ABSTRACT

This dissertation examines automobile title lending practices to interrogate debt as an embodied experience. Alternative financial services such as title lending provide a way to link socio-economic inequality to instruments of financial debt. The predominant research on inequality focuses on wage, income, and asset wealth; rarely is a direct connection made between socio-economic inequality and the object of debt. My interest lies beyond aggregate amounts of debt to also consider the ways in which different bodies have access to different forms of debt. This project examines how particular subprime instruments work to reinforce structural inequalities associated with race, class, and gender and how specific populations are increasingly coming to rely on debt to subsist. Using in-depth interviews, geospatial mapping, and descriptive statistical analysis I show the importance of recognizing debt not only as a conditional object but also as a lived condition of being. I conclude with discussions on dispossession and financial precarity to consider how the normative discourse of debt needs to change.
For Keiko, Rentarou, Hiro, and Koujirou, all of whom make up the pieces of me.
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TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>LIST OF TABLES</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>vi</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIST OF CHARTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>vii</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIST OF PHOTOS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>vii</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>Statement of the Problem</td>
<td>5</td>
</tr>
<tr>
<td>Comments on Method and Data</td>
<td>8</td>
</tr>
<tr>
<td>Chapter Summary</td>
<td>15</td>
</tr>
<tr>
<td>2 FACING SPACE: ENCOUNTERING DEBT IN THE LANDSCAPE</td>
<td>20</td>
</tr>
<tr>
<td>The State of Lending</td>
<td>26</td>
</tr>
<tr>
<td>3 THE WEIGHT OF MONEY: FINANCIALIZATION AND DEBT SUBJECTIVITY</td>
<td>35</td>
</tr>
<tr>
<td>The Fallout</td>
<td>40</td>
</tr>
<tr>
<td>Financializing the Fringe</td>
<td>44</td>
</tr>
<tr>
<td>The Subject of Debt</td>
<td>50</td>
</tr>
<tr>
<td>Enfleshed</td>
<td>55</td>
</tr>
<tr>
<td>4 AN ANGEL'S BURDEN: THE HISTORY OF DEBT AND ACCUMULATION</td>
<td>57</td>
</tr>
<tr>
<td>Accumulation</td>
<td>60</td>
</tr>
<tr>
<td>(Re)imagining</td>
<td>67</td>
</tr>
<tr>
<td>Demand by Whom</td>
<td>75</td>
</tr>
<tr>
<td>Apparitions</td>
<td>78</td>
</tr>
<tr>
<td>CHAPTER</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>5 INSCRIPTION: THE CONTRACT OF DEBT</td>
<td>81</td>
</tr>
<tr>
<td>Bindings</td>
<td>83</td>
</tr>
<tr>
<td>The Contract</td>
<td>89</td>
</tr>
<tr>
<td>The Cost of Credit</td>
<td>94</td>
</tr>
<tr>
<td>When the Music Stops</td>
<td>99</td>
</tr>
<tr>
<td>The Totality of Debt</td>
<td>103</td>
</tr>
<tr>
<td>6 CONDUITS: MOVING MONEY FROM THE BOTTOM TO</td>
<td>112</td>
</tr>
<tr>
<td>THE TOP</td>
<td></td>
</tr>
<tr>
<td>The Inside</td>
<td>112</td>
</tr>
<tr>
<td>Anatomy of a Beast</td>
<td>120</td>
</tr>
<tr>
<td>Back Inside</td>
<td>127</td>
</tr>
<tr>
<td>7 PARIS IN THE DESERT: THE SPATIAL PRESENCE</td>
<td>132</td>
</tr>
<tr>
<td>OF TITLE-LENDING</td>
<td></td>
</tr>
<tr>
<td>Maryvale</td>
<td>135</td>
</tr>
<tr>
<td>Debt’s Cartography</td>
<td>140</td>
</tr>
<tr>
<td>The Distribution of Difference</td>
<td>149</td>
</tr>
<tr>
<td>8 DISPOSSESSION OF THE SELF: TESTIMONIES OF</td>
<td>151</td>
</tr>
<tr>
<td>LOSS</td>
<td></td>
</tr>
<tr>
<td>Takings</td>
<td>153</td>
</tr>
<tr>
<td>Lost in Mind</td>
<td>157</td>
</tr>
<tr>
<td>Lost in Place</td>
<td>160</td>
</tr>
<tr>
<td>Lost in Time</td>
<td>166</td>
</tr>
<tr>
<td>Losing it All</td>
<td>174</td>
</tr>
<tr>
<td>9 CONCLUSION</td>
<td>176</td>
</tr>
<tr>
<td>New Framings</td>
<td>183</td>
</tr>
</tbody>
</table>
# References

References ......................................................................................................................... 186

# Appendix

A  LIST OF STATES WHERE TITLE LENDING IS LEGAL .............................................. 200
B  SAMPLE TITLE LOAN CONTRACT........................................................................... 202
C  MARYVALE CLOSE-UP ............................................................................................. 212
D  TITLE LENDERS ACROSS PHX-METRO ................................................................. 214
E  CORE DISTRIBUTION OF TITLE LENDERS ............................................................. 216
F  BANKS AND TITLE LENDERS ACROSS PHX-METRO ............................................. 218
G  RACIAL DISPARITY – SITE 1 ...................................................................................... 220
H  RACIAL DISPARITY – SITE 2 ...................................................................................... 222
I  RACIAL DISPARITY – SITE 3 ...................................................................................... 224
J  NEAREST NEIGHBOR ANALYSIS – TITLE LENDERS ............................................... 226
K  NEAREST NEIGHBOR ANALYSIS - BANKS .............................................................. 228
L  IRB APPROVAL ........................................................................................................... 230
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>List of Lending Institutions for Cash America Inc.</td>
<td>46</td>
</tr>
<tr>
<td>2.</td>
<td>Corporate Connections of Cash America Board of Directors</td>
<td>49</td>
</tr>
<tr>
<td>3.</td>
<td>Excerpt from Title Loan Contract</td>
<td>89</td>
</tr>
<tr>
<td>Chart</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>1. Nationwide Growth of Starbucks vs Payday Lenders</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>2. Total Assets by Year, Cash America Inc</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>3. Processes of Securitization Flow Chart</td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>4. TMX Financial, Expansion by Year</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>5. Gender Disparity in Unemployment in Study Areas</td>
<td>131</td>
<td></td>
</tr>
<tr>
<td>6. Percent of Workers in Management Positions (except farming)</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>7. Percent of Male Workers in Construction, Extraction, and Maintenance</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>8. Percent of Female Workers in Service Occupations</td>
<td>140</td>
<td></td>
</tr>
</tbody>
</table>
**LIST OF PHOTOS**

<table>
<thead>
<tr>
<th>Photo</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Panoramic View of Title Lending Saturation</td>
<td>22</td>
</tr>
<tr>
<td>2. Repurposed Urban Space 1</td>
<td>23</td>
</tr>
<tr>
<td>3. Repurposed Urban Space 2</td>
<td>23</td>
</tr>
<tr>
<td>4. Repurposed Urban Space 3</td>
<td>23</td>
</tr>
<tr>
<td>5. Early Maryvale</td>
<td>135</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

During the summer of 2015, I once again found myself considering the question of the story I was trying to tell. I had actively been working on my dissertation project for two years: I had collected data, conducted interviews, developed my theoretical frame, and yet I struggled to articulate the true essence of my project. I have long known that my project is about money and finance; it is about imagination and value; about abstract numbers in a contract and the materiality of life; it is about how we have come to require debt but also how debt dispossesses us. Mostly, it is about how a system of finance uses debt to create spaces of difference and how life is negotiated within that space. Yet, my work was always haunted by something I couldn’t see even when its specter was so visibly present.

The day this apparition came into focus I had just watched two videos in conjunction with one another. Neither addressed the subject of debt specifically but both spoke into this meshing of disembodied money and embodied life that rests at the center of my inquiry. Admittedly it was an odd pairing. Ta-Nehisi Coates and Paul Krugman possess different bodies, one black the other privileged; they tend to speak to different audiences, one black the other privileged. I do not mean to over simplify either their bodies or the content of their speech but on this day that was how I heard it, and I realized how important both their bodies and their messages were; I saw how their words pushed on the margins of what the other was saying. They both wore sports coats although one spoke from a pulpit and the other from within a climate controlled television studio. I thought about Marx and the coat he took in and out of pawn to collect money currency to
live and social currency to access libraries for research\(^1\). A century and half later I am still pondering this relationship between coats, debt, and knowledge, and to my ear that day both of these men spoke to the same.

Ta-Nehisi Coates (2015) was reading from his new book, *Between the World and Me*; he was recounting the anguished story of his friend Prince Jones whose mother had been born to sharecroppers and yet she had climbed the economic ladder to become a respected radiologist only to have her son murdered by the police with the same impunity of the men who had savaged the bodies of her parents and grandparents. There was a distinguished tenor to Coates’s voice as he read: it was stilled and beautiful. He read with a quiet urgency where one feels the absolute need to speak all the while knowing only half the world will hear you and fewer still will understand. He spoke about how the existential condition of blackness in America was always defined by a state of fear; regardless of the spaces you moved in and out of, regardless of the vernacular you gave up or adopted, there remained a condition of fear that wavered under the sheen and polish of the social progress within which we all pretended to live. The quiet, almost pained nods from the packed out pews told me that he was merely articulating what was commonly known in the black community. It is Fear that preconditions the precarity of black bodies today; fear is not derived through precarious conditions but is the very order through which precarity arises. Locating fear as the absolute center of the black

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\(^1\) For more on the literal and metaphorical significance of Marx’s coat, see Stallybrass (1998).

\(^2\) Piketty (2014) refers to this accumulation of money as patrimonial capital

\(^3\) In this dissertation AFSPs refers to non-traditional banking institutions that provide short-term loan opportunities but include considerably higher fees and interest rates than traditional banks. The most common forms of AFSPs are check cashing services, pawnshops, payday loans, and title loans.

\(^4\) The theoretical construct of demand inversion (see, chapter 4) states that the demand for
experience paused me. I saw that the true legacy of 300 years of white supremacy wasn't systemic inequality, it wasn't the mass incarceration of the black body, nor was it the invisibilization of race from national discourse. These all matter, but it is fear that cleaves to the black body; it is fear that is passed on from parent to child in every word spoken and every silence.

I encountered this moment of seeing what was always there for a second time only minutes later. This time I listened as Paul Krugman described his own moment of lucidity. The Nobel Prize winning economist who has written about inequality for much of the last two decades was discussing the revelations he encountered while reading Thomas Piketty’s (2014) book, Capital in the Twenty-First Century. Krugman, who understands the complexity of global capital as well as anyone, admitted to being gob smacked by Piketty’s findings. It was not the intricacy of the work or any theoretical maneuvering that Krugman was taken back by, rather it was the exact opposite, it was the simplicity of Piketty’s conclusions – that inequality was due to rates of difference in money capital accumulation. There was a sheepish honesty to Krugman, “I should have seen it, but I didn’t” he said. He had become almost enamored by the circuitry of capital; he constantly weighed the tension between the markets and the state and surrounding social upheavals that could lead to the political shifts that in turn move markets. Yet here was Piketty saying something so much simpler: that when money capital accumulates faster than the economy can grow it pools at the high end of the spectrum and multiplies there, thus dramatically increasing inequality and stymieing the political potential to curb such outcomes. Per Piketty, it is the generational accumulation of simple money capital, not social or political capital, that exists as the anchor of inequality in capitalist
economies\textsuperscript{2}. For men of equations like Krugman, there was beauty in the simplicity of it all.

This is where I found myself – caught between these two poles. At one end of the spectrum is the tendency of capital to recreate itself to the point of abstraction, at the other end we find the irreducibility of the bodies birthed and marked by fear. There would seem to be so much distance between these ends but in fact, as I hope to show, there is less space than may first appear. This space in between is where I have wondered and wandered for the last three years. I began my investigation into capital by observing how speculative finance reshaped the urban space I lived in as the country bled into the Great Recession. I took notice of the financial instruments that were first imagined, then affirmed, and finally utilized to redistribute wealth to the high end of the financial continuum. Yet when I wandered into this space the abstraction of money dissipated and I was left with only the fear. It was not only the fear that Coates spoke of, although it was very present, but there was a visceral fear that permeated through these spaces. While patrimonial capital births the new lineage of exception I found the latest generation of the dispossessed. And while I found dispossession to mean different things to different individuals I also saw how it was always experienced in a condition of fear. This then is where I began. Although I could not articulate it at the time I see now that I have always been trying to fill in this space between capital and fear. If I have come to any certainty it is only that these are brought together through the human body, and more specifically by the indebted body. The pathways of capital are varied, as are fears that frame the precariousness of life, but they all fit within this space and end in the body.

\textsuperscript{2} Piketty (2014) refers to this accumulation of money as patrimonial capital
This then is a story about a particular instrument of capital; the space it operates within and how it operates through specific bodies. Automobile title loans did not emerge as an instrument of Alternative Financial Service Providers (AFSP) \(^3\) until the mid 1990s, yet they were imagined and affirmed in a manner consistent with the logic of finance capital that had moved into a hyper-speculative phase around the 1970s and early 80s. Thus, this is also a story about how financial wealth is created and the debtor-creditor relationship that underwrites those processes. Skeptics will contend that marginalized debt instruments such as auto title loans have little to offer a broader critique of finance capital and yet I contend more adamantly than ever that they have much to tell us. The proximity of these loans to the communities that live in fear provide a cipher through which the processes of accumulation can be stripped down to see what has always been there.

**Statement of the Problem**

The overarching question that my research asks is, *how are (alternative) financial institutions creating new spaces of debt, and new debt subjectivities, through the processes of accumulation and dispossession?* I approach this question by examining the three interlocking components: spaces of debt, debt subjectivity, and the processes of accumulation and dispossession. I argue that each of these three components is constituted by the other two and therefore must be considered in direct relation to the

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\(^3\) In this dissertation AFSPs refers to non-traditional banking institutions that provide short-term loan opportunities but include considerably higher fees and interest rates than traditional banks. The most common forms of AFSPs are check cashing services, pawnshops, payday loans, and title loans.
To better understand how these overlap and shape one another, I outline three propositions and key questions that guide my investigation.

**Proposition 1:** Contemporary instruments of debt must be understood in relation to historical processes of accumulation and dispossession. We must then ask, how do histories of embodied debt inform our understanding of alternative financial practices such as title lending?

**Proposition 2:** Financialization, the integration of finance into every sector of our daily lives, is a spatial phenomenon. We must then ask, how do physical concentrations of AFSPs contribute to the normalization of debt and the construction of a specific debt subjectivity?

**Proposition 3:** Debt is a power relation that exercises a disciplinary function upon body and psyche. We must then ask, what does the accumulation of debt dispossess us of?

The underlying tenets of these propositions are entangled, thus I do not attempt to address any one in isolation. I approach debt as an embodied experience but one that is also historically informed and spatially constituted. Indeed, one of the key findings of my project is that individual debt is always tied to multiple bodies; this socio-spatial dimension of debt requires that we consider how debt instruments shape the physical landscape as well as the communal histories of the people who fill those spaces.

Understanding how debt works through the body requires a deeper interrogation of how financial power has strategically created different debt instruments at different times to order and discipline specific populations.

This project focuses on the instrument of high-interest debt because I believe that it reveals something fundamental about how the object of debt is being used in new
innovative ways. As a society, we must consider what it means when over 14 million individuals annually take out high-interest loans, the vast majority of which are used to purchase basic life needs (Ross, 2015; Auto title loans, 2015; Payday lending, 2013; Fox et al., 2013; Montezemolo and Wolff, 2015). While debt has always constituted a power relation, the normalized use of high-interest debt products reveals the extent to which debt is now used for subsistence needs, thereby placing the debtor in an increasingly precarious situation. Yet the dominant narrative within today’s financialized economy is that individual’s outcomes are dictated by individual’s choices; this allows even odious debt to be framed in almost virtuous terms as if the financially damaged subject should be grateful for any credit he/she is extended no matter how exploitive the terms may be.

Tracing the innovations of debt instruments from trans-Atlantic slave contracts to subprime mortgages allows us to reframe the supposition that the demand for debt comes from below. Understanding how debt works in today’s economy requires us to identify the explicit demand inversion\(^4\) that is implicit to the financial machinery that creates capital liquidity by widening the debtor base. As I will show, this is a false liquidity\(^5\) as it

\(^4\) The theoretical construct of demand inversion (see, chapter 4) states that the demand for more liquidity in capital markets requires financial institutions/actors to create a supply of debtors. Thus, the traditional supply-demand model is inverted as it is the demand for debt at the top of the financial pyramid that drives the creation of the supply of debtors below.

\(^5\) In chapter 5, I detail my concept of false liquidity, which pertains to the way asset-backed debt (e.g. home mortgage, auto-title loan, etc.) is abstracted multiple times over to create new financial commodities in order to increase the total volume of capital liquidity that can be traded and exchanged. Despite the complexities of the instruments that are created, the original debt that makes these abstractions possible remains connected to the physical body of a debtor that can never be abstracted away. Thus, the liquidity generated through these debt instruments remains false, as the human bodies that underwrite the debt can never be fully converted to liquid form.
ultimately remains tied to a material body that can never be fully converted to an immaterial form. Thus, AFSP instruments such as title loans reveal a certain limit to the imagination of capital. It is at the margins of finance that we can identify the bodies of debtors who are being stretched beyond their physical, psychological and financial capacities. At this limit we find debt that accumulates at a rate that outpaces the body’s capacity to produce the surplus labor necessary to service the debt. Such processes produce a subject that now requires debt to live and yet the very terms of the debt provided are designed to ensure the perpetuation of this cyclical need. Far from being a matter of pure choice, high-interest debt is often the only choice that is given to individuals whom have been marked unworthy of mainstream credit options. In this way, debt becomes a financial instrument that marks difference; we can see how it differentially distributes vulnerability across material space.

**Comments on Method and Data**

It is necessary to concede that there is a danger in working my way out from a phenomenon as liminal and confined as title lending to making claims about how finance and particularly speculative finance works at a national and global level. And yet, I believe it is equally dangerous to overlook how micro-instantiations of debt and financial power provide footprints of a system that relies on creating wealth by imagining new ways to create debt. The terms of debt vary but we arrive at more marginal practices such as title lending by following the logic of a system that assigns money values to life itself and allows, indeed often requires, individuals to leverage this value to subsist. My interest with title loans goes beyond the practice of high-interest lending. I am taken to consider how finance becomes *invested* in the body of the debtor; I contend that these
micro-practices of finance provide a window through which the pervasive logic of capital accumulation can be deciphered. In this way, my inquiry aligns with what Michele Foucault (1980) refers to as an “ascending analysis of power” that interrogates “the infinitesimal mechanisms, which have their own history, their own trajectory, their own techniques and tactics…” (p. 99). In this vein, I seek to locate title loans within a much longer narrative of financial innovation to see how modern debt instruments carry the vicissitudes of more explicit forms of physical and financial domination. This shifts our understanding of AFSPs from being singular units of analysis to being conduits through which different techniques of power are exercised. Far from being marginal to the larger financial system, we can begin to see how AFSPs fulfill a vital function for the circulation of money capital through the constitution of a specific debt subject.

To substantiate my claims, I examine the organizational structure and practices of two well-established title lenders, Cash America and TitleMax, to demonstrate the strategic and interlinked activities between these “alternative” lenders and mainstream financial institutions. Drawing upon filings with the Securities and Exchange Commission (SEC), communications with the Office of the Comptroller of Currency (OCC), court documents, press releases, and other archived data I show how the “customer” is not only served by AFSPs but that a specific type of debtor is targeted and shaped. Contrary to the Industry’s assertion that these instruments are intended to meet short-term emergency needs, a closer look at the operations of these lenders reveals how their viability and profitability relies on the extended duration of this emergency through continued loan renewal. In chapter 6, I also describe my interactions with one former employee from a large AFSP chain, who informs on the daily operations of title lending.
Taken together, we gain a clearer perspective of the role AFSPs play within the circuitry of finance and how they extend the reach of large banks and financiers into marginal spaces.

I follow Foucault’s assertion that any inquiry of power, in this case financial power, must begin “where it installs itself and produces real effects” (1980, p. 97). Thus, my study of the circuitry of alternative finance is simultaneously a study of space, specifically the spaces where these products become embedded within the visual and experiential landscape. If we indeed produce space as Henri Lefebvre (1980) insists, it is also necessary to consider the ways in which space produces us. Our role as financial subjects depends not only on access to favored financial instruments but I will show how these instruments implicitly define spatial boundaries that procure the terms of inclusion and exclusion. In order to ground my study, I focus on the intertwined shifts in the political, financial, and physical landscape of my hometown of Phoenix, Arizona, where changes to the legal framework required capital interests to rapidly reorganize their operational strategy. The rejection of Proposition 200 in 2008, effectively ended payday lending in Arizona; yet, what was initially perceived as a victory for the voters quickly became a testament to the adaptability and innovation of the alternative finance industry.

While title lending did operate in Arizona prior to 2010, it did so in a limited capacity due to the fact that payday lending was the preferred instrument of high-interest finance.

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6 The rejection of Proposition 200 in 2008, prohibited an extension of the provision that had allowed payday lenders to operate in Arizona. However, businesses were permitted to legally operate until July 2010 when the original provision expired (Ballotpedia.org).
7 According to the Arizona Department of Financial Institutions approximately 150 title lenders were registered to legally operate in Arizona in 2008. By 2016 that number had increased to approximately 650 (azdfi.gov).
lenders in the state. Payday lending legally operated in Arizona from April 2000 to June 2010 under a 10-year provision that allowed lenders to register as “deferred presentment companies.” In 2008, voters overwhelmingly rejected an extension of this provision and thus payday lending became illegal on July 1, 2010 when the provision was “sunset”. While this did lead some lenders to leave the state, many others took advantage of the Motor Vehicles Time Sales Disclosure Act (Ariz. Stat. 44-281 et seq.) to reorganize their operations as title lending stores. Approximately 40% of title lenders currently operating in Arizona were previously registered as payday lenders prior to July of 2010 (Fox et al., 2016, p. 9). While this shift in operational focus was not wholly unforeseen the speed at which the industry adapted to circumvent the will of the voters was staggering. By the end of 2010 the industry was well prepared to not only replace the payday market but to also expand upon it\(^8\). Hence, the Phoenix-market provides a fascinating site to examine how financial power responds to political changes through new spatial articulations.

My interest in the spatiality of debt stems from the changes I encountered in my own lived environment. In chapter 2, I describe my experience of consciously waking to the immediate changes that were occurring in the urban landscape that surrounded me. I realized that the economic decline I saw in the community I had grown up in coincided with a dramatic reconfiguration of space. Title lenders now visually dominated nearly every major intersection; I became fascinated thinking about how such a dramatic urban change had escaped my attention for so long. This line of inquiry drew me to consider not only how AFSPs operate but also where they choose to operate. As I moved through

\(^8\) By mid-2015 (only five years after the “sunset” provision) there were more title lenders operating statewide than the peak number of payday lenders prior to 2010 (Fox et al., 2016).
the city I began to take notice of where AFSPs clustered and where they dissipated. A cartography of debt began to take shape in my mind and I sought to trace its outline more accurately.

To do this, I turned to geographical information software (GIS) to map the presence of title lenders in the greater Phoenix-metropolitan area. Sorting through the business registries of the Arizona Office of Financial Institutions, I compiled a list of 434 title lenders who were legally operating in the Phoenix-metropolitan boundaries. Mapping this data in GIS allowed me to better identify where we could find the clusters and concentrations of AFSPs across the city. Overlaying this data with demographic information extracted from the US Census Bureau provided another lens through which to consider the experience of those living within concentrated spaces of alternative debt. I follow the trajectory of Doreen Massey (2005), who recognizes space as a “product of interrelations; as constituted through interactions, from the immensity of the global to the intimately tiny” (p. 9). She stresses the heterogeneity of space and the need to account for the particular power relations that are embedded within the social (specifically gender, and race). Thus, my spatial analytics serve as a bridge to connect the abstract workings of finance capital to the embodied experience of those who face increasingly constrained choices regarding debt living and subsistence.

Observing the ways the object of debt is built into urban space informs how discourses of financial power are grafted into social and cultural histories. Again, Phoenix provides a fascinating backdrop to consider the multiplicity of ways that space is enmeshed within the larger political economy. Indeed, space has arguably been one of the city’s most valuable resources. It has been the vast amounts of cheap, arid land that
drove the agricultural/ranching industry that birthed the city, and it has been that same cheap, arid land that has tenuously sustained the massive expansion of the city. Yet, throughout the numerous economic transitions experienced by the city, the cheap land (space) has been cultivated by cheap labor. As one of the four U.S. states sharing a border with Mexico, it is little surprise that Phoenix-metropolitan has one the largest Hispanic populations in the United States: out of 3.9 million people roughly 30 percent, or 1.2 million, self-identify as Hispanic (Pew Research, 2011). A low wage workforce has therefore, been built into the economic viability of the city as it has long relied on seasonal and migrant labor in specific sectors. This has led to new spaces: spaces of vulnerability and spaces of security as Hispanic populations have concentrated in certain areas of the city. As will be discussed more explicitly in subsequent chapters, neighborhoods with higher racial/ethnic concentrations are often underserviced by traditional banks and therefore open space for AFSPs to proliferate. Indeed, a number of AFSPs such as Tio Rico Te Ayuda (rich uncle will help you) specifically cater to the needs of these populations. Phoenix, allows us to consider how the land and the people have co-constituted the space of the city and how economically vulnerable individuals negotiate their lives within these spaces.

It is this lived experience of debt that is pulled through the entire project. The mechanics of financialization must be understood not only as capital engineering but also as the conditioning of specific subjectivities. The spatial intensification of high-interest debt lending is about more than reconfiguring the built environment; it is equally about reconfiguring the individual. It is in the individual that financial power “installs itself and produces its real effects” (Foucault, 1980: 96). Thus my investigation into the flows
of capital between AFSPs and larger financial institutions is subsequently an
interrogation of how bodies are drawn into a system of debt, and how AFSPs demand and
create a specific type of debtor.

These spaces of debt produce and are produced through the lives of the indebted. My own life traverses these spaces: I am part of a community that has experienced this saturation of debt’s presence while traversing the fine edge of financial precariousness. Thus, portions of this project are self-reflexive as I locate my own experiences of encountering and pursuing these questions of debt within the boundaries of my own lived space. Throughout the research process, I consistently entertained my own questions regarding why I, a doctoral student of limited income, was able to remain above the fringe of the financially vulnerable that service AFSPs. I was able to identify firsthand, how specific designations as a homeowner, a banked subject, a graduate student, etc., all provided access to forms of credit that carried less onerous terms of debt than the individuals with whom I sat and shared stories of hardship. What was always striking was the similarity in the stories they would tell and my own life circumstances, and yet the categories we fell into dramatically determined different trajectories of financial well being. While I was allowed to view my debt as an investment they could only view it as a necessary means for survival. This project gives voice to some of those for whom debt is not about leverage or luxury but rather about providing life essentials for their families. I was fortunate to meet a number of individuals who generously shared their time and extended their trust by sharing their stories with me. Some appear in these pages, in particular we hear from Carla, Tanya, Nadine and Eric, all of whom found themselves in the precarious position of requiring odious debt in order to maintain housing and health
for their families. Their voices texture my analysis of alternative finance in a way that reveals the precarity associated with living within a financial system where vulnerability is “unevenly distributed among different bodies” (Butler and Athanasiou, 2013, p. 29). The stories they tell reveal what Mauricio Lazzarato refers to as the “intensive” qualities of debt, in that debt reconstitutes the relationship we hold with ourselves (2012, p. 52). Indeed, their testimonies show that accumulation and dispossession can mean many things, and that these processes involve much more than simply money capital. Recognizing debt as an embodied experience changes our perception of alternative finance. Predatory as the practices may be, if we only focus on wealth extraction we are missing something essential: debt changes who we are by design.

**Chapter Summary**

Much of the difficulty of this project stemmed from the fact that it drew me across such a breadth of disciplinary terrain. I found myself falling into unknown literature, and stumbling across the slippery intersections of finance, human experience, and the complexities of space. I do not work for one singular theoretical frame as I found utilizing a wider array of theoretical and methodological tools allow me to examine the object of debt from often overlooked perspectives. Yet, in each chapter I make efforts to qualify the positions I am taking. Thus, this project exists as a minor excavation: a small contribution to unearthing new ways to approach questions of debt, difference, and human vulnerability. In what remains of this chapter I provide a brief overview of how the rest of the project unfolds.

Chapter 2 opens with my own experience of encountering the phenomenon of auto-title lending in lived space and details how I began to work backwards from this
material articulation of speculative capital to the immaterial workings of speculative capital. I discuss the emergence of title lending in the United States and develop my arguments as to why this specific form of debt lending provides an important window through which the essence of capitalist logic can be deciphered.

I carry this discussion into chapter 3, where I talk more explicitly about the mechanics of financialization and debt subjectivity. Here I discuss the conditions and processes through which the high-interest debt subject is constructed. In developing my theoretical framework I appropriate Foucault’s conception of dispositif to illuminate how alternative finance is in fact an essential component of the mainstream money network. This allows me to talk more explicitly about the human body in relation to speculative capital and discuss how a form of debt that is precarious in nature requires the conditioning of a vulnerable subject.

Chapter 4 explains the importance of locating our present financial moment within a broader history of capital accumulation. In order to extend the theoretical frame developed in the previous chapter and tie the human body to instruments of debt, I turn to Ian Baucom’s (2005) insightful analysis of how trans-Atlantic slave trade contracts represent cultural artifacts of a specific financial time. Identifying debt instruments as cultural artifacts opens theoretical space to consider how speculative financiers have historically dreamed wealth into being through debt relations and bodily difference. Recognizing title loans as a new articulation of capital’s abstract logic draws them out of the margins to reveal the bodies inscribed within these processes.

Building upon Baucom’s exhumation of slave trade contracts, chapter 5 delves into the mechanics of inscription by examining the conditions of a typical title loan
contract. My analysis centers on the experience of Tanya, a single mother of two, who has turned to title loans to maintain an increasingly precarious existence. Scrutinizing the language of her loan contract in tandem with her own experience and memories I explain how this instrument overwrites certain potentials while inscribing her more deeply into a specific debt subjectivity.

In chapter 6, I complete the link between title loans and mainstream financial institutions by demonstrating how title loan lenders, like other alternative financial service providers, serve as conduits for the traditional banking sector. I draw heavily upon SEC filings and other documents to show the wealth extracted from the financially vulnerable is pipelined back into Finance’s liquidity machine. The chapter is bookended by coda, which offer insights into the experiences of those who work within this industry and raises questions about the types of bodies the industry relies upon to sustain operations. All of this draws my inquiry in the physical space where these loans are pawned and proliferate.

Chapter 7 considers the implications of allowing debt lenders to overtake concentrated tracts of urban space. If space can be seen to reveal the past dreams of capital as Walter Benjamin (1999) argues, then we must consider what is being dreamed through these spaces of indebtedness. Using the Phoenix metropolitan area as a site of exploration, I examine where the industry has pooled and look at the descriptive characteristics of those spaces. Mapping the industry’s presence provides a rich cartography of debt that breaks upon ethnic, racial, class, and gendered lines. To link the spatial dimensions of debt practices to the body I draw upon Jacques Derrida’s (1994) conception of ontopology, an amalgam of ontology and topos, that stresses the co-
constitutionality of space and corporeal subjectivity. I argue that the spatial production of debt provides a richer lens through which to view the uneven distribution of difference that reinforces historical inequalities.

Chapter 8 returns to the embodied experience of debt. Using the testimonials of individuals I have interviewed, I take up the question of what it means to be dispossessed by capital and debt. These experiences frame ways to think about dispossession that go well beyond money capital. If loss rests at the center of the debt experience then it becomes crucial to carefully consider what form of life is being leveraged and what is being taken from us. Enriching the way we view dispossession casts our gaze onto the subjective experience of the debtor to consider their precarity as economic subjects. Yet the very notion of precarity (Butler, 2010; Butler and Athanasiou, 2013) also draws our eye to the ties that bind the individual to the life worlds of others. Thus, both dispossession and precarity can be seen as collective experiences of vulnerability, and it is often these ties to others that leave one overtly exposed to the conditions of debt.

Chapter 9 provides final comments and a summary of my findings. I reflect on my experiences with state legislators, community organizers, and activists who have ardently fought against predatory lending instruments. While I maintain the upmost respect for their efforts I cant help but wonder if the conversation that they have been engaged with is being dictated by oppositional terms of order. I contend that the wrong questions are being asked; thus, the proposed solutions at best slow the processes of dispossession. Recognizing the socio-spatial dimensions of debt that link strategic financial practices to the boundaries of economic inequality provides a way to rearticulate the debate. Ultimately, it is the body of the debtor that must be recouped from the sterile
language of finance that reduces debt to personal choice. To this end, precarity and vulnerability become heuristics that decouple the naturalized link between debt and the singular individual. Turning our attention to the ways that human vulnerability results from practices rather than nature shifts the conversation away from the moral correctness of the debtor and onto the amoral historicity of debt instruments. However, to reach this end one must begin, and so I begin at the point of my own awakening when I first realized the extent to which debt had overtaken my lived space.
CHAPTER 2

FACING SPACE: ENCOUNTERING DEBT IN THE LANDSCAPE

In her book, *The Senses Still*, Nadia Seremetakis (1994) utilizes the notion of *stillness* as a heuristic device for disrupting the illusion of continuity and progress that is infused into the cultural artifacts of our everyday lives. For Seremetakis, *stillness* does not denote a closure of the senses but rather an opening of oneself to the unfiltered experience of sense-memory. After having lived away for over a decade, I returned to my hometown of Phoenix, Arizona in the spring of 2008 and experienced two distinct moments of *stillness* in which the entanglements of memory and history were brought to the surface. In both instances, my awareness of the moment was cumulative: neither of these experiences occurred as flashes where the unseen was simply brought to light. Rather, *stillness* as I experienced it involved sifting through objects that had taken up residence in my unconsciousness. It involved disentangling memory from perceived reality and assigning new meaning to the sedimented landscape.

The first moment began upon my immediate return and persisted for the next few months. Having rented a house less than half a mile from the home I grew up in, I was immersed back into the cultural surroundings of my childhood and struck by the familiarity of it all. In my years of absence, the neighborhood appeared to have changed very little. The fast food joints that had staved off late night hunger in my youth were still open; Safeway and Fry’s still dominated the corner strip malls; St. Jude and Bethany Presbyterian still opened on Sunday; and dozens of businesses I never frequented but were ever familiar to me were still there. And yet, there were also signs of change. The space had weathered; buildings appeared under-maintained, restaurants were less busy,
and homelessness was more visible. The *stillness* from these experiences involved confronting the contradiction between my comfort in the known and my uneasiness with the appearance of little new to be found. I saw little in this space to attract new business, home values had dramatically declined\(^9\), the median household income was well below the state average\(^10\) and there didn't seem to be enough left to hold it all together. The economic decline of my neighborhood, although still somewhat under the surface, was present enough that I can’t recall being aware of when all the changes actually occurred. The reciprocity through which we as individuals shape and in turn are shaped through our lived environment can lead to a cognitive erasure of sorts. Being embedded in the local environment we lose ourselves in the landscape and the spatial changes fall upon us all at once. We are shocked by what we had always seen but never noticed because it reveals the extent to which we are implicated in the spatial changes we find around us.

This then was my second moment of *stillness*: when I became acutely aware of what had changed and what that change signified. The Great Recession\(^11\) shook the centers of global finance to their core but in neighborhoods that were already struggling the shaking merely unearthed the decay that was already there. For example, according

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\(^9\) In my zip code of 85051, median home sale price fell from $160,000 in the first quarter of 2008 to just above $60,000 by the second quarter of 2009 (85051 Zip Code Detailed Profile)

\(^10\) 2011 data shows the median household income in the 85051 zip code to be $40,910 while the estimated household income in Arizona was $46,709 (85051 Zip Code Detailed Profile)

\(^11\) Refers to the slowdown in economic activity in the US economy that began in December of 2007 and ended in June of 2009: the Dow Jones Industrial average fell 5,000 points to a twelve year low of 6,547 in March of 2009, resulting in $11.2 trillion in total losses (Paradis, 2012). During this time, unemployment climbed sharply from 5% to 10% (US Bureau of Labor Statistics, 2012).
to US census bureau data, the number of businesses registered and operating in my zip code steadily declined from 830 operative businesses in 1998, to only 636 operative businesses in 2011\(^{12}\) (Zip Code Business Patterns, 2011). By that time, vacancy became part my urban landscape. The wave of foreclosures that hit Phoenix\(^ {13}\) left neighborhoods eerily quiet. At one point, eleven out of the sixty-three homes on my half-mile street sat empty due to foreclosure. Businesses that had found a way to linger finally succumbed and began to close. And then in early 2013, I noticed “newness” or rather I began to recognize a peculiar renovation in my urban space. A large number of the buildings that had been left empty were re-opening; they were being repurposed to house Alternative Financial Service Providers, particularly title loan stores.

