

Commonwealth

New Hours at Southwest Office

Autumn/Winter 2003 #56

Westcott Office hours remains the same.

Monday - Thursday: 10 AM - 3 PM

Friday: 10 AM - 6 PM

Saturday: 10 AM - 1 PM

We have changed our open hours at the Southwest Office to better serve you, our members. This change for you means big changes for us so please bear with us as we get used to them. Until we have all the kinks worked out services will be limited to basic services like:




- Deposits • Transfers • Money orders • Cashier's Checks
- Traveler's Checks • Check cashing • Cash withdrawal

We will also open new member accounts provided the office is not too busy. Please remember that transactions rely on computers so if we're down, you're down. Plan ahead to keep enough money on hand for emergencies. 🌿

Redlining: The Raw Deal

Why is it that cities in Canada and western Europe and in developed countries all over the world are full of life, charm, excitement and convenience, where it is good to live and getting around is easy, when so many American cities seem cold, tired, uninspired, run-down and inefficient? Their downtown areas are densely developed and are lively much of the time, with a good mix of stores, offices, and residences. Ours are awkward and inconvenient having government buildings, a few stores and fewer residences. Their cities' outlying neighborhoods tend to be compact, close to downtown and well-taken care of, with a good mix of housing types. All parts of town are easily accessible by public transportation

OJO!



Nuevo horario de oficina en el Southwest:
Lunes - Jueves: 10 AM - 3 PM
Viernes: 10 AM - 6 PM
Sábados: 10 AM - 1 PM

Casas Señaladas para Renovación:
Si usted esta interesado en la compra de una casa a traves del Programa Urbano de Casas, inscríbese gratis en nuestro programa de dueños de casa por primera vez.

and one does not even need a car to get to most places. Ours require cars just to get there and getting around is difficult and unpleasant, to say nothing about parking. The answer, quite simply, has to do with the development of the mortgage as we know it with only 10% down, up to 30 years to pay back the loan, and an interest rate of 5.5 percent.

Back in the '30s, you had to be wealthy to own your own home. Borrowing money to purchase a home was expensive, down-payments were as high as 50% and at the end of the loan the entire interest charge was due, usually at very high rates. New homeowners often had to take out a second mortgage just to pay off the interest charge.

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IF YOU'RE NOT A MEMBER, YOU WANT TO BE!

Houses Identified for Renovation

The Urban Homestead Project has identified 9 houses as possibilities for renovation in its project. If you are interested in purchasing a home that has been fixed up and modernized from the inside out, you want to check this out. From the basement to the roof, these houses are like new yet have all the charm of days gone by. Urban Homestead has not yet decided on the ones to renovate so someone on the ball could actually have a say in which one they like! To see the list, sign up for the Ready Set Go!, our FREE homebuyer service. You'll be mowing your own lawn in no time!

Raw Deal - from page 2

In 1934, the Federal Housing Administration (FHA) was established by President Roosevelt to encourage the construction of new homes. This was in the midst of the depression and unemployment was a huge problem. Creating a boom in new house

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construction would create jobs for thousands of construction workers and other workers with related skills.

How to get the banks to make the loans was the next hurdle. By guaranteeing the loans, the FHA made it possible for banks to grant mortgages with the assurance that they would not be the big loser if the loan wasn't repaid. Since the FHA didn't want to lose money either, they decided they needed an evaluation of residential areas that determined where it was "safe" to put their money. So the Home Owner's

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Loan Corporation or HOLC was created and a massive inventory of cities' neighborhoods took place with mostly real estate brokers doing the appraisals. Financial security was given as the reason for neighborhood evaluation but the end result was that black people, though not denied mortgage insurance officially, ended up being discriminated against because the neighborhoods they could live in would not be FHA insured. This was the beginning of "redlining". Several criteria were to be considered:

1. Were there signs of neglect or decay that would indicate that a neighborhood was in decline?
2. Were there any minority home owners? This included Jews and "foreign born whites" such as Poles and Italians as well as African Americans.
3. Were the majority of the dwellings single-family detached homes? Multiple family and apartment buildings were considered to be undesirable.
4. Did the neighborhood have zoning ordinances?

