

Changing Patterns XXIV

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2016

BY

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This report is available online at: www.mcabc.info/publications/mortgage-lending.

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FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XXIV*, its annual report on mortgage lending to traditionally underserved borrowers and neighborhoods in Boston, Greater Boston and Massachusetts. MCBC hopes that this report will help to increase access to fair credit for lower-income and minority homebuyers by providing bankers, mortgage lenders, community representatives, regulators and others involved in the mortgage process with information on current mortgage lending patterns and the performance of major types of lenders.

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

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

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

MCBC depends on the financial support of its members to produce reports like *Changing Patterns*. MCBC thanks the following financial institutions for their 2017 membership:

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MCBC's 2017 Community Partners include ACCION, Community Teamwork, Inc., Dudley Square Main Streets, ESAC, the Fair Housing Center of Greater Boston, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Massachusetts Housing Partnership, MassHousing, the Metropolitan Boston Housing Partnership, the Somerville Community Corporation, South Eastern Economic Development (SEED) Corporation, and The Neighborhood Developers. Government Agency and Other Partners include City of Boston Department of Neighborhood Development, Consumer Credit Counseling Services, Don't Borrow Trouble (Freddie Mac), FDIC Money Smart Program, Federal Reserve Bank of Boston, Massachusetts Bankers Association, Massachusetts Credit Union League, Massachusetts Division of Banks, Massachusetts Mortgage Bankers Association, and US Small Business Administration.

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Note: A set of Supplemental Tables provides information on lending in all 351 cities and towns in Massachusetts, including totals for the state’s fourteen counties, available at: www.mcabc.info/publications/mortgage-lending.

EXECUTIVE SUMMARY

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

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

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

Level and Composition of Mortgage Lending

- ❖ FHA loans continued to account for historically high shares of total lending in 2016. In Greater Boston, FHA loans accounted for 9.7% of all home-purchase lending, down slightly from 10.4% in 2015, and far below their peak share of 23% in 2009. In the City of Boston, the FHA share of all home-purchase loans was lower, at 7%, while statewide it was substantially higher, at 17%. The FHA loan shares remain far above those of 2004 through 2007, when FHA loans accounted for only one percent of home-purchase loans in Greater Boston. [Table 1 & Exhibit 1]

- ❖ FHA loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. For home-purchase loans, the FHA loan share was 17% in the state compared to 24% nationwide. [Exhibit 1]
- ❖ For the state’s twenty-six Gateway Cities combined, 35% of home-purchase loans in 2016 were FHA loans, double the statewide FHA loan share of 17%. Among the state’s biggest cities, FHA loan shares were highest in Lawrence (where they accounted for 63% of all loans), Brockton (61%), New Bedford (52%), Springfield (50%), and Fall River (47%). [Table 2]

Borrower Race/Ethnicity and Income

- ❖ Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2016 that were far below their shares of total households. In Greater Boston, blacks made up 7.3% of households but received only 2.4% of non-FHA home-purchase loans, while Latinos, who made up 6.8% of households, received only 4.2% of non-FHA loans. In Boston, the black household share was 21.0% and the Latino household share was 13.7%, but the black and Latino shares of non-FHA loans were just 4.5% and 3.8%. [Table 4]
- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive FHA loans in 2016 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, FHA loans accounted for 35% of loans to blacks and 39% of loans to Latinos, but only 7% of loans to whites. In the City of Boston, FHA loans accounted for 36% of loans to blacks, 30% of loans to Latinos, and 3% of loans to whites. FHA loan shares were consistently much *lower* for Asian borrowers than for whites. [Table 4 & Exhibit 3]
- ❖ The black and Latino shares of total non-FHA loans have increased steadily over the past four

years. In Greater Boston, the black share of total non-FHA loans increased from 1.8% in 2012 to 2.4% in 2016, while the Latino share increased from 2.6% to 4.0%. Blacks and Latinos experienced similar increases in their loan shares in the city of Boston and statewide. While the loan shares remain small, they have increased consistently during each of the last four years. [Table 5]

- ❖ When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, FHA shares of both home-purchase and refinance loans in 2016 tend to decline steadily as the level of borrower income increases. In Greater Boston, FHA shares of home-purchase loans fell steadily from 17% for moderate-income borrowers to 1% for highest-income borrowers. (However, the FHA shares for low-income borrowers were generally lower than those for the next two income categories.) [Table 8]
- ❖ The share of all home-purchase loans in Greater Boston that went to low- and moderate-income (LMI) borrowers fell to 20% in 2016. Since reaching a peak in 2009, the LMI share of home-purchase loans has trended sharply downward—from 36% to 16% in Boston, from 31% to 20% in Greater Boston, and from 37% to 27% statewide. [Table 10 & Exhibit 5]
- ❖ When borrowers are grouped by both race/ethnicity and income level, the FHA loan shares for blacks and Latinos in 2016 were usually substantially higher than the FHA shares for white borrowers in the same income category. For example, in Greater Boston the 2016 home-purchase FHA loan shares for high-income borrowers were 33% for blacks, 29% for Latinos, and 7% for whites. [Table 12]

Neighborhood and Municipalities

- ❖ For home-purchase loans in Greater Boston in 2016, the FHA loan share in predominantly minority tracts (those with at least 75% minority residents) was 4.1 times greater than the FHA loan share in predominantly white tracts (33.6%

vs. 8.0%). The FHA share in low-income census tracts was 4.9 times greater than it was in upper-income tracts (20.7% vs. 4.2%). [Table 15]

- ❖ FHA lending varied dramatically among Boston's neighborhoods. The FHA share of home-purchase loans ranged from 36% in Mattapan and 27% in Hyde Park to 0.0% in nine neighborhoods. The five Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of FHA loans. [Table 17]
- ❖ Home-purchase lending to black and Latino borrowers varied dramatically among Boston's twenty major neighborhoods in 2016. Just three neighborhoods (Dorchester, Hyde Park, and Mattapan) accounted for over three-quarters of all Boston loans to blacks (76.5%), while in three other neighborhoods (Back Bay, Beacon Hill, and the North End) blacks received no loans and in eight neighborhoods there was just one loan to a black homebuyer. For Latinos, just three neighborhoods (Hyde Park, Dorchester, and East Boston) accounted for over half (51.9%) of all Boston loans in 2016, while in four other neighborhoods Latinos received either a single loan (Fenway and Mission Hill) or no loans (Allston and Seaport). [Table 18 & Exhibit 6]
- ❖ Total home-purchase lending to blacks and Latinos in 2016 was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others. Brockton alone accounted for 18% of all loans to blacks in Massachusetts, while accounting for only 1.5% of total loans in the state. Just five cities (adding Boston, Worcester, Springfield, and Randolph) accounted for almost one-half (44%) of all loans to blacks in Massachusetts, while accounting for only 12% of the state's total loans. Seven cities (Lawrence, Springfield, Lynn, Worcester, Revere, Boston, and Methuen) accounted for 40% of all loans to Latinos in the state, while accounting for just 14% of the

state's total loans. Meanwhile, in 65 of the state's 351 cities and towns—down from 86 in the previous two years—there was not a single home-purchase loan to either a black or Latino homebuyer. [Table 19 & Supp. Table 2]

Denials of Mortgage Applications

- ❖ In Boston, Greater Boston, and Massachusetts in 2016, the denial rates on non-FHA home-purchase loan applications by blacks and Latinos were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.6 in Boston (16.6% vs. 4.7%), 2.4 in Greater Boston (12.1% vs. 5.1%), and 2.1 statewide (13.7% vs. 6.6%). Latino denial rates for non-FHA home-purchase loans were approximately twice the denial rates for white applicants. [Table 20 & Exhibit 7]
- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2016 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. For example, in Greater Boston the denial rates for applicants with incomes between \$101,000 and \$125,000 were 9.3% for blacks, 9.1% for Latinos, and 4.0% for whites. [Table 21 & Exhibit 8]
- ❖ While there have been ups and downs in the Asian/white, black/white, and Latino/white denial rate disparity ratios during the last thirteen years, there are no major trends—that is, in most cases the disparity ratios in 2014–2016 were quite close to what they were in 2004–2006. There is one exception: the black/white disparity ratio in the City of Boston averaged 3.4 during the 2014–2016 period, substantially higher than its 2004–2006 average of 2.5. [Table 22 & Exhibit 9]

Lenders

- ❖ Licensed Mortgage Lenders (LMLs) in 2016 had the biggest loan shares in Greater Boston (44%) and statewide (46%) for the first time in ten years. Massachusetts banks and credit unions (CRA-covered lenders) were a close second with loans shares of 43% in Greater Boston and 40% in Massachusetts. Other Lenders were a distant third, with loan shares of 14% in all both areas. LMLs accounted for a much larger share of FHA loans than of all loans, while the reverse was true for CRA-covered lenders; in Greater Boston, their FHA loan shares were 77% and 16%, respectively. [Table 23 & Exhibit 10]
- ❖ For the first time in the twenty-four year history of the *Changing Patterns* series of reports, Massachusetts banks and credit unions did not clearly outperform the other types of lenders as measured by the percentage of their total loans that went to five categories of traditionally underserved borrowers and neighborhoods. In Greater Boston in 2016, Licensed Mortgage Lenders (LMLs) had the highest percentages for non-FHA loans in four of the five categories and the highest percentage for all loans in all five categories. The improved relative performance by LMLs likely reflects the continuing impact of the state's CRA for Mortgage Lenders regulation that mandates performance evaluations and public ratings of individual LMLs. [Table 26]
- ❖ Guaranteed Rate was the biggest lender in Boston, Greater Boston, and statewide in 2016. The next four biggest lenders in Greater Boston were Leader Bank, Wells Fargo Bank, loanDepot, and Fairway Independent Mortgage. These five lenders accounted for 25% of total home-purchase loans in Greater Boston. Of the top thirty lenders, fifteen were Massachusetts banks covered by the CRA, thirteen were Licensed Mortgage Lenders, and only two were out-of-state banks with no Massachusetts branches. [Table 27 & Exhibit 11]

INTRODUCTION

This report is the twenty-fourth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report focuses on lending in 2016 in Boston, Greater Boston, and Massachusetts. It also provides limited information on lending in Boston’s neighborhoods and in thirty-six of the state’s largest cities and towns and on lending trends over the 2004–2016 period. In addition, a separate set of supplemental tables provides selected data for every city and town in Massachusetts and for the state’s fourteen counties.

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

Changing Patterns

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

In the middle 1990s, subprime lending began its explosive growth, thereby bringing the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. As a result, the problem of *redlining* became overshadowed by concern with *reverse redlining*. Predatory lenders pushed loans with egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices on minority borrowers and neighborhoods.

Subprime lending peaked in 2005 and 2006, and then began a precipitous drop that resulted in its almost complete disappearance by the onset of the financial crisis of 2008. Accordingly, concerns over fairness in mortgage lending have returned to problems of access to conventional mortgage loans by traditionally underserved borrowers and neighborhoods.

In the aftermath of the financial crisis, the reduced availability of conventional mortgage loans led to a dramatic increase in the market share of FHA loans (loans insured by the Federal Housing Administration). While FHA loans are generally made in a responsible way, the required insurance premiums make them more costly than conventional loans.¹

Most recently, the state’s licensed mortgage lenders have dramatically improved their relative performance in serving traditionally underserved borrowers and neighborhoods. This change very likely reflects the impact of the 2007 law that makes Massachusetts the only state to impose CRA-type obligations, accompanied by periodic examinations that result in public performance ratings, on independent mortgage companies.

¹ The “Notes on FHA (and VA) Lending” at the end of this report provide considerable additional information on the nature of FHA-insured loans and the reasons for their high levels in recent years. These “Notes” also explain that this report’s focus on FHA-insured loans rather than on all government-backed loans combined is primarily because VA loans (loans guaranteed by the U.S. Department of Veterans Affairs) are much more comparable to conventional loans than they are to FHA loans in terms of their cost, the borrowers and communities who receive them, their denial rates, and their rates of delinquency and foreclosure.

Data Used and Loans Covered

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

In order to provide information on lending to different categories of borrowers and in different geographical areas, the report draws on two other major sources of data. First, estimates of the 2016 median family income (MFI) in each metropolitan area, produced by the FFIEC, are used to place borrowers into income categories. Second, information from the U.S. Census Bureau is utilized so that analysis of lending patterns in terms of the income level and race/ethnicity of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. *Greater Boston* is defined for this report as consisting of the 101 cities and towns in the Metropolitan Area Planning Council (MAPC) region.² The “Notes on Data and Methods” at the

end of the report provide details on the definitions and sources of the data used.

This report is focused on home-purchase loans and is further limited by including only first-lien loans for owner-occupied homes. That is, it excludes (1) second mortgages and other junior-lien loans and (2) loans for homes that borrowers will not be occupying as a principal residence. Appendix Tables 1 and 2 provide detailed data on the numbers and percentages of different types of home-purchase and refinance loans in Massachusetts. First-lien loans for owner-occupied homes accounted for 87.4% of all home-purchase loans in the state, first-lien loans for non-owner-occupied homes accounted for 11.8% of home-purchase loans, and junior-lien loans accounted for the remaining 0.9%.

What’s in The Report

For many readers, this report’s main contribution will consist of the wealth of information contained in its thirty-nine tables, including data about individual municipalities of particular interest.³ No attempt is made to summarize all of this information in the pages that follow. However, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, Massachusetts. The report is organized as follows:

- ❖ Part I presents information on the overall level and composition of mortgage lending.
- ❖ Part II analyzes patterns of lending to borrowers grouped by race/ethnicity and by income level.

² More information on the MAPC region and on the MAPC itself—a regional planning agency established by the state in 1963—is available at www.mapc.org. Another widely used definition of “Greater Boston” is the Boston Metropolitan Statistical Area (MSA), the Massachusetts portion of which is currently defined by the federal government to include the 147 communities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. Brockton, Lowell, and Lawrence are the three biggest cities in the Boston MSA that are not included in the MAPC region. A map of the MAPC region and the Boston MSA precedes Table 1.

³ Additional tables, available at www.mcabc.info, provide **information on mortgage lending in all of the cities and towns in Massachusetts** and in all fourteen of the state’s counties. It should be noted that these supplemental tables do not provide individual data for all 351 of the state’s cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 60 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Florida and Savoy in Berkshire County).

- ❖ Part III examines patterns of lending in neighborhoods and municipalities.
- ❖ Part IV summarizes data on denial rates, highlighting racial/ethnic disparities.
- ❖ Part V focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- ❖ Part VI presents information on the biggest mortgage lenders.
- ❖ Part VII notes significant recent changes in the laws and regulations that govern mortgage lending.
- ❖ Finally, a section of “Notes on FHA (and VA) Lending” provides background information on these categories of loans and a section of “Notes on Data and Methods” provides considerable detail on a number of technical matters.

I. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

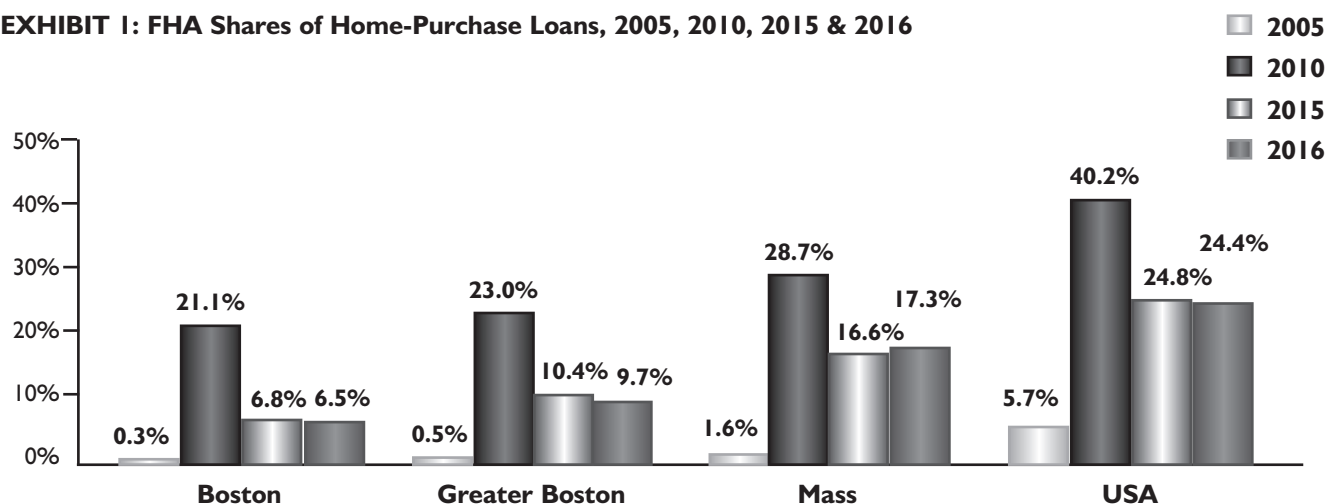
This brief section reports on the current levels of, and recent trends in, the overall volume of mortgage lending and the shares of total lending accounted for by FHA-insured loans (FHA loans) and high-APR loans (HALs). The findings presented in the bullet points and charts below are based on the detailed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

❖ **The overall level of home-purchase lending increased moderately in 2016.** In Greater Boston, the number of home-purchase loans increased by 6% to 34,135 loans. Home-purchase lending increased more slowly in Boston (up 2%, to 4,738 loans), but much more rapidly statewide (up 12%, to 73,347 loans). Compared to their low point in 2011, total

home-purchase loans were up 36% in Boston, 49% in Greater Boston, and 67% statewide. (See Table 1.)

- ❖ **FHA loans continued to account for historically high shares of total lending in 2016. In Greater Boston, FHA loans accounted for 9.7% of all home-purchase lending, down from 10.4% in 2015, and well below their peak share of 23.4% in 2009.** In the City of Boston, the FHA share of all home-purchase loans was lower, at 6.5%, while statewide it was substantially higher, at 17.3%. The FHA loan shares remain far above those of 2004 through 2007, when FHA loans accounted for only one percent of home-purchase loans in Greater Boston. (Table 1 and Exhibit 1)
- ❖ **For the state's twenty-six Gateway Cities combined, 34.8% of home-purchase loans in 2016 were FHA loans, double the statewide FHA share of 17.3%.** Among the state's biggest cities,⁴ FHA loan shares for home-purchase lending in 2016 were highest in **Lawrence** (where they accounted for 63.4% of all loans), **Brockton** (61.4%), **New Bedford** (51.9%), **Springfield** (49.6%), and **Fall River** (46.6%). (Table 2)

EXHIBIT 1: FHA Shares of Home-Purchase Loans, 2005, 2010, 2015 & 2016



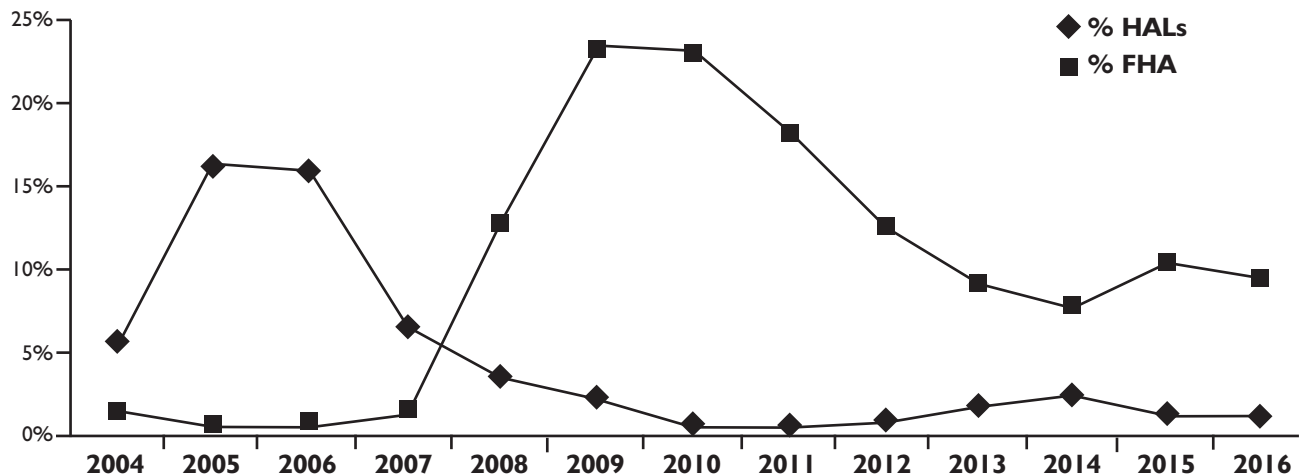
Source: Table 1 and see footnote 5

⁴ Although two of the thirty-six municipalities listed in Table 3 (Brookline and Plymouth) are officially towns, these municipalities will be referred to collectively as "cities" throughout this report. In addition, Framingham was a town until January 1, 2018.

❖ **FHA loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.** For home-purchase loans, the FHA loan shares were 17.3% in the state and 24.4% nationwide; for refinance loans, they were 6.7% in the state and 11.9% nationwide. In fact, Massachusetts ranked 46th among the fifty states in overall FHA loan share in 2015.⁵ (Exhibit 1)

❖ **The level of high-APR loans (HALs) remained very low in 2016, accounting for just 1.3% of all home-purchase loans in Greater Boston—far below their peak level of 16.2% in 2005.** Even these relatively small numbers of HALs were not predatory loans similar to those prevalent a decade ago—in fact, about two-thirds of all home-purchase HALs were FHA loans, whose APRs were raised modestly above the HAL threshold by the insurance premiums on FHA mortgages.⁶ (Table 3 and Exhibit 2)

EXHIBIT 2: High-APR and FHA-Insured Loans in Greater Boston, 2004–2016
First-Lien Home-Purchase Loans for Owner-Occupied Homes



Source: Tables 1 & 3

II. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

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

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

⁵ Nationwide FHA loan shares in the text and in Exhibit 2 were calculated from data in Table 1 of Neil Bhutta, Steven Laufer, and Daniel R. Ringo, “Residential Mortgage Lending in 2016: Evidence from the Home Mortgage Disclosure Act Data” (*Federal Reserve Bulletin*, 2017; available at: www.federalreserve.gov). The state’s ranking is from HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2015*, p. 52 (no ranking was provided in the FY 2016 report). One factor contributing to the lower FHA loan share in Massachusetts is the availability of lower-cost low down-payment mortgages from the state’s ONE Mortgage Program and from MassHousing.

⁶ FHA loans accounted for 69% of home-purchase HALs in Boston, for 59% in Greater Boston, and for 65% statewide. See “Notes on FHA (and VA) Lending” for information on FHA mortgage insurance premiums, on how premium increases in 2013 pushed the APRs on many FHA loans slightly above the HAL threshold, and on how a premium decrease at the beginning of 2015 is the probable cause of the increases in FHA loan shares between 2014 and 2015.

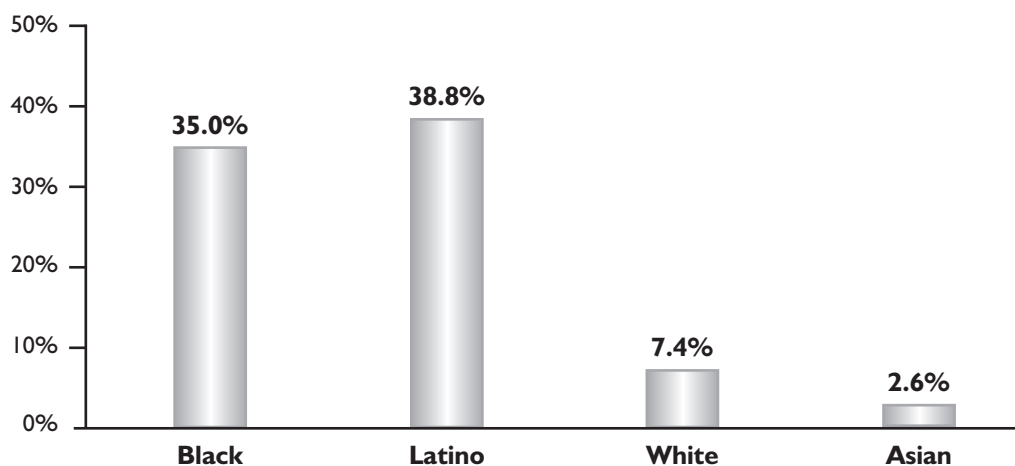
to white borrowers. Second, blacks and Latinos received much larger shares of total FHA loans than they received of total non-FHA loans. When borrowers are grouped by income level, FHA loan shares tend to decrease steadily as income increases. When borrowers are classified by both race and income, substantial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

- ❖ Black borrowers in Boston, Greater Boston, and statewide received shares of total non-FHA loans in 2016 that were far below their shares of total households. **In Boston, the black household share was 21.0%, but the black loan share was just 4.5%. In Greater Boston, blacks made up 7.3% of households but received only 2.4% of non-FHA home-purchase loans.** Statewide, the black household share was 5.7% and the black loan share was 2.6%.⁷ (Panel B of Table 4)
- ❖ Latino borrowers in Boston, Greater Boston, and statewide also received shares of total non-FHA loans in 2016 that were well below their shares of total households. **In Boston, the Latino household share was 13.7%, but the**

Latino loan share was just 3.8%. In Greater Boston, Latinos made up 6.8% of households but received only 4.2% of non-FHA home-purchase loans. Statewide, the Latino household share was 7.2% and the Latino loan share was 4.6%. (Panel B of Table 4)

- ❖ **The black and Latino shares of total non-FHA loans have increased steadily over the past four years. In Greater Boston, the black share of total non-FHA loans increased from 1.8% in 2012 to 2.4% in 2016, while the Latino share increased from 2.6% to 4.0%. Blacks and Latinos experienced similar increases in their loan shares in the city of Boston and statewide. While the loan shares remain small, they have increased consistently during each of the last four years.**⁸ (Table 5 shows Asian, black, and Latino loan shares annually since 2004, when HMDA data first became available in their present form. The early years of this period were the peak years for predatory subprime lending and the data for these years are therefore not directly comparable to the data for later years.)

