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UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

14

15 NATIONAL FAIR HOUSING )  
ALLIANCE; FAIR HOUSING )  
16 ADVOCATES OF NORTHERN )  
CALIFORNIA; CENTRAL OHIO FAIR )  
HOUSING ASSOCIATION; )  
17 CONNECTICUT FAIR HOUSING )  
CENTER; DENVER METRO FAIR )  
18 HOUSING CENTER; FAIR HOUSING )  
CENTER OF CENTRAL INDIANA; )  
19 FAIR HOUSING CENTER OF THE )  
GREATER PALM BEACHES; FAIR )  
20 HOUSING CENTER OF WEST )  
MICHIGAN; FAIR HOUSING )  
21 CONTINUUM, INC.; GREATER NEW )  
ORLEANS FAIR HOUSING ACTION )  
22 CENTER; HOPE FAIR HOUSING )  
CENTER; HOUSING )  
23 OPPORTUNITIES MADE EQUAL OF )  
VIRGINIA; )  
24 HOUSING OPPORTUNITIES )  
PROJECT FOR EXCELLENCE, INC.; )  
25 HOUSING RESEARCH & ADVOCACY )  
CENTER; MIAMI VALLEY FAIR )  
26 HOUSING CENTER; METRO FAIR )  
HOUSING SERVICES; )

COMPLAINT AND

JURY DEMAND

27

28

CASEY EPP # 284139  
FAIR HOUSING ADVOCATES  
OF NORTHERN CALIFORNIA  
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San Rafael, CA 94901  
Telephone: (415) 457-5025  
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*Attorney for Plaintiff Fair Housing Advocates of  
Northern California*

*\*Application for Admission Pro Hac Vice To  
Be Filed*

1 METROPOLITAN MILWAUKEE FAIR )  
HOUSING COUNCIL; NORTH TEXAS )  
2 FAIR HOUSING CENTER; OPEN )  
COMMUNITIES, INC.; SOUTH )  
3 SUBURBAN HOUSING CENTER; AND )  
TOLEDO FAIR HOUSING CENTER; )  
4 )  
5 )

Plaintiffs,

v.

6 FEDERAL NATIONAL MORTGAGE )  
7 ASSOCIATION (“FANNIE MAE”); )

8 Defendant.  
9  
10

11 I. INTRODUCTION AND SUMMARY OF CLAIMS

12 1. This complaint is filed under the Fair Housing Act of 1968, as amended, 42  
13 U.S.C. § 3601, *et seq.* (“FHA”), for compensatory and injunctive relief arising out of the  
14 Defendant’s racially discriminatory behavior in communities of color throughout the country.  
15

16 2. Plaintiffs are private, fair housing organizations dedicated to ending housing  
17 discrimination and promoting residential integration in their communities and around the nation.  
18 Plaintiffs work throughout the United States to eliminate housing discrimination and to ensure  
19 equal opportunity for all people through leadership, education, outreach, membership services,  
20 public policy initiatives, advocacy, investigation of fair housing violations, investment in  
21 community development and stabilization projects, and enforcement.  
22

23 3. Between July, 2011 and October, 2015, Plaintiffs conducted a comprehensive  
24 investigation of Defendant’s real estate related activities in communities of color, including  
25 predominantly African-American and Latino neighborhoods, and predominantly white  
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1 neighborhoods<sup>1</sup> in 38 metropolitan areas throughout the United States. The purpose of the  
2 investigation was to determine if Defendant was discriminating based on the predominant race  
3 or national origin of the residents of neighborhoods in the routine maintenance of dwellings it  
4 came to own after foreclosures. Over the course of four years, Plaintiffs investigated over 2,300  
5 properties owned and maintained by Defendant, collected evidence on over 35 aspects of the  
6 maintenance of each property investigated, and accumulated over 49,000 photographs.

7  
8 4. Defendant Federal National Mortgage Association (“Fannie Mae”) is a  
9 corporation chartered by the U.S. Congress to promote access to residential mortgage credit  
10 throughout the nation. Fannie Mae’s primary purpose and business activity is to purchase and  
11 guarantee home mortgages. When a home mortgage owned by Fannie Mae goes into default and  
12 foreclosure, Fannie Mae obtains title to the dwelling securing the mortgage. A dwelling owned  
13 by Fannie Mae after a completed foreclosure is referred to as a “Real Estate Owned” or “REO”  
14 dwelling. As a consequence of the recent mortgage foreclosure crisis, Fannie Mae has obtained  
15 title to a significant number of REO dwellings covered by the Fair Housing Act.

16  
17 5. Once a dwelling becomes an REO property, Fannie Mae assumes all duties and  
18 responsibilities of ownership, including ordinary maintenance, while it markets the dwelling for  
19 sale to the general public. Fannie Mae conducts such maintenance to preserve the dwelling so it  
20 can be sold and can recover the highest and best market price. Fannie Mae’s stated strategic  
21 goal for its REO properties is to secure and maintain them so that they are appealing to  
22 prospective buyers and ready for sale. Specifically, Fannie Mae’s strategy is to “maintain each  
23 property in [its] inventory at a level of market-readiness both inside and outside of the property,  
24 supporting neighborhood stabilization.” The stated mission of the Fannie Mae Property  
25

26 \_\_\_\_\_  
27 <sup>1</sup> For purposes of this Complaint and the statistical facts set forth below, “predominantly  
28 white neighborhoods” refers to those census block groups with more than 50% non-Hispanic  
white residents, and “communities of color” refer to all other census block groups.

1 Maintenance team is “to ensure the quality of our REO property maintenance services,  
2 consistently producing best-in-class, market-ready properties and maintaining them until  
3 removal from our inventory.”

4 6. Fannie Mae’s routine exterior maintenance of REO dwellings includes, but is not  
5 limited to: regular mowing, edging of walkways and driveways, weeding, trimming shrubs and  
6 trees trimming, removing snow, removing trash and debris, eliminating overgrown grass and  
7 shrubbery, securing doors and windows, securing or replacing loose handrails and steps, and  
8 covering any holes in the dwelling such as dryer vents. These routine maintenance functions  
9 are intended to be readily and regularly met with respect to every REO property, regardless of  
10 the condition of the property at the time of foreclosure. These basic maintenance duties do not  
11 vary from region to region or from city to city.

13 7. Fannie Mae is required, under the Fair Housing Act, to maintain all REO  
14 properties, regardless of their location, without regard to race, color, religion, sex, handicap,  
15 familial status, or national origin.

16 Plaintiffs investigated Fannie Mae’s  
17 treatment of REO properties in  
18 neighborhoods of differing racial and  
19 ethnic compositions according to Fannie  
20 Mae’s own specific maintenance norms,  
21 which are standard in the REO  
22 maintenance industry. Plaintiffs’  
23 investigation involved identifying  
24 whether certain routine exterior maintenance tasks were completed and taking photographic  
25 evidence of the property’s exterior maintenance. Plaintiffs compared the quality of maintenance



**Figure 1: Fannie Mae REO in AA neighborhood in Oakland, CA**

26 whether certain routine exterior maintenance tasks were completed and taking photographic  
27 evidence of the property’s exterior maintenance. Plaintiffs compared the quality of maintenance

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1 in properties located in a metropolitan area's communities of color with the quality of  
2 maintenance in properties located in the same metropolitan area's predominantly white  
3 neighborhoods.

4 8. The data and pictures collected in Plaintiffs' investigation demonstrate that  
5 Fannie Mae has failed to conduct routine exterior maintenance and marketing of REO properties  
6 in communities of color, thereby leaving those REOs in a state of neglect, while satisfactorily  
7 conducting routine exterior maintenance and marketing of its REO properties in predominantly  
8 white neighborhoods, thereby leaving those REOs in a materially better condition.

9  
10 9. Across the over 2,300 properties investigated by Plaintiffs in 38 metropolitan  
11 areas, Fannie Mae's REO properties in predominantly white neighborhoods are far more likely  
12 to have a small number of exterior maintenance deficiencies, while REO properties in  
13 communities of color are far more likely to have large numbers of such deficiencies. In  
14 predominantly white neighborhoods, the average number of deficiencies was 4.8. In  
15 communities of color, however, the average number was 7.2, *i.e.*, 50% higher than in white  
16 areas. Moreover, Plaintiffs documented significant differing treatment based on the predominant  
17 race or national origin of the neighborhood in many of the objective maintenance factors  
18 evaluated.  
19

20 10. A few examples of differing maintenance based on the predominant race or  
21 national origin of a neighborhood include:

22 a. Nationwide, 24% of the Fannie Mae REO properties in communities of color had  
23 10 or more maintenance or marketing deficiencies, while only 6% of the Fannie  
24 Mae REO properties in predominantly white neighborhoods had 10 or more  
25 maintenance or marketing deficiencies.  
26

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- 1           b. 39.0% of the Fannie Mae REO properties in communities of color had trash  
2           visible on the property, while only 14.9% of the Fannie Mae REO properties in  
3           predominantly white neighborhoods had trash visible on the property.
- 4           c. 24.9% of the Fannie Mae REO properties in communities of color had unsecured  
5           or broken doors, while only 11.1% of the Fannie Mae REO properties in  
6           predominantly white neighborhoods had unsecured or broken doors.
- 7           d. 41.5% of the Fannie Mae REO properties in communities of color had damaged,  
8           boarded, or unsecured windows, while only 19.1% of the Fannie Mae REO  
9           properties in predominantly white neighborhoods had damaged, boarded, or  
10          unsecured windows.

11           11.     The disparity between Fannie Mae's treatment of REO properties in  
12          communities of color and predominantly white neighborhoods can only be explained by race.  
13          To assess the role of race, Plaintiffs conducted a regression analysis taking into account non-  
14          racial factors such as prior sales dates and prices, additional property transfer history, local  
15          crime statistics based on FBI standards, local housing market data, property age, dwelling size,  
16          lot size, how long properties have been in Fannie Mae's REO inventory at the time of the site  
17          visit, and property values. The results show that the exterior maintenance deficiencies existing  
18          at Fannie Mae REO properties in communities of color remain higher by a statistically  
19          significant margin as compared to the maintenance deficiencies at Fannie Mae REO properties  
20          in predominantly white neighborhoods.

21           12.     For example, 60% of the difference in the average number of deficiencies cannot  
22          be explained by the many non-racial factors included in Plaintiffs' regression analyses.  
23          Likewise, 65% of the difference in the likelihood that a property had ten or more deficiencies  
24          likewise cannot be explained by the non-racial factors.



1 13. Defendant's racially discriminatory treatment of REO properties is prevalent  
2 throughout the country. The repetitive pattern of differing maintenance – across 2,300  
3 properties, 38 metropolitan areas, and over four years – indicates that Defendant's policies and  
4 practices are set at a level of Defendant's management with responsibility for Defendant's  
5 policies nationwide, and not the result of lower-level regional, state, or local decision makers.

6 14. Defendant's racially discriminatory treatment of REO properties is continuous  
7 throughout the period of Plaintiffs' investigation. Whether analyzed on a year-to-year basis or  
8 over the entire period of investigation, the same pattern of discriminatory treatment is evident.  
9 From July 2011 to October 2015, Defendant's continuous practice had the purpose and effect of  
10 providing inferior maintenance to REO properties in communities of color, while providing  
11 better maintenance to REO properties in predominantly white neighborhoods. Upon information  
12 and belief, Defendant's discriminatory policies and practices are ongoing.

13  
14 15. There are no valid business  
15 purposes served by, or valid excuses for,  
16 Defendant's differing maintenance of REO  
17 properties based on neighborhood composition.  
18 Fannie Mae has a financial interest in  
19 maintaining and securing its inventory of REO  
20 properties in order to preserve the value of each  
21 property until it is sold.  
22



**Figure 2: Fannie Mae REO in AA neighborhood in Washington, D.C.**

23  
24 16. In the wake of the 2008 mortgage foreclosure crisis, many financial lenders,  
25 including Fannie Mae, found themselves the new owners of a significant number of properties  
26 and homes that had been dispossessed through foreclosure. Plaintiff National Fair Housing  
27 Alliance became aware that Defendant and other lenders were engaging in discriminatory  
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1 maintenance of those properties based on the racial composition of the neighborhood in which  
2 the REO properties were located.

3 17. Plaintiff National Fair Housing Alliance conducted an initial investigation of  
4 Defendant's REO properties to determine whether it had properly maintained homes in  
5 communities of color. Subsequently, beginning in the summer of 2009, the National Fair  
6 Housing Alliance on behalf of itself and its member organizations engaged in a series of  
7 meetings with Fannie Mae officials to discuss discriminatory maintenance of REO properties in  
8 the lending industry. Plaintiff National Fair Housing Alliance advised Fannie Mae that it and  
9 several of its members had conducted an investigation of Fannie Mae's properties and provided  
10 photographic evidence of the failed maintenance in communities of color. The National Fair  
11 Housing Alliance provided suggestions for correcting the differing levels of maintenance.  
12 Nonetheless, Fannie Mae's pattern and practice of discriminatory maintenance continued.

13  
14 18. As Plaintiffs' investigation of Fannie Mae's maintenance of REO properties  
15 continued, but prior to the initiation of this litigation, Plaintiffs met several times with Fannie  
16 Mae officials, informed them that their company was still engaging in the discriminatory  
17 maintenance of REO properties, and asked them to take appropriate action.

18  
19 19. Despite Plaintiffs' efforts to get Fannie Mae to voluntarily comply with the Fair  
20 Housing Act, Fannie Mae did not change its behavior. With deliberate indifference to the  
21 purpose and effects of its discriminatory policies and practices, Fannie Mae continued to  
22 maintain its REO properties differently based on the predominant race and national origin of  
23 neighborhoods. Fannie Mae's discriminatory exterior maintenance of REO properties in  
24 communities of color violates the rights of homeowners and residents in those neighborhoods,  
25 and causes particularized and concrete injury to those homeowners and residents.

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20. The proper maintenance of REO dwellings is vital to the stability of



**Figure 3: Fannie Mae REO in AA neighborhood in Oakland, CA.**

neighborhoods and to the economic, social, and physical well-being of their residents. REO properties that are poorly maintained have significant, negative outcomes to a neighborhood, affecting the health and safety of surrounding residents and otherwise interfering with the rights of homeowners in communities of color to exercise the right to enjoy their

homes in a manner free from discrimination. The stress related to living near a neglected, vacant property contributes to increased high blood pressure rates for neighboring homeowners. Properties that are vacant and boarded up increase a sense of social isolation and anxiety for the residents living in those neighborhoods. Several academic and government reports acknowledge the negative effects of neglected vacant properties on nearby homeowners, neighborhoods, and local governments. *See, e.g.*, Government Accountability Office, Vacant Properties: Growing Number Increases Communities' Costs and Challenges, GAO-12-34 (Nov. 4, 2011), at pp. 27-48 (available at <http://www.gao.gov/products/GAO-12-34>).

1           21.     The cities investigated by Plaintiffs – with just one exception – are all located in  
2 metropolitan areas that are moderately or highly segregated. Allowing REO properties in  
3 communities of color to deteriorate has the necessary and foreseeable consequence of  
4 perpetuating segregation by re-entrenching historically discriminatory practices, sometimes with  
5 governmental support, the “vestiges [of which] remain today.” *Texas Dep’t of Housing and*  
6 *Community Affairs v. Inclusive*  
7 *Communities Project, Inc.*, 135 S. Ct.  
8 2507, 2515 (2015).

9  
10           22.     The existence of  
11 poorly maintained REO dwellings in a  
12 neighborhood diminishes home values  
13 for surrounding homeowners. When  
14 REO dwellings are poorly maintained,  
15 the price of homes for sale in their vicinity  
16 decrease. Lower home values in  
17 communities of color restrict the ability of minority homeowners to move to majority-white or  
18 integrated neighborhoods by reducing the equity they can use to buy a new home.



**Figure 4: Fannie Mae REO in AA neighborhood in Temple Hills, MD.**

19  
20           23.     By failing to maintain REO dwellings in communities of color according to the  
21 same standards as it maintains REO dwellings in predominantly white neighborhoods, Fannie  
22 Mae stigmatizes communities of color as less desirable than predominantly white  
23 neighborhoods. The prospects for integration in the affected neighborhoods are reduced  
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1 because white buyers are deterred from purchasing homes in neighborhoods with poorly  
2 maintained REO properties, leaving the existing segregated racial composition of these  
3 neighborhoods unchanged. At the same time, research has shown that white homeowners in



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11 **Figure 5: Fannie Mae REO in AA**  
12 **neighborhood in Vallejo, CA.**

predominantly minority neighborhoods  
with high concentrations of foreclosed  
properties have greater resources to leave  
those neighborhoods, and the presence of  
poorly maintained REO properties  
increases their incentive to move out.

Neighborhood residents are therefore  
deprived of the social, economic, and

13 professional benefits of living in an integrated community. The U.S. Supreme Court has  
14 recognized the harms to neighborhood residents and municipalities “flowing from the realities  
15 of a racially segregated community” caused by housing practices that perpetuate racial  
16 segregation. *Gladstone, Realtors v. Village of Bellwood*, 441 U.S. 91, 111 (1979).

17  
18 24. Defendant’s systematic and continuing violations of the Fair Housing Act have  
19 thwarted Congressional efforts to eradicate housing discrimination and eliminate segregated  
20 housing patterns. As the Supreme Court has noted, Congress has delegated private attorney  
21 general status to private organizations like Plaintiffs to achieve these purposes. *See Trafficante*  
22 *v. Metropolitan Life Ins. Co.*, 409 U.S. 205, 211 (1972); *Havens Realty Corp v. Coleman*, 455  
23 U.S. 363, 379 (1982).  
24  
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25. Defendant’s conduct has caused particularized and concrete injury to the



**Figure 6: Fannie Mae REO in AA neighborhood in Oakland, CA.**

Plaintiffs. Defendant’s discriminatory REO maintenance practices have interfered with Plaintiffs’ activities and programs designed to promote compliance with fair housing laws, and have frustrated Plaintiffs’ missions by perpetuating the very unlawful discrimination and segregation that they

are dedicated to dismantling. Plaintiffs’ purposes and interests fall squarely

within the zone of interests protected by the Fair Housing Act. Defendant’s discriminatory behavior has caused Plaintiffs to divert substantial time and resources away from their usual activities and instead to detecting, investigating, and counteracting Defendant’s unlawful conduct, and engaging in outreach and education efforts to address Defendant’s ongoing discrimination. These efforts are above and beyond the operational activities and costs normally expended by Plaintiffs.

**II. JURISDICTION AND VENUE**

26. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 2201, and 2202, and 42 U.S.C. § 3613(a).

27. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because the Defendant does business in this district, the Defendant is subject to personal jurisdiction in this district, a substantial part of the events giving rise to these claims occurred in this district, and a substantial part of the property that is the subject of these claims is located in this district.

1           28.     Intradistrict assignment in the San Francisco and Oakland Division is proper  
2 under Civil Local Rule 3.2(c) because a substantial part of the events giving rise to the claims  
3 occurred in Alameda County and Contra Costa County.

### 4                           **III. PARTIES**

#### 5           **A. Plaintiffs**

6           29.     Plaintiff National Fair Housing Alliance, Inc. (“NFHA”) is a national, nonprofit  
7 public service organization incorporated under the laws of the Commonwealth of Virginia with  
8 its principal place of business at 1101 Vermont Avenue NW, Suite 710, Washington, D.C.  
9 20005. NFHA is a nationwide alliance of private, nonprofit, fair housing organizations,  
10 including organizations in 28 states. NFHA is the only national organization dedicated solely to  
11 ending housing discrimination and promoting residential integration. NFHA works throughout  
12 the United States to eliminate housing discrimination and to ensure equal opportunity for all  
13 people through leadership, education and outreach, membership services, public policy  
14 initiatives, advocacy, investigation of fair housing violations, investment in community  
15 development and stabilization projects, and enforcement. One of NFHA’s goals is the  
16 elimination of segregation in housing and the promotion of residential integration. NFHA has  
17 launched multiple educational campaigns to address housing discrimination designed to teach  
18 both consumers and housing professionals about equality of treatment of neighborhoods, the  
19 negative consequences that flow from racial steering, and the benefits of residential diversity.  
20 NFHA implemented a community development program using grants to homeowners and  
21 people living in rental properties to make homes accessible to people with disabilities and to  
22 senior homeowners in Washington, D.C.’s African-American neighborhoods to bring their  
23 homes up to code, so that their homes could qualify for replacement coverage from homeowners  
24 insurance companies. Its most recent program, the Inclusive Communities grant program,  
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1 provides grants to ameliorate some of the adverse effects of discriminatory practices during the  
2 foreclosure crisis. Focusing on predominantly African American and Latino neighborhoods and  
3 clients, these grants promote homeownership through direct down payment and closing cost  
4 assistance, invest in emergency repairs and foreclosure prevention measures to preserve existing  
5 homeownership, and implement housing repair programs and other blight reducing activities.  
6 The grants also provide accessible housing opportunities and facilitate general quality of life  
7 improvements to support greenspace development and fresh food access. The Inclusive  
8 Communities Grant Program is being implemented by NFHA in 6 metropolitan areas:  
9 Baltimore, Maryland; Charleston, South Carolina; Philadelphia, Pennsylvania, Prince George's  
10 County, Maryland; Washington, D.C.; and Oakland, California.

12 30. Plaintiff Fair Housing Advocates of Northern California (formerly Fair Housing  
13 of Marin) is a nonprofit fair housing organization incorporated under the laws of the State of  
14 California with its principal place of business in San Rafael, California in the Northern District  
15 of California. Fair Housing Advocates of Northern California's primary objectives are to  
16 promote equal opportunity in the renting, purchasing, financing and advertising of housing; to  
17 educate people regarding federal and state fair housing laws; to promote racially integrated  
18 communities and neighborhood diversity; and to eliminate discriminatory housing practices. It  
19 is engaged in several different activities to further its mission of promoting equal housing  
20 opportunities, including: education programs in schools and in the community regarding fair  
21 housing and diversity, training programs for real estate professionals, research regarding  
22 housing discrimination in the community, pre-purchase education for homebuyers, advocacy for  
23 affordable housing, and foreclosure prevention and fair housing counseling.

26 31. Plaintiff Central Ohio Fair Housing Association ("COFHA") is a private,  
27 nonprofit corporation based in Columbus, Ohio. COFHA recognizes the importance of "home"  
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1 as a component of the American dream and seeks to eliminate housing discrimination against all  
2 persons because of race, color, religion, national origin, sex, disability, familial status, or any  
3 other characteristic protected under state or local laws. One of COFHA's goals is the  
4 elimination of segregation in housing and the promotion of residential integration. COFHA has  
5 launched multiple educational campaigns to address housing discrimination designed to teach  
6 both consumers and housing professionals about equality of treatment of neighborhoods, the  
7 negative consequences that flow from racial steering, and the benefits of residential diversity.  
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9 32. Plaintiff Connecticut Fair Housing Center ("CFHC") is a nonprofit organization  
10 dedicated to ensuring that all people have equal access to housing opportunities in Connecticut.  
11 The Connecticut Fair Housing Center provides investigative and legal services to those who  
12 believe that they have been the victims of housing discrimination and additionally works with  
13 state and local government, as well as housing providers, to promote compliance with federal  
14 fair housing laws. One of Connecticut Fair Housing Center's goals is the elimination of  
15 segregation in housing and the promotion of residential integration. Connecticut Fair Housing  
16 Center has launched multiple educational campaigns to address housing discrimination designed  
17 to teach both consumers and housing professionals about equality of treatment of  
18 neighborhoods, the negative consequences that flow from racial steering, and the benefits of  
19 residential diversity.  
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21 33. Plaintiff Denver Metro Fair Housing Center ("DMFHC") established in 2012, is  
22 a private, nonprofit fair housing enforcement agency serving six Denver Metro Counties:  
23 Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson. DMFHC is dedicated to  
24 eliminating housing discrimination and promoting housing choice for all through education,  
25 advocacy, and enforcement of fair housing laws. One of DMFHC's goals is the elimination of  
26 segregation in housing and the promotion of residential integration. DMFHC has launched  
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1 multiple educational campaigns to address housing discrimination designed to teach both  
2 consumers and housing professionals about equality of treatment of neighborhoods, the negative  
3 consequences that flow from racial steering, and the benefits of residential diversity.

