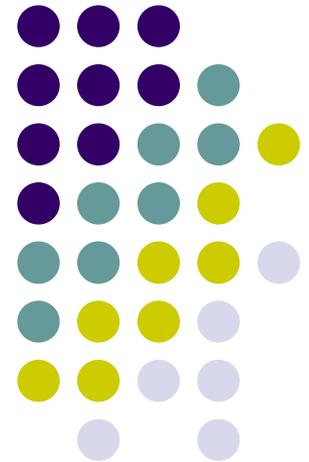


A Tale of Two Recoveries

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



Overview: Maintenance Investigation of Bank-Owned Homes



- This PowerPoint reflects the investigation by the **Fair Housing Center of West Michigan** over 4 years from 2013-2016. 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 properties 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 their 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 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 on the home.
 - 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

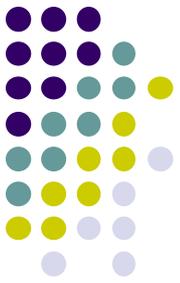
- Mold, discoloration, excessive rust, erosion



Utilities

- Tampered with or exposed

Investigation



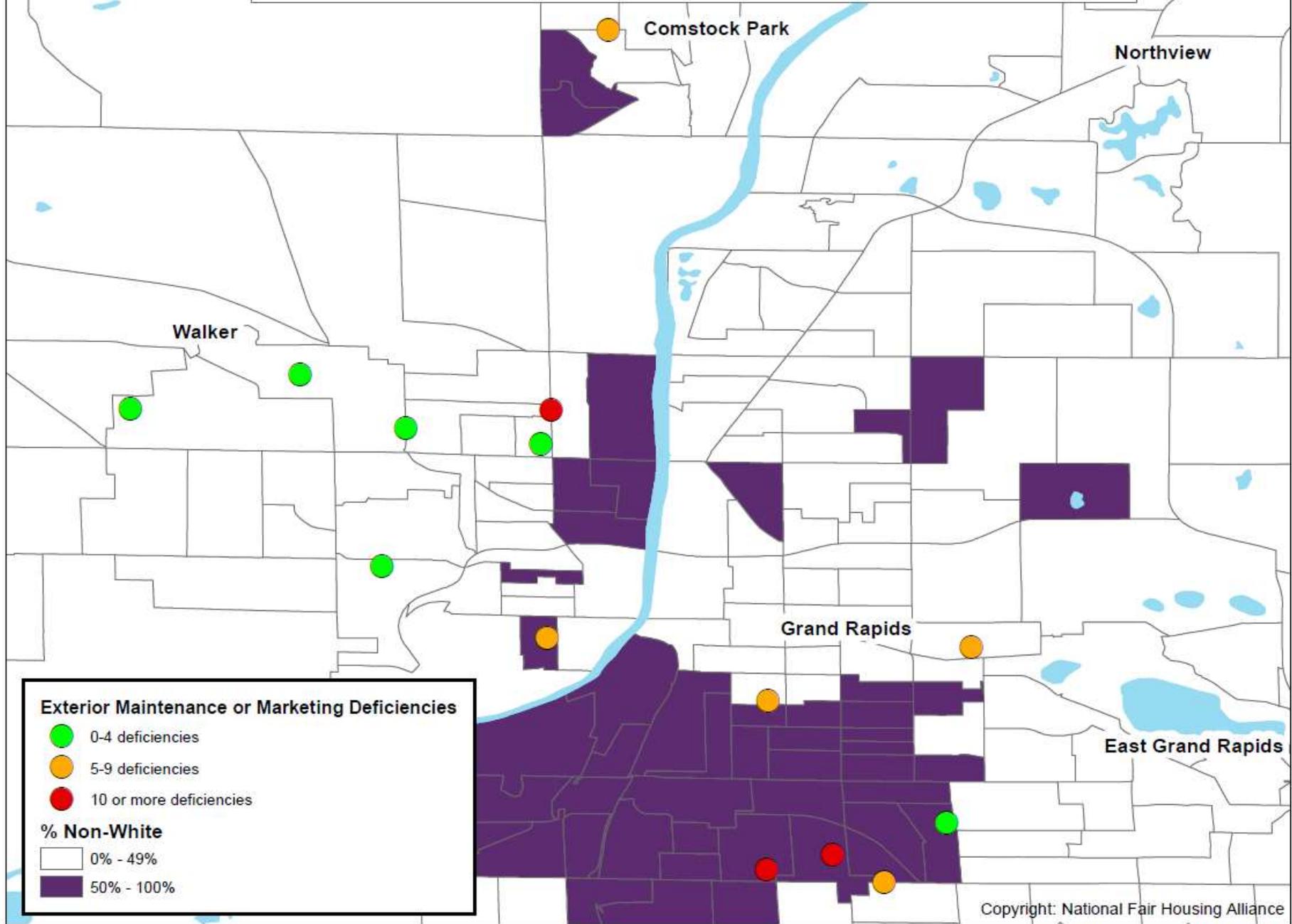
- A total of **14** Deutsche Bank REO properties were evaluated in the Grand Rapids, MI metro area
 - 3 REOs were located in predominantly African-American communities
 - 2 REOs were located in predominantly non-White communities
 - 9 REOs were located in predominantly White communities

