

Changing Patterns XXIII

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2015

BY

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FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XXIII*, its annual report on mortgage lending to traditionally underserved borrowers and neighborhoods in Boston, Greater Boston and Massachusetts. In addition to the data presented in this report, MCBC is also providing data on all Massachusetts cities and towns in a set of supplementary tables. MCBC hopes that this report and its supplementary data can help to increase access to fair credit for lower-income and minority homebuyers and homeowners by providing bankers, mortgage lenders, community representatives, regulators and others involved in the mortgage process with information on current mortgage lending patterns and the performance of major types of lenders.

MCBC was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts by encouraging community investment in low- and moderate-income and minority neighborhoods; promoting fair and equitable access to financial products and services for minority group members; and providing research, information, assistance and direction in understanding and addressing the credit and financial needs of low- and moderate-income individuals and neighborhoods.

MCBC's Mortgage Lending Committee, which includes bank and mortgage company lenders, home buyer counseling and foreclosure prevention agency representatives, public officials and consumer and housing advocates, oversees preparation of this report. The Committee also works to identify other ways to expand homeownership opportunities for low- and moderate-income homebuyers and to sustain homeownership in low- and moderate-income neighborhoods.

This report and its supplementary tables, as well as earlier reports in the *Changing Patterns* series, are available on MCBC's website at www.mcabc.info. Other MCBC reports are also available at this website, together with further information on MCBC's committees and programs.

MCBC depends on the financial support of its members to produce reports like *Changing Patterns*. MCBC thanks the following financial institutions for their 2016 membership:

Abington Bank	Colonial Federal Savings Bank	Patriot Community Bank
Avon Co-operative Bank	Community Credit Union	People's United Bank
Bank of Canton	Dedham Institution for Savings	Pilgrim Bank
Beverly Co-operative Bank	Eagle Bank	Randolph Savings Bank
Blue Hills Bank	East Cambridge Savings Bank	RTN Federal Credit Union
Boston Private Bank & Trust Company	Eastern Bank	Santander
Bridgewater Savings Bank	Equitable Bank	StonehamBank
Cambridge Savings Bank	Everett Co-operative Bank	—A Co-operative Bank
Cape Cod Five Cents Savings Bank	Leader Bank, N.A.	TD Bank
Capital One	Mansfield Co-operative Bank	The Cooperative Bank
Citi	Mass Bay Credit Union	The Savings Bank
Citizens Bank	Needham Bank	Wellesley Bank
	North Cambridge Co-operative Bank	Winchester Co-operative Bank

MCBC's 2016 Community Partners include ACCION, City of Boston through the Boston Planning and Development Agency, Community Teamwork, Inc., Dudley Square Main Streets, ESAC, the Fair Housing Center of Greater Boston, Family Independence Initiative, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Massachusetts Housing Partnership, the Metropolitan Boston Housing Partnership, the Somerville Community Corporation, South Eastern Economic Development (SEED) Corporation, and The Neighborhood Developers.

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Note: A set of Supplemental Tables provides information on lending in all 351 cities and towns in Massachusetts, including totals for the state’s fourteen counties. These tables are available in the “Publications” section of the MCBC website: www.mcabc.info/publications/mortgage-lending.

EXECUTIVE SUMMARY

This is the twenty-third in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. The report presents information on home-purchase mortgage lending in the city of Boston, in Greater Boston, in Massachusetts, in Boston neighborhoods, and in thirty-six large cities.

This “Executive Summary” highlights some of the report’s most interesting findings. A more inclusive summary is provided by the bold-faced portions of the bullet points in the body of the report, and by the charts and tables that are interspersed with the text. Readers interested in additional detail will want to investigate the tables that follow the body of the report.

Many of the report’s findings relate to FHA loans—loans made by private lenders that are insured by the Federal Housing Administration. Although FHA loans are somewhat more expensive for borrowers than conventional loans, they offer a reasonable option for those unable to obtain a conventional loan. The current high level of FHA loans, especially to traditionally underserved borrowers and neighborhoods, is not itself a problem, but is rather a symptom of—and a constructive response to—an underlying problem: the lack of availability of prime conventional loans to those borrowers and neighborhoods.

Level and Composition of Mortgage Lending

❖ FHA loans continued to account for historically high shares of total lending in 2015, as their share of home-purchase loans rose for the first time in five years. In Greater Boston, FHA loans accounted for 10% of all home-purchase lending, up from 8% in 2014, but far below their peak share of 23% in 2009. In the City of Boston, the FHA share of all home-purchase loans was lower, at 7%, while statewide it was substantially higher, at 17%. The FHA loan shares remain far above those of 2004 through 2007, when FHA loans accounted for only one

percent of home-purchase loans in Greater Boston. [Table 1 & Exhibit 1]

- ❖ FHA loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. For home-purchase loans, the FHA loan share was 17% in the state compared to 25% nationwide. [Exhibit 2]
- ❖ For the state’s twenty-six Gateway Cities combined, 34% of home-purchase loans in 2015 were FHA loans, double the statewide FHA loan share of 17%. Among the state’s biggest cities, FHA loan shares were highest in Lawrence (where they accounted for 65% of all loans), Brockton (58%), Springfield (49%), New Bedford (46%), and Lynn (44%). [Table 3]

Borrower Race/Ethnicity and Income

- ❖ Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2015 that were far below their shares of total households. In Greater Boston, blacks made up 7% of households but received only 2% of non-FHA home-purchase loans, while Latinos, who also made up 7% of households, received only 4% of non-FHA loans. In Boston, the black household share was 21% and the Latino household share was 14%, but the black and Latino shares of non-FHA loans were each just 4%. [Table 4]
- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive FHA loans in 2015 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, FHA loans accounted for 38% of loans to blacks and 40% of loans to Latinos, but only 9% of loans to whites. In the City of Boston, FHA loans accounted for 42% of loans to blacks, 27% of loans to Latinos, and 3% of loans to whites. FHA loan shares were consistently much *lower* for Asian borrowers than for whites. [Table 4 & Exhibit 3]

- ❖ Black and Latino shares of non-FHA loans in Greater Boston have changed only modestly over the 2009–2015 period; the black share fell from 2.2% to 2.1%, while the Latino share rose from 2.9% to 3.6%. Statewide, both Black and Latino shares of non-FHA loans were higher in 2015 than in 2009, while in the city of Boston they were both lower. [Table 5]
- ❖ Home-purchase lending to black and Latino borrowers varied dramatically among Boston’s twenty major neighborhoods in 2015. Black borrowers received 41% of total loans in Mattapan and 28% of total loans in Hyde Park and Roxbury, but received no loans in eight other neighborhoods (Allston, Back Bay, Beacon Hill, Downtown, Fenway, Mission Hill, North End, and South Boston Waterfront). Latino borrowers received 21% of total loans in Hyde Park and 15% of total loans in East Boston, while there were no loans to Latinos in the Fenway, Mission Hill, North End and South Boston Waterfront neighborhoods. [Table 8]
- ❖ When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, FHA shares of both home-purchase and refinance loans in 2015 tend to decline steadily as the level of borrower income increases. In Greater Boston, FHA shares of home-purchase loans fell steadily from 19% for moderate-income borrowers to 2% for highest-income borrowers. [Table 9]
- ❖ When borrowers are grouped by both race/ethnicity and income level, the FHA loan shares for blacks and Latinos in 2015 were usually substantially higher than the FHA shares for white borrowers in the same income category. For example, in Greater Boston the 2015 home-purchase FHA loan shares for high-income borrowers were 32% for blacks, 29% for Latinos, and 8% for whites. [Table 13]

Neighborhood Race/Ethnicity and Income

- ❖ For home-purchase loans in Greater Boston in 2015, the FHA loan share in predominantly minority tracts (those with at least 75% minority residents) was 3.6 times greater than the FHA loan share in predominantly white tracts (32.0% vs. 8.8%). The FHA share in low-income census tracts was 4.2 times greater than it was in upper-income tracts (20.1% vs. 4.8%). [Table 16]
- ❖ FHA lending varied dramatically among Boston’s neighborhoods. The FHA share of home-purchase loans ranged from 31% in Mattapan, 24% in Hyde Park and 23% in Roxbury to 0.0% in six neighborhoods (Back Bay, Beacon Hill, Fenway, Mission Hill, South Boston, and South End). The five Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of FHA loans. [Table 18 & Exhibit 6]
- ❖ Total home-purchase lending to blacks and Latinos in 2015 was highly concentrated in a small number of the state’s cities and towns, and entirely absent in many others. Brockton alone accounted for 17% of all loans to blacks in Massachusetts, while accounting for only 1.3% of total loans in the state. Just five cities (adding Boston, Worcester, Randolph, and Springfield) accounted for almost one-half (46%) of all loans to blacks in Massachusetts, while accounting for only 12% of the state’s total loans. Seven cities (Lawrence, Springfield, Lynn, Boston, Worcester, Revere, and Methuen) accounted for 42% of all loans to Latinos in the state, while accounting for just 14% of the state’s total loans. Meanwhile, in 86 of the state’s 351 cities and towns there was not a single home-purchase loan to either a black or Latino homebuyer. [Table 19 & Supp. Table 2]

Denials of Mortgage Applications

- ❖ In Boston, Greater Boston, and Massachusetts in 2015, the denial rates on non-FHA home-purchase loan applications by blacks and Latinos were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.2 in Boston (17.7% vs. 5.5%), 2.6 in Greater Boston (13.6% vs. 5.1%), and 2.1 statewide (13.9% vs. 6.5%). Latino denial rates for non-FHA home-purchase loans were approximately twice the denial rates for white applicants. [Table 20 & Exhibit 7]
 - ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2015 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. For example, for applicants with incomes between \$76,000 and \$100,000, the black denial rate was 3.0 times greater than the white denial rate in Boston, 1.9 times greater in Greater Boston, and 2.1 times greater statewide. [Table 21 & Exhibit 8]
 - ❖ While there have been ups and downs in the Asian/white, black/white, and Latino/white denial rate disparity ratios during the last twelve years, there are no major trends—that is, in most cases the disparity ratios in 2015 were quite close to what they were in 2004. There is one exception: the black/white disparity ratio in the City of Boston averaged 3.4 during the 2013–2015 period, substantially higher than its 2004–2006 average of 2.5. [Table 22 & Exhibit 9]
- consecutive year. The loan shares of Licensed Mortgage Lenders (LMLs) were nearly as large, while Other Lenders were a distant third. In Greater Boston, their loan shares were 45%, 42%, and 13%, respectively. These loan shares are dramatically changed from 2005–2006, when the share of CRA-covered lenders was only about 20%. [Table 23 & Exhibit 10]
- ❖ In the great majority of cases, CRA-covered lenders directed a greater share of their total loans as non-FHA loans—and a smaller share of their total loans as FHA loans—to the five categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders. In Greater Boston in 2015, for example, non-FHA loans to Latino borrowers made up 3.6% of all loans made by CRA-covered lenders, 3.3% of all loans by LMLs and 1.9% of all loans by Other Lenders. [Table 27]
 - ❖ The implementation of performance evaluations and ratings of individual LMLs under the state's CRA for Mortgage Lenders regulation seems to have had a positive impact on the relative performance of LMLs for third straight year. For non-FHA lending in Greater Boston in 2015, the loan shares of LMLs were greater than the loan shares of Other Lenders in four of our five categories of traditionally underserved borrowers and neighborhoods (their shares were equal in the fifth category). Moreover, for the first time there were cases where the LML loan shares were larger than those of CRA-covered lenders; this was true for loans to low- and moderate-income (LMI) borrowers and for loans in LMI neighborhoods. [Table 27]
 - ❖ Guaranteed Rate was the biggest lender in Boston, Greater Boston, and statewide in 2015. The next four biggest lenders in Greater Boston were Leader Bank, Mortgage Master, Wells Fargo Bank, and Prospect Mortgage. These five lenders accounted for 23% of total home-purchase loans in Greater Boston. [Table 29 & Exhibit 11]

Lenders

- ❖ Massachusetts banks and credit unions (CRA-covered lenders) had the biggest home-purchase loan shares in 2015 for the ninth

INTRODUCTION

This report is the twenty-third in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report focuses on lending in 2015 in Boston, Greater Boston, and Massachusetts but also provides some information on lending in Boston’s neighborhoods and in thirty-six of the state’s largest cities and towns. In addition, a separate set of supplemental tables provides selected data for every city and town in Massachusetts and for the state’s fourteen counties.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. In the following years, however, these banks lost most of their market share to other lenders—out of state banks and independent mortgage companies—whose local lending was not covered by the CRA.

In the middle 1990s, subprime lending began its explosive growth. Although subprime loans initially consisted overwhelmingly of loans to refinance existing mortgages, by 2003 they had become a larger share of home-purchase loans than of refinance loans. Subprime lending peaked in 2005 and 2006, and then began a precipitous drop that resulted in its almost complete disappearance.

In the aftermath of the financial crisis of 2008, FHA-insured lending captured an unprecedentedly large share of the overall mortgage market. Although this share has declined in recent years, it remains high by historical standards.

The basic goal that motivated the Massachusetts Community & Banking Council (MCBC) to initiate the *Changing Patterns* series of reports was to increase access to home-purchase mortgage loans—and, thus, access to homeownership—for traditionally underserved borrowers and neighborhoods. In the early 1990s, mortgages themselves were a relatively standard product, which potential homebuyers either got or didn’t get.

With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*.

Expressed differently, the problem of *redlining* became overshadowed by concern with *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans. Predatory lenders pushed loans characterized by egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices on minority borrowers and neighborhoods. As a result, these same borrowers and neighborhoods were disproportionately impacted by the ensuing tidal wave of foreclosures.¹

Following the meltdown of the subprime mortgage lending industry, concerns over fairness in mortgage lending have returned to problems of access to prime mortgage loans by traditionally underserved borrowers and neighborhoods. The dramatic increase in the market share of FHA loans—that is, loans insured by the Federal Housing Administration—is an indication of

¹ For a comprehensive study quantifying the ways that “foreclosure patterns are strongly linked with patterns of risky lending,” see Debbie Bocian *et al.*, *Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures* (Center for Responsible Lending, November 2011), available at: www.responsiblelending.org. In Boston, the five neighborhoods (out of the fifteen major neighborhoods into which the city was then divided) with the highest numbers of foreclosures in each year from 2008 (when foreclosure deeds peaked at 1,215) through 2012 (the last year of dramatically elevated foreclosures) were the same five neighborhoods that had the highest percentages of high-cost loans during 2006, the peak year of subprime lending. See the City’s *Foreclosure Trends 2012*, Table 3 (www.cityofboston.gov/Images/Documents/Foreclosure_Trends_2012_v2_tcm3-39675.pdf), earlier reports in this same series, and *Changing Patterns XIV*, Table 17 (available at: www.mcabc.info).

reduced availability of prime mortgage loans. While FHA lending is generally done in a responsible way, FHA loans are typically more costly than prime loans and often represent a second-best option that borrowers turn to when they cannot obtain prime mortgage loans.

The “Notes on FHA (and VA) Lending” at the end of this report provide considerable additional information on the nature of FHA-insured loans and the reasons for their high levels in recent years. These “Notes” also explain that this year’s report focuses on FHA-insured loans—rather than on all government-backed loans combined—primarily because VA loans (loans guaranteed by the U.S. Department of Veterans Affairs) are much more comparable to conventional loans than they are to FHA loans in terms of the borrowers and communities who receive them, their denial rates, and their rates of delinquency and foreclosure.

The main data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council (FFIEC). HMDA data include information from almost all lenders who make substantial numbers of mortgage loans. For each loan application received, the data include the income, race, ethnicity, and sex of the applicant; the location of the property; whether the loan is for home purchase, refinance, or home improvement; whether or not the loan is an FHA-insured or other government-backed loan; whether the loan is secured by a first lien or a junior lien on the property; and whether or not the loan is for an owner-occupied home. The data also indicate whether or not the loan is a higher-cost loan as determined by its annual percentage rate, or APR.

A major focus of many of this report’s tables and charts is to provide information on lending to different categories of borrowers and in different geographical areas. To this end, the report draws on two major sources of data in addition to HMDA data. First, estimates of the 2015 median family income (MFI) in each metropolitan area, produced by the FFIEC, are used to place borrowers into income categories. Second, information from the

U.S. Census Bureau is utilized so that analysis of lending patterns in terms of the income level and race/ethnicity of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. The “Notes on Data and Methods” at the end of the report provide details on the definitions and sources of the data used.

The current report, like last year’s, differs from *Changing Patterns XXI* and its predecessors by returning the focus to home-purchase loans, as in the original reports in the *Changing Patterns* series. Although overall data on refinance lending are contained in Tables 1–3 and Appendix Tables 1–2, all of the other tables present data on home-purchase lending only.

The analysis in this report is further limited to first-lien loans for owner-occupied homes. That is, it excludes (1) second mortgages and other junior-lien loans and (2) loans for homes that borrowers will not be occupying as a principal residence. Appendix Table 1 provides detailed data on the numbers and percentages of different types of home-purchase and refinance loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 88.3% of all home-purchase loans in the state, that first-lien loans for non-owner-occupied homes accounted for 10.4% of the total, and that junior-lien loans accounted for the remaining 1.3%. Appendix Table 2 provides information on all loans, conventional loans, and FHA loans, broken down by purpose (home-purchase or refinance), by type of lien, and by borrower race/ethnicity.

The principal goal of this report, like its predecessors, is to contribute to improving the performance of mortgage lenders in meeting the needs of traditionally underserved borrowers and neighborhoods by presenting a careful description of what has happened that all interested parties—community groups, consumer advocates, banks and other lenders, regulators, and policy-makers—can agree is fair and accurate. In this way, this series of reports seeks to provide useful annual inputs into

the complex, ongoing tasks of explanation and evaluation of the lending patterns observed.

For many readers, this report's main contribution will consist of the wealth of information contained in its forty-one tables, including data about individual municipalities of particular interest.² No attempt is made to summarize all of this information in the pages that follow.

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, Massachusetts. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.³) The remaining sections of the report are organized as follows:

- ❖ Part I presents information on the overall level and composition of mortgage lending.
- ❖ Part II analyzes patterns of lending to borrowers grouped by race/ethnicity and by income level.
- ❖ Part III examines patterns of lending in neighborhoods. The analysis looks at census tracts grouped by income level and by percentage of minority residents, as well as at Boston's major neighborhoods.
- ❖ Part IV summarizes data on denial rates, highlighting racial/ethnic disparities.
- ❖ Part V focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- ❖ Part VI presents information on the biggest mortgage lenders.
- ❖ Part VII notes significant recent changes in the laws and regulations that govern mortgage lending.
- ❖ Finally, a section of "Notes on FHA (and VA) Lending" provides background information on these categories of loans and a section of "Notes on Data and Methods" provides considerable detail on a number of technical matters.

² Additional tables, available at www.mcabc.info, provide **information on mortgage lending in all of the cities and towns in Massachusetts** and in all fourteen of the state's counties. It should be noted that these supplemental tables do not provide individual data for all 351 of the state's cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 60 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Florida and Savoy in Berkshire County).

³ More information on the MAPC region and on the MAPC itself—a regional planning agency established by the state in 1963—is available at www.mapc.org. Another widely used definition of "Greater Boston" is the Boston Metropolitan Statistical Area (MSA), the Massachusetts portion of which is currently defined by the federal government to include the 147 communities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. Brockton, Lowell, and Lawrence are the three biggest cities in the Boston MSA that are not included in the MAPC region. A map of the MAPC region and the Boston MSA precedes Table 1.

I. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

This brief section reports on the current levels of, and recent trends in, the overall volume of mortgage lending and the shares of total lending accounted for by FHA-insured loans (FHA loans) and high-APR loans (HALs). The findings presented in the bullet points and charts below are based on detailed tables that follow the text. Tables 1 and 2 provide information on total loans, FHA loans, and HALs in the City of Boston, in the Greater Boston area, and in Massachusetts; data for total and FHA loans in the state's largest cities and towns are presented in Table 3. For each geographical area, the tables provide information on the number of total loans, the number of FHA loans (or HALs), and the percentage of all loans that are FHA loans (or HALs); this information is provided separately for home-purchase loans and refinance loans.

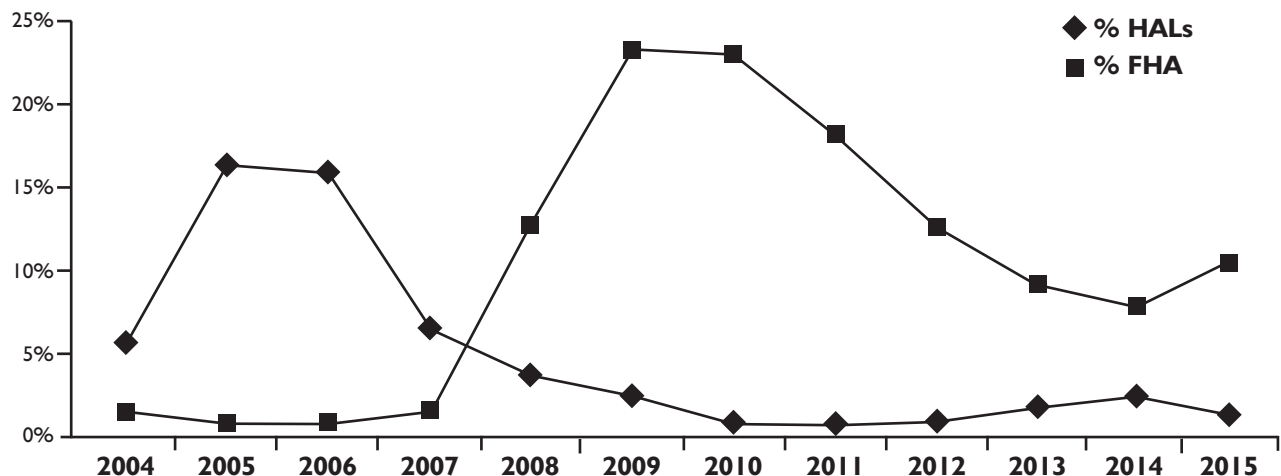
❖ **The overall level of home-purchase lending grew modestly in 2015, while the level of refinance lending sharply increased.** In Greater Boston, while the number of home-purchase loans increased by 6% to 32,220 loans, the number of refinance loans jumped 75% to 38,756. As a result, the share of home-

purchase loans in total lending fell from 58% in 2014 to 45% in 2015. (See Table 1.)

❖ **FHA loans continued to account for historically high shares of total lending in 2015, as their share of home-purchase loans rose for the first time in five years. In Greater Boston, FHA loans accounted for 10.4% of all home-purchase lending, up from 7.6% in 2014, but still well below their peak share of 23.4% in 2009.** In the City of Boston, the FHA share of all home-purchase loans was lower, at 6.8%, while statewide it was substantially higher, at 16.6%. The FHA loan shares remain far above those of 2004 through 2007, when FHA loans accounted for only one percent of home-purchase loans in Greater Boston. (Table 1 and Exhibit 1)

❖ **The level of high-APR loans (HALs) remained very low in 2015, accounting for just 1.0% of all home-purchase loans in Greater Boston—far below their peak level of 16.2% in 2005.** Even these relatively small numbers of HALs were not predatory loans similar to those prevalent a decade ago—in fact, two-thirds of all home-purchase HALs in Greater Boston

Exhibit 1: High-APR and FHA-Insured Loans in Greater Boston, 2004–2015
First-Lien Home-Purchase Loans for Owner-Occupied Homes



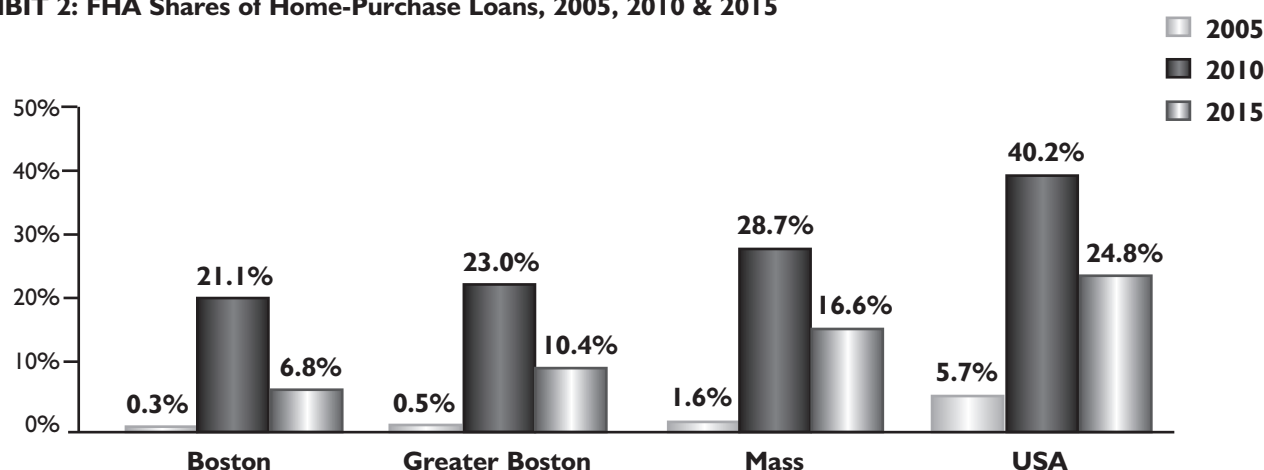
Source: Tables 1 & 2

were FHA loans, whose APRs were raised modestly above the HAL threshold by the insurance premiums on FHA mortgages.⁴ (Table 2 and Exhibit 1)

- ❖ **FHA loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.** For home-purchase loans, the FHA loan shares were 16.6% in the state and 24.8% nationwide; for refinance loans, they were 6.1% in the state and 13.8% nationwide. In fact, Massachusetts ranked 46th among the fifty states in overall FHA loan share in 2015.⁵

- ❖ **For the state's twenty-six Gateway Cities combined, 33.7% of home-purchase loans in 2015 were FHA loans, double the statewide FHA share of 16.6%. Among the state's biggest cities,⁶ FHA loan shares for home-purchase lending in 2015 were highest in Lawrence (where they accounted for 64.6% of all loans), Brockton (57.5%), Springfield (49.1%), New Bedford (46.2%) and Lynn (43.8%).** (Table 3)

EXHIBIT 2: FHA Shares of Home-Purchase Loans, 2005, 2010 & 2015



Source: Table 1 and see footnote 5

II. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, blacks and Latinos received shares of total non-FHA loans that were disproportionately small compared to their shares of total households. At the same time, black and Latino borrowers were much more likely than their white

counterparts to receive FHA-insured loans (FHA loans). The pattern with respect to FHA loans can be seen from two different perspectives. First, FHA loans made up much larger shares of all loans to black and Latino borrowers than they did of all loans

⁴ In Greater Boston, 217 of 328 home-purchase HALs (66.2%) and 68 of 115 refinance HALs (59.1%) were FHA loans. See “Notes on FHA (and VA) Lending” for information on FHA mortgage insurance premiums, on how premium increases in 2013 pushed the APRs on many FHA loans slightly above the HAL threshold, and on how a premium decrease at the beginning of 2015 is the probable cause of the increases in FHA loan shares between 2014 and 2015.

⁵ Nationwide FHA loan shares in the text and in Exhibit 2 were calculated from data in Table 1 of Neil Bhutta and Daniel R. Ringo, “Residential Mortgage Lending from 2004 to 2015: Evidence from the Home Mortgage Disclosure Act Data” (*Federal Reserve Bulletin*, 2016; available at: www.federalreserve.gov). The state's ranking is from HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2015*, p. 52. One factor contributing to the lower FHA loan share in Massachusetts is the availability of lower-cost mortgages from the state's ONE Mortgage Program and from MassHousing.

