INTRODUCTION

Once Sold, Twice Taken

A Life Undone

Brooke handed me a paper towel so I could wipe the sweat from my forehead. The temperature had broken a hundred degrees, and the thick air in her garage smelled like baked asphalt and dusty wood. Perspiration dotted the back of her neck, where strands of blonde hair escaped from a thick, messy bun. A white plastic table fan, propped on a pile of movers' blankets, hummed as it pushed hot air from one side of the garage to the other, skimming over towers of moving boxes. She took a seat next to me, our knees almost touching as we cowered in a small island of space near her open garage door—a futile attempt to capture a late afternoon July breeze. Neither of us complained about the heat, silently shifting our weight on the boxes where we sat surveying the garage.

Brooke Young, a thirty-eight-year-old whose light eyes and tall physique betrayed her distant Scandinavian roots, was going through foreclosure in her lower-middle-class suburban neighborhood in Northern California. "Dealing with packing the garage," she had told me six months earlier, "is the first thing I think about when I think that we might really lose our house." A self-described pack rat, Brooke hated moving. And moving because of her foreclosure made it an atypical move. Unable to hold back tears, she had said, "When we bought the

house I thought we'd be there forever. It's where my son took his first steps, celebrated his first birthday and Christmas. We planted a tree in the yard when he was born, marked his height on the wall in the kitchen." Tending to avoid big life changes, Brooke had lived in San Jose her entire life. She had taught sixth grade at the same public middle school since finishing her teaching credential over a decade before.

We had been in the garage most of the day. The artifacts of Brooke's family life closed in around us. On one side were white garbage bags stuffed with clothes atop cardboard boxes bursting with stuffed animals and other toys. Disassembled Ikea furniture leaned against one wall next to towers of paperback books. In the back of the garage sat floor lamps missing shades and bulbs, sports equipment, and bicycles. Knick-knacks and keepsakes, including a Ziploc baggie of half-melted birthday candles from her son's birthdays, old thank-you cards from her former students, and shells from beach trips, had broken free from their original containers and were littered across box tops. Brown paper grocery bags from Trader Joe's barely contained Brooke's school papers, with work sheets popping out like white flags. Given the circumstances, one greeting card seemed especially tone-deaf, with a smiling baby gorilla wearing a party hat under neon balloon letters proclaiming, "Life's a party!"

At the center of the garage, where a car would have been parked under more civilized circumstances, sat three heaping mounds: trash, donate, and pack. Towering over the piles was a broken grandfather clock Brooke had inherited from her grandmother, a family heirloom caught off guard in a whirlwind of downward mobility.

Our packing had stalled when Brooke reached a section of the garage filled with storage boxes of her son's outgrown baby clothes. Bending over an infant car seat, she pulled a wrinkled, yellow cotton onesie out of a box. Months earlier, when Brooke had told me about their impending foreclosure, she confessed that she and her husband, Jarred, desperately wanted a second child but were delaying their plans because of their money troubles. Nearing forty, she felt as if time was running out. Losing their home might also mean letting go of the family she had

always envisioned. "Should we take all of this?" she asked, stuffing the onesie back in the box. "Keep it, pack it," I said, trying to sound nonchalant, as if her favorite David Sedaris paperback was at stake. Instead of talking about it, we sat on our boxes to take a break.

Three years older than I am, Brooke has been one of my best friends since high school. By the time we became friends, her father had already abandoned the family, and her mother, an office manager, had been raising Brooke and her brother on her own. Brooke's extended family was tight-knit and proud of their working-class roots. "We have kegs at weddings," she once quipped. An athlete, Brooke had played basketball and run track in school. With a generous spirit and a sharp sense of humor, she was well loved. After high school, Brooke had attended community college and then San Jose State University along with her brother, a high school football star. After graduating, she had met Jarred, an African American high school teacher originally from Tennessee, who had recently retired from playing professional basketball in Europe. They had married in a small beach ceremony on the California coast.

