgage?” This approach allowed me to tailor the interview to the relevant areas of the interview guide and mitigate confusion given the variety of pathways foreclosure can take (multiple refinancing, short sales, legal intervention, etc.).

Next, the interview moved sequentially through five dimensions: buying the home/securing a mortgage, mortgage trouble, foreclosure prevention, making ends meet and resource sharing and support. Under each dimension, I asked a series of questions designed to uncover how women experienced each phase. Based on Saegert, Fields & Libman’s (2009) work demonstrating that homeowners in foreclosure are often the strongest members of a fragile social network, I specifically focused on how their social network roles did or did not shift throughout each dimension.

The Interview Process. Eliciting responses about their family or social roles initially proved difficult. I originally asked, “Can you describe for me what types of family and work responsibilities you had at the time?” only to be met by looks of confusion despite their detailing a long list of responsibilities during small talk before the interview. Upon entering a woman’s home, she naturally began to share such information by simply welcoming me into her space.
For instance, Kathy apologized as I navigated through her grandchildren’s toys in the living room saying, “Oh don’t mind those! I babysit my grandbabies every morning while my daughter in law works.” Prana told me I was sitting in her father’s special chair while he attended adult day care, but then during the interview looked utterly confused when I asked what her family responsibilities were. Upon reflection, I instead asked questions about their decision-making that uncovered the information naturally. I found that by shifting to asking questions like, “Was there anything happening in your life or your household at this time that made it hard to make these payments?” the women naturally began to describe who and what they were providing care for both financially and emotionally.

Each interviewee was asked the same umbrella question for each dimension, but the follow-up questions varied based on context. For example, underneath “buying a home,” all participant’s were asked Let’s talk about the original loan on the house. What was the process of getting a mortgage like for you? Since many of my participants were older women whose spouses negotiated the process without their input, they were largely unable to answer any questions about the original mortgage. Instead, I would ask them a series of follow-up questions regarding joint ownership or transferring the deed into their name.

Following each interview, I immediately spent a few minutes speaking into the DVR to describe the home, setting and neighborhood, as well as to record any initial impressions or potential codes and themes. Shortly thereafter I completed a field note for each interview summarizing the main themes and biographic information, as well as drafting a very detailed description of the setting. These initial notes formed the beginning of data-analysis, as they were the first step in memo-writing for later thematic analysis (Braun & Clark, 2006). All interviews
were then uploaded to a password-protected server and transcribed through a professional transcription service. Upon receipt, I removed any identifying details the interviewee may have inadvertently stated on the recording.

Data Analysis

Thematic analysis was used to pinpoint and analyze patterns within the data (Braun & Clark, 2006; Patton, 2002). The analysis followed three phases. This included (1) Familiarizing myself with the data through listening and memo-writing, (2) developing an initial set of codes, and (3) collating those codes into themes (Braun & Clark, 2006; Patton, 2002; Saldana, 2009). A recursive approach (Patton, 2002), that is a dynamic back and forth between these phases, was used to adequately capture themes and meaning across the entire data set. Again, because the phenomenon has yet to be thoroughly researched, there was not enough information to use a deductive coding approach. Instead, my coding moved inductively from the “bottom-up” rather than fitting the data into a pre-determined coding frame (Patton, 2000). I used the online qualitative software Dedoose as a tool for data management and analysis. Using Dedoose significantly lowered costs, provided data access from any terminal, was uncomplicated to master and provided significant flexibility in coding and analysis when changes needed to be made.

Phase 1: (Transcription; Listening; Memo-writing)

Transcription. Based on time and financial constraints, I chose to use verbatim transcription provided by a professional transcription service. Considering the length of the interviews, half exceeded two hours, personal transcription would have added a significant amount of time to the project. Since I was not conducting narrative analysis or grounded theory,
both of which are best suited for a verbal and non-verbal transcription (coughs, sighs, pauses), I chose verbatim verbal transcription instead (Poland, 2002; Braun & Clark, 2006).

**Listening & Analytic Memo-Writing.** Analytic memo-writing provides a log of the researcher’s path through each phase of data analysis (Strauss, 1987) and a written record of their internal dialogue as they reflexively interact with the phenomenon (Charmaz, 2006; Saldana, 2009). The process captures initial impressions, comparisons and questions that later inform the development of the code-book (Charmaz, 2006). In addition to providing “snap shots” of the ways I interacted with, interpreted and constructed the data, it also served as an emotional checkpoint. Although I brought more than a decade of social work practice experience to the project, I remained ill-prepared for the gravity of the problem. When functioning as a social worker, I enter into helping relationships with an end goal of client-driven amelioration of the identified problem. Conversely, as a social work researcher, my aim is future intervention in the problem with the full knowledge that this project cannot or will not assist those currently in foreclosure. That reality, coupled with the continued rise of female foreclosure, the negligible availability of foreclosure assistance and the co-occurrence of mortgage trouble and severe illness11 (Keene, Lynch & Castro Baker, unpublished) made it an emotionally difficult topic to study. Therefore, memo-writing also served as a social work process recording.

In this study, memo-writing had three distinct phases. First, as noted, I recorded audio memos when the interviews concluded. These notes were not transcribed but were used to guide the written field notes. Before drafting a summary interview memo, I reoriented myself to the

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11 This personal struggle was magnified by my role in a simultaneous project at RWJ where I conducted in-depth interviews with homeowners in foreclosure who were also experiencing severe health problems. In several cases the interviewees were terminally ill and their mortgage trouble had exacerbated or interacted with their illness in ways that prevented them from accessing pain medication, crucial medical intervention, palliative or hospice care.
narrative through the audio note. This extra step was enormously helpful whenever I conducted two lengthy interviews in the same day. Second, upon receipt of the transcription, I would read through each transcript several times noting any themes, thoughts or impressions (memo phase #2). In places where the interview was either unclear or emotionally charged I opened the audio recording and listed to that portion of the interview before drafting memo #2. Third, when coding, I kept a memo log open within Dedoose (memo phase #3) to record any impressions or themes as I was going through the coding process. Those memos were later exported and combined with notes from the first two phases creating a detailed profile for each interviewee that I regularly revisited. Finally, as I developed the memos I also maintained a demographic spreadsheet containing basic background, housing and loan information on each homeowner (See Appendix D: Homeowner Demographics). The spreadsheet allowed me to quickly orient myself to the basics of each woman’s narrative as I moved through later stages of data analysis.

**Phase 2: Developing an Initial Set of Codes.** After reading through each transcription several times and revisiting memos 1 and 2, I drafted an initial list of codes. Codes “symbolically assign a summative, salient, essence-capturing and/or evocative attribute for a portion of language-based or visual data (Saldana, 2009, p. 3).” Although this research is inductive, codes do not mysteriously emerge out of the narrative. They were systematically developed from the process of data collection, memo-writing, careful reading of the transcripts and the literature.

The literature on foreclosure, gender and the relationship of women to housing and lending markets, practice experience and conversations with housing counselors, implicitly and explicitly influenced code development. For instance, the code “Household Responsibilities: Family members, friends or acquaintances they are socially, emotionally, or financially
responsible for,” was derived from data collection, the transcripts and the literature. Other codes were generated based solely on the data as they illuminated themes currently absent from the knowledge base. For example, “Health-Suicide: attempts, planning or contemplation of suicide in response to mortgage trouble,” and “Rotating-Default: Entering the foreclosure process more than one time,” were both codes noting two themes in the data that were not present in the literature review.

After immersing myself in the transcripts and generating a list of codes, I ceased working with the data for a week to provide distance from the minutiae of the narratives. This step allowed me to return to the task of code development with a macro focus that illuminated repetitive or unclear codes. I maintained a “parking lot” memo within Dedoose of any discarded codes or ideas that I revisited intermittently throughout data analysis. Next, I reviewed the codebook with my colleagues from RWJ and my dissertation chair who all provided key insight into overlapping or missing areas.

The final codebook consisted of 13 categories containing attribute codes for data management, structural codes to capture the distinct phases of the lending, buying and foreclosure process and values codes constructed to identify how women felt about their experiences and context (Saldana, 2009). Attribute codes included items such as demographic details (age, race, family background, residential history) intended to organize and capture narrative detail rather than meaning. Since mortgage origination and foreclosure is a process, not an event, the structural codes functioned architecturally to identify specific bounded components of the foreclosure experience and decision-making processes. The structural codes permitted me to efficiently disaggregate individual strands of the process from the narrative, and then later
analyze how those strands interacted with the whole. For instance, structural codes, like “Finance-Strategies: Any discussion of strategies employed to purchase the home,” or “Default-Notice,” provide a spine to the narratives that allowed me to see the process as an interrelated system with distinct yet moving components. Finally, the values codes functioned to capture how the women made sense of, perceived and felt about the housing market and foreclosure. Those included items like, “Home-Meaning: The meaning of homeownership,” and “Loan-Deceit: Feeling deceived by the market or a lender.\(^{12}\)”

Since codebook design is part of data analysis, how and why I approached code construction and the level of analysis is driven by the research aim and epistemological assumptions (Saldana, 2009). The attribute, structural and values codes were designed for the semantic level, not latent, which involves the assumptions or ideologies informing what is stated semantically (Braun & Clark, 2006). Epistemologically, this analysis presumes a social constructivist perspective. In other words, the focal point rests on understanding how the interaction between social and policy contexts, structural constraints and social networks facilitates the narratives of women in foreclosure (Braun and Clark, 2006). Since the aim is to understand and disrupt the pressing phenomenon of women in foreclosure, semantic thematic analysis capturing patterns across the data set was the best fit for the research purpose.

After designing the penultimate codebook, I uploaded the codebook and three transcripts into Dedoose to see how well the codes functioned. A lumping coding approach was taken where

\(^{12}\) Approaching analysis with a different typology of codes would produce a different set of themes. These three code types were chosen because they were best suited for the research purpose. Additional work on this data set with InVivo and affective coding at the latent level (Saldana, 2009) would add an understanding of the underlying emotions, assumptions and ideologies of women in foreclosure that could significantly add to the knowledge base. In particular, it could potentially highlight points of resistance to the broader socio-cultural context creating the conditions conducive to female foreclosure. I intend to re-analyze the data at a latent level following the conclusion of this study.
entire ideas or complete thoughts from the narratives were highlighted and coded together (Saldana, 2009). For instance, the question prompting the interviewee’s answer was consistently coded along with the response. Next, I revisited the “parking lot” memo from the beginning of the process to determine if discarded codes should be included, and no additions were made. A small number of codes were collapsed into one as I quickly found that they represented the same phenomenon. For example, the penultimate codebook included the codes, “Making Ends Meet: Paying the mortgage first,” as well as, “Making Ends Meet: Strategies used to make ends meet.” The former code was eliminated as the latter adequately captured both concepts.

**Phase 3: Collating Codes into Themes.** For the purposes of this research, a “theme” represented patterns in responses across the data set and in relationship to the research question (Braun & Clark, 2006). Like code construction, analysis was semantically focused, that is what the women specifically said versus analyzing implicit assumptions or beliefs that may lie beneath what was explicitly stated (Boyatzis, 1998). Thematic collation took place with the data set as a whole (within group), as well as comparatively by race and location (between groups). As noted under recruitment and data collection the sample clustered by race and neighborhood location. That pattern, in conjunction with the literature indicating differential trends by race and place, suggests that although my main research question and area of interest is gender, race and place were intersecting with gender and foreclosure.

**Generating Findings**

**Within Group Analysis.** The first step in organizing all of the coded text was exporting the analysis memos generated during the coding process. While coding, I frequently paused as potential themes, questions or patterns were prompted during the process. I organized the notes
into categories moving back and forth recursively from the initial themes noted during data-collection, the codebook and the coding memos. Next, I generated a frequency chart within Dedoose to determine how frequently each code was utilized. The purpose was not to make quantitative claims about the data set, rather to see which codes appeared as potential outliers. The tail ends of the distribution were deliberately chosen as sites to construct questions and sharpen thematic analysis. For instance, the literature clearly indicates that sexism and racism pervade housing and lending markets (Wyly & Ponder, 2011; Fishbein & Woodall, 2006; Phillips, 2013). Therefore, the codebook contained items designed to capture when a participant noted they felt race or gender determined market or relational treatment. Unlike the quantitative data clearly demonstrating gender correlates with risky lending, the gender discrimination codes rarely appeared, while the race codes appeared constantly. The low incidence of the code led me to revisit the interviews and themes with questions: Why is this code missing? Is gender discrimination irrelevant or was that portion of my interview guide poorly constructed? In the places I expected to see that code appear, did something else appear instead? If so, why?

Had I taken the frequency chart as indicative of the prevalence (or lack thereof) of gender discrimination within the data set, key themes would be entirely missing. Namely, that at nearly each point where women narrated an instance of discrimination or egregious lending practice they also expressed an internalization of self-blame for a financial problem tied to broader structural causes and unethical lending practices. Maya illustrated it well when she followed a description of deceptive lending with the phrase, “it was my fault though. I signed it. I did it. I ruined my family, I should’ve known better.”
After using a frequency chart, I next turned to the structural codes to “see” the process of the narratives. I filtered the structural codes by section (Loan Seeking; Default; Making Ends Meet; Strategies) to see the progression of the narratives. This organized the data and highlighted the common underpinning of their experiences. For instance, the strategies employed by participants shifted based on where they were in the homeownership or foreclosure process. The analysis highlighted “how?” “when?” and “why?” they interacted with the market, their household finances, and social service systems. After sorting the data according to structural codes, I then filtered in the attitude and attribute codes. As mentioned prior this was a two-step process. First, I filtered and analyzed by individual components of the overall structure in isolation from the whole. With few exceptions, such as repeat financing or cyclical foreclosure, the narratives followed a general pattern allowing me to see how certain codes functioned in each part of that cycle. Second, I filtered and mapped the data again, this time in a more linear fashion where the structure unfolded over time, effectively re-linking the strands to see how the system functioned as a whole.

**Between Group Analysis.** After analyzing the data in cohesion it was then divided by race and location. The Locust Park participants all self-identified as African American, while three of the Queen’s Ferry participants identified as African American, one as Biracial and 14 as White. I then repeated the analysis process described above two additional times, once with the sample divided by race and again with the sample divided by location. When conducting analysis by race, I did not include the narrative from the single participant who identified as biracial.
In conclusion, recruitment and data collection in phase I (RWJ) took 15 months to complete (January 2012 - March 2013), while phase II spanned eight months (January 2013-August 2013). Data analysis remained constant throughout the process as the interview and initial memo-writing represent early stages of analysis and conceptualization of themes (Saldana, 2009). Formal stages of data analysis within Dedoose occurred over six months (July-December 2013).

The relative paucity of previous research and the emergent nature of the phenomenon made an exploratory qualitative design ideal for the research purpose. The approach maximized opportunities for identifying systemic themes, while still maintaining flexibility in recruitment, data collection and analysis. My adaptive decisions allowed me to shape the study according to context thereby enhancing the credibility and authenticity of findings (Lincoln & Guba, 1985; Maxwell, 1996). That approach appropriately accounted for the subjectivity of each woman’s story. Further, careful delineation of how and why I made those decisions was intended to clarify my reflexive relationship with each stage of research (Buckner, 2005). As a solo dissertation endeavor, triangulation in concert with a research team was not possible. Therefore, rigorous and systematic contact was maintained with members of the research and practitioner communities at each stage of the process. The chapters that follow document my findings and their implications for policy and the field of social work.
CHAPTER FOUR: “EVERYONE’S LIVING WITH ME AGAIN”: HOW SOCIAL REPRODUCTION CHANNELS MARKET RISK

The Homeowners

Brief vignettes of each woman’s story are summarized alphabetically below. Salient details about their experiences are included to contextually orient the reader to the results presented in the remaining chapters. Each sketch includes the homeowner’s self-disclosed age, race, housing status, marital status, network responsibilities and other details unique to her story. Fuller descriptions of each woman’s loan terms and housing histories can be located in Appendix D, which is a copy of the demographic table maintained during data analysis.

(01) Alice, Locust Park is a 55 year old Black nursing assistant who bought her first home in 1997 after renting her entire life. Alice traces her mortgage trouble to problems with the property that were not disclosed at closing leading her to take out a series of risky home construction loans. Her mortgage struggles were later compounded by the onset of a disability impeding her ability to work. She cannot afford health insurance and is currently ineligible for Medicare so she is treating her high blood pressure with vinegar and water pills.

(02) Annie, Queen’s Ferry is a White 66 year old mother of two adult sons who was diagnosed with heart disease and diabetes “around 50 or so.” She inherited the property from an aunt in the late 1990s, but experienced extreme difficulty transferring the deed into her name. Her oldest son, his wife and two children also live in the home following the loss of both of their jobs. Annie also cares for her mother who was in hospice at the time of the interview. The home has been in and out of foreclosure three times since she “consolidated debt with the house as collateral.” Annie is currently pursuing a loan modification and attributes many of her housing struggles to foreclosure fraud.
(03) Ann, Queen’s Ferry is a 50 year old Black mother of three children who is also raising a nephew and a grandson. An adult sibling intermittently lives in the home along with two elderly aunts. She purchased her home five years ago for $93,000 with a $30,000 down payment. Her original mortgage was a fixed prime loan, but the terms of the second were unclear saying only “it just kept going up.” Ann remortgaged her home in order to finance her oldest child’s college education and to decrease her monthly mortgage costs. She is currently working as a security guard, but also holds numerous jobs “under the table” for family and friends.

(04) Becki, Queen’s Ferry is a White 57 year old woman with 3 adult children who is currently working for Ikea. She purchased her home “after figuring out it was cheaper to buy than to keep paying my landlord.” Becki began experiencing mortgage trouble in 2004 when both she and a sister were diagnosed with breast cancer. Her sister was uninsured and living with a more severe prognosis so Becki began assisting her sister with medical bills in lieu of paying for her own recommendations for treatment. Becki received her first foreclosure notice a year before the interview and is currently battling with her current mortgage servicer who refuses to acknowledge a prior loan modification.

(05) Beyonce, Queen’s Ferry is a 55 year old White woman who lost her home to foreclosure in 2012 after being laid off from a unionized job with the city. She and her husband purchased the home in 1978 for $26,000, but because he worked under the table they only placed her name on the deed and mortgage. The original mortgage was paid off by the mid 1980s. The couple have two adult children and her ex-husband is currently incarcerated for drug possession and assaulting her with a baseball bat and claw hammer. After his incarceration she took out a second mortgage on the home to finance her daughter’s college education and pay back medical
bills. The home was sold at auction and she is currently living with another single female homeowner who is also in foreclosure. Her friend declined to interview.

(06) Carla, Locust Park is a Black 50 year old mother of three who purchased her current home in 2006. In the 1980s she and her husband divorced and he retained their original home, but then later lost it to foreclosure. At the realtor and lenders advice she used what would have been a down payment to pay off other debts leaving the home 100% financed under a fixed, but high interest rate. Carla began receiving default notices after losing her job and being unable to keep up with her mortgage. She currently lives with her 12 year old daughter and is currently locked in one of many protracted battles for a loan modification.

(07) Celia, Queen’s Ferry is a White 48 year old single mother of four children who purchased her home for $35,000 through a first-time buyers program. Celia moved from being a TANF welfare case worker and homeowner to being a TANF recipient and homeowner experiencing foreclosure. She entered default after health related pregnancy complications impacted her ability to work. Celia is raising four children under 18, assisting with her nephew’s medical bills, providing childcare for her sister and caring for her medically fragile mother. Celia has an adjustable rate mortgage and is the first homeowner in her family.