⁶ Although three of the thirty-six municipalities listed in Table 3 are officially towns, these municipalities will be referred to collectively as “cities” throughout this report. The three towns are: Brookline, Framingham, and Plymouth.

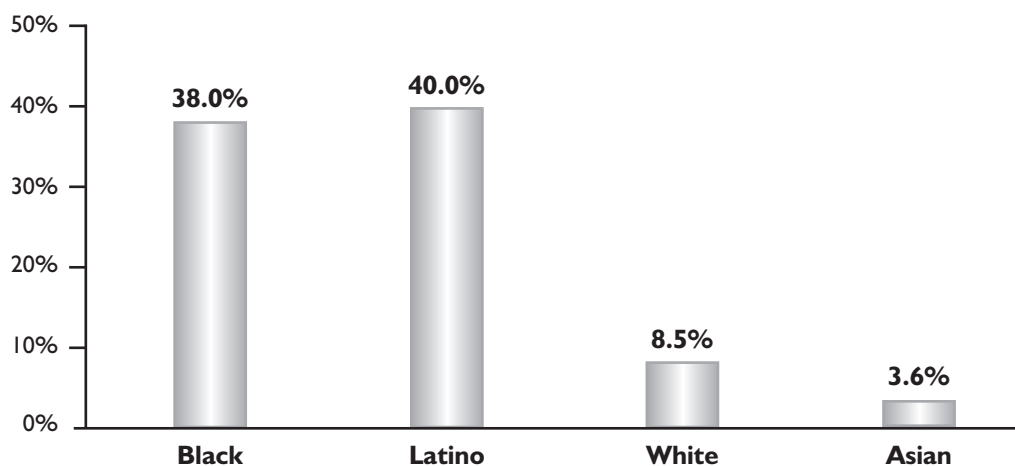
to white borrowers. Second, blacks and Latinos received much larger shares of total FHA loans than they received of total non-FHA loans. When borrowers are grouped by income level, FHA loan shares tend to decrease steadily as income increases. When borrowers are classified by both race and income, substantial black/white and Latino/white disparities exist at every income level.⁷

- ❖ **Black borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2015 that were far below their shares of total households. In Greater Boston, blacks made up 7.3% of households but received only 2.1% of non-FHA home-purchase loans. In Boston, the black household share was 21.0%, but the black loan share was just 3.6%. Statewide, the black household share was 5.7% and the black loan share was 2.3%.⁸ (Panel B of Table 4)**
- ❖ **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total non-FHA loans in 2015 that were well below their shares of total households. In Greater Boston, Latinos made up 6.8% of households**

but received only 3.6% of non-FHA home-purchase loans. In Boston, the Latino household share was 13.7%, but the Latino loan share was just 3.8%. Statewide, the Latino household share was 7.2% and the Latino loan share was 3.9%. (Panel B of Table 4)

- ❖ **Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive FHA loans in 2015 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, FHA loans accounted for 38.0% of loans to blacks and 40.0% of loans to Latinos, but only 8.5% of loans to whites. Accordingly, the black/white disparity ratio was 4.5 and the Latino/white disparity ratio was 4.7. In the City of Boston, the black/white disparity ratio was 13.2 (42.3% vs. 3.2%) and the Latino/white disparity ratio was 8.3 (26.6% vs. 3.2%). Statewide, the black/white ratio was 3.3 and the Latino/white ratio was 3.4. In Greater Boston and statewide, the FHA loan shares were much lower for Asian borrowers than for whites. (Table 4 and Exhibit 3)**

EXHIBIT 3: FHA Loans as Share of All Loans by Race/Ethnicity, Greater Boston, 2015



Source: Table 4

⁷ Appendix Table 3 and the accompanying Chart A-3 update the table and chart from previous *Changing Patterns* reports that have tracked the number and percentage of all home-purchase loans that have gone to borrowers of different races/ethnicities in the City of Boston since 1990. Most notably, **blacks—who made up 21% of Boston’s households throughout the entire period—saw their share of Boston’s home-purchase loans increase from 16% in 1990 to 21% in 1993, then fall steadily to 10% in 2002, rebound to 17% by 2006, and then resume a steady decline to 6% in 2013 before rising slightly in the last two years to 6.6% in 2015.**

⁸ The black and Latino household shares in this paragraph and the next are calculated from 2010 Census data (see “Notes on Data and Methods” for details). In 2000, the black household shares were 21.3% in Boston and 4.7% statewide, while the Latino household shares were 10.6% in Boston and 5.0% statewide. Thanks to Jessie Partridge of MAPC for providing the 2010 household percentages for Greater Boston.

- ❖ The dramatic racial/ethnic disparities in FHA-insured mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 2.1% of all non-FHA loans in 2015, their share of all FHA loans was more than five times greater—11.0%. Similarly, while Latino homebuyers received only 3.6% of all non-FHA loans in Greater Boston, their share of all FHA loans was 20.8%. (Table 4, Panel B)**
- ❖ Table 5 shows Asian, black, and Latino loan shares annually since 2004, when HMDA data first became available in their present form; however, the data for 2004–2008 show prime rather than non-FHA loans, and so are not directly comparable to the data for later years. **The black and Latino shares of non-FHA loans in Greater Boston have changed only modestly over the 2009–2015 period; the black share fell from 2.2% to 2.1%, while the Latino share rose from 2.9% to 3.6%.** Statewide, both Black and Latino shares of non-FHA loans were higher in 2015 than in 2009, while in the city of Boston they were both lower. (Table 5, Panel A)
- ❖ Tables 6 and 7 provide information for lending in thirty-six cities, including the state’s twenty-six Gateway Cities individually and as a group. **The general patterns of FHA loan shares being substantially higher for black and Latino borrowers than for their white counterparts, and of blacks and Latinos having substantially larger shares of FHA loans than of non-FHA loans, were present in most of the state’s largest cities, and for the state’s twenty-six Gateway Cities as a group. (Tables 6 & 7 and Exhibit 4)⁹**
- ❖ **Home-purchase lending to black borrowers varied dramatically among Boston’s twenty major neighborhoods in 2015. Just five neighborhoods (Dorchester, Hyde Park, Mattapan, Roxbury, and Roslindale) accounted for 93.1% of all Boston loans to blacks, while in eight other neighborhoods (Allston, Back Bay, Beacon Hill, Downtown, Fenway, Mission Hill, North End, and South Boston Waterfront) blacks received no loans.** Black borrowers received 40.6% of total loans in Mattapan and 27.7% of total loans in both Hyde Park and Roxbury, but received 0.5% or less of total loans in twelve other neighborhoods. (Table 8)

EXHIBIT 4: Black and Latino Shares of All Home-Purchase Loans, in Massachusetts Gateway Cities, Ten Biggest & Total, 2015

	Black % of total loans		Latino % of total loans	
	non-FHA	FHA	non-FHA	FHA
Worcester	7.6%	17.0%	8.3%	27.6%
Springfield	13.5%	14.0%	24.0%	39.5%
Lowell	5.1%	7.0%	8.2%	25.2%
New Bedford	5.9%	6.9%	8.4%	13.4%
Brockton	37.7%	53.2%	9.8%	13.0%
Quincy	1.9%	2.7%	1.0%	2.7%
Lynn	6.8%	12.3%	22.4%	46.5%
Fall River	3.1%	6.2%	3.1%	9.6%
Lawrence	0.6%	1.3%	76.2%	87.3%
Haverhill	2.6%	3.1%	7.3%	26.6%
All Gateway Cities	5.6%	13.6%	10.5%	30.1%

Source: Table 7

⁹ Corresponding data for all of the state’s cities and towns are presented in Supplemental Table 2.

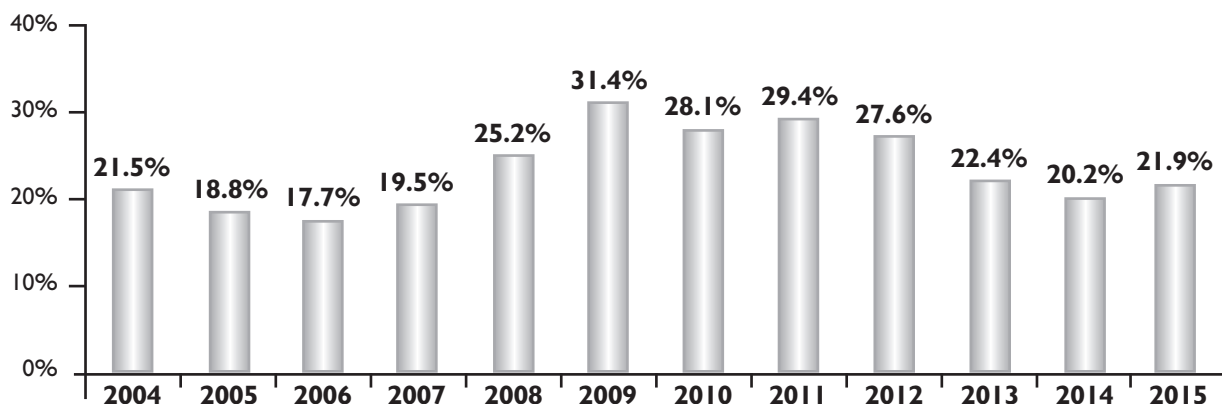
- ❖ **Home-purchase loans to Latino borrowers also varied substantially among Boston neighborhoods. Just three neighborhoods (Hyde Park, Dorchester, and East Boston) accounted for over half (56.4%) of all Boston loans to Latinos, while in four other neighborhoods (Fenway, Mission Hill, North End, and South Boston Waterfront) Latinos received no loans in 2015.** Latino borrowers received 21.4% of total loans in Hyde Park, and 15.4% of total loans in East Boston, while they received 2.0% or less of total loans in ten other neighborhoods. (Table 8)
- ❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, FHA loan shares of home-purchase loans in 2015 tend to decline steadily as the level of borrower income increases.** In Greater Boston, FHA loan shares were 18.6% for moderate-income borrowers, 15.4% for middle-income borrowers, 7.7% for high-income borrowers, and 1.7% for highest-income borrowers.¹⁰ FHA loan shares for borrowers at different income levels in the thirty-six cities covered in this report tended to follow this same general pattern. Note: The median family income in the Boston MSA in 2015 was \$95,500, so low-income borrowers there were those with incomes up to \$47,000, moderate-income was from \$48,000 to \$76,000, middle-income was from \$77,000 to \$114,000, high-income was from \$115,000 to \$191,000, and highest-income borrowers were those with incomes of \$192,000 or more.¹¹ (Tables 9 & 10)
- ❖ **The share of all home-purchase loans in Greater Boston that went to low- and moderate-income (LMI) borrowers in 2015 (21.9%) was up slightly from 20.2% in 2014 and was above the LMI loan shares during 2004–2007, but was substantially below the peak LMI loan share of 31.4% reached in 2009.** Loans to LMI borrowers have generally accounted for a much larger share of FHA loans than of total lending; in 2015, the LMI share of FHA loans in Greater Boston was 37.1%.¹² (Table 11 and Exhibit 5)
- ❖ **When borrowers are grouped by both race/ethnicity and income level, the FHA loan shares for blacks and Latinos in 2015 were usually substantially higher than the FHA shares for white borrowers in the same income category.** This general pattern holds in Boston (Table 12), in Greater Boston (Table 13), and statewide (Table 14). For brevity, only one specific example will be provided here. **In Greater Boston, 31.7% of high-income blacks and 29.0% of high-income Latinos received their home-purchase loans in the form of FHA loans, while the FHA loan share was just 7.5% for high-income whites.** This means that among homebuyers with reported incomes between \$115,000 and \$191,000, blacks were 4.3 times more likely to receive an FHA loan than their white counterparts, and Latinos were 3.9 times more likely than whites to receive their mortgage in the form of an FHA loan. (Tables 12–14)

¹⁰ The loan shares for low-income borrowers, especially in Boston and Greater Boston, don't fit this pattern. These relatively small FHA loan shares may reflect the role that targeted affordable mortgage programs play for these households.

¹¹ Following standard practice in mortgage lending studies, these income categories are defined in relationship to the median family income (MFI) in the metropolitan area in which the home is located. Standard practice is to divide borrowers into four income categories: less than 50% of the MFI of the metro area is "low-income"; between 50% and 80% is "moderate-income"; between 80% and 120% is "middle-income"; and over 120% is "upper-income." **In this report, the standard "upper-income" category for borrowers is subdivided into "high-income" (between 120% and 200% of the MFI in the relevant metropolitan area) and "highest-income" (more than double the MFI in the metro area).** This report also differs from standard practice in using the MFI of the Boston MSA for all communities in that five-county region. The standard practice for analysis of HMDA data now is based on the division of the Boston MSA into two Metropolitan Divisions (MDs), each with its own MFI. This report deviates from the standard practice because it makes no sense to treat, for example, Cambridge and Boston as being in different metropolitan areas. Note: HMDA data report borrower income only to the nearest thousand dollars. See "Notes on Data and Methods" for more detailed information on metropolitan areas and MFIs.

¹² Appendix Table 4 and Chart A-4 provide data on the number and percentages of all loans that have gone to borrowers at different income levels in the City of Boston since 1990.

**Exhibit 5: Low and Moderate Income Borrower Loan Share
Home-Purchase Loans, Greater Boston, 2004–2015**



Source: Table I I

III. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where mortgage loans were made rather than on the characteristics of the *borrowers* who received the loans. Table 15 (Boston), Table 16 (Greater Boston), and Table 17 (Massachusetts) classify census tracts by both race/ethnicity and income level.¹³ These tables provide clear evidence on the high correlation between the percentage of white residents in a census tract and the median income level in that census tract. They also show that FHA-insured loans are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where income levels are low. The general patterns noted for Greater Boston in the following two bullets also hold in Boston and statewide.

- ❖ **In Greater Boston, most (32 of 53, or 60.4%) of the predominantly minority census tracts (those with more than 75% minority residents) are low-income and no predominantly minority tracts are upper-income. In contrast, only one of the 398 predominantly-white tracts (0.3%) is low-income, while more than half (52.5%) are upper-income.** (The remaining tracts fall into the moderate- or middle-income categories.¹⁴) The high correlation between the income levels and racial/ethnic composition of neighborhoods can also be seen **from another perspective: while minorities make up at least half of the population in nearly four-fifths of all low-income census tracts in Greater Boston (57 of 72, or 79.2%), none of**

¹³ Census tracts, redefined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 617,594 according to the 2010 census, had 181 census tracts. A census tract is placed in a racial/ethnic category on the basis of its percentage of minority population as reported in the 2015 HMDA data. A census tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the metropolitan area within which the tract is located, as reported in the 2015 HMDA data. “Low-income” tracts are those with MFIs less than 50% of the MFI in the metro area; “moderate-income” tracts have MFIs from 50%–80% of the metro area MFI; “middle-income” tracts have MFIs from 80%–120% of the metro area MFI; and “upper-income” tracts are those with MFIs greater than 120% of the MFI in their metro area.

¹⁴ While the middle-income category is for census tracts with median family incomes (MFIs) between 80% and 120% of the MFI in the metro area, all four of the predominantly-minority middle-income tracts in Massachusetts have MFIs of less than 90% of the metro area MFI. These four tracts are located in Boston’s Hyde Park, Mattapan, and Roslindale neighborhoods.

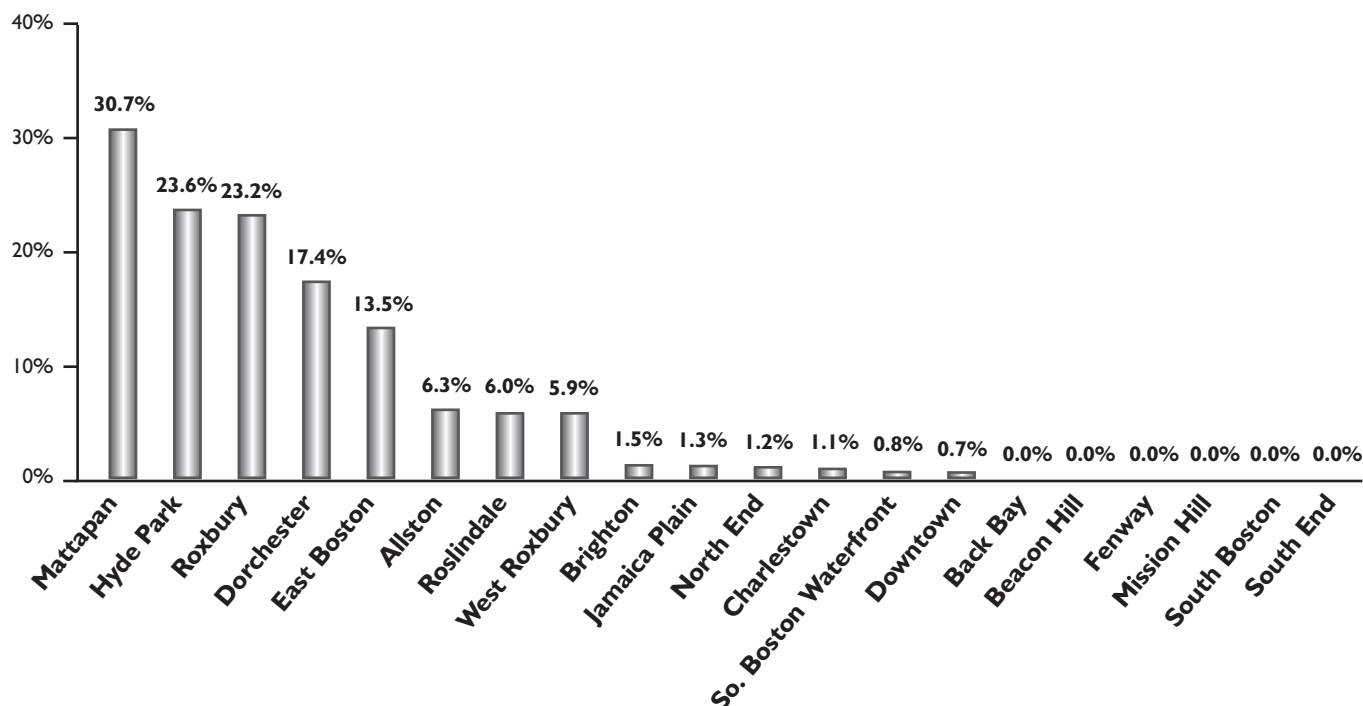
the 235 upper-income tracts have a majority of minority residents. (The shares of tracts with a majority of minority residents were 34.3% for moderate-income tracts and 6.5% for middle-income tracts.) (Table 16, Panel A)

- ❖ **For home-purchase loans in Greater Boston in 2015, the FHA loan share in the 53 predominantly minority tracts (those with at least 75% minority residents) was 3.6 times greater than the FHA loan share in the 398 predominantly white tracts (32.0% vs. 8.8%).** The FHA loan share in low-income census tracts was 4.2 times greater than it was in upper-income tracts (20.1% vs. 4.8%). (Table 16)
- ❖ **FHA-insured lending varied dramatically among Boston’s neighborhoods. The FHA share of home-purchase loans ranged from 30.7% in Mattapan, 23.6% in Hyde Park, and 23.2% in Roxbury to 0.0% in six neighborhoods: Back Bay, Beacon Hill, Fenway, Mission Hill, South Boston, and the South End.** The five Boston neighborhoods

with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of FHA loans. (Table 18 and Exhibit 6)

- ❖ The same pattern emerges at the level of entire communities. For 36 large cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on FHA lending. Examination of these data shows that FHA loan shares have a strong positive correlation with communities’ percentages of black and Latino residents and a strong negative correlation with communities’ median family incomes (MFIs). For example, among the 26 Gateway cities, **the three cities with the highest FHA shares for home-purchase loans in 2015 had an average of 60.0% black plus Latino residents and an average MFI of \$45,444 while the three cities with the lowest FHA shares had an average of 17.3% black plus Latino households and an average MFI**

EXHIBIT 6: FHA Share of Home-Purchase Loans, Boston Neighborhoods, 2015



Source: Table 18

of \$71,341. (The high FHA loan-share cities—Lawrence, Brockton, and Springfield—had an average FHA loan share of 57.6%; the low FHA loan-share cities—Quincy, Salem, and Malden—had an average FHA loan share of 13.9 %.) (Table 3)

- ❖ **Total home-purchase lending to blacks and Latinos in 2015 was highly concentrated in a small number of the state’s cities and towns, and entirely absent in many others.** Table 19 provides data for the ten cities that received the most loans to black borrowers and, separately, the ten cities that received the most loans to Latino borrowers. **Brockton alone accounted for over one-sixth (17.2%) of all loans to blacks in Massachusetts, while accounting for only 1.3% of total loans in the state.** Just five cities (adding Boston, Worcester, Randolph,

and Springfield) accounted for almost one-half (46.3%) of all loans to blacks in Massachusetts; these five communities accounted for only 12.3% of the state’s total loans. Seven cities (Lawrence, Springfield, Lynn, Boston, Worcester, Revere, and Methuen) accounted for 41.6% of all loans to Latinos in the state, while accounting for just 13.8% of the state’s total loans. At the same time, **blacks received no home-purchase loans in 2015 in 143 of the state’s 351 cities and towns, and only a single loan in 68 more, while there were 98 communities where Latinos received no loans and 50 more where they received just one.** In 86 communities, the same number as in 2014, there was not a single home-purchase loan to either a black or a Latino homebuyer. (Table 19 and calculated from data in Supplemental Table 2)

IV. DENIALS OF MORTGAGE LOAN APPLICATIONS

HMDA data include information not just on mortgage loans made, but also on all applications for mortgage loans, thereby making it possible to examine patterns of loan denials. The findings presented in this section are based on information presented in Tables 20–22 for Boston, Greater Boston, and Massachusetts. Information on applications and denial rates for Asians, blacks, Latinos, and whites in every city and town in Massachusetts is presented in Supplemental Table 3.^{15, 16}

- ❖ **In Boston, Greater Boston, and Massachusetts in 2015, the denial rates on non-FHA home-purchase loan applications by blacks were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.2 in Boston (17.7% vs. 5.5%), 2.6 in Greater**

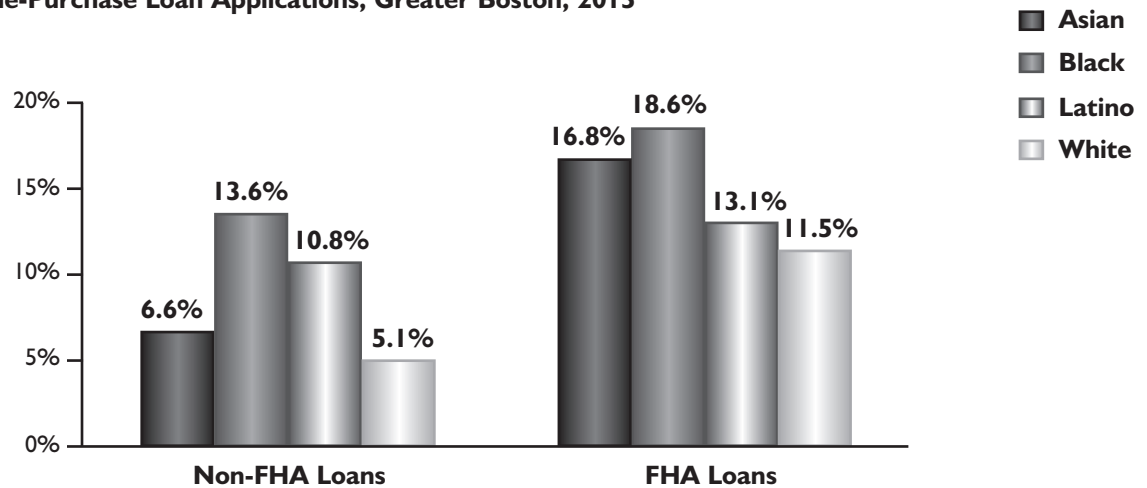
Boston (13.6% vs. 5.1%), and 2.1 statewide (13.9% vs. 6.5%). Latino denial rates for non-FHA home-purchase loans were approximately twice the denial rates for white applicants; the Latino/white denial rate disparity ratios were 1.5 in Boston, 2.1 in Greater Boston, and 2.0 statewide. Asian/white denial rate disparity ratios were 1.2 in Boston, 1.3 in Greater Boston, and 1.1 statewide. (Table 20 and Exhibit 7)

- ❖ While blacks and Latinos faced modestly higher denial rates for FHA loans than for non-FHA loans, whites experienced *much* higher denial rates for FHA loans than for non-FHA loans. As a result, **denial rate disparity ratios were considerably lower for FHA loans than for non-FHA loans.** In Greater Boston in 2015, the FHA black/white denial rate disparity ratio was 1.6

¹⁵ In addition, Appendix Table 5 and its accompanying chart present annual information on overall denial rates and on denial rate disparity ratios in Boston, Massachusetts, and the U.S. from 1990 through 2015.

¹⁶ Not all loan applications result in either loans or denials; approximately one-sixth of applications have other outcomes. Appendix Table 6 provides information on the percentage distribution of loan applications among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts.

**EXHIBIT 7: Denial Rates, by Race/Ethnicity,
Home-Purchase Loan Applications, Greater Boston, 2015**



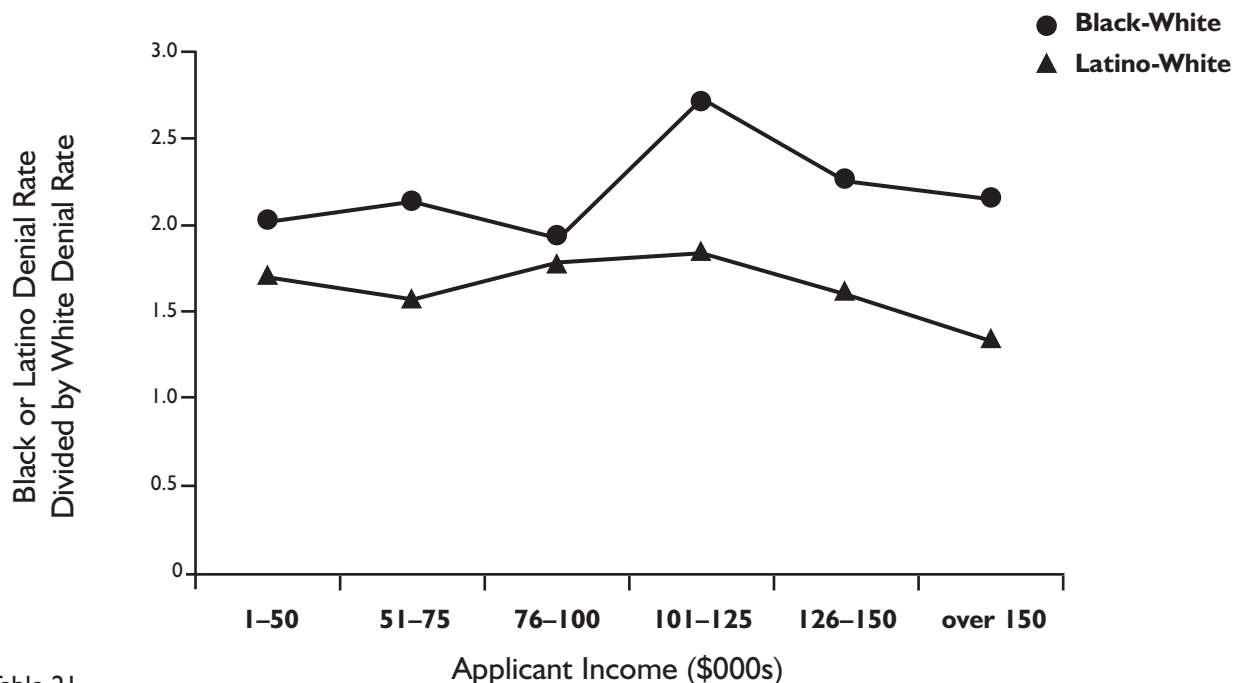
Source: Table 20

(18.6% vs. 11.5%) and the Latino/white disparity ratio was 1.3. (13.1% vs. 11.5%). (Table 20)

- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,¹⁷ **the higher denial rates experienced by blacks and Latinos cannot be**

explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2015 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. For example, in Greater Boston, the denial rates

**EXHIBIT 8: Black-White & Latino-White Denial Rate Disparity Ratios,
Non-FHA Home-Purchase Loans, Greater Boston, 2015**



Source: Table 21

¹⁷ For example, it can be calculated from the data in Table 21 that 64% of white applicants in Greater Boston had reported incomes of \$101,000 or greater, compared to only 36% of black applicants and 35% of Latino applicants.

