

HOUSING AND THE LAW: LESSON 3: KEY TERMS**KEY TERMS**

- **blockbusting:** When home owners are persuaded to sell their property out of fear that a person of color might move into the community. Properties are usually sold by White people at a low price and then people of color are charged a higher price.
- **contract selling:** Manipulative practice in which homebuyers who could not obtain a conventional mortgage were sold a home on a contract. These contracts required high down payments and monthly payments with high interest rates. Buyers had all of the burdens of homeownership, such as tax payments and code maintenance. They did not own the home until the contract was paid off and thus could not build equity. They could be evicted at any time.
- **lending discrimination:** When someone is denied a loan for a home based on their race, class, religion, or another characteristic.
- **lenders:** a bank, financial group, or individual who makes funds available with the expectation that the funds will be paid back
- **appraisers:** someone who determines the value of a property
- **real estate brokers:** someone who is licensed to negotiate the terms of real estate transactions, representing the buyers or sellers of property
- **credit:** one's ability to obtain or purchase something typically worth a lot of money on the trust that they will be able to make the payment in the future
- **hedge:** a safeguard against possible financial loss
- **wealth:** one's accumulated valuable possessions and assets
- **commission:** money earned by an employee for completing a task or selling something
- **insidious:** slowly or gradually causing harm
- **solicitation:** the act of asking or trying to obtain something from someone
- **predatory:** seeking to exploit or oppress others
- **extract:** to remove or obtain a resource through a specific method
- **high interest rate:** If you owe or borrow money, how much you pay back depends on the interest rate. If the rate is high, you risk paying back much more money than you owe.
- **equity:** ownership of one's assets
- **capital:** net worth, financial assets or accumulated goods.
- **reparations:** making amends for the wrong one has done by paying money to or by otherwise helping those who have been wronged