
A Tale of Two Recoveries: Separate and Unequal

Bank of America Fails to
Maintain Foreclosures in **Suburban Detroit, MI's**
Neighborhoods of Color

National Fair Housing Alliance
Shanna Smith



This maps shows all the cities where complaints against Bank of America are alleging poor maintenance in African American and Latino neighborhoods across the U.S.A. The **red stars** show new cities being added to the complaint in August 2016. The **yellow stars** show cities already in the complaint against Bank of America with new evidence.

Methodology Used to Investigate Bank of America Foreclosures

Methodology for Investigation

- Neighborhoods selected for investigations were 50% or greater:
 - Majority African American
 - Majority Latino
 - Majority Non-White
 - Majority White
- Neighborhoods selected had high number of foreclosed homes owned or under the control of Bank of America in the zip codes evaluated.
- **100% of Bank of America's REOs were evaluated within the zip codes.**

Evaluation Measures



- Curb Appeal
 - Accumulated mail, trash, overgrown or dead grass/shrubbery, invasive plants

- Structure
 - Unsecured/broken doors, locks, windows, damaged roof, fence, deck, holes, wood rot

- Signage
 - Trespass/warning signs, “bank owned” “Auction” and “For Sale” signs, broken/discarded signs, unauthorized occupancy

Evaluation Measures

- Paint/Siding
 - Graffiti, severe peeling/chipped paint, damaged siding, missing/broken shutters
- Gutters
 - Missing, out of place, broken, hanging, obstructed
- Water Damage
 - Mold, discoloration, water damage, erosion
- Utilities
 - Tampered with or exposed



