



SOLUTIONS

When Seniors Face Expensive Home Repairs, the Solutions Can be a Lifeline...Or Leave Their Families an Inheritance of Debt

Home repair is at the root of the ability of senior Chicagoans to stay in their homes as they age. Local organizations are trying to provide relief without depriving seniors of the ability to pass their homes down to the next generation.

by Laura Stewart May 27, 2025

Rev. Robin Hood, who founded the Illinois Anti-Foreclosure Coalition, also helps seniors at a community level by holding town halls and meetings to educate residents on housing issues. His aunt was a victim of Mark Diamond's reverse mortgage scam.

Credit: Akilah Townsend for Illinois Answers Project



CHICAGO — LaShon Minter Williams is waiting for a letter that could arrive any day now — one that may force her to leave the home her family has owned for generations.

She can't afford to pay off the mortgage on the West Side home all at once. But she shouldn't have to. Twelve years ago, her grandmother, Louise Minter, was tricked into a reverse mortgage scheme on the premise of home repairs. But the repairs never came, and the equity in the home is now gone, after she fell prey to now convicted scammer Mark Diamond.

Eight months after her grandmother's passing, Minter Williams must now either pay the loan off

or move out of the Austin home where she has lived since she was 2 years old. She doesn't know where she and her husband will go next, she said.

"He totally destroyed our life," Minter Williams, 53, said of Diamond, who was sentenced to more than 17 years in prison in January for a reverse mortgage fraud scheme that lasted for years.

He targeted senior homeowners in the South and West sides of Chicago because they are the ones most in need of home repairs, said Rev. Robin Hood, a longtime community organizer who worked with community members, lawyers and the federal government to stop Diamond.

The "elephant in the room is senior home repair right now," Hood said.



Rev. Robin Hood, who founded the Illinois Anti-Foreclosure Coalition, also helps seniors at a community level by holding town halls and meetings to educate residents on housing issues. His aunt was a victim of Mark Diamond's reverse mortgage scam. Credit: Akilah Townsend for Illinois Answers Project

Some senior homeowners turn to reverse mortgages when they need extra income to repair their homes. A reverse mortgage is a loan that lets homeowners over 62 years old borrow money using their home's equity without having to sell the house or make monthly payments.

Reverse mortgages are a hail mary for some seniors, but they come with complications. Because the mortgage is due when the homeowner passes or moves, a home with a reverse mortgage on it can't be passed down unless the heir can afford to pay off the mortgage. In many cases, the home has to be sold. This can cut off an opportunity to build generational wealth, especially for families whose wealth is concentrated in their home.

While reverse mortgage loans have declined in Cook County, there are few viable solutions to the issue that draws some of the most vulnerable seniors to them in the first place – maintaining their homes for themselves and their descendants. And the trend still holds with most reverse mortgages in the past 10 years occurring on the South and West sides of the city.

“In low-income families, it prevents that possible transfer of wealth,” said Ainat Margalit, director of the consumer practice group at Legal Aid Chicago. “It’s not just wealth. It’s security, it’s neighborhood. There’s a lot that can be lost.”

Inheriting a home can help someone build wealth, but it can be a financial burden if the home is in poor condition or burdened by debt.

► What is a reverse mortgage loan?

Reverse mortgages can also lead to foreclosure while the homeowner still resides there, if the homeowner doesn't understand the terms. The borrower still has to pay for property taxes, insurance and home repair. If they fall behind on any of those, that can trigger a default. Most of the time, lenders give the homeowner a chance to make up for a missed payment or other violation. But once a mortgage is in default, the lender can begin the foreclosure process, which means they can legally try to take ownership of the home to recover the money they're owed.

Reverse mortgages aren't “inherently good or bad,” Margalit said. They can help people with a very limited income maintain their homes and stay in their homes for much longer than they would have, she said. “That can be life saving.”

But for those who come after them, reverse mortgages can effectively close the door to inheritance.

Created to help homeowners keep their homes

The first reverse mortgage in the United States originated in 1961, when a local bank in Maine issued a reverse mortgage to the widow of a high school football coach to help her stay in her home after her husband’s death.

