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What Is Housing Discrimination & Should I Care?

Hosted by: Joe McCall

Guest: Brent Roam

- Joe:** What's going on, guys, Joe McCall here, the Real Estate Investing Mastery podcast, this is going to be a really good episode and I'm excited about this, something that I've never talked about before. This is a sensitive topic to some people. Some people probably don't even care. And some people it matters a lot and some people it doesn't. And I'm trying to figure it out for myself. Well, I had a friend connect me with another friend who is a pastor here in St. Louis. His name is Brent Roam and he has a ministry doing some pretty cool, exciting things in the city. And so this friend of ours, mutual friend, said, hey, you guys should talk about this issue on your podcast. The issue the topic is housing discrimination. Right. And I think everybody could agree that housing discrimination existed at one time. But does it still exist today? And if it does, like, what can I do about it? Right.
- Joe:** Is there anything I can do about it or should I even care? Or that was 50 years ago. What does it matter today? And I had a great conversation with our guests today, a couple of days ago, and really opened my eyes to a lot of things. And I was open and honest with him. And I said this would be really good to talk about on the podcast. And he was gracious enough to agree. And so we're going to bring him on here. And I just wanted to do a couple of housecleaning things. First, housekeeping things first, cleaning. This might turn into a house cleaning. We'll see. Anyway, housekeeping things first. We're going to be broadcasting this live in the Facebook and YouTube right now. So if you are watching this on Facebook and YouTube, please say hi to say hello. Tell us where you're from and type them in the comments. Give us a thumbs up. Subscribe to the channel. I'd love to see your comments.
- Joe:** And then if you have questions or if you have comments, keep them clean. And if they're good comments, I will show them on the on the screen here. And if you probably have some good questions, and I would love to ask your questions to our guests today as we go through this. All right. So let me think if there was anything else. Oh, yeah. If you are listening to this in in podcast, whatever your podcasting app is, appreciate you very much. And I just ask that you would subscribe to the podcast, you know, no matter even if you listen to the podcast on my favorite podcast app is Pocket Casts, but I'd still appreciate the



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subscribe over at Apple podcast because that's still the biggest podcast. So subscribe and leave us to review. Let us know what you think. All right. So that's all the housekeeping I got. Let's see if we can bring over Brent. Brent, are you there?

Brent: Yeah, man.

Joe: How are you?

Brent: Good. How are you, Joe?

Joe: Good. Good to meet you. Finally, face to face. We talk on the phone a little bit. You're in St. Louis. And where do you live? In the university city area, right? Yeah, I live in U-city. Yeah. Describe what U-city kind of. What is it like there? Because I'm in the suburbs and kind of the nicer suburbs, I would say. But you're closer to the city. What's it like there?

Brent: Yeah, it's I mean, I love U-city. Your city is kind of right on the edge of the city, city, county divide. And so there's kind of an urban feel like I'm actually like my office looks out on the Delmar Loops. I'm like looking out. There's a like some kind of marijuana shop right there. There's a frozen yogurt shop right there. You know, there's sushi over there. Anyways, it's that kind of a vibe and some really good coffee shops, too, right? Yeah, yeah, yeah, yeah.

Brent: You're just right down the street. So it's got like it's got a lot of flavor. It's got a lot of it's a very eclectic feel. You know, there's just all different kinds of people, different nationalities, different walks of life. I love it, man. It's kind of on this. They call it the city county divide. It's St. Louis, you know, and that's a big deal in St. Louis for your listeners will know. But it's also on the corner of what they call the Delmar Divide. and the Delmar Divide, it has some racial connotations because basically south of Delmar is predominantly white and then north of Delmar, predominantly black. And so there's just a lot of it's just a crossroads of a lot of different people. And it's one of the things I love about it.

Brent: We're going to talk about that. Where I live. Just to give context to some folks about all the variety we have for coffee is a Starbucks and McDonald's coffee. Right. And then and then we've got Home Depot and Wal-Mart and Lowe's and Target, a bunch of box stores, national chain restaurants, Buffalo Wild Wings, Olive Gardens and the about the only time I go and that's beautiful there. I used to go out in the city all the time when I was working on



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my MBA at SLU St. Louis University. Like, the only time we go out there is to go to a Cardinals game or something like that. Right, right. And I'm just sharing this to the audience. So you kind of get the context of where we're from. And I want to ask you about your background a little bit and then I'll share a little bit more about my background. But go ahead. Where are you from? And talk about how you got into what you're doing now.

Brent: So I'm really I am from St. Louis. My dad grew up in an area called Wellston, which is just north of your city. My grandfather's from St. Louis. So I'm like multigenerational here. My grandfather was a Pentecostal pastor preacher, and so was my dad. So I decided for sure never to go into the ministry was my goal in life. So I like 18, 19. I took a long, long, circuitous trip. I ended up studying overseas for a while, then ended up in Los Angeles for years. And then I started practicing law. And then I ended up moving back to St. Louis, back to University City, probably about a mile from where my dad grew up. Wow. And long story short is I felt, you know, I was I had for over a decade, I had tried to avoid becoming a pastor. I just couldn't I couldn't do it anymore. Like, I finally had to give into it in a good way. I had a deep sense of calling. Anyway, I finally did it, left my law practice. And then we actually launched our church in the Tivoli theater, which is right kind of right in the middle of the Delmar Loop. It's a historic landmark. And what's funny is my dad grew up. He was a kid. They grew up like about a mile from here. And they weren't allowed to go to movies in those days because it was old. They were old school like super strict. And so he would ride his bike down to the Tivoli and sneak into the Tivoli as a kid. And so now here it is all these years later.

