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## **Fair Housing Organizations File Discrimination Complaint Against Bank of America**

*National Fair Housing Alliance and Member Agencies Allege Discrimination in Marketing and Maintenance of Foreclosed Homes in Georgia, Texas, Ohio, Michigan, Florida, California, Arizona, and Metro Washington, DC*

WASHINGTON, DC – Today, the National Fair Housing Alliance (NFHA) and five of its member organizations around the country announced a federal housing discrimination complaint against Bank of America Corporation, Bank of America, N.A., and BAC Home Loan Servicing, LP. This complaint, which was filed earlier today with the U.S. Department of Housing and Urban Development, is the result of an undercover investigation that found that Bank of America maintains and markets foreclosed homes in White neighborhoods in a much better manner than in African-American and Latino neighborhoods.

Bank of America is one of the largest American banks that maintains and sells foreclosed properties and is one of the world's largest financial institutions. The investigation of 373 foreclosed homes owned, serviced or managed by Bank of America demonstrates that the financial giant has engaged in a systemic practice of maintaining and marketing its foreclosed, bank-owned properties (also known as Real Estate Owned or REO properties) in a state of disrepair in communities of color while maintaining and marketing REO properties in predominantly White communities in a far superior manner. The investigation evaluated Bank of America REO properties in the eight metropolitan areas of Atlanta, GA; Dallas, TX; Dayton, OH; Grand Rapids, MI; Miami/Fort Lauderdale, FL; Oakland/Richmond/Concord, CA; Phoenix, AZ, and metropolitan Washington, DC.

Communities of color continue to experience foreclosure rates twice those of White communities and continue to see their REO homes left to deteriorate and sit vacant.

“Our economy may be recovering in some communities, but this is a Tale of Two Recoveries,” said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance in Washington, DC.** “Our investigation shows that Bank of America continues to disregard its REO homes in communities of color. And they have no excuse. Bank of America has been on notice of its failure

to maintain REOs since the summer of 2009 yet has made no improvement in addressing racial disparities in the maintenance and marketing of its bank-owned homes.”

NFHA and its five member organizations are represented by Joseph M. Sellers and Peter Romer-Friedman of Cohen Milstein Sellers & Toll PLLC.

The National Fair Housing Alliance in Washington, D.C., and five of its member organizations – the Miami Valley Fair Housing Center in Dayton, OH; Housing Opportunities Project for Excellence, Inc. in Miami, FL; Metro Fair Housing Services in Atlanta, GA; the Fair Housing Center of West Michigan in Grand Rapids, MI and the North Texas Fair Housing Center in Dallas, TX – evaluated REO properties for the existence of 39 different types of maintenance or marketing deficiencies, such as broken windows and doors, water damage, overgrown lawns, no “for sale” sign, trash on the property, and other problems.

“Without a ‘for sale’ sign, for example, potential homebuyers and neighbors simply don’t know the home is available,” continued **Smith**. “Also, if there are unauthorized occupants or storm damage, neighbors have no one to call. With a “for sale” sign, neighbors can call a real estate agent to report these kinds of problems.” In **Oakland, CA**, 72 percent of Bank of America REO properties in communities of color were missing a “for sale” sign, as well as 80 percent in **Washington, DC** and **Atlanta, GA**, and 86 percent in **Phoenix, AZ**.

Trash on a property is not only an eyesore for neighbors, but it makes a home unappealing to buyers and can be a potential health and safety hazard. Regular maintenance would correct this problem, but in **Grand Rapids, MI**, 97 percent of all Bank of America REO properties in communities of color had substantial amounts of trash, as well as 69 percent in **Dallas, TX**, 71 percent in **Phoenix, AZ**, 77 percent in **Oakland, CA**, and 70 percent in **Washington, DC**.

NFHA will continue its investigation into the practices of REO maintenance and marketing in the nation’s banking system. In April, NFHA issued a report on the findings of its nationwide REO investigation of 1,000 REO homes nationwide, [\*The Banks Are Back, Our Neighborhoods Are Not: Discrimination in the Maintenance and Marketing of REO Properties\*](#). The report offers disturbing evidence that the same banks that peddled unsustainable loans to communities of color and triggered the current foreclosure crisis are now exacerbating damage to those communities.

