


Fannie Mae Fails to Maintain Foreclosures in African American and Latino Neighborhoods Across the U.S.A.



Fannie Mae violates the Fair Housing Act when it provides good, consistent maintenance to its foreclosures in white neighborhoods, but neglects foreclosures it owns in African American and Latino neighborhoods across America.

**National Fair Housing Alliance
Shanna L. Smith, President/CEO
December 5, 2016**

Overview

- ❑ Why did NFHA and 20 fair housing organizations undertake the investigation of Fannie Mae?
- ❑ What investigative methodology was used?
- ❑ What are Fannie Mae's Maintenance Standards?
- ❑ Examples of Fannie Mae-owned foreclosures in communities
- ❑ Contrasting Fannie Mae's foreclosure maintenance in white neighborhoods and communities of color
- ❑ Comparing and contrasting Fannie's REO maintenance to Freddie Mac's REO maintenance in the same neighborhoods
- ❑ Health Impact of foreclosures on individuals and communities

20 Partnering Fair Housing Groups

1. Connecticut Fair Housing Center
2. Denver Metro Fair Housing Center
3. Fair Housing Center of Central Indiana
4. Fair Housing Center of the Greater Palm Beaches
5. Fair Housing Center of West Michigan
6. Fair Housing Continuum
7. Fair Housing Advocates of Northern California
8. Greater New Orleans Fair Housing Action Center
9. HOPE Fair Housing Center
10. Housing Opportunities for Excellence (HOPE)
11. Housing Opportunities Made Equal of Virginia
12. Metro Fair Housing Services
13. Metropolitan Milwaukee Fair Housing Council
14. North Texas Fair Housing Center
15. Open Communities
16. South Suburban Housing Center
17. The Central Ohio Fair Housing Association
18. The Housing Research and Advocacy Center
19. The Miami Valley Fair Housing Center
20. Toledo Fair Housing Center

Investigations of Fannie Mae Foreclosures in 38 Metropolitan Areas



Why did NFHA and 20 fair housing organizations undertake the investigation of Fannie Mae?



What investigative methodology was used?



Methodology for Investigation

- ❑ Neighborhoods selected for investigations were:
 - Majority African American
 - Majority Latino
 - Majority Non-White
 - Majority White

- ❑ Neighborhoods selected had Fannie Mae-owned foreclosures listed for sale on Fannie Mae's website.

- ❑ 100% of Fannie Mae REOs in targeted zip codes were investigated.

Methodology for Investigation

- ❑ These 39 items documented are important maintenance issues for marketing the Fannie Mae's foreclosures and address curb appeal, routine maintenance required by local ordinances, health and safety items and structural issues. Proper maintenance attracts owner-occupant buyers versus investors and helps keep property values stable and increasing.
- ❑ An evaluation form was created and the investigator marked "yes" or "no" as to whether the deficiency was present at the foreclosure.
 - For example, 1 unsecured hole in the structure counts as 1 deficiency; likewise, 3 holes in the structure also counts as only 1 deficiency.
- ❑ Photos were taken of the Fannie Mae foreclosure and the neighbors on both sides and across the street to show how the neighborhood is maintained.
- ❑ No homes that appeared to be occupied were evaluated or used in the complaint.

Evaluation Measures

□ 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



Evaluation Measures

- 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



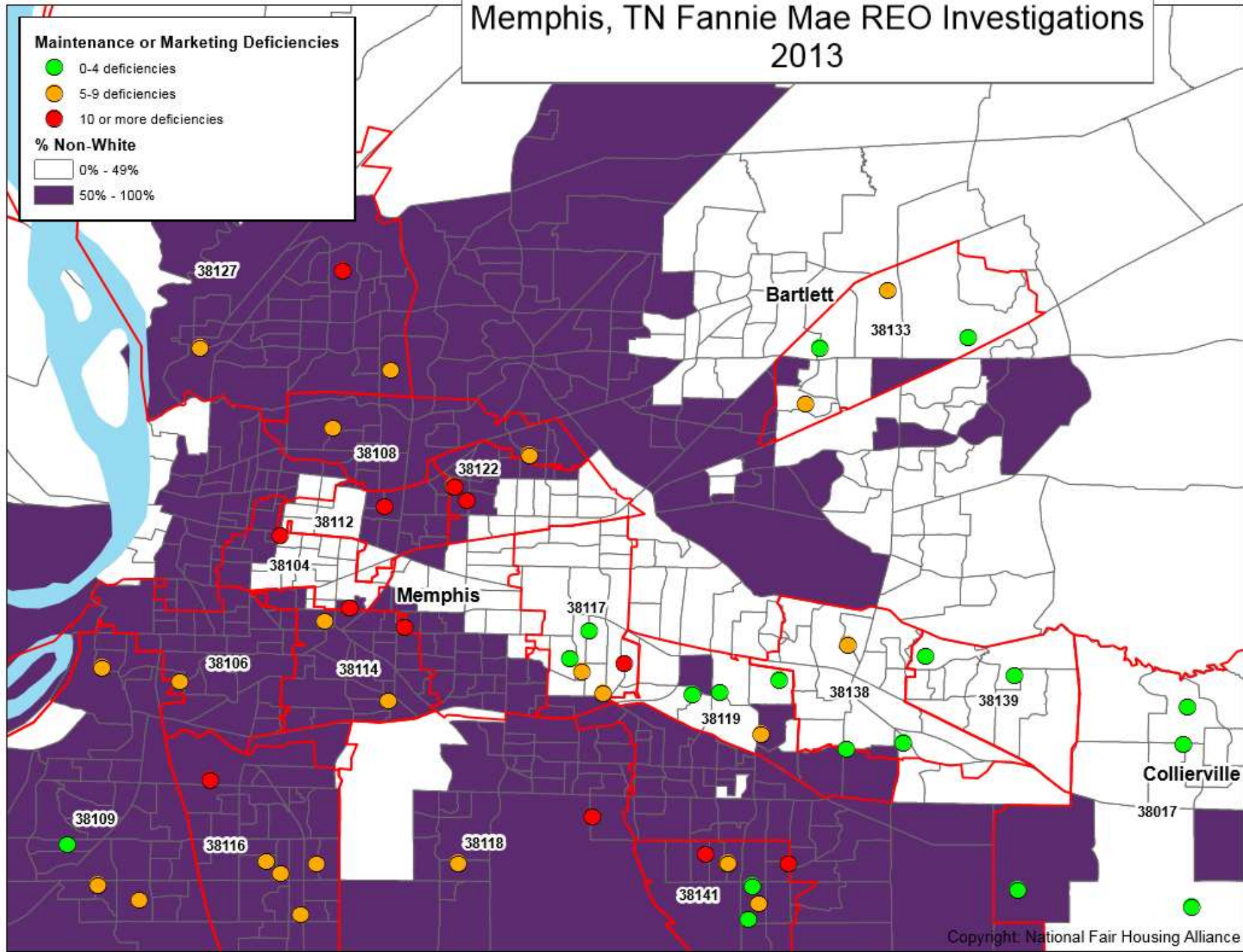
Memphis, TN Fannie Mae REO Investigations 2013

Maintenance or Marketing Deficiencies

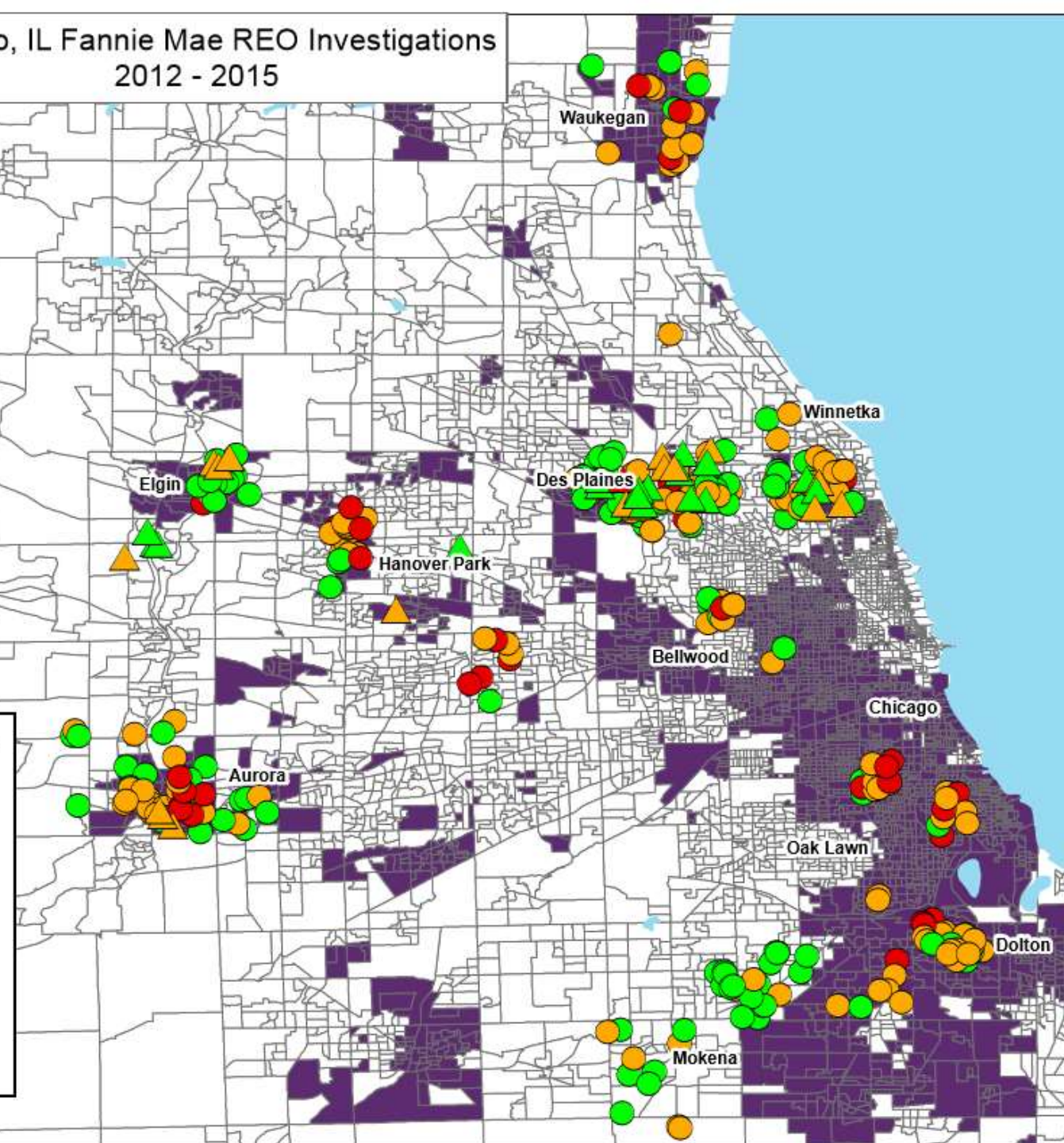
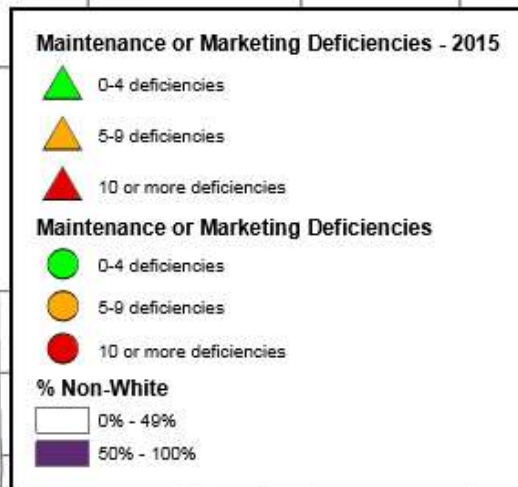
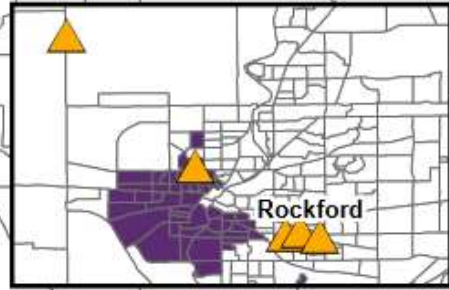
- 0-4 deficiencies
- 5-9 deficiencies
- 10 or more deficiencies

