

## 5. Interpret housing graphics and financial services resources

“Get acquainted with”

Use adjective clauses

An adjective clause modifies a noun. It comes immediately after the noun it modifies and usually begins with a relative pronoun—*that*, *which*, *who*, *whom* or *whose*. Sometimes, the relative pronoun can be omitted.

*What is an adjective?*

Words that qualify the noun (person, place, animal or thing)

*What is an adjective clause?*

It is a **PHRASE** that qualifies the noun

**Note:** Within an adjective clause, you will usually find a “relative pronoun”

**Relative pronouns:** that, which, who, whom or whose

Exercise: Read the advertisement. Identify all the adjective clauses (as well as what they describe).

For many people, home ownership is a dream come true, but it also comes with some headaches. A home repair can be a huge problem that breaks your budget. Do you have a **leaky faucet** **you don't know how to fix**? Are you frustrated with an **appliance** **that isn't working properly**? Are you having a hard time finding a **repairperson** **whom you can trust**? The solution is simple. Let us do the work for you! We offer a yearly service **contract** **that covers the cost of home repairs**. If they can't be repaired, we'll replace any important household **appliances** **that break down over time**. We're the only home warranty **company** **whose services are 100% guaranteed**.

16032024

Ø = This symbol means “absence”

Adjective Clauses	
Object	Subject
<i>We know a great <u>repairperson</u> <b>who / whom / that / Ø</b> we trust.</i>	<i>We should use a <u>repairperson</u> <b>who / that</b> has experience.</i>
<i>I like the <u>plumber</u> <b>who / whom / that / Ø</b> I've used before.</i>	<i>I need to find a <u>plumber</u> <b>who / that</b> can fix this shower.</i>
<i>I'm not happy with the home warranty <u>contract</u> <b>which / that</b> we have.</i>	<i>A home warranty is a <u>contract</u> <b>which / that</b> covers the cost of home repairs.</i>
<ul style="list-style-type: none"> <li>When the relative pronoun is the <b>object</b> of the adjective clause, you can use <i>who</i> or <i>whom</i> for people. You can use <i>that</i> for people or things or omit the pronoun altogether (Ø).</li> <li>When the relative pronoun is the <b>subject</b> of the adjective clause, use <i>who</i> or <i>that</i> for people, but never use <i>whom</i>. Use <i>which</i> or <i>that</i> for things. Never omit the relative pronoun when it is the subject. Do not use <i>whom</i> and do not omit the relative pronoun.</li> <li>Use <i>whose</i> when the relative pronoun helps clarify ownership. <i>I'm looking for a home warranty company <b>whose</b> customer ratings are consistently high.</i></li> </ul>	

**Exercise:** Choose ALL the correct relative pronouns. Ø stands for “no pronoun”. This means that MORE THAN ONE answer is possible in every statement.

Dani, thank you for the thorough research

- A:** Hi. Sorry to call you at work, but the living room lights won't turn on.  
**B:** Could you go check the fuse box? It's that gray metal box \_\_\_\_ we have in the garage.  
a. that      b. which      c. who      d. whom      e. whose      f. Ø
- A:** Do you know where our rental agreement is?  
**B:** Yes. It's in the desk in the folder \_\_\_\_ is labeled "Lease."  
a. that      b. which      c. who      d. whom      e. whose      f. Ø
- A:** The key broke off in the lock. I'm not sure what to do.  
**B:** We need to call a locksmith. That's a person \_\_\_\_ makes and repairs locks.  
a. that      b. which      c. who      d. whom      e. whose      f. Ø
- A:** It's raining really hard, and now we have some water on the ceiling. We need someone to look at the roof.  
**B:** We have a neighbor \_\_\_\_ father is a roofer. Let's ask him for advice.  
a. that      b. which      c. who      d. whom      e. whose      f. Ø
- A:** Could you give me the name and number of the painter \_\_\_\_ you recommended?  
**B:** Sure! I'll text you her information right now. She does very good work.  
a. that      b. which      c. who      d. whom      e. whose      f. Ø

