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Contact: Deidre Swesnik, (202) 898-1661 x131
dswesnik@nationalfairhousing.org

Largest Property Preservation Company in Nation Continues to Discriminate in African American and Latino Neighborhoods

*Safeguard Properties Accused of Racial Discrimination in Charleston, Chicago, Denver, and
Indianapolis*

Today, the National Fair Housing Alliance (NFHA) filed an amended federal housing discrimination complaint against Safeguard Properties, highlighting evidence in Chicago, Denver, Indianapolis, and Charleston, and offering new evidence in the northern suburbs of Chicago. Headquartered in Ohio, Safeguard is the nation's largest privately-held property preservation company, also known as a field service vendor. Fannie Mae hires Safeguard to maintain its foreclosed homes, also known as Real Estate Owned or REO properties.

This most recent complaint, filed with the U.S. Department of Housing and Urban Development, is the result of an investigation into Safeguard Properties and its failure to maintain foreclosed homes in African-American and Latino neighborhoods as compared to White neighborhoods. Findings announced today present evidence of discrimination in **Chicago and its northern suburbs, Charleston, Denver, and Indianapolis**. Other cities in the original complaint include **Dayton, Toledo, Baton Rouge, New Orleans and Memphis**. NFHA and its partner agencies filed their first complaint against Safeguard Properties in March 2013. Failing to maintain homes based on the racial or ethnic composition of the neighborhood violates the federal Fair Housing Act.

Safeguard Properties was recently named in a [report](#) by the Federal Housing Finance Agency's Office of the Inspector General, which described how the preservation companies that the OIG reviewed provided inaccurate information and manipulated photographs in their reports to Fannie Mae. Despite the evidence presented in that report, **Safeguard is still under contract with Fannie Mae, and is being paid despite allegedly failing to fulfill the work it was contracted to do**. The Illinois Attorney General also has a [lawsuit](#) pending against Safeguard.

“It has been more than a year since we filed our first HUD complaint against Safeguard and met with them to point out the flaws in their maintenance of Fannie Mae's REOs, yet neither Safeguard nor Fannie Mae has done anything to ensure better quality control in the maintenance

of the homes in African American and Latino neighborhoods,” said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance.**

Yesterday, the American Heart Association published [new research](#) stating that living near a bank-owned foreclosed home that remains vacant leads to increased blood pressure. “NFHA has repeatedly stated that health problems are a consequence for people living near poorly maintained homes, and now the AHA has echoed our concerns,” **continued Smith.** “Fannie Mae, Safeguard, US Bank, Bank of America, and Deutsche Bank must do something immediately to eliminate these health concerns for adults and children.”

Safeguard is contracted to cover eight simple maintenance issues:

1. substantial accumulation of trash or debris;
2. overgrown grass/leaves;
3. overgrown or dead shrubbery;
4. invasive plants (covering 10% or more of the structure);
5. unsecured or broken doors;
6. unsecured or broken windows;
7. unsecured holes in the structure;
8. broken or missing steps and handrails.

The National Fair Housing Alliance/Charleston, Fair Housing Center of Central Indiana/Indianapolis, Denver Metro Fair Housing Center, HOPE Fair Housing Center/Chicago, South Suburban Housing Center/Chicago, and the Open Communities/Northern Suburbs of Chicago, described their findings in Chicago, Denver, Charleston, and Indianapolis. In all cities, the groups found significant amounts of trash, overgrown invasive plants, and unsecured holes in the building structures of homes in communities of color, while rarely finding the same problems in White neighborhoods.

NFHA and its member agencies are represented by Relman, Dane & Colfax PLLC located in Washington, D.C. Detailed statistics and photos are available at www.nationalfairhousing.org.

NFHA has also filed complaints regarding the maintenance and marketing of foreclosed homes against Bank of America, Deutsche Bank, and US Bank. Many of the neighborhoods investigated overlap. Added together, the blight and damage caused to these communities by the banks is compounded. Health and safety risks increase because of accumulated trash and overgrown lawns attracting rodents and insects and broken windows and doors inviting vandalism.

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

CITY-SPECIFIC INFORMATION

Charleston, SC:

- 50% of properties that Safeguard serviced in African-American neighborhoods had unsecured or broken doors, overgrown grass and leaves, and overgrown or dead shrubbery, while zero homes in White communities had any of these problems.
- Two-thirds of properties in White neighborhoods had no deficiencies whereas all properties in African-American communities had at least one deficiency.

“Overgrown plants and broken doors pose serious health hazards for Charleston residents,” said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance**. “How can Fannie Mae allow Safeguard to treat communities of color like this? Safeguard isn’t acting in the best interest of these neighbors whose investments in their homes are put at risk.”

