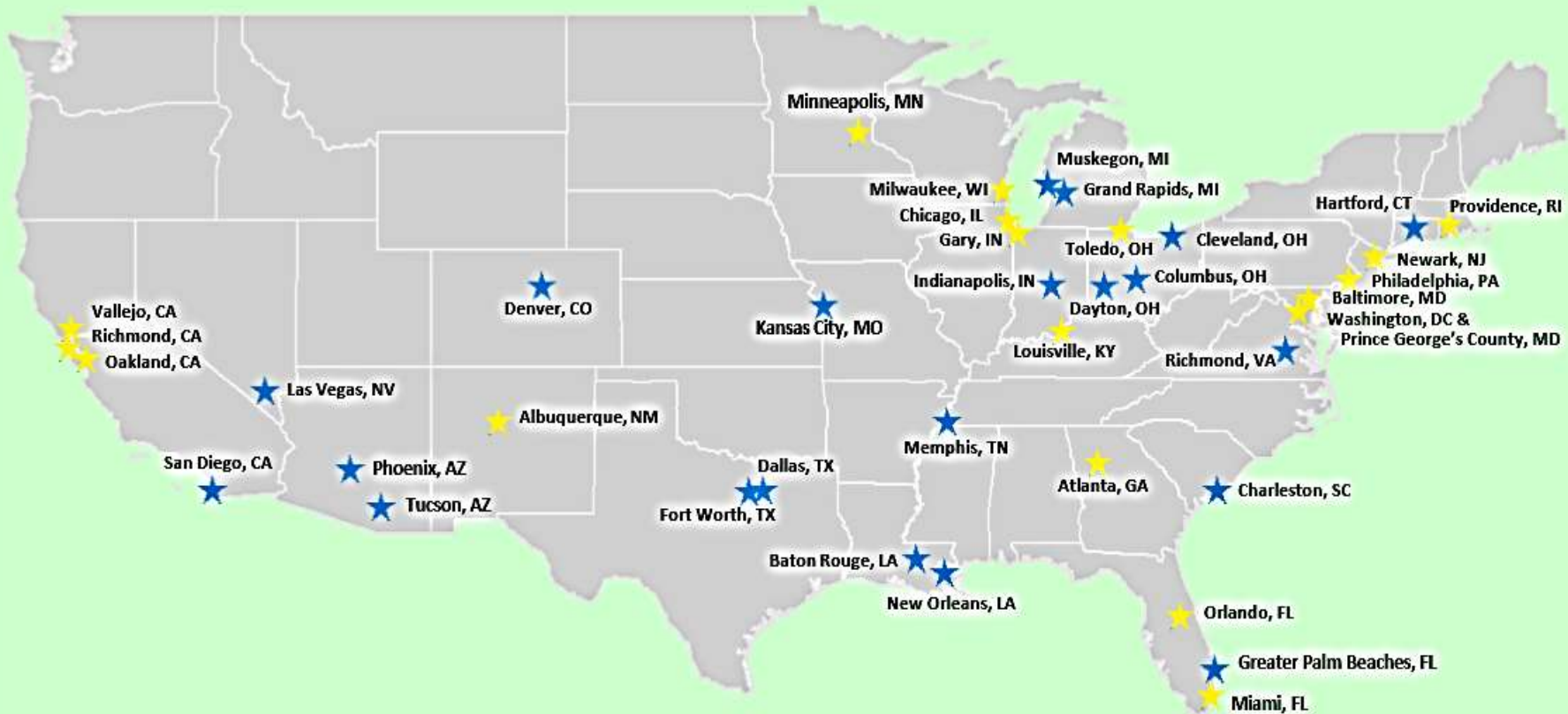


Fannie Mae Fails to Maintain Foreclosures in African American and Latino Neighborhoods in Metropolitan Chicago, IL

HOPE Fair Housing Center
South Suburban Housing Center
Open Communities



Fannie Mae REO Investigations in 38 Metropolitan Areas



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.”