The couple bought a two-bedroom house in San Jose after their son was born in 2006. Struggling to keep up with a housing market that had exploded along with the growth of Silicon Valley, Brooke and Jarred had gone along with the suggestion of a college buddy of Jarred's who had become a real estate broker and convinced the couple to take out a jumbo subprime mortgage they could barely afford. When the teaser introductory rate expired after a few years and their payments jumped, the couple struggled to make high monthly payments. Brooke gave up her cell phone service, and they canceled their annual trip to Tennessee to visit Jarred's family. Brooke had hoped to stay home with her son for some months after his birth, but the school district offered no maternity leave, and with their mortgage payments, they couldn't afford to live on one salary. Brooke worked until the day she went into labor and returned to teaching twelve weeks after the baby's birth, leaving her newborn for nine hours a day with a family friend, pumping her milk in the bathroom during recess, and crying many days on the drive to school.

Then the housing bubble burst in 2008, and their house lost much of its value. Brooke and her husband found themselves owing more on their mortgage than the house was worth. There was almost no chance they would recover their equity. For months, Brooke refused to move, even though she told me that she felt she was throwing money away by paying on her mortgage. She and Jarred began blaming each other, arguing late into the night after putting their son to bed. When their savings were wiped out, Brooke conceded. In 2010, they negotiated a short sale with TrustWorth Financial.*

Brooke was just one of the approximately 13.7 million Americans who entered the foreclosure process between 2006 and 2013, and by some estimates, at least 9 million households lost their home to foreclosure in the years following the 2008 U.S. mortgage crash.[1] In hard-hit states like California, residents saw generations of hard-earned family savings wiped out, home values plunged, homelessness and urban blight erupted, and entire cities went bankrupt. Even if homeowners hadn't signed on for high-fee, risky subprime mortgages as Brooke and Jarred had, the crash of the U.S. housing market sent property values plummeting, leaving them with mortgage payments that far outpaced the value of their homes. At the same time, the ensuing financial crisis triggered a recession that stranded millions without work and left them unable to pay their mortgages. And Americans were not the only ones suffering—as credit evaporated, global markets entered a steep recession that shuttered factories from Singapore to Mexico, and people struggled with unemployment around the world.

By now the story of how the 2008 financial crisis—which collapsed housing prices, decimated stocks and retirement accounts, and shut down businesses—triggered downward mobility for many middle-class Americans like Brooke is familiar. A decade after the financial crisis of 2008, Americans who faced losses during the Great Recession have

* In the context of individual respondents, all banks, lenders, and mortgage modification companies that are still in business as of 2018 have been given fictitious names. (The rationale will be discussed in more detail later in this introduction.) Whenever a fictitious corporate name appears for the first time, that first usage will be marked with an asterisk.

reported an uneven recovery, with many never finding the stability and prosperity they enjoyed before 2008.[2] But absent from these increasingly familiar cultural narratives is *why* so many people were unable to bounce back from the devastating losses incurred during the mortgage crash and its aftermath.

Statistics describing mortgage defaults after 2008, while staggering, fail to capture the traumatic and lasting effects of the failed recovery efforts rolled out in 2009. Beginning in 2012, I spent two years in California's Sacramento Valley, one of the hardest-hit regions in the nation, studying these enduring aftershocks. Foreclosures tore apart families, as marriages withered in the face of financial ruin, and intergenerational bonds were stressed by financial decisions to walk away from homes. Depression and suicidal thoughts were common among homeowners confronting the loss of their home and life savings, and stress-related illnesses took hold. The high cost of living meant that families straddling the lower end of the middle class found themselves worse off than their parents, who often had less education but better benefits and more financial security. Just like millions of Americans who had grown up with the American Dream as a backdrop for their everyday ambitions and life choices, people in the Sacramento Valley now lived its reverse: higher education, hard work, and prudent financial decision-making no longer guaranteed that life would be better or more secure than it was for earlier generations.

For many homeowners, their ongoing Kafkaesque confrontations with mortgage lenders amplified their suffering. Struggling to secure federally mandated assistance from corporate lenders, Sacramento Valley residents were ensnarled in bureaucratic tragedies that ended in near-universal denials and evictions. These rejections from corporate lenders have proven to be more damaging to the social contracts implicit in American debt ties than the financial losses of foreclosure alone. I found that many of these California homeowners who had begun the process with feelings of shame and grief ultimately came to interpret their foreclosure experience as a form of social and economic abandonment. I discovered that low-level corporate lending employees living and working in the

Sacramento Valley often went through a parallel progression of disillusionment, beginning with a hopeful optimism that their corporate employers would rescue struggling homeowners, only to confront bureaucratic obstacles at every turn. I came to see how people struggling to stave off foreclosure could arrive at a place of moral outrage rather than acquiescence—a moral stance in which some homeowners confronting looming evictions would even refuse to pack their garages and leave.

