

**Branch Closure**  
**Cleveland Heights, Ohio**



December 7, 2017

[REDACTED]  
U.S. Bank  
U.S. Bancorp Center  
800 Nicollet Mall  
Minneapolis, MN 55402

[REDACTED]:

We write as concerned citizens of Cleveland Heights, an inner ring suburb dedicated to racial diversity and diversity in housing, who participate in the Greater Cleveland Congregations \* Cleveland Heights Housing Issue Team. This team came together as a result of a listening campaign in January of 2016 where 100 participants identified vacant, blighted and tax delinquent properties as a significant and continuing problem for our neighborhood. Many of the issues associated with the current blight were a reflection of the foreclosure and lending crisis in 2008 that continue today. Therefore, as an issue of social justice, a focus of the work of the Greater Cleveland Congregations, we prioritized vacant, foreclosed properties for GCC team action.

In our early research we discovered that U.S. Bank had a significant number of Cleveland Heights properties in the Noble neighborhood (our target area because it was hardest hit by the foreclosure crisis and because it holds a good portion of our City's most affordable housing). One of our first actions was a letter to [REDACTED], Vice President/Community Development Manager - OH Metro Markets, Government Relations and Community Development at U.S. Bank requesting that U.S. Bank join us in a partnership to work with a local realtor to sell the Bank's foreclosed properties to homeowners – not to investors where the properties can languish with little to no attention for many months. We offered to provide several names of local realtors who know the neighborhood. As evidenced in the scenarios below it should be clear as to how the large number of investor owned properties by U.S. Bank contribute to neighborhood blight.

[REDACTED] initial response was positive and indicated a willingness to work with us. The second response however was highly disappointing because her research indicated that most of the properties had already been sold to an investor; the rest were held by U.S. Bank as Trustee. [REDACTED] said she could do nothing about those properties (but later we discovered some had been sold.) [REDACTED] offered no explanation of why U.S. Bank did not have control over the sale in these cases. We wrote to ask why but never received the courtesy of a response. Thus we write to you.

This letter represents our next step in our commitment to work toward mutual collaboration to strengthen our community by resolving problem issues associated with investor owned properties. It's a new year and we have a new list, this time of pending foreclosures. It is our hope that by identifying pending foreclosure in advance we are ahead of the game and can ask U.S. Bank to "tag" these properties (some are active and some not, though they may become active). We feel strongly that the following information will aid your understanding of the problem and more importantly, encourage U.S. Bank's commitment to resolution options.

Again, as our team delved into the "nitty-gritty" research and histories around particular properties we became aware of the large number of U.S. Bank held properties and of the role of investors. Further, as we tracked action on these properties, we became alarmed not only at the excessive length of time that these properties remained on the market with little maintenance, but also how often they were recycled to a number of investor companies, each time resulting in higher prices: Certainly not favorable for already stressed communities. Here are two such scenarios':

*GCC is a powerful force for change, creating justice and opportunity in Greater Cleveland by uniting our faith communities and civic partners across lines of race, class, and religion.*

[REDACTED]

[REDACTED]

In our interest to be proactive in resolving these concerns we are requesting your partnership. We feel confident that this request is not only ethical and reasonable but also “doable” and reflects the mission of U.S. Bank to “...invest our time, resources and passion in economic development by efforts to create stable jobs, **better homes and vibrant communities.**” As such, our request is that the following pending foreclosures (see attached) be tagged, along with the two that are available to be sold immediately. We ask that U.S. Bank list these properties with a local realtor with directive to make every effort to sell to owner occupants, or to a local nonprofit, such as the Cuyahoga County Land Bank. We are happy to provide names of local realtors, if needed. Additionally, we look forward to the name and contact of an individual within your Bank who will commit to working with us, who has the ability to deal with these distressed properties and who will watch when properties become available to ensure commitment by U.S. Bank. Kay Dunlap of our Team will be contacting your office in the next 10 days to secure this information.

