

# WHEN THE MARKET ISN'T AN OPTION

Vol. I  
Land Sale Contracts



**FOR  
SALE**



REAL ESTATE  
EXPLOITATION  
CREATE  
GHETTOS

END  
EXPLOITATION

JUSTICE  
NOT  
CONSIDER  
The ALTERNATIVE

REAL ESTATE  
EXPLOITATION  
PRODUCES  
GHETTOS

THE PEOPLE  
OF LAWANDA  
WANT TO PAY  
A FAIR PRICE  
FOR THE  
HOME

# KEY TERMS



Scan to  
access zine  
references

## **Land Sale Contract (LSC):**

An agreement made outside of the regulated market that requires buyers to pay monthly mortgage installments, property taxes, home repairs, insurance, and fees without actually acquiring the deed to the home until it is fully paid off. Also known as rent-to-own, Installment Land Contract (ILC)

## **Redlining:**

The discriminatory practice of refusing to provide financial services (i.e., loans, insurance, etc.) to people based on the area where they live. Usually, an area that is determined to be a "financial risk".

## **Federal Housing Administration (FHA):**

Widely known for making homeownership accessible, however, this accessibility was limited to white people. Explicitly refused loans to Black people and even white people who lived near Black people.

## **Home Owners' Loan Corporation (HOLC):**

Used data and evaluations from local real estate professionals to assign "grades" to community areas. Responsible for what we know as redlining. This practice is also known as racial zoning.

## **Racial Zoning:**

When laws that determine where and how land can be used (designating specific areas as commercial, residential, industrial, etc.) are exploited to concentrate inequity in low-income Black and Brown communities.

# 7253 S GREEN ST

was built in 1890  
and in 1962

Gilbert and Ruth  
McNeal, and  
Fannie and  
Wade Brown  
purchased this  
home through a  
land sale  
contract for  
\$19,900<sup>1</sup>, a 95%  
markup from  
the \$10,200 a  
speculator paid.

This zine  
presents the  
issues that a  
family who lived  
in this home  
might have  
faced.



# "UNABLE TO AFFORD

working in the land in the absence of institutional support, and faced with routine intimidation and violent attacks, millions of Black farmers were forced to move on. From about 1916 to 1970, more than 6 million Black families from the rural South went to the cities of the North, Midwest, and West in what's come to be known as **The Great Migration.**"<sup>2</sup>

## Theories advanced.

**POLITICS.** A word made filthy and abhorrent to decent Americans by the actions of politicians and admittedly a source of much irritation and disgust in the hearts of good men and women of both races. Catering for votes that disregards principle and puts place and the rewards of position above community good is vicious and the human reptiles who practice it should be hissed from the society of clean men of both races. But municipal politicians juggle with effects only. A municipal government has nothing whatsoever to do with the social system.

Black Belt that naturally forced some members of the colored race beyond the imaginary boundaries that have been more or less loosely recognized by both races. This is a community question that should have been met with a clean-cut purpose of justice to all but when the weights are manipulated by unscrupulous real estate sharks and designing preachers and politicians the scales of decision are very much off their balance. But the housing problem is simply a by-product of the underlying economic struggle going on between the workers of the race and, when aggravated, is mistaken by some as a material contributing cause of

With the exception of some who are ashamed of their color and of any recognized zone, we colored population of Chicago would pay for decent homes and is respecting to desire to live and the world without intruding. We wanted and the Whites should have a sense of social discrimination. A few who are not satisfied with their surroundings among their race and surroundings among their race and pressure of public opinion are effectively curbed by the cause of race riots; it is an unlightened by the greed of those who are a loose municipal situation of a profit. The upsetting, Negroes want to live by themselves to the city to see that they are unity.



# 14% OF FARMLAND OWNERS WERE BLACK FAMILIES



...which means that out of 20 farmland owners, approximately only 3 were Black families.<sup>3</sup>



As the need for housing began to skyrocket, this led to white communities forming restrictive covenants. White property owners agreed not to sell to Black families, leading to the creation of **Land Sale Contracts**.