- Found on Homepath.com

Fannie Mae's Field Services Checklist

FannieMae Field Services Checklists	
<p>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:</p> <p>Entry Way:</p> <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 <p>Living Room/Family Room/Bedrooms/Enclosed Porch:</p> <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 <p>Kitchen:</p> <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 <p>Bathrooms:</p> <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 <p>Attic/Crawl Space:</p> <ul style="list-style-type: none"> Free of all debris <p>Garage/Porches/Deck Areas/All Paved Surfaces:</p> <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 <p>Additional Items:</p> <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 bulbs (excludes decor bulbs). Ensure all batteries are not chirping 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.). <p>Broker Checklist When performing weekly property inspections, the following Broker-related items are expected:</p> <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/drainings/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. 	<p>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:</p> <p>Windows/Doors:</p> <ul style="list-style-type: none"> Remove any broken glass. Secure and/or board any exposed windows, doors or openings. <p>Electrical Items:</p> <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 decor bulbs). Secure loose light fixtures and ceiling fans. <p>Stairways:</p> <ul style="list-style-type: none"> Replace or secure missing or broken steps. Replace or secure missing or loose handrails. <p>Floors:</p> <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. <p>Porch/Deck/Patio:</p> <ul style="list-style-type: none"> Replace or secure missing or loose steps. Replace or secure missing or loose handrails. <p>Lawn:</p> <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). <p>Pool/Spa:</p> <ul style="list-style-type: none"> Ensure perimeter fence is stable and all gates are locked. Repairing or replacing a fence is a bid item. Ensure hot tub/spa is drained and covered if no fence is present. (This is a bid item.) <p>Interior/Exterior Walk:</p> <ul style="list-style-type: none"> Remove all hooks and/or nails from doors, walls or ceilings. Secure loose cabinets, cabinet doors, drawers or countertops. <p>Winterization (during season):</p> <ul style="list-style-type: none"> Post appropriate winterization stickers and zip tie the water shutoff valve. <p>Additional Items:</p> <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 (CA and where state or local ordinances apply). Secure out-buildings with pad lock, if missing. <p>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:</p> <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. <p>Snow Removal Checklist 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"> 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. <p>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.</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>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:</p> <p>Entry Way:</p> <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 <p>Living Room/Family Room/Bedrooms/Enclosed Porch:</p> <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 <p>Kitchen:</p> <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 <p>Bathrooms:</p> <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 <p>Attic/Crawl Space:</p> <ul style="list-style-type: none"> Free of all debris <p>Garage/Porches/Deck Areas/All Paved Surfaces:</p> <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 <p>Additional Items:</p> <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 bulbs. Replacement of any missing, damaged or non-functioning light bulbs. Ensure all smoke and CO detectors are not chirping and have batteries. Ensure all safety issues are addressed (see Safety Hazard Checklist). Provide service-dated air fresheners in all wet areas (bathroom, kitchen, laundry room, etc.). <p>Listing Agent Checklist When performing weekly property inspections, the following Listing Agent-related items are expected:</p> <ul style="list-style-type: none"> Ensure entire property is secure and locked, including padlocks on gates and out-buildings, 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 slider 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/drainings/door drops are removed from entry way/porch. Confirm interior and exterior maintenance is satisfactory. Follow all expectations as indicated in the Fannie Mae REO Sales Guide. 	<p>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:</p> <p>Windows/Doors:</p> <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. <p>Electrical Items:</p> <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 decor bulbs). Secure loose light fixtures and ceiling fans. <p>Stairways:</p> <ul style="list-style-type: none"> Replace or secure missing or broken steps. Replace or secure missing or loose handrails. <p>Floors:</p> <ul style="list-style-type: none"> Replace or secure missing floor vent covers or open holes. Remove or secure all indoor trip hazards. Remove exposed carpet tack strips and nails. <p>Porch/Deck/Patio:</p> <ul style="list-style-type: none"> Replace or secure missing or loose steps. Replace or secure missing or loose handrails. <p>Exterior:</p> <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, wash chipping 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. <p>Pool/Spa:</p> <ul style="list-style-type: none"> Ensure hot tub/spa is drained and covered if no fence is present. (This is a bid item.) <p>Interior/Exterior Walk:</p> <ul style="list-style-type: none"> Remove all hooks and/or nails from doors, walls or ceilings. Secure loose cabinets, cabinet doors, drawers or countertops. <p>Winterization (during season):</p> <ul style="list-style-type: none"> Post appropriate winterization stickers and zip tie the water shutoff valve. <p>Additional Items:</p> <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. <p>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:</p> <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/overgrown 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/drainings/door drops/doorsteps are removed from all entry ways/porch areas. Ensure all real estate signage is properly secured and showing appropriately. <p>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.</p> <p>Snow Removal Checklist 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"> 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.

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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

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

- ❑ 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

- 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



Metro-Chicago, IL Racial Disparities

- ❑ In the metropolitan Chicago area, we investigated 353 Fannie Mae REOs from 2012 to 2015.
 - 71 located in African-American neighborhoods
 - 52 located in Latino neighborhoods
 - 50 located in Majority non-White neighborhoods
 - 180 located in White neighborhoods
- ❑ 49.7% of the REO properties in communities of color had trash or debris on the premises;
- ❑ 39.9% of the REO properties in communities of color had overgrown or dead shrubbery; and,
- ❑ 36.4% of the REO properties in communities of color had unsecured, broken, or boarded windows

