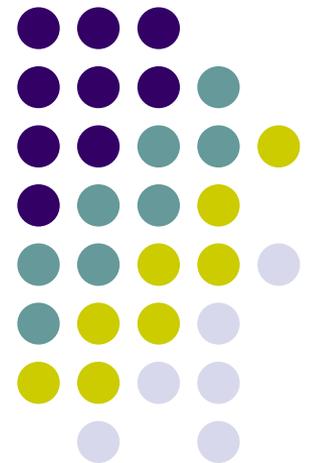


A Tale of Two Recoveries

**How Deutsche Bank, Ocwen Financial, and
Altisource Failed to Maintain Its Bank-
Owned Homes in African American and
Latino Neighborhoods in Cleveland, OH**



Overview: Maintenance Investigation of Bank-Owned Homes



- This PowerPoint reflects the investigation by the **Housing Research and Advocacy Center** over 4 years from 2014-2017.
- Banks claim to preserve and maintain their properties to the same standard of maintenance as is found in the neighborhood. NFHA and partners took photos of the bank-owned homes and neighboring homes to put into context how Deutsche Bank, Ocwen, and Altisource failed to maintain their properties in African American and Latino neighborhoods across the country.
- These investigations are about routine maintenance on the outside of the bank-owned homes. Banks are paid to mow lawns, remove trash/debris left by the previous owner or litterer, and secure doors and windows to thwart vandalism and squatters.
- Boarded doors and windows, overgrown grass, invasive plants, and trash and debris on the property detract from the home's curb appeal to owner-occupant buyers.

Methodology for Investigation



- For every bank-owned home, there were 39 maintenance or marketing factors evaluated on a checklist.
- The investigator simply marked “yes” or “no” as to whether the deficiency was present at the property.
 - For example, 1 broken window would count as 1 deficiency; likewise, 3 broken windows would count as 1 deficiency.
- Photos were taken of the bank-owned home and neighbors on both sides and across the street.

Methodology for Investigation



Curb Appeal

- Trash, Leaves, Overgrown Grass, Overgrown Shrubs, Invasive Plants, Dead Grass



Structure

- Broken Windows, Broken Doors, Damaged Fences, Damaged Roof, Holes, Wood Rot



Signage

- Trespassing/warning signs, "Bank owned", "Auction", or "Foreclosure" signs, "For Sale" signs missing or broken/discarded



Methodology for Investigation



Paint/Siding

- Graffiti, excessive peeling/chipped paint, damaged siding



Gutters

- Missing, out of place, broken, hanging, obstructed



Water Damage

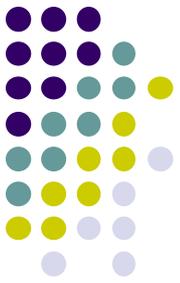
- Mold, discoloration, excessive rust, erosion



Utilities

- Tampered with or exposed

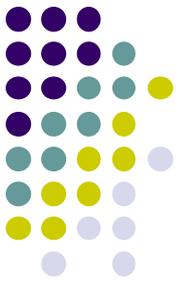
Investigation



- A total of **32** Deutsche Bank properties were evaluated in the Cleveland, OH metro area
 - 21 Deutsche Bank properties were located in predominantly African-American communities
 - 11 Deutsche Bank properties were located in predominantly White communities

Cleveland Metro Area

Racial Disparities



- **47.6%** of Deutsche Bank properties in communities of color had **trash or debris** on the premises, while only 27.3% of properties in White communities had the same problem.
- **28.6%** of Deutsche Bank properties in communities of color had **overgrown or dead shrubbery**, while only 18.2% of properties in White communities had the same problem.
- **42.9%** of Deutsche Bank properties in communities of color had **unsecured or boarded doors**, while only 27.3% of properties in White communities had the same problem.
- **38.1%** of Deutsche Bank properties in communities of color had **damaged steps or handrails**, while only 18.2% of properties in White communities had the same problem.

