

# **Fannie Mae Fails to Maintain Foreclosures in African American and Latino Neighborhoods in Gary, Indiana**

**South Suburban Housing Center**

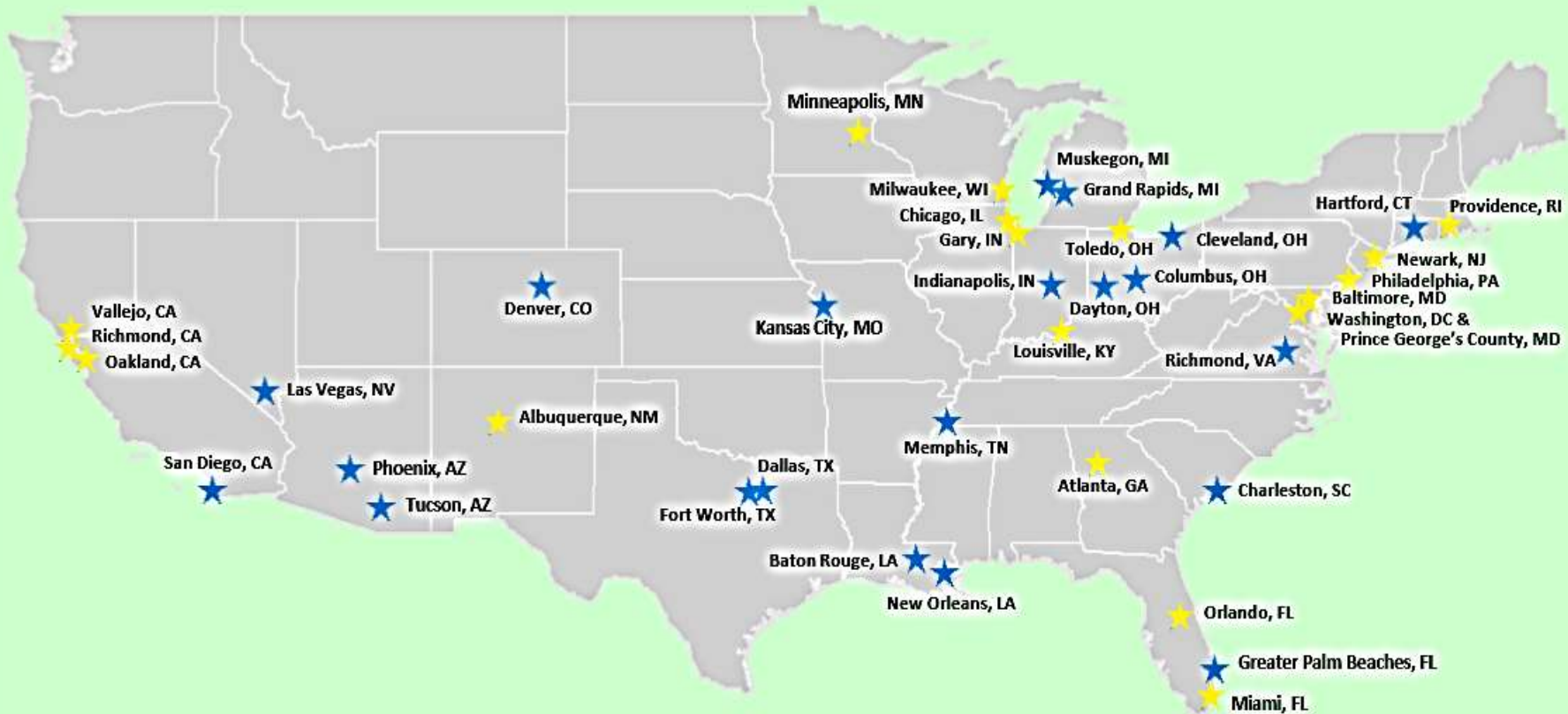
18220 Harwood Ave # 1, Homewood, IL 60430

**John Petruszak, Executive Director**

**December 5, 2016**



# Fannie Mae REO Investigations in 38 Metropolitan Areas



# Fannie's Mission for REOs

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“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.”

