

Transcript for Legally Stolen: Episode One

Amber Hendley [00:00:00] 3.4 – 4.3 billion dollars, in today's dollars, was legally and unjustly stolen from the Black community through contract selling, and I always want to point out that that's a totally low, conservative number.

Tonika Lewis Johnson [00:00:22] I'm Tonika Lewis Johnson, and I am a social justice artist, photographer, and the National Public Housing Museum's 2021 Artist-as-Instigator.

Tiff Beatty [00:00:33] And I'm Tiff Beatty, and I am the Program Director of Arts, Culture and Public Policy at the National Public Housing Museum.

Tonika [00:00:42] And this is Legally Stolen.

Tiff [00:00:47] Tonika?

Tonika [00:00:49] Yes?

Tiff [00:00:51] How are you feeling?

Tonika [00:00:53] I am really excited about this project, and it feels so surreal.

Tiff [00:01:02] Oh my God, yes! Legally Stolen is a deep dive into your new project, Inequity for Sale. Before we dive in, for those who are just learning about the project for the first time, tell us: what is Inequity for Sale?

Tonika [00:01:17] Inequity for Sale is a virtual and physical exploration of homes that were sold on Land Sale Contracts. It takes us back to the 1950s and '60s, and demonstrates how legalized theft in the past directly contributes to present-day inequity in Black communities.

Tiff [00:01:36] So, Inequity for Sale is an art project—you're an artist—but it's also a history project. And, it's also asking policy questions, right?

Tonika [00:01:47] Yeah. I pretty much want people to literally understand what structural racism is and how it bred inequity in Black communities today.

Tiff [00:01:56] Yes, exactly! Immoral practices like Land Sale Contracts and redlining were not only legal in America, but promoted by government policies at the local, state, and federal levels.

Tonika [00:02:06] And, they were used to legally steal wealth from Black people and communities.

Tiff [00:02:13] And to better understand this, we talked to experts: historians, economists, politicians, activists, residents—so many people. And that's just October. We not only asked about Land Sale Contracts, but we also collected stories about homes and Seneca. You were interviewed by the museum's oral history Corps last summer, right?

Tonika [00:02:30] Yes, I was interviewed by Mark and Iris.

Tiff [00:02:34] Yup. And we'll be sharing excerpts of these conversations and more throughout this three episode podcast series.

Tonika [00:02:42] In this first episode, we'll start with the history and the research that sparked my idea for the project. In the second episode, we'll discuss the impact of these discriminatory policies and practices on Black people and communities.

Tonika [00:02:58] Yep. And in the final episode, we'll get into potential solutions, remedies and even a bit of speculation using our collective radical imaginations to suggest a more equitable future. OK, let's dive in, Tonika! *Inequity for Sale*, in this first iteration, at least, is based in Chicago's Greater Englewood neighborhood, where you live. You grew up in Englewood. You've organized residents and artists there, and you still live in Englewood. In fact, you just bought a home there. How did you come to live in Englewood?

Tonika [00:03:27] I grew up in Englewood on 62nd, and Loomis, primarily because this is the neighborhood that my grandmother, Marilyn Tenney, my mother's mom, came to Chicago on the tail end of the Great Migration. And she, like most Black people who came to the northern part of our country. They wanted to escape racism and seek better employment opportunities. And that's what my grandmother did. And she purchased a beautiful two-flat brick building on 62nd and Loomis. And that is how I ended up growing up in Englewood.

Tonika [00:04:20] So your home neighborhood was also the starting point of your acclaimed *Folded Map Project*? That project connects residents who live in homes at corresponding addresses on opposite sides of Chicago to examine how segregation impacts their lives. *Inequity for Sale* memorializes homes sold across Greater Englewood to Black people during the 50s and 60s through land sale contracts, you're installing landmarks in front of 10 to 15 of these homes in Englewood. Why? What's your motivation for doing these projects? What's your intention?

Tonika [00:04:49] First and foremost, *Folded Map* is an art project, not a scientific study or a report. It is an art project on steroids, meaning that it's a multimedia and participatory project that visually demonstrates what urban segregation looks like today and how it impacts residents, our social network, our lived experiences. by comparing addresses that are similar on the same street in Chicago, but 15 miles apart and in racially and economically different neighborhoods, while also bringing residents from those neighborhoods together to have a conversation. That is what *Folded Map* is, literally folding Chicago's map so that these racially and economically different neighborhoods touch by residents meeting. And *Inequity for Sale* is a deeper dive into how these disparities began. The actual tools that were the discriminatory tools that were used to create the present day disparity that is visualized in *Folded Map*. And so that for me is what *Inequity for Sale* does that *Folded Map* didn't really think its teeth into. So instead of folding the map, with *Inequity for Sale*, I aim to kind of fold time to connect the history to the present, helping people understand how history created the disparity that we see today. *Land Sale Contract* was a major key, was a major piece to understanding that history because we know about redlining, but sometimes we don't know about the tools that were used to take advantage of the people in redlined communities. And this is a huge one. This is a major one. This deals with the core of what we've learned generational wealth, how you build it, which is home ownership. But even more importantly, to me, it helps people understand. The unfair use of the law and greed and capitalism to take advantage of a group of people through contracts.