The First Great Migration

Restrictive Covenants (1917-1948)

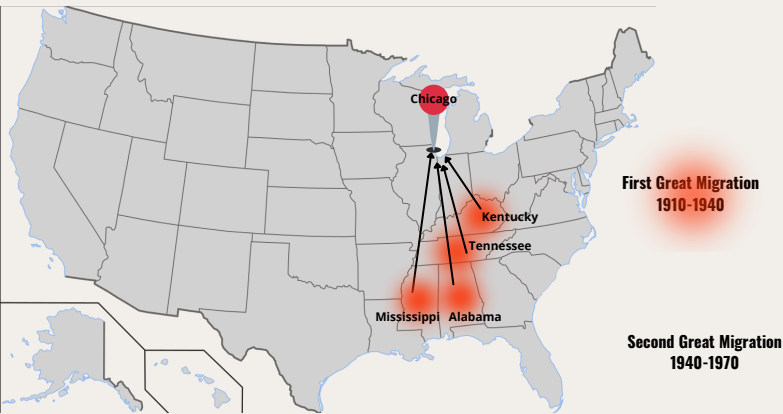
1910

1915

1920

# The Great Migration

Began in 1910 and lasted until the 1970s, with periods of peaks and lows.



**In the decade between 1910 and 1920, the Black population of Chicago grew 148%<sup>4</sup>**

The majority of Black people who migrated to the midwest came from states in the South Central area of the U.S., including Mississippi, Alabama, Tennessee, and Kentucky.

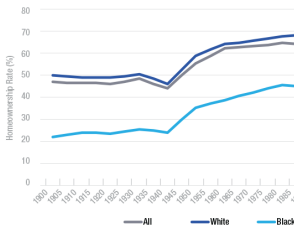
# PERCENT OF BLACK HOMEOWNERS<sup>5</sup>

## Pre-WWII and Post WWII

1900-1938 vs 1945 - 2020

Even with the growing population of Black Americans moving to cities and searching for housing, Black homeownership remained low before, during, and after WWII. In 1940, 22.8% of Black Americans owned homes, while white American homeownership rates were at 45.6%.

Homeownership Rates by Race from 1900-2020

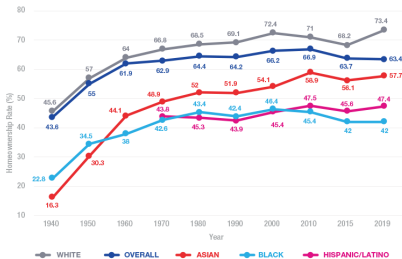


\*\* Source: 1900 - 1990 Data provided by U.S. Census Decennial Survey. More detailed 1995-2010 and Q12015 data was provided by the Census Bureau's Housing Vacancies and Homeownership Survey. 2020 and future projections provided by Joint Center for Housing Studies at Harvard. Calculations conducted by Richardson, J. and Mitchell, B. of NCRC Research team.

NCRC.ORG

NATIONAL COMMUNITY REINVESTMENT COALITION

Homeownership Rates by Race Since 1940



\*\*Footnote - Collection of Hispanic/Latino data began in 1970. \*\* Source = 2010 and 2015 estimates are from Census Housing Vacancies and Ownership Survey (retrieved from <https://www.census.gov/housing/hvs/index.html>). 2019 data is from federal reserve analysis of Census House Vacancies and Ownership: <https://fred.stlouisfed.org/graph?fig=2501>. Data from 1940 - 1990 is from Decennial Census, as cited by: <https://www.huduser.gov/publications/pdf/homeownershipppgsamonglow-incomeandminority.pdf> p. 85

NCRC.ORG

NATIONAL COMMUNITY REINVESTMENT COALITION

Despite increases in Black homeowners in the decades following WWII to an all time high of 46.4% in 2000, Black homeownership rates are still disproportionately lower than any other demographic. In order to understand why, one must examine the legal processes that set Black families up for failure.

1925

The Great Depression  
(1929-1941)

1930

'37  
HOLC

1935

'34 FHA

*In an attempt to manage the Great Depression, New Deal legislation like the 1934 and 1937 National Housing Acts established ways for white Americans to acquire homes through low-interest rate government loans. At the same time whites were beginning to accrue generational wealth, Black families were actively being pushed from various methods of housing. Slum clearance policies that tore down whole communities replaced housing supply with white-only homes, new public housing developments restricted Black tenants, the HOLC created maps that denied FHA loans to Black people. These pieces of housing legislation legalized racial discrimination.*

*Left with very few options, predatory lenders took advantage of Black families in need of housing through Land Sale Contracts.*



**1934 National Housing Act** established the Federal Housing Administration (FHA)

**1937 National Housing Act** established the Home Owner's Loan Corporation (HOLC)



# LAND SALE CONTRACT FUNCTIONS

6

## INSTALLMENT CONTRACT FOR PURCHASE OF REAL ESTATE

DATE MARCH 26 1963

SELLER LANSOW CORPORATION

(an Illinois Corporation)

BUYER EDDIE L. NELSON AND MADELL NELSON, HIS WIFE, AND  
ELIZABETH NELSON AS JOINT TENANTS AND NOT AS TENANTS IN COMMON.