The Sacramento Valley had seen a boom in real estate development before the crash and after 2007 consistently ranked in the top ten in foreclosure for U.S. metro areas. A mid-sized city, Sacramento's rate of mortgage defaults jumped 482 percent from 2008 to 2009, with one in every sixty-three households in foreclosure. The Sacramento Valley's cities and towns are surrounded by open agricultural lands—industrial farms, sprawling ranches, orchards planted in symmetrical rows—and crisscrossed by the Sacramento River and its tributaries. Approached from the quaint college town of Davis to the west, Sacramento's downtown juts from an expanse of endless green and yellow fields. Beginning in 2008, foreclosures stretched across these towns and cities dotting Highway 80 from the state capital of Sacramento. Surrounding suburbs in the Sacramento Valley fared even worse; for example, the municipality of Elk Grove went from being the fastest-growing city in the nation, a "development miracle" as investors labeled it, to a city marked by blight, with half-finished developments haunting the landscape and one of the highest rates of mortgage default in the country. As development projects came to a halt, residents working in fields like construction and real estate were stranded without jobs.

In that period, Sacramento's foreclosure crisis gained national prominence. Former homeowners and their families moved into a swelling tent city that found its way onto Oprah Winfrey's popular daytime talk show as a symbol of the tragic consequences of the 2008 financial crisis. After the segment, the encampment became, to the residents' chagrin, a tourist destination. One local elected official gave tours, and camera crews from CNN, the *Today* show, and even a Swedish newspaper joined

the spectators. "We're a circus for sightseers," Michael Borchardt, an unemployed truck driver living in the camp, told the *New York Times*.[3]

Rather than fixate on these dramatic and often voyeuristic representations of Sacramento's foreclosure epidemic, I turn to the stories of homeowners struggling to stop bank seizures in Sacramento and its surrounding towns, people who insisted that the real tragedy lay in the nature of their exchanges with lenders as they appealed to save their homes.[4] For them, dispossession appeared in daily life not as one vivid (telegenic) moment such as an eviction but as continuous mundane, monotonous bureaucratic exchanges—a series of frustrating phone calls to the bank, lost paperwork, misinformation, missing faxes, cryptic warnings from debt collectors, and formulaic eviction notices. It was these protracted tragedies between corporate lenders and homeowners, sometimes lasting for years, that ruptured the social contracts implicit in American debt relations.

My task is to make these bureaucratic dramas as vivid and memorable as the more visible scenes, the evictions and tent cities that dominated the news coverage of the crisis, and to show their ongoing consequences. These bureaucratic ephemera changed the lives of Americans by restructuring their feelings toward the U.S. government and mainstream financial institutions, shifting dominant American moral economies in the process. Triggered by one of the largest bank seizures of residential homes in American history, this metamorphosis inspired unprecedented distrust and disaffection, with lasting consequences for the political future of families and neighborhoods in the Sacramento Valley, as well as the nation at large.

FAILED RECOVERY EFFORTS

The 2008 mortgage crash was triggered by an orchestrated effort by lenders to convince Americans, many of whom would not have previously qualified for mortgages, into taking on hundreds of thousands of dollars in risky mortgage debt so that debt could be commodified and

sold on secondary markets to investors. Wall Street investment firms diced subprime, high-risk mortgages into bits, bundled them with other kinds of debt, mislabeled them as safe investments, and sold them for windfall profits as mortgage-backed securities. Regulatory bodies tasked with keeping Wall Street schemes in check failed to perform due diligence on the suspect mortgages that had become a mainstay of investment funds, leaving families, elderly retirees, school districts, and city governments vulnerable to insurmountable losses.