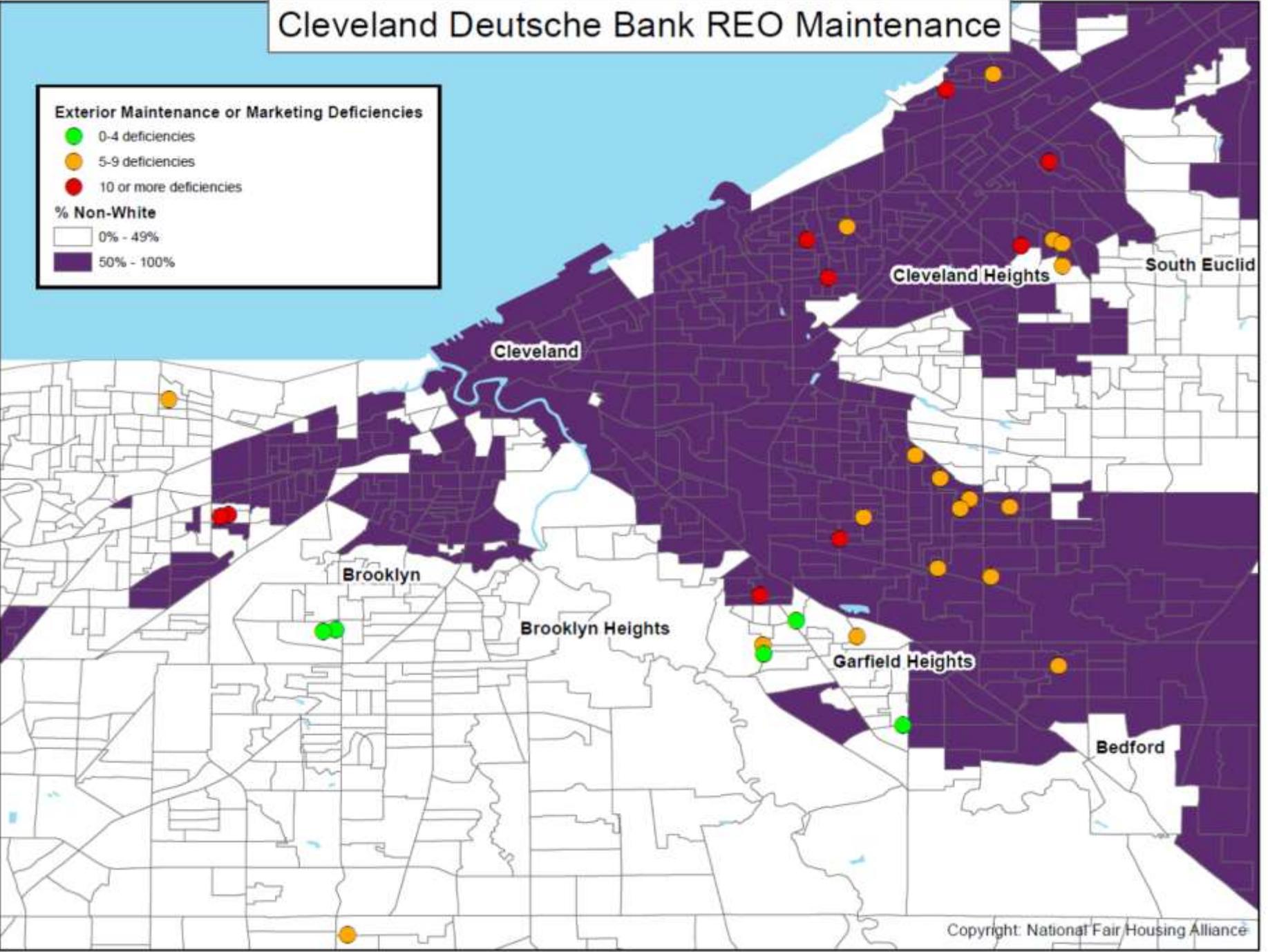
Cleveland Deutsche Bank REO Maintenance

Exterior Maintenance or Marketing Deficiencies

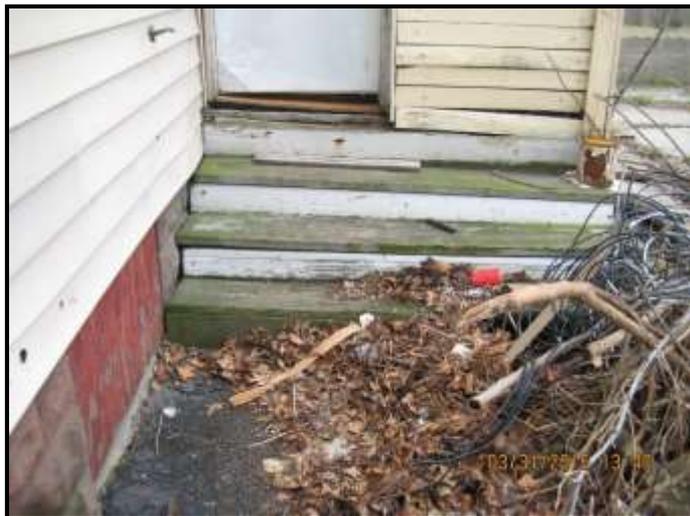
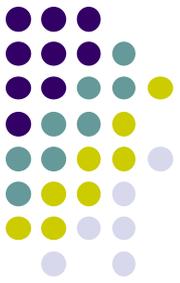
- 0-4 deficiencies
- 5-9 deficiencies
- 10 or more deficiencies

% Non-White

- 0% - 49%
- 50% - 100%

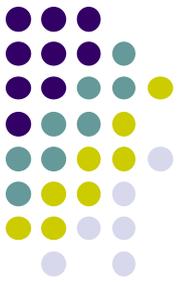


47.6% of Deutsche Bank properties in Communities of Color Had Trash or Debris



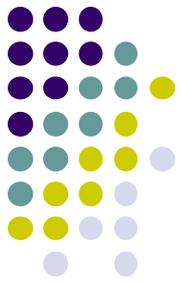
42.9% of Deutsche Bank properties in Communities of Color Had Unsecured, Broken, or Boarded Doors





Examples of Deutsche Bank Homes in the Metro Cleveland Area in Communities of Color

2014 - 2017

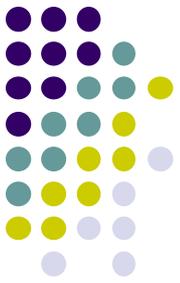


Here is a Deutsche Bank/Ocwen/Altisource home in an African-American community in Cleveland from 2017.