% Non-White

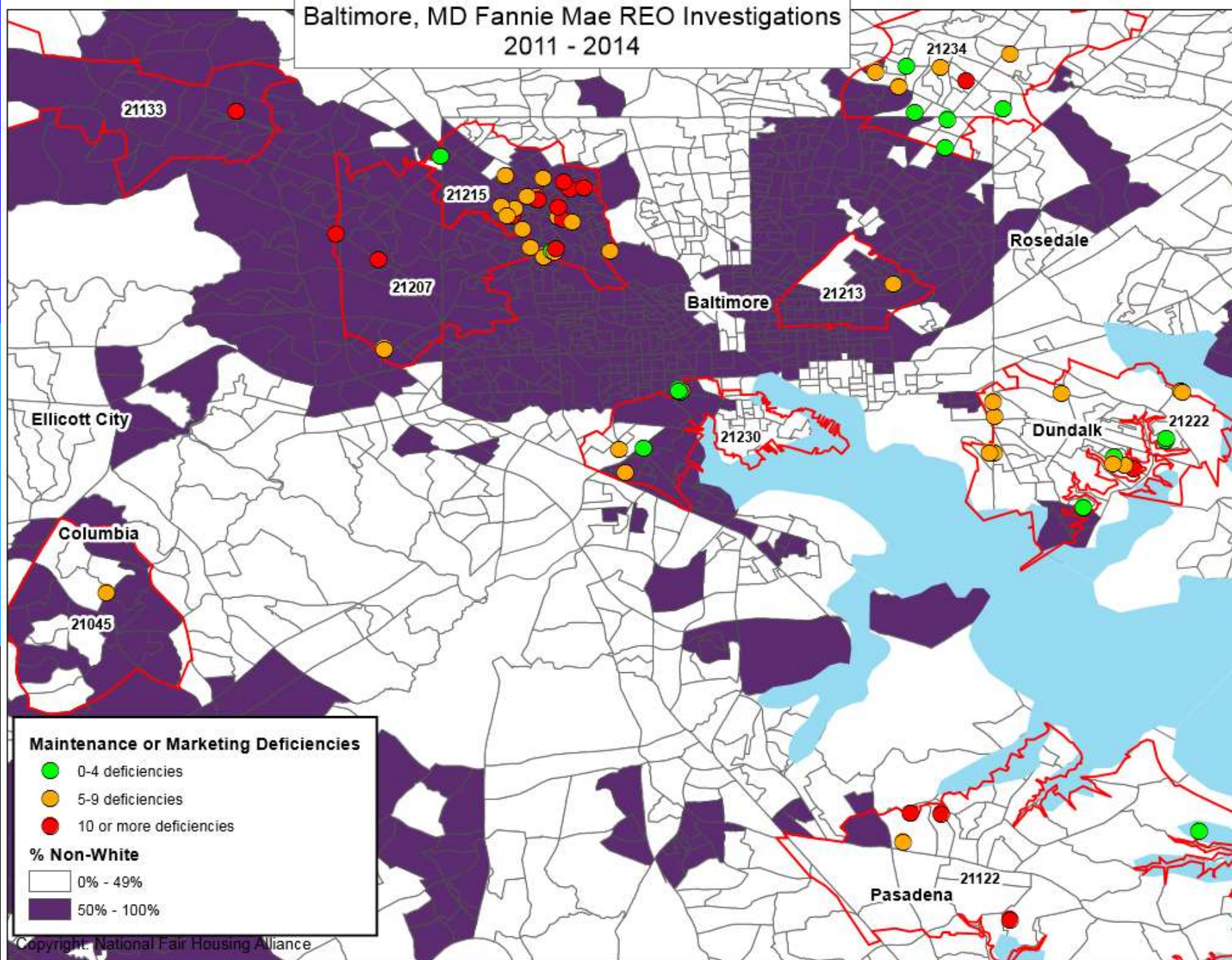
- 0% - 49%
- 50% - 100%



Chicago, IL Fannie Mae REO Investigations 2012 - 2015



Baltimore, MD Fannie Mae REO Investigations 2011 - 2014




What Are Fannie Mae's Maintenance Standards?

The following information, charts and statements are taken directly from Fannie Mae's website.

Homepath.com: Fannie's Mission for REOs

- ❑ “At Fannie Mae, the mission of the Fannie Mae Property Maintenance team is to ensure the quality of our REO property maintenance services, consistently producing best-in-class, market-ready properties and maintaining them until removal from our inventory.”
- ❑ On this website, Fannie Mae states that, in addition to maintaining its REO inventory to a level of market readiness, it also strives to “be a good neighbor,” “support marketing efforts” and “support neighborhood stabilization.” Its stated goals are also to “...minimize Fannie Mae's exposure to potential property damage and liability and remove any REO stigma from Fannie Mae-owned properties.”

