Changing Patterns XVIII

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2010

BY

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This report is available online at: www.mcbc.info/reports/mortgage

FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XVIII*, 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, other 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.mcbc.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 2011 membership:

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MCBC's 2011 Community Partners include Chelsea Neighborhood Developers, Community Teamwork, Inc., DotWell, Dudley Square Main Streets, ESAC, the Fair Housing Center of Greater Boston, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Metropolitan Boston Housing Partnership and the Somerville Community Corporation.

CONTENTS

Note: A set of Supplemental Tables provides much additional information on (1) lending in all cities and towns in Massachusetts and (2) lending in the state's fourteen counties. These tables are available in the "Reports" section of the MCBC website: www.mcbc.info/reports/mortgage.

EXECUTIVE SUMMARY

This is the eighteenth in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. The series is aptly named: mortgage lending since 1990 has indeed been characterized by "changing patterns." A decade ago, the major focus of the series shifted from concern for *fair access to credit* for traditionally underserved borrowers and neighborhoods to concern for *access to fair credit* for these same borrowers and neighborhoods. This reflected the extent to which the problem of *redlining* had become overshadowed by the problem of *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans.

This year's report, which offers information on patterns of mortgage lending during 2010, shows the continuation of another major shift in lending patterns. In the wake of the implosion of the subprime mortgage industry, high-cost subprime lending has almost disappeared, while government-backed lending (mostly consisting of loans insured by the Federal Housing Administration [FHA]) has grown dramatically. This government-backed lending has gone disproportionately to the same traditionally-underserved borrowers and neighborhoods that were targeted by predatory subprime lenders, but it represents a very different phenomenon.[i]

Government-backed loans (GBLs), while somewhat more expensive than conventional prime loans, are generally responsible and sustainable. They are not a problem in themselves, but are a symptom of—and a constructive response to—a deeper problem: the limited availability of conventional prime loans to lower-income and minority borrowers and neighborhoods. With the fading of predatory subprime lending, the emergence of the current housing market ills, and the persistence of the foreclosure epidemic, the original problem that led to the inception of this series of reports in the mid-1990s has again assumed center stage: the problem of fair access to prime loans for traditionally underserved borrowers and neighborhoods.

The report presents information for the city of Boston, for Greater Boston, and for Massachusetts, as well as for each of the state's thirty-three largest cities and towns. The primary data source is federal Home Mortgage Disclosure Act (HMDA) data for 2010, supplemented by data on population and income from the U.S. Census Bureau and annual data on metropolitan area income levels from the Department of Housing and Urban Development. The report is restricted to first-lien loans for owner-occupied homes.

This "Executive Summary" highlights some of the most interesting findings presented in the following pages. 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.[ii]

- ❖ Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2010. Statewide, GBLs accounted for nearly one-third (32%) of all home-purchase lending and for one-twelfth (8%) of the much larger volume of refinance lending. These GBL loans shares are slightly lower than in 2009, but far above those in 2005, when GBLs accounted for just 2% of home-purchase loans and 0.6% of refinance loans statewide.

- ❖ High-APR loans (HALs) almost disappeared in 2010, accounting for just 0.5% of all loans (home-purchase and refinance combined) statewide—down from 1.7% of all loans in 2009, and far below their peak level of 22% in 2006. Over four years,

[i] Section I provides background information on the nature of government-backed lending, the reasons for its dramatic recent increase, and its somewhat checkered history.

[ii] A set of supplemental tables, available at www.mcbc.info/reports/mortgage, provides information on lending in all of the state's 351 cities and towns and in each of its fourteen counties.

the number of HALs fell from 3,361 to 42 in Boston, from 14,849 to 332 in Greater Boston, and from 40,143 to 1,066 statewide.

- Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. In Massachusetts, the GBL loan shares in 2010 were 32% for home-purchase loans, 5% for refinance loans, and 14% overall. Nationwide, GBL loans shares were 53% for home-purchase loans, 14% for refinance loans, and 27% overall.

- Among the state's thirty-three biggest cities, GBL loan shares were highest in Lawrence (where they accounted for 79% of all home-purchase loans and 31% of all refinance loans), Brockton (73% and 25%) and Springfield (67% and 25%). GBLs also made up more than half of all home-purchase loans in eight other cities (Lynn, Revere, Fall River, New Bedford, Methuen, Taunton, Attleboro, and Worcester).

- Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional (i.e., not government-backed) loans in 2010 that were far below their shares of total households. In Boston, for example, blacks made up 21% of households but received only 5% of conventional home-purchase loans and 3% of conventional refinance loans. Statewide, the Latinos made up 7% of households but received only 3% of conventional home-purchase loans and just 1% of conventional refinance loans.

- Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs than were their white or Asian counterparts. For home-purchase loans in Greater Boston, for example, the GBL loan shares in 2010 were 54% for blacks and 55% for Latinos, but only 24% for whites. For refinance loans, the GBL loan shares were 22% for blacks, 17% for Latinos, and 6% for whites. GBL loan shares were consistently much lower for Asian borrowers than for whites.

- When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2010 tended to decline steadily as the level of borrower income increased. For home-purchase lending in Greater Boston, for example, GBL loan shares fell steadily from 36% for moderate-income borrowers to just 6% for the highest-income borrowers. (However, GBL loan shares for low-income borrowers tended to be lower than those for the next two income categories.)

- When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos are usually substantially higher than the GBL shares for white borrowers in the same income category. For example, in the City of Boston, the GBL loan shares for homebuyers with incomes between $72,000 and $107,000 were 62% for blacks, 69% for Latinos, and 23% for whites.

- For home-purchase loans in the city of Boston in 2010, the government-backed loan (GBL) share in low-income census tracts was more than four times greater than that in upper-income tracts (24% vs. 5%) and the GBL loan share in predominantly minority census tracts was almost three times greater than that in predominantly white tracts (46% vs. 16%). The pattern for refinance loans was very similar.

- Government-backed lending varied dramatically among Boston's major neighborhoods. For home-purchase loans, GBL shares ranged from 64% in Mattapan and 56% in East Boston to 3% in Back Bay/Beacon Hill. For refinance loans, GBLs accounted for 26% of the total loans in Mattapan but for only 1% of all loans in the South End.

- Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others. Just four cities (Boston, Brockton, Springfield, and Worcester) accounted for over one-half of total loans to blacks in Massachusetts, but for only 11% of the state's total loans to whites. Eight communities (Lawrence, Boston, Springfield, Lynn, Revere, Worcester, Chelsea, and Methuen) accounted for over one-half of all lending to Latinos in the state, but for just 12% of total lending to whites. Meanwhile, in 123 communities—over one-third of the state's 351 cities and towns—there was not a single loan to either a black or a Latino homebuyer.

- ❖ In Boston, Greater Boston, and Massachusetts in 2010, the denial rates on conventional (i.e., non-government-backed) mortgage loan applications by blacks—both for home-purchase loans and for refinance loans—were in every case more than twice as high as the corresponding denial rates for whites, while denial rates for Latinos were more than one and one-half times as high as the white denial rates. Black/white and Latino/white denial rate disparity ratios were significantly lower for applications for government-backed loans.

- ❖ 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 2010 denial rates for blacks and for Latinos were in almost every case well above the denial rates for white applicants in the same income category, and there is no tendency for the denial rate disparity ratio to fall as income rises. Statewide, for example, black applicants with incomes over $150,000 experienced a denial rate of 14%, twice as high as the 7% denial rate experienced by their white counterparts; the 12% denial rate for Latinos in this income category was 1.8 times the white rate.

- ❖ Following four years of substantial increases, the home-purchase loan share of Massachusetts banks and credit unions fell slightly in 2010, to 46% in Boston (down from 48% the year before but still more than double the low point of 20% in 2005) and to 44% statewide (down from 45% the year before but far above their 24% loan share in 2005).

- ❖ Massachusetts banks and credit unions accounted for a substantially larger share of total loans than of government-backed loans (GBLs), while the reverse was true for Licensed Mortgage Lenders (mainly independent mortgage companies). Statewide, Massachusetts banks and credit unions accounted for 44% of all loans but only 21% of GBLs; Licensed Mortgage Lenders, while accounting for 33% of all loans, made 48% of GBLs. Other Lenders (mainly out-of-state banks) accounted for 23% of total lending and 31% of GBLs.

- ❖ Massachusetts banks and credit unions ("CRA-covered lenders") directed a substantially greater share of their total loans as conventional loans—and a substantially smaller share of their total loans as GBLs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did Licensed Mortgage Lenders and Other Lenders.

- ❖ Both in Boston and statewide in 2010, Bank of America was by far the biggest lender, with Wells Fargo ranking second and Mortgage Master in the third position. The next three places were taken by RBS Citizens (which ranked fourth in Boston and fifth statewide), Leader Bank/Mortgage (fifth in Boston, sixth statewide) and Sovereign ranked (sixth in Boston, fourth statewide).

- ❖ A sweeping set of changes in the laws and regulations governing the origination of mortgage loans has been adopted in recent years, designed to prevent a recurrence of predatory lending. Substantive changes include a nationwide system of licensing and registration; limits on compensation systems for loan originators; safeguards to the integrity of the appraisal system; improvements in the timeliness, clarity, and substance of disclosures to borrowers; minimum underwriting standards, including required verification of borrowers' ability to repay their loans; and prohibitions on certain predatory loan features. Structural changes to the regulatory system itself include establishment of a new agency (the Consumer Financial Protection Bureau) that has consumer protection as its primary mission and consolidated authority over all mortgage lending; new units dedicated to enforcement of fair lending laws; and increases in the ability of states to protect their citizens from predatory lenders.

INTRODUCTION

This report is the eighteenth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report includes detailed information on 2010 lending in Boston, Greater Boston, and Massachusetts, as well as in the state's thirty-three 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.[1]

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 total market share to other lenders 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 has resulted in its almost complete disappearance. Most recently, government-backed lending has captured an unprecedentedly large share of the overall market, particularly of home-purchase lending. Against this backdrop of dramatic changes, however, lending patterns in 2010 were very similar to those in the previous year.

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 home-buyers 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*.[2]

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 have been disproportionately impacted by the current tidal wave of foreclosures.[3]

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 *government-backed loans (GBLs)*—that is, loans insured by the Federal

1 These supplemental tables are available at: www.mcbc.info/reports/mortgage.

2 This shift is discussed in "From Fair Access to Credit to Access to Fair Credit," Chapter 5 of Dan Immergluck, *Credit to the Community: Community Reinvestment and Fair Lending Policy in the United States* (M.E. Sharpe, 2004).

3 For a comprehensive, up-to-date 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). The Mortgage Bankers Association reported that the percentage of loans in the foreclosure process nationwide at the end of the third quarter of 2009 was 15.4% for subprime loans, compared to 3.2% for prime loans (Press release of Nov. 19, 2009, available at: www.mbaa.org/newsandmedia). Closer to home, the City of Boston's Department of Neighborhood Development found that the Boston neighborhoods where the rate of foreclosure petitions were highest in 2007 were the neighborhoods where the rate of higher-cost lending was found to be highest in previous *Changing Patterns* reports, ("Foreclosure Trends 2007," pp. 2 and 8; available at: www.cityofboston.gov/dnd/PDFs/U_2007_Foreclosure_Trends.pdf).

Housing Administration (FHA) or guaranteed by the Veterans Administration (VA) or the Department of Agriculture (USDA)—is an indication of reduced availability of prime mortgage loans. While government-backed lending is generally done in a responsible way, GBLs are typically more costly than prime loans and represent a second-best option that borrowers turn to only when they cannot obtain prime mortgage loans. Because the government-backed lending programs had low lending volumes in Massachusetts until very recently, many readers of this report will be unfamiliar with them. Accordingly, Section I of this report provides a brief guide to understanding government-backed lending.

The main data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council. 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 a 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.

The primary focus of many of this report's tables and charts is to provide information on GBLs as a share of all loans made 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, the estimates of the 2010 median family income (MFI) in each metropolitan area produced by the U.S. Department of Housing and Urban Development (HUD) are used to place borrowers into income categories. Second, information from the 2000 U.S. Census is utilized so that analysis of GBL lending patterns in terms of the income level and race 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 analysis in this report is limited to first-lien home-purchase and refinance loans for owner-occupied homes. That is, it excludes (1) second mortgages and other junior-lien loans, (2) loans for homes that borrowers will not be occupying as a principal residence, and (3) home-improvement loans. Appendix Table 1 provides detailed data on the numbers and percentages of different types of loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 91.1% of all loans in the state, that first-lien loans for non-owner-occupied homes accounted for 7.3% of the total, and that junior-lien loans accounted for the remaining 1.6% (the corresponding percentages in 2009 were 91.7%, 6.1%, and 2.2%, respectively.) Appendix Table 2 provides information on all loans and GBLs, broken down by purpose (home-purchase and 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. This series of reports offers neither *explanations* of why the observed trends have occurred nor *evaluations* of how well individual lenders have performed. Rather, its descriptive contributions are intended to be important annual inputs into the complex, ongoing tasks of explanation and evaluation.

For many readers, this report's main contribution will consist of the wealth of information contained in its thirty-six pages of tables, especially data about individual municipalities of particular interest.[4] 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, and Massachusetts, with limited attention to other areas. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.[5]) The remaining sections of the report are organized as follows:

- ❖ Part I provides background information on government-backed lending.
- ❖ Part II presents information on the overall level and composition of mortgage lending.
- ❖ Part III analyzes patterns of lending to borrowers grouped by race/ethnicity and by income level.
- ❖ Part IV examines patterns of lending in neighborhoods. The analysis looks at census tracts grouped by income level and by percentage of minority households, as well as at Boston's major neighborhoods.
- ❖ Part V summarizes data on denial rates, highlighting racial/ethnic disparities.
- ❖ Part VI focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- ❖ Part VII presents information on the biggest lenders—both overall and for government-backed loans—both in Boston and statewide.
- ❖ Part VIII offers an account of the substantial recent changes in the laws and regulations that govern mortgage lending.
- ❖ Finally, a section of "Notes on Data and Methods" provides considerable detail on a number of technical matters.

4 Additional tables, available at www.mcbc.info/reports/mortgage, 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 68 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, Truro and Wellfleet in Barnstable County).

5 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. A map of the MAPC region and the Boston MSA precedes Table 1.

I. UNDERSTANDING GOVERNMENT-BACKED LENDING

This report presents a great deal of information on the increased volume of government-backed lending and on the disproportionate shares of this lending that went to traditionally underserved borrowers and neighborhoods. To be able to assess the significance and implications of this development, it is necessary to understand the nature of government-backed mortgage lending and the context within which it has increased so dramatically.

Overview

The take-away lesson from this section is that government-backed loans (GBLs) are very different from subprime loans. 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 have resulted in delinquencies and foreclosures; as of November 2010 (the most recent date for which these data are available), 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.[6]

In contrast, GBLs are somewhat less profitable for lenders, and more expensive for borrowers, than prime conventional loans, but they offer a reasonable option for both parties when borrowers are unable to obtain a prime loan. Their recent growth, 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. Although GBLs require smaller down payments and allow lower credit scores than prime loans, they have proven to be almost as affordable and sustainable. As of June 2011, 88.1% of outstanding GBLs in Massachusetts were current in their payments (compared to 91.9% for prime loans), 3.8% were 90 or more days delinquent (compared to 2.6% for prime loans), and 1.9% were in foreclosure (the same percentage as for prime loans).[7]

The Nature of Government-Backed Lending

Three different agencies of the federal government back home mortgage loans issued by private lenders. The Department of Housing and Urban Development's Federal Housing Administration (FHA) insures mortgages, while the Veterans Administration (VA) and the Department of Agriculture (USDA) guarantee them.[8] The FHA accounts for the vast majority of GBLs (90.5% of the total in Massachusetts in 2010) with the VA accounting for most of the rest (8.1% of the statewide total). Although there are differences among the three programs, they are similar enough that the description that follows will focus on FHA lending only.[9]

FHA loans are made by private lenders who have been certified by the agency and whose performance is subject to FHA review. The lender sets the price and terms of the loan, and decides whether or not to approve the applications that it receives. Insurance for

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6 Loan status statistics in this paragraph and the next are from a very useful website maintained by the Federal Reserve Bank of New York: http://data.newyorkfed.org/creditconditions. The data cited in the text were "current" when the website was accessed in late November 2011.

7 See previous footnote. The New York Fed's data are for "FHA+VA" loans rather than for all GBLs.

8 This report follows 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). Nor does it include lending guaranteed by Fannie Mae and Freddie Mac; these two "government-sponsored enterprises" were private corporations between 1970 and 2008, when they failed and were placed into federal government conservatorships.

9 Among the most important differences are that VA and USDA require no monthly insurance premium (they require an upfront guarantee fee [for the VA this is equal to 2.15% of the loan amount if the down payment is less than 5%, waived in the case of disabled borrowers] and they require no down payment). VA loans are available only to veterans of the military services, while USDA loans are available only in rural areas (broadly defined) and only to borrowers who are income-qualified.

the loans is provided by a self-supporting Mutual Mortgage Insurance Fund, financed by premiums paid by FHA borrowers; there is both an initial upfront premium and an annual premium that is allocated to the borrowers' monthly payments. Borrowers must be owner-occupants and must make a down payment of at least 3.5% of the value of the property, although the down payment need not come from their own funds. (For example, the FHA allowed the $8,000 tax credit that was available to first-time home buyers during the early months of 2010 to be applied to the down payment.) 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. During all of 2010, the maximum for a single-unit property in the Greater Boston area was $523,750. (The lowest maximum in the state was $271,050 in Berkshire County; the highest was $729,750 on Martha's Vineyard and Nantucket.)[10]

In response to losses in recent years that have depleted the reserves in its insurance fund, the FHA has tightened its minimum lending standards, increased annual insurance premiums on new loans, and increased scrutiny of lender performance.[11] As of October 2011, the one-time upfront insurance premium is 1% of the loan amount and the annual insurance premium is 1.10% if the loan-to-value ratio (LTV) is 95% or less (that is, if the down payment is 5% or more), and 1.15% if the LTV is above 95%. The minimum down payment of 3.5% applies only for borrowers with credit scores of at least 580; borrowers with credit scores between 500 and 579 must make a down payment of at least 10%; and loans to borrowers with credit scores below 500 are not eligible for FHA insurance. Most lenders require higher credit scores than the minimums established by the FHA; the average credit score on newly-insured loans in 2010 was almost 700, up from 634 in 2007.[12]

Reasons for the Surge in Government-Backed Lending

In the 1990s government-backed lending primarily served borrowers who could not obtain a prime conventional loan, but could meet the looser underwriting standards and/or lower down payment requirements of government-backed loans. The FHA/VA share of the nationwide mortgage market was fairly constant between 1990 to 2000, at about 12%, but was considerably lower in Greater Boston and other areas where relatively high home prices resulted in most loan amounts exceeding the FHA maximum. Data in previous *Changing Patterns* reports indicate that GBLs accounted for an average of 7.1% of applications for home-purchase loans in Boston between 1993 and 2000 (fluctuating in the range from 5.5% to 9.5%). The GBL market share plunged with the growth of subprime lenders, who offered potential GBL borrowers loan products that required less documentation and paperwork, allowed higher loan amounts, required no down payments, and promised relatively low initial monthly payments. Nationwide, the FHA/VA share of the mortgage market steadily declined from 11.0% in 2000 to a low of 2.7% in 2006.[13]

The surge of GBLs in the last three years has resulted from at least three developments: the void created by the collapse of the subprime lenders who had taken away much of the traditional GBL market; very large increases in the maximum loan amounts allowed for FHA loans; and, most importantly, a dramatic decrease in the availability of conventional mortgage loans for all but those with high credit scores and the ability to make significant down payments. Portfolio

10 These loan limits remained in place through September 2011. Currently the maximums for a single-unit property are $465,750 in Greater Boston, $271,050 in Berkshire Country, and $625,500 on Martha's Vineyard and Nantucket.

11 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. The head of the FHA told Congress in the fall of 2010 that during the previous year the FHA had withdrawn approval from more than 1,500 lenders, and suspended others (testimony of David H. Stevens to the House Financial Services Committee, September 22, 2010, pp. 1 and 5; available at: http://financialservices.house.gov).

12 HUD's *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund* is an excellent source of information on how the FHA lending program works and on recent changes to the program. The reports for Fiscal Year 2010 (November 2010) and Fiscal Year 2011 (November 2011) are both available at: www.hud.gov. During the first three quarters of 2010, the upfront insurance premium was higher than it is now (1.75%) and the annual premiums were lower (0.50% or 0.55%).

13 Nationwide FHA/VA shares were calculated from annual data in *The 2010 Mortgage Market Statistical Annual, Volume 1*, Inside Mortgage Finance, p. 4 (not available online).

lending and the secondary market for private securitization almost completely disappeared, limiting conventional lending almost entirely to loans that could be sold to Fannie Mae or Freddie Mac. Stricter underwriting criteria required by Fannie and Freddie, together with the greatly increased cost and decreased availability of the private mortgage insurance that Fannie and Freddie require for loans with down payments of less than 20%, made conventional loans unobtainable for many borrowers, and more expensive than government-backed lending for many others.[14]

Past Problems

Although the nature of current FHA lending merits the positive assessment offered here, the program 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.[15]

In the last three decades, there have been 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. One 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.[16]

II. 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 in the shares of total lending accounted for by government-backed loans (GBLs) and high-APR loans (HALs). The findings presented in the bullet points and charts below are based on detailed tables that follow the text of this report. Tables 1 and 2 provide information on total loans, GBLs, and HALs in the City of Boston, in the Greater Boston area, and in Massachusetts; data for total loans and GBLs in the state's thirty-three largest cities and towns are presented in Table 3. For each geographical area, the tables provide information on the number of mortgage loans, the number of GBLs (or HALs), and the percentage of all loans that are GBLs (or HALs); this information is provided separately for home-purchase loans and refinance loans.

14 Researchers at the Federal Reserve have provided a fairly detailed account of these developments and their impact on GBL lending. They show that during the last half of 2009, for borrowers with FICO scores below 700, FHA and VA loans accounted for almost all loans with loan-to-value ratios (LTVs) greater than 80%; for borrowers with FICO scores above 700, FHA and VA loans accounted for about 40% of loans with LTVs between 80% and 90%, for about 80% of loans with LTV's between 90% and 95%, and for about 95% of loans with LTVs above 95%. Robert Avery, et al., "The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress," *Federal Reserve Bulletin*, December 2010, pp. A54–A61: available at: www.federalreserve.gov/pubs/bulletin/2010/pdf/2009_HMDA_final.pdf. See also: "A Look at the FHA's Evolving Market Shares by Race and Ethnicity," in HUD's *U.S. Housing Market Conditions*, First Quarter, 2011, pp. 6–12; available at: http://www.huduser.org/portal/periodicals/ushmc/spring11/USHMC_1q11_summary.pdf.

15 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.

16 See *Business Week's* cover story of November 19, 2008, by Chad Terhune and Robert Berner, "FHA-Backed Loans: The New Subprime"; available at: www.businessweek.com/magazine/content/08_48/b4110036448352.htm.

The most striking findings that emerge from these tables are the high levels of government-backed lending that have emerged during the last three years and the virtual disappearance of subprime (high-APR) lending.

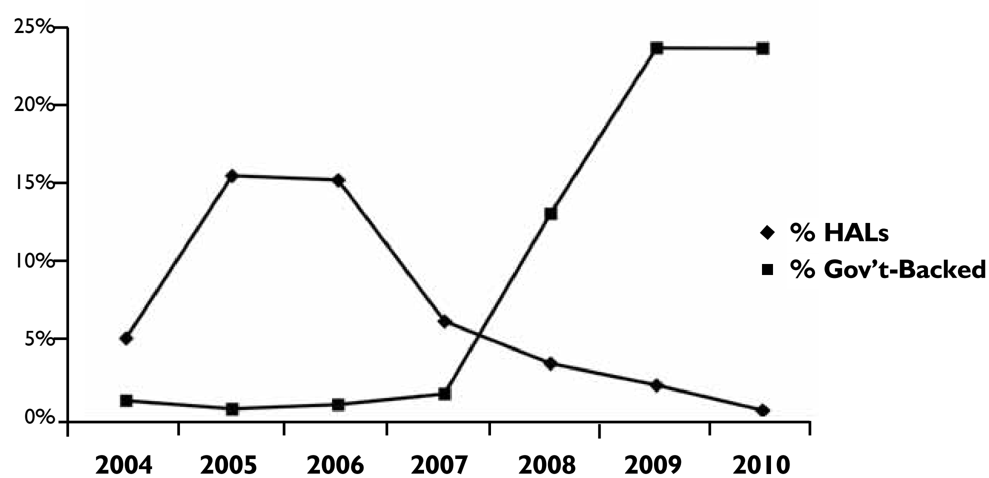
- **After stabilizing in 2009, the number of home-purchase loans continued to trend downward in 2010. Statewide, the 47,669 home-purchase loans in 2010 were 8% fewer than in 2009 and less than one-half the number in 2004. The 158,689 refinance loans statewide were also down modestly from the year before, but were more than double the number in 2007 and 2008.** For the second year in a row, refinance loans accounted for more than three-quarters of total lending. (See Table 1.)

- **Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2010. Statewide, GBLs, accounted for nearly one-third (32.2%) of all home-purchase lending** and for one-twelfth (7.9%) of the much larger volume of refinance lending. In the City of Boston, GBLs accounted for 22.8% of home-purchase loans and 7.1% of refinance loans; in Greater Boston, the corresponding loan shares were 24.7% and 5.9%. The GBL loans shares are close to those in the previous year, but far above those in 2005, when GBLs accounted for just 1.9% of home-purchase loans and 0.6% of refinance loans statewide (and their loans shares were even smaller in Boston and Greater Boston). (Table 1 and Exhibit 1)

- **High-APR loans (HALs) almost disappeared in 2010, accounting for just 0.5% of all loans (home-purchase and refinance combined) statewide—far below their peak level of 22.2% in 2006.** In 2010, there were just 42 HALs in Boston, 332 in Greater Boston, and 1,066 statewide. (See Table 2 and Exhibit 1.)

