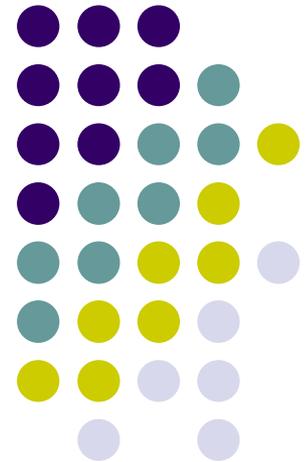


# **A Tale of Two Recoveries**

**How Deutsche Bank, Ocwen Financial,  
and Altisource Failed to Maintain Its  
Bank-Owned Homes in African American  
neighborhoods in Washington, DC and  
Prince George's County, MD**



# Overview: Maintenance Investigation of Bank-Owned Homes



- This Power Point reflects the investigation by the National Fair Housing Alliance from 2011-13 and 2016-2017. These investigations are part of a larger, nationwide investigation involving the National Fair Housing Alliance (NFHA) and 19 fair housing center partners.
- Banks claim to preserve and maintain their foreclosures to the same standard of maintenance 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 these bank-owned homes 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, 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 foreclosure, 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 on the foreclosure.
  - For example, 1 broken window would count as 1 deficiency; likewise, 3 broken windows would count as 1 deficiency.
- Photos were taken of the REO 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