<div>  Field Services Checklists </div>	
Initial Services and Monthly Maid Services Checklist Fannie Mae expects each property to look its best at all times and be in "market ready" condition. The steps below are all required and are part of the services Fannie Mae expects to be performed and maintained by the Field Service Company at each property.	Safety Hazard Checklist When performing services (initial and ongoing) on all Fannie Mae properties, each Field Service Company is asked to immediately check for common safety hazards that may be found. All companies are to ensure these hazards are identified and resolved on their inspections. Some of the common safety hazards the Field Service Companies are asked to remediate include:
Entry Way: <ul style="list-style-type: none"> Floor swept/mopped Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Storm door glass cleaned 	Windows/Doors: <ul style="list-style-type: none"> Remove any broken glass. Secure and/or board any exposed windows, doors or openings.
Living Room/Family Room/Bedroom/Enclosed Porch: <ul style="list-style-type: none"> Floor swept/mopped or carpet vacuumed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Interior windows clean, window sills wiped off Door frames free of dust Fireplace cleaned out (if applicable) Ceiling fan blades clean Closet floors swept/mopped or carpet vacuumed 	Revised Items: <ul style="list-style-type: none"> Secure or replace missing or damaged switch plates or outlet covers. Cap all exposed wiring. Replace missing, broken or non-functioning light bulbs (excludes décor bulbs). Secure loose light fixtures and ceiling fans.
Kitchen: <ul style="list-style-type: none"> Sink cleaned Stove/oven, microwave, dishwasher, refrigerator cleaned (inside and out) Floor swept and mopped Interior windows cleaned, window sills wiped off Counters clean Cabinets and drawers cleaned and debris removed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Ceiling fan blades clean 	Stairways: <ul style="list-style-type: none"> Replace or secure missing or broken steps. Replace or secure missing or loose handrails.
Bathrooms: <ul style="list-style-type: none"> Floor swept/mopped or carpet vacuumed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Interior windows clean, window sills wiped off Door frames free of dust Sinks and faucets clean Toilets clean Tub/shower and surrounding area clean, free of any dust Mirrors, cabinets, drawers, shelves clean 	Floors: <ul style="list-style-type: none"> Replace or secure missing floor vent covers or open holes. Remove or secure all indoor trip hazards. Remove carpet tack strips and nails.
Attic/Crawl Space: <ul style="list-style-type: none"> Free of all debris 	Arch/Deck/Patio: <ul style="list-style-type: none"> Replace or secure missing or loose steps. Replace or secure missing or loose handrails.
Garage/Porches/Deck Areas/All Paved Surfaces: <ul style="list-style-type: none"> Swept free of debris All leaves, sticks, and any other debris removed Cobwebs removed from corners/ceiling, if applicable 	Lawn: <ul style="list-style-type: none"> Fill large, open holes in ground with dirt. Repair any trip hazards (wiring or similar items at low level).
Additional Items: <ul style="list-style-type: none"> Remove all old service stickers and notices at initial services. Ensure sump pump check valve is operational. Replacement of inoperable sump pump. Replacement of any missing, damaged or non-functioning light bulb (excludes décor bulbs). Ensure all batteries are not chipping in smoke and CO detectors. Ensure all safety issues are addressed (see Safety Hazard Checklist). Provide service-dated air fresheners in all wet areas (bathroom, kitchen, laundry room, etc.). 	Pool/Spa: <ul style="list-style-type: none"> Ensure perimeter fence is stable and all gates are locked. Repairing or replacing fence is a bid item. Ensure hot tub/spa is drained and covered if no fence is present. (This is a bid item.)
Broker Checklist When performing weekly property inspections, the following Broker-related items are expected: <ul style="list-style-type: none"> Property is secure and locked. Lockbox is present and coded correctly and additional marketing lockbox present. Keys are present in lockbox. Company signage is posted and marketing materials are present. Weekly inspections include date stamped photos for verification of any condition changes. Utilities are turned on unless not warranted or unsafe to do so. Ensure all debris/mulchings/door drops are removed from entry way/porch area. Confirm interior and exterior maintenance is satisfactory. Follow all expectations as indicated in the Fannie Mae REO Sales Guide. 	Winterization (during season): <ul style="list-style-type: none"> Post appropriate winterization stickers and zip tie the water shutoff valve.
Exterior Services Checklist Fannie Mae expects each property's exterior to be in compliance with local codes and ordinances year round, as well as the exterior to look its best to remain competitive in the market. Exterior services include: <ul style="list-style-type: none"> Pick up trash/debris. Mow grass and remove clippings from sidewalks, driveways and lawns (front, back, and side). Knock down and treat weeds as needed in all rock-scaped areas (partial or complete). Weeds trimmed from fence lines, foundation of home, driveways and flower beds without damaging existing plants or flowers. Edge driveways, walkways and sidewalks. Trim street view shrubs and small ornamental trees as needed. Remove shrub clippings. Trim all overgrown shrubs from all exterior entrances and walkways. Remove all fallen leaves, dead shrubs, plants, or small ornamental trees. Broom clean walkways. Ensure all real estate signage is properly secured and showing appropriately upon departure. 	Additional Items: <ul style="list-style-type: none"> Cap exposed gas and/or water lines with correct type of cap and cap size. Install battery-operated CO and smoke detectors (per local code). Hardwired detectors, if required by code, will be a bid item. Strap water heaters (where state or local ordinances apply). Secure out-buildings with pad lock, if missing.
Snow Removal Checklist Fannie Mae expects all snow removal to be in compliance with all local codes and ordinances. Snow removal service includes: <ul style="list-style-type: none"> Remove snow/ice from steps, driveway, and walkways, including sidewalk in front of property and ensure access to parking area (garage, carports, etc.). Apply salt or melting agent on all cleared areas including steps, driveway, and walkways, including sidewalk in front of property. 	NOTE: Brokers must direct and provide approval to the Field Services Company on all properties with greater than one (1) acre of lawn for the type of cut (full-cut or perimeter-cut), as well as the frequency of service needed for the acreage. Perimeter cut is defined as: five (5) feet surrounding all entry points to property, driveways, sidewalks and main dwelling and any attached structures. On detached structures away from the main dwelling, it is at broker discretion if a perimeter cut is needed around that structure.

2012 Checklist

2015 Checklist

These lists are essentially the same and detail what Fannie Mae says it will do maintain its foreclosures.

<div>  Field Services Checklists </div>	
Initial Services and Monthly Maid Services Checklist Fannie Mae expects each property to look its best at all times and be in "market ready" condition. The steps below are all required by Fannie Mae and expected to be performed and maintained by the Field Service Company at each property.	Safety Hazard Checklist When performing services (initial and ongoing) on all Fannie Mae properties, each Field Service Company is asked to immediately check for common safety hazards that may be found in the interior or exterior. All Field Services Companies are to ensure these hazards are identified and resolved. Common safety hazards the Field Service Companies are asked to remediate include:
Entry Way: <ul style="list-style-type: none"> Floor swept/mopped Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Storm door glass cleaned 	Windows/Doors: <ul style="list-style-type: none"> Remove any broken glass. Secure and/or clear board any exposed windows or openings. Replace all missing/broken exterior doors.
Living Room/Family Room/Bedroom/Enclosed Porch: <ul style="list-style-type: none"> Floor swept/mopped or carpet vacuumed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Interior windows clean, window sills wiped off Door frames free of dust Fireplace cleaned out (if applicable) Ceiling fan blades clean Closet floors swept/mopped or carpet vacuumed 	Electrical Items: <ul style="list-style-type: none"> Secure or replace missing or damaged switch plates or outlet covers. Replace missing electrical panel covers. Cap all exposed wiring. Replace missing, broken or non-functioning light bulbs (includes décor bulbs). Secure loose light fixtures and ceiling fans.
Kitchen: <ul style="list-style-type: none"> Sink cleaned Stove/oven, microwave, dishwasher, refrigerator cleaned (inside and out). Appliance not to be removed without Agent permission and documentation. Floor swept and mopped Interior windows cleaned, window sills wiped off Counters clean Cabinets and drawers cleaned and debris removed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Ceiling fan blades clean 	Stairways: <ul style="list-style-type: none"> Replace or secure missing or broken steps. Replace or secure missing or loose handrails.
Bathrooms: <ul style="list-style-type: none"> Floor swept/mopped or carpet vacuumed Cobwebs removed from corners/ceiling Baseboards, walls wiped down Light fixtures, switch and outlet covers wiped down Interior windows clean, window sills wiped off Door frames free of dust Sinks and faucets clean Toilets clean Tub/shower and surrounding area clean, free of any dust Mirrors, cabinets, drawers, shelves clean 	Floors: <ul style="list-style-type: none"> Replace or secure missing floor vent covers or open holes. Remove or secure all indoor trip hazards. Remove carpet tack strips and nails.
Attic/Crawl Space: <ul style="list-style-type: none"> Free of all debris 	Porch/Deck/Patio: <ul style="list-style-type: none"> Replace or secure missing or loose steps. Replace or secure missing or loose handrails.
Garage/Porches/Deck Areas/All Paved Surfaces: <ul style="list-style-type: none"> Swept free of debris All leaves, sticks, and any other debris removed Cobwebs removed from corners/ceiling, if applicable 	Exterior: <ul style="list-style-type: none"> Fill large, open holes in ground with dirt. Repair any trip hazards (wiring or similar items at low level). Replace missing, broken or non-functioning light bulbs on first level of the exterior of the property. Replace missing/broken light fixtures at all exterior entries to property. Provide minor gutter repairs, minor deck repairs, paint over exterior graffiti, reattach hanging shutters, and power wash when needed. Ensure perimeter fence is stable and all gates are locked. Provide minor fence repairs. Replacing fence is a bid item.
Additional Items: <ul style="list-style-type: none"> Remove all old service stickers and notices at initial services. Ensure sump pump check valve is operational. Replacement of inoperable sump pump. Replacement of any missing, damaged or non-functioning light bulb. Ensure all batteries are not chipping in smoke and CO detectors. Ensure all safety issues are addressed (see Safety Hazard Checklist). Provide service-dated air fresheners in all wet areas (bathroom, kitchen, laundry room, etc.). 	Pool/Spa: <ul style="list-style-type: none"> Ensure hot tub/spa is drained and covered if no fence is present. (This is a bid item.)
Exterior Services Checklist Fannie Mae expects each property's exterior to be in compliance with local codes and ordinances year round, as well as the exterior to look its best to remain competitive in the market. Exterior services include: <ul style="list-style-type: none"> Removal of trash/debris. Cut grass and remove clippings from sidewalks, driveways and lawns (front, back, and side). Knock down, remove, and treat weeds as needed in all rock-scaped areas. Trim weeds/overgrowth from fence lines, foundation of home/other structures, driveways and flower beds without damaging existing plants or flowers. Edge driveways, walkways and sidewalks. Remove all non-decorative vegetation attached to structure (including hanging vines). Hedge all shrubs and small ornamental trees on entire property, and ensure overgrown shrubs are hedged and trimmed from all exterior entrances and walkways, as well as below window sills as appropriate. Remove all shrub and grass clippings, fallen leaves, dead shrubs/plants/small ornamental trees from the property. Clear all walkways and sidewalks of clippings and dirt. Ensure all debris/mulchings/door drops/cobwebs are removed from all entry ways/porch areas. Ensure all real estate signage is properly secured and showing appropriately. 	Additional Items: <ul style="list-style-type: none"> Cap exposed gas and/or water lines with correct type of cap and cap size. Install battery-operated CO and smoke detectors (per local code). Strap water heaters (where state or local ordinances apply). Secure out-buildings with padlock, if missing.
Listing Agent Checklist When performing weekly property inspections, the following Listing Agent-related items are expected: <ul style="list-style-type: none"> Ensure entire property is secure and locked, including padlocks on gates and outbuildings, if required. Ensure lockbox is present and coded correctly and additional marketing lockbox present. Ensure keys are present in lockbox. Ensure company signage and HomePath rider are posted and marketing materials are present. Perform weekly inspections and include date stamped photos for verification of any condition changes. Ensure Utilities are turned on unless not warranted or unsafe to do so. Ensure all debris/mulchings/door drops are removed from entry way/porch area. Confirm interior and exterior maintenance is satisfactory. Follow all expectations as indicated in the Fannie Mae REO Sales Guide. 	NOTE: Agents must direct and provide approval to the Field Services Company on all properties with greater than one (1) acre of lawn on the frequency of service needed for the acreage.
Snow Removal Checklist Fannie Mae expects all snow removal to be in compliance with all local codes and ordinances. Snow removal service includes: <ul style="list-style-type: none"> Remove snow/ice from all entries to the property. Remove snow/ice from steps, driveway, and walkways, including sidewalk in front of property and ensure access to parking area (garage, carports, etc.). Snow/ice may not be pushed up to the property or garage blocking access. Apply salt or melting agent on all cleared areas including steps, driveway, and walkways, including sidewalk in front of property. 	