- **Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.** Overall, the GBL loan shares in 2010 were 13.5% in Massachusetts and 27.0% nationwide. For home-purchase loans, the GBL loan shares were 32.2% in the state and 53.4% nationwide; for refinance loans, they were 7.9% in the state and 14.4% nationwide.[17]

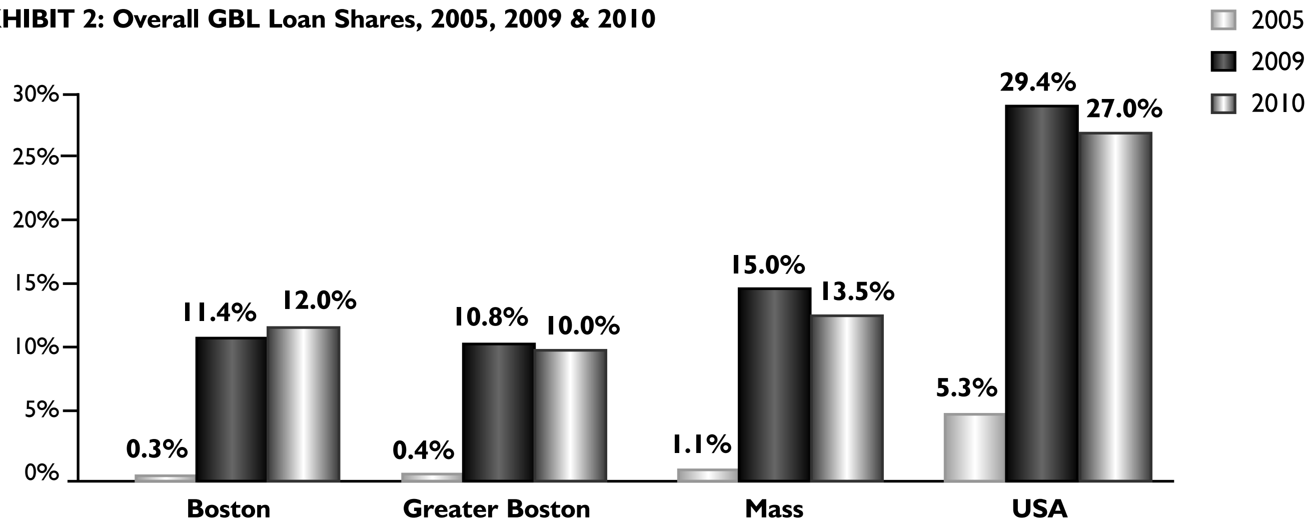
Exhibit 1: High-APR and Gov't-Backed Loans in Greater Boston, 2004–2010
First-Lien Home-Purchase Loans for Owner-Occupied Homes



Source: Tables 1 & 2

17 Nationwide GBL shares were calculated from data in Table 7 of Robert B. Avery *et al.*, "The 2009 HMDA Data," *Federal Reserve Bulletin*, 2010 and Table 11 of Robert B. Avery, *et al.*, "The Mortgage Market in 2010," *Federal Reserve Bulletin*, 2011 [forthcoming]. These percentages are for conventional and government-backed first-lien loans on owner-occupied site-built homes. The 2005 nationwide percentage shown in Exhibit 2 was calculated from data in Table 4 of Robert B. Avery, *et al.*, "Higher-Priced Home Lending and the 2005 HMDA Data," *Federal Reserve Bulletin*, 2006. All three articles are available at: www.federalreserve.gov.

EXHIBIT 2: Overall GBL Loan Shares, 2005, 2009 & 2010



Source: Table 1 and see footnote 17

- **Among the state's thirty-three biggest cities,[18] GBL loan shares were highest in Lawrence (where they accounted for 78.7% of all home-purchase loans and 30.7% of all refinance loans), Brockton (73.4% and 25.4%) and Springfield (67.1% and 25.2%).** GBLs also made up more than half of all home-purchase loans in eight other cities (Lynn, Revere, Fall River, New Bedford, Methuen, Taunton, Attleboro, and Worcester) and the GBL share of refinance loans was also above 20% in three other cities (Fall River, New Bedford, and Chicopee). (Table 3)

- **Almost every city and town in Massachusetts received at least one government-backed loan (GBL) in 2010. Of the 287 cities and towns for which the number of GBLs loans can be determined exactly, only four small towns in Berkshire County failed to receive at least one GBL (Florida, Savoy, Monterey, and Tyringham).**[19] There were only a few GBLs in the wealthiest communities: Weston, which has the highest median family income (MFI) of any community in the state ($181,041, according to the 2000 Census), received two GBLs; Dover, with the second highest MFI, received three GBLs; and Carlisle, which had the third highest MFI, received six GBLs. (Supplemental Table 5)

III. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, black and Latino borrowers were much more likely than their white counterparts to receive **government-backed loans (GBLs)**. At the same time, blacks and Latinos received shares of total **conventional loans (a term commonly used as equivalent to "non-government-back loans" or "non-GBLs")** that were disproportionately small compared to their shares of total households. The pattern with respect to GBL loans can be seen from two different perspectives. First, GBLs made up much larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. Second, blacks and Latinos received much larger shares of total GBLs than they received of total conventional loans. When borrowers are grouped by income level, GBL loan shares tend to

18 Although five of the state's thirty-three largest municipalities, as listed in Table 3, are officially towns, the municipalities will be referred to collectively as "cities" throughout this report. The five towns are: Arlington, Brookline, Framingham, Plymouth, and Weymouth. The smallest city or town among the biggest thirty-three is Westfield, with a population of 40,072 according to the 2000 Census.

19 In addition, there were three multi-town census tracts where the number of GBLs was smaller than the number of towns; in these census tracts there were between four and eight additional towns that did not receive any GBLs. Of the 351 cities and towns in the state, only 283 are large enough to have at least one census tract entirely to themselves. The other 68 towns share a total of 23 census tracts, with the number of towns that share a single census tract ranging from two to six. Census tracts are the smallest geographical area for which HMDA data are available, so it is impossible to determine which towns received the loans made in these 23 census tracts.

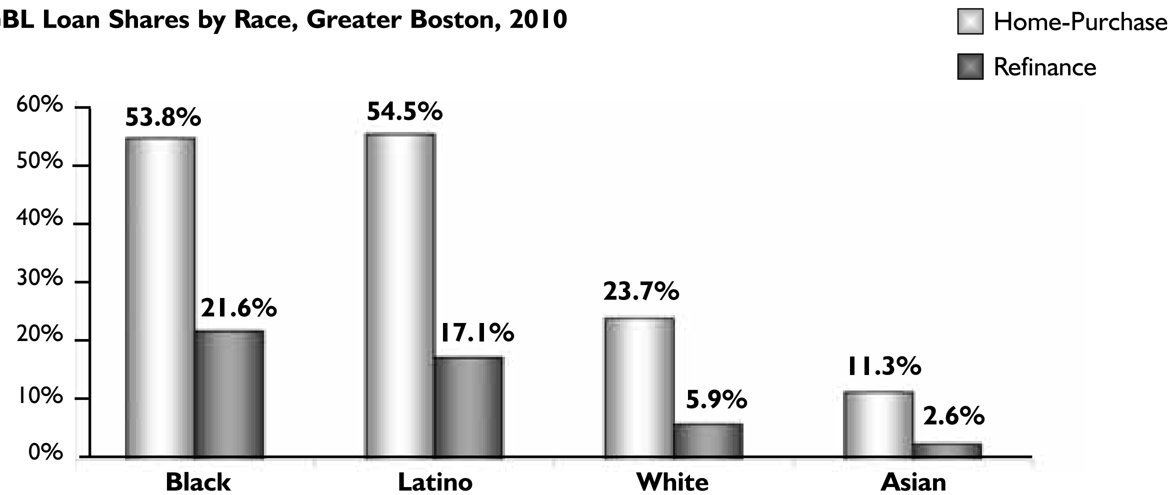
decrease steadily as income increases. When borrowers are classified by both race and income, substantial black/white and Latino/white disparities exist at every income level.[20]

- **Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2010 that were far below their shares of total households. In Boston, for example, blacks made up 21.1% of households but received only 5.4% of conventional home-purchase loans and 3.4% of conventional refinance loans.** Statewide, the black household share was 4.6%, but black loan shares were just 1.9% for prime home-purchase loans and 0.9% for prime refinance loans.[21] (Panel II of Table 4)

- **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total conventional loans in 2010 that were well below their shares of total households. In Boston, for example, Latinos made up 13.6% of households, but received only 3.5% of conventional home-purchase loans and 2.6% of conventional refinance loans.** Statewide, the Latino household share was 6.9%, but Latino loan shares were 2.6% for conventional home-purchase loans and just 1.3% for conventional refinance loans. (Panel II of Table 4)

- **Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs than were their white or Asian counterparts. For home-purchase loans in Greater Boston, for example, GBLs accounted for 53.8% of loans to blacks and 54.5% of loans to Latinos, but only 23.7% of loans to whites.** Accordingly, the black/white disparity ratio and the Latino/white disparity ratio were both 2.3. For refinance loans in Greater Boston in 2010, the GBL loan shares were smaller but the disparity ratios were greater: the GBL loan shares were 21.6% for blacks and 17.1% for Latinos, but only 5.9% for whites, for a black/white disparity ratio of 3.7 and a Latino/white disparity ratio of 2.9. The corresponding disparity ratios in the City of Boston were somewhat higher and those statewide were somewhat lower. GBL loan shares were consistently much *lower* for Asian borrowers than for whites. (Exhibit 3 & Table 4)

EXHIBIT 3: GBL Loan Shares by Race, Greater Boston, 2010



Source: Table 4

[20] 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. In addition, information on the share of all loans that went to borrowers at various income levels is presented in the bottom half of Table 9, and Appendix Table 4 and Chart A-4 provide data on the number and percentages of all loans that went to borrowers at different income levels in the City of Boston since 1990. This information is provided for readers who may be interested; none of it is discussed in the text of this report.

[21] The black and Latino household shares in this paragraph and the next are for 2008, calculated using data from the Census Bureau's American Fact Finder (www.census.gov). The black household shares both in Boston and statewide decreased slightly between 2000 and 2008: from 21.4% to 21.1% in Boston and from 4.7% to 4.6% statewide. The Latino household shares both in Boston and statewide increased between 2000 and 2008: from 10.6% to 13.6% in Boston and from 4.9% to 6.9% statewide. Calculations for 2000 were based on data in Tables H9 and H10 of Summary File 3 data. Calculations for 2008 were based on data in Tables B11001, B11001B, and B11001I of American Community Survey 1-year estimates for 2008. The method used for these calculations was consistent for the two dates.

- The dramatic racial/ethnic disparities in government-backed mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 2.0% of all conventional loans in 2010, their share of all GBL loans was three and one-half times greater—7.2%. Similarly, while Latino homebuyers received only 2.5% of all conventional loans in Greater Boston, their share of all GBL loans was 9.1%.** (Table 4, Panel II)

- **The general patterns of GBL 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 GBLs than of conventional loans, were also present in most of the state's largest cities.** Information for the state's thirty-three largest cities is presented in Tables 5–8; also see Exhibit 4.[22]

- **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2010 tend to decline steadily as the level of borrower income increases.** Statewide, for example, GBL shares of home-purchase loans were 44.3% for moderate-income borrowers, 37.7% for middle-income borrowers, 24.4% for high-income borrowers, and 7.5% for highest-income borrowers. For refinance lending statewide, GBL loan shares fell steadily from 8.1% of moderate-income borrowers to just 1.4% for the highest-income borrowers.[23] (The GBL shares for low-income borrowers were generally lower than those for moderate- and middle-income borrowers; this may reflect the role that targeted affordable mortgage programs play for low-income borrowers.) GBL lending to borrowers at different income levels in each of the state's thirty-three largest cities tended to follow the same general pattern. The median family income in the Boston MSA in 2010 was $89,500, so low-income borrowers there were those with incomes up to $44,000, moderate-income was from $45,000 to $71,000, middle-income was from $72,000 to $107,000, high-income was from $108,000 to $179,000, and highest-income borrowers were

EXHIBIT 4: Black and Latino Shares of All Home-Purchase Loans, Ten Biggest Cities in Massachusetts, 2010

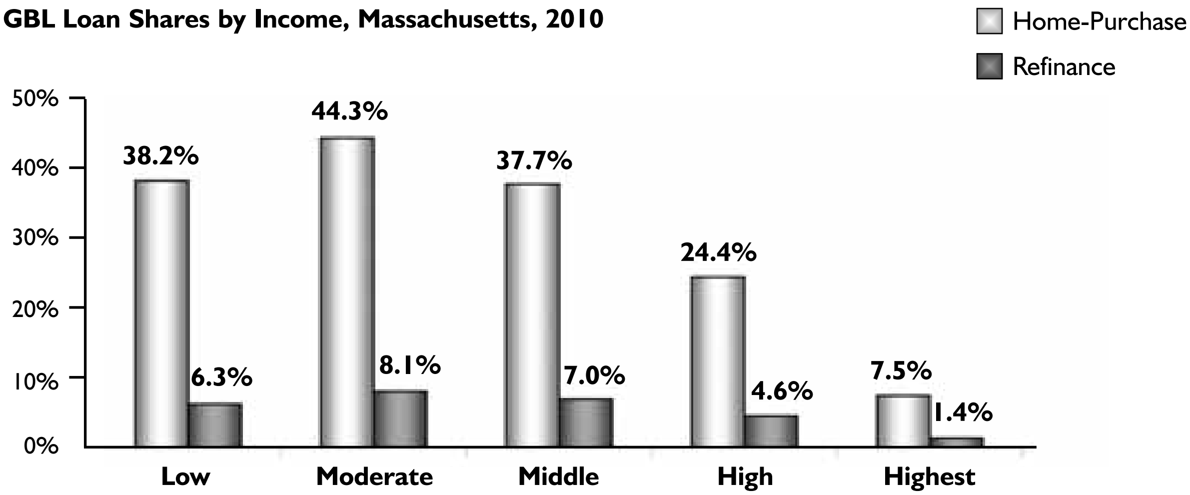
	Black share of total		Latino share of total	
	non-GBLs	GBLs	non-GBLs	GBLs
Boston	5.4%	18.4%	3.5%	11.6%
Worcester	5.1%	12.1%	8.3%	12.7%
Springfield	9.4%	18.3%	15.8%	27.7%
Lowell	1.6%	3.2%	3.9%	8.9%
Cambridge	2.4%	0.0%	2.6%	9.7%
Brockton	26.3%	41.6%	3.8%	12.0%
New Bedford	6.5%	5.2%	3.5%	10.9%
Fall River	0.7%	1.7%	1.4%	1.1%
Lynn	6.7%	7.4%	11.9%	28.8%
Quincy	2.4%	1.9%	1.1%	3.2%

Source: Table 6

22 Corresponding data for the state's fourteen counties and for all of its cities and towns is presented in Supplemental Tables 2–3 & 6–9.

23 It is interesting to note that HMDA data include no information on borrower income for more than one-third of the refinance GBLs in Massachusetts in 2010—see the "No Info" row in Panel I.B in Table 9. (In contrast, HMDA data include information on borrower income for over 99% both of home-purchase GBLs and of all conventional loans.) This reflects the FHA's "streamline refinance" program for borrowers refinancing from one FHA loan to another with no cash out; under this program, if a current appraisal shows that the property value is greater than the loan amount and if the borrower has a good payment history, then the lender need not verify or report the borrower's income.

EXHIBIT 5: GBL Loan Shares by Income, Massachusetts, 2010



Source: Table 9

those with incomes of $180,000 or more. [24, 25] (Tables 9 & 10 and Exhibit 5)

- **When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos are usually substantially higher than the GBL shares for white borrowers in the same income category.** This general pattern holds in Boston (Table 11), in Greater Boston (Table 12), and statewide (Table 13). For brevity, only one specific example will be provided here. **In the City of Boston, 48.0% of high-income blacks and 42.3% of high-income Latinos received their home-purchase loans in the form of GBLs, while the GBL loan share was 17.0% for high-income whites.** This means that among homebuyers with reported incomes between $108,000 and $179,000 or more, blacks were 2.8 times more likely to receive a GBL than their white counterparts, and Latinos were 2.5 times more likely than whites to receive their mortgage in the form of a GBL. (Tables 11–13)

IV. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where government-backed loans (GBLs) were made rather than on the characteristics of the *borrowers* who received such loans. Table 14 (Boston), Table 15 (Greater Boston), and Table 16 (Massachusetts) classify census tracts by both race/ethnicity and income level.[26] These tables provide clear evidence

24 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 three 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 only report borrower income to the nearest thousand dollars. See "Notes on Data and Methods" for more detailed information on metropolitan areas and MFIs.

25 Information on lending to borrowers at different income levels in the state's fourteen counties is provided in Supplemental Table 4.

26 Census tracts, defined 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 589,141 according to the 2000 census, has 157 census tracts. Census tracts are placed in racial/ethnic categories on the basis of percentages of minority and white households as reported in the 2000 census (minority households are all those for which the householder is other than a non-Latino white). A tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the Metropolitan Statistical Area (MSA) within which the tract is located. MFIs for geographical areas are from the 2000 decennial census. "Low-income" tracts are those with MFIs less than 50% of the MFI in the MSA; "moderate-income" tracts have MFIs from 50%–80% of the MFI in the MSA; "middle-income" tracts have MFIs from 80%–120% of the MFI in the MSA; and "upper-income" tracts are those with MFIs greater than 120% of the MFI in their MSA.

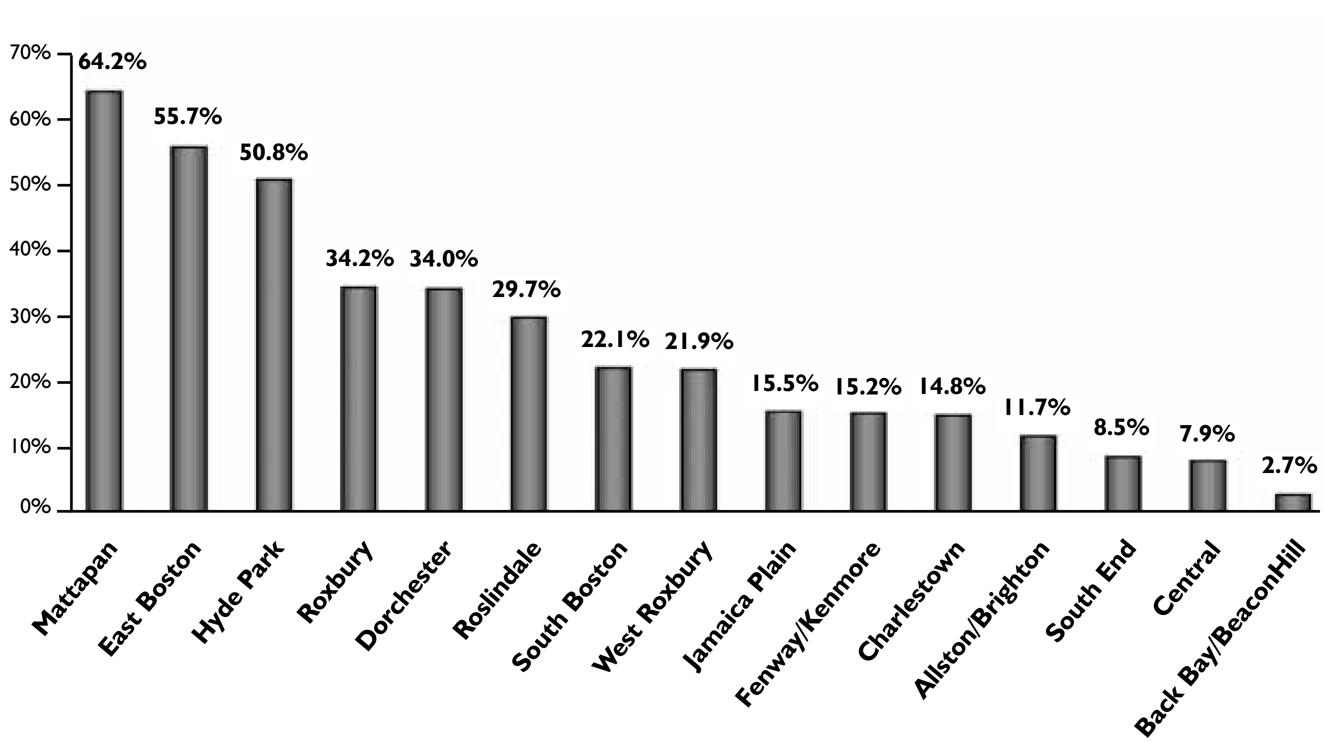
that GBLs are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where income levels are low (often, these are the same areas). The first two bullets illustrate this general pattern by summarizing results for home-purchase lending in Boston and refinance lending statewide.

❖ **For home-purchase loans in the City of Boston in 2010, the government-backed loan (GBL) share in low-income census tracts was four and one-half times greater than that in upper-income tracts (23.6% vs. 5.2%) and the GBL loan share in predominantly minority tracts (those with more than 75% minority households) was almost three times greater than that in predominantly white tracts (45.6% vs. 16.4%).** For tracts in the same income category, the GBL share tends to rise substantially as the percentage of minority households increases. The GBL loan shares were highest in the 61 census tracts where minorities constituted the majority of households (all of which tracts are low- or moderate-income). (Table 14)

❖ **For refinance loans in the state as a whole, the GBL loan share in low-income census tracts was 4.5 times greater than that in upper-income tracts (19.3% vs. 4.3%) and the GBL loan share in predominantly minority tracts was 3.4 times greater than in predominantly white tracts (26.2% vs. 7.6%).** The GBL loan shares are highest in low-income predominantly-minority census tracts. (Table 16)

❖ **Government-backed lending varied dramatically among Boston's major neighborhoods. For home-purchase loans, GBL shares ranged from 64.2% in Mattapan and 55.7% in East Boston to 2.7% in Back Bay/Beacon Hill. For refinance loans, GBL shares ranged from 26.3% in Mattapan to 0.8% in the South End.** The four Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, and Hyde Park—were all among the five neighborhoods with the highest GBL shares for both home-purchase and refinance lending. (Table 17 and Exhibit 6)

EXHIBIT 6: GBL Shares of Home-Purchase Loans, Boston Neighborhoods, 2010



Source: Table 17

- The same pattern emerges at the level of entire communities. For the 33 biggest cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on government-backed lending. Examination of these data shows that GBL 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, **the three cities with the highest GBL shares for home-purchase loans in 2010 had an average of 39.0% black plus Latino households and an average MFI of $38,110, while the four cities with the lowest GBL shares had an average of 5.1% black plus Latino households and an average MFI of $85,902.** (The high GBL-share cities are Lawrence, Brockton, and Springfield; the low GBL-share cities are Cambridge, Brookline, and Newton.)

- **Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others.** Just four cities (Boston, Brockton, Springfield, and Worcester) accounted for over one-half (50.3%) of total loans to blacks in Massachusetts; these same four communities accounted for only 10.7% of the state's total loans to whites. Eight communities (Lawrence, Boston, Springfield, Lynn, Revere, Worcester, Chelsea, and Methuen) accounted for over one-half (52.2%) of all lending to Latinos in the state, while accounting for just 12.4% of total lending to whites. At the same time, **blacks received no home-purchase loans in 196 of the state's 351 cities and towns, and only a single loan in 58 more, while there were 142 communities where Latinos received no loans and 70 more where they received just one. In 123 communities, over one-third (34.0%) of the state's cities and towns, there was not a single home-purchase loan to either a black or a Latino homebuyer.** (Calculated from data in Supplemental Table 6)

V. DENIALS OF MORTGAGE LOAN APPLICATIONS

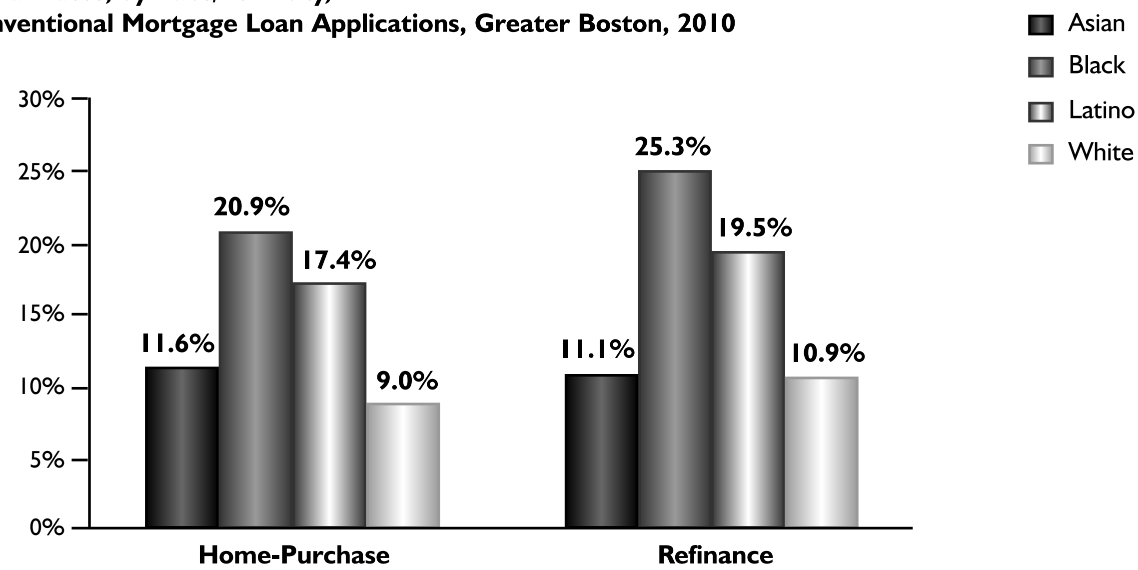
HMDA data include information not just on mortgage loans made, but also on all applications for mortgage loans, thereby making it possible to examine patterns of loan denials. The findings presented in this section are based on information presented in Tables 18 and 19 for Boston, Greater Boston, and 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 10.[27, 28]

- **In Boston, Greater Boston, and Massachusetts in 2010, the denial rates on conventional (i.e., non-government-backed) mortgage loan applications by blacks—both for home-purchase loans and for refinance loans—were in every case more than twice as high as the corresponding denial rates for whites, while denial rates for Latinos were more than one and one-half times as high as the white denial rates.** The black/white disparity ratios ranged from 2.01 to 2.32, while the Latino/white disparity ratios ranged from 1.55 to 2.21. Asian denial rates for applications for conventional home-purchase loans were modestly higher than those for whites; for conventional refinance loans, they were close to those for whites. (Table 18 and Exhibit 7)

27 In addition, Appendix Table 5 updates the table from earlier reports that provided information on overall denial rates and on denial rate disparity ratios in Boston, Massachusetts, and the U.S. since 1990. It shows that denial rates in 2010 fell modestly for Asians and blacks in Boston, for blacks in Massachusetts, and for all groups nationwide (all other denial rates were relatively unchanged). Black/white denial rate ratios in 2010 ranged from 2.01 in Boston to 2.51 nationwide, while Latino/white denial rate ratios ranged from 1.95 nationwide to 2.20 in Massachusetts.

