

Borrowing Trouble? VI

High-Cost Mortgage Lending

in Greater Boston, 2004

BY

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FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Borrowing Trouble? VI*, its annual report on high-cost mortgage lending in Greater Boston. MCBC hopes that this report can help to increase access to affordable credit for lower-income and minority homebuyers by providing bankers, mortgage lenders, community representatives 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 encourage community investment in low- and moderate-income and minority neighborhoods. MCBC brings together community and bank representatives to promote a better understanding of the credit and financial needs of lower-income neighborhoods and provides information, assistance and direction to banks and community groups in addressing those needs. MCBC operates through its committees, each co-chaired by a bank and a community representative. Today, over 150 bankers, community representatives, public officials and others participate in and/or receive regular information on MCBC committee activities.

MCBC's Mortgage Lending Committee oversees preparation of this report and 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. The Committee collaborates with the Massachusetts Housing Partnership Fund to track the performance of the SoftSecond™ Mortgage Program in an effort to identify ways that banks and community organizations can work together to avoid SoftSecond foreclosures. The Committee also oversees publication of *Changing Patterns*, MCBC's annual report on home purchase mortgage lending to traditionally underserved borrowers and neighborhoods in Greater Boston. In 2005, MCBC was instrumental in the establishment of the Massachusetts Fair Lending Task Force which is working to better understand the reasons for high denial rates for black and Latino homebuyers and to develop strategies and recommendations to assist in reducing minority group denial rates and minority/white disparity ratios.

Copies of this report, other MCBC reports and further information on MCBC's committees and programs are available on MCBC's website at www.masscommunityandbanking.org.

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Avon Co-operative Bank	Hudson Savings Bank
Belmont Savings Bank	Hyde Park Co-operative Bank
Boston Private Bank & Trust Company	Hyde Park Savings Bank
Braintree Cooperative Bank	Meetinghouse Co-Operative Bank
Central Bank	Mellon New England
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Dedham Institution for Savings	Sovereign Bank
Eagle Bank	State Street Bank
Eastern Bank	Stoneham Bank
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CONTENTS

Introduction.....	1
I. High-APR Mortgage Lending in the City of Boston	4
II. High-APR Mortgage Lending in the Greater Boston Area	6
III. High-APR Mortgage Lending in 108 Individual Cities and Towns	9
IV. Additional Information.....	11
Tables 1-8 and Accompanying Charts	
Map of the MAPC Region and the Boston MSA	
Tables 9-18 and Accompanying Charts	
Appendix Tables 1-3	
Notes on Data and Methods.....	N-1

INTRODUCTION

Five years ago, in response to numerous reports of the growth of predatory lending, both locally and nationwide, the Massachusetts Community & Banking Council (MCBC) – whose Board of Directors has an equal number of bank and community representatives – commissioned a study of subprime refinance lending in the city of Boston and surrounding communities. The resulting report, *Borrowing Trouble? Subprime Mortgage Lending in Greater Boston, 1999*, was the first detailed look at subprime lending in the city of Boston and in twenty-seven surrounding communities.

This is the sixth report in the annual series begun by that initial study. Geographic coverage has now expanded to include data on subprime lending in 108 individual cities and towns and the reports now cover subprime home purchase loans in addition to subprime loans made to refinance existing mortgages. This year's report utilizes information on the pricing of high-cost subprime loans that became available for the first time in the Home Mortgage Disclosure Act data for 2004.

Responsible subprime lending can provide a useful service. Subprime lenders can do this by making credit available to borrowers otherwise unable to obtain it, while charging somewhat higher interest rates and fees that bear a reasonable relationship to the increased expenses and risks borne by the lender. There is, however, considerable evidence that much subprime lending does not satisfy this definition of responsibility.

The *Borrowing Trouble* series was originally motivated by concern with predatory lending – loans characterized by egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices, often aimed at stripping away the accumulated equity of vulnerable home owners, and too often resulting in borrowers losing their homes. However, as the subprime lending industry has continued its explosive growth in recent years – and as considerable progress has been made in curbing the worst excesses of predatory lenders – a second major concern has become increasingly prominent: the prevalence of “opportunity pricing” in the subprime mortgage market.

Whereas the prime mortgage market continues to resemble the market for major appliances – where retailers sell refrigerators at the same advertised price to all customers – the subprime mortgage market is more like the market for used automobiles. Here the selling price and other charges often are negotiated individually with each customer and those involved in selling often have financial incentives to obtain the highest price possible. Many (perhaps most) borrowers from subprime lenders pay more than they would have if they had obtained the best loan for which they were qualified. Sometimes this is because they could have qualified for a prime loan. More often, it is because they could have qualified for a lower-cost subprime loan than the one they received. Of particular concern is the fact that the likelihood of being overcharged for a mortgage loan is much greater for borrowers of color.¹

Although motivated by concerns with predatory lending and excessive pricing, this report is unable to shed direct light on these two problems because of limitations in available data. To determine that an individual loan is predatory would require information on fees, loan terms (such as the existence of prepayment penalties or single premium credit insurance), lender behavior, and borrower

¹ An excellent entry point to the large and rapidly growing literature on subprime lending is the special issue of *Housing Policy Debate* on “Market Failures and Predatory Lending” (Fall 2004; Vol. 15, No. 3). Alan White's article in this issue on “Risk-Based Mortgage Pricing” (pp. 503-31) makes a persuasive case for the pervasiveness of “opportunity-pricing” (as opposed to “efficiency pricing,” where prices are closely related to risks) in subprime mortgage lending. The entire issue is available online at the Fannie Mae Foundation website: www.fanniemae.foundation.org/programs/hpd/v15i3-index.shtml. For a classic article that documents the differential impact on minority and female shoppers of opportunity pricing in the automobile market, see: Ian Ayres, “Fair Driving: Gender and Race Discrimination in Retail Car Negotiations,” *Harvard Law Review*, Vol. 104, No. 4, February 1991 (pp. 817-72).

circumstances that is not publicly available. To determine if a borrower has obtained a more costly loan than the best loan for which he or she is qualified would require information at least about the borrower's credit score, credit history, and debt-to-income ratio and about the loan-to-value ratio (the size of the loan in relationship to the value of the home) – additional information that is not publicly available. Accordingly, this report seeks to illuminate the problems of predatory lending and excessive pricing indirectly, by analyzing the data that are available.

The primary data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council. HMDA data include information from almost all lenders who make substantial numbers of mortgage loans. For each loan application received, the data include the income, race, ethnicity, and sex of the applicant; the location of the property; whether the loan is for home purchase, refinance, or home improvement; whether the loan is secured by a first lien or a junior lien on the property; and whether or not the loan is for an owner-occupied home. HMDA data for 2004 also include, for the first time, limited information on the pricing of some higher-cost loans. In particular, lenders are required to compare the **annual percentage rate (APR)** on each mortgage loan to the current interest rate on U.S. Treasury securities of the same maturity. If the “spread” between the loan's APR and the interest rate on Treasury securities is three percentage points or more for a first-lien loan (five percentage points or more for a junior-lien loan), then the spread for that loan must be reported in the lender's HMDA data.

In this report, loans for which the rate spreads are reported are referred to as “high-APR loans” or “HALs.” Nationwide, HALs account for about 15% of all mortgage loans; in the city of Boston, and statewide in Massachusetts, about 10% of all loans are HALs. The primary focus of this report's tables and charts is to provide information on HALs as a share of all loans made to different categories of borrowers and in different geographical areas.

To this end, the report draws on two major sources of data in addition to HMDA data. First, the estimates of the 2004 median family income (MFI) in each metropolitan area produced by the U.S. Department of Housing and Urban Development (HUD) are used to place borrowers into income categories. Second, information from the 2000 U.S. Census is utilized so that analysis of patterns of high-APR lending 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. The “Notes on Data and Methods” at the end of this report provides considerable detail on a number of technical matters.

Before 2004, HMDA data included no information on loan pricing. As a result, analysis of subprime lending, in the earlier reports in the *Borrowing Trouble?* series and in most other studies of subprime lending, was conducted by analyzing the loans made by lenders included on HUD's annual list of HMDA-reporting *lenders* for whom subprime loans made up at least a majority of total lending. This provided only an approximation of the number of subprime *loans* that were made because, while many lenders specialize in either prime or subprime lending, some of the loans made by subprime lenders are prime loans, and some of the loans made by prime lenders are subprime loans – and there is no good basis for estimating how many loans there are in either of these categories.² Because this year's report is based on *high-APR loans* as reported directly in HMDA data, rather than on *all lending by subprime lenders*, no attempt is made to compare lending patterns in 2004 to those in earlier years.

² It is also important to note that many of those who receive subprime loans, whether from prime or subprime lenders, are not *subprime borrowers*. That is, they are borrowers whose credit histories and other risk characteristics would have made them eligible for prime loans, but who in fact received the higher interest rates, greater fees, and/or other less favorable terms that characterize subprime loans. Reported estimates by Fannie Mae and Freddie Mac are that a third or more of those who received subprime mortgage loans were in fact qualified to have received prime loans instead.

This report is a companion to *Changing Patterns XII: Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Greater Boston, 1990-2004*, the most recent in a related series of annual reports on mortgage lending in Boston prepared for MCBC by the present author.³ The *Changing Patterns* series was motivated primarily by a concern for expanding home ownership and therefore focuses on *home-purchase lending*. Beginning with *Changing Patterns VII*, reports in that series have provided limited information on subprime home purchase lending, in the context of identifying the number and distribution of home purchase loans by different types of lenders.

The goal of this series of reports is to provide interested parties – community groups, consumer advocates, banks and other lenders, regulators, and policy-makers – with information on the extent of high-cost mortgage lending in Greater Boston, on the distribution of this lending among different types of borrowers and communities, and on the identity of the lenders making these loans. By presenting a careful, fair, and accurate *description* of what has happened, this report, like those in the *Changing Patterns* series, seeks to contribute to improving the performance of mortgage lenders in meeting the needs of traditionally underserved borrowers and neighborhoods. The report does not offer either an *explanation* of why the observed trends have occurred or an *evaluation* of how well lenders have performed. Rather, its descriptive contribution is intended to be one important input into the complex, on-going tasks of explanation and evaluation.

The four sections that follow summarize the most significant findings that emerge from an analysis of the tables and charts that constitute the bulk of this report:

- Section I reports on high-APR mortgage lending patterns within the city of Boston, drawing on Tables 1-8 and their associated charts. The analysis looks at: lending to borrowers grouped by race/ethnicity and by income; lending in census tracts grouped by income level and by percentage of minority households; lending in the city's major neighborhoods; and lending by the largest HAL lenders.
- Section II reports on high-APR mortgage lending patterns in the Metropolitan Area Planning Council (MAPC) Region, an area consisting of the city of Boston plus 100 surrounding communities. (See map preceding Table 9.) This section draws on Tables 9-15.
- Section III reports on high-APR mortgage lending in 108 individual cities and towns – the 101 included in the MAPC Region plus the seven other communities in Massachusetts with more than 60,000 residents (Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield, and Worcester). The tables in this section also provide data on high-APR lending in the MAPC Region as a whole and in three progressively larger geographic areas: the Boston-Quincy Metropolitan Division (Boston MD); the Boston-Cambridge-Framingham Metropolitan Statistical Area (Boston MSA); and the entire state.
- Section IV offers additional information on several matters not covered elsewhere: the relationship of high-APR lending to total subprime lending; the magnitude of additional costs imposed on borrowers who obtain HALs rather than prime loans; the lower prevalence of HAL lending in Massachusetts than in the nation as a whole; the impact of the decision to combine first-lien loans and junior-lien loans in this report's tables; the similarity of the median rate spreads of HALs obtained by black, Latino, and white borrowers; the state's recently enacted anti-predatory lending law; and pending legislation, supported by the MCBC, that would greatly expand regulation of HAL lenders by the state's Division of Banks.

³ *Changing Patterns XII*, released in January 2006, is available in the "Reports" section of the Massachusetts Community & Banking Council (MCBC) website: www.masscommunityandbanking.org.

I. HIGH-APR MORTGAGE LENDING IN THE CITY OF BOSTON

The data presented in Tables 1 - 8 and their associated charts provide an overview of high-APR subprime mortgage lending in the city of Boston in 2004. These data indicate that these higher-priced loans go disproportionately to black and Latino borrowers, and that the disparities between these borrowers and white borrowers are greater at higher income levels. The data also indicate that high-APR loans make up a disproportionately large share of total loans in neighborhoods with low incomes and high percentages of minority residents. Finally, the data indicate that a large majority of total high-APR lending in Boston is accounted for by a relatively small number of lenders and that many of these lenders provide HALs to much larger percentages of their black and Latino borrowers than of their white borrowers. More specific findings on high-APR lending in Boston include the following:

- **There were over two thousand high-APR loans (HALs) for owner-occupied homes in Boston in 2004** – 1,045 *home purchase* loans and 1,071 *refinance* loans. These HALs accounted for 10.1% of all home purchase loans and 9.3% of all refinance loans in the city. (See Table 1.)
- Black and Latino borrowers in Boston were much more likely to receive HALs than were their white counterparts. In the case of *home purchase* loans, HALs accounted for 29.0% of all loans to blacks, and 25.0% of all loans to Latinos, but only 5.0% of all loans to whites. For *refinance loans*, HALs accounted for 14.6% of loans to blacks, 10.1% of loans to Latinos, and 6.1% of loans to whites. Expressed differently, **the HAL share for blacks was 5.8 times greater than the HAL share for whites in the case of *home purchase* lending, and 2.4 times greater for *refinance* lending, while the corresponding Latino/white disparity ratios were 5.0 and 1.6.** HALs constituted 5.0% of *home purchase* loans and 5.5% of *refinance* loans to Asian borrowers, for Asian/white disparity ratios of 1.0 and 0.9, respectively. (Table 1)
- **Lower-income borrowers were only slightly more likely than upper income borrowers to receive their *refinance* loans in the form of HALs.** HALs made up 9.9% of all *refinance* loans to low-income borrowers, compared to 10.2% of loans to moderate-income borrowers, 10.8% of loans to middle-income borrowers, and 8.1% of loans to upper-income borrowers. **And lower-income borrowers were much less likely than upper-income borrowers to receive their *home purchase* loans in the form of HALs.** HALs made up just 4.2% of all *home purchase* loans to low-income borrowers and 4.6% of loans to moderate-income borrowers, compared to 10.0% of loans to middle-income borrowers, and 11.8% of loans to upper-income borrowers.⁴ (Table 2)
- When borrowers are grouped by both race/ethnicity and income level, the high-APR loan (HAL) shares for blacks and Latinos are always substantially higher than the HAL shares for white borrowers in the same income category. Indeed, the disparities in HAL shares tend to increase as the income level increases. HAL shares were particularly high for middle- and upper-income blacks and Latinos. **Upper-income blacks received 44.5% of their *home purchase* loans in the form of HALs and the HAL share for upper-income Latinos was 42.2%**, while the HAL share was 8.4% for upper-income Asians and just 5.4% for upper-income whites. That is, **for *home-purchase* loans, the HAL shares for upper-income blacks and Latinos were, respectively, 8.2 times and 7.8 times greater than the HAL share for upper-income whites**, and the disparity ratio for Asians was 1.6. In the case of *refinance* loans, the HAL shares were much lower, but the

⁴ Following standard practice in mortgage lending studies, these income categories are defined in relationship to the median family income (MFI) in the Boston Metropolitan District (MD) – which was \$75,300 in 2004. 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.” Thus, lower-income borrowers in Boston in 2004 had incomes of \$37,000 or less, while upper-income borrowers were those with incomes of \$91,000 or more.

disparity ratios were still high. Upper-income blacks received 15.0% of their *refinance* loans in the form of high-APR loans and the HAL share for upper-income Latinos was 15.4%, while the HAL share was 11.5% for upper-income Asians and just 5.1% for upper-income whites. Thus, **for *refinance* loans, the HAL shares of upper-income blacks and Latinos were each about three times greater than the HAL share for upper-income whites and the upper-income Asian HAL share was 2.3 times greater than the white share.** (Table 3 and Charts 3-A and 3-B)

- When attention is turned from the person receiving the loan to the neighborhood in which the home is located, we find that high-APR loans account for greatly disproportionate shares of total lending in traditionally underserved neighborhoods. In census tracts with more than 75% minority households, 28.8% of *home purchase* loans were in the form of HALs, compared to only 3.9% of the loans in census tracts where more than 75% of the households were white. For *refinance* loans, the HAL share was 16.9% in census tracts with more than 75% minority households, compared to just 4.7% in census tracts where more than 75% of the households were white. That is, **high-APR loans accounted for much greater shares of total lending in predominantly minority neighborhoods than in predominantly white neighborhoods – 7.5 times greater for *home purchase* lending and 3.6 times greater for *refinance* lending.** (Table 4)
- As the income level of census tracts decreases, the share of all loans accounted for by high-APR loans increases. **The share of all *home purchase* loans in Boston that took the form of HALs was 6.9 times greater in low-income census tracts than in upper-income tracts (14.9% vs. 2.2%).** The HAL share in moderate-income census tracts was 7.2 times greater than that in the upper-income tracts (15.6% vs. 2.2%). **The HAL share of *refinance* loans was 5.6 times greater in low-income census tracts than it was in upper-income census tracts (14.5% vs. 2.6%).** The HAL share in moderate-income census tracts was 4.4 times higher than in the upper-income tracts (11.6% vs. 2.6%). (Table 5)
- **The shares of total loans that were accounted for by high-APR loans varied dramatically among Boston’s major neighborhoods.** For *home purchase* loans, the 33.7% HAL share in Mattapan was twenty times greater than the 1.7% share in Back Bay/Beacon Hill and 48 times greater than the 0.7% share in Fenway/Kenmore. For *refinance* loans, the HAL shares in Mattapan, Roxbury, and Dorchester (which ranged from 17.4% to 15.1%) were between five and nine times higher than the HAL shares in the Fenway/Kenmore, South End, Central, and Back Bay/Beacon Hill neighborhoods (which were all between 2.0% and 2.7%). Neighborhoods with higher HAL shares tended to be those with higher percentages of minority residents and lower income levels. This correlation is clearest in the case of race/ethnicity: **the four neighborhoods with the highest percentages of minority residents – Mattapan, Roxbury, Dorchester, and Hyde Park – also had the four highest HAL shares for both *home purchase* and *refinance* lending, ranging from 12.2% to 33.7%; meanwhile, in the four neighborhoods with fewer than 25% minority residents – Back Bay/Beacon Hill, South Boston, West Roxbury, and Charlestown – the HAL shares were all between 2.0% and 6.9%.**^{5, 6} (Tables 6-A & 6-B and Charts 6-A & 6-B)

⁵ The South End offers an exception to the pattern noted here: although over half of its residents are minorities and it has the lowest income of any neighborhood in the city, HALs accounted for only about 2.5% of all loans in this neighborhood.

