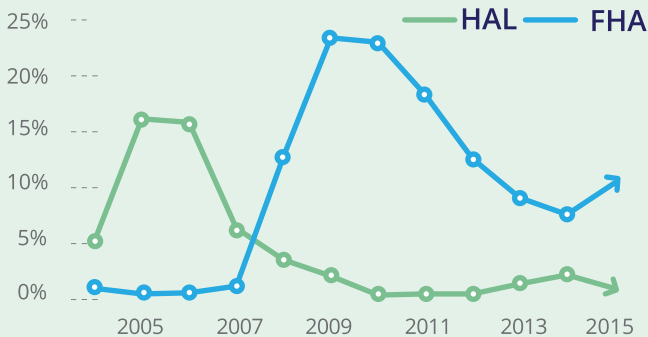


CHANGING PATTERNS XXIII:

Mortgage Lending to Traditionally Underserved Borrowers in Boston, Greater Boston and Massachusetts, 2015

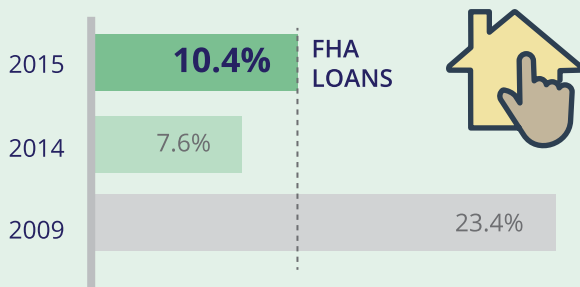
FHA /HALs LOAN VOLUME

FHA and HALs show opposite patterns over time



The level of high-APR loans (HALs) remained very low in 2015, accounting for just 1.0% of all home-purchase loans in Greater Boston – far below their peak level of 16.2% in 2005.

FHA home loans in Greater Boston



FHA loans continued to account for historically high shares of total lending in 2015, but are still well below their peak share in 2009

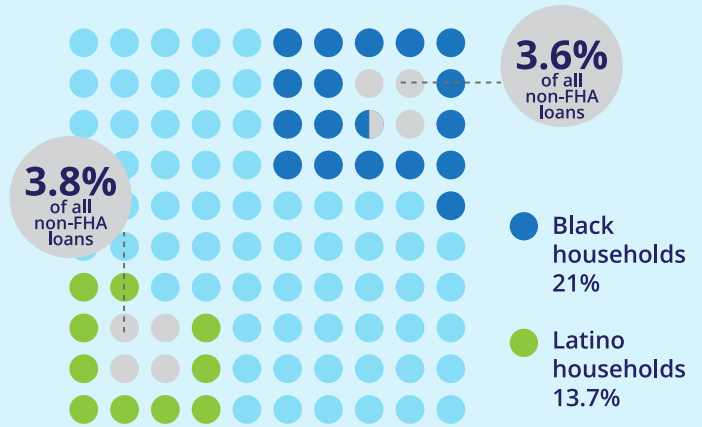
What is an FHA loan?

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



BLACK AND LATINO LENDING IN BOSTON

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



Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2015 that were far below their shares of total households.

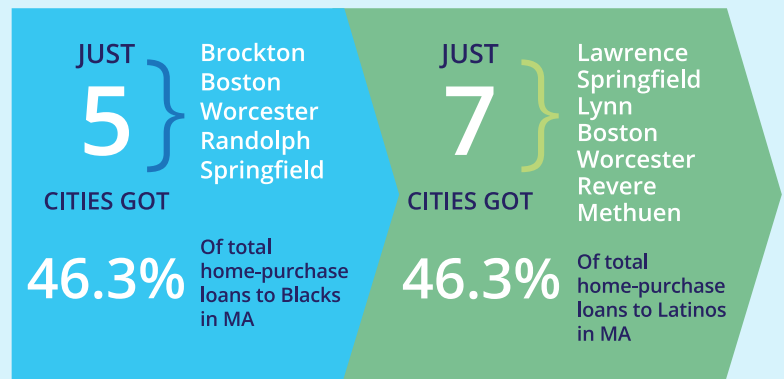
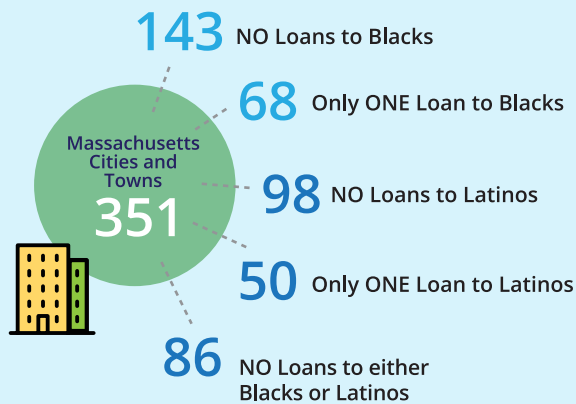
Home-purchase lending to black borrowers in Boston is highly concentrated in a few neighborhoods



Just three neighborhoods (Hyde Park, Dorchester, and East Boston) accounted for 56.4% of all Boston loans to Latinos. Latinos also received no loans in four neighborhoods (Fenway, Mission Hill, North End, and South Boston Waterfront).

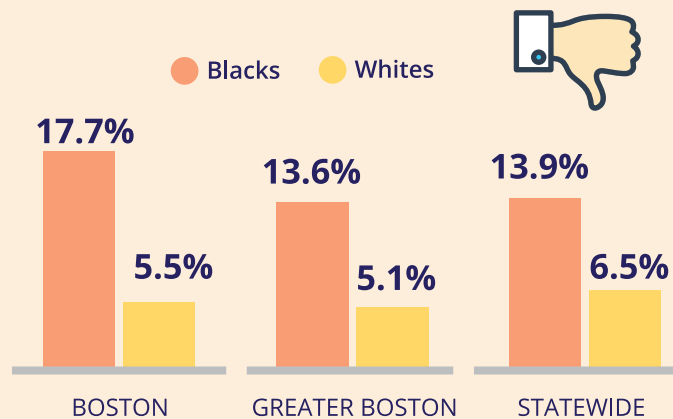
CHANGING PATTERNS XXIII

BLACK AND LATINO LENDING STATEWIDE



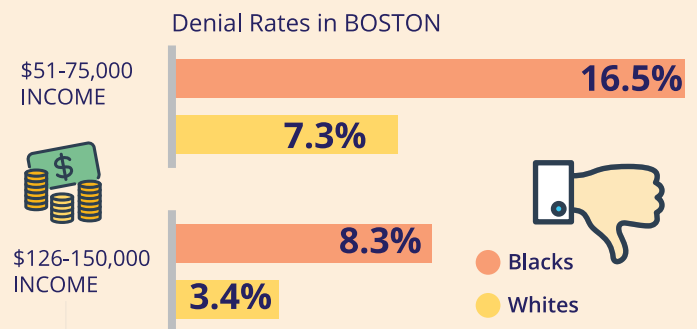
DENIAL RATES

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



Latino/white denial rate disparity ratios were 1.5 in Boston, 2.1 in Greater Boston, and 2.0 statewide.

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



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

About M|C|B|C

The Massachusetts Community & Banking Council (MCBC) was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts by encouraging community investment in low and moderate income and minority group neighborhoods and providing research, other information, assistance and direction in understanding and addressing the credit and financial needs of low and moderate income individuals and neighborhoods.

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

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