

A History of Local Racial Housing Covenants and Federal Housing Policies

Jermaine Toney

James Kelly

Alex P. Hoffman*

February 2026

Abstract

An assembly of literature finds that the Home Owners' Loan Corporation (HOLC) did not engage in credit redlining, by means of withdrawing mortgage refinance support from lower rated areas and extensively directing support to higher rated areas. The HOLC does bestow higher ratings on subdivisions that include restrictive covenants. Given this, we would expect minimal overlap between HOLC mortgage loan support and properties with restrictive covenants. By analyzing subdivision land records, we identify property deeds containing racially or economically restrictive clauses that encompass nearly half of the total platted land area in El Paso, Texas, from 1900 to 1950. Moreover, we find limited overlap between HOLC mortgages and properties with these restrictive covenants, with the covenanted properties constituting only a modest fraction of all HOLC-backed mortgages in El Paso. (Keywords: Home Owners' Loan Corporation, Housing Discrimination, Racial Covenants, Redlining)

*Toney: Edward J. Bloustein School of Planning and Public Policy at Rutgers University (corresponding author; jermaine.toney@rutgers.edu). Kelly: Rutgers University (jek207@scarletmail.rutgers.edu). Hoffman: City of El Paso (hoffmanap@elpasotexas.gov). A previous version of this paper circulated as *Racial Housing Covenants: The Case of a Southern U.S. City*. We thank Ezekiel Weston for providing outstanding research assistance. We are grateful for helpful comments from Peter Svarzbein, Francisco Aldape, Stephan Lefebvre, Kathe Newman, Alan Aja, Trevon Logan, Michael Jones-Correa, David Ponton, Patrick Mason, and seminar participants at Brandeis University, Suffolk University, University of Wisconsin-Madison and Morehouse School of Medicine, Rutgers University, Stockton University, 2025 meeting of the American Economic Association, 2024 meeting of the Eastern Economic Association. Toney acknowledges research support by the National Bureau of Economic Research (NBER), under the 2023-2024 Postdoctoral Fellowship on Racial and Ethnic Disparities in Economic Outcomes. The content is solely the responsibility of the authors and does not necessarily represent the official views of the National Bureau of Economic Research.

1 Introduction

“No lot or any portion thereof shall ever be rented, leased or occupied by any person or persons of Negro, Hindu, Chinese, or Japanese Blood; however this provision shall not be construed to include domestic servants using servants quarters when employed by an owner or tenant.” That is a representative example of the racially restrictive language inserted upon a subdivision-wide housing covenant in El Paso, Texas. Such restrictions permeated housing covenants—private agreements between home owners and buyers—across the U.S. between 1890s to 1968 (Jones-Correa, 2000; Gatson & Woods, 2020; Gonda, 2015; Dean, 1947; Brooks & Rose, 2013; Fogelson, 2005).

The earliest forms of racially restrictive housing covenants in the late 19th century targeted Chinese residents in California (Jones-Correa, 2000), likely as an extension of the anti-Chinese movements that were emerging in the state (Peng, 2022). *Shelley v. Kraemer* (1948) made racially restrictive covenants unenforceable. As a consequence, there are active covenants, but there are no courts involved to enforce them (Brooks, 2011). However, this decision does little to halt the bias governing the coordination practices of realtors, lenders, neighborhood housing organizations (Fraser, Bazuin, & Hornberger, 2016), and insurers between 1948 to 1968. In fact, these players continue to render their services in the name of keeping neighborhoods racially segregated. The practice was outlawed with the signing of Executive Order 11063 by President Kennedy and reinforced by the passage of the Fair Housing Act of 1968.

Much of the prior literature on racially restrictive housing covenants focuses on northern U.S. cities, including Minneapolis, Chicago, New York, Philadelphia, Kansas City, St. Louis (Gordon, 2023, 2008; Santucci, 2020; Sood, Speagle, & Ehrman-Solberg, 2019; Kucheva & Sander, 2014; Brooks, 2011; K. F. Gotham, 2000). Covenants arrange the residents by race, with implications for historical and present day intergroup gaps in home ownership rates and values. Contemporary impacts include: covenanted properties enjoy higher home price values, while leading to lower shares of black residents in mostly white neighborhoods, and contribute to lower home ownership rates among blacks in the greater Minneapolis area (Sood et al., 2019). To our knowledge, southern cities have received limited attention.¹

¹Recent research by Ponton (2024) focuses on Houston, Texas. He argues narratively that despite the end of legally enforceable racial housing covenants in 1948, alternative methods of racial violence persist to maintain the disparity in economic, political, and geographic status for black individuals. Based on our reading of Ponton (2024), Houston and El Paso share several parallels: a) the use of restrictive covenants to prevent black residents from owning homes in white neighborhoods, b) Mexican residents benefiting from being categorized as white, c) black wealth and neighborhoods being partially destroyed due to highway construction, d) designation of all-black schools and facilities, and e) the planning of subdivisions exclusively for blacks, which are distant from municipal services or the last to receive them. Relating to the HOLC and restrictive covenants and Mexican Americans, so far historical researchers have focused on California (Los Angeles in Gonzalez (2018), San Francisco in Howell (2015)), but not the south.

Racially restrictive housing covenants emerge before the federal government become purveyors of mortgage relief during the Great Depression. As illustrated in Figure 1, covenants steadily gain ground for at least thirty years before the representative of the Home Owners' Loan Corporation (HOLC) is dispatched to El Paso to survey and map the location (Olson, 1936).² The locations with restrictive covenants are committed to paper by the HOLC, and filed in the U.S. national archives. As such it is generally confirmed that subdivisions with covenants attracted higher ratings. The HOLC's description of areas and their attendant security ratings for El Paso are influenced by several factors, including area in town, proximity to conveniences and high quality schools, age of housing or subdivision, the price range of houses, construction material used, socioeconomic status of residents (e.g. positions held in occupations, income earned, national origin such as native-born or foreign-born, race and ethnicity), avoidance by mortgage lenders, and restrictive covenant status (see maps and area descriptions at Nelson, Winling, and et al. (2023)).

Restrictive covenants are directly linked to the HOLC's assessments of subdivisions that are recommended for receiving mortgage loan support. In fact, most A and B rated sections in El Paso have restrictions of some kind, either described explicitly as having a restriction or having a price range consistent with an economic restriction. Put in other words, higher ratings of A or B are bestowed on subdivisions with restrictive covenants, which confer certain protections for homes with higher values and residents with higher socioeconomic status. Meanwhile, lower ratings of C and D are woven through the descriptions for subdivisions where there is a lack of covenants, the housing stock is deteriorating, the residents have lower socioeconomic status, or the residents are considered to be from racially undesirable groups.

The HOLC shows concern and interest in supporting older and lower rated areas in the 1930s, even when most of their security maps and descriptions are recommending to withdraw support from these areas. The HOLC's mortgage refinancing loans are made available from 1933 to 1936, with the final application deadline in June 1935 and last loans are closed by June 1936 (Michney & Winling, 2020; Howell, 2015). Notably, the HOLC does not start its City Survey, including its security maps, until September 1935, after nine out of every ten loans had already been closed (Michney, 2022). Consequently, when the maps were released in February 1936, a considerable proportion of loans had already been finalized, meaning the maps were not available for guiding mortgage loan support decisions (Howell, 2015; Michney, 2022).

²The Home Owners Loan Act of 1933 gives rise to the HOLC. As a federal agency, the HOLC is charged with offering swift and broad aid to economically distressed home mortgage holders. Indeed, throughout its existence from 1933 to 1951, the HOLC plays an outsized role in the economic recovery and stabilization of the housing sector (Rose, 2011). In Appendix A, we offer a background on the HOLC, with an emphasis on Texas. We also present an example of an HOLC-backed deed record with a racially restrictive provision.

The HOLC and Federal Housing Administration (FHA) are commonly recognized for perpetuating racial segregation through a practice known as redlining (Rothstein, 2017). This involved the outright denial of the refinancing of existing mortgage loans or insured new mortgages to households in certain residential neighborhoods (i.e. rated C or D).³ Contrary to conventional wisdom, however, several reappraisals show that the HOLC was actually less involved in neighborhood-based credit discrimination compared to the FHA (Fishback, Rose, Snowden, & Storrs, 2024; Michney & Winling, 2020; Hillier, 2005, 2003a, 2003b; Jackson, 1985).

Given the demonstrated limited bias in its emergency lending practices, we hypothesize that there is minimal overlap between HOLC-backed mortgages and racially restrictive housing covenants.⁴ We test this hypothesis by using the subdivision land record databases of El Paso. To our knowledge we are the first to examine the overlap between HOLC refinancing and covenants. Compared to their northern metropolitan peers, El Paso is of immense historical interest and a vastly different socioeconomic setting. Not only is El Paso located in the south, but it is also located on the borderlands of the U.S. and Mexico. Such a location gives rise to El Paso's unique demographic characteristics as a Mexican-majority area.⁵

In this area, our study is informed by the following central question: what is the connection between housing covenants and HOLC-backed mortgages? We examine property deeds with racially or economically restrictive clauses that cover nearly half (45.94 percent) of the total platted land area of El Paso from 1900 to 1950.⁶ Subdivisions with racial covenants impose restrictions on who could buy or live in home properties, typically targeting black and Asian minority residents of El Paso. These restrictions, however, did not apply to white residents, which included Mexicans who were categorized as white.