⁶ It would have been interesting to classify *census tracts* simultaneously by both income level and percentage of minority households in order to see if the patterns resembled those found when *borrowers* were classified simultaneously by both race/ethnicity and income level (Table 3 and Charts 3-A & 3-B). In particular, it would have been very interesting to compare the HAL share of all loans in predominantly minority upper-income tracts to the HAL share in predominantly white lower-income tracts. However, it is impossible to make this comparison because all but one of the 61 census tracts in Boston with more than 50% minority households are either low-income or moderate-income tracts – that is, just one of these tracts is middle-income and none are upper-income. (In contrast, 42 of the 52 census tracts with more than 75% white households are either middle-income or upper-income tracts.)

- Who were the biggest high-APR lenders in Boston? Table 7 presents information on the 25 lenders that made 20 or more HALs in the city in 2004. For each lender, the table shows the number of HALs, the total number of loans, and HALs as a percentage of the total. Loans by separate lenders within the same corporate family are consolidated, with the individual lenders within each family identified in a footnote. **Two lenders made more than two hundred high-APR loans in the city: Ameriquest (312 HALs) and Fremont Investment & Loan (298 HALs). Three additional lenders made more than one hundred HALs: Countrywide (184), H&R Block/Option One (141), and New Century (123).** Together, these five lenders accounted for 1,058 HALs, almost exactly half (49.5%) of all HALs in the city. The HAL share of the total loans made by the top HAL lender, Ameriquest, was 38%, even though this company made only subprime loans; its other loans must have had APRs above those of prime loans, but below HMDA's reporting threshold for HALs.⁷ In other cases (e.g., Citigroup, Washington Mutual, and Wells Fargo), lender families include separate lenders specializing in prime and subprime lending. **None of the top twenty-five HAL lenders in Boston were subject to regulatory oversight of their Boston-area lending under the federal or state Community Reinvestment Act.** For purposes of comparison, Panel B of Table 7 provides information on the six lenders who made more than 500 total loans in Boston but fewer than 20 HALs.
- Table 8 provides information on lending to blacks, Latino, and white borrowers by each of the lenders included in Table 7 (listed in the same order). This information includes: total loans to each of these racial/ethnic groups, the percentage of high-APR loans for each group, and the disparity ratios for black/white and Latino/white HAL shares (calculated as the black [or Latino] HAL share divided by the white HAL share). All of the five biggest HAL lenders in the city that specialized in subprime loans – Ameriquest, Fremont, H&R Block/Option One, New Century and Meritage – had disparity ratios close to one: the black/white ratios ranged from 0.91 to 1.14 and the Latino/white ratios ranged from 0.82 to 1.13. In contrast, **the three biggest overall lenders in the city had substantial disparity ratios for their high-APR lending. The black/white disparity ratios were 2.7 at Countrywide (19.2% vs. 7.2%), 4.3 at Washington Mutual (4.1% vs. 1.0%), and 8.4 at Wells Fargo (7.0% vs. 0.8%). The Latino/white disparity ratios at these same three lenders were 1.3, 3.5, and 3.9, respectively.** Other big HAL lenders with large disparity ratios were Citigroup (18.7 black/white ratio and 6.1 Latino/white ratio), National City (3.8 and 2.2), and Summit Mortgage (3.2 and 2.6). Among the major lenders with relatively few HALs, some had high black/white disparity ratios for HAL shares; these include Mortgage Master (black/white disparity ratio of 48.8), HSBC (7.8) and Citizens (6.2; Citizens also had a 9.6 Latino/white disparity ratio).

II. HIGH-APR MORTGAGE LENDING IN THE GREATER BOSTON AREA

This section examines high-APR mortgage lending in the Greater Boston area as defined by the Metropolitan Area Planning Council (MAPC). The MAPC region consists of the city of Boston plus 100 surrounding cities and town. (See map preceding Table 9.)⁸ The city of Boston, which has 19% of the MAPC Region's population, received 19% of the region's total *home purchase* loans and 14% of its total

⁷ According to Ameriquest's Vice President for Government and Community Affairs, the company's only prime lending has been in a pilot program in Minnesota and in a recently-begun pilot program in Massachusetts (personal communication with James Anderson, February 2006).

⁸ More information on the MAPC region and the MAPC itself – a regional planning agency established by the Massachusetts legislature in 1963 – is available at www.mapc.org.

refinance loans. (Section III includes selected data on high-APR lending in each of the 101 communities in the MAPC region as well as in the seven largest Massachusetts cities outside this region.)

The data presented in Tables 9-15 and their associated charts show that HALs accounted for a smaller share of total mortgage loans in 2004 in the MAPC Region than in Boston itself (8.6% vs. 10.1% for *home purchase* loans and 6.4% vs. 9.3% for *refinance* loans), but that the *patterns* of high-APR lending observed in the MAPC region were very similar to those noted above for the city. More specific findings on high-APR lending in the Greater Boston area include the following:

- **There were more than ten thousand high-APR loans (HALs) for owner-occupied homes in the MAPC region in 2004** – 4,699 *home purchase* loans and 5,355 *refinance* loans. These HALs accounted for 8.6% of all home purchase loans and 6.4% of all refinance loans in the region. (See Table 9.)
- Black and Latino borrowers in the MAPC region were much more likely to receive HALs than were their white counterparts. In the case of *home purchase* loans, HALs accounted for 27.2% of all loans to blacks, and 29.7% of all loans to Latinos, but only 5.8% of all loans to whites. For *refinance loans*, HALs accounted for 13.6% of loans to blacks, 10.7% of loans to Latinos, and 5.0% of loans to whites. Expressed differently, **the HAL share for blacks was 4.7 times greater than the HAL share for whites in the case of home purchase lending, and 2.7 times greater for refinance lending, while the corresponding Latino/white disparity ratios were 5.1 and 2.1.** HALs constituted 4.3% of *home purchase* loans and 3.1% of *refinance* loans to Asian borrowers, for Asian/white disparity ratios of 0.7 and 0.6, respectively. (Table 9)
- **Lower-income borrowers in the MAPC region were about one and one-half times more likely than upper income borrowers to receive their refinance loans in the form of HALs.** HALs made up 7.3% of all *refinance* loans to low-income borrowers, compared to 7.6% of loans to moderate-income borrowers, 7.7% of loans to middle-income borrowers, and 5.0% of loans to upper-income borrowers. **However, lower-income borrowers were less likely than upper-income borrowers to receive their home purchase loans in the form of HALs.** HALs made up 5.5% of all *home purchase* loans to low-income borrowers and 6.0% of loans to moderate-income borrowers, compared to 10.6% of loans to middle-income borrowers, and 8.0% of loans to upper-income borrowers.⁹ (Table 10)
- When borrowers in the MAPC region are grouped by both race/ethnicity and income level, the HAL shares for blacks and Latinos are substantially higher than the HAL shares for white borrowers in the same income category. Indeed, in every case the disparities in HAL shares increase as the income level increases. HAL shares were particularly high for middle- and upper-income blacks and Latinos. **Upper-income blacks received 37.8% of their home purchase loans in the form of high-APR loans and the HAL share for upper-income Latinos was 40.6%**, while the HAL share was just 4.6% for upper-income Asians and 5.1% for upper-income whites. That is, **for home-purchase loans, the HAL shares for upper-income blacks and Latinos were, respectively, 7.5 times and 8.0 times greater than the HAL share for upper-income whites**, while the disparity ratio for Asians was 0.9. In the case of *refinance* loans, the HAL shares were much lower, but the disparity ratios were still high. Upper-income blacks received 14.1% of their *refinance* loans in the form of high-APR loans and the HAL share for upper-income Latinos was

⁹ 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. Communities in the MAPC region are located in four different metropolitan areas with different MFIs. 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.”

15.1%, while the HAL share was just 3.3% for upper-income Asians and 3.9% for upper-income whites. Thus, **for *refinance* loans, the HAL shares of upper-income blacks and Latinos were each more than three and one-half times greater than the HAL share for upper-income whites**, while the Asian HAL share was only 0.8 times the white share. (Table 11 and Charts 11-A and 11-B)

- When attention is turned from the person receiving the loan to the neighborhood in which the home is located, we find that high-APR loans account for greatly disproportionate shares of total lending in traditionally underserved neighborhoods. In census tracts with more than 75% minority households (all of which are in the city of Boston), 28.8% of *home purchase* loans were in the form of HALs, compared to only 7.0% of the loans in census tracts where more than 75% of the households were white. For *refinance* loans, the HAL share was 16.9% in census tracts with more than 75% minority households, compared to just 5.5% in census tracts where more than 75% of the households were white. That is, **high-APR loans accounted for much greater shares of total lending in predominantly minority neighborhoods than in predominantly white neighborhoods – 4.1 times greater for *home purchase* lending and 3.1 times greater for *refinance* lending.** (Table 12)
- As the income level of census tracts decreases, the share of all loans accounted for by high-APR loans increases. **The share of all *home purchase* loans in the MAPC region that took the form of HALs was 5.1 times greater in low-income census tracts than in upper-income tracts (16.8% vs. 3.3%).** The HAL share in moderate-income census tracts was 5.2 times greater than that in the upper-income tracts (16.9% vs. 3.3%). **The HAL share of *refinance* loans was 4.1 times greater in low-income census tracts than it was in upper-income census tracts (14.7% vs. 3.6%).** The HAL share in moderate-income census tracts was 2.8 times higher than in the upper-income tracts (10.2% vs. 3.6%). (Table 13)
- Who were the biggest high-APR lenders in Greater Boston? Table 14 presents information on the 25 lenders that made 100 or more HALs in the MAPC region in 2004. For each lender, the table shows the number of HALs, the total number of loans, and HALs as a percentage of the total. Loans by separate lenders within the same corporate family are consolidated, with the individual lenders within each family identified in a footnote. **Two lenders made more than one thousand high-APR loans in the region: Ameriquest (1,569 HALs) and Fremont Investment & Loan (1,215 HALs). Three additional lenders made more than five hundred HALs: Countrywide (819), H&R Block/Option One (684), and New Century (607).** Together, these five lenders accounted for 4,894 HALs, almost half (49.0%) of all HALs in the MAPC region. The HAL share of the total loans by the top HAL lender, Ameriquest, was 36%, even though this company made only subprime loans; its other loans must have had APRs above those of prime loans, but below HMDA's reporting threshold for HALs.¹⁰ In other cases (e.g., Citigroup, Washington Mutual, and Wells Fargo), lender families include separate lenders specializing in prime and subprime lending. **None of the top twenty-five HAL lenders in the MAPC region were subject to regulatory oversight of their lending in the region under the federal or state Community Reinvestment Act.** For purposes of comparison, Panel B of Table 14 provides information on the eight lenders who made more than 2,000 total loans, but fewer than 100 HALs, in the MAPC region.
- Table 15 provides information on lending to blacks, Latino, and white borrowers by each of the lenders included in Table 14 (listed in the same order). This information includes: total loans to

¹⁰ According to Ameriquest's Vice President for Government and Community Affairs, the company's only prime lending has been in a pilot program in Minnesota and in a recently-begun pilot program in Massachusetts (personal communication with James Anderson, February 2006).

each of these racial/ethnic groups, the percentage of high-APR loans for each group, and the disparity ratios for black/white and Latino/white HAL shares (calculated as the black [or Latino] HAL share divided by the white HAL share). All of the six biggest HAL lenders in the MAPC region that specialized in subprime loans – Ameriquest, Fremont, H&R Block/Option One, New Century, ING Direct, and Meritage – had disparity ratios close to one: the black/white ratios ranged from 1.00 to 1.23 and the Latino/white ratios ranged from 0.95 to 1.24. In contrast, **the three biggest overall lenders in the region had substantial disparity ratios for their high-APR lending. The black/white disparity ratios were 2.2 at Countrywide (18.4% vs. 8.3%), 3.6 at Wells Fargo (8.8% vs. 2.4%), and 4.4 at Washington Mutual (5.9% vs. 1.3%). The Latino/white disparity ratios at these same three lenders were 1.9, 1.5, and 5.2, respectively.** Other big HAL lenders with large disparity ratios were Citigroup (12.0 black/white ratio and 4.0 Latino/white ratio), Summit Mortgage (3.7 and 3.9), and National City (2.4 and 1.4). Among the major lenders with relatively few HALs, some had high black/white disparity ratios for HAL shares; these include Mortgage Master (black/white disparity ratio of 26.6), Citizens (5.4), Bank of America (3.4), HSBC (3.3), and GMAC (3.1). Latino/white HAL disparity ratios were high at Citizens (9.1), Bank of America (5.5), JP Morgan Chase (4.2), and HSBC (2.6).

III. HIGH-APR MORTGAGE LENDING IN 108 INDIVIDUAL CITIES & TOWNS

Tables 16-18, each three pages long, present information on lending on each of the 101 individual cities and towns that constitute the Metropolitan Area Planning Council (MAPC) Region, as well as on the seven largest Massachusetts cities located outside this region – Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield, and Worcester. In addition, these tables present information on lending in four larger areas: the MAPC region as a whole; the Boston-Quincy Metropolitan Division (Boston MD); the Boston-Cambridge-Framingham Metropolitan Statistical Area (Boston MSA); and the entire state. A map of the MAPC Region and the Boston MSA immediately precedes Table 9.¹¹

Basic information about the racial/ethnic composition and income level of each of the municipalities and larger areas is included in Table 16. This information reveals great variation among the communities in the MAPC Region. For example, the percentage of black plus Latino households ranges from a low of 0.4% in Manchester-by-the-Sea and Cohasset to a high of 43.7% in Chelsea, while median family income ranges from a low of \$32,130 in Chelsea to a high of \$181,041 in Weston. One of the cities in Panel B, Lawrence, has a higher percentage of black plus Latino households (52.6%) and a lower median family income (\$31,809) than any of the 101 communities in the MAPC Region.

The data presented in Tables 16-18 should be regarded primarily as a resource for readers interested in learning about lending within their own communities or in making comparisons among a particular set of communities of special interest – there are far too many individual communities to be adequately covered in a brief summary. Nevertheless, it may be of interest to present the following findings and observations that emerge from an examination of the wealth of data presented in the tables.¹²

¹¹ Metropolitan Statistical Areas are redefined by the federal Office of Management and Budget (OMB) following each decennial census. The definitions established by the OMB in June 2003 were used for the first time in 2004 HMDA data. These definitions involved major changes in the definitions of the metropolitan areas in the Greater Boston area. The redefined Boston MSA consists of Essex, Middlesex, Norfolk, Plymouth and Suffolk counties. This MSA is divided into three Metropolitan Divisions (MDs), with the newly-defined Boston MD consisting of Norfolk, Plymouth, and Suffolk counties.

¹² Because of space limitations, this section of the report does not include information on Asian household shares or on lending to Asian borrowers in the 108 individual communities covered. However, Tables 1, 3, 9, and 11 do include information on lending to Asian borrowers in the city of Boston and in the MAPC Region as a whole.

- **The five MAPC communities where high-APR loans made up the greatest shares of all *home purchase* loans in 2004 were Everett (where 28.4% of all home purchase loans were HALs), Revere (25.3%), Lynn (22.9%), Marlborough (21.5%), and Randolph (20.1%). The five communities with the highest HAL shares for *refinance* loans were Chelsea (13.7%), Lynn (12.3%), Randolph (12.2%), Holbrook (11.1%), and Revere (10.6%). (See Table 16.)**
- **The five MAPC communities where high-APR loans made up the smallest shares of all *home purchase* loans in 2004 were Carlisle (0.0%), Topsfield (0.0%), Weston (0.6%), Brookline (0.8%), and Medfield (1.0%). The five communities with the lowest HAL shares for *refinance* loans were Carlisle (0.0%), Sherborn (0.0%), Dover (0.5%), Wellesley (0.9%), and Needham (1.0%).** In 31 of the 101 MAPC communities, HALs accounted for 3.0% or less of all *home purchase* loans and in 23 communities HALs accounted for 3.0% or less of all *refinance* loans. (Table 16)
- Comparing the information on high-APR loan shares with the information on median family income and percentage of black and of Latino households in each community that is included in Table 16 shows that communities' HAL shares have a strong positive correlation with their percentages of black and Latino residents and a strong inverse correlation with their median family incomes (MFIs). For example, if communities are ranked by the total of their HAL shares for home purchase and refinance loans, **the five MAPC communities with the highest shares of HALs in 2004 had an average of 21.5% black plus Latino households and an average MFI of \$47,022, while the five communities with the lowest HAL shares had an average of 2.1% black plus Latino households and an average MFI of \$132,321.** (The high HAL-share communities are Everett, Revere, Lynn, Chelsea, and Randolph; the low HAL-share communities are Carlisle, Weston, Brookline, Sherborn, and Bolton.)
- Panel B in Table 16 shows that the seven largest Massachusetts cities outside of the MAPC Region all had double-digit HAL shares for both home purchase loans and refinance loans in 2004. Indeed, **the *home purchase* high-APR loan shares were higher in Lawrence (35.6%), Brockton (30.9%), and Springfield (29.3%) than in any community in the MAPC region. The HAL shares of all *refinance* loans were higher in Springfield (29.9%), Lawrence (16.9%), Brockton (16.5%), and Lowell (14.7%) than in any MAPC community.** Lawrence, Springfield, and Brockton rank first, third, and fifth among Massachusetts communities in percentage of black plus Latino households (Chelsea and Boston rank second and fourth).
- Table 17 (for *home purchase* loans) and Table 18 (for *refinance* loans) present information on the total number of loans, the number of these that were high-APR loans, and the HAL loan share for black, for Latino, and for white borrowers in each of the 108 cities and towns in 2004. In communities where there were at least 25 total loans to black and/or Latino borrowers, the tables show the HAL share disparity ratios – that is, the ratio of the HAL share for blacks (or Latinos) to the HAL share for whites. **High-APR loans accounted for larger percentages of both *home purchase* and *refinance* loans received by black and Latino borrowers than of those received by white borrowers in almost every community where there was a significant amount of lending to blacks and/or Latinos.** Of the 48 disparity ratios calculated for *home purchase* loans, all were greater than 1.0 and six were greater than 5.0 (Table 17). Of the 48 disparity ratios calculated for *refinance* loans, 41 were greater than 1.0 (Table 18).

IV. ADDITIONAL INFORMATION

It is beyond the scope of this descriptive report to offer explanations of the causes underlying the observed patterns of high-APR subprime mortgage lending or to investigate the extent to which HAL lenders engage in predatory lending and opportunity pricing. Instead, this concluding section offers supplementary information on several matters that may help readers better interpret the report's findings.