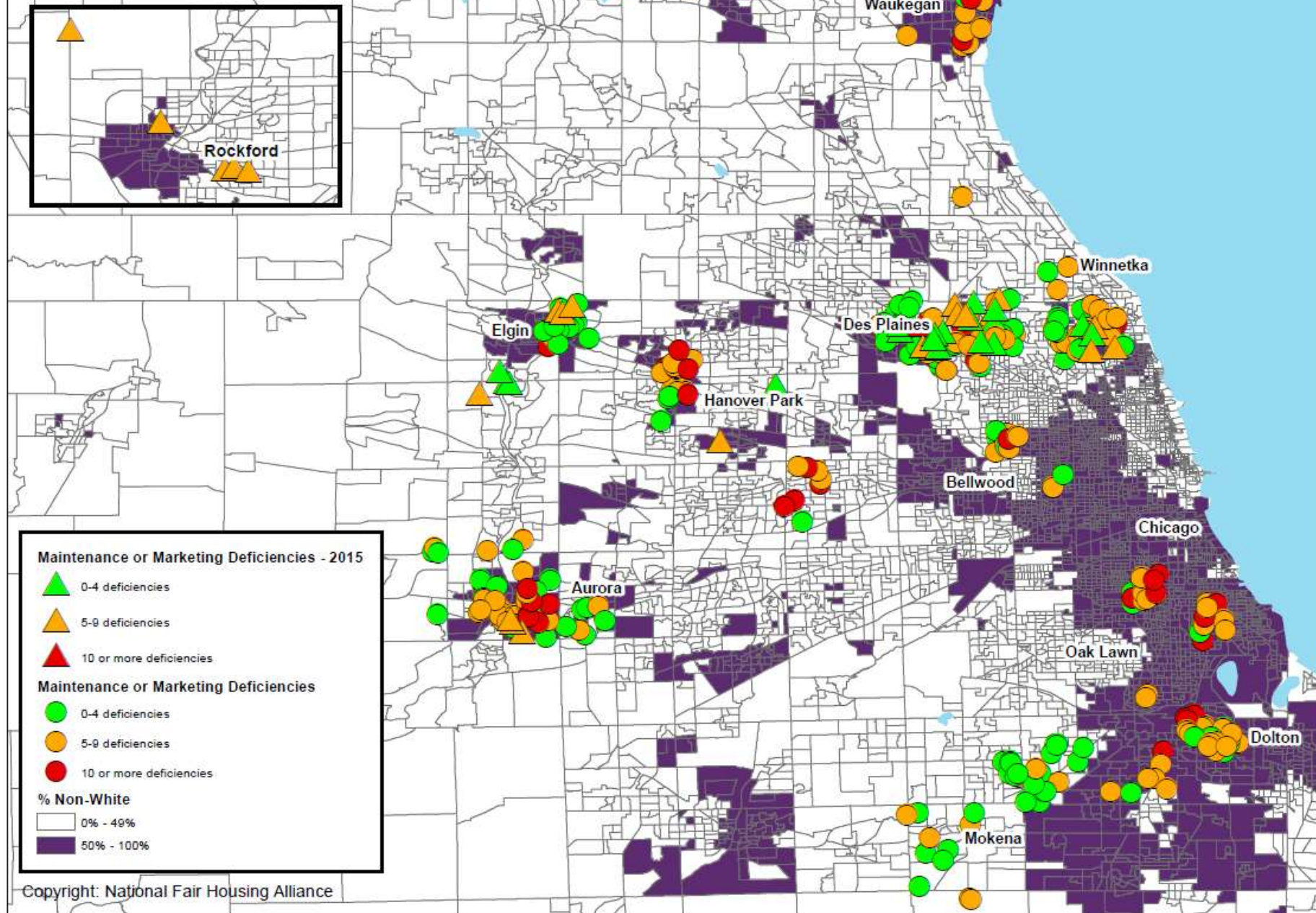
HOPE Fair Housing Center Evidence

Fannie Mae's Failure to Maintain REOs in African American
and Latino Neighborhoods in Aurora, Chicago, and Elgin

Anne Houghtaling, Executive Director



Chicago, IL Fannie Mae REO Investigations 2012 - 2015



Fannie Mae REOs in 2012, 2013, 2014, & 2015



Sampling of Fannie Mae REOs in Latino, African American, and White neighborhoods in Aurora

2012: This poorly maintained Fannie Mae REO is located in a Latino neighborhood.



Fannie's REO has hanging gutters, missing downspouts, boarded windows, damaged soffit and dirt for a backyard.





The neighbors' homes are well-maintained.

Fannie claims to maintain its REOs in the same or better condition than homes in the neighborhood.

Clearly that is not the case in this Latino neighborhood.



Fannie REO in African American neighborhood in Chicago with trash, broken window, overgrown backyard, invasive plants.





Fannie Mae REO in African neighborhood in Chicago with overgrown grass, boarded windows, invasive plants, trash and damaged front steps.

**2012: Fannie Mae REO located in Latino neighborhood.
Listed for \$74,900 on 8/3/12 and sold for only \$41,000 on 3/20/13.**



Perhaps the low sales price is because Fannie failed to prepare the home by removing invasive plants, repairing the screen or steps or replacing the wooden lattice on the foundation.



2013: Fannie Mae REO located in a Latino/African American neighborhood in Aurora. The front entrance has peeling paint and broken light fixture and the back of the home...



Back of Fannie REO has trash, boarded windows, broken downspouts, light fixture and fence.



2/13/2013 3:11pm



2/13/2013 3:11pm



2/13/2013 3:09pm



2013: Fannie REO located in a Latino/African American neighborhood. Can you see the “For Sale” sign? Does this newer REO in community of color get better maintenance? No.

2/13/2013 2:46pm

First Impressions: Fannie failed to remove algae in basement window, allowed accumulation of debris on front porch and in the window well.



2014: Fannie Mae REO in middle class Latino neighborhood.
Not too bad from front—just invasive plants growing in bushes, but...

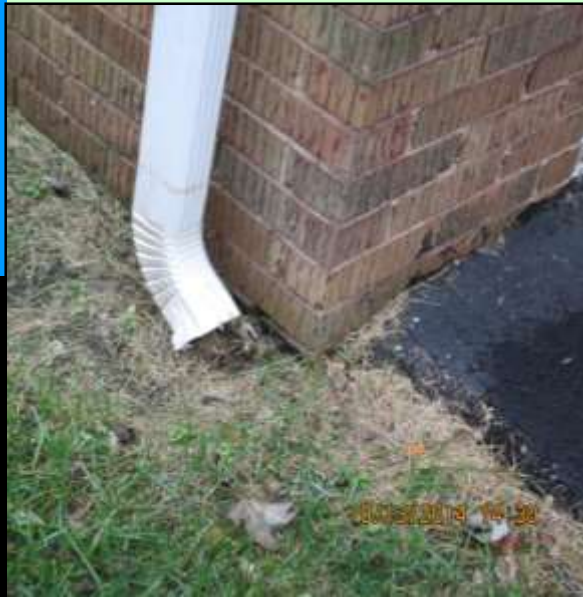


The back of the Fannie REO is filled with trash, bricks, damaged siding and the storm window is open.





Obstructed gutters, more trash, the downspout empties at foundation and bent awning—all these issues hurt curb appeal.



2015: Fannie Mae REO in middle class Latino neighborhood.
From the front you can already see dead plants left in the home's gutter.





There are obstructed gutters in the front and back of the home. Fannie Mae has also left a bird's nest sit on the home's gutter.





Fannie Mae has ignored these broken windows instead of repairing or replacing them.



In the back of the home Fannie Mae has neglected to mow the grass and has left dead shrubbery to decay instead of disposing of it properly.



**Fannie Mae's REOs are Well-
Maintained in White neighborhoods**

Fannie REOs in White neighborhoods in 2012 in Aurora, IL.



Notice there are no overgrown shrubs or invasive plants and no obstructed gutters. Both homes have “For Sale” signs posted and manicured lawns.


Fannie Mae REOs in White neighborhoods in 2013 and 2014 in Aurora, IL



These Fannie REOs have well-maintained yards, no trash, no obstructed gutters and even an emergency contact number on REO.



Fannie Mae's failure to maintain REOs in Hanover Park and Elgin, IL



Fannie Mae REOs in Elgin and Hanover Park's Latino neighborhoods suffer from poor maintenance, including accumulation of trash, unsecured doors, boarded windows, invasive plants and overgrown shrubs and lawns.



This mattress was left in the front yard.



Unsecured structures and boarded homes invite vandalism and hurt property values for neighbors.



Neighbors' well maintained homes.

**A close up look at a
Fannie REO in a 71%
Latino neighborhood.**

**Fannie's REO doesn't look bad
from a distance, but let's take a
closer look.**

**Below are the well-maintained
neighboring homes.**

Fannie REO



Accumulated trash around the property.





Fannie fails to replace the downspout diverter to protect the foundation from water damage or to replace the clip to keep the downspout in place.



Fannie doesn't cover hole in the home to keep out insects and animals.