Joe: Is he still alive?

Brent: He's not. He's not. I mean, I wish you could. I wish he could see us today. His mind would be blown at this place where he snuck into as a teenager.

Joe: I'm sure he can see it. He knows. That's right. So what if you don't mind me asking, like where is your family from? Like, do you have any minority in.

Brent: I'm sorry. So we're like apparently. You know, you do your DNA tests like ninety-nine ninety, something like Irish. Scottish. Wow. OK, but I'm my on my mother's side, we're also Cherokee, we're members of the Cherokee Nation and we didn't discover this. And I've actually never even said this publicly. But we did a series on race at our church recently.



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And then my sister was doing some research after that series and discovered that in the 1870 census, my great, great, great grandma and her mother were deemed mulatto in the census, which means in the nineteen seventies I basically meant some degree of African extraction plus whatever else. So nobody in our family has ever talked about that. Nobody has ever mentioned that. Like, I didn't know that. We talked to my mom and my uncle, you know, and they're like, we never heard that. But it's really fascinating because we went onto the census data and it actually looks like they were originally part black and then scratched out and then mullatto. So I'm interested to learn more about that story, because that's just something that I learned like maybe three or four months ago. But that's kind of the kind of the ethnic mix of our family.

Joe: Now, I'm going to guess you're in your twenties.

Brent: Oh, I love you.

Joe: So I got to play it safe, just playing it safe.

Brent: Oh, no, man, I'm in my forties. OK, all right. You see, I got a little bit of spray over here.

Joe: So you grew up in St. Louis. I was going with that was you grew up in St. Louis in the eighties. So what was it like in the eighties from a racial standpoint where you lived, what you were you were living back then? It was a pretty diverse or what was it like back then?

Brent: We moved to Bridgeton, which is kind of North County and it was a Bridgeton in the eighties, was mostly white and the bussing, the deseg program was happening. So the bussing program was going on and that in those days. So I went to Pattonville and it was actually a pretty diverse school. Some African-American folks that went there, you know, like lived in the neighborhood. But there was also the deseg program. So a lot of black students were bused in from the city. And so it was it was actually a pretty diverse place. Even growing up when I was a really young kid, we moved to Ohio, a little town, Lancaster, Ohio, a little glass manufacturer, blue collar. My dad was pastor there. That was like an almost all white town. So when we moved back to St. Louis, it had a much more diverse feel than what I had been accustomed to when I was little in Ohio. Yeah. Yeah.



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Joe: OK, so when you came here to pastor a church, why the U-city? Why not the wealthier, more, faster growing areas where most new churches are planted?

Brent: You know, man, it's kind of a mix of two things. One is I just I felt like on a purely emotional level, I just I mean I mean, I don't want to over the spiritual, but like, I really felt like God was calling into this area. Like, this was where my this was where I was being drawn to in a very deep way, like in a way that like five, five or seven years before. I think about five years before I even remember how long all those years before I moved, I said, I know what I'm going to do. I'm going to end up back in University City, going to be planting a church. I'm going to this is when I was Boston. Or even before law school, and anyway, so there was this kind of real just don't know what you would call that spiritual emotional draw there.

Brent: There was another piece, though, too, where I felt like there, at least for me, was a redemptive piece where this was an area where, like Wellston New City was an area where, you know, in the 60s there was a big shift when the Fair Housing Act came out. Basically a lot of white families and on my dad's side, that they were all kind of like Irish, German guy extract. But a lot of a lot of white families basically moved out to the Camel like enmasse. And it really kind of, in a way, crushed the crush, some of the local municipalities here, because like an entire tax base left and from a real estate standpoint, like people just left and like the property values just fell apart.

Joe: Why do you think they left?

Brent: I mean, I think for me, there was I mean, my sense of it is to a large extent, it had to do with race. It had to do with, like, I think probably some fear and anxiety about talking 1960s. So I think there was probably some significant fear about life for white folks, about like what is it like to be like going to school with black folks. And you know, I mean up until that point you have separate drink from separate neighborhoods, separate everything now is like OK, wait, we're all supposed to mix together. And I do think there was a I think there were a lot of people that were afraid of that. And like now one of the things that I think helped you city this area where we are now is that a lot of white folks didn't leave the city and they just said, we're going to stay. And so black people moved into the neighborhood. One of my neighbors, one of my neighbors in my neighborhood, was the first black guy on the block. And he's a local historian named Dr. Wright. He's friggin awesome if you ever



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look him up. But he was the first black guy to buy a piece of property in our neighborhood and then another black family moved in. So it was a police detective, Mr. Anderson. And then a couple a couple other folks moved in and it kind of just stayed like that. That neighborhood stayed intact. But the neighborhoods where everybody left tax base left, schools fell apart, infrastructure fell apart. You know, like, Wellston, it just fell apart completely where my dad grew up.

Joe: So a lot of my listening to this I'm sorry. I was just going to say, a lot of people listening to this have heard of Ferguson. Yeah. And you're talking about an area not too far from Ferguson.

Brent: And we're just up two miles south of Ferguson. We're about four or five miles south of Ferguson.

Joe: And Ferguson is not a bad area. It's actually nice. Yeah, mean, people outside of St. Louis think that it's in the hood or it's in the really bad area. It's no, it's a great little nice area. I wanted to ask about this. Why do people leave back then? Because some people are going to think, well, weren't they leaving mainly because there was newer housing out there, bigger property, bigger backyards. That was the trend of the suburbanites, suburban areas where you get newer homes, newer schools, bigger backyards, more space between you and the neighbors, because that also been a reason to.

