



Changing Patterns VIII

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Greater Boston, 1990 – 2000

M | C | B | C



Changing Patterns VIII

Mortgage Lending to
Traditionally Underserved
Borrowers & Neighborhoods
in Greater Boston, 1990 – 2000

BY

Jim Campen

*Department of Economics and Mauricio Gaston Institute
for Latino Community Development and Public Policy
University of Massachusetts/Boston*

DECEMBER 2001

M | C | B | C

A REPORT PREPARED FOR
*Massachusetts Community & Banking Council
c/o Citizens Bank
Exchange Place
53 State Street, 8th floor
Boston, MA 02109*

Preparation of this report was supported by a grant from the Massachusetts Community & Banking Council [MCBC] to the Mauricio Gastón Institute for Latino Community Development and Public Policy at the University of Massachusetts/Boston. An advisory board, consisting of four members of MCBC's Mortgage Lending Committee – Tom Callahan of the Massachusetts Affordable Housing Alliance, David Harris of the Fair Housing Center of Greater Boston, Mary Moura of Wainwright Bank, and Esther Schlorholtz of Boston Private Bank & Trust Company – plus MCBC manager Kathleen Tullberg, oversaw preparation of the report and reviewed the final draft. Very helpful assistance with 2000 Census data was provided by Rolf Goetze of the Boston Redevelopment Authority and Roy Williams of the Massachusetts Institute for Social and Economic Research. Lisa Lasch of Fleet Bank supplied information on current interest rates and program features for the updated summary of targeted mortgage programs contained in Table 11. Bonnie Heudorfer and Katherine Krister of the former BankBoston provided the maps for an earlier edition of this report. In spite of helpful comments and suggestions received, the ideas and conclusions in this report are the responsibility of the author, and should not be attributed to any of the officers or board members of either the Gastón Institute or the MCBC.

INTRODUCTION

In January 1990, the leaders of the local and statewide banking industry announced a commitment to substantially increase the provision of credit and banking services to the low-income and minority communities within the city of Boston. Studies released in 1989 had demonstrated the existence of substantial racial disparities in the number of mortgage loans made in different neighborhoods within the city.¹ One of the principal components of the bankers' subsequent response was a pledge for a major expansion in the supply of mortgage lending to previously underserved borrowers.

As the fifth anniversary of the announcement of that commitment approached, the Massachusetts Community & Banking Council (MCBC) – whose Board of Directors has an equal number of bank and community representatives – commissioned a study to evaluate the extent to which it had been fulfilled. That study, conducted by the present author, was organized around three principal questions:

- Whether and to what extent had mortgage lending to low-income and minority households and neighborhoods in the city of Boston increased since 1990?
- Whether and to what extent had major types of lenders (the biggest Boston banks, other banks, and mortgage companies) performed differently in meeting previously underserved mortgage lending needs?
- Whether and to what extent had multi-bank targeted mortgage programs made significant contributions toward meeting the banks' commitments?

The resulting seventy-eight page report, *Changing Patterns: Mortgage Lending in Boston, 1990-1993*, was released by MCBC in August 1995. The present study is the latest in a series of annual updates of the original report. This is the fourth year in which the report's geographic scope has been expanded to include an examination of mortgage lending patterns in 27 cities and towns surrounding the city of Boston.

This introduction is followed by ten pages of text that identify some of the most significant findings that emerge from the extensive set of tables and charts that constitute the bulk of this report. The first of the two major parts of the textual portion of the report, together with Tables 2 – 17 and their associated charts, provides an analysis of lending in the city of Boston from 1990 through 2000. This analysis is subdivided into three sections which focus, in turn, on total lending within the city, on lending by major types of lenders, and on lending under four multi-bank targeted mortgage programs.

The second major part of the text, together with Tables 18 - 25, examines detailed information on mortgage lending patterns in 27 cities and towns surrounding Boston. The twelve cities and towns that share a boundary with Boston are grouped together as the "Inner Ring." Listed clockwise from the southeast, these are: Quincy, Milton, Dedham, Brookline, Newton, Watertown, Cambridge, Somerville, Everett, Chelsea, Revere, and Winthrop. The fifteen additional cities and towns that share a boundary with at least one of the "Inner Ring" municipalities constitute the "Outer Ring." These are Weymouth, Braintree, Randolph, Canton, Westwood, Needham, Wellesley, Weston, Waltham, Belmont, Arlington, Medford, Malden, Saugus, and Lynn.

¹ The two most important of these studies were: Katherine L. Bradbury, Karl E. Case, and Constance R. Dunham, "Geographic Patterns of Mortgage Lending in Boston, 1982-87," *New England Economic Review* [Federal Reserve Bank of Boston], September-October 1989, and Charles Finn, *Mortgage Lending in Boston's Neighborhoods, 1981-87: A Study of Bank Credit and Boston's Housing*, Boston Redevelopment Authority, 1989.

Two maps located between the text and tables of this report show the location of each of the individual cities in the two rings and locate the rings within the Boston Metropolitan Statistical Area (MSA). Basic information about the population and income level of each of these cities and towns is then presented in Table 1, which makes clear that there is a great deal of variation among the communities within each of the two rings. The city of Boston plus the two rings contain just over half (52.3%) of the total population of the MSA.

This report makes use of newly available data on population from the 2000 Census. However, income data from the 2000 Census will not be available until next year, so the 1990 Census remains the most recent source of consistent and reliable information on income. It should be noted that there might have been substantial changes in the relative income levels of different neighborhoods or municipalities during the years since that census. The "Notes on Data and Methods" at the conclusion of the report provide details on the definitions and sources of the data used in this report and on how the data were processed in preparing the tables and charts that appear below.

One significant change from previous reports in this annual series is the way that major lender categories are defined. The category of "Big Boston Banks" is found only in Table 7, and has been retained there primarily to document this group's dramatic drop in market share. In Tables 8-10 and Table 25, the labels of the two largest groups of lenders emphasize that the principal basis for classification is not whether a lender is a bank or a mortgage company, but whether or not its Boston-area lending is covered by the Community Reinvestment Act (CRA) – that is, whether or not its performance in meeting the mortgage credit needs of local communities is subject to evaluation by government bank regulators. This distinction is particularly important in light of proposed legislation at both the state and federal levels. (See the footnotes to these tables and the "Notes on Data and Methods" for further details.)

The current report, like its predecessors, is motivated primarily with a concern for expanding homeownership and is therefore concerned only with *home-purchase* mortgage loans (that is, the analysis excludes loans to refinance existing mortgages).² This report also follows its predecessors in containing no analysis of lending by individual banks or mortgage companies; MCBC is concerned with the performance of the lending industry as a whole and of major components of that industry, rather than with comparative examinations of the performance of individual lenders.

The primary goal of this series of reports 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 can agree is fair and accurate. It is beyond the scope of these reports to offer either an *explanation* of why the observed trends have occurred or an *evaluation* of how well lenders have performed. Rather, their descriptive contributions are intended to be important annual inputs into the complex, on-going tasks of explanation and evaluation.

² A companion report analyzing refinance lending in the same cities and towns covered in this report – entitled *Borrowing Trouble? II: Subprime Mortgage Lending in Great Boston, 1999-2000* – is being released and distributed simultaneously with this one.

I. LENDING IN THE CITY OF BOSTON

The following analysis of home-purchase lending to traditionally underserved borrowers and neighborhoods in the city of Boston is divided into three sections. The first examines overall lending in the city; the second examines lending by major types of lenders; and the third examines loans made under four multi-bank targeted mortgage programs.

A. Total Boston Lending by Race, Income, and Neighborhood

The data presented in Tables 2 - 6 and their associated charts show a deterioration in the patterns of mortgage lending to traditionally underserved borrowers and neighborhoods in the city of Boston in the year 2000. While the share of loans going to Latino borrowers increased very slightly, the loan shares of blacks and of lower-income borrowers continued – or even accelerated – the downward trends that have prevailed since 1993 or 1994. At the same time, ratios between the denial rates of minority applicants and their white counterparts jumped to the highest levels on record. Finally, a new way of looking at lending in lower-income neighborhoods shows that the rate of lending falls dramatically as the percentage of black and Latino residents rises. More specifically:

- The share of Boston home-purchase loans that went to black borrowers fell in 2000 to the lowest level in the eleven years that data have been available. Blacks, who made up 22.1% of Boston's households according to the 2000 census, received just 10.9% of all loans. This share is down from 12.4% in the previous year, far below the peak level of 20.8% reached in 1994, and substantially lower even than the 16.2% share in 1990, the earliest year for which data are available. Black borrowers received 710 loans in 2000, well below the 902 loans they received in the previous year and the smallest number of loans to blacks in Boston since 1992. (See Table 2 and Chart 2.)³
- The share of Boston home-purchase loans that went to Latino borrowers rose for the third consecutive year, almost regaining the peak level reached in 1996. Latinos, who made up 10.8% of the city's households in 2000, received 7.1% of all 2000 loans, up from 7.0% in the previous year, and just below the high point of 7.2% in 1996. The actual number of loans to Latinos was 463 in 2000, down from the peak of 510 reached in 1999, but still the second highest number on record. (Table 2 and Chart 2)
- The loan share of low- and moderate-income borrowers dropped in 2000 for the fifth consecutive year. The share of total Boston home-purchase loans that went to low- and moderate-income borrowers (those with incomes no greater than 80% of the median family income in the Boston metropolitan area) was 23.5%, down from 29.8% in 1999. This share has trended downward since reaching a peak of 40.6% in 1993. Low-income borrowers alone (those with incomes no greater than 50% of the Boston area median) received 5.1% of all loans in 2000, down from 7.4% in 1999 and far below the peak level of 11.7% in 1993. The number of loans to low- and moderate-income borrowers combined was 1,690, sharply down from the peak number of 2,321 loans to these borrowers that was recorded in 1999. The number of loans to low-income borrowers alone was 369, after fluctuating in narrow range between 578 and 597 during the four

³ Note that the loan shares of blacks and Latinos are compared to their shares of the city's *households* instead of to their shares of the city's *population*. Since the number of homes is much more closely related to the number of households than to the number of individuals, it seems more appropriate to compare the number of home-purchase loans to the former percentage than to the latter. (The 2000 *population* shares of blacks and Latinos were 23.8% and 14.4%.)

preceding years. (In 2000, low-income borrowers were those with HMDA-reported incomes of \$32,000 or less, while moderate-income borrowers were those with incomes from \$33,000 to \$52,000). (Table 3 and Chart 3)

- **The 2000 denial rates for blacks, Latinos, and Asians were substantially above the levels recorded in the previous year, and all three rates were higher than in any year since 1992.** The Boston denial rate for black applicants increased from 20.5% to 24.5%, while the Latino denial rate rose from 15.7% to 18.9%, and the Asian denial rate increased from 10.5% to 12.7%. Meanwhile, the white denial rate fell from 9.5% to 9.3%, the second lowest level in the last five years. Denial rates in Boston in 2000 were somewhat higher than statewide denial rates and far below the corresponding nationwide denial rates. (Table 4)
- **The black/white, Latino/white, and Asian/white denial rate ratios all increased dramatically in 2000.** The black denial rate, which has been about twice the white denial rate, jumped to 2.63 times the white rate in 2000, the highest ratio on record. The Latino denial rate, typically about 1.5 times the white denial rate, jumped to 2.03 times the white rate in 2000, the second highest ratio on record (exceeded only by the anomalously high ratio of 2.55 in 1995). The Asian denial rate, which has usually been close to – and sometimes even below – the white denial rate, jumped to 1.37 times the white rate last year, the highest ratio on record. Previous studies in this annual series, as well as most studies for other areas, have not found Asians to be underserved by mortgage lenders; three consecutive years with the Asian denial rate substantially above that for whites suggests that this conclusion may need to be reconsidered. (Table 4 and Chart 4)
- As in previous years, denial rates in 2000 generally fell as incomes rose, with rates highest (at from 24.4%) for applicants with incomes between \$20,000 and \$30,000, and lowest (at 9.8%) for applicants with incomes over \$80,000. Even though black and Latino mortgage applicants had, on average, substantially lower incomes than their white counterparts, these lower incomes do not fully account for the fact that blacks and Latinos experienced higher denial rates than whites. When applicants are grouped into income categories, the 2000 denial rates for blacks and for Latinos at every income level were substantially above those of white applicants in the same income categories, with the disparities greatest for those with incomes above \$60,000. For example, black applicants with incomes above \$80,000 experienced a denial rate of 23.8%, more than triple the 7.5% rate experienced by their white counterparts; the denial rate for Latinos in this income category, 17.1%, was more than double the white denial rate. (Table 5 and Chart 5)
- When we shift our focus from the characteristics of *borrowers* to the characteristics of the *neighborhoods*, we find that the rate of lending – as measured by the number of loans per 100 owner-occupied housing units – was systematically lower in areas with higher concentrations of Black and Latino residents. In the 31 low- and moderate-income census tracts with fewer than 25% black or Latino residents, there were 15.7 home-purchase loans last year for every 100 units of housing; in the 29 low- and moderate-income census tracts with more than 75% black or Latino residents, there were just 7.0 loans per 100 housing units. The lending rate was 10.8 in tracts with between one-quarter and one-half black or Latino residents and 9.7 in tracts with between one-half and three-quarters black or Latino residents.⁴ (Table 6 and Chart 6)

⁴ This way of looking at lending rates in neighborhoods with different racial/ethnic compositions differs from that in previous reports; results are therefore reported for the year 2000 only. The results are based on a mix of data from the 1990 census and the 2000 census; for details, see the notes to Table 6 and the “Notes on Data and Methods” at the end of this report.

B. Comparative Performance of Major Types of Lenders

Tables 7 - 10 and their associated charts provide information on lending by major types of lenders. The category of "Big Boston Banks," used throughout these tables in previous years, is retained this year only in the initial table, which documents how the formerly dominant market share of this group has diminished. These lenders are now combined with all other Massachusetts banks and credit unions to create a single group of all of the lenders whose mortgage lending in the Boston area is covered by the state and/or federal Community Reinvestment Act – that is, whose performance in meeting the mortgage credit needs of local communities is subject to evaluation by government bank regulators. All of the lenders not covered by CRA for their Boston-area lending are grouped as "mortgage companies and out-of-state banks"; companies that have been identified by HUD as "subprime lenders" are separated out from the other lenders in this broad grouping.⁵

The data reviewed in this section show that the share of total lending accounted for by lenders that are not covered by CRA continues to rise, as does the lending share of subprime lenders. That this trend is cause for concern is indicated by evidence that the lenders covered by CRA perform substantially better than those not covered by CRA in providing loans to the categories of traditionally underserved borrowers and neighborhoods examined here. (The story is complicated by the growing presence of subprime lenders. Because their loans are, at best, more costly than those of prime lenders, their relatively high shares of all loans to traditionally underserved borrowers and neighborhoods may indicate the existence of a problem rather than the emergence of a solution.) This report's increased emphasis on the distinction between lenders covered and not covered by CRA is highly relevant in light of proposed legislation at both the state and federal levels.⁶ More specifically:

- **The biggest Boston banks made less than one-eighth of all Boston home-purchase loans in 2000, while the share of loans made by mortgage companies and out-of-state banks grew to more than two-thirds of the total.** The biggest Boston banks, together with their affiliated mortgage companies – a group that consisted of Boston Safe Deposit, Citizens, Fleet, and Sovereign last year⁷ – made just 11.7% of all loans in 2000. This market share was down from 17.3% in 1999 and far below the share of approximately 40% that these banks maintained between 1992 and 1995. All other Massachusetts banks and credit unions accounted for 18.3% of all loans in 2000; the share of these lenders, after falling rapidly during the first half of the decade, has been

⁵ HUD did not classify any Massachusetts banks or credit unions as "subprime lenders" in 2000. For a more complete discussion of how lenders were classified into the major categories used in this report, and on the significance of this classification, see the notes to Tables 7-10 as well as the "Notes on Data and Methods" at the end of the report.

⁶ Massachusetts Senate Resolution 17 and House Resolution 2467 ("The Mortgage Equity, Availability, and Affordability Act"), whose primary sponsors are Rep. Jarrett Barrios and Sen. Dianne Wilkerson, would apply CRA-type responsibilities and regulation to licensed mortgage lenders in Massachusetts. (Only about half of mortgage lenders in the state that are not covered by CRA are licensed mortgage lenders here; banks with charters issued by other states or by the federal government are thereby exempt from regulation by Massachusetts and therefore do not need a license from the state.) An alternative way to bring CRA requirements to state-licensed mortgage lenders – and the only way to extend these requirements to out-of-state banks – is through action at the national level. House Resolution 865 ("The Community Reinvestment Modernization Act of 2001"), whose primary sponsors are Reps. Barrett (D-Wis) and Gutierrez (D-Ill), would extend CRA type requirements to independent mortgage companies and would expand the "assessment areas" within which lending is subject to CRA review to "each community in which the regulated financial institution makes more than 0.5% of the total amount of loans." Such an expansion of "assessment areas" could also be brought about by the Federal Reserve and other federal bank regulatory agencies through the extensive review and possible revision of CRA regulations that was initiated earlier this year when the agencies jointly issued an "Advanced Notice of Proposed Rulemaking." (Details in Federal Reserve press release of July 19, 2001; available at www.federalreserve.gov/boarddocs/press/boardacts/2001/.)

⁷ Five other 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).

relatively constant since 1995. Mortgage companies and out-of-state banks (a group defined to include all lenders not affiliated with Massachusetts banks or credit unions) made 69.9% of all Boston home-purchase loans last year, up from 61.9% one year earlier, and from just 21.9% in 1990. Companies identified as "subprime" lenders by the U.S. Department of Housing and Urban Development (HUD) made 9.3% of the loans by mortgage companies and out-of-state banks (6.5% of total loans by all lenders). (Table 7 and Chart 7)

- **Washington Mutual displaced Fleet as the biggest individual lender in Boston in 2000;** the third biggest lender was North American Mortgage Company, a subsidiary of Dime Savings Bank of New York, which Washington Mutual is in the process of acquiring. Washington Mutual made 634 loans in 2000 (up from 480 in 1999), becoming the biggest lender because Fleet's total loans dropped from 1,006 in 1999 to 453 in 2000.⁸ **Twelve of the top fifteen lenders in Boston were mortgage companies or out-of-state banks – that is, lenders whose performance in meeting the credit needs of Boston communities is not subject to evaluation by bank regulators under the Community Reinvestment Act; the only bank lenders in the top fifteen were Fleet (which ranked second), Citizens (ranked fifth), and Boston Federal (tied for eighth position).** (Table 8 identifies the 20 lenders not covered by CRA that made 65 or more Boston home-purchase loans in 2000, and the 11 Massachusetts banks that made 40 or more loans, and reports the number of loans made by each of these 31 lenders during each of the last five years.)
- **Massachusetts banks and credit unions (whose local lending is covered by the CRA, and will be referred to as "CRA-covered lenders") directed a substantially greater share of their total Boston loans in 2000 to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did mortgage companies and out-of-state banks ("lenders not covered by CRA" for their local lending).** Black borrowers received 12.7% of the loans made by CRA-covered lenders, but only 7.0% of those made by lenders not covered by CRA. (In this bullet point and the next, "lenders not covered by CRA" is used as shorthand for "lenders not covered by CRA, excluding subprime lenders." Lending by subprime lenders will be examined in a separate bullet point.) Latino borrowers received 9.4% of the loans made by CRA-covered lenders, but only 4.5% of those made by lenders not covered by CRA. Low-income borrowers obtained 6.2% of the loans made by CRA-covered lenders, but only 4.4% of those made by lenders not covered by CRA. Moderate-income borrowers received 23.7% of the loans made by CRA-covered lenders, compared to 15.1% of the loans made by lenders not covered by CRA. Finally, low- and moderate-income census tracts that had over 75% black and Latino residents received 11.9% of the loans by CRA-covered lenders, but only 8.2% of the loans made lenders not covered by CRA. (Table 9 and Chart 9)
- **Examining the same data from a different perspective shows that lenders covered by CRA had shares of loans to each of the categories of traditionally underserved borrowers that were well above their share of all Boston loans, while lenders not covered by CRA had smaller shares of the loans to these borrowers than they had of total lending.** Although CRA-covered lenders made only 30.0% of all home-purchase loans in Boston in 2000, they accounted for 40.1% of total loans to black borrowers, 45.6% of total loans to Latinos, 37.9% of total loans to low-income borrowers, 40.3% of loans to moderate-income borrowers, and 34.1% of total loans in lower-income minority neighborhoods. In contrast, lenders not covered by CRA made 63.4% of total loans, but they made only 46.5% of the total loans to blacks, 45.6% of total loans to Latinos,

⁸ These 1,006 loans in 1999 are the combined total for Fleet and BankBoston, whose merger became final during that year. Fleet alone made 698 loans in Boston in 1999.

