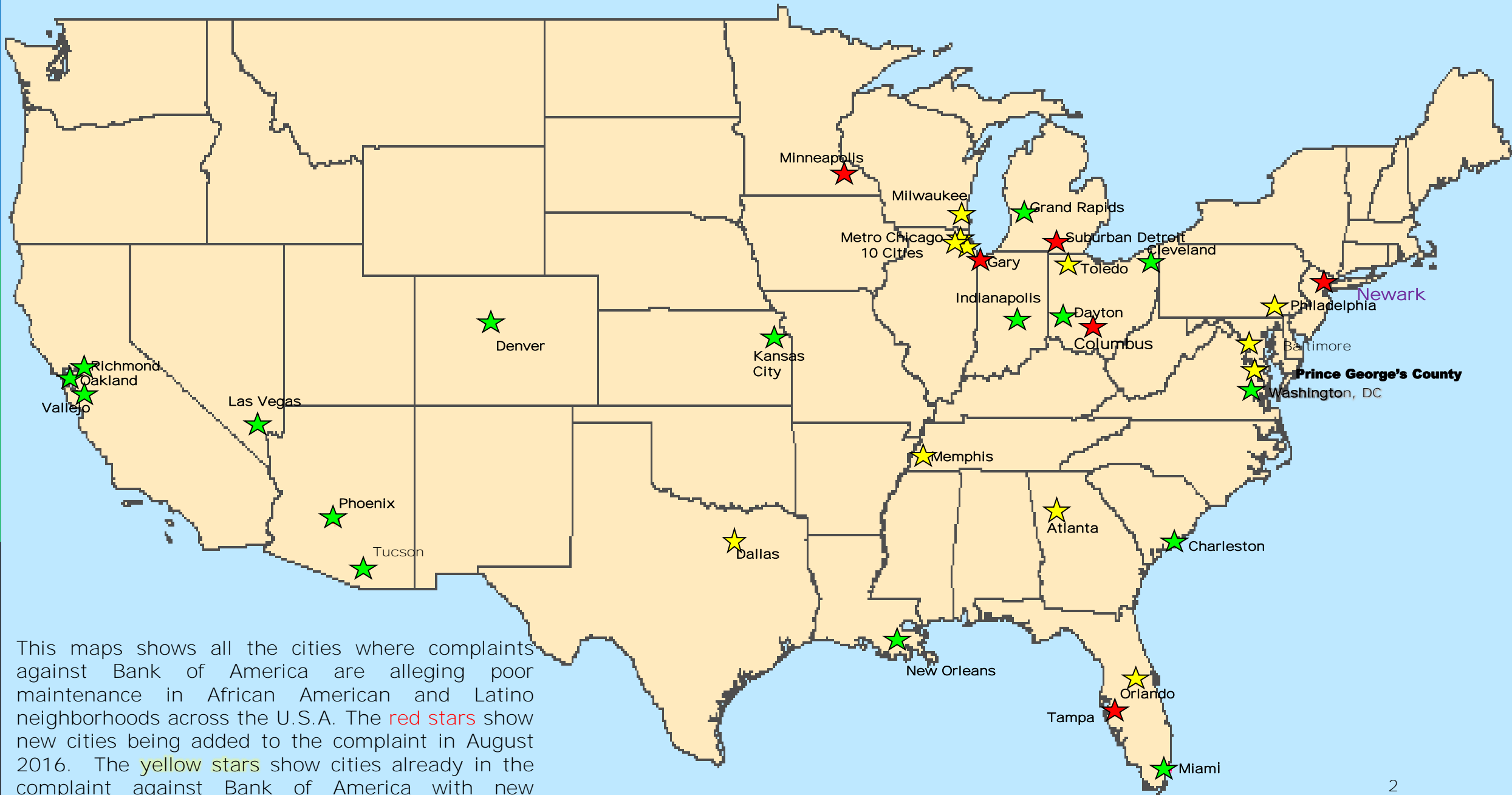


A Tale of Two Recoveries: Separate and Unequal

Bank of America Fails to
Maintain Foreclosures in **Newark, New Jersey'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



