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"This, Too, Takes a Village"

THE SOCIAL BASIS OF SUSTAINED BLACK HOMEOWNERSHIP AS ILLUSTRATED IN THREE DOCUMENTARY FILMS

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MOST AMERICANS THINK of homeownership in terms of individual mobility and wealth accumulation.[1] An important component of the American Dream, homeownership is synonymous with hard work and merit-based achievement. Typically left out of the equation are the social resources that smooth homeownership, such as personal relationships that provide assistance with down payments, closing costs, and advice on the homebuying process; governmental support in the form of subsidies and loan guarantees; and markets lubricated by cronyism and preferential group solidarity.[2]

The connections and resources that grease the process of homeownership are often referred to as "social capital." Social capital consists of the cultural, economic, and symbolic assets that are created and sustained through the operation of social networks. "Denoting the web of connections, loyalties, and mutual obligations (shared fate, solidarity, and communal membership) that develop among people as a part of their regular interaction, social capital refers to the sense of commitment that induces people to extend favors, expect preferential treatment, and look out for one another's interests."[3] Social capital may be exploited by individuals as well as by collectives of persons who share characteristics such as race, ethnicity, gender, age, or socioeconomic class. Because social networks differ in their closeness and density and therefore in the amount of trust and cooperation they generate, the benefits derived from social capital vary.[4] Given, too, that it can be used to restrict individual freedom and deny access to resources by outsider groups, social capital is not an unmitigated good.

Black homebuyers and homeowners are less likely to be able to tap into social capital than whites. Compared to whites, successfully buying, holding onto, and ultimately selling a home at a profit entail greater individual sacrifice and self-reliance on the part of blacks to compensate for deficits in social resources. For example, knowledge about homebuying and homeowning is passed along within families and networks of friends through education and socialization, which are communal processes. The gap between white and black rates of homeownership means that blacks have less access to shared information or expertise about real-estate-related transactions and more reasons or rationalizations for going it alone.[5] Discrimination and the resulting shortages of social capital are both compounded and transformed over time. While coping with contemporary manifestations of racial prejudice that infuse dealings associated with homeownership, blacks are still struggling to overcome the burden of the legacy of past housing segregation and employment and credit discrimination. Thus, disproportionately more blacks than whites seeking home financing are at the disadvantage of shopping for mere acceptance as opposed to the best available terms, despite improvements in blacks' overall creditworthiness.[6]

To compensate at least partially for their lack of interpersonal or intragroup social capital, blacks have had to rely on social movement activism and group-based electoral politics in order to achieve sustained and successful homeownership. Marches and other forms of direct action protests, grassroots political organizing, lobbying, and civil rights lawsuits have been employed by blacks to secure fair housing laws, relief from lender and insurer redlining, nonenforcement of racial covenants, and governmental efforts to limit blockbusting and white flight. The same tactics have been used to combat the disinvestment that turns viable and vibrant communities of black homeowners into slums and the "revitalization" that turns viable and vibrant black communities into oases for upper-income newcomers. It is little wonder then that the gains blacks have reaped from homeownership are measured in terms of group mobility and collective economic advancement. (Of course, the focus of direct action and political mobilization has sometimes been black elected officials and high-income professionals.) Thus, the term "social capital" may not be totally inclusive of all the forms of communal behavior that are relevant to black homeownership. "The social," as used with respect thereto, encompasses social capital as it is generally defined, *as well as* social activism and political mobilization.

Shoring up the social supports undergirding successful black homeownership requires that there be more storytelling about this significant area of economic life. Storytelling is an important cultural tool for creating communal connections and collective action. This is an area where documentaries are a very fruitful source of stories. This essay focuses on three feature-length documentaries. *Home* tracks a divorced black mother's decision not to buy a townhouse in a subsidized project built by a community economic development organization.[7] *Flag Wars* considers the efforts of two homeowners residing in a black working-class/lower-middle-class neighborhood in Columbus, Ohio, to defend their rights in the face of gentrification.[8] *American Casino* includes portraits of black residents of Baltimore who were adversely impacted by the foreclosure crisis that had its roots in the financial industry machinations that led to the economic collapse of 2008.[9]

Documentary films are ideal for exploring a phenomenon like the social aspects of black homeownership because they are capable of presenting a dynamic, multilayered perspective that moves between individuals and families; the networks, associations, and groups of which they are a part or from which they are excluded; and the governmental bodies and for-profit and nonprofit entities that determine the conditions under which homes are bought and owned. As the focus of the three films reviewed here shifts between the micro, the meso, and the macro contexts, the full complexity of the forces working against black homeownership is revealed.

In addition, *Home* and *Flag Wars* were entirely shot in observational or vérité style, and *American Casino,* partially so. That means that the camera captured the conduct and conversations of their subjects in real time, like the proverbial "fly on the wall." Though the subjects do not control where the camera is aimed, what footage is included in the final version of the film, and what footage will never be seen by an audience, the subjects are still somewhat capable of subverting the intentions of the filmmakers and asserting themselves as agents struggling to reveal truths about their own lives. A social affinity and a shared point of view between the subjects and the viewers (that the filmmaker may not share) open up the possibility that viewers of the observational footage will be able to read the drift of the subjects' actions and statements despite the mediation of a filmmaker who is intent on shaping the viewers' reception. Furthermore, in capturing as well the physical or material world in which the subjects live, work, and play, the camera functions as a kind of silent witness to the institutional and systemic contexts that either impinge on or expand the subjects' individual choices and their social ties to others. Because there is no narration to tell the viewer exactly what to make of the events unfolding on screen, the viewers are able to exercise a modicum of reflexivity or critical independent judgment and to speculate about the subjects' ability to do the same.