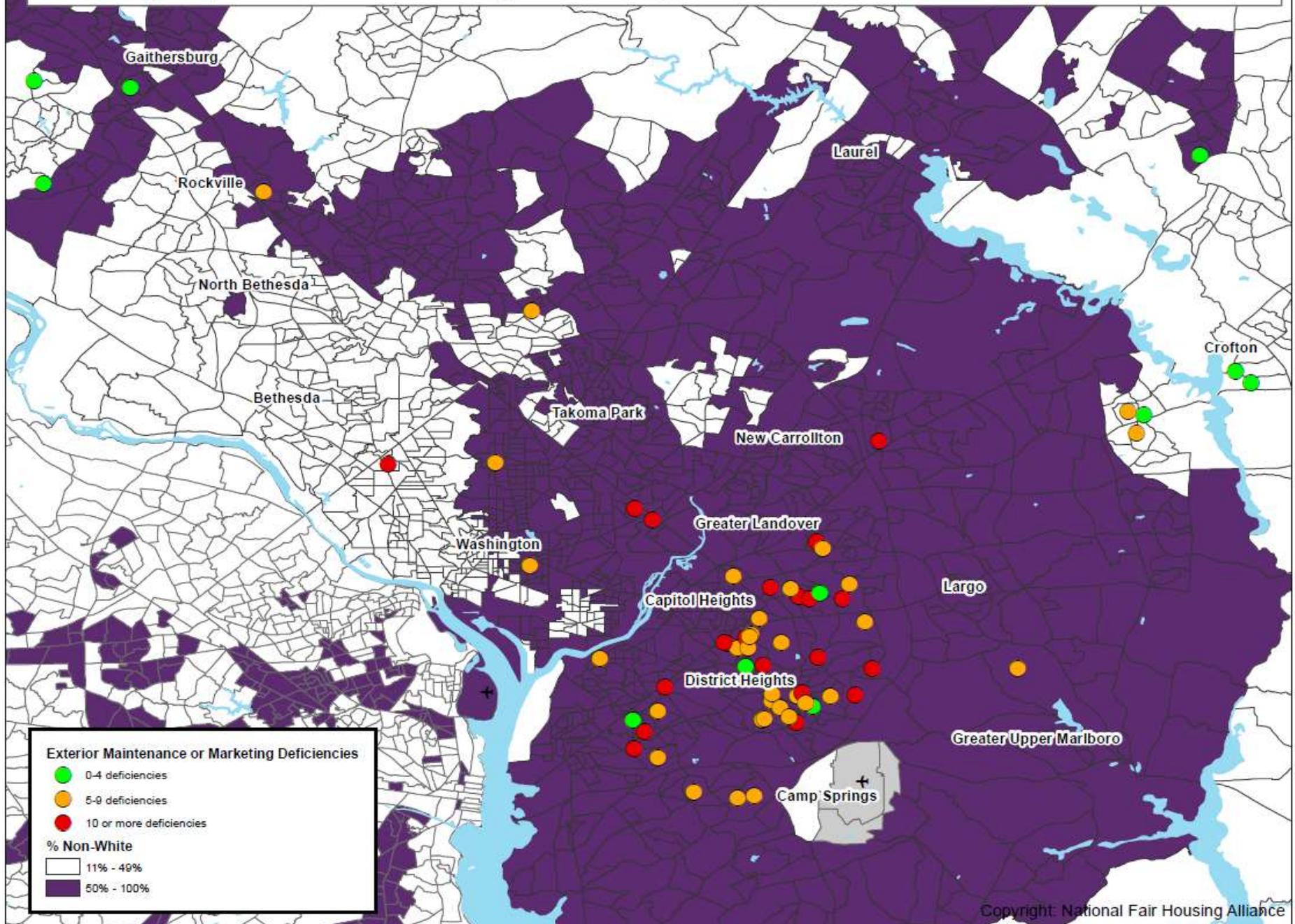
- Tampered with or exposed

# Racial Disparities



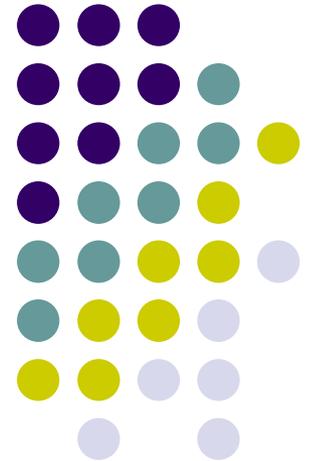
- The National Fair Housing Alliance investigated 66 Deutsche Bank-owned homes in Prince George's County, MD.
  - 52 were located in African-American neighborhoods,
  - 5 were located in predominantly non-White neighborhoods
  - 9 were located in predominantly White neighborhoods.
- **64.9%** of Deutsche Bank's homes in African American neighborhoods had **substantial amounts of trash** on the premises, while only 44.4% in white neighborhoods did.
- **42.1%** of Deutsche Bank's homes in African American neighborhoods had **unsecured or broken doors**, while only 11.1% of Deutsche homes in white neighborhoods did.
- **45.6%** of Deutsche Bank's homes in African American neighborhoods had **broken or boarded windows**, while **none** of the REO properties in predominantly White neighborhoods had the same problem
- **45.6%** of Deutsche Bank's homes in African American neighborhoods had **overgrown grass or dead leaves**, while **none** of Deutsche's homes in predominantly White neighborhoods had the same problem.

# Washington, DC & Prince George's County, MD Deutsche Bank REO Maintenance



# How did Deutsche and Ocwen conduct routine maintenance in African American neighborhoods?

Let's look at 2017 Deutsche homes first.





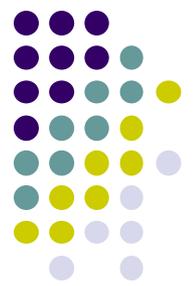
This Deutsche Bank home in an African American neighborhood in Temple Hills has zero curb appeal with such an overgrown yard.



Deutsche Bank is listing this home for sale on Hubzu.com with a severely overgrown front and backyard.



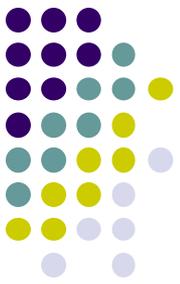
The side of the home is also overgrown with out of control grass and shrubs.





Deutsche Bank is not maintaining their property to the standard of this neighborhood. The neighbors have mowed their lawns and are taking good care of their homes.





Here is a Deutsche Bank home in an African American neighborhood in Capitol Heights. From the curb we can already see boarded windows and damaged siding.

Deutsche Bank has neglected to clean trash and rake leaves from the fall, and has failed to treat discoloration on this home's siding.

