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 the Miami and Fort Lauderdale, FL Metropolitan Area.

Overview: Maintenance Investigation of Bank-Owned Homes

- This Power Point reflects the investigation by Housing Opportunities for Excellence, INC. HOPE 2012-2016. 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 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 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

Miami Deutsche Bank REO Maintenance

Cooper City

Hialeah

Miami

Exterior Maintenance or Marketing Deficiencies

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

% Non-White

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

Racial Disparities

- Housing Opportunities Project for Excellence, Inc (HOPE, Inc.) investigated investigated 63 Deutsche Bank-owned homes in the Miami-Ft. Lauderdale, FL area.
  - 27 located in African-American neighborhoods;
  - 11 located in Latino neighborhoods;
  - 9 located in non-White neighborhoods
  - 16 located in White neighborhoods

- **74.5**% or 35 of the Deutsche Bank homes in neighborhoods of color had **substantial amounts of trash** on the premises, while only 50% or 8 Deutsche homes in predominantly White neighborhoods did.

- **55.3% or 26** of the Deutsche Bank homes in neighborhoods of color had **broken or boarded windows,** while only 31.3% or 5 Deutsche homes in predominantly White neighborhoods did.

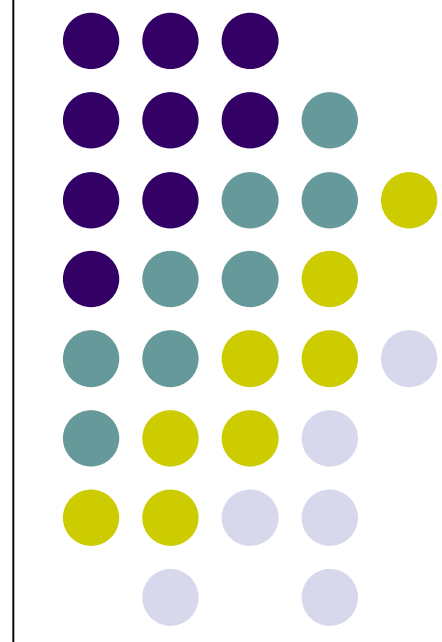
- **40.4% or 19** of the Deutsche Bank homes in neighborhoods of color had a **damaged fence**, while only 12.5% or 2 Deutsche homes in predominantly White neighborhoods did.

Deutsche Bank failed to maintain its homes in African American and Latino neighborhoods in Miami/Fort Lauderdale

HOPE investigated 63 Deutsche Bank-owned homes from 2012 though 2016.

Deutsche Bank consistently fails to maintain its homes in communities of color to the same standard as its homes in white neighborhoods.

How did Deutsche Bank maintain homes in Latino neighborhoods from 2012-2016?



This Deutsche Bank home in a Latino neighborhood has broken windows the Bank didn't fix and trash left behind by the Bank after the moveout/clean out. The broken window in the front detracts from curb appeal.

Deutsche Bank should replace these glass panes and close the window to keep animals and insects out.

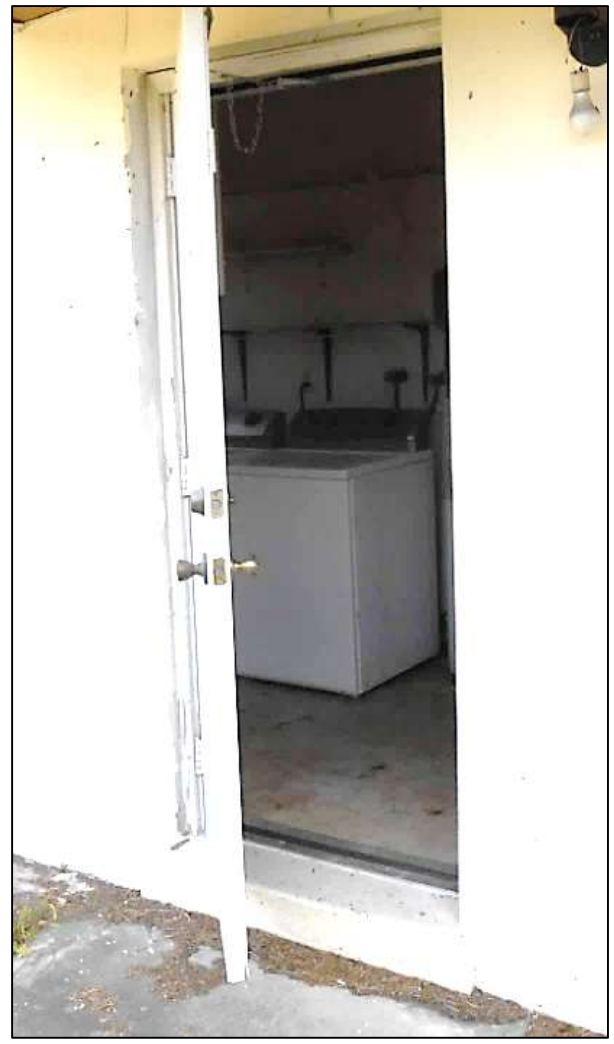
Why does Deutsche Bank leave trash at Latino and African American homes it owns?

