The Violence of Eviction

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Aftermath of an eviction in Baltimore, 2007 (mireille / Flickr)

Evicted: Poverty and Profit in the American City
by Matthew Desmond
Crown Publishers, 2016, 418 pp.
Chain of Title: How Three Ordinary Americans Uncovered Wall Street's Great Foreclosure Fraud
by David Dayen
New Press, 2016, 400 pp.

Of all the ways market logic has colonized our thinking, the way it has distorted our understanding of the housing market has to be one of the most dangerous. The notion that housing is naturally like any other market has not only informed the way we think about the houses we rent and the mortgages we can take, it's led us to believe that the city itself wields a kind of economic instrumentalism in how it sorts those who inhabit it. People naturally end up where they are most productive and useful, and any housing problems will be both quickly and smoothly rectified by the market.

This is a lie. Markets are not natural but created, and this is especially true of housing. It takes the violent disruption of expulsion for this to become clear. Two new books dive deep into housing expulsion to illuminate the social creation of these markets.

In *Evicted: Poverty and Profit in the American City*, Harvard sociologist Matthew Desmond does more than paint a haunting picture of the poverty and instability created by housing insecurity. He tears past market ideology to show the power of landlords and the way they decide who the city will work for and how. And in *Chain of Title: How Three Ordinary Americans Uncovered Wall Street's Great Foreclosure Fraud*, financial writer David Dayen goes beyond documenting the systemic fraud perpetrated by Wall Street. He shows how ordinary people were able to blow the lid off the mortgage machine and document the lack of evidence for finance's claims they owned the debts that they claimed to own. Those claims, in turn, forced the government to cover up the fraud in order to preserve the myth of the market.

By listening to the stories of the foreclosed and the evicted, those most vulnerable to the violence of the housing market, we can learn how housing really works—how it fails us as a society, and ultimately, how we can do better.

In his 2002 essay “Scrutinizing the Street: Poverty, Morality, and the Pitfalls of Urban Ethnography,” the sociologist Loïc Wacquant warned that the latest wave of sociological ethnographies of the urban poor, books that were becoming blockbuster staples among the educated class, didn’t challenge the conditions they described. They instead sanitized their subjects by downplaying certain facts, glamorized their work skills and personal deeds to make them passable by middle-class norms, and divided the poor into good and bad, decent and “street.” They did this to make their subjects morally acceptable to the public policy punditry, and to attempt to find a triangulating role for sociology to push back against the brutality of rising neoliberalism. They failed.

Matthew Desmond’s masterpiece of sociological ethnography, *Evicted*, doesn’t fall into any of these traps. A lot will rightfully be written about his work following the lives of eight families in Milwaukee, split between the black ghetto on the city’s North Side and a white trailer park on the South Side. He tells their stories in a way that is both moving and respectful.

But the reason the book works is because there’s an additional character, one who is the real star: the eviction process itself. Desmond’s ethnographic technique is designed not to focus on a specific place, or even a specific group of people, but instead on how evictions take place. By telling the story of these families through their relationship to that process of state-sanctioned violence, his book places the suffering of these families in a broader context.

It certainly makes the abstract data on the sheer volume of evictions more real. But collecting and presenting that data is itself another accomplishment of the book. Desmond’s ethnography is complemented by a large-scale investigation into reams of Milwaukee municipal data. Statistical models are run using large datasets of everything ranging from renter surveys to 911 nuisance calls to building code violations to court judgments.

The conclusions he draws from these numbers are striking, and the trends he sees in Milwaukee are representative of the country as a whole. The majority of poor families who rent in America spend more than half of their income on housing, with almost a quarter spending 70 percent. Between 2009 and 2011 more than one in eight Milwaukee renters experienced a forced eviction. Across the nation, in rich cities and poor, vacancies in low-cost units have fallen to single digits, to below 6 percent in 2011, while affordable rental stock is disappearing.

This is particularly true for black women. In Milwaukee’s poorest black neighborhoods, one female renter in seventeen was evicted through courts—that’s twice as many as men in the same neighborhoods, and nine times as many as women in the city’s poorest white areas. Desmond concludes that “if incarceration had come to define the lives of men from impoverished black neighborhoods, eviction was shaping the lives of women. Poor black men were locked up. Poor black women were locked out.”

The straightforward storytelling of the text belies its theoretical depth, with many of the essential points explained in endnotes. Desmond’s focus on the eviction process helps us understand the world and mindset of evicted households in a way we otherwise wouldn’t. Housing insecurity creates a special kind of exhausting poverty, one that threatens the very security of one’s family. It breeds depression. In addition to their homes, the evicted lose their possessions, their neighborhoods, their official address for interacting with the state and businesses, their very sense of self and liberty.