National Data on Investigations

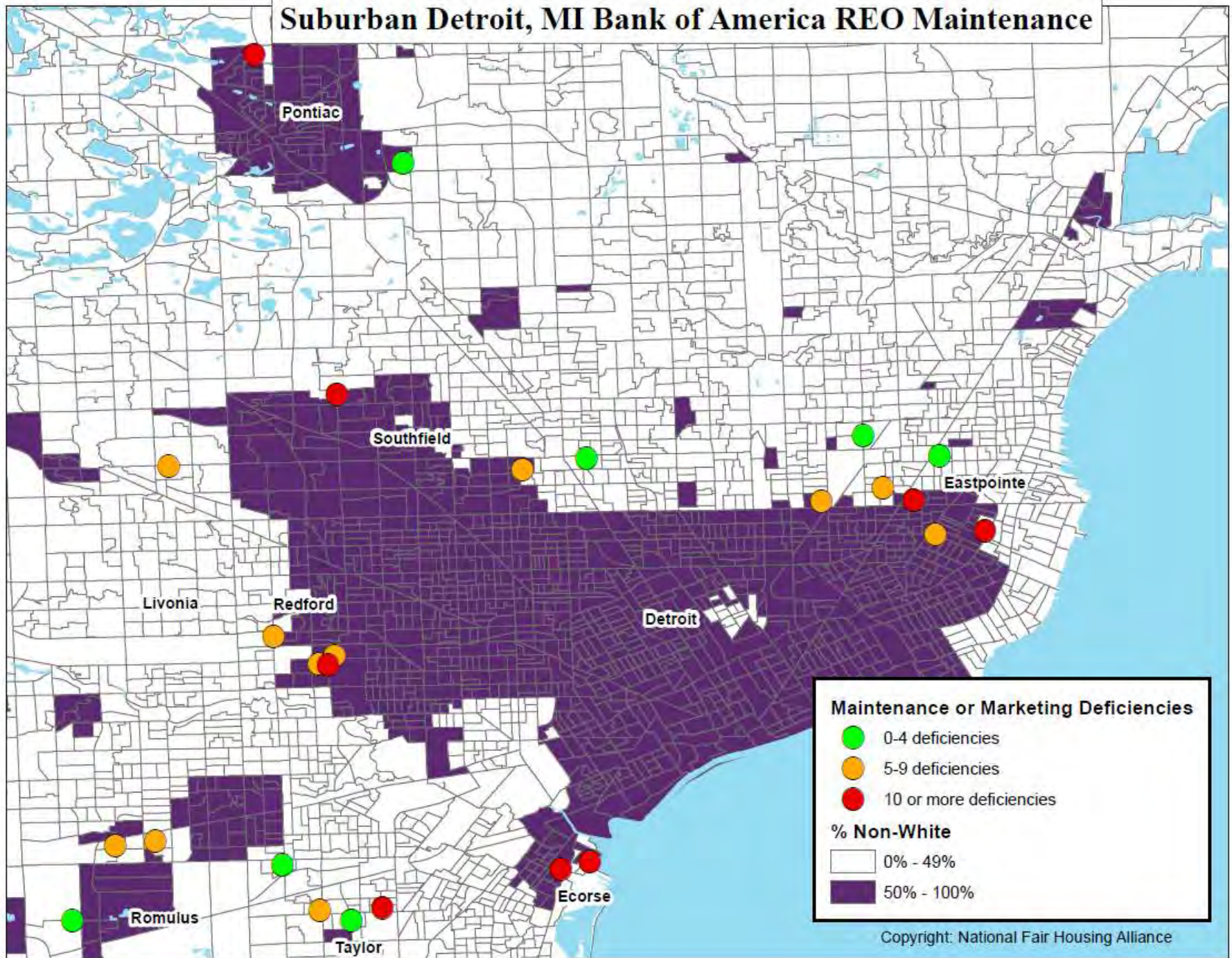
Bank of America Nationwide Data

- The investigation encompasses 30 metropolitan areas including 201 cities. Zip codes within each city were identified and every Bank of America foreclosure in those zip codes were investigated.
 - 85 cities with predominately African American or Latino neighborhoods
 - 116 cities with predominately White neighborhoods
- The Fair Housing Partnership investigated 1,267 Bank of America foreclosures:
 - 567 in African American neighborhoods
 - 130 in Latino neighborhoods
 - 147 in Majority Non-White neighborhoods
 - 423 in White neighborhoods

Suburban Detroit Data

- During March of 2016, the National Fair Housing Alliance investigated 26 Bank of America foreclosures in communities of color and White neighborhoods in the suburban Detroit area.
- Of these 26 Bank of America foreclosures:
 - 8 were located in African American neighborhoods
 - 4 were located in Majority Non-White neighborhoods
 - 14 were located in White neighborhoods

Suburban Detroit, MI Bank of America REO Maintenance



The National Fair Housing Alliance's HUD complaint against Bank of America alleges discriminatory treatment in its maintenance of its foreclosed homes in communities of color as compared to its properties in White neighborhoods.

This map show the poor quality of maintenance in communities of color.

Racial Disparities

Evidence showing Bank of America fails to maintain and market its foreclosures in communities of color as compared to maintaining its foreclosure in White neighborhoods.

Suburban Detroit's Racial Disparities

- ❑ 50.0% or 6 of the 12 Bank of America foreclosures in communities of color had 10 or more maintenance or marketing deficiencies, while only 14.3% or 2 of the 14 foreclosures in White neighborhoods had 10 or more deficiencies.
- ❑ 91.7% or 11 of the Bank of America foreclosures in communities of color had substantial amounts of trash on the premises, while only 50.0% or 7 of the foreclosures in White neighborhoods did.
- ❑ 91.7% or 11 of the Bank of America foreclosures in communities of color had overgrown grass or accumulated leaves, while only 35.7% or 5 of the foreclosures in White neighborhoods had the same problem.
- ❑ 66.7% or 8 of the Bank of America foreclosures in communities of color had broken or boarded windows, while only 21.4% or 3 of the foreclosures in White neighborhoods had the same problem.
- ❑ 58.3% or 7 of the Bank of America foreclosures in communities of color had unsecured or broken doors, while only 28.6% or 4 of the foreclosures in White neighborhoods had the same problem.

Health and Safety Concerns



American Heart Association

<http://newsroom.heart.org/news/living-near-foreclosed-property-linked-to-higher-blood-pressure>

National Center for Healthy Housing

How foreclosed homes and used tires can threaten public health in the age of Zika.