Deutsche Bank left more cinder blocks on its property and failed to properly cap these electrical lines.

Deutsche Banks' hoe in this Latino neighborhood looks good from the front, moving around the home you find graffiti both inside and outside the home. This seriously detracts from the appeal of the home.

Deutsche Bank left the front door unlocked and trash in the back yard at its home in this Latino neighborhood.

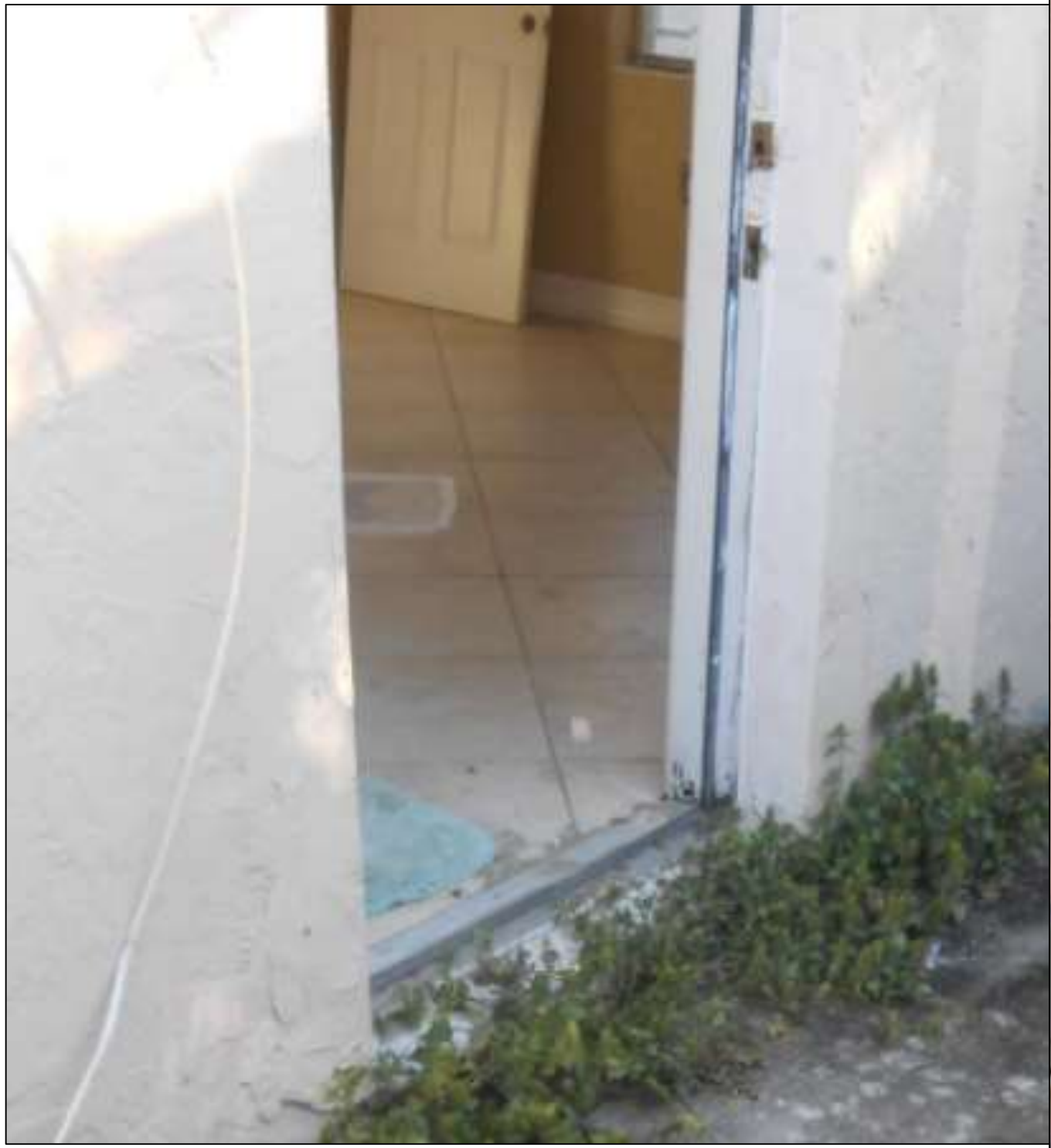
Deutsche failed to secure the front door and left trash in the back yard.