28 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, separately for home-purchase and refinance loans.

EXHIBIT 7: Denial Rates, by Race/Ethnicity, Conventional Mortgage Loan Applications, Greater Boston, 2010



Source: Table 18

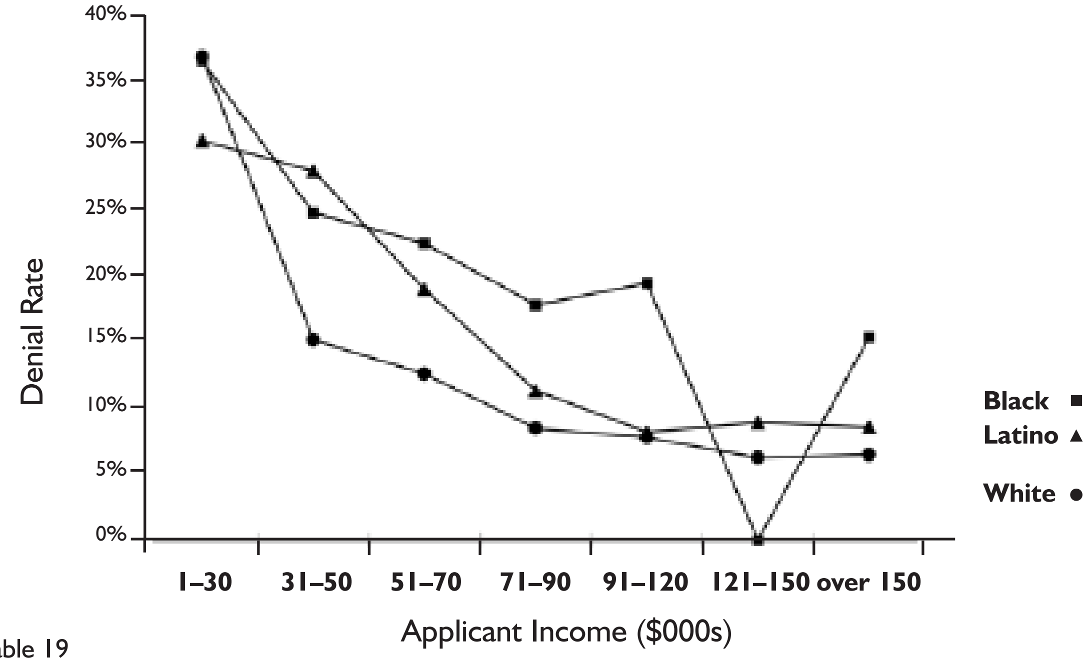
- **Although denial rates were higher for government-backed loans (GBLs) than they were for conventional loans, black/white and Latino/white denial rate disparity ratios for GBLs were considerably lower. These GBL denial rate disparity ratios, for both home-purchase and refinance lending, all fell in the relatively narrow range of 1.21 to 1.78.** Asian/white denial rate disparity ratios for GBLs were generally lower than the black/white and Latino/white ratios, but tended to be higher than the Asian/white disparity rate ratios for conventional loans. (Table 18)

- Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,[29] **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 2010 denial rates for blacks and for Latinos were in almost every case well above the denial rates for white applicants in the same income category, and there is no tendency for the denial rate disparity ratio to fall as income rises.** For example, in the state as a whole, black applicants with incomes over $150,000 experienced a denial rate of 14.3%, more than twice as high as the 6.7% denial rate experienced by their white counterparts; the 11.8% denial rate for Latinos in this income category was 1.8 times the white rate. (Table 19 and Exhibit 8)

- Appendix Tables 7 and 8 provide summary information on the stated reasons for loan denials to black, Latino, and white applicants for home-purchase and refinance loans, respectively, both overall and for two broad income groupings. **The stated reasons for loan denials are quite similar for blacks, Latinos, and whites, but differ substantially by the income level of applicants and between home-purchase and refinance applications. Overall, "Debt-to-Income Ratio" is the most frequently stated reason for home-purchase loan denials, with "Collateral" second, while these positions are reversed for refinance denials.** "Credit History" is the third most frequently cited reason for both types of loans. "Debt-to-Income Ratio" is substantially more important—and "Collateral" is less important—for low- and moderate-income applicants than for those with higher incomes.

29 For example, it can be calculated from the data in Table 19 that 61% of white applicants in Greater Boston had reported incomes of $91,000 or greater, compared to only 26% of black applicants and 30% of Latino applicants.

EXHIBIT 8: Denial Rates by Race & Income, Non-GBL Home-Purchase Loans, Greater Boston, 2010



Source: Table 19

VI. 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* consist of all banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions, plus most mortgage lending affiliates of these institutions. *Licensed Mortgage Lenders* consist of lenders who require a license from the state's Division of Banks in order to make mortgage loans in the state; these are primarily independent mortgage companies, but also include some subsidiaries and affiliates of non-Massachusetts banks. (Beginning in 2010, this category is limited to lenders that made at least fifty mortgage loans in Massachusetts during the year; in earlier years it includes all licensed lenders.) *Other Lenders* consist of all other lenders, primarily of out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.[30]

This three-way classification was adopted for the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender's Massachusetts mortgage lending (1) is covered by the state and/or federal Community Reinvestment Act (CRA); (2) is subject to similar oversight by the state (until recently, this oversight was potential; now it is actual, as explained in the following paragraph); or (3) is exempt from such state oversight.

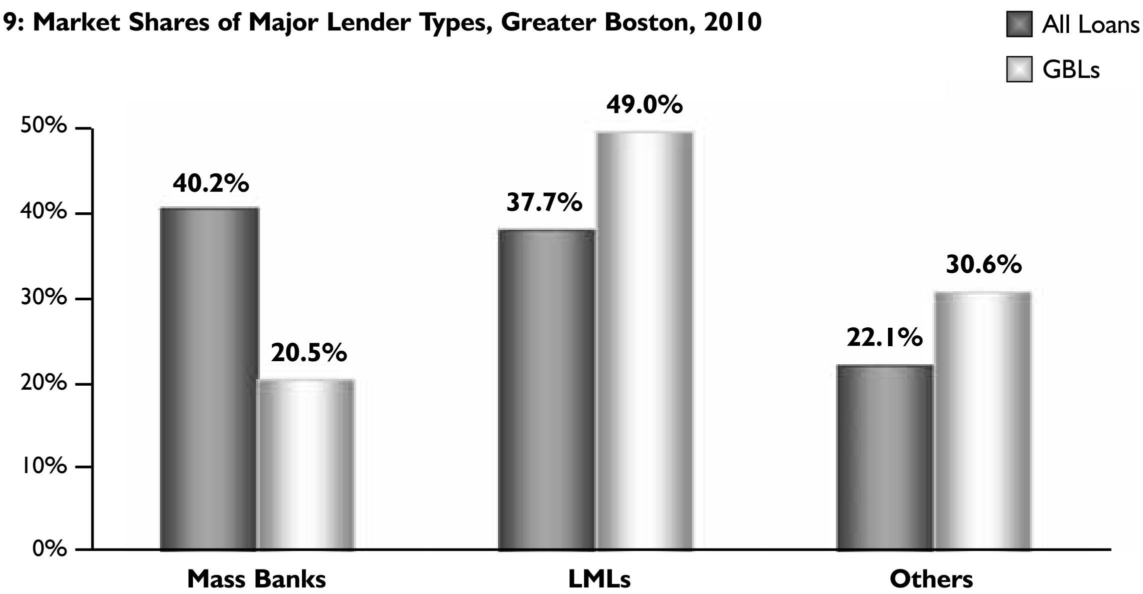
This classification has proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation. Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluations for licensed mortgage lenders (LMLs) in the 2007 *Act Protecting and Preserving Homeownership* that were implemented in the Division of Bank's Mortgage Lender Community Investment (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.

30 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.

❖ **Following four years of substantial increases, the home-purchase loan share of Massachusetts banks and credit unions fell slightly in 2010, to 45.3% in Boston (down from 47.5% the year before but still more than double the low point of 19.7% in 2005) and to 43.7% statewide (down from 45.1% the year before but far above their 23.6% loan share in 2005).** Table 20 shows how the shares of major categories of mortgage lenders have changed since 1990, following the same format—and the same lender categories—as the corresponding table in previous reports. For this table only, Licensed Mortgage Lenders and Other Lenders are combined into "Mortgage Companies and Out-of-State Banks."[31]

❖ **Massachusetts banks and credit unions accounted for a substantially larger share of total (home-purchase plus refinance) loans than of government-backed loans (GBLs), while the reverse was true for Licensed Mortgage Lenders.** Statewide, Massachusetts banks and credit unions accounted for 43.5% of all loans but only 20.9% of GBLs, while LMLs accounted for one-third (33.2%) of all loans, but for one-half (48.2%) of GBLs. Other Lenders accounted for 23.3% of total lending and 30.9% of GBLs. The same general pattern was true in the City of Boston and in Greater Boston. (Table 21 and Exhibit 9)

EXHIBIT 9: Market Shares of Major Lender Types, Greater Boston, 2010



Source: Table 21

❖ **GBLs made up a much larger share of total loans by LMLs and Other Lenders than of total loans by Massachusetts banks and credit unions. Statewide, for example, GBLs accounted for 19.7% of all loans by LMLs, and for 18.0% of all loans by Other Lenders, but for only 6.5% of all loans by Massachusetts banks and credit unions.** Again, the same general pattern was true in the City of Boston and in Greater Boston. (Table 22)

❖ Table 23 (Boston) and Table 24 (Massachusetts) present information on the shares of the total loans of each of the three major types of lenders that consisted of conventional loans (that is, non-government-backed loans) to traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of GBLs to these same borrowers and neighborhoods. **Massachusetts banks and credit**

[31] 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. In 2010, the biggest Boston banks consisted of Bank of America, RBS Citizens, and Sovereign. "Notes on Data and Methods" provides information on the banks included in the "Big Boston Bank" category in earlier years and on how the category of "subprime lenders" was defined for the years 2000–2009.

unions ("CRA-covered lenders") directed a substantially greater share of their total loans as conventional loans—and a substantially smaller share of their total loans as GBLs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders.[32] For home-purchase loans in Boston, for example, conventional loans to black borrowers made up 7.9% of all loans made by CRA-covered lenders, but only 0.9% of all loans by LMLs and 1.6% of all loans by Other Lenders. At the same time, GBL loans to black borrowers made up just 3.7% of all loans made by CRA-covered lenders, while making up 4.1% of the loans by LMLs and 5.4% of the loans by Other Lenders. (This same pattern holds for loans to Latino borrowers.) CRA-covered lenders directed 7.7% of their total loans to predominantly black and Latino low- and moderate-income (LMI) census tracts in the form of conventional loans, and only 3.5% in the form of GBLs. LMLs directed 2.0% of their total loans to these tracts in the form of conventional loans, and 3.6% in the form of GBLs; for Other Lenders, the corresponding percentages were 1.6% and 6.4%. The general patterns statewide are similar to those in Boston, although the percentages of total loans to black and Latino borrowers and to LMI census tracts are lower, reflecting the greater concentration of these borrowers and census tracts in Boston. (Tables 23 & 24)

VII. THE BIGGEST LENDERS

Who were the biggest lenders, both overall and for government-backed loans (GBLs)? Tables 25 and 26 present information on the 30 biggest overall lenders in the City of Boston and in Massachusetts. For each lender, these tables show the total number of loans, the total number of GBLs, and GBLs as a percentage of the total (for overall lending as well as for home-purchase and refinance loans separately). These tables include 18 of the 20 biggest GBL lenders in Boston and 19 of the 20 biggest GBL lenders statewide. Loans by lenders within the same "family" of related lenders are consolidated; information on the lending by individual lenders within each family is presented in Table 29.[33]

- ❖ **Bank of America was by far the biggest lender both in Boston and statewide in 2010.** In Boston, Bank of America made 1,580 total loans, while Wells Fargo and Mortgage Master ranked second and third with 1,016 and 964 loans, respectively.[34] In Massachusetts, Bank of America made 16,575 total loans, while Wells Fargo ranked second with 12,405 and Mortgage Master ranked third with 9,377. The next three places were taken by RBS Citizens (which ranked fourth in Boston and fifth statewide), Leader Bank/Mortgage (fifth in Boston, sixth statewide) and Sovereign ranked (sixth in Boston, fourth statewide).[35] (Tables 25 & 26)

- ❖ Although the market shares of the top five lenders in Boston (36.3%) and statewide (25.9%) were comparable to that of the top five lenders nationwide (29.4%), **the nation's biggest lenders played a relatively small role in Massachusetts. The top two lenders nationwide, Wells Fargo**

32 The contrast between the performance of CRA-covered lenders and all other lenders has been clear since the *Changing Patterns* series of reports was begun in the mid-1990s. It remains to be seen if the introduction of the state's Mortgage Lender Community Investment (MLCI) regulation—which imposes CRA-like requirements on LMLs—will result in changes in LML performance relative to the two other major types of lenders. The MCLI regime is relatively new (only twenty LMLs had received their initial evaluations and ratings by the end of 2010), and it is not surprising that no impact is obvious in the data reviewed here. It will be interesting to follow the relative performance of LMLs in future years.

33 A few years ago it was common for companies in the mortgage business to operate through two or more separate lenders, often doing most of their subprime lending through subsidiaries that specialized in such loans. As Table 29 indicates, however, almost all companies now operate through a single lender, while all but one of the rest do almost all of their lending through their main lender (Bank of America, 96.7%; Wells Fargo, 93.6%; CitiGroup, 95.4%). The single exception is Leader, which did two-thirds (66.1%) of its lending in 2010 through Leader Bank and the rest through Leader Mortgage Company.

34 Mortgage Master, Inc. is a privately-held mortgage company based in Walpole, Massachusetts, that currently has 39 offices in 11 states.

35 Leader Bank has no formal corporate connection to Leader Mortgage Company. However, the former's president and CEO owns and is chairman of the latter, so they are classified here as members of the same lending family.

EXHIBIT 10: The 5 Biggest Lending Families in Boston & Massachusetts
Home-Purchase & Refinance Loans Combined, 2010

	Boston			Massachusetts		
Rank	**Lender**	**Loans**	**Mkt Share**	**Lender**	**Loans**	**Mkt Share**
1	Bank of America	1,580	12.6%	Bank of America	16,575	8.0%
2	Wells Fargo	1,016	8.1%	Wells Fargo	12,405	6.0%
3	Mortgage Master	964	7.7%	Mortgage Master	9,377	4.5%
4	RBS Citizens	516	4.1%	Sovereign Bank	8,552	4.1%
5	Leader Bank/Mort	486	3.9%	RBS Citizens	6,498	3.1%
	Total, Top 5 Lenders	4,562	36.3%		53,407	25.9%
	Total, All Lenders	12,573	100.0%		206,388	100.0%

Source: Tables 25 & 26

and Bank of America, were also the top two lenders in the state, but their 14.0% combined market share here was well below their nationwide share of 21.2%. The third through fifth lenders nationwide—JPMorgan Chase, US Bank, and CitiGroup—ranked thirteenth, fifteenth, and thirty-second in the state; their combined 3.7% statewide market share was far lower than their nationwide share of 8.2%.[36]

❖ **Wells Fargo and Bank of America were Boston and the state's two biggest government-backed loan (GBL) lenders in 2010, with Mortgage Master ranking third in Boston and fourth in the state, and MetLife Bank ranking fourth in Boston and third statewide.** GBLs made up about the same share of total Massachusetts loans by Bank of America (14.2%) and Mortgage Master (12.6%) as they did for all lenders combined (13.5%); the GBL share of total lending was well above average for Wells Fargo (24.2%) and far above average for MetLife (40.2%). Together, the top five GBL lenders accounted for one-third (33.5%) of total GBLs made in Massachusetts in 2010. (Tables 25 & 26)

❖ **Of the top six lender families in Boston and the state, four had all or most of their Massachusetts lending covered by the CRA: Bank of America, Sovereign, RBS Citizens, and Leader. The lending of Mortgage Master, ranked third both in Boston and statewide, is now covered by the state's Mortgage Lender Community Investment (MLCI) regulations.** Of the thirty biggest lender families statewide, ten are (completely or partially) covered by CRA, seventeen are (completely or partially) covered by MLCI, and seven are (completely or partially) out-of-state banks. (Table 26)

❖ Table 27 (Boston) and Table 28 (Massachusetts) provide information on lending to blacks, Latino, and white borrowers by each of the lenders included in Tables 25 and 26 (listed in the same order). This information includes: total loans to each of these racial/ethnic groups, the percentage of government-backed loans (GBLs) for each group, and the disparity ratios for black/white and Latino/white GBL shares (calculated as the black [or Latino] GBL share divided by the white GBL share). **For the great majority of lenders, GBLs made up much greater shares of their total loans to blacks and Latinos than of their total loans to whites. For the top four GBL lenders in Boston, the average**

36 Nationwide market shares were calculated by the author from a database provided by Robert Avery of the Federal Reserve's Division of Research and Statistics. Because these nationwide market shares are based on *all* loans included in the 2010 HMDA data, they are not strictly comparable to the Massachusetts market shares in this report. Nevertheless, they are likely to be good approximations because 85% of total loans nationwide were first-lien home-purchase and refinance loans on owner-occupied homes. (This percentage calculated from data in Table 11 of Robert B. Avery, *et al.*, "The Mortgage Market in 2010," *Federal Reserve Bulletin*, 2011.)

black/white disparity ratio was 3.63 and the average Latino/white disparity ratio was 3.24. Statewide, the disparity ratios were somewhat smaller; for the top four lenders, the average black/white disparity ratio was 3.08 and the average Latino/white disparity ratio was 3.07.[37]

VIII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

This final section summarizes legislative and regulatory measures designed to prevent irresponsible mortgage lending that have been adopted in the aftermath of the implosion of the subprime mortgage industry.[38] The principal new law is the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, generally known as the Dodd-Frank Act (DFA), but other laws and regulations have also been significant.[39]

These measures fall into two major categories. The first is a broad set of substantive changes to the laws and regulations governing several aspects of the origination of mortgage loans. The second is a set of changes to the regulatory system itself.

In order to present a coherent summary in just a few pages, this presentation necessarily ignores many details. As anyone who has explored mortgage laws and regulations has discovered, things can get mind-numbingly complicated very rapidly, even when regulations are fully established. Much additional complication and uncertainty is introduced by the still far-from-complete process of implementing the new laws.

Changed Rules Related to the Origination of Mortgage Loans

There are important new rules governing several aspects of the mortgage lending process. Most of these are contained in Title XIV of the DFA, "The Mortgage Reform and Anti-Predatory Lending Act," which seeks to "assure that consumers are offered and receive residential mortgage loans on terms that reasonably reflect their ability to repay the loans and that are understandable and not unfair, deceptive or abusive." [Sec. 1402]

Registration and Licensing

In the past, there was nothing to stop individuals or companies convicted of predatory practices in one state to simply begin doing business somewhere else. *Now*, under terms of the SAFE Act, all companies and individuals who deal with consumers in the origination of mortgage loans (including brokers as well as employees of mortgage companies and of depositories) must register with, and be licensed through, a nationwide system that includes a repository of all enforcement actions. Consumers can use this database to obtain information about the individuals and companies with whom they are considering doing business. In addition, the system assigns to each licensed individual a unique life-long identification number that will be required to be entered on all loan documents, thereby increasing the ability to hold people accountable for their actions.[40]

Compensation for Loan Originators

In the past, many mortgage lenders paid their individual loan originators much more for putting

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37 Among these four lenders, Mortgage Master had the highest disparity ratios—both in Boston, where its black/white ratio was 4.5 and its Latino/white ratio was 4.6, and statewide, where its black/white ratio was 5.1 and its Latino/white ratio was 5.2. In May 2011, Massachusetts Attorney General Martha Coakley announced a settlement with Mortgage Master "as a result of a civil rights investigation into discriminatory practices against African-American borrowers." (Office of the Attorney General, Press Release, May 17, 2011).

38 This summary is limited to measures that address the origination of mortgage loans and thus excludes consideration of such related issues as mortgage servicing, the foreclosure process and foreclosure prevention, and the reform of the overall housing finance system.

39 The full text of the DFA is available at: http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf. In this version, the PDF document is 848 pages long. The two most relevant parts are Title X ("The Mortgage Reform and Anti-Predatory Lending Act," pp. 580–738) and Title XIV ("The Consumer Financial Protection Act," pp. 761–837).

40 The SAFE Act is the Secure and Fair Enforcement for Mortgage Licensing Act of 2008. The uniform system is the Nationwide Mortgage Licensing System & Registry (NMLS), which is operated by the Conference of State Banking Supervisors. Consumers currently have access to basic information about lending companies and individual loan originators; information about past enforcement actions against individuals will be added. Information about the NMLS is at: http://mortgage.nationwidelicensingsystem.org. For consumer access to the database: www.nmlsconsumeraccess.org.

borrowers into loans that were costlier and more risky than the best loans for which they were qualified, thereby making loan originator incentives directly counter to the best interests of their customers. *Now*, loan originator compensation cannot be based on the interest rate or any other term of the loan (thus eliminating the infamous yield-spread premiums) and originators cannot receive compensations from both lenders and borrowers. In addition, loan originators are prohibited from "steering" borrowers to loans that are inappropriate or abusive in specified ways.[41]

Appraisals

In the past, many irresponsible loans were facilitated by property appraisals that provided values based on what lenders wanted to hear, rather than on independent professional judgments. *Now*, the appraisal process is subject to enhanced rules and supervision. These include new rules for appraiser independence (no interested party can take any action that "compensates, coerces, extorts, colludes, instructs, induces, bribes, or intimidates" an appraiser); minimum federal standards for state licensing and regulation of appraisers and of appraisal management companies; and, for any higher-priced loan on a property being resold at a profit within 180 days of its acquisition, the requirement of a second appraisal that examines the basis of the alleged increase in value.[42]

Disclosures

In the past, many borrowers received loans whose rates and terms were much different than they had been led to expect. Lenders faced no penalties for providing inaccurate information on loan costs in advance of the loan closing (or even for failing to provide any information at all), and the voluminous and opaque disclosures at the time of closing served more to provide legal protection for lenders than to offer helpful information for borrowers. *Now*, the law requires major changes in the timing of disclosures, in their form, and in their content.

First, information on loan terms, monthly payments, and estimated closing costs—presented in a form that facilitates comparison of offers by competing lenders—must be mailed or delivered to applicants within three business days of a completed application, and there are limits on the extent to which these estimated costs can change. Second, the final loan terms and costs must be mailed or delivered to the borrower at least seven business days before the closing, using a single disclosure form that will replace the two forms currently used. Third, the new forms that are currently being developed for these disclosures highlight critical information that was previously often hidden. Such information includes: whether the loan is an adjustable rate loan and, if so, what is the initial monthly payment, the maximum possible payment in the first five years, and the maximum possible payment during the life of the loan; whether an escrow payment for taxes and insurance is included; whether the loan has a balloon payment or prepayment penalty; and the amount of total settlement costs and originator fees.[43]

Underwriting Standards

In the past, lenders were able to earn hefty fees by making loans to borrowers whose incomes and other circumstances provided no hope of their being able to make the required monthly payments; many borrowers were deceived about the terms of their loans, while others expected that rising home values would enable them to refinance their loans. *Now*, lenders will be prohibited from making a mortgage loan without first verifying and documenting the

41 These changes are currently in effect under a final rule issued by the Federal Reserve on August 16, 2010 that became effective in April 2011. Stronger rules mandated by the DFA (in Sec. 1403) have not yet been implemented.

42 Appraisal issues are addressed in Secs. 1471–1474 of the DFA. Other efforts to ensure accurate and honest appraisals include the adoption of a Home Valuation Code of Conduct by Fannie Mae and Freddie Mac, under an agreement with their federal regulator and the New York State Attorney General.

43 Some of these changes were mandated in the Mortgage Disclosure Improvement Act of 2008 and are currently in effect, others are mandated in Sec. 1419 of the DFA and are not yet implemented. The DFA instructs the Consumer Financial Protection Bureau (CFPB) to create a single disclosure form to replace the Truth in Lending Act disclosure form now required by the Fed and the HUD-1 disclosure form now required by the Real Estate Settlement Procedures Act. The CFPB has placed a high priority on producing both the shopping and closing versions of the new form as part of their "Know Before You Owe" initiative. See: www.consumerfinance.gov/knowbeforeyouowe.

borrower's ability to repay it. The assessment of ability to repay must be based on a monthly payment schedule that uses the fully indexed rate in the case of an adjustable rate loan, takes into account the higher future payments required by any negative amortization in the loan's early years, and includes the cost of property taxes, homeowner insurance premiums, and condominium assessments.

Lenders will be assumed to have met this ability to repay standard, and therefore be protected from liability, for "qualified mortgages" (QMs) that satisfy stronger criteria. For a loan to be a QM, the assessment of ability to repay must include verification and documentation of income and financial resources, must be based on the maximum interest rate possible during the loan's first five years, and must use a set of still-unspecified debt-to-income standards. It is possible (although far from certain) that most lenders will decide to make only QM loans, so that these higher standards will become the industry norm.[44]

Prohibited Loan Features

In the past, millions of loans contained inherently predatory features that benefited lenders at the expense of borrowers. *Now*, the most important of these features will not be allowed: pre-payment penalties that trapped borrowers in bad loans; mandatory binding arbitration provisions that denied borrowers the possibility of their day in court; and single-payment credit insurance policies.