1 *Deciding Not to Buy a Home in a Community Economic Development Complex*

Home is a documentary directed by Jeffrey Togman, a political science professor at Seton Hall University in New Jersey.[10] *Home* tells the story of Sheree Farmer, a black divorced mother of six who works as a van driver for the VA and lives in Newark public housing. She is given the opportunity to buy a large townhouse with a rental unit on the first floor in a complex known as Bergen Estates. It is being built by New Community Corporation (hereafter "New Communities"), one of the first and one of the largest community economic development corporations in the country. The other major subject of the film is Mary Abernathy, a white middle-class woman who is director of the Bergen Estates project and a childless cancer survivor.

Under the terms of the deal Sheree is offered, she would make no down payment and would purchase a property valued at $245,000 for $125,000. With the income from the rental unit on the ground floor, her out-of-pocket monthly housing costs would be less than the rent on her run-down apartment in public housing. But Sheree never seems to understand what a deal she is being offered. There are several reasons why this may be true.

Home does an excellent job of conveying the complex lives of Sheree Farmer and her six children. This is not a film about black pathology. Sheree has a decent job with benefits. A shot of her wallet reveals that she has many credit cards, but she assures Mary Abernathy that she is not a credit abuser. The bills she has to take care of in order to obtain a mortgage are the result of either creditor error or her ex-husband's abdication of his primary responsibility for them. Sheree was married at twenty-two and had her first child at twenty-four. All of her children are the product of that marriage. When the relationship turned pathological after her husband became addicted to crack, Sheree had the good sense to get a divorce. Nonetheless, six children is a lot of kids. Her four daughters and two sons are for the most part good youngsters who know that their mother is struggling. Her second oldest, fourteen-year-old Jalishah, is the exception. Jalishah and Sheree have an altercation over some un-done laundry that leads Sheree to use a strap and call the cops. Jalishah tells them that her mother has beaten her, and her mother winds up in jail. Sheree has charges pending against her the entire time she is deciding whether to buy the Bergen Estates townhouse. Jalishah's acting out and Sheree's trouble with the law have a big impact on Sheree's decision and the family's future housing situation.

Throughout the film, Sheree complains about one thing or another that might impede her purchasing the townhouse, her health being among them and her lack of close relatives after her mother's death being another. When Sheree pulls an inhaler from her purse toward the end of the film, her earlier claim that she has health issues becomes clearer.

Despite the individual characteristics that may have made her an unlikely homeowner, for many viewers Sheree was still crazy to forego the opportunity to buy into Bergen Estates. How could she resist the general cultural messages that suggest that homeownership is a form of deliverance? The benefits of homeownership are so well-touted. It is the realization of even the black version of the American Dream. That is what gave "Oh, We're Movin' On Up" (the theme song of the television series *The Jeffersons*) such resonance.[11] That is what Lorraine Hansberry's classic play *A Raisin in the Sun* is all about. Homeownership reflects reliability, stability, and moral rectitude. It confers status. The children of homeowners do better in school than the children of renters.[12] Homeownership promotes civic engagement and environmental awareness, motivated in part by an interest in protecting one's financial investment. Of course, there is evidence that the benefits of homeownership are not fully enjoyed by lower-income and minority homeowners. They do not hold on to their homes long enough. Furthermore, in the wake of the financial crisis and the collapse of the housing bubble, the intrinsic value of homeownership for all Americans is being questioned.

Even if Sheree was immune to the larger ideological message, she was buoyed by Jeff, the filmmaker, and Mary, the project manager, who understood the benefits of the deal Bergen Estates offered the Farmer family perhaps better than Sheree. These two kind, concerned, well-intentioned, knowledgeable white people supported her and kept her in the effort to attain the unit for as long as they could. With Jeff and Mary by her side, Sheree was much better off than many black female homebuyers or owners whose relationship with a friendly, attentive credit pusher made all the difference in their decision to enter into bad financial or real estate transactions. Sheree's supporters were of a decidedly different ilk, which I believe Sheree recognized, but still she did not fully trust them. Given black people's history of exploitation at the hands of banks, finance companies, miscellaneous lenders, brokers, landlords, and other so-called real estate professionals, perhaps she should not be blamed for that. More important for Sheree, however, was the fact that Mary and Jeff were not substitutes for a solid, personal black social network.

In the film, Sheree appears to be an isolated woman with few adults in her life on whom she can rely. As she says, it is just "her and her six kids." When she is not at work, she is at home with them. She does not smoke, drink, party, or go clubbing. She and her ex-husband, the children's father and a former drug addict, are fighting over dependent tax deductions and to some extent over custody of Jalishah. Sheree has no current partner or reliable substitute. (Mr. Smiley, her older gentleman friend who appears only briefly in the final version of the film, winds up in a nursing home.) Her mother has just died, she has no contact with her father, and her siblings are neither close nor sufficiently well-off to serve as backups in the event of an emergency. Sheree's upbringing has not included training or socialization in the financial decision-making and documentation process that homebuying requires. Sheree is not a churchgoer. Like many people who live in public housing, she seems to stay clear of her neighbors. Sheree has a girlfriend, Anita Hall-Mason, who first tells her about the New Community development and who goes to check out the completed unit Sheree is supposed to buy. Anita is an employee of New Community. She confirms that the arrangement is a good deal but is unable to persuade Sheree to go forward.