54.6% of total loans to low-income borrowers, 54.0% of total loans to moderate-income borrowers, and 49.8% of total loans in lower-income minority neighborhoods. (Table 10 and Chart 10)

- **Subprime lenders, who made one of every fifteen home-purchase loans in Boston in 2000, made disproportionate numbers of their loans to minority borrowers and in lower-income minority neighborhoods.**⁹ Black borrowers received 9.5% of all loans by all lenders, but they received 19.5% of the loans made by subprime lenders. Latino borrowers received 6.2% of total loans, but 8.4% of the loans made by subprime lenders. And while lower-income minority neighborhoods received 10.9% of all loans, they received 25.8% of the loans made by subprime lenders. (Table 9) The 488 loans by subprime lenders in 2000 accounted for 6.5% of all loans by all lenders, but these lenders made 13.4% of all loans to black borrowers, 8.9% of all loans to Latinos, and 10.0% of all loans in lower-income minority neighborhoods. Contrary to expectations, subprime lenders' shares of loans to low- and moderate-income borrowers were *smaller* than their share of total home-purchase lending. (Table 10)

C. Targeted Mortgage Program Loan Originations

Tables 11 - 17 and their associated charts provide information about lending under four multi-bank "targeted mortgage programs," including three that resulted from negotiations between individual community-based organizations and major Boston banks – the MAHA/MHP Soft Second Program, the NACA Mortgage Program, and the ACORN Housing Program – as well as the MHFA's Homeownership Programs.¹⁰ Table 11 summarizes key features of these programs. Tables 12 and 13 and their associated charts present summary information on the number of targeted mortgage program loans made and on the extent to which they were targeted to traditionally underserved borrowers and neighborhoods. Tables 14 - 17 present much more detailed information for each of the four individual programs for each of the last five years – the number, and the percentage distribution, of loans (1) to specific racial/ethnic groups (when data are available), (2) to relatively narrow (\$5,000) income categories, and (3) to individual ZIP code areas. The findings that emerge from the data in these tables and charts indicate that the number of loans made by the targeted mortgage programs dropped sharply in 2000 after trending downward in the three previous years, while the programs became increasingly well-targeted. More specifically:

- **The total number of targeted mortgage program loans made in Boston fell to the lowest level since 1992.** Total loans fell to 432 in 2000, down from 738 in 1999, and well below the peak level of 884 reached in 1996. When just the three programs negotiated by community-based organizations are included, the pattern is similar: 338 loans in 2000, compared to 638 in the previous year, and 691 in the peak year of 1996. Although the number of Soft Second Program loans dropped from 227 to 135, it was the largest individual program in 2000. There were 118

⁹ "Subprime lenders" are those that HUD has determined make primarily subprime loans. These companies may make prime loans as well as subprime loans, and lenders not classified as subprime may also originate subprime loans. None of the lenders on HUD's list are affiliated with a Massachusetts bank or credit union. A calculation not reported in Table 7 found that subprime lenders accounted for 6.3% of mortgage company loans (2.1% of all home-purchase loans in the city) in 1994. Subprime lenders have a substantially larger share of "refi" loans (those made to refinance an existing mortgage) than of home-purchase loans. As noted earlier, a companion report analyzing subprime and other refinance lending in the same cities and towns covered in this report is being released and distributed simultaneously with this one. That report finds that subprime lenders accounted for 28.2% of all refi loans in the city of Boston in 2000. For more information on this category of lenders, see the "Notes on Data and Methods" at the end of this report.

¹⁰ MAHA is the Massachusetts Affordable Housing Alliance; MHP is the Massachusetts Housing Partnership Fund; NACA is the Neighborhood Assistance Corporation of America, formerly the Union Neighborhood Assistance Corporation (UNAC); and ACORN is the Association of Community Organizations for Reform Now. MHFA is the Massachusetts Housing Finance Agency; in July 2001, MHFA began operating under the name "MassHousing."

ACORN loans, down from 267 the previous year, and 85 NACA loans, down from 144.¹¹ (Table 12 and Chart 12)

- **Loans under the Soft Second, NACA, and ACORN programs accounted for 4.5% of all home-purchase loans in the city in 2000, down from 8.0% in 1999, and a less than one-third of the peak level of 14.9% reached in 1995.** As a share of total home-purchase loans made in the city by Boston's biggest banks (Fleet, Citizens, Boston Safe Deposit, and Sovereign), loans under these programs dropped to 32.5% in 2000, down from 42.4% in 1999. (Table 12)
- **The Soft Second, NACA, and ACORN programs were even more targeted to minority borrowers than previously, with minorities receiving over five-sixths (83.8%) of all loans made under these programs in 2000.** The ACORN program was the most highly targeted in this dimension, with 88.3% of its loans going to minority borrowers in 2000. MHFA loans were the least targeted, with 47.9% of its loans in 2000 going to minorities.¹² (Panel A of Table 13 and the left-hand bar-cluster of Chart 13)
- **The Soft Second, NACA, and ACORN programs were also more targeted to low- and moderate-income borrowers than ever before, with 90.8% of all loans going to these borrowers in 2000.** The Soft Second Program remained the most effectively targeted in this dimension, with virtually all of its loans (99.1%) going to low- and moderate-income borrowers. MHFA loans were the least targeted by income, with just half (50.0%) of its loans in 2000 going to these borrowers. **Low-income borrowers alone received 34.9% of loans under the first three programs,** with the individual program percentages ranging from 47.1% for NACA to 26.3% for ACORN. However, only 6.4% of MHFA loans went to low-income borrowers.¹³ (Low-income borrowers are defined as those with incomes no greater than 50 percent of the Boston-area median family income as determined annually by HUD; moderate-income borrowers are those with incomes between 50 and 80 percent of this level. In 2000, low-income meant \$32,750 or less, while moderate-income was between \$32,751 and \$52,400.) (Panel B of Table 13 and the center bar-cluster of Chart 13)
- **The Soft Second, NACA, and ACORN programs remained well-targeted on the nine low- and moderate-income ZIP code areas where blacks and Latinos made up more than 25 percent of the 1990 population, with a record high 74.0% of all loans made under these programs in 2000 going to these neighborhoods, up from 65.6% in 1999.** These "target neighborhoods" – which include the South End, Jamaica Plain, Dorchester, Roxbury, and Mattapan – were identified by the Community Investment Coalition, a consortium of community-based organizations that in 1990 led the local struggle for increased community investment. The percentages of loans made in these neighborhoods by the three individual programs were all between 78.8% (NACA) and 69.4%

¹¹ NACA has begun a new mortgage program in Boston with Bank of America, and its program with Fleet is currently inactive.

¹² These overall results are reported for "minority borrowers" - a classification that includes Native Americans, Asians, and "others" as well as blacks and Latinos - because detailed information on the race/ethnicity of borrowers was not available for all programs. Detailed data for the Soft Second, NACA, and ACORN programs (in Tables 14-16) indicate that the vast majority of all minority borrowers are in fact blacks and Latinos, the groups most underserved by mortgage lenders in the past.

¹³ Percentages for low-income borrowers are from Tables 14-17. Additional calculations, not shown in any of the tables, found that the median borrower income in 2000 was \$34,000 for NACA loans, \$36,948 for Soft Second Program loans, \$39,166 for ACORN loans, and \$52,875 for MHFA loans. The highest reported borrower incomes in 2000 were \$53,232 for the Soft Second Program, \$71,596 for MHFA, \$74,880 for ACORN, and \$116,760 for NACA.

(ACORN). The share of MHFA loans that went to these neighborhoods last year was 59.6%, up from 45.0% a year earlier.^{14 15} (Panel C of Table 13 and the right-hand bar-cluster in Chart 13.)

II. LENDING IN TWENTY-SEVEN COMMUNITIES SURROUNDING BOSTON

As noted in the introduction, there is great variation among the cities and towns within each of the two "rings" surrounding the city of Boston. Median family income as reported in the 1990 Census ranged from a low of \$29,039 in Chelsea to a high of \$108,751 in Weston. The combined percentage of black and Latino households as reported in the 2000 Census ranged from 1.0% in Saugus – and less than 3.0% in eight additional Outer Ring communities – to a high of 44.6% in Chelsea. Although variation within each of the two rings was much greater than differences between the rings, incomes in the Outer Ring communities were, on average, slightly higher than those in the Inner Ring – \$51,662 vs. \$47,758 (compared to \$34,377 in Boston). The Outer Ring also had a smaller percentage of black plus Latino households than the Inner Ring – 8.5% vs. 9.8% (compared to 32.9% in Boston). (See Table 1.)

Because of the highly disparate nature of the cities and towns, it is difficult to offer generalizations about mortgage lending patterns in this set of 27 communities. Accordingly, the data presented in Tables 18 – 25 should be regarded primarily as a resource for readers interested in learning about lending within their own community or in making comparisons among a particular set of communities of special interest. Nevertheless, it may be of interest to present the following findings and observations that emerge from an examination of the wealth of data presented in Tables 18 - 25:

A. Lending to Black and Latino Borrowers¹⁶ (Tables 18A&B and 19A&B)

- **The share of total home-purchase loans received by black borrowers in the Inner Ring remained unchanged at 2.8% in 2000, significantly below the 4.6% black share of all households. In the Outer Ring, however, blacks received exactly their proportionate share of loans (they constituted 4.7% of all households and received 4.7% of all loans – down slightly from 4.9% of loans in 1999).**

¹⁴ When the focus is reduced to a more narrowly defined "core area" of the five lower-income ZIP code areas with more than 50% black and Latino residents, the 2000 loan percentages ranged from a high of 60.0% for NACA, through 46.6% for ACORN and 38.5% for the Soft Second Program, to a low of 30.9% for MHFA. (Tables 14-17 also include data for each individual ZIP code area.)

¹⁵ When interpreting these figures on the extent of geographical targeting, it is important to keep in mind that the data indicate only the location of the home purchased, not the previous residence of the homebuyer. Interviews with individuals involved with the targeted mortgage programs indicated that many residents of the target neighborhoods have used the targeted mortgage programs to purchase homes located elsewhere.

¹⁶ This report, like its predecessors, contains no analysis of lending to Asians in the Inner Ring and Outer Ring communities. The primary reason for this is that when the *Changing Patterns* series was expanded in 1998 to include these communities virtually every study of mortgage lending of which I was aware had found that Asians were not underserved by mortgage lenders – that is, that denial rates for Asians were very similar to (and often lower than) denial rates for whites and that Asians received shares of loans at least as great as their shares of the population. For detailed information on Asian population shares, loan shares, and denial rates in sixteen Massachusetts cities (including Boston and five of the 27 other cities included in the present study), see James T. Campen, *Trailing the Pack: Latinos and Mortgage Lending in Sixteen Massachusetts Cities, 1992-1996* (Gastón Institute, University of Massachusetts/Boston, 1998), especially Tables 6 and 7. However, the data presented in Tables 2 and 4 of the present report indicate that in Boston in 2000 Asians received a disproportionately small share of home-purchase loans and experienced a denial rate that was substantially higher than that for white applicants. This suggests that analysis of lending to Asians in Inner and Outer Ring communities merits increased attention.

- Three communities stand out for high levels of lending to black borrowers. In the Outer Ring community of Randolph (where the black household share increased from 7.0% in 1990 to 18.9% in 2000), the 539 loans received by blacks during the 1997-2000 period accounted for 25.7% of all loans. Blacks also received double-digit loan shares in the Inner Ring towns of Milton (10.7% and Everett (10.3%). The black household shares in these communities rose during the decade from 3.9% to 9.4% in Milton and from 3.0% to 5.5% in Everett.
- In a majority of the communities examined – fifteen of twenty-seven – blacks received 1.5% or less of total loans made during the 1997-2000 period. In the four communities where the 2000 black household share was less than 1.0% – Needham, Saugus, Weston, and Westwood (all in the Outer Ring) – blacks received 0.8% or less of total loans during the four-year period. In another seven communities – Belmont, Braintree, Wellesley, and Weymouth in the Outer Ring, and Brookline, Newton, and Watertown in the Inner Ring – the black loan shares for the four-year period were below 1.0%. And in an additional four communities – Arlington in the Outer Ring, and Dedham, Quincy, and Winthrop in the Inner Ring – black loan shares for the four-year period were between 1.0% and 1.5%.
- The share of total loans received by Latino borrowers rose for the third consecutive year in each of the two Rings; in each Ring, the Latino loan share was above the Latino share of 2000 households. The Latino loan share in the Inner Ring (where 5.2% of households were Latino) rose steadily from 3.2% in 1997 to 5.6% in 2000. The Latino share of loans in the Outer Ring (where 3.8% of households were Latino) rose from 2.6% to 5.2% during the same period.
- Chelsea (Inner Ring) had by far the largest Latino loan share; the 439 loans to Latinos in that city during the four-year period accounted for 34.1% of all loans, close to the 37.7% Latino share of households (up from 22.6% of households in 1990). Lynn was the only Outer Ring community where Latinos received more than 5.0% of all loans; their 617 loans during the four-year period accounted for 13.4% of total loans in that community, slightly above their 13.2% share of households (up from 5.9% in 1990). In the Inner Ring communities of Everett and Revere, the Latino loan shares over the four-year period were 11.0% and 10.8%, well above the Latino shares of 6.4% and 6.3% (which were up from 2.8% and 3.0%, respectively, in 1990).
- The Latino four-year loan share was lowest in Weston (0.2%) and Wellesley (0.4%), although there were seven additional Outer Ring communities where Latinos received 1.0% or less of all loans – Arlington, Braintree, Canton, Needham, Saugus, Westwood, and Weymouth. In Weston, only one of 607 home-purchase loans went to Latinos; in Wellesley, Latinos received just seven of 1,679 loans. In one Inner Ring community – Brookline – the Latino loan share over the four-year period was less than 1.0% and in three others – Newton, Quincy, and Winthrop – the four-year Latino loan shares were between 1.0% and 1.5%.

B. Denial Rates for Black and Latino Applicants (Tables 20A&B and 21A&B)

- In both the Inner Ring and the Outer Ring, the black denial rates for the entire 1997-2000 period were well below the black denial rate for the city of Boston (14.2% and 15.8% vs. 20.0%). The four-year Latino denial rate for the Inner Ring (13.1%) was similarly below the denial rate for Boston (15.9%), while the Outer Ring Latino denial rate (16.1%) was slightly higher than Boston's. The same pattern holds true for the most recent year of 2000, although most of the denial rates for that year are roughly four percentage points higher than the corresponding rate for the four-year period as a whole. Because of the small number of black and

Latino applicants in most of the Inner Ring and Outer Ring communities in most years, small changes in the number of denials can result in large changes in denial rates, and in the black/white and Latino/white denial rate ratios. Thus, not too much significance should be attached to these figures for individual cities in individual years.

C. Loans to Low- and Moderate-Income Borrowers (Tables 22A&B and 23A&B)

- **The share of total loans that went to low- and moderate-income borrowers fell between 1999 and 2000 in the Inner Ring (from 25.3% to 20.7%) and the Outer Ring (from 28.8% to 25.2%); in both cases these loan shares were lower in 2000 than they had been in 1997. When attention is directed to loans to *low-income borrowers only*, the Inner Ring percentage fell from 5.9% in 1999 to 4.4% in 2000, while the Outer Ring percentage fell from 6.7% to 5.4%; again, in each case, the loan share was lower in the last year of the four-year period than it had been in the first year. (As noted earlier, low-income borrowers are defined as those with incomes no greater than 50 percent of the Boston-area median family income as determined annually by HUD – \$32,000 or less in 2000; moderate-income borrowers are those with incomes between 50 and 80 percent of this level – between \$33,000 and \$52,000 in 2000.)**
- **There is a very strong negative relationship between the level of 1990 median family income in a community and the percentage of mortgage loans in that community that went to low- and moderate-income borrowers during the 1997-2000 period. The three Inner Ring communities with the lowest incomes – Chelsea, Revere, and Everett – had the highest shares of loans to low- and moderate-income borrowers, and the three Inner Ring communities with the highest incomes – Newton, Milton, and Brookline – had the lowest shares of loans to low- and moderate-income borrowers. Chelsea had the lowest median family income (\$29,039) and the highest share of loans to low- and moderate-income borrowers (54.8%). Newton had the highest income (\$70,071) and the lowest share of loans to low- and moderate-income borrowers (7.5%).**
- **Similarly, the Outer Ring community with the lowest income – Lynn – had the highest share of loans to low- and moderate-income borrowers, and the three Outer Ring towns with the highest incomes – Weston, Wellesley, and Needham – had the lowest shares of loans to these borrowers. Lynn had the lowest median family income (\$35,830) and the highest share of loans to low- and moderate-income borrowers (54.0%). Weston had the highest income (\$108,751) and the lowest share of loans to low- and moderate-income borrowers (1.7%).**

D. Comparing Lending to Lower-Income Borrowers with Lending to Black & Latino Borrowers¹⁷

- **Because blacks and Latinos have, on average, substantially lower incomes than whites, there is a strong positive association between loan shares of lower-income borrowers and loan shares of black and Latino borrowers. For example, in the five communities with the highest shares of loans to lower-income borrowers over the four-year period (Chelsea, Lynn, Revere, Everett, and Randolph), the average loan share for blacks and Latinos was 24.7%, whereas in the five communities with the lowest percentages of loans to lower-income borrowers (Weston, Wellesley, Needham, Belmont, and Newton), the average loan share for blacks and Latinos was only 1.3%.**

¹⁷ The term "lower-income" is used in this section as a shorthand expression for "low- and moderate-income." The loan shares and ratios reported in this section are not shown directly in any of the tables in this report; they were calculated from numbers presented in Tables 18A&B, 19A&B, 22A&B, and 23A&B.

- **In two communities – Milton and Randolph – lending to black borrowers was unusually high relative to lending to lower-income borrowers.** For the four-year period as a whole, in the two rings combined, the share of all loans that went to blacks (3.6%) was only one-seventh as large as the share that went to lower-income borrowers (25.8%). In Milton, however, the black loan share of 10.7% was greater than the 9.2% loan share of lower-income borrowers. In Randolph, blacks received 25.7% of all loans and the loan-share of lower-income borrowers was 39.5%.
- **Chelsea was the only community where lending to Latinos was unusually high relative to lending to low- and moderate-income borrowers.** For the four-year period as a whole, in the two rings combined, the share of all loans that went to Latinos (4.1%) was only one-sixth as large as the share that went to lower-income borrowers (25.8%). In Chelsea, Latinos received 34.1% of all loans and the loan-share of lower-income borrowers was 58.4%.
- **In four communities – Weymouth, Braintree, Saugus, and Quincy – lending to blacks and Latinos was unusually low relative to lending to low- and moderate-income borrowers.** During the four-year period, in the inner and outer rings combined, 25.8% of all home-purchase loans went to lower-income borrowers, and 7.7% of loans went to blacks and Latinos. In Weymouth, however, lower-income borrowers received 37.9% of all loans while just 1.6% of all loans went to blacks and Latinos. The gaps between the loan share of lower-income borrowers and the combined loan shares of blacks and Latinos were also very large in Braintree (24.7% to 1.4%), Saugus (26.6% to 1.8%), and Quincy (32.9% to 2.6%).

E. Loans in Low- and Moderate-Income Census Tracts (Tables 24A&B)

- **Five communities had a majority of low- and moderate-income census tracts – Chelsea, Everett, Revere, Somerville (all in the Inner Ring) and Lynn (in the Outer Ring) – and in each of these communities the low- and moderate-income tracts received a majority of total loans.** Low- and moderate-income census tracts are those where median family income, as determined in the 1990 census, was no greater than \$38,949, which was 80% of the median family income of \$48,868 in the Boston MSA. Six of the twelve communities in the Inner Ring and ten of the fifteen communities in the Outer Ring had no low- or moderate-income census tracts.

F. Loans by Three Types of Lenders (Table 25)

- **Table 25 presents data on lending in 2000 to each of five categories of traditionally-underserved borrowers and neighborhoods (blacks, Latinos, low-income borrowers, low- and moderate-income borrowers combined, and low- and moderate-income census tracts) in each of four geographical areas (the Inner Ring, the Outer Ring, the city of Boston, and the entire Boston MSA) by each of three types of lenders identified in the first part of this report. Massachusetts banks and credit unions (i.e., lenders covered by CRA for their local lending) accounted for a significantly larger share of loans to each of the traditionally underserved categories than they did of overall lending in each of the geographic areas considered. Conversely, the shares of loans to the traditionally underserved categories that were made by mortgage companies and out-of-state banks (i.e., lenders whose local lending is not covered by the CRA) were in every case smaller than their shares of total lending. The previous category excludes subprime lenders, who accounted for shares of all loans to minority borrowers that were, on average, about double their roughly five percent shares of total home-purchase loans. However, subprime lenders' shares of all loans to lower-income borrowers were generally *smaller* than their shares of total loans.**

TABLE 1
SUMMARY POPULATION AND INCOME DATA
FOR BOSTON AND 27 SURROUNDING CITIES AND TOWNS

	2000 Census Data				1990 Census Data				
	Total Population	% Households Non-Latino Black	% Households Latino	% Households Minority	% Households Minority	Median Family Income (MFI)	MFI as % of Boston MSA MFI	Low/Moderate Income Census Tracts	
								Number	% of Total
A. CITY OF BOSTON									
Boston	589,141	22.1%	10.8%	39.0%	33.6%	\$34,377	70.6%	115	68.5%
B. TWELVE INNER-RING CITIES AND TOWNS									
Brookline	57,107	2.4%	2.8%	16.5%	10.8%	\$61,799	126.9%	0	0.0%
Cambridge	101,355	10.8%	5.2%	25.4%	21.5%	\$39,990	82.1%	13	43.3%
Chelsea	35,080	6.9%	37.7%	39.8%	30.1%	\$29,039	59.6%	5	71.4%
Dedham	23,464	1.0%	1.4%	3.8%	2.2%	\$52,554	107.9%	0	0.0%
Everett	38,037	5.5%	6.4%	15.5%	7.2%	\$37,397	76.8%	5	71.4%
Milton	26,062	9.4%	1.0%	12.3%	5.6%	\$61,964	127.3%	0	0.0%
Newton	83,829	1.5%	1.6%	8.9%	6.2%	\$70,071	143.9%	0	0.0%
Quincy	88,025	2.2%	1.6%	14.7%	6.5%	\$44,184	90.8%	3	18.8%
Revere	47,283	2.7%	6.3%	12.3%	6.5%	\$37,213	76.4%	6	75.0%
Somerville	77,478	5.6%	5.7%	17.4%	12.0%	\$38,532	79.1%	8	53.3%
Watertown	32,986	1.3%	2.0%	6.8%	4.6%	\$49,467	101.6%	0	0.0%
Winthrop	18,303	1.5%	2.0%	4.4%	2.1%	\$45,677	93.8%	0	0.0%
Inner-Ring Total	629,009	4.6%	5.2%	16.1%	10.7%	\$47,758	98.1%	40	30.3%
C. FIFTEEN OUTER-RING CITIES AND TOWNS									
Arlington	42,389	1.6%	1.3%	7.4%	5.0%	\$52,749	108.3%	1	14.3%
Belmont	24,194	1.0%	1.3%	6.8%	4.3%	\$61,046	125.4%	0	0.0%
Braintree	33,828	1.0%	0.9%	4.5%	2.6%	\$51,920	106.6%	0	0.0%
Canton	20,775	2.6%	1.0%	6.1%	3.0%	\$62,471	128.3%	0	0.0%
Lynn	89,050	9.9%	13.2%	25.2%	14.6%	\$35,830	73.6%	16	72.7%
Malden	56,340	7.6%	3.6%	21.8%	9.8%	\$42,099	86.5%	1	11.1%
Medford	55,765	5.4%	1.7%	10.4%	6.5%	\$45,532	93.5%	1	9.1%
Needham	28,911	0.6%	0.8%	3.9%	2.8%	\$69,515	142.8%	0	0.0%
Randolph	30,963	18.9%	2.4%	30.2%	12.5%	\$50,718	104.2%	0	0.0%
Saugus	26,078	0.4%	0.6%	2.0%	2.0%	\$48,669	100.0%	0	0.0%
Waltham	59,226	3.7%	5.9%	14.7%	9.2%	\$45,730	93.9%	4	30.8%
Wellesley	26,613	1.2%	1.3%	5.7%	3.9%	\$90,030	184.9%	0	0.0%
Weston	11,469	0.8%	1.3%	7.6%	4.7%	\$108,751	223.4%	0	0.0%
Westwood	14,117	0.5%	0.6%	2.7%	1.8%	\$67,317	138.3%	0	0.0%
Weymouth	53,988	1.5%	1.1%	4.4%	2.7%	\$48,331	99.3%	0	0.0%
Outer-Ring Total	573,706	4.7%	3.8%	12.7%	7.1%	\$51,662	106.1%	23	19.7%
D. BOSTON METROPOLITAN STATISTICAL AREA (MSA)									
Boston MSA Total	3,398,051	6.3%	4.3%	14.7%	12.2%	\$48,686	100.0%	228	N/A