Additional features are prohibited from "qualified mortgages" (QMs)—which may, as noted just above, constitute the bulk of future mortgage lending. QMs cannot have repayment schedules that involve negative amortization, or a period of interest only payments, or a balloon payment (defined as a payment more than twice as large as the average of all preceding payments); their terms cannot be longer than thirty years; and they cannot have points and fees whose total amount exceeds three percent of the principal amount of the loan.[46]

Risk Retention

In the past, companies that issued securities backed by collections of mortgages sometimes kept none of the securities for themselves, thereby reducing their incentive to ensure that the mortgages backing the securities were of high quality. *Now*, private companies that issue mortgage-backed securities will be required to retain at least five percent of these securities, thereby subjecting themselves to sharing in the risk of any losses that result from non-repayment of the mortgages and increasing their financial interest in carefully screening the loans that they buy. However, securitizers will not have to retain any share of securities that are backed entirely by "qualified residential mortgages" (QRMs), mortgages regarded as so safe that risk retention would be superfluous. There is great uncertainty, and much disagreement, about the potential impacts of the risk retention requirement and the QRM exception.[47]

44 The general ability to repay requirements are in Sec. 1411 of the DFA and the stronger requirements for QMs are in Sec. 1412. The regulations proposed by the Fed to implement these requirements (see its Press Release of April 19) were completely wrong-headed and confusing (don't ask!); these created a mess that will have to sorted out by the CFPB, which is responsible for issuing final rules.

45 The prohibitions are contained in Section 1414 of the DFA. Prepayment penalties are not completely banned but are permitted in such a narrow class of loans—and so limited in the cases where they are permitted—that they might as well be; they are prohibited from all adjustable rate loans and are allowed only in prime fixed rate QMs where their potential cost will be included in the calculation of the three percentage point cap on total points and fees. Single-payment credit insurance and mandatory binding arbitration are prohibited only for loans on owner-occupied homes.

46 These prohibitions are among the criteria for QMs contained in Sec. 1412 of the DFA.

47 Risk retention and QRMs involve a number of complex and controversial issues beyond the scope of this brief summary. They are included in Sec. 941 of the DFA, under Title IX ("Investor Protections and Improvements to the Regulation of Securities"), rather than under the consumer protection titles, and their provisions will be implemented by regulations jointly issued by six federal agencies. An initial proposed rule (*Federal Register*, April 29, 2011, p. 24089), based on the regulators' belief that Congress intended risk-retention to be the norm, even for QMs, defined QRMs quite narrowly. This proposal met intense opposition, not only from industry, but also from some consumer groups that were concerned that a narrow definition of QRMs could lead to a dual mortgage market where traditionally underserved borrowers, unable to qualify for QRMs, would be limited to significantly more expensive mortgage loans, or even excluded from mortgage lending altogether. (For an example of this concern see the comments of the Center for Responsible Lending: http://www.responsiblelending.org/mortgage-lending/policy-legislation/regulators/Final-CRL-QRM-Comments.pdf). Other consumer advocates supported the regulators' approach, believing that having only a small fraction of exceptionally safe loans classified as QRMs would minimize the possibility of a dual mortgage market, and doubting that risk retention would add any significant cost to non-QRM mortgages. (For an example of this position, which the author of the present report finds much more persuasive, see the comments of the National Consumer Law Center: http://www.nclc.org/images/pdf/car_sales/qrm_comments.pdf).

Changes to the System of Regulation and Enforcement

As significant as the changes in laws and regulations summarized above are, no set of rules can succeed in eliminating predatory lending unless it is vigorously and effectively enforced and is updated in a timely manner in response to ongoing innovations by predatory lenders. Conversely, even in the absence of any of these welcome new measures, the explosive growth of predatory subprime lending in the preceding decade could have been checked if regulators had responded resourcefully and aggressively using legal authority that they already had. Thus, while the extensive substantive reforms to the rules covering mortgage origination are important, they are perhaps less important than the Dodd-Frank Act's legislated changes to the institutions and rules of the regulatory system.[48]

An Agency with Protection of Financial Consumers as its Primary Goal

In the past, at every agency that was involved in the regulation of mortgage lending, the goal of consumer protection was distinctly subordinate to other agency goals and thereby suffered from neglect in some cases and from being sacrificed to higher-ranking objectives in others. *Now*, the Consumer Financial Protection Bureau (CFPB), which came into existence in July 2011, has consumer protection as its primary mission. The CFPB is in charge of writing the rules and regulations that implement the laws governing mortgage lending and it provides a single, centralized institutional locus for federal efforts to enable consumers to make informed decisions and to protect them from unfair, deceptive, and abusive practices.[49]

Uniform Regulation of all Mortgage Lenders

In the past, mortgage lending by depositories (banks and credit unions) was overseen by one of five different federal regulators, depending on what type of depository it was. Mortgage lending by independent mortgage companies, who made the majority of subprime loans, was essentially unregulated at the federal level.[50] Lenders, in effect, could choose their own regulators, and some regulators—particularly the OCC and the OTS—sought to bring lenders under their jurisdiction by touting the industry-friendly nature of their regulation.[51] *Now*, all mortgage lenders are subject to the same rules. The CFPB has sole power for writing these rules, and it has primary supervision and enforcement powers over all mortgage lenders, except for depositories with less than ten billion dollars in assets.[52]

Increased Concern with Fair Lending

In the past, there was almost no enforcement of federal fair lending laws, in spite of voluminous *prima facie* evidence of pervasive discrimination against black and Latino borrowers and neighborhoods by mortgage lenders. *Now*, the creation of new offices within federal agencies signals a higher priority on enforcing laws against mortgage lending discrimination. The CFPB has an Office of Fair Lending & Equal Opportunity that has equal status on its organizational chart with the three other

48 Of course, actual regulatory actions and outcomes depend not only on institutional structures and the substance of laws and regulations (as discussed here), but also on the individuals who occupy key positions and the external pressures that are brought to bear on the regulatory process.

49 Title X of the DFA ("The Consumer Financial Protection Act") mandates creation of the CFPB and assigns it primary responsibility for rule-writing, supervision, and enforcement related to a set of eighteen "enumerated consumer laws" (listed in Sec. 1002); those with the greatest relevant to mortgage lending include the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Home Ownership and Equity Protection Act, the Real Estate Settlement Procedures Act, the SAFE Mortgage Licensing Act, and the Truth in Lending Act. However, the CFPB's authority is not limited to these laws—the DFA (Sec. 1031) also grants it sweeping authority to prohibit whatever "unfair, deceptive, and abusive acts and practices" it may become aware of.

50 Although the Federal Reserve was given the power, in the Home Ownership and Equity Protection Act of 1994, to prohibit acts or practices (for any mortgage loan) that it determined to be "unfair" or "deceptive" as well as acts and practices (for any refinance loan) that it found to be "associated with abusive lending practices or…otherwise not in the best interest of the borrower," it chose not to exercise this power until after the implosion of the subprime mortgage industry.

51 The OCC is the Office of the Comptroller of the Currency which has primary responsibility for national banks; the OTS was the Office of Thrift Supervision, which had primary responsibility for federally-chartered savings institutions until its functions were absorbed into the OCC in July 2011 and it ceased to exist as a separate entity. Regulatory agency revenues depended, in part, on fees paid by the banks they regulated.

52 For depositories with assets below $10 billion, supervision and enforcement of consumer protection laws will be done by their primary regulators, although the CFPB may choose to participate in examinations.

units in its Division of Supervision, Enforcement, and Fair Lending & Equal Opportunity.[53] In addition, structural changes within the Department of Justice highlight its increased concern with ending lending discrimination: its Civil Rights Division now has a Special Counsel for Fair Lending and a dedicated Fair Lending Unit for housing.[54]

State Power to Enforce Their Own Laws

In the past, when state Attorneys General acted to protect their states' citizens from abusive or discriminatory behavior by federally-chartered banking institutions, the primary federal regulators of these institutions (the OCC and the OTS) put great effort into protecting "their" banks from state enforcement actions, while putting essentially no effort of their own into investigating and punishing the illegal behavior identified by state regulators. In this aggressive assertion of federal preemption of state law, the federal regulators acted as if state regulators were their enemies, rather than their allies in the effort to protect consumers. *Now*, federal preemption of state laws is significantly reduced, in four ways. First, subsidiaries of national banks are now fully subject to state laws. Second, federal savings institutions are now subject to same preemption rules as national banks (they were previously subject to more far-reaching preemption). Third, regulations issued by the CFPB will provide "floors, rather than ceilings"; that is, states are explicitly allowed to enact and enforce stronger protections for their own citizens. Fourth, the standards to be used by the OCC in justifying preemption of state laws (and to be used by federal courts in reviewing OCC claims of preemption) are significantly narrowed.[55]

Concluding Comments

Overall, these substantive and structural changes represent a dramatic and comprehensive strengthening of governmental ability to prevent irresponsible and harmful mortgage lending in the future. In fact, these changes correspond quite closely to the "key elements of a reformed system for regulating mortgage lending" that were identified two years ago in a "Policy Brief" prepared for the Economists' Committee for Stable, Accountable, Fair and Efficient Financial Reform (SAFER) by the present author.[56]

Nevertheless, only the years ahead will reveal the actual impact of these new measures in the context of future developments in mortgage markets and the housing finance system and of ongoing political struggles over financial industry regulation.

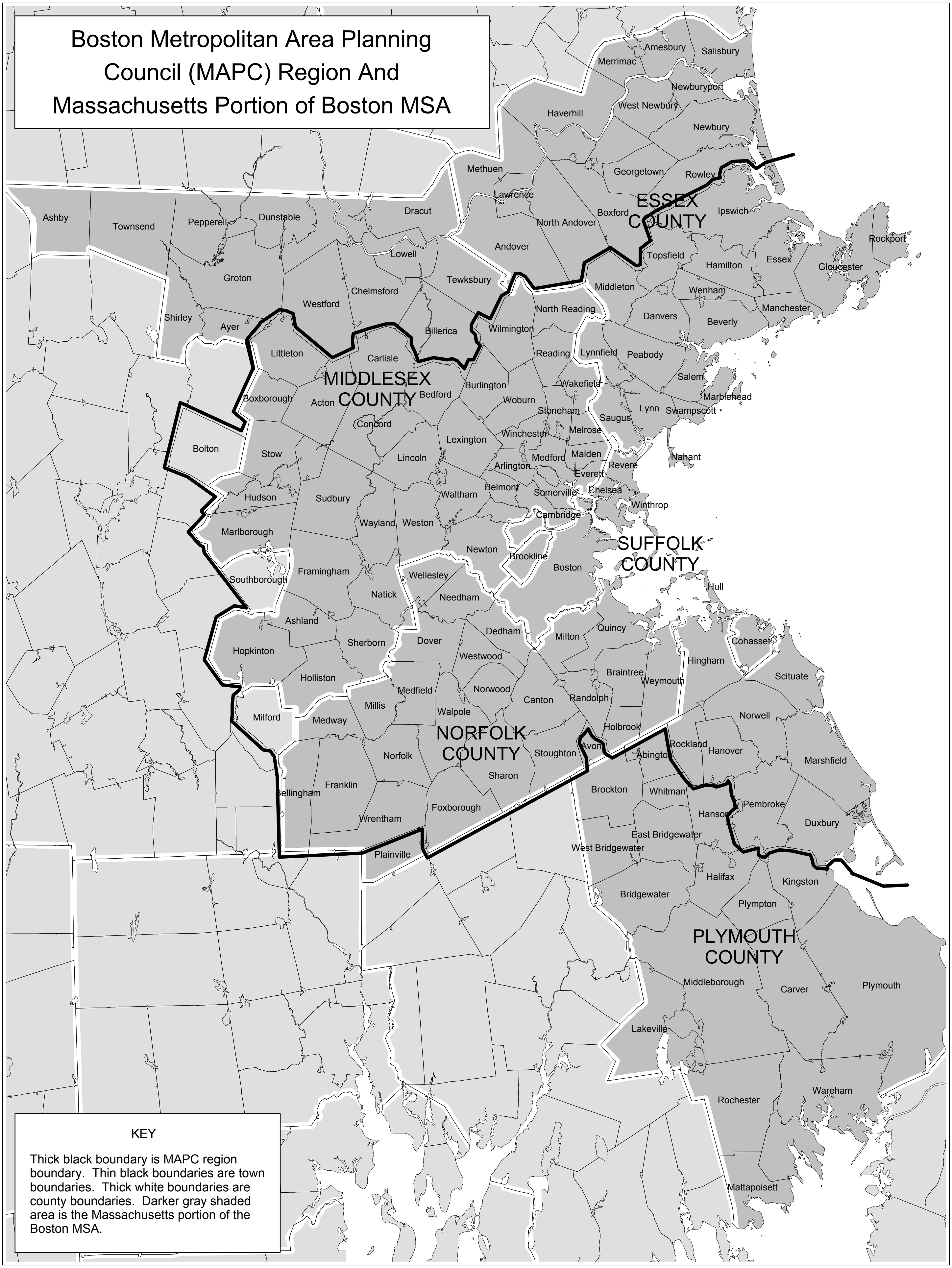
53 The establishment of this office was mandated by Sec. 1026 of the DFA. The other three units are Large Bank Supervision, Non-Bank Supervision, and Enforcement. The CFPB organizational chart is available at: www.consumerfinance.gov/the-bureau.

54 In addition, the ability of regulators to carry out effective initial screenings to identify potential discrimination by lenders will be significantly enhanced by the DFA's mandate (in Sec. 1094) of expanded data reporting under the Home Mortgage Disclosure Act (HMDA). The new data, collected on every mortgage application and loan, will include information on the borrower (e.g., credit score) and the loan (e.g., loan-to-value ratio) that will help to determine whether observed racial or ethnic disparities in lending outcomes could be accounted for by factors other than discriminatory behavior by lenders.

55 These issues are addressed in Secs. 1041 and 1044–1046 of the DFA. In addition, state authorities are explicitly authorized (in Sec. 1042) to enforce all rules and regulations issued by the CFPB. This is significant because the scale and scope of mortgage lending activity is so great that federal enforcement alone is bound to be insufficient; having more cops on the beat increases the likelihood of effective enforcement.

56 Jim Campen, "Reforming Mortgage Lending," SAFER Policy Brief #8, October 19, 2009. Available at: www.peri.umass.edu/fileadmin/pdf/other_publication_types/SAFERbriefs/SAFER_issue_brief8.pdf. The only potential reforms identified there that were not enacted were: a fiduciary duty for mortgage brokers, assignee liability for holders of mortgages sold by the mortgage originators, and modernization of the Community Reinvestment Act.

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.

TABLE 1

Total and Government-Backed Loans (GBLs), 2004–2010

Boston, Greater Boston, and Massachusetts

First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed
A. HOME-PURCHASE LOANS									
2004	8,658	52	0.6%	46,819	495	1.1%	98,297	3,404	3.5%
2005	8,330	32	0.4%	44,583	229	0.5%	94,286	1,832	1.9%
2006	7,052	42	0.6%	36,538	295	0.8%	76,984	1,589	2.1%
2007	5,718	70	1.2%	30,982	472	1.5%	62,973	1,959	3.1%
2008	4,472	458	10.2%	25,928	3,527	13.6%	51,279	10,228	19.9%
2009	4,160	810	19.5%	26,263	6,486	24.7%	51,901	16,996	32.7%
2010	3,958	902	22.8%	24,602	6,072	24.7%	47,699	15,352	32.2%
B. REFINANCE LOANS									
2004	10,996	75	0.7%	79,579	413	0.5%	177,135	1,982	1.1%
2005	9,157	28	0.3%	62,947	188	0.3%	146,120	926	0.6%
2006	6,635	36	0.5%	43,625	212	0.5%	103,877	1,997	1.9%
2007	4,882	85	1.7%	34,185	504	1.5%	78,322	2,036	2.6%
2008	4,443	274	6.2%	34,763	2,035	5.9%	70,957	7,192	10.1%
2009	9,489	745	7.9%	91,362	6,216	6.8%	171,161	16,544	9.7%
2010	8,615	608	7.1%	89,394	5,277	5.9%	158,689	12,592	7.9%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	127	0.6%	126,398	908	0.7%	275,432	5,386	2.0%
2005	17,487	60	0.3%	107,530	417	0.4%	240,406	2,758	1.1%
2006	13,687	78	0.6%	80,163	507	0.6%	180,861	3,586	2.0%
2007	10,600	155	1.5%	65,167	976	1.5%	141,295	3,995	2.8%
2008	8,915	732	8.2%	60,691	5,562	9.2%	122,236	17,420	14.3%
2009	13,649	1,555	11.4%	117,625	12,702	10.8%	223,062	33,540	15.0%
2010	12,573	1,510	12.0%	113,996	11,349	10.0%	206,388	27,944	13.5%

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

Note: The great majority of government-backed loans in 2010 were insured by the Federal Housing Administration (FHA). Statewide, the FHA accounted for 89.2% of home-purchase GBLs and 92.1% of refinance GBLs.

Of total GBLs in Boston -- FHA: 1,406 (93.1%); VA: 103 (6.8%); USDA: 1 (0.1%).

Of total GBLs in Greater Boston -- FHA: 10,661 (93.9%); VA: 665(5.9%); USDA: 23 (0.2%).

Of total GBLs in Massachusetts -- FHA: 25,293 (90.5%); VA: 2,257 (8.1%); USDA: 394 (1.4%).

TABLE 2
Total and High-APR Loans (HALs), 2004–2010
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%
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%
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%

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, while data for last three months of 2009, and for later years, were reported under the new rule

TABLE 3
Total and Gov't-Backed Loans (GBLs) in the 33 Biggest Cities & Towns in Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2010

	Home-Purchase Loans			Refinance Loans			% Black House-holds	% Latino House-holds	Median Family Income
	All Loans	Govt-Backed Loans	% GBLs	All Loans	Govt-Backed Loans	% GBLs			
Arlington	482	58	12.0%	1,886	36	1.9%	1.6%	1.3%	$78,741
Attleboro	342	174	50.9%	882	152	17.2%	1.6%	3.1%	$59,112
Barnstable	290	100	34.5%	1,045	82	7.8%	2.4%	1.1%	$54,026
Boston	3,958	902	22.8%	8,615	608	7.1%	21.4%	10.8%	$44,151
Brockton	602	442	73.4%	706	179	25.4%	16.9%	6.4%	$46,235
Brookline	504	24	4.8%	1,999	21	1.1%	2.4%	2.8%	$92,993
Cambridge	692	31	4.5%	1,902	30	1.6%	10.5%	5.2%	$59,423
Chicopee	392	189	48.2%	597	126	21.1%	1.7%	6.1%	$44,136
Fall River	320	179	55.9%	709	168	23.7%	2.1%	2.3%	$37,671
Framingham	443	156	35.2%	1,501	134	8.9%	4.2%	7.8%	$67,420
Haverhill	532	254	47.7%	1,183	188	15.9%	1.8%	6.1%	$59,772
Lawrence	423	333	78.7%	287	88	30.7%	2.0%	50.6%	$31,809
Leominster	266	114	42.9%	697	96	13.8%	3.1%	8.7%	$54,660
Lowell	592	282	47.6%	993	173	17.4%	3.4%	11.4%	$45,901
Lynn	561	351	62.6%	892	157	17.6%	9.0%	13.2%	$45,295
Malden	323	142	44.0%	773	82	10.6%	7.4%	3.6%	$55,557
Medford	403	113	28.0%	1,324	123	9.3%	5.4%	1.7%	$62,409
Methuen	379	200	52.8%	997	153	15.3%	0.8%	7.1%	$59,831
New Bedford	447	248	55.5%	782	182	23.3%	4.5%	7.4%	$35,708
Newton	705	43	6.1%	3,851	53	1.4%	1.4%	1.6%	$105,289
Peabody	295	121	41.0%	1,313	149	11.3%	0.8%	2.6%	$65,483
Pittsfield	291	35	12.0%	610	44	7.2%	3.1%	1.3%	$46,228
Plymouth	479	190	39.7%	1,489	185	12.4%	1.1%	0.6%	$63,266
Quincy	603	154	25.5%	1,746	157	9.0%	2.2%	1.6%	$59,735
Revere	328	185	56.4%	505	95	18.8%	2.6%	6.3%	$45,865
Salem	339	130	38.3%	818	112	13.7%	2.1%	7.4%	$55,635
Somerville	536	72	13.4%	1,217	65	5.3%	5.4%	5.7%	$51,243
Springfield	806	541	67.1%	910	229	25.2%	19.4%	21.8%	$36,285
Taunton	416	219	52.6%	870	142	16.3%	2.4%	3.0%	$52,433
Waltham	432	108	25.0%	1,504	96	6.4%	3.6%	5.9%	$64,595
Westfield	253	97	38.3%	641	73	11.4%	0.7%	3.7%	$55,327
Weymouth	425	185	43.5%	1,427	194	13.6%	1.5%	1.1%	$64,083
Worcester	1,026	521	50.8%	1,656	294	17.8%	5.9%	11.8%	$42,988

Note: Data on percentage of Black and Latino households and on Median Family Income are from the 2000 Census.

TABLE 4
Total and Government-Backed Loans (GBLs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2010

I. GBLs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER

Borrower Race/ Ethnicity	City of Boston All Loans	City of Boston Govt-Backed Loans	City of Boston % Govt-Backed	City of Boston Ratio to White %	Greater Boston All Loans	Greater Boston Govt-Backed Loans	Greater Boston % Govt-Backed	Greater Boston Ratio to White %	Massachusetts All Loans	Massachusetts Govt-Backed Loans	Massachusetts % Govt-Backed	Massachusetts Ratio to White %
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS												
Asian	317	37	11.7%	0.65	2,362	266	11.3%	0.48	3,301	496	15.0%	0.49
Black	332	166	50.0%	2.79	818	440	53.8%	2.27	1,532	931	60.8%	1.97
Latino	212	105	49.5%	2.77	1,017	554	54.5%	2.30	2,319	1,481	63.9%	2.07
White	2,548	456	17.9%	1.00	17,821	4,219	23.7%	1.00	36,378	11,211	30.8%	1.00
Other*	13	4	30.8%		67	21	31.3%		138	52	37.7%	
No Info ^	536	134	25.0%		2,517	572	22.7%		4,031	1,181	29.3%	
Total	3,958	902	22.8%		24,602	6,072	24.7%		47,699	15,352	32.2%	
B. GBLs AS PERCENT OF ALL REFINANCE LOANS												
Asian	512	22	4.3%	0.74	6,374	163	2.6%	0.44	8,862	260	2.9%	0.37
Black	379	103	27.2%	4.68	1,017	220	21.6%	3.69	1,712	423	24.7%	3.12
Latino	259	48	18.5%	3.19	1,306	223	17.1%	2.91	2,358	486	20.6%	2.60
White	6,407	372	5.8%	1.00	71,348	4,188	5.9%	1.00	129,970	10,295	7.9%	1.00
Other*	25	1	4.0%		213	21	9.9%		391	40	10.2%	
No Info ^	1,033	62	6.0%		9,136	462	5.1%		15,396	1,088	7.1%	
Total	8,615	608	7.1%		89,394	5,277	5.9%		158,689	12,592	7.9%	

II. SHARES OF ALL LOANS, NON-GBLs, AND GBLs, BY RACE/ETHNICITY OF BORROWER

Borrower Race/ Ethnicity	City of Boston All Loans	City of Boston % of All Loans	City of Boston % of Non-GB Loans	City of Boston % of GB Loans	Greater Boston All Loans	Greater Boston % of All Loans	Greater Boston % of Non-GB Loans	Greater Boston % of GB Loans	Massachusetts All Loans	Massachusetts % of All Loans	Massachusetts % of Non-GB Loans	Massachusetts % of GB Loans
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Asian	317	8.0%	9.2%	4.1%	2,362	9.6%	11.3%	4.4%	3,301	6.9%	8.7%	3.2%
Black	332	8.4%	5.4%	18.4%	818	3.3%	2.0%	7.2%	1,532	3.2%	1.9%	6.1%
Latino	212	5.4%	3.5%	11.6%	1,017	4.1%	2.5%	9.1%	2,319	4.9%	2.6%	9.6%
White	2,548	64.4%	68.5%	50.6%	17,821	72.4%	73.4%	69.5%	36,378	76.3%	77.8%	73.0%
Other*	13	0.3%	0.3%	0.4%	67	0.3%	0.2%	0.3%	138	0.3%	0.3%	0.3%
No Info ^	536	13.5%	13.2%	14.9%	2,517	10.2%	10.5%	9.4%	4,031	8.5%	8.8%	7.7%
Total	3,958	100.0%	100.0%	100.0%	24,602	100.0%	100.0%	100.0%	47,699	100.0%	100.0%	100.0%
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS												
Asian	512	5.9%	6.1%	3.6%	6,374	7.1%	7.4%	3.1%	8,862	5.6%	5.9%	2.1%
Black	379	4.4%	3.4%	16.9%	1,017	1.1%	0.9%	4.2%	1,712	1.1%	0.9%	3.4%
Latino	259	3.0%	2.6%	7.9%	1,306	1.5%	1.3%	4.2%	2,358	1.5%	1.3%	3.9%
White	6,407	74.4%	75.4%	61.2%	71,348	79.8%	79.8%	79.4%	129,970	81.9%	81.9%	81.8%
Other*	25	0.3%	0.3%	0.2%	213	0.2%	0.2%	0.4%	391	0.2%	0.2%	0.3%
No Info ^	1,033	12.0%	12.1%	10.2%	9,136	10.2%	10.3%	8.8%	15,396	9.7%	9.8%	8.6%
Total	8,615	100.0%	100.0%	100.0%	89,394	100.0%	100.0%	100.0%	158,689	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 appplication" or "not available."