Washington Post Sonia Shah July 29, 2016



Mosquito breeding grounds: These breeding grounds are found at too many foreclosed homes in communities of color across America simply because banks fail to do routine maintenance.



How foreclosed homes and used tires can threaten public health in the age of Zika.

Washington Post July 29, 2016

- “...Just such an epidemic occurred in 2009, when dengue broke out in Florida.”
- **“When Florida** Keys mosquito-control expert, Lawrence Hribar, explained what had happened, he didn’t point to an invasion of bugs or infected people. He began his explanation with the following: **“There were houses in foreclosure.”** The housing crisis forced 3.1 million American properties into foreclosure in 2008 alone, leaving behind a rash of abandoned homes and neighborhoods that have yet to be fully re-occupied. Even today, there are more than 1 million abandoned properties across the country, and **Florida counts more “zombie closures”** than almost every other state. And their neglect amplifies and spreads vectors of disease even more effectively than the wild landscapes they replaced.”



“Today, abandoned properties and deteriorating infrastructure, brought on by housing crises and climate change, similarly threaten us with epidemics of mosquito-borne pathogens such as Zika.

...first...critically acknowledging and assessing our role in bringing about the conditions driving epidemics, whether abandoned homes or neglected neighborhoods, aging infrastructure or trade patterns. And then we would need to enlist a response not just from the biomedical establishment but from all sectors of society, from consumers to banks to builders.”

Health and Safety Impact on Neighbors Living by Foreclosed Properties.

- ▣ Studies indicate that people living next to or near foreclosed homes suffer from stress, high blood pressure, asthma, and anxiety. People report feeling their neighborhood is stigmatized by a foreclosed home—even a well-maintained foreclosure. These health conditions have to be intensified when you live next to a poorly maintained foreclosure with boarded windows, unlocked doors, graffiti, dead animals or trash left on the property.
- ▣ Bank of America is guilty of allowing these conditions to fester at its poorly maintained foreclosed homes in communities of color across the United States.

American Heart Association

- ❑ The American Heart Association examined families living in an upper middle class neighborhood outside of Boston where there was one well-maintained foreclosed home. AHA found:
- ❑ “The increases in blood pressure observed could be due in part to unhealthy stress from residents’ perception that their own properties are less valuable, their streets less attractive or safe and their neighborhood less stable,” said Mariana Arcaya, Sc.D., M.C.P.
- ❑ “Safety could also be a concern that affects their ability to exercise in these neighborhoods.”
- ❑ “Because the study involved predominately white, middle-class, suburban neighborhoods with single-family homes, research on different populations in urban and rural settings is needed,” Arcaya said.



The Impact of Vacancy on Health.

According to the
National Center
for Healthy
Housing...

07/16/201



Increase in Crime

Abandoned homes and vacant buildings cause rapid neighborhood decay and blight.
(Broken Window Theory)

Residents feel unsafe walking on streets with boarded homes, broken windows, unsecured doors.



Poor Quality of Life

Boarded up housing and vacancies contribute to social isolation, anxiety, and feelings of stigmatization.

Residents' fear of crime in neighborhoods with high vacancy rates may cause significant barriers to exercise and physical activity.

A photograph showing a group of brown rats in a dirty, cluttered environment. The rats are of various sizes and are gathered around a large white plastic bag. The ground is covered in dirt and debris. The scene is dimly lit, suggesting an indoor or nighttime setting. A blue and green vertical bar is visible on the left side of the image.