EXHIBIT 3: FHA Loans as Share of All Loans, by Race/Ethnicity, Greater Boston, 2016



Source: Table 4

⁷ The black and Latino household shares in this paragraph and the next are calculated from 2010 Census data (see “Notes on Data and Methods” for details). In 2000, the black household shares were 21.3% in Boston and 4.7% statewide, while the Latino household shares were 10.6% in Boston and 5.0% statewide. Thanks to Jessie Partridge of MAPC for providing the 2010 household percentages for Greater Boston.

⁸ Appendix Table 3 and the accompanying Chart A-3 update the table and chart from previous *Changing Patterns* reports that have tracked the number and percentage of all home-purchase loans that have gone to borrowers of different races/ethnicities in the City of Boston since 1990. Most notably, **blacks—who made up 21% of Boston’s households throughout the entire period—saw their share of Boston’s home-purchase loans increase from 16% in 1990 to 21% in 1993, then fall steadily to 10% in 2002, rebound to 17% by 2006, and then resume a steady decline to 6% in 2013 before rising slightly in the last three years to 7.4% in 2016.**

- ❖ **Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive FHA loans in 2016 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, FHA loans accounted for 35.0% of loans to blacks and 38.8% of loans to Latinos, but only 7.4% of loans to whites.** Accordingly, the black/white disparity ratio was 4.7 and the Latino/white disparity ratio was 5.3. In the City of Boston, the black/white disparity ratio was 14.2 (35.5% vs. 2.5%) and the Latino/white disparity ratio was 11.8 (29.5% vs. 2.5%). Statewide, the black/white ratio and the Latino/white ratio were both 3.3. In Greater Boston and statewide, the FHA loan shares were much *lower* for Asian borrowers than for whites. (Table 4 and Exhibit 3)
- ❖ The dramatic racial/ethnic disparities in FHA-insured mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 2.4% of all non-FHA loans in 2016, their share of all FHA loans was five times greater—**
- 12.1%. Similarly, while Latino homebuyers received only 4.2% of all non-FHA loans in Greater Boston, their share of all FHA loans was 24.5%. (Table 4, Panel B)**
- ❖ Tables 6 and 7 provide information for lending in thirty-six cities, including the state's twenty-six Gateway Cities individually and as a group. **The general patterns of FHA loan shares being substantially higher for black and Latino borrowers than for their white counterparts, and of blacks and Latinos having substantially larger shares of FHA loans than of non-FHA loans, were present in almost all of the state's largest cities, and for the state's twenty-six Gateway Cities as a group.** (Tables 6 & 7 and Exhibit 4)⁹
- ❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, FHA loan shares of home-purchase loans in 2016 tend to decline steadily as the level of borrower income increases.** In Greater Boston, FHA loan shares

EXHIBIT 4: Black and Latino Shares of All Home-Purchase Loans, in Massachusetts Gateway Cities, Ten Biggest & Total, 2016

	Black % of total loans		Latino % of total loans	
	non-FHA	FHA	non-FHA	FHA
Worcester	7.2%	18.3%	10.5%	27.2%
Springfield	10.9%	13.4%	24.2%	42.3%
Lowell	5.5%	9.5%	10.7%	26.4%
New Bedford	4.5%	13.2%	5.9%	17.4%
Brockton	35.9%	55.3%	12.7%	12.5%
Quincy	1.5%	6.0%	2.3%	10.4%
Lynn	7.2%	10.7%	25.6%	52.9%
Fall River	0.7%	9.0%	3.0%	6.4%
Lawrence	1.4%	2.2%	78.3%	85.8%
Haverhill	2.6%	3.4%	11.4%	36.4%
All Gateway Cities	5.6%	15.6%	12.3%	31.8%

Source: Table 7

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

were 16.8% for moderate-income borrowers, 15.9% for middle-income borrowers, 7.7% for high-income borrowers, and 1.3% for highest-income borrowers.¹⁰ FHA loan shares for borrowers at different income levels in the thirty-six cities covered in this report tended to follow this same general pattern. Note: The median family income in the Boston MSA in 2016 was \$94,000, so low-income borrowers there were those with incomes up to \$47,000, moderate-income was from \$48,000 to \$75,000, middle-income was from \$76,000 to \$112,000, high-income was from \$113,000 to \$188,000, and highest-income borrowers were those with incomes of \$189,000 or more.¹¹ (Tables 8 & 9)

- ❖ **The share of all home-purchase loans in Greater Boston that went to low- and moderate-income (LMI) borrowers fell to 19.7% in 2016. Since reaching a peak in 2009, the LMI share of home-purchase loans has trended sharply downward—from 36.3% to 16.2% in Boston, from 31.4% to 19.7% in Greater Boston, and from 37.4% to 27.3% statewide. Loans to LMI borrowers have generally accounted for a much larger share of**

FHA loans than of total lending; in 2016, the LMI share of FHA loans in Greater Boston was 31.7%, down from 37.1% in 2015.¹² (Table 10 and Exhibit 5)

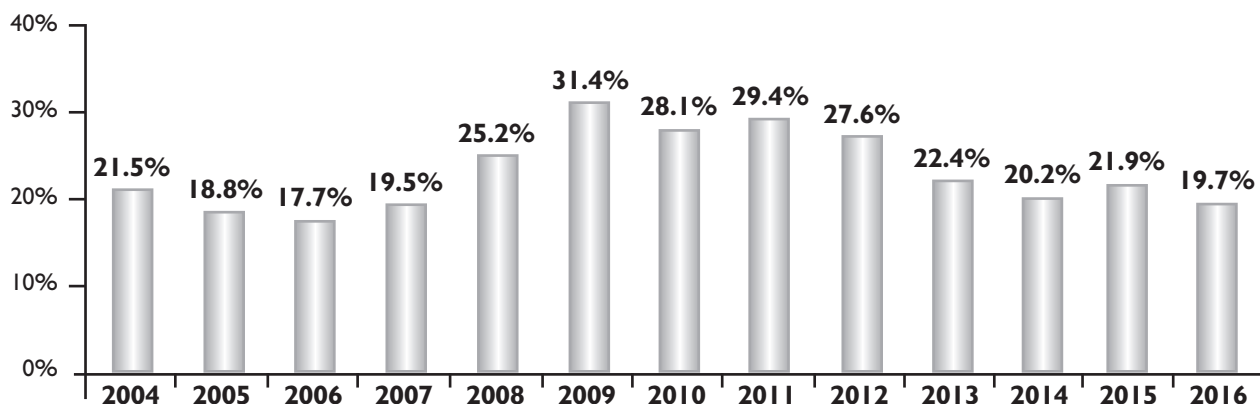
- ❖ **When borrowers are grouped by both race/ethnicity and income level, the FHA loan shares for blacks and Latinos in 2016 were usually substantially higher than the FHA shares for white borrowers in the same income category.** This general pattern holds in Boston (Table 11), in Greater Boston (Table 12), and statewide (Table 13). For brevity, only one specific example will be provided here. **In Greater Boston, 33.0% of high-income blacks and 28.6% of high-income Latinos received their home-purchase loans in the form of FHA loans, while the FHA loan share was just 6.9% for high-income whites.** This means that among homebuyers with reported incomes between \$113,000 and \$188,000, blacks were 4.8 times more likely to receive an FHA loan than their white counterparts, and Latinos were 4.1 times more likely than whites to receive their mortgage in the form of an FHA loan. (Tables 11–13)

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

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

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

**EXHIBIT 5: Low and Moderate Income Borrower Loan Share
Home-Purchase Loans, Greater Boston, 2004–2016**



Source: Table 10

III. LENDING BY NEIGHBORHOOD AND MUNICIPALITY

In this part of the report the focus is on the characteristics of the *geographical areas* where mortgage loans were made rather than on the characteristics of the *borrowers* who received the loans. Table 14 (Boston), Table 15 (Greater Boston), and Table 16 (Massachusetts) classify census tracts by both race/ethnicity and income level.¹³ These tables provide clear evidence on the high correlation between the percentage of white residents in a census tract and the median income level in that census tract. They also show that FHA-insured loans are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where income levels are low. The general patterns noted for Greater Boston in the following two bullets also hold in Boston and statewide. Tables 17–19 provide data showing that

lending to blacks and Latinos is heavily concentrated in some neighborhoods and municipalities, while being very limited or entirely absent in many others.

- ❖ **In Greater Boston, most (32 of 53, or 60.4%) of the predominantly minority census tracts (those with more than 75% minority residents) are low-income and no predominantly minority tracts are upper-income. In contrast, only one of the 398 predominantly-white tracts (0.3%) is low-income, while more than half (52.5%) are upper-income.** (The remaining tracts fall into the moderate- or middle-income categories.¹⁴) The high correlation between the income levels and racial/ethnic composition of neighborhoods

¹³ Census tracts, redefined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 617,594 according to the 2010 census, had 181 census tracts. A census tract is placed in a racial/ethnic category on the basis of its percentage of minority population as reported in the 2016 HMDA data. A census tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the metropolitan area within which the tract is located, as reported in the 2016 HMDA data. “Low-income” tracts are those with MFIs less than 50% of the MFI in the metro area; “moderate-income” tracts have MFIs from 50%–80% of the metro area MFI; “middle-income” tracts have MFIs from 80%–120% of the metro area MFI; and “upper-income” tracts are those with MFIs greater than 120% of the MFI in their metro area.

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

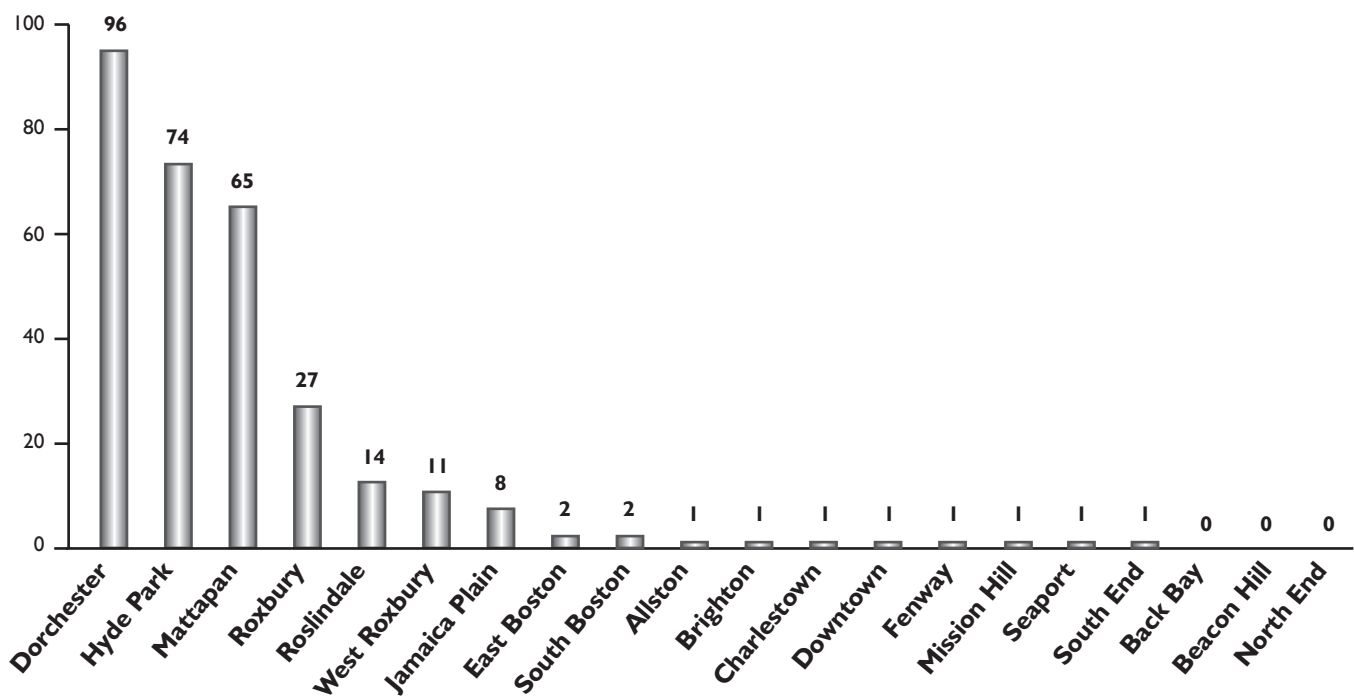
can also be seen from another perspective: while minorities make up at least half of the population in nearly four-fifths of all low-income census tracts in Greater Boston (57 of 72, or 79.2%), none of the 235 upper-income tracts have a majority of minority residents. (The shares of tracts with a majority of minority residents were 34.3% for moderate-income tracts and 6.5% for middle-income tracts.) (Table 15, Panel A)

- ❖ **For home-purchase loans in Greater Boston in 2016, the FHA loan share in the 53 predominantly minority tracts (those with at least 75% minority residents) was 4.1 times greater than the FHA loan share in the 398 predominantly white tracts (33.6% vs. 8.0%).** The FHA loan share in low-income census tracts was 4.9 times greater than it was in upper-income tracts (20.7% vs. 4.2%). (Table 15)
- ❖ **FHA-insured lending varied dramatically among Boston's neighborhoods. The FHA share of home-purchase loans in 2016 ranged from 36.2% in Mattapan and 26.8% in Hyde Park to 0.0% in nine neighborhoods: Allston, Back Bay, Beacon Hill, Downtown, Fenway, Mission Hill, North End, Seaport and South End.** The five Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of FHA loans. (Table 17)
- ❖ The same pattern emerges at the level of entire communities. For 36 large cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino residents as well as on FHA lending. Examination of these data shows that FHA loan shares have a strong positive correlation with communities' percentages of black and Latino residents and a strong negative correlation with communities' median family incomes (MFIs). For example, among the 26 Gateway cities, **the three cities with the highest FHA shares for home-purchase loans**

in 2016 had an average of 51.1% black plus Latino residents and an average MFI of \$46,464 while the three cities with the lowest FHA shares had an average of 17.8% black plus Latino households and an average MFI of \$71,887. (The high FHA loan-share cities—Lawrence, Brockton, and New Bedford—had an average FHA loan share of 58.9%; the low FHA loan-share cities—Quincy, Salem, and Malden—had an average FHA loan share of 12.7 %.) (Table 2)

- ❖ **Home-purchase lending to black borrowers varied dramatically among Boston's twenty major neighborhoods in 2016. Just three neighborhoods (Dorchester, Hyde Park, and Mattapan) accounted for over three-quarters of all Boston loans to blacks (76.5%), while in three other neighborhoods (Back Bay, Beacon Hill, and the North End) blacks received no loans and in eight neighborhoods there was just one loan to a black homebuyer.** In 2015, there were eight neighborhoods with no loans to blacks and three neighborhoods with one loan. (The three neighborhoods with the most loans to blacks accounted for 22.4% of total loans, while the eleven neighborhoods with one or no loans to blacks accounted for 34.1% of all loans in the city, but for only 2.3% of loans to blacks.) Black borrowers received 47.1% of total loans in Mattapan and 28.8% of total loans in Hyde Park, but received 0.8% or less of total loans in nine other neighborhoods. (Table 18 and Exhibit 6).
- ❖ **Home-purchase loans to Latino borrowers also varied substantially among Boston neighborhoods. Just three neighborhoods (Hyde Park, Dorchester, and East Boston) accounted for over half (51.9%) of all Boston loans to Latinos in 2016, while in four other neighborhoods Latinos received either a single loan (Fenway and Mission Hill) or no loans (Allston and Seaport).** Latino borrowers received 19.8% of total loans in Hyde Park, and 13.2% of total loans in East Boston, while they

EXHIBIT 6: Home-Purchase Loans to Black Borrowers, Boston Neighborhoods, 2016



Source: Table 18

received 2.0% or less of total loans in six other neighborhoods.¹⁵ (Table 18).

- ❖ **Total home-purchase lending to blacks and Latinos in 2016 was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others.** Table 19 provides data for the ten cities that received the most loans to black borrowers and, separately, the ten cities that received the most loans to Latino borrowers. **Brockton alone accounted for over one-sixth (18.1%) of all loans to blacks in Massachusetts, while accounting for only 1.5% of total loans in the state and only 1.4% of the state's population.** Just five cities (adding Boston, Worcester, Springfield, and Randolph) accounted for 43.9% of all loans to

blacks in Massachusetts; these five communities accounted for only 12.2% of the state's total loans. Seven cities (Lawrence, Springfield, Lynn, Worcester, Revere, Boston, and Methuen) accounted for 40.2% of all loans to Latinos in the state, while accounting for just 13.8% of the state's total loans. At the same time, **blacks received no home-purchase loans in 2016 in 134 of the state's 351 cities and towns, and only a single loan in 49 more, while there were 75 communities where Latinos received no loans and 55 more where they received just one.** In 65 communities, down from 86 in the previous two years, there was not a single home-purchase loan to either a black or a Latino homebuyer. (Table 19 and calculated from data in Supplemental Table 2)

¹⁵ Appendix Table 6 shows that patterns of lending to blacks and Latinos in Springfield, the state's third largest city, were very different from those in Boston. The black percentage of home-purchase loans did not vary dramatically among Springfield's seventeen neighborhoods, and the three neighborhoods that accounted for over half (51%) of loans to blacks accounted for an even larger share of all loans (57%). Similarly, lending to Latinos was quite closely related to total lending in Springfield's neighborhoods, with the three neighborhoods with the most loans to Latinos accounting for 49.9% of total loans to Latinos and for 53% of loans to all borrowers. (I was unable to obtain a list of neighborhoods in Worcester that would have made possible a similar analysis for the state's second largest city.)

IV. DENIALS OF MORTGAGE LOAN APPLICATIONS

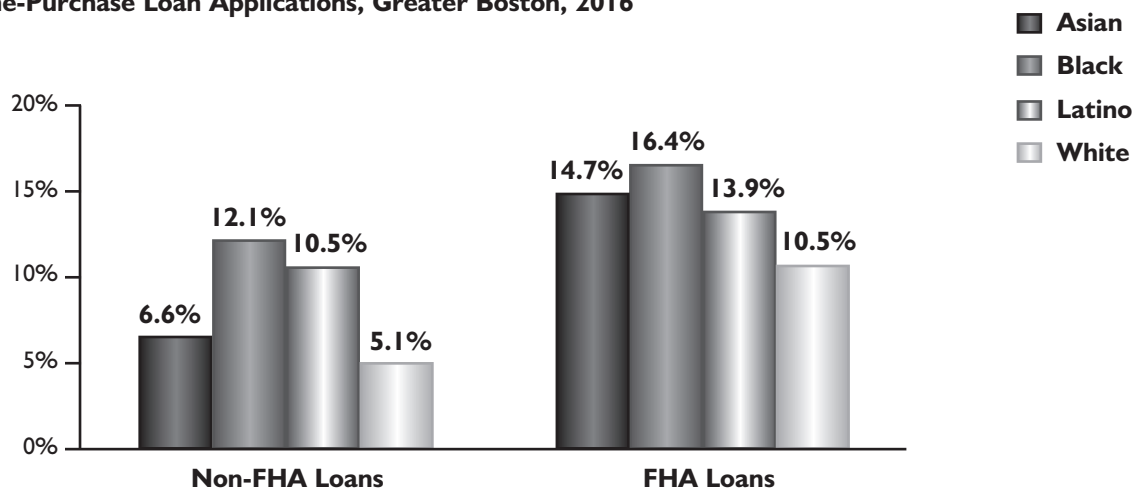
HMDA data include information not just on mortgage loans made, but also on all applications for mortgage loans, thereby making it possible to examine patterns of loan denials. The findings presented in this section are based on information presented in Tables 20–22 for Boston, Greater Boston, and Massachusetts. Information on applications and denial rates for Asians, blacks, Latinos, and whites in every city and town in Massachusetts is presented in Supplemental Table 3.^{16, 17}

❖ **In Boston, Greater Boston, and Massachusetts in 2016, the denial rates on non-FHA home-purchase loan applications by blacks were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.6 in Boston (16.6% vs. 4.7%), 2.4 in Greater Boston (12.1% vs. 5.1%), and 2.1 statewide (13.7% vs. 6.6%). Latino denial rates for non-FHA home-purchase loans were approximately twice the denial rates for white applicants; the Latino/white denial rate**

disparity ratios were 2.0 in Boston, 2.1 in Greater Boston, and 1.9 statewide. Asian/white denial rate disparity ratios were 1.7 in Boston, 1.3 in Greater Boston, and 1.1 statewide. (Table 20 and Exhibit 7)

- ❖ While blacks and Latinos faced modestly higher denial rates for FHA loans than for non-FHA loans, whites experienced *much* higher denial rates for FHA loans than for non-FHA loans. As a result, **denial rate disparity ratios were considerably lower for FHA loans than for non-FHA loans.** In Greater Boston in 2016, the FHA black/white denial rate disparity ratio was 1.6 (16.4% vs. 10.5%) and the Latino/white disparity ratio was 1.3. (13.9% vs. 10.5%). (Table 20 and Exhibit 7)
- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,¹⁸ **the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes.**

EXHIBIT 7: Denial Rates, by Race/Ethnicity, Home-Purchase Loan Applications, Greater Boston, 2016



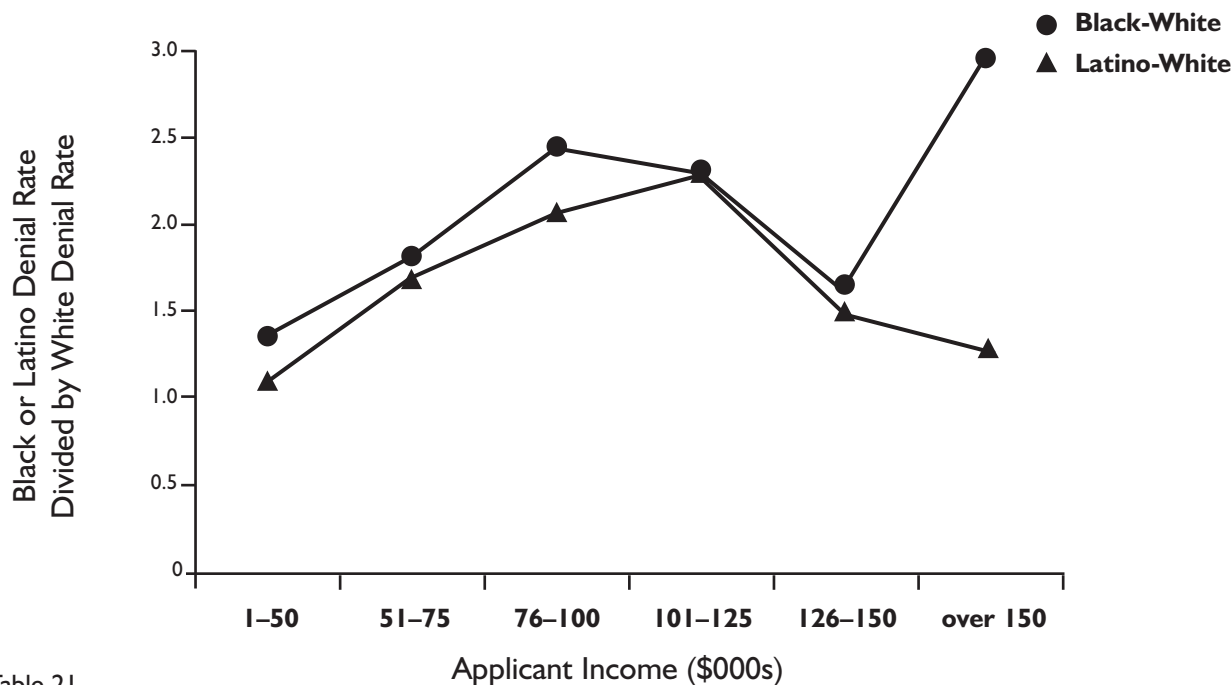
Source: Table 20

¹⁶ In addition, Appendix Table 5 and its accompanying chart present annual information on overall denial rates and on denial rate disparity ratios in Boston, Massachusetts, and the U.S. from 1990 through 2016.

¹⁷ Not all loan applications result in either loans or denials; approximately 15% of applications have other outcomes. Appendix Table 7 provides information on the percentage distribution of loan applications among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts.

¹⁸ For example, it can be calculated from the data in Table 21 that 65% of white applicants in Greater Boston had reported incomes of \$101,000 or greater, compared to only 40% of black applicants and 36% of Latino applicants.

