

**U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
OFFICE OF FAIR HOUSING & EQUAL OPPORTUNITY**

NATIONAL FAIR HOUSING ALLIANCE,)
HOUSING OPPORTUNITIES PROJECT FOR)
EXCELLENCE, INC., METRO FAIR HOUSING)
SERVICES, INC., MIAMI VALLEY FAIR)
HOUSING CENTER, NORTH TEXAS FAIR)
HOUSING CENTER, FAIR HOUSING CENTER)
OF WEST MICHIGAN, FAIR HOUSING)
CONTINUUM, INC., SOUTH SUBURBAN)
HOUSING CENTER, HOPE FAIR HOUSING)
CENTER, METROPOLITAN MILWAUKEE FAIR)
HOUSING COUNCIL, and FAIR HOUSING)
CENTER OF CENTRAL INDIANA,)

HUD Inquiry No.: 349540

HUD File No.: 04-13-0016-8

Complainants,

v.

BANK OF AMERICA CORP., BANK OF)
AMERICA N.A., and BAC HOME LOAN)
SERVICING LP,)

Respondents.

SECOND AMENDED FAIR HOUSING COMPLAINT

Pursuant to 42 U.S.C. §§ 3604 and 3610, the National Fair Housing Alliance (“NFHA”) and 10 of NFHA’s Operating Members (collectively, “Complainants”)¹ lodge the following Second Amended Complaint alleging that Bank of America Corporation, Bank of America, N.A., and BAC Home Loan Servicing, LP (collectively “Bank of America”) have violated and continue to violate the Fair Housing Act (“FHA”) by maintaining and marketing Real Estate Owned (“REO”) properties in a state of disrepair in predominantly African-American, Latino, and other non-White communities (hereinafter “communities of color”) while maintaining and marketing such properties in predominantly White communities in a materially better condition.

Through the acts and omissions described herein, and those to be discovered during the course of HUD’s investigation, Complainants allege that Bank of America has a systemic and particularized practice of engaging in differential treatment in maintaining and/or marketing its REO properties on the basis of race, color and/or national origin. This practice has occurred at

¹ Housing Opportunities Project for Excellence, Inc. (“HOPE, Inc.”), Metro Fair Housing Services, Inc., Miami Valley Fair Housing Center, North Texas Fair Housing Center, Fair Housing Center of West Michigan, Fair Housing Continuum, Inc., South Suburban Housing Center, HOPE Fair Housing Center, Metropolitan Milwaukee Fair Housing Council, and Fair Housing Center of Central Indiana.

least since 2011 and continues to persist on a national basis and/or in any of 13 metropolitan areas NFHA and its Operating Members investigated in 2011 and 2012 and described in this Complaint.²

FACTUAL BACKGROUND

A. The Parties

Complainant NFHA is the only national non-profit organization dedicated solely to ending discrimination in housing. Founded in 1988, NFHA works to eliminate housing discrimination and to ensure equal housing opportunity for all people through leadership, education and outreach, membership services, public policy initiatives, advocacy and enforcement. NFHA is a consortium of more than 220 private, non-profit housing organizations, state and local civil rights agencies, and individuals throughout the United States. Complainants HOPE, Inc., Metro Fair Housing Services, Inc., Miami Valley Fair Housing Center, North Texas Fair Housing Center, Fair Housing Center of West Michigan, Fair Housing Continuum, Inc., South Suburban Housing Center, HOPE Fair Housing Center, Metropolitan Milwaukee Fair Housing Council, and Fair Housing Center of Central Indiana are non-profit organizations that have similar organizational missions and goals and conduct similar activities as NFHA.³

Respondent Bank of America Corporation is a publicly-traded financial holding company that provides a range of financial services and products in the United States and abroad. Bank of America Corp., one of the world's largest financial institutions, is a Delaware corporation with its principal place of business in Charlotte, North Carolina. Bank of America Corp. conducts its banking activities through Bank of America, N.A., a wholly-owned subsidiary. BAC Home Loan Servicing LP, which was previously a wholly-owned subsidiary of Bank of America, N.A., was merged with and into Bank of America, N.A. in July 2011.⁴

B. Bank of America's Role in Maintaining and Marketing REO Properties

A property becomes an REO property when a bank or lender has foreclosed upon or repossessed a home from a homeowner or borrower and the ownership of the property has reverted to the bank or lender. After a foreclosure occurs, the foreclosing entity that owns the

² The 13 metropolitan areas: (1) Oakland, Richmond, and Concord, CA; (2) Grand Rapids, MI; (3) Atlanta, GA; (4) Dayton, OH; (5) Miami, FL; (6) Dallas, TX; (7) Phoenix, AZ; (8) Washington, DC; (9) Orlando, FL; (10) Charleston, SC; (11) Chicago, IL; (12) Milwaukee, WI; and (13) Indianapolis, IN.

³ HOPE, Inc. works in Miami-Dade and Broward Counties, Florida. Metro Fair Housing Services, Inc. is based in Atlanta, Georgia. Miami Valley Fair Housing Center is based in Dayton, Ohio. North Texas Fair Housing Center is based in Dallas, Texas. The Fair Housing Center of West Michigan is based in Grand Rapids, Michigan. Fair Housing Continuum, Inc. is based in Orlando, Florida. South Suburban Housing Center is based in Homewood, IL. HOPE Fair Housing Center is based in Wheaton, IL. Fair Housing Center of Central Indiana is based in Indianapolis.

⁴ Each reference to Bank of America in this Complaint refers collectively to Bank of America Corp., Bank of America, N.A, BAC Home Loan Servicing, and any other subsidiary or division of these entities that plays a role in owning, preserving, maintaining or selling REO properties.

REO property has the responsibility to maintain the property and sell it to a potential owner-occupant or investor. In addition, the owner of a REO property may contract with another entity to service or maintain the REO property. Bank of America has several roles in which it is responsible for preserving, maintaining, marketing, and selling REO properties, including as (1) an owner of REO properties, (2) a servicer of REO properties owned by other entities, and (3) a trustee that manages REO properties on behalf of trust-owners of the properties.

Bank of America utilizes employees and agents to preserve, maintain, market, and sell REO properties throughout the United States. Bank of America has a vast network of brokers/agents who list REO properties on behalf of Bank of America and help to maintain and market those properties. Bank of America also contracts with asset management companies that perform preservation and maintenance work on REO properties on its behalf. *See Bank of America, REO broker/agent network application process*, <https://agentresources.bankofamerica.com/reo/broker> (last visited Sept. 18, 2012). Bank of America's primary field service vendor is Safeguard Properties. *See Jacob Gaffney, Safeguard buys Bank of America's field servicing operations*, *Housing Wire* (Aug. 2, 2012), <http://www.housingwire.com/news/safeguard-buys-bank-americas-field-servicing-operations>.

C. Complainants' Methodology for Evaluating Bank of America's REOs

Beginning in 2009 and continuing through the present, NFHA and a number of its member organizations have investigated how Bank of America maintains and markets its REO properties nationwide. In 2011 and 2012, Complainants evaluated hundreds of single-family and townhome REO properties owned, serviced, and/or managed by Bank of America in the following 13 metropolitan areas: (1) Oakland, Richmond, and Concord, CA; (2) Grand Rapids, MI; (3) Atlanta, GA; (4) Dayton, OH; (5) Miami, FL; (6) Dallas, TX; (7) Phoenix, AZ; and (8) Metropolitan Washington, DC; (9) Orlando, FL; (10) Charleston, SC; (11) Chicago, IL; (12) Milwaukee, WI; and (13) Indianapolis, IN. Overall, Complainants evaluated 505 Bank of America REO properties in these 13 metropolitan areas. As described below, this investigation revealed significant racial disparities in Bank of America's maintenance and marketing of REO properties throughout the nation.