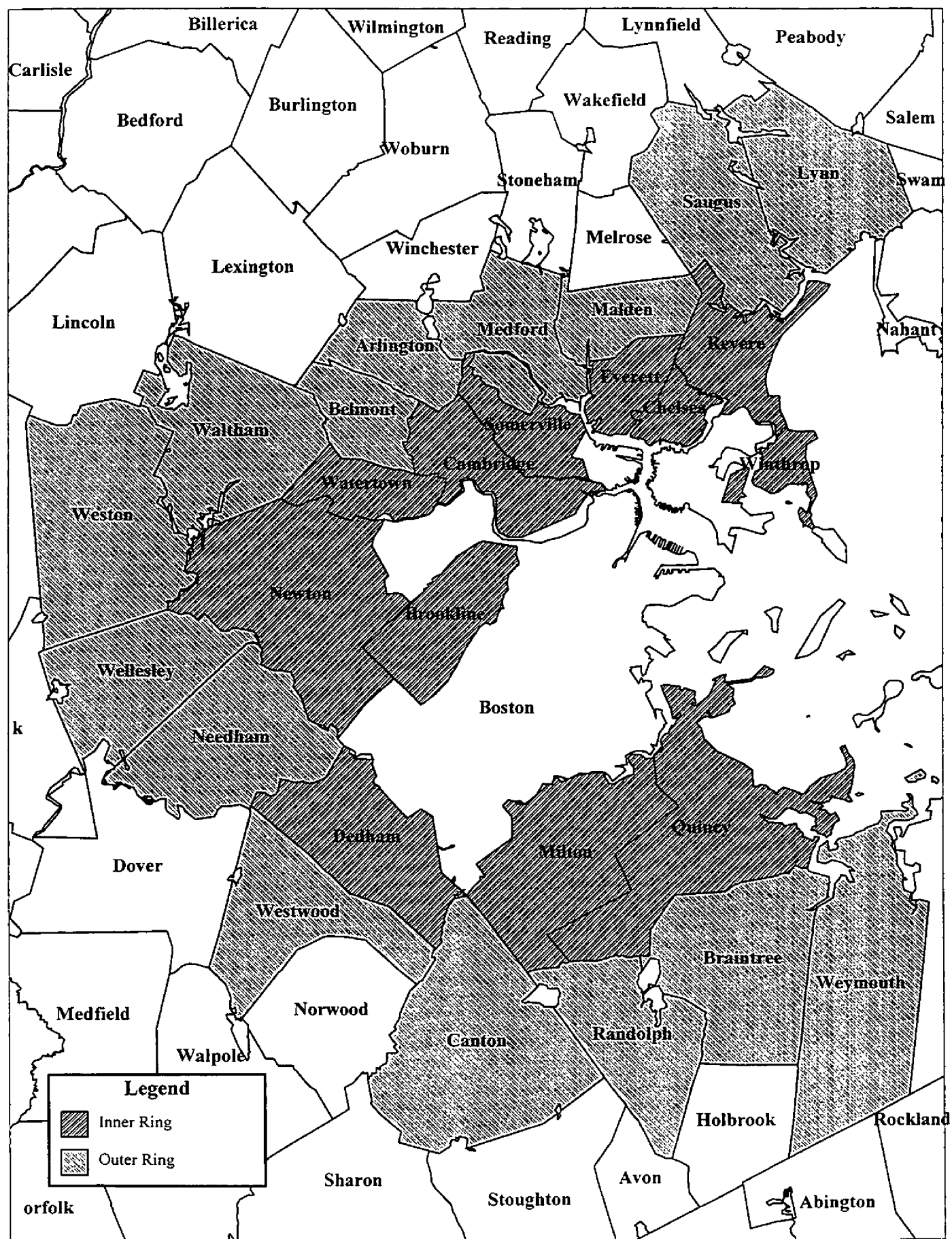
The percent of households (HHs) that are minority is defined as 100% minus the percent of HHs that are non-Latino white. In the 2000 Census individuals could identify themselves as belonging to more than one race. In this report, "percent non-Latino white" and "percent non-Latino black" are defined as the average of (1) the percent that gave only that response alone and (2) the percent that gave that response alone or together with any combination of one or more other races. The percentages of HHs that are black, Latino, or minority are smaller than the corresponding population percentages, because the average number of individuals per HH is greater. For example, the population percentages in the city of Boston, are 24.7% for blacks, 14.4% for Latinos, and 49.8% for minorities.

Income data are from the 1990 Census, the most recent source of accurate information on income.

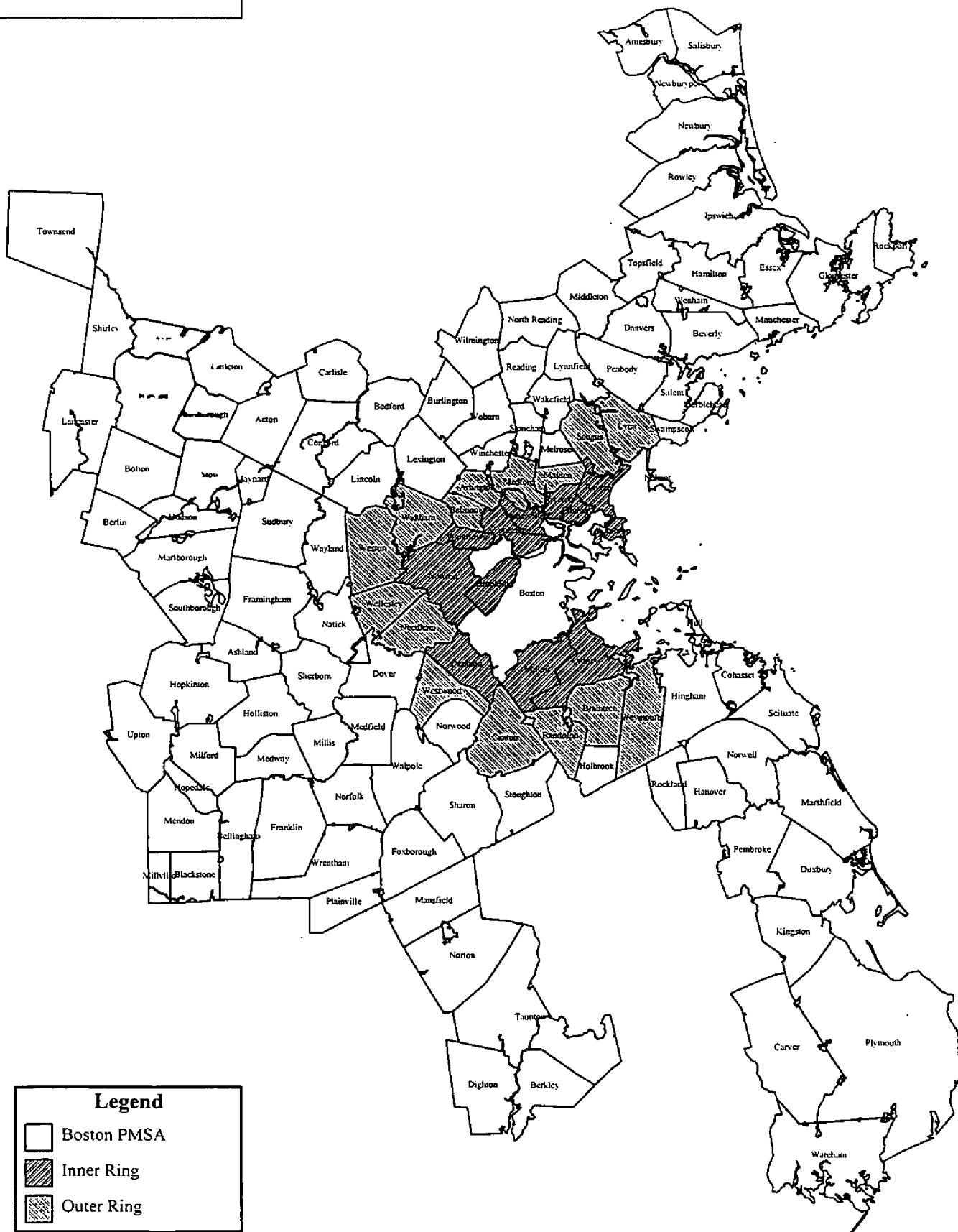
A Low/Moderate-Income census tract is one with an MFI no greater than 80% of the MFI of the Boston MSA (i.e., less than \$38,950).

The "Inner Ring" consists of all cities/towns that have a common boundary with Boston; the "Outer Ring" consists of all other cities/towns that have a common boundary with one or more of the Inner Ring cities/towns.

The City of Boston plus the cities/towns in the two "Rings" account for just over half (52.7%) of the total population in the Boston MSA.



Boston PMSA



Legend

- Boston PMSA
- Inner Ring
- Outer Ring

TABLE 2
BOSTON HOME-PURCHASE LOANS BY RACE, 1990 & 1996-2000 *

	Number of Loans						Percent of All Loans					
	1990	1996	1997	1998	1999	2000	1990	1996	1997	1998	1999	2000
Asian	100	282	328	356	407	381	5.6%	5.2%	5.7%	5.4%	5.6%	5.8%
Black	287	897	836	795	902	710	16.2%	16.5%	14.7%	12.1%	12.4%	10.9%
Latino	91	392	334	419	510	463	5.1%	7.2%	5.9%	6.4%	7.0%	7.1%
White	1,266	3,725	4,086	4,841	5,272	4,831	71.5%	68.5%	71.6%	73.8%	72.7%	74.0%
Total #	1,770	5,436	5,706	6,560	7,248	6,532	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Columns for 1991 through 1995 are omitted from this table because of insufficient space, but all years are shown in Chart 2.
Total includes loans to Native Americans (147 loans in 11 years, 17 in 2000) and "others" (981 loans in 11 years, 130 in 2000) but excludes loans for which race of borrower was not reported (3,350 loans in 11 years, 935 in 2000).

CHART 2
SHARES OF HOME-PURCHASE LOANS & HOUSEHOLDS
BY RACE/ETHNICITY, BOSTON, 1990-2000

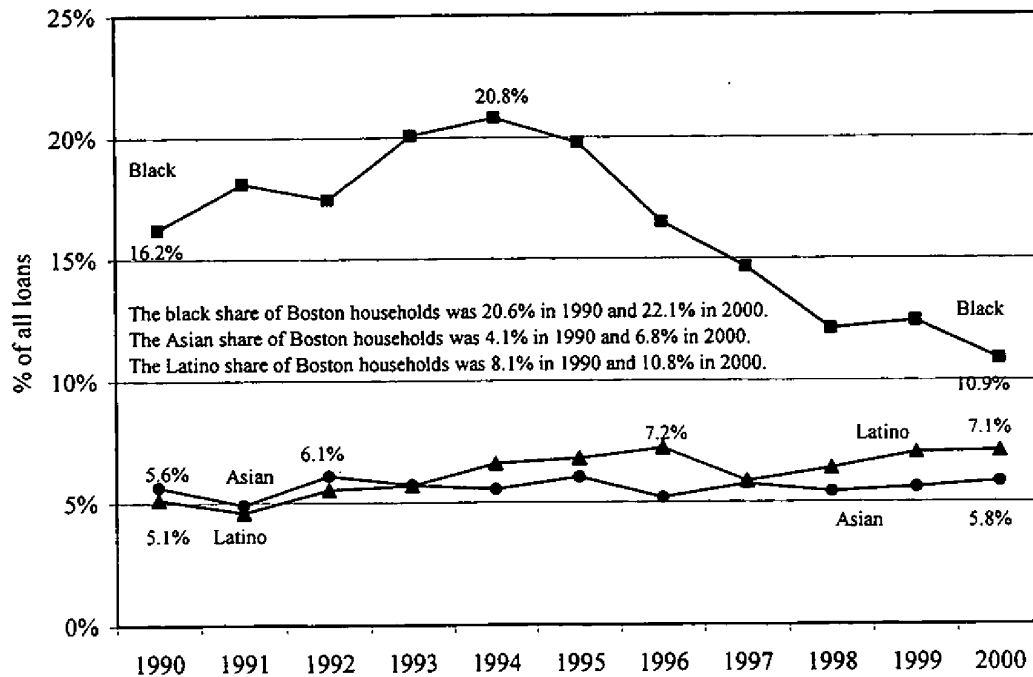


TABLE 3
BOSTON HOME-PURCHASE LOANS BY INCOME LEVEL
1990 & 1996-2000*

Income Level^	Number of Loans						As Percent of All Loans					
	1990	1996	1997	1998	1999	2000	1990	1996	1997	1998	1999	2000
Low#	51	589	587	597	578	369	2.8%	10.8%	10.1%	8.7%	7.4%	5.1%
Moderate	352	1,473	1,434	1,570	1,743	1,321	19.6%	26.9%	24.6%	22.9%	22.4%	18.4%
Middle	527	1,429	1,535	1,818	2,065	1,815	29.3%	26.1%	26.4%	26.5%	26.6%	25.2%
High	513	1,173	1,358	1,658	1,998	2,095	28.5%	21.4%	23.2%	24.1%	25.7%	29.1%
Highest	355	810	908	1,223	1,382	1,589	19.7%	14.8%	15.6%	17.8%	17.8%	22.1%
Hi+Hi'est	868	1,983	2,266	2,881	3,380	3,684	48.3%	36.2%	38.8%	42.0%	43.5%	51.2%
Total#	1,798	5,474	5,822	6,866	7,766	7,189	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Columns for 1991 through 1995 are omitted from this table because of insufficient space, but all years are shown in Chart 3.

Low and Total include only borrowers with reported incomes over \$10,000; this excludes 278 borrowers in 2000.

^ Income categories are defined in relationship to Boston MSA 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 MSA 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.

CHART 3
LOANS TO LOW- AND MODERATE-INCOME BORROWERS
AS % OF ALL BOSTON HOME-PURCHASE LOANS, 1990-2000

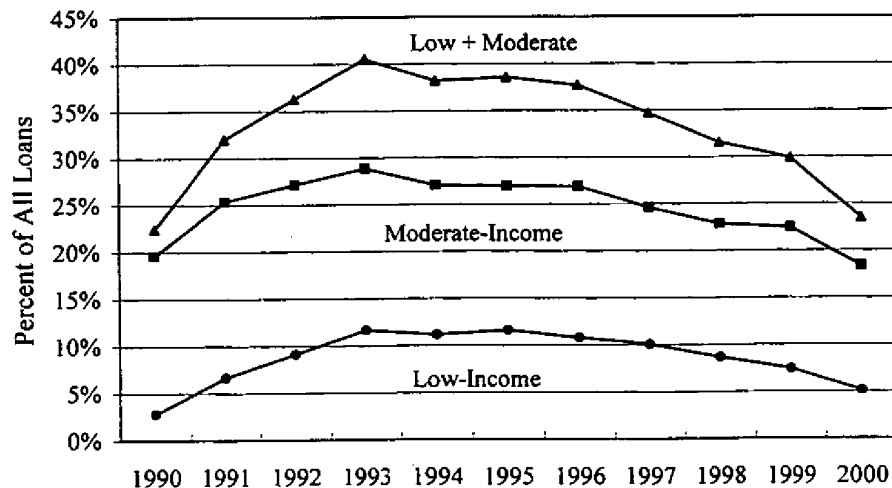


TABLE 4
HOME-PURCHASE LOAN DENIAL RATES BY RACE
BOSTON, MASSACHUSETTS, AND UNITED STATES# -- 1990 & 1996-2000*

	Denial Rate						Ratio to White Denial Rate					
	1990	1996	1997	1998	1999	2000	1990	1996	1997	1998	1999	2000
A. BOSTON												
Asian	14.5%	11.0%	9.4%	9.6%	10.5%	12.7%	0.89	1.18	0.88	1.25	1.10	1.37
Black	32.7%	18.3%	19.5%	15.2%	20.5%	24.5%	2.00	1.97	1.82	1.97	2.16	2.63
Latino	25.3%	15.2%	16.1%	12.1%	15.7%	18.9%	1.55	1.63	1.50	1.57	1.65	2.03
White	16.4%	9.3%	10.7%	7.7%	9.5%	9.3%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		8.5%	8.0%	7.0%	8.8%	9.1%		1.04	1.00	1.03	1.09	1.08
Black		17.8%	17.6%	14.1%	17.1%	20.7%		2.17	2.20	2.07	2.12	2.46
Latino		15.3%	14.4%	12.7%	15.5%	17.2%		1.87	1.80	1.87	1.91	2.05
White		8.2%	8.0%	6.8%	8.1%	8.4%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	13.8%	12.7%	11.8%	11.8%	12.4%	0.90	0.57	0.49	0.45	0.46	0.56
Black	33.9%	48.8%	53.0%	53.7%	49.0%	44.6%	2.35	2.02	2.05	2.07	1.92	2.00
Latino	21.4%	34.4%	37.8%	38.7%	35.0%	31.4%	1.49	1.43	1.47	1.49	1.37	1.41
White	14.4%	24.1%	25.8%	26.0%	25.5%	22.3%	1.00	1.00	1.00	1.00	1.00	1.00

U.S. denial rates from *Federal Reserve Bulletin*: 11/91, 11/92, 2/94, 2/95, 9/95, 9/96, 9/97, 9/98, 9/99, 9/00, and 9/01.

U.S. denial rates are for conventional loans only; in Boston and Mass. overall denial rates (shown here) are very close to conventional denial rates.

* Columns for 1991 through 1995 are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart 4.

CHART 4
MINORITY/WHITE DENIAL RATIOS, BY RACE
BOSTON HOME-PURCHASE LOANS, 1990-2000

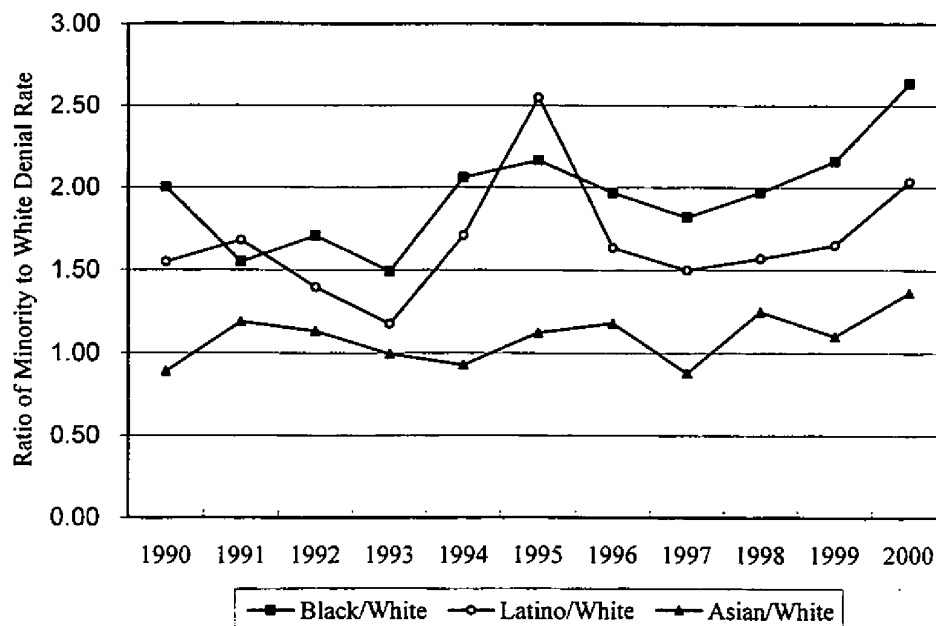


TABLE 5
APPLICATIONS AND DENIAL RATES BY RACE & INCOME OF APPLICANT
BOSTON HOME PURCHASE LOANS, 2000

Income (\$000)	Black		Latino		White		Total	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate
11-20	14	28.6%	12	16.7%	69	13.0%	124	16.1%
21-30	88	31.8%	45	26.7%	141	16.3%	361	24.4%
31-40	177	19.8%	105	21.9%	348	10.6%	794	15.6%
41-50	208	22.6%	130	16.2%	559	11.8%	1,101	16.1%
51-60	194	20.6%	112	17.9%	537	11.4%	1,087	14.4%
61-70	180	26.1%	82	20.7%	572	8.7%	1,024	14.6%
71-80	119	27.7%	53	17.0%	580	8.8%	951	12.8%
over 80	260	23.8%	146	17.1%	3,320	7.5%	4,773	9.8%
Total*	1,240	23.9%	685	18.8%	6,126	8.9%	10,215	12.8%

Total* includes only applications with reported incomes over \$10,000.

