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 suburbs of Detroit, MI.

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Overview: Maintenance Investigation of Bank-Owned Homes

- This PowerPoint reflects the investigation by the National Fair Housing Alliance (NFHA) over 2 years from 2016-2017. These investigations are part of a larger, nationwide investigation involving NFHA and 19 fair housing center partners.

- 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 **43** Deutsche Bank homes were evaluated in the suburban Detroit, MI area
  - 11 Deutsche Bank homes were located in predominantly African-American communities
  - 6 Deutsche Bank homes were located in predominately non-White communities
  - 26 Deutsche Bank homes were located in predominantly White communities
Suburban Detroit, MI
Racial Disparities

• 64.7% of Deutsche Bank properties in communities of color had trash or debris on the premises, while only 26.9% of properties in white communities had the same problem.

• 70.6% of Deutsche Bank properties in communities of color had overgrown grass or dead leaves, while only 34.6% of properties in white communities had the same problem.

• 41.2% of Deutsche Bank properties in communities of color had unsecured or boarded doors, while only 19.2% of properties in white communities had the same problem.

• 41.2% of Deutsche Bank properties in communities of color had broken or boarded windows, while only 3.8% of properties in white communities had the same problem.
Examples of Deutsche Bank Homes in Suburban Detroit, MI in Communities of Color

2016 - 2017
Deutsche Bank home in a non-white community in Pontiac in 2017
Along the fence line we can already see dead leaves and trash.
The backyard’s grass is completely dead, and Deutsche Bank has left dead tree limbs all around the yard.
More dead leaves are left in the yard by Deutsche Bank.
There is also a broken window in the back of the home. The window needs to be replaced and the shards of glass removed.
Deutsche Bank home in an African-American community in Pontiac in 2017
The front door is broken and the hole is covered with a flimsy piece of cardboard.
This broken window on the front of the house is taped instead of being replaced – replacing it would add more value and curb appeal the home, but Deutsche Bank seems to think the broken door and window are fine as is.
Deutsche Bank has not come out to mow this yard in a while – the entire backyard is overgrown.
Deutsche Bank home in an African-American community in Inkster in 2017
This home is being actively marketed for sale, but the front yard has zero curb appeal from all the overgrown grass.
The front and back doors of this home are both broken, and the back door is also boarded.
The backyard is covered in dead shrubs and dead weeds. How does Deutsche Bank expect to market this home to a homebuyer in this condition?
The next-door neighbors are taking good care of their homes and yards, unlike Deutsche Bank.

It doesn’t look too bad from the curb, but let’s take a closer look…
Multiple gutters on this home are either misplaced, broken, or missing all together.
There is a open pipe spilling out water – it is sitting around the home’s foundation as well as flowing into the foundation itself.
Runoff water from the open pipe is pooling near this window and freezing. There is also a pile of dead leaves left from the fall that were never raked.
Here is a broken window as well as a hole leading into the structure of the home.
Above that broken window is another broken window, as well as a boarded window.
Yet another window is left open, allowing in insects and other vermin into the home as well as the elements.
In the backyard, Deutsche Bank has left logs in an unsecured shed as well as dead tree limbs in the yard.
Deutsche Bank home in an African-American community in Oak Park in 2016

Again, from the front this house looks OK, but let’s get closer…
The front door was unlocked, allowing anyone into the home.
Deutsche Bank has left this window open, allowing the cold winter air to enter the home as well as potentially insects and animals.
This damaged gate is just laying on the fence instead of being re-attached. There are also dead branches and leaves.
In the backyard there are more dead leaves and dead branches.
Even more dead leaves. How long have these leaves been here?
Examples of Deutsche Bank Homes in Suburban Detroit, MI in White Communities

2016 - 2017
Examples of Deutsche Bank homes in White communities in Suburban Detroit, MI in 2017
Deutsche Bank home in a White community in Clinton Township in 2017.
The side of the home is clean, with no trash or debris present.
The back of the home is in great shape. The doors and windows are secured.
The backyard is recently mowed.
Examples of Deutsche Bank homes in White communities in Suburban Detroit, MI in 2016
Deutsche Bank home in a White community in Redford Township in 2016.
The back of the home is clean and presentable to potential homebuyers.
The backyard is tidy as well.