High-APR Loans (HALs) Reported in HMDA Data Include Only about One-Half of All Subprime Loans

HMDA data include rate spread information only for first-lien loans with APRs that are more than three percentage points above the interest rate on Treasury securities of comparable maturity and for junior-lien loans with APRs more than five percentage points above the same interest rate. As a result, many subprime loans are not identified in HMDA data. In fact, there are good reasons to believe that the total number of subprime loans is approximately double the number of HALs.¹³

First, the total dollar volume of HALs identified in the 2004 HMDA data nationwide was \$258 billion, whereas the 2005 *Mortgage Market Statistical Annual* estimated \$530 billion of subprime lending in 2004.¹⁴ Second, the *Federal Reserve Bulletin's* analysis of the 2004 HMDA data identifies "a typical gap between the thirty-year Treasury rate and an estimated APR for prime-rate loans of between 1 percent and 1.25 percent." This implies, if we use the mid-point of this range, that the HAL-reporting threshold for first-lien loans was 1.875 percentage points above the APR for prime loans. If this information is combined with an informed published estimate that the typical subprime loan has an interest rate about 1.5 percentage points above the rate on a prime loan, and includes two more upfront points than the prime loan (which results in an APR on the subprime loan approximately 1.75 percentage point above the APR on the prime loan), we can conclude that the typical subprime loan is probably slightly below HMDA's rate-spread reporting threshold.¹⁵ Third, the data in Tables 7 and 14 indicate that many of the biggest HAL lenders, although known to originate only subprime loans, report that well under half of their total loans were high-APR loans. For example, the biggest HAL lender, Ameriquest, reported just 38% of total loans in Boston and 36% of its total loans in the MAPC region as HALs.

High-APR Loans Involve Very Substantial Additional Costs for Borrowers, Compared to Prime Loans

To examine the extra costs imposed by high-APR loans compared to prime loans, I calculated the monthly payments on a thirty-year fixed-rate loan of \$275,000 (the average size of a first-lien HAL in 2004 was \$273,100 in Boston and \$286,600 in the MAPC region) at four different interest rates: 6.00% (a typical prime interest rate), 7.00% (one percentage point higher), 7.875% (the estimated minimum rate to qualify as a loan as a HAL when the prime rate is 6.00%), and 8.585% (the estimated median rate on HALs when the prime rate is 6.00%).¹⁶ The calculated monthly payments for principal and interest are

¹³ Some analysts identify three categories of loans: prime, near-prime, and subprime, and refer to the latter two categories combined as "non-prime." In this report, I follow the common practice of referring to all loans other than prime as "subprime."

¹⁴ Both nationwide dollar volumes are given in Keith Ernst and Deborah Goldstein, "Comment on Federal Reserve Analysis of Home Mortgage Disclosure Act Data," Center for Responsible Lending, September 14, 2005, page 5.

¹⁵ *Federal Reserve Bulletin* analysis: Robert Avery, Glenn Canner, and Robert Cook, "New Information Reported Under HMDA and Its Application in Fair Lending Enforcement," *FRB*, Summer 2005, page 370. Informed published estimate: Mike Hudson and E. Scott Reckard, "More Homeowners with Good Credit Getting Stuck with Higher-Rate Loans," *Los Angeles Times*, October 24, 2005, page 1.

¹⁶ The rationale for placing the threshold for rate-spread reporting (that is, the minimum interest rate for HALs) at 1.875 percentage points above the prime rate is explained in the previous paragraph. Appendix Table 2 (discussed below) indicates that the median rate spread on both home purchase and refinance first-lien HALs in Boston in 2004 was 0.71 percentage points above the threshold rate spread of 3.00.

shown in the table below – together with the additional monthly and annual costs resulting from above-prime interest rates. Even the lowest-price HAL costs \$4,140 more per year than a prime-rate loan; the median-rate HAL entails annual payments \$5,784 greater than for a prime-rate loan.

Monthly Payments on a \$275,000 30-Year Fixed-Rate Mortgage, Selected Interest Rates

Rate Level	Interest Rate	Monthly Payment	Extra over Prime-rate loan: per month	Extra over Prime-rate loan: per year
Prime loan	6.00%	\$1,649	---	---
Prime + 1%	7.00%	\$1,830	\$181	\$2,172
Minimum-rate HAL	7.875%	\$1,994	\$345	\$4,140
Median-rate HAL	8.585%	\$2,131	\$482	\$5,784

The Rate of HAL Lending is Considerably Lower in Massachusetts than it is Nationwide

Appendix Table 1 provides, for Massachusetts and for the nation as a whole, exactly the same information about HALs as a share of total loans that is provided in Table 1 for the city of Boston and in Table 9 for the MAPC region. HALs account for about 10% of all loans in Massachusetts (11.1% of home purchase loans and 8.9% of refinance loans), only two-thirds as great as the nationwide HAL share of about 15% (14.5% for home purchase loans and 15.8% for refinance loans). Other evidence that Massachusetts has a relatively low rate of HAL lending compared to the rest of the U.S. was presented in a study released last September by the Consumer Federation of America. This study found that the Cambridge-Newton-Framingham Metropolitan District (MD), the Essex County MD, and the Boston MD had, respectively, the 15th lowest, 27th lowest, and 34th lowest HAL shares among 317 metropolitan areas.¹⁷

Information on First-Lien and Junior-Lien Lending in Boston and the MAPC Region

To avoid too-great a proliferation of numbers, the tables in this report, while distinguishing between home purchase and refinance loans, combine first-lien and junior-lien loans. Some indication of how the results would have been affected if data for only first-lien loans had been reported, or if data had been reported separately for first-lien and junior-lien loans, is provided in Appendix Tables 2 (for Boston) and 3 (for the MAPC region). Panels A-1 (for home purchase loans) and B-1 (for refinance loans) essentially duplicate the information in Tables 1 and 9, showing HAL loan shares and HAL disparity ratios for Asians, blacks, Latinos, and whites. Panels A-2 and A-3 (for home purchase loans) and Panels B-2 and B-3 (for refinance loans) provide the same information for first-lien loans and junior-lien loans separately. Junior-lien loans made up less than 5% of all refinance loans, so the loan shares and disparity ratios are very similar for first-lien refinance loans and all refinance loans. Junior-lien loans made up about one-sixth (17.6%) of all home purchase loans, resulting in greater differences between the loan shares and disparity ratios for first-lien home purchase loans and for all home purchase loans. Because of

¹⁷ See Allen Fishbein and Patrick Woodall, *Subprime Cities: Patterns of Geographic Disparity in Subprime Lending* (Consumer Federation of America, September 8, 2005; www.consumerfed.org/pdfs/subprimecities090805.pdf). The rankings cited above are for refinance lending; the Worcester MSA had the 87th lowest HAL share, but the Springfield MSA ranked 238th among the 317 metro areas (from Table 3). This study found that the New England region had the third lowest HAL share among ten regions, with the Pacific region lowest and the Southwest highest. The great majority of the metro areas with the highest HAL shares were in the Southeast and Southwest regions.

the very high HAL shares of junior-lien home purchase loans to black and Latino borrowers (over 40% in each case), reporting only first-lien loans would miss an important part of existing lending patterns.

Median Rate Spreads for HALs Differ Little among Racial/Ethnic Groups

The right-hand columns in Appendix Tables 2 and 3 show the median rate spread for each type of loan for each racial/ethnic category of borrower. For example, the median rate spread of 4.63 for black borrowers who received any type of home purchase loan means that of all black borrowers who received such loans, half had APRs that were more than 4.63 percentage points above the current rate on Treasury securities of the same maturity and half had APRs that were less than 4.63 percentage points above the Treasury rate. Given the substantial racial disparities in HAL shares that are documented in almost all of the other tables in this report, it may be surprising to observe in Appendix Tables 2 and 3 how close together the rates spreads are for the different racial groups for each category of loans, and even more surprising to note that the median rate spread is actually smaller for black borrowers than for white borrowers in six of the seven panels (for different categories of loans) for the city of Boston and in two of the seven panels for the MAPC region. Because the rate spreads are so similar for different categories of borrowers, they are not reported in any of the tables in the body of the report.

Massachusetts' Recent Predatory Lending Law

In August 2004, Massachusetts enacted the Predatory Home Loan Practices Act (PHLPA). For *all* home mortgage loans, the law: limits prepayment penalties during the first three years of the loan and prohibits them after that date; bans single-payment credit insurance; and requires lenders to “to determine and to demonstrate” that any refinancing of a home mortgage loan within five years is “in the borrower’s interest.” In addition, there are further protections for borrowers who receive *high-cost home mortgage loans* (those with either an interest rate more than eight percentage points above the rate on U.S. Treasury securities of comparable maturity [nine points higher for a second-lien loan] or with points and fees greater than five percent of the loan amount).¹⁸ Among these protections are: no mandatory arbitration, balloon payments, or negative amortization; certified borrower completion of an approved counseling program; and “assignee liability,” whereby any purchaser of a high cost mortgage loan is subject to all of the same legal liabilities as the original lender. The PHLPA also provides that, like state-chartered banks and credit unions, licensed mortgage lenders shall be examined regularly for “compliance with fair housing laws,” including HMDA, the Equal Credit Opportunity Act, and the Fair Housing Act. The PHLPA is among the strongest of the predatory lending laws enacted by many states in recent years.

Proposed Legislation to Extend Public Evaluations of Lending Performance to Many High-APR Lenders

Under the federal Community Reinvestment Act (CRA), as under its Massachusetts counterpart, a lender’s performance in meeting the credit needs of local communities is evaluated by government regulators only if the lender is a bank with at least one branch office in the area.¹⁹ As a result, *none* of the biggest HAL lenders listed in Tables 7 and 14 are covered by the CRA for their lending in Massachusetts. In spite of the important impacts – positive or negative – that these lenders may have on the neighborhoods where they operate, they are not subject to regulatory review, evaluation, and ratings. The enactment of legislation pending at the Massachusetts State House would change this. The proposed

¹⁸ At the federal level, the Home Ownership and Equity Protection Act [HOEPA] of 1994, provides similar but weaker protections for mortgage loans, other than home purchase loans, that meet the same interest rate threshold as the PHLPA or a points and fees threshold of eight percent of the loans amount. Beginning in 2004, HMDA data identify HOEPA loans; only 36 of the 84,224 refinance loans in the MAPC region and just 4 of the 11,502 refinance loans in Boston were reported as HOEPA loans.

¹⁹ Mortgage lending by a bank subsidiary and/or by affiliated lenders owned by the same bank holding company may be included at the option of the bank. The Massachusetts CRA extends coverage to state-chartered credit unions.

“Homeownership Investment Act” would establish that each licensed mortgage lender that makes at least 50 total loans per year in Massachusetts has “a continuing and affirmative obligation...to help meet the housing credit needs of communities in the Commonwealth, including low and moderate neighborhoods and residents.”²⁰ In 2004, 120 licensed mortgage lenders made that many loans in the state. These lenders accounted for 69.7% of total high-APR *home purchase* loans in the state and for 75.1% of total high-APR *refinance* loans in the state. They include most of the biggest HAL lenders listed in Tables 7 and 14.²¹ The pending legislation is supported by the Massachusetts Community & Banking Council, the Massachusetts Bankers Association, and numerous community groups and municipal officials.

²⁰ The official title of the “Homeownership Investment Act,” is “An Act Establishing Housing Investment Obligations for Certain Mortgage Lenders” (Senate Bill #562 and House Bill #3011). The legislation’s primary sponsors are Senator Jarrett Barrios and Representative Marie St. Fleur.

²¹ Licensed mortgage lenders are indicated by “LML” in the second column of Tables 7 and 15. Lending families indicated by “MIX” in this column include one or more licensed mortgage lenders. Out-of-state banks (whether chartered by the federal government or by another state) – as well as the mortgage lending subsidiaries of federally chartered out-of-state banks – are indicated by “OTH” in Tables 7 and 14. Out-of-state banks are exempt from regulation by the Massachusetts Division of Banks; because they do not need a license to make mortgage loans in Massachusetts, they would not be covered by the proposed legislation. An alternative possible way to bring CRA requirements to state-licensed mortgage lenders – and the only way to extend these requirements to out-of-state banks – is through action at the national level.

Table 1
High-APR Loans (HALs), By Race/Ethnicity of Borrower
Loans for Owner-Occupied Homes, City of Boston, 2004

Borrower Race/Ethnicity	All Loans	High-APR Loans	Percent HALs	Ratio to White %
A. Home Purchase Loans				
Asian	601	30	5.0%	1.00
Black	1,199	348	29.0%	5.84
Latino	888	222	25.0%	5.03
White	6,317	314	5.0%	1.00
Other	39	1	2.6%	0.52
No Info	1,342	130	9.7%	
Total	10,386	1,045	10.1%	
B. Refinance Loans				
Asian	379	21	5.5%	0.90
Black	2,226	324	14.6%	2.37
Latino	832	84	10.1%	1.64
White	5,874	361	6.1%	1.00
Other	45	5	11.1%	1.81
No Info	2,150	276	12.8%	
Total	11,506	1,071	9.3%	

Table 2
High-APR Loans (HALs), By Income of Borrower
Loans for Owner-Occupied Homes, City of Boston, 2004

Borrower Income*	All Loans	High-APR Loans	Percent HALs	Ratio to White %
A. Home Purchase Loans				
Low	283	12	4.2%	0.36
Moderate	1,893	87	4.6%	0.39
Middle	2,990	300	10.0%	0.85
Upper	4,834	570	11.8%	1.00
Not Reported	386	76	19.7%	
Total	10,386	1,045	10.1%	
B. Refinance Loans				
Low	784	78	9.9%	1.23
Moderate	2,588	264	10.2%	1.26
Middle	3,581	385	10.8%	1.32
Upper	3,979	323	8.1%	1.00
Not Reported	574	21	3.7%	
Total	11,506	1,071	9.3%	

* Income categories are defined in relationship to the Median Family Income of the Boston Metro Division (\$75,300 in 2004). "Low" is less than 50% of this amount (\$1K-\$37K in 2004); "Moderate" is 50%-80% of this amount (\$38K-\$60K); "Middle" is 80%-120% of this amount (\$61K-\$90K); and "Upper" is over 120% of this amount (\$91K or greater).

Table 3
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans and Percent of All Loans
Loans for Owner-Occupied Homes, City of Boston, 2004

	Low Income*	Moderate Income*	Middle Income*	Upper Income*
A. Total Number of Home Purchase Loans				
Asian	40	142	167	214
Black	50	275	437	407
Latino	32	204	292	306
White	136	1,058	1,712	3,199
B. High-APR Loans (HALs) as Percent of Total: Home Purchase Loans				
Asian	0.0%	1.4%	2.4%	8.4%
Black	8.0%	12.0%	27.0%	44.5%
Latino	9.4%	4.9%	18.8%	42.2%
White	2.2%	2.9%	4.8%	5.4%
C. Home Purchase Loan Share Disparity Ratios (Ratio to White HAL percentage)				
Asian	0.00	0.48	0.50	1.55
Black	3.63	4.10	5.64	8.18
Latino	4.25	1.67	3.93	7.75
White	1.00	1.00	1.00	1.00
D. Total Number of Refinance Loans				
Asian	25	86	113	131
Black	267	635	779	433
Latino	48	216	290	208
White	293	1,149	1,697	2,455
E. High-APR Loans (HALs) as Percent of Total: Refinance Loans				
Asian	4.0%	0.0%	4.4%	11.5%
Black	13.9%	13.5%	15.8%	15.0%
Latino	6.3%	9.3%	9.0%	15.4%
White	7.5%	7.5%	7.5%	5.1%
F. Refinance Loan Share Disparity Ratios (Ratio to White HAL percentage)				
Asian	0.53	0.00	0.59	2.27
Black	1.85	1.81	2.11	2.97
Latino	0.83	1.24	1.20	3.05
White	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston Metro Division (\$75,300 in 2004). "Low" is less than 50% of this amount (\$1K-\$37K in 2004); "Moderate" is 50%-80% of this amount (\$38K-\$60K); "Middle" is 80%-120% of this amount (\$61K-\$90K); and "Upper" is over 120% of this amount (\$91K or greater).

Chart 3-A
High-APR Loans as Percent of All Loans
By Race/Ethnicity and Income of Borrower
City of Boston, Owner-Occupied Home Purchase Loans,

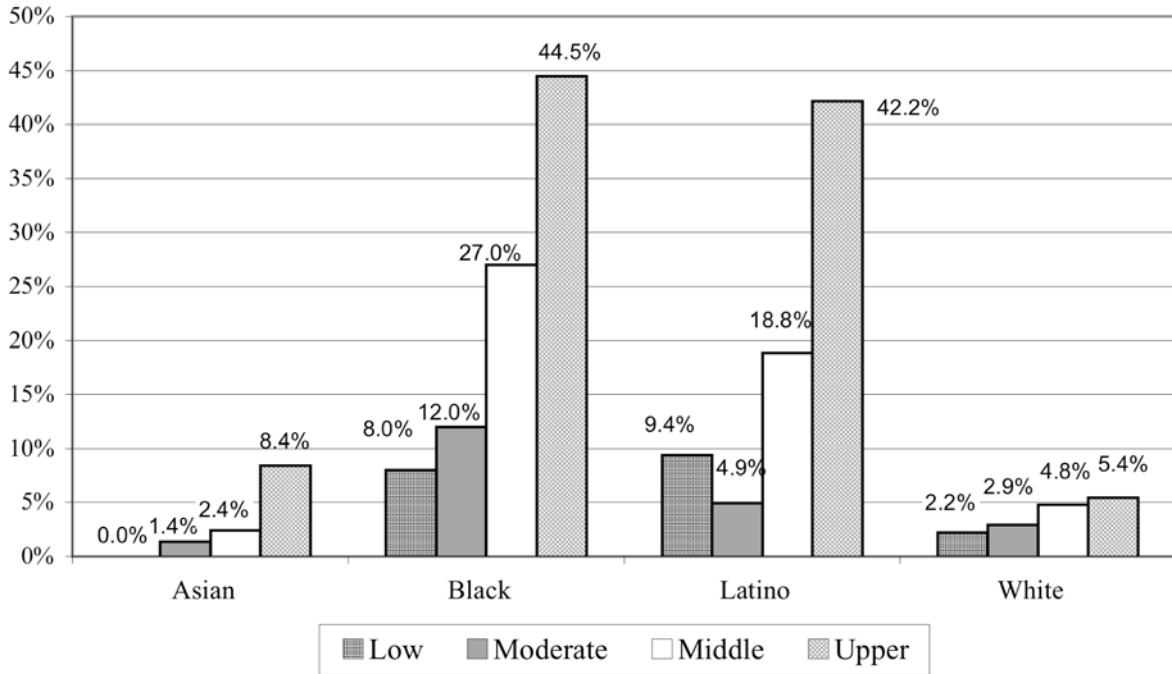


Chart 3-B
High-APR Loans as Percent of All Loans
By Race/Ethnicity and Income of Borrower
City of Boston, Owner-Occupied Refinance Loans, 2004

