A New Dream: Redefining Homeownership through the Post Foreclosure Eviction Defense Campaign

By

Karuna Mehta

B.S. Urban and Regional Studies
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Signature redacted

Department of Urban Studies and Planning
May 21, 2015

Signature redacted

Certified by

Signature redacted

Professor Phillip Clay
Department of Urban Studies and Planning
Thesis Supervisor

Accepted by

Signature redacted

Professor Dennis Frenchman
Chair, MCP Committee
Department of Urban Studies and Planning
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ABSTRACT

Just a few years ago photos of streets lined with foreclosure signs and anecdotes about families who had lost their savings were on the front page of every major newspaper. Many of these stories profiled immigrants who had been taken advantage of by predatory lenders. In Boston alone, 81% of all foreclosures in 2008 happened in communities where at least one quarter of the population is foreign born. However, without available data on lending and nativity status, it is difficult to prove that predatory lenders explicitly targeted immigrants. Instead, by looking at concentrations of subprime lending and foreclosure spatially, this thesis explores to what extent and why immigrants in Boston were impacted by the crisis. In addition, it argues that the harm felt by first generation immigrants is the result of structural racism in homeownership policy perpetually stripping inner-city communities of wealth. Without radically altering our conception of homeownership, communities of color and the evolving populations residing within them will continue to struggle.

Encouragingly, community groups have historically played an important role in advocating for policy reform, and we can continue to look to local partners and activists to understand what changes are needed now. Because of the hard work of a close-knit group of residents, organizers and lawyers, people have been able to stay in their homes. In addition to preventing evictions, this network has reformed law to better protect low-income homeowners, created programs that address the root of historic problems, and advocated for policy change. Collectively their model is referred to as the Post Foreclosure Eviction Defense Campaign, and it serves as a national example of an innovative and participatory approach to foreclosure response and prevention. When creating supportive homeownership policies for immigrants and other marginalized populations, policymakers can learn from their ideology, which divorces housing from market instability, and advocates for a more flexible, community-oriented vision for homeownership.

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Introduction:
The Evolution of Homeownership

In June of 2014, the Atlantic published “The Case for Reparations”, a groundbreaking essay by Ta-Nehisi Coates. The moving piece recounts the story of Clyde Ross, an African American male who like many others migrated to the North in search of opportunity. Coates paints a painful picture of how African Americans were repeatedly herded, denied resources, and systematically stripped of wealth. Ross’s story is not unique, and it serves as a sobering reminder that systemic racism did not end with slavery, or even Jim Crow. It continued well throughout the century as a result of discrimination in real estate markets and urban policy.

Coates shines a spotlight on the complex history of housing policy, simultaneously demonstrating the everyday impact it had on the lives of African Americans. The resounding shocks of these political decisions can still be felt in the streets of many inner cities today. As one can gather from the title alone, Coates argues that reparations are deserved, not only in a financial sense, but “a national reckoning that would lead to spiritual renewal” (Coates 2014). However, the weight of accepting responsibility is one that no institution is willing to bear. Their silence shrouds the truth, redistributing blame to consumers who were supposedly too naïve and irresponsible to understand the implications of their actions.

“The Case for Reparations” came out after the height of the foreclosure crisis, at a time when the economy was recovering. Pictures of streets full of foreclosed homes, stories of families that had been hustled into predatory loans, and maps tracking foreclosures by neighborhood started to fade away from the newspapers. Coates’s piece was a stark reminder that history is cyclical, especially for people of color, who have suffered through repeated periods of injustice, many times as government representatives idly watched. The foreclosure crisis was no different, but this time the breadth of those impacted reached an unprecedented scale, including many new immigrant families. While the foreclosure crisis may be over for some, Coates reminds us it is just one out of an endless series of losing
battles against injustice for a growing population.

This time, immigrants, many who are first generation and from all over the world, got caught in the throws of injustice, and ended up at the losing end. In the 1990s the homeownership agenda was particularly aggressive towards immigrants with very little regard for the substantial financial and social barriers many face. In addition, outdated enforcement and regulatory frameworks failed to monitor lending in immigrant enclaves. As a result neighborhoods and counties with higher rates of first-generation immigrants also had substantially higher rates of subprime and predatory lending (Powell and Rogers 2013). This was especially true in Boston, where all of the communities that were most heavily impacted by foreclosure had substantial immigrant populations.

Because of the hard work of a close-knit group of lawyers, organizers, residents and other practitioners, many of these residents, immigrants and other marginalized populations alike, have been able to stay in their homes. In addition to preventing evictions, they have reformed law to better protect low-income homeowners and are creating programs and policies that address the root of historic problems with homeownership. Collectively, their work is referred to as the Post Foreclosure Eviction Defense Campaign, and it has saved the homes of thousands of individuals, serving as a national example of an innovative approach to foreclosure response and prevention.

Research Premise and Methods

Approaching this topic, I questioned how homeownership policy shaped the foreclosure crisis, and the extent to which immigrants were adversely impacted. I find that the harm felt by people of color, particularly first generation immigrants, was the direct consequence of decades worth of structural racism, deregulation, and poor government enforcement. Particularly in Boston, communities with larger foreign-born populations experienced higher rates of subprime lending and foreclosure than other communities. The crisis was literally decades in the making, and an expanding group of marginalized communities, will continue to suffer if we don’t radically alter how we conceptualize and promote homeownership. Encouragingly, community groups have played an important role in advocating successfully for change in the past, and we can continue to learn from their actions. Boston’s Post Foreclosure Eviction Defense Campaign is a fitting example of a comprehensive collaboration that embodies an alternative approach to housing. It has had a substantial local impact, helping to reform the local programmatic, legal and policy framework around homeownership. Policymakers can learn from their
ideology, which divorces housing from market instability, and advocates for a more community-oriented, flexible vision for housing.

A preliminary literature review was conducted to identify the overall impact of the foreclosure crisis on immigrants in the United States. With a better understanding of the limitations of existing research, I began identifying immigrant neighborhoods in Boston through a review of newspaper articles and census data. Dorchester, Mattapan, and East Boston had large foreign-born populations, but there were also many smaller cities outside of Boston, referred to as "gateway cities", that had large immigrant populations. Existing data on foreclosure, which has been released by non-profits and local and state governments, provides insight into the impact of subprime lending on these gateway cities and inner-city communities. With this background information, I contacted practitioners, including housing counselors, lawyers, and student organizers on the ground to learn more about their experiences working with immigrant clients. While few mentioned their work specifically targeted immigrants, they all mentioned that a high percentage of their clients were first-generation. All had heard of, if not directly participated in the Post Foreclosure Eviction Defense Campaign, and were able to connect me with others who had participated in some form or capacity. While the Campaign does not specifically target immigrants, it has supported all of the Boston communities listed above. Clients not only included recent first generation immigrants, but also older residents who have lived in their communities since the 1970s. This range demonstrates the daunting rate of predatory lending and discrimination, and the ability of a pernicious market to adapt and take advantage of the vulnerabilities of a diversity of residents.

Overall, I interviewed 15 individuals, including lawyers, students, academics, organizers and residents who had experienced foreclosure. In addition, I attended three public meetings to experience how organizing and outreach were conducted on the ground. The power of rituals, and the emotional value of community came across strongly during these meetings. In the final stages of research, I collected statistics on outreach and overall impact from multiple organizations involved with the Campaign, including Project No One Leaves¹, City Life/Vida Urbana², the Coalition for Occupied Homes in Foreclosure (COHIF)³,  

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¹. Project No One Leaves is a student organization at Harvard Law School that provides legal education to residents in foreclosure through canvassing and targeted outreach to individuals who are in foreclosure.
². City Life/Vida Urbana is a community organization that empowers working class residents to fight issues related to eviction and displacement in their communities. They are at the center of the Post Foreclosure Eviction Defense Campaign.
³. The Coalition for Occupied Homes in Foreclosure is a non-profit that grew out of the work of the Campaign. They are currently focusing on creating a new model of homeownership that is focused on keeping residents in foreclosure in their homes through flexible ownership models.
and Boston Community Capital⁴. These statistics helped me better understand the immediate result of advocacy and programmatic work on residents. As a final step, I thoroughly researched existing literature on the root causes of discrimination in housing to better understand how the Post-Foreclosure Eviction Campaign conceives of homeownership differently than traditional policy.

**The Evolving Value of Homeownership**

Homeownership is a core component of the "American Dream", and has maintained its value as a political, economic and social symbol for nearly a century. These values are particularly salient with immigrants, who have traditionally had higher homeownership rates than native born populations (Goździak and Bump 2008). The Fannie Mae Foundation begins its report on creating new markets for immigrant populations by proclaiming that homeownership is, “perceived as a major milestone in becoming settled, in feeling a part of a new community, in thinking of themselves as Americans” (Shoenholtz and Stanton 2001, 2). According to the report, immigrants are three times as likely as other Americans to rank buying a home as their most important priority.

These underlying beliefs have evolved over the course of decades. The story of property ownership is one closely tied to the founding of the United States, and recalls the overall importance of financial independence, good citizenship, the right to vote (R. Bratt 2012a). One of the better-known federal attempts to market and commercialize homeownership is the Better Homes in America Campaign. Started under the Hoover Administration in 1921, it turned owning a home into a quintessential facet of American culture (Rohe and Watson 2007; Altman 1990). The Better Homes in America Campaign intertwined capitalism and consumerism with traditional social values, constructing a new representation of homeownership. Its marketing campaign built the image of the perfect family on a foundation of prevailing economic, racial, class and gendered norms (Altman 1990). The rhetoric around “Better Homes in America” as well as burgeoning efforts on behalf of the real estate industry to grow homeownership also demonized renting. One National Association of Real Estate Boards campaign even went as far as to proclaim that “every very child has a right to a home of its own. The child raised in a rented house or apartment is cheated” (Rohe and Watson 2007, 23).

With new prominence and distinction, homeownership began to burgeon

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⁴. Boston Community Capital is a local Community Development Financing Institution that launched a foreclosure prevention campaign. The SUN Initiative, in conjunction with City Life. The program buys foreclosed houses and offers flexible loans and counseling to residents who wish to remain in their homes.
in the 1930s. Since then, many articles have been released measuring its overall impact on the social and economic wellbeing of families and communities. There are a number of societal externalities, including greater political participation and a greater sense of community (Galster and Santiago 2008). In addition, there are connections between homeownership and the improvement of property values, impacting overall neighborhood stability. Some scholars even believe homeowners benefit from an improved psychological, emotional and physical state, enabling individuals to access and take advantage of other opportunities (Rohe, Van Zandt, and McCarthy 2002).

One of the most important benefits derived from homeownership is its ability to act as a basic driver of wealth and asset building. Policymakers who advocate for low-income homeownership often cite this, arguing all members of society deserve access to this intrinsic asset “on the grounds of distributive justice” (Galster and Santiago, Anna 2008, 62). Especially for immigrants and communities of color who were systematically denied homeownership for decades, the intergenerational value, security and pride is seen as a way to revitalize communities. Homeownership allows families to accumulate savings as they pay down their mortgages. In addition, they are given an asset that in and of itself should accrue value in the market (Wenli Li and Fang Yang 2010). Housing equity often accounts for the greatest amount of aggregate wealth for households. This difference is especially pronounced in white households, where homeownership accounts for 84% of wealth compared to “61.8% of Black aggregate wealth and 50.8% of aggregate Latino wealth in 2000” (Galster and Santiago, Anna 2008, 67). The significant difference is due to higher homeownership rates, better quality housing and more valuable locations amongst white Americans (Choudhury 2002). For low-income immigrants who are looking for stable ways to build wealth and improve credit, homeownership is pivotal. However, during the foreclosure crisis the value of many homes tanked, and because of alternative mortgages, low-income households were often paying more in interest and debt than they had previously (Wenli Li and Fang Yang 2010).

**Looking back in History**

Historically, discrimination in lending has caused massive disinvestment in inner cities, and homeownership policy has played an important role in enabling this. The growth and development of homeownership policy can be split into three distinct eras. Originally, the vision for homeownership was crafted in the 1920s, and continued to be refined throughout the century. This policies and programs
This timeline gives a brief overview of federal homeownership legislation, along with coinciding trends in discrimination and enforcement.
crafted in this first era contributed to the overall demand for homes.

Chapters 1 and 2 present a detailed history into some of the policies in the latter two eras, and how they contributed to the growth of the foreclosure crisis. Between the 1930s and 1970s (Era 1), homeownership flourished with a new platform of financial support from the government, but discrimination prevented African Americans from accessing this funding and its benefits. This led to high amount of spatial segregation. In many ways, the policies of this era shaped the landscape of urban poverty, and the most recent subprime lending crisis. Many of the communities in which disinvestment occurred would be the same ones in which low-income immigrants would settle in later decades (Howell 2006). Inner city Boston serves a particularly telling case study when it comes to the resounding impact of these policies.

Chapter 2 looks at homeownership after 1980 (Era 2), closely examining how and why subprime and predatory lending expanded at such a rapid rate. The targeting of low-income communities for alternative mortgages led to financial instability for many residents. In this context, asset or equity stripping refers to the systematic practice of alternative lending that ignores the ability of the consumer to pay back, and instead focuses on increasing costs at an unsustainable rate. To keep up with expensive mortgages, borrowers often had to use other reserves and assets continuing to dry up their wealth (Thomas 2010; Engel and McCoy 2001).

There are common threads that run throughout the story of housing discrimination, such the inability of enforcement policy to effectively find and eradicate racism and discrimination in lending. However, there are also vast differences. Unlike before, new immigrants had settled within disinvested communities, leading to a further complexity. The tools that were used to lend to these new populations, while not blatantly racist, were extremely malevolent in nature. Chapter 3 looks at the impact of subprime and predatory lending in Boston, highlighting how most of this behavior occurred in immigrant enclaves. It summarizes the observations of practitioners on the ground, who experienced the struggles of immigrants through their work.

Looking Forward: The Post Foreclosure Eviction Defense Campaign and City Life/Vida Urbana

Community groups have historically played an important role in advocating for policy reform, especially when it came to studying and fighting for anti-discrimination policy. We can continue to look to local partners and activists to understand what types of changes are currently needed to reform homeownership.
The Post Foreclosure Eviction Defense Campaign has stood out as a national example. Chapter 4 highlights their work, including their accomplishments to date. As mentioned earlier, this collection of community organizations, legal aid bureaus and other residents has not only been successful in preventing the eviction of hundreds of individuals from foreclosed homes, but advocating for a legal and programmatic framework that can protect low-income homeowners in the future.

City Life/Vida Urbana is not traditionally a housing organization, but continues to be the heart of the intricate ecosystem that supports and sustains the Campaign. According to their website, their mission is to,

Fight for racial, social, and economic justice and gender equality by building working class power through direct action, coalition building, education and advocacy. In organizing poor and working class people of diverse race and nationalities, we promote individual empowerment, develop community leaders, and are building a movement to effect systemic change and transform society. ("About Us, City Life/Vida Urbana," n.d.)

It was founded in the 1970s with the overarching goal of building solidarity to put people before profits and therefore continues to shift its focus based on the current needs and struggles of local communities (Fisher et al. 2013). They are one part of the national Right to the City Coalition, which maintains a broader radical analysis of capitalism and its impact on working class people and communities of color. City Life has successfully applied this broader analytical framework to housing campaigns before, most notably their tenant-negotiations model. With the foreclosure crisis, their unique ideology has enabled the creation of innovative models and radical approaches to homeownership that work for communities of color. Like other organizations that are part of the Right to the City Alliance, they prioritize leadership training and development for the purpose of building power within marginalized communities. This has played an important role in developing leaders who can attest to the impact of federal policy decisions on the fabric of everyday life. It has also helped develop a sense of solidarity within the community around foreclosure and the fight against the market forces that have systematically exploited and drained wealth from their communities in the first place.