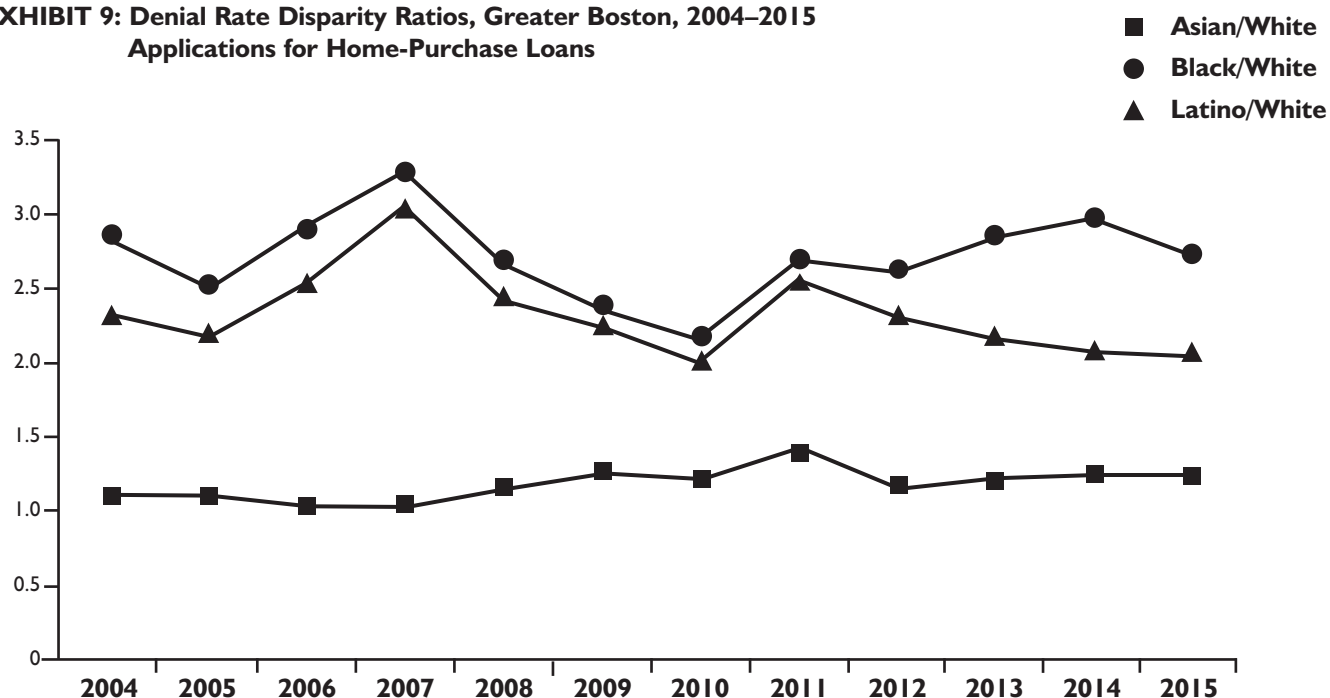
for blacks with incomes above \$150,000 and for Latinos with incomes between \$125,000 and \$150,000 were both higher than the denial rate for whites with incomes between \$50,000 and \$75,000. The black/white denial rate disparity ratios within the six income categories examined ranged from 1.93 to 2.72; the Latino/white disparity ratios ranged from 1.34 to 1.85. (Table 21 and Exhibit 8)

- ❖ Table 22 presents denial rates and denial rate disparity ratios for 2004 through 2015 for Boston, Greater Boston, and Massachusetts. **While there have been ups and downs in the three denial rate disparity ratios (Asian/white, black/white, and Latino/white) during the twelve-year period, there are no major trends—that is, in most cases the disparity ratios in 2015 were quite close to what they were in 2004.** In general, the disparity ratios went down from 2004 to 2005, up from 2005 to 2007, down from 2007 to 2010, up again from 2010 to 2014, and down again in 2015. **The major exception to the preceding generalization is the black/white disparity ratio in the City of Boston, which (in spite of a significant drop in 2015) averaged 3.37 over**

the 2013–2015 period, substantially higher than its 2004–2006 average of 2.49. Over all twelve years in all three areas, the Asian/white denial rate disparity ratio has ranged between 1.02 and 1.62, the black/white ratio between 1.95 and 3.60, and the Latino/white ratio between 1.82 and 3.06. (Table 22 and Exhibit 9)

- ❖ Appendix Table 7 provides summary information on the stated reasons for home-purchase loan denials to black, Latino, and white applicants in Greater Boston, both overall and for two broad income groupings. The most frequently stated reason for denial was “Debt-to-Income Ratio,” with “Credit History” and “Collateral” being the second and third most frequently stated reasons. “Debt-to-Income Ratio” was a stated reason for about half of denials to low- and moderate-income applicants but for only about one-quarter of denials to middle- and upper-income applicants. Although “Credit History” is more common for blacks than others, and “Collateral” is more common for whites, the stated reasons for loan denials are generally quite similar for black, Latino, and white applicants.

EXHIBIT 9: Denial Rate Disparity Ratios, Greater Boston, 2004–2015
Applications for Home-Purchase Loans



Source: Table 22

V. LENDING BY MAJOR TYPE OF LENDER

The analysis in this section is based on classifying each mortgage lender into one of three major categories. *Massachusetts Banks and Credit Unions* are banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions. *Licensed Mortgage Lenders* are independent mortgage companies that made at least fifty mortgage loans in Massachusetts. *Other Lenders* are out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.¹⁸

This three-way classification was originally adopted for the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender’s Massachusetts mortgage lending (1) was covered by the state and/or federal Community Reinvestment Act (CRA); (2) was potentially subject to coverage by CRA-like regulation by the state; or (3) was exempt from such oversight from any regulator.

This classification proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation. Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluations for licensed mortgage lenders (LMLs) in the state’s 2007 *Act Protecting and Preserving Homeownership*; these were implemented in the Division of Bank’s CRA for Mortgage Lenders (officially: Mortgage Lender Community Investment or MLCI) regulation that became effective in September 2008. The regulation applies to licensed mortgage lenders

that made at least fifty mortgage loans in the state during the preceding year.

- ❖ Table 23 shows the home-purchase loan market shares of each of the three major types of lenders—for Boston, Greater Boston, and Massachusetts—for each of the past twelve years. **Massachusetts banks and credit unions (CRA-covered lenders) had the biggest loan shares in 2015 for the ninth consecutive year. The loan shares of Licensed Mortgage Lenders (LMLs) were nearly as large, while Other Lenders were a distant third. In Greater Boston, the three loan shares were 45.0%, 42.1%, and 12.9%, respectively.** These loan shares are dramatically changed from 2005–2006, when LMLs made almost half of all loans, and the share of CRA lenders was only about 20%. Other Lenders now account for only about 13% of all loans, down from approximately one-third of all loans from 2004 through 2008. (Table 23)¹⁹
- ❖ **Massachusetts banks and credit unions accounted for a much larger share of all loans than of FHA loans in 2015, while the reverse was true for Licensed Mortgage Lenders.** In Greater Boston, Massachusetts banks and credit unions accounted for 45.0% of all loans but for only 19.6% of FHA loans, while LMLs accounted for 42.1% of all loans, but for 73.0% of FHA loans. Other Lenders accounted for 12.9% of all loans and 7.4% of FHA loans. **Accordingly, FHA loans made up a much larger share of total loans by LMLs than of total loans by**

¹⁸ These descriptions of the types of lenders in each category are somewhat oversimplified, but the lenders identified in the text accounted for over 92% of the 2015 home-purchase loans by each of the three major types of lenders. In the “Massachusetts Banks and Credit Unions” category, 7.5% of loans were accounted for by three subsidiaries of Massachusetts banks. In the “Licensed Mortgage Lenders” category, 3.3% of loans were accounted for by affiliates of non-Massachusetts banks that made more than fifty mortgage loans in the state. In the “Other Lenders” category, 4.7% of loans were accounted for by independent mortgage companies that made fewer than fifty in-state loans, affiliates of non-Massachusetts banks that made fewer than fifty in-state loans, and subsidiaries of federally-chartered out-of-state banks. Federal credit unions based in Massachusetts are included in the “Other Lenders” category because they are not subject to either the federal or state CRA.

¹⁹ Appendix Table 8 shows how the shares of major categories of mortgage lenders in Boston have changed since 1990; statewide data in this table begin in 2003. This table follows the same format—and the same lender categories—as the corresponding table in previous reports in this series. For this table, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-State Banks.” For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished.

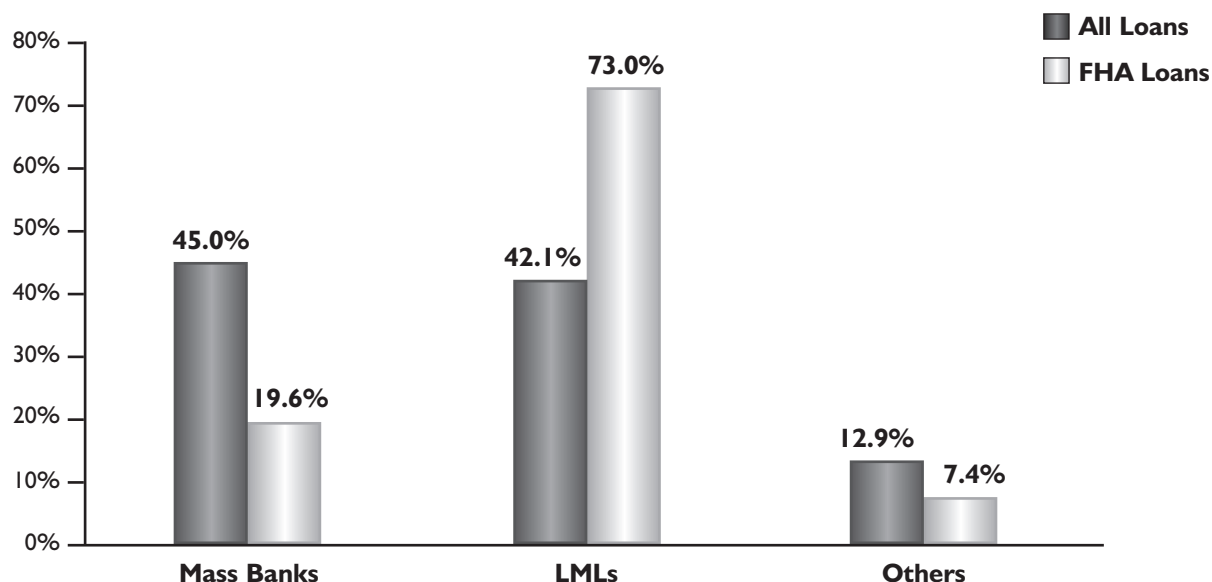
Massachusetts banks and credit unions or by Other Lenders. In Greater Boston, FHA loans accounted for 18.0% of all loans by LMLs, but for only 4.5% of all loans by Massachusetts banks and credit unions and for only 5.9% of all loans by Other Lenders. The same general patterns were true in the City of Boston and statewide. (Tables 24 & 25 and Exhibit 10)

- ❖ Table 26 (Boston), Table 27 (Greater Boston) and Table 28 (Massachusetts) present information on the shares of the total 2015 home-purchase loans of each of the three major types of lenders that consisted of non-FHA loans to five categories of traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of FHA loans to these same borrowers and neighborhoods. **In the great majority of cases, Massachusetts banks and credit unions (CRA-covered lenders) made a greater (often, a substantially greater) share of their total loans as non-FHA loans—and a**

smaller share of their total loans as FHA loans—to these categories of traditionally underserved borrowers and neighborhoods than did LMLs and Other Lenders.²⁰ In Greater Boston in 2015, for example, CRA-covered lenders had the highest percentage of non-FHA loans in three cases and were a close second to LMLs in the other two; they had the lowest percentage of FHA loans in three cases, tied for lowest in one case, and were second lowest in the fifth case. (Tables 26–28)

- ❖ **The implementation of performance evaluations and ratings of individual LMLs under the state’s CRA for Mortgage Lenders regulation seems to have had a positive impact on the relative performance of LMLs for third straight year.**²¹ For non-FHA lending in Greater Boston in 2015, the loan shares of LMLs were greater than the loan shares of Other Lenders in four of our five categories of traditionally underserved borrowers and neighborhoods. Moreover, for the first time

EXHIBIT 10: Market Shares of Major Lender Types, Greater Boston, 2015



Source: Table 24

²⁰ To quantify the phrase “great majority”: out a total of sixty pair-wise comparisons between the loan share of CRA-covered lenders and the loan share of a different lender type, the claim made in this sentence holds true in 52 of the comparisons.

²¹ This is true even though only three-fifths (47 of 79, or 59.5%) of the active LMLs that were subject to CRA for Mortgage Lenders regulation in 2015 on the basis of having made fifty or more mortgage loans in Massachusetts in 2014 had received ratings by the end of 2015. For details, and a list of ratings of the LMLs that had been examined and rated, see Jim Campen, *CRA Ratings of Massachusetts Banks, Credit Unions, and Licensed Mortgage Lenders in 2015*, Massachusetts Affordable Housing Alliance, January 2016, p. 2 and Table A-4 (<http://mahahome.org/sites/default/files/CRA%20Ratings%202015.pdf>).

there were cases where the LML loan shares were larger than those of CRA-covered lenders; this was true for loans to low- and moderate-

income (LMI) borrowers and for loans in LMI neighborhoods.²² (Tables 26–28)

VI. THE BIGGEST LENDERS

Who were 2015’s biggest lenders? Tables 29 and 30 present information on the thirty biggest lenders in Greater Boston.²³ Table 29 shows, for each of these lenders, its total loans and rank in Boston and Massachusetts as well as in Greater Boston. Table 30 shows, for each of these same lenders, the number and percent of its total home-purchase loans in Greater Boston that were made up of (1) FHA loans, (2) loans to low- and moderate-income (LMI) borrowers, and (3) loans to black and Latino borrowers, as well as its overall rank in terms of the number of its loans in each of these three categories.

❖ **Guaranteed Rate was the biggest lender in Greater Boston in 2015 with 2,004 home-purchase loans; it also ranked first in Boston and statewide. Leader Bank ranked second in Greater Boston with 1,923 loans, Mortgage Master ranked third with 1,310 loans, Wells Fargo Bank ranked fourth with 1,255 loans, and Prospect Mortgage ranked fifth with 882 loans.**²⁴ The ranking of these five lenders is unchanged from 2014. Together, they accounted for 22.9% of total home-purchase loans in Greater Boston.²⁵ (Table 29 and Exhibit 11)

EXHIBIT 11: The 5 Biggest Lenders in Greater Boston Home-Purchase Loans, 2015

Rank	Lender	Loans	Mkt Share	FHA Rank	LMI Rank	Blk + Lat Rank
1	Guaranteed Rate	2,004	6.2%	1	1	1
2	Leader Bank	1,923	6.0%	11	3	11
3	Mortgage Master	1,310	4.1%	3	2	6
4	Wells Fargo	1,255	3.9%	12	21	12
5	Prospect Mortgage	882	2.7%	4	9	13
	Total, Top 5 Lenders	7,374	22.9%			
	Total, All Lenders	32,220	100.0%			

Source: Table 29

²² In terms of shares of their total loans that took the form of FHA loans to the five categories of traditionally underserved borrowers neighborhoods, LMLs ranked first by a wide margin in every case. This follows naturally from the fact that FHA loans made up 18.0% of all LML loans in Greater Boston, compared to just 4.5% for CRA-covered lenders and 5.9% for Other Lenders (See the second bullet in this section and Table 25.)

²³ A few years ago it was common for companies in the mortgage business to operate through two or more separate lenders. Accordingly, until last year reports in the *Changing Patterns* series ranked top lenders according to “lender families” of affiliated lenders. However, almost all companies in the mortgage business now operate through a single lender and so Table 29 in this report is based on individual HMDA-reporting lenders. I am aware of only two cases where using “lender families” this year would have resulted in changes in Table 29. First, if Leader Mortgage Company’s 121 loans were added to those of Leader Bank, the new total of 2,044 loans (up from 1,923 as shown) would have raised Leader’s ranking from second to first. (Although Leader Bank and Leader Mortgage had no legal affiliation, they had the same principal owner, same chief executive, and same street address until Leader Mortgage closed at the end of 2015). Second, if the 112 loans of PHH Home Loans and PHH Mortgage Group were added to those of NE Moves, the new total of 636 loans (up from 524 as shown) would not have changed NE Moves’ ranking.

²⁴ Guaranteed Rate is a privately-held mortgage company based in Chicago; according to its website, it has nine Massachusetts branches among its 170 branches in all fifty states. Mortgage Master, until recently a privately-held mortgage company based in Walpole, Massachusetts, is now a division of loanDepot LLC; according to its website it has ten Massachusetts locations among its 53 locations in fifteen states. Presumably, the great majority of Massachusetts loans reported in 2015 HMDA data by loanDepot.com were made by Mortgage Master; but the total also contains an unknown number of loans made by loanDepot under its own name and/or by imortgage, another division of loanDepot.

²⁵ This top-five share is up slightly from 21.4% in 2014, but is only half of the share of the top five lenders a decade ago. For lending from 2006 through 2013, the *Changing Patterns* series reported top-five loan shares for home purchase and refinance loans combined, for the city of Boston and statewide. In 2006, the top-five loan share was 45.4% in Boston and 41.8% statewide.

- ❖ **Of the thirty biggest lenders in Greater Boston in 2015, sixteen were banks whose Massachusetts lending was covered by the CRA, twelve were Licensed Mortgage Lenders (LMLs) whose Massachusetts lending was covered by the state's CRA for Mortgage Lenders regulation, and only two were Other Lenders, whose Massachusetts lending was subject to neither of these regulations.** Of the top eight lenders in Greater Boston, six (Guaranteed Rate, Mortgage Master, Prospect, Fairway Independent, Mortgage Network, and Residential) were LMLs, one (Leader) was a Massachusetts bank, and one (Wells Fargo) was an Other Lender. (Table 29)

- ❖ **Guaranteed Rate ranked first in FHA loans as well as in total loans, but the FHA rankings for some lenders differed substantially from their overall rankings because the FHA loan percentages for these lenders were far from the overall FHA loan share of 10.4%.** Residential Mortgage ranked second for FHAs, although only eighth overall; Radius Financial Group ranked fifth for FHAs, although only 22nd overall; and Sage Bank ranked seventh for FHAs, although only 25th overall. On the other hand, Leader Bank ranked second overall, but only eleventh for FHAs; Wells Fargo ranked fourth overall, but only twelfth for FHAs, Santander ranked ninth overall, but only 21st for FHAs; and Bank of America ranked eleventh overall but 26th for FHAs. (Table 30)

- ❖ **Guaranteed Rate ranked first in loans to low- and moderate-income borrowers (LMI loans) as well as in total loans, but the LMI rankings for some lenders differed substantially from their overall rankings because the LMI loan percentages for these lenders were far from**

the overall LMI loan share of 21.9%.

Residential Mortgage and Santander tied for fourth ranked for LMIs, although they ranked only eighth and ninth overall; Eastern Bank ranked twelfth for LMIs, although only 21st overall; and Stearns Lending ranked 11th for LMIs, although only 26th overall. On the other hand, Wells Fargo ranked fourth overall, but only 21st for LMIs; JPMorgan Chase ranked tenth overall but 108th for LMIs; and although Webster Bank and First Republic Bank ranked 18th and 20th overall, neither ranked in the top 100 LMI lenders. (Table 30)

- ❖ **Guaranteed Rate ranked first in loans to blacks and Latinos as well as in total loans, but the black and Latino loan rankings for some lenders differed substantially from their overall rankings because the black plus Latino loan percentages for these lenders were far from the overall black plus Latino loan share of 6.4%.** Santander ranked second for black plus Latino loans, although only ninth overall; Prime Lending ranked third for black plus Latino loans, although not in the top thirty overall; Residential Mortgage ranked fourth for black plus Latino loans, although only eighth overall; and Sage Bank ranked ninth black plus Latino loans, although 25th overall. On the other hand, Leader Bank ranked second overall, but only eleventh for black plus Latino loans; Wells Fargo ranked fourth overall but only twelfth for black plus Latino loans; Prospect Mortgage ranked fifth overall, but only 13th for black plus Latino loans; Mortgage Network ranked seventh overall, but only 24th for black plus Latino loans; and JPMorgan Chase ranked tenth overall but only 43rd for black plus Latino loans. (Table 30)

VII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Given the results of the November 2016 federal elections, 2017 promises to be a year of substantial change in the federal laws and regulations governing mortgage lending—as well as in the enforcement of existing laws and regulations. The exact nature and timing of these changes will become clearer in the months ahead.

In contrast, the previous year has seen no particularly significant new legislation or regulations concerning mortgage lending, although substantial work has been going on behind the scenes in connection with the implementation of expanded Home Mortgage Disclosure Act (HMDA) data, the primary source of data used in preparing the *Changing Patterns* series of reports.

As noted in *Changing Patterns XXII*, a final rule governing reporting by mortgage lenders was issued by the Consumer Financial Protection Bureau (CFPB) on October 15, 2015.²⁶ Under the new rule, lenders will report substantially more information about each loan or application, including: age and credit score of applicants/borrowers; four subcategories for Hispanic ethnicity (Mexican, Puerto Rican, Cuban, and other) and seven subcategories for Asian race (Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, and other); property value, debt-to-income ratio, and combined loan-to-value ratio;

rate spread, interest rate, total points and fees, and total origination costs; whether the loan is adjustable rate, whether it is a reverse mortgage, and whether the loan has specific features that were common in last decade's predatory loans (such as a prepayment penalty or non-amortizing features); and unique identifiers for the loan, the loan officer, and the property. For lenders, making the necessary data system changes and other preparations to report under the new rule (which goes into effect on January 1, 2018) has been and will continue to be a major project.

Meanwhile, because some of the new data points raise serious privacy issues, the CFPB separated the issue of what data will be reported by lenders to their regulators (covered by the October 2015 final rule) from the issue of what data the regulators will release to the public. The CFPB is expected to release a proposed rule on the latter issue in early 2017. There will then be a lengthy process of public comment and revision before a final rule is released. As a result, it remains unclear which of the new data elements reported by lenders will become available to the public, in what form they will be publicly reported, and when they will become available. In any case, the next two *Changing Patterns* reports, covering lending during 2016, and 2017, will continue to be based on data reported under the current HMDA regulations.

²⁶ Extensive information about the new rule is available at <http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation>. An informative five-page summary of the final rule by the law firm Buckley-Sandler can be found by a Google search for its title: "Special Alert: CFPB Adopts Significant Expansion of HMDA Reporting Requirements."

Boston Metropolitan Area Planning Council (MAPC) Region And Massachusetts Portion of Boston MSA

KEY

Thick black boundary is MAPC region boundary. Thin black boundaries are town boundaries. Thick white boundaries are county boundaries. Darker gray shaded area is the Massachusetts portion of the Boston MSA.

Thick black boundary is MAPC region boundary. Thin black boundaries are town boundaries. Thick white boundaries are county boundaries. Darker gray shaded area is the Massachusetts portion of the Boston MSA.

TABLE I
Total and FHA-Insured Loans, 2004–2015
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA
A. HOME-PURCHASE LOANS									
2004	8,658	51	0.6%	46,819	468	1.0%	98,297	3,058	3.1%
2005	8,330	28	0.3%	44,583	201	0.5%	94,286	1,485	1.6%
2006	7,052	32	0.5%	36,538	230	0.6%	76,984	1,156	1.5%
2007	5,718	60	1.0%	30,982	386	1.2%	62,973	1,514	2.4%
2008	4,472	435	9.7%	25,928	3,323	12.8%	51,279	9,149	17.8%
2009	4,160	761	18.3%	26,263	6,141	23.4%	51,901	15,214	29.3%
2010	3,958	836	21.1%	24,602	5,670	23.0%	47,699	13,697	28.7%
2011	3,493	549	15.7%	22,983	4,204	18.3%	44,032	10,649	24.2%
2012	4,369	445	10.2%	27,673	3,490	12.6%	52,280	9,520	18.2%
2013	4,821	300	6.2%	31,727	2,879	9.1%	60,129	8,267	13.7%
2014	4,447	254	5.7%	30,396	2,304	7.6%	59,960	7,583	12.6%
2015	4,649	314	6.8%	32,220	3,343	10.4%	65,569	10,884	16.6%
B. REFINANCE LOANS									
2004	10,996	68	0.6%	79,579	368	0.5%	177,135	1,691	1.0%
2005	9,157	28	0.3%	62,947	170	0.3%	146,120	803	0.5%
2006	6,635	35	0.5%	43,625	204	0.5%	103,877	958	0.9%
2007	4,882	85	1.7%	34,185	497	1.5%	78,322	1,999	2.6%
2008	4,443	272	6.1%	34,763	2,002	5.8%	70,957	7,027	9.9%
2009	9,489	722	7.6%	91,362	5,988	6.6%	171,161	15,522	9.1%
2010	8,615	570	6.6%	89,394	4,991	5.6%	158,689	11,596	7.3%
2011	7,507	329	4.4%	71,620	2,471	3.5%	126,596	5,677	4.5%
2012	11,115	385	3.5%	108,182	3,790	3.5%	191,666	9,322	4.9%
2013	7,546	230	3.0%	63,391	2,064	3.3%	118,908	5,835	4.9%
2014	2,926	83	2.8%	22,108	646	2.9%	43,055	1,933	4.5%
2015	4,980	237	4.8%	38,756	2,351	6.1%	71,564	6,551	9.2%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	119	0.6%	126,398	836	0.7%	275,432	4,749	1.7%
2005	17,487	56	0.3%	107,530	371	0.3%	240,406	2,288	1.0%
2006	13,687	67	0.5%	80,163	434	0.5%	180,861	2,114	1.2%
2007	10,600	145	1.4%	65,167	883	1.4%	141,295	3,513	2.5%
2008	8,915	707	7.9%	60,691	5,325	8.8%	122,236	16,176	13.2%
2009	13,649	798	5.8%	117,625	12,129	10.3%	223,062	30,736	13.8%
2010	12,573	1,406	11.2%	113,996	10,661	9.4%	206,388	25,293	12.3%
2011	11,000	878	8.0%	94,603	6,675	7.1%	170,628	16,326	9.6%
2012	15,484	830	5.4%	135,855	7,280	5.4%	243,946	18,842	7.7%
2013	12,367	530	4.3%	95,118	4,943	5.2%	179,037	14,102	7.9%
2014	7,373	337	4.6%	52,504	2,950	5.6%	103,015	9,516	9.2%
2015	9,629	551	5.7%	70,976	5,694	8.0%	137,133	17,435	12.7%

In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

TABLE 2
Total and High-APR Loans (HALs), 2004–2015
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
A. HOME-PURCHASE LOANS									
2004	8,658	573	6.6%	46,819	2,463	5.3%	98,297	6,887	7.0%
2005	8,330	1,596	19.2%	44,583	7,202	16.2%	94,286	18,249	19.4%
2006	7,052	1,522	21.6%	36,538	5,788	15.8%	76,984	14,639	19.0%
2007	5,718	545	9.5%	30,982	1,977	6.4%	62,973	5,085	8.1%
2008	4,472	198	4.4%	25,928	920	3.5%	51,279	2,361	4.6%
2009*	4,160	92	2.2%	26,263	564	2.1%	51,901	1,433	2.8%
2010	3,958	12	0.3%	24,602	99	0.4%	47,699	383	0.8%
2011	3,493	9	0.3%	22,983	119	0.5%	44,032	464	1.1%
2012	4,369	9	0.2%	27,673	144	0.5%	52,280	539	1.0%
2013	4,821	48	1.0%	31,727	447	1.4%	60,129	1,589	2.6%
2014	4,447	80	1.8%	30,396	667	2.2%	59,960	2,650	4.4%
2015	4,649	57	1.2%	32,220	328	1.0%	65,569	1,408	2.1%
B. REFINANCE LOANS									
2004	10,996	983	8.9%	79,579	4,719	5.9%	177,135	14,553	8.2%
2005	9,157	1,754	19.2%	62,947	8,215	13.1%	146,120	24,155	16.5%
2006	6,635	1,839	27.7%	43,625	9,061	20.8%	103,877	25,534	24.6%
2007	4,882	735	15.1%	34,185	3,885	11.4%	78,322	11,205	14.3%
2008	4,443	141	3.2%	34,763	902	2.6%	70,957	2,777	3.9%
2009*	9,489	121	1.3%	91,362	955	1.0%	171,161	2,406	1.4%
2010	8,615	30	0.3%	89,394	233	0.3%	158,689	683	0.4%
2011	7,507	25	0.3%	71,620	232	0.3%	126,596	667	0.5%
2012	11,115	24	0.2%	108,182	258	0.2%	191,666	812	0.4%
2013	7,546	27	0.4%	63,391	196	0.3%	118,908	656	0.6%
2014	2,926	18	0.6%	22,108	134	0.6%	43,055	425	1.0%
2015	4,980	20	0.4%	38,756	125	0.3%	71,564	482	0.7%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	1,556	7.9%	126,398	7,182	5.7%	275,432	21,440	7.8%
2005	17,487	3,350	19.2%	107,530	15,417	14.3%	240,406	42,404	17.6%
2006	13,687	3,361	24.6%	80,163	14,849	18.5%	180,861	40,173	22.2%
2007	10,600	1,280	12.1%	65,167	5,862	9.0%	141,295	16,290	11.5%
2008	8,915	339	3.8%	60,691	1,822	3.0%	122,236	5,138	4.2%
2009*	13,649	213	1.6%	117,625	1,519	1.3%	223,062	3,839	1.7%
2010	12,573	42	0.3%	113,996	332	0.3%	206,388	1,066	0.5%
2011	11,000	34	0.3%	94,603	351	0.4%	170,628	1,131	0.7%
2012	15,484	33	0.2%	135,855	402	0.3%	243,946	1,351	0.6%
2013	12,367	75	0.6%	95,118	643	0.7%	179,037	2,245	1.3%
2014	7,373	98	1.3%	52,504	801	1.5%	103,015	3,075	3.0%
2015	9,629	77	0.8%	70,976	453	0.6%	137,133	1,890	1.4%

Note: The great majority of higher-cost loans in 2013-2015 were FHA loans - e.g., if FHA loans were excluded from HALs, the HAL loan share for home-purchase loans in Greater Boston would have been 0.3% in 2013, 0.4% in 2014, and 0.3% in 2015. See text for discussion.

