

“When you’re in a crisis like that, you don’t want people to know”: Mortgage Strain, Stigma
and Mental Health

Introduction

Between 2007 and 2010 foreclosure rates grew to unprecedented levels—from around 650,000 in 2007 to a record 2.9 million homes in 2010¹. The recent home foreclosure and mortgage crisis is also a health crisis.²⁻⁴ In particular, recent epidemiological studies have found that mortgage strain and foreclosure can lead to depression, anxiety and poor mental health⁵⁻⁷. Qualitative research can help to elucidate the processes that underlie these relationships. However, to date, qualitative research examining the experience of mortgage strain is limited to a few studies.⁷⁻⁹ We contribute to this nascent literature through our analysis of 28 semi-structured interviews conducted among families who were experiencing mortgage strain (they had defaulted on their loans or were struggling to make payments) in one predominantly African-American and working-class neighborhood. Relative to whites, African-American homeowners were more likely to experience mortgage default or foreclosure during the recent recession¹⁰ and this increased mortgage strain has the potential to exacerbate existing health disparities.

The material hardship and potential housing instability inherent to mortgage strain are themselves likely to be health demoting.⁶ In addition, mortgage strain may intersect with social processes that confer pride and status onto financial independence, and home ownership in particular.⁷ The pride associated with homeownership may be particularly pronounced for African-American homeowners who have faced a long history of barriers to the acquisition of

credit, property and equity.^{11,12} Prior to the 1970s, many African Americans were denied mortgages as a result of ‘redlining’ which designated many predominantly African-American neighborhoods as off-limits for government-backed FHA loans.¹³ Fair housing legislation expanded homeownership opportunities for black homeowners, but was followed by deregulation of the mortgage industry and an explosion of risky subprime lending that disproportionately targeted black communities.¹⁴ Many African-American homeowners who faced foreclosure during the recent recession were among the first in their families to own homes having taken advantage of fair housing in the 1970s or the expansion of risky alternative loan products in the 1990s.¹⁴

In this paper we examine how mortgage strain may threaten positive identities associated with homeownership and manifest itself as a source of stigma among a sample of working-class African-American homeowners. Stigma emerged as a prominent theme in our interviews, and our data suggest that it may play an important role in the prevalence of emotional distress, anxiety and depression experienced by our sample.

The relationship between stigma and poor mental health has been well established and is likely to operate through a number of pathways.¹⁵ For one, the internalization of stigmatized identities can lead to emotion dysregulation, low self-esteem, and interpersonal problems all of which can contribute to psychopathology.¹⁶ Additionally, the mere anticipation of mistreatment may produce stress that confers a risk to mental health,^{17,18} Active discrimination, or enacted stigma is another pathway that can produce stress and negatively affect mental health.^{19,20}

Mortgage strain is an example of a concealable stigma; a stigma that if revealed, could discredit those who possess it.²¹ Concealable stigmas may result in unique stressors related to the fear of discovery and the challenges of negotiating disclosure.^{16,21–24} Those who possess a

concealable stigma may isolate themselves to avoid disclosure¹⁶ and this concealment may prevent them from obtaining social support.¹⁵ Social isolation is a well-established risk factor for poor mental health.²⁵ Likewise social support is an important buffer to the relationship between stress and mental health.²⁵ This buffering role may be particularly important for the mental health of those who are experiencing a stressful life event such as mortgage strain.

While a few existing qualitative studies have observed shame and embarrassment surrounding mortgage strain,^{7,8} these studies have not explicitly analyzed experiences of stigma. Our objective in this paper is to identify particular manifestations of stigma and to connect these experiences to poor mental health.

Methods

Setting

This study took place in Locust Park (pseudonym), a working-class and almost exclusively (97%) African-American neighborhood in a northeastern city.²⁶ Locust Park is approximately 80% owner occupied.²⁶ Many of its residents are long-term homeowners who purchased their homes in the 1960s and 1970s from whites who were moving out en masse to the suburbs. Locust Park's poverty rate is relatively low compared to other predominantly African-American neighborhoods in the city, however less than 10% of its residents have a bachelor's degree, and the median household income is approximately \$40,000.²⁶

Recruitment and Sample

A local mortgage counseling agency helped us to recruit an initial group of participants who were experiencing mortgage strain by sending recruitment letters to its former clients who resided in our study area (N=19). We recruited additional participants through snowball sampling techniques (N=9). Our sampling frame included Locust Park homeowners who were

experiencing mortgage strain. This deliberately broad category included those who were currently behind on their housing payments (N=14) and those individuals who had recently caught up on their mortgage payments, but were still facing financial difficulties (N=11). We also interviewed participants (N=2) who had never missed a mortgage payment, but were paying the mortgage at the expense of other basic necessities and were concerned about default. One participant had avoided default by taking out a reverse mortgage, which allows older homeowners to draw on their home equity without making loan payments.

