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Fair Housing Organizations File Discrimination Complaint Against U.S. Bank

National Fair Housing Alliance Alleges Discrimination in Marketing and Maintenance of Foreclosed Properties

WASHINGTON, DC – Today, the National Fair Housing Alliance (NFHA) and four of its member organizations announced a federal housing discrimination complaint against **U.S. Bancorp and U.S. Bank National Bank Association**. This complaint, which was filed with the U.S. Department of Housing and Urban Development, is the result of an undercover investigation of U.S. Bank’s properties that found that its foreclosed properties in White areas are much better maintained and marketed than its properties in African-American and Latino neighborhoods.

U.S. Bank is the fifth largest commercial bank in the United States. The investigation of 177 foreclosed properties owned by U.S. Bank demonstrates that the financial giant has engaged in a systemic practice of maintaining and marketing its foreclosed, bank-owned properties (also known as Real Estate-Owned or REO properties) in a state of disrepair in communities of color while maintaining and marketing REO properties in predominantly White communities in a far superior manner. The U.S. Bank investigation evaluated REO properties in the seven metropolitan areas of Atlanta, GA; Chicago, IL; Baltimore, MD; Dayton, OH; Miami/Fort Lauderdale, FL; Oakland/Richmond/Concord, CA; and Washington, DC.

“Our findings underscore the obvious: properties that are poorly maintained not only lose value but have a higher likelihood of selling to an investor, rather than to a family,” said **Shanna L. Smith, NFHA President and CEO**. “U.S. Bank is making it harder for the market to come back in communities of color.”

The National Fair Housing Alliance in Washington, D.C., and four of its member organizations – the Miami Valley Fair Housing Center in Dayton, OH; Housing Opportunities Project for Excellence in Miami, FL; Metro Fair Housing Services in Atlanta, GA; and HOPE Fair Housing Center, Wheaton, IL – evaluated the maintenance and marketing of REO properties for the existence of 39 different types of maintenance or marketing deficiencies, such as broken windows and doors, water damage, overgrown lawns, no “for sale” sign, trash on the property, and other deficits.

“We are simply asking U.S. Bank to do routine maintenance and marketing of their REO properties in Dayton,” said **Jim McCarthy, President and CEO of the Miami Valley Fair Housing Center in Dayton, OH**. “The neglect of these properties by U.S. Bank leads to the deterioration of neighborhoods, the loss of property values, and the decline of our tax base.”

Nationally, and in each of the seven metropolitan areas, U.S. Bank’s REO properties in communities of color were far more likely to have several deficiencies in maintenance or marketing than REO properties in predominantly White communities.

“Without routine maintenance, these properties have become an eyesore for Atlanta’s neighborhoods and should be an embarrassment for U.S. Bank,” said **Gail Williams, Executive Director of Metro Fair Housing Services, Inc. in Atlanta, GA**. “Atlanta’s neighborhoods are being victimized over and over again by the Big Banks; first with predatory loans, then denying loan modifications, through the foreclosure crisis, and now with poorly maintained REO properties.”

Without a “for sale” sign, for example, potential homebuyers driving in the neighborhood would simply not know the property is available. Also, if there is storm damage or unauthorized occupants, neighbors have no one to call. With a for sale sign, people know whom to contact to visit the home or neighbors can call a real estate agent to report problems. In **Dayton, OH**, 94 percent of all US Bank properties in communities of color were missing a for sale sign, while in **Chicago and Oakland/Bay Area** 68 percent and 64 percent of all properties in communities of color had the same deficiency.

“A for sale sign is immediately recognized as a marketing tool. When you see a professional sign, you know someone is promoting the home,” said Smith.

Trash on the property is a health and safety hazard and makes a home unappealing – but this is an easy problem to fix and should be addressed immediately. About three-fourths of U.S. Bank properties in communities of color in **Atlanta, Baltimore and Washington DC** had substantial amounts of trash.

Detailed national and local statistics and photos are available at www.nationalfairhousing.org.

“Chicago is a city of neighborhoods with more than 77 defined community areas and over 200 neighborhoods. Each of these communities deserves to be treated equally by banks in the marketing and maintenance of REO properties,” said **Anne Houghtaling, Executive Director of HOPE Fair Housing Center in Wheaton, IL**. “Evidence in this complaint demonstrates that U.S. Bank does not treat properties fairly if they are located in communities of color.”

NFHA will continue its investigation into the practices of REO maintenance and marketing in the nation’s banking system.

“South Florida is one of the worst hit areas in the nation for numbers of foreclosures. The banks whose abusive lending practices helped cause this problem must play an equal part in the rebuilding our communities,” said **Keenya Robertson, President and CEO of Housing Opportunities**

Project for Excellence, Inc. in Miami, FL. “The first step should be making sure that all of the properties they own through foreclosure are adequately maintained and marketed, regardless of where they are located.”

Earlier this month, NFHA issued a report on the findings of its nationwide REO investigation, *The Banks Are Back, Our Neighborhoods Are Not: Discrimination in the Maintenance and Marketing of REO Properties*. The report offers disturbing evidence that the same banks that peddled unsustainable loans to communities of color and triggered the current foreclosure crisis are now exacerbating damage to those communities. It details the results of the evaluation of more than 1,000 REO properties nationwide.

NFHA filed a HUD administrative complaint against Wells Fargo last week.

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.

To read the HUD administrative complaint against U.S. Bank and to view today’s news conference presentation, please go to www.nationalfairhousing.org.

The National Fair Housing Alliance (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.

Housing Opportunities Project for Excellence (www.hopefhc.com)

Housing Opportunities Project for Excellence, Inc. (HOPE) was established in 1988 as the first non-profit fair housing agency in the state of Florida. Today, it is the only private, non-profit, full-service fair housing organization in the Miami-Dade and Broward markets. It provides one-of-a-kind education services to the community-at-large, housing providers, lenders and advertisers of housing opportunities.

Metro Fair Housing Services, Inc. (www.metrofairhousing.com)

Metro Fair Housing Services, Inc. is a 38-year-old, non-profit civil rights organization whose primary objective is to fight housing discrimination in metropolitan Atlanta and promote equal housing opportunities throughout the state of Georgia. The agency’s mission is to promote social justice and eliminate housing and lending inequities for all people through leadership, education and outreach, public policy advocacy and enforcement of federal and state Fair Housing laws. In the wake of the foreclosure crisis, Metro expanded its homebuyer education services to include foreclosure prevention counseling.

The Miami Valley Fair Housing Center (www.mvfairhousing.com)

The Miami Valley Fair Housing Center is a comprehensive full-service fair housing center in Dayton, Ohio, with experience in auditing and testing activities, anti-predatory lending investigation and remedy, mortgage rescue scam intervention, foreclosure prevention counseling, mortgage modifications as well as fair housing and fair lending education and outreach. MVFHC works throughout the Miami Valley to eliminate housing discrimination and ensure equal housing opportunity for all people in its region.

HOPE Fair Housing Center (www.hopefair.org)

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.

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