4. BUYER shall inspect the premises, before occupying same, and acceptance of occupancy shall evidence satisfactory completion of said building, provided that any construction items not satisfactorily completed prior to occupancy shall be noted in writing prior to occupancy, signed by BUYER (or one of them) and by SELLER (or its agent) and only such items so noted shall be considered exceptions to the satisfactory completion of said building.

18. Time is of the essence of this agreement. In case of the failure of BUYER to make any of the payments or any part thereof at the time and in the manner specified, or to perform any of the covenants hereof on BUYER'S part hereby made and entered into, then in the event any such failure or default shall continue for a period of 30 days, at the option of SELLER, BUYER'S rights under this contract shall terminate and the premises shall terminate and be extinguished, and all payments made by BUYER hereunder shall be retained by SELLER. SELLER may, but need not, give a warning notice by BUYER hereunder shall declare an extinguishment as aforesaid if defaults are not cured within the time specified in the warning notice. If SELLER elects to give a warning notice, ten days from the mailing of the notice shall be deemed a reasonable time to cure defaults, although additional time may be given. The warning notice and the notice of extinguishment aforesaid may at SELLER'S option be given by mail and in such case each shall be deemed to take effect upon deposit of the notice enclosed in an envelope, properly addressed, with postage prepaid, in any authorized postoffice or postpaid. Notice to BUYER may be given at his address shown on this contract, unless another address has been given SELLER in writing. No person claiming under BUYER shall be entitled to notice unless he has given SELLER in writing his name and address. At SELLER'S option any notice may be given by registered or certified mail, and service of any such notice upon any one of the persons constituting BUYER shall be service upon all persons constituting BUYER. The affidavit of SELLER or its agent that such notices were so mailed, or certified or registered mail receipt therefor shall be evidence of that fact, and said affidavit or copy of notice and receipt aforesaid may be, but need not be, filed in the Recorder's Office of Cook County, Illinois; and if either is so filed, shall be conclusive evidence in favor of any bona fide purchaser or mortgagee of said premises that all of

BUYER'S rights hereunder have been properly extinguished. Extinguishment of BUYER'S rights as aforesaid shall terminate all rights of persons claiming under said BUYER. Immediately upon such extinguishment, all right of the BUYER or persons claiming under him to possession of said premises shall terminate and terminate and determine. BUYER specifically agrees for himself and all persons claiming under him that in the event of such extinguishment, SELLER or persons claiming under or through him may re-enter and take possession of said premises or may maintain suit for forcible entry and detainer or other suit for possession without notice or demand now or hereafter required under the laws of the State of Illinois, all such notice and demands being hereby expressly waived. It is also agreed that any acceptance by SELLER of late payments or any other indulgence extended to BUYER shall in no way be construed as a waiver of suspension of the provision in this contract that time is of the essence hereof. BUYER shall have no recourse of conduct on the part of SELLER be deemed a waiver of this paragraph. The remedy of extinguishment herein provided shall not be exclusive, and SELLER may pursue any other remedy. Without regard to the solvency or insolvency of BUYER, or the value of the property, but upon a default as aforesaid, SELLER may apply to a Court of Equity for a decree of specific performance of this contract and for an order for the immediate

Sellers can easily evict buyers who are late on a payment and take back the whole property, including all previous payments and investments on repairs without going through legal processes. This is essential in the ability to overturn the home to another unknowing Black buyer multiple times

Must purchase the property "as is"; Seller is not required to make any repairs to the homes, which are typically in disrepair, and buyers do not always know about these issues

View an example of the full terms of a land sale contract





6330 N. Paulina St.



6925 N. Ashland Ave.



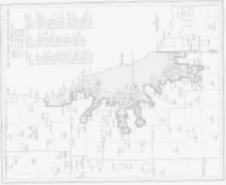
6720 N. Ashland Ave



**RED**  
*Racial*

All pictures provided by Tonika Johnson

0.2 MAP SECTION



RESIDENTIAL USE, SECURITY MAP  
1. Single-Family Detached  
2. Single-Family Attached  
3. Multi-Family  
4. Commercial  
5. Industrial  
6. Public Use  
7. Other