In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

* New and better rules for reporting higher-cost loans took effect on Oct. 1, 2009. Thus data for the first nine months of 2009 were reported under the old rules, and 2010 was the first year where higher-cost loans were reported entirely under the new rules.

TABLE 3
Total and Government-Backed Loans in 36 Massachusetts Cities and Towns:
The 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2015

	Home-Purchase Loans			Refinance Loans			% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA			
Attleboro	492	131	26.6%	539	96	17.8%	3.5%	6.3%	\$79,688
Barnstable	460	107	23.3%	560	57	10.2%	3.8%	3.1%	\$72,741
Brockton#	869	500	57.5%	788	245	31.1%	34.1%	10.0%	\$57,861
Chelsea*	202	50	24.8%	156	31	19.9%	7.4%	62.1%	\$43,060
Chicopee	438	162	37.0%	370	57	15.4%	3.3%	14.8%	\$56,446
Everett*	247	84	34.0%	294	72	24.5%	14.5%	21.1%	\$59,942
Fall River	465	178	38.3%	443	105	23.7%	4.4%	7.4%	\$44,498
Fitchburg	349	123	35.2%	213	40	18.8%	5.2%	21.6%	\$57,245
Haverhill#	724	192	26.5%	694	109	15.7%	3.2%	14.5%	\$75,342
Holyoke	208	58	27.9%	131	20	15.3%	3.0%	48.4%	\$39,935
Lawrence#	475	307	64.6%	338	129	38.2%	2.5%	73.8%	\$36,940
Leominster	451	128	28.4%	299	56	18.7%	5.2%	14.5%	\$69,655
Lowell#	766	214	27.9%	644	123	19.1%	6.7%	17.3%	\$55,852
Lynn*	761	333	43.8%	732	168	23.0%	11.8%	32.1%	\$50,536
Malden*	439	77	17.5%	472	58	12.3%	15.3%	8.4%	\$67,666
Methuen#	576	184	31.9%	573	105	18.3%	2.3%	18.1%	\$80,739
New Bedford	600	277	46.2%	510	125	24.5%	7.5%	16.7%	\$45,347
Peabody*	489	93	19.0%	691	96	13.9%	2.3%	6.3%	\$80,471
Pittsfield	378	69	18.3%	213	30	14.1%	6.6%	5.0%	\$56,256
Quincy*	879	75	8.5%	896	37	4.1%	5.0%	3.3%	\$77,514
Revere*	425	166	39.1%	432	83	19.2%	5.1%	24.4%	\$59,327
Salem*	529	83	15.7%	463	46	9.9%	4.3%	15.6%	\$68,844
Springfield	933	458	49.1%	584	149	25.5%	20.9%	38.8%	\$41,532
Taunton	559	205	36.7%	551	126	22.9%	5.9%	5.5%	\$68,796
Westfield	365	79	21.6%	283	50	17.7%	1.8%	7.5%	\$69,828
Worcester	1,267	500	39.5%	912	215	23.6%	11.4%	20.9%	\$56,053
Total, Gateway Cities	14,346	4,833	33.7%	12,781	2,428	19.0%			
Boston*	4,649	314	6.8%	4,980	237	4.8%	23.6%	17.5%	\$58,600
Brookline*	512	0	0.0%	638	0	0.0%	3.7%	5.0%	\$139,787
Cambridge*	550	3	0.5%	682	2	0.3%	12.2%	7.6%	\$87,750
Framingham*	685	124	18.1%	714	76	10.6%	5.8%	13.4%	\$84,362
Medford*	489	27	5.5%	677	24	3.5%	9.4%	4.4%	\$80,839
Newton*	821	3	0.4%	1,263	7	0.6%	2.8%	4.1%	\$136,843
Plymouth#	752	168	22.3%	762	104	13.6%	2.5%	1.8%	\$88,518
Somerville*	506	12	2.4%	643	13	2.0%	7.2%	10.6%	\$69,245
Waltham*	568	33	5.8%	631	28	4.4%	6.2%	13.7%	\$82,688
Weymouth*	696	131	18.8%	750	69	9.2%	3.4%	2.6%	\$82,992

Note: Population data from 2010 Census. Income data from 2006–2010 American Community Survey.

* These 17 cities are in Greater Boston as defined by the Metropolitan Area Planning Council (MAPC) Region and also in the Boston MSA.

These 6 cities are within the Boston Metropolitan Statistical Area (MSA) but not within Greater Boston.

TABLE 4
Total and FHA-Insured Loans, By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

A. FHA LOANS AS PERCENTAGE OF ALL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	FHA Loans	% FHA	Ratio to White %	All Loans	FHA Loans	% FHA	Ratio to White %	All Loans	FHA Loans	% FHA	Ratio to White %
Asian	426	17	4.0%	1.25	3,530	128	3.6%	0.43	4,983	306	6.1%	0.44
Black	272	115	42.3%	13.24	971	369	38.0%	4.49	2,348	1,073	45.7%	3.25
Latino	222	59	26.6%	8.32	1,734	694	40.0%	4.73	4,099	1,981	48.3%	3.44
White	3,163	101	3.2%	1.00	22,614	1,915	8.5%	1.00	48,389	6,796	14.0%	1.00
Other*	11	2	18.2%		79	10	12.7%		186	39	21.0%	
No Info ^	555	20	3.6%		3,292	227	6.9%		5,564	689	12.4%	
Total	4,649	314	6.8%		32,220	3,343	10.4%		65,569	10,884	16.6%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans
Asian	426	9.2%	9.4%	5.4%	3,530	11.0%	11.8%	3.8%	4,983	7.6%	8.6%	2.8%
Black	272	5.9%	3.6%	36.6%	971	3.0%	2.1%	11.0%	2,348	3.6%	2.3%	9.9%
Latino	222	4.8%	3.8%	18.8%	1,734	5.4%	3.6%	20.8%	4,099	6.3%	3.9%	18.2%
White	3,163	68.0%	70.6%	32.2%	22,614	70.2%	71.7%	57.3%	48,389	73.8%	76.1%	62.4%
Other*	11	0.2%	0.2%	0.6%	79	0.2%	0.2%	0.3%	186	0.3%	0.3%	0.4%
No Info ^	555	11.9%	12.3%	6.4%	3,292	10.2%	10.6%	6.8%	5,564	8.5%	8.9%	6.3%
Total	4,649	100.0%	100.0%	100.0%	32,220	100.0%	100.0%	100.0%	65,569	100.0%	100.0%	100.0%

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* "Other" combines "American Indian or Alaska Native" and "Native Hawaiian or Other Pacific Islander."

^ "No Info" is short for "Information not provided by applicant in telephone or mail application" or "not available."

TABLE 5
Loan Shares of Asian, Black, and Latino Borrowers, 2004–2015
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	Asians	Blacks	Latinos	Asians	Blacks	Latinos	Asians	Blacks	Latinos
A. SHARE OF ALL PRIME* LOANS (2004-2008) OR OF ALL NON-FHA LOANS (SINCE 2009)									
2004	7.2%	9.5%	7.3%	8.0%	3.9%	5.7%	5.9%	3.8%	5.9%
2005	6.9%	8.5%	6.4%	7.9%	3.4%	5.0%	5.9%	3.2%	4.9%
2006	6.1%	8.7%	5.9%	7.0%	3.5%	4.4%	5.1%	3.3%	4.6%
2007	5.6%	9.5%	5.6%	7.7%	3.7%	4.1%	5.5%	3.4%	4.6%
2008	7.3%	9.5%	5.3%	8.9%	3.4%	4.1%	6.4%	3.1%	4.7%
2009	8.9%	6.2%	4.2%	11.2%	2.2%	2.9%	8.2%	2.0%	3.0%
2010	9.0%	5.6%	3.6%	11.1%	2.1%	2.5%	8.3%	1.9%	2.7%
2011	8.1%	4.6%	3.6%	10.4%	1.9%	2.5%	7.7%	1.7%	2.8%
2012	6.9%	3.6%	3.5%	10.2%	1.8%	2.6%	7.7%	1.7%	2.9%
2013	8.1%	3.8%	3.1%	11.7%	1.8%	2.7%	8.6%	1.8%	3.0%
2014	8.0%	3.7%	4.0%	11.2%	2.0%	3.2%	8.2%	2.1%	3.6%
2015	9.4%	3.6%	3.8%	11.8%	2.1%	3.6%	8.6%	2.3%	3.9%
B. SHARE OF ALL LOANS									
2004	7.0%	11.4%	8.2%	7.8%	4.5%	6.7%	5.7%	4.5%	6.9%
2005	6.1%	14.3%	9.7%	7.1%	5.8%	8.5%	5.3%	5.6%	8.2%
2006	5.3%	14.6%	8.4%	6.4%	5.8%	7.1%	4.6%	5.5%	7.4%
2007	5.3%	11.8%	6.7%	7.4%	4.5%	4.8%	5.3%	4.0%	5.3%
2008	7.2%	10.2%	5.7%	8.8%	3.6%	4.3%	6.2%	3.3%	5.0%
2009	8.0%	8.9%	5.6%	9.6%	3.2%	4.3%	6.8%	3.1%	4.9%
2010	8.0%	8.4%	5.4%	9.6%	3.3%	4.1%	6.9%	3.2%	4.9%
2011	7.3%	7.2%	5.0%	9.2%	3.0%	3.9%	6.6%	3.0%	4.6%
2012	6.5%	5.6%	4.6%	9.5%	2.7%	3.7%	6.8%	2.6%	4.4%
2013	7.9%	5.2%	3.9%	11.1%	2.5%	3.6%	7.9%	2.7%	4.6%
2014	7.7%	5.6%	4.8%	10.6%	2.8%	4.5%	7.6%	3.1%	5.4%
2015	9.2%	5.9%	4.8%	11.0%	3.0%	5.4%	7.6%	3.6%	6.3%

In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

* "Prime" loans are all loans other than those identified in *Changing Patterns XII-XVI* as "High-APR Loans."

"Non-FHA" loans include conventional loans plus loans guaranteed by the VA or the USDA.

TABLE 6
Total and FHA-Insured Loans to Black, Latino, & White Borrowers
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Black Borrowers			Latino Borrowers			White Borrowers			FHA Share Disparity Ratios	
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	Black/White	Latino/White
Attleboro	27	11	40.7%	17	12	70.6%	395	99	25.1%	1.63	2.82
Barnstable	29	18	62.1%	32	20	62.5%	354	58	16.4%	3.79	3.81
Brockton	405	266	65.7%	101	65	64.4%	268	119	44.4%	1.48	1.45
Chelsea	11	2	18.2%	69	34	49.3%	91	10	11.0%	1.65	4.48
Chicopee	17	7	41.2%	61	35	57.4%	340	116	34.1%	1.21	1.68
Everett	24	11	45.8%	63	40	63.5%	107	25	23.4%	1.96	2.72
Fall River	20	11	55.0%	26	17	65.4%	374	126	33.7%	1.63	1.94
Fitchburg	14	6	42.9%	66	38	57.6%	228	66	28.9%	1.48	1.99
Haverhill	20	6	30.0%	90	51	56.7%	552	121	21.9%	1.37	2.59
Holyoke	4	3	75.0%	42	22	52.4%	150	30	20.0%	3.75	2.62
Lawrence	5	4	80.0%	396	268	67.7%	49	26	53.1%	1.51	1.28
Leominster	19	7	36.8%	54	30	55.6%	332	79	23.8%	1.55	2.33
Lowell	43	15	34.9%	99	54	54.5%	358	67	18.7%	1.86	2.91
Lynn	70	41	58.6%	251	155	61.8%	321	94	29.3%	2.00	2.11
Malden	18	8	44.4%	40	20	50.0%	211	34	16.1%	2.76	3.10
Methuen	21	13	61.9%	143	68	47.6%	336	85	25.3%	2.45	1.88
New Bedford	38	19	50.0%	64	37	57.8%	464	201	43.3%	1.15	1.33
Peabody	10	4	40.0%	28	15	53.6%	399	66	16.5%	2.42	3.24
Pittsfield	15	5	33.3%	17	4	23.5%	316	57	18.0%	1.85	1.30
Quincy	17	2	11.8%	10	2	20.0%	479	54	11.3%	1.04	1.77
Revere	20	9	45.0%	197	109	55.3%	164	34	20.7%	2.17	2.67
Salem	12	6	50.0%	37	14	37.8%	421	54	12.8%	3.90	2.95
Springfield	128	64	50.0%	295	181	61.4%	412	162	39.3%	1.27	1.56
Taunton	51	29	56.9%	34	18	52.9%	425	137	32.2%	1.76	1.64
Westfield	6	4	66.7%	18	7	38.9%	317	58	18.3%	3.64	2.13
Worcester	143	85	59.4%	202	138	68.3%	781	228	29.2%	2.04	2.34
Gateway Cities	1,187	656	55.3%	2,452	1,454	59.3%	8,644	2,206	25.5%	2.17	2.32
Boston	272	115	42.3%	222	59	26.6%	3,163	101	3.2%	13.24	8.32
Brookline	3	0	0.0%	16	0	0.0%	317	0	0.0%	NA	NA
Cambridge	9	0	0.0%	13	0	0.0%	317	1	0.3%	0.00	0.00
Framingham	25	9	36.0%	69	39	56.5%	482	73	15.1%	2.38	3.73
Medford	12	3	25.0%	17	3	17.6%	321	16	5.0%	5.02	3.54
Newton	10	0	0.0%	13	0	0.0%	529	3	0.6%	0.00	0.00
Plymouth	7	1	14.3%	10	3	30.0%	680	158	23.2%	0.61	1.29
Somerville	4	1	25.0%	12	1	8.3%	339	8	2.4%	10.59	3.53
Waltham	4	0	0.0%	19	4	21.1%	414	24	5.8%	0.00	3.63
Weymouth	19	8	42.1%	26	10	38.5%	530	99	18.7%	2.25	2.06

TABLE 7
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, FHA-Insured Loans, and Non-FHA Loans
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non- FHA Loans	FHA Loans	% of All Loans	% of All Non-FHA	% of All FHA	% of All Loans	% of All Non-FHA	% of All FHA	% of All Loans	% of All Non-FHA	% of All FHA
Attleboro	492	361	131	5.5%	4.4%	8.4%	3.5%	1.4%	9.2%	80.3%	82.0%	75.6%
Barnstable	460	353	107	6.3%	3.1%	16.8%	7.0%	3.4%	18.7%	77.0%	83.9%	54.2%
Brockton	869	369	500	46.6%	37.7%	53.2%	11.6%	9.8%	13.0%	30.8%	40.4%	23.8%
Chelsea	202	152	50	5.4%	5.9%	4.0%	34.2%	23.0%	68.0%	45.0%	53.3%	20.0%
Chicopee	438	276	162	3.9%	3.6%	4.3%	13.9%	9.4%	21.6%	77.6%	81.2%	71.6%
Everett	247	163	84	9.7%	8.0%	13.1%	25.5%	14.1%	47.6%	43.3%	50.3%	29.8%
Fall River	465	287	178	4.3%	3.1%	6.2%	5.6%	3.1%	9.6%	80.4%	86.4%	70.8%
Fitchburg	349	226	123	4.0%	3.5%	4.9%	18.9%	12.4%	30.9%	65.3%	71.7%	53.7%
Haverhill	724	532	192	2.8%	2.6%	3.1%	12.4%	7.3%	26.6%	76.2%	81.0%	63.0%
Holyoke	208	150	58	1.9%	0.7%	5.2%	20.2%	13.3%	37.9%	72.1%	80.0%	51.7%
Lawrence	475	168	307	1.1%	0.6%	1.3%	83.4%	76.2%	87.3%	10.3%	13.7%	8.5%
Leominster	451	323	128	4.2%	3.7%	5.5%	12.0%	7.4%	23.4%	73.6%	78.3%	61.7%
Lowell	766	552	214	5.6%	5.1%	7.0%	12.9%	8.2%	25.2%	46.7%	52.7%	31.3%
Lynn	761	428	333	9.2%	6.8%	12.3%	33.0%	22.4%	46.5%	42.2%	53.0%	28.2%
Malden	439	362	77	4.1%	2.8%	10.4%	9.1%	5.5%	26.0%	48.1%	48.9%	44.2%
Methuen	576	392	184	3.6%	2.0%	7.1%	24.8%	19.1%	37.0%	58.3%	64.0%	46.2%
New Bedford	600	323	277	6.3%	5.9%	6.9%	10.7%	8.4%	13.4%	77.3%	81.4%	72.6%
Peabody	489	396	93	2.0%	1.5%	4.3%	5.7%	3.3%	16.1%	81.6%	84.1%	71.0%
Pittsfield	378	309	69	4.0%	3.2%	7.2%	4.5%	4.2%	5.8%	83.6%	83.8%	82.6%
Quincy	879	804	75	1.9%	1.9%	2.7%	1.1%	1.0%	2.7%	54.5%	52.9%	72.0%
Revere	425	259	166	4.7%	4.2%	5.4%	46.4%	34.0%	65.7%	38.6%	50.2%	20.5%
Salem	529	446	83	2.3%	1.3%	7.2%	7.0%	5.2%	16.9%	79.6%	82.3%	65.1%
Springfield	933	475	458	13.7%	13.5%	14.0%	31.6%	24.0%	39.5%	44.2%	52.6%	35.4%
Taunton	559	354	205	9.1%	6.2%	14.1%	6.1%	4.5%	8.8%	76.0%	81.4%	66.8%
Westfield	365	286	79	1.6%	0.7%	5.1%	4.9%	3.8%	8.9%	86.8%	90.6%	73.4%
Worcester	1,267	767	500	11.3%	7.6%	17.0%	15.9%	8.3%	27.6%	61.6%	72.1%	45.6%
Gateway Cities	14,346	9,513	4,833	8.3%	5.6%	13.6%	17.1%	10.5%	30.1%	60.3%	67.7%	45.6%
Boston	4,649	4,335	314	5.9%	3.6%	36.6%	4.8%	3.8%	18.8%	68.0%	70.6%	32.2%
Brookline	512	512	0	0.6%	0.6%	NA	3.1%	3.1%	NA	61.9%	61.9%	NA
Cambridge	550	547	3	1.6%	1.6%	0.0%	2.4%	2.4%	0.0%	57.6%	57.8%	33.3%
Framingham	685	561	124	3.6%	2.9%	7.3%	10.1%	5.3%	31.5%	70.4%	72.9%	58.9%
Medford	489	462	27	2.5%	1.9%	11.1%	3.5%	3.0%	11.1%	65.6%	66.0%	59.3%
Newton	821	818	3	1.2%	1.2%	0.0%	1.6%	1.6%	0.0%	64.4%	64.3%	100.0%
Plymouth	752	584	168	0.9%	1.0%	0.6%	1.3%	1.2%	1.8%	90.4%	89.4%	94.0%
Somerville	506	494	12	0.8%	0.6%	8.3%	2.4%	2.2%	8.3%	67.0%	67.0%	66.7%
Waltham	568	535	33	0.7%	0.7%	0.0%	3.3%	2.8%	12.1%	72.9%	72.9%	72.7%
Weymouth	696	565	131	2.7%	1.9%	6.1%	3.7%	2.8%	7.6%	76.1%	76.3%	75.6%

Note: See Table 6 for the numbers of loans to black, Latino, & white borrowers that were used to calculate this table's percentages.

TABLE 8
Loans to Black and Latino Borrowers by Boston Neighborhood
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

A. LOANS TO BLACK BORROWERS							
Neighborhood	Number of Loans			Percentage of Boston Totals			
	To Black Borrowers	To All Borrowers	% to Blacks	Loans to Blacks	Black Pop'n	Total Loans	Total Pop'n
Dorchester	97	678	14.3%	35.7%	35.6%	14.6%	18.5%
Hyde Park	61	220	27.7%	22.4%	10.5%	4.7%	5.0%
Mattapan	41	101	40.6%	15.1%	12.5%	2.2%	3.7%
Roxbury	31	112	27.7%	11.4%	18.2%	2.4%	7.8%
Roslindale	23	285	8.1%	8.5%	4.5%	6.1%	4.6%
Jamaica Plain	5	450	1.1%	1.8%	3.6%	9.7%	6.1%
West Roxbury	5	338	1.5%	1.8%	2.1%	7.3%	4.9%
South Boston	3	617	0.5%	1.1%	1.6%	13.3%	5.4%
Brighton	3	199	1.5%	1.1%	1.5%	4.3%	7.4%
South End	1	431	0.2%	0.4%	2.3%	9.3%	4.2%
Charlestown	1	372	0.3%	0.4%	0.6%	8.0%	2.7%
East Boston	1	208	0.5%	0.4%	0.9%	4.5%	6.6%
Allston	0	32	0.0%	0.0%	1.0%	0.7%	4.7%
Back Bay	0	137	0.0%	0.0%	0.5%	2.9%	2.9%
Beacon Hill	0	102	0.0%	0.0%	0.1%	2.2%	1.5%
Downtown	0	135	0.0%	0.0%	0.8%	2.9%	2.6%
Fenway	0	39	0.0%	0.0%	1.3%	0.8%	5.5%
Mission Hill	0	21	0.0%	0.0%	1.9%	0.5%	2.6%
North End	0	86	0.0%	0.0%	0.1%	1.8%	1.6%
S. Bos. Waterfront	0	81	0.0%	0.0%	0.0%	1.7%	0.3%
Boston Total	272	4,649	5.9%	100.0%	100.0%	100.0%	100.0%
B. LOANS TO LATINO BORROWERS							
City or Town	Number of Loans			Percentage of Boston Totals			
	To Latino Borrowers	To All Borrowers	% to Latinos	Loans to Latinos	Latino Pop'n	Total Loans	Total Pop'n
Hyde Park	47	220	21.4%	21.2%	5.6%	4.7%	5.0%
Dorchester	46	678	6.8%	20.7%	18.0%	14.6%	18.5%
East Boston	32	208	15.4%	14.4%	19.8%	4.5%	6.6%
Roslindale	18	285	6.3%	8.1%	6.9%	6.1%	4.6%
Jamaica Plain	15	450	3.3%	6.8%	8.8%	9.7%	6.1%
Mattapan	13	101	12.9%	5.9%	2.5%	2.2%	3.7%
Roxbury	12	112	10.7%	5.4%	12.3%	2.4%	7.8%
Brighton	10	199	5.0%	4.5%	3.8%	4.3%	7.4%
South End	7	431	1.6%	3.2%	3.1%	9.3%	4.2%
Charlestown	6	372	1.6%	2.7%	1.5%	8.0%	2.7%
Back Bay	5	137	3.6%	2.3%	1.0%	2.9%	2.9%
West Roxbury	4	338	1.2%	1.8%	2.4%	7.3%	4.9%
South Boston	3	617	0.5%	1.4%	3.4%	13.3%	5.4%
Beacon Hill	2	102	2.0%	0.9%	0.3%	2.2%	1.5%
Allston	1	32	3.1%	0.5%	3.1%	0.7%	4.7%
Downtown	1	135	0.7%	0.5%	0.9%	2.9%	2.6%
Fenway	0	39	0.0%	0.0%	2.6%	0.8%	5.5%
Mission Hill	0	21	0.0%	0.0%	3.0%	0.5%	2.6%
North End	0	86	0.0%	0.0%	0.3%	1.8%	1.6%
S. Bos. Waterfront	0	81	0.0%	0.0%	0.1%	1.7%	0.3%
Boston Total	222	4,649	4.8%	100.0%	100.0%	100.0%	100.0%

* This report uses Boston's "Neighborhoods" as defined by the Boston Redevelopment Authority (BRA). Three of the BRA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 535), Longwood Medical Area (0 loans, pop. 3,785) and West End (5 loans, pop. 4,080). Population data are from the BRA's *Boston in Context: Neighborhoods (2007–2011 American Community Survey and 2010 Census)*. Data on total population, percent minority population, and Median Family Income for each neighborhood are reported on page 7 of this report.

Lending data are available only on a census tract basis and many tracts are divided among two or more neighborhoods; this reports uses a BRA list of 2010 census tracts that assigns each tract to the neighborhood with the largest share of the tract's population.