4 34. Plaintiff Fair Housing Center of Central Indiana (“FHCCI”) is a private,  
5 nonprofit fair housing organization based in Indianapolis, Indiana and primarily serves 24  
6 counties in Central Indiana. FHCCI’s mission is to ensure equal housing opportunities by  
7 eliminating housing discrimination through advocacy, enforcement, education and  
8 outreach. One of FHCCI’s goals is the elimination of segregation in housing and the promotion  
9 of residential integration. FHCCI has launched multiple educational campaigns to address  
10 housing discrimination designed to teach both consumers and housing professionals about  
11 equality of treatment of neighborhoods, the negative consequences that flow from racial  
12 steering, and the benefits of residential diversity.  
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14 35. Plaintiff Fair Housing Center of the Greater Palm Beaches (“FHCGPB”) is a  
15 nonprofit corporation dedicated to ensuring fair and affordable housing opportunities for all  
16 people, by promoting culturally diverse communities, through open housing and the elimination  
17 of all barriers to that goal. The FHCGPB’s primary purpose is the elimination of housing  
18 discrimination on the basis of race, color, national origin, religion, sex, familial status,  
19 disability, marital status, age, sexual orientation, and gender identity or expression throughout  
20 the Greater Palm Beaches area. The FHCGPB seeks the eradication and elimination of direct  
21 and indirect obstacles that limit full access to the housing market throughout Florida and seeks  
22 to end unlawful housing discrimination through enforcement, education, public awareness, and  
23 helping victims enforce their rights. One of FHCGPB’s goals is the elimination of segregation  
24 in housing and the promotion of residential integration. FHCGPB has launched multiple  
25 educational campaigns to address housing discrimination designed to teach both consumers and  
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1 housing professionals about equality of treatment of neighborhoods, the negative consequences  
2 that flow from racial steering, and the benefits of residential diversity.

3 36. Plaintiff Fair Housing Center of West Michigan (“FHCWM”) is a private, non-  
4 profit organization established in 1980 to ensure equal housing opportunity as guaranteed under  
5 federal, state, and local fair housing laws. Based in Grand Rapids, Michigan, FHCWM works  
6 cooperatively throughout Michigan with governmental and community-based agencies to  
7 further fair housing goals. In particular, FHCWM investigates claims of illegal housing  
8 discrimination; assists claimants in litigation and/or administrative enforcement actions;  
9 conducts testing to determine compliance with federal and state laws; and provides practical  
10 education to rental, sales, and lending professionals, any organization or professional with a role  
11 in the housing industry, and home-seekers.

13 37. Plaintiff Fair Housing Continuum, Inc. is a private, nonprofit fair housing agency  
14 dedicated entirely to the elimination of housing discrimination in Florida. Fair Housing  
15 Continuum serves Brevard, Indian River, Seminole, Osceola, Orange, and Volusia Counties.  
16 One of Fair Housing Continuum’s goals is the elimination of segregation in housing and the  
17 promotion of residential integration. Fair Housing Continuum has launched multiple educational  
18 campaigns to address housing discrimination designed to teach both consumers and housing  
19 professionals about equality of treatment of neighborhoods, the negative consequences that flow  
20 from racial steering, and the benefits of residential diversity.

22 38. Plaintiff Greater New Orleans Fair Housing Action Center (“GNOFHAC”) is a  
23 private, nonprofit civil rights organization established in 1995. For more than 15 years,  
24 GNOFHAC has been dedicated to eradicating housing discrimination throughout Southeast  
25 Louisiana. GNOFHAC has been responsible for fighting housing discrimination that has arisen  
26 in the wake of Hurricane Katrina and, in recent years, from the effects of the economic  
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1 recession. One of GNOFHAC's goals is the elimination of segregation in housing and the  
2 promotion of residential integration. GNOFHAC has launched multiple educational campaigns  
3 to address housing discrimination designed to teach both consumers and housing professionals  
4 about equality of treatment of neighborhoods, the negative consequences that flow from racial  
5 steering, and the benefits of residential diversity.

6 39. Plaintiff HOPE Fair Housing Center ("HOPE"), established in 1968, is the oldest  
7 fair housing center in Illinois. HOPE is based in Wheaton, Illinois and represents 30 counties in  
8 Northern and North Central Illinois. HOPE works to end the hurt and devastation of housing  
9 discrimination and segregation because of race, color, religion, national origin, sex, disability,  
10 familial status, or any other characteristics protected under state or local laws. One of HOPE's  
11 goals is the elimination of segregation in housing and the promotion of residential integration.  
12 HOPE has launched multiple educational campaigns to address housing discrimination designed  
13 to teach both consumers and housing professionals about equality of treatment of  
14 neighborhoods, the negative consequences that flow from racial steering, and the benefits of  
15 residential diversity.  
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18 40. Plaintiff Housing Opportunities Made Equal of Virginia ("HOME of Virginia")  
19 is a fair housing and housing counseling organization founded in 1971 to fight discrimination in  
20 housing access. HOME of Virginia offers a variety of programs and services designed to ensure  
21 equal access to housing for all Virginians. One of HOME's goals is the elimination of  
22 segregation in housing and the promotion of residential integration. HOME has launched  
23 multiple educational campaigns to address housing discrimination designed to teach both  
24 consumers and housing professionals about equality of treatment of neighborhoods, the negative  
25 consequences that flow from racial steering, and the benefits of residential diversity.  
26  
27  
28

1           41. Plaintiff Housing Opportunities Project for Excellence, Inc. (“HOPE, Inc.”) is  
2 the first nonprofit fair housing agency organized in the state of Florida and has been responsible  
3 for bringing fair housing discriminatory issues out of the hidden corners of the housing industry.  
4 HOPE, Inc.’s mission to fight housing discrimination in Miami-Dade and Broward Counties  
5 and to ensure equal housing opportunities throughout Florida. One of HOPE’s goals is the  
6 elimination of segregation in housing and the promotion of residential integration. HOPE has  
7 launched multiple educational campaigns to address housing discrimination designed to teach  
8 both consumers and housing professionals about equality of treatment of neighborhoods, the  
9 negative consequences that flow from racial steering, and the benefits of residential diversity.  
10

11           42. Plaintiff Housing Research & Advocacy Center (HRAC) is a private, non-profit  
12 organization, incorporated under the laws of Ohio and located in Cleveland, Ohio. Its mission  
13 is to eliminate housing discrimination and assure choice in Northeast Ohio by providing those at  
14 risk with effective information, intervention, and advocacy. In furthering this goal, HRAC  
15 provides counseling, guidance and support to individuals who encounter discrimination in their  
16 search for housing. This may include investigation of their complaints. HRAC also engages in  
17 activities designed to encourage fair housing practices by educating consumers of their rights  
18 and professionals of their responsibilities under the FHA, identifying barriers to fair housing in  
19 order to counteract and eliminate discriminatory housing practices, and by working with elected  
20 and government representatives to protect and improve fair housing laws. HRAC also conducts  
21 research into housing and lending patterns, and related fair housing matters, throughout  
22 Northeast Ohio in order to educate government officials, individuals who work in the housing  
23 industry, and the public as a whole regarding housing discrimination and segregation.  
24

25           43. Plaintiff Miami Valley Fair Housing Center (“MVFHC”) is a private, nonprofit  
26 corporation based in Dayton, Ohio. MVFHC recognizes the importance of “home” as a  
27

28

1 component of the American dream and seeks to eliminate housing discrimination against all  
2 persons because of race, color, religion, national origin, sex, disability, familial status, or any  
3 other characteristic protected under state or local laws. One of MVFHC's goals is the  
4 elimination of segregation in housing and the promotion of residential integration. MVFHC has  
5 launched multiple educational campaigns to address housing discrimination designed to teach  
6 both consumers and housing professionals about equality of treatment of neighborhoods, the  
7 negative consequences that flow from racial steering, and the benefits of residential diversity.  
8

9 44. Plaintiff Metro Fair Housing Services, Inc. ("Metro") is a private, nonprofit fair  
10 housing organization whose primary purpose is to prevent housing discrimination in the  
11 metropolitan Atlanta area and throughout the state of Georgia. Metro was founded in 1974 to  
12 promote social justice and eliminate housing and lending inequities for all people, including  
13 those with disabilities, through leadership, education and outreach, public policy advocacy, and  
14 enforcement. One of Metro's goals is the elimination of segregation in housing and the  
15 promotion of residential integration. Metro has launched multiple educational campaigns to  
16 address housing discrimination designed to teach both consumers and housing professionals  
17 about equality of treatment of neighborhoods, the negative consequences that flow from racial  
18 steering, and the benefits of residential diversity.  
19

20 45. Plaintiff Metropolitan Milwaukee Fair Housing Council ("MMFHC"),  
21 established in 1977, is a private, nonprofit organization that operates a full-service fair housing  
22 program. MMFHC serves numerous counties in Wisconsin and works to combat illegal housing  
23 discrimination by creating and maintaining racially and economically integrated housing  
24 patterns. MMFHC has won numerous awards for its work to eliminate housing discrimination.  
25 One of MMFHC's goals is the elimination of segregation in housing and the promotion of  
26 residential integration. MMFHC has launched multiple educational campaigns to address  
27  
28



1 housing discrimination designed to teach both consumers and housing professionals about  
2 equality of treatment of neighborhoods, the negative consequences that flow from racial  
3 steering, and the benefits of residential diversity.

4 46. Plaintiff North Texas Fair Housing Center (“NTFHC”) is a nonprofit  
5 organization dedicated to eliminating housing discrimination in North Texas. The organization  
6 provides counseling, discrimination complaint investigation, and outreach and education  
7 programs with the goal of ensuring that all persons have the opportunity to secure the housing  
8 they desire and can afford. One of North Texas Fair Housing Center’s goals is the elimination  
9 of segregation in housing and the promotion of residential integration. North Texas Fair  
10 Housing Center has launched multiple educational campaigns to address housing discrimination  
11 designed to teach both consumers and housing professionals about equality of treatment of  
12 neighborhoods, the negative consequences that flow from racial steering, and the benefits of  
13 residential diversity.  
14

15 47. Plaintiff Open Communities is a nonprofit corporation that serves 17 north  
16 suburban communities in the Chicago, Illinois area. Open Communities works to promote  
17 economically and culturally diverse communities that are welcoming to all in north suburban  
18 Chicago. Open Communities educates, advocates, and organizes in the name of social justice.  
19 One of Open Communities’ goals is the elimination of segregation in housing and the  
20 promotion of residential integration. Open Communities has launched multiple educational  
21 campaigns to address housing discrimination designed to teach both consumers and housing  
22 professionals about equality of treatment of neighborhoods, the negative consequences that flow  
23 from racial steering, and the benefits of residential diversity.  
24

25 48. Plaintiff South Suburban Housing Center (“SSHC”) is a nonprofit community  
26 organization that primarily serves the south metropolitan Chicago area including underserved  
27  
28

1 areas of northwest Indiana. SSHC is dedicated to eliminating all forms of discrimination in the  
2 housing market through the operation of fair housing enforcement and affirmative housing  
3 counseling programs to foster stable, racially and economically, diverse communities. SSHC's  
4 primary goal is the elimination of segregation in housing and the promotion of residential  
5 integration through expanding housing and mortgage lending choices. SSHC has launched  
6 multiple educational activities to address housing discrimination designed to teach both  
7 consumers and housing professionals about equality of treatment of neighborhoods, the negative  
8 consequences that flow from racial steering, and the benefits of residential diversity.  
9

10 49. Plaintiff Toledo Fair Housing Center ("TFHC") is a public service agency  
11 operated by Fair Housing Opportunities of Northwest Ohio, Inc., a non-profit corporation  
12 organized under the laws of the State of Ohio, with its principal place of business in Toledo,  
13 Ohio. The purposes of the Toledo Fair Housing Center are to identify and eliminate all forms of  
14 unlawful discrimination in housing in the greater Toledo area, including discriminatory  
15 advertising, marketing, and sales practices; to educate the public about housing discrimination  
16 laws, discriminatory housing practices, and the availability of legal remedies for such  
17 discriminatory practices; to provide counseling and referral services to the public with respect to  
18 housing discrimination matters; and to expand equal housing opportunities for all persons.  
19

20 50. All Plaintiffs are "aggrieved persons" within the meaning of the Fair Housing  
21 Act, and are authorized to commence litigation to obtain appropriate relief against Defendant  
22 Fannie Mae. 42 U.S.C. §3602, 3612, 3613. All Plaintiffs fall within the zone of interests  
23 protected by the Fair Housing Act. All Plaintiffs have suffered concrete and particularized  
24 injuries in fact that are fairly traceable to Defendant Fannie Mae's conduct in their communities,  
25 and that are likely to be redressed by a favorable judicial decision.  
26  
27  
28

1           **B. Defendant**

2           51. Defendant Federal National Mortgage Association (“Fannie Mae”) is a publicly  
3 traded company that operates under a congressional charter directing it to increase the  
4 availability and affordability of homeownership for low-, moderate- and middle-income  
5 Americans. 12 U.S.C. §1716 et seq. Fannie Mae’s primary purpose and business activity is to  
6 purchase and guarantee home mortgages that meet its funding criteria. Fannie Mae maintains  
7 offices throughout the country, including a Regional Office in the State of California.

8           52. When a mortgage owned by Fannie Mae goes into default and foreclosure,  
9 Fannie Mae eventually obtains title to the dwelling securing the mortgage. The property is  
10 thereafter referred to as a “Real Estate Owned” or “REO” dwelling. Once a dwelling becomes  
11 an REO property, Fannie Mae assumes all duties and responsibilities of ownership, including  
12 ordinary maintenance, while it attempts to market the dwelling for sale to the general public.  
13 Fannie Mae conducts routine maintenance to preserve the dwelling so it can be sold and can  
14 recover the highest and best market price. REO properties are “dwellings” within the meaning  
15 of the Fair Housing Act, 42 U.S.C. § 3602.  
16  
17

18                           **IV. FACTS**

19           **A. Defendant’s REO Maintenance Policies and Practices Discriminate Against**  
20           **Communities of Color Throughout the Country.**

21                           *a. Fannie Mae’s Maintenance of REO Properties*

22           53. Once Fannie Mae takes title to a REO property, its stated goal is to perform basic  
23 and routine maintenance services on the property that are standard in the REO maintenance  
24 industry. Fannie Mae conducts such routine maintenance to preserve the dwelling so it can be  
25 sold at the highest and best market price. Through its maintenance of its REO properties, Fannie  
26 Mae seeks to ensure that they are appealing to prospective buyers and are ready for sale. As  
27  
28

1 Fannie Mae states, its strategy is to “maintain each property in [its] inventory at a level of  
 2 market-readiness both inside and outside of the property, supporting neighborhood  
 3 stabilization.” Fannie Mae is also required to perform maintenance to ensure that each REO  
 4 property complies with local codes. To achieve these goals, Fannie Mae has developed its own  
 5 REO maintenance checklist.

6 54. The routine exterior maintenance that Fannie Mae is supposed to perform on all  
 7 REO properties is objectively measurable, verifiable, and externally visible. Such maintenance  
 8 activities include, but are not limited to, mowing, weeding, and edging; trimming shrubs and  
 9 trees; removing snow, trash, and debris; securing doors and windows; repairing or replacing  
 10 loose handrails and steps; and covering any holes into the dwelling. Under Fannie Mae’s  
 11 policies, these routine exterior maintenance functions are supposed to be met readily and  
 12 regularly at every REO property, regardless of the condition or location of the property.  
 13

14 ***b. Plaintiffs’ Investigation of Fannie Mae’s Exterior Maintenance of REO***  
 15 ***Properties***

16  
 17 55. In one of the most comprehensive fair housing investigations conducted under  
 18 the Fair Housing Act, Plaintiffs investigated Defendant’s maintenance of REO properties  
 19 throughout the country from July 2011 to October 2015. The investigation included over 2,300  
 20 residential dwellings covered by the Fair Housing Act.

21 56. Plaintiffs’ investigation focused on the following metropolitan areas:

| Metropolitan Area          | Metropolitan Area      |
|----------------------------|------------------------|
| Albuquerque, New Mexico    | Louisville, Kentucky   |
| Atlanta, Georgia           | Memphis, Tennessee     |
| Baltimore, Maryland        | Miami, Florida         |
| Baton Rouge, Louisiana     | Milwaukee, Wisconsin   |
| Charleston, South Carolina | Minneapolis, Minnesota |
| Chicago, Illinois          | Muskegon, Michigan     |
| Cleveland, Ohio            | New Orleans, Louisiana |

|   |                               |  |
|---|-------------------------------|--|
| 1 | Columbus, Ohio                | Newark, New Jersey                                     |
|   | Dallas, Texas                 | Orlando, Florida                                       |
| 2 | Dayton, Ohio                  | Philadelphia, Pennsylvania                             |
| 3 | Denver, Colorado              | Phoenix, Arizona                                       |
|   | Dallas, Texas                 | Providence, Rhode Island                               |
| 4 | Gary, Indiana                 | Richmond & Oakland, California                         |
| 5 | Grand Rapids, Michigan        | Richmond, Virginia                                     |
|   | Greater Palm Beaches, Florida | San Diego, California                                  |
| 6 | Hartford, Connecticut         | Toledo, Ohio   |
| 7 | Indianapolis, Indiana         | Tucson, Arizona  |
|   | Kansas City, Missouri         | Vallejo, California                                    |
| 8 |                               | Washington, D.C. & Prince George's County,<br>Maryland |
| 9 | Las Vegas, Nevada             |  |

10  
11 57. In each of these 38 metropolitan areas, Plaintiffs identified the zip codes in a  
12 given metropolitan area with the highest foreclosure rates that were racially concentrated (*i.e.*  
13 were predominantly African-American, Latino, non-white, or white). Plaintiffs then inspected  
14 all (100%) of Fannie Mae's REO properties in those zip codes within the same relative time  
15 period, unless the properties were already occupied or work appeared to be underway at the  
16 time of the site visits.

17  
18 58. Fannie Mae's ownership of properties was determined by using county property  
19 records, records kept by the clerk of courts, RealtyTrac, Fannie Mae's Homepath website, and  
20 other database sources. The data was also crosschecked with other records in order to verify the  
21 ownership of the homes.

22 59. Plaintiffs evaluated Defendant's treatment of these properties according to  
23 specific exterior maintenance requirements set forth on Fannie Mae's REO maintenance  
24 checklist, which are standard in the REO maintenance industry.<sup>2</sup> According to Fannie Mae's  
25 own requirements, all REO properties must be secured within 5-7 calendar days of vacancy;  
26

27  
28 <sup>2</sup> See sample Fannie Mae Maintenance Checklist, attached as Exhibit A.

1 initial lawn maintenance and shrub maintenance must be completed within 10 calendar days of  
2 vacancy; and there is no legitimate reason for failing to perform this maintenance for more than  
3 a minimal period of time after foreclosure.

4 60. Plaintiffs' investigators observed, recorded, and photographed the maintenance  
5 condition of Fannie Mae's REO properties with respect to over three dozen exterior factors,  
6 such as accumulation of trash and mail, overgrown grass and shrubbery, unsecured doors,  
7 damaged steps and handrails, windows and fences, and broken or missing signage. Plaintiffs'  
8 investigators recorded their observations. To ensure consistency, investigators utilized a specific  
9 glossary of terminology, using samples to illustrate the components being evaluated. The  
10 glossary accounted for and illustrated variations in severity. The investigators also  
11 photographed the exterior maintenance factors observed. The investigators' reports and pictures  
12 were uploaded into a central database, and each property was assigned a neighborhood  
13 designation based on racial or ethnic makeup of the Census block group in which the address  
14 was located.  
15  
16

17 ***c. The Results of Plaintiffs' Investigation of Fannie Mae's Maintenance of REO***  
18 ***Properties (National Findings)***

19 61. Plaintiffs' investigation of Fannie Mae's REO properties across the nation  
20 establishes that Defendant treated properties differently depending on the racial composition of  
21 the neighborhoods in which the properties were located. In each of the metropolitan areas  
22 visited, the REO properties located in predominantly white neighborhoods were better  
23 maintained and exhibited fewer maintenance deficiencies than the REO properties located in  
24 communities of color. Moreover, the severity of the exterior maintenance deficiencies observed  
25 in communities of color were significantly worse than for those observed in predominantly  
26 white neighborhoods.  
27  
28

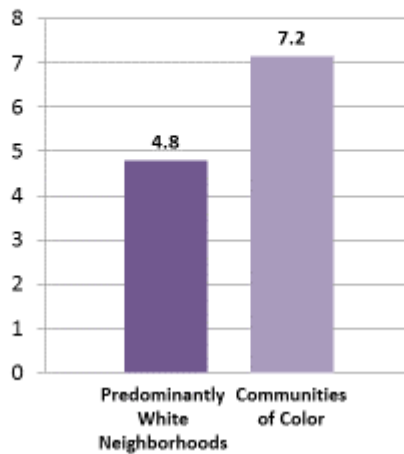


1           62. Overall, Plaintiffs documented significant differing treatment in many of the  
2 objective factors evaluated. For example:

- 3           a. 52.8% of the Fannie Mae REO properties in predominantly white neighborhoods  
4           had fewer than 5 maintenance or marketing deficiencies, while only 23.6% of the  
5           Fannie Mae REO properties in communities of color had fewer than 5  
6           deficiencies.  
7  
8           b. 39.0% of the Fannie Mae REO properties in communities of color had trash  
9           visible on the property, while only 14.9% of the Fannie Mae REO properties in  
10           predominantly white neighborhoods had trash visible on the property.  
11           c. 24.9% of the Fannie Mae REO properties in communities of color had unsecured  
12           or broken doors, while only 11.1% of the Fannie Mae REO properties in  
13           predominantly white neighborhoods had unsecured or broken doors.  
14           d. 18.3% of the Fannie Mae REO properties in communities of color had damaged  
15           steps and handrails on the property, while only 8.9% of the Fannie Mae REO  
16           properties in predominantly white neighborhoods had damaged steps and  
17           handrails on the property.  
18           e. 41.5% of the Fannie Mae REO properties in communities of color had damaged,  
19           boarded, or unsecured windows, while only 19.1% of the Fannie Mae REO  
20           properties in predominantly white neighborhoods had damaged, boarded, or  
21           unsecured windows.  
22           f. 15.3% of the Fannie Mae REO properties in communities of color had broken or  
23           hanging gutters, while only 7.0% of the Fannie Mae REO properties in  
24           predominantly white neighborhoods had broken or hanging gutters.  
25  
26  
27  
28

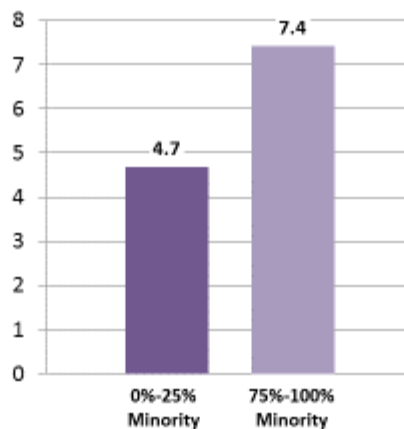
63. Statistical analysis of Plaintiffs' evidence shows a large difference in the average number of deficiencies between communities of color and predominantly white neighborhoods. The average number of deficiencies in communities of color is 7.2, but the average in predominantly white neighborhoods is only 4.8.

