The Devil Theory of Redlining

by Pierre de Vise

INTRODUCTION

Community activists from Chicago, Cleveland, St. Louis, and Philadelphia were in the forefront of witnesses who testified about the nefarious practice of redlining before the Senate Banking Committee in the hearings which led to the enactment of the Home Mortgage Disclosure Act of 1975. Conspicuous by their absence were representatives from Atlanta, Detroit, Houston, and Miami. Differences in housing production and market may account for differences in perception of redlining in these two sets of large urban areas. In the four areas with vigorous community protests, more than two housing units were built for every new household formed since 1960. In the four areas where redlining is not a community issue, less than 1.5 new housing units were built for every new household formed since 1960.

Excessive housing production in the suburbs and its depressing effects on housing submarkets in the central city are illustrated in the Chicago area, national capital of community agitation over redlining. Fairly typical of housing market effects in other urban areas suffering from excessive housing production, Chicago's black areas are self-destructing at an increasingly rapid rate. Only half of the housing occupied by blacks in 1960 is still occupied in 1976. The rest is vacant, abandoned, or demolished. (Demolitions, concentrated in the older ghetto, have climbed from 3,850 to 7,000 a year between 1960-65 and 1970-75.) So much housing has been lost that the tax base of Chicago has declined every year since 1970 (Chicago's first such decline in this century), despite the extensive construction of office buildings downtown and luxury high-rise housing along the north lakefront. Residential properties now make up only two-fifths of the city's property tax base as compared to three-fifths in 1960.

In previous reports, this author has discussed some of the factors which help explain the accelerating deterioration of Chicago's black neighborhoods. These include:

1) The dual housing market: Chicago remains the most residentially segregated large city in the U.S. Segregation increased between 1960 and 1970.[1]

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2) Demand factors: Blacks and the poor were the hardest hit by the doubling of welfare and unemployment rates in Chicago since 1970. One out of every two black household heads was either on welfare or unemployed in 1975.[2]
3) Supply factors: Record new levels of construction of housing, factories, and shopping centers in the suburbs have accelerated the flight of residents, jobs, and stores from the city to the suburbs. Between 1960 and 1970, 1.7 new housing units were built in the six-county area for every new household. Since 1970, 2.1 new units have been built for every new household.[3]

One would suppose that the effect of this combination of factors—building twice as much housing as is needed, pauperizing one half of the black population, and heightening the wall separating the black from the white housing market—could easily be anticipated; namely, the collapse of the black housing market. Such a prediction should have become hindsight, as the evidence of this collapse has become overwhelming. Such a simple faith in human intelligence and logic, however, does not reckon with the amazing resistance of social groups to face harsh reality, especially when that reality poses problems that have no easy solutions, and of the propensity of such groups to interpret reality in a way which assigns responsibility for problems to scapegoats and devils who can be ritually sacrificed or exorcised.

Although the author's point of view is supported by substantial market and ecological theories of community decline it is, politically, a minority view. Specifically, it is not a point of view shared by black and white community leaders in Chicago and many other large cities. These leaders have developed a "party line" on the causes of deterioration, eloquently expressed in the following statement by Henry Scheff, former research director of Chicago Citizens Action Program:

> CAP leaders came to understand the real forces behind urban decay and redevelopment—the decisions of the private investors and their influence at City Hall. These insights brought blacks and whites together for the first time in Chicago to fight neighborhood deterioration. Whites began to take action based on a real understanding of why their neighborhoods changed.
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> First, the Realtors panicked the whites, in an effort to promote rapid, profitable sales with FHA mortgages. Conventional mortgages had already been cut off to the neighborhood. This brought down property values, then with local Realtors predicting an even gloomier future for the neighborhood, the whites were convinced to flee to the suburbs, where they had to pay inflated prices for inferior housing, far from their jobs. Their churches, ethnic, and neighborhood institutions would never be recreated.
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> Slowly, they began to see that the enemies were the banks and savings and loans, the mortgage bankers, and the Realtors—those who exploited the changing neighborhood. Anger was focused at the financial institutions who translated their judgment that a neighborhood might change racially into a self-fulfilling prophecy.
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> Meanwhile, blacks found that they were getting no bargain when they moved into the changing neighborhood. The FHA frequently certified that homes were in good repair when they weren't. Some of their new black neighbors were really too poor to own homes. Of course, many defaulted under the tremendous burden of the mortgage payments. The foreclosures and repossessions by FHA left dozens of abandoned, boarded-up homes. The neigh-

borhood was fast becoming the slum they had moved out of only a few years earlier.