The final chapter digs deeper into what as policymakers we can take away from the Post Foreclosure Eviction Defense Campaign. First, the model views housing as an important component of the overall health of a community. As established, homeownership policy has always been viewed as a driver of individual wealth. Programs and policies that aim to improve sustainable low-income homeownership offer individual benefits, and highlight the importance of homebuyer counseling. While these are important facets of homeownership, it is not enough to address
injustice, poverty and disinvestment in larger urban communities. The programs that have emerged as a result of the Campaign advocate for mechanisms that help communities recapture the wealth of their housing, preserving it within their neighborhoods. In addition, the Campaign advocates for models that help divorce housing from the private market, providing more stability and control for low-income households. There is also flexibility, allowing homeowners to adjust their mortgages as they go through different financial, social and economic stages. Alternative programs that embody these mechanisms can help restore the original value of homeownership. For immigrants who are looking for stability, support and a way to steadily build credit, this is particularly important. When applied to immigrant communities, the model can help empower immigrants and other communities of color to protect their homes and their communities.
Chapter 1:
The Era of Disinvestment (1930-1980)

No other policy agenda in the past century has had more of an effect on the national economy and urban landscape of the United States than homeownership. In many cases, early programs were a stabilizing force in post-war eras, providing employment opportunities and subsidized shelter for young people and returning veterans. However, in its implementation, housing finance policy reflected and inflamed widespread racial bias. While suburban neighborhoods saw an influx of wealth, urban communities of color were either razed or drained of resources well before any federal attempt to eliminate discrimination (Jackson 1985). This chapter uncovers this story, showing how homeownership policy shaped the current landscape of urban poverty, confining of people of color to communities in the center of the City and preventing access to wealth or credit. Confirming the powerful cyclical nature of racism, these neighborhoods would later become the same breeding grounds for subprime and predatory lending.

The first part of this chapter (1.1) gives examples of the policies that shaped homeownership financing and lending, showing the impact of their bias. Part 1.2 looks at early federal attempts to correct for this bias, and how advocates and lenders use these tools and initiatives to further their own causes. Finally, Part 1.3 the impact of housing policy and discrimination in Boston.

1.1: Building A National Homeownership Agenda

Before the great depression there was little government involvement in the purchasing of property and homes (Jackson 1985). In addition, lenders operated far more conservatively—lending smaller amounts of money on much shorter terms. The primary lending institutions included standard savings and loans institutions (S&L institutions) and savings banks. Combined, these were referred
to as “thrift institutions” (R. Bratt 2012b). While there was far less risk, this limited homeownership was limited to “the more affluent segments of the population and helped make rental housing the dominant form of tenure” (Schwartz 2010, 51).

Throughout the early 1930s, a series of legislation and programs were passed in an effort to help lenders extend mortgages to a broader demographic. This included the Federal Home Loan Bank Act, and legislation passed under the New Deal (Jackson 1985). However, the Home Owners’ Loan Corporation, or HOLC, had the most resounding historical impact. Initiated in 1933, HOLC saved thousands of families from foreclosure through refinancing their loans with bond money and providing vital funds for home improvements and tax payments (R. Bratt 2012a; Schwartz 2010). In two years, it had supplied loans for one-tenth of all owner-occupied homes in the United States (Jackson 1985). HOLC not only created employment opportunities, but helped many upper and middle-class residents save their largest source of wealth and equity, securing their elite economic status in decades to come. It has been described as one of the “basic building blocks of this society” (Bennett 301).

While providing direct financial support for some, bias appraisal methods made it impossible for African Americans to access benefits. HOLC demanded a rational, yet comprehensive method to evaluating homes, and adopted one that determined risk using a series of economic and social indicators. Infamously known as ‘redlining’, newer communities that were homogeneous received higher ratings, while those that were mixed were cast aside as too ‘hazardous’ to lend to (Jackson 1985). Kenneth Jackson notes that the appraisal method was based on commonly accepted assumptions in the real estate industry, including the belief that the natural tendency of an area was to decline, and with that decline came families that were poor and black (Jackson 1985, 198). All policymakers were doing was incorporating prevailing attitudes towards race and market demand into their own initiative. However, HOLC halted the vast amounts of public funds that were flowing into homeownership from entering urban communities of color. It would shape the physical, social and economic character of these communities, having huge demographic implications for cities in general (Jackson 1985).

Within a year of HOLC, the Federal Housing Administration was established through the Fair Housing Act. According to Kenneth Jackson, “no agency of the United States government has had a more pervasive and powerful impact on the American people over the past half-century than the Federal Housing Administration” (Jackson 1985, 203). It set the precedent for how and to what extent the federal government financially assisted and bolstered the capabilities of private lenders. The key role of the FHA was to share the risk of lending through
insuring mortgages by qualified lenders, thereby protecting them from default and covering the cost of unpaid loans if borrowers weren't able to pay back loans. Less risk meant that banks were willing to lend to more people (Shlay 2006). Millions of families became homeowners, housing starts reached record highs, and people found employment again (Jackson 1985). Only a few years later, the Federal National Mortgage Association, or Fannie Mae, was established with the purpose of raising bonds to pay for mortgage insurance. Fannie Mae would grow over the course of the century, becoming “central to the burgeoning secondary mortgage market” (Shlay 2006). With the growth of the market, the number of conventional thrift institutions withered away.

While millions of Americans benefited from the FHA, others were prohibited from accessing these benefits, and suffered at the expense of government-condoned racism. FHA using the same appraisal and industry standards as HOLC (Schwartz 2010). Poor ratings prohibited minority communities from taking advantage of these ‘democratic’ opportunities to build wealth. The lenders that did dare to venture into communities of color were not insured by the FHA, and did not have to follow the same standards. Because there were few incentives to enter urban communities, the building industry also abandoned minority communities, leading to dilapidation, declining housing values, steep vacancy rates (Jackson 1985).

Similar to the National Housing Act, the Servicemen's Readjustment Act of 1944, or the GI Bill, was passed to assist millions of Americans who fought in war build wealth and stability through lowered education costs and subsidized homeownership opportunities that capped interest rates and diminished down payments. The Bill would have a similar legacy to the National Housing Act, encouraging white families to leave urban areas, and bringing a “total re-landscaping of America with the growth of the suburbs”, (Bennett 1996, 302). In addition, the bill was crafted under the ‘southern auspices’ and its implementation was purposely decentralized to ensure southern states were able to act on Jim Crow, and keep suburbs segregated (Katznelson 2006). African Americans that were funded were either steered away from suburban communities, or exclusionary zoning ordinances mandated their removal.

HOLC, the FHA and the GI Bill all demonstrate how the federal government has traditionally encouraged homeownership, which is through private market incentives that insure lenders and decreasing risk. However, these three programs also demonstrate how the ideals of homeownership were initially corrupted through discrimination and racism. The rhetoric we often hear about the benefits of homeownership to individuals and the economy as a whole often leaves
out an alternative storyline—homeownership policy from the beginning has played
a strong role in spreading systemic racism and causing urban disinvestment. This
trend would continue until the 1960s.

1.2: Developing an Infrastructure for Enforcement

Because of a series of urban riots and the collective outcry of community
organizations, the federal government began to reorient the Federal Housing
Administration and develop a policy infrastructure to monitor discrimination
and bias in lending (Bentson 1979). Generally, the government tried to reduce
discrimination through two types of mechanisms - anti-discrimination legislation
and affirmative programs that aimed to redirect federally funded mortgages to
minorities. However, without clear mechanisms to enforce anti-discrimination
legislation, affirmative programs were abused by lenders.

The most famous anti-discrimination legislation is Title VIII of the Civil
Rights Act of 1968. Lenders were explicitly prohibited from denying financial
assistance or business based on race, color, religion, sex, familial status, or national
origin (Powell and Rogers 2013). In tandem with the reformation of the FHA,
the Equal Credit Opportunity Act (ECOA) was passed. ECOA banned ethnic
discrimination in loan approval, terms and conditions. Various financial regulatory
agencies were responsible for the implementation and regulation, however because
there had never been any legal cases to directly address discrimination, the type of
evidence needed to corroborate its occurrence was unknown. Based on a statement
issued by HUD, the Department of Justice, and a group of financial regulatory
agencies which states, “a pattern or practice of disparate treatment...may...be
established through a valid statistical analysis...provided that the analysis controls
for legitimate explanation for differences in treatment” (Yinger 1995, 194).

To compliment anti-discrimination legislation, the Home Mortgage
Disclosure Act was passed in 1975 to help experts and community organizations
track lending patterns more closely. Under the act, lenders insured through the
FHA must disclose information on borrowers, loan types and locations. Using this
information, researchers have been able to prove a negative relationship between
the number of minorities in a neighborhood and the number of approved mortgage
applications (Powell and Rogers 2013). The information required by HMDA
has expanded since its passing, but a lack of data continues to limit the ability of
researchers to track in depth trends. Even now it doesn’t include information on
marketing practices, terms, fees, and other charges for borrowers (Schwartz 2010).

With this anti-discrimination framework in place, the federal government
aimed to use affirmative programs to redirect mortgage funds back into minority communities. The Housing Act of 1968 established Section 235 Homeownership Assistance Program, in which insurance was specifically made available to low- and moderate-income home purchasers (Schill and Wachter 1995). Similar to the GI Bill however, policymakers had to compromise many of its key features to ensure the Act’s passing (Schwartz 2006). As a result, “FHA and governmental regulators were woefully negligent of underwriting” and many inner city communities were “rife with abuse, with unsuspecting Black families sold homes requiring repairs well beyond what they could afford” (Schwartz 2010, 237). Tens of thousands of homes were foreclosed on and abandoned (Schill and Wachter 1995). Rather than infusing communities with wealth, it caused “wholesale neighborhood devastation in many city neighborhoods, particularly in the Midwestern and Northeastern (Shlay 2006, 514). Section 235 was terminated nearly 20 years later in 1987 (Schill and Wachter 1995).

Finally, one of the most expansive efforts to directly combat discrimination through redirecting mortgage funding into minority communities is the Community Reinvestment Act (CRA). The CRA underscores the belief that all lenders are supposed to meet credit needs equally in all communities in their jurisdiction. The CRA assigns a grade based on the outcome of their business, thereby bypassing “the need to identify individual acts of discrimination” and holder lenders responsible for local outcomes (Yinger 1995, 197). Lenders with
lower grades are more likely to receive denials for mergers, acquisitions and branch openings (Schwartz 2010). Using data retrieved from HMDA, community groups were also given the authority to challenge future actions taken by lenders in their neighborhoods, delaying business ventures and raising costs. Between 1985 and 1996, about 200-based settlements have been reached between community groups and lenders, primarily by large regional banks (Yinger 1995).

Even in these early years, there were mixed conclusions about the effectiveness of CRA. Some advocates believe that it has brought billions of dollars into low- and moderate-income communities, with one report measuring the impact to over $10 billion (Dreier 1991). However, in its first ten years, only 8 out of an estimated 40,000 applications for mergers and acquisitions were denied (Schwartz 2010). This speaks to the government's lax use of the penalties outlined by the CRA. In addition, the CRA only applied to depository institutions, and did not monitor or track the lending of non-depository institutions. As the latter began to grow, the CRA did not extend it regulatory or enforcement framework to monitor how fairly credit was extended (Immergluck and Smith 2005).

Combined, reform beginning in 1968 began to create a framework for countering corruption and discrimination. Section 235 and CRA demonstrate the government's tendency to enforce through affirmative policies that would focus more lending in communities of color. However, anti-discrimination legislation and enforcement was too weak to monitor these programs. As a result, recipients under programs such as Section 235 were saddled with inadequate housing that was costly to repair and maintain. Part 3 of this chapter takes a closer look at how bias homeownership policy and a weak enforcement infrastructure impacted the growth of spatial segregation and urban poverty specifically in Boston.

1.3: Boston as a Case Study - Redlining, Advocacy and Reinvestment

The final part of Chapter 2 looks at how the rapid growth of federal housing finance impacted Boston. Locally there have been drastic changes to the urban environment as a result of homeownership policy. Local programs have accompanied federal legislation, sometimes exacerbating segregation and discrimination. However, community groups, academics and researchers who took advantage of available data were able to track lending discrimination. The effort of these advocates has translated into political wins for communities across the United States (Squires 2011). In fact, it was a United States hearing on the Boston Banks
Urban Renewal Group (BBURG) that brought national attention to unscrupulous lending acts in the beginning, helping to “pave the way” for the Community Reinvestment Act, and later the first ever state-level CRA (Dreier 1991).

Similar to the federal government, the City undertook homeownership programs after a series of protests and riots in the 1960s (Lopez 2005). First, in the wake of the 1967 riot, the City demolished over 2,000 units of dilapidated housing in Roxbury and Washington Park, but only replaced them with 800 new units (Husock 1992). As a result, African Americans started looking for new homes in Dorchester. BBURG is another example of a race conscious policy that inevitably hurt those it was suppose to help. Twenty-two banks worked together to create the initiative, which aimed to channel federally insured mortgages (equaling millions) into Boston neighborhoods for minority residents. The program was only available to African American homebuyers, and restricted purchases to inner-city communities that had been historically Jewish and Irish, including Dorchester and Mattapan (Gamm 1999). Similar to the federal government’s policy, scandal and abuse accompanied broker’s thirst for profit, and overshadowed any possible benefits that could arise from lending to specifically African American homeowners. Blockbusting and other malicious tactics instilled fear in Jewish and Catholic residents, and many moved to suburban communities. One real estate agent admitted telling white families, “that their little girls would be raped by blacks and they would have mulatto grandchildren” (Gamm 1999). These private lenders “transformed the racial composition of neighborhoods almost overnight”. In 1970 Mattapan was 80% White, but four years after BBURG’s implementation the population of Black residents rose to 80% (Lopez 2005; Gamm 1999).

BBURG also with coincided programs and initiatives that intended to reverse the impacts of segregation on the City, such as mandatory integration of schools and busing. The program could have been designed to encourage greater integration, therefore easing racial conflicts resulting from forced desegregation (Formisano 2012). Rather, tactics used by realtors only fueled conflict and detracted from the efforts of other policies. It is a stark reminder that housing policy is only one part of comprehensive system of social and economic programs, and must work in tandem with other comprehensive agendas such as education and local economic development. Nonetheless, the program had a large role in making “redlining” part of everyday vocabulary in Boston, and politicians such as Mayor Ray Flynn felt the resulting pressure, centering their campaigns around improvement of neighborhood quality and housing (Dreier 1991).

In addition, Research conducted by the Federal Reserve Bank of Boston (the Fed) in the 1980s and 1990s has been cited in papers about housing discrimination.
around the country, and reveals the overall impact of discriminatory lending practices on local disinvestment. However, these reports also reveal shortcomings in HMDA and the quality of data collected from lending institutions. Researchers face difficulties measuring the initial demand for lending in a community as well as discrimination, which is often times embedded within interactions between real estate agents and marketing, with outcomes (Taggart and Smith 1981). In addition, data wasn’t available for non depository institution, who relocated to fill in the market gap, and fall outside the jurisdiction of the regulatory framework. Problems aside, this research contributed to our preliminary understanding of the relationship between lending and disinvestment.

Overall, researchers throughout the 1980s and early 1990s were able to prove bias in lending when it came to race, as well as potential spatial bias when determining the type of mortgage lending. Using mortgage-to-deposit rations, one statistical analysis found that while urban communities received between 3% and 33% reinvestment, suburban communities saw levels as high as 543% (Munnell et al. 1992). This indicated that “substantial savings of urban depositors are exported to suburban communities” (Taggart and Smith 1981, 95). Additionally, one study found that minority applicants were around 60% more likely to be denied mortgages compared to their similarly situated white counterparts (Munnell et al. 1992). Surveys done in minority communities further showed that even though minorities in community of color had the money to afford down payment assistance from FHA-regulated loans, real estate brokers often steered them in the direction of loans with higher interest and alternative terms based on which communities were perceived as higher risk. In other words,

The decision to issue federally insured mortgages was, in many cases, not based on the borrowers’ financial need but on other criteria, related to the characteristics of the neighborhood where the borrowers were purchasing a home and possibly to racial characteristics of the borrowers themselves (Munnell et al. 1992, 101).

In addition to individual bias, one researcher also noted that, “some evidence suggests that the decision to require PMI (Personal Mortgage Insurance) depends on the minority composition of the tract. This indirect form of redlining would increase the price paid by applications from these areas” (Tootell 1996). In a city that is very racially concentrated, this was bound to have stark geographic impacts. Spatially, researchers noticed disinvestment took the form of concentric circles, with the worst-off communities at the core.

To cope with the shortcomings of HMDA, alternative research methods emerged such as surveys that captured the extent of steering and other
discriminatory practices. Combined, this data revealed enforcement of anti-discrimination laws and policies were not up to par decades after their passing. As HMDA data expanded, researchers were able to corroborate their initial findings and draw a number of important conclusions concerning the disinvestment of minority neighborhoods, as well as the rate of rejections in loan applications. This information was invaluable in showing how the corrupted mechanisms for promoting homeownership began to infect the urban landscape.