TABLE 5

Total and Government-Backed Loans (GBLs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2010

	Black Borrowers			Latino Borrowers			White Borrowers			GBL Share Disparity Ratios	
	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	Black/ White	Latino/ White
Arlington	2	1	50.0%	4	1	25.0%	341	38	11.1%	4.49	2.24
Attleboro	15	12	80.0%	13	7	53.8%	287	144	50.2%	1.59	1.07
Barnstable	5	3	60.0%	8	6	75.0%	248	78	31.5%	1.91	2.38
Boston	332	166	50.0%	212	105	49.5%	2,548	456	17.9%	2.79	2.77
Brockton	226	184	81.4%	59	53	89.8%	257	165	64.2%	1.27	1.40
Brookline	6	1	16.7%	10	1	10.0%	358	18	5.0%	3.31	1.99
Cambridge	16	0	0.0%	20	3	15.0%	461	18	3.9%	0.00	3.84
Chicopee	7	4	57.1%	25	17	68.0%	347	163	47.0%	1.22	1.45
Fall River	4	3	75.0%	4	2	50.0%	290	157	54.1%	1.39	0.92
Framingham	13	7	53.8%	37	24	64.9%	324	100	30.9%	1.74	2.10
Haverhill	7	2	28.6%	46	39	84.8%	412	190	46.1%	0.62	1.84
Lawrence	6	5	83.3%	328	270	82.3%	62	43	69.4%	1.20	1.19
Leominster	7	5	71.4%	22	13	59.1%	206	81	39.3%	1.82	1.50
Lowell	14	9	64.3%	37	25	67.6%	344	157	45.6%	1.41	1.48
Lynn	40	26	65.0%	126	101	80.2%	295	162	54.9%	1.18	1.46
Malden	34	21	61.8%	20	15	75.0%	159	80	50.3%	1.23	1.49
Medford	8	7	87.5%	10	3	30.0%	284	81	28.5%	3.07	1.05
Methuen	6	4	66.7%	60	46	76.7%	271	128	47.2%	1.41	1.62
New Bedford	26	13	50.0%	34	27	79.4%	353	196	55.5%	0.90	1.43
Newton	5	1	20.0%	11	0	0.0%	493	30	6.1%	3.29	0.00
Peabody	1	1	100.0%	16	8	50.0%	245	103	42.0%	2.38	1.19
Pittsfield	5	3	60.0%	11	1	9.1%	262	30	11.5%	5.24	0.79
Plymouth	1	0	0.0%	4	3	75.0%	431	168	39.0%	0.00	1.92
Quincy	14	3	21.4%	10	5	50.0%	357	118	33.1%	0.65	1.51
Revere	22	16	72.7%	109	77	70.6%	159	75	47.2%	1.54	1.50
Salem	6	3	50.0%	11	9	81.8%	282	101	35.8%	1.40	2.28
Somerville	4	3	75.0%	23	6	26.1%	389	58	14.9%	5.03	1.75
Springfield	124	99	79.8%	192	150	78.1%	427	253	59.3%	1.35	1.32
Taunton	17	11	64.7%	15	14	93.3%	346	171	49.4%	1.31	1.89
Waltham	8	5	62.5%	6	1	16.7%	320	89	27.8%	2.25	0.60
Westfield	2	0	0.0%	5	3	60.0%	234	88	37.6%	0.00	1.60
Weymouth	5	4	80.0%	10	7	70.0%	351	153	43.6%	1.84	1.61
Worcester	89	63	70.8%	108	66	61.1%	666	320	48.0%	1.47	1.27

TABLE 6
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, Gov't-Backed Loans (GBLs), and Conventional Loans (Non-GBLs)
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2010

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Arlington	482	424	58	0.4%	0.2%	1.7%	0.8%	0.7%	1.7%	70.7%	71.5%	65.5%
Attleboro	342	168	174	4.4%	1.8%	6.9%	3.8%	3.6%	4.0%	83.9%	85.1%	82.8%
Barnstable	290	190	100	1.7%	1.1%	3.0%	2.8%	1.1%	6.0%	85.5%	89.5%	78.0%
Boston	3,958	3,056	902	8.4%	5.4%	18.4%	5.4%	3.5%	11.6%	64.4%	68.5%	50.6%
Brockton	602	160	442	37.5%	26.3%	41.6%	9.8%	3.8%	12.0%	42.7%	57.5%	37.3%
Brookline	504	480	24	1.2%	1.0%	4.2%	2.0%	1.9%	4.2%	71.0%	70.8%	75.0%
Cambridge	692	661	31	2.3%	2.4%	0.0%	2.9%	2.6%	9.7%	66.6%	67.0%	58.1%
Chicopee	392	203	189	1.8%	1.5%	2.1%	6.4%	3.9%	9.0%	88.5%	90.6%	86.2%
Fall River	320	141	179	1.3%	0.7%	1.7%	1.3%	1.4%	1.1%	90.6%	94.3%	87.7%
Framingham	443	287	156	2.9%	2.1%	4.5%	8.4%	4.5%	15.4%	73.1%	78.0%	64.1%
Haverhill	532	278	254	1.3%	1.8%	0.8%	8.6%	2.5%	15.4%	77.4%	79.9%	74.8%
Lawrence	423	90	333	1.4%	1.1%	1.5%	77.5%	64.4%	81.1%	14.7%	21.1%	12.9%
Leominster	266	152	114	2.6%	1.3%	4.4%	8.3%	5.9%	11.4%	77.4%	82.2%	71.1%
Lowell	592	310	282	2.4%	1.6%	3.2%	6.3%	3.9%	8.9%	58.1%	60.3%	55.7%
Lynn	561	210	351	7.1%	6.7%	7.4%	22.5%	11.9%	28.8%	52.6%	63.3%	46.2%
Malden	323	181	142	10.5%	7.2%	14.8%	6.2%	2.8%	10.6%	49.2%	43.6%	56.3%
Medford	403	290	113	2.0%	0.3%	6.2%	2.5%	2.4%	2.7%	70.5%	70.0%	71.7%
Methuen	379	179	200	1.6%	1.1%	2.0%	15.8%	7.8%	23.0%	71.5%	79.9%	64.0%
New Bedford	447	199	248	5.8%	6.5%	5.2%	7.6%	3.5%	10.9%	79.0%	78.9%	79.0%
Newton	705	662	43	0.7%	0.6%	2.3%	1.6%	1.7%	0.0%	69.9%	69.9%	69.8%
Peabody	295	174	121	0.3%	0.0%	0.8%	5.4%	4.6%	6.6%	83.1%	81.6%	85.1%
Pittsfield	291	256	35	1.7%	0.8%	8.6%	3.8%	3.9%	2.9%	90.0%	90.6%	85.7%
Plymouth	479	289	190	0.2%	0.3%	0.0%	0.8%	0.3%	1.6%	90.0%	91.0%	88.4%
Quincy	603	449	154	2.3%	2.4%	1.9%	1.7%	1.1%	3.2%	59.2%	53.2%	76.6%
Revere	328	143	185	6.7%	4.2%	8.6%	33.2%	22.4%	41.6%	48.5%	58.7%	40.5%
Salem	339	209	130	1.8%	1.4%	2.3%	3.2%	1.0%	6.9%	83.2%	86.6%	77.7%
Somerville	536	464	72	0.7%	0.2%	4.2%	4.3%	3.7%	8.3%	72.6%	71.3%	80.6%
Springfield	806	265	541	15.4%	9.4%	18.3%	23.8%	15.8%	27.7%	53.0%	65.7%	46.8%
Taunton	416	197	219	4.1%	3.0%	5.0%	3.6%	0.5%	6.4%	83.2%	88.8%	78.1%
Waltham	432	324	108	1.9%	0.9%	4.6%	1.4%	1.5%	0.9%	74.1%	71.3%	82.4%
Westfield	253	156	97	0.8%	1.3%	0.0%	2.0%	1.3%	3.1%	92.5%	93.6%	90.7%
Weymouth	425	240	185	1.2%	0.4%	2.2%	2.4%	1.3%	3.8%	82.6%	82.5%	82.7%
Worcester	1,026	505	521	8.7%	5.1%	12.1%	10.5%	8.3%	12.7%	64.9%	68.5%	61.4%

Note: See Table 5 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE 7

Government-Backed Loans (GBLs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2010

	Black Borrowers			Latino Borrowers			White Borrowers			GBL Share Disparity Ratios	
	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	Black/ White	Latino/ White
Arlington	7	0	0.0%	18	1	5.6%	1,485	31	2.1%	0.00	2.66
Attleboro	11	5	45.5%	16	5	31.3%	734	122	16.6%	2.73	1.88
Barnstable	8	0	0.0%	16	4	25.0%	922	71	7.7%	0.00	3.25
Boston	379	103	27.2%	259	48	18.5%	6,407	372	5.8%	4.68	3.19
Brockton	112	41	36.6%	35	12	34.3%	473	102	21.6%	1.70	1.59
Brookline	9	1	11.1%	22	0	0.0%	1,480	18	1.2%	9.14	0.00
Cambridge	25	3	12.0%	36	1	2.8%	1,407	20	1.4%	8.44	1.95
Chicopee	7	2	28.6%	9	2	22.2%	535	112	20.9%	1.36	1.06
Fall River	6	3	50.0%	19	9	47.4%	644	148	23.0%	2.18	2.06
Framingham	23	4	17.4%	32	9	28.1%	1,183	112	9.5%	1.84	2.97
Haverhill	8	2	25.0%	26	8	30.8%	1,031	168	16.3%	1.53	1.89
Lawrence	6	4	66.7%	95	48	50.5%	151	28	18.5%	3.60	2.72
Leominster	6	5	83.3%	24	5	20.8%	605	82	13.6%	6.15	1.54
Lowell	11	3	27.3%	34	11	32.4%	755	126	16.7%	1.63	1.94
Lynn	25	8	32.0%	49	18	36.7%	675	108	16.0%	2.00	2.30
Malden	27	6	22.2%	22	6	27.3%	480	50	10.4%	2.13	2.62
Medford	28	5	17.9%	22	2	9.1%	1,022	87	8.5%	2.10	1.07
Methuen	9	3	33.3%	39	14	35.9%	821	127	15.5%	2.15	2.32
New Bedford	43	14	32.6%	23	15	65.2%	661	136	20.6%	1.58	3.17
Newton	25	0	0.0%	44	1	2.3%	2,918	45	1.5%	0.00	1.47
Peabody	8	0	0.0%	23	5	21.7%	1,138	126	11.1%	0.00	1.96
Pittsfield	10	0	0.0%	10	0	0.0%	540	36	6.7%	0.00	0.00
Plymouth	6	0	0.0%	11	3	27.3%	1,321	165	12.5%	0.00	2.18
Quincy	13	4	30.8%	19	3	15.8%	1,223	120	9.8%	3.14	1.61
Revere	10	4	40.0%	41	16	39.0%	373	62	16.6%	2.41	2.35
Salem	8	4	50.0%	17	5	29.4%	693	89	12.8%	3.89	2.29
Somerville	17	1	5.9%	34	8	23.5%	941	50	5.3%	1.11	4.43
Springfield	95	39	41.1%	82	31	37.8%	631	130	20.6%	1.99	1.83
Taunton	21	4	19.0%	9	4	44.4%	756	117	15.5%	1.23	2.87
Waltham	7	0	0.0%	43	8	18.6%	1,172	73	6.2%	0.00	2.99
Westfield	2	0	0.0%	11	3	27.3%	558	64	11.5%	0.00	2.38
Weymouth	3	0	0.0%	12	3	25.0%	1,230	165	13.4%	0.00	1.86
Worcester	51	20	39.2%	46	13	28.3%	1,280	227	17.7%	2.21	1.59

TABLE 8
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, Gov't-Backed Loans (GBLs), and Conventional Loans (Non-GBLs)
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2010

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Arlington	1,886	1,850	36	0.4%	0.4%	0.0%	1.0%	0.9%	2.8%	78.7%	78.6%	86.1%
Attleboro	882	730	152	1.2%	0.8%	3.3%	1.8%	1.5%	3.3%	83.2%	83.8%	80.3%
Barnstable	1,045	963	82	0.8%	0.8%	0.0%	1.5%	1.2%	4.9%	88.2%	88.4%	86.6%
Boston	8,615	8,007	608	4.4%	3.4%	16.9%	3.0%	2.6%	7.9%	74.4%	75.4%	61.2%
Brockton	706	527	179	15.9%	13.5%	22.9%	5.0%	4.4%	6.7%	67.0%	70.4%	57.0%
Brookline	1,999	1,978	21	0.5%	0.4%	4.8%	1.1%	1.1%	0.0%	74.0%	73.9%	85.7%
Cambridge	1,902	1,872	30	1.3%	1.2%	10.0%	1.9%	1.9%	3.3%	74.0%	74.1%	66.7%
Chicopee	597	471	126	1.2%	1.1%	1.6%	1.5%	1.5%	1.6%	89.6%	89.8%	88.9%
Fall River	709	541	168	0.8%	0.6%	1.8%	2.7%	1.8%	5.4%	90.8%	91.7%	88.1%
Framingham	1,501	1,367	134	1.5%	1.4%	3.0%	2.1%	1.7%	6.7%	78.8%	78.3%	83.6%
Haverhill	1,183	995	188	0.7%	0.6%	1.1%	2.2%	1.8%	4.3%	87.2%	86.7%	89.4%
Lawrence	287	199	88	2.1%	1.0%	4.5%	33.1%	23.6%	54.5%	52.6%	61.8%	31.8%
Leominster	697	601	96	0.9%	0.2%	5.2%	3.4%	3.2%	5.2%	86.8%	87.0%	85.4%
Lowell	993	820	173	1.1%	1.0%	1.7%	3.4%	2.8%	6.4%	76.0%	76.7%	72.8%
Lynn	892	735	157	2.8%	2.3%	5.1%	5.5%	4.2%	11.5%	75.7%	77.1%	68.8%
Malden	773	691	82	3.5%	3.0%	7.3%	2.8%	2.3%	7.3%	62.1%	62.2%	61.0%
Medford	1,324	1,201	123	2.1%	1.9%	4.1%	1.7%	1.7%	1.6%	77.2%	77.9%	70.7%
Methuen	997	844	153	0.9%	0.7%	2.0%	3.9%	3.0%	9.2%	82.3%	82.2%	83.0%
New Bedford	782	600	182	5.5%	4.8%	7.7%	2.9%	1.3%	8.2%	84.5%	87.5%	74.7%
Newton	3,851	3,798	53	0.6%	0.7%	0.0%	1.1%	1.1%	1.9%	75.8%	75.6%	84.9%
Peabody	1,313	1,164	149	0.6%	0.7%	0.0%	1.8%	1.5%	3.4%	86.7%	86.9%	84.6%
Pittsfield	610	566	44	1.6%	1.8%	0.0%	1.6%	1.8%	0.0%	88.5%	89.0%	81.8%
Plymouth	1,489	1,304	185	0.4%	0.5%	0.0%	0.7%	0.6%	1.6%	88.7%	88.7%	89.2%
Quincy	1,746	1,589	157	0.7%	0.6%	2.5%	1.1%	1.0%	1.9%	70.0%	69.4%	76.4%
Revere	505	410	95	2.0%	1.5%	4.2%	8.1%	6.1%	16.8%	73.9%	75.9%	65.3%
Salem	818	706	112	1.0%	0.6%	3.6%	2.1%	1.7%	4.5%	84.7%	85.6%	79.5%
Somerville	1,217	1,152	65	1.4%	1.4%	1.5%	2.8%	2.3%	12.3%	77.3%	77.3%	76.9%
Springfield	910	681	229	10.4%	8.2%	17.0%	9.0%	7.5%	13.5%	69.3%	73.6%	56.8%
Taunton	870	728	142	2.4%	2.3%	2.8%	1.0%	0.7%	2.8%	86.9%	87.8%	82.4%
Waltham	1,504	1,408	96	0.5%	0.5%	0.0%	2.9%	2.5%	8.3%	77.9%	78.1%	76.0%
Westfield	641	568	73	0.3%	0.4%	0.0%	1.7%	1.4%	4.1%	87.1%	87.0%	87.7%
Weymouth	1,427	1,233	194	0.2%	0.2%	0.0%	0.8%	0.7%	1.5%	86.2%	86.4%	85.1%
Worcester	1,656	1,362	294	3.1%	2.3%	6.8%	2.8%	2.4%	4.4%	77.3%	77.3%	77.2%

Note: See Table 7 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE 9
Total and Government-Backed Loans (GBLs), By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2010

I. GBLs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER

	City of Boston				Greater Boston				Massachusetts			
Borrower* Income	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to Highest%	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to Highest%	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to Highest%
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL												
Low	217	28	12.9%	1.86	1,442	367	25.5%	4.03	4,165	1,593	38.2%	5.07
Moderate	1,067	339	31.8%	4.57	5,482	1,987	36.2%	5.74	12,618	5,596	44.3%	5.88
Middle	1,036	303	29.2%	4.21	6,456	2,035	31.5%	4.99	12,662	4,779	37.7%	5.00
High	920	182	19.8%	2.85	6,684	1,381	20.7%	3.27	11,678	2,846	24.4%	3.23
Highest	691	48	6.9%	1.00	4,388	277	6.3%	1.00	6,254	472	7.5%	1.00
No Info	27	2	7.4%		150	25	16.7%		322	66	20.5%	
Total	3,958	902	22.8%		24,602	6,072	24.7%		47,699	15,352	32.2%	
B. GBLs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL												
Low	335	19	5.7%	4.79	2,654	107	4.0%	4.01	6,128	385	6.3%	4.52
Moderate	1,385	96	6.9%	5.85	11,618	701	6.0%	5.99	23,355	1,900	8.1%	5.86
Middle	2,406	143	5.9%	5.02	22,253	1,218	5.5%	5.44	41,164	2,879	7.0%	5.04
High	2,517	110	4.4%	3.69	30,688	1,141	3.7%	3.69	53,167	2,450	4.6%	3.32
Highest	1,689	20	1.2%	1.00	19,570	197	1.0%	1.00	28,797	400	1.4%	1.00
No Info	283	220	77.7%		2,611	1,913	73.3%		6,078	4,578	75.3%	
Total	8,615	608	7.1%		89,394	5,277	5.9%		158,689	12,592	7.9%	

II. SHARES OF ALL LOANS, NON-GBL LOANS, AND GBLs, BY INCOME OF BORROWER

	City of Boston				Greater Boston				Massachusetts			
Borrower* Income	All Loans	% of All Loans	% of non-GBLs	% of GBLs	All Loans	% of All Loans	% of non-GBLs	% of GBLs	All Loans	% of All Loans	% of non-GBLs	% of GBLs
A. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL HOME-PURCHASE LOANS: ALL LOANS, NON-GBL LOANS, AND GBLs												
Low	217	5.5%	6.2%	3.1%	1,442	5.9%	5.8%	6.0%	4,165	8.7%	8.0%	10.4%
Moderate	1,067	27.0%	23.8%	37.6%	5,482	22.3%	18.9%	32.7%	12,618	26.5%	21.7%	36.5%
Middle	1,036	26.2%	24.0%	33.6%	6,456	26.2%	23.9%	33.5%	12,662	26.5%	24.4%	31.1%
High	920	23.2%	24.1%	20.2%	6,684	27.2%	28.6%	22.7%	11,678	24.5%	27.3%	18.5%
Highest	691	17.5%	21.0%	5.3%	4,388	17.8%	22.2%	4.6%	6,254	13.1%	17.9%	3.1%
No Info	27	0.7%	0.8%	0.2%	150	0.6%	0.7%	0.4%	322	0.7%	0.8%	0.4%
Total	3,958	100.0%	100.0%	100.0%	24,602	100.0%	100.0%	100.0%	47,699	100.0%	100.0%	100.0%
B. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL REFINANCE LOANS: ALL LOANS, NON-GBL LOANS, AND GBLs												
Low	335	3.9%	3.9%	3.1%	2,654	3.0%	3.0%	2.0%	6,128	3.9%	3.9%	3.1%
Moderate	1,385	16.1%	16.1%	15.8%	11,618	13.0%	13.0%	13.3%	23,355	14.7%	14.7%	15.1%
Middle	2,406	27.9%	28.3%	23.5%	22,253	24.9%	25.0%	23.1%	41,164	25.9%	26.2%	22.9%
High	2,517	29.2%	30.1%	18.1%	30,688	34.3%	35.1%	21.6%	53,167	33.5%	34.7%	19.5%
Highest	1,689	19.6%	20.8%	3.3%	19,570	21.9%	23.0%	3.7%	28,797	18.1%	19.4%	3.2%
No Info	283	3.3%	0.8%	36.2%	2,611	2.9%	0.8%	36.3%	6,078	3.8%	1.0%	36.4%
Total	8,615	100.0%	100.0%	100.0%	89,394	100.0%	100.0%	100.0%	158,689	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 2010 was $89,500. The MFIs in the five other MSAs in the state, ranged from $65,700 to $79,900 in 2010. Borrowers in Dukes and Nantucket Counties, which are not in any metro area, were classified using the MFI for the nonmetro part of the state ($78,200). "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
Government-Backed Loans (GBLs) To Borrowers at Different Income Levels
In the 33 Biggest Cities and Towns in Massachusetts
Home-Purchase and Refinance Loans Combined
First-Lien Loans for Owner-Occupied Homes, 2010

	Low Income*		Moderate Income*		Middle Income*		High Income*		Highest Income*	
	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs
Arlington	0	0.0%	8	3.9%	32	5.1%	39	3.8%	5	1.1%
Attleboro	12	21.1%	81	32.8%	90	28.6%	84	20.0%	7	5.5%
Barnstable	7	7.8%	56	19.3%	44	12.3%	28	8.6%	6	2.9%
Boston	47	8.5%	435	17.7%	446	13.0%	292	8.5%	68	2.9%
Brockton	154	51.3%	263	49.5%	101	38.8%	29	24.0%	1	8.3%
Brookline	1	2.5%	3	1.7%	4	1.0%	18	2.3%	4	0.4%
Cambridge	0	0.0%	5	1.6%	20	3.2%	18	2.1%	6	0.9%
Chicopee	26	29.2%	119	34.8%	86	30.5%	45	22.5%	5	15.2%
Fall River	26	21.5%	114	36.7%	90	31.1%	27	15.5%	7	17.1%
Framingham	21	23.3%	61	16.8%	79	14.4%	63	10.0%	9	3.8%
Haverhill	59	32.4%	150	29.9%	104	21.0%	56	13.9%	5	9.3%
Lawrence	169	64.8%	181	61.6%	40	42.6%	4	14.8%	0	0.0%
Leominster	19	23.2%	72	27.5%	53	20.0%	21	8.4%	2	3.8%
Lowell	84	30.0%	169	31.1%	94	23.3%	35	15.1%	1	2.9%
Lynn	92	36.8%	216	39.4%	101	28.0%	28	15.2%	2	6.5%
Malden	12	12.5%	65	19.1%	86	24.2%	34	14.6%	2	5.3%
Medford	4	5.0%	47	13.2%	82	14.7%	59	10.9%	11	7.8%
Methuen	37	28.2%	133	32.3%	82	20.6%	49	15.5%	4	6.3%
New Bedford	32	23.5%	155	38.5%	120	33.7%	45	20.9%	3	10.0%
Newton	1	2.9%	8	3.2%	22	3.0%	33	2.2%	11	0.6%
Peabody	21	16.2%	75	17.7%	69	13.3%	50	12.4%	2	3.4%
Pittsfield	5	5.9%	25	11.8%	19	8.0%	17	7.1%	2	2.1%
Plymouth	22	14.1%	99	20.9%	120	18.5%	57	11.9%	9	7.4%
Quincy	6	3.7%	74	12.3%	92	12.0%	72	12.2%	8	5.6%
Revere	22	24.7%	124	36.8%	58	23.8%	20	22.7%	4	22.2%
Salem	12	12.2%	74	23.1%	60	17.0%	43	15.8%	4	6.8%
Somerville	0	0.0%	15	4.5%	58	11.0%	45	7.6%	2	0.9%
Springfield	136	50.4%	324	49.6%	173	39.4%	65	28.5%	6	11.8%
Taunton	23	21.1%	103	36.7%	108	26.5%	72	20.1%	10	13.3%
Waltham	1	2.1%	40	11.1%	64	10.0%	63	9.5%	9	4.7%
Westfield	7	17.5%	52	27.1%	56	22.5%	34	13.1%	3	2.4%
Weymouth	14	10.4%	85	18.3%	123	19.5%	63	14.2%	13	15.1%
Worcester	97	30.4%	328	37.3%	186	25.7%	67	14.7%	12	7.3%

* 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 the 33 largest cities and towns, the MFI in 2010 was $89,500. The MFIs in the five other MSAs in the state ranged from $65,700 to $79,900 in 2010. "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 11
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2010

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	28	108	67	63	48
Black	41	171	86	25	8
Latino	23	102	49	26	11
White	106	560	696	669	501
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	10.7%	14.8%	9.0%	14.3%	6.3%
Black	34.1%	50.3%	61.6%	48.0%	12.5%
Latino	13.0%	52.9%	69.4%	42.3%	27.3%
White	5.7%	24.8%	22.8%	17.0%	7.2%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.89	0.60	0.39	0.84	0.87
Black	6.03	2.03	2.70	2.82	1.74
Latino	2.30	2.13	3.04	2.48	3.80
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	19	85	164	145	87
Black	49	93	112	58	20
Latino	23	67	72	41	27
White	184	963	1790	1968	1332
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	5.3%	4.7%	4.3%	1.4%	0.0%
Black	10.2%	24.7%	20.5%	17.2%	0.0%
Latino	17.4%	10.4%	11.1%	4.9%	3.7%
White	4.3%	5.8%	5.2%	3.9%	1.2%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.21	0.81	0.82	0.36	0.00
Black	2.35	4.25	3.95	4.46	0.00
Latino	4.00	1.80	2.14	1.26	3.08
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 ($89,500 in 2010).
"Low" is less than 50% of this amount ($1K–$44K in 2010); "Moderate" is 50%–80% of this amount ($45K–$71K); "Middle" is 80%–120% of this amount ($72K–$107K); "High" is 120%–200% of this amount ($108K–$179K); and "Highest" is over 200% of this amount ($180K or more). HMDA data report income to the nearest thousand dollars.