Unsafe Neighborhood

Unattended and unmaintained properties result in:

Illegal dumping and rodent infestation

Health Risks

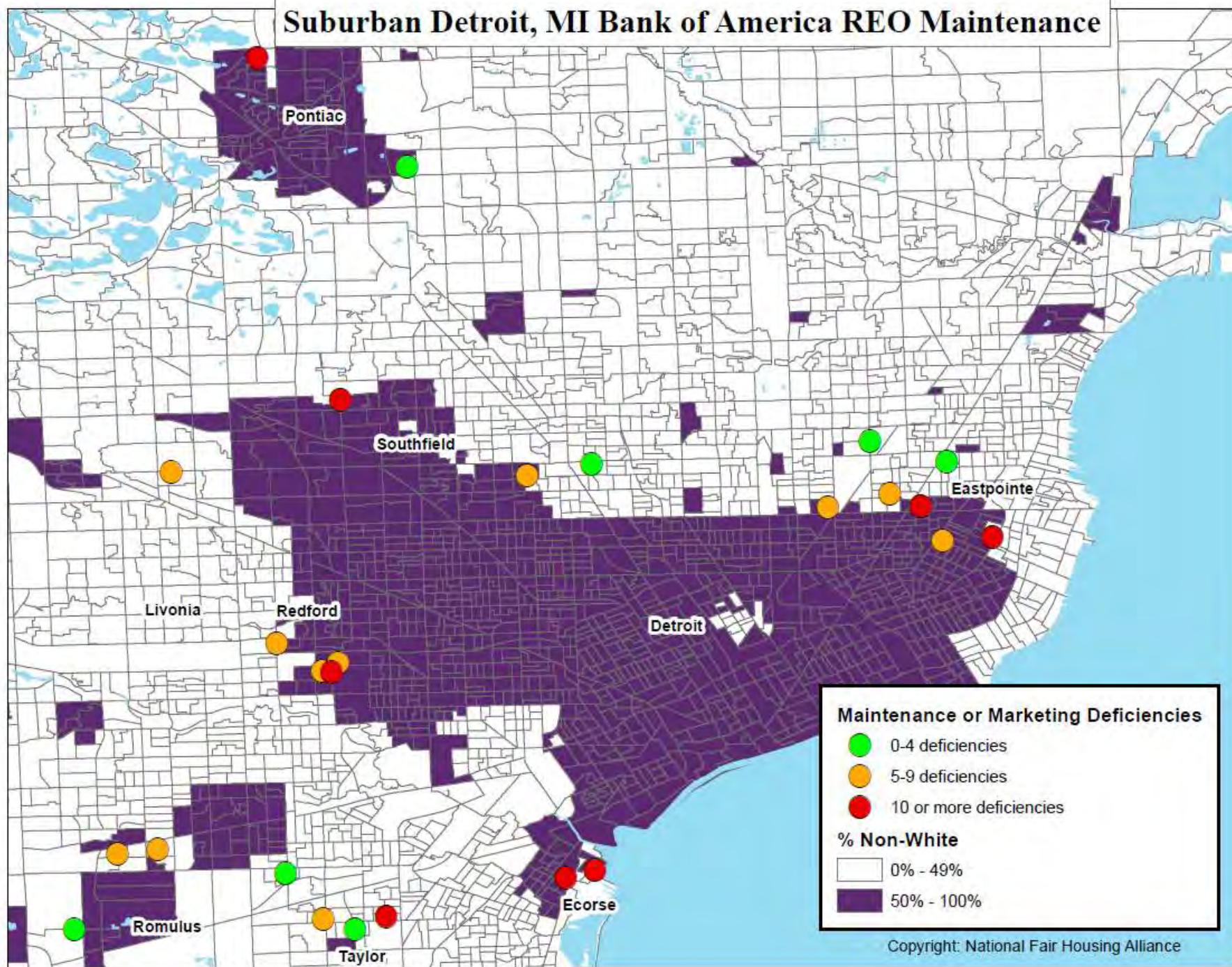
Vacancy, along with other housing indicators, is associated with pre-term birth and poor birth outcomes that can increase the risk of developing other diseases, such as asthma, later in life.



Bank of America's Failure to Maintain Foreclosures in Suburban Detroit's Communities of Color

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Separate and Unequal

Suburban Detroit, MI Bank of America REO Maintenance



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This map show the poor quality of maintenance in communities of color.

Bank of America Foreclosures in Communities of Color and White Neighborhoods in 2016

Unfortunately for the communities of color in the suburban Detroit metro area, Bank of America *consistently* neglected to maintain the its foreclosures in March of 2016.