CHART 5
DENIAL RATES BY RACE AND INCOME
BOSTON HOME-PURCHASE LOANS, 2000

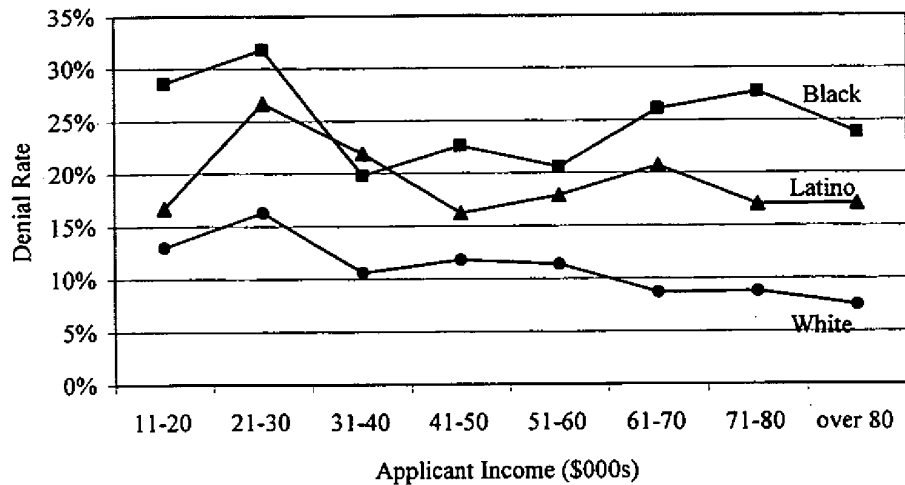


TABLE 6
DISTRIBUTION OF HOME PURCHASE LOANS BY NEIGHBORHOOD INCOME & RACE
LOW- AND MODERATE-INCOME* CENSUS TRACTS, BOSTON 2000

Population of of Census Tract	No. of Census Tracts	Number		Percent of Boston Total		Loans per 100 Hsg Units#
		Own-Occ Hsg Units#	Loans	Own-Occ Hsg Units#	Loans	
>75% Black + Latino	31	9,485	667	12.3%	8.9%	7.0
50%-75% Black + Latino	23	6,551	633	8.5%	8.5%	9.7
25%-50% Black + Latino	32	13,054	1,404	16.9%	18.8%	10.8
<25% Black + Latino	29	9,068	1,422	11.7%	19.0%	15.7
Total: All Low/Mod CTs	115	38,158	4,126	49.4%	55.3%	10.8
Compare: All Boston CTs	165	77,222	7,467	100.0%	100.0%	9.7

Note: Table is based on 1990 Census Tracts, classified for income level using 1990 Census data and for percent Black + Latino using 2000 Census data. See "Notes on Data and Methods" for more detailed explanation.

* Low- and moderate-income census tracts are those whose median family income (MFI) in the 1990 Census was no greater than \$38,949, which was 80% of the MFI of \$48,868 in the Boston MSA.

Data on number of owner-occupied housing units are from 2000 Census.

CHART 6
LENDING RATE IN LOW- & MODERATE-INCOME CENSUS TRACTS
BY PERCENTAGE OF BLACK + LATINO RESIDENTS
BOSTON HOME PURCHASE LOANS, 2000

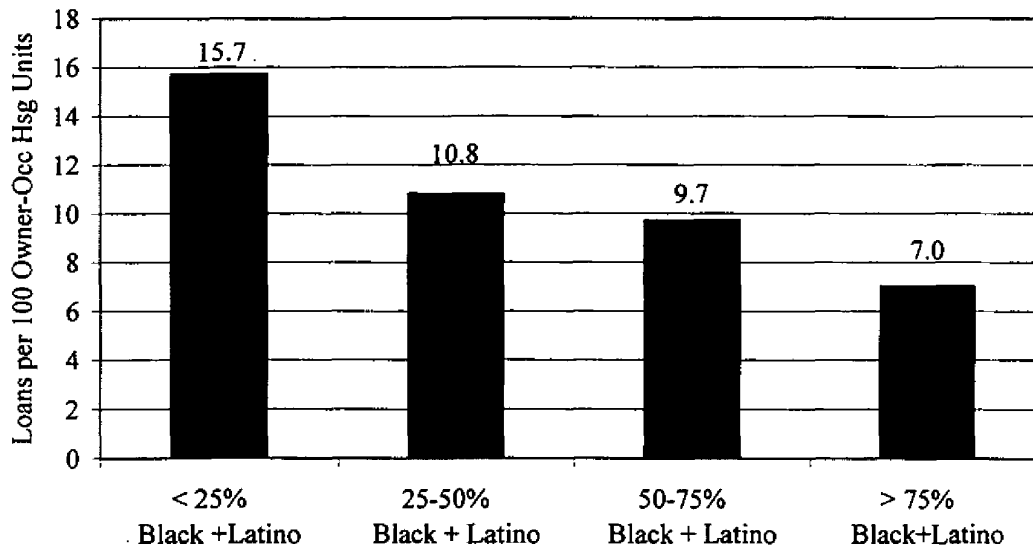


TABLE 7
BOSTON HOME-PURCHASE LOANS BY MAJOR TYPES OF LENDERS, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
A. BIG BOSTON BANKS											
Number of Loans	541	609	911	1,532	1,849	2,020	1,954	1,496	1,429	1,383	876
% of All Loans	28.9%	31.0%	38.6%	41.2%	39.4%	43.6%	34.8%	25.1%	20.2%	17.3%	11.7%
B. OTHER MASS. BANKS AND CREDIT UNIONS											
Number of Loans	919	819	871	854	1,158	869	1,230	1,238	1,615	1,660	1,367
% of All Loans	49.1%	41.7%	36.9%	22.9%	24.7%	18.7%	21.9%	20.7%	22.8%	20.7%	18.3%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders after 1997)											
Number of Loans	410	535	580	1,336	1,690	1,748	2,439	3,238	3,746	4,692	4,736
% of All Loans	21.9%	27.3%	24.6%	35.9%	36.0%	37.7%	43.4%	54.2%	53.0%	58.6%	63.4%
D. SUBPRIME LENDERS											
Number of Loans								280	267	488	
% of All Loans								4.0%	3.3%	6.5%	
E. TOTAL											
Number of Loans	1,870	1,963	2,362	3,722	4,697	4,637	5,623	5,972	7,070	8,002	7,467
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

"Big Boston Banks": BankBoston (1990-99), Bank of New England (1990-91), BayBanks (1990-96), Boston Five (1990-92), Boston Safe Deposit (1990-2000), Fleet (1992-2000), Shawmut (1990-96) & Sovereign (2000) -- plus their affiliated mortgage companies.

"Other Massachusetts Banks and Credit Unions" includes all banks with branches in Massachusetts, plus all affiliated mortgage companies.

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

"Subprime Lenders" are identified from lists prepared annually by HUD.

For Massachusetts banks and credit unions (i. e., lenders in categories A & B), Boston-area 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).

Boston-area lending by mortgage companies and out-of-state banks (categories C & D) is not subject to such evaluation under the CRA.

For more information on the classification of lenders and its significance, see "Notes on Data and Methods."

CHART 7
BOSTON HOME-PURCHASE LOAN SHARES FOR
MAJOR TYPES OF LENDERS, 1990-2000

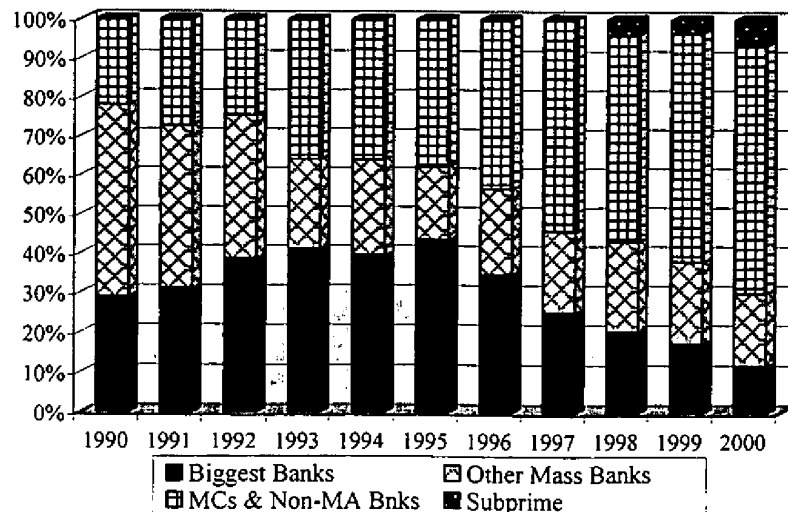


TABLE 8
THE BIGGEST MORTGAGE LENDERS IN BOSTON, 2000

LENDER	Lender Type [^]	1996 Loans	1997 Loans	1998 Loans	1999 Loans	2000 Loans
A. THE 20 BIGGEST LENDERS NOT COVERED BY CRA[^] (All those with 65 or more loans in 2000)						
Washington Mutual	OSB	0	148	188	480	634
North American Mortgage Co	OSB	177	316	408	431	424
Ohio Savings Bank FSB	OSB	31	51	134	274	342
Bank of America	OSB	186	189	194	324	282
Wells Fargo (was Norwest until 2000)	OSB	250	255	259	268	253
Greenpoint Mortgage Funding [#]	LML	21	41	28	138	244
Chase Manhattan	OSB	176	237	230	318	235
Countrywide Funding Corp	LML	101	144	218	247	197
RBMG	LML	0	0	0	85	182
Cendant Mort (was PHH US Mort)	LML	10	50	74	80	127
Old Kent	LML	-	25	77	93	126
GMAC Mortgage Co	LML	70	68	103	105	113
World Savings (CA)	OSB	15	18	15	94	104
Prism Mortgage Co	LML	0	0	0	2	101
Suntrust	LML	0	0	0	93	100
PNC Mortgage	OSB	49	89	93	107	96
H&R Block Mort (was Assurance MC)	LML	99	19	313	315	85
National City Mortgage	OSB	0	18	54	44	76
ABN AMRO Mortgage	OSB	0	0	0	0	74
Hunnean Mortgage	LML	0	0	0	52	65
Subtotal: These 20 Lenders		1,185	1,668	2,388	3,658	3,860
Total: All OSB & LML Lenders		2,439	3,238	4,026	4,959	5,224
B. THE 11 BIGGEST BANK LENDERS COVERED BY CRA[^] (All those with more than 40 loans in 2000)						
Fleet [*]		1,334	990	955	1,006	453
Citizens		513	374	332	293	321
Boston Federal Savings Bank		202	216	341	293	244
Boston Private Bank & Trust		52	60	102	90	103
Cambridgeport Bank		27	75	61	71	74
Cambridge Savings Bank		42	66	60	63	63
Mt. Washington Co-op Bank		34	67	53	61	58
Sovereign Bank		3	2	1	9	55
Boston Safe Deposit (inc. Mellon)		107	132	142	84	44
Eastern Bank		9	15	25	25	44
The Cooperative Bank		1	0	0	0	41
Subtotal: These 11 Mass. Bank Lenders		2,324	1,997	2,072	2,240	1,500
Total: All Mass. Bank & CU Lenders		3,184	2,734	3,044	3,043	2,243
Total Boston Home-Purchase Loans		5,623	5,972	7,070	8,002	7,467

[^] "Lenders Covered by CRA" are banks and credit unions with branches in Massachusetts. For these lenders, Boston-area performance in meeting community credit needs is subject to evaluation by bank regulators under the state and/or federal Community Reinvestment Act (CRA).

"Lenders Not Covered by CRA" are mortgage companies and out-of-state banks (i.e., those without branches in Mass.). Some of the lenders not covered by CRA must have a license from the state's Division of Banks in order to make mortgage loans in Massachusetts. These Licensed Mortgage Lenders are indicated in the table by "LML"; they are independent mortgage companies, mortgage companies that are subsidiaries or affiliates of out-of-state state-chartered banks, and mortgage companies affiliated with federally-chartered banks. The LMLs are potentially subject to CRA-type evaluation under proposed state legislation. The rest of the lenders not covered by CRA, consisting of out-of-state banks plus mortgage company subsidiaries of federally-chartered banks, are indicated in the table by "OSB." The OSBs are exempt from regulation by the state of Massachusetts.

For more information on the classification of lenders and its significance, see report text and "Notes on Data and Methods."

* Fleet National Bank acquired BankBoston in 1999. These two banks had acquired Shawmut and BayBanks, respectively, in 1995-96. The numbers in the table show total lending by Fleet and these three predecessors combined. Fleet itself made 687 loans in 1996, 513 loans in 1997, 521 loans in 1998, and 698 loans in 1999.

Greenpoint Mortgage Funding is a subprime lender. Three other subprime lenders made more than 20 home-purchase loans in Boston in 2000: Long Beach Mort. Co. (39 loans), Option One Mort. Co. (37 loans), and First Franklin Fin. Corp. (37 loans); all of these are LML lenders.

TABLE 9
SHARES OF LOANS BY EACH MAJOR TYPE OF LENDER THAT WENT TO
TRADITIONALLY UNDERSERVED BORROWERS AND NEIGHBORHOODS
(BOSTON HOME-PURCHASE LOANS, 2000)

	Total Loans	Loans to Black Borrowers	Loans to Latino Borrowers	Loans to Low- Income Borrowers	Loans to Moderate- Income Borrowers	Loans in CenTracts >75% Blk+Hisp
A. MASS. BANKS AND CREDIT UNIONS						
Number of Loans	2,243	285	211	140	532	266
% of Loans	100%	12.7%	9.4%	6.2%	23.7%	11.9%
B. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)						
Number of Loans	4,736	330	211	208	713	389
% of Loans	100%	7.0%	4.5%	4.4%	15.1%	8.2%
C. SUBPRIME LENDERS						
Number of Loans	488	95	41	21	76	126
% of Loans	100%	19.5%	8.4%	4.3%	15.6%	25.8%
D. TOTAL						
Number of Loans	7,467	710	463	369	1,321	781
% of Loans	100%	9.5%	6.2%	4.9%	17.7%	10.5%

"Mass. Banks and Credit Unions" includes all banks with branches in Massachusetts, plus all affiliated mortgage companies.

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

"Subprime Lenders" are identified from lists prepared annually by HUD.

For Massachusetts banks and credit unions, Boston-area performance in meeting community credit needs is subject to evaluation by bank regulators under the state and/or federal Community Reinvestment Act (CRA). Boston-area lending by mortgage companies and out-of-state banks (categories B & C) is not subject to such evaluation under the CRA.

For more information on the classification of lenders and its significance, see "Notes on Data and Methods."

"Low-Income" is above \$10K and below 50% of Boston MSA median (\$11K - \$32K in 2000).

"Moderate-income" is between 50% and 80% of MSA median (\$33K - \$48K in 2000).

"CenTracts >75% Blk+Hispanic": 33 census tracts in which 2000 Census reported over 75% of the population was black or Hispanic.

CHART 9
SHARES OF LOANS BY EACH TYPE OF LENDER THAT
WENT TO TRADITIONALLY UNDERSERVED BORROWERS
AND NEIGHBORHOODS IN 2000

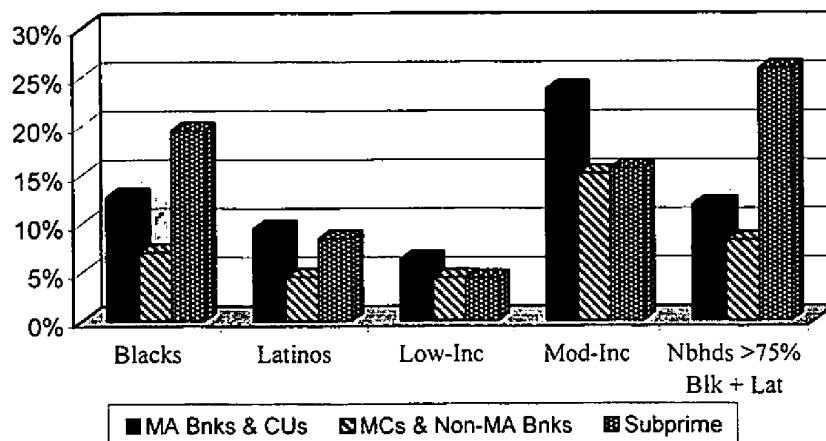


TABLE 10
SHARES OF LOANS TO TRADITIONALLY UNDERSERVED BORROWERS AND
NEIGHBORHOODS THAT WERE MADE BY EACH MAJOR TYPE OF LENDER
(BOSTON HOME-PURCHASE LOANS, 2000)

	Total Loans	Loans to Black Borrowers	Loans to Latino Borrowers	Loans to Low- Income Borrowers	Loans to Moderate- Income Borrowers	Loans in CenTracts >75% Blk+Hisp
A. MASS. BANKS AND CREDIT UNIONS						
Number of Loans	2,243	285	211	140	532	266
% of Loans	30.0%	40.1%	45.6%	37.9%	40.3%	34.1%
B. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)						
Number of Loans	4,736	330	211	208	713	389
% of Loans	63.4%	46.5%	45.6%	56.4%	54.0%	49.8%
C. SUBPRIME LENDERS						
Number of Loans	488	95	41	21	76	126
% of Loans	6.5%	13.4%	8.9%	5.7%	5.8%	16.1%
D. TOTAL						
Number of Loans	7,467	710	463	369	1,321	781
% of Loans	100%	100%	100%	100%	100%	100%

"Mass. Banks and Credit Unions" includes all banks with branches in Massachusetts, plus all affiliated mortgage companies.

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

"Subprime Lenders" are identified from lists prepared annually by HUD.

For Massachusetts banks and credit unions, Boston-area performance in meeting community credit needs is subject to evaluation by bank regulators under the state and/or federal Community Reinvestment Act (CRA). Boston-area lending by mortgage companies and out-of-state banks (categories B & C) is not subject to such evaluation under the CRA.

For more information on the classification of lenders and its significance, see "Notes on Data and Methods."

"Low-Income" is above \$10K and below 50% of Boston MSA median (\$11K - \$32K in 2000).

"Moderate-income" is between 50% and 80% of MSA median (\$33K - \$48K in 2000).

"CenTracts >75% Blk+Hisp": 33 census tracts in which 2000 Census reported over 75% of the population was black or Hispanic.

CHART 10
SHARES OF LOANS TO TRADITIONALLY UNDERSERVED BORROWERS &
NEIGHBORHOODS THAT WERE MADE
BY EACH TYPE OF LENDER IN 2000

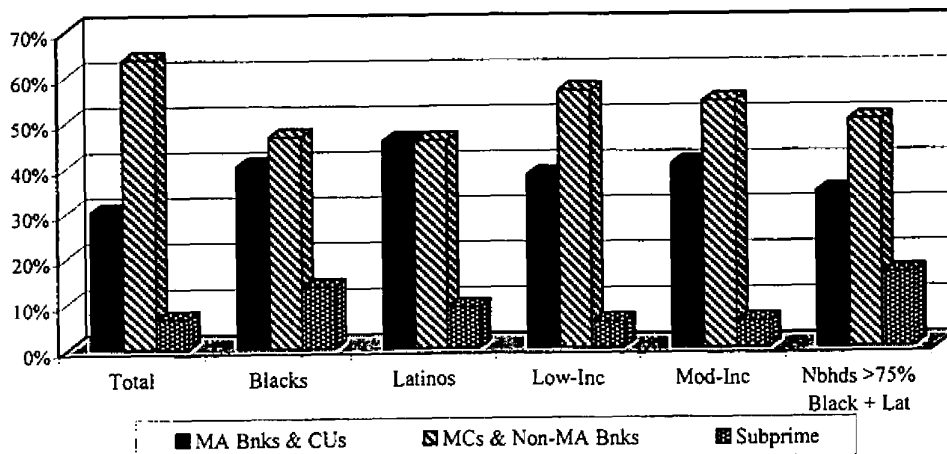


TABLE 11: KEY FEATURES OF TARGETED MORTGAGE PROGRAMS IN BOSTON

TARGETED MORTGAGE PROGRAM & Participating Banks	First Loan	Income Limit	Down Payment	Interest Rate	Mortgage Insurance	Monthly Payment on \$180,000 3-Fam House at 11/20/01 Interest Rate	Maximum Ratios for Housing & Debt as % of Income	Other Features
SOFT SECOND MAHA/MHP Eight current banks and four former banks	1991	80% of HUD's Boston area median family income; varies by family size	5% down with 3/2 option (3% buyers own funds; 2% gift or grant)	0.5% below 2-point market rate On 11/20/01: 6.00%	PMI not required; Loan-Loss Reserve equal to 10% of second mortgage (not to exceed \$2500) provided by city and state subsidies	With no subsidy: \$989 in years 1-10; \$1,025 in years 11+ With max. subsidy: \$854 in years 1-5; \$881 in year 6 \$908 in year 7 \$935 in year 8 \$962 in year 9 \$989 in year 10 \$1,025 in years 11+	33%/38%	No points; reduced fees & closing costs Purchase and rehab option since 1995 Second mortgage interest subsidy thru year 10
ACORN BankBoston (through '99) Citizens Fleet Shawmut (through '95)	1994 1994 1994 1996 1994	80% of HUD's Boston area median family income; 100% of median in LMI census tracts; varies by family size	5% down; (3% or \$1,000 must be from buyer's own funds; 5% for multi-fam home)	1% below 0-point market rate. On 11/20/01: 6.00% if income <80% of median >80% if income >80% of median	No mortgage insurance	If income <80% of median: \$1,025 If income >80% of median: \$1,138	35%/40% for 1-2 units; 26%/36% for 3-unit home	No points
NACA (UNAC) Boston Co. (through '96) Fleet Shawmut (through '95)	1993 1993 1994 1993	No income limit in "priority area," which includes all of Boston except central/downtown and Back Bay	None	0-point market On 11/20/01: interest rate not available; program is inactive	PMI not required; instead, payment of \$50/month to Neighborhood Stabilization Fund for 5 years	Not available; program is inactive. (NACA program with Bank of America is currently active.)	43%/43%	No points, fees, or closing costs;
MHFA (MassHousing) Many participating banks	1979	\$77,000 for family of 1 or 2 and \$87,500 for family of 3+ (lower limits in some special cases)	3% down	0.25% - 0.5% below market. On 11/20/01: 5.99% (0 points)	Mortgage insurance by MassHousing Mortgage Insurance Fund required	\$1,142 (includes \$95 mortgage insurance)	33%/38%	Conventional fees and closing costs; Down payment & closing cost assistance available

revised: November 2001

TABLE 12
TOTAL LOANS BY TARGETED MORTGAGE PROGRAMS
BOSTON HOME-PURCHASE LOANS, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Soft Second		30	83	168	207	273	396	308	235	227	135	2,062
NACA (UNAC)				27	145	286	124	99	98	144	85	1,008
ACORN					22	131	171	235	337	267	118	1,281
Sub-Total		30	83	195	374	690	691	642	670	638	338	4,351
MHFA	215	259	180	82	99	107	193	122	150	100	94	1,601
Total	215	289	263	277	473	797	884	764	820	738	432	5,952
All Boston Loans# -- for comparison:												
By Biggest Banks*	541	609	911	1,532	1,849	2,020	1,954	1,496	1,429	1,383	873	14,597
By All Lenders	1,870	1,963	2,362	3,722	4,697	4,637	5,623	5,972	7,070	8,002	7,467	53,385
Soft Second + NACA + ACORN Loans as Percent of All Boston Loans #@:												
By Biggest Banks*		4.9%	9.1%	12.7%	20.2%	34.2%	35.4%	40.2%	43.7%	42.4%	32.5%	28.5%
By All Lenders		1.5%	3.5%	5.2%	8.0%	14.9%	12.3%	10.8%	9.5%	8.0%	4.5%	8.2%

All Boston loans by biggest banks and all lenders calculated from HMDA data.

