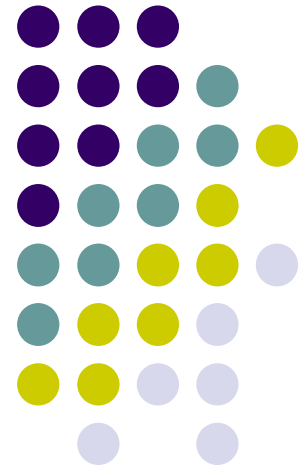


# **A Tale of Two Recoveries**

**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.**

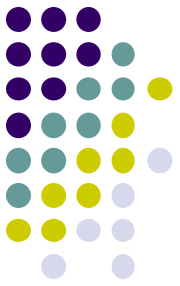


# Overview: Maintenance Investigation of Bank-Owned Homes



- 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

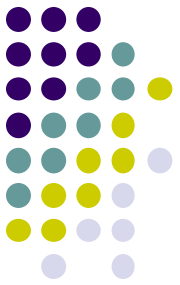


## Signage

- 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

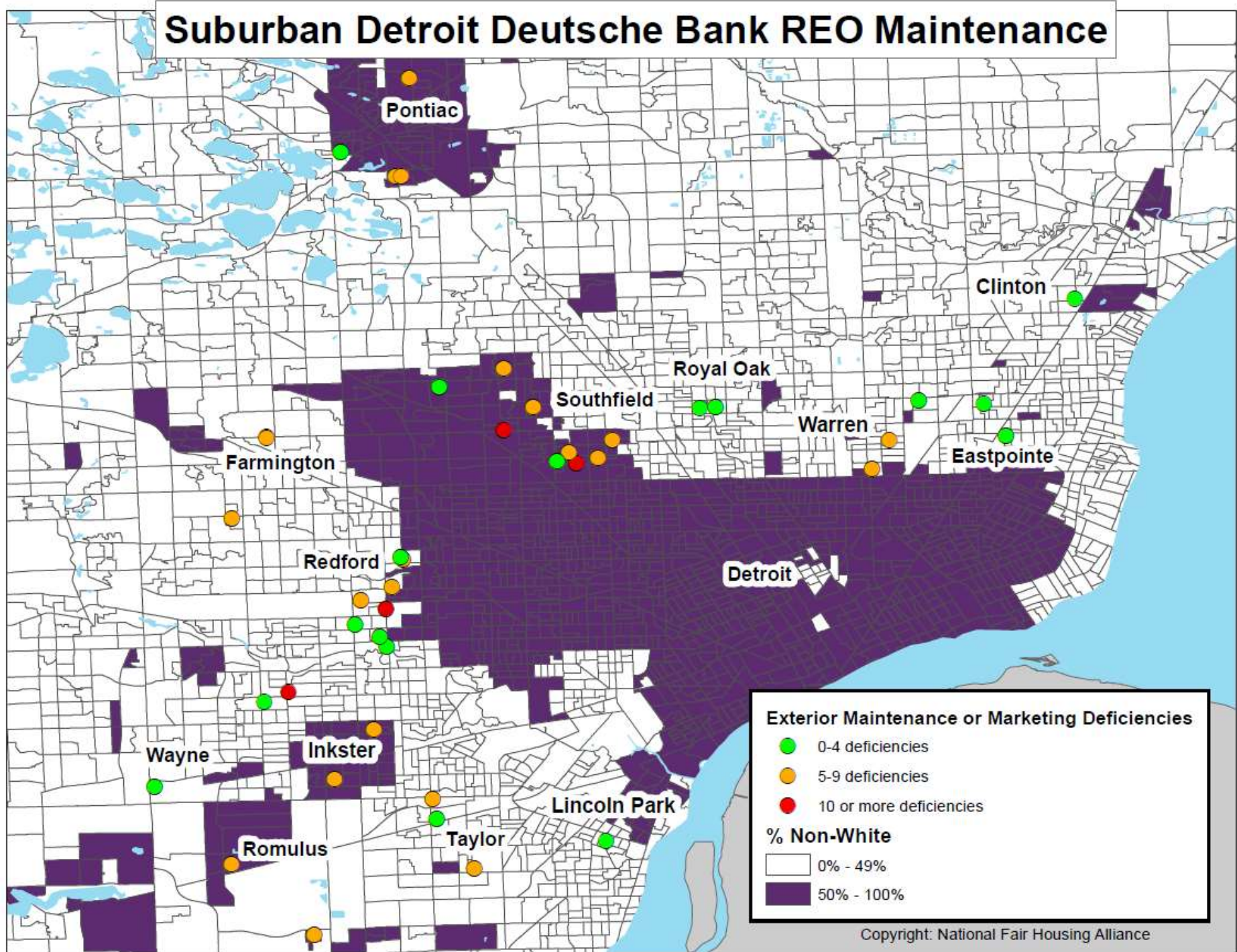
# Suburban Detroit, MI

## 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.

# Suburban Detroit Deutsche Bank REO Maintenance



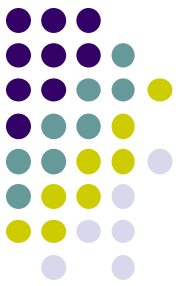




