



## Black & White?

By Gabe Pressman

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NEW YORK -- It has the aroma of racism.

By the end of this year, it's estimated, 15,000 homes in New York City will be in foreclosure as a result of practices by lenders that seem to discriminate between white and minority borrowers.

The loans in question have been made during the last decade to many people who bought homes decades ago. Lenders include home improvement contractors and debt consolidators.

The home owners, mainly blacks and Latinos, have fallen victim to these lenders because the borrowers believe it's an easy way to raise cash to renovate or refinance a home or to pay off other debts. Often, the problem is that the rates they pay for these loans are for a short term. They may borrow for six months at 1.5 percent and then, suddenly, the rate is scheduled to zoom up to 7 or 8 percent.

A map of the city shows that most of so-called sub-prime loans (that is, loans with higher interest rates, fees and penalties) are granted in neighborhoods with black and Hispanic majorities. Lower rates for mortgages prevail in white areas. The study of the critical mortgage situation was made by NYU's Furman Center for Real Estate and Urban Policy.

Many victims of these practices bought their homes back in the 1960s or 70s. Others are young, first-time homeowners. But, whatever their histories, these home owners, old and young, thousands of them, have faced the nightmare of losing their homes. Sarah Ludwig of the Neighborhood Economic Development Advocacy Project, which has reached similar conclusions, said the situation evokes memories of depression or recession days.

Federal and state regulators have jurisdiction over this problem. It is illegal to discriminate in issuing mortgages. An analysis by the New York Times shows the rate of

borrowing at the unfavorable rates is far higher for blacks and Latinos than for white people. Yet government agencies are doing virtually nothing about it. The correlation is there. Minority borrowers are getting hurt. Justice demands the government not ignore the overwhelming evidence of racism.

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