With this understanding blacks and whites began to work together—out of common interest to stop neighborhood deterioration. Blacks and whites saw that if FHA abuses, redlining, and panic peddling were ended, a lot of the tension would disappear and the rapid racial turnover would end. Neighborhoods would have a chance to become stable where people would be able to move in or out without coercion.[4]

Different explanations of causes of problems yield, of course, different solutions and different implications for policy changes. This author's understanding of the causes of community deterioration would point public policy in the direction of alleviating urban unemployment and dependency, relaxing racial residential barriers, and moderating the excessive levels of suburban housing production. On the other hand, the attribution of blame to home lenders, Realtors, and the FHA would dictate policies of regulation over these malefactors.

Citizens Action Program (CAP) developed its most important issue—redlining—in 1973, and was joined the next year by Metropolitan Area Housing Alliance (MAHA), a coalition of westside community organizations concerned with housing. By early 1975, CAP was engaging in a "greenlining" pledge campaign, committing residents to invest only in savings and loans which agreed to reinvest in local home loans. For its part, MAHA negotiated and lobbied for state and federal laws to end both redlining and FHA abuses. In 1975, Illinois became the first state to prohibit redlining and require disclosure of mortgage loans by state savings and loans. The City of Chicago passed an ordinance requiring that banks with City deposits disclose mortgage and deposits data. The Home Mortgage Disclosure Act of 1975 may provide community groups with useful information to revive "greenlining" campaigns which are presently at a standstill.

This author contends that since redlining is caused by the weakening or collapse of the housing market in older black urban neighborhoods, mortgage disclosure will not induce lenders to reverse their policy of withholding loans from such areas. He also contends that redlining was a much more serious problem before 1963, when all lenders, including the FHA, were redlining. In some ways, it was the overzealous activity of FHA in redlined areas that first sparked the inner city ethnic groups to ask for a moratorium on FHA loans, essentially a return to the true pre-1963 redlining era.

Redlining has the effect of slowing down the process of racial change in transitional areas, while permissive FHA insurance has the opposite effect of speeding up the process. Thus, a joint attack on both redlining and conventional lenders and the anti-redlining FHA seems, on the face of it, contradictory. But if mortgage disclosure proves ineffective in curbing redlining, then the restriction of the FHA mortgage insurance program will result in fewer sales in such areas, which may indeed be the goal of ethnic groups seeking to slow down the process of racial transition.

The dual strategy aimed at redlining and FHA mortgages must also be seen in terms of the organizational interests of community groups, especially in closed political cities like Chicago. Successful groups like CAP and MAHA must select issues and targets that will not embarrass or alienate City Hall. Although there is actually little that City Hall could do by itself to reverse the process of community decay, blaming financial institutions and FHA merely shifts the onus of responsibility from Democratic city officials to Republicans who become the scapegoats and devils. Unfortunately, distraction from the real causes of community decay retards legislation and government action to deal with the problem.

THE AMBIGUOUS NATURE OF THE REDLINING ISSUE

Because the discussion of redlining is largely rhetorical in character, the concept itself has remained fuzzy. There has been, to my knowledge, nothing written which deals with the subject in an empirical manner; definitions are either non-existent or contained in implicit theorizing. There is no methodological framework for testing the hypotheses which have been offered and the practices which have arisen from them.

The lack of substantiating evidence can be illustrated by drawing an analogy to the primordial concept of *habeas corpus* in Anglo-Saxon jurisprudence. The questions analogous to "Where is the body?" in the redlining issue are "Where is the map?" and "Which are the redlined areas?"

There are, admittedly, various means of denying someone a mortgage. In addition to outright rejection, the applicant may be disqualified by too high a downpayment, too short a loan term, too low an appraisal, or closing costs which are too high. It is still possible, however, to establish minimum criteria of creditworthiness to be used to winnow out the creditworthy among those who are denied mortgage loans.

For these reasons, I propose two definitions of redlining—a strict definition and a loose definition. Strictly construed, redlining is the denial of private mortgage funds to creditworthy home buyers in certain neighborhoods. Loosely construed, redlining is the denial of any mortgage funds (for whatever reason) to home buyers in certain neighborhoods. Most of the discussion of redlining seems implicitly to use the loose definition, which is the definition I have adopted in this report. The legislative remedies, however, implicitly assume that redlining in the strict definition exists and that it can be proscribed.