Brent: Oh, yeah, man. I mean, I think absolutely. I don't know that those two things are separate because at the same time, you've got this new supply and then you have an increased demand if you're seeing large exoduses in mass and it's all one ethnic group.

Joe: Yeah. So you're in an area of U-city. It's more progressive. I would say. Is that fair? I'm not a bit like we want to keep politics out of this. Yeah, but progressive in a not a liberal versus conservative way.

Brent: It's pretty liberal actually.

Joe: So it is OK. Yeah it is. Yeah but all right. I wanted to ask you I wanted you to retell the story when you were telling me you wanted to do some remodeling on your house and you're in



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a city, a good area. Yeah, we wanted to do some remodeling and you looked into the house in the covenant's or something like that.

Brent: Yeah. So I read a book, I think it was like four or five years ago called *The Color of Law* by Richard Rothstein. This book is like this through thick, and it's just very detailed history of the way that real estate and race interacted from like the twenties till the till the press. I mean, it is a like a it's a very detailed historical book. Right. And the way that that writes is very like kind of granular. It gets into the weeds. And so I'm reading about St. Louis in the book because St. Louis comes out and it's talking about all of these kind of racially restrictive covenants that that were imposed on St. Louis, these red line districts where, like they call it that because they were literally take a red marker. Line it out and say no loans in this section, like black sections where black folks live and there's all these different. He was documenting all of these different racially restrictive covenants, restrictions, ordinances, codes, all this kind of stuff. So I live in U-city. So I'm thinking I wonder, because one of the premises of the book is like a lot of neighborhoods had these racial restricted covenants. So I'm like, I wonder if our if my house in my neighborhood does. So I emailed the librarian right down the block. I'm like, hey, do you guys have any kind of the legal indentures for my name or my address? And so she said, yeah, all the restrictions, all the restrictive covenants, all that are that or the indentures are over here. She sent me a link so I pulled mine up. I found it.

Joe: These are deed restrictions and they're still in place and valid today.

Brent: Oh yeah, this is still in place and my neighborhood. So this is the indenture that governs my neighborhood. And so it was drafted in nineteen twenty two.

Joe: So let's explain too. This says, you know, you can't have a fence above this certain height.

Brent: You can't let the gutters, don't paint your doors purple, you don't put a fence in the front yard, you can't have antenna's, I don't know, all that kind of stuff like all the stuff that you probably weren't going to do anyway. But you can't park your car on blocks and it ought to be like so that kind of stuff. So it's got all of this kind of super boring stuff. And I'm reading through it. And then I see on like in the middle of it, like it says, there was a part where it says you can see that you might not be able to see that, but it says words removed, OK, words removed. So I go down to the words removed and I find that there was a phrase, the



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words that were removed basically say that this how these houses in this neighborhood may not be used by. And then the words that were removed were Negroes or Malays, as I had heard of the word Malays. But I looked it up and basically it was a it was a term in the nineteen twenties that meant brown people. Like Asian, anybody brownish. So basically the covenant, my covenant in my house, in my neighborhood says, no, black people or brown people can live here.

Brent:

Now that that part of my indenture was deleted, the words were removed and I'm like when were they removed. I'll just show you this real quick because it's just so freaking crazy. The words in blue were removed in nineteen ninety-three. I'm like, wait, the restrictive covenants that says no black or brown people can live in this neighborhood that you like, that wasn't taken out of this covenant until nineteen ninety-three. Wow. So now it wasn't enforceable from legal standpoint after nineteen sixty-four because of the. Well what happened in sixty four Housing Act I think came out in sixty and said hey none of that stuff is enforceable and you can't tell black people to live in your neighborhood. OK, so that was like a federal act that came out in 64. So technically that would not have been enforceable if somebody took it to court. But they didn't it wasn't stricken from my, you know, my house until nineteen ninety-three. And like, this is where this is like where I live. My children live here and my family lives here and I'm like man. So that really I think that that piece of it for me, Joe, I just started really thinking deeply and you know, and it struck me also from a spiritual standpoint, you know, like a justice standpoint, like I just started going, man just I hadn't seen it that close. You think you kind of hear about it in the past in the abstract and you go, wait a minute, my house my house was restricted. No black people, brown people that live in my house. And that goes there until nineteen ninety-three. And I just so that's what kind of got me researching this stuff a little bit more diving a little bit deeper.

Joe:

Well one of the things we were talking about this is these are things I've wrestled with. Right, because we all understand and agree that housing discrimination is wrong. But somebody might say, listen, like we passed that law in the 60s, OK, we're past that. Why does it still matter today? And like what? Yeah. So what if it is and the restrictions on people were they were idiots back in the twenties. Right. So how does it still affect people today?