In conducting these investigations of Bank of America's REO properties, Complainants employed a methodology that it developed for evaluating how REO properties are maintained and marketed and measuring whether there are differences between how REO properties are maintained and marketed in communities of color compared to REO properties in predominantly White communities. Under this methodology, Complainants evaluated over three dozen objective factors in seven different categories – curb appeal, structure, signage and occupancy, paint and siding, gutters, water damage, and utilities – that allow Complainants to document the type, number and severity of the maintenance and marketing problems or deficiencies at each property. The following chart identifies the seven categories and over three dozen objective factors in those seven categories.

Category 1: Curb Appeal	Category 2: Structure	Category 3: Signage & Occupancy
Trash	Unsecured/Broken Doors and Locks	Trespassing or Warning Signs
Mail Accumulated	Damaged Steps and Handrails	Marketed as Distressed Property
Overgrown Grass or Leaves	Damaged Windows (Broken, Boarded)	“For Sale” Sign Missing
Overgrown or Dead Shrubbery	Damaged Roof	Broken and Discarded Signage
10% to 50% of Lawn Covered With Dead Grass	Damaged Fence	Unauthorized Occupancy
Over 50% of Lawn Covered With Dead Grass	Holes	Miscellaneous
10% to 50% of Property Covered With Invasive Plants	Wood Rot	
Over 50% of Property Covered With Invasive Plants	Miscellaneous	
Broken Mailbox		
Miscellaneous		

Category 4: Painting & Siding	Category 5: Gutters	Category 6: Water Damage	Category 7: Utilities
Graffiti	Missing/Out of Place	Water Damage	Exposed or Tampered with
Peeling/Chipped Paint	Broken/Hanging	Mold - Small Amount	
Damaged Siding	Obstructed	Mold - Pervasive	
Missing Shutters (not attached/secure)	Miscellaneous	Miscellaneous	
Miscellaneous			

In each metropolitan area where Complainants evaluated Bank of America’s REO properties, they selected certain zip codes that have communities made up of predominantly African-American residents, Latino residents, Non-White residents, and/or White residents and have foreclosure rates that are high for those metropolitan areas.⁵ Next, Complainants identified all of Bank of America’s REO properties in the relevant zip codes, and they evaluated all of the Bank of America REO properties (unless they were already occupied or under renovation at the time of the site visit).

⁵ To determine the racial or ethnic composition of the communities in which Bank of America’s REO properties were located, Complainants relied upon 2010 U.S. Census Bureau Block Group Data (or Block Data where available). Communities were defined as “White” if the surrounding block group (or block where available) was over 50% White, “African-American” if the surrounding block group was over 50% African-American, “Latino” if the block group (or block where available) contained over 50% Hispanic residents, and “Majority Non-White” if the White population of the surrounding block group (or block where available) was less than 50% and no other single racial or ethnic group comprised over 50% of the population alone. Hereinafter, where Complainants refer to “communities of color,” they collectively refer to all REO properties in African-American, Latino and Majority Non-White communities.

D. Investigation Reveals Stark Racial Disparities in How Bank of America Maintains and Markets REO Properties in Communities of Color Compared to Predominantly White Communities

Throughout its investigation of Bank of America's REO properties in 2011 and 2012, Complainants observed stark racial disparities in Bank of America's maintenance and marketing of REO properties between communities of color and predominantly White communities. In the 13 metropolitan areas where Complainants evaluated a number of Bank of America's REO properties, the data and pictures collected in this investigation demonstrate that Bank of America has engaged in a systemic and particularized practice of maintaining and marketing its REO properties in a state of disrepair in communities of color while maintaining and marketing REO properties in predominantly White communities in a materially better condition.

In each of the metropolitan areas where Complainants evaluated a number of Bank of America REOs in communities of color and White communities, the properties in White communities were far more likely to have a small number of maintenance deficiencies or problems than REO properties in communities of color, while REO properties in communities of color were far more likely to have large numbers of such deficiencies or problems than those in White communities. In addition, in these metropolitan areas, Complainants observed significant racial disparities in many of the objective factors evaluated. Accordingly, in these metropolitan areas, Complainants observed a systemic and particularized practice of engaging in differential treatment in maintaining and/or marketing REO properties on the basis of race, color and/or national origin.

In two metropolitan areas—Washington, DC and Phoenix, AZ—there were fewer Bank of America REO properties in predominantly White areas to evaluate than in other metropolitan areas when Complainants undertook their investigation of Bank of America REO properties in communities of color. A major reason why there were significantly fewer Bank of America REO properties available to evaluate in predominantly White communities in these two metropolitan areas than in other metropolitan areas is that Bank of America does a far superior job maintaining and marketing REO properties in White communities, which means those properties are sold much faster and, in turn, reduces Bank of America's REO inventory in White communities at any point in time. Nevertheless, Bank of America's poor maintenance and marketing of REO properties in communities of color in Washington, DC and Phoenix is consistent with the poor level of maintenance and marketing provided to communities of color that Complainants investigated throughout the nation. Moreover, in these two metropolitan areas, Complainants found that the number of maintenance or marketing deficiencies in communities of color was consistently, and on average, higher than REO properties in White communities that were evaluated throughout the nation.

Below, Complainants report the racial disparities in maintenance and marketing of Bank of America REO properties in the 13 metropolitan areas. In addition to the following reported figures, Complainants have attached Exhibit A, which provides photographs of REO properties in communities of color and White communities in each of the 13 metropolitan areas. The photographs illustrate the stark differences in maintenance and marketing performed by Bank of America in communities of color compared to White communities.

Finally, Complainants have attached Exhibit B, which provides a map of each metropolitan area reporting on the location of each Bank of America property evaluated by Complainants, the racial make-up of the community in which each REO property is located, and the number of maintenance and marketing deficiencies found at each property. The maps in Exhibit B provide a further illustration of how Bank of America maintains and markets REO properties in communities of color in a far worse manner than it does in White communities throughout America.

1. Oakland, Richmond & Concord, California

In Oakland, Richmond, and Concord, CA, Complainants evaluated 52 Bank of America REO properties, 11 of which were located in predominantly African-American communities, 5 of which were in predominantly Latino communities, 23 of which were in predominantly non-White communities, and 13 of which were located in predominantly White communities.

In Oakland, Richmond, and Concord, CA, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in White communities were 4.5 times as likely as REO properties in communities of color to have **fewer than 5 maintenance or marketing deficiencies**. (46.2% of REO properties in White communities had fewer than 5 deficiencies, while only 10.3% of REO properties in communities of color had fewer than 5 deficiencies).
- REO properties in communities of color were 1.5 times as likely as REOs in White communities to have **more than 5 maintenance or marketing deficiencies**. (82.1% of REO properties in communities of color had more than 5 deficiencies, while only 53.8% of REO properties in White communities had more than 5 deficiencies).
- REO properties in communities of color were 4.7 times as likely as REOs in White communities to have **more than 10 maintenance or marketing deficiencies**. (35.9% of REO properties in communities of color had more than 10 deficiencies, while only 7.7% of REO properties in White communities had more than 10 deficiencies).
- 10.3% of REO properties in communities of color **had more than 15 maintenance or marketing deficiencies**, while none of REO properties in White communities had more than 15 deficiencies.

In Oakland, Richmond, and Concord, CA, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.7 times as likely as REOs in White communities to have **substantial amounts of trash**. (76.9% of REO properties in communities of color had substantial amounts of trash, while only 46.2% of REO properties in White communities had the same problem).