We meet Scott, an ex-nurse drug addict whose powerlessness to leave the trailer park and find more secure housing creates the conditions for his consistent relapses, particularly as the trailer park is a ready source of heroin. Vanetta, a single mother, desperate from losing hours at the Old Country Buffet and living on the verge of eviction, is suddenly pushed by her boyfriend into robbing a couple to keep the lights on, and faces a long prison sentence as a result. Women go in and out of piecemeal sex work when housing becomes precarious. Others, looking for some sense of gratification and seeing no future to plan for, overspend. Rather than trying to explain these actions in moral, cultural, or individual terms, Desmond shows how these acts of desperation and despair are responses to the violence of eviction.

Evictions shred civil society, the building blocks of neighborhoods that in turn are capable of sustaining wider communities. “A single eviction could destabilize multiple city blocks,” Desmond writes, creating “perpetual slums,” as people take temporary homes they have no interest in building around, simply a place to stay until they can get their lives together. The tenants in the trailer park see themselves as “just passing through,” not there to put down roots, meet their neighbors, and build a community.

Making the eviction process the central ethnographic focus shows the wide constellation of actors the evicted encounter, each exerting different types of power, each capable of helping or harming the tenants. We meet the sheriff who knocks on the door and could give the tenant an extra day. We meet the movers who take the tenants’ stuff out and can store it, in warehouses that act like a “giant stomach, digesting the city,” for a large fee the evicted struggle to pay. We meet the judges in eviction court, too, who can radically change an evicted person’s future by forcing a settlement, or by allowing landlords to attach large, high-interest fees to the records of the evicted that can destroy their future income security. We meet extended families with financial security who face complex choices about how to help those perpetually in need; we encounter the spontaneous, disposable, and volatile ties created among the poor to try and mitigate the risks of eviction.

A central premise of markets is that people who can afford to pay the price will end up where they belong. According to this assumption, eviction is simply a correction made by the market, one where people simply end up in a cheaper house that’s better suited to their income. But this is not what happens. One important reason is because there are very small rent differences across the poorest and richer parts of the Milwaukee. “A mere $270 separated some of the cheapest units in the city from some of the most expensive,” writes Desmond. In the poorest neighborhoods, median rents for a two-bedroom were only $50 less than in the city overall. Meaning, people who are evicted aren’t automatically reshuffled by the market to cheaper housing, because such housing simply isn’t always available.

This is because prices don’t determine who ends up where, landlords do. Desmond writes, “landlords were major players in distributing the spoils. They decided who got to live where.” No matter what else the poor have in common, “nearly all of them have a landlord.” Rather than a facile notion that people end up where they best belong, we see that people’s respective power dictates where they end up, and in poor neighborhoods, landlords have the power.

Landlords make decisions heavily informed by race. White and black families live at opposite ends of Milwaukee, but they might as well live in different galaxies. The black families can’t find any landlords willing to work with them in the white parts of the city, rendering false the idea that they could simply move if they so wished. The white families, for their part, refuse to look in the black ghetto at all, and receive a location dividend based on their race.

The way landlords choose to screen tenants reshapes the housing market in fundamental ways. Having kids, for instance, usually means an instant rejection. This is particularly tough on single moms, who are often already in difficult economic situations, and the children themselves. Eviction means school connections and deeper community roots, essential for children, are impossible to sustain.

Landlords also reject prospective tenants based on a combination of poverty—including a record of previous evictions—and criminality, based on previous felonies. Excluding people who have both means that buildings where poor people go are buildings where people engaged in criminal activity go. The choices of landlords do more to intertwine poverty and criminality than any vague “cultural” explanation.

This is also how gentrification works. According to researchers, gentrification isn’t really about newer, richer residents pushing out established residents. What really causes neighborhoods to change so dramatically is that poorer residents can no longer afford to move into gentrifying areas. Poorer families are cut off from that mobility, with open housing going to richer families. *Evicted* shows how this kind of exclusion is vicious for those in desperate need of housing, and how it can thoroughly rework the demographics of neighborhoods.

The state plays an essential role in this process. It’s not just responsible for the violence deployed by the courts and sheriffs, who create and implement the terms under which people are forced out of their homes and the subsequent penalties they suffer. It’s also not just how the rapid increases in policing and mass incarceration have turned landlords into agents of those trends. "Nuisance property ordinances," for example, penalize landlords for their tenants' behavior. So when responding to 911 calls, for instance, police pressure landlords to evict the tenants in question, something that is particularly devastating for households suffering from domestic violence.