EXHIBIT 8: Black-White & Latino-White Denial Rate Disparity Ratios, Non-FHA Home-Purchase Loans, Greater Boston, 2016



Source: Table 21

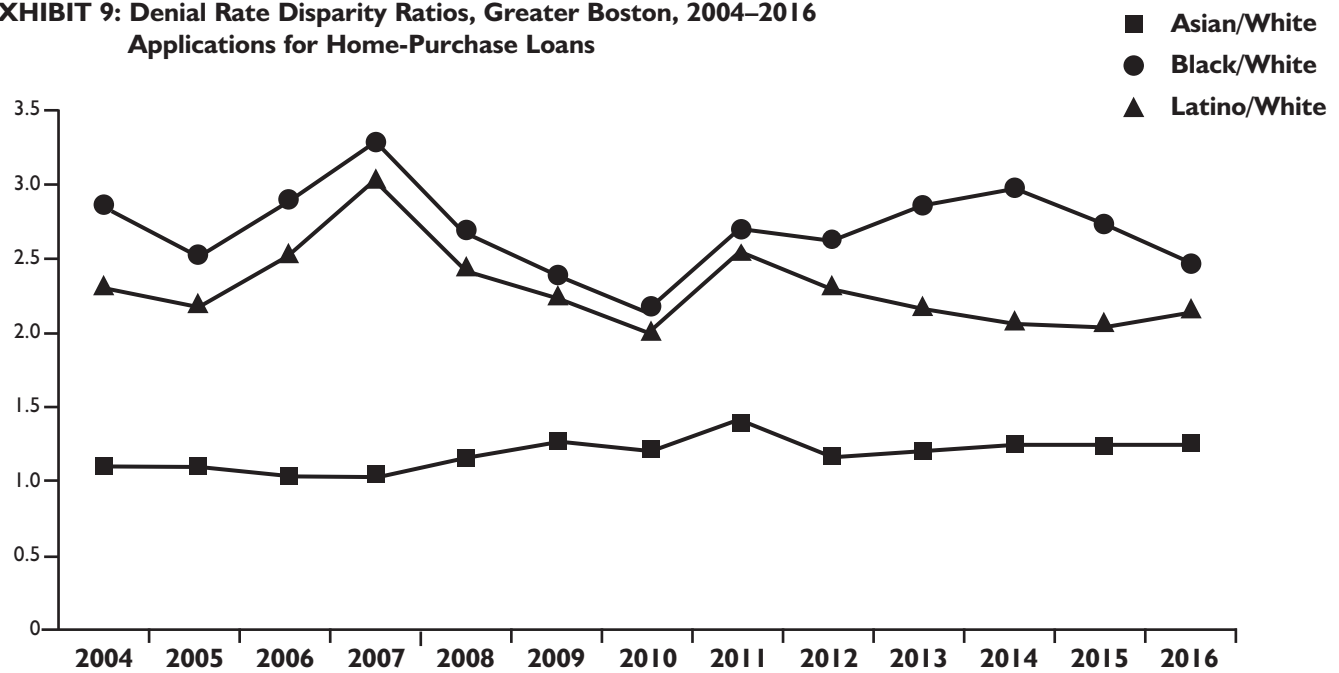
When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2016 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. For example, in Greater Boston, the denial rates for borrowers with incomes between \$101,000 and \$125,000 were 9.3% for blacks, 9.1% for Latinos, and 4.0% for whites. (Table 21 and Exhibit 8)

- ❖ Table 22 presents denial rates and denial rate disparity ratios for 2004 through 2016 for Boston, Greater Boston, and Massachusetts. **While there have been ups and downs in the three denial rate disparity ratios (Asian/white, black/white, and Latino/white) during the thirteen-year period, there are no major trends—that is, in most cases the disparity ratios in 2014–2016 were quite close to what they were in 2004–2006. The major exception to the preceding generalization is the black/white disparity ratio in the City of Boston, which averaged 3.36 over the 2014–2016 period, substantially higher than**

its 2004–2006 average of 2.49. Over all thirteen years in all three areas, the Asian/white denial rate disparity ratio has ranged between 1.02 and 1.71, the black/white ratio between 1.95 and 3.60, and the Latino/white ratio between 1.82 and 3.06. (Table 22 and Exhibit 9)

- ❖ Appendix Table 8 provides summary information on the stated reasons for home-purchase loan denials to black, Latino, and white applicants in Greater Boston, both overall and for two broad income groupings. The most frequently stated reason for denial was “Debt-to-Income Ratio,” with “Collateral” and “Credit History” being the second and third most frequently stated reasons. “Debt-to-Income Ratio” was about twice as likely to be a stated reason for denials to low- and moderate-income applicants as it was for denials to middle- and upper-income applicants. Although “Credit History” was less common for whites than for blacks or Latinos, the stated reasons for loan denials are generally quite similar for black, Latino, and white applicants.

EXHIBIT 9: Denial Rate Disparity Ratios, Greater Boston, 2004–2016
Applications for Home-Purchase Loans



Source: Table 22

V. LENDING BY MAJOR TYPE OF LENDER

The analysis in this section is based on classifying each mortgage lender into one of three major categories. *Massachusetts Banks and Credit Unions* are banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions. *Licensed Mortgage Lenders* are independent mortgage companies that made at least fifty mortgage loans in Massachusetts. *Other Lenders* are out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.¹⁹

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

This classification proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation.

Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluations for licensed mortgage lenders (LMLs) in the state’s 2007 *Act Protecting and Preserving Homeownership*; these were implemented in the Division of Bank’s CRA for Mortgage Lenders (officially: Mortgage Lender Community Investment or MLCI) regulation that became effective in September 2008. The regulation applies to licensed mortgage lenders that have made at least fifty mortgage loans in the state during the preceding year.

- ❖ Table 23 shows the home-purchase loan market shares of each of the three major types of

¹⁹ These descriptions of the types of lenders in each category are somewhat oversimplified, but the lenders identified in the text accounted for over 90% of the 2016 home-purchase loans by each of the three major types of lenders. In the “Massachusetts Banks and Credit Unions” category, 9.4% of loans were accounted for by four subsidiaries of Massachusetts banks rather than by the banks themselves. In the “Licensed Mortgage Lenders” category, 2.8% of loans were accounted for by affiliates of non-Massachusetts banks that made more than fifty mortgage loans in the state. In the “Other Lenders” category, 3.9% of loans were accounted for by independent mortgage companies that made fewer than fifty in-state loans, affiliates of non-Massachusetts banks that made fewer than fifty in-state loans, and subsidiaries of federally-chartered out-of-state banks. Federal credit unions based in Massachusetts are included in the “Other Lenders” category because they are not subject to either the federal or state CRA.

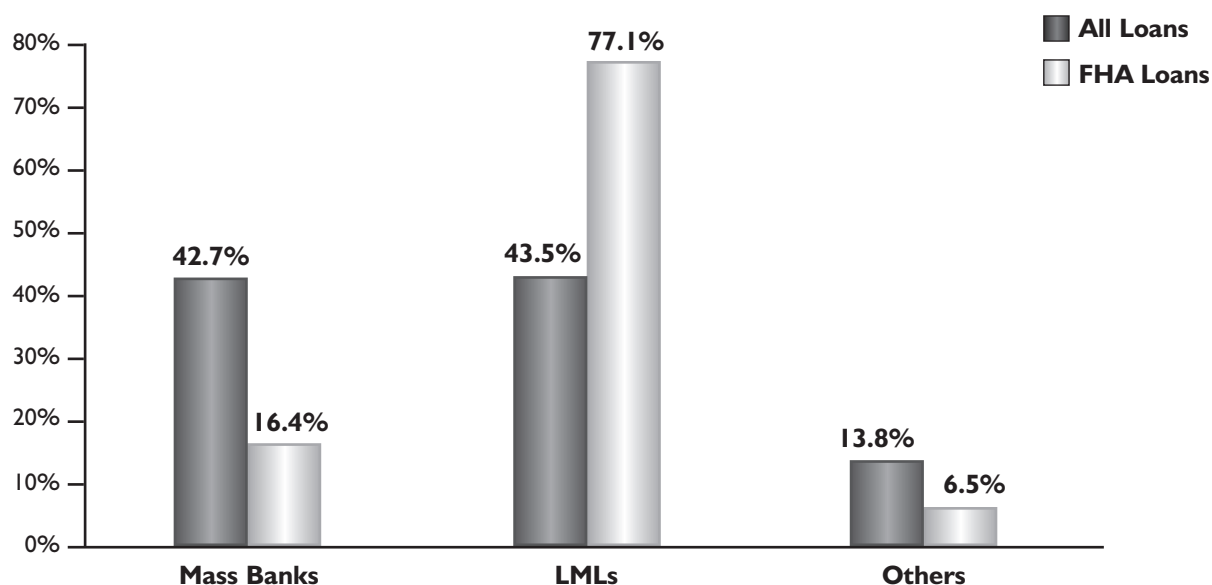
lenders—for Boston, Greater Boston, and Massachusetts—for each of the past thirteen years. Massachusetts banks and credit unions (CRA-covered lenders) continued to have the largest loan share in Boston. However, **Licensed Mortgage Lenders (LMLs) in 2016 had the biggest loan shares in Greater Boston (43.5%) and statewide (45.5%) for the first time in ten years. Massachusetts banks and credit unions were a close second with loans shares of 42.7% in Greater Boston and 40.3% in Massachusetts. Other Lenders were a distant third, with loan shares of 14% in all three areas.** (Table 23)²⁰

- ❖ **Massachusetts banks and credit unions accounted for a much larger share of all loans than of FHA loans in 2016, while the reverse was true for Licensed Mortgage Lenders.** In Greater Boston, Massachusetts banks and credit unions accounted for 43% of all loans but for only 16% of FHA loans, while LMLs accounted for 44% of all loans, but for 77% of FHA loans. Other Lenders accounted for 14% of all loans and

7% of FHA loans. **Accordingly, FHA loans made up a much larger share of total loans by LMLs than of total loans by Massachusetts banks and credit unions or by Other Lenders.** In Greater Boston, FHA loans accounted for 17% of all loans by LMLs, but for only 4% of all loans by Massachusetts banks and credit unions and for only 5% of all loans by Other Lenders. The same general patterns were true in the City of Boston and statewide. (Tables 24 & 25 and Exhibit 10)

- ❖ Table 26 present information (for Boston, Greater Boston, and Massachusetts) on the shares of the total 2016 home-purchase loans of each of the three major types of lenders that consisted of non-FHA loans, and of all loans, to five categories of traditionally underserved borrowers and neighborhoods. **For the first time in the twenty-four year history of the *Changing Patterns* series of reports, Massachusetts banks and credit unions (CRA-covered lenders) did not clearly outperform the other types of lenders in 2016 by making larger shares of their loans to**

EXHIBIT 10: Market Shares of Major Lender Types, Greater Boston, 2016



Source: Table 24

²⁰ Appendix Table 9 shows how the shares of major categories of mortgage lenders in Boston have changed since 1990; statewide data in this table begin in 2003. This table follows the same format—and the same lender categories—as the corresponding table in previous reports in this series. For this table, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-State Banks.” For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished.

these categories of traditionally underserved borrowers and neighborhoods.²¹ (Table 26)

- ❖ **In Greater Boston in 2016, Licensed Mortgage Lenders (LMLs) had the highest percentage of non-FHA loans in four of the five categories of traditionally underserved borrowers and neighborhoods, and the highest percentage of all loans in all five categories. LMLs also had the best performance for both types of loans in**

Boston and for all loans statewide. The improved relative performance by LMLs likely reflects the continuing impact of the state’s CRA for Mortgage Lenders regulation that mandates performance evaluations and public ratings of individual LMLs. This is the first time that LML lenders have outperformed CRA-covered lenders and it will be interesting to see whether this dramatic change in the relative performance of these two types of lenders continues in future years. (Table 26)

VI. THE BIGGEST LENDERS

Who were 2016’s biggest lenders? Tables 27 and 28 present information on the thirty biggest lenders in Greater Boston.²² Table 27 shows, for each of these lenders, its total loans and rank in Boston and Massachusetts as well as in Greater Boston. Table 29 shows, for each of these same lenders, the number and percent of its total home-purchase loans in Greater Boston that were made up of (1) loans to black and Latino borrowers, (2) loans to low- and moderate-income (LMI) borrowers, and (3) FHA

loans, as well as its overall rank in terms of the number of its loans in each of these three categories.

- ❖ **Guaranteed Rate was the biggest lender in Greater Boston in 2016 with 2,518 home-purchase loans; it also ranked first in Boston and statewide. Leader Bank ranked second in Greater Boston with 2,007 loans, Wells Fargo Bank ranked third with 1,466 loans, loanDepot ranked fourth with 1,315 loans,**

EXHIBIT 11: The 5 Biggest Lenders in Greater Boston Home-Purchase Loans, 2016

Rank	Lender	Loans	Mkt Share	Blk + Lat Rank	LMI Rank	FHA Rank
1	Guaranteed Rate	2,518	7.4%	1	1	1
2	Leader Bank	2,007	5.9%	8	4	19
3	Wells Fargo Bank	1,466	4.3%	16	24	37
4	loanDepot	1,315	3.9%	5	3	5
5	Fairway Independent Mort	1,146	3.4%	3	2	4
	Total, Top 5 Lenders	8,452	24.8%			
	Total, All Lenders	34,135	100.0%			

Source: Table 28

²¹ Making generalizations about relative performance is complicated because Table 26 shows five categories of traditionally underserved borrowers and neighborhoods, two measures of loans, and three geographical areas. The interested reader should examine the table in detail rather than rely entirely on the generalizations in the text. CRA-covered lenders performed best only in the case of non-FHA loans statewide.

²² A few years ago it was common for companies in the mortgage business to operate through two or more separate lenders. Accordingly, until two years ago the *Changing Patterns* series ranked top lenders according to “lender families” of affiliated lenders. However, almost all companies in the mortgage business now operate through a single lender and so Table 27 in this report is based on individual HMDA-reporting lenders. I am aware of only one case where using “lender families” this year would have resulted in a [very minor] change of ranking in Table 27 for Greater Boston lending. If the 30 Greater Boston loans of PHH Mortgage Corporation were added to those of PHH Home Loans, the new total of 493 loans would have raised PHH’s ranking from 18th to 17th.

and Fairway Independent Mortgage ranked fifth with 1,146 loans.²³ These rankings differ from those of 2015 only in that Wells Fargo was then fourth, loanDepot was third, and Fairway was then sixth. Together, the top five lenders accounted for one-quarter (24.8%) of total home-purchase loans in Greater Boston. (Table 27 and Exhibit 11)

- ❖ **Of the thirty biggest lenders in Greater Boston in 2016, fifteen were banks whose Massachusetts lending was covered by the CRA, thirteen were Licensed Mortgage Lenders (LMLs) whose Massachusetts lending was covered by the state's CRA for Mortgage Lenders regulation, and only two were Other Lenders, whose Massachusetts lending was subject to neither of these regulations.** Of the top six lenders in Greater Boston, four (Guaranteed Rate, loanDepot, Fairway Independent, and Mortgage Network) were LMLs, one (Leader) was a Massachusetts bank, and one (Wells Fargo) was an Other Lender. (Table 27)
- ❖ Guaranteed Rate ranked first in loans to blacks and Latinos as well as in total loans, but **the black and Latino loan rankings for some lenders differed substantially from their overall rankings because the black plus Latino loan percentages for these lenders were far from the overall black plus Latino loan share of 9.5%.** Rockland Trust ranked second for black plus Latino loans, although only 24th overall; Prime Lending ranked fourth for black plus Latino loans, although not in the top thirty overall; Home Point Financial ranked sixth for black plus Latino loans, although also not in the top thirty overall; and Sage Bank ranked eleventh in black plus Latino loans, although 30th overall. On the other hand, Leader Bank ranked second overall, but only eighth for black plus Latino loans; Wells Fargo ranked third overall but only sixteenth for black plus Latino loans; Mortgage Network ranked

sixth overall, but only eighteenth for black plus Latino loans; and Bank of America ranked eighth overall but only 35th for black plus Latino loans. (Table 28)

- ❖ Guaranteed Rate ranked first in loans to low- and moderate-income borrowers (LMI loans) as well as in total loans, but **the LMI rankings for some lenders differed substantially from their overall rankings because the LMI loan percentages for these lenders were far from the overall LMI loan share of 19.7%.** Fairway Independent ranked second for LMIs, although they ranked only fifth overall and Rockland Trust ranked ninth for LMIs, although only 24th overall. On the other hand, Wells Fargo ranked third overall, but only 24th for LMIs; Bank of America ranked eighth overall, but only eighteenth for LMIs; First Republic Bank ranked fourteenth overall, but only 89th for LMIs; and although JPMorgan Chase and Belmont Savings Bank ranked 11th and 29th overall, neither ranked in the top 100 LMI lenders. (Table 28)
- ❖ Guaranteed Rate ranked first in FHA loans as well as in total loans, but **the FHA rankings for some lenders differed substantially from their overall rankings because the FHA loan percentages for these lenders were far from the overall FHA loan share of 9.7%.** Residential Mortgage ranked second for FHAs, although only ninth overall; Home Point Financial ranked sixth for FHAs, although not in the top 30 overall; Radius Financial Group tied for seventh for FHAs, although it ranked only 21st overall; and Rockland Trust ranked ninth for FHAs, although only 24th overall. On the other hand, Leader Bank ranked second overall, but only nineteenth for FHAs; Wells Fargo ranked third overall, but only 37th for FHAs; Bank of America ranked eighth overall but only 48th for FHAs. Two of the top fifteen lenders, JPMorgan Chase (#11) and First Republic (#14), made no FHA loans. (Table 28)

²³ Guaranteed Rate is a privately-held mortgage company based in Chicago; according to its website, it has fifteen Massachusetts branches among its 226 branches in all fifty states. LoanDepot acquired Mortgage Master during 2015 and no longer makes loans under the Mortgage Master name; Mortgage Master was Greater Boston's and the state's top lender in 2013 and ranked third in 2014 and 2015.

VII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Six years ago, the concluding section of *Changing Patterns XVIII* summarized a broad range of legislative and regulatory measures, designed to prevent mortgage lending abuses, that were adopted in the aftermath of the implosion of the subprime mortgage industry and the ensuing financial crisis. These measures dealt with registration and licensing of companies and individuals, compensation of loan originators, appraisal practices, disclosures to loan applicants, underwriting standards to ensure that borrowers have the ability to repay loans, and prohibition of certain loan features. Three years later, *Changing Patterns XXI* provided a summary of the implementation of these measures.²⁴

In addition, the Dodd-Frank Act of 2010 established the Consumer Financial Protection Bureau (CFPB), the first federal financial regulator whose primary mission was protecting consumers. The CFPB was given responsibility for writing the rules and regulations that implement the laws governing mortgage lending and for overseeing all types of mortgage lenders (including independent mortgage companies, which previously had no effective oversight).

The Dodd-Frank Act also mandated a major expansion of the data to be collected under the Home Mortgage Disclosure Act (HMDA). Under a final rule issued by the CFPB in October 2015, lenders were required to begin collecting this

expanded data on January 1, 2018. The expanded data on 2018 lending are scheduled to become available in the fall of 2019, and the CFPB indicated in September 2017 that it planned to make public the great majority of the new data collected, withholding only a limited amount of the data to protect the privacy of applicants/borrowers.^{25,26}

The future of all these changes, consisting of legislation passed by a Democratic Congress and regulatory actions under a Democratic administration, was called into question by the Republican victories in the November 2016 elections.

During 2017 there were relatively few changes to the new laws and regulations governing mortgage lending. However, as the new administration continues the process of installing new leadership in the financial regulatory agencies and the Congress turns increasing attention to financial regulatory matters, the period ahead is likely to see not only a continuing stream of measures to weaken or repeal many of the changes noted above, but also a substantial relaxation in enforcement of those that remain in place.

In addition, the federal government's approach to implementation of the Community Reinvestment Act (CRA) will almost certainly experience one more of the reversals that have followed every change in the party occupying the White House since the CRA was enacted in 1977.²⁷

²⁴ Both reports are available at www.mcabc.info and both provide links to more detailed information.

²⁵ The new HMDA data include substantially more information about each loan or application, including: age and credit score of applicants/borrowers; four subcategories for Hispanic ethnicity and seven subcategories for Asian race; property value, debt-to-income ratio, and combined loan-to-value ratio; rate spread, interest rate, total points and fees, and total origination costs; whether the loan is adjustable rate, is a reverse mortgage, or has specific features that were common in last decade's predatory loans, and unique identifiers for the loan, the loan officer, and the property. An informative five-page summary of the final rule by the law firm Buckley-Sandler can be found by a Google search for its title: "Special Alert: CFPB Adopts Significant Expansion of HMDA Reporting Requirements." Detailed information about the new HMDA reporting requirements is available at <http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation>.

²⁶ The September 2017 "proposed policy guidance" is available here: http://files.consumerfinance.gov/f/documents/201709_cfpb_hmda-disclosure-policy-guidance.pdf.

²⁷ The only exception to this very clear pattern was in the late 1980s. During the years of the first Bush administration, a surge of community activism combined with actions by the Democratic Congress to give the CRA considerable impact after eight years of neglect during the Reagan administration.

[illegible]

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

TABLE I
Total and FHA-Insured Loans, 2004–2016
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA
A. HOME-PURCHASE LOANS									
2004	8,658	51	0.6%	46,819	468	1.0%	98,297	3,058	3.1%
2005	8,330	28	0.3%	44,583	201	0.5%	94,286	1,485	1.6%
2006	7,052	32	0.5%	36,538	230	0.6%	76,984	1,156	1.5%
2007	5,718	60	1.0%	30,982	386	1.2%	62,973	1,514	2.4%
2008	4,472	435	9.7%	25,928	3,323	12.8%	51,279	9,149	17.8%
2009	4,160	761	18.3%	26,263	6,141	23.4%	51,901	15,214	29.3%
2010	3,958	836	21.1%	24,602	5,670	23.0%	47,699	13,697	28.7%
2011	3,493	549	15.7%	22,983	4,204	18.3%	44,032	10,649	24.2%
2012	4,369	445	10.2%	27,673	3,490	12.6%	52,280	9,520	18.2%
2013	4,821	300	6.2%	31,727	2,879	9.1%	60,129	8,267	13.7%
2014	4,447	254	5.7%	30,396	2,304	7.6%	59,960	7,583	12.6%
2015	4,649	314	6.8%	32,220	3,343	10.4%	65,569	10,884	16.6%
2016	4,738	309	6.5%	34,135	3,317	9.7%	73,347	12,680	17.3%
B. REFINANCE LOANS									
2004	10,996	68	0.6%	79,579	368	0.5%	177,135	1,691	1.0%
2005	9,157	28	0.3%	62,947	170	0.3%	146,120	803	0.5%
2006	6,635	35	0.5%	43,625	204	0.5%	103,877	958	0.9%
2007	4,882	85	1.7%	34,185	497	1.5%	78,322	1,999	2.6%
2008	4,443	272	6.1%	34,763	2,002	5.8%	70,957	7,027	9.9%
2009	9,489	722	7.6%	91,362	5,988	6.6%	171,161	15,522	9.1%
2010	8,615	570	6.6%	89,394	4,991	5.6%	158,689	11,596	7.3%
2011	7,507	329	4.4%	71,620	2,471	3.5%	126,596	5,677	4.5%
2012	11,115	385	3.5%	108,182	3,790	3.5%	191,666	9,322	4.9%
2013	7,546	230	3.0%	63,391	2,064	3.3%	118,908	5,835	4.9%
2014	2,926	83	2.8%	22,108	646	2.9%	43,055	1,933	4.5%
2015	4,980	237	4.8%	38,756	2,351	6.1%	71,564	6,551	9.2%
2016	5,911	193	3.3%	47,674	1,964	4.1%	86,630	5,789	6.7%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	119	0.6%	126,398	836	0.7%	275,432	4,749	1.7%
2005	17,487	56	0.3%	107,530	371	0.3%	240,406	2,288	1.0%
2006	13,687	67	0.5%	80,163	434	0.5%	180,861	2,114	1.2%
2007	10,600	145	1.4%	65,167	883	1.4%	141,295	3,513	2.5%
2008	8,915	707	7.9%	60,691	5,325	8.8%	122,236	16,176	13.2%
2009	13,649	798	5.8%	117,625	12,129	10.3%	223,062	30,736	13.8%
2010	12,573	1,406	11.2%	113,996	10,661	9.4%	206,388	25,293	12.3%
2011	11,000	878	8.0%	94,603	6,675	7.1%	170,628	16,326	9.6%
2012	15,484	830	5.4%	135,855	7,280	5.4%	243,946	18,842	7.7%
2013	12,367	530	4.3%	95,118	4,943	5.2%	179,037	14,102	7.9%
2014	7,373	337	4.6%	52,504	2,950	5.6%	103,015	9,516	9.2%
2015	9,629	551	5.7%	70,976	5,694	8.0%	137,133	17,435	12.7%
2016	10,649	502	4.7%	81,809	5,281	6.5%	159,977	18,469	11.5%

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

TABLE 2
Total and Government-Backed Loans in 36 Massachusetts Cities and Towns:
The 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2016

	Home-Purchase Loans			Refinance Loans			% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA			
Attleboro	579	148	25.6%	634	76	12.0%	3.4%	6.1%	\$81,250
Barnstable	567	150	26.5%	645	48	7.4%	3.9%	4.2%	\$77,979
Brockton#	1,123	689	61.4%	876	218	24.9%	38.6%	10.3%	\$56,679
Chelsea*	238	72	30.3%	191	22	11.5%	5.3%	64.2%	\$50,655
Chicopee	532	201	37.8%	335	50	14.9%	3.1%	17.6%	\$59,218
Everett*	268	81	30.2%	358	48	13.4%	17.7%	21.5%	\$54,238
Fall River	571	266	46.6%	470	91	19.4%	3.6%	9.0%	\$44,023
Fitchburg	458	178	38.9%	262	50	19.1%	3.7%	23.9%	\$56,792
Haverhill#	859	236	27.5%	846	112	13.2%	1.8%	18.6%	\$73,343
Holyoke	230	67	29.1%	141	20	14.2%	3.8%	49.5%	\$41,194
Lawrence#	565	358	63.4%	406	150	36.9%	2.9%	76.4%	\$36,600
Leominster	486	120	24.7%	364	41	11.3%	4.3%	15.3%	\$74,560
Lowell#	887	231	26.0%	808	105	13.0%	6.8%	18.1%	\$57,695
Lynn*	960	374	39.0%	961	155	16.1%	11.6%	35.5%	\$58,415
Malden*	420	74	17.6%	508	42	8.3%	14.0%	10.3%	\$64,684
Methuen#	624	232	37.2%	785	109	13.9%	1.6%	23.3%	\$85,015
New Bedford	700	363	51.9%	604	113	18.7%	6.8%	18.3%	\$46,114
Peabody*	499	94	18.8%	887	85	9.6%	2.0%	8.6%	\$82,298
Pittsfield	426	76	17.8%	236	38	16.1%	5.4%	5.4%	\$58,551
Quincy*	862	67	7.8%	1,073	40	3.7%	4.8%	3.3%	\$79,585
Revere*	512	182	35.5%	553	63	11.4%	4.3%	26.4%	\$58,515
Salem*	638	81	12.7%	578	43	7.4%	4.5%	16.5%	\$71,393
Springfield	1,237	613	49.6%	612	162	26.5%	18.8%	42.2%	\$38,847
Taunton	712	266	37.4%	640	99	15.5%	5.5%	6.7%	\$69,318
Westfield	422	104	24.6%	338	36	10.7%	2.0%	8.0%	\$77,163
Worcester	1,517	556	36.7%	1,066	182	17.1%	11.4%	20.8%	\$56,221
Total, Gateway Cities	16,892	5,879	34.8%	15,177	2,198	14.5%			
Boston*	4,738	309	6.5%	5,911	193	3.3%	22.7%	18.8%	\$62,775
Brookline*	491	0	0.0%	680	3	0.4%	2.8%	6.0%	\$137,120
Cambridge*	536	1	0.2%	818	1	0.1%	10.0%	8.0%	\$104,454
Framingham*	736	95	12.9%	934	62	6.6%	5.9%	15.5%	\$87,075
Medford*	511	24	4.7%	848	26	3.1%	8.9%	5.9%	\$91,532
Newton*	815	1	0.1%	1,524	4	0.3%	3.6%	5.4%	\$161,101
Plymouth#	870	212	24.4%	942	86	9.1%	2.2%	0.4%	\$65,938
Somerville*	541	4	0.7%	717	7	1.0%	6.8%	9.8%	\$79,263
Waltham*	640	18	2.8%	816	24	2.9%	5.9%	13.3%	\$91,329
Weymouth*	793	134	16.9%	963	74	7.7%	3.7%	2.8%	\$92,221

Note: Population and income data from U.S. Census Bureau's 2011–2015 American Community Survey.