- REO properties in communities of color were 3 times as likely as REOs in White communities to have between **10% and 50% of their lawns covered in dead grass**. (46.2% of REO properties in communities of color had between 10% and 50% of their lawns covered in dead grass, while only 15.4% of REO properties in White communities had the same problem).
- 7.7% of REO properties in communities of color had a **broken mailbox**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 5 times as likely as REOs in White communities to have **broken doors or locks**. (38.5% of REO properties in communities of color had broken doors or locks, while only 7.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 6.7 times as likely as REOs in White communities to have **damaged windows**. (51.3% of REO properties in communities of color had damaged windows, while only 7.7% of REO properties in White communities had the same problem).
- 7.7% of REO properties in communities of color had a **damaged roof**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.67 times as likely as REOs in White communities to have **holes in the structure**. (38.5% of REO properties in communities of color had holes in the structure, while only 23.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have a **trespass or warning sign**. (48.7% of REO properties in communities of color had a trespass or warning sign, while only 23.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.3 times as likely as REOs in White communities to be **marketed as distressed**. (17.9% of REO properties in communities of color were marketed as distressed, while only 7.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to **not have a “for sale” sign**. (71.8% of REO properties in communities of color did not have a “for sale” sign, while only 46.2% of REO properties in White communities had the same problem). Put differently, REO properties in White communities were 1.9 times as likely as REO properties in communities of color to have a “for sale” sign.

- 15.4% of REO properties in communities of color had **graffiti**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have **peeling or chipped paint**. (71.8% of REO properties in communities of color had peeling or chipped paint, while only 23.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have **damaged siding**. (48.7% of REO properties in communities of color had damaged siding, while only 15.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.7 times as likely as REOs in White communities to have **water damage**. (41.0% of REO properties in communities of color had damaged siding, while only 15.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.7 times as likely as REOs in White communities to have **a small amount of mold**. (20.5% of REO properties in communities of color had a small amount of mold, while only 7.7% of REO properties in White communities had the same problem).
- 17.9% of REO properties in communities of color had **utilities that were exposed or tampered with**, while none of REO properties in White communities had the same problem).

2. Grand Rapids, Michigan

In Grand Rapids, Complainants evaluated 87 Bank of America REO properties, 22 of which were located in predominantly African-American communities, 3 of which were in predominantly Latino communities, 9 of which were in predominantly non-White communities, and 53 of which were located in predominantly White communities.

In Grand Rapids, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in White communities were 6.4 times as likely as REO properties in communities of color to have **fewer than 5 maintenance or marketing deficiencies**. (18.9% of REO properties in White communities had fewer than 5 deficiencies, while only 2.9% of REO properties in communities of color had fewer than 5 deficiencies).
- REO properties in communities of color were 1.3 times as likely as REOs in White communities to have **more than 5 maintenance or marketing deficiencies**. (97.1% of

REO properties in communities of color had more than 5 deficiencies, while only 77.4% of REO properties in White communities had more than 5 deficiencies).

- REO properties in communities of color were 2.3 times as likely as REOs in White communities to have **more than 10 maintenance or marketing deficiencies**. (82.4% of REO properties in communities of color had more than 10 deficiencies, while only 35.9% of REO properties in White communities had more than 10 deficiencies).
- REO properties in communities of color were 17.1 times as likely as REOs in White communities to have **more than 15 maintenance or marketing deficiencies**. (32.4% of REO properties in communities of color had more than 15 deficiencies, while only 1.9% of REO properties in White communities had more than 15 deficiencies).

In Grand Rapids, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **substantial amounts of trash on the property**. (97.1% of REO properties in communities of color had substantial amounts of trash on the property, while only 62.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (35.3% of REO properties in communities of color had overgrown or dead shrubbery, while only 24.5% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.3 times as likely as REOs in White communities to have **between 10% and 50% of their lawns covered in dead grass**. (8.8% of REO properties in communities of color had between 10% and 50% of their lawns covered in dead grass, while only 3.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **broken doors or locks**. (35.3% of REO properties in communities of color had broken doors or locks, while only 17.0% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.2 times as likely as REOs in White communities to have **damaged steps or handrails**. (47.1% of REO properties in communities of color had damaged steps or handrails, while only 11.32% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **damaged windows**. (64.7% of REO properties in communities of color had damaged windows, while only 30.2% of REO properties in White communities had the same problem).

- REO properties in communities of color were 3.7 times as likely as REOs in White communities to have a **damaged roof**. (55.9% of REO properties in communities of color had a damaged roof, while only 15.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have a **damaged fence**. (64.71 % of REO properties in communities of color had a damaged fence, while only 47.2% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.2 times as likely as REOs in White communities to have **holes in the structure**. (44.1% of REO properties in communities of color had holes in the structure, while only 20.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.2 times as likely as REOs in White communities to have **rotted wood in the structure**. (61.8% of REO properties in communities of color had rotted wood in the structure, while only 28.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.7 times as likely as REOs in White communities to have a **trespassing or warning sign**. (50.0% of REO properties in communities of color had a trespassing or warning sign, while only 30.2% of REO properties in White communities had the same problem).
- 17.7% of REO properties in communities of color had **graffiti**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **peeling or chipped paint**. (97.1% of REO properties in communities of color had peeling or chipped paint, while only 71.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **damaged siding**. (88.2% of REO properties in communities of color had damaged siding, while only 64.2% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **broken or hanging gutters**. (23.5% of REO properties in communities of color had broken or hanging gutters, while only 15.1% of REO properties in White communities had the same problem).

- REO properties in communities of color were 2.5 times as likely as REOs in White communities to have **water damage**. (47.1% of REO properties in communities of color had water damage, while only 18.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **a small amount of mold**. (64.7% of REO properties in communities of color had water damage, while only 52.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **pervasive mold**. (11.8% of REO properties in communities of color had pervasive mold, while only 7.6% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **utilities that were exposed or tampered with**. (26.5% of REO properties in communities of color had utilities that were exposed or tampered with, while only 15.1% of REO properties in White communities had the same problem).

3. Atlanta, Georgia

In Atlanta, Complainants evaluated 71 Bank of America REO properties, 59 of which were located in predominantly African-African communities, 1 of which was in a predominantly Latino community, 5 of which were in predominantly non-White communities, and 6 of which were located in predominantly White communities.

In Atlanta Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in communities of color were 1.5 times as likely as REOs in White communities to have **more than 5 maintenance or marketing deficiencies**. (76.9% of REO properties in communities of color had more than 5 deficiencies, while only 50% of REO properties in White communities had more than 5 deficiencies).
- 40% of REO properties in communities of color had **more than 10 deficiencies**, while none of REO properties in White communities had more than 10 deficiencies).

In Atlanta, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **substantial amounts of trash**. (61.5% of REO properties in communities of color had substantial amounts of trash, while only 50% of REO properties in White communities had the same problem).

- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **overgrown grass and leaves**. (61.5% of REO properties in communities of color had overgrown grass and leaves, while only 50% of REO properties in White communities had the same problem).
- 32.2% of REO properties in communities of color had **overgrown or dead shrubbery**, while none of REO properties in White communities had the same problem.
- 15.4% of REO properties in communities of color had **dead grass on between 10% and 50% of the lawn**, while none of REO properties in White communities had the same problem.
- 12.3% of REO properties in communities of color had **invasive plants on between 10% and 50% of the property**, while none of REO properties in White communities had the same problem.
- 18.5% of REO properties in communities of color had **a broken mailbox**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **a broken door**. (30.8% of REO properties in communities of color had **a broken door**, while only 16.7% of REO properties in White communities had the same problem).
- 18.5% of REO properties in communities of color had **damaged steps or handrails**, while none of REO properties in White communities had the same problem.
- 20% of REO properties in communities of color had **a damaged roof**, while none of REO properties in White communities had the same problem.
- 32.3% of REO properties in communities of color had **a damaged fence** while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **holes in the property**. (30.8 % of REO properties in communities of color had holes in the property, while only 16.7% of REO properties in White communities had the same problem).
- 7.7% of REO properties in communities of color were **marketed as distressed properties**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to **not have a “for sale” sign**. (80% of REO properties in communities of color did not have a “for sale” sign, while only 50% of REO properties in White communities had the same problem). Put differently, REO properties in White

communities were 2.5 times as likely as REO properties in communities of color to have a “for sale” sign.

- 4.6% of REO properties in communities of color **had a broken sign**, while none of REO properties in White communities had the same problem.
- 7.7% of REO properties in communities of color **had graffiti**, while none of REO properties in White communities had the same problem.
- 58.5% of REO properties in communities of color **had peeling or chipped paint**, while none of REO properties in White communities had the same problem.
- 41.5% of REO properties in communities of color **had damaged siding**, while none of REO properties in White communities had the same problem.
- 24.6% of REO properties in communities of color **had broken gutters**, while none of REO properties in White communities had the same problem.
- 9.2% of REO properties in communities of color **had water damage**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 3 times as likely as REOs in White communities to have **a small amount of mold**. (49.2% of REO properties in communities of color had a small amount of mold, while only 16.7% of REO properties in White communities had the same problem).
- 10.8% of REO properties in communities of color had **pervasive mold**, while none of REO properties in White communities had the same problem.
- 29.2% of REO properties in communities of color had **utilities that were tampered with or exposed**, while none of REO properties in White communities had the same problem.

4. Dayton, Ohio

In Dayton, Ohio, Complainants evaluated 24 Bank of America REO properties, 12 of which were located in predominantly African-American communities, and 12 of which were located in predominantly White communities.

In Dayton, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in African-American communities were 1.2 times as likely as REOs in White communities to have **more than 5 maintenance or marketing deficiencies**. (91.67% of REO properties in African-American communities had more than 5 maintenance or marketing deficiencies, while 75% of REO properties in White communities had more than 5 deficiencies).

- REO properties in African-American communities were 2.3 times as likely as REOs in White communities to have **more than 10 deficiencies**. (58.3% of REO properties in African-American communities had more than 10 deficiencies, while only 25% of REO properties in White communities had more than 10 deficiencies).
- 17% of REO properties in African-American communities **had more than 15 deficiencies**, while none of REO properties in White communities had more than 15 deficiencies.

In Dayton, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in African-American communities were 1.5 times as likely as REOs in White communities to have **overgrown grass or accumulated leaves**. (75% of REO properties in African-American communities had overgrown grass or accumulated leaves, while only 50% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 1.5 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (50% of REO properties in African-American communities had overgrown or dead shrubbery, while only 33.3% of REO properties in White communities had the same problem).
- 16.7% of REO properties in African-American communities had **between 10% and 50% of their lawns covered in dead grass**, while 0% of REO properties in White communities had the same problem.
- REO properties in African-American communities were 1.8 times as likely as REOs in White communities to have **invasive plants on between 10% and 50% of the property**. (75% of REO properties in African-American communities had invasive plants on between 10% and 50% of the property, while 41.7% of the REO properties in White communities have the same problem).
- REO properties in African-American communities were 2 times as likely as REOs in White communities to have a **broken mailbox**. 33% of REO properties in African-American communities had a broken mailbox, while 17% of the REO properties in White communities have the same problem.
- REO properties in African-American communities were 1.7 times as likely as REOs in White communities to have **broken doors or locks**. (41.67% of REO properties in African-American communities had broken doors or locks, while only 25% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 1.7 times as likely as REOs in White communities to have **damaged steps**. (41.67% of REO properties in African-

American communities had damaged steps, while only 25% of REO properties in White communities had the same problem).

- REO properties in African-American communities were 1.5 times as likely as REOs in White communities to have **damaged windows**. (50% of REO properties in African-American communities had damaged windows, while only 33.3% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 3 times as likely as REOs in White communities to have **holes in the structure**. 50% of REO properties in African-American communities had holes in the structure, while only 16.7% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 1.7 times as likely as REOs in White communities to have **peeling or chipped paint**. (83.3% of REO properties in African-American communities had peeling or chipped paint, while only 50% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 2 times as likely as REOs in White communities to have missing gutters. (33.3% of REO properties in African-American communities had **missing gutters**, while only 16.7% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 2.5 times as likely as REOs in White communities to have **broken gutters**. (41.7% of REO properties in African-American communities had broken gutters, while only 16.7% of REO properties in White communities had the same problem).
- REO properties in African-American communities were 2 times as likely as REOs in White communities to have **exposed or tampered with utilities**. (50% of REO properties in African-American communities had exposed or tampered with utilities, while only 25% of REO properties in White communities had the same problem).

5. Miami, Florida

In Miami, Florida, Complainants evaluated 25 Bank of America REO properties, 8 of which were located in predominantly African-American communities, 2 of which were located in predominantly Latino communities, 4 of which were in predominantly non-White communities, and 11 of which were located in predominantly White communities.

In Miami, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in White communities were 2.1 times as likely as REO properties in communities of color to have **fewer than 5 maintenance or marketing deficiencies**. (45.5% of REO properties in White communities had fewer than 5 maintenance or

marketing deficiencies, while only 21.4% of REO properties in communities of color had fewer than 5 deficiencies).

- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **more than 5 maintenance or marketing deficiencies**. (78.6% of REO properties in communities of color had more than 5 maintenance or marketing deficiencies, while 54.6% of REO properties in White communities had more than 5 deficiencies).
- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have **more than 10 maintenance or marketing deficiencies**. (28.6% of REO properties in communities of color had more than 10 maintenance or marketing deficiencies, while only 9.1% of REO properties in White communities had more than 10 deficiencies).

In Miami, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **substantial amounts of trash**. (57.1% of REO properties in communities of color had substantial amounts of trash, while only 36.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **accumulated mail**. (14.3% of REO properties in communities of color had accumulated mail, while only 9.1% of REO properties in White communities had the same problem).
- 42.9% of REO properties in communities of color had **overgrown shrubbery**, while none of the REO properties in White communities had the same problem.
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **invasive plants on between 10% and 50% of the property**. (14.3% of REO properties in communities of color had invasive plants on between 10% and 50% of the property, while only 9.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.4 times as likely as REOs in White communities to have a **broken mailbox**. (21.4% of REO properties in communities of color had a broken mailbox, while only 9.1% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have an **unsecured or broken door**. (50% of REO properties in communities of color had unsecured or broken doors, while only 36.4% of REO properties in White communities had the same problem).

- 42.9% of REO properties in communities of color had **damaged windows**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have a **damaged roof**. (29% of REO properties in communities of color had a damaged roof, while only 9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have a **damaged fence**. (28.6% of REO properties in communities of color had a damaged fence, while only 18.2% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **holes in the structure**. (50% of REO properties in communities of color had holes in the structure, while only 36.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have rotted wood in the structure. (50% of REO properties in communities of color had **rotted wood in the structure**, while only 27.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have signage on unauthorized occupancy. (42.9% of REO properties in communities of color had **trespassing or warning signs**, while only 27.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.3 times as likely as REOs in White communities to have peeling or chipped paint. (35.7% of REO properties in communities of color had **peeling or chipped paint**, while only 27.3% of REO properties in White communities had the same problem).