- a, b, f
- a, b
- a, c
- e
- c, a, d, f

21032023

# The Housing Crash: The Causes and Aftermath



1 In the early 2000s, it was a great time to buy a house. There was a housing boom. Construction companies built hundreds of thousands of new houses across the United States. The value of houses skyrocketed. During that same **period**, mortgage companies loosened their requirements. Many more people were able to get a mortgage. A lot of those people had low credit scores and unstable employment. The mortgages these people got were called "subprime." People who took out subprime mortgages often had low, affordable payments for the first few years.

The problem was that, as time went on, the monthly payments on these subprime mortgages increased greatly. At that point, the **bulk** of people with subprime mortgages couldn't afford their payments. Many of them defaulted on their mortgages. When people defaulted on their mortgages, the banks had to foreclose on their houses.

As banks foreclosed on more and more houses, the value of houses across the country started to drop. There were more houses available than people who wanted to buy them. Many homeowners were shocked to discover they owed more on their mortgages than their houses were worth. Those people tried to sell their houses but couldn't. As millions of people defaulted on their mortgages, banks began to lose vast amounts of money.

Subprime mortgages turned out to be a disaster for the economy of the entire country. Those mortgages triggered the biggest economic crisis since the Great Depression of the 1930s. Banks around the world had invested in assets backed by mortgages in the U.S. These banks lost billions of dollars. In 2008, the U.S. government **intervened** in the crisis. It loaned \$700 billion to banks and other businesses. The government took over the country's two biggest mortgage companies, Fannie Mae and Freddie Mac.

## Mortgage?

Situation that will "substitute" a missing payment after a loan, consisting in the retirement of a "Bought" house.

As the economy struggled, unemployment soared. The construction, real estate, and banking industries were particularly hurt. In October 2007, the unemployment rate was only 4.7%. By October 2009, the unemployment rate was over 10%. Many unemployed people struggled to keep up with their mortgages. These individuals then defaulted on their loans, further worsening the housing crisis.

25 In addition to high unemployment, there were many other consequences of the economic crash. It is estimated that the global economy suffered \$15 trillion in losses, and banks foreclosed on nearly 10 million houses. Many Americans became anxious about **buying** a home, so rental rates shot up, especially in the 35–44 age range. That is the age at which people typically buy their first home. In 2006, only 31% of people in that age range were renters. A decade later, over 41% of people in that age range were renters.

30 One of the biggest lessons of the economic crash was that big businesses like large banks and mortgage companies are **integral** to the economy. If these big companies face financial difficulties, they will drag the economy down with them. As a result, government sponsored mortgage companies, such as Fannie Mae and Freddie Mac now manage 90% of the country's mortgages. The U.S. government is hoping to prevent such a crisis from happening again. In 2010, Congress passed the Dodd-Frank Act. This law prohibited banks from issuing subprime mortgages. Yet, experts worry that another crash could be on the horizon. To prevent that, we must keep a close eye on the companies that are too big to fail.

## Ailment

**IDENTIFY MAIN IDEAS.** Choose the main idea of the article. Where is it stated? Lines \_\_\_\_

- a. The housing crash was caused by construction companies that built too many houses.
- b. Banks foreclosed on 10 million homes during the crash, which caused an economic crisis.
- c. The housing crash, which caused a major crisis, was caused by banks giving subprime mortgages.

Letter “c”

**RECOGNIZE STRUCTURE.** In which paragraph is each cause first discussed?

Causes of the Housing Crash	Paragraph	Details
subprime mortgages		
banks foreclosed	2	
value of houses fell		
unemployment soared		

Subprime mortgages ---- 1----- People with low credits acquired subprime mortgages.

