

DESCRIPTION

Foreclosure occurs when the sale of a property is forced because the owner is behind on their mortgage payments. In Minnesota, this process can be initiated after the third missed payment to the bank or mortgage company.¹ Foreclosures can be both the cause and the result of health concerns. In 2011, the Robert Wood Johnson Foundation stated, “the nation’s housing crisis, it turns out, is also a major public health crisis.”² Economists examined ZIP codes in several states affected by the 2008 housing crisis and found increases in depression, food insecurity and preventable emergency room visits.³ The opposite can also happen—illness, disability and caregiving can result in decreased household wages, medical bankruptcy and ultimately, foreclosure.⁴

HOW WE ARE DOING

Minnesota experienced a dramatic rise in foreclosures during the Great Recession going from 6,500 in 2005 to 26,000 in 2008. Foreclosures remained high until 2010 when they slowly began to decline.⁵ From 2008 to 2017, Ramsey County foreclosures decreased by 80 percent.¹ Foreclosures decreased across the metro area at similar rates.⁶ In 2016, Minnesota had a foreclosure rate of 0.29 percent and Ramsey County had a rate of 0.39 percent.⁷

DISPARITIES

During the Great Recession, St. Paul’s East Side and North Minneapolis were the hardest hit areas in Minnesota by the foreclosure crisis.⁶ It is no coincidence that these are neighborhoods historically home to communities of color. Homeownership among people of color has declined both nationally and locally since the 2008 housing crisis.⁷ Discriminatory lending practices, such as a higher likelihood of receiving a subprime loan, made Twin Cities homeowners of color vulnerable to foreclosure.⁸ An evaluation of subprime loans in St. Paul between 2004–2006 reveals that people of color were more likely to receive a subprime loan. Subprime loans were also more common for buyers of all races purchasing homes in historically diverse neighborhoods like the Greater Eastside, Payne/Phalen and Thomas-Dale.⁹ When several homes on a block slip into foreclosure, the surrounding homes also drop in property value. The domino effect of the 2008 housing crisis resulted in a loss of wealth and assets not merely for individuals but for entire communities of color in the Twin Cities.

RISK FACTORS

Homeowners who are behind on mortgage payments may be struggling to meet other basic expenses like food security, prescription medication costs and medical copays. If the home moves into foreclosure, the household stands to lose reliable shelter, economic stability and

Information to note

- Foreclosures can be both the cause and the result of health concerns.
- Ramsey County foreclosures declined 80% between 2008 and 2017.

¹ Ramsey County Assessor’s Office. 2017 Payable 2018 Ramsey County Assessor’s Report and Foreclosure Prevention. <https://www.ramseycounty.us/sites/default/files/Property/Assessor%27s%20Office/2017%20Assessor%20Report%202.pdf>. Accessed July 2018.

² Foreclosure Process Takes Toll on Physical, Mental Health. Robert Wood Johnson Foundation. <https://www.rwjf.org/en/library/articles-and-news/2011/10/foreclosure-process-takes-toll-on-physical-mental-health.html>. Published October 21, 2011. Accessed July 2018.

³ Currie J, Tekin E. Is there a link between foreclosure and health? American Economic Association. 2015;(7) 63-94. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4933518/>. Accessed July 2018.

⁴ Pollack CE, Lynch J. Health status of people undergoing foreclosure in the Philadelphia region. American Journal of Public Health. 2009. <http://ajph.aphapublications.org/doi/full/10.2105/AJPH.2009.161380>. Published August 30, 2011. Accessed July 2018.

⁵ Minnesota Housing Finance Agency. Residential Foreclosures in Minnesota. 2011. http://www.mnhousing.gov/idc/groups/secure/documents/admin/mhfa_009626.pdf. Accessed July 2018.

⁶ Vang K. 2016 Annual Foreclosure in Minnesota: A report based on County Sheriff’s Sale Data. Minnesota Homeownership Center. 2017. <http://www.hocmn.org/wp-content/uploads/2017/03/2016-Annual-Foreclosure-in-Minnesota.pdf>. Published February 28, 2017. Accessed July 2018.

⁷ Homeownership Gap. Minnesota Compass. <http://www.mncompass.org/housing/homeownership-gap#7-5176-g>. Accessed July 2018.

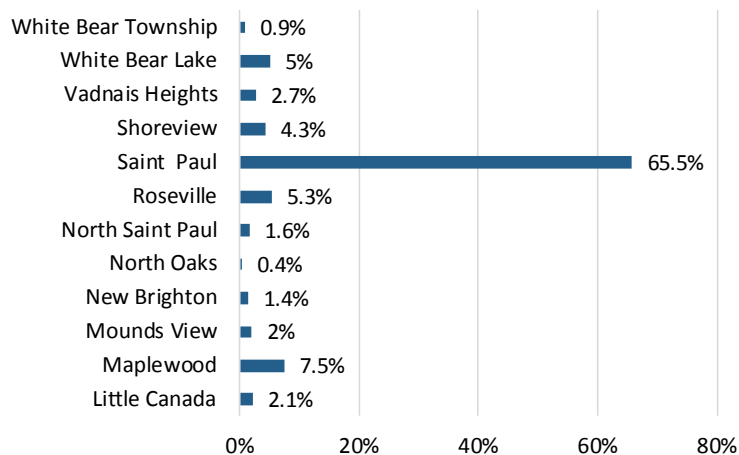
⁸ Minnesota Housing Finance Agency. 2016 Disparities Report. <https://www.leg.state.mn.us/docs/2017/mandated/170632.pdf>. Published April 4, 2017. Accessed July 2018.