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

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

TABLE 3
Total and High-APR Loans (HALs), 2004–2016
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR
A. HOME-PURCHASE LOANS									
2004	8,658	573	6.6%	46,819	2,463	5.3%	98,297	6,887	7.0%
2005	8,330	1,596	19.2%	44,583	7,202	16.2%	94,286	18,249	19.4%
2006	7,052	1,522	21.6%	36,538	5,788	15.8%	76,984	14,639	19.0%
2007	5,718	545	9.5%	30,982	1,977	6.4%	62,973	5,085	8.1%
2008	4,472	198	4.4%	25,928	920	3.5%	51,279	2,361	4.6%
2009*	4,160	92	2.2%	26,263	564	2.1%	51,901	1,433	2.8%
2010	3,958	12	0.3%	24,602	99	0.4%	47,699	383	0.8%
2011	3,493	9	0.3%	22,983	119	0.5%	44,032	464	1.1%
2012	4,369	9	0.2%	27,673	144	0.5%	52,280	539	1.0%
2013	4,821	48	1.0%	31,727	447	1.4%	60,129	1,589	2.6%
2014	4,447	80	1.8%	30,396	667	2.2%	59,960	2,650	4.4%
2015	4,649	57	1.2%	32,220	328	1.0%	65,569	1,408	2.1%
2016	4,738	42	0.9%	34,135	444	1.3%	73,347	1,868	2.5%
B. REFINANCE LOANS									
2004	10,996	983	8.9%	79,579	4,719	5.9%	177,135	14,553	8.2%
2005	9,157	1,754	19.2%	62,947	8,215	13.1%	146,120	24,155	16.5%
2006	6,635	1,839	27.7%	43,625	9,061	20.8%	103,877	25,534	24.6%
2007	4,882	735	15.1%	34,185	3,885	11.4%	78,322	11,205	14.3%
2008	4,443	141	3.2%	34,763	902	2.6%	70,957	2,777	3.9%
2009*	9,489	121	1.3%	91,362	955	1.0%	171,161	2,406	1.4%
2010	8,615	30	0.3%	89,394	233	0.3%	158,689	683	0.4%
2011	7,507	25	0.3%	71,620	232	0.3%	126,596	667	0.5%
2012	11,115	24	0.2%	108,182	258	0.2%	191,666	812	0.4%
2013	7,546	27	0.4%	63,391	196	0.3%	118,908	656	0.6%
2014	2,926	18	0.6%	22,108	134	0.6%	43,055	425	1.0%
2015	4,980	20	0.4%	38,756	125	0.3%	71,564	482	0.7%
2016	5,911	8	0.1%	47,674	129	0.3%	86,630	492	0.6%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	1,556	7.9%	126,398	7,182	5.7%	275,432	21,440	7.8%
2005	17,487	3,350	19.2%	107,530	15,417	14.3%	240,406	42,404	17.6%
2006	13,687	3,361	24.6%	80,163	14,849	18.5%	180,861	40,173	22.2%
2007	10,600	1,280	12.1%	65,167	5,862	9.0%	141,295	16,290	11.5%
2008	8,915	339	3.8%	60,691	1,822	3.0%	122,236	5,138	4.2%
2009*	13,649	213	1.6%	117,625	1,519	1.3%	223,062	3,839	1.7%
2010	12,573	42	0.3%	113,996	332	0.3%	206,388	1,066	0.5%
2011	11,000	34	0.3%	94,603	351	0.4%	170,628	1,131	0.7%
2012	15,484	33	0.2%	135,855	402	0.3%	243,946	1,351	0.6%
2013	12,367	75	0.6%	95,118	643	0.7%	179,037	2,245	1.3%
2014	7,373	98	1.3%	52,504	801	1.5%	103,015	3,075	3.0%
2015	9,629	77	0.8%	70,976	453	0.6%	137,133	1,890	1.4%
2016	10,649	50	0.5%	81,809	573	0.7%	159,977	2,360	1.5%

Note: The great majority of higher-cost loans in 2013–2016 were FHA loans—e.g., if FHA loans were excluded from HALs, the HAL loan share for home-purchase loans in Greater Boston would have been 0.3% in 2013, 0.4% in 2014, 0.3% in 2015, and 0.5% in 2016. See text for discussion.

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

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

TABLE 4
Total and FHA-Insured Loans, By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

A. FHA LOANS AS PERCENTAGE OF ALL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	FHA Loans	% FHA	Ratio to White %	All Loans	FHA Loans	% FHA	Ratio to White %	All Loans	FHA Loans	% FHA	Ratio to White %
Asian	428	11	2.6%	1.03	3,996	104	2.6%	0.35	5,709	297	5.2%	0.36
Black	307	109	35.5%	14.20	1,147	401	35.0%	4.74	2,963	1,400	47.2%	3.31
Latino	241	71	29.5%	11.78	2,095	812	38.8%	5.25	5,320	2,526	47.5%	3.33
White	3,159	79	2.5%	1.00	23,273	1,717	7.4%	1.00	52,612	7,507	14.3%	1.00
Other*	10	3	30.0%		77	14	18.2%		223	55	24.7%	
No Info ^	593	36	6.1%		3,547	269	7.6%		6,520	895	13.7%	
Total	4,738	309	6.5%		34,135	3,317	9.7%		73,347	12,680	17.3%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of Non-FHA Loans	% of FHA Loans
Asian	428	9.0%	9.4%	3.6%	3,996	11.7%	12.6%	3.1%	5,709	7.8%	8.9%	2.3%
Black	307	6.5%	4.5%	35.3%	1,147	3.4%	2.4%	12.1%	2,963	4.0%	2.6%	11.0%
Latino	241	5.1%	3.8%	23.0%	2,095	6.1%	4.2%	24.5%	5,320	7.3%	4.6%	19.9%
White	3,159	66.7%	69.5%	25.6%	23,273	68.2%	69.9%	51.8%	52,612	71.7%	74.3%	59.2%
Other*	10	0.2%	0.2%	1.0%	77	0.2%	0.2%	0.4%	223	0.3%	0.3%	0.4%
No Info ^	593	12.5%	12.6%	11.7%	3,547	10.4%	10.6%	8.1%	6,520	8.9%	9.3%	7.1%
Total	4,738	100.0%	100.0%	100.0%	34,135	100.0%	100.0%	100.0%	73,347	100.0%	100.0%	100.0%

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

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

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

TABLE 5
Loan Shares of Asian, Black, and Latino Borrowers, 2004–2016
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	Asians	Blacks	Latinos	Asians	Blacks	Latinos	Asians	Blacks	Latinos
A. SHARE OF ALL PRIME* LOANS (2004-2008) OR OF ALL NON-FHA LOANS (SINCE 2009)									
2004	7.2%	9.5%	7.3%	8.0%	3.9%	5.7%	5.9%	3.8%	5.9%
2005	6.9%	8.5%	6.4%	7.9%	3.4%	5.0%	5.9%	3.2%	4.9%
2006	6.1%	8.7%	5.9%	7.0%	3.5%	4.4%	5.1%	3.3%	4.6%
2007	5.6%	9.5%	5.6%	7.7%	3.7%	4.1%	5.5%	3.4%	4.6%
2008	7.3%	9.5%	5.3%	8.9%	3.4%	4.1%	6.4%	3.1%	4.7%
2009	8.9%	6.2%	4.2%	11.2%	2.2%	2.9%	8.2%	2.0%	3.0%
2010	9.0%	5.6%	3.6%	11.1%	2.1%	2.5%	8.3%	1.9%	2.7%
2011	8.1%	4.6%	3.6%	10.4%	1.9%	2.5%	7.7%	1.7%	2.8%
2012	6.9%	3.6%	3.5%	10.2%	1.8%	2.6%	7.7%	1.7%	2.9%
2013	8.1%	3.8%	3.1%	11.7%	1.8%	2.7%	8.6%	1.8%	3.0%
2014	8.0%	3.7%	4.0%	11.2%	2.0%	3.2%	8.2%	2.1%	3.6%
2015	9.4%	3.6%	3.8%	11.8%	2.1%	3.6%	8.6%	2.3%	3.9%
2016	9.4%	4.5%	3.8%	12.6%	2.4%	4.2%	8.9%	2.6%	4.6%
B. SHARE OF ALL LOANS									
2004	7.0%	11.4%	8.2%	7.8%	4.5%	6.7%	5.7%	4.5%	6.9%
2005	6.1%	14.3%	9.7%	7.1%	5.8%	8.5%	5.3%	5.6%	8.2%
2006	5.3%	14.6%	8.4%	6.4%	5.8%	7.1%	4.6%	5.5%	7.4%
2007	5.3%	11.8%	6.7%	7.4%	4.5%	4.8%	5.3%	4.0%	5.3%
2008	7.2%	10.2%	5.7%	8.8%	3.6%	4.3%	6.2%	3.3%	5.0%
2009	8.0%	8.9%	5.6%	9.6%	3.2%	4.3%	6.8%	3.1%	4.9%
2010	8.0%	8.4%	5.4%	9.6%	3.3%	4.1%	6.9%	3.2%	4.9%
2011	7.3%	7.2%	5.0%	9.2%	3.0%	3.9%	6.6%	3.0%	4.6%
2012	6.5%	5.6%	4.6%	9.5%	2.7%	3.7%	6.8%	2.6%	4.4%
2013	7.9%	5.2%	3.9%	11.1%	2.5%	3.6%	7.9%	2.7%	4.6%
2014	7.7%	5.6%	4.8%	10.6%	2.8%	4.5%	7.6%	3.1%	5.4%
2015	9.2%	5.9%	4.8%	11.0%	3.0%	5.4%	7.6%	3.6%	6.3%
2016	9.0%	6.5%	5.1%	11.7%	3.4%	6.1%	7.8%	4.0%	7.3%

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

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

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

TABLE 6
Total and FHA-Insured Loans to Black, Latino, & White Borrowers
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	Black Borrowers			Latino Borrowers			White Borrowers			FHA Share Disparity Ratios	
	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	Black/White	Latino/White
Attleboro	26	11	42.3%	27	12	44.4%	461	113	24.5%	1.73	1.81
Barnstable	19	10	52.6%	47	30	63.8%	436	91	20.9%	2.52	3.06
Brockton	537	381	70.9%	141	86	61.0%	330	161	48.8%	1.45	1.25
Chelsea	8	3	37.5%	82	55	67.1%	105	9	8.6%	4.38	7.83
Chicopee	20	15	75.0%	92	52	56.5%	369	118	32.0%	2.35	1.77
Everett	31	18	58.1%	81	38	46.9%	96	14	14.6%	3.98	3.22
Fall River	26	24	92.3%	26	17	65.4%	448	191	42.6%	2.17	1.53
Fitchburg	28	16	57.1%	91	58	63.7%	287	86	30.0%	1.91	2.13
Haverhill	24	8	33.3%	157	86	54.8%	604	126	20.9%	1.60	2.63
Holyoke	10	5	50.0%	52	25	48.1%	145	29	20.0%	2.50	2.40
Lawrence	11	8	72.7%	469	307	65.5%	63	35	55.6%	1.31	1.18
Leominster	30	13	43.3%	77	38	49.4%	334	62	18.6%	2.33	2.66
Lowell	58	22	37.9%	131	61	46.6%	430	74	17.2%	2.20	2.71
Lynn	82	40	48.8%	348	198	56.9%	411	99	24.1%	2.03	2.36
Malden	38	17	44.7%	43	22	51.2%	164	22	13.4%	3.33	3.81
Methuen	34	14	41.2%	176	101	57.4%	342	107	31.3%	1.32	1.83
New Bedford	63	48	76.2%	83	63	75.9%	519	236	45.5%	1.68	1.67
Peabody	20	6	30.0%	44	24	54.5%	377	54	14.3%	2.09	3.81
Pittsfield	18	7	38.9%	23	5	21.7%	356	60	16.9%	2.31	1.29
Quincy	16	4	25.0%	25	7	28.0%	421	42	10.0%	2.51	2.81
Revere	24	8	33.3%	243	120	49.4%	175	41	23.4%	1.42	2.11
Salem	11	3	27.3%	41	17	41.5%	513	48	9.4%	2.91	4.43
Springfield	150	82	54.7%	410	259	63.2%	522	206	39.5%	1.39	1.60
Taunton	79	51	64.6%	36	18	50.0%	546	179	32.8%	1.97	1.53
Westfield	6	2	33.3%	30	18	60.0%	356	80	22.5%	1.48	2.67
Worcester	171	102	59.6%	252	151	59.9%	877	241	27.5%	2.17	2.18
Gateway Cities	1,540	918	59.6%	3,227	1,868	57.9%	9,687	2,524	26.1%	2.29	2.22
Boston	307	109	35.5%	241	71	29.5%	3,159	79	2.5%	14.20	11.78
Brookline	4	0	0.0%	15	0	0.0%	287	0	0.0%	NA	NA
Cambridge	10	0	0.0%	18	0	0.0%	310	1	0.3%	0.00	0.00
Framingham	21	8	38.1%	90	31	34.4%	456	41	9.0%	4.24	3.83
Medford	8	2	25.0%	20	4	20.0%	347	12	3.5%	7.23	5.78
Newton	7	1	14.3%	13	0	0.0%	500	0	0.0%	NA	NA
Plymouth	13	6	46.2%	10	1	10.0%	793	195	24.6%	1.88	0.41
Somerville	6	0	0.0%	13	2	15.4%	351	2	0.6%	0.00	27.00
Waltham	7	1	14.3%	25	1	4.0%	437	13	3.0%	4.80	1.34
Weymouth	20	9	45.0%	25	5	20.0%	601	105	17.5%	2.58	1.14

TABLE 7
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, FHA-Insured Loans, and Non-FHA Loans
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non- FHA Loans	FHA Loans	% of All Loans	% of All Non-FHA	% of All FHA	% of All Loans	% of All Non-FHA	% of All FHA	% of All Loans	% of All Non-FHA	% of All FHA
Attleboro	579	431	148	4.5%	3.5%	7.4%	4.7%	3.5%	8.1%	79.6%	80.7%	76.4%
Barnstable	567	417	150	3.4%	2.2%	6.7%	8.3%	4.1%	20.0%	76.9%	82.7%	60.7%
Brockton	1,123	434	689	47.8%	35.9%	55.3%	12.6%	12.7%	12.5%	29.4%	38.9%	23.4%
Chelsea	238	166	72	3.4%	3.0%	4.2%	34.5%	16.3%	76.4%	44.1%	57.8%	12.5%
Chicopee	532	331	201	3.8%	1.5%	7.5%	17.3%	12.1%	25.9%	69.4%	75.8%	58.7%
Everett	268	187	81	11.6%	7.0%	22.2%	30.2%	23.0%	46.9%	35.8%	43.9%	17.3%
Fall River	571	305	266	4.6%	0.7%	9.0%	4.6%	3.0%	6.4%	78.5%	84.3%	71.8%
Fitchburg	458	280	178	6.1%	4.3%	9.0%	19.9%	11.8%	32.6%	62.7%	71.8%	48.3%
Haverhill	859	623	236	2.8%	2.6%	3.4%	18.3%	11.4%	36.4%	70.3%	76.7%	53.4%
Holyoke	230	163	67	4.3%	3.1%	7.5%	22.6%	16.6%	37.3%	63.0%	71.2%	43.3%
Lawrence	565	207	358	1.9%	1.4%	2.2%	83.0%	78.3%	85.8%	11.2%	13.5%	9.8%
Leominster	486	366	120	6.2%	4.6%	10.8%	15.8%	10.7%	31.7%	68.7%	74.3%	51.7%
Lowell	887	656	231	6.5%	5.5%	9.5%	14.8%	10.7%	26.4%	48.5%	54.3%	32.0%
Lynn	960	586	374	8.5%	7.2%	10.7%	36.3%	25.6%	52.9%	42.8%	53.2%	26.5%
Malden	420	346	74	9.0%	6.1%	23.0%	10.2%	6.1%	29.7%	39.0%	41.0%	29.7%
Methuen	624	392	232	5.4%	5.1%	6.0%	28.2%	19.1%	43.5%	54.8%	59.9%	46.1%
New Bedford	700	337	363	9.0%	4.5%	13.2%	11.9%	5.9%	17.4%	74.1%	84.0%	65.0%
Peabody	499	405	94	4.0%	3.5%	6.4%	8.8%	4.9%	25.5%	75.6%	79.8%	57.4%
Pittsfield	426	350	76	4.2%	3.1%	9.2%	5.4%	5.1%	6.6%	83.6%	84.6%	78.9%
Quincy	862	795	67	1.9%	1.5%	6.0%	2.9%	2.3%	10.4%	48.8%	47.7%	62.7%
Revere	512	330	182	4.7%	4.8%	4.4%	47.5%	37.3%	65.9%	34.2%	40.6%	22.5%
Salem	638	557	81	1.7%	1.4%	3.7%	6.4%	4.3%	21.0%	80.4%	83.5%	59.3%
Springfield	1,237	624	613	12.1%	10.9%	13.4%	33.1%	24.2%	42.3%	42.2%	50.6%	33.6%
Taunton	712	446	266	11.1%	6.3%	19.2%	5.1%	4.0%	6.8%	76.7%	82.3%	67.3%
Westfield	422	318	104	1.4%	1.3%	1.9%	7.1%	3.8%	17.3%	84.4%	86.8%	76.9%
Worcester	1,517	961	556	11.3%	7.2%	18.3%	16.6%	10.5%	27.2%	57.8%	66.2%	43.3%
Gateway Cities	16,892	11,013	5,879	9.1%	5.6%	15.6%	19.1%	12.3%	31.8%	57.3%	65.0%	42.9%
Boston	4,738	4,429	309	6.5%	4.5%	35.3%	5.1%	3.8%	23.0%	66.7%	69.5%	25.6%
Brookline	491	491	0	0.8%	0.8%	NA	3.1%	3.1%	NA	58.5%	58.5%	NA
Cambridge	536	535	1	1.9%	1.9%	0.0%	3.4%	3.4%	0.0%	57.8%	57.8%	100.0%
Framingham	736	641	95	2.9%	2.0%	8.4%	12.2%	9.2%	32.6%	62.0%	64.7%	43.2%
Medford	511	487	24	1.6%	1.2%	8.3%	3.9%	3.3%	16.7%	67.9%	68.8%	50.0%
Newton	815	814	1	0.9%	0.7%	100.0%	1.6%	1.6%	0.0%	61.3%	61.4%	0.0%
Plymouth	870	658	212	1.5%	1.1%	2.8%	1.1%	1.4%	0.5%	91.1%	90.9%	92.0%
Somerville	541	537	4	1.1%	1.1%	0.0%	2.4%	2.0%	50.0%	64.9%	65.0%	50.0%
Waltham	640	622	18	1.1%	1.0%	5.6%	3.9%	3.9%	5.6%	68.3%	68.2%	72.2%
Weymouth	793	659	134	2.5%	1.7%	6.7%	3.2%	3.0%	3.7%	75.8%	75.3%	78.4%

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

TABLE 8
Total and FHA-Insured Loans, By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

I. FHA LOANS AS PERCENTAGE OF ALL LOANS, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	FHA Loans	% FHA	Ratio to Highest%	All Loans	FHA Loans	% FHA	Ratio to Highest%	All Loans	FHA Loans	% FHA	Ratio to Highest%
Low	118	3	2.5%	4.01	1,154	111	9.6%	7.67	4,172	1,129	27.1%	11.82
Moderate	649	42	6.5%	10.20	5,580	940	16.8%	13.43	15,873	4,613	29.1%	12.69
Middle	1,129	143	12.7%	19.97	8,465	1,345	15.9%	12.67	20,071	4,342	21.6%	9.45
High	1,389	111	8.0%	12.60	10,535	812	7.7%	6.15	20,454	2,295	11.2%	4.90
Highest	1,419	9	0.6%	1.00	8,213	103	1.3%	1.00	12,400	284	2.3%	1.00
No Info	34	1	2.9%		188	6	3.2%		377	17	4.5%	
Total	4,738	309	6.5%		34,135	3,317	9.7%		73,347	12,680	17.3%	
II. SHARES OF ALL LOANS, NON-FHA LOANS, AND FHA LOANS, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans	All Loans	% of All Loans	% of non-FHA Loans	% of FHA Loans
Low	118	2.5%	2.6%	1.0%	1,154	3.4%	3.4%	3.3%	4,172	5.7%	5.0%	8.9%
Moderate	649	13.7%	13.7%	13.6%	5,580	16.3%	15.1%	28.3%	15,873	21.6%	18.6%	36.4%
Middle	1,129	23.8%	22.3%	46.3%	8,465	24.8%	23.1%	40.5%	20,071	27.4%	25.9%	34.2%
High	1,389	29.3%	28.9%	35.9%	10,535	30.9%	31.5%	24.5%	20,454	27.9%	29.9%	18.1%
Highest	1,419	29.9%	31.8%	2.9%	8,213	24.1%	26.3%	3.1%	12,400	16.9%	20.0%	2.2%
No Info	34	0.7%	0.7%	0.3%	188	0.6%	0.6%	0.2%	377	0.5%	0.6%	0.1%
Total	4,738	100.0%	100.0%	100.0%	34,135	100.0%	100.0%	100.0%	73,347	100.0%	100.0%	100.0%

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all (except 3 small towns) of Greater Boston, the MFI in 2016 was \$94,000. The MFIs in the five other MSAs in the state, ranged from \$68,000 to \$78,500 in 2016. For the non-metro part of the state (Dukes, Nantucket, and Franklin counties), the 2016 MFI was \$77,600.