Exterior Services Checklist

Fannie Mae expects each property's exterior to be in compliance with local codes and ordinances year round, as well as the exterior to look its best to remain competitive in the market.

Exterior services include:

- ☐ Removal of trash/debris.
- ☐ Cut grass and remove clippings from sidewalks, driveways and lawns (front, back, and sides).
- ☐ Knock down, remove, and treat weeds as needed in all rock-scaped areas.
- ☐ Trim weeds/overgrowth from fence lines, foundation of home/other structures, driveways and flower beds without damaging existing plants or flowers.
- ☐ Edge driveways, walkways and sidewalks.
- ☐ Remove all non-decorative vegetation attached to structure (including hanging vines).
- ☐ Hedge all shrubs and small ornamental trees on entire property, and ensure overgrown shrubs are hedged and trimmed from all exterior entrances and walkways, as well as below window sills as appropriate.
- ☐ Remove all fallen leaves, dead shrubs/plants/small ornamental trees from the property.
- ☐ Clear all walkways and sidewalks of clippings and dirt.
- ☐ Ensure all real estate signage is properly secured and showing appropriately.
- ☐ Ensure all debris/mailings/door drops/cobwebs are removed from all entry ways/porch areas.
- ☐ Property is secured and locked.
- ☐ Confirm interior and exterior maintenance is satisfactory.

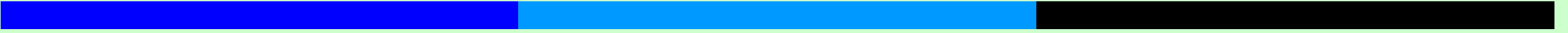
HomePath.com Maintenance

Fannie Mae has also provided its vendors with the authority to immediately perform additional services, without obtaining prior approval up to specified dollar thresholds as conditions at the property warrant, including, but not limited to:

- ❑ Installation of exterior doors if damaged or missing (instead of using temporary securing materials);
- ❑ Exterior porch light replacement if damaged or missing;
- ❑ Finished handrails/guardrails (instead of temporary replacements);
- ❑ Deck and wooden step repairs;
- ❑ Gutter repairs;
- ❑ Fence repairs;
- ❑ Rehanging shutters; and
- ❑ Painting over graffiti.

<https://www.homepath.com/field-services.html>

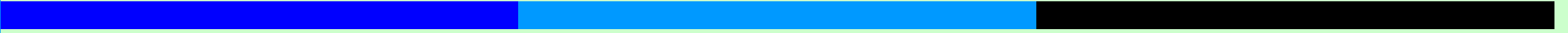
Examples of Fannie Mae-owned Foreclosures in Neighborhoods of Color and the True Condition of the Neighborhood



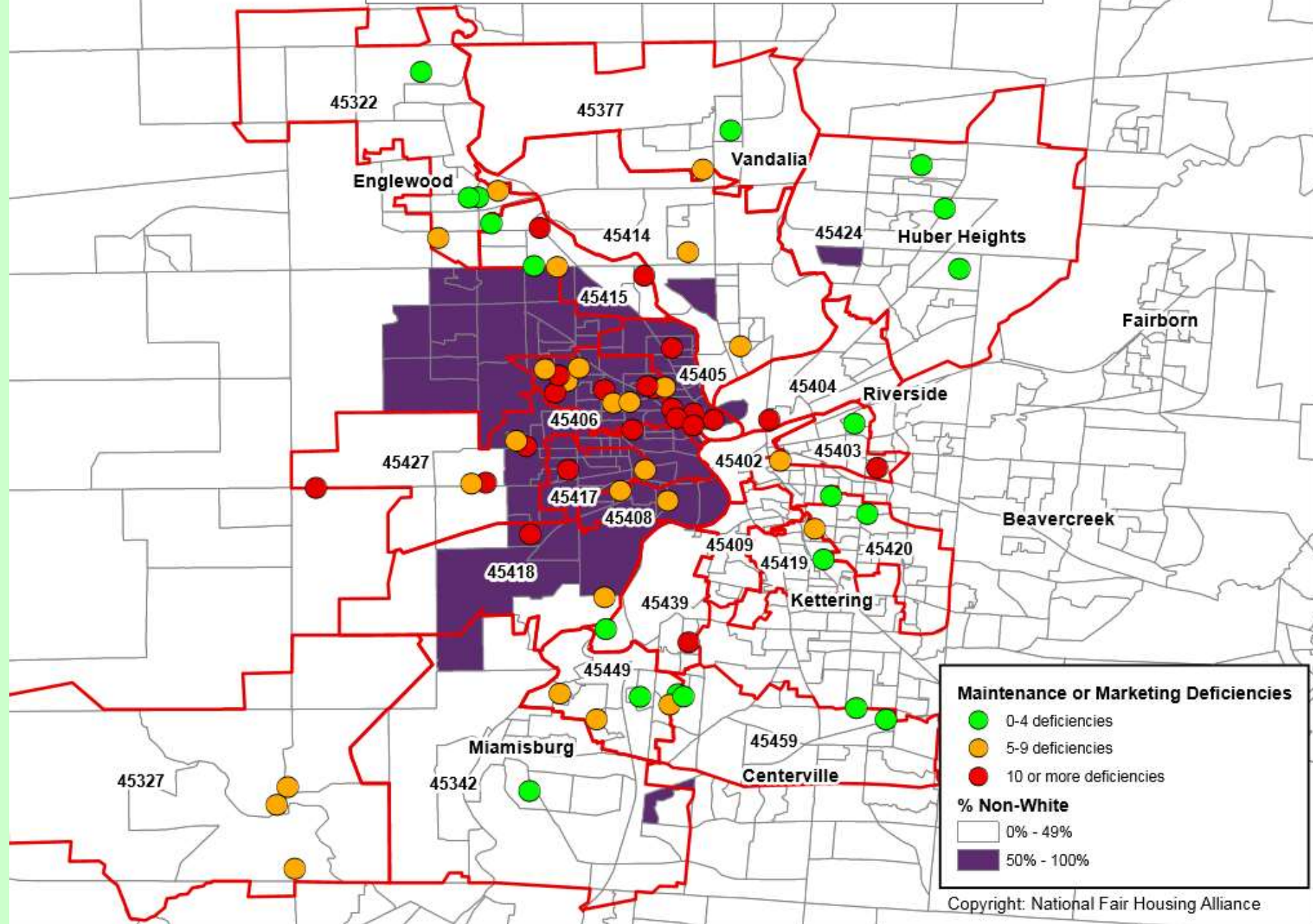
Fannie Mae claims to maintain its foreclosures as “best in class” and “market-ready”.

You be the judge.

Examples from Dayton, OH



Dayton, OH Fannie Mae REO Investigations 2011 - 2014



2014 Dayton, OH: Fannie Mae listed its foreclosure in an African American neighborhood for sale in October 2014. There is no “for sale” sign, there are overgrown shrubs, and the front windows are boarded from the inside, but it gets worse....



What sense does it make to board the windows from the inside?
How do you market this home to an owner-occupant buyer when there is no natural light inside the home?



**When you go into the
backyard, you see dead
and overgrown shrubs
and invasive plants.**



10/03/2014



The back yard just gets worse with a large dead pine tree, accumulated leaves and more overgrown bushes.



The patio doors are boarded and weeds are growing all around the foundation.

Fannie Mae says it will power wash homes to remove dirt and discoloration, but clearly that was never done to this foreclosure in an African American neighborhood.

These are the neighbors' well-maintained homes right next door to Fannie Mae's poorly maintained and boarded foreclosure.





2014: On the left is a Fannie Mae foreclosure in an African American neighborhood, It has boarded windows, trash under bushes, a cardboard “For Sale” sign and peeling paint and more... /2014

Fannie Mae is marketing its foreclosure in this African American neighborhood with an accumulation of trash and dirt on the front porch.





Fannie Mae doesn't trim the overgrown bushes or fix the broken fence at its foreclosure.





A similar duplex to the left of Fannie Mae's poorly maintained foreclosure is well-maintained.

These overgrown bushes on the property line belong to the Fannie Mae REO.



This is the neighbor on the other side of the Fannie Mae's poorly maintained foreclosure. It is clear this is a well-maintained African American neighborhood in Dayton, OH.

2014: This Fannie Mae-owned multi-family foreclosure in Dayton, OH is located in predominantly African American residential neighborhood. It has many boarded and broken windows and accumulated mail at the front door. There is no excuse for accumulated mail when Fannie Mae simply has to place a card in the mailbox saying, "Do not deliver mail."





The side of the Fannie Mae foreclosure is boarded and the upper window needs to be repaired. It's October so the snow is coming and birds and squirrels will find a perfect nesting place in this foreclosure.



These neighbors have well-maintained homes, but have to live next to Fannie Mae's poorly maintained foreclosure.

Imagine trying to refinance your home with this foreclosure next door.



10/06/2014

Eight examples of Fannie Mae's Well-Maintained Foreclosures in White Neighborhoods in Dayton





Fannie Mae takes care of its foreclosures in modest neighborhoods and middle class white neighborhoods. Grass clipping have been removed, driveways swept clean and lawns are edged.



Compare Freddie Mac's Foreclosures in African American Neighborhoods in Dayton, OH

If Freddie Mac can provide well-maintained foreclosures in
communities of color, why can't Fannie Mae?



This is a Freddie Mac foreclosure in an African American neighborhood in October 2010. The shrubs are trimmed and there is no trash in the yard.

These are the neighbors on either side of Freddie Mac's foreclosure.

Freddie Mac is maintaining its foreclosure to the neighborhood standard.



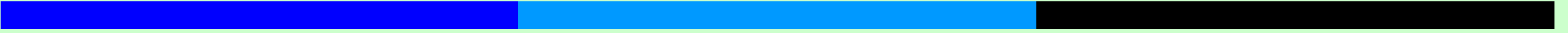


**This is another
Freddie Mac
foreclosure in an
African American
neighborhood in
good condition.**

Again, these are the neighbors on either side of Freddie Mac's foreclosure. Freddie Mac is maintaining its property to the neighborhood standard.