This Deutsche Bank home in a Latino neighborhood has two doors unsecured which put the asset as well as the neighbors and their children at risk.

Another Deutsche Bank home in a Latino neighborhood with several doors unsecured, trash strewn around the property and windows left open.

Deutsche Bank left these doors unsecured in a Latino neighborhood.



Deutsche Bank's allowed trash from the house to be thrown in the back yard and failed to pack it and send it to the dump.

Deutsche Bank left more trash and boxes in the yard in this Latino neighborhood.

Deutsche Bank left these windows open at it home in a Latino neighborhood. Obviously animals and insects can get into the home.

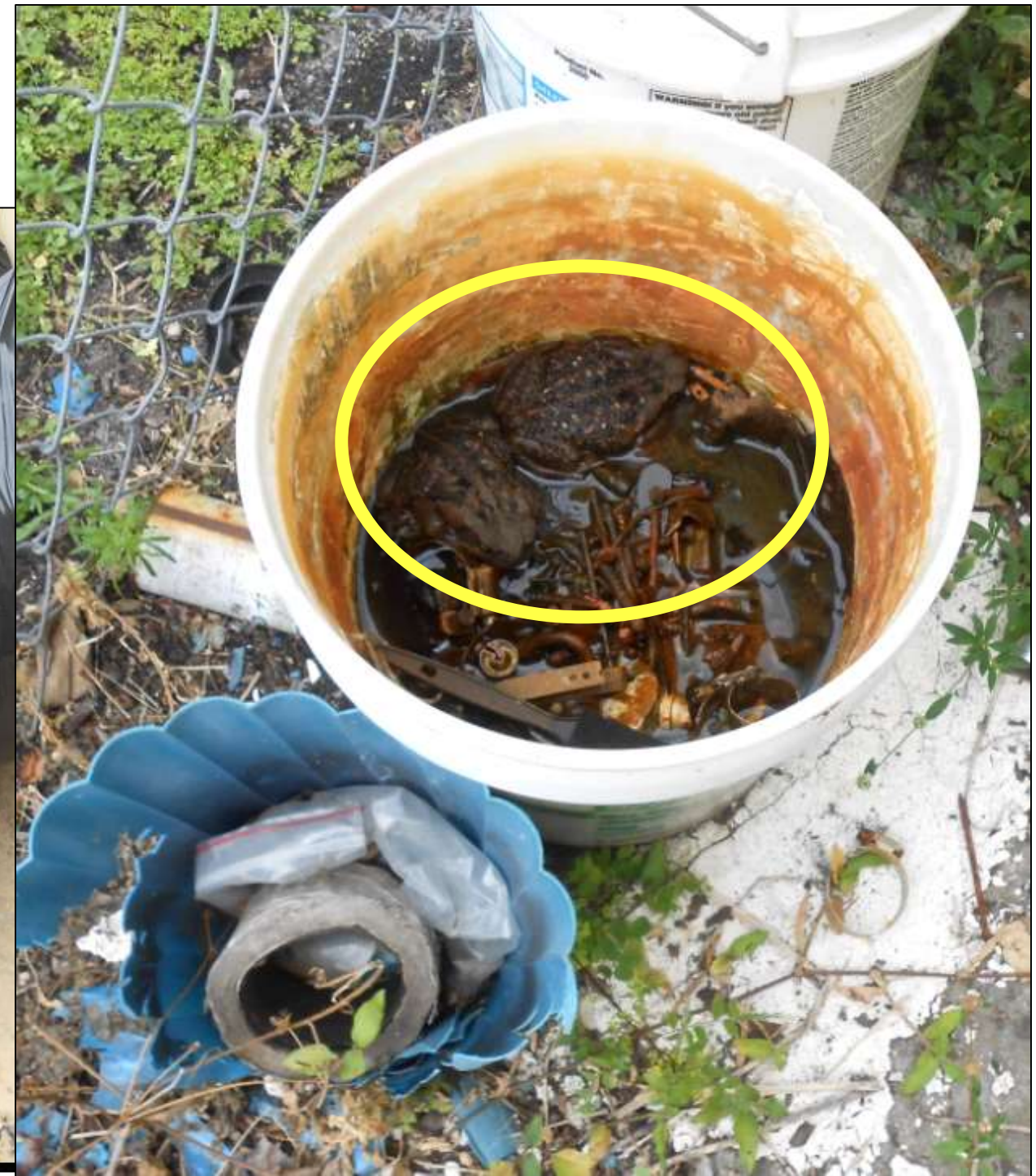
Deutsche Bank allowed this yard in a Latino neighborhood to become overgrown and left litter in the front yard.