In the absence of a personal support system to help Sheree reduce or manage the risks associated with buying a home in Bergen Estates or even to serve as a source of emotional support, Sheree decides not to move to what she considers unfamiliar territory. "Suppose we get stuck out there?" she says. She describes Bergen Estates to one of the children as being "on a white people's street." She apparently finds a certain kind of comfort in being in a place populated by folks of a similar socioeconomic background.

Indeed, Sheree's economic calculation of the move to Bergen Estates was likely affected by her status as a public housing tenant. There were high costs associated with her leaving public housing. If her move to Bergen Estates did not work out, she could not easily move back into a public housing unit of comparable size. Waiting lists are long, and large units are scarce. Large private rental units are more expensive than public housing. Moreover, nothing is said about the assistance that would be made available to the buyers of units in Bergen Estates if the rental unit became vacant or if the buyer lost her job or became ill.

Sheree was told that she was being given between $100,000 and $120,000, which she did not understand. In fact, no one was really giving her $120,000. The property was being sold to her for $125,000 only because of state and local grants. It was a matter not of donor largesse or recipient entitlement but of subsidies. Both FHA mortgage insurance and the GI Bill involve subsidies that promote homeownership. Sheree lived in public rental housing, which was subsidized by the government; her Bergen Estates home would have been subsidized, too. There were more apt analogies to describe the transaction than that of a gift, especially since Sheree was not used to people giving her gifts.

Just as Mary saw herself as an engaged advocate who was part of a social and economic justice movement, Sheree might have seen herself as a kind of economic race pioneer and social activist by moving into Bergen Estates, claiming an entitlement to subsidized homeownership, and securing the better lifestyle that her children, no less than richer, whiter kids, deserved. But she expresses no such sentiment. She does not consider herself part of a crusade for social and economic justice. Her lack of understanding of the political implications of the move leaves her confused about what is going on and uncertain about its long-range consequences for herself and her family.

Sheree's failure to understand the deal should perhaps be viewed as a failure on the part of New Communities to fulfill the social and economic justice vision that existed at the time of its founding. Dina Schlossberg, a former community economic development lawyer who for a time directed an entrepreneurship clinic at Penn Law School, has argued that at the outset of the movement "community organizing was often part of the stated goals and mission alongside bricks and mortar.... Community development lawyering was as much about transferring knowledge of the law, of the development process, of real estate law, of government process, etc. as it was actually engaging in the 'practice of law' on behalf of non-profit corporations."[13] She continues: "As programs such as New Communities matured... they become [*sic*] comfortable with the sophisticated world of high finance and real estate development, and the vernacular of lending, finance, mortgages and syndication, all of which are concepts and part of a world that is foreign to the majority of the constituency they serve." Schlossberg cringed at the point in the film when the lawyer for New Communities, in addressing Sheree's concerns about the risks of purchasing a home, given the possibility of her former husband "doing something crazy," responds with the flippant remark "What risks? Losing the house or getting killed?" Schlossberg concluded that the "lawyer simply has no concept of the gravity of this choice for Sheree."[14]

Subsequent developments in the larger economy, like the collapse of the residential real estate market, high unemployment, and even federal sequestration, make it difficult to conclude that passing up the unit was an incorrect decision for Sheree. She was who she was. Her isolation, the difficulties she was having with her daughter, and her inability to trust other people were not her fault or her doing alone; rather they also reflected the impact of the larger social and systemic context on her life.

Exploiting homebuying opportunities, increasing wealth accumulation by building equity in a home, and securing the material advancement of future generations of black children through the benefits of homeownership all involve social activity. Social relationships, social networks, social support, socialization in the homebuying process, and social movement activity would appear to be sine qua nons to successful homeownership for women like Sheree. Furthermore, when institutions and organizations are intended to substitute for the social capital that individuals do not inherit or amass on their own because of systemic disadvantages and discrimination, the institutions and organizations must make sure that they do not leave their clients feeling as if they are swimming alone among the sharks.

2 *Fighting to Exercise the Rights of Homeownership in a Gentrifying Community*

Flag Wars, which was directed by Linda Goode Bryant and codirected by Laura Poitras, documents the gentrification of a Columbus, Ohio, neighborhood that is now known as Olde Towne East.[15] The longtime residents of the community were working-class and lower-middle-class blacks; the gentrifiers were predominately white middle- to upper middle-class gays and lesbians. These groups were fighting over the neighborhood's real estate and the right to assert cultural dominance over the area. The "flag wars" referred to in the title were literally that. The newcomers were partial to flying multicolored gay pride flags, while longtime resident Chief Baba Olugbala Shango Obadena (an honorary member of the Yoruba tribe who would later be recognized by the governor for his contribution to arts education) had to go to court to maintain an Afrocentric sign with his name and address hung over his door after complaints by a neighbor who flew a German flag.

This documentary makes it clear that gentrification does not just reflect the invisible hand of the market; rather, in the case of Columbus, local land use law was an integral part of the takeover of the community.[16] The newcomers were relentless in complaining to various city authorities about the way the old-timers maintained their properties. The two principal black subjects of the film, the Chief and Linda Regina Mitchell (an alcoholic drug addict who suffered from liver failure but nonetheless managed to live in a house which was in a state of total disrepair) often appeared before Judge Richard Pfeiffer of the Environmental Court. The Environmental Court was devoted to housing and zoning code violations.

Flag Wars presents many examples of the impact of the gentrifiers' quest to change the community through resort to local law. We see employees of the Historic Resources Commission making certain that old-timers do not use the wrong color paint on the exteriors of their properties. There are also two episodes involving zoning panels acting on requests from new residents. In one case, they are seeking to alter the configuration of an alley where parked cars are often broken into. A longtime resident objects, saying that there was never a problem until all the newcomers moved in; moreover, she did not like being called a "tough cookie" by the developer, inasmuch as she has a name. The second scenario involves opposition to the construction of affordable aluminum-sided housing on the ground that it will devalue existing homes in the neighborhood. The majority of the panel (all the black members) do not see it that way.