* The "Biggest Banks" are BankBoston (1990-99), Bank of New England (1990-91), BayBanks (1990-96), Boston Five (1990-92), Boston Safe Deposit (1990-2000), Fleet (1992-2000), Shawmut (1990-96) & Sovereign (2000).

@ Percentages for biggest banks reflect that 40 SSP loans in 1997, 46 in 1998, 52 in 1999, & 54 in 2000 were by other banks.

CHART 12
TARGETED MORTGAGE PROGRAM LOANS
BY PROGRAM AND YEAR, 1990-2000

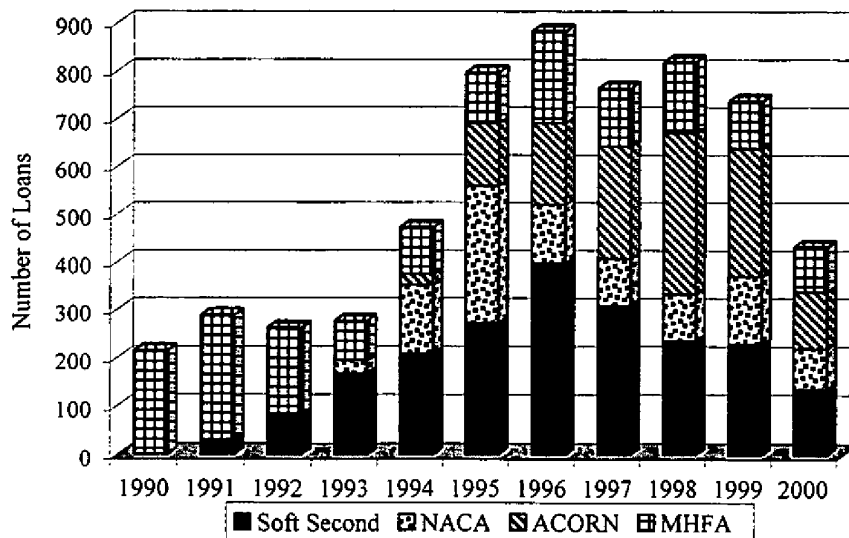


TABLE 13
LOANS TO TARGETED BORROWERS AND TARGET AREA, BY PROGRAM
BOSTON HOME-PURCHASE LOANS, 1996-2000

	1996		1997		1998		1999		2000		Total 1996-2000	
	#	%	#	%	#	%	#	%	#	%	#	%
A. LOANS TO MINORITY BORROWERS												
Soft Second	228	68.3%	184	76.0%	98	87.5%	80	80.8%	70	74.5%	660	74.7%
NACA (UNAC)	104	83.1%	86	86.9%	83	84.5%	130	90.3%	72	84.7%	475	86.4%
ACORN	131	78.0%	162	77.9%	221	67.0%	184	70.0%	100	89.3%	798	73.8%
Sub-Total	463	73.3%	432	79.2%	402	74.4%	394	77.8%	242	83.8%	1,933	76.9%
MHFA	83	43.0%	66	54.1%	82	54.7%	58	58.0%	45	47.9%	334	50.7%
Total Targ. Programs	546	66.2%	498	74.2%	484	70.1%	452	74.6%	287	74.5%	2,267	71.4%
All Boston Loans, for Comparison:												
Biggest Banks	960	51.0%	729	51.1%	727	53.8%	758	58.9%	429	53.2%	3,603	53.3%
All Lenders	1,711	31.5%	1,620	28.4%	1,719	26.2%	1,976	27.3%	1,701	26.0%	8,727	27.7%
B. LOANS TO LOW- AND MODERATE-INCOME BORROWERS												
Soft Second	394	99.5%	306	99.4%	235	100.0%	224	99.1%	134	99.3%	1,293	99.7%
NACA (UNAC)	63	50.8%	61	61.6%	43	44.3%	78	60.0%	71	83.5%	316	59.2%
ACORN	148	86.5%	195	84.1%	235	70.8%	210	78.7%	102	86.4%	890	79.5%
Sub-Total	605	87.6%	562	87.9%	513	77.3%	512	82.2%	307	90.8%	2,499	84.7%
MHFA	149	77.2%	108	88.5%	130	86.7%	77	77.0%	47	50.0%	511	77.5%
Total Targ. Programs	754	85.3%	670	88.0%	643	79.0%	589	81.5%	354	81.9%	3,010	83.4%
All Boston Loans, for Comparison:												
Biggest Banks	1,117	58.4%	851	57.3%	801	56.1%	756	55.7%	392	47.5%	3,917	55.9%
All Lenders	2,062	37.7%	2,021	34.7%	2,167	31.6%	2,321	29.9%	1,690	23.5%	10,261	31.0%
C. LOANS IN NINE-ZIP-CODE TARGET AREA*												
Soft Second	199	50.3%	188	61.0%	147	67.7%	154	68.4%	101	74.8%	789	62.1%
NACA (UNAC)	89	71.0%	67	88.9%	64	65.3%	96	66.7%	67	78.8%	383	69.6%
ACORN	102	59.6%	155	66.0%	210	62.3%	167	62.5%	82	69.4%	716	63.5%
Sub-Total	390	56.3%	410	67.1%	421	64.6%	417	65.6%	250	74.0%	1,888	64.0%
MHFA	81	42.0%	51	41.8%	59	39.3%	45	45.0%	56	59.6%	292	44.3%
Total Targ. Programs	471	50.3%	461	63.1%	480	58.6%	462	62.8%	306	70.8%	2,180	60.4%

Sources: Tables 14 through 17; HMDA data. For more information, see "Notes on Data and Methods."

The nine ZIP codes in the "target area" are 02118-02122, 02124-02126 & 02130.

* Panel C does not include a comparison to all Boston loans because HMDA data do not report ZIP code of property.

CHART 13
PERCENT OF LOANS THAT HIT "TARGETS"
BY PROGRAM AND FOR ALL LENDERS, 2000

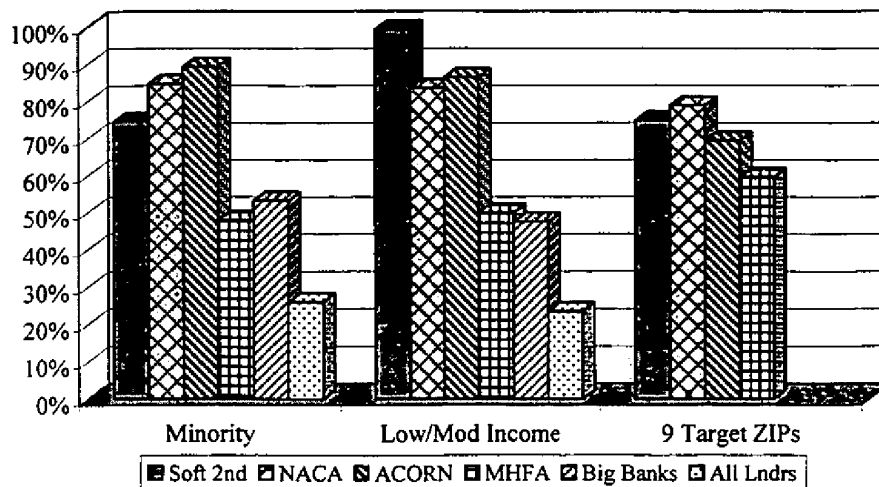


TABLE 14
DETAILED INFORMATION ON SOFT SECOND PROGRAM LOANS IN BOSTON
ALL BANKS COMBINED, 1996-2000

	1996		1997		1998		1999		2000		Total 1996-2000	
	#	%	#	%	#	%	#	%	#	%	#	%
TOTAL LOANS	396		308		235		227		135		1301	
BY RACE												
Asian	12	3.6%	12	5.0%	8	7.1%	6	6.1%	1	1.1%	39	4.4%
Black	119	35.6%	104	43.0%	30	26.8%	38	38.4%	47	50.0%	338	38.2%
Latino	71	21.3%	58	24.0%	47	42.0%	35	35.4%	20	21.3%	231	26.1%
Other	26	7.8%	10	4.1%	13	11.6%	1	1.0%	2	2.1%	52	5.9%
Total Minority	228	68.3%	184	76.0%	98	87.5%	80	80.8%	70	74.5%	660	74.7%
White	109	32.6%	58	24.0%	14	12.5%	19	19.2%	24	25.5%	224	25.3%
No Information	59		66		123		128		41		417	
BY INCOME												
below 20	62	15.7%	21	6.8%	24	10.2%	9	4.0%	4	3.0%	120	9.2%
20-25	98	24.7%	74	24.0%	42	17.9%	39	17.3%	6	4.4%	259	19.9%
25-30	88	22.2%	110	35.7%	75	31.9%	58	25.7%	20	14.8%	351	27.0%
30-35	84	21.2%	52	16.9%	49	20.9%	76	33.6%	29	21.5%	290	22.3%
35-40	54	13.6%	32	10.4%	26	11.1%	28	12.4%	27	20.0%	167	12.8%
above 40	9	2.3%	19	6.2%	19	8.1%	16	7.1%	49	36.3%	112	8.6%
low*	221	55.8%	198	64.3%	141	60.0%	132	58.4%	47	34.8%	739	56.8%
moderate*	173	43.7%	108	35.1%	94	40.0%	92	40.7%	87	64.4%	554	42.6%
low/moderate*	394	99.5%	306	99.4%	235	100.0%	224	99.1%	134	99.3%	1293	99.5%
No Information							1				1	
BY ZIP CODE												
BackBay -- 02115	4	1.0%	1	0.3%	0	0.0%	1	0.4%	1	0.7%	7	0.5%
Fenway -- 02116	1	0.3%	1	0.3%	1	0.5%	1	0.4%	0	0.0%	4	0.3%
South End -- 02118	7	1.8%	0	0.0%	1	0.5%	3	1.3%	9	6.7%	20	1.6%
Roxbury -- 02119	21	5.4%	20	6.5%	18	8.3%	24	10.7%	17	12.6%	100	7.8%
Roxbury X'ing -- 02120	0	0.0%	3	1.0%	2	0.9%	0	0.0%	1	0.7%	6	0.5%
Grove Hall -- 02121	18	4.6%	10	3.2%	9	4.1%	16	7.1%	8	5.9%	61	4.8%
Fields Corner -- 02122	22	5.6%	20	6.5%	12	5.5%	14	6.2%	11	8.1%	79	6.2%
Codman Square -- 02124	45	11.5%	52	16.9%	41	18.9%	39	17.3%	19	14.1%	196	15.4%
Uphams Corner -- 02125	37	9.5%	29	9.4%	25	11.5%	30	13.3%	18	13.3%	139	10.9%
Mattapan -- 02126	21	5.4%	26	8.4%	21	9.7%	18	8.0%	7	5.2%	93	7.3%
South Boston -- 02127	16	4.1%	12	3.9%	2	0.9%	3	1.3%	3	2.2%	36	2.8%
East Boston -- 02128	35	9.0%	29	9.4%	22	10.1%	27	12.0%	15	11.1%	128	10.0%
Charlestown -- 02129	1	0.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.1%
Jamaica Plain -- 02130	28	7.2%	28	9.1%	18	8.3%	10	4.4%	11	8.1%	95	7.5%
Roslindale -- 02131	47	12.1%	28	9.1%	17	7.8%	7	3.1%	3	2.2%	102	8.0%
West Roxbury -- 02132	16	4.1%	7	2.3%	3	1.4%	2	0.9%	6	4.4%	34	2.7%
Allston -- 02134	0	0.0%	1	0.3%	1	0.5%	0	0.0%	0	0.0%	2	0.2%
Brighton -- 02135	4	1.0%	4	1.3%	3	1.4%	7	3.1%	2	1.5%	20	1.6%
Hyde Park -- 02136	46	11.8%	36	11.7%	19	8.8%	18	8.0%	4	3.0%	123	9.6%
Other Boston ZIPs	21	5.4%	1	0.3%	2	0.9%	5	2.2%	0	0.0%	29	2.3%
No Information	6				18		2				26	
5 Majority B+H ZIPs**	105	26.5%	111	36.0%	91	41.9%	97	43.1%	52	38.5%	456	35.8%
9 CIC Target ZIPs**	199	50.3%	188	61.0%	147	67.7%	154	68.4%	101	74.8%	789	61.9%

* "Low" income is < \$26,151 for 1995; < \$28,251 for 1996; < \$29,801 for 1997; < \$30,001 for 1998; < \$31,351 for 1999; & \$32,751 for 2000. "Moderate" income is \$26,151-\$41,480 for 1995; \$28,251-\$45,200 for 1996; \$29,801-\$47,680 for 1997; \$30,000-\$48,000 for 1998; \$31,351-\$50,160 for 1999; & \$32,751-\$52,401 for 2000.

** The 5 majority black & Hispanic ("core") ZIP code areas are 02119, 02120, 02121, 02124, & 02126; the 9 ZIPs in the Community Investment Coalition (CIC) "target area" are these five plus 02118, 02122, 02125, & 02130.

TABLE 15
DETAILED INFORMATION ON NACA MORTGAGE PROGRAM LOANS IN BOSTON
ALL BANKS COMBINED, 1996-2000

	1996		1997		1998		1999		2000		Total 1996-2000	
	#	%	#	%	#	%	#	%	#	%	#	%
TOTAL LOANS	124		99		98		144		85		550	
BY RACE												
Asian	3	2.4%	2	2.0%	1	1.0%	2	1.4%	0	0.0%	8	1.5%
Black	80	64.5%	68	68.7%	60	61.2%	88	61.1%	53	62.4%	349	63.5%
Latino	19	15.3%	10	10.1%	19	19.4%	39	27.1%	17	20.0%	104	18.9%
Other	2	1.6%	6	6.1%	3	3.1%	1	0.7%	2	2.4%	14	2.5%
Total Minority	104	83.9%	86	86.9%	83	84.7%	130	90.3%	72	84.7%	475	86.4%
White	20	16.1%	13	13.1%	15	15.3%	14	9.7%	13	15.3%	75	13.6%
No Information												
BY INCOME												
below 20	5	4.1%	0	0.0%	0	0.0%	1	0.8%	7	8.2%	13	2.4%
20-25	3	2.4%	4	4.0%	2	2.1%	6	4.6%	12	14.1%	27	5.1%
25-30	7	5.7%	10	10.1%	4	4.1%	7	5.4%	16	18.8%	44	8.2%
30-35	20	16.3%	10	10.1%	6	6.2%	11	8.5%	10	11.8%	57	10.7%
35-40	19	15.4%	14	14.1%	14	14.4%	13	10.0%	7	8.2%	67	12.5%
above 40	69	56.1%	61	61.6%	71	73.2%	92	70.8%	33	38.8%	326	61.0%
low*	11	8.9%	13	13.1%	6	6.2%	19	14.6%	40	47.1%	89	16.7%
moderate*	52	42.3%	48	48.5%	37	38.1%	59	45.4%	31	36.5%	227	42.5%
low/moderate*	63	51.2%	61	61.6%	43	44.3%	78	60.0%	71	83.5%	316	59.2%
No Information	1				1		14				16	
BY ZIP CODE												
BackBay -- 02115	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Fenway -- 02116	0	0.0%	2	2.0%	1	1.0%	0	0.0%	0	0.0%	3	0.5%
South End -- 02118	2	1.6%	1	1.0%	0	0.0%	0	0.0%	0	0.0%	3	0.5%
Roxbury -- 02119	4	3.2%	4	4.0%	10	10.2%	9	6.3%	11	12.9%	38	6.9%
Roxbury X'ing -- 02120	2	1.6%	1	1.0%	0	0.0%	1	0.7%	0	0.0%	4	0.7%
Grove Hall -- 02121	6	4.8%	5	5.1%	8	8.2%	12	8.3%	6	7.1%	37	6.7%
Fields Corner -- 02122	7	5.6%	3	3.0%	3	3.1%	7	4.9%	5	5.9%	25	4.5%
Codman Square -- 02124	41	33.1%	28	28.3%	26	26.5%	42	29.2%	27	31.8%	164	29.8%
Uphams Corner -- 02125	5	4.0%	8	8.1%	9	9.2%	5	3.5%	11	12.9%	38	6.9%
Mattapan -- 02126	11	8.9%	13	13.1%	5	5.1%	15	10.4%	7	8.2%	51	9.3%
South Boston -- 02127	3	2.4%	6	6.1%	2	2.0%	1	0.7%	2	2.4%	14	2.5%
East Boston -- 02128	2	1.6%	1	1.0%	7	7.1%	8	5.6%	6	7.1%	24	4.4%
Charlestown -- 02129	1	0.8%	0	0.0%	0	0.0%	1	0.7%	0	0.0%	2	0.4%
Jamaica Plain -- 02130	11	8.9%	4	4.0%	3	3.1%	5	3.5%	0	0.0%	23	4.2%
Roslindale -- 02131	9	7.3%	12	12.1%	8	8.2%	12	8.3%	3	3.5%	44	8.0%
West Roxbury -- 02132	2	1.6%	0	0.0%	2	0.0%	0	0.0%	1	1.2%	5	0.9%
Allston -- 02134	0	0.0%	0	0.0%	1	0.0%	2	1.4%	1	1.2%	4	0.7%
Brighton -- 02135	2	1.6%	2	2.0%	0	0.0%	0	0.0%	0	0.0%	4	0.7%
Hyde Park -- 02136	15	12.1%	9	9.1%	13	13.3%	23	16.0%	5	5.9%	65	11.8%
Other Boston ZIPs	1	0.8%	0	0.0%	0	0.0%	1	0.7%	0	0.0%	2	0.4%
No Information												
5 Majority B+H ZIPs**	64	51.6%	51	51.5%	49	50.0%	79	54.9%	51	60.0%	294	53.5%
9 CIC Target ZIPs**	89	71.8%	67	67.7%	64	65.3%	96	66.7%	67	78.8%	383	69.6%

* "Low" income is < \$26,151 for 1995; < \$28,251 for 1996; < \$29,801 for 1997; < \$30,001 for 1998; < \$31,351 for 1999; & \$32,751 for 2000. "Moderate" income is \$26,151-\$41,480 for 1995; \$28,251-\$45,200 for 1996; \$29,801-\$47,680 for 1997; \$30,000-\$48,000 for 1998; \$31,351-\$50,160 for 1999; & \$32,751-\$52,401 for 2000.

** The 5 majority black & Hispanic ("core") ZIP code areas are 02119, 02120, 02121, 02124, & 02126; the 9 ZIPs in the Community Investment Coalition (CIC) "target area" are these five plus 02118, 02122, 02125, & 02130.