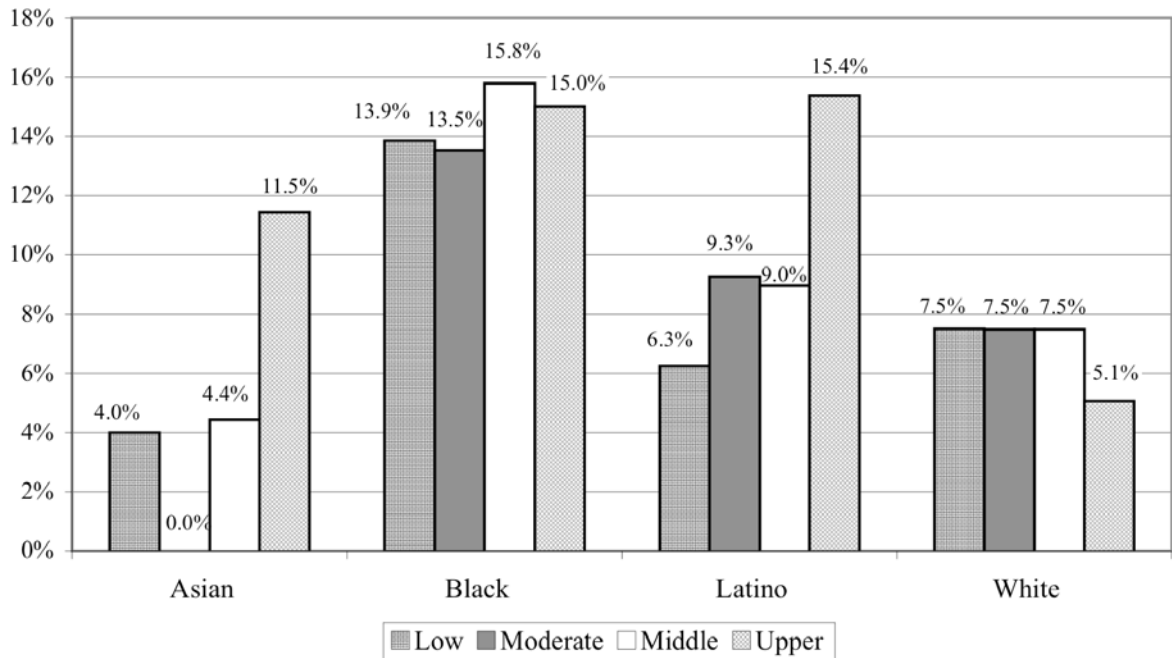


Table 4
High-APR Lending, By Percent Minority Households in Census Tract
Loans for Owner-Occupied Homes, City of Boston, 2004

Composition of Census Tract	Number of Tracts	All Loans	High-APR Loans	Percent HALs	Ratio to >75% White
A. Home Purchase Loans					
> 75% Minority	41	1,548	446	28.8%	7.47
50%-75% Minority	21	1,034	150	14.5%	3.76
25%-50% Minority	43	3,031	265	8.7%	2.27
> 75% White	52	4,773	184	3.9%	1.00
Total	157	10,386	1,045	10.1%	
B. Refinance Loans					
> 75% Minority	41	2,891	489	16.9%	3.59
50%-75% Minority	21	1,394	160	11.5%	2.44
25%-50% Minority	43	3,056	226	7.4%	1.57
> 75% White	52	4,165	196	4.7%	1.00
Total	157	11,506	1,071	9.3%	

Table 5
High-APR Lending, By Income Level* of Census Tract
Loans for Owner-Occupied Homes, City of Boston, 2004

Census Tract Income Level*	Number of Tracts#	All Loans	High-APR Loans	Percent HALs	Ratio to Upper %
A. Home Purchase Loans					
Low-Income	34	1,216	181	14.9%	6.89
Moderate-Income	66	3,955	618	15.6%	7.24
Middle-Income	39	3,270	204	6.2%	2.89
Upper-Income	17	1,945	42	2.2%	1.00
Total#	156	10,386	1,045	10.1%	
B. Refinance Loans					
Low-Income	34	1,255	182	14.5%	5.56
Moderate-Income	66	5,162	598	11.6%	4.44
Middle-Income	39	3,518	250	7.1%	2.72
Upper-Income	17	1,571	41	2.6%	1.00
Total#	156	11,506	1,071	9.3%	

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the Boston 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.

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

Table 6-A
High-APR Loans (HALs), By Boston Neighborhood#
Owner-Occupied Home Purchase Loans Only, 2004

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level
Mattapan	403	136	33.7%	96.2%	\$ 38,463
Roxbury	554	129	23.3%	95.2%	\$ 30,358
Hyde Park	535	124	23.2%	57.0%	\$ 54,666
Dorchester	1,262	257	20.4%	68.2%	\$ 39,856
East Boston	478	97	20.3%	50.3%	\$ 36,213
Roslindale	702	71	10.1%	44.2%	\$ 53,418
West Roxbury	491	34	6.9%	16.4%	\$ 68,966
South Boston	1,131	55	4.9%	15.5%	\$ 47,794
Allston/Brighton	909	44	4.8%	31.3%	\$ 47,693
Jamaica Plain	648	29	4.5%	50.2%	\$ 45,762
Charlestown	639	16	2.5%	21.4%	\$ 59,265
Central	768	19	2.5%	30.4%	\$ 61,837
South End	749	18	2.4%	54.7%	\$ 42,263
BackBay/BeaconHill	812	14	1.7%	15.2%	\$ 127,542
Fenway/Kenmore	305	2	0.7%	30.5%	\$ 48,961
City of Boston	10,386	1,045	10.1%	50.5%	\$ 44,151

The neighborhoods used in this study are based on the Planning Districts (PDs) defined by the Boston Redevelopment Authority (BRA), except: North and South Dorchester are combined and the Harbor Islands PD (no loans in 2004) is omitted. *Percent minority* was calculated by the BRA for these exact neighborhoods from 2000 Census data. However, lending data are available only on a census tract basis and many tracts are divided among two or more PDs; *loans* in each PD were calculated using a list of census tracts obtained from the BRA that correspond to the PDs as closely as possible. The income level is estimated as the median of the Median Family Incomes of the census tracts in the PD.

Chart 6-A
HALs as % of All Home-Purchase Loans, Boston Neighborhoods, 2004

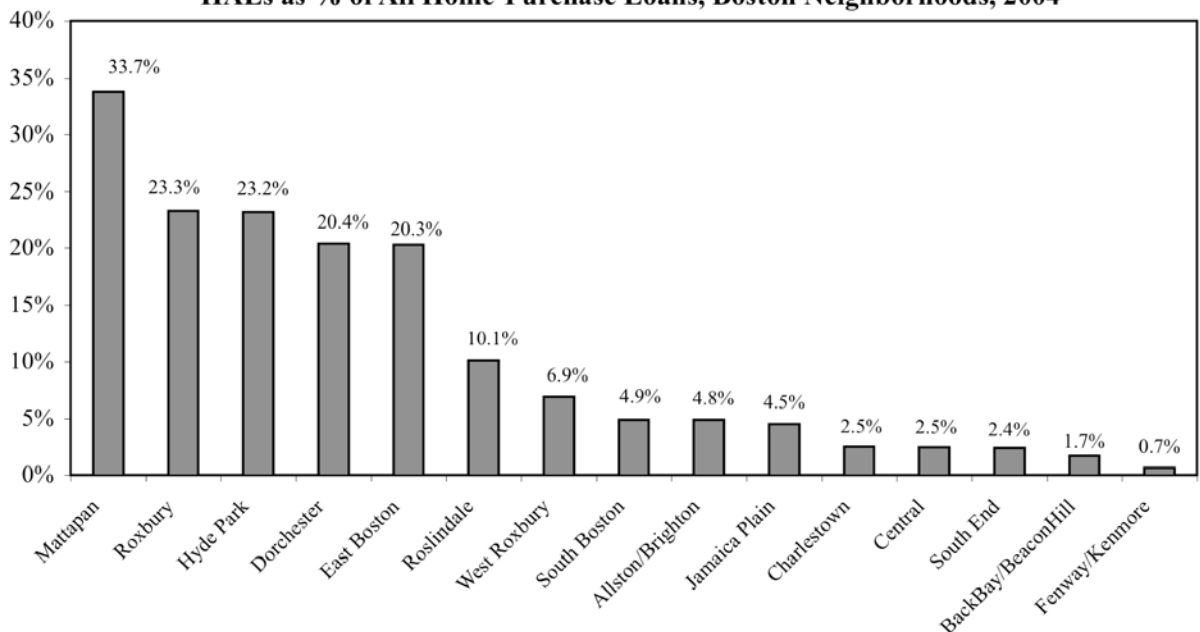


Table 6-B
High-APR Loans (HALs), By Boston Neighborhood#
Owner-Occupied Refinance Loans Only, 2004

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level*
Mattapan	941	164	17.4%	96.2%	\$ 38,463
Roxbury	910	141	15.5%	95.2%	\$ 30,358
Dorchester	1,940	293	15.1%	68.2%	\$ 39,856
Hyde Park	1,146	140	12.2%	57.0%	\$ 54,666
East Boston	577	57	9.9%	50.3%	\$ 36,213
Roslindale	894	76	8.5%	44.2%	\$ 53,418
South Boston	727	46	6.3%	15.5%	\$ 47,794
Jamaica Plain	687	31	4.5%	50.2%	\$ 45,762
West Roxbury	748	33	4.4%	16.4%	\$ 68,966
Allston/Brighton	675	28	4.1%	31.3%	\$ 47,693
Charlestown	435	18	4.1%	21.4%	\$ 59,265
Fenway/Kenmore	184	5	2.7%	30.5%	\$ 48,961
South End	644	17	2.6%	54.7%	\$ 42,263
Central	395	10	2.5%	30.4%	\$ 61,837
BackBay/BeaconHill	603	12	2.0%	15.2%	\$ 127,542
City of Boston	11,506	1,071	9.3%	50.5%	\$ 44,151

The neighborhoods used in this study are based on the Planning Districts (PDs) defined by the Boston Redevelopment Authority (BRA), except: North and South Dorchester are combined and the Harbor Islands PD (no loans in 2004) is omitted. *Percent minority* was calculated by the BRA for these exact neighborhoods from 2000 Census data. However, lending data are available only on a census tract basis and many tracts are divided among two or more PDs; *loans* in each PD were calculated using a list of census tracts obtained from the BRA that correspond to the PDs as closely as possible. The income level is estimated as the median of the Median Family Incomes of the census tracts in the PD.

Chart 6-B
HALs as % of All Refinance Loans, Boston Neighborhoods, 2004

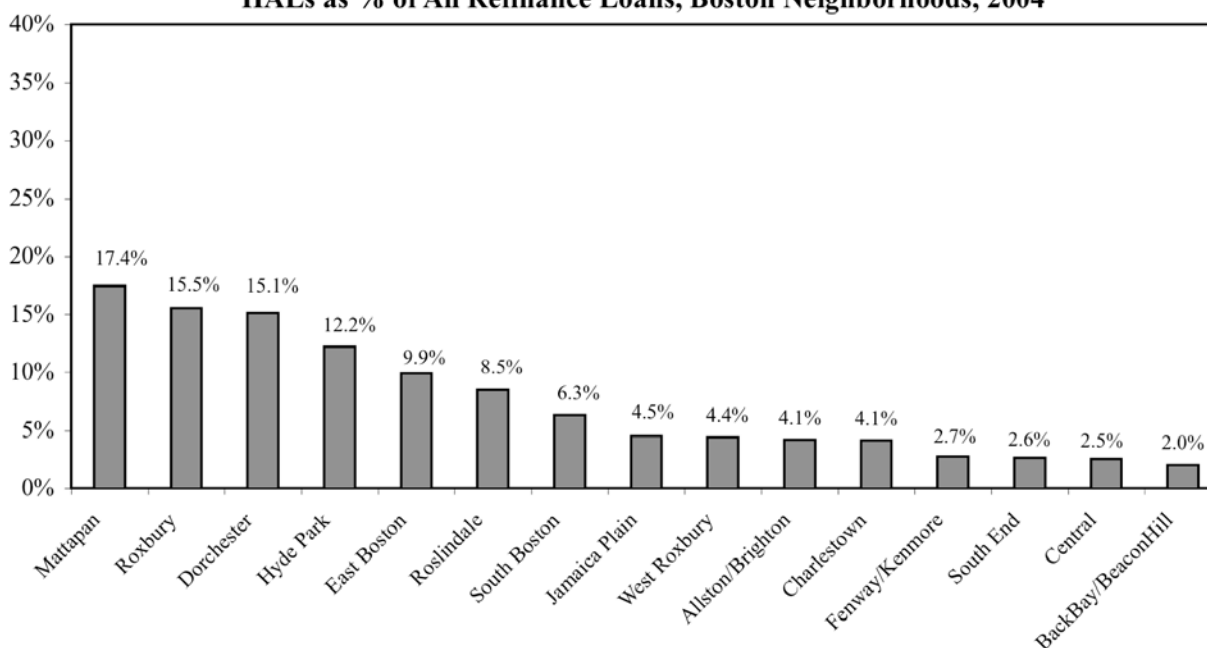


Table 7
Lenders with the Most High-APR Loans (HALs) in Boston, 2004
Loans for Owner-Occupied Homes Only, Sorted by Total Number of High-APR Loans

Lender Name	Lender Type#	Number of HALs			Total Loans			HALs as % of Total		
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi
A. The 25 Lenders or Lender Families with 20 or More High-APR Loans (HALs) in Boston										
Ameriquet/Argent*	LML	312	103	209	820	181	639	38.0%	56.9%	32.7%
Fremont Investment & Loan	OTH	298	178	120	387	225	162	77.0%	79.1%	74.1%
Countrywide*	MIX	184	82	102	2,075	1,085	990	8.9%	7.6%	10.3%
H&R Block/Option One*	LML	141	38	103	683	153	530	20.6%	24.8%	19.4%
New Century Mortgage Corp.	LML	123	74	49	389	196	193	31.6%	37.8%	25.4%
Meritage Mortgage Corp.	LML	94	92	2	138	134	4	68.1%	68.7%	50.0%
WMC Mortgage Corp.	LML	51	31	20	77	37	40	66.2%	83.8%	50.0%
National City*	OTH	45	30	15	428	247	181	10.5%	12.1%	8.3%
Lehman/Finance America*	MIX	44	29	15	129	60	69	34.1%	48.3%	21.7%
ING Direct	OTH	43	11	32	43	11	32	100.0%	100.0%	100.0%
Summit Mortgage, LLC	LML	42	40	2	737	694	43	5.7%	5.8%	4.7%
Accredited Home Lenders, Inc.	LML	39	31	8	74	53	21	52.7%	58.5%	38.1%
Nation One Mortgage Co.	LML	39	36	3	72	62	10	54.2%	58.1%	30.0%
American Business Financial	LML	37	15	22	67	29	38	55.2%	51.7%	57.9%
Fieldstone Mortgage Co	LML	37	28	9	128	80	48	28.9%	35.0%	18.8%
CitiGroup*	MIX	32	0	32	557	221	336	5.7%	0.0%	9.5%
Aames Funding Corp.	LML	31	16	15	65	23	42	47.7%	69.6%	35.7%
Aegis*	LML	26	3	23	80	8	72	32.5%	37.5%	31.9%
SLM Financial Corp	LML	26	24	2	118	71	47	22.0%	33.8%	4.3%
AIG FSB	OTH	25	8	17	58	13	45	43.1%	61.5%	37.8%
Washington Mutual*	LML	25	17	8	1,066	365	701	2.3%	4.7%	1.1%
Gateway Funding	LML	23	23	0	106	104	2	21.7%	22.1%	0.0%
Wells Fargo*	MIX	23	2	21	1,116	681	435	2.1%	0.3%	4.8%
1-800-East-West Mortgage Co	OTH	21	3	18	168	42	126	12.5%	7.1%	14.3%
Delta Funding Corp.	LML	20	7	13	53	11	42	37.7%	63.6%	31.0%
Sub-Total, Top 25 HAL Lenders		1,781	921	860	9,634	4,786	4,848	18.5%	19.2%	17.7%
Total, all 410 Lenders (112 HAL lenders)		2,139	1,047	1,092	21,892	10,386	11,506	9.8%	10.1%	9.5%
B. The Six Other Lenders with 500 or More Total Loans in Boston										
Bank of America*	CRA	1	0	1	930	471	462	0.1%	0.0%	0.2%
GMAC*	MIX	19	9	10	840	318	522	2.3%	2.8%	1.9%
Citizens*	CRA	7	5	2	745	321	424	0.9%	1.6%	0.5%
HSBC*	MIX	11	1	10	714	362	352	1.5%	0.3%	2.8%
Mortgage Master	LML	3	0	3	576	227	349	0.5%	0.0%	0.9%
Sovereign	CRA	1	1	0	514	269	245	0.2%	0.4%	0.0%

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages.

Aegis: Aegis Lending Corp (58 loans; 36.2% HALs) and Aegis Funding Corp. (22; 22.7%).

Ameriquet/Argent: Ameriquet Mort Co (412 loans, 33.5% HALs), Argent Mort Co (386; 43.0%), and Town & Country Credit Corp (22; 36.4%).

Bank of America: Bank of America (405 loans; 0.0% HALs) and Fleet National Bank (525 loans; 0.2%).

CitiGroup: CitiMortgage (359 loans; 0.0% HALs), Principal Residential Mort (125; 0.0%), Citicorp Trust Bank (29; 51.7%), CitiFinancial Services (23; 65.2%), CitiBank FSB (19; 0.0%), and CitiFinancial Mortgage (2; 100.0%).

Citizens: Citizens Bank of Mass (347 loans; 0.0% HALs) and Citizens Mortgage (398; 1.8%).

Countrywide: Countrywide Home Loans (1,939 loans; 9.5% HALs) and Treasury Bank (136; 0.0%).

GMAC: GMAC Bank (556 loans; 0.4% HALs), GMAC Mortgage (183; 0.5%), and Homecomings Financial Network (101; 15.8%).

H&R Block/Option One: H&R Block Mortgage (75 loans; 25.3% HALs) and Option One Mortgage (608; 20.1%).

HSBC: HSBC Mortgage (640 loans; 0.2% HALs); Household Finance (53; 11.3%) and Beneficial (21; 19.0%).

Lehman/Finance America: Lehman Brothers Bank (51 loans; 21.6% HALs) and Finance America (78; 42.3%).

National City: National City Bank (62 loans; 0.0% HALs) and National City Bank, Indiana (366; 12.3%).

Washington Mutual: Washington Mutual Bank (994 loans; 0.0% HALs) and Long Beach Mortgage (72; 34.7%).

Wells Fargo: Wells Fargo Bank (1,060 loans; 0.9% HALs), Wells Fargo Financial, Mass (30; 43.2%) and Wells Fargo Funding (26; 0.0%)

Lender families here include all lenders that made one or more HALs, but exclude other affiliated lenders that made fewer than 5 total loans.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. **LML**: licensed mortgage lenders, mostly mortgage companies, potentially subject to 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. **MIX**: lender families that include both LML and OTH lenders.

