

A Tale of Two Recoveries: Separate and Unequal

Bank of America Fails to
Maintain Foreclosures **in Toledo's**
African American & Latino Neighborhoods

Toledo Fair Housing Center
Michael Marsh



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

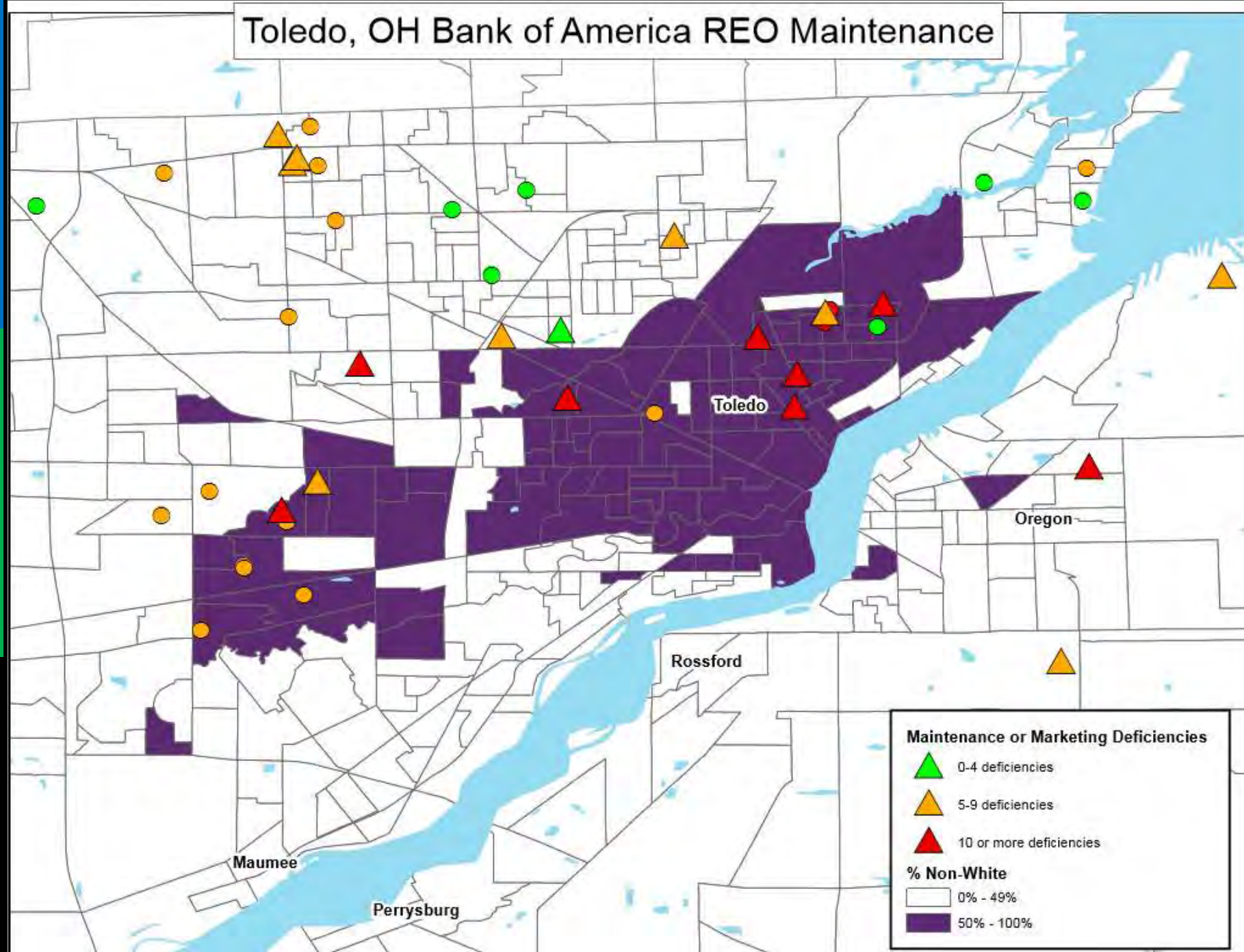
Bank of America Nationwide Data

- 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

Toledo Data

- Between March 2013 and July 2016, the Toledo Fair Housing Center investigated 40 Bank of America foreclosures in African American, Latino, and White neighborhoods in metro-Toledo.
- Of these 40 Bank of America foreclosures:
 - 14 were located in African-American neighborhoods
 - 2 were located in non-white neighborhoods
 - 24 were located in White neighborhoods.

