

600,000 Seniors About To Lose Their Homes

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By: Julie Crawshaw

More than 600,000 seniors are delinquent in their mortgage payments or already in foreclosure, USA Today reports.

Unlike younger people, many are on fixed incomes and lack the money or job opportunities to catch up on payments when they fall behind.

"I've got a lot of seniors who have just been nailed," mortgage specialist Dean Wegner told the newspaper.

"They're upside down (owing more on their mortgage than their homes are worth), they can't refinance and they're on a fixed income."

Conventional wisdom holds that most seniors have paid off their mortgages or have significant equity in their homes. But the reality is, hundreds of thousands of older homeowners are suffering in the housing crisis.

A recent report from AARP showed that 25.5 million seniors ages 50 and older have a mortgage — and that older Americans with subprime first mortgages are nearly 17 times more likely to be in foreclosure than Americans of the same age with prime loans.

Senior mortgage woes are creating challenges for retirement communities and assisted-living centers, which are finding that new members can't move in because they are saddled with homes they can't sell because people usually sell their homes to finance the entry fees.

Worse yet, a study done by the Employee Benefit Research Institute found that 36 percent of workers ages 55 and over have less than \$25,000 in savings and investments aside from the values of their homes.

The National Delinquency Survey from the Mortgage Bankers Association found foreclosure activity was at an all time high in the first quarter of 2009, when the delinquency rate — which excludes homes already in the foreclosure process — hit 9.12 percent.

http://moneynews.com/economy/senior_foreclosures/2009/06/08/222669.html?s=al&promo_code=811A-1