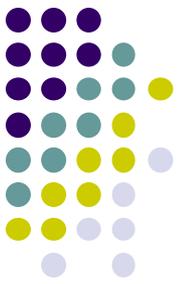


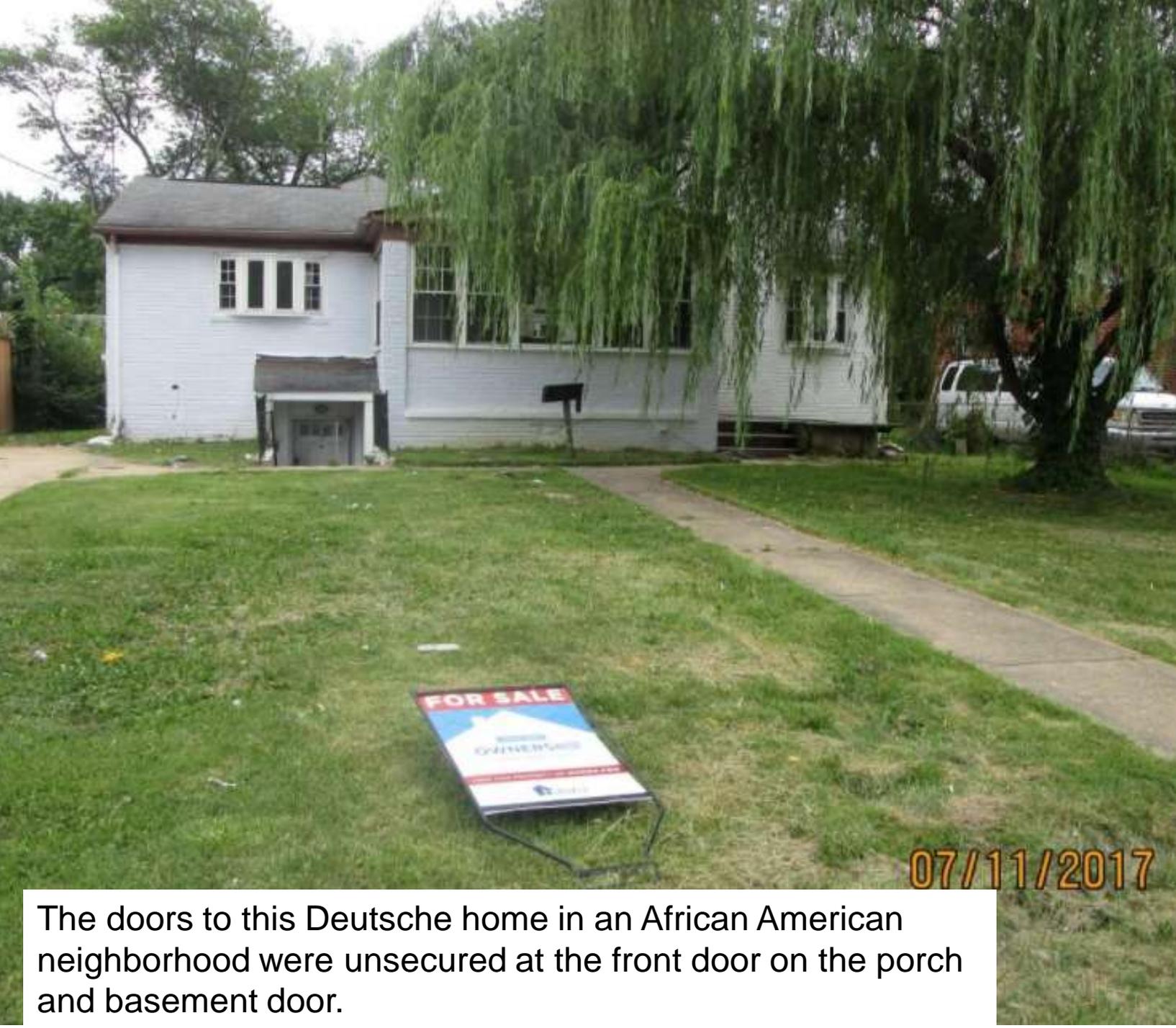
More debris and dead leaves are found in the backyard.  
Deutsche Bank has also failed to replace a broken fence.



12/12/2017 14:22

This side of the home's yard is in desperate need of a fence. The yard drops off steeply into the neighboring yard – this is a safety hazard for the entire neighborhood and any potential homebuyer.



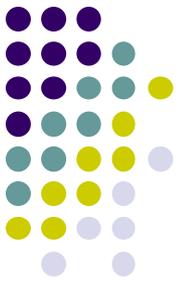


The doors to this Deutsche home in an African American neighborhood were unsecured at the front door on the porch and basement door.



Deutsche left the porch door an the inside door unlocked. Here is a photo of the living area.





Deutsche left trash and leaves at the basement door and left the door unlocked as well.





Windows around the Deutsche home were broken out.