Toledo, OH Bank of America REO Maintenance



The Toledo Fair Housing Center is joining the National Fair Housing Alliance's HUD complaint against Bank of America. The triangles represent new evidence being filed today. (8/31/16)

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

Notice the significant number of **RED TRIANGLES** in Black neighborhoods which indicate poor maintenance.

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.

Toledo's Racial Disparities

- ❑ 50.0% of the Bank of America foreclosures in African American neighborhoods had 10 or more maintenance or marketing deficiencies, while only 8.3% or just 2 of the foreclosures in predominantly White neighborhoods had 10 or more deficiencies.
- ❑ 68.8% or 11 out of 16 of the Bank of America foreclosures in African American neighborhoods had substantial amounts of trash on the premises, while only 16.7% or 4 of 24 in predominantly White neighborhoods did.
- ❑ 31.3% of the Bank of America foreclosures in African American neighborhoods had unsecured or broken doors, while only 1 of 24 foreclosures in predominantly White neighborhoods did.
- ❑ 50.0% or 8 of the Bank of America foreclosures in African American neighborhoods had damaged steps or handrails, while only 16.7% or 4 of 24 of the foreclosures in predominantly White neighborhoods did.

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 & 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.



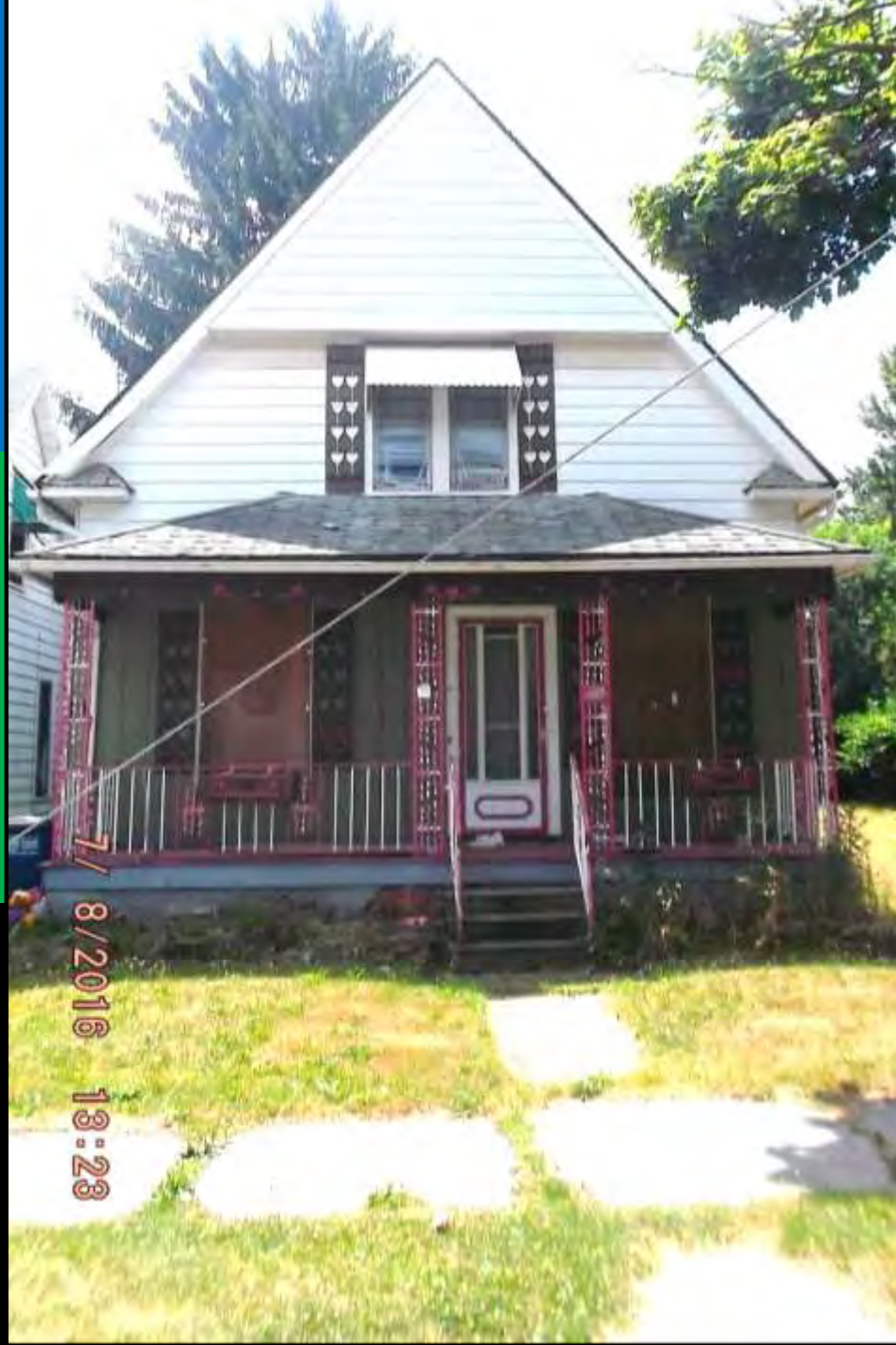
- A Stark Tale of Two Recoveries:
Separate and Unequal

