

APPENDIX F

EXCERPT FROM REPORT ON GEORGIA

Prepared for
The Black Economic Research Center
by Stephen L. Walker
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DISCUSSION AND ANALYSIS

Whites often gain control of black owned land through means which, although carried on under the cloud of lawful procedures, are often questionable and avoidable. Such ascension to control by whites appears to be largely centered around two basic things: The granting of deeds to secure debt, thus granting an interest in the property; and the fact that passage of land intestate (without will, typically the case with blacks) creates frequently a large class of beneficiaries who frequently have left the region and thus have limited knowledge of what occurs with regard to the estate and the property involved.

As mentioned before, deeds to secure debts convey title, as against the grantor-debtor to the creditor and upon default whites are able to capitalize on an interest, frequently given for value far below the value of the property given as collateral.

The practice of requiring execution of security deeds and other such documents to creditors as collateral for purchases and loans (ranging from appliances and automobiles to loans for farm operating capital) is widespread especially with blacks who seldom have other forms of collateral or sufficient "credit rating." The interest and rights conveyed by such instruments presents an easy and quick way for the creditor to foreclose,

often without judicial intervention, and at the minimum, provides the creditor with sufficient handle by which to effect sale of the property without consideration as to value of the property compared to the defaulted debt.

For example, in one case, a white man foreclosed on a security deed on 112.8 acres of farmland and timber, for a \$7000 obligation after having the blacks to farm the land supposedly as a means of paying the debt, for three or four years for him. He sold it to another white, at market value. The value of the land at that time was at least \$100 per acre, now it is excess of \$200. Thus, he was able to get and sell land valued at approximately \$10,000 for less than \$700.

Often, such security deeds, because the interest of the intestate nature of the estate, and all he can convey is the interest which he holds, is only a partial interest. However, because of the limited knowledge and apparent non-concern of the other "cotenants", the creditor, or his assignee of his interest, is able to build the interest into a full interest by taking possession and having prescription run in his favor.⁴

⁴ The condition of the clouded title and existence of other heirs with interests is frequently the only effective handle by which to save at least part of the land, however, action must be initiated before the running of adverse possession; in such a situation, seven years.

It is apparent that although these vehicles of white take over of black land have existed for some time, the problem related to this has become more critical as land becomes a commodity of greater value due to the industrial growth and expansion occurring in the South; the trend towards larger farming operations; the development of the market in consumer goods and credit buying and the increased involvement of blacks in such; as well as, the "tight money" national situation, leading creditors to foreclose more readily than in the past; all operating, of course, in within the milieu of "ripping off" blacks whenever possible which has always existed.

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