**Deutsche/Ocwen left leaves from last fall in the yard killing the grass and blocking the basement drain.**



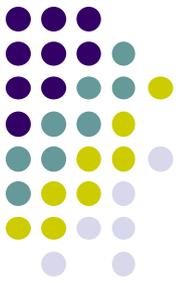


**Deutsche Bank  
allowed these  
invasive vines to take  
over the yard.**

07/11/2017



**There was a busy line of ants going into the Deutsche Bank home from the ground up the wall, behind the siding, into the house.**



**Deutsche left this debris throughout the property.**





**Deutsche/Ocwen only  
needs to slide the panels  
over to keep squirrels,  
birds and other pests out  
of the property.**





**Deutsche/Ocwen are supposed to visit the home and keep the yard clean. How can this beautiful home in an African American neighborhood not merit simple routine maintenance?**





This is the tiny front yard and Deutsche/Ocwen can't keep clean it up?

Instead Deutsche/Ocwen let trash be tossed in this small area.







**Deutsche/Ocwen board this front door and windows on the side, fail to rake leaves and lets trash accumulate at its home in this African American neighborhood.**

**This home is on the corner and it really lacks curb appeal for people driving by and owner-occupant buyers.**



02/15/2017 15:42

Deutsche/Ocwen left all these leaves in the yard killing the grass in tis African American neighborhood. Look across the street and you see the neighbors rakes their leaves a long time ago.





**Deutsche/Ocwen left this pile of leaves and trash in the yard. This is a corner home so everyone driving by see this unkempt property.**

Deutsche/Ocwen left its home in this African American neighborhood unlocked. When homes are not checked on regular anything can happen.

41.7% of Deutsche's homes in African American neighborhoods had unsecured or broken doors, while not one home in a white had an unlocked door.

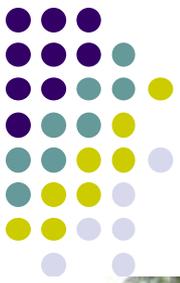




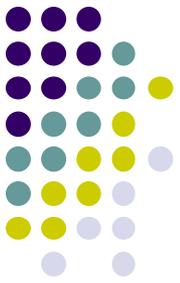
**41.7% of Deutsche's homes in African American neighborhoods had unsecured or broken doors, while **not one** home in a white had an unlocked door.**

**Ocwen should have used screw that cannot be remove with a phillips head screw driver if it wanted to secure this lock.**

**Deutsche/Ocwen had many opportunities to protect their property from fire, but willfully ignored complaints from the neighbors in this upper middle class African American neighborhood. Neighbor registered complaints with local officials and police because the home wasn't secured and vandals were frequenting the home.**



05/19/2016 10:44



**Even after the fire,  
Deutsche/Ocwen failed to secure  
the home.**

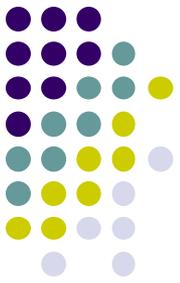


This is the well maintained home of one of the next door neighbors.



As usual with Deutsche Bank/Ocwen in African American neighborhoods, the front of a home might look ok, but when you view the yard you find debris and trash left.





**Deutsche/Ocwen left trash and leaves outside the basement door blocking the drain.**



**Deutsche/Ocwen left trash in the window wells and around the yard.**



**You can see how clean the neighbors' yard are, but Deutsche/Ocwen left these large branches in the yard of its home.**

**Deutsche/Ocwen completely failed to mow the lawn and remove litter from its home in an African American neighborhood. This home lacks curb appeal with its overgrown yard and boarded window.**



The back of this Deutsche.Ocwen home is as unappealing as the front with boarded windows, debris and a wildly overgrown yard.



**Deutsche/Ocwen left trash and debris at the hoe and there's another boarded window.**



**Deutsche/Ocwen let this yard become wildly overgrown which fosters a great nesting place for rats, snakes and mice.**



**Deutsche Bank fails to maintain its home in an African American neighborhood by letting the grass grow, allowing litter and trash on the property. But it has three separate health violations.**





PRINCE GEORGE'S COUNTY  
Department of Permitting,  
Inspections and Enforcement  
ENFORCEMENT DIVISION



Pursuant to the Housing Code of Prince George's County, Section 13-113(b)(1), Section 13-113(d), it is hereby declared this structure is