As the scheme began to unravel in 2007, U.S. housing markets soon took a nose dive, and unemployment soared. In 2008, as government leaders began to recognize the scope of the financial crisis, the George W. Bush administration pushed through the Emergency Economic Stabilization Act, which injected $700 billion of capital into failing Wall Street firms through the Troubled Asset Relief Program, or TARP.[5] The primary architect of TARP was the then U.S. secretary of the treasury, Henry Paulson, former CEO of Goldman Sachs, who was criticized at the time for operating with a conflict of interest: Goldman Sachs received $10 billion of TARP funds (which the firm would repay) and an additional $43.4 billion of bailout payouts.[6]

The plan, which relied on public funds to infuse Wall Street with capital and reestablish securities markets, remained intact, however, with the presidential inauguration of Barack Obama in 2009. That year, the Obama administration executed a number of homeowner assistance programs, the most popular being the Home Affordable Modification Program (HAMP), through which corporate lenders would receive financial incentives to modify mortgages. For mortgages that originated before 2009 and were attached to owner-occupied homes, these lenders or mortgage servicers were encouraged to lower interest rates or reduce the principal amounts on loans for homeowners whose houses were considered "underwater"—that is, valued at far less than the purchase price. In plain terms: if you had purchased a home during the housing bubble and now owed more on your mortgage than your house was worth and

subsequently lost your job during the recession, you could appeal to your mortgage lender to lower your monthly payments.

Unlike the federal mortgage assistance programs during the Great Depression, in which the government took on the toxic mortgage debt of Americans, these programs created contracts between the U.S. Treasury and 140 Wall Street mortgage servicers to manage and adjudicate homeowners' cases. The government outsourced the task to the same corporate lenders who had fomented or at least profited from the growth in subprime lending. Abuses were rampant; corporate lenders including Bank of America, Wells Fargo, and Ocwen Financial Corporation erected byzantine bureaucracies that denied applicants who were eligible for mortgage assistance and moved ahead with foreclosures even as homeowners made modified payments. By 2016, HAMP had received over nine million requests for loan modifications, with a million more in the pipeline.[7] But between 2009 and 2015, 70 percent of these homeowner applicants were denied assistance. Only a minuscule fraction of the $317 billion TARP bailout program reached homeowners. As a result, millions of American homeowners who wanted to keep paying their mortgages were forced to default.

Meanwhile, the profit motives of the mortgage assistance programs remained out of public view, as television commercials, billboards, and mailers ubiquitous in the Sacramento Valley falsely suggested that if homeowners were proactive and persistent, calling their lenders and loan servicers, they could secure assistance and save their homes. Although the publicized intent of mortgage assistance policies was to help struggling homeowners avoid default, the legislation favored lenders' profit margins over the social good. It required lenders or loan servicers to calculate if they would save money by modifying qualifying mortgages and, if so and only then, to halt bank seizures. For every completed permanent modification that a lender or loan servicer granted to a homeowner, the government paid that servicer $1,000. Even if the lender canceled the modification after the first month, the lender kept the

payment. In other words, the program was designed to benefit corporate lenders and investors in place of funneling taxpayers' dollars directly to homeowners.

Even more egregious, major lenders and loan servicers running the programs, including Bank of America, Wells Fargo, CitiMortgage, and JPMorgan Chase, manipulated HAMP incentive structures to defraud taxpayers of billions of dollars. Six of the seven largest HAMP servicers wrongly dropped homeowners from the program while continuing to collect government payments. According to the Office of the Special Inspector General for TARP (SIGTARP), a federal law enforcement agency monitoring the bailout, taxpayers paid $2.4 billion to mortgage servicers and investors for 575,000 homeowners dropped from HAMP before they received assistance.[8] Corporate lenders were charging the U.S. Treasury, and taxpayers by extension, for bailouts to homeowners who never received relief. Even as officials within the Treasury acknowledged that Bank of America, CitiMortgage, JPMorgan Chase, Ocwen, Wells Fargo, and Nationstar Mortgage—the largest servicers administering HAMP—needed "substantial improvement," the Treasury paid those servicers $448 million during the same periods for which SIGTARP found them guilty of mismanagement. Without a provision in the original legislation that allowed the Treasury to block payments to HAMP, misdeeds and mismanagement would go unpunished. The official solution to the crisis substituted a kleptocracy for an economic depression.