This home is actively being listed for sale on Hubzu.com

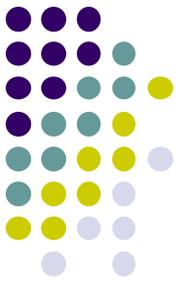
Dead tree limbs and piles of dead leaves can be found all around the property.

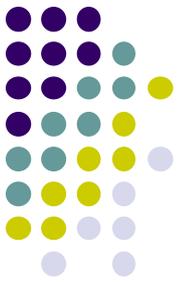


More dead leaves, as well as a boarded window and some trash.



More dead leaves and trash.



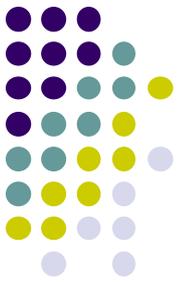


In addition to boarded windows, various doors are boarded.
It is no surprise that this home ultimately sold to an investor for only \$9,924.

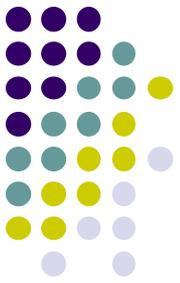




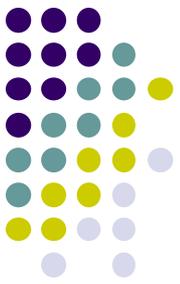
These are the well-maintained neighbors. Deutsche Bank is bringing down property values in the neighborhood by maintaining its property so poorly.



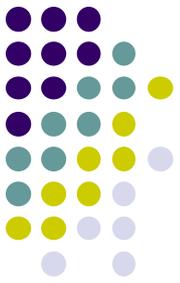
Deutsche Bank/Ocwen/Altisource home in an African-American community in Maple Heights from 2017.