Banks foreclosed ----- 2 ----- People defaulted on the payment...provoking foreclosure of houses

Value of houses fell ---- 3 ----- Unemployment, houses too expensive, there were more houses available than people buying them

Unemployment soared ---- 5 ----- Mortgage companies weren't capable to sustain their operations

23032023

### Reduce adjective clauses to adjective phrases

- A clause is a group of words that contains a subject and a verb.
- A phrase is a group of words that does not contain a subject and a verb.
- Some adjective clauses can be reduced to an adjective phrase.
- The adjective phrase will be missing the **relative pronoun (who, that, which)**.



**Exercise:** Identify SOME adjective phrases and convert them into adjective clauses

Home-Now Apartments are for individuals and families living on limited incomes. To be eligible for our apartments, you must be within the income limit set for the size of your family. For specific requirements, please refer to the income limits listed in the property description for every apartment on our website. If your income is the same as or lower than the income limit shown for that apartment, then you are eligible to rent it. In addition to meeting the income requirements, you will need to provide references from your current landlord confirming you have paid your rent for at least three years. For more information about our eligibility requirements, contact us at the number provided on our website.

**Inverse process:** change from adjective phrase to adjective clause

- Home-Now Apartments are for individuals and families **living** on limited incomes
- Home-Now Apartment are for individuals and families who live on limited incomes

If your income is the same as or lower than the income limit shown for that apartment...

### Review of Passive Voice:

They show the income limit (active voice)

The income limit **is** shown (passive voice)

### Structure

Adjective Clause	Adjective Phrase
Contact the number <b>that is provided</b> on our website.	Contact the number <b>provided</b> on our website.
Please give this information to anyone <b>who is looking</b> for affordable housing.	Please give this information to anyone <b>looking</b> for affordable housing.
Here is a list of apartments <b>which are still available</b> .	Here is a list of apartments <b>still available</b> .
You will need a pay stub <b>that confirms</b> your income.	You will need a pay stub <b>confirming</b> your income.
These apartments are for people <b>who live</b> on limited incomes.	These apartments are for people <b>living</b> on limited incomes.
<ul style="list-style-type: none"> <li>• Only adjective clauses that have a subject pronoun (<i>who, that, which</i>) can be reduced to adjective phrases.</li> <li>• When an adjective clause contains the verb <i>be</i> and a single adjective, the adjective can be moved to the normal position in front of the noun it modifies: <ul style="list-style-type: none"> <li>• Here is a list of apartments <b>which are available</b>.</li> <li>• Here is a list of <b>available</b> apartments.</li> </ul> </li> </ul>	

- Navajo has a room which contains several collectibles (Adjective clause)

- Navajo has a room containing several collectibles (Adjective phrase - EQUIVALENT)

**REWRITE.** Rewrite the sentences. Reduce the adjective clauses to adjective phrases.

1. This scholarship is for students who are entering their first year of college.

This scholarship is for students entering their first year of college.

2. We provide health insurance to anyone who is employed here full-time.

\_\_\_\_\_

3. Senior housing may be an option for those who are 62 and older.

\_\_\_\_\_

4. Students who attend the university may live in a dormitory.

\_\_\_\_\_

2. We provide health insurance to anyone employed here full-time.

3. Senior housing may be an option for those 62 and older.

4. Students attending the university may live in a dormitory

**COMBINE.** Combine the sentences. Change the second sentence to an adjective phrase.

1. These apartments are for students. The students must be enrolled in at least 12 academic hours.

These apartments are for students enrolled in at least 12 academic hours.

2. A discount is available for tenants. The tenants must renew their lease.

\_\_\_\_\_

3. Employees are eligible for medical leave. Medical leave is known as sick leave benefits.

\_\_\_\_\_

4. School buses are provided for children. The children must live over a mile from school.

\_\_\_\_\_

2. A discount is available for tenants renewing their lease.

3. Employees are eligible for medical leave known as sick leave benefits.

4. School buses are provided for children living over a mile from school