Conclusion

This chapter looks at the initial push for homeownership in America, and the tools and programs the federal government used to promote its growth. This included the establishment of the FHA, and other programs that continue to subsidize the private markets through insuring loans. All of these programs promote homeownership through market incentives, operating under the premise that in order for homeownership to grow, the real estate industry must realize profit. In addition, it demonstrates how restricting homeownership opportunities to white Americans impacted minorities as well as the inner city communities they lived in. These trends were particularly strong in Boston, where local programs exacerbated trends towards spatial segregation and lending discrimination.

Telling of the disinvestment that occurred in inner-city communities of color between the 1973 Housing Survey and the 1980 Housing survey,

The median worth of homes owned and occupied by whites...rose by 8 percent in the seven-year span. For those owned and occupied by blacks, there was an actual decrease of 3 percent in their market value (Farley and Allen 1987, 291).

Those African Americans that were able to afford homeownership were sold homes in poor condition and of lower market value. In addition, negligence and a lack of oversight and enforcement has enabled racism and bigotry in the real estate market, and severely compromised the effectiveness of anti-discrimination legislation. While the initial policy framework to combat racism was created, there were weaknesses in implementation. This also impacted attempts to affirmatively redirect lending into minority communities, which often times only fueling racial tension more. This was particularly evident in Boston, where programs such as BBURG led to unprecedented scales of segregation.

This era of homeownership policy does however demonstrate the power of community activists in reorienting policy and calling national attention to local problems. As mentioned earlier, anti-discrimination legislation may not have
existed at all if it weren't for the effort of grass-roots organizers and civil rights activists. They have also act as local watchdogs over lenders and banks. Research and data collection have been vital, but were also not comprehensive enough to make a sustained impact. While HMDA served as a valuable resource in identifying bigotry, there was little government support for local institutions to actually run anti-discrimination campaigns. If the government was going to place the onus of discovering discrimination on the shoulders of community organizations, they should have provided more robust resources for them to address this, including more data on lending. As it stood and still currently stands, it is the individual's responsibility to know their own rights and report their own discrimination.

The next chapter will show how the emergence of secondary mortgage markets led to the subprime crisis. Chapter 2 shows that with an ineffective anti-discriminatory policy in place and growing complexity in the challenges faced by these communities, deregulation would open up the floodgates for predatory and subprime lending. This would have a particularly pernicious impact on immigrants, who started to migrate to the United States more rapidly in the 1990s, and began seeking homeownership opportunities at the height of the boom.
Chapter 2:
The Era of Deregulation and Subprime Lending

Since the 1960s, the federal government has passed a number of important policies and programs with the intent of correcting historic wrongs and extending homeownership to marginalized communities of color. At face value, these policies did help to increase homeownership amongst people of color. According to Anne Shlay, the number of home purchase loans to low-income families grew by 79% between 1993 and 2000 (2006). As a result of expanded lending, the Fannie Mae Foundation reports that minorities accounted for 40% of the net increase in homeownership between 1990 and 2000, growing by 4.4 million throughout the course of the decade (Simmons 2001). As this chapter will show, these numbers do not capture the quality of mortgages. With little enforcement, private lenders and banks were free to aggressively exploit new homeowners for fast profit, selling them subprime loans with complicated terms at predatory interest rates.

The cultivation of low-income homeownership policies and deregulation also coincided with a massive growth in immigration. Between 1970 and 2000, the number of immigrants in the United States tripled, doubling in percentage of the U.S. population (Camarota 2001). This added fuel to the fire for lenders, who saw new investment opportunities in previously disinvested neighborhoods such as Dorchester, Mattapan and East Boston. Many immigrants were moving to these neighborhoods seeking affordability and inevitably felt to effects of market-driven, discriminatory housing policy.

The first part of this chapter (2.1) examines what factors have predicted homeownership rates in immigrant populations. It sheds light on the complex social, cultural and economic barriers faced by immigrant homeowners, and the need for low-income homeownership policy that is cautious and sensitive to cultural differences, helping to nurture financial stability. However, federal policies that encouraged deregulation incentivized the direct opposite of this. Part 2.2 looks at the explosion of subprime lending due to deregulation, the development
of securitization, and the widespread impacts of this on immigrant communities. Finally, Part 2.3 takes a closer look at early federal attempts to reign in the private market, and why they failed.

2.1: Immigrants and Homeownership

Compared to other minorities, homeownership in the immigrant population only started increasing during the 2000s (Mengistu 2014). One hypothesis is that as the duration of residency increased, immigrants became more financially capable of purchasing homes. However, in his working paper, George Borjas shows two other variables which are often ignored—"the national origin of immigrants and the residential location choices made by different immigrant groups" (Borjas 2002, 3). The report also concluded that immigrants that acquire US citizenship are nearly twice as likely as non-citizens to become homeowners, regardless of the amount of time they've been in the country. Yet another article written in 2007 on Hispanic homeownership, found that the statistical significance of citizenship decreases when one considers English language ability (Cortes et al. 2007).

In addition to language barriers, citizenship status, country of origin and length of stay, there are a host of other variables that make homeownership difficult to obtain, and important to our story, sustain. These include the following (Goździak and Bump 2008):

- Poor access to commercial lending institutions, partially because of a poor and/or non-existent credit
- Prevalence of poverty
- Cultural differences resulting in varying values towards homeownership
- Higher self employment rates (and therefore less steady sources of income) among immigrants
- Fewer benefits from intergenerational transfers of wealth
- Low educational achievement
- Racial barriers and perceptions
- Lack of formal documentation

The complexity behind homeownership highlights how crucial it is for immigrant communities to have unique programs and organizations that are tailored to their needs and vulnerabilities. It also highlights the vast differences in immigrant communities around the country, and a need for homeownership programs that can adapt to the specific needs of local populations. Differences in cultural understandings, language abilities, and varied understandings of mainstream
lending call for approaches to lending that are personalized. They also must be deeply collaborative with other services and institutions that would help foreign-born populations access safe jobs and educational facilities. Features should include multi-lingual staff that are familiar with the struggles of the community, financial literacy programs that can help immigrants understand and safely build credit and access conventional financing institutions, and affordable lending options that are flexible and can adjust to the transitioning lives of foreign born populations as they spend more time in the United States. Some homeownership programs across the country even include trained underwriters in how to measure credit worthiness in non-traditional ways (Goździak and Bump 2008). Ideally, programs should foster a sense of ownership over the entire community, allowing immigrants to build the knowledge needed to protect and maintain their neighborhoods. With a growing enforcement framework that redirected private lending into low-income communities (the Community Reinvestment Act) and a regulatory structure that monitored discrimination, the federal government had begun to encourage this type of growth.

However, few lessons from housing in previous decades would carry over to the future. In the 1980s and 1990s policymakers would continue to incentivize homeownership through supporting the private market, culminating in the rapid explosion of predatory and subprime lending. The next section will show the evolution of the crisis, and the inevitable outcome it would have on immigrant communities.

2.2: Deregulation, Securitization and the Growth of Subprime Lending

Between the Home Mortgage Disclosure Act of 1975 and updates to the Community Reinvestment Act and FHA, the government began strengthening anti-discrimination legislation and programs. However, deregulation of the market dwarfed these attempts, diminishing accountability while enabling lenders to charge predatory and subprime rates. One of the major contributing policies was the Depository Institution Deregulation and Monetary Control Act of 1980 (DIDMCA). Conceived during an economic recession to provide an incentive for banks to continue lending to 'riskier markets', DIDMCA “paved the way for what we now call subprime mortgages” (Hanson and Essenburg 2014, 87). Other bills that encouraged untraditional forms of lending included the Garn-St. Germain Act of 1982, and the Alternative Mortgage Transaction Parity Act (Powell and...
Rogers 2013; Bratt, Stone, and Hartman 2006, Schwartz 2010). Combined, this legislation would allow banks to charge higher interest rates, offering loans with unconventional lending terms. Because of these bills, subprime mortgage products such as Adjustable Rate Mortgages (ARMs)\(^1\), Alt-A loans\(^2\), and home equity loans\(^3\) would become mainstream (R. G. Bratt, Stone, and Hartman 2006).

In addition, securitization of loans became more complicated as the market for loans increased in breadth. The practice of securitization originated from Ginnie Mae and Freddie Mac, who began to sell pooled loans to investors on Wall Street in the 1970s (Schwartz 2010). Investors saw these securities as low-risk because these entities guaranteed the interest and principle coming from the loan. It allowed for "larger capital markets to directly invest in American homeownership at a lower cost than the older depository lending model of business" (Powell and Rogers 2013, 73). Private banks realized the benefits of securitization, adopting the practice, and creating complex pathways through which to optimize their financial payback. Non-depository institutions, which were not regulated by HMDA or the CRA, also realized these benefits. Brokers could quickly sell alternative loans in the secondary market to larger institutions, building on their profit. Unlike enforced depository institutions, these brokers were more likely to take advantage of regulatory legislation, offering alternative mortgages with extremely high interest rates and flexible terms (Howell 2006).

The vast system of securitization allowed Wall Street capital to transform "relatively small businesses into multi-million dollar institutions with a tremendous impact on the lives of entire communities" (Powell and Rogers 2013, 82). Accompanied by new capital created through mechanisms such as credit default swaps (CDOs)\(^4\) and collateral debt obligations\(^5\), subprime lending exploded (Immergluck 2009). By 2000, alternative loans were not only being extended to communities that couldn't had conventionally been denied traditional mortgages, but also to prime lenders (Howell 2006). In cities such as Boston where land prices soared, lenders were able to extend financing options that would allow people to purchase extremely expensive properties in central parts of the City (Immergluck 2009). By 2002, 60% of loans were originated by brokers, who were less accountable than larger depository institutions (Howell 2006). Fueled by increasingly new

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1. A mortgage whose interest rate is adjusted to reflect market conditions
2. Alt-A loans are riskier than prime loans, but not as risky as subprime. They are not eligible for purchase by Fannie Mae or Freddie Mac, and tend demand less documentation and lower credit scores out of borrowers
3. This type of loan allows the borrower to use the equity in his or her home as collateral
4. CDOs pooled mortgage-backed securities together, creating higher-rating bonds
5. Credit default swaps are "private, unregulated, insurance agreements that allow investors...to hedge their investments" (Immergluck 2009, 409)
sources of capital, subprime lending increased by 900% between 1993 and 1999, and then 250% alone from 2000 to 2004 (Immergluck 2009). Immergluck refers to this era of lending as an entirely separate, second subprime boom in which loans were performing more poorly than ever before (Immergluck 2009). As mentioned above, this is around the same time that immigrant homeownership began to grow as well.

Securitization led to increased capital for lending, however it severely compromised accountability and transparency in lending practices. Subprime lenders continuously targeted communities of color that had historically lacked access to credit, as well as newer communities of immigrants, leading to geographic concentrations of alternative financing (Immergluck 2009). As a result of automated underwriting and credit scoring processes, lending also became highly impersonal. For lenders with language barriers or a poor understanding of banking, these new mechanisms would compromise their understanding of the terms associated with their mortgage. In addition, new automated formulas were used to determine the risk and inevitably loan prices and terms, diminishing accountability. As a result, they perpetuated historic inequities, automatically assigning more financially constrained residents more expensive mortgages that were more difficult to manage (Howell 2006).

As unsustainable mortgages began to unravel, foreclosures in most metropolitan areas began to rise substantially in 2007. In some cases, a financial emergency, such as medical care or a job loss, clashed with unsustainable loan payments (Carrera and Samuel 2014). In other cases, borrowers discovered fraudulent information on their application during the course of foreclosure counseling. An even greater group report that they were unable to pay back their loans from the beginning (Thomas 2010). To try and make their mortgage payments, families had to dig into other assets, including college savings or credit. These families were not only stripped of their homes, but other assets and equity as well in very brief amounts of time. In Boston, the average age of the mortgage in times of foreclosure was less than 3 years, indicating that it was the newest set of mortgages that struggled the most (Foreclosure Trends 2008).

While subprime and predatory lending hit most communities of color, immigrant communities were especially targeted. As can be expected, this was followed by high rates of foreclosure. Without the proper infrastructure in place to support and protect immigrants, lending was particularly abusive in foreign-born communities. The next section looks at evidence of both these lending practices and foreclosure outcomes in cities across the country.
Subprime and Predatory Lending in Immigrant Communities

While subprime lending impacted African Americans and other minorities, it had a particularly malevolent effect on urban immigrant populations. Impersonal lending tactics and fraudulent behavior made foreign born populations with language barriers and low credit scores particularly vulnerable. Researchers have also been able to show geographic correlations between communities with high predatory lending rates and high proportions of immigrants. GIS mapping conducted by the Kirwan Institute reveals a particularly jarring correlation in New York City, which led to higher foreclosure.

In larger cities, immigrant communities are particularly attractive to subprime and predatory lenders because they are isolated from mainstream banking and lending institutions. According to the Kirwan Institute, “an estimated 32% of foreign-born households in the U.S. do not have basic bank accounts, compared to
18% of those born in the US" (Del Rio 2009, 5). An analysis done on the causes of high foreclosure in the DC metropolitan area also indicates that subprime lending was concentrated in communities particularly vulnerable to credit scams, most commonly immigrant enclaves.

Newspaper articles and the recorded experiences of housing organizations in communities around the country provide additional insight into why immigrant populations were so vulnerable, and the impact of predatory lending. Chhaya CDC in New York City estimates that in some of these same areas, more than 50% of homeowners that are in default on their mortgages are South Asian immigrants (Del Rio 2009). The International District Housing Alliance in Seattle has assisted dozens of immigrant homeowners with limited English abilities decipher predatory loan terms. According to an article in the International Examiners in 2006, Executive Director Stella Chao stated that predatory lending had “ballooned in the past four to five years” and “limited English speakers are specifically targeted not just by lenders, but also product marketing” (Nguyen 2006). Hundreds of miles away, the Executive Director of The Resurrection project described a similar lending atmosphere in Southwest Chicago, where “Latino borrowers and other minority groups were disproportionately offered risky, high-interest loans” (Campbell 2014). While the government encouraged fair lending to make up for previous discriminatory behaviors and bridge the wealth gap that was created through these behaviors, the prevalence of subprime mortgages demonstrates and predatory lending went unregulated. They had corrected for accessibility, however the regulatory framework wasn’t in place to ensure that such access was fair. At the whim of the private market, droves of immigrants were now intertwined in an oppressive system decades in the making.

### 2.3: Why Enforcement Failed

To accompany deregulation, enforcement mechanisms were not up-to-date enough to address the growth in subprime lending. As mentioned in Chapter One, the Community Reinvestment Act was a major initiative that focused lending in marginalized communities. However, the Community Reinvestment Act was designed to combat redlining, and did not “specifically address discriminatory tendencies in the pricing and marketing of mortgage loans” (Schwartz 2010, 365). In fact, one Federal Reserve study found that 90% of all subprime loans were not subjected to CRA review (Schwartz 2010).

In 1994, the Homeownership and Equity Protection Act (HOEPA) was passed to combat reverse redlining practices and predatory lending. Reverse
redlining, a commonly used term, describes the systematic targeting of credit-starved communities which lacked access to mainstream banking and lending due to prior redlining (Powell and Rogers 2013). The law targets subprime loans, requiring the lenders who provide these loans to fully disclose terms before consumers sign off. However, given the number of documents lenders must digest before closing, and common language and educational barriers in immigrant communities, the law failed to curb predatory lending (Schwartz 2010).

Other attempts at regulating the industry failed to monitor the pricing of loans, therefore allowing the private market to dictate the terms of repayment. With no system in place to protect consumers against predatory and subprime lending, enforcement of these policies and programs fell on the individual, who had to know “when they were being discriminated against, which is increasingly difficult as discrimination becomes less overt” (Schwartz 2010, 240).

Conclusion

This chapter and the previous one demonstrate how the framework created to support homeownership attainment has only caused more injustice in communities of color. Chapter 2 showed that while homeownership could have effectively helped newly arrived immigrants build wealth and security, deregulation reoriented the goals of the private market, allowing them to focus more on profit than on sustainable ownership models. Housing policy paved the way for subprime lending, enabling the private market to evolve in a way that could maximize profit while decreasing accountability and transparency. This would have a particularly aggressive impact in low-income immigrant communities where residents already face a myriad of challenges when it comes to attaining and sustaining homeownership. As a result of poor financing, many of these communities would be quickly stripped of their assets and equity when the foreclosure crisis hit its peak between 2007 and 2009. While the populations impacted by discrimination evolved, terms such as “reverse redlining” are indicative of how it continue to impact the same physical neighborhoods.