³Lower ratings are assigned by federal agencies for multiple reasons: racial characteristics, national origin, class standing of residents, age and appraisal value of homes. Using regression models, Hillier (2005) examines how these factors correlate with HOLC map grades. Moreover, several papers attempt to estimate the long-run influence of HOLC-produced ratings (Aaronson, Hartley, & Mazumder, 2021; Asher, 2021; Hynsjo & Perdoni, 2024).

⁴An older version of the mortgage insurance manual from the FHA contains their recommendations for racially restrictive covenants, which, in part, contribute to disparities in property values between black and white home owners (Ali, 2022).

⁵As far back as 1916, Mexican residents are the majority of the El Paso population (32,724 people, 52.9 percent), while blacks and Asians comprise the minority (1,818 people, 3 percent), and whites make up the rest of the population (27,356 people, 44.2 percent) (U.S. Census Bureau, 1916). In 1930, Mexicans represent the largest segment of the population (58,347 people, 56.9 percent), while blacks and Asians are in the minority (2,151 people, 2.1 percent), and whites constitute the remaining portion (41,923 people, 41 percent) (Olson, 1936). By 1950, the black share gradually rises (4,182 people, 3.2 percent) (Juarez, 2019). El Paso's socioeconomic setting brings into relief a broader categorization beyond the binary of blacks and whites, with an additional focus on Mexicans (Juarez, 2019; Garcia, 1981).

⁶Platting is the process of taking a portion of land and subdividing it into individual lots for subsequent sale and development. As plats are recorded with the county and are legal documents, platting is the mechanism by which covenants and restrictions are recorded and applied to subdivision documents. Simply put, an entire subdivision is covenanted, given that the covenants are applied by developers. See Section 212.004 of the Texas Local Government Code: <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.212.htm>.

Nonetheless, economic barriers such as minimum house prices or minimum home square footage requirements serve to effectively exclude Mexican residents from these subdivisions, circumventing the race-based restrictions. Properties with restrictive clauses that are backed by the HOLC cover a smaller portion (10.67 percent) of the total platted land area. Furthermore, we observe limited overlap between HOLC mortgages and properties with restrictive covenants. Alone, covenanted properties represent only a modest fraction (7.59 percent) of all HOLC-backed mortgages in El Paso. We provide some evidence of an additional player (the HOLC) who is minimally implicated in the maintenance of local restrictive covenants. In doing so, we contribute to the assembly of research indicating that the HOLC did not engage in discriminatory practices within its own operations.

2 Framework

Table 1: Framework on the connection between housing covenants and HOLC-backed mortgages

<i>Housing Covenants</i>	<i>HOLC-backed Mortgage Loans</i>	
	Redlined=1	Not Redlined=0
Restrictive Covenants=1	1 1	1 0
No Restrictive Covenants=0	0 1	0 0

Notes: 1,1 denotes complete discrimination; 1,0 and 0,1 denote different forms of partial discrimination; 0,0 denotes the absence of legal discrimination.

To inform our historical analysis of the connection between restrictive housing covenants and HOLC-backed mortgages, we develop a framework (Table 1). Our framework creates a new way of capturing the experience of accessing historical housing and credit opportunities. Opportunities for homeownership for racial minority residents, in retrospect, are markedly limited by the monstrous outcomes of the Jim Crow regime in El Paso. The outcomes of the Jim Crow regime are related to the different mechanisms of discrimination (market or private, federal or public). Through private agreements with sellers, houses are only made available to white buyers. Through federal redlining, credit opportunities are extensively routed to predominantly white neighborhoods (i.e. rated A or B) and withheld from black neighborhoods (i.e. rated C or D).

Overall, the framework renders that a) market forces do not move the society of El Paso from complete discrimination to a place where legal discrimination is absent; b) instead, it is public policy efforts that minimize the effects of unfair treatment by abolishing private discrimination against buyers and federal discrimination against neighborhoods.

Specifically, our framework generates four theoretical outcomes. Complete discrimination is a scenario with private discrimination against buyers and federal discrimination against neighborhoods (restrictive covenant=1, redlined=1). Both private and federal

discrimination culminate in a litany of injustices heaped upon racial minority residents.

Public policy efforts open a new opportunity for racial minority homeowners in neighborhoods through HOLC's limited engagement in credit discrimination. With no credit discrimination against neighborhoods, this means that buyer discrimination is still in effect (partial discrimination; restrictive covenant=1, not redlined=0). Such a description is where the core finding of this paper resides. As aforementioned, we find limited overlap between restrictive covenants and HOLC-backed mortgages. While racially restrictive covenants are widespread (45.94 percent of platted land), covenanted properties represent only a modest fraction of all HOLC-backed mortgages (7.59 percent). Mounting research documents that the HOLC was less engaged in neighborhood-based credit redlining (Jackson, 1985; Hillier, 2003a, 2003b; Fishback et al., 2024; Michney & Welling, 2020). Our study adds an important new finding: the HOLC was less involved in restrictive covenants.

Another example of partial discrimination is where there is no private discrimination against buyers, yet there is the frequency of federal discrimination against neighborhoods (no restrictive covenant=0, redlined=1).

Finally, there is a scenario where legal discrimination is absent, owing to the absence of restrictive covenants and federal redlining (no restrictive covenant=0, not redlined=0). Racial restrictions in covenants and federal redlining in credit are outlawed by the public policy achievements that arrive with the passage of the Fair Housing Act of 1968. The Fair Housing Act of 1968 served to shore up bans on racially discriminatory housing practices.

Why did market forces not move the market economy from complete discrimination to a scenario where legal discrimination is absent? One answer to this question is that racial identity at the group level constrains broader participation in homeownership outcomes. Racial identity at the group level is an important force that is persistently used as a sorting mechanism for long-run quality of life indicators, such as occupying homes in residential neighborhoods and, in turn, gaining access to wealth ownership and accruing higher home property values (P. L. Mason, 2023; Chelwa, Hamilton, & Stewart, 2022; W. A. Darity, Hamilton, & Stewart, 2015; P. Mason, Stewart, & Darity, 2022; Williams, Delgado, Cameron, & Steil, 2023; W. Darity, Mason, & Stewart, 2006). Indeed, group-level racist ideology is functional for competition over resources.

Until the Civil Rights Era, open discrimination in competition over resources and transactions was legal: "racial discrimination in housing, employment, . . . was permitted by law and not undermined by market competition" (P. L. Mason, 2023, p. 63).⁷ Market and federal discrimination are contested by several social movements (Gonda, 2015; Squires, 2017). In doing so, the movements achieve several historic milestones: *Shelley v.*

⁷In W. Darity and Williams (1985), they echo this argument. They trace the origins of ideas like mortgage credit and insurance discrimination in the works by the original framers of economics.

Kraemer (1948), Brown v. Board of Education (1954), Civil Rights Act (1964), Voting Rights Act (1965) and Fair Housing Act (1968). Together, such legal and public policy achievements begin to lift the constraint of racial identity and discrimination, bringing about broader participation in economic life, including homeownership. Still, even after certain forms of legal discrimination are no longer enforceable, various forms of racial violence are used to ensure segregation (Ponton, 2024; Cook, Logan, & Parman, 2018; King, 2005). Although we consider the scenarios as complete discrimination or partial discrimination, we recognize that there are many more forms of discrimination that impact where people live, such as government policy through the FHA that promoted segregation, or what schools their children are allowed to attend, or where the adults are allowed to work, and where real estate agents will show them homes.

3 Methods and Data Sources

Our chief aim is to describe the tendencies in the content of the property deeds. We center our analysis on subdivisions in geographical locations of El Paso, which are composed of numerous lots and blocks. The reasons for centering our analysis on the subdivision include, 1) the individual deeds sold to property owners make reference to the original restrictions found in the first record related to the subdivision, 2) prior research documents that subdivisions evolve with a corresponding growth of racially restrictive housing covenants (Dean, 1947), 3) subdivisions themselves have large and lasting geographical footprints in cities, thereby they are representative of the most comprehensive foothold on issues of housing access and racial segregation (Rothstein, 2017), 4) covenants and restrictions cannot be easily removed. Since the instrument that establishes the restriction is the subdivision plat, a replat with all property owners as parties to the application would be necessary to remove the covenants.

3.1 Subdivision land record databases

We begin by using the City of El Paso's official subdivision database to identify subdivisions and acres that are platted from the beginning of the city's formation (approximately 1850) until 1950.

From there, we use the El Paso County Public Records archive to find evidence of the actual covenants.⁸ The fields in the records search allow us to filter all public records by type, subdivision, and date. To obtain the covenants, we use the following style (record) types: warranty deeds, warranty deeds with vendor liens, restrictions, and covenants.⁹ Our research found that race-based restrictions could be documented in all four record

⁸<https://apps.epcountytx.gov/publicrecords/OfficialPublicRecords>.