Photo 1

\(^{12}\) Industry specific data further highlights the declining local business environment from 1998-2011: construction and manufacturing businesses decreased from 84 to 53 and retail trade establishments declined from 214 to 165. One of the only sectors to see positive gains in operative establishments was Health Care and Social Assistance, which increased from 77 to 87 (U.S. Department of Commerce, 2011).

\(^{13}\) From the first quarter of 2005 - Oct 2013, there were 214,785 foreclosures in the Phoenix metropolitan area. Well over half of these occurred between 2008 and the end of 2011 (see, “A Decade of Foreclosures”). Phoenix was consistently ranked as one of the three worst cities hit by the foreclosure crisis (Christie, 2009; Brennan, 2011)
At the corner of my major intersection title loan agencies now operate on three adjacent corners. What used to be a Fish n’ Chips shop, a convenience store, and a Mexican food restaurant, all now advertise the best rates on high interest loans (photo 1 shows the saturation of AFSPs that has become typical of major intersections in many urban spaces). Traveling down the street in any direction you encounter more of the same: Arby’s, Wendy’s, Taco Bell, Whataburger, Blockbuster Video all replaced by title loan stores (photos 2-4 show the re-purposing of everyday urban space from fast food/convenience to fast debt). Spaces that had once offered discount meals and discount entertainment now pedal “discounted” high-interest debt. In a one-mile, square block radius from my home there are now sixteen AFSPs whereas in my youth I can recall only one (the local pawnshop). This outcropping of title loan stores is by no means confined to my neighborhood. According to the Department of Financial Institutions there were 160 licensed title-lending branches in Arizona during the years 2000-2008: since 2009 the number has skyrocketed to over 600 (Brodesky and O’Dell, 2013; Fox et al., 2016). Such numbers are consistent with the national trend which according to a joint report issued by the Consumer Federation of America (CFA) and The Center for Responsible Lending (CRL) has seen the number of title loan lending agencies increase from less than one-hundred in the early 1990s to approximately 7,730 operating agencies in 2013 (Fox et al., 2013).
I recall being baffled by the fact that while I had seen the process of spatial change unfold before my eyes, I had never interrogated the processes that drove that change. Although I was aware of the general economic decline within my immediate spatial boundaries I had not connected the dots between decades of wage stagnation, the recent economic contraction and a financial need to create new channels of liquidity through an expansion of high-interest bearing debt. A landscape that had weathered decades of retreating capital investment was quickly transforming to serve a different set of capital needs. Whereas, the spatial dynamic of my “local moral world” (Kleinman, 1992) had long been defined by the production and sale of low-cost goods and services, it was now being reconfigured to maximize the circulation of capital in the form of debt.

It is this reconfiguration of space that grounds my line of inquiry. The aftermath of the credit crunch that began in the summer of 2007 and catalyzed the financial crisis a year later, provides a unique temporal window through which to examine new spatio-temporal fixes of financial flows precisely because the credit system, which had fueled the crises of over-accumulation, had been so severely undermined. The historically

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14 Kleinman’s conception of local moral worlds, are micro instantiations of macro-level socio-economic and political forces. While many of the same characteristics can be found in literature pertaining to the politics of scale (Smith, 1996; Brenner, 2001; MacKinnon, 2010) local moral worlds are differentiated as inter-subjective sites constituted through lived experience. The spatial dimensions and social arrangements of each world are reflexively formed through access to particular resources and life chances.

15 David Harvey (2003; 2006b; 2010) uses this term to describe the way capital embeds itself in differing geographies during different phases of the accumulation cycle. For example, during periodic crises of over-accumulation, capital will often invest land speculation and infrastructure to become spatially “fixed” in the landscape. However, during other phases of accumulation capital may seek less permanent spatial articulations. During phases of heavy capital contraction, financial institutions will seek to penetrate “pre-existing social formations” to stimulate circulation (Harvey, 2003, p. 115).
sluggish economic recovery\textsuperscript{16} meant that the usual channels for capital circulation remained constricted. High unemployment that remained well over 8\% for the first three years of the recovery\textsuperscript{17} coupled with real incomes that had fallen behind inflation, resulted in a traditional consumer base inadequate to drive the economy (Wiseman, 2012). Under such conditions, capital sought to invest in pre-existing socio-economic formations in an effort to remake a consumer base through the reshaping of consumer space. The urban centers, many decimated by job losses and the arrestment of the construction industry, provided fertile ground for capital penetration. Yet capital would not be seeking to invest in the land but to appropriate space for circulatory needs. If traditional forms of credit remained beyond the purview of these spaces then new channels would be opened. This analysis identifies AFSPs as one such channel. I choose to focus on the short-term lending practices of AFSPs, specifically auto title loans, for two reasons: 1) the expansion of AFSPs in conjunction with the most recent financial crisis speaks to the myriad of ways the object of debt has become normalized not only as a financial instrument but also as a spatial phenomenon 2) the lending practices of AFSPs produce traceable paths of capital flows from vulnerable populations to large financial institutions and global markets. This allows us to examine processes through which the

\textsuperscript{16} Data from the Bureau of Economic Analysis showed that four years after the recession ended, the US economy was mired in the weakest economic recovery since WWII (Cover, 2013).

\textsuperscript{17} It is important to note the racial disparities contained within such data. Between 2009 and 2012 the average national unemployment rate was 8.975\%; however, White unemployment rate was 8\% compared to 15\% for Blacks, and 11.6\% for Hispanic or Latinos (Bureau of Labor Statistics, 2015). This becomes important in relation to the spatial dimensions of high interest lending which coalesce in lower income urban tracts that house a disproportionate percentage of the Black, Hispanic, and Latino/a populations.
poor are no longer excluded from finance but rather have become an integral component of finance capital’s circulatory system.

The State of Lending

Alternative Financial Service Providers is an umbrella term that encompasses a wide range of banking services that occur outside the traditional banking sector. The vast majority of individuals who use these services are typically referred to as “unbanked” or “underbanked.” Approximately 9% of US households are unbanked, meaning that the head of the household does not have either a checking or savings account (Friedline et al., 2015; Rhine et al., 2006; US Senate, 2002). However, when one includes the underbanked population, that is households that maintain a checking or saving account but continue to rely on AFSPs for a range of services due to access, trust, or credit limitations, this number quickly swells upward of 28% to 36% (Friedline et al., 2015, p. 3). Over one quarter of the US households “may be excluded from the mainstream banking institutions at any given time” (Friedline et al., 2015, p. 3). Unsurprisingly, the demographics of this population reveal clear disparities in racial, gender, and income distributions. 24% of all minority families report being unbanked in comparison to only 5% of whites (Rhine et al., 2013). Likewise, the unbanked are more likely to reside in low to moderate income neighborhoods, earn less, hold fewer assets, and to be female and less educated (Caskey, 1997; Rhine et al., 2013; Friedline et al., 2015). For these families AFSPs provide an outlet for basic financial services such as check cashing, money orders, and money wire transmissions, but the sustaining profits of the industry come through small-dollar loans that rely on excessive fee structures and high interest rates: most commonly, these take the form of payday loans or auto title loans.
The modern AFSP industry developed in the 1990s around cash advance services. Lending branches would, for a fee, provide an advance loan equivalent to the amount collateralized in a customer’s post-dated personal check, which the lender would defer cashing for an allotted period of time (Mann and Hawkins, 2007). These services quickly evolved into the modern payday loan industry, which operates in the same manner, although many lenders now establish electronic access to the borrowers bank accounts whereby automatic payments are deducted to cover the principal of the loan and all incurred fees. Typical payday loans charge $15-$18 for every $100 borrowed. The principal plus interest must be repaid within a two-week block or the loan rolls over with interest added (and sometimes additional fees). While a $15-$18 surcharge for access to immediate funds may not initially strike one as overly excessive, the compounding of interest every two weeks yields an annual percentage rate (APR) ranging from 391%-572% (Graves and Peterson, 2008). As a result, many borrowers find themselves paying off the principal three to four times over, and compounded rates can often climb upwards of 1,000% APR. The Center for Responsible Lending (CRL) reports that twelve million Americans a year find themselves indebted with triple-digit interest loans. These borrowers typically hold their debt for over six months and make an average of 9 transactions per year (Burke et al., 2014).

What is perhaps most striking about the payday lending industry is the pace at which it established its presence within the urban landscape: nationally, “the number of payday loan offices grew from under 200 offices in the early 1990s to over 22,800 offices at the end of 2005” (Elliehausen, 2009, p. 1). To add perspective to these numbers, it is worth comparing the expansion of payday lending stores with a recognizable urban
fixture such as Starbucks Coffee Co. Starbucks provides an interesting point of reference due to the fact that its own rapid expansion also began in the early 1990s, and it is considered to be one of the most successful retail chains in the second half of the twentieth century. On a visit to Manhattan in 2002, I recall making a game of counting the number of Starbucks I passed as I took in the city. At one major intersection, I remarked how I could see three different Starbucks: its presence had become a defining feature of the city in just over a decade. And yet, while few tourists have probably ever noted the saturation of urban space by payday lending shops, the number of payday outlets nearly tripled the number of Starbucks in the exact same time frame.

Chart 1

(Reproduced with permission from Steven M. Graves, 2006).

By 2005, there were 8,569 Starbucks stores spread across all 50 states compared to an estimated 22,000 payday loan stores that were concentrated within 37 states (Graves and Peterson, 2008). Admittedly, Starbucks is simply one of many Coffee outlets while the payday loan industry is being considered as a whole; yet, the comparison is informative
as it draws attention to the breadth of an industry that has often imperceptibly become so very present.

It is important to note that this study will focus on auto title lending rather than payday lending, but it is useful to mention the payday market for several reasons: first and foremost, because of the overlap of the two practices within the AFSP industry. Many of the most successful AFSPs such as Cash America, which will be examined more closely in the next chapter, offer both payday and title loans. In fact, of the 25 states where title lending is legal, only three states explicitly ban payday lending\(^{18}\). Thus, while they are two distinct debt instruments they are representative of the same financial logic and operate through bodies in similar fashions. Secondly, Due to the fact that payday lending is a more established practice than title lending, there is a more robust collection of research available. In some instances I will refer to this literature to assist me in informing on how the AFSP industry operates. In such cases I will take care clarify why I am drawing upon a particular study so as to not unintentionally conflate the two practices. Taken together, the two instruments reveal how finance rapidly adapts to changing legislative environments to open pathways for increased capital circulation\(^{19}\).

\(^{18}\) Arizona, Georgia and New Hampshire are the only states to allow title lending while restricting payday lending.

\(^{19}\) Payday and title lenders exploit a number of legislative loopholes to circumvent cap limits on consumer loans. In Alabama, Georgia, and New Hampshire, lenders operate under pawn law; in South Carolina and California loans are made for larger amounts in order to fall outside the small loan rate cap; in Kansas loan regulations apply to close-ended loans so title lenders offer “open-ended” loans; in Louisiana lenders specifically issue loans for amounts greater than $350 and with terms greater than 2 months to bypass state restrictions; in Ohio lenders exploit the Credit Services Organization Act to act as third-party brokers. For additional information on such practices see Fox et al., 2013.
For example, in my home state of Arizona it was the forced closure of the payday loan business that birthed the local title loan industry nearly overnight. Hence, both practices reveal the fluidity, creativity, and adaptability of Capital, as well as the need for finance to continually find ways to bring in a wider base of debtors.

Before moving forward to more theoretical considerations of how the debtor’s body is implicated in alternative lending practices and what this reveals about finance as a whole, it is best to sketch out the parameters of auto title lending. Mirroring the business model of payday lending, the title lending industry has followed a similar trajectory of rapid expansion since the late 1990s. Over 8000 stores now operate across 25 states\textsuperscript{20} and service over two million individuals a year (Pew Research, 2015, p. 1). The CRL estimates that borrowers annually take out $1.6 billion in loans and spend $3.6 billion each year in interest and fees (Fox et al., 2013, p. 2). Loans are typically made at $25-$40 interest per $100 borrowed and are paid or renewed every 30 days (compared to the two-week interest period associated with payday loans). Thus, while the APR tends to be somewhat lower (a mere 300%) than payday loans the principal is typically much higher, often making it more difficult to repay. Title loans are structured so that individuals repay the principal borrowed in a lump sum payment at the end of the 30-day loan period. If the borrower is unable to produce the payment in full, the loan is renewed, or rolled-over, with additional fees tacked on. In court documents, John Robinson, the President of TitleMax laid out the profit model of the industry in very specific terms:

\begin{quote}
Customer Loans are typically renewed at the end of each month and thereby generate significant additional interest payments beyond the face value of the \end{quote}

\textsuperscript{20} See Appendix A for full list of states where title lending is legal.
Prepetition Receivables. The average thirty (30) day loan is typically renewed approximately eight (8) times, providing significant additional interest payments. (TitleMax Holdings, 2009, p. 13)

Within the industry this consistent renewal process is referred to as loan churn because an initial loan is churned over and over again to the benefit of the lender who simply collects additional fees and interest. The total amount of wealth that is extracted from the financially vulnerable through these mechanics is unknown, but calling it odious would seem to be a vast understatement. Consider that in 2014, in Texas alone, the total dollar amount of loan extensions on single payment title loans was $368,072,229; additionally, these extensions were then refinanced (churned) extracting another $1,036,294,334 (Credit Access Business, 2015, p. 3). Loan churn effectively serves as the primary profit model for the industry and reveals the extent to which the viability of the industry is contingent upon the inability of customers to pay off their loans21.

There is no archetype of the AFSP customer or title loan borrower. Part of what this project seeks to achieve is to reveal the lived experiences of some of these individuals in an effort to denaturalize the narrative that debt, even high-interest debt, is simply a matter of personal choice. However, while the debt experience is hardly homogenous it also must be noted that the vast majority of individuals who enter into these types of loans do so because of income constraints and/or the lack of access to other forms capital. 75% of title loan borrowers earn less than $50,000 a year, and 54% earn

21 While I was unable to find any studies that calculated the volume of loan churn within the title loan industry as a whole, three studies conducted on payday loans show that loan churn accounts for over 75% of the total volume of loans (Parrish and King, 2009; Montezemolo, 2013; Burke et al., 2014).
less than $30,000\textsuperscript{22} (Auto Title Loans, 2015). Because borrowers typically come from lower income households they are rarely able to pay off the principal within 30 days. The Pew Research Center which conducted the first nationally representative phone survey of title loan borrowers in 2015, found that the typical $250 fee per $1000 borrowed far exceed individuals ability to repay the loan (Auto Title Loans, 2015). The average borrower renews their loan eight times and pays approximately $2,000 interest on every $1,000 borrowed\textsuperscript{23} (Fox et al., 2013, p. 2). Even when the loan is eventually paid off, nearly 50% of borrowers state that they are unable to repay the loan without receiving a cash infusion from some outside source: this includes taking out a second title loan, pawning or selling personal items, or borrowing from family or friends (Auto Title Loans, 2015, p. 12).

Despite the insistence of the AFSP industry that they are providing a necessary safety net for families that need emergency relief from unexpected economic hardships, a closer inspection of the strategies and tactics of the industry reveal that the intent of these loans is to construct and reinforce a subjectivity which ensures participation in, and the proliferation of, a debt-credit system that requires debt to subsist. The tenuousness reality where debt becomes the “precondition…for the basic requirements of life”

\textsuperscript{22} Other studies have found these numbers to be even higher, for example an analysis of payday and title lending in Ohio showed that 90% of customers earned less than $50,000 per year, and nearly 75% earned less than $30,000 (No Right Turn, 2015). In New Mexico, regulators found that the average title loan borrower earned less than $25,000 (Montezemolo, 2013, p. 5).

\textsuperscript{23} Due to the fact that there is no national database tracking alternative loan products these numbers can be difficult to quantify. Pew Research approximates that the average borrower spends $1,200 annually on a $1000 loan (Auto Title Loan, 2015). This amounts to roughly $3 billion dollars a year in interest and fee payments.
undergirds what Andrew Ross (2015) refers to as a *creditocracy* (p. 11). He elaborates that,

> [f]or the working poor, this kind of compulsory indebtedness is a very familiar arrangement, and has long outlived its classic expression under feudalism, indenture, and slavery. Each of these systems of debt bondage were followed by kindred successors—sharecropping, company scrip, loan sharking—and their legacy is alive and well today on the subprime landscape of fringe finance, where “poverty banks” operate in every other storefront on Loan Alley. (p. 11-12)

What Ross aptly points out is that the asymmetrical power relationship endemic to the debtor-creditor relation is by no means new; it has found numerous expressions throughout history. The creative marvel of capitalism has always been the ability of capitalists to adapt to economic and political changes in order to keep money moving, and part of this has involved creating new systems and new instruments of debt. Thus, to say that the use of debt as a financial weapon is nothing new does not mean that it is not being used in new ways. The importance of examining how finance, and particularly debt financing, is operating today is that it reveals the depth to which debt has become a normalized component of daily living. As Ross points out, 77% of U.S. households identify as being in serious debt (2015, p. 12). The debtor class no longer defines the most marginal nor the destitute; rather, it is descriptive of the majority. Yet, as this project shows, the terms of debt and the instruments of debt are not distributed evenly across the populous. Debt is still used to mark social and bodily difference but it does so in new ways. It has now become a question of access: inequality is defined in relation to

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24 This will be discussed in further detail in chapters 3 and 4.
the different debt instruments one has access to. Thus, the existential condition of debt today does not dominate and subdue the body in the same manner as peonage or sharecropping did in past times. Today’s debt disciplines the body: it conditions it to not only meet debt obligations but to also need debt to function as a proper economic subject (Foucault, 2008; 2012). In the following chapter, I will look more closely at how debt has become the primary economic building block and the subject that is being fashioned.
CHAPTER 3

THE WEIGHT OF MONEY: FINANCIALIZATION AND DEBT SUBJECTIVITY

*What makes power hold good, what makes it accepted, is simply the fact that it doesn’t only weigh on us as a force that says no, but that it traverses and produces things, it induces pleasure, forms of knowledge, produces discourse – Michele Foucault*

Semantically, humans have come to define society based upon the activities required to meet the needs for subsistence. Thus, we treat hunting and gathering society, feudal society, and industrialized society as separate and distinct epochs. This is not simply because of the changes in economic organization but also because of the fundamental shift in what is required of the body to exist within each of these societies. The revolutionary condition present in many of Karl Marx’s writings lie less in the political transformations he saw as inevitable, and more so in his ability to recognize how the reorganization of economic production processes fundamentally reshaped our relationship to our own bodies by altering the meaning and value of our labor. The true brilliance of Marx exists in his ability to distill economic processes to their most fundamental components and show how the transformation of labor, money, and the commodity allows capitalist society to take on its form. This chapter begins with a brief discussion of Marx’s insights regarding the commodity and the labor required to produce it, in order to explain how transformations in the object of debt have altered the subsistence conditions within the current economy.

In, *Capital volume 1*, Marx refers to the commodity as the “economic cell-form” as it is the commodity (C) that is used to produce and accumulate money (M) (Marx, 1976, p. 90). While the capitalist is ultimately able to modify the production/accumulation process from C-M-C to M-C-M, the commodity remains the
primary economic unit, for it is in the commodity that labor power finds abstraction as exchange-value (Marx, 1976; Harvey, 2006a). It is in this becoming of exchange-value that a key transformation occurs, for it is only by being stripped of its use-value that an object becomes a commodity. This stripping away of use-value implies much more than a mere reassignment of value. It implies the erasure of what was embedded within the object itself: history, memory, and unrealized potentials. In his insightful essay, “Marx’s Coat,” Peter Stallybrass (1988) discusses how Marx’s own coat, which oscillated between use-value and exchange-value as it moved in and out of pawnshops, provided the material grounding for his theoretical understanding how labor, object, commodity, and capital are tenuously bound together in the production and accumulation processes.

For well over a decade, Marx’s overcoat determined what work he could or could not do. While the coat’s use-value of providing warmth, allowed Marx to survive the London winters and enter the British Museum for research, it was only by pawning the coat (utilizing its exchange-value) that Marx was able to buy paper to write on as well as purchasing a variety of other subsistence needs (Stallybrass, 1988, p. 187-192). Marx’s extensive history with pawn brokering (which extended well beyond the overcoat) taught him that for the poor the transformation of object to commodity typically entailed the structural relation of debt (McLellan, 1981). Yet, Stallybrass explains that for Marx it was the labor performed to get objects out of pawn rather than the debt relationship itself that was critical for understanding the organization of capitalist economies. As Marx saw it, there was nothing “specifically new about exchange-value or, for that matter, about pawnbrokers” (Stallybrass, 1998, p. 199). Marx regarded both to precede capitalism and, indeed, Mauss (1967) and more recently Graeber (2011) demonstrate that exchange, debt,
and credit have been central fixtures of not only economy but of social organization for millennia. Furthermore, Marx viewed the pawnbroker as little more than a middleman, “an agent in the consumption and recirculation of goods rather than in their production” (Stallybrass, 1998, p. 199). Hence, for Marx the power relation constituted by the pawnbroker was marginal to the larger capitalist system.

Here I depart from Marx, or rather I contend that innovations in the organization of finance capitalism require a re-examination of the object–commodity relation. While the pawnbroker, or debt service provider, may continue to be a mid-level player, the power relation25 constituted by the pawnbroker has become embedded within the structure of finance as a whole. Debt has moved from being a derivative of the production/accumulation process to the genesis of it. In short, the object of debt operates as the new economic cell-form of capitalist markets.

I locate this centrality of debt to capital accumulation within the mechanics of financialization – a set of processes embedded in a logic that seeks to bring all spheres of life under the influence of financial activity (Epstein, 2002, Krippner, 2005; Langley, 2008; Martin 2002). While capitalists have always played a central role in the production of goods, it is only through the relatively recent processes of financialization that interest-bearing capital has come to exert such influence in the production of all things to the point where there is no conceptual barrier between finance and the “real economy” (Marazzi, 2010: 28). Andrew Leyshon and Nigel Thrift (2007) effectively show how contemporary finance has undergone a series of creative shifts since the turn of the

25 Nietzsche (1989) explicates the philosophical tenets of this power relation. Lazzarato (2012) expands upon Nietzsche’s observations to argue that this power relationship is foundational to our existential condition of being within modern capitalist economies.
century to create new revenue streams out of both material (sewage systems, hospitals, electric grids) and immaterial (credit card debt, home mortgages, car loans) assets. Whereas, speculative capital has historically trafficked in immaterial assets defined through terms of credit and debt (e.g. securities), it is only recently that the financier class has taken such a keen interest in creating commoditized assets out of mundane infrastructure. Twenty years ago, energy markets were dominated by the price of oil; today a vast array of new energy derivatives are traded over-the-counter, and on major exchanges such as the Nasdaq Futures (NFX) platform that launched in July 2015 (Nasdaq, 2015). Energy grids, solar panels, and wind turbines in conjunction with the variability of sunlight hours and the uncertainty of tropical winds all serve to create tradable derivatives that ultimately link back to the material energy needs of everyday consumers. Financial instruments now penetrate our lived space in ways that were unimaginable only a short time ago.

In such an economy, investment capital comes to assert influence over all sectors by producing common goods that are divided and privatized. Hence, expanding spheres of both public and private activities increasingly come under the influence of financial operations. This penetration of finance capital into the materiality of life links the speculative markets with the everyday markets in ways that have never been more prominent. Yet to achieve this, finance requires more than new instruments, it requires a new type of economic subject: in Foucauldian terms, financialization speaks to the myriad of techniques and technologies through which the economic human is fashioned. If we conceive of power acting through bodies, rather than being applied to bodies, then me must turn our attention to the subject that acts, and is not merely acted upon by
outside forces. We become concerned with “how things work at the level of on-going subjugation, at the level of those continuous and uninterrupted processes which subject our bodies, govern our gestures, dictate our behaviours” (Foucault, 1980, p. 97).

Financialization is then not to be understood as merely an expansion of economic activity: it is the simultaneous conditioning of a new subjectivity that is both extensive and intensive. It is extensive in the sense that it seeks to bring all forms of production (social and economic) under the logic of finance; it is intensive “since it encompasses the relationship to the self, in the guise of the entrepreneur of the self” (Lazzarato, 2012: 52).

In his work, *The Making of the Indebted Man*, Mauricio Lazzarato (2012) explicates the depth to which the financial logics of speculation, risk, and profit have been compressed into the dominant social discourses to the point where the normalization of debt as an economic medium results in the existential conditioning of the indebted human. Lazzarato builds upon Foucault’s concepts of disciplinary power to consider how the unlimited needs for capital liquidity are met through the creation of a new type of financial subject: one whose subsistence and standard of living are intimately connected to the varied forms of debt to which they are given access. From this optic, financialization pertains less to investment practices and more precisely to a conglomerate of power relations, and at the center of these relations exists the object of debt. Debt, as object and instrument, now serves as the radial axis along which economy is organized and through which all economic relations, and subsequently most social relations, are negotiated. Thus, financialization is about much more than speculators finding new avenues for capital accumulation; it is about the intensification of market variability and market logic into the space of everyday life. Its about how bad bets on
wind patterns over the Pacific can drive up the electricity bill of families who struggle to keep on the lights. This collapse of space between the material and the immaterial became painfully clear in 2008, when the imagination of speculative finance reached its limit.

**The Fallout**

The 2008 financial crisis that began with the collapse of the housing market in the United States and quickly spread across Europe, dramatically constricted capital flows across the globe and revealed the depth to which debt (and the circulation of debt) serves as the engine of the global economy (Coggan, 2012; Duncan, 2012; Mauldin and Tepper, 2012; Reinhart and Rogoff, 2011). It raised serious questions concerning the financial system’s (over)reliance on debt instruments that were derived through nothing more than affirmations of imagined value. Most importantly, it exposed the level of integration between the fragility of the markets and the precariousness of everyday life. While financial giants such as Bear Sterns, Lehman Brothers, and AIG suffered losses in the hundreds of millions of dollars, the true weight of the collapse was felt far below the top tier of finance. Consider that from January of 2009 to November of 2010, over 10,000

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26 I am referring specifically to the financial derivatives market, the mechanics of which will be discussed in greater detail in chapter 4.

27 Fernand Braudel (1981), whose work will be discussed in chapter 4, postulated that there were certain layers or tiers to the capitalist life world. The upper tier of finance consisting of banks, brokers, and government Treasuries is where he perceived the real workings of capital to flourish. The lower level, where everyday life is lived, operated mostly autonomous from this realm of money and interest. Similarly, Marx viewed interest-bearing debt/capital to exist purely as a capitalist-to-capitalist relation, but I argue in this chapter that the processes of financialization have worked to embed this debt/capital relationship into all spaces of the capital life world. This erasure of bounded
individuals/families a day, experienced default, foreclosure, or repossession (RealtyTrac, 2012). In the same way that Marx’s coat oscillated between use-value and exchange-value, the home now acted as both object and commodity. While it is true that the home has always been an asset and thereby implicated in personal wealth, it is only through specific financial processes of securitization that the home could be commodified as a transferable unit of wealth creation. Beginning in the 1970s financiers found that they could package together a set of home mortgages to create a security that could be traded as a new commodity. This logic of transforming asset into commodity served as the key financial innovation of the late twentieth century and ushered in an unprecedented level of financial speculation that rested squarely on the capacity of markets to repackage and circulate debt (Langley, 2006; 2008; 2010). In an abstract way securitization resolved the very problem that Marx faced each winter when he was forced to choose between foregoing the use-value his coat provided for its exchange-value. It answered a question that capitalists had asked for centuries: how can capital be freed in a way that it simultaneously serves as both object (asset) and commodity.

The mechanics of securitization will be discussed in more detail in the following chapter, but these processes speak to the normalization of debt as the preferred method of economic exchange. In today’s global economy, debt is no longer accumulated simply to produce or accumulate a specific good or commodity rather the object of debt itself has become the commodity. The creation and expansion of new loan instruments to fuel the housing bubble was a response to the needs of global markets to remain efficient in

categories/spaces of economic activity is critical to understanding the level of integration finance has achieved with everyday life and the material world (Martin 2002).
circulating ever-increasing volumes of paper capital, and in turn, exposed the individual to the risks and fluctuations of market demand. As Langley explains the “financial innovation surrounding securitization demanded everyday householders to increasingly act as entrepreneurial investor subjects…as part of a wider individualization of risk within society” (qtd. in Hall, 2011: 405). New techniques of finance coupled with the rollback of the welfare state further integrated market risk into the household and led to what Christian Marazzi calls “privatized deficit spending,” where the increased demands of the market are stimulated and met through the creation and perpetuation of debt instruments (2011, p. 34).

Nonetheless, the fashioning of the debt subject cannot be thought of only in terms of integrated risk. These new forms of objectified debt reflect the logic of the entrepreneurial self that is co-owner in the capitalist dream of wealth through accumulation. In this way, home loans become the quintessential example of the indebted human’s ‘buy-in’ to the debt economy. In an era marked by a decline in real wages (Palley, 2008; Marazzi, 2011; Ross, 2015) and the rollback of state welfare programs, the home has transitioned from being a relatively stable object of stored wealth (for both borrowers and lenders) to a variable component of an overall risk portfolio: “[t]he housing-led boom was popular at a mass level among Americans for whom home ownership served as a key means for building personal wealth, particularly in an era of growing inequality and economic insecurity” (Helleiner, 2011, p. 82). Home loans, particularly subprime loans, emerged as the vehicle through which a previously excluded population sought to become stakeholders in the cycle of debt-to-wealth transformation (Blackburn, 2006). The financial system eagerly assimilated in the would-be debtors, as
doing so buoyed the volume of virtual capital flows and created the illusion of income redistribution (Rajan, 2010). In a fundamental way home loans suppressed social pressure for higher wages by decoupling wealth accumulation from annual income. Home ownership now represented the entry point into an accelerated form of debt subjectivity where asset value was measured in relation to the subsequent debt instruments to which one could gain access. The housing crisis and ensuing credit crunch revealed the scope of mutuality that is internalized within the system of debt and interest. It laid bare the new subjectivities that have been constructed not through a superstructure, but rather as part of the economic infrastructure (Lazzarato, 2012, p. 34). To speak of power in the debt economy, is not to speak of sovereign states, corporate bodies, or greedy financiers in isolation but to look at the logic, tactics, and comprehensive systems of financial operations that are all mutually reinforcing. The power of the debt economy is not found in a language of coercion but of silent complicity: the mechanics of our economic and social relations result in the “automatic institution of the credit relation, which thereby establishes permanent debt” (Lazzarato, 2012, p. 20, emphasis added).

Discussing the formation of the subject, Foucault (1982) notes that it is essential for normalizing forces to appear non-coercive and even benign. Power relationships, such as the one constituted by the debtor-creditor union exist because there is a perceived freedom attributed to the debtors. This explains why the dominant narrative of debt revolves around poor personal choice. What are credit scores if not a form of numerical morality? It is an evaluation of one’s financial and thereby social character. Framing debt in moral terms allows banks, brokers, and speculators to all keep a sterile distance. Power is practiced not by subduing the subject but by acting upon the actions of the
subject regardless of the constrained field of choice within which they operate (Foucault, 1982, p. 220). Debt subjectivity can be seen as the process through which the subject comes to identify themselves within the limits, terms and conditions that are presented to them by the financial apparatus: “the exercise of power consists in guiding the possibility of conduct and putting in order the outcome” (Foucault, 1982, p. 221). Understanding power to operate in this manner allows a reframing of the millions of individuals who lost their homes in the 2007 housing crash that was perceived to catalyze the financial crisis a year later. Rather than exercising poor judgment, individuals behaved as subjects within a system that requires the continued production of debt to remain creditworthy.

Financializing the Fringe

The centrality of mortgage debt to economic viability demonstrates how financial subjects are co-opted into a system where even the intimate space of the home is a wager. Through securitization the institutions of banking and finance developed their own “loan-churn” model, transforming home mortgage debt into a tradable commodity. The created value is then set free to be used in other economic equations. The derivatives market that so thoroughly undermined the stability of the global economy essentially existed as a sophisticated chain of abstractions drawn away from an original debt that was tied the body of a home borrower. While trading a smaller form of securitized debt, AFSPs follow the same operative logic of accumulating wealth by transforming private property into debt that can be traded and exchanged. AFSPs sit at a medium between the social and the financial. As a gateway to “necessary” debt/credit, they blur the line

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28 In the U.S. mortgage debt accounts for 70% of GDP; moreover, from 2002-2007, approximately 1.5% of annual GDP growth was due to home equity extraction (Marazzi, 2011, p. 34).
between the individual subject and financial practices. While the pawnshops of Marx’s time persist (with regard to functionality), the modern AFSP industry is anchored by short-term, high-interest loans issued not against an object, but against the livelihood of the worker. In the case of the payday loan it is the worker’s wage, not a material object, which acts as collateral. And while title loans are collateralized, the automobile typically serves as the primary means of transportation for the worker; hence what is essentially being staked is the individual’s livability. Consider that 80% of title loan borrowers use their vehicle as the primary means to travel to school or work; 95% use their vehicles to travel to medical appointments; 98% use their vehicle to purchase life essentials such as groceries and household goods (Auto Title Loans, 2015). In this way, it is not an object, such as a coat, that is being stripped of its use-value; rather, the worker’s very livelihood is being commodified and exchanged for debt.

Hence, the pawnbroker or AFSP should not be seen as merely ‘recirculating goods’ but rather as conduits for the circulation and distribution of debt products, which provide the necessary liquidity for finance capitalism to operate. In this way, debt service providers do in fact “produce” goods as debt has become the medium through which surplus value is created.

To better understand how AFSPs operate within a financialized field of interrelations, one can examine the organizational structure of Cash America International Inc., one the largest alternative lenders in the US, operating over 900 stores across 20 states. Cash America offers a range of financial services including cash checking and gold purchasing, but like the industry as a whole, the bulk of their earnings come through the issuance of high-interest loans including pawn, payday, and title loans (SEC 10Q,
The most obvious form of integration within mainstream finance is found by tracing the source of the company’s operational capital. Like all major players in the AFSP industry, these fringe lenders are bankrolled through mainstream institutions. A 2011 Credit Agreement filed with the Securities and Exchange Commission (SEC) reveals the extent to which Cash America merely serves as a conduit through which capital is circulated between large financial institutions and vulnerable populations that are excluded from more traditional loan instruments. Regardless of the products sold, the capital being used to finance the operations is being leased from some of the largest banks in the US (see fig. 3 below).

Table 1

<table>
<thead>
<tr>
<th>Lender</th>
<th>US Revolving Commitment*</th>
<th>Multicurrency Commitment</th>
<th>Term Loan Commitment*</th>
<th>Total Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo Bank, N.A.</td>
<td>$61,058,210</td>
<td>$16,941,790</td>
<td>$16,000,000</td>
<td>$94,000,000</td>
</tr>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>$46,967,854</td>
<td>$13,032,146</td>
<td>$10,000,000</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>KeyBank, N.A.</td>
<td>$33,660,295</td>
<td>$9,339,705</td>
<td>$7,000,000</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>US Bank, N.A.</td>
<td>$25,519,201</td>
<td>$7,080,799</td>
<td>$3,400,000</td>
<td>$36,000,000</td>
</tr>
</tbody>
</table>

29 The mechanics of this process are explored in more detail in chapter 6. Here I want to draw attention to the integration of AFSPs with traditional banks.
<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Amount</th>
<th>Equity</th>
<th>Lending</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Tennessee Bank, N.A.</td>
<td>$16,600,000</td>
<td>N/A</td>
<td>$3,400,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Amegy Bank, N.A.</td>
<td>$16,600,000</td>
<td>N/A</td>
<td>$3,400,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Bank of Texas</td>
<td>$12,994,440</td>
<td>$3,605,560</td>
<td>$3,400,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Texas Capital</td>
<td>$16,600,000</td>
<td>N/A</td>
<td>$3,400,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$230,000,000</strong></td>
<td><strong>$50,000,000</strong></td>
<td><strong>$50,000,000</strong></td>
<td><strong>$330,000,000</strong></td>
</tr>
</tbody>
</table>

*All values rounded to the nearest dollar

With an established credit line of $330,000,000 through six national and two regional banks, Cash America operates as a node along the complex chain of global capital. From the perspective of their lenders, the company is simply one component of a massive risk portfolio. In fact, investments in AFSPs are part of a risk diversification strategy that seeks to place capital in certain markets that will perform better during different phases of the business cycle. AFSPs are in fact countercyclical, meaning that they tend to over-perform during economic downturns when borrowers are short on cash and lack access to mainstream forms of credit. From 2007 to 2012, while most US companies struggled to survive the worst economic contraction since the 1930s, Cash America and other alternative lenders were experiencing a true boom of activity. As depicted below, total assets steadily increased by approximately $200 million per year demonstrating the continued growth of the industry during tough economic times. In this way, the lending banks are in fact building a $330,000,000 firewall between their
portfolio and certain economic shocks. Knowing that earnings from AFSPs will increase during times of slow economic growth allows them to hedge their bets and protect against overall losses. For an institution the size of Wells Fargo Bank, $94,000,000 represents a tiny fraction of its overall holdings yet it locates Cash America as an operative component of a financial logic that views even vulnerability as a profit opportunity.