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

TABLE 9
Total and FHA-Insured Loans To Borrowers at Different Income Levels
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	Any Income Total Loans	Low Income		Moderate Income		Middle Income		High Income		Highest Income	
		Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total	Total Loans	FHA as % of Total
Attleboro	579	15	6.7%	99	33.3%	209	27.8%	187	24.1%	66	13.6%
Barnstable	567	32	28.1%	163	38.7%	166	31.9%	121	15.7%	84	7.1%
Brockton	1,123	202	61.9%	547	64.0%	294	61.2%	73	43.8%	6	33.3%
Chelsea	238	15	20.0%	79	19.0%	94	44.7%	40	27.5%	10	10.0%
Chicopee	532	61	39.3%	214	43.5%	170	33.5%	81	33.3%	5	0.0%
Everett	268	14	0.0%	99	31.3%	106	41.5%	41	14.6%	8	0.0%
Fall River	571	50	48.0%	243	51.4%	179	45.8%	85	36.5%	10	20.0%
Fitchburg	458	82	59.8%	167	43.1%	129	34.1%	65	18.5%	13	7.7%
Haverhill	859	120	21.7%	344	35.8%	237	27.0%	130	16.9%	18	0.0%
Holyoke	230	25	36.0%	98	35.7%	64	21.9%	28	28.6%	14	7.1%
Lawrence	565	150	44.7%	308	68.8%	85	77.6%	20	65.0%	1	0.0%
Leominster	486	36	19.4%	144	31.3%	170	32.9%	108	10.2%	27	3.7%
Lowell	887	164	25.6%	366	29.2%	229	24.9%	105	23.8%	18	0.0%
Lynn	960	108	30.6%	430	39.8%	309	47.2%	89	23.6%	22	9.1%
Malden	420	28	0.0%	113	17.7%	169	20.7%	97	18.6%	11	9.1%
Methuen	624	57	38.6%	246	43.1%	209	42.1%	91	16.5%	16	6.3%
New Bedford	700	84	52.4%	274	59.1%	234	50.9%	94	37.2%	13	23.1%
Peabody	499	26	11.5%	141	15.6%	214	22.9%	105	18.1%	11	9.1%
Pittsfield	426	51	37.3%	128	22.7%	113	17.7%	88	8.0%	41	2.4%
Quincy	862	55	5.5%	242	6.2%	250	9.2%	229	10.0%	76	3.9%
Revere	512	48	12.5%	175	27.4%	204	47.1%	73	39.7%	11	27.3%
Salem	638	41	0.0%	194	11.9%	210	16.7%	148	14.9%	44	2.3%
Springfield	1,237	247	56.3%	496	56.9%	335	44.2%	131	29.8%	23	17.4%
Taunton	712	31	25.8%	204	48.0%	272	37.5%	171	31.0%	31	16.1%
Westfield	422	26	30.8%	112	37.5%	124	28.2%	112	14.3%	45	6.7%
Worcester	1,517	147	40.1%	533	48.6%	524	34.9%	252	21.0%	55	3.6%
Gateway Cities	16,892	1,915	38.1%	6,159	41.9%	5,299	35.8%	2,764	22.1%	679	7.8%
Boston	4,738	118	2.5%	649	6.5%	1,129	12.7%	1,389	8.0%	1,419	0.6%
Brookline	491	2	0.0%	21	0.0%	44	0.0%	130	0.0%	291	0.0%
Cambridge	536	3	0.0%	32	0.0%	77	0.0%	174	0.6%	247	0.0%
Framingham	736	40	7.5%	165	26.1%	195	13.3%	241	7.1%	91	6.6%
Medford	511	9	0.0%	69	5.8%	153	4.6%	205	6.3%	74	0.0%
Newton	815	2	0.0%	37	0.0%	95	1.1%	212	0.0%	463	0.0%
Plymouth	870	56	35.7%	221	29.9%	278	24.1%	231	21.6%	83	10.8%
Somerville	541	10	0.0%	41	0.0%	103	2.9%	207	0.5%	177	0.0%
Waltham	640	18	0.0%	93	2.2%	177	5.1%	239	2.1%	109	1.8%
Weymouth	793	62	6.5%	237	19.4%	275	18.2%	192	16.1%	24	12.5%

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes 23 of these 36 cities, the MFI in 2016 was \$94,000. The MFIs in the five other MSAs in the state ranged from \$68,000 to \$78,500 in 2015. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 10
Total and FHA-Insured Loans to Low- and Moderate-Income (LMI) Borrowers*, 2004–2016
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI
A. FHA-INSURED LOANS									
2004	51	10	19.6%	468	161	34.4%	3,058	1,146	37.5%
2005	28	1	3.6%	201	57	28.4%	1,485	562	37.8%
2006	32	0	0.0%	230	21	9.1%	1,156	248	21.5%
2007	60	4	6.7%	386	48	12.4%	1,514	313	20.7%
2008	435	107	24.6%	3,323	862	25.9%	9,149	3,092	33.8%
2009	761	293	38.5%	6,141	2,350	38.3%	15,214	6,896	45.3%
2010	836	344	41.1%	5,670	2,220	39.2%	13,697	6,527	47.7%
2011	549	246	44.8%	4,204	1,855	44.1%	10,649	5,467	51.3%
2012	445	188	42.2%	3,490	1,522	43.6%	9,520	5,013	52.7%
2013	300	90	30.0%	2,879	1,079	37.5%	8,267	3,991	48.3%
2014	254	57	22.4%	2,304	822	35.7%	7,583	3,641	48.0%
2015	314	82	26.1%	3,343	1,241	37.1%	10,884	5,427	49.9%
2016	309	45	14.6%	3,317	1,051	31.7%	12,680	5,742	45.3%
B. NON-FHA LOANS									
2004	8,607	1,783	20.7%	46,351	9,885	21.3%	95,239	23,656	24.8%
2005	8,302	1,529	18.4%	44,382	8,331	18.8%	92,801	20,986	22.6%
2006	7,020	1,414	20.1%	36,308	6,457	17.8%	75,828	16,339	21.5%
2007	5,658	1,273	22.5%	30,596	6,008	19.6%	61,459	15,263	24.8%
2008	4,037	1,173	29.1%	22,605	5,661	25.0%	42,130	12,570	29.8%
2009	3,399	1,216	35.8%	20,122	5,903	29.3%	36,687	12,535	34.2%
2010	3,122	940	30.1%	18,932	4,704	24.8%	34,002	10,256	30.2%
2011	2,944	908	30.8%	18,779	4,913	26.2%	33,383	10,521	31.5%
2012	3,924	1,104	28.1%	24,183	6,104	25.2%	42,760	13,281	31.1%
2013	4,521	967	21.4%	28,848	6,036	20.9%	51,862	13,526	26.1%
2014	4,193	761	18.1%	28,092	5,330	19.0%	52,377	12,756	24.4%
2015	4,335	833	19.2%	28,877	5,802	20.1%	54,685	14,052	25.7%
2016	4,429	722	16.3%	30,818	5,683	18.4%	60,667	14,303	23.6%
C. TOTAL LOANS									
2004	8,658	1,793	20.7%	46,819	10,046	21.5%	98,297	24,802	25.2%
2005	8,330	1,530	18.4%	44,583	8,388	18.8%	94,286	21,548	22.9%
2006	7,052	1,414	20.1%	36,538	6,478	17.7%	76,984	16,587	21.5%
2007	5,718	1,277	22.3%	30,982	6,056	19.5%	62,973	15,576	24.7%
2008	4,472	1,280	28.6%	25,928	6,523	25.2%	51,279	15,662	30.5%
2009	4,160	1,509	36.3%	26,263	8,253	31.4%	51,901	19,431	37.4%
2010	3,958	1,284	32.4%	24,602	6,924	28.1%	47,699	16,783	35.2%
2011	3,493	1,154	33.0%	22,983	6,768	29.4%	44,032	15,988	36.3%
2012	4,369	1,292	29.6%	27,673	7,626	27.6%	52,280	18,294	35.0%
2013	4,821	1,057	21.9%	31,727	7,115	22.4%	60,129	17,517	29.1%
2014	4,447	818	18.4%	30,396	6,152	20.2%	59,960	16,397	27.3%
2015	4,649	915	19.7%	32,220	7,043	21.9%	65,569	19,479	29.7%
2016	4,738	767	16.2%	34,135	6,734	19.7%	73,347	20,045	27.3%

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

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

TABLE 11
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, City of Boston, 2016

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	25	71	94	106	126
Black	22	82	118	69	13
Latino	14	56	88	57	23
White	42	368	717	975	1,040
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	0.0%	1.4%	5.3%	3.8%	0.8%
Black	9.1%	20.7%	47.5%	47.8%	0.0%
Latino	7.1%	23.2%	43.2%	33.3%	0.0%
White	0.0%	2.2%	3.2%	4.2%	0.7%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	NA	0.65	1.66	0.90	1.18
Black	NA	9.54	14.79	11.37	0.00
Latino	NA	10.68	13.46	7.93	0.00
White	NA	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston MSA (\$94,000 in 2016).

“Low” is less than 50% of this amount (\$1K–\$47K in 2016); “Moderate” is 50%–80% of this amount (\$48K–\$75K);

“Middle” is 80%–120% of this amount (\$76K–\$112K); “High” is 120%–200% of this amount (\$113K–\$188K); and

“Highest” is over 200% of this amount (\$189K or more). HMDA data report income to the nearest thousand dollars.

TABLE 12
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2016

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	195	658	954	1,187	969
Black	56	345	427	233	79
Latino	156	669	766	343	151
White	644	3,435	5,557	7,626	5,895
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	1.5%	4.6%	4.6%	2.1%	0.2%
Black	19.6%	34.5%	44.0%	33.0%	6.3%
Latino	26.9%	41.9%	50.1%	28.6%	4.0%
White	7.3%	12.5%	11.2%	6.9%	1.4%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	0.21	0.36	0.41	0.30	0.15
Black	2.69	2.75	3.91	4.76	4.61
Latino	3.69	3.34	4.46	4.11	2.89
White	1.00	1.00	1.00	1.00	1.00

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2016 was \$94,000 (three small communities were in the Worcester MSA, where the MFI in 2016 was \$78,500). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA.

TABLE 13
Total & FHA-Insured Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2016

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	340	1,009	1,387	1,700	1,234
Black	246	1,070	1,001	508	129
Latino	704	2,089	1,612	659	234
White	2,568	10,503	14,438	15,593	9,244
B. FHA LOANS AS PERCENT OF TOTAL					
Asian	8.5%	10.0%	8.0%	3.1%	0.3%
Black	50.4%	55.3%	50.0%	33.3%	10.9%
Latino	48.4%	55.4%	50.4%	30.2%	5.6%
White	21.7%	23.1%	18.0%	10.8%	2.5%
C. FHA LOAN SHARE DISPARITY RATIOS (Ratio to White FHA percentage for same income category)					
Asian	0.39	0.43	0.44	0.28	0.13
Black	2.32	2.40	2.77	3.08	4.38
Latino	2.23	2.40	2.80	2.79	2.24
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area (MSA) in which the home is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2016 ranging from \$68,000 to \$94,000. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from \$135K in the Springfield MSA to \$192K in the Boston MSA. See "Notes on Data & Methods."

TABLE 14
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2016

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	23	18	4	0	45
50%-75% Minority	14	13	6	0	33
25%-50% Minority	9	16	18	7	50
> 75% White	0	1	10	28	39
Total	46	48	38	35	167
B. NUMBER OF LOANS					
> 75% Minority	225	324	114	0	663
50%-75% Minority	274	494	187	0	955
25%-50% Minority	82	364	490	253	1,189
> 75% White	0	17	488	1,421	663
Total	581	1,199	1,279	1,674	3,470
C. LOANS AS PERCENT OF TOTAL LOANS IN BOSTON					
> 75% Minority	6.5%	9.3%	3.3%	na	19.1%
50%-75% Minority	7.9%	14.2%	5.4%	na	27.5%
25%-50% Minority	2.4%	10.5%	14.1%	7.3%	34.3%
> 75% White	0.0%	0.5%	14.1%	41.0%	19.1%
Total	16.7%	34.6%	36.9%	48.2%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	29.8%	28.1%	29.8%	na	29.0%
50%-75% Minority	4.4%	5.9%	17.6%	na	7.7%
25%-50% Minority	0.0%	2.7%	2.4%	0.8%	2.0%
> 75% White	na	0.0%	1.4%	0.8%	2.9%
Total	13.6%	10.8%	6.7%	0.8%	8.9%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in Upper-Income Tracts > 75% White)					
> 75% Minority	35.26	33.26	35.32	na	34.29
50%-75% Minority	5.19	6.95	20.90	na	9.18
25%-50% Minority	0.00	3.25	2.90	0.94	2.39
> 75% White	na	0.00	1.70	1.00	3.39
Total	16.10	12.84	7.96	0.99	10.54

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the Boston-Quincy Metropolitan District (MD). "Low" is less than 50% of the MFI of the MD; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MD. A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2016 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 15
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2016

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	32	17	4	0	53
50%-75% Minority	25	29	12	0	66
25%-50% Minority	14	64	66	26	170
> 75% White	1	24	164	209	398
Total	72	134	246	235	687
B. NUMBER OF LOANS					
> 75% Minority	422	324	114	0	860
50%-75% Minority	563	981	590	0	2,134
25%-50% Minority	217	2,107	2,730	1,194	6,248
> 75% White	36	1,163	10,393	13,296	24,888
Total	1,238	4,575	13,827	14,490	34,130
C. LOANS AS PERCENT OF TOTAL LOANS IN GREATER BOSTON					
> 75% Minority	1.2%	0.9%	0.3%	0.0%	2.5%
50%-75% Minority	1.6%	2.9%	1.7%	0.0%	6.3%
25%-50% Minority	0.6%	6.2%	8.0%	3.5%	18.3%
> 75% White	0.1%	3.4%	30.5%	39.0%	72.9%
Total	3.6%	13.4%	40.5%	42.5%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	38.9%	28.1%	29.8%	na	33.6%
50%-75% Minority	12.4%	17.5%	23.7%	na	17.9%
25%-50% Minority	6.0%	18.4%	8.7%	2.2%	10.6%
> 75% White	25.0%	15.7%	11.6%	4.4%	8.0%
Total	20.7%	18.2%	11.7%	4.2%	9.7%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in Upper-Income Tracts >75% White)					
> 75% Minority	8.80	6.36	6.76	na	7.61
50%-75% Minority	2.82	3.97	5.37	na	4.05
25%-50% Minority	1.36	4.16	1.97	0.49	2.40
> 75% White	5.66	3.56	2.62	1.00	1.80
Total	4.68	4.12	2.65	0.96	2.20

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

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2016 HMDA data. See "Notes on Data and Methods" for more information.

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

TABLE 16
Total & FHA Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2016

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	71	24	4	0	99
50%-75% Minority	47	57	14	0	118
25%-50% Minority	34	121	91	33	279
> 75% White	9	79	487	375	950
Total	161	281	596	408	1,446
B. NUMBER OF LOANS					
> 75% Minority	1,015	471	114	0	1,600
50%-75% Minority	921	2,107	628	0	3,656
25%-50% Minority	527	4,201	4,192	1,635	10,555
> 75% White	130	2,981	29,649	24,768	57,528
Total	2,593	9,760	34,583	26,403	73,339
C. LOANS IN AS PERCENT OF TOTAL LOANS IN MASSACHUSETTS					
> 75% Minority	1.4%	0.6%	0.2%	0.0%	2.2%
50%-75% Minority	1.3%	2.9%	0.9%	0.0%	5.0%
25%-50% Minority	0.7%	5.7%	5.7%	2.2%	14.4%
> 75% White	0.2%	4.1%	40.4%	33.8%	78.4%
Total	3.5%	13.3%	47.2%	36.0%	100.0%
D. FHA LOANS AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	53.8%	43.5%	29.8%	na	49.1%
50%-75% Minority	27.6%	37.7%	25.3%	na	33.0%
25%-50% Minority	28.8%	30.2%	19.6%	2.2%	21.6%
> 75% White	44.6%	27.7%	18.3%	8.4%	14.6%
Total	39.0%	31.7%	18.7%	8.1%	17.3%
E. FHA SHARE DISPARITY RATIOS (Ratio to FHA % in HIGH-Income Tracts > 75% White)					
> 75% Minority	6.37	5.16	3.53	na	5.81
50%-75% Minority	3.27	4.47	3.00	na	3.91
25%-50% Minority	3.42	3.57	2.32	0.26	2.55
> 75% White	5.29	3.28	2.17	1.00	1.73
Total	4.62	3.75	2.21	0.95	2.05

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

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2016 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 17
Total & FHA-Insured Loans, By Neighborhood*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2016

Neighborhood	All Loans	FHA Loans	Percent FHA	Percent Minority*	Median Fam Inc.*	Population*
Mattapan	138	50	36.2%	93.9%	\$46,890	24,268
Hyde Park	257	69	26.8%	74.1%	\$74,269	35,585
Dorchester	664	108	16.3%	77.9%	\$50,003	124,489
Roxbury	134	20	14.9%	89.1%	\$31,831	51,252
East Boston	250	23	9.2%	68.0%	\$53,115	44,989
West Roxbury	336	16	4.8%	26.6%	\$100,256	32,795
Roslindale	300	14	4.7%	49.0%	\$79,277	28,644
Brighton	157	3	1.9%	33.1%	\$61,588	47,768
South Boston	601	3	0.5%	22.3%	\$69,281	35,660
Jamaica Plain	421	2	0.5%	45.7%	\$89,894	39,240
Charlestown	334	1	0.3%	30.4%	\$115,200	18,058
Allston	19	0	0.0%	42.7%	\$58,827	19,761
Back Bay	163	0	0.0%	23.6%	\$148,556	17,577
Beacon Hill	86	0	0.0%	12.8%	\$137,825	9,305
Downtown	231	0	0.0%	43.8%	\$92,302	16,903
Fenway	49	0	0.0%	38.6%	\$72,175	32,210
Mission Hill	41	0	0.0%	53.4%	\$32,320	16,700
North End	75	0	0.0%	9.2%	\$109,091	9,107
Seaport	61	0	0.0%	15.8%	\$148,646	2,862
South End	417	0	0.0%	44.9%	\$99,601	31,601
City of Boston	4,738	309	6.5%	54.5%	\$64,191	650,281

* This report uses the “Neighborhoods” defined by the Boston Planning & Development Agency (BPDA). Three of the BPDA’s 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 329), Longwood Medical Area (0 loans, pop. 5,233); and West End (4 loans, pop. 5,945). *Percent minority* is 100% minus the percentage of the population that is non-Latino white-only. Population and income data are from the BPDA’s *Boston in Context: Neighborhoods: 2011–2015 American Community Survey*, January 2017. This table uses the more common name “Seaport” for what the BRA calls “South Boston Waterfront.”

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

TABLE 18
Loans to and Applications from Black and Latino Borrowers, by Boston Neighborhood
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

A. LOANS TO BLACK BORROWERS										
Neighborhood	Loans to Blacks	Applics from Blacks	Total Loans	Black % of All Loans	Percentage of Boston Totals					
					Loans to Blacks	Cumulative % of Black Loans	Total Loans	Cumulative % of Total Loans	Black Pop'n	Total Pop'n
Dorchester	96	151	664	14.5%	31.3%	31.3%	14.0%	14.0%	37.2%	19.1%
Hyde Park	74	118	257	28.8%	24.1%	55.4%	5.4%	19.4%	10.9%	5.5%
Mattapan	65	90	138	47.1%	21.2%	76.5%	2.9%	22.4%	12.1%	3.7%
Roxbury	27	52	134	20.1%	8.8%	85.3%	2.8%	25.2%	18.4%	7.9%
Roslindale	14	24	300	4.7%	4.6%	89.9%	6.3%	31.5%	4.1%	4.4%
West Roxbury	11	14	336	3.3%	3.6%	93.5%	7.1%	38.6%	2.0%	5.0%
Jamaica Plain	8	9	421	1.9%	2.6%	96.1%	8.9%	47.5%	3.1%	6.0%
East Boston	2	6	250	0.8%	0.7%	96.7%	5.3%	52.8%	0.7%	6.9%
South Boston	2	5	601	0.3%	0.7%	97.4%	12.7%	65.4%	1.6%	5.5%
Allston	1	1	19	5.3%	0.3%	97.7%	0.4%	65.9%	0.8%	3.0%
Brighton	1	2	157	0.6%	0.3%	98.0%	3.3%	69.2%	1.3%	7.3%
Charlestown	1	2	334	0.3%	0.3%	98.4%	7.0%	76.2%	1.1%	2.8%
Downtown	1	1	231	0.4%	0.3%	98.7%	4.9%	81.1%	0.4%	2.6%
Fenway	1	1	49	2.0%	0.3%	99.0%	1.0%	82.1%	1.1%	5.0%
Mission Hill	1	1	41	2.4%	0.3%	99.3%	0.9%	83.0%	1.9%	2.6%
Seaport	1	1	61	1.6%	0.3%	99.7%	1.3%	84.3%	0.0%	0.4%
South End	1	4	417	0.2%	0.3%	100.0%	8.8%	93.1%	2.5%	4.9%
Back Bay	0	0	163	0.0%	0.0%	100.0%	3.4%	96.5%	0.5%	2.7%
Beacon Hill	0	0	86	0.0%	0.0%	100.0%	1.8%	98.3%	0.1%	1.4%
North End	0	0	75	0.0%	0.0%	100.0%	1.6%	99.9%	0.0%	1.4%
Boston Total	307	482	4,738	6.5%	100.0%		100.0%		100.0%	100.0%
B. LOANS TO LATINO BORROWERS										
Neighborhood	Loans to Latinos	Applics from Latinos	Total Loans	Latino % of All Loans	Percentage of Boston Totals					
					Loans to Latinos	Cumulative % of Latino Loans	Total Loans	Cumulative % of Total Loans	Latino Pop'n	Total Pop'n
Hyde Park	51	70	257	19.8%	21.2%	21.2%	5.4%	5.4%	6.8%	5.5%
Dorchester	41	69	664	6.2%	17.0%	38.2%	14.0%	19.4%	16.6%	19.1%
East Boston	33	47	250	13.2%	13.7%	51.9%	5.3%	24.7%	21.3%	6.9%
Roslindale	21	25	300	7.0%	8.7%	60.6%	6.3%	31.0%	5.3%	4.4%
Mattapan	17	23	138	12.3%	7.1%	67.6%	2.9%	34.0%	3.2%	3.7%
Jamaica Plain	16	19	421	3.8%	6.6%	74.3%	8.9%	42.8%	8.2%	6.0%
Roxbury	12	23	134	9.0%	5.0%	79.3%	2.8%	45.7%	12.1%	7.9%
West Roxbury	10	16	336	3.0%	4.1%	83.4%	7.1%	52.8%	2.4%	5.0%
South Boston	9	13	601	1.5%	3.7%	87.1%	12.7%	65.4%	3.1%	5.5%
South End	9	11	417	2.2%	3.7%	90.9%	8.8%	74.3%	3.6%	4.9%
Back Bay	4	4	163	2.5%	1.7%	92.5%	3.4%	77.7%	1.2%	2.7%
Brighton	4	4	157	2.5%	1.7%	94.2%	3.3%	81.0%	4.1%	7.3%
North End	4	5	75	5.3%	1.7%	95.9%	1.6%	82.6%	0.3%	1.4%
Charlestown	3	5	334	0.9%	1.2%	97.1%	7.0%	89.6%	1.6%	2.8%
Downtown	3	4	231	1.3%	1.2%	98.3%	4.9%	94.5%	0.9%	2.6%
Beacon Hill	2	3	86	2.3%	0.8%	99.2%	1.8%	96.3%	0.3%	1.4%
Fenway	1	2	49	2.0%	0.4%	99.6%	1.0%	97.4%	3.0%	5.0%
Mission Hill	1	2	41	2.4%	0.4%	100.0%	0.9%	98.2%	2.5%	2.6%
Allston	0	0	19	0.0%	0.0%	100.0%	0.4%	98.6%	2.6%	3.0%
Seaport	0	1	61	0.0%	0.0%	100.0%	1.3%	99.9%	0.0%	0.4%
Boston Total	241	346	4,738	5.1%	100.0%		100.0%		100.0%	100.0%

* This report uses "Neighborhoods" defined by the Boston Planning & Development Agency (BPDA). Three of the BPDA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 329), Longwood Medical Area (0 loans, pop. 5,233) and West End (4 loans, all to whites; pop. 5,945). This table uses the more common name "Seaport" for what the BRA calls "South Boston Waterfront." Population data are from the BPDA's *Boston in Context: Neighborhoods: 2011-2015 American Community Survey*, January 2017.

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

TABLE 19
The Ten Massachusetts Cities with the Most Loans to Black & Latino Borrowers
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

A. LOANS TO BLACK BORROWERS										
City or Town	Rank	Number of Loans			Percentage of Massachusetts Totals					
		To Black Borrowers	To All Borrowers	Black % of All Loans	Loans to Blacks	Cumulative % of Loans to Blacks	Total Loans	Cumulative % of Total Loans	Black Pop'n	Total Pop'n
Brockton	1	537	1,123	47.8%	18.1%	18.1%	1.5%	1.5%	8.4%	1.4%
Boston	2	307	4,738	6.5%	10.4%	28.5%	6.5%	8.0%	34.0%	9.7%
Worcester	3	171	1,517	11.3%	5.8%	34.3%	2.1%	10.1%	4.8%	2.7%
Springfield	4	150	1,237	12.1%	5.1%	39.3%	1.7%	11.7%	6.7%	2.3%
Randolph	5	137	346	39.6%	4.6%	43.9%	0.5%	12.2%	3.2%	0.5%
Lynn	6	82	960	8.5%	2.8%	46.7%	1.3%	13.5%	2.5%	1.4%
Taunton	7	79	712	11.1%	2.7%	49.4%	1.0%	14.5%	0.7%	0.8%
Stoughton	8	78	373	20.9%	2.6%	52.0%	0.5%	15.0%	0.7%	0.4%
New Bedford	9	63	700	9.0%	2.1%	54.1%	1.0%	16.0%	1.5%	1.4%
Lowell	10	58	887	6.5%	2.0%	56.1%	1.2%	17.2%	1.7%	1.6%
341 Others		1,301	60,754	2.1%	43.9%	100.0%	82.8%	100.0%	35.9%	77.7%
Massachusetts		2,963	73,347	4.0%	100.0%		100.0%		100.0%	100.0%
B. LOANS TO LATINO BORROWERS										
City or Town	Rank	Number of Loans			Percentage of Massachusetts Totals					
		To Latino Borrowers	To All Borrowers	Latino % of All Loans	Loans to Latinos	Cumulative % of Loans to Latinos	Total Loans	Cumulative % of Total Loans	Latino Pop'n	Total Pop'n
Lawrence	1	469	565	83.0%	8.8%	8.8%	0.8%	0.8%	8.5%	1.2%
Springfield	2	410	1,237	33.1%	7.7%	16.5%	1.7%	2.5%	9.2%	2.3%
Lynn	3	348	960	36.3%	6.5%	23.1%	1.3%	3.8%	4.6%	1.4%
Worcester	4	252	1,517	16.6%	4.7%	27.8%	2.1%	5.8%	5.4%	2.7%
Revere	5	243	512	47.5%	4.6%	32.4%	0.7%	6.5%	2.0%	0.8%
Boston	6	241	4,738	5.1%	4.5%	36.9%	6.5%	13.0%	17.3%	9.7%
Methuen	7	176	624	28.2%	3.3%	40.2%	0.9%	13.8%	1.6%	0.7%
Haverhill	8	157	859	18.3%	3.0%	43.2%	1.2%	15.0%	1.6%	0.9%
Brockton	9	141	1,123	12.6%	2.7%	45.8%	1.5%	16.5%	1.4%	1.4%
Lowell	10	131	887	14.8%	2.5%	48.3%	1.2%	17.8%	2.8%	1.6%
341 Others		2,752	60,325	4.6%	51.7%	100.0%	82.2%	100.0%	45.7%	77.2%
Massachusetts		5,320	73,347	7.3%	100.0%	100.0%	100.0%	200.0%	100.0%	100.0%

Population data are from the U.S. Census Bureau's 2011–2015 American Community Survey data.