⁹Given the nomenclature of record types, we use deeds and covenants and restrictions interchangeably to refer to housing covenants in this paper.

types. In addition to the record type, we filter the records to subdivisions that are platted, as covenants are not recorded until property is platted. Typically, covenants are recorded at the time the plat is recorded, so we sort the records from oldest to newest, as it was found that the covenants are imprinted in the first warranty deed, restriction or covenant before the property is subdivided and sold to other property owners.

Using 1950 as the cut-off date (the last year a race-based restriction is attached to a new development),¹⁰ we identify 209 subdivisions that exist in the city of El Paso over this time period. In total, that amounts to 10,193 acres of platted land. Of those subdivisions, we find 59 subdivisions with race- or economic- based restrictions. Race-based restrictions include Negroes or whites or Caucasians. Economic-based restrictions include minimum house value or minimum home square footage. Together, race- or economic- based restrictions are confirmed on 4,682 acres of land, accompanying nearly half (45.94 percent) of the total platted land area.

One might wonder if areas with restrictive covenants are less densely populated or more sparsely populated. We use the 1950 U.S. Census block statistics, the most granular level of data available, which allows us to analyze individual subdivisions. Our analysis reveals that the average residential density in non-covenanted areas is twice that of covenanted areas (2.18 household units per acre in covenanted areas compared to 5.32 in non-covenanted areas). Additionally, the number of households in areas without restrictive covenants is three times greater (10,207 households in covenanted areas and 29,319 households in non-covenanted areas). Historical sales records also reveal that non-covenanted areas are twice as likely to have mortgages. The relevant baseline share of mortgage-holding households in covenanted areas is closer to 15 percent (10,207/68,645), rather than their overall share of 26 percent (10,207/39,426). Overall, these findings indicate that the population share in covenanted areas is relatively lower than in non-covenanted areas.

3.2 HOLC-supported mortgages

Given that the HOLC's mortgage refinancing loans are made available from 1933 to 1936, our analytic sample of HOLC-supported properties is restricted to this time period, yielding a sample of 1,515 (consistent with sample on page 205 of the 1936–1937 report of the HOLC (Fahey, Webb, Stevenson, Catlett, & Husband, 1938)). When we focus on HOLC-backed mortgage loan transactions from June 1933 to June 1936, we find a total of 2,367 property deeds (out of these, 58 deeds have the HOLC as the grantor, i.e.

¹⁰After the *Shelley v. Kraemer* (1948) decision, subdividers and developers proactively stop including race-based restrictive clauses in the deeds. Such behavior follows the logic of El Paso being relatively tolerant (in the context of Texas) based on the city's documented history. A historical news article ("Fair Housing Code Foreseen", 1969) references that El Paso is the first city in Texas to racially integrate public transportation and school systems following the *Brown v. Board of Education* (1954) decision.

direct party transactions, while 2,309 have the HOLC as the grantee, i.e. reverse party transactions). We have 59 property deeds that lack a legal description, including a lot or tract number, block number, or subdivision name. After excluding these, the total number of deeds is reduced to 2,308.

In addition, many different deed records share the same legal description. Since we only need to include each legal description once in the analytic sample, we removed 793 duplicates, bringing the final sample down to 1,515. Examples of the duplicate records that were removed include: The legal description of Lot 14, Block 42, Kern Place subdivision appears in two different property deeds (once where the HOLC was listed as grantor, and once where the HOLC was listed as the grantee). Lots 16 and 17, Block 38, Kern Place subdivision are included in three different deeds. Lot 32, Block 42, East El Paso subdivision is also described in three different deeds. Lots 9 and 10, Block 3, East El Paso subdivision appear in four deeds. Lots 3 and 4, Block 23, Franklin Heights subdivision are included in five deeds. Tract 19, Block 4, Upper Valley subdivision is found in six different deeds.

How we identify these HOLC-supported mortgages is by using the public records system. Under style, we use the following record types: deed, warranty deed, and warranty deed with vendor lien. We are able to identify both the grantor and grantee of the transfer of ownership when records are filtered by deed name. With this field, we select all records where the HOLC was listed as the grantor/grantee. Using the same subdivisions that were platted, we scan to see whether any of those property owners received HOLC assistance by utilizing the subdivision filter. Properties with restrictive clauses that are backed by the HOLC filter into 1,087 acres or 10.67 percent of the total platted land area of El Paso. A limitation of our analysis is that we are unable to generate a count of HOLC-eligible mortgages by subdivision in the years the HOLC was active in refinancing operations. Nonetheless, our data sources are particularly novel because land records are underutilized repositories of federal housing programs from the 1930s (Fishback et al., 2024). From the totality of this analysis, our study is conceived as a historical analysis using a southern city as a case.

4 Findings

4.1 Geographical location

The deeds attached to subdivisions have unique geographical features. Within the deeds themselves, there is typically not a specific address on the covenant. Usually, the deeds will include the legal description (e.g. name of the neighborhood, or area of town, and sometimes will detail the specific tracts, lots, blocks). Importantly, the specific tracts, lots, blocks can give us a clue as to the geographical location of the subdivision properties.

Using geographic information system (GIS), we find that the subdivisions with race- or economic- based restrictions are geographically concentrated on the outskirts of El Paso, with concentrations that are sweeping in their land coverage (Figure 5 of Appendix B).

4.2 Racially Restrictive Language

Historical housing covenants serve as instruments of race stratification. Whites are rarely mentioned, while Mexicans are never mentioned, as the non-restricted group. We compile various historical sources that document the stated preference for whiteness among Mexican Americans of El Paso (Appendix C). Between 1900 and 1930, there is no specific reference to a non-restricted group (e.g. whites or Mexicans). Between 1931 and 1940, only one covenant specifically mentions a non-restricted group, referring to the Caucasian race. Between 1941 and 1950, nine covenants refer to the non-restricted group as the white Caucasian race. Negroes are targeted as the restricted group between 1900 and 1930. Between 1931 and 1940, new covenants incorporate Hindus, Chinese and Japanese into the restricted group.¹¹ Early in the decade between 1941 and 1950, the restricted group mentioned in new covenants is limited to Negroes. After that point, the restricted group is described in greater detail, e.g. Negro, Asiatic Indian, Malay, Chinese, or Japanese descent.

4.3 Economic Restrictions

The majority of the covenants require that all dwellings must have a minimum specified value. The lowest minimum price is \$2,500, while the highest minimum price is \$7,000.¹² This provision is intended to exclude people below a certain economic standing and create a certain exclusivity in the neighborhood. Using the 1930 U.S. Census, we show how this economic restriction effectively excludes Mexicans who were not explicitly named in the racially restrictive clauses (Appendix D). Mexican Americans of El Paso were classified as racially white and were not directly named in the racially restrictive clauses. However, we document that the ability to pay for Mexican residents may become ever more difficult as the minimum home price rises.

Housing covenants also have minimum square footage restrictions. This could serve as a proxy for explicit economic restrictions because, the larger the home, the more it will be worth. Minimum square footage requirements typically apply to the main structure,

¹¹Hindu is a religious identity, not a racial identity like Negro, Chinese, Japanese. One implication is that the housing covenants are relegating religious and racial minorities to the restricted group.

¹²According to the CPI of BLS, \$1 in 1950 has the same buying power as \$12.75 in 2023. An application of this calculation to the minimum specified dwelling value reveals that \$2,500 in 1950 has the same buying power as \$31,827 in 2023; \$7,000 in 1950 has the same buying power as \$89,115 in 2023. While explicit economic restrictions in the form of minimum home price or square footage requirements are imprinted in property deeds of subdivisions with covenants, they are not present in subdivisions without covenants.

which excludes garages, porches, out-buildings, and even servants quarters. The typical minimum square footage is 600-700 square feet; 900-1000 square feet for those with more than one story. These are figures specific to El Paso and the time period under study. A possibility is that the minimum square footage requirement will present a stronger restriction. Housing prices would be expected to rise over time, provided that square footage remains constant.

4.4 Housing covenants and HOLC loan support

Table 2 shows the distribution of HOLC mortgage loan support by subdivision in El Paso (Columns (1) and (2)), and HOLC's security risk grade (Columns (3) and (4)). The bulk of the mortgage relief goes to higher-rated subdivision areas (78 percent of mortgage loans are allocated to A and B rated areas; 20 subdivisions have A or B grades). However, subdivisions in areas with lower ratings are not completely ignored by the HOLC (22 percent of mortgage loans are allocated to C and D rated areas; 23 subdivisions have C or D grades). This descriptive observation aligns with the emerging evidence suggesting that the HOLC was not involved in credit redlining, owing to their focus on addressing the needs of distressed home owners, even in the lower-rated sections of cities (Fishback et al., 2024; Michney & Winling, 2020; Hillier, 2005, 2003a; Jackson, 1985).

The mortgage refinancing loans provided by the HOLC were available during its emergency rescue phase from 1933 to 1936 (Michney & Winling, 2020; Howell, 2015). The final application deadline for these loans was in June 1935, and the last loans were closed by June 1936, one year later. What is important to note is that the HOLC did not begin its City Survey, which included the creation of its well-known security maps, until September 1935, by which time nine out of ten loans had already been closed (Michney, 2022). When the first set of maps was released in February 1936, a vast proportion of the loans had been finalized. In summary, HOLC did not complete the City Survey maps in time to use them for mortgage loan denials (Howell, 2015; Michney, 2022).