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- Brent:** OK, I think that's a great question because I mean, I think most of us think about ourselves in the present tense. Sure. We kind of in a snapshot like we're right here. Right. But when I think about nineteen sixty-four, what I think about is, OK, that's my parents. And that's your parents. Yeah. That's almost everybody that I know as parents were born before nineteen sixty-four and lived through that period. That means every black person that I know, every black person that goes to our church, either they. Or their mom and dad were not allowed to live in my neighborhood, which means they could not accrue equity in a whole generation of wealth, access to nice schools out West County. I mean, now we all know that there have been people of color who have, like, grinded it out, figured it out, gotten out.
- Joe:** Nellie owns, is it Nellie or Fifty owns a house in Wildwood? It's been in the news lately, too. Oh, yeah. It's like a big two-million-dollar house and now it's only worth like five hundred thousand. But that is it.
- Brent:** I'd still take it.
- Brent:** Bad example, you know, but we know when you think about it, like as a as in a large group, you think about every black person, you know, mom and dad were prohibited from the benefit of owning a home in a nice neighborhood, which means they were prohibited from owning from building generational wealth and that kind of equity that you can build in a home and like having access to a good school district, all of that stuff, like every black person, you know, his mom, his or her mom and dad were subjected to that. And so, so. So, yeah, we're done with that. Part of it for me as I look at it, is, you know, you got from 1619 to 1964. You've got either slavery or Jim Crow laws or racially restrictive. You got something blocking the way, blocking the path. Stealing. And so then the rules changed in nineteen sixty four. Thank God. Like, like OK we're going to go fair and square. Right. But the consequences like the long-term consequences for an entire population for that kind of oppressive covenants and restrictions, the fact that the long term consequences of that I think are the thing that we see now didn't just go away.
- Joe:** That is what you're saying. It didn't just disappear.
- Brent:** Yeah. Like, the analogy is like a football game or like what's your like what's your sport? What do you like?



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Joe: Baseball.

Brent: OK, so two baseball teams. Right. And one of let's call it an orange team and one's a green team. And every time the green team comes up the back, the ump strikes when it's balls. Every time they hit a hit or a homerun or whatever it's called back, you can't they don't allow you to score. And then the orange team is allowed and they score every time they score, they're allowed to score, they get on base, whatever. You know, it's the seventh inning out orange when twenty eight to zero. Right. Come out. It's seventh inning. Go. You know what guys? We screwed this up. We shouldn't do this. We're going to play by the rules. Everybody fair and square. Right. We're going to play by the rules now. Well you know seventh inning. Twenty-eight to zero or whatever. Right. Half the green team is like screw this. They checked out in the fourth inning because it's like this sucks. The ones that are left are tired. And so you got a few more innings to try to score. But the thing has been weighted against you for so long as a team, as a group that without some intervention, you're going to hit you're going to get some scores, you're going to get on base. Right. But you're not going to catch up. You're not getting twenty eight runs and you're not going to slow down the other team anyway. I mean, and so I kind of see it in that light like this. The impact, the consequences and the effects of these laws on our current situation is like that. Like we stopped the steal, right. We stop the injustice in the sense that we passed laws as a country said they can't do this anymore. But the consequences of what we've been doing aren't just still like all you got to do is just look at any black neighborhood in any city in any predominantly black neighborhood and higher crime rates, higher incarceration, drug use, despair, depression, whatever neighborhood crime, the impact, the effects of. Well, of these kinds of policies that got stopped by your mom and dad and my mom and dad at that age. The long-term consequences of those is we're still feeling that. We're still seeing that. Even though we technically stopped.

Joe: Yes. This is crazy to think it wasn't that long ago.

Brent: It wasn't. That's a weird thing.

Joe: And even if they could buy a neighborhood would let them in. Was it really that hard to get a mortgage?



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- Brent:** So like the mortgage. So mortgage lenders were also permitted to not issue mortgages to black people. In fact, in many cases their company's policy was to refuse any anybody. So there would sometimes be like a white person who would get the mortgage for the black person and they would try to work it out that way. But then if they had a racially restrictive covenants in the neighborhood, then that the neighborhood would sue and then the black person would be kicked out anyway when black people were allowed to buy. This is really interesting, when black people were allowed to buy in neighborhoods with some of the studies have shown is that property values would go up as a black person would be willing to pay more to get into that person because it was so limited. They have such limits, so limit so few options that if they did find a neighborhood that would allow them, then they're going to pay top dollar to get in and which would bring up the property values of the other houses around them.
- Joe:** OK, so you started a ministry to, it's not even would you call it a ministry to help?
- Brent:** It's technically a secular nonprofit? You know, I'm a preacher pastor. So I can't like everything for me is steeped in the church. But it's yeah. It's really I would call it like a justice organization, you know. You can call it a ministry.
- Joe:** I want to talk about it real quick and then I want to talk about some other things. But it's the website. I want you all to go to it. It's called TheFamSTL.com. TheFamSTL.com. I'm going to add it in here to the banner. Make sure I spelled it right. Is that it right there?
- Brent:** That's it. Perfect.
- Joe:** Yeah. TheFamSTL and the website says your goal is to eliminate race as a factor in homeownership throughout St. Louis in one generation. All right. So eliminating race as a factor in homeownership. Yeah. One generation. Would you say it's still a factor today?
- Brent:** Yeah, it's a factor. Like it's a factor. If you look at it, all you have to do is look at the percentage of white folks that have owned homes in the percentage of black folks that have homes. And, you know, there's a massive disparity. Right. And you're left with the question, why is that disparity? You know, and then you've got you had some really tough with. Right. Is it because somehow black people are inherently worse at buying homes or don't work as hard or don't care as much? Is there something inherently or implicit about



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being black or is there something was there something that is that has been imposed on us that has caused it to be this way? You know what I mean? Certainly still a factor in the sense that, like in every respect, blacks have lower as a statistically just lower income, higher crime rates, higher incarceration, all of that. Right. So race plays a factor in all of that.

Joe: I want to share my screen here. And those of you listening to the audio, you will kind of read this out loud as well here. This one, isn't it? This is TheFamSTL.com. And this is the home page. This is the data. I want to talk about the data here. Can you see OK, looks good there?

Brent: I'm pulling it up on mine, too. All right.