Four more examples of Fannie Mae's failure to maintain its foreclosures to the neighborhood standard or better.



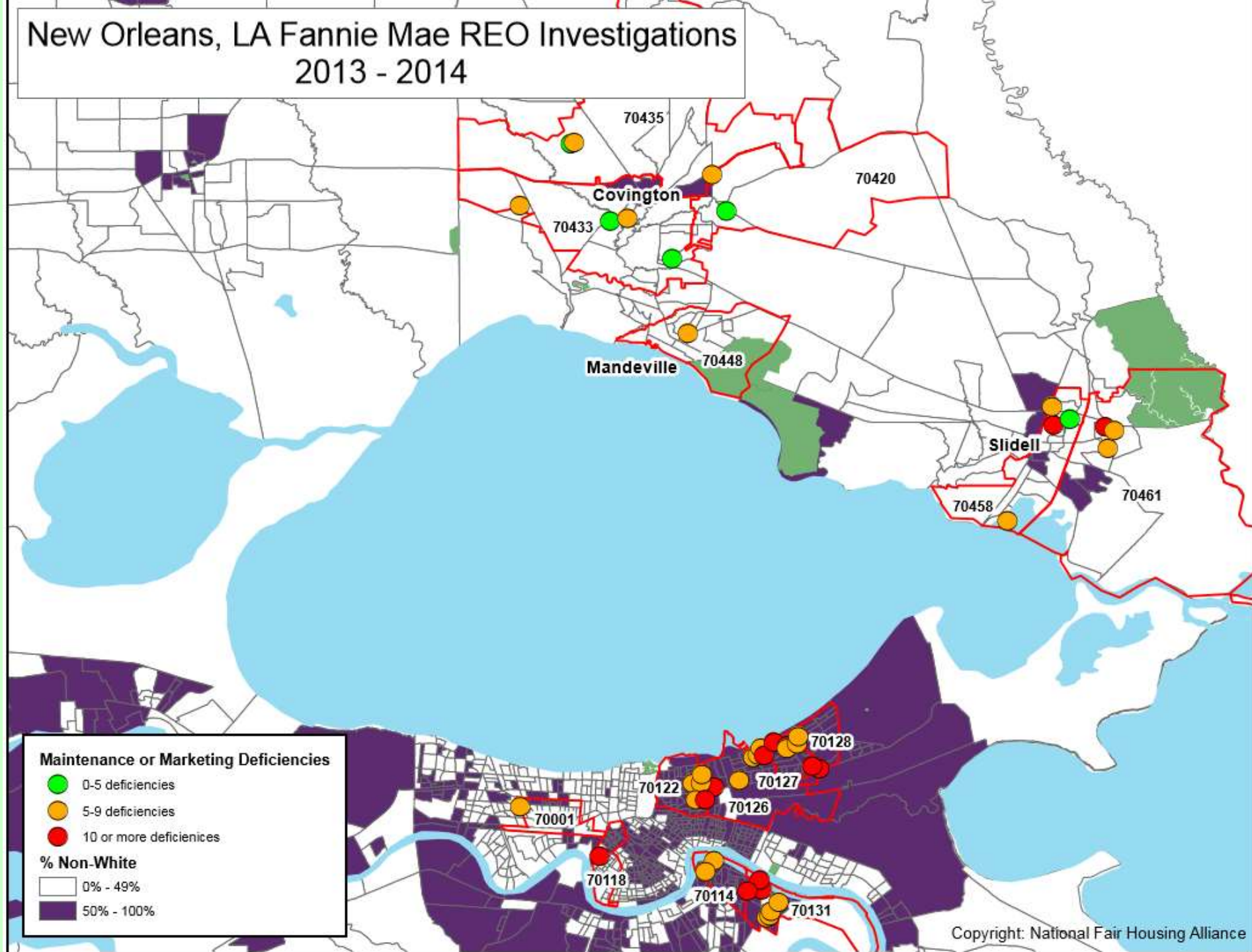
New Orleans, LA

Albuquerque, NM

Indianapolis, IN,

Grand Rapids, MI

New Orleans, LA Fannie Mae REO Investigations 2013 - 2014





This Fannie Mae-owned very poorly maintained foreclosure is in a middle class African American neighborhood in New Orleans.

It lacks any curb appeal whatsoever. Yet, Fannie Mae has it listed with a real estate broker and marketed it in this condition.

This foreclosure has boarded windows, falling gutters, a missing shutter, obstructed gutters, and mud instead of grass in the front yard.



The broken and obstructed gutters caused water damage to the overhang.

The gutter is hanging at the entrance to the foreclosure which is a quick and simple fix.

Now let's look at the back yard.





**The backyard of Fannie Mae's foreclosure is just as poorly maintained as the front yard.
It has overgrown and invasive weeds and bushes and more boarded windows.**

But what does the neighborhood look like?

These are the neighbors' well-maintained homes to the right of Fannie's poorly maintained foreclosure.



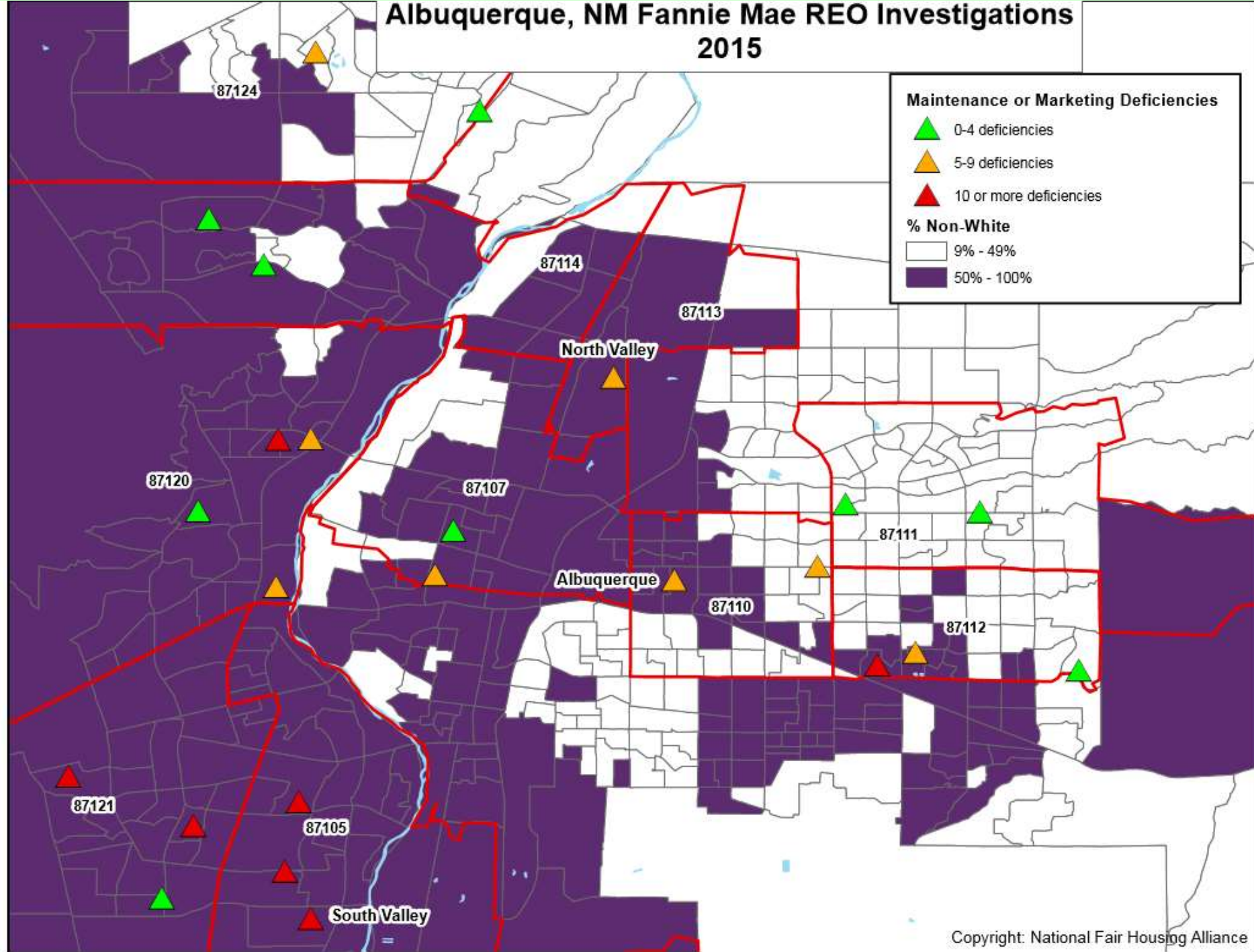


These are the neighbors next door and across the street from the poorly maintained Fannie Mae foreclosure.

It is clearly a middle class neighborhood, but Fannie Mae is dragging down the property values by failing to maintain its property. Fannie Mae is creating blight and health and safety problems for the neighborhood.



Albuquerque, NM Fannie Mae REO Investigations 2015





This is a Fannie Mae-owned foreclosure in Albuquerque, NM located in a non-white neighborhood.

Right away you can see dead branches left around a tree in the front yard and weeds growing in the unkempt front yard.



This view of the backyard also shows Fannie Mae left additional dead shrubbery and tree limbs strewn across the yard.



Fannie Mae failed to repair the fence.

Is leaving dead branches around and overgrown weeds really the standard in the neighborhood?