The gentrifiers' invocation of formal law contrasts with the informal or more neighborly approach to dispute resolution the longtime residents employ. Resort to formal processes has driven up the cost of homeownership for folks who can ill afford it and consequently forced some of them to sell out and move away. Little wonder then that the older residents believe that their new neighbors are racist.

It is one of the marvels of this vérité or observational-style film that it takes the audience into the private homes of both blacks and whites to observe how the tensions between the two racial groups in the community are discussed by each side out of the presence of the other. For example, a black man, a guest of the Chief, talks about the recent arrivals in blatantly homophobic terms. He did not permit his child to be in the class of the best teacher in the school because he was so "demonstratively" gay.

Eschewing outright bigotry, the gentrifiers focused on their black neighbors' neglect of their properties in seemingly race-neutral terms. They spoke of the houses as if they were animate objects in need of rescue. This language denied or diminished the role of human agency in the gentrification process. Jim Yoder, a gentrifier who was working two health care jobs in Cleveland in order to renovate a house in Columbus all by himself, said of his home, "The house always had a nice personality even when it was trashed. It had a strength and a solidness about it." Yoder's visitor, who also lived in the vicinity, describes a drive-by shooting that occurred: "They shot my house and killed my dishwasher." The two men go on to inspect the outside of Yoder's multicolor dwelling; it is so colorful that Yoder says he does not need a flag to declare his group affiliation. He and the friend discuss how in a number of other cities, like Boston, the gay community has gone where no one else will go. Yoder remarked that gays can look at a building that other people would consider a dump, see that it is a beautiful building, feel compassion for it, and want to save it.

Along the same lines, a neighbor of Chief Baba Olunga, in conversation with other gay men in his living room, says, "We feel for the houses.... That's the sort of people who must live in them. If they [the current occupants] don't want to renovate it, don't live in it." He acknowledged that gay white males were replacing African-American families, but that was inevitable given that the latter predominated in the community. The gentrifiers depicted in *Flag Wars* seemed confident that there was nothing racist about thinking that the Victorian houses in Olde Towne East belonged in the hands of custodians who embraced Victorian values and aesthetics, rather than the poorer black incumbent owners who merely considered the buildings home.

There is nothing new in this kind of fetishization of black property. It happens frequently with regard to black people's money.[17] A differential in the purchasing power between black people's money and white people's money is maintained by the tendency to treat black money as if it were a fetish subject to a taboo, that is, like a sacred object that has fallen into the wrong hands, lost its magical power, and become tainted and devalued in the process. The denigration of black economic activity attaches itself to currency in black hands so as to debase or belittle it. When the money is returned to white hands (or the equivalent), its full potency is restored. The black money fetish/taboo leads those who engage in transactions with blacks to affirm the reduced purchasing power of black money by hard bargaining, fraud, or slick business practices without fear of social censure or punishment. The fetish likewise leaves some blacks vulnerable to being outbargained or outright ripped off because they, too, accept the idea that they have to pay more because in some ways their money is worth less.

Black people in the Olde Town community fight back with stories of their own that emphasized their history in the area and the importance of people over property. Director Linda Bryant's dad, Floyd Goode, and Linda Mitchell provide examples of this. Mr. Goode refuses to sign a ballot petition being circulated by one of his neighbors that would have subjected carry-outs, or take-out retail establishments selling alcoholic beverages, to local regulation.[18] In supporting his action, Mr. Goode notes that the young people in the neighborhood patronize such establishments, which are among the few remaining businesses of the kind that once populated the area.

Similarly, in an important scene in the film, Linda Regina Mitchell, talking to an invisible audience, makes it clear that it is the history of the human beings who have lived in a house that matters more than the history of the house itself. Bundled up in her cold home, her belly bloated with fluid, and surrounded by the clutter of several lifetimes, she says, "You don't try to take somebody's history away from them because you want *their* house, because you saw something that *you* like, disregarding the fact that there has already been a family there. No! Nobody in the world thought when my father died that I'd have to go through this. I had the wills and they distinctly state that the house belongs to me. What enforcement did was ridiculous." Convinced of the justice of her view, she holds on as long as she physically can and wears Judge Pfeiffer and the local authorities down. She humanizes them. They ultimately switch the nature of the proceedings against her from criminal to civil. This enables a historic preservation official to enlist nonprofits and volunteers to assist in remedying her code violations. After she dies, the house is not turned over to the hungry private real estate brokers who were salivating at the curb. Rather, it is sold through a closed bidding process to a black developer who intended to restore it in accord with its original design.[19]

The understanding of both Linda Mitchell and the Chief regarding their rights as homeowners was bolstered by their identity and their heritage as black people. Mitchell's parents were race pioneers in integrating the neighborhood. She understood that it was her responsibility to keep the house out of the hands of the gentrifiers who could not appreciate what it represented on a social level. Ceding the house to them would have squandered her inheritance and been a setback in the social and economic advancement of black people.