(08) Danielle, Locust Park purchased her home 25 years ago. She is a 62 year old Black nurse who retired after 37 years. She paid for her home in full with cash and later took out a home equity line of credit to send her three children to college. She took out an additional $80,000 when she learned the homes on her block were likely sinking. Danielle stopped paying her mortgage two years ago when her mortgage servicer increased her bill by $300 for taxes even
though she was already paying them directly to the city. At the time of the interview her boxes had been packed for more than a year while she waited for the home to be sold at auction.

(09) Deborah, Locust Park is a 59 year old Black mother of three adult children who lives with her brother and eight year old grandson of whom she has temporary custody. Deborah’s mother purchased the home in 1962 and she inherited the property in 1997 when her mom passed. The original mortgage was entirely paid off, but she took out a $50,000 mortgage for home construction saying it was “unlivable otherwise.” She could not recall the terms of the loan, but said she believed the lender had every intention of taking her home “from the beginning.” Her suspicions were later confirmed by her pro-bono lawyer who noted fraudulent practices embedded in the paperwork. Deborah also babysits her six year old granddaughter every day and is currently living with multiple debilitating illnesses and disability.

(10) Elena, Queen’s Ferry is a White 48 year old single mother of an adult son who lives at home. She worked her way from being a TANF welfare recipient to working full-time at a bank processing mortgages. She purchased her home for $42,000 after entering a first time home buyers program. It was a fixed 30 year prime mortgage, but she entered default after MS eliminated her ability to work. She has lost track of how many times she has entered foreclosure and pulled back out. Elena managed to come back from foreclosure by diverting money from other bills to pay the mortgage, signing up for food stamps, borrowing small funds of money from her Pastor and by renegotiating with her lender in court.

(11) Eve, Queen’s Ferry is a widowed 71 year old Black mother of 2 adult children and 5 grandchildren. She and her husband purchased the home in 1986 making them the first homeowners in either family. Her husband passed away in the 1990s following an accident
involving a fork lift, but he worked under the table so she received no survivor benefits. The original mortgage was paid off, but Eve took out a second mortgage to finance a new roof and pay for her children’s graduate education. The loan was adjustable and she entered foreclosure within 12 months. An adult sibling and cousin also live in the home.

(12) Felicia, Locust Park is a 51 year old Black woman who lives with one of her sisters. A different sister originally owned the property and was about to lose it at the sheriff’s sale so she purchased it to keep the home in the family. Around the same time she also co-signed mortgages for her son and a third sister on separate properties. She entered default when each of them entered foreclosure and she simultaneously lost her job. Felicia periodically provides housing and financial support to other sisters and extended family as well. Her unemployment benefits recently ran out and she is having difficulty locating a new position.

(13) Ginger, Locust Park is a 75 year old Black grandmother who bought her house alone in 1974 following a divorce. Her two adult sons currently live in the home, one of whom has untreated mental health struggles. The original mortgage on the home was never paid off as Ginger has refinanced several times to pay off debts with utility companies and to pay for the legal defense of one of her sons. The terms of these mortgages were not clear and Ginger is currently considering a reverse mortgage to settle her debts.

(14) Give Em Hell, Queen’s Ferry is a 58 year old bi-racial homeowner who purchased her home for $50,000 twelve years ago. Her 89 year old god-mom is also living in the home because she lost her own house to foreclosure fraud five years ago. Give Em Hell’s disability has prevented her from working for much of the past 25 years. She entered foreclosure when her mother passed away and she transferred the deed entirely into her own name. The mortgage servicer denies she
is the mortgage holder, but still mails bills in her name. At the time of the interview she was pursuing a loan modification and the home was scheduled to be sold at auction.

(15) Grace, Queen’s Ferry is a widowed 70 year old White woman who recently lost her home to foreclosure. She purchased her home with her husband in the early 1980s making them both the first homeowners in their family. Her husband passed away from a stroke in 2001 and she had extreme difficulty transferring the deed into her name. When she finally received the paperwork she learned that they still owed $9,000 on the original mortgage. Unclear of what she was signing, Grace signed all the paperwork mailed to her and her mortgage payments skyrocketed shortly thereafter. At the time of eviction, Grace was also living with her two sisters in the home. Grace and one sister now live with a nephew and the third is living in an assisted care facility in South Jersey.

(16) Gucci, Queen’s Ferry is a 68 year old White widow who is currently living with her adult son following his loss of a union job in the oil refineries. She and her husband purchased the home 25 years ago with a fixed rate prime mortgage making them the first homeowners in either of their families. Gucci later refinanced her home in an attempt to lower their monthly bills following her mother’s extended illness and her own disability. The terms of her new mortgage are unclear and she “forgets how many times I have been in foreclosure.”

(17) Kate, Queen’s Ferry is a White 53 year old mother of 5 children who divorced her husband 11 years ago due to “his vices with gambling and drinking.” She and her husband inherited their home from her grandparents who passed away in the 1980s. The couple began experiencing mortgage trouble when her husband lost his contracted union job and her hours working at a large laundry supply company were cut. Kate’s older brother sold his home in a short sale before
it could be lost to foreclosure and then moved in with her and her children. She has cycled in and out of foreclosure three times in the past six years.

(18) Kathy, Queen’s Ferry is a 57 year old White widow and mother of 4 adult children who purchased her home 37 years ago. The original mortgage was paid off within approximately 15 years, but the couple later took out a second mortgage following her husband’s job loss and disability which eliminated his ability to work. Kathy is now permanently disabled following a back and leg injury. She provides childcare for several grandchildren and cares for her medically fragile father. Her youngest children are still in college, which she is financing with another mortgage.

(19) Leah, Queen’s Ferry is a White 55 year old mother of 2 teenaged children whose brother and father also live intermittently in the home. Leah purchased her home with her husband 25 years ago, but the couple divorced shortly thereafter. Her original mortgage was nearly paid off when she was laid off from her job as a teacher’s aide with the school district. The layoff left her with a diagnosis of heart disease at the age of 48 and no health insurance. Leah refinanced in an attempt to lower her monthly payment and soon learned she unknowingly signed an adjustable rate mortgage. Her home was listed for sheriff’s sale at the time of the interview. She stopped paying her mortgage in order to treat her heart disease saying, “I couldn’t afford both.”

(20) Leigh, Locust Park is a divorced Black mother of four who is currently working as a nurse. In 1995 she purchased her home by herself and believes she received a high interest rate due to poor credit. She attributes her mortgage trouble to poor money management, the expenses associated with raising four children as a single mom and experiences with fringe financial practices. Namely, she invested in an online sales opportunity that failed and damaged her credit.
(21) *Mary, Queen’s Ferry* is a 62 year old White woman whose adult son, eight year old granddaughter and recently unemployed 52 year old brother are also living in the home. In lieu of a honeymoon, she and her husband purchased the home for “around $30,000” and divorced three years later following the birth of her son. Her son moved back home with his daughter and girlfriend after being laid off from a unionized metalworkers job. The terms of the original mortgage were unclear, but she took out a second mortgage in 2002 to pay off back medical debt associated with the early onset of heart disease. Mary is the first homeowner in her family.

(22) *Maya, Queen’s Ferry* is a 69 year old White mother of two adult children and grandmother of five who has never been married. She purchased her home in the late 1990s with the money she received from her mother’s life insurance policy acting as a down payment. The original mortgage was nearly paid off when she refinanced her home to pay for one child’s wedding and another’s college education. Unbeknownst to Maya her refinance loan was an adjustable rate mortgage that quickly “tripled in size.”

(23) *Michelle, Queen’s Ferry* is a widowed 74 year old Black mother of five adult children, one of whom lives in the home with her two great grandchildren. Michelle inherited the property from an Uncle in the late 1980s, and immediately took out a home construction loan to clean up water damage not covered by homeowners insurance. She refinanced several other times in an attempt to consolidate debt. Her priest is paying for her legal representation, but which servicer currently owns her mortgage remains a mystery. This locks her out of loan modification and refinancing options. Michelle’s home was listed for sheriff’s sale at the time of the interview.

(24) *Natalie, Locust Park* is a Black 26 year old mother of three children who moved from being a TANF welfare recipient to a homeowner in 2007 following the death of her 14 year old brother
in a group home. She purchased the house at 20 years old with the lump sum of money she
received from his wrongful death suit. Natalie provides financial and emotional support for many
describing herself as “the backbone” of her family. Every step of her home buying process was
laced with predatory financial practices and fraud that could likely be pursued in court. She is
currently pursuing a loan modification with aid from housing counselors and working her way
through community college.

(25) Nicole, Locust Park is a Black 44 year old married mother of two who purchased her home
15 years ago with $70,000 in cash. The couple immediately took out a loan in Nicole’s name to
cover extensive home repairs required to make the home livable. She described the property’s
original state as looking “like a crack house.” Since her husband has always worked under the
table and/or had poor credit the deed and loans are held entirely by her, but her husband does
contribute financially. They entered default after both she and her husband experienced bouts of
unemployment and could no longer pay their bills. Nicole has received two loan modifications.
She defaulted on the first and has since received a second.

(26) Pam, Queen’s Ferry is a 60 year old Black custodian whose home of 30 years is in
foreclosure. The original 1983 mortgage was a fixed rate prime loan signed by Pam, her mother
and her husband who bought the home together as the first homeowners in their network. They
paid off the original mortgage by 1991. The couple divorced in the early 1990s and her mother
began experiencing severe medical problems which were not covered by insurance. Pam
unknowingly signed a subprime home construction loan in the late 1990s when she needed a new
roof and bathroom additions were needed for her mother’s medical care. At the time of the
interview she was in foreclosure for the second time and pursuing a loan modification.
(27) Prana, Queen’s Ferry is a widowed 61 year old White mother of three adult children, two of whom also live in the home with their pre-school age children. Prana purchased her home 21 years ago using money from her deceased husband’s life insurance as a down payment. The terms of her mortgage were unclear and she attributes her experiences with foreclosure to underemployment and the onset of heart disease and chronic fatigue syndrome which have limited her ability to work.

(28) Rita, Queen’s Ferry is a 39 year old Black mother of two teenagers who also cares for her mother and great aunt who live in the home. She purchased her home in 2001 and entered default following a job lay off with the postal service in 2003. Rita first entered foreclosure in 2002, but managed to catch up on her mortgage by taking on additional hours at Target and in a group home for adults living with developmental disabilities. Rita is currently pursuing a loan modification with assistance from a pro-bono lawyer she found through her mosque.

(29) Sandra, Locust Park is a 58 year old black mother of two adult children who purchased her aunt’s family home when she passed in 2007. She defaulted on her mortgage when her hours were reduced at work and her loan was sold to another servicer who appeared to change the interest rate either without her consent or full comprehension of the terms. The home was days from auction when her father loaned her enough money to temporarily stall the sale. She is currently pursuing a loan modification, but is now disabled due to a car accident. Sandra is remaining current by renting a room to a friend.

(30) Theresa, Queen’s Ferry is a 45 year old White nurse and mother of two children. She purchased her home in 2001 when “I did the math and found out I could pay less with a mortgage than I was renting.” Her medically fragile father also lives in the home, as well as, her
cousin who lost his home to foreclosure following a gambling addiction. She began experiencing mortgage trouble when diabetes and an unspecified nerve condition limited her ability to work at her full capacity.

(31) *Truly Blessed, Locust Park* is a divorced 67 year old Black homeowner who has permanent legal custody of her 14 year old grandson. She and her husband purchased the home in 1968 for $11,900 and paid off the original mortgage within five years. The couple later divorced in the 1980s. She began experiencing mortgage trouble in 2006 after debilitating health problems began to impact her ability to continue working in a factory. Truly then began consolidating various debts using her home as collateral. The terms of these various loans were unclear.

**Introduction**

The feminist political economy literature demonstrates how the costs associated with social reproduction (care work hereafter) have been privatized and transferred from the state and employers onto the family (Roberts, 2013; Gill & Roberts, 2011; Bezanson & Luxton, 2006). Likewise, Saegert, Fields & Libman (2009) use the term “radical risk” to describe how market risks have been shifted away from the state and the financial industry onto individuals, families and neighborhoods (2011, p. 307). My results both mirror and build on each of these themes. In particular, this chapter identifies how the privatization of care work and market risk extends the responsibility for unpaid gendered tasks well into older adulthood. As a result, care work revisited the homeowners in my sample either exacerbating or contributing to default and foreclosure. The extension of unpaid labor went well beyond the occasional care of grandchildren or responsibility for aging parents. Instead, it acted as an amplifier and conduit of
market risk on two levels (*personal and familial*) and in two stages (*middle and older adulthood*) throughout the lifespan.

The interpretation of events involved in lending and foreclosure varied some by race, but the weight of care work consistently unfolded across the sample. In short, the shared experience of being a single woman in foreclosure carried far more similarities than dissimilarities between Black and White homeowners. In this chapter I present the results of within group analysis across the entire sample. Chapter Five follows with the results of between group analysis and chapter 6 concludes with policy, practice and research implications based on the data.

**Stage One: Social Reproduction & Care Work in Middle Adulthood (Ages 30-55).** Filtering by structural codes highlighted a sequential life pattern that guided interpretation of the data. Namely, the women’s narratives naturally divided into two categories: before foreclosure and after. Despite variation in their ages, these two categories also uniformly lined up with two life stages: middle and older adulthood. Middle adulthood encompasses ages 30-55 and older adulthood ranges from 55 to the end of the lifespan. Age was not a part of the recruitment criteria, but most participants fell into the early portion of older adulthood. The median age was 57. The one exception was Natalie who at 26 represented the youngest study participant. Even then, her story of network responsibilities and care work unfolded similarly to other participants.

**Network Responsibilities.** In stage I, women were raising their children, caring for extended family members, maintaining their homes and if married or partnered caring for men who labored in the workforce\(^\text{13}\). Seventy year old Grace looked back fondly on this life stage calling it “important and valuable...You take care of the men, it’s what makes us (*women*)

\(^{13}\) The interview guide did not include questions regarding sexual orientation, but when women described partners, spouses and romantic relationships only men were mentioned.
precious like jewels.” Like Grace, homeowners described care work and network responsibilities as deeply meaningful, but also as expectations associated with their gender and financial status as homeowners. Leah, a 55 year old White mother of two, echoed many women when she emphasized how her home tied her to greater responsibilities within her family saying “I never had a choice about who I was doing things for... I’m the one with the house so I pick up the slack...no one’s helping. I love them and all, but it’s just me doin it.” Likewise Michelle, a Black homeowner, said her property automatically translated into increased responsibility for others, “Ain’t---ain’t you got a house, a family, sisters who get pregnant and people who need a room? You just do sister. you do. it’s family.”

Women interpreted their status as homeowners, as well as the physical property itself, as being the only net keeping family members out of the shelters and off the streets. Fifty-five year old Beyonce bluntly emphasized that, “my house, this one that we both be sittin’ in. If it’s not here my family is on the street. simple as that.” Celia, a White homeowner likewise explained, “Everyone lives with me and mine at some point. I’m the one with the house. They’d do it for me, I know it, and besides what choice do I have? I’m not gonna leave my people in--in the damn shelter. Fuck no.”

**Risk Avoidance.** In pursuit of the American Dream all of the women in my sample signed their original mortgage in young or middle adulthood. Unlike popular media caricatures of wasteful spending patterns assumed to accompany foreclosure (Piquero, Getz & Bratton, 2011), all but two described careful management of family resources particularly when it came to buying, decorating and maintaining their properties. Kathy, a White widow, specifically described limiting herself to cheap furniture saying, “Honey listen---I--I-- You have no idea.
When I moved here, me and my husband with the baby we had-- we had bean bags for chairs.
The rug was an indoor/outdoor rug we pulled from our old porch until we could buy a new one.”
Likewise, 45 year old Theresa, “did without stuff folks think are basics, like towels and tupperware.”

Consistent with research demonstrating high risk aversion among women (Embrey & Fox, 1997), homeowners also shared calculating narratives of saving for down payments, and cautiously proceeding with brokers and real estate agents. Eve, along with seven other women in the sample, “lived with mom for a little bit because I wanted to save up the money for the down payment.” Others described delaying gratification either out of fear that they would be taken advantage or out of concern that they may be overextending themselves financially. Leigh, a Black nurse and mother of four, described intentionally choosing the cheapest option saying she “went in and picked the least expensive one,” while Carla, another Black homeowner, described painstakingly choosing both her home and the mortgage saying:

I looked at a whole lotta houses, I tell you. My agent was like, “Listen, you’ve looked at 75 houses,” and I’m going like, “No, I didn’t.” I knew like, “Okay you get the 30-year mortgage, get the fixed rate,” like that. I think my dad had put that in my head. He goes, “Make sure it’s fixed. We don’t want no balloons, we don’t want this, we want that,” so I was kind of aware for predatory lending because I worked for a mortgage company before.

**Rational Decision-Making.** Women’s experiences seeking and signing loans underscored the lack of power and information endemic in asymmetrical housing markets. That is, market economies characterized by imperfect availability of financial information and limited consumer
choice. Attempts at rational decision-making, like carefully reading mortgages or intentionally choosing less pricey homes, proved useless in protecting study participants from future risk of default. Of the 30 women in the sample, 18 described talking over their mortgage terms with either a lawyer or a personal contact with expertise in finance or housing. Give-Em-Hell purchased her home as a co-signer with her mother. Before closing the women checked the terms with a sister who managed a bank and paid a lawyer to read the fine print:

Jean was the oldest and the smartest, plus she ran that bank on the avenue. And she knew where to go and plus, even if I would--when we got stuck doing paperwork--her lawyer--my mother’s lawyer--we paid him and, and he would read over things and make sure everything was legit. It don’t make no sense, everyone checked it, the officer said it was fixed. But they lied.

Other women carefully read their mortgage terms, but reported sparse lending opportunities. Either few options existed in the community or realtors refused to work with anyone beyond particular banks, brokers or financial institutions. As a result, homeowners were limited to whichever institution happened to be working in their community while simultaneously being constrained by how those lenders operated in the larger financial system.

Pam, a 60 year old Black custodian, originally purchased her home through a reputable local lender, but her mortgage was eventually sold to Countrywide in the secondary mortgage market:

Federal Banking\textsuperscript{14} was who we were assigned with when we first got our house. That’s a first mortgager. I don’t know what you call the people who talk to the realtor. I guess they’re the one who owned the house, so actually we purchased the house from a lady

\textsuperscript{14} Original firm’s name changed at the request of the participant.
that was living there. The realtor said we had to use Federal. Only Federal worked here back then. Then Countrywide bought them, I got divorced around then because of that she-devil and then I got a notice from Countrywide saying I paid them now and would I like to decrease payments by adjusting things. I read it and checked it with others like I do everything, but then it started to go up $500, then all the sudden it started going up, up, up, like $1700 month. and I’m like, what? it’s only worth $70,000.

Not only did Pam describe a lack of options when choosing her original mortgage, she had little choice when that bank merged with Countrywide. She further described seeing no red flags during negotiation saying:

No, why would I? But, still I should know better. We owned the house for 17 years. I paid my bills, never late. Never problems. When I spoke with Countrywide they said they could lower it because of tax changes. It made sense, city taxes change all the time. Plus, my friend is an accountant. He checked everything. When you pay your bills. It’s supposed to work.