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

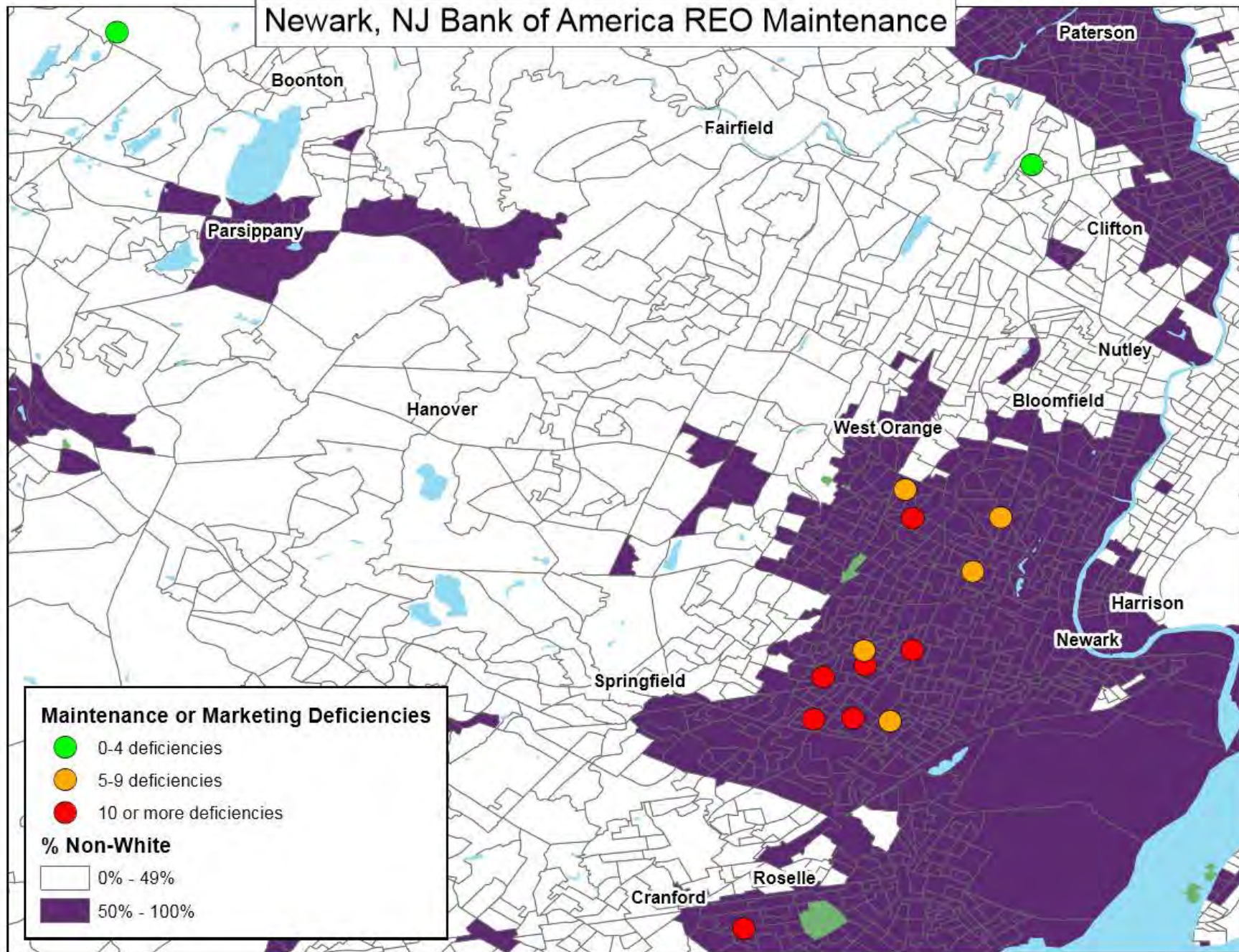
Newark Data

- During June and August of 2015, the National Fair Housing Alliance investigated 14 Bank of America foreclosures in African American and White neighborhoods in the Newark metro area.