6. Dallas, Texas

In Dallas, Texas, Complainants evaluated 65 Bank of America REO properties, 31 of which were located in predominantly African-American communities, 17 of which were in predominantly Latino communities, 6 of which were in predominantly non-White communities, and 11 of which were located in predominantly White communities.

In Dallas, Texas, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in White communities were 1.6 times as likely as REO properties in communities of color to have **fewer than 5 maintenance or marketing deficiencies**.

(9.1% of REO properties in White communities had fewer than 5 deficiencies, while only 5.6% of REO properties in communities of color had fewer than 5 deficiencies).

- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have **more than 10 maintenance or marketing deficiencies**. (27.8% of REO properties in communities of color had more than 10 deficiencies, while only 9.1% of REO properties in White communities had more than 10 deficiencies).

In Dallas, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.9 times as likely as REOs in White communities to have **substantial amounts of trash**. (68.5% of REO properties in communities of color had substantial amounts of trash, while only 36.4% of REO properties in White communities had the same problem).
- 20.4% of REO properties in communities of color had **accumulated mail**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 3 times as likely as REOs in White communities to have **overgrown grass or leaves**. (81.5% of REO properties in communities of color had overgrown grass or leaves, while only 27.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (63% of REO properties in communities of color had overgrown or dead shrubbery, while only 45.5% of REO properties in White communities had the same problem).
- 14.8% of REO properties in communities of color had a **broken mailbox**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 4.5 times as likely as REOs in White communities to have **broken doors or locks**. (40.7% of REO properties in communities of color had broken doors or locks, while only 9.1% of REO properties in White communities had the same problem).
- 14.8 of REO properties in communities of color had **damaged steps or handrails**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.6 times as likely as REOs in White communities to have **damaged windows**. (29.6% of REO properties in communities of color had damaged windows, while only 18.2% of REO properties in White communities had the same problem).

- 13% of REO properties in communities of color were **marketed as distressed**, while none of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.8 times as likely as REOs in White communities to have **damaged siding**. (50% of REO properties in communities of color had damaged siding, while only 18.2% of REO properties in White communities had the same problem).
- 5.6% of REO properties in communities of color had **missing shutters**, while none of REO properties in White communities had the same problem).
- 22.2% of REO properties in communities of color had **water damage**, while none of REO properties in White communities had the same problem).
- 11.1% of REO properties in communities of color had **a small amount of mold**, while none of REO properties in White communities had the same problem).
- REO properties in communities of color were 3.1 times as likely as REOs in White communities to have **utilities that were exposed or tampered with**. (68.5% of REO properties in communities of color had utilities that were exposed or tampered with, while only 36.4% of REO properties in White communities had the same problem).

7. Phoenix, Arizona

In Phoenix, Arizona, Complainants evaluated 8 Bank of America REO properties, 7 of which were in predominantly Latino communities, and 1 of which was located in a predominantly White community. As noted above, in Phoenix, Complainants found that Bank of America engaged in poor maintenance and marketing of REO properties in communities of color. This poor maintenance and marketing in communities of color was consistent with the poor maintenance and marketing of Bank of America's REO properties in communities of color throughout the nation that Complainants found in their investigation. Furthermore, Bank of America's REO properties in communities of color in Phoenix had a higher average number of maintenance or marketing deficiencies than REO properties in White communities that Complainants evaluated nationally.

In Phoenix, Complainants specifically found that:

- None of the REO properties in communities of color had **fewer than 5 maintenance or marketing deficiencies**, and the REO property in a White community had fewer than five deficiencies.
- 100% of the REO properties in communities of color **had more than 5 maintenance or marketing deficiencies**.
- 42.9% of REO properties in communities of color had **more than 10 maintenance or marketing deficiencies**.

- 14.3% of REO properties in communities of color had **more than 15 maintenance or marketing deficiencies**.
- 71% of REO properties in communities of color had **substantial amounts of trash**, while the REO property in a White community did not have the same problem.
- 28.6% of REO properties in communities of color had **overgrown grass or leaves**, while the REO property in a White community did not have the same problem.
- 42.9% of REO properties in communities of color had **overgrown or dead shrubbery**, while the REO property in a White community did not have the same problem.
- 71.4% of REO properties in communities of color had **dead grass on more than 50% of the lawn**.
- 42.9% of REO properties in communities of color had **broken doors or locks**, while the REO property in a White community did not have the same problem.
- 71.4% of REO properties in communities of color had **broken or boarded windows**, while the REO property in a White community did not have the same problem.
- 57.1% of REO properties in communities of color had a **damaged roof**, while the REO property in a White community did not have the same problem.
- 85.7% of REO properties in communities of color had a **damaged fence**, while the REO property in a White community did not have the same problem.
- 42.9% of REO properties in communities of color had **rotted wood on the structure**, while the REO property in a White community did not have the same problem.
- 71.4% of REO properties in communities of color had a **trespassing or warning sign**, while the REO property in a White community did not have the same problem.
- 85.7% of REO properties in communities of color **did not have a “for sale” sign**, while the REO property in a White community did not have the same problem.
- 100% of REO properties in communities of color had **peeling or chipped paint**, while the REO property in a White community did not have the same problem.
- 57.1% of REO properties in communities of color had **damaged siding**, while the REO property in a White community did not have the same problem.
- 42.9% of REO properties in communities of color had **missing gutters**, while the REO property in a White community did not have the same problem.

- 28.6% of REO properties in communities of color had **water damage**, while the REO property in a White community did not have the same problem.
- 28.6% of REO properties in communities of color had **exposed or tampered with utilities**.

8. Washington, DC

In the Washington, DC metropolitan area, Complainants evaluated 41 Bank of America REO properties, 40 of which were in predominantly African-American communities, and 1 of which was located in a predominantly White community. As noted above, in Washington, DC, Complainants found that Bank of America engaged in poor maintenance and marketing of REO properties in communities of color. This poor maintenance and marketing in communities of color was consistent with the poor maintenance and marketing of Bank of America's REO properties in communities of color throughout the nation that Complainants found in their investigation. Furthermore, Bank of America's REO properties in communities of color in Washington, DC had a higher average number of maintenance or marketing deficiencies than REO properties in White communities that Complainants evaluated nationally.

In the Washington, DC metropolitan area, Complainants found that:

- Only 5% of the REO properties in communities of color had **fewer than 5 maintenance or marketing deficiencies**, and the REO property in a White community had fewer than five deficiencies.
- 92.5% of the REO properties in communities of color **had more than 5 maintenance or marketing deficiencies**, and the REO property in a White community did not have more than 5 deficiencies.
- 37.5% of REO properties in communities of color had **more than 10 maintenance or marketing deficiencies**, and the single REO property in a White community did not have more than 10 deficiencies.
- 12.5% of REO properties in communities of color had **more than 15 maintenance or marketing deficiencies**, and the single REO property in a White community did not have more than 15 deficiencies.
- 70% of REO properties in communities of color had **substantial amounts of trash**, while the REO property in a White community did not have the same problem.
- 37.5% of REO properties in communities of color had **overgrown grass or leaves**, while the REO property in a White community did not have the same problem.
- 52.2% of REO properties in communities of color had **overgrown or dead shrubbery**, while the REO property in a White community did not have the same problem.