6329 S. Paulina St.

# LINING

Zoning



6900 S. Ashland Ave



6720 S. Ashland Ave.

Visit [foldedmapproject.com](http://foldedmapproject.com) for more information

# the Second Great Migration (1940-'70)

# White flight

1940

1945

1950

*After World War Two, the GI Bill was created in 1944. Known as the Servicemen's Readjustment Act, the bill made low-interest mortgages and loans available to veterans. Many who were eligible and took advantage of the program, quickly bought homes outside the city creating the "American Suburbia."* <sup>7</sup>

The movement of white families out of the cities is known as the White Flight. This exodus eventually caused industry jobs to move out of the cities and created "all-white" suburbs. Although it was not illegal, racial covenants discouraged selling and loaning to Black individuals. Back in urban areas, old white family homes were bought by realtors for super cheap and sold "as is" to Black families through **Land Sale Contracts**.

## Instructions to Village Employees For Answering Questions With Respect to Local Residence of Members of the Negro Race

These instructions have been issued with the approval of the Village President and every member of the Board of Trustees:

The Constitution of the United States and of the State of Illinois establish that there can be no question as to the policy of the Village Government in the event that a Negro family should make its home in Park Forest. However, in view of the questions sometimes addressed to Village personnel by individuals who are disturbed by rumors they have heard, this short statement has been prepared as a guide in replying to these inquiries.

It is probable that a variety of opinions on this subject are held by the individuals who make up the staff of the Village Government. It is important to remember that as public servants, it is absolutely necessary to support the policy of the Village Government even though it may not conform entirely with personal opinions.

The Village Government must extend equal services and protection of the law to all its citizens without any discrimination between them. The Village Government neither encourages nor discourages the residence in the Village of members of the Negro race. However, the Village Government carefully investigates all information which reaches it, so that preparations can be made to avoid any undesirable incidents. In the event that a Negro family should make its home in Park Forest, the Village Government will assure that family the same protection of the law that is afforded to any other resident or property owner in the Village.

July 27, 1959  
Park Forest, Illinois

**WHITE  
FLIGHT:**  
Creating American  
Suburbia



Urban Renewal  
(1950s-60s)

Civil Rights Movement

1950

1955

1960

Brown v. Board  
of Education '54

CHICAGO'S VERY OWN

# Bronzeville and North Lawndale



## “THE CITY WITHIN THE CITY”

Bronzeville was the neighborhood in Chicago, an industrial city, Black migrants headed. In the 40s and 50s, Bronzeville roared with activity. It was the haven for Black creativity, businesses, and home to jazz. Eventually, the neighborhood became overcrowded and underfunded when factory jobs moved to the suburbs. The lack of work, affordable housing, and proper city sanitation pushed residents to North Lawndale, the “capital” of Land Sale Contracts.



# LOUIS WOOLF



- EXTORTED BLACK FAMILIES INTO BUYING HOMES UNDER LAND SALE CONTRACTS AT NEARLY 3X THEIR PRICE.
- OWNED NEARLY 600 PROPERTIES
- COMMITTED ARSON AND FRAUD TO CREATE ILLEGAL REVENUE
- DID NOT MAINTAIN PROPERTIES AND PURPOSELY WOULD LET BUILDINGS DETERIORATE, CREATING VACANT LOTS THAT ARE SEEN TODAY<sup>8</sup>

# TACTICS

"When some of the properties became decrepit, they mysteriously burned down, a pattern that would eventually implicate Wolf."<sup>9</sup>

- Chicago Tribune

## The Slumlandlords:

- The Gutman Brothers: Herman, Max, and Leon
- Gilbert Balin
- Victor Spector
- Louis Wolf: THE ARSONIST
- Albert Berland

**TACTICS USED INCLUDE BUT WERE NOT LIMITED TO MONEY LAUNDERING, INSURANCE FRAUD, ARSON, BUILDING NEGLIGENCE**

BRIDGE PL. JUNE 17, JULY 9, PAGE 4

During the week of May 26, the Chicago Tribune was a week-long special issue. Many had asked about the Tribune's special issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

In the last few months, 10 years of the property has been a great success. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

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## SLUM-LORDS KILL PEOPLE



The Gutmans have seen the incidents, deaths and misery that people had to endure all because these slumlords wouldn't get up off their money for anybody except a few building inspectors.