Table 8
Lenders with the Most High-APR Loans, Boston 2004 -- Lending by Race/Ethnicity
Loans for Owner-Occupied Homes Only, Sorted by Total Number of High-APR Loans (HALs) -- See Table 7

Lender Name	Lender Type#	Total Loans			HALs as % of Total			Ratio to White	
		Black	Latino	White	Black	Latino	White	Black	Latino
A. The 25 Lenders or Lender Families with 20 or More High-APR Loans (HALs) in Boston									
Ameriquest/Argent*	LML	239	97	341	41.4%	40.2%	37.0%	1.12	1.09
Fremont Investment & Loan	OTH	146	75	103	80.1%	77.3%	70.9%	1.13	1.09
Countrywide*	MIX	240	147	1,075	19.2%	9.5%	7.2%	2.68	1.33
H&R Block/Option One*	LML	208	100	192	22.6%	19.0%	20.8%	1.08	0.91
New Century Mortgage Corp.	LML	185	61	121	30.8%	27.9%	33.9%	0.91	0.82
Meritage Mortgage Corp.	LML	46	65	18	69.6%	69.2%	61.1%	1.14	1.13
WMC Mortgage Corp.	LML	26	7	22	61.5%	42.9%	77.3%	0.80	0.55
National City*	OTH	79	58	213	17.7%	10.3%	4.7%	3.77	2.20
Lehman/Finance America*	MIX	51	20	43	47.1%	35.0%	23.3%	2.02	1.51
ING Direct	OTH	1	0	28	100.0%	na	100.0%	1.00	na
Summit Mortgage, LLC	LML	18	15	617	16.7%	13.3%	5.2%	3.21	2.57
Accredited Home Lenders, Inc.	LML	28	18	19	64.3%	44.4%	36.8%	1.74	1.21
Nation One Mortgage Co.	LML	13	37	18	92.3%	48.6%	44.4%	2.08	1.09
American Business Financial	LML	33	5	10	51.5%	80.0%	50.0%	1.03	1.60
Fieldstone Mortgage Co	LML	26	48	41	30.8%	25.0%	34.1%	0.90	0.73
CitiGroup*	MIX	68	20	364	30.9%	10.0%	1.6%	18.74	6.07
Aames Funding Corp.	LML	28	3	8	57.1%	33.3%	37.5%	1.52	0.89
Aegis*	LML	5	0	14	0.0%	na	35.7%	0.00	na
SLM Financial Corp	LML	7	26	41	14.3%	42.3%	9.8%	1.46	4.34
AIG FSB	OTH	10	3	12	50.0%	66.7%	50.0%	1.00	1.33
Washington Mutual*	LML	172	59	627	4.1%	3.4%	1.0%	4.25	3.54
Gateway Funding	LML	5	7	79	40.0%	14.3%	17.7%	2.26	0.81
Wells Fargo*	MIX	143	61	599	7.0%	3.3%	0.8%	8.38	3.93
1-800-East-West Mortgage Co	OTH	10	4	47	10.0%	25.0%	8.5%	1.18	2.94
Delta Funding Corp.	LML	11	2	2	63.6%	0.0%	50.0%	1.27	0.00
Sub-Total, Top 25 HAL Lenders		1,798	938	4,654	32.3%	29.2%	11.9%	2.72	2.46
Total, all 410 Lenders (112 HAL Lenders)		3,425	1,720	12,191	19.6%	17.8%	5.5%	3.54	3.21
B. The Six Other Lenders with 500 or More Total Loans in Boston									
Bank of America*	CRA	228	73	479	0.4%	0.0%	0.0%	**	**
GMAC*	MIX	60	44	547	3.3%	2.3%	2.0%	1.66	1.13
Citizens*	CRA	173	111	356	1.7%	2.7%	0.3%	6.17	9.62
HSBC*	MIX	65	13	509	6.2%	0.0%	0.8%	7.83	0.00
Mortgage Master	LML	20	14	488	10.0%	0.0%	0.2%	48.80	0.00
Sovereign	CRA	130	102	218	0.0%	1.0%	0.0%	**	**

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages.

Aegis: Aegis Lending Corp (58 loans; 36.2% HALs) and Aegis Funding Corp. (22; 22.7%).

Ameriquest/Argent: Ameriquest Mort Co (412 loans, 33.5% HALs), Argent Mort Co (386; 43.0%), and Town & Country Credit Corp (22; 36.4%).

Bank of America: Bank of America (405 loans; 0.0% HALs) and Fleet National Bank (525 loans; 0.2%).

CitiGroup: CitiMortgage (359 loans; 0.0% HALs), Principal Residential Mort (125; 0.0%), Citicorp Trust Bank (29; 51.7%), CitiFinancial Services (23; 65.2%),

CitiBank FSB (19; 0.0%), and CitiFinancial Mortgage (2; 100.0%).

Citizens: Citizens Bank of Mass (347 loans; 0.0% HALs) and Citizens Mortgage (398; 1.8%).

Countrywide: Countrywide Home Loans (1,939 loans; 9.5% HALs) and Treasury Bank (136; 0.0%).

GMAC: GMAC Bank (556 loans; 0.4% HALs), GMAC Mortgage (183; 0.5%), and Homecomings Financial Network (101; 15.8%).

H&R Block/Option One: H&R Block Mortgage (75 loans; 25.3% HALs) and Option One Mortgage (608; 20.1%).

HSBC: HSBC Mortgage (640 loans; 0.2% HALs); Household Finance (53; 11.3%) and Beneficial (21; 19.0%).

Lehman/Finance America: Lehman Brothers Bank (51 loans; 21.6% HALs) and Finance America (78; 42.3%).

National City: National City Bank (62 loans; 0.0% HALs) and National City Bank, Indiana (366; 12.3%).

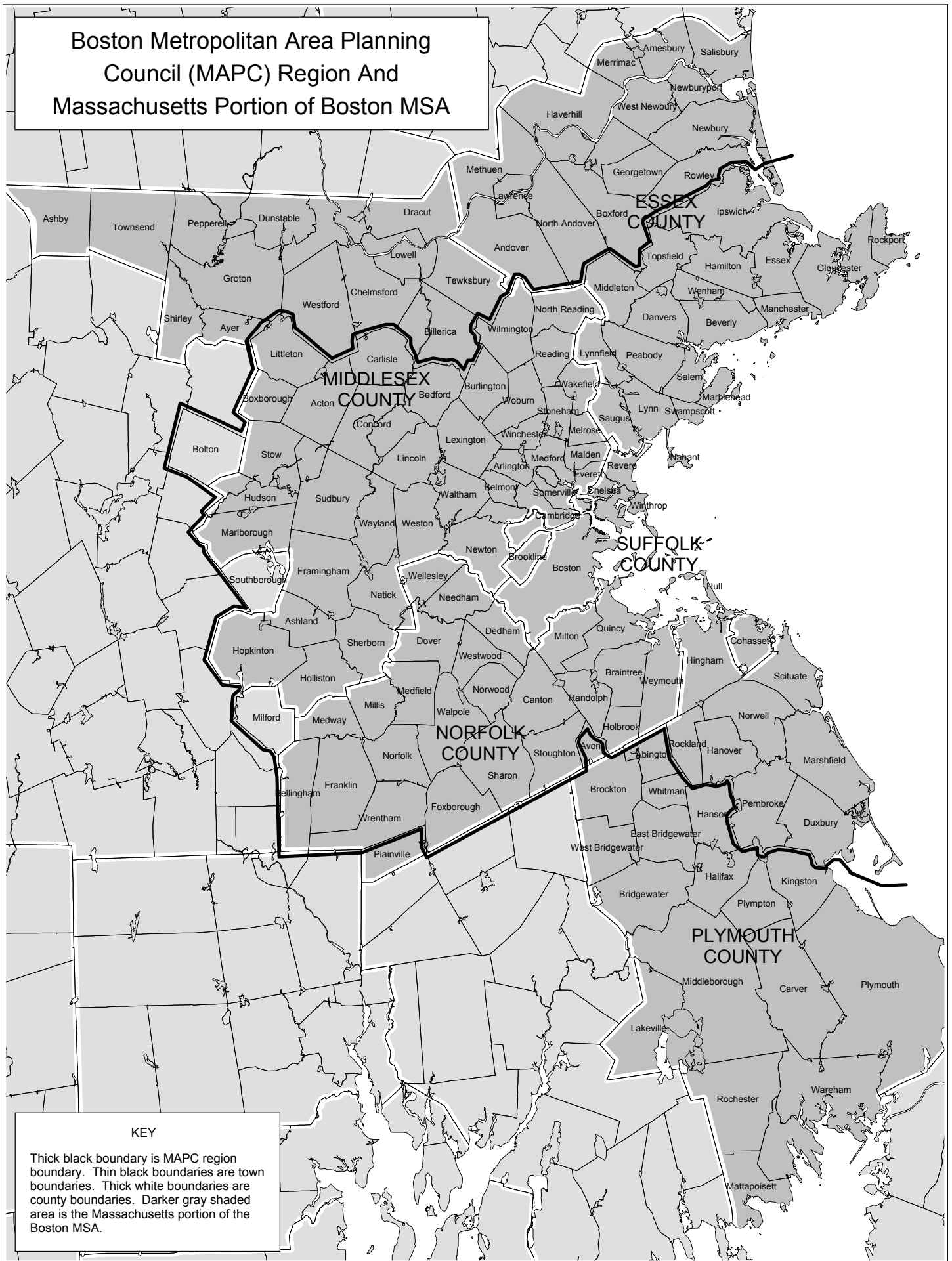
Washington Mutual: Washington Mutual Bank (994 loans; 0.0% HALs) and Long Beach Mortgage (72; 34.7%).

Wells Fargo: Wells Fargo Bank (1,060 loans; 0.9% HALs), Wells Fargo Financial, Mass (30; 43.2%) and Wells Fargo Funding (26; 0.0%)

Lender families here include all lenders that made one or more HALs, but exclude other affiliated lenders that made fewer than 5 total loans.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. **LML**: licensed mortgage lenders, mostly mortgage companies, potentially subject to 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. **MIX**: lender families that include both LML and OTH lenders.

Boston Metropolitan Area Planning Council (MAPC) Region And Massachusetts Portion of Boston MSA



KEY

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

Table 9
High-APR Loans (HALs), By Race/Ethnicity of Borrower
Loans for Owner-Occupied Homes, MAPC Region, 2004

Borrower Race/Ethnicity	All Loans	High-APR Loans	Percent HALs	Ratio to White %
A. Home Purchase Loans				
Asian	3,609	154	4.3%	0.73
Black	2,527	688	27.2%	4.68
Latino	3,896	1,159	29.7%	5.11
White	37,815	2,202	5.8%	1.00
Other	250	24	9.6%	1.65
No Info	6,386	472	7.4%	
Total	54,483	4,699	8.6%	
B. Refinance Loans				
Asian	3,221	99	3.1%	0.61
Black	3,925	534	13.6%	2.70
Latino	3,151	336	10.7%	2.12
White	59,760	3,012	5.0%	1.00
Other	314	31	9.9%	1.96
No Info	13,853	1,343	9.7%	
Total	84,224	5,355	6.4%	

Table 10
High-APR Loans (HALs), By Income of Borrower
Loans for Owner-Occupied Homes, MAPC Region, 2004

Borrower Income*	All Loans	High-APR Loans	Percent HALs	Ratio to White %
A. Home Purchase Loans				
Low	1,898	104	5.5%	0.69
Moderate	9,595	575	6.0%	0.75
Middle	16,773	1,776	10.6%	1.33
Upper	24,094	1,923	8.0%	1.00
Not Reported	2,123	321	15.1%	
Total	54,483	4,699	8.6%	
B. Refinance Loans				
Low	5,227	383	7.3%	1.46
Moderate	17,608	1,330	7.6%	1.50
Middle	25,297	1,941	7.7%	1.52
Upper	32,310	1,626	5.0%	1.00
Not Reported	3,782	75	2.0%	
Total	84,224	5,355	6.4%	

* Income categories are defined in relationship to the Median Family Income (MFI) of the metro area in which the home is located. Communities in the MAPC Region are located in four different metropolitan areas: the Boston-Quincy Metropolitan Division [MD] (MFI of \$75,300 in 2004); the Cambridge-Newton-Framingham MD (\$88,600); the Essex County MD (\$76,000), and the Worcester Metropolitan Statistical Area (\$69,900). "Low" is less than 50% of the MFI in the relevant metro area; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; and "Upper" is over 120% of this amount.

Table 11
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans and Percent of All Loans
Loans for Owner-Occupied Homes, MAPC Region, 2004

	Low Income*	Moderate Income*	Middle Income*	Upper Income*
A. Total Number of Home Purchase Loans				
Asian	157	667	1,195	1,439
Black	94	572	960	823
Latino	155	907	1,498	1,093
White	1,296	6,391	11,177	17,547
B. High-APR Loans (HALs) as Percent of Total: Home Purchase Loans				
Asian	3.2%	1.5%	4.8%	4.6%
Black	10.6%	14.2%	27.8%	37.8%
Latino	9.0%	15.0%	31.2%	40.6%
White	5.2%	4.6%	7.1%	5.1%
C. Home Purchase Loan Share Disparity Ratios (Ratio to White HAL percentage)				
Asian	0.61	0.33	0.67	0.91
Black	2.03	3.08	3.92	7.47
Latino	1.72	3.26	4.39	8.03
White	1.00	1.00	1.00	1.00
D. Total Number of Refinance Loans				
Asian	152	576	1,016	1,329
Black	395	1,136	1,346	857
Latino	215	847	1,132	737
White	3,599	11,971	17,465	24,102
E. High-APR Loans (HALs) as Percent of Total: Refinance Loans				
Asian	2.0%	3.0%	3.2%	3.3%
Black	11.1%	14.0%	14.4%	14.1%
Latino	6.5%	7.9%	12.0%	15.1%
White	6.5%	6.0%	6.2%	3.9%
F. Refinance Loan Share Disparity Ratios (Ratio to White HAL percentage)				
Asian	0.30	0.49	0.53	0.84
Black	1.71	2.34	2.34	3.59
Latino	1.00	1.32	1.95	3.83
White	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metro area in which the home is located. Communities in the MAPC Region are located in four different metropolitan areas: the Boston-Quincy Metropolitan Division [MD] (MFI of \$75,300 in 2004); the Cambridge-Newton-Framingham MD (\$88,600); the Essex County MD (\$76,000), and the Worcester Metropolitan Statistical Area (\$69,900). "Low" is less than 50% of the MFI in the relevant metro area; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; and "Upper" is over 120% of the MFI in the relevant metro area.

Chart 11-A
High-APR Loans as Percent of All Loans
By Race/Ethnicity and Income of Borrower
MAPC Region, Owner-Occupied Home Purchase Loans, 2004

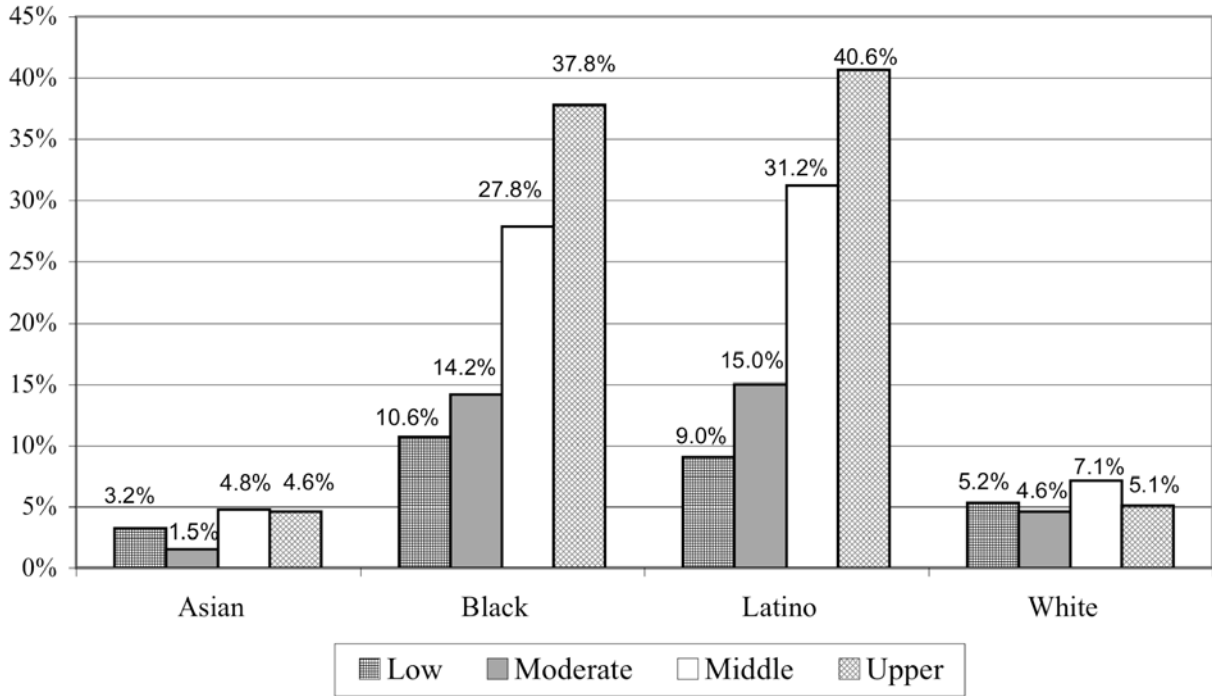


Chart 11-B
High-APR Loans as Percent of All Loans
By Race/Ethnicity and Income of Borrower
MAPC Region, Owner-Occupied Refinance Loans, 2004