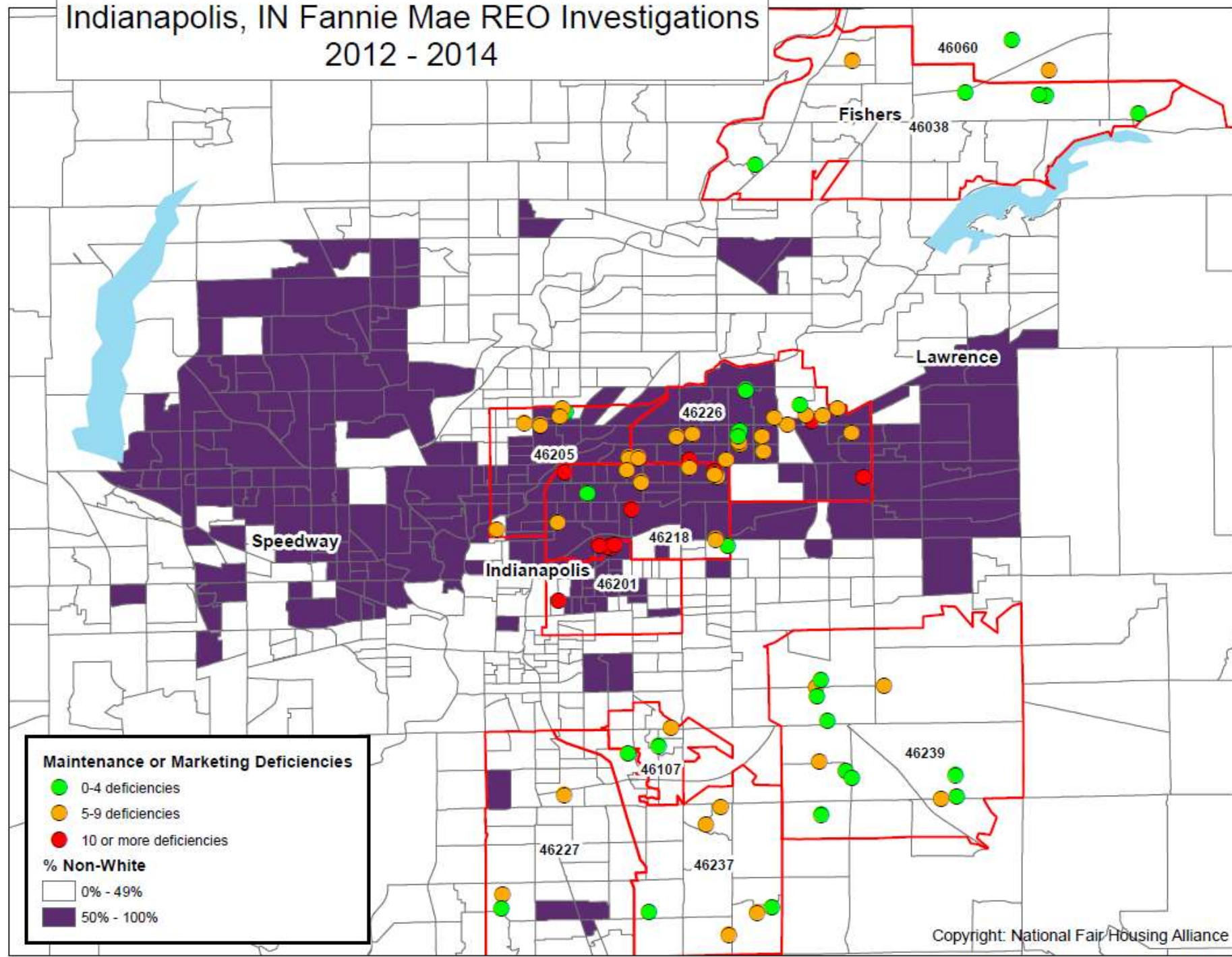


No, it is not.

This is the home of the neighbor living right next door to the poorly maintained Fannie Mae property.

As you can see from the photograph, the neighbor has a well-maintain property.

Indianapolis, IN Fannie Mae REO Investigations 2012 - 2014





**2012: This is another Fannie Mae REO in an African American neighborhood.
From the street we can already see overgrown grass and shrubbery.**



Here's a closer look at the overgrown grass and shrubbery Fannie Mae failed to maintain at this REO.

The shrubs on the side of the home are also overgrown.



Trash and debris is left among invasive plants.

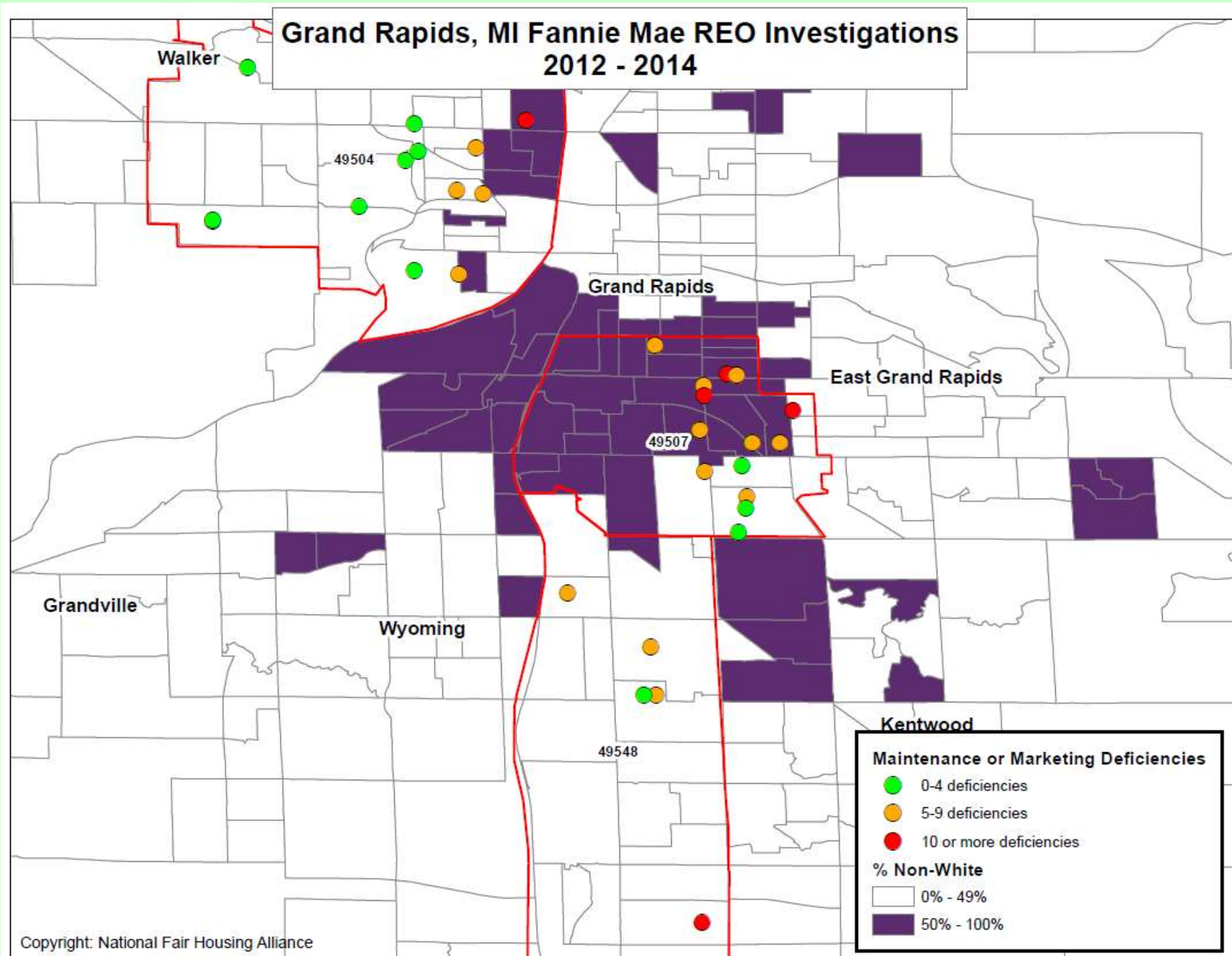




Fannie Mae failed to repair windows. The broken basement window allows mice, rats, and other animals easy access to the foreclosure.



These are the neighbors' clean properties next to Fannie Mae's poorly maintained foreclosure.





2014: This Fannie Mae REO is located in an African American neighborhood.

**Dead shrubbery and leaves from last fall remain on the ground
in this photo taken in April 2014.**





Dead shrubbery, leaves, and trash litter the property, and holes in the siding and overhang are open for animals to nest.





**Here are photos of the
neighbors' nicely kept homes
next to the unmaintained REO.**



Overgrown Yards and Drive-by Maintenance

Drive-by maintenance is when the front of the foreclosure might look acceptable, however, when you walk around to the back of the foreclosure you find horrible conditions.



This Fannie Mae foreclosure in the Greater Palm Beaches, FL is located in a Latino neighborhood and looks decent when driving by, but the back yard...



... has severely overgrown grass—creating a nesting place for rats, mice, snakes, and mosquitoes.

A Fannie Mae “Drive-By” foreclosure in Skokie, IL in an African American neighborhood where the front looks fine, but...



...the backyard is overgrown and trash is strewn around.



**This is a Fannie Mae foreclosure in a non-white neighborhood in Minneapolis, MN.
The front is not too bad, but...**





...the backyard has clearly not been maintained.

This small yard looks like it hasn't been mowed or pruned in months – and vines and leaves are accumulating throughout.

This is a perfect nesting ground for insects, rats, and other vermin.



'This modest Fannie Mae foreclosure in Waukegan has a boarded window and overgrown grass in the front yard, but...

The back yard has not been moved for a very long time.



Invasive Plants take over Fannie Mae foreclosure in an African American neighborhood in Baltimore, MD.





This Fannie Mae foreclosure in an African American neighborhood in Opa Locka, FL has a severely overgrown front yard. This is a perfect nesting ground for mice, rats, snakes, and insects.



This is the neighbor who lives by Fannie Mae's overgrown foreclosure.

You see a very well-maintained home.

10.28.2014

2013: This Fannie Mae foreclosure located in an African American neighborhood in Richmond, VA does not look too bad as you drive by with one boarded window, but...



..the Fannie Mae foreclosure's damaged fence is completely overtaken by overgrown grass, weeds, and shrubs.