**Economic Insecurity.** A wide range of mortgage types and interest rates were present within the sample. Six homeowners signed a sub-prime, risky or ballooning original mortgage. Seven originally possessed a safe prime loan, but later refinanced under risky terms. Nine homeowners never deviated from their traditional fixed rate mortgage and ten either did not know what their mortgage terms were or they did not understand what the interest rate meant. Despite this variability all of these women experienced default and foreclosure indicating additional factors beyond adjustable interest rates place single female homeowners at risk. In the words of Maya, “Our first mortgage wasn’t the problem.” As these study participants followed
the expected patterns of the gender division of labor throughout middle adulthood, three trends simultaneously occurred regardless of the type of mortgage they held, (1) stress and health problems (2) low wages and (3) lack of asset accrual.

**Stress & Health Problems.** Although health was not a focus of this research, it quickly emerged as a theme during data collection and analysis. Homeowner narratives were laced with descriptions of stress, illness and ailments associated with a heavy burden of care work and working class employment. Stress, lack of sleep and illness appeared early and often in women’s descriptions of family responsibilities and housing histories. Their level of stress and health problems extended beyond the expected physical exhaustion associated with raising young children and were interconnected with a struggle to make ends meet. As exemplified by 55 year old Alice, long hours at work and at home took a considerable toll on these women’s health, “I have worked for 33 – 34 years, seven days a week, two and three jobs. I have one son. I have two grandkids. I was a single parent, raising my son on my own. That’s why I had to work so many jobs and maintain a roof over our heads.” Truly kept similar hours as a young Black single mom also leading to the early onset of health problems, “Then my health started – I start pains all over and standing too much and arthritis and everything. So I have fibromyalgia now. During the course of late 20s, early 20s, I was going back and forth to the doctor. Just couldn’t get rid of the pains with the migraine headaches and the muscle pains and everything.” Likewise Kathy, who regularly juggled three part-time jobs, described, “collapsing from exhaustion a couple a times. The first time it was in the bathroom. The downstairs bathroom. I was working two jobs and I had mom to deal with and the kids. I just, my body said no and I passed out cold. At first it’s scary you think you got the heart diseases, but it- you get used to it.”
For seven homeowners, health problems and struggling to make ends meet were further compounded by juggling overnight shifts along with caring for children and extended family members. Women like Ann, a Black security guard, were constantly caught between competing work and family demands leading to the early onset of their own health problems:

My mother had gotten ill so I was assisting my parents so I’m driving back from the hospital shift at 4 o'clock in the morning to get her ready for dialysis, get her out because the ambulances and all that kind of stuff it was so much--it was so much money for her care that I just didn’t pay for mine. When I got pregnant with my daughter (third child) I finally went, ya know to the free OB and they said my blood pressure was just so, so high, but it was in the beginning. Not the pre-ecclampsia yet. I still kept working though, but then I just collapsed one day. I didn’t get out of bed for something, uhh. 10 days? My nephew was livin’ with me too. he was in junior high so he got them to school then.

Contingent employment and low wages compounded the balancing act between care work, health and employment during this stage. Not only were homeowners caring for parents, extended family, spouses and children, they were working in unpredictable low wage sectors of the economy that rarely translated into upward mobility.

**Low Wages.** None of the women in the sample reported a single time during middle adulthood where they fit the prototype of a stay at home mom. All of them consistently worked or constantly searched for work and 14 described employment histories stretching back to adolescence. For those once married or partnered, working class employment in the unionized trades, under the table contracting or a range of blue collar professions characterized the wages that men brought home.
Beyond care for children and others homeowners described this stage of their life as marked by constant work. Most assumed their labor would eventually translate into upward mobility. Kathy said, “You’ll keep digging and keep looking in America. You can become a something here...you have to work though; you have to work. And I did; I worked my brains off.” Like others, Prana a 61 year old widow, described juggling family responsibilities with multiple part-time jobs:

Work, work work. God, did we ever work. Everywhere, working all the time. And there never was anything full-time. Get up, kids to school, then work at my parents deli. Get kids again. Move them somewhere they have to be. Cook. Cook again, then do my night cleaning job. On the--on the weekends the deli and the third job at Pathmark. On my feet always. It doesn’t stop, but like, what am I gonna do? Not pay the bills? No one’s coming to help.

**Lack of Asset Accrual & Benefits.** Although I did not specifically ask about health insurance, lack of it was a major theme in stage one. Those with former full-time employment typically had insurance, but the remainder seemed uninsured or underinsured for long stretches during middle adulthood. Only a small handful of homeowners had any type of savings, college or retirement funds. Unprompted by a specific interview question, all the women uniformly described a desire to save. Eight attended financial classes at a local agency or church, but like sixty-six year old Annie, most did not “have enough left to put anything in the bank but a couple hundred dollars from the tax return.” Several women with full-time jobs described access to pensions and three had meager survivor benefits from deceased spouses, but that rarely covered their expenses. Six of the widowed women were formerly married to men who would have had
either military or civil service pensions, but their husbands passed away too early to reap any benefits. Others were married or partnered to men who worked under the table making them ineligible for any form of health insurance, life insurance or retirement plans.

**Stage I Summary.** Thematically, middle adulthood is best summarized by Elena who is living with multiple sclerosis, “It’s like. You’re not rich or middle class, but not poor either. I made do and it—it seemed to work. Until things got really, really wrong and then it didn’t work anymore. I just didn’t see it coming.” Problematically, homeowners consistently worked in sectors of the economy with few benefits and poor wages while simultaneously persisting in unpaid labor at home. As a result, their ability to accrue any type of asset, savings or financial stability rested entirely on paying the mortgage because their subsistence level checks paid little and rarely included investment benefits. Further, the lack of paid family and sick leave locked women into working even when pregnant, post-partum, ill or caring for sick family members. Kate, a White mother of five, recalled “working at the laundry place when the doctor flat out said I should not be on my feet, but I didn’t have a choice and that’s probly, I dunno... maybe that’s why I’m so sick now.”

The accumulative effect of stress, low wages, lack of benefits and lack of upward mobility left homeowners on the verge of older adulthood with no assets beyond their home equity to buffer against the amplification of market risks about to occur in stage two. Performance of double duty in the market and the home rendered them vulnerable to market risks, wealth extraction and financial exploitation on a personal level. In other words, years of individually absorbing the costs of care work precariously situated their finances and household just as risky lending markets began to eclipse the entire financial industry.
Stage Two: Social Reproduction & Care Work in Older Adulthood (Age 55+)

At the beginning of stage II, children reached adulthood and women’s unpaid care work briefly subsided. Homeowners described experiencing a sense of freedom and a time of relative financial stability. However, both were short lived and often punctuated by the death of a spouse, divorce, early onset of chronic illness, unemployment or underemployment. Without a social safety net to rely on, the only asset these women possessed were their homes, eight of which were entirely paid off. Seven homeowners unknowingly refinanced with adjustable rate mortgages to assist them with making ends meet, subsequently extracting wealth out of their homes and into the financial industry as collateralized debt.

These personal struggles related to the risks absorbed through care work associated with middle adulthood, only represent one facet of a multi-directional storm descending on their assets. Children, parents and extended family originally cared for in middle adulthood began experiencing their own problems related to market instability and holes in the safety net. As a result, the costs and tasks of care work gradually returned home against the backdrop of deregulation and legal risky lending described in the literature review. This environment poured market risk into the lives of single female homeowners both personally and through their financially fragile social networks. The collective market risks once dispersed throughout her social network instead rested on her shoulders while she actively and privately battled foreclosure and its associated stressors.

New Sources of Economic Insecurity. Regardless of when a reprieve in care work occurred, all the homeowners shared the common phenomenon of market instability within their social network. This unfolded along three themes: the erosion of unions, problems with
employment and the expense of higher education. As a result, siblings, extended family and adult children who fully expected to successfully engage in the workforce ricocheted back home.

**Union Erosion.** Eight women in the sample witnessed the dissolution of unions unfold in their network. In some cases adult siblings lost unionized jobs and never recovered financially. Many were able to locate new employment, but they remained underemployed eventually dissolving any remaining savings and assets. As this process occurred they turned to the homeowners either for small loans, temporary housing or to finance care work. The women interviewed then provided unpaid labor in a variety of avenues: childcare and educational costs for nieces, nephews and grandchildren or an increase in the amount of time or money provided to aging family members. After Beyonce, a White divorcee, was laid off from her union job her younger brother was also laid off from his unionized job with the shipyard leaving him unable to pay for their mother’s medical care. Beyonce, unemployed herself, started paying instead, “he couldn’t do it anymore so that left me. never mind that I had my own problems.”

Others expected their sons to find stable work within Philadelphia’s storied network of unions, but either they never found it or jobs were short-lived. Eve’s 33 year old son took a unionized job in the oil refineries straight out of high school, but was laid off when the Marcus Hook refinery closed:

He was down there in Marcus Hook working for four or maybe five years. I don’t know. I don’t remember really, exactly. He was in Jersey with his girlfriend, but now he’s back here since he’s not down that job no more. He’s at the verizon store, but it’s good because he helps pay for food and I get to see the baby when he has him. I gave him money for
awhile, but--I-- I can only do so much. It ain’t supposed to be, I mean. You want to
do right by them, but now it’s....He doesn’t know, but we all could be on the street.

**Unemployment.** Other women’s siblings and children were laid off or experienced
reduced hours at work that eventually rendered them unable to make ends meet. Since they were
the strongest members of these fragile networks, homeowners often absorbed their expenses
through periods of doubling up or through provision of money and childcare. Ann, who is also
raising a nephew and grandson, “helped with food or whatever because you have enough and
you have a home and all that kind of stuff and so they (*extended family*) moved in.” Celia’s sister
was laid off from a job and ineligible for unemployment. At the same time her nephew fell
unexpectedly ill resulting in enormous medical bills and no income. Celia filled in the gap, but
she was already in default herself saying, “I cover all his co-pays when I can, but they’re $35 for
each one. He goes sometimes two times a week.” In other cases, the specific circumstances of
extended family remained unclear, but their reliance on the homeowners interviewed was
obvious. As Nicole a Black mother of two teenagers described:

> Before this (*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 twin
> sister lived with me at one time. my brother lived with me at one time and my older
> sister.

Likewise, Truly Blessed a 67 year old Black grandmother said, “My son was struggling. He was
out of work. And he’s an electrician. So he was out of work with two kids, and I was the one that
was helping them.”
Secondary Education. Instead of acting as a buffer, secondary education only delayed the return of adult children and compounded the market risk they brought home with them. For the women whose children attended college or trade school, their only means to pay for it lay in their home equity. As a result, they refinanced their homes to pay for their children’s education or in four cases their grandchildren’s education. Since their original mortgages were fixed and they possessed little knowledge of what a balloon mortgage was the second mortgages taken out to pay for tuition were almost exclusively subprime. Maya, a White 69 year old grandmother of five, “wanted my kids to get to college. they say it’s the only way, but instead I’m losing my house. It’s backfiring.”

The adjustable second mortgage struggles were compounded by their children’s lack of employment stability, student loan debt or financial problems elsewhere in their networks. Either adult children with college diplomas “ended up back here anyways” or financing it strained family resources beyond what homeowners could handle when other financial disasters occurred with aging parents or siblings. Becki, a breast cancer survivor explained, “Everyone’s living with me again. My daughter dropped out of Drexel, my brother’s living upstairs gettin’ himself together and my Mom can’t be alone anymore.” Theresa’s son, “Can’t help me with bills even if I wanted him to. He’s got the loans to worry about and I got loans from his college and the house.”

The impact of these forms of market instability was twofold. First, it unexpectedly increased the costs and tasks of unpaid care work for female homeowners. Second, it means no one is available to assist them. As 70 year old Grace explained, “It’s a no-win. You’re helpin’ them. Never the other way.” Further, their struggles were amplified by holes in the social safety net.
Again, the impact was multi-directional. Gaps in health insurance, food stamps, unemployment insurance and other forms of aid left homeowners as the safety net of last resort in family networks marked by financial fragility. Simultaneously, female homeowners were often ineligible for aid themselves. In a cruel twist of fate, their status as homeowners and lengthy employment history meant they rarely qualified for aid.

“A Straightjacket of Everyone’s Problems”: Holes in the Safety Net. Homeowners experienced gaps in the safety net in two ways, first through their families experiences with unemployment, healthcare and lack of affordable housing, and second, through their own lack of eligibility for social programs. When women entered default and began seeking help four gaps in the safety net met them individually (1) Municipal, (2) Depleted Funds, (3) Double Jeopardy and (4) Over the line.

Familial. Like market instability within their network the lack of a safety net amplified the amount of risk and costs women unexpectedly had to manage. Pam, for instance, found her budget and mortgage paid for expenses Medicare failed to provide her mom and housing markets failed to provide her brother. As a result, each month she was forced to choose between paying her mortgage, buying food for herself, her brother’s housing and her mother’s medication and food:

I had to pay for her pills and half the time, I couldn’t give them all, so I had to get half of the pills and then--. Afford--afford half, and then I had to buy her food and then she was on dialysis, so I had to pay for them to come pick her up in the minibus and take her to dialysis. Then I had to buy her things for personal, like Depends and undergarments. And then her legs was swelling, I had to buy her support stockings and
they were like prescription stockings, but they cost like $25, you know. So when she needed the Depends I would only eat one time a day at home and sneak whatever my patients ate at work. Then he (her brother) had his own place, but then he got in some trouble, so then he had to move back. Yeah; I just felt like the weight of the world was on my shoulders. I’m surprised I’m still here. I almost killed myself. And I had to--had to turn my car back and you know like because I couldn’t afford to make payments on the car so--then I started to walk to work. It took an hour each way. It just didn’t stop.

Pam’s story illustrates how study participants also experienced devolution in the safety net through their networks. When the safety net failed or did not apply, it exposed everyone to enhanced levels of market risk. Family social ties in these situations did not protect or support them. Instead, according to 66 year old Annie they operated as “a straightjacket of everyone’s problems,” which filtered risk onto the women when the market and the state failed. When family members, like Prana’s, were laid off from jobs lacking benefits, “they’re not eligible for a--a damn thing.” Similarly, when healthcare costs exceeded what Medicare or private insurance covered, homeowners assumed financial and personal responsibility for their kin rather than “see them suffer alone.” When a lack of affordable housing exists, homeowners like Elisa opened their doors so their “people aren’t a burden to everyone.” Overwhelmingly, like Celia, women felt, “I’m not gonna leave my people in--in the damn shelter. Fuck no.”

**Individual.** First, as homeowners struggled to pay their bills they could no longer pay for basic home maintenance and property upkeep leaving them at risk for major repairs they could not pay. In those instances, women unsuccessfully turned to city programs for aid. Most
commonly, the staff managing programs acknowledged help was necessary but were unable to provide it. When 55 year old Alice tried to obtain roofing assistance the inspector told her:

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.

Similarly, Theresa’s city aid inspector said, “Look lady. You got mold all over and water damage. That (kitchen) ceiling is gonna come down on your head. No doubt it will, but we can’t do nothin’ there. That program’s gone. Other people have it worse.” When I visited Theresa she was now cooking with hot plates in her front room because his prediction accurately forecasted the moldy ceiling plaster now covering the entire kitchen making it unsafe and useless. Annie, who is currently living with heart disease and diabetes, sought assistance when her insurance provided inadequate coverage for fire and water damage caused by an adjacent row home. When I interviewed Annie winter was approaching. Despite a clear view of the alley through holes in the back wall of the kitchen her inspector felt, “It’s not bad enough yet.”

Second, sometimes homeowners did qualify for aid, but funds were depleted before their cases could be processed. According to 58 year old Sandra, “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 September to maybe December, places have funds. After that, they don’t-no funds left after that.” Eve shared, “Mmm--honey--mm--we were on that wait list thing forever waitin’ for the housing. The plan was to get the senior housing with my sister and let it (the house) go. We can pay that fee together, but it seems we can’t get in. Rent is too high so it’s not happening. I’m too old for shelters.”
Third, many homeowners experienced a form of double jeopardy where qualification for one program negated access to another. Like others, Truly, “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 a month.” Alice, who is now disabled, was told:

So welfare tells me, ‘well, since you got a full pay from your insurance company last month, the only thing we’re going to offer you is $100.00 food stamps. ‘ I said really. I said come on now, how am I supposed to pay these bills. They said, ‘well, this is the law. What you got last month, you don’t get nothing this month or maybe for two months. So for two months, all I got was $100.00 in food stamps, and I had to plead with electric, the gas.

Finally others were over the line and unable to qualify. In Elena’s case, “the utility programs don’t help because I am over their poverty limits or whatever the median with my disability because I had a good job that made my disability higher, now I’m just over the line. I’m over by $2000 per year.”

Homeowners vacillated in their narratives between anger over the lack of aid and self blame for attempting to access the safety net. On one hand, like Give Em’ Hell they felt, “fury and rage,” because “the rules don’t apply to you, even if you pay in and work.” On the other, the same homeowners would then blame themselves for either “needing the system,’ or like Kathy’s self-indictment “for being a stupid girl who doesn’t know what to do when.”

Given the rich data documenting an internalization of personal responsibility and other neoliberal themes (Harvey, 2005; Saegert, Fields & Libman, 2009), their responses were not unexpected. Interestingly, however, the experience of needing the safety net caused these
homeowners to extend a degree of empathy instead of blame to others receiving social assistance. Researchers have long documented that women receiving welfare benefits echo public narratives of shame and blame when discussing other clients (Lott, 2002; Seccombe, James & Walters, 1998). Safety net recipients in Seccombe, James & Walters (1998) research deliberately distinguished their own circumstances as deserving of aid, but labeled other clients as lazy and having “nothing better to do than live off welfare” (Seccombe, James & Walters, 1998, p. 855).

Conversely, regardless of race, homeowners seemed to shift the blame narrative in the other direction: they blamed themselves, but appeared empathic to others in need of assistance. Felicia, a Black homeowner currently living with her sister, cast her neighbors positively and herself as unwise: “You have people in these neighborhoods who have worked all their lives and was a productive part of society. Even though.... I take responsibility for unwisely giving up my credit even though I didn't know that's what I was doing at the time.” Likewise Kathy, a White widow, said, “Honey. Those people on welfare can’t help it. They’re stuck, they’re human they bleed. People did them wrong, but I was stupid.” Gucci, who is also a White widow, said she needed food stamps because she was, “a fool. A stupid fool,” but she then praised President Obama’s approach towards poverty, “Finally. We got a President who sees the people in need. He sees the poverty and the schools and jobs are trash. He knows there are women out there and kids and old people.”

**Tipping Points.** Women’s experiences with the onset of foreclosure commonly overlapped with one or more of the following tipping points: unemployment, health crises, divorce, death of a spouse or predatory terms. The only exception was Natalie, a 26 year old
Black mother and college student who entered foreclosure only months after unknowingly signing a predatory mortgage. For the remainder of the women, the aforementioned themes associated with market risk, social reproduction and holes in the safety net interacted to place women at imminent risk of foreclosure. These tipping points then subsequently propelled women into the judicial foreclosure system when they could no longer pay their mortgage. Importantly, some of the women experienced more than one tipping point either sequentially or simultaneously. Seven White homeowners either did not realize they were currently in foreclosure or they did not know when the process began.

Unemployment. Unemployment or a reduction in hours preceded foreclosure for twelve women in the sample. For those with stable fixed rate mortgages the loss of income compounded with unpaid care work slowly eroded their ability to pay their bills. Not surprisingly, women with adjustable rate mortgages entered foreclosure more rapidly after losing employment.