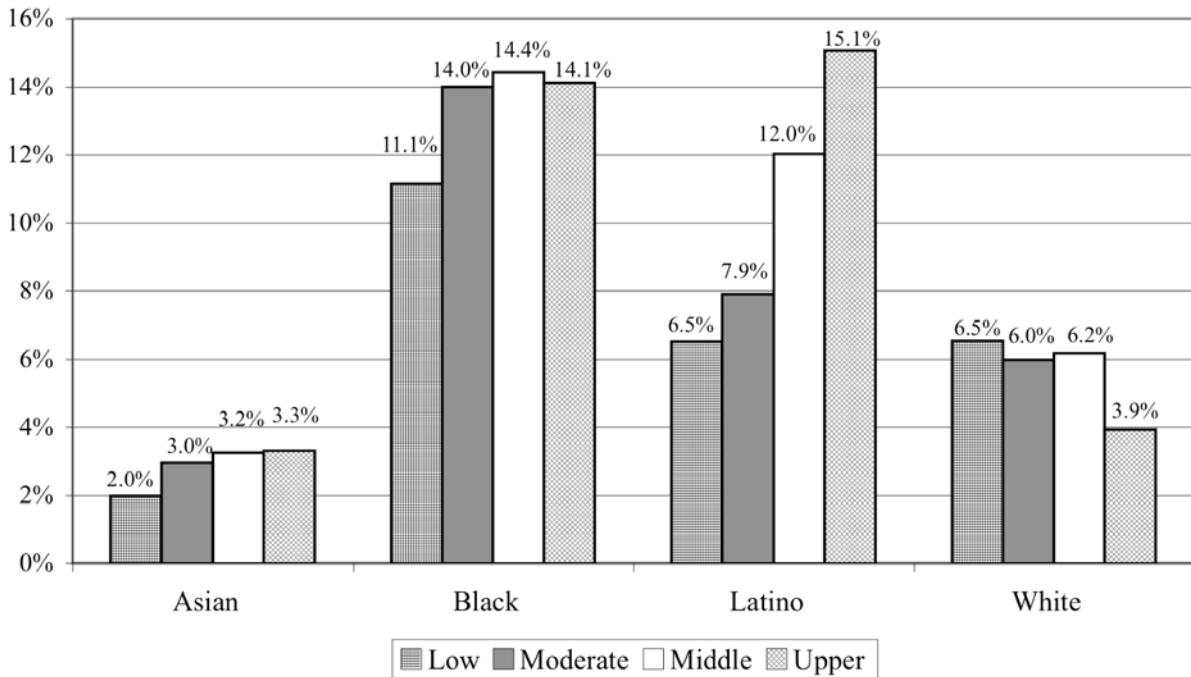


Table 12
High-APR Lending, By Percent Minority Households in Census Tract
Owner-Occupied Homes, MAPC Region, 2004

Composition of Census Tract	Number of Tracts	All Loans	High-APR Loans	Percent HALs	Ratio to >75% White
A. Home Purchase Loans					
> 75% Minority	41	1,548	446	28.8%	4.10
50%-75% Minority	33	1,859	326	17.5%	2.50
25%-50% Minority	82	6,228	779	12.5%	1.78
> 75% White	487	44,848	3,148	7.0%	1.00
Total	643	54,483	4,699	8.6%	
B. Refinance Loans					
> 75% Minority	41	2,891	489	16.9%	3.09
50%-75% Minority	33	2,239	272	12.1%	2.22
25%-50% Minority	82	7,205	658	9.1%	1.67
> 75% White	487	71,889	3,936	5.5%	1.00
Total	643	84,224	5,355	6.4%	

Table 13
High-APR Lending, By Income Level of Census Tract*
Owner-Occupied Homes, MAPC Region, 2004

Census Tract Income Level*	Number of Tracts#	All Loans	High-APR Loans	Percent HALs	Ratio to Upper %
A. Home Purchase Loans					
Low-Income	59	1,774	298	16.8%	5.13
Moderate-Income	133	10,765	1,824	16.9%	5.17
Middle-Income	269	23,571	1,975	8.4%	2.56
Upper-Income	181	18,373	602	3.3%	1.00
Total#	642	54,483	4,699	8.6%	
B. Refinance Loans					
Low-Income	59	1,875	276	14.7%	4.06
Moderate-Income	133	13,897	1,415	10.2%	2.81
Middle-Income	269	37,503	2,541	6.8%	1.87
Upper-Income	181	30,949	1,123	3.6%	1.00
Total#	642	84,224	5,355	6.4%	

* A census tract is placed into an income category on the basis of the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the metropolitan areas it is in. The 101 communities in the MAPC Region are located in four different metropolitan areas. "Low" is less than 50% of the MFI of the metro area; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the metro area.

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

Table 14
Lenders with the Most High-APR Loans in MAPC Region, 2004
Loans for Owner-Occupied Homes Only, Sorted by Total Number of High-APR Loans

Lender Name	Lender Type#	Number of HALs			Total Loans			HALs as % of Total		
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi
A. The 25 Lenders or Lender Families with 100 or More High-APR Loans (HALs) in MAPC Region										
Ameriquet/Argent/T&C*	LML	1,569	578	991	4,349	1,001	3,348	36.1%	57.7%	29.6%
Fremont Investment & Loan	OTH	1,215	707	508	1,620	952	668	75.0%	74.3%	76.0%
Countrywide*	MIX	819	352	467	9,234	4,300	4,934	8.9%	8.2%	9.5%
H&R Block/Option One*	LML	684	232	452	3,476	935	2,541	19.7%	24.8%	17.8%
New Century Mortgage Corp.	LML	607	359	248	1,822	878	944	33.3%	40.9%	26.3%
ING Direct	OTH	297	61	236	297	61	236	100.0%	100.0%	100.0%
Meritage Mortgage Corp.	LML	253	240	13	363	336	27	69.7%	71.4%	48.1%
Fieldstone Mortgage Co	LML	239	183	56	803	487	316	29.8%	37.6%	17.7%
WMC Mortgage Corp.	LML	217	145	72	360	206	154	60.3%	70.4%	46.8%
National City*	OTH	206	145	61	2,723	1,363	1,360	7.6%	10.6%	4.5%
Aegis*	LML	201	64	137	571	140	431	35.2%	45.7%	31.8%
Accredited Home Lenders, Inc.	LML	180	123	57	361	230	131	49.9%	53.5%	43.5%
Lehman/Finance America*	MIX	178	103	75	625	363	262	28.5%	28.4%	28.6%
1-800-East-West Mortgage Co	OTH	168	23	145	1,490	289	1,201	11.3%	8.0%	12.1%
Wells Fargo*	MIX	158	15	143	5,991	3,193	2,798	2.6%	0.5%	5.1%
Nation One Mortgage Co.	LML	140	130	10	287	258	29	48.8%	50.4%	34.5%
Washington Mutual*	LML	137	91	46	6,525	2,012	4,513	2.1%	4.5%	1.0%
AIG FSB	OTH	132	47	85	526	97	429	25.1%	48.5%	19.8%
KeyBank	OTH	115	2	113	327	9	318	35.2%	22.2%	35.5%
SLM Financial Corp	LML	113	87	26	786	395	391	14.4%	22.0%	6.6%
CitiGroup*	MIX	107	2	105	3,715	1,128	2,587	2.9%	0.2%	4.1%
Summit Mortgage, LLC	LML	107	97	10	2,260	2,095	165	4.7%	4.6%	6.1%
Aames Funding Corp.	LML	106	45	61	227	75	152	46.7%	60.0%	40.1%
Centex/CTX*	LML	103	11	92	815	345	470	12.6%	3.2%	19.6%
American Business Financial	LML	100	34	66	190	69	121	52.6%	49.3%	54.5%
Sub-Total, Top 25 HAL Lenders		8,151	3,876	4,275	49,743	21,217	28,526	16.4%	18.3%	15.0%
Total, all 645 Lenders (190 HAL lenders)		9,984	4,697	5,287	138,707	54,483	84,224	7.2%	8.6%	6.3%
B. The Eight Other Lenders or Lender Families with 2,000 or More Total Loans in the MAPC Region										
GMAC*	MIX	92	35	57	5,752	1,919	3,833	1.6%	1.8%	1.5%
Bank of America*	CRA	6	3	3	5,307	2,053	3,254	0.1%	0.1%	0.1%
Mortgage Master	LML	18	8	10	4,989	1,557	3,432	0.4%	0.5%	0.3%
Citizens*	CRA	35	24	11	4,333	1,271	3,062	0.8%	1.9%	0.4%
HSBC*	MIX	72	4	68	4,337	1,854	2,483	1.7%	0.2%	2.7%
Taylor, Bean, & Whitaker	LML	1	1	0	2,613	463	2,150	0.0%	0.2%	0.0%
JP Morgan Chase*	OTH	29	12	17	2,515	873	1,642	1.2%	1.4%	1.0%
Sovereign	CRA	12	10	2	2,354	938	1,416	0.5%	1.1%	0.1%

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages.

Aegis: Aegis Lending Corp (307 loans; 35.2% HALs), Aegis Funding Corp. (231; 39.0%), and Aegis Wholesale Corp. (33; 0.0%)

Ameriquet/Argent: Ameriquet Mort (2,207 loans, 31.0.5% HALs), Argent Mort (1,987; 42.4%), Town & Country (153; 26.1%) & Olympus Mort (2; 100%).

Bank of America: Bank of America (3,039 loans; 0.1% HALs) and Fleet National Bank (2,268; 0.2%).

Centex/CTX: Centex Home Equity (220 loans; 46.8% HALs) and CTX Mort Co (595; 0.0%)

CitiGroup: CitiMortgage (2,250 loans; 0.1% HALs), Principal Residential Mort (1,160; 0.0%), Citicorp Trust Bank (90; 38.9%), CitiFinancial Services (74; 68.9%), CitiBank FSB (93; 0.0%), and CitiFinancial Mortgage (48; 37.5%).

Citizens: Citizens Bank of Mass (2,490 loans; 0.0% HALs), Citizens Mortgage (1,822; 1.9%), Citizens Bank of NH (21; 0.0%).

Countrywide: Countrywide Home Loans (8,630 loans; 9.5% HALs) and Treasury Bank (604; 0.2%).

GMAC: GMAC Bank (3,751 loans; 0.4% HALs), GMAC Mortgage (1,406; 0.2%), and Homecomings Financial Network (595; 12.3%).

H&R Block/Option One: H&R Block Mortgage (407 loans; 20.9% HALs) and Option One Mortgage (3,069; 19.5%).

HSBC: HSBC Mortgage (3,953 loans; 0.1% HALs); Household Finance (265; 17.0%) and Beneficial (119; 19.3%).

JP Morgan Chase: Chase Manhattan Mort Co (2,341; 0.6% HALs), Chase Manhattan Bank USA (135; 11.9%) and JP Morgan Chase Bank (39; 0.0%)

Lehman/Finance America: Lehman Brothers Bank (310 loans; 24.8% HALs) and Finance America (242; 41.7%).

National City: National City Bank (315 loans; 0.3% HALs) and National City Bank, Indiana (2,408; 8.6%).

Washington Mutual: Washington Mutual Bank (6,120 loans; 0.0% HALs) and Long Beach Mortgage (405; 33.6%).

Wells Fargo: Wells Fargo Bank (5,639 loans; 1.0% HALs), Wells Fargo Financial, Mass (188; 51.1%) and Wells Fargo Funding (164; 2.4%)

Lender families here include all lenders that made one or more HALs, but exclude other affiliated lenders that made fewer than 20 total loans.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, potentially subject to 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. MIX: lender families that include both LML and OTH lenders.

Table 15
Lenders with Most High-APR Loans, MAPC Region 2004 -- Lending by Race/Ethnicity
Loans for Owner-Occupied Homes Only, Sorted by Total High-APR Loans (HALs) -- See Table 14

Lender Name	Lender Type#	Total Loans			HALs as % of Total			Ratio to White	
		Black	Latino	White	Black	Latino	White	Black	Latino
A. The 25 Lenders or Lender Families with 100 or More High-APR Loans (HALs) in MAPC Region									
Ameriquest/Argent/T&C*	LML	422	529	2,424	38.9%	44.4%	35.7%	1.09	1.24
Fremont Investment & Loan	OTH	273	327	774	79.5%	72.2%	75.8%	1.05	0.95
Countrywide*	MIX	434	619	5,606	18.4%	15.8%	8.3%	2.23	1.92
H&R Block/Option One*	LML	371	431	1,965	23.2%	20.4%	18.9%	1.23	1.08
New Century Mortgage Corp.	LML	342	309	1,052	33.9%	34.0%	33.6%	1.01	1.01
ING Direct	OTH	2	3	178	100.0%	100.0%	100.0%	1.00	1.00
Meritage Mortgage Corp.	LML	64	209	72	73.4%	70.8%	65.3%	1.13	1.08
Fieldstone Mortgage Co	LML	53	237	413	34.0%	37.1%	25.4%	1.34	1.46
WMC Mortgage Corp.	LML	43	68	175	65.1%	58.8%	60.6%	1.08	0.97
National City*	OTH	169	222	1,878	14.8%	8.6%	6.1%	2.42	1.40
Aegis*	LML	48	47	143	31.3%	38.3%	30.8%	1.02	1.24
Accredited Home Lenders, Inc.	LML	44	67	186	54.5%	41.8%	50.5%	1.08	0.83
Lehman/Finance America*	MIX	91	84	286	48.4%	47.6%	24.5%	1.98	1.95
1-800-East-West Mortgage Co	OTH	19	16	461	5.3%	12.5%	8.7%	0.61	1.44
Wells Fargo*	MIX	240	219	4,256	8.8%	3.7%	2.4%	3.58	1.49
Nation One Mortgage Co.	LML	21	142	99	66.7%	54.9%	37.4%	1.78	1.47
Washington Mutual*	LML	320	284	4,980	5.9%	7.0%	1.3%	4.41	5.23
AIG FSB	OTH	29	26	255	41.4%	46.2%	23.9%	1.73	1.93
KeyBank	OTH	14	6	128	21.4%	66.7%	27.3%	0.78	2.44
SLM Financial Corp	LML	23	64	470	21.7%	39.1%	12.6%	1.73	3.11
CitiGroup*	MIX	128	80	2,796	22.7%	7.5%	1.9%	11.95	3.96
Summit Mortgage, LLC	LML	36	28	1,786	16.7%	17.9%	4.5%	3.67	3.94
Aames Funding Corp.	LML	53	17	74	56.6%	41.2%	45.9%	1.23	0.90
Centex/CTX*	LML	18	29	684	16.7%	17.2%	11.5%	1.44	1.49
American Business Financial	LML	59	22	55	47.5%	59.1%	52.7%	0.90	1.12
Sub-Total, Top 25 HAL Lenders		3,316	4,085	31,196	31.3%	32.6%	13.1%	2.39	2.49
Total, all 645 Lenders (190 HAL lenders)		6,452	7,047	97,575	18.9%	21.2%	5.3%	3.54	3.97
B. The Eight Other Lenders or Lender Families with 2,000 or More Total Loans in the MAPC Region									
GMAC*	MIX	140	199	4,167	4.3%	1.0%	1.4%	3.08	0.72
Bank of America*	CRA	389	239	3,912	0.3%	0.4%	0.1%	3.35	5.46
Mortgage Master	LML	70	53	4,088	7.1%	0.0%	0.3%	26.55	0.00
Citizens*	CRA	280	335	3,049	2.5%	4.2%	0.5%	5.44	9.10
HSBC*	MIX	111	71	3,305	5.4%	4.2%	1.6%	3.31	2.59
Taylor, Bean, & Whitaker	LML	34	35	1,058	0.0%	0.0%	0.0%	**	**
JP Morgan Chase*	OTH	79	70	1,569	0.0%	4.3%	1.0%	0.00	4.20
Sovereign	CRA	182	176	1,741	0.0%	0.6%	0.5%	0.00	1.24

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family." This note lists the individual lenders included in each of these lender families, together with their total loans and total HAL percentages. Note that data for lender families in this table include all lenders that made one or more HALs, but excludes affiliated lenders that made no HALs and made fewer than 25 total loans.

Aegis: Aegis Lending Corp (307 loans; 35.2% HALs), Aegis Funding Corp. (231; 39.0%), and Aegis Wholesale Corp. (33; 0.0%)

Ameriquest/Argent: Ameriquest Mort (2,207 loans, 31.0.5% HALs), Argent Mort (1,987; 42.4%), Town & Country (153; 26.1%) & Olympus Mort (2; 100%).

Bank of America: Bank of America (3,039 loans; 0.1% HALs) and Fleet National Bank (2,268; 0.2%).

Centex/CTX: Centex Home Equity (220 loans; 46.8% HALs) and CTX Mort Co (595; 0.0%)

CitiGroup: CitiMortgage (2,250 loans; 0.1% HALs), Principal Residential Mort (1,160; 0.0%), Citicorp Trust Bank (90; 38.9%), CitiFinancial Services (74; 68.9%), CitiBank FSB (93; 0.0%), and CitiFinancial Mortgage (48; 37.5%).

Citizens: Citizens Bank of Mass (2,490 loans; 0.0% HALs), Citizens Mortgage (1,822; 1.9%), Citizens Bank of NH (21; 0.0%).

Countrywide: Countrywide Home Loans (8,630 loans; 9.5% HALs) and Treasury Bank (604; 0.2%).

GMAC: GMAC Bank (3,751 loans; 0.4% HALs), GMAC Mortgage (1,406; 0.2%), and Homecomings Financial Network (595; 12.3%).

H&R Block/Option One: H&R Block Mortgage (407 loans; 20.9% HALs) and Option One Mortgage (3,069; 19.5%).

HSBC: HSBC Mortgage (3,953 loans; 0.1% HALs); Household Finance (265; 17.0%) and Beneficial (119; 19.3%).

JP Morgan Chase: Chase Manhattan Mort Co (2,341; 0.6% HALs), Chase Manhattan Bank USA (135; 11.9%) and JP Morgan Chase Bank (39; 0.0%)

Lehman/Finance America: Lehman Brothers Bank (310 loans; 24.8% HALs) and Finance America (242; 41.7%).

National City: National City Bank (315 loans; 0.3% HALs) and National City Bank, Indiana (2,408; 8.6%).

Washington Mutual: Washington Mutual Bank (6,120 loans; 0.0% HALs) and Long Beach Mortgage (405; 33.6%).

Wells Fargo: Wells Fargo Bank (5,639 loans; 1.0% HALs), Wells Fargo Financial, Mass (188; 51.1%) and Wells Fargo Funding (164; 2.4%)

Lender families here include all lenders that made one or more HALs, but exclude other affiliated lenders that made fewer than 20 total loans.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. **LML**: licensed mortgage lenders, mostly mortgage companies, potentially subject to 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. **MIX**: lender families that include both LML and OTH lenders.