It's that the state also determines how property itself is structured. The landlords Desmond follows gather at a special, Department of Justice–funded "Landlord Training Program" where, in addition to learning the maximum fees they can charge, they close by chanting "this is my property" over and over again. Yet for many of them, this wasn't strictly true—each of their properties was safeguarded by a separate corporation that owned itself, a process created by the state to shield landlords from the liability of ownership, so they can maximize profits by driving their properties into the ground.

For many of the landlords, it is simply cheaper to deal with the costs of an eviction than to try and reduce rents, or even to maintain their properties. For Sherrena, a landlord Desmond follows, her worst properties were the biggest profit centers. As the fines on the properties for lack of upkeep piled up, Sherrena would simply stop paying taxes and let the city take the property in the tax foreclosure. The corporate structure shielding the property ensured her own liability was limited. The city would often just demolish them, in turn reducing the property stock further, and assuring competition for Sherrena's other properties. Milwaukee has around 1,200 properties go into foreclosure this way each year.

Experts assume that there's a simple tradeoff between housing conditions and costs. If the costs of a rental apartment are too high, people simply live in worse conditions. Desmond shows that the logic of slumlords ties these factors together: worse properties, by being driven into foreclosure and then taken off the market, can ultimately drive up, rather than down, housing costs.

The landlords we meet in *Evicted* do bad things to people in the pursuit of profits. Liberal commentators are already peppering their reviews of the book with elaborate hand-wringing over a poor person buying lobster with food stamps. Virtually none have mentioned the main landlord encouraging mentally and physically disabled people whose credit scores she helped rapidly increase to buy her properties through the Federal Housing Administration at the height of the bubble, only to watch them fall into distress later.

But one thing that stands out is the way that Desmond's landlords seem like low-wage employers, and the case for rent control comes to resemble the new case for the minimum wage. One important reason why minimum wage increases don't lead to higher unemployment is because low-wage employers have a tiny bit of monopoly power over jobs. Because of the difficulty workers have searching for jobs, and their desperation to find subsistence work, employers are able to set the price of labor rather than simply accept the price determined by the market, which gives them more power. A higher minimum wage pushes against this power.

The same logic applies to housing. Searching for housing is very difficult; some of the families Desmond followed looked at ninety properties before finding somewhere they could live. Sherrena notes how she can capture part of the value of housing vouchers by charging higher rents when they are used. This is similar to how employers capture part of the Earned Income Tax Credit wage subsidy, something that a minimum wage helps push back against.

A simple story tells us all we need to know about the power of landlords. Sherrena sees one of her tenants waiting for UPS to deliver a computer for his daughter. The landlord immediately laughs, "I got 'em. The rent's going up . . . I don't care. He can move." Being able to raise rents simply because you think your tenant can pay more and you know they won't just find another place without additional expense, is what economists call "economic rents." Or what regular people just call "exploitation."

The Great Recession was the result of the crash of a housing bubble, one that came with 6 million foreclosures. One of those foreclosures was initiated against a Florida nurse named Lisa Epstein. Epstein tried to negotiate with her mortgage company, Chase Home Finance, so she could keep paying. They said they couldn't help without the permission of Wells Fargo, which was odd to Epstein as she had never interacted with them. When the foreclosure summons came, it stated her plaintiff was “U.S. Bank NA as trustee for JPMorgan Mortgage Trust 2007-S2,” two banks she had never had any contact with or even knew much about.

Thus begins a detective story that almost brought down Wall Street, as recounted in David Dayen’s *Chain of Title*. There are well over twenty books about the financial crisis and the housing bubble that preceded it. There are only a handful of what came next, even though researchers now believe the chaos of foreclosures and the large amount of bad mortgage debt have been the major factor in the weak recovery of the U.S. economy. Dayen’s book, detailing the massive fraud seeping into the mortgage and foreclosure process, is essential documentation of this sordid history.

It’s also a fascinating way of understanding how the state intercedes to create a private mortgage market. Beginning in the early 1980s, Wall Street pushed its way into the housing market, taking over from locally situated commercial banks through the extensive marketing of mortgage-backed securities. But this couldn’t be done without government action. Congress preempted state restrictions on privately issued mortgage-backed securities. It promoted ratings agencies as private market regulators of the system. The government created special tax laws to produce a “real estate mortgage investment conduit” (REMIC), allowing mortgages to be moved around without having to pay taxes.

In turn, Wall Street needed to follow careful rules on how to handle mortgages for this to work. For centuries, keeping track of who owned what land was one of the essential administrative tasks of the government, and here that responsibility was handed over to Wall Street. Because of how global and fast capital markets are, it was even more essential that documentation of the mortgages was carefully transferred between complex entities to make legally clear who owns what and on what terms. As Dayen notes, “you can’t skip a link” in this process, and you can’t go back and fix it later. This was designed to ensure protection for both Wall Street investors and ordinary borrowers in case something went wrong.