TABLE 16
DETAILED INFORMATION ON ACORN HOUSING PROGRAM LOANS IN BOSTON
ALL BANKS COMBINED, 1996-2000

	1996		1997		1998		1999		2000		Total 1996-2000	
	#	%	#	%	#	%	#	%	#	%	#	%
TOTAL LOANS	171		235		337		267		118		1128	
BY RACE												
Asian	3	1.8%	6	2.9%	8	2.4%	10	3.8%	4	3.6%	31	2.9%
Black	94	56.0%	112	53.8%	161	48.8%	122	46.4%	51	45.5%	540	50.0%
Latino	33	19.6%	41	19.7%	49	14.8%	47	17.9%	41	36.6%	211	19.5%
Other	1	0.6%	3	1.4%	3	0.9%	5	1.9%	4	3.6%	16	1.5%
Total Minority	131	78.0%	162	77.9%	221	67.0%	184	70.0%	100	89.3%	798	73.8%
White	37	22.0%	46	22.1%	109	33.0%	79	30.0%	12	10.7%	283	26.2%
No Information	3		27		7		4		6		47	
BY INCOME												
below 20	14	8.2%	14	6.0%	5	1.5%	10	3.7%	2	1.7%	45	4.0%
20-25	29	17.0%	27	11.6%	19	5.7%	19	7.1%	9	7.6%	103	9.2%
25-30	31	18.1%	40	17.2%	39	11.7%	33	12.4%	11	9.3%	154	13.8%
30-35	33	19.3%	51	22.0%	40	12.0%	35	13.1%	17	14.4%	176	15.7%
35-40	20	11.7%	32	13.8%	55	16.6%	37	13.9%	24	20.3%	168	15.0%
above 40	44	25.7%	68	29.3%	174	52.4%	133	49.8%	55	46.6%	474	42.3%
low*	60	35.1%	79	34.1%	63	19.0%	68	25.5%	31	26.3%	301	26.9%
moderate*	88	51.5%	116	50.0%	172	51.8%	142	53.2%	71	60.2%	589	52.6%
low/moderate*	148	86.5%	195	84.1%	235	70.8%	210	78.7%	102	86.4%	890	79.5%
No Information			3		5						8	
BY ZIP CODE												
BackBay -- 02115	0	0.0%	0	0.0%	0	0.0%	1	0.4%	0	0.0%	1	0.1%
Fenway -- 02116	0	0.0%	0	0.0%	3	0.9%	0	0.0%	0	0.0%	3	0.3%
South End -- 02118	0	0.0%	1	0.4%	0	0.0%	4	1.5%	1	0.8%	6	0.5%
Roxbury -- 02119	5	2.9%	18	7.7%	21	6.2%	22	8.2%	11	9.3%	77	6.8%
Roxbury X'ing -- 02120	0	0.0%	2	0.9%	4	1.2%	2	0.7%	1	0.8%	9	0.8%
Grove Hall -- 02121	9	5.3%	14	6.0%	9	2.7%	10	3.7%	8	6.8%	50	4.4%
Fields Corner -- 02122	11	6.4%	18	7.7%	22	6.5%	29	10.9%	10	8.5%	90	8.0%
Codman Square -- 02124	41	24.0%	51	21.7%	60	17.8%	41	15.4%	29	24.6%	222	19.7%
Uphams Corner -- 02125	5	2.9%	23	9.8%	27	8.0%	20	7.5%	14	11.9%	89	7.9%
Mattapan -- 02126	17	9.9%	19	8.1%	40	11.9%	23	8.6%	6	5.1%	105	9.3%
South Boston -- 02127	6	3.5%	9	3.8%	16	4.7%	7	2.6%	3	2.5%	41	3.6%
East Boston -- 02128	3	1.8%	8	3.4%	25	7.4%	27	10.1%	18	15.3%	81	7.2%
Charlestown -- 02129	0	0.0%	2	0.9%	2	0.6%	1	0.4%	0	0.0%	5	0.4%
Jamaica Plain -- 02130	14	8.2%	9	3.8%	27	8.0%	16	6.0%	2	1.7%	68	6.0%
Roslindale -- 02131	20	11.7%	29	12.3%	27	8.0%	26	9.7%	7	5.9%	109	9.7%
West Roxbury -- 02132	5	2.9%	5	2.1%	8	2.4%	5	1.9%	1	0.8%	24	2.1%
Allston -- 02134	1	0.6%	0	0.0%	0	0.0%	1	0.4%	0	0.0%	2	0.2%
Brighton -- 02135	2	1.2%	0	0.0%	3	0.9%	0	0.0%	0	0.0%	5	0.4%
Hyde Park -- 02136	29	17.0%	23	9.8%	38	11.3%	26	9.7%	5	4.2%	121	10.7%
Other Boston ZIPs	3	1.8%	4	1.7%	5	1.5%	6	2.2%	2	1.7%	20	1.8%
No Information												
5 Majority B+H ZIPs**	72	42.1%	104	44.3%	134	39.8%	98	36.7%	55	46.6%	463	41.0%
9 CIC Target ZIPs**	102	59.6%	155	66.0%	210	62.3%	167	62.5%	82	69.5%	716	63.5%

* "Low" income is < \$26,151 for 1995; < \$28,251 for 1996; < \$29,801 for 1997; < \$30,001 for 1998; < \$31,351 for 1999; & \$32,751 for 2000. "Moderate" income is \$26,151-\$41,480 for 1995; \$28,251-\$45,200 for 1996; \$29,801-\$47,680 for 1997; \$30,000-\$48,000 for 1998; \$31,351-\$50,160 for 1999; & \$32,751-\$52,401 for 2000.

** The 5 majority black & Hispanic ("core") ZIP code areas are 02119, 02120, 02121, 02124, & 02126; the 9 ZIPs in the Community Investment Coalition (CIC) "target area" are these five plus 02118, 02122, 02125, & 02130.

TABLE 17
DETAILED INFORMATION ON MHFA MORTGAGE LOANS IN BOSTON
ALL BANKS COMBINED, 1996-2000

	1996		1997		1998		1999		2000		Total 1996-2000	
	#	%	#	%	#	%	#	%	#	%	#	%
TOTAL LOANS	193		122		150		100		94		659	
BY RACE												
Asian												
Black												
Latino												
Other												
Total Minority	83	43.0%	66	54.1%	82	54.7%	58	58.0%	49	52.1%	338	51.3%
White	110	57.0%	56	45.9%	68	45.3%	42	42.0%	45	47.9%	321	48.7%
No Information												
BY INCOME												
below 20	3	1.6%	2	1.6%	1	0.7%	0	0.0%	0	0.0%	6	0.9%
20-25	8	4.1%	7	5.7%	9	6.0%	3	3.0%	0	0.0%	27	4.1%
25-30	14	7.3%	9	7.4%	17	11.3%	8	8.0%	2	2.1%	50	7.6%
30-35	36	18.7%	17	13.9%	19	12.7%	15	15.0%	7	7.4%	94	14.3%
35-40	46	23.8%	36	29.5%	36	24.0%	19	19.0%	8	8.5%	145	22.0%
above 40	86	44.6%	51	41.8%	68	45.3%	55	55.0%	77	81.9%	337	51.1%
low*	20	10.4%	16	13.1%	27	18.0%	16	16.0%	6	6.4%	85	12.9%
moderate*	129	66.8%	92	75.4%	103	68.7%	61	61.0%	41	43.6%	426	64.6%
low/moderate*	149	77.2%	108	88.5%	130	86.7%	77	77.0%	47	50.0%	511	77.5%
No Information												
BY ZIP CODE												
BackBay -- 02115	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Fenway -- 02116	0	0.0%	2	0.0%	0	0.0%	1	1.0%	1	1.1%	4	0.6%
South End -- 02118	3	1.6%	1	0.8%	0	0.0%	0	0.0%	2	2.1%	6	0.9%
Roxbury -- 02119	9	4.7%	9	7.4%	8	5.3%	2	2.0%	7	7.4%	35	5.3%
Roxbury X'ing -- 02120	2	1.0%	0	0.0%	0	0.0%	1	1.0%	2	2.1%	5	0.8%
Grove Hall -- 02121	2	1.0%	1	0.8%	1	0.7%	4	4.0%	3	3.2%	11	1.7%
Fields Corner -- 02122	11	5.7%	2	1.6%	5	3.3%	2	2.0%	8	8.5%	28	4.2%
Codman Square -- 02124	15	7.8%	11	9.0%	21	14.0%	18	18.0%	11	11.7%	76	11.5%
Uphams Corner -- 02125	14	7.3%	4	3.3%	8	5.3%	9	9.0%	13	13.8%	48	7.3%
Mattapan -- 02126	7	3.6%	4	3.3%	6	4.0%	4	4.0%	6	6.4%	27	4.1%
South Boston -- 02127	20	10.4%	5	4.1%	4	2.7%	4	4.0%	1	1.1%	34	5.2%
East Boston -- 02128	22	11.4%	19	15.6%	39	26.0%	27	27.0%	14	14.9%	121	18.4%
Charlestown -- 02129	7	3.6%	2	1.6%	8	5.3%	1	1.0%	1	1.1%	19	2.9%
Jamaica Plain -- 02130	18	9.3%	19	15.6%	10	6.7%	5	5.0%	4	4.3%	56	8.5%
Roslindale -- 02131	21	10.9%	14	11.5%	11	7.3%	7	7.0%	8	8.5%	61	9.3%
West Roxbury -- 02132	18	9.3%	5	4.1%	3	2.0%	3	3.0%	3	3.2%	32	4.9%
Allston -- 02134	2	1.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	0.3%
Brighton -- 02135	7	3.6%	4	3.3%	5	3.3%	2	2.0%	3	3.2%	21	3.2%
Hyde Park -- 02136	5	2.6%	17	13.9%	18	12.0%	10	10.0%	6	6.4%	56	8.5%
Other Boston ZIPs	10	5.2%	3	2.5%	3	2.0%	0	0.0%	1	1.1%	17	2.6%
No Information												
5 Majority B+H ZIPs**	35	18.1%	25	20.5%	36	24.0%	29	29.0%	29	30.9%	154	23.4%
9 CIC Target ZIPs**	81	42.0%	51	41.8%	59	39.3%	45	45.0%	56	59.6%	292	44.3%

* "Low" income is < \$26,151 for 1995; < \$28,251 for 1996; < \$29,801 for 1997; < \$30,001 for 1998; < \$31,351 for 1999; & \$32,751 for 2000. "Moderate" income is \$26,151-\$41,480 for 1995; \$28,251-\$45,200 for 1996; \$29,801-\$47,680 for 1997; \$30,000-\$48,000 for 1998; \$31,351-\$50,160 for 1999; & \$32,751-\$52,401 for 2000.

** The 5 majority black & Hispanic ("core") ZIP code areas are 02119, 02120, 02121, 02124, & 02126; the 9 ZIPs in the Community Investment Coalition (CIC) "target area" are these five plus 02118, 02122, 02125, & 02130.

TABLE 18-A

**NUMBER OF HOME-PURCHASE LOANS TO BLACK AND LATINO BORROWERS
IN 12 BOSTON INNER-RING CITIES & TOWNS, 1997-2000**

INNER RING City/Town	Black Borrowers					Latino Borrowers					All Borrowers				
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	8	6	7	6	27	9	14	5	4	32	862	873	916	802	3,453
Cambridge	40	28	31	24	123	15	16	26	24	81	998	1,002	1,097	926	4,023
Chelsea	7	15	17	16	55	61	97	141	140	439	235	319	373	362	1,289
Dedham	4	6	3	7	20	6	5	10	7	28	345	357	373	364	1,439
Everett	30	40	45	46	161	18	32	61	62	173	287	401	495	384	1,567
Milton	62	28	51	32	173	4	6	7	8	25	394	436	411	371	1,612
Newton	7	13	11	9	40	11	8	13	10	42	1,017	1,108	1,151	962	4,238
Quincy	11	17	15	18	61	14	14	11	22	61	1,056	1,211	1,320	1,229	4,816
Revere	12	14	12	22	60	31	51	80	88	250	459	559	666	630	2,314
Somerville	26	24	27	11	88	38	32	40	26	136	518	642	691	664	2,515
Watertown	3	2	2	4	11	7	3	7	4	21	340	375	368	289	1,372
Winthrop	1	2	6	5	14	3	1	6	12	22	183	254	276	225	938
Inner-Ring Total	211	195	227	200	833	217	279	407	407	1,837	6,694	7,537	8,137	7,208	29,576
For Comparison:															
City of Boston	836	795	902	710	3,243	334	419	510	463	1,726	5,970	7,070	8,002	7,467	28,509
Outer-Ring Total	304	315	401	360	1,380	184	222	280	397	1,083	7,202	8,024	8,190	7,691	31,107
Boston MSA Total	1,564	1,565	1,823	1,546	6,498	974	1,215	1,577	1,702	5,468	45,854	52,009	54,079	49,931	201,873

TABLE 18-B

**NUMBER OF HOME-PURCHASE LOANS TO BLACK AND LATINO BORROWERS
IN 15 BOSTON OUTER-RING CITIES & TOWNS, 1997-2000**

OUTER RING City/Town	Black Borrowers					Latino Borrowers					All Borrowers				
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington	8	7	8	5	28	5	5	7	7	24	633	665	614	552	2,464
Belmont	0	1	1	1	3	4	4	3	2	13	247	296	320	247	1,110
Braintree	2	1	3	7	13	3	4	1	5	13	460	466	597	451	1,974
Canton	6	10	5	9	30	1	2	7	2	12	295	379	388	349	1,411
Lynn	65	58	96	116	335	94	113	158	252	617	927	1,057	1,227	1,399	4,610
Malden	40	58	61	42	201	23	19	33	40	115	548	644	626	563	2,381
Medford	23	21	40	22	106	12	20	15	16	63	649	743	713	643	2,748
Needham	1	2	1	2	6	3	3	2	5	13	438	483	444	387	1,752
Randolph	131	132	151	125	539	17	16	26	24	83	484	519	554	543	2,100
Saugus	1	0	5	5	11	2	4	3	6	15	358	384	352	369	1,463
Waltham	16	16	19	11	62	14	20	14	23	71	556	614	593	519	2,282
Wellesley	3	2	3	1	9	0	2	3	2	7	423	456	433	367	1,679
Weston	1	0	3	1	5	0	1	0	0	1	173	164	131	139	607
Westwood	0	1	1	0	2	1	3	1	4	9	246	253	234	224	957
Weymouth	7	6	4	13	30	5	6	7	9	27	765	901	964	939	3,569
Outer-Ring Total	304	315	401	360	1,380	184	222	280	397	1,083	7,202	8,024	8,190	7,691	31,107
For Comparison:															
City of Boston	836	795	802	710	3,143	334	419	510	463	1,726	5,970	7,070	8,002	7,467	28,509
Inner-Ring Total	211	195	227	200	833	217	279	407	407	1,310	6,694	7,537	8,137	7,208	29,576
Boston MSA Total	1,564	1,565	1,823	1,546	6,498	974	1,215	1,577	1,702	5,468	45,854	52,009	54,079	49,931	201,873

TABLE 19-A

**PERCENT OF TOTAL HOME-PURCHASE LOANS THAT WENT TO BLACK AND
LATINO BORROWERS IN 12 BOSTON INNER-RING CITIES & TOWNS, 1997-2000**

INNER RING City/Town	% Black Households	Black Borrowers					% Latino Households	Latino Borrowers				
		1997	1998	1999	2000	Total		1997	1998	1999	2000	Total
Brookline	2.4%	0.9%	0.7%	0.8%	0.7%	0.8%	2.8%	1.0%	1.6%	0.5%	0.5%	0.9%
Cambridge	10.8%	4.0%	2.8%	2.8%	2.6%	3.1%	5.2%	1.5%	1.6%	2.4%	2.6%	2.0%
Chelsea	6.9%	3.0%	4.7%	4.6%	4.4%	4.3%	37.7%	26.0%	30.4%	37.8%	38.7%	34.1%
Dedham	1.0%	1.2%	1.7%	0.8%	1.9%	1.4%	1.4%	1.7%	1.4%	2.7%	1.9%	1.9%
Everett	5.5%	10.5%	10.0%	9.1%	12.0%	10.3%	6.4%	6.3%	8.0%	12.3%	16.1%	11.0%
Milton	9.4%	15.7%	6.4%	12.4%	8.6%	10.7%	1.0%	1.0%	1.4%	1.7%	2.2%	1.6%
Newton	1.5%	0.7%	1.2%	1.0%	0.9%	0.9%	1.6%	1.1%	0.7%	1.1%	1.0%	1.0%
Quincy	2.2%	1.0%	1.4%	1.1%	1.5%	1.3%	1.6%	1.3%	1.2%	0.8%	1.8%	1.3%
Revere	2.7%	2.6%	2.5%	1.8%	3.5%	2.6%	6.3%	6.8%	9.1%	12.0%	14.0%	10.8%
Somerville	5.6%	5.0%	3.7%	3.9%	1.7%	3.5%	5.7%	7.3%	5.0%	5.8%	3.9%	5.4%
Watertown	1.3%	0.9%	0.5%	0.5%	1.4%	0.8%	2.0%	2.1%	0.8%	1.9%	1.4%	1.5%
Winthrop	1.5%	0.5%	0.8%	2.2%	2.2%	1.5%	2.0%	1.6%	0.4%	2.2%	5.3%	2.3%
Inner-Ring Total	4.6%	3.2%	2.6%	2.8%	2.8%	2.8%	5.2%	3.2%	3.7%	5.0%	5.6%	6.2%
For Comparison:												
City of Boston	22.1%	14.0%	11.2%	11.3%	9.5%	11.4%	10.8%	5.6%	5.9%	6.4%	6.2%	6.1%
Outer-Ring Total	4.7%	4.2%	3.9%	4.9%	4.7%	4.4%	3.8%	2.6%	2.8%	3.4%	5.2%	3.5%
Boston MSA Total	6.3%	3.4%	3.0%	3.4%	3.1%	3.2%	4.3%	2.1%	2.3%	2.9%	3.4%	2.7%

Note: Data on black and Latino households as percentages of all households are from 2000 Census. See "Notes on Data and Methods."

TABLE 19-B

**PERCENT OF TOTAL HOME-PURCHASE LOANS THAT WENT TO BLACK AND
LATINO BORROWERS IN 15 BOSTON OUTER-RING CITIES & TOWNS, 1997-2000**

OUTER RING City/Town	% Black Households	Black Borrowers				% Latino Households	Latino Borrowers				
		1997	1998	1999	2000		Total	1997	1998	1999	2000
Arlington	1.6%	1.3%	1.1%	1.3%	0.9%	1.1%	1.3%	0.8%	1.1%	1.3%	1.0%
Belmont	1.0%	0.0%	0.3%	0.3%	0.4%	0.3%	1.3%	1.6%	0.9%	0.8%	1.2%
Braintree	1.0%	0.4%	0.2%	0.5%	1.6%	0.7%	0.9%	0.7%	0.2%	1.1%	0.7%
Canton	2.6%	2.0%	2.6%	1.3%	2.6%	2.1%	1.0%	0.3%	1.8%	0.6%	0.9%
Lynn	9.9%	7.0%	5.5%	7.8%	8.3%	7.3%	13.2%	10.1%	12.9%	18.0%	13.4%
Malden	7.6%	7.3%	9.0%	9.7%	7.5%	8.4%	3.6%	4.2%	5.3%	7.1%	4.8%
Medford	5.4%	3.5%	2.8%	5.6%	3.4%	3.9%	1.7%	1.8%	2.1%	2.5%	2.3%
Needham	0.6%	0.2%	0.4%	0.2%	0.5%	0.3%	0.8%	0.7%	0.5%	1.3%	0.7%
Randolph	18.9%	27.1%	25.4%	27.3%	23.0%	25.7%	2.4%	3.5%	4.7%	4.4%	4.0%
Saugus	0.4%	0.3%	0.0%	1.4%	1.4%	0.8%	0.6%	0.6%	0.9%	1.6%	1.0%
Waltham	3.7%	2.9%	2.6%	3.2%	2.1%	2.7%	5.9%	2.5%	2.4%	4.4%	3.1%
Wellesley	1.2%	0.7%	0.4%	0.7%	0.3%	0.5%	1.3%	0.0%	0.7%	0.5%	0.4%
Weston	0.8%	0.6%	0.0%	2.3%	0.7%	0.8%	1.3%	0.0%	0.6%	0.0%	0.2%
Westwood	0.5%	0.0%	0.4%	0.4%	0.0%	0.2%	0.6%	0.4%	1.2%	1.8%	0.9%
Weymouth	1.5%	0.9%	0.7%	0.4%	1.4%	0.8%	1.1%	0.7%	0.7%	1.0%	0.8%
Outer-Ring Total	4.7%	4.2%	3.9%	4.9%	4.7%	4.4%	3.8%	2.6%	3.4%	5.2%	3.5%
For Comparison:											
City of Boston	22.1%	14.0%	11.2%	10.0%	9.5%	11.0%	14.4%	5.6%	6.4%	6.2%	6.1%
Inner-Ring Total	4.6%	3.2%	2.6%	2.8%	2.8%	2.8%	5.2%	3.2%	5.0%	5.6%	4.4%
Boston MSA Total	6.3%	3.4%	3.0%	3.4%	3.1%	3.2%	4.3%	2.1%	2.9%	3.4%	2.6%

Note: Data on black and Latino households as percentages of all households are from 2000 Census. See "Notes on Data and Methods."