Eighty, don't the men who have been seen in the Tribune's special issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

There are the terms of the rent strike. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

Brother Rafael Zarco Gonzalez killed. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

## FULLERTON & KEDZIE SUCCESSFUL RENT STRIKE



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ALL POWER TO THE PEOPLE. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue. The Tribune's special issue was a double issue.

## LAKEVIEW TENANTS FIGHT RENT INCREASE

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1968 Fair Housing Act

1977 Community Reinvestment Act

1965

CBL  
Created

CEL v. F&F  
Investments

1970

1975

# Contract Buyers League in North Lawndale

**50%**  
of North Lawndale  
homes were bought  
on LSC<sup>10</sup>

After realizing that thousands of properties had been bought on LSC in North Lawndale, Black residents organized the Contract Buyers League (CBL) to slumlords like Wolf who took advantage of the community. They partnered with prominent Catholic and Jewish lawyers and pursued lawsuits against slumlords. The CBL went on to influence federal housing protection legislation.

**CEL vs. F&F (1969)**  
sued for violation of civil rights laws but did not win the case





1980

Clark v.

Universal Builders, Inc

1985

Housing deregulation

under rise of neoliberalism

1990

# STRATEGY & SUCCESS

- **PAYMENT STRIKES**
- **RAISED MONEY FOR EVICTION APPEALS**
- **RESISTED EVICTION & HELPED FAMILIES MOVE BACK IN AFTER BEING EVICTED**
- **GOT 400+ LSCS RENEGOTIATED**
- **PUSHED FOR BETTER HOUSING LEGISLATION AND REINVESTMENT**

Clark v. Universal Builders, Inc (1983)

CEB attempted to show how the property development company engaged in discriminatory behavior with two different theories, but the seventh circuit court ruled that no exploitation occurred



# Homeownership

in Englewood didn't decrease, it was never high...because these Black people who thought they owned their homes didn't and that impacted everything and that is why Englewood and neighborhoods like it are how they are today

- Tonika Johnson<sup>11</sup>

Listen to Tonika's oral history here or call 312-348-7834

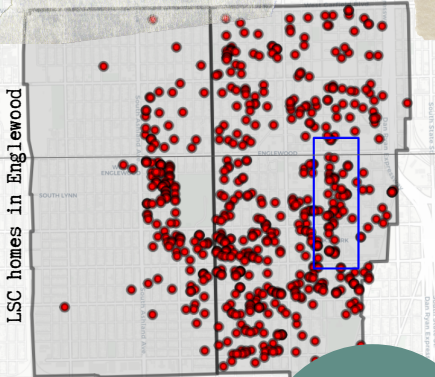


## Consequences of Land Sale Contracts in Englewood and Similar Communities

Community disinvestment leading to abandoned buildings and empty lots

Cemented segregation

Loss of generational wealth through higher payments of interest, down, mortgage, and repairs



**88%**

of homes on four blocks in Englewood were purchased via LSC

**\$4**

**BILLION**

lost from Chicago's Black community

# INEQUITY FOR SALE



If you would like your story to be heard scan here to set up an interview!

As NPHM's Artist as Instigator, Tonika Lewis Johnson's Inequity for Sale project shows the forgotten history of Land Sale Contracts in Englewood. Lewis Johnson intends to put landmarks near homes sold on contract to call out perpetrators of theft, pay homage to the victims of LSCs, and invite residents to tell their stories of discriminatory housing.



Scan to listen to other oral histories from Lolita Hughes and Beryl Satter or call 312-348-7834





**ROOSEVELT  
UNIVERSITY**



PLUNDER OF  
BLACK WEALTH REPORT

THIS COLLECTION OF ZINES IS AN ATTEMPT TO INVESTIGATE THE HISTORY OF HOUSING INEQUITY IN CHICAGO, MAKE IT ACCESSIBLE TO A WIDER AUDIENCE, AND SUGGEST RESTITUTION TO THESE WRONGS BASED ON COMMUNITY COMMENTS. CONTINUE THE SERIES WITH VOLUME II: DISINVESTMENT FROM PUBLIC HOUSING

MADE BY INTERNS:  
JUANAIRIS CASTAÑEDA,  
SOPHIA GALLO,  
VICTORIA LIMÓN,  
ALEXYSS WOFFORD, & JACK  
WERNER

SUPERVISED BY  
NPHM'S MARK JAESCHKE AND  
TIFF BEATTY, ARTIST  
TONIKA JOHNSON, AND  
LAURA NUSSBAUM-  
BARBERENA OF RU'S POLICY  
RESEARCH COLLABORATIVE