# **Examples of Deutsche Bank Homes in Suburban Detroit, MI in Communities of Color**

**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.





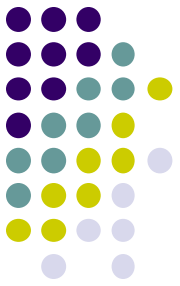
**The backyard's grass is completely dead, and Deutsche Bank has left dead tree limbs all around the yard.**





**More dead leaves are left in the yard by Deutsche Bank.**





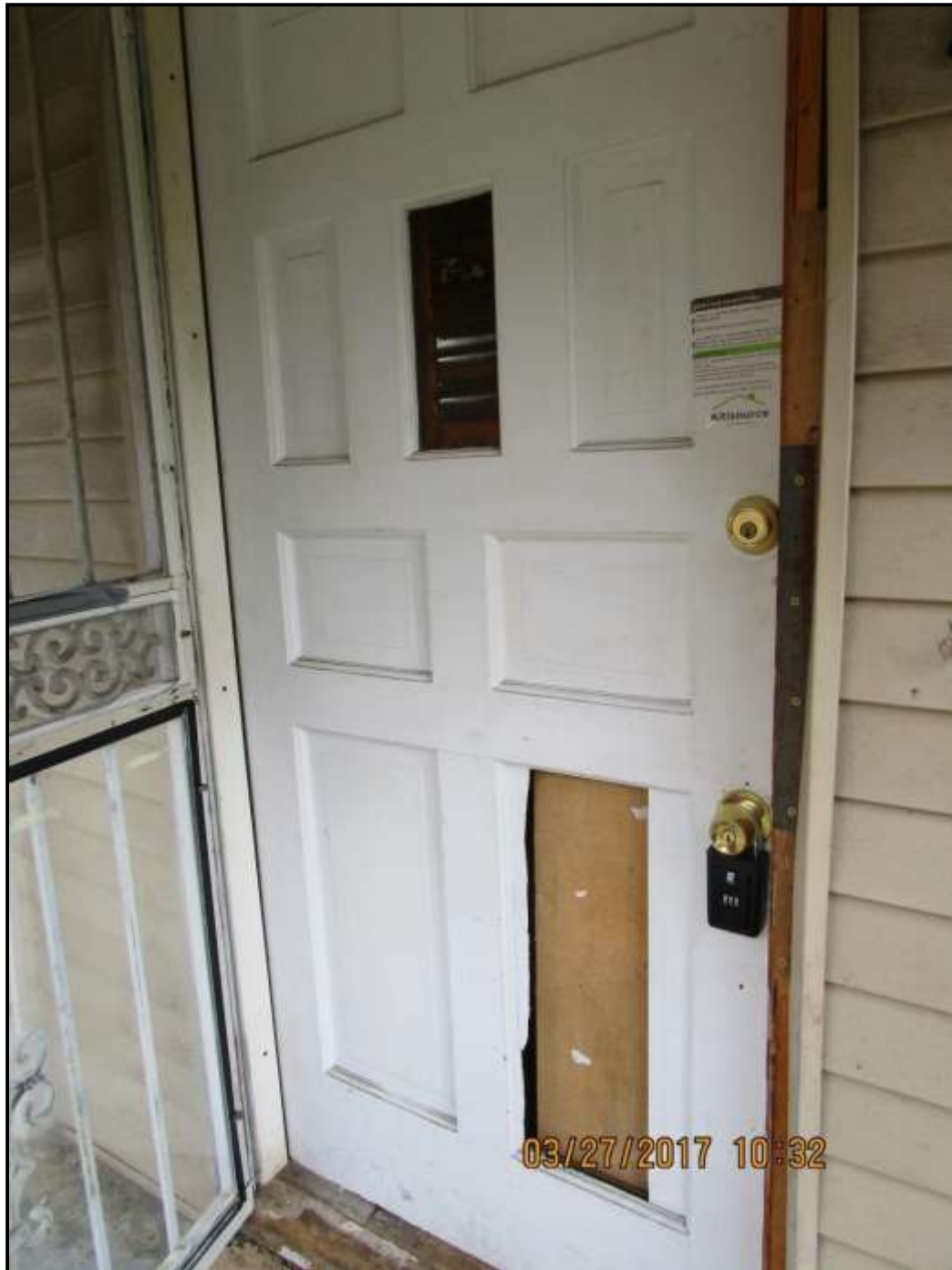
**There is also a broken window in the back of the home. The window needs to be replaced and the shards of glass removed.**