- Of these 14 Bank of America foreclosures:
 - 11 were located in African-American neighborhoods
 - 1 was located in a Majority Non-White neighborhood
 - 2 were located in White neighborhoods

- There are only 2 REOs in White communities due to the absence of REOs in closer zip codes. The two REOs in White communities that Complainants could evaluate were in Boonton Township and Clifton.

Newark, NJ Bank of America REO Maintenance



The National Fair Housing Alliance is amending its HUD complaint against Bank of America to add Newark, NJ. The complaint alleges discriminatory treatment in its maintenance of its foreclosed homes in African American neighborhoods as compared to its properties in white neighborhoods.

This map shows the poor quality of maintenance in non-white neighborhoods. Notice there are NO RED DOTS in white neighborhoods.

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.

Newark's Racial Disparities

- ❑ 11 out of 12 Bank of America REO properties in communities of color had substantial amounts of trash on the premises, while only 1 out of 2 REO properties in predominantly White communities had the same problem.
- ❑ 8 out of 12 REO properties in communities of color had overgrown grass or accumulated leaves, while none of the Bank of America REO properties in predominantly white communities had the same problem.
- ❑ 6 out of 12 REO properties in communities of color had unsecured or broken doors, while none of the REO properties in predominantly White communities 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 shades of brown 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 Poorly Maintained Foreclosures in African American Neighborhoods

Evidence from 2015



This property in a predominantly African American Neighborhood became a Bank of America REO in November 2014.

When investigated in August 2015, it was not being marketed with a for sale sign. There was a rug, lockbox and mail on the front steps—an indication no one is checking on the foreclosure.



There were boarded and broken windows and chipped paint on the front and side of the property seriously affecting curb appeal for owner-occupant buyers.