- 32.5% of REO properties in communities of color had **dead grass on between 10% and 50% of the lawn.**
- 37.5% of REO properties in communities of color had **invasive plants on between 10% and 50% of the property**, while the REO property in a White community did not have the same problem.
- 20% of REO properties in communities of color had **invasive plants on more than 50% of the property**, while the REO property in a White community did not have the same problem.
- 30% of REO properties in communities of color had **broken doors or locks**, while the REO property in a White community did not have the same problem.
- 37.5% of REO properties in communities of color had **broken or boarded windows**, while the REO property in a White community did not have the same problem.
- 25% of REO properties in communities of color had a **damaged roof**, while the REO property in a White community did not have the same problem.
- 45.0% of REO properties in communities of color had a **damaged fence**, while the REO property in a White community did not have the same problem.
- 17.5% of REO properties in communities of color had **holes in the structure** while the REO property in a White community did not have the same problem.
- 25% of REO properties in communities of color had **rotted wood on the structure** while the REO property in a White community did not have the same problem.
- 25% of REO properties in communities of color were **marketed as distressed** while the REO property in a White community did not have the same problem.
- 80% of REO properties in communities of color **did not have a “for sale” sign.**
- 72.5% of REO properties in communities of color had **peeling or chipped paint.**
- 47.5% of REO properties in communities of color had **damaged siding**, while the REO property in a White community did not have the same problem.
- 20% of REO properties in communities of color had **water damage**, while the REO property in a White community did not have the same problem.
- 25% of REO properties in communities of color had **a small amount of mold**, while the REO property in a White community did not have the same problem.

- 15% of REO properties in communities of color had **pervasive mold**, while the REO property in a White community did not have the same problem.
- 35% of REO properties in communities of color had **exposed or tampered with utilities**, while the REO property in a White community did not have the same problem.

9. Orlando, Florida

In Orlando, Complainants evaluated 14 Bank of America REO properties, 9 of which were located in predominantly African-African communities, and 5 of which were located in predominantly White communities.

In Orlando, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- REO properties in African-African communities were 1.7 times as likely as REOs in White communities to have **more than 10 maintenance or marketing deficiencies**. (66.7% of REO properties in African-African communities had more than 10 deficiencies, while only 40% of REO properties in White communities had more than 10 deficiencies).
- 22.2% of REO properties in African-African communities had **more than 15 deficiencies**, while none of REO properties in White communities had more than 15 deficiencies.

In Orlando, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- 55.6% of REO properties in African-African communities had **substantial amounts of trash on the property**, while none of REO properties in White communities had the same problem.
- REO properties in African-African communities were 1.7 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (33.3% of REO properties in African-African communities had overgrown or dead shrubbery, while only 20% of REO properties in White communities had the same problem).
- 33.3% of REO properties in African-African communities had **invasive plants on more than 50% of the property**, while none of REO properties in White communities had the same problem.
- REO properties in African-African communities were 2.2 times as likely as REOs in White communities to have **broken doors or locks**. (44.4% of REO properties in African-African communities had broken doors or locks, while only 20% of REO properties in White communities had the same problem).

- REO properties in African-African communities were 1.9 times as likely as REOs in White communities to have **damaged windows**. (77.8% of REO properties in African-African communities had damaged windows, while only 40% of REO properties in White communities had the same problem).
- REO properties in African-African communities were 3.4 times as likely as REOs in White communities to **not have a “for sale” sign**. (66.7% of REO properties in African-African communities did not have a “for sale” sign, while only 20% of REO properties in White communities had the same problem). Put differently, REO properties in White were 2.4 times as likely to have a for sale sign than REO properties in African-African communities.
- REO properties in African-African communities were 1.7 times as likely as REOs in White communities to have **damaged siding**. (33.3% of REO properties in African-African communities had damaged siding, while only 20% of REO properties in White communities had the same problem).
- REO properties in African-African communities were 2.2 times as likely as REOs in White communities to have **missing gutters**. (44.4% of REO properties in African-African communities had missing gutters, while only 20% of REO properties in White communities had the same problem).
- 22.2% of REO properties in African-African communities had **water damage**, while none of REO properties in White communities had the same problem.
- REO properties in African-African communities were 2.2 times as likely as REOs in White communities to have **exposed or tampered with utilities**. (44.4% of REO properties in African-African communities had exposed or tampered with utilities, while only 20.0% of REO properties in White communities had the same problem).

10. Charleston, South Carolina

In Charleston, South Carolina, Complainants evaluated 5 Bank of America REO properties, 3 of which were located in predominantly African-African communities, and 2 of which were located in predominantly White communities.

In Charleston, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- 100% of REO properties in White communities had **fewer than 5 deficiencies**, while none of REO properties in African-African communities had fewer than 5 deficiencies.
- 66.7% of REO properties in African-African communities had **more than 5 deficiencies**, while none of REO properties in White communities had more than 5 deficiencies.

- 33.3% of REO properties in African-African communities had **more than 10 deficiencies**, while none of REO properties in White communities had more than 10 deficiencies.

In Charleston, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- 33.3% of REO properties in African-African communities had **substantial amounts of trash**, while none of REO properties in White communities had the same problem.
- 66.7% of REO properties in African-African communities had **overgrown grass or leaves**, while none of REO properties in White communities had the same problem.
- 66.7% of REO properties in African-African communities had **overgrown or dead shrubbery**, while none of REO properties in White communities had the same problem.
- 33.3% of REO properties in African-African communities had **dead grass on between 10% and 50% of the lawn**, while none of REO properties in White communities had the same problem.
- 66.7% of REO properties in African-African communities had **invasive plants on between 10% and 50% of the lawn**, while none of REO properties in White communities had the same problem.
- 33.3% of REO properties in African-African communities had **broken doors or locks**, while none of REO properties in White communities had the same problem.
- 33.3% of REO properties in African-African communities had **damaged windows**, while none of REO properties in White communities had the same problem.
- REO properties in African-African communities were 2.0 times as likely as REOs in White communities to have **holes in the structure**. (100% of REO properties in African-African communities had holes in the structure, while only 50% of REO properties in White communities had the same problem).
- 33.3% of REO properties in African-African communities had **rotted wood in the structure**, while none of REO properties in White communities had the same problem.
- 33.3% of REO properties in African-African communities had **peeling or chipped paint**, while none of REO properties in White communities had the same problem.
- 33.3% of REO properties in African-African communities had **damaged siding**, while none of REO properties in White communities had the same problem.
- 66.7% of REO properties in African-African communities had **water damage**, while none of REO properties in White communities had the same problem.

- 33.3% of REO properties in African-African communities had **a small amount of mold**, while none of REO properties in White communities had the same problem.

11. Chicago, Illinois

In Chicago, Complainants evaluated 46 Bank of America REO properties, 19 of which were located in predominantly African-African communities, 8 of which were located in predominantly Latino communities, 2 of which were located in predominantly non-White communities, and 17 of which were located in predominantly White communities.

In Chicago, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- 47.1% of REO properties in White communities had **fewer than 5 deficiencies**, while only 10.3% of REO properties in communities of color had fewer than 5 deficiencies.
- 86.2% of REO properties in communities of color had **more than 5 deficiencies**, while only 52.9% of REO properties in White communities had more than 5 deficiencies.
- 37.9% of REO properties in communities of color had **more than 10 deficiencies**, while only 11.8% of REO properties in White communities had more than 10 deficiencies.
- 6.9% of REO properties in communities of color had **more than 15 deficiencies**, while none of REO properties in White communities had more than 15 deficiencies.