Symptomatic of the ambiguity of redlining is the name itself. The name "redlining" is derived from the former alleged practice of Chicago area FHA appraisers to use maps with red lines to delineate minority neighborhoods that were felt to be bad risk areas. Before 1963, all lenders and insurers, including FHA, avoided such areas. Since 1963, and especially since 1968, FHA has completely reversed its endorsement and appraisal policies and, in cities like Chicago, most FHA single-family loans are issued in the areas avoided by conventional lenders. Indeed, FHA is now accused of the reverse of redlining—of being excessively permissive and imprudent in its endorsement of both mortgagors and properties.

Oddly enough, there was no agitation over redlining when everybody, including the FHA, was redlining. The term itself was not even used until 1973, ten years after FHA became a massive insurer of mortgages in the redlined areas. Moreover, many of the present member groups of MAHA (including the charter Organization for a Better Austin and the Westside Coalition) were, from the outset, trying to stop or slow down FHA sales in their areas. These efforts culminated in charges by Gale Cincotta before the Senate Antitrust Subcommittee in May 1972 that the FHA was conspiring with mortgage, real estate, and insurance companies to bring about the "disruption" and "outright murder of our neighborhoods." She detailed the operations of blockbusters who panic white homeowners into selling cheaply and then resell the same houses to low income blacks at high prices. The partners in the conspiracy are the FHA, which insures appraisals, mortgage firms that refuse to make home repairs, and insurance companies that refuse to insure the homes, she claimed. Redlining by savings and loans was not mentioned in her tale of horrors.[5]

Father Lawlor on the Southwest side became the main proponent of an FHA slowdown and proposed that the FHA limit its endorsements to an annual level of five percent of an area's stock of houses. The FHA moratorium strategy was eventually dropped because of conflicting interests between the whites who wanted to stay, the whites who wanted to sell, and the blacks who wanted to buy.

Two years later, the redlining issue was taken up as an alternative strategy by MAHA, although it continued to charge FHA with excessive and imprudent insurance commitments, and of fostering fast foreclosures. The mutually contradictory nature of this dual strategy, however, did not seem to embarrass the MAHA coalition. Conventional lenders were accused of not making loans to creditworthy buyers of sound properties.

The FHA, was however, insuring a massive number of buyers with no more downpayment than the equivalent of a security rent deposit and with insufficient assets to maintain their homes. *No one ever asked why the creditworthy buyers being turned down by conventional lenders did not avail themselves of an FHA-insured loan.* The truth was not faced that a permissive FHA policy was the only means available of clearing a severely depressed housing market. Forcing the FHA to be more selective and prudent in its endorsement would have the same effect as the original demands for a slowdown of FHA sales, without directly antagonizing whites anxious to sell and credit-risky blacks willing to buy.[6]

THE GENESIS OF THE REDLINING ISSUE

Two variables that help explain the emergence of an issue that will generate community activism are: visibility and suddenness. Redlining, or withdrawal of mortgage money from deteriorating inner city neighborhoods, prevailed in many American cities through the period 1950-1965. After 1965, and increasingly after 1968, the FHA filled this vacuum, especially in racially changing areas. Mortgage activity per 1,000 properties actually was higher in racially changing areas than in most other communities in urban areas.[7]

Coincidentally, new suburban housing construction increased greatly. In the Chicago six-county area, for example, new construction climbed to 1.8 units per household between 1965-70, and 2.1 units between 1970-75.[8] In Chicago, as in other urban areas affected by excessive housing construction in the suburbs, the older black communities saw their housing market collapse. There is a strong presumption that the reversal of FHA's mortgage lending policies was partly responsible for the suburban housing boom. It is hardly likely that such construction levels would have been sustained in the absence of massive mortgage investments in the racially changing areas. Not as many whites could have joined the successive waves of moves to the new suburban housing. The housing elements that changed visibly and rather suddenly were the wholesale FHA mortgage activity in the racially changing areas, followed after a few years by wholesale foreclosures and abandonment because of the glut of owner-occupied housing available to blacks.

