



[www.theracialwealthgap.org](http://www.theracialwealthgap.org)

# PRESS RELEASE

**WELLS FARGO TEAMS UP WITH FL NON PROFITS TO ADDRESS  
AFFORDABLE HOUSING**

**REBUILDING FORECLOSED DAMAGED HOMES FOR  
AFFORDABLE HOUSING**

**IMPACTING FLORIDA MINORITY NEIGHBORHOODS**

FMCRC Partners With Wells Fargo to Bring Access to Affordable Housing

**FMCRC Increase Home Values of Minority Low Moderate Income  
Neighborhoods by over 35%**

**FMCRC Rebuilds 1510 Charm Lane in Tampa and  
Increase Home Value by over 40%  
Made Possible Through Wells Fargo REO Program**

Mr. & Mrs. Edwin and Wanda Hernandez Quinones Thank Wells Fargo  
For Providing Them An Opportunity To Be First Time Home Owners



Tampa Florida (August 21, 2014)  
Vee Ortega ([vortega@fmcrc.org](mailto:vortega@fmcrc.org) or 954-668-9248)

FMCR Assets & Hope, like hundreds of non profits across the United States, have developed a partnership with Wells Fargo REO Department to address both the lack of affordable housing for minorities along with the declining home values for Florida's minority low moderate income neighborhoods that is contributing the largest racial wealth gap in the past 60 years. The sale of 1510 Charm Lane in Tampa is the latest project to accomplish both of these objectives. Wells Fargo is providing FMCR, along with many other nonprofits, with donated highly distressed and vacant foreclosed homes (and lots) that is allowing FMCR to conduct a complete gut rebuilding of these homes that allows for significant increases in home values that positively impacts the value of every home in those low moderate income neighborhoods. The most recent example with the rebuilding and sale of 1510 Charm Lane that resulted in an increase for Charm that valued at over 40% of local area comps that now is resulting in a significant increase in the value of all the homes for that low moderate income Tampa neighborhood. States FMCR Chair Al Pina "We are very pleased to have received a home appraisal for Charm Lane that is over 40% of local home values. This will result in every single home in this minority neighborhood increasing in value.

This will provide these families with an increase of home equity that they can use to start or expand a business or to address other financial matters that will help their families. This would not be possible without the efforts of the Wells Fargo REO team in donating these vacant and distressed foreclosed homes to local non profits"

With the racial wealth gap rising as a result of over 40% of minorities losing their homes in the recent foreclosure crisis and a majority of homes in minority neighborhoods still under water, increasing home values has become a priority for FMCRC Assets & Hope. From major gut rebuilding of these vacant distressed foreclosed homes to now the building of new ground up homes that will have even a great impact on rising the home values for minority low moderate income neighborhoods. FMCRC Assets & Hope is now mentoring other nonprofits on how to engage this impactful affordable housing model that has resulted in an average of over 30% increases in local home values. The FMCRC rebuilding model involves a complete interior demolition of the vacant foreclosed and damaged home and rebuilding the interior (to include sub floors and sub roof) so it is a 100% new home including all new HVAC, electrical, plumbing, walls, ceilings, flooring, fixtures etc...so these families are provided an almost new home. The following are examples of some of the dozens of recent construction projects that were also made possible with donated homes and lots from the Wells Fargo REO Team;

**Army Veteran (first time home owner) Thanks Wells Fargo  
For His Rebuilt Tampa Home made possible with donation to FMCRC**



**Before:**



**Finished:**



**Iraq War Veteran and Pinellas County Sheriff Closes on His Rebuilt Clearwater Home donated by Wells Fargo to FMCRC**



## BEFORE:



## Finished:



**Tampa Nurse Proudly Stands in front of his new ground up East Tampa Home Made Possible by Wells Fargo Donation of Lot to FMCRC**





**Tampa Lesbian Couple Ground Break their new south Tampa Ground Up Home being built by FMCRC. The couple will move in with over \$50,000 of equity made possible through the lot donation by Wells Fargo to FMCRC**