Grand Rapids, MI Area Racial Disparities



- 80.0% of the REO properties in neighborhoods of color had **substantial amounts of trash** on the premises, while only 33.3% of the REO properties in predominantly White neighborhoods had the same problem.
- 40.0% of the REO properties in neighborhoods of color had **damaged steps and handrails**, while none of the REO properties in predominantly White neighborhoods had the same problem.
- 80.0% of the REO properties in neighborhoods of color had **no professional “for sale” sign**, while only 44.4% of the REO properties in predominantly White neighborhoods were similarly missing “for sale” signs.

Grand Rapids, MI Deutsche Bank Exterior REO Maintenance

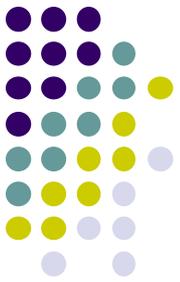


Exterior Maintenance or Marketing Deficiencies

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

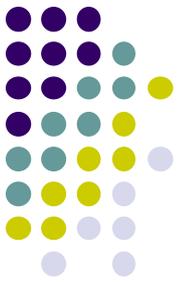
% Non-White

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



Examples of Deutsche Bank Properties in Grand Rapids in Communities of Color

This is a Deutsche Bank property in an African American and Latino neighborhood in Grand Rapids in 2014.



There is no “for sale” sign marketing the home.

Deutsche Bank has obviously not mowed this home's backyard in a long time.

11/05/2014 15:22

Another view of Deutsche's overgrown backyard.



11/05/2014 15:22



11/05/2014 15:24

Deutsche Bank failed to cover up this hole in the side of the home, inviting in animals and insects to enter.

This is a Deutsche Bank property in an African American neighborhood in Grand Rapids in 2014 also has no “for sale” sign.



Deutsche Bank has not been by this home in a while - the front steps are covered in old newspapers. What an unpleasant first impression if you were visiting this home as a potential homebuyer.