While the government is not specifically responsible for the growth of predatory lending in immigrant enclaves, the enforcement mechanisms they used to control discrimination and encourage lending in low-income communities were outdated. This is particularly true given a greater majority of loans were being originated by lenders who were not subjected to CRA or HMDA. Since many low-income immigrant communities lack access to mainstream depository institutions, this left them without protection (Del Rio 2009). As a result, unmonitored
alternative lending models emerged and flourished. The relationship between immigrants and homeownership is growing evidence of the growing complexity of what it means to be marginalized in the United States, and the failure of the government to address this complexity in how it protects consumers and regulates the private market.

The next chapter will look at how the growth of deregulation and subprime lending impacted immigrant communities in and around Boston. It also summarizes the experiences of practitioners who were on the ground at the height of the foreclosure crisis, and can attest to the pain caused in immigrant communities by aggressive and discriminatory lending tactics.
Chapter 3:
Immigration and Foreclosure in Massachusetts

The last chapter reviewed how the decisions of policymakers impacted the spread of predatory lending in immigrant communities nationally. As Chapter 1 showed, spatial segregation was especially strong in Boston, and many communities of color and disinvested areas in Boston became havens for immigrants. This chapter takes a closer look at the spatial layout of immigrant communities in and around Boston, and how these communities were impacted first by subprime lending, and then by foreclosure. The first part of the chapter (3.1) looks at where immigrants settled in Boston and around Massachusetts. Part 3.2 looks more deeply at the spatial layout of subprime lending and foreclosures, correlating their prevalence to ethnic enclaves. Maps aim to reveal how trends in lending differed in rural areas versus around Boston, and the types of variables that may have made subprime lending and foreclosure worse. Finally, this section begins to recall the experiences of practitioners who can attest to the disproportionate impact on the foreclosure crisis on immigrants.

3.1: Immigrant Communities in Boston and the Surrounding Area

In Boston alone, the growth of the foreign-born population surpasses both the national rate and Massachusetts’s rate. By 2008, the City stood out “among the largest cities in the United States in terms of it’s population that is foreign born” (Briefing Book: Demographic Profile of the Foreign-Born in Boston 2008). Seeking affordability, most low-income residents would come to reside in marginalized communities that had experienced disinvestment as a result of historic discrimination. As Figure 4 shows, this includes Dorchester and Mattapan, but also communities such as East Boston. According to the American Community
Survey, Chinatown and Allston also have large immigrant populations, but are not traditionally thought of as ‘disinvested’. Figure 5 (on the following page) examines the concentration of foreign born populations in Boston from a spatial perspective.

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>Neighborhood</th>
<th>% Foreign Born</th>
</tr>
</thead>
<tbody>
<tr>
<td>02128</td>
<td>East Boston</td>
<td>49.6%</td>
</tr>
<tr>
<td>02111</td>
<td>Boston (Chinatown/Tufts Medical)</td>
<td>46.3%</td>
</tr>
<tr>
<td>02126</td>
<td>Mattapan</td>
<td>35.9%</td>
</tr>
<tr>
<td>02125</td>
<td>Dorchester Uphams Corner</td>
<td>34.6%</td>
</tr>
<tr>
<td>02122</td>
<td>Dorchester</td>
<td>33.2%</td>
</tr>
<tr>
<td>02134</td>
<td>Allston</td>
<td>33.1%</td>
</tr>
<tr>
<td>02135</td>
<td>Brighton</td>
<td>30.2%</td>
</tr>
<tr>
<td>02131</td>
<td>Roslindale</td>
<td>29.3%</td>
</tr>
<tr>
<td>02124</td>
<td>Dorchester Center (excluding Four Corners)</td>
<td>28.9%</td>
</tr>
<tr>
<td>02136</td>
<td>Hyde Park</td>
<td>28.7%</td>
</tr>
<tr>
<td>02121</td>
<td>Dorchester Grove Hall</td>
<td>27.0%</td>
</tr>
<tr>
<td>02118</td>
<td>Boston South End</td>
<td>26.6%</td>
</tr>
</tbody>
</table>

Other cities in Massachusetts, called “gateway cities”, also experienced a staggering growth in their immigrant population. Communities such as Lawrence, Worcester, Lynn, Lowell and Brockton suffered from weakened local economies resulting from the overall decline in manufacturing in the United States (Forman and Larson, Sandra 2014). As Figure 7 demonstrates, while these cities have been slow to regain their economic vitality, they have become affordable havens for immigrants who can't afford to live directly within Boston. Between 2000 and 2012, approximately 100,000 foreign born residents came to occupy one of 26 gateway communities in Massachusetts, seeking affordable and stable communities to settle in (Forman and Larson, Sandra 2014). Lawrence even saw its immigrant population grow from around 20% in 1990 to nearly 40% in 2010. Those communities with the highest immigrant populations include Lawrence, Lynn, Malden, and Chelsea. Figure 6 shows that most of these cities are clustered just north of Boston. In addition, other communities outside of Boston that appear to have high immigrant population include Cambridge (53.5%), and Somerville (35.0%).

### 3.2: Immigrants and Subprime Lending

Even considering the high rates of subprime lending in immigrant
Fig. 5: Immigrant Population by Neighborhood in Boston

Source: American Community Survey 2007-2011
Fig. 6: Immigrant Populations in Massachusetts's Gateway Cities

Source: American Community Survey 2007-2011
The foreign-born population in many Gateway Cities is trending back toward the peak of a century ago.

Figure 7: "Going for Growth: Promoting Immigrant Entrepreneurship in Massachusetts Gateway Cities", MassINC 2014

Source: US Census Bureau

communities (described in Chapter 2), national research shows the impact of foreclosure was not as detrimental on the overall immigrant population. One report found that the 2008 recession negatively impacted more native-born homeowners, calling the impact on immigrants "relatively modest" (Kochar, Gonzalez-Barrera, Ana, and Dockterman, Daniel 2009, ii). Conclusions are based on homeownership rates, which for immigrants declined from 53.3% in 2006 to 52.9% in 2008. Compared to the overall drop in homeownership rate from 69.0% to 67.8%, this is not very extreme (Kochar, Gonzalez-Barrera, Ana, and Dockterman, Daniel 2009). Since the recession, one report found that immigrants were less likely to move, and "the negative impact of the recession on the housing outcomes of immigrants was less severe than for US-born households" (Painter and Yu 2014, 783).

While important in evaluating overall foreclosure trends, national scale research doesn't account for the vast diversity of experience of immigrants in the United States. When differences in ethnicity, socioeconomics, language ability and even geography are taken into account, the impacts of foreclosure become far less straightforward. For example, the Fannie Mae Foundation found that foreclosure impacted various ethnic groups differently: "while native-born Americans and many immigrant groups fared poorly during the housing crisis, Chinese-born homeowners...remained relatively unscathed" (Cevarr 2013, 1). Painter and Yu's analysis found that the largest reduction in homeownership rates was actually in larger, more established immigrant gateways (Painter and Yu 2014). New York
City, Chicago, Seattle and Boston qualify as larger, more established immigrant gateways. In these cities, immigrant populations have resided for a long enough time to build equity, however there is more concentrated poverty, limiting access to mainstream financial resources. This makes them particularly vulnerable to subprime lending.

Because HMDA does not record nativity status, many researchers and organizations have had difficulty proving a direct relationship between subprime lending and nativity (Del Rio 2009). As a proxy, I used HMDA data on high-cost loans. The maps on the next three pages show trends in high cost lending in Massachusetts and then the Boston metropolitan area. The statewide map (Figure 8) shows that subprime lending impacted most census tracts where there was over a 25% foreign born population. This includes Framingham, Lowell, Lawrence, Brockton, and parts of Worcester. Unsurprisingly, a large proportion of the population (10%) in most of these general areas does not speak English well, as can be seen in Figure 10. Overall, subprime lending seems to have been far more widespread, also impacting communities with smaller foreign-born populations such as Springfield. It is likely that statewide, rates of subprime lending statewide were more connected to other socioeconomic factors. According to the American Community Survey, Springfield is within the lowest quintile statewide when it comes to median household income.

Figure 9 shows how subprime lending impacted suburban and urban environments. Generally, statewide trends were reversed, as subprime lending remained isolated to areas with higher rates of foreign born populations. Communities with over 30% immigrant populations are hatched. All areas where there are substantially higher rates of subprime lending appear to be located in or around communities with higher rates of immigrants. Figure 10 shows that with the exception of Dorchester, these areas also have more residents that do not speak English. There are communities in Downtown Boston and Allston that have high numbers foreign born residents that do not speak English which did not have elevated rates of subprime lending. These communities are also have lower household incomes (according to the American Community Survey). However, they are broadly known as markets that are dominated by renters rather than homeowners, and are generally less affordable for newer immigrants.

3.3: Foreclosures in Massachusetts and Boston

Figure 11 reveals those cities that had the highest rates of foreclosure in Massachusetts. As expected, immigrant communities that had higher rates of
Fig. 8: Rates of High Cost Home Purchases in Massachusetts


Tracts with over 25% foreign born residents

Percent of Home Purchases that are High Cost

- 0% - 9.41%
- 9.42% - 19.45%
- 19.46% - 32.65%
- 32.66% - 48.78%
- 48.79% - 100%
Fig. 9: Rates of High Cost Home Purchases in Boston Metropolitan Area

Fig. 10: Percentage of High Cost Loans by Census Tract, also indicating Language Barriers

subprime lending experienced the greatest impact. This includes the gateway cities mentioned earlier.

<table>
<thead>
<tr>
<th>City</th>
<th>Total City Pop</th>
<th>% Immigrant</th>
<th>Foreclosure Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>602,609</td>
<td>27.2%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Cambridge</td>
<td>103,506</td>
<td>27.2%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Lawrence</td>
<td>75,177</td>
<td>36.0%</td>
<td>UNAVAILABLE</td>
</tr>
<tr>
<td>Lowell</td>
<td>105,089</td>
<td>24.6%</td>
<td>1.57%</td>
</tr>
<tr>
<td>Lynn</td>
<td>89,625</td>
<td>28.8%</td>
<td>2.35%</td>
</tr>
<tr>
<td>Quincy</td>
<td>90,780</td>
<td>27.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Malden</td>
<td>58,180</td>
<td>39.4%</td>
<td>1.07%</td>
</tr>
<tr>
<td>Brockton</td>
<td>93,869</td>
<td>23.8%</td>
<td>2.34%</td>
</tr>
<tr>
<td>Somerville</td>
<td>75,215</td>
<td>26.8%</td>
<td>.37%</td>
</tr>
<tr>
<td>Framingham</td>
<td>67,339</td>
<td>25.9%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

Because of generally high land values and concentrated wealth, the foreclosure rate in Boston wasn't as high as in other parts of the state. Brockton, Massachusetts had the highest foreclosure rate in the state. According to one local housing counselor, the “large immigrant population often fell prey to predatory lenders” (Donga 2014). Again, Figures 13 and 14 show a spatial correlation both statewide and within the Boston that is indicative of potential connections between foreclosure and nativity.

**Foreclosure in Boston**

<table>
<thead>
<tr>
<th>City</th>
<th>Foreclosure Deeds</th>
<th>Percent of Boston Total (1,215)</th>
<th>Petitions Filed</th>
<th>Percentage of Boston Total (1,900)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dorchester</td>
<td>418</td>
<td>34.0%</td>
<td>513</td>
<td>27.0%</td>
</tr>
<tr>
<td>East Boston</td>
<td>89</td>
<td>7.3%</td>
<td>185</td>
<td>9.7%</td>
</tr>
<tr>
<td>Hyde Park</td>
<td>111</td>
<td>9.1%</td>
<td>193</td>
<td>10.1%</td>
</tr>
<tr>
<td>Mattapan</td>
<td>151</td>
<td>12.4%</td>
<td>212</td>
<td>11.1%</td>
</tr>
<tr>
<td>Roxbury</td>
<td>236</td>
<td>19.4%</td>
<td>321</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

As is expected, extreme rates of subprime lending translated into extreme rates of foreclosure. In 2008, Boston experienced the greatest numbers of foreclosure deeds registered in its recent history ("Crosscut Topic: Boston Neighborhoods," n.d.). As Figure 12 shows, of the 1,215 foreclosure deeds signed, 81% were located
Fig. 13: Estimated Percentage of Foreclosed Homes by Census Tract in Massachusetts

Fig. 14: Estimated Percentage of Foreclosed Homes by Census Tract in Boston Metropolitan Area

in one of five neighborhoods: Dorchester, East Boston, Hyde Park, Mattapan and Roxbury. These five neighborhoods also saw 75% of all petitioned properties (1,900 total). Over 70% of these mortgages were Adjustable Rate Mortgages, and a majority originated from subprime lenders (Foreclosure Trends 2008).

The analysis, while not perfect, shows that there is a clear overlap between those communities in Boston that experienced the highest rates of foreclosure and the percentage of foreign-born residents. Anecdotes and insight from experts reveal that one reason Hispanic communities were more vulnerable than other communities of color was because of the high proportion of immigrants (Johnston 2015). Eloise Lawrence, who works for Harvard Legal Aid Bureau noted that a majority of her clients were first generation immigrants,

The sons and daughters were usually with their immigrant parents talking to me. There were many times when they were translating. It was awful having to see these kids have to translate. And some of them are in their teens, and some of them are in their twenties. And having to translate for the parents and say, 'we're going to lose this, this is what this means' (Lawrence 2015).

Many of the positive elements of immigrant communities, including shared culture and values, and a strong sense of unity made immigrants vulnerable as neighbors and family members convinced each other to take on unaffordable debt or refinance their homes. Eloise and others have described it as a “perfect storm”, where everyone was supporting and encouraging residents to take loans and purchase homes. While from the outside it looked as though lending opportunities were opening up in marginalized communities, a closer look at what was happening within communities would shed light on a different story:

People used each other, people cheated each other, for short term gain. The people who were really making money rode off into the sunset… still saying they did a good thing for America. It's incredible. There's no meaningful accountability for the people who truly made money. For the people in these communities who sold these mortgages some of them survived but a lot of them lost their shirts too. Because it was much bigger than they were (Lawrence 2015).

The tactics used to appeal to immigrants were ruthless. There were even accounts of national subprime lenders recruiting immigrants from the same communities they were targeting to sell the loans to neighbors. Generally in Massachusetts, Brazilians accounted for three out of every ten homes sold to immigrants, and “appear to have been sold subprime deals by brokers who themselves were immigrants” (Powell and Rogers 2013, 103).

As mentioned earlier, fraudulent lending behavior was a major problem. Keyna, a housing counselor in Dorchester, had cases where brokers were from Cape
Verde (like a high proportion of the population) and would make up numbers for income, and actively encouraging residents to refinance their homes for additional income (Carrera and Samual 2014). Eloise even remembers representing some of these individuals when they were being threatened with eviction:

I remember this one guy came, and I realized he was the guy on the radio in Chelsea and East Boston, speaking in Spanish selling this crap to his neighbors and friends. And here he was coming to us with this foreclosure. Everyone was making money for a while, and the very big institutions realized the best people to sell products are the people that people know. People were being used. Obviously there was an enormous need for income, and especially in immigrant communities a desire often to come to this country and they're told this is what the American Dream is (Lawrence 2015).

Matt Nickell, who has been working with foreclosure clients in Boston since he was in law school, noted how viciously immigrant communities were targeted,

It's very scary. You see that these communities were targeted very expressly. Definitely immigrant communities were preyed on in Boston itself, Dorchester, Mattapan—the communities that were really hit by this. The Haitian community, the Vietnamese community in Dorchester was really badly hit. In East Boston and up to the north, Chelsea, anywhere along the coast there is a very large Spanish speaking population in those cities, a lot of people from the Caribbean, South America—they were some the cities that were the worst hit in the state. There is definitely a strong connection there (Nickell 2015).

Matt has seen historic redlining maps of Boston. He was shocked at how much they overlap with the communities where predatory lending was the most prevalent. His observations corroborate the history presented in Chapter 1, showing that the same communities have been systematically impacted by lending discrimination throughout the century. Nonetheless, the populations that are impacted continue to evolve. No longer is it just African Americans and Latinos, but people from around the world, with different cultures, ideas of communities, perceptions towards banking, and different ideas of home. Their barriers to wealth accumulation are incredibly complicated, and they rely on their community for stability and support. With a higher chance of language barriers, and less diversity in financial assets, they are more vulnerable than African Americans whose families have resided in communities for decades. In many cases, their homes and their communities are their only form of stability.