TABLE 12
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston, 2010

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	177	508	614	654	390
Black	100	347	242	96	31
Latino	152	431	252	119	55
White	879	3687	4697	5125	3335
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	12.4%	18.1%	13.4%	8.7%	3.3%
Black	43.0%	55.9%	60.3%	54.2%	12.9%
Latino	52.6%	61.7%	61.5%	32.8%	21.8%
White	21.8%	33.8%	30.6%	21.4%	6.8%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.57	0.54	0.44	0.41	0.49
Black	1.97	1.65	1.97	2.53	1.90
Latino	2.41	1.82	2.01	1.53	3.22
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	136	635	1774	2465	1290
Black	84	200	280	233	108
Latino	76	254	348	299	189
White	2056	9355	17611	24585	15706
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	3.7%	3.0%	2.3%	1.7%	0.3%
Black	10.7%	17.5%	17.1%	12.0%	1.9%
Latino	10.5%	11.4%	12.4%	5.4%	1.1%
White	3.5%	6.0%	5.5%	3.8%	1.1%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.05	0.50	0.41	0.46	0.30
Black	3.06	2.94	3.11	3.18	1.76
Latino	3.01	1.92	2.24	1.41	1.01
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 101communities in the MAPC Region are in the Boston MSA where the MFI in 2010 was $89,500 (three small communities were in the Worcester MSA, where the MFI in 2010 was $79,900). "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 13
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2010

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	317	744	834	890	492
Black	270	662	385	161	49
Latino	554	992	471	211	81
White	2723	9255	9954	9327	4880
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	18.6%	24.7%	17.3%	9.8%	4.5%
Black	61.1%	64.8%	63.4%	50.3%	18.4%
Latino	69.7%	70.5%	63.7%	36.0%	21.0%
White	32.0%	41.7%	37.2%	25.2%	7.8%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.58	0.59	0.46	0.39	0.57
Black	1.91	1.56	1.71	2.00	2.35
Latino	2.18	1.69	1.71	1.43	2.68
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	207	823	2430	3555	1729
Black	153	331	454	393	166
Latino	185	530	616	525	267
White	4982	19482	33721	43399	23385
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	5.8%	3.5%	2.6%	1.6%	0.6%
Black	13.7%	18.4%	20.5%	13.5%	2.4%
Latino	22.7%	18.7%	15.4%	6.9%	1.9%
White	5.3%	7.8%	7.0%	4.7%	1.5%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.09	0.45	0.37	0.35	0.39
Black	2.58	2.38	2.93	2.86	1.63
Latino	4.27	2.41	2.21	1.46	1.27
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 2010 ranging from $65,700 to $89,500. "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 over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from $132K in the Pittsfield MSA to $180K in the Boston MSA. See "Notes on Data & Methods."

TABLE 14
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2010

	Low Income	Moderate Income	Middle Income	Upper Income	Total#
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%-75% Minority	7	13	0	0	20
25%–50% Minority	9	23	10	1	43
> 75% White	0	11	28	13	52
Total	40	64	38	14	156
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	180	245	0	0	425
50%–75% Minority	54	298	0	0	352
25%–50% Minority	210	572	332	14	1,128
> 75% White	0	287	1,184	582	2,053
Total	444	1,402	1,516	596	3,958
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	36.1%	52.7%	na	na	45.6%
50%–75% Minority	33.3%	34.9%	na	na	34.7%
25%–50% Minority	10.5%	22.9%	29.2%	0.0%	22.2%
> 75% White	na	25.8%	19.5%	5.3%	16.4%
Total	23.6%	31.2%	21.6%	5.2%	22.8%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.78	9.89	na	na	8.57
50%–75% Minority	6.26	6.55	na	na	6.51
25%–50% Minority	1.97	4.30	5.49	0.00	4.16
> 75% White	na	4.84	3.66	1.00	3.07
Total	4.44	5.87	4.06	0.98	4.28
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	165	292	0	0	457
50%–75% Minority	132	541	0	0	673
25%–50% Minority	439	1,214	665	31	2,349
> 75% White	0	586	2,991	1,559	5,136
Total	736	2,633	3,656	1,590	8,615
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	21.2%	24.3%	na	na	23.2%
50%–75% Minority	5.3%	8.7%	na	na	8.0%
25%–50% Minority	3.0%	7.1%	11.9%	0.0%	7.6%
> 75% White	na	8.0%	6.3%	2.2%	5.3%
Total	7.5%	9.5%	7.3%	2.1%	7.1%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	9.73	11.15	na	na	10.64
50%–75% Minority	2.43	3.98	na	na	3.68
25%–50% Minority	1.36	3.25	5.45	0.00	3.47
> 75% White	na	3.68	2.90	1.00	2.41
Total	3.43	4.37	3.36	0.98	3.24

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the Boston MSA. "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and120%; and "Upper" is greater than 120% of the MFI of the MSA.

A census tract is placed into a racial/ethnnic category based on its percentage of minority households according to the 2000 census. All householders other than non-Latino whites are classified as minority.

\# The 2000 Census did not report an MFI for tract 1501.00 (Harbor Islands).

TABLE 15
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston, 2010

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%-75% Minority	27	22	0	0	49
25%–50% Minority	21	62	21	3	107
> 75% White	2	70	340	224	636
Total	74	171	361	227	833
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	180	245	0	0	425
50%–75% Minority	235	384	0	0	619
25%–50% Minority	273	1,101	765	102	2,241
> 75% White	12	1,397	9,808	10,100	21,317
Total	700	3,127	10,573	10,202	24,602
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	36.1%	52.7%	na	na	45.6%
50%–75% Minority	46.4%	31.8%	na	na	37.3%
25%–50% Minority	20.1%	30.5%	31.6%	27.5%	29.5%
> 75% White	41.7%	40.7%	30.8%	13.8%	23.4%
Total	33.4%	36.9%	30.9%	13.9%	24.7%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	2.62	3.83	na	na	3.32
50%–75% Minority	3.37	2.31	na	na	2.71
25%–50% Minority	1.46	2.22	2.30	1.99	2.14
> 75% White	3.03	2.95	2.24	1.00	1.70
Total	2.43	2.68	2.24	1.01	1.79
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	165	292	0	0	457
50%–75% Minority	251	718	0	0	969
25%–50% Minority	487	2,107	1,741	399	4,734
> 75% White	27	2,698	33,240	47,269	83,234
Total	930	5,815	34,981	47,668	89,394
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	21.2%	24.3%	na	na	23.2%
50%–75% Minority	16.7%	7.9%	na	na	10.2%
25%–50% Minority	4.5%	8.6%	10.3%	3.5%	8.4%
> 75% White	22.2%	13.3%	8.4%	3.2%	5.6%
Total	11.3%	11.5%	8.5%	3.2%	5.9%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.66	7.64	na	na	7.29
50%–75% Minority	5.26	2.49	na	na	3.21
25%–50% Minority	1.42	2.70	3.23	1.10	2.63
> 75% White	6.98	4.19	2.65	1.00	1.76
Total	3.55	3.61	2.68	1.00	1.85

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the MSA within which it is located. All but 3 of the 101 communities in Greater Boston are in the Boston MSA where the MFI in 2000 was $66,676 (3 small communities were in the Worcester MSA where the MFI in 2000 was $58,426). "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and120%; and "Upper" is greater than 120% of the MFI of the MSA.

A census tract is placed into a racial/ethnnic category based on its percentage of minority households according to the 2000 census. All householders other than non-Latino whites are classified as minority.

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

TABLE 16
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2010

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	18	0	0	42
50%-75% Minority	38	24	0	0	62
25%–50% Minority	35	84	27	3	149
> 75% White	12	147	593	335	1,087
Total	109	273	620	338	1,340
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	306	255	0	0	561
50%–75% Minority	477	520	0	0	997
25%–50% Minority	505	1,991	937	102	3,535
> 75% White	41	3,373	23,086	16,094	42,594
Total	1,329	6,139	24,023	16,196	47,687
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	52.9%	53.7%	na	na	53.3%
50%–75% Minority	59.3%	42.1%	na	na	50.4%
25%–50% Minority	39.4%	43.2%	38.6%	27.5%	41.0%
> 75% White	48.8%	49.0%	36.7%	18.4%	30.8%
Total	50.0%	46.7%	36.8%	18.4%	32.2%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	2.88	2.93	na	na	2.90
50%–75% Minority	3.23	2.29	na	na	2.74
25%–50% Minority	2.15	2.35	2.10	1.49	2.23
> 75% White	2.66	2.67	2.00	1.00	1.67
Total	2.72	2.54	2.00	1.00	1.75
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	224	299	0	0	523
50%–75% Minority	373	825	0	0	1,198
25%–50% Minority	678	3,091	1,983	399	6,151
> 75% White	86	6,160	71,991	72,542	150,779
Total	1,361	10,375	73,974	72,941	158,651
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	28.6%	24.4%	na	na	26.2%
50%–75% Minority	24.9%	11.0%	na	na	15.4%
25%–50% Minority	12.5%	13.9%	12.1%	3.5%	12.5%
> 75% White	24.4%	16.4%	10.2%	4.3%	7.6%
Total	19.3%	15.5%	10.2%	4.3%	7.9%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.60	5.64	na	na	6.05
50%–75% Minority	5.76	2.55	na	na	3.55
25%–50% Minority	2.90	3.21	2.79	0.81	2.89
> 75% White	5.64	3.79	2.35	1.00	1.76
Total	4.47	3.57	2.36	1.00	1.83

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2000 ranging from $50,150 to $66,676. "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 "Upper" is greater than 120% of the MFI of the metro area.

A census tract is placed into a racial/ethnnic category based on its percentage of minority households according to the 2000 census. All householders other than non-Latino whites are classified as minority.

TABLE 17
Total & Government-Backed Loans (GBLs), By Neighborhood#
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2010

Neighborhood	All Loans	Govt-Backed Loans	Percent GBLs	Percent Minority	Income Level
A. HOME-PURCHASE LOANS					
Mattapan	106	68	64.2%	96.2%	$38,463
East Boston	140	78	55.7%	50.3%	$36,213
Hyde Park	187	95	50.8%	57.0%	$54,666
Roxbury	184	63	34.2%	95.2%	$30,358
Dorchester	426	145	34.0%	68.2%	$39,856
Roslindale	263	78	29.7%	44.2%	$53,418
South Boston	571	126	22.1%	15.5%	$47,794
West Roxbury	270	59	21.9%	16.4%	$68,966
Jamaica Plain	330	51	15.5%	50.2%	$45,762
Fenway/Kenmore	79	12	15.2%	30.5%	$48,961
Charlestown	270	40	14.8%	21.4%	$59,265
Allston/Brighton	283	33	11.7%	31.3%	$47,693
South End	353	30	8.5%	54.7%	$42,263
Central	202	16	7.9%	30.4%	$61,837
BackBay/BeaconHill	294	8	2.7%	15.2%	$127,542
City of Boston	3,958	902	22.8%	50.5%	$44,151
B. REFINANCE LOANS					
Mattapan	137	36	26.3%	96.2%	$38,463
Hyde Park	321	79	24.6%	57.0%	$54,666
East Boston	234	45	19.2%	50.3%	$36,213
Roxbury	196	34	17.3%	95.2%	$30,358
Dorchester	693	88	12.7%	68.2%	$39,856
Roslindale	656	60	9.1%	44.2%	$53,418
West Roxbury	1,058	88	8.3%	16.4%	$68,966
Allston/Brighton	666	43	6.5%	31.3%	$47,693
South Boston	963	57	5.9%	15.5%	$47,794
Charlestown	639	26	4.1%	21.4%	$59,265
Jamaica Plain	764	23	3.0%	50.2%	$45,762
Central	490	11	2.2%	30.4%	$61,837
BackBay/BeaconHill	703	9	1.3%	15.2%	$127,542
Fenway/Kenmore	191	2	1.0%	30.5%	$48,961
South End	904	7	0.8%	54.7%	$42,263
City of Boston	8,615	608	7.1%	50.5%	$44,151

\# The neighborhoods used in this study are based on the Planning Districts (PDs) defined by the Boston Redevelopment Authority (BRA), except: North and South Dorchester are combined and the Harbor Islands PD (no loans in 2007) is omitted. *Percent minority* population was calculated by the BRA for these exact neighborhoods from 2000 Census data. However, lending data are available only on a census tract basis and many tracts are divided among two or more PDs; *loans* in each PD were calculated using a list of census tracts obtained from the BRA that correspond to the PDs as closely as possible. The income level is estimated as the median of the Median Family Incomes of the census tracts in the PD.

TABLE 18
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston#, and Statewide
Applications for First-Lien Loans for Owner-Occupied Homes, 2010

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. CONVENTIONAL (NON-GOVERNMENT-BACKED) HOME-PURCHASE LOANS											
Boston	389	279	189	2,855	12.3%	21.9%	22.2%	10.9%	1.13	2.01	2.04
Greater Boston	2,889	623	735	18,059	11.6%	20.9%	17.4%	9.0%	1.28	2.32	1.93
Massachusetts	3,945	1,002	1,377	33,727	12.4%	22.3%	22.1%	10.0%	1.24	2.22	2.21
B. GOVERNMENT-BACKED HOME-PURCHASE LOANS											
Boston	59	301	179	689	25.4%	24.6%	21.2%	16.4%	1.55	1.50	1.29
Greater Boston	407	751	906	5,738	14.7%	21.6%	21.6%	12.4%	1.19	1.74	1.75
Massachusetts	764	1,565	2,363	15,556	17.9%	22.2%	20.9%	13.5%	1.33	1.64	1.55
C. ALL HOME-PURCHASE LOANS											
Boston	448	580	368	3,544	14.1%	23.3%	21.7%	12.0%	1.18	1.95	1.82
Greater Boston	3,296	1,374	1,641	23,797	12.0%	21.3%	19.7%	9.8%	1.22	2.16	2.01
Massachusetts	4,709	2,567	3,740	49,283	13.3%	22.2%	21.4%	11.1%	1.20	2.00	1.92
D. CONVENTIONAL (NON-GOVERNMENT-BACKED) REFINANCE LOANS											
Boston	755	611	377	8,670	15.1%	29.3%	20.4%	13.2%	1.14	2.22	1.55
Greater Boston	8,419	1,560	1,863	91,646	11.1%	25.3%	19.5%	10.9%	1.02	2.32	1.79
Massachusetts	11,750	2,552	3,344	169,133	11.5%	26.2%	21.7%	12.3%	0.93	2.12	1.76
E. GOVERNMENT-BACKED REFINANCE LOANS											
Boston	48	284	119	676	20.8%	34.2%	23.5%	19.2%	1.08	1.78	1.22
Greater Boston	342	594	517	7,581	22.8%	29.8%	23.4%	19.3%	1.18	1.54	1.21
Massachusetts	587	1,078	1,171	19,642	26.4%	30.8%	26.9%	20.3%	1.30	1.52	1.32
F. ALL REFINANCE LOANS											
Boston	803	895	496	9,346	15.4%	30.8%	21.2%	13.6%	1.13	2.26	1.55
Greater Boston	8,761	2,154	2,380	99,227	11.6%	26.6%	20.4%	11.5%	1.00	2.30	1.77
Massachusetts	12,337	3,630	4,515	188,775	12.2%	27.5%	23.1%	13.2%	0.93	2.09	1.75

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

TABLE 19
Applications And Denial Rates By Race & Income Of Applicant
Conventional^ First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2010

Income	Black		Latino		White		D-Rate Ratio	
($000)	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1–30	9	55.6%	7	42.9%	17	29.4%	1.89	1.46
31–50	74	21.6%	52	26.9%	237	13.1%	1.65	2.06
51–70	96	20.8%	59	22.0%	459	14.4%	1.45	1.53
71–90	44	22.7%	26	15.4%	438	9.6%	2.37	1.60
91–120	31	19.4%	12	16.7%	526	12.0%	1.62	1.39
121–150	8	0.0%	13	23.1%	316	10.8%	0.00	2.14
over 150	16	25.0%	19	15.8%	831	7.8%	3.20	2.02
Total*	279	21.9%	189	22.2%	2,855	10.9%	2.01	2.04
B. GREATER BOSTON								
1–30	22	36.4%	33	30.3%	240	36.7%	0.99	0.83
31–50	149	24.8%	189	28.0%	1,509	15.2%	1.64	1.85
51–70	182	22.5%	184	19.0%	2,563	12.6%	1.79	1.51
71–90	101	17.8%	97	11.3%	2,419	8.5%	2.10	1.34
91–120	77	19.5%	73	8.2%	3,240	7.8%	2.49	1.05
121–150	23	0.0%	56	8.9%	2,301	6.3%	0.00	1.43
over 150	65	15.4%	93	8.6%	5,603	6.5%	2.37	1.32
Total*	623	20.9%	735	17.4%	18,059	9.0%	2.32	1.93
C. MASSACHUSETTS								
1–30	58	34.5%	129	40.3%	1,047	31.8%	1.08	1.27
31–50	266	22.6%	418	28.0%	4,720	14.8%	1.52	1.89
51–70	275	26.9%	320	22.5%	5,746	11.8%	2.28	1.90
71–90	145	20.7%	162	16.0%	4,777	8.9%	2.33	1.81
91–120	124	16.9%	128	10.2%	5,723	8.0%	2.11	1.27
121–150	35	2.9%	78	10.3%	3,714	6.2%	0.46	1.64
over 150	91	14.3%	127	11.8%	7,625	6.7%	2.14	1.77
Total*	1,002	22.3%	1,377	22.1%	33,727	10.0%	2.22	2.21

^ Conventional loans are non-Government-Backed Loans
* Total includes applicants without reported income.

TABLE 20
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2010
(For 2004–2010, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	751	860	790	736	695	699	1,019	723	937	780
% of All Loans	28.9%	43.6%	11.7%	10.3%	10.9%	9.3%	8.5%	8.3%	9.9%	17.8%	16.2%	22.5%	19.7%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	1,171	1,229	1,188	1,189	946	868	1,084	1,023	1,039	1,012
% of All Loans	49.1%	18.7%	18.3%	16.1%	15.6%	14.0%	13.7%	11.4%	12.3%	19.0%	22.9%	25.0%	25.6%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	4,765	5,213	5,545	5,752	5,196	4,159	3,275	2,703	2,182	2,166
% of All Loans	21.9%	37.7%	63.4%	65.6%	66.0%	65.3%	66.4%	62.4%	59.0%	57.3%	60.4%	52.5%	54.7%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	573	600	963	981	1,493	1,326	340	23	2	
% of All Loans			6.5%	7.9%	7.6%	11.3%	11.3%	17.9%	18.8%	5.9%	0.5%	0.0%	
E. TOTAL													
Number of Loans	1,870	4,637	7,467	7,260	7,902	8,486	8,658	8,330	7,052	5,718	4,472	4,160	3,958
% 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				32,899	31,946	29,750	26,038	22,238	19,734	23,750	21,131	23,408	20,857
% of All Loans				34.1%	32.1%	28.4%	26.5%	23.6%	25.6%	37.7%	41.2%	45.1%	43.7%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans				56,947	60,387	64,105	59,961	53,719	44,437	36,185	29,870	28,422	26,842
% of All Loans				59.1%	60.7%	61.3%	61.0%	57.0%	57.7%	57.5%	58.2%	54.8%	56.3%
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans				6,562	7,186	10,801	12,298	18,329	12,813	3,038	278	71	
% of All Loans				6.8%	7.2%	10.3%	12.5%	19.4%	16.6%	4.8%	0.5%	0.1%	
E. TOTAL													
Number of Loans				96,408	99,519	104,656	98,297	94,286	76,984	62,973	51,279	51,901	47,699
% of All Loans				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* **Important 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": Citizens, Bank of America, and Sovereign in 2004–2009. 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 2010, they would have added only 46 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 Revestment 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.

TABLE 21

Shares of Total Loans and Gov't-Backed Loans (GBLs) by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Mortgage Loans for Owner-Occupied Homes, 2010

	All Loans (HomePur + Refi)				Gov't-Backed Loans (HomePur + Refi)			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	12,573	42.0%	35.8%	22.2%	1,510	25.1%	43.2%	31.7%
Greater Boston	113,996	40.2%	37.7%	22.1%	11,349	20.5%	49.0%	30.6%
Massachusetts	206,388	43.5%	33.2%	23.3%	27,944	20.9%	48.2%	30.9%

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 50 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 Revestment 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 are, essentially, exempt fromsuch oversight and evaluation.

TABLE 22

Gov't-Backed Loans (GBLs) and Loan Percentages by Major Lender Type
In the City of Boston, Greater Boston, and Statewide
First-Lien Mortgage Loans (Home-Purchase + Refinance) for Owner-Occupied Homes, 2010

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs
Boston	5,279	379	7.2%	4,499	653	14.5%	2,795	478	17.1%
Greater Boston	45,874	2,323	5.1%	42,930	5,557	12.9%	25,192	3,469	13.8%
Massachusetts	89,875	5,829	6.5%	68,451	13,476	19.7%	48,062	8,629	18.0%

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 50 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 Revestment 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 are, essentially, exempt from such oversight and evaluation.

TABLE 23
Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2010

	Total Loans	Black Borrowers Non-GBL Loans	Black Borrowers GBL Loans	Latino Borrowers Non-GBL Loans	Latino Borrowers GBL Loans	LMI Borrowers Non-GBL Loans	LMI Borrowers GBL Loans	LMI Census Tracts Non-GBL Loans	LMI Census Tracts GBL Loans	LMI Census Tracts >75% Blk+Latino Non-GBL Loans	LMI Census Tracts >75% Blk+Latino GBL Loans
I. HOME-PURCHASE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	1,792	141	66	72	26	537	114	684	171	138	63
% of Loans	100%	7.9%	3.7%	4.0%	1.5%	30.0%	6.4%	38.2%	9.5%	7.7%	3.5%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,333	12	55	22	33	239	142	372	207	27	48
% of Loans	100%	0.9%	4.1%	1.7%	2.5%	17.9%	10.7%	27.9%	15.5%	2.0%	3.6%
C. OTHER LENDERS*											
Number of Loans	833	13	45	13	46	141	111	247	165	13	53
% of Loans	100%	1.6%	5.4%	1.6%	5.5%	16.9%	13.3%	29.7%	19.8%	1.6%	6.4%
D. TOTAL											
Number of Loans	3,958	166	166	107	105	917	367	1,303	543	178	164
% of Loans	100%	4.2%	4.2%	2.7%	2.7%	23.2%	9.3%	32.9%	13.7%	4.5%	4.1%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	3,487	142	21	105	9	777	26	1,334	59	170	18
% of Loans	100%	4.1%	0.6%	3.0%	0.3%	22.3%	0.7%	38.3%	1.7%	4.9%	0.5%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	3,166	61	41	50	20	469	53	1,025	136	60	43
% of Loans	100%	1.9%	1.3%	1.6%	0.6%	14.8%	1.7%	32.4%	4.3%	1.9%	1.4%
C. OTHER LENDERS*											
Number of Loans	1,962	73	41	56	19	359	36	704	111	53	34
% of Loans	100%	3.7%	2.1%	2.9%	1.0%	18.3%	1.8%	35.9%	5.7%	2.7%	1.7%
D. TOTAL											
Number of Loans	8,615	276	103	211	48	1,605	115	3,063	306	283	95
% of Loans	100%	3.2%	1.2%	2.4%	0.6%	18.6%	1.3%	35.6%	3.6%	3.3%	1.1%

* "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 Revestment 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 Boston MSA (<$45K in 2009).
"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<$71K in 2009).
"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MSA (2000 Census data).
"LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 24

Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2010

	Total Loans	Black Borrowers Non-GBL Loans	Black Borrowers GBL Loans	Latino Borrowers Non-GBL Loans	Latino Borrowers GBL Loans	LMI Borrowers Non-GBL Loans	LMI Borrowers GBL Loans	LMI Census Tracts Non-GBL Loans	LMI Census Tracts GBL Loans	LMI Census Tracts >75% Blk+Latino Non-GBL Loans	LMI Census Tracts >75% Blk+Latino GBL Loans
I. HOME-PURCHASE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	20,857	424	254	562	419	5,821	1,793	2,388	986	165	98
% of Loans	100%	2.0%	1.2%	2.7%	2.0%	27.9%	8.6%	11.4%	4.7%	0.8%	0.5%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	16,402	108	400	154	590	2,298	3,380	919	1,542	31	114
% of Loans	100%	0.7%	2.4%	0.9%	3.6%	14.0%	20.6%	5.6%	9.4%	0.2%	0.7%
C. OTHER LENDERS*											
Number of Loans	10,440	69	277	122	472	1,475	2,016	628	1,005	15	77
% of Loans	100%	0.7%	2.7%	1.2%	4.5%	14.1%	19.3%	6.0%	9.6%	0.1%	0.7%
D. TOTAL											
Number of Loans	47,699	601	931	838	1,481	9,594	7,189	3,935	3,533	211	289
% of Loans	100%	1.3%	2.0%	1.8%	3.1%	20.1%	15.1%	8.2%	7.4%	0.4%	0.6%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	69,018	694	79	907	95	14,515	375	5,065	319	196	31
% of Loans	100%	1.0%	0.1%	1.3%	0.1%	21.0%	0.5%	7.3%	0.5%	0.3%	0.0%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	52,049	259	193	457	204	6,633	1,283	2,475	880	64	60
% of Loans	100%	0.5%	0.4%	0.9%	0.4%	12.7%	2.5%	4.8%	1.7%	0.1%	0.1%
C. OTHER LENDERS*											
Number of Loans	37,622	336	151	508	187	6,050	627	2,329	668	61	44
% of Loans	100%	0.9%	0.4%	1.4%	0.5%	16.1%	1.7%	6.2%	1.8%	0.2%	0.1%
D. TOTAL											
Number of Loans	158,689	1,289	423	1,872	486	27,198	2,285	9,869	1,867	321	135
% of Loans	100%	0.8%	0.3%	1.2%	0.3%	17.1%	1.4%	6.2%	1.2%	0.2%	0.1%

* "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 Revestment 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 Boston MSA (<$45K in 2009).
"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<$71K in 2009).
"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MSA (2000 Census data).
"LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 25
The 30 Biggest Lenders ("Lender Families") in the City of Boston*
(These Include 18 of the Top 20 Government-Backed Loan [GBL] Lenders ^)
First-Lien Loans for Owner-Occupied Homes, 2010

	Lender	Total Loans			Number of GBLs			GBLs as % of Total			GBL
Lender Family*	Type#	Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	Rank
Bank of America*	CRA ^	1,580	507	1,073	207	138	69	13.1%	27.2%	6.4%	2
Wells Fargo*	OTH ^	1,016	392	624	235	163	72	23.1%	41.6%	11.5%	1
Mortgage Master	LML	964	281	683	118	85	33	12.2%	30.2%	4.8%	3
RBS Citizens	CRA	516	191	325	69	58	11	13.4%	30.4%	3.4%	5
Leader Bank/Mortgage*	MIX	486	97	389	39	18	21	8.0%	18.6%	5.4%	6
Sovereign Bank	CRA	439	89	350	12	10	2	2.7%	11.2%	0.6%	23
Prospect Mortgage	LML	334	146	188	38	29	9	11.4%	19.9%	4.8%	9
Bank of Canton	CRA	289	115	174	4	4	0	1.4%	3.5%	0.0%	
Metlife Bank	OTH	288	117	171	91	44	47	31.6%	37.6%	27.5%	4
NE Moves Mortgage	LML	284	173	111	39	28	11	13.7%	16.2%	9.9%	7
Ally/GMAC*	OTH	260	46	214	19	9	10	7.3%	19.6%	4.7%	15
Greenpark Mortgage	LML	230	74	156	38	11	27	16.5%	14.9%	17.3%	8
Guaranteed Rate	LML	229	75	154	26	20	6	11.4%	26.7%	3.9%	11
East Boston SB*	CRA ^	228	110	118	6	5	1	2.6%	4.5%	0.8%	28
JPMorgan Chase	OTH	228	18	210	8	1	7	3.5%	5.6%	3.3%	26
CitiGroup*	CRA ^	217	25	192	1	1	0	0.5%	4.0%	0.0%	
Boston Private	CRA	200	134	66	0	0	0	0.0%	0.0%	0.0%	
Poli Mortgage	LML	200	34	166	20	10	10	10.0%	29.4%	6.0%	13
Provident Funding	LML	182	34	148	0	0	0	0.0%	0.0%	0.0%	
Quicken Loans	LML	157	3	154	16	2	14	10.2%	66.7%	9.1%	19
Mortgage Network	LML	148	60	88	17	16	1	11.5%	26.7%	1.1%	18
Fairway Independent Mort	LML	147	30	117	19	6	13	12.9%	20.0%	11.1%	16
Wainwright Bank	CRA	141	90	51	0	0	0	0.0%	0.0%	0.0%	
MSA Mortgage	LML	140	27	113	5	4	1	3.6%	14.8%	0.9%	30
Franklin American Mort	LNL	103	29	74	36	17	19	35.0%	58.6%	25.7%	10
Salem Five	CRA	98	42	56	20	17	3	20.4%	40.5%	5.4%	14
TD Bank	CRA	98	30	68	3	1	2	3.1%	3.3%	2.9%	
Sierra Pacific Mortgage	LML	93	18	75	6	2	4	6.5%	11.1%	5.3%	29
Merrimack Mortgage	LML	92	23	69	17	6	11	18.5%	26.1%	15.9%	17
ING Bank	OTH	90	13	77	0	0	0	0.0%	0.0%	0.0%	
Total, 30 Biggest Lenders		9,477	3,023	6,454	1,109	705	404	11.7%	23.3%	6.3%	
Total, All 352 Lenders		12,573	3,958	8,615	1,510	902	608	12.0%	22.8%	7.1%	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." Table 29 provides information on the individual lenders within each "lender family."