The initial response by community groups to the increased rate of house sales in racially changing communities spurred by FHA's anti-redlining policy was to attack the FHA and the real estate brokers and mortgage bankers who participated in this process. This is exemplified by the charges made by the Westside Coalition in the Senate Antitrust hearing of May 1972. No doubt, the influx of low-income blacks into previously middle-class occupied housing had much to do with the resentment of the remaining whites. It was the rapidity of racial change made possible by easy FHA mortgages, however, that was the main disruptive factor. This brought to the forefront conflicts of interest between the whites who were staying and those who were leaving. The former preferred a redlining policy to exclude low-income blacks, whereas the latter preferred an easy mortgage policy that would enable low-income blacks to buy middle-class housing. Moreover, as blacks became the dominant group in the changing areas, white-black coalitions could not continue to attack the FHA for insuring low-income blacks. Many of the blacks were middle-class and even more regarded themselves as middle-class.

It did not take many years before many of the new black households became hard pressed to keep up mortgage payments and make repairs. Many of the FHA homes were abandoned and boarded up, inviting vandalism and arson—another result of the anti-redlining policy of FHA. But the real problem was seldom identified—the weakness of the black ownership market in many of the racially changing areas. Not just the housing options of whites, but those of blacks were multiplied by the excessive level of new housing construction. Many suburbs developed soft housing markets and became accessible to middle-class blacks for the first time. Most blacks with assets and income for conventional mortgages preferred to buy in these communities and tended to shun the racially changing belt.

The cause of the weak housing market—excessive housing construction—was similarly ignored. Instead, the myth of a black housing shortage was perpetuated. Even the symptoms of the housing surplus—abandonment in the racially changing zone and demolition in the older black core—were perversely transformed into evidence that there was a housing shortage. The scapegoats became the redlining savings and loans who refused to accommodate creditworthy house buyers, and mortgage bankers who, in collusion with the FHA, packed uncreditworthy households into the racially changing neighborhoods.

Although the era of real redlining had come to an end a decade earlier, community activists started drumming up evidence of redlining, first in Philadelphia, Baltimore, and Cincinnati around 1972, then in Chicago in 1973. The quality of documentation left much to be desired. Academic support was meager: David Harvey and Karen Orren at Johns Hopkins, Calvin Bradford at Chicago Circle, and Leonard Rubinowitz at Northwestern.[9] Most of the evidence produced in hearings of the Senate Banking Committee and the Illinois Legislative Investigating Commission in May 1975 was anecdotal in nature.[10] There are further, serious flaws and fallacies in the data, methodology, and policy recommendations.

A number of federal court suits deal with charges of redlining, panic-peddling, and exploitative real estate speculation in minority communities. Most of these are pending, but one is completed. The Contract Buyers League was not able to persuade the court of similar charges, and their case against the defendants—FHA, VA, mortgage lenders, and sellers—was dismissed in April 1976. The same month, the Justice Department filed suit in U.S. District Court against four national associations of home lenders and appraisers for allegedly underappraising homes in racially changing neighborhoods.

DISCUSSION

Much of the rationale behind the anti-redlining campaign is based on rhetoric rather than sound economics. The idea that government regulation of the movement of capital is necessary to insure that sufficient savings be reinvested in the community harkens back to the pre-Adam Smith policies of mercantilism. Under this doctrine, the State restricted the free movement of goods and capital in the mistaken belief that this would serve to maximize the community's wealth.

The year 1976 marks the bicentennial of the publication of Adam Smith's *Wealth of Nations*, with its revolutionary doctrine that it is the free movement of goods and capital which yields the greatest wealth to individuals and to the nation as a whole. This nation and its large cities, like Chicago, grew into economic giants because of the huge importation of capital, which resulted from the widespread acceptance of Adam Smith's doctrine. This massive flow of capital from capital-surplus to capital-short areas, which reached a peak in the 19th century, *could* have been called "disinvestment" and, if today's attitudes had prevailed then, it would have been stemmed by state regulations and public disapproval.

The flow of capital from capital-surplus communities to capital-poor communities might be labelled disinvestment, but in reality this is no more sinister than the actions of a household investing its savings in a bank or savings and loan. In both instances, the investor is exchanging the use of money for income in the form of interest payments.

In gradually coming to disregard the sound principles of Adam Smith's philosophy, we have substituted hysteria for history. In the last generation, the real estate industry has served as an ideal scapegoat for social problems such as racism and neighborhood decay. Depending on the purposes of individual critics, real estate institutions have often been blamed for a variety of evil practices, some of which are mutually exclusive: they are castigated for slowing down and for speeding up racial transition, for gilding and for blighting neighborhoods.