**FMCRC Chair Al Pina states "We are very pleased with our results to positively impact these minority low and moderate income neighborhoods but what Florida needs are 50 more minority led nonprofits engaging affordable housing development to adequately address the rising racial wealth gap that is driven by home equity. Minorities lost billions of dollars of home equity through the massive foreclosures that is now negatively impacting the creation of jobs in our communities. We challenge every single major bank to follow the leadership of the Wells Fargo REO team and partner with minority led nonprofits that focus on minority communities of Florida so we can begin rebuilding our neighborhoods one home at a time"**

**1510 Charm Before:**



**1510 Charm Lane Finished:**





**FMCRC Demolishes 3 Wells Fargo Donated Homes To Begin New Ground Up Homes in August**





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## **University of Berkeley & Harvard Studies (2014):**

**Florida #2 hardest Hit State in Nation with number of homes still underwater**

**Home Ownership For Minorities Lowest in Decades**

**Minorities Hardest Hit with Homes Underwater:**

**IMPACTS WIDENING RACIAL WEALTH GAP IN FLORIDA & UNITED STATES**

**A report by HAAS Institute show that minorities are most impacted by homes underwater that will lead to increased foreclosures and fuel an increasing of the already widening racial wealth gap. With home equity accounting for the majority of household wealth, minorities accounting for less than 7% of all conventional and FHA homes loans in Florida (2012), a majority of minority homes underwater**

who reside in low-moderate income neighborhoods, confirmed studies showing lack of upward financial mobility for minority children, it is becoming more evident that in Florida and the United States minority children are not created equal but to a lifetime of economic servitude. For copies of Berkeley & Harvard studies go to: [www.theracialwealthgap.org](http://www.theracialwealthgap.org)

### States with largest number of hardest hit zip codes:

Georgia: 61  
Florida: 55  
Illinois: 47  
Michigan: 38  
Ohio: 33  
New Jersey: 32  
Maryland: 24  
Missouri: 21  
California: 17  
Nevada: 10  
North Carolina: 10

### 8 Hardest-Hit Major Metropolitan Areas in U.S.

#### Metro Area Percent of Homes Underwater

Las Vegas, NV 35%  
Atlanta, GA 35%  
Jacksonville, FL 34%  
Orlando, FL 30%  
Chicago, IL-IN-WI 30%  
Tampa, FL 29%  
Detroit, MI 28%  
Miami, FL 27%

The overwhelming majority of these cities are lower-income communities, with median household incomes below the national median of \$51,371.

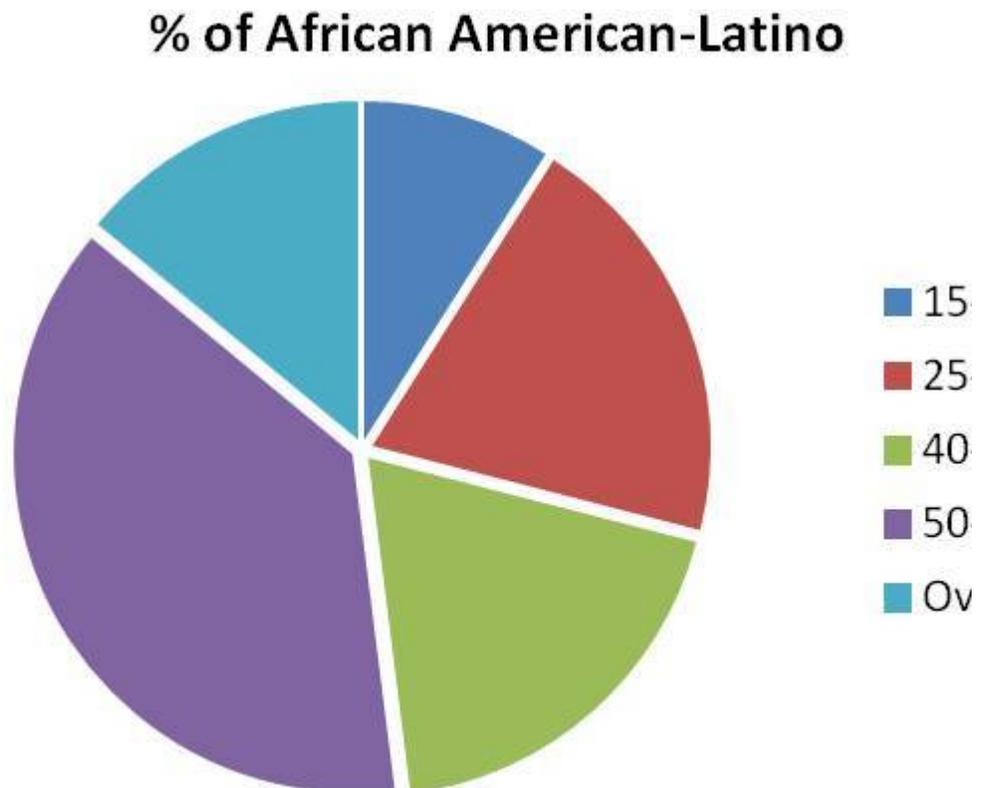
**Jacksonville** (Percent of homes underwater: 34%, Percent below peak home prices: 31%, Population Percent African American and Latino 30%)