**Conclusion:**

While little research can be done to directly prove a correlation between subprime
lending and immigrants, these chapters showed that subprime lending, and then
foreclosure negatively impacted gateway and immigrant communities primarily
around Boston. However, there were areas such as Cambridge and Chinatown that
have substantially higher immigrant populations, but were not taken advantage of.
This is most likely due to higher existing homeownership rates, student populations
and rental rates (Duan 2015). Most of the immigrant enclaves that were greatly
impacted were generally low-income communities of color that have historically
been oppressed due to discrimination. This includes neighborhoods such as
Dorchester and Mattapan, which were greatly shaped by BBURG.

The account of practitioners shows that brokers used tactics that took
advantage of both the weaknesses and the strengths of foreign-born communities.
This includes language barriers and poor access to credit. Even more pernicious,
they also took advantage of the strengths of these communities, by recruiting
community members with similar cultural backgrounds to do much of the lending.

The next chapter will summarize the work of the Post Foreclosure Eviction
Defense Campaign. While not specific to immigrants, the Campaign’s practitioners
predominantly worked in communities with the highest foreclosure rates, which
as this chapter established, included immigrants enclaves. The Campaign was
particularly successful in building a movement that embodied an ideology towards
homeownership that better suits the needs of low-income residents and particularly
immigrants.
Chapter 4: The Post Foreclosure Eviction Defense Campaign

The last three chapters established that since the 1930s, lending has been aggressive and discriminatory. While the government tried to reverse disinvestment in inner city communities and prevent further discrimination, it was too little, too late. In Boston, the impacts of subprime lending and foreclosure were especially felt in immigrant communities. The growing complexity of socioeconomic barriers low-income residents face calls for a dramatically different approach to homeownership that is community-oriented, flexible, and sensitive to the needs of local residents. This chapter discusses the work of the Post Foreclosure Eviction Defense Campaign, a radical and comprehensive partnership that has helped to prevent the eviction of thousands of victims of foreclosure in Boston and surrounding communities beginning in 2007.

Foreclosure resistance in the United States isn’t a new concept. Many of the tactics and strategies used in Boston were also seen across the Rustbelt in the early 1980s. Historically it has prevented evictions and won residents financial relief. According to Michael Stone,

The basis for this militant organizing was the experience and culture of these homeowners’ industrial unionism, which spawned sophisticated ad hoc organizations as well as support from the unions themselves (Stone 1993, 281).

Shared culture and experience fueled collective action while labor unions nurtured radical thought, provided political education, and forged a stronger sense of togetherness. According to Stone, foreclosure resistance didn’t emerge again throughout the 1980s or 1990s because of a lack of similar shared traditions and background in marginalized communities, and a retreat from the workplace militancy and political education that accompanied being part of an industrial union (Stone 1993). However, Immigrant and low-income communities of color often foster shared cultural traditions and experiences, providing a foundation that
is ripe for resistance and collective action. Talented organizers who can nurture community while introducing a political component can serve as a catalyst for greater change:

Unless activists bring the issue to them, and unless these homeowners have some predisposition to collective action, one should not be overly optimistic. Individualized housing consumption—manifested in its most extreme form of conventional mortgaged homeownership—leads most people in this society to blame themselves or feel helpless to fight back when faced with foreclosure (Stone 1993).

Along the lines of these historic movement, the local strategy used to fight foreclosure and prevent eviction has emerged as a national example to a community-oriented approach that is unique, in depth and impactful. The organizing component roots itself in the shared experiences and traditions of residents, while providing a nuanced political and radical analytical framework that fosters activism in the same way unions did in those rust belt cities decades ago. It is also a collaborative effort that involves the commitment of organizers, residents, lawyers, students, policy advocates, academics and financial partners. The flow chart on the following page (Figure 15) visually demonstrates how all of these practitioners worked together to achieve meaningful change. In depth discussions have blossomed into new initiatives, campaigns, and task forces such as the Foreclosure Task Force, Project No One Leaves (a student group at Harvard Law school), the Mattapan Initiative, among others.

At the center of this approach is City Life/Vida Urbana, a community organization with a radical approach and ideology towards community development. As mentioned in the Introduction, City Life is a historic community organization that holds within its mission an anti-capitalist framework. Their goal is to work with residents to fight displacement and protect working class communities. Every interview, meeting and reading on foreclosure prevention in Boston mentions City Life and the organizers who have helped to protect local homes and communities. Beyond Boston, City Life has been mentioned in numerous texts about the impacts of foreclosure on marginalized groups, as well as articles and theses about community organizing theory and approaches (Resnick and Bix 2013).

Part One describes the model and its elements, including its strong foundation of radical analysis and grassroots organizing. Second, it examines the broader legal, policy and programmatic accomplishments that have stemmed from the work of practitioners. The collaborative nature of the Campaign has allowed these accomplishments to occur in tandem, and they in turn have created a comprehensive structure that will protect low-income homeowners in the future. The third section looks at the on-the-ground impact, including the number of
Figure 15: The Post Foreclosure Eviction Defense Campaign Flow Chart

Figure 15 depicts the organizational ecosystem that sustains the Campaign. It summarizes how all of the organizations involved work together to achieve comprehensive change. The dotted lines represent the flow of information from one group to another. In many cases the exchange of information is equal, and contributes to the overall goals of legal reform, alternative homeownership models and policy advocacy.
homeowners that have been touched through the work of the Campaign. Finally, we analyze the strengths and weaknesses of the framework, emphasizing lessons that policymakers can learn and apply nationally.

4.1: A Closer Look at the Post-Foreclosure Eviction Defense Campaign

Steven Meacham, the lead organizer of City Life/Vida Urbana, worked as an organizer in Boston for over 20 years before joining the City Life team in 1999. His own ethics and values are greatly shaped by his decision to drop out of the Department of Urban Studies and Planning at MIT and work at a local shipyard, a common decision for anti-war and movement activists in the 1970s. The trying working conditions and his first-hand experiences working alongside shipbuilders and welders moved his understanding of class oppression, “from the head to the gut” (Meacham 2015). He began organizing shipyard workers, advocating for alternatives to Navy work:

The daily grind of that small scale class struggle affects you over time. It affected me, and it certainly changed what kind of organizer I was. In addition...that kind of link between labor organizing, economic democracy, industrial policy, seeking [non-descent] jobs, all of that was a great example of putting a whole bunch of issues together in one package. (Meacham 2015).

Steve continued his work at the Shipyard for nearly ten years before focusing on community organizing. In 1999 he was hired by City Life to help reinvigorate their model and in turn brought his experience organizing labor movements to local community development. Before the foreclosure crisis, he and the City Life team were organizing tenants seeking collective bargaining agreements with their landlords. Not only were they reacting against displacement, but making a statement:

The market can't determine what a fair rent is just like it can't determine what a fair wage is. Just like you need to have a union to negotiate what a fair wage is, you need a tenants union to negotiate what a fair rent is. So using that kind of imaging and anti-market analysis we organized over 100 units into collective bargaining agreements that protected people against arbitrary rent increases (Meacham 2015).

When City Life noticed that foreclosed residents were being evicted without cause and displaced in 2007, they decided to reinvigorate this model. City Life has a different, more systemic perspective when it comes to homeownership. They are less
interested in the foreclosure itself, and more in the creating the ability for residents to stay in their homes permanently. Since many homes in inner city Boston were underwater, the foreclosure was not as important as the "ability to physically stay" ("How 'Occupy Our Homes' Can Win" 2012). In addition, foreclosures result from an array of complex, personal financial and social issues. Fighting evictions, compared to fighting for loan modifications enables City Life to create a broader movement, one based on the basic idea that housing should be a right, and not a commodity.

The momentum to fight evictions was further built as a result of the Occupy! Movement. During this time, a national movement against evictions as a result of foreclosure was occurring, and City Life had the opportunity to train other organizations in their historic tenant-organizing model through the Occupy Our Homes coalition. Since then, their work has gained national recognition, and the process has been replicated in cities across the country including New York, Poughkeepsie, Chicago, Seattle and Atlanta.

The approach to organizing taken by City Life, called "the sword and the shield" (or sometimes "The sword, the shield, and the offer"), is a pivotal focus for the Campaign. For City Life and its partners, the sword is comprised of collective action that publicly shames banks and helps to bring together residents in the fight against evictions. Public actions include protests, eviction blockades and vigils at the homes of those who are being evicted. They put public pressure on banks when they're actively trying to evict tenants, preventing sales. This helps City Life organizers and lawyers force banks to negotiate alternative terms with homeowners, similar to the negotiations they encouraged between tenants and landlords. In addition, it raises awareness about policy issues, and helps City Life further their campaign nationally. Collective action occurs throughout the City, including in Roxbury, Mattapan, Dorchester and Hyde Park. In addition, a number of protests been done at local bank headquarters (including Bank of America and Deutsche Bank) and at Boston Housing Court. According to City Life, which extensively tracks its efforts, there has been over 210 direct actions since 2009, over 53 of which have targeted the Federal Housing Finance Administration.

Steve often refers to a "circle of legitimacy" when speaking about City Life's approach to organizing. He believes that legal advocates and community development organizations are confined by practical arguments and needs. For example, organizations must position themselves to receive funding, or lawyers have a code they must honor to confidentially respect their clients above all else. As can be seen in Figure 15, City Life purposely maintains their position outside the circle of legitimacy so they can continue to organize public protests and use a
radical, anti-capitalist framework. However, their alliances with groups within the circle of legitimacy are essential to advancing grounded policy and programmatic changes.

The ‘shield’ is an army of legal advocates within the circle of legitimacy that are committed to reforming law in a way that aligns with the City Life’s ideological approach. Boston is fortunate enough to have a very close-knit legal aid network, providing the needed foundation for this type of work. Julie Devanthry is the Director of the Mattapan Initiative at the Legal Service Center in JP. While this program is not directly related to the Campaign, it has used the same model to reach out to and represent hundreds of foreclosure clients in Mattapan. She says that the coordination both within the legal circle and with City Life was part of the reason why the Campaign flourished here:

It’s a fairly small community so there’s a lot of coordination. I would say that there’s a process of identifying issues on the ground and then really quickly trying to get involved in law reform by working on trying to get the supreme court to take the cases that are the most pressing (Devanthry 2015).

Back in 2008, lawyers who worked at legal aid bureaus around the area noticed the number of homes in foreclosures hit crisis-levels. In Boston alone, there was a 73% increase in the number of foreclosure deeds between 2007 and 2008. As previously mentioned, 81% of these properties were concentrated in Dorchester, East Boston, Hyde Park, Mattapan and Roxbury (Foreclosure Trends 2008 2008). Legal services attempted to do one-off cases, but they were too “time-intensive and fact specific” (Lawrence 2015). Without the capacity, funding or support to scale up their efforts, lawyers were fighting a losing battle that extended beyond just the needs of their individual clients, but to low-income communities as a whole. In addition, legal aid firms traditionally only represent the poorest of the poor, not homeowners or middle-income residents. Lawyers found themselves confronted with difficult questions about how much they could get involved in representing working class neighborhoods. Zoe Cronin, a lawyer at Greater Boston Legal Services notes City Life played a role in motivating advocates to view foreclosure as a problem that embodies broader oppression and injustice, further pushing them in the direction of becoming movement lawyers,

They advocated that this was the working class, and if you just help poor people and you don't help the working class, than you're not doing anything to unite people who are negatively affected by policies in this country, and you’re not going to have that fighting force that's going to help make any change (Cronin 2015).

City Life’s support helped lawyers ‘scale up’ their efforts through outreach
and advocacy. Zoe, Julia, Eloise and others now engage in a specific type of legal model called "community lawyering", in which lawyers contribute to a broader movement or community rather than just individual clients. Central to definitions of community lawyering is the "recognition of the importance of leadership by organized constituent groups within the communities served", and the conscious effort to "build organizational power and community leadership" (Elsesser 2013). This is especially important in immigrant communities, which have not been traditionally well represented from a legal standpoint. The first two chapters showed that anti-discrimination had often addressed race, but never nativity. For lawyers, working alongside community organizers and immigrants gave them an unprecedented understanding of how lenders exploited nuanced cultural and social vulnerabilities. Continuing to openly and officially acknowledging these struggles in a legal setting could help reform enforcement frameworks so they effectively represent foreign born people. Donna Harati has been volunteering with Project No One Leaves, a student organization at Harvard Law School that has assisted with the Campaign since the height of the foreclosure crisis. According to her, community lawyering is transforming how lawyers practice by introducing a new participatory element into their work, which has normally been client based:

A lot of impact litigation is done without much thought. It's a classic lawyering model. You just go all out for your client... and a lot of times lawyers and lawsuits inadvertently in the long run hurt the communities they were meant to help because you don't have control over what law a judge is going to make, so you could end up with bad law that effects larger swath of people. When you're working really closely in tandem with community organizations and the people impacted by a movement, those strategic considerations that lawyers have blindspots for, you are forced to reckon with in terms of what legal path you are going to take (Harati 2015).

The students that volunteer and run Project No One Leaves at Harvard Law School are the ones who initially conduct mass outreach to communities. Every weekend for over the past five years volunteers from Harvard University check public foreclosure listings, collect information on foreclosed homes, map out their routes, and knock on the doors of every resident who is going through foreclosure. They provide each person with a red bag and information on City Life's meetings. According to Donna many of the residents are shocked that they are even in foreclosure. The main role of the students is to tell residents that they do not have to leave their house until a judge tells them to, and they do not have to take cash for keys. They can fight for their homes with the assistance of City Life and legal advocates. They are prepared to do this in multiple languages based on the demographics and background of the community they are focusing on.
This outreach is absolutely essential to foreclosure resistance, and the red bags associated with City Life have become a symbol of the power of public education and outreach:

A lot of people come to City Life with their red bags, and they’re like this is why I’m here, because this was left at my door. That always makes it feel worth it (Harati 2015).

Residents who choose to come to the meetings for emotional and legal support will see the same students and lawyers at City Life. They come every Tuesday and Wednesday (Wednesday meetings are held in East Boston), providing free legal advice and intake. According to Zoe Cronin, coming to clients in their communities versus having clients come to your own office is an important virtue of community lawyering, and is essential in maintaining its strong grassroots orientation. The community lawyering model also emphasizes ‘breadth over depth,’ or aiming to represent every single client possible versus making an example out of one big case, which is what often happens in law. While this means that clients are not going to get the absolute best representation, it serves a different, more systemic purpose:

The banks and the court and everybody else is going to know that... we're going to be here no matter what and you’re going to have to deal, so you're going to have to change your practices. That’s quite different, and was a real game changer (Lawrence 2015).

The final ingredient to help protect the resilience of the shield is constant communication with City Life. This includes the utmost transparency and openness both with clients and organizers about what as community lawyers they are capable of accomplishing given their position inside the “circle of legitimacy”. For example, lawyers often have to “bend the rules of confidentiality”, and be as open with clients about their broader goals of fighting systemic injustice (Cronin 2015). In many cases there are inherent tensions associated with this, such as when the interests of the client conflicts with that of the movement. Many homeowners are interested in buy back deals offered by the bank, and preferring to take the money in exchange for their homes instead of fighting in court. Lawyers and organizers alike must acknowledge this decision, and continue to support homeowners in any way possible.

A Foundation of Radical Analysis and Grassroots Leadership

The sword and shield model of organizing requires both radical analysis of community circumstances, and strong leadership that is derived from the everyday struggles associated with foreclosure. The glue that holds this foundation together
is a strong political education (or a “radical analysis) and ritualized practices, helping build community leadership that is energized and well informed. In 2014 alone, City Life trained and educated 225 individuals on housing rights, organizing skills, and the social and economic trends that led to the crisis. In addition, 70 individuals came to engage in leadership roles with the organization, which include planning actions, facilitating committees, and telling their own stories to the media or in court.

According to Steve Meacham, the radical analysis that underlies City Life’s work with foreclosure is that the entire nature of the housing bubble, including the private market that shaped it, was predatory:

Rather than these predatory instruments chasing a rising market, it was more accurate to say they were creating a rising market. The big banks that were producing those housing values all around the country pretty clearly knew they were doing it, knew it couldn't last, and were making profits off of the rise and the fall. Our analysis became, 'if this housing bubble was intentionally created, now you're living in a home that's worth a third of what you owe, it should be allowed to demand principle reduction' (Meacham 2015).

