

# Redlining and Racial Covenants

A key part of history is discussing the legislation and legal norms that affect how communities live. While many of the laws and societal standards of the past are not currently in place, their restrictions and designations have a ripple effect on contemporary groups and landscapes. This page will briefly explain the concepts of redlining and racial covenants for housing. Their past and current effects on the American landscape will be discussed. At the bottom of the page are links to articles related to National Park and National Register of Historic Places sites impacted by redlining and racial covenants.

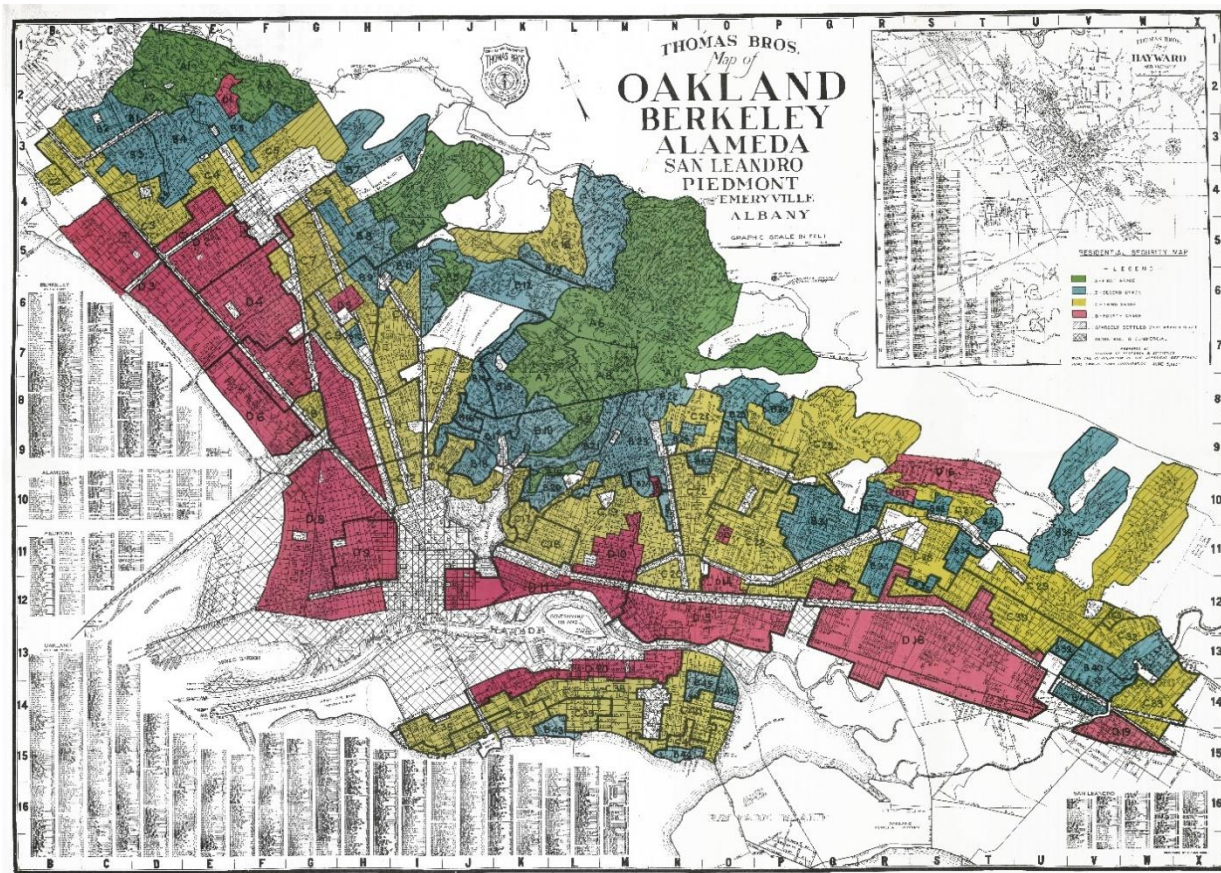


Figure 1: The Home Owners' Loan Corporation (HOLC) maps demonstrate the federal government's practice of "redlining." This 1937 HOLC Map of Oakland and adjacent East Bay Cities color-coded the residential neighborhoods according to their perceived mortgage security, from "best" green (middle-class and elite white neighborhoods) to "hazardous" red (multi-racial neighborhoods). (Credit: Mapping Inequality, public domain image.)

## Redlining

The US Department of Housing and Development defines redlining as *discrimination based on location*.<sup>1</sup> The name comes from the maps that mortgage lenders and banks used throughout the twentieth century. These maps color-coded entire neighborhoods based on whether they were deemed trustworthy to provide loans and credit to. Majority Black neighborhoods and urban areas were mapped in red to indicate that the institutions should not do business with them. Even if an individual personally qualified for a loan, they could not access them if they lived in a redlined neighborhood.<sup>2</sup>

Federal actions taken by the Federal Housing Authority (FHA) contributed to the predominance of redlining. Created in 1934 as part of President Franklin Delano Roosevelt's New Deal Program, the FHA partnered with local banks and governments to help build and mortgage affordable housing in the wake of the Great Depression.<sup>3</sup> While the FHA rebuilt housing finance processes that had ruptured during the Depression, it did so at the expense of African American communities. FHA loans were distributed to people who owned property deemed economically sound, or as having value that would remain consistent throughout the loan's span, which ranged from 15 to 20 years. Official paperwork from the FHA labeled neighborhoods where African Americans, immigrants, and certain ethnic groups lived (or had the potential to move into) as risky and emphasized that the "infiltration of inharmonious racial groups" lowered property values.<sup>4</sup> In order to continue to keep property values high, the FHA encouraged racial housing covenants.

