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| *Content type* | **Publication** | |
| *Date* | 28 September 2013 | |
| *Title* | **The mortgage debt of older households and the effect of age** | |
| *Excerpt* | An analysis using the Wealth and Assets Survey 2008-10  Is there a relationship between a person’s age and mortgage borrowing, or the difficulties they face meeting their payments? | |
| *Body copy* | Holding a mortgage, and particularly a heavy mortgage, into older age can dramatically affect people’s wellbeing- it reduces the amount of money households can realise from their homes and may contribute to problem debt, reducing further the limited resources many people have in their retirement.  Using data from the 2008-10 Wealth and Assets Survey the ILC-UK, in partnership with The Personal Finance Research Centre, have explored how age effects mortgage borrowing amongst people aged 50 and over.  The research examines three key areas. Firstly, the effect of age in predicting mortgage borrowing in older households. Secondly, the research explores the relationship between age and heavy mortgage borrowing. Finally, the paper investigates the likelihood of an older mortgaged household having difficulties in meeting their monthly mortgage payments.  Key facts:   * One in five of all households (21 per cent) headed by someone aged 50 or over had outstanding mortgage borrowing on their main home in 2008-10. * Mortgage borrowing was highest among the youngest group of older households, those headed by someone aged under 55 (51 per cent). * Among the over 50s with outstanding mortgages, the mean average owed was £62,200. * 13 per cent of all older mortgaged households were struggling to repay their mortgage. * As people over the age of 50 get older, they are less likely to have a mortgage and the amount they owe decreases. * The oldest mortgagors are more vulnerable to financial instability as they owe more relative to the value of their homes, resulting from both lower value properties and a high use of interest-only mortgages. | |
| *Category (choose one only)* | Culture and society  Finance and wealth  Health and care systems | Infrastructure  Productivity |
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