Chart 2

**Total Assets by Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$866,955</td>
</tr>
<tr>
<td>2008</td>
<td>$1,080,276</td>
</tr>
<tr>
<td>2009</td>
<td>$1,229,012</td>
</tr>
<tr>
<td>2010</td>
<td>$1,363,550</td>
</tr>
<tr>
<td>2011</td>
<td>$1,578,153</td>
</tr>
<tr>
<td>2012</td>
<td>$1,792,407</td>
</tr>
<tr>
<td>2013</td>
<td>$1,991,329</td>
</tr>
<tr>
<td>2014</td>
<td>$2,113,714</td>
</tr>
</tbody>
</table>


Nonetheless, financialization is about more than banking. As stated earlier, it speaks to the processes through which the logics of capital become increasingly embedded within every sector of daily life. This involves the increased integration of finance with everyday facets of our lives. An overview of Cash America’s Board of Directors reveals the extent to which its financial services are enmeshed within a web of interests that cross nearly every sector of the economy and society. For example, Daniel Feehman, the Executive Chairman of the Board, also sits on the Board of Directors for
RadioShack, AZZ Inc., Callaway’s Nursery, and Dinkies Co. The same man that oversees two billion dollars of alternative debt also holds direct interest in the electronics, plants, and jeans you purchase, as well as being concerned with the infrastructure of the nuclear power plant serving your community. The table below outlines the corporations/companies with which Cash America’s current Board of Directors is directly affiliated. Again, we can see how the operational structure of Cash America provides a window into how fringe finance is no way marginal to the broader landscape of capital investments.

Table 2

<table>
<thead>
<tr>
<th>Name</th>
<th>Products/Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>RadioShack Co.</td>
<td>Electronics, communications</td>
</tr>
<tr>
<td>AZZ, Inc.</td>
<td>Galvanized steel protection, mechanical integrity solutions, nuclear power equipment</td>
</tr>
<tr>
<td>Calloway’s Nursery, Inc.</td>
<td>Plants, home gardening</td>
</tr>
<tr>
<td>Williamson Dickie Mfg. Co.</td>
<td>Clothing manufacturing</td>
</tr>
<tr>
<td>General Motors Financial Co., Inc.</td>
<td>Automotive financing</td>
</tr>
<tr>
<td>Erwin, Graves &amp; Associates</td>
<td>Financial services technology, consulting for emerging growth companies</td>
</tr>
<tr>
<td>Hallmark Financial Services, Inc.</td>
<td>Specialty commercial insurance</td>
</tr>
<tr>
<td>Service Corporation International</td>
<td>Funeral and cremation services</td>
</tr>
</tbody>
</table>
Placing the rapid spread of AFSPs within the discourse of financialization allows us to identify how debt, credit, interest and risk all become components of the “ensembles of mechanisms” utilized to constitute specific subjectivities (Foucault, 1980, p. 71). To identify the mechanisms through which disciplinary practices of finance are translated into the materiality of life I find Foucault’s use of the term dispositif to be instructive. Designating a complex whole consisting of multiple but interlocking components dispositif is not a coercive apparatus, but rather sets of dynamics, which are activated through varying arrangements, processes, procedures, and events (West-Pavlov, 2009). This multiplicity of constituting and competing forces ensures that the circuitry of capital is grounded in a range of economic geographies extending well beyond international markets and reaching into the realm of the social and the individual. It is this direct link to the social that is often looked passed in political-economic analyses and yet the “micro-physics of power” are constituted through the shaping of the individual (Foucault, 1995, p. 139). The question to ask is, “what mode of investment of the body is necessary and adequate for the functioning of a capitalist society like ours” (Foucault, 1984, p. 58). In consideration of the new financialized self, I argue that the answer of today is debt:

The Subject of Debt

<table>
<thead>
<tr>
<th>Huntco International Inc.</th>
<th>Bicycle rack manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ancor Capital Partners, L.P.</td>
<td>Private equity in healthcare and manufacturing</td>
</tr>
<tr>
<td>JMK International, Inc.</td>
<td>Silicone rubber, movie production, book publishing</td>
</tr>
</tbody>
</table>

Source: http://www.cashamerica.com/AboutUs/BoardOfDirectors.aspx
new configurations of finance serve to produce an economic subject that is habitually and perpetually in debt.

Yet, as stated earlier, the indebted subject cannot be approached as a homogenous descriptor for all humans equally. As we saw with the subprime housing crisis, financial power is applied to different bodies in different ways. The production of the subject is never a static process; it is constantly attuned to the “clusters of procedures” specific to the time and space in which the subject is located (Foucault, 1980, p. 71). It is from this frame that I argue that lending practices reveal something about how debt is produced in particular spaces, and how these spaces in turn work to create a particular subject. This interlink between subjectivity and space is essential to understanding how financial institutions have been successful in expanding the base of would-be debtors. Here again, Foucault’s observations on how power is constituted through the production of both space and subject are enlightening.

An often-overlooked aspect of Foucault’s early writings is the degree to which space is implicated as a medium of power. The production of a new medical subject, the new soldier, and the prisoner, all relied upon a reconfiguration of space. Foucault recognized that the true power embodied in the panopticon lie not in the ability to survey in a more spectacular fashion but rather in the ability to survey “without any physical instrument other than architecture and geometry” (Foucault, 1977, p. 206). Thus, it was the renovation of space that ushered in a new form of disciplinary power by

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30 For more on the discriminatory practices associated with subprime lending see, DeLoughy, 2012; Immergluck, 2003; Rugh and Massey, 2010; Wyly et al., 2007, 2009. 31 In Discipline & Punish, Foucault (1977) devotes ample space to his analysis of Jeremy Bentham’s panoptic architectural design, which featured a watch tower in the middle of a penitentiary that would allow prisoners to be observed at all times.
“making it lighter, more rapid, more effective, a design of subtle coercion for a society to come” (Foucault, 1977, p. 209). I do not mean to suggest that all financial power is operationalized through panoptic technology, rather the metaphor of the panopticon as an instrument of surveillance that shapes our inner-subjective state through its innocuous presence informs on why the physical saturation of urban space is vital to the constitution of this indebted subject. The means through which AFSPs seek to saturate physical space can then be seen to be about more than market presence, it is also about establishing a normalized presence that registers “lighter” on our senses. In the same way that architectural design functioned to increase surveillance of the incarcerated body, the spatial organization of varied debt instruments serves to make them more functional by weighing less on our senses. That I never consciously recognized how quickly debt lending had overtaken my visual landscape speaks to how light its presence has become. It is rendered invisible through its ever-presence.

This link between space and surveillance that is exemplified by the panopticon deserves recognition. We need not argue for a perfect parallel between the surveillance of the prisoner and that of the debtor to recognize the importance the metaphor provides. Extraordinary spatial changes are rendered ordinary not through a trick of imagery but through the normalization of indebtedness as an inner-subjective state and the attendant forms of surveillance through which this is achieved. The emergence of the credit score as a measure of our economic and social worth translates into a psychological state where each purchase potentiates an inflation or deflation of moral character. Ross informs how “we are now under constant financial surveillance by the major credit bureaus (Equifax,
Experian, and TransUnion), whose credit reports, scores, and ratings of our conduct as debtors control the gateways to so many areas of economic need and want” (2015, p. 13).

The true force of financialization is therefore not that it consumes the individual but that it reconfigures the spatial dimensions in which our humanness comes to be defined. This is not to reify the economy’s primacy over all other spheres of human interaction, but to recognize the economy’s capacity to affect the conditions of possibility in the social sphere. Financialization is one such condition: it exerts its power not through repression but through the productiveness of its instruments: the processes of financialization utilize multiple discourses—regarding the responsible subject, middle class comfort, the American Dream, and self-reliance—to co-opt the subject into a system where basic subsistence is increasingly tied to debt spending. Rather than serving as a safety net for the uncertainties of market forces, the expansion of AFSPs since the 1990s indicates the extent to which precarity has become a signifier of the financialized economy. While certain populations are identified as ‘profitable’ or ‘low risk’, others are targeted for high interest debt that ultimately compounds rather than relieves their precariousness.

While agreeing with precariousness as an accurate descriptor of current socio-spatial relations, one must take care not to conceptualize precarity wholly as an ontological category of exclusion. To do so would overlook the processes through which exclusion has become an internalized component of capital processes. Thomas Catlaw (2007) identifies a key technique utilized in the current iteration of disciplinary society that he calls “the internalization of the exclusion,” whereby individuals are included in
certain social spaces, and its concomitant economic processes, based upon the conditions of what they are not (2007, p. 119). In this analysis, I identify those populations who through the act of being excluded from traditional forms of credit are internalized into a separate set of processes that simultaneously marks an ontological exclusion and inclusion. In these processes, internalizing specific subjectivities into socio-economic assemblages becomes a form of exclusion but a necessary component of financial circulation nonetheless. While the liminal spaces of society will undoubtedly continue to house certain forms of social and political death this analysis reveals the extent to which the circuitry of finance seeks to incorporate a wider base of participants regardless of their value rating. The space of the debt economy differentiates across the socio-economic terrain: in high rise buildings the poor are traded, and as such, they become needed. And yet if we consider the debt economy to provide little more than a living death, then perhaps we are splitting hairs.

To speak of capital is then to speak of debt, and debt does not exist without the indebted subject. Likewise, the subject cannot be separated from the space it occupies or the social relations which constitute its inner subjectivity—in all spaces, the object of debt reinforces the concept of the self as both consumer and producer, yet it is in particular spaces that the “violence of the everyday life”\(^\text{32}\) is amplified. Lazzarato illuminates that debt as a technique of governance, “produces itself at the crossing of different assemblages: the production of subjectivity and the economy” (2008: 1). As such, emphasizing how money is materially embedded within local geographies is

\(^{32}\text{Kleinman distinguished between the multiple, and differentiated ways, structural violence is disseminated through and experienced differently in the social order (2000, p. 226-41).}\)
essential for understanding the “co-constitutive relationship between money and the social relations involved in its (re)production and circulation” (Hall, 2012, p. 287). The circuitry of capital cannot be discussed outside of human relations, as the limits, boundaries, networks, and organizations of its spatial dimensions constitute it (Hall, 2010). Thus, space is not merely the container in which economic subjectivities are shaped; rather it is the specificity of space, the culture, gender, and color of space, that conditions the economic realities and potentialities of its constituent subjects. The conceptual importance of dispositif is that it shifts our gaze to the “interrelationships between the constituent parts of the assemblage” (West-Pavlov, 2009, p. 150); the individual is bound to the collective, the collective exists within the social, which inter-determines the political and economic. The apparatus then is not one of sheer force, but of strategy.

**Enfleshed**

Highlighting how individuals are enfleshed\(^\text{33}\) into varying social worlds directs us towards what Butler refers to as a “new bodily ontology” (2012, p. 12). She posits that any consideration of the body necessarily “implies the rethinking of precariousness, vulnerability, injurability, interdependency, exposure, bodily persistence and desire, work and the claims of language and social belonging” (Butler 2012, p. 12). Holding this precarious body against the object of debt we can begin to see the divisions, distinctions, and dispossessions implicit to the debt subjectivity. Indeed we find that “all bodies are constituted in relation to the world, but they do not encounter it in the same ways”

\(^{33}\) Povinelli (2011) uses the term “enfleshment” to discuss how we are embedded in a range of social structures that can simultaneously assist and harm us/others.
(Rivera, 2015, p. 12). Elaine Scarry (1984) provides an instructive metaphor to understand how different surfaces dramatically alter conditions of power. She explains two distinct images. The first, is of a knife dangling by a rope above a block of wood; the second, is of the same knife dangling above the body of a child. Scarry illuminates how changing the surface that is acted upon effectively changes the perception, as well as the reality of the object that acts. In the first instance, the knife is viewed as a tool, as it is being applied to a non-sentient surface. Yet by altering the sentience of the surface to become that of a child, the knife also undergoes a transformation to become a weapon. In a similar way, I argue that framing the body as a constituent part of a larger social reality transforms the way we see the object of debt. The productivity or precarity of debt is co-determined by the body it is applied to. Within the space of flows there are those bodies through which capital passes almost effortlessly, for these subjects debt is component of productivity. Yet, there are the other bodies that carry varying degrees of friction. These are the bodies that are left to pool in places where capital drags and therefore embeds itself in different ways. It leaves traces of its ephemeral presence but the bodies are too heavy to allow it to escape to the ether, thus it falls upon them as a weapon.
CHAPTER 4

AN ANGEL'S BURDEN: THE HISTORY OF DEBT AND ACCUMULATION

*America understands itself as God's handiwork, but the black body is the clearest evidence that America is the work of men – Ta-Nehisi Coates*

I was standing on the street across from a woman I had just met; it seemed an odd time to be thinking of angels but my mind kept escaping the space between us and pressing into the heavens. It wasn't that her story was unmoving; rather it was precisely the matter of fact-ness, the sheer normalcy of her speech that kept casting my mind back to angels. Carla, as I will call her, said she had no time to sit for an interview. For her, the twenty minutes we shared was most likely forgotten during the dinner rush at a local El Salvadorian eatery where she worked evenings, and occasionally afternoons when she could pick up extra shifts. She cleans office buildings at night with her husband who lost his job framing houses six years ago during the economic downturn. The mornings are busy getting three children off to school and caring for her youngest. All of this is done in the blue Pontiac, which while worn, seemed to be in good working order. Incidentally, it is this car that has led to our crossing. 18 months earlier, irregular work and mounting bills had forced Carla to borrow $1200 through an auto title loan. She mentions she had borrowed money before but that she was able to pay it back, this time however, time has dragged on and her tone contained little optimism that she was approaching the end. About two months after she borrowed the money she said her family had “many
problems” and that the cash went quickly. She did her best to keep up with the payments but says she fell far behind, and kept worrying that she would wake up and the blue Pontiac, her family’s lifeline to “keeping going” would be gone.

It is when I ask her about the future that my mind was thrown to the angles. Her eyes stared past me as if searching for a face in a crowd. For a moment, she said nothing: “I don't know…many things happened. I can’t change what happened. Now I try to fix things. But there are so many things.” With her eyes fixed on something I couldn’t see, on a past only she knew, my mind was struck by Benjamin’s (1968) angel of history:

His face is turned toward the past. Where we perceive a chain of events, he sees one single catastrophe which keeps piling wreckage upon wreckage and hurls it in front of his feet. The angel would like to stay, awaken the dead, and make whole what has been smashed. But a storm is blowing from paradise; it has got caught in his wings with such violence that he can no longer close them. This storm irresistibly propels him into the future to which his back is turned, while the pile of debris before him grows skyward. This storm is what we call progress. (p. 333)

Like the angel, Carla seemed to have her back turned to the future. She was being rushed onward but her eyes were cast back on the debris from her progress. The question is how do we move from Carla’s personal story to the storm of progress that has caught up Benjamin’s angel? Yet, what is history if not an anthology of tragedy forever called progress34? I will argue that it is precisely within the stories of tragedy, debris, revival,

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34 Slavoj Zizek (2008) considers how the history of humanity centers on the normalization of injustice and the suffering of millions; likewise, H.L.T. Quan (2013)
and resistance that the present and the future can be marked. And yet there is a history to be told, a history of the violent storm of progress not even the angels can temper.

How then do we begin to tell this story? How do we locate the lives of millions who find themselves living normal lives which are becoming increasingly unlivable? How can we trace the object of debt as it moves from the speculative to the material? It is here that I believe Benjamin’s angel can assist us: seeing all of history as a singular event, a rush of calamity that presses towards the future it is creating. The angel confronts the Schumpeterian force of creative destruction as the singular entity it is, both creation and destruction. The celestial fills the gap between the past and the future with an interminable present where creation never leaves destruction behind but carries its ruins within itself. In this way, Benjamin argues we can see the monuments of Capital “as ruins even before they have crumbled” (1999, p. 13). This fascination of unearthing the ruins of the past to recognize the present and dream the future led Benjamin to the Parisian shopping arcades of the 19th century. For him, the arcades were the consummate cultural artifacts: dream worlds constructed through the emergent commodity fetishism. In the commodity form Benjamin saw the repetitious past as well as the wish image of

outlines how modernity is chronically haunted by what she terms “savage developmentalism.”

35 Butler (2012) explains how the distinction between lives that are grievable versus ungrieavable conditions our acceptance of lives that are livable versus unlivable.

36 Economist Joseph Schumpeter coined the frame creative destruction to describe the entrepreneurial spirit of capitalism which, left unhindered, would always reinvent itself as society would continue to evolve to a higher state.

37 “Every epoch, in fact, not only dreams the one to follow but, in dreaming, precipitates it’s awakening. It bears its end within itself” (Benjamin 1999: 13). Such statements are consistent with his assertion that the lived moment simultaneously links the past and the future.
what is to come, hence, the commodity stores within itself multiple temporalities. His understanding of history is then not merely one of accumulation but also one of intensification. Ian Baucom (2005) parses Benjamin’s philosophy of history as one where history repeats “in neither attenuated nor farcical form but by ‘redeeming’ the what-has-been ‘awakening’ it into a fuller, more intense, form” (21-22). The task at hand would then be to identify the present within its historic contours, to recognize its perceived newness as an intensified articulation of the past.

This changes our approach to the object of debt as it remains to be excavated from the larger history of capital accumulation. While debt always signals a power relation it is also but one instrument of finance capitalism. To understand the prevalence of debt, and the normalization of the indebted human, it is necessary to consider why debt is being utilized in these ways at this particular time. In what follows, I attempt to locate the object of debt in a history that is still with us. To achieve this, I draw upon Giovanni Arrighi’s (1994) formulation of systemic cycles of accumulation, and Ian Baucom’s (2005) insights regarding the cultural artifacts of speculative capital.

**Accumulation**

Arrighi begins his analysis by extending the historic contours of Marx’s (1976) general formula of capital: \( MCM^{38} \). Working backwards from Fernand

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\(^{38}\) Under Marx’s formula (M) denotes money capital which translates into liquidity, flexibility and freedom of choice. Commodity capital (C) refers to capital invested in a specific input-output combination. The (M’) phase of capital refers to expanded liquidity, enhanced flexibility, and increased freedom of choice.
Braudel’s\textsuperscript{39} conception of capitalism’s \textit{longue durée}\textsuperscript{40} Arrighi recognizes the oscillatory nature of capital processes. MCM’ not only represents an equation for profit production but it identifies two distinct phases of accumulation (MC and CM’).

The central aspect of this pattern is the alternation of epochs of material expansion (MC phases of capital accumulation), with phases of financial rebirth and expansion (CM’ phases). Together, the two epochs or phases constitute a full “\textit{systemic cycle of accumulation}” (MCM’) (Arrighi, 1994, p. 6, original italics).

From this frame of analysis, Arrighi identifies four successive and overlapping cycles\textsuperscript{41} of accumulation that have marked the transitions, transformations, and consolidations of capital over the past 600 years. Each cycle not only marks the ascendant and descendant phases of specific capital/national regimes but they also allow us to view these in relation to the corresponding phase (MC or CM’) of capital accumulation. It is without coincidence that the two objects of fascination for Benjamin, the literary form of allegory and the Parisian arcades both arise during successive MC phases. The semblance of 17\textsuperscript{th} century allegory as a commodity form that he finds so

\textsuperscript{39} Braudel (1981) develops a tripartite conception of economy, where the varying levels of economic activity occur somewhat autonomous of the other. While this analysis takes exception to the stark divisions Braudel conceptualizes between the everyday, the market, and the capitalist economies, he nonetheless provides a valuable disruption in theoretical thought regarding the linear progression of capitalism across history. Moreover, Braudel provides valuable insights into the different ways capital circulates and accrues value in different social/economic spaces. In what he refers to as the upper tier of the economy, capital tends towards “speculation and power” which enables it to move freely amongst the other spheres of economy in a “hunt for profits” (1982, p. 577, 249).

\textsuperscript{40} In his trilogy, Civilization and Capitalism (1984), Braudel recognizes the entire history of global capitalism as a \textit{longue durée} that transitions from one regime of accumulation to another.

\textsuperscript{41} The periodization of the cycles can be approximated as the Genoese cycle (1450-1650), the Dutch cycle (1560-1780), the British cycle (1750-1925), and the current US cycle (1860-Present)
pervasive in the shopping districts of Paris in the 19th century reflects the systemic repetition that informed his observations. Yet identifying history not as repetition, but rather in terms of oscillation allows Arrighi to push beyond Benjamin to consider not only how time is stored in the commodity form during the MC phase, but how it is also stored in financial objects during the CM’ phase (Baucom, 2005).

It is this object of the financial cultural artifact that centers Baucom’s work and is critical to this investigation. His interest lies in historicizing specific moments where finance opens new spaces of possibility through the creation of value that is not tied to the commodity form but is realized through the imagination of finance. The object of fascination for Baucom is an insurance contract drafted in 1783 to cover any losses incurred aboard the Zong, a slave vessel sailing from Liverpool to Jamaica. The total insured value of the contract was £15,700; yet only £2,500 was allocated against the loss of the vessel. The bulk of the value, the remaining £13,200, insured the loss of 440 slaves valued at £30 per head. The tragedy that ensued is both documented and erased by history. What is known is that at the end of the journey, the captain of the ship, a Mr. Collingwood, weighed the comparative value of breathing slaves, against the contracted value of their loss and made the determination that the legal value (i.e. contracted value) was of greater financial reward than what could be gained off the auction block. Without minimizing the horrific tragedy associated with the slaughter, Baucom remains intent on drawing attention to the significance of the insurance contract that he contends structured the violence.

The 15,700 pounds attached to the Zong had acquired a legal reality long before the ship could ever make harbor in Jamaica, long before Collingwood could unload and
sell his cargo of slaves as so many other commodities on the Caribbean marketplace. The value existed the moment the insurance contract was signed (Baucom, 2005, p. 17).

It is the creativity of Capital, its ability to construct value “as if by a sublime trick of the imagination” that is most recognizable during the CM’ phase (Baucom, 2005, p. 27). During times of slowed commodity production and market stagnation, Capital creates new value the only way it can—through its own imagination. For Baucom, the Zong unfolds more than a singular tragic event: it speaks to the “abstractly typical” violence that emerged during such a hyper-speculative phase, one that he believes informs our own “exorbitantly financialized present” (Baucom, 2005, p. 26). The contract that legally constructed the value of the 440 humans that perished was literally birthed in the imaginations of men who sought little more than profit. As Baucom notes, the Liverpool merchants who underwrote the contract never met Captain Collingwood or any of the slaves whose value they would secure, hence, the value of £13,200 was not determined through exchange. Rather, the eventual exchange of the slaves for hard currency was intended to be the act that confirmed (rather than created) the imagined value. The emergent marine insurance contract that helped sustain the trans-Atlantic slave trade reflected an epistemological shift in knowledge and value. In order for finance to circulate capital across the expanse of the Atlantic at a rate that would generate speedy returns it was necessary to be able to trade the value of “commodities” [bodies] prior to actual exchange. The credit system that emerged was founded upon an acceptance of imaginary values, which were grafted onto human bodies. Here we see high finance at its most spectacular: at the point where even the materiality of human bodies can be translated so quickly into immaterial form. We see how the crediting of
speculator’s fictions increases the volume of capital circulation, the contract then legally confirms it, and the courts validate the material existence of the once imaginary.

Baucom’s use of Arrighi’s systemic cycles provides a way to locate our present moment within an oscillatory history of capital accumulation. From this frame, repeating stages of capital expansion are not seen as merely containing residues of antecedent phases, rather the later moment repeats the earlier phase by intensifying and expanding it: “the once emergent restages itself as the now dominant” (Baucom, 2005, p. 21). The hyper-speculative, hyper-liquid phase of finance that dominates global capitalism today is not the evolutionary end of progress. Rather, we are revisiting earlier moments of financial accumulation in an intensified and thus more pervasive form. The temptation to speak of our current moment as something beyond history arises from the fact that the current CM’ phase, that Arrighi approximates began around 1980, coincided with the computer and IT revolution. Advances in computer and information technology have allowed industries of all types to tap new potentials of global growth. There is then the temptation to approach our current financial phase as if it were a historical novelty of sorts but as Benjamin reminds us the angel of history sees only an accumulation of debris. Such a view is more consistent with Arrighi’s meticulous historical account that demonstrates how the fundamentals of capital accumulation remain constant. What each successive phase reveals is not so much the mechanics of capital but the innovations and

\[42\] When I speak of intensification I do not intend to make a comparative case in relation to bodily violence. In certain regards the appropriation of the human form is less intense nowadays than during the epoch of the trans-Atlantic slave trade. Yet, the same forces that commodified the human form for labor services continue to act upon bodies today in a manner that normalizes domination and financial servitude. Intensification then pertains to the scope and scale of the current iteration of financialization.
mechanisms through which accumulation is maximized. Thus, the significance of my encounter with Carla will not be found be simply examining the wage-labor relationship; rather, it is necessary to investigate the specific financial innovations through which her experience is framed. It is the short-term, high-interest contract through which she was required to access capital that will inform our study of the present, for it speaks to the normalized phase of speculative innovation that has defined our financialized times.

For a moment however, it is necessary to stay a bit longer with the dead: with the 440 lives that were rendered to be legally alive (in terms of monetary value) even if physically dead. The importance of this contract is that it signified a shift in how money was being created and stored. The emergent insurance industry of the 18th century marked a specific set of financial innovations through which the particulars of everyday life were pooled together as a “type” of commodity that could then be valued and exchanged. As Baucom notes:

[Insurance] is the business that trades in, invests in, and speculates on the typical, lays all its bets on the typical, and profits from this investment. Insurance’s condition of possibility is a way of seeing within the particularities of any given contemporary life, commodity, or venture it is called on to underwrite, the typical structures of morality, exchange, or history that circumscribe these things and operate as their historically peculiar circumstances (2005, p. 40).

This innovation of insurance, the “speculation on the typical,” is now restaged as the dominant feature of finance capital today (Baucom, 2005, p. 39). The logics remain the same; it is merely a matter of parsing through the new infrastructure that has been erected to meet the needs of capital interests. In today’s hyper-monitized markets, it is
liquidity that is most essential for profit growth. Marx anticipated the character of this CM’ phase and opted to use the abbreviated MM’ notation to mark the manner in which capital, in its most liquid state, used money to create money without the need for third party industry or even the traditional commodity form. Yet, Baucom’s comments prove illuminating as he stresses the manner in which a new industry (insurance) reshaped the “condition of possibility” by recognizing how fundamental social structures (morality, exchange, history) were circumscribed within a specific circumstance: the magic of finance is found in its ability to adapt to such circumstances to open new spaces for capital flow in order to convert to its liquid form. The financial project of the past 40 years has centered on the establishing a faster, more fluid flow of capital. In the same way that the insurance contract served to value and exchange the particulars of the 18th century, the financial circuitry of today has sought to accelerate the flow of capital more perfectly through a series of transformations most commonly known as financial derivatives.

At a base level, a derivative is simply a financial contract the value of which is determined by an underlying asset. These assets would include stock equities, bonds,

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43 David Harvey (1990) notes that something began to change about the way capital worked around the 1970s. Consider that in 1955, approximately 60% of corporate profits in the US came from manufacturing while only 10% were earned through financials. Since then, these two revenue streams have followed consistent trajectories in opposite directions. By 2004, US corporate profits by manufacturing had fallen to only 5%, while profit by financials had steadily climbed to roughly 45% (Harvey, 2010, p. 22). The sharp decline in a profitability (around 50%) associated with Fordist production models, led to a dramatic increase in financial innovation and a shift towards “stock managerial capitalism,” where primary profit is no longer accrued from the difference between production cost and purchase price but in the excess value created through spreads in financial markets (Marazzi, 2011, p. 30). This is the trademark of financialized times, where surplus capital is absorbed back into finance rather than into the traditional production-based economy.
commodities, and commercial or residential mortgages, and the most common forms of contract would include forwards/futures, swaps, and options (Hull, p. 2006). In a rudimentary way, the Zing’s insurance contract was a financial derivative: a forward contract that was assigned a particular value to a set of “commodities” and guaranteed future payment at a determined price. The problem for finance was that money tied up in such investments could not be readily converted into a liquid state. While such contracts did provide revenue streams, the money stored in the contract form was not able to enter back into circulation for an extended period of time. Moreover, the fact that the underlying asset was a human body limited any real opportunity for value appreciation. In some ways we can speculate that the non-convertibility of human labor to a liquid monetary state actually exerted downward pressure on the profitability of slave labor as the world economy began to move from a MC phase of production to the speculative CM’ phase. This is not to say that finance suffered a moral conundrum concerning the appropriation of the human form, rather it was simply a puzzle of profit maximization that would not be solved until the waning of the long twentieth century.

(Re)imagining

The financial crisis of 2008 compressed its misery into the accumulated debris from hundreds of years of capitalist development⁴⁴. In its wake, scholars, journalists, and financial insiders all weighed in on the sequence of events that led to the global panic and the disintegration of trillions of dollars in asset wealth (Ahamed, 2009; Reinhart and Rogoff, 2009; Harvey, 2010; Lewis, 2010; Blinder, 2013; Irwin, 2013). The intention

⁴⁴ For example, Robinson (1983) and Quan (2012) give varying accounts of how capitalist development has required the conditioned misery of certain populations through physical and economic slavery.
here is not to recount but to (re)locate. Tracing the processes that loosened capital’s creative capacities turns our eye to the capital demands that were being created. The shift from a production economy to a financialized one marks more than a strategic change in accumulation: it reveals the intensified depth to which our bodies are implicated in the creation of wealth that is simultaneously immaterial and material. We can no longer hope to locate finance solely in the upper tier of Braudel’s jungle; the object of debt requires us to look at the point of crossing between the immateriality of capital and the body to which it is tethered. Indeed, the body becomes a particular form of “accumulation strategy” (Haraway, 1995), yet we must resist examining the body as the terminal point of finance’s applied power. Rather, investigating how financial instruments move through the body reveals the mechanisms through which its power is established.

Understanding how the body is seen by finance requires us to understand how finance has imagined itself. If the ruins of the Parisian Arcades reveal the “dream world” of the fetishized commodity (Benjamin 1999), then it is within the objects of tradable debt that today’s dream of finance can most clearly be seen. Consider the collective imaginings that construct the processes of securitization whereby non-liquid, and therefore non-tradable, assets are converted into liquid state. Like the bodies trapped beneath the deck of the Zong, the financial equity bound to singular loans and assets

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45 Entire industries that had previously been embedded in manufacturing and production began to extend their business operations to financial products, instruments, and services. For example, the profitability of General Motors increasingly became linked to subsidiary branches such as GMAC, which specialized in consumer credit.

46 Braudel’s conception of a multi-layered economy posits that true capitalism is to be found in the top-most layer where, “predators roam and the law of the jungle operates” (Braudel, 1982, p. 230).
cannot be released back into the circuitry of finance unless a new instrument is created. These instruments known as asset-backed securities (ABS)\(^\text{47}\) became the first link on an elaborate chain of capital dreaming.

ABSs in conjunction with mortgage-backed securities (MBS)\(^\text{48}\) served as a lever for bankers and financiers to find new ways to convert the materiality of everyday life (auto loans, credit card debt, mortgages, students loans, etc.) into liquid assets. Financial institutions found that by pooling together singular loans they could create bonds to increase the volume of capital circulation while simultaneously deferring some of the risk to the investor. The securities were divided into tranches, which were then assigned a credit rating ranging from the most senior (AAA) and therefore most risk adverse, to those perceived to be the most risky (unrated). As expected the senior tranches were the most appealing to investors who were looking to add diversity to their portfolios. The junior or mezzanine tranches (AA-BB) proved to be less liquid as they carried a greater risk of default. Thus, while securitization solved the initial problem of how to make assets more liquid, it led to a second question: how can one liquefy all assets, not just the most secure ones. Financial institutions answered this question by simply doubling the bet. If pooling loans could create one instrument, why couldn't pooling tranches create yet another? This new instrument would be the collateralized debt obligation (CDO) and it would lead to reimagining everything.

\(^{47}\) ABS refers to securities backed by loans (including auto-loans), leases, credit-card debt, company receivables, royalties, etc.

\(^{48}\) MBS refers to securities backed by commercial or residential real estate loans.
At face value, there is little about the CDO that distinguishes it from other structured financial instruments. Yet it was the way the CDO was utilized as an instrument of speculative innovation that lends itself to this analysis. The creation and dramatic expansion of collateralized debt obligations reveals two important points for consideration, both of which are interrelated to the other. The first pertains to the manner in which value was created and then recycled through the financial circuitry establishing an imaginative network of financial alchemy whereby each successive degree of financial abstraction relied upon the consensual validation of the underlying asset. The second is what I refer to as demand inversion: the financial machinery that was developed to launder and circulate risky debt was a direct response to a demand for liquidity within global markets. Thus it was the demand at the top of the financial pyramid that was driving the innovation below. Demand inversion reframes the directionality of the traditional supply-demand model by showing how new debtor-subjects were intentionally created to meet the demands of speculative capital rather than the other way around. Thus, CDOs provide a way for us to call into question many of the assumptive arguments used to justify financial instruments that target vulnerable populations, including the contract that has so tightly bound up the life of Carla.

My intention is not to over-generalize the directionality of all demands within capitalist exchanges or to suggest that individuals do not in fact make some reciprocal demands upon the financial system. The dialectical nature of capitalism that ensures a precondition of unmet needs does effectively require individuals to demand any number of things even if they are objects for subsistence. What I seek to problematize is the unidirectional discourse through which classic supply and demand models are deployed
to justify the exploitive terms of subprime debt instruments. Inverting the demand function to consider the conditions under which financial speculators actively created new debt instruments for the singular purpose of increasing volumes of capital liquidity reveals how the financial machinery of hyper-speculative capitalist phases, such as the one we are currently in, rely on chains of abstracted value to create the illusion of wealth.

While CDOs are considered to be asset-backed securities due to the fact that they are comprised of multiple tranches of ABSs and MBSs, they also represent an additional degree of financial abstraction. This is to say that the product itself, the CDO, is comprised of the residuals from a previous instrument. Securitization provided a means through which non-liquid assets could enter the ether of tradable commodities but in order to begin circulating, these assets had to be properly packaged or the lower rated ABS/MBS tranches could quickly stagnate. By pooling together a conglomerate of mezzanine tranches, brokers reasoned that the risk of default would be spread across a large enough cross section of the country so as to diminish the original risk associated with the instrument. In a stroke of financial alchemy, CDOs effectively turned lead into gold: regardless of the initial risk associated with them, approximately 80% of all recycled CDO tranches would end up rated triple A (The Financial Crisis inquiry Report 2011, p. 127). In finance, the dead truly could be resurrected and it could be resurrected in AAA fashion. Moreover, if this imaginative sleight of hand could work once why couldn’t it work again? It could and it would: mezzanine CDO tranches were again pooled together and repackaged as a “CDO squared” sending the low rated bonds through
the system for a third time and finally emerging highly rated and new\textsuperscript{49}. Just like in the clearinghouses of London and Liverpool, where the value of human lives was dreamed into a contract, financiers once again found that they could create value by affirming their own imagination. If credit rating agencies could imagine excess value it need not exist; such value merely required a consensual agreement.