Individual cases when corporate lenders misplace a homeowner's paperwork or offer misinformation on a claim might seem innocuous annoyances typical of interactions with modern corporations. But when these bureaucratic failures reach epic proportions, in the millions, a pattern emerges: they become forms of *predatory bureaucracy,* a collection of private-sector bureaucratic techniques aimed to extract profits while masking these goals through a rhetoric of assistance.[9]

Corporate loan modification bureaucracies justified the bank seizures of millions of American homes, disguising a political problem as a technical and bureaucratic one. In a similar vein, anthropologist Vincanne

Adams uncovered "privately organized, publicly funded bureaucratic failures" in her research on post–Hurricane Katrina housing recovery programs. It was not only government bureaucracy that contributed to the colossal failure of relief funds to reach New Orleans residents, Adams notes, but also the "inefficiencies of profit" that caused insufferable delays.[10] Disaster relief has been, since the early 2000s, outsourced to private contractors who profit from public funds, a trend journalist Naomi Klein aptly identifies as "disaster capitalism."[11] The dominance of these corporate players, who often bid for U.S. government contracts for disasters occurring around the world, means that only a small percentage of the billions of dollars of aid, flowing either through domestic bailouts or international USAID, reaches the people in whose name funding was approved.[12] What makes the U.S. foreclosure epidemic unique among such catastrophes was that lending companies and loan servicing agencies profited from a "disaster" that they facilitated and then claimed that they were the entity best qualified to resolve it.

In conversation, I asked Timothy Geithner, the U.S. secretary of the treasury in the Obama administration, why the government could not administer mortgage assistance programs as it had during the Great Depression, when it took on the toxic mortgages of Americans. He admitted that a similar state-run program would have been ideal but insisted that the political will to fund such a massive undertaking didn't exist, even with a Democratic majority in Congress. "Even the little program we pushed through," he told me, referring to HAMP, "ignited the Tea Party movement and enraged Americans" who saw themselves as "paying for their neighbors' mortgages" when "their neighbor had remodeled and bought an Escalade."

Unlike his predecessor Henry Paulson, Geithner had not arrived at his post entrenched in a personal history of Wall Street executive management. Born a left-leaning Republican who challenged cultural conservatism, Geithner later identified as a right-leaning Democrat who became an expert on debt crises around the world.[13] Despite a subtle political agnosticism that inflected his views, his time at the New York

Federal Reserve (from 2003 to 2008), I would argue, led him to adopt a perspective that conflates the health of the United States economy with the wealth of Wall Street. In his memoir *Stress Test: Reflections on Financial Crises,* Geithner makes clear, for example, that he did not blame Wall Street for the economic devastation caused by the crash.[14] Instead, he argues that Wall Street executives, like everyone else, were innocents caught in the same misguided optimism that led them to speculate on housing. Geithner writes, "It began with a mania—the widespread belief that devastating financial crises were a thing of the past, that future recessions would be mild, that gravity-defying home prices would never crash to earth."[15] While Geithner's narrative accurately describes the backlash to HAMP, it downplays crucial ideological assumptions guiding the Treasury's approach to the crisis. If invisible and universal forces instead of the concrete practices of Wall Street executives triggered the crisis, officials must frame federal assistance as relief rather than restitution.

By using the label mortgage "assistance" or "relief," the programs insinuate that homeowners faced foreclosure as the result of a *natural* disaster—as if the capitalist boom and bust, itself the result of quasi-criminal activity by Wall Street investment firms, rating agencies, and mortgage brokers, had happened on its own. In the programs' own narratives, loan modifications were created to "assist" the survivors, as opposed to offering damages for faulty underwriting standards or to make fair adjustments to erroneous, predatory mortgage contracts. The discourse of modifications suggested that homeowners were receiving handouts rather than that lenders and loan servicers were taking taxpayer dollars to cover the fallout from their own highly profitable, highly risky business practices. Because mortgage assistance programs were misrepresented as offering relief (from an unpredictable disaster) in lieu of restitution (for human errors and fraud), the creation of publicly sponsored mortgage assistance programs sparked intense public debate about the morality of the individuals who received this so-called relief, whereas the larger question of whether this money was relief or restitution was, for the most part, obscured.

As mortgage markets collapsed and property values plummeted after 2008, TV shows like *60 Minutes* described homeowners who defaulted on their mortgages as moral hazards, while Fox News pundits declared them deadbeats and losers, likening them to those who handed Europe to the Nazis.[16] Talking heads claimed that mortgage assistance programs like HAMP misused taxpayer money to benefit homeowners living beyond their means. The most famous attack was leveled by CNBC correspondent Rick Santelli, who in February 2009 launched into a rant against the newly established mortgage modification programs on the floor of the Chicago stock exchange. Santelli compared the programs to Cuban socialism, and his tirade culminated when he invited viewers to throw tea into the harbor in protest, a moment credited as having birthed the libertarian Tea Party movement.