Health Problems. As mentioned during stage I, many women in the sample had a long history of illness and health problems. For most, their health histories functioned to place them at risk of foreclosure through the erosion of bodies and bank accounts. For an additional seven women, however, a major health event or the onset of disability preceded foreclosure. Elena went from being a single mom on a welfare to a homeowner with a full-time banking job only to lose her ability to work when diagnosed with MS:

I would go to Texas to visit my family. And while I was out there is when I knew something was wrong because I thought maybe a bug bit me or something because I started getting numb and itchy on my arm. They were the first symptoms of the MS.... I worked for 5 more years. And, but then I went downhill really fast. so--so I wasn’t
working and my company laid me off. But then I worked at another job for awhile and then now I’m on disability. I could live off savings for awhile, but then I could see it was getting worse and worse and worse so I refinanced to pay off my son’s school debt because I knew I could never help him again. and now the SSI doesn’t cover it all. I don’t have any options left.

Celia was fired from her job as an entry level social worker when, “I had my last baby I was so, so post-partum and I had complications and was in bed for months. It was really scary, I wanted to hurt my own baby and then I knew-God! help me! I couldn’t go back to work, but I wasn’t full-time either. I dropped to part-time when I was pregnant, then they just let me go.” Becki, a 57 year old White mother of three, entered default when both she and a sister were diagnosed with breast cancer at the same time and she, “just couldn’t afford to pay her health stuff and my health stuff.”

Death & Divorce. Loss of a spouse either through divorce or death also acted as a trigger for default and foreclosure. Although nine women in the sample experienced divorce, only five attributed their experience with foreclosure to the costs associated with divorce proceedings and loss of income. The remaining four experienced divorce decades prior.

Five women in the sample became widowed shortly before entering foreclosure, but the process occurred in one of two ways. In some cases, the loss of a husband’s income or the costs of his medical care prior to death disrupted her ability to make ends meet eventually triggering default and foreclosure. Others, like Prana, Kathy & Gucci, unknowingly signed risky refinance offers that mysteriously appeared immediately after their husbands passed away. In the words of Prana, “his body wasn’t even in the ground before the phone began ringing with offers.” Kathy
openly believed she was targeted for refinancing because she was a widow, “They knew. They had to. They came right at me.”

**Which One?** Perpetual Instability. Of the 31 homeowners interviewed for this study, only three had lost their homes to foreclosure at the time of the interview. The remainder were either current with their mortgage, in active pursuit of a loan modification, awaiting the sheriff’s sale or perpetually cycling in and out of foreclosure. First, of the 31 women interviewed, only eight were not currently behind on their mortgage. Of those eight women, two managed to pay off their missed payments by diverting any and all money towards their mortgage in lieu of paying any other bills. As will be discussed in the following chapter, those women successfully pulled out of foreclosure by paying the mortgage to the exclusion of everything else. The remaining six current homeowners had been able to successfully achieve a loan modification through assistance provided by either a lawyer or a housing counselor. No one was able to achieve a modification without representation from an outside party.

Second, four women’s homes were currently listed for sale at the sheriff’s auction. All of those women continued to pursue loan modifications and persistently looked for housing assistance, but were unable to find either at the time of the interview. Whether or not they ultimately retained their properties is unknown to me. The remaining sixteen homeowners were living in a perpetual state of limbo where their homes were not yet listed for auction, but their foreclosure cases appeared frozen in place during the months preceding the interview. As will be discussed in the next chapter, a profound lack of clear communication from lender to borrower clouded women’s knowledge as to the status of their case. As a result, many homeowners had been living under the threat of foreclosure for months or even years.
Finally, ten of the homeowners interviewed had cycled in and out of foreclosure two or more times. In each interview, homeowners were asked what it was like to receive a default notice. When I asked Kathy, one of my first interviewees, what it was like to receive that notice she responded, “Which time? Cuz I’ve gotten a bunch of those.” In other words, 32% of the homeowners had been trapped in a cyclical pattern of foreclosure for much of the past decade. Women would fall behind due to one of the aforementioned trigger points (unemployment, health crises, divorce, death of a spouse or predatory terms), and unless their mortgage exceeded the $2,000 mark homeowners were eventually able to catch back up for brief windows of time.

Homeowners caught up through borrowing very small amounts of money ($50-$500) from friends, family or their churches, signing up for benefits like food stamps, working under the table or by negotiating a temporary loan modification. However, these solutions were very short-lived and women would tell me to the day when they anticipated entering foreclosure again. For instance, 69 year old Maya described being, “current for right now, but it won’t hold. no, no, no. I will be in foreclosure again the last day of November.”

**Summary**

The homeowners interviewed for this research shared common stressors and life histories that marked their path to foreclosure. Black or White, women functioned as a safety net of last resort for their immediate and extended family leaving them vulnerable to a variety of market risks in middle and older adulthood. Since these women were the strongest members of financially fragile networks, their status as homeowners positioned them in the gap between market failures and holes in the safety net. As a result, their finances and health suffered tremendously, placing them at significant risk of foreclosure when they reached older adulthood.
Problematically, social service agencies were not ready to meet their needs and they were too young to access Medicare or Social Security. In short, decades of absorbing the costs associated with care work eroded their ability to maintain homeownership while the mortgage market shifted leaving them vulnerable to wealth extraction as they struggled to make ends meet.
CHAPTER FIVE: THE FORECLOSURE MAZE

Living under threat of foreclosure required homeowners to maintain a constant balancing act between network needs, unpredictable employment and lack of access to the social safety net. Perpetually shifting between competing family and financial demands constituted patterns of confusion and vulnerability as women attempted to navigate a maze of rescue scams, legitimate housing aid and negotiations with their lenders. During data analysis distinct differences emerged between Black and White homeowners in three areas (1) Homeowner timelines for seeking assistance beyond their mortgage servicer, (2) Emotional responses to the onset of foreclosure and (3) When women encountered risky or predatory financial practices and/or explicit market discrimination. In this chapter, I begin by describing the common strategies and processes associated with foreclosure and the struggle to make ends meet. Next, I delineate racial differences along the themes noted above.

Strategies

As study participants experienced mortgage strain they employed the following strategies: (1) negotiating with their lender (2) increasing hours at work (3) strict household budgeting and (4) seeking aid from social service organizations to offset mortgage costs. Rather than occurring sequentially, these strategies concurrently emerged as women tried to ameliorate mortgage trouble.

“A Wall of silence” Negotiating with lenders. Not unexpectedly, everyone immediately attempted to renegotiate their mortgage terms. Women reported contacting their lenders early and often either when they anticipated falling behind or immediately after the first missed payment. Homeowners characterized these negotiations as “extremely frustrating,”
“dehumanizing,” “deceitful and confusing.” Attempts to work with their lenders were compounded by women rarely knowing if they were speaking with an internal collection department, a sub-contracted collection agency or to mitigation.

Communication from both parties (borrower and lender) significantly increased as mortgage trouble deepened, but homeowners reported confusing mixed signals associated with the process. Paradoxically, the more women contacted their lenders, the more frequently they experienced what Annie described as “a wall of silence.” Collection specialists robo-called women 24 hours a day at home, work and at any phone number associated with former or current co-signers on the mortgage. When homeowners returned calls they were rarely able to speak with a representative and at times told there was no record of them with the company. Presumably, some record omissions can be attributed to securitization, but it is impossible to know either way.

Women also reported banks returning partial and full payments, lenders depositing checks without updating women’s accounts and banks claiming payments were lost in the mail or unsent when checks had already cleared. In Carla’s case different departments from the same company regularly called with contradictory information about what she owed and how she could address it:

I kept trying to figure out why they were calling me, like, this is the situation and they would always say, “Well, we’re calling you. This is the tip that collected that” and they had this huge number...That’s what really irritated me. It was like I owed tens of thousands of dollars and I’m going, “No, I don’t,” ...“Can you please get this straight? Like this is causing me stress.... He says, “Well, this is what our records indicate.” “Well
you need to check with this department of the agency accompanying and he goes, “Well we can’t see all that information.” So that went on for, like, forever, it seemed like.

Most commonly, women repeatedly submitted lengthy dossiers of information only to be told it was incomplete, inadequate or missing entirely. Despite efforts to maintain careful paper trails through notaries, certified mail and fax receipts companies often responded there was no record of their information. According to Leah, a 55 year old unemployed teaching aide, “them companies cannot keep a damn thing straight. Never do I get so irritated....I would send them this big, big packets of what they ask for and my social worker would help me to make sure ducks in a row and all that...Yep--- certified mail and such and they still say they don’t have it... What do you mean you don’t got it? Then they mail back my mortgage checks. See... that’s this right here. I kept all they sent back.”

When women inherited properties or transferred deeds upon death of a spouse they immediately received bills in their names. However, when women attempted to call their lenders, representatives claimed they were not accountholders even though the statements were addressed to them. When Give Em’ Hell received a notice following deed transfer she was told, “Oh well we can’t talk to you. We got to talk to somebody in charge. This went on for three straight fucking years. They send me eviction and default notices with my name on it. I call and I say, ‘I done sent you the death certificate. You is mailing bills in my name. What more do you want? You got a copy of the deed. What more do you want?’ And they just say, ‘Oh no record of you.”

To the dismay of several women, the threshold for negotiation mirrors the shallowness of the social safety net. When default loomed imminent, many quickly contacted their banks only to learn foreclosure proceedings needed to be underway to enter mitigation. Some homeowners
contemplated allowing their mortgage to default in order to receive assistance, but ultimately responded similarly to 55 year old Alice who described: “robbing peter to pay paul and forgetting about john” to divert money towards their mortgage. That tactic stalled default for a few months, but eventually it occurred anyway. Although lenders claimed women could enter mediation or renegotiation after default, they were again met by the “wall of silence.” Companies then responded to default with heightened robo-calling and lists of local housing counselors, but still refused to negotiate. On the rare occasions when women verbally interacted with representatives, they repeatedly told borrowers they were only authorized to take payments. In sum, every woman interviewed described being “ignored” or “shot down” in their efforts to negotiate with lenders. Regardless of age, race, location, interest rate, loan debt or mortgage servicer women characterized their experiences as “rude, demeaning, nasty and useless.”

**Increasing Hours at Work.** As bills and debts mounted women doubled their efforts to garner paid work. Their attempts included requesting overtime, taking on second and third part-time jobs, seeking higher paying positions, working under the table and attempting to open small businesses out of their homes. Wheelchair bound and unable to work fifty-nine year old Deborah attempted to sell Avon, Tupperware and Mary Kay to save her home, but like others her efforts failed to help “as much as I would have liked for it to.” Two women opened under the table catering businesses “hoping to make money off stuff like graduations,” but uniformly no ones efforts to boost their incomes generated enough to meaningfully assist with their debt.

Desperate for income several homeowners willingly tackled entirely new or arduous forms of employment. Nicole, a 44 year old mother of two, “Started doin’ jobs that I never did before, but I saw done and knew how to do it, like concrete. I don’t do concrete. The people say,
“Well I need my sidewalk fixed.” I take care of it. Break it up and put it back down. I started gettin’ good at that. I was just doin’ whatever I could do. Ya’ know what I mean? To bring some money in to help us out.” Despite a long history of poor health, 50 year old Ann, “did a stint with a landscaper. I carried the trees. You know the ones? The burlap on the bottom? I’d lift them off the truck to the holes. I couldn’t dig them holes, but I could carry the trees...yah my body couldn’t take it for long, but you have to work.” Beyonce, a White 55 year old mother of two, “convinced neighbors to pay me to carry out trash and shovel snow and my cousin let me work under the table to smash up concrete patios...see that’s why these ones are crooked...can’t do that work and not break fingers.”

These remarkably exhausting efforts occurred within the context of the increased care work described in the last chapter and constant negotiations with their lenders. As a result, their physical and mental health further deteriorated, limiting their capacity to work and exacerbating or contributing to chronic illnesses and disabilities. Gucci and Annie were both diagnosed with chronic fatigue syndrome after dramatically increasing work hours, two homeowners were diagnosed with fibromyalgia and three others were diagnosed with heart disease by their early 50s. Truly, a 67 year old, described the toll of this process as “Terrible. Make me feel so bad. Then my health really – whenever you have problems with your health, it makes your health worse. I was getting migraine headaches really bad and going back and forth to the doctor because the bills, couldn’t pay my bills.”

For those lacking health insurance or those unable to pay their medical bills, the increase in work and health trouble created a vicious cycle where they were forced to choose between paying the mortgage and paying for medical care while simultaneously working very long hours
as older adults. Fifty-one year old Felicia “couldn't go to the doctor's because I had no insurance,” but after severe hives, rashes, stomach trouble and the loss of her hair finally forced her to seek medical help “the gastric doctor had told me my insides were being messed up from work and I didn't know that.” Prana, a White retail worker, “worked as much as I could, but so much of it was late night shifts and then back in the morning I would go right to the walmart for the day shift so I didn’t really sleep much. I knew the diabetes and my blood pressure was gettin’ bad. I put my arm in the that thing at Rite-Aid, and did the clinic at one point, but which do I pick?....Doctor or my house? I need a roof over my head. The mortgage comes first.”

Finally, other women’s struggle to locate adequate employment was compounded by the effects of a deepening recession forcing them to fight the foreclosure crisis on two fronts: at home and in the workplace. In 45 year old Celia’s case, “you’re fighting everything all at once. You want to work, you have to work and you have to pay the mortgage, but there’s no jobs anymore. I have work problems and house problems.” Similarly, 58 year old Sandra recounted searching for work while disabled and in default, “that was at the time when the economy was really bad. There were no jobs....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 and I really was trying to find something that I could do. It was really hard and it was very frustrating. I’m telling you, I was so depressed. It was unreal.”

“Pinching Pennies That Take Me Nowhere” Strict Household Budgeting. An unwillingness or inability to live within a budget is a common accusation aimed at families experiencing foreclosure (Fields, Libman & Saegert, 2010). Public policy and social service interventions rest on an assumption that (1) families in foreclosure simply require credit
counseling and budget training to maintain homeownership and (2) that budgeting can resolve an exploding rate mortgage. The experiences of women in this study and others (Keene, Lynch & Castro Baker, Unpublished; Fields, Libman & Saegert, 2010) indicate that strict management of personal finances is often underway well before default occurs.

Stringent budget maintenance and eliminating spending “anywhere and everywhere” they could was common throughout the sample. In the early stages of mortgage strain most women maintained specific and detailed knowledge of what bills needed to be paid and when. Homeowners described elaborate systems of rotating their bills and accompanying late fees when debts exceeded their monthly incomes. Like others, Rita, a former postal worker, “Would shift and hustle the bills around each month.... The trick is to never pay the same bill late two times in a row. That way you don’t get double late fees.” Women also described skipping medication, eliminating health and life insurance, drastically reducing Christmas spending, forgoing Thanksgiving dinners, selling vehicles, shopping exclusively at thrift stores, walking to work, cutting pills in half, eating only one or two meals per day, turning off phone, internet and cable packages, discontinuing children and grandchildren’s sports and activities and “obsessively checking to make sure the lights and faucets were off.”

As budgets tightened homeowners also struggled to conceal the severity of their situation from children living in the home whose access to food, clothing, activities and basic amenities abruptly shifted. Nicole painfully described attempting to shield her teenage children from their mortgage trouble, “My daughter one time said to me, she said, “Mom, we poor?” She saw. She said, “Are we poor now? Because she saw everything change....We used to go to the Mall all the time and she noticed we wasn’t goin’ shoppin’ for clothes and everything. Our cupboards wasn’t
that full. Our cupboards was bare barely. You understand what I’m sayin’? The freezer was empty. The deep freezer was empty. She was like, “Why we ain’t got no food?” When I entered Annie’s home her granddaughter grabbed my hand and dragged me to see the recently stocked refrigerator while her grandmother explained, “Don’t mind her. We just got our card filled (food stamps) so I could go shopping. The end of the month everything’s low. Know what I’m sayin? Low. The kids get used to waiting for the card to fill.” As a social worker I regularly encountered the common scenario of hungry children showing off food before showing off toys or artwork, but this was the first time I experienced it with a formerly employed White homeowner.

Mortgage strain and strict budgeting directly impacted not only access to food, but also the types of food women were able to purchase; a dynamic potentially adding to the growing laundry list of health stressors entwined with mortgage trouble. First, as mortgage strain deepened many women either sold their vehicles or drastically reduced how frequently they utilized public transit. Loss of mobility and access to transit then limited women to where and when they were able to buy food restricting them to shopping at odd hours or in corner stores where fresh food is nonexistent and even processed food is expensive. Some women, like Pam, could “only afford tokens to get to work, but when I get off work the stores are closed and I can’t buy food on the way...It’ll spoil.” Leigh poignantly described a tension between her budget limitations and her acute awareness of how reducing healthy foods could increase her hypertension and then limit her ability to pay the mortgage:

Now if I had not paid attention to my health, I would most likely have hypertension and on top of hypertension, when it was good to find food that my budget could afford, most
of those foods were high in fat and a lot of calories. Not healthy food, but being a nurse, I knew what foods to choose or what foods to back away from because I wanted us to be healthy on a long-term basis. But sometimes if your budget can only afford so much, you have to make a decision on what kind of foods are you gonna allow to come into your home.

Then later in the interview she narrated reluctantly shifting her healthy food habits out of necessity saying she resorted to buying cheap items, “Like Oodles o’ Noodles, loaded with fat and sodium. So I would say, ‘Don’t use all the packet.’ And donuts and especially hot dogs. We had hot dogs. So we would buy chicken franks or something like that. Try not to eat too many fried foods. I didn’t bring a lot of pork products into the house. So my kids never knew what bacon was until recently.”

As the process of battling foreclosure wore on, debts mounted and most abandoned budgeting altogether. Rather than carefully rotating payments, women began paying bills at random because their efforts never yielded any progress. Some grew so exhausted from failed negotiations they gave up entirely and preferred the bank, “take this house and shove it.” Others ceased budgeting and chose the small comforts of cable and adequate food when they realized it was mathematically impossible to pay their mortgage. Elena, who lived on a fixed income due to an early MS diagnosis said, “at first I cut the cable and tracked the electricity to keep my costs down. I only used one lightbulb on at a time. I stopped. I’m disabled and I can’t really move and here I am sitting in the dark with nothing. The house will probably go away no matter what I do, but I still feel bad about the 2 vacations I took before I had house problems.” Ann likened her abandonment of budgeting to a patient with a medical death sentence, she:
Realized it doesn’t matter if I save $42 a week, that’s not going to help with this giant mortgage. I’m killing myself to save and it doesn’t help. Why should I budget, stop taking my medicine and cut off the phone if I am behind by $27,000? I budgeted because it’s what you’re supposed to do and because the counselors say you have to, but then it—I realized all of it is just wasted trying. It’s like getting cancer and you know you’re gonna die and then the docs are tellin’ you, ‘No sugar. no bad foods.’ You’ve got cancer, you’re gonna die. Eat donuts.

Finally, other women succumbed to stress or the onset of anxiety and depression and ceased opening the mail entirely. Prana echoed that common theme saying:

What’s the point? Nothing you do helps. They want you to fail. I believe they knew from the beginning they were gonna take my house. It was planned... See that pile? I stopped opening the mail and the blinds and just sat waiting for the sheriff to come and get me. It doesn’t matter how well you organize yourself, when this (foreclosure) happens you’re doomed. I--I--I wish I realized it sooner. I wouldn’t have wasted so much pinching pennies that take me nowhere.... The doctor says I have depression now, but I didn’t bother with the prescription.