This practice, known as ratings arbitrage\textsuperscript{50}, sought to capitalize on the asymmetric spread between the supposed risk bore by the investor versus the actual risk of default by the debtor. What the CDO provides is a tangible representation of speculative finance’s most basic contradiction. While all capital is originally created through material assets that are linked to the human form and its labor, it is only by abstracting away from the embodied form of capital that money is accelerated and capable of re-creating value. The body of the one who bears the debt is rendered invisible as more and more capital is created through each successive degree of abstraction. What the CDO recycling machine provided was a blueprint for how the financial dream of a disembodied (fully free) state could be realized. What it first required was a ghosting of the body. The human that rested beneath speculation was too cumbersome, too material to enter this space. It was necessary to quantify a value based upon the body and then compound that value through a series of devices. This logic could then be extended to create a myriad of other

\textsuperscript{49} CDO squared instruments proved to be some of the most highly toxic assets associated with the subprime lending crisis. At the height of the subprime lending boom vast quantities of MBS/ABS-CDOs were converted into AAA rated bonds before subsequently falling to a few cents per dollar (Chambers et al., 2011).

\textsuperscript{50} Ratings arbitrage is not only confined to the CDO market. For an in-depth explanation of ratings arbitrage in structured finance see Hull and White (2012). Also relevant to this study, Brunnermeier (2008) provides analysis of ratings arbitrage in relation to market liquidity.
instruments, which sought to recycle the declining value of the initial embodied investment. Under such premise, even compounded risk could become an opportunity for compounded value: the risk associated with these additional layers of abstraction simply provided space to create new structured instruments. A prime example of this is the credit default swap (CDS).

CDSs are swap agreements that provide a form of insurance against the default of a particular loan product. While CDSs have been around since the mid-1990s it was in direct relation to the CDO recycling machine that its market exploded. Michael Burry, founder of Scion Capital, and the man credited with first purchasing credit default swaps on ABS/MBS-CDOs marveled at the speed at which the CDS market matured in the frenzy of the subprime lending boom and subsequent decline. Burry recalls that in early 2005, when he first started asking banks and financial firms about purchasing CDSs on subprime heavy CDOs none of them offered this type of instrument, yet within six months he had purchased hundreds of millions of dollars of CDSs from multiple banks (Lewis, 2011, p. 31).

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51 In his popular book *The Big Short*, Michael Lewis (2011) reflects on his interview with Michael Burry: “In retrospect, the amazing thing was just how quickly Wall Street firms went from having no idea what Mike Burry was talking about when he called and asked them about credit default swaps on subprime mortgage bonds, to reshaping their business in a way that left the new derivative smack at the center. The original mortgage bond market had come into the world in much the same way, messily, coaxed into existence by the extreme interest of a small handful of people on the margins of high finance. But it had taken years for that market to mature; this new market would be up and running and trading tens of billions of dollars' worth of risk within a few months (31).”
The CDS market itself became so robust\textsuperscript{52} that it opened an opportunity to apply the same \textit{tranche and recycle} logic that it had been designed to mitigate. The irony of this logical contradiction was lost in the insatiable demand for liquidity that now dominated speculative finance. The very instruments that were created to hedge against the possible default of volatile CDOs were now themselves cut into tranches and repackaged as new derivatives known as \textit{synthetic} CDOs. For investors, these synthetic products offered the promise of quick and easy returns due to the lightness they bore. There were no true assets attached to any synthetics, rather they were merely bets on whether borrowers would pay their mortgages or other outstanding debts. Again, we can see how the body originally tied to a material asset is ghosted through another layer of abstraction as speculators play on both sides to ensure a profit on any human suffering. Indeed, at the risk of over-simplification, the logic of financial institutions during this hyper-speculative phase can be distilled down to the rather morbid protocol outlined in chart 3:

\begin{center}
\begin{tikzpicture}
    \node[rectangle, fill=blue!20, text width=10cm, text centered] (A) {Securitize to create ABS/MBS};
    \node[rectangle, fill=blue!20, text width=10cm, text centered, below of=A] (B) {Pool and tranche to create CDO};
    \node[rectangle, fill=blue!20, text width=10cm, text centered, below of=B] (C) {Pool and tranche to create CDO squared};
    \node[rectangle, fill=blue!20, text width=10cm, text centered, below of=C] (D) {Create CDS to hedge risk};
    \node[rectangle, fill=blue!20, text width=10cm, text centered, below of=D] (E) {Repeat as often as necessary};
    \draw[->, blue!50!black] (A) -- (B);
    \draw[->, blue!50!black] (B) -- (C);
    \draw[->, blue!50!black] (C) -- (D);
    \draw[->, blue!50!black] (D) -- (E);
    \end{tikzpicture}
\end{center}

\textsuperscript{52} For example, American Insurance Group’s (AIG) offering of credit protection on assets, including ABS/MBS-CDOs, increased from $20 billion in 2002 to $211 billion in 2005 and then jumped to $533 billion in 2007 (Federal Crisis Inquiry Report 2011: 141). This marked a 2265% increase in only 5 years.
The acronymic complexity only serves to obscure the simplicity of the dream: the pooling of assets, the division of risk, the multiplication of value are all processes of imaginative validation. It is the construction of wealth out of the immaterial that affirms the normative dream of capital.

**Demand by Whom?**

When examining how the body is instrumentalized through these accumulation processes, one must keep their eye on the inverted demand that drove the machinery. Recall that my intention here is not to recollect the full events that culminated in the Financial Crisis of 2008, rather I am seeking to identify the instruments though which financial players normalized the dream of disembodied accumulation. And yet, the fact that the body remained tethered to the underlying assets upon which this house of cards was constructed required particular discourses to be put forth to distance the financial sector from the inevitable fallout regardless of how much money had been made by commodifying vulnerability. The most potent of these narratives rests on the sterile logic of supply and demand equilibrium. Financial apologists maintain that ultimately the blame for much of the crisis lie with the individual who knowingly sought out loans that they could not afford. In this regard, financial institutions merely responded to the demand for cheap credit by providing the supply of subprime instruments. Indeed, it is
this same discourse which props up the AFSP industry maintaining that the short-term, high interest loans they provide simply respond to a demand that is already there. It is a powerful narrative: patently false, but powerful nonetheless.

The value of examining the CDO instrument is that it provides a way to frame the financial logic of continuous accumulation in a way that reveals the dialectical directionality of demand. Locating the mechanisms through which financial power moves through the body reveals how the body is sequestered to meet the demands that are put upon it. Thus, while it remains a supply-demand relationship the demand function is inverted; it is the demand for capital liquidity that requires a supply of debtors to be created.

The extent to which this is true can clearly be seen in the short window of history we observed. In order to provide the necessary liquidity to recycle debt and compound value, an expanding pool of securitized assets was required. Once assets were brought into the churn, financial imagination would do the rest but it still required the initial investment – it needed the indebted body. The CDO became the central hub in a debt supply and demand chain that extended in both directions: it became the vehicle through which institutions would launder high risk debt (e.g. BBB bonds) into shiny, new AAA bonds; likewise, its popularity with investors exerted downward pressure on lenders to create new ways to bring debtors into the fold. The speed at which this particular financial engineering spread through the larger apparatus of global finance reveals the trappings of this speculative logic. The Financial Crisis Inquiry Commission (FCIC) established by the Federal Government to investigate the causes of the 2008 collapse
found the CDO to rest at the top of a speculative chain of activities and it is worth quoting some of their findings at length:

By 2004, creators of CDOs were the dominant buyers of the BBB-rated tranches of mortgage-backed securities, and their bids significantly influenced prices in the market for these securities. By 2005, they were buying “virtually all” of the BBB tranches. Just as mortgage-backed securities provided the cash to originate mortgages, now CDOs would provide the cash to fund mortgage-backed securities. Also by 2004, mortgage-backed securities accounted for more than half of the collateral in CDOs, up from 35% in 2002. Sales of these CDOs more than doubled every year, jumping from 30 billion in 2003 to 225 billion in 2006.

*Filling this pipeline would require hundreds of billions of dollars of subprime and Alt-A mortgages* (FCIC 2011: 130, italics added).

By the turn of the twenty-first century, the financial infrastructure for a speculative boom was already in place: the pipeline had been built. Financial actors could now turn their attention to finding the *hundreds of billions of dollars of subprime mortgages* it required. They achieved this through what Michael Burry referred to as “the extension of credit by instrument” (Lewis, 2011, p. 22). Securitization and the CDO supply line meant that lenders no longer needed to hold on to the loans they originated, in

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53 By “financial infrastructure” I am referring to the combination of Federal regulatory provisions and the maturation of the over-the-counter (OTC) derivative markets that loosened Finance to innovate without any oversight. In December of 2000, tremendous financial pressure succeeded in getting Congress to pass the Commodity Futures Modernization Act (CFMA), essentially deregulating OTC derivatives markets by removing any oversight by the Commodity Futures Trading Commission (CFTC) or the Securities and Exchange Commission (SEC). The CFMA coupled with the repeal of Glass-Steagall provisions of the 1933 Banking Act just one year prior, laid the infrastructure of an ensuing boom of speculative activity
fact the health of the financial system now required that they hold onto nothing. Everything was to be liquefied. Everything was to be recycled. Value and wealth accumulation depended on it. Unsurprisingly, lenders took the lead by simply creating new loan instruments when the ones they had did not suffice. This led to a new lexicon of sub-prime, non-prime, and Alt-A mortgages, as well as, more telling acronymic identifiers such as NINJA loans, which stood for No Income, No Job or Assets. Ultimately, the demand for capital liquidity had reached the zenith of its abstracted value: in 2005-06 alone, $1.2 trillion of sub-prime loans were originated, over 75% of which were securitized (FCIC, 2011, p. 70, fig. 5.2)

Again, the crucial point for this analysis is the recognition of how the demands of consumers are preconditioned by the dynamics of financial speculation. It was not an army of under-paid workers who petitioned banks for more lax lending standards, nor was it the brokers who dreamed up new ways to package loans and then sold these products door-to-door to financial institutions. Rather it was the upper echelons of global finance that in words of one Credit Suisse banker, “created the investor” (FCIC 2011: 130). Financial demands for liquidity required that assets could move more freely and thus created the instruments to achieve this. In turn, this system of compounding recycled value could only be sustained if new waves of assets could be sold to the public and thus it again created the instruments to realize this.

**Apparitions**

What the collapse of the housing market and ensuing financial crisis (2007-08) revealed was the fiction of speculative capital’s disembodied dream. It laid bare the bodies beneath the house of cards. The ontological underpinnings of the derivative
instrument require that the body be excavated. Unearthing the body from the workings of finance is no small task; it requires extracting the material from what is immaterial. As we have seen, capital is created, exchanged, and traded in the immaterial; the commodity form is separated from its use-value and finds its capital worth in the imaginary space where exchange-value is created. Yet there is an added dimension of materiality when the human body occupies the commodity form as it does in the current debt economy. When the body operates to collateralize the exchange-value of financial instruments, its existence is ghosted by each additional degree of financial abstraction. However, what should not be missed is that while speculators attempt to dream the body into a disembodied state, the system they create can never fully escape the corporeal weight it is bound to. Ultimately, the fragility of the financial system revealed the extent to which it had internalized the precarity of its debtor base. Its very efforts to move into an increasingly ephemeral state had in fact exacerbated its intimacy with the flesh.

The question to be asked is, what occurs in this crossing between body, finance, and imagination? Does a form of spectral transference occur, where the body moves beyond the ambulatory horizon of the imagination and crosses into the unreal? In the same manner that 440 lives placed under the cedar decking of the Zong could be reimagined as an arbitrary value in an accounting ledger, does the speculative magic of financial derivatives confer a ghostly existence onto the lives that are ultimately tied to the assets wagered? In essence, it is the imaginary nature of the markets themselves that enact violence against the human body, where the sensuous of humanness is lost in the act of making value. This act, which is little more than an imaginative consensus amongst exchanging parties, moves the body into an ephemeral space of unreality where
“those who are unreal have, in a sense, already suffered the violence of derealization” (Butler 2004: 33). Moving back to the weathered strip malls of low-income neighborhoods populated by High Finances arm of short-termed lending (i.e. alternative banking) allows us to excavate the body that has been erased in the contractual lines of itemized agreements all initialed by a lending officer on the high end of a packaged deal.

Whether we see it or not, we are again standing on the deck of the Zong. We have moved into the past; back into a moment where capital has been set free to determine its own needs. Carla’s story is folded into a contract and tucked into the captain’s quarters. At some point, her body will surface but until that time an imagined value of her life will accrue interest and structure the condition of her life down below. Just as the cargo holds of the Zong revealed the cold calculus of a blossoming insurance industry, so does my encounter with Carla reveal something about the existential condition of indebtedness that has become the modus operandi of the finance sector. What is broadly referred to as financialization can then be more accurately framed as a series of cartographies, all of which coalesce around imagination and capital flow. If we are to keep our bearings then we must keep our eyes cast towards the stern for this ship does not steer itself: it is driven by the same storm that has cast the angel into the future.
CHAPTER 5

INSCRIPTION: THE CONTRACT OF DEBT

*If you have to borrow the money, that means you don’t have it to pay back* – Tanya

*In this sense the essential thing seemed to us to be, not exchange and circulation, which closely depend on the requirements of inscription, but inscription itself, with its imprint of fire, its alphabet inscribed in bodies, and its blocks of debts. The soft structure would never function, would never cause a circulation without the hard machinic element that presides over inscriptions* – Deleuze and Guattari

While I never read the print of Carla’s contract, it was undoubtedly present in our chance meeting. In all probability its physical form was pressed between the masses of pages bound up within the oversized envelope she carried with her. In another way, we can think of how Carla herself was lost within the same space. Her own life was folded between the documents that assessed her value, structured her monthly payments, and in turn also shaped the structure of her material life: extra shifts, time off, car repairs, gasoline, coffee with friends, school supplies, field trip fees, birthday parties, groceries, medicine, broken eye glasses, worn shoes, old jeans, time at home, time away, children’s play, exhaustion…exhaustion. All of this was somehow stuffed into that envelope – perhaps that was why it was such a burden.
Let us consider the object of the title loan contract from Baucom’s frame of reference. While cultural artifacts from capitalism’s commodity phase reveal something about how the past dreamed its future, cultural artifacts from capitalism’s speculative phase reveal how the future is being dreamed in the present. Yet these dreams take material form, not only in the object but also in the implicated bodies. Baucom’s work proves valuable in revealing how capital is accumulated through the body and more importantly, how this is achieved by constantly reimagining what the body can represent. These representations codified into legal form ultimately depend on a mnemonics of inscription (Deleuze and Guattari, 2009). In this way, the contract moves beyond questions of legal excess to also ask questions about how the processes of capital accumulation write upon the flesh.

This project then becomes one of reconstituting the human body that is inscribed; or rather, it can be seen as an exercise of real-ization in the sense that it is the human that must be made real again. The realness of human life that is erased in the logic of capital accumulation surfaces in the object of the contract. We are then left to ponder what it is of ourselves that is put into the contract. What part of our humanness is written into the object so that it serves as the necessary asset for capital circulation? We must also take up the question of what Capital puts into the contract? Its specter – its illusory nature, the disembodied dream of capital – is transferred onto our lives. The act of moving our

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54 In their landmark book, *Anti-Oedipus: Capitalism and Schizophrenia*, Deleuze and Guattari present a counter narrative to the popularized view of primitive societies being organized upon principles of exchange: “Society is not exchangist, the socius is inscriptive: not exchanging but marking bodies, which are part of the earth” (2009, p. 185). They postulate that debt marks a specific alliance with an unconscious system of desire that is codified in the social, political, and financial institutions, which we wrongly identify as the object of oppression rather than a node in a system of domination.
human lives into contract form seemingly imparts ghostliness to our material lives; we become more disembodied, more fragmented in our lived reality. Examining the body that is tethered to the object (contract) allows us to conduct what Foucault refers to as an "ascending analysis of power" (1976, p. 99, original italics). The short-term, high-interest contracts of auto title loans shake loose the "infinitesimal mechanisms" of financial power that are internalized by the debtor subject. In this chapter I use one such contract and the lived experience it frames to reveal the depth to which financial instruments are designed to inscribe the debtor into a power relation that intensifies with its duration.

**Bindings**

Tanya is one of the more welcoming individuals I have ever met. She has a warm exuberance that draws in others. Even when talking about her struggles, sometimes to the point of tears, she never makes you feel as if you are intruding. On the contrary, there is something palatable in the way she engages with you. It’s as if she senses she is telling a story that while intimately personal also extends beyond herself. She intuits that her testimony belongs to a community, fragmented as that may be: as she relates, “sometimes it feels good to talk about it. I know I’m not alone. Sometimes it feels like it, but I know I’m not the only one” (Tanya). Side-by-side, Tanya’s story is not that different from the one Carla recounted, while the details varied, both stories hinged on a sequence of events that often extended beyond their immediate control. Moreover, their stories could not simply be reduced to a series of personal choices: much of their choosing was often given to them, for example in the case of Carla’s husband losing his job, or Tanya’s ex-husband’s inability to maintain regular employment. Both women
attest to the interwoven-ness of fate – how our lives are inscribed in a multiplicity of relationships. Yet, it is our access to capital, or lack thereof that often overwrites those relationships and ends up redefining the conditions through which we engage with others.

When I sat with Tanya she was in the last six months of a two-year title loan contract. A single mother of two adolescent boys, she had chosen to move to Phoenix four years prior in an effort to start fresh after a failed relationship with her ex-husband, who is the father of her two children. Although she holds a Bachelors degree in sociology and a Masters in management, she struggled to find full-time work in an economy that was still reeling from the financial crisis and the fallout from the collapsed housing market. During the five months it took to find full-time employment, she worked as a consultant on life insurance packages with a company that partnered with her former employer. This income coupled with some assistance from her parents who lived in Phoenix allowed her to get by but the living costs of raising two children simply became too much, and she soon found herself needing an immediate access to cash. This resulted in her first experience with title lending and she recounts the lead up to that moment:

So the first one was like $500 and I knew when I was talking to them you know, oh my gosh I’m going to pay $300 just to borrow $500, I mean that is insane but what was I gonna do because I needed money to buy food or something...what was it? I think I needed money to pay the day care…yeah, actually I remember because they [the daycare] were like ‘you guys can’t come back tomorrow till this balance is paid.’ So I was like, ‘alright.’ So I made a vow to pay it off sooner but
of course you get comfortable paying that low monthly payment and you end up paying the $300 plus the $500 back.

What is written within this script are a string of silences or gaps that speak to the thrown-ness\textsuperscript{55} we share with others. Woven into her simple account of needing money to pay for daycare is the absence of the children’s father. Semantically ironic, it is her ex-husband’s absence that makes him so present in her struggles with debt and the fight to maintain a sense of normality and security for her children. In considering the circumstances that have led her to take out multiple title loans over the last four years, her ex-husband is often foregrounded. She describes the uneasiness and frustration of being partially dependent on a partner whose unreliability heightens the precariousness of her family’s life:

What keeps happening I find is that I depend on their dad for income and then he loses his job, he must have lost at least 5 jobs in our time being together. And I’m like, I can’t do this, so the mode I’m operating in now is [that] I can’t depend on him at all.

Tanya is left to incur the full costs of caring for two children on an income that despite being a full-time salaried position still leaves her well-entrenched in what Michael Stone (1993, 2006) refers to as shelter poverty, a condition whereby the disproportionate amount of income spent on housing results in families being forced to

\textsuperscript{55}Judith Butler (see, Cohen 2014) uses the term “thrown-ness” to speak of how our lives are enmeshed within the socius; but we can think of this beyond our personal relationships to also consider historical narratives and discourses of domination. Tanya, who is both black and female-bodied is thrown into a complex crossing of multiple discursive realities, none of which need to necessarily be privileged, but all of which need to be considered present.
cut back on other essentials. This is a consistent theme in Tanya’s life reflected in everything from the nutritional value of the food she purchases\textsuperscript{56} to the quality of childcare she provides her children during the summer months\textsuperscript{57}. Yet, the gravity of Tanya’s financial anxiety pulls inward to the home and the stability that she is desperately trying to maintain for her children. She is haunted by the thought of her children coming home to find their apartment barred by management and their belongings on the street. She fears the day she will have to move her children away from their friends at school because she is unable to find affordable housing within the district limits. Her voice wavers when she talks about the promise she’s made to herself to not allow her children to embody the stress that she feels is her burden to bear: “All I want is that there’s consistency. They have a roof over their heads, we don’t have to sleep in a hotel or at someone’s house” (Tanya).

The direct link between shelter and short-term, high-interest loans would be nearly impossible to overstate. Shelter remains the tenuous roof that separates one from the additional precarity of living shelter-less. The line between shelter poverty and homelessness is one that is traversed by the vast majority of payday and title loan users that I’ve encountered during my research and it is actively present in all the testimonials that inform this project. Although Tanya’s early experiences with title lending made her

\textsuperscript{56} Regarding dietary impacts, she states, “My kids are supposed to be eating healthier but I have to stick to instant mash potatoes and macaroni and cheese, yellow #5 cheese or whatever, and I don’t necessarily want them eating that but its cost effective right now” (Tanya).

\textsuperscript{57} “The camp I put them in last year was super ghetto, I can’t do that again even though it was super cheap, like $100 a week for both but I can’t…I can’t go to work to let them fend for themselves basically because that's how the camp rolls” (Tanya).
aware of the exorbitant interest rates associated with the loans, she still found herself facing a choice that in effect was no choice at all:

   My rent was due and it was $1200 because all the fees. So I called the rental office and verified the amount and went to speedy cash and said ‘what’s the most you guys could give me?’ And their like, ‘oh twelve-something,’ like I walked out with 80 bucks after I paid everything. So that month’s rent was late. I paid it but then right behind it I had to pay daycare and car insurance and my car payment for the next month; like the next pay was going to be absorbed by that so it wasn't like I could turn around and pay next month’s rent on time. I still had all this stuff I was facing so I was like okay what am I going to do. So it helped buy me some time, literally it helped buy me three weeks because then I was into the next month and I had to figure out what I was going to do for the next month’s rent because those people aren’t going to wait.

Tanya’s testimony reveals a critical aspect that is crucial to understanding the cumulative effect these loans bear upon the body. While these loans are presented as an instrument to meet financial obligations, in fact, what you are purchasing is simply time – a defined increment of reprieve. In Tanya’s case, this temporary stay was a mere three weeks; three weeks to figure out how to remain sheltered and to begin repaying the small amount of time she purchased.

The extent to which the future becomes weighted against the body of the debtor is often overlooked and yet rests at the center of this power relation. Particularly in high-interest contracts such as title loans where debt is accrued daily we can see how easily finite debt can be pushed to a threshold of infinity. While the AFSP industry today
justifies triple-digit interest rates to hedge against the risk of default, the scandal of selling time has actually been documented for hundreds of years (Le Goff, 2001). Usury laws of the past and much of the disdain for moneylenders in medieval times stemmed from the understanding that they actually stole and sold what was not theirs: “Time, of course, belongs solely to God. As a thief of time, the usurer steals God’s patrimony” (Le Goff, 2001, p. 39). It is ironic that the once-perceived immorality of debt lending now intimately contributes to defining the morality of the good economic subject.

The object of debt as operationalized by the AFSP industry fundamentally alters not only the extensive and intensive relationships of the debtor it also reshapes the temporal conditions of their lives. Through the contract of high-interest debt, the body of the debtor is abstracted before it even enters the labor process. Its conversion to exchange value is based upon the promise of labor that has not yet been performed. Payday and title loans inject debt capital into the financial system of flows not based upon the value of labor power, but on the promise to pay interest on their labor at a future date. Under the terms of contract, it is not the commodity or even the production process that is turned against the body, rather it is time that is weaponized. As interest accrues daily, each successive increment of extended time adds to the weight of money. This is how $368,072,229 of extended “credit” so quickly transforms into $1,036,294,334 of debt (see, chapter 2, p. 29). The insidiousness of this type of high-interest debt is that it is intentionally designed to outpace the body’s capacity to create enough surplus labor to settle the debt. This is the indebted human that Lazzarato speaks of: the one who is inscribed into a system of power that is only compounded as time progresses.
## The Contract

Table 3

<table>
<thead>
<tr>
<th>ANNUAL PERCENTAGE RATE</th>
<th>FINANCE CHARGE</th>
<th>Amount Financed</th>
<th>Total Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The cost of your credit as a yearly rate</td>
<td>The dollar amount the credit will cost you</td>
<td>The amount of credit provided to you or on your behalf</td>
<td>The amount you will have paid after you have made all payments as scheduled</td>
</tr>
<tr>
<td>$179.505%</td>
<td>$3,228.31</td>
<td>$1,248.00</td>
<td>$4,476.31</td>
</tr>
</tbody>
</table>

Your Payment Schedule will be:

<table>
<thead>
<tr>
<th>Number of Payments</th>
<th>Amount of Payment</th>
<th>When Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>$86.05</td>
<td>Every Other Friday, beginning 09 May 2014</td>
</tr>
<tr>
<td>1</td>
<td>$87.76</td>
<td>22 Apr 2016</td>
</tr>
</tbody>
</table>

The figure above is an extracted portion of the full contract that can be seen in Appendix B. Located on the front page, it details the structured terms of the time Tanya purchased. However, drawing a line out from that moment to the broader experience of Tanya’s conditioned life expands our understanding of how these instruments inscribe their alphabet upon our bodies. While the numbers incite the eye, the language of the contract – even the short descriptions of each column shown here – reveals the mechanics
of this inscription process. In the remaining portion of this chapter I examine what is embedded in the above columns. I make the argument that this instrument, this form of contract, provides a material articulation of how speculative finance seeks to appropriate the human body to perpetuate the liquidity demands on which it has come to rely. While I do not believe direct comparisons can be made to the contractual appropriation of bodies that occurred during the trans-Atlantic slave trade, I nonetheless contend that such benchmarks set precedents of how value is created, multiplied, and compounded through the flesh. Contractually framing Tanya’s experience reveals how debt must be located in the body and how its imprint has come to reshape the human experience of debt.

Regardless of how normalized debt has become to our lived experience, an annual percentage rate (APR) of 179.505% continues to shock the senses. The number exerts a particular pressure upon us simply because of what it asks of us: interest rates require us to project forward, to promise an increment of our future time and labor power to compensate for what is provided us in the present. In asking nearly 180% repayment beyond the principal, the increment is absorbed into a near totalizing force. It asks that we not only repay what is borrowed but that we give 1.8 times more of all that we are. In some ways these contracts represent the current limit to speculative capital’s imaginative capacities to reconstruct the wage-labor relation. The worker no longer sells a portion of their labor power for a wage; rather he/she negotiates access to capital against a rolling number that is tied to the expectation that the individual will do what is necessary to live. It is only by establishing a direct link between basic subsistence and debt that one would acquiesce so readily to a number of this magnitude. In truth, it is the desperation of the circumstances that renders the number itself a mute point. Reducing the Federal
Reserve’s overnight lending rate by one half of a percentage point may be enough to move billions of dollars at the upper end of the financial spectrum but down below the realities of shelter poverty, medical expenses, and daily needs are often so stark that borrowers find little difference between 80%, 180% or even 280% APR. Consider Tanya’s realization of the enormity of the interest applied to her loan:

> It really stinks, you know, they tell you that, when they sit you down they tell you the terms but if you don't understand, most people don't know what questions to ask. That's what I’m thinking, people go and do this because they don't know what questions to ask, they don't realize oh my god I’m paying nearly 100% in interest! The one loan I took was like 120% interest I was like oh my god!

Despite feeling under-informed through the lending process, her recollections suggest that more information may not have altered the outcome in any way. Her expressed shock that she would be paying 120% interest actually reveals the insignificance of the number, for in fact, she is paying 60% beyond what she remembers. While Tanya is well aware that she is contractually bound to an asymmetrical power relationship the exact terms of the contract remain blurred. When I asked if I could see a copy of her contract she agreed and told me that she knew exactly where it was because she had bound it up in a large file and tucked it away the very day she took out the loan, not wanting to see it again until she could “toss it, when its finally paid off” (Tanya). Like Carla, so much of her life is bound up within a contract that was consented to not upon the merits of the loan but on the severity of the life choices she faced. In such cases, the interest rate itself means very little, which is most likely why it is so prominently displayed on page 1 of the contract. It is with full disclosure that this is
sealed. Eric, another participant who will speak more in later chapters, observes, “At a basic animal level people are generally aware of how they are being fucked”. While the vernacular is coarse, it is also useful in delineating how this appropriative process is experienced. Tanya is unaware of the exact interest rate that is applied to her loan not because she is careless but because at a basic animal level she realizes that the number itself is insignificant, she is still fucked.

The “how” that Eric speaks of intuits that it is not the high-interest loan in isolation that constrains the individual. Rather it is the pervasive logic implicated in the demand that the body generate nearly 200% over what is borrowed. If you are startled by a 179.505% APR you should not be, for it is nothing more than a numerical representation of what speculative capitalists have always dreamed. Whether it is through cargo holds or CDOs the dream has remained the same, it is simply a matter of unraveling the instruments through which the muse is realized. The logic of finance capitalism’s desire to operate as a disembodied commodity that effortlessly multiplies in value is reflected in what it requires of the debtor’s body. Part of capital’s seductiveness lies in its ability to move so freely, to not be constrained by the cumbersome humanity that underwrites its contracts. Yet it is this push towards an ephemeral horizon that has unwittingly rendered its imprints more visible. The intensified materiality of our indebted lives amplifies the false assumptions of this liquidity model. The disembodied ideal of capital remains tethered to a corporeality that can never multiply wealth at the rate that is desired. The recognition of the body serving as the limit to capital’s expansive ideal is what I term false liquidity: ultimately the liquidity of the system is
proven to be a fabrication when the bodies that service the debt can no longer find ways to produce the labor needed to keep finance dreaming.

This phenomenon of mainstream loansharking validates the most animalistic instincts of capital interests. It confirms Nietzsche’s recognition of the debtor-creditor relationship as one of power rather than exchange. Inscription by these high-interest instruments reveals the depth to which speculative finance is implicated in the material conditions of the debtor. While capitalists have long leveraged their position to extract labor power from the human body, the loosening of speculative instincts pushes labor towards a higher threshold of temporal fracturing, where the debtor’s future poverty is turned against the body in the present. While the AFSP industry maintains that these products are intended for short-term, emergency use\(^58\) Tanya’s contract demonstrates how these instruments are often structured for annual and multi-year repayment. Tanya’s debt is dispersed over 52 bi-weekly payments of approximately $86. Assuming that she incurs no additional fees throughout the two-year duration of the loan she will have paid $3,228.31 on top of the $1238 borrowed to assist her during her “emergency,” which could more accurately be thought of as her life. Like so many others, Tanya, is living in a state of emergency: a condition whereby cumulative and compounding effects of debt are exacerbated by the very tradeoffs required to service the debt. Consider the fact that

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\(^58\) Examples of how the industry markets these products as viable options for emergency situations can be readily be seen on websites, such as [http://www.cartitleloans911.com](http://www.cartitleloans911.com), [https://www.ezcartitleloans.com/locations/](https://www.ezcartitleloans.com/locations/), [http://www.plshome.com/loans/](http://www.plshome.com/loans/)
many necessities are also debt financed\textsuperscript{59}. For example, the automobile that binds Tanya to the exploitive terms listed above is not yet fully her own. She maintains approximately $230 monthly payments until she has paid off the balance. Likewise, certain clothing and household items were purchased on her Kohl’s card which is her only active line of credit. Both of these represent accruing forms of debt that factor into her monthly budget decisions; however, the lower interest and penalty rates associated with these debts causes her to prioritize paying on her title loan first since it carries such an exorbitant APR. Thus, she has had to negotiate delayed payments for her debt to Kohl’s (two months), and extended the term of the loan for her car (three months). Of course, interest continues to accrue during this “grace period” but it has “freed up money for groceries and childcare” (Tanya). What can be seen is that the tradeoffs induced by high-interest debt are not confined to choices between consumable products, they also include strategic choices regarding which debts to repay first. In this way, high-interest debt reconfigures the lived condition of shelter poverty. We can no longer consider it only a problem of constrained choice, we must also account for the fact that even the most basic choices often will incur a compounding of debt.

\textbf{The Cost of Credit}

The subtext under the column title Finance Charge (Table 3) is descriptive enough. Indeed, we can think of this as “the dollar amount the credit will cost,” and yet, making the link between debt and the body requires that we interrogate what is embedded within both the dollars and the cost of this object. Moreover, while the word charge can

\textsuperscript{59} Andrew Ross notes that the need to debt finance “the basic requirements of life” is what defines our modern debt economy (2015, p. 11).
most readily be associated with its cost, I believe that a second interpretation is also relevant. Charge can also be thought of as a mandate, leaving us to consider what the mandate of this contract is. From the optic of debt, I believe that the most explicit charge the financial discourse makes is that we accept its logic regarding how the debt/credit system has come to rest upon a numerical representation of one’s moral standing. The credit score – this numerical morality – serves as a primary signifier of the modern inscription process through which a valuation of our personhood is made and sold to others. The charge of finance is that we accept this assessment and embody its experience. A low credit score indicates more than just restricted access to affordable debt, it also renders judgment on your trustworthiness, your reliability, your honesty and integrity: it assesses your ability to produce value in both society and economy.

In many ways the credit score can be seen as a metric of liquidity. The higher one’s score, the closer they approach the perfected fluidity that capitalists desire. The mechanics of finance reward the body that can easily be translated into a more liquid state, and punishes those that remain heavily mired in the precariousness of their humanity. As we leverage our lives to take on the more ephemeral state of money, we end up embodying the personal valuations that are given to us. Thus, the inability to make good on one’s debt regardless of the odious terms associated with it, inscribes a feeling of unworthiness and shame. Furthermore, the emotional states of debt subjectivity are not experienced in isolation; rather, the shame associated with debt is typically heightened when others are drawn into the experience. One of the more emotional moments recollected by Tanya came when she was describing the experience of shame in relation to her father:
He knows about the title loan…the only reason he knows is because I used him as a reference. When I told him that, I was at the title loan place and they were like, ‘oh we need someone who’s gonna answer the phone right now.’ And I’m like ‘really?’ I’m like, I don't need the money right now, like you can take the references and call later and I can let them know, and they’re like ‘well you can walk out of here today with your money if you put people on the reference list that are gonna answer the phone right now’…and I was like ‘well the only person I know who will respond to my call is my dad.’ So I called him up, explained to him what was up and he was like, ‘why do you have to do that?’ And he sounded so disappointed.

Her hesitation to list her father as a reference was influenced by her previous experience with another title loan store. After faithfully making payments for the first few months, she missed a payment and the next day “they got crazy and called everyone on my list. I was like, EMBARRASING!” However, Tanya’s reluctance to inform her father about her dire need for money goes beyond simply feeling insufficient. While she does carry a certain feeling of financial inadequacy she also wanted to protect her father from feeling like he couldn’t provide assistance to her.

I was like, ‘dad it's a lot of money that I need and I don't want to burden you.’ And he was like, ‘okay,’ you know he just felt frustrated because he may or may not have been able to lend it but I just felt like…he was disappointed he couldn't help me.

Knowing that her father remains protective of her, Tanya didn’t want to transpose the shame of her “failures” upon him thereby compounding the shame she was already
experiencing. The inter-linked experience between Tanya and her father reveals something integral about how we come to embody debt. We see that we are not only shaped by our perception of ourselves, but also by how we believe others are perceiving us, as well as how our burdens come to burden those close to us. Hence, the cost of credit can never be quantified in dollars terms alone. While $3,228.31 is substantial, Tanya’s experience reveals a deeper layer of entanglement that goes far beyond money.

**When the Music Stops**

Turning our attention to the Amount Financed, it is necessary to return to the concept of demand inversion that is described in the preceding chapter. Demand inversion disrupts classical interpretations of supply and demand models when applied to instruments of debt. As shown, demand for debt is often preconditioned by a system that requires the individual to take on debt to subsist. Under such tension we can identify the reciprocal demand for capital liquidity that is also present, and it is this demand at the top that has often spurred the creation and innovation of new instruments. In the same way that a slew of new derivative instruments were created to meet the demands of speculative markets hungry for capital liquidity a range of subprime instruments such as title loans, payday loans, and flex loans proliferate the AFSP marketplace to meet the demand for circulatory capital that moves upwards to larger financial institutions. Title loans, much like sub-prime loans and synthetic CDOs, are a response to a demand for circulatory capital that can be recycled into a system at compounded value. The financial system’s dependence on continued infusions of capital liquidity was articulated perhaps too clearly by former Citigroup CEO, Charles Prince, who just one year prior to the
collapse of Lehman Brothers remarked, “When the music stops, in terms of liquidity, things will be complicated. But as long as the music’s playing, you’ve got to get up and dance. We’re still dancing” (Financial Times, 2007).