- Found on Homepath.com

# Fannie Mae's Field Services Checklist

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

## 2012 Checklist

## 2015 Checklist

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

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

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Field Services Checklists, 0715

# 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

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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>

# Methodology for Investigation

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- Neighborhoods selected for investigations were:
  - Majority African American
  - Majority Latino
  - Majority Non-White
  - Majority White
  
- Neighborhoods selected had Fannie Mae foreclosed homes listed for sale on Fannie's website.
  
- **100% of Fannie Mae REOs in targeted zip codes were investigated.**

# Methodology for Investigation

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- These 39 items are important maintenance issues addressing curb appeal, health and safety items, and structural issues for marketing the REO, maintaining property values, and being a good neighbor to surrounding homeowners.
  - The investigator marked “yes” or “no” as to whether the deficiency was present on the REO.
    - 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 REO and neighbors on both sides and across the street to show routine maintenance of homes in neighborhoods.
- No homes that were 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



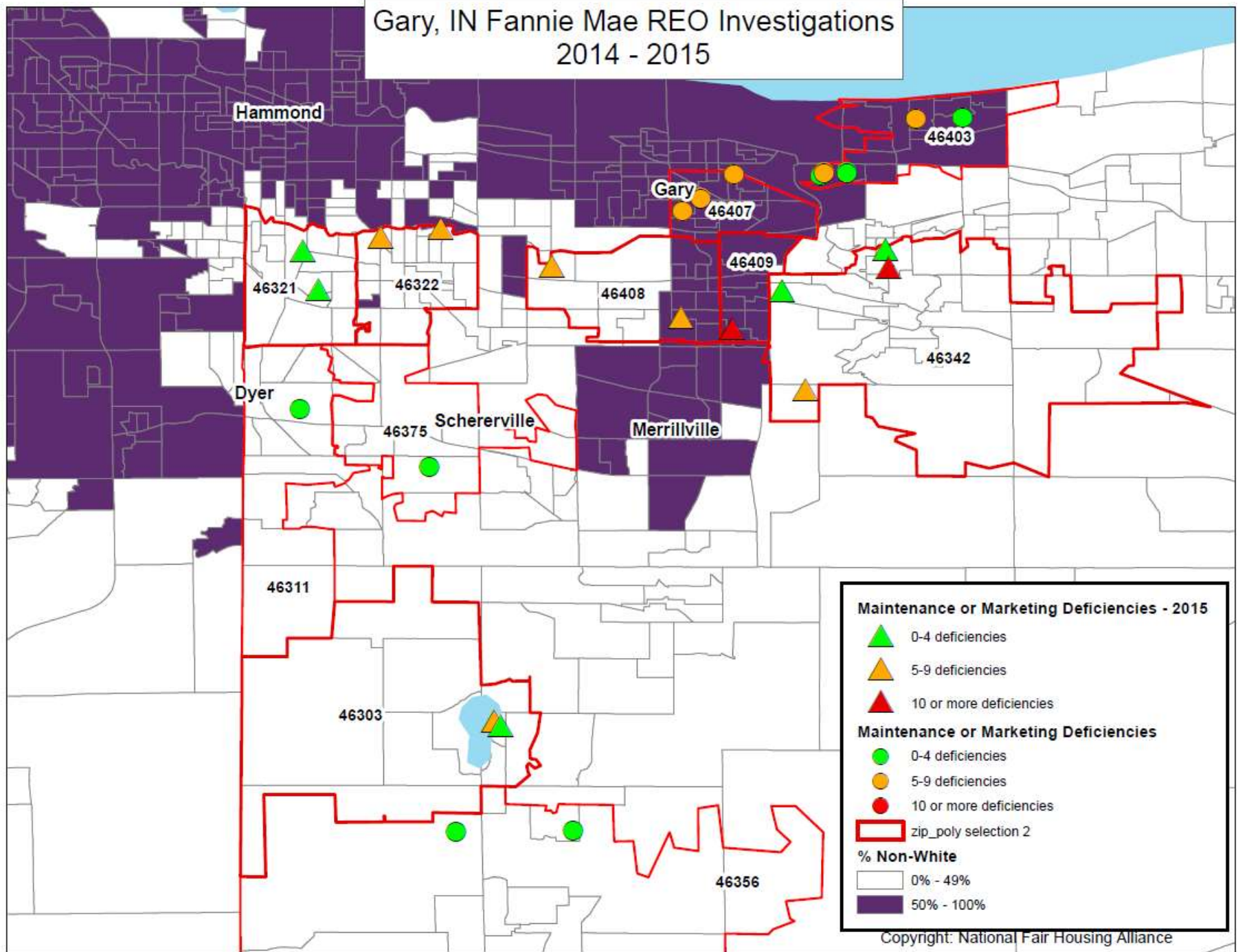
# Gary, IN Racial Disparities

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- ❑ In the Gary, IN metropolitan area we investigated 25 Fannie Mae REOs from 2014 to 2015.
  - 10 located in African-American neighborhoods
  - 15 located in White neighborhoods
- ❑ 70.0% of the REO properties in communities of color had five or more marketing or maintenance deficiencies;
- ❑ 30.0% of the REO properties in communities of color had holes in the structure of the home; and,
- ❑ 60.0% of the REO properties in communities of color had unsecured, broken, or boarded windows



# Gary, IN Fannie Mae REO Investigations 2014 - 2015



# **Fannie Mae Fails to Maintain REOS in African American and Latino Neighborhoods**



**2014 - 2015**

**2014: This Fannie Mae REO in an African American neighborhood is not even visible from the street due to the severely overgrown shrubbery in the front yard.**





There is a “for sale” sign in the yard but you would never see it from the street because the shrubs are so overgrown.