Average Number of Deficiencies



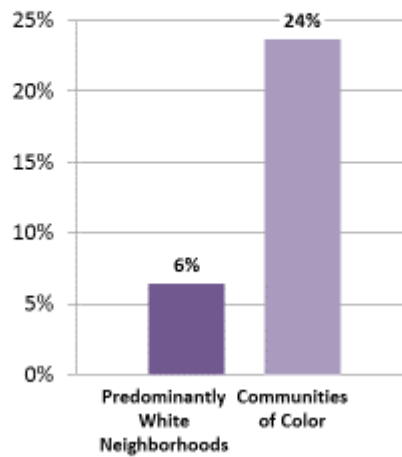
64. Similarly, the average number of deficiencies in neighborhoods that are over 75% minority is 7.4, while the average in neighborhoods that are less than 25% minority is only 4.7.

Average Number of Deficiencies



1 65. Further demonstrating the outsized role of race in connection with Fannie Mae’s  
 2 REO maintenance efforts, properties with a large number of deficiencies were  
 3 disproportionately concentrated in communities of color. 24% of properties in communities of  
 4 color – but only 6% of those in predominantly white neighborhoods – had ten or more  
 5 deficiencies.

6  
 7 **10 or More Deficiencies**



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 9  
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 15  
 16 66. All of the disparities identified in paragraphs 63 through 65 are statistically  
 17 significant at a 99% confidence level ( $p < 0.01$ ).<sup>3</sup>

18  
 19 67. These disparities in treatment are not explained or caused by any other non-racial  
 20 factors. To the contrary, a regression analysis of the data collected by Plaintiffs confirms that  
 21 the disparities in Fannie Mae’s REO maintenance are attributable to neighborhood racial  
 22 composition, not to non-racial factors, and that the role of race in determining the difference in  
 23 disparities is statistically significant.

24 68. Plaintiffs’ regression analysis incorporated publicly available data from across  
 25 the country in locations where Plaintiffs investigated Fannie Mae’s maintenance practices. The

26  
 27  
 28 <sup>3</sup> This is based on a two-tailed t test.

1 data concerned both the individual properties and the areas in which they are located.  
2 Specifically, the data included prior sales dates and prices; additional property transfer history;  
3 local crime statistics based on FBI standards; local housing market data; property age; dwelling  
4 size; lot size; how long properties had been in Fannie Mae's REO inventory at the time of the  
5 site visit; and property values.

6 69. The results of the regression analyses establish that even after taking into account  
7 these non-racial factors, the maintenance deficiencies existing at Fannie Mae REO properties in  
8 communities of color remain greater than the maintenance deficiencies existing at Fannie Mae  
9 REO properties in predominantly white communities, and that the differences remain  
10 statistically significant.

12 70. With respect to the average number of deficiencies at Fannie Mae's REO  
13 properties in communities of color and predominantly white neighborhoods, respectively, 60%  
14 of the difference cannot be explained by the many non-racial factors included in Plaintiffs'  
15 regression analyses.

17 71. With respect to the average number of deficiencies at properties in  
18 neighborhoods that are over 75% minority and less than 25% minority, respectively, 59% of the  
19 difference cannot be explained by the non-racial factors.

20 72. Similarly, 65% of the difference in the likelihood that a property in a  
21 communities of color had ten or more deficiencies, as compared to a property in a predominantly  
22 white neighborhood, is unexplained by the non-racial factors in Plaintiffs' regression analyses.

24 73. These examples of statistical disparities are merely representative of the  
25 numerous forms of data establishing the differential treatment of communities of color as  
26 compared to predominantly white neighborhoods.

1           74.     Plaintiffs’ regression analyses demonstrate that the remaining disparities  
2 identified in paragraphs 70 to 72 are attributable to neighborhood racial composition. These  
3 remaining disparities due to neighborhood race are statistically significant at a 99% or higher  
4 confidence level ( $p < 0.01$ ).

5           75.     The evidence establishes that the disparity between Fannie Mae’s treatment of  
6 communities of color and white neighborhoods can only be explained by race.

7  
8           76.     Fannie Mae’s maintenance policies and practices are the direct and proximate  
9 cause of the statistical disparities in the maintenance of properties in neighborhoods with  
10 different racial and ethnic compositions as alleged herein and revealed by Plaintiffs’  
11 investigation.

12           77.     The differences in maintenance at Defendant’s REO properties is consistent in  
13 metropolitan areas regardless of their location in the country. Whether analyzed on a national or  
14 a metropolitan area basis, the same pattern of discriminatory treatment is evident. The  
15 consistent and repetitive pattern of discriminatory treatment across cities and over the span of  
16 time indicates that Defendant’s practices are the result of policies and practices set at a  
17 management level with responsibility for Defendant’s policies nationwide.

18  
19           78.     Defendant’s different treatment of REO properties based on the predominant  
20 race or ethnicity of neighborhoods is consistent and continuous throughout the period of  
21 Plaintiffs’ investigation. Whether analyzed on a year-to-year basis or over the entire period of  
22 investigation, the same pattern of differential treatment is evident and constitutes a continuing  
23 violation of the Fair Housing Act.

24  
25           79.     There are no valid business purposes served by, or valid excuses for, Defendant’s  
26 differing maintenance of REO properties based on neighborhood racial composition. Fannie

27  
28

1 Mae has a financial interest in maintaining and securing its inventory of REO properties in order  
2 to preserve the value until the property is sold.

3 80. Notably, during the relevant time period, Plaintiffs' investigation of REO  
4 properties owned by Freddie Mac, an analogous public government-sponsored enterprise,  
5 revealed no differences between the quality of maintenance of Freddie Mac's REO properties in  
6 communities of color and those in predominantly white neighborhoods. Freddie Mac is a sound  
7 comparator to Fannie Mae because it is similarly situated to Fannie Mae with respect to its REO  
8 maintenance responsibilities: both are government-sponsored enterprises that purchase and  
9 guarantee home mortgages on the secondary market; both obtain title and ownership of  
10 properties if those mortgages default and are foreclosed upon; both experienced a significant  
11 increase in property ownership as a result of the financial crisis, resulting in large inventories of  
12 REO properties throughout the nation; and both were subsequently responsible for the large-  
13 scale endeavor of maintaining those REO properties. However, in stark contrast to their findings  
14 with respect to Fannie Mae, Plaintiffs found no differences in Freddie Mac's exterior  
15 maintenance of REO properties based on racial or ethnic composition of the neighborhood.  
16  
17

18 **B. Plaintiffs Advised Fannie Mae of Its Systemic Racial Discrimination, But Fannie**  
19 **Mae Did Not Change Its Behavior.**

20 81. During an initial investigation into the maintenance of REO properties  
21 throughout the lending industry, Plaintiffs observed that many of the REO properties  
22 demonstrating poor maintenance in communities of color were owned by Defendant Fannie  
23 Mae. Plaintiffs published and disseminated the results of its industry-wide investigation, *see*  
24 [http://www.nationalfairhousing.org/Portals/33/Banks%20are%20Back%20Final%2012.3.2012.](http://www.nationalfairhousing.org/Portals/33/Banks%20are%20Back%20Final%2012.3.2012.pdf)  
25 [pdf](http://www.nationalfairhousing.org/Portals/33/Banks%20are%20Back%20Final%2012.3.2012.pdf), and engaged in a series of meetings with Fannie Mae officials. Plaintiffs informed Fannie  
26 Mae of its findings and appealed to Fannie Mae to cease and desist its discriminatory behavior.  
27  
28



1           82.     Plaintiffs thereafter continued to gather additional evidence regarding Fannie  
2 Mae’s maintenance of REO properties. Prior to the initiation of this litigation, Plaintiffs met  
3 several more times with Fannie Mae officials and informed them again that their maintenance of  
4 REO properties was discriminatory. Plaintiffs provided photographs and comparative data to  
5 Fannie Mae demonstrating its poor maintenance of REO properties in communities of color.  
6 Plaintiffs also provided training to Fannie Mae employees concerning the unequal maintenance  
7 of Fannie Mae’s REO properties. Plaintiffs asked Fannie Mae to take appropriate action.  
8 Plaintiffs made more attempts to obtain voluntary compliance and met with Fannie Mae  
9 representatives again in September 2014 and January 2015.  
10

11           83.     On May 13, 2015, Plaintiffs filed with the U.S. Department of Housing and  
12 Urban Development (“HUD”) an administrative complaint of discrimination against Defendant  
13 Fannie Mae pursuant to 42 U.S.C. § 3610. That administrative complaint is under investigation  
14 by HUD and remains pending.  
15

16           84.     Despite Plaintiffs’ notices and efforts to obtain Fannie Mae’s voluntary  
17 compliance with the Fair Housing Act, Fannie Mae did not change its behavior and continued to  
18 maintain its REO properties differently based on the predominant race or national origin of  
19 neighborhoods.  
20

21           85.     Fannie Mae is well aware of the negative effects that poorly maintained REO  
22 dwellings can have on neighborhoods. Fannie Mae maintains a website that lists all of its REO  
23 inventory: [www.homepath.com](http://www.homepath.com). On this website, Fannie Mae states that, in addition to  
24 maintaining its REO inventory to a level of market readiness, it also strives to “be a good  
25 neighbor,” “support marketing efforts” and “support neighborhood stabilization.” Its stated  
26 goals include to “minimize Fannie Mae’s exposure to potential property damage and liability  
27 and remove any REO stigma from Fannie Mae-owned properties.”  
28

1           86.     The Homepath website also states that “Fannie Mae's property maintenance  
2 practices are part of its overall neighborhood stabilization efforts, which include prioritizing  
3 sales to owner occupants and selling properties in a timely manner to promote stability and  
4 minimize the impact to the local community.”

5           87.     Fannie Mae has also maintained a “First Look” program throughout the time that  
6 Plaintiffs were conducting their REO investigation. The First Look program allows owner-  
7 occupants and non-profits to purchase foreclosures for 20 days before they are made available  
8 to investors. The program was created at Fannie Mae to “promote homeownership and support  
9 neighborhood stabilization.”  
10

11           88.     Fannie Mae’s statements and programs demonstrate its understanding that  
12 adequate REO maintenance and disposition are a critical component of neighborhood  
13 stabilization and recovery. They also establish Fannie Mae’s knowledge that neglecting its REO  
14 properties and allowing them to deteriorate has a direct, negative effect on entire  
15 neighborhoods.  
16

17           **C. Defendant Has Engaged in a Pattern and Practice of Systemic Racial**  
18           **Discrimination In Each of the Cities Served by Plaintiffs.**

19           89.     In each of the 38 metropolitan areas throughout the United States investigated by  
20 Plaintiffs, the general pattern of discrimination and differing treatment based on the  
21 predominant race or national origin of neighborhoods is evident.

22           *Albuquerque, NM*  
23

24           90.     Overall, REO properties in predominantly white neighborhoods in the  
25 Albuquerque, NM, metropolitan area were far more likely to have a small number of  
26 maintenance deficiencies or problems than REO properties in communities of color, while REO  
27 properties in communities of color were far more likely to have large numbers of such  
28

1 deficiencies or problems than those in predominantly white neighborhoods. For example, and  
2 without listing all examples of differing maintenance because of race, the evidence that  
3 Plaintiffs gathered in the Albuquerque, NM metropolitan area shows:

- 4 a. 66.7% of the Fannie Mae REO properties in predominantly white neighborhoods  
5 had fewer than 5 maintenance or marketing deficiencies, while only 27.8% of the  
6 Fannie Mae REO properties in communities of color had fewer than 5  
7 deficiencies.  
8
- 9 b. 72.2% of the Fannie Mae REO properties in communities of color had 5 or more  
10 maintenance or marketing deficiencies, while only 33.3% of the Fannie Mae  
11 REO properties in predominantly white neighborhoods had 5 or more  
12 maintenance or marketing deficiencies.
- 13 c. 38.9% of the Fannie Mae REO properties in communities of color had 10 or more  
14 maintenance or marketing deficiencies, while none of the Fannie Mae REO  
15 properties in predominantly white neighborhoods had 10 or more maintenance or  
16 marketing deficiencies.  
17
- 18 d. 11.1% of the Fannie Mae REO properties in communities of color had trash  
19 visible on the property, while none of the Fannie Mae REO properties in  
20 predominantly white neighborhoods had trash visible on the property.
- 21 e. 83.3% of the Fannie Mae REO properties in communities of color had overgrown  
22 or dead shrubbery on the property, while only 16.7% of the Fannie Mae REO  
23 properties in predominantly white neighborhoods had overgrown or dead  
24 shrubbery on the property.  
25
- 26 f. 44.4% of the Fannie Mae REO properties in communities of color had unsecured  
27 or broken doors allowing unfettered access to the interior, while only 16.7% of  
28

1 the Fannie Mae REO properties in predominantly white neighborhoods had  
2 unsecured or broken doors allowing unfettered access to the interior.

3 g. 33.3% of the Fannie Mae REO properties in communities of color had damaged  
4 or boarded windows, while none of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had damaged or boarded windows.

6 h. 66.7% of the Fannie Mae REO properties in communities of color displayed a no  
7 trespassing or warning sign on the property, while only 33.3% of the Fannie Mae  
8 REO properties in predominantly white neighborhoods displayed a no  
9 trespassing or warning sign on the property.

10 i. 50.0% of the Fannie Mae REO properties in communities of color had peeled or  
11 chipped paint, while none of the Fannie Mae REO properties in predominantly  
12 white neighborhoods had peeled or chipped paint.

13  
14 *Atlanta, GA*

15 91. Overall, REO properties in predominantly white neighborhoods in the Atlanta,  
16 GA, metropolitan area were far more likely to have a small number of maintenance deficiencies  
17 or problems than REO properties in communities of color, while REO properties in  
18 communities of color were far more likely to have large numbers of such deficiencies or  
19 problems than those in predominantly white neighborhoods. For example, and without listing  
20 all examples of differing maintenance because of race or national origin, the evidence that  
21 Plaintiffs gathered in the Atlanta, GA metropolitan area shows:  
22

23 a. 61.5% of the Fannie Mae REO properties in predominantly white neighborhoods  
24 had fewer than 5 maintenance or marketing deficiencies, while only 10.0% of the  
25 Fannie Mae REO properties in communities of color had fewer than 5  
26 deficiencies.  
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- b. 90.0% of the Fannie Mae REO properties in communities of color had 5 or more maintenance or marketing deficiencies, while only 38.5% of the Fannie Mae REO properties in predominantly white neighborhoods had 5 or more maintenance or marketing deficiencies.
- c. 25.0% of the Fannie Mae REO properties in communities of color had 10 or more maintenance or marketing deficiencies, while only 3.8% of the Fannie Mae REO properties in predominantly white neighborhoods had 10 or more maintenance or marketing deficiencies.
- d. 17.5% of the Fannie Mae REO properties in communities of color had trash visible on the property, while only 3.8% of the Fannie Mae REO properties in predominantly white neighborhoods had trash visible on the property.
- e. 40.0% of the Fannie Mae REO properties in communities of color had overgrown or dead shrubbery on the property, while only 11.5% of the Fannie Mae REO properties in predominantly white neighborhoods had overgrown or dead shrubbery on the property.
- f. 32.5% of the Fannie Mae REO properties in communities of color had damaged or boarded windows, while only 15.4% of the Fannie Mae REO properties in predominantly white neighborhoods had damaged or boarded windows.
- g. 50.0% of the Fannie Mae REO properties in communities of color displayed a no trespassing or warning sign on the property, while only 26.9% of the Fannie Mae REO properties in predominantly white neighborhoods displayed a no trespassing or warning signs on the property.

1 h. 55.0% of the Fannie Mae REO properties in communities of color had peeling or  
2 chipped paint, while 26.9% of the Fannie Mae REO properties in predominantly  
3 white neighborhoods had peeling or chipped paint.

4 *Baltimore, MD*

5 92. Overall, REO properties in predominantly white neighborhoods in the Baltimore,  
6 MD, metropolitan area were far more likely to have a small number of maintenance deficiencies  
7 or problems than REO properties in communities of color, while REO properties in  
8 communities of color were far more likely to have large numbers of such deficiencies or  
9 problems than those in predominantly white neighborhoods. For example, and without listing  
10 all examples of differing maintenance because of race or national origin, the evidence that  
11 Plaintiffs gathered in the Baltimore, MD metropolitan area shows:  
12

- 13 a. 31.4% of the Fannie Mae REO properties in communities of color had 10 or more  
14 maintenance or marketing deficiencies, while only 16.7% of the Fannie Mae  
15 REO properties in predominantly white neighborhoods had 10 or more  
16 maintenance or marketing deficiencies.  
17
- 18 b. 45.7% of the Fannie Mae REO properties in communities of color had trash  
19 visible on the property, while only 20.0% of the Fannie Mae REO properties in  
20 predominantly white neighborhoods had trash visible on the property.  
21
- 22 c. 37.1% of the Fannie Mae REO properties in communities of color had missing or  
23 out-of-place gutters, while only 13.3% of the Fannie Mae REO properties in  
24 predominantly white neighborhoods had missing or out-of-place gutters.  
25
- 26 d. 17.1% of the Fannie Mae REO properties in communities of color had broken or  
27 hanging gutters, while none of the Fannie Mae REO properties in predominantly  
28 white neighborhoods had broken or hanging gutters.

1 e. 62.9% of the Fannie Mae REO properties in communities of color had overgrown  
2 or dead shrubbery, while only 26.7% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had dead or overgrown shrubbery

4 f. 40% of the Fannie Mae REO properties in communities of color had holes in the  
5 structure, while only 16.7% of the Fannie Mae properties in predominantly white  
6 neighborhoods had holes in the structure.

7  
8 *Baton Rouge, LA*

9 93. Overall, REO properties in predominantly white neighborhoods in Baton Rouge,  
10 LA, were far more likely to have a small number of maintenance deficiencies or problems than  
11 REO properties in communities of color, while REO properties in communities of color were  
12 far more likely to have large numbers of such deficiencies or problems than those in  
13 predominantly white neighborhoods. For example, and without listing all examples of differing  
14 maintenance because of race or national origin, the evidence that Plaintiffs gathered in Baton  
15 Rouge, LA shows:

16  
17 a. 55.6% of the Fannie Mae REO properties in predominantly white  
18 neighborhoods had fewer than 5 maintenance or marketing deficiencies, while  
19 none of the Fannie Mae REO properties in communities of color had fewer than  
20 5 maintenance or marketing deficiencies.

21 b. 44.4% of the Fannie Mae REO properties in predominantly white neighborhoods  
22 had 5 or more maintenance or marketing deficiencies, while 100% of the Fannie  
23 Mae REO properties in communities of color had 5 or more maintenance or  
24 marketing deficiencies.  
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1 c. 63.6% of the Fannie Mae REO properties in communities of color had trash  
2 visible in the property, while none of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had trash visible in the property.

4 d. 45.5% of the Fannie Mae REO properties in communities of color had damaged  
5 siding, while only 11.1% of the Fannie Mae REO properties in predominantly  
6 white neighborhoods had damaged siding.

7 e. 81.8% of the Fannie Mae REO properties in communities of color had 10%-50%  
8 of the lawn covered in dead grass, while only 22.2% of the Fannie Mae REO  
9 properties in predominantly white neighborhoods had 10%-50% of the lawn  
10 covered in dead grass.  
11

12 *Charleston, SC*

13 94. Overall, REO properties in predominantly white neighborhoods in Charleston,  
14 SC, were far more likely to have a small number of maintenance deficiencies or problems than  
15 REO properties in communities of color, while REO properties in communities of color were  
16 far more likely to have large numbers of such deficiencies or problems than those in  
17 predominantly white neighborhoods. For example, and without listing all examples of differing  
18 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
19 Charleston, SC shows:  
20

21 a. 77.8% of the Fannie Mae REO properties in predominantly white neighborhoods  
22 had fewer than 5 maintenance or marketing deficiencies, while only 25.0% of the  
23 Fannie Mae REO properties in communities of color had fewer than 5  
24 maintenance or marketing deficiencies.  
25

26 b. 50.0% of the Fannie Mae REO properties in communities of color had 10 or more  
27 maintenance or marketing deficiencies, while none of the Fannie Mae REO  
28

1 properties in predominantly white neighborhoods had 10 or more maintenance  
2 deficiencies or problems.

3 c. 50.0% of the Fannie Mae REO properties in communities of color had unsecured  
4 or broken doors and locks, while none of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had unsecured or broken doors and locks.

6 d. 50.0% of the Fannie Mae REO properties in communities of color had overgrown  
7 grass and leaves, while none of the Fannie Mae REO properties in predominantly  
8 white neighborhoods had overgrown grass and leaves.

9 e. 50.0% of the Fannie Mae REO properties in communities of color had overgrown  
10 or dead shrubbery, while none of the Fannie Mae REO properties in  
11 predominantly white neighborhoods had overgrown or dead shrubbery.

12 f. 50.0% of the Fannie Mae REO properties in communities of color had wood rot,  
13 while only 22.2% of Fannie Mae REO properties in predominantly white  
14 neighborhoods had wood rot.  
15

16  
17 *Chicago, IL*

18 95. Overall, REO properties in predominantly white neighborhoods in the Chicago,  
19 IL metropolitan area were far more likely to have a small number of maintenance deficiencies  
20 or problems than REO properties in communities of color, while REO properties in  
21 communities of color were far more likely to have large numbers of such deficiencies or  
22 problems than those in predominantly white neighborhoods. For example, and without listing  
23 all examples of differing maintenance because of race or national origin, the evidence that  
24 Plaintiffs gathered in the Chicago, IL metropolitan area shows:  
25

26 a. 75.7% of the Fannie Mae REO properties in communities of color had 5 or more  
27 maintenance deficiencies or problems, while 47.8% of the Fannie Mae REO  
28

1 properties in predominantly white neighborhoods had 5 or more maintenance  
2 deficiencies or problems.

3 b. 17.9% of the Fannie Mae REO properties in communities of color had damaged  
4 steps and handrails, while only 7.2% of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had damaged steps and handrails.

6 c. 13.3% of the Fannie Mae REO properties in communities of color had utilities  
7 that were exposed or tampered with, while only 7.8% of the Fannie Mae REO  
8 properties in predominantly white neighborhoods had utilities that were exposed  
9 or tampered with.  
10

11 d. 11.6% of the Fannie Mae REO properties in communities of color had broken or  
12 hanging gutters, while only 4.4% of the Fannie Mae REO properties in  
13 predominantly white neighborhoods had broken or hanging gutters.