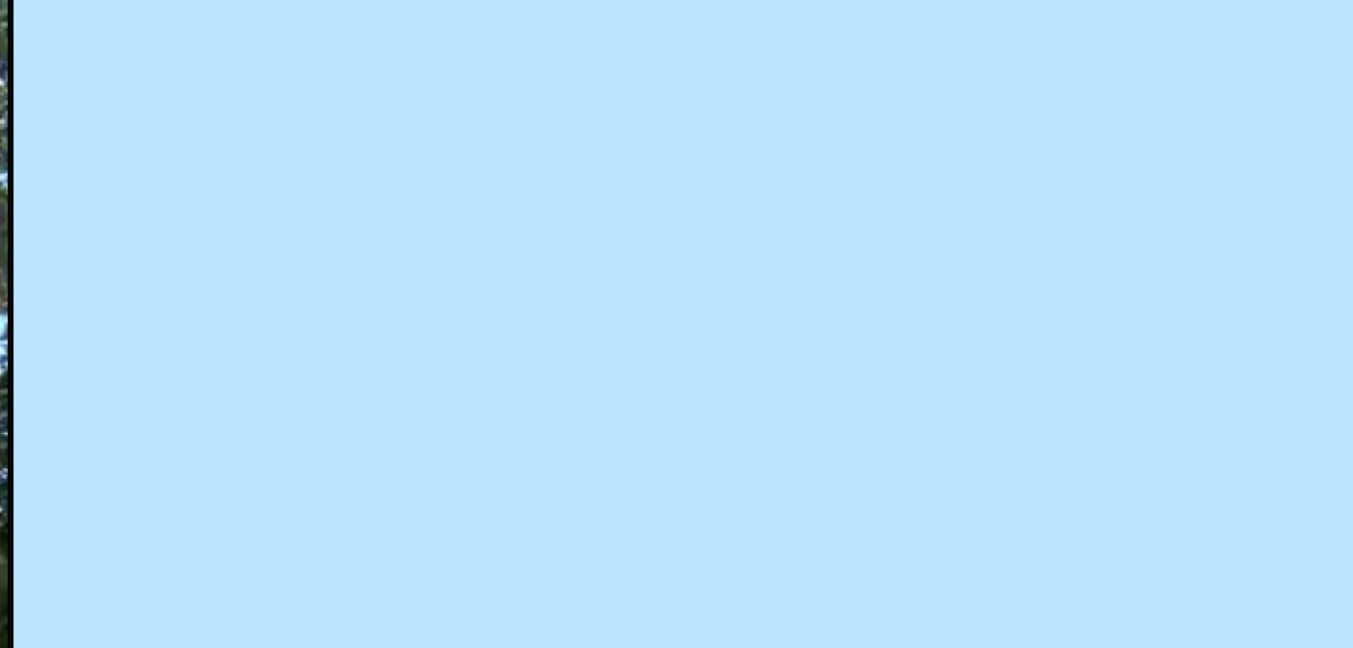


Both the back and front yards of the Bank of America foreclosure were littered with longstanding trash, unraked leaves, loose wires and other debris.





More trash in the yard of this Bank of America foreclosure.



In contrast to the Bank of America foreclosure, the neighboring properties were in good condition – with clean lawns and secured windows and doors.



Google Street View
Prior to Bank of America Foreclosure

NFHA visited this Bank of America property in a predominantly African American neighborhood in Roselle, NJ in August 2015. It was barely visible from the street because of overgrown bushes and trees.



4 months AFTER
Bank of America Possession



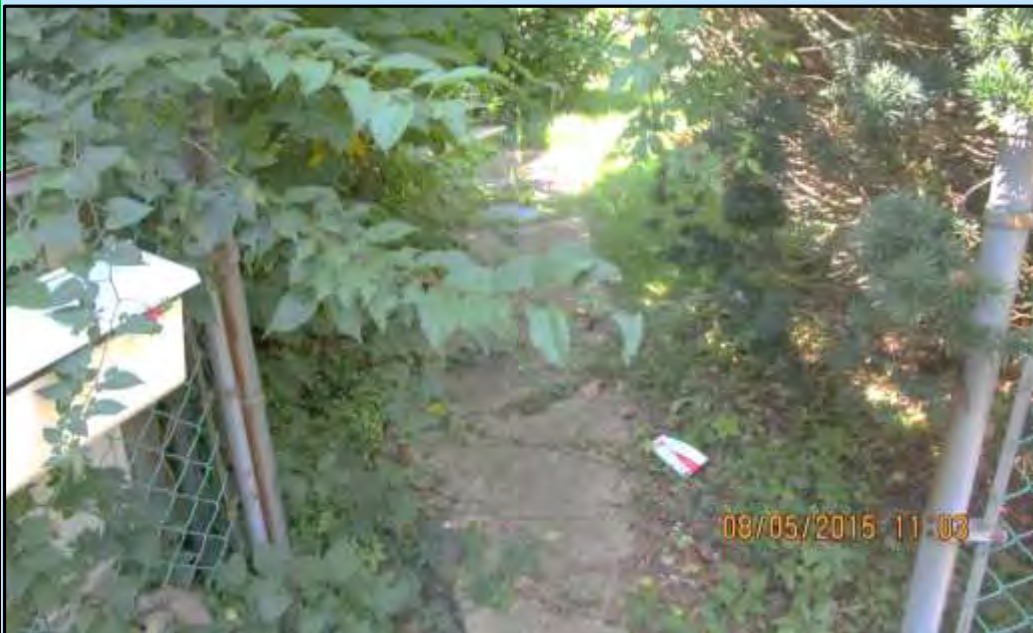
Bank of America signage is in the window and the backyard is overrun with tall weeds and dead shrubs. You can also see a gutter laying in the yard.



Bank of America left the front door of its foreclosure unsecured which would explain how vandals apparently got in and damaged the home.



Bank of America left trash around the foreclosure and the overgrown weeds which send the message that no one is checking on this property in an African American neighborhood.