**UNFIT FOR HUMAN HABITATION  
VACATE IMMEDIATELY**

RESPONSIBLE PARTY \_\_\_\_\_

PREMISE IN VIOLATION: \_\_\_\_\_

Subdvsn: \_\_\_\_\_ Grc: \_\_\_\_\_ Lot #: \_\_\_\_\_ Libr: \_\_\_\_\_ Parcel: \_\_\_\_\_  
Folio: \_\_\_\_\_ Block: \_\_\_\_\_ Election Dist: \_\_\_\_\_ Tax Map: \_\_\_\_\_ Land Act: \_\_\_\_\_

An inspection of the above premises revealed violation(s) of the laws and/or regulations of Prince George's County as listed above. Compliance with the Provisions of law(s) cited must be completed by: \_\_\_\_\_

**FAILURE TO COMPLY FULLY WITH THIS NOTICE WILL MAKE IT NECESSARY TO TAKE ACTION IN ACCORDANCE WITH THE PROVISIONS OF THE LAW.**

**VIOLATION:** Structure(s) in violation is in disrepair, fails to meet the minimum provisions of the Housing Code, and is a hazard to the safety, health or welfare of any occupants. The structure(s) was/were placarded and declared UNFIT FOR HUMAN HABITATION.

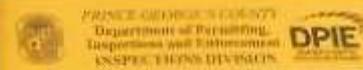
**CORRECTIVE ACTION REQUIRED:** Structure(s) shall be VACATED IMMEDIATELY, or if already vacant, remaining so until WRITTEN approval to reoccupy the structure(s) is granted by this office. While vacant, all means of entry are to be controlled. The exterior structure and premises shall be maintained to the minimum standards of the Housing Code. Grass/weeds shall be cut and premises maintained in a clean and sanitary condition at all times. Any boarding of windows and doors to secure the structure shall be done in a workmanlike manner and the materials used shall conform to the overall exterior appearance of the structure.

**NOTE:** A building permit may be required to make repairs on this structure. Please call (301) 883-5776 for permit information BEFORE any work begins.

The Inspector named below can be reached between 8:00 a.m. - 9:30 a.m. at (301) 883-\_\_\_\_\_ or \_\_\_\_\_

Inspector Signature: \_\_\_\_\_

Date Issued: \_\_\_\_\_



Pursuant to the Building Code of Prince George's County,

**THIS BUILDING IS UNSAFE**

and its use or occupancy has been PROHIBITED by the BUILDING OFFICIAL

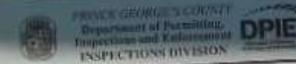
It is unlawful for ANY person to enter this building except for the purpose of making authorized repairs.

Defacing, removing, or violation of this Notice, except by the authority of the undersigned, is punishable by imprisonment of six (6) months and/or a fine up to \$1,000 per day.