The Chief's focus on the other hand was more expansive; he found his grounding in his African ancestry. He appeared in Judge Pfeiffer's court to defend his Afrocentric sign wearing traditional Yoruba Agbada apparel with an Abeti Aja cap. There was a Renaissance quality about him. He was a skilled building craftsman, a licensed plumber, who shared his skills with his neighbors. He was an artist. His home was a studio and cultural space for the arts education of black youngsters (but not a museum, which would have been a violation of the zoning code). Thus, he put his property in the service of the community. He mounted a challenge to the gentrifiers that was aesthetic, economic, social, and above all political at the same time. The Chief was able to enlist the news media in mounting a counteroffensive against the assault on his sign and to hire private lawyers to represent him in court. Proud and secure in his own identity as a man of African descent, the Chief was able to defend blacks' entitlement to remain residents of the community in a way that stayed clear of bigotry and histrionics. In different but related ways, then, Linda Mitchell and the Chief found their strength to fight off gentrification in the cultural capital bequeathed to them by their ancestors and their social relations, some near and some far in time and space.

3 Suffering the Impact of Discriminatory Subprime Lending on Black Homeownership

American Casino attempts to explain the linkage between the home foreclosure crisis that began around 2006 with the bursting of the housing bubble and the 2008 financial meltdown that led to the massive government bailout of the quasi-governmental mortgage purchasers Fannie Mae and Freddie Mac and international investment banks and insurance companies like Merrill Lynch and AIG.[20] *American Casino* may not provide the clearest explanation of the convoluted machinations entailed in the disastrous securitization or bundling of mortgages and home equity loans into overrated financial instruments, but it succeeds in capturing the resulting damage done to black property owners in Baltimore who lost their homes, their investments in home equity, and their good credit ratings. There was no bailout for them.

The documentary contains footage of President George W. Bush making increased minority homeownership a priority in light of findings that black and Latino American families lagged substantially behind white families in terms of this significant category of asset holdings. The local transactions that ordinary mortgagors and borrowers completed in pursuit of Bush's goal became the source of tremendous profits for a wide range of national and international players in the real estate and financial services markets—mortgage brokers, real estate appraisers, banks, mortgage companies, consumer finance companies, securitizers, loan servicers, investment banks, rating agencies, investors, and insurers. What the mortgagors and borrowers did not know about and likely could not have foreseen was the role their loans would play in bringing about the near collapse of the American economy.

Securitization involved the bundling of mortgages and other property-backed loans into trusts or bonds that could be divided into segments, or tranches, and sold to investors in the form of collateralized debt obligations (CDOs).[21] Securitization increased the demand for mortgages, refinancing loans, and home equity lines of credit. Having exhausted the supply of prime borrowers, mortgage brokers were set loose on higher risk borrowers who were disproportionately black and brown. Through a practice that came to be known as "reverse redlining," brokers and subprime lenders targeted areas where minorities had previously been denied prime loans and were receptive to loan approvals that came with dishonest practices and exorbitant terms. As a result, they were saddled with subprime loans even if they should have qualified for prime ones, and worse terms than comparably situated whites received. According to *American Casino*, the Federal Reserve found that blacks were 3.8 times more likely to wind up with a subprime loan than whites. Furthermore, 61 percent of black subprime borrowers would have qualified for prime loans. To meet the demand for approved loan transactions, documentation was fabricated or dispensed with in many cases, and appraisers submitted false information. Loans that were bad for these customers because they carried adjustable rates, balloon payments, and prepayment penalties, for example, were nonetheless good for the loan originators and banks, which earned high fees and points but did not have to worry about the likelihood of defaults because the loans were immediately sold to securitizers and other entities higher up the financial ladder.[21]

Rating agencies like Moody's and Standard and Poor's gave favorable ratings (As and Bs) to CDOs containing subprime loan products despite the shaky nature of their underlying obligations. The CDOs were sold to investors ranging from pension funds that required investment-grade securities to hedge funds that were free to take on higher risks that paid a higher return. The issuers of the CDOs wanted to protect themselves, or hedge, against the possibility of declining home prices and defaults on the underlying mortgage and loan obligations, which would lead to defaults on the CDOs. As a result, a market for "insurance-like" CDO-related derivatives known as credit default swaps (CDSs) developed. Through CDSs, firms like AIG undertook substantial guaranty obligations. The CDSs also attracted investors who had no actual exposure under CDOs but wanted to speculate on the future of the housing market.

Easy financing, precipitated by the demand for mortgages to securitize, drove up the demand for housing and housing prices. A housing bubble was created. When the borrowers at the local level stopped paying on their subprime and inflated-rate loans, the transactions supporting the CDOs went into default, the housing bubble burst, and the securitization pipeline collapsed. Abandonments and foreclosures led to banks owning or managing properties that they could not properly maintain; this caused the decline in the value of surrounding real estate and the blighting of neighborhoods in general. Homeowners found themselves holding "underwater" properties that were worth less than their mortgages and other property loans, so they stopped paying. Defaults begot defaults. The banks, unable to pay their obligations under their CDOs, looked to the CDSs for indemnity. Concerns like AIG, which had never imagined that the loans underlying the CDOs would go into default, found themselves unable to meet their guarantees under the CDSs. Speculators who had purchased CDSs but had no position to protect under CDOs made lots of money based on their correct prediction that the housing market would collapse. The government came along with a bailout of the biggest financial institutions that had been involved (except for Lehman Brothers).

The homeowners who had been the victims of unscrupulous lending practices and noncompetitive pricing received no comparable protection. Unable to meet the terms of the loans they had been issued, they lost their homes and their equity. Federal efforts to assist homeowners in negotiating new terms with their lenders helped very few of them.[23] Rather than enabling blacks and Hispanics to build equity through homeownership, then, the subprime securitization fiasco brought about a massive drain of wealth from minority communities.

