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**Fannie Mae Contractor Accused of Race Discrimination
in Richmond and Three other U.S. Cities**

***Property Maintenance Company Cyprex neglected foreclosures in African-American
and Latino neighborhoods in Richmond, Baltimore, Kansas City, and Orlando***

Today, Housing Opportunities Made Equal (HOME) of Virginia, the National Fair Housing Alliance (NFHA) and Fair Housing Continuum announced the filing of a federal housing discrimination complaint against Cyprex, a Florida firm contracted by Fannie Mae to maintain its vacant foreclosures, also known as Real Estate Owned (REO) properties. The complaint, filed with the U.S. Department of Housing and Urban Development, alleges a clear pattern of neglect by Cyprex of homes in African-American and Latino neighborhoods as compared to homes in White neighborhoods in Richmond, Va., Baltimore, Md., Kansas City, Kan./Mo., and Orlando, Fla.

The allegations of this complaint are the latest in an ongoing investigation into the failure of Fannie Mae's field service vendors to properly maintain vacant foreclosures in neighborhoods of color nationwide. NFHA and its partner agencies filed a series of complaints beginning in March 2013 against two other Fannie Mae contractors, Safeguard Properties and Asset Management Specialists, Inc., alleging a similar pattern of discrimination based on the racial composition of the neighborhoods investigated. Though, the Cyprex filing is the first in Richmond.

As of December 2013, Fannie Mae's single-family REO inventory was 103,229 homes. Fannie Mae owns more foreclosures than any other institution.

Today's complaint addresses the failure of Cyprex to maintain homes in communities of color in Richmond, Va., Baltimore, Md., Kansas City, Kan./Mo., and Orlando, Fla. In all four cities surveyed, investigations found lawns littered with trash, invasive plants, unsecured doors and windows, and open holes in the structures of homes in communities of color. Homes maintained by Cyprex in White neighborhoods were rarely neglected.

"Fannie Mae is allowing its contractors to treat homes in communities of color very poorly," said **Shanna L. Smith, President and CEO of the National Fair Housing Alliance**. "Cyprex is required by federal law to maintain foreclosures without regard to the racial makeup of the neighborhood, but the evidence we uncovered flies in the face of that obligation. Unfortunately, this complaint addresses merely the latest in long pattern of discrimination by Fannie and its contractors."

Failing to maintain homes based on the racial or ethnic composition of a neighborhood is a violation of the federal Fair Housing Act and has a toxic effect on the health and livelihood of entire communities.

“In addition to blight, substandard maintenance creates a host of problems for the surrounding community. As property values fall, so does tax revenue for local governments. Money for schools, parks, recreation facilities, and redevelopment dwindles as homeowners watch poorly maintained REOs drag their home values down,” continued Smith. “Cyprex must bring its practices in line with the Fair Housing Act and resolve this complaint immediately by providing compensation for the neighborhoods harmed.”

“Our homes are where we take refuge from the hustle, bustle, and stress of work and public life. They are supposed to be peaceful places where we share meals with family and friends. Our home is a base from which we search for jobs, find good schools for our children, and put down roots to make our communities.” **said David Baade, President and CEO of Fair Housing Continuum.** “It’s a shame to see Cyprex allow homes in Orlando communities to get to this state. Cyprex simply has to do in communities of color exactly what it does in White neighborhoods—mow lawns, remove trash, secure doors and windows, fix broken steps and handrails and cover holes to keep vermin out.”

Cyprex is contracted by Fannie Mae to cover eight simple maintenance issues:

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

“Cyprex claims that its goal is to maintain vacant homes so that they are indistinguishable from owner-occupied properties. Why, then, do we see homes in communities of color with broken windows, trash and leaves accumulated in the yards, overgrown lawns and unlocked doors?” **said Heather Crislip, President and CEO of Housing Opportunities Made Equal (HOME) of Virginia.** “The racial make up of the neighborhood should never determine the quality of maintenance it receives. Fannie and Cyprex need to put in place quality control measures that work. Richmond deserves better.”

NFHA and its member fair housing organizations have similar complaints pending against Bank of America, Deutsche Bank, and US Bank. Many of the neighborhoods investigated in these complaints overlap. Therefore, the blight and damage to property values and health inflicted in these neighborhoods by these banks and preservation management companies are 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

Richmond, Va.:

- 61% of REO properties serviced by Cyprexx in predominantly White communities had zero deficiencies, while only 23% of REO properties in communities of color similarly lacked zero deficiencies.
- 36% of REO properties serviced by Cyprexx in communities of color had 3 or more deficiencies, while no REO property in a White community had more than 3 deficiencies documented.

Baltimore, Md.:

- 75% of REO properties serviced by Cyprexx in communities of color had 3 or more deficiencies, while only 17% of REO properties in White communities had more than 3 deficiencies documented.
- 33% of REO properties serviced by Cyprexx in predominantly White communities had zero deficiencies, while no REO property in a community of color had zero deficiencies.
- 30% of REO properties serviced by Cyprexx in communities of color had 5 or more deficiencies, while no REO property in a White community had 5 or more deficiencies.

Kansas City, Kan./Mo.:

- 63% of REO properties serviced by Cyprexx in predominantly White communities had zero deficiencies, while only 33.3% of the REO properties in communities of color similarly lacked deficiencies.
- 23% of REO properties serviced by Cyprexx in communities of color had 3 or more deficiencies, while no REO property in a White community had more than 3 deficiencies documented.

Orlando, Fla.:

- 39% of REO properties serviced by Cyprexx in predominantly White communities had zero deficiencies, while only 14% of REO properties in communities of color similarly lacked deficiencies.
- 40% of REO properties serviced by Cyprexx in communities of color had 3 or more deficiencies, while only 15% of REO properties in White communities had more than 3 deficiencies documented.
- 9% of REO properties serviced by Cyprexx in communities of color had 5 or more deficiencies, while no REO property in a White community had the same deficiency amount.

[Housing Opportunities Made Equal of Virginia, Inc.](#)

Housing Opportunities Made Equal of Virginia, Inc. (HOME) is Virginia's premier fair housing and housing counseling organization, offering a variety of programs and services designed to ensure equal access to housing for all Virginians. HOME is a 501(c)(3) nonprofit corporation and a HUD - approved housing counseling agency.

[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.

Fair Housing Continuum

The Fair Housing Continuum, Inc. is a private non-profit fair housing agency dedicated entirely to the elimination of housing discrimination in Florida, serving Brevard, Indian River, Seminole, Osceola, Orange and Volusia Counties.

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