14 e. 36.4% of the Fannie Mae REO properties in communities of color had broken or  
15 boarded windows, while only 15.0% of the Fannie Mae REO properties in  
16 predominantly white neighborhoods had broken or boarded windows.  
17

18 *Cleveland, OH*

19 96. Overall, REO properties in predominantly white neighborhoods in Cleveland,  
20 OH were far more likely to have a small number of maintenance deficiencies or problems than  
21 REO properties in communities of color, while REO properties in communities of color were  
22 far more likely to have large numbers of such deficiencies or problems than those in  
23 predominantly white neighborhoods. For example, and without listing all examples of differing  
24 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
25 Cleveland, OH shows:  
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- a. 93.3% of the Fannie Mae REO properties in communities of color had 5 or more maintenance deficiencies or problems, while only 58.6% of the Fannie Mae REO properties in predominantly white neighborhoods had 5 or more maintenance deficiencies or problems.
- b. 40.0% of the Fannie Mae REO properties in communities of color had 10 or more maintenance deficiencies or problems, while only 6.9% of the Fannie Mae REO properties in predominantly white neighborhoods had 10 or more maintenance deficiencies or problems.
- c. 80.0% of the Fannie Mae REO properties in communities of color had damaged siding, while only 34.5% of the Fannie Mae REO properties in predominantly white neighborhoods had damaged siding.
- d. 40.0% of the Fannie Mae REO properties in communities of color had wood rot, while only 13.8% of the Fannie Mae REO properties in predominantly white neighborhoods had wood rot.
- e. 33.3% of the Fannie Mae REO properties in communities of color had holes in the structure, while only 17.2% of the Fannie Mae REO properties in predominantly white neighborhoods had holes in the structure.
- f. 53.3% of the Fannie Mae REO properties in communities of color had a damaged roof, while only 13.8% of the Fannie Mae REO properties in predominantly white neighborhoods had a damaged roof.
- g. 46.7% of the Fannie Mae REO properties in communities of color had trash on the property, while only 3.4% of the Fannie Mae REO properties in predominantly white neighborhoods had trash on the property.

1 *Columbus, OH*

2 97. Overall, REO properties in predominantly white neighborhoods in Columbus,  
3 OH were far more likely to have a small number of maintenance deficiencies or problems than  
4 REO properties in communities of color, while REO properties in communities of color were  
5 far more likely to have large numbers of such deficiencies or problems than those in  
6 predominantly white neighborhoods. For example, and without listing all examples of differing  
7 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
8 Columbus, OH shows:  
9

- 10 a. 40.9% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while none of the Fannie  
12 Mae REO properties in communities of color had fewer than 5 maintenance  
13 deficiencies or problems.  
14
- 15 b. 75.0% of the Fannie Mae REO properties in communities of color had 10 or more  
16 maintenance deficiencies or problems, while only 9.1% of the Fannie Mae REO  
17 properties in predominantly white neighborhoods had 10 or more maintenance  
18 deficiencies or problems.  
19
- 20 c. 75.0% of the Fannie Mae REO properties in communities of color had holes in  
21 the structure, while none of the Fannie Mae REO properties in communities of  
22 color had holes in the structure.  
23
- 24 d. 87.5% of the Fannie Mae REO properties in communities of color had wood rot,  
25 while only 4.5% of the Fannie Mae REO properties in predominantly white  
26 neighborhoods had wood rot.  
27
- 28 e. 25.0% of the Fannie Mae REO properties in communities of color had 50% or  
more of the property covered in invasive plants, while none of the Fannie Mae

1 REO properties in predominantly white neighborhoods had 50% or more of the  
2 property covered in invasive plants.

3 f. 12.5% of the Fannie Mae REO properties in communities of color had graffiti,  
4 while none of the Fannie Mae REO properties in predominantly white  
5 neighborhoods had graffiti.

6 g. 25.0% of the Fannie Mae REO properties in communities of color had broken on  
7 hanging gutters, while none of the Fannie Mae REO properties in predominantly  
8 white neighborhoods had broken or hanging gutters.  
9

10 *Dallas, TX*

11 98. Overall, REO properties in predominantly white neighborhoods in Dallas, TX  
12 were far more likely to have a small number of maintenance deficiencies or problems than REO  
13 properties in communities of color, while REO properties in communities of color were far  
14 more likely to have large numbers of such deficiencies or problems than those in predominantly  
15 white neighborhoods. For example, and without listing all examples of differing maintenance  
16 because of race or national origin, the evidence that Plaintiffs gathered in Dallas, TX shows:  
17

18 a. 75.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
19 had fewer than 5 maintenance deficiencies or problems, while only 28.6% of the  
20 Fannie Mae REO properties in communities of color had fewer than 5  
21 maintenance deficiencies or problems.  
22

23 b. 28.6% of the Fannie Mae REO properties in communities of color had trash  
24 visible on the property, while none of the Fannie Mae REO properties in  
25 predominantly white neighborhoods had trash visible on the property.  
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- 1 c. 33.3% of the Fannie Mae REO properties in communities of color had damaged  
2 steps and handrails, while none of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had damaged steps and handrails.
- 4 d. 28.6% of the Fannie Mae REO properties in communities of color had broken or  
5 boarded windows, while none of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had broken or boarded windows.
- 7
- 8 e. 33.3% of the Fannie Mae REO properties in communities of color had holes in  
9 the structure, while none of the Fannie Mae properties in predominantly white  
10 neighborhoods had holes in the structure.
- 11 f. 42.9% of the Fannie Mae REO properties in communities of color had overgrown  
12 or dead shrubbery, while only 8.3% of the Fannie Mae REO properties in  
13 predominantly white neighborhoods had overgrown or dead shrubbery.
- 14
- 15 g. 61.9% of the Fannie Mae REO properties in communities of color had peeling or  
16 chipped paint, while only 33.3% of the Fannie Mae REO properties in  
17 predominantly white neighborhoods had peeling or chipped paint.

18 *Dayton, OH*

19 99. Overall, REO properties in predominantly white neighborhoods in Dayton, OH  
20 were far more likely to have a small number of maintenance deficiencies or problems than REO  
21 properties in communities of color, while REO properties in communities of color were far  
22 more likely to have large numbers of such deficiencies or problems than those in predominantly  
23 white neighborhoods. For example, and without listing all examples of differing maintenance  
24 because of race or national origin, the evidence that Plaintiffs gathered in Dayton, OH shows:

- 25
- 26 a. 47.6% of the Fannie Mae REO properties in predominantly white neighborhoods  
27 had fewer than 5 maintenance deficiencies or problems, while none of the Fannie  
28



1 Mae REO properties in communities of color had fewer than 5 maintenance  
2 deficiencies or problems.

3 b. 57.7% of the Fannie Mae REO properties in communities of color had 10 or more  
4 maintenance deficiencies or problems, while only 16.7% of the Fannie Mae REO  
5 properties in predominantly white neighborhoods had 10 or more maintenance  
6 deficiencies or problems.

7  
8 c. 42.3% of the Fannie Mae REO properties in communities of color had unsecured  
9 or broken doors and locks, while only 11.4% of the Fannie Mae REO properties  
10 in predominantly white neighborhoods had unsecured or broken doors and locks.

11 d. 63% of the Fannie Mae REO properties in communities of color had broken or  
12 boarded windows, while only 15.9% of the Fannie Mae REO properties in  
13 predominantly white neighborhoods had broken or boarded windows.

14 e. 70.4% of the Fannie Mae REO properties in communities of color had peeling or  
15 chipped paint, while only 40.9% of the Fannie Mae REO properties in  
16 predominantly white neighborhoods had peeling or chipped paint.  
17

18 *Denver, CO*

19 100. Overall, REO properties in predominantly white neighborhoods in the Denver,  
20 CO metropolitan area were far more likely to have a small number of maintenance deficiencies  
21 or problems than REO properties in communities of color, while REO properties in  
22 communities of color were far more likely to have large numbers of such deficiencies or  
23 problems than those in predominantly white neighborhoods. For example, and without listing  
24 all examples of differing maintenance because of race or national origin, the evidence that  
25 Plaintiffs gathered in the Denver, CO metropolitan area shows:  
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27  
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- 1 a. 71.4% of the Fannie Mae REO properties in predominantly white neighborhoods  
2 had fewer than 5 maintenance deficiencies or problems, while only 15.8% of the  
3 Fannie Mae REO properties in communities of color had fewer than 5  
4 maintenance deficiencies or problems.
- 5 b. 84.2% of the Fannie Mae REO properties in communities of color had 5 or more  
6 maintenance deficiencies or problems, while only 28.6% of the Fannie Mae REO  
7 properties in predominantly white neighborhoods had 5 or more maintenance  
8 deficiencies or problems.
- 9 c. 42.1% of the Fannie Mae REO properties in communities of color had missing or  
10 out of place gutters, while none of the Fannie Mae REO properties in  
11 predominantly white neighborhoods had missing or out of place gutters.
- 12 d. 42.1% of the Fannie Mae REO properties in communities of color had broken or  
13 boarded windows, while none of the Fannie Mae REO properties in  
14 predominantly white neighborhoods had broken or boarded windows.
- 15 e. 15.8% of the Fannie Mae REO properties in communities of color had broken or  
16 discarded signage, while none of the Fannie Mae REO properties in  
17 predominantly white neighborhoods had broken or discarded signage.
- 18 f. 21.1% of the Fannie Mae REO properties in communities of color had 50% or  
19 more of the lawn covered in dead grass, while none of the Fannie Mae REO  
20 properties in predominantly white neighborhoods had 50% or more of the lawn  
21 covered in dead grass.
- 22 g. 21.1% of the Fannie Mae REO properties in communities of color had holes in  
23 the structure, while none of the Fannie Mae REO properties in predominantly  
24 white neighborhoods had holes in the structure.
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1 *Fort Worth, TX*

2 101. Overall, REO properties in predominantly white neighborhoods in Fort Worth,  
3 TX were far more likely to have a small number of maintenance deficiencies or problems than  
4 REO properties in communities of color, while REO properties in communities of color were  
5 far more likely to have large numbers of such deficiencies or problems than those in  
6 predominantly white neighborhoods. For example, and without listing all examples of differing  
7 maintenance because of race or national origin, the evidence that Plaintiffs gathered in Fort  
8 Worth, TX shows:  
9

- 10 a. 40.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while only 27.3% of the  
12 Fannie Mae REO properties in communities of color had fewer than 5  
13 maintenance deficiencies or problems.  
14
- 15 b. 9.1% of the Fannie Mae REO properties in communities of color had damaged  
16 steps and handrails, while none of the Fannie Mae REO properties in  
17 predominantly white neighborhoods had damaged steps and handrails.  
18
- 19 c. 90.9% of the Fannie Mae REO properties in communities of color had peeling or  
20 chipped paint, while only 33.3% of the Fannie Mae REO properties in  
21 predominantly white neighborhoods had peeling or chipped paint.  
22
- 23 d. 27.3% of the Fannie Mae REO properties in communities of color had damaged  
24 siding, while only 13.3% of the Fannie Mae REO properties in predominantly  
25 white neighborhoods had damaged siding.  
26
- 27 e. 45.5% of the Fannie Mae REO properties in communities of color had holes in  
28 the structure, while only 26.7% of the Fannie Mae properties in predominantly  
white neighborhoods had holes in the structure.

1 *Gary, IN*

2 102. Overall, REO properties in predominantly white neighborhoods in Gary, IN were  
3 far more likely to have a small number of maintenance deficiencies or problems than REO  
4 properties in communities of color, while REO properties in communities of color were far  
5 more likely to have large numbers of such deficiencies or problems than those in predominantly  
6 white neighborhoods. For example, and without listing all examples of differing maintenance  
7 because of race or national origin, the evidence that Plaintiffs gathered in Gary, IN shows:

- 8
- 9 a. 60.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
10 had fewer than 5 maintenance deficiencies or problems, while only 30.0% of the  
11 Fannie Mae REO properties in communities of color had fewer than 5  
12 maintenance deficiencies or problems.
- 13 b. 70.0% of the Fannie Mae REO properties in communities of color had 5 or more  
14 maintenance deficiencies or problems, while 40.0% of the Fannie Mae REO  
15 properties in predominantly white neighborhoods had 5 or more maintenance  
16 deficiencies or problems.
- 17 c. 40.0% of the Fannie Mae REO properties in communities of color had damaged  
18 steps and handrails, while only 6.7% of the Fannie Mae REO properties in  
19 predominantly white neighborhoods had damaged steps and handrails.
- 20 d. 60.0% of the Fannie Mae REO properties in communities of color had broken or  
21 boarded windows, while 33.3% of the Fannie Mae REO properties in  
22 predominantly white neighborhoods had broken or boarded windows.
- 23 e. 40.0% of the Fannie Mae REO properties in communities of color had obstructed  
24 gutters, while only 13.3% of the Fannie Mae REO properties in predominantly  
25 white neighborhoods had obstructed gutters.
- 26  
27  
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1 *Grand Rapids, MI*

2 103. Overall, REO properties in predominantly white neighborhoods in Grand Rapids,  
3 MI were far more likely to have a small number of maintenance deficiencies or problems than  
4 REO properties in communities of color, while REO properties in communities of color were  
5 far more likely to have large numbers of such deficiencies or problems than those in  
6 predominantly white neighborhoods. For example, and without listing all examples of differing  
7 maintenance because of race or national origin, the evidence that Plaintiffs gathered in Grand  
8 Rapids, MI shows:  
9

- 10 a. 52.2% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while only 9.1% of the  
12 Fannie Mae REO properties in communities of color had fewer than 5  
13 maintenance deficiencies or problems.  
14  
15 b. 90.9% of the Fannie Mae REO properties in communities of color had 5 or more  
16 maintenance deficiencies or problems, while only 47.8% of the Fannie Mae REO  
17 properties in predominantly white neighborhoods had 5 or more maintenance  
18 deficiencies or problems.  
19  
20 c. 72.7% of the Fannie Mae REO properties in communities of color had trash  
21 visible on the property, while only 21.7% of the Fannie Mae REO properties in  
22 predominantly white neighborhoods had trash visible on the property.  
23  
24 d. 27.3% of the Fannie Mae REO properties in communities of color had damaged  
25 steps and handrails, while only 4.3% of the Fannie Mae REO properties in  
26 predominantly white neighborhoods had damaged steps and handrails.  
27  
28

1 e. 63.6% of the Fannie Mae REO properties in communities of color had overgrown  
2 grass and leaves, while only 26.1% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had overgrown grass and leaves.

4 *Greater Palm Beaches, FL*

5 104. Overall, REO properties in predominantly white neighborhoods in the Greater  
6 Palm Beaches, FL metropolitan area were far more likely to have a small number of  
7 maintenance deficiencies or problems than REO properties in communities of color, while REO  
8 properties in communities of color were far more likely to have large numbers of such  
9 deficiencies or problems than those in predominantly white neighborhoods. For example, and  
10 without listing all examples of differing maintenance because of race or national origin, the  
11 evidence that Plaintiffs gathered in the Greater Palm Beaches, FL metropolitan area shows:  
12

- 13 a. 33.3% of the Fannie Mae REO properties in predominantly white neighborhoods  
14 had fewer than 5 maintenance deficiencies or problems, while only 16.7% of the  
15 Fannie Mae REO properties in communities of color had fewer than 5  
16 maintenance deficiencies or problems.  
17
- 18 b. 83.3% of the Fannie Mae REO properties in communities of color had 5 or more  
19 maintenance deficiencies or problems, while only 66.7% of the Fannie Mae REO  
20 properties in predominantly white neighborhoods had 5 or more maintenance  
21 deficiencies or problems.  
22
- 23 c. 33.3% of the Fannie Mae REO properties in communities of color had broken or  
24 boarded windows, while none of the Fannie Mae REO properties in  
25 predominantly white neighborhoods had broken or boarded windows.  
26  
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1 d. 38.9% of the Fannie Mae REO properties in communities of color had overgrown  
2 or dead shrubbery, while none of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had overgrown or dead shrubbery.

4 e. 11.1% of the Fannie Mae REO properties in communities of color had a damaged  
5 roof, while none of the Fannie Mae REO properties in predominantly white  
6 neighborhoods had a damaged roof.

7  
8 *Hartford, CT*

9 105. Overall, REO properties in predominantly white neighborhoods in the Hartford,  
10 CT metropolitan area were far more likely to have a small number of maintenance deficiencies  
11 or problems than REO properties in communities of color, while REO properties in  
12 communities of color were far more likely to have large numbers of such deficiencies or  
13 problems than those in predominantly white neighborhoods. For example, and without listing  
14 all examples of differing maintenance because of race or national origin, the evidence that  
15 Plaintiffs gathered in the Hartford, CT metropolitan area shows:

16  
17 a. 20.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
18 had fewer than 5 maintenance deficiencies or problems, while only 7.7% of the  
19 Fannie Mae REO properties in communities of color had fewer than 5  
20 maintenance deficiencies or problems.

21 b. 69.2% of the Fannie Mae REO properties in communities of color had more than  
22 10 maintenance deficiencies or problems, while only 10.0% of the Fannie Mae  
23 REO properties in communities of color had more than 10 maintenance  
24 deficiencies or problems.  
25  
26  
27  
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1 c. 46.2% of the Fannie Mae REO properties in communities of color had trash  
2 visible on the property, while only 20.0% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had trash visible on the property.

4 d. 53.8% of the Fannie Mae REO properties in communities of color had damaged  
5 steps and handrails, while only 20.0% of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had damaged steps and handrails.

7  
8 *Indianapolis, IN*

9 106. Overall, REO properties in predominantly white neighborhoods in Indianapolis,  
10 IN were far more likely to have a small number of maintenance deficiencies or problems than  
11 REO properties in communities of color, while REO properties in communities of color were  
12 far more likely to have large numbers of such deficiencies or problems than those in  
13 predominantly white neighborhoods. For example, and without listing all examples of differing  
14 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
15 Indianapolis, IN show:

16  
17 a. 50.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
18 had fewer than 5 maintenance deficiencies or problems, while only 11.8% of the  
19 Fannie Mae REO properties in communities of color had fewer than 5  
20 maintenance deficiencies or problems.

21 b. 88.2% of the Fannie Mae REO properties in communities of color had 5 or more  
22 maintenance deficiencies or problems, while 50.0% of the Fannie Mae REO  
23 properties in predominantly white neighborhoods had 5 or more maintenance  
24 deficiencies or problems.  
25

1 c. 58.8% of the Fannie Mae REO properties in communities of color had broken or  
2 boarded windows, while 31.8% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had broken or boarded windows.

4 d. 64.7% of the Fannie Mae REO properties in communities of color had obstructed  
5 gutters, while only 27.3% of the Fannie Mae REO properties in predominantly  
6 white neighborhoods had obstructed gutters.

7 e. 35.3% of the Fannie Mae REO properties in communities of color had a damaged  
8 fence, while only 20.5% of the Fannie Mae REO properties in predominantly  
9 white neighborhoods had a damaged fence.  
10

11 *Kansas City, MO*

12 107. Overall, REO properties in predominantly white neighborhoods in Kansas City,  
13 MO were far more likely to have a small number of maintenance deficiencies or problems than  
14 REO properties in communities of color, while REO properties in communities of color were  
15 far more likely to have large numbers of such deficiencies or problems than those in  
16 predominantly white neighborhoods. For example, and without listing all examples of differing  
17 maintenance because of race or national origin, the evidence that Plaintiffs gathered in Kansas  
18 City, MO shows:  
19

20 a. 72.7% of the Fannie Mae REO properties in predominantly white neighborhoods  
21 had fewer than 5 maintenance deficiencies or problems, while only 25.0% of the  
22 Fannie Mae REO properties in communities of color had fewer than 5  
23 maintenance deficiencies or problems.  
24

25 b. 75.0% of the Fannie Mae REO properties in communities of color had 5 or more  
26 maintenance deficiencies or problems, while 27.3% of the Fannie Mae REO  
27  
28

1 properties in predominantly white neighborhoods had 5 or more maintenance  
2 deficiencies or problems.

3 c. 31.3% of the Fannie Mae REO properties in communities of color had damaged  
4 steps and handrails, while none of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had damaged steps and handrails.

6 d. 46.9% of the Fannie Mae REO properties in communities of color had broken or  
7 hanging gutters, while 9.1% of the Fannie Mae REO properties in predominantly  
8 white neighborhoods had broken or hanging gutters.

9 e. 56.3% of the Fannie Mae REO properties in communities of color had broken or  
10 boarded windows, while only 18.2% of the Fannie Mae REO properties in  
11 predominantly white neighborhoods had broken or boarded windows.

12  
13 *Las Vegas, NV*

14 108. Overall, REO properties in predominantly white neighborhoods in Las Vegas,  
15 NV were far more likely to have a small number of maintenance deficiencies or problems than  
16 REO properties in communities of color, while REO properties in communities of color were  
17 far more likely to have large numbers of such deficiencies or problems than those in  
18 predominantly white neighborhoods. For example, and without listing all examples of differing  
19 maintenance because of race or national origin, the evidence that Plaintiffs gathered in Las  
20 Vegas, NV shows:

21  
22 a. 83.3% of the Fannie Mae REO properties in predominantly white neighborhoods  
23 had fewer than 5 maintenance deficiencies or problems, while 75.0% of the  
24 Fannie Mae REO properties in communities of color had fewer than 5  
25 maintenance deficiencies or problems.  
26

27  
28

- 1 b. 40.6% of the Fannie Mae REO properties in communities of color had peeling or  
2 chipped paint, while only 16.7% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had peeling or chipped paint.
- 4 c. 34.4% of the Fannie Mae REO properties in communities of color had overgrown  
5 or dead shrubbery, while only 16.7% of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had overgrown or dead shrubbery.
- 7  
8 d. 9.4% of the Fannie Mae REO properties in communities of color had a damaged  
9 fence, while none of the Fannie Mae REO properties in predominantly white  
10 neighborhoods had a damaged fence.

11 *Louisville, KY*

12 109. Overall, REO properties in predominantly white neighborhoods in Louisville,  
13 KY were far more likely to have a small number of maintenance deficiencies or problems than  
14 REO properties in communities of color, while REO properties in communities of color were  
15 far more likely to have large numbers of such deficiencies or problems than those in  
16 predominantly white neighborhoods. For example, and without listing all examples of differing  
17 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
18 Louisville, KY shows:

- 20 a. 73.3% of the Fannie Mae REO properties in predominantly white neighborhoods  
21 had fewer than 5 maintenance deficiencies or problems, while only 8.3% of the  
22 Fannie Mae REO properties in communities of color had fewer than 5  
23 maintenance deficiencies or problems.
- 24  
25 b. 91.7% of the Fannie Mae REO properties in communities of color had 5 or more  
26 maintenance deficiencies or problems, while only 26.7% of the Fannie Mae REO  
27  
28

1 properties in predominantly white neighborhoods had 5 or more maintenance  
2 deficiencies or problems.

3 c. 58.3% of the Fannie Mae REO properties in communities of color had unsecured  
4 or broken doors and locks, while only 6.7% of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had unsecured or broken doors and locks.

6 d. 33.3% of the Fannie Mae REO properties in communities of color had mail  
7 accumulated, while only 6.7% of the Fannie Mae REO properties in  
8 predominantly white neighborhoods had mail accumulated.

9 e. 58.3% of the Fannie Mae REO properties in communities of color had peeling or  
10 chipped paint, while only 20.0% of Fannie Mae REO properties in  
11 predominantly white neighborhoods had peeling or chipped paint.