## Racial Covenants

While redlining involves financial institutions using their power to control where African Americans were able to live, racial covenants were leveraged by property owners, local governments, and neighborhood associations to restrict access to housing. A covenant is a legally binding agreement related to the use of a property. Restrictive covenants may control if a building can be used as a residence or a business or ensure that the cost of the building is affordable for a certain time.<sup>5</sup> Throughout the twentieth century, these tools were used to limit where African Americans and other racial, ethnic, and religious minorities could live by making home ownership, rental, and occupancy illegal. While racially restrictive covenants were not legislation passed at the federal level, they were encouraged by the FHA.<sup>6</sup> In 1948, the Supreme Court ruled that racial covenants were not enforceable by state courts because enforcement qualified as a state action that violated the Equal Protection Clause of the Fourteenth Amendment. However, racial covenants still flourished and were not made illegal until the 1968 Fair Housing Act.<sup>7</sup>

# Redlining and Racial Covenants Today

While redlining and racial covenants were made illegal in the mid-twentieth century, their effects still exist today. Many towns and neighborhoods that employed racial restrictive covenants still have the writing in their contracts, deeds, and by-laws. Furthermore, the limiting of access to certain spaces takes time to undo. Communities that excluded African Americans and other non-white persons through redlining and covenants are often still financially inaccessible for those who were denied loans and mortgages in the past. For more information about the impact of redlining and covenants on specific historical and contemporary communities, see the related articles below.

## Related Articles

[Inequality and Racism - Port Chicago Naval Magazine National Memorial \(U.S. National Park Service\)](#)

[Migration, Housing and Relocation - Audio Program \(U.S. National Park Service\)](#)

[Betty Hardison and the American Dream](#)

[Missouri: The Shelley House \(U.S. National Park Service\)](#)

[The Ambassador in Avondale, Ohio: Jewish Discrimination in Two Directions \(U.S. National Park Service\)](#)

*This article was written by Emma Gruesbeck, an intern at the National Park Service's Cultural Resources Office of Interpretation and Education, through a cooperative agreement with the National Council of Preservation Education (NCPE).*

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<sup>1</sup> "Glossary of HUD Terms: R," U.S. Department of Housing and Urban Development, [https://archives.huduser.gov/portal/glossary/glossary\\_r.html](https://archives.huduser.gov/portal/glossary/glossary_r.html).

<sup>2</sup> "Redlining," Federal Reserve History, June 2, 2023, <https://www.federalreservehistory.org/essays/redlining>.

<sup>3</sup> Ibid. Ruth G. Weintraub and Rosalind Tough, "Federal Housing and World War II," in *Journal of Land & Public Utility Economics*, May 1942, 155-157. <https://www.jstor.org/stable/3158861?seq=3>.

<sup>4</sup> "Redlining," Federal Reserve History, "Underwriting Manual: Underwriting and Valuation Procedure Under Title II of the National Housing Act," Federal Housing Authority, February 1938, <https://fraser.stlouisfed.org/title/underwriting-manual-6279/underwriting-manual-602319?page=3>.

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<sup>5</sup> “Rental Assistance Demonstration Transfer of Assistance Restrictive Covenants,” U.S. Department of Housing and Urban Development, 2012, [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hud.gov%2Fsites%2Ffiles%2FHousing%2Fdocuments%2F5887-RAD\\_Transfer\\_Assist\\_Restr\\_Covenants\\_Final.docx%23%3A~%3Atext%3DCovenant.%2C%25E2%2580%259CRestrictions%2520on%2520Proceeds%25E2%2580%259D\).&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hud.gov%2Fsites%2Ffiles%2FHousing%2Fdocuments%2F5887-RAD_Transfer_Assist_Restr_Covenants_Final.docx%23%3A~%3Atext%3DCovenant.%2C%25E2%2580%259CRestrictions%2520on%2520Proceeds%25E2%2580%259D).&wdOrigin=BROWSELINK). “Declaration of Trust/Restrictive Covenants: HUD-52190,” U.S. Department of Housing and Urban Development, Office of Public and Indian Housing, 2018, [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hud.gov%2Fsites%2Ffiles%2FHPIH%2Fdocuments%2Fhud-52190%2520DOT%2520and%2520DORC%2520\(4\).docx%23%3A~%3Atext%3D\\*%2520The%2520Owner%2520\(if%2520Mixed%2520Finance%2520Development%2CPublic%2520Housing%2520Requirements%2520for%2520the%2520following%2520periods%3A&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hud.gov%2Fsites%2Ffiles%2FHPIH%2Fdocuments%2Fhud-52190%2520DOT%2520and%2520DORC%2520(4).docx%23%3A~%3Atext%3D*%2520The%2520Owner%2520(if%2520Mixed%2520Finance%2520Development%2CPublic%2520Housing%2520Requirements%2520for%2520the%2520following%2520periods%3A&wdOrigin=BROWSELINK).

<sup>6</sup> “Redlining,” Federal Reserve History.

<sup>7</sup> Cheryl W. Thompson, Christina Kim, Natalie Moore, Roxana Popescu, Corrine Ruff, “Racial Covenants, Still on the Books in Virtually Every State, are Hard to Erase,” *NPR*, November 17, 2021, <https://www.npr.org/2021/11/17/1049052531/racial-covenants-housing-discrimination>. *Shelley v. Kraemer*, 334 U.S. 1 (1948), <https://supreme.justia.com/cases/federal/us/334/1/>.