**Fannie Mae has left a huge hornet's nest on this home. This is dangerous to anyone visiting the property and should have been immediately removed.**





**These well-maintained neighbors must live next to this dangerous eyesore created by Fannie Mae.**



2014: This Fannie Mae REO in an African American neighborhood has no “for sale” sign showing that it is for sale. Let’s take a closer look at the house.







The mailbox is overflowing with mail, indicating that no one from Fannie Mae has checked on the home in a while.



In the backyard Fannie Mae has failed to trim overgrown shrubs and has let plants grow in the gutters.



2015: Fannie Mae REO in an African American neighborhood.





Here another home's gutters have been neglected by Fannie Mae. These plants have been here for a long time since they have grown and died in the gutter.



8/12/2015 11:53



Here Fannie Mae has failed to fix or replace a broken window. Instead they have left the broken panes of glass sitting in the window.





Fannie Mae has yet again left a huge hornet's nest,  
creating a dangerous environment for anyone visiting the home.



**2015: A Fannie Mae REO in an African American neighborhood. It doesn't look too bad from the front, but let's take a closer look...**



8/20/2015 11:07




On the side of the home Fannie has left overgrown shrubbery. Fannie Mae could also paint this home's trim to make it more appealing for a potential homeowner.



8/20/2015 11:09



# **Fannie Mae's Well-Maintained REOs in White Neighborhoods**



**2014 - 2015**



**Fannie Mae is taking good care of this REO in a white neighborhood. The grass is mowed and Fannie has made sure to remove any trash or debris from the property.**

**The backyard of the REO is clean and mowed. There are no broken windows and the gutters are clean.**





These Fannie Mae REOs in white neighborhoods also have great curb appeal and are well maintained.



# Health & Safety Concerns

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Living next to or nearby foreclosed homes causes stress, high blood pressure, asthma, and anxiety. People report feeling their neighborhood is stigmatized.



# American Heart Association

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- ❑ “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.



## POOR QUALITY OF LIFE

- Boarded up housing and vacancies contribute to social isolation, anxiety, and feeling of stigmatization.
- Residents' fear of crime in neighborhoods with vacancies may cause significant barriers to exercise and physical activity.