social connection with neighbors.⁹ Currie and Tekin observed that individuals experiencing foreclosure were more likely to be hospitalized for conditions including: heart attack, stroke, respiratory failure, gastrointestinal bleeding and kidney failure.¹⁰ These are conditions that could be managed and prevented in a primary care setting, signifying that changes in health care utilization during financial distress is leading to poorer health.⁹

WHAT RAMSEY COUNTY GOVERNMENT IS DOING

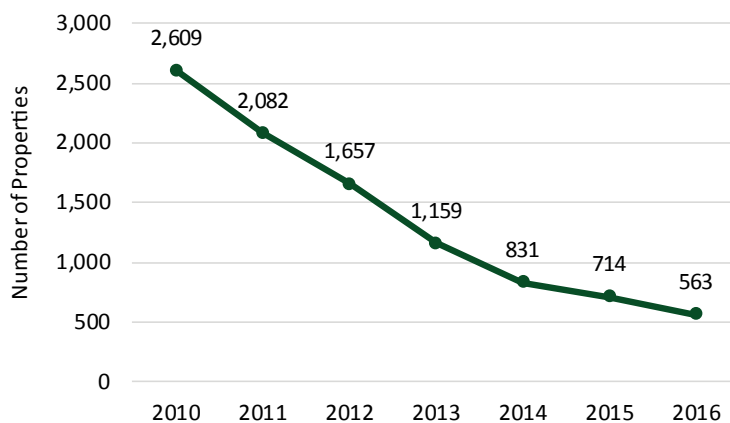
Saint Paul - Ramsey County Public Health provides data monitoring and reporting for this topic in order to better understand the overall health and current conditions in the community. The information may help inform community partners, policy makers or county program leadership.

Share Foreclosures by City, Ramsey County, 2016



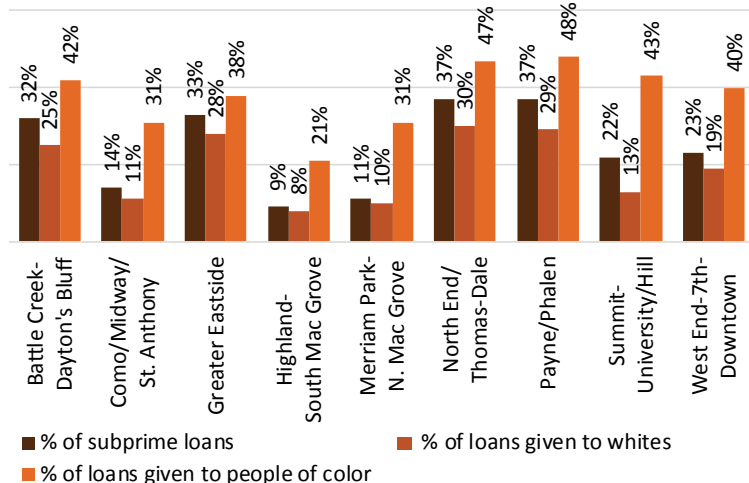
Source: Ramsey County Sheriff's Sales, 2016.

Foreclosures of All Types of Property, Ramsey County



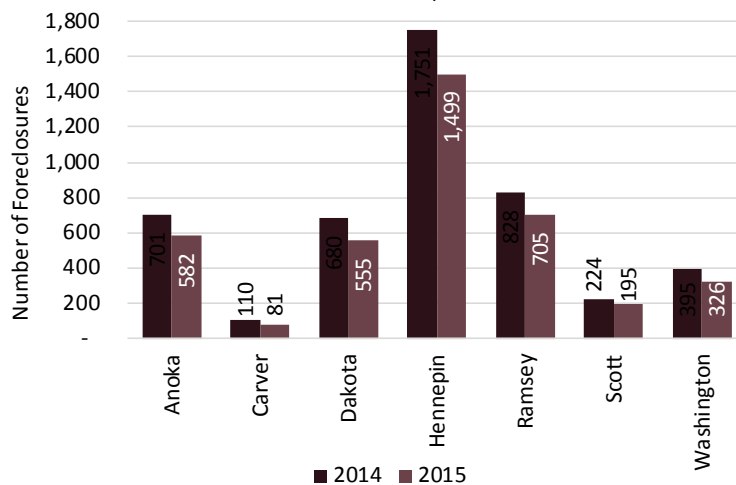
Source: Ramsey County Sheriff's Sales, 2010-2016.

Subprime Lending, Saint Paul, MN, 2004-2006



Source: Institute of Metropolitan Opportunity.¹¹

Number of Foreclosures, Metro Counties



Source: Minnesota Homeownership Center.¹²

⁹ Foreclosure Process Takes Toll on Physical, Mental Health. Robert Wood Johnson Foundation. <https://www.rwjf.org/en/library/articles-and-news/2011/10/foreclosure-process-takes-toll-on-physical-mental-health.html>. Published October 21, 2011. Accessed July 2018.

¹⁰ Currie J, Tekin E. Is there a link between foreclosure and health? American Economic Association. 2015;(7) 63-94. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4933518/>. Accessed July 2018.

¹¹ Institute of Metropolitan Opportunity. Twin Cities in Crisis: Unequal Treatment of Communities of Color in Mortgage Lending. (2014). <http://www.law.umn.edu/sites/law.umn.edu/files/newsfiles/00d560a3/IMO-Twin-Cities-Lending-Report-2014-Final.pdf>. Accessed October 26, 2017.

¹² Minnesota Homeownership Center. 2016 Annual Foreclosure in Minnesota: A report based on County Sheriff's Sale Data (2017). <http://www.hocmn.org/wp-content/uploads/2017/03/2016-Annual-Foreclosure-in-Minnesota.pdf>. Accessed October 26, 2017.