TABLE 9
Total and FHA-Insured Loans, By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

I. FHA LOANS AS PERCENTAGE OF ALL LOANS, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	FHA Loans	% FHA	Ratio to Highest%	All Loans	FHA Loans	% FHA	Ratio to Highest%	All Loans	FHA Loans	% FHA	Ratio to Highest%
Low	109	3	2.8%	3.66	1,181	151	12.8%	7.72	4,124	1,134	27.5%	11.89
Moderate	806	79	9.8%	13.05	5,862	1,090	18.6%	11.23	15,355	4,293	28.0%	12.09
Middle	1,139	138	12.1%	16.13	7,993	1,228	15.4%	9.28	17,562	3,409	19.4%	8.39
High	1,349	85	6.3%	8.39	9,627	739	7.7%	4.63	17,587	1,762	10.0%	4.33
Highest	1,198	9	0.8%	1.00	7,305	121	1.7%	1.00	10,504	243	2.3%	1.00
No Info	48	0	0.0%		252	-	0.0%		437	43	9.8%	
Total	4,649	314	6.8%		32,220	3,329	10.3%		65,569	10,884	16.6%	
II. SHARES OF ALL LOANS, NON-FHA LOANS, AND FHA LOANS, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans
Low	109	2.3%	2.4%	1.0%	1,181	3.7%	3.6%	4.5%	4,124	6.3%	5.5%	10.4%
Moderate	806	17.3%	16.8%	25.2%	5,862	18.2%	16.5%	32.7%	15,355	23.4%	20.2%	39.4%
Middle	1,139	24.5%	23.1%	43.9%	7,993	24.8%	23.4%	36.9%	17,562	26.8%	25.9%	31.3%
High	1,349	29.0%	29.2%	27.1%	9,627	29.9%	30.8%	22.2%	17,587	26.8%	28.9%	16.2%
Highest	1,198	25.8%	27.4%	2.9%	7,305	22.7%	24.9%	3.6%	10,504	16.0%	18.8%	2.2%
No Info	48	1.0%	1.1%	0.0%	252	0.8%	0.9%	0.0%	437	0.7%	0.7%	0.4%
Total	4,649	100.0%	100.0%	100.0%	32,220	100.0%	100.0%	100.0%	65,569	100.0%	100.0%	100.0%

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all (except 3 small towns) of Greater Boston, the MFI in 2015 was \$95,500. The MFIs in the five other MSAs in the state, ranged from \$67,300 to \$83,500 in 2015. For the non-metro part of the state (Dukes, Nantucket, and Franklin counties), the 2014 MFI was \$73,500.

"Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 10
Total and FHA-Insured Loans To Borrowers at Different Income Levels
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Any Income Total Loans	Low Income		Moderate Income		Middle Income		High Income		Highest Income	
		Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total
Attleboro	492	14	28.6%	95	35.8%	196	31.1%	143	20.3%	40	7.5%
Barnstable	460	36	36.1%	161	34.2%	113	23.0%	97	11.3%	53	3.8%
Brockton	869	198	57.1%	457	61.5%	183	51.4%	24	37.5%	3	66.7%
Chelsea	202	28	10.7%	80	17.5%	59	40.7%	27	25.9%	7	28.6%
Chicopee	438	48	37.5%	164	44.5%	147	33.3%	67	28.4%	9	22.2%
Everett	247	12	0.0%	109	26.6%	89	49.4%	34	32.4%	3	0.0%
Fall River	465	52	40.4%	190	46.3%	156	32.1%	55	34.5%	10	0.0%
Fitchburg	349	63	50.8%	148	39.9%	85	25.9%	46	21.7%	6	0.0%
Haverhill	724	93	21.5%	298	30.2%	206	30.6%	107	14.0%	16	12.5%
Holyoke	208	21	14.3%	69	42.0%	71	25.4%	31	25.8%	15	0.0%
Lawrence	475	133	52.6%	275	72.4%	59	62.7%	5	20.0%	1	0.0%
Leominster	451	60	33.3%	156	39.7%	129	27.1%	85	10.6%	17	5.9%
Lowell	766	185	32.4%	317	32.8%	165	22.4%	82	12.2%	11	27.3%
Lynn	761	101	43.6%	383	47.0%	204	44.6%	66	25.8%	5	0.0%
Malden	439	35	5.7%	137	16.8%	172	20.9%	79	19.0%	15	6.7%
Methuen	576	76	36.8%	229	39.7%	174	29.3%	79	17.7%	16	0.0%
New Bedford	600	73	52.1%	244	51.2%	195	44.1%	76	34.2%	10	20.0%
Peabody	489	28	7.1%	151	25.8%	180	19.4%	110	14.5%	14	7.1%
Pittsfield	378	43	34.9%	119	31.9%	98	11.2%	83	4.8%	30	3.3%
Quincy	879	59	3.4%	262	8.0%	301	11.6%	206	7.8%	46	2.2%
Revere	425	29	20.7%	167	38.3%	169	50.3%	47	23.4%	12	0.0%
Salem	529	37	2.7%	179	21.8%	153	14.4%	132	15.2%	26	3.8%
Springfield	933	160	56.9%	421	54.9%	238	40.8%	102	36.3%	10	10.0%
Taunton	559	25	32.0%	190	41.1%	193	37.8%	119	35.3%	29	10.3%
Westfield	365	20	10.0%	91	30.8%	119	28.6%	94	16.0%	40	0.0%
Worcester	1,267	175	46.3%	557	45.8%	354	37.3%	147	18.4%	28	14.3%
Gateway Cities	14,346	1,804	38.6%	5,649	41.2%	4,208	32.0%	2,143	19.5%	472	6.8%
Boston	4,649	109	2.8%	806	9.8%	1,139	12.1%	1,349	6.3%	1,198	0.8%
Brookline	512	5	0.0%	31	0.0%	52	0.0%	154	0.0%	265	0.0%
Cambridge	550	5	0.0%	43	2.3%	95	1.1%	167	0.0%	236	0.4%
Framingham	685	33	21.2%	161	28.0%	200	20.5%	220	11.4%	62	8.1%
Medford	489	13	7.7%	68	7.4%	165	6.1%	179	5.6%	62	1.6%
Newton	821	4	0.0%	43	4.7%	92	1.1%	223	0.0%	449	0.0%
Plymouth	752	62	17.7%	213	29.6%	237	23.6%	173	17.9%	63	7.9%
Somerville	506	8	0.0%	65	3.1%	127	1.6%	177	4.5%	128	0.0%
Waltham	568	10	0.0%	104	2.9%	179	8.4%	202	6.9%	72	1.4%
Weymouth	696	58	12.1%	249	16.9%	222	24.3%	137	17.5%	28	14.3%

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes 23 of these 36 cities, the MFI in 2015 was \$95,500. The MFIs in the five other MSAs in the state ranged from \$67,300 to \$82,500 in 2015. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE II
Total and FHA-Insured Loans to Low- and Moderate-Income (LMI) Borrowers*, 2004–2015
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI
A. FHA-INSURED LOANS									
2004	51	10	19.6%	468	161	34.4%	3,058	1,146	37.5%
2005	28	1	3.6%	201	57	28.4%	1,485	562	37.8%
2006	32	0	0.0%	230	21	9.1%	1,156	248	21.5%
2007	60	4	6.7%	386	48	12.4%	1,514	313	20.7%
2008	435	107	24.6%	3,323	862	25.9%	9,149	3,092	33.8%
2009	761	293	38.5%	6,141	2,350	38.3%	15,214	6,896	45.3%
2010	836	344	41.1%	5,670	2,220	39.2%	13,697	6,527	47.7%
2011	549	246	44.8%	4,204	1,855	44.1%	10,649	5,467	51.3%
2012	445	188	42.2%	3,490	1,522	43.6%	9,520	5,013	52.7%
2013	300	90	30.0%	2,879	1,079	37.5%	8,267	3,991	48.3%
2014	254	57	22.4%	2,304	822	35.7%	7,583	3,641	48.0%
2015	314	82	26.1%	3,343	1,241	37.1%	10,884	5,427	49.9%
B. NON-FHA LOANS									
2004	8,607	1,783	20.7%	46,351	9,885	21.3%	95,239	23,656	24.8%
2005	8,302	1,529	18.4%	44,382	8,331	18.8%	92,801	20,986	22.6%
2006	7,020	1,414	20.1%	36,308	6,457	17.8%	75,828	16,339	21.5%
2007	5,658	1,273	22.5%	30,596	6,008	19.6%	61,459	15,263	24.8%
2008	4,037	1,173	29.1%	22,605	5,661	25.0%	42,130	12,570	29.8%
2009	3,399	1,216	35.8%	20,122	5,903	29.3%	36,687	12,535	34.2%
2010	3,122	940	30.1%	18,932	4,704	24.8%	34,002	10,256	30.2%
2011	2,944	908	30.8%	18,779	4,913	26.2%	33,383	10,521	31.5%
2012	3,924	1,104	28.1%	24,183	6,104	25.2%	42,760	13,281	31.1%
2013	4,521	967	21.4%	28,848	6,036	20.9%	51,862	13,526	26.1%
2014	4,193	761	18.1%	28,092	5,330	19.0%	52,377	12,756	24.4%
2015	4,335	833	19.2%	28,877	5,802	20.1%	54,685	14,052	25.7%
C. TOTAL LOANS									
2004	8,658	1,793	20.7%	46,819	10,046	21.5%	98,297	24,802	25.2%
2005	8,330	1,530	18.4%	44,583	8,388	18.8%	94,286	21,548	22.9%
2006	7,052	1,414	20.1%	36,538	6,478	17.7%	76,984	16,587	21.5%
2007	5,718	1,277	22.3%	30,982	6,056	19.5%	62,973	15,576	24.7%
2008	4,472	1,280	28.6%	25,928	6,523	25.2%	51,279	15,662	30.5%
2009	4,160	1,509	36.3%	26,263	8,253	31.4%	51,901	19,431	37.4%
2010	3,958	1,284	32.4%	24,602	6,924	28.1%	47,699	16,783	35.2%
2011	3,493	1,154	33.0%	22,983	6,768	29.4%	44,032	15,988	36.3%
2012	4,369	1,292	29.6%	27,673	7,626	27.6%	52,280	18,294	35.0%
2013	4,821	1,057	21.9%	31,727	7,115	22.4%	60,129	17,517	29.1%
2014	4,447	818	18.4%	30,396	6,152	20.2%	59,960	16,397	27.3%
2015	4,649	915	19.7%	32,220	7,043	21.9%	65,569	19,479	29.7%

In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. "Low-income" is less than 50% of the MFI in the relevant MSA; "Moderate-income" is 50%–80% of this amount.

TABLE 12
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, City of Boston, 2015

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	24	98	106	104	92
Black	10	90	108	49	10
Latino	10	75	78	45	14
White	51	469	731	975	903
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	0.0%	6.1%	7.5%	1.9%	1.1%
Black	10.0%	36.7%	53.7%	42.9%	20.0%
Latino	0.0%	22.7%	37.2%	28.9%	0.0%
White	2.0%	3.8%	4.7%	4.3%	0.7%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	0.00	1.60	1.62	0.45	1.64
Black	5.10	9.55	11.55	9.95	30.10
Latino	0.00	5.91	7.99	6.71	0.00
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston MSA (\$95,500 in 2015).

“Low” is less than 50% of this amount (\$1K-\$47K in 2016); “Moderate” is 50%–80% of this amount (\$48K–\$76K);

“Middle” is 80%–120% of this amount (\$77K–\$114K); “High” is 120%–200% of this amount (\$115K–\$191); and

“Highest” is over 200% of this amount (\$192K or more). HMDA data report income to the nearest thousand dollars.

TABLE 13
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2015

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	182	640	895	996	784
Black	48	354	329	164	68
Latino	137	664	540	276	111
White	717	3,741	5,514	7,141	5,322
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	3.8%	7.3%	5.6%	1.9%	0.5%
Black	33.3%	42.4%	44.1%	31.7%	7.4%
Latino	42.3%	46.1%	46.1%	29.0%	0.9%
White	8.9%	13.8%	12.5%	7.5%	1.9%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	0.43	0.53	0.45	0.26	0.27
Black	3.73	3.07	3.52	4.25	3.95
Latino	4.74	3.33	3.68	3.88	0.48
White	1.00	1.00	1.00	1.00	1.00

Note: In this report, “Greater Boston” consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2015 was \$95,500 (three small communities were in the Worcester MSA, where the MFI in 2015 was \$83,500). “Low” is less than 50% of the MFI in the relevant MSA; “Moderate” is 50%–80% of this amount; “Middle” is 80%–120% of this amount; “High” is 120%–200% of this amount; and “Highest” is over 200% of the MFI in the relevant MSA.

TABLE 14
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2015

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	331	966	1,252	1,435	959
Black	238	933	720	331	114
Latino	613	1,786	1,067	455	159
White	2,687	10,605	13,147	13,686	7,941
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	10.9%	13.9%	7.1%	2.8%	0.6%
Black	52.5%	53.1%	46.3%	32.9%	8.8%
Latino	54.8%	56.9%	46.7%	27.3%	2.5%
White	21.2%	22.5%	17.1%	10.0%	2.5%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	0.51	0.62	0.42	0.28	0.25
Black	2.48	2.36	2.71	3.30	3.55
Latino	2.59	2.53	2.73	2.73	1.02
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area (MSA) in which the home is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2015 ranging from \$67,300 to \$95,500. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from \$135K in the Springfield MSA to \$192K in the Boston MSA. See "Notes on Data & Methods."

TABLE 15
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2015

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	23	18	4	0	45
50%-75% Minority	14	13	6	0	33
25%-50% Minority	9	16	18	7	50
> 75% White	0	1	10	28	39
Total	46	48	38	35	167
B. NUMBER OF LOANS					
> 75% Minority	245	276	82	0	603
50%-75% Minority	259	484	177	0	920
25%-50% Minority	143	366	463	172	1,144
> 75% White	0	12	546	1,419	1,977
Total	647	1,138	1,268	1,591	4,644
C. LOANS AS PERCENT OF TOTAL LOANS IN BOSTON					
> 75% Minority	5.3%	5.9%	1.8%	na	13.0%
50%-75% Minority	5.6%	10.4%	3.8%	na	19.8%
25%-50% Minority	3.1%	7.9%	10.0%	3.7%	24.6%
> 75% White	0.0%	0.3%	11.8%	30.6%	42.6%
Total	13.9%	24.5%	27.3%	34.3%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	31.4%	29.0%	26.8%	na	29.7%
50%-75% Minority	5.0%	6.2%	18.6%	na	8.3%
25%-50% Minority	0.7%	4.6%	0.9%	0.6%	2.0%
> 75% White	na	0.0%	3.1%	1.3%	1.8%
Total	14.1%	11.2%	6.0%	1.3%	6.8%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in Upper-Income Tracts >75% White)					
> 75% Minority	23.47	21.65	20.04	na	22.17
50%-75% Minority	3.75	4.63	13.92	na	6.17
25%-50% Minority	0.52	3.47	0.65	0.43	1.50
> 75% White	na	0.00	2.33	1.00	1.36
Total	10.50	8.33	4.48	0.94	5.05

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the Boston-Quincy Metropolitan District (MD). "Low" is less than 50% of the MFI of the MD; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MD.

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2015 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 16
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2015

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	32	17	4	0	53
50%-75% Minority	25	29	12	0	66
25%-50% Minority	14	64	66	26	170
> 75% White	1	24	164	209	398
Total	72	134	246	235	687
B. NUMBER OF LOANS					
> 75% Minority	370	276	82	0	728
50%-75% Minority	514	960	605	0	2,079
25%-50% Minority	238	1,953	2,507	1,089	5,787
> 75% White	13	1,053	9,608	12,947	23,621
Total	1,135	4,242	12,802	14,036	32,215
C. LOANS AS PERCENT OF TOTAL LOANS IN GREATER BOSTON					
> 75% Minority	1.1%	0.9%	0.3%	0.0%	2.3%
50%-75% Minority	1.6%	3.0%	1.9%	0.0%	6.5%
25%-50% Minority	0.7%	6.1%	7.8%	3.4%	18.0%
> 75% White	0.0%	3.3%	29.8%	40.2%	73.3%
Total	3.5%	13.2%	39.7%	43.6%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	35.4%	29.0%	26.8%	na	32.0%
50%-75% Minority	15.8%	17.3%	23.5%	na	18.7%
25%-50% Minority	6.7%	18.7%	9.7%	2.7%	11.3%
> 75% White	0.0%	17.7%	12.9%	4.9%	8.8%
Total	20.1%	18.8%	12.9%	4.8%	10.4%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in Upper-Income Tracts > 75% White)					
> 75% Minority	7.17	5.87	5.44	na	6.48
50%-75% Minority	3.19	3.50	4.76	na	3.79
25%-50% Minority	1.36	3.79	1.97	0.54	2.29
> 75% White	0.00	3.58	2.62	1.00	1.77
Total	4.07	3.81	2.61	0.96	2.10

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. The 101 communities in Greater Boston are located in four different metro areas: 98 of these are in the three Metropolitan Districts (MDs) that make up the Boston MSA; the other three communities are in the Worcester MSA. "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MSA.

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2015 HMDA data. See "Notes on Data and Methods" for more information.

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

TABLE 17
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2015

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	71	24	4	0	99
50%–75% Minority	47	57	14	0	118
25%–50% Minority	34	121	91	33	279
> 75% White	9	79	487	375	950
Total	161	281	596	408	1,446
B. NUMBER OF LOANS					
> 75% Minority	845	390	82	0	1,317
50%–75% Minority	795	1,854	638	0	3,287
25%–50% Minority	503	3,665	3,729	1,535	9,432
> 75% White	91	2,511	26,066	22,846	51,514
Total	2,234	8,420	30,515	24,381	65,550
C. LOANS IN AS PERCENT OF TOTAL LOANS IN MASSACHUSETTS					
> 75% Minority	1.3%	0.6%	0.1%	0.0%	2.0%
50%–75% Minority	1.2%	2.8%	1.0%	0.0%	5.0%
25%–50% Minority	0.8%	5.6%	5.7%	2.3%	14.4%
> 75% White	0.1%	3.8%	39.8%	34.9%	78.6%
Total	3.4%	12.8%	46.6%	37.2%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	52.5%	42.1%	26.8%	na	47.8%
50%–75% Minority	29.8%	34.3%	24.0%	na	31.2%
25%–50% Minority	28.6%	29.5%	18.8%	2.9%	20.9%
> 75% White	38.5%	25.5%	17.9%	8.3%	14.1%
Total	38.5%	29.9%	18.2%	8.0%	16.6%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in HIGH-Income Tracts >75% White)					
> 75% Minority	6.29	5.04	3.21	na	5.73
50%–75% Minority	3.57	4.10	2.87	na	3.74
25%–50% Minority	3.43	3.53	2.25	0.34	2.50
> 75% White	4.61	3.06	2.15	1.00	1.69
Total	4.61	3.59	2.18	0.96	1.99

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Each community in Massachusetts is located in one of nine metro areas, each consisting of one or more counties: five MSAs, three MDs, and one “non-metropolitan” area. “Low” is less than 50% of the MFI in the relevant MSA; “Moderate” is 50%–80% of this amount; “Middle” is 80%–120% of this amount; and “Upper” is greater than 200% of the MFI of the metro area.

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2015 HMDA data. See “Notes on Data and Methods” for more information.

TABLE 18
Total & FHA-Insured Loans, By Neighborhood*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2015

Neighborhood	All Loans	FHA Loans	Percent FHA	Percent Minority*	Median Fam Inc.*	Population*
Mattapan	101	31	30.7%	93.7%	\$54,119	22,600
Hyde Park	220	52	23.6%	71.8%	\$71,017	30,637
Roxbury	112	26	23.2%	88.8%	\$32,432	48,454
Dorchester	678	118	17.4%	77.8%	\$48,254	114,235
East Boston	208	28	13.5%	62.8%	\$47,198	40,508
Allston	32	2	6.3%	40.1%	\$50,109	29,196
Roslindale	285	17	6.0%	53.3%	\$72,567	28,680
West Roxbury	338	20	5.9%	26.7%	\$93,582	30,446
Brighton	199	3	1.5%	29.9%	\$59,383	45,801
Jamaica Plain	450	6	1.3%	46.4%	\$84,045	37,468
North End	86	1	1.2%	9.1%	\$119,597	10,131
Charlestown	372	4	1.1%	24.2%	\$100,725	16,439
S. Bos. Waterfront	617	5	0.8%	24.2%	\$169,697	33,311
Downtown	135	1	0.7%	45.2%	\$119,943	16,298
Back Bay	137	0	0.0%	21.8%	\$182,190	18,088
Beacon Hill	102	0	0.0%	13.2%	\$166,257	9,023
Fenway	39	0	0.0%	35.3%	\$69,094	33,796
Mission Hill	21	0	0.0%	52.9%	\$36,237	16,305
South Boston	81	0	0.0%	15.0%	\$75,257	1,889
South End	431	0	0.0%	44.4%	\$72,063	25,889
City of Boston	4,649	314	6.8%	53.0%	\$61,109	617,594

* This report uses Boston's "Neighborhoods" as defined by the Boston Redevelopment Authority (BRA). Three of the BRA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 535), Longwood Medical Area (0 loans, pop. 3,785); and West End (5 loans, pop. 4,080). *Percent minority* is 100% minus the percentage of the population that is non-Latino white-only. Population and income data are from the BRA's *Boston in Context: Neighborhoods (2007-2011 American Community Survey and 2010 Census)*.

Lending data are available only on a census tract basis and many tracts are divided among two or more neighborhoods; this reports uses a BRA list of 2010 census tracts that assigns each tract to the neighborhood with the largest share of the tract's population.

TABLE 19
The Ten Massachusetts Cities with the Most Loans to Black & Latino Borrowers
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

A. LOANS TO BLACK BORROWERS							
City or Town	Rank	Number of Loans		Percentage of Massachusetts Totals			
		To Black Borrowers	To All Borrowers	Loans to Blacks	Black Pop'n	Total Loans	Total Pop'n
Brockton	1	405	869	17.2%	7.3%	1.3%	1.4%
Boston	2	272	4,649	11.6%	33.2%	7.1%	9.4%
Worcester	3	143	1,267	6.1%	4.7%	1.9%	2.8%
Randolph	4	139	341	5.9%	2.8%	0.5%	0.5%
Springfield	5	128	933	5.5%	7.3%	1.4%	2.3%
Lynn	6	70	761	3.0%	2.4%	1.2%	1.4%
Taunton	7	51	559	2.2%	0.8%	0.9%	0.9%
Stoughton	8	46	303	2.0%	0.7%	0.5%	0.4%
Lowell	9	43	766	1.8%	1.6%	1.2%	1.6%
New Bedford	10	38	600	1.6%	1.6%	0.9%	1.5%
341 Others		1,013	54,521	43.1%	37.6%	83.2%	77.8%
Massachusetts		2,348	65,569	100.0%	100.0%	100.0%	100.0%
B. LOANS TO LATINO BORROWERS							
City or Town	Rank	Number of Loans		Percentage of Massachusetts Totals			
		To Latino Borrowers	To All Borrowers	Loans to Latinos	Latino Pop'n	Total Loans	Total Pop'n
Lawrence	1	396	475	9.7%	9.0%	0.7%	1.2%
Springfield	2	295	933	7.2%	9.5%	1.4%	2.3%
Lynn	3	251	761	6.1%	4.6%	1.2%	1.4%
Boston	4	222	4,649	5.4%	17.2%	7.1%	9.4%
Worcester	5	202	1,267	4.9%	6.0%	1.9%	2.8%
Revere	6	197	425	4.8%	2.0%	0.6%	0.8%
Methuen	7	143	576	3.5%	1.4%	0.9%	0.7%
Brockton	8	101	869	2.5%	5.1%	1.3%	1.4%
Lowell	9	99	766	2.4%	2.9%	1.2%	1.6%
Haverhill	10	90	724	2.2%	1.4%	1.1%	0.9%
341 Others		2,103	54,124	51.3%	40.9%	82.5%	78.2%
Massachusetts		4,099	65,569	100.0%	100.0%	100.0%	100.0%

TABLE 20
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston#, and Statewide
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. ALL NON-FHA LOANS											
Boston	534	243	233	3,859	6.6%	17.7%	8.2%	5.5%	1.20	3.24	1.49
Greater Boston	4,413	877	1,415	25,911	6.8%	13.6%	10.8%	5.1%	1.33	2.64	2.10
Massachusetts	6,142	1,852	2,974	52,857	7.3%	13.9%	13.0%	6.5%	1.12	2.13	1.99
B. FHA LOANS											
Boston	25	185	96	153	20.0%	17.8%	18.8%	20.9%	0.96	0.85	0.90
Greater Boston	197	581	962	2,529	16.8%	18.6%	13.1%	11.5%	1.45	1.61	1.13
Massachusetts	457	1,614	2,768	8,977	19.9%	18.3%	14.0%	11.4%	1.75	1.61	1.23
C. ALL LOANS											
Boston	559	428	329	4,012	7.2%	17.8%	11.2%	6.1%	1.18	2.93	1.86
Greater Boston	4,610	1,458	2,377	28,440	7.2%	15.6%	11.7%	5.7%	1.27	2.73	2.06
Massachusetts	6,599	3,466	5,742	61,834	8.2%	16.0%	13.5%	7.2%	1.14	2.21	1.86

In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

TABLE 21
Applications And Denial Rates By Race & Income Of Applicant
Non-FHA ^ First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2015

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-50	28	39.3%	35	20.0%	109	22.0%	1.78	0.91
51-75	79	16.5%	73	11.0%	518	7.3%	2.24	1.49
76-100	58	15.5%	49	0.0%	610	5.2%	2.96	0.00
101-125	34	11.8%	20	5.0%	493	5.3%	2.23	0.95
126-150	12	8.3%	13	0.0%	442	3.4%	2.46	0.00
over 150	24	8.3%	38	5.3%	1,622	4.4%	1.88	1.19
Total*	236	17.4%	227	8.4%	3,777	5.5%	3.15	1.52
B. GREATER BOSTON								
1-50	90	28.9%	183	24.6%	1,264	14.3%	2.02	1.72
51-75	261	14.6%	440	10.7%	3,567	6.8%	2.15	1.57
76-100	197	9.6%	291	8.9%	4,113	5.0%	1.93	1.78
101-125	115	13.0%	147	8.8%	3,589	4.8%	2.72	1.85
126-150	52	9.6%	102	6.9%	3,053	4.3%	2.26	1.61
over 150	150	8.0%	240	5.0%	10,031	3.7%	2.15	1.34
Total*	877	13.6%	1,415	10.8%	25,911	5.1%	2.64	2.10
C. MASSACHUSETTS								
1-50	338	24.3%	732	21.9%	5,845	14.3%	1.70	1.53
51-75	584	11.8%	943	11.6%	10,429	7.9%	1.50	1.47
76-100	386	12.7%	536	10.8%	9,348	6.0%	2.11	1.80
101-125	200	11.5%	262	8.8%	7,140	4.9%	2.33	1.78
126-150	103	8.7%	153	5.2%	5,465	4.3%	2.04	1.22
over 150	222	9.5%	320	6.6%	14,137	4.2%	2.24	1.55
Total*	1,852	13.9%	2,974	13.0%	52,857	6.5%	2.13	1.99

^ Non-FHA loans consist of conventional (non-government-backed) loans, plus loans guaranteed by the VA or the USDA.

* Total includes applicants without reported income.

