
A Tale of Two Recoveries: Separate and Unequal

Bank of America Fails to
Maintain Foreclosures in **Memphis, TN's**
African American Neighborhoods

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

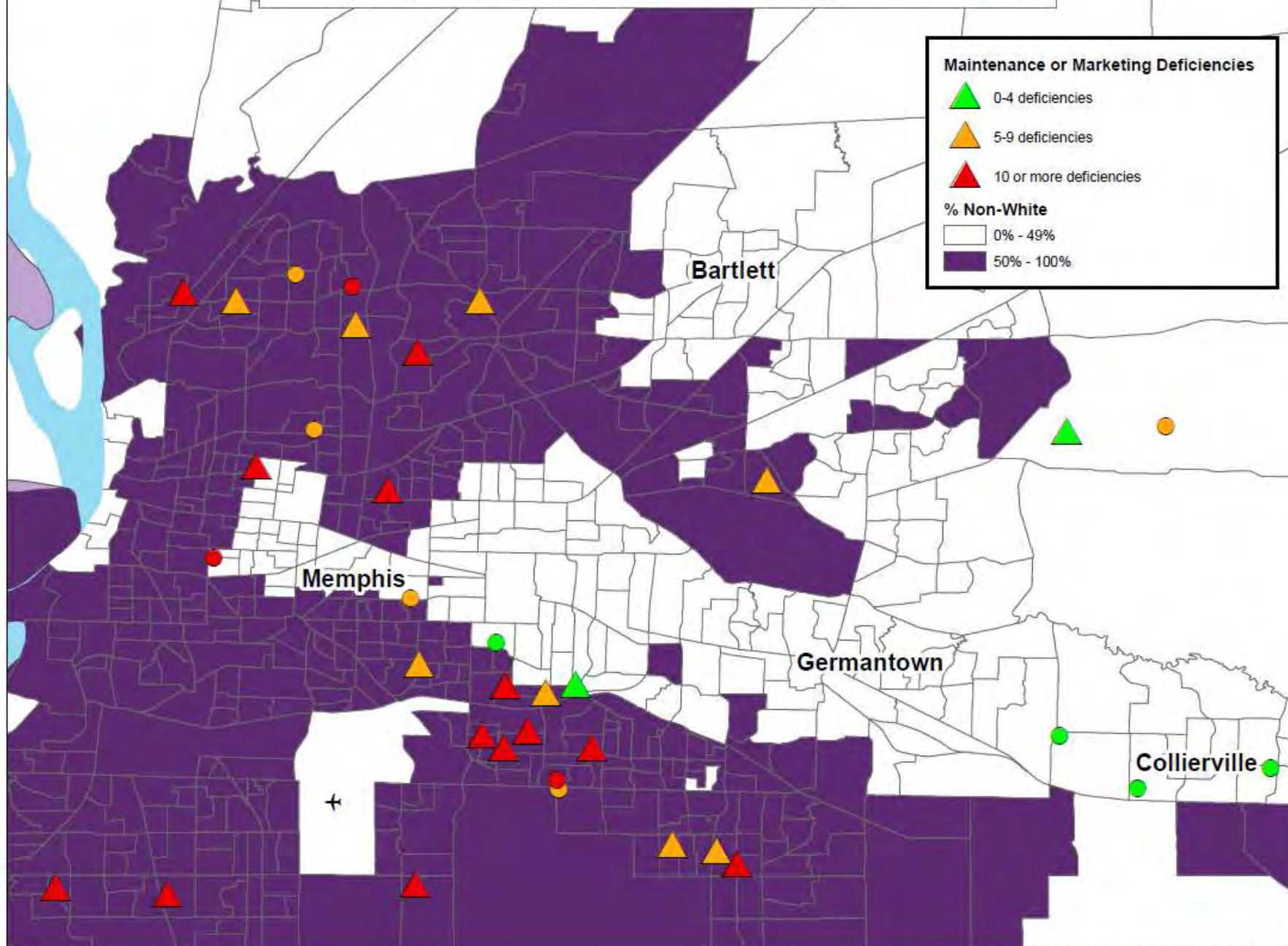
- The investigation encompasses 30 metropolitan areas including 201 cities. Zip codes within each city were identified and every Bank of America foreclosure in those zip codes was investigated.
 - 85 cities with predominately African American or Latino neighborhoods
 - 116 cities with predominately White 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