Steps covered in dead leaves are what greet you before you enter the front door of this Deutsche Bank home.

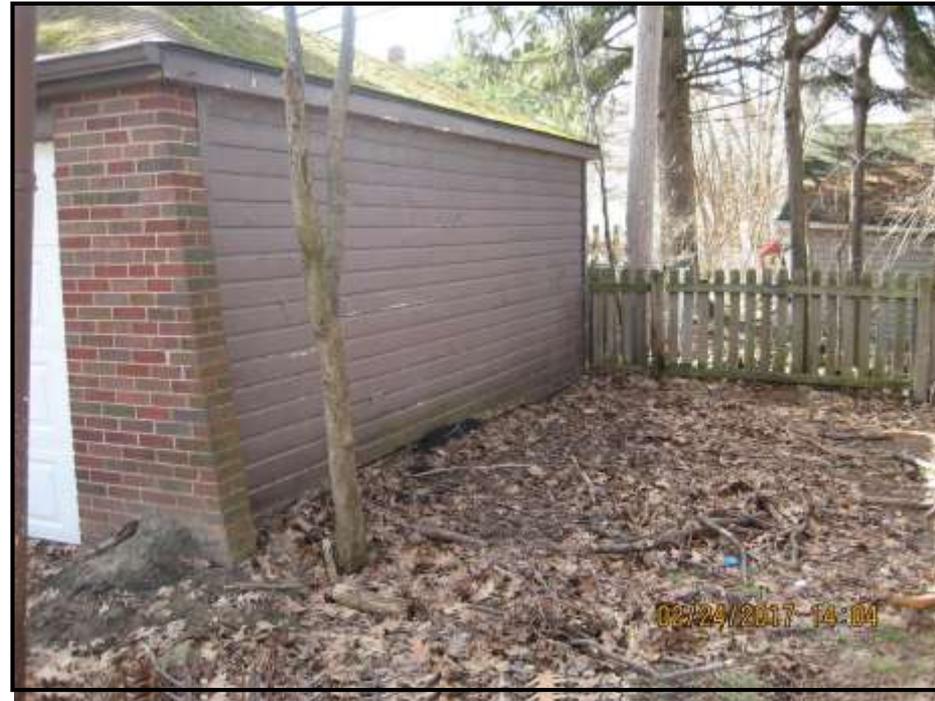


Deutsche Bank chose to tape this broken window instead of replacing it.





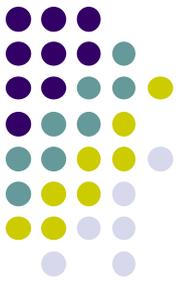
The front, sides, and back of this Deutsche property are covered in dead leaves from the fall.