12  
13 *Memphis, TN*

14 110. Overall, REO properties in predominantly white neighborhoods in Memphis, TN  
15 were far more likely to have a small number of maintenance deficiencies or problems than REO  
16 properties in communities of color, while REO properties in communities of color were far  
17 more likely to have large numbers of such deficiencies or problems than those in predominantly  
18 white neighborhoods. For example, and without listing all examples of differing maintenance  
19 because of race or national origin, the evidence that Plaintiffs gathered in Memphis, TN shows:

20  
21 a. 70.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
22 had fewer than 5 maintenance deficiencies or problems, while only 11.4% of the  
23 Fannie Mae REO properties in communities of color had fewer than 5  
24 maintenance deficiencies or problems.

25  
26 b. 88.6% of the Fannie Mae REO properties in communities of color had 5 or more  
27 maintenance deficiencies or problems, while only 30.0% of the Fannie Mae REO  
28

1 properties in predominantly white neighborhoods had 5 or more maintenance  
2 deficiencies or problems.

3 c. 54.3% of the Fannie Mae REO properties in communities of color had trash on  
4 the property, while none of the Fannie Mae REO properties in predominantly  
5 white neighborhoods had trash on the property

6 d. 68.6% of the Fannie Mae REO properties in communities of color had broken or  
7 boarded windows, while only 20.0% of the Fannie Mae REO properties in  
8 predominantly white neighborhoods had broken or boarded windows.

9 e. 34.3% of the Fannie Mae REO properties in communities of color had overgrown  
10 or dead shrubbery, while only 10.0% of the Fannie Mae REO properties in  
11 predominantly white neighborhoods had overgrown or dead shrubbery.

12  
13 *Miami, FL*

14 111. Overall, REO properties in predominantly white neighborhoods in the Miami, FL  
15 metropolitan area were far more likely to have a small number of maintenance deficiencies or  
16 problems than REO properties in communities of color, while REO properties in communities  
17 of color were far more likely to have large numbers of such deficiencies or problems than those  
18 in predominantly white neighborhoods. For example, and without listing all examples of  
19 differing maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
20 the Miami, FL metropolitan area shows:

21  
22 a. 26.7% of the Fannie Mae REO properties in predominantly white neighborhoods  
23 had fewer than 5 maintenance deficiencies or problems, while only 4.1% of the  
24 Fannie Mae REO properties in communities of color had fewer than 5  
25 maintenance deficiencies or problems.  
26

27  
28

- 1           b. 59.2% of the Fannie Mae REO properties in communities of color had 10 or more  
2           maintenance deficiencies or problems, while 26.7% of the Fannie Mae REO  
3           properties in predominantly white neighborhoods had 10 or more maintenance  
4           deficiencies or problems.
- 5           c. 42.9% of the Fannie Mae REO properties in communities of color had broken or  
6           boarded windows, while only 6.7% of the Fannie Mae REO properties in  
7           predominantly white neighborhoods had broken or boarded windows.
- 8           d. 24.5% of the Fannie Mae REO properties in communities of color had a damaged  
9           roof, while only 6.7% of the Fannie Mae REO properties in predominantly white  
10          neighborhoods had a damaged roof.
- 11          e. 67.3% of the Fannie Mae REO properties in communities of color had holes in  
12          the structure, while only 6.7% of the Fannie Mae REO properties in  
13          predominantly white neighborhoods had holes in the structure.

14  
15 *Milwaukee, WI*

16  
17           112. Overall, REO properties in predominantly white neighborhoods in Milwaukee,  
18 WI were far more likely to have a small number of maintenance deficiencies or problems than  
19 REO properties in communities of color, while REO properties in communities of color were  
20 far more likely to have large numbers of such deficiencies or problems than those in  
21 predominantly white neighborhoods. For example, and without listing all examples of differing  
22 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
23 Milwaukee, WI shows:

- 24           a. 66.9% of the Fannie Mae REO properties in predominantly white neighborhoods  
25           had fewer than 5 maintenance deficiencies or problems, while only 39.9% of the  
26

27  
28



1 Fannie Mae REO properties in communities of color had fewer than 5  
2 maintenance deficiencies or problems.

3 b. 60.1% of the Fannie Mae REO properties in communities of color had 5 or more  
4 maintenance deficiencies or problems, while 33.1% of the Fannie Mae REO  
5 properties in predominantly white neighborhoods had 5 or more maintenance  
6 deficiencies or problems.

7  
8 c. 26.9% of the Fannie Mae REO properties in communities of color had visible  
9 trash on the property, while only 6.6% of the Fannie Mae properties in  
10 predominantly white neighborhoods had visible trash on the property.

11 d. 47.2% of the Fannie Mae REO properties in communities of color had broken or  
12 boarded windows, while only 19.9% of the Fannie Mae properties in  
13 predominantly white neighborhoods had broken or boarded windows.

14 e. 31.6% of the Fannie Mae REO properties in communities of color had damaged  
15 siding, while only 15.4% of the Fannie Mae properties in predominantly white  
16 neighborhoods had damaged siding.

17  
18 *Minneapolis, MN*

19 113. Overall, REO properties in predominantly white neighborhoods in Minneapolis,  
20 MN were far more likely to have a small number of maintenance deficiencies or problems than  
21 REO properties in communities of color, while REO properties in communities of color were  
22 far more likely to have large numbers of such deficiencies or problems than those in  
23 predominantly white neighborhoods. For example, and without listing all examples of differing  
24 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
25 Minneapolis, MN shows:  
26  
27  
28

- 1 a. 66.7% of the Fannie Mae REO properties in predominantly white neighborhoods  
2 had fewer than 5 maintenance deficiencies or problems, while only 13.6% of the  
3 Fannie Mae REO properties in communities of color had fewer than 5  
4 maintenance deficiencies or problems.
- 5 b. 86.4% of the Fannie Mae REO properties in communities of color had 5 or more  
6 maintenance deficiencies or problems, while 33.3% of the Fannie Mae REO  
7 properties in predominantly white neighborhoods had 5 or more maintenance  
8 deficiencies or problems.
- 9 c. 54.5% of the Fannie Mae REO properties in communities of color had visible  
10 trash on the property, while none of the Fannie Mae properties in predominantly  
11 white neighborhoods had visible trash on the property.
- 12 d. 45.5% of the Fannie Mae REO properties in communities of color had broken or  
13 boarded windows, while only 6.7% of the Fannie Mae properties in  
14 predominantly white neighborhoods had broken or boarded windows.
- 15 e. 72.7% of the Fannie Mae REO properties in communities of color had overgrown  
16 or dead shrubbery, while only 13.3% of the Fannie Mae properties in  
17 predominantly white neighborhoods had overgrown or dead shrubbery.
- 18 f. 22.7% of the Fannie Mae REO properties in communities of color had a damaged  
19 fence, while none of the Fannie Mae REO properties in predominantly white  
20 neighborhoods had a damaged fence.
- 21  
22  
23

24 *Muskegon, MI*

25 114. Overall, REO properties in predominantly white neighborhoods in Muskegon,  
26 MI were far more likely to have a small number of maintenance deficiencies or problems than  
27 REO properties in communities of color, while REO properties in communities of color were  
28

1 far more likely to have large numbers of such deficiencies or problems than those in  
2 predominantly white neighborhoods. For example, and without listing all examples of differing  
3 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
4 Muskegon, MI shows:

- 5 a. 60.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
6 had fewer than 5 maintenance deficiencies or problems, while only 14.3% of the  
7 Fannie Mae REO properties in communities of color had fewer than 5  
8 maintenance deficiencies or problems.  
9
- 10 b. 42.9% of the Fannie Mae REO properties in communities of color had 10 or more  
11 maintenance deficiencies or problems, while none of the Fannie Mae REO  
12 properties in predominantly white neighborhoods had 10 or more maintenance  
13 deficiencies or problems.  
14
- 15 c. 42.9% of the Fannie Mae REO properties in communities of color had unsecured  
16 or broken doors and locks, while none of the Fannie Mae REO properties in  
17 predominantly white neighborhoods had unsecured or broken doors and locks.  
18
- 19 d. 57.1% of the Fannie Mae REO properties in communities of color had damaged  
20 or boarded windows, while only 6.7% of the Fannie Mae REO properties in  
21 predominantly white neighborhoods had damaged or boarded windows.  
22
- 23 e. 71.4% of the Fannie Mae REO properties in communities of color had damaged  
24 siding, while only 33.3% of the Fannie Mae REO properties in predominantly  
white neighborhoods had damaged siding.

25 *New Orleans, LA*

26 115. Overall, REO properties in predominantly white neighborhoods in New Orleans,  
27 LA were far more likely to have a small number of maintenance deficiencies or problems than  
28

1 REO properties in communities of color, while REO properties in communities of color were  
2 far more likely to have large numbers of such deficiencies or problems than those in  
3 predominantly white neighborhoods. For example, and without listing all examples of differing  
4 maintenance because of race or national origin, the evidence that Plaintiffs gathered in New  
5 Orleans, LA shows:

- 6
- 7 a. 29.4% of the Fannie Mae REO properties in predominantly white neighborhoods  
8 had fewer than 5 maintenance deficiencies or problems, while none of the Fannie  
9 Mae REO properties in communities of color had fewer than 5 maintenance  
10 deficiencies or problems.
  - 11 b. 34.5% of the Fannie Mae REO properties in communities of color had 10 or more  
12 maintenance deficiencies or problems, while only 17.6% of the Fannie Mae REO  
13 properties in predominantly white neighborhoods had 10 or more maintenance  
14 deficiencies or problems.
  - 15 c. 75.9% of the Fannie Mae REO properties in communities of color had visible  
16 trash on the property, while only 11.8% of the Fannie Mae properties in  
17 predominantly white neighborhoods had visible trash on the property.
  - 18 d. 17.2% of the Fannie Mae REO properties in communities of color had damaged  
19 steps and handrails, while none of the Fannie Mae REO properties in  
20 predominantly white neighborhoods had damaged steps and handrails.
  - 21 e. 51.7% of the Fannie Mae REO properties in communities of color had overgrown  
22 or dead shrubbery, while only 17.6% of the Fannie Mae REO properties in  
23 predominantly white neighborhoods had overgrown or dead shrubbery.  
24  
25  
26  
27  
28

1 *Newark, NJ*

2 116. Overall, REO properties in predominantly white neighborhoods in the Newark,  
3 NJ metropolitan area were far more likely to have a small number of maintenance deficiencies  
4 or problems than REO properties in communities of color, while REO properties in  
5 communities of color were far more likely to have large numbers of such deficiencies or  
6 problems than those in predominantly white neighborhoods. For example, and without listing  
7 all examples of differing maintenance because of race or national origin, the evidence that  
8 Plaintiffs gathered in the Newark, NJ metropolitan area shows:  
9

- 10 a. 81.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while only 16.2% of the  
12 Fannie Mae REO properties in communities of color had fewer than 5  
13 maintenance deficiencies or problems.  
14
- 15 b. 37.8% of the Fannie Mae REO properties in communities of color had 10 or more  
16 maintenance deficiencies or problems, while none of the Fannie Mae REO  
17 properties in predominantly white neighborhoods had 10 or more maintenance  
18 deficiencies or problems.
- 19 c. 54.1% of the Fannie Mae REO properties in communities of color had damaged  
20 or boarded windows, while only 4.8% of the Fannie Mae REO properties in  
21 predominantly white neighborhoods had damaged or boarded windows.  
22
- 23 d. 43.2% of the Fannie Mae REO properties in communities of color had damaged  
24 siding, while only 9.5% of the Fannie Mae REO properties in predominantly  
25 white neighborhoods had damaged siding.  
26  
27  
28

1 e. 70.3% of the Fannie Mae REO properties in communities of color had overgrown  
2 or dead shrubbery, while only 19.0% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had dead or overgrown shrubbery

4 *Orlando, FL*

5 117. Overall, REO properties in predominantly white neighborhoods in the Orlando,  
6 FL metropolitan area were far more likely to have a small number of maintenance deficiencies  
7 or problems than REO properties in communities of color, while REO properties in  
8 communities of color were far more likely to have large numbers of such deficiencies or  
9 problems than those in predominantly white neighborhoods. For example, and without listing  
10 all examples of differing maintenance because of race or national origin, the evidence that  
11 Plaintiffs gathered in the Orlando, FL metropolitan area shows:  
12

- 13 a. 17.1% of the Fannie Mae REO properties in predominantly white neighborhoods  
14 had fewer than 5 maintenance deficiencies or problems, while only 6.8% of the  
15 Fannie Mae REO properties in communities of color had fewer than 5  
16 maintenance deficiencies or problems.  
17
- 18 b. 43.2% of the Fannie Mae REO properties in communities of color had 10 or more  
19 maintenance deficiencies or problems, while 20.0% of the Fannie Mae REO  
20 properties in predominantly white neighborhoods had 10 or more maintenance  
21 deficiencies or problems.  
22
- 23 c. 25.0% of the Fannie Mae REO properties in communities of color had unsecured  
24 or broken doors and locks, while only 11.4% of the Fannie Mae REO properties  
25 in predominantly white neighborhoods had unsecured or broken doors and locks.  
26
- 27 d. 38.6% of the Fannie Mae REO properties in communities of color had overgrown  
28 grass and/or accumulated dead leaves, while only 5.7% of the Fannie Mae REO

1 properties in predominantly white neighborhoods had overgrown grass and/or  
2 accumulated dead leaves.

- 3 e. 54.5% of the Fannie Mae REO properties in communities of color holes in the  
4 structure, while only 28.6% of the Fannie Mae REO properties in predominantly  
5 white neighborhoods had holes in the structure.

6 *Philadelphia, PA*

7  
8 118. Overall, REO properties in predominantly white neighborhoods in the  
9 Philadelphia, PA metropolitan area were far more likely to have a small number of maintenance  
10 deficiencies or problems than REO properties in communities of color, while REO properties in  
11 communities of color were far more likely to have large numbers of such deficiencies or  
12 problems than those in predominantly white neighborhoods. For example, and without listing  
13 all examples of differing maintenance because of race or national origin, the evidence that  
14 Plaintiffs gathered in the Philadelphia, PA metropolitan area shows:

- 15  
16 a. 57.1% of the Fannie Mae REO properties in predominantly white neighborhoods  
17 had fewer than 5 maintenance deficiencies or problems, while only 31.7% of the  
18 Fannie Mae REO properties in communities of color had fewer than 5  
19 maintenance deficiencies or problems.  
20  
21 b. 68.3% of the Fannie Mae REO properties in communities of color had 5 or more  
22 maintenance deficiencies or problems, while 42.9% of the Fannie Mae REO  
23 properties in predominantly white neighborhoods had 5 or more maintenance  
24 deficiencies or problems.  
25  
26 c. 54.0% of the Fannie Mae REO properties in communities of color had trash  
27 visible on the property, while only 20.0% of the Fannie Mae REO properties in  
28 predominantly white neighborhoods had trash visible on the property.

1 d. 27.0% of the Fannie Mae REO properties in communities of color had damaged  
2 siding, while only 11.4% of the Fannie Mae REO properties in predominantly  
3 white neighborhoods had damaged siding.

4 e. 41.3% of the Fannie Mae REO properties in communities of color had damaged  
5 or boarded windows, while only 20.0% of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had damaged or boarded windows.

7  
8 *Phoenix, AZ*

9 119. Overall, REO properties in predominantly white neighborhoods in the Phoenix,  
10 AZ metropolitan area were far more likely to have a small number of maintenance deficiencies  
11 or problems than REO properties in communities of color, while REO properties in  
12 communities of color were far more likely to have large numbers of such deficiencies or  
13 problems than those in predominantly white neighborhoods. For example, and without listing  
14 all examples of differing maintenance because of race or national origin, the evidence that  
15 Plaintiffs gathered in the Phoenix, AZ metropolitan area shows:  
16

17 a. 66.7% of the Fannie Mae REO properties in predominantly white neighborhoods  
18 had fewer than 5 maintenance deficiencies or problems, while only 50.0% of the  
19 Fannie Mae REO properties in communities of color had fewer than 5  
20 maintenance deficiencies or problems.

21 b. 50.0% of the Fannie Mae REO properties in communities of color had 5 or more  
22 maintenance deficiencies or problems, while 33.3% of the Fannie Mae REO  
23 properties in predominantly white neighborhoods had 5 or more maintenance  
24 deficiencies or problems.  
25  
26  
27  
28



- 1 c. 42.9% of the Fannie Mae REO properties in communities of color had trash  
2 visible on the property, while only 16.7% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had trash visible on the property.
- 4 d. 57.1% of the Fannie Mae REO properties in communities of color had peeling or  
5 chipped paint, while 16.7% of the Fannie Mae REO properties in predominantly  
6 white neighborhoods had peeling or chipped paint.
- 7  
8 e. 35.7% of the Fannie Mae REO properties in communities of color had damaged  
9 or boarded windows, while only 8.3% of the Fannie Mae REO properties in  
10 predominantly white neighborhoods had damaged or boarded windows.

11 *Providence, RI*

12 120. Overall, REO properties in predominantly white neighborhoods in Providence,  
13 RI were far more likely to have a small number of maintenance deficiencies or problems than  
14 REO properties in communities of color, while REO properties in communities of color were  
15 far more likely to have large numbers of such deficiencies or problems than those in  
16 predominantly white neighborhoods. For example, and without listing all examples of differing  
17 maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
18 Providence, RI shows:

- 20 a. 70.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
21 had fewer than 5 maintenance deficiencies or problems, while only 20.0% of the  
22 Fannie Mae REO properties in communities of color had fewer than 5  
23 maintenance deficiencies or problems.
- 24  
25 b. 20.0% of the Fannie Mae REO properties in communities of color had 10 or more  
26 maintenance deficiencies or problems, while none of the Fannie Mae REO  
27  
28

1 properties in predominantly white neighborhoods had 10 or more maintenance  
2 deficiencies or problems.

3 c. 60.0% of the Fannie Mae REO properties in communities of color had trash  
4 visible on the property, while only 10.0% of the Fannie Mae REO properties in  
5 predominantly white neighborhoods had trash visible on the property.

6 d. 80.0% of the Fannie Mae REO properties in communities of color had 10%-50%  
7 of the property covered in invasive plants, while only 30.0% of the Fannie Mae  
8 REO properties in predominantly white neighborhoods had 10%-50% of the  
9 property covered in invasive plants.

10 e. 40.0% of the Fannie Mae REO properties in communities of color had damaged  
11 siding, while only 10.0% of the Fannie Mae REO properties in predominantly  
12 white neighborhoods had damaged siding.

13  
14 *Richmond and Oakland, CA*

15  
16 121. Overall, REO properties in predominantly white neighborhoods in Richmond  
17 and Oakland, CA were far more likely to have a small number of maintenance deficiencies or  
18 problems than REO properties in communities of color, while REO properties in communities  
19 of color were far more likely to have large numbers of such deficiencies or problems than those  
20 in predominantly white neighborhoods. For example, and without listing all examples of  
21 differing maintenance because of race or national origin, the evidence that Plaintiffs gathered in  
22 Richmond and Oakland, CA shows:

23  
24 a. 50.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
25 had fewer than 5 maintenance deficiencies or problems, while only 33.8% of the  
26 Fannie Mae REO properties in communities of color had fewer than 5  
27 maintenance deficiencies or problems.

28

- 1           b. 66.2% of the Fannie Mae REO properties in communities of color had 5 or more  
2           maintenance deficiencies or problems, while 50.0% of the Fannie Mae REO  
3           properties in predominantly white neighborhoods had 5 or more maintenance  
4           deficiencies or problems.
- 5           c. 35.1% of the Fannie Mae REO properties in communities of color had trash  
6           visible on the property, while only 21.4% of the Fannie Mae REO properties in  
7           predominantly white neighborhoods had trash visible on the property.
- 8           d. 32.4% of the Fannie Mae REO properties in communities of color had damaged  
9           or boarded windows, while only 14.3% of the Fannie Mae REO properties in  
10          predominantly white neighborhoods had damaged or boarded windows.
- 11          e. 33.8% of the Fannie Mae REO properties in communities of color had holes in  
12          the structure of the home, while none of the Fannie Mae REO properties in  
13          predominantly white neighborhoods had holes in the structure of the home.
- 14          f. 35.1% of the Fannie Mae REO properties in communities of color had no  
15          professional “for sale” sign marketing the home, while only 14.3% of the Fannie  
16          Mae REO properties in predominantly white neighborhoods had no professional  
17          “for sale” sign marketing the home.
- 18          g. 36.5% of the Fannie Mae REO properties in communities of color had damaged  
19          siding, while only 7.1% of the Fannie Mae REO properties in predominantly  
20          white neighborhoods had damaged siding.
- 21          h. 20.3% of the Fannie Mae REO properties in communities of color had missing or  
22          out of place gutters, while only 7.1% of the Fannie Mae REO properties in  
23          predominantly white neighborhoods had missing or out of place gutters.
- 24  
25  
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27  
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1 *Richmond, VA*

2 122. Overall, REO properties in predominantly white neighborhoods in the  
3 Richmond, VA metropolitan area were far more likely to have a small number of maintenance  
4 deficiencies or problems than REO properties in communities of color, while REO properties in  
5 communities of color were far more likely to have large numbers of such deficiencies or  
6 problems than those in predominantly white neighborhoods. For example, and without listing  
7 all examples of differing maintenance because of race or national origin, the evidence that  
8 Plaintiffs gathered in the Richmond, VA metropolitan area shows:  
9

- 10 a. 58.8% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while only 17.4% of the  
12 Fannie Mae REO properties in communities of color had fewer than 5  
13 maintenance deficiencies or problems.  
14
- 15 b. 39.1% of the Fannie Mae REO properties in communities of color had 10 or more  
16 maintenance deficiencies or problems, while none of the Fannie Mae REO  
17 properties in predominantly white neighborhoods had 10 or more maintenance  
18 deficiencies or problems.
- 19 c. 52.2% of the Fannie Mae REO properties in communities of color had overgrown  
20 or dead shrubbery, while only 5.9% of the Fannie Mae REO properties in  
21 predominantly white neighborhoods had overgrown or dead shrubbery.  
22
- 23 d. 43.5% of the Fannie Mae REO properties in communities of color had damaged  
24 or boarded windows, while none of the Fannie Mae REO properties in  
25 predominantly white neighborhoods had damaged or boarded windows.  
26  
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1 e. 39.1% of the Fannie Mae REO properties in communities of color had holes in  
2 the structure of the home, while only 5.9% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had holes in the structure of the home.

4 *San Diego, CA*

5 123. Overall, REO properties in predominantly white neighborhoods in the San  
6 Diego, CA metropolitan area were far more likely to have a small number of maintenance  
7 deficiencies or problems than REO properties in communities of color, while REO properties in  
8 communities of color were far more likely to have large numbers of such deficiencies or  
9 problems than those in predominantly white neighborhoods. For example, and without listing  
10 all examples of differing maintenance because of race or national origin, the evidence that  
11 Plaintiffs gathered in the San Diego, CA metropolitan area shows:  
12

- 13 a. 42.9% of the Fannie Mae REO properties in predominantly white neighborhoods  
14 had fewer than 5 maintenance deficiencies or problems, while only 25.0% of the  
15 Fannie Mae REO properties in communities of color had fewer than 5  
16 maintenance deficiencies or problems.  
17
- 18 b. 15.0% of the Fannie Mae REO properties in communities of color had 10 or more  
19 maintenance deficiencies or problems, while none of the Fannie Mae REO  
20 properties in predominantly white neighborhoods had 10 or more maintenance  
21 deficiencies or problems.  
22
- 23 c. 45.0% of the Fannie Mae REO properties in communities of color had trash  
24 visible on the property, while only 14.3% of the Fannie Mae REO properties in  
25 predominantly white neighborhoods had trash visible on the property.  
26  
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28

1 d. 30.0% of the Fannie Mae REO properties in communities of color had overgrown  
2 grass and leaves, while none of the Fannie Mae REO properties in predominantly  
3 white neighborhoods had overgrown grass and leaves.