Memphis Data

- During May 2013 and April 2016, the National Fair Housing Alliance investigated 35 Bank of America foreclosures in African American and White neighborhoods in Memphis.
- Of these 35 Bank of America foreclosures:
 - 23 were located in African-American neighborhoods
 - 3 were located in Majority Non-White neighborhoods
 - 9 were located in White neighborhoods.

Memphis, TN Bank of America REO Maintenance



The National Fair Housing Alliance is amending its HUD complaint against Bank of America to add new evidence in Memphis, TN being filed today (8/31/2016).

This map shows the poor quality of maintenance in **Memphis's African American** neighborhoods by Bank of America.

Notice the significant number of **RED Triangles** in Black neighborhoods which indicate poor maintenance and the **GREEN Triangles** in White areas indicating good maintenance by the Bank.

Racial Disparities

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

Memphis' Racial Disparities

- 57.7% or 15 of the 26 Bank of America foreclosures in African American neighborhoods had 10 or more maintenance or marketing deficiencies, while only 11.1% or 1 of the 9 foreclosures in White neighborhoods had 10 or more deficiencies.
- 53.8% or 14 of the Bank of America foreclosures in African American neighborhoods had substantial amounts of trash on the premises, while only 11.1% or 1 in a White neighborhood did.
- 61.5% or 16 of the Bank of America foreclosures in African American neighborhoods had overgrown grass or accumulated dead leaves, while only 22.2% or 2 foreclosures in White neighborhoods had the same problem.
- 61.5% or 16 of the Bank of America foreclosures in African American neighborhoods had unsecured or broken doors, while only 33.3% or 3 of the properties in White neighborhoods had the same problem.

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.**”

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.





“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 shades of brown and are scattered 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