The back yard of this Deutsche Bank home in a Latino neighborhood is overgrown.

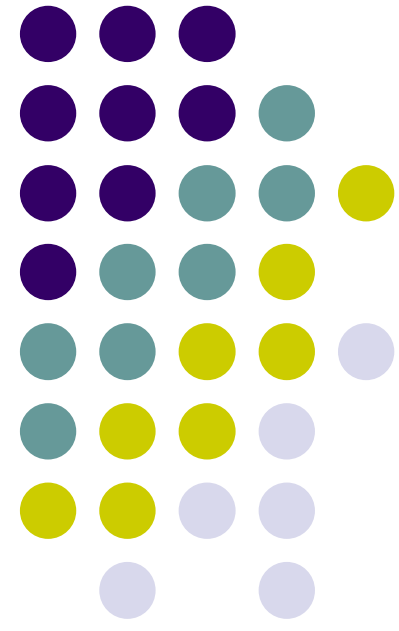
Deutsche Bank let the back yard become overgrown.

Deutsche Bank owns this home on a corner in a Latino neighborhood. The poor maintenance is in view of everyone driving by. Deutsche Bank let the yard become over grown and filled with trash and debris.

Some of the trash and debris Deutsche Bank left at it home, including dead frogs in the bucket.



How did Deutsche Bank maintain its homes in African American neighborhoods?



Deutsche Bank left dead shrubs, and litter around its home in an African American neighborhood.

Deutsche Bank left cinder blocks at the sliding door and litter along the driveway—both detract from the appeal of the home.

This Deutsche Bank home in an African American had a lot of trash and debris left in the back yard and the grass was severely overgrown. Remember that the trust pays for the removal of trash and clean up of the property so there is no reason to find these conditions at Deutsche's homes.

Deutsche Bank left lumber at its home as well which attracts termites, rats or mice.

Yet another Deutsche Bank home in an African American neighborhood where it failed to clean up the property. Instead Deutsche dumped the trash along both sides of the home.

During the clean out Deutsche just threw everything on the side of the property in the overgrown grass and weeds.

More debris and an open window at this Deutsche Bank home in an African American neighborhood.

Deutsche Bank left the sliding door open at its home in this African American neighborhood and taped a broken window rather than replacing the pane of glass.

To get top dollar for a home, people like a home that's clean and secure. Deutsche Bank fails to provide that kind of home in communities of color.

Deutsche Bank left more trash and debris at its home in this African American neighborhood.

This neighbor in this African American neighborhood takes great care of his home and yard, but has to live across the street from the poorly maintained Deutsche Bank home.

Yet another Deutsche Bank home in an African American neighborhood with the front door unlocked.

Deutsche Bank left the back door unlocked this time at its homes in an African American neighborhood, but also…