4 e. 25.0% of the Fannie Mae REO properties in communities of color had damaged  
5 or boarded windows, while none of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had damaged or boarded windows.

7  
8 *Toledo, OH*

9 124. Overall, REO properties in predominantly white neighborhoods in Toledo, OH  
10 were far more likely to have a small number of maintenance deficiencies or problems than REO  
11 properties in communities of color, while REO properties in communities of color were far  
12 more likely to have large numbers of such deficiencies or problems than those in predominantly  
13 white neighborhoods. For example, and without listing all examples of differing maintenance  
14 because of race or national origin, the evidence that Plaintiffs gathered in Toledo, OH shows:

15 a. 32.4% of the Fannie Mae REO properties in predominantly white neighborhoods  
16 had fewer than 5 maintenance deficiencies or problems, while only 9.8% of the  
17 Fannie Mae REO properties in communities of color had fewer than 5  
18 maintenance deficiencies or problems.

19 b. 37.3% of the Fannie Mae REO properties in communities of color had 10 or more  
20 maintenance deficiencies or problems, while 13.5% of the Fannie Mae REO  
21 properties in predominantly white neighborhoods had 10 or more maintenance  
22 deficiencies or problems.

23 c. 31.4% of the Fannie Mae REO properties in communities of color had unsecured  
24 or broken doors and locks, while only 12.2% of the Fannie Mae REO properties  
25 in predominantly white neighborhoods had unsecured or broken doors and locks.  
26  
27  
28

1 d. 25.5% of the Fannie Mae REO properties in communities of color had trash  
2 visible on the property, while only 5.4% of the Fannie Mae REO properties in  
3 predominantly white neighborhoods had trash visible on the property.

4 e. 78.4% of the Fannie Mae REO properties in communities of color had peeling or  
5 chipped paint, while 36.5% of the Fannie Mae REO properties in predominantly  
6 white neighborhoods had peeling or chipped paint.

7 f. 58.8% of the Fannie Mae REO properties in communities of color had damaged  
8 or boarded windows, while 29.7% of the Fannie Mae REO properties in  
9 predominantly white neighborhoods had damaged or boarded windows.  
10

11 *Tucson, AZ*

12 125. Overall, REO properties in predominantly white neighborhoods in Tucson, AZ  
13 were far more likely to have a small number of maintenance deficiencies or problems than REO  
14 properties in communities of color, while REO properties in communities of color were far  
15 more likely to have large numbers of such deficiencies or problems than those in predominantly  
16 white neighborhoods. For example, and without listing all examples of differing maintenance  
17 because of race or national origin, the evidence that Plaintiffs gathered in Tucson, AZ shows:  
18

19 a. 76.9% of the Fannie Mae REO properties in predominantly white neighborhoods  
20 had fewer than 5 maintenance deficiencies or problems, while only 50.0% of the  
21 Fannie Mae REO properties in communities of color had fewer than 5  
22 maintenance deficiencies or problems.  
23

24 b. 50.0% of the Fannie Mae REO properties in communities of color had 5 or more  
25 maintenance deficiencies or problems, while only 23.1% of the Fannie Mae REO  
26 properties in predominantly white neighborhoods had 5 or more maintenance  
27 deficiencies or problems.  
28

1 c. 36.4% of the Fannie Mae REO properties in communities of color had damaged  
2 siding, while none of the Fannie Mae REO properties in predominantly white  
3 neighborhoods had damaged siding.

4 d. 9.1% of the Fannie Mae REO properties in communities of color had unsecured  
5 or broken doors and locks, while none of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had unsecured or broken doors and locks.

7 e. 27.3% of the Fannie Mae REO properties in communities of color had damaged  
8 or boarded windows, while only 15.4% of the Fannie Mae REO properties in  
9 predominantly white neighborhoods had damaged or boarded windows.

10  
11 *Vallejo, CA*

12 126. Overall, REO properties in predominantly white neighborhoods in the Vallejo,  
13 CA metropolitan area were far more likely to have a small number of maintenance deficiencies  
14 or problems than REO properties in communities of color, while REO properties in  
15 communities of color were far more likely to have large numbers of such deficiencies or  
16 problems than those in predominantly white neighborhoods. For example, and without listing  
17 all examples of differing maintenance because of race or national origin, the evidence that  
18 Plaintiffs gathered in the Vallejo, CA metropolitan area shows:

19  
20 a. 47.4% of the Fannie Mae REO properties in predominantly white neighborhoods  
21 had fewer than 5 maintenance deficiencies or problems, while only 34.7% of the  
22 Fannie Mae REO properties in communities of color had fewer than 5  
23 maintenance deficiencies or problems.

24  
25 b. 12.2% of the Fannie Mae REO properties in communities of color had 10 or more  
26 maintenance deficiencies or problems, while none of the Fannie Mae REO  
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properties in predominantly white neighborhoods had 10 or more maintenance deficiencies or problems.

- c. 38.8% of the Fannie Mae REO properties in communities of color had trash visible on the property, while only 10.5% of the Fannie Mae REO properties in predominantly white neighborhoods had trash visible on the property.
- d. 22.4% of the Fannie Mae REO properties in communities of color had 10% to 50% of the property covered in invasive plants, while only 10.5% of the Fannie Mae REO properties in predominantly white neighborhoods had 10% to 50% of the property covered in invasive plants.
- e. 10.2% of the Fannie Mae REO properties in communities of color had damaged steps and handrails, while none of the Fannie Mae REO properties in predominantly white neighborhoods had damaged steps and handrails.
- f. 8.2% of the Fannie Mae REO properties in communities of color had a damaged roof, while none of the Fannie Mae REO properties in predominantly white neighborhoods had a damaged roof.
- g. 22.4% of the Fannie Mae REO properties in communities of color had damaged or boarded windows, while 10.5% of the Fannie Mae REO properties in predominantly white neighborhoods had damaged or boarded windows.
- h. 30.6% of the Fannie Mae REO properties in communities of color had holes in the structure of the home, while only 15.8% of the Fannie Mae REO properties in predominantly white neighborhoods had holes in the structure of the home.
- i. 30.6% of the Fannie Mae REO properties in communities of color had damaged siding, while only 15.8% of the Fannie Mae REO properties in predominantly white neighborhoods had damaged siding.

1 *Washington, D.C. & Prince George's County, MD*

2 127. Overall, REO properties in predominantly white neighborhoods in Washington,  
3 D.C. & Prince George's County, MD were far more likely to have a small number of  
4 maintenance deficiencies or problems than REO properties in communities of color, while REO  
5 properties in communities of color were far more likely to have large numbers of such  
6 deficiencies or problems than those in predominantly white neighborhoods. For example, and  
7 without listing all examples of differing maintenance because of race or national origin, the  
8 evidence that Plaintiffs gathered in Washington, D.C. & Prince George's County, MD shows:  
9

- 10 a. 80.0% of the Fannie Mae REO properties in predominantly white neighborhoods  
11 had fewer than 5 maintenance deficiencies or problems, while only 27.3% of the  
12 Fannie Mae REO properties in communities of color had fewer than 5  
13 maintenance deficiencies or problems.  
14
- 15 b. 72.7% of the Fannie Mae REO properties in communities of color had 5 or more  
16 maintenance deficiencies or problems, while 20.0% of the Fannie Mae REO  
17 properties in predominantly white neighborhoods had 5 or more maintenance  
18 deficiencies or problems.
- 19 c. 30.9% of the Fannie Mae REO properties in communities of color had trash  
20 visible on the property, while none of the Fannie Mae REO properties in  
21 predominantly white neighborhoods had trash visible on the property.  
22
- 23 d. 49.1% of the Fannie Mae REO properties in communities of color had peeling or  
24 chipped paint, while none of the Fannie Mae REO properties in predominantly  
25 white neighborhoods had peeling or chipped paint.  
26  
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1 e. 27.3% of the Fannie Mae REO properties in communities of color had broken or  
2 hanging gutters, while none of the Fannie Mae REO properties in predominantly  
3 white neighborhoods had broken or hanging gutters.

4 f. 36.4% of the Fannie Mae REO properties in communities of color had damaged  
5 or boarded windows, while none of the Fannie Mae REO properties in  
6 predominantly white neighborhoods had damaged or boarded windows.

7 g. 32.7% of the Fannie Mae REO properties in communities of color had a damaged  
8 fence, while none of the Fannie Mae REO properties in predominantly white  
9 neighborhoods had a damaged fence.  
10

11 **D. Fannie Mae's REO Maintenance Policies and Practices Cause A Disproportionate**  
12 **Adverse Impact on Communities of Color.**

13 128. Fannie Mae has designed a national practice and policy of having its lower-level  
14 agents and employees determine whether to conduct an REO exterior maintenance task and how  
15 to conduct it. Fannie Mae's practice thus gave these agents and employees the ability to exercise  
16 high levels of discretion with minimal input from Fannie Mae. Fannie Mae's practice and policy  
17 of committing REO exterior maintenance decisions to the subjective and unguided discretion of  
18 its lower-level agents and employees have caused a disproportionately adverse impact on  
19 communities of color.  
20

21 129. Fannie Mae's discretionary exterior maintenance practice and policy allows  
22 agents to discriminate in the exercise of their maintenance duties. For example, Fannie Mae did  
23 not provide specific requirements regarding how often exterior REO maintenance should be  
24 performed by its agents or employees. In contrast, Fannie Mae provided detailed instructions to  
25 its agents with regard to other REO services, including directing them to perform tasks on a  
26 monthly basis.  
27  
28

1           130. Moreover, Fannie Mae relied almost exclusively on the reports of its lower-level  
2 agents to ensure that REO properties were being maintained in a proper manner. Unless the  
3 lower-level agents requested a bid or payment for conducting an exterior maintenance task, then  
4 Fannie Mae's business practice allowed for little (if any) independent knowledge of whether the  
5 property actually required exterior maintenance. Notably, upon information and belief, during  
6 the relevant time period, Fannie Mae performed independent quality checks on as few as 10%  
7 of its properties on an annual basis. A 2015 report by the Office of Inspector General of the  
8 Federal Housing Finance Agency criticized Fannie Mae's quality control protocol, noting that  
9 there was "significant risk" that it would be insufficient to assess the quality of REO  
10 maintenance activities over a sustained period of time.  
11

12           131. The exercise of the agents and employees' subjective and unguided discretion  
13 (and Fannie Mae's policy allowing for this discretion without appropriate quality control)  
14 resulted in REO properties in communities of color receiving less exterior maintenance than  
15 REO properties in predominantly white neighborhoods. The observed disparities persist even  
16 after a regression analysis for non-racial factors.  
17

18           132. Data further establishes that the exterior maintenance of REO properties under  
19 Fannie Mae's maintenance practices and policies varied based on the age and/or the value of the  
20 properties.  
21

22           133. Policies and practices based on the age or value of residential property can result  
23 in an adverse impact on homeowners in communities of color. As early as 1994, the U.S.  
24 Department of Housing and Urban Development and other federal financial regulatory agencies  
25 noted that housing policies that vary based on the age or value of properties can have a  
26 disproportionate effect on minority communities. Fannie Mae's maintenance practices and  
27  
28

1 policies that are linked to the REO property age and/or value cause inferior maintenance to  
 2 occur disproportionately in communities of color.

3 134. Separately and in combination, Fannie Mae's maintenance policies and practices  
 4 are a cause of inferior and inadequate maintenance disproportionately occurring in communities  
 5 of color.

6 **E. Fannie Mae's Discriminatory Maintenance of REO Properties Perpetuates**  
 7 **Segregation.**  
 8

9 135. Each of the cities in which Defendant's maintenance of REO properties was  
 10 investigated except Vallejo, CA is moderately or highly segregated under the dissimilarity index  
 11 measure.

12 136. The "dissimilarity index" is a well-recognized standard for evaluating a  
 13 community's level of segregation. The index measures whether one particular racial group is  
 14 distributed across census tracts in the metropolitan area in the same way as another racial group.  
 15 A high dissimilarity index indicates that the two groups tend to live in different tracts. The index  
 16 ranges from 0 to 100. A value of 60 or more is considered a very high level of segregation. It  
 17 means that 60% (or more) of the members of one group who reside in the area would need to  
 18 move to a different tract within that area in order for the two groups to be equally distributed.  
 19 Values of between 40 and 50 demonstrate a moderate level of segregation, and values of 30 or  
 20 below indicate a low level of segregation.  
 21

22 137. The cities investigated by Plaintiffs are located in metropolitan areas that have  
 23 the following dissimilarity indices:  
 24

| Metropolitan Area       | 2010 Black-White<br>Dissimilarity Index | 2010 Hispanic-White<br>Dissimilarity Index |
|-------------------------|---|--|
| Albuquerque, New Mexico | 40.0                                    | 36.4                                       |
| Atlanta, Georgia        | 74.1                                    | 46.6                                       |
| Baltimore, Maryland     | 71.8                                    | 39.8                                       |
| Baton Rouge, Florida    | 73.1                                    | 32.7                                       |

|    |  |      |      |
|----|--|------|------|
| 1  | Charleston, South Carolina                       | 54.1 | 39.8 |
|    | Chicago, Illinois                                | 83.6 | 56.3 |
| 2  | Cleveland, Ohio                                  | 79.7 | 52.3 |
|    | Columbus, Ohio                                   | 66.9 | 41.5 |
| 3  | Dallas, Texas                                    | 66.1 | 61.1 |
|    | Dayton, Ohio                                     | 73.9 | 27.3 |
| 4  | Denver, Colorado                                 | 66.2 | 48.8 |
|    | Fort Worth, Texas                                | 55.0 | 49.9 |
| 5  | Gary, Indiana                                    | 87.9 | 43.7 |
|    | Grand Rapids, Michigan                           | 44.0 | 53.9 |
| 6  | Greater Palm Beaches, Florida                    | 64.8 | 57.4 |
|    | Hartford, Connecticut                            | 69.5 | 58.4 |
| 7  | Indianapolis, Indiana                            | 75.5 | 47.3 |
|    | Kansas City, Missouri                            | 72.7 | 44.4 |
| 8  | Las Vegas, Nevada                                | 47.4 | 42.0 |
|    | Louisville, Kentucky                             | 68.6 | 38.7 |
| 9  | Memphis, Tennessee                               | 72.2 | 50.7 |
|    | Miami, Florida                                   | 75.8 | 57.4 |
| 10 | Milwaukee, Wisconsin                             | 84.4 | 57.0 |
|    | Minneapolis, Minnesota                           | 64.5 | 42.5 |
| 11 | Muskegon, Michigan                               | 72.2 | 50.4 |
|    | New Orleans, Louisiana                           | 74.7 | 38.3 |
| 12 | Newark, New Jersey                               | 83.4 | 62.6 |
|    | Oakland, California                              | 51.9 | 66.9 |
| 13 | Orlando, Florida                                 | 60.0 | 40.2 |
|    | Philadelphia, Pennsylvania                       | 73.4 | 62.0 |
| 14 | Phoenix, Arizona                                 | 49.1 | 49.3 |
|    | Providence, Rhode Island                         | 53.5 | 60.1 |
| 15 | Richmond, California                             | 51.1 | 50.6 |
|    | Richmond, Virginia                               | 62.9 | 44.9 |
| 16 | San Diego, California                            | 54.6 | 57.8 |
|    | Toledo, Ohio                                     | 72.9 | 31.4 |
| 17 | Tucson, Arizona                                  | 44.2 | 46.2 |
|    | Vallejo, California                              | 24.0 | 28.0 |
| 18 | Washington, D.C. & Prince<br>George's County, MD | 66.2 | 48.3 |

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138. From the 1990s through 2008, many financial institutions in the country engaged in persistent discrimination and reverse redlining to target minority neighborhoods for high-priced, high risk mortgages. These predatory practices contributed to the financial crisis—indeed, analyses have shown that segregation was a significant cause of the foreclosure crisis—and resulted in the concentration of foreclosures, and thus bank-owned REOs, in minority

1 neighborhoods. The high concentration of foreclosures in minority neighborhoods served to  
2 exacerbate the existing high levels of residential segregation in many communities. All of this  
3 was or should have been known to Fannie Mae.

4 139. By failing to maintain REO dwellings in communities of color according to the  
5 same standards as it maintains REO dwellings in predominantly white neighborhoods, Fannie  
6 Mae perpetuates racial segregation. These communities of color “have long suffered the harsh  
7 consequences of segregated housing patterns.” *Texas Dep’t of Housing and Community Affairs*  
8 *v. Inclusive Communities Project, Inc.*, 135 S. Ct. 2507, 2525 (2015). Fannie Mae’s behavior is  
9 the type of “covert and illicit stereotyping”, *id.* at 2522, that stigmatizes communities of color as  
10 less desirable than predominantly white neighborhoods. The prospects for integration in the  
11 affected neighborhoods are reduced because white buyers are deterred from purchasing homes  
12 in neighborhoods with poorly maintained REO properties, leaving the existing segregated racial  
13 composition of these neighborhoods unchanged or worsened.  
14

15 140. The existence of poorly maintained REO dwellings in a neighborhood  
16 diminishes home values for surrounding homeowners. According to the U.S. Department of  
17 Housing and Urban Development, vacant properties become a problem “when the property  
18 owner abandons the basic responsibilities of ownership, such as routine maintenance . . . .” *See*  
19 *Vacant and Abandoned Properties: Turning Liabilities Into Assets*, available at  
20 <https://www.huduser.gov/portal/periodicals/em/winter14/highlight1.html>. Vacant and  
21 abandoned properties have negative spillover effects that affect neighboring properties and,  
22 when concentrated, entire communities and cities. Research links foreclosed, vacant, and  
23 abandoned properties with reduced property values, increased crime, increased risk to public  
24 health and welfare, and increased costs for municipal governments. *Id.* The Appraisal Institute  
25 cautions that such “external obsolescence” can lower neighboring home values by 5 to 10%.  
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1 The reduction in home values in predominantly minority neighborhoods necessarily reduces the  
2 equity minority homeowners can use to buy a new home, thereby restricting the ability of  
3 minority homeowners to move to other, less segregated neighborhoods. Allowing REO  
4 properties in neighborhoods of color to deteriorate has the necessary and foreseeable  
5 consequence of perpetuating segregation by re-entrenching the vestiges of historically  
6 discriminatory practices.

## 7 **V. INJURY CAUSED BY DEFENDANT'S BEHAVIOR**

### 8 ***a. Injury to All Plaintiffs***

9  
10 141. The unlawful discriminatory practices of Defendant have proximately caused  
11 actual injury to each of the Plaintiffs.

12 142. The particularized and concrete injuries suffered by Plaintiffs are intimately  
13 connected to the conduct that the Fair Housing Act prohibits. Specifically, Defendant's housing  
14 practices have injured Plaintiffs by: (a) undermining Plaintiffs' education, advocacy, and  
15 training programs designed to promote fair housing and fair lending; (b) requiring Plaintiffs to  
16 divert scarce resources away from their usual activities and instead to devote substantial time to  
17 evaluating properties, reviewing data, interviewing witnesses, engaging in a counteractive  
18 education and outreach campaign, and developing educational materials to identify and address  
19 Defendant's racially discriminatory maintenance practices; (c) frustrating Plaintiffs' missions of  
20 increasing fair and equal access to housing for all Americans and in all neighborhoods,  
21 regardless of race, color, or national origin; (d) frustrating Plaintiffs' missions to eliminate racial  
22 segregation in their communities; (e) harming the communities that Plaintiffs serve; and (f)  
23 impeding Plaintiffs' community investment programs designed to stabilize neighborhoods of  
24 color and increase homeownership for all people in these same neighborhoods.  
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1           143. By requiring Plaintiffs to expend substantial time and resources investigating and  
2 counteracting Defendant's unlawful conduct, Defendant has harmed Plaintiffs economically by  
3 forcing Plaintiffs to divert scarce resources away from their usual education, counseling,  
4 investigation, and capacity-building activities and services. As Defendant's discriminatory  
5 practices persist, addressing and counteracting Defendant's discriminatory conduct will  
6 continue to require a substantial diversion of resources by Plaintiffs away from their usual  
7 activities.  
8

9           144. In order to identify and counteract Defendant's discriminatory conduct, Plaintiffs  
10 had to divert scarce resources and time away from other projects and programs. These  
11 expenditures were not initially included in Plaintiffs' budgets. As a result, each Plaintiff had to  
12 pull resources away from other planned and budgeted projects in order to garner the resources  
13 necessary to counteract Fannie Mae's behavior. New grant applications had to be refocused  
14 from longstanding needs to address the immediate problem caused by Fannie Mae's failure to  
15 maintain its REO properties.  
16

17           145. Because of the measures Plaintiffs were forced to take to identify and counteract  
18 Defendant's discriminatory practices, Plaintiffs were forced to delay, suspend, or forgo other  
19 existing programs or projects. For example, NFHA had to forgo conducting sales investigations  
20 to combat racial steering because staff was needed to conduct REO investigations of Fannie  
21 Mae across the country. Despite this impact on Plaintiffs' other programs and services,  
22 Plaintiffs nevertheless diverted resources to these counteractive measures because, if left  
23 unaddressed, Fannie Mae's discriminatory policies would have a significant harmful effect on  
24 Plaintiffs' communities and the constituents they serve.  
25

26           146. Defendant's discriminatory conduct has also injured Plaintiffs economically by  
27 hindering Plaintiffs' community investment efforts. Over the past three years, Plaintiffs have  
28

1 provided over \$18 million to 13 fair housing organizations so they could provide services and  
2 grants to local housing non-profit organizations and neighborhood investment funds in 13  
3 communities included within this Complaint. Plaintiffs also provided more than \$8 million in 6  
4 neighborhoods in cities that are also part of this complaint to conduct education and outreach  
5 around REO best practices and to foster homeownership, to assist with rebuilding  
6 predominantly African-American and Latino neighborhoods affected by the foreclosure crisis,  
7 and to promote diverse, inclusive communities. These funds have been leveraged to obtain an  
8 additional \$17.3 million in corporate and foundation grants for the same communities. They  
9 have allowed 790 homeowners to remain in their homes through foreclosure prevention or home  
10 repair grants, rehabilitated 685 abandoned or blighted dwellings, and made 182 housing units  
11 accessible to persons with disabilities.  
12

13 147. These financial investments have been and are continuing to be undermined by  
14 the existence of deteriorating and poorly maintained Fannie Mae REO properties in the same  
15 communities.  
16

17 148. In efforts to address and attempt to counteract the effects of Defendant's  
18 discriminatory conduct, prior to the filing of this action, each of the Plaintiffs engaged in  
19 community outreach and public efforts to raise awareness of these discriminatory practices in  
20 the communities each Plaintiff serves.  
21

22 149. The diversion and expenditure of financial resources and staff time, included, but  
23 was not limited to: time and costs associated with drafting and distributing educational  
24 materials; mailing costs and graphic design expenses; travel time and expenses; and staff hours  
25 diverted from other work to conduct these outreach activities. In addition to implementing these  
26 counteractive measures, Plaintiffs were required to spend additional time designing and  
27 preparing counteractive strategies specifically targeted toward addressing the impact of  
28

1 Defendant's unlawful behavior. Thus, Plaintiffs not only diverted scarce time and resources  
2 away from routine tasks and activities to conducting education and outreach, but also to  
3 preparing the education and outreach strategy and materials on REO maintenance.

