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LOCAL FAIR HOUSING CENTER AND 19 OTHER CIVIL RIGHTS GROUPS FILE HOUSING DISCRIMINATION COMPLAINT AGAINST FANNIE MAE

Fannie Mae fails to maintain its foreclosed homes in communities of color in Indianapolis and across the United States

INDIANAPOLIS, IN — Today, the Fair Housing Center of Central Indiana (FHCCI) together with the National Fair Housing Alliance (NFHA) and other private fair housing organizations across the United States accused the Federal National Mortgage Association (Fannie Mae) of race and national origin discrimination. In a complaint filed with the U.S. Department of Housing & Urban Development (HUD), the civil rights groups allege that Fannie Mae fails to maintain and market bank-owned foreclosures (also known as real estate owned or REO properties) in African American and Latino neighborhoods to the same standard as in White neighborhoods, a practice that violates the federal Fair Housing Act.

“It is extremely disappointing that despite Fannie Mae being put on notice of this issue as far back as 2009, we continue to see their failure to adequately market and maintain their foreclosures in majority neighborhoods of color,” stated Amy Nelson, FHCCI’s Executive Director. “These middle and working class neighborhoods of color will continue to struggle and lag behind any recovery as long as Fannie Mae, and others like them, fail to properly maintain the homes they own.”

The fair housing organizations investigated the maintenance and marketing of bank-owned foreclosures/REOs for 39 different types of deficiencies, including: broken windows and doors, broken and obstructed gutters and downspouts, accumulated trash, overgrown lawns and shrubs, missing “for sale” signs, and other issues that affect curb appeal, the security of the home, and the value of the property.

“Fannie Mae is liable for the differences in treatment between white neighborhoods and Latino and African American neighborhoods,” said Shanna Smith, President/CEO of the National Fair Housing Alliance (NFHA), based in Washington, DC. “Despite NFHA’s efforts since 2009, including filing complaints against Fannie’s Field Service Vendors, we’ve seen no improvement

in the maintenance and marketing of these Fannie Mae properties,” Smith continued. “Instead, Fannie Mae rewarded the same vendors who were failing to appropriately maintain and market properties with additional contracts and new contracts for clear boarding.”

The FHCCI’s investigation of Fannie Mae-owned properties examined 78 REO properties in Indianapolis. Of these REO properties, 33 were in predominantly African American communities, one was located in a predominantly non-white community; and 44 were located in predominantly white communities. The FHCCI’s investigation found that:

- 65% of the REO properties in communities of color had obstructed gutters vs. 27% in white neighborhoods.
- 59% of the REO properties in communities of color had unsecured, broken, or boarded windows vs. 32% in white neighborhoods.
- 41% of the REO properties in communities of color had overgrown or dead shrubbery vs. 27% in white neighborhoods.
- 32% of the REO properties in communities of color had trash or debris vs. 16% in white neighborhoods.
- 32% of the REO properties in communities of color had unsecured or broken doors vs. 16% in white neighborhoods.
- 29% of the REO properties in communities of color had 10 or more deficiencies vs. 4.5% in white neighborhoods.

The federal Fair Housing Act makes it unlawful to discriminate based on race, color, national origin, religion, gender, disability, or familial status, as well as on 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.

The FHCCI and its partner civil rights groups have filed similar actions against Bank of America, US Bank, and SafeGuard (Fannie Mae’s Indianapolis field service vendor). A similar case against Wells Fargo reached settlement in 2013. Other filed cases do not include the FHCCI.

“Not only are there substantial losses in property values to the homes located near unmaintained REOs, but an increasing amount of research is also showing a significant health impact to these homeowners including on blood pressure rates, asthma, mental health, and safety,” Nelson continued. “We are demanding that Fannie Mae not only do what they are already required to do in effectively maintaining their REOs, but we are also demanding funds to assist these neighborhoods in stabilizing and addressing the harm experienced.”

Additional information will be available for download on the [FHCCI's News Page](#) at www.fhcci.org following the national press conference on May 13th including additional Indianapolis based information, photographs, and national data.

The Fair Housing Center of Central Indiana (FHCCI) is a private, non-profit fair housing organization founded in 2011 and based in Indianapolis, Indiana. Its mission is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education and outreach. Visit www.fhcci.org for more information.

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