Over the next few decades, policymakers at the state level looked for ways to help seniors living on a fixed income from Social Security or retirement savings access their home equity. In 1983, Senator John Heinz of Pennsylvania brought the concept to the federal level, with a proposal to have reverse mortgages insured by the Federal Housing Administration (FHA). Congress eventually passed the bill, and in 1988, President Reagan signed the Housing and Community Development Act, which established a pilot program for the Home Equity Conversion Mortgage (HECM) program, the most widely used reverse mortgage product.

Ten years later, the U.S. Department of Housing and Urban Development (HUD) Appropriations Act made the program permanent and set the modern standards. To qualify for a reverse mortgage today, borrowers must be 62 or older, own the property, live there as their primary residence and undergo housing counseling by a federally-approved HECM counselor before they can take on the mortgage.

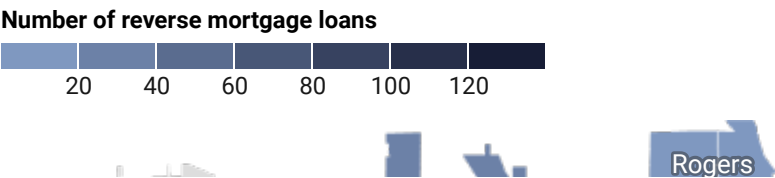
Reverse mortgage use spiked around The Great Recession but has declined since. In 2009, the number of loan originations peaked at 115,000, according to a [report](#) by the Consumer Financial Protection Bureau. In 2024, only 26,501 HECMs originated in the United States, [per](#) the U.S. Department of Housing and Urban Development.

In Cook County, there were 3,906 reverse mortgages from 2014 to 2024, according to data from HUD. Cook County has followed the national trend of declining reverse mortgage use. In 2014 there were 805 reverse mortgages, and in 2024 there were only 133 in Cook County.

Almost half of the nearly 4,000 reverse mortgages that originated in Cook County from 2014 to 2024 were in Chicago. Most of them were on the South and West sides of the city.

Where have homeowners taken out reverse mortgages in Chicago?

The total number of reverse mortgage loans issued in Chicago from 2014-2024.



As reverse mortgages have declined, so have fraud cases, experts say. “There are definitely some ... bad actors out there,” Margalit said. But “we’re not seeing a lot of people coming in now and saying ‘I didn’t know what I was getting into.’”

Over the years, Illinois has taken steps to protect seniors from reverse mortgage fraud. In 2004, Gov. Rod R. Blagojevich signed a law intended to protect seniors from deceptive sales and marketing strategies.

More comprehensive legislation passed in 2015, when Gov. Bruce Rauner signed the Reverse Mortgage Act. The Reverse Mortgage Act consolidated state laws regarding reverse mortgages,

said Bob Palmer, policy director at Housing Action Illinois. To address “high pressure loan tactics,” it created a three day “cooling off period” after the lender provides a written commitment to make a reverse mortgage, during which the borrower cannot be forced to close or move forward with the loan, Palmer said.

Although fewer homeowners are falling victim to reverse mortgage fraud and are largely avoiding reverse mortgages altogether, the issue of maintaining a home persists for aging residents, and rising costs threaten their ability to age in place and keep their homes for the next generation.

The cost burden of homeownership

For elderly, low-income homeowners on a fixed budget, keeping up with property taxes, insurance payments and home maintenance can be a challenge.

While nationally reverse mortgage borrowers tend to be predominantly white, in Chicago most reverse mortgages in the last 10 years have been on the South and West Sides, where residents are predominantly Black and Latino.

Many Black homeowners in the South and West sides of Chicago have lived in their homes for many years and struggle to maintain an aging home as the cost of living rises, said Geoff Smith, executive director of the Institute for Housing Studies at DePaul University.

The cost burden of owning a home has become heavier, as property taxes, utilities, insurance and home maintenance costs continue to increase, Smith said. In the city of Chicago alone, the property tax levy has more than doubled in the last decade, according to data from the city’s Office of Budget and Management. From 2014 to 2024, the city’s property tax levy **increased** from \$860 million to \$1.8 billion.

These rising charges on top of home maintenance costs can be a significant financial burden for senior homeowners on a fixed income, especially in Chicago, which has an older housing stock, Smith said. “As a person ages, a property ages too.”

If the homeowner is thinking about the home as an asset to pass on to heirs, it needs to be maintained to keep its value, he added. And if senior homeowners want to stay in their homes as they age, rather than moving to senior living centers or other alternatives, sometimes they will need extra income or modifications for that to happen, Smith said.

