

BUILDING BLOCKS STUDENT WORKSHEET

Understanding redlining

For many people, owning a home is an important part of building wealth. To buy a home, most people have to take out a loan called a mortgage.

Redlining is a practice that makes it harder for people living in a certain area to take out a mortgage because of residents' race, color, national origin, or other personal characteristics. Although redlining hurts neighborhoods and has been illegal for decades, it still goes on today.

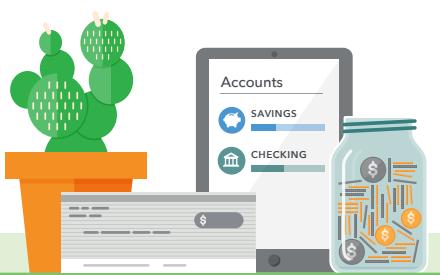
Instructions

- ① Read the "Understanding redlining" handout.
- ② Answer the "Redlining in practice," "Protections against redlining," and "Digging deeper" questions below.
- ③ Answer the reflection question on your own.

Redlining in practice

1. How did redlining begin? What was its original purpose?

2. Review the map in the "Understanding redlining" handout. Would you be offered a high or low interest rate on your mortgage if you wanted to buy a home near a cemetery? Explain your answer.



3. Are there more green or red areas on the map? Based on what you know about redlining, who do you think was most likely to live in the neighborhoods marked in red vs. green?
4. How did redlining create barriers to homeownership for Black, immigrant, and other communities?

Protections against redlining

1. List three signs of credit discrimination, according to the Fair Housing Act and the Equal Credit Opportunity Act.
2. What can people do if they believe they are being discriminated against when trying to get a mortgage?

Digging deeper

The Wilson family and the Smith family had the same income 50 years ago. At that time, the Wilson family bought a home in a green area on the map in the handout. The Smith family wanted to buy a house in the red area but were denied a loan and never bought a home. Think about what you've learned about redlining. Which family do you think had a better chance of building generational wealth in the last 50 years? Why?

Reflection question

How would you feel if you learned your community or neighborhood had been redlined?