**Orlando** (Percent of homes underwater: 30%, Percent below peak home prices: 42%, Percent Population African American and Latino: 43%)

**Tampa** (Percent of homes underwater: 29%, Percent below peak home prices: 38%, Percent Population African American and Latino: 32%)

**Miami** (Percent of homes underwater: 27%, Percent below peak home prices: 41%, Population Percent African American and Latino: 63%)

## Population Percentage of Latinos and African American Hardest Hit Cities in the United States (homes und



### **Foreclosure Crisis in Strong and Race Relevant in 2014: Haas Report**

#### **Haas Institute Study:**

57 cities at least 30% of all mortgaged homes are still underwater

34% of the 100 hardest hit cities have medium incomes of \$40,000

43% of the 395 hardest hit zip codes have medium household income below \$40,000

71 of the 100 hardest hit cities, African Americans and Latinos account for at least 40% of the population

In 146 of the 395 hardest hit zip codes, African Americans and Latinos account for at

least 75% of the population

In 64% of the 395 hardest hit zip codes, African Americans and Latinos accounted at least 50% of the population

Even though home prices rising in many parts of the Florida and the US, the total value of owner-occupied housing still remains \$3.2 trillion below 2006 levels. In spite of these rising home prices, according to the HAAS report over 9.8 million households underwater, representing 19.4 percent of all mortgaged homes—which is almost one out of every five homes. Federal and university studies clearly show that underwater homeowners are more likely to default on their mortgages than homeowners with positive equity.

In this historic HAAS study, they analyze negative equity and foreclosure data together with race and income data, at the ZIP code level, the city level and the metropolitan area level. The HAAS study clearly shows a significant number of communities across the country still face very high underwater rates with minorities impacted by a far greater degree. This impact on minorities shows the residual mark of predatory lending that now has led to a disproportionately negative impact on Latino and African American neighborhoods. This is demonstrated in that of the top 100 cities with the highest number of underwater homes, in 71 of these cities minorities account for over 40% of the population.

The HAAS study shows that the already widening Racial Wealth Gap (22 to 1) will be increasing even more due to the projected number of both foreclosures of minority homes anticipated from the number of homes still underwater in spite of raising home values in non minority neighborhoods. Between 2005 to 2009, 52% of African Americans and 66% of Latinos saw a decline in household wealth as compared to only 16% for Whites.

## HAAS Study Key Findings:

- The eleven states with the highest number of hardest-hit ZIP codes are (in order): Georgia, Florida, Illinois, Michigan, Ohio, New Jersey, Maryland, Missouri, California, Nevada, and North Carolina.
- In the 15 hardest-hit metropolitan areas with populations over one million, between 23 percent and 35 percent of homeowners are underwater.
  - One in ten Americans live in the 100 hardest-hit cities where the number of underwater homeowners ranges from 22 percent to 56 percent.
  - More than 10 million Americans live in the 395 ZIP codes where between 43 percent and 76 percent of homeowners are underwater.
  - In those metropolitan areas, cities, and zip codes that have been hardest-hit, African Americans and Latinos constitute a far higher share of the population than they represent in the total population in the US.
  - In the 100 hardest-hit cities with populations over 100,000, the number of underwater

homeowners ranges from 22 percent to 56 percent.