The photos you see in this power point document the problems of failed maintenance in 2016. Additionally, the exact same discriminatory patterns in suburban Detroit are replicated in all the cities that were investigated by the National Fair Housing Alliance and the fair housing partnership across the United States.

Bank of America's
Poorly Maintained Foreclosures in
Communities of Color



This Bank of America foreclosure is located in an African American neighborhood and has **no “for sale” sign** marketing the home.

The Bank let the bushes become so overgrown they block the entrance and look unsightly—hurting curb appeal.



The front porch has zero curb appeal, with trash and debris littering the flowerbeds and ripped carpet on the stairs.

There is also a discarded tire on the front porch.



The side door of this home is boarded and without a padlock. The **home's fence is in** complete disrepair and instead of removing the debris, Bank of America has left it lay on the side of the house.



Along the other side of the home there are boarded windows and another window completely missing and open to the elements as well as cats, squirrels or and birds looking for places to nest.



Bank of America has completely neglected the back of the home and has left trash, debris, dead tree limbs, and dead leaves to accumulate.



03.21.2016



These well-maintained neighbors are stuck living next to the poorly maintained Bank of America property.





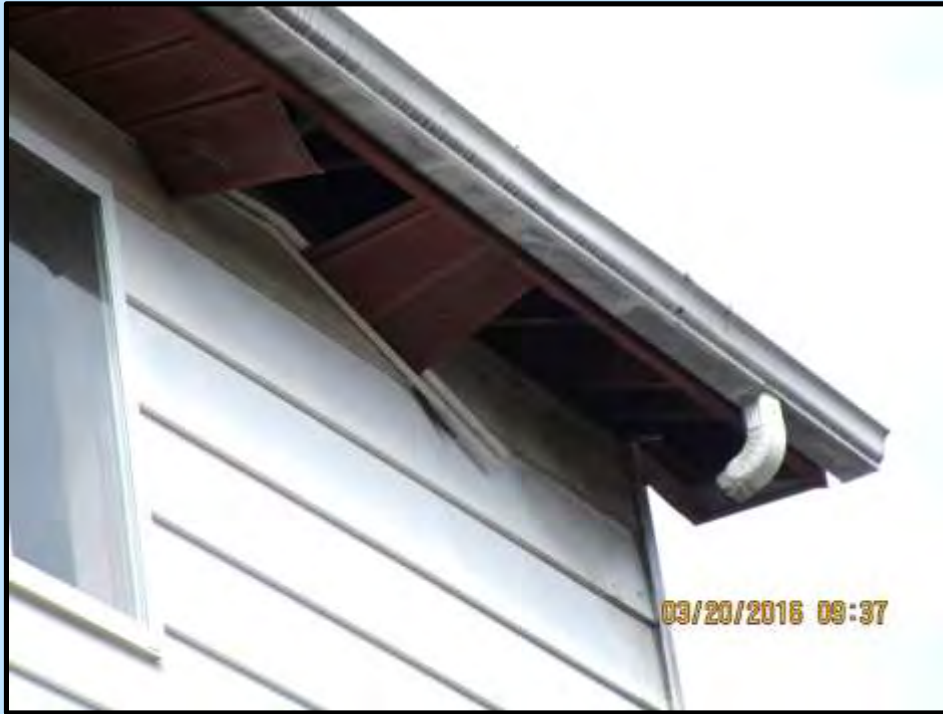
This Bank of America foreclosure is located in an African American neighborhood and has **no “for sale” sign** marketing the home.

From the curb, dead grass and dead leaves are already visible.





Bank of America left a pile of leaves, trash, and branches in the front yard.



Bank of America left multiple gutters obstructed with leaves and sticks from the fall and winter. Multiple downspouts are missing as well so now the water is directed at the foundation..



In the backyard, Bank of America left more trash and accumulated dead leaves.

As the weather gets warmer this will attract insects, rodents, and other vermin.

03/20/2016 09:37



The neighbors of the very poorly maintained Bank of America foreclosure have nice, clean yards free of trash and debris. The whole block is clean except for the Bank of America property.