Obstructed gutters will lead to water damage on the roof and interior wall.



Fannie allowed a tree to take root in the window well.





Fannie fails to remove dead tree branch and leaves.



Another close up look at Fannie REO in a Latino/African American neighborhood in Hanover Park, IL

Neighbor's well-maintained home



Fannie's REO has trash left in yard.

10/23/2014 16:41

**Siding that is lifting way
should be repaired so
wasps and bees cannot
nest.**

**These are easy and
inexpensive fixes to
preserve the REO.**



Fannie Mae claims to have eyes on its REOs every week.
If so, then how can Fannie explain this decaying animal carcass?



10/23/2014 16:42

**2015: Fannie Mae REO in middle class Latino neighborhood.
You can already see dead and overgrown shrubbery from the curb.**



A closer look shows a completely dead shrub as well as overgrown bushes and invasive plants growing up the home's handrails.



Fannie Mae has left more dead plants on the side of the home.



This broken window was haphazardly taped by Fannie Mae instead of replacing it.




08/06/2015 12:04

Fannie Mae has neglected to mow the home's backyard and has left debris sit in the grass.



08/06/2015 12:03

Fannie Mae's Well-Maintained REOs in White Neighborhoods







Fannie Mae properties in white neighborhoods in 2015



South Suburban Housing Center Evidence

Fannie Mae's Failed REO Maintenance in
Dolton, Harvey, Hazel Crest, and Riverdale

John Petruszak, Executive Director





Fannie Mae listed this REO in July 2014 for \$49,900 then just let it run down until it sold for \$25,000 in December 2014.

Leaves accumulate in the backyard and the gutters are obstructed.

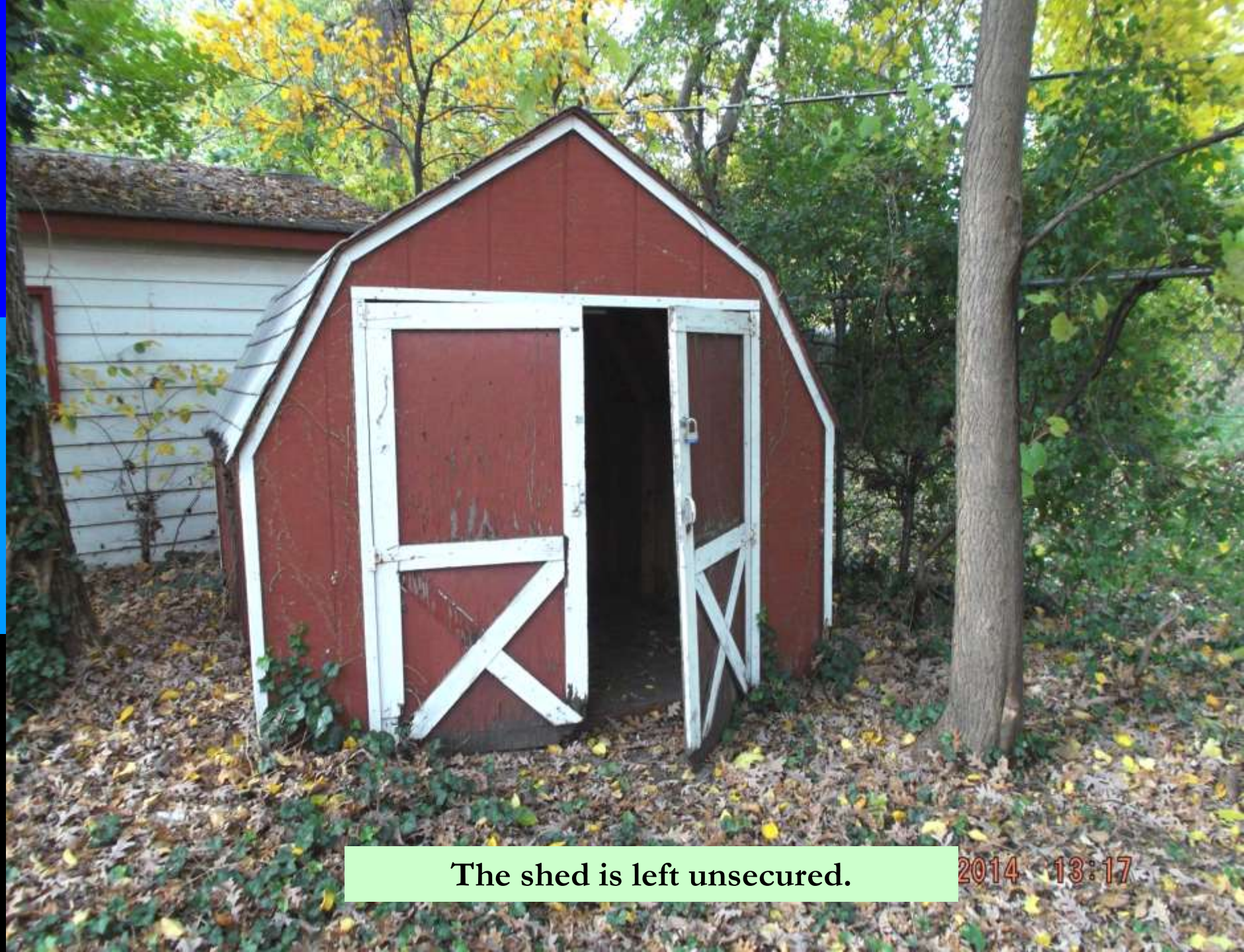


10/27/2014 13:17



Curb appeal is what draws owner-occupants to a home. Auction signs all over the property sends a negative message about the neighborhood.

This broken light indicates to the community that this home is not cared for and could also pose an electrical hazard.



The shed is left unsecured.

2014 13:17



The \$25,000 sales price for Fannie's REO hurts the property value and refinancing opportunities for this neighbor and the others in this African-American neighborhood.

**No, this is NOT a Fannie REO.
It is the neighbor living next door to a poorly maintained Fannie REO.**



Fannie Mae is **NOT** a good neighbor in this African-American neighborhood.



Fannie fails to cut the invasive plants or fixing the screens, but says it maintains its REOs to the standard in the neighborhood. The neighbor would take issue with this poor standard by Fannie Mae.