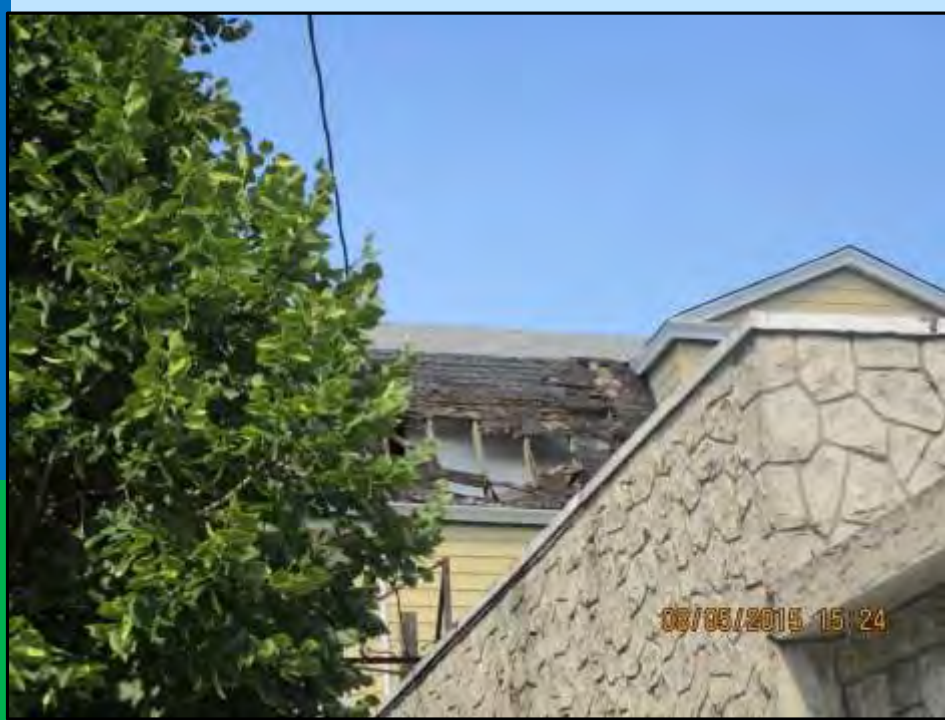




The properties neighboring the Bank of America foreclosure are in great condition and are clearly being **maintained**. These neighbors must be frustrated and angry about the **Bank's failure to maintain its** property.



This Bank of America REO in a predominantly African American neighborhood was in poor condition despite being marketed for sale. This is no way to maintain a home for sale—especially when trying to attract owner-occupant buyer.



The Bank of America foreclosure appears to have had a fire and the Bank did not tarp the exposed attic. Even if the property is selling “as is,” **Bank of America** has an obligation to remove the weeds and debris from the yard.



The homes neighboring the Bank of America foreclosure in this African American neighborhood are being well-maintained.





This Bank of America foreclosure in an African American neighborhood had trash, dead grass, unsecured doors, damaged steps, holes, a missing “for sale” sign, and broken gutters.



Every time Bank of America fails to secure its foreclosure, it put children and others in the neighborhood at risk and allows vandals to damage the property.



The routine maintenance calls for reattaching gutters and downspouts, cleaning up the property and covering holes to keep animals from entering and nesting inside the foreclosure.

Bank of America did none of the routine maintenance on this foreclosure in an African American neighborhood.



Again and again, we see neighbors taking great care of their homes only to suffer from the poorly maintained Bank of America foreclosure nearby or next door.

Bank of America's Foreclosures in White Neighborhoods

Evidence from 2015



This property in a predominantly white neighborhood has a freshly mowed lawn and visible for sale signage.



The back view of the Bank of America foreclosure in this white neighborhood shows that there is no trash or overgrown bushes or weeds or belongings left from the former owners.



These photographs show the front view of a Bank of America foreclosure in a white neighborhood outside Newark. The front of the property appears clean and well-maintained and there is a for sale sign in the front window.



The side view of the Bank of America foreclosure in this white neighborhood also shows that no trash or debris were found on the property.





Bank of America made sure the pool in the backyard is securely and neatly covered.

Tale of Two Recoveries: Separate and Unequal

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