“Bank of America has the privilege of access to the Federal Reserve Board’s discount window to borrow at close to zero percent,” continued **Smith**. “Bank of America reports huge profits and yet fails to renovate, maintain or properly market homes it owns in African American and Latino neighborhoods. This disregard and disrespect for communities of color will not be tolerated.”

NFHA filed HUD administrative complaints against Wells Fargo and U.S. Bancorp in April 2012. Both of these complaints are pending while HUD investigates these serious and pervasive allegations of discrimination.

The Fair Housing Act makes it illegal to discriminate based on race, color, national origin, religion, sex, disability or familial status, as well as the race or national origin of residents of a

neighborhood. This law applies to housing and housing-related activities, which include the maintenance, appraisal, listing, marketing and selling of homes.

To see additional statistics and photos, read the HUD administrative complaint against Bank of America, and to view today's news conference presentation, please go to [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

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## **DAYTON, OH**

Ninety-two percent of Bank of America-owned properties in African-American communities had more than five maintenance or marketing problems, and 58 percent had over ten maintenance or marketing problems.

“Our investigation shows that virtually nothing has been done to appropriately maintain Bank of America REOs in Dayton’s African-American neighborhoods,” said **Jim McCarthy, President/CEO of the Miami Valley Fair Housing Center**. “In fact, over the past 2 ½ years that we investigated how Bank of America maintained REOs in Dayton, the problem has actually gotten worse. I am disgusted by the indifference that Bank of America has shown toward its obligation to comply with federal law and not discriminate when it maintains and markets these homes.”

## **GRAND RAPIDS, MI**

Bank of America’s foreclosed homes in Grand Rapids’ communities of color were 17.1 times as likely as foreclosed homes in white communities to have more than 15 serious marketing or maintenance problems. Thirty-two percent of REO properties in communities of color had more than 15 deficiencies, while only two percent of REO properties in White communities had more than 15 deficiencies.

“Bank of America’s disregard for Grand Rapids’ minority neighborhoods has had a devastating impact on the property values of the homes in those neighborhoods,” said **Nancy Haynes, Executive Director of the Fair Housing Center of West Michigan**. “Bank of America is undermining years of thoughtful planning and community investment by the city, private investment and public dollars.”

## **ATLANTA, GA**

Forty percent of Bank of America’s REO properties in Atlanta’s communities of color have more than 10 maintenance or marketing problems, compared to none in White communities.

“The way Bank of America has treated its homes in Atlanta’s communities of color has led to depressed housing values and loss of wealth for the residents and the city,” said **Gail Williams, Executive Director of Metro Fair Housing Services, Inc.** “That’s money that could have been used to support public services like roads and police or for families to use toward their children’s education. Bank of America has done a huge disservice to Atlanta and its time for some accountability.”

## MIAMI, FL

Forty-three percent of Bank of America's REO properties in Miami's communities of color had broken windows compared to none in White communities.

"In South Florida, there is a definitely a tale of two recoveries in our neighborhoods," said **Keenya Robertson, President and CEO of Housing Opportunities Project for Excellence**. "Almost half of the homes visited in neighborhoods of color have broken windows while no homes in White neighborhoods were found to be open or broken. The difference in treatment leads to higher crime and health concerns in ways of vandalism and increased mold risks."

## DALLAS, TX

REO properties in African-American and Hispanic communities in Dallas were twice as likely as REO properties in White communities to have substantial amounts of trash in the yard, three times as likely to have overgrown grass, three times as likely to have exposed or tampered with utilities, and 4.5 times as likely to have broken doors or locks.

"Bank of America didn't even bother to clean up the trash or mow the lawns at its Dallas homes in African American and Hispanic communities," said **Frances Espinoza, Executive Director, North Texas Fair Housing Center**. "This neglect ultimately hinders the sale of these homes and leaves them to blight the entire community."