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

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

Unfortunately for the African American neighborhoods in Toledo, Bank of America has *consistently* neglected to maintain its foreclosures since 2013.

The photos you see in this PowerPoint document the same problems of failed maintenance from July 2016 back to November 2013. Additionally, the exact same discriminatory patterns in Toledo are replicated in all the cities that were investigated by the National Fair Housing Alliance and the fair housing partnership across the United States.



In 2016, this Bank of America foreclosure in an African American neighborhood has trash at the front door and around the property.

The lawn is partly dead and weeds are growing.



Bank of America boarded the window on the front porch and let weeds take over the flowerbeds in the front of the home. This home lacks curb appeal.



Bank of America let the grass and weeds take over and left dead weeds in the basement window.

7/ 8/2016 13:25



Bank of America allowed weeds and bushes to become overgrown in the back and side yards.²⁹



7/ 8/2016 13:26

Bank of America failed to clear the gutters so when it rains the water can back up into the roof or damage the walls of the home.



In 2015, this Bank of America foreclosure in an African American neighborhood is just a mess, but it has a for sale sign.

The front yard is mostly dirt and the trashcans have been left out.

The house lacks any curb appeal.



16

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Bank of America failed to check the mailbox and would only need to place a note in it saying, **"Do not deliver mail"** to stop mail.