Fannie fails to simply replace the downspout and lets water run into the foundation.





This Fannie REO in Hazel Crest has dead tree limbs and trash on the property.



Trash and the boarded back door conveys a negative message for buyers.



**How does Fannie Mae miss covering this opening in the roof of its REO?
What could be living in there?**

10/16/2014 14:17

**This Fannie Mae REO in Riverdale is in poor condition.
The neighbors take good care of their homes.**



10/27/2014 9:18

There is no reason for Fannie Mae to allow the accumulation of trash, invasive plants or dead leaves at a home.







The rear of the brick home has an addition, but the siding is missing. This is a simple and inexpensive fix for Fannie Mae to authorize, and it would present the home in good condition like the neighbors' homes.



The next door neighbor's well-maintained home.

10/27/2014 9:19

This Fannie Mae REO in an African American neighborhood in Riverdale is placed for auction rather than sale for an owner-occupant. Fannie listed the home for sale in 11/13 for \$61,290 but sold in 3/15 for \$12,000.



What does that \$12,000 sales price do to property values for the neighborhood?



Fannie Mae's REO Maintenance in White Neighborhoods

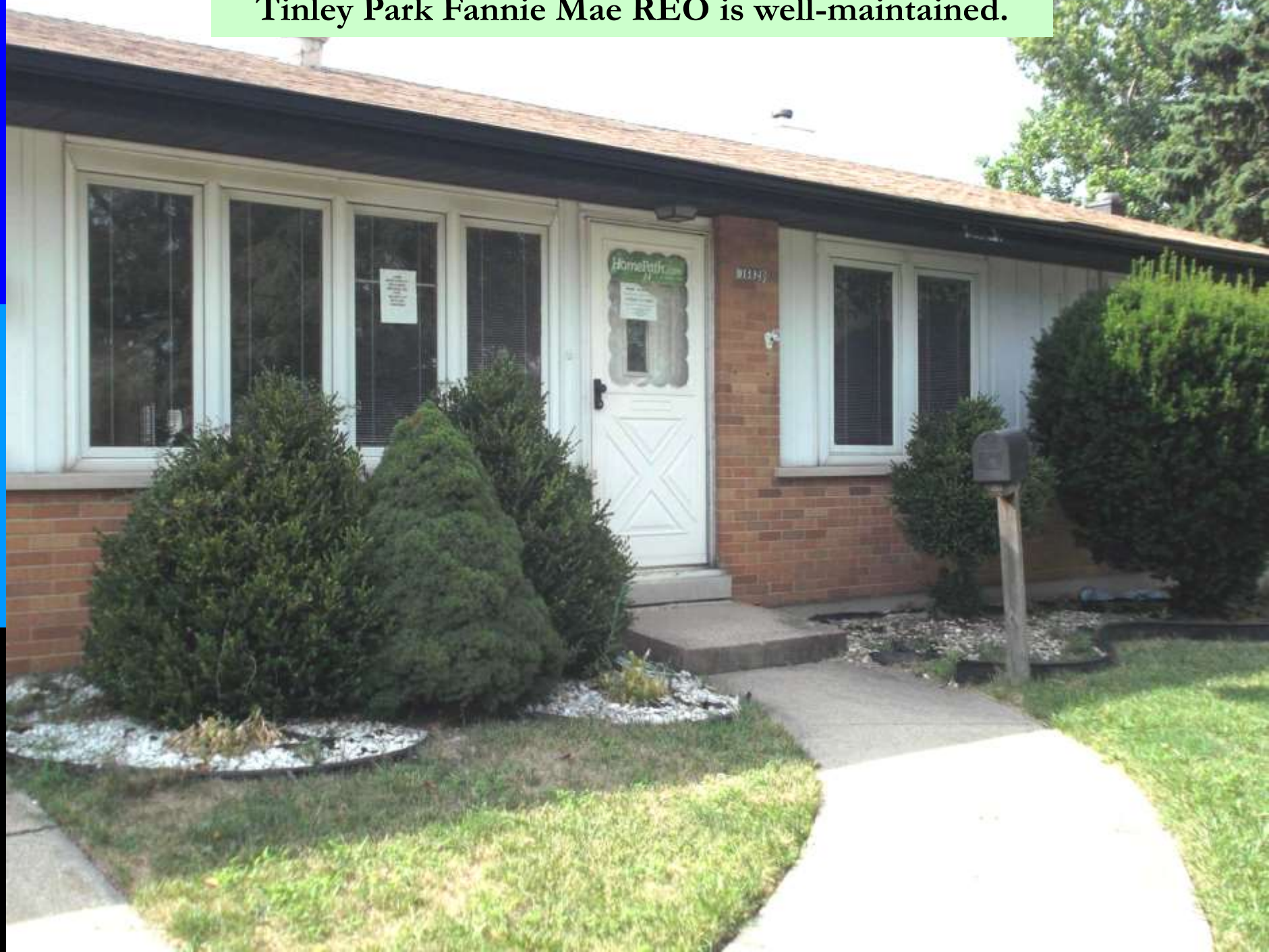


**Tinley Park, Mokena, Oak Forest,
and Frankfort**

Fannie Mae's REO in Tinley Park has a manicured lawn and professional "For Sale" sign—no auction.



Tinley Park Fannie Mae REO is well-maintained.





This modest Fannie Mae REO in Oak Forest is for sale, not up for auction.

Another Fannie Mae REO in Oak Forest has a clean and manicured yard.



Freddie Mac REO Comparisons



Let's see how Freddie Mac maintains its REOs
in all neighborhoods in Dolton and Tinley Park.