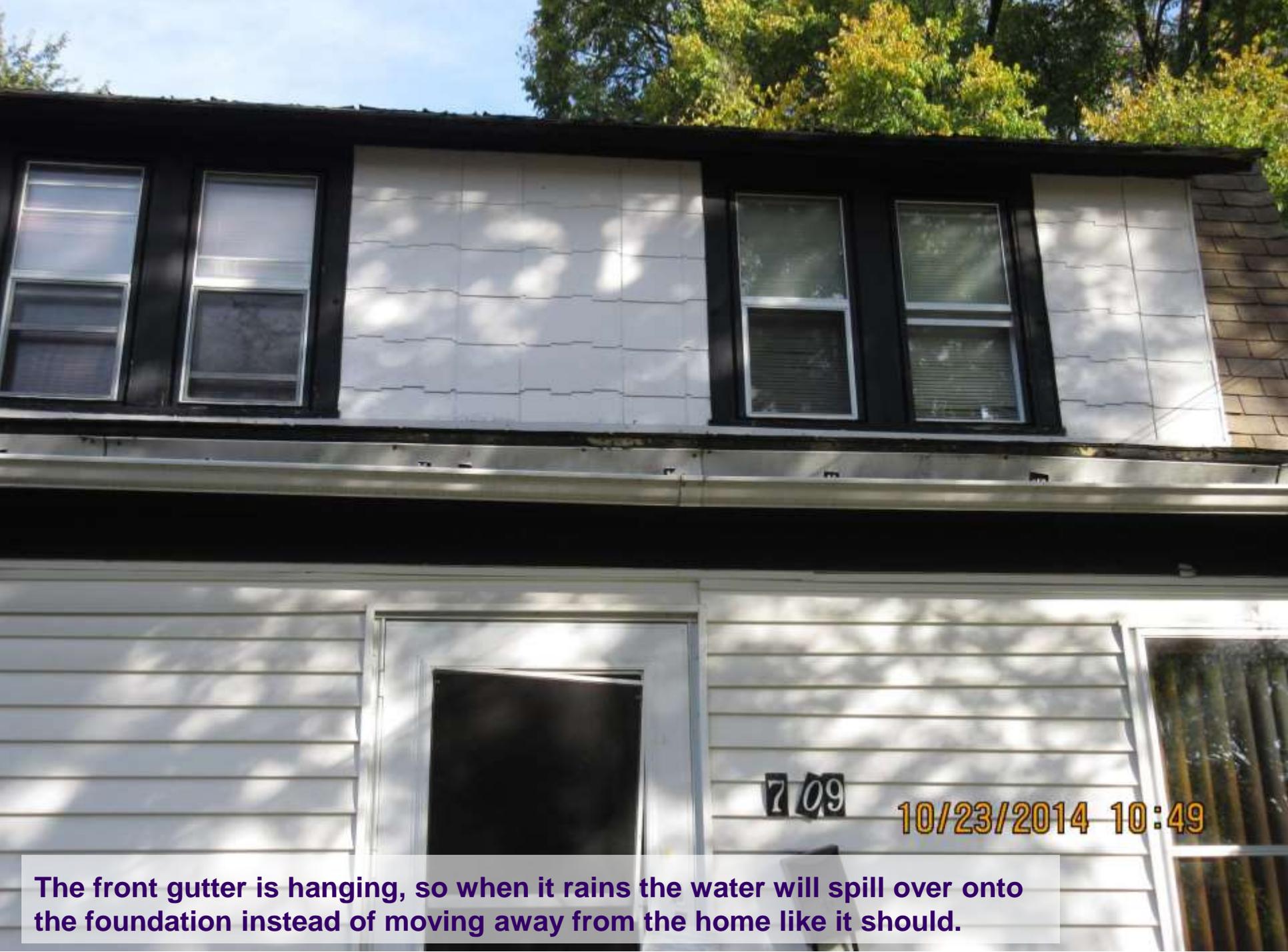


04.09.2014



10/23/2014 10:38

Another Deutsche Bank home in an African American neighborhood with no “for sale” sign. Let’s take a closer look at the home.



709

10/23/2014 10:49

The front gutter is hanging, so when it rains the water will spill over onto the foundation instead of moving away from the home like it should.

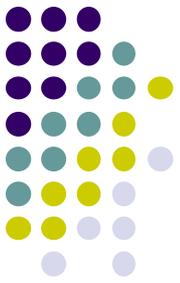
There is mail in the mailbox and a random bone sitting on the front windowsill. Both of these detract from the home's curb appeal as you approach the front door.





10/23/2014 10:47

The backyard is a mixture of weeds and dead grass.



**Here are the neighbors.
They are taking good care
of their homes and yards.**



Deutsche Bank property in a majority non-white neighborhood in Grand Rapids in 2013.





05.17.2013 11:08

The yard is overgrown and Deutsche left this broken fence lay in the dirt.

In the backyard the fence is also damaged. Deutsche left a pile of debris and tree limbs in the yard which can attract rats, mice, and insects.

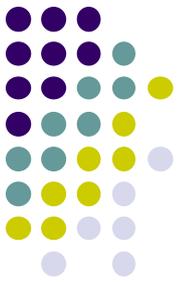


05:17 2013 11:10

On the side of the home there is more overgrown grass and debris. It is no surprise that this home sold two weeks later to an investor who in turn rented the property out.



05 17 2013 11:07



**Meanwhile, Deutsche Bank
properties in Grand Rapids'
predominantly white neighborhoods
were found to be well-maintained.**

This Deutsche Bank/Ocwen home in a white neighborhood has a prominent “for sale” sign in the yard and trimmed shrubs.



Here is a Deutsch Bank property in a white neighborhood in Grand Rapids in 2014.



The side of the home is clean and free of trash and debris.