**Seeking aid from social service organizations.** As the strongest members of financially fragile networks, most women had no history of seeking help from social service agencies.

Rather, as homeowners, they regularly provided aid to their families and communities. When and how women did contact social service agencies significantly deviated by race, but they all reported similar experiences with housing agencies, social workers and debt counselors.

Uniformly, the solutions, recommendations and interventions offered by agencies were an utter
mismatch for the homeowner’s situation. Beyond the safety net holes discussed in chapter 4, women reported their interactions with individual staff members and programs as laced with (1) apathy (2) shame and blame or (3) poorly contextualized treatment plans.

“They have dead eyes”: Apathy. After bank negotiations, selling Avon products and reducing her food budget failed, 70 year old Grace mustered the courage to contact a local housing agency only to find staff attitudes eerily similar to that of her lender:

After it got real bad (received an auction notice), I figured it was high time to call the housing place. They’re everywhere now on all the bus shelters, but they weren’t then. I was real, real scared and pushing up them steps with the walker. There wasn’t even a ramp and the sign says it’s for the older folk. You go in and sit and sit... They give you numbers, sometimes you get your number called and sometimes not. If you don’t you’re just there like cattle and you do--go-go through the same thing the next day. Then, if you do get up there, it’s just like talking to the bank. No one even looks you in the eye, and they just yell your number, then it gets stamped down. You’re just a nothing... Try to call them and ask questions? Nope. No answer, just like the mortgage people. It rings and goes to those full voicemails.... And these are the people who do this to help?

Like Grace, women took the lack of response, active listening and action of some agencies as indicative of apathy. Annie characterized her experiences with social workers and housing counselors as being, “not nasty really or mean. They just don’t care. I mean if you’re nasty that’s a reaction, right?” Homeowners interpreted these themes as evidence that the agency workers they encountered did not care about them or their situations either way. Elena described visiting housing counselors as “useless because they have dead eyes.” Likewise, fifty-one year old
Felicia reiterated shock throughout the interview when recounting the lack of response she was met with by repeatedly blurting, "But I've come for help. I'm coming to you for help."

"Little Lady": Shame & Blame. Narratives about help seeking were laced with words seemingly designed to shame and blame women in foreclosure. Homeowners, like Celia, reported that the “appointments usually begin with a lecture. No questions about what you is going through. They just start off telling you to take care of your business.” Several women likened the verbal tones of counselors and social workers to that of a father lecturing a young girl. Women reported male workers referring to them with labels such as “little lady” even though most of them were likely old enough to be the worker’s mothers or grandmothers. Pam and Give Em’ Hell both described housing counselors who, in Pam’s words “sucked their teeth at me. So disrespectful.” Considering that in the majority of cases women were turned away from help either because they were over the line for aid or because funding was unavailable women recounted these experiences as deeply painful because according to Prana they yielded “nothing but insults. I wasted tokens (for transit) and hours I could have worked just to be insulted.”

Some homeowners also emphasized that their experiences with counselors and social workers eroded any remaining dignity they possessed. Like Danielle, a 62 yr. old Black mother of 6, many women labeled the agency experience as “very dehumanizing.” Importantly, while a dearth of effective assistance prompted anger and disappointment, women delineated between frustration associated with a lack of help and pain associated with how staff treated them. For instance, Celia emphasized, “okay, okay I get it. there aint’ nothing they can do for me. I qualify for nothing, but why do you treat me like shit?”
Conversely, other homeowners passionately shared narratives of healing they associated with the empathy afforded them by other workers. Even when staff remained powerless to ameliorate mortgage trouble, women experienced a measure of restored dignity when given the opportunity to share their story. Eve captured this sentiment well when she described meeting with a social work representative at a community legal agency:

This girl listened. I’m tellin’ you listened... She couldn’t help me really. But besides my Pastor I didn’t tell no one what was goin’ on. Didn’t realize all that was pent up....How’d she start the meeting? She started and asked how I was doing, and--I-- broke down. Just like now-- breakin’ down couldn’t... stop... I think what happened to me-- what I was goin’ through. It was real. I went there two times, they helped when they could... What was different? They treated me like a person. Oh, and little stuff. Like-- it was clean and they offered me a drink.

Eve’s narrative highlights how remarkably different women felt when agency staff simply treated them with basic respect and common courtesy. Importantly, staff members like the one she describes still remained entirely powerless to alleviate mortgage strain, but they were able to provide crucial emotional support for women living with foreclosure.

“There’s a Difference--I Own This”: Poorly Contextualized Treatment Plans. When women were able to access help, a mismatch in social services underpinned the advice and treatment plans counselors and social workers attempted to employ with homeowners. Workers appeared fundamentally ill-equipped to handle the needs of female homeowners and instead seemed to use the same treatment plans designed for renters or clients lacking any employment history. To their chagrin women were referred to job training classes when they were disabled,
elderly or already employed, to financial literacy classes when budgeting had already failed and to housing programs they were ineligible for.

Agencies regularly expected women to allow housing counselors and social workers full access to their entire financial histories and records to be considered for any form of aid. If women complied, and most did, workers went through each line of their bank account and credit card statements noting places they felt homeowners errantly spent money. For example, Danielle was behind by $50,000 when she was told she must to cut back on paying for oil changes as though that would resolve her mortgage trouble. She was told: “We want to see to spend your money wisely. If you’re not, we’re going to tell you how to spend your money.... this lady told me, what did she say? “Oil changes. You don’t need to get one every – ” ....She said you’re supposed to do it once a year. They decide whether you’re wasting your money.” Later she sought help from a different agency and this time they came to her home requesting bank statements in person:

I get a phone call from this gentleman telling me, he’s coming past my house. He wants my bank statements. And I said, “Who are you?” His name began with an H. “Why are you coming to my house?” Because he says – whatever they’re called – “We don’t have offices, so a lot of times we come to people’s houses.” Initially I wasn’t thinking. I said OK. Then the next day I’m thinking, I’m not letting some man I don’t even know come into my house, so when he did show up I didn’t answer the door. And after – then he made some report that wasn’t true, and I explained to them – I said no, I didn’t let him in because I didn’t know who it is.
Echoing similar themes, after purchasing thermal underwear, support socks and a sweater for a total of $50, Elena’s housing counselor told her to “consider thrift shops. The Salvation Army is just around the way.’ You need to cut back he said. It was the first thing I bought that wasn’t food for two months...and the support socks I had to buy for my legs. Circulation. Doctor’s orders. I needed real help. Not the thrift shop. They don’t listen.”

A reported lack of basic social work skills and assessment compounded the poorly contextualized advice. Women described attempting to delineate their situations to workers who assumed too much and asked too little. When Gucci visited her local social service agency she described workers as eager to assist, but not to listen:

I needed help. They just don’t hear you. I mean I feel like there should be times in the meeting where you get a chance to just say what’s going on........They just give you lists of where you should go and what you should do, but no one even asked if I had mortgage troubles or rent troubles.... There’s a difference, I own this, but they don’t bother to figure that out. Just ask me. It’s just, call this number, do the internet thing to see if you get the food stamps and do the (job training) classes, or they show you how you can get to the enterprising center (non-profit that trains people to open small businesses) for free on transit. I’m 59, where am I gonna go?.... No, I’m too old and sick to be opening businesses.
**Comparative Analysis: Black and White Homeowners.** As noted prior, Black and White homeowners all experienced similar burdens associated with unpaid care work and they also entered the same foreclosure maze after entering mortgage default. While both groups of homeowners employed similar strategies and shared many common experiences, differences arose in two areas, 1) help-seeking timelines and 2) emotional responses to default and foreclosure.

**Disparate Timelines.** When the sample was divided by race distinct differences emerged surrounding when women accessed social services and how well they understood the foreclosure process. As stressed prior, nearly indistinguishable differences were apparent in women’s relationships to lenders, social workers, housing counselors and the types of resources available to each group. All of the women encountered similar problems and pitfalls when attempting to resolve their housing trouble, but race was associated with varying levels of foreclosure knowledge and expectations of market risk.

**Proactive Rational Action.** Everyone attempted to negotiate with their lenders and requested assistance from social services, but Black homeowners sought outside aid much earlier than White homeowners. Within days or weeks of mortgage trouble Black women persistently chased loan modifications, contacted housing agencies and aggressively tracked down any piece of legal information they could find about the process of default and foreclosure. Despite agencies repeatedly telling her “they were out of funds,” 58 year old Sandra constantly hunted for assistance labeling herself as “crazy going around here looking for these different organizations, calling everywhere. A lotta times. They don’t answer the phone. They have an
answering machine. They don’t call back. And it’s just you’d be like just crazy. A couple of times a couple of places, I was there when they opened the door, yeah, looking for help.”

Danielle, a 62 year old retired nurse tenaciously tracked down any information she could and made certain others in foreclosure court had access to the same knowledge:

So I went to find out for myself. That’s when I found out about the law is, no matter what a person’s income is, you only can charge them 31 percent in a loan modification, which I didn’t know. My modification was going to be 700 or more, so again I figured it out and they’re ripping me off again, which I never said anything, but the next time at court I made an announcement. I told everybody, “No matter what your income is, you only have to pay 31 percent.” I told them where I found it out. I said, “Spread it all around.”

Black women’s rapid responses tied directly to (1) understanding the severity of foreclosure and (2) their burden of care work within their networks. First, receiving a default notice prompted instant searches for any available assistance while simultaneously maintaining bank negotiations. Like Ann who, “hustled to move fast and call everyone. You get that notice street living may be in your future,” Black homeowners displayed instant recognition of how severe their situation could become. Although most had minimal prior experience with the social safety net, they quickly requested help from housing and legal aid, block captains, ward leaders, union representatives, Congressmen, Senators, churches, mosques, Pastors, Imams, utility companies, SNAP and energy assistance, food banks, support groups and hospital social workers.

In the words of Michelle, “If it (a helpful program) was there...what is that they say about hell?.. oh yeah, come hell or high water, I was gonna find it fast.”
Second, Black homeowners explicitly cited their burden of care work as motivation for rapid action. Women were acutely aware of their network’s reliance on them and their homes as key to survival in a risk laden environment. Pam described that she:

Knew right away what my problems with the house could do to everyone else. Months before it happened (default) the stress, oh the stress started and I called all over for help. Makes me sick-- just-- just sick to even talk about. The mortgage people don’t do a thing but ask for money or sayin’ it’s not bad enough yet.... That wasn’t good enough. I called everywhere because I could see it comin’ down on me and knew we’d be on the street fast. Sometimes I thought I’d take my life if we actually lost it. Couldn’t face my family and what problems I brang to them.”

Similarly, fear immediately gripped Ann over what might happen to her elderly aunts if she lost her home, “The panic still lives in my chest talkin’ to you. It sits here (clenches fist to her chest), right here sister. Where would they (aunts) go? If I lose the house, I don’t know what will happen to me. I’m not sure if I could care for them. They helped raise my kids. God gave them to me and it’s, I’d be spitting on them and God... So I just picked up the phone and called everywhere I could. I even called the Senator’s office begging for help.” Likewise, Truly Blessed described responsibility for a disabled Grandson as her catalyst for seeking aid:

I called them (legal & credit assistance) through grandparents. The support groups. I got involved with grandparent groups raising my grandson ‘cause I was always looking for help with him because I knew he had a problem....So I had a booklet and I just wrote down things and I would call people and ask for help. If you don’t ask you’ll never get it. If you don’t speak out you’ll never know these things. So I tried to be open and

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tried to get help for myself and my grandson. So by the grace of God, we’ve made it and we’re still struggling, but we’ve come a long ways. First you pray first and then you ask for guidance. Then you go to the source. Like I went right to the people and my bills. Call them and tell them I don’t have the money and try to get on all kind of plans and try and get all kind of help.

In sum, Black homeowners rapidly mobilized their energy to locate any and every source of available assistance. Despite the barriers in obtaining effective housing and social service aid Black women persistently searched from the onset of mortgage trouble.

**Belated Rational Action.** Unlike Black homeowners, White homeowners were comparatively slower to seek outside assistance from housing, legal aid and social service agencies. Financially speaking, their poor access to network resources and housing aid mirrored that of their Black counterparts, but it took far longer for them to grasp how imminent foreclosure was. As a caveat, homeowners explained their strategies and timelines post-default so the amount of time that elapsed between mortgage default and initiating help is based entirely on their recall. Nonetheless, only two White homeowners described seeking mortgage counseling, social or legal services within weeks of default. The remainder approximated waiting six months to a full year. At first, White homeowners attempted to alleviate mortgage strain by negotiating with their lenders, working more and spending less. As renegotiations failed, financial resources thinned and only then did they begin to realize the severity of their housing situation. At that point, White homeowners began to engage in the same aggressive searches for aid and information that their Black counterparts employed since the beginning of the process.
White homeowners initial lack of action tied directly to their lack of knowledge surrounding the severity of their financial situation. Although they were well accustomed to budgeting and living paycheck to paycheck, they were surprisingly hopeful in the earlier stages of mortgage strain. Kathy, a White widow in her 50s, felt “in the beginning I just thought it would work out. It was scary and all, but we’ve been on hard times before. You work hard and you pull out of it. You can do that in America....but, I don’t, why--why isn’t it working?”

Like Kathy, some White women assumed “it would work out,” but others were unfamiliar with social services and initially blind to the few programs they qualified for, namely, utility assistance programs, Low Income Home Energy Assistance Program (LIHEAP), food stamps, walk-in medical clinics and pro-bono legal aid. For example, until she approached her Pastor for prayer and counseling Prana remained unaware of utility assistance:

So it’s always hard to pay your bills. Never easy, never ever. But I never knew you could call PECO (electricity company) and do hardship plans. Never thought about that stuff like that was there. It’s didn’t fix big bills, but it helps. And also you can get a free lawyer if you know where to look, but no one really tells you that and then when you get them it’s too late. My Pastor--she’s a real woman of God, of God’s voice-- was the first one who knew my troubles. She told me, but electric was already off then....Yes, I paid mortgage on a house with no electric even in it.

In certain cases White women were cognizant of their mortgage trouble, but remained oblivious that foreclosure was already underway. Like Gucci, several White women insisted they were “in trouble not in foreclosure.” However, as those women participated in the pre-interview screening process they provided details that clearly indicated they were nearing public auction so
I scheduled an interview. Initially, I attributed statements like Gucci’s to image management but the interviews later belied a different reality.

White homeowners described sheer panic over their inability to pay the mortgage, but for reasons that were unclear they did not seem to know that receiving an Act 91 and/or an Act 6 notice meant the lender had formally initiated foreclosure in court. Celia, who was raising four children and caring for extended family in her home, said “I got a whole bunch of them Act 91s and notice things. So I’m still good I guess. I went to the housing people on the papers and stuff. That’s probably why I’m not in foreclosure and defaulted yet.” Conversely, this lack of understanding about foreclosure never occurred among the Black women interviewed. At times, they displayed poor knowledge about their loan terms or other mortgage details, but they clearly understood and feared the onset of default and foreclosure.

**Emotionally Responding to Default & Foreclosure.** All the women expressed a volatile range of emotions encompassing grief, rage, fear, panic, self blame, shame, stress, isolation, depression, anxiety and thoughts of suicide in reaction to mortgage trouble and foreclosure, but only White women reacted with surprise. In the words of one White homeowner, “Foreclosure is not supposed to happen to people like me.” Although the White and Black homeowners were both members of the same economic class, they possessed different assumptions about the potential volatility of their financial futures. In turn, those assumptions lead to disparate reactions of grief associated with the foreclosure process. In the remainder of the chapter, I discuss the variations in their emotional responses, as well as how varying expectations of market volatility underpin the two categorical responses.
“Losing your home is bigger than you sister.” Even though none of the Black women had lost their homes at the time of the interview, the present threat of foreclosure still undermined how they viewed themselves and their ability to “rise from the ashes of where I came from.” Black homeowners grieved, cried, cursed and pounded their fists in anger during the interviews just like their white counterparts, but their grief centered on their loss of identity as successful members of their families and providers for their kin networks.

Like most Black women interviewed, Pam a 58 year old Black homeowner was the first person in her family to own property and her children were the first to attend college. According to Pam:

Losing your home is bigger than you sister. We overcame getting this house, we overcame it all. No offense, but everyone’s done us wrong at some point...How can I? How can I tell them (her family)? I’m the first one (homeowner). I’m letting down my kin. I almost took my own life because I wasn’t thinking that I’m not the only one going through something like that, so I almost took my life at my job. I almost--on the 17th floor, I was looking at the exit door. All I was thinking was how I failed. My people never had a thing... The stress of the house--the house, dealing with the children, my mom was sick and you know, I didn’t know what I was going to face in life. I felt like a failure. My co-worker saved me. She’s funny, like a comedian. She didn’t know what I was gonna do, but God sent her to make me laugh and here I am. I’m still here. I promised God I wouldn’t touch drugs or alcohol so I coped by pulling the hair out the front of my head instead. It worked. I’m here. Praise Jesus, I’m here.

Pam’s narrative echoes the central loss embedded in Black women’s expressions of grief surrounding the experience of default and foreclosure. As discussed in chapter four, women in
both groups represented the strongest members of a financially fragile kin network. Despite that common experience, only Black homeowners cited their comparatively stronger financial position and history of upward mobility as a source for their grief. Women associated their success as homeowners with their ability to succeed financially in the face of remarkable odds. Although they maintained an acute awareness of how risky life in a market economy could be they still reacted by grieving their ability to provide.

“Once I got the house and the man I thought I was set.” White women grieved a different loss altogether--the loss of marital relationships and stunned acceptance that living up to an idealized picture of motherhood and the gender division of labor did not protect them from market risk. The previously married White women in the sample grieved the loss of their spouses through death or divorce and contrasted their currently adverse housing circumstances with the long-term financial stability they believed homeownership within marriage would provide. When Gucci recounted her life and housing history she could scarcely contain the pain of losing her husband years prior. Like most of the White homeowners interviewed her notions and expectations of the security homeownership would bring were tied to her status as a wife and mother even though her financial assets were rarely stable:

I just never imagined it could turn out so wrong. We were so happy, never rich or nothin,’ but I always just thought we had it all. We even both worked for the Sixers. I love my city, I love everything, I’m a Philly girl, I had a Philly man, Philly house and job. Once I got the house and the man I thought I was set. I can walk to church and to everyone’s house. My mom’s always around the corner. This is the life we wanted, it’s how we do things here....He just passed so soon. Is that why we’re in so much trouble? But it
don’t make sense. Never did I think this \textit{(default)} could happen….it’s supposed to go married, house kids and all that.

Although White women compared and contrasted their present mortgage trouble with their previous married life, they did not necessarily attribute foreclosure to the loss of a spouse’s income. Instead they reiterated shock and surprise that marriage, life insurance and “doing what you’re supposed to do” failed to protect them from mortgage strain in older adulthood.