Note: Related information about all but two of cities in this table—black and Latino shares of total population—is presented in Table 2.

The two exceptions are Randolph, where the black population share was 41.2% , and Stoughton, where the black population share was 10.7%.

TABLE 20
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston#, and Statewide
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. ALL NON-FHA LOANS											
Boston	539	296	232	3,780	7.8%	16.6%	9.5%	4.7%	1.67	3.56	2.04
Greater Boston	5,056	1,057	1,695	26,684	6.6%	12.1%	10.5%	5.1%	1.30	2.39	2.07
Massachusetts	7,143	2,286	3,786	56,925	7.2%	13.7%	12.3%	6.6%	1.09	2.09	1.87
B. FHA LOANS											
Boston	16	186	114	107	18.8%	17.2%	20.2%	7.5%	2.51	2.30	2.70
Greater Boston	150	617	1,107	2,275	14.7%	16.4%	13.9%	10.5%	1.39	1.55	1.32
Massachusetts	424	2,046	3,431	9,878	14.6%	16.4%	14.3%	11.1%	1.32	1.48	1.29
C. ALL LOANS											
Boston	555	482	346	3,887	8.1%	16.8%	13.0%	4.7%	1.71	3.55	2.75
Greater Boston	5,206	1,674	2,802	28,959	6.8%	13.7%	11.8%	5.5%	1.24	2.49	2.16
Massachusetts	7,567	4,332	7,217	66,803	7.6%	15.0%	13.2%	7.2%	1.05	2.07	1.83

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

TABLE 21
Applications And Denial Rates By Race & Income Of Applicant
Non-FHA ^ First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2016

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-50	34	23.5%	20	10.0%	91	15.4%	1.53	0.65
51-75	80	12.5%	53	13.2%	410	5.4%	2.33	2.46
76-100	76	21.1%	60	13.3%	587	4.3%	4.94	3.13
101-125	45	13.3%	25	0.0%	501	5.2%	2.57	0.00
126-150	20	0.0%	21	0.0%	430	5.3%	0.00	0.00
over 150	39	23.1%	46	6.5%	1,658	3.9%	5.98	1.69
Total*	296	16.6%	232	9.5%	3,780	4.7%	3.56	2.04
B. GREATER BOSTON								
1-50	88	21.6%	230	17.4%	1,176	15.9%	1.36	1.09
51-75	293	13.0%	454	12.1%	3,498	7.2%	1.81	1.69
76-100	246	12.6%	386	10.6%	4,231	5.2%	2.45	2.06
101-125	162	9.3%	197	9.1%	3,739	4.0%	2.31	2.28
126-150	78	6.4%	117	6.0%	3,177	4.0%	1.62	1.51
over 150	180	11.1%	291	4.8%	10,445	3.8%	2.95	1.28
Total*	1,057	12.1%	1,698	10.5%	26,684	5.1%	2.39	2.07
C. MASSACHUSETTS								
1-50	343	24.8%	901	18.5%	5,971	16.6%	1.49	1.12
51-75	701	14.3%	1,175	12.4%	11,177	8.0%	1.77	1.54
76-100	511	12.1%	696	11.4%	10,109	5.8%	2.10	1.96
101-125	287	8.0%	348	8.9%	7,864	4.5%	1.78	1.98
126-150	159	9.4%	212	6.1%	5,905	4.2%	2.25	1.46
over 150	269	10.8%	417	5.8%	15,209	3.9%	2.80	1.49
Total*	2,286	13.7%	3,786	12.3%	56,925	6.6%	2.09	1.87

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

* Total includes applicants without reported income.

TABLE 22
Denial Rates and Denial Rate Disparity Ratios
For Asian, Black, Latino, and White Applicants for
First-Lien Home-Purchase Loans for Owner-Occupied Homes
Boston, Greater Boston, and Massachusetts, 2004–2016

	Denial Rate				Denial Rate Disparity Ratio		
	Asian	Black	Latino	White	Asian/ White	Black/ White	Latino/ White
A. BOSTON							
2004	12.2%	22.7%	19.2%	8.8%	1.39	2.58	2.19
2005	14.6%	23.6%	20.9%	10.1%	1.45	2.34	2.07
2006 ^	8.9%	21.1%	21.4%	8.3%	1.07	2.54	2.58
2007 ^	11.4%	26.9%	25.8%	8.6%	1.34	3.14	3.01
2008	14.8%	30.8%	28.7%	12.0%	1.24	2.57	2.39
2009	17.1%	24.7%	22.2%	11.2%	1.53	2.21	1.98
2010	14.1%	23.3%	21.7%	12.0%	1.18	1.95	1.82
2011	14.4%	26.9%	22.7%	9.3%	1.54	2.88	2.43
2012	10.3%	24.5%	21.1%	8.6%	1.19	2.85	2.45
2013	11.5%	25.3%	13.9%	7.1%	1.62	3.57	1.95
2014	7.3%	22.7%	15.8%	6.3%	1.15	3.60	2.50
2015	7.2%	17.8%	11.2%	6.1%	1.18	2.93	1.86
2016	8.1%	16.8%	13.0%	4.7%	1.71	3.55	2.75
B. GREATER BOSTON							
2004	8.5%	21.4%	17.6%	7.6%	1.12	2.84	2.33
2005	9.8%	22.3%	19.5%	8.9%	1.11	2.50	2.18
2006 ^	6.9%	19.2%	16.7%	6.6%	1.04	2.92	2.54
2007 ^	7.6%	23.8%	22.2%	7.3%	1.04	3.28	3.06
2008	12.0%	27.8%	25.1%	10.3%	1.16	2.69	2.43
2009	12.0%	22.8%	21.7%	9.6%	1.25	2.37	2.25
2010	12.0%	21.3%	19.7%	9.8%	1.22	2.16	2.01
2011	11.4%	21.6%	20.4%	8.0%	1.43	2.70	2.55
2012	9.4%	20.8%	18.6%	8.0%	1.17	2.61	2.33
2013	8.9%	20.6%	15.9%	7.3%	1.23	2.84	2.18
2014	8.1%	19.4%	13.5%	6.5%	1.25	2.98	2.08
2015	7.2%	15.6%	11.7%	5.7%	1.27	2.73	2.06
2016	6.8%	13.7%	11.8%	5.5%	1.24	2.49	2.15
C. MASSACHUSETTS							
2004	9.0%	20.2%	18.0%	8.8%	1.02	2.30	2.04
2005	10.1%	21.3%	19.1%	9.7%	1.04	2.20	1.97
2006 ^	7.6%	19.6%	17.4%	7.4%	1.03	2.63	2.34
2007 ^	9.1%	23.8%	20.8%	8.4%	1.08	2.84	2.48
2008	13.3%	26.6%	25.0%	11.2%	1.19	2.37	2.23
2009	13.0%	21.9%	21.5%	10.7%	1.21	2.05	2.01
2010	13.3%	22.2%	21.4%	11.1%	1.20	2.00	1.92
2011	12.9%	22.0%	20.8%	10.1%	1.28	2.19	2.07
2012	10.9%	21.4%	19.8%	9.8%	1.11	2.19	2.03
2013	9.6%	20.9%	17.0%	9.1%	1.06	2.30	1.88
2014	9.3%	19.2%	16.3%	8.1%	1.15	2.37	2.01
2015	8.2%	16.0%	13.5%	7.2%	1.14	2.21	1.86
2016	7.6%	15.0%	13.2%	7.2%	1.05	2.07	1.83

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

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

TABLE 23
Shares of Total Loans by Major Types of Lenders, 2004–2016
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*
2004	22.2%	42.5%	35.2%	23.2%	41.8%	34.9%	26.5%	39.1%	34.4%
2005	19.7%	49.8%	30.5%	19.8%	49.3%	30.9%	23.6%	46.8%	29.6%
2006	22.2%	49.4%	28.3%	22.1%	49.3%	28.5%	25.6%	46.3%	28.1%
2007	35.8%	29.8%	34.5%	33.6%	33.4%	33.1%	37.7%	30.5%	31.8%
2008	39.0%	26.0%	35.0%	37.1%	29.9%	33.0%	41.2%	27.0%	31.8%
2009	47.5%	32.3%	20.2%	42.6%	36.4%	21.0%	45.1%	33.3%	21.6%
2010	45.3%	33.7%	21.0%	41.8%	37.0%	21.2%	43.7%	34.4%	21.9%
2011	43.3%	34.9%	21.9%	40.5%	37.8%	21.7%	42.6%	34.9%	22.6%
2012	42.8%	42.2%	15.0%	43.1%	41.0%	15.9%	44.4%	39.3%	16.4%
2013	42.8%	44.4%	12.8%	43.9%	42.8%	13.3%	44.6%	41.0%	14.4%
2014	45.4%	42.0%	12.6%	43.7%	42.6%	13.6%	43.1%	42.8%	14.2%
2015	45.4%	41.7%	13.0%	45.0%	42.1%	12.9%	43.5%	43.2%	13.2%
2016	45.5%	40.8%	13.6%	42.7%	43.5%	13.8%	40.3%	45.5%	14.1%

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

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

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

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

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

TABLE 24
Shares of Total Loans and FHA-Insured Loans by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	All Home-Purchase Loans				FHA-Insured Home-Purchase Loans			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	4,738	45.5%	40.8%	13.6%	309	19.4%	72.5%	8.1%
Greater Boston	34,135	42.7%	43.5%	13.8%	3,317	16.4%	77.1%	6.5%
Massachusetts	73,347	40.3%	45.5%	14.1%	12,680	15.9%	75.9%	8.2%

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

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

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

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

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

TABLE 25
FHA-Insured Loans and Loan Percentages by Major Lender Type
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA	All Loans	FHA Loans	% FHA
Boston	2,158	60	2.8%	1,934	224	11.6%	646	25	3.9%
Greater Boston	14,563	544	3.7%	14,855	2,558	17.2%	4,717	215	4.6%
Massachusetts	29,578	2,017	6.8%	33,396	9,624	28.8%	10,373	1,039	10.0%

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

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

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

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

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

TABLE 26
Shares of Non-FHA Loans & of All Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
Boston, Greater Boston, and Massachusetts, 2016
First-Lien Home-Purchase Loans for Owner-Occupied Homes Only

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- FHA Loans	All Loans	Non- FHA Loans	All Loans	Non- FHA Loans	All Loans	Non- FHA Loans	All Loans	Non-FHA Loans	All Loans
I. CITY OF BOSTON											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	2,158	82	99	82	96	332	343	670	707	172	202
% of Loans	100%	3.8%	4.6%	3.8%	4.4%	15.4%	15.9%	31.0%	32.8%	8.0%	9.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,934	87	169	61	115	327	359	745	901	181	297
% of Loans	100%	4.5%	8.7%	3.2%	5.9%	16.9%	18.6%	38.5%	46.6%	9.4%	15.4%
C. OTHER LENDERS*											
Number of Loans	646	29	39	27	30	63	65	156	172	38	50
% of Loans	100%	4.5%	6.0%	4.2%	4.6%	9.8%	10.1%	24.1%	26.6%	5.9%	7.7%
D. TOTAL											
Number of Loans	4,738	198	307	170	241	722	767	1,571	1,780	391	549
% of Loans	100%	4.2%	6.5%	3.6%	5.1%	15.2%	16.2%	33.2%	37.6%	8.3%	11.6%
II. GREATER BOSTON											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	14,563	305	380	504	656	2,419	2,590	2,054	2,274	219	276
% of Loans	100%	2.1%	2.6%	3.5%	4.5%	16.6%	17.8%	14.1%	15.6%	1.5%	1.9%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	14,855	334	639	607	1,206	2,770	3,590	2,220	3,017	231	409
% of Loans	100%	2.2%	4.3%	4.1%	8.1%	18.6%	24.2%	14.9%	20.3%	1.6%	2.8%
C. OTHER LENDERS*											
Number of Loans	4,717	107	128	172	233	494	554	450	522	41	61
% of Loans	100%	2.3%	2.7%	3.6%	4.9%	10.5%	11.7%	9.5%	11.1%	0.9%	1.3%
D. TOTAL											
Number of Loans	34,135	746	1,147	1,283	2,095	5,683	6,734	4,724	5,813	491	746
% of Loans	100%	2.2%	3.4%	3.8%	6.1%	16.6%	19.7%	13.8%	17.0%	1.4%	2.2%
III. MASSACHUSETTS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	29,578	592	829	1,200	1,678	6,293	7,176	3,685	4,442	349	519
% of Loans	100%	2.0%	2.8%	4.1%	5.7%	21.3%	24.3%	12.5%	15.0%	1.2%	1.8%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	33,396	684	1,738	1,146	2,954	6,259	10,625	3,542	6,521	299	811
% of Loans	100%	2.0%	5.2%	3.4%	8.8%	18.7%	31.8%	10.6%	19.5%	0.9%	2.4%
C. OTHER LENDERS*											
Number of Loans	10,373	287	396	448	688	1,751	2,244	1,024	1,390	87	156
% of Loans	100%	2.8%	3.8%	4.3%	6.6%	16.9%	21.6%	9.9%	13.4%	0.8%	1.5%
D. TOTAL											
Number of Loans	73,347	1,563	2,963	2,794	5,320	14,303	20,045	8,251	12,353	735	1,486
% of Loans	100%	2.1%	4.0%	3.8%	7.3%	19.5%	27.3%	11.2%	16.8%	1.0%	2.0%

* For definitions and explanations of Lender Types see footnote to Table 24 or 25.

For definitions of LMI [Low- or moderate-income] borrowers and census tracts, see footnotes to Tables 14 and 17.

TABLE 27
The Biggest Lenders in Boston, Greater Boston, and Massachusetts*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

Lender	Lender Type#	Rank			Loans		
		Boston	Greater Bos	Mass	Boston	Greater Bos	Mass
Guaranteed Rate	LML	1	1	1	513	2,518	3,645
Leader Bank	CRA	2	2	3	301	2,007	2,550
Wells Fargo Bank	OTH	4	3	6	230	1,466	2,050
loanDepot ^	LML	6	4	4	207	1,315	2,482
Fairway Independent Mort	LML	5	5	5	226	1,146	2,317
Mortgage Network	LML	8	6	7	130	995	2,029
Salem Five Mortgage	CRA	18	7	8	61	875	1,577
Bank of America	CRA	7	8	10	132	860	1,279
Residential Mortgage	LML	11	9	2	106	816	3,145
Santander Bank	CRA	10	10	9	107	766	1,458
JPMorgan Chase	OTH	13	11	17	97	714	879
Prospect Mortgage	LML	17	12	11	68	629	1,168
Citizens Bank	CRA	9	13	12	111	621	1,125
First Republic Bank	CRA	3	14	27	255	540	562
MSA Mortgage	LML	20	15	28	58	469	561
PHH Home Loans	LML	25	16	18	44	463	824
Blue Hills Bank	CRA	14	17	31	87	430	512
Quicken Loans	LML	26	18	13	37	422	1,121
Berkshire Bank	CRA	22	19	20	53	421	794
Webster Bank	CRA	15	20	24	81	405	661
Radius Financial Group	LML	38	21	16	25	395	974
People's United Bank	CRA	12	22	34	106	382	485
United Shore Financial	LML	30	23	15	34	377	975
Rockland Trust	CRA	40	24	22	24	357	723
Eastern Bank	CRA	19	25	32	61	348	504
Mortgage Financial	LML	46	26	26	19	342	595
Bank of Canton	CRA	27	27	30	36	322	514
Crosscountry Mortgage	LML	81	28	33	8	306	495
Belmont Savings Bank	CRA	35	29	53	28	288	312
Sage Bank	CRA	32	30	19	32	261	805
Total, 30 Biggest Lenders					3,435	21,256	38,468
Number of Lenders					262	433	521
Total, All Lenders					4,738	34,135	73,347

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

Six other lenders were in the top 30 in Boston: Boston Private Bank (77 loans, 16th), Citibank (54 loans, 21st), Needham Bank (46 loans, 23rd)

Washington Trust Mortgage (45 loans, 24th), Boston Firefighters CU (36 loans, 28th), and Harvard U Employees CU (also 36 loans, 28th).

Washington Trust is an LML; Citibank is an OTH lender; the other four are CRA lenders.

Four other lenders were in the top 30 statewide: Merrimack Mortgage (1,038 loans, 14th), Cape Cod Five (756 loans, 21st), Academy Mortgage (699 loans, 23rd), and Randolph Savngs Bank (623 loans, 25th). Academy is an LML; the other three are CRA lenders.

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

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

^ loanDepot acquired Mortgage Master in 2015.

TABLE 28
Lending by 30 Biggest Lenders in Greater Boston*, 2016
First-Lien Home-Purchase Loans for Owner-Occupied Homes

Lender	Total		Black & Latino Borrowers			Low+Mod-Inc Borrowers			FHA Loans		
	Loans	Rank	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
Guaranteed Rate	2,518	1	206	8.2%	1	474	18.8%	1	243	9.7%	1
Leader Bank	2,007	2	97	4.8%	8	250	12.5%	4	52	2.6%	19
Wells Fargo Bank	1,466	3	57	3.9%	16	74	5.0%	24	24	1.6%	37
loanDepot ^	1,315	4	102	7.8%	5	255	19.4%	3	140	10.6%	5
Fairway Independent Mort	1,146	5	145	12.7%	3	256	22.3%	2	141	12.3%	4
Mortgage Network	995	6	56	5.6%	18	224	22.5%	5	142	14.3%	3
Salem Five Mortgage	875	7	69	7.9%	13	219	25.0%	6	98	11.2%	10
Bank of America	860	8	26	3.0%	35	93	10.8%	18	16	1.9%	48
Residential Mortgage	816	9	100	12.3%	7	211	25.9%	7	163	20.0%	2
Santander Bank	766	10	90	11.7%	10	187	24.4%	8	39	5.1%	24
JPMorgan Chase	714	11	16	2.2%	45	10	1.4%	116	0	0.0%	141
Prospect Mortgage	629	12	62	9.9%	15	143	22.7%	10	122	19.4%	7
Citizens Bank	621	13	50	8.1%	21	141	22.7%	11	25	4.0%	34
First Republic Bank	540	14	11	2.0%	56	14	2.6%	89	0	0.0%	141
MSA Mortgage	469	15	97	20.7%	8	111	23.7%	14	88	18.8%	11
PHH Home Loans	463	16	39	8.4%	25	63	13.6%	29	21	4.5%	41
Blue Hills Bank	430	17	39	9.1%	25	53	12.3%	33	4	0.9%	86
Quicken Loans	422	18	45	10.7%	22	88	20.9%	21	74	17.5%	14
Berkshire Bank	421	19	15	3.6%	48	42	10.0%	40	10	2.4%	61
Webster Bank	405	20	24	5.9%	36	15	3.7%	84	4	1.0%	87
Radius Financial Group	395	21	53	13.4%	19	140	35.4%	12	122	30.9%	7
People's United Bank	382	22	21	5.5%	38	24	6.3%	58	7	1.8%	74
United Shore Financial	377	23	73	19.4%	12	121	32.1%	13	22	5.8%	39
Rockland Trust	357	24	156	43.7%	2	155	43.4%	9	101	28.3%	9
Eastern Bank	348	25	33	9.5%	30	101	29.0%	15	17	4.9%	46
Mortgage Financial	342	26	27	7.9%	34	93	27.2%	18	48	14.0%	20
Bank of Canton	322	27	8	2.5%	69	74	23.0%	25	0	0.0%	141
Crosscountry Mortgage	306	28	36	11.8%	28	89	29.1%	20	74	24.2%	14
Belmont Savings Bank	288	29	11	3.8%	56	8	2.8%	132	0	0.0%	141
Sage Bank	261	30	76	29.1%	11	94	36.0%	17	81	31.0%	13
Total: All 433 Lenders	34,135		3,242	9.5%		6,734	19.7%		3,317	9.7%	

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

^ loanDepot acquired Mortgage Master in 2015.

Other Notes:

This table includes the top 30 lenders in Greater Boston; rankings are among all of the 433 lenders with at least one loan in Greater Boston. See Table 29 for data on the total loans and rankings of these 30 lenders in Boston and in Massachusetts.

If lenders have the same number of loans in a category, they share a rank. For example, PHH Home Loans & Blue Hills Bank each made 39 loans to black and Latino borrowers, so they are both ranked 25th in that category, and no lender received the rank of 26th.

One lender was among the top 10 in FHA loans but not among the top 30 overall lenders; Home Point Financial 6th with 135 FHA loans.

Two lenders were among the top 10 in loans to black and Latino borrowers, but not among the top 30 overall lenders; Prime Lending ranked 4th in this category with 120 loans to blacks and Latinos and Home Point Financial ranked 6th with 101 loans.

APPENDIX TABLE I

All Home-Purchase and Refinance Loans in Massachusetts, 2016, Classified by Five Characteristics:
(1) Home-purchase or Refinance; (2) Conventional, FHA, or Other Gov-Backed; (3) First-Lien or Subordinate-Lien;
(4) Owner-Occupied or Not Owner-Occupied; and (5) Site-Built or Manufactured Housing

A. NUMBER OF LOANS												
	Home Purchase Loans				Refinance Loans				Total Loans			
	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total
First Lien	66,748	12,682	3,789	83,219	84,436	5,878	4,174	94,488	151,184	18,560	7,963	177,707
Owner-Occupied	56,879	12,680	3,788	73,347	76,707	5,789	4,134	86,630	133,586	18,469	7,922	159,977
Site-built	56,657	12,678	3,788	73,123	76,674	5,789	4,134	86,597	133,331	18,467	7,922	159,720
Mfg housing	222	2	0	224	33	0	0	33	255	2	0	257
Not Owner-Occ	9,869	2	1	9,872	7,729	89	40	7,858	17,598	91	41	17,730
Site-built	9,865	2	1	9,868	7,729	89	40	7,858	17,594	91	41	17,726
Mfg housing	4	0	0	4	0	0	0	0	4	0	0	4
Sub Lien	749	1	0	750	1,315	0	0	1,315	2,064	1	0	2,065
Owner-Occupied	722	1	0	723	1,288	0	0	1,288	2,010	1	0	2,011
Site-built	722	1	0	723	1,288	0	0	1,288	2,010	1	0	2,011
Mfg housing	0	0	0	0	0	0	0	0	0	0	0	0
Not Owner-Occ	27	0	0	27	27	0	0	27	54	0	0	54
Site-built	27	0	0	27	27	0	0	27	54	0	0	54
Mfg housing	0	0	0	0	0	0	0	0	0	0	0	0
Any Lien	67,497	12,683	3,789	83,969	85,751	5,878	4,174	95,803	153,248	18,561	7,963	179,772
Owner-Occupied	57,601	12,681	3,788	74,070	77,995	5,789	4,134	87,918	135,596	18,470	7,922	161,988
Site-built	57,379	12,679	3,788	73,846	77,962	5,789	4,134	87,885	135,341	18,468	7,922	161,731
Mfg housing	222	2	0	224	33	0	0	33	255	2	0	257
Not Owner-Occ	9,896	2	1	9,899	7,756	89	40	7,885	17,652	91	41	17,784
Site-built	9,892	2	1	9,895	7,756	89	40	7,885	17,648	91	41	17,780
Mfg housing	4	0	0	4	0	0	0	0	4	0	0	4
memo:												
total site-built	67,271	12,681	3,789	83,741	85,718	5,878	4,174	95,770	152,989	18,559	7,963	179,511
total mfg hsing	226	2	0	228	33	0	0	33	259	2	0	261
B. PERCENTAGE OF TOTAL LOANS												
	Home Purchase Loans				Refinance Loans				Total Loans			
	Convent	FHA	Other GBL	Total	Convent	FHA	Other GBL	Total	Convent	Other GBL	Other GBL	Total
First Lien	37.1%	7.1%	2.1%	46.3%	47.0%	3.3%	2.3%	52.6%	84.1%	10.3%	4.4%	98.9%
Owner-Occupied	31.6%	7.1%	2.1%	40.8%	42.7%	3.2%	2.3%	48.2%	74.3%	10.3%	4.4%	89.0%
Site-built	31.5%	7.1%	2.1%	40.7%	42.7%	3.2%	2.3%	48.2%	74.2%	10.3%	4.4%	88.8%
Mfg housing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Not Owner-Occ	5.5%	0.0%	0.0%	5.5%	4.3%	0.0%	0.0%	4.4%	9.8%	0.1%	0.0%	9.9%
Site-built	5.5%	0.0%	0.0%	5.5%	4.3%	0.0%	0.0%	4.4%	9.8%	0.1%	0.0%	9.9%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.4%	0.0%	0.0%	0.4%	0.7%	0.0%	0.0%	0.7%	1.1%	0.0%	0.0%	1.1%
Owner-Occupied	0.4%	0.0%	0.0%	0.4%	0.7%	0.0%	0.0%	0.7%	1.1%	0.0%	0.0%	1.1%
Site-built	0.4%	0.0%	0.0%	0.4%	0.7%	0.0%	0.0%	0.7%	1.1%	0.0%	0.0%	1.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site-built	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	37.5%	7.1%	2.1%	46.7%	47.7%	3.3%	2.3%	53.3%	85.2%	10.3%	4.4%	100.0%
Owner-Occupied	32.0%	7.1%	2.1%	41.2%	43.4%	3.2%	2.3%	48.9%	75.4%	10.3%	4.4%	90.1%
Site-built	31.9%	7.1%	2.1%	41.1%	43.4%	3.2%	2.3%	48.9%	75.3%	10.3%	4.4%	90.0%
Mfg housing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Not Owner-Occ	5.5%	0.0%	0.0%	5.5%	4.3%	0.0%	0.0%	4.4%	9.8%	0.1%	0.0%	9.9%
Site-built	5.5%	0.0%	0.0%	5.5%	4.3%	0.0%	0.0%	4.4%	9.8%	0.1%	0.0%	9.9%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:												
total site-built	37.4%	7.1%	2.1%	46.6%	47.7%	3.3%	2.3%	53.3%	85.1%	10.3%	4.4%	99.9%
total mfg hsing	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%

Notes:

This five-way classification results in a total of 48 categories. The number of loans in each of these categories was obtained from the 2016 HMDA data. All other numbers in this table are calculated from these 48 basic numbers (in 2016, 27 of these numbers were "0").