Freddie Mac REO in an African American neighborhood in Dolton, IL



Freddie Mac REO in an African American neighborhood in Dolton, IL

Freddie Mac REO in White neighborhood in Tinley Park, IL



2012. 6.12 15:57



Freddie Mac REO in White neighborhood in Tinley Park, IL

Open Communities Evidence

Fannie Mae's Failure to Maintain REOs in African American and Latino Neighborhoods in Des Plaines, Evanston, North Chicago, Skokie, and Waukegan

David Luna, Executive Director



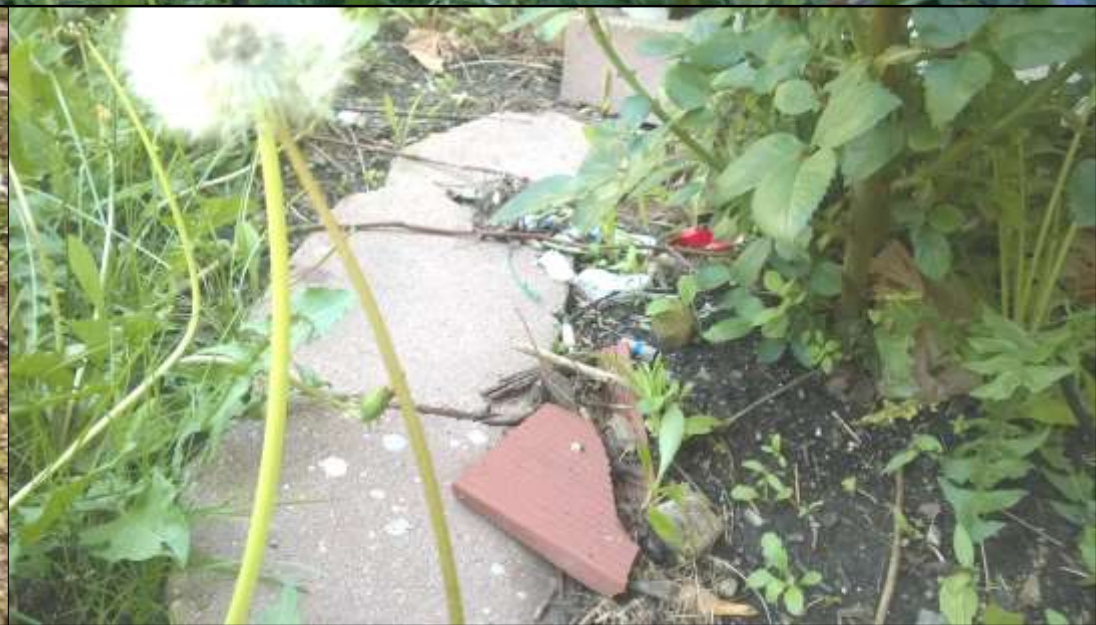
This Fannie Mae REO in Des Plaines in a Latino/African American neighborhood just needs the same attention that REOs in white neighborhoods receive to be in market condition.





Fannie Mae can replace the slates in the fence and mow the lawn.

Fannie can spray the weeds and remove trash that it let accumulate on its REO property.





This next door neighbor deserves the courtesy of Fannie Mae maintaining its property in good condition.

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





Fannie Mae is showing 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?



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

Listing from
Redfin.com

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.



This is what we call a Fannie Mae “Drive-by REO listing.”

In Evanston’s African-American neighborhoods Fannie allows poor maintenance. From the front of the REO you just see overgrown grass and scrubs, but go around the back...

You see how Fannie Mae is really marketing its REO in this African American neighborhood in Evanston...





08.06.2013



08.06.2013



This homeowner in an African-American neighborhood in Evanston lives next to a poorly maintained Fannie REO

**Boarded and poorly
maintained Fannie
Mae REO.**





The back of the REO is boarded and notice the downspout hanging.



This hole in the foundation allows insects and rats or mice to enter the home.



And yet again, Fannie Mae allows trash and debris to accumulate at its REO and Fannie lists and markets the home in this poor condition.



Fannie Mae's REO in an African-American neighborhood in North Chicago. Same poor maintenance issues here...



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 around
for a while.**

WARNING

**THIS PROPERTY IS OWNED BY
FEDERAL NATIONAL MORTGAGE ASSOCIATION**

**THEFT, TRESPASSING, OR VANDALISM WILL BE
PROSECUTED TO THE FULL EXTENT OF THE LAW.**

GOLDTREE REALTY
RESIDENTIAL / COMMERCIAL

MLS: (847) 674-4445
(847) 679-4757
FAX: (847) 879-4771



FannieMae

The warning sign ought to say:

“BEWARE: Fannie Mae does not maintain homes in African-American neighborhoods.”