Tiff [00:07:50] So how did you come to learn about Land Sale Contracts? Is this a history you learned growing up?

Tonika [00:07:56] No, I knew about it happening on the west side of Chicago because the West Side is actually the area most well known for this history. Kind of like the epicenter, because most of the homes sold on Land Sale Contracts were on the west side, and the research has been focused on that community. I actually learned about Land Sale Contract's specific impact on Greater Englewood from Amber Hendley, the lead researcher of the Plunder of Black Wealth in Chicago report.

Tonika [00:08:28] Right. The 2018 study from Duke University, which found 75 to 95 percent of homes sold to Black families in Chicago during the 50s and 60s were sold on land contracts. On the south side in Greater Englewood, more than a hundred and sixty eight homes were sold this way. Tonika, you also talked about this study in your oral history interview.

Tonika [00:08:48] It is specifically about Land Sale contracts in Chicago and the amount of money that was stolen from potential Black homeowners in the 50s and 60s as a result of the discriminatory housing practice of Land Sale Contracts.

Tonika [00:09:07] So at this point, some of our listeners might be wondering what exactly is a Land Sale Contract? Are they inherently predatory? We talked to Dr. Beryl Satter, a professor of history at Rutgers University. Early in 2009, Satter published Family Properties, Race, Real Estate, and the Exploitation of Black Urban America. The book is both factual and deeply personal. It chronicles her late father's battles against discriminatory and predatory lending practices in Chicago.

Satter [00:09:37] If his contribution was anything, it was in laying out very clearly how the whole thing worked, which is, you know, part of the diabolical aspect of it is that it's a little bit technical. You know, so people are being exploited and communities are being destroyed. But how do you explain it? You have to be able to explain it in a few sentences. And he worked on that. He honed his message over and over. Land installment contracts were basically a mechanism of purchasing property on installments like you would buy a car on an installment plan, you could buy a watch or refrigerator on an installment plan. Land installment contracts or sometimes just called land contracts or contract sales were a legal method of purchasing property in installments. They're not inherently predatory, but they became predatory but they became predatory because the laws and the state of Illinois so heavily favored the person selling the property on installment and so powerfully disadvantaged the person who was purchasing property on installment.

Tiff [00:10:56] Right, and the sellers knew what they were doing. They call them real estate speculators. They make calculated assumptions in the market by buying when the prices are low and when the prices rise, they sell at a higher price.

Tonika [00:11:08] And when they persuade the owners to sell property cheaply because of the fear of people of another race or class moving into the neighborhood that's called blockbusting.

Tiff [00:11:19] Exactly. And we also talked to Dr. Richard Rothstein, author of The Color of Law A: Forgotten History of How Our Government Segregated America. He explained how speculators preyed on Black people using these contracts.

Rothstein [00:11:32] Well, because African-Americans couldn't get conventional mortgages, speculators preyed on them and told them that they were selling them homes in places like Englewood. And they gave him a contract which the homeowners believed was similar to the kinds of contracts that whites had in white neighborhoods in which they gained equity. But the contracts of these speculators were financed by banks to do this. The contracts of these speculators gave to African-American families had no what we call amortization, no devotion of part of the monthly payment to principal. So the families who had these contracts gained no equity over the course of the loan. It really wasn't a loan at all. It was really a rental system. The homeowners under these contracts were after just renting their homes. It was more like a new installment contract where somebody goes to a store and puts something aside and pays a little bit each month. And when they pay it off, they get the product or the piece of clothing. And if they don't finish the payments, they lose all the payments that they made and don't get any part of the product that they had put aside, a layaway plan. That's what these land contracts were.

Tiff [00:12:56] So Rothstein calls these contracts a layaway plan. Simply put, these contracts enabled white speculators to legally steal from Black people. Researchers like Amber Henley, coauthor of *The Plunder of Black Wealth in Chicago*, see these predatory contracts as just one piece of a very expensive puzzle.

Hendley [00:13:13] About 3.4 to four point three billion dollars in today's dollars was legally and unjustly stolen from the Black community through contract selling. And I always want to point out that. That is like that's a totally low conservative number. The issue in and of itself was not contract selling. It was redlining and redlining took money from us through contract selling and we got a calculation for that. But it also took an additional surplus through the rental market because some people weren't even, like some people that would have owned but couldn't get a mortgage. They weren't fooling with the contract because they didn't know what that was. So they just kept renting, but they could afford it to buy at that time if things had been fair and they had been given mortgages at reasonable interest rates. So I argue that redlining was the issue. Contract selling was trash. Redlining was the issue. Redlining is the one that allowed contract selling, but also the rental market stole from Black folk, too. So that cost for housing is... I'm just going to stay in the trillions, highly speculative.