“As a person ages, a property ages too.”

— Geoff Smith, Executive Director, Institute for Housing Studies

In some cases, reverse mortgages can help senior homeowners stay in their home in the short-term.

In February, Raul Delgado took out a reverse mortgage for his father, Raul Delgado Sr., a retired doctor who celebrated his 100th birthday last year. The younger Delgado, a realtor based in Wheaton, is trustee of his father’s estate and has power of attorney for Delgado Sr., who suffers from dementia and needs a caregiver. His father’s care can cost up to \$6,500 per month, Delgado said.

His father saved a lot of money over the years, but “money doesn’t last forever,” Delgado, 61, said. “Nobody probably saves to be 100.”

When he realized his father’s money was running low, Delgado looked into options to take equity out of his father’s townhome in Tinley Park, where Delgado’s older sister lives with their father. They want to keep their father in his own home, where he’s more comfortable, rather than moving him into assisted living. “He’s a creature of habit,” Delgado said. “We’ve seen it before, when a routine is disrupted for him, it becomes more challenging.”

Delgado weighed the options and ultimately decided on a reverse mortgage. He contacted a reverse mortgage company, which did an appraisal on his father’s house and referred the family to counseling before originating the mortgage. “Counseling is really important,” he said. “It allows you to talk through ...your rationale and reason behind doing it.”

The money the family receives from the reverse mortgage has allowed Delgado Sr. to age in place, Delgado said. “It’s a blessing to be able to do that,” he said. “Not a lot of people can.”

Delgado said he thinks they will have to sell his father’s home eventually, but the reverse mortgage helped buy them some time.

Vicki Buresh, a certified HECM counselor, administered counseling for the Delgado family. Buresh, who has been a reverse mortgage counselor since 2010, said she’s seen how life-changing reverse mortgages have been for some people. One client was able to take out a reverse mortgage

to give himself more time to get out of nearly \$100,000 in credit card debt, she said. And she's seen reverse mortgages help widows who can't live off of one Social Security check after their spouse passes. "The stories are remarkable," Buresh said.

While reverse mortgages can help with more immediate issues, the long-term prospects are more bleak, and can have a detrimental impact on a family's ability to pass down generational wealth.

Risking the loss of generational wealth

When adult children are not involved in their parents' finances, reverse mortgages can get complicated, experts say. If an adult child lives at home, or did not know that their parent signed up for a reverse mortgage, they can be burdened with the fallout when the homeowner passes.

When someone inherits a home with a reverse mortgage on it, "foreclosure is almost certainly going to go through," said Gerald Nordgren, an attorney who focuses on family law and estate planning in Chicago. When a lender forecloses on a home, and there no living owner or obvious heirs, Cook County Chancery Court appoints people like Nordgren to serve as Special Representatives, who track down family members who may have a claim on the house.

Sometimes people are shocked to find out that the home they inherited has a reverse mortgage on it, Nordgren said. "In the case of reverse mortgage, unfortunately I'm the bearer of bad news," he said. "Unless you won the lottery recently and you've got that kind of money, you're not going to be able to do anything about it."

Even if the heir decides to sell the home, the costs associated with selling a home can be too much, and their only choice is to walk away and let a foreclosure happen, Nordgren said.

When a home is foreclosed on in a reverse mortgage, lenders take ownership of the property, and that asset is lost to the family, likely along with any equity the family has built up over years of ownership. A foreclosed home disrupts inheritance, as it can't be passed onto children or other heirs. Without that property, future generations miss out on the financial stability that homeownership can provide.

► Explainer: What is Equity? Foreclosure? Property Value?

Foreclosures also impact neighborhood wealth. If many homes in a neighborhood are foreclosed

on, it can drag down property values, which reduces wealth-building potential for homeowners nearby – an issue that disproportionately impacts communities of color due to [historic patterns of predatory lending and disinvestment](#).

In Chicago, [foreclosure filings are higher in predominantly Black communities](#), according to a joint study by the Urban Institute and the Institute for Housing Studies at DePaul University. Since 2005, nearly 21% of residential properties in Chicago were associated with at least one foreclosure filing. In predominantly Black census tracts, that number is nearly 40%, almost twice the citywide rate. Foreclosures are also more common in predominantly Hispanic neighborhoods, where almost 28% of properties have at least one foreclosure filing.