Local news reports in the Sacramento Valley presented a more sympathetic view of families facing eviction and default, as the scope of the crisis garnered compassion among some reporters and writers living there. Yet in an attempt to preserve the illusion of journalistic "fairness," news programs on English- and Spanish-language networks such as Univision also emphasized the perspectives of lending executives at the expense of more in-depth analyses.[17] Like national news stories, these discussions failed to address the bigger picture: how racial and economic inequalities endemic to American late-liberal capitalism spawned the housing crash in the first place.[18]

As I participated in the daily lives of homeowners trying to avoid foreclosure by applying for mortgage assistance, a radically different vision emerged. Most homeowners wanted to continue to pay their mortgages at a reduced rate that would still generate substantial profits for lenders. But achieving this outcome was next to impossible, despite the best efforts of lending employees trying to help homeowners reduce their mortgage payments to prevent evictions. Far from the socialist forms of redistribution Santelli suggested, loan modification plans were profit driven. The mortgage crisis, like myriad disasters natural and manufactured, became a gold rush for profiteers who absorbed multimillion-dollar

government relief packages and failed to distribute funds, with little or no consequence.

MIDDLE-CLASS SWAN SONG

As my respondents and I sat together at their kitchen tables or waited in sterile customer service centers, endemic foreclosures became a poignant symbol of middle-class decline. Evictions drove a growing resentment among Northern Californian lower-middle- and middle-class residents, as the economic stability of earlier generations was increasingly out of reach.[19] Homeowners described confrontations with lenders in ways that illuminated how inequalities were becoming all the more entrenched in U.S. society, and long-standing histories of class and racial discrimination often festered beneath the surface of daily life. Collectively, these experiences, what I refer to as *post-middle-class-life projects,* show how post–World War II middle-class formations—a collection of aspirations, performative styles, forms of work and leisure, ideas about privacy and decorum, gendered and racialized assumptions, and uses of money and investments—were unraveling. Being or becoming middle class, as a subject position, was foreclosed, in part, by the predatory mortgage modifications bureaucracies of corporate banks.

The mounting unattainability of middle-class-life projects to the Northern Californians in this book must be read as the latest chapter in a longer story of Americans struggling to find security since the onset of neoliberal economic policies in the early 1980s, which shifted public funding toward major financial corporations and away from social safety nets. What political scientist Jacob Hacker identifies as the "great risk shift" has meant that individuals and families increasingly bear the burdens of health insurance, pension benefits, and job security that were previously understood as the responsibility of corporate employers and the government.[20] Debt is essential to this neoliberal vision of society, as anthropologists Hugh Gusterson and Catherine Besteman argue, serving as a primary apparatus for transferring wealth "via fore-

closures and interest payments, from those who need money to those who already have more."[21]

As think tanks, academic networks, and foundations promoted neoliberal ideas in the 1980s, deregulation ensued. The epic rise of Wall Street finance commenced, leading to massive downsizing, outsourcing, and deindustrialization.[22] With the inception of downsizing during this era, sociologist Katherine Newman described a growing unease and intense shame about downward mobility among the middle class.[23] These fears about instability gained momentum in the 1990s, as anthropologist Rachel Heiman shows in her ethnography of middle-class suburbanites in New Jersey. Jobs were a tremendous source of anxiety, although wages increased, because, as Heiman describes, job security was ever more fleeting, resources for public education diminished, and retirement and college funds were more vulnerable to a volatile market.[24] In California's Silicon Valley, middle-class families more recently described similar circumstances to sociologist Marianne Cooper, as they struggled without guarantees of lifelong employment to fund their health benefits and retirement, typically taking on insurmountable debt to cope with daily expenses.[25]

Anthropologist Karen Ho's groundbreaking work digs deeper into the daily practices among Wall Street firms that contributed to this shift in the U.S. economy, emphasizing downsizing and the rise of shareholder value in the 1990s as engines driving these changes.[26] With shareholder value as the ultimate goal, Wall Street financiers were increasingly willing to risk the productivity and the health of corporations and their workers, triggering massive layoffs and downsizing for millions of Americans. Layoffs, Ho shows, grew ever more common for employees at all levels of Wall Street firms because downsizing propped up shareholder value. These frequent layoffs naturalized firings as a process that was good for companies and the economy, with little attention paid to the social costs to workers and their families.