The text of this report, and most other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 89.0% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (9.9% of the total) and subordinate-lien loans (1.1%).

Of the "Other Gov-backed" loans, 7,963 (90.2%) were VA, and 781 (9.8%) were USDA. Of 4 total HEOPA loans, 3 were first-lien owner-occupied.

This table ignores the state's 20,024 home-improvement loans, of which 8,962 were first-lien loans on owner-occupied homes.

This table also ignores the 29 home-purchase and 31 refi loans for which owner-occupancy status was reported as "NA."

APPENDIX TABLE 2
Total, Conventional, and FHA Loans, by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type
Loans for Owner-Occupied Homes, Massachusetts, 2016

Borrower Race/Ethnicity	All Loans	Conventional Loans	FHA Loans	Percent FHA	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	5,791	5,456	297	5.1%	0.36
Black	2,979	1,408	1,400	47.0%	3.32
Latino	5,347	2,607	2,526	47.2%	3.34
White	53,120	42,559	7,508	14.1%	1.00
No Info*	6,607	5,415	895	13.5%	
Total*	74,070	57,601	12,681	17.1%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (99.0% of all Home Purchase Loans)					
Asian	5,709	5,374	297	5.2%	0.36
Black	2,963	1,392	1,400	47.2%	3.31
Latino	5,320	2,580	2,526	47.5%	3.33
White	52,612	42,052	7,507	14.3%	1.00
No Info*	6,520	5,328	895	13.7%	
Total*	73,347	56,879	12,680	17.3%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (1.0% of all Home Purchase Loans)					
Asian	82	82	0	0.0%	0.00
Black	16	16	0	0.0%	0.00
Latino	27	27	0	0.0%	0.00
White	508	507	1	0.2%	1.00
No Info*	87	87	0	0.0%	
Total*	723	722	1	0.1%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	4,981	4,828	111	2.2%	0.40
Black	2,316	1,684	443	19.1%	3.39
Latino	3,009	2,268	602	20.0%	3.55
White	67,332	60,397	3,796	5.6%	1.00
No Info*	9,999	8,589	817	8.2%	
Total*	87,918	77,995	5,789	6.6%	
B-2. REFINANCE LOANS — FIRST LIEN (98.5% of all Refinance Loans)					
Asian	4,939	4,786	111	2.2%	0.39
Black	2,303	1,671	443	19.2%	3.36
Latino	2,981	2,240	602	20.2%	3.53
White	66,353	59,418	3,796	5.7%	1.00
No Info*	9,776	8,366	817	8.4%	
Total*	86,630	76,707	5,789	6.7%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.5% of all Refinance Loans)					
Asian	42	42	0	0.0%	NA
Black	13	13	0	0.0%	NA
Latino	28	28	0	0.0%	NA
White	979	979	0	0.0%	NA
No Info*	223	223	0	0.0%	
Total*	1,288	1,288	0	0.0%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	10,772	10,284	408	3.8%	0.40
Black	5,295	3,092	1,843	34.8%	3.71
Latino	8,356	4,875	3,128	37.4%	3.99
White	120,452	102,956	11,304	9.4%	1.00
No Info*	16,606	14,004	1,712	10.3%	
Total*	161,988	135,596	18,470	11.4%	

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

"Total" includes "Other" as well as the categories shown; "other" is less than 0.5% in every category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2016*

Race/ Ethnicity	Number of Loans							Percent of All Loans#						
	1990	1995	2000	2005	2010	2015	2016	1990	1995	2000	2005	2010	2015	2016
Asian	100	269	381	453	317	426	428	5.7%	6.0%	5.8%	6.1%	9.3%	10.4%	10.3%
Black	287	880	710	1,065	332	272	307	16.4%	19.8%	10.9%	14.3%	9.7%	6.6%	7.4%
Latino	91	303	463	719	212	222	241	5.2%	6.8%	7.1%	9.7%	6.2%	5.4%	5.8%
White	1,266	2,866	4,831	5,175	2,548	3,163	3,159	72.5%	64.4%	74.0%	69.5%	74.5%	77.3%	76.2%
Other	3	132	147	34	13	11	10	0.2%	3.0%	2.3%	0.5%	0.4%	0.3%	0.2%
SubTotal#	1,747	4,450	6,532	7,446	3,422	4,094	4,145	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	536	555	593							
Total	1,770	4,637	7,467	8,330	3,958	4,649	4,738							

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

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

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

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

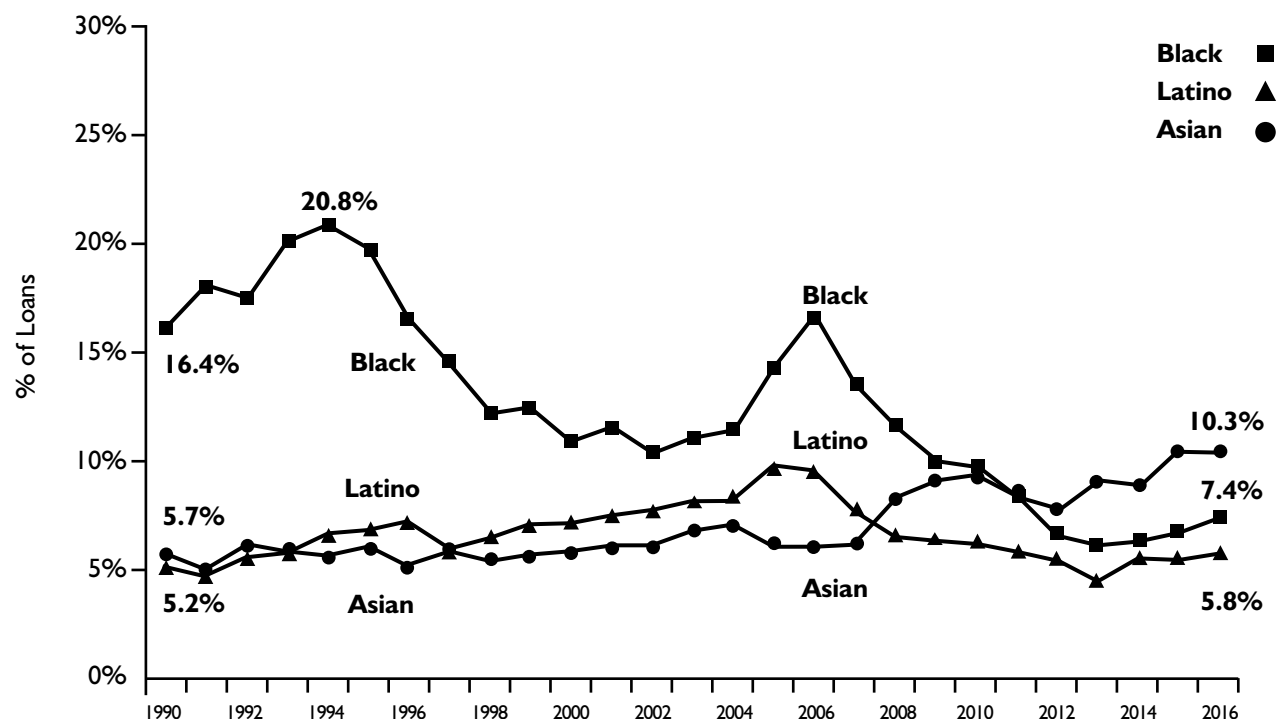
**Chart A-3: Shares of Home-Purchase Loans & Households
by Race/Ethnicity, Boston, 1990–2016***

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

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

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

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



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2016*

Income Level ^	Number of Loans							As Percent of All Loans						
	1990	1995	2000	2005	2010	2015	2016	1990	1995	2000	2005	2010	2015	2016
Low#	51	530	369	216	217	109	118	2.8%	11.6%	5.1%	2.7%	5.5%	2.6%	2.5%
Moderate	352	1,233	1,321	1,314	1,067	707	649	19.6%	27.0%	18.4%	16.4%	27.1%	16.8%	13.8%
Middle	527	1,261	1,815	2,281	1,036	969	1,129	29.3%	27.6%	25.2%	28.5%	26.4%	23.0%	24.0%
High	513	889	2,095	2,715	920	1,242	1,389	28.5%	19.4%	29.1%	33.9%	23.4%	29.5%	29.5%
Highest	355	659	1,589	1,474	691	1,182	1,419	19.7%	14.4%	22.1%	18.4%	17.6%	28.1%	30.2%
Hi+Hi'est	868	1,548	3,684	4,189	1,611	2,424	2,808	48.3%	33.9%	51.2%	52.4%	41.0%	57.6%	59.7%
Total#	1,798	4,572	7,189	8,000	3,931	4,209	4,704	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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

"Total" excludes borrowers without income data (34 in 2016); before 2004, Low & Total also excluded those with incomes of \$10K or less.

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

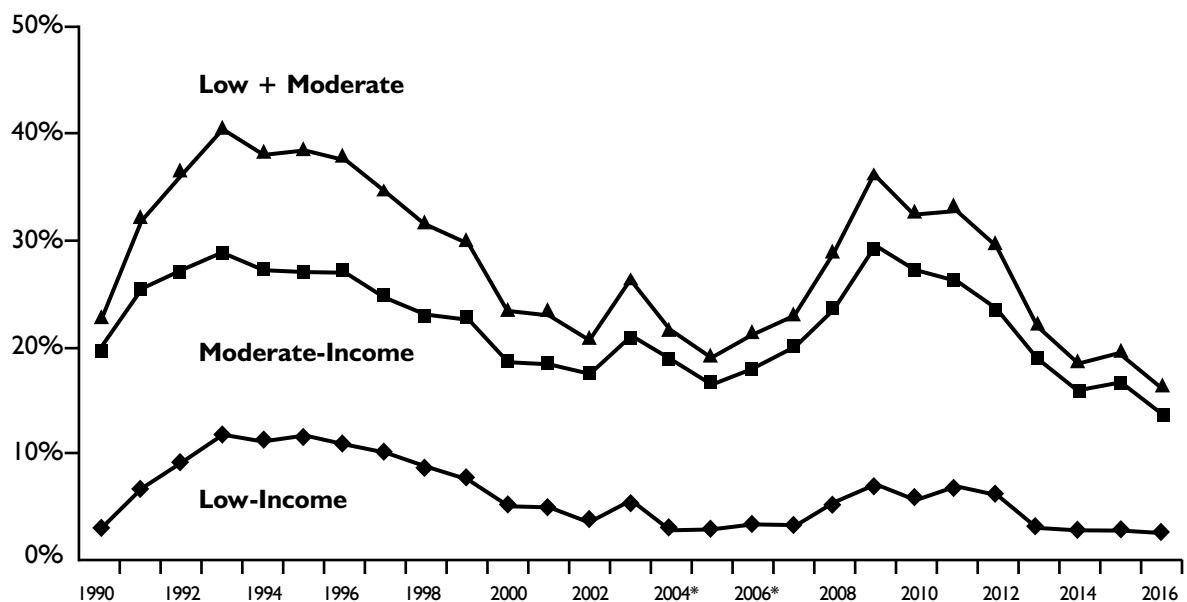
Low: <50% Moderate: 50%–80% Middle: 80%–120% High: 120%–200% Highest: >200%

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

1990: \$46,300; 1991: \$50,200; 1992: \$51,100; 1993: \$51,200; 1994: \$51,300; 1995: \$53,100; 1996: \$56,500; 1997: \$59,600
1998: \$60,000; 1999: \$62,700; 2000: \$65,500; 2001: \$70,000; 2002: \$74,200; 2003: \$80,800; 2004: \$75,300; 2005: \$76,400
2006: \$82,000; 2007: \$80,500; 2008: \$84,300; 2009: \$88,100; 2010: \$89,500; 2011: \$93,700; 2012: \$94,900; 2013: \$91,200
2014: \$90,500; 2015: \$95,500; 2016: \$94,000

Chart A-4: Loans to Low- and Moderate-Income Borrowers
as % of All Boston Home-Purchase Loans, 1990–2016*

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



APPENDIX TABLE 5
Conventional ^ Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2016*

	Denial Rate							Ratio to White Denial Rate						
	1990	1995	2000	2005	2010	2015	2016	1990	1995	2000	2005	2010	2015	2016
A. BOSTON														
Asian	14.5%	8.2%	12.7%	14.6%	12.3%	6.4%	7.7%	0.89	1.12	1.37	1.45	1.13	1.16	1.63
Black	32.7%	15.8%	24.5%	23.6%	21.9%	17.4%	16.5%	2.00	2.16	2.63	2.34	2.01	3.15	3.51
Latino	25.3%	18.6%	18.9%	20.9%	22.2%	8.4%	9.5%	1.55	2.55	2.03	2.07	2.04	1.52	2.02
White	16.4%	7.3%	9.3%	10.1%	10.9%	5.5%	4.7%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS														
Asian		7.3%	9.1%	10.1%	12.4%	7.3%	7.1%		0.99	1.08	1.04	1.24	1.18	1.14
Black		16.3%	20.7%	21.3%	22.3%	14.1%	13.8%		2.23	2.46	2.20	2.23	2.26	2.20
Latino		13.1%	17.2%	19.1%	22.1%	12.9%	11.8%		1.79	2.05	1.97	2.21	2.07	1.88
White		7.3%	8.4%	9.7%	10.0%	6.2%	6.3%		1.00	1.00	1.00	1.00	1.00	1.00
C. UNITED STATES ^														
Asian	12.9%	12.5%	12.4%	15.8%	14.4%	11.9%	10.9%	0.90	0.61	0.56	1.28	1.17	1.31	1.30
Black	33.9%	40.5%	44.6%	27.5%	30.9%	23.3%	22.0%	2.35	1.97	2.00	2.24	2.51	2.56	2.62
Latino	21.4%	29.5%	31.4%	21.3%	22.9%	17.2%	15.4%	1.49	1.43	1.41	1.73	1.86	1.89	1.83
White	14.4%	20.6%	22.3%	12.3%	12.3%	9.1%	8.4%	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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

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

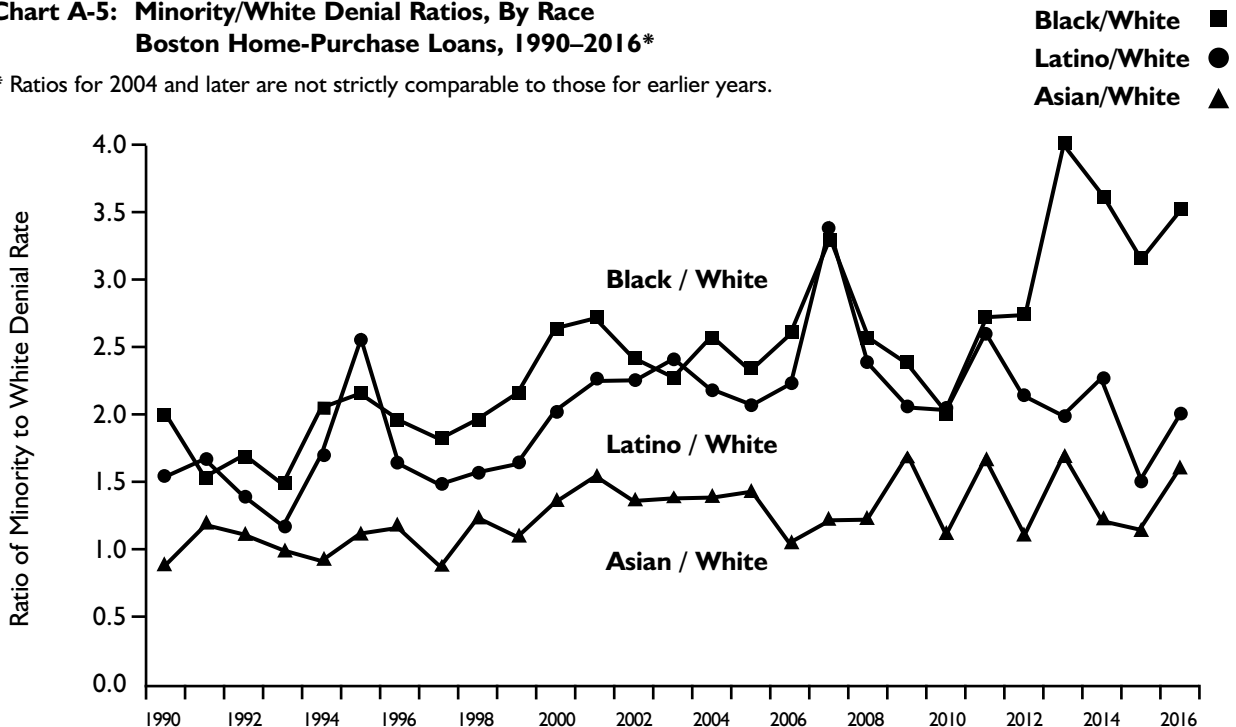
^ Conventional loans are all loans except government-backed loans; that is, all loans except FHA, VA, and USDA.

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

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

Chart A-5: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2016*

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



APPENDIX TABLE 6
Loans to Black and Latino Borrowers, by SPRINGFIELD Neighborhood
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

A. LOANS TO BLACK BORROWERS									
Neighborhood	Loans to Blacks	Total Loans	Black % of All Loans	Percentage of Springfield Totals					
				Loans to Blacks	Cumulative % of Black Loans	Total Loans	Cumulative % of Total Loans	Black Pop'n	Total Pop'n
Sixteen Acres	30	302	9.9%	20.0%	20.0%	24.4%	24.4%	5.7%	2.6%
Forest Park	27	196	13.8%	18.0%	38.0%	15.8%	40.3%	2.8%	2.6%
East Forest Park	20	206	9.7%	13.3%	51.3%	16.7%	56.9%	0.9%	2.6%
Pine Point	14	88	15.9%	9.3%	60.7%	7.1%	64.0%	3.2%	6.7%
East Springfield	13	91	14.3%	8.7%	69.3%	7.4%	71.4%	2.8%	5.0%
Liberty Heights	12	151	7.9%	8.0%	77.3%	12.2%	83.6%	13.8%	16.4%
Indian Orchard	8	59	13.6%	5.3%	82.7%	4.8%	88.4%	4.4%	5.3%
Boston Road	6	37	16.2%	4.0%	86.7%	3.0%	91.4%	6.9%	12.2%
Six Corners	5	17	29.4%	3.3%	90.0%	1.4%	92.7%	6.7%	3.0%
Upper Hill	4	18	22.2%	2.7%	92.7%	1.5%	94.2%	0.9%	3.1%
Bay	3	18	16.7%	2.0%	94.7%	1.5%	95.6%	3.5%	3.9%
McKnight	2	18	11.1%	1.3%	96.0%	1.5%	97.1%	5.7%	2.8%
Old Hill	2	8	25.0%	1.3%	97.3%	0.6%	97.7%	11.6%	7.0%
Brightwood	1	12	8.3%	0.7%	98.0%	1.0%	98.7%	5.4%	4.9%
Memorial Square	1	6	16.7%	0.7%	98.7%	0.5%	99.2%	13.0%	14.9%
Metro Center	1	6	16.7%	0.7%	99.3%	0.5%	99.7%	1.2%	1.9%
South End	1	4	25.0%	0.7%	100.0%	0.3%	100.0%	11.4%	5.0%
Springfield Total	150	1,237	12.1%	100.0%		100.0%		100.0%	100.0%
B. LOANS TO LATINO BORROWERS									
Neighborhood	Loans to Latinos	Total Loans	Latino % of All Loans	Percentage of Springfield Totals					
				Loans to Latinos	Cumulative % of Latino Loans	Total Loans	Cumulative % of Total Loans	Latino Pop'n	Total Pop'n
Liberty Heights	71	151	47.0%	17.3%	17.3%	12.2%	12.2%	16.9%	2.6%
Forest Park	65	196	33.2%	15.9%	33.2%	15.8%	28.1%	15.9%	2.6%
Sixteen Acres	65	302	21.5%	15.9%	49.0%	24.4%	52.5%	6.0%	2.6%
East Forest Park	49	206	23.8%	12.0%	61.0%	16.7%	69.1%	4.5%	6.7%
East Springfield	41	91	45.1%	10.0%	71.0%	7.4%	76.5%	1.9%	5.0%
Pine Point	38	88	43.2%	9.3%	80.2%	7.1%	83.6%	5.9%	16.4%
Indian Orchard	23	59	39.0%	5.6%	85.9%	4.8%	88.4%	4.8%	5.3%
Boston Road	15	37	40.5%	3.7%	89.5%	3.0%	91.4%	2.2%	12.2%
Upper Hill	10	18	55.6%	2.4%	92.0%	1.5%	92.8%	7.6%	3.0%
Bay	8	18	44.4%	2.0%	93.9%	1.5%	83.0%	5.9%	3.1%
Brightwood	7	12	58.3%	1.7%	95.6%	1.0%	95.2%	3.0%	3.9%
McKnight	6	18	33.3%	1.5%	97.1%	1.5%	96.7%	3.4%	2.8%
Old Hill	6	8	75.0%	1.5%	98.5%	0.6%	97.3%	3.1%	7.0%
Six Corners	4	17	23.5%	1.0%	99.5%	1.4%	98.7%	2.9%	4.9%
Memorial Square	1	6	16.7%	0.2%	99.8%	0.5%	99.2%	6.8%	14.9%
South End	1	4	25.0%	0.2%	100.0%	0.3%	99.5%	3.4%	1.9%
Metro Center	0	6	0.0%	0.0%	100.0%	0.5%	100.0%	5.7%	5.0%
Springfield Total	410	1,237	33.1%	100.0%		100.0%		100.0%	100.0%

* In Springfield, neighborhood boundaries correspond closely, but not exactly, to census tract boundaries. HMDA data are available for census tracts, so the numbers in this table offer only an approximation for loans and population in the actual neighborhoods. For this table, I have followed pages 7-8 of "Data Analysis by Neighborhood for the City of Springfield, MA," a September 2014 report by the Pioneer Valley Planning Commission, which includes an excellent map.

Population data from 2010 census. "Black" is short for "non-Hispanic black," and equals black alone + black and any other one race.

APPENDIX TABLE 7
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes
Number and As Percent of Total, 2016

	Number of Applications						Percent of Total				
	Appli- cations	Loan Made	Approved/ No Loan	Denied	With- drawn	File In- complete	Loan Made	Approved/ No Loan	Denied	With- drawn	File In- complete
A. BOSTON											
Asian	555	428	5	45	65	12	77.1%	0.9%	8.1%	11.7%	2.2%
Black	482	307	13	81	62	19	63.7%	2.7%	16.8%	12.9%	3.9%
Latino	346	241	5	45	40	15	69.7%	1.4%	13.0%	11.6%	4.3%
White	3,887	3,159	51	184	427	66	81.3%	1.3%	4.7%	11.0%	1.7%
Total*	6,108	4,738	88	419	727	136	77.6%	1.4%	6.9%	11.9%	2.2%
B. GREATER BOSTON+											
Asian	5,206	3,996	88	356	645	121	76.8%	1.7%	6.8%	12.4%	2.3%
Black	1,674	1,147	36	229	213	49	68.5%	2.2%	13.7%	12.7%	2.9%
Latino	2,802	2,095	42	332	273	60	74.8%	1.5%	11.8%	9.7%	2.1%
White	28,959	23,273	407	1,591	3,167	520	80.4%	1.4%	5.5%	10.9%	1.8%
Total*	43,614	34,135	665	2,874	5,042	897	78.3%	1.5%	6.6%	11.6%	2.1%
C. MASSACHUSETTS											
Asian	7,567	5,709	149	573	932	200	75.4%	2.0%	7.6%	12.3%	2.6%
Black	4,332	2,963	76	649	496	111	68.4%	1.8%	15.0%	11.4%	2.6%
Latino	7,217	5,320	98	953	638	174	73.7%	1.4%	13.2%	8.8%	2.4%
White	66,803	52,612	1,019	4,828	7,002	1,279	78.8%	1.5%	7.2%	10.5%	1.9%
Total*	95,442	73,347	1,523	7,951	10,339	2,084	76.8%	1.6%	8.3%	10.8%	2.2%

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

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

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

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

APPENDIX TABLE 8
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Greater Boston*
First-Lien, Owner-Occupied HOME-PURCHASE Loans Only, 2016

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	35	24	59	54	25	79	143	180	323
Employment History	3	3	6	12	6	18	22	16	38
Credit History	6	13	19	13	16	29	50	105	155
Collateral	9	23	32	19	22	41	70	160	230
Insufficient Cash	5	7	12	6	6	12	19	67	86
Unverifiable Information	3	10	13	11	15	26	32	60	92
Credit Application Incomplete	1	6	7	2	7	9	10	129	139
Mortgage Insurance Denied	0	0	0	0	1	1	1	5	6
Other	10	17	27	12	18	30	40	98	138
Total Denials ^	107	121	228	185	144	329	552	1,020	1,572
Number with Reason Reported	55	80	135	99	85	184	305	689	994
Number with No Reason Reported	52	41	93	86	59	145	247	331	578
Percent with No Reason Reported	48.6%	33.9%	40.8%	46.5%	41.0%	44.1%	44.7%	32.5%	36.8%
B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	64%	30%	44%	55%	29%	43%	47%	26%	32%
Employment History	5%	4%	4%	12%	7%	10%	7%	2%	4%
Credit History	11%	16%	14%	13%	19%	16%	16%	15%	16%
Collateral	16%	29%	24%	19%	26%	22%	23%	23%	23%
Insufficient Cash	9%	9%	9%	6%	7%	7%	6%	10%	9%
Unverifiable Information	5%	13%	10%	11%	18%	14%	10%	9%	9%
Credit Application Incomplete	2%	8%	5%	2%	8%	5%	3%	19%	14%
Mortgage Insurance Denied	0%	0%	0%	0%	1%	1%	0%	1%	1%
Other	18%	21%	20%	12%	21%	16%	13%	14%	14%

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

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

Lenders reported a third reason for only 3.7% of denials in Greater Boston in 2016; to greatly simplify calculations, this table includes only first and second reasons.