In the 1940s, Realtors were typecast as segregationists because of their enforcement of racially restrictive covenants. In the 1950s and 1960s, they were feared as super-integrationists, speeding racial transition in neighborhoods through tactics of blockbusting and panic peddling. In the 1970s, these institutions are accused of both speeding up racial change by the indiscriminate sale of FHA-insured homes and of slowing down racial change by denying conventional mortgages to blacks and other minorities. Real estate institutions have also been accused of gilding some neighborhoods and blighting others in a sinister conspiracy which has come to be known as "suburban investment-urban disinvestment."

The casting of real estate institutions as the principal villains in neighborhood decay relieves us of the necessity to consider and to deal with the more complex social realities of racism, poverty, crime, slum schools, delinquency, and vandalism. Yet, when we look at other institutions in these neighborhoods, such as schools, where real estate interests have no influence, we witness rates of racial turnover and deterioration of quality that are much more rapid than those in the housing stock in which real estate institutions do intervene.

The practice of which the real estate industry is guilty is the maximization of its profits, which follows the cherished American tradition of capitalistic free enterprise. In the Chicago area, this means that home builders, home lenders, and real estate brokers have catered to a market of preference rather than to a market of need. As a result, two housing units have been built for every new household in the Chicago area since 1970. Most of this new housing has been built in the suburbs, in order to accommodate the 70,000 annual emigrés from Chicago.

Major arguments on both sides of the housing production versus conservation debate are given in a housing policy forum published in the October 30, 1976 issue of *National Journal.* Carla Hills, then Secretary of HUD, and Senator Proxmire (D. Wisc.), Chairman of the Senate Banking Committee, were the two protagonists. In this exchange of views, Secretary Hills contended that the recent housing production explosion had resulted in the abandonment of thousands of sound homes and "row upon row of boarded up homes left to decay, the most frequently cited symptom of illness in our cities." For his part, Senator Proxmire argued for the benefits of a high level of housing production—reducing high levels of unemployment for construction workers, supplying economic aid for our financially hard-pressed cities, insuring better housing quality, and making possible lower housing prices and rents.

In the production versus conservation debate builders, Realtors, city officials, and craft unions are joining the new Administration in advocating more new housing rather than the rehabilitation of existing housing. There is a rather fuzzy and unsubstantiated concept called the "filtering down" or "trickling down" process which gives credence to some of the benefits claimed by these supporters of a high level of housing production. As some housing economists have described it, this process is beneficial to all because of lower prices and the upgrading or elimination of substandard units. As housing built exceeds the number of new households, a price-depressing surplus is created in which lower income households can afford to move into previously unaffordable housing. The very worst housing becomes the residual of surplus housing, and must either be upgraded in quality or be abandoned, in either case reducing the stock of substandard housing.

In my own study of housing price and quality changes in the Chicago area between 1960 and 1970, I found that:

1) For every new household 2.1 new units were built.
2) Housing price increases for identical homes were lower in the inner city than in the outlying areas.
3) Rent increases were much lower in the older black ghetto and the contiguous white zone than in the racial transition zone and the outlying white areas.
4) Most of the area's 177,000 demolitions were in the older black ghetto: 27% of the housing occupied by blacks in 1960 was demolished by 1970, and 14% was vacant or abandoned.
5) Most of the City's substandard housing of 1960 was demolished, deconverted, or upgraded by 1970; only 20,000 of the 150,000 substandard units remained substandard in 1970.
6) There were 65,000 substandard units in 1970, of which 20,000 were inherited from the 1960 stock; thus, two-thirds of the 1970 substandard stock was downgraded from the 1960 standard housing stock.
7) There were 36,600 units with insufficient plumbing in 1970, a huge attrition of the 127,700 such units in 1960.
8) The number of dilapidated units, on the other hand, actually increased from 21,700 to 37,700 in the decade, of which about two-thirds were standard in 1960.
9) Urban renewal accounted for about one-third of the demolitions, and housing code enforcement was responsible for the great majority of deconversions and upgrading of plumbing facilities.