However, our paper focuses primarily on the mortgage refinancing loans provided by the HOLC, rather than the implementation of the City Survey maps. There is a link between the two, though. The areas that HOLC rated as A (green) were largely made up of new housing that still had active covenants in place for the foreseeable future. In contrast, B (blue) areas, which were older, sometimes had covenants but were less likely to do so. If these private agreements were in place, they typically had expiration dates in the near future, which is one reason they were typically rated lower than the A areas.

We find that there is limited overlap between HOLC mortgages and the subdivisions with restrictive covenants (Table 2). While there are 1,515 total HOLC-backed mortgages, only 115 fall within the scope of our covenant sample, accounting for 7.59 percent of the HOLC mortgages. Much of the HOLC support for properties with restrictive covenants

goes to the Kern Place subdivision, with relatively less support flowing to Tobin, Sunrise Acres, Mundy Heights, and Cotton. Cotton, Kern Place, Mundy Heights, and Tobin are spatially located at the edge of the established City of El Paso (Figure 6 of Appendix B). More broadly, this provides evidence of an additional player that is minimally involved in the maintenance of covenants.

Additionally, we enhance our historical analysis by restructuring Table 2 into a binned scatter plot (Stepner, 2013), using subdivisions as the unit of analysis. In Figure 2, we plot HOLC-backed mortgages along the x-axis in ventiles (twenty bins), while the y-axis represents the mean percentage of HOLC-backed mortgages with restrictive covenants. This approach allows us to calculate a correlation coefficient for these data. In terms of economic magnitude, we find that the link between restrictive covenants and HOLC-backed mortgages shows a positive correlation. However, this correlation is not statistically significant at conventional levels (with a coefficient of 0.0256, a standard error of 0.0204, and a p-value of 0.234).

One reason for the limited overlap is that owners in newer subdivisions covered by restrictive covenants may not need HOLC refinance support as they are less likely to hold a mortgage. Using HOLC-supported subdivisions (Table 2), we test this hypothesis by comparing the historical sales records with a warranty deed (cash buyers) and a warranty deed with vendor lien (mortgage holders) by subdivision and decade. Results indicate that non-covenanted subdivisions are nearly twice as likely as covenanted subdivisions to be supported by mortgages during the HOLC years of operation (of the total transactions, while there is a 51 percent change increase in the share with mortgages in the East El Paso subdivision, there is a 32 percent change increase in the Kern Place subdivision between 1930 and 1949). This finding implies that owners in covenanted subdivisions are more likely to be cash buyers.

Our main point is that applicants for the HOLC were homeowners whose mortgages were in distress, meaning they were behind on their payments. The Great Depression significantly affected lower-income homeowners, making it more challenging for them to meet their mortgage obligations during the economic downturn. As a result, lower-income homeowners were more likely to experience mortgage distress, and their housing, which was typically less expensive, was often not covered by restrictive covenants. Therefore, it is not surprising that we find little overlap between the subdivisions with covenants and the distribution of HOLC-backed loans in El Paso.

4.5 Mortgage demand and the HOLC

With the onset of the Great Depression comes the collapse of aggregate demand in the American economy. In the HOLC's report on El Paso, mortgage demand is viewed as a salient factor for stabilizing the local housing market. As part of the stabilization

process, R.L. Olson is dispatched to El Paso, where he interviews local stakeholders, compiles and submits the “Confidential Report of a Survey in El Paso, Texas” on behalf of the Mortgage Rehabilitation Division of the HOLC.

Regarding historical mortgage demand, Olson submits that there are essentially two classes in the El Paso population. “A discussion of the mortgage demand again necessitates the consideration of El Paso real estate in two classes – the Mexican and American” Olson (1936, p. 29) says. That is, one class possesses the ability to meet mortgage loan obligations (white and Mexican American), while the other class is dispossessed and disproportionately relies on the social safety net programs (Mexicans).

The reasons for HOLC’s bifurcation of the Mexican population into two distinct groups are clear in their written report.¹³ One reason is related to citizenship status. According to the report, there is “a reasonably large amount of investment in home ownership by Mexicans who attained United States citizenship” (p. 29). Another reason is based on the accumulation of generational trauma, which in turn, influence the personal characteristics of the most current generation. “The Mexican of good standing is considered a good moral risk. The oppression of the race during many generations has made it a humble, home loving class of people” Olson (1936, p. 29) writes. An insight that flows from this multilayered reasoning is that Mexican Americans are nominally white, and thus, they are worthy of HOLC’s support in the form of refinance assistance. In fact, we show that the East El Paso subdivision – where Mexicans live – receives the largest share of HOLC mortgage loan support (see Table 2, 212 loans, 13.99% of all loans). While the HOLC report shows significant concern for mortgage demand, the issue of racial covenants, which exclude black and Asian minority individuals from owning homes, does not seem to be addressed.

¹³Additional impetus may have come from the chief economist of the FHA at the time, Homer Hoyt, who famously developed a “race ranking” table for suitability of mortgage insurance, where Mexicans are positioned towards the end of the list: “1. English, Germans, Scotch, Irish, Scandinavians, 2. North Italians, 3. Bohemians or Czechoslovakians, 4. Poles, 5. Lithuanians, 6. Greeks, 7. Russian Jews of the lower class, 8. South Italians, 9. Negroes, 10. Mexicans” (Squires, 2017, p. 81).

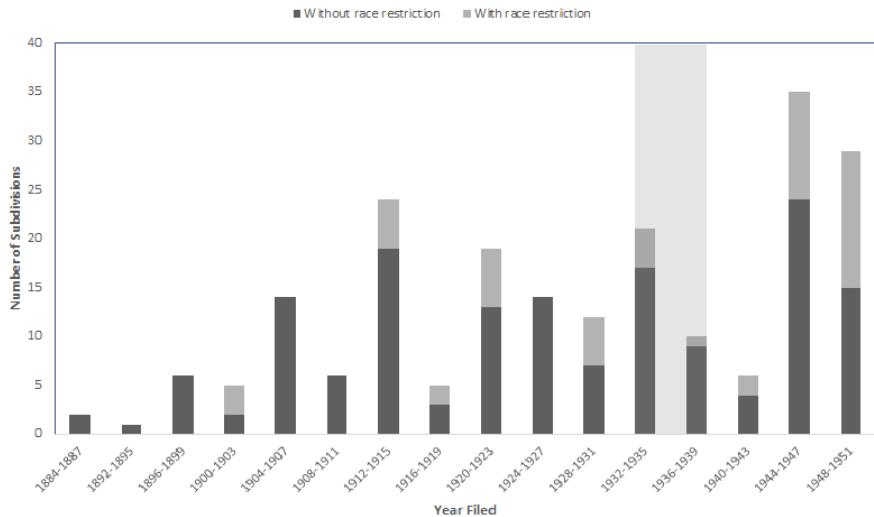


Figure 1: The number of subdivisions platted each year that contained a racial covenant, along with the number platted without a covenant (total n=209). The first set of housing covenants on subdivisions that target the black population as a restricted group are signed in 1900 and 1903. Covenants steadily gain ground for at least thirty years before the representative of the Home Owners' Loan Corporation is dispatched to El Paso to survey and map the location. The shaded region represents the timing when HOLC's mortgage refinancing loans are made available from 1933 to 1936.

Table 2: Distribution of Home Owners' Loan Corporation (HOLC) mortgage loan support and grade by subdivision name in El Paso, 1933–1936

Subdivision Name	HOLC Mortgages		HOLC Grade	
	#	%	ID	Grade
Alameda Acres	16	1.0561		
Alamo Heights	13	0.8581	A2	A
Alexander	85	5.6106	A1	A
Altura Park	110	7.2607	A2	A
Arcadia	3	0.1980		
Ascarate Grant	1	0.0660		
Austin Terrace	1	0.0660	A4	A
Bassett	52	3.4323	B5, D3, D4	C
Bishop	8	0.5281	A3	A
Bootheville	2	0.1320		
Brentwood Heights	2	0.1320		
Buena Vista	1	0.0660		
Camp Jackson	1	0.0660		
Campbell	24	1.5842	B6, D3, D5, D6	D
Canutillo	1	0.0660		
Castle Heights	10	0.6601	A2	A
Chula Vista	1	0.0660	D1	D
Collingsworth	8	0.5281		
Cotton	17	1.1221	B5, D3, D4	C
Country Club Place	3	0.1980		
Davis	1	0.0660		
East El Paso	212	13.9934	A3, D1	B
Fabens	2	0.1320		
Franklin Heights	71	4.6865	B6, D3	C
French Addition	5	0.3300	B4	B
Fresno Place	1	0.0660		
Friedman	1	0.0660		
Frontera Acres	3	0.1980		
Garden	3	0.1980	D3	D
Gilmore	1	0.0660		
Glendale	2	0.1320		
Golden Hill	12	0.7921	B6	B
Government Hill	166	10.9571	A3, A4	A
Grandview	124	8.1848	B2	B
Hague	9	0.5941	A3	A
Harvey Place	1	0.0660		
Heitzelmann	1	0.0660		
Highland Park	80	5.2805	A2	A