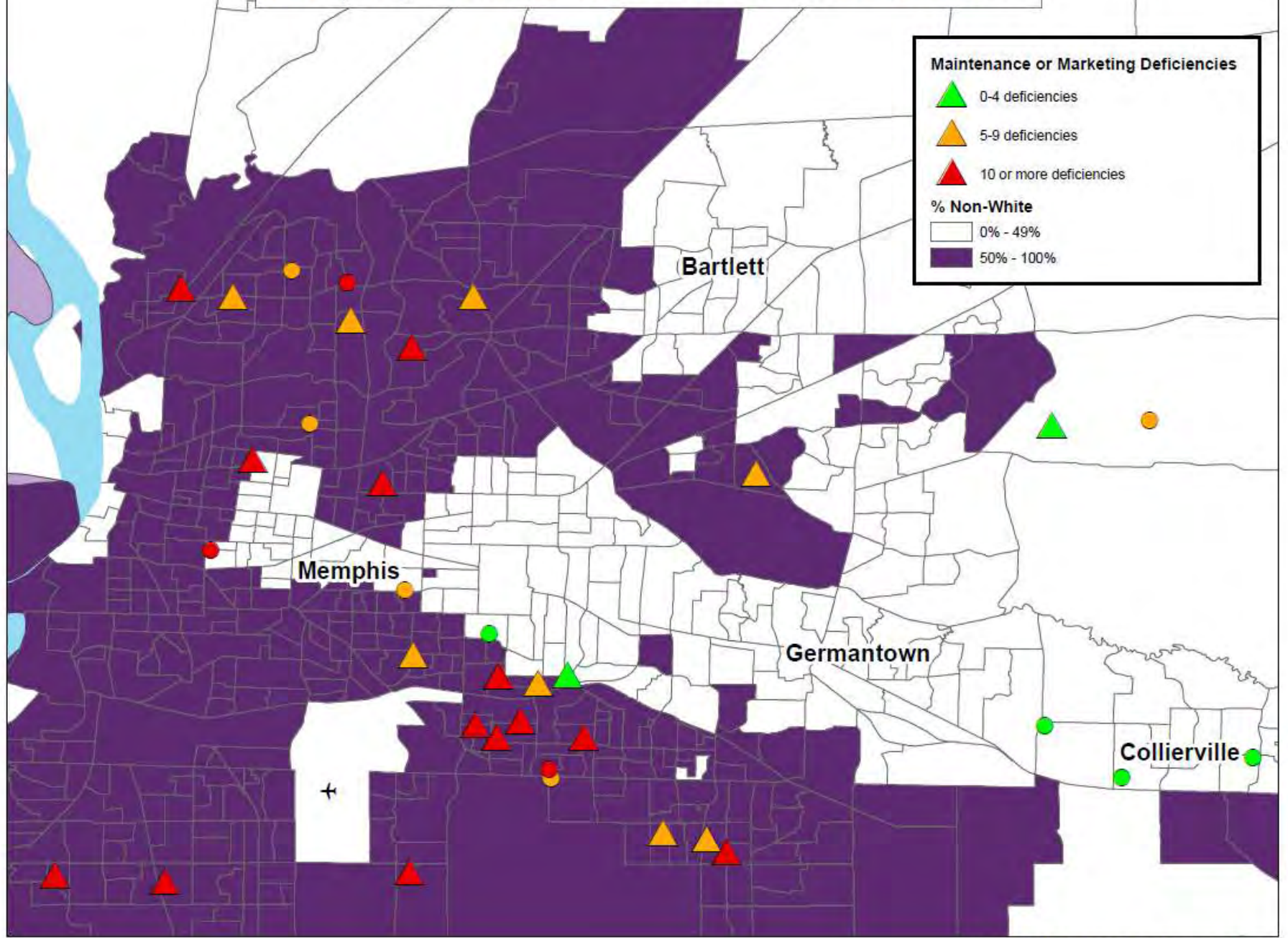
Vacancy, along with other housing indicators, is associated with pre-term birth and poor birth outcomes that can increase the risk of developing other diseases, such as asthma, later in life.



Bank of America's Failure to Maintain Foreclosures in Memphis' African American Neighborhoods

A Stark Tale of Two Recoveries:
Separate and Unequal

Memphis, TN Bank of America REO Maintenance



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Bank of America Foreclosures in African American and White Neighborhoods from 2013 - 2016

Unfortunately for the African American neighborhoods in Prince **George's** County, Bank of America *consistently* neglected to maintain the its foreclosures from 2011 to 2016.

The photos you see in this PowerPoint document the same problems of failed maintenance from 2011 to 2016. Additionally, the exact same discriminatory patterns in Memphis 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 Foreclosures in Memphis in 2016

