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Contact: Jessica Aiwuyor, National Fair Housing Alliance, (202) 898-1661,
jaiwuyor@nationalfairhousing.org
Amy Nelson, Fair Housing Center of Central Indiana, (317) 644-0673 x1001,
anelson@fhcci.org

Judge Denies Bank of America’s Motion to Dismiss in Critical Fair Housing Lawsuit

INDIANAPOLIS - Last week in Maryland, [a federal judge denied Bank of America and Safeguard’s motions](#) to dismiss a fair housing lawsuit concerning housing discrimination against communities of color. In June 2018, the National Fair Housing Alliance, along with 19 fair housing organizations (including the Fair Housing Center of Central Indiana) and two homeowners in Maryland, filed a federal Fair Housing Act lawsuit against Bank of America, N.A., and Safeguard Properties Management, LLC (“Bank of America/Safeguard”).

The lawsuit alleged that Bank of America and Safeguard intentionally failed to provide routine exterior maintenance and marketing at Bank of America-owned homes in African-American and Latino neighborhoods in 37 metropolitan areas, while they consistently maintained similar bank-owned homes in comparable White neighborhoods.

This lawsuit is the result of a multi-year investigation undertaken by NFHA and its fair housing agency partners. The fair housing groups investigated more than 1,600 Bank of America-owned homes in White, African-American, and Latino neighborhoods.

[More than 35,000 photos](#) document the relevant routine exterior maintenance conditions of the homes. In neighborhoods of color, Plaintiffs found evidence of consistently poor exterior maintenance, such as wildly overgrown grass and weeds, unsecured doors and windows, damaged steps and handrails, accumulated trash and debris, unsecured pools, graffiti, and even dead animals decaying in yards.

In response to the lawsuit, Bank of America and Safeguard filed a motion to dismiss the case. Judge Catherine Blake ruled against Bank of America and Safeguard and in favor of the plaintiffs on every challenge. Judge Blake held that plaintiffs sufficiently alleged disparate impact, that all of the plaintiffs have standing, that there was no statute of limitations issue with respect to the alleged claims, and that the court has specific jurisdiction.

The judge also found that the plaintiffs satisfied the proximate cause challenge and, importantly, found the defendants' arguments insufficient as to every section of the Fair Housing Act that was pled by the plaintiffs. In doing so the judge rejected defendants' ill-based arguments that foreclosed properties are not for sale or rental and that maintenance is not sufficiently "housing-related" to be covered by the FHA.

"This is a big development. We look forward to continuing with this lawsuit. Bank of America and Safeguard must be held accountable for their discriminatory actions, must make substantial changes to their policies and practices, and must make the communities they have harmed whole. Their inaction and refusal to maintain properties in communities of color has created a dangerous and harmful environment." Lisa Rice, CEO & President of the National Fair Housing Alliance.

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National Fair Housing Alliance

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

Fair Housing Center of Central Indiana

The Fair Housing Center of Central Indiana (FHCCI) is a private, nonprofit 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. More information on the FHCCI at: www.fhcci.org

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