In addition to being associated with more vacancies and decreased home values, the [social costs of foreclosures are high](#) for individuals as well, Stanford researchers found. In a study of foreclosures in Cook County, the researchers found that foreclosures lead to housing instability, financial distress and reduced homeownership.

In neighborhoods like North Lawndale, on Chicago’s West Side, the foreclosure rates are well [above the citywide average](#). Over the years, rows of two-story homes in the predominantly Black neighborhood have fallen into disrepair.



Read more from the [“Making it in Chicago”](#) series:

[Jobs. Block Clubs. Investment: How Chicagoans are Interrupting Violence at its Roots.](#)

David Herron’s North Lawndale home has been in his family since the 1960s. His mother always kept it for her family, Herron, 72, said. “Coming up, we always had somewhere to go, no matter what was going on in our lives.”

Herron’s mother, Effie Herron, was a victim of Mark Diamond’s reverse mortgage scheme. Diamond convinced Effie Herron, now deceased, that he would help repair her home on South Hamlin Street. Diamond’s crew started doing the repair work, but then never came back, Herron said.

Herron's house still has plumbing issues, electrical problems and roof damage, among other issues. It is facing multiple code violations from the city, but Herron is struggling to pay for the repairs on a fixed income, he said.

Herron said he is glad that Diamond was finally sentenced for his reverse mortgage scheme, but the sentencing will not help him save his house. "The condition of the house and what it did to my mom and what it is doing to my family, that was the issue with it," he said. "It's a sad situation."

Sam Tenenbaum, a lawyer and professor of law at Northwestern University who represented multiple victims in Mark Diamond's lawsuits over the years, said Diamond's sentencing did not help victims from a financial point of view, in terms of their ownership of the property.

In all of the legal proceedings, the mortgage lenders were not investigated or held accountable, Tenenbaum said. "There was no real relief, because real relief would have come by getting these mortgages set aside."

Even if someone is willingly looking to sign a reverse mortgage, there are a lot of economic risks, Tenenbaum said. "It's hard for me to see what the exact sweet spot is where a reverse mortgage is justified, in terms of a person's income level, stage of life, equity in the home. When is it justified, as opposed to doing something else?"

And if the goal is to pass the home on to family, Tenenbaum said, "it's just not a good idea."

Finding ways to keep seniors at home

Several programs have identified home repair as the root of the problem of seniors' ability to stay in their homes as they age, and, ideally, maintain the home for the next generation.

To address the need for home repair, some states have turned to legislation that funnels state funding into programs that help homeowners keep their homes safe and habitable.

In 2022, Pennsylvania lawmakers created the Whole-Home Repairs Program, a landmark bipartisan initiative funded with \$125 million in federal pandemic aid. There was overwhelming demand for the program, which helped eligible homeowners with problems like unsafe electrical wires and broken furnaces.

While attempts to continue the program with state funding have been unsuccessful thus far, federal

lawmakers have touted its success, and introduced federal [legislation modeled after Pennsylvania's program](#) last year. A group of bipartisan senators reintroduced the bill in January this year.

Federal funding to help low-income homeowners with home repairs is desperately needed at a time when the U.S. housing stock is older than at any time in history, according to [researchers](#) at the Joint Institute for Housing Studies at Harvard University. The researchers found that, due to a history of disinvestment, lower-income households and households of color are disproportionately exposed to housing hazards like pest infestations, lead-based paint, mold and dysfunctional heating and cooling.

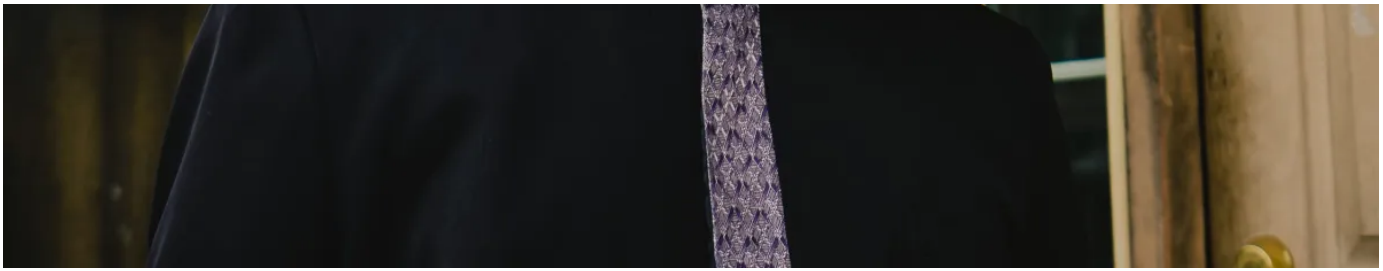
Home repair programs at the state and federal level could help improve outcomes for both low-income homeowners and neighborhoods, the researchers found.