This massive housing deterioration was not anticipated by proponents of the filtering process. They were not prepared for the fact that the price decline in the inner city, resulting from the housing surplus created by housing construction in the suburbs, led to under-maintenance and abandonment. Price decreases in certain neighborhoods in the old black zone were so severe that many owners of rental housing no longer could make ends meet and walked away from their buildings. First, the owners with high mortgage indebtedness, and later other owners, could not collect enough rental income to meet rising costs of taxes, fuel, maintenance, and repairs. Finally, even owners with paid-up mortgages could no longer afford to maintain their buildings. In other words, increasing operational costs set a price floor below which landlords could not descend without cash outflows. Eventually, thousands of public housing and publicly assisted housing units (with subsidized rentals as low as $50 a month) could no longer attract tenants and were vacated or abandoned.

As the black housing market expanded into lower density areas with higher proportions of single-family housing, the supply of such housing more than doubled during each decade since 1950. There is a large surplus of single-family dwellings in the black housing market because of the above factor, and also because single-family housing is more responsive to downward price pressures than is rental housing. Single-family housing, unlike rental properties, is not income property and is not subject in the same degree to high costs of upkeep. Therefore the epidemic of FHA home foreclosures is indicative of the surplus in this part of the black housing market. There are simply not enough blacks with assets, income, and inclination to own all the single-family housing in a black housing market, defined essentially by the rental market.

Since the 1970 Census there is mounting evidence suggesting that many parts of the racial transition zone are now experiencing the housing market collapse which the black zone suffered in the 1960 decade as a result of excessive construction. This evidence includes the continuing lack of synchronization between new construction and household formation, mounting abandonment, tax foreclosures, FHA and conventional mortgage foreclosures, FHA distress sales, urban homestead dollar sales, demolitions, and property tax reassessments.

The importance of excessive housing construction in the suburbs on housing demand in the central city is underlined by comparing housing changes in the 1960 decade between the Chicago and Detroit SMSA. The Detroit area had significantly less new housing built than Chicago—1.4 new units versus 1.7 new units per new household. There were substantially different impacts on housing demand and prices in the cities of Detroit and Chicago. During the decade, median home value (in constant dollars) went up by $900 in Detroit, but slipped by $600 in Chicago. In both cities, the housing surplus was in old black housing areas. But demolitions and vacancies were much higher in Chicago. Of all housing occupied by Chicago blacks in 1960, 27% was demolished by 1970 and 14% was vacant and abandoned. In contrast, of all housing occupied by Detroit blacks in 1960, 16% was demolished by 1970 and 8% was vacant or abandoned. Chicago gained 16,000 dilapidated units while Detroit lost 5,000 such units in the decade.

Further comparisons of housing changes in the decade between the six-county Chicago SMSA and the three-county Detroit SMSA are given below:

	CHICAGO SMSA	CHICAGO City	DETROIT SMSA	DETROIT City
All housing units				
1970	2,292,400	1,197,300	1,327,400	521,100
1960	1,988,900	1,213,500	1,153,200	553,200
% change	15.3%	-1.3%	15.1%	-5.8%
Units added	568,600	197,700	270,100	24,500
% of 1970 stock	24.8%	16.5%	19.8%	4.3%
Units lost	176,600	138,600	95,900	56,600
% cf 1960 stock	8.9%	11.4%	7.4%	9.0%

CONCLUSIONS

I contend that neighborhood and urban decline are caused by a complex chain of factors associated with the city's growing attraction for poor and minority Americans and growing repulsion for middle-class majority Americans. Residential discrimination, urban unemployment, increased suburbanization, and an unregulated housing industry reinforce these processes. Governmental concern is indicated, yet the state and federal governments have no policies to directly slow down these processes by attempting to regulate or mitigate the exacerbating effects of residential discrimination, urban unemployment, suburban balkanization, and excessive housing construction.

The contribution to the search for political solutions of the anti-redliners to urban decay has been to blame financial institutions for deserting minority neighborhoods. By representing these groups as scapegoats and devils, the anti-redliners have effectively relieved local and national officials of the necessity to confront realistically the problems of urban decay.

This campaign against redlining in general and the FHA in particular has distracted public attention from examining the real causes of urban decay and has hampered the greatly needed establishment of programs and strategies to begin to deal with these problems. In fostering the folklore that urban decay is caused by institutional villains and devils, rather than by larger social and economic forces, the anti-redliners, however well-intentioned, have prevented us from viewing urban problems with economic realism.

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