Never married White homeowners offered strikingly similar narratives surrounding motherhood. Rather than reflecting on their formerly married life, they reflected on the years they spent caring for their children. White women linked their performance and dedication in the tasks associated with motherhood to a bedrock assumption that long term market odds would fall in their favor. Elena, a single mother of one adult son, felt, “I was a good mom. I think back \textit{(when she purchased her home)} and I was doing it all right. I mean, yah I needed help sometimes with him before the school years started, but I did what needed to be done. I worked and I bought my house. It all made sense, who pays more in rent when they can pay less to buy? Not me…I’m a good mother. I taught him to read, work hard and I worked. I still don’t understand how this happened... Maybe it’s just me, but I mean. I was a bank manager. I processed mortgages. I’m a good mom.” Similarly, when Annie recounted signing a second mortgage in her kitchen she emphasized her roles as mother and grandmother, “I sat there and the boys were upstairs and I was holding my grand baby. Signing with one hand and bouncing her on my leg....No there were no red flags in our meeting. I had the baby and he was so nice. I let boys go out that night I think. I raised them well, those are good boys. No running the streets. Lord-- I never did think it’d be me sitting with you.”
Even though extreme financial instability characterized the entire housing histories White women recounted, they shared variations of Kathy’s statement that, “It’s steady forward progress ma’am. Do your thing....Get your kids out the door.... It will just be. It will. It can work.....No, I guess it’s not really working now, huh. It depends, we’ll see what happens, but I always did for my family what you’re supposed to. It can work.” Whether widowed, divorced or never married, White homeowners coupled their lifelong struggle to make ends meet with a belief that eventually their finances would stabilize. While Black homeowners lived under an expectation that severe financial trouble may visit in the future, White homeowners with similar assets lived under the expectation that it never would.

**Expectations of Market Volatility.** Each interview began with women providing an overview of their life housing history, family background and the circumstances surrounding each place they lived throughout adulthood. Explicit acts of discrimination and push-marketing of predatory or risky financial practices were ubiquitous throughout the Black women’s narratives. Regardless of family background, employment history or any other socioeconomic variable, most Black homeowners recalled experiences of discrimination and/or experiences with fringe financial practices throughout the lifespan. Leigh attributed her mortgage troubles, in part, to damaged credit after she, “invested in something called Stores Online and I wasn’t able to make the payments.” The scheme requested excessive pre-payments and eventually ruined her credit. Women described themselves or family members being denied rental properties and experiencing racial intimidation in the workplace and schools unchecked by administrators and supervisors. Two Black homeowners were embroiled in employment discrimination suits at the
time of the interview and two additional homeowners described employment discrimination suits in their past.

Further, a wide variety of predatory or fringe financial products were push-marketed to Black women including payday loans charging an excess of 200% interest, adjustable rate mortgages, tax advance schemes, subprime car loans, reverse mortgages, foreclosure rescue scams, insurance scams and home construction scams. Give Em Hell described, “not bein’ able to use the regular bank even though my sister, the smart one. She worked there, because I never had enough to not get them fees. So I use the check place at the grocery store.” Push-marketing of risky financial products has risen considerably in recent years, but it is important to note that these Black homeowners recounted experiences with risky offers well before it was a matter of public debate.

In sum, Black female homeowners always expected discrimination or risk in the market would occur in the future, because it had always occurred in the past. As a result, when Black homeowners recounted their life and housing histories their fundamental expectations about what life and the market could and would provide their families were remarkably lower than that of White women. Their experiences with discrimination and risky financial practices in a variety of sectors--from housing to employment to schools--embedded a deep understanding of market risk and an expectation of financial and familial volatility. In Ann’s words, “I was screwed my whole life. This (foreclosure) is no different. I prepared myself sister I knew how bad it could get, but that doesn’t mean it doesn’t cut you up.”
Blindsided By Market Volatility. As noted above, Black homeowners recalled a variety of discriminatory experiences in the market economy and the push marketing of risky financial products throughout the lifespan. Conversely, White homeowners experiences with risky financial marketing were concentrated around their experiences with mortgage trouble. Despite everyone’s membership in the same economic class, White women did not report encounters with risky offers until they either experienced mortgage trouble or became homeowners. Prana described her phone, “ringing off the hook with crazy offers as soon as he (her husband) died. I’m tellin’ you. as soon as he passed.” Regardless of prior marital status, age, employment history or any other socioeconomic variable present in the data, all White homeowners in the sample reported push-marketing of one more of the following products: sub-prime mortgages, reverse mortgages, foreclosure rescue scams, payday loans, tax return advances and a variety of non-bank services.

Only four White homeowners appeared to own adjustable rate mortgages, and the remainder reported having fixed rate loans only. Celia unknowingly signed for an adjustable rate mortgage when refinancing what was originally a fixed rate prime loan, “So, no. It wasn’t the original mortgage. I don’t know I don’t what the rate was. Can’t remember, but I know it never went up and up and up. Always the same. I showed my paperwork--I save everything--to the man at the agency. He said it was a good one, the one you want... No, The second one was different. It was less for the first 2 years or something, which is why I wanted it. It was when I had the baby and lost the job. My friend told me about it and the guy who got it for me. He’s a good guy, he’s local.... Then it just went up and up and up and up. That’s when I got into serious trouble.”
Encounters with risky offers were not limited to mortgage terms. Seventy year old Grace noted an abrupt shift in the types of direct to consumer marketing she received only weeks after signing an $8,000 second mortgage to make her home more wheelchair accessible, “I don’t know what that man did with my numbers (phone numbers) or what, but all of the sudden I’m gettin’ calls all day every day about, ‘do you want to refinance?’ ‘do you want a line of credit? And then the mail. Full. Offers for this and that and it looks official, but I can’t tell.” Similarly, Leah explained, “So my nephew always does my taxes on the computer, but then I got this man who came to the door and said I could get my refund same day if I did it with his people. No, not there no more. They set up next to the bank on the Boulevard, but only in tax time. Yes I did it. The mortgage was coming and I needed the cash. There’s an interest rate? Wait. You sayin’ I could’ve had a bigger refund?”

Since the focus of this research was mortgage foreclosure I prepared no questions in the interview guide about the aforementioned fringe financial products. Despite that, their presence was laced throughout the interviews and, among White homeowners, intersected sequentially with the increases in care work and market risk described in Chapter four. Most White and Black homeowners suspiciously eyed these offers and declined them until they had little to no options left. Some who utilized fringe financial products like a payday loan or a reverse mortgage did so only after failing to locate a less risky offer. Those, White or Black, who did not describe looking for an alternative chose to use those products under financial duress when rotating bills, stringent budgeting and searches for assistance failed. In most cases, women who used the products described stories similar to Ann who said, “Your phone is ringin’ and everyone wants money. You take the loan or not pay the heat bill in the winter. I got kids in the house.”
Summary

All the Black and White homeowners interviewed shared common experiences with attempting to navigate the foreclosure process and identify sources of housing aid. Women employed similar strategies within a maze of options, but White and Black women initiated the help-seeking process on different timelines. Black homeowners were immediately cognizant of the severity of their mortgage situation and acutely aware of the impact foreclosure would have on their extended kin networks. Although White homeowners were similarly situated financially and likewise responsible for extended family members most were slow to realize the severity of their situation. Black homeowners experienced fringe financial practices and market volatility throughout the lifespan which embedded a deep understanding of market risk. Conversely, White homeowners did not have contact with fringe products until they entered housing trouble.

Despite variations in their understanding of market risk and the belated timeline White homeowners operated on, they still employed the same tactics as their Black counterparts, encountered the same foreclosure maze and experienced the same outcome with their mortgages. In other words, early initiation of rational action, such as seeking outside legal aid, did not effect women’s housing outcomes either way. Whether they sought help early or late, and whether they realized their depth of trouble or not, it appeared to have no meaningful impact on their mortgage situation. In the next chapter, I discuss how these findings indicate there is a mismatch between women in foreclosure and current policy and practice interventions.
CHAPTER SIX: POLICY & PRACTICE IMPLICATIONS

Introduction

Chapter four illustrated how the privatization of care work eroded the wealth and bodies of women who were the strongest members of a financially fragile social network. In turn, those homeowners physically, financially and emotionally absorbed the market failures and safety net holes experienced by less resourced family members. This left female homeowners at risk of foreclosure during older adulthood. Chapter five illustrated that, regardless of race, all homeowners encountered the same foreclosure maze and faced similar barriers to accessing housing assistance. Although homeowners sought aid on disparate timelines, they employed the same strategies and ended up with comparable outcomes.

The similarity of these results points to the ways in which economic and social policies systematically intersect to intensify market oppression. The operationalization of housing, healthcare and labor market disparities: (1) limited women’s ability to remain a productive self-supporting member of society (2) placed both the woman and her network on precarious financial footing (3) allowed financial institutions to profit from their wealth extraction through collateralized debt, and (4) shifted economic risk from the state and employers onto female homeowners through unpaid gender care work. Throughout the lifespan, gender played an almost invisible, but key role in women’s access to the market and financial outcomes.

To understand the policy and practice implications of these findings, it is helpful to revisit the current state of government intervention in the economy, as well as the changing nature of the federal foreclosure response. Following that, I outline specific policy and practice recommendations based on the data.
Market Recovery versus Human Recovery

On September 16, 2013, President Obama marked the five year anniversary of the 2008 mortgage meltdown with a speech in which he stated, “So if you add it all up, over the last three and a half years, our businesses have added 7.5 million new jobs. The unemployment rate has come down. Our housing market is healing. Our financial system is safer (Executive Office of the President, 2013).” The accompanying White House report praised the Home Affordable Modification Program (HAMP) for assisting “more than 1.2 million borrowers to date and an additional 1.9 million homeowners [who] have received foreclosure prevention assistance through the Federal Housing Administration (Executive Office of the President, 2013).”

Meanwhile, one in four homeowners had re-defaulted on their loans, 20 percent of American homeowners remained underwater on their mortgages, and four million homeowners were projected to have their mortgages refinanced under HAMP.

The improved market and unemployment rates that followed President Obama’s economic recovery policies (Fact Check, 2013) were not evenly distributed. Some benefited from the economic stimulus, but many did not. On the one hand, federal policy benefited the lending institutions. The financial services industry convinced the federal government to override risky lending laws in the name of freeing the market (McCoy & Renuart, 2008; Immergluck, 2009; Newman, 2012), and lending institutions profited as a result.

At the same time, consumers lost homes and equity. In addition to the 4 million homeowners who were unable to access HAMP, the few homeowners who were able to see their rates lowered under HAMP will again experience an interest rate spike when their temporary modifications are reset in 2014 and 2015 (Treasury, 2014). According to a senior analyst at
Bankrate, “The program (HAMP) was a temporary Band-Aid. Five years later, that Band-Aid is going to be ripped off. (Elboghdady, 2014, p.1).” Nationally speaking, 28% of homeowners assisted under HAMP have already re-defaulted on their mortgages, and an additional 11% have fallen behind on their mortgage payments (Treasury, 2014). In the northeast, the region where these interviews were collected, 30% of homeowners assisted by HAMP defaulted even before the lowered interest rates reset (Treasury, 2014).

The Current Foreclosure Policy Response

Since the 2007 mortgage meltdown, each federal policy approach focused on assisting banks, not unlike the federal response to the first subprime crises of the late 1990s. As outlined in chapter two, the first wave of risky lending was densely concentrated in very low-income communities of color, prompting widespread default and coordinated efforts by states to reign in balloon payments and adjustable interest rates (Immergluck, 2004, 2009a; Crump, 2008). At the behest of the financial services industry, the federal government intervened and overrode risky lending laws in the name of freeing the market (McCoy & Renuart, 2008; Immergluck, 2009a). In reality, the government was operationalizing neoliberal ideals differently for each party (Newman, 2012). Lending institutions benefited from profit windfalls as federal legislation intervened in the market on their behalf, while consumers lost homes and equity under the guise of maintaining a laissez-faire market economy.

Each major piece of legislation passed since the crisis operates similarly. That is, it intervenes to bail out financial institutions with slightly stronger consumer protections designed to inform prospective buyers, thereby protecting them from risk. Congress, President Bush, and President Obama all acted in accordance with the belief that robust markets can both increase
profits and solve social problems. On October 3, 2008, Congress passed the Emergency Economic Stabilization Act funding the Troubled Asset Relief Program, or TARP, freeing up $700 billion to purchase toxic mortgages, thereby bailing out financial institutions (US 110th Congress, 2007). Meanwhile families continued to default in record numbers as foreclosures jumped 120 percent from 2007 to 2009 (Adler, 2010). Like the smaller subprime crises of the late 1990s, Congress and President Bush preserved profits for financial institutions while neglecting the emergency situations of homeowners. Underlying this approach is an assumption that if financial institutions recover, homeowners will naturally return to stasis following the upturn in the market. The aforementioned HAMP program rests on similar presumptions.

Even if a homeowner managed to access HAMP, a five year time limit was placed on the renegotiated rate under the assumption that the financial picture of homeowners in trouble would improve along with the overall market economy. In reality, while markets continue to recover (Dash & Craig, 2011), the real wages of all average workers, regardless of race, ethnicity or gender, remain stagnant or in decline (Mishel et. al., 2012). That is, the amount of goods and services most workers can purchase with their income has not kept pace with inflation or the price of basic necessities. From 2007-2012, during the height of the foreclosure crisis and recession, real wages dropped for the bottom 70% of American workers even though productivity in the same time period grew by 7.7% (Mishel et al., 2012). Further, the wages of all college educated workers, including those in the STEM fields (Salzman, Kuehn & Lowell, 2013), were lower in 2012 than in 2002 and wages for women without a college diploma dropped by 2.7% during the same time period (Mishel et. al., 2012). In other words, for all but
the wealthiest Americans, real wages have stagnated or dropped for an entire decade (Mishel et. al., 2012).

In January of 2009, newly elected President Obama reacted to the foreclosure crisis by again preserving profits for banks, while placing only temporary or inadequate solutions in place for homeowners underwater or in foreclosure. Like President Bush, Congress and President Obama responded with a $787 billion stimulus under the American Recovery and Reinvestment Act (ARRA). Both the Emergency Economic Stabilization Act and ARRA were designed to stabilize the markets (Murdock, 2011), not families in foreclosure. The federal government next turned to crafting the Dodd-Frank Wall Street Reform Act and the Volcker amendment, both of which were aimed at preventing a similar crisis in the future (Murdock, 2011). The widespread marketing of risky subprime loans and no-doc loans is no longer possible underneath the Dodd-Frank Act (Murdock, 2011; Stein & Johnson, 2013). Dodd-Frank prevents a future crisis of this type by increasing regulatory oversight of mortgage origination, requiring lenders to have some “skin in the game” (US Senate Committee on Banking, Housing, and Urban Affairs, 2010), by retaining 5 percent of mortgage risk on their balance sheets, and through the establishment of the new Consumer Financial Protection Bureau (US Senate Committee on Banking, Housing, and Urban Affairs, 2010).

Both pieces of preemptive legislation, TARP and ARRA, functioned to rescue the financial industry with specific mandates applied to financial institutions. HAMP, the federal program intended to help the millions of Americans facing foreclosure, functioned on incentives instead of mandates. HAMP’s three-part plan was supposed to keep 9 million families
in their homes and allow 4–5 million additional families to refinance by providing financial incentives for the banks to work with homeowners (US 111th Congress, 2009). Rather than mandating assistance for homeowners, the program indirectly subsidizes mortgages by paying mortgage servicers the money they would otherwise lose by allowing refinancing. The influx of capital into the company remains the same, stabilizing companies and the market. Like traditional economic explanations for the crisis, this approach masks the fact that borrowers and lenders are socially situated within power dynamics shaped by the discrimination of the past (Dymski et al., 2013). Further, the stated aim of these policies and the Consumer Financial Protection Bureau is to increase transparency in financial transactions and mortgage lending as a whole (US Senate Committee on Banking, Housing, and Urban Affairs, 2010), but that assumes that market transparency exists.

Dodd-Frank also fails to acknowledge the wider context of borrowers, as it layers in new requirements for most homeowners to put down a substantial down payment when buying a home (Stein & Johnson, 2013). Considering the enormous race and gender wealth gaps (Chang, 2012; Stein & Johnson, 2013), the loss in home equity within neighborhoods of color (CRL, 2013), and the predominance of female-headed households within those communities (Phillips, 2012), the Dodd-Frank Act could be forecasting a deeper form of market exclusion for women whose wealth has already eroded. Wall Street bonuses, salaries, and the market may have recovered (Dash & Craig, 2011), but vulnerable populations, such as the homeowners interviewed, have not.
Taking Gender Into Account

The economist Isabella Bakker notes that structural adjustment of economic and social policies, “harbour a conceptual silence: the failure to acknowledge explicitly or implicitly that global restructuring is occurring on a gendered terrain (Bakker, 1994, p. 1).” Similarly, the assumption that markets are ahistorical, neutral and void of race and gender, renders invisible the ways care work and unpaid gendered labor has contributed to foreclosure and the economic crisis. The data presented on care work and market risk in chapter four demonstrates that as we restructure the social safety net and economic policy under an umbrella of “strategic silence (Bakker 1994, p.5)” about the gender inequities underpinning and guiding market access, we risk dismantling the wealth and health of women. As a result, we erode not only women’s ability to maintain homeownership and financial stability, but we threaten the upward mobility of those who depend on them.

The belief in markets also contributes to a policy discourse that tends to blame women for their plight rather than the ordinary dynamics of the market economy The literature is clear that paying one’s mortgage does not protect people, their community or the economy from the costs associated with mass default and foreclosure. (Squires & Hyra, 2010; Immergluck & Smith, 2006; Moreno, 1995). While the market has recovered from the effects of the housing crisis, many Americans continue to experience residual problems associated with the recession. It is also clear that if the non-monetary tasks tied to a woman’s gender are perceived to be socially orthogonal to the market, we can justify women’s poor position as either her bad judgement or a random market event. By ignoring the systemic ways gender shapes and constrains the market, it also provides a form of ontological security that perpetuates the market
economy in its current state. If “she” could have protected herself through rational action, than those who do follow the rules of the game can protect themselves from market risk. However, the findings of this study provide evidence to the contrary. Homeowners were not protected by rational action, nor by seeking information and assistance. Instead, the tasks associated with privatized care work predisposed them to multiple layers of market risk outside their field of vision. Measuring up to the ideals associated with the gender division of labor lead to their financial demise.

When the women in my sample functioned as the safety net of last resort for their family, it undermined their ability to successfully participate in the economy as taxpaying homeowners. In the short-term, their provision of housing, childcare and money to family in lieu of the state or employers lowered the fiscal responsibilities of taxpayers. Not only did absorbing market risk and failure undermine the women’s personal finances, it thrust them into a failing safety net along with their network. In other words, redistribution of market risk and the costs of care work onto single women increases the long-term burden on taxpayers in the form of housing assistance, food stamps, Medicaid, Medicare and Unemployment insurance. Further, as families enter foreclosure and lose their homes, they cease paying property taxes forcing municipalities to do more with less.

New Policy Gaps

Erosion of the Safety Net. Safety net erosion contributed to homeowner’s foreclosure experiences in two ways. First, as the most financially resourced members in their networks the homeowners provided resources, care work and support when the social safety net failed members of their network. The women functioned as a private “all purpose safety net,” (Warren
Homeowner’s budgets and bodies provided for family when they were ineligible for unemployment, possessed inadequate medical coverage and lacked affordable housing. Subsequently, the burden of that unpaid care work in middle adulthood contributed to homeowner’s inability to accrue wealth and assets leaving them vulnerable to wealth extraction through default and foreclosure as they reached older adulthood.

Homeowners experienced a brief reprieve from care work when their children left the home, but the burden of social reproduction revisited them shortly thereafter. When the social safety net failed to buffer their families against the failures of the market, women again functioned as the safety net of last resort. However, this time their bodies were aging and experiencing the cumulative effects of a lifetime of double duty in the market and the home. Their assets were unstable, risky lending was on the rise and the only cushion they possessed was their home equity. In brief having to absorb market risk and safety net failures functioned as tipping points to push homeowners into default and foreclosure as women used the equity in their homes to supplement market and safety net failures.