HOLC's project was completed in just one year and produced hundreds of

"residential security" maps covering every town and city in the US. These maps were so confidential that only federal officials and senior bank personnel were to know of them. Neighborhoods were graded A to D and colors were assigned to each area. Green was for A, blue for B, yellow for C and last were D neighborhoods colored red.

In Syracuse, "First Grade" neighborhoods were usually of new or recent construction outside the city limits. They were well away from downtown, typically in areas that had been farm land only a decade or so earlier such as Sedgewick Farms. James Street was the notable exception. Although old and just outside downtown, some of the grandest homes in Syracuse were found there.

Community Investment Certificate
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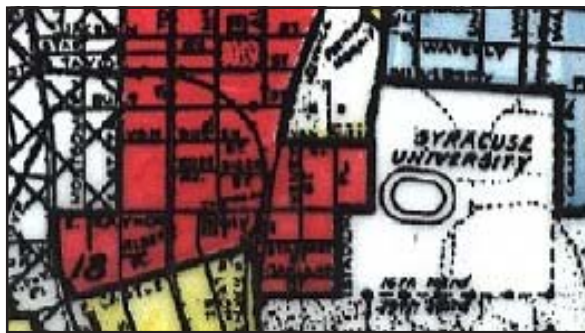
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Penalty may be imposed for early withdrawals. Fees could reduce earnings on the account. Rates offered as of 8/20/03 *Annual Percentage Yield

The residents of green areas were all-white and non-immigrant. In Syracuse the green areas included Berkeley Park, Bradford Hills, Dewitt, Sedgewick Farms, and Strathmore.

“Second Grade” neighborhoods were a bit older but the homes were still well maintained. They were close to downtown but not considered “stylish” and the loans available were usually below the maximum available loan amount.



Older still, “Third Grade” neighborhoods were considered to be old-fashioned and a bit tired and the neighborhood covenants had expired. The population of these areas was considered to be of a “lower grade” or the area was vulnerable to an influx of this population. In Syracuse these older neighborhoods near downtown were colored yellow including the once-elegant West Onondaga Street and South Salina Street south to the city limits.

The “Fourth Grade” neighborhoods, were usually the cities oldest neighborhoods and those closest to downtown. They were near railroad tracks (and, later, highways), factories or other of the more functional features of the city. And, of course, they were ethnically diverse. “D” neighborhoods

were usually in decline and the stigma of being designated “Fourth Grade” was their doom. Characterized by ‘undesirable population or an infiltration

of it,’ mortgage lenders would often refuse to make any loans on properties in these neighborhoods.

The real irony is that it was this federally mandated, racist policy of “redlining” neighborhoods that caused both the segregation of neighborhoods and the decline of American cities. The assumption that neighborhoods would decline once black, immigrant or Jewish families moved in motivated banks to refuse mortgage insurance for “undesirables” to buy houses in “good” neighborhoods. Neither could they get mortgages in redlined districts which destabilized these neighborhoods, and sped the descent into the downward spiral. White flight to the suburbs left only the decaying, redlined inner cities as home to its poorer population and

public housing guaranteed that with only the very poor living there, there was no hope of revitalization. Residential segregation was now institutionalized. Syracuse, once ethnically diverse, suffered more than many cities from this urban exodus.

And so it is that American cities are lack-luster, dreary and boring. The FHA, working in tandem with Public Housing, created the demographics of most modern American cities. While one program warehoused the poor and blacks in the city, the other gave the wealthy and middle-income whites a subsidized ticket out. The effect is what one sees all over America today: poor, heavily black, and economically stagnant inner cities, and spread-out, affluent suburbs that are almost completely white and comprised of single-family dwellings. 🌿

What's With The Junk Mail You Ask?



As you know, we don't usually send solicitations to our members. CUNA insurance, however, is a piece of the CU movement providing low cost insurance to people who might not otherwise be able to get into an affordable group plan. SCFCU has known CUNA since we started in 1982 and has found them to be true to their word. The Board considered carefully before approving the mailing and decided some of you might want this opportunity.

Insurance is an individual thing and you can review it to see if it meets the needs of you and your family. Some of it is for life insurance, other is for death and dismemberment and will help pay bills if you are injured. See? It is not just any old junk mail!



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