American Casino focuses in on the impact of the mortgage crisis on a few individual black homeowners and public officials in Baltimore. The film presents the testimony of two black middle-class homeowners who came to realize that their personal experiences in the mortgage market and those of others like them exposed the depth of the social, economic, and political cleavages of American society. Recognizing the racial and class implications of the foreclosure crisis, city officials in Baltimore took action by bringing a civil rights suit against a large corporate bank. But for at least one of the Baltimore citizens who appear in the film, the effort was probably too little and too late.

When Denzel R. Mitchell, Jr. is interviewed in the film, he is a young high school social studies teacher, avid gardener, husband, and father of three.[24] He recounts that he and his wife borrowed money from friends and family to purchase a two-story house with a big backyard. The couple acquired two loans to pay for the house. The first mortgage was for 6.6 percent. The second mortgage had an adjustable rate that started out a bit over 11 percent; Denzel had no idea where the rate would go. When the couple closed on the house, "everything looked good," but the first monthly statement was for $300 more than he had been told it would be. When he inquired, the mortgagee told him that the sum was for insurance and taxes. (Failing to include escrow payments in the statement of their monthly obligations was a common way of misleading novice borrowers about the affordability of their loans.) From the beginning, Denzel and his wife struggled to make the payments.

Denzel was interviewed on the day he filed for bankruptcy, when his family was preparing to move out. (The bankruptcy filing actually allowed the family to stave off foreclosure and hold on to the house.) On a tour of the house, he points out the spots where he plants vegetables, catches rainwater in barrels, and does his composting. He goes into the bedroom he hoped to paint and decorate for his son using a Tuskegee Airmen theme. Holding a model airplane, Denzel says, "It's that kind of stuff that's really gut wrenching." He feels like a failure and is not comforted by the fact that his situation is not unique.

Denzel Mitchell is struggling to accept the larger social and political origins of his situation. He feels that it was "immoral for there to be such a huge boom around the housing industry. A lot of people made a lot of money and now all these people who bought during this period are losing their homes." He considers addressing the mortgage crisis, particularly the "terrible" loss of security and stress it has caused people, with the students in his course on social justice and human rights. It is not clear why he does not follow up on the idea. Indeed, one of the lawyers interviewed in the film calls the subprime mortgage foreclosure crisis "the civil rights issue of the 2000s, because it is just as invidious and destructive as the overt barriers to integration that we saw in the 1960s."

At the time of filming, Patricia McNair is a clinical cognitive behavior therapist at Johns Hopkins Medical Center. Her husband, Rodney Carter, is a social worker. The couple relate that after Countrywide, a subprime lender, foreclosed on their mortgage, which had an outstanding balance of $89,000, they refinanced through a local broker; this new loan was for an additional $10,000 (to cover the expenses associated with the Countrywide mortgage) and had a rate of 12 percent. Their monthly bill went from $800 to $2,000, which they could not afford. At the time of the interview, the replacement mortgage is in foreclosure, and their checks are being returned. They fear that they will lose their home, and they eventually did.

Patricia McNair acknowledges that she has finally come to see her predicament and that of others facing foreclosure in less individualistic and more systemic terms. In their den, Patricia, Rodney, and Mallisha Pate, a neighbor, describe the day in June 2005 that a family on the block was evicted from their home because of foreclosure and all of their possessions were put out on the curb. Rodney says the situation was "sad," "like a funeral." Patricia and Mallisha did all they could do to keep the "vultures" from pillaging their neighbors' belongings. Patricia admits that she has come to understand the foreclosure crisis better since then because of all the things that had happened to her own family.

At one time, Patricia McNair says, she did not read about the foreclosure and financial crises because they did not seem to apply to her. However, her reading habits have changed, and she has come to realize that articles that were *not about her* were nonetheless *about her*. She has come to understand that some investors are getting rich off of people who are getting hurt and that large corporations, which are much bigger than she once thought, should be subject to some kind of real regulation to protect small people. Both she and Rodney see in their situation an assault on the ideal of the American Dream. Patricia wonders how America has gotten into such a predicament, given that owning a home is the dream, indeed, the dream the country is built on. Rodney declares it "a sign of the times but a sad commentary" that America, "the richest country in the world," has a system in place that makes it difficult for hardworking people to own and maintain a home. That conclusion is what has become "more real" to him as a result of the family's having gone through its experiences with mortgage foreclosures.

The upheaval and suffering endured by Denzel Mitchell, Patricia McNair, their families, and their neighbors were multiplied throughout Baltimore, though it may not have found verbal expression outside the homes of the victims. The reluctance of middle-class homeowners to speak openly about their personal finances very likely made it very difficult for them to organize for social support and direct political action. Nonetheless, grassroots groups, composed of less affluent homeowners, organized what amounted to a national foreclosure defense movement that employed pickets, blockades, and other acts of civil disobedience to prevent evictions of residents from foreclosed properties.[25]

At the same time, the social dimension of the foreclosure crisis was openly reflected in the physical environment. Officials of the city of Baltimore had to deal with numerous properties left vacant and abandoned by defaulting borrowers and their lenders. The film follows one of them as he orders city employees to board up a house that is being inhabited by squatters who use the gas stove as a heater. The police check the basement first to make sure that no one is on the premises. As the mayor at the time states in the film, the subprime fiasco has imposed a social and economic burden on the people of Baltimore and their government in the form of devastated neighborhoods, declining tax revenues, and rising city expenditures. (This mayor subsequently pled guilty to buying luxury items with gift cards donated to help the poor.)