TABLE 22
Denial Rates and Denial Rate Disparity Ratios
For Asian, Black, Latino, and White Applicants for
First-Lien Home-Purchase Loans for Owner-Occupied Homes
Boston, Greater Boston, and Massachusetts, 2004–2015

	Denial Rate				Denial Rate Disparity Ratio		
	Asian	Black	Latino	White	Asian/ White	Black/ White	Latino/ White
A. BOSTON							
2004	12.2%	22.7%	19.2%	8.8%	1.39	2.58	2.19
2005	14.6%	23.6%	20.9%	10.1%	1.45	2.34	2.07
2006 ^	8.9%	21.1%	21.4%	8.3%	1.07	2.54	2.58
2007 ^	11.4%	26.9%	25.8%	8.6%	1.34	3.14	3.01
2008	14.8%	30.8%	28.7%	12.0%	1.24	2.57	2.39
2009	17.1%	24.7%	22.2%	11.2%	1.53	2.21	1.98
2010	14.1%	23.3%	21.7%	12.0%	1.18	1.95	1.82
2011	14.4%	26.9%	22.7%	9.3%	1.54	2.88	2.43
2012	10.3%	24.5%	21.1%	8.6%	1.19	2.85	2.45
2013	11.5%	25.3%	13.9%	7.1%	1.62	3.57	1.95
2014	7.3%	22.7%	15.8%	6.3%	1.15	3.60	2.50
2015	7.2%	17.8%	11.2%	6.1%	1.18	2.93	1.86
B. GREATER BOSTON							
2004	8.5%	21.4%	17.6%	7.6%	1.12	2.84	2.33
2005	9.8%	22.3%	19.5%	8.9%	1.11	2.50	2.18
2006 ^	6.9%	19.2%	16.7%	6.6%	1.04	2.92	2.54
2007 ^	7.6%	23.8%	22.2%	7.3%	1.04	3.28	3.06
2008	12.0%	27.8%	25.1%	10.3%	1.16	2.69	2.43
2009	12.0%	22.8%	21.7%	9.6%	1.25	2.37	2.25
2010	12.0%	21.3%	19.7%	9.8%	1.22	2.16	2.01
2011	11.4%	21.6%	20.4%	8.0%	1.43	2.70	2.55
2012	9.4%	20.8%	18.6%	8.0%	1.17	2.61	2.33
2013	8.9%	20.6%	15.9%	7.3%	1.23	2.84	2.18
2014	8.1%	19.4%	13.5%	6.5%	1.25	2.98	2.08
2015	7.2%	15.6%	11.7%	5.7%	1.27	2.73	2.06
C. MASSACHUSETTS							
2004	9.0%	20.2%	18.0%	8.8%	1.02	2.30	2.04
2005	10.1%	21.3%	19.1%	9.7%	1.04	2.20	1.97
2006 ^	7.6%	19.6%	17.4%	7.4%	1.03	2.63	2.34
2007 ^	9.1%	23.8%	20.8%	8.4%	1.08	2.84	2.48
2008	13.3%	26.6%	25.0%	11.2%	1.19	2.37	2.23
2009	13.0%	21.9%	21.5%	10.7%	1.21	2.05	2.01
2010	13.3%	22.2%	21.4%	11.1%	1.20	2.00	1.92
2011	12.9%	22.0%	20.8%	10.1%	1.28	2.19	2.07
2012	10.9%	21.4%	19.8%	9.8%	1.11	2.19	2.03
2013	9.6%	20.9%	17.0%	9.1%	1.06	2.30	1.88
2014	9.3%	19.2%	16.3%	8.1%	1.15	2.37	2.01
2015	8.2%	16.0%	13.5%	7.2%	1.14	2.21	1.86

In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

^ 2006 and 2007 denial rates are for prime lenders only; they exclude applications to lenders that specialized in high-cost subprime loans.

TABLE 23
Shares of Total Loans by Major Types of Lenders, 2004–2015
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*
2004	22.2%	42.5%	35.2%	23.2%	41.8%	34.9%	26.5%	39.1%	34.4%
2005	19.7%	49.8%	30.5%	19.8%	49.3%	30.9%	23.6%	46.8%	29.6%
2006	22.2%	49.4%	28.3%	22.1%	49.3%	28.5%	25.6%	46.3%	28.1%
2007	35.8%	29.8%	34.5%	33.6%	33.4%	33.1%	37.7%	30.5%	31.8%
2008	39.0%	26.0%	35.0%	37.1%	29.9%	33.0%	41.2%	27.0%	31.8%
2009	47.5%	32.3%	20.2%	42.6%	36.4%	21.0%	45.1%	33.3%	21.6%
2010	45.3%	33.7%	21.0%	41.8%	37.0%	21.2%	43.7%	34.4%	21.9%
2011	43.3%	34.9%	21.9%	40.5%	37.8%	21.7%	42.6%	34.9%	22.6%
2012	42.8%	42.2%	15.0%	43.1%	41.0%	15.9%	44.4%	39.3%	16.4%
2013	42.8%	44.4%	12.8%	43.9%	42.8%	13.3%	44.6%	41.0%	14.4%
2014	45.4%	42.0%	12.6%	43.7%	42.6%	13.6%	43.1%	42.8%	14.2%
2015	45.4%	41.7%	13.0%	45.0%	42.1%	12.9%	43.5%	43.2%	13.2%

In this report, “Greater Boston” consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

* “Mass. Banks and Credit Unions”: all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.

“Licensed Mortgage Lenders”: lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) (Starting in 2010, this includes only lenders with at least 50 mortgage loans in the state; other LMLs are included with “Other Lenders.”)

“Other Lenders”: those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 24
Shares of Total Loans and FHA-Insured Loans by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	All Home-Purchase Loans				FHA-Insured Home-Purchase Loans			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	4,649	45.4%	41.7%	13.0%	314	17.8%	71.0%	11.1%
Greater Boston	32,220	45.0%	42.1%	12.9%	3,343	19.6%	73.0%	7.4%
Massachusetts	65,569	43.5%	43.2%	13.2%	10,884	18.7%	72.4%	8.8%

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 25
FHA-Insured Loans and Loan Percentages by Major Lender Type
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA
Boston	2,109	56	2.7%	1,937	223	11.5%	603	35	5.8%
Greater Boston	14,488	655	4.5%	13,571	2,441	18.0%	4,161	247	5.9%
Massachusetts	28,536	2,038	7.1%	28,355	7,883	27.8%	8,678	963	11.1%

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 26
Shares of the FHA-Insured Loans & FHA-Insured Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, City of Boston, 2015

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non-FHA Loans	FHA Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	2,109	95	17	88	12	395	19	678	41	173	31
% of Loans	100%	4.5%	0.8%	4.2%	0.6%	18.7%	0.9%	32.1%	1.9%	8.2%	1.5%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,937	46	87	64	41	384	58	716	155	149	110
% of Loans	100%	2.4%	4.5%	3.3%	2.1%	19.8%	3.0%	37.0%	8.0%	7.7%	5.7%
C. OTHER LENDERS*											
Number of Loans	603	16	11	11	6	54	5	173	22	42	16
% of Loans	100%	2.7%	1.8%	1.8%	1.0%	9.0%	0.8%	28.7%	3.6%	7.0%	2.7%
D. TOTAL											
Number of Loans	4,649	157	115	163	59	833	82	1,567	218	364	157
% of Loans	100%	3.4%	2.5%	3.5%	1.3%	17.9%	1.8%	33.7%	4.7%	7.8%	3.4%

* See notes following Table 28.

TABLE 27
Shares of the FHA-Insured Loans & FHA-Insured Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston ^, 2015

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non-FHA Loans	FHA Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	14,488	304	77	519	150	2,719	239	2,005	229	211	46
% of Loans	100%	2.1%	0.5%	3.6%	1.0%	18.8%	1.6%	13.8%	1.6%	1.5%	0.3%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	13,571	228	260	443	507	2,677	935	1,960	720	177	145
% of Loans	100%	1.7%	1.9%	3.3%	3.7%	19.7%	6.9%	14.4%	5.3%	1.3%	1.1%
C. OTHER LENDERS*											
Number of Loans	4,161	70	32	78	37	406	67	387	76	47	20
% of Loans	100%	1.7%	0.8%	1.9%	0.9%	9.8%	1.6%	9.3%	1.8%	1.1%	0.5%
D. TOTAL											
Number of Loans	32,220	602	369	1,040	694	5,802	1,241	4,352	1,025	435	211
% of Loans	100%	1.9%	1.1%	3.2%	2.2%	18.0%	3.9%	13.5%	3.2%	1.4%	0.7%

* See notes following Table 28.

TABLE 28
Shares of the FHA-Insured Loans & FHA-Insured Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2015

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non- FHA Loans	FHA Loans	Non-FHA Loans	FHA Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	28,536	603	205	1,096	412	6,878	989	3,604	711	346	124
% of Loans	100%	2.1%	0.7%	3.8%	1.4%	24.1%	3.5%	12.6%	2.5%	1.2%	0.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	28,355	481	762	806	1,397	5,738	3,974	2,910	2,365	226	440
% of Loans	100%	1.7%	2.7%	2.8%	4.9%	20.2%	14.0%	10.3%	8.3%	0.8%	1.6%
C. OTHER LENDERS*											
Number of Loans	8,678	191	106	216	172	1,436	464	759	305	55	44
% of Loans	100%	2.2%	1.2%	2.5%	2.0%	16.5%	5.3%	8.7%	3.5%	0.6%	0.5%
D. TOTAL											
Number of Loans	65,569	1,275	1,073	2,118	1,981	14,052	5,427	7,273	3,381	627	608
% of Loans	100%	1.9%	1.6%	3.2%	3.0%	21.4%	8.3%	11.1%	5.2%	1.0%	0.9%

* "Mass. Banks and Credit Unions": banks with Mass. offices, plus affiliated mortgage companies; excludes fed-chartered CUs.

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in their Metropolitan Statistical Area (MSA).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in their MSA.

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in their metro area (2015 HMDA data).

"LMI CTs >75% Minority" includes almost all Massachusetts census tracts with over 75% minority population--41 of 45 in Boston, 49 of 53 in Greater Boston, and 95 of 99 in Massachusetts. (2015 HMDA data).

TABLE 29
The Biggest Lenders in Boston, Greater Boston, and Massachusetts*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

Lender	Lender Type#	Rank			Loans		
		Boston	Greater Bos	Mass	Boston	Greater Bos	Mass
Guaranteed Rate	LML	1	1	1	390	2,004	2,887
Leader Bank	CRA	2	2	3	271	1,923	2,378
Mortgage Master ^	LML	3	3	4	252	1,310	2,242
Wells Fargo Bank	OTH	4	4	5	210	1,255	1,873
Prospect Mortgage	LML	5	5	8	195	882	1,426
Fairway Independent Mort	LML	6	6	7	177	842	1,544
Mortgage Network	LML	13	7	6	88	838	1,612
Residential Mortgage	LML	8	8	2	151	831	2,738
Santander Bank	CRA	9	9	9	120	824	1,422
JPMorgan Chase	OTH	12	10	13	96	772	907
Bank of America	CRA	11	11	11	99	769	1,176
Salem Five Mortgage	CRA	26	12	10	40	666	1,287
NE Moves Mortgage	LML	28	13	15	38	524	879
Citizens Bank	CRA	14	14	12	86	520	922
MSA Mortgage	LML	16	15	26	83	500	610
Citibank	CRA	10	16	21	101	488	720
Bank of Canton	CRA	19	17	23	66	431	689
Webster Bank	CRA	20	18	24	60	395	658
Berkshire Bank	CRA	24	19	18	43	390	828
First Republic Bank	CRA	7	20	33	163	388	399
Eastern Bank	CRA	21	21	31	55	383	511
Radius Financial Group	LML	30	22	16	36	379	862
Mortgage Financial	LML	51	23	27	18	356	586
Quicken Loans	LML	35	24	14	29	353	891
Sage Bank	CRA	28	25	17	38	329	835
Stearns Lending	LML	43	26	19	23	317	793
People's United Bank	CRA	17	27	36	78	282	379
Belmont Savings Bank	CRA	31	28	52	30	277	290
Needham Bank	CRA	25	29	48	42	276	300
Rockland Trust	CRA	53	30	30	17	256	530
Total, 30 Biggest Lenders					3,270	19,760	34,497
Number of Lenders					266	440	532
Total, All Lenders					4,649	32,220	65,569

* This table includes the top 30 lenders in Greater Boston, listed in order of their rank in Greater Boston.

Five other lenders were in the top 30 in Boston: Boston Private Bank (85 loans, 15th), Blue Hills Bank (73 loans, 18th), Washington Trust Mortgage (50 loans, 22nd), East Boston SB (46 loans, 23rd), and Meetinghouse Bank (38 loans, 27th). Washington Trust is an LML; the other four are CRA lenders.

Five other lenders were in the top 30 statewide: Merrimack Mortgage (770 loans, 20th), First Federal SB of Boston (707 loans, 22nd), Cape Cod Five (641 loans, 25th), Academy Mortgage (546 loans, 28th), and Plaza Home Mortgage (538 loans, 29th). The first three of these are CRA lenders, the last two are LMLs.

Total loans for 30 biggest lenders for Boston and Mass are calculated for top 30 lenders in those areas, and so differ from totals for the 30 lenders in this table.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, who recently became subject to CRA-type state regulation. OTH: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation.

^ Mortgage Master is a division of loanDepot.com, LLC. Presumably, the great majority of the Massachusetts loans reported in 2015 HMDA data by loanDepot were made by Mortgage Master, but the total probably also includes loans made under loanDepot's own name and/or by inmortgage, another of its divisions.

TABLE 30
Lending by 30 Biggest Lenders in Greater Boston*, 2015
First-Lien Home-Purchase Loans for Owner-Occupied Homes

Lender	Total		FHA Loans			Low + Mod-Inc Borrowers			Black & Latino Borrowers		
	Loans	Rank	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
Guaranteed Rate	2,004	1	222	11.1%	1	435	21.7%	1	135	6.7%	1
Leader Bank	1,923	2	89	4.6%	11	254	13.2%	3	70	3.6%	11
Mortgage Master ^	1,310	3	142	10.8%	3	282	21.5%	2	95	7.3%	6
Wells Fargo Bank	1,255	4	80	6.4%	12	91	7.3%	21	66	5.3%	12
Prospect Mortgage	882	5	131	14.9%	4	190	21.5%	9	65	7.4%	13
Fairway Independent Mort	842	6	100	11.9%	7	211	25.1%	7	79	9.4%	8
Mortgage Network	838	7	108	12.9%	6	232	27.7%	6	35	4.2%	24
Residential Mortgage	831	8	172	20.7%	2	240	28.9%	4	96	11.6%	4
Santander Bank	824	9	61	7.4%	21	240	29.1%	4	115	14.0%	2
JPMorgan Chase	772	10	0	0.0%	NA	12	1.6%	108	16	2.1%	43
Bank of America	769	11	42	5.5%	26	97	12.6%	19	42	5.5%	20
Salem Five Mortgage	666	12	99	14.9%	9	198	29.7%	8	53	8.0%	16
NE Moves Mortgage	524	13	61	11.6%	21	125	23.9%	15	40	7.6%	21
Citizens Bank	520	14	34	6.5%	28	138	26.5%	13	40	7.7%	21
MSA Mortgage	500	15	80	16.0%	12	144	28.8%	10	73	14.6%	9
Citibank	488	16	2	0.4%	108	67	13.7%	27	80	16.4%	7
Bank of Canton	431	17	0	0.0%	NA	105	24.4%	18	12	2.8%	50
Webster Bank	395	18	9	2.3%	67	7	1.8%	138	13	3.3%	48
Berkshire Bank	390	19	20	5.1%	40	61	15.6%	29	19	4.9%	36
First Republic Bank	388	20	0	0.0%	NA	13	3.4%	101	10	2.6%	53
Eastern Bank	383	21	18	4.7%	42	140	36.6%	12	45	11.7%	19
Radius Financial Group	379	22	127	33.5%	5	136	35.9%	14	63	16.6%	14
Mortgage Financial	356	23	64	18.0%	18	85	23.9%	23	23	6.5%	31
Quicken Loans	353	24	77	21.8%	14	96	27.2%	20	37	10.5%	23
Sage Bank	329	25	100	30.4%	7	112	34.0%	17	73	22.2%	9
Stearns Lending	317	26	62	19.6%	20	143	45.1%	11	29	9.1%	26
People's United Bank	282	27	2	0.7%	108	18	6.4%	80	9	3.2%	58
Belmont Savings Bank	277	28	0	0.0%	NA	8	2.9%	134	5	1.8%	78
Needham Bank	276	29	0	0.0%	NA	29	10.5%	53	5	1.8%	79
Rockland Trust	256	30	65	25.4%	17	120	46.9%	16	96	37.5%	4
Total: All 440 Lenders	32,220		3,343	10.4%		7,043	21.9%		2,705	8.4%	

* In this report, "Greater Boston" consists of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.

^ Mortgage Master is a division of loanDepot.com, LLC. Presumably, the great majority of the Massachusetts loans reported in 2015 HMDA data by loanDepot were made by Mortgage Master, but the total probably also includes loans made under loanDepot's own name and/or by imortgage, another of its divisions.

Other Notes:

This table includes the top 30 lenders in Greater Boston; rankings are among all of the 445 lenders with at least one loan in Greater Boston.

See Table 29 for data on the total loans and rankings of these 30 lenders in Boston and in Massachusetts.

If lenders have the same number of loans in a category, they share a rank. For example, Residential Mortgage & Rockland Trust each made 96 loans to black and Latino borrowers, so they are both ranked 4th in that category, and no lender received the rank of 5th.

One lender was among the top 10 in FHA loans but not among the top 30 overall lenders; New Fed Mortgage ranked 10th with 97 FHA loans.

One lender was among the top 10 in loans to black and Latino borrowers, although it wasn't among the top 30 overall lenders; Prime Lending ranked 3rd in this category with 99 loans to blacks and Latinos (94 of these were to Latinos).

APPENDIX TABLE I

All Home-Purchase and Refinance Loans in Massachusetts, 2015, Classified by Five Characteristics:
(1) Home-purchase or Refinance; (2) Conventional, FHA, or Other Gov-Backed; (3) First-Lien or Subordinate-Lien;
(4) Owner-Occupied or Not Owner-Occupied; and (5) Site-Built or Manufactured Housing

A. NUMBER OF LOANS												
	Home Purchase Loans				Refinance Loans				Total Loans			
	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total
First Lien	60,065	10,887	3,549	74,501	69,453	6,650	2,669	78,772	129,518	17,537	6,218	153,273
Owner-Occupied	51,136	10,884	3,549	65,569	62,371	6,551	2,642	71,564	113,507	17,435	6,191	137,133
Site-built	50,961	10,883	3,549	65,393	62,331	6,550	2,642	71,523	113,292	17,433	6,191	136,916
Mfg housing	175	1	0	176	40	1	0	41	215	2	0	217
Not Owner-Occ	8,929	3	0	8,932	7,082	99	27	7,208	16,011	102	27	16,140
Site-built	8,927	3	0	8,930	7,080	99	27	7,206	16,007	102	27	16,136
Mfg housing	2	0	0	2	2	0	0	2	4	0	0	4
Sub Lien	624	14	3	641	1,307	0	1	1,308	1,931	14	4	1,949
Owner-Occupied	589	14	3	606	1,271	0	1	1,272	1,860	14	4	1,878
Site-built	589	14	3	606	1,271	0	1	1,272	1,860	14	4	1,878
Mfg housing	0	0	0	0	0	0	0	0	0	0	0	0
Not Owner-Occ	35	0	0	35	36	0	0	36	71	0	0	71
Site-built	35	0	0	35	36	0	0	36	71	0	0	71
Mfg housing	0	0	0	0	0	0	0	0	0	0	0	0
Any Lien	60,689	10,901	3,552	75,142	70,760	6,650	2,670	80,080	131,449	17,551	6,222	155,222
Owner-Occupied	51,725	10,898	3,552	66,175	63,642	6,551	2,643	72,836	115,367	17,449	6,195	139,011
Site-built	51,550	10,897	3,552	65,999	63,602	6,550	2,643	72,795	115,152	17,447	6,195	138,794
Mfg housing	175	1	0	176	40	1	0	41	215	2	0	217
Not Owner-Occ	8,964	3	0	8,967	7,118	99	27	7,244	16,082	102	27	16,211
Site-built	8,962	3	0	8,965	7,116	99	27	7,242	16,078	102	27	16,207
Mfg housing	2	0	0	2	2	0	0	2	4	0	0	4
memo:												
total site-built	60,512	10,900	3,552	74,964	70,718	6,649	2,670	80,037	131,230	17,549	6,222	155,001
total mfg hsing	177	1	0	178	42	1	0	43	219	2	0	221
B. PERCENTAGE OF TOTAL LOANS												
	Home Purchase Loans				Refinance Loans				Total Loans			
	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total	Convent	Other GBL	Other GBL	Total
First Lien	38.7%	7.0%	2.3%	48.0%	44.7%	4.3%	1.7%	50.7%	83.4%	11.3%	4.0%	98.7%
Owner-Occupied	32.9%	7.0%	2.3%	42.2%	40.2%	4.2%	1.7%	46.1%	73.1%	11.2%	4.0%	88.3%
Site-built	32.8%	7.0%	2.3%	42.1%	40.2%	4.2%	1.7%	46.1%	73.0%	11.2%	4.0%	88.2%
Mfg housing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Not Owner-Occ	5.8%	0.0%	0.0%	5.8%	4.6%	0.1%	0.0%	4.6%	10.3%	0.1%	0.0%	10.4%
Site-built	5.8%	0.0%	0.0%	5.8%	4.6%	0.1%	0.0%	4.6%	10.3%	0.1%	0.0%	10.4%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.4%	0.0%	0.0%	0.4%	0.8%	0.0%	0.0%	0.8%	1.2%	0.0%	0.0%	1.3%
Owner-Occupied	0.4%	0.0%	0.0%	0.4%	0.8%	0.0%	0.0%	0.8%	1.2%	0.0%	0.0%	1.2%
Site-built	0.4%	0.0%	0.0%	0.4%	0.8%	0.0%	0.0%	0.8%	1.2%	0.0%	0.0%	1.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site-built	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	39.1%	7.0%	2.3%	48.4%	45.6%	4.3%	1.7%	51.6%	84.7%	11.3%	4.0%	100.0%
Owner-Occupied	33.3%	7.0%	2.3%	42.6%	41.0%	4.2%	1.7%	46.9%	74.3%	11.2%	4.0%	89.6%
Site-built	33.2%	7.0%	2.3%	42.5%	41.0%	4.2%	1.7%	46.9%	74.2%	11.2%	4.0%	89.4%
Mfg housing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Not Owner-Occ	5.8%	0.0%	0.0%	5.8%	4.6%	0.1%	0.0%	4.7%	10.4%	0.1%	0.0%	10.4%
Site-built	5.8%	0.0%	0.0%	5.8%	4.6%	0.1%	0.0%	4.7%	10.4%	0.1%	0.0%	10.4%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:												
total site-built	39.0%	7.0%	2.3%	48.3%	45.6%	4.3%	1.7%	51.6%	84.5%	11.3%	4.0%	99.9%
total mfg hsing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%

Notes:

This five-way classification results in a total of 48 categories. The number of loans in each of these categories was obtained from the 2015 HMDA data.

All other numbers in this table are calculated from these 48 basic numbers (in 2015, 24 of these numbers were "0" and 3 more of them were "1").

The text of this report, and most other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 88.3% of total loans.

The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (10.4% of the total) and subordinate-lien loans (1.3%).

Of the "Other Gov-backed" loans, 5,380 (86.5%) were VA, and 839 (13.5%) were USDA. Of 5 total HEOPA loans, 4 were first-lien owner-occupied.

This table ignores the state's 16,826 home-improvement loans, of which 7,123 were first-lien loans on owner-occupied homes.

This table also ignores the 60 home-purchase and refi loans for which owner-occupancy status was reported as "NA."

APPENDIX TABLE 2
Total, Conventional, and FHA Loans, by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type
Loans for Owner-Occupied Homes, Massachusetts, 2015

Borrower Race/Ethnicity	All Loans	Conventional Loans	FHA Loans	Percent FHA	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	5,022	4,666	307	6.1%	0.44
Black	2,359	1,134	1,075	45.6%	3.27
Latino	4,117	1,935	1,984	48.2%	3.46
White	48,854	39,184	6,804	13.9%	1.00
No Info*	5,637	4,675	689	12.2%	
Total*	66,175	51,725	10,898	16.5%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (99.1% of all Home Purchase Loans)					
Asian	4,983	4,628	306	6.1%	0.44
Black	2,348	1,125	1,073	45.7%	3.25
Latino	4,099	1,920	1,981	48.3%	3.44
White	48,389	38,730	6,796	14.0%	1.00
No Info*	5,564	4,602	689	12.4%	
Total*	65,569	51,136	10,884	16.6%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (0.9% of all Home Purchase Loans)					
Asian	39	38	1	2.6%	1.49
Black	11	9	2	18.2%	10.57
Latino	18	15	3	16.7%	9.69
White	465	454	8	1.7%	1.00
No Info*	73	73		0.0%	
Total*	606	589	14	2.3%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	3,554	3,376	156	4.4%	0.56
Black	1,974	1,355	516	26.1%	3.32
Latino	2,474	1,715	688	27.8%	3.53
White	56,984	50,425	4,492	7.9%	1.00
No Info*	7,590	6,560	670	8.8%	
Total*	72,837	63,643	6,551	9.0%	
B-2. REFINANCE LOANS — FIRST LIEN (98.3% of all Refinance Loans)					
Asian	3,534	3,356	156	4.4%	0.55
Black	1,955	1,336	516	26.4%	3.29
Latino	2,448	1,689	688	28.1%	3.51
White	56,062	49,504	4,492	8.0%	1.00
No Info*	7,311	6,281	670	9.2%	
Total*	71,564	62,371	6,551	9.2%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.7% of all Refinance Loans)					
Asian	20	20	0	0.0%	NA
Black	19	19	0	0.0%	NA
Latino	26	26	0	0.0%	NA
White	922	921	0	0.0%	NA
No Info*	279	279	0	0.0%	
Total*	1,273	1,272	0	0.0%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	8,576	8,042	463	5.4%	0.51
Black	4,333	2,489	1,591	36.7%	3.44
Latino	6,591	3,650	2,672	40.5%	3.80
White	105,838	89,609	11,296	10.7%	1.00
No Info*	13,227	11,235	1,359	10.3%	
Total*	139,012	115,368	17,449	12.6%	

* "No Info" is "Information not provided...in mail, internet, or telephone application" plus "Not applicable."

"Total" includes "Other" as well as the categories shown; "other" is less than 0.6% in every category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2015*

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2010	2015	1990	1995	2000	2005	2010	2015
Asian	100	269	381	453	317	426	5.7%	6.0%	5.8%	6.1%	9.3%	10.4%
Black	287	880	710	1,065	332	272	16.4%	19.8%	10.9%	14.3%	9.7%	6.6%
Latino	91	303	463	719	212	222	5.2%	6.8%	7.1%	9.7%	6.2%	5.4%
White	1,266	2,866	4,831	5,175	2,548	3,163	72.5%	64.4%	74.0%	69.5%	74.5%	77.3%
Other	3	132	147	34	13	11	0.2%	3.0%	2.3%	0.5%	0.4%	0.3%
SubTotal#	1,747	4,450	6,532	7,446	3,422	4,094	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	536	555						
Total	1,770	4,637	7,467	8,330	3,958	4,649						

Important Note: 2004 and later data are not strictly comparable to those for previous years. Beginning in 2004, loans other than first-lien mortgages for owner-occupied homes are excluded; previously only junior-lien loans under the SoftSecond Program were excluded. In addition, race and ethnicity are treated differently in the HMDA data beginning in 2004 so the definitions underlying the categories are different. See “Notes on Data and Methods” for details.

* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-3.

Percentages are of subtotal of all loans for which information on race/ethnicity was reported.

+ “No Info” is short for “Information not provided by applicant in telephone or mail application” or “not available.”