TABLE 20-A
BLACK HOME-PURCHASE LOAN APPLICATIONS AND DENIALS
IN 12 BOSTON INNER-RING CITIES & TOWNS, 1997-2000

INNER RING City/Town	Black Applications					Black Denial Rate					Black/White Denial Rate Ratio				
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	10	9	9	9	37	10.0%	33.3%	0.0%	22.2%	16.2%	2.21	8.29	0.00	3.40	3.18
Cambridge	55	38	44	44	181	14.5%	10.5%	13.6%	25.0%	16.0%	2.19	2.53	1.68	3.51	2.46
Chelsea	10	24	25	28	87	10.0%	25.0%	16.0%	10.7%	16.1%	0.78	3.04	1.28	0.66	1.28
Dedham	6	7	7	10	30	16.7%	0.0%	14.3%	20.0%	13.3%	2.16	0.00	2.16	2.50	1.79
Everett	39	51	63	64	217	12.8%	5.9%	14.3%	18.8%	13.4%	1.18	0.62	1.14	0.90	1.00
Milton	78	37	66	46	227	9.0%	16.2%	16.6%	17.4%	12.3%	1.32	3.07	2.22	2.74	2.14
Newton	11	16	15	14	56	18.2%	6.3%	0.0%	14.3%	8.9%	2.75	1.16	0.00	2.12	1.42
Quincy	21	23	18	22	84	19.0%	4.3%	5.6%	4.5%	8.3%	2.65	0.52	0.76	0.54	1.06
Revere	18	20	18	36	92	33.3%	15.0%	22.2%	22.2%	22.8%	2.67	1.61	1.52	1.56	1.78
Somerville	37	37	39	24	137	16.2%	13.5%	10.3%	25.0%	15.3%	1.63	1.50	1.17	2.31	1.59
Watertown	3	5	3	6	17	0.0%	40.0%	0.0%	16.7%	17.6%	0.00	8.31	0.00	2.02	2.55
Winthrop	2	4	7	5	18	50.0%	0.0%	0.0%	0.0%	5.6%	4.50	0.00	0.00	0.00	0.59
Inner-Ring Total	290	271	314	308	1,183	14.5%	12.5%	11.5%	18.2%	14.2%	1.89	1.91	1.36	1.97	1.78
For Comparison:															
City of Boston	1,287	1,183	1,481	1,284	5,235	19.5%	15.2%	20.5%	24.5%	20.0%	1.86	1.99	2.16	2.63	2.17
Outer-Ring Total	410	435	551	560	1,956	13.9%	12.9%	14.7%	20.5%	15.8%	1.95	2.21	1.78	2.53	2.16
Boston MSA Total	2,320	2,234	2,775	2,569	9,898	17.8%	13.8%	17.7%	21.4%	17.8%	2.35	2.15	1.95	2.65	2.38

TABLE 20-B

**BLACK HOME-PURCHASE LOAN APPLICATIONS AND DENIALS
IN 15 BOSTON OUTER-RING CITIES & TOWNS, 1997-2000**

OUTER RING		Black Applications				Black Denial Rate				Black/White Denial Rate Ratio					
City/Town	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington	9	7	12	8	36	11.1%	0.0%	16.5%	25.0%	13.9%	1.88	0.00	3.44	3.53	2.57
Belmont	1	1	1	1	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.00	0.00	0.00	0.00
Braintree	3	3	5	13	24	33.3%	0.0%	10.0%	15.4%	16.7%	4.82	0.00	2.91	3.46	2.57
Canton	7	13	7	15	42	0.0%	0.0%	0.0%	13.3%	4.8%	0.00	0.00	0.00	1.96	0.82
Lynn	91	80	131	184	486	15.4%	13.8%	12.2%	21.7%	16.7%	1.45	1.42	1.09	1.66	1.48
Malden	56	79	81	63	279	14.3%	10.1%	17.3%	22.2%	15.8%	1.52	1.72	1.23	2.14	1.58
Medford	29	31	58	32	150	10.3%	22.6%	19.0%	12.5%	16.7%	1.57	4.55	2.17	1.61	2.38
Needham	2	4	1	3	10	0.0%	50.0%	0.0%	0.0%	20.0%	0.00	15.50	0.00	0.00	4.45
Randolph	177	186	203	190	756	14.7%	15.1%	13.8%	21.6%	16.3%	2.20	1.65	1.92	2.07	1.93
Saugus	4	1	6	5	16	25.0%	0.0%	0.0%	0.0%	6.3%	3.72	0.00	0.00	0.00	0.81
Waltham	18	18	26	24	86	11.1%	0.0%	15.4%	29.2%	15.1%	1.22	0.00	1.95	3.59	1.92
Wellesley	4	2	7	2	15	25.0%	0.0%	28.6%	50.0%	26.7%	5.75	0.00	6.17	10.37	6.40
Weston	1	0	5	3	9	0.0%	-	20.0%	0.0%	11.1%	0.00	-	2.18	0.00	1.61
Westwood	0	2	1	0	3	-	0.0%	0.0%	-	0.0%	-	0.00	0.00	-	0.00
Weymouth	8	8	7	17	40	0.0%	0.0%	28.6%	11.8%	10.0%	0.00	0.00	3.43	1.65	1.34
Outer-Ring Total	410	435	551	560	1,956	13.9%	12.9%	14.7%	20.5%	15.8%	1.95	2.21	1.78	2.53	2.16

For Comparison:

City of Boston	1,287	1,183	1,481	1,284	5,235	19.5%	15.2%	20.5%	24.5%	20.0%	1.82	1.99	2.16	2.63	2.17
Inner-Ring Total	290	271	314	308	1,183	14.5%	12.5%	11.5%	18.2%	14.2%	1.89	1.91	1.36	1.97	1.78
Boston MSA Total	2,320	2,234	2,775	2,569	9,898	17.8%	13.8%	17.7%	21.4%	17.8%	2.35	2.15	1.95	2.66	2.38

TABLE 21-A
LATINO HOME-PURCHASE LOAN APPLICATIONS AND DENIALS
IN 12 BOSTON INNER-RING CITIES & TOWNS, 1997-2000

INNER RING City/Town	Latino Applications				Latino Denial Rate					Latino/White Denial Rate Ratio					
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	11	17	6	6	40	9.1%	11.8%	0.0%	33.3%	12.5%	2.00	2.93	0.00	5.10	2.45
Cambridge	24	19	45	30	118	16.7%	10.5%	13.3%	6.7%	11.9%	2.51	2.53	1.64	0.94	1.82
Chelsea	94	127	192	209	622	17.0%	13.4%	13.0%	16.7%	15.0%	1.32	1.63	1.04	1.04	1.19
Dedham	6	8	10	13	37	0.0%	0.0%	0.0%	15.4%	5.4%	0.00	0.00	0.00	1.92	0.72
Everett	24	47	82	83	236	12.5%	12.8%	18.3%	13.3%	14.8%	1.16	1.35	1.46	0.64	1.11
Milton	5	6	8	11	30	0.0%	0.0%	12.5%	0.0%	3.3%	0.00	0.00	2.62	0.00	0.58
Newton	13	9	16	13	51	7.7%	0.0%	6.3%	15.4%	7.8%	1.16	0.00	0.96	2.28	1.25
Quincy	20	18	20	24	82	10.0%	22.2%	30.0%	0.0%	14.6%	1.39	2.66	4.08	0.00	1.87
Revere	41	60	113	122	336	22.0%	5.0%	15.0%	10.7%	12.5%	1.76	0.54	1.03	0.75	0.97
Somerville	54	37	58	42	191	16.7%	2.7%	15.5%	11.9%	12.6%	1.67	0.30	1.76	1.10	1.30
Watertown	10	3	8	6	27	20.0%	0.0%	0.0%	16.7%	11.1%	3.21	0.00	0.00	2.02	1.61
Winthrop	3	1	7	16	27	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.00	0.00	0.00	0.00
Inner-Ring Total	305	352	565	575	1,797	15.4%	9.9%	14.2%	12.7%	13.1%	2.01	1.52	1.68	1.37	1.64
For Comparison:															
City of Boston	485	571	728	713	2,497	16.1%	12.1%	15.7%	18.9%	15.9%	1.50	1.58	1.65	2.03	1.72
Outer-Ring Total	254	296	412	581	1,543	12.6%	10.5%	17.7%	19.4%	16.1%	1.76	1.80	3.05	2.40	2.20
Boston MSA Total	1,362	1,638	2,216	2,509	7,725	14.1%	11.7%	14.6%	16.7%	14.6%	1.86	1.82	1.85	2.07	1.95

TABLE 21-B

**LATINO HOME-PURCHASE LOAN APPLICATIONS AND DENIALS
IN 15 BOSTON OUTER-RING CITIES & TOWNS, 1997-2000**

OUTER RING City/Town	Latino Applications					Latino Denial Rate					Latino/White Denial Rate Ratio				
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington	9	6	12	9	36	11.1%	0.0%	0.0%	0.0%	2.8%	1.88	0.00	0.00	0.00	0.51
Belmont	5	6	4	2	17	20.0%	16.7%	0.0%	0.0%	11.8%	6.33	2.85	0.00	0.00	1.78
Braintree	3	8	3	10	24	0.0%	25.0%	0.0%	40.0%	25.0%	0.00	3.39	0.00	0.00	3.86
Canton	3	3	7	7	20	0.0%	33.3%	0.0%	71.4%	30.0%	0.00	14.75	0.00	10.49	5.14
Lynn	134	153	239	376	902	14.9%	12.4%	18.4%	19.7%	17.4%	1.41	1.28	1.65	1.50	1.55
Malden	33	30	45	51	159	21.2%	13.3%	17.8%	13.7%	16.4%	2.26	2.26	1.27	1.32	1.64
Medford	17	23	27	26	93	0.0%	0.0%	29.6%	26.9%	16.1%	0.00	0.00	3.39	3.46	2.30
Needham	3	3	2	6	14	0.0%	0.0%	0.0%	16.7%	7.1%	0.00	0.00	0.00	4.94	1.59
Randolph	18	17	32	31	98	0.0%	0.0%	12.5%	9.7%	7.1%	0.00	0.00	1.74	0.93	0.85
Saugus	4	5	7	7	23	50.0%	20.0%	42.9%	0.0%	26.1%	7.45	3.71	4.03	0.00	3.38
Waltham	17	26	17	36	96	5.9%	7.7%	11.8%	30.6%	16.7%	0.64	1.21	1.49	3.76	2.12
Wellesley	0	4	4	3	11	-	25.0%	0.0%	0.0%	9.1%	-	8.34	0.00	0.00	2.18
Weston	0	1	0	0	1	-	0.0%	-	-	0.0%	-	0.00	-	-	0.00
Westwood	3	3	1	4	11	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.00	0.00	0.00	0.00
Weymouth	5	8	12	13	38	0.0%	0.0%	33.3%	7.7%	13.2%	0.00	0.00	4.00	1.08	1.77
Outer-Ring Total	254	296	412	581	1,543	12.6%	10.5%	17.7%	19.4%	16.1%	1.76	1.80	3.05	2.40	2.20
For Comparison:															
City of Boston	485	571	728	713	2,497	16.1%	12.1%	15.7%	18.9%	15.9%	1.50	1.58	1.65	2.03	1.72
Inner-Ring Total	305	352	565	575	1,797	15.4%	9.9%	14.2%	12.7%	13.1%	2.01	1.52	1.68	1.37	1.64
Boston MSA Total	1,362	1,638	2,216	2,509	7,725	14.1%	11.7%	14.6%	16.7%	14.6%	1.86	1.82	1.85	2.07	1.95

TABLE 22-A
NUMBER OF HOME-PURCHASE LOANS TO LOW- AND MODERATE-INCOME BORROWERS*
IN 12 BOSTON INNER-RING CITIES & TOWNS, 1997-2000

INNER RING City/Town	Low-Income Borrowers*					Low PLUS Mod Income Borrowers*					All Borrowers*				
	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	20	30	17	9	76	122	126	111	71	430	862	873	904	783	3,422
Cambridge	63	53	33	24	173	245	183	161	120	709	998	1,002	1,073	887	3,960
Chelsea	44	64	83	51	242	127	169	229	168	693	235	319	363	348	1,265
Dedham	11	13	10	19	53	75	63	88	71	297	345	357	350	348	1,400
Everett	22	45	49	29	145	134	197	211	128	670	287	401	479	359	1,526
Milton	6	13	10	11	40	42	42	36	26	146	394	436	401	348	1,579
Newton	15	12	29	9	65	69	67	107	72	315	1,017	1,108	1,123	932	4,180
Quincy	74	107	102	52	335	374	438	434	308	1,554	1,056	1,211	1,275	1,184	4,726
Revere	38	62	64	41	205	217	253	287	237	994	459	559	635	598	2,251
Somerville	28	50	38	34	150	158	190	170	105	623	518	642	663	639	2,462
Watertown	15	12	16	9	52	67	62	76	48	253	340	375	352	276	1,343
Winthrop	15	20	18	15	68	52	78	82	75	287	183	254	269	215	921
Inner-Ring Total	351	481	469	303	1,604	1,682	1,868	1,992	1,429	6,971	6,694	7,537	7,887	6,917	29,035
For Comparison:															
City of Boston	587	597	578	377	2,139	2,021	2,167	2,321	1,698	8,207	5,970	7,070	7,766	7,197	28,003
Outer-Ring Total	415	509	533	403	1,860	2,096	2,161	2,291	1,865	8,413	7,202	8,024	7,968	7,403	30,597
Boston MSA Total	2,247	3,012	2,971	2,337	10,567	11,110	12,405	12,997	10,402	46,914	45,854	52,009	52,671	48,242	198,776

* Low-income and moderate-income are defined in relationship to the median family income (MFI) in the Boston Metropolitan Statistical Area (MSA), which was \$59,600 in 1997, \$60,000 in 1998, \$62,700 in 1999, and \$65,500 in 2000. Low-income is less than 50%, and moderate income is between 50% and 80%, of the MFI in the MSA. In this study, reported incomes below \$10K are regarded as errors rather than low-income. HMDA data round income to the nearest thousand dollars. Thus, in 1997, low-income was \$10K-\$29K and mod-income was \$30-\$47K; in 1998, low-income was \$10K-\$30K and mod-income was \$31K-\$48K; in 1999, low-income was \$10K-\$31K and mod-income was \$32K-\$50K; and in 2000, low-income was \$10K-\$32K and mod-income was \$33K-\$52K.

TABLE 22-B
NUMBER OF HOME-PURCHASE LOANS TO LOW- AND MODERATE-INCOME BORROWERS*
IN 15 BOSTON OUTER-RING CITIES & TOWNS, 1997-2000

OUTER RING City/Town		Low-Income Borrowers*				Low PLUS Mod Income Borrowers*				All Borrowers*						
		1997	1998	1999	2000	Total	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington		18	23	16	17	74	115	80	101	69	365	633	665	604	540	2,442
Belmont		3	4	4	4	15	14	13	25	15	67	247	296	315	240	1,098
Braintree		15	28	22	12	77	130	115	146	90	481	460	466	588	437	1,951
Canton		8	11	13	16	48	54	67	70	57	248	295	379	377	342	1,393
Lynn		154	159	207	145	665	536	577	666	648	2,427	927	1,057	1,185	1,324	4,493
Malden		35	69	49	31	184	244	276	232	142	894	548	644	602	534	2,328
Medford		27	33	30	30	120	214	189	171	127	701	649	743	688	617	2,697
Needham		3	3	8	5	19	22	25	26	24	97	438	483	437	372	1,730
Randolph		40	46	51	33	170	202	210	214	184	810	484	519	538	519	2,060
Saugus		25	18	18	15	76	100	109	93	79	381	358	384	342	351	1,435
Waltham		27	32	26	20	105	130	132	139	82	483	556	614	579	498	2,247
Wellesley		0	5	2	2	9	10	11	11	10	42	423	456	420	362	1,661
Weston		1	1	0	1	3	6	2	1	1	10	173	164	126	135	598
Westwood		2	1	3	7	13	25	15	15	19	74	246	253	228	218	945
Weymouth		57	76	84	65	282	294	340	381	318	1,333	765	901	939	914	3,519
Outer-Ring Total		415	509	533	403	1,860	2,096	2,161	2,291	1,865	8,413	7,202	8,024	7,968	7,403	30,597
For Comparison:																
City of Boston		587	597	578	377	2,139	2,021	2,167	2,321	1,698	8,207	5,970	7,070	7,766	7,197	28,003
Inner-Ring Total		351	481	469	303	1,604	1,682	1,868	1,992	1,429	6,971	6,694	7,537	7,887	6,917	29,035
Boston MSA Total		2,247	3,012	2,971	2,971	11,201	11,110	12,405	12,997	10,402	46,914	45,854	52,009	52,671	48,242	198,776

* Low-income and moderate-income are defined in relationship to the median family income (MFI) in the Boston Metropolitan Statistical Area (MSA), which was \$59,600 in 1997, \$60,000 in 1998, \$62,700 in 1999, and \$65,500 in 2000. Low-income is less than 50%, and moderate income is between 50% and 80% of the MFI in the MSA. In this study, reported incomes below \$10K are regarded as errors rather than low-income. HMDA data round income to the nearest thousand dollars. Thus, in 1997, low-income was \$10K-\$29K and mod-income was \$30-\$47K; in 1998, low-income was \$10K-\$30K and mod-income was \$31K-\$48K; in 1999, low-income was \$10K-\$31K and mod-income was \$32K-\$50K; and in 2000, low-income was \$10K-\$32K and mod-income was \$33K-\$52K.

TABLE 23-A

**PERCENT OF HOME-PURCHASE LOANS THAT WENT TO LOW- AND MODERATE-INCOME
BORROWERS IN 12 BOSTON INNER-RING CITIES AND TOWNS, 1997-2000**

INNER RING City/Town	Median Family Income#	Low-Income Borrowers*					Low PLUS Mod Income Borrowers*				
		1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	\$61,799	2.3%	3.4%	1.9%	1.1%	2.2%	14.2%	14.4%	12.3%	9.1%	12.6%
Cambridge	\$39,990	6.3%	5.3%	3.1%	2.7%	4.4%	24.5%	18.3%	15.0%	13.5%	17.9%
Chelsea	\$29,039	18.7%	20.1%	22.9%	14.7%	19.1%	54.0%	53.0%	63.1%	48.3%	54.8%
Dedham	\$52,554	3.2%	3.6%	2.9%	5.5%	3.8%	21.7%	17.6%	25.1%	20.4%	21.2%
Everett	\$37,397	7.7%	11.2%	10.2%	8.1%	9.5%	46.7%	49.1%	44.1%	35.7%	43.9%
Milton	\$61,964	1.5%	3.0%	2.5%	3.2%	2.5%	10.7%	9.6%	9.0%	7.5%	9.2%
Newton	\$70,071	1.5%	1.1%	2.6%	1.0%	1.6%	6.8%	6.0%	9.5%	7.7%	7.5%
Quincy	\$44,184	7.0%	8.8%	8.0%	4.4%	7.1%	35.4%	36.2%	34.0%	26.0%	32.9%
Revere	\$37,213	8.3%	11.1%	10.1%	6.9%	9.1%	47.3%	45.3%	45.2%	39.6%	44.2%
Somerville	\$38,532	5.4%	7.8%	5.7%	5.3%	6.1%	30.5%	29.6%	25.6%	16.4%	25.3%
Watertown	\$49,467	4.4%	3.2%	4.5%	3.3%	3.9%	19.7%	16.5%	21.6%	17.4%	18.8%
Winthrop	\$45,677	8.2%	7.9%	6.7%	7.0%	7.4%	28.4%	30.7%	30.5%	34.9%	31.2%
Inner-Ring Total	\$47,758	5.2%	6.4%	5.9%	4.4%	5.5%	25.1%	24.8%	25.3%	20.7%	24.0%
For Comparison:											
City of Boston	\$34,377	9.8%	8.4%	7.4%	5.2%	7.6%	33.9%	30.7%	29.9%	23.6%	29.3%
Outer-Ring Total	\$51,662	5.8%	6.3%	6.7%	5.4%	6.1%	29.1%	26.9%	28.8%	25.2%	27.5%
Boston MSA Total	\$48,686	4.9%	5.8%	5.6%	4.8%	5.3%	24.2%	23.9%	24.7%	21.6%	23.6%

* Low-income and moderate-income are defined in relationship to the median family income (MFI) in the Boston Metropolitan Statistical Area (MSA), which was \$59,600 in 1997, \$60,000 in 1998, \$62,700 in 1999, and \$65,500 in 2000. Low-income is less than 50%, and moderate income is between 50% and 80% of the MFI in the MSA. In this study, reported incomes below \$10K are regarded as errors rather than low-income. HMDA data round income to the nearest thousand dollars. Thus, in 1997, low-income was \$10K-\$29K and mod-income was \$30-\$47K; in 1998, low-income was \$10K-\$30K and mod-income was \$31K-\$48K; in 1999, low-income was \$10K-\$31K and mod-income was \$32K-\$50K; and in 2000, low-income was \$10K-\$32K and mod-income was \$33K-\$52K.

Median Family Incomes for cities and towns are from the 1990 Census, the most recent reliable data.

TABLE 23-B

**PERCENT OF HOME-PURCHASE LOANS THAT WENT TO LOW- AND MODERATE-INCOME
BORROWERS IN 12 BOSTON INNER-RING CITIES AND TOWNS, 1997-2000**

OUTER RING City/Town	Median Family Income#	Low-Income Borrowers*					Low PLUS Mod Income Borrowers*				
		1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington	\$52,749	2.8%	3.5%	2.6%	3.1%	3.0%	18.2%	12.0%	16.7%	12.8%	14.9%
Belmont	\$61,046	1.2%	1.4%	1.3%	1.7%	1.4%	5.7%	4.4%	7.9%	6.3%	6.1%
Braintree	\$51,920	3.3%	6.0%	3.7%	2.7%	3.9%	28.3%	24.7%	24.8%	20.6%	24.7%
Canton	\$62,471	2.7%	2.9%	3.4%	4.7%	3.4%	18.3%	17.7%	18.6%	16.7%	17.8%
Lynn	\$35,830	16.6%	15.0%	17.5%	11.0%	14.8%	57.8%	54.6%	56.2%	48.9%	54.0%
Malden	\$42,099	6.4%	10.7%	8.1%	5.8%	7.9%	44.5%	42.9%	38.5%	26.6%	38.4%
Medford	\$45,532	4.2%	4.4%	4.4%	4.9%	4.4%	33.0%	25.4%	24.9%	20.6%	26.0%
Needham	\$69,515	0.7%	0.6%	1.8%	1.3%	1.1%	5.0%	5.2%	5.9%	6.5%	5.6%
Randolph	\$50,718	8.3%	8.9%	9.5%	6.4%	8.3%	41.7%	40.5%	39.8%	35.5%	39.3%
Saugus	\$48,669	7.0%	4.7%	5.3%	4.3%	5.3%	27.9%	28.4%	27.2%	22.5%	26.6%
Waltham	\$45,730	4.9%	5.2%	4.5%	4.0%	4.7%	23.4%	21.5%	24.0%	16.5%	21.5%
Wellesley	\$90,030	0.0%	1.1%	0.5%	0.6%	0.5%	2.4%	2.4%	2.6%	2.8%	2.5%
Weston	\$108,751	0.6%	0.6%	0.0%	0.7%	0.5%	3.5%	1.2%	0.8%	0.7%	1.7%
Westwood	\$67,317	0.8%	0.4%	1.3%	3.2%	1.4%	10.2%	5.9%	6.6%	8.7%	7.8%
Weymouth	\$48,331	7.5%	8.4%	8.9%	7.1%	8.0%	38.4%	37.7%	40.6%	34.8%	37.9%
Outer-Ring Total	\$51,662	5.8%	6.3%	6.7%	5.4%	6.1%	29.1%	26.9%	28.8%	25.2%	27.5%
For Comparison:											
City of Boston	\$34,377	9.8%	8.4%	7.4%	5.2%	7.6%	33.9%	30.7%	29.9%	23.6%	29.3%
Inner-Ring Total	\$47,758	5.2%	6.4%	5.9%	4.4%	5.5%	25.1%	24.8%	25.3%	20.7%	24.0%
Boston MSA Total	\$48,686	4.9%	5.8%	5.6%	6.2%	5.6%	24.2%	23.9%	24.7%	21.6%	23.6%

* Low-income and moderate-income are defined in relationship to the median family income (MFI) in the Boston Metropolitan Statistical Area (MSA), which was \$59,660 in 1997, \$60,000 in 1998, \$62,700 in 1999, and \$65,500 in 2000. Low-income is less than 50%, and moderate income is between 50% and 80%, of the MFI in the MSA. In this study, reported incomes below \$10K are regarded as errors rather than low-income. HMDA data round income to the nearest thousand dollars. Thus, in 1997, low-income was \$10K-\$29K and mod-income was \$30-\$47K; in 1998, low-income was \$10K-\$30K and mod-income was \$31K-\$48K; in 1999, low-income was \$10K-\$31K and mod-income was \$32K-\$50K; and in 2000, low-income was \$10K-\$32K and mod-income was \$33K-\$52K.

