



For Immediate Release

October 23, 2012

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Fair Housing Organizations Find Bank of America Discriminates in the Midwest

National Fair Housing Alliance and Member Agencies Allege Discrimination in Marketing and Maintenance of Foreclosed Homes in Chicago, Milwaukee and Indianapolis

CHICAGO – Today, the National Fair Housing Alliance (NFHA), the HOPE Fair Housing Center, the South Suburban Housing Center, the Metropolitan Milwaukee Fair Housing Council and the Fair Housing Center of Central Indiana announced a federal housing discrimination complaint against Bank of America Corporation, Bank of America, N.A., and BAC Home Loan Servicing, LP. This complaint is the result of an undercover investigation of Bank of America that found the financial giant maintains and markets foreclosed homes in White neighborhoods in a much better manner than in African-American and Latino neighborhoods in Chicago, Milwaukee and Indianapolis.

Today's complaint was filed with the US Department of Housing and Urban Development and is part of an amended complaint NFHA and seven member agencies filed October 10 that looks at how Bank of America has differently maintained and marketed properties in White, African-American, and Latino neighborhoods across the country.

Bank of America is one of the largest American banks that maintains and sells foreclosed properties and is one of the world's largest financial institutions. The investigation in 13 cities of 505 foreclosed homes owned, serviced or managed by Bank of America demonstrates that it has engaged in a systemic practice of maintaining and marketing its foreclosed, bank-owned homes (also known as Real Estate Owned or REO properties) in a state of disrepair in communities of color while maintaining and marketing REO properties in predominantly White communities in a far superior manner. The investigation has evaluated Bank of America REO properties in 13 cities including Atlanta, Charleston, SC, Chicago, Dallas, Dayton, OH, Grand Rapids, MI, Indianapolis, Miami/Fort Lauderdale, Milwaukee, Oakland/Concord/Richmond, CA, Orlando, Phoenix and the Washington, DC area.

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

“Good neighbors are considerate, they take care of their yards, pick up their trash and care for their neighborhoods,” said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance**. “Bank of America is not a good neighbor in communities of color. Instead, one of the nation’s largest holders of foreclosed homes is busy making excuses and passing the buck when it comes to taking responsibility for the homes it owns or services. In many White neighborhoods, Bank of America’s foreclosed properties fit in with most other homes for sale on the block, with manicured lawns and “for sale” signs. African-American and Latino neighborhoods deserve equal treatment.”

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

The National Fair Housing Alliance and four of its member organizations – HOPE Fair Housing Center in Wheaton, IL; South Suburban Housing Center in Homewood, IL; Metropolitan Milwaukee Fair Housing Council in Milwaukee, WI and the Fair Housing Center of Central Indiana in Indianapolis – evaluated the maintenance and marketing of REO properties for the existence of 39 different types of maintenance or marketing deficiencies, such as broken windows and doors, water damage, overgrown lawns, no “for sale” sign, trash on the property, and other problems.

Without a “for sale” sign, for example, potential homebuyers would simply not know the property is available. Also, if there are unauthorized occupants or storm damage, neighbors have no one to call. With a “for sale” sign, neighbors can call a real estate agent to report these kinds of problems. In **Indianapolis**, 100 percent of Bank of America REO properties in communities of color were missing a “for sale” sign as well as 79 percent in **Chicago** and 87 percent in **Milwaukee**.

Trash on a property is not only an eyesore for neighbors, but it makes a home unappealing to visitors and can be a potential health and safety hazard. Regular maintenance would correct this problem, but in **Indianapolis** 71 percent of all Bank of America REO properties in communities of color had substantial amounts of trash as well as 52 percent in **Chicago** and 33 percent in **Milwaukee**.

Broken locks or doors are an invitation to vagrants and possible criminal activity. Vagrants stay away from properties that are secured and regularly maintained and visited by responsible owners. In **Indianapolis**, 57 percent of properties in communities of color had broken doors or locks, while in **Chicago** the figure hit 55 percent and in **Milwaukee** 41 percent of properties had that deficiency.

Additional detailed statistics and photos are available at www.nationalfairhousing.org.

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

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

The Fair Housing Act makes it illegal to discriminate based on race, color, national origin, religion, sex, disability or familial status, as well as the race or national origin of residents of a neighborhood. This law applies to housing and housing-related activities, which include the maintenance, appraisal, listing, marketing and selling of homes.

To read the most recent HUD administrative complaint against Bank of America and to view today's news conference presentation, please go to www.nationalfairhousing.org.