Continued on next page

Subdivision Name	HOLC Mortgages		HOLC Grade	
	#	%	ID	Grade
Home Improvement	2	0.1320		
Kern Place	70	4.6205	A1	A
Kilpatrick	1	0.0660		
Kingswood Valley	1	0.0660		
Lafayette Place	3	0.1980		
Lincoln Park	4	0.2640	D1	D
Logan Heights	5	0.3300	C1	C
Magoffin	12	0.7921	D3, D5	D
Manhattan Heights	64	4.2244	A2	A
Martinez Homestead	1	0.0660	D3	D
Military Heights	9	0.5941	B2	B
Mills Map	1	0.0660	D3	D
Miraflor	4	0.2640	D3	D
Moellers	4	0.2640	D3	D
Morningside Heights	37	2.4422	B1	B
Mundy Heights	11	0.7261	C6	C
North Loop Gardens	2	0.1320		
Orchard Park	5	0.3300	D3	D
Outlaw Acres	2	0.1320		
Padenvale	3	0.1980		
Pasadena	3	0.1980	D3	D
Payne	8	0.5281	B6	B
Pendale Acres	5	0.3300		
Pierce Finley	29	1.9142	B6	B
Rosedale Farms	3	0.1980		
Rosemont	1	0.0660		
Sambrano	15	0.9901		
San Elizario Grant	2	0.1320		
Satterthwaite	1	0.0660	C6	C
Socorro Grant	4	0.2640		
Spohr	1	0.0660		
Stevens	2	0.1320	D7	D
Summit Place	4	0.2640	B1	B
Sunnyfield	1	0.0660		
Sunrise Acres	4	0.2640		
Sunset Heights	52	3.4323	C6, D7	C
Thomas Place	1	0.0660		
Tobin	13	0.8581	D3	D
Upper Valley	7	0.4620		
Val Verde	6	0.3960	D3	D
Washington Park	2	0.1320	D3	D

Continued on next page

Subdivision Name	HOLC Mortgages		HOLC Grade	
	#	%	ID	Grade
West Ysleta	3	0.1980		
Woodlawn	9	0.5941	D3	D
Ysleta Grant	44	2.9043		
Total HOLC-backed mortgages	1515	100		
HOLC-backed mortgages with covenants	115	7.5908		

Notes: Cotton, Kern Place, Mundy Heights, Sunrise Acres, and Tobin are subdivisions with restrictive covenants, which combined represent 7.59 percent of all HOLC-backed mortgages. Subdivisions without HOLC ID's are located outside of the city limits boundary and thus are not graded by the HOLC.

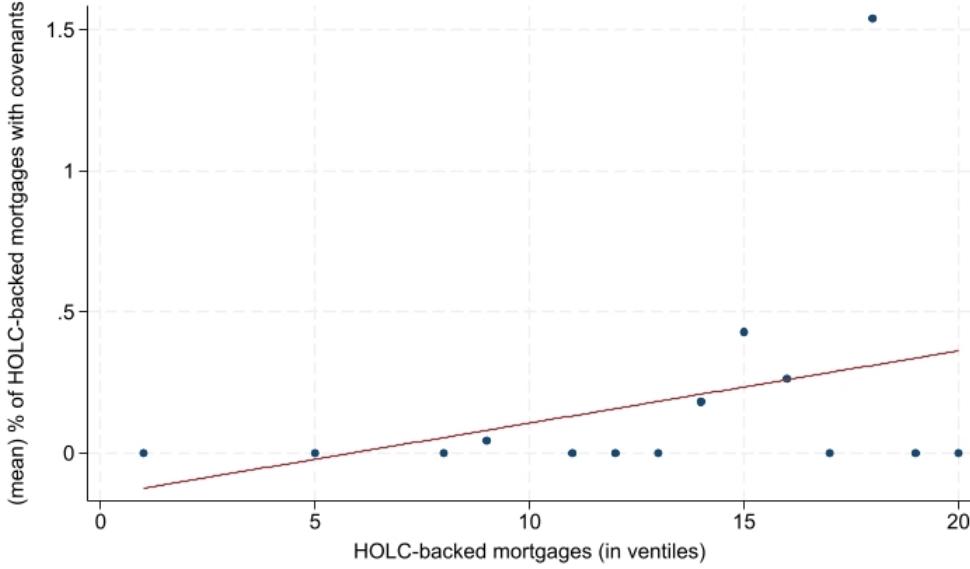


Figure 2: Binned scatter plot of HOLC-supported mortgages and HOLC-backed mortgages with restrictive covenants. The x-axis represents HOLC-backed mortgages (in ventiles or twenty bins) while the y-axis shows the mean percent of HOLC-backed mortgages with restrictive covenants. Restrictive covenants and HOLC-backed mortgages are positively correlated, however this correlation is not statistically significant at the conventional levels (coefficient=0.0256; standard error=0.0204; p value=0.234). Although twenty ventiles are requested, six of them contain no usable observations; therefore, only fourteen of the bins have valid means.

5 Conclusion

In this paper, we document that there is limited overlap between HOLC mortgages and properties with race- or economic- based restrictive covenants. Covenanted properties account for a modest portion of all HOLC-backed mortgages in El Paso.

Our core finding aligns with a partial discrimination outcome we specified in the framework. Although HOLC-related public policy efforts curtail the use of credit redlining against neighborhoods, racially restrictive housing covenants continue to use discrimination against racial minority buyers.

Additionally, the key finding of this paper may suggest that most HOLC loan activity was going to older parts of the city that most likely needed government refinancing aid through the HOLC, and were less covered by subdivision-wide racial housing covenants. A complementary line of inquiry would focus on the HOLC’s counterpart agency, as historical research contends that the FHA was more firmly committed to segregation through the propagation of restrictive covenants (Ali, 2022; Gatson & Woods, 2020; Gonda, 2015; K. Gotham, 2002).

Appendix A: Background on Home Owners' Loan Corporation (HOLC), with emphasis on Texas

As the downturn associated with the Great Depression courses through the housing sector, the HOLC offers a broad range of assurances: physical offices, credit provision, refinance assistance, and home appraisal. Between 1933 and 1941, the HOLC establishes three statewide offices in Texas (and two in California), otherwise the norm is one physical office operating at the state level (Harriss, 1951). Across the states, the applications for mortgage relief pile up. Texas accounts for the nation's ninth highest number of applications for HOLC assistance (76,537 applications, according to Harriss (1951)).

Aside from reviewing applications, the HOLC proactively buys home mortgage properties that are poorly performing or in foreclosure proceedings, then issues new loans. An additional safeguard is implemented in the form of contract extensions. In Texas, 13% of contracts are extended the maximum 25 years, which is the seventh highest percentage in the nation (Harriss, 1951). Such extensions are made possible through the signing and implementation of the Mead-Barry Act of 1939. The HOLC's approach to appraisal pricing is mark-up pricing; strategically over-appraising homes to minimize the instances in which the loan exceeds 80% of the appraisal value (Rose, 2011).

The HOLC experiences some economic success. An increase in HOLC-distributed credit is associated with a decrease in foreclosure probability (Rose, 2011). However, even with HOLC's generous expressions of assistance, there is no guarantee against the threat of foreclosure. By March 1951, 17.9% (7,950) of HOLC-originated properties in Texas are drawn into foreclosure, a percentage point lower than the entire country (19.1% (194,134) in Harriss (1951); 19.4% reported in Fishback, Rose, and Snowden (2013)).

WARRANTY DEED V. L.

THE STATE OF TEXAS I

COUNTY OF EL PASO I

KNOW ALL MEN BY THESE PRESENTS: That we, C. W. Guthrie and Cleo Guthrie, husband and wife, acting herein by and through Edgar D. Park, our attorney in fact, hereunto duly authorized and empowered by power of attorney, duly recorded in the deed records, for and in consideration of the sum of Three Hundred Fifty and No/100 (\$350.00) Dollars, to us paid and secured to be paid by S. M. Morris and Laura Morris, husband and wife, as follows: The sum of \$178.78 cash, paid the receipt of which is hereby acknowledged and the further sum of \$171.22, as evidenced by the execution and delivery by the said S. M. Morris and Laura Morris of their one certain promissory note of even date herewith in said amount payable to C. W. Guthrie and Cleo Guthrie on or before six months after date, with interest from date at seven per cent per annum, payable at maturity, and of the further consideration of the agreement on the part of the Grantees herein, their heirs, executors, administrators, legal representatives, or assigns, that no part of the property herein and hereby conveyed shall ever be sold, leased, or rented to any person of negro or African race and that the Grantees, their heirs, executors, administrators, legal representatives, or assigns, shall not erect any dwelling upon the property hereinafter described and conveyed, which shall be of lumber or adobe, unless the same shall be completely and properly stuccoed and the property herein and hereby conveyed shall never be used for dairy purposes or as a hog ranch and that a violation of any of the foregoing covenants or agreements shall, at the election of the Grantors herein, cancel and annul this deed at once and the title to the property herein and hereby conveyed shall immediately revert to and vest in the Grantors herein, their heirs, executors, administrators, legal representatives, or assigns, have granted, sold and conveyed, and by these presents, do grant, sell and convey unto the said S. M. Morris and Laura Morris, their heirs and assigns, all of that certain tract or parcel of land lying and being situated in the County of El Paso, State of Texas, and more particularly described as follows, to-wit:

All of Tracts 377 and 378 of the Sunrise Acres in El Paso County, Texas, according to the map and plat of said Sunrise Acres, of record in the back of Book 466 of the Deed Records, said Sunrise Acres being a subdivision of Section 8, Block 81, Township 2, of the T & P. Railway Company Surveys in El Paso County, Texas,

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said S. M. Morris and Laura Morris, their heirs and assigns forever, and we, the said C. W. Guthrie and Cleo Guthrie do hereby bind ourselves, our heirs, executors and administrators, to warrant and forever defend, all and singular the said premises unto the said S. M. Morris and Laura Morris, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

It is expressly agreed and stipulated that the Vendor's Lien is retained against the above described premises and improvements until the above described note, together with all interest thereon has been fully paid according to the fact and tenor, effect and read-

Figure 3: An HOLC-backed property deed containing a racially restrictive clause, Sunrise Acres Subdivision, El Paso, 1934. Page 1 of 2.

ing, when this deed shall become absolute; and

WHEREAS, the note hereinbefore described, together with the lien securing the same, is still in full force and effect and is the property of C. W. Guthrie and Cleo Guthrie, who desire to sell the same to the Home Owners' Loan Corporation of Washington, D.C.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS; That in consideration of the sum of \$173.29, to us in hand paid by the Home Owners' Loan Corporation, the receipt of which is hereby acknowledged, we, the said C. W. Guthrie and Cleo Guthrie, acting herein by and through Edgar D. Park, our attorney in fact, hereunto duly authorized, as aforesaid, do bargain sell, convey, transfer and assign unto the Home Owners' Loan Corporation, the said note hereinbefore described, together with all and singular, the contract lien, superior title, vendor's lien, rights, title and interest in and to the above described property, which we have or might be entitled to, by virtue of being the payees in and legal and equitable owners and holders of the note hereinbefore described.

However, it is expressly understood and agreed that this transfer is made without recourse on us in any event.

IN WITNESS WHEREOF, this instrument is executed at El Paso, Texas, this the 4th day of May, A. D. 1934.

C. W. Guthrie and Cleo Guthrie

By Edgar D. Park
Attorney in Fact.

One 50¢ Doc. Rev. Stamp
Cancelled: C.W.G. C.G. 5/4/34.

THE STATE OF TEXAS |

COUNTY OF EL PASO | BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Edgar D. Park, known to me to be the person whose name is subscribed to the foregoing instrument as attorney in fact for C. W. Guthrie and Cleo Guthrie, and acknowledged to me that he subscribed the names of C. W. Guthrie and Cleo Guthrie thereto, as principals and his own name as Attorney in fact, and that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of C. W. Guthrie and Cleo Guthrie.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of June, A. D. 1934.

Walter Schade
(Notarial Seal: County of El Paso, Texas) Notary Public in and for
El Paso County, Texas.

Filed for record July 25, 1934 at 10:55 A. M.) W. D. GREET, County Clerk
And recorded Aug. 15, 1934 at 1:25 P. M.) By *A. A. Greet* Deputy

Figure 4: An HOLC-backed property deed containing a racially restrictive clause, Sunrise Acres Subdivision, El Paso, 1934. Page 2 of 2.

Appendix B: Geographical location of housing covenants

Subdivisions with Housing Covenants

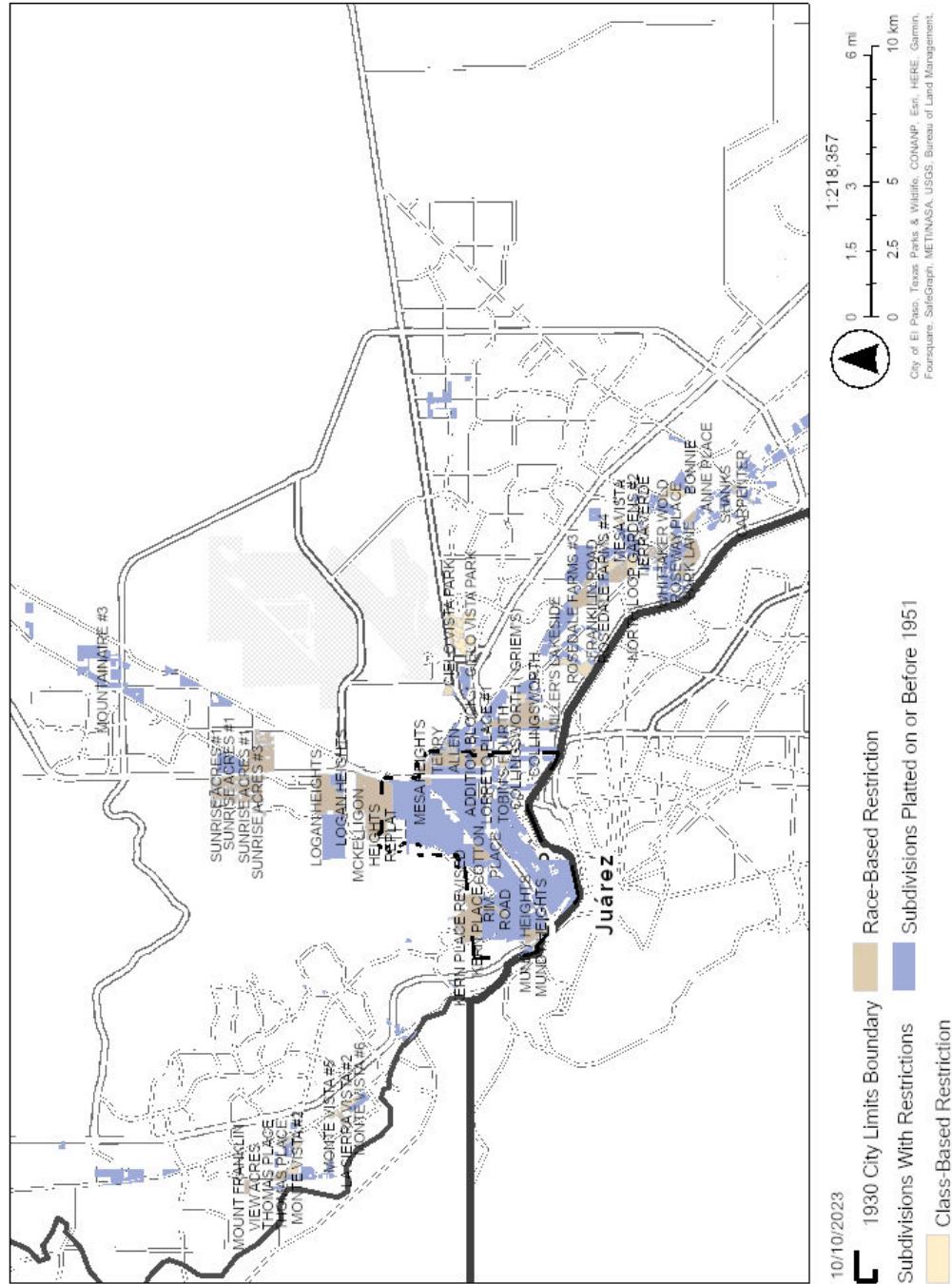


Figure 5: Covenants are spatially located at the edge of the established City of El Paso in newly formed suburban subdivisions