^ There were two top-20 GBL lenders not among the top 30 overall lenders: Reliant Mortgage (#12) and William Ravies Mortgage (#20).

\# **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. **OSB:** other lenders, mainly out-of-state banks, who can do mortgage lending in Mass.without a license and are exempt from state regulation. **CRA^** or **LML^** or **OSB^** indicates that the family includes more than one type of lender, but that more than 90% of the lending family's loans are accounted for by lenders of the type indicated. **MIX:** lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 26
The 30 Biggest Lenders ("Lender Families") in Massachusetts*
(These Include 19 of the Top 20 Government-Backed Loan [GBL] Lenders ^)
First-Lien Loans for Owner-Occupied Homes, 2010

Lender Family*	Lender Type#	Total Loans			Number of GBLs			GBLs as % of Total			GBL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Bank of America*	CRA ^	16,575	3,900	12,675	2,353	1,403	950	14.2%	36.0%	7.5%	2
Wells Fargo*	OTH ^	12,405	3,772	8,633	3,001	1,784	1,217	24.2%	47.3%	14.1%	1
Mortgage Master	LML	9,377	2,069	7,308	1,182	791	391	12.6%	38.2%	5.4%	4
Sovereign Bank	CRA	8,552	1,470	7,082	374	291	83	4.4%	19.8%	1.2%	18
RBS Citizens	CRA	6,498	1,330	5,168	471	367	104	7.2%	27.6%	2.0%	14
Leader Bank/Mortgage*	MIX	6,349	1,015	5,334	421	225	196	6.6%	22.2%	3.7%	17
Metlife Bank	OTH ^	4,840	1,500	3,340	1,945	889	1,056	40.2%	59.3%	31.6%	3
Ally/GMAC*	OTH	4,670	651	4,019	548	279	269	11.7%	42.9%	6.7%	12
Quicken Loans	LML	3,811	108	3,703	688	61	627	18.1%	56.5%	16.9%	8
Provident Funding	LML	3,702	384	3,318	0	0	0	0.0%	0.0%	0.0%	
NE Moves Mortgage	LML	3,324	2,115	1,209	868	732	136	26.1%	34.6%	11.2%	5
Salem Five	CRA	3,309	1,092	2,217	476	369	107	14.4%	33.8%	4.8%	13
JPMorgan Chase	OTH	3,206	246	2,960	137	60	77	4.3%	24.4%	2.6%	
Prospect Mortgage	LML	3,206	1,363	1,843	702	540	162	21.9%	39.6%	8.8%	7
CitiGroup*	CRA ^	3,065	180	2,885	76	19	57	2.5%	10.6%	2.0%	
Greenpark Mortgage	LML	3,006	712	2,294	569	283	286	18.9%	39.7%	12.5%	11
Poli Mortgage	LML	2,739	359	2,380	215	93	122	7.8%	25.9%	5.1%	
Bank of Canton	CRA	2,538	823	1,715	74	57	17	2.9%	6.9%	1.0%	
MSA Mortgage	LML	2,457	445	2,012	231	147	84	9.4%	33.0%	4.2%	
Mortgage Network	LML	2,446	720	1,726	436	288	148	17.8%	40.0%	8.6%	15
Guaranteed Rate	LML	2,211	443	1,768	219	146	73	9.9%	33.0%	4.1%	
TD Bank	CRA	2,191	534	1,657	155	117	38	7.1%	21.9%	2.3%	
Reliant Mortgage	LML	2,096	355	1,741	435	193	242	20.8%	54.4%	13.9%	16
Franklin American Mort	LML	2,050	660	1,390	863	470	393	42.1%	71.2%	28.3%	6
Merrimack Mortgage	LML	2,024	586	1,438	585	372	213	28.9%	63.5%	14.8%	10
First Eastern Mortgage	CRA	1,970	703	1,267	673	414	259	34.2%	58.9%	20.4%	9
Rockland Trust	CRA	1,928	300	1,628	110	81	29	5.7%	27.0%	1.8%	
Fairway Independent Mort	LML	1,500	295	1,205	220	101	119	14.7%	34.2%	9.9%	
1-800-East/West Mortgage*	OTH ^	1,483	47	1,436	284	30	254	19.2%	63.8%	17.7%	20
Mortgage Financial	LML	1,474	315	1,159	202	140	62	13.7%	44.4%	5.3%	
Total, 30 Biggest Lenders		125,002	28,492	96,510	18,513	10,742	7,771	14.8%	37.7%	8.1%	
Total, All 646 Lenders		206,388	47,699	158,689	27,944	15,352	12,592	13.5%	32.2%	7.9%	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family."
Table 29 provides information on the individual lenders within each "lender family."

^ The one top-20 GBL lender that was not among the top-30 overall lenders was Flagstar Bank (#19).

\# 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 became subject to CRA-type state regulation beginning in 2008. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass.without a license and are exempt from state regulation. CRA^ or LML^ or OSB^ indicates that the family includes more than one type of lender, but that more than 90% of the lending family's loans are accounted for by lenders of the type indicated. MIX: lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 27
The 30 Biggest Lenders ("Lender Families") in Boston*
Total and Government-Backed Loans (GBLs) by Borrower Race/Ethnicity
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2010

	Lender	Total Loans			GBLs as % of Total			Ratio to White		GBL
Lender Family*	**Type#**	**Black**	**Latino**	**White**	**Black**	**Latino**	**White**	**Black**	**Latino**	**Rank**
Bank of America*	CRA^	108	66	908	35.2%	18.2%	9.7%	3.63	1.88	2
Wells Fargo*	OTH^	60	56	674	58.3%	64.3%	18.1%	3.22	3.55	1
Mortgage Master	LML	29	15	835	44.8%	46.7%	10.1%	4.46	4.64	3
RBS Citizens	CRA	97	37	238	34.0%	35.1%	5.5%	6.23	6.43	5
Leader Bank/Mortgage*	MIX	7	11	399	28.6%	9.1%	8.3%	3.45	1.10	6
Sovereign Bank	CRA	28	32	324	17.9%	12.5%	0.9%	19.29	13.50	23
Prospect Mortgage	LML	6	6	210	83.3%	33.3%	5.7%	14.58	5.83	9
Bank of Canton	CRA	4	4	188	0.0%	0.0%	0.5%	0.00	0.00	
Metlife Bank	OTH	26	23	183	76.9%	69.6%	24.0%	3.20	2.89	4
NE Moves Mortgage	LML	8	9	233	62.5%	11.1%	11.6%	5.39	0.96	7
Ally/GMAC*	OTH	13	6	206	23.1%	16.7%	5.3%	4.32	3.12	15
Greenpark Mortgage	LML	6	5	205	66.7%	40.0%	15.1%	4.41	2.65	8
Guaranteed Rate	LML	1	16	164	100.0%	62.5%	4.3%	23.43	14.64	11
East Boston SB*	CRA^	49	7	159	10.2%	0.0%	0.0%	na	na	28
JPMorgan Chase	OTH	22	13	159	13.6%	0.0%	3.1%	4.34	0.00	26
CitiGroup*	CRA^	17	8	148	5.9%	0.0%	0.0%	na	na	
Boston Private	CRA	11	15	151	0.0%	0.0%	0.0%	na	na	
Poli Mortgage	LML	3	1	159	33.3%	0.0%	10.7%	3.12	0.00	13
Provident Funding	LML	5	6	115	0.0%	0.0%	0.0%	na	na	
Quicken Loans	LML	9	6	111	33.3%	16.7%	9.9%	3.36	1.68	19
Mortgage Network	LML	2	0	119	50.0%	na	10.9%	4.58	na	18
Fairway Independent Mort	LML	4	0	127	0.0%	na	13.4%	0.00	na	16
Wainwright Bank	CRA	5	6	108	0.0%	0.0%	0.0%	na	na	
MSA Mortgage	LML	3	2	111	33.3%	50.0%	1.8%	18.50	27.75	30
Franklin American Mort	LNL	13	6	71	76.9%	66.7%	23.9%	3.21	2.78	10
Salem Five	CRA	2	2	83	50.0%	0.0%	15.7%	3.19	0.00	14
TD Bank	CRA	2	4	70	0.0%	25.0%	2.9%	0.00	8.75	
Sierra Pacific Mortgage	LML	1	2	74	100.0%	50.0%	4.1%	24.67	12.33	29
Merrimack Mortgage	LML	3	3	70	33.3%	100.0%	15.7%	2.12	6.36	17
ING Bank	OTH	2	2	71	0.0%	0.0%	0.0%	na	na	
Total, 30 Biggest Lenders		546	369	6,673	35.2%	31.4%	8.8%	4.00	3.57	
Total, All 352 Lenders		711	471	8,955	37.8%	32.5%	9.2%	4.09	3.51	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family."

\# CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, that became subject to CRA-type state regulation beginning in 2008. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass.without a license and are exempt from state regulation. CRA^ or LML^ or OSB^ indicates that the family includes more than one type of lender, but that more than 90% of the lending family's loans are accounted for by lenders of the type indicated. MIX: lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 28
The 30 Biggest Lenders ("Lender Families") in Massachusetts*
Total and Government-Backed Loans (GBLs) by Borrower Race/Ethnicity
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2010

	Lender	Total Loans			GBLs as % of Total			Ratio to White		GBL
Lender Family*	Type#	Black	Latino	White	Black	Latino	White	Black	Latino	Rank
Bank of America*	CRA ^	425	573	11,461	31.8%	31.4%	13.4%	2.37	2.34	2
Wells Fargo*	OTH ^	300	508	9,657	65.0%	61.6%	22.5%	2.89	2.74	1
Mortgage Master	LML	109	212	8,087	57.8%	59.9%	11.5%	5.05	5.23	4
Sovereign Bank	CRA	117	300	7,381	18.8%	40.3%	2.8%	6.70	14.38	18
RBS Citizens	CRA	160	178	3,954	35.6%	36.0%	6.4%	5.59	5.64	14
Leader Bank/Mortgage*	MIX	31	89	4,540	19.4%	11.2%	7.9%	2.45	1.42	17
Metlife Bank	OTH ^	110	220	4,053	77.3%	76.4%	38.9%	1.99	1.96	3
Ally/GMAC*	OTH	58	72	4,064	34.5%	33.3%	11.4%	3.01	2.91	12
Quicken Loans	LML	34	62	2,810	47.1%	22.6%	17.1%	2.75	1.32	8
Provident Funding	LML	28	36	2,603	0.0%	0.0%	0.0%	na	na	
NE Moves Mortgage	LML	60	61	2,781	76.7%	45.9%	25.0%	3.07	1.84	5
Salem Five	CRA	26	60	2,950	46.2%	30.0%	13.8%	3.34	2.17	13
JPMorgan Chase	OTH	66	65	2,587	9.1%	4.6%	4.4%	2.08	1.06	
Prospect Mortgage	LML	57	82	2,478	61.4%	53.7%	20.3%	3.03	2.64	7
CitiGroup*	CRA ^	59	41	2,432	6.8%	2.4%	2.5%	2.70	0.97	
Greenpark Mortgage	LML	38	54	2,699	44.7%	51.9%	18.6%	2.40	2.78	11
Poli Mortgage	LML	14	19	2,194	28.6%	31.6%	8.8%	3.26	3.61	
Bank of Canton	CRA	24	26	1,864	16.7%	19.2%	3.0%	5.55	6.40	
MSA Mortgage	LML	23	25	2,007	34.8%	36.0%	9.3%	3.73	3.86	
Mortgage Network	LML	11	35	2,047	63.6%	71.4%	17.9%	3.56	3.99	15
Guaranteed Rate	LML	18	45	1,209	61.1%	42.2%	11.5%	5.32	3.67	
TD Bank	CRA	32	74	1,763	37.5%	31.1%	5.9%	6.36	5.27	
Reliant Mortgage	LML	29	54	1,928	65.5%	50.0%	19.6%	3.34	2.55	16
Franklin American Mort	LML	46	103	1,720	73.9%	76.7%	39.7%	1.86	1.93	6
Merrimack Mortgage	LML	29	47	1,813	65.5%	83.0%	27.5%	2.39	3.02	10
First Eastern Mortgage	CRA	21	44	1,685	66.7%	75.0%	32.5%	2.05	2.31	9
Rockland Trust	CRA	38	14	1,731	36.8%	14.3%	5.1%	7.25	2.81	
Fairway Independent Mort	LML	11	16	1,319	27.3%	31.3%	14.5%	1.88	2.16	
1-800-East/West Mortgage*	OTH ^	18	23	1,294	38.9%	17.4%	19.1%	2.04	0.91	20
Mortgage Financial	LML	8	13	1,392	37.5%	23.1%	13.5%	2.78	1.71	
Total, 30 Biggest Lenders		2,000	3,151	98,503	43.9%	45.1%	14.3%	3.06	3.15	
Total, All 646 Lenders		3,244	4,677	166,348	41.7%	42.1%	12.9%	3.23	3.25	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family."

\# CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, that became subject to CRA-type state regulation beginning in 2008. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass.without a license and are exempt from state regulation. CRA^ or LML^ or OSB^ indicates that the family includes more than one type of lender, but that more than 90% of the lending family's loans are accounted for by lenders of the type indicated. MIX: lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 29
Individual Lenders in the 30 Biggest Lender "Families" in Boston & Massachusetts*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2010

			Boston			Massachusetts		
Lender Family	Lender Name	Lender Type#	Total Loans	GBL Loans	% GBLs	Total Loans	GBL Loans	% GBLs
Bank of America*	BANK OF AMERICA, N.A.	CRA	1,537	207	13.5%	16,032	2,353	14.7%
Bank of America*	MERRILL LYNCH CREDIT CORP	OTH	43	0	0.0%	543	0	0.0%
CitiGroup*	CITIMORTGAGE, INC	CRA	199	1	0.5%	2,923	76	2.6%
CitiGroup*	CITICORP TRUST BANK, FSB	OTH	18	0	0.0%	135	0	0.0%
Leader Bank/Mortgage*	LEADER BANK	CRA	359	36	10.0%	4,194	382	9.1%
Leader Bank/Mortgage*	LEADER MORTGAGE COMPANY	LML	127	3	2.4%	2,155	39	1.8%
Wells Fargo*	WELLS FARGO BANK, NA	OTH	965	220	22.8%	11,484	2,714	23.6%
Wells Fargo*	RESIDENTIAL MORTGAGE SERVICES	LML	35	15	42.9%	627	286	45.6%
Wells Fargo*	WELLS FARGO FUNDING, INC	OTH	14	0	0.0%	201	0	0.0%
Wells Fargo*	CONWAY HOME MORTGAGE, LLC	OTH	2	0	0.0%	62	0	0.0%

* This table is a supplement to Tables 25 & 26, which show total loans for each of the 30 biggest "lender families." This table includes only individual lenders in multi-lender families, as indicated by an asterisk following the family name in Tables 25 & 26. One individual lender with 16 total loans statewide and ten other lenders with seven or fewer loans are excluded from this table, but their loans are included in the lender family totals in Tables 25 & 26. These eleven lenders include one from 1-800-East/West Mortgage*, one from Allyt/GMAC*, one from CitiGroup*, one from East Boston SB*, and seven from Wells Fargo*.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, with 50 or more Mass. Loans; these lenders recently became subject to state CRA-type regulation. OSB: all other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation.

APPENDIX TABLE 1

All Home-Purchase and Refinance Loans in Massachusetts, 2010, Classified by Five Characteristics: (1) Home-purchase or Refinance; (2) Conventional or Government-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		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	38,260	15,359	53,619	156,552	12,644	169,196	194,812	28,003	222,815
Owner-Occupied	32,347	15,352	47,699	146,097	12,592	158,689	178,444	27,944	206,388
Site-built	32,158	15,350	47,508	146,010	12,591	158,601	178,168	27,941	206,109
Mfg housing	189	2	191	87	1	88	276	3	279
Not Owner-Occ	5,913	7	5,920	10,455	52	10,507	16,368	59	16,427
Site-built	5,910	7	5,917	10,454	52	10,506	16,364	59	16,423
Mfg housing	3	0	3	1	0	1	4	0	4
Sub Lien	1,765	5	1,770	1,945	3	1,948	3,710	8	3,718
Owner-Occupied	1,735	5	1,740	1,899	2	1,901	3,634	7	3,641
Site-built	1,734	5	1,739	1,896	2	1,898	3,630	7	3,637
Mfg housing	1	0	1	3	0	3	4	0	4
Not Owner-Occ	30	0	30	46	1	47	76	1	77
Site-built	29	0	29	45	1	46	74	1	75
Mfg housing	1	0	1	1	0	1	2	0	2
Any Lien	40,025	15,364	55,389	158,497	12,647	171,144	198,522	28,011	226,533
Owner-Occupied	34,082	15,357	49,439	147,996	12,594	160,590	182,078	27,951	210,029
Site-built	33,892	15,355	49,247	147,906	12,593	160,499	181,798	27,948	209,746
Mfg housing	190	2	192	90	1	91	280	3	283
Not Owner-Occ	5,943	7	5,950	10,501	53	10,554	16,444	60	16,504
Site-built	5,939	7	5,946	10,499	53	10,552	16,438	60	16,498
Mfg housing	4	0	4	2	0	2	6	0	6
memo:									
total site-built	39,831	15,362	55,193	158,405	12,646	171,051	198,236	28,008	226,244
total mfg hsing	194	2	196	92	1	93	286	3	289

B. PERCENTAGE OF TOTAL LOANS

	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	16.9%	6.8%	23.7%	69.1%	5.6%	74.7%	86.0%	12.4%	98.4%
Owner-Occupied	14.3%	6.8%	21.1%	64.5%	5.6%	70.1%	78.8%	12.3%	91.1%
Site-built	14.2%	6.8%	21.0%	64.5%	5.6%	70.0%	78.6%	12.3%	91.0%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	2.6%	0.0%	2.6%	4.6%	0.0%	4.6%	7.2%	0.0%	7.3%
Site-built	2.6%	0.0%	2.6%	4.6%	0.0%	4.6%	7.2%	0.0%	7.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.8%	0.0%	0.8%	0.9%	0.0%	0.9%	1.6%	0.0%	1.6%
Owner-Occupied	0.8%	0.0%	0.8%	0.8%	0.0%	0.8%	1.6%	0.0%	1.6%
Site-built	0.8%	0.0%	0.8%	0.8%	0.0%	0.8%	1.6%	0.0%	1.6%
Mfg housing	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%
Site-built	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%
Any Lien	17.7%	6.8%	24.5%	70.0%	5.6%	75.5%	87.6%	12.4%	100.0%
Owner-Occupied	15.0%	6.8%	21.8%	65.3%	5.6%	70.9%	80.4%	12.3%	92.7%
Site-built	15.0%	6.8%	21.7%	65.3%	5.6%	70.9%	80.3%	12.3%	92.6%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	2.6%	0.0%	2.6%	4.6%	0.0%	4.7%	7.3%	0.0%	7.3%
Site-built	2.6%	0.0%	2.6%	4.6%	0.0%	4.7%	7.3%	0.0%	7.3%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	17.6%	6.8%	24.4%	69.9%	5.6%	75.5%	87.5%	12.4%	99.9%
total mfg hsing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%

Notes:

This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2010 HMDA data. All other numbers in this table are calculated from these 32 basic numbers.

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 91.1% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (7.3% of the total) and subordinate-lien loans (1.6%).

Of the government-backed loans, 90.56% were FHA, 8.1%% were VA, and 1.4%% were USDA. There were zero (!) HEOPA loans

This table ignores 143 loans (0.1% of the total) for which owner-occupancy status was not reported.

This table also ignores the state's 11,537 home-improvement loans, of which 6,491 were first-lien loans on owner-occupied homes.

APPENDIX TABLE 2
All Loans & Gov't-Backed Loans (GBLs), by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type#
Loans for Owner-Occupied Homes, Massachusetts, 2010

Borrower Race/Ethnicity	All Loans	Non-GBL Loans	GBL Loans	Percent GBLs	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	3,454	2,958	496	14.4%	0.48
Black	1,694	763	931	55.0%	1.84
Latino	2,526	1,045	1,481	58.6%	1.96
White	37,458	26,242	11,216	29.9%	1.00
No Info*	4,162	2,981	1,181	28.4%	
Total*	49,438	34,081	15,357	31.1%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (96.5% of all Home Purchase Loans)					
Asian	3,301	2,805	496	15.0%	0.49
Black	1,532	601	931	60.8%	1.97
Latino	2,319	838	1,481	63.9%	2.07
White	36,378	25,167	11,211	30.8%	1.00
No Info*	4,031	2,850	1,181	29.3%	
Total*	47,699	32,347	15,352	32.2%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (3.5% of all Home Purchase Loans)					
Asian	153	153	0	0.0%	0.00
Black	162	162	0	0.0%	0.00
Latino	207	207	0	0.0%	0.00
White	1,080	1,075	5	0.5%	1.00
No Info*	131	131	0	0.0%	
Total*	1,739	1,734	5	0.3%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	8,907	8,647	260	2.9%	0.37
Black	1,738	1,314	424	24.4%	3.12
Latino	2,394	1,907	487	20.3%	2.60
White	131,592	121,297	10,295	7.8%	1.00
No Info*	15,560	14,472	1,088	7.0%	
Total*	160,590	147,996	12,594	7.8%	
B-2. REFINANCE LOANS — FIRST LIEN (98.8% of all Refinance Loans)					
Asian	8,862	8,602	260	2.9%	0.37
Black	1,712	1,289	423	24.7%	3.12
Latino	2,358	1,872	486	20.6%	2.60
White	129,970	119,675	10,295	7.9%	1.00
No Info*	15,396	14,308	1,088	7.1%	
Total*	158,689	146,097	12,592	7.9%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.2% of all Refinance Loans)					
Asian	45	45	0	0.0%	
Black	26	25	1	3.8%	n/a
Latino	36	35	1	2.8%	n/a
White	1,622	1,622	0	0.0%	
No Info*	164	164	0	0.0%	
Total*	1,901	1,899	2	0.1%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	12,361	11,605	756	6.1%	0.48
Black	3,432	2,077	1,355	39.5%	3.10
Latino	4,920	2,952	1,968	40.0%	3.14
White	169,050	147,539	21,511	12.7%	1.00
No Info*	19,722	17,453	2,269	11.5%	
Total*	210,028	182,077	27,951	13.3%	

* "No Info" is "Information not provided…in mail or telephone application" & "Not applicable."
"Total" includes "Other" as well as the categories shown in the table; "other" is 0.4% or less in each category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2010 *

Race/	Number of Loans						Percent of All Loans#					
Ethnicity	1990	1995	2000	2005	2009	2010	1990	1995	2000	2005	2009	2010
Asian	100	269	381	453	333	317	5.7%	6.0%	5.8%	6.1%	9.1%	9.3%
Black	287	880	710	1,065	369	332	16.4%	19.8%	10.9%	14.3%	10.0%	9.7%
Latino	91	303	463	719	231	212	5.2%	6.8%	7.1%	9.7%	6.3%	6.2%
White	1,266	2,866	4,831	5,175	2,731	2,548	72.5%	64.4%	74.0%	69.5%	74.3%	74.5%
Other	3	132	147	34	13	13	0.2%	3.0%	2.3%	0.5%	0.4%	0.4%
SubTotal#	1,747	4,450	6,532	7,446	3,677	3,422	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	483	536						
Total	1,770	4,637	7,467	8,330	4,160	3,958						

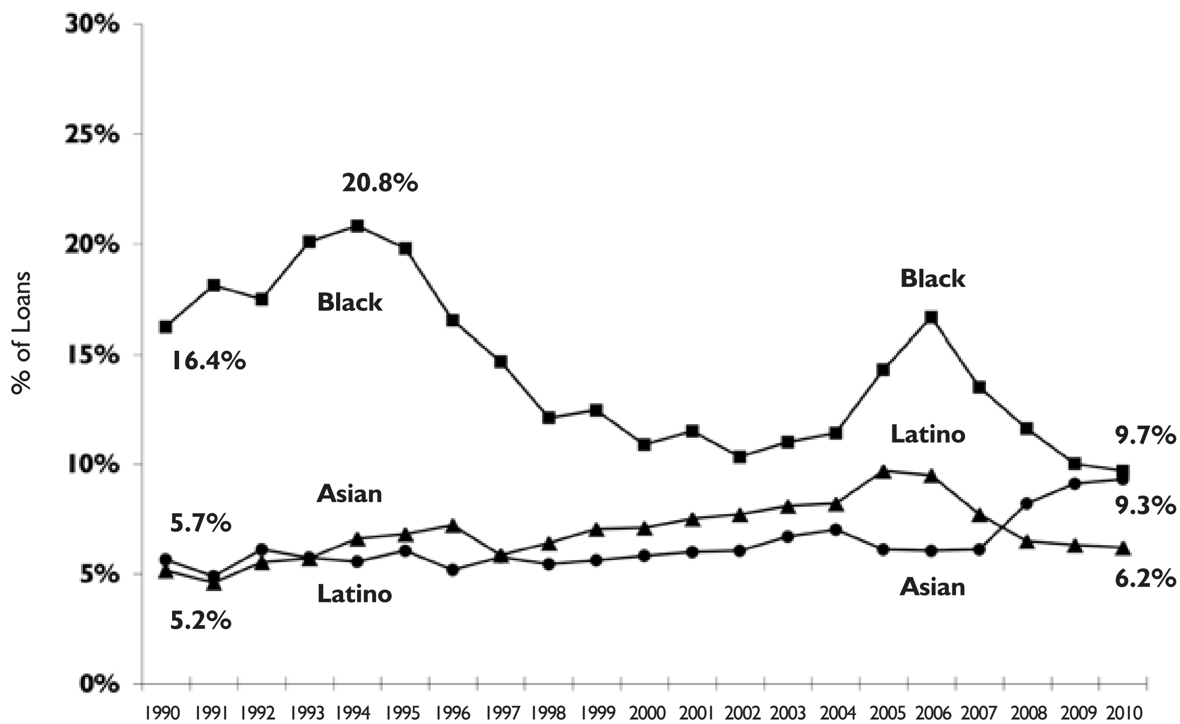
Important Note: 2004 and later data are not strictly comparable to those for previous years. Beginning in 2004, loans other than first-lien mortgages for owner-occupied homes are excluded; previously only junior-lien loans under the SoftSecond Program were excluded. In addition, race and ethnicity are 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, 1990–2010*

The black share of Boston households was 20.6% in 1990 and 21.4% in 2000.
The Asian share of Boston households was 4.1% in 1990 and 6.8% in 2000.
The Latino share of Boston households was 8.1% in 1990 and 10.8% in 2000.