In this setting, income inequality in the United States has exploded. As economist Thomas Piketty shows, the top decile's share of national

income increased from around 30 percent in the 1970s to as high as 50 percent in the 2000s.[27] The richest 10 percent appropriated three-quarters of the growth in national income, with the top 1 percent alone absorbing nearly 60 percent of the total increase in U.S. national income in this period. For those Americans in the bottom 90 percent, the rate of income growth was less than 0.5 percent per year.[28] These inequalities, Piketty argues, make the United States more vulnerable to market instability, with the 2008 financial crisis a prime example. The stagnation of the purchasing power of the lower and middle classes in the United States, Piketty explains, forced households to take on more debt, a process that was bolstered by deregulation and a flood of cheap credit.[29]

Facing underwater mortgages would not have been so daunting for California homeowners if they had had the financial reserves to weather a downturn in housing prices. Housing markets fluctuate. Mortgaging, as a long-term commitment, is designed to insulate homeowners from some of the volatility. But the post-2008 landscape was different because home values dropped so drastically, often cutting property values in half, leaving homeowners feeling as if recovery was unlikely. Adding to this uncertainty was the fact that most families were already stretched financially by the rising costs of daily expenses. As homeowners saw their wages garnished and jobs lost because of the recession, struggled with rising costs of healthcare, or simply could not save for retirement, their ability to keep paying a mortgage on even a modest home became impossible.

Within two generations, the home, once imagined as a source of intergenerational wealth anchoring working-class families to an expanding American middle class, has come to replace the social benefits once provided by employers and the government. These dynamics played out in the ruptured inheritance cycle of my own blue-collar Northern Californian family. My paternal and maternal grandparents, without college educations and employed in working-class jobs, benefited from their employers' retirement and health plans and government home loan programs. They purchased homes, retired comfortably, and left their houses

to their children. But my divorced parents, a farmer and a vocational nurse, found themselves without those same social safety nets and were unable to hold onto my grandparents' houses to pass them down through the family, as my grandparents had imagined. Instead, my parents sold the houses to put money toward more modest homes, using the remaining profits to fund basic expenses. When the money ran out, my father turned to a reverse mortgage on his own home, a loan for seniors that allows them to take out equity each month, adding interest to the growing loan balance. The reverse mortgage payments serve as retirement cash and allow him to pay for private health insurance, which constitutes over half his monthly expenses. As of 2018, my mother is in line for the same plan. The possibility of inheritance is wiped out, forcing younger generations to fend for themselves, building familial savings and security nets from nothing, putting them even farther away from accumulating wealth than the previous generation had been.

If neoliberal economic policies have left white lower-middle- and middle-class Americans more vulnerable to hard times than their parents, who themselves benefited from Keynesian economic redistribution to the middle class after World War II, communities of color confront even more dramatic declines. In the case of foreclosures, widespread bank seizures are only the latest chapter in an overarching historical trajectory of race and class discrimination within American housing, extending recent histories of redlining and exacerbating the effects of deindustrialization.[30] In the 2008 economic recession, foreclosures disproportionately affected African American and Latino borrowers, for instance, who were twice as likely to have suffered significant financial losses due to the crash. By 2011, according to the Center for Responsible Lending, one-quarter of all Latino and African American borrowers in the United States had lost their homes to foreclosure or were seriously delinquent, compared to just 12 percent of white borrowers.[31] Asian borrowers, especially those in urban areas, fared better than Latino and African American homeowners but still suffered more losses than whites. These racial inequities persist even among higher-income homeowners;

relatively wealthy African Americans were more likely to receive subprime loans than relatively poor whites.[32] In the Sacramento Valley, subprime lending, predatory bureaucracies, and the bank seizures they produced disproportionately punished poor communities of color while also dragging white lower-middle- and middle-class families into economic insecurity.

In the context of cheap mortgage credit and widespread mortgage default, postwar categories such as working class and middle class can often fail to capture the complex interplay of income, social and cultural capital, and life experience that places Sacramento Valley residents on a continuum of class privilege and precarity. As an alternative to positing class as a fixed category, determined by income and education, for example, I conceive of class subjectivities as heuristic devices that combine people's own views of their social position with markers of traditional status such as homeownership and employment. My use of class subjectivity also accounts for the interdependence of class with racial and ethnic histories, gendered and sexual identities, religious affiliation, and rural and urban identifiers. Because class subjectivities are formed relationally, I present stories of encounters between customer service representatives and clients.