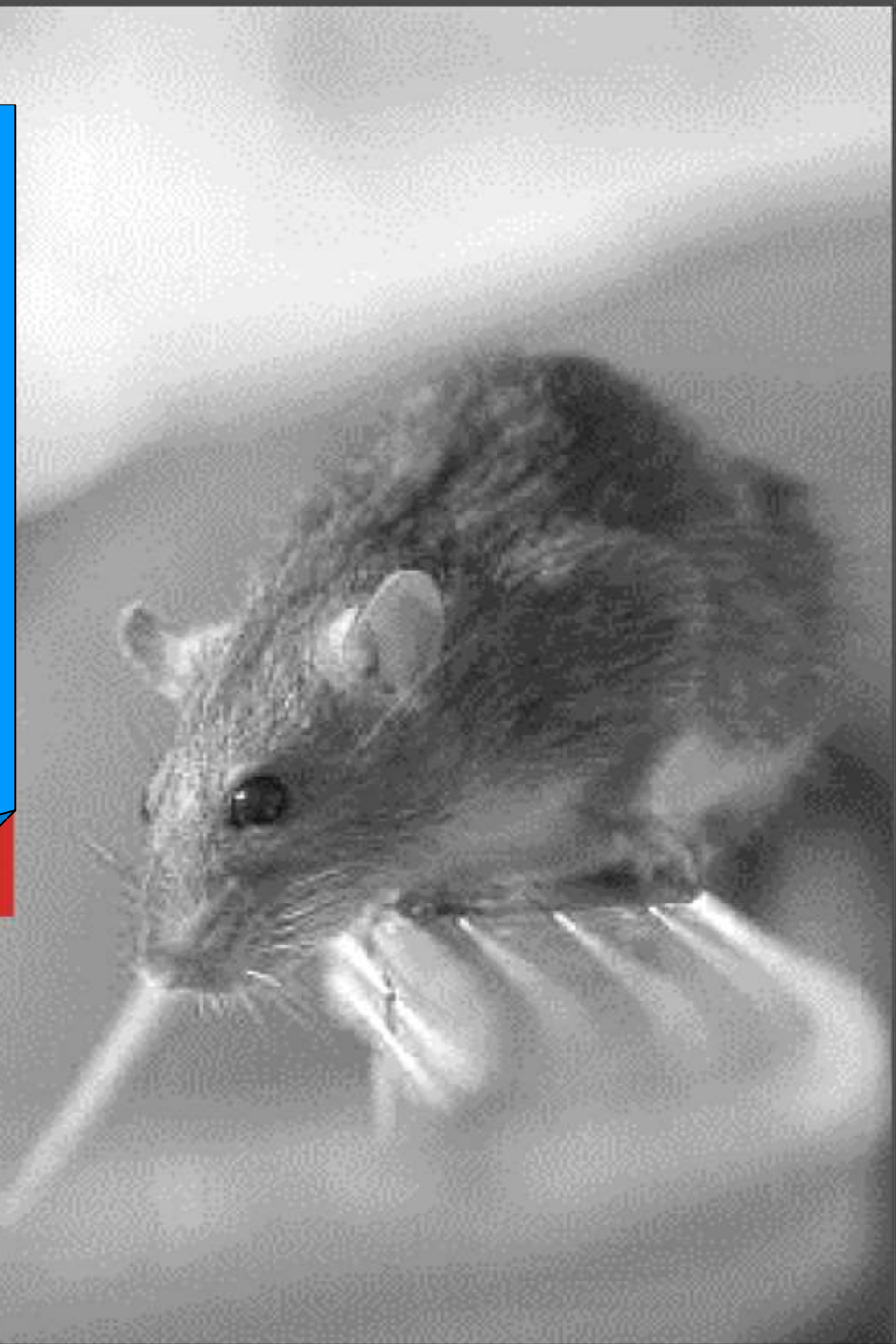


- Vacant and abandoned homes cause rapid neighborhood decay and blight. (Broken Window Theory)
- Residents feel unsafe walking on streets with abandoned or vacant properties.
- A higher proportion of vacant homes in urban neighborhoods is associated with increased crime.

# UNSAFE NEIGHBORHOODS

Unattended and unmaintained  
properties result in:

- Illegal dumping and rodent infestation
- Injuries from accidental fires or arson
- Deterioration of lead paint.





# QUESTIONS?

**From Fannie Mae REO home in Orlando, Florida.**

06.21.2014 16:30