

Book Notes

Cities Destroyed for Cash, by Brian D. Boyer. (Chicago: Follett Publishing Co., 1973)

The author of this short, but at times repetitious, statistically shaky and 'overkilled' volume, was a Detroit newspaperman, formerly an investigative reporter who has also written detective novels. As a result of these impressive qualifications the work under consideration is an easily readable whodunit (or lengthy editorial) in the manner of one Perry-Ralph Nader-Mason, with a cast of characters replete with ethnic slurs, a dash of sex, and a good smattering of expletives *not* deleted. Except in this case, the consumer trust wasn't murdered by the butler, but by our purported protector, the Federal Housing Administration.

Enter Boyer's Fallacy No. 1: The reviewer may be cynical, but can't buy the big brother role for the federal government. The section 221(d)(2), 235, and 236 programs Boyer assails did not contain much, save the poorly-funded section 237 counselling for high risk cases, in terms of consumer protection, and you can't administer what isn't there. Unlike Boyer, this reviewer feels that the "disaster" was caused among many other things by ignorant (perhaps better termed inexperienced) buyers, plus complications contributed by Fallacy No. 2: that the American Dream of homeownership is valid for all income levels.

To lay the blame for what "may be the biggest scandal of our history", Boyer places emphasis on the sale of substandard houses; speculative inflation of value appraisals; falsified credit ratings and income levels. These in addition to a scathing put-down of FHA and the mortgage banking industry, citing as major reasons for the disaster in Detroit: "fraud, collusion and corruption; incompetent and criminally negligent administration; and manipulation of capital." Interestingly enough, Boyer devotes a chapter to interviews with William Whitbeck, former director of the Detroit HUD Area Office, who gives as reasons for the defaults: loss

of income; sickness; marital trouble; "poor house in the beginning," and the fact that Detroit was developed as a "single-family" city to the extent no other major city has. The Downs Report (1972) notes that the scandals were not caused by sections 235 and 236 and rarely involved these programs, attributing the causes to: widespread housing deterioration in older neighborhoods generally neglected by society; unscrupulous private real estate operators and appraisers; lack of home-buying experience among new low and moderate income home purchasers; and poor FHA administrative practices.

The reader will do well to have more than a nodding acquaintance with real estate principles, housing finance and the mechanics of the section 235 and 236 program, because although common sense explanations are given for some terms, e.g., discount points and "conversions," Boyer's explanations, particularly of the section 236 program and mortgage banking industry/FNMA operation, are somewhat confusing at times. A very stimulating contrast to read with Boyer's book is the Downs Report, Sections VI and VII, which present the extreme opposite pole. (The reviewer would recommend the assignment of Boyer and Downs as a rather enjoyable exercise to force students to clarify the housing finance process for themselves.) The relatively easy reading level, plus four fictional chapters about "Romney City" comprising a book within a book, "the *In Cold Blood* of how cities are killed," will hold the attention if the aforementioned questionable complexities don't. Chapters relating interviews with Whitebeck, George Romney, and Jack Blum offer a bit of the opposite of the coin.

A host of important omissions strike the reviewer: the original reason for the establishment of FHA; the effect of the statutory price limitations set on new and used houses to be insured/subsidized under sections 235/236; the 1969-70 "tight money" situation as a factor accelerating the crisis, real property tax base questions;

use and effect of the HUD project site selection system, the FHA Minimum Property Standards and A-95 review process; and statistics showing the number of section 235/236 units unblemished by the scandals.

Boyer also tends to belabor the point of "low income buyers" with no definition of differentiation between low and moderate-income. He acknowledges, but has little sympathy for the increased work load for inadequate numbers of FHA employees with little or no initial training in the "new" responsibilities created by sections 235/236. He also calls the scandal "an incredible plot, a vast urban renewal plan/program, fantastically/beastly expensive, and so complicated and overwhelming..." One wonders if this is so different from the conventional urban renewal program a la 1949-1972.

The final chapter (following the guest appearance by Romney) presents Boyer's own proposals to solve the nation's housing problems. Some are too far-out to expect widespread acceptance, e.g., "People whose housing is paid for by welfare or other government subsidy should not be expected or allowed to handle the mortgage or rental payments. The money should go directly from the government to mortgage companies or landlords..." Boyer would favor the experimental housing allowance programs now under investigation but obviously to a paternalistic extreme. Another proposal "to broaden the FHA program to include insurance against major defects in the property..." is more likely, and in fact, the new NAHB voluntary Home Owners' Warranty program is a private step in this direction, as are the increasingly more common court decisions upholding the warranty of habitability.

Finally, the sequels to Boyer's book are now to be found in alternate months' headlines in, for instance, *House & Home*: "Scorecard on FHA scandals: Top players now changing into striped uniforms." (February, 1974); "Gurney indicted in HUD scandal; 39 in building industry cited," and "Dun and Bradstreet wins a mistrial" (August 1974); and "U.S. judge throws a scare into Chicago's mortgage bankers" (December 1974). Additionally, sections 235 and 236, although extended for only two years each, by the Housing and Community Development Act of 1974, remain impounded. Perhaps through the dark, there is a light at the end of the tunnel.

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Uniform Residential Landlord and Tenant Act,
(National Conference of Commissioners on Uniform
State Laws, 1972)

Landlord and tenant relations are becoming an important part of housing curricula. Many housing educators believe that explaining the nature of limitations to the tenant under the current lease system is not adequate, and feel it is necessary to explore why these limitations exist and how the situation could and should be changed. The *Uniform Residential Landlord and Tenant Act*, drafted by the National Conference of Commissioners on Uniform State Laws, is a useful publication for this purpose. The act recognizes that existing landlord and tenant law, based upon English Common law established for an agrarian society, is not relevant for the urban U.S. In establishing a more appropriate alternative, the "*Uniform Residential Landlord and Tenant Act*" proposes:

- (1) to simplify, clarify, modernize, and revise the law governing the rental of dwelling units and the rights and obligations of landlords and tenants;
- (2) to encourage landlords and tenants to maintain and improve the quality of housing; and
- (3) to make uniform the law with respect to the subject of this Act among those states which enact it.

Copies of the Act are available for \$1 from: National Conference of Commissioners on Uniform State Laws; 1155 East Sixtieth Street; Chicago, Illinois 60637.

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Homes, (Wonder Books, 51 Madison Avenue, New York, 1972, price .69.)

An introductory housing text, *Homes* covers such topics as cultural and historic aspects of housing, housing alternatives, neighborhoods and cities, people and housing, materials and designs, as well as an introduction into the fundamentals of house planning. A glossary of housing terminology and the vivid illustrations are especially noteworthy. Useful as a supplement to your housing library, the price makes it available to all.

It is recommended for housing educators that read