Second, once women entered foreclosure they faced social service and housing agencies limited by austerity measures (Abramovitz, 2012). While these female homeowners sought help from the safety net, often for the first time, federal funding for housing, unemployment insurance and food stamps continues to be cut (Abramovitz, 2012; NLIHC, 2013). The ongoing lack of affordable housing, a rise in rental costs and growing numbers of renters due to the recession added to the homeowner’s strain (NLIHC, 2013). The number of households renting rose by two million in 2012 and only 30 affordable housing slots were available for every 100 low-income households (NLIHC, 2013). As chapter five illustrated, agencies were ill prepared for the sheer...
magnitude of the foreclosure crisis and ill-equipped to understand the unique needs of women experiencing foreclosure. Women attempting to access assistance were met with inadequate aid, while agencies attempted to function in a climate marked by declining federal funding.

**Health Problems.** Problems accessing health insurance, exorbitant medical bills and the early onset of chronic illness and disability plagued both the homeowners and their networks. Women reported either themselves or family members experiencing debilitating illness and disease before they were eligible for Social Security or Medicare. Early onset of heart disease, diabetes, chronic fatigue syndrome, fibromyalgia, high blood pressure, breast cancer, nerve problems, anxiety, depression, multiple sclerosis, strokes, edema and debilitating back injuries were endemic throughout the sample and contributed to women’s housing fragility and mortgage trouble. This connection mirrors a small, but growing body of literature documenting the ties between financial trouble, mortgage default and the early burden of disease.

It is well established that fragile health is a risk factor for both bankruptcy and mortgage trouble (Downing et. al., 2009; Pollack et. al., 2011; Pollack & Lynch, 2009). Gaps in health insurance coverage, lost income due to illness and exorbitant medical debt are all tied to bankruptcy and trouble maintaining homeownership (Downing et. al, 2009; Himmelstein et. al., 2005). As the costs of unexpected medical problems rise, homeowners are at an increased risk for bankruptcy and housing trouble as they are forced to choose between paying the mortgage and paying for medical care. Focus group data with families experiencing foreclosure also indicate that illness, disability and medical debt all function as risk factors for default and mortgage trouble (Fields, Libman & Saegert, 2011).
Historically, Black Americans experience the early onset of illness and chronic conditions associated with stress more frequently than other groups (Geronimus et al., 2010, Geronimus et al., 2006; Williams and Mohammed, 2009). Geronimus et al., (2006) attributes these racial health disparities to the process of “weathering” throughout the lifespan. Weathering refers to the higher rates of mortality and chronic illness among Black Americans that is believed to be caused, in part, from repeated and cumulative exposure to stressors linked to racism, racial stratification and broader structural inequities (Geronimus & Thompson, 2004, Geronimus et al., 2006). Given the high rates of foreclosure (Bocian, Li & Ernst, 2010; Rugh & Massey, 2010) and weathering within Black communities (Geronimus et al., 2006), the prevalence of medical problems among the Black homeowners interviewed was not unexpected.

However, White homeowners also experienced the early onset of illness and disabilities both of which contributed to their experiences with foreclosure. The presence of disease and illness among White homeowners interviewed reflects emerging trends in the public health literature documenting a sharp decline in the health and mortality of poorly educated White women in the United States. Although Black women who did not graduate high school once had the poorest mortality rate in the United States, White women who failed to graduate high school recently replaced them (Olshansky et. al., 2012). Life expectancy for White women without a high school diploma has dropped by a full five years since 2000 (Olshansky et. al., 2012). This loss represents the largest known mortality drop for any group in the United States absent war or natural disaster (Potts, 2013).

Life expectancy for poorly educated White women continues to decline, while it is simultaneously rising among poorly educated groups of other races and ethnicities (Montez &
Zajacova, 2013; Olshansky et. al., 2012). While access to education, asset accrual and stable employment are known to impact health and longevity among White women and other groups (Montez & Zajacova, 2013; Montez et. al., 2011), the precise “upstream” cause of the decline in White women’s health is still unknown (Montez & Zajacova, 2013, p. 166). Montez & Zajacova (2013) used a nationally representative data-set to isolate and test the relationship of social-psychological factors, financial profile and health behaviors to the health decline impacting White women. They found that employment status and stability, along with smoking, was the largest contributor to the White female mortality gap. Smoking was not an unexpected finding, but the role of employment was. The authors were unclear why employment status played such an important role, however they did surmise that the lack of supportive family and social polices, such as those associated with unpaid care work, likely played a role in White women’s declining health. The developing body of knowledge regarding the declining health of low-income White women, the connection between health and mortgage trouble coupled with the qualitative data presented in this research suggest the need for added research in this area.

**Policy Implications**

New research suggests that the gender division of labor is beginning to shift within the private sphere of the home (Mundy, 2013; Parker & Wang, 2013). Men are increasingly sharing the burden of unpaid care work, but these shifts are concentrated among middle and upper class families, particularly those who are college educated and part of dual earning professional couples with access to parental leave (Mundy, 2013). Problematically, the female homeowners interviewed stand outside of these sociological shifts along with the 8.6 million U.S. women who parent children under 18 by themselves (Parker & Wang, 2013).
Adhering to the gender division of labor did not protect homeowners in the sample from market risk. Instead it exposed them to it. Whether married or not, they bore the costs associated with being the most resourced member of their social network. Homeowners were simultaneously locked into unpaid work in the home and low-paid, non-benefited work in the market. This study did not seek information about policy initiatives that might have prevented the women from entering default and foreclosure. However their experiences reveal several immediate policy initiatives that could alleviate the burden of mortgage strain and prevent similar circumstances for women in the future. Because women in foreclosure are situated at the nexus of social and economic policy gaps, and because the problems of default and foreclosure are tied to broader policy trends, a single policy initiative is unlikely to work alone. Instead, a multi-directional policy approach that includes many of the following is needed.

**Paid Sick Leave.** Like many of the homeowners interviewed, 38% of female workers in the United States have no access to paid sick leave (Institute for Women’s Policy Research, 2013). Occupational sector, hours worked and level of earnings largely determine if an employee can take paid medical leave. Only 24% of food preparation and service workers and 31% of personal care workers have access to leave, compared to the 84% of workers in computer and math fields who have access to benefits (IWPR, 2013).

From a public health perspective, these trends carry enormous implications for single women struggling to make ends meet, as well as the general public. First, single women occupy the majority of low-wage, non-benefited positions (Chang, 2010). Second, the jobs most likely to lack paid sick leave are the ones that require maximum contact with the public either through food preparation and service or through sales and paid care work (IWPR, 2013). When workers
are forced to choose between pay and the need for medical rest, it undermines their own health, their ability to care for those who rely on them and the health of the public. By way of example, in 2010, the Centers for Disease Control reported 7 million cases of H1N1 were spread through contact with employees who arrived to work sick (IWPR, 2013).

In Philadelphia, where this study was conducted, 182,600 workers do not have access to sick leave and 123,900 lack any paid leave benefits of any type, such as vacation days (Williams, 2013). IWPR demonstrated that access to paid sick leave would result in Philadelphia employers saving approximately a half million dollars annually, as well as, an estimated $25 million in savings for communities, families and individual workers (Williams, 2013). In both 2011 and 2013, city council passed a new paid sick leave bill that would have provided 180,000 Philadelphia workers with paid sick leave, but Mayor Nutter vetoed it each time (Dunn, 2013; Kuznits, 2011). Despite evidence presented by IWPR and local organizations (Williams, 2013), the Mayor claimed the bill would “hurt the very workers this bill is intended to help (Dunn, 2013, p.1)” by causing employers financial distress and leading to the loss of jobs.

Most of the women interviewed for this research reported little to no experience with full-time waged employment that included benefits. At some point during middle or older adulthood all the homeowners interviewed relied upon either shift work, under the table jobs or contingent seasonal employment to make ends meet. As a result, they reported working through illness and injury and rarely took recommended medical breaks compounding their stress and health risks.

It is impossible to determine the degree to which paid sick leave may have prevented foreclosure. Nonetheless, many of the health problems that women reported as contributing to their mortgage trouble are clearly tied to excessive stress and lack of sleep both of which
accelerate the onset and severity of disease. For example, 11 of the women noted that high blood pressure, heart trouble and heart disease all impacted their ability to work and maintain homeownership. It is well established that all of those cardiovascular problems are either exacerbated by or directly linked to excessive work and stress (Chandola, Brunner & Marmot, 2005; Siegrist et. al., 1990; Vrijkotte, Doornen & Geus, 2000). In addition, cardiovascular trouble fails to improve absent treatment and absent rest, both of which homeowners reported neglecting because they could not afford to miss work and pay their mortgage. As a result, they experienced the early onset of chronic illness and health problems limiting their ability to work long enough to qualify for medicare and social security income forcing some to draw on their home equity through risky financial agreements. If female homeowners had the option of paid sick leave throughout their lifespan, some could have arguably avoided working to the detriment of their health to maintain homeownership. Instead, lack of paid leave functioned in conjunction with other market risks, as an additional factor leaving women at risk of default and foreclosure.

**Family Leave.** The United States is one of only two industrialized nations in the world that does not have mandated paid maternal leave (Heymann et. al., 2008). By comparison, 47 developing nations give mothers paid maternity leave (Chang, 2010). The 1993 Family and Medical Leave Act (FMLA) grants US workers twelve weeks of unpaid leave for birth, adoption or to care for a seriously ill family member, but only if their employer has 50 or more employees and only if they work full-time or 1250 hours in the previous 12 months (IWPR, 2013b). In a handful of states, like California, workers are granted a partially paid leave, but whether to pay employees a full wage is left up to employer discretion (IWPR, 2013b).
As discussed at length in chapter four, homeowner experiences with default and foreclosure were exacerbated by the burden of caring for medical problems within their family network. An expansion of FMLA would not assist women providing care for extended family, but it could potentially cover women who are providing care for medically fragile spouses, children and parents. Amending FMLA to mandate paid leave and extending it to include part-time workers would allow female homeowners to continue providing care work without forcing them to perform simultaneous double duty in the market. More importantly, expanding FMLA would protect the assets and wealth generating capacity of single women because it would preserve their jobs and supplement the costs women currently absorb by leaving work to care for their families (Chang, 2010). Preservation of women’s earning capacity in the short-term could potentially decrease the amount of societal costs in the long-term as women, like those interviewed, may remain financially stable through the lifespan.

**Mortgage Modifications & Cyclical Foreclosure.** As mentioned in chapter five, ten homeowners have been cycling in and out of foreclosure for much of the past decade and ten numbers of homeowners were experiencing foreclosure with a fixed rate prime rate mortgage. Because women’s experiences with default and foreclosure were tied to broader social and economic trends, current foreclosure programs need to recognize that the onset of foreclosure is not a singular incident. Programs like HAMP currently limit mortgage modifications to a one-time loan adaptation that expires after five years based on the assumption, as noted above, that market recovery would trickle down to homeowners within that five year timespan. However, the data show that HAMP failed to reach its own goal of assisting four million homeowners by 2.8 million households, and 30% of homeowners who did access it re-defaulted on their
modifications (Treasury, 2014). Allowing the projected one in four U.S. homeowners to potentially lose their homes to foreclosure risks overburdening rental markets, municipalities and agencies already under stress. Continuing to treat default in isolation from other market failures promises to yield a greater number of defaults for three reasons. First, if homeowners enter default with a fixed rate prime mortgage, their interest rate is not the problem. Therefore, modifying interest rates will not assist them in maintaining homeownership. As repeatedly noted, the women who possessed fixed rate mortgages suffered default due to broader problems within their network and their own personal struggles with employment, asset accrual, disability and health.

Second, obtaining a mortgage modification without assistance requires steady employment and a strong credit score. If a homeowner’s experiences with foreclosure are tied to unemployment or underemployment they will not qualify for mortgage modifications absent federal or legal intervention in the market because they will be unable to meet minimum market qualifications. Effectively combating foreclosure should also include policy initiatives that improve working class homeowner’s job opportunities.

Finally, the burden of foreclosure falls heaviest on older adults (AARP, 2012; Wyly & Ponder, 2011) and those already living with chronic or debilitating medical conditions (Fields, Libman & Saegert, 2011; Keene, 2013; Pollack et. al., 2011; Pollack & Lynch, 2009). In 2012, the American Association of Retired Persons (AARP) reported that since 2007 1.5 million older adults lost homes to foreclosure, one out of every 30 Americans over 80 were currently experiencing foreclosure and an additional 3.5 million Americans over 50 were underwater on their mortgages (AARP, 2012). If foreclosure interventions rest solely on market recovery few
potential avenues out of mortgage trouble exist for older Americans living on fixed incomes or nearing retirement age. Likewise, if illness and disability has already eliminated their capacity to work and completely eroded a lifetime of assets, market recovery will also fail to assist.

**Practice Implications**

When homeowners sought assistance from housing counselors, social workers and the safety net they entered a system ill prepared to handle the onslaught of families in foreclosure. Although the reported social service experiences are based solely on recall and lack the counterpoint of agency based research, they do mirror other data documenting the help-seeking process (Fields, Libman & Saegert, 2010). As Celia explained in chapter 5, “I get it. There ain’t nothing they can do for me. I qualify for nothing,” social workers, non-profit organizations and social service agencies are constrained by the same foreclosure maze as homeowners. Even so, the data did point to some practical steps that can be implemented in areas marked by densely concentrated mortgage trouble.

**Intake.** In Philadelphia, like many cities, housing aid is frequently triaged through a central city office like the Office of Emergency Shelter and Services. Homeowners in this study, unofficial research orientation meetings with city housing providers and survey research (National Coalition for the Homeless, 2009) all note that the data collection instruments providers use during intake rarely, if ever, inquire about mortgage foreclosure. In Philadelphia, foreclosures are managed by the Sheriff’s office and the Court of Common Pleas (First Judicial District of Pennsylvania, 2014). Despite Philadelphia’s nationally regarded foreclosure diversion program, where lenders are required to meet with homeowners in court to determine modification eligibility (Court of Common Pleas, 2008), to my knowledge this system does not
connect with other city programs and housing services. Foreclosures sit in a “silo” within the Court of Common Pleas, divorced from other service sectors and community based agencies.

At the outset of this project I shared data about regional foreclosure trends with local housing providers, city-wide task force groups and agency administrators with whom I worked. I inquired about potential changes they observed in the housing situations of the people the served. and service providers reported a rise in the number of people seeking help and a shift in the types of clients they were treating. However, because they did not inquire about foreclosure during intake none of the providers had any quantitative data. Agencies collected enormous amounts of socio-economic and demographic data for the most basic forms of aid, such as a grocery gift card, but not a single agency reported asking about mortgage default, foreclosure or eviction.

Homeowners reported that when they contacted housing providers and other agencies the only housing related question asked during intake was their most recent address. As a result, there is little information about the most pressing needs among homeowners reaching out for help. In addition, for those already evicted due to foreclosure, their most recent address is likely that of a family member, hotel or a friend (Kingsley et. al, 2009). Given the complete absence of this information, the treatment plans offered to homeowners in trouble were extremely limited. This points to the need for better agency documentation especially if the foreclosure crisis does not abate, the field continues to operate under conditions of austerity (Abramovitz, 2012), and federal intervention expires in 2014 and 2015 (Treasury, 2014). Agencies can develop the capacity to adapt and lead through these changes, but data about the impact of these problems is needed to appropriately treat and advocate for their client base.
Legal Aid Referrals. Chapter five documented that it did not matter how aggressively or consistently homeowners attempted to negotiate with their lenders, not one woman secured a loan modification absent outside representation. They remained trapped behind a bureaucratic “wall of silence” until they found help from a counselor or a lawyer. While loan modifications were not available to all the women in the study, modifications did help those locked into risky adjustable rate mortgages, but it required outside help. Therefore, when possible, agencies should refer homeowners in trouble to a legal assistance office and/or locate or create a pro-bono legal aid arrangement. For example, in Maryland, a state hard hit by foreclosure, hundreds of volunteer lawyers formed the Foreclosure Prevention Pro Bono Project. In 2009, the initiative saved hundreds of homes from foreclosure and trained 700 pro-bono attorneys to assist families and agencies impacted by foreclosure (Eveleth, 2009).

Bolstering the Work Force. Female homeowners attempted to pursue rational market solutions, like financial literacy and strict household budgeting, on their own long before they turned to social services. However, social service agencies were not well prepared to handle the women’s financial problems. In the words of Gucci:

They just don’t hear you. I mean I feel like there should be times in the meeting where you get a chance to just say what’s going on.......They just give you lists of where you should go and what you should do, but no one even asked if I had mortgage troubles or rent troubles.... There’s a difference, I own this, but they don’t bother to figure that out. Just ask me.
Poor financial literacy characterizes many in the social work field and some schools of social work are beginning to incorporate financial literacy into their coursework (Kindle, 2013). Nonetheless, a dearth of information exists in the social work literature on mortgage foreclosure, risky lending and the fringe financial practices devastating communities served by the field. Risky lenders tend to be concentrated in low-income neighborhoods and their services are heavily marketed to working class and low-income families who are either locked out of traditional banking services or desperate for a short-term financial solution. As the literature review and chapter five indicated, women often choose these risky options when safer ones do not exist or are unavailable.

Social work practice in an increasingly risky market economy demands a financially literate professional workforce that is adept at incorporating financial matters into client assessment. Social work has begun to educate new workers on the risks associated with life in a market economy (Kindle, 2013), but the profession would benefit from developing expertise that moves beyond encouraging clients to budget more effectively.

Limitations

Many limitations surround this research. Prior to this project, women’s experience with foreclosure was a poorly understood phenomenon. Outside of investigative journalism and quotes from women in other qualitative studies of foreclosure, I was unable to locate any inductive or qualitative data on gender and foreclosure. The knowledge gap surrounding women’s lending experiences was compounded by the existence of only a few quantitative studies specifically focused on the gender dimensions of foreclosure. The notable exceptions, work by Dymski, Hernandez & Mohanty (2013), Phillips (2012), Wyly & Ponder (2011), Hill
Fishbein & Woodall (2006) and Cheng, Lin & Liu (2011), are published outside the social work literature. This existing literature provided only minimal guidance on which to base a study design, interview guide or a data analysis plan. Instead, I turned to research from a wide range of disciplines and sought input from researchers and practitioners, but this still remains a developing phenomenon.

The prevalence of women in foreclosure is currently unknown. To date, I know of no published data documenting the rate or prevalence of women in default or foreclosure. The only established link between gender and foreclosure has been the overrepresentation of single women among holders of the risky loans that are likely to default and enter foreclosure proceedings (Dymski, Hernandez & Mohanty, 2013; Fishbein & Woodall, 2006). Therefore, the extent to which the experiences of women in the study reflect that of others is beyond the scope of this study.

