

Systematic Discrimination Of FHA In Queens Shown In Probe

By A. M. WENDELL MALLIET

Flagrant discrimination against the Negro in Queens by the Federal Housing Administration, acting under specific instructions from the Nation's capital, was revealed this week after a painstaking investigation by The Amsterdam News.

While discrimination against the Negro was said to be nationwide, specific cases were found in Jamaica, L. I., where, it was reported that regardless of personal responsibility, Negro applicants for assistance from the F.H.A. were rejected as a matter of principle whenever an attempt was made to buy or build a home in so-called "cushion areas," situated adjacent to or in white neighborhoods.

Names Specific Instances Of Discrimination

Specific cases in which discrimination has been charged by the applicants, include:

1. William K. Brandon, prospective buyer of 111-20 117 street, an employee in the post office, whose wife is employed by the

Board of Education, was said to have a substantial bank account. Mr. Brandon's application was rejected on January 6, according to reliable information.

2. Mrs. Elizabeth Wardell, school teacher, whose husband, Harold E. Wardell, is a contractor. Mrs. Wardell proposed building a house on a vacant lot at the corner of 111th avenue and 176th street. She, too, was said to have a substantial bank account, but was turned down.

3. George Briggs, a prospective buyer of a house at 111-11 173rd street, who is the owner of a beauty shop and also reputed to be financially responsible. His application was rejected for a house that is next door to one already occupied by a Negro.

4. Major Peterson, a government employee said also to have a good credit rating. Mr. Peterson received a loan from a bank and now occupies the premises 111-12 177th street.

The policy of discrimination remained a mystery until Dr. John

A. Singleton, president of the Jamaica branch of the N.A.A.C.P., went gunning for the reason for the rejections of Negro applicants for F.H.A. insurance of their loans. Then the truth leaked out.

It was section 233 of the F.H.A. underwriter's manual, said to have been written under the direction and with the approval of Stewart McDonald, director of the Federal Housing Administration in Washington. The section reads:

**Federal Government Discrimination
In Manual**

"The valuator should investigate areas surrounding the location to determine whether or not incompatible racial and social groups are present, to the end that an intelligent prediction may be made regarding the possibility or probability of the location being invaded by such groups. If a neighborhood is to retain stability, it is necessary that properties shall

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continued to be occupied by the same social and racial classes.

"A change in social or racial occupancy generally leads to instability and a reduction in values. The protection offered against adverse changes should be found adequate before a high rating is given to this feature. Once the character of a neighborhood has been established, it is usually impossible to induce a higher social class than those already in the neighborhood to purchase and occupy properties in the various locations."

Because of this ruling, the situation became one of a "no man's land" for both whites and Negroes in areas occupied by whites and Negroes, or borderline localities, where both races live in close proximity.

In those "cushion areas" the F.H.A. would help neither Negro nor white, a situation which, it was said, was particularly oppressive to the Negro, whose need of adequate housing has been a pressing problem for several decades, especially in New York.

The Jamaica situation was brought to the attention of President Roosevelt by Walter White,

executive secretary of the National Association for the Advancement of Colored People, January 14, in a memorandum which cited section 233 of the F.H.A. manual.

In his letter to Mr. White the President said among other things: "I have very carefully considered the memorandum submitted by your organization and have conferred with the Federal Housing Administrator on the subject.

"As you know, the Federal Housing Administration lends no Government money but simply insures mortgage loans made by private financial institutions, such as banks, life insurance companies, etc.

"The Administrator tells me that the regulations and policies of the Federal Housing Administration are a matter of public record and are applicable to all transactions and citizens alike, regardless of race, color, or creed. He further says that in their administrative application he is prepared to deal promptly and effectively with any authenticated case in which discrimination of this sort has been present.

"The Administrator also informs me that with this in mind, he has investigated the Jamaica situation reported by you, but finds no sub-

stantiation for the charge of discrimination in that area, and assures me that he will be very glad indeed to show you the full details of his investigation. In order that he may do so, I trust you will not hesitate to call at his Washington office where there is a complete file upon the case."

Present F.H.A. Head in Jamaica
Called Prejudiced.

But a very different story is told about this Jamaica situation on the spot. Here, Mr. Stanley White, local administrator, is blamed as "dictatorial," "prejudiced," and "uncouth." It was said that before he took charge of the local F.H.A. office, Negroes fared

better in getting assistance, but during his administration, his discretionary power has been used to make the housing conditions worse.

Said Dr. Singleton: "It is the definite policy of the majority of the white real estate dealers here to keep the Negro in black ghettos and Mr. White is following their policy and procedure." The Amsterdam News was unable to contact Mr. White for a statement, although several attempts have been made.

At the office of State F.H.A. Director Thomas G. Grace Tuesday, William A. Willis, assistant to the director, said: "While I have not had an opportunity to make a personal investigation of the complaints, I would assume that such rejections came under section 233 of the manual covering neighborhood requirements."