



**EMBARGOED UNTIL 9:00 AM EDT on June 6, 2013**

**Contact:** Anne Houghtaling  
HOPE Fair Housing Center  
630-690-6500, ext. 114  
[anne.houghtaling@hopefair.org](mailto:anne.houghtaling@hopefair.org)

John Petruszak  
South Suburban Housing Center  
708-957-4674, ext. 22  
[southsuburban@prodigy.net](mailto:southsuburban@prodigy.net)

**Contact:** Deidre Swesnik (202) 898-1661 x 131  
[dswesnik@nationalfairhousing.org](mailto:dswesnik@nationalfairhousing.org)  
[www.nationalfairhousing.org](http://www.nationalfairhousing.org)

**National Fair Housing Alliance, Chicago Fair Housing Centers  
and Wells Fargo Announce Collaboration  
To Rebuild Homeownership Opportunities in 19 Cities**

***Ground-Breaking Fair Housing Agreement for Marketing and Maintenance of  
Foreclosed Properties***

WASHINGTON, DC – Today the National Fair Housing Alliance (NFHA) and 13 of its member organizations announced a collaboration with Wells Fargo Bank, N.A. that will provide funds in 19 cities to foster homeownership, assist with rebuilding neighborhoods of color impacted by the foreclosure crisis, and promote diverse, inclusive communities.

“African-American communities have suffered the highest regional rate of foreclosure in recent years, exacerbating the concentrations of abandoned properties and economic loss to neighborhoods and cities,” said **John Petruszak, Executive Director, South Suburban Housing Center in Homewood, IL**. “We commend Wells Fargo’s actions to remedy the condition and marketing of abandoned foreclosed properties in the south Chicago metropolitan area and to partner with our organization to provide relief to families in our African American communities.”  
([www.southsuburbanhousingcenter.org](http://www.southsuburbanhousingcenter.org) )

“NFHA is looking forward to working in collaboration with Wells Fargo to make sure that all communities have a chance at a fair recovery,” said Shanna L. Smith, President and CEO of the National Fair Housing Alliance. “We are thrilled to see Wells Fargo’s renewed efforts and leadership in this area.”

NFHA and the following 13 fair housing organizations are parties to the agreement: Denver Metro Fair Housing Center, **Denver, CO**; Fair Housing Center of Central Indiana, **Indianapolis, IN**; Fair Housing Center of West Michigan, **Grand Rapids, MI**; Fair Housing Continuum, Inc., **Melbourne, FL**; Greater New Orleans Fair Housing Action Center, **New Orleans, LA**; HOPE Fair Housing Center, **West Chicago, IL**; Housing Opportunities Project for Excellence, Inc., **Miami, FL**; Metro Fair Housing Services, Inc., **Atlanta, GA**; Metropolitan Milwaukee Fair Housing Council, **Milwaukee, WI**; Miami Valley Fair Housing Center, **Dayton, OH**; North Texas Fair Housing Center, **Dallas, TX**; South Suburban Housing Center, **Homewood, IL**; and Toledo Fair Housing Center, **Toledo, OH**.

Wells Fargo will provide \$27 million to NFHA and the fair housing organizations to benefit 19 cities and promote home ownership, neighborhood stabilization, property rehabilitation, and development in communities of color. HOPE Fair Housing Center and South Suburban Housing Center will manage approximately \$2.8 million in the funds and provide a range of grants for items such as down payment assistance to owner-occupants seeking to purchase homes in targeted neighborhoods and renovation efforts for homes that languished in foreclosure, including creative programs to increase homeownership and neighborhood stabilization.

“Illinois continues to experience high foreclosure rates and lags behind other states in its housing market recovery,” said **Anne Houghtaling, Executive Director, HOPE Fair Housing Center in West Chicago, IL**. “These funds will enable HOPE to stimulate homeownership in the hardest hit neighborhoods in Chicago and its surrounding suburbs. Ensuring diverse, inclusive and sustainable communities is HOPE’s vision and we are pleased that Wells Fargo helped us to institute a community investment program to help us fulfill our mission.” ([www.hopefair.org](http://www.hopefair.org))

The 19 geographic areas included in the agreement with NFHA are: **Atlanta, GA; Baltimore and Prince George’s County, MD; Baton Rouge/New Orleans, LA; Charleston, SC; Metropolitan Chicago, south Cook County, IL; Oakland and Richmond, CA; Dallas, TX; Denver, CO; Dayton, OH; Grand Rapids, MI; Indianapolis, IN; Miami, FL; Milwaukee, WI; Orlando, FL; Philadelphia, PA; Toledo, OH; and Washington, DC.**

Real Estate Owned (REO) properties are homes that have gone through foreclosure and are now owned by banks, investors, Fannie Mae, Freddie Mac, the Federal Housing Administration, or Veterans Affairs.

“Many neighborhoods across the country have been seriously damaged by the foreclosure crisis, including the impact of REO homes on property values, curb appeal, and tax revenue for schools,” continued Shanna Smith. “Our joint efforts will help lay the foundation for the industry to get some of those neighborhoods back on their feet.”