Steve’s comment sheds light on how market driven approaches to homeownership do not work because the drive for profit often overshadows the desire to produce stable homeowners. Deregulation policy enabled the unmonitored growth of the bubble, yet policy was not advanced enough to check the private market and correct for this imbalance.

Rather than just targeting the FHA, City Life targets banks, making their radical analysis more compelling for residents:

Banks make a much easier target than like, patriarchy. This model translated into different circumstances can look totally different. It’s about being flexible in your tactics to meet that theory (Domingo and Baltz 2015).

Publicly advocating against Bank of America and Fannie Mae helps residents focus their energy, and also “increases [City Life’s] base and reach rather than marginalizing” (Meacham 2015). These banks are visible stakeholders in gentrifying communities, and are names that most homeowners and residents recognize. In addition to having a clear ‘enemy’, a more systemic analysis allows organizers and residents to connect what could be seen as individual problems to one root cause, which in this case is the impact of capitalism and the private market on housing stability. The solutions that City Life and their partners champion directly address this historic analysis, divorcing lending practices from the pressures of the private market and creating resilient communities.
In addition, building leadership from the communities most impacted by foreclosure enables City Life to connect broader theories on capitalism and markets to everyday struggles and oppression. It also empowers residents, equipping them to co-create solutions that address their specific needs. An important component of building this leadership is getting rid of the stigma associated with foreclosure through deeply emotional and spiritual reinforcement:

One of the toughest things about going through these crises, one of the most debilitating things that the system does to us is not just to saddle us with the material problem, but to cut us off from all kinds of support to solve it (Meacham 2015).

To build leadership, City Life provides a deep amount of support to members who are struggling through foreclosure. Helping residents overcome the stigma of shame associated with foreclosure is the first step. Antonio Ennis, an organizer at City Life, remembers how he felt at his first meeting, and how paralyzing this can be. However, one of his priorities is helping residents move beyond the embarrassment to see how much power and leverage they have if they choose to fight back. Antonio himself is a musician and a fashion designer. He hopes to return to his roots, but for the time being uses his music to help the community to understand foreclosure, and how to fight future lending discrimination:

Let's make foreclosure not so scary and corny. Let's make it fun, let's make it understandable. Understand it—don't run from it, don't be scared of it because if you're scared of it you can't fight it. That was my whole thought process. Let's make protesting cool. If we can get some young active people in here...let's make it cool. How do you do that? (Ennis 2015).

While Antonio does this through his music, small rituals at City Life meetings also serve an important purpose in empowering members to speak about their experiences and fight together. One of the major goals of the weekly meetings is to help newcomers overcome the isolation, shame and alienation that accompany foreclosure. When people introduce themselves, Steve hands them a sword and asks, "Are you willing to fight to stay in your home"? With the energy and support from a room full of individuals who have experience similar hardships, many agree to fight. Then the entire group chants, "We'll fight with you". The ritual, while small, has come to be a very emotional experience for City Life members, staff, lawyers, and students, who are also providing their own type of support. After years of doing it every week, it helps them keep up the momentum. It also has helped them forge a community and deep connections with their clients. After hearing so many stories and building connections with residents, Steve's own perception of community and radical organizing has evolved, taking a form that transcends his
previous understandings of oppression and resiliency,

I've altered my understanding in significant ways in what forms consciousness. I still think consciousness is your understanding of class, race, gender, that kind of stuff, but it is also this whole emotional, moral, spiritual thing. Spiritual, not to imply believer or non-believer, but just to imply that a lot of what motivates us is the need for connection and community. It's wired into who we are as human beings (Meacham 2015).

For lawyers, the energy derived from community support during trials, protests, and hearings empowers them to continue to fight (Cronin 2015). As a result of an emotional and participatory collaborative effort, there have been a number of advances in post-foreclosure advocacy and progressive homeownership models. These initiatives and advances will protect homeowners in Boston and the surrounding communities for decades to come, and help inner-city residents, including immigrants, build wealth and protect their communities.

4.2: Long-term Campaign Accomplishments

Legal Advances

Historically, legal frameworks have not evolved to cope with the changing nature of homeownership finance. While not explicitly mentioned below, the Campaign's use of community lawyering, which is deeply collaborative and participatory, has enabled innovation in legal practice. As disenfranchised communities build an understanding of the legal framework that has historically failed to protect them, they have helped lawyers identify arguments, and build case law. Lawyers and organizers have worked tirelessly, exhausting financial resources, conducting research and outreach, and experimenting with non-traditional arguments in order to build a strong enough case against the large banks and predatory lenders. The solidarity of the legal community and the advances that occurred as a result of this is one of the most compelling parts of the Campaign.

1. Establishing Case Law

There had never been a housing crisis of this complexity before, therefore practitioners had to work together to establish case law that would protect homeowners from eviction. The lack of previous legal protection for homeowners is proof that policies always prioritized the growth of the private market over helping individuals build wealth or sustainably revitalize communities. The antiquity of legal protection left lawyers helpless at first, but working collaboratively, they revisited law from the 1800s to identify arguments. Zoe Cronin describes that
there was nothing even in the 20th century that applied,

Given that everything has changed in terms of securitization, the way the foreclosure crisis happened, and the way mortgages and titles were dealt [changed radically] from the 1990s. It was about the most farfetched argument you can ever make in law. I think there's a time when judges are like, 'well we have to think about something. Let's look at it, let's analyze it.' (2015).

Foreclosure law was also not concrete in Massachusetts before 2008 because it is a non-judicial foreclosure state. This allows banks to file for foreclosure without ever needing to go in front of a judge. All lending institutions are required to do is submit a public notice (which is published in local newspapers), and to send a letter to residents letting them know that there would be an auction in the upcoming weeks (Lawrence 2015). Antonio found out about his own foreclosure when speaking to his family friend and neighbor, who was also working through the process:

He came to my house one night, knocking on the door, telling me my home was in foreclosure and I didn't know. I knew that my funds were drying up but I didn't know I was in foreclosure... He'd seen it in the paper. From coming to City Life he acquired the knowledge of how to find out what homes in the community were in foreclosure... in a section of the paper that I never read (Ennis 2015).

Unlike in foreclosure states where a suit can be filed against banks for every foreclosure case started, in Massachusetts residents and lawyers can only fight their foreclosure post-filing. In addition, residents initially had to pay expensive fees for their case to be heard in Superior Court. However, KC Bailey's case against the Bank of New York changed all of this. In 2009, the Bank of New York tried to evict KC Bailey after foreclosing on his home two years prior. In 2005, KC Bailey secured a second mortgage on his home, which his family had owned since 1979 (Geoffrion 2012). The loan, which was sold by America's Wholesale Lender, was then securitized with Bank of New York. However, KC Bailey never received notice of his foreclosure, and after multiple attempts of fighting the eviction the case ended at the Supreme Judicial Court, where with the help of Harvard Legal Aid Bureau, the court found for Bailey and ruled that the state housing court has the jurisdiction to hear eviction challenges even after the house has been foreclosed (McKim 2011). The case is nationally acclaimed, and built on another important case in which the court found that two banks had foreclosed on homes without proof they owned the mortgages ("HLAB Wins Major Victory for Homeowners in Massachusetts High Court" 2011; Devanthry 2015).

This wasn't the only win that defined the path of future foreclosure cases. Other monumental cases targeted predatory and deceptive lending practices,
fraudulent behavior, discrimination, and hyper technical errors in notices. The establishment of this case law laid the groundwork for hundreds of future wins, and was one of the most important legal advances.

2. Creating Room For Negotiation

A valuable component of the “shield”, lawyers have also helped hundreds of residents by creating the space for them and community organizers to negotiate with banks. Using legal proceedings to stall eviction is important for homeowners as well to ensure that tenants who live in foreclosed properties aren’t blindsided when they realize their landlord no longer owns the property (Domingo and Baltz 2015). Creating this space has also allowed the membership, to simultaneously plan, take action and protest (Lawrence 2015). Recently, City Life members went to Washington DC and met with the head of FHA, Mel Watt. In the past, it has allowed them to participate and plan protests against banks in Boston. They share their stories, connecting the imbalances in housing finance to real struggles.

3. Statewide Recognition and Support

With additional funding support from the Oak Foundation, the lawyers at Greater Boston Legal Services and Harvard Legal Aid Bureau were able to support the Campaign. After seeing the effectiveness of their work, the Attorney General extended the model to all of Massachusetts (Cronin 2015). Zoe notes that some of the same individuals that they represented have, with the support of the legal community, been able to fill statewide advisory positions, helping to represent their communities when it comes to creating more just policy moving forward.

3. Institutionalizing Community Lawyering

Greater Boston Legal Services and Harvard Legal Aid Bureau are using the Post Foreclosure Eviction Defense Campaign as a model for other social movements across the state (Domingo and Baltz 2015). Working with GBLS, Zoe Cronin is assembling a community lawyering task force, advocating for this as a new form of practice that is legitimized in legal aid work and beyond. While law students like Greg Baltz and Antonia Domingo do not plan to continue their work specifically in housing, they hope to take the lessons they’ve learned through the Campaign and apply them to other causes, such as immigration and workforce reform. In the past, law students have even been responsible for spreading the Campaign’s model to new cities, such a Los Angeles (Domingo and Baltz 2015; Harati 2015).
Policy Advocacy

Central to City Life’s mission is changing federal policy so that it reflects the needs of working class communities. According to Antonio, the belief that this is possible underlies all of their collective actions, and is central to City Life’s theory of change:

City Life has been at the forefront of trying to change the policy. That’s a lot of our messaging with Fannie Mae, was to change the policy. Going to Ed DiMarco’s house was a call to change the policy. Getting arrested at their headquarters, all of those things are done to change the policy...that’s the first thing we try and change. We try and find those cases that we can group together to force that hand and change the policy (2015).

With the help of network of national coalitions, such as the Right to the City Alliance, City Life has used direct action to advocate for four national major policy changes when it comes to helping communities regain control of their homes and preventing further evictions. As can be seen below, many of the obstacles that stand in the way of City Life and their advocates concern both leadership at FHFA, as well as the shifting nature of the real estate market. While in some cases there have been substantial successes at the local and state level, the national struggle continues. Nonetheless, many initiatives have gained national recognition and have received support from a plethora of experts across the United States.

1. Principal Reduction

   Partially because of the steadfast efforts of City Life and its national partners, principal reduction has become a policy solution that is being considered at a national scale. Principal reduction is the act of lowering principal payments permanently for underwater homes. For many houses that lost a value during the housing crisis, loan modification through principal reduction is reasonable because it asks borrowers to pay based on the existing value of the home, not the inflated value caused by subprime and predatory lending. Ed DeMarco, the previous director of the FHFA, steadfastly opposed the idea of principal reduction, on the grounds that it is risky, and would “attract dishonest ‘strategic modifiers’ who would abuse a program they don’t actually need” (Matthews 2012). However experts advocate that not only is it cheaper than the entire foreclosure process, but that re-default rates are lower, and overall it would be better for the economy and communities (Geithner 2012). City Life continued to advocate for principal reduction by meeting with elected officials, protesting, and creating opportunities to confront Mel Watt, new director of FHFA in person (Johnson 2015; Ennis 2015). However change has been slow, particularly because now the market has improved,
housing values have increased. Antonio says that City Life has refocused their strategy as the market changes; “you’re fight has to change, or you have to craft your demand a little better” (Ennis 2015). This has changed to a new demand of FHFA.

2. Follow Through on Donation Demands

Since the foreclosure crisis, FHFA has promised to commit part of their profits (.4% annually) to the National Housing Trust. However, they have not followed through on this commitment since 2008. Rather than simply pressuring them to do so, City Life believes that they should provide their contribution in the form of donating homes to the community, in effect paying for the down payment. According to Antonio, “if we don’t do any actions, if we just go on their word, then it doesn’t get done. That’s what we got to be careful about” (2015). City Life and organizers around the country must continuously advocate and organize to ensure that Fannie Mae and Freddie Mac continue to fulfill their word. They had their first success in November 2014 when Fannie Mae and Freddie Mac allowed for the resale of a local house, 35 Fox Street, to a local non-profit.

3. Resale of Homes to Former Owners or Non-Profits

FHFA believes that reselling properties back to homeowners after they have foreclosed is a ‘moral hazard’, refusing to acknowledge the predatory and discriminatory nature of lending. This has impacted the work of local non-profit financers such as Boston Community Capital, who are required to “buy foreclosed homes and resell them to the original owner pay full mortgage amount, plus any late penalties and fees” (Fernandes 2014). Community organizations are therefore unable to help the full breadth of homeowners they’re equipped to assist. As a result of the work of many advocates around the state, Massachusetts passed legislation in 2012, which enabled non-profits to buy back homes without special conditions, however, change has been slow at the national level. Last year Martha Coakley, Attorney General of Massachusetts sued FHFA. Finally in November of last year, FHFA overturned their buyback policy (ElBoghdady 2014). The decision to overturn this policy opened up the doors to other non-profits, such as the Coalition for Occupied Homes in Foreclosure (COHIF). The fact that Massachusetts’s Attorney General sued FHFA is indicative of the fervor and resilience of residents and practitioners engaged in this work locally.

4. Abolishing No Fault Eviction

The abolishment of no fault eviction in the case of foreclosure is an example of a deeply collaborative process between the sword and the shield. Given this, it
is both a legal and policy accomplishment. While City Life maintained its position outside of the circle of legitimacy so members could participate in protests and civil disobedience, lawyers worked together to carve a legal path and delay evictions through legally attacking landlords on the premise of codes violations. No fault eviction mostly impacts tenants in properties that are being foreclosed, which make up a high number of foreclosed properties (in 2007, nearly 30% of all properties that were foreclosed in Massachusetts were multifamily) (Appelbaum 2007). In this case, banks will try and evict tenants from a property, even if those tenants have been paying their rent. As mentioned above, one vital job of Project No One Leave volunteers is to ensure tenants know that they do not have to leave the property until a judge orders them to. In addition, they alert tenants to not pay rent, instead placing their rent money in a separate account (Cronin 2015). According to data maintained by Project No One Leaves tracking their canvassing, Project No One Leaves volunteer have canvassed nearly 2,000 addresses in communities of color around Boston between 2009 and 2013. Since they begun, this has occurred over the course of 120 sessions, demonstrating the extent of each outing. Project No One Leaves also tracks their efforts geographically (Figure 16 on the next page shows a screenshot from their online tracking efforts). These homes, as can be seen from their online database, are in the immigrant enclaves that were most greatly impacted by the foreclosure crisis. Because of this collaborative, on-the-ground effort no fault evictions were outlawed in foreclosure cases in 2011.

New Programs and Initiatives

Because the Post-Foreclosure Eviction model is reactionary, there has been less of a focus on alternative homeownership financing models. However, there have been two major initiatives launched as a result of the Campaign. These programs diverge from traditional post-foreclosure models by helping residents stay in their current homes rather than repopulating vacant buildings (Flynn and McQuillin 2015). This systemic goal fulfills City Life’s mission of preventing eviction and stabilizing communities.

1. The Sun Initiative

At the height of the crisis a collection of individuals who had been working with the Campaign, including Steve Meacham, approached Boston Community Capital (BCC) about creating a funding mechanism that would block evictions and stabilize communities. In 2009, BCC launched a pilot program called the “Stabilize Urban Communities”, or SUN Initiative. Through the SUN initiative, BCC acquires
Map of Census Tract (25025880101, MA) with PNOL Canvassed Homes with Percent of all home loans that were high cost in 2006.

Percent of all home loans that were high cost in 2006.

Percent of all home loans that were high cost in 2006. High-cost loans were previously denoted as 'subprime' loans in PolicyMap. High-cost loans are defined as loans with a reported rate spread. The rate spread on a loan is the difference between the APR on the loan and the treasury security yields as of the date of the loan's origination. Rate spreads are only reported by financial institutions if the APR is 3 or more percentage points higher for a first lien loan, or 5 or more percentage points higher for a second lien loan. High-cost loans do not denote HOEPA loans, but HOEPA loans may be included in the high-cost loan category. These loans were originated for the purchase or refinancing of an owner-occupied, one-to-four family dwelling, as reported by HMDA. Medians were not calculated and percents were not computed where the count of loan events of that type or the denominator of the calculation was less than five.