The front porch is just dirty and trash is at the door. ³²



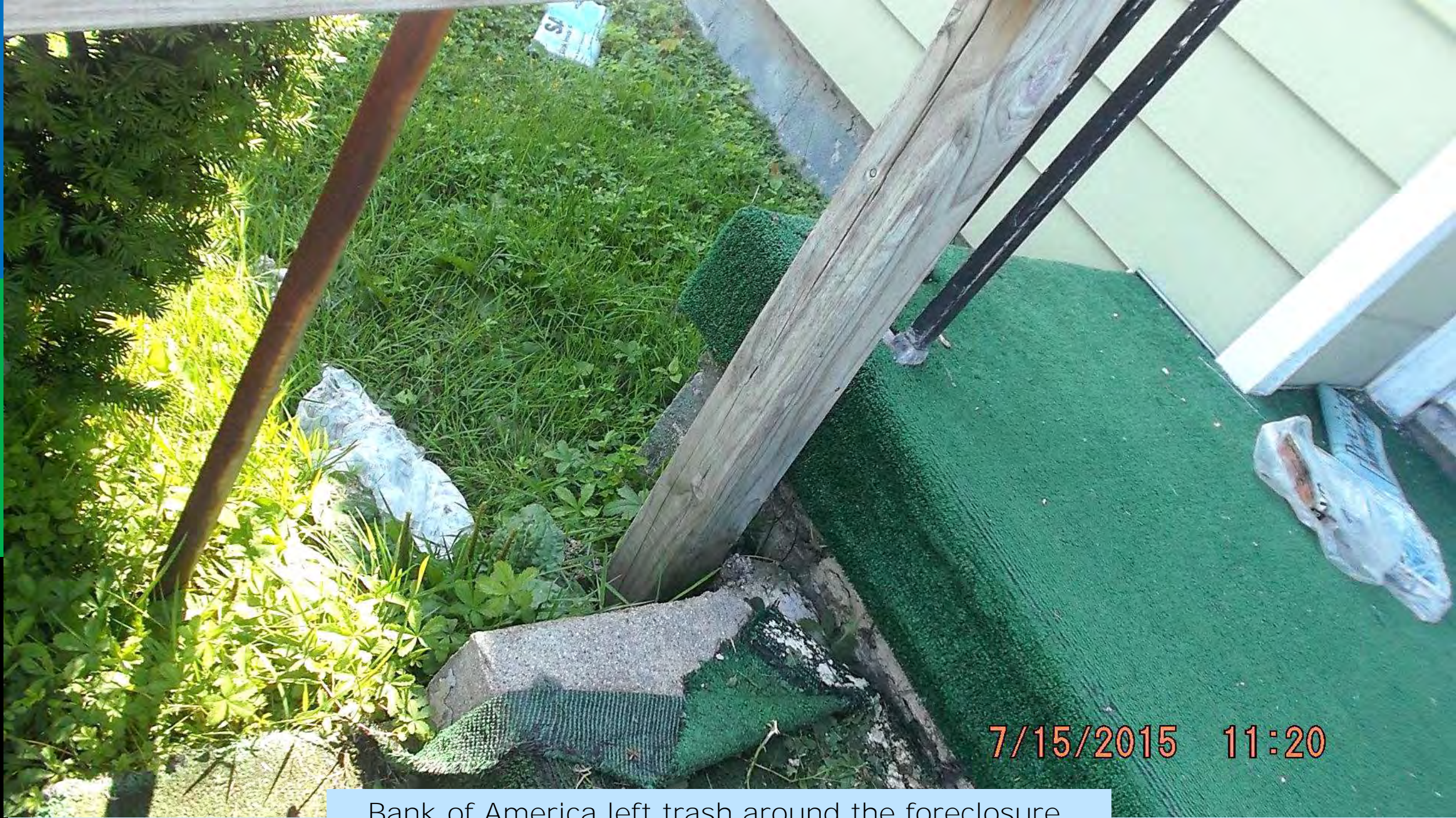
Now this is a quick easy fix—just attach the gutter, but Bank of America failed to do so.



Staying true to form, Bank of America left trash and litter around its foreclosure in this African American neighborhood.



While this Bank of America foreclosure in an African American neighborhood appears acceptable from the front, the back of the foreclosure is another story...



7/15/2015 11:20

Bank of America left trash around the foreclosure.



More trash and...



7/15/2015 11:21

More trash left behind.



