5-*minute history lesson:* residential racial segregation after Jim Crow

Shortly before the New Deal (1933), a typical mortgage required a large down payment and full repayment within about 10 years. The creation of the Home Owners' Loan Corporation in 1933 and then the Federal Housing Administration the following year allowed banks to offer loans requiring no more than 10 percent down, amortized over 20 to 30 years. "**Without federal intervention in the housing market, massive suburbanization would have been impossible**," writes Thomas J. Sugrue, a historian at the University of Pennsylvania. " In 1930, only 30 percent of Americans owned their own homes; by 1960, more than 60 percent were home owners. Home ownership became an emblem of American citizenship."

Because the American real estate industry believed segregation to be a moral principle, that emblem was not to be awarded to Black people. As late as 1950, the National Association of Real Estate Boards' code of ethics warned that "a Realtor should never be instrumental in introducing into a neighborhood any race of nationality... whose **presence will clearly be detrimental to property values**. A 1943 brochure specified that such potential **undesirables** might include madams, bootleggers, gangsters— and "**a colored man of means who was giving his children a college education and thought they were free to live among whites**." The federal government concurred.

The Home Owners' Loan Corporation, a federally-sponsored corporation rather than a private trade association, pioneered the practice of **selectively granting loans** and insisting that any property it insured be covered by a **restrictive covenant clause** in the deed **forbidding the sale of the property to anyone other than whites. Millions of dollars flowed from tax coffers into segregated, white neighborhoods**.

from "The Case for Reparations" by Ta-Nehisi Coates
The Atlantic June 2014

The legal loophole by which realtors and developers could refuse to sell homes in white areas to Black people is known as a **restrictive convenant.**

The practice of selectively granting loans based on race is known as **redlining.** The word comes from the Federal Housing Administration's maps, which were used to rate neighborhoods by their perceived level of stability. Black and low-income neighborhoods were colored in red on these maps, indicating that these areas were "too hazardous" to give their residents loans to pursue home ownership. On the maps, green areas, rated "A," indicated "in demand" neighborhoods that, as one appraiser put it, lacked "a single foreigner or Negro." Here, we see how "stable" is used as a code-word for "white".

So what does that mean for me?

Myth: White neighborhoods are wealthy, healthy, and safe because of white cultural values.
Truth: Safety and well-being are a product of policies that affect entire communities.

Many people believe that white neighborhoods are wealthier, healthier, and safer than communities of color because white individuals or white culture value these things more than communities of color. However, once we learn that the federal government actually invested millions of dollars into the creation of wealthy suburban communities from which Black people (and some other racial minorities) were excluded, we see that this is not true— this belief is actually racist. If federal dollars can fund wealth and health for white communities, they can certainly fund wealth, public health, and public safety for communities of color. **This is why modern-day abolitionists support taking money out of police budgets and reinvesting that money into public health and safety for communities of color.**

So how can I help?

Feelings of guilt, anger, sadness, or denial are common responses to understanding one's own complicity in something bad. How can you transform these feelings into a positive action that fights the problem at hand? The answer is to do something about it. Use your voice, your financial resources, and your capacity to educate others.

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