Appendix B continued: Geographical location of housing covenants

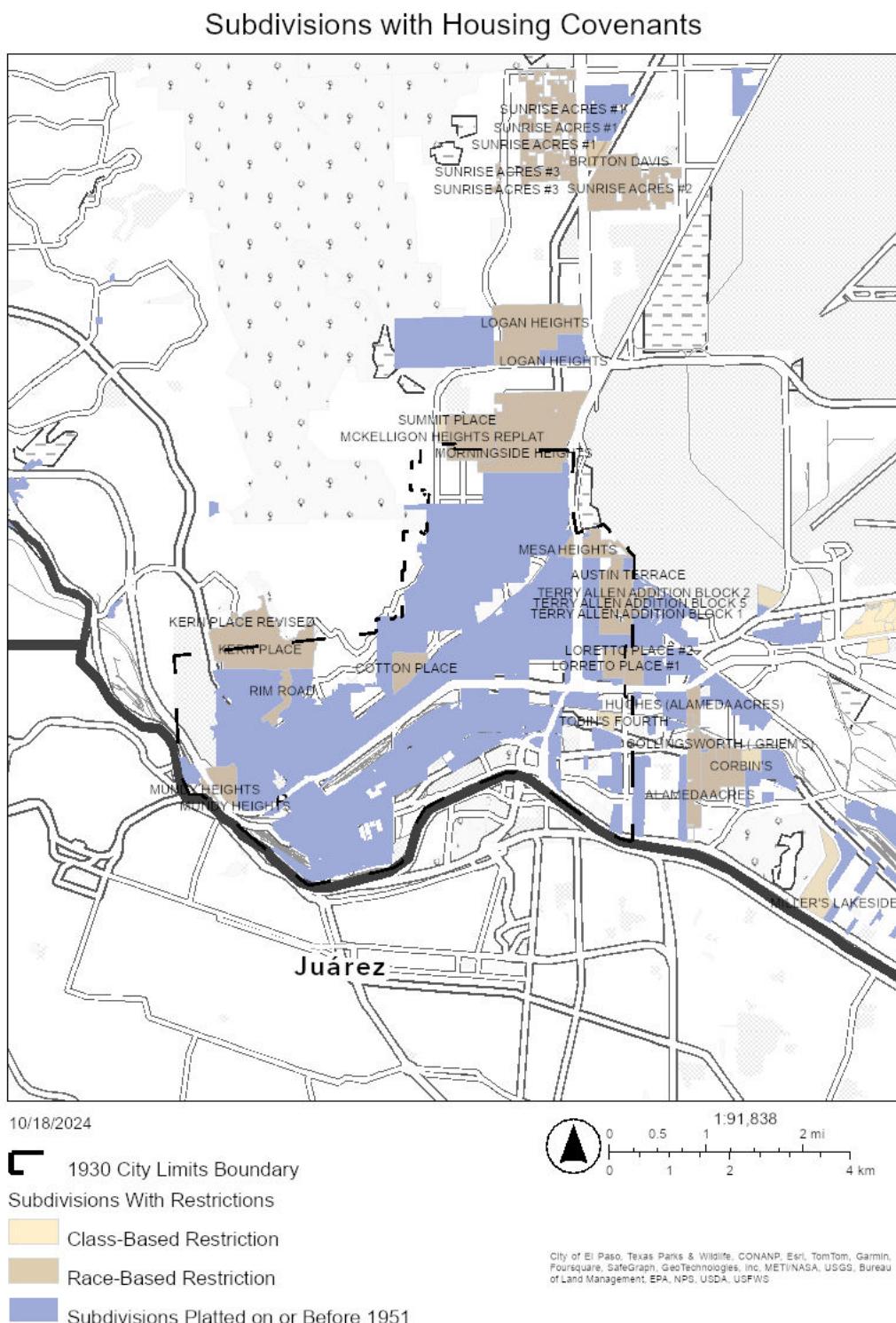


Figure 6: HOLC-backed mortgages with restrictive covenants (Cotton, Kern Place, Mundy Heights, Sunrise Acres, Tobin) are spatially located at the edge of the established City of El Paso

Appendix C: The longstanding preference for whiteness among Mexican Americans of El Paso

In the federal censuses of 1900 and 1910, white is the default reporting category for Mexicans. However, in the special census of the population of El Paso, conducted in 1916, whites are reported separately from Mexicans (U.S. Census Bureau, 1916). In a subsequent report the Mexican racial category reappears in the 1930 Census (U.S. Census Bureau, 1930). The 1930 Census remains as the only decennial Census where Mexican residents are predominately classified as Mexican owing to a more expansive parameter for the race variable (e.g. white, Negro, American Indian, Chinese, Hindu, Japanese, including Mexican, among others). Even still, federal Census enumerators do classify some Mexican individuals as white. Nationally and locally in El Paso, U.S.-born second-generation individuals of Mexican extraction are nearly three times more likely to be assigned to the white race, compared to Mexico-born first-generation individuals of Mexican descent (Duncan & Trejo, 2023).

Prior work traces the origins of the visibility and erasure of the Mexican racial category on the U.S. Census by highlighting the efforts of organizations and social movements. Gratton and Merchant (2016) provide evidence that the explosive growth in the immigration from Mexico and spike in infant mortality rates among Mexican residents really catch the attention of the federal Census Bureau. To aid in the reporting on potential racial health differentials, the U.S. Census alone decide to add the Mexican racial category to the 1930 Census. However, Mexican American civic organizations and the Mexican government work to overturn this administrative decision. Their active and sustained political participation culminates in the erasure of the Mexican racial category by the 1940 Census.¹⁴

A stand-alone history on how Mexican Americans of El Paso assert their rights to be identified as white is offered by Garcia (1984). Before 1936, Mexican residents of El Paso are nominally classified as white. However, in October of 1936, city officials of El Paso reveal that they intend to recode Mexicans as non-white (colored) in health-related statistical records (birth, death) to be consistent with regional and national recording efforts. Many local organizations contest this announcement, by uniting under the frame that Mexicans are Latin Americans and Latin Americans are white. The organizations that contest this reclassification have names that latch to the word Latin America. Such organizations include the League of United Latin American Citizens (LULAC), National Catholic Welfare Conference in El Paso, La Federacion de Sociedades Latino-Americanas

¹⁴The 1940 and 1950 US Census does direct the door to door enumerators to identify Mexicans as whites: “Mexicans are to be returned as white, unless definitely of Indian or other nonwhite race,” “Report white “W” for Mexicans unless definitely of Indian or other nonwhite race” (P. L. Mason, 2023, Chapter 2). In El Paso, such designations are transmitted across people and time; made permanent across owners of the home properties; signed and notarized in the property deeds.

(e.g. Veterans of Foreign Wars, Sociedades Latino-Americanas, LULAC, United Citizens' Civic League, Citizens' Democratic Civic Association, Latin-American Townsend Club, Comite Civico Mexicano). Their efforts work. Reclassification does not take hold in the city of El Paso.

The revealed preference for whiteness among Mexicans is not an isolated incident of the late 1930s, but one of longstanding attachment. Flores (2021) argues that latinidad (Latin America) suffers from omitted country bias because, by construction, it discards the predominantly black countries (i.e. Haiti). Within the US, Latinx groups tend to attach themselves to the Latin American concept as a way to describe their racial identity. In turn, they carry forward the anti-blackness of the latinidad concept by stressing that they belong to the white racial group.

Appendix D: Socioeconomic Status and Integration of Mexican Americans of El Paso: Evidence from 1930 United States Census

Relative to Mexicans in the state and the nation, Mexicans in El Paso have a socioeconomic profile that is less than average (U.S. Census Bureau, 1930).

Housing Tenure. In terms of housing tenure, Mexicans in El Paso as a group have a high proportion that shelter as renters, which has implications for the share involved in home ownership. Only one-sixths (16.2 percent) of Mexicans in El Paso are home owners, while eight-tenths (82.3 percent) are renters (in the state of Texas: 22.7 percent are owners and 71.5 percent are renters; at the national level: 23.1 percent are owners and 71.7 percent are renters).

Housing Payments.

- Four-fifths (81.8 percent) of Mexicans renting their homes in El Paso pay a meager rent to their landlords (under \$15 per month in rent) and over one-half (55 percent) of Mexican home owners own homes valued under \$1,500. By comparison, in the state of Texas, four-fifths (80.1 percent) of Mexicans renting their homes pay under \$15 per month and nearly three-fourths (73.8 percent) of Mexican home owners own homes valued less than \$1,500. At the national level, nearly seven-tenths (66.4 percent) of Mexicans renting their homes pay under \$15 per month and roughly seven-tenths (67.5 percent) of Mexican home owners own homes valued less than \$1,500.

- Covenants are barriers to housing access and integration because they contain a stipulated minimum property value requirement. The lowest minimum price is \$2,500, while the highest minimum price is \$7,000. What this may mean is that the higher the home value, the lower the number of Mexican home buyers who are able and willing to pay. As of 1930, two-fifths (44 percent, 893 families) of Mexican home owners own homes valued more than \$1,500. The proportion shrivels to one-fifths (22 percent, 456 families) of Mexican home owners that own homes valued more than \$3,000. Indeed, the minimum property value requirement is a type of economic restriction that might function to marginalize Mexican families.

Family Structure. The median family size of a Mexican family in El Paso is 4.01 persons, compared to 4.5 in the state of Texas and 4.35 nationwide.

Labor Force Attachment and Wages. Family structure (composed of men, women, children) is uniquely tied to wages gained from labor force attachment. Three-fifths (60.4 percent) of Mexican families of El Paso have one gainful worker (or wage earner); similarly, a large proportion of Mexican families at the state and national level have one wage earner (61.4 percent of families in Texas, 65.3 percent of families at the national level). Meanwhile, it is much less common for Mexican families to have two or more gainful workers (in El Paso, in Texas, and nationally).

Socioeconomic Integration. A much larger share of Mexicans in El Paso are foreign-born, compared to Mexicans in the state of Texas and in the nation. Roughly one-tenths (10.8 percent) of Mexicans in El Paso are native to the U.S., and nine-tenths (89.2 percent) are foreign born. Respective figures for the state of Texas are 32.2 percent and 67.8 percent, and for the nation they are 26.9 percent and 73.1 percent. Consider that census enumerators of 1930 are more likely to register U.S.-born Mexican individuals as white. Scholars posit that such an assignment is, in part, evidence of socioeconomic integration among Mexicans in American life (Duncan & Trejo, 2023).

References

Aaronson, D., Hartley, D., & Mazumder, B. (2021). The effects of the 1930s HOLC redlining maps. *American Economic Journal: Economic Policy*, 13(4), 355–392.

Ali, O. (2022). On the impact of federal housing policies on racial inequality. *American Economic Association Papers and Proceedings*, 112, 229–233.

Asher, L. (2021). The relationship between historical redlining and Census Bureau Community Resilience Estimates in Columbus, Ohio. *Environment and Planning A: Economy and Space*, 53(8), 1859–1861.

Brooks, R. R. W. (2011). Covenants without courts: Enforcing residential segregation with legally unenforceable agreements. *American Economic Association Papers and Proceedings*, 101(3), 360–365.