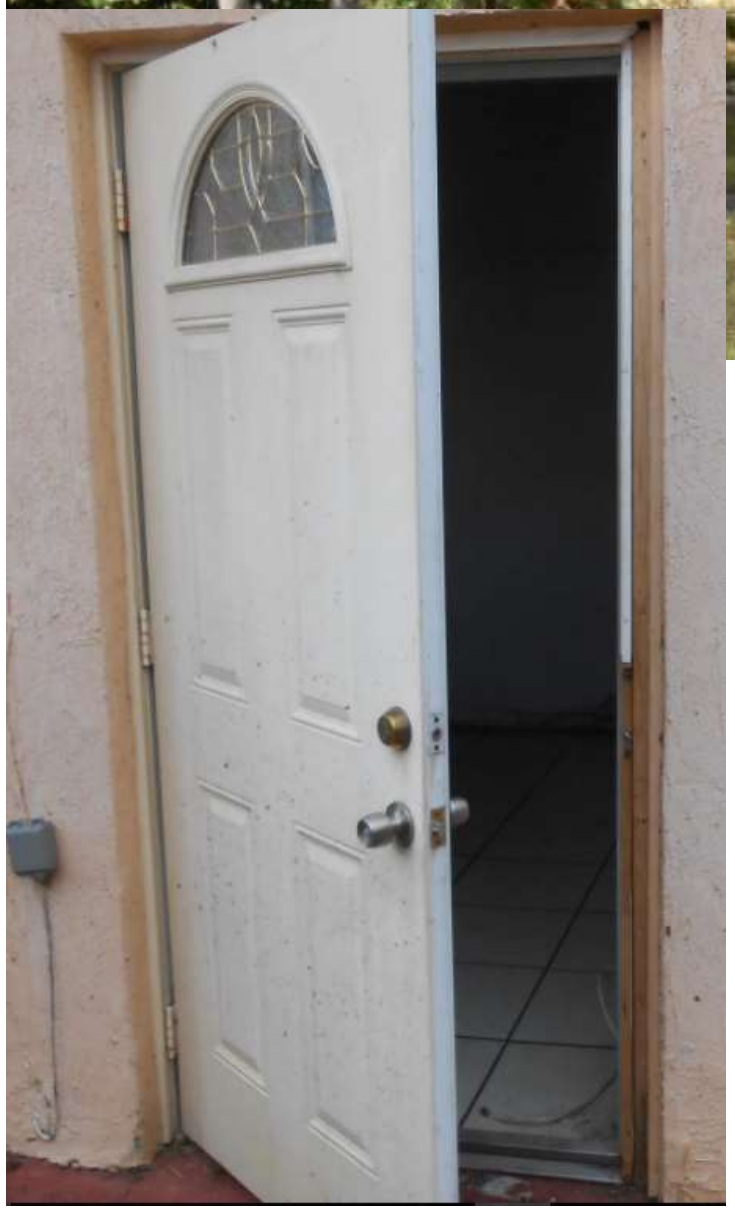
Deutsche Bank also left a mattress, garbage and dead shrubs in the back yard.

Another <u>neighbor</u> in an African American neighborhood who has to live next to a poorly maintained Deutsche Bank home. The front door was unlocked allowing vandals to enter.

Again, Deutsche Bank leaves its home in an African American unsecured putting neighbors and the asset at risk of vandalism or worse.

Deutsche Bank left the sliding door open so anyone can enter the home and vandalize or take the appliances or worse.

Once more we find a Deutsche Bank home in an African American neighborhood with the back door unsecured.



Another Deutsche Bank hoe in an African American neighborhood with the back door unlocked. The Bank also left trash on the property.

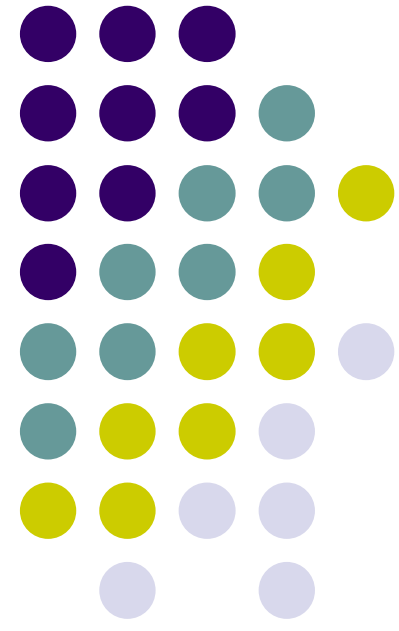
Deutsche Bank laid the gate against its house and giving access to the back yard with the unlocked back door.

Deutsche left more trash behind at its home in this African American neighborhood.

These are the <u>neighbors</u> who maintain their homes living next to the unsecured and poorly maintain Deutsche Bank home

Deutsche Bank boarded the back door and left trash and debris at its home in this African American neighborhood.

How did Deutsche Bank maintain its homes in white neighborhoods?



Deutsche Bank takes much care of its homes in white neighborhoods than it does it does in communities of color. Doors are secured, trash, debris, dead shrubs are routinely removed.

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