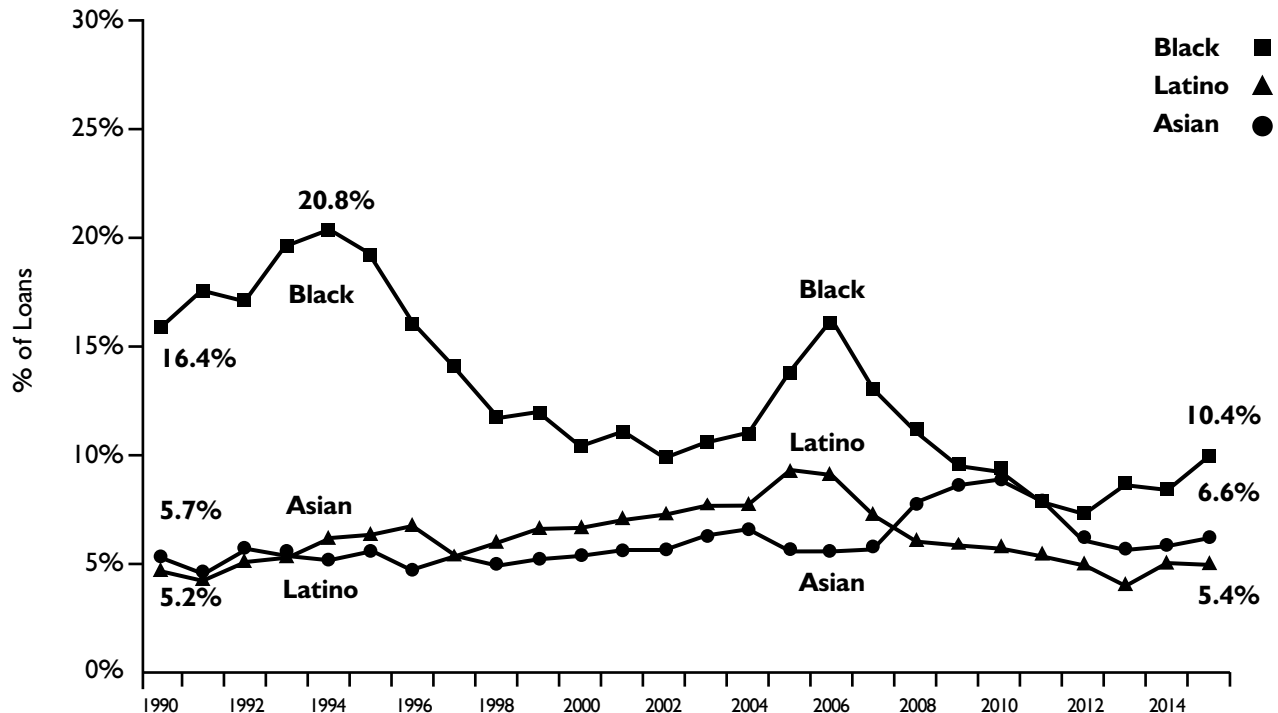
**Chart A-3: Shares of Home-Purchase Loans & Households
by Race/Ethnicity, Boston, 1990–2015***

The black share of Boston households was 20.6% in 1990, 21.3% in 2000, & 21.0% in 2010.

The Asian share of Boston households was 4.1% in 1990, 6.8% in 2000, & 8.5% in 2010.

The Latino share of Boston households was 8.1% in 1990, 10.6% in 2000, & 13.7% in 2010.

* Percentages for 2004 and later are not strictly comparable to those for earlier years.



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2015*

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2005	2010	2015	1990	1995	2000	2005	2010	2015
Low#	51	530	369	216	217	109	2.8%	11.6%	5.1%	2.7%	5.5%	2.6%
Moderate	352	1,233	1,321	1,314	1,067	707	19.6%	27.0%	18.4%	16.4%	27.1%	16.8%
Middle	527	1,261	1,815	2,281	1,036	969	29.3%	27.6%	25.2%	28.5%	26.4%	23.0%
High	513	889	2,095	2,715	920	1,242	28.5%	19.4%	29.1%	33.9%	23.4%	29.5%
Highest	355	659	1,589	1,474	691	1,182	19.7%	14.4%	22.1%	18.4%	17.6%	28.1%
Hi + Hi'est	868	1,548	3,684	4,189	1,611	2,424	48.3%	33.9%	51.2%	52.4%	41.0%	57.6%
Total#	1,798	4,572	7,189	8,000	3,931	4,209	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Important Note: The metropolitan area used to determine income categories for Boston borrowers changed in 2004, so data for 2004 and later are not directly comparable to those for earlier years. Also, beginning in 2004, loans other than first-lien loans for owner-occupied loans are excluded; previously, only junior-lien loans under the SoftSecond Program were excluded.

* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-4.

"Total" excludes borrowers without income data (48 in 2015); before 2004, Low & Total also excluded those with incomes of \$10K or less.

^ Income categories are defined in relationship to Boston Metro Area Median Family Income as follows:

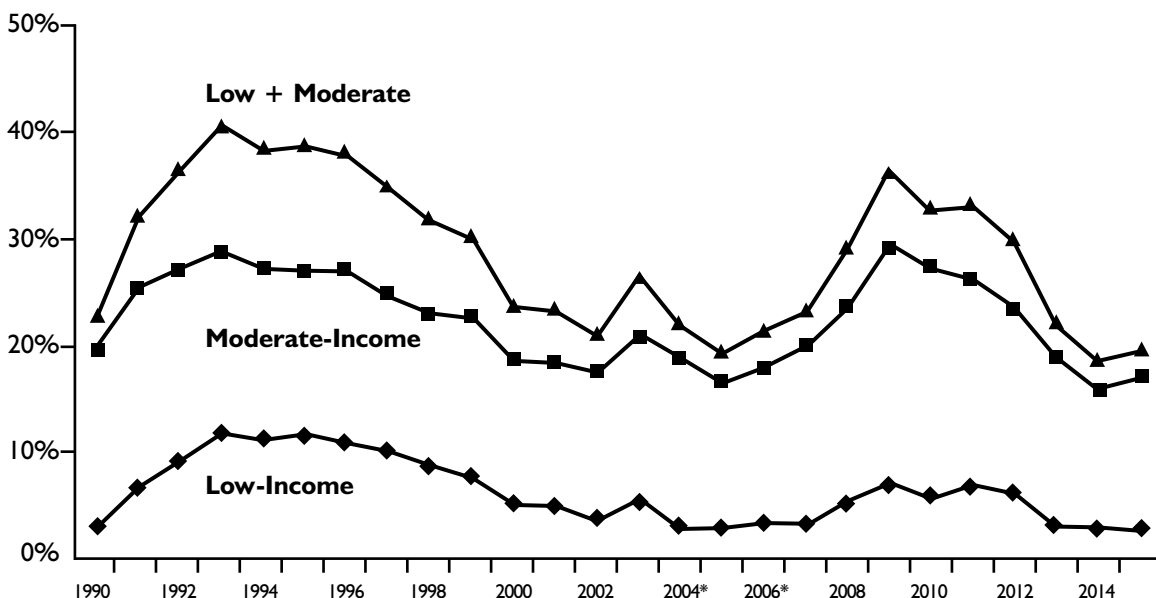
Low: <50% Moderate: 50%–80% Middle: 80%–120% High: 120%–200% Highest: >200%

The actual income ranges for each year were calculated from the following Boston Metro Area Median Family Incomes:

1990: \$46,300; 1991: \$50,200; 1992: \$51,100; 1993: \$51,200; 1994: \$51,300; 1995: \$53,100; 1996: \$56,500; 1997: \$59,600
1998: \$60,000; 1999: \$62,700; 2000: \$65,500; 2001: \$70,000; 2002: \$74,200; 2003: \$80,800; 2004: \$75,300; 2005: \$76,400
2006: \$82,000; 2007: \$80,500; 2008: \$84,300; 2009: \$88,100; 2010: \$89,500; 2011: \$93,700; 2012: \$94,900; 2013: \$91,200
2014: \$90,500; 2015: \$95,500

Chart A-4: Loans to Low- and Moderate-Income Borrowers
as % of All Boston Home-Purchase Loans, 1990–2015*

* Percents for 2004 and later are not directly comparable to those for earlier years.



APPENDIX TABLE 5
Conventional ^ Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2015*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2010	2015	1990	1995	2000	2005	2010	2015
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	12.3%	6.4%	0.89	1.12	1.37	1.45	1.13	1.16
Black	32.7%	15.8%	24.5%	23.6%	21.9%	17.4%	2.00	2.16	2.63	2.34	2.01	3.15
Latino	25.3%	18.6%	18.9%	20.9%	22.2%	8.4%	1.55	2.55	2.03	2.07	2.04	1.52
White	16.4%	7.3%	9.3%	10.1%	10.9%	5.5%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	12.4%	7.3%		0.99	1.08	1.04	1.24	1.18
Black		16.3%	20.7%	21.3%	22.3%	14.1%		2.23	2.46	2.20	2.23	2.26
Latino		13.1%	17.2%	19.1%	22.1%	12.9%		1.79	2.05	1.97	2.21	2.07
White		7.3%	8.4%	9.7%	10.0%	6.2%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES ^												
Asian	12.9%	12.5%	12.4%	15.8%	14.4%	11.9%	0.90	0.61	0.56	1.28	1.17	1.31
Black	33.9%	40.5%	44.6%	27.5%	30.9%	23.3%	2.35	1.97	2.00	2.24	2.51	2.56
Latino	21.4%	29.5%	31.4%	21.3%	22.9%	17.2%	1.49	1.43	1.41	1.73	1.86	1.89
White	14.4%	20.6%	22.3%	12.3%	12.3%	9.1%	1.00	1.00	1.00	1.00	1.00	1.00

Important Note: Denial rates & ratios for 2004 and later are not strictly comparable to those for previous years. Beginning in 2004, all applications other than for first-lien mortgages for owner-occupied homes are excluded; previously only junior liens under the SoftSecond Program in Boston were excluded. In addition, race and ethnicity are treated differently in HMDA data beginning in 2004, so the definitions underlying the categories used in this table are different for 2004 than for earlier years. See “Notes on Data and Methods” for details.

* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-5.

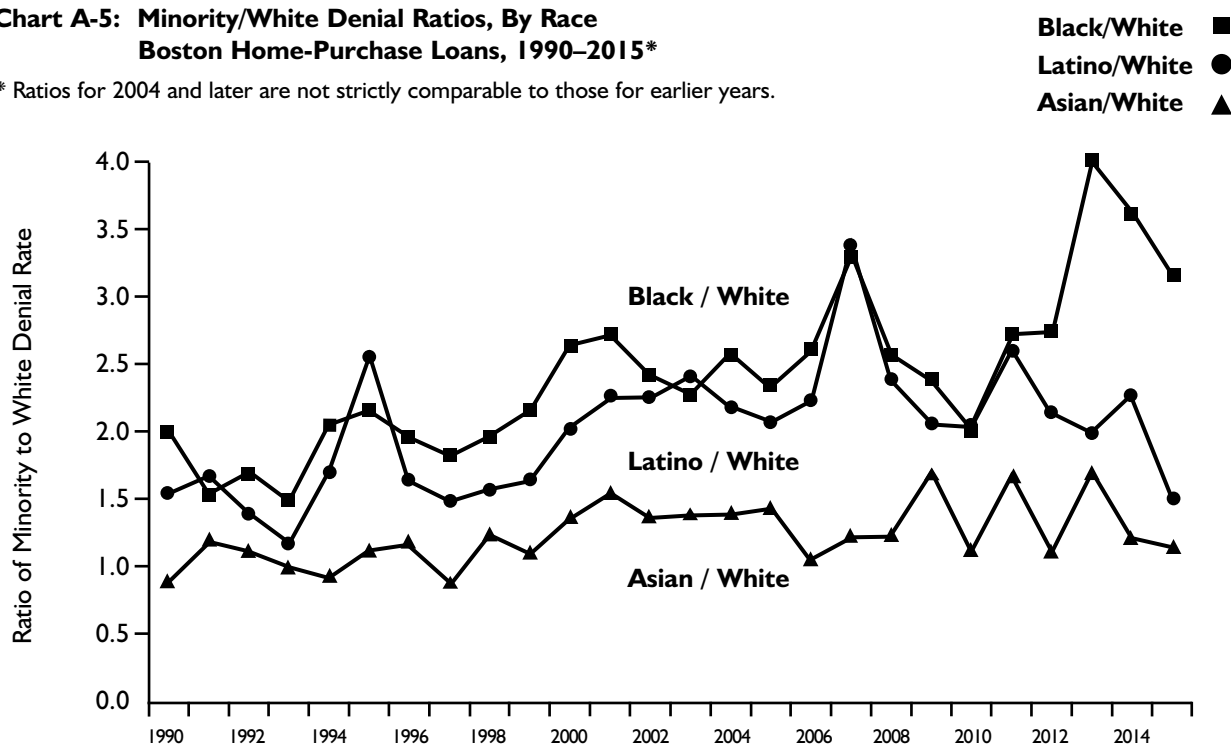
^ Conventional loans are all loans except government-backed loans; that is, all loans except FHA, VA, and USDA.

U.S. denial rates are for conventional loans only; in Boston and MA denial rates through 2008 are for all loans (these are very close to those for conventional loans only). Beginning with 2009, Boston and MA denial rates are also for conventional loans only.

U.S. denial rates from Federal Reserve Bulletin and FFIEC annual press releases, various dates.

Chart A-5: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2015*

* Ratios for 2004 and later are not strictly comparable to those for earlier years.



APPENDIX TABLE 6
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes
Number and As Percent of Total, 2015

	Number of Applications						Percent of Total				
	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete
A. BOSTON											
Asian	559	426	15	40	62	16	76.2%	2.7%	7.2%	11.1%	2.9%
Black	428	272	10	76	54	16	63.6%	2.3%	17.8%	12.6%	3.7%
Latino	329	222	17	37	44	9	67.5%	5.2%	11.2%	13.4%	2.7%
White	4,012	3,163	72	243	463	70	78.8%	1.8%	6.1%	11.5%	1.7%
Total*	6,120	4,649	124	458	746	142	76.0%	2.0%	7.5%	12.2%	2.3%
B. GREATER BOSTON+											
Asian	4,610	3,530	101	334	515	130	76.6%	2.2%	7.2%	11.2%	2.8%
Black	1,458	971	39	227	177	44	66.6%	2.7%	15.6%	12.1%	3.0%
Latino	2,377	1,734	68	279	234	62	72.9%	2.9%	11.7%	9.8%	2.6%
White	28,440	22,614	593	1,623	3,044	565	79.5%	2.1%	5.7%	10.7%	2.0%
Total*	41,455	32,220	899	2,799	4,589	947	77.7%	2.2%	6.8%	11.1%	2.3%
C. MASSACHUSETTS											
Asian	6,599	4,983	148	542	732	187	75.5%	2.2%	8.2%	11.1%	2.8%
Black	3,466	2,348	89	553	345	93	67.7%	2.6%	16.0%	10.0%	2.7%
Latino	5,742	4,099	125	774	580	140	71.4%	2.2%	13.5%	10.1%	2.4%
White	61,834	48,389	1,270	4,471	6,404	1,230	78.3%	2.1%	7.2%	10.4%	2.0%
Total*	85,779	65,569	1,805	7,138	9,161	1,907	76.4%	2.1%	8.3%	10.7%	2.2%

^ HMDA data include one of five "actions" for each application: loan originated; application approved but not accepted; application denied by financial institution; application withdrawn by applicant; file closed for incompleteness.

* "Total" includes applicants with other race/ethnicity and those for whom race/ethnicity information was not reported.

+ In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

Note: Denial rates here differ from those in Appendix Table 5 because this table includes all loans, not just conventional ones.

APPENDIX TABLE 7
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Greater Boston*
First-Lien, Owner-Occupied HOME-PURCHASE Loans Only, 2015

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	45	8	53	42	19	61	166	173	339
Employment History	3	1	4	5	3	8	17	17	34
Credit History	21	26	47	14	21	35	63	129	192
Collateral	16	12	28	23	16	39	74	198	272
Insufficient Cash	9	3	12	8	10	18	20	62	82
Unverifiable Information	2	5	7	11	5	16	20	43	63
Credit Application Incomplete	6	10	16	9	3	12	25	122	147
Mortgage Insurance Denied	1	1	2	0	0	0	4	2	6
Other	12	14	26	21	17	38	57	100	157
Total Denials ^	127	96	223	169	107	276	554	1,042	1,596
Number with Reason Reported	87	62	149	102	74	176	343	716	1,059
Number with No Reason Reported	40	34	74	67	33	100	211	326	537
Percent with No Reason Reported	31.5%	35.4%	33.2%	39.6%	30.8%	36.2%	38.1%	31.3%	33.6%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	52%	13%	36%	41%	26%	35%	48%	24%	32%
Employment History	3%	2%	3%	5%	4%	5%	5%	2%	3%
Credit History	24%	42%	32%	14%	28%	20%	18%	18%	18%
Collateral	18%	19%	19%	23%	22%	22%	22%	28%	26%
Insufficient Cash	10%	5%	8%	8%	14%	10%	6%	9%	8%
Unverifiable Information	2%	8%	5%	11%	7%	9%	6%	6%	6%
Credit Application Incomplete	7%	16%	11%	9%	4%	7%	7%	17%	14%
Mortgage Insurance Denied	1%	2%	1%	0%	0%	0%	1%	0%	1%
Other	14%	23%	17%	21%	23%	22%	17%	14%	15%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%.

Lenders supervised by OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.

Lenders reported a third reason for only 4.1% of denials in Massachusetts in 2015; to greatly simplify calculations, this table includes only first and second reasons.

HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:

Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income

Employment history: temporary or irregular employment; length of employment

Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy

Collateral: value or type of collateral not sufficient

Insufficient cash: [for downpayment or closing costs]

Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence

Credit application incomplete: credit application incomplete

Mortgage insurance denied: [none listed]

Other: length of residence; temporary residence; other reasons specified on notice.

* In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

^ Total denials here are slightly lower than in Appendix Table 6 because applicant income was not reported for a small number of applicants.

APPENDIX TABLE 8
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2015 ^
(For 2004 to present, includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2005	2007	2008	2009	2010	2011	2012	2013	2014	2015
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	695	1,019	723	937	780	519	402	372	357	305
% of All Loans	28.9%	43.6%	11.7%	8.3%	17.8%	16.2%	22.5%	19.7%	14.9%	9.2%	7.7%	8.0%	6.6%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	946	1,084	1,023	1,039	1,012	992	1,468	1,690	1,662	1,804
% of All Loans	49.1%	18.7%	18.3%	11.4%	19.0%	22.9%	25.0%	25.6%	28.4%	33.6%	35.1%	37.4%	38.8%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,196	3,275	2,703	2,182	2,166	1,982	2,499	2,759	2,428	2,540
% of All Loans	21.9%	37.7%	63.4%	62.4%	57.3%	60.4%	52.5%	54.7%	56.7%	57.2%	57.2%	54.6%	54.6%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	1,493	340	23	2						
% of All Loans			6.5%	17.9%	5.9%	0.5%	0.0%						
E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,330	5,718	4,472	4,160	3,958	3,493	4,369	4,821	4,447	4,649
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS													
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans			22,238	23,750	21,131	23,408	20,857	18,738	23,190	26,795	25,827	28,536	
% of All Loans			23.6%	37.7%	41.2%	45.1%	43.7%	42.6%	44.4%	44.6%	43.1%	43.5%	
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans			53,719	36,185	29,870	28,422	26,842	25,294	29,090	33,334	34,133	37,033	
% of All Loans			57.0%	57.5%	58.2%	54.8%	56.3%	57.4%	55.6%	55.4%	56.9%	56.5%	
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans			18,329	3,038	278	71							
% of All Loans			19.4%	4.8%	0.5%	0.1%							
E. TOTAL													
Number of Loans			94,286	62,973	51,279	51,901	47,699	44,032	52,280	60,129	59,960	65,569	
% of All Loans			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

^ For reasons of space, the columns for many years are omitted from this table.

* Note: 2004 and later data are not strictly comparable to those for earlier years. Beginning in 2004, loans other than first-lien mortgages on owner-occupied homes are excluded. Previously, only second-lien loans under the SoftSecond Program were excluded.

Subprime lenders for 1998–2003 are from HUD’s annual lists of subprime lenders. Subprime lenders for 2004, 2005, and 2006–2009 are those mortgage companies and out-of-state banks for whom high-APR loans constituted more than 15.0%, 33.3%, 40.0% and 40.0% (respectively) of their total Massachusetts loans. Lenders were also classified as subprime for 2007 if they were classified as subprime in 2006 and had more than 25% HALs in 2007.

“Big Boston Banks”: Bank of America, (RBS) Citizens, and Sovereign/Santander in 2004–2015. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, Fleet and Shawmut were included during the years they existed. Mortgage companies affiliated with these banks are included, except that in 2008 and 2009 Countrywide was not considered part of Bank of America for this purpose.

If Eastern Bank and TD Bank had been included as “Big Boston Banks” in 2015, they would have added 69 loans to the group’s total.

“Other Mass. Banks and Credit Unions”: all other banks with Mass. branches, plus all affiliated mortgage companies, plus Mass.-chartered CUs.

“Mortgage Companies & Out-of-State Banks”: all lenders not affiliated with Massachusetts banks or state-chartered credit unions.

For Massachusetts banks and credit unions local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Local lending by mortgage companies (licensed mortgage lenders) became subject to similar evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Out-of-state are not subject to any such evaluation.

APPENDIX TABLE 9

Total Loans, FHA Loans, and VA Loans in 36 Massachusetts Cities and Towns: The 26 Gateway Cities and the 10 Others with Over 50,000 Residents First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Home-Purchase Loans					% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	FHA Loans	VA Loans	% FHA	% VA			
Attleboro	492	131	36	26.6%	7.3%	3.5%	6.3%	\$79,688
Barnstable	460	107	31	23.3%	6.7%	3.8%	3.1%	\$72,741
Brockton#	869	500	52	57.5%	6.0%	34.1%	10.0%	\$57,861
Chelsea*	202	50	4	24.8%	2.0%	7.4%	62.1%	\$43,060
Chicopee	438	162	34	37.0%	7.8%	3.3%	14.8%	\$56,446
Everett*	247	84	3	34.0%	1.2%	14.5%	21.1%	\$59,942
Fall River	465	178	37	38.3%	8.0%	4.4%	7.4%	\$44,498
Fitchburg	349	123	33	35.2%	9.5%	5.2%	21.6%	\$57,245
Haverhill#	724	192	34	26.5%	4.7%	3.2%	14.5%	\$75,342
Holyoke	208	58	19	27.9%	9.1%	3.0%	48.4%	\$39,935
Lawrence#	475	307	6	64.6%	1.3%	2.5%	73.8%	\$36,940
Leominster	451	128	29	28.4%	6.4%	5.2%	14.5%	\$69,655
Lowell#	766	214	29	27.9%	3.8%	6.7%	17.3%	\$55,852
Lynn*	761	333	40	43.8%	5.3%	11.8%	32.1%	\$50,536
Malden*	439	77	7	17.5%	1.6%	15.3%	8.4%	\$67,666
Methuen#	576	184	39	31.9%	6.8%	2.3%	18.1%	\$80,739
New Bedford	600	277	35	46.2%	5.8%	7.5%	16.7%	\$45,347
Peabody*	489	93	14	19.0%	2.9%	2.3%	6.3%	\$80,471
Pittsfield	378	69	16	18.3%	4.2%	6.6%	5.0%	\$56,256
Quincy*	879	75	15	8.5%	1.7%	5.0%	3.3%	\$77,514
Revere*	425	166	8	39.1%	1.9%	5.1%	24.4%	\$59,327
Salem*	529	83	14	15.7%	2.6%	4.3%	15.6%	\$68,844
Springfield	933	458	64	49.1%	6.9%	20.9%	38.8%	\$41,532
Taunton	559	205	39	36.7%	7.0%	5.9%	5.5%	\$68,796
Westfield	365	79	32	21.6%	8.8%	1.8%	7.5%	\$69,828
Worcester	1,267	500	60	39.5%	4.7%	11.4%	20.9%	\$56,053
Total, Gateway Cities	14,346	4,833	730	33.7%	5.1%			
Boston*	4,649	314	81	6.8%	1.7%	23.6%	17.5%	\$58,600
Brookline*	512	0	0	0.0%	0.0%	3.7%	5.0%	\$139,787
Cambridge*	550	3	0	0.5%	0.0%	12.2%	7.6%	\$87,750
Framingham*	685	124	27	18.1%	3.9%	5.8%	13.4%	\$84,362
Medford*	489	27	6	5.5%	1.2%	9.4%	4.4%	\$80,839
Newton*	821	3	2	0.4%	0.2%	2.8%	4.1%	\$136,843
Plymouth#	752	168	80	22.3%	10.6%	2.5%	1.8%	\$88,518
Somerville*	506	12	1	2.4%	0.2%	7.2%	10.6%	\$69,245
Waltham*	568	33	9	5.8%	1.6%	6.2%	13.7%	\$82,688
Weymouth*	696	131	35	18.8%	5.0%	3.4%	2.6%	\$82,992

Note: Population data from 2010 Census. Income data from 2006–2010 American Community Survey.

* These 17 cities are in Greater Boston as defined by the Metropolitan Area Planning Council (MAPC) Region and also in the Boston MSA.

These 6 cities are within the Boston Metropolitan Statistical Area (MSA) but not within Greater Boston.

APPENDIX TABLE 10
Total and VA-Guaranteed Loans, By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

A. GBLs AS PERCENTAGE OF ALL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	VA Loans	% VA	Ratio to White %	All Loans	VA Loans	% VA	Ratio to White %	All Loans	VA Loans	% VA	Ratio to White %
Asian	426	3	0.7%	0.35	3,530	20	0.6%	0.23	4,983	43	0.9%	0.20
Black	272	3	1.1%	0.55	971	28	2.9%	1.15	2,348	130	5.5%	1.25
Latino	222	3	1.4%	0.68	1,734	43	2.5%	0.99	4,099	166	4.0%	0.92
White	3,163	63	2.0%	1.00	22,614	566	2.5%	1.00	48,389	2,135	4.4%	1.00
Other*	11	1	9.1%		79	4	5.1%		186	12	6.5%	
No Info ^	555	8	1.4%		3,292	71	2.2%		5,564	242	4.3%	
Total	4,649	81	1.7%		32,220	732	2.3%		65,569	2,728	4.2%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans
Asian	426	9.2%	9.3%	3.7%	3,530	11.0%	11.1%	2.7%	4,983	7.6%	7.9%	1.6%
Black	272	5.9%	5.9%	3.7%	971	3.0%	3.0%	3.8%	2,348	3.6%	3.5%	4.8%
Latino	222	4.8%	4.8%	3.7%	1,734	5.4%	5.4%	5.9%	4,099	6.3%	6.3%	6.1%
White	3,163	68.0%	67.9%	77.8%	22,614	70.2%	70.0%	77.3%	48,389	73.8%	73.6%	78.3%
Other*	11	0.2%	0.2%	1.2%	79	0.2%	0.2%	0.5%	186	0.3%	0.3%	0.4%
No Info ^	555	11.9%	12.0%	9.9%	3,292	10.2%	10.2%	9.7%	5,564	8.5%	8.5%	8.9%
Total	4,649	100.0%	100.0%	100.0%	32,220	100.0%	100.0%	100.0%	65,569	100.0%	100.0%	100.0%

Note: In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

* "Other" combines "American Indian or Alaska Native" and "Native Hawaiian or Other Pacific Islander."

^ "No Info" is short for "Information not provided by applicant in telephone or mail application" or "not available."