Figure 16 shows screenshot showing the extent of Project No One Leaves's canvassing efforts in communities with high cost loans. Project No One Leaves extensively tracks their canvassing efforts, recording information on the number of homeowners canvassed, number of residents spoken to, and the number of homes visited more than once. Source: Project No One Leaves
foreclosed properties that are bank-owned for existing owners, and refines their loans at more affordable rates. The loans provided are 30-year, fixed-rate mortgages that help reduce monthly payments and loan payments on average by 40% (Douglas 2013). Their approach is based on extensive market research, which identified that a high proportion of those that went through foreclosure were first-time homebuyers, who purchased their homes between 2003 and 2006, and many had trouble paying their mortgage as early as the first month. As mentioned previously, this was often a result of financial emergencies and mortgage terms that were hazy from the start. With this understanding of the market, they were able to create financing packages that best fit the needs of low-income homeowners. This includes fix-rate mortgages with automated deposits and withdrawals, and upfront reserves to serve as a financial cushion in case of emergency (Cherry, Hanratty, and Advisors 2010). In addition staff provide educational materials and counseling for all participants. All of the community organizations that were involved in the Campaign vetted this package, insuring that it was fitting to the needs of their clients and members. They also work with Campaign organizations to identify homeowners and tenants, and provide research that enables them to track property values (Valle 2011). BCC also benefits from the shield and efforts that prolong the eviction process and public collective action that highlights pernicious lending behavior because they contribute to the seller’s willingness to negotiate with BCC (Valle 2011).

The SUN initiative is unique because it is not restricted to a specific community, and can operate throughout the city (R. Bratt 2014). In addition, start-up funding, overall equaling $3.7 million, was readily available for the purchase of properties (Cherry, Hanratty, and Advisors 2010). In addition, they’ve been able to raise millions from private investors and other partners ((Valle 2011; Cherry, Hanratty, and Advisors 2010). This has enabled them to provide over $85 million in mortgage financing to over 500 families. Borrowers have benefited from 38% reduction in mortgage principle and monthly payments, and have collectively been able to reduce their mortgages by $44 million (“SUN Initiative | Boston Community Capital” 2015). The model has been expanded to other cities, including Baltimore, and has been highlighted as a national example of a model that permanently installs affordability and stability in low-income communities.

However operating within the confines of the private market and their own circle of legitimacy means the Boston Community Capital is sensitive to risk, and cannot assist the most vulnerable homeowners. In addition, borrowers are required to pay 25% more on the resale price. This capital is placed in a loan loss reserve, helping BCC protect itself from future risk (Valle 2011). The SUN initiative also
does not provide financing to rehabilitate properties, which is a much needed in many communities of color (R. Bratt 2014).

2. Coalition for Occupied Homes in Foreclosure (COHIF)

Also the culminating result of conversations and partnerships within the Campaign, COHIF is a more flexible approach that helps homeowners that do not qualify for the SUN Initiative. Till this year when they received non-profit status, COHIF was housed under Boston Tenant’s Association. Maureen Flynn, the first director of COHIF, was previously a lawyer who worked in foreclosure. The transition of lawyers to program specialists is additional proof of the flowing collaborative nature of the ecosystem that sustains the Campaign.

COHIF considers long-term financing models such as ‘rent to buy’ land trusts, that help invest wealth generated from home purchasing back into the community and low-income homeowners. The core of their model is empowering residents in identifying the best plan moving forward (in terms of owning the property or renting it), and inevitably creating a shared ownership model that community members than collectively manage and benefit from. In addition to purchasing occupied homes, COHIF wants to improve overall neighborhood conditions by rehabbing homes, and requiring banks that own properties in the community do the same (Flynn and McQuillin 2015). In addition to homeowners, Their pilot program also assists tenants in foreclosed properties (R. Bratt 2014). In 2013, COHIF launched a pilot project in the Four Corners neighborhood in Dorchester. The goal of the pilot was not only to find a model that worked locally, but to prove that their vision could be replicated in other similar contexts.

COHIF’s model depends on the commitment of for-profit developers to maintain short-term ownership of the property given the upfront capital and financial stability needed to quickly purchase homes in foreclosure (R. Bratt 2014). Meanwhile, they have an opportunity to consider long-term ownership models and negotiate with residents.

However, finding non-profit partners to permanently manage and oversee the purchase, has been difficult. Community Development Corporations (CDCs) in the area mostly focus on individual counseling or redevelopment, and do not necessarily fit the vision of COHIF. (Flynn and McQuillin 2015). In addition, CDCs have extremely limited capacity, and have to remain financially competitive to ensure the continuing flow of grant and philanthropic money. This limits

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1. Specifically Boston Tenant Coalition, City Life, the Planning Office of Urban Affairs, Harvard Legal Aid Bureau, Boston Community Capital, Citizens Housing and Planning Association, Massachusetts Association of Community Development Corporations, the Center for Social Policy, among others (Flynn, n.d.)
their ability to manage multiple properties while COHIF considers ownership models. According to Dana McQuillan, who used to work with Codman Square Neighborhood Development Corporation (CSNDC) and now works for COHIF, CDCs simply “can’t take on the risk” (Flynn and McQuillin 2015). While the pilot project fell in CSNDC’s catchment area and the first acquisition and rehab project went well, CSNDC did not have the capacity to maintain multiple, scattered-site rental, and had to leave the pilot (R. Bratt 2014).

COHIF is now exploring community land trust models within Boston to continue their work. With the support of partners such as the Dudley Street Neighborhood Initiative and additional financing it is possible they’ll be able to establish a long-term ownership model that best suits the neighborhood. However, their goals of creating models of community control have severely limited their ability to secure long term investors and lenders. Bratt notes that it will be hard for them to achieve this without first resolving what will happen in the long term (R. Bratt 2014).

Problems aside, COHIF has made substantial strides in a brief amount of time. They have coordinated the acquisition, rehab and sale of two formerly foreclosed units, and negotiated a buy-back arrangement that would allow another individual to stay in his own. In addition, 10 units will be placed into the land trust, preventing the displacement of over 30 individuals, most who are immigrants (Flynn and McQuillin 2015). They are also currently working to prevent the displacement of an additional 12 families who are spread across 10 different properties. Overall, they have helped over 40 individuals in the pilot area (Flynn and McQuillin 2015).

The Campaign has played an important role “highlighting legal inconsistencies and other ways in which operating policies...are in direct conflict with consumer and neighborhood needs” including Fannie Mae’s policy to not sell properties to non-profits (Bratt 2015). In addition to this policy advocacy, the lawyers at Harvard Legal Aid Bureau and Greater Boston Legal Bureau represent all of the individuals who have participated in the model.

4.3: The Foreclosure Eviction Campaign’s Overall Impact

The following statistics were collected and shared by City Life. They can not only attest to the immediate impact City life is having on residents, but the resounding value of the model, which has been replicated and expanded to other areas of Massachusetts and even other states:
- City Life estimates that they have assisted over 2,000 owners since the foreclosure crisis.
- This number does not include the homeowners that have been assisted through the replication of their model in communities such as Lynn, Springfield, North Side, Worcester, Providence, and Poughkeepsie. Many of these individual efforts, such as Lynn and Springfield received start up support from City Life. City Life provides start-up support for this effort through the New Road Network.
- City Life canvassed and worked with a substantial number of tenants who lived in foreclosed homes. Tenant's who worked through the Campaign were able to stay in their homes well over a year past the time they would have been required by eviction order to leave. They estimate that of the people who decided to fight the eviction, 90% got lease agreements or settlements of time and cash and were able to leave on their own terms.
- Between June of 2010 and June 30, 2014, nearly 5,000 were able to remain in their homes 4 months or more after their posted eviction date. As can be seen below, the number of cases has decreased in recent years. This has been a result of the decline of the crisis, as well as the work of a legal team in building precedence against banks.
- As a result of the collective effort of student volunteers and organizers, at the height of the foreclosure crisis, peak attendance at City Life's weekly meetings was as high as 150 individuals.
- Including the homes repurchased through COHIF and BCC, City Life estimates that 158 homes, spread across 99 properties have received alternative financing deals and options.

The greatest immediate value of the Campaign's action comes from prolonged evictions, sometimes to the point that residents do not ever need to leave their homes. However, there are also resounding effects from the work of practitioners, which are not only evident in the replication of the model in different cities, but also the awareness that has been built through vigils and protests. These accomplishments are more difficult to measure.

While there is no direct information on how City Life and the Campaign assisted immigrants most practitioners interviewed can attest that a large proportion of those individuals helped through the campaign are first-generation immigrants. According to Maureen, a majority of the residents COHIF has helped are in fact foreign born tenants who reside in multifamily foreclosed buildings. In addition, a number of lessons from the Campaign can be effectively used to help foreign-born
individuals secure their homes and protect their communities.

4.4: Analysis

The Campaign against foreclosure has successfully empowered communities that have experienced disinvestment at the hand of the government for decades. Practitioners have shown that with the proper legal support, education, and emotional care, residents can fight for their own neighborhoods, and create solutions that are oriented towards their own needs. While the programs that reflect these values have been slow to emerge, it is still early, and the possibility of further expanding homeownership models that are owned and operated by the local community is still strong.

There are a number of important key takeaways, especially when it comes for more meaningful homeownership programming in immigrant enclaves. First, the ideology and radical analysis behind the campaign and City Life's work offers valuable lessons about the direction of homeownership policy in the United States. By viewing homeownership through an anti-capitalist framework, the Campaign re-conceptualizes the opportunity to own and sustainably remain in a home as a right. They directly challenge deregulation of housing markets and the continuing federal support banks receive on the grounds that private lenders do not possess an honest interest in preserving homeownership opportunities in communities that have been disproportionately impacted by discrimination. The Campaign attempts to balance this radical approach to organizing through partnerships with lawyers and practitioners who operate within the “circle of legitimacy”.

City Life purposely positions itself outside of this circle so it can continue to think radically about homeownership. However, those within the circle are focused on more pragmatic solutions that act on the underlying philosophies of the Campaign. This tension has encouraged those within the circle to push the boundaries on what types of solutions are possible, resulting in innovative solutions. Specifically, housing programs have helped keep wealth derived from land values and housing within the control of mission-driven, community organizations. COHIF continues to expand the horizons of what is possible, experimenting with alternative ownership models and local partners. Through their work, they continue to grow the organizational ecosystem associated with the Campaign. Both COHIF and BCC have developed housing models with affordable lending opportunities that adjust to the complex needs of the local community.

This flexibility and local control can be particularly valuable for immigrant enclaves for two major reasons. First, immigrant communities have been
traditionally starved of credit. As the previous chapters established, this has made immigrants more vulnerable to predatory lending. Models that remove housing from the volatility of real estate market stabilize the risks associated with purchasing a home, offering immigrants an opportunity to sustainably build wealth and credit. BCC does a particularly good job of viewing homeownership within the context of the broader financial situation, providing payment plans and educational opportunities that allow homeowners to sustainably and knowledgeably build credit. In addition, requiring lenders to contribute to a personal emergency reserve ensures that immigrants will have a financial cushion even if they are unable to make a mortgage payment. In addition, COHIF's model allows residents the choice of owning or renting without the threat of eviction. The flexibility is vital for newly arrived immigrants, who have highly volatile financial situations.

COHIF's model is also valuable for immigrants is because it simultaneously helps to protect immigrants from eviction in the present, securing and strengthening enclaves for the future. Maintaining a strong and cohesive community is vital to the success of immigrants. Eviction and displacement is a particularly eminent threat in cities where land values are skyrocketing, such as New York and Boston. To avoid speculation of their homes and renters, residents must quickly organize, fight, and defend their stake. This struggle most evident in Chinatown. While the neighborhood wasn't as impacted by the foreclosure crisis as other immigrant enclaves, large developers are currently buying buildings and illegally evicting tenants (Duan 2015). Homeownership models that have come out of the Campaign prioritize community control, working with mission-oriented developers and lenders who can help maintain community ownership of properties.

In addition to balancing pragmatic solutions with radical thought through the “circle of legitimacy”, the Campaign is extremely participatory, enabling residents to build the skills and knowledge to co-create solutions. From legal fights, to collective action and finally program implementation, City Life members become involved in every part of the eviction prevention process. They not only build their knowledge of the social and economic trends that have historically impacted their communities, but receive deep support from existing City Life organizers and practitioners. With this solidarity, they share their everyday battles experiences with practitioners and the public, who lend their technical capacities in ensuring valuable systemic change. This equal exchange of knowledge has led to innovation and a growing sense of ownership over solutions. Residents who have experienced foreclosure have become organizers with City Life, board members with COHIF, and have brought their new skills to other local organizations and campaigns, such as Massachusetts Jobs with Justice (Ennis 2015).
Given foreign-born populations have not historically been well represented in the context of homeownership and housing policy, it is especially important that practitioners learn from immigrants themselves about the complex financial and social problems they face. Through co-creating knowledge and solutions, immigrants can feel a greater sense of ownership and control over their communities, while applying solutions and programs that are tailored to their specific needs. Generally, there is a greater need for persistent collective action that can unite communities against a myriad of complicated struggles they face.

The Campaign also highlights the important role of community organizing in housing justice. Historically, homeownership has always been packaged and sold as an individual right. This is ironic given the impact homeownership has on the overall stability of a community. City Life has succeeded in reorienting the values that underlie homeownership so that they represent togetherness and unity. Blocks of residents in Dorchester fight together against eviction displacement. The fate of neighbors has become intertwined, and together they fight to maintain control of their homes.

The collaborative nature of the Campaign is also particularly striking, and highlights the value of viewing policy, law and program implementation in tandem. Historically, the legal framework has not been able to adapt to deregulation in homeownership policy. As many legal aid attorneys in Massachusetts witnessed, this left low-income homeowners particularly vulnerable, especially when it came to paying legal costs. Additionally, regulatory mechanisms have never been widespread enough to enforce anti-discrimination policies. The collective work of legal aid bureaus and community organizations has helped create widespread awareness of housing rights. It has also helped to simultaneously protect homeowners while building new homeownership programs. Crosscutting collaborations have fostered innovative thought, and spawned new models of advocacy, such as community lawyering. The impact of these types of models will help community movements beyond homeownership. In addition, Boston is rich in academic resources, and professors and students alike have helped craft policy, measure impact, record successes, and reach out to communities. Data journalists and research institutions have been able to assemble rich resources that monitor and track foreclosures around the state, transforming the crisis into a general public issue.

From a strictly policy perspective, City Life's approach to organizing succeeds in putting immense pressure on government institutions to take responsibility for their part in creating and nurturing the foreclosure crisis. While it does not draw upon historic discrimination in homeownership policy, City Life's policy agenda recognizes the role that federal institutions played in deregulation,
and calls for a dramatic shift in the way we view homeownership policy, beginning with these institutions stepping up and accepting responsibility. Their organizing framework has also succeeded in connecting broader federal policies to the everyday struggles of low-income communities in inner cities.

However there are some weaknesses with the Campaign, which are mostly derived from general problems with homeownership finance. While the movement has maintained its ideological strength and momentum, those who are focused on creating pragmatic solutions that can operate within the existing market struggle to find funding. One problem is that many funders are private banks—the very same ones that City Life publicly shames through its collective action. City Life itself has lost funding in the past few years because of this tension (Ennis 2015). Practitioners who are working on permanent programs are especially caught within the tension of the circle of legitimacy, and must make a special attempt to distance themselves from protests and other collective actions they know are effective. In addition, philanthropy often funds things according to trends. Since foreclosures have subsided, funding homeownership programs is no longer viewed as a priority. This demonstrates the need for sustained sources of public financing.

Another problem that practitioners face is risk. Since COHIF doesn't want to directly take on the responsibilities of managing housing, they are depending on a financially stable intermediary to do so. However, it has been extremely difficult to find partner organizations that have the capacity to take on the high levels of risk associated with starting these models. While Community Development Corporations have been able to assist to a limited extent, they are competing for the same philanthropy, and are as tight on resources as most other community groups.

While the Campaign has succeeded in transforming ideology into action, it is in essence reactionary. As Steve mentioned, the overall goal of City Life's organizing efforts is to prevent further evictions and displacement. While COHIF and other programs generated from the work of organizers thinks about long-term homeownership models, the Campaign doesn't directly consider methods to prevent foreclosure and build wealth. In addition, because foreclosure rates have subsided in Boston, City Life has begun to refocus their energy on tenant's rights. However, some advocates believe that as banks create stronger cases against foreclosure victims, eviction notices will be on the rise again (Devanthry 2015; Newsham 2015). In addition, many communities in Boston, especially immigrant communities, are still recovering from the housing crisis (Johnston 2015). This highlights the need for sustained efforts that help legally protects communities and helps residents collectively build wealth through their housing stock. COHIF is the only organization that is exploring models that enable this at this time.
An alternative model that could help bring wealth back into the community are subsidized construction and retrofit programs that increase the value of homes owned by immigrants and minorities. There is even an opportunity for construction programs to emphasize the training and employment of local residents, ensuring that the wealth generated from such models is redirected into the hands of the community.