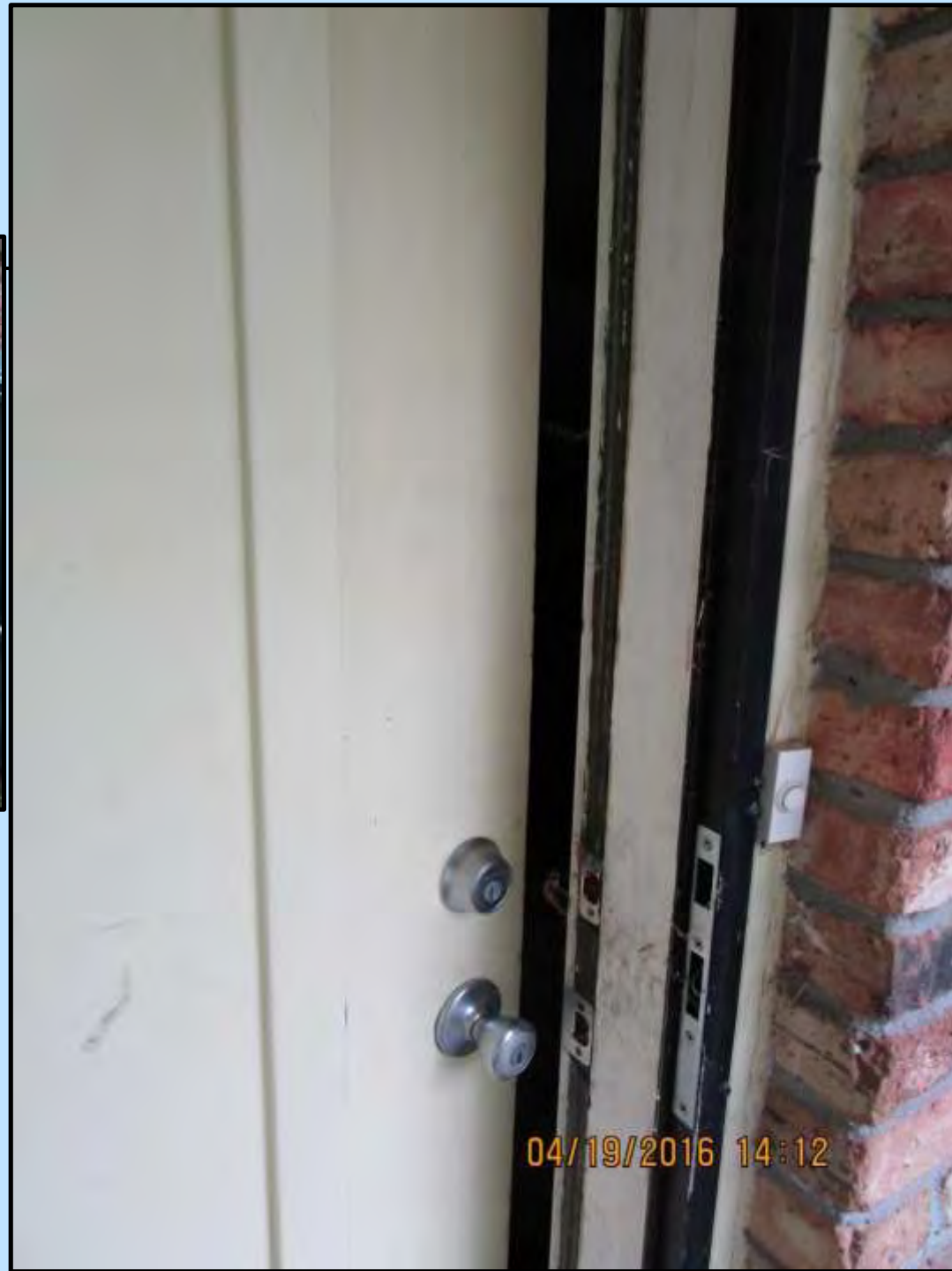
Let's take a closer look at the most recent foreclosures
investigated in 2016.

Are the homes in African American
neighborhoods still being neglected?



This Bank of America foreclosure located in an African American neighborhood has zero curb appeal.

The grass is completely overgrown, and the weeds are almost as tall as the mailbox.



The front door of this home was left unlocked and ajar. This invites vandals into the home and poses a safety issue for the neighbors.

Another door on the property was damaged and deteriorating.



Bank of America has also neglected the back of the home. The grass is overgrown and out of place gutters hang from the siding.



Bank of America has failed to remove trash and debris from the back porch.

This photograph was taken in April – how long have these dead leaves been here?



In the overgrown backyard Bank of America has left a dilapidated pool to sit and collect water.

This creates a breeding ground for mosquitoes and the diseases they bring.



This Bank of America foreclosure in an African American neighborhood has no **“for sale” sign**, is completely overgrown, and has a damaged roof.



A closer look at the front of the house shows how overgrown the shrubs are; some have grown taller than the windows.

The roof is also damaged and holes were left uncovered by Bank of America.



The side and backyard of the house is completely covered in trash and debris.

This is a dangerous hazard to the neighborhood, particularly children.



Bank of America has left this backyard in deplorable condition. It is very clear that this trash and debris has been sitting for a long time – the accumulated leaves are inches thick and long dead.



Bank of America has neglected the rest of the backyard as well, with grass and weeds growing out of control.



Can you imagine being one of these neighbors, taking good care of their homes, that must live next to this hazardous eyesore that Bank of America has failed to maintain?