We expect that you will agree that local housing strength benefits all players, not the least of which is U.S. Bank, and we look forward to working with you to that end.

Sincerely,

Diana Woodbridge, Chair GCC Cleveland Heights Housing Issue Team on behalf of the Team

James Pearlstein, Lead Organizer, Greater Cleveland Congregations

Cc. [REDACTED]

CC Office of the Comptroller of the Currency regarding CRA Evaluation

Cc. Mayor Cheryl Stephens and Members of Cleveland Heights City Council  
Tanisha Briley, City Manager  
Brenda May, Chair of Noble Neighbors

ATTACHMENTS:  
List of Pending or Foreclosed Properties Owned by U.S. Bank  
Accomplishments of GCC CH Housing Team

\*Greater Cleveland Congregations (GCC) is a non-partisan coalition of 41 faith communities and partner organizations in Cuyahoga County working together to build power for social justice. As a catalyst for systemic change, GCC challenges Greater Clevelanders to imagine the change we can accomplish, connect individuals and organizations to multiply our power, and mobilize our members by the thousands to make our voices heard and build a greater Cleveland for all of its residents. GCC unites people across lines of race, class, religion, and geography to promote public, private and civic sector actions which strengthen and improve the quality of life of our neighborhoods. Cleveland Heights has 9 faith communities and partner organizations involved in GCC.

<http://greaterclevelandcongregations.org>

ACCOMPLISHMENTS 2016-2017  
Greater Cleveland Congregations (GCC) Cleveland Heights Housing Team

Your GCC Cleveland Heights Housing Team has been working on the issue of vacant and blighted properties in the Noble neighborhood of CH since January 2016, and in that short year and a half we have accomplished a lot!

- We have met with most of the actors responsible for problem properties: from members of CH Council, the City Manager and the head of Housing Inspections to the County Treasurer who handles vacant and tax delinquent properties.
- *We have advocated about individual blighted properties – and it has made a difference:*
  - Two had signs promoting an on-line auction. The City was not aware, but found an agent to inform of the POS/escrow requirement, so the seller could not skirt the law.
  - At our urging, the City spent \$750 to clean up one of our long vacant properties of concern; an abandoned car was towed from another; and an absentee owner has been located and will be charged for clean up of her property – all significant improvements. Things are happening!
- *We have advocated for proactive City policies needed to deal with problem properties and strengthen the neighborhood, and will follow up as needed:*
  - We wrote City Council to urge additional staff for Housing Inspections. We were invited to make our case to a Council Work Session (something that apparently never happens), and we did that. The City's final budget included the 3 added positions requested, and we are now coordinating our efforts with the new Property Investigator.
  - We spoke in favor of establishing Future Heights as a CDC for the City and supported the idea of the CDC researching/employing Receivership as a tool to deal with the most blighted/abandoned properties.
  - We wrote regarding the highly visible “dump” of road construction materials on City property in the Noble Triangle district (Mayfield/Noble/Glenwood). The City responded and the “dump” has been remediated. We will continue to advocate for the triangle as a priority for new development on the majority City-owned property.
  - We raised concerns about the outsourcing of the City's Building Department during the evaluation process and encouraged the City to pursue an initiative with nearby communities to implement a regional Building Department, rather than continuing with the for-profit entity.
  - We wrote urging legislation to require a \$10,000 bond at foreclosure, so the City would have a source of funds to cut grass/make repairs if the new owner does not. One Council member has asked staff to check out the information we provided and come back to Council with a report and recommendation.
  - We also wrote urging that the City call a Housing Advisory Committee, similar to the Economic Development Advisory Committee recently concluded, to recommend immediate actions. We asked for a Marketing Advisory Committee for the same ends. So far, we have neither—but we would like to think our team is serving the housing function in substantial ways -
  - the City has hired a new communications and marketing person, which is a positive start. Hopefully citizen input will eventually be added to the process.
- We wrote Huntington Bank when the Bank took over and closed the First Merit Bank at Severance to bring to their attention a significant unpaid tax delinquency on the property. That delinquency is now paid.
- *We wrote U.S. Bank about the significant number of foreclosures in our neighborhood to request a partnership to sell these properties through a local realtor to owner occupants. Unfortunately, by the time the Bank did its research, the homes had been sold—all to investors, and a request for additional information went unanswered. We will stay on this issue.*
- We organized/held a Forum for Judicial Candidates with a focus on what the Court can do about problem properties. Eighty-six people attended and are informed. Good ideas were brought forth to strengthen the Court's effectiveness and we believe that there is an increased understanding of/commitment to the role the Court can play in most serious cases of vacant, blighted properties.
- Most recently, 15 of us walked the neighborhood once again, to check condition of a specific list of properties with pending foreclosures to see if we could determine whether they were vacant or occupied. Vacant and abandoned properties can often be moved more quickly through the process. On the way, we discovered 10 additional seriously blighted properties and asked the City to be sure they are cited for the needed repairs. We also found 7 properties owned by a single investor; 6 of the properties are significantly delinquent on taxes but the investor continues to collect rent. The City is pursuing the matter. All in all a productive day!