Joe: Children born into African-American households will experience on average, higher rates of poverty, higher likelihood to be victims of crime, fewer educational opportunities, lower incomes, greater rates of income incarceration, higher rates of drug alcohol addiction, lower high school and college graduation rates, and a shorter life expectancy than their white counterparts. This is crazy to me. The median wealth of white households in the United States is one hundred and seventy-one thousand dollars a year, which is ten times the median wealth of black households, which is seventeen thousand one in four black households have zero or negative worth net worth, compared to less than one in 10 white families. And you sure you compared here to zip codes. And when I first saw I saw this, I thought, is that fair? But explain. I think it is. And explain this a little bit. These are two zip codes that are right next to each other, right? 63105 and 63106. The difference in the racial makeup, it's about seventy eight percent white in the more expensive zip code and it's a two percent white in the city zip code.

Joe: Four percent unemployment in Clayton and twenty four percent unemployment in Jeff Vanderloot. Seven percent live below the poverty line in Clayton. Fifty four percent live under the poverty line. And the other zip code, 90 percent sorry, ninety-thousand-dollar median household income over there. Fifteen thousand dollars median household income over there. Life expectancy. Eighty-five over here. Sixty-seven over there. Yeah. And then this goes into more of the causes of the problem. I want people to just I want people to go here and look at this. This is, it'll disturb you in a in a good way and it'll make some of you very uncomfortable. And I'll be honest, it made me uncomfortable. And we'll talk about



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that in a minute, like, OK, well, what can I do about it? Right. Like, what am I supposed to feel guilty? And the whole thing of white guilt. We're going to talk about that. And so Brent had some really good things that he shared with me later. But look at this, guys.

Joe: Ninety eight percent of homes loans. Ninety eight percent of home loans and white families from 1934-1962. 98 percent of all home loans went to white families from nineteen thirty-four to nineteen sixty-two. So this goes on and I like this too. In other words, the upward and downward wealth trend set in motion by decades of state sponsored discrimination policies will not reverse themselves. They will continue to move in their respective directions until they are systematically halted and reversed with the same degree of intentionality with which they were originally set-in motion. So I want to talk to you about the solution, Brent, and what can we do about this? It seems overwhelming. If you first can recognize that it is a problem. Yeah. Oh, my gosh. Now, what do we do about it? Yeah. What do you say to that?

Brent: So my gut on it is this: every other every factor that you can think of that demonstrates either the good life outcome or a bad like almost every one of those factors is tied to where you live in the United States. That is that little illustration. Shows like where I live is going to impact level of education that I can get the level of the kind of groceries I can buy. The house in my neighborhood is like literally every everything, the amount of drug addiction in my neighborhood, the amount of crime and the amount of gangs. So where I live impacts every so my the intuition that that that me and the other folks that kind of got this thing going is that if that is the one factor your home where you live, that that impacts so many other factors. And for most Americans, this is your main I guess you would call an asset. Like this is your home is not only a place where you live and sleep, but it's like the best investment that you ever get to make for your average family. So, like, if and, if the problems started as a result of this with the housing, because I think and I'm not like I'm not like a researcher, but the people who have looked at this have said like even like where you live, it kind of created it basically created ghettos, because the more you put poor people together and then prevent them from rising up, then you are going to have increased crime, drug use and despair, all that stuff.

Brent: So anyway, so the intuition is, OK, if we could actually provide opportunities for people whose moms and dads were prevented from experiencing some of the things that that you and I know to be like really value homeownership and everything that goes with it, then



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perhaps the solution is baked into that very same dynamic. So what if we find a way to provide homeownership opportunities for African-American families and individuals in St. Louis to give them an opportunity to live in a neighborhood that where their kids have it have a shot at a competitive school district is safe. Guns and bullets flying around? We don't we're not we're not shooting for Ladue and Clayton right now. We're like, but what if our what if our client was able to move into a place that was safe and good and healthy and that would give them a better shot. So that's why we ended up with this model of basically saying this is what caused the problem.

Brent: Maybe this is where the solution is to provide opportunities to the best of our ability to provide opportunities for people who are working, making money, but who are behind because the generation before them, we're way behind the generation before them were just shattered. But because I mean, I just know so many people, African-American folks who work working hard, working two jobs, but they're digging out from generations of bad stuff that felt like they've got tons of student loans, you know, working hard, but renting, just not getting ahead. And so our first thought was like, what if what if we put together an organization that could help people buy homes and start building wealth, start creating generational wealth, start building equity, start having some being able to map out a path for their life. So that's how we ended up on this.

Joe: So what does that look like? What do you guys do for them?

Brent: So this is where it gets really interesting because each family is so different. Some of the families that we're working with have great income, but they have really bad credit and in debt. So we are working to design ways to increase their increase their credit score and get rid of some of the predatory debt we have. We got folks in our clientele that have predatory loans that are in the 20s and 30s percent, just like what in the world. But, you know, a lot of our clients. They are first generation that might be first generation high school, first generation college, and without a lot of help from the prior generation. So we're kind of customizing the solution for each client and working with different lending institutions to kind of bring in some of the programs that they have working with them, increasing debt or decreasing debt, increasing your credit score, doing some personal finance, training, budgeting, training, education around those issues, providing other kinds of support. There's legal support needed, wraparound services and basically customizing this for each for each family.



