



**For Immediate Release**

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**Fair Housing Organizations File Discrimination Complaint against Bank of America**

***National Fair Housing Alliance and Fair Housing Continuum Allege Discrimination in the Marketing and Maintenance of Foreclosed Homes in Orlando and Charleston***

WASHINGTON, DC – Today, the National Fair Housing Alliance (NFHA) and the Fair Housing Continuum in Florida announced a federal housing discrimination complaint against Bank of America Corporation, Bank of America, N.A., and BAC Home Loan Servicing, LP. This complaint is the result of an undercover investigation of Bank of America that found the financial giant maintains and markets foreclosed homes in White neighborhoods in a much better manner than in African-American neighborhoods in Orlando, FL and Charleston, SC.

Today's complaint was filed with the US Department of Housing and Urban Development and is part of an amended complaint NFHA and six member agencies filed in September that looks at how Bank of America has differently maintained and marketed properties in White, African-American and Latino neighborhoods across the country.

Bank of America is one of the largest American banks that maintains and sells foreclosed properties and is one of the world's largest financial institutions. The investigation of 392 foreclosed homes in 10 cities owned, serviced or managed by Bank of America demonstrates that it has engaged in a systemic practice of maintaining and marketing its foreclosed, bank-owned homes (also known as Real Estate Owned or REO properties) in a state of disrepair in communities of color while maintaining and marketing REO properties in predominantly White communities in a far superior manner. The investigation has evaluated Bank of America REO properties in 10 cities including Atlanta, Charleston, SC, Dallas, Dayton, Grand Rapids, MI, Miami/Fort Lauderdale, Oakland/Concord, Richmond, CA, Orlando, Phoenix and the Washington, DC area.

Communities of color continue to experience foreclosure rates twice that of White communities and continue to see their REO properties left to deteriorate and sit vacant.

“America’s banks should be treating everyone fairly,” said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance**. “Bank of America is a major industry player and should be setting a good example when it comes to REO disposition. Instead, one of our nation’s most profitable banks is leading the way in causing blight and depressing property values in African American and Latino neighborhoods. How hard can it be to cut the grass, secure doors and clean up trash? This maintenance is the norm in predominantly White neighborhoods and should be the same in African American and Latino neighborhoods.”

NFHA and the Fair Housing Continuum are represented by Joseph M. Sellers and Peter Romer-Friedman of Cohen Milstein Sellers & Toll PLLC.

The National Fair Housing Alliance and the Fair Housing Continuum investigated homes in Charleston, SC and Orlando, FL and evaluated the maintenance and marketing of REO properties for the existence of 39 different types of maintenance or marketing deficiencies, such as broken windows and doors, water damage, overgrown lawns, no “for sale” sign, trash on the property, and other problems.

“When we visited Bank of America’s REO properties, neighbors were initially excited because they thought we were potential homeowners interested in purchasing these eyesores and fixing them up,” said **David Baade, Executive Director of the Fair Housing Continuum**. “The neighbors knew these unkempt and poorly marketed Bank of America properties were dragging down the value of their homes. It’s sad when you have to beware of the bad neighbor next door and it turns out to be Bank of America.”

In both of these cities, Bank of America REO properties in African-American communities were far more likely to have numerous problems in maintenance or marketing than REO properties in predominantly White communities.

Without a “for sale” sign, for example, potential homebuyers would simply not know the property is available. Also, if there are unauthorized occupants or storm damage, neighbors have no one to call. With a “for sale” sign, neighbors can call a real estate agent to report these kinds of problems. In **Orlando**, 67 percent of Bank of America REO properties in African-American communities were missing a “for sale” sign.

Trash on a property is not only an eyesore for neighbors, but it makes a home unappealing to visitors and can be a potential health and safety hazard. Regular maintenance would correct this problem, but in **Orlando** 56 percent of all Bank of America REO properties in African-American communities had substantial amounts of trash.

When upkeep is not a priority homes can suffer structural damage leading to health and a safety concerns. In **Charleston**, 67 percent of all Bank of America REO properties in African-American communities have water damage, while in **Orlando**, 78 percent of all Bank of America REO

properties in African-American communities have damaged windows. Damaged windows can lead to the growth of mold in Orlando's humid climate and severely impact a home's marketability.

Additional detailed statistics and photos are available at [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

NFHA will continue its investigation into the practices of REO maintenance and marketing in the nation's banking system. In April, NFHA issued a report on the findings of its nationwide REO investigation, *[The Banks Are Back, Our Neighborhoods Are Not: Discrimination in the Maintenance and Marketing of REO Properties](#)*. The report offers disturbing evidence that the same banks that peddled unsustainable loans to communities of color and triggered the current foreclosure crisis are now exacerbating damage to those communities. It details the results of the evaluation of more than 1,000 REO properties nationwide.

NFHA filed HUD administrative complaints against Wells Fargo and U.S. Bancorp in April 2012. Both of these complaints are pending while HUD investigates these serious and pervasive allegations of discrimination.

The Fair Housing Act makes it illegal to discriminate based on race, color, national origin, religion, sex, disability or familial status, as well as the race or national origin of residents of a neighborhood. This law applies to housing and housing-related activities, which include the maintenance, appraisal, listing, marketing and selling of homes.

To read the HUD administrative complaint against Bank of America and to view today's news conference presentation, please go to [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

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**The National Fair Housing Alliance** ([www.nationalfairhousing.org](http://www.nationalfairhousing.org))

Founded in 1988, the National Fair Housing Alliance is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States. Headquartered in Washington, D.C., the National Fair Housing Alliance, through comprehensive education, advocacy and enforcement programs, provides equal access to apartments, houses, mortgage loans and insurance policies for all residents in the nation.

**Fair Housing Continuum** ([www.fairhousingcontinuum.org](http://www.fairhousingcontinuum.org))

The Fair Housing Continuum, Inc. is a private non-profit fair housing agency dedicated entirely to the elimination of housing discrimination in Florida, serving Brevard, Indian River, Seminole, Osceola, Orange and Volusia Counties.

**Cohen Milstein Sellers & Toll PLLC** ([www.cohenmilstein.com](http://www.cohenmilstein.com))

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Unsafe Products, Employee Benefits, Public Clients, and Whistleblowers. Cohen Milstein has earned its national and international reputation by winning cases that other law firms did not want to handle. The groundbreaking cases Cohen Milstein has litigated have resulted in landmark decisions on previously untried issues involving civil rights, price fixing, securities, and consumer rights.

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