Date Placed: \_\_\_\_\_

Inspector Signature: \_\_\_\_\_

Phone Call: \_\_\_\_\_



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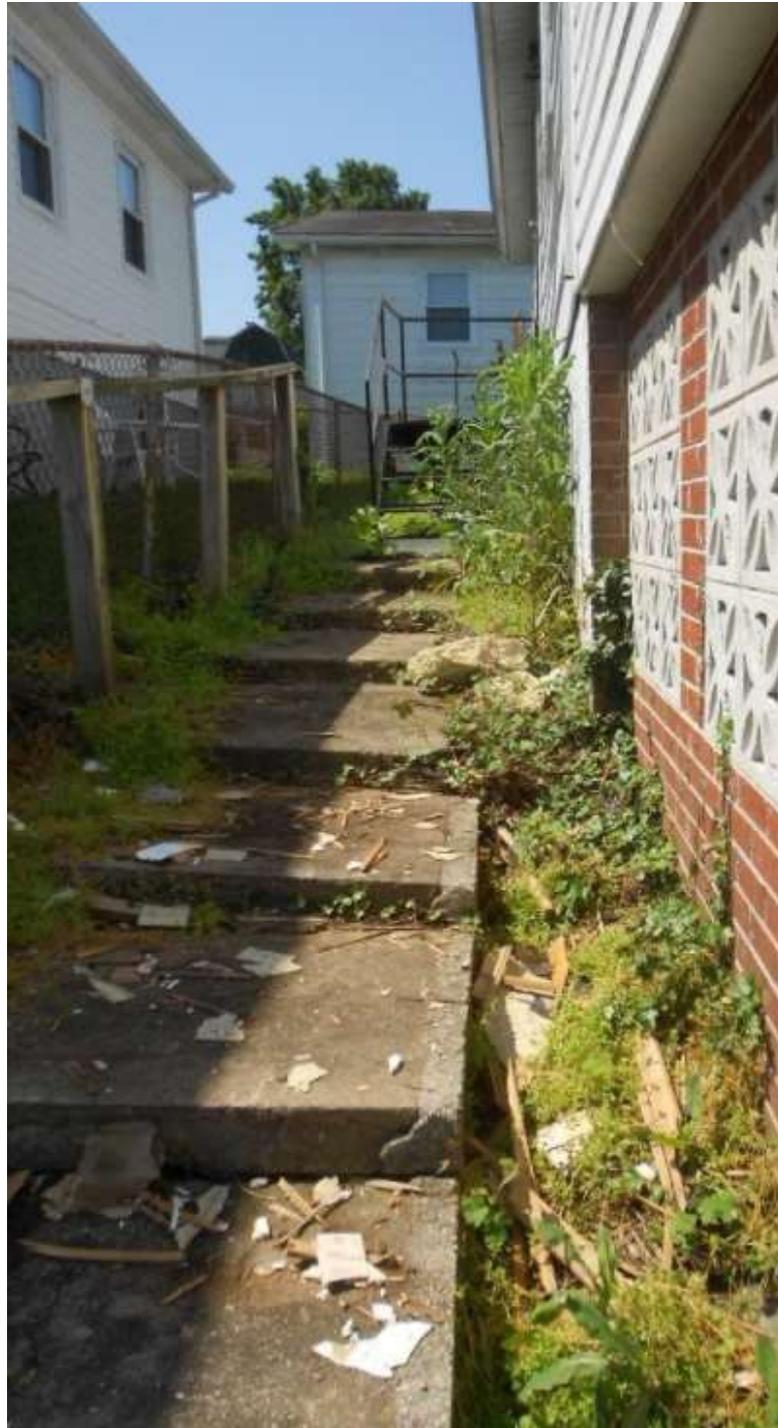
Date Placed: \_\_\_\_\_

Inspector Signature: \_\_\_\_\_

For further information, please call: \_\_\_\_\_



**Deutsche Bank let litter and trash accumulate at its property.**



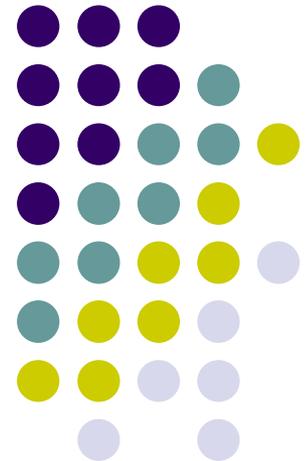


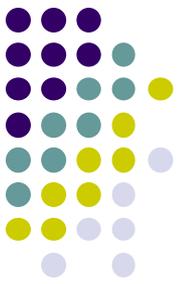
**Here are the neighbors' well maintained yards. You can get a perspective of how overgrown Deutsche Bank's yard is.**



# How did Deutsche/Ocwen perform routine maintenance in white neighborhoods?

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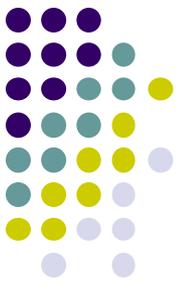




This Deutsche Bank home in a white neighborhood in Crofton has great curb appeal.



Deutsche Bank has recently mowed this home's large front and side yard - they even look nicer than the neighbor's yard.