Something went wrong. By now we have well-documented history of how fraud dominated the creation of subprime mortgages. Mortgage terms and prices were not set competitively; people were aggressively upsold into dangerous subprime mortgages; instruments designed to fail were sold off to investors. But the handful of citizens-turned-Wall-Street-detectives that populate Dayen’s book found out that there was just as much sloppiness and fraud in the management of these mortgage documents as there was in other industry practices.

Epstein, the nurse portrayed in Dayen’s book, slowly worked through her mortgage and the mortgages of others. As she followed the complex maze of legal steps necessary to prove ownership of land, she found nothing there. Documents didn’t exist, or were forged. She joined forces with a community of bloggers, journalists, academics, and other citizens, who all parsed through these records, finding them online and elsewhere. Together, they found false documentation in foreclosures across the entire nation. A mysterious “Linda Green” was signing foreclosure documents with multiple signatures across twenty different mortgage companies, implying poorly paid subordinates were using her name to keep foreclosures going. The sleuths found crooked efforts to backdate many of these documents. The activists called it “securitization FAIL.” As Dayen writes, “Three centuries of American land title operations had been outsourced” to Wall Street, and they ruined it so they “could save a buck.”

It wasn’t just sloppy paperwork that allowed the foreclosure crisis to occur, but sloppy processes as well. Without the legal notes of the mortgage itself, it wasn’t clear who owned what and on what terms, so there was no fair way to settle disputes. Worse, the mortgages were serviced and handled by people with incentives different from those of borrowers and lenders; it was often just as profitable for the middlemen to run mortgages into distress and foreclosure than to make them work well. Wall Street’s way of financing mortgages through complex instruments had never been stressed; when it was, it collapsed spectacularly.

As a result of these activists’ investigations, the media, courts, and law enforcement started to pay attention. They won a major victory when the foreclosure machine came to a screeching halt in late 2010, when several large banks declared a foreclosure moratorium to look at their procedures, and the government, notably the Obama administration, was forced to investigate it themselves.

Housing isn't just a natural market. It requires a large amount of bureaucracy and violence and paperwork to ensure that land is divided up correctly. This is a system that has been around for centuries. Yet Wall Street neglected to care about the details, and as a result, when people pulled back the curtain, they couldn't prove that they owned anything they believed they did.

The cognitive dissonance that followed was overwhelming. Should we throw some people in jail? Demand some sort of settlement and a promise this won't happen again? Should we cancel debts that couldn't be documented, perhaps paving the way for a radical program of land redistribution? It's ironic that, left to their own devices, high finance's control over land leads to the conditions where a bloodless revolution could have taken place. Business media claimed that this was about deadbeats who wanted free homes, as opposed to the deadbeats on Wall Street who didn't follow the rules.

The Obama administration was not interested in jailing bankers, much less euthanizing the claims of rentiers over land as a result of finance's own carelessness. Instead the administration's investigators, along with regulators and state attorneys generals, made it seem as if Wall Street had followed the process all along, all for the price of a small settlement and a promise to do better. The Federal Reserve shamefully swept a subsequent 2013 investigation into servicing abuses under the carpet, arguing that illegal activities couldn't be disclosed because they were "trade secrets." Maintaining the *illusion* of the integrity of the housing market was more important than maintaining its actual integrity. Meanwhile these same problems of abusive processes and improper documentation have emerged across all kinds of consumer debt—from medical bills to student loans.

Both books struggle with the same overall problems. Political organizing is easy for those with power in these housing relationships, and incredibly difficult for those without. Desmond describes landlords as having a class interest in certain types of exploitation. Dayen focuses less on the creditors—those who owned underwater mortgages—even though their desire to be paid in full on bad collateral plunged communities and the economy into chaos. Efforts to force them to take losses—such as bankruptcy reform or municipal efforts to use eminent domain against their garbage loans—were easily resisted. Meanwhile we haven't seen mortgage strikes or rent strikes, as we did in earlier eras like the Great Depression. For both the evicted and the foreclosed, a politics of self-loathing and recrimination places a limitation on political power they can express.

The housing markets covered in these books don't look like they will merely "self-correct" with time. The mortgage market remains in critical condition, surviving only because government support is compensating for the failures of Wall Street. The housing stock in Milwaukee and other poor cities will continue to deteriorate, and nothing other than a publicly driven campaign can change that.

But both books point in the right direction. There's a fundamental need for security and shelter. If the private market won't provide it, that points to a more active and assertive role for the state itself. But it must start from the premise that no market alone can ensure security for all; these markets are government creations, and they require government solutions.

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