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- Brent:** This has been our, we kicked this off recently. So this year is we're working with each family individually and learning. We're finding out what we don't know. A lot of in a lot of ways we're like, oh, OK. Yeah, didn't expect that. All right. Let's address that. Fortunately, we've got tons of people in the community around us that are financial people, real estate people, lawyers, all these different mental health counselors, like all these different people that are also going to jump in and be a part, because it does take all of that to kind of move the ball forward.
- Joe:** One of the things I want to ask you is how can real estate investors actually help you with this? And first, I want to talk about something here like with any podcast. Most of the audience is like the host. Right? So most of my audience are white like me, they're suburban dads and suburban moms. I grew up pretty poor. I know I was poor. My dad was a hard worker. He was a janitor. I grew up I was in trailer park, grew up in a trailer park. My dad worked at McDonald's for a long time and then became a janitor and then kind of started his own business. I didn't know I was poor until actually I started really thinking about it like 20 years ago when I was in my twenties. Yeah.
- Joe:** And like, oh, man, I guess I was poor back then, but like, I didn't have, none of my family went to college. And I'm speaking to what I know some other people. These are things that I thought myself and I know a lot of other people are thinking this like, you know, yeah, I understand there's discrimination, but like, hey, I didn't have it easy either, right? Like, we grew up poor. We didn't have much. I had to pay my way through college. I had to go get a job and work my way. And so I graduated from college. Talk to the person you brought up a really good analogy.
- Joe:** And the other thing I want to bring up here is the whole the white guilt thing, right? Because like sometimes guys like me, like some people now get on the defensive all of a sudden to think, wait, we know you want me to just apologize. I didn't have anything to do with that back then. And now, you know, if you listen to NPR or something like that, you can get these white people that are telling you all the other white people. You need to feel bad and you need to. So then they're like, well, wait a minute. Like, it's a big mess right now, especially politically. And what's gone on with the politics. And there's a huge divide and it's sad. And I really am hoping that this podcast maybe does a little bit of introspection to white folks like me. And so you brought up a really good analogy of the Good Samaritan, like, yeah, what was that talk about that?



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Brent: Yeah. So, you know, I think shame and guilt and condemnation, all that stuff. Honestly, man, I don't think it's helpful. I don't think it's useful. It doesn't get you anywhere. It's not, I think it can be. I honestly think it can be counterproductive because if you've done enough mea culpas. Right. Then then you've you're absolved. Right. Like, OK, well, I already said I'm sorry. So I'm not I honestly don't like that stuff. I just can't. I can't. I don't I don't I don't think that's helpful. The story of the Good Samaritan is what is what strikes me from a faith standpoint, because good story, Good Samaritan, your listeners probably know the story, but a man is a Jewish guy is like been beaten and left for dead at the side of the road. And then a priest comes by, sees the guy, goes to the other side of the road, keeps on going. Alley by another kind of religious pastor basically comes by, sees the guy, goes the other side of the road, keeps on going. A Samaritan, somebody who doesn't share this guy's faith, doesn't share his ethnicity, doesn't share his language, whatever. Total minority. Minority. Yeah. Is that right. Comes over and not only helps the guy heals the guy puts it, puts it, puts him on his donkey, takes him to an inn and pays. The innkeeper says he'll take care of this guy. And if I owe you anything else because he has stay longer, I'll come back the never does he say, not my fault.

Joe: He never said it wasn't. It's not my responsibility.

Brent: Not my responsibility. He never says that. He says, I see a guy who's been injured. I see a guy who's been harmed. I see a guy who's been hurt and I have compassion. I am moved with compassion because I see that an injustice was done. I'm not feel guilty about the injustice. I didn't do the injustice the Good Samaritan didn't beat the guy. But I'm going to do something about it because I can and because it's the right thing to do. And so I think of it like this. Responsibility irrespective of culpability. Right. So the Good Samaritan is not culpable. He didn't do anything to put the Jewish guy on the side of the road beaten up and bleeding. Irrespective of no culpability. He says, I'm going to take responsibility because it's the right thing to do, because I've seen an injustice and I want to address the injustice. In that analogy that metaphor translates for me into this situation. Anybody of good will. I don't care what your political background or your ethnicity or whatever anybody with their eyes open says, hey man, there's been three hundred and fifty years of brutal injustice against a group of people and that injustice legally ended with your mom and dad in the long-term consequences of that. Like when the prodigal or when the Good Samaritan came up, the guy was no longer being beaten. So the injustice had been stopped. But the healing



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hadn't happened. And so this is kind of like, all right, let's just bring a stop to this. Let's see if we can make the guy whole again.

Joe: I love that analogy, too, because, like, nobody asked the Good Samaritan to feel any guilt to take any responsibility in terms of like, oh, this is my fault. He just took he just did what he could to fix it because he had compassion. And I was reading that Bible verse yesterday morning after we talked. Yeah. And that verse just struck me because he had compassion. And that's so much like what God does for us.

Brent: Yeah. Yeah. I mean, this compassion basically means I feel you. I feel your suffering, you know, and as you're describing your background, Joe, and I'm thinking like I'm not I'm thinking of your dad worked his butt off and grinding it out to give you guys a good life. And I'm thinking my story is very, very similar. And my grandpa had an 8th grade education, both my eighth-grade education. My grandpa was a bus mechanic in St. Louis. And he actually worked for the three Cs, which was a welfare organization that allowed guys that were dirt poor to go build bridges and they would send the money back to their parents. And fortunately, he had opportunities. He could buy a house. He was able he was he was permitted he was legally permitted to do that. So he did that and he started to get ahead and ended up being like a middle class guy. Out in Bridgeton by living in a Mark Twain Lane, which is nice.

Brent: And so we see that when somebody is given a shot, when people have an opportunity, when they can see a path, you know, if you got any you got any guts and hutzpah, you're going to get out there, you going to grind, you're going to work. And for me, it's like I want to I want to help poor people who maybe they don't see the path in. Not because I feel guilty or ashamed or anything like that or condemn just because, hey, man, there was a problem. There was an injustice. That's why I talk when I talk about this organization. It's not a charity organization, it's a justice organization. We're trying to address a wrong that hasn't been addressed.