Fannie Mae failed to maintain this foreclosure's shrubbery and grass.





This gutter is severely obstructed with plants beginning to grow.
Discoloration can be seen below the ineffective gutter.



Fannie Mae let pervasive algae accumulate on the foreclosure's stucco walls.

How does Fannie Mae maintain lawns in middle- and working class white neighborhoods?







2014: Another REO in a white neighborhood in Parkville, MD that is well maintained by Fannie Mae.

This Tinley Park, IL Fannie Mae REO is well-maintained.





This example from a white neighborhood in Minneapolis also shows good maintenance in both the front and back yards by Fannie Mae.



The view shows the grass on the Fannie Mae-owned foreclosure is mowed and there is no trash, debris, or boarding.
If Fannie Mae can maintain foreclosures in white neighborhoods, they should do the same for properties in communities of color.



Fannie Mae foreclosures with well-maintained yards in white neighborhoods in Broward County, FL.





This well-maintained Fannie Mae home is in a white neighborhood in Garfield Heights.



Note that there is no trash or overgrown shrubbery on this Fannie Mae REO, and boarded doors and windows are absent as well. The lawn is freshly cut and edged.





Additional well-maintained Fannie Mae REOs in white neighborhoods.



Boarded and Broken Windows & Doors in Communities of Color Across America



Curb appeal is important in attracting owner-occupants buyers.

When Fannie Mae boards windows, it takes away natural light inside the home and makes marketing it all the more difficult. Boarded windows make a negative impression on owner-occupant borrowers.

Let's see where and how Fannie Mae boards windows...



A Fannie Mae foreclosure in Denver, CO in a newer Latino neighborhood.

By boarding these windows around the home, Fannie Mae sends a negative message to buyers, stigmatizes the neighborhood and hurts its market appeal.



**Rather than fixing the windows,
Fannie Mae continues to
board the home in this middle
class Latino neighborhood.**

2013: This Oakland, CA Fannie Mae foreclosure is an eyesore completely lacking any curb appeal. Fannie's failure to maintain the home in this Latino neighborhood creates economic harm and safety concerns for the residents living nearby.



2013: In Oakland, CA, this Fannie Mae foreclosure in a Latino/African American neighborhood has boarded windows.





Fannie Mae completely boards up its property in Oakland in a Latino neighborhood.





2012: A boarded Fannie Mae foreclosure in an African American neighborhood in Chicago.

Fannie Mae marketed this home with boarded windows and doors, overgrown grass and trash left in the yard.



A boarded Fannie Mae REO in a North Chicago African American neighborhood.



This Fannie Mae foreclosure in Lauderhill, FL in an African American neighborhood had boarded windows, broken windows, and windows that were left open. Animals, snakes, and insects can invade the home.





This broken window allows animals and insects to invade the home.

05.08.2012 10:54



In Orlando in 2014, this Fannie Mae's foreclosure had a large broken window and fails to repair it, thereby allowing vandals, birds, squirrels, insects, and rain into the home.

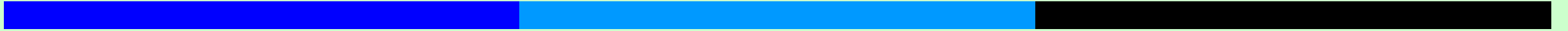


Fannie Mae left one window open, one window cracked, and a window boarded.

Fannie Mae has neglected to replace this broken window, leaving instead an eyesore for the homeowners in this African American neighborhood in Richmond, VA.



Fannie Mae Leaves Trash at its Foreclosures in Communities of Color



Fannie Mae treats Waukegan's Latino neighborhoods as poorly as it treats the African American neighborhoods. This Fannie Mae foreclosure has an overgrown front lawn and shrubs and ...



Also an overgrown backyard...





Trash throughout the backyard...

Trash on the deck...



And trash killing the hosts in the perennial flower bed.



This Fannie Mae foreclosure in Des Plaines in a Latino/African American neighborhood had the grass cut, but debris and trash were left all over the property. The lower front window needs repair.





Fannie Mae marketed this home with trash all over the property.





Why does Fannie Mae allow this home to be listed for sale and shown to buyers in this condition?



4 of 10



END UNIT TWO STORY TOWNHOME WITH BASEMENT. PRIVATE, FENCED YARD AREA WITH CEMENT PATIO. CLOSE TO SCHOOLS AND SHOPPING. MINUTES FROM I294. THIS IS A FANNIE MAE HOMEPATH PROPERTY. PURCHASE THIS PROPERTY FOR AS LITTLE AS 5% DOWN! PROPERTY IS APPROVED FOR HOMEPATH MORTGAGE AND HOMEPATH RENOVATION MORTGAGE FINANCING.

Here is proof that Fannie Mae listed this REO with trash left on the property.

Listing from Redfin.com



This is the next door neighbor who deserves to live next to a well-maintained Fannie Mae foreclosure.

Trash and Debris left at Fannie Mae foreclosures in African American neighborhoods in Baltimore



2011: At this Temple Hills, MD property, Fannie Mae leaves trash piled up.





2011: In Washington, DC, Fannie Mae leaves trash entwined in overgrown yard.

2014: Columbus, OH--Walking around the back of the boarded Fannie Mae foreclosure shows the extent of the neglect. The backyard was filled with garbage, wet carpets, and decaying leaves. This is a perfect habitat for mice, rats, insects, and other problems for the neighborhood.



2013: Fannie Mae leaves trash in back yard at Orlando foreclosure.





2013: In Oakland, CA, Fannie Mae leaves trash all around this foreclosure.





2014: Fannie Mae fails to remove trash from its property in Hartford, CT.

2014: Fannie Mae leaves toilets and trash in yard at its property in Hartford, CT.



2014: Fannie Mae leaves trash at its property in an African American neighborhood in Chicago.



2014: Accumulation of trash at Chicago Fannie Mae property.





The back yard of this Fannie Mae foreclosure in Atlanta had a stack of tires, and access to an unsecured pool and trash.

You can see it is clearly in a well-maintained middle class neighborhood.

This is what we call a Fannie Mae “Drive-by” foreclosure. In Evanston’s African-American neighborhoods, Fannie Mae allowed very poor maintenance. From the front of this foreclosure, you just see overgrown grass and shrubs, but go around the back...





More trash left in the backyard.

08.06.2013



Fannie Mae's REO in an African-American neighborhood in North Chicago doesn't look too bad from the front, but walk around the sides and back of the property...



Trash is allowed to accumulate. Fannie says it has “eyes on the property weekly” - then how does this happen consistently in African American neighborhoods?





This trash has been left
at the home for a long
time.





This Fannie Mae foreclosure in Cleveland has dead tree limbs leaning against the home.



Trash is littered throughout overgrown shrubs on the side of the home.

Trash and debris left at Fannie Mae foreclosures in Louisville, KY in September, 2015.



New Jersey

**Can you believe Fannie Mae listed and sold this foreclosure in
this condition?**



This is Fannie Mae foreclosure in Irvington, NJ was listed as “coming soon” on Fannie Mae’s website and it was in this condition!



The grass in the front and side of the Fannie Mae foreclosure looks like it hasn't been mowed in a long time. You can see bricks and trash in the grass as well.



The other side of the home is covered in trash, unraked leaves, and other debris.

06/17/2015 15:49



The back of the Fannie Mae foreclosure has a shed surrounded by overgrown weeds. The back door of the foreclosure has a hanging, damaged awning and the gutter is missing the elbow that directs water away from the foundation. The gutter on the shed could have been easily reattached.



This broken window was boarded so poorly that a piece of the board had fallen off, leaving the window unsecured and completely open.

This is a great location for people, cats, rats, or mice to enter the home.



These steps up to the front door were crumbling and presented a safety hazard. Remember - Fannie Mae's checklist said it would repair broken steps. Accumulated mail in the mailbox was also a tell-tale sign that the home is vacant and not being cared for.



Ok, you might be inclined to immediately think this Fannie Mae foreclosure is located in a very run down neighborhood.

This is how it was listed for sale on Fannie's website.

The foreclosure is in an African American neighborhood.

Clearly you can see the home has poor curb appeal.

The front yard was overgrown and covered in weeds and driveway had was lined with trash and weeds as well.





The garage door was broken and left open, welcoming pests, rats, and break-ins, but let's see the neighbors' homes...



These are the neighbors – they are keeping their homes in great condition.

We know that in New Jersey it takes years to complete the foreclosure process, but Fannie Mae could have at least cleaned up the outside of the foreclosure.

Fannie Mae's Well-Maintained REOs in New Jersey's White Neighborhoods

Fannie Mae's foreclosures in white neighborhoods looked great. This one, for example, was clean, secure, and free of weeds and debris.





Here's another example of a Fannie Mae foreclosure in a white neighborhood in the Newark area.

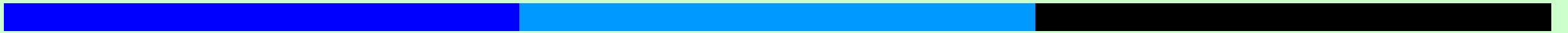
It is being marketed with a nice "for sale" sign and no trash or debris is left behind.



You can see that the Fannie Mae foreclosure in this white neighborhood is being cleaned, the grass is routinely mowed, and the property is secure. These properties are NOT presenting eyesores or health and safety risks in these neighborhoods.

Fannie Mae should treat all of their properties this way, regardless of the race or ethnic makeup of the neighborhood.

Graffiti



2011: Fannie Mae foreclosure in Phoenix with the backyard covered in graffiti. The front of the home is boarded which sends a negative message about the property.



2012: This is a Fannie Mae foreclosure in Indianapolis in an African American neighborhood. The front of the house has overgrown bushes making it easy to walk to the back unnoticed. You see the graffiti, boarded window, and a broken window.





2013: Fannie Mae boards a foreclosure in Oakland, CA instead of using secure view so the home doesn't appear to be abandoned. Fannie says it removes graffiti immediately, but when you leave a home boarded you are sending a negative message about the value of the property.