Brooks, R. R. W., & Rose, C. M. (2013). *Saving the neighborhood: Racially restrictive covenants, law, and social norms*. Harvard University Press.

Chelwa, G., Hamilton, D., & Stewart, J. (2022). Stratification economics: Core constructs and policy implications. *Journal of Economic Literature*, 60(2), 377–399.

Cook, L. D., Logan, T. D., & Parman, J. M. (2018). Racial segregation and southern lynching. *Social Science History*, 42(4), 635–675.

Darity, W., Mason, P., & Stewart, J. (2006). The economics of identity: The origin and persistence of racial identity norms. *Journal of Economic Behavior and Organization*, 60(3), 283–305.

Darity, W., & Williams, R. M. (1985). Peddler's forever? culture, competition, and discrimination. *American Economic Association Papers and Proceedings*, 75(2), 256–261.

Darity, W. A., Hamilton, D., & Stewart, J. (2015). A tour de force in understanding intergroup inequality: An introduction to stratification economics. *Review of Black Political Economy*, 42(1–2), 1–6.

Dean, J. P. (1947). Only caucasian: A study of race covenants. *Journal of Land and Public Utility Economics*, 23(4), 428–432.

Duncan, B., & Trejo, S. J. (2023). *Which Mexicans are white? Enumerator-Assigned race in the 1930 census and the socioeconomic integration of Mexican Americans* (Tech. Rep.). Cambridge, MA: National Bureau of Economic Research Working Paper No. 31623.

Fahey, J. H., Webb, T., Stevenson, W. F., Catlett, F. W., & Husband, W. H. (1938). *Fifth annual report of the federal home loan bank board*. Available at https://fraser.stlouisfed.org/files/docs/publications/holc/1936_37annualrpt.pdf.

Fair housing code foreseen. (1969, December 3). *El Paso Times*. (Accessed: 2025-01-17)

Fishback, P., Rose, J., & Snowden, K. (2013). An HOLC primer. In *Well worth saving: How the new deal safeguarded home ownership* (pp. 54–69). University of Chicago Press.

Fishback, P., Rose, J., Snowden, K. A., & Storrs, T. (2024). New evidence on redlining by federal housing programs in the 1930s. *Journal of Urban Economics*, 141, 103462.

Flores, T. (2021). Latinidad is cancelled: Confronting an anti-black construct. *Latin American and Latinx Visual Culture*, 3(3), 58–79.

Fogelson, R. M. (2005). *Bourgeois nightmares: Suburbia, 1870-1930*. Yale University Press.

Fraser, J., Bazuin, J. T., & Hornberger, G. (2016). The privatization of neighborhood governance and the production of urban space. *Environment and Planning A: Economy and Space*, 48(5), 844–870.

Garcia, M. T. (1981). *Desert immigrants: The Mexicans of El Paso, 1880–1920*. Yale University Press.

Garcia, M. T. (1984). Mexican Americans and the politics of citizenship: The case of El Paso, 1936. *New Mexico Historical Review*, 59(2), 187–204.

Gatson, T., & Woods, L. L. (2020). “To Tighten the Walls of the Negro Ghetto”: The NAACP’s fight against discriminatory federal housing administration mortgage insurance policies, 1937-1962. *Journal of North Carolina Association of Historians*, 28, 19–52.

Gonda, J. D. (2015). *Unjust deeds: The restrictive covenant cases and the making of the civil rights movement*. University of North Carolina Press.

Gonzalez, J. (2018). *In search of the Mexican Beverly Hills: Latino suburbanization in postwar Los Angeles*. Rutgers University Press.

Gordon, C. (2008). *Mapping decline: St. Louis and the fate of the American city*. University of Pennsylvania Press.

Gordon, C. (2023). Dividing the city: Race-restrictive covenants and the architecture of segregation in St. Louis. *Journal of Urban History*, 49(1), 160–182.

Gotham, K. (2002). *Race, real estate, and uneven development: The Kansas City experience, 1900–2000*. State University of New York Press.

Gotham, K. F. (2000). Urban space, restrictive covenants, and the origins of racial residential segregation in a U.S. city, 1900–50. *International Journal of Urban and Regional Research*, 24.3, 616–633.

Gratton, B., & Merchant, E. K. (2016). La raza: Mexicans in the United States Census. *Journal of Policy History*, 28(4), 537–567.

Harriss, C. L. (1951). *History and policies of the Home Owners' Loan Corporation*. National Bureau of Economic Research.

Hillier, A. E. (2003a). Redlining and the Home Owners' Loan Corporation. *Journal of Urban History*, 29(4), 394–420.

Hillier, A. E. (2003b). Who received loans? Home Owners' Loan Corporation lending and discrimination in Philadelphia in the 1930s. *Journal of Planning History*, 2(1), 3–24.

Hillier, A. E. (2005). Residential security maps and neighborhood appraisals: the Home Owners' Loan Corporation and the case of Philadelphia. *Social Science History*, 29(2), 207–233.

Howell, O. (2015). *Making the Mission: Planning and ethnicity in San Francisco*. University of Chicago Press.

Hynsjo, D. M., & Perdoni, L. (2024). *Mapping out institutional discrimination: The economic effects of federal redlining*. Available at <https://drive.google.com/file/d/16zxTsgmQLXd9zSYLiLL2j5Xx98j9c7PP/view>.

Jackson, K. T. (1985). *Crabgrass frontier: The suburbanization of the United States*. Oxford University Press.

Jones-Correa, M. (2000). The origins and diffusion of racial restrictive covenants. *Political Science Quarterly*, 115(4), 541–568.

Juarez, M. (2019). From buffalo soldiers to redlined communities: African American community building in El Paso's Lincoln Park neighborhood. *American Studies*, 58(3), 107–124.

King, M. (2005). Keeping people in their place: Economics of racial violence. In C. A. Conrad, J. Whitehead, P. L. Mason, & J. Stewart (Eds.), *African Americans in the U.S. economy* (pp. 43–63). Rowman and Littlefield Publishers.

Kucheva, Y., & Sander, R. (2014). The misunderstood consequences of *Shelley v. Kraemer*. *Social Science Research*, 48, 212–233.

Mason, P., Stewart, J., & Darity, W. (2022). Collective wealth and group identity: Insights from stratification economics. *Review of Evolutionary Political Economy*, 3, 463–491.

Mason, P. L. (2023). *Economics of structural racism: Stratification economics and US labor markets*. Cambridge University Press.

Michney, T. M. (2022). How the city survey's redlining maps were made: A closer look at HOLC's mortgagee rehabilitation division. *Journal of Planning History*, 21(4), 316–344.

Michney, T. M., & Winling, L. (2020). New perspectives on new deal housing policy: Explicating and mapping HOLC loans to African Americans. *Journal of Urban History*, 46(1), 150–180.

Nelson, R. K., Winling, L., & et al. (2023). *Mapping inequality: Redlining in New Deal America*. Available at <https://dsl.richmond.edu/panorama/redlining/data/TX-ElPaso#cityData>. Digital Scholarship Lab. (Accessed: 2026-1-31)

Olson, R. L. (1936). *Confidential report of a survey in El Paso, Texas for the mortgage rehabilitation division Home Owners' Loan Corporation* (Tech. Rep.). Washington, DC: Home Owners' Loan Corporation.

Peng, L. (2022). The political economy of the anti-Chinese movement in California in the nineteenth century. *Journal of Economics, Race, and Policy*, 5(1), 13–24.

Ponton, D. (2024). *Houston and the permanence of segregation: An afropessimist approach to urban history*. University of Texas Press.

Rose, J. (2011). The incredible HOLC? Mortgage relief during the Great Depression. *Journal of Money, Credit and Banking*, 43(6), 1073–1107.

Rothstein, R. (2017). *The color of law: A forgotten history of how our government segregated America*. Liveright.

Santucci, L. (2020). Documenting racially restrictive covenants in 20th century Philadelphia. *Cityscape*, 22(3), 241–268.

Sood, A., Speagle, W., & Ehrman-Solberg, K. (2019). *Long shadow of racial discrimination: Evidence from housing covenants of Minneapolis*. Available at SSRN <https://ssrn.com/abstract=3468520>.

Squires, G. D. (Ed.). (2017). *The fight for fair housing: Causes, consequences, and future implications of the 1968 federal fair housing act*. Routledge.

Stepner, M. (2013). *Binscatter: Stata module to generate binned scatterplots* (Tech. Rep.). Chestnut Hill, MA: Boston College Department of Economics.

U.S. Census Bureau. (1916). *Special census of the population of El Paso, Texas, January 15, 1916*. Available at <https://babel.hathitrust.org/cgi/pt?id=mdp.39015048425436&seq=2>. (Accessed: 2023-10-12)

U.S. Census Bureau. (1930). *Appendix: Statistics of Mexican, Indian, Chinese, and Japanese Families*. Available at <https://www2.census.gov/library/publications/decennial/1930/population-volume-6-supplement/02557004v6suppch3.pdf>. (Accessed: 2023-10-12)

Williams, D. A., Delgado, L. H., Cameron, N., & Steil, J. (2023). The properties of whiteness: Land use regulation and anti-racist futures. *Journal of the American Planning Association*, 89(4), 505–516.