

This year our Sigi Ziering column focuses on the ethics of homelessness. Each month an esteemed guest columnist wrestles with what Jewish texts and our interpretive tradition teach us about the parameters, and limits, of Jewish responsibility to those without shelter. The column is sponsored by Bruce Whizin and Marilyn Ziering in honor of Marilyn's husband, Sigi Ziering, of blessed memory. Visit shma.com to view the series of columns with responses, as well as a series of paintings by artist Pat Berger on the homeless of Los Angeles.

Rabbi Mordechai Liebling is vice-president for Strategic Initiatives at Jewish Funds for Justice, which includes TZEDEC, an economic development program that lends money to community development financial institutions.

The Housing Crisis: Who Should Be Helped?

MORDECHAI LIEBLING

In *Mishneh Torah* 9:6 we learn: “A person who owns houses, fields, and vineyards that if sold during the rainy season would fetch a lower price than during the summer, should not be made to sell them; rather, [the person] should receive out of the proceeds of the poor person’s tithes [community tzedakah fund] up to half the value of the properties, so that the person should not be forced to sell at the wrong time.”

In last month’s column about the housing crisis, John Weicher proposed that we help individual homeowners on “the basis of objective information: the current financial situation of the homeowner and their efforts to meet their obligations,” and that deciding to help them on the basis of their motivations for borrowing the money is a “moral and practical mistake.” I certainly agree with this last statement. I also suggest that we use Weicher’s text above as a guide for approaching current challenges in the homeowner mortgage crisis.

The *Mishneh Torah* takes into account current market conditions in order to protect the homeowner and promote long-term stability in the real estate market. An agricultural economy depends on loans and the easy availability of credit; in that era a law would not be made that impeded the flow of credit (note Hillel’s famous *prosbul* negating the nonrepayment of loans made in the later years of a seven-year cycle in order to ensure credit). Our society, too, depends on the easy availability of credit.

The current economic climate is reasonably equivalent to the rainy season mentioned in the first paragraph. With housing values at a low point, a person who cannot make his or her

mortgage payments ought to be helped from communal funds. The rule, though, protects the community by setting a cap; the resources of the community need to be balanced with the needs of the poor. Without sufficient public funds to bail out every mortgage, some criteria must be established.

For example, the ability to pay is an important criterion, but how much? Many of the current questionable loans are considered predatory — made in violation of the principle of “*gnivat daat*” — exercising truth in advertising or financial transactions. Tens of thousands of hardworking people who were able to pay initial mortgages cannot pay the recalibrated mortgages that were aggressively sold to them with false marketing. These loans need to be renegotiated. There are both traditional and contemporary rules about fair lending practices and appropriate interest rates. Furthermore, low-income homeowners are less likely to default if they borrow from community development financial institutions with whom they have direct relationships.

The halakhah from the *Mishneh Torah* is also sensitive to economic cycles. With unemployment currently high and predicted to rise over the next year, perhaps “ability to pay” needs to be understood as a person’s ability to pay over time, perhaps in two or more years.

We may also find guidance in *Mishneh Torah* 10:17, which outlines the eighth, or highest, degree of tzedakah: making a loan or entering into partnership with a poor person to help that person become self-reliant. In today’s

continued on page 18

January 2009/Shvat 5769

Many Jews in the trade failed, of course, and yet remained Jews.

Many other factors also played a role in the plume boom: modern forms of communication and transportation, increasing consumer demand for exotic fashion, and the actions of nation-states. Nevertheless, Jews were overrepresented in the feather trade because “they had a background in similar industrial and mercantile trades, because they had contacts across the Anglophone Eastern European and Mediterranean Diasporas, and because many were immigrants poised to move into new or expanding industrial niches.” (12)

The time was right. Mass immigration brought Eastern European Jews to New York and Western European cities where they were ready for new pursuits just when feather trading was opening up. The movement of Jews throughout the world meant that businesses could develop far-flung branches headed by brothers or other family members. By page 17, Stein presents what she calls one of her central arguments: “Jews brought certain elements of human capital to the ostrich feather trade: background in like industries, contacts of kith and kin within and across sub-ethnic diasporas and political and oceanic boundaries, copacetic relations with the reigning authorities, geographic mobility, and, no less important, economic need.” Each subsequent chapter spells out these elements in sumptuous detail.

But what about the demand side of the equation? As it turns out, women of impeccable taste were drawn to ostrich feathers between the 1860s and World War I for a number of reasons: First, the feathery fashion statement emanated from Paris, the city that defined style. Moreover, women’s magazines, as today, marketed particular choices, including ostrich plumes, intensively. But most important, ostrich plumage was not tied to a season; nor was the fashion associated with the age of the woman, her size, or complexion. “With at least fourteen varieties and countless grades available, ostrich feathers’ appeal also crossed class lines.” Coming as they did from Africa, they represented colonial conquest as well. And, best of all, they were considered sexy, a symbol of emancipation and mobility, because the feathers — and by implication, the women — moved freely. The ideal product: “colonial booty and cosmopolitan trope” combined to create a voracious market. (21)

For every boom there is a bust, and Stein explains why the allure of ostrich feathers did not persist. Today they are an anachronism.

While one might predict that a book of this sort could explain how Jews affected the trade, it may come as a surprise that Stein reminds us how “deeply trans-hemispheric currents of capital, bodies, and goods affected modern Jews....” (27) By asking both questions, she intends to blur the line that divides economic and cultural history.

Visit
JBooks.com
 for book reviews,
 author interviews,
 and a window into
 Jewish literary
 culture.

Discussion Guide

Bringing together myriad voices and experiences provides Sh'ma readers with an opportunity in a few very full pages to explore a topic of Jewish interest from a variety of perspectives. To facilitate a fuller discussion of these ideas, we offer the following questions:

1. Has greed played a role in the recent financial failure?
2. How is the free market limited by moral sensibilities?
3. What core Jewish values guide us in making economic decisions?

Ethics continued from page 20

housing crisis, not making a particular loan might impoverish the individual. For many people who are facing foreclosure, all of their savings/wealth is tied up in their homes. From the standpoint of tzedakah, one of the criteria for granting redress might be the number of (meaning, how few) other financial assets the person has.

Finally, the wellbeing of the community as a whole is an essential Jewish value. Everyone loses when homes are foreclosed: neighborhoods deteriorate and property values decline, especially in poorer neighborhoods. The economy as a whole will not recover from a recession until the housing market becomes healthy. Jewish texts offer clear guidelines about how to confront today’s economic crisis — how to use resources to renegotiate and sometimes subsidize mortgages. The strategic use of public funds today will cost the taxpayer far fewer dollars than allowing mass foreclosures.