Chicago:

- 25% of properties that Safeguard serviced in African-American communities had significant trash accumulation, 19% had unsecured holes in the structure, and 14% had damaged steps or handrails, while zero homes in White neighborhoods had these same problems.
- 70% of properties in White neighborhoods had zero deficiencies, while only 25% in African-American communities had no deficiencies.

“Safeguard needs to ensure they are protecting children and the safety of the community,” said **Anne Houghtaling, Executive Director of HOPE Fair Housing Center**. “By not properly securing the structure and leaving significant trash on the property, Safeguard encourages vandalism. Just one home damaged by fire and left in disrepair can cause health issues for neighbors and blight in the neighborhood.”

“Safeguard Properties’ failure to perform basic maintenance responsibilities has driven down the appeal and value of homes in our predominantly African-American communities, hampering recovery efforts in areas hardest hit by the foreclosure crisis,” said **John Petruszak, Executive Director, South Suburban Housing Center**.

Northern Suburbs of Chicago:

- 42% of properties that Safeguard serviced in African-American and Latino neighborhoods had holes in the structure compared to only 8% in White neighborhoods.
- Close to one-quarter of properties in White communities had no deficiencies at all, while all homes in African-American communities had some deficiencies.

“Safeguard must be held responsible for maintaining these properties,” said **Gail Schechter, Executive Director of Open Communities**. “No one at Safeguard or Fannie Mae would want to live next door to one of these poorly maintained REOs. So why should African-American and Latino homeowners have to suffer economic harm and threats to their health and safety?”

Denver:

- 29% of properties that Safeguard serviced in communities of color had unsecured holes in the building structure and trash accumulation, while zero homes in White neighborhoods had the same problems.

“It is clear that Safeguard disregards its responsibilities in communities of color,” said **Arturo Alvarado, Executive Director of the Denver Metro Fair Housing Center**. “Fannie Mae must hold Safeguard accountable for these actions. Latino and African American homeowners living next to these foreclosures deserve better treatment.”

Indianapolis:

- 44% of properties that Safeguard serviced in communities of color had substantial trash accumulation, compared to 29% in White neighborhoods.
- 25% of properties in communities of color had unsecured holes in the building structure, compared to only 7% in White neighborhoods.

“Safeguard’s failure to maintain these homes as they agreed is causing significant distress to these neighborhoods,” said **Amy Nelson, Executive Director, Fair Housing Center of Central Indiana**. “This poor treatment affects the property values of the homes themselves and of those living near the foreclosures. It also brings down the tax revenue needed for vital community services and schools.”

Overgrown Grass



Broken Steps



Broken Windows



[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 and enforcement programs, provides equal access to apartments, houses, mortgage loans, and insurance policies for all residents in the nation.

[HOPE Fair Housing Center](#)

HOPE, established in 1968, is the oldest fair housing center in Illinois. HOPE Fair Housing Center seeks to end the hurt and devastation of housing discrimination and segregation because of race, color, religion, national origin, sex, disability, familial status, or any other characteristics protected under state or local laws.

[Open Communities](#)

Open Communities is proud of its grassroots history as an integral part of Chicago's Civil Rights Movement of the 1960s. Open Communities works with current and prospective residents and local groups to promote economically and culturally diverse communities in north suburban Chicago.

[South Suburban Housing Center](#)

Initially organized in April of 1975 by local chapters of the League of Women Voters, the mission of the South Suburban Housing Center (SSHC) is the promotion and fostering of long-term diversity throughout all communities in its service area by working to eliminate all forms of discrimination and exploitation in the housing market, including predatory mortgage lending.

[Denver Metro Fair Housing Center](#)

The Denver Metro Fair Housing Center is a private non-profit fair housing enforcement agency serving 6 Denver Metro Counties: Adams, Arapahoe, Broomfield, Denver, Douglas, and Jefferson. DMFHC is dedicated to eliminating housing discrimination and promoting housing choice through education, advocacy, and enforcement of fair housing laws. DMFHC accepts complaints from individuals and families who believe they have been discriminated against in their pursuit of housing. DMFHC investigates the complaints and assists clients in finding the best remedies to their fair housing issues.

[Fair Housing Center for Central Indiana](#)

The Fair Housing Center of Central Indiana (FHCCI) is a private, non-profit fair housing organization founded in 2011. Its mission is to eliminate housing discrimination, to ensure equal housing opportunity and promote neighborhood choice for all people, regardless of race, color, religion, sex, national origin, disability, familial status or other characteristic protected under state or local law, primarily in Central Indiana and other areas in the region as needed, through leadership, education, outreach, advocacy and enforcement.

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