Characteristic of the population in Locust Park, the sample is entirely African American and includes many older and long-term homeowners. It is also predominantly female which may reflect the over-representation of women among those experiencing mortgage strain,²⁷ or a greater willingness among women to participate. Participants held or had held jobs in a range of service and blue collar professions. They were nurses, certified nurse assistants, home health-aides, line-order cooks, teachers, maintenance personnel, and factory workers. Nine participants were employed at the time of the interview. Table 1 describes the sample's demographics more fully.

Data Collection and Analysis

We conducted semi-structured interviews between March 2012 and May 2013 which covered broad themes related to residential history, buying and maintaining a home, securing a loan, navigating default, making ends meet, and neighborhood context. The interviews also included a short set of close-ended questions about health, mental health and healthcare.

The majority of interviews took place in participants' homes. Interviews lasted 1-4 hours and participants were compensated \$50.00. Twenty-three interviews were conducted by the first author and 5 by the third author.

Following a grounded theory approach,²⁸ our analysis was an ongoing process that co-occurred with data collection. We wrote thematic summaries after each interview occurred and frequent memos about developing concepts. The concept of stigma emerged in this early review of the data. Once interviews were completed and transcribed, we used our memos and group discussion to collaboratively develop a codebook which we then revised after applying it to a subset of transcripts. We then coded all of the transcripts according to this finalized codebook and using ATLAS.ti software. Coding was conducted primarily by the third author who wrote frequent memos about coding decisions. Coding memos and coded transcripts were reviewed by the first author and discrepancies were discussed. For the analysis presented in this paper, all three authors extracted and reviewed data for a number of codes relating to stigma, sharing information, social support, social isolation, and the meaning of homeownership. We also reviewed full transcripts in order to contextualize these quotes within participants' broader narratives. Ongoing memo writing and group discussion during our review of the coded data allowed us to check our interpretations against each other and the data. All names presented below are pseudonyms.

Results

Our data suggest that mortgage strain can be a concealable stigma. Participants internalized this stigma, expressing shame about their mortgage situation which seemed to threaten their status as homeowners. Additionally, some anticipated that others would view them negatively as a result of their mortgage trouble. In an effort to avoid stigmatization, many concealed their struggles which often led to experiences of isolation. This stigmatization, concealment and isolation seemed to contribute to depression, anxiety and emotional distress.

Mortgage Strain as Stigma

Many participants described their mortgage situation as stigma that they internalized, expressing shame and embarrassment about their situation. For them, mortgage strain seemed to endanger the dignity that accompanied their homeownership. For example Carla Lyons, 50, who had recently caught up on her mortgage after a recession related job loss led her to the brink of foreclosure, describes becoming a homeowner as a “proud thing”. She said, “Yeah I mean it’s just it’s a symbol of independence but it’s just like, ‘Okay wow, I can do it,’ you know? I can do it so that’s how I felt, kind of triumphant, you know.” When she lost her job and fell behind on her mortgage this pride seemed to slip away. She said, “When that happened, that was kinda like, wow, you’re failing, so that’s how....I kinda felt like I not only let me down, but my family, my older two kids who still kinda look up to me”.

Likewise, Sherry Thomas, 55, the first homeowner in her family, emphasized the personal strengths this accomplishment required. She said, “It was just wonderful for me to have my own, to feel like - and I did it. It feels good every day still that I did it and I did it by myself, and working a part-time job. I’m glad - well, my mother did teach us to save, so I was glad I was a saver”.

Many participants were raised in high poverty neighborhoods, growing up in rent-assisted households or public-housing projects and were the first homeowners in their families. While the achievement of homeownership seemed to mark them as members of a deserving and financially self-sufficient middle-class, mortgage trouble introduced a shame of dependency.

For example, Bria Johnson, 32, noted that it was hard to ask for financial assistance when she lost her job and was unable to pay her mortgage. She says, “My parents really made me an independent person, you know, and so the fact that I had to rely on assistance, that really- I think that bothered me more than anything else.”