Tonika [00:14:28] I just want to pause because Henley mentions redlining, which our listeners may be more familiar with, but less connect the dots. The reason this is particularly insidious is because redlining is one thing that's, you know, when certain races, specifically Black and Brown people were pushed into certain neighborhoods because they could not rent or buy property in a neighborhood that was predominantly white. So, in partnership with the local government, the realtors redlined. Black and brown people into particular neighborhoods. That created the perfect environment for greed and deception through Land Sale contracts, because if you did not have, you know, this vulnerable population in a very specific neighborhood, you wouldn't have a quote unquote market for your legalized theft. So, you know when you segregate people. It makes it very easy to discriminate against them. And so that's what redlining did

Tiff [00:15:53] Some skeptics out there might ask, couldn't this all just be a big coincidence? Others might argue that these loans are based on risk, not race. Henley explains why this is not the case.

Hendley [00:16:04] Redlining restricted traditional mortgages for Black folk, and they said that it was just based on risk. But we, we now know thank you for all the research that has

been done that this was definitely just a racist act where Black people, people of color, if it was, it was probably yellow if there was a Latinx community. Because even if a Black person went into a green or a yellow light area, they still were not able to get a loan. So that's the first piece. You moved from the South, it's the second great migration. You moved from the south because some crazy stuff going on in the south, so much of what I did. And then you think that you have this new opportunity because the North is marketed as this place for the free. And so you're not going to have to deal with the same stuff that you dealt with in the South. You understand what that's about. The Confederacy is real states' rights and all of that, but that's the North fork for you. So at the end of the day, you, you come up here, you want to have the American dream, you want to buy land. You were forced to sharecroppers down south. And so you get here. These banks have you redlined. You can't get a traditional mortgage. White speculators, as we call them, those who like to exploit, they understand the system they can get a loan in these red line areas is another reason why we know it's clearly racist because they can get mortgages in red line areas. So as the Blacks come in, all the lights go out, that's just how the trend has gone.

Tonika [00:17:41] Here is author of family properties, Beryl Satter explaining why Black people were easy targets for racist Lansdale contracts.

Satter [00:17:50] If you're an African-American in Chicago and you cannot buy, no matter what your income, no matter what your credit rating, you go to the banks and they slam the door in your face over and over as you're trying to get a mortgage to buy a house. That was a very common experience, especially in the post-World War Two era, when the Black population of the city was exploding, people were moving from the south. They were coming here because they were jobs and there were jobs here so they had income and they had by the 50s savings. So the Black population of Chicago had, you know, the resources and the stability to be purchasing property, but the banks would not give them mortgages. So that's where land installment contracts came in.

Tonika [00:18:34] OK, let's get specific. We're talking about a complex web between banking and government policies, it's the context of the Great Migration blockbusting by real estate speculators.

Tiff [00:18:48] Right, it's complicated, and that's why I'm so thankful that Henley actually walked us through how a newly arrived Black Chicagoans might get involved with the Land Sale Contract.

Hendley [00:18:58] We can't get our loans. White speculators are able to buy up land blockbusting because they know the Black folk are coming there. Black folk are coming. Go ahead and sell us your home cheap because the value is going to drop once they get here. So you just give it to me? I got the cash on hand. Here you go. And some of them would get traditional mortgages too for the homes. So they buy these homes for cheap and then they sell them to the Black folk who have just gotten to this new promised land on contract. So they go to a bank, they try to get a mortgage. They can't do it. Well, this white person says, OK, well, I'll sell you this land on contract, they will give you a mortgage. We'll have our own side deal and you don't need your own attorney. I'll take care of all of that. Here's the contract. Here's what it says. This is how much you owe. And those were marked up, on average, 74 percent. So and then mind you, at this time, Black folk are not making the same amount of money as white people. So not only are they paying 75 percent more for this more mortgage air quotes, you can't see me. They are also making less. So homeownership is already more expensive for them in the first place because

they're already making less. But now they have to pay more for these homes and the contracts. If you read the language closely stated that you did not get the deed to this home until you paid off the home or sometimes til you paid off half of the home. So and also the language stated, if you miss one payment, you automatically forfeit the home and all payments made. So what Black people did not realize at that time is that they were not owning a home right out and they were building no equity because the home stayed in the name of the seller, the contract seller, the deed was in that person's name, or that contract seller may have sold that home underneath them to somebody else, took the people's down payment. And however many months that they needed to get flipped, it turned it over to somebody else and just went on about their business all the while. If somebody missed one payment because they didn't have a traditional mortgage, there was no recourse for them. They were immediately evicted. And this happened a lot. A lot, a lot.