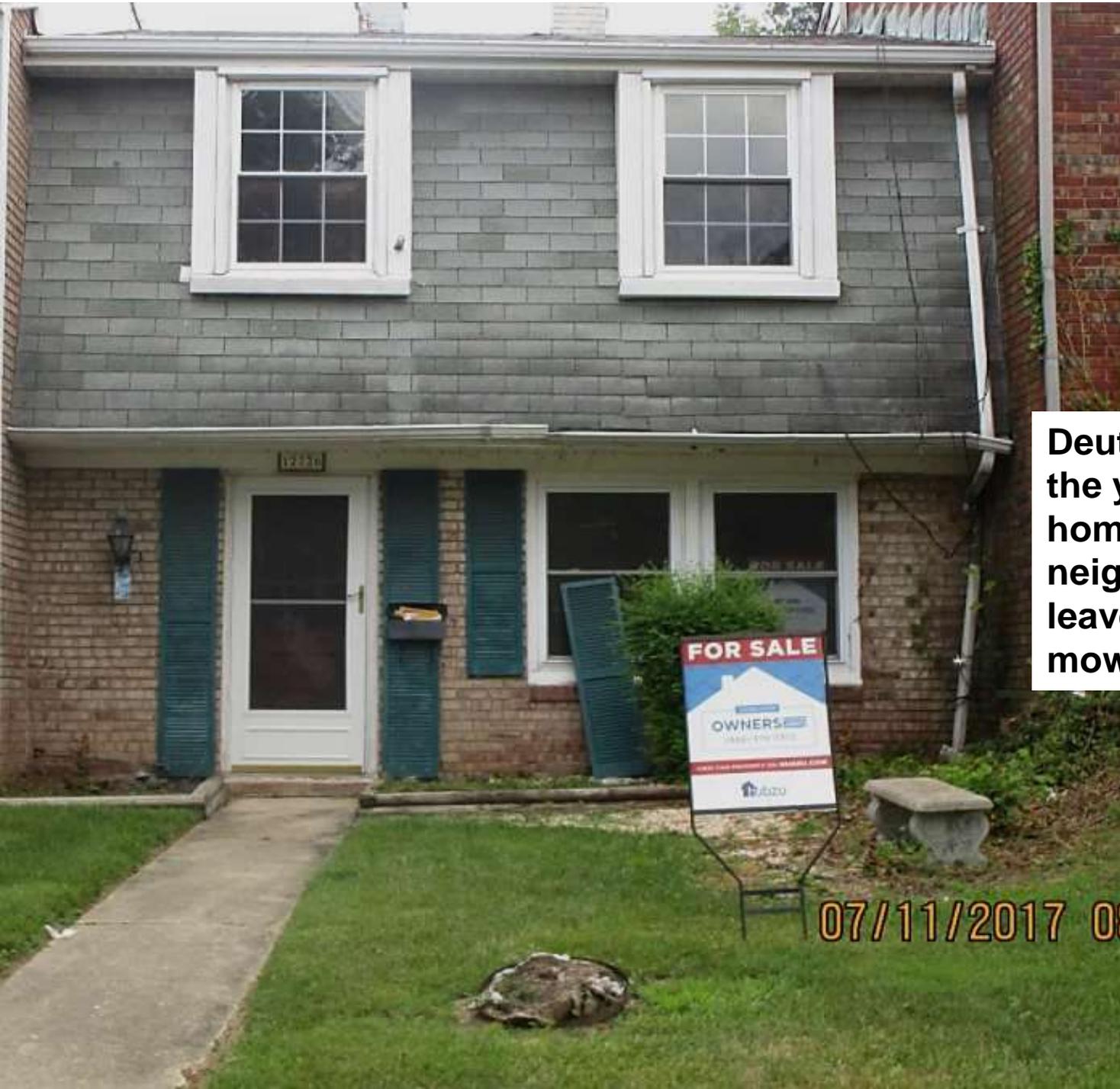


Here is a Deutsche Bank home in a white neighborhood in Bowie.



There are no broken windows and the yard in the front and back of the home is nicely mowed.





**Deutsch/Ocwen keep the yard of this modest home in a white neighborhood clear of leaves and trash and mowed the lawn.**



Detsche/Ocwen mowed this lawn and raked leaves.



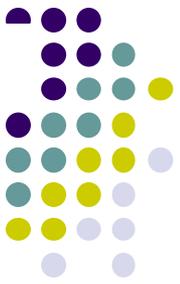


**Deutsche/Ocwen locked the back gate to this home in a white neighborhood. The photo was taken over the fence.**

Deutsche/Ocwen maintain this modest row home in a white neighborhood. The lawn is mowed and edged.



Deutsche/Ocwen's back yard is free from leaves, debris or litter.





This Deutsche Bank modest rowhouse in Montgomery County in a white neighborhood is well maintained. The lawn is mowed and not littered, trash or debris is left at the property.



The back ayrd of this  
Deustche Bank home is clean  
as well.

**Deutsche Bank maintains its home in this white neighborhood**



**Deutsche Bank keeps its home clean all around in this white neighborhood.**



12.20.20