usbank.com

January 10, 2018

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

Dear [REDACTED]

Thank you for your recent correspondence relating to properties in the Cleveland Heights area. At U.S. Bank, we are committed to being a responsible community partner and take our role in maintaining properties seriously.

In the mortgage and foreclosure process, there are many different roles organizations may play. Such as a lender, servicer and Trustee. The responsibilities for each is defined by contracts and regulations which often limit what an organization can do in a given situation. In some cases, one organization may have dual roles/responsibilities.

We understand customers may have extenuating circumstances which may impact their ability to keep their home due to a temporary situation. In cases where U.S. Bank is the lender, we work with our customers before the foreclosure process to help identify loan modification programs that may help them keep their home.

Even with assistance, some customers are not able to afford their homes. In those cases, we will move forward with the foreclosure process. During this process, there are limitations on the amount of work we can do to maintain a home, especially if it remains occupied. Once a home is vacant and the foreclosure process is complete, we will work to bring the home up to code on properties owned by U.S. Bank, but not insured by the Federal Government.

Many of U.S. Bank owned properties in the Cleveland Heights area are managed by our vendor, Chronos Solutions. Chronos Solutions maintains, markets and sells properties on behalf of U.S. Bank. Additionally, they work with us to identify properties that would make good candidates for donations or discount sales to community organizations.

Other properties in the area may be owned by U.S. Bank but insured by the Federal Housing Authority. These properties will be conveyed to the U.S. Department of Housing and Urban Development (HUD) once they are in the condition required by the government. Our approach to managing these properties is driven largely by the rules and regulations established by HUD.

U.S. Bank has worked with many nonprofit agencies across the country to donate or sell properties when there is the opportunity. For example, last year the bank donated a property to a community group in the Detroit Shoreway neighborhood.

When listing properties for sale, Chronos Solutions works with a network of local realtors to list and market properties. If there is an agent who would like to be part of the Cleveland network, please have them contact [REDACTED], Vendor Manager with Chronos Solutions at [REDACTED]

Many of the properties on the list you provided are properties where U.S. Bank serves as Trustee. In these situations, we have a very limited role. We have attached a document which describes the roles and responsibilities of a Trustee. Where U.S. Bank is identified as a Trustee, it would not be acting as the servicer for the property. The servicer is the party responsible for moving forward with decisions around loan modifications, foreclosures, post-foreclosure sales, and any related maintenance of the homes, not U.S. Bank as Trustee. If we learn that a home has fallen into disrepair, or are

notified of other issues or concerns, we notify the servicer so that it can take appropriate action to address those concerns.

We believe homeownership can be part of the road to individual financial success and community stability. We are committed to working with our customers and community partners to find solutions. I would like to meet with you sometime in the near future to further discuss your concerns.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Copy: Office of the Comptroller of the Currency