Rhetorical strategies according to priya s. gupta

Sociology, Communication

Summary & Critique Essay

Priya S. Gupta's article entitled " The American Dream, Deferred: Contextualizing Property After the Foreclosure Crisis" is about the foreclosures of the mid 2000's and how the author believes that, " in order to formulate new federal housing and homeownership policy goals, the under-lying vision of property rights that informs such policy needs to be examined and re-oriented to one that recognizes the nature of property (specifically with regards to residences) as an interconnected and contextualized regime" (Gupta). The audience for this piece is people who want to know more about the crisis and the steps that the nation as a whole has to take in order to make sure that an issue as great as this never happens again. Her rhetorical strategy is logos, as she uses factual evidence to support her argument. I believe she is successful in this as her methods for discussing the data points she brings up are well versed and thought out.

In the beginning of the piece, the author states that she believes that the government treated homes mostly as an investment organized into a contract, meaning that the foreclosure crisis was due to the bad investments that were entered with mortgages. The author argues that because of this, the people's rights to their homes were " comfortably limited, especially for the irresponsible investor and poor negotiators" (Gupta). This resulted in an extremely small amount of possible solutions, in which most of the solutions relied on the financial markets support instead of reforms. The author, later in the piece, then goes on to discuss how the government pushed the idea of a home as a castle, and how " the federal government's material support and rhetorical dissemination of this ideal in the mid-twentieth century enabled homeownership of a certain kind of house to be deeply embedded in the American psyche” (Gupta). Priya states that the move toward this belief resulted in “ selling the same physical dream of the castle, but with purported significant investment benefits meant to come from homeownership” (Gupta). The author finally argues that before, and while, the foreclosure crisis was in full swing, the government treated houses as commodities instead of long term investments. I feel that the main points in the paper were excellent in regards to using evidence and providing insightful information and summarization of the topic. I feel as though the author may have pushed the “ government at fault angle” a little too hard, as there were many other contributing factors to the housing crash. I feel as though she, deep inside, is somewhat anti-government and uses this medium to push as much blame to the government as possible and sometimes reaches very far to connect issues to the government and how they were a major factor.

The other article regarding the housing crisis, by Yuliya Demyanyk and Otto Van Hermert entitled “ Understanding the Subprime Mortgage Crisis” talks more about how the housing crisis was a result of subprime mortgages and how they caused the crash, more so than the governments lack of intervention. The authors show graphs depicting actual and adjusted delinquency rates over the age of a loan, with multiple lines representing different years. The authors state that, “ The poor performance of the vintage 2006 and 2007 loans was not confined to a particular segment of the subprime mortgage market…fixed-rate, hybrid, purchase-money, cash out refinancing, low-documentation, and full-documentation loans originated in 2006 and 2007 all showed substantially higher delinquency rates than loans made the prior five years” (Demyanyk and Van Hermert). This shows that the crisis was not in fact, mostly the result of hybrid and low-documentation mortgages. The authors state that loan and borrower characteristics were very important in explaining the loan performance. The authors the go on to discuss how the loans deteriorated over time, as well as the fact that “ over time, the average combined loan-to-value (LTV) ratio increased, the fraction of low documentation loans increased, and the subprime-prime rate spread decreased. The rapid rise and subsequent fall of the subprime mortgage market is therefore reminiscent of a classic lending boom-bust scenario” (Demyanyk and Van Hermert). The authors state later in the paper that they believe that a major factor of the bust was a negative effect of the 1977 Community Reinvestment Act and Government Sponsored Enterprises housing goals. The authors believe that act is why they found an increased chance of delinquency for loans in low to middle class income areas. The authors, later in the article, discuss a table which shows the descriptive statistics for first-lien subprime loans. The authors state that, “ in the first block of Table 1, we see that the annual number of originated loans increased by a factor of four between 2001 and 2006 and the average loan size almost doubled over those five years. The total dollar amount originated in 2001 was $57 billion, while in 2006 it was $375 billion (Demyanyk and Van Hermert). This article does an excellent job at using physical data and proof that the loans and mortgage problems were the major defining characteristic of the housing crash, and the government didn’t have as big of a part in the grand scheme of things as the author of the other article would lend you to be believe.