In hindsight, Prince’s comments seem shortsighted and irresponsible to say the least, yet more than anything, they are revealing. They strip away the facade of the rational actor to reveal the way the markets carry along as if by a symphonic chorus of order. Yet the order itself is tenuous and fragile. It is composed of a transmogrification in the most magical sense, whereby the materiality of the human body has been assigned an immaterial value that can now recreate itself in the ether. It is when the weight of our humanness becomes to heavy to be carried along by the sway of the music that the curtain lifts to reveal the wizard. The magic itself is complex, as it requires the body to be appropriated through a variety of channels all of which contractually mark it for trade and exchange. In Tanya’s contract we see the reinforcement of one of the fundamental lies of the financialized discourse, that it is we who are choosing the music and that it is being played for us. In the third column of the contract we see that the Amount Financed is “the amount of credit provided on [our] behalf.” Again, we see the embedded premise that it is finance that is acting upon our request rather than us being drawn into a system of debt that is increasingly used for little more than subsistence and survival. Yet this idea that the demand originates solely with the individual is a powerful fiction and it exacts severe consequences. Foremost it requires the body tethered to the underlying object of debt to bear the consequences of any pauses in the music. After the collapse of the housing market in 2007-08, it was not the financiers and the banks that suffered true injury for they were tied to a derivative form of debt, the real body that underwrote the
debt were the millions of individuals who had been led into unsustainable mortgages by a truly insatiable thirst for liquidity\textsuperscript{60}. The liquidity that had fed the desire of speculators was shown to be patently false but the ensuing violence enacted against the body of the debtor in the form of default, foreclosure, and loss of employment was all too real.

The power of the idea that these instruments are created in our best interest normalizes the assumption that the borrower should pay for any accumulated costs, because it is the borrower who has initiated the contractual exchange. Beyond accrued interest, Tanya’s contract specifies that she will bear 100% of the costs associated with default as well as with any legal challenges that may arise during the default or repossession process. Page 4 of Appendix B outlines the conditions of default, detailing six specific protections reserved for the lender:

1. We (the lender) may take possession of your Vehicle with or without judicial process using any peaceful means we deem appropriate.

2. We may require you to deliver the Vehicle to a reasonably convenient place that we designate.

3. We may sell, lease or otherwise dispose of the Vehicle in any commercially reasonable manner.

4. We may continue to charge you interest on any unpaid amounts at the contracted APR.

5. We may, at your expense, repair or restore the Vehicle to substantially the same condition and repair as of the original date of this agreement (we will add the

\textsuperscript{60} At the peak of the crisis 10,000 families a day faced foreclosure; even now, seven years removed from the collapse, each month sees 40,000 homes taken from those who are told that it is their risk to bear (Realty Trac).
amount of the expense to the balance due under this Agreement, but we will not charge you interest on that amount).

6. We may exercise any other right or remedy allowed by law and this Agreement

While the language is explicitly intended to render the lender both visible and protected, the body of the borrower is marked by its very absence. Nowhere in the document do we find the rights of the borrower, except for the right to reject arbitration (Appendix B, p. 6), which will be discussed shortly. Rather, the debt subject sees their legal protections whittled away, and in some instances overwritten by the contract itself and the protections extended to the lender.

The first three conditions lay out the terms under which dispossession may occur and the borrowers de facto impotence to resist it. The nuance of dispossession will be further explored in chapter 8, but here it is worth recognizing how a primary function of the contract is to legally validate takings that occur “with or without judicial process.” By exercising the “right(s) and remed(ies) allowed by law and this Agreement” (condition 6) the contract opens extra-juridical space where the lender’s right to recoup the money it is owed takes precedence above all else. Legal remedies designed to protect those who suffer financial hardships are explicitly stripped away through contractual consent. The lender’s investment in the debtor’s body is fully protected and prioritized as the necessary outcome of this legal codification. The body that produces labor to fulfill the contract, the body that is disciplined by the contract is not only dispossessed of capital at a rate that far exceeds all federal guidelines for the “credit worthy,” but it exposes the dispossessed to a range of violence that is embedded within the life condition of being in default.
In truth, those that have been forced to take on triple-digit interest rates are typically only one misfortune away from facing the threat of default. As Tanya’s father cautioned her, “If you have to borrow the money, that means you don't have it to pay back” (Tanya). The theoretical richness of this statement should not be overlooked. At once, it speaks to the normalized jeopardy of debt poverty as well as the logic that props up the system of legalized usury: it is the very fact that people will not have the money to pay back that makes it so profitable and ensures its perpetuation. It is not simply the excessive interest rate that secures profit for the industry; it goes beyond the mechanical exchange of dollars paid on dollars borrowed. What Tanya’s father understands is that the system is designed to exploit the lived condition of the indebted human. From the industry’s standpoint, Tanya is desirable precisely because she is functional, hardworking, and determined to maintain shelter-security for her family, because of this she will not have the money to pay back any time soon.

Indeed, the conditions that drive individuals into these loans tend to persist and the high interest eventually exacerbates their level of financial vulnerability. For example, when I asked Tanya and Eric about why they had missed payments on their loans, the stories they told were nearly identical to the ones they told me about why they had taken out the loans in the first place: they were short on rent, needed to pay for additional childcare, or there was a lull in paychecks due to a job change. Regardless of the reason, the threat of default looms large in the life of the debtor because of what it threatens to rob them of. For the borrower, the car is much more than a leveraged asset, it is a lifeline to the fragile “stability” they are desperately clinging. Without her car, the little bit of stability Tanya has been able to maintain would likely evaporate. Her 30
minute commute to work would become unsustainable on public transportation as it would involve multiple transfers and the extra transit time would push childcare costs out of her budget. The loss of her car would then mean the end of her job unless she was able to somehow get out of her lease and find another apartment nearby her work. Of course, this would force her to remove her children from their school and friends and this is the one promise she has made to herself to not do. In reality, the taking of one’s vehicle comes with an eviction notice and reveals the depth to which the creditor commands the security of the debtor.

While hardly enforceable, additional injury is applied in default by codifying the legal obligation to participate in his/her dispossession by requiring the individual to deliver the vehicle to a place of the lender’s convenience (condition 2). If the borrower refuses to do so he/she will incur the Additional Collection Costs Upon Default that are noted on page 4 and further detailed in the Vehicle Towing and Storage Agreement: “my signature below constitutes full legal responsibility for all reasonable charges incurred for towing and storage of the vehicle” (Appendix B, p. 9). Such costs, which are substantial and accumulate daily\(^{61}\), are added onto the remaining balance of the loan. Hence, while the taking of the vehicle marks a specific form of dispossession it in no way finalizes the condition of debt that marks the body. In fact, the additional fees that are added to a debt that clearly cannot be paid demonstrate the extent to which the process itself is not about the taking but about the marking. Conditions 4 and 5 detail how the loss of the physical object (the vehicle) fails to remove the debt implicit to the object. Interest on the balance

\(^{61}\) Average towing fees are typically between $150-$250 and storage fees are charged daily at $15-$50 per day (Repossession Laws).
will continue to accrue and any costs (repair/restoration) associated with maximizing its resell value will also be counted against the borrower. Even in default after the borrower has been stripped of the asset the body is still not released. Interest continues to accrue on the principal, which will never decrease because any payments that could possibly be made will “be applied first to fees and costs, then to Finance Charge, then to principal” (Appendix B, p. 4). Contractually speaking, even default becomes an act of compounding debt. Perhaps it is here that the ghostliness of Capital becomes visible in our lives. In financial death an apparition of us remains, potentially extending beyond our lifetime. The Other Terms of the contract that are inconspicuously listed at the bottom of page 4 (Appendix B) states that “[t]his agreement will be binding upon you, your heirs and assigns”. Death then merely marks the end of the physical body, but its specter – the debt that has been inscribed upon it – carries forward to be written upon those we ourselves can no longer carry.

The Totality of Debt

Appropriately, the last column of the table asks us to examine the Total of Payments, and indeed these are the questions that beg an answer: What is the sum total of what is taken from the borrower? What is the true cost? The answer is case specific as it depends on a variety of factors that are experienced differently across the populous, yet it remains useful to consider the total costs written into the contract and how they far exceed any number (in this case, $4476.31) no matter how odious and excessive it may be. A key theoretical assertion made in this study is that debt finance ultimately seeks to appropriate our bodies into a system of value extraction/creation that changes us in a fundamental way. The power it exercises over our lived condition shapes us into
financialized subjects, whose value is largely determined by the amount of false liquidity our body can bring into circulation. The title loan contract does not serve as a descriptor of finance as a whole, yet it provides a window through which we can observe how power is exercised and applied through the creation of a specific juridical-legal subject.

Foucault’s (1977, 1982) understanding of how the subject is created not at the point of power’s application but through the mechanisms which make such applications possible is useful in understanding the processes that are intended to inscribe a relationship of domination. It is not in default that the subject is created; rather it is through the execution of the terms of the contract that the indebted condition is accentuated and entrenched. It is through assessing, monitoring, shaming, and dispossessing that we are changed. How could one live under such weight and not be changed? Overlaying the contract with Tanya’s experiences informs how the debt condition is about much more than money. It is about access to our personhood. Debt provides finance access to the intimate spaces of our lives that typically remain beyond its reach: our homes, relationships, health, and children. The debt condition allows the logics of finance to impose their presence into these spaces as we voluntarily consent to specific contractual obligations that open up our lives for scrutiny and observation. In this last section I will examine how the title loan contract is designed to achieve this by stripping away the barriers between the creditor and the debtor, and restructuring the legal personhood of the debtor.

At the top of page 2 (Appendix B), in bold print, is a notice to the borrower: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. Just below this is a second cautioning to “read it carefully before you
sign it,” and indeed, caution is warranted for, as we have seen, its terms come at considerable cost. Despite such disclaimers, Tanya’s testimony suggests that there is a limited disclosure of the terms of loan. She relates being shocked by how quickly the entire process took place and how even the interest rate she would be paying was not discussed in any real detail:

So I went to Speedy Cash and in like 10 minutes I walked out with the money I needed to pay the rent and I was like this doesn't feel right. So I looked at the paper work and I was paying back like 120 % over two years and I was like what, this has to go, and so I’m still paying that back and I’m like never again.

Her experience is telling because it speaks to the desperation for, and the relief of, obtaining the money needed to stave off homelessness. A desperation that caused her to not even ask about the interest attached, and yet after she left something didn't “feel right” (Tanya). This uneasiness was attributed to not only how quickly the process was expedited – “all I did was pull up my bank account on my phone and they just checked to see that I had direct deposit” (Tanya) – but that so little explanation was given regarding the contract she now carried. Nadine and Eric, neither of whom received any detailed information about the terms of contract, echoed this sentiment:

They just told me what options I had to pay them back, how much and for how long. They didn't say much about anything else. I just initialed and signed (Nadine).

I knew what I was getting into more or less but I didn't read through the contract. Really wasn’t much point, I needed the money (Eric).
What was important to Speedy Cash was that they had direct access to Tanya’s revenue stream, which is precisely why the verification of direct deposit was the single most important factor in determining whether they would enter into contract with her. Once a regular stream of income had been proven (via direct deposit) the first barrier the lender sought to breach was the one between the individual’s personal account and the lending institution. Implicit to the contract is an EFT/ACH Authorization that provides the lender with direct access to one’s personal bank account and authorizes the lender to electronically withdraw any funds required to cover scheduled payments, as well as any “unpaid costs, expenses and charges” (Appendix B, p. 2-3). Thus, while we prefer to think of ourselves as maintaining control of our personal expenditures, the contract negates this autonomy by eliminating any barriers their money and our accounts. This carries both a psychological and a material impact on our daily lives. Granting the lender access to our bank ensures that their needs will be prioritized and met before all others. Life decisions pertaining to housing, schooling, nutrition and health, are all now secondary to the servicing of one’s debt. Debt is now king, and it must be served first regardless of the costs embodied in other areas. In this way, the lender encroaches on not only one’s financial accounts but also into one’s home. The decisions we make in our personal space may be called into review (in an indirect way) for we will be held fully accountable for any missed/late payments and penalties will be automatically imposed.

The power implicit to the contract cannot be thought of strictly in terms of what is taken monetarily. It’s exercise upon our subjectivity seeks to “govern our gestures, dictate our behaviors,” and in doing so, it “produces its real effects” through a discourse of truth that it speaks into being (Foucault, 1977, p. 97). The truth that is produced here
is that those who do not honor their debts are less-than, untrustworthy, and should be excluded from certain juridical processes. This is the alphabet of inscription of which Deleuze and Guattari speak. The contract not only delineates the terms of debt collection but it reveals how the discursive truth will be branded into our bodies. It is not enough that the lender gains direct access to our personal accounts and indirect access to our home; truths that must be spoken shall be disseminated to our community, both private and public. For this reason, the contract specifies that the borrower, and all telephone numbers associated with the account (personal references), “will accept calls from us or a third party…regarding the collection of [the] account” (Appendix B, p. 4). Recall, Tanya’s personal shame of having her friends and family alerted to the fact that she was late on her payment. While these individuals bear no financial responsibility for her account they are nonetheless vital to the process of inscription, for it is through shaming and devaluing the subject that one comes to accept the truth that is given to them.

Claiming the right to monitor the debtor through telephone calls, email and text messaging has little to do with money but everything to do with power. It establishes a contractual agreement whereby your personal “insufficiencies” will remain private as long as you make good on your debt. But once the line is crossed, the lender encroaches upon that space, imposes its presence, produces its truth, and extracts its cost.

Inscription, however, must move beyond shame, or rather it must find ways to translate shame into a legal form. This is done by contractually redefining the legal subject to construct a stripped down version of any complaining party. This is perhaps the most insidious component of the contract for it sets a 30 day time period after which the borrower loses access to certain constitutional rights, specifically the right to seek
legal remedy through the courts and the right to trial by jury. When Tanya signed this contract she effectively agreed to have her legal personhood altered in relation to any disputes or claims that may arise. Embedded within the technical language, that was surely glossed over, is the construction of an arbitration process that operates outside of the court system and effectively ensures that the borrower possesses no opportunity for full legal remedy of any dispute.

The Pre-Dispute Resolution Procedure outlines the process through which any “claims” can be made by either party. It is worth noting that “claim” is intentionally defined in the broadest of terms to incorporate any grievance that could be raised such as excessive fees, early withdraw, harassment, etc.,

‘Claim’ is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counter claims, cross-claims, and third-party claims, and claims based on any constitution, statute, regulation, ordinance common law rule…and equity. It includes disputes that seek relief of any type, including damages, and/or injunctive, declaratory or other equitable relief. (Appendix B, p. 5)

Hence, the lender is protected from even issuing a written apology without first going through pre-dispute resolution procedure. This involves submitting a written “Claim Notice” to the corporate office of Tiger Financial Management in Wichita, Kansas, after which the complaining party may commence a Proceeding under the rules of arbitration.

It is through the Arbitration Provision that the legal rights of the debtor are substantially curtailed: “It sets forth when and how claims will be arbitrated instead of litigated in court” (Appendix B, p. 6, italics added). Unless the Arbitration Provision is
rejected in writing within 30 days of signing, a corporate arbitration process supplants the borrower’s constitutional judicial guarantees; an arbitration administrator will serve as the final judge and jury. The removal of a constitutional protection such as Trial by Jury is no small measure, thus it contains its own waiver process that is worth including in its entirety as it appears:

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER. (Appendix B, p. 8)

The language is farcical to say the least. Thinking back to Tanya’s description of the circumstances that led her into the loan and the next wave of bills she would soon be facing, it seems comical to assume that she would find time to “consult with counsel” or that she could “knowingly and voluntarily” consent to contractual terms that were never explained to her. The very fact the lender spends considerable effort to somehow legally bypass the court system suggests that such processes are by no means for the “mutual benefit of all parties.”
By removing the borrowers constitutional right to proper legal remedies, arbitration consolidates the discourses of shame and unworthiness to articulate a new financial subject that is defined through its legal exclusion. The so-called messiness of the courts is replaced by a streamlined arbitration process in which multiple grievances must be condensed into single claims, claims cannot be joined with the complaints of other persons, no class action lawsuits can be filed, no process of discovery is permitted, and the right to appeal is virtually non-existent (Appendix B, p. 7). The debt subject not only pays interest to subsist but he/she must relinquish rights in order to do so.

Regardless of the sterile language that structures the contract, a title loan is more than an extension of credit by instrument: it inscribes, codifies, and seeks to redefine the legal personhood of the individual. The exposure and stripping down of the subject goes beyond the business model, it has to do with more than just profit. It is an exercise of power: the non-creditworthy cross a threshold whereby their impotence shifts from the discursive to the juridical. In doing so, the imprint of finance is left upon the body and the psyche of the debtor. This intent to not only extract value but to actually mark the body is perhaps most visible in the section titled Survival, Severability, Primacy. It states, “this Arbitration Provision shall survive the full payment of any amounts due under this Agreement” (Appendix B, p. 8). Thus, even after all payments are made, after the lender has taken back 180% more than what it lent, after the body has suffered under the weight of debt for years, it is still bound to the terms of the contract. Any injury and grievance that arose through the relationship can never be addressed to the courts. The body has been marked, a new subject has been shaped, and it extends beyond the structured duration of the debt – it is now part of whom they are.
Thus far, I have sought to illuminate how the logic of finance is replicated even at the lower levels of the debt/credit system. Those who are excluded from the traditional banking sector find themselves scrambling to find ways to access alternative forms of credit in order to survive. This serves to heighten the intensity of how they are brought into the debt economy. It is in the spaces where the price of inclusion is at its highest that the body becomes tied to debt in the most basic way: it requires debt to eat and maintain shelter. In the next chapter, I will look more closely at how AFSPs act as conduits for the circulation of capital between larger financial institutions and vulnerable populations.
CHAPTER 6

CONDUITS: MOVING MONEY FROM THE BOTTOM TO THE TOP

In fact, the two processes – the accumulation of men and the accumulation of capital – cannot be separated – Michele Foucault

The Inside

I had never heard of the “warrior gene.” Human genetics didn't really cross my research terrain but my interest was captured by Jonathan, a vibrant, young, Black-American, who had his own working theory on why Black movements in The US had faltered since the 70s. It wasn't a complete theory but his musings were contemplative and I was drawn into the conversation. As Jonathan saw it, the decline in organized Black Power movements was directly tied to the state sanctioned assassination of past warriors. He lamented the deaths of Fred Hampton, Malcolm X, and Huey Newton and was curious as to whether the warrior gene had any role to play in this. The gene, known as MAOA-L is a variant of the gene on the X chromosome that encodes for the enzyme monoamine oxidase A; several studies had revealed strong correlations between the genotype and aggressive or warrior-like behavior (Beaver et al 2009; McDermott et al 2009; Widom and Brzustowicz 2006). Jonathan, wondered whether the radical,
sometimes militant, Black leadership of the past was in fact genetically coded and if so, did criminalizing aggressive behavior and targeting Black youth preemptively neuter Black communities of their future leaders? It was a fascinating topic and led to series of talks that would form a casual friendship but Jonathan didn't inform my own research until one day we crossed paths and he mentioned recently quitting his job. The comment itself wouldn't have led to much, but there was something about the way he mentioned it “being for the better” that caught my attention. I asked him what kind of work he had been doing and he told me that he worked at CheckSmart, a subsidiary of Community Choice Financial Inc. (CCFI) that provides alternative banking services in 530 stores across 15 states (Company snapshot, 2016). I knew CheckSmart well, having stopped into several of the 30 storefronts they operate in the greater Phoenix area. Unlike TitleMax (discussed later in the chapter), which focuses almost entirely on auto title loans, CheckSmart markets itself as one-stop banking for “underserved” clientele, providing everything from express loans, and money orders to tax preparation and postage (checksmartstores.com).

Jonathan had become acquainted with CheckSmart’s services through heavy advertising in his apartment complex for products such as no-fee money orders. It was this free service that caused him to venture into the store on several occasions and to eventually inquire about the “Now Hiring” sign he saw in the window. After speaking with the manager and passing a basic math exam he was able to negotiate work for over $10/hr. and thought that it would provide some flexibility in working hours. At that time Jonathan’s working assumption was that he would be performing basic banking services
such as check cashing and payment transfers, but he soon learned that the core of the business lay elsewhere – he would be selling debt:

   It’s called CheckSmart but it’s really a loan business. That's the primary business model, that's what makes the most money, that's what gets the most emphasis, that's what we train the longest on. You know, checks and money orders are really extremely secondary, I would say even tertiary to what we do. (Jonathan)

Although singular and subjective, Jonathan’s experience is informative of just how central high-interest debt products are to alternative banking. While nominal fees may be charged for certain services the real money is to be made by prolonging the duration of high-interest loans that accrue interest on a daily basis. Thus, while secondary services may in fact be periphery, it can also be said that they serve as productive channels through which individuals are drawn into a system that offers access to quick capital albeit at exorbitant interest rates. This can be seen through Jonathan’s telling of how the business model is designed to create a customer who is eligible to receive loans. From the lender’s perspective the desirable customer is one who is regularly employed and who holds some interest in an asset that can be leveraged for access to quick capital. In order to increase the security and maximize the returns on the loan, the vast majority of these businesses have gone to a direct deposit model, where they directly link to your bank account and can withdraw funds automatically according to the established payment schedule. However, while direct deposit dramatically increases the ability of the lender to exercise control over the borrower it also reduces the pool of potential borrowers since a large percentage of the financially precarious are
unbanked\textsuperscript{62}. Businesses such as CheckSmart have looked to capitalize on this market by utilizing additional financial instruments such as prepaid credit cards to bypass the traditional banking sector and thus widening the pool of potential borrowers:

If they don't have a bank account and they need one we’ll recommend that they get a prepaid visa where they can get direct deposit from their job onto this card and we get incentivized by the [credit card] company that it’s owned by to do so as well. So we have everything in store that you need. If you came in and all you had is a job and a vehicle with a registration [in your name], you come in and say, ‘I don't have a bank account.’ Oh, ok, get one of these prepaid Visas, put your direct deposit on there and now we can get you a loan. (Jonathan)

There are two crucial observations to be made here. First, we can begin to see how the customer is created. In the same manner that the subprime borrower was constructed through innovations in lending practices (as discussed in chapter 5), we can see here how conditions and instruments are constructed to initiate the debtor-creditor relation with those who often lie outside the traditional banking sector. Second, we find that traditional credit institutions help establish the necessary conditions for these loans to exist through networks such as Visa and MasterCard: they provide the critical link between the unbanked and AFSPs. Yet, becoming a body through which this infrastructure passes exacts a cost. Being written into the circuitry of capital necessitates becoming a subject who pays for his/her place within this space of flows.

Establishing a direct line between the lender and the borrower’s account undoubtedly exerts a form of disciplinary power over the debtor as they know that the

\textsuperscript{62} Provide stats on the unbanked population in US

115
full payment of the loan can be called upon any time they fall behind on the scheduled payments. Yet, somewhat surprisingly Jonathan was adamant that it was rare for the company to force borrowers into default. From his experience, the lender rarely sought to claim more than what was immediately due. This seemed somewhat contradictory to how I imagined the business might run. If a borrower were struggling to keep up with payments, it would seem logical that at some point the lender would seek to withdraw additional funds from the bank account. However, Jonathan explained the relationship in different terms:

PULLING out the funds electronically is really one of the last resorts because in a way if we can get you to pay then that's still making more money off of your loan because you’re still paying interest. When we pull those funds, most of those funds go directly to your principal you know what I mean, so it’s like you may have $100 owed of interest but we pull out $400, that extra $300 is going directly to the principal and we don't necessarily want to do that. We use it more as a bluff. It’s better for us if you pay that monthly amount.

Such comments reinforce how fundamental time is to the debtor-creditor relationship: Implicit to the exercise of debt’s power is temporal duration. The creditor not only seeks to dictate the terms of return but also ultimately desires to extend the returns for the greatest amount of time. In her book, *Economies of Abandonment*, Elizabeth Povinelli (2011) contends that the defining feature of socio-economic organization in modernity is endurance. Yet, it may very well be the case that our survivability is turned against us. Our capacity to endure is measured and monitored as we pay interest on life. Companies that negotiate high-interest debt wager that the
borrower will remain productive enough to meet their contractual obligations; yet there is a silent wager as well, one that whispers hardship and seeks to maximize duration. This silent wager is that life will not improve, that struggle will intensify and the body will break down. In such cases, surviving may require reducing debt payments to the bare minimum to where only the interest is being paid. The principal, the weight of the money, is then never lessened:

There are some customers who have been with the company for years making monthly payments of like $300 a month on a title loan and they’ll come in and say they can’t keep up with the payments anymore so the company will say “okay we can lower your interest rate which will lower the monthly payment but if you keep paying close to the same amount then you can cut into the principal,” but they never do. Once the interest rate goes down to reduce the minimum monthly payment they always just pay the minimum so the interest never goes away.

(Jonathan)

The veritable endlessness of the situation was not lost on Jonathan or those he worked with – it was part of the model. He recollected multiple conversations with his fellow co-workers who were astonished by the expanse of time these loans could cover. In his words, “nobody felt good about it,” but as his manager often reminded him, this was the job he signed up for.

Simply put, his job was to humanize a dehumanizing process, to make it “more friendly and interactive for the customer”. As an entry level employee there was actually very little he could do to assist a customer who was struggling to meet their obligation. The store manager could provide some leeway on late payments, and the district manager
could adjust the interest rate, but he likened his role to that of an automated phone
system, “I can give you your options, you can choose one of the options, I can process
it”. His self-description as an automaton became even more telling as he continued to
talk about his daily duties. While his physical presence was required in the store to cloak
capital’s conduit in human form, his primary task was to work the phones. He was tasked
with calling those whose loans were coming due, or those who were past due. When I
asked him how many calls he would make in a day, he cocked back his head and
chuckled loudly,

I’d probably call 60 different people and of those 60 people at least half of them
would have multiple numbers listed so 90 different calls, three or four times in
that day. Yea so we definitely call people often. (Jonathan)

Targeting borrowers to three to four calls per day struck me as excessive but what I was
most taken by was his description of how he would accomplish this task:

There were four phones in the back and we would put all of them, cordless
phones, in the same area and I got it down to a system where I’d call on this
number, cuz 85% of the people aren’t going to answer, so I’d call one number on
this phone, call the next number on this phone, call the next on this phone, and by
the time this one goes to voicemail I’d hang up or leave a message, and by the
time this one goes to voicemail, I’d hang up or leave a message, and it was just
like a rotary system and you get really good at that. To get through one round of
calls took about an hour to an hour and a half. If we didn't get three rounds of
calls done then our manager would have a fit. (Jonathan)
As I reflected on this procedure of managed time, my mind kept turning to the 18th century soldier that so feverishly informed Foucault’s (1977) understanding of disciplinary power. It was when the soldier became something that could be meticulously constructed that a new economy of power was born. And while I do not mean to draw a direct comparison between title lenders and war machines, I nonetheless found it intriguing that the segmentation of time became the primary mechanism through which both employees and debtors were managed. Disciplinary power is established not through overwhelming domination but through normalizing practices; a multiplicity of minor processes that became part of a “blueprint of a general method” (Foucault, 1977, p. 138). The fashioned subject is not only more efficient, but conditioned to breathe in a new way. This emergent life is preconditioned by the death of what one was, and is it too much of a stretch to believe that a part of our humanity may be lost in this process? It seemed that the monotony of the method, the 300 plus phone calls a day might serve a purpose beyond the reminder or harassment of the debtor. Could it not be that this practice was meant to numb, to disassociate one from humanity on the other end of the line? When the emphasis is placed on the completion of the task rather than the content, then efficiency quickly replaces compassion. When Jonathan told me that he had quit his job I had sensed sadness in his voice; I now wondered for whom he was grieving? I asked him about how one coped with the pain that haunted those places and his response was brutally honest:

I think about it like this, you know its kind of like if you’re in the army, the first time you see something really bad it might really mess you up, affect you, but the next time, its still bad, but you know you think about it but its less. And then after
a while it doesn't bother you at all, and then you actually start to look forward to it. You just become desensitized. It is messed up, but that's how it is. (Jonathan)

Jonathan could no longer take the numbing. I was glad he had left it behind but I was disturbed by the metaphor of war he had used to describe his experience as there would seem to be nothing more dehumanizing than war. Butler (2010) shows us that some forms of violence only become possible when the body they act upon is no longer grievable. In this way, Jonathan was leaving his grief behind when he departed for work each day but it lay in wait and he would be forced to shoulder it at quieter times. I wondered how those who still worked in the industry quieted their grief, could it simply pass away? If so, how much of them would pass with it? I thought back to my first conversation with Jonathan about the warrior gene. Perhaps all the warriors are not gone; perhaps they are just in mourning.

**Anatomy of a Beast**

As a whole, the title lending industry has followed a trajectory of rapid expansion since the 1990s. Approximately 8,000 title loan lenders now operate across 25 states “costing borrowers $3.6 billion each year in interest on $1.6 billion in loans” (Fox et al., 2013, p. 2). Yet, rather than focusing solely on the issue of usury, I seek to analyze title loans as conduits for financial flows: to comprehend the broader implications of the title loan industry it is necessary to move beyond the accumulated rate of interest to consider the strategic processes through which interest is accumulated. To achieve this, I will examine the practices of TMX Finance LLC. more commonly known by its store brand name of TitleMax, the largest automobile title lender in the United States based on title loans receivable (Form 10-Q, 2011).
The purpose of this analysis is to examine the ways in which TitleMax serves as a node within the processes of financialization. It actively brings the logics of finance and capital into social space and dramatically shapes the lived experience of the individuals who acquire debt through them. Furthermore, TitleMax’s short but dynamic history provides an opportunity to investigate the way capital flows move between financial institutions and financial subjects and the strategies employed to maximize the transfer of wealth from the individual to the financial sector. Equally important, it provides a marker by which we can readily identify the material presence of finance within specific spatial confines. The spatial concentration of TitleMax’s operations allows for a deeper analysis that implicates specific bodies as part an accumulation strategy; this will be taken up in the following chapter 7.

Tracey Young, who remains the Chief Executive Officer established TitleMax Holdings LLC, which later changed its name to TMX Finance LLC, in 1998. Young had previously owned and operated Patriot Loan Co., a consumer installment lending company that operated across four states. Having a firm hand on the pulse of a growing need for credit, Young recognized the opportunity to move into asset-backed loans as momentum was building to ban small-unsecured loans in Georgia (Payday Loans report, 2013). TitleMax opened its first store in 1998, in the city of Savannah, GA, and experienced steady growth that accelerated when payday lending was indeed terminated in Georgia in 2004. By 2009, it had expanded to over 500 store locations across 7 states (Larson, 2009). However, it has been the rate of growth within the past few years that is
most striking. While most of the country lumbers through a tepid recovery\textsuperscript{63} from the
dramatic economic downturn associated with the 2008 financial crisis, TitleMax nearly
doubled its operations in the last two years, opening 507 new stores since April of 2011
(Form 10-Q, 2013, p. 21). According to documents filed with the Securities Exchange
Commission, the same two-year span saw the company’s holdings of title loans
receivable increase 57% from $317.7 million to 497.6 million: total assets increased 66%,
from $482.7 million to a staggering $802.2 million (Form 10-Q, 2013, p. 3). TitleMax’s
financial reports reveal that first quarter earnings of this year, reinforce this robust nature
of short term lending:

For the first quarter of 2013, the Company had revenues of $181.3 million, an
increase of $29.9 million or 19.7%, and net income of $44.0 million, a decrease of
$2.0 million or 4.3%, from the corresponding results for the first quarter of 2012.
The decrease in net income was primarily due to increased costs related to the
addition of 307 new stores during the 12 months ended March 31, 2013 compared
to 200 new stores during the 12 months ended March 31, 2012, as well as an
increase in our net charge-off rates (Form 10-Q, 2013, p. 21)

In consideration of the fees and rates of interest associated with short-term loans
of this nature, it is little wonder that the industry is experiencing such booms in
profitability. In many regards, TitleMax’s rapid expansion can be attributed to the
constant flows of interest accumulated that provide a steady stream of capital available to
be re-circulated into its spatial machinery. Yet it must be noted that the model of short-

\textsuperscript{63} The Council on Foreign Relations reports that while the economy is showing signs of
recovery it is historically the weakest recovery in the post-WWII era. GDP is only 9% higher than when the recovery first began four years prior (Walker, 2013).
term lending tends to work in a somewhat inverse relationship to the economic cycle. Thus, when times are good, demand for high interest loans will diminish. For example, in its financial statements, TitleMax acknowledges that first quarter earnings are traditionally its weakest as households are temporary buoyed by extra revenues from tax refunds (Form 10-Q, 2013, p. 7). Yet when the economy dips and credit is tightened as was occurring during the financial crisis, the demands for these types of loans should rise precipitously. It was then a matter of curiosity that TitleMax filed for chapter 11 bankruptcy protection in 2009 during the peak of the recession, when the retracting economy and tightened credit streams should have been fueling a lending boom for such companies. And in fact, this was the case, as statements made by CEO Tracy Young clearly revealed: “In 2008, TitleMax generated by far the highest revenues and profits in its history and 2009 is expected to be another record year” (Larson, 2009). The question this analysis raises, is why did TitleMax opt for bankruptcy protection despite its strong performance? The answer lies in capitalist’s desire to optimize the potential for zero risk earnings, thus illuminating the direct linkages between the profits of high finance and the costs incurred by the individual subject. For TitleMax, chapter 11 indeed represents a re-organization; it was a restructuring of the terms of debt it sought to circulate and redistribute.

The trigger that prompted TitleMax to file bankruptcy protection in the spring of 2009 was the coming to term of a $165 million worth of senior secured notes issued several years earlier by the company. The lender, Merrill Lynch & Co., was heavily
mired in its own financial problems and unwilling to renegotiate the interest rate on the loan. At this time in 2009, in the wake of the credit crunch that had frozen financial markets in 2007 and the near collapse of the markets the following year, the Federal Reserve was aggressively attempting to stimulate the circulation of credit by reducing the prime rate to historical lows. The sudden drop in the Fed prime rate dramatically lowered the cost of capital to those who were credit worthy enough to secure the confidence of a loan. As a result, borrowers across all sectors of the economy desperately sought to refinance their debt in order to steady the ship and position themselves for greater profitability in the future. Despite record earnings, TitleMax recognized an opportunity to renegotiate, and significantly reduce the interest rate they were paying on their own debt. Again CEO Tracy Young reiterated that the chapter 11 filings were “not due to operational or financial performance,” rather it was seeking to maximize future earnings by expanding the yield between interest paid (at a premium rate) and interest received, which is upwards of 300 percent APR (TitleMax Seeks Bankruptcy, 2009). TitleMax, whose solvency and sustained profitably is directly linked to the tightening economic conditions experienced by the lower and middle class, was able to leverage its position in order to negotiate cheaper access to credit which could then be re-circulated at triple digit rates. There is a certain maddening genius to capital in that its destruction (as was the case for firms like Merrill Lynch) is so easily reorganized for greater capital gain at the expense of vulnerable populations. While increased

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64 Merrill Lynch would soon be absorbed by Bank of America in yet another restructuring of capital

65 The effective Fed funds rate, which had remained above 5% since 2006, dropped dramatically to near 0% by the start of 2009. Throughout the 2009, the official rate stood at 0.25% (Effective Fed Funds Rate chart).
unemployment, credit freezes, and the collapse of the housing market dramatically contracted the field of possibility for those desperately in need of money to sustain themselves, firms such as TitleMax negotiated the possibilities of debt reduction and corporate expansion.

That the rules of a capitalist system are designed to benefit capital should come as no surprise. As anticipated, TitleMax’s restructuring of debt led to its most profitable years yet. The company exited bankruptcy proceedings in April of 2010 having negotiated a new loan of $250 million of senior secured notes, that included a $25 million indenture provision, which guaranteed a credit line of $25 million that the company could utilize at its discretion assuming all payments on the senior loan were current (Form 10-Q, 2011). These terms provided TitleMax with the capital tools to effectively launder debt through the short-term, high-interest machine, and profit off the spread between the two disparate interest rates. Consider that in the first quarter of 2011, less than a year removed from bankruptcy protection, TitleMax paid $9.5 million in interest payments, including the amortization of debt issuance costs. During this time, while all operations were underwritten by the new $250 million senior secured notes, the net interest and fee income was an astounding $105.2 million.