Joe: This is really good. And again, I want to encourage you guys to go to TheFamSTL.com talk a little bit. But just real quick about what can we do?

Brent: I like the question about the real estate investor thing, because one of the models that we are looking at is, so some of the lending institutions are willing to give, they're willing to



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take a risk on some of our clients. And then our organization, The Fam, we're willing to subsidize that risk. Right. So let's say that bank says we're going to give you a 90, 90 percent loan or an 80 percent loan. And The Fam says we'll give you 20 percent. And now we can get this family situated surround them with some support. Now they're homeowners. They're paying their mortgage. Right. One of the things that we are willing to do and we're beginning to explore this is we'd be willing to sell our loan at a discount. We're an organization that is a nonprofit. We're not trying to make money. Nobody in our organization is paid. Zero dollars. We have no overhead. Everything that we do is is at, towards, I think we've spent like less than two thousand dollars on a website, a couple of things like that.

Brent:

But one of the models is would there be investors out there that would be interested because they're passionate about this or they care about this and taking the loans, our loans and we sell the loan and we take a loss and it's you know, and then that investor would actually own a second mortgage on that house or whatever. You know, so those models that we're beginning to explore, you're smarter than me on all this, Joe. I mean, if something like that worked, if you had listeners that said, you know, I kind of dig what they're doing, I don't want to I don't maybe I'm not a position to give a big chunk of money to the organization right now. But I would feel pretty good about holding the mortgage on a house of a family that's trying to make it. And, you know, and it's not going to you're not going to get a massive return, but you can get some interest and you could be helping somebody out and being a part of something cool.

Joe:

You know, there's I just interviewed a friend of mine earlier today. His name is Adam Zack, and he has a company called Set Your Rent, Set Your Rent. And what he does is he helps people that a lot of small business owners who can't get a loan right now, he if they have enough money to put down 10 percent, he will actually go pick buy a house for them. He's got the investors that will buy the house and then either lease option it back to the tenant, give them a couple of three or four years to buy it. And so if anybody listening to this, I encourage you go back to listen to that. Adam, Zach was his name on my house and he has a website. Set your rent. He's just he's only done by twenty-four, twenty-five of these deals. And he's in North Dakota, I think North Dakota. But yeah, there's a lot of my audience is familiar with rent to own lease options. I just want to talk about this real quick.



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Yeah. And Rent to own is a great strategy, but it's also been abused in the lower minority community, in the lower, cheaper neighborhoods, lower end, cheaper neighborhoods. Right. Can you talk about the whole that all of that that's going on? Because it's sometimes gets a bad rap and justifiably so in a lot of ways. Right. But like, there is a good way and a right way to do those kinds of things, right?

Brent: Yeah. You know, one that I'll talk just for a minute about how one of the abusive ways that it was done before. They were called land contracts and they were they were so onerous that, like you ended up in a much worse financial position if you got into one of these than you would otherwise, because at the end, if there was any little T not crossed or not dotted, then you would end up losing your house altogether. And a lot of black families, actually, that was the only way that they could buy a home because of the restrictions, all that. And so that made it even worse. I have seen situations to where a lease to own is a kind of, I don't know if it's a bait and switch, but it's it can be a kind of hold that out there, like this carrot out here. You could own this. The terms are so bad that at the end of the day, like, it just it doesn't make sense. And they actually end up not only owning anyway. So, yeah.

Joe: So what is the right way to do it though.

Brent: The lease to own or the rent to own. I mean that's another model that we're looking at for us because it would require like no down payment for our client and they would be able to pay rent and then we would be able we would either take the loss because again, our organization is OK taking a loss on each family and we're willing to spend money on each family. That's part of what we're doing. So I think one way we could do it would be like the rent that that has been accrued over X percentage of time. We could end up rolling that into the, you know, into the total debt. And then and now they've already got equity immediately.

Joe: There's a lot of investors that are rehabbing houses. They're buying houses in good, solid areas and they're wanting to maybe rent it, maybe sell it. They don't know. Are you looking for investors that could maybe bring you deals, not necessarily give them away and donate them, but like, I bring you good solid houses? Yes, it might be a good fit for one of these families?



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- Brent:** You know, that would be huge. One of the one of the things that we one of the guys that we're working with is a guy named Brandon Wilkes in St. Louis. And he's also a pastor. And he also has a passion for this. And he's also great at construction. So one of the things that he's been doing with some of his folks is he and his wife will buy the house. They will rehab the house. They'll basically make the house worth. Let's say the house is worth one hundred thousand dollars. After the rehab, they will sell the house because they bought it for 50. They put twenty-five in. They'll sell the house for eighty-five. They'll make ten thousand. The home that they're not trying to make, that they're trying to do what we're doing. And the family that moves in will have twenty thousand dollars in equity the day that they walk in the door. So that's a pretty that's a pretty sweet model also.
- Joe:** Well he sell it with owner financing or lease option or how is he selling it?
- Brent:** Yeah, I think they are holding the note some of those. OK, yeah.
- Joe:** And I love that too. In a lot of ways it's a bigger win-win. If you have a property and you're selling it, if you can sell it on a long-term owner financing with none of the shenanigans of subprime loans. You know, that's a great way to sell properties instead of being the landlord, you can be the bank.
- Brent:** Yes, but that's that Joe that was the original idea for The Fam. And we want to build it to there because that also makes The Fam long term sustainable, where we're not always coming out and asking for donations and grants and all that, because if we hold the note on enough properties, even if we have very low interest rates, then there's a constant source of revenue for The Fam, which then we can buy more houses.
- Joe:** Yeah, well, that's cool. I think there's somebody there's got to be somebody listening here to this podcast who can think of some good creative ways to help a ministry, an organization like this, even if it's not in St. Louis, it's maybe in your own market. This is something that you guys should really look at. We're coming up to an hour already crazy. But Brent, the main website is TheFamSTL.com. Is it OK if I give your church website out also? Sure. I already got it up here anyway. Oh, sure. Anyway, OneFamilyChurch.com, you got two locations, one in this neighborhood, one in the Delmar Loop.