Investigators revisited this Bank of America home almost exactly one month later, in May of 2016.

The shrubs have now completely covered the front window, and the roof and holes are in the same state as before.

Perhaps, at least, Bank of America removed the debris in the backyard?



Bank of America has left it in the same, deplorable condition for an entire month.

Investigators spoke with next-door neighbors who stated there are now rats living among the trash and debris.



The backyard has also not been touched by Bank of America in the last month and has continued to grow out of control.



This Bank of America property, located in a community of color, was listed “for sale” on Bank of America’s website.

In 2013 Bank of America did not take good care of properties on their website – **let’s see if 3** years have made a difference in their maintenance standards.



Bank of America has left uncovered holes all over the property, leaving ample opportunities for animals and insects to crawl and nest inside.



The backyard of the home is covered in dead leaves and overgrown shrubbery. Bank of America has chosen to board, rather than replace, the back door.



Also in the backyard is an unidentified dead animal – if Bank of America is regularly servicing this property, why is this dead animal decomposing in the yard?

As of August 2016 this home was still for sale. Is that any surprise when it is in this shape?



Another Bank of America foreclosure in an African American neighborhood with no **“for sale” sign.**

From the curb you can already see overgrown shrubs and a boarded window.



The front steps of the home are covered in invasive plants and mail has begun to accumulate on the front porch – clear signs that no one from Bank of America is regularly visiting the home.



There are dead leaves covering the driveway and more overgrown shrubbery.

There is also a second boarded window, signaling that the home is vacant and creating blight for the neighborhood.



Bank of America claims they have eyes on the property multiple times a month – this is clearly not so from the state of the backyard.

Now let's take a look at a recent Bank of America's foreclosed home in Memphis' white neighborhoods...



Here is a Bank of America foreclosure located in a white neighborhood.

Bank of America has nicely maintained this home, with trimmed shrubs and a mowed and edged lawn.



04/19/2016 16:45



The side of this home is clean and free of trash and debris. There is a **professional “for sale” sign** prominently displayed in the front yard.



The back porch is also clear of trash and debris, and all doors are properly secured.

Quick Review of Bank of America Failing in 2013 in Memphis

A few Bank of America foreclosures in African
American and White neighborhoods in 2013



This home in an African American neighborhood was listed for sale on **Bank of America's** website, yet it had no “for sale” sign.

Broken and boarded windows along with graffiti indicated that Bank of America is not taking care of the home.



Bank of America neglected to clean graffiti from the side of the home as well.

This home is on the corner – Bank of America is bringing blight to the entire neighborhood by failing to maintain this home.



Bank of America has also failed to **clean the home's** small backyard.

How can Bank of America list a home in this condition?



This Bank of America foreclosure in an African American neighborhood was also listed on Bank of **America's website.**

It is in equally bad shape, with boarded doors and windows, graffiti, mold, and more.

05.22.2013



Yet again, Bank of America is creating blight for this neighborhood by failing to remove graffiti. It is appalling that Bank of America is actively selling this home in this condition.



This Bank of America foreclosure in an African American neighborhood as well. As you can see, the grass is extremely overgrown and there is no for sale sign.

05.21.2013



The grass looks like it **hasn't been cut in** weeks and there are weeds and dead leaves all over the front lawn of the property.



In the backyard, we found discarded boards, dead branches, and other debris piled up and left strewn across the back patio. The back door was also partially boarded. This sort of longstanding trash creates horrible health hazards for the neighborhood.



Here's another view of the backyard. Next to the pile of trash, you can see there are many weeds and lots of dead grass.

05.21.2013



Meanwhile, the neighborhoods' yards looked great.



This Bank of America foreclosure located in a white neighborhood from back in 2013 was well-maintained, with only accumulated mail and a missing “for sale” sign.



Bank of America has ensured that this home has great curb appeal, with no overgrown grass or overgrown shrubbery present.

Tale of Two Recoveries: Separate and Unequal

Bank of America continues to fail to take care of its foreclosed homes in African American neighborhoods.