- In 71 of these cities, African Americans and Latinos account for at least 40 percent of the population.
- In 66 of these cities the median household income is below \$50,000 (the national median is \$51,371).
- In 2013, more than 320,000 homeowners in these cities went into default or foreclosure.
- In the 395 hardest-hit ZIP codes with populations over 5,000, between 43 percent and 76 percent of homeowners are underwater.
  - In almost two-thirds of these ZIP codes, African Americans and Latinos account for at least half of the residents. In 71 percent the median household income is below \$50,000.
- In 2013, nearly 113,000 homeowners in these ZIP codes went into default or foreclosure.

More Florida Economic Data After Chase Bank Article

FMCRC Contact: [vortega@fmcrc.org](mailto:vortega@fmcrc.org)

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## Chase Bank:

### African Americans Need Not Apply

#### 2012 Chase Bank Home Lending To African Americans:

Market Area: Miami-Miami Beach-Kendall

Demographics:

African American: 20%

Latino: 66%

#### Chase Bank Conventional-FHA-VA Home Loans

African American % of Loans	7.5%
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(Full Chase Bank African American Home Lending Report Below)

FMCRC Applauds The City of Miami for the courage and leadership...where is Tampa, Orlando and JAX?

## Miami Sues JPMorgan for Racial Discrimination in Mortgage Lending

The city of Miami has sued JPMorgan Chase, accusing the bank of predatory mortgage lending in minority neighborhoods that allegedly caused a wave of foreclosures during the last decade's housing crisis.

The lawsuit, filed on Friday in federal court in Florida, said the country's largest bank engaged in a continuous practice of discriminatory mortgage lending since at least 2004, violating the U.S. Fair Housing Act.

After issuing high-cost loans to minorities in the years before the housing crisis, JPMorgan later refused to refinance the loans on the same terms as it extended to whites, leading to defaults and foreclosures, the complaint said.

The lawsuit came just weeks after the city of Los Angeles filed similar claims against JPMorgan, seeking to recoup damages for lost tax revenue and increased city services needed in blighted neighborhoods. "The Miami City Attorney's claims are baseless and stand contrary to our long record of providing affordable housing to low- to moderate-income families across the region," JPMorgan spokesman Jason Lobo said. The bank will defend itself against the claims, he said.

Wells Fargo & Co, Citigroup Inc and Bank of America Corp also face lawsuits by Los Angeles and Miami for allegedly giving minorities home loans they could not afford, resulting in massive defaults. The banks have contested the claims, saying they have records as responsible lenders.

Among major cities, Miami has led the country in foreclosures, and JPMorgan's practices contributed to its problems, Friday's lawsuit alleged. Loans in predominantly minority neighborhoods in Miami were about 4.6 times more likely to result in foreclosure than loans in neighborhoods with a majority of white residents, the lawsuit said.

A spokesman for the city of Miami did not immediately return a request for comment.  
- Reuters First published June 16th 2014, 12:44 pm

### **Chase Bank Home Lending To African Americans 2012 Federal HMDA Home Lending Data:**

#### **Market Area: Miami-Miami Beach-Kendall**

##### **Demographics:**

**African American: 20%**

**Latino: 66%**

##### **Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 7.5%

#### **Market Area: Tampa-St. Pete Clearwater**

##### **Demographics:**

**African American: 26%**

**Latino: 28%**

##### **Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 2.6%

#### **Market Area: Orlando-Kissimmee**

##### **Demographics:**

**African American: 28%**

**Latino: 32%**

##### **Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 8.3%

#### **Market Area: Jacksonville**

##### **Demographics:**

**African American: 31%**

**Latino: 11%**

##### **Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 5.8%

**Market Area: Ft. Lauderdale Deerfield Beach**

**Demographics:**

**African American: 31%**

**Latino: 23%**

**Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 18.6%

**Market Area: West Palm Beach-Boca Raton**

**Demographics:**

**African American: 19%**

**Latino: 23%**

**Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 11.8%

**Market Area: Sarasota-Bradenton**

**Demographics:**

**African American: 9%**

**Latino: 17%**

**Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans .05%

**Market Area: Gainesville**

**Demographics:**

**African American: 23%**

**Latino: 11%**

**Chase Bank Conventional-FHA-VA Home Loans**

African American % of Loans 1.1%

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**Harvard**-National Bureau of Economic Research (**UCal-Berkeley**) Study (Jan 2014)  
**Florida One of Top States in Income Inequality & Poverty Lack of Upward Financial Mobility**  
**Florida & Southeast United States:**  
**Lead Nation in Poverty Stagnation (lack of upward financial mobility)**  
**Jacksonville African American Children have only a 4.9% chance of upward mobility**  
**Income Inequality for Blacks & Minorities Rises**

