

Antipode

A Radical Journal of Geography

Chester Hartman and Gregory D. Squires (eds), *From Foreclosure to Fair Lending: Advocacy, Organizing, Occupy, and the Pursuit of Equitable Credit*, New York: New Village Press, 2013. ISBN: 9781613320136 (paper); ISBN: 9781613320143 (ebook)

Recent estimates suggest more than 7 million homeowners and renters lost their homes as a result of foreclosure between 2004 and 2014; an additional 9.8 million homeowners remain in their homes, but with negative equity (CoreLogic 2014; Dreier et al. 2014). In the wake of the devastation the subprime crisis wrought, the future of “fair lending” in the US is a considerably thorny question. Editors Chester Hartman and Gregory Squires and contributors to this volume take the Occupy Wall Street movement, the renewed societal and political attention to economic inequalities it generated, and its focus on confronting the financial industry as a point of inspiration from which to draw next steps for the now generations-old movement for racially equitable lending. The way in which Occupy empowered “ordinary people” to engage in direct action and “confront powerful individuals and institutions” (p.5) resonates strongly with the origins of the fair lending movement. Despite its longstanding reliance on litigation, the movement rose to national prominence in the early 1970s under the steam of creative and confrontational direct action tactics engineered by Gale Cincotta and National People’s Action. These tactics made demands on the state and banks to serve the communities from which they profited, and yielded many victories for the movement, including the Home Mortgage Disclosure Act of 1975 and the Community Reinvestment Act of 1977. However, the finance-driven economy was beginning to emerge just as these victories were won, and banks and other financial institutions have garnered significant power since the heyday of fair lending activism. In recent years they have become even more powerful despite the global crisis they brought on, as post-2008 bank mergers and acquisitions concentrate financial assets, make large institutions

Antipode

A Radical Journal of Geography

even bigger, and intensify the implicit subsidy enjoyed by “too big to fail” banks (cf. the IMF’s 2014 *Global Financial Stability Report*). Thus the movement for fair lending and equitable credit is in need of a fresh set of approaches to reflect the changes in banking and finance since the 1970s.

From Foreclosure to Fair Lending aims to inform these next steps. The book begins with a foreword in which Douglas Massey lays out how “systematic disinvestment” (p.x) undermined urban African-American communities prior to the fair lending movement, the durability of segregation despite key legislative achievements, and how the rise of reverse redlining and predatory lending created housing wealth in minority and low- and moderate-income communities that quickly evaporated once the housing bubble collapsed. The subprime crisis is thus a fresh chapter in the nation’s ongoing text of racial subjugation and economic dispossession, in which Black and Latino homes and communities are once again the site of unwilling economic shifts (Chakravartty and Ferreira da Silva 2012). This contemporary reality of racial capitalism sits in tension with the movement for fair lending, which is based on an ideal of financial citizenship and “reformist efforts to universalize access to ‘safe’ and affordable financial products” (Kear 2013: 926). The contributions to *From Foreclosure to Fair Lending* attempt to navigate this tension in order to articulate the possibility of equitable credit.

The editors begin the book with a discussion of the racialized experience of foreclosure and federal responses to discriminatory lending since the crisis, and how Occupy has directed much of its activism toward financial institutions due to their role in perpetuating economic inequality. The volume is divided into three segments, with contributions characterized as hailing from “activists”, “organizers” or “scholars”. In keeping with Occupy as a key anchor of the book, the first segment (which, at 136 pages, comprises a disproportionate amount of the book) is from the activists, who argue “that market forces alone will not resolve or self-correct

Antipode

A Radical Journal of Geography

prevailing economic and housing-related challenges” (p.10). Meanwhile the organizers have just 65 pages with which to “delineate strategic next steps”; the book’s final 96 pages is devoted to the scholars, who offer “broader historical and political contexts” for these efforts in (p.11). The book concludes with a pragmatic chapter by Peter Dreier addressing the potential for a grassroots bank reform movement. In the remainder of this review, I highlight how some of the more provocative of these contributions grapple with the tension between racial capitalism and financial citizenship, and critically examine how the book as a whole contributes to 21st century struggles for racial, economic, and spatial justice.

Perhaps appropriately, it is the activists who engage relations between racial capitalism and financial citizenship in the most productive ways. In “The More Things Change, the More They Stay the Same: Race, Risk, and Access to Credit in a Changing Market”, Debby Goldberg and Lisa Rice (both of the National Fair Housing Alliance) point out how banking practices and federal policies and practices such as redlining made “banking wastelands” (p.31) of minority communities over generations, allowing fringe banking institutions like payday lenders to emerge and flourish. With few options other than risky and under-regulated credit, minority borrowers have been subject to less favorable treatment in the rise of the credit reporting regime. In turn their “efforts to get into the financial mainstream” (p.31) have been fraught, which, in the lead up to the crisis, increased their likelihood of receiving subprime mortgages that would end in credit-damaging foreclosure.

