Negative Effects of Home Foreclosures on Mental and Physical Health Risks

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ABSTRACT
The rising rate of home foreclosures which stands at approximately 1 in 92 households in the United States has raised a national alarm. Medical issues account for approximately half of all home foreclosure filings and it appears that approximately 1.5 million American homeowners could lose their homes to foreclosure every year. The phenomenological method was applied to explore the problems through the participant’s lived experience. Four core themes were revealed: foreclosure process resulting in hospitalization of family and foreclosure associated with the lack of family’s health insurance, family health and the foreclosure process, and foreclosure and the negligence of doctor’s prescription, foreclosure as perceived loss of money and finally homeownership, displacement and housing instability as a reason for depression. The study provides a framework for local practitioners and decision makers in identifying the consequences on the physical and mental health of the participants and their families and providing a workable foreclosure response system.

Keywords: 2008 Fiscal Crisis, Mental Risk, Phenomenology, Physical Health Risk, Qualitative Methods

INTRODUCTION
A critical national concern has developed because of the growing number of home foreclosures in recent years, which currently stands about one in 92 households in the United States (Realty Trac, 2007). This situation has wide social implications, including unknown health-related consequences to the individuals involved. According to Robertson, Egelhof, and Hoke (2008), medical crises are among the major causes of home foreclosures, along with other factors such as rising interest rates, loose lending, a flat real estate market, and irresponsible borrowers. Approximately half of all home foreclosure filings result from family medical crises, and approximately 1.5 million American homeowners could undergo foreclosure each year.

It appears the threat of losing a home can be stressful enough to make a homeowner sick, and researchers have shown a correlation exists between foreclosure rates and people’s health using the states of Arizona, New Jersey, Florida, and California as examples (Kalita, 2011). Kalita (2011) explained that research-
ers at Princeton University and Georgia State University found that a 7.2% and 8.1% rise in emergency visitations and hospitalizations occurs for hypertension and diabetes, respectively, among people aged 20 to 49 years, and 12% more anxiety-related hospital visits occur for every increase of 100 foreclosures in the same age category. Thirty-nine percent more hospital visits occur for suicide attempts for the same rise in foreclosures among the same age group.

The consequences of home foreclosures on affected families include eliminating the entire savings of the homeowners and causing unknown health-related concerns (Robertson et al., 2008). Other repercussions involve leaving significant debt on the homes they no longer own and having harmful consequences on neighborhoods and local communities. Home foreclosures reduce the return on investment for investors and lenders and upset the national goal of homeownership that influences social policy. As explained by Robertson et al. (2008), medical crises account for about half of all home foreclosure filings, which was previously unknown to policy makers and scholars; equally unknown are the health ramifications to persons undergoing foreclosure. The study involved investigating the lived experiences of the potentially negative consequences of home foreclosures on the physical and mental health of northern New Jersey homeowners. The study focused on the physical and mental health consequences and involved sampling 25 individuals in the process of foreclosure to explore their health consequences and analyze the findings to provide recommendations. The results may be particularly useful for local legal practitioners, state and local officials, and other decision makers in suggesting solutions for a workable local foreclosure response system.

LITERATURE REVIEW

Fischer and Kittleson (2000) defined stress as resulting from a person’s perception that an event in life, a situation, or a particular circumstance is overwhelming and is greater than his or her ability to cope. Fischer and Kittleson (2000) noted further that situations, events, negative family dynamics, and interactions that occurred during childhood make an individual singularly susceptible to stress. Armatrading (1999), Gwynne

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