Keith Stanley, 40, who at the time of the interview was facing foreclosure after losing his job, described a similar threat to his self-sufficiency using the word embarrassed to indicate a sense of shame and internalized stigma. He said, “It’s embarrassing. It’s very embarrassing. But, I mean, I know it is understandable [to have to rely on help from others], but it’s embarrassing not to be able to provide like I’m used to.”

Likewise, Nicole Lewis, 44, explained that as someone who was the “backbone” of a large family network, it was also “embarrassing” to have to ask others for assistance when her husband lost his job and they fell behind on their mortgage. She said, “It was embarrassing not having and having and to ask somebody to help me. That was the embarrassing piece right there. That was it in a nutshell. Havin’ to ask for a helpin’ hand.”

Other participants feared that others would judge them for their mortgage trouble, in other words, they anticipated stigma. For example, when asked why she hadn’t told her live-in partner about the fact that her mortgage was in default, Nathalie Carson, 26, said, “He might think I’m irresponsible. I don’t know what he might think of me.” Bria feared that her friends would view her differently were they to find out about her mortgage trouble. She said, “Because people know that I’m like a no-nonsense- like if I say I’m going to do something, I do it, you know, so it’s to kind of fall back on, you now, on that. At the time, it was just awful.”

Despite these expressions of shame and the anticipation of stigma, participants generally did not describe being actively stigmatized by others as a result of their mortgage trouble. However, several described being harassed and “dehumanized” by debt collectors. While these interactions may have been driven by financial motives rather than stigma, participants nonetheless described being treated as stigmatized others and without compassion or decency. These experiences seemed to contribute to emotional distress. As Alice Coles, 55, recounted:

I came home and the phone was ringing off the hook. Pick up, people hanging up and ‘you’d better pay this, you better pay that’. I went to bed and woke up, and I started crying and I couldn’t stop crying because I have always paid my bills.

Concealment and Isolation

As is a common strategy when faced with a concealable stigma, many participants kept their mortgage trouble to themselves. Nicole, for instance, described the profound sense of isolation she felt during the months that she and her husband struggled to avoid foreclosure. She explained that while her friends and co-workers knew that she was “going through something”, they did not know what she was going through because she, “wasn’t letting nobody know [her] business”.

The guardedness and isolation that Nicole expressed were common themes among several other participants. For example, Carla explained, “I mean, I didn’t really even discuss it with many people, you know? I have close friends but I just have a small circle of friends that I kinda invite in so I was just dealing with it by myself pretty much.”

For a few participants, this guardedness contributed to a complete withdrawal from social relationships. For example, Missy Newell, 49, described herself as a “loner”. She says, “I stay in my room a lot. I really don’t have any friends that I socialized with, and I don’t go out a lot, and I’m always thinking about, ‘what if I don’t have my home, I’m on the street.’” When asked whether she was always a loner, Missy explained, “It’s new since the fear came in my life” (referring to her recent job loss and mortgage default). Likewise, Felicia Reed, 51, who was facing foreclosure at the time of the interview, explained, “I actually even stopped talking to people that I considered my friends...when you’re in a crisis like that, you don’t want people to know.”

Shame and stigma were not the only reason that participants kept their mortgage trouble to themselves. In some cases, they did not want to burden friends and family members who were also struggling with financial issues. However, others kept their mortgage trouble a secret, even from those who could provide much needed financial assistance. For example, Sandra Nelson, 58, explained that she did not tell her father about her mortgage trouble until two days before the house was to be sold at a foreclosure auction. At this point, she reached out to him and he was able to provide her with funds to save her home. It is possible that the desire to conceal a stigmatized situation as described by other participants above, may have contributed to the delay of her request.

Stigma, Suicide Mental Health

Nearly half of our participants met the diagnostic criteria for depression based on a validated two question screen (PHQ2). Additionally, experiences of hopelessness, anxiety and insomnia were prevalent in participants' narratives. Furthermore, 4 participants, without prompting, described having experienced suicidal thoughts while in the midst of their mortgage troubles. Our interviews suggest that stigma, concealment and isolation, contributed to these experiences of emotional distress.

For example, Nicole described how the internalized stigma and shame that she felt during the period where she and her husband were unable to pay their mortgage, contributed to her despair and suicidal thoughts. She said, "Really. I was so ashamed. I really felt like that, like harmin' myself so they can get the insurance money so that everything could be taken care of and that's a shame. No one should feel like that to hurt they self to take care of - to pay the mortgage."