In Chicago, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **substantial amounts of trash on the property**. (51.7% of REO properties in communities of color had substantial amounts of trash, while only 29.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **dead grass on more than 50% of the lawn**. (10.3% of REO properties in communities of color had dead grass on more than 50% of the lawn, while only 5.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **invasive plants on between 10% and 50% of the property**. (24.1% of REO properties in communities of color had invasive plants on between 10% and 50% of the property, while only 17.7% of REO properties in White communities had the same problem).

- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **invasive plants on more than 50% of the property**. (10.3% of REO properties in communities of color had invasive plants on more than 50% of the property, while only 5.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.7 times as likely as REOs in White communities to have **broken doors or locks**. (55.2% of REO properties in communities of color had broken doors or locks, while only 11.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.7 times as likely as REOs in White communities to have **damaged steps or handrails**. (27.6% of REO properties in communities of color had damaged steps or handrails, while only 5.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 12.3 times as likely as REOs in White communities to have **damaged windows**. (72.4% of REO properties in communities of color had damaged windows, while only 5.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.0 times as likely as REOs in White communities to have **a damaged roof**. (34.5% of REO properties in communities of color had a damaged roof, while only 17.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **a damaged fence**. (41.4% of REO properties in communities of color had a damaged fence, while only 29.4% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.1 times as likely as REOs in White communities to have **holes in the structure**. (24.1% of REO properties in communities of color had holes in the structure, while only 5.9% of REO properties in White communities had the same problem).
- 20.7% of REO properties in communities of color had **rotted wood in the structure**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.2 times as likely as REOs in White communities to **not have a “for sale” sign**. (79.3% of REO properties in communities of color did not have a “for sale” sign, while only 64.7% of REO properties in White communities had the same problem). Put differently, REO properties in White communities were 1.7 times more likely than REOs in communities of color to have a “for sale” sign.

- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have a **trespassing or warning sign**. (62.1% of REO properties in communities of color had a trespassing or warning sign, while only 35.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.9 times as likely as REOs in White communities to have **graffiti**. (17.2% of REO properties in communities of color had graffiti, while only 5.9% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.7 times as likely as REOs in White communities to have **peeling or chipped paint**. (48.3% of REO properties in communities of color had peeling or chipped paint, while only 17.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **damaged siding**. (58.6% of REO properties in communities of color had damaged siding, while only 41.2% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.6 times as likely as REOs in White communities to have **missing gutters**. (31.0% of REO properties in communities of color had missing gutters, while only 11.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.5 times as likely as REOs in White communities to have **obstructed gutters**. (34.5% of REO properties in communities of color had obstructed gutters, while only 23.5% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **a small amount of mold**. (24.1% of REO properties in communities of color had a small amount of mold, while only 11.8% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **exposed or tampered with utilities**. (24.1% of REO properties in communities of color had exposed or tampered with utilities, while only 11.8% of REO properties in White communities had the same problem).

12. Milwaukee, Wisconsin

In Milwaukee, Complainants evaluated 45 Bank of America REO properties, 30 of which were located in predominantly African-African communities, 9 of which were located in predominantly non-White communities, and 6 of which were located in predominantly White communities.

In Milwaukee, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- 83.3% of REO properties in White communities had **fewer than 5 deficiencies**, while only 25.6% of REO properties in communities of color had fewer than 5 deficiencies.
- 51.3% of REO properties in communities of color had **more than 5 deficiencies**, while only 16.7% of REO properties in White communities had more than 5 deficiencies.

In Milwaukee, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 2.0 times as likely as REOs in White communities to have **substantial amounts of trash on the property**. (33.3% of REO properties in communities of color had substantial amounts of trash, while only 16.7% of REO properties in White communities had the same problem).
- 18.0% of REO properties in communities of color had **accumulated mail**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 2.3 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (38.5% of REO properties in communities of color had overgrown or dead shrubbery, while only 16.7% of REO properties in White communities had the same problem).
- 25.6% of REO properties in communities of color had **dead grass on between 10% and 50% of the lawn**, while none of REO properties in White communities had the same problem.
- 5.1% of REO properties in communities of color had **a broken mailbox**, while none of REO properties in White communities had the same problem.
- 41.0% of REO properties in communities of color had **broken doors or locks**, while none of REO properties in White communities had the same problem.
- 18.0 of REO properties in communities of color had **damaged steps or handrails**, while none of REO properties in White communities had the same problem.

- REO properties in communities of color were 3.4 times as likely as REOs in White communities to have **damaged windows**. (56.4% of REO properties in communities of color had damaged windows, while only 16.7% of REO properties in White communities had the same problem).
- 12.8% of REO properties in communities of color had a **damaged fence**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.7 times as likely as REOs in White communities to **not have a “for sale” sign**. (87.2% of REO properties in communities of color did not have a “for sale” sign, while only 50% of REO properties in White communities had the same problem). Put differently, REO properties in white communities were 3.9 times as a likely to have a “for sale” sign as REO properties in communities of color.
- 5.1% of REO properties in communities of color had **graffiti**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **damaged siding**. (20.5% of REO properties in communities of color had damaged siding, while only 16.7% of REO properties in White communities had the same problem).
- 7.7% of REO properties in communities of color had **missing gutters**, while none of REO properties in White communities had the same problem.
- 18.0% of REO properties in communities of color had **broken or hanging gutters**, while none of REO properties in White communities had the same problem.
- 5.1% of REO properties in communities of color had a **small amount of mold**, while none of REO properties in White communities had the same problem.
- 10.3% of REO properties in communities of color had **exposed or tampered with utilities**, while none of REO properties in White communities had the same problem.

13. Indianapolis, Indiana

In Indianapolis, Complainants evaluated 22 Bank of America REO properties, 6 of which were located in predominantly African-African communities, 1 of which was located in a predominantly non-White community, and 15 of which were located in predominantly White communities.

In Indianapolis, Complainants observed significant racial disparities in the number of maintenance and marketing deficiencies or problems. Complainants found that:

- 20% of REO properties in White communities had **fewer than 5 deficiencies**, while none of REO properties in communities of color had fewer than 5 deficiencies.
- 100% of REO properties in communities of color had **more than 5 deficiencies**, while only 66.7% of REO properties in White communities had more than 5 deficiencies.
- 85.7% of REO properties in communities of color had **more than 10 deficiencies**, while only 33.3% of REO properties in White communities had more than 10 deficiencies.

In Indianapolis, Complainants found significant racial disparities in many of the objective factors they measured. Observed disparities include:

- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **substantial amounts of trash on the property**. (71.4% of REO properties in communities of color had substantial amounts of trash, while only 60.0% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.7 times as likely as REOs in White communities to have **overgrown grass or leaves**. (71.4% of REO properties in communities of color had overgrown grass or leaves, while only 26.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to have **overgrown or dead shrubbery**. (57.1% of REO properties in communities of color had overgrown or dead shrubbery, while only 40.0% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.3 times as likely as REOs in White communities to have **dead grass on between 10% and 50% of the lawn**. (28.6% of REO properties in communities of color had dead grass on between 10% and 50% of the lawn, while only 6.7% of REO properties in White communities had the same problem).
- 14.3% of REO properties in communities of color had **dead grass on more than 50% of the lawn**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **invasive plants on between 10% and 50% of the property**. (28.6% of REO properties in communities of color had invasive plants on between 10% and 50% of the property, while only 13.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **broken doors or locks**. (57.1% of REO properties in communities of color had broken doors or locks, while only 26.7% of REO properties in White communities had the same problem).

- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **damaged steps or handrails**. (28.6% of REO properties in communities of color had damaged steps or handrails, while only 13.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **damaged windows**. (85.7% of REO properties in communities of color had damaged windows, while only 46.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 6.4 times as likely as REOs in White communities to have **a damaged roof**. (42.9% of REO properties in communities of color had a damaged roof, while only 6.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.8 times as likely as REOs in White communities to have **a damaged fence**. (71.4% of REO properties in communities of color had a damaged fence, while only 40.0% of REO properties in White communities had the same problem).
- REO properties in communities of color were 6.4 times as likely as REOs in White communities to have **holes in the structure**. (42.9% of REO properties in communities of color had holes in the structure, while only 6.7% of REO properties in White communities had the same problem).
- REO properties in communities of color were 1.2 times as likely as REOs in White communities to have **a trespassing or warning sign**. (83.3% of REO properties in communities of color had a trespassing or warning sign, while only 60.0% of REO properties in White communities had the same problem).
- 28.6% of REO properties in communities of color **were marketed as distressed**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 1.4 times as likely as REOs in White communities to **not have a “for sale” sign**. (100% of REO properties in communities of color did not have a “for sale” sign, while only 73.3% of REO properties in White communities had the same problem).
- 14.3% of REO properties in communities of color had **graffiti**, while none of REO properties in White communities had the same problem.
- REO properties in communities of color were 2.1 times as likely as REOs in White communities to have **missing gutters**. (28.6% of REO properties in communities of

color had missing gutters, while only 13.3% of REO properties in White communities had the same problem).

- REO properties in communities of color were 4.3 times as likely as REOs in White communities to have **broken gutters**. (57.1% of REO properties in communities of color had broken gutters, while only 13.3% of REO properties in White communities had the same problem).
- REO properties in communities of color were 4.3 times as likely as REOs in White communities to have **obstructed gutters**. (57.1% of REO properties in communities of color had obstructed gutters, while only 13.3% of REO properties in White communities had the same problem).
- 14.3% of REO properties in communities of color had **water damage**, while none of REO properties in White communities had the same problem.
- 14.3% of REO properties in communities of color had **a small amount of mold**, while none of REO properties in White communities had the same problem.

LEGAL ANALYSIS

FIRST CAUSE OF ACTION: 42 U.S.C. § 3604(b)

Section 3604(b) states it is unlawful “[t]o discriminate against any person in the terms, conditions, or privileges of sale . . . of a dwelling, or in the provision of services or facilities in connection therewith, because of race[.]” 42 U.S.C. § 3604(b). HUD’s implementing regulations state “[i]t shall be unlawful, because of race . . . , to impose different terms, conditions or privileges relating to the sale . . . of a dwelling or to deny or limit services or facilities in connection with the sale . . . of a dwelling.” 24 C.F.R. § 100.65(a), and in particular that “prohibited actions under this section include, but are not limited to: . . . *Failing or delaying maintenance or repairs of sale or rental dwellings because of race[.]*” *Id.* § 100.65(b)(2) (emphasis added). By consistently failing to undertake basic maintenance or repairs of REO properties in communities of color while consistently maintaining and/or repairing REO properties in predominantly White communities in a superior fashion, Bank of America engages in the “prohibited action” of “failing or delaying maintenance or repairs of sale . . . dwellings because of race,” *id.* § 100.65(b)(2), and thereby discriminates “in the terms, conditions, or privileges of sale . . . dwelling, or in the provision of services or facilities in connection therewith, because of race[.]” 42 U.S.C. § 3604(b).

SECOND CAUSE OF ACTION: 42 U.S.C. § 3604(c)

Section 3604(c) broadly prohibits discrimination in the advertising of dwellings for sale or rent. *See* 42 U.S.C. § 3604(c). HUD’s regulations state it is unlawful to “make, print, or publish” a discriminatory notice, statement or advertisement about a dwelling for sale, including through signs, banners, posters or any other documents. 24 C.F.R. § 100.75(a)-(b). In particular, “[d]iscriminatory notices, statements and advertisements include, but are not limited to”

“[s]electing media or locations for advertising the sale . . . of dwellings which deny particular segments of the housing market information about housing opportunities because of race,” *id.* § 100.75(c)(3), and “[r]efusing to publish advertising for the sale . . . of dwellings or requiring different charges or terms for such advertising because of race[.]” *Id.* § 100.75(c)(4). Bank of America’s practice of failing to advertise its REO properties with a “for sale” sign in communities of color at substantially the same rate as in predominantly White communities and its related practice of posting signs in communities of color that convey a message that homes are dangerous, undesirable, or distressed violates § 3604(c) and 24 C.F.R. § 100.75(c) and (d) by selecting advertising locations that deny communities of color vital information about opportunities to purchase REO properties, and by refusing to publish advertising or using different terms to advertise REO properties in communities of color, because of race.

THIRD CAUSE OF ACTION: 42 U.S.C. § 3604(d)

Section 3604(d) makes it unlawful “to represent to any person because of race . . . that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.” 42 U.S.C. § 3604(d). HUD’s implementing regulations state that “[i]t shall be unlawful, because of race . . . to provide inaccurate . . . information about the availability of dwellings for sale or rental,” including by “[l]imiting information, by word or conduct, regarding suitably priced dwellings available for inspection, sale or rental, because of race,” or by “[p]roviding . . . inaccurate information regarding the availability of a dwelling for sale . . . to any person . . . because of race[.]” 24 C.F.R. § 100.80(a), (b)(4)-(5). Through a combination of sub-standard maintenance, failing to market homes as “for sale,” and the affirmative marketing of these homes as dangerous, undesirable, or distressed, Bank of America violates § 3604(d) by conveying an inaccurate message to existing homeowners and prospective purchasers in communities of color that its REO properties in communities of color are “not available for inspection, [or] sale, . . . when such dwelling[s] [are] in fact so available,” because of the race of the homeowners or purchasers in these communities of color. 42 U.S.C. § 3604(d). In addition, the same practices drastically limit information or provide inaccurate information about the availability of REO properties because of race in violation of 24 C.F.R. § 100.80(b)(4), and (5).

FOURTH CAUSE OF ACTION: 42 U.S.C. § 3604(a)

Section 3604(a) states that it is unlawful to “refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race[.]” 42 U.S.C. § 3604(a). Bank of America’s differential treatment in maintenance and marketing of REO properties violates § 3604(a), as it “refuse[s] . . . to negotiate” or “us[es] different . . . sale . . . standards or procedures . . . or other requirements . . . because of race.” 24 C.F.R. § 100.60(b)(2), (4). Furthermore, these practices “restrict . . . the choices of a person by word or conduct in connection with seeking, negotiating for, buying . . . a dwelling so as to perpetuate, or tend to perpetuate, segregated housing patterns,” by conveying a message to prospective purchasers that REO properties in communities of color are not available or desirable. 24 C.F.R. § 100.70(a). Specifically, these practices “exaggerat[e] [the] drawbacks” of REO properties, “fail to inform” purchasers of “desirable features of a dwelling or of a community, neighborhood, or development,” and “discourag[e]” persons “from inspecting [or] purchasing” REO properties “because of the race . . . of persons in

a community, neighborhood, or development.” 24 C.F.R. § 100.70(c)(1)-(2). Finally, in the most severe instances of poor maintenance, Bank of America’s practices can cause REO properties in communities of color to fall into such disrepair that they cannot be restored and must be demolished, making them completely “unavailable” to purchasers. *See* 24 C.F.R. § 100.70(b).

* * *

By engaging in this unlawful conduct, Bank of America has harmed and continues to harm a range of individuals, including existing homeowners in communities of color, individuals who successfully purchase Bank of America’s REO properties, prospective purchasers who are interested in purchasing REO properties, NFHA and its Operating Members, and others.

Respectfully Submitted,

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