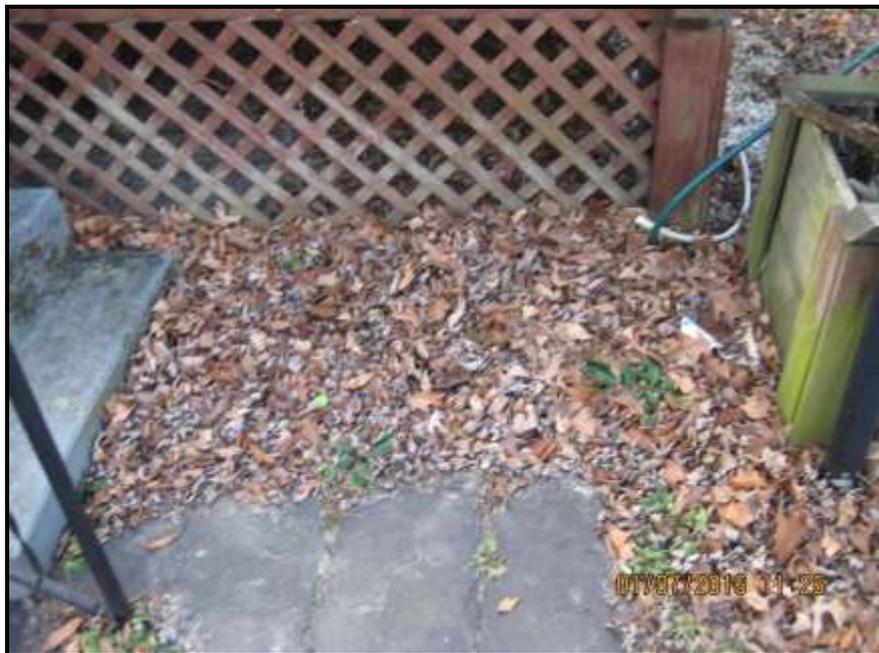
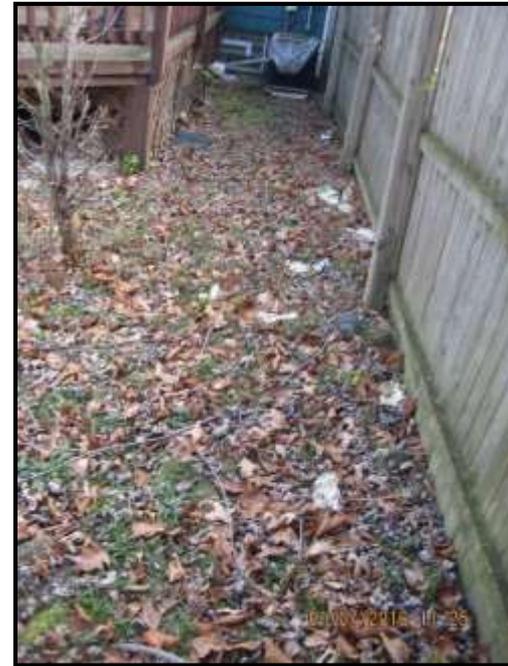
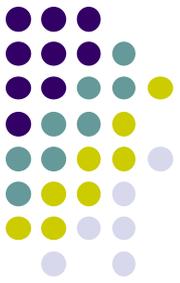
Here are the well-maintained neighbors, whose yards are clear of dead leaves and tree limbs.



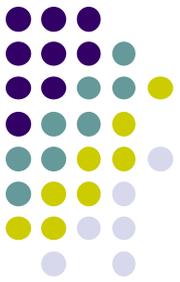
Deutsche Bank home in an African-American community in Cleveland Heights in 2016.



Deutsche Bank has left dead leaves all over the property.



Deutsche Bank has also left trash and debris to litter the property.

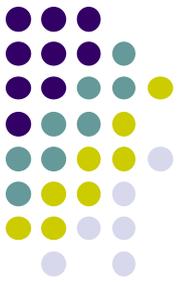




The neighbors' yards are clean and free of trash and leaves. Deutsche Bank is creating an eyesore for the community by neglecting this home.

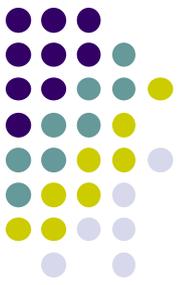


Deutsche Bank/Ocwen/Altisource home in an African-American community in Cleveland in 2015.

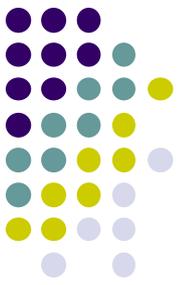


This home was actively being marketed as “for sale” on Hubzu.com in this condition...

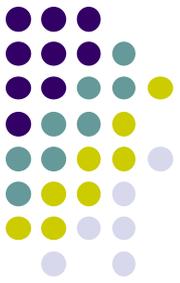
**Almost every single door and window is boarded on this home -
what an eyesore for this community.**



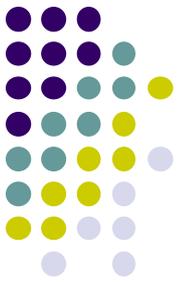
The backyard is completely overgrown and there is trash all over the property.



More trash and debris...



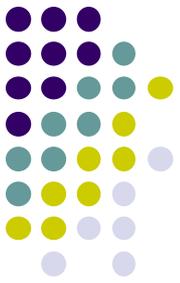
More trash and debris...