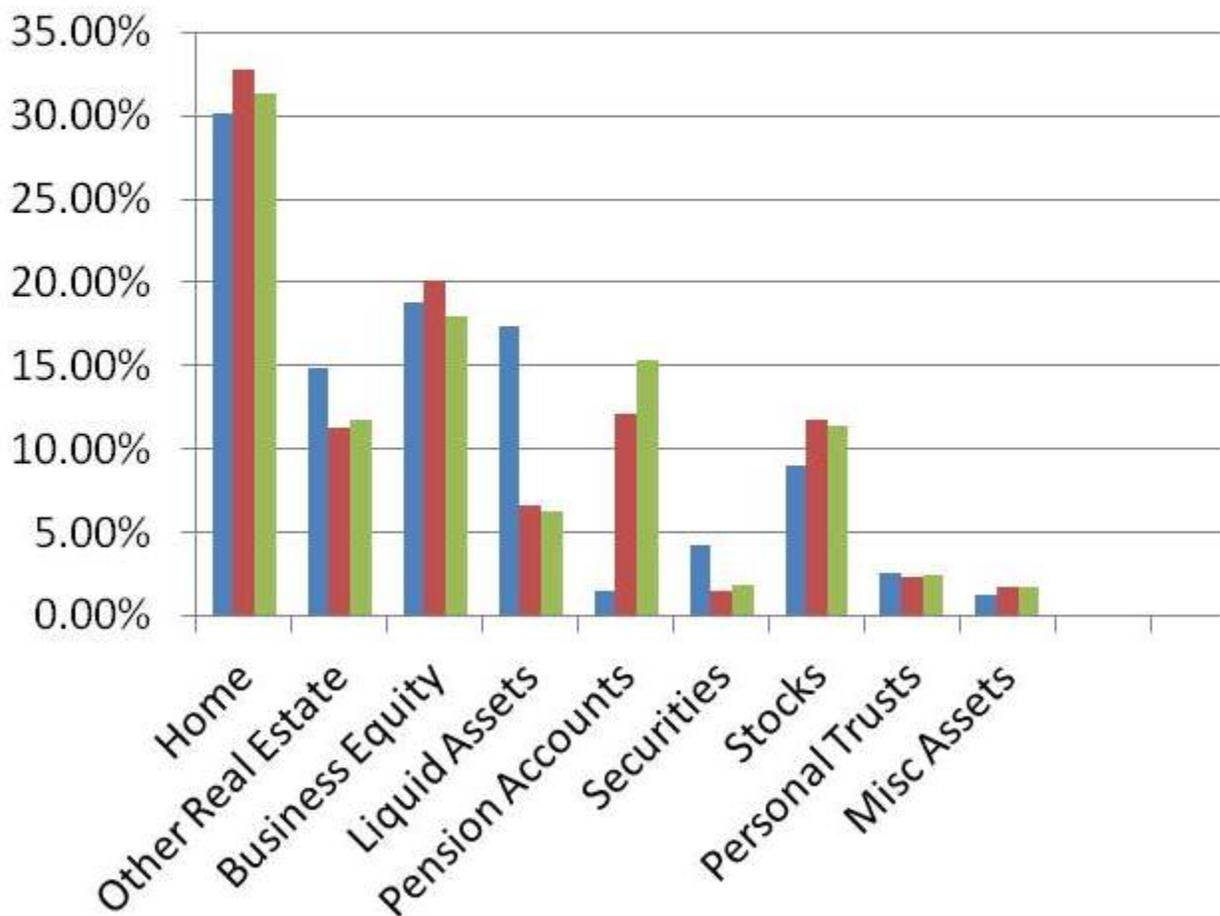
The median wealth of white U.S. households in 2009 was \$113,149, compared with \$6,325 for Hispanics and \$5,677 for blacks, according to the analysis released Tuesday by the Pew Research Center. Those ratios, roughly 20 to 1 for blacks and 18 to 1 for Hispanics, far exceed the low mark of 7 to 1 for both groups reached in 1995, when the nation's economic expansion lifted many low-income groups to the middle class.