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

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

Employment history: temporary or irregular employment; length of employment

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

Collateral: value or type of collateral not sufficient

Insufficient cash: [for downpayment or closing costs]

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

Credit application incomplete: credit application incomplete

Mortgage insurance denied: [none listed]

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

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

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

APPENDIX TABLE 9
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2016 [^]
(For 2004 to present, includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	695	723	937	780	519	402	372	357	305	350
% of All Loans	28.9%	43.6%	11.7%	8.3%	16.2%	22.5%	19.7%	14.9%	9.2%	7.7%	8.0%	6.6%	7.4%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	946	1,023	1,039	1,012	992	1,468	1,690	1,662	1,804	1,808
% of All Loans	49.1%	18.7%	18.3%	11.4%	22.9%	25.0%	25.6%	28.4%	33.6%	35.1%	37.4%	38.8%	38.2%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,196	2,703	2,182	2,166	1,982	2,499	2,759	2,428	2,540	2,580
% of All Loans	21.9%	37.7%	63.4%	62.4%	60.4%	52.5%	54.7%	56.7%	57.2%	57.2%	54.6%	54.6%	54.5%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	1,493	23	2							
% of All Loans			6.5%	17.9%	0.5%	0.0%							
E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,330	4,472	4,160	3,958	3,493	4,369	4,821	4,447	4,649	4,738
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS													
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans			22,238	21,131	23,408	20,857	18,738	23,190	26,795	25,827	28,536	29,578	
% of All Loans			23.6%	41.2%	45.1%	43.7%	42.6%	44.4%	44.6%	43.1%	43.5%	40.3%	
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans			53,719	29,870	28,422	26,842	25,294	29,090	33,334	34,133	37,033	43,769	
% of All Loans			57.0%	58.2%	54.8%	56.3%	57.4%	55.6%	55.4%	56.9%	56.5%	59.7%	
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans			18,329	278	71								
% of All Loans			19.4%	0.5%	0.1%								
E. TOTAL													
Number of Loans			94,286	51,279	51,901	47,699	44,032	52,280	60,129	59,960	65,569	73,347	
% of All Loans			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

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

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

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

“Big Boston Banks”: Bank of America, (RBS) Citizens, and Sovereign/Santander in 2004–2016. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, Fleet and Shawmut were included during the years they existed. Mortgage companies affiliated with these banks are included, except that in 2008 and 2009 Countrywide was not considered part of Bank of America for this purpose.

If Eastern Bank and TD Bank had been included as “Big Boston Banks” in 2016, they would have added 73 loans to the group’s total.

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

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

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

APPENDIX TABLE 10

Total Loans, FHA Loans, and VA Loans in 36 Massachusetts Cities and Towns: The 26 Gateway Cities and the 10 Others with Over 50,000 Residents First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

	Home-Purchase Loans					% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	FHA Loans	VA Loans	% FHA	% VA			
Attleboro	579	148	41	25.6%	7.1%	3.4%	6.1%	\$81,250
Barnstable	567	150	33	26.5%	5.8%	3.9%	4.2%	\$77,979
Brockton#	1,123	689	47	61.4%	4.2%	38.6%	10.3%	\$56,679
Chelsea*	238	72	1	30.3%	0.4%	5.3%	64.2%	\$50,655
Chicopee	532	201	53	37.8%	10.0%	3.1%	17.6%	\$59,218
Everett*	268	81	4	30.2%	1.5%	17.7%	21.5%	\$54,238
Fall River	571	266	30	46.6%	5.3%	3.6%	9.0%	\$44,023
Fitchburg	458	178	29	38.9%	6.3%	3.7%	23.9%	\$56,792
Haverhill#	859	236	53	27.5%	6.2%	1.8%	18.6%	\$73,343
Holyoke	230	67	13	29.1%	5.7%	3.8%	49.5%	\$41,194
Lawrence#	565	358	8	63.4%	1.4%	2.9%	76.4%	\$36,600
Leominster	486	120	42	24.7%	8.6%	4.3%	15.3%	\$74,560
Lowell#	887	231	26	26.0%	2.9%	6.8%	18.1%	\$57,695
Lynn*	960	374	38	39.0%	4.0%	11.6%	35.5%	\$58,415
Malden*	420	74	3	17.6%	0.7%	14.0%	10.3%	\$64,684
Methuen#	624	232	35	37.2%	5.6%	1.6%	23.3%	\$85,015
New Bedford	700	363	26	51.9%	3.7%	6.8%	18.3%	\$46,114
Peabody*	499	94	21	18.8%	4.2%	2.0%	8.6%	\$82,298
Pittsfield	426	76	22	17.8%	5.2%	5.4%	5.4%	\$58,551
Quincy*	862	67	14	7.8%	1.6%	4.8%	3.3%	\$79,585
Revere*	512	182	11	35.5%	2.1%	4.3%	26.4%	\$58,515
Salem*	638	81	22	12.7%	3.4%	4.5%	16.5%	\$71,393
Springfield	1,237	613	59	49.6%	4.8%	18.8%	42.2%	\$38,847
Taunton	712	266	49	37.4%	6.9%	5.5%	6.7%	\$69,318
Westfield	422	104	34	24.6%	8.1%	2.0%	8.0%	\$77,163
Worcester	1,517	556	78	36.7%	5.1%	11.4%	20.8%	\$56,221
Total, Gateway Cities	16,892	5,879	792	34.8%	4.7%			
Boston*	4,738	309	86	6.5%	1.8%	22.7%	18.8%	\$62,775
Brookline*	491	0	1	0.0%	0.2%	2.8%	6.0%	\$137,120
Cambridge*	536	1	1	0.2%	0.2%	10.0%	8.0%	\$104,454
Framingham*	736	95	22	12.9%	3.0%	5.9%	15.5%	\$87,075
Medford*	511	24	7	4.7%	1.4%	8.9%	5.9%	\$91,532
Newton*	815	1	2	0.1%	0.2%	3.6%	5.4%	\$161,101
Plymouth#	870	212	68	24.4%	7.8%	2.2%	0.4%	\$65,938
Somerville*	541	4	2	0.7%	0.4%	6.8%	9.8%	\$79,263
Waltham*	640	18	8	2.8%	1.3%	5.9%	13.3%	\$91,329
Weymouth*	793	134	37	16.9%	4.7%	3.7%	2.8%	\$92,221

Note: Population and income data from U.S. Census Bureau's 2011-2015 American Community Survey.

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

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

APPENDIX TABLE I I
Total and VA-Guaranteed Loans, By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2016

A. GBLs AS PERCENTAGE OF ALL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	VA Loans	% VA	Ratio to White %	All Loans	VA Loans	% VA	Ratio to White %	All Loans	VA Loans	% VA	Ratio to White %
Asian	428	2	0.5%	0.26	3,996	10	0.3%	0.09	5,709	34	0.6%	0.13
Black	307	15	4.9%	2.76	1,147	55	4.8%	1.81	2,963	162	5.5%	1.21
Latino	241	6	2.5%	1.40	2,095	47	2.2%	0.85	5,320	181	3.4%	0.75
White	3,159	56	1.8%	1.00	23,273	617	2.7%	1.00	52,612	2,375	4.5%	1.00
Other*	10	0	0.0%		77	4	5.2%		223	13	5.8%	
No Info ^	593	7	1.2%		3,547	72	2.0%		6,520	268	4.1%	
Total	4,738	86	1.8%		34,135	805	2.4%		73,347	3,033	4.1%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Borrower Race/ Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans	All Loans	% of All Loans	% of Non-VA Loans	% of VA Loans
Asian	428	9.0%	9.2%	2.3%	3,996	11.7%	12.0%	1.2%	5,709	7.8%	8.1%	1.1%
Black	307	6.5%	6.3%	17.4%	1,147	3.4%	3.3%	6.8%	2,963	4.0%	4.0%	5.3%
Latino	241	5.1%	5.1%	7.0%	2,095	6.1%	6.1%	5.8%	5,320	7.3%	7.3%	6.0%
White	3,159	66.7%	66.7%	65.1%	23,273	68.2%	68.0%	76.6%	52,612	71.7%	71.4%	78.3%
Other*	10	0.2%	0.2%	0.0%	77	0.2%	0.2%	0.5%	223	0.3%	0.3%	0.4%
No Info ^	593	12.5%	12.6%	8.1%	3,547	10.4%	10.4%	8.9%	6,520	8.9%	8.9%	8.8%
Total	4,738	100.0%	100.0%	100.0%	34,135	100.0%	100.0%	100.0%	73,347	100.0%	100.0%	100.0%

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

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

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

NOTES ON FHA (AND VA) LENDING

Introduction

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

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

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

The Nature of FHA Lending

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

FHA loans are more expensive than conventional loans because of required insurance premiums that go into the FHA's Mutual Mortgage Insurance Fund (MMIF). Borrowers must pay both an upfront premium (1.75%) that is due at the time of the loan and an annual premium (0.85% since late January 2015) that is allocated to the borrowers' monthly payments. Substantial changes in the annual premium—which result in substantial changes in monthly mortgage payments—have contributed significantly to the recent annual changes in the FHA share of total lending shown in Table 1. Between October 2010 and April 2013, the annual premium increased in four steps from its long-standing level of 0.55% to a high of 1.35%. In January 2015, the annual premium was reduced to 0.85%; it has not changed again since then.⁴

Another consequence of the April 2013 increase of the annual insurance premium to 1.35%, together with a simultaneous change that required this premium to be paid for the life of the loan rather than end when the loan-to-value ratio fell below 78%, was that the Annual Percentage Rates (APRs) of many FHA loans slightly

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

² These loan status statistics were obtained from a website maintained by the Federal Reserve Bank of New York (<http://newyorkfed.org/microeconomics/hhdc.html>) that no longer provides data on subprime loans.

³ The average loan-to-value ratio for FHA home-purchase loans has been between 95.6% and 96.5% every year since 2001 (HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2017*, pp. 23 & 83).

⁴ The insurance premiums were raised to replenish the funds in the FHA's MMIF following its massive losses in the aftermath of last decade's financial crisis. For a quantitative analysis of the impact of the changes in insurance premiums on the FHA share of home-purchase loans, see Neil Bhutta and Daniel Ringo, "Changing FHA Mortgage Insurance Premiums and the Effects on Lending," *FEDS Notes*, September 29, 2016 (<http://dx.doi.org/10.17016/2380-7172.1843>). For a helpful table showing the history of changes in both the upfront and annual mortgage insurance premiums since 2001, see the Urban Institute's *Housing Finance at a Glance: A Monthly Chartbook* (available at: www.urban.org). In the September 2017 edition, this information is on page 33.

exceeded the threshold defining “higher-priced” or high-APR loans (HALs)—because this threshold is only 1.50% above the prevailing prime mortgage APR as reported by Freddie Mac. Nationwide, during the eight months of 2013 following the premium increase, about 40% of all FHA home-purchase loans were HALs, up from just 5% in the year’s first four months. HALs made up 44% of all FHA loans in 2014, 22% of all FHA loans in 2015, and 21% of all FHA loans in 2016 (compared to 1% of VA and USDA loans in each year).⁵ In Massachusetts in 2016, 9.6% of FHA home-purchase loans (1,222 of 12,680 loans) were HALs (close to the 9.0% in 2015, but far below the 29% in 2014) and these FHA loans accounted for 65.4% of all home-purchase HALs in the state.

With the disappearance of subprime mortgage lenders and retrenchment by conventional lenders, FHA lending played a huge role in the late 2000s in supporting the overall housing and mortgage markets. FHA loans accounted for more than 40% of all home-purchase loans nationwide in 2009 and 2010.⁶ Many of the loans made during the early part of this chaotic period became delinquent, resulting in massive losses to the Mutual Mortgage Insurance Fund that led to the increased insurance premiums described above.

The overall delinquency and foreclosure rates on FHA loans are much higher than those for conventional loans (for example, as of September 30, 2017, 9.9% of outstanding FHA loans in Massachusetts were delinquent, compared to 3.9% for conventional loans, and 2.0% were in foreclosure, compared to 1.5% for conventional loans).⁷ However, these higher percentages largely reflect the poor performance of FHA

loans made from 2007 through early 2009. The performance of FHA loans made since mid-2009 has been dramatically better.⁸

Past Problems with FHA Lending

FHA lending has a checkered history that has brought it much well-deserved criticism over the years. From its inception in the 1930s until the mid-1960s, the FHA explicitly embraced both redlining and discrimination against black and other minority borrowers. FHA lenders subsequently pioneered reverse redlining and championed block-busting practices that devastated many inner-city neighborhoods; the B-BURG program that transformed Mattapan in the late 1960s is a local example of the damage wrought by FHA lending. In fact, it was outrage at the destructive impacts of FHA lending that was responsible for much of the organizing and advocacy that resulted in enactment of the Home Mortgage Disclosure Act in 1975 and the Community Reinvestment Act in 1977.⁹

Furthermore, during the three decades beginning in 1980, there were a number of episodes where unscrupulous lenders were able to take advantage of weak FHA oversight of its lending programs to produce large volumes of inappropriate loans that were highly profitable to them and their associates but injurious to borrowers, communities, and the FHA insurance fund. The most recent episode came in the immediate aftermath of the subprime lending meltdown when many predatory lenders simply moved over and continued plying their trade as FHA lenders.¹⁰

5 Neil Bhutta and Daniel Ringo, “Residential Mortgage Lending From 2004 to 2015: Evidence from the Home Mortgage Disclosure Act Data,” *Federal Reserve Bulletin*, Nov. 2016, (p. 16 and Table 8), and Neil Bhutta, Steven Laufer, and Daniel Ringo, “Residential Mortgage Lending in 2016: Evidence from the Home Mortgage Disclosure Act Data,” *Federal Reserve Bulletin*, forthcoming, (p. 16 and Table 8).

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

7 Mortgage Bankers Association, *National Delinquency Survey Q3 2017* (subscription required).

8 For information on FHA loan performance, see HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2017*, pp. 31–35.

9 For good introductions to these periods in the FHA’s history see Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America*, Norton, 2017, Chaps. 4 & 6; Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*, Oxford University Press, 1985, pp. 203–218; Gregory D. Squires, ed., *From Redlining to Reinvestment: Community Responses to Urban Disinvestment*, Temple University Press, 1992, pp. 3–7 and 231–234; Beryl Satter, *Family Properties: Race, Real Estate, and the Exploitation of Black Urban America*, Henry Holt, 2009, pp. 338–345; and Calvin Bradford and Anne B. Shlay, “Assuming a Can Opener: Economic Theory’s Failure to Explain Discrimination in FHA Lending Markets,” *Cityscape*, Vol. 2, Num. 1, pp. 77–87 (www.huduser.org/Periodicals/CITYSCAPE/VOL2NUM1/bradford.pdf). For an account of the B-BURG experience, see Hillel Levine and Lawrence Harmon, *The Death of an American Jewish Community: A Tragedy of Good Intentions*, Free Press, 1992. (Following the assassination of Martin Luther King Jr. in 1968, the Boston Banks Urban Renewal Group [B-BURG] launched a well-meaning but deeply misguided program that promoted FHA loans to black borrowers, but only within specified, predominantly Jewish neighborhoods in Dorchester, Roxbury and, especially, Mattapan; the results were catastrophic both for the existing residents who were forced out, for the newcomers who received unaffordable loans on overpriced houses, and for the neighborhoods themselves.)

10 See *Business Week*’s cover story of November 19, 2008, by Chad Terhune and Robert Berner, “FHA-Backed Loans: The New Subprime”; available at: www.bloomberg.com/news/articles/2008-11-18/fha-backed-loans-the-new-subprime.

FHA Loans vs. VA Loans

The FHA is one of three federal government agencies that back home mortgage loans issued by private lenders. The FHA insures mortgage loans, while the Department of Veterans Affairs (VA) and the Department of Agriculture (USDA) guarantee them. *Changing Patterns XXII* and earlier reports presented data and analysis based on the total of these three types of loans, referred to collectively as **Government-Backed Loans (GBLs)**.¹²

The change to an exclusive focus on FHA loans in the current report was adopted for two basic reasons. First, restricting the data and analysis to FHA loans is simpler, clearer, and more accurate. Because FHA loans make up the great majority of GBLs (between 2004 and 2015, an average of 86.4% of the GBLs in Greater Boston were FHA loans), and because FHA loans are better known and better understood than the other types of GBLs, there was a natural and perhaps inevitable tendency to interpret the data and findings on GBLs as if they consisted entirely of FHA loans. Either the discussion became quite complicated or it was, strictly speaking, incorrect. When the data and discussion are focused exclusively on FHA loans, this ambiguity and imprecision are eliminated.

The second major reason for shifting to an exclusive focus on FHA loans is that VA loans are in fact very different from FHA loans. If they weren't, the first reason would lose most of its force. (The discussion here is limited to VA loans because USDA loans are available only in rural areas and therefore almost nonexistent in Greater Boston and in other Gateway Cities.¹³)

Whereas FHA loans are a second-best alternative to conventional loans because of the greater monthly payments that result from the FHA insurance premiums, VA loans are generally as attractive as prime conventional loans. The cost of the VA's upfront fee (usually 2.15 percent of the loan amount) is approximately offset by the fact that their interest rate is typically one-half percentage point lower than that for conventional loans. In addition, down payments are not

required on VA loans. The relatively small number of VA loans is primarily because they are only available to veterans or active-duty members of the armed forces (who make up less than six percent of the Massachusetts population¹⁴).

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

- VA loans made up approximately the same percentage of total loans to blacks and Latinos as they did to whites. In Greater Boston in 2016, for example, VA loans made up 4.8% of all loans to blacks, 2.2% of all loans to Latinos, and 2.7% of all loans to whites. Each of these three groups had shares of total VA loans that were close to their shares of total loans. For FHA loans, the pattern was dramatically different. (Compare Tables 6 & 7 with Appendix Table 10.)
- Among the 26 Gateway Cities, the three cities where VA loans made up the largest percentages of total loans in 2016 (Chicopee, Leominster, and Westfield) had a much *lower* average percentage of black plus Latino residents than the three cities where VA loans made up the smallest percentages of total loans (Chelsea, Malden, and Lawrence)—16.8% vs. 57.7%. The average median family income in the three cities with the highest VA loan shares was much higher than it was in the three cities with the lowest VA loan shares (\$70,314 vs. \$60,646). For FHA loans, the pattern was quite different. (Compare Table 4 with Appendix Table 9.)
- Delinquency and foreclosure rates for VA loans are much closer to those for prime loans than to those for FHA loans. As of September 30, 2017, the total delinquency rates for Massachusetts were 3.9% for conventional loans, 4.4% for VA loans, and 9.9% for FHA loans. The shares of loans in foreclosure were 1.5% for conventional loans; 1.1% for VA loans, and 2.0% for FHA loans.¹⁵

¹² These reports followed the common practice of using the term “government-backed lending” to include only the lending backed by these three federal agencies. The term does not include lending backed by state housing finance agencies (such as MassHousing or the Massachusetts Housing Partnership). Nor does it include lending guaranteed by Fannie Mae and Freddie Mac; these two “government-sponsored enterprises” were private corporations until 2008, when they failed and were placed into federal government conservatorships.

¹³ In 2016, USDA loans accounted for *none* of the home-purchase loans in Boston, just 10 of the 16,892 loans in the 26 Gateway Cities (all in Taunton), and only 25 of the 34,135 loans in Greater Boston. Statewide, they accounted for 792 of 73,347 home-purchase loans—1.0% of total loans and 4.5% of GBLs. USDA loans are available only to income-qualified borrowers in rural areas (broadly defined).

¹⁴ The VA National Center for Veterans Analysis and Statistics reports that as of September 2015 there were 368,000 veterans in Massachusetts (http://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Massachusetts.pdf).

¹⁵ Mortgage Bankers Association, *National Delinquency Survey Q3 2017* (subscription required).

NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

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

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

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

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

To achieve simplicity and to focus on the loans of greatest interest, I have taken three measures. First, I ignored the distinction between site-built and manufactured homes (in 2016, loans for manufactured homes accounted for only 224 of the state’s 73,347 first-lien loans for owner-occupied homes). Second, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes. Third, I included data only for total loans, FHA loans, and non-FHA loans; non-FHA loans include both conventional loans and loans guaranteed by the VA or the USDA. Appendix Tables 1 and 2 provide data that allow the interested reader to find the number and percentage of total loans in the categories that are ignored. Also, the preceding “Notes on FHA (and VA) Lending” provides information about the number and distribution of VA- and USDA-guaranteed loans.

The decision to include only first-lien loans in all of the tables in the body of this report has had less impact in recent years than in 2008 and earlier. In 2016, for example, junior-lien loans made up just 1.0% of all home-purchase loans for owner-occupied homes. Junior-lien home-purchase loans (sometimes referred to as “piggyback loans”) were very common a few years ago; they accounted for more than one-quarter of all home-purchase loans in Massachusetts in 2006 and 2007. These loans provided a way of avoiding the cost of private mortgage insurance, which is generally required for conventional loans when the loan amount is greater than 80% of the value of the home being purchased. Restricting the analysis to first-lien loans avoids double-

counting home buyers who obtain piggy-back second mortgages. Appendix Table 2 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Appendix Table 7 provides data on how the actions taken on mortgage loan applications were distributed among the five possible outcomes.

Classifying Applicants/Borrowers by Income and Race/Ethnicity

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

Metropolitan areas used in defining income categories for borrowers: Beginning in 2004, HMDA data used the revised metropolitan areas defined by U.S. Office of Management and Budget (OMB) in June 2003. The Boston MSA consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). However, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). For HMDA data through 2013, the Boston MSA consisted of three MDs: the Essex County MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Beginning with 2014 HMDA data, Essex County was included in the Cambridge-Newton-Framingham MD.

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

Median family incomes (MFI) of Massachusetts metropolitan areas in 2016 were:

Barnstable MSA (Barnstable County)	\$77,100
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$94,000
Boston-Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$90,800
Cambridge-Newton-Framingham MD (Middlesex/Essex Counties)	\$98,600
Pittsfield MSA (Berkshire County)	\$68,400
Providence-Fall River-New Bedford MSA (Bristol County)	\$73,100
Springfield MSA (Hampden/Hampshire Counties)	\$68,000
Worcester MSA (Worcester County)	\$78,500
Non-Metro part of Massachusetts (Dukes/Franklin/Nantucket Counties)	\$77,600

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

Other analysts, including the Federal Reserve researchers who write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black

Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 73,347 first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2016, a total of 3,239 are identified in the HMDA data as going to black borrowers and a total of 5,320 are identified as going to Latinos; only 276 are identified as going to borrowers who were both black and Latino. Classifying these 276 borrowers as black rather than as Latino would have increased the black borrower share of total loans from 4.0% to 4.4% and reduced the Latino borrower share of total loans from 7.3% to 6.9%.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: For example, of all first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2016 with information on the race of the borrower, only 0.5% of borrowers specified more than one race and only 2.1% of borrowers had co-borrowers of a different race; only 1.7% of borrowers had co-borrowers with different ethnicity.

Data on Geographical Areas

Population and income categories for census tracts (used in Tables 14–16 and 26) were assigned on the basis of information included in the 2016 HMDA LAR data. In particular, the HMDA LAR data include, for each record, (1) the percentage of minority residents in the census tract where the home is located and (2) the median family income (MFI) in that census tract as a percentage of the MFI in its metropolitan area. For 2012 to 2016 HMDA data, the FFIEC is using the 2006–2010 five-year estimates from American Community Survey data; going forward, it will update these data every five years (e.g., 2011–2015 ACS data will be used beginning with 2017 HMDA data). For more information on this, see the FFIEC’s Press Release of October 19, 2011 entitled, “FFIEC Announces the Use of American Community Survey Data In Its Census Data Files.”

Population and income data for larger geographical areas (municipalities and Boston & Springfield neighborhoods) are from either the 2010 Census or from five-year American Community Survey data, obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov). Details are provided in the notes to individual tables. The household shares in Chart A-3 and in the first two bullets of Section II were calculated from data in Tables

H7 and H9 of the 2010 Census and Table HO 09 and HO 10 of the 2000 Census, with the number of black households calculated as the average of those who reported their race as black alone and the number who reported their race as black together with any other race or races.

Lenders

Major types of lenders. Each lender that reported HMDA LAR data for homes located in Massachusetts has been classified as belonging to one of three major categories of lenders. This was done primarily on the basis of the “Agency” and “OLC” fields included in HMDA data, but also draws on selected other sources. The categories used and the rationale for using these categories are described in the introductory text of Section V and in the notes to Tables 23–27.

Big Boston Banks, a lender category now used only in Appendix Table 9, was used as a separate category of lenders in the initial reports in the *Changing Patterns* series because their collective market share in the City of Boston approached 40%.

Subprime lenders, another lender category now used only in Appendix Table 9, was an important category of lenders in earlier reports in the *Changing Patterns* series through 2009. From 1998 through 2003, subprime lenders were identified on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. Between 2004 and 2009, subprime lenders were identified for this series of reports on the basis of the share of their total Massachusetts loans that were HALs.

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