Table 16 (page 1 of 3)
**High-APR Lending in the 101 Cities and Towns in the MAPC Region,
in the 7 Largest Cities Outside of this Region, and in Four Larger Areas,
Home Purchase and Refinance Loans, 2004**

City/Town	Home Purchase Loans			Refinance Loans			% Black H-holds	% Latino H-holds	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
A. The 101 Cities and Towns in the MAPC Region									
Acton	450	12	2.7%	685	18	2.6%	0.7%	1.3%	\$ 108,189
Arlington	713	15	2.1%	998	42	4.2%	1.6%	1.3%	\$ 78,741
Ashland	527	31	5.9%	608	29	4.8%	1.8%	2.4%	\$ 77,611
Bedford	188	3	1.6%	331	5	1.5%	1.6%	1.3%	\$ 101,081
Bellingham	359	31	8.6%	756	60	7.9%	0.9%	0.8%	\$ 72,074
Belmont	388	9	2.3%	541	13	2.4%	0.9%	1.3%	\$ 95,057
Beverly	686	35	5.1%	1,175	63	5.4%	1.0%	1.3%	\$ 66,486
Bolton	128	2	1.6%	177	2	1.1%	0.1%	0.6%	\$ 108,967
Boston	10,386	1,045	10.1%	11,506	1,071	9.3%	21.4%	10.8%	\$ 44,151
Boxborough	111	4	3.6%	167	10	6.0%	0.7%	0.9%	\$ 110,572
Braintree	689	37	5.4%	1,077	62	5.8%	1.0%	0.9%	\$ 73,417
Brookline	1,066	9	0.8%	1,206	17	1.4%	2.4%	2.8%	\$ 92,993
Burlington	321	14	4.4%	697	32	4.6%	1.4%	0.9%	\$ 82,072
Cambridge	1,248	20	1.6%	1,188	39	3.3%	10.5%	5.2%	\$ 59,423
Canton	376	14	3.7%	661	36	5.4%	2.5%	1.0%	\$ 82,904
Carlisle	75	0	0.0%	167	0	0.0%	0.2%	1.1%	\$ 142,350
Chelsea	629	125	19.9%	636	87	13.7%	6.0%	37.7%	\$ 32,130
Cohasset	156	4	2.6%	311	12	3.9%	0.1%	0.3%	\$ 100,137
Concord	198	3	1.5%	480	9	1.9%	0.7%	0.8%	\$ 115,839
Danvers	403	29	7.2%	881	58	6.6%	0.3%	0.5%	\$ 70,565
Dedham	455	48	10.5%	793	40	5.0%	1.0%	1.4%	\$ 72,330
Dover	117	4	3.4%	199	1	0.5%	0.2%	0.9%	\$ 157,168
Duxbury	243	15	6.2%	555	24	4.3%	0.7%	0.5%	\$ 106,245
Essex	49	1	2.0%	107	8	7.5%	0.1%	0.5%	\$ 70,152
Everett	589	167	28.4%	960	95	9.9%	5.4%	6.4%	\$ 49,876
Foxborough	268	13	4.9%	564	43	7.6%	0.7%	0.7%	\$ 78,811
Framingham	1,352	198	14.6%	1,827	138	7.6%	4.2%	7.8%	\$ 67,420
Franklin	660	29	4.4%	1,126	47	4.2%	1.0%	0.7%	\$ 81,826
Gloucester	377	22	5.8%	905	45	5.0%	0.5%	1.0%	\$ 58,459
Hamilton	116	6	5.2%	234	11	4.7%	0.3%	0.7%	\$ 79,886
Hanover	239	11	4.6%	458	28	6.1%	0.5%	0.5%	\$ 86,835
Hingham	458	12	2.6%	700	39	5.6%	0.4%	0.5%	\$ 98,598
Holbrook	232	42	18.1%	468	52	11.1%	3.7%	1.7%	\$ 62,532
Holliston	225	13	5.8%	466	17	3.6%	0.9%	1.0%	\$ 84,878
Hopkinton	335	14	4.2%	558	23	4.1%	0.6%	0.7%	\$ 102,550
Hudson	365	31	8.5%	522	43	8.2%	1.0%	2.1%	\$ 70,145
Hull	228	23	10.1%	497	44	8.9%	0.3%	0.6%	\$ 62,294
Ipswich	238	9	3.8%	473	17	3.6%	0.3%	0.8%	\$ 74,931
Lexington	489	11	2.2%	869	19	2.2%	1.1%	1.0%	\$ 111,899
Lincoln	75	1	1.3%	154	3	1.9%	4.5%	2.2%	\$ 87,842
Littleton	183	4	2.2%	313	13	4.2%	0.5%	0.6%	\$ 83,365

Table 16 (page 2 of 3)
**High-APR Lending in the 101 Cities and Towns in the MAPC Region,
in the 7 Largest Cities Outside of this Region, and in Four Larger Areas,
Home Purchase and Refinance Loans, 2004**

City/Town	Home Purchase Loans			Refinance Loans			% Black H-holds	% Latino H-holds	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
A. The 101 Cities and Towns in the MAPC Region (continued)									
Lynn	1,961	449	22.9%	2,802	346	12.3%	9.0%	13.2%	\$ 45,295
Lynnfield	168	14	8.3%	426	9	2.1%	0.4%	0.5%	\$ 91,869
Malden	974	168	17.2%	1,374	118	8.6%	7.4%	3.6%	\$ 55,557
Manchester-btS	80	3	3.8%	152	7	4.6%	0.0%	0.4%	\$ 93,609
Marblehead	441	10	2.3%	683	25	3.7%	0.5%	0.5%	\$ 99,892
Marlborough	850	183	21.5%	1,084	88	8.1%	2.0%	3.9%	\$ 70,385
Marshfield	486	29	6.0%	1,161	74	6.4%	0.5%	0.4%	\$ 76,541
Maynard	219	11	5.0%	325	21	6.5%	0.8%	1.9%	\$ 71,875
Medfield	194	2	1.0%	417	11	2.6%	0.6%	0.5%	\$ 108,926
Medford	866	77	8.9%	1,431	110	7.7%	5.4%	1.7%	\$ 62,409
Medway	240	17	7.1%	472	23	4.9%	0.5%	0.6%	\$ 85,627
Melrose	444	19	4.3%	782	37	4.7%	1.0%	0.9%	\$ 78,144
Middleton	125	7	5.6%	285	9	3.2%	0.3%	0.3%	\$ 87,605
Milford	674	104	15.4%	943	72	7.6%	1.3%	3.3%	\$ 61,029
Millis	172	12	7.0%	292	18	6.2%	0.6%	0.8%	\$ 72,171
Milton	479	25	5.2%	897	44	4.9%	9.3%	1.0%	\$ 94,359
Nahant	63	4	6.3%	108	5	4.6%	0.3%	0.8%	\$ 76,926
Natick	682	21	3.1%	1,076	41	3.8%	1.6%	1.4%	\$ 85,715
Needham	521	11	2.1%	860	9	1.0%	0.6%	0.8%	\$ 107,570
Newton	1,270	30	2.4%	2,250	53	2.4%	1.4%	1.6%	\$ 105,289
Norfolk	179	6	3.4%	336	14	4.2%	0.4%	0.6%	\$ 92,001
North Reading	268	13	4.9%	494	29	5.9%	0.5%	0.5%	\$ 86,341
Norwell	226	9	4.0%	353	9	2.5%	0.5%	0.4%	\$ 96,771
Norwood	418	26	6.2%	746	39	5.2%	2.0%	1.2%	\$ 70,164
Peabody	716	92	12.8%	1,585	113	7.1%	0.8%	2.6%	\$ 65,483
Pembroke	330	26	7.9%	809	70	8.7%	0.5%	0.4%	\$ 74,985
Quincy	1,431	103	7.2%	2,061	142	6.9%	2.2%	1.6%	\$ 59,735
Randolph	738	148	20.1%	1,274	156	12.2%	18.7%	2.4%	\$ 61,942
Reading	386	13	3.4%	793	28	3.5%	0.4%	0.6%	\$ 89,076
Revere	964	244	25.3%	1,419	151	10.6%	2.6%	6.3%	\$ 45,865
Rockland	311	41	13.2%	680	59	8.7%	1.8%	0.7%	\$ 60,088
Rockport	108	10	9.3%	200	11	5.5%	0.2%	0.6%	\$ 69,263
Salem	906	74	8.2%	1,160	91	7.8%	2.1%	7.4%	\$ 55,635
Saugus	479	43	9.0%	952	59	6.2%	0.4%	0.6%	\$ 65,782
Scituate	285	11	3.9%	727	32	4.4%	0.4%	0.4%	\$ 86,058
Sharon	297	10	3.4%	568	25	4.4%	3.1%	0.7%	\$ 99,015
Sherborn	84	2	2.4%	143	0	0.0%	0.5%	0.7%	\$ 136,211
Somerville	996	63	6.3%	1,088	56	5.1%	5.4%	5.7%	\$ 51,243
Southborough	238	9	3.8%	328	14	4.3%	0.7%	0.7%	\$ 119,454
Stoneham	318	17	5.3%	695	45	6.5%	0.8%	1.4%	\$ 71,334
Stoughton	522	74	14.2%	973	65	6.7%	5.4%	1.1%	\$ 69,942

Table 16 (page 3 of 3)
**High-APR Lending in the 101 Cities and Towns in the MAPC Region,
in the 7 Largest Cities Outside of this Region, and in Four Larger Areas,
Home Purchase and Refinance Loans, 2004**

City/Town	Home Purchase Loans			Refinance Loans			% Black H-holds	% Latino H-holds	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
A. The 101 Cities and Towns in the MAPC Region (continued)									
Stow	145	2	1.4%	205	11	5.4%	0.4%	1.2%	\$ 102,530
Sudbury	356	7	2.0%	603	12	2.0%	0.8%	0.8%	\$ 130,399
Swampscott	316	14	4.4%	487	21	4.3%	0.8%	0.8%	\$ 82,795
Topsfield	83	0	0.0%	194	9	4.6%	0.2%	0.6%	\$ 104,475
Wakefield	451	11	2.4%	774	46	5.9%	0.5%	0.6%	\$ 77,834
Walpole	373	9	2.4%	796	52	6.5%	0.4%	0.6%	\$ 84,458
Waltham	776	49	6.3%	1,128	46	4.1%	3.6%	5.9%	\$ 64,595
Watertown	494	14	2.8%	616	21	3.4%	1.3%	2.0%	\$ 67,441
Wayland	245	6	2.4%	441	10	2.3%	0.7%	0.8%	\$ 113,671
Wellesley	457	10	2.2%	705	6	0.9%	1.1%	1.3%	\$ 134,769
Wenham	54	2	3.7%	102	2	2.0%	0.0%	0.6%	\$ 98,004
Weston	179	1	0.6%	316	5	1.6%	0.8%	1.3%	\$ 181,041
Westwood	209	4	1.9%	452	12	2.7%	0.5%	0.6%	\$ 103,242
Weymouth	1,071	107	10.0%	1,771	142	8.0%	1.5%	1.1%	\$ 64,083
Wilmington	325	15	4.6%	830	58	7.0%	0.4%	0.6%	\$ 76,760
Winchester	437	10	2.3%	605	11	1.8%	0.8%	0.7%	\$ 110,226
Winthrop	310	31	10.0%	528	54	10.2%	1.5%	2.0%	\$ 65,696
Woburn	492	44	8.9%	1,079	62	5.7%	1.6%	2.4%	\$ 66,364
Wrentham	211	17	8.1%	392	32	8.2%	0.4%	0.6%	\$ 89,058
B. The Seven Other Massachusetts Cities with Population over 60,000									
Brockton	2,152	664	30.9%	3,705	613	16.5%	16.9%	6.4%	\$ 46,235
Fall River	933	150	16.1%	1,682	176	10.5%	2.1%	2.3%	\$ 37,671
Lawrence	1,392	496	35.6%	1,820	307	16.9%	2.0%	50.6%	\$ 31,809
Lowell	1,936	383	19.8%	2,469	362	14.7%	3.4%	11.4%	\$ 45,901
New Bedford	1,318	265	20.1%	2,383	323	13.6%	4.5%	7.4%	\$ 35,708
Springfield	2,617	767	29.3%	3,241	968	29.9%	19.4%	21.8%	\$ 36,285
Worcester	3,245	659	20.3%	4,292	650	15.1%	5.9%	11.8%	\$ 42,988
C. Larger Areas[^]									
MAPC Region	54,483	4,699	8.6%	84,224	5,355	6.4%	6.6%	4.7%	not available
Boston Metro Div	34,362	3,644	10.6%	54,706	4,553	8.3%	9.5%	5.4%	\$ 62,948
Boston MSA (new)	73,673	7,463	10.1%	118,764	8,819	7.4%	5.8%	5.1%	\$ 66,229
Massachusetts	114,257	12,661	11.1%	187,363	16,591	8.9%	4.7%	5.0%	\$ 61,664

[^] The Metropolitan Area Planning Council (MAPC) Region consists of 101 communities (all listed in this table). The Boston Metropolitan Division (MD) consists of Norfolk, Plymouth, and Suffolk counties, which include 59 communities. The Boston Metropolitan Statistical Area (MSA) consists of the Boston MD plus Essex and Middlesex counties (a total of 147 communities). 2004 is the first year that HMDA data use the MSAs and MDs as redefined by the Office of Management and Budget in 2003. For details, see "Notes on Data and Methods."

Table 17 (page 1 of 3)

**High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Home Purchase Loans Only, 2004**

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR	Black/ White	Latino/ White
A. The 101 Cities and Towns in the MAPC Region											
Acton	5	0	0.0%	11	3	27.3%	257	5	1.9%	-	-
Arlington	5	1	20.0%	13	0	0.0%	536	11	2.1%	-	-
Ashland	8	1	12.5%	20	8	40.0%	360	19	5.3%	-	-
Bedford	1	0	0.0%	5	0	0.0%	132	2	1.5%	-	-
Bellingham	7	2	28.6%	5	2	40.0%	312	23	7.4%	-	-
Belmont	6	1	16.7%	3	0	0.0%	293	6	2.0%	-	-
Beverly	5	0	0.0%	15	1	6.7%	601	30	5.0%	-	-
Bolton	1	0	0.0%	0	0	na	111	2	1.8%	-	-
Boston	1,199	348	29.0%	888	222	25.0%	6,317	314	5.0%	5.84	5.03
Boxborough	1	0	0.0%	5	1	20.0%	80	2	2.5%	-	-
Braintree	15	4	26.7%	8	2	25.0%	524	23	4.4%	-	-
Brookline	17	2	11.8%	19	0	0.0%	769	6	0.8%	-	-
Burlington	3	0	0.0%	9	0	0.0%	217	13	6.0%	-	-
Cambridge	22	1	4.5%	18	0	0.0%	852	13	1.5%	-	-
Canton	9	1	11.1%	2	1	50.0%	286	8	2.8%	-	-
Carlisle	0	0	na	2	0	0.0%	61	0	0.0%	-	-
Chelsea	16	3	18.8%	242	78	32.2%	298	35	11.7%	-	2.74
Cohasset	1	0	0.0%	1	0	0.0%	137	4	2.9%	-	-
Concord	1	0	0.0%	2	0	0.0%	169	3	1.8%	-	-
Danvers	2	1	50.0%	9	1	11.1%	343	25	7.3%	-	-
Dedham	27	9	33.3%	15	3	20.0%	339	30	8.8%	3.77	-
Dover	1	0	0.0%	2	0	0.0%	82	2	2.4%	-	-
Duxbury	1	0	0.0%	3	0	0.0%	217	13	6.0%	-	-
Essex	1	0	0.0%	0	0	na	40	1	2.5%	-	-
Everett	56	21	37.5%	211	82	38.9%	240	48	20.0%	1.88	1.94
Foxborough	4	0	0.0%	4	2	50.0%	211	9	4.3%	-	-
Framingham	22	7	31.8%	234	69	29.5%	854	103	12.1%	-	2.44
Franklin	8	4	50.0%	6	0	0.0%	536	21	3.9%	-	-
Gloucester	0	0	na	6	1	16.7%	335	19	5.7%	-	-
Hamilton	0	0	na	0	0	na	104	5	4.8%	-	-
Hanover	0	0	na	1	0	0.0%	212	8	3.8%	-	-
Hingham	3	1	33.3%	5	1	20.0%	389	9	2.3%	-	-
Holbrook	23	8	34.8%	8	3	37.5%	175	29	16.6%	-	-
Holliston	0	0	na	12	5	41.7%	182	8	4.4%	-	-
Hopkinton	2	0	0.0%	9	3	33.3%	274	11	4.0%	-	-
Hudson	1	0	0.0%	28	6	21.4%	287	18	6.3%	-	3.42
Hull	3	0	0.0%	1	0	0.0%	194	19	9.8%	-	-
Ipswich	0	0	na	2	1	50.0%	206	8	3.9%	-	-
Lexington	1	1	100.0%	5	0	0.0%	307	6	2.0%	-	-
Lincoln	0	0	na	0	0	na	53	1	1.9%	-	-
Littleton	1	0	0.0%	2	2	100.0%	152	2	1.3%	-	-

Table 17 (page 2 of 3)

**High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Home Purchase Loans Only, 2004**

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
A. The 101 Cities and Towns in the MAPC Region (continued)											
Lynn	175	58	33.1%	602	209	34.7%	943	140	14.8%	2.23	2.34
Lynnfield	0	0	na	2	1	50.0%	145	13	9.0%	-	-
Malden	120	41	34.2%	156	53	34.0%	439	52	11.8%	2.88	2.87
Manchester-btS	0	0	na	0	0	na	70	3	4.3%	-	-
Marblehead	1	0	0.0%	3	1	33.3%	392	7	1.8%	-	-
Marlborough	22	8	36.4%	155	64	41.3%	562	103	18.3%	-	2.25
Marshfield	2	0	0.0%	7	1	14.3%	440	25	5.7%	-	-
Maynard	4	3	75.0%	1	1	100.0%	187	7	3.7%	-	-
Medfield	0	0	na	3	0	0.0%	156	2	1.3%	-	-
Medford	56	14	25.0%	44	9	20.5%	565	42	7.4%	3.36	2.75
Medway	1	0	0.0%	9	5	55.6%	192	10	5.2%	-	-
Melrose	4	0	0.0%	11	4	36.4%	347	10	2.9%	-	-
Middleton	2	0	0.0%	1	0	0.0%	102	7	6.9%	-	-
Milford	15	6	40.0%	85	29	34.1%	480	58	12.1%	-	2.82
Millis	0	0	na	3	1	33.3%	141	9	6.4%	-	-
Milton	47	10	21.3%	12	0	0.0%	324	11	3.4%	6.27	-
Nahant	0	0	na	0	0	na	53	4	7.5%	-	-
Natick	2	0	0.0%	11	0	0.0%	517	15	2.9%	-	-
Needham	2	0	0.0%	3	0	0.0%	411	9	2.2%	-	-
Newton	16	1	6.3%	25	1	4.0%	904	21	2.3%	-	1.72
Norfolk	0	0	na	2	0	0.0%	143	6	4.2%	-	-
North Reading	5	3	60.0%	0	0	na	213	8	3.8%	-	-
Norwell	1	0	0.0%	1	0	0.0%	189	8	4.2%	-	-
Norwood	7	0	0.0%	15	4	26.7%	331	19	5.7%	-	-
Peabody	8	0	0.0%	51	18	35.3%	585	64	10.9%	-	3.23
Pembroke	1	0	0.0%	5	0	0.0%	289	21	7.3%	-	-
Quincy	41	11	26.8%	42	12	28.6%	846	53	6.3%	4.28	4.56
Randolph	228	54	23.7%	53	11	20.8%	233	37	15.9%	1.49	1.31
Reading	1	0	0.0%	10	0	0.0%	309	9	2.9%	-	-
Revere	41	15	36.6%	318	120	37.7%	450	74	16.4%	2.22	2.29
Rockland	2	1	50.0%	13	4	30.8%	264	34	12.9%	-	-
Rockport	2	0	0.0%	2	0	0.0%	96	8	8.3%	-	-
Salem	11	1	9.1%	59	13	22.0%	734	50	6.8%	-	3.23
Saugus	14	5	35.7%	40	5	12.5%	362	29	8.0%	-	1.56
Scituate	1	0	0.0%	2	0	0.0%	251	8	3.2%	-	-
Sharon	10	0	0.0%	7	0	0.0%	207	5	2.4%	-	-
Sherborn	0	0	na	1	0	0.0%	63	1	1.6%	-	-
Somerville	20	1	5.0%	59	19	32.2%	675	29	4.3%	-	7.50
Southborough	3	0	0.0%	6	1	16.7%	180	8	4.4%	-	-
Stoneham	8	2	25.0%	9	0	0.0%	254	15	5.9%	-	-
Stoughton	66	16	24.2%	50	18	36.0%	320	32	10.0%	2.42	3.60