4 150. These injuries have caused Plaintiffs to incur costs that are above and beyond the  
5 operational activities and costs normally expended by Plaintiffs.

6 ***b. Injuries to Individual Plaintiffs***

7  
8 151. Each Plaintiff has suffered particularized and concrete injuries caused by  
9 Defendant's discriminatory behavior.

10 **National Fair Housing Alliance**

11 152. Over the course of five years, Plaintiff National Fair Housing Alliance has  
12 conducted hundreds of inspections of Fannie Mae REO properties across the nation. NFHA has  
13 also conducted joint inspections with many of the Plaintiffs listed below. In total, NFHA has  
14 expended close to 4,000 hours on its investigation into Fannie Mae's discriminatory  
15 maintenance and marketing.  
16

17 153. As a result of this expenditure of time and resources, NFHA was forced to divert  
18 resources and time away from other intended projects and programs, and to delay, suspend, or  
19 even cancel such programming. Defendant's discriminatory conduct caused NFHA to forgo  
20 opportunities including executing new fair housing advocacy projects or investigations,  
21 conducting additional consulting and training of housing providers, applying for new grants and  
22 funding sources, attending conferences, and professional staff development.  
23

24 154. In addition, NFHA engaged in significant community outreach and public  
25 education efforts in order to address and attempt to counteract the effects of Defendant's  
26 conduct. NFHA's efforts include: meeting with local, state, and federal government officials  
27 (including the Federal Reserve Board, state House of Representatives, and at least 10 local  
28

1 governments/jurisdictions); authoring and distributing at least three reports about discrimination  
2 in maintenance of REO properties, which were subsequently mailed to local and state  
3 governments; conducting numerous fair housing trainings regarding REO maintenance to real  
4 estate professionals and bank employees; planning and sponsoring a conference on REO  
5 maintenance; serving as keynote speaker and presenting on numerous panels regarding the  
6 economic impact of discriminatory REO maintenance; and authoring a book chapter regarding  
7 discrimination in REO maintenance.  
8

9 155. Defendant's actions have also frustrated the mission and purpose of NFHA. As  
10 described in greater detail above, NFHA's mission is to ensure equal housing opportunities and  
11 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
12 directly impedes its efforts and frustrates its mission.

13 156. Finally, NFHA has expended at least \$3.4 million of its own funds to engage in  
14 community development, homeownership promotion, and neighborhood stabilization efforts  
15 across the nation. NFHA's financial investments have been and are continuing to be  
16 undermined by the existence of deteriorating and poorly maintained Fannie Mae REO  
17 properties in those communities.  
18

19 **Fair Housing Advocates of Northern California**  
20 **(formerly Fair Housing of Marin)**

21 157. Plaintiff Fair Housing Advocates of Northern California conducted inspections  
22 of Fannie Mae REO properties across the greater Solano and Contra Costa counties, expending  
23 over 310 hours throughout the course of this investigation.

24 158. As a result of this expenditure of time and resources, FHANC was forced to  
25 divert resources and time away from other intended projects and programs, and to delay,  
26 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
27  
28

1 Plaintiff to forgo opportunities including: consulting opportunities, professional staff  
2 development, coalition meetings, and new or additional funding applications.

3 159. In addition, FHANC engaged in significant community outreach and public  
4 education efforts in order to address and attempt to counteract the effects of Defendant's  
5 conduct. Plaintiff's efforts include: meeting with local government officials regarding REO  
6 maintenance, including visits to senators and representatives on Capitol Hill; meeting with local  
7 service providers such as Housing and Economic Rights Advocates; creating and distributing  
8 public service announcements and conducting radio campaigns; publishing advertisements in  
9 local newspapers; sending specialized mailings to neighbors of REO properties; participating in  
10 community events; and engaging with media to raise awareness of REO-related issues.

12 160. Defendant's actions have also frustrated the mission and purpose of FHANC. As  
13 described in greater detail above, FHANC's mission is to ensure equal housing opportunities  
14 and to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
15 directly impedes its efforts and frustrates its mission.

17 161. Finally, FHANC has expended its own funds to engage in community  
18 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
19 financial investments have been and are continuing to be undermined by the existence of  
20 deteriorating and poorly maintained Fannie Mae REO properties in the greater Solano and  
21 Contra Costa counties.

22 **Central Ohio Fair Housing Association**

24 162. Plaintiff Central Ohio Fair Housing Association conducted inspections of Fannie  
25 Mae REO properties, expending over 75 hours throughout the course of this investigation.

26 163. As a result of this expenditure of time and resources, COFHA was forced to  
27 divert resources and time away from other intended projects and programs, and to delay,

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1 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
2 Plaintiff to forgo opportunities including: community and coalition meetings, professional staff  
3 development, and new funding applications.

4 164. In addition, COFHA engaged in significant community outreach and public  
5 education efforts in order to address and attempt to counteract the effects of Defendant's  
6 conduct. Plaintiff's efforts include: organizing and conducting outreach and trainings for real  
7 estate agents in the greater Columbus metropolitan region; providing educational materials and  
8 meeting with local code or government officials regarding REO maintenance; preparing and  
9 publishing brochures/reports; creating public service announcements and advertising in local  
10 print and radio; designing targeted websites and specialized mailings; participating in  
11 community events, including presentations to Habitat for Humanity Mid-Ohio, Somali  
12 Community Association of Ohio, Legal Aid Society of Columbus, and Columbus Realtists  
13 Association; engaging with media to raise awareness of REO-related issues; and meeting with  
14 officials from the City of Columbus and Franklin County, Ohio.  
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17 165. Defendant's actions have also frustrated the mission and purpose of COFHA. As  
18 described in greater detail above, COFHA's mission is to ensure equal housing opportunities  
19 and to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
20 directly impedes its efforts and frustrates its mission.

21 166. Finally, COFHA has expended its own funds to engage in community  
22 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
23 financial investments have been and are continuing to be undermined by the existence of  
24 deteriorating and poorly maintained Fannie Mae REO properties in the greater Columbus  
25 metropolitan region.  
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**Connecticut Fair Housing Center**

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167. Plaintiff Connecticut Fair Housing Center, Inc. conducted inspections of Fannie Mae’s REO properties throughout Connecticut, expending over 30 hours throughout the course of this investigation.

168. As a result of this expenditure of time and resources, CFHC was forced to divert resources and time away from other intended projects and programs, and to delay, suspend, or even cancel such programming. Defendant’s discriminatory conduct caused Plaintiff to forgo opportunities including but not limited to developing new or additional fair housing investigations, community and coalition meetings, consulting and training opportunities, new funding applications, and professional staff development.

169. In addition, CFHC engaged in significant community outreach and public education efforts in order to address and attempt to counteract the effects of Defendant’s conduct. Plaintiff’s efforts include: conducting classes for more than 100 real estate agents on their obligations to maintain REO properties in a non-discriminatory manner; testifying at legislative hearings at the Connecticut legislature on blight bills to raise awareness of the problems caused by differential treatment of REO properties; meeting with the Mayor of New Haven to highlight problems with REO properties in her city; and discussing REO maintenance with Connecticut’s Congressional delegation during meetings on fair housing problems in Connecticut.

170. Defendant’s actions have also frustrated the mission and purpose of CFHC. As described in greater detail above, CFHC’s mission is to ensure equal housing opportunities and to fight unlawful discrimination and segregation. Defendant’s discriminatory maintenance directly impedes its efforts and frustrates its mission.

**Denver Metro Fair Housing Center**

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171. Plaintiff Denver Metro Fair Housing Center conducted inspections of Fannie Mae REO properties across the greater Denver metropolitan area, expending over 185 hours throughout the course of this investigation.

172. As a result of this expenditure of time and resources, DMFHC was forced to divert limited resources and time away from other intended projects and programs, and to delay, suspend, or even cancel such programming. Defendant’s discriminatory conduct caused Plaintiff to forgo opportunities including consulting and training opportunities, new funding applications, professional staff development, and new or additional fair housing investigations.

173. In addition, DMFHC engaged in significant community outreach and public education efforts in order to address and attempt to counteract the effects of Defendant’s conduct. DMFHC’s efforts include: organizing and conducting trainings regarding REO maintenance for housing providers, municipal housing employees, HUD housing counseling agency staff, and the general public in the greater Denver Metro region; meeting with local government officials regarding REO issues, including the Denver Regional Council of Governments, City and County of Denver, City of Aurora, and the State of Colorado Division of Housing; preparing and publishing brochures/reports; creating public service announcements and advertising; designing specialized mailings; participating in community events, including the Montbello 50th Anniversary Fair; and engaging with media to raise awareness for REO-related issues.

174. Defendant’s actions have also frustrated the mission and purpose of DMFHC. As described in greater detail above, DMFHC’s mission is to ensure equal housing opportunities and to fight unlawful discrimination and segregation. Defendant’s discriminatory maintenance directly impedes its efforts and frustrates its mission.



1 175. Finally, DMFHC has expended its own funds to engage in community  
2 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
3 financial investments have been and are continuing to be undermined by the existence of  
4 deteriorating and poorly maintained Fannie Mae REO properties in the greater Denver  
5 metropolitan region.

6 **Fair Housing Center of Central Indiana**

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8 176. Plaintiff Fair Housing Center of Central Indiana, Inc. conducted inspections of  
9 Fannie Mae REO properties across the greater Indianapolis metropolitan region, expending 150  
10 hours throughout the course of this investigation.

11 177. As a result of this expenditure of time and resources, FHCCI was forced to divert  
12 resources and time away from other intended projects and programs, and to delay, suspend, or  
13 even cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
14 opportunities including: fair housing training opportunities, new funding applications,  
15 professional staff development, and expanded forms of education and outreach.

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17 178. In addition, FHCCI engaged in significant community outreach and public  
18 education efforts in order to address and attempt to counteract the effects of Defendant's  
19 conduct. FHCCI's efforts include organizing and conducting trainings for community  
20 development and neighborhood organizations in the greater Indianapolis region; meeting with  
21 local community development organizations and government officials regarding REO  
22 maintenance; meeting with local service providers; preparing and publishing reports; creating  
23 public service announcements for local print and radio; designing specialized mailings; and  
24 engaging with media to raise awareness of REO-related issues and answer media related  
25 inquiries.  
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1 179. Defendant's actions have also frustrated the mission and purpose of FHCCI. As  
2 described in greater detail above, FHCCI's mission is to ensure equal housing opportunities and  
3 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
4 directly impedes its efforts and frustrates its mission.

5 180. Finally, FHCCI has expended its own funds to engage in community  
6 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
7 financial investments have been and are continuing to be undermined by the existence of  
8 deteriorating and poorly maintained Fannie Mae REO properties in the greater Indianapolis  
9 metropolitan region.  
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11 **Fair Housing Center of Greater Palm Beaches**

12 181. Plaintiff Fair Housing Center of the Greater Palm Beaches, Inc. conducted  
13 inspections of Fannie Mae REO properties across the greater Palm Beach metropolitan region  
14 and expended over 90 hours over the course of this investigation.

15 182. As a result of this expenditure of time and resources, FHCGPB was forced to  
16 divert resources and time away from other intended projects and programs, suspend, or even  
17 cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
18 opportunities including fair housing education and consulting opportunities with housing  
19 providers and municipalities and new funding applications.  
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21 183. In addition, FHCGPB engaged in significant community outreach and public  
22 education efforts in order to address and attempt to counteract the effects of Defendant's  
23 conduct. Plaintiff's efforts include: over a dozen workshops to community service providers and  
24 local housing providers regarding REO maintenance; disseminating anti-discrimination  
25 literature; and counseling citizens of the greater Palm Beach metropolitan region on their fair  
26 housing rights under federal, Florida, and local fair housing laws.  
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1 184. Defendant's actions have also frustrated the mission and purpose of FHCGPB.  
2 As described in greater detail above, FHCGPB's mission is to ensure equal housing  
3 opportunities and to fight unlawful discrimination and segregation. Defendant's discriminatory  
4 maintenance directly impedes its efforts and frustrates its mission.

5 **Fair Housing Center of West Michigan**

6 185. Plaintiff Fair Housing Center of West Michigan conducted inspections of Fannie  
7 Mae's REO properties across the western Michigan region, expending over 200 hours  
8 throughout the course of this investigation.  
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10 186. As a result of this expenditure of time and resources, FHCWM was forced to  
11 divert resources and time away from other intended projects and programs, and to delay,  
12 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
13 Plaintiff to forgo opportunities including community meetings and collaborative efforts,  
14 consulting opportunities, conferences and staff development, other systemic investigations, and  
15 funding applications.  
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17 187. In addition, FHCWM engaged in significant community outreach and public  
18 education efforts in order to address and attempt to counteract the effects of Defendant's  
19 conduct. Plaintiff's efforts include: holding workshops regarding REO issues at its Fair Housing  
20 Luncheon & Workshop Series; meeting with local code or government officials regarding REO  
21 maintenance; meeting with local service providers, stakeholders and community groups;  
22 preparing and publishing newsletters; participating in community events; and engaging with  
23 media to raise awareness of REO-related issues.  
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25 188. Defendant's actions have also frustrated the mission and purpose of FHCWM.  
26 As described in greater detail above, FHCWM's mission is to ensure equal housing  
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1 opportunities and to fight unlawful discrimination and segregation. Defendant's discriminatory  
2 maintenance directly impedes its efforts and frustrates its mission.

3 189. Finally, FHCWM has expended its own funds to engage in community  
4 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
5 financial investments have been and are continuing to be undermined by the existence of  
6 deteriorating and poorly maintained Fannie Mae REO properties in the western Michigan  
7 region.  
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### 9 **Fair Housing Continuum**

10 190. The Fair Housing Continuum, Inc. conducted inspections of Fannie Mae REO  
11 properties in the central Florida region, expending approximately 564 hours throughout the  
12 course of this investigation.

13 191. As a result of this expenditure of time and resources, the Continuum was forced  
14 to divert resources and time away from other intended projects and programs, and to delay,  
15 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
16 Plaintiff to forgo opportunities including: new or additional fair housing investigations,  
17 individual complaint enforcement, fair housing training opportunities, and professional staff  
18 development.  
19

20 192. In addition, the Continuum engaged in significant community outreach and  
21 public education efforts in order to address and attempt to counteract the effects of Defendant's  
22 conduct. Plaintiff's efforts include 141 presentations or speaking engagements related to REO  
23 issues from July 2013 through Sept. 2016 as well as engaging with media to raise awareness of  
24 REO-related issues.  
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26 193. Defendant's actions have also frustrated the mission and purpose of the  
27 Continuum. As described in greater detail above, the Continuum's mission is to ensure equal  
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1 housing opportunities and to fight unlawful discrimination and segregation. Defendant's  
2 discriminatory maintenance directly impedes its efforts and frustrates its mission.

3 **Greater New Orleans Fair Housing Action Center**

4 194. Plaintiff Greater New Orleans Fair Housing Action Center conducted inspections  
5 of Fannie Mae REO properties across the New Orleans metropolitan area, expending over 100  
6 hours throughout the course of this investigation.

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8 195. As a result of this expenditure of time and resources, GNOFHAC was forced to  
9 divert resources and time away from other intended projects and programs, and to delay or  
10 suspend such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
11 opportunities including presenting fair housing courses and to delay work related to its annual  
12 outreach and education events as well as for planned investigations.

13 196. In addition, GNOFHAC engaged in significant community outreach and public  
14 efforts in order to address and attempt to counteract the effects of Defendant's conduct.  
15 GNOFHAC's efforts include: organizing and conducting trainings to groups of service  
16 providers in the Greater New Orleans area, including meeting with BlightsOut, an organization  
17 dedicated to eradicating blight; meeting with government officials regarding REO maintenance;  
18 creating public service announcements and advertising in local print and radio; participating in  
19 community events, including the Mission Possible Conference with over 100 conference  
20 attendees, and engaging with media to raise awareness of REO-related issues.

21  
22 197. Defendant's actions have also frustrated the mission and purpose of GNOFHAC.  
23 As described in greater detail above, GNOFHAC's mission is to ensure equal housing  
24 opportunities and to fight unlawful discrimination and segregation. Defendant's discriminatory  
25 maintenance directly impedes its efforts and frustrates its mission.  
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1 198. Finally, GNOFHAC has expended its own funds to engage in community  
2 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
3 financial investments have been and are continuing to be undermined by the existence of  
4 deteriorating and poorly maintained Fannie Mae REO properties in the greater New Orleans  
5 metropolitan region.

6 **HOPE Fair Housing Center**

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8 199. Plaintiff H.O.P.E. Inc d/b/a HOPE Fair Housing Center conducted inspections of  
9 Fannie Mae REO properties across the greater Chicago metropolitan region, expending over  
10 550 hours throughout the course of this investigation.

11 200. As a result of this expenditure of time and resources, HOPE was forced to divert  
12 resources and time away from other intended projects and programs, and to delay, suspend, or  
13 even cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
14 opportunities including: consulting opportunities, new funding applications, professional staff  
15 development, and community and coalition meetings.

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17 201. In addition, HOPE engaged in significant community outreach and public  
18 education efforts in order to address and attempt to counteract the effects of Defendant's  
19 conduct. Plaintiff's efforts include: organizing and conducting trainings for a regional coalition  
20 of housing providers, non-profit service providers and government staff in the greater Chicago  
21 metropolitan region; meeting with local code or government officials regarding REO  
22 maintenance in Elgin and other local municipalities; meeting with local service providers and  
23 real estate trade organizations; preparing and publishing brochures/reports; designing targeted  
24 websites and specialized mailings; participating in community events, including the Chicago  
25 Urban League Homebuyers Fair, among others; and engaging with media to raise awareness of  
26 REO-related issues.  
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1           202. Defendant's actions have also frustrated the mission and purpose of HOPE. As  
2 described in greater detail above, HOPE's mission is to ensure equal housing opportunities and  
3 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
4 directly impedes its efforts and frustrates its mission.

5           203. HOPE has also expended its own funds to engage in community development,  
6 homeownership promotion, and neighborhood stabilization efforts. Plaintiff's financial  
7 investments have been and are continuing to be undermined by the existence of deteriorating  
8 and poorly maintained Fannie Mae REO properties in the greater Chicago metropolitan region.  
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### 10                                   **Housing Opportunities Made Equal of Virginia**

11           204. Plaintiff Housing Opportunities Made Equal of Virginia conducted inspections of  
12 Fannie Mae's REO properties in Virginia, expending 165 hours throughout the course of this  
13 investigation.

14           205. As a result of this expenditure of time and resources, HOME of Virginia was  
15 forced to divert resources and time away from other intended projects and programs, and to  
16 delay, suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
17 Plaintiff to forgo opportunities including education and outreach activities that would have  
18 furthered its mission, training on volunteer recruitment, fair housing planning consulting work,  
19 community meetings, and collaborative efforts, and the delay of its internal strategic planning  
20 exercises.  
21

22           206. In addition, HOME of Virginia engaged in significant community outreach and  
23 public education efforts in order to address and attempt to counteract the effects of Defendant's  
24 conduct. Plaintiff's efforts include: corresponding with City officials regarding REO  
25 maintenance and ongoing costs to the localities; meeting with community development  
26 corporations; and engaging with media to raise awareness of REO-related issues.  
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1           207. Defendant’s actions have also frustrated the mission and purpose of HOME of  
2 Virginia. As described in greater detail above, HOME of Virginia’s mission is to ensure equal  
3 housing opportunities and to fight unlawful discrimination and segregation. Defendant’s  
4 discriminatory maintenance directly impedes its efforts and frustrates its mission.

5                           **Housing Opportunities for Excellence (HOPE Inc.)**

6           208. Plaintiff Housing Opportunities Project for Excellence, Inc., conducted  
7 inspections of Fannie Mae REO properties across the state of Florida and expended over 110  
8 hours throughout the course of this investigation.

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10           209. As a result of this expenditure of time and resources, HOPE, Inc. was forced to  
11 divert resources and time away from other intended projects and programs, and to delay,  
12 suspend, or even cancel such programming. Defendant’s discriminatory conduct caused  
13 Plaintiff to forgo opportunities including resource development, public policy advocacy,  
14 identifying opportunities to educate underserved and un-served populations, utilizing research  
15 and technology to identify discriminatory trends in housing, and furtherance of the  
16 organization’s Strategic Plan.

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18           210. In addition, HOPE, Inc. engaged in significant community outreach and public  
19 education efforts in order to address and attempt to counteract the effects of Defendant’s  
20 conduct. Plaintiff’s efforts include: preparation and publication of newsletter articles promoting  
21 community awareness; engagement with media engagement to raise awareness of REO-related  
22 issues; and development of educational presentations inclusive of REO-related topics, including  
23 homebuyer/foreclosure prevention workshops, housing provider trainings, and local (Miami-  
24 Dade and Broward County) and statewide (Florida) fair housing workshops.

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26           211. Defendant’s actions have also frustrated the mission and purpose of HOPE, Inc.  
27 As described in greater detail above, HOPE Inc.’s mission is to ensure equal housing  
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1 opportunities and to fight unlawful discrimination and segregation. Defendant's discriminatory  
2 maintenance directly impedes its efforts and frustrates its mission.

3 **Housing Research & Advocacy Center**

4 212. Plaintiff Housing Research & Advocacy Center conducted inspections of Fannie  
5 Mae REO properties across the greater Cleveland metropolitan area, expending over 140 hours  
6 over the course of this investigation.

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8 213. As a result of this expenditure of time and resources, HRAC was forced to divert  
9 resources and time away from other intended projects and programs, and to delay, suspend, or  
10 even cancel such activities. Defendant's discriminatory conduct caused Plaintiff to forgo  
11 opportunities including production of an annual report, Racial and Ethnic Disparities in  
12 Mortgage Lending.

13 214. In addition, HRAC engaged in significant community outreach and public  
14 education efforts in order to address and attempt to counteract the effects of Defendant's  
15 conduct. HRAC's efforts include: the discussion of REO maintenance issues in more than 200  
16 presentations to housing providers and real estate agents in Northeast Ohio; meeting with local  
17 code or government officials regarding REO maintenance; meeting with local service providers;  
18 sharing investigation's findings with the community; and engaging with media to raise  
19 awareness of REO-related issues.  
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21 215. Defendant's actions have also frustrated the mission and purpose of HRAC. As  
22 described in greater detail above, HRAC's mission is to ensure equal housing opportunities and  
23 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
24 directly impedes its efforts and frustrates its mission.  
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**Miami Valley Fair Housing Center**

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216. Plaintiff Miami Valley Fair Housing Center conducted inspections of Fannie Mae REO properties across the greater Miami Valley region, expending over 130 hours throughout the course of this investigation.

217. As a result of this expenditure of time and resources, MVFHC was forced to divert resources and time away from other intended projects and programs, and to delay, suspend, or even cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo opportunities including: consulting and training opportunities, community and coalition meetings, new funding applications, and professional staff development.