While there is merit in re-conceptualizing homeownership policy to fit City Life's anti-capitalist ideology, homeownership is not central to their overall mission. City Life has reoriented its organizing to focus on the evolving threats of housing injustice. While they continue their efforts in foreclosure, they are slowly transitioning back to tenant organizing. Specifically, they are organizing against the corporate landlords who have been buying foreclosed properties and evicting tenants. While it is necessary they transition, the foreclosure crisis is far from over for many communities in and around Boston. Foreclosure upstarts have risen in the previous year, mostly because banks are catching up on the backlog of delinquent mortgages from previous years (DeRocker 2014; Devanthry 2015). According to the Warren Group, in 2014 there was a 36.5% increase in initiated foreclosures compared to the previous year (Newsham 2015). Because banks have been careful in following new legislation and updated law, these foreclosure may be more difficult for lawyers to fight (Devanthry 2015).

In addition, housing values are still lagging in Hispanic communities by as much as 11% compared to non-Hispanic white neighborhoods and African-American neighborhoods (Johnston 2015). The reason for this is because the impact of abusive lending practices targeting immigrants and asset stripping was substantially higher, meaning they will take longer to recover without additional assistance. However, according to Eloise Lawrence, the fact that African American and white communities recovered so quickly may just be an indication that there is a new speculative bubble in the making (Johnston 2015). Construction programs may help non-Hispanic white communities catch up, while protecting homeowners against threats of speculation.

Conclusion

The Post Foreclosure Eviction Defense Campaign has played a vital role in protecting communities of color in Boston. Its collaborative nature has not only led to innovation, but comprehensive reform that will help protect low-income homeowners in future decades. In addition, City Life and their partners have succeeded in advocating for a drastic change in the way we conceive of
homeownership. This new approach, which cushions homeowners from the instability of the market and more greatly connects housing to the local community ecosystem, is far more appropriate for immigrants and people of color who have felt the impacts of a pernicious and predatory real estate industry. While the Post Foreclosure Eviction Defense Campaign has made strides in re-conceptualizing homeownership, there are significant challenges that prevent the fruition of programs that are able to pragmatically apply this ideology. All of these new barriers—the rise in corporate landlords, increased foreclosure starts, and the rapid rise of land values in specific neighborhoods—is evidence of the cyclical nature of housing injustice and racism, and the continuing inability of federal policy to address the evolving needs of low-income communities. With these new trends emerging, history is bound to repeat itself unless new funding streams are created with the specific intent to protecting communities of color and immigrant enclaves.

As has happened in previous decades, the federal government should be learning from community organizations and local practitioners. This is the only way to develop federal policy that truly recognizes the needs of marginalized populations. The final chapter will evaluate what policymakers can learn from the Post Foreclosure Eviction Defense Campaign and identify potential models that embody this alternative approach to homeownership.
Chapter 5:  
Policy Recommendations

The last chapter concluded by highlighting the strengths and weaknesses of the Post Foreclosure Eviction Defense Campaign. The Campaign demonstrates that it is possible to create flexible homeownership models that are community oriented and participatory. For minorities and immigrants who have disproportionately been impacted by discrimination, alternative practices that emphasize these same values can revive local control over wealth and community. With these, it is possible that all residents have equal access to the social and financial opportunities that homeownership brings. Policymakers can learn not only from how City Life conceptualizes of homeownership, but also from the struggles of program developments stemming from the Campaign. Given this, what can federal policy do to support models where housing is divorced from market pressures for the purpose of preserving community and affordability? This chapter provides recommendations that would bolster low-income homeownership in a way that would reinvest wealth in low-income communities and immigrant enclaves. This includes the social ownership model of homeownership, as championed by Michael Stone. Social ownership looks at how this philosophy could be implemented within the current economic and political environment. Stone, along with others, make many recommendations for programs and policies that would generate capital for solutions such as those derived from the Campaign. The final part of the chapter looks at what changes would need to be made to enforcement and financing on the federal level to enable these programs to happen. To conclude, I highlight opportunities for future research, mostly revolving around the need to better understand the financial and economic hardships associated with being a low-income immigrant homeowner in America.
5.1: Social Ownership and Alternative Homeownership Models

COHIF uses a land trust to divorce housing from the real estate market and keep the wealth that is generated from homeownership within the neighborhood. The approach COHIF takes falls into line with Michael Stone's strategies to socialize housing and ownership. These models have to be considered and supported on a broader scale “unless our society is basically satisfied with a constant churning of minority families and neighborhoods as the minder’s canary of the nation’s economic problems” (Powell and Rogers 2013, 110). Under social ownership models, while housing can be operated and owned by a number of entities, but the main point is the “existence of enforceable provisions preventing the housing from being sold in the private, speculative market” (Stone 1993, 193). Community land trusts are one of many models in which residents have flexibility when it comes to determining whether they would like to own or rent, but affordability is still enhanced and they are protected from future discrimination by the private market. In addition, there is freedom to tailor the model to adjust to the needs and socioeconomic characteristics of the local community. This includes the terms of leases, and resident ownership preferences, and representation in the trust.

Realistically, community land trusts and other social housing models require a greater amount of housing be managed and owned by non-profits and non-speculative partners, who can control prices and affordability for residents (Stone 1993). As can be seen by COHIF, it is difficult to find capital and land acquisition partners for this approach. In addition, it requires a complex legal framework and broader policy support by the local and federal government (Flynn and McQuilllin 2015). In addition, Stone points out that because of limited available financing, trusts continue to depend on debt financing and are restricted by the low incomes of residents (R. G. Bratt, Stone, and Hartman 2006).

There also homeownership financing models that can control for affordability and prioritize permanent occupancy over fast profit. Working through existing homebuyer education and down payment assistance programs already offered by the City of Boston, these programs could have longer-term goals, ensuring that beyond the first few years of ownership, residents are financially stable. This includes foreclosure protection and equity conversion programs for troubled homebuyers who are “house-rich but cash poor” (Stone, 1993). In return for having the government or a local non-profit purchase their home, residents could stay permanently, but agree to transfer their property to a social ownership
model such as community land trusts (Stone 1993). Overtime, Stone's model would free up funds for troubled homeowners, allowing them to reinvest that money into home renovations and supporting reinvestment.

While these are all ideas that advance City Life's reformed ideal of homeownership, there are still limitations, including acquisition costs (and generally limited financing), limited non-profit and CDC capacity, and a continuing lack of enforcement on behalf of the existing real estate industry. In addition, Fannie Mae and Freddie Mac have only recently agreed to sell homes to non-profits, and for organizations the process of transferring ownership continues to be long, arduous, and costly (Flynn and McQuillin 2015).

5.2: Financing and Supporting Social Ownership and Homeownership Assistance Models

We began by recalling the final argument by Ta-Nehisi Coates—reparations are owed to African Americans because of the oppression and injustice endured through decades worth of unethical housing policy. This paper aimed to recall the story of how homeownership became corrupted, and explore methods that are communities are undertaking to empower themselves. Elected officials and federal institutions need to take responsibility for the disinvestment of communities and the systematic denial of lending to communities of color through reorienting public rhetoric around homeownership and supporting new, flexible models. The real estate market has played the greatest role in corrupting the original values of homeownership, and until the government reconsiders the driving mechanisms behind homeownership they are simply prioritizing the growing profits of private lenders over the economic and social stability of individuals. Outwardly and widely acknowledging the role that discrimination and racism has played in corrupting homeownership and turning policies into a vehicle of disinvestment is one very important way to support progressive models of homeownership.

Compared to national and even citywide models, programs implemented by community organizations have shown few to no signs of abuse (Yinger 1995). As this paper showed, these organizations have been responsible for pushing extensive reform in the past, and will continue to fight injustice on the ground well into the future. Organizations such as City Life have merged community organizing and empowerment into housing models, and are therefore rebuilding the underlying values associated with homeownership in a way that best fits the needs of people from a varied background of cultures, ethnicities and incomes. The fact that the
Campaign continues to be replicated nationwide is proof that it is working for residents and low-income homeowners. The work of groups who are invested in social housing models should be supported directly by the federal government through capital grants. Encouragingly, providing capital grants may actually be cheaper than running public subsidy programs (Stone 1993).

Legal aid has played a massive role in fighting evictions around the country. Alternative forms of funding that would help protect this model are necessary in nurturing law reform that can accompany updated homeownership policy. Ignoring the legal connotations of homeownership policy took its toll in this most recent crisis, and will continue to if not discussed on a broader scale. The Post Foreclosure Eviction Defense Campaign also demonstrates that community lawyering should be supported financially. This would ensure the continuing collaborative efforts of lawyers and organizers. This support can and should also be derived from law schools, who can teach and expand on the community lawyering model. Finally, given the especially pernicious nature of predatory lending in immigrant enclaves, more research needs to be conducted into the defense of homeownership and property rights for immigrants.

Fairly few funding streams are provided directly at the municipal level. This is strange given there was little problem providing banks with this financial support during the BBURG era. The commonly used argument for this is that this will foster inefficiency, however this perpetuates the notion that “localities with minority populations governed by African American and Latino mayors and city councils cannot govern themselves” (Powell and Rogers 2013, 111). Boston has been a forerunner in research and initiatives pertaining to redlining and subprime lending. However solutions that actually address local problems and empower local communities have not materialized because of the lack of consistent funding. Housing finance policy has mostly been crafted at the federal level, and continues to fail to recognize the importance of context in housing discrimination.

5.3: Updating Enforcement Mechanisms and Explicitly Protecting Immigrant Populations

While federal funding will help social homeownership models, many individuals will continue to purchase homes on the market. As has occurred throughout history, the real estate industry will also manipulate government programs. To change the course of history immediately, it is absolutely essential enforcement mechanisms be updated to match deregulation of the market. In addition, all
federal enforcement mechanisms, including the Fair Housing Act, need to specifically prohibit discrimination against foreign-born individuals. Combined, this would protect housing as a right by mandating all individuals have equal access to financial opportunities.

Updating the Community Reinvestment Act is an important component of this. It must be revised to include non-depository lenders. This would help hold alternative financing institutions accountable for their actions and treatment of people of color. Also, the CRA should be reformed to require lending institutions extend financial benefits to immigrant enclaves. This would allow immigrants equal access to formal credit and lending opportunities. In addition banks should be creating lending and banking programs that specifically help immigrants build credit and an understanding of the US banking and finance system. As mentioned previously, this can include alternative ways of measuring credit worthiness, or lending programs that are tailored to protect immigrants even during financial emergencies. These sorts of programs would work best if run collaboratively with local community organizations, who understand the complex socioeconomic barriers immigrants face. Not only would this provide more opportunities for immigrants, but opportunities for large banks to improve their lending base responsibly.

One of the greatest weaknesses of housing enforcement is that the onus of discovering discrimination is mainly on the shoulders of the consumer. For immigrant consumers and marginalized populations, it is particularly hard to understand when discrimination is occurring, and know how to proceed. One of the perks to social housing is that communities are naturally protected from these forces, but those who choose not to participate are still at risk. Capital grants should be rewarded to community organizations that are making a special effort to educate and protect local consumers. This could have made the greatest different during the foreclosure crisis, when neighbors were being hustled into buying and even providing subprime loans. To improve existing enforcement efforts, there needs to be greater coordination between HUD, the Department of Justice and the Fair Trade Commissions (Yinger 1995). This would help streamline investigative powers and vastly improve the ability of the federal government to act quickly in combating discrimination. In addition, enforcement frameworks should be decentralized, and policymakers on the ground should work more collaboratively with lawyers to create the appropriate legal framework to accompany these changes.

Finally, HMDA needs to be expanded to include information on non-depository lending as well as information on the nativity of loan applicants. Currently, the best researchers can do is to correlate high-priced loans and
foreclosures to communities where there are high proportions of foreign-born populations. Data would help to definitively prove discrimination occurred against immigrant communities. It would also help researchers get to the root of why immigrants were so vulnerable to predatory lending in different communities. This detailed information could assist with the design homeownership and enforcement programs that are more specific to the needs of immigrant enclaves.

5.4: Recommendations for Further Research

Overall, more research is needed into the impact of subprime and predatory lending on immigrant communities. As mentioned above, this research could help create targeted programs that address the specific needs of different immigrant enclaves and communities. Community oriented, locally conceived programs are vital, given how drastic the differences are between different immigrant and ethnic enclaves.

In addition, more research is needed to track the fate of bank-owned and foreclosed properties. This includes how areas with high foreclosure rates have recovered, and who currently owns properties. The last chapter covered the growing emergence of corporate landlords, and the predicted impact this would have on the eviction of low-income tenants. There are misconceptions that if land values have increased low-income areas are improving. However, in expensive cities like Boston, a new wave of speculation is more likely. Research tracking these outcomes can help community organizations craft preventative programs that can protect residents.

Research in and of itself can also be used to enforce previous civil rights legislation. Without research from independent institutions, no acts that aim to expand low-income homeownership should be passed. Subjective research can be used to ensure new policies will not increase racial segregation and “further the aims of the 1968 and 1988 Fair Housing Acts” (R. G. Bratt, Stone, and Hartman 2006).

To further solutions, research should also be done on the tax framework to understand what credits and incentives have resulted in the expansion of the wealth gap. In addition, a better understand local property taxes could result in a framework that would provide tax relief for low-income communities of color.

Finally, researchers can learn from the methods of participatory action research. To continue trends toward community-oriented responses, it is important that the collection of future research is as participatory as possible. The Post Foreclosure Eviction Defense Campaign has shown that marginalized
communities are most powerful when they advocate for themselves and shape local programs. This trend in decentralizing policy and program design should be applied to the research that helps academics monitor trends in ownership and discrimination. Conducting research alongside the residents who are most impacted by disinvestment, bias lending and foreclosure can help capture the more nuanced instances of racism, as well as the more nuanced impacts. In addition, it can have long-term effects, including improving the ability of communities to monitor and report independently. This can be another very important step in improving enforcement.
Conclusion:
A New Direction for Homeownership

_The ache for home lives in all of us. The safe place where we can go as we are and not be questioned – Maya Angelou_

This thesis has attempts to show how the slow corruption of homeownership over a century has led to the systemic abuse of people of color. Many experts argue that after decades of housing injustice, homeownership has been completely stripped of all merit and value. For these individuals, the American Dream is just an elaborate marketing campaign that has fooled thousands of individuals into gambling away their savings for little to no return. However, there are communities that see the value of homeownership in preserving community and generating local wealth. As the Post Foreclosure Eviction Defense Campaign demonstrates, many of those that have worked hardest to preserve homeownership are the ones that have been threatened the most by its corruption. We owe it to them to radically transform homeownership. Rather than abandoning our broken agenda, it is time that we radically transform it, preserving the remaining emotional, social and economic value that is left.

Whether we like it or not, the American Dream is embedded in our value of “home”. My family and I are all immigrants from India, and have been lucky for the opportunities that have accompanied having permanent shelter. From a financial perspective, the value is clear, but the emotional value is more difficult to poignantly summarize. With the myriad of battles immigrants must undertake to assimilate and thrive in the United States, home is a refuge where we can recuperate. No matter the challenges that arose from looking and acting differently daily, we knew that there was a place we could go to, and “not be questioned”. The permanence of this emotional shelter can be as important as the permanence of the structure itself. When I think of the American Dream, I don’t see a classic colonial surrounded by
a white picket fence, I see the kitchen, the living room and the bedroom where my family and I spent our first 20 years in the United States, growing, laughing and loving.

Outside the physical walls, homeownership holds the key to the preservation of immigrant enclaves and communities of color. The struggles of Dorchester, Mattapan, East Boston, and Massachusetts's gateway cities shed light on how important it is for marginalized people to permanently own their homes, and recapture the wealth that results from this. No group of practitioners or policymakers has more insight into this than the residents who have fought to improve and strengthen their neighborhoods for decades. The Post Foreclosure Eviction Defense Campaign demonstrates the immense power communities have to innovate and improve policies when there is a structured framework that prioritizes participation and collaboration.
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