APPENDIX TABLE 11
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston[#], and Statewide
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2015

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. FHA LOANS											
Boston	25	185	96	153	20.0%	17.8%	18.8%	20.9%	0.96	0.85	0.90
Greater Boston	197	581	962	2,529	16.8%	18.6%	13.1%	11.5%	1.45	1.61	1.13
Massachusetts	457	1,614	2,768	8,977	19.9%	18.3%	14.0%	11.4%	1.75	1.61	1.23
B. VA LOANS											
Boston	4	7	6	82	25.0%	28.6%	0.0%	3.7%	6.83	7.81	0.00
Greater Boston	27	47	60	738	11.1%	8.5%	13.3%	6.5%	1.71	1.31	2.05
Massachusetts	58	181	225	2,821	8.6%	12.2%	12.9%	9.3%	0.93	1.31	1.39
C. CONVENTIONAL (NON-GOVERNMENT-BACKED) LOANS											
Boston	530	236	227	3,777	6.4%	17.4%	8.4%	5.5%	1.16	3.15	1.52
Greater Boston	4,386	827	1,351	25,133	6.8%	13.7%	10.6%	5.1%	1.34	2.69	2.08
Massachusetts	6,078	1,639	2,701	49,025	7.3%	14.1%	12.9%	6.2%	1.18	2.26	2.07

[#] In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.

NOTES ON FHA (AND VA) LENDING

Introduction

This report presents a great deal of information on the elevated level of FHA loans and on the disproportionate shares of this lending that have gone to traditionally underserved borrowers and neighborhoods.¹ To be able to assess the significance and implications of this information, it is necessary to understand the nature of FHA lending and the context within which it increased so dramatically.

FHA loans are very different from the subprime loans of the preceding decade. Subprime lenders had a financial incentive to steer borrowers into subprime loans, because these loans generally resulted in substantially higher fees than did prime loans. Subprime loans were marketed aggressively and deceptively to make them appear much less expensive than they actually were, with lenders particularly targeting black and Latino borrowers and neighborhoods. From the borrower's point of view, many (if not most) of those who received subprime loans would have been better off receiving no loan at all. An extraordinarily high proportion of subprime loans resulted in delinquencies and foreclosures; as of November 2010, for example, only 45.2% of outstanding subprime loans in Massachusetts were current in their payments, 23.9% were 90 or more days delinquent, and 13.4% were in the process of foreclosure.²

In contrast, while FHA loans are somewhat more expensive for borrowers than prime conventional loans, they do not include predatory features and they offer a reasonable option for those who are unable to obtain a prime loan. **The high level of FHA lending in recent years, especially to traditionally underserved borrowers and neighborhoods, is not itself a problem, but is rather a symptom of—and a constructive**

response to—an underlying problem: the lack of availability of prime conventional loans to those borrowers and neighborhoods.

The Nature of FHA Lending

FHA loans are made by private lenders who have been certified by the Department of Housing and Urban Development's Federal Housing Administration (FHA) and whose performance is subject to its review.³ The lender sets the price and terms of the loan, and decides whether or not to approve the applications that it receives. Borrowers must be owner-occupants and must make a down payment of at least 3.5% of the value of the property; the low down payment requirement is the primary attraction of FHA loans and almost all borrowers take advantage of it.⁴ Loan amounts must be below a maximum that depends on the level of housing prices in the county within which the property is located and whether the property has one, two, three, or four units.

FHA loans are more expensive than conventional loans because of required insurance premiums that go into the FHA's Mutual Mortgage Insurance Fund (MMIF). Borrowers must pay both an upfront premium (1.75%) that is due at the time of the loan and an annual premium (0.85% since late January 2015) that is allocated to the borrowers' monthly payments. Substantial changes in the annual premium—which result in substantial changes in monthly mortgage payments—have contributed significantly to the recent annual changes in the FHA share of total lending shown in Table 1. Between October 2010 and April 2013, the annual premium increased in four steps from its long-standing level of 0.55% to a high of 1.35%. In January 2015, the annual premium was reduced to 0.85%; it has not changed again since then.⁵

¹ This year's exclusive focus on FHA loans is a change from the focus on all government-backed loans (GBLs) in previous *Changing Patterns* reports. The final section of these "Notes" discusses the reasons for this change.

² These loan status statistics were obtained from a page on the website of the Federal Reserve Bank of New York that is no longer available.

³ HUD's *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund* (available at: www.hud.gov) is an excellent source of information on how the FHA lending program works and on recent changes.

⁴ The average loan-to-value ratio for FHA home-purchase loans in 2013 was 95.9% (HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2013*, pp. 15–16). This statistic has not been updated in subsequent annual reports.

⁵ The insurance premiums were raised to replenish the funds in the FHA's MMIF following its massive losses in the aftermath of last decade's financial crisis. For a quantitative analysis of the impact of the changes in insurance premiums on the FHA share of home-purchase loans, see Neil Bhutta and Daniel Ringo, "Changing FHA Mortgage Insurance Premiums and the Effects on Lending," FEDS Notes, September 29, 2016 (<http://dx.doi.org/10.17016/2380-7172.1843>). For a helpful table showing the history of changes in both the upfront and annual mortgage insurance premiums since 2001, see the Urban Institute's *Housing Finance at a Glance: A Monthly Chartbook* (available at: www.urban.org). In the September 2016 edition, this information is on page 33.

Another consequence of the April 2013 increase of the annual insurance premium to 1.35%, together with a simultaneous change that required this premium to be paid for the life of the loan rather than end when the loan-to-value ratio fell below 78%, was that the Annual Percentage Rates (APRs) of many FHA loans slightly exceeded the threshold defining “higher-priced” or high-APR loans (HALs)—because this threshold is only 1.50% above the prevailing prime mortgage APR as reported by Freddie Mac. Nationwide, during the eight months of 2013 following the premium increase, about 40% of all FHA home-purchase loans were HALs, up from just 5% in the year’s first four months. HALs made up 44% of all FHA loans in 2014 and 22% of all FHA loans in 2015 (compared to 1% of VA and USDA loans).⁶ In Massachusetts in 2015, 9.0% of FHA home-purchase loans (979 of 10,854 loans) were HALs (down from 29% in 2014) and these loans accounted for 69.5% of all home-purchase HALs in the state.

With the disappearance of subprime mortgage lenders and retrenchment by conventional lenders, FHA lending played a huge role in the late 2000s in supporting the overall housing and mortgage markets. FHA loans accounted for more than 40% of all home-purchase loans nationwide in 2009 and 2010.⁷ Many of the loans made during the early part of this chaotic period became delinquent, resulting in massive losses to the Mutual Mortgage Insurance Fund. The FHA responded not only by increasing insurance premiums (as described just above), but also by imposing much tighter lending standards, ending seller-funded down payment assistance, and increasing scrutiny of lender performance.⁸

The overall delinquency and foreclosure rates on FHA loans are much higher than those for prime loans (for

example, as of September 30, 2016, 9.3% of outstanding FHA loans in Massachusetts were delinquent, compared to 4.0% for conventional loans, and 2.5% were in foreclosure, compared to 1.8% for conventional loans).⁹ However, this mainly reflects the poor performance of FHA loans made from 2007 through early 2009. The performance of FHA loans made since mid-2009 has been dramatically better. For example, the first-year delinquency rates for FHA loans made between 2010 and 2015 averaged 1.2%, compared to an average first-year delinquency rate of 6.4% for FHA loans made in 2007 and 2008. Similarly, the third-year delinquency rates for loans made between 2010 and 2013 averaged 4.1%, compared to the average third-year delinquency rate of 20.6% for loans made in 2007 and 2008; and the fifth-year delinquency rate for loans made in 2010 and 2011 was 5.3% compared to an average fifth-year delinquency rate of 23.5% for loans made in 2007 and 2008.¹⁰

Past Problems with FHA Lending

FHA lending has a checkered history that has brought it much well-deserved criticism over the years. From its inception in the 1930s until the mid-1960s, the FHA explicitly embraced both redlining and discrimination against black and other minority borrowers. FHA lenders subsequently pioneered reverse redlining and championed block-busting practices that devastated many inner-city neighborhoods; the B-BURG program that transformed Mattapan in the late 1960s is a local example of the damage wrought by FHA lending. In fact, it was outrage at the destructive impacts of FHA lending that was responsible for much of the organizing and advocacy that resulted in enactment of the Home Mortgage Disclosure Act in 1975 and the Community Reinvestment Act in 1977.¹¹

6 Neil Bhutta and Daniel Ringo, “Residential Mortgage Lending From 2004 to 2015: Evidence from the Home Mortgage Disclosure Act Data,” *Federal Reserve Bulletin*, p. 14 and Table 8; available at www.federalreserve.gov.

7 Calculated from data in Table 1 of article by Bhutta and Ringo cited in preceding footnote.

8 Although FHA insurance compensates lenders for loan losses, the lenders still have incentives to avoid making loans that will not be repaid: they incur costs during the period of delinquency, they incur the risk that they will have to buy back loans that go bad, and they face the possibility of sanctions from the FHA, including the loss of eligibility to offer FHA loans.

9 These percentages are from the Excel worksheet version of the Mortgage Bankers Association’s *National Delinquency Survey Q3 2016* (subscription required; information at www.mortgagebankers.org/nds).

10 For information on FHA loan performance, see HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2015*, pp. 25–30; the delinquency rates cited above are from Exhibit B-14.

11 For good introductions to these periods in the FHA’s history see Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*, Oxford University Press, 1985, pp. 203–218; Gregory D. Squires, ed., *From Redlining to Reinvestment: Community Responses to Urban Disinvestment*, Temple University Press, 1992, pp. 3–7 and 231–234; Beryl Satter, *Family Properties: Race, Real Estate, and the Exploitation of Black Urban America*, Henry Holt, 2009, pp. 338–345; and Calvin Bradford and Anne B. Shlay, “Assuming a Can Opener: Economic Theory’s Failure to Explain Discrimination in FHA Lending Markets,” *Cityscape*, Vol. 2, Num. 1, pp. 77–87 (www.huduser.org/Periodicals/CITYSCPE/VOL2NUM1/bradford.pdf). For an account of the B-BURG experience, see Hillel Levine and Lawrence Harmon, *The Death of an American Jewish Community: A Tragedy of Good Intentions*, Free Press, 1992. (Following the assassination of Martin Luther King Jr. in 1968, the Boston Banks Urban Renewal Group [B-BURG] launched a well-meaning but deeply misguided program that promoted FHA loans to black borrowers, but only within specified, predominantly Jewish neighborhoods in Dorchester, Roxbury and, especially, Mattapan; the results were catastrophic both for the existing residents who were forced out, for the newcomers who received unaffordable loans on overpriced houses, and for the neighborhoods themselves.)

Furthermore, during the three decades beginning in 1980, there were a number of episodes where unscrupulous lenders were able to take advantage of weak FHA oversight of its lending programs to produce large volumes of inappropriate loans that were highly profitable to them and their associates but injurious to borrowers, communities, and the FHA insurance fund. The most recent episode came in the immediate aftermath of the subprime lending meltdown when many predatory lenders simply moved over and continued plying their trade as FHA lenders.¹²

FHA Loans vs. VA Loans

The FHA is one of three federal government agencies that back home mortgage loans issued by private lenders. The FHA insures mortgage loans, while the Department of Veterans Affairs (VA) and the Department of Agriculture (USDA) guarantee them. Previous reports in the *Changing Patterns* series presented data and analysis based on the total of these three types of loans, referred to collectively as **Government-Backed Loans (GBLs)**.¹³

The change to an exclusive focus on FHA loans in the current report was adopted for two basic reasons. First, restricting the data and analysis to FHA loans is simpler, clearer, and more accurate. Because FHA loans make up the great majority of GBLs (during the last twelve years, an average of 86.4% of the GBLs in Greater Boston were FHA loans), and because FHA loans are better known and better understood than the other types of GBLs, there was a natural and perhaps inevitable tendency to interpret the data and findings on GBLs as if they consisted entirely of FHA loans. Either the discussion became quite complicated or it was, strictly speaking, incorrect. When the data and discussion are focused exclusively on FHA loans, this ambiguity and imprecision are eliminated.

The second major reason for shifting to an exclusive focus on FHA loans is that VA loans are in fact very different from FHA loans. If they weren't, the first reason would lose most of its force. (The discussion here is limited to VA loans because USDA loans are available

only in rural areas and therefore almost nonexistent in Greater Boston and in other Gateway Cities.¹⁴)

Whereas FHA loans are a second-best alternative to conventional loans because of the greater monthly payments that result from the FHA insurance premiums, VA loans are generally as attractive as prime conventional loans. The cost of the VA's upfront fee (usually 2.15 percent of the loan amount) is approximately offset by the fact that their interest rate is typically one-half of a percentage point lower than that for conventional loans. In addition, down payments are not required on VA loans. The relatively small number of VA loans is primarily because they are only available to veterans or active-duty members of the armed forces (who make up less than six percent of the Massachusetts population¹⁵).

Furthermore, VA loans are much more comparable to conventional loans than they are to FHA loans in terms of the borrowers and communities who receive them, their denial rates, and their performance. For example:

- Among the 26 Gateway Cities, the three cities where VA loans made up the largest percentages of total loans in 2015 (Fitchburg, Holyoke, and Westfield) had a *lower* average percentage of black plus Latino residents than the three cities where VA loans made up the smallest percentages of total loans (Lawrence, Malden, and Quincy)—29.2% vs. 6.1%. The average median family incomes in the two sets of cities were similar—\$55,669 vs. \$60,706. For FHA loans, the pattern was quite different. (See Appendix Table 9 and the fourth bullet point in Section III.)
- VA loans made up approximately the same percentage of total loans to blacks and Latinos as they did to whites. In Greater Boston in 2015, for example, VA loans made up 2.9% of all loans to blacks, 2.5% of all loans to Latinos, and 2.5% of all loans to whites. Each of these three groups had shares of total VA loans that were close to their shares of total loans. For FHA loans, the patterns are dramatically different. (See Appendix Table 10 and the third and fourth bullet points in Section II.)

¹² See *Business Week's* cover story of November 19, 2008, by Chad Terhune and Robert Berner, "FHA-Backed Loans: The New Subprime".

¹³ These reports followed the common practice of using the term "government-backed lending" to include only the lending backed by these three federal agencies. The term does not include lending backed by state housing finance agencies (such as MassHousing or the Massachusetts Housing Partnership). Nor does it include lending guaranteed by Fannie Mae and Freddie Mac; these two "government-sponsored enterprises" were private corporations until 2008, when they failed and were placed into federal government conservatorships.

¹⁴ In 2015, USDA loans accounted for none of the home-purchase loans in Boston, just 22 of the 14,346 loans in the 26 Gateway Cities, and only 27 of the 32,220 loans in Greater Boston. Statewide, they accounted for 821 of 65,569 home-purchase loans—1.3% of total loans and 5.7% of GBLs. USDA loans are available only to income-qualified borrowers in rural areas (broadly defined).

¹⁵ The VA National Center for Veterans Analysis and Statistics reports that as of September 2015 there were 368,000 veterans in Massachusetts (http://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Massachusetts.pdf).

- Denial rates for applicants for VA loans were, on average, much lower than those for applicants for FHA loans, and were very close to those for conventional loans. In Greater Boston in 2015, the VA denial rates for the four major racial/ethnic groups (Asian, black, Latino, and white) were, on average, 5.1 percentage points lower than the corresponding FHA denial rates, while they were just 0.4% higher than the corresponding conventional loan denial rates. (Appendix Table 11.)
- Delinquency and foreclosure rates for VA loans are much closer to those for prime loans than to those for FHA loans. As of September 30, 2016, the total delinquency rates for Massachusetts were 4.0% for conventional loans, 4.1% for VA loans, and 9.3% for FHA loans. The shares of loans in foreclosure were 1.8% for conventional loans; 1.5% for VA loans, and 2.5% for FHA loans.¹⁶

¹⁶ These percentages are from the Excel worksheet version of the Mortgage Bankers Association's *National Delinquency Survey Q3 2016* (subscription required; information at www.mortgagebankers.org/nds).

NOTES ON DATA AND METHODS

Introduction

This report is based primarily on data from two major sources: the Federal Financial Institutions Examination Council (FFIEC) for Home Mortgage Disclosure Act (HMDA) data and for annual data on income levels for metropolitan areas and the U.S. Census Bureau for data on population and income levels of geographic areas. The information in these “Notes” is intended to supplement the information provided in the notes to the individual tables, and not all of that information is repeated here.

Home Mortgage Disclosure Act (HMDA) Data

HMDA Loan Application Register (LAR) data are the main source of data on loans, lenders, and borrowers for this report. These data are collected, processed, and released each year by the FFIEC, and can be downloaded for free from the FFIEC website (www.ffiec.gov/hmda). Among the information that HMDA data provide for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the type of the loan (conventional, FHA-insured, VA-guaranteed or USDA-guaranteed); the amount of the loan; the lien status of the loan (first lien or junior lien); whether the home will be owner-occupied; pricing information for loans with annual percentage rates above threshold levels (see below), and whether the loan is secured by a manufactured home. Some of these types of information have been included in HMDA data only since 2004.

High-APR loans (HALs) were identified for the first time in 2004 HMDA data. For applications received before October 1, 2009, and acted on by December 31 of that year, lenders were required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference (“spread”) between a first-lien loan’s APR and the interest rate on Treasury securities was three percentage points or more, then the spread for that loan had to be reported, to two decimal points, in HMDA LAR data. Beginning with applications received on October 1, 2009, each loan’s APR is compared to the Fed’s estimate of the APR on prime mortgage loans of the same maturity (if fixed-rate) or same number of years until first interest-rate reset (if adjustable rate); for first-lien loans, high-APR loans are those with rate spreads of one and one-half percentage points or more. The current criteria are far superior to the old because

the comparison is directly to the rate on comparable prime mortgages. In this series of reports, loans for which the spreads are reported are referred to as “high-APR loans” or “HALs.”

The tables in this report provide information on first-lien loans for owner-occupied homes; the primary emphasis is on home-purchase loans, although Tables 1, 2, and 3 and Appendix Tables 1 and 2 include data on refinance loans as well. This involves ignoring a great deal of data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 108 categories of loans on the basis of the following five distinctions: FHA-insured vs. other government-backed vs. conventional loans; 1–4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home-purchase vs. refinance vs. home improvement loans; and first-lien vs. junior-lien loans.

To achieve simplicity and to focus on the loans of greatest interest, I have taken three measures. First, I ignored the distinction between site-built and manufactured homes (in 2014, loans for manufactured homes accounted for only 221 of the state’s 65,569 first-lien loans for owner-occupied homes). Second, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes. Third, I included data only for total loans, FHA loans, and non-FHA loans—that is, no information is reported on other government-backed loans; non-FHA loans include both conventional loans and other (non-FHA) government-backed loans. Appendix Tables 1 and 2 provide data that allow the interested reader to find the number and percentage of total loans in the categories that are ignored. Also, the preceding “Notes on FHA (and VA) Lending” provides information about the number and distribution of VA- and USDA-guaranteed loans.

The decision to include only first-lien loans in all of the tables in the body of this report has had less impact in recent years than in 2008 and earlier. In 2015, for example, junior-lien loans made up just 0.9% of all home-purchase loans for owner-occupied homes. Junior-lien home-purchase loans (sometimes referred to as ‘piggyback loans’) were very common a few years ago; they accounted for more than one-quarter of all home-purchase loans in Massachusetts in 2006 and 2007. These loans provided a way of avoiding the cost of private mortgage insurance, which is generally required for conventional loans when the loan amount is greater than 80% of the value of the home being purchased.

Restricting the analysis to first-lien loans avoids double-counting home buyers who obtain piggy-back second mortgages. Appendix Table 2 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans, conventional loans, and FHA loans—overall and for each of the major racial/ethnic groups included in this report.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Appendix Table 6 provides data on how the actions taken on mortgage loan applications were distributed among the five possible outcomes. This information is provided for four racial/ethnic categories as well as overall—for Boston, Greater Boston, and Massachusetts.

Classifying Applicants/Borrowers by Income and Race/Ethnicity

Income categories for applicants/borrowers are defined in relationship to annually-updated estimates of the median family income (MFI) of the Metropolitan Statistical Area (MSA) in which the property is located. (These estimates are now provided by the FFIEC; through 2011 they were provided by the Department of Housing and Urban Development [HUD].) The income categories are as follows—low: below 50% of the MFI in the MSA; moderate: between 50% and 80% of the MFI; middle: between 80% and 120% of the MFI; high: between 120% and 200% of the MFI; and highest: over 200% of the MFI. (Note that the *“high-income”* and *“highest-income”* categories used in this report are subdivisions of the standard *“upper-income”* category.) Using these definitions, specific income ranges were calculated for each income category for each MSA. Applicants/borrowers were assigned to income categories on the basis of their income as reported (to the nearest \$1000) in the HMDA data.

Metropolitan areas used in defining income categories for borrowers: Beginning in 2004, HMDA data used the revised metropolitan areas defined by U.S. Office of Management and Budget (OMB) in June 2003. [www.whitehouse.gov/omb/bulletins/b03-04.html]. The Boston MSA consists of Essex, Middlesex, Suffolk, Norfolk,

and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). However, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). For HMDA data through 2013, the Boston MSA consisted of three MDs: the Essex Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Beginning with 2014 HMDA data, Essex County was included in the Cambridge-Newton-Framingham MD. [see: www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf].

Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify borrowers in the Boston MSA into income categories.** This practice, first used in *Changing Patterns XIV*, was adopted because there is little or no economic, political, or social logic to a system which places Cambridge and Boston into separate Metropolitan areas. (The 2015 MFIs for the two current MDs as well as for the entire Boston MSA are provided below.)

Median family incomes (MFI) of Massachusetts metropolitan areas in 2015 were:

Barnstable MSA (Barnstable County)	\$80,300
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$95,500 ¹⁷
Boston-Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$90,000
Cambridge-Newton-Framingham MD (Middlesex/Essex Counties)	\$101,700
Pittsfield MSA (Berkshire County)	\$67,700
Providence-Fall River-New Bedford MSA (Bristol County)	\$74,400
Springfield MSA (Hampden/Hampshire Counties)	\$67,300
Worcester MSA (Worcester County)	\$83,500
Non-Metro part of Massachusetts (Dukes/Franklin/Nantucket Counties)	\$73,500 ¹⁸

17 Since 2011, the FFIEC has not provided estimates of the MFIs for MSAs that are subdivided into MDs. The 2015 and 2013 MFIs for the Boston MSA are FHFA estimates obtained indirectly from MassHousing website. In other years since 2011, the MFI for the Boston MSA was calculated as the population-weighted sum of the MFIs of its MDs.

18 For 2013, the MFI for the non-metro part of the state provided by the FFIEC was \$52,400, down from \$89,500 in 2012, which is clearly absurd. The estimate for 2013 used in this series of reports (\$87,000) was chosen to have roughly the same reduction from the 2012 MFI as in the state's metro areas. Beginning with 2014 HMDA data, Franklin County is included in the non-metro part of the state rather than in the Springfield MSA.

Racial/ethnic categories: Beginning with 2004, HMDA data classify each applicant and co-applicant by both ethnicity (Latino or Not Latino) and race (the possible races are: American Indian or Alaska Native, Asian, Black, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as he or she wishes (up to all five). This report uses this information to place each borrower into one of six categories: “Asian” is shorthand for non-Latino Asian; “black” is shorthand for non-Latino black; “Latino” includes all applicants with Latino ethnicity; “white” is shorthand for non-Latino white; “other” is shorthand for non-Latino American Indian, Alaska Native, Native Hawaiian, or Other Pacific Islander; and “no information” includes borrowers with no information on race and either no information or Not Latino for ethnicity. HMDA data do not include information that would make it possible to identify members of more specific racial/ethnic/nationality categories such as Brazilian, or Cape Verdean, or Vietnamese.

Other analysts, including the Federal Reserve researchers who write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 65,569 first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2015, a total of 2,552 are identified in the HMDA data as going to black borrowers and a total of 4,099 are identified as going to Latinos; only 204 are identified as going to borrowers who were both black and Latino. Classifying these 204 borrowers as black rather than as Latino would have increased the black borrower share of total loans from 3.6% to 3.9% and reduced the Latino borrower share of total loans from 6.3% to 5.9%.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: For example, of all first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2015 with information on the race of the borrower, only 0.4% of borrowers specified more than one race and only 2.2% of borrowers had co-borrowers of a different race; only 1.5% of borrowers had co-borrowers with different ethnicity.

Data on Geographical Areas

Population and income categories for census tracts (used in Tables 15–17 and Tables 26–28) were assigned

on the basis of information included in the 2015 HMDA LAR data. In particular, the HMDA LAR data include, for each record, (1) the percentage of minority residents in the census tract where the home is located and (2) the median family income (MFI) in that census tract as a percentage of the MFI in its metropolitan area. For 2012 to 2016 HMDA data, the FFIEC is using the 2006–2010 five-year estimates from American Community Survey data; going forward, it will update these data every five years (e.g., 2011–2015 ACS data will be used beginning with 2017 HMDA data). For more information on this, see the FFIEC’s Press Release of October 19, 2011 entitled, “FFIEC Announces the Use of American Community Survey Data In Its Census Data Files.” Note: This differs from the way that *borrowers* are assigned to income categories, described above. First, borrowers are assigned on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas. Second, while the *Changing Patterns* series of reports assigns borrowers in the Boston MSA on the basis of the MFI for the MSA (rather than that for its component Metropolitan Districts [MDs]), census tracts in the Boston MSA are assigned to categories using the MFI for their MD.

Population and income data for larger geographical areas (municipalities and Boston’s neighborhoods) are from either the 2010 Census or from five-year American Community Survey data, obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov). Population data in Table 3 are from Table P9 of the 2010 Census; in Table 3, “White” refers to non-Hispanic whites who reported no other race; “Black” refers to non-Hispanic blacks who reported black alone or with any other race; and “Asian” refers to non-Hispanic Asians who reported Asian alone or with any other race except black. The population and income information for Boston neighborhoods shown in Tables 8 and 18 were taken from reports of the Boston Redevelopment Authority based on 2007–2011 American Community Survey data. The household shares in Chart A-3 and in the first two bullets of Section II were calculated from data in Tables H7 and H9 of the 2010 Census and Table HO 09 and HO 10 of the 2000 Census, with the number of black households calculated as the average of those who reported their race as black alone and the number who reported their race as black together with any other race or races.

Lenders

Major types of lenders. Each lender that reported HMDA LAR data for homes located in Massachusetts has been classified as belonging to one of three major categories of lenders. This was done primarily on the basis of the “Agency” and “OLC” fields included in

HMDA data, but also draws on selected other sources. The categories used and the rationale for using these categories are described in the introductory text of Section V and in the notes to Tables 23–29.

Big Boston Banks, a lender category now used only in Appendix Table 8, was used as a separate category of lenders in the initial reports in the *Changing Patterns* series because their collective market share in the City of Boston approached 40%. In 2015, this group includes only Bank of America, Citizens (formerly RBS Citizens), and Santander (formerly Sovereign), but five former banks were included in this grouping while they still existed: Bank of New England (1990–91), Boston Five Cents Savings Bank (1990–92), BayBanks (1990–96), Shawmut (1990–96), and BankBoston (1990–99). A sixth bank, Boston Safe Deposit (now BNY Mellon), was included in this category until it exited the mortgage lending business in 2002.

Subprime lenders, another lender category now used only in Appendix Table 8, was an important category of

lenders in earlier reports in the *Changing Patterns* series through 2009. From 1998 through 2003, subprime lenders were identified on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. Between 2004 and 2009, subprime lenders were identified for this series of reports on the basis of the share of their total Massachusetts loans that were HALs.

Lenders in HMDA data are not necessarily the same as the lenders who close the loans or those who interact directly with borrowers. In many cases, local banks dealing with borrowers are, in effect, acting as agents or brokers for out-of-state banks. HMDA regulations specify that a loan is reported only by the lender that makes the “credit decision.” For details on this matter see the Fed’s “Official Staff Commentary” on Section 203.1 of its Regulation C (available in the 2013 edition of *A Guide to HMDA Reporting: Getting It Right!*, Appendix D, pages D1–D2 [www.ffiec.gov/hmda/pdf/2013guide.pdf]).