

Mortgage debt a growing problem as people age

By Paula Span, New York Times

It was a modest house, a two-bedroom ranch in Arlington, Mass. Jerri and Richard Newman had to stretch to buy it for \$169,000 in 1996, but with his job at Boston's Museum of Fine Arts and her freelance editing, they figured they could swing it.

They took out a 30-year, fixed-rate mortgage. But their son developed mental health disabilities, including a bipolar disorder. To pay for his care, and help compensate for her interrupted career, the Newmans refinanced four times and took out a home-equity loan.

In an earlier era, the Newmans – he's 65; she's 62 – might now be contemplating retirement in a paid-for home. Instead, they've amassed so much mortgage debt, about \$375,000, that they're reluctantly considering selling. "We tried for years to catch up," Jerri Newman said.

Amid the continuing fallout from the housing boom and bust, however, a growing proportion of older homeowners now carries mortgage debt. And the average amount keeps rising, according to two recent studies, which may portend lower standards of living for many retirees.

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