Under the agreement, Wells Fargo has made a number of very important commitments that will benefit communities throughout the United States, including the following:

- **Wells Fargo will pay \$27 million to NFHA and the 13 fair housing organizations to assist 19 cities to promote home ownership, neighborhood stabilization, property rehabilitation, and development in communities of color.**
- **Wells Fargo will continue to implement best practices for the maintenance and marketing of its REO properties.** A third party will monitor Wells Fargo's portfolio of REO properties to ensure that Wells Fargo maintains and markets its REO properties according to the standards set forth in the agreement.
- **Wells Fargo will enhance its Homeowner Priority program to give owner-occupants higher priority over investors in purchasing REOs.** Wells Fargo will extend its Homeowner Priority period so that owner-occupants will have priority over investors to purchase Wells Fargo REO properties until the fifteenth day a property is on the market rather than the current twelve-day period.
- **Wells will create a new five-day Homeowner Priority period every time there is a price reduction on a Wells Fargo REO home.** Wells Fargo will give priority to owner-occupants who make offers that meet or exceed the price of offers from those who do not intend to live in the home.
- **Wells Fargo will make it easier to get information about its REO properties.** Wells Fargo has improved its web site and toll free numbers to provide more information to prospective purchasers and anyone who wants to tell Wells Fargo about a problem with an REO property or an agent who is selling a Wells Fargo REO property.
- **Wells Fargo and NFHA will sponsor two conferences** designed to bring together approximately 100 industry and non-profit housing and real estate participants and regulatory agencies to discuss fair housing and its intersection with other current housing issues, including short sales, abandoned properties, and REO maintenance.
- **In consultation with NFHA, Wells Fargo will develop a fair housing training program on REO issues for its employees who work on REO issues and for agents who sell Wells Fargo REO properties.**

This is the first-ever agreement regarding the equal maintenance and marketing of REO homes. The agreement is the result of a federal housing discrimination complaint filed in April 2012 with the U.S. Department of Housing and Urban Development (HUD). The complaint alleged that Wells Fargo's REO properties in white areas were much better maintained and marketed by Wells Fargo than REO properties in African-American and Latino neighborhoods. In addition to the \$27 million to promote homeownership, Wells Fargo will pay \$3 million to NFHA and the 13 fair housing organizations for costs and damages, including diversion of resources incurred in connection with the investigations, and attorney fees. Wells Fargo is also committing \$300,000 for the two national conferences and \$250,000 to NFHA and local fair housing centers to hold seminars and address delinquencies and foreclosures.

Furthermore, Wells Fargo will provide an additional \$11.5 million to HUD to support neighborhoods in an additional 25 cities. Those cities are Austin, TX, Bakersfield, CA, Detroit, MI, Fort Lauderdale, FL, Fresno, CA, Houston, TX, Kansas City, MO, Las Vegas, NV, Los Angeles, CA, Memphis, TN, Modesto, CA, New York, NY, Phoenix, AZ, Riverside, CA, Sacramento, CA, San Antonio, TX, San Diego, CA, San Jose, CA, Santa Ana, CA, St. Louis, MO-IL, Stockton, CA, Tampa, FL, Vallejo, CA, Virginia Beach, VA, and West Palm Beach, FL.

The agreements between Wells Fargo, the private fair housing organizations, and HUD total more than \$42 million and will provide direct assistance to 44 communities nationwide.

The National Fair Housing Alliance and 13 local fair housing organizations are represented by Joseph M. Sellers and Peter Romer-Friedman of Cohen Milstein Sellers & Toll PLLC.

“This groundbreaking agreement is a testament to the fair housing movement’s vision and dedication to the promise of equality for all communities,” said Romer-Friedman, who represented the fair housing organizations in the matter. “This agreement will ensure that every community shares in the fruits of the housing recovery now underway.”

NFHA and its members have two similar housing discrimination complaints pending against US Bank and Bank of America, filed in April 2012 and September 2012 respectively.

“Other banks should follow Wells Fargo’s lead and engage in broad relief to communities damaged by the foreclosure crisis,” continued Shanna Smith. “This is a huge step in the right direction and more is needed to get our neighborhoods, especially communities of color, back on their feet.”

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.

---

**HOPE Fair Housing Center** ([www.hopefair.org](http://www.hopefair.org))

Established in 1968, HOPE is the oldest fair housing center in Illinois. HOPE Fair Housing Center seeks to create equal housing opportunities regardless of race, color, religion, national origin, sex, disability, familial status, or any other characteristics protected under state or local laws. Located in West Chicago, HOPE serves 30 counties in northern and north central Illinois.

**South Suburban Housing Center** ([www.southsuburbanhousingcenter.org](http://www.southsuburbanhousingcenter.org) )

The mission of the South Suburban Housing Center is the promotion and fostering of long-term diversity throughout all communities in Chicago’s South and Southwestern suburbs in Cook County and in Will and Kankakee Counties by working to eliminate all forms of discrimination and exploitation in the housing markets including predatory lending and mortgage fraud.

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

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

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

For over 40 years, Cohen Milstein Sellers & Toll PLLC has been a pioneer in plaintiff class action lawsuits and impact litigation in a number of areas. With 70 attorneys and offices in Washington, D.C., New York, Philadelphia, Chicago, and Palm Beach Gardens, FL, Cohen Milstein is one of the premier firms in the country handling major complex actions. The groundbreaking cases Cohen Milstein has litigated have resulted in landmark decisions on previously untried issues involving civil rights, employment, price fixing, securities, and consumer rights.

*The work that provided the basis for this publication was supported in part by funding under a grant with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the federal Government.*