Tiff [00:21:33] Satter gave us the story from the seller's perspective.

Satter [00:21:36] The seller can make whatever terms they wanted in the sale, so with an installment land contract, the seller does not actually turn over the property until the last payment is made. The way it often works with a land speculator would buy a house from a white person for, say, or property often a two flat say for \$12000 and then sell it to a Black buyer for, say, twenty four thousand dollars. So double the price. That was not uncommon by selling it on the land installment contract. They're saying to the buyer, You give me a down payment just like it was a mortgage, you paid taxes on the property, you pay insurance and you pay interest on the full price. But you do not get ownership until you've paid off the entire twenty four thousand dollars. Till then, you keep paying me the seller this monthly payment, and if you ever miss a payment, the Land Installment Contracts included a clause that said that if you miss a payment, you lose the property. So you could have put in, you know, \$20000 out of twenty four thousand dollars price, which is again double what you should have paid in the first place. Miss a payment and lose the property altogether. And then the seller is free to resell that property on contract. Once again, they owe the buyer nothing. They don't have to return the down payment. They don't have to return anything. And the person who was buying on contract never got equity in the property. They are left with nothing. They walk away as if they had been renters, except that they had been paying insurance interest. They paid a large down payment. They'd done all those things that renters don't do, you know, but they lose everything.

Tonika [00:23:23] Oh my gosh, this this right here is the reason that it is important for people to know Black families were literally taken advantage of and targeted. We also talked to Athena Williams. Athena and her husband bought their West Side home on contract following in the footsteps of their parents.

Williams [00:23:50] When we moved into the West Side, we bought our first piece of property and then we actually began to buy a contract property, and we did that because my parents had done it. His parents had done it, and this all we knew was to buy properties, well not all we knew because our first property we owned or we bought, we financed. But that second property. The idea was, you know, you want to gain wealth, you want to make money off property, so the quickest way to do it is to do it through a land contract where you don't have to come up with so much money down. We had no other idea of ways to do it. So we did that. My husband and I following in both of our father's footsteps. My father was a slave to the rhythm. I know you all have heard this song by Grace Jones. Does he get up every day and worked and actually, that's where my work ethic and my siblings work ethic come in because we got up, went to that restaurant at the restaurant ready eats like all of us to school, he went, it worked because he had to make

payments and make sure everybody was taken care of. But again, I didn't know that a land contract was bad. I don't even know if my father knew a land contract was bad. Not until he got ready to buy a home in Oak Park, and he was faced with the reality that, Oh, you have to finance this. You can't come in here and pay cash. We don't take cash. You have to finance this. You know, when I was growing up and watching my father, you know, he was he would write the check to this white man. And then, I'm like, You know, why are you giving this white man a check when I was little little girl? And then as I got older, he was like, You know, this is how we pay for the house. So I never had this concept that it was something wrong with that. And as I got older, older, probably now, maybe middle school, he said, Well, that's what we were getting ready to transition to move to oak park. And I said, Well, if you're paying him for this house, I was trying. I never really understood the concept. And my father couldn't explain it to me until we getting a ready to move into Oak Park. And he was told, You have no credit, you can't buy a house. All those years. He championed his man cash and a chicken. Because my father ran a business, he did everything in cash. What he always told us, if we couldn't pay cash forward, you don't need a credit card because his theory was he spent all those years paying for this building that we all grew up in with the check, with cash basically to this white man. And once it was paid off. Now we're going to go get a house in Oak Park. But he had the bill. He had to build credit.

Tonika [00:26:32] They were not told it was a rent to own contract that they were signing. They were made to believe it was a mortgage contract. So they were lied to, and it was only until they, you know, were late on what they thought was a mortgage and they were subjects of being potentially evicted that they begin to find out. That they don't own their own home.

Tonika [00:27:05] Right, and in in Athena's case, she saw her father go through it and she still ended up buying a home on a Land Sale Contract. That's how complicated this is. I mean, I just can't imagine like how much wealth this family would have been able to build in just two generations if their homes were not legally stolen.

Tonika [00:27:25] Yeah, and similar to myself, Athena's personal experiences shaped her career choices. Athena is a respected community organizer and activist. She's the executive director of the Oak Park Regional Housing Center. The agency is regarded as a leader in promoting fair housing rights and equal racial access in West Cook County communities.

Tonika [00:27:49] In the next episode, we'll get into even more stories from South and West Side residents like Athena, get in touch with us if you have a story to tell.

Tonika [00:28:03] Thank you for listening. Stay tuned for the next episode of Legally Stolen. Until then, visit us at InequityforSale.com, and follow us on Instagram at [InequityforSale](https://www.instagram.com/InequityforSale).

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