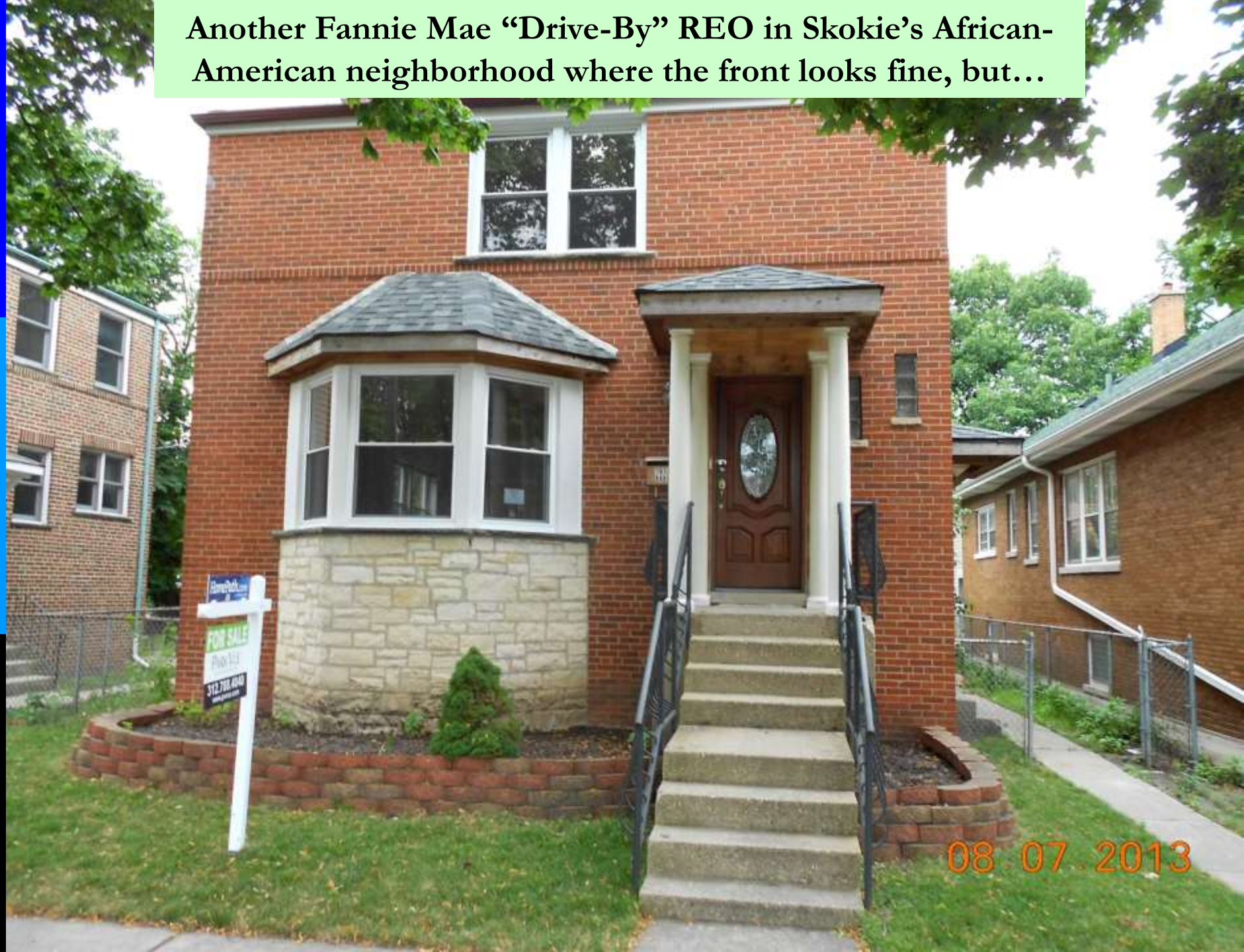


Another Fannie Mae boarded REO in a African-American neighborhood in North Chicago.



The Fannie REO is boarded all around. How do you show a home with no natural light?

Another Fannie Mae “Drive-By” REO in Skokie’s African-American neighborhood where the front looks fine, but...



The backyard is overgrown with trash strewn around.



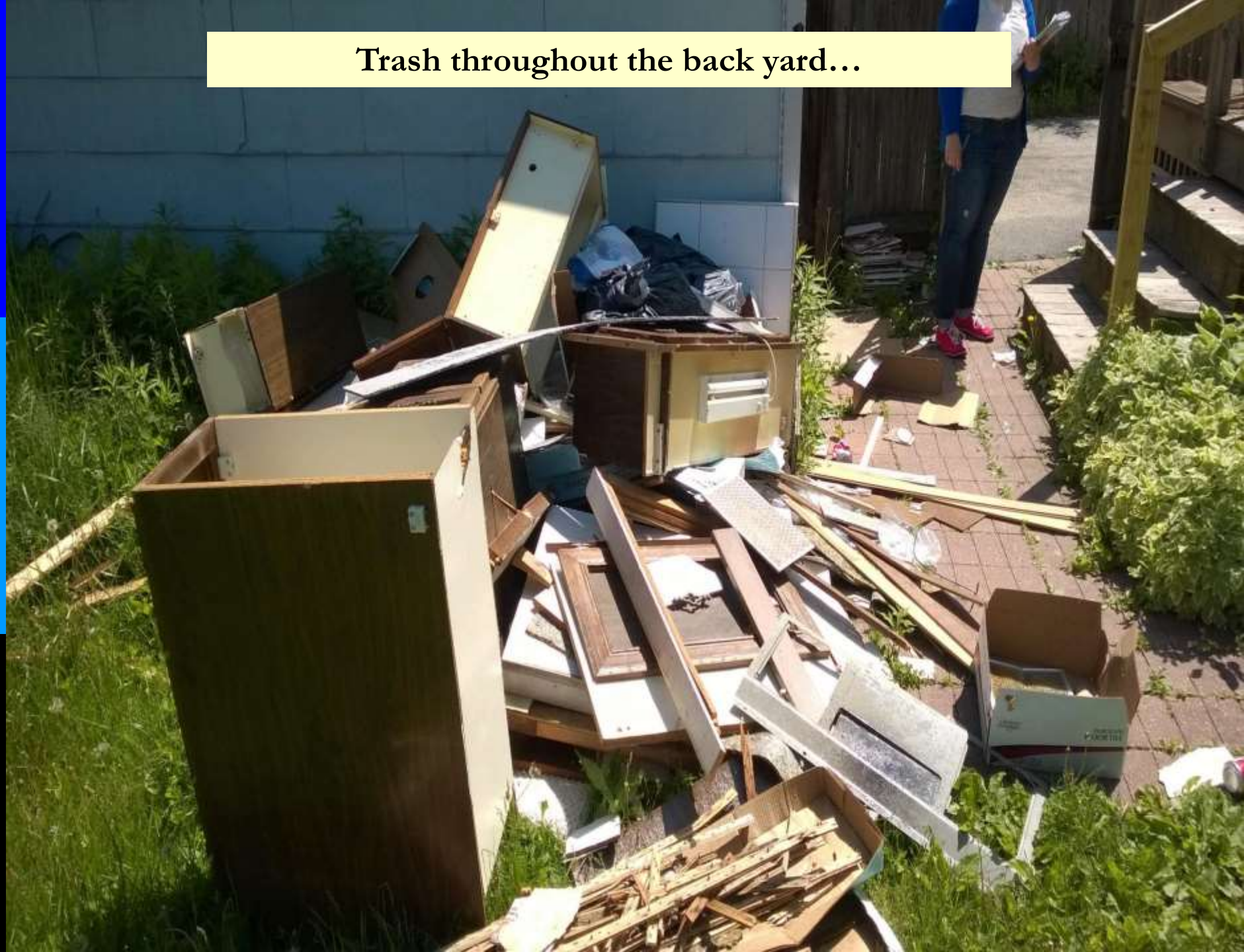


Fannie Mae treats Waukegan's Latino neighborhoods as poorly as the African-American neighborhoods. This Fannie Mae REO has an overgrown front lawn and scrubs...

And an overgrown backyard...



Trash throughout the back yard...



