WHAT WE WANT:

1. No area of Seattle should be red-lined made a risky area by definition.

2. Full disclosure by the banks, by census tract, where their money comes from.

3. Full disclosure by the banks, by census tract, where their money is invested.

4. A comitment to loan a given amount of dollars in first mortgage and rehab. loans back to the neighborhoods, equal to or greater than the deposits from these neighborhoods.

5. A commitment to provide conventional, FHA and VA mortgages and rehab. loans at terms being granted outside of Seattle.

6. Home and business improvements loans should be given high priority in the already redlined area.

7. Families wishing to buy homes should be given priority owner occupies as opposed to non-owner.

8. A commitment to provide a special loan fund to provide credit to those residents whose credit and property has been ruined by redlining.

THE FACTS

1. No conventional or FHA loans were granted in the last five years in large parts of the Central Area by nearly all the the banks.

2. Seattle First National and Rainier Banks have lent only to absentees, investors, or speculators.

3. Central Area branch banks loan as little as 19¢ for every dollar they collect in deposits while suburban banks loan up to $2.40 for every savings dollar.

4. Only FHA insured loans through mortgage companies are available to Central Area and Rainier Valley residents at higher costs. They foreclose up to eight times more often on FHA loans than do banks!

5. Eight major banking institutions which lent more than $190 million in mortgages in King County last year have made no more than two loans each in the Central Area and Rainier Valley since 1970.

6. While 82% of the mortgage loans in King County in 1974 were made by Mutual Savings banks and savings and loans associations only 6% of the loans in the Central Area and Rainier Valley came from these traditional home finance sources.

7. Although federal regulations prohibit discrimination in neighborhoods, federal and state regulatory agencies have done nothing to investigate or curb redlining.

SAVE OUR NEIGHBORHOODS

Sponsored by

Central Seattle Community Council Federation

REDLINING

THE PROBLEM:

The lending instututions are deteriorating our neighborhoods by making it very difficult or impossible, for us, our friends, and neighbors to obtain home or business improvement mortgages or loans in the Central Area or Rainier Valley.

WHY?

THE REASONS

Bank and savings and loan instutions are Redlining our neighborhoods.

WHAT IS REDLINING?

Redlining is the systematic refusal of banks and savings and loans instutions to grant mortgages, home and business improvment loan in certain area of a city.

THE SYMPTOMS OF REDLINING:

1. A limited number of conventional mortgages are available on any terms.
2. Excessive downpayments of 30% - 60% are required.
3. Short loan life of 10-15 years is given instead of the normal 20-30 years.
4. Higher rates of interest are required.
5. Lending institutions show a preference for new homes and neighborhoods instead of older residential city neighborhoods.
6. Lending institutions provide mortgage money for real estate speculators.

REDLINING CAUSES A CYCLE OF DETERIORATION THAT PROCEEDS THROUGH THESE VARIOUS STAGES

1. Because of redlining by lending institutuions conventional mortgages are difficult if not imposible to get in the Central Area and Rainier Valley.
2. Real estate speculators with cash begin to buy up homes in Rainier Valley and the Central Area (Prime property).
3. Proportion of renters increases compared to stable home owners.
4. Property values decrease.
5. The tax burden in the city increases.
6. After several years of redlining neighborhoods begin its show serious signs of deterioration.
7. Homeowners and stabe families who are unable to get mortgages because of redlining leave the neighborhood.
8. Schools deteriorate, crime increases, city services decrease and become more expensive.

Destruction of the Central Area and Rainier Valley

THE SOLUTION

Reverse the <u>present redlining practices</u> of the savings and loans and other mortgages providers.

<u>NOW</u>