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



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2010*

Income	Number of Loans						As Percent of All Loans					
Level ^	1990	1995	2000	2005	2009	2010	1990	1995	2000	2005	2009	2010
Low#	51	530	369	216	290	217	2.8%	11.6%	5.1%	2.7%	7.0%	5.5%
Moderate	352	1,233	1,321	1,314	1,219	1,067	19.6%	27.0%	18.4%	16.4%	29.3%	27.1%
Middle	527	1,261	1,815	2,281	1,125	1,036	29.3%	27.6%	25.2%	28.5%	27.0%	26.4%
High	513	889	2,095	2,715	888	920	28.5%	19.4%	29.1%	33.9%	21.3%	23.4%
Highest	355	659	1,589	1,474	618	691	19.7%	14.4%	22.1%	18.4%	14.9%	17.6%
Hi+Hi'est	868	1,548	3,684	4,189	1,506	1,611	48.3%	33.9%	51.2%	52.4%	36.2%	41.0%
Total#	1,798	4,572	7,189	8,000	4,160	3,931	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.

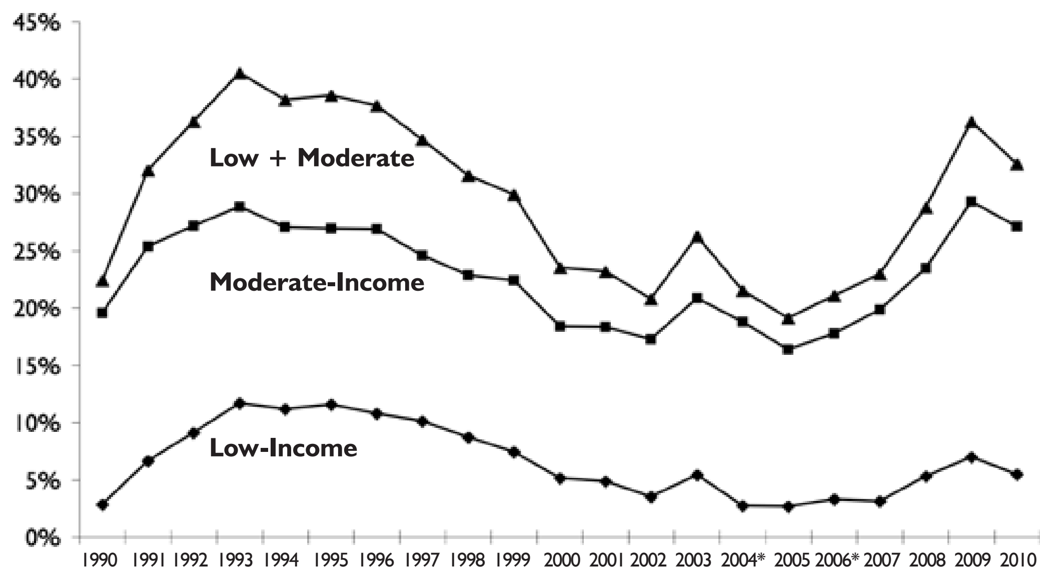
\# "Total" excludes borrowers without income data (27 in 2010); before 2004, Low & Total also excluded those with incomes of $10K or less.

^ 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

Chart A-4: Loans to Low- and Moderate-Income Borrowers as % of All Boston Home-Purchase Loans, 1990–2010*

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



APPENDIX TABLE 5

Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2010*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2009	2010	1990	1995	2000	2005	2009	2010
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	17.4%	12.3%	0.89	1.12	1.37	1.45	1.69	1.13
Black	32.7%	15.8%	24.5%	23.6%	24.5%	21.9%	2.00	2.16	2.63	2.34	2.38	2.01
Latino	25.3%	18.6%	18.9%	20.9%	21.2%	22.2%	1.55	2.55	2.03	2.07	2.06	2.04
White	16.4%	7.3%	9.3%	10.1%	10.3%	10.9%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	12.4%	12.4%		0.99	1.08	1.04	1.23	1.24
Black		16.3%	20.7%	21.3%	23.8%	22.3%		2.23	2.46	2.20	2.36	2.23
Latino		13.1%	17.2%	19.1%	22.2%	22.1%		1.79	2.05	1.97	2.20	2.21
White		7.3%	8.4%	9.7%	10.1%	10.0%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	15.8%	16.6%	14.4%	0.90	0.61	0.56	1.28	1.27	1.17
Black	33.9%	40.5%	44.6%	27.5%	32.3%	30.9%	2.35	1.97	2.00	2.24	2.47	2.51
Latino	21.4%	29.5%	31.4%	21.3%	25.6%	22.9%	1.49	1.43	1.41	1.73	1.95	1.86
White	14.4%	20.6%	22.3%	12.3%	13.1%	12.3%	1.00	1.00	1.00	1.00	1.00	1.00

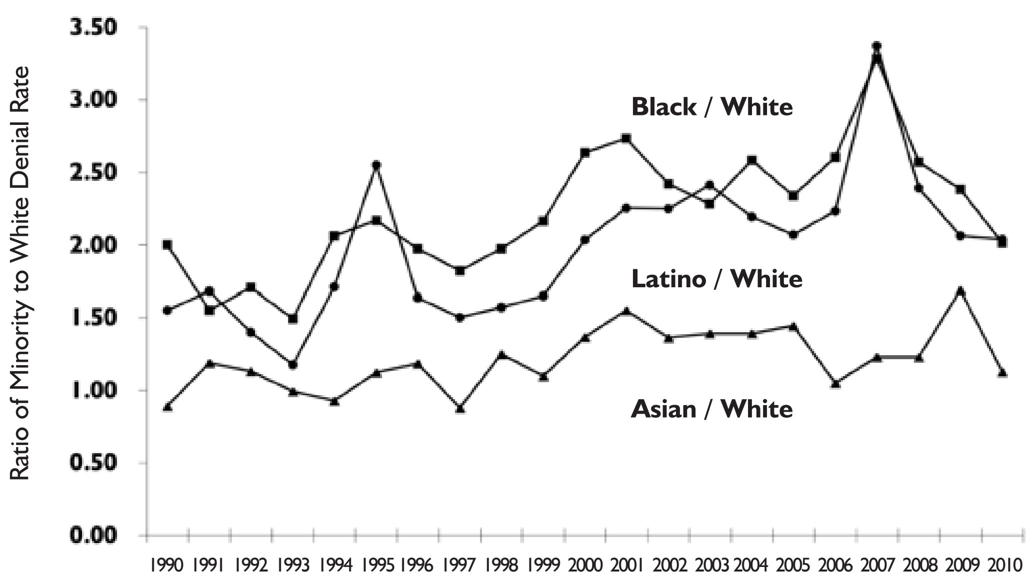
Important Note: Denial rates & ratios for 2004 and later are not strictly comparable to those for previous years. Beginning in 2004, all applications other than for first-lien mortgages for owner-occupied homes are excluded; previously only junior liens under the SoftSecond Program in Boston were excluded. 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.

\# U.S. denial rates from *Federal Reserve Bulletin* and FFIEC annual press releases, various dates.
U.S. denial rates are for conventional loans only; in Boston and MA denial rates through 2008 are for all loans (these are are very close to those for conventional loans only. For 2009 and 2010, Boston and MA denial rates are also for conventional loans only.

Chart A-5: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2010*

* 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 Loans for Owner-Occupied Homes
As Percentage of Total, 2010

	Home Purchase Loans						Refinance Loans					
	Appli-cations	Loan Made	Approv No Loan	Denied	With-drawn	File In-complete	Appli-cations	Loan Made	Approv No Loan	Denied	With-drawn	File In-complete
A. BOSTON												
Asian	448	70.8%	2.7%	14.1%	10.3%	2.2%	803	63.8%	3.5%	15.4%	13.6%	3.7%
Black	580	57.2%	5.3%	23.3%	10.9%	3.3%	895	42.3%	6.3%	30.8%	14.6%	5.9%
Latino	368	57.6%	4.3%	21.7%	12.2%	4.1%	496	52.2%	3.8%	21.2%	17.9%	4.8%
White	3,544	71.9%	4.3%	12.0%	10.2%	1.7%	9,346	68.6%	3.6%	13.6%	10.8%	3.4%
Total*	5,770	68.6%	4.1%	14.4%	10.6%	2.3%	13,519	63.7%	3.8%	16.0%	12.1%	4.4%
B. GREATER BOSTON+												
Asian	3,296	71.7%	4.1%	12.0%	9.7%	2.6%	8,761	72.8%	3.3%	11.6%	9.1%	3.2%
Black	1,374	59.5%	5.2%	21.3%	11.6%	2.4%	2,154	47.2%	5.8%	26.6%	14.9%	5.5%
Latino	1,641	62.0%	4.6%	19.7%	11.2%	2.5%	2,380	54.9%	4.0%	20.4%	15.7%	5.0%
White	23,797	74.9%	4.0%	9.8%	9.7%	1.6%	99,227	71.9%	3.4%	11.5%	9.5%	3.6%
Total*	34,070	72.2%	4.1%	11.4%	10.3%	2.0%	128,675	69.5%	3.6%	12.5%	10.2%	4.3%
C. MASSACHUSETTS												
Asian	4,709	70.1%	4.0%	13.3%	9.8%	2.7%	12,337	71.8%	3.3%	12.2%	9.2%	3.4%
Black	2,567	59.7%	4.4%	22.2%	10.9%	2.8%	3,630	47.2%	5.3%	27.5%	14.8%	5.2%
Latino	3,740	62.0%	4.4%	21.4%	10.3%	1.9%	4,515	52.2%	3.9%	23.1%	15.4%	5.4%
White	49,283	73.8%	3.9%	11.1%	9.4%	1.7%	188,775	68.8%	3.5%	13.2%	10.4%	4.1%
Total*	66,893	71.3%	4.0%	12.7%	9.9%	2.1%	237,947	66.7%	3.6%	14.0%	11.0%	4.7%

^ HMDA data include one of the following 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 Plannning Council (MAPC) region.

APPENDIX TABLE 7
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Massachusetts
First-Lien, Owner-Occupied HOME-PURCHASE Loans Only, 2010

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA

	Black			Latino			White		
Reason	Low- & Mod- Income	Mid- & Upper- Income	All	Low- & Mod- Income	Mid- & Upper- Income	All	Low- & Mod- Income	Mid- & Upper- Income	All
Debt-to-Income Ratio	102	39	145	193	24	217	799	435	1,261
Employment History	7	2	11	24	6	30	106	54	165
Credit History	82	31	119	92	39	131	474	357	857
Collateral	62	35	97	111	36	148	431	623	1,067
Insufficient Cash	12	9	23	34	12	46	107	114	224
Unverifiable Information	17	7	24	38	14	52	101	147	254
Credit Application Incomplete	23	13	36	34	13	47	144	287	440
Mortgage Insurance Denied	3	1	5	2	2	4	35	44	82
Other	74	27	103	105	37	144	407	501	922
Total Denials	382	174	571	619	177	799	2,721	2,669	5,483
Number with Reason Reported	316	144	472	532	157	691	2,174	2,219	4,476
Number with No Reason Reported	66	30	99	87	20	108	547	450	1,007
Percent with No Reason Reported	17.3%	17.2%	17.3%	14.1%	11.3%	13.5%	20.1%	16.9%	18.4%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED

	Black			Latino			White		
Reason	Low- & Mod- Income	Mid- & Upper- Income	All	Low- & Mod- Income	Mid- & Upper- Income	All	Low- & Mod- Income	Mid- & Upper- Income	All
Debt-to-Income Ratio	32%	27%	31%	36%	15%	31%	37%	20%	28%
Employment History	2%	1%	2%	5%	4%	4%	5%	2%	4%
Credit History	26%	22%	25%	17%	25%	19%	22%	16%	19%
Collateral	20%	24%	21%	21%	23%	21%	20%	28%	24%
Insufficient Cash	4%	6%	5%	6%	8%	7%	5%	5%	5%
Unverifiable Information	5%	5%	5%	7%	9%	8%	5%	7%	6%
Credit Application Incomplete	7%	9%	8%	6%	8%	7%	7%	13%	10%
Mortgage Insurance Denied	1%	1%	1%	0%	1%	1%	2%	2%	2%
Other	23%	19%	22%	20%	24%	21%	19%	23%	21%

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 OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.
Lenders reported three reasons for only 2.0% of denials in Massachusetts in 2010; 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.

APPENDIX TABLE 8
Reasons Given For Denials Of Mortgage Loan Applications From Black, Latino, And White Applicants In Massachusetts First-Lien, Owner-Occupied REFINANCE Loans Only, 2010

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA

	Black			Latino			White		
Reason	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	129	67	197	164	71	236	2,895	2,223	5,205
Employment History	2	3	8	11	3	14	184	193	396
Credit History	94	88	191	76	63	148	890	1,557	2,568
Collateral	78	154	238	110	158	277	1,401	5,217	6,790
Insufficient Cash	14	21	37	16	9	28	165	316	508
Unverifiable Information	15	20	36	18	22	43	269	595	913
Credit Application Incomplete	38	52	98	50	62	124	578	1,807	2,562
Mortgage Insurance Denied	2	0	2	5	1	6	33	93	126
Other	48	60	120	45	58	119	770	2,279	3,184
Total Denials	463	493	1,000	517	465	1,041	8,446	15,555	24,842
Number with Reason Reported	357	398	792	415	387	853	6,070	12,529	19,331
Number with No Reason Reported	106	95	208	102	78	188	2,376	3,026	5,511
Percent with No Reason Reported	22.9%	19.3%	20.8%	19.7%	16.8%	18.1%	28.1%	19.5%	22.2%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED

	Black			Latino			White		
Reason	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	36%	17%	25%	40%	18%	28%	48%	18%	27%
Employment History	1%	1%	1%	3%	1%	2%	3%	2%	2%
Credit History	26%	22%	24%	18%	16%	17%	15%	12%	13%
Collateral	22%	39%	30%	27%	41%	32%	23%	42%	35%
Insufficient Cash	4%	5%	5%	4%	2%	3%	3%	3%	3%
Unverifiable Information	4%	5%	5%	4%	6%	5%	4%	5%	5%
Credit Application Incomplete	11%	13%	12%	12%	16%	15%	10%	14%	13%
Mortgage Insurance Denied	1%	0%	0%	1%	0%	1%	1%	1%	1%
Other	13%	15%	15%	11%	15%	14%	13%	18%	16%

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 OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.
Lenders reported three reasons for only 2.0% of denials in Massachusetts in 2010; 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.

NOTES ON DATA AND METHODS

Introduction

This report is based primarily on data from three major sources: the Federal Financial Institutions Examination Council (FFIEC) for Home Mortgage Disclosure Act (HMDA) data; the U.S. Census Bureau for data from the 2000 Census; and the U.S. Department of Housing and Urban Development (HUD) for annual data on income levels for metropolitan areas. These "Notes" provide information on the data obtained from these three sources. The information here is intended to supplement the information provided in the notes to the 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 (www.ffiec.gov/hmda). Among the HMDA data provided 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), pricing information for loans with annual percentage rates above threshold levels (see below), whether the loan is secured by a manufactured home, and whether the loan is a HOEPA loan (that is, a high-cost loan subject to the protections of the Home Ownership and Equity Protection Act of 1994). HMDA LAR data can be downloaded for free from the FFIEC website.

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 the loan's APR and the interest rate on Treasury securities was three percentage points or more for a first-lien loan (or five percentage points or more for a junior-lien loan) 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 (and for all earlier applications not acted on until 2010), 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); high-APR loans are those with rate spreads of one and one-half percentage points or more for a first-lien loan (or three and one-half percentage points or more for a junior-lien loan). The new criteria are far superior to the old because the comparison is directly to the rate on comparable prime mortgages. In this report, loans for which the spreads are reported are referred to as "high-APR loans" or "HALs."

Government-backed loans (GBLs) are those identified in HMDA data as FHA-insured, VA-guaranteed, or USDA-guaranteed (i.e., guaranteed by the Farm Service Agency or the Rural Housing Service). See Section I for more information about GBLs.

The tables in this report provide information on first-lien loans for owner-occupied homes, usually presented separately for home- purchase loans and refinance loans. (A few tables combine data for home-purchase and refinance loans; a few other tables have data for home-purchase loans only.) 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 72 categories of loans on the basis of the following five distinctions: 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 two measures. First, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes—that is, none of these types of loans are included in any of the numbers contained in this report's tables. Second, I ignored the distinction between site-built and manufactured homes (in 2010, loans for manufactured homes accounted for only 0.1% of the state's loans). Appendix Tables 1 and 2 provide data that allow the interested reader to assess the impact of these decisions about what loans to include and exclude from the analysis in this report.

The decision to include only first-lien loans in all of the tables in body of this report has less impact for 2010 data than in 2008 and earlier years because junior-lien loans in 2010 made up just 3.5% of all home-purchase loans and 1.2% of all refinance loans. 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. Thus, borrowers received a first-lien loan for 80% of the value of the home and a second, junior-lien mortgage for the additional amount being borrowed (20% of the home's value in the case of a zero-down-payment loan). Restricting the analysis to first-lien loans avoids double-counting home buyers who obtained 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 and GBLs, overall and for each of the major racial/ethnic groups included in this report.

Income categories for applicants/borrowers are defined in relationship to the median family income (MFI) of the Metropolitan Statistical Area (MSA) in which the property is located, as reported annually by the U.S. Department of Housing and Urban Development (see below). These 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 use the revised metropolitan areas defined by U.S. Office of Management and Budget OMB in June 2003, under which New England joined the rest of the U.S. in having metropolitan areas consist of entire counties [www.whitehouse.gov/omb/bulletins/b03-04.html]. The Boston MSA now 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). Furthermore, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). The Boston MSA now consists of three MDs: the Essex Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). 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 all borrowers and census tracts 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 2010 MFIs for the three MDs as well as for the entire Boston MSA are provided below.)

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 they wish (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. 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 206,388 first-lien loans for owner-occupied homes in Massachusetts in 2010, a total of 3,449 are identified in the HMDA data as going to black borrowers and a total of 4,677 are identified as going to Latinos; only 205 are identified as going to borrowers who were both black and Latino.

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 loans for owner-occupied homes in Massachusetts in 2010 with information on the race of the borrower, only 0.2% of borrowers specified more than one race and only 1.4% of borrowers had co-borrowers of a different race; only 1.0% of borrowers had co-borrowers with different ethnicity.

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 (for first-lien home-purchase loans on owner-occupied homes) 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.

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 VI and in the notes to Tables 20–29.

Big Boston Banks 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 2009, this group includes only Bank of America, RBS Citizens, and Sovereign. Bank of America includes Bank of America and Fleet loans for 2004, but only Fleet loans for earlier years. 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 Mellon New England), was included in this category until it exited the mortgage lending business in 2002.

Subprime lenders were identified, from 1998 through 2003, on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. HUD's lists include lenders who specialized in subprime loans or for whom subprime loans constituted a majority of loans originated. Information on how the lists were compiled, and the lists themselves through 2005, are available at: www.huduser.org/datasets/manu.html. Between 2004 and 2009, lenders were classified as *subprime lenders*—for the purposes of this series of reports—on the basis of the percentage of their total Massachusetts loans that consisted of high-APR loans (HALs). Minimum percentages for specifying subprime lenders were chosen to include known subprime lenders, including those identified as subprime lenders on HUD's annual lists. A lender was classified as a "subprime lender" for 2004 if it made at least five first-lien, owner-occupied, home-purchase HALs in Massachusetts, and if these HALs constituted more than 15% of its total loans in the state. A lender was classified as a "subprime lender" for 2005 if HALs constituted more than one-third (33.3%) of its total loans in the state. A lender was classified as a "subprime lender" for 2006 if HALs constituted more than 40% of its total loans in the state. A lender was classified as a "subprime lender" for 2007 if HALs constituted more than 40% of its total loans in the state in 2007 or more than 40% of its loans in 2006 and at least 25% of its loans in 2007. A lender was classified as a "subprime lender" for 2008 or 2009 if HALs constituted at least 40% of its total (home-purchase plus refinance) first-lien loans for owner-occupied homes in the state in that year. Given the minimal level of high-APR loans in 2010, no lenders were identified as subprime lenders for 2010.

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 2009 edition of *A Guide to HMDA Reporting: Getting It Right!*, Appendix D, pages D1–D2 [www.ffiec.gov/hmda/guide.htm]).

Data from the 2000 Census

Almost all population and income data presented in this report for geographic areas are from the 2000 Census. The only exception to this generalization is the data used in the first two bullet points of Section III, which is explained in a footnote at that point. Rolf Goetze of the Policy Development and Research Department at the Boston Redevelopment Authority (BRA) provided me with 2000 Census data in electronic form on requested variables for all of the census tracts in the city of Boston. Roy Williams of the Massachusetts State Data Center provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the state. Income data from the 2000 Census were obtained using the "American FactFinder" feature on the website of the U.S. Census Bureau (www.census.gov).

Racial/ethnic composition of geographic areas may be defined in a number of ways as a result of the fact that the 2000 Census allowed individuals to choose two or more racial categories for themselves, in addition to classifying themselves as either Hispanic/Latino or not (the 2000 Census regards the terms "Latino" and "Hispanic" as equivalent; this report uses the term "Latino"). The percentage for Latinos consists of all those who classified themselves as Latino, regardless of the race or races that they selected. The terms "Asian," "black," and "white" are used in this report as shorthand for "non-Latino Asian," "non-Latino black," and "non-Latino white," respectively. The percentage for a single race is calculated as the average of (1) the percentage that chose that race alone and (2) the percentage that chose that race alone or together with one or more other races. One advantage of this method is that the sum of the percentages for all of the races is very close to 100% (the sum of all percentages based on each race alone is less than 100%, while the sum of all percentages based on each race alone or together with one or more other races is greater than 100%).

Racial/ethnic composition may be reported either as percentage of the entire population or as percentage of households, where a household is defined as one or more persons living in a single housing unit. (In many cases, a household consists of a family, but there are also many non-family households consisting of a single individual or a set of unrelated individuals.) In most cases, this report uses household percentages because households provide a better indicator of the number of potential home mortgage borrowers. The race/ethnicity of a household is determined by the race/ethnicity of the individual identified as the householder.

Census tracts are assigned to income categories on the basis of decennial census data, using the metropolitan area definitions adopted by the federal government in June 2003 (see above). This differs from the way that borrowers are assigned to income categories on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas as reported by HUD. MFIs for census tracts are only reported (by the Census Bureau) once every ten years, so the assignment of census tracts to income categories does not change annually. (However, the assignment of census tracts in *Changing Patterns XIV* and later reports is different than in earlier reports because of the decision [discussed above] to classify all census tracts in the Boston MSA on the basis of the MFI in the MSA rather than on the basis of the MFIs in the three Metropolitan Divisions [MDs] within the Boston MSA.)

Data from the Department of Housing and Urban Development (HUD)

Median family income (MFI) of each metropolitan area is reported annually by HUD. Borrowers are placed into income categories by comparing their reported incomes to the annual HUD estimate of the MFI in the Metropolitan Statistical Area (MSA) area where the home being mortgaged is located. The Boston MSA is divided into three Metropolitan Divisions (MDs), but the MFIs of these MDs were not used in this report. The 2010 MFIs for all of the state's metropolitan areas were:

Barnstable MSA (Barnstable County)	$75,300
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	$89,500
Boston–Quincy MD (Norfolk/Plymouth/Suffolk Counties)	$85,200
Cambridge–Newton–Framingham MD (Middlesex County)	$98,700
Peabody MD (Essex County)	$83,900
Pittsfield MSA (Berkshire County)	$65,700
Providence–Fall River–New Bedford MSA (Bristol County)	$72,100
Springfield MSA (Franklin/Hampden/Hampshire Counties)	$67,400
Worcester MSA (Worcester County)	$79,900
Non-Metro part of Massachusetts (Dukes/Nantucket Counties)	$78,200