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### **The National Fair Housing Alliance** ([www.nationalfairhousing.org](http://www.nationalfairhousing.org))

Founded in 1988, the National Fair Housing Alliance is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States. Headquartered in Washington, D.C., the National Fair Housing Alliance, through comprehensive education, advocacy and enforcement programs, provides equal access to apartments, houses, mortgage loans and insurance policies for all residents in the nation.

### **The Miami Valley Fair Housing Center** ([www.mvfairhousing.com](http://www.mvfairhousing.com))

The Miami Valley Fair Housing Center is a comprehensive full-service fair housing center in Dayton, Ohio, with experience in auditing and testing activities, anti-predatory lending investigation and remedy, mortgage rescue scam intervention, foreclosure prevention counseling, mortgage modifications as well as fair housing and fair lending education and outreach. MVFHC works throughout the Miami Valley to eliminate housing discrimination and ensure equal housing opportunity for all people in its region.

### **Fair Housing Center of West Michigan** ([www.fhcwm.org](http://www.fhcwm.org))

The Fair Housing Center of West Michigan is a private non profit organization established in 1980 to ensure equal housing opportunity as guaranteed under federal, state and local fair housing laws. That purpose is accomplished through the Center's continuing operation of programs directed at enforcement and education, based on Title VIII of the 1968 Civil Rights Act (amended 1988); commonly referred to as the Fair Housing Act. The Fair housing Act prohibits discrimination based

upon race, color, religion, gender, familial status, national origin, and/or disability status; the Elliot Larsen Civil Rights Act further prohibits discrimination based upon marital status and age and local ordinance prohibiting discrimination based upon sexual orientation and source of income.

**Metro Fair Housing Services, Inc. ([www.metrofairhousing.com](http://www.metrofairhousing.com))**

Metro Fair Housing Services, Inc. is a 38-year-old, non-profit civil rights organization whose primary objective is to fight housing discrimination in metropolitan Atlanta and promote equal housing opportunities throughout the state of Georgia. The agency's mission is to promote social justice and eliminate housing and lending inequities for all people through leadership, education and outreach, public policy advocacy and enforcement of federal and state Fair Housing laws. In the wake of the foreclosure crisis, Metro expanded its homebuyer education services to include foreclosure prevention counseling.

**Housing Opportunities Project for Excellence ([www.hopefhc.com](http://www.hopefhc.com))**

Housing Opportunities Project for Excellence, Inc. (HOPE) was established in 1988 as the first non-profit fair housing agency in the state of Florida. Today, it is the only private, non-profit, full-service fair housing organization in the Miami-Dade and Broward markets. It provides one-of-a-kind education services to the community-at-large, housing providers, lenders and advertisers of housing opportunities.

**North Texas Fair Housing Center ([www.northtexasfairhousing.org](http://www.northtexasfairhousing.org))**

The mission of the North Texas Fair Housing Center (NTFHC) is to eliminate housing discrimination in the North Texas region. NTFHC serves the counties of: Collin, Dallas, Delta, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Tarrant, Rockwall and Wise. Our services include: investigation of housing discrimination complaints; housing rights counseling; and outreach and education.

**Cohen Milstein Sellers & Toll PLLC ([www.cohenmilstein.com](http://www.cohenmilstein.com))**

For over 40 years, Cohen Milstein Sellers & Toll PLLC has been a pioneer in plaintiff class action lawsuits on behalf of victims of such abuses. As one of the premier firms in the country handling major complex class actions and impact litigation, Cohen Milstein, with more than 60 attorneys and offices in Washington, D.C., New York, Philadelphia, and Chicago, is a firm that specializes in cases concerning Civil Rights, Antitrust, Securities Fraud, Human Rights, Consumer Protection and Unsafe Products, Employee Benefits, Public Clients, and Whistleblowers. Cohen Milstein has earned its national and international reputation by winning cases that other law firms did not want to handle. The groundbreaking cases Cohen Milstein has litigated have resulted in landmark decisions on previously untried issues involving civil rights, price fixing, securities, and consumer rights.

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