218. In addition, MVFHC engaged in significant community outreach and public education efforts in order to address and attempt to counteract the effects of Defendant's conduct. Plaintiff's efforts include: organizing and conducting trainings for real estate agents, property managers, municipal government employees, and the general public in the greater Miami Valley region; meeting with local code or government officials regarding REO maintenance; meeting with local service providers; preparing and publishing brochures/reports; creating public service announcements and advertising in local print and radio; designing targeted websites and specialized mailings; participating in community events (including presentations to the Latino Connection, the Dayton Area Realtists, Catholic Social Services, the Dayton Mortgage Broker's Association, and the Ahiska Turkish American Community Center); and engaging with media to raise awareness of REO-related issues.

219. Finally, MVFHC has expended its own funds to engage in community development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's financial investments have been and are continuing to be undermined by the existence of

1 deteriorating and poorly maintained Fannie Mae REO properties in the greater Miami Valley  
2 region.

3 220. Defendant's actions have also frustrated the mission and purpose of MVFHC. As  
4 described in greater detail above, MVFHC's mission is to ensure equal housing opportunities  
5 and to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
6 directly impedes its efforts and frustrates its mission.

### 7 **Metro Fair Housing Services**

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9 221. Plaintiff Metro Fair Housing Services, Inc. conducted inspections of Fannie Mae  
10 REO properties across the greater Atlanta metropolitan region, expending over 325 hours  
11 throughout the course of this investigation.

12 222. As a result of this expenditure of time and resources, Metro was forced to divert  
13 resources and time away from other intended projects and programs, and to delay, suspend, or  
14 even cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
15 opportunities including consulting and training opportunities, new funding applications,  
16 professional staff development, and new or additional fair housing investigations.

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18 223. In addition, Metro engaged in significant community outreach and public  
19 education efforts in order to address and attempt to counteract the effects of Defendant's  
20 conduct. Plaintiff's efforts include: organizing and conducting trainings for local jurisdictional  
21 staffs, private and public housing providers, real estate agents and consumers in the greater  
22 Atlanta metropolitan region; meeting with local code or government officials regarding REO  
23 maintenance; preparing and publishing brochures/reports; participating in community events,  
24 including the agency's annual fair housing events, partnership fairs and workshops and  
25 professional education and outreach activities; and engaging with media to raise awareness for  
26 REO-related issues.  
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1           224. Defendant's actions have also frustrated the mission and purpose of Metro. As  
2 described in greater detail above, Metro's mission is to ensure equal housing opportunities and  
3 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
4 directly impedes its efforts and frustrates its mission.

5           225. Finally, Metro has expended its own funds to engage in community  
6 development, homeownership promotion, and neighborhood stabilization efforts. Plaintiff's  
7 financial investments have been and are continuing to be undermined by the existence of  
8 deteriorating and poorly maintained Fannie Mae REO properties in the greater Atlanta  
9 metropolitan region.  
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#### 11                                   **North Texas Fair Housing Center**

12           226. Plaintiff North Texas Fair Housing Center conducted inspections of Fannie Mae  
13 REO properties across the greater Dallas-Fort Worth metropolitan region, expending over 135  
14 hours throughout the course of the investigation.

15           227. As a result of this expenditure of time and resources, NTFHC was forced to  
16 divert resources and time away from other intended projects and programs, and to delay,  
17 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
18 Plaintiff to forgo opportunities including expanded forms of outreach and coalition-building,  
19 professional staff development, and new funding applications.  
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21           228. In addition, NTFHC engaged in significant community outreach and public  
22 education efforts to address and attempt to counteract the effects of Defendant's conduct.  
23 Plaintiff's efforts include: organizing and conducting trainings for social service providers and  
24 property management personnel in the Dallas-Fort Worth region; meeting with local  
25 government officials regarding REO maintenance; meeting with local service providers;  
26 preparing and publishing brochures; creating public service announcements and advertising in  
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1 local print and radio; designing specialized mailings; participating in community events,  
2 including community resource fairs; and engaging with media to raise awareness of REO-  
3 related issues.

4 229. Defendant's actions have also frustrated the mission and purpose of NTFHC. As  
5 described in greater detail above, NTFHC's mission is to ensure equal housing opportunities  
6 and to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
7 directly impedes its efforts and frustrates its mission.  
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9 230. NTFHC has also spent its own funds to engage in community development,  
10 homeownership promotion, and neighborhood stabilization efforts. Plaintiff's financial  
11 investments have been and are continuing to be undermined by the existence of deteriorating  
12 and poorly maintained Fannie Mae REO properties in the greater Dallas-Fort Worth region.  
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#### 14 **Metro Milwaukee Fair Housing Council**

15 231. Plaintiff Metropolitan Milwaukee Fair Housing Council conducted inspections of  
16 Fannie Mae REO properties across the greater Milwaukee metropolitan area, expending over  
17 400 hours throughout the course of this investigation.

18 232. As a result of this expenditure of time and resources, MMFHC was forced to  
19 divert resources and time away from other intended projects and programs, and to delay,  
20 suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
21 Plaintiff to forgo opportunities including fair lending outreach and education, fair housing  
22 outreach and education, fair housing investigations, data collection activities, and housing  
23 industry trainings.  
24

25 233. In addition, MMFHC engaged in significant community outreach and public  
26 education efforts in order to address and attempt to counteract the effects of Defendant's  
27 conduct. Plaintiff's efforts include conducting REO-related presentations and meetings with  
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1 government officials, community organizations, academic institutions, housing providers,  
2 individual realtors and realtors' associations, neighborhood associations, lending institutions,  
3 community activists, faith-based institutions, and homeowners and residents of neighborhoods  
4 affected by discriminatory REO maintenance and marketing practices.

5       234. Defendant's actions have also frustrated the mission and purpose of MMFHC.  
6 As described in greater detail above, MMFHC's mission is to ensure equal housing  
7 opportunities and to fight unlawful discrimination and segregation. Defendant's discriminatory  
8 maintenance directly impedes its efforts and frustrates its mission  
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### 10                                   **Open Communities**

11       235. Plaintiff Open Communities conducted inspections of Fannie Mae REO  
12 properties in the greater Chicago metropolitan region, expending over 262 hours throughout the  
13 course of this investigation.

14       236. As a result of this expenditure of time and resources, Open Communities was  
15 forced to divert resources and time away from other intended projects and programs, and to  
16 delay, suspend, or even cancel such programming. Defendant's discriminatory conduct caused  
17 Plaintiff to forgo opportunities including conducting fair housing testing and investigations,  
18 holding landlord and tenant mediation services, performing community outreach and  
19 professional staff development.  
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21       237. Defendant's actions have also frustrated the mission and purpose of Open  
22 Communities. As described in greater detail above, Open Communities' mission is to ensure  
23 equal housing opportunities and to fight unlawful discrimination and segregation. Defendant's  
24 discriminatory maintenance directly impedes its efforts and frustrates its mission.  
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**South Suburban Housing Center**

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238. Plaintiff South Suburban Housing Center conducted inspections of Fannie Mae REO properties across the greater Chicago metropolitan area, expending over 329 hours throughout the course of this investigation.

239. As a result of this expenditure of time and resources, SSHC was forced to divert resources and time away from other intended projects and programs, and to delay, suspend, or even cancel such programming. Defendant’s discriminatory conduct caused Plaintiff to forgo opportunities including additional fair housing complaint intakes and investigations, fair housing presentations for the general public and housing providers, counseling and advocacy on behalf of mortgage-distressed discrimination victims, and expanded forms of outreach and coalition-building.

240. In addition, SSHC has engaged in significant community outreach and public education efforts in order to address and attempt to counteract the effects of Defendant’s conduct. Plaintiff’s efforts include conducting REO-related presentations and meetings with municipal and county officials, community organizations, housing providers, individual realtors and realtors’ associations, lending institutions, community service agencies, faith-based institutions, and homeowners and residents of communities affected by discriminatory REO maintenance and marketing practices.

241. Defendant’s actions have also frustrated the mission and purpose of SSHC. As described in greater detail above, SSHC’s mission is to ensure equal housing opportunities and to fight unlawful discrimination and segregation. Defendant’s discriminatory maintenance directly impedes its efforts and frustrates its mission.

242. Finally, SSHC has expended its own funds to engage in community development, homeownership promotion, and neighborhood stabilization efforts, including

1 down payment assistance and mortgage distress assistance programs. Plaintiff's financial  
2 investments have been and are continuing to be undermined by the existence of deteriorating  
3 and poorly maintained Fannie Mae REO properties in the greater Chicago metropolitan area.

4 **Toledo Fair Housing Center**

5 243. Plaintiff, The Toledo Fair Housing Center, conducted inspections of Fannie Mae  
6 REO properties across the greater Toledo metropolitan area, expending over 316 hours  
7 throughout the course of this investigation.  
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9 244. As a result of this expenditure of time and resources, TFHC was forced to divert  
10 resources and time away from other intended projects and programs, and to delay, suspend, or  
11 even cancel such programming. Defendant's discriminatory conduct caused Plaintiff to forgo  
12 opportunities including providing fair housing training to community partners, attending  
13 conferences and other forms of professional staff development, and advocating for housing  
14 discrimination victims.  
15

16 245. In addition, TFHC engaged in significant community outreach and public  
17 education efforts in order to address and attempt to counteract the effects of Defendant's  
18 conduct. Plaintiff's efforts include: organizing and conducting trainings for housing industry  
19 professionals and the general public in the Northwest Ohio region; meeting with government  
20 officials regarding REO maintenance; meeting with local service providers; preparing and  
21 publishing reports; participating in community events and meetings; engaging with media to  
22 raise awareness of REO-related issues; interviewing neighbors; and participating in  
23 neighborhood beautification and revitalization efforts.  
24

25 246. Defendant's actions have also frustrated the mission and purpose of TFHC. As  
26 described in greater detail above, TFHC's mission is to ensure equal housing opportunities and  
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28



1 to fight unlawful discrimination and segregation. Defendant's discriminatory maintenance  
2 directly impedes its efforts and frustrates its mission.

3 247. Finally, TFHC has expended its own funds to engage in community  
4 development, homeownership promotion, neighborhood stabilization, foreclosure prevention  
5 and beautification efforts. Plaintiff's financial investments have been and are continuing to be  
6 undermined by the existence of deteriorating and poorly maintained Fannie Mae REO  
7 properties in the greater Toledo metropolitan region.  
8

9 *c. Injuries to Neighborhood Residents and Communities*

10 248. The damaging effect of Defendant's discriminatory conduct extends beyond  
11 Plaintiffs, also harming the communities Plaintiffs serve. Defendant's failure to maintain REO  
12 properties in communities of color has created deteriorating eye sores and depressed property  
13 values in communities of color, undermining neighborhood stabilization, and curtailing  
14 economic recovery.  
15

16 249. Where REO properties are not maintained, their effects on the neighborhood and  
17 the community can be powerful. They can diminish the value of surrounding properties and  
18 destabilize economic and social conditions in the neighborhood. Several academic and  
19 government reports acknowledge the negative effects of neglected vacant properties on  
20 neighboring homeowners, whole neighborhoods, and local governments. For example, the  
21 Government Accountability Office issued very detailed findings on the negative effects of  
22 abandoned foreclosures in 2010 in its Report "Mortgage Foreclosures: Additional Mortgage  
23 Servicer Actions Could Help Reduce the Frequency and Impact of Abandoned Foreclosures,"  
24 GAO-11-93, available at <http://www.gao.gov/new.items/d1193.pdf>. Vacant and abandoned  
25 properties often deteriorate quickly and can result in structural damage, mold, broken windows,  
26 accumulated trash and debris, overgrown grass, among other things. *Id.* at 29-31. They can also  
27  
28

1 create public safety concerns, and pose significant public health, safety, and welfare issues at  
2 the local level. *Id.* at 31-32. These harmful effects are well-known to Fannie Mae, and this GAO  
3 report was provided to Fannie Mae for comment prior to its final release in November 2010.  
4 *See also* Government Accountability Office, “Vacant Properties: Growing Number Increases  
5 Communities’ Costs and Challenges,” GAO-12-34 (Nov. 4, 2011), at 27-48, available at  
6 <http://www.gao.gov/products/GAO-12-34> ; Woodstock Institute, Deciphering Blight: Vacant  
7 Buildings Data Collection in the Chicago Six County Region (June 2013) at 2 (citing studies),  
8 available at  
9 [http://www.woodstockinst.org/sites/default/files/attachments/decipheringblight\\_buitrago\\_june2](http://www.woodstockinst.org/sites/default/files/attachments/decipheringblight_buitrago_june2013.pdf)  
10 [013.pdf](http://www.woodstockinst.org/sites/default/files/attachments/decipheringblight_buitrago_june2013.pdf).

12         250. Poorly maintained REO properties strip neighboring homeowners of wealth  
13 through decreased equity in their homes. Research shows that living on the same block as a  
14 foreclosed property or a blighted property can result in significant decreases in one’s home  
15 value and equity. This problem is particularly acute in communities of color. Moreover,  
16 residents in the affected neighborhoods are often required to expend their own labor and money  
17 to maintain Fannie Mae’s REO properties, but cannot do so in a comprehensive and sufficient  
18 manner.  
19

20         251. Poorly maintained REO properties affect the health and safety of surrounding  
21 residents. The stress related to living near a neglected, vacant property has been documented to  
22 contribute to increased high blood pressure rates for neighboring homeowners. Properties that  
23 are vacant and boarded up increase a sense of social isolation and anxiety for the residents  
24 living in those neighborhoods. Increased criminal activity and arson and accidental injuries from  
25 fires, as well as injuries related to unsecure and unstable structures, are more likely to occur in  
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1 neighborhoods with vacant and neglected REOs. Blighted properties also pose health and safety  
2 for neighbors due to rodent and insect infestation, decay, and vulnerability to crime.

3       252. Allowing REO properties in communities of color to deteriorate has the  
4 necessary and foreseeable consequence of perpetuating segregation by re-entrenching the  
5 vestiges of historically discriminatory practices engaged in by private and government actors.  
6 By failing to maintain REO dwellings in communities of color according to the same standards  
7 as it maintains REO dwellings in predominantly white neighborhoods, Fannie Mae stigmatizes  
8 communities of color as less desirable than predominantly white neighborhoods. Vacant and  
9 foreclosed properties are well known to depress surrounding home values; poor maintenance  
10 can only exacerbate that effect. And as shoddy maintenance and neglect result in deteriorating  
11 appearances and physical conditions for REO properties, their availability for sale is adversely  
12 affected, constraining housing options in impacted communities. The prospects for integration  
13 in the affected neighborhoods are reduced because white buyers are deterred from purchasing  
14 homes in neighborhoods with poorly maintained REO properties, leaving the existing  
15 segregated racial composition of these neighborhoods unchanged. As a consequence, potential  
16 home buyers, as well as existing homeowners, are being deprived of the social, professional,  
17 business and economic, political, and aesthetic benefits of living in integrated communities free  
18 of housing discrimination.

19       253. Lower home values in communities of color also restrict the ability of minority  
20 homeowners to move to majority white or integrated neighborhoods by reducing the equity they  
21 can use to buy a new home. Poor maintenance of REO properties significantly reduces the  
22 number of potential buyers in the housing market, deflecting sales prices downward. At the  
23 same time, research has shown that white homeowners in predominantly minority  
24 neighborhoods with high concentrations of foreclosed properties have greater resources to leave  
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1 those neighborhoods, and the presence of poorly maintained REO properties increases their  
2 incentive to move out.

3 254. Poorly maintained properties are also much more likely to be purchased by an  
4 investor as opposed to an owner-occupant. Because Defendant's poorly maintained properties  
5 are more heavily concentrated in African-American and Latino communities, communities of  
6 color that formerly thrived with high owner-occupancy rates are increasingly becoming  
7 investor-owned rental communities. Predatory investor ownership occurs most often in low-  
8 income communities of color and can include bulk purchasing of homes with the intention of  
9 renting them out with little or no maintenance or rehabilitation.  
10

11 255. Finally, Fannie Mae's failure to maintain REO properties in communities of  
12 color also harms governments. Local municipalities are forced to shoulder heavy costs for each  
13 vacant, poorly maintained property within their jurisdiction, and these costs can increase when  
14 the particular local jurisdiction has a high rate of foreclosures. When large scale property  
15 owners, such as Fannie Mae, neglect their assets, many of the related expenses become the  
16 burden of the local government. In addition, a significant reduction in property values directly  
17 injures municipalities by diminishing their tax base, thus threatening their ability to bear the  
18 costs of local government and provide services.  
19

20 ***d. The Injuries Caused by Defendant's Conduct Continues***

21 256. Until remedied, Defendant's unlawful, discriminatory actions will continue to  
22 injure Plaintiffs by, *inter alia*:

- 23
- 24 a. interfering with Plaintiffs' efforts and programs intended to bring about equality  
25 of opportunity in housing;
  - 26 b. requiring the commitment of scarce resources, including substantial staff time and  
27 funding, to counteract Defendant's discriminatory conduct in the communities  
28

1 identified above, thus diverting those resources away from Plaintiffs' usual  
2 activities and services, such as education, outreach, and counseling;

3 c. frustrating Plaintiffs' missions and purposes of promoting the equal availability of  
4 housing to all persons without regard to any protected category, including race  
5 and the racial composition of a neighborhood;

6 d. frustrating Plaintiffs' missions and purposes of promoting racial integration and  
7 eliminating racial segregation in their communities; and

8 e. impeding the accomplishments of Plaintiffs' community investment programs.

9  
10 257. All of these injuries flow directly from Defendant Fannie Mae's conduct. They  
11 are fairly traceable to Defendant Fannie Mae's discriminatory behavior in Plaintiffs'  
12 communities, and they are likely to be redressed by a favorable judicial decision. They are  
13 directly related to the zone of interests protected by the Fair Housing Act.

14  
15 **VI. VIOLATIONS OF THE FAIR HOUSING ACT**

16 258. Plaintiffs adopt and re-allege the allegations of paragraphs 1 through 257 of this  
17 Complaint.

18 259. The REO properties investigated by Plaintiffs are "dwelling[s]" within the  
19 meaning of 42 U.S.C. § 3602(b).

20 260. Section 804(a) of the Fair Housing Act makes it unlawful to "otherwise make  
21 unavailable or deny, a dwelling to any person because of race [or] national origin[.]" 42 U.S.C.  
22 § 3604(a). HUD regulations provide in pertinent part that "[i]t shall be unlawful, because of race  
23 [or] national origin ... to discourage or obstruct choices in a community, neighborhood or  
24 development." 24 C.F.R. 100.70(a). Such acts "include, but are not limited to: (1) Discouraging  
25 any person from inspecting, purchasing, or renting a dwelling . . . because of the race [or]  
26 national origin . . . of persons in a community, neighborhood or development." 24 C.F.R.

1 100.70(c)(1). The discriminatory provision of maintenance services to REO properties in  
2 communities of color creates significant barriers to the sale or purchase of those properties,  
3 making them otherwise unavailable. Accordingly, Defendant has discriminated in the marketing  
4 and sale of, or otherwise made unavailable or denied, dwellings to persons because of race or  
5 national origin in violation of 42 U.S.C. § 3604(a).

6         261. Section 804(b) of the Fair Housing Act makes it unlawful to discriminate against  
7 any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the  
8 provision of services or facilities in connection therewith, because of race or national origin. 42  
9 U.S.C. §3604(b). The maintenance of REO properties constitutes “the provision of services” in  
10 connection with dwellings. HUD’s regulations implementing this section specify that  
11 “[p]rohibited actions under this section include, but are not limited to...[f]ailing or delaying  
12 maintenance or repairs of sale or rental dwellings” because of race or national origin. 24 C.F.R.  
13 § 100.65. Accordingly, Defendant has discriminated in the marketing and sale of, or otherwise  
14 made unavailable or denied, dwellings to persons because of race or national origin in violation  
15 of 42 U.S.C. § 3604(b).  
16  
17

18         262. In addition, sales transactions involving poorly maintained REOs in communities  
19 of color result in the transfer of title to the dwelling under less favorable “terms” and  
20 “conditions” that place on buyers the responsibility of catching up on delayed maintenance and  
21 cleaning up the property to avoid code violations. Accordingly, Defendant has discriminated in  
22 the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services  
23 or facilities in connection therewith, because of race or national origin in violation of 42 U.S.C.  
24 § 3604(b).  
25

26         263. Section 805 of the Fair Housing Act makes it unlawful for any entity “whose  
27 business includes engaging in residential real-estate-related transactions” to discriminate against  
28

1 any person in making available such a transaction because of race or national origin. 42 U.S.C.  
2 § 3605. The discriminatory provision of maintenance services to REO properties in  
3 communities of color creates significant barriers to the sale or purchase of those properties.  
4 Accordingly, Defendant has discriminated in the marketing and sale of, or otherwise made  
5 unavailable or denied, dwellings to persons because of race or national origin in violation of 42  
6 U.S.C. § 3605.

7  
8 264. Section 818 of the Fair Housing Act makes it unlawful, among other things, to  
9 “interfere with any person in the exercise or enjoyment of . . . any right granted or protected by”  
10 other provisions of the Act. 42 U.S.C. § 3617. People living in the communities adversely  
11 affected by Defendant’s practices, who are predominantly people of color, have seen their  
12 property values and enjoyment of their homes diminished because of race. By failing to  
13 maintain REO properties in predominantly minority communities, Defendant has interfered with  
14 the rights of neighboring residents and homeowners to use and enjoy their homes and  
15 communities. The health and safety risks created by Fannie Mae’s REO properties in  
16 communities of color and the deleterious effects of those properties on their surrounding  
17 neighborhoods create a hostile living environment for their neighbors, in violation of 42 U.S.C.  
18 § 3617.

19  
20 265. Defendant has violated the above provisions of the Fair Housing Act by  
21 engaging in the actions and developing, implementing, and maintaining practices that have the  
22 purpose and effect of discriminating on the basis race and national origin and that have the  
23 effect of perpetuating housing segregation. Accordingly, Defendant’s perpetuation and  
24 encouragement of patterns of racial segregation violate the Fair Housing Act, 42 U.S.C. § 3601,  
25 *et seq.*

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**VII. JURY TRIAL DEMAND**

Plaintiffs hereby demand a trial by jury.

**VIII. PRAYER FOR RELIEF**

WHEREFORE, for the foregoing reasons, Plaintiffs pray that this Court grant judgment in their favor, and against Defendant, as follows:

- a. Declare, pursuant to 28 U.S.C. § 2201, that the conduct of Defendant in its maintenance of its REO properties, as alleged herein, is in violation of the Fair Housing Act, 42 U.S.C. § 3601, *et seq.*, and the applicable regulations;
- b. Enjoin, pursuant to 42 U.S.C. § 3613(c), Defendant, its officers, directors, employees, agents, successors, assigns, and all other persons in active concert or participation with any of them, both temporarily during the pendency of this action and permanently from violating the Fair Housing Act;
- c. Award such damages as would fully compensate Plaintiffs for their injuries incurred as a result of Defendant's discriminatory housing practices and conduct pursuant to 42 U.S.C. § 3613(c);
- d. Award such punitive damages against Defendant as is proper under law pursuant to 42 U.S.C. § 3613(c);
- e. Award Plaintiffs their costs and attorneys' fees incurred herein pursuant to 42 U.S.C. § 3613(c); and
- f. Award Plaintiffs such other relief as this Court deems just and proper.



1 DATED this 5th day of December, 2016

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Respectfully Submitted,

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\* *Application for Admission Pro Hac Vice To Be Filed*