The city of Chicago has some home repair programs, like those that help with roof and porch repair and [emergency heating](#), but they fall short of meeting the full demand for housing repairs citywide.

Some community groups like [Light Up Lawndale](#), run by longtime community organizer Princess Shaw, have stepped up to fill the gaps. Shaw also founded West Side Long-Term Recovery Group to help West Side residents repair their homes after major disasters.

Rev. Robin Hood, who founded the Illinois Anti-Foreclosure Coalition, also helps at a community level by holding town halls and meetings to educate residents on housing issues.





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Credit: Akilah Townsend for Illinois Answers Project

While some have looked to funding for home repairs, others have touted proactive design solutions like accessory dwelling units (ADUs) as a housing option to help older adults stay in their communities. ADUs – sometimes called “granny flats” – can exist as an attachment to an existing home, a detached unit, an apartment in a basement or on top of a garage.

One of the biggest benefits of ADUs is they can allow an older adult to live with their family or someone else who can provide care as they age, Smith said. “Making intergenerational living more possible is where an ADU can help aging in place.”

In December 2020, Chicago passed an ordinance allowing ADUs as a pilot program, which reversed a 1957 ban on the units. The program has developed unevenly across the city, with most of the units popping up in one of the two North Side pilot zones and the West and South side zones facing stricter regulations.



Read more from the [“Making it in Chicago”](#) series:

[‘Granny flats’ are illegal to build in most of Chicago—and political gridlock is keeping it that way.](#)

One hindrance to development is the cost of building ADUs. “They’re definitely not cheap, so I think it may not be an answer for modest income older adults,” Smith said. “That is definitely a consideration in terms of scalability.”

And in a place like Chicago, where city lots can be small, the opportunities to build new structures on existing lots may be limited, Smith said.

As policymakers look to expand the ADU program and find other ways to help existing homeowners in Chicago, Rev. Hood is pushing for legislation that could help homeowners like Herron with repair costs.

The Senior Home Preservation Act would require the Department of Human Services to provide grants to low-income, legacy homeowners for minor rehabilitation services to preserve their homes. [HB5506](#), the Senior Home Preservation Program Act, was introduced in the Illinois General Assembly last year but stalled in session. The bill has not been reintroduced this legislative session.

David Herron said he hopes legislators pass a home repair bill in Illinois. “It’s sorely needed.”

Read more from the [“Making it in Chicago”](#) series here:



Child Care Costs

While the state infuses hundreds of millions of dollars a year into child care programs, the strict eligibility requirements and limitations for its largest child care subsidy exclude tens of thousands of families.



Gig Work

Rideshare workers in Chicago say they’re being exploited and kept in unstable and low-paying jobs that prevent them from getting ahead in life. Organizers are calling for better protections.



Affordable Housing

Accessory Dwelling Units (ADUs) or 'granny flats' are illegal to build in most of Chicago, but a pilot program allowing them in some areas showed promising results. City officials are divided over their full legalization.



Medical Debt

Cook County became the first local government to buy medical debts in bulk. But data shows the majority of debt was relieved for people who likely should have qualified for free care — a sign that hospitals are failing to screen for some of the region's poorest patients.



Aging in Place

Home repair is at the root of the ability of senior Chicagoans to stay in their homes as they age. Local organizations are trying to provide relief without depriving seniors of the ability to pass down their homes.



Student Loan Debt

With \$63 billion in collective student loan debt, new forgiveness programs and innovative solutions aim to help borrowers. But state funding and public awareness remains an obstacle.



Violence Interrupters

The causes and solutions to gun violence are difficult to quantify—or control. One thing is clear: gun violence is highest in Chicago's poorest neighborhoods. Organizers say tackling poverty is the only way to create lasting change.