

# CHANGING PATTERNS XXIV:

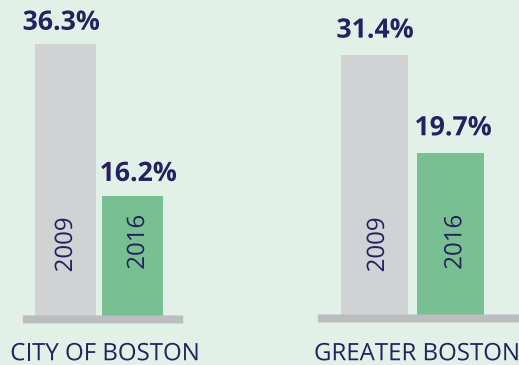
## Mortgage Lending to Traditionally Underserved Borrowers in Boston, Greater Boston and Massachusetts, 2016

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Massachusetts Community & Banking Council

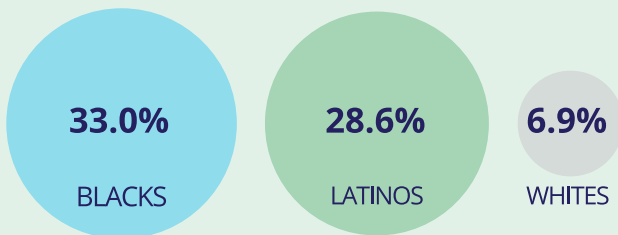
### LENDING BY INCOME LEVEL

#### Low- and moderate-income (LMI) borrower share of total loans



Since reaching a peak in 2009, the LMI share of home-purchase loans has trended sharply downward

#### Share of total loans that were FHA loans – high-income home-buyers in Greater Boston



High-income home-buyers were those with incomes from \$113K to \$188K.

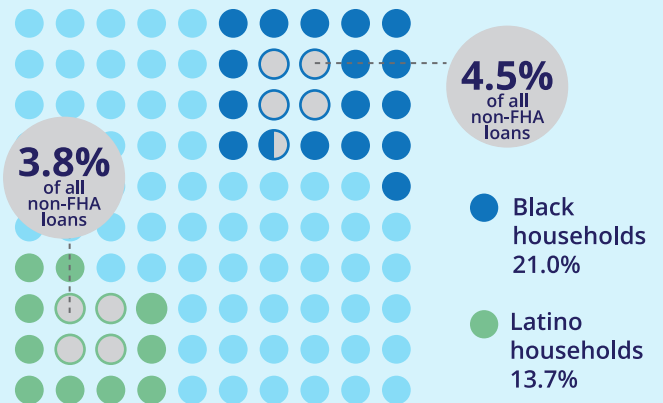
### What is an FHA loan?

FHA loans are loans insured by the Federal Housing Administration. While a reasonable option for those unable to obtain conventional loans, FHA loans are typically more costly and can indicate a lack of availability of conventional loans.



### BLACK AND LATINO LENDING IN BOSTON

#### Black and Latino Borrowers share of non-FHA loans well below household share



Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2016 that were far below their shares of total households.