CHICAGO, IL

Eight-six percent of Bank of America-owned homes in Chicago's communities of color had more than five maintenance or marketing problems, while 38 percent had more than 10 maintenance or marketing problems.

"Communities of color in the south Cook County suburbs have had the highest foreclosure rate in the Chicago metropolitan area for the past four years," said **John Petruszak, Executive Director of the South Suburban Housing Center in Homewood, IL**. "The evidence uncovered by our investigation demonstrates that Bank of America's failure to take care of and properly market these homes is crippling economic recovery in our area's hardest hit communities."

"It is disheartening to see the devastation in certain communities because Bank of America doesn't treat all neighborhoods equally," said **Anne Houghtaling, Executive Director of HOPE Fair Housing Center in Wheaton, IL**. "Over and over again, visiting properties in Black and Latino communities, we saw see the same pattern. Anyone can spot a Bank of America property from down the block because there are trash, accumulated mail, overgrown grass and maybe even boarded up windows. In White communities, it would be hard to even tell the homes are foreclosed. We call on Bank of America to stop these unequal practices and treat all homes equally regardless of the neighborhood in which they are located."

MILWAUKEE, WI

Fifty-one percent of Bank of America-owned homes in Milwaukee's communities of color had more than five maintenance or marketing problems, and 87 percent did not have a "for sale" sign.

"Neighbors living near Bank of America properties in African-American and Latino neighborhoods often report having to mow the lawn of the bank-owned home or clean up trash that has spilled onto nearby properties," said **William Tisdale, President and CEO of the Metropolitan Milwaukee Fair Housing Council**. "Without the intervention of these responsible neighbors, we can only venture to guess how much worse the bank-owned homes would look. Bank of America-owned

homes are not only eyesores, but they are health and safety hazards for neighboring families and young children. Through these, and other numerous examples of inaction and neglect, Bank of America has played a major role in destabilizing our neighborhoods.”

INDIANAPOLIS, IN

One hundred percent of Bank of America-owned homes in Indianapolis’s communities of color had more than five maintenance or marketing problems, and 86 percent had more than 10 maintenance or marketing problems. Bank of America-owned homes in communities of color were also twice as likely to have broken doors or locks compared to similar homes in white areas.

“Fixing a broken lock is an easy job, but Bank of America is neglecting even this simple task in communities of color,” said **Amy Nelson, Executive Director of the Fair Housing Center of Central Indiana**. “Why is Bank of America such a bad neighbor in so many neighborhoods of color?”

The National Fair Housing Alliance (www.nationalfairhousing.org)

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

Metropolitan Milwaukee Fair Housing Center (www.fairhousingwisconsin.com)

The Metropolitan Milwaukee Fair Housing Council is a private non-profit organization that operates a full-service fair housing program. MMFHC serves Milwaukee, Washington, Waukesha, Ozaukee, Dane, Outagamie, Brown, Winnebago and Calumet Counties, and conducts out-of-service-area activities as well. The purpose of MMFHC is to promote fair housing throughout the State of Wisconsin by combating illegal housing discrimination and by creating and maintaining racially and economically integrated housing patterns.

South Suburban Housing Center (www.southsuburbanhousingcenter.org)

The mission of the South Suburban Housing Center is the promotion and fostering of long-term diversity throughout all communities in Chicago’s South and Southwestern suburbs in Cook County and in Will and Kankakee Counties by working to eliminate all forms of discrimination and exploitation in the housing markets including predatory lending and mortgage fraud.

HOPE Fair Housing Center (www.hopefair.org)

Established in 1968, HOPE is the oldest fair housing center in Illinois. HOPE Fair Housing Center seeks to end the hurt and devastation of housing discrimination and segregation because of race, color, religion, national origin, sex, disability, familial status, or any other characteristics protected under state or local laws.

Fair Housing Center for Central Indiana (www.fhcci.org)

The Fair Housing Center of Central Indiana (FHCCI) is a private, non-profit fair housing organization founded in 2011. Its mission is to eliminate housing discrimination, to ensure equal housing opportunity and promote neighborhood choice for all people, regardless of race, color, religion, sex, national origin, disability, familial status or other characteristic protected under state or local law, primarily in Central Indiana and other areas in the region as needed, through leadership, education, outreach, advocacy and enforcement.

Cohen Milstein Sellers & Toll PLLC (www.cohenmilstein.com)

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

Part of the work that provided the basis for this publication was supported by funding under a grant with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.