For Alice, concealment seemed to exacerbate the emotional challenges of mortgage strain as she struggled to resolve her mortgage trouble with few sources of support. She explained, “Emotionally, I tell you, I wanted to kill myself. I wanted to blow my brains out, just an easy way to get out of everything, you know, because it was too much. *One person* can’t handle a lot of things and I’m telling you when you’re under emotional stress, pain don’t go away.”

Several participants (including all 4 of those who described suicidal thoughts), turned to mental health professionals to relieve the depression and anxiety that they experienced. For several participants, therapy seemed to offer a way to obtain emotional support, without having to reveal a predicament that was interpreted as stigmatizing. For example, as Missy said in regards to her decision to see a therapist, “I needed somebody to talk with that don’t know me.”

Carla also explained that seeing a therapist was helpful in both addressing her depression and alleviating some of the isolation that she was experiencing as she dealt with her mortgage. She said of her counseling experience, “It was because I was able to get it out more than anything, you know? Sometimes it’s just internalized stuff and that’s what I had been doing.”

While therapy may be helpful for some, others were reluctant to participate due to their anticipation of stigma. For example, recognizing she was deeply depressed, Nicole got a referral for counseling but never went. She explained, “Sometimes you feel like you don’t wanna tell people what’s really goin’ on. I coulda’ went, but I was feelin’ like I don’t want nobody to know my business and stuff like that, which is why I didn’t go.” In this sense, stigma may not only mediate the relationship between mortgage strain and poor mental health, it may also act as a barrier to clinical intervention.

Discussion

Our respondents were keenly aware of the stigmatizing potential of mortgage strain – they internalized and anticipated it. The stress that they experienced as a result of this stigma likely had consequences for both their mental and physical health.²⁰ Additionally, the management of this stigma through concealment likely contributed to the depression, anxiety and poor mental health that they experienced. Concealment itself is associated with poor mental health.¹⁵ Further, concealment likely reduced their access to social support, which is a well-established buffer to the effect of stress on depression.²⁹

Many of our participants were upwardly mobile, having moved to Locust Park from poorer neighborhoods. Several were the first in their families to own homes. They prided themselves in their status as self-sufficient homeowners and their mortgage trouble seemed to threaten this status. Despite the fact that many experienced mortgage trouble as a result of illness, recession related job loss, limited safety-nets, and other factors beyond their control, many felt ashamed of their situation or feared that others would judge them negatively.

Given that our sample was entirely African American and predominantly working-class, we don't know whether these experiences would be shared by other demographic groups. However, observations from other qualitative studies conducted among more diverse samples also point to shame and embarrassment associated with mortgage strain, suggesting that our findings may have broader implications.^{8,30} Furthermore, stigma was likely less common among those who agreed to participate than among those who did not,⁸ suggesting that the phenomena we observe may be even more prevalent in the broader population. Future research that explores the prevalence of stigma among representative samples of at-risk homeowners will be an important addition to the literature.

While stigma may not be specific to African-American homeowners, the unique history of African-American homeownership may have contributed to experiences of stigma in this population. Furthermore, understanding how African-American homeowners experience mortgage strain has important implications for thinking about the social and economic determinants of health inequality. African-Americans are at an increased risk of mortgage strain due to societal structures that limit their wealth, threaten their health and make them targets for predatory lending practices.¹² They are, as a result, more subject to the deleterious consequences of mortgage strain, which as we describe above, include stigma.

In our study, the concealment of mortgage strain meant that participants often turned to public sources, rather than friends and family, when looking for ways to resolve their struggles. They often found legitimate sources of aid, but were also vulnerable to predatory scams. Furthermore, the aid that participants found, did not address their isolation and sometimes reinforced stigmatization by emphasizing the contribution of personal behaviors to mortgage trouble, for example lack of budgeting skills. Foreclosure prevention campaigns that counter this individualized framing by emphasizing the structural causes of this common experience (such as job loss and predatory lending) may help to reduce stigma and improve mental health. For example, *Project No One Leaves*³¹ has taken on foreclosures in disadvantaged urban areas as a community-wide human rights issue and works to empower at-risk homeowners through grassroots organizing and legal education. Programs such as these which bring groups of distressed homeowners together may also help to reduce social isolation. Support groups provided by respected community organizations, such as local churches, may also be a safe place for homeowners to share their stories and learn that they are not alone.

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