2014: Fannie Mae continues to board foreclosures in communities of color. In this African American neighborhood in Baton Rouge, you see the front of the foreclosure boarded and graffiti painted on the back of the home.



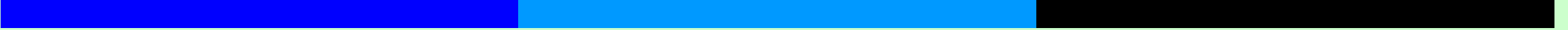


2014: Graffiti leads to vandalism. This Fannie Mae foreclosure in Orlando has graffiti and more broken windows.

The front of the foreclosure is overgrown and has trash left against the cement wall.



Unsecured Doors



American Heart Association

- ❑ “The increases in blood pressure observed could be due in part to unhealthy stress from residents’ perception that their own properties are less valuable, their streets less attractive or safe and their neighborhoods less stable,” said Mariana Arcaya, Sc.D., M.C.P.
- ❑ “Safety could also be a concern that affects their ability to exercise in these neighborhoods.”
- ❑ “Because the study involved predominately white, middle-class, suburban neighborhoods with single-family homes, research on different populations in urban and rural settings is needed,” Arcaya said.



2015: In Decatur, Georgia, in an African American neighborhood, Fannie Mae left the sliding patio doors unlocked so anyone could enter the home.



2014: Fannie left the door unlocked in this middle class African American neighborhood in Antioch, CA.



2015: The front door of this Fannie Mae foreclosure in a middle class African American neighborhood in East Point, Georgia, was left unlocked.





2014: In October, Fannie Mae put the foreclosure and neighbors at risk in this middle class African American neighborhood in Minneapolis by leaving two doors unlocked...



The back door of the Fannie Mae foreclosure was unlocked and the garage door was not secured, putting the property at risk of vandalism and the neighbors and their children at risk as well.

2014: Capitol Heights, MD, Fannie Mae had boarded windows, a hanging screen, and broken mail box—all indicators no one is checking on the home and...



Upon arriving at the Fannie Mae foreclosure, we found the back door completely missing!!!





These neighbors live next to the unsecured Fannie Mae foreclosure. They are taking good care of their homes and, yet, are forced to live next to an unsafe and unsecured Fannie Mae property.



2015: Fannie Mae left this door unlocked in a middle class African American neighborhood in Atlanta, GA.

The next two slides are more examples of Fannie Mae leaving Atlanta homes unlocked in April, 2015.



2015: In this middle class African American neighborhood in Stone Mountain, GA, Fannie Mae left the door unlocked at its foreclosed home.





2015: In this African American neighborhood in Decatur, GA, Fannie Mae left the basement door unsecured and the back door with a boarded window that you could stick your hand through and open the door.





2014: In Opa Locka, FL in an African American neighborhood, Fannie Mae left the back door unsecured.



**2012: Fannie Mae left the sliding patio doors unlocked
on its foreclosure in a middle class
African American neighborhood in Toledo, OH.**



2014: Fannie Mae left the door unlocked and open at its foreclosure in a working class African American neighborhood in Toledo, Ohio.


2012: This Fannie Mae foreclosure is located in a Latino neighborhood Dallas, TX. Fannie failed to secure a door to this property putting the asset at risk of vandalism and the children in the neighborhood at risk.



July 2015: Fannie Mae left these doors unsecured at its foreclosures in communities of color in Providence, RI.



Dirty and Unsecured Pools



Pools with standing water allow mosquitoes to breed to spread disease.

Unsecured pool areas create serious safety risks for children for in the neighborhood.

https://www.washingtonpost.com/posteverything/wp/2016/07/29/how-foreclosed-homes-and-used-tires-can-affect-public-health-in-the-age-of-zika/?utm_term=.c5e2f320ef88

Washington Post Story about foreclosures Mosquito borne diseases.

- According to a Washington Post article... “The backyard swimming pool perfectly encapsulates the problem. Pools have no natural inflow or outflow of water. Without regular maintenance, such as chemical adulteration and continuous filtration, they can rapidly become incubators of insects and microbes. Blooms of algae appear. Leaves and debris collect on the surface. Impregnated female mosquitoes, searching for water in which to lay their eggs, swoop. And the steep, smooth walls of swimming pools preclude the predators that would feed on their eggs in natural bodies of water. ... few years ago, when I asked Florida Keys mosquito-control expert Lawrence Hribar to explain what had happened, he didn’t point to an invasion of bugs or infected people. He began his explanation with the following: *‘There were houses in foreclosure.’* Across the state, more than 380,000 homes had been foreclosed, and many abandoned. That meant a lot of empty swimming pools. Then the rains came. The pools filled with standing water. With nobody home to notice or to let inspectors in, those derelict swimming pools became giant mosquito hatcheries.”

Tadpoles are hatching and living in this neglected pool.





In Atlanta, Fannie Mae failed to secure access to the pool and the pool cover. This photo was taken in February with Spring and mosquito hatching right around the corner.

2012: In Dayton, OH, Fannie Mae let this pool remain in this condition. Inviting mosquito infestations.





This pool in Opa Locka was not secured by a fence and investigators were able to walk into the yard as any child would.

10.28.2014

2012: Fannie Mae fails to maintain this pool in Toledo, Ohio, encouraging mosquitoes to breed and exposing nearby families to the West Nile virus.



2014: Fannie Mae fails to maintain this pool in an African American neighborhood in Orlando.

06/21/2014 13:46



2012: Fannie Mae left another pool unsecured in an African American neighborhood.

Fannie Mae Maintained Pools in White Neighborhoods





This Fannie Mae foreclosure in Fort Lauderdale is located in a white neighborhood and is well-maintained and has a picture perfect, secured pool.



The yard is free of trash and debris and doors are securely locked. The pool is beautifully clean and Fannie Mae made sure they secured the gates on either side of the home so no one could access the pool in the backyard.



Fannie Mae made sure that in this white neighborhood the pool was locked and secure so no unwanted animals or humans could access it.



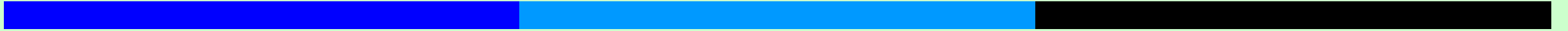


Freddie Mac is a great neighbor in this Latino community.

There is no trash or debris in the yard and the grass is freshly cut. The pool is also clean and well-secured.

This home sold for \$110,000 to owner-occupants. This neighborhood's average home prices are \$130,000.

Animals: Dead or Alive



Animals at Fannie Mae foreclosures in Communities of Color

Health and Safety

- ❑ More than 800,000 homes across the U.S. were foreclosed in 2011, and that number is expected to climb 25 percent this year to more than 1 million homes, according to the RealtyTrac. While the effects of a foreclosure are obviously most devastating to the homeowners and their family, neighbors can also be impacted.
- ❑ For one, a foreclosure can drive down the value of the rest of the homes in a neighborhood. In addition, a foreclosed home that is empty and uncared for can attract a variety of pests, including termites, spiders, ants, mosquitoes, stinging insects and rodents. An overgrown or unkempt yard, for example, can harbor many more pests than a well-groomed one.
- ❑ A rodent infestation is especially likely to spread from a foreclosed home to other nearby houses. As it is, rodents invade an estimated 21 million homes in the U.S. each winter, and with rapid reproduction rates (a female house mouse, for example, can give birth to up to a dozen babies every three weeks) a small infestation can quickly spread to neighboring homes. Rats, on the other hand, can travel up to a mile in a single night. They are also known as exceptional diggers and often build intricate systems, called burrows, which allow them to travel around a neighborhood undetected.
- ❑ Once rodents do invade a home, they can pose serious health and property risks. Rodents contaminate food and spread diseases like Hantavirus, a viral disease that can be contracted through direct contact with, or inhalation of, aerosolized infected rodent urine, saliva, or droppings. <http://www.pestworld.org/news-hub/pest-articles/rodents-foreclosures/>

Investigations of Fannie Mae Foreclosures in 38 Metropolitan Areas





2013: In Memphis, TN, the National Fair Housing Alliance staff spent an hour rescuing the sickly kitten and finding assistance from a volunteer who took the kitten to a shelter.

Fannie Mae is says it closes holes and openings at its foreclosures and checks on the properties weekly.

We don't think that is true.

2014: In Kansas City, MO, the NFHA staff saw cats coming and going into the roof at this Fannie Mae foreclosure.





**2012 & 2014: Wasps nests in
Orlando and West Palm Beach, FL.**

**How do you safely show a home to
a prospective buyer when an active
wasps nest is on the porch?.**



2015: Evanston, IL.

**This Fannie Mae
foreclosure has a wasp's
nest inside the mailbox.**



2015: This huge nest was found at a Fannie Mae foreclosure in Gary, In.

How could Fannie Mae possibly miss this nest?

8/12/2015 11:52



2014: An enormous nest was on this Fannie Mae foreclosure in Gary, Indiana.

Again, how can anyone miss this nest and fail to remove it so prospective buyers can visit the home?

2012: A stink bug infestation at a Fannie Mae foreclosure in an African American neighborhood in Milwaukee.

Remember, Fannie Mae claims to have its foreclosures in the “best of class” and “market-ready” condition.

There is no way this Fannie Mae foreclosure meets that standard.





These are the neighbors living next to the stink bug infested Fannie Mae foreclosure in Milwaukee.



2014: Fannie Mae claims to have eyes on its foreclosures every week. If so, then how can Fannie explain this decaying animal carcass at its property in an African American neighborhood in Hanover Park, IL?



2013: Bloomfield, CT, in an African American neighborhood, Fannie Mae leaves a dead and decaying animal in the yard.



2013: In Richmond, CA, Fannie leaves a dead rat in the yard in a Latino/African American neighborhood.



Questions?

This decaying rat was at a Fannie Mae foreclosure in Orlando, Florida in June, 2014.

06.21.2014 16:30