7/15/2015 11:24

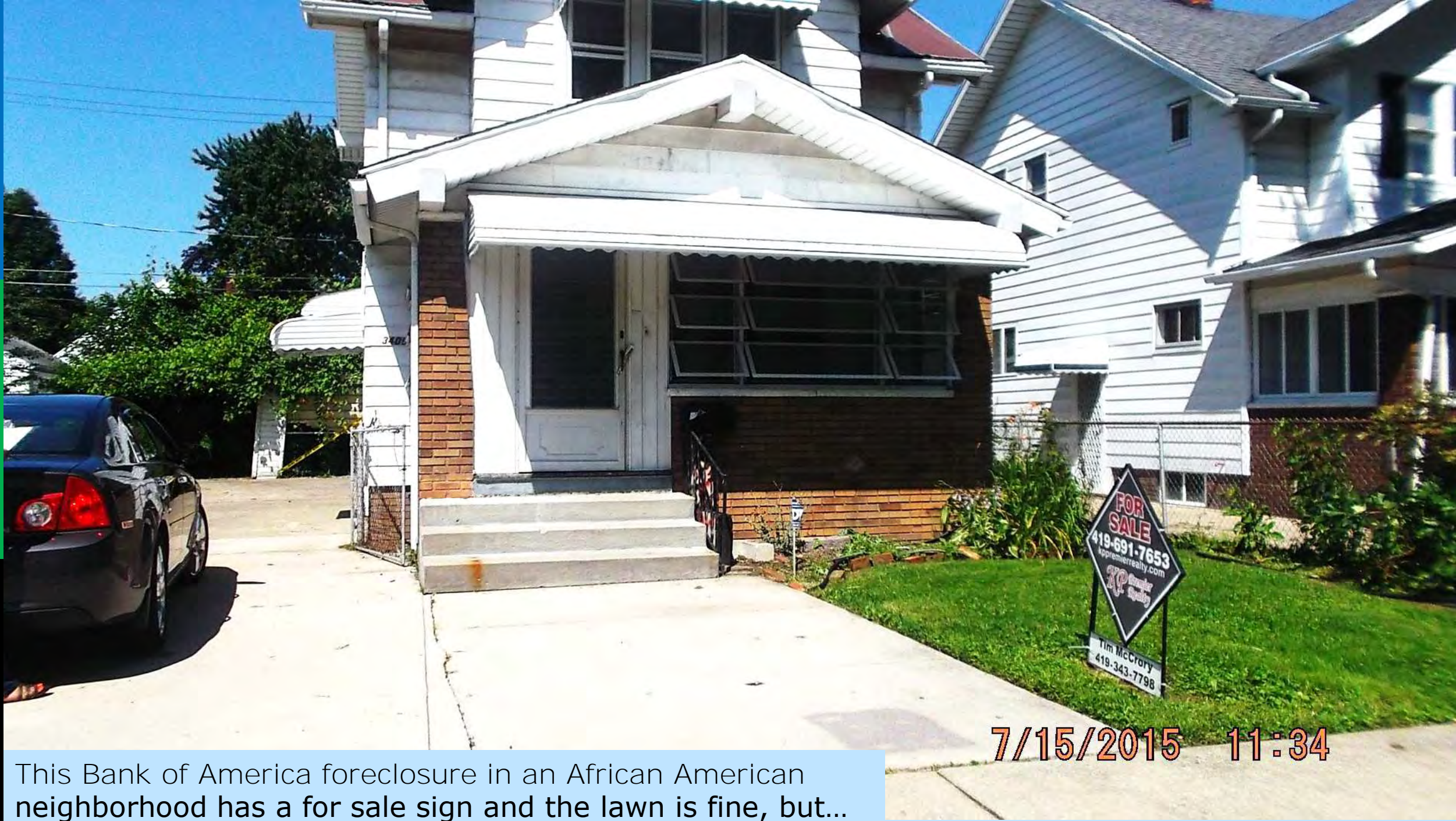
Bank of America let the yard become overgrown...



You can see that when Bank of America mowed part of the yard it left the grass clippings behind.

This photo shows you how overgrown parts of the yard really are.

7/15/2015 11:25



This Bank of America foreclosure in an African American neighborhood has a for sale sign and the lawn is fine, but...



7/15/2015 11:36

But invasive plants and shrubbery overtaken the garage and backyard fence.
This unsecured shed is a safety hazard for children in the neighborhood.