Median Family Incomes for cities and towns are from the 1990 Census, the most recent reliable data.

TABLE 24-A

**HOME-PURCHASE LOANS IN LOW- AND MODERATE-INCOME CENSUS TRACTS
IN 12 BOSTON INNER-RING CITIES & TOWNS: NUMBER AND PERCENT, 1997-2000**

INNER RING City/Town	Census Tracts		Loans in LMI Tracts					Loans in LMI Tracts as % of All Loans					
	LMI	Total	%LMI	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Brookline	0	12	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Cambridge	13	30	43.3%	270	293	365	327	1,255	27.1%	29.2%	33.3%	35.3%	31.2%
Chelsea	5	7	71.4%	190	266	331	328	1,115	80.9%	83.4%	88.7%	90.6%	86.5%
Dedham	0	5	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Everett	5	7	71.4%	207	299	368	286	1,160	72.1%	74.6%	74.3%	74.5%	74.0%
Milton	0	4	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Newton	0	18	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Quincy	3	16	18.8%	186	223	235	197	841	17.6%	18.4%	17.8%	16.0%	17.5%
Revere	6	8	75.0%	298	392	464	472	1,626	64.9%	70.1%	69.7%	74.9%	70.3%
Somerville	8	15	53.3%	276	367	397	353	1,393	53.3%	57.2%	57.5%	53.2%	55.4%
Watertown	0	5	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Winthrop	0	5	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Inner-Ring Total	40	132	30.3%	1,427	1,840	2,160	1,963	7,390	21.3%	24.4%	26.5%	27.2%	25.0%
For Comparison:													
City of Boston	115	168	68.5%	2,975	3,560	4,241	4,047	14,823	49.8%	50.4%	53.0%	54.2%	52.0%
Outer-Ring Total	23	117	19.7%	717	810	968	1,063	3,558	10.0%	10.1%	11.8%	13.8%	11.4%
Boston MSA Total	228	762	29.9%	6,826	8,496	9,620	9,036	33,978	14.9%	16.3%	17.8%	18.1%	16.8%

* Low-income and moderate-income census tracts are those whose median family income (MFI) in the 1990 Census was no greater than \$38,949, which was 80% of the MFI of \$48,868 in the Boston Metropolitan Statistical Area (MSA).

TABLE 24-B

**HOME-PURCHASE LOANS IN LOW- AND MODERATE-INCOME CENSUS TRACTS
IN 15 BOSTON OUTER-RING CITIES & TOWNS: NUMBER AND PERCENT, 1997-2000**

OUTER RING City/Town	Census Tracts			Loans in LMI Tracts					Loans in LMI Tracts as % of All Loans				
	LMI	Total	%LMI	1997	1998	1999	2000	Total	1997	1998	1999	2000	Total
Arlington	1	7	14.3%	57	61	65	38	221	9.0%	9.2%	10.6%	6.9%	9.0%
Belmont	0	8	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Braintree	0	8	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Canton	0	4	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Lynn	16	22	72.7%	540	576	734	868	2,718	58.3%	54.5%	59.8%	62.0%	59.0%
Malden	1	9	11.1%	18	25	21	30	94	3.3%	3.9%	3.4%	5.3%	3.9%
Medford	1	11	9.1%	43	59	53	44	199	6.6%	7.9%	7.4%	6.8%	7.2%
Needham	0	5	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Randolph	0	4	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Saugus	0	6	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Waltham	4	13	30.8%	59	89	95	83	326	10.6%	14.5%	16.0%	16.0%	14.3%
Wellesley	0	5	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Weston	0	2	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Westwood	0	3	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Weymouth	0	10	0.0%	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Outer-Ring Total	23	117	19.7%	717	810	968	1,063	3,558	10.0%	10.1%	11.8%	13.8%	11.4%
For Comparison:													
City of Boston	115	168	68.5%	2,975	3,560	4,241	4,047	14,823	49.8%	50.4%	53.0%	54.2%	52.0%
Inner-Ring Total	40	132	30.3%	1,427	1,840	2,160	1,963	7,390	21.3%	24.4%	26.5%	27.2%	25.0%
Boston MSA Total	228	762	29.9%	6,826	8,496	9,620	9,036	33,978	14.9%	16.3%	17.8%	18.1%	16.8%

* Low-income and moderate-income census tracts are those whose median family income (MFI) in the 1990 Census was no greater than \$38,949, which was 80% of the MFI of \$48,868 in the Boston Metropolitan Statistical Area (MSA).

TABLE 25

**HOME-PURCHASE LOANS TO TRADITIONALLY UNDERSERVED BORROWERS AND NEIGHBORHOODS
IN THE BOSTON AREA, BY FOUR MAJOR TYPES OF LENDERS: 2000**

	Total Loans		Loans to Black Borrowers		Loans to Hispanic Borrowers		Loans to Low-Income Borrowers		Loans to Low PLUS Mod Income Borrowers		Loans in Low PLUS Mod Income Tracts	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
A. Inner-Ring												
Mass. Banks & Credit Unions	2,214	30.7%	71	35.1%	190	46.7%	111	36.6%	539	37.7%	670	34.1%
Mort Co's & Out-of-State Banks	4,628	64.2%	112	55.4%	174	42.8%	180	59.4%	833	58.3%	1,094	55.7%
Subprime Lenders	366	5.1%	19	9.4%	43	10.6%	12	4.0%	57	4.0%	199	10.1%
Inner-Ring Total	7,208	100.0%	202	100.0%	407	100.0%	303	100.0%	1,429	100.0%	1,963	100.0%
B. Outer-Ring												
Mass. Banks & Credit Unions	2,593	33.7%	143	39.7%	172	43.3%	172	42.7%	730	39.1%	380	35.7%
Mort Co's & Out-of-State Banks	4,708	61.2%	182	50.6%	192	48.4%	219	54.3%	1,053	56.5%	589	55.4%
Subprime Lenders	390	5.1%	35	9.7%	33	8.3%	12	3.0%	82	4.4%	94	8.8%
Outer-Ring Total	7,691	100.0%	360	100.0%	397	100.0%	403	100.0%	1,865	100.0%	1,063	100.0%
C. City of Boston												
Mass. Banks & Credit Unions	2,243	30.0%	285	40.1%	211	45.6%	140	37.9%	672	39.8%	1,223	30.2%
Mort Co's & Out-of-State Banks	4,736	63.4%	330	46.5%	211	45.6%	208	56.4%	921	54.5%	2,489	61.5%
Subprime Lenders	488	6.5%	95	13.4%	41	8.9%	21	5.7%	97	5.7%	335	8.3%
City of Boston Total	7,467	100.0%	710	100.0%	463	100.0%	369	100.0%	1,690	100.0%	4,047	100.0%
D. Boston MSA												
Mass. Banks & Credit Unions	16,458	33.0%	590	38.2%	730	42.9%	899	38.5%	3,917	37.7%	2,996	33.2%
Mort Co's & Out-of-State Banks	31,204	62.5%	787	50.9%	812	47.7%	1,351	57.8%	6,011	57.8%	5,293	58.6%
Subprime Lenders	2,269	4.5%	169	10.9%	160	9.4%	87	3.7%	474	4.6%	747	8.3%
Boston MSA Total	49,931	100.0%	1,546	100.0%	1,702	100.0%	2,337	100.0%	10,402	100.0%	9,036	100.0%

"Mass. Banks and Credit Unions" includes all banks with branches in Massachusetts, plus all affiliated mortgage companies.

"Mortgage Companies & Out-of-State Banks": all lenders not affiliated with Massachusetts banks or credit unions, except for subprime lenders.

"Subprime Lenders" are identified from lists prepared annually by HUD.

For Mass. banks and credit unions, Boston-area performance in meeting community credit needs is subject to evaluation by bank regulators under the state and/or federal Community Reinvestment Act (CRA). Boston-area lending by mortgage companies and out-of-state banks is not subject to such evaluation under the CRA. For more information on the classification of lenders and its significance, see text and "Notes on Data and Methods."

"Low-Income" is above \$10K and below 50% of the Boston MSA median family income (\$11K - \$32K in 2000).

"Moderate-income" is between 50% and 80% of the Boston MSA median family income (\$33K - \$48K in 2000).

Low- and Moderate-income census tracts are those whose median family income in the 1990 Census was less than 80% of the MFI of the Boston MSA.

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 1990 Census and the 2000 Census; and the U.S. Department of Housing and Urban Development (HUD) for annual data on income levels for metropolitan areas and for annual lists of subprime lenders. These "Notes" will first provide information on the data obtained from these three sources and will then provide information relevant to some specific tables and charts in the report. The information here is intended to supplement the information provided in the notes to the tables themselves, and not all of that information is repeated here.

Home Mortgage Disclosure Act (HMDA) Data

Data on loans, applications, and denials were calculated from HMDA data, as collected, processed, and released each year by the FFIEC (www.ffiec.gov). Among the HMDA data provided for each loan application are: the identity of the lending institution; the 1990 census tract in which the property is located; the race 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 for a one-to-four family building; or any loan for a building with five or more dwelling units); the amount of the loan or request; and the disposition of the application (loan originated, approved but not accepted by applicant, denied, application withdrawn, or file closed for incompleteness). The FFIEC makes raw HMDA data available on CD-ROM.

Adjustment for the double-counting of Soft Second Program loans in Boston: Because the Soft Second Program (SSP) results in the creation of two mortgages for each home purchased – a first mortgage and a ("soft") second mortgage – SSP applications and loans are sometimes double-counted in HMDA data. I therefore attempted to locate all pairs of SSP records (by matching year, lender, action, census tract, and applicant characteristics) in the HMDA database and delete the record in each pair that had the smaller loan amount. This has resulted in the removal of a total of 1,841 records during the last decade (1,342 records for second mortgage loans and 376 records for SSP applications that did not result in loans; 123 of these records, including 102 loans, were from 2000; 172 records [137 loans] from 1999; 201 records [152 loans] from 1998; 219 records [156 loans] from 1997; 310 records [229 loans] from 1996; 273 records [225 loans] from 1995; 268 records [215 loans] from 1994; and 152 records [126 loans] from earlier years). Because SSP loans are targeted to minority and low/mod income borrowers, failing to remove their double-counting would overstate lending to these borrowers. I have made no adjustment for the double-counting of SSP loans outside of the city of Boston.

Conventional and government-backed (VA & FHA) loans are identified in HMDA data. In the tables and charts in this report these two types of loans are combined and no separate analysis is provided. Government-backed loans accounted for only 6.9% of all home-purchase loans in Boston in 2000; they accounted for 18.8% of total loans to black borrowers, 16.3% of loans of Latinos, 4.1% of loans to whites, and 3.0% of loans to Asians.

Income categories for applicants/borrowers are defined in relationship to the median family income (MFI) of the Boston Metropolitan Statistical Area (MSA) 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 MSA median; moderate: between 50% and 80% of the MSA median; middle: between 80% and 120% of the MSA median; high: between 120% and 200% of the MSA median; and highest: over 200% of the MSA median. Using these definitions, specific income ranges were calculated for each category for each year. Applicants/borrowers were assigned to income categories on the basis of their income as reported (to the nearest \$1000) in the HMDA data. Incomes of \$10,000 or less were viewed as likely to be errors and were therefore ignored in this report's analysis of lending to borrowers at different income levels.

Racial/Ethnic categories provided in HMDA data are: "American Indian or Alaskan Native," "Asian or Pacific Islander," "Black," "Hispanic," "White," "Other," "Information not provided by applicant in mail or telephone application," and "Not available." HMDA regulations do not require that loan applicants be asked their race/ethnicity if the application is made entirely by phone; all other applicants must be asked. For applications made in person, but not for mail or internet applications, if the applicant chooses not to provide the information, the lender must note the applicant's race/ethnicity "on the basis of visual observation or surname." In this report, "Asian," is used as shorthand for "Asian or Pacific Islander"; "Latino" is substituted for "Hispanic"; and only data on the race of applicants are used (that is, data on race of co-applicants are ignored).

Minor differences in totals and percentages reported in different tables result from incomplete data. For example, Tables 7-10 report a total of 7,467 loans for 2000, whereas total 2000 loans in Table 2 include only the 6,532 loans for which data on the race of the applicant was reported, and total 2000 loans in Table 3 include only the 7,189 loans for which applicant income of over \$10,000 was reported.

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. For example, of the 10,749 Boston home-purchase loan applications in 2000, 69.5% resulted in loans being originated and 13.1% were denied; in addition, 8.7% of all applications were approved by the bank but not accepted by the applicant; 6.8% were withdrawn by the applicant, and 2.0% resulted in files being closed because of incompleteness of the application.

Data from the 1990 Census and the 2000 Census

Population and housing data from the 2000 Census are available and were used in this report. 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 Institute for Social and Economic Research (MISER) at UMass/Amherst provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the Boston MSA.

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 percentages for individual races consist only of non-Latinos who chose that race. 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 equals 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%). The percentage "minority" is defined as 100% minus the percentage white (as defined just above); this common usage is followed in spite of the fact that "minorities" constitute the majority of the population in many geographical areas (including the world as a whole.) 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 rather than population percentages because households provide a better indicator of the number of potential home purchasers. The race/ethnicity of a household is determined by the race of the individual identified as the householder; the race/ethnicity of other members of the household is ignored.

HMDA data are reported for 1990 census tracts. Using 2000 Census data for population and housing creates a problem because in some cases census tract definitions (boundaries) change between one decennial census and the next. In Boston, there were 165 census tracts for the 1990 Census, but only 157 census tracts for the 2000 Census; this net reduction of 8 census tracts resulted from a five single tracts being divided into pairs of tracts (+5 tracts) and 23 former tracts being consolidated into ten new tracts (-13 tracts). (For detailed information, see the Boston Redevelopment Authority's Research Report #544, available at www.ci.boston.ma.us/bra/publications.asp.) Considerable effort was expended in using 2000 Census data to provide estimates of the year 2000 racial/ethnic composition and the number of owner-occupied housing units within those 1990 census tracts that no longer existed for the 2000 Census. The record for each mortgage application in HMDA data provides information on the census tract in which the home is located, including the percentage of minority residents in the census tract and the ratio of the MFI in the census tract to the MFI of the MSA in which the tract is located. The census tracts used in 2000 HMDA data are from the 1990 census and the population and income data are from that year's census.

Income data for geographical areas are from the 1990 Census; income data from the 2000 Census will not be available until mid-2002. This includes information on the MFI for individual cities and towns as well as information on the ratio of the MFI in individual census tracts to the MFI in the Boston MSA. Note that while information on the MFIs for census tracts and for cities and towns are only available from the decennial census, current borrower incomes are reported in HMDA data and these incomes can be compared to the annual data from HUD on the MFI in each MSA (see below).

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

Median family income (MFI) of the Boston Metropolitan Statistical Area (MSA) – as for every MSA in the nation – is reported annually by HUD. The MFIs for the years covered in this report are: \$46,300 in 1990, \$50,200 in 1991, \$51,100 in 1992, \$51,200 in 1993, \$51,300 in 1994, \$53,100 in 1995, \$56,500 in 1996, \$59,600 in 1997, \$60,000 in 1998, \$62,700 in 1999, and \$65,500 in 2000. The MFI for the Boston MSA for 2001 is \$70,000.

Subprime lenders among HMDA-reporting lenders are identified each year on a list prepared by HUD. These are lenders who specialize in subprime loans or for whom subprime loans constitute a majority of loans originated. Randall Scheessele of HUD has provided the annual lists to me in electronic form. Information on how the lists are compiled and the lists themselves are available at: www.huduser.org/datasets/manu.html. HUD has been slow in posting the 2000 list to this website, but contact information for Scheessele is provided.

Data and Methods used for Particular Tables and Charts

Denial rates for the U.S. reported in Table 4 (but not those for Boston or for Massachusetts) are for *conventional* home-purchase loans only. Nationwide, 17.0% of all 2000 home-purchase applications were for *government-backed* loans (i.e., VA or FHA loans), the black and Latino rates for government-backed loans were only about one-third as great as for conventional loans, and the white denial rate for government-backed loans was less than one-half that for conventional loans [Federal Reserve Bulletin, 9/2001, pp. A65 & A66]. In Boston, by contrast, only 6.9% of applications in 2000 were for government-backed loans (up slightly from 6.6% and 6.5% in the previous two years, but below the peak level of 9.5% in 1996); the denial rates for conventional loans in Boston were 12.1% for Asians, 24.8% for blacks, 18.6% for Hispanics, and 9.1 % for whites – very close to the denial rates for all Boston applicants in these categories that are reported in Table 4.

Analysis of mortgage lending by in low- and moderate-income census tracts with different percentages of black and Latino residents in Table 6 is based on 1990 census tracts, 1990 data for the income level of census tracts, and 2000 Census data on population and housing units. To take into account the fact that the numbers and types of housing units differ among census tracts, the table reports the **rate of lending**, defined as the number of home-purchase loans per 100 owner-occupied housing units. This analysis differs from that used in previous reports in this series and results are reported only for 2000.

The major types of lenders used in Tables 7-10 and Table 25 are labeled with short-hand descriptions of categories based on a somewhat complex system of classification. Basic descriptions of the categories are presented on page 5 of the text and in the notes to tables 7-10; the discussion here is intended to supplement rather than repeat that information. "Massachusetts Banks and Credit Unions" (1) includes all banks with branch offices in Massachusetts, even if they are based in another state or have a majority of their branches in another state, as well as all mortgage company subsidiaries or affiliates of these banks, but (2) includes only state-chartered credit unions. "Mortgage companies and out-of-state banks" includes all other banks – including their mortgage company subsidiaries and affiliates – as well as federally-chartered credit unions based in Massachusetts. The primary purpose of classifying lenders in this way is to distinguish between those whose local lending is subject to evaluation under the CRA and those whose local lending is not subject to such evaluation. The classification used provides a good approximation, but is not perfect. An ideal classification would be based on an examination of the "Assessment Area" defined for each bank's CRA evaluation and would determine whether or not that assessment area included the city of Boston. Subprime lenders are broken out as a separate group. All of the subprime lenders in Massachusetts fall into the category of "out of state banks and mortgage companies"; not one is a "Massachusetts bank or credit union." (This is a matter of fact rather than of logic; in other states, some local banks are subprime lenders.)

The "licensed mortgage lenders" (LMLs) that are identified in Table 8 are a subset of "mortgage companies and out-of-state banks." This further classification of lenders not currently covered by the CRA for their local lending is necessary in order to identify which of these lenders are potentially subject to regulation by the state's Division of Banks. The lenders that require licenses are independent mortgage companies, companies that are affiliates of federally-chartered banks (subsidiaries of these banks are, like their parent banks, exempt from regulation by Massachusetts), and companies that are either subsidiaries or affiliates of banks chartered by other states. Out-of-state banks and credit unions, and subsidiaries of federally-chartered out-of-state banks (all referred to as "out-of-state banks," or OSBs) are exempt from regulation by the state of Massachusetts.

Individual lender names listed in Table 8 in some cases represent sets of affiliated lenders that are treated separately in HMDA data. Two examples: through 1998, the loans attributed to "Fleet" were reported in HMDA data under the names and ID numbers of eleven different subsidiaries of Fleet Financial Group; in the year 2000, the number of loans shown for "Citizens" is the total of those made by Citizens Bank of Massachusetts and Citizens Mortgage Company.

The data on Targeted Mortgage Program (TMP) lending in Boston that is reported in Tables 11-17 were obtained from a number of sources; only the sources of the data for loans originated in the year 2000 are cited here. Data on Soft Second Program (SSP) loans in Boston were furnished by Heather Hennessey of the Massachusetts Housing Partnership Fund, which maintains a database on SSP loans statewide. Data on Massachusetts Housing Finance Agency (MHFA) loans were furnished by Virginia Healy. Data on Neighborhood Assistance Corporation of America (NACA) loans and for ACORN loans were obtained from Julie Connelly at Citizens and Joan Quinn at Fleet.

Information on race/ethnicity of borrowers, as shown in Tables 13-17, is often reported for the collective category of "minority" borrowers. This is primarily because the MHFA, although its database does include information on the race/ethnicity of minority borrowers, declined to allow that information to be used in this report (citing its lack of verification). Also, because of very limited race/ethnicity information in the Massachusetts Housing Partnership database for SSP loans, the data on the specific race/ethnicity of SSP borrowers were obtained primarily from analysis of SSP loans identified in HMDA data.

Information on geographical location of loans, as shown in Tables 13-17, are reported in terms of ZIP Code Areas (ZCAs) because this is how the data are maintained in most of the databases from which the data for this report are drawn. It is impossible to provide comparative information on loans by the biggest Boston banks and by all lenders, because HMDA data report location by census tract and many census tracts are divided between two (or more) ZCAs. The "Nine-ZIP-Code Target Area" cited in Table 13 consists of all nine of the Boston ZCAs that had over 25% black and Latino residents in 1990; they are the same nine ZCAs that comprised the "CIC area" identified at the beginning of the decade by the Community Investment Coalition – a consortium of six community-based organizations formed in early 1989 that played a leading role in that year's Boston's community reinvestment struggles. Tables 14-17 also present information on the number of loans in a more narrowly defined area consisting of the five Boston ZCAs with more than 50% black and Latino residents.