But Baltimore's black city administration politicized the crisis and exercised its public authority to start a lawsuit that ultimately delivered some economic compensation for its minority borrowers and Baltimore taxpayers in general. The city hired one of the lawyers interviewed in the film to sue Wells Fargo under the Fair Housing Act of 1968 for discriminatory lending practices that led to the economic exploitation of black borrowers that in turn caused foreclosures, the abandonment of properties, and the blighting of the city's communities. Citing "reverse redlining," or the practice of targeting black neighborhoods for "deceptive, predatory, or otherwise unfair" mortgages and refinancing or home equity loans, Baltimore claimed that the lenders had caused vacancies that would not otherwise have occurred and damage in the form of increased expenses for municipal services (for property maintenance, condemnation proceedings, fire and police protection) and lost property tax revenue. After three attempts, Baltimore's lawsuit finally withstood Wells Fargo's attempts to dismiss the complaint.[26] Depositions of former Wells Fargo employees confirmed that the lender, through financial incentives, had encouraged independent brokers to steer minorities toward loans with higher fees and interest rates than whites received. Furthermore, the lender knew at the outset that the borrowers would not be able to afford the agreed-on terms and that the loans were destined to fail.

In July 2012, the Civil Rights Division of the U.S. Justice Department announced a settlement with Wells Fargo that resolved the case brought by Baltimore.[27] The bank agreed to pay $175 million to individual black and Latino borrowers, including an estimated $2.5 million to roughly one thousand Baltimoreans who had been defrauded, and $7.5 million to the city for community improvement, down payment assistance, and foreclosure-related programs. An undetermined sum was set aside to compensate minority borrowers who might subsequently be found to have obtained discriminatory loans directly through Wells Fargo employees. The settlement, which benefited seven cities in addition to Baltimore, recognized that the subprime foreclosure crisis harmed communities as well as discrete minority property owners. The bank, of course, denied any wrongdoing and said that it had settled to avoid the costs of further litigation. Similar settlements were reached with Countrywide Financial, which is now part of Bank of America, and SunTrust.

The black subprime borrowers of Baltimore did not have the individual or collective social capital to protect themselves from the onslaught of actors in the real estate and financial services industries who were hell-bent on exploiting them to make billions of dollars. Individuals cannot be expected to stand up against such systemic and sophisticated fraud and overreaching. There were consumer-oriented legal actors who decried subprime lending and predicted dire consequences, but their analysis did not trickle down to generate the kind of social movement activity that might have warned middle-class black homebuyers and homeowners about the disaster that would follow from the proliferation of subprime lending. After the fact, though, governmental officials at the local level and civil rights agencies at the national level acted to ameliorate some of the damage done to ordinary homebuyers and homeowners because of their race. The group-related issues that were exposed by the foreclosure and financial crises remain unaddressed. That makes the stories of property owners like Denzel Mitchell and Patricia McNair all the more important.

Home, Flag Wars, and *American Casino* all feature stories that make it clear that social networks, social history, and social identity–based politics are essential to sustained black homeownership. Storytelling is a crucial tool in the building and mobilizing of social capital that can facilitate the building and mobilization of economic and cultural capital. These three films are exceptional in that they present real, complicated black individuals and families who overcame any reluctance to share their experiences in order to give viewers rich and critical accounts of the economic challenges of being a black homeowner in urban America. Praise to them. Praise also to those future black economic storytellers who follow in their footsteps.

Notes

1. See Michael A. Stegman et al., "The Wealth-Creating Potential of Homeownership: A Preliminary Assessment of Price Appreciation among Low-Income Homebuyers," in *Chasing the American Dream: New Perspectives on Affordable Homeownership*, edited by William M. Rohe and Harry L. Watson (Ithaca, NY: Cornell University Press, 2007); Mark W. Olson, Governor, Federal Reserve Board, Speech at the Community Development Policy Summit, Cleveland, Ohio: Exploring the Benefits and Challenges of an Ownership Society, June 23, 2005, http://www.federalreserve.gov/boarddocs/speeches/2005/20050623/default.htm, accessed March 25, 2015 (describing homeownership as "one of the most tried-and-true paths to wealth accumulation in our economy" and "a transforming experience for individuals and families.").
2. See, e.g., Thomas M. Shapiro, "Race, Homeownership and Wealth," *Washington University Urban Journal of Law and Policy* 20 (2006): 53 (arguing that while most young couples can purchase homes only with significant financial assistance from their parents, African Americans have historically been denied this form of inheritance); Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (New York: Routledge, 1997), 15–18, 39–40, 174 (recounting the impact of the FHA in limiting blacks' wealth accumulation through homeownership); *Legislative Solutions to Abusive Mortgage Lending Practices, Hearing before the H. Subcomms. on Housing and Community Opportunity and Financial Institutions and Consumer Credit and the H. Comm. on Financial Services,*

109th Cong. 5–7 (2005) (testimony of Stella Adams) (asserting that lender practices that favor whites over blacks and other minorities include differences in interest rates quoted; information provided about fees, rates, loan programs, and loan terms; and frequency of referrals to the lender's prime lending division).