03/20/2016 09:35



This Bank of America foreclosure located in an African American neighborhood has no **“for sale” sign** and looks deceptively clean from the curb.

However...



Bank of America lets the side of the home become covered with dead leaves, and a broken fence leans against the foreclosure.

Not a pleasant sight if you want to market the property, but it gets **worse...**



Bank of America secured the garage door but has done little else – large piles of dead shrubbery lay among a significant amount of dead leaves and trash.

How can a perspective homebuyer view this **home when they can't** even access the backyard?



The back of the Bank of America foreclosure is in just as bad shape as the side, with garbage bags, trash and leaves scattered throughout the backyard and back patio.



The neighbor across the street from the poorly maintained Bank of America foreclosure has a manicured lawn with trimmed shrubs.



This home next-door is for sale but Bank of America is not a welcomed neighbor.

Besides creating blight for the entire neighborhood, Bank of America is also affecting property values and property sales with their poorly maintained foreclosure. As of August 2016 this home is still for sale, and its next-door neighbor is still owned by Bank of America.



Once again, this Bank of America foreclosure located in an African American neighborhood **has no “for sale” sign** marketing the home.

It also has unsecured doors and broken windows, trash, accumulated dead leaves, and more.



Bank of America has completely neglected the driveway of this home, allowing dead leaves and trash to accumulate.



It is clear that these dead leaves have been sitting and decaying in the backyard for a long time.

Among the leaves sits a damaged utility meter and other debris at this Bank of America foreclosure.



The back door of this Bank of America foreclosure was left completely open.

This invites vagrants and vandals into the home and puts neighbors, especially children, at risk.

The home is also now open to the elements.



Again, the neighbors have nicely maintained homes yet have to live next to the poorly maintained and unsecured Bank of America property.

03/20/2016 09:16



This Bank of America foreclosure, located in a community of color, has a professional “for sale” sign in the window and auction sign, but is in deplorable condition.

03/19/2016 12:54



Even though there is a **“for sale” sign in the window**, the most prominent sign is the neon-yellow Auction sign in the front yard.

Bank of America has chosen to negatively market this home and in doing so is inviting investors to purchase this home instead of owner-occupants.



Bank of America is actively marketing this home with a backyard full of trash, dead shrubbery, and accumulated dead leaves.

03/19/2016 12:56



These neighbors take pride in their homes and yards. Bank of America is not maintaining its foreclosures to the standards of the neighborhood.





This Bank of America foreclosure in an African American neighborhood has no **“for sale” sign** and overgrown grass, trash, and hanging gutters all deter potential homebuyers from buying this home the second they see the property from a car window driving past.



Another view of the front of the home shows more dead and overgrown grass, and shrubbery that has not been trimmed.



Along the side of the Bank of America foreclosure there are boarded doors and windows, and dead leaves left over from the fall and winter months.



Bank of America has left trash all over the property.





The neighboring properties have clean yards. There is no trash and the grass is nicely mowed.



How does Bank of America maintain its foreclosures in White neighborhoods?

Is the grass cut?

Are the shrubs trimmed?

Did the bank remove all the family's belongings?



This Bank of America foreclosure in a white neighborhood has a nice “for sale” sign in the front yard and is clear of dead leaves and trash.



Bank of America had no problem mowing the large front yard of this home.

03/21/2016 13:00



The side of the home is clean and tidy, just like the front.



This Bank of America property in a white neighborhood has a “for sale” sign in the window and has a nicely mowed lawn.

03.20.2016



The side of the home is also mowed and clear of trash and debris.



Another Bank of America foreclosure in a white neighborhood.

The lawn is mowed and clear of debris. No one driving by would know that it is even a foreclosed home.



The sides and backyard are also clean and free of trash.





Another Bank of America foreclosure in a white neighborhood.

The grass is cut and edged and the shrubs have been cared for.

03.19.2016



Bank of America has mowed the backyard as well and has kept the side porch clean and presentable.

Tale of Two Recoveries: Separate and Unequal

Bank of America fails to take care of its foreclosed homes in communities of color.