# Deutsche Bank home in an African-American community in Pontiac in 2017

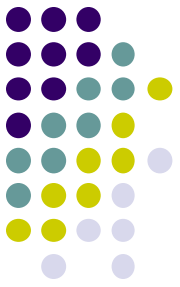




**The front door is broken and the hole is covered with a flimsy piece of cardboard.**



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.



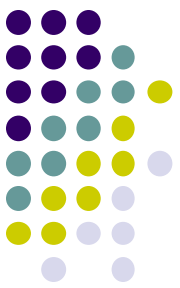


**The backyard is covered in dead shrubs and dead weeds. How does Deutsche Bank expect to market this home to a homebuyer in this condition?**





**The next-door neighbors are taking good care of their homes and yards, unlike Deutsche Bank.**



## Deutsche Bank home in an African-American community in Southfield in 2016



It doesn't look too bad from the curb, but let's take a closer look...

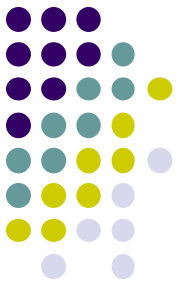




**Multiple gutters on this home are either misplaced, broken, or missing all together.**



**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.**

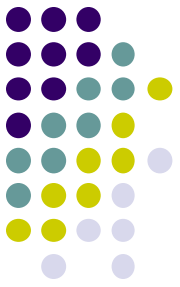








**Yet another window is left open, allowing in insects and other vermin into the home as well as the elements.**



**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.



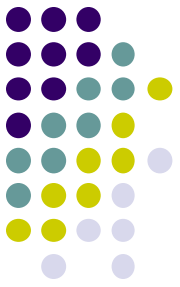


**Deutsche Bank has left this window open, allowing the cold winter air to enter the home as well as potentially insects and animals.**





**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?**



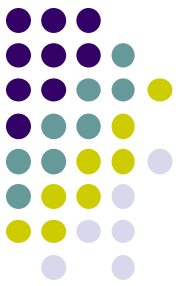




# **Examples of Deutsche Bank Homes in Suburban Detroit, MI in White Communities**

**2016 - 2017**

# Examples of Deutsche Bank homes in White communities in Suburban Detroit, MI in 2017

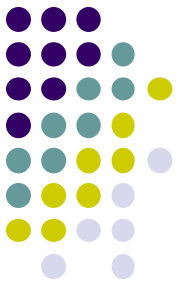




# Deutsche Bank home in a White community in Clinton Township in 2017.



The side of the home is clean, with no trash or debris present.

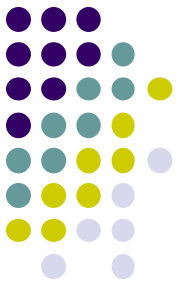




**The back of the home is in great shape.  
The doors and windows are secured.**

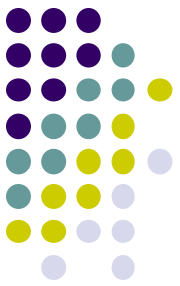


The backyard is recently mowed.





# 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.