3. Ivan Light and Steven Gold, *Ethnic Economies* (San Diego: Academic Press, 2000), 110.
4. Sandra Susan Smith, *Lone Pursuit: Distrust and Defensive Individualism among the Black Poor* (New York: Sage, 2007), 45.
5. In the fourth quarter of 2014, 72.3 percent of non-Hispanic white householders were homeowners, compared with 42.1 percent of blacks. Hispanic homeownership was measured at 44.5 percent, while homeownership among Asians and other nonwhites and nonblacks was 55.3 percent. Over the past nineteen years (1995–2014), non-Hispanic whites and blacks reached their highest levels of homeownership in 2004 at 76.2 percent and 49.1 percent, respectively. See U.S. Census Bureau, "Housing Vacancy Survey, Homeownership Rates by Race and Ethnicity of Householder: 1994–2014," table 16, accessed March 25, 2015.
6. Cassi Pittman, *The Use of Social Capital in Borrower Decision-Making* (Boston: Joint Center for Housing Studies of Harvard University, February 2008), 9, 15, 21.
7. *Home*, DVD, directed by Jeffrey M. Togman (Newark, NJ: Kikker Arts LLC, 2005).
8. *Flag Wars*, DVD, directed by Linda Goode-Bryant and Laura Poitras (New York: Zulu Pearl Films, 2003).
9. *American Casino,* DVD, directed by Leslie Cockburn (Washington, D.C.: Table Rock Films, 2009).
10. In chapter 14 here, the director relates aspects of this documentary and its making.
11. The exact wording is: "Well we're movin on up, / To the east side. / To a deluxe apartment in the sky. / Movin on up, / To the east side. / We finally got a piece of the pie." *The Jeffersons* (Jeff Barry and Ja'net Dubois, 1975), http://www.crazyabouttv.com/jeffersons.html, accessed March 25, 2015.
12. See "Home Economics," editorial, *Wall Street Journal,* May 26, 2006, A10: "Homeownership, a traditional measure of economic well-being, does more than just help families build equity. The children of homeowners tend to perform better in school and have fewer behavioral problems." See also Donald R. Haurin, Toby L. Parcel, and Ruth J. Haurin, "The Impact of Home Ownership on Child Outcomes," Real Estate Economics 30, no. 4 (2002): 635–666.
13. Dina Schlossberg, "Home: The Documentary" (2006), unpublished manuscript, on file with author. The paper was presented during a panel discussion at which the director also spoke.
14. Schlossberg, speaking at the panel discussion; see the preceding note.
15. *Flag Wars.*
16. See Linda Goode Bryant, "'Law Is Life!' 'Flag Wars,' Local Government, and the Gentrification of Old Towne East," *Fordham Intellectual Property, Media and Entertainment Law Journal* 16, no. 3 (2006): 715.

17. Regina Austin, "Black People's Money: The Impact of Race, Law, Economics, and Culture on Damage Recoveries" (2012), unpublished manuscript, on file with author.
18. Bryant, "'Law Is Life!'" 723, n. 6. The Chief was no more successful when he tried to get a white neighbor to sign a petition supporting the Chief's right to keep his sign; the neighbor refused to sign it because the statement of support and the signatures were not on the same page.
19. "Film Update," POV (American Documentary, Inc.), July 17, 2003, http://www.pbs.org/pov/flagwars/film_update.php, accessed March 25, 2015.
20. *American Casino*. For the big picture, the viewer would do well to view *We All Fall Down: The American Mortgage Crisis*, DVD, directed by Gary Gasgarth (New York: Second Act Films, 2009); *Inside Job*, DVD, directed by Charles Ferguson (Culver City, CA: Sony Classics, 2010); "Money Power and Wall Street," *Frontline*, WGBH, April 24, 2012, and May 1, 2012, http://www.pbs.org/wgbh/pages/frontline/money-power-wall-street/, accessed March 25. 2015.
21. See generally chapter 2 here.
22. Michael S. Barr, Jane K. Dokko, and Benjamin J. Keys, "Who Gets Lost in the Subprime Mortgage Fallout? Homeowners in Low- and Moderate-Income Neighborhoods" (April 2008), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1121215 (accessed March 23, 2015), (concluding that "black homeowners are significantly more likely to have prepayment penalties or balloon payments attached to their mortgages than non-black homeowners, even after controlling for age, income, gender, and creditworthiness.")
23. Binyamin Appelbaum, "Cautious Moves on Foreclosures Haunting Obama," *New York Times,* August 19, 2012, A1.
24. As of 2012, Denzel Mitchell was the cooking teacher and chef of the Baltimore Montessori Public Charter School, the owner of the Five Seeds Farm and Apiary, and a husband and father of five. Afroculinaria, http://afroculinaria.com/2012/01/10/introducing-denzel-mitchell-of-five-seeds-farm-in-baltimore/, accessed March 25, 2015. When the backyard of the house seen in *American Casino* proved less than optimal for gardening, Mitchell took over a number of empty lots in the neighborhood and began an urban gardening project. While Mitchell remained involved with several city plots, he and his family moved to Five Seeds Farm, which is located in Baltimore County.
25. See Ben Austen, "Stuck in the Shadow of Affluence," *New York Times Magazine,* June 2, 2013, 22 (profiling the work of a leader of the Chicago-based Anti-Eviction Campaign, which engages in eviction blockades and the takeover of vacant properties).
26. Mayor and City Council of Baltimore v. Wells Fargo Bank, N.A., Civil Case No. JFM-08-62, 2011 WL 1557759 (D.Md. Apr. 22, 2011). See Benjamin Howell, "Exploiting Race and Space: Concentrated Subprime Lending as Housing Discrimination," *California Law Review* 94 (2006): 101–147 (positing a theory of discrimination

based on exploitation of past discrimination in appraisals, credit scoring, and redlining).

27. Luke Broadwater, "Wells Fargo Settles Bias Suit for $175 M," *Baltimore Sun,* July 13, 2012, 1A; Mary Ellen Podmolik, "Wells Settles Fair-Lending Case; Blacks, Hispanics, Were Allegedly Steered into Subprime Mortgages," *Chicago Tribune,* July 13, 2012, 1.