Goldberg and Rice’s analysis is particularly compelling in how it critiques the construction of credit scores (e.g. the fact that scores don’t distinguish between poor credit habits and the results of predatory lending practices) and the role this plays in sustaining the dual credit market. The broadened use of credit scoring systems to determine much more than access to mortgage credit (e.g. differentiating access to jobs, housing, and health care), and the way public

Antipode

A Radical Journal of Geography

policy and banking and financial services have constructed minorities as a subprime “class” underlines the need to confront and politicize how practices like credit scoring (re)produce risky populations (Kear 2013). David Berenbaum and Katrina Forrest of the National Community Reinvestment Coalition confirm these insights, showing how in the aftermath of the crisis, many Federal Housing Association-approved lenders required prospective borrowers to have minimum credit scores of 620 or higher, despite the FHA’s lower minimum credit score of 580 and their own inability to document an adequate business justification for this requirement. In restricting “the flow of credit and capital into communities of color and modest-income neighborhoods” (p.51), such practices contribute to an uneven geography of recovery, thereby continuing the kind of marginalization that becomes “an opportunity, a resource, and an untapped seam of value” for the financial system (Kear 2013: 937).

Credit scores are an example of the individualizing logic of finance, yet as the above discussion shows, they can also be understood as binding together various collectivities, such as neighborhoods. Indeed, contesting the power of financial practices to control and undermine the lives of masses of individuals, albeit in racially inequitable ways, will depend on constructing collective identities from which to build a movement. Labor organizers Stephen Lerner and Saqib Bhatti take up this task, arguing that the concentration of wealth and power and dominance of Wall Street banks have so changed the landscape that “it is impossible to develop a strategy to address the housing crisis by focusing on the need for fair housing, access to credit, and an end to discriminatory practices alone” (p.178). Instead, they position debt as an overarching framework for fundamentally changing how Wall Street relates to communities. They show how the volume and prevalence of housing, student, credit card, and public debt forms a “massive constituency” (p.183) that gives debtors (as yet largely inactivated) leverage over financial institutions. While acknowledging the “culture of shame around debt” (p.181) and how society judges indebtedness,

Antipode

A Radical Journal of Geography

Lerner and Bhatti don't attend to the racialized contours of indebtedness and their implications for a social movement in which debt is the organizing concept. If debt serves as a means of social discipline (Mahmud 2012), then the financial sector's predatory expansion of debt into the racialized spaces it once excluded must also be seen a means of (re)asserting control over minority populations. Thus even while, as John A. Powell's contribution, "Housing, Race, and Opportunity", reminds us, "[t]he structural forces affecting marginalized people of color in the US also threaten white people because they are signs of a malfunctioning democracy, of mechanisms that are reproducing inequality" (p.253), a debtors movement is also, inescapably, a movement for racial justice.

From Foreclosure to Fair Lending assembles writings from a wide range of contributors, looking beyond academics to include fair housing and lending advocates, labor organizers, civil rights experts, and lawyers, all engaged in work seeking to realize the aims of the Fair Housing Act. This is where the collection derives its greatest strength: the wealth of practical insights and tactics offered to move toward fair housing in the wake of the foreclosure crisis. Yet the book's emphasis on pragmatic next steps sometimes entails a failure to dwell on some of the larger theoretical questions that must be part of a post-crisis imaginary of "fair housing" and "equitable credit". The question that kept cropping up in my mind was what purpose it serves to hold on to the notion of fair credit when, as Mark Kear has argued, financial marginalization and exploitation represent not a lack of rights, but the normal operation of a system organized around risk. In their introduction to the volume, Squires and Hartman make note of the ubiquitous "demand for demands" made of Occupy Wall Street, and quote Paul Krugman's retort that "It's clear what kinds of things the Occupy Wall Street demonstrators want, and it's really the job of policy intellectuals and politicians to fill in the details" (p.13). True enough, but it is also the job

Antipode

A Radical Journal of Geography

of scholars and intellectuals to raise and think through the difficult, complex questions that can disrupt entrenched patterns of thinking and move toward more radical social change.

References

- Chakravartty P and Ferreira da Silva D (2012) Accumulation, dispossession, and debt: The racial logic of global capitalism. *American Quarterly* 64(3):361-385
- CoreLogic (2014) *National Foreclosure Report, August*. Irvine: CoreLogic
<http://www.corelogic.com/research/foreclosure-report/national-foreclosure-report-august-2014.pdf> (last accessed 4 February 2015)
- Dreier P, Bhatti S, Call R, Schwartz A and Squires G (2014) *Underwater America: How the So-called Housing "Recovery" is Bypassing Many American Communities*. Berkeley: Haas Institute for a Fair and Inclusive Society <http://diversity.berkeley.edu/underwater-america-report> (last accessed 4 February 2015)
- IMF (2014) *Global Financial Stability Report: Moving From Liquidity- to Growth-Driven Markets*. Washington, DC: International Monetary Fund
<http://www.imf.org/external/pubs/FT/GFSR/2014/01/index.htm> (last accessed 3 February 2015)
- Kear M (2013) Governing *homo subprimicus*: Beyond financial citizenship, exclusion, and rights. *Antipode* 45(4):926-946
- Mahmud T (2012) Debt and discipline. *American Quarterly* 64(3):469-494

Desiree Fields
Department of Geography

Antipode

A Radical Journal of Geography

University of Sheffield
d.fields@sheffield.ac.uk

February 2015