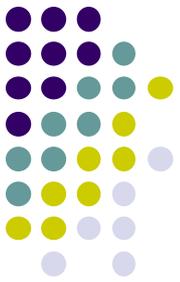
Even more trash...

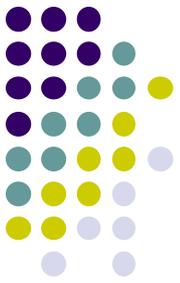


More trash, debris, dead leaves, and a broken fence...



Yet even more trash and dead shrubbery.





Deutsche Bank is being a terrible neighbor to these next-door homes.

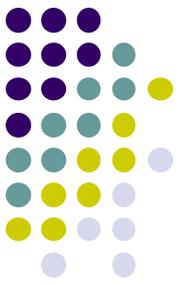


Deutsche Bank/Ocwen/Altisource home in an African-American community in Cleveland Heights in 2015.

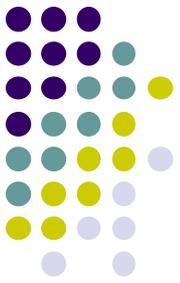


This home is for sale on Hubzu.com but it has no “for sale” sign posted.

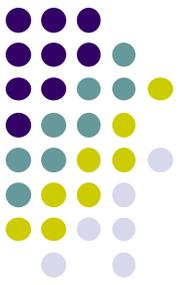
The handrails on the back porch are damaged and broken. The railings aren't far away, however – they are laying in a nearby bush.



Deutsche Bank has left invasive plants to grow up the side of the house.



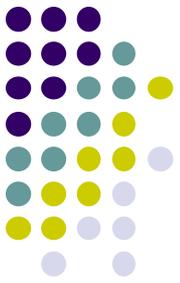
These obstructed gutters have not been cleaned in a long time and are now ineffective in moving water away from the home.



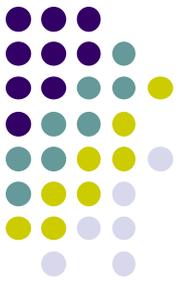
Here the gutter is completely missing in parts.



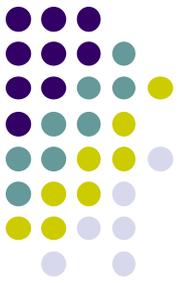
Deutsche Bank home in an African-American community in Cleveland in 2014.



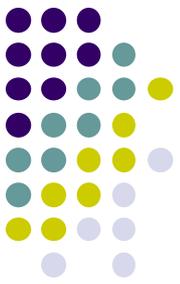
Deutsche Bank left trash bags and piles of dead shrubbery in the back of the home.



Deutsche Bank also failed to secure a hole in the home's siding, inviting in insects and vermin.

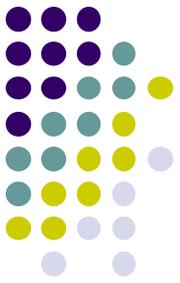


This gutter is missing, allowing water to run onto the home and into the foundation.



This downspout is missing entirely.





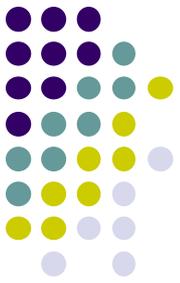
Examples of Deutsche Bank Homes in the Metro Cleveland Area in White Neighborhoods

2014- 2017

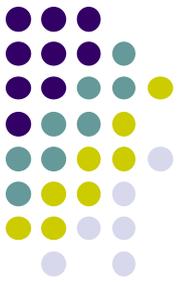
Here are examples of well-maintained Deutsche Bank homes in White neighborhoods.



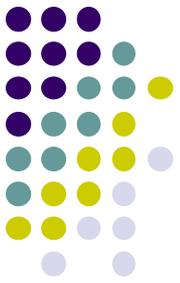
Deutsche Bank/Ocwen/Altisource home in a White community in Brooklyn in 2014.



The side of the home is mowed and clear of trash and debris.



The backyard is also well-maintained and clear of trash.



There are no boarded doors or windows on this home.