The white-black wealth gap is also the widest since the census began tracking such data in 1984, when the ratio was roughly 12 to 1.

Racial Wealth Gap Rises-Home Ownership & Equity Key:

## Composition of Total Household Wealth (1989) Wealth Components

Source: Asset Price Meltdown and the Wealth of the Middle Class (Edward Wolff, Department of Econo



Loss of Minority Home Equity in Foreclosure Crisis Feeds Poverty

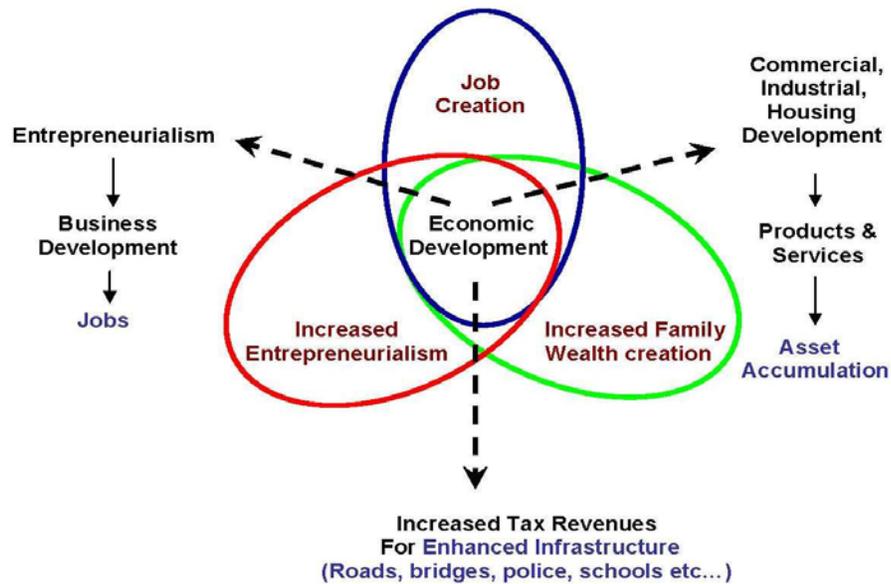
## Change In Average Family Wealth By Race 2007-2010

**Home Equity Loss: White (-24%) Black (-28%)**

(source: Author's tabulations of the 2007 and 2010 Survey of Consumer Finances)  
Data are weighted using SCF weights



## BENEFITS FOR TARGETED LOW-MODERATE INCOME COMMUNITIES



## Florida Minority Community Reinvestment Coalition

[www.fmcr.org](http://www.fmcr.org) [www.assetsandhope.org](http://www.assetsandhope.org) [www.letsdobusinessflorida.com](http://www.letsdobusinessflorida.com)

(813) 525-6228 [admin@fmcr.org](mailto:admin@fmcr.org)  
701 South Howard Ave #106-147 Tampa FL 33606

**FMCR Mission Statement:** Our goal is to empower low-income and minority communities by attracting investments for job creation, health, education, homeownership and minority entrepreneurship in low and moderate income communities using a holistic advocacy approach.

**The Coalition's strategy revolves around six central programs and projects for Florida's minority low-moderate income communities, small businesses families and organizations:**

1. Access/Opportunity for home and small business ownership;
2. Community Reinvestment;
3. Sustainable Development;
4. Health;
5. Consumer Protection;
6. Development of Self Sufficient Non Profits to drive Job Creation in Poor Communities

[www.fmcr.org](http://www.fmcr.org) [www.assetsandhope.org](http://www.assetsandhope.org) [www.letsdobusinessflorida.com](http://www.letsdobusinessflorida.com)

**[Florida Minority Community Reinvestment Coalition](http://www.fmcr.org)**