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- Brent:** So this campus will physically reopen in two weeks, March 14th. Wow. OK, so we are online. Everything is online now. Both campuses reopened on Easter Sunday and then both campuses will be back in person starting Easter Sunday. Going forward with what we call fully digital means we're fully fit, will be in person and fully digital. All our industries are offering both ways.
- Joe:** You're breaking up a little bit. It's a cool play on words, physical and digital, phigital? Digital, television. This is good and this is really good. We could talk a long time and just look at my notes here to make sure I don't have any other one thing through. This was really good. You talked about like being willing to embrace imperfect solutions. Talk about that because I thought that. Yeah. So when you talk about what are the consequences of not taking care of this problem? Remember that we were talking about that?
- Brent:** Yeah. So I think the one of the one of the things that people get nervous about is they go like, what can I do? Right. And when you start to try to figure out what to do, a lot of times we go, well, that's not a perfect solution. Yeah, my mind is, in my mind, it's like, OK, there is no perfect solution. The perfect solution would be to undo the oppression and discrimination of the past and start over and not do all we can do that. It's wildly imperfect, though, to say can't do anything. Screw it. Good luck. I hope it works out right. If there's an injustice, it's kind of like this. I got four kids in one of my children. I find out that my oldest son is stealing a dollar from my youngest son every day for a month. At the end of the month I go, Son, what are you doing? Stop stealing your brother's money. And he goes, OK, I'm going to stop stealing my brother's money. And he and I go, Well, where's the money? I want you to give it back. And he goes, Oh, I spent it right. That means we have an imperfect. So we got to come up with an imperfect solution. But it wouldn't be appropriate for me to just say, OK, well, if you already spent it, then there's nothing you can do. Right. I've got to come up with a way to address the injustice that was done to my youngest son by my oldest. Right. So it's the same with this. We can't not do something just because it's not perfect. There is no perfect.
- Joe:** And just because I didn't cause the problem. Right. So this is not an excuse. Excuse me. That's not an excuse to say there's nothing I can do about it. Right. I mean, you certainly can if you want. Right. But if you want to you let's just talk about God here a little bit. If you want God's blessing in your life, then you need to be a little more charitable. You need to have a little bit more compassion, and you need to be a little more generous in your time,



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your resources, your treasure, your talents and all of that stuff. And I think that this is so important for people to hear. Yeah, if we want God's blessing as a nation, as a city, you know, this is something that we can't ignore, right? This is something we cannot ignore. And if we want God's blessing, this is I think the only way that we can do it is because.

Brent: Isaiah fifty-eight. Isaiah fifty-eight. God says what kind of, he's fasting. We're in Lent right now for a lot of people, what kind of fasting do you want? What kind of fasting pleases me, God says and he goes, I take care of the oppressed, lift the hand of oppression off of people, free people, lean in, help people, serve people, take care of people, and then the light will break through on you. Your fountains will be full. I mean, it's like this picture of like what we become when we're willing to love each other and care for each other and look after each other. Not because, like, I'm guilty, I'm ashamed I did it. None of that is because when we see something that is not right, that is not the way God would have wanted it to go. And we have the power to do something about it, brings it brings it as much benefit to us as to the person we're serving. I mean, my life expands.

Joe: That is so good. What you just said.

Brent: And then my life expands. When I pour out for somebody else my life, it just creates room for my life to be filled up more.

Joe: You get more blessing out of doing the giving and giving the compassion. You actually get more blessing out of it than you're actually giving to the other person.

Brent: That's right. That's right. That's right. They've been you've been such a powerful you know, it's more blessed give than to receive. I mean, that's the scripture, right? It just is just one of my favorite books of all time.

Joe: Robert Morris's book The Blessed Life? Yeah. And I love that book and it's exciting and get to give. So anyway, appreciate you being on my podcast. Brent TheFamSTL.com. TheFamSTL.com. Go check it out, guys. There's some information about things, ways that you can help even donate some money if you want. But I think more than that, it's just like how getting educated and recognizing that this problem does exist and we can't just ignore it. We need to be we need to have some compassion. Yeah. And I think that's so



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critical. TheFamSTL.com and your church website, you have a lot of online sermons as well. If you see your videos. OneFamilyChurhc.com. Yeah.

Brent: Hey, thank you, man. This has been like a joy for me. And I'm going to start listening to your podcast and get educated on real estate. This is awesome.

Joe: Thank you very much. Maybe we should play some golf some time.

Brent: I'm down for that. I'm a terrible golfer, so we could play basketball, but I like it. I'm just bad at it.

Joe: Do you like golf? Do you have clubs?

Brent: I don't have clubs. I'm left-handed. My wife just gave my clubs away, but I rent some.

Joe: I'm going to ask your wife if you can play golf.

Brent: She said these are collecting cobwebs. You don't use these. So she gave them away.

Joe: All right. Sounds good. Thanks. We'll see you guys later, everybody.