Table 17 (page 3 of 3)

**High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Home Purchase Loans Only, 2004**

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All	High-APR	% High-APR	All	High-APR	% High-APR	All	High-APR	% High-APR	Black/White	Latino/White
	Loans	Loans	APR	Loans	Loans	APR	Loans	Loans	APR		
A. The 101 Cities and Towns in the MAPC Region (continued)											
Stow	0	0	na	3	0	0.0%	116	2	1.7%	-	-
Sudbury	1	0	0.0%	3	2	66.7%	273	5	1.8%	-	-
Swampscott	0	0	na	12	3	25.0%	262	7	2.7%	-	-
Topsfield	0	0	na	1	0	0.0%	69	0	0.0%	-	-
Wakefield	7	2	28.6%	8	0	0.0%	375	8	2.1%	-	-
Walpole	6	0	0.0%	5	1	20.0%	301	7	2.3%	-	-
Waltham	31	7	22.6%	45	18	40.0%	539	16	3.0%	7.61	13.48
Watertown	7	0	0.0%	20	5	25.0%	371	5	1.3%	-	-
Wayland	4	0	0.0%	6	0	0.0%	166	6	3.6%	-	-
Wellesley	3	0	0.0%	6	0	0.0%	344	9	2.6%	-	-
Wenham	0	0	na	1	1	100.0%	45	1	2.2%	-	-
Weston	0	0	na	2	0	0.0%	137	1	0.7%	-	-
Westwood	2	0	0.0%	2	0	0.0%	160	4	2.5%	-	-
Weymouth	28	6	21.4%	25	10	40.0%	850	74	8.7%	2.46	4.59
Wilmington	3	0	0.0%	6	2	33.3%	261	12	4.6%	-	-
Winchester	5	0	0.0%	7	1	14.3%	317	6	1.9%	-	-
Winthrop	1	1	100.0%	11	4	36.4%	260	22	8.5%	-	-
Woburn	10	5	50.0%	21	10	47.6%	379	24	6.3%	-	-
Wrentham	2	1	50.0%	3	1	33.3%	182	13	7.1%	-	-
B. The Seven Other Massachusetts Cities with Population over 60,000											
Brockton	729	268	36.8%	253	87	34.4%	844	199	23.6%	1.56	1.46
Fall River	36	10	27.8%	52	16	30.8%	763	106	13.9%	2.00	2.21
Lawrence	54	21	38.9%	882	369	41.8%	323	82	25.4%	1.53	1.65
Lowell	162	51	31.5%	211	79	37.4%	1,048	138	13.2%	2.39	2.84
New Bedford	104	28	26.9%	116	30	25.9%	973	171	17.6%	1.53	1.47
Springfield	400	164	41.0%	675	242	35.9%	1,234	250	20.3%	2.02	1.77
Worcester	403	147	36.5%	509	150	29.5%	1,802	282	15.6%	2.33	1.88
C. Larger Areas[^]											
MAPC Region	2,527	688	27.2%	3,896	1,159	29.7%	37,815	2,202	5.8%	4.68	5.11
Boston Metro Div	2,649	786	29.7%	2,141	618	28.9%	23,576	1,661	7.0%	4.21	4.10
Boston MSA (new)	3,699	1,085	29.3%	5,681	1,795	31.6%	51,065	3,516	6.9%	4.26	4.59
Massachusetts	5,221	1,560	29.9%	8,342	2,612	31.3%	82,547	6,706	8.1%	3.68	3.85

* "High-APR share disparity ratios" are calculated by dividing the percentage of home-purchase loans to blacks [or Latinos] that were high-APR loans by the share of home-purchase loans to whites that were high-APR loans. These ratios are only calculated for communities where blacks [or Latinos] received at least 25 total home purchase loans.

[^] The Metropolitan Area Planning Council (MAPC) Region consists of 101 communities (all listed in this table). The Boston Metropolitan Division (MD) consists of Norfolk, Plymouth, and Suffolk counties, which include 59 communities. The Boston Metropolitan Statistical Area (MSA) consists of the Boston MD plus Essex and Middlesex counties (a total of 147 communities). 2004 is the first year that HMDA data use the MSAs and MDs as redefined by the Office of Management and Budget in 2003. For details, see "Notes on Data and Methods."

Table 18 (page 1 of 3)
High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Refinance Loans Only, 2004

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
A. The 101 Cities and Towns in the MAPC Region											
Acton	4	0	0.0%	9	0	0.0%	424	14	3.3%	-	-
Arlington	13	0	0.0%	12	0	0.0%	776	28	3.6%	-	-
Ashland	13	2	15.4%	22	4	18.2%	426	13	3.1%	-	-
Bedford	6	2	33.3%	2	0	0.0%	244	3	1.2%	-	-
Bellingham	6	0	0.0%	9	1	11.1%	578	39	6.7%	-	-
Belmont	3	1	33.3%	5	0	0.0%	416	9	2.2%	-	-
Beverly	3	2	66.7%	12	0	0.0%	976	44	4.5%	-	-
Bolton	0	0	na	2	0	0.0%	139	1	0.7%	-	-
Boston	2,226	324	14.6%	832	84	10.1%	5,874	361	6.1%	2.37	1.64
Boxborough	0	0	na	0	0	na	98	7	7.1%	-	-
Braintree	5	1	20.0%	7	2	28.6%	850	41	4.8%	-	-
Brookline	18	1	5.6%	20	0	0.0%	898	10	1.1%	-	-
Burlington	5	2	40.0%	10	0	0.0%	494	19	3.8%	-	-
Cambridge	57	5	8.8%	30	1	3.3%	817	16	2.0%	4.48	1.70
Canton	17	2	11.8%	8	1	12.5%	495	25	5.1%	-	-
Carlisle	1	0	0.0%	2	0	0.0%	113	0	0.0%	-	-
Chelsea	19	1	5.3%	230	42	18.3%	254	26	10.2%	-	1.78
Cohasset	1	0	0.0%	3	0	0.0%	268	11	4.1%	-	-
Concord	1	0	0.0%	3	0	0.0%	392	6	1.5%	-	-
Danvers	3	1	33.3%	9	1	11.1%	744	44	5.9%	-	-
Dedham	13	2	15.4%	21	1	4.8%	593	26	4.4%	-	-
Dover	1	0	0.0%	1	0	0.0%	157	0	0.0%	-	-
Duxbury	1	0	0.0%	1	0	0.0%	462	17	3.7%	-	-
Essex	1	0	0.0%	0	0	na	89	5	5.6%	-	-
Everett	77	14	18.2%	136	9	6.6%	565	46	8.1%	2.23	0.81
Foxborough	5	2	40.0%	6	1	16.7%	444	30	6.8%	-	-
Framingham	46	10	21.7%	142	12	8.5%	1,213	76	6.3%	3.47	1.35
Franklin	8	1	12.5%	7	2	28.6%	870	31	3.6%	-	-
Gloucester	8	2	25.0%	5	0	0.0%	772	32	4.1%	-	-
Hamilton	0	0	na	1	0	0.0%	202	8	4.0%	-	-
Hanover	1	0	0.0%	0	0	na	384	19	4.9%	-	-
Hingham	3	0	0.0%	8	2	25.0%	573	25	4.4%	-	-
Holbrook	17	4	23.5%	14	4	28.6%	344	35	10.2%	-	-
Holliston	5	0	0.0%	8	0	0.0%	353	11	3.1%	-	-
Hopkinton	3	0	0.0%	7	1	14.3%	445	16	3.6%	-	-
Hudson	3	0	0.0%	22	4	18.2%	395	34	8.6%	-	-
Hull	3	0	0.0%	6	1	16.7%	390	32	8.2%	-	-
Ipswich	1	0	0.0%	4	0	0.0%	403	14	3.5%	-	-
Lexington	7	2	28.6%	9	0	0.0%	553	9	1.6%	-	-
Lincoln	2	0	0.0%	0	0	na	118	1	0.8%	-	-
Littleton	0	0	na	0	0	na	252	9	3.6%	-	-

Table 18 (page 2 of 3)

**High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Refinance Loans Only, 2004**

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
A. The 101 Cities and Towns in the MAPC Region (continued)											
Lynn	193	29	15.0%	392	52	13.3%	1,643	166	10.1%	1.49	1.31
Lynnfield	3	0	0.0%	2	0	0.0%	359	5	1.4%	-	-
Malden	122	16	13.1%	96	11	11.5%	802	60	7.5%	1.75	1.53
Manchester-btS	0	0	na	2	1	50.0%	127	4	3.1%	-	-
Marblehead	1	0	0.0%	3	0	0.0%	592	21	3.5%	-	-
Marlborough	11	0	0.0%	88	10	11.4%	761	56	7.4%	-	1.54
Marshfield	4	2	50.0%	8	1	12.5%	944	61	6.5%	-	-
Maynard	6	1	16.7%	4	1	25.0%	265	12	4.5%	-	-
Medfield	1	0	0.0%	6	0	0.0%	325	10	3.1%	-	-
Medford	64	8	12.5%	48	1	2.1%	1,006	68	6.8%	1.85	0.31
Medway	4	1	25.0%	3	1	33.3%	383	16	4.2%	-	-
Melrose	11	1	9.1%	5	0	0.0%	629	29	4.6%	-	-
Middleton	1	0	0.0%	4	0	0.0%	236	7	3.0%	-	-
Milford	20	3	15.0%	27	4	14.8%	716	44	6.1%	-	2.41
Millis	0	0	na	6	1	16.7%	220	10	4.5%	-	-
Milton	112	11	9.8%	14	1	7.1%	589	14	2.4%	4.13	-
Nahant	0	0	na	0	0	na	88	5	5.7%	-	-
Natick	8	1	12.5%	17	1	5.9%	835	28	3.4%	-	-
Needham	2	0	0.0%	7	0	0.0%	672	5	0.7%	-	-
Newton	25	4	16.0%	35	1	2.9%	1,644	33	2.0%	7.97	1.42
Norfolk	2	1	50.0%	2	0	0.0%	272	10	3.7%	-	-
North Reading	1	0	0.0%	5	0	0.0%	415	21	5.1%	-	-
Norwell	1	0	0.0%	5	0	0.0%	293	5	1.7%	-	-
Norwood	17	1	5.9%	4	1	25.0%	588	27	4.6%	-	-
Peabody	11	1	9.1%	37	2	5.4%	1,304	86	6.6%	-	0.82
Pembroke	4	2	50.0%	6	0	0.0%	659	50	7.6%	-	-
Quincy	31	2	6.5%	39	2	5.1%	1,419	90	6.3%	1.02	0.81
Randolph	318	39	12.3%	63	6	9.5%	544	62	11.4%	1.08	0.84
Reading	3	0	0.0%	7	0	0.0%	670	21	3.1%	-	-
Revere	35	2	5.7%	184	27	14.7%	890	74	8.3%	0.69	1.76
Rockland	10	1	10.0%	11	2	18.2%	535	44	8.2%	-	-
Rockport	0	0	na	0	0	na	178	7	3.9%	-	-
Salem	12	3	25.0%	60	6	10.0%	916	66	7.2%	-	1.39
Saugus	8	0	0.0%	18	1	5.6%	776	43	5.5%	-	-
Scituate	3	0	0.0%	8	1	12.5%	604	21	3.5%	-	-
Sharon	10	1	10.0%	3	0	0.0%	395	16	4.1%	-	-
Sherborn	0	0	na	1	0	0.0%	121	0	0.0%	-	-
Somerville	68	4	5.9%	66	6	9.1%	695	28	4.0%	1.46	2.26
Southborough	3	0	0.0%	5	1	20.0%	247	10	4.0%	-	-
Stoneham	6	0	0.0%	6	0	0.0%	561	35	6.2%	-	-
Stoughton	81	12	14.8%	30	2	6.7%	659	38	5.8%	2.57	1.16

Table 18 (page 3 of 3)
High-APR Lending to Black, Latino, and White Borrowers
In the 101 Cities & Towns in the MAPC Region, in the 7 Largest Cities Outside of
this Region, and in Four Larger Areas, Refinance Loans Only, 2004

City/Town	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios*	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
A. The 101 Cities and Towns in the MAPC Region (continued)											
Stow	0	0	na	7	0	0.0%	168	8	4.8%	-	-
Sudbury	4	0	0.0%	3	0	0.0%	480	11	2.3%	-	-
Swampscott	2	0	0.0%	4	0	0.0%	421	14	3.3%	-	-
Topsfield	0	0	na	1	0	0.0%	160	4	2.5%	-	-
Wakefield	4	0	0.0%	6	0	0.0%	627	30	4.8%	-	-
Walpole	5	1	20.0%	13	2	15.4%	627	33	5.3%	-	-
Waltham	28	2	7.1%	56	2	3.6%	801	31	3.9%	1.85	0.92
Watertown	7	0	0.0%	8	1	12.5%	456	12	2.6%	-	-
Wayland	3	0	0.0%	5	1	20.0%	315	8	2.5%	-	-
Wellesley	4	0	0.0%	4	0	0.0%	555	5	0.9%	-	-
Wenham	0	0	na	0	0	na	89	2	2.2%	-	-
Weston	3	0	0.0%	2	0	0.0%	230	2	0.9%	-	-
Westwood	3	0	0.0%	2	0	0.0%	335	9	2.7%	-	-
Weymouth	16	2	12.5%	24	3	12.5%	1,394	94	6.7%	-	-
Wilmington	7	1	14.3%	11	2	18.2%	668	40	6.0%	-	-
Winchester	0	0	na	6	1	16.7%	465	9	1.9%	-	-
Winthrop	4	1	25.0%	19	5	26.3%	408	33	8.1%	-	-
Woburn	17	0	0.0%	23	1	4.3%	810	46	5.7%	-	-
Wrentham	0	0	na	5	2	40.0%	321	20	6.2%	-	-
B. The Seven Other Massachusetts Cities with Population over 60,000											
Brockton	781	148	19.0%	233	40	17.2%	1,850	262	14.2%	1.34	1.21
Fall River	39	5	12.8%	51	7	13.7%	1,356	130	9.6%	1.34	1.43
Lawrence	37	6	16.2%	890	159	17.9%	616	90	14.6%	1.11	1.22
Lowell	119	25	21.0%	172	39	22.7%	1,485	171	11.5%	1.82	1.97
New Bedford	151	24	15.9%	151	27	17.9%	1,727	186	10.8%	1.48	1.66
Springfield	514	186	36.2%	465	145	31.2%	1,590	347	21.8%	1.66	1.43
Worcester	276	60	21.7%	359	54	15.0%	2,755	381	13.8%	1.57	1.09
C. Larger Areas[^]											
MAPC Region	3,925	534	13.6%	3,151	336	10.7%	59,760	3,012	5.0%	2.70	2.12
Boston Metro Div	3,946	584	14.8%	1,985	248	12.5%	37,592	2,477	6.6%	2.25	1.90
Boston MSA (new)	5,147	743	14.4%	4,935	637	12.9%	84,667	5,062	6.0%	2.41	2.16
Massachusetts	6,846	1,158	16.9%	7,145	1,071	15.0%	137,482	9,957	7.2%	2.34	2.07

* "High-APR share disparity ratios" are calculated by dividing the percentage of refinance loans to blacks [or Latinos] that were high-APR loans by the share of refinance loans to whites that were high-APR loans. These ratios are only calculated for communities where blacks [or Latinos] received at least 25 total refinance loans.

[^] The Metropolitan Area Planning Council (MAPC) Region consists of 101 communities (all listed in this table). The Boston Metropolitan Division (MD) consists of Norfolk, Plymouth, and Suffolk counties, which include 59 communities. The Boston Metropolitan Statistical Area (MSA) consists of the Boston MD plus Essex and Middlesex counties (a total of 147 communities). 2004 is the first year that HMDA data use the MSAs and MDs as redefined by the Office of Management and Budget in 2003. For details, see "Notes on Data and Methods."

Appendix Table 1
High-APR Loans (HALs), By Race/Ethnicity of Borrower
Loans for Owner-Occupied Homes, Any Lien
Massachusetts and United States, 2004

Borrower Race/Ethnicity	All Loans	High-APR Loans	Percent HALs	Ratio to White %
A-1. Massachusetts: Home Purchase Loans				
Asian	5,684	323	5.7%	0.70
Black	5,221	1,560	29.9%	3.68
Latino	8,342	2,612	31.3%	3.85
White	82,547	6,706	8.1%	1.00
Other	525	69	13.1%	1.62
No Info	11,938	1,391	11.7%	
Total	114,257	12,661	11.1%	
A-2. Massachusetts: Refinance Loans				
Asian	5,027	192	3.8%	0.53
Black	6,846	1,158	16.9%	2.34
Latino	7,145	1,071	15.0%	2.07
White	137,482	9,957	7.2%	1.00
Other	761	91	12.0%	1.65
No Info	30,102	4,122	13.7%	
Total	187,363	16,591	8.9%	
B-1. United States: Home Purchase Loans #				
Asian	237,205	23,058	9.7%	1.20
Black	354,397	114,927	32.4%	3.99
Latino	435,862	112,946	25.9%	3.19
White	3,175,421	338,672	10.7%	1.31
Other	139,473	22,477	16.1%	1.98
No Info	521,823	91,905	17.6%	
Total	4,864,181	703,984	14.5%	
B-2. United States: Refinance Loans #				
Asian	219,981	14,983	6.8%	0.94
Black	462,419	146,913	31.8%	4.39
Latino	421,317	80,789	19.2%	2.65
White	4,136,433	547,302	13.2%	1.83
Other	169,633	25,504	15.0%	2.08
No Info	940,522	187,259	19.9%	
Total	6,350,305	1,002,749	15.8%	

Loans numbers for the U.S. (which exclude loans for manufactured housing and government-backed junior-lien loans) were calculated from data in Robert Avery, et al., "New Information Reported under HMDA and Its Application in Fair Lending Enforcement," *Federal Reserve Bulletin*, Summer 2005, Table 10, page 377.

Appendix Table 2
High-APR Loans (HALs), by Race/Ethnicity of Borrower
Loans for Owner-Occupied Homes, City of Boston, 2004

Borrower Race/Ethnicity	All