Trash on the deck...



And trash killing the hosts in the perennial flower bed.



This Fannie Mae REO in a Latino neighborhood in Waukegan is missing a “for sale” sign and has zero curb appeal. Note the overgrown grass and boarded window that can be seen from the curb.



The backyard is completely overgrown.





Fannie Mae REO in Latino neighborhood in Waukegan



Invasive plants and bags of trash in back yard...



More trash is littered throughout the dead invasive plants.

NOTICE!

TO OWNERS AND/OR OCCUPANTS OF

ADDRESS OF VIOLATION

IF ALL GARBAGE, RUBBISH, TRASH, OR DEBRIS IS NOT REMOVED FROM THIS PREMISES WITHIN TWENTY-FOUR (24) HOURS THE OWNER AND/OR OCCUPANTS WILL BE SUBJECT TO A FINE NOT LESS THAN \$25 NOR MORE THAN \$750 FOR EACH DAY THIS VIOLATION CONTINUES.

Section 10-15 (a) Code of Ordinances, City of Waukegan.

WAUKEGAN CODE ENFORCEMENT
For Information Call 847/625-6860

DATE AND TIME

INSPECTOR

Fannie Mae receives notices about trash.

Fannie Mae's Well-Maintained REOs in White Neighborhoods



**Samples of REOs from Des Plaines,
Skokie, and Waukegan**



Fannie Mae's well-maintained REO in Des Plaines.

This Fannie Mae REO in a White neighborhood in Des Plaines has a manicured lawn and no leaves remaining from the Fall. This photo was taken in September.





**Fannie Mae's REO in Des Plaines—
front and back are well-maintained.**



**Fannie Mae REO in white neighborhood in
Des Plaines is well maintained.**



**Fannie Mae REO in white neighborhood
in Skokie is well-maintained.**



**Another Skokie Fannie Mae
REO in a White neighborhood is
well-maintained.**



Fannie Mae REO in Waukegan's White neighborhood is well maintained in the front and backyards.





Fannie REO in Waukegan's White neighborhood.

Health & Safety Concerns



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

- ❑ “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.

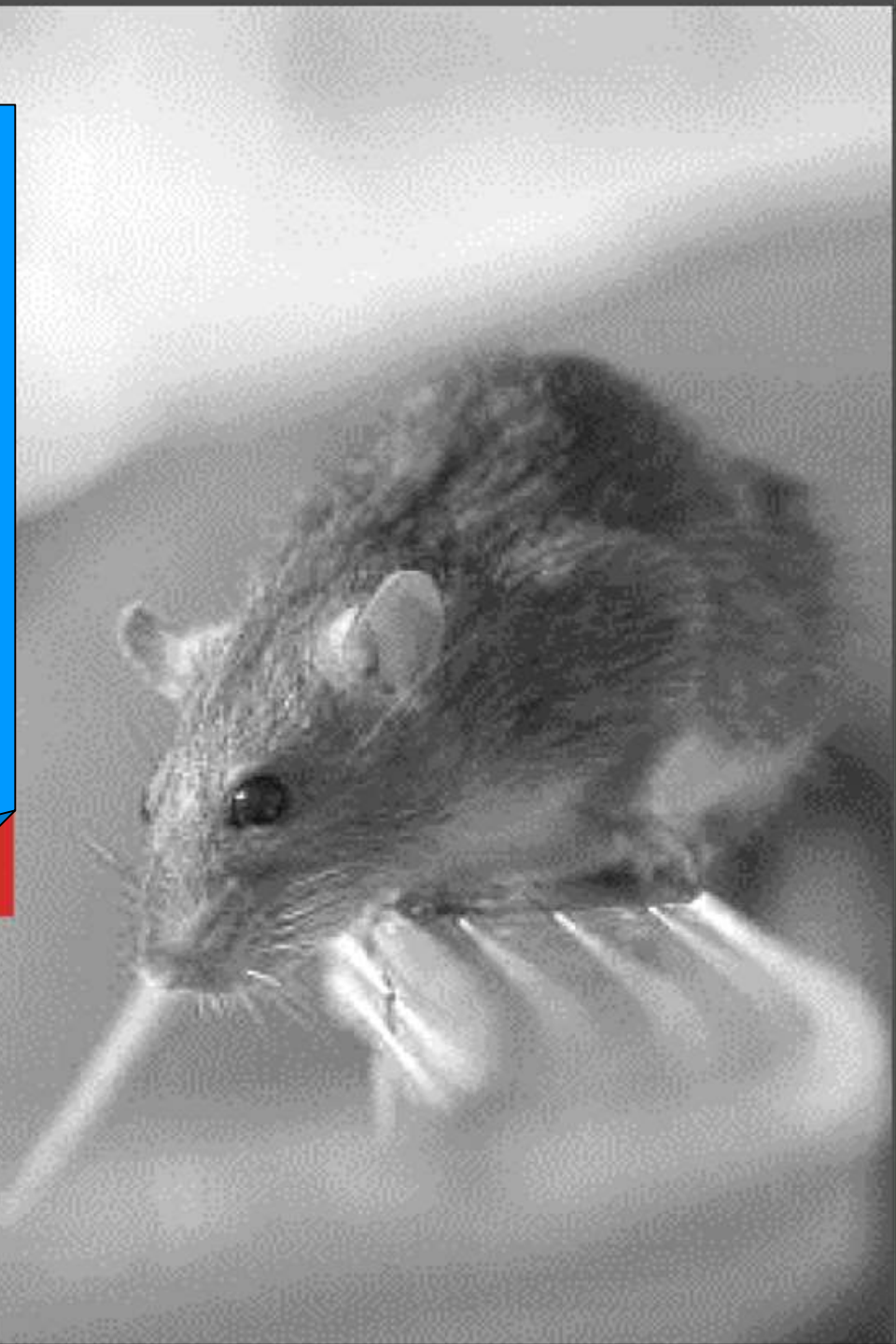


- Vacant and abandoned homes cause rapid neighborhood decay and blight. (Broken Window Theory)
- Residents feel unsafe walking on streets with abandoned or vacant properties.
- A higher proportion of vacant homes in urban neighborhoods is associated with increased crime.

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