The immense margins of profit drove TitleMax into an aggressive phase of expansion, which continues into the present. In May of 2011, it closed on an asset purchase agreement with Cashback Title Loans, Inc., acquiring 19 locations in Nevada for $6.7 million (Form 10-Q, 2011: 20). Two months later, it reached a $1.6 million agreement with Mid-America Credit, Inc., Mid-West General Finance Corp., and Rainbow Loan Co., to collectively purchase 8 locations in Missouri, 6 in Nevada, and
lease fourteen other properties (Form 10-Q, 2011: 20). By the end of the second quarter of the next year (2012), TitleMax would purchase an additional 150 new stores, expanding its presence into Arizona, Texas, and Virginia (Q2 Conference Call, 2012). 307 new stores would be added in the following twelve months, bringing its total operations to 1,108 stores across twelve states. Incredibly, this momentum would be sustained in 2013, when additional acquisitions would allow for the opening of 234 new stores, spreading their presence into 19 states (Chart 4 depicts the uptick in expansion that began in 2010 just after exiting chapter 11 protection). A beast had been born, fashioned in the image of a system that privileges capital interests over the individual subject, consolidated through the protection of courts, and unleashed by the needs of the suffering.

Chart 4

In only the first 4 months of 2013, individuals transferred $181.3 million dollars into circuitry of this beast. $13.1 million of that amount moved back to financial
institutions in the form of debt amortization to ultimately be re-circulated in global or domestic markets. The remaining $168.2 million funds the continual expansion of TitleMax’s presence in the social space where lives are lived. Identifying the processes through which TitleMax has achieved such incredible profitability in such a short time informs the extent to which everyday lives are increasingly interconnected to the financial system. Where financial capital was once regarded to primarily pass between the hands of the elites, companies such as TitleMax allow us to draw a straight line through the heart of the social pyramid: the 300% APR paid by the individual making $35,000 a year no longer transfers into the pocket of loan sharks who operate on the fringes of the illicit economy. Such payments now find their way back to the boardrooms on Wall Street until they are fixed in another node of capital circulation/extraction. As Marazzi points out, the new needs of financialization require that the credit-seeking base is widened; it demands the production of new populations to facilitate the circulation of debt which translates into profit on the other side of the ledger: “in order to raise and make profits, finance also needs to involve the poor…It is capitalism that turn bare life into a direct source of profit” (2007, p. 39). In this way, TitleMax is an exemplar of the inter-relations between finance and the financial subject as it applies spatial fixes to capital needs. Where finance capital was once regarded as distinct from the sphere of the “real economy,” the operations of companies like TitleMax demonstrate that finance-capitalism not only creates the poor, but that it requires the poor.

In this way, the body of the poor is interpellated as something more than an accumulation strategy. It is not merely the perpetual accumulation of profit that is staked to the lives of the working class, it the very structure of capital’s workings. The near
collapse of the financial markets in 2008 reveals the extent to which the circuitry of finance is kinetically dependent upon levels of liquidity circulating within the veins of the capital system. As such, the body moves from being the point of labor extraction to an essential capillary of debt circulation. Hence, the emergent economy of debt/credit rearticulates the needs of both capital and labor in reciprocal fashion. Labor continues to require capital to meet material needs and capital requires labor to act as the necessary base for debt circulation. Irony aside, the rich have never needed the poor so badly.

**Back Inside**

It was after my conversations with Jonathan that I became more cognizant of the faces behind the glass looking out onto the street. I wondered how they saw me when I walked through the door: was I simply business, a possible bonus, or did they hurt for me? Jonathan had told me that you “had to be a hard person to work in that field very long,” but many times there was genuine warmth in the employees I encountered, was it all meant to lure me in? I realize that there is no singular answer to these questions, Jonathan had told me enough about his own contradictions – these matters are complicated. I have no doubt that there are those who simply see this as a way to make money, and as he had related to me the money in upper management could be quite good, but I suspect that there are others who believe that they are helping, or at the very least providing access to a necessary evil. Nearly everyone I spoke to who had ever taken a loan felt that it was a last option but in some ways they were grateful to have the option. Part of what holds the financialized discourse in place is the terms of inevitability with which it is presented. The normalization of debt as the primary medium for financial exchange in global markets leaves its imprint in the “real economy” by making us believe
that this is simply how business must be conducted. As such, we lose the ability to think
of new solutions and new possibilities. We come to believe that debt is our only option
to survive and that we should be grateful to the access that is provided us regardless of its
terms.

I kept thinking about the desensitization Jonathan had described, the way
suffering persists not because we don't see it but because we see it too often. It occurred
to me that perhaps even this explanation overlooks something more fundamental.
Despite the newness of these instruments they exploit very old relations, not only that of
the debtor-creditor but also the wage-labor relation. If space is indeed produced through
the lives and the labor of those who inhabit that space, then it would seem that
embedding debt into the landscape not only informs the lives of those who take up debt
but also the lives of those that sell it. I thought back to scene that Friedrich Engels (2007)
described concerning the working poor in England in the 19th century; how the derelict
and delinquent would be allowed to press upon the fences of the factories, always in the
view of those who were inside working. The presence of those outside the factory was a
constant reminder of the thin line that separated the exploited from an even graver fate.
The bodies of those on the outside stood as a silent threat of what could be. While the
silence of the workers merely perpetuated their own misery it also ensured that they
remained inside the factory. I do not mean to draw a perfect parallel between 19th
century factory work and title loan storefronts today but there is something about that thin
line that haunts my study. It harkens back to the fear that I find so pervasive through
these spaces, both the fear of what is and the fearful uncertainty of what could be. How
many of those on the inside were only a paycheck or an accident away from needing access to the very debt they sell?

As I wandered through these spaces I began to look for the same Help Wanted sign that had drawn in Jonathan. On four occasions I was able to speak directly with a store manager who was looking for new employees. In each instance I was told that the starting pay was between $8 - $10/hr., but I was assured that there were incentives and ways to earn more if I worked hard. On one occasion, I let it be known that I had a degree in Economics. This caught the manager’s attention and he seemed willing to negotiate a higher pay if the company felt they could “fast-track” me into management. While these jobs appear to pay slightly above the minimum wage, it would also seem that they keep individuals dangerously close to that thin line that defines their precariousness. I thought back to what Jonathan had told me about his co-workers. Besides management, there were three others with whom he worked: a man in his early 30s and two middle-aged women, all of whom had worked for the company for several years and all of whom earned less than $10/hr. These demographics seemed fairly representative of what I was seeing from the street and so I began to take short notes to see exactly upon whose backs these companies were built.

I decided to map my wanderings with a bit more intention. I identified three clusters of storefronts that fell across the city. I came to identify them under the names Metro, Maryvale, and South, in reference to the parts of Phoenix they spread across. I would take note of which stores I would visit and who was working. It soon became readily apparent that the stores were disproportionately being operated by females, and typically women of color (the majority appeared to be Latina or Hispanic). The three
clusters accounted for a combined total of 61 stores and I visited each store three times. In the chart below, I graph the averages of these visits to show the disproportionate representation of women working within the spaces I observed. What is so striking is the uniformity of this trend: in all three cluster samples the number of females as a percentage of the total working population floats around 70%. The Total columns show that overall females comprised 73% of the labor force within these spaces.

![Chart 5](image)

**Gender disparity in employment**

- **Total**
- **Metro**
- **Maryvale**
- **South**

Number of workers
Part of the argument I make is that spaces are varied and produced through a multiplicity of forces, some of which will remain unique to the particular configurations of power within specific spaces. Hence, my findings reflect a very small sample of an industry that has eaten its way into half of the United States. Yet, I also believe that the particulars of studies such as this reveal something larger about how finance seeks to colonize space and how much of the produced labor is performed by individuals who live on an edged precipice. Recognizing this allows us to frame additional questions about the spaces where these alternative lending practices concentrate and prosper. This will be examined in more detail in the following chapter.

CHAPTER 7
PARIS IN THE DESERT: THE SPATIAL PRESENCE OF TITLE-LENDING

Spend enough time in desert cities and you come to know the temperature by the pavement. It wasn't even 10 am, but the burn on my legs told me that the mercury was pushing into triple digits. Staring at the empty water bottle I was carrying I cursed myself for getting such a late start and for not bringing more liquid. Usually I was more prepared. I had been taking these strolls in different parts of the city for the past few months but typically I went out in the late afternoon or evenings when there tends to be more foot traffic in the title loan stores. Setting out early had thrown me off a bit and I had inexplicably convinced myself that it would be cooler earlier in the day. As I made
my way to a local eatery to buy a cold drink I began to rethink why I was even out here at this time of day. Not many people start their day by taking out a title loan. Many of the shops don't even open until mid-morning and the check-cashers are open they tend to conduct the bulk of their business after regular working hours. I reminded myself that I wasn’t out here to just watch the lenders. There was something about the Maryvale district of Phoenix that had drawn me towards it. On its surface there wasn't much to distinguish this neighborhood from many of the others I had visited, but there was something about this space that gave it a more lived-in feel. I wanted to come out early to see how it wakes. I wasn't sure what I was looking for, but there was something about Maryvale that I couldn't put my finger on: something was under the surface and I wanted to find it – but first I needed to avoid dehydration.

The bells strewn to the top of the door jingled as I entered the cool of the eatery. The young woman behind the counter greeted me in Spanish and I ordered a large horchata to quench my thirst. As I took a seat there was another jingle and a stocky man in a black suit entered the store and was soon seated at the table next to me with his own large drink. Evident that we were both seeking a brief respite from the heat, we fell into casual conversation. When I briefly sketched out why I was walking through the morning heat, he took an interest. Ernesto was the branch manager of large national bank and he told me that the cluster of title lenders in Maryvale was only bound to get worse. I asked him if he saw these lenders as competition for banks like the one he works for and he replied that they somewhat were but that they also represented a pool of potential clients. Ernesto felt that people often used these services simply because they were under-educated about the types of services regular banks could provide but “a lot of that
is changing. With all the pressure on banks nowadays, you’re going to see a lot more of these stores” (Ernesto). The pressure that Ernesto was referring to was being applied by the FDIC and the Office of the Comptroller of the Currency (OCC), which strongly advised Federally regulated banking institutions to discontinue direct deposit advance loan products that essentially act as payday loans. As we spoke, Ernesto’s bank was in the process of completing the phase out period of these loans and as he saw it this would drive up the demand elsewhere for emergency cash infusions.

He and I amiably went back and forth on whether banks should be in the business of high-interest loan products and while admitting that the rates can be “a bit excessive,” it was no surprise to me that he largely viewed it as a market problem. The simple fact was that people often need access to sums of money they don’t have and he felt it’s best if they can access that money within a regulated framework such as banks. Sensing that this wasn't the right time to launch into a full critique of capitalist market tendencies I turned the conversation to the question of space and asked him what he thought of how the landscape was being dominated by these shops. “It’s awful,” he said, “it doesn't help any kind of business,” but when I started talking about the constituent link I saw between concentrations of working class poverty and these clusters of title lenders I noticed that he paused in thought. A moment later he said something that would help me unearth what it was that I sensed in Maryvale, the “something” that I couldn't previously identify. “Don't be fooled by all this,” he began, “there’s still a lot of money here it’s just old money; you don't see it but trust me it’s here” (Ernesto). He explained that his bank branch actually had one of the highest levels of account holdings in the entire state. Maryvale had once been a suburban boomtown for the upcoming wealthy class and a lot
of that money was evidently still stashed away in large estates tucked behind the decayed storefronts that lined the streets. Enjoying the surprise in my eyes, Ernesto felt this was the right time to leave. He gave me a firm handshake and wished me luck, and then made his way back into the heat, stridently crossing the lot back to his bank that held bundles of money that somehow made its way from the streets of Maryvale to the jungle of Capital.

As I watched him leave I noticed the shimmer of heat that was rising across the pavement. The visual distortion made me wonder what other apparitions were left to be uncovered and I suddenly realized why this space had transfixed me. Maryvale was Paris in the desert. The decayed dreams of Capital’s past that haunted the skeletal remains of the Parisian Arcades also clung to this space that felt lived-in and also empty. As I finished my walk, the landscape began to tell the story that had been hidden from me. The clusters of title lenders followed the same pattern as elsewhere in the city, they were largely housed in repurposed fast-food diners or pressed into strip malls but they were folded into a landscape that still told a story of a wish-world lost. The remnants of hardware stores, beauty salons, and consignment shops all attested to the dreams of another time. As I took it in, the temperature seemed to drop ever so slightly; I felt a change in the wind as the Angel of History moved past me.

Maryvale

Photo 5

The Parisian Arcades that these wish-worlds are named itself during
Maryvale is not a city but rather a district of the city of Phoenix that spans across 32 square miles and six zip codes. However when locals talk about Maryvale they are referring to a much more condensed tract of land, the heart of which is situated between 51st and 83rd avenue pressing a mile or so north and south of Indian School Rd (see Appendix C for reference). The area took its name from the wife of famed city developer John F. Long, who sought to re-create but also improve on the Levittown model of planned communities that had been widely successful in the Northeastern United States. Inspired by Bill Levitt’s idea to mass produce homes though efficient design, Long developed the single story ranch style home that would become a hallmark of Phoenix.

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67 Levittown was a series of planned communities constructed by the firm Levitt and Sons. The eldest son, William “Bill” Levitt served in the Navy during WWII and believed that the demand for housing during the post-war boom could best be met through sprawling planned communities of low-cost, mass produced homes. The communities were wildly successful and soon became the symbol of an emerging white middle class. However, by the mid 1950s Levittown also came to represent the clear disparity between white and black America in the postwar years as well as the discriminatory housing practices that resisted de-segregation.
neighborhoods. However, rather than constructing homes in a grid like fashion, Long
designed curvilinear streets with cul de sacs and used high walls and large trees to create
a sense of privacy. The homes came with new electric kitchens, large lawns, and many
had swimming pools. As a member of the Phoenix City Council Long ensured that other
developments such as shopping centers, schools, and parks all complimented the living
space of the community. As promoted, Maryvale represented the future for many
families seeking to cash in on the boom that Phoenix was undergoing.

Yet, in many ways the success of Maryvale would lay the groundwork for its own
demise. The emphasis on speed and efficiency resulted in a monochrome template of
homes built with cheap materials. As planned communities continued to spread across
the valley, wealthier residents would often leave for the newest style of tract housing.
Additionally renovations in downtown historic Phoenix that housed a large percentage of
the Mexican-American population forced residents to seek out housing elsewhere and
this westward migration to the Maryvale area led to white flight and a depletion of the tax
base that had so plentifully funded the city amenities. By the mid-1980s, Maryvale’s star
had flamed out. Businesses followed the fleeing white population and the surplus space
would serve as a channel for capital to embed itself into the landscape in new ways.

By the time I began chasing ghosts and angels through these streets, the built-in
deficiencies of Maryvale had overtaken the perceptual horizon. The average detached
home was valued at only $83,000 compared to $230,000 for Phoenix as a whole (city-
data.com). The green lawns that once so invitingly defined the property lines of the
American Dream had succumbed to the heat of the desert and now lay scorched and
barren. Stagnate home values meant that it was nearly impossible to build asset wealth,
thereby applying downward pressure on the local economy as a whole. A community that is largely Hispanic and where 32.5% of the residents are foreign has replaced the once nearly all white population born (city-data.com). At $36,927 the median household income is roughly 20% below the median of Phoenix meaning that the vast majority of income goes directly to paying for life essentials with very little left over for savings or emergency (city-data.com). The financial stability that allowed John P. Long to sell homes with as little as $300 down has given way to fragility where permanent housing is a tenuous venture. At the time of writing we are nearly a decade beyond the 2007 housing crisis, yet of the 409 homes currently listed for sale in the Maryvale district, 40% (164) are in foreclosure (zillow.com). Clearly, some spaces shake off the dust of crisis more quickly than others.

Despite the fact that the density of title lenders in Maryvale is not as concentrated as some other locations, their presence can still feel suffocating (see Appendix C). There is a consistent spread of shops down both major drags (Indian School Rd. and Thomas Ave) of the district, and each intersection is dominated by the visual presence of this easy-to-purchase debt. Within the four square miles that really hold the heart of the area there are 24 title shops, meaning that every square mile an individual travels he/she is presented with an average of six opportunities to temporarily alleviate their financial struggles. Debt is a commodity to be sold and as they say, location is everything.

From a business perspective Maryvale represents a near perfect market to peddle debt. Residents are not destitute rather they would seem to typify the working poor. Moreover, Maryvale’s distance away from the city center means that private automobiles are the primary means for transportation: households average 2 cars a piece (on par with
the Phoenix average) meaning there are plenty of assets to be wagered on (city-data.com). Watching the human traffic that files in and out of title lenders and check cashers every evening between 4:30-6:30 you begin to see patterns in the people. The men typically arrive still carrying the manual labor they have sold. The women wear plain clothes, many with aprons as they are finishing up or going into an evening shift. Both observations are supported by the demographic data which show low participation rates in management employment and greater than expected rates in manual labor jobs (see charts 6-8). What I am struck by is the motion: the flow of bodies, the circulation of money, the transfer of wealth, all of this exemplifies Maryvale. Week to week, I see the same faces. I recognize the same company logos for pool repair, landscaping, and concrete work. I can’t help think that this combination of human productivity and financial vulnerability so perfectly meets the needs of a capitalist system of accumulation that is always oscillating between its embodied and disembodied forms. I am captivated.

In Maryvale I just watch.

Chart 6

![Chart 6](chart6.png)

**Percent of Workers in Management Positions (except farming)**

- Phoenix
- Maryvale

Chart 7

![Chart 7](chart7.png)
Chart 8

Percent of Male Workers in Construction, Extraction and Maintenance Occupations

Source for Charts 6-8: http://www.city-data.com/neighborhood/Maryvale-Phoenix-AZ.htm

Debt’s Cartography
If we indeed produce the space around us as Henri Lefebvre famously suggests, then my time in Maryvale suggests that we are also produced through space. The latter argument would seem much more difficult to provide evidence of, for while we can identify our social productions in the physical landscape it is much more difficult to trace the subjective markings of physical space in our being. Yet I contend that this specific indebted subject marks the presence of one who is actively being shaped by the space they inhabit. In the Parisian arcades, Benjamin not only saw the suspended and abandoned dreams of Capital, he also saw the remnants of the consumer who was produced to meet the needs of these dreams. In this way, I believe that the spatial presence of title lenders reveals something essential about the way speculators continue to imagine the body in relation to debt. The body most desired by this form of capitalist accumulation is one that is productive in labor and yet constrained in its ability to move beyond a threshold of financial vulnerability. The subject lives close enough to the edge of security that they are willing to struggle to keep their head above the water even as its level rises.

Jacques Derrida (1994) uses the term *ontopology*, an amalgam of ontology and topos, to refer to our condition of being that is inextricably linked to our exteriority. It is crucial to note that Derrida is not locating a specific form of social or economic subject but rather a fluid subjectivity whose ontological value is situated in, and shaped through, its locational presence. While not explicitly taking up a critique of the under-theorized spatial dimensions of Marx’s theory on labor-value as Smith (1984) and Harvey (2006b) do, Derrida nonetheless directs us to a deeper consideration of how physical space is interminably mapped onto our being. Ontopology provides a way for us to think of the
intersection of lived vulnerability and space that extends beyond the labor we produce. I am reminded of Povinelli’s notion of enfleshment to speak of the manners through which we become embedded in the sociality of space to the point where the vulnerabilities of others become constituent components of own being. In this way, our topos not only speaks to the built environment we live within but also to the networks of social and money capital that cross our bodies. Recognizing title lenders as necessary conduits of capital circulation and debt distribution, the topographic presence of these lenders can be seen as a cartography of debt. It is a mapping of debt’s pathways, and of the social differentiations utilized by lenders to locate profit opportunities.

To better understand the subjectivity that is produced through high-interest debt it is then useful to gain a deeper understanding of debt’s spatial dimensions. To do this, I began by mapping the presence of all title lenders in the greater Phoenix-metropolitan area. By sorting through the business registry of the Arizona Department of Financial Institutions (AZDFI) I identified 434 businesses operating as registered automobile title lenders (Appendix D). I geocoded this data into ArcGIS software to produce an outlay of these stores across the Phoenix valley, and overlaid the data with median household income data from the 2010 US Census. Breaking the median household income data into quartiles we are able to see clear distinctions between areas of higher and lower annual earnings. As noted in the map legend the color code corresponds in the following categories of median income: red = $0 - $38,155; orange = $38,155 - $50-159; yellow = $50,159 - $72,530; green = $72,530 - $133,199. For the remainder of this chapter, when I use the term “lower income area” I am referring to the red and orange zip codes and
when I use the term “higher income area” I am referring to the yellow and green sections of the map.

A general survey of the data suggests that the title lenders tend to cluster in and follow the paths of lower income zip codes across the metropolitan area. While it is possible to identify some title stores in higher income areas, these seem to exist as outliers that would be expected within a large data set. We also note that there are clusters of title shops with similar intensity in both the red and orange zip codes. This should not surprise us as title shops clearly target the working poor rather than the extreme destitute. Thus working families making $25,000 - $50,000 a year serve as the predominant customer base.

A physical count of the title shops reveals that only 48 stores (11%) are located fully within the boundaries of higher income zip codes. Another 31 stores (7%) lie directly on the boundary street between a higher income and a lower income zip area. In total, only 19% of all title shops across the Phoenix-metro area are located in or on the boundaries of zip codes with a median income above $51,000.

Adding a directional ellipse to the map we are able to further confirm the hypothesis that title lenders tend to cluster in lower income areas. The ellipse encompasses one standard deviation (68%) of the bounded study area. This allows us to focus on the core distribution of the data and further investigate the spatial properties (Appendix E). The data bounded by the ellipse reveals two important features. First, it confirms that the majority of title stores not only cluster in lower income areas but that

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68 The intensity of this clustering is difficult to see at this scale but will be examined more closely in the following maps (see Appendix H – J).
there is a clear inverse relationship between the number of title lending store present per zip code and the median household income of that zip code. Secondly, this view allows us to not only locate spaces of clustering but also places of absence. While lower income areas contain upwards of 8-12 stores wholly within their boundaries, no higher income area contains more than 2 title stores fully within its boundaries. This is true even of zip codes that are bordered by lower income tracts heavily populated with title stores: we see this clearly in the central portion of the map where there is one higher income zip code surrounded on all four sides by lower income areas. Thus, our thinking is directed back to the fact that degrees of vulnerability are defined not only by what is present but also by what is not.

However, it may well be the case that the apparent clustering of title lenders is actually not statistically significant. After all, businesses tend to operate in commercial zones and these stores may in fact be fairly evenly distributed across space. To test the density of title lenders I performed a Nearest Neighbor spatial analytic test to determine the degree to which the lenders cluster together; my methods and full results can be seen in Appendix J. The test returned a z-score of -23.503857 and a p-value that approaches 0. Thus, we can say with an extremely high level of statistical confidence that the distribution of title lending shops across the Phoenix-metro area is highly concentrated and that there is less than 1% chance that this spatial pattern occurred by chance. Next, I applied the same test to the distribution of traditional banks across the same bounded space. This test returned almost identical results with a z-score of -26.28374 and a p-value that approaches 0 (Appendix K). At first it may appear that this finding offsets the significance of the title shops clustering, it may simply be that all financial businesses
cluster in specific commercial zones. However, such assumption would fail to account for the clear differences spatial location. While both populations demonstrate statistically significant patterns of clustering they do not pool in the same spaces. Appendix F shows the spatial distribution of both title lenders and traditional banking branches across the Phoenix-metro area. What is immediately striking is how much more filled out the space becomes when the banks are added to the map; in other words, banks go where title lenders do not. This is clearly evident by examining their presence in the higher income, periphery areas of the city. Particularly glaring are the upper northeastern and lower southeastern corners of the map that are virtually absent of title lenders and yet heavily populated by banking branches. Clearly the correct question to ask is not simply whether or not these stores are clustering but where they are clustering. What becomes very apparent is that different conduits of capital are needed in different spaces.

These differences in space bring us back to ontological considerations and the vulnerabilities that are built into the landscape. My affinity for the term ontology is derived not only from what is conceptually included in the term but also from what it resists. A common approach to the study of space is to draw clear distinctions between varied categories of space such as absolute space, relative space, and relational space. And while I recognize the value of these conceptual breaks the understanding of such space often remains flat and homogenous within each designated category. Thinking of debt as an embodied experience that happens through space and not simply in space changes the way we approach questions of both money and the body. If our lived vulnerability is heightened through financial processes that move our labor and our bodies through varied degrees of abstraction then space cannot be seen as a neutral
variable. Rather space shapes us; it produces the indebted subject. The suffocating presence of two or three title lending shops on every intersection, the prominent advertisement of quick and easy cash on billboards down city streets, the integration of small banking services within loan companies, the absence of traditional banks, these all shape the inner-subjective condition of those who breathe that air. Because of the body, space is not so clean.

Thinking about how changes in space speak to changes in body takes my mind back to Maryvale. I think about the passing of different bodies through that space over time, and how those changes were reflected in and influenced by changes in capital flows. The processes of Maryvale’s gentrification worked in tandem with a series of other spatial changes that moved money and bodies to new places. The desire of the political and business elites of Phoenix in the 1980s to serve as a hub for national and international travel resulted in a mass expansion of Sky Harbor airport that subsequently destroyed many of the older Hispanic neighborhoods in the downtown area (Talton, 2015). These residents pushed outwards with many settling in the Maryvale area. Subsequently, this drove the original white population out to newer planned communities that had ironically been modeled on the initial success of Maryvale. Migratory patterns of Mexican seasonal workers and those who sought permanent settlement, documented or otherwise, steadily increased throughout the 80s and accelerated after the passing of the North American Free Trade Agreement (NAFTA) in 1994 (Gibson and Lennon, 1999; Laubey, 2008; Sears, 2014). As corporate and investment capital pushed south, the bodies pushed north. The fluctuating demand for cheap labor intermixed with the anti-immigrant fervor that has marked post 9/11 society has led to a particularly complicated
scenario for the intergenerational families that have anchored themselves in areas such as Maryvale. These histories are embedded in, and retold through a landscape that is so clearly demarcated along difference.

While the bodies and histories that shape these spaces do not fall cleanly along city blocks, our maps can tell us something about the division of difference and the coloring of space. Returning to the overview of title lenders across Phoenix-metro area in Appendix D, I draw attention back to those gaps and borders in the spatial distribution. I am interested in looking closer at those spaces where clusters of lenders appear and disappear and the borders that divide the lower and higher income area. Appendix G – I show close-up views of three such sites spread across the valley. The first site comes from the southwestern corner of the map and looks at the convergence of four zip codes: 85395, 85338, 85392, and 85323. The lower income area of 85323 has a four title lenders fully within its borders and another four along the border with 85338, which along with 85392 each contain one title store. Despite the immediate proximity to a seven title loan stores, the highest income tract of 85395 contains zero title lenders. Moreover, the racial disparities are glaringly obvious. The lowest income tract has a Hispanic or Latino population of 69.1%, compared to approximately 35% for the next two income levels, and at the highest income level the Hispanic or Latino population plummets to 17.7%.

Data from the second site (Appendix H) reinforces this link between race, income, and the presence of title lenders. The higher income zip code of 85012 attracts immediate attention as it is centrally located in the city and surrounded on all sides by lower income areas. This particular zip code lies in what is known as the central corridor
between 7th avenue and 7th street. Much of the corridor is lined with large old growth trees and the expansive plots of land date back to a time when the wealth from Phoenix settled just north of downtown. What we can see is the degree to which that wealth remains concentrated in specific tracts of land. Both zip codes that border the central corridor on the east (85014) and the west (85013) are lower income and significantly higher percentages of Hispanic or Latino populations. Moving directionally from west to east we can see just how pronounced the landscape changes as one pushes into the central corridor. Zip codes 85017 and 85015 both have median household incomes under $38,000, high concentrations of title lenders, and are predominantly Hispanic or Latino (64.6% and 46.6% respectively). As we travel east towards the central corridor the racial make up of the population dramatically whitens as household income steadily climbs.

Site 3 (Appendix I) comes from the southeastern corner of the map. I was interested in looking closer at the cluster of green zip codes (highest income) that were completely clear of title lenders. Site 3 shows a close-up of where this border of wealth begins: 85233 and 85234 lie directly under three lower income zip codes (85210, 85204, 85206) that are heavily clustered with title lenders. These zip codes are approximately 47% Hispanic or Latino and there are three title lenders that lie directly on the border between these lower income spaces and the bright green tracts. While a few title lenders fall into 85233 and 85234 the thinning is very apparent as no title stores are found any further south. Once again, the positive correlation between lower household income and the percentage of population that is Hispanic or Latino is abundantly clear. The immediate drop off from roughly 50% to 15% of the population identifying as Hispanic or Latino is abrupt and very real. Each mile one moves away from the cluster of debt
represents an added rung on the social ladder. As one moves away from these spaces income climbs and skin color lightens, it is as if the these places of debt hold their own gravity, but unlike the gravity of nature the force of attraction is not equally applied to all bodies. As discussed in chapter 3, there are those bodies that move through space almost effortlessly: these are the ones through who capital flows most perfectly. There is a lightness (and often a whiteness) that they carry: a part of them is already disembodied in the flow of money and capital. But the others, those that are caught within this pull, those that are inscribed within a system of indebted difference, these are the ones who cannot escape this gravity.

The Distribution of Difference

Understanding space to be intimately tied to the bodies that produce it, we find that the cartography of debt extends beyond the physical presence of title lenders. The clusters and gaps merely point to the normalized distribution of difference across space or what McKittrick refers to as the “material spatialization of difference” (2006, p. xvi). A closer inspection of the land reveals the social hierarchies that reinforce the discourse of debt as a moral obligation rather than as an instrument of financial power. There exists a twisted irony in framing debt through moral terms when the internal logic of debt is to control the body of another. Yet what the land reveals is the extent to which historical exercises of power and subjugation are also spatial practices that continue to shape subjectivities of today. Doreen Massey (2005) helps us understand how the capacity of space to produce “us” lies in the very fact that social life and social landscapes are
sedimented onto and into each other; thus there can be no clear distinction between whom we are and the places in which we are embedded. As such the geographical histories of space and place become important to the telling of our own ontologies. This is what I unearthed in Maryvale. I sensed the lived history of space that was gone and still present. I stumbled upon the multiple histories being told all at once: they intertwined and overlapped but only certain ones are actually voiced and brought to the surface. Yet the discursive erasure of non-white histories “does not eliminate how they have been implicated in the production of space” (McKittrick, 2006, p. 34). Likewise, the story we tell about debt being an exercise of personal choice does not eliminate its history of bodily appropriation and inscription.

I began to think about how much is always hidden in the land, and how some places become spaces of interest while others merely become interesting spaces. Much depends on how shocked we are by the vulnerabilities that are brought to the surface. In her book, *Precarious Life*, Judith Butler (2004) discusses the double valence of vulnerability. In one sense, vulnerability is defined and determined by discourses of normality that resist the inclusivity of what is seen as non-traditional racial, gender, and sexual identities. In a second sense, it this very recognition of shared vulnerability – our human precariousness – that can serve an emancipatory function by returning us to the very core of our humanity. It then seems that the coupling of financial power and difference⁶⁹ that underwrites the logic of capital accumulation seeks to conceal our

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⁶⁹ Ruth Wilson Gilmore uses the expression “fatal couplings of power and difference” to discuss the “structural antecedents in the long twentieth-century” that have relied on racial abstractions to establish naturalized social hierarchies (2002: 16).
human vulnerabilities through abstraction. The suffering of another can be most easily capitalized upon when we don't see it for what it is. The workings of finance capital during the most recent hyper-speculative phase make debt appear to be what it is not. In its abstraction we have come to believe debt is about leverage, financial stability, calculated risk, and moral rightness. Yet the bodies that debt is tied to tell a different story. The bodies return us to human precarity that is marked by the distribution of difference. The tool-weapon dichotomy of debt can be seen in the landscape and we are forced to consider who wields the tool and whose body lies under the weapon. In the chapter that follows, I look more closely at these bodies that live in this space. I allow their experiences to assist me in reframing questions of debt, precarity, and loss.

CHAPTER 8

DISPOSSESSION OF THE SELF: TESTIMONIES OF LOSS

“Did I tell you about that accident I saw right out here?” I stare at Eric trying to make the connection he’s asking me to follow. For the past hour we had been talking about the fear of homelessness and how one lives with that persistent fear. He had just finished recollecting on a six year span (2007-2013) in which there was not a single month where he knew he would be able to pay rent prior to the day he paid it: “I would just lay there awake every night swallowing stress”. I ask him to say more about the internalization of stress and how it may have changed him when he digresses into the details of an auto accident he observed a few months prior. Eric’s mind moves quickly and I’m doing my best to keep up; the blankness of my stare betrays my disorientation and he backtracks for me,
So you were asking me about stress. Well, it actually affected my personality a little bit because, like uh, it burnt off my emotions I think, like my ability to feel stress doesn't exist anymore. (Eric)

To make his point he returns to the story of the near fatal car crash that happened less than 100 feet from the shop where he works. He relates the franticness of the scene and how everyone rallied to help but no one could think clear enough to do anything. In an emotionally detached state, Eric passively took charge: “I’m like, you do this, you go get that, and I just handled it till the paramedics got there”. For Eric, the point of this is that he’s become aware of a certain emotional rift that has ossified into a permanent fissure within himself:

My ability to be stressed or scared is depressed by that time [of high stress]. I don't know if it burnt off those nerve endings or if its strength through adversity...the practical effect is that it's a lot harder for me to get stressed now. And in some cases that's good and in some cases that's bad. I’ll waltz right up to a hard deadline on my rent, right up to like, ‘if you don't pay today well evict you,’ and I wont think about it, I’ll just be like ‘uh, I think I’ll pay it today.’ It just doesn't affect me in the same way anymore. After a while I just got so stressed I think my heart sort of decided it would stop caring or blow up. (Eric)

While Eric attributes a certain liberating function to his stress induced passivity, he also recognizes the potential harm that could stem from his emotional dissonance. He wonders if such detachment has had carried-over effects to his marriage, his children, and his friendships. That this bothers him is evident by the fact that he returns to the topic several times. At one point, he wonders aloud how he would react if his best friend were
to suddenly die: “I mean I think I’d be really sad, but in another way I’d just move on, and I don’t think that's a good thing”. Effectively, Eric is troubled by the fact that years of financial stress have left him cauterized from the social bonds that mean the most to him. He not only sees himself as emotionally desensitized but also fears that he has lost certain emotional aptitudes. In many respects, Eric feels cauterized from a part of the Self he had been, a part of himself that he doesn't seem to believe he will regain.

The more I sat with individuals like Eric, the more I realized that debt was robbing them of much more than money. It was also taking away parts of themselves, parts of who they saw themselves to be and parts of who they desired to be. In this chapter, I utilize a series of in-depth interviews with title-loan borrowers, to examine how the accumulation of debt dispossesses individuals of far more than material property. I identify three forms of dispossession that are imprinted within their testimonies, which have powerfully (re)shaped their lives: psychic dispossession, platial dispossession, and temporal dispossession.

However, before moving on to my analysis, I draw upon the writings of Karl Marx and David Harvey to examine how dispossession has traditionally been framed in political-economic writings and I explain why I find this framing to be limited in its analytical expanse. I then use correspondence between Judith Butler and Athena Athanasiou (2013) to aid me in rehabilitating the conception of dispossession to better interrogate the layered richness of personal loss.