This Bank of America foreclosure in an African American neighborhood has no for sale sign and is overgrown, but it gets much worse...

11/12/2014 15:19



Bank of America left the attic vent open so squirrels, birds, or cats can enter the home, but it gets worse...



Bank of America let
the grass grow this
long, but it gets
worse...

11/12/2014 15:22



Bank of America dumped dead branches and a folding chair in the backyard and left containers with water in the grass, but it gets worse...



Bank of America failed to remove everything after the foreclosure. Leaving the shed unsecured poses a danger to the people in the neighborhood, but it gets worse...

11/12/2014 15:22



Bank of America left
dead leaves and
trash on the deck,
but it gets worse...

11/12/2014 15:24



When the owners leave the property, Bank of America is supposed to do **what's called a "trash out."** This means removing everything from the inside and outside of the home to get it ready for sale. Bank of America did none of that work here although they were paid to do it. How do you market this house to owner-occupants in this condition?

11/12/2014 15:23



This Bank of America foreclosure in an integrated neighborhood also has overgrown grass and no for sale sign. You can see the weeds taking over the front steps.



Would a real estate agent really want to show this Bank of America foreclosure to owner-occupant buyers? They would have to climb over the weeds just to reach the front door!



Bank of America failed to reattach the porch railing.



You can see how Bank of America let the invasive take over the **yard and it didn't** bother to reattach the fence. When the Bank neglects a foreclosure like this one, it hurt the values in the neighborhood and sends a clear message that no one is checking on the home—thereby, broadcasting: Vandals Welcomed!

Bank of America left the **yard's grass** overgrown and you can see a beer bottle there—so unauthorized people are already hanging out at the property.



That's the garage underneath all the overgrown and invasive vines.



Then Bank of America just left trash and debris all around the yard...



In one part of the yard, Bank of America left a paint bucket and helmet.
In another part of the yard rugs are left out.



On this side of the foreclosure, Bank of America left trash and you can see the weeds growing in the brick.



Bank of America failed to put up a for sale sign, or trim the bushes, but it gets worse...



Both of the porch lights were removed, but Bank of America failed to cap off the electrical wires.



Bank of America failed to make the handrails sturdy, failed to kill the weeds, and failed to repair the broken step to keep people from being injured.



Trash left behind at a foreclosure in an African American neighborhood shows typical treatment from Bank of America.



Bank of America failed to mow this backyard for so long that the grass is probably 18 inches high!

This is a great breeding and nesting place for snakes, mice, and rats.

09/17/2014 12:00



This is a large yard and the whole back yard is out of control.

09/17/2014 11:59



This is the neighbor's well maintained property.

Bank of America Foreclosures in Toledo's White Neighborhoods

While not every foreclosure in a White neighborhood was perfect, none of them suffered from the amount of neglect that the Bank of America foreclosures in African American neighborhoods suffered.



This Bank of America foreclosure in a White neighborhood has a professional for sale sign, has a mowed and edged lawn with no grass clippings, and there are no leaves left behind when this photo was taken in April 2015.



This Bank of America foreclosure in a White neighborhood was in good condition—no accumulated mail, no leaves, no trash around the property from the people moving out, no overgrown shrubs or invasive plants. The grass is just getting a little long.



This Bank of America foreclosure in a White neighborhood has a nice lawn and no grass clippings left behind. Bank of America removed the trash and cleaned up after the people moved out.

The worst thing wrong was some firewood left at the garage door and there is no for sale sign.

Bank of America Consistently Failed to Maintain Its Foreclosures in African American and Latino Neighborhoods Around Toledo

This behavior, the failure to maintain and market foreclosures in communities of color while preserving and marketing foreclosures in White neighborhoods, is a violation of the federal Fair Housing Act.

The Toledo Fair Housing Center joined the National Fair Housing Alliance and 17 additional fair housing organizations in filing and amending the HUD complaint alleging discriminatory treatment based on the racial or ethnic composition of the neighborhood in which the foreclosure is located.