Third, as a solo dissertation endeavor I was unable to triangulate my findings within a research team or formal interpretive community which would ordinarily boost the inter-reliability of my data (Patton, 2002; Tolman, Hirschman & Impett, 2005). To correct for this I consulted regularly with other foreclosure researchers, housing practitioners and my dissertation chair. At some point during study design, implementation and data analysis I informally and successfully contacted at least one member of every qualitative foreclosure research team known to me in the United States. Further, I also informally and successfully contacted nearly each foreclosure researcher conducting work on gender and default. I simultaneously strove to transparently articulate each design, analysis and rationale decision in chapter three so that researchers who followed me in this area could potentially benefit from this groundwork.
Fourth, the women who participated in this research came from two distinct and geographically bound Philadelphia communities each boasting a long and notable heritage intricately tied to racial and ethnic identity and to the meaning of upward mobility in the city. Regardless of gentrification, urban planning and population shifts, Philadelphia proudly remains a city marked by neighborhood boundaries. Neighborhood monikers and parish distinctions, not zip codes, school district lines, electoral wards or census tracts define a sense of place and access to resources for many Philadelphia residents. Generalizability in qualitative research is always limited, however such strong neighborhood lines and identities may limit these findings in ways unique to the region and setting.

Fifth, this data is based on homeowner recall which will lead some to discount the validity, power or relevance of these women’s voices and lived experience. As Wyly & Ponder (2011, p. 3-4) stated:

A decade ago, when a man repeatedly told the personal story of how his mother worked overtime to support three children and a disabled husband, and was fortunate enough to get a high-interest rate mortgage from a finance company to buy a small house, it was just an anecdote. But since the man (Phil Gramm) was the Chair of the Senate Banking Committee with a doctorate in economics, repetition of the interesting story was used to do very specific things: to ridicule all reasonable efforts to define predatory lending and to fight off any attempt to interfere with the freedom of lenders and brokers to engage in predatory practices.....Ontological performativity has a simple equation: anecdote + power = fact. Unfortunately, some of the most egregious cases of abuse in the subprime market have victimized individuals who do not command power or publicity. In
particular, the abuses of single, elderly African American women, many of them retired widows, have been repeatedly dismissed as anecdotal.

Unlike, Phil Gramm’s anecdotes, qualitative research differs from testimonials and anecdotal quips (Tolman, Hirschman & Impett, 2005). While generalizability remains limited, rigorous qualitative research seeks to co-construct knowledge about the lived experience of a particular phenomenon (Patton, 2002). This necessitates a different set of credibility criteria which rests on clear articulation of a salient sample, data collection and methods (Kirk & Miller, 1985; Tolman, Hirschman & Impett, 2005). Like Wyly & Ponder note (2011), a storyteller’s position of power often determines whether one’s narrative is accepted as “truth” within the policy arena (Tolman, Hirschman & Impett, 2005). Nevertheless, the depiction of women’s voices within this research rest on transparent and rigorous qualitative methods, not these women’s socially constructed positions of power.

Conclusion

This research provides a window into 31 working class women’s experiences with default and foreclosure. To date, federal foreclosure policy and interventions have been largely ineffective and predicated on an assumption that the onset of foreclosure is an isolated occurrence. In constrast, the women’s lived experiences within risky markets and their personal encounters with the threat of foreclosure are tied to a larger context shaped by the prevailing gender division of labor, the erosion of assets and health within the context of a poorly resourced network, the failing safety net and the resulting shift of market risk onto women homeowners.

From the decision to buy a home, to seeking and signing a mortgage and navigating the foreclosure maze homeowners attempted to protect themselves and their families through
rational market behavior. They diligently sought information, purchased properties within their means, and practiced household budgeting throughout the lifespan. Yet none of these decisions ultimately protected them from the risk of default and foreclosure. White women fully embraced the idealized picture of womanhood only to see their assets and health dissolve in older adulthood when the market and safety net failed their networks and they witnessed adult children and siblings ricocheting back home. Black women fought to become upwardly mobile members of their networks and community, only to experience the same exposures to market risk as they aged. In the words of Sandra, Black women also went “crazy” looking for any and every available method of housing assistance only to be met by agencies trapped in the foreclosure maze along with them.

Even though research indicates that the foreclosure crisis is far from over, the recession also represents a unique opportunity for social work to meaningfully impact policy. As the crisis and recession deepen, additional homeowners and other Americans are attempting to access the safety net. Like these women, many of them are seeking help for the first time. This dynamic confronts the field with both a question and a policy opportunity. If mortgage trouble continues to push current and former homeowners into a diminishing safety net what happens to the clients and communities we have historically served? Who wins the shelter bed or affordable home?
CONSENT TO PARTICIPATE IN A RESEARCH PROJECT

Project Title: Unmasking the Female Face of the Subprime Crisis: A Mixed Methods Study of Foreclosure

Principal Investigator: Amy Baker, MSW, MPhil
Silberman School of Social Work
2180 Third Ave.
New York, NY 10035
267-239-3510

Faculty Advisor: Mimi Abramovitz, DSW
2180 Third Ave.
New York, NY 10035

Introduction/Purpose: You are invited to participate in a research study. The study is conducted under the direction of Amy Baker, MSW, MPhil from the CUNY Graduate Center as part of her Dissertation research. This research project seeks to understand how female homeowners in Philadelphia are experiencing and coping with mortgage troubles that have become very common over the past decade. I hope that we can learn things from this study that will help to develop policies and programs that can protect other women from foreclosure and its consequences. If you agree to participate, I will ask you some questions about your experiences. I am interested in hearing about what things have been like for you as you have dealt with your mortgage challenges.

Procedures: Approximately 36 women are expected to participate in this study. Each subject will participate in one confidential interview with myself. The interview is expected to last between 1-1.5 hours depending on how you answer the questions. The interview will take place either in your home, or in a location of your choosing. I will be recording the interviews with a digital voice recorder to make sure that participant’s opinions and experiences are recorded accurately.

Possible Discomforts and Risks:
You may feel uncomfortable thinking about or talking about personal information related to sensitive financial information. These risks are similar to those experienced when telling personal information to friends or other people. Even if you agree to participate, you can decide to stop the interview at any time or to skip any question that you do not want to answer.

Benefits: I cannot promise any direct benefits to you from being in the study. However, other homeowners I have interviewed about mortgage troubles have said they enjoyed being able to tell their story confidentially about their experiences with the housing and mortgage industries.
Voluntary Participation: Your participation in this study is voluntary. Even if you agree to participate, you can choose to stop the interview at any time. If there is a question that you don’t want to answer you can decide to skip it.

Financial Considerations: Everyone who participates in this study will receive $50 at the conclusion of the interview to compensate for their time. Even if you skip questions or decide to end the interview early, you will still receive the $50.

Confidentiality: Keeping your information confidential is extremely important to me. Your real name will not be used. To help keep what you say confidential, I will ask that you choose a fake name to use in the recording. All of the interviews will be transcribed into a written document by myself. No one besides myself will be allowed to listen to the recordings. The written documents of the interviews will be kept in a locked filing cabinet in my office, and the digital recordings will be encrypted files kept in a password protected computer only accessible to myself. Your real name and any identifying information will not be stored with the interviews. The signed consent form will be kept in a separate locked cabinet from the written documents of the interview. The data obtained from this study will be kept for 3 years, after which it will be destroyed.

Publication: I do plan to publish the information from this study in journals or books. In anything that I write, I will use your fake name only. I will also leave out or change any details that may identify you.

Contact Questions/Persons: If you have any questions about the research now or in the future, you should contact the Principal Investigator, Amy Baker at 267-239-3510 or via email at Aba0011@hunter.cuny.edu. If you have any questions concerning your rights as a participant in this study, you may contact the Hunter College Human Research Protection Program (HRPP) Office (212) 650-3953.

Statement of Consent:

“I have read the above description of this research and I understand it. I have been informed of the risks and benefits involved, and all my questions have been answered to my satisfaction. Furthermore, I have been assured that any future questions that I may have will also be answered by the principal investigator of the research study. I voluntarily agree to participate in this study. By signing this form I have not waived my legal rights to which I would otherwise be entitled. I will be given a copy of this statement.”

I give permission to the researcher to audiotape this interview: □ Yes □ No

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A Baker Consent

Page 2
APPENDIX B: INTERVIEW PROTOCOL

FORECLOSURE INTERVIEW GUIDE

INTRODUCTION & CONSENT:

Thank you again for taking the time to meet with me today.

As I mentioned when we talked over the phone, my name is Amy Baker, I am a Doctoral student at the CUNY Graduate Center. I also want to stress that, whether or not, you choose to participate in this interview, it will not affect your access to services at the Philadelphia Access Center in any way.

As part of my dissertation research, I am conducting a research project that seeks to understand more about how single female homeowners in Philadelphia are experiencing and coping with mortgage troubles that have become very common over the past decade. I hope that we can learn things from this study that will help to develop policies and programs that can protect families from foreclosure and its consequences.

Before we begin, we need to do a little bit of paper work. The first thing is this consent form that explains the study to you. We’ll go over it together and then you can look it over. If you still want to participate, I will need you to sign it.

First, it explains what will happen in the interview. Basically, I will ask you some questions about your experiences. I am interested in hearing about what things have been like for you as you have dealt with your mortgage challenges. I am also interested in hearing about your life, your family, and your home.

You can decide to stop this interview at any time. If there is a question that you don’t want to answer, just tell me and we’ll skip it and go on to the next question. The interview will last approximately 1-1.5 hours depending what you decide to talk about. I will also be tape recording the interview to make sure that I write down what you say accurately.

This form also explains the things that I do to make sure that your information is kept confidential.

Finally, it tells you that you’ll receive $50 and it also gives phone numbers to contact me if you have any questions.

[At this point, I will give participant time to look over all of the forms, ask if they have any questions, instruct them to sign for audio taping and the interview]
If paperwork is signed & consent is granted:

Okay, before we begin and I turn on the recorder, I would like for you to choose a fake name that I can refer to you on during the recording. Please also refer to family members by fake names as well. This helps to protect your privacy on the recording.

If you accidentally refer to yourself or a family member by their real names, I will delete it from the recording and transcription.

Protocol

To start with, could you tell me a little bit about yourself and your family?
Your age?
Who lives with you?

Before we get into specific interview questions, could you describe for me a little bit about your current situation with your mortgage?

Background & Residential History

To get started, can you tell me a little bit about this house? (or the house that was foreclosed on, if homeowner has already been evicted)
How did you decide to move there?
Where did you live before?
Who lived with you there?

Thinking back to when you first became a homeowner...
What did becoming a homeowner mean to you?
What did it mean to you as a woman?

Buying the Home

Now let's talk a little bit about this house (or the house that was foreclosed on, if homeowner has already been evicted). Can you tell me the story about how you bought the house?
How did you find it?
Why did you choose it?
Describe for me what was going through your mind when you saw it?
What sources of income did you have at the time?
Who was living with you at the time?
Can you describe for me your family, work or neighborhood commitments at the time?

Let's talk about the original loan on the house. What was the process of getting a mortgage like for you?
How did you decide what lender/broker/bank to use?
Did anyone give you advice or help you through this process?
Can you describe your lender for me?
What were the terms of the mortgage (interest rates)? fixed? any penalties or fees?
Did anyone else co-sign with you?
Looking back at your meetings with the lender, how well do you feel the terms of your loan were explained to you?
Looking back, do you think being a woman had an impact on your experience with getting a loan?
Was the original loan ever completely paid off?

Refinance Questions: (if the participant refinanced the original loan, if not, then skip ahead to mortgage trouble)

Now, could you tell me a bit about your decision to refinance.
When did decide to do that?
Describe for me what was happening in your life at the time, and why you decided to refinance.
What were the terms of the new loan?
How did you decide what lender/broker/bank to use?
Looking back, how well do you feel the terms of your loan were explained to you?

Mortgage Trouble

Now that we’ve talked about getting a home loan, I’d like to talk about your experiences with default.

Describe for me what happened the first time you were unable to pay your mortgage
When was that?
Was there anything happening in our life and your household at this time that made it hard to pay the mortgage?
Did you have other debts or expenses that you were having trouble paying at the time?
What were you feeling when you missed your first mortgage payment?
What were the things that you worried about most?

How did you find out you were in default?
What was it like to receive that notice?

Foreclosure Prevention

Now, I’d like to talk about the things you have done (or are doing, if default/foreclosure is a current issue), in order to prevent foreclosure.
Can you describe for me what your communication was like with your lender once you got behind on your mortgage?
  How did you try to re-negotiate the terms of the loan?
  How do you think being a woman may have impacted the way your lender communicated with you?

Who, if anyone, gave you advice about what to do?
Were you contacted by any foreclosure prevention services that you had not requested?
  When in the process did that happen?
  How do you think they got your information?

Did you seek help with a counseling agency or lawyer? Can you tell me about that experience?
  Who did you go to? When?
  How did you decide to go to ________________?
  [If they waited] What are the reasons that made you hesitant to seek help at first?
  Were there any challenges that you faced in trying to get help?
  How useful were the services?

Making Ends Meet

Can you describe for me the things you did to make ends meet at this time?
  Were there things that you and your family needed that you went without at the time?
  Have you changed the ways that you buy food or the kinds of food you eat?
  Have you changed the ways you get health care/prescriptions?
  Were there commitments to family, friends, or the community that you took a break from during this time?
  Was there anyone you used to support financially, emotionally, with childcare/eldercare, etc. that you were no longer able to do?
  You mentioned you were living with ________________ (relative, boarder, adult child, etc.) are you living together to try and make ends meet?
  (If there is a partner in the home) How does ____________ help you make ends meet or help with your responsibilities?

What is your employment situation now?
  How long have you been working there?
  Where did you work before then?
  Tell me a little bit about this job?
[If unemployed]
   How long since you have been unemployed?
   Do you receive unemployment or other resources like food stamps, WIC, etc.?

Throughout this process have you ever felt you were at serious risk of losing your house? of becoming homeless?  [If participant is in default only and has already lost home, do not ask this here, wait until eviction section]

Resource Sharing & Support

*Now I want to talk a bit about your social support network.*

Are there any friends or family who have helped you get through this experience?
   Describe for me how they have helped.
   Have they provided financial help or assistance with home maintenance and tasks?
   Can you tell me a story about a time someone really reached out to support you?

How do you decide who to talk to about your mortgage situation?
   Are there people you haven’t told? Why?

Are there friends or family you help out in any way?
   Has your mortgage situation made it harder to do this?

A lot of times when people are dealing with difficult situations like these, they find it helpful to meet with a therapist or counselor. Did you ever consider those services?
   How did you get connected with them?
   Describe for me how helpful those services were.

[ADDITIONAL QUESTIONS FOR THOSE WHO WERE EVICTED/MOVED OUT]

Now I wanted to talk about what it was like for you to leave your home. When did you move out of the house?
   Can you describe for me the circumstances of the move? (eviction, short sale, cash for keys exchange, etc.)
Tell me a little bit about what the moving process was like for you.
Where have you lived since moving out?
You mentioned __________ were living with you, where have they lived since moving out?
How does your current housing compare to where you lived before?

Now I’d like to talk a little bit about your plans and your hopes for the future.
What are your next steps?
What are the things that you worry most about?
Do you think you will ever pursue homeownership again in the future? (why/why not?)
APPENDIX C: CODEBOOK

Demographics

BCK-RND: Age, ethnicity, marital status
BCK-RSHI: Previous addresses/locations
BCK-HI: Family background information
BCK-HSHLD: Current household composition
BCK-ED: Participant’s, children’s or family’s education
BCK-DV: Divorce anywhere within the network
BCK-RELA: Relatives living outside of the home
BCK-DU: Doubled up with anyone. *note* this includes adult children living at home who are not currently college students.

Employment

EMP-HI: Prior jobs
EMP-NOW: Current employment
EMP-ETHIC: Desire to work; descriptions of work ethic
EMP-UNEM: Unemployment or underemployment anywhere within the network.

Responsibilities

RESP-FAMHI: Family members or close friends they have been socially, emotionally or financially responsible for in the past
RESP-HSHLD: Current family members or close friends they are currently socially, emotionally, or financially responsible for. *note* this includes household responsibilities in general.
RESP-COMM: Responsibilities they have outside of the home that are not work related (volunteering at church; school; community work; caring for neighbors)
**Gender**

GND-ROLE: Any references to the roles of men and women in society, workplace or the home

GND-DSCR: Believing that the way they (or someone else) were treated by a company, service or person was on the basis of their sex/gender

GND-MRKT: Any discussion of gender within the marketplace

**Race/Ethnicity**

RACE-DET: Any discussion of race determining financial outcomes, market treatment or determining who they seek business with.

RACE-HOOD: Any discussion of race/ethnicity determining where one lives.

**Class**

CLASS-DSCR: Any discussion of class discrimination

CLASS-MOB: Any discussion about class mobility, either theirs or their families

CLASS-MHOOD: Any discussion about class mobility as being marked by where you live & move to or move from.

**Homeownership**

HOME-MNG: The meaning of homeownership

HOME-DESCR: Description of the home

HOME-REP: Home repair of any kind

HOME-VALUE: Price of the home at the point of sale or currently.

HOME-SELL: Discussion of selling the home

HOME-CHLNGE: Homeownership as a challenge

HOME-IND: Homeownership as a mark of independence
Loan
LN-SEEK: Descriptions of finding and working with their initial lender
LN-SEEK2: Any discussion of finding and working with subsequent lenders.
LN-MTG: Any discussion of signing the original mortgage
LN-MTG2: Any discussion of signing subsequent mortgages
LN-RVRS: Any discussion of a reverse mortgage
LN-DCPT: Feeling deceived by the market or a lender

Finance
FIN-INFO: Any discussion of financial knowledge either personally or within their network
FIN-STRG: Any discussion of strategies deployed when purchasing the home
FIN-ADVCE: Any discussion of financial advice given, received, sought out, etc.
FIN-DCMKT: Any discussion of direct to consumer marketing
FIN-FRNGE: Any discussion of the fringe financial system (payday loans, under the table work; etc.)
FIN-UNCLR: Any discussion of feeling like finances were unclear to them or were not explained well to them.

Default
DFT-NTCE: Receipt of a default notice
DFT-EMOT: Emotional reaction to receipt of default notice
DFT-NGOT: Experiences of negotiating with the lender
DFT-EVCTON: Discussion of eviction
DFT-NTW: Default elsewhere within their network
DFT-ADVC: Seeking advice when they received the notice (could be lenders, friends, political reps., counselors, etc.)
Discussion of default as a stigma

How to decide who one shares the info. with

Making Ends Meet:

Paying the mortgage first

Strategies used to make ends meet

Accessing public social services (SNAP; SSI; etc.) to make ends meet

Juggling or rotating bills to make ends meet

Any discussion of physical health or health limitations

Any discussion of health insurance

Any discussion of mental health

Thoughts of/plans of suicide

Discussion of stress

Coping strategies in response to stress

Network under resourced

“I am the backbone” of my network

Network as a source of social support

Religious community as a sources of social support

Someone within network providing financial assistance (outside of public services)
<table>
<thead>
<tr>
<th>NAME</th>
<th>AGE</th>
<th>OCCUPATION</th>
<th>Race</th>
<th>MARITAL HISTORY</th>
<th>YEARS IN HOME</th>
<th>CURRENT LOAN TYPE</th>
<th>ORIGINAL MORTGAGE PAID OFF?</th>
<th>2ND LOAN</th>
<th>LOCATION</th>
<th>NOTES ON CONTRIBUTORS TO DEFAULT</th>
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<tbody>
<tr>
<td>Alice</td>
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<td>Locust Park</td>
<td>Disability &amp; Health Problems</td>
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</table>


Goodman, L.S., (2011). New Ideas to Address the Glut of Foreclosed Properties. Hearing before the Subcommittee on Housing, Transportation and Community Development of the Senate Committee on Banking, Housing, and Urban Affairs.


The Joint Center for Housing Studies. (2012). *State of the nation’s housing.* Cambridge, MA: Harvard University, Joint Center for Housing Studies.