**Takings**

In *Capital vol. 1*, Marx briefly mentions the Duchess of Sutherland who sought “to effect a radical cure” for the scourge of tenant farming she viewed to be plaguing the
Scottish Highlands (2001, XXVII, p. 1043). Not to be satisfied with simply owning two-thirds of the country, the Duchess sought to enrich her estate through advances in agrarian management. Marx relates how 15,000 ancestral inhabitants “were systematically hunted and rooted out” in order to provide pastureland for the 29 large-scale sheep farms she would install (2001, XXVII, p.1043-44). The Clans would not go quietly, hence soldiers of the Crown were deployed to sever the ties that they held with the soil. Through force and fire, 794,000 acres of field were rendered pasturage while 3000 families were displaced to the coastal region. The story is told by Marx as a sort of prologue to the Capitalist society he intended to demystify. For Marx, this violent expropriation of land by the State that forcefully separated producers from the means of production belonged to a pre-capitalist stage of development that he referred to as *primitive, or original, accumulation.*

While Marx’s extended analysis of rent, wage labor, and the credit system can all be interpreted as continuations of primitive accumulation his epistemological division of capitalist development into distinct stages relegates certain forms of accumulation to the past, particularly those that involve state violence and enclosure. It is on this point that a number of scholars have critiqued the expediency with which Marx shifted his analysis to the creation of value and the reproduction of labor without recognizing how both processes often necessitate ongoing appropriations by the State and continuous enclosure\(^70\). Most notably, David Harvey (2004; 2006) utilizes the term *accumulation by*

\(^70\) Maria Mies (1986) identifies ongoing primitive accumulation as the secret of modern capitalism; Perelman (2000) argues that it is necessary to understand primitive accumulation as an ongoing process in order to account for gendered relations and unwaged work; De Angelis (2001) argues that the processes of primitive accumulation
dispossession to analyze specific capitalist formations that have taken shape since the 1970s. Paired with Arrighi’s analysis of capitalism moving into a hyper-speculative phase we can see Harvey informing on the material articulations of capital accumulation that has retained much of the original violence Marx seemed to gloss. From Harvey’s perspective, mass privatization of public goods, the commodification of natural resources, and state led takings of indigenous lands all evince the degree to which primitive accumulation remains a contemporary phenomenon. Accordingly, the era of financialization that took hold in the early 70s reveals the depth to which accumulation by dispossession represents not only the primitive, but also the persistent logic of capital accumulation. From this optic, the eradication of collective land rights for indigenous communities in Mexico is eerily reminiscent of the Highland clearings carried out by the Duchess.

The brilliance of Harvey is that he provides a delineated cartography of global capital that encompasses far more than class and labor. While Marx remains mired in the historical materialism of an almost uniform class struggle, Harvey animates the complexity and heterogeneity within contemporary global supply chains. Thus, while it remains possible to talk about Marxian proletarianization, the process is contingent upon a larger set of variables that “entails a mix of coercions and of appropriations of pre-capitalist skills, social relations, knowledges, habits of mind, and beliefs of those being proletarianized” (Harvey, 2004, p. 146). The force of these dynamics then plays out through multi-faceted kinship, familial and institutional structures that organize society.

result in a specific ontological condition necessary for expanded reproduction; Glassman (2006) provides an overview of how primitive accumulation can assist scholars in understanding capitalist transformations in the Global North.
By recognizing the various authoritarian regimes that shape the social dimensions of human labor, Harvey’s work is perhaps unparalleled in revealing the spatiality of global capital; and yet, he says little about the flesh that fills those spaces. While nodding to the variant social, familial, and cultural dimensions of capital accumulation, his analysis remains largely focused on the financial and political dimensions of global capital. He draws no clear distinction between more nuanced understandings of dispossession that would investigate embodied living vs. the living body. Even while recognizing the body as an accumulation strategy (Harvey, 1998), he chooses to focus on agency responses or larger social movements without discussing the intricacies, perceptual modes, and sensuousness that comprises the human body. In his analyses, the body largely remains an economized unit of labor, and dispossession is framed as an ongoing, yet traditional taking with regards to wage, unpaid labor, property, and other forms of rent. This is not to discount the violence nor the material effects associated with such takings; yet, to focus only on the dispossession of property potentiates an erasure of the human that is at once inter-connected to such property. Thus, it becomes imperative that we broaden our line of inquiry to a proceeding set of questions that interrogate this human-dimension. What is embedded in the land/object/identity we lose? From what forms of social and personal history are we severed? How do we account for the memorial displacement that remains tethered to the objects from which we have become dispossessed?

In order to take up such questions, it becomes necessary to rehabilitate the traditional subject-object relationship that is implied by economic dispossession. I concur with Harvey that the human subject being dispossessed of a material-object remains central to the functioning capitalist markets; yet, the very human-ness of the
subject implies a range of other dispossessions that are intertwined with, and often precede, economic relations. Here, I find it useful to draw upon a distinction made by Butler and Athanasiou (2013) between *being* dispossessed and *becoming* dispossessed. Such distinction allows us to separate enforced acts of dispossession (which Harvey centers) from the onto-epistemological condition that allows such acts to occur. *Being* dispossessed then refers to the “normative and normalizing forces that define cultural intelligibility and that regulate the distribution of vulnerability” (Butler and Athanasiou, 2013, p. 2). In so much as we are all implicated within such a state, we are left to investigate the degrees of exposure that are differentially distributed along the lines of class, gender, race, religion and any other demarcation that sets one in opposition to another. The self-determinant “I” always acts in relation to the “other” and it is this encounter that leaves us exposed and vulnerable. This state of *being* marks a limit to the ideological conception of the autonomous, and self-sufficient being and rather “establishes us as relational and interdependent beings,” which is at once enabling and alienating (Butler and Athanasiou, 2013, p. 3). Thus, when we *become* dispossessed in the privative sense of forced takings of land, property, and personal security as elaborated by Harvey, it always occurs within a web of (dis)possessive power relations. This is not to say however that *being* dispossessed chronologically precedes *becoming* dispossessed; establishing causal links between the two threatens to distort the fluidity and mutuality of the conditions. Indeed, the testimonies in this chapter reveal the co-constitutionality of both states of being. These personal accounts reveal the complexity of what I refer to as the dispossession of the Self. I show how the overlapping forms of dispossession
(psychic, platial, and temporal) are all attributed to or reinforced by the experience of high-interest debt and financial precarity.

**Lost in Mind**

Psychic dispossession speaks to a myriad of ways we become cut off from our self-identity: it is when we are no longer able to connect to the cognitive schematic we hold ourselves to be. It would be too great a leap to say that any one form of debt, even high-interest debt, would be enough to singularly create such a mental break; rather it is precisely because economic relations are intimately bound to our social and familial structures that financial stress is circulated and compounded into a distilled and heavy form. Eric’s struggle to reconcile his cauterized state with the desire to be a better husband, father, and friend reveals the interplay of dispossession’s double valence that Butler and Athanasiou bring to light. The constant stress of becoming dispossessed of physical property (his home and vehicle) led to his being dispossessed of his psychic identity; yet, it was this very identity, his old self and the shortcomings thereof that he feels led to his financial precarity. When I ask him about identity he traverses across several fields. There is contentment: “clearly I think I’ve got a good wife and good children. We live in an okay place, we have a decently good life.” There is regret: “I could have been very successful if it wasn't for this or that…we talk about how I’m smart, what the fuck have I done with it?” And there is always the uncertainty that comes with a life that is tied to triple-digit interest: “it would be one month and we would be homeless”. All of this is bound within the enfleshed Self that is simultaneously *being* and *becoming* dispossessed.
This fracture of identity is echoed in the experiences of Nadine and Tanya, who have both struggled to maintain a sense of Self as they have negotiated their way along a financial precipice. While taking out title loans by no means marked the beginning of their struggles it solidified a transitory state they had been living through. Each successive phase along this precipice has not only entailed a heightened degree of vulnerability but has also marked embodied changes of self-identity. Nadine is explicit about the struggle to accept herself as a mother who can no longer provide her children with the life she desires for them.

You find yourself as a mother who can’t give your children things that they’ve earned. My daughter has maintained honor roll, she’s just like truly the best kid ever, I couldn't ask for more and I cant give her [pause - overcome by emotion]…and she understands, she says things like ‘well maybe if we save up,’ so she understands. (Nadine)

Yet, the fact that her children understand the constraints they are living under is also a tremendous source of stress because it affirms their recognition of what they have also given up. Nadine is particularly pained that her children had to quit participating in activities that they loved and were becoming part of their growing identity as well. Dance classes for her youngest and volleyball for the elder are no longer possible. She does her best to compensate by spending evenings and weekends at the community pool or going to a park, but she has had to watch her children let go of a healthy part of the identity they were growing into. Hence, her losses are not only measured in reduced income and heightened stress, but also in terms of the new normal to which she and her children have had to adapt.
What does it do to me? You know it’s hard, cuz it’s not fair. It’s not fair to them to have to quit their sports or outside activities or wear used clothes or things like that. I mean they’re good kids and they understand but it’s different for them too.

(Nadine)

Similarly, Tanya struggles with feelings of inadequacy as a mother and provider. During the course of our conversation she often uses the term interchangeably; for her, a mother is one who provides for her children thus any diminished role as a provider in some ways encroaches upon her identity as a mother as well. Both of her boys are large for their size and grow out of their shoes and clothes at a rate above replacement. She recalls the guilt she felt when seeing her oldest son trying to squeeze his feet into shoes that were a size too small, and then having to ask him to hold on until the weekend when items at Goodwill would be 50% off. Likewise, she feels less than adequate as a mother when she cannot provide a healthy diet for their growth and development. She takes solace in the fact that her children never go hungry but feels as if the nutritional deficiency in some way reflects her deficiency as a provider.

My kids are supposed to be eating healthier but I have to stick to instant mash potatoes and macaroni and cheese, yellow #5 cheese or whatever, and I don't necessarily want them eating that but its cost effective right now. (Tanya)

This flux in the assuredness of one’s identity as it relates to another demonstrates the depth to which we are bound up with, and can therefore be dispossessed by the other. Hence, disjuncture within this crossing of self-identity and the other “can be an occasion of critical displacement” (Butler and Athanasiou, 2013, p. 14). This is not to say that Tanya suffers from a crisis of identity ut totum, but that she finds herself in a transient
state of self-knowability. Her identity as a friend, or co-worker may remain in tact yet her presence before her children is haunted by the spectral absence of the self she had been or believed she could be. In this way, the children’s call of “Mother” displaces her and heightens her exposure to the subjugating forces of financial debt that psychically dispossess her of identity. Thus, as economically debilitating as high-interest loans can be, the true cost exceeds the ledger sheet of the lender. The enfleshed and dispossessed self not only speaks to the sum of human relations and histories that constitute who we understand ourselves to be, it must also be understood as housing the accumulated loss.

**Lost in Place**

In her book *Demonic Grounds*, feminist Geographer, Katherine McKittrick explores how trans-continental and trans-generational histories become sedimented in the landscape. While her attention is on how geographies of domination and difference cross with, and shape, the geographies of black women, the point to be made is that subjective experience of the body must be understood as it participates in the social production of space and is also shaped by the forces that press into the landscape. Geography then becomes much more than the spatial measure, it becomes the measure of lived experience: power, domination, dispossession, affection, sexuality, racial difference, economic poverty and so on, all produce attendant geographies (2006, p. 3). McKittrick essentially provides a textured articulation of Heidegger’s famous assertion that “space has been split up into places” (qtd. in Casey, 2013, p. 340). Unearthing the multiple histories that bleed into the earth through an object such as a slave auction block, she distinguishes *place* as the lived depth of space. While it remains possible to think of space in the abstract, place is always understood through the “arc of embodiment” of
those in place (Casey, 1993, p. 110). If space is produced through the interplay of complex economic, political, and social processes, then place is the aperture through which we locate ourselves in relation to these processes. As McKittrick states, “naming place is also an act of naming the self and self-histories” (2006, p. xxii).

The reciprocity that exists between the self and place is what renders acts of displacement and dispossession so violent. In this section I consider the concept of platial dispossession as the set of processes whereby one is dispossessed of the relational ties that connect one to place, while platial transience can be understood as the condition of living in an unbounded span of episodic displacement. Place, as a subjective marker of personal history that is moored to particular locales is grounded in the affective ties that binds one to a particular set of individual, communal, and environmental (built and natural) relations. Where these ties are severed the subject is effectively unmoored from place and moved to a state of platial transience as they live in between places of social binding.

For Eric, Nadine, and Tanya, title-loans are located along an embodied arc of precarity, which traverses them along the fluid line separating shelter from exposure. The uncertainty of day-to-day resources and the need to produce rent by a specified deadline results in a life that is preoccupied with remaining housed:

You see people who there biggest problem is that they gotta pay insurance on two new cars and its starting to add up and your just thinking man I just really hope I don't break my leg cuz if I break my leg I’ll lose my job, and if lose my job I can’t pay my rent, and it would be one month and we would be homeless. (Eric)
By definition to be homeless is to be without home, to live outside of the contained space that you once occupied. However, in the context of place, homelessness assumes a broader (dis)connectivity. Platial dispossession frames homelessness as a break from the affective social, communal and memorial ties which hold one’s life in place. Thus even when one is able to resituate in another locale such as a new apartment, they may retain a sense of homelessness, as they remain alienated from the embodied connection to place. It is this longing for where-ness\textsuperscript{71}, the whisper of knowing how we relate to the world, that leaves one feeling awash and dispossessed of place.

These testimonials articulate this separation and longing for place in their own way. Each has counted different forms of loss as they have fought to stave off eviction and shield their children from the realness of the ledge they walk along. For all three, taking on short-term, high-interest debt was a bitter pill to swallow but one that they felt they had no real choice in making as the instrument itself was seen as a very real border between protection and the street. Eric, who was transitioning into an Internet job specifically in order to have more consistent income, “got caught in the lurch” between the last paycheck of his previous job and the first paycheck he could receive with his new employer. Of the $1300 he was able to borrow against his car’s title, over $1000 went to pay his $800 rent that was a week overdue and had therefore incurred extra fees. Similarly, Tanya was less than 48 hours away from being evicted when she took out her most recent loan. Her $890 rent had ballooned to nearly $1200. Despite her pleadings to

\textsuperscript{71} In the first chapter of his book, Getting Back into Place, Casey (1993) uses the term where-ness to help distinguish between space and place. While it may be possible for us to locate ourselves in space through specific geographic coordinates, such coordinates tell us nothing about where we really are, or where we feel at home.
negotiate a partial payment until her next paycheck she was told that she would soon find her doors closed with changed locks:

    When the rental company is run by a corporation, they don't wait, you could tell them your sob story and fall down and have a tantrum in their office they don't care, the time is still running. (Tanya)

    My apartment complex isn’t any nicer than the title loan places. (Eric).

    Nadine, who in her own words was already living “behind paycheck to paycheck,” came to the end of her lease and was told that a strong rental market was driving up the monthly cost by an additional $200. She intends to use the $700 she borrowed through an auto registration loan to cover the increase and provide her a three-month buffer to figure out her next move. Regardless of the fact she will eventually pay over $1400 in interest alone, Nadine saw no other choice. The costs associated with moving and beginning a new lease seemed too big to handle and she is highly reluctant to move her children for the second time in 18 months already having “scaled-down” to a cheaper apartment to accommodate for the lost income that came with her new job. Yet, she realizes that she is fighting a battle that she will most likely lose and has already begun to look for cheaper options in the area.

    As stated at the outset of this project, my interest lies in understanding how this specific form of debt is embodied and experienced by the subject. For each of the individuals I spoke with, displacement is experienced more as a condition of life than as a specific moment. It is the unbounded and episodic nature of platial transience that renders it so life-consuming. Even when one is able to resettle, their life remains cloaked in an uncertainty that discourages them from becoming truly settled. As Eric points out,
“It [the rental system] doesn’t reward permanence, it kind of punishes it”. Renewal increases that keep pace with inflation and typically exceed it means that while it is not necessarily a race to the bottom it is surely a continual slide. Eric is living in his third apartment in the last four years; Tanya and Nadine have both moved once in the last two years and were both anticipating another move by the end of 2015. Even if their annual incomes modestly increase, as has been the case for Eric and Tanya, the excessive interest associated with the loans they used to stabilize their housing paired with the annual increases to their rental contracts means that they often continue to find themselves behind on the rent which results in the daily compounding of cost. This can lead to the real need of another emergency infusion of capital, which perpetuates the cycle:

In my old place I think it was $50 for being late plus $25 a day. So you could be into them for another $250-$300 by the time they kick you out. Its worse the cheaper the place is, they factor it into the prices of the rent. They can offer cheaper rent by knowing they’ll attract a person who will pay more late fees. Its how everything is, my parents called it the poor tax. (Eric)

The end result is that the platially transient must continue to search out cheaper and cheaper options to rent, and this carries costs that exceed moving expenses. Nadine is melancholic when speaking about needing to move yet again. Her first move required her to obtain a variance for her children to remain in the same school and she anticipates that the next move will require an even longer commute: “the rent keeps forcing you to move into areas you don't want to be in” (Nadine). Tanya and Eric, who have found their surroundings increasingly restrictive, echo this sentiment. Both comment on feeling the
need to keep a closer eye on their children and not being able to let them play freely in their own surroundings:

I have this app called Radar and it highlights all the crimes reported in that particular area. So I zoomed out and of course it’s all concentrated in a 4 block radius of my house and I’m like What! The one thing that helps me sleep at night is we live right by a sub-station so like two blocks away there’s a police sub-station. So if anything ever was to happen there’s always someone there, but I’m like man, there’s still concentrated crime, so it’s very stressful. (Tanya)

Consistently being priced out of affordable housing disrupts the rhythm of one’s life and dissolves the social or communal bonds that anchored the life in place. Whether it was the neighbor who helped fix reoccurring problems with the car or a friend who could occasionally watch the children for free, certain friendships and bonds are always left behind us. The episodic nature of these moves, the impending feeling that the next move is just around the corner can also deter one from investing in any lasting friendships. In this way, platial transience carries a predisposition to the dispossession of place. The interplay between varying forms of dispossession and lived space result in different understandings and cognitive mappings of how one fits in place. Nadine talks extensively about the isolating nature of debt and how she feels driven inward both metaphorically and literally. As her children have been forced to give up their extra-curricular activities and as she no longer has disposable income to meet friends out, her “social circle has closed dramatically.” She sees the community pool as “a lifesaver” because it allows her and her daughters a chance to be active and outdoors, but the need to stay in to save money is mentally claustrophobic. Tanya is much less apt to even bring
people into her space. She tries to spend time at her parents and walks her children to the park where they can ride their bikes but as far as socializing with friends, “…we can’t play at my house, we always go to their house.” Despite differences in how they manage displacement the similarities of these experiences are striking. While one must resist essentializing inter-subjective experiences we must also seek to identify subjective conditions of dispossession and the manner through which “the logic of dispossession is interminably mapped onto our bodies, onto particular bodies-in-place” (Butler and Athanasiou, 2013, p. 18).

**Lost in Time**

In her book, *In the Meantime: Temporality and Cultural Politics*, Sarah Sharma examines the way temporalities are experienced in non-uniform ways “across a grid of temporal power relations” (2014, p. 9). Pushing beyond the conventional parameters of speed theory, Sharma does not ask the question of “are we moving faster” but “who is moving faster?” She concludes that the disembodied, plugged-in, insta-connected, highly mobile, tech savvy future is ultimately reliant on the more mundane temporalities of embodied labor. She recounts a chance meeting with a young software developer as they waited to board a plane in Atlanta. Her encounter with the globetrotting tech enthusiast, which she dubbed “Liquid Man,” juxtaposed competing visions of the disembodied utopia reflected within capital’s tendencies. It was actually the young man who donned

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72 Sharma uses the term *speed theory* in reference to a specific vein of social and cultural theory that advances the idea that technology is dramatically altering and increasing the speed at which humans experience reality. This has led to a range of inquiries across disciplines to consider the impact that speed has on cultural, economic, political and social processes. Examples of this can be seen in Bauman 2000, 2005; Crary 2013; Hassan 2003; Tomlinson 2007; Virilio 1986.
the moniker Liquid Man in reference to Zygmunt Bauman’s *Liquid Life* (2005). Dismissing any negative connotations attributed to it, Liquid Man embraced the fluidity of the identity, Sharma relates how he stated,

‘I enjoy being Liquid Man.’ By this he means he relishes all the accoutrements of a mobile and fast-paced lifestyle: the plane hopping, social networking, contract employment, and technological gadgets that keep him plugged in. Being without bonds in this liquid world means he can “keep going with the flow.” Liquid Man tells me he feels free, not limited by the weight of the world (Sharma, 2014, p. 28).

Sharma, however, cannot help but notice that this weight must be borne by someone and that in doing so, different bodies are ordered to different temporal realities: liquid travelers who disembark in Tokyo for some quick corporate face time before continuing on to Shanghai briskly negotiate on their cell phones and tablets waiting impatiently on the curb for the taxi driver who has been idling in a 45 minute queue, slowly biding time to service these liquid needs. Sharma’s insights on differential temporal experiences within a financialized economy provide a window through which to examine how high-interest debt reconfigures one’s experience of present time in relation to the past and the future. In the same way that the individual is woven into a larger social/communal web of relations, their temporality crosses multiple other temporalities that are distinct from theirs. Sharma illuminates on how time “is in large part structured and controlled by both the institutional arrangements they inhabit and the time of others – other temporalities” (2014, p. 8-9). The nano-second splits of high speed trading, the leveraged buyouts of bonds traders, the overnight rates of the Federal Reserve, the triple
digit spread between bank loans and title loans are all implicated in the structured lives of these debtors. Their debt is merely an instrument through which time is animated: it is the purchase of future time that is sold in the present at an inflated rate, and in the process it compresses the temporal future into the present. The greater the interest associated with the purchased time, the weightier the future that is pressed upon them.

As shown, this experience of debt is not homogenous; dispossession takes many forms. What must be made clear is that temporal dispossession cannot be thought of only in terms of loss time: “Temporalities do not experience a uniform time but rather a time particular to the labor that produces them” (Sharma, 2014, p. 8). What is asked of our bodies largely determines our temporal reality. Our transience; our efforts to stave off homelessness; the debt we subject ourselves to despite the excess labor it will extract from us; all of these things press into us. It is one’s position within the larger temporal grid that determines the experience of time as well as the expectations placed upon them to recalibrate to the acceptable sensibility of time.

Recognizing this temporal dimension of dispossession is crucial to understanding the disorientation that often comes with high-interest debt, where its rate of accumulation outpaces the body’s capacity to produce enough labor in the present to pay for it. As such, larger and larger quantities of the future are absorbed into the present causing shifts in the way we experience and value time. When I spoke of the future with Eric, Nadine and Tanya, I realized how the conversation constantly oscillated between different temporal moments: the past, present and future all overlapped and ran into one another. They seemed to intuit that the self that was fractured and being disciplined by debt continued to evolve, but they seemed unsure of exactly who they would be when they
finally emerged from out beneath it all. For each of them, the future seemed so far away except for when they talked about their debt, then it was right there in front of them.

A striking example of this temporal blending can be seen in my conversation with Nadine. When I ask her about the future she reflects on just how much her vision of the future has changed in the past 18 months:

In the past I was thinking about my future in a whole different way. I was thinking you know I’m gonna go chase my Masters, its gonna be even better. Thinking about my future a year and a half ago versus now its totally different story because I’m just thinking about how do I even get to where I was, where do I go from here? Because this [the reprieve from the loan] is temporary. (Nadine)

Notice that for Nadine, the future is actually defined by her desire to move back into the past. Having given up a well paying job in property management to pursue her Masters degree she is trying to recapture what she feels she lost in the pursuit of her dreams.

In the past I was fine, of course I wanted more, I wanted to educate myself more and reach for more and have these goals and I was driven. And now its just like, its not worth it, maybe in the future but…oh my goodness, I’m an idiot. (Nadine)

Perhaps it is because she feels that her decision has cost her children so much as well, but for whatever reason Nadine is very hard on herself. She chides herself repeatedly for leaving “luxury” and “paradise”. Yet when I push her on the details as to why she left her job or whether she would like to go back to the same job she is much less certain. She talks about the long hours and the high stress to meet weekly goals to earn bonuses and commissions. In fact, she had hoped that earning her Bachelors degree would allow her to find a job that didn't require her to work so many evenings and
weekends so she could spend more time with her children. The more she talks about why she was willing to leave and the hopes that she had for the future, the more apparent it becomes that Nadine doesn't want to go back in time, rather she wants to return to a temporality of income security. Regardless, the past weighs heavy because it is memorialized as a time when she wasn't paying interest on her dreams – even if she wasn't living her dreams they weren’t costing her anything. The sad irony of Nadine’s story is that she followed the self-help, middle-class, capitalist narrative; she took the risk and invested in her future and it has been that dreamed future that has cost her so dearly:

Its been like the worst thing ever, I cant believe I left the income to come here thinking I’m gonna go back to school, I’m gonna get a higher degree, its gonna be worth it on the back end but in reality its been impossible… I’m not taking out another [title] loan so I’m either picking up a part-time job, or leaving this job altogether but something has to give because its just not working out. (Nadine)

The sense of lost that Nadine feels is compounded by the realization that even if she were able to move back into the past, it may no longer be enough. Her change of employment was premised on the employee benefits she would receive to pursue her Masters degree. After six months employment she was eligible for a full tuition waiver that would be applied retroactively once her degree was completed; until that time the tuition costs were effectively frozen. However, after 18 months of employment (12 months into her masters program) the financial strain became too great and she was forced to drop out of her degree program exactly one week after she took out her title loan. Since she could not complete the degree she is not eligible for tuition reimbursement and the costs that were being held will now be released and charged to
her. Thus, the object of the title loan actually marks a space where multiple temporalities are enmeshed with one another. It is in the title loan that we find the interest charged on her past dreams of a better future. It is also here that we find her borrowing from the future to begin presently paying for the past education she never anticipated being charged for. In almost all respects, time is working against her.

Contrasting Nadine’s experience with Tanya’s reveals the discontinuous temporal shifts within the debt experience. While Nadine’s future imaginings are predominantly shaped by a desire to return to the past, Tanya’s future is enveloped by the past she feels she can never escape. Rather than feeling she has left something behind, Tanya perceives her temporal present to be inextricably bound up with persons and events that she has separated from and yet remains entangled. This inability to escape what “was” is nothing new for her; even after dissolving the relationship with her ex-husband, financial necessity forced them to co-inhabit for another three years. For Tanya, the past has often taken the form of a present object; something that must be lived with, negotiated, even paid for long after the event itself has passed.

While she admits her own failings in money management she has remained the primary breadwinner and source of financial stability, strained as that may be, for her children. Her ex-husband’s irregular employment and what she perceives to be irresponsible decision-making continues to financially constrain her as he is often unable to make the weekly child support payments. Even when he does pay, the $80/week that he is currently subject to is a nominal contribution to the full costs of raising two boys. Yet, Tanya’s refusal to her father’s insistence that she “go down and fight for more,” speaks to the messiness of living the past in the present. When she speaks of her ex-
husband it is never by name: the pro-noun reference suggests the emotional distance she prefers to keep. Yet her tone and mannerisms do not suggest anger as much as resignation. She discusses the frustration of having to handle all the costs of childrearing up front on her own and then having to play the role of bill collector. The emotional energy and tension inherent to this caused her to eventually adopt a more passive approach, which reveals a level of acceptance to the norm:

At first we would fight over it but then after a year of doing that I would just pay it cuz I was tired of it and I would just mention it, ‘oh yea the kids doctors bill was $300, I paid it,’ Instead of saying where’s your $150 all the time. (Tanya)

While not approving, she even seems to understand the predicament that her former husband finds himself in, noting how his life has always been intricately bound to other family members to whom he feels a connection and a responsibility. She recounts how many of their financial struggles as a couple were impacted by the requests and demands of his parents and siblings; during their marriage this was a constant source of tension, but once the marriage ended she seems to have reluctantly accepted the bindings that he was with and didn't seem capable of shedding.

I remember once we had to drop them [their children] off at daycare on a Friday and he had gotten paid that Wednesday. We had to drop them off at 8 or 9 and he said he would drop them off cuz he didn't have to be at work till later and it turns out he didn't get them there until 11:00 cuz he had gone out and gotten a title loan that morning cuz he had sent them [his family] so much. And I didn't say anything cuz that's his thing but it got to the point where cuz he couldn't pay so often I had to bear the brunt of things. (Tanya)
Despite her remarks that her ex-husband’s financial choices are “his thing,” the reality is that those decisions bleed across time and space into her life; as much as she would like to be completely independent from her ex-husband, the truth is that she needs whatever money he can provide, irregular as it may be. She would prefer to think of the marriage as an object of the past, something temporally bound by finite dates, yet it continues to impact the conditions of her life and the lives of her children. Thus, her want to escape any dependence on her ex-husband evinces two temporal desires: finality to the past and security in the present.

When I ask her what she wants in the future her desires seem modest enough: she speaks of “consistency,” “security,” and “wanting to do the stuff that normal families with kids do”. Yet, she admits that such future seems a long way off and that right now she has trouble seeing past the next round of bills. For her, title loans have never been the straw that broke the camels back, rather they are markers of a middle road in time – a place of confluence of two temporal forces: the past that continues to constrain her financial (in)dependence, and the future that’s propelled towards her at an accelerated (and costly) rate.

**Losing it All**

Eric, Nadine, and Tanya all speak in different ways about the entanglement of debt with their lives, but each of them expresses a sense of both loss and mourning. Clearly, their dispossessions go beyond the physical form of money; they speak intimately of losing a sense of Self and are unsettled by this. Yet, what also becomes clear is that this Self has never been and will never be theirs alone. Eric feels dispossessed by a financial vulnerability that has perhaps irreparably damaged his ability
to experience certain emotional responses and he fears that this will hinder his capacity to express care to those he loves. A decade removed from a failed marriage, Tanya continues to be dispossessed by her ties to a man who is in turn bound to the fate of the family into which he was born. Nadine’s grief is most apparent when she speaks of what her dreams and decisions have cost her children. She seems unsure of the “who” she was that she left behind, but knows that she left a place of security to which she may now never return. The ability of debt to dispossess us of who we see ourselves to be moves us into a space of grief and mourning. Butler (2004) explains these entanglements this way:

Perhaps…one mourns when one accepts that by the loss one undergoes one will be changed, possibly forever. Perhaps mourning has to do with agreeing to undergo a transformation (perhaps one should say submitting to a transformation) the full result of which one cannot know in advance. (p. 21)

Perhaps it is this unknowing of what is to come that is most cruel of all. Not only the unknowing of how we will be changed, but not knowing whether the condition of our debt will ever end. Even though Eric is now on the other side of the loan in the sense that he is no longer making monetary payments on it, it remains clear that it is still with him and he is still paying for it. Likewise, for Tanya, her heightened exposure to displacement has meant that one debt continually leads to another. While she swears that this will be the last title loan she takes out, I wonder if the world she is tied to will allow her to leave behind such dispossessions.

The infinitude of platial dispossession carries a true cognitive weight. If we are unable to imagine ourselves outside of these places of debt then we simply learn to live within them. Perhaps this is the submission to which Butler refers. It is not surrender or
even decisive resignation – those I spoke with all expressed some belief that things would somehow improve – but there is an acceptance that they have been given a debt to carry and in the process we lose part of the Self that we once were. All that is sometimes left to do is mourn.

CHAPTER 9
CONCLUSION

This study set out to answer the question of how (alternative) financial institutions are creating new spaces of debt, and new debt subjectivities, through the processes of accumulation and dispossession. What I have shown is that while some of the derivative mechanics of modern finance are new, the power relations that they constitute have haunted the debtor’s body for centuries. The debtor-creditor relationship has always been constituted through an asymmetry of power, what has changed at varying historical moments is how financial power works through the subject. When considering how the subject is shaped, Foucault reminds us to be attuned to the “mode of investment of the body [that] is necessary and adequate for the functioning of a capitalist society like ours?” (1984, p. 58). What my dissertation brings to light is the centrality of debt to the financial apparatus as a whole regardless of whether the practices are labeled alternative or fringe.
Locating the object of debt within the processes of financialization reveals how deeply invested in the debtor’s body the system of finance has become. Speculators can dream up new debt instruments but the ability of the system to create wealth ultimately requires an investment in the body. Thus, the perfection of the liquidity machine is pursued through the production of a subject that increasingly relies on debt. In this way, AFSPs do not sit on the fringe of finance rather they represent the logical end of a system that conditions the subject to require debt to live. The condition of subsistence debt, where even the most basic staples of life are debt financed exists as the current outer limit of this logic.

Focusing on the margins helps us understand a fundamental shift in what is now required from the bodies of the working poor. Marx (2001) has shown with great detail how capitalism establishes a precondition where laborers require the capitalist in order to live: they subsist by selling their labor power in exchange for money capital to purchase the necessary means for life. In the most dire of times, when not enough surplus labor could be sold to meet life’s demands Marx, like many others, used the pawnbroker to access additional capital. What Marx could not foresee in his time was how the pawnbroker would be subsumed into the mainstream financial apparatus and how this shift would expose the space of daily life to the oscillating demands of capital markets.

As a theoretical device, demand inversion allows us to see how the reciprocity of the capitalist-laborer relationship now incorporates the demands for capital liquidity. Collapsing the space between speculative markets and daily life dramatically reframes the capitalist-laborer relationship. While the laborer still relies on the capitalist to provide the means for subsistence the capitalist now places additional demands on the
laborer’s body as the relationship now incorporates the demand for capital liquidity. As a theoretical device *demand inversion* allows us to see how the reciprocity that was once defined through labor and wage must now be reconfigured to account for accelerated pace at which capital can recreate itself through abstraction. Yet the weight of the corporeal body will never allow it to keep pace with such demands, thus much of the liquidity that is generated in capital markets remains patently false. It is in this gap between the capitalist’s infinite demand for liquidity and the workers finite ability to produce labor that debt comes to play such a critical role. It is through debt that the illusion of a reciprocal relationship is maintained but the abstractions of the market and the materiality of the body that the debt is tethered to ensures that the system itself remains inherently unstable.

The recent financial crisis of 2008 simply revealed the instabilities of a system that must fill such wide gaps between liquidity demands and labor power supplies. During hyper speculative phases we see that this gap is effectively widened as capitalists engineer new ways to expand the pool of debtors and thereby create the illusion of reciprocity. Each additional layer of financial abstraction that deepens the liquidity pool also exacerbates the vulnerability of the debtor base that exists as the new foundation of the capital pool. AFSPs merely constitute one channel that connects the workings of global finance to the mundane world of the working poor, but they provide a visible margin where we can identify the physical, psychological, and emotional toll that is exacted upon the body of the debtor.

Yet, it is how the vulnerable are being targeted that often renders the workings of financial capital invisible. We come to believe that finance operates differently in
material margins than it does in the immaterial space of flows that define global capital. What I showed in the opening chapters is that there is less space between these two worlds than we are led to believe. In fact, my analysis of AFSPs directly implicates the liquidity needs of financial capital in the lives of the working poor. In the same way that derivative instruments created a specific type of investor, subprime instruments are seen to be creating a specific type of debtor. The fact that these processes are funded by mainstream financial institutions should give us pause, because it begs the question of whose financial needs are truly being met through these loan instruments.

The implications here are severe, because the historical record reveals the violence that is endemic to debt finance. In chapter 4, I explored how capital accumulation has relentlessly relied on the appropriation of the human body to create value. Surfacing the drowned ghosts of the Zong revealed the violence that has underwritten the legal construction of humanness. This casts aside the sterile “neutrality” of bankers and financiers who promote the notion that market exchanges, even those of debt, are mutually beneficial for both parties. Under the deck of the slave ships that moved bodies from continent to continent we also find the processes that moved humans from the embodied space of the living to the disembodied abstraction of money and debt. Here we see clearly that debt has always been tethered to the body in violent ways. In the spaces examined here, the debtor-creditor power relation it is not constituted through mutual contract but through the foreclosure of possibility.

The lie that we continue to live with is that the indebted body somehow asks to be wrapped in these bindings; as if slavery, financial or otherwise, is something we desire and request. Chapter 5 showed that the character of domination embedded within the
contracts of the Zong persists in more palatable but still violent terms. The discourse of choice dissipates as one considers the juridical restructuring of the debt subject. Not only are debtors asked to open their personal space to the borrower, but they are also stripped of all legal remedies against violations. The contract codifies the legal construction of a subject who possesses less juridical personhood than the subject they were prior to their debt. This shows the degree to which financial instruments are used to intentionally shape a specific debt subject: one who is tied to debt outside the protections of any system of justice.

In chapter 6, my analysis of TitleMax shows how different forms of debt are allocated to different bodies. The corporate body, the one deemed creditworthy, is free to negotiate the terms of debt inside the protections of the same legal system they intentionally restrict their customers from entering. We see clearly how debt is both tool and weapon depending on the body that passes beneath it. For some, debt is an object to be negotiated at the most advantageous terms for the very purpose of maximizing the spread against those bodies that have no power to negotiate at all.

Chapter 7 explored the confines of the spaces that are being created as debt is increasingly used to distribute vulnerability and “make some populations more subject to arbitrary violence than others” (Butler, 2004, p. xii). The embedding of AFSPs into select corners of the urban landscape reveal something essential about how the model of false liquidity is perpetuated and sustained by targeting specific populations for more onerous forms of debt. Mapping the presence of title lending across the Phoenix-metropolitan area allows us to identify how vulnerability is unevenly distributed across space. The production of the indebted subject cannot be separated from the production of
indebted space, the two interlock as constituent parts of dispositif. Thus, fully grasping the embodied dimensions of accumulation and dispossession requires us to take into account the violence that is sedimented into the land and how space and “place [are] constituted through reiterative social practice…[being] made and remade daily” (Cresswell, 2004: 37). Hence, it essential to consider not only the practices that produce the space we inhabit, but the financial violence that has constructed the mediations of those practices.