The backyard is clean and mowed, just like the front of the home.



04.09.2014



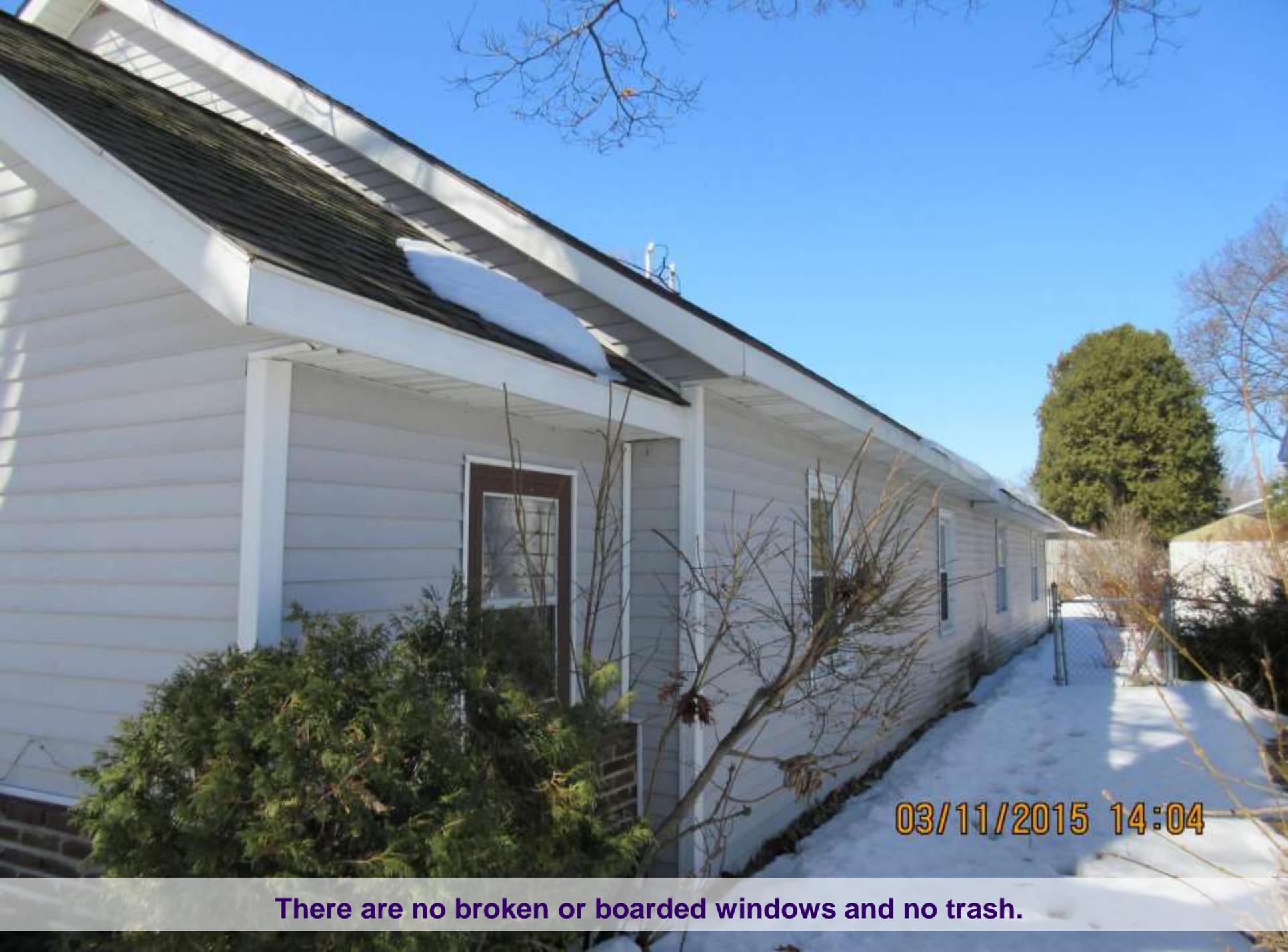
03/11/2015 13:55

Here is a Deutsche Bank/Ocwen/Altisource property in Grand Rapids in 2015.

The "for sale" sign is prominently displayed and the yard is free of trash and debris.



03/11/2015 14:02



03/11/2015 14:04

There are no broken or boarded windows and no trash.