These contests over legitimate homeownership offer an illuminating view into class formations in the United States; where one lives, as anthropologist Sherry Ortner points out, is often a proxy for class relations that are otherwise obscured.[33] Housing defines familial and social ties, determines educational opportunities for children, and serves as a locus for identity performance and consumption. My approach echoes the work of sociologist Julie Bettie on the boundary work that defined symbolic class distinctions among high school girls in California's Central Valley, neighboring Sacramento. Bettie shows how the micropolitics of a high school reflect broader economic shifts from factories to the service sector.[34] In a similar vein, my fine-grained study of the daily lives of homeowners and lending employees in the Sacramento Valley shows how class subjectivities shift and change in the face of a growing predom-

inance of late-liberal finance—how they come into being in light of changing life circumstances, one moment disguised as personal failure and at another moment offering a platform to resist dispossession.

THE SOCIAL BONDS OF EXCHANGE

Rising inequalities and the sharp decline of postwar stability for American middle-class families help to explain why Sacramento Valley residents reacted with such ire when caught in faulty mortgage assistance programs after 2009. But these historical trends fail to account for why they might expect corporate lenders to help in the first place. It was a surprising discovery in my research that homeowners relied on terms like *obligation, duty,* and *help* to describe a lender's role, while many lending employees similarly articulated an ideal relationship between borrower and lender that their employers were failing to fulfill. By referring to terms of mutuality, these homeowners and lending employees challenged a fundamental tenet of market economies—in the context of a profit-driven mortgage industry, why would people expect anything but bald self-interest to prevail among mortgage lenders?

Drawing on long-standing anthropological theories of exchange, throughout this book I argue that mortgaging generates a social tie between borrower and lender. Homeowners and those processing their appeals described an imagined bond of mutuality that united borrower and lender in a relationship of *financial reciprocity,* an implicit social contract of mutuality. It is no coincidence that mortgaging, a financial contract governing the domestic sphere, would coconstitute market and reciprocal exchanges. Anthropologists have long recognized exchange as a unifying cultural practice that links economics to ostensibly noneconomic spheres such as kinship and political systems. In the late nineteenth century, anthropologists argued that so-called primitive societies were ruled by reciprocal ties based on human relationships, and capitalist ones were governed by the rules of the market.[35] These ethnographic studies paralleled social theorists, influenced by Karl Marx and

Friedrich Engels, who argued that industrial capitalism in Europe and the United States dissolved the social bonds and obligations that served as the glue of Western society. Industrial capitalism, theorists argued, with its key principles of wage labor, private property, and the nuclear family, replaced the sociality of the peasantry with power-laden transactional relations. French sociologist Marcel Mauss in *The Gift* amended this depiction to argue that pockets of reciprocal relations could exist within a broader context of commodification.[36] Gift giving would persist, opening the door for communistic relations between people, even in the hard, cold world of transactional exchange.

These Maussian nuances were later taken up by anthropologists pursuing ethnographic investigations of the interplay between commodified exchange and noncommodified forms of reciprocity. In the 1980s anthropologists such as Marilyn Strathern and Christopher Gregory, for example, posited the division between "gift economies" and "market economies" as anachronistic, instead focusing on how multiple types of exchange commingled within each society's economic system.[37] Anthropologists explored how people drew imagined boundaries between "the social" and "the economic" as a power-laden exercise that naturalized inequalities. More recently, feminist anthropologists have reinvigorated these inquiries to argue that selfhood, kinship and family, and community are, as Laura Bear, Karen Ho, Anna Tsing, and Sylvia Yanagisako write, "always 'inside' and mutually constitutive of capitalist social relations and vice versa."[38] In other words, the sociality of markets shapes people's expectations and allows them to erect boundaries around classed, racialized, and gendered forms of belonging.[39]

The prevalence of notions of financial reciprocity in the context of the U.S. mortgage crash shows how commodified forms of market exchange *generate* implicit reciprocal social contracts and vice versa. Because mortgage agreements involved the home, a site of moral personhood and citizenship within postwar ideologies, homeowners and many corporate service representatives came to view mortgage debt as an ongoing social relationship in which lenders had an implicit obligation to offer relief.