These socio-spatial dimensions of finance reveal that the condition of debt is about much more than money. Spaces of debt are a confluence of history, money, failed dreams, urban policy, and people. The lived condition of debt shows us that there is always more beneath the surface than just numbers. Chapter 8 looked more closely at the lives of those who inhabit these spaces of debt to consider what they are truly being dispossessed of. I showed that the debt solutions the industry offers as a means for financial relief, in fact perpetuate the allostatic load associated with the debt condition. The testimonies included in this study reveal how debt causes a rift in our inner-subjective psyche. We intuit that we are being changed but we cannot be sure of whom we will be when we emerge out from beneath the weight of the money.

It is this embodied experience of debt that brings us full circle to the question we began with. We see that debt is creating new spaces for accumulation and dispossession by reshaping the conditions of our lives. Debt has moved to the center of economic exchange through a financial discourse that interlinks economic productivity with human morality. Thus, the good economic subject cannot bypass the object of debt; rather, they are defined by the terms of debt to which they are given access.
What are at stake are the lives of millions of individuals who have come to require debt to live. In this way, AFSPs represent the most visceral form of financial violence that is palatable within society today. These debt contracts, not only alter one’s juridical personhood but they fundamentally alter the capacity to sustain the tenuous fragility of a life that requires the “choice” of triple-interest debt. It is true that the body that borrows $1200 against the title of an automobile is marked differently than the bodies that were enslaved and traded. Yet, the mechanisms through which value is extracted from their form are eerily similar. Clearly, I do not want to understate the significance of the physical violence applied directly to the human body, but we must not lose sight of the processes that allowed for the human body to be converted into its financial contractual form. The methods of accounting utilized today are not as explicit as the ledger notes that valued the lives aboard the Zong at £30 a piece, but our measures of credit worthiness are no less instruments of human value. And it is through divisions and categorization of financial value that certain spaces hold past remnants. In this way, the ships, the ports, and auction blocks all mark specific yet contiguous spaces of ontological violence, and in this same manner, the title lending shops that saturate the lived space of predominantly minority neighborhoods act as nodes along a “continuum of violence” (Schepere-Hughes and Bourgois, 2004).

Thinking of violence along a continuum provides a way to link apparently distinct and varying forms of violence with one another. While the violence of Captain Collingwood lay mostly forgotten, drowned in the Atlantic and dismissed from court, the conversion and commodification of the body that remains central to the production of financial debt instruments falls upon the same arc of coercion. From this optic we see
more clearly the lines of difference that order and categorize indebted bodies. They fit into an economic calculus that reduces risk by producing subjects that are more predictable. In this way, those that live in marginal financial spaces come to die predictable deaths (physical, social, and financial) through terms of debt that anticipate and seek to ensure the assigned outcome. Thus, high-interest debt instruments such as title loans penetrate the body in specific ways. They condition the body to need debt, and yet the debt accumulates at a rate that outpaces the body’s capacity to meet its obligations. In this condition, debt is what both feeds and starves the body.

The testimonies that have informed this study speak of a subjective alteration that extends well beyond money and labor. They tell stories of loss and mourning but mostly they speak of fear: the fear of losing jobs, security, and safety. They fear of not knowing where next month’s rent will come from after their children have been fed; they fear living in spaces they do not know and not always knowing where they will live; they fear time itself because it has been turned against them. Most of all they fear that they may have already died a certain type of death. These deaths are contracted and carried out in the streets of Maryvale and elsewhere, but the violence was dreamed long ago: it turned body into contract and contract into money. This violence has been dreamed as progress but at each turn destruction is left in the wake. The Angel of History continues to be swept forward and we, with all our debts, are sorted and swept along with it.

**New Framings**

Some days I still drive down to Maryvale. I try to imagine what the streets looked like when John F. Long was dreaming his city of the future. I think about how quickly his Paris faded in the desert and wonder about the money that left as well as the money
that may still be tucked way into unseen corners. I feel as if Maryvale still hasn't given up all its secrets.

Each time I drive past 67th Avenue, I look into the parking lot where I met Carla a summer ago. I think back to how our chance meeting had concluded. When it became apparent she needed to be moving on I thanked her for her time and something in her disposition prompted me to ask her if she felt okay. “Fine, fine,” she said, “it’s just all this makes me so tired”. As she said it she stretched her arms outward, the manila folder almost spilling out onto the pavement. It was as if she would never be able to put her arms around the “all this” of which she spoke. She climbed back into her blue Pontiac and made her way work leaving me to ponder what “all this” really was for her.

I have given this much thought and have come to believe that the significance of her statement is that only she knows what is wrapped up inside of “all this.” Regardless of how the system of debt finance continues to encroach on lived space there remain privative enclosures through which our lives are still lived outside of the debt economy. “All this” is the space where we cross with others, where our lives intersect in both suffering and solidarity. “All this” marks the known that remains unknown to all but those whom we choose to share. And yet, the fatigue in her voice speaks to the intensified financial organization of lived-space that renders our personal lives more visible. It is becoming increasingly difficult to delineate between spaces of finance and the ordinary space in which we live. As a greater degree of our life condition becomes tied to financial instruments of debt we are increasingly left to carry the weight of money into our personal places. This requires that greater attention be given to how financial instruments are used to order space and unevenly distribute vulnerability.
This dissertation sought to tell the story of one particular instrument of financial debt, in order to inform how the human body is always implicated in capitalist systems of accumulation and dispossession. The bodies I located were predominantly bodies of color that lived within limited financial constraints, and often in specific urban spaces. While I believe these findings contribute to a more critical assessment of how financial subjects are constituted and shaped, I have also come to realize that I am only telling a small part of this story. The other parts, the parts that remain hidden, reside with individuals in places like Maryvale. I see more clearly how space, history, and even testimony can be reframed and that it is not only the financially powerful who hold this possibility. While Maryvale is no longer what it was created to be, it persists. It is a place of secrets for those who have made it their own. While such places can be seen as wish-worlds of the past, we can also see them as once exclusionary spaces that have now been claimed by the dispossessed.

In my final assessment, I agree with Povinelli’s (2011) claim that the hallmark of society today is endurance. And while our endurance is often turned against us to extract increased levels of labor power and money capital, it also serves as a foundation of our resistance. Carla climbed back into her blue Pontiac and left me standing in front of the title lender that makes so many demands upon her body but will never fully possess her. With a subtle wave she moved back into her own world.
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195


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APPENDIX A

LIST OF STATES WHERE TITLE LENDING IS LEGAL
1. Alabama
2. Arizona
3. California
4. Delaware
5. Florida
6. Georgia
7. Idaho
8. Illinois
9. Kansas
10. Louisiana
11. Minnesota
12. Mississippi
13. Missouri
14. Nevada
15. New Hampshire
16. New Mexico
17. Ohio
18. Oregon
19. South Carolina
20. South Dakota
21. Texas
22. Tennessee
23. Utah
24. Virginia
25. Wisconsin
Agreement & Disclosure Statement
Secondary Motor Vehicle Finance Transaction

Borrower:  

Lender: TODD CAR TITLE, INC., DBA A SPEEDY CASH

Agreement Date:  

Loan Principal: $1,248.00

Description of Motor Vehicle (“Vehicle”)

- Make:
- Year:  
- Model:
- VIN:  
- Color:  
- License #:  

This is our Agreement with you regarding your Loan with us. It contains important terms and conditions affecting your Loan. You should read it carefully before you sign it.

Itemization of Amount Financed of $1,248.00

- Amount Paid Directly to You: $1,248.00
- Amount Paid On Your Account: $0.00
- Amount Paid to Public Officials: $0.00
- Document Prep Fee (Prepaid finance charge): $0.00

<table>
<thead>
<tr>
<th>ANNUAL PERCENTAGE RATE</th>
<th>FINANCE CHARGE</th>
<th>Amount Financed</th>
<th>Total of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The cost of your credit as a yearly rate</td>
<td>The dollar amount the credit will cost you</td>
<td>$3,228.31</td>
<td>$1,248.00</td>
</tr>
<tr>
<td>179.505%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Your Payment Schedule will be:

<table>
<thead>
<tr>
<th>Number of Payments</th>
<th>Amount of Payment</th>
<th>When Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>$86.05</td>
<td>Every Other Friday, beginning</td>
</tr>
<tr>
<td>1</td>
<td>$87.76</td>
<td></td>
</tr>
</tbody>
</table>

Security: You are giving a security interest in the above described motor vehicle.

Prepayment: If you pay off early, you will not have to pay a penalty. If you have been charged a loan origination fee (i.e. a prepaid finance charge) and if you pay off early, you will not be entitled to a refund of any portion of the loan origination fee. See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date, and prepayment refunds and penalties.
NOTICE TO BORROWER

1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. 2. YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT YOU SIGN.
LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS AGREEMENT.
THE ANNUAL SECONDARY MOTOR VEHICLE FINANCE RATE USED TO COMPUTE INTEREST AS PART OF THIS TRANSACTION IS 179.505% (THE “INTEREST RATE”).

AGREEMENT

This is our Agreement with you regarding your Loan with us. It contains important terms and conditions affecting your Loan. You should read it carefully before you sign it.

Definitions: Certain words used in this Agreement have special meanings. The words “Agreement” means this Installment Loan Promissory Note and Security Agreement. The words “you” and “your” mean the person(s) signing this Agreement as borrower(s). The words “we”, “us” and “our” mean the Lender identified at the beginning of this Agreement doing business as Speedy Cash. The word “Vehicle” means the motor vehicle described above. The word “Loan” means the installment loan that is described and governed by this Agreement. The boxed-in disclosures above are part of the terms and conditions of this Agreement.

Promise to pay: You promise to pay us the “Loan Principal” amount shown above, together with interest and other fees and charges as provided in this Agreement.

Interest Rate: You agree that we will earn interest on the outstanding Loan Principal balance at the annual interest rate equal to the Interest Rate shown above from the date of this Agreement until paid in full. Interest is computed on a 365/365 simple interest basis. This means that interest is computed by dividing the annual Interest Rate by 365, multiplying that number by the outstanding principal balance, and multiplying that number by the number of days the principal balance is outstanding.

Document Preparation Fee: You agree to pay us the document preparation fee (also known as a “prepaid finance charge”) shown above.

Payments: You agree to pay us principal and interest in accordance with the Payment Schedule shown above without prior demand, notice or claim of set off. Payments may be made in cash, money order, official, certified or cashier’s check or by acceptable electronic payment. If you do not appear in person to pay by 5pm CST, then we will submit your payment due by the EFT/ACH Authorization set out below.

We will apply all payments we receive in the following order: 1) unpaid costs, expenses and charges (other than interest charges) which you have agreed to pay us pursuant to this Agreement; (2) accrued but unpaid interest; and (3) outstanding principal. Payments made in addition to regularly scheduled payments will be applied in the same order.

Prepayment: You may prepay the Loan in whole or in part at any time without penalty. If you prepay you will not be entitled to a refund of any portion of the loan origination fee (prepaid finance charge) or any amounts paid to public officials for lien fees.

Scheduled Payment Amounts: The Payment Schedule above assumes all of your payments are made on time. If you are late making a payment, the amount of your last payment may be greater than disclosed in the Payment Schedule. Likewise, if you are late making a payment, the Finance Charge and Total of Payments may be greater than disclosed above. Interest continues to accrue on the delinquent portion of any scheduled payment until the payment is made in full, and regardless of whether you have been charged a late fee because of the delinquent payment. PAY MORE THAN THE MINIMUM PAYMENT TO REDUCE YOUR FINANCE CHARGES.

Recission: You may cancel the Loan without paying interest. To do this, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will refund any prior amounts you have paid us in advance (except for the Document Prep Fee and amounts paid to public officials for lien fees which are non-refundable) and cancel your Loan.

Security Interest: You grant us a security interest in (1) the Vehicle described above, (2) all accesseions, attachments, accessories and additions to the Vehicle at any time, (3) all proceeds of the foregoing at any time, including all proceeds from the sale or other disposal of the Vehicle and all insurance proceeds payable if the Vehicle is damaged, lost or stolen. This security interest secures all of your existing and future obligations to us of any nature whatsoever, including all of your obligations at any time under this Agreement. You authorize us to file any documents and take any actions reasonably necessary to ensure that our security interest is properly attached and perfected. You agree to provide reasonable cooperation by signing documents or taking any other action we may reasonably request. You appoint us as your attorney in fact to sign, in your name, documents, applications, filings and certificates of title and transfer documents that are reasonably necessary to perfect our security interest in the Vehicle and, if you are in default beyond any applicable cure period, to transfer ownership of the Vehicle to us or any other person we may designate. To the extent allowed by law, you agree to pay all government imposed fees necessary to file any documents in connection with your obligations under this Agreement. In the event of a disposition of the Vehicle, any surplus will be returned to you. You agree that our security interest will continue uninterrupted until all obligations you owe us are satisfied, even if we refinance, renew or extend the
Loan.

Representations and Warranties. You make all of the following representations and warranties to us:

**Title:** Except in a case where you have notified us of a first lien holder and we have issued a loan as a second security interest holder, you have full, unencumbered legal title to the Vehicle excluding the security interest granted under this Agreement and the Vehicle is free and clear of all other liens, security interests, chattel mortgages, encumbrances, and claims. You will not allow any other liens on the Vehicle. Without our prior written consent, you will not transfer any of your ownership rights in the Vehicle, whether by sale, lease, or otherwise, until all of your obligations under this Agreement are satisfied in full. Any transfer without our consent will be void and have no legal effect. You will not apply for a new certificate of title for the Vehicle for so long as you have any obligations under this Agreement. You have full legal authority and capacity to sign this Agreement and grant a security interest in the Vehicle.

**Second Security Interest Transaction:** If you obtain a Second Security Interest loan from us you will not default upon your first lien loan, you shall timely make each and every payment owed to the first lien holder and perform every other term under that loan. Your signature below authorizes us to communicate with the first lien holder and obtain the status and other information concerning that loan. You further authorize us to purchase or pay off your first lien, in our sole discretion, and direct that lender to forward your title certificate to us. As condition of your loan, your agree to sign and abide by our Vehicle Storage and Towing Agreement, which terms are incorporated herein by reference and are subject to the Arbitration Agreement set out below. You further certify to us that any agreement that you have with the first lien holder or anyone else does not preclude you from granting us a security interest on your vehicle.

**Maintenance and Inspection:** You will maintain the Vehicle in good working order and in substantially the same condition and repair as of the original date of this Agreement. You will tell us immediately if the Vehicle is damaged, destroyed, stolen, or lost. You agree that we or our agents or representatives may, from time to time, inspect the Vehicle.

**Use of the Vehicle:** You may possess and use the Vehicle for so long as you are not in default under this Agreement. You will use the Vehicle only for routine travel and consistent with the purposes for which it was intended. Without our prior consent, you may not remove the Vehicle from the State of Arizona.

**Insurance:** If you borrow $1,000 or more, you must maintain, at your expense, proof of insurance on the Vehicle for so long as you have any obligations under this Agreement. At our request, you agree to provide us with proof that you are maintaining the insurance required by this Agreement. "Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own." You also agree that, to the extent permitted by law, interest shall accrue on any such amounts at the contract rate provided in this Agreement until such amounts are paid in full. You further assign to us the right to receive the proceeds of any insurance on the Vehicle, and direct any insurer to pay those proceeds directly to us. You authorize us to endorse any check or drafts provided to us as the proceeds of such insurance, and to apply those proceeds to the sums owed to us. You further authorize us to provide the insurer the necessary information to obtain or verify adequate coverage. You acknowledge that insurance, or any extension thereof, placed by us is or may be without benefit to you individually and is or may be primarily for the benefit and protection of us.

**EFT/ACH Authorization:** I, the Customer named below, authorize the above identified Lender or its agent to initiate entries to my debit, checking or savings account through an Electronic Funds Transfer or through the Automatic Clearing House for payment(s) or otherwise on Loan Number listed above and of even date. I choose to decline my right to receive notice of variances in the amount of the debit except when a transfer falls outside the specified range of amounts below.

The range of amounts for debits will be between the amount of the outstanding periodic payment balance owing under the Loan Agreement up to the Total of Payments plus any Returned Item fee. For any amount outside of this specified range, you will send me a notice at least 10 days prior to initiating such debit.

If I have provided you with a MasterCard or Visa check, debit or credit card (collectively the "Card") I also authorize you, denoted by my signature below to charge, submit and collect all amounts due to you. You may submit these charges to my Card one or more times until the total amount owed to you is paid in full.

This authorization is to remain in full force and effect and additional debits made until Speedy Cash has been paid in full or it has received written notification from me of my termination in such time and in such manner as to afford Speedy Cash and the appropriate financial institution a reasonable opportunity to act on it. Notices should be addressed to Speedy Cash Attn: ACH Authorization at 3611 N Ridge Rd, Wichita, KS 67205. I voluntarily make this authorization as the lender may not require repayment of loans by preauthorized electronic transfers. I may discuss other payment methods which may be available with Customer Service or the on-duty Manager. This authorization does not constitute collateral or a security interest and may be revoked by me at any time. Any dispute with my loan or any transaction involving my bank account, including any EFT/ACH debit, shall be resolved according to Agreement For Resolving Disputes, set out in the loan agreement.

**Default.** You will be in default if (1) you fail to make any payment due under this Agreement; (2) you break any promise you have made under this Agreement; (3) any representation you have made under this Agreement is untrue or becomes untrue; (4) the security
interest granted in the Vehicle is or becomes invalid; (5) you become insolvent, you are unable to pay your debts as they become due or any proceeding is commenced by you or against you under any state or federal bankruptcy or insolvency laws; (6) your Vehicle is damaged, destroyed, stolen, or lost and you do not have insurance that covers those events; or (7) you use your Vehicle in connection with the commission of crime or for any other unlawful purpose.

Our Rights Upon Default. If you default, your Loan will become immediately due and payable, and you agree that we may take any of the following actions to the extent allowed by applicable law: (1) we may take possession of your Vehicle with or without judicial process using any peaceful means we deem appropriate; (2) we may require you to deliver the Vehicle to a reasonably convenient place that we designate; (3) following any required notice, we may sell, lease or otherwise dispose of the Vehicle in any commercially reasonable manner; (4) we may continue to charge you interest on any unpaid amounts at the Annual Percentage Rate disclosed above; (5) we may, at your expense, repair or restore the Vehicle to substantially the same condition and repair as of the original date of this Agreement (We will add the amount of the expense to the balance due under this Agreement, but we will not charge you interest on that amount); and (6) exercise any other right or remedy allowed by law and this Agreement. If we agree to accept an electronic payment authorization or a check from you and your payment is returned to us unpaid, you agree to pay us a returned item fee of $25 each time the check is returned unpaid.

Additional Collection Costs Upon Default. If you must take additional actions to collect your loan, you agree to pay any collection costs, reasonable attorneys' fees and court costs we incur, to the extent allowed by applicable law. Any partial payments you make will be applied first to fees and costs, then to Finance Charge, then to principal.

Authorization to Collect Debt Upon Default: The authorizations given above continue if you are in default, and subject to any cure rights you may have, you authorize us to electronically debit your bank account(s) on one or more occasions for all amounts you owe under this Agreement or under any other agreements between us. If you are in default and you have provided us with a Visa, MasterCard, or other check, debit or credit card (collectively, your "Card") you also authorize us, subject to any cure rights you have, to charge, submit and collect all or any portion of the amount due us by charging or debiting your Card. We may submit these charges to your Card on account(s) and charge or debit your Card will remain in effect until you terminate it by giving us written notice at the address listed on this agreement and we have had a reasonable opportunity to act on your notice. We do not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Bankruptcy: You represent that you are not currently a debtor in any bankruptcy proceeding and that you have no intention of filing bankruptcy under any chapter of the US Bankruptcy code during the term of this transaction or within 90 days following the completion of this transaction. Any notice(s) of any future bankruptcy petition and all subsequent filings, motions, orders or correspondence shall be mailed or sent by express courier to: SRC Customer Service, Attn: Bankruptcy Department, 3611 North Ridge Road, Wichita, Kansas 67205. You agree any written or oral communication concerning a bankruptcy with the lender's local office, identified above, is null and void and of no effect.

Telephone Calls – Monitoring: You agree that if you are past due or in default, you will accept calls from us or a third party we have contracted with regarding the collection of your Account. If wireless or cellular telephone numbers are associated with your Account, you agree that we may place calls to those numbers which may result in charges from your wireless or cellular carrier. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Email and SMS/Text Messaging: You consent that we or in the event that your account is turned over to a third party for collections, our agents may contact you via email to any email address associated with your account. In addition, you consent that we may transmit SMS/text messages to any wireless telephone number associated with your account. You understand these contacts could be automatically generated and a standard message may be transmitted. You agree such contact is not an unsolicited contact for purposes of state and federal law. You agree that we may transmit SMS/Text messages to wireless telephone numbers associated with your account which may result in charges from your wireless carrier. Those charges will be reimbursed upon request and presentation of receipt(s) or bill(s). If you wish to opt-out from either email or SMS/Text messages, please contact us at customerservice@speedycash.com or call 1-800-856-2911.

Credit Reporting: You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies. Late payments, missed payments or other defaults may be reflected in your credit report.

Privacy Policy: We respect the privacy of our customers and are committed to treating customer information responsibly. Our complete privacy policy statement is on our website www.speedycash.com or ask for a copy from any Customer Advocate in our loan offices. You may contact Customer Service and we will mail or email you a current copy of our Privacy Policy. You acknowledge that you have received a copy of our Privacy Policy on this date or within the past twelve months.

Notices: We meet all requirements for sending you a notice of any kind if we send it to you by means of United States mail at your most recent address as reflected in our records.

Other Terms: This Agreement will be binding upon you, your heirs and assigns; however, you may not assign your obligations under this Agreement without our prior written consent. We may, from time to time, delay or refrain from enforcing any of our rights under this Agreement, and we will not lose any of our rights by doing so.
Agreements for Resolving Disputes. You agree to the Agreements for Resolving Disputes set forth below. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State where this loan was entered. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

AGREEMENTS FOR RESOLVING DISPUTES: CERTAIN DEFINITIONS

The Pre-Dispute Resolution Procedure, Arbitration Provision and Jury Trial Waiver set forth below govern "Claims" you assert against us or any "related party" of ours and "Claims" we or any related party assert against you.

For purposes of this Agreement, our "related parties" include all parent companies, subsidiaries and affiliates of ours (including Ad Astra Recovery Services, Inc.), and our and their employees, directors, officers, shareholders, governors, managers and members.

The term "Claim" means any claim, dispute or controversy between you and us (or our related parties) that arises from or relates in any way to this Agreement or any services you request or we provide under this Agreement ("Services"), any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; or our disclosure of or failure to protect any information about you. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitutional, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief.

Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court. In addition, except as set forth in the immediately following sentence, "Claim" does not include disputes about the validity, enforceability, coverage or scope of the Arbitration Provision or any part thereof (including, without limitation, Sections 5(C), (D) and/or (E) of the Arbitration Provision (the "Class Action and Multi-Party Claim Waiver"), the clause in the second sentence of Section 10 of the Arbitration Provision beginning with the words "provided, however,"); and/or this sentence); all such disputes are for a court and not an arbitrator to decide. However, any dispute or argument that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-tilting of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy; so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind.

PRE-DISPUTE RESOLUTION PROCEDURE

Before either you, we or any related party commences, joins or participates in any judicial or arbitration proceeding regarding any Claims ("Proceeding"), in any capacity (including as an individual litigant or as a member or representative of any class or proposed class), the complaining party ("Complaining Party") shall give the subject of the Claim (the "Defending Party"): (1) at least 30 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the Claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the Claim on an individual basis without the necessity of a Proceeding. If you are the Complaining Party, you must send any Claim Notice to Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you). If you are the Defending Party, any Claim Notice must be sent to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. If the Complaining Party and the Defending Party do not reach an agreement to resolve the Claim within 30 days after the Claim Notice is received, the Complaining Party may commence a Proceeding, subject to the terms of the Arbitration Provision. Neither the Complaining Party nor the Defending Party shall disclose in any Proceeding the amount of any settlement demand made by the Complaining Party or any settlement offer made by the Defending Party until after the arbitrator or court determines the amount, if any, to which the Complaining Party is entitled (before the application of Section 7 of the Arbitration Provision). No settlement demand or settlement offer may be used in any Proceeding as evidence or as an admission of any liability or damages.
ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED ABOVE UNDER THE CAPTION “AGREEMENTS FOR RESOLVING DISPUTES; CERTAIN DEFINITIONS”) WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON’T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of this Agreement by delivering to us at Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which: (a) provides your name and address and the date of this Agreement; and (b) states that you are rejecting the Arbitration Provision in the Agreement. If you want proof of the date of such a notice, you should send the rejection notice by “certified mail, return receipt requested.” If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you (except an attorney at law you have personally retained); this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of this Agreement (other than this Arbitration Provision).

2. ARBITRATION ELECTION. A Proceeding may be commenced after the Complaining Party complies with the Pre-Dispute Resolution Procedure. The Complaining Party may commence the Proceeding either as a lawsuit or an arbitration by following the appropriate filing procedures for the court or the arbitration administrator selected by the Complaining Party in accordance with this Section 2. If a lawsuit is filed, the Defending Party may elect to demand arbitration under this Arbitration Provision of some or all of the Claims asserted in the lawsuit. To avoid piece-meal Proceedings to the extent possible, the Complaining Party must assert in a single lawsuit or arbitration all of the Claims of which the Complaining Party is aware and the Defending Party must demand arbitration with respect to all or none of the Complaining Party’s Claims. Also, if the Complaining Party initially asserts a Claim in a lawsuit on an individual basis but then seeks to assert the Claim on a class, representative or multi-party basis, the Defending Party may make such a demand. A demand to arbitrate a Claim may be given in papers or motions in a lawsuit. If you demand that we arbitrate a Claim initially brought against you in a lawsuit, your demand will constitute your consent to arbitrate the Claim with the administrator of our choice, even if the administrator we choose does not typically handle arbitration proceedings initiated against consumers. Any arbitration Proceeding shall be conducted pursuant to this Arbitration Provision and the applicable rules of the arbitration administrator in effect at the time the arbitration is commenced. The arbitration administrator will be the American Arbitration Association (“AAA”), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org.; JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.org; or any other company selected by mutual agreement of the parties. If both AAA and JAMS cannot or will not serve and the parties are unable to select an administrator by mutual consent, the administrator will be selected by a court. Notwithstanding any language in this Arbitration Provision to the contrary, no arbitration may be administered, without the consent of all parties to the arbitration, by any arbitration administrator that has in place a formal or informal policy that is inconsistent with the Class Action and Multi-Party Claim Waiver. The arbitrator will be selected under the administrator’s rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

3. NON-WAIVER. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit (including a Claim initially asserted on an individual basis but modified to be asserted on a class, representative or multi-party basis), and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator’s or arbitrator’s filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees we agree to pay. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. We will pay the reasonable fees and costs you incur for your attorneys, experts and witnesses if you are the prevailing party or if we are required to pay such amounts by applicable law or by the administrator’s rules. The arbitrator shall not limit the attorneys’ fees and costs to which you are entitled because your Claim is for a small amount. Notwithstanding any language in this Arbitration Provision to the contrary, if the arbitrator finds that any Claim or defense is frivolous or asserted for an improper purpose (as measured by the
5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. If you or we elect to arbitrate a claim, neither you nor we will have the right to: (A) have a court or a jury decide the claim; (B) obtain information prior to the hearing to the same extent that you or we could in court; (C) participate in a class action in court or in arbitration, either as a class representative, class member or class opponent; (D) act as a private attorney general in court or in arbitration; or (E) join or consolidate claim(s) involving you with claims involving any other person. The right to appeal is more limited in arbitration than in court. Other rights that you would have if you went to court may also not be available in arbitration.

6. GETTING INFORMATION. In addition to the parties’ rights under the administrator’s rules to obtain information prior to the hearing, either party may ask the administrator for more information from the other party. The administrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. SPECIAL PAYMENT: If (a) you submit a Claim Notice on your own behalf (and not on behalf of any other party) and comply with all of the requirements (including timing and confidentiality requirements) of the Pre-Dispute Resolution Procedure; (b) we refuse to provide you with the money damages you request; and (c) an arbitrator issues you an award that is greater than the latest money damages you requested at least ten days before the date the arbitrator was selected, then we will:

- pay you the amount of the award or $10,000 ("the alternative payment"), whichever is greater; and

- pay your attorney, if any, a premium in addition to the amount of attorneys’ fees, and expenses (including expert witness fees and costs) that was awarded by the arbitrator in this arbitration in the amount equal to the lesser of $2,500 or fifty percent of the arbitrator’s attorneys’ fees award ("the attorney premium").

The right to attorneys’ fees and expenses discussed in this section supplements any right to attorneys’ fees and expenses you may have under applicable law. Thus, if you would be entitled to a larger amount under the applicable law, this provision does not preclude the administrator from awarding you that amount. However, you may not recover duplicative or multiplier awards of attorneys’ fees or costs.

8. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the administrator’s award. The administrator’s award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. § 1, et seq. (the “FAA”); and (2) Claims involving more than $50,000 (including Claims that may reasonably require injunctive relief costing more than $50,000). For Claims involving more than $50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider de novo any aspect of the initial award that is appealed. The panel’s decision will be final and binding, except for any appeal right under the FAA. Costs in connection with any such appeal will be borne in accordance with Section 4 of this Arbitration Provision.

9. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator is bound by the terms of this Arbitration Provision. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys’ fees and costs. The arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

10. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under this Agreement; any rescission or cancellation of this Agreement; any exercise of a self-help remedy; our sale or transfer of this Agreement or our rights under this Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator’s rules or the rest of this Agreement, this Arbitration Provision will govern.
JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

CUSTOMER NOTICES

- THIS IS A HIGH INTEREST LOAN; CONSIDER ALTERNATIVES FOR CREDIT NEEDS
- PAY MORE THAN THE MINIMUM PAYMENT TO REDUCE YOUR FINANCE CHARGES
- MISSED OR LATE PAYMENTS WILL INCREASE YOUR FINANCE CHARGES

Statements about Repossession and Sale:

- If you default, we may repossess and sell your Vehicle.
- If we sell your Vehicle, you may not receive any proceeds from the sale because of the costs incurred, AND you may be liable to pay additional funds if the proceeds from the sale of your Vehicle are not sufficient to cover your debt plus the costs of repossession and sale.

By signing below, you acknowledge that (1) you have read and understand all of the terms of this Agreement, including the Agreements for Resolving Disputes including the Arbitration Agreement; (2) you have had the opportunity to ask questions about this Agreement, we have answered to your satisfaction all questions you asked; and (3) there were no blank spaces at the time you signed.

You acknowledge that we have given you an exact copy of this Agreement you signed.

Borrower Signature(s) Date

By: [Signature]

Todd Car Title, Inc. Representative Date

We are regulated by the Arizona Department of Financial Institutions. Any complaints concerning this Agreement may be addressed to the Arizona Department of Financial Institutions, 2910 North 44th Street, Suite 310, Phoenix, AZ 85018, (602) 771-2800.
Vehicle Towing and Storage Agreement

Date ____________________________  Account # ____________________________

Name ____________________________

Address ____________________________

City ____________________________  St. ______  Zip Code ____________________________

Vehicle Information:

Year ______  Make ____________________________  Model ____________________________

VIN# ____________________________

I hereby authorize Lender (whether A Speedy Cash Car Title Loans, LLC. or Todd Car Title, Inc.) or their agent, and Tow Company (whether Arizona Lenders Services or Southern Arizona Recovery Services Inc.) or their agent, to tow, transport, and store the vehicle specified above, at their discretion, from any public or private property, public roadway, storage facility or parking facility. I acknowledge that Lender or their agent, and Tow Company or their agent will not be liable for any loss or damages in cases of fire or theft unless resulting from an act of negligence on their part.

I understand that I have granted Lender a security interest in the above specified vehicle and that my signature below constitutes full legal responsibility for all reasonable charges incurred for towing and storage of the vehicle. I understand that all charges for towing and storage of the vehicle, as well as, the remaining balance of the loan granted to me and secured by the security interest granted to Lender in accordance with the terms and conditions of the contract identified by the account number above, must be paid in full or alternative payment arrangements agreed upon by Lender, at their discretion, must be made to secure the release of the vehicle within 10 days of the date that the vehicle is towed and stored. I understand that in accordance with A.R.S.28-4839, 28-4841, and 28-4842 should payment not be made for all charges incurred, or suitable arrangements made at the discretion of Lender within 10 days of the date of the tow and storage of the vehicle, that I may lose any right or interest that I have in the above vehicle and remain responsible for payment on any remaining balances owed in connection with any and all security interests that I may have previously granted to any other parties in this vehicle.

This agreement is non-revocable during the time that Lender retains a security interest in the above specified vehicle pursuant to the terms and conditions of the contract identified by the account number above. I understand and agree that the terms and conditions of my Agreement & Disclosure Statement Secondary Motor Vehicle Finance Transaction with Lender are not modified and remain in full force and effect, together with my agreement to mediate or arbitrate any disputes arising out of this Agreement.

Borrower's Signature ____________________________  Lender Representative Signature ____________________________

CHARISSE SPENCE  Name of Person Signing (Print) ____________________________

Borrower's Name (Print) ____________________________

Co-Owner Signature ____________________________

Co-Owner’s Name (Print) ____________________________

AZTSE062011108

211
APPENDIX C

MARYVALE CLOSE-UP
APPENDIX D

TITLE LENDERS ACROSS PHOENIX-METROPOLITAN AREA
APPENDIX E

CORE DISTRIBUTION OF TITLE LENDERS ACROSS PHX-METRO
Core Distribution of Title Lenders Across PHX-metro
APPENDIX F

BANKS AND TITLE LENDERS ACROSS PHX-METRO
Banks and Title Loan shops across PHX-metro

Legend
- Title Loan shops
- Banks

- PHX-metro boundary
- $0 - $38,155
- $38,156 - $50,159
- $50,160 - $72,530
- $72,531 - $133,199
APPENDIX G

RACIAL DISPARITY SITE 1
85196
Hispanic or Latino = 17.7%

85392
Hispanic or Latino = 37.7%

85338
Hispanic or Latino = 34.9%

85323
Hispanic or Latino = 69.1%
APPENDIX I

RACIAL DISPARITY SITE 3
APPENDIX J

NEAREST NEIGHBOR ANALYSIS - TITLE LENDERS

226
Given the z-score of -23.50387, there is a less than 1% likelihood that this clustered pattern could be the result of random chance.
APPENDIX K

NEAREST NEIGHBOR ANALYSIS – BANKS
Given the z-score of -26.283784, there is a less than 1% likelihood that this clustered pattern could be the result of random chance.
APPENDIX L

IRB APPROVAL
EXEMPTION GRANTED

Helen Quan
Social Transformation, School of
480/727-8461
h.q@asu.edu

Dear Helen Quan:

On 3/16/2015 the ASU IRB reviewed the following protocol:

<table>
<thead>
<tr>
<th>Type of Review:</th>
<th>Initial Study</th>
</tr>
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<tbody>
<tr>
<td>Title:</td>
<td>Spaces of Interest: The Political Economy of Alternative Banking</td>
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<tr>
<td>Investigator:</td>
<td>Helen Quan</td>
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<tr>
<td>IRB ID:</td>
<td>STUDY00002321</td>
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</tr>
<tr>
<td>Grant ID:</td>
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</tbody>
</table>

Documents Reviewed:
- Interview Guidelines, Category: Measures (Survey questions/Interview questions/interview guides/focus group questions);
- Short version consent-borrower, Category: Consent Form;
- Short version consent-employee, Category: Consent Form;
- Michihiro Clark Sugata, Category: IRB Protocol;
- Recruitment Script-Borrower, Category: Recruitment Materials;
- Recruitment Script-Employee, Category: Recruitment Materials;
- Interview Guidelines - employees, Category: Measures (Survey questions/Interview questions/interview guides/focus group questions);

The IRB determined that the protocol is considered exempt pursuant to Federal Regulations 45CFR46 (2) Tests, surveys, interviews, or observation on 3/16/2015.