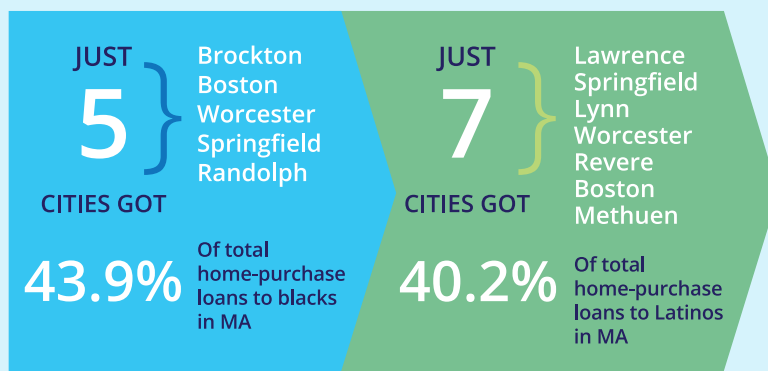
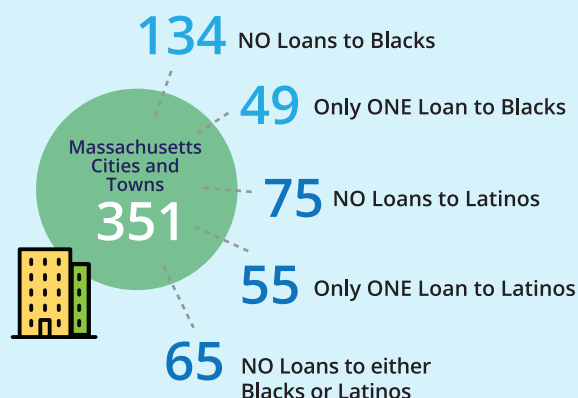
#### Home-purchase lending to black and Latino borrowers in Boston is highly concentrated in a few neighborhoods



In four other neighborhoods Latinos received either a single loan (Fenway and Mission Hill) or no loans (Allston and Seaport).

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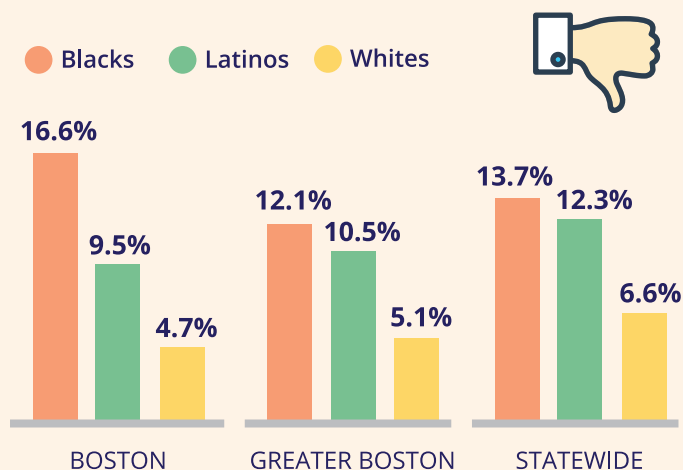
## BLACK AND LATINO LENDING STATEWIDE



**BROCKTON** alone accounted for 18.1% of all loans to blacks in Massachusetts, while accounting for only 1.5% of total loans in the state.

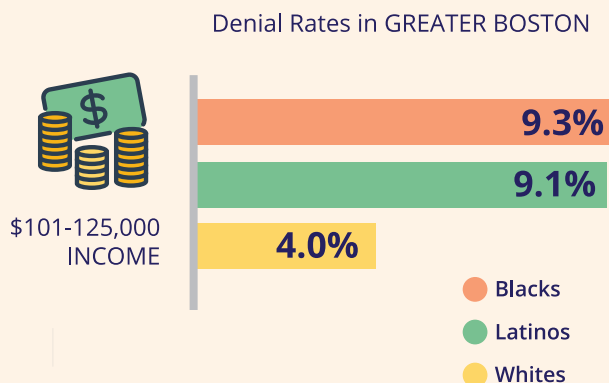
## DENIAL RATES

**Blacks and Latinos are much more likely to be denied a non-FHA loan than Whites**



The denial rates on non-FHA home-purchase loan applications from blacks and Latinos were much higher than the corresponding denial rates for whites.

**Blacks and Latinos experienced higher denial rates that cannot be explained by their income level**



When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category.

## About M|C|B|C

The Massachusetts Community & Banking Council (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 group neighborhoods and providing research, other information, assistance and direction in understanding and addressing the credit and financial needs of low and moderate income individuals and neighborhoods.

To view the full report go to: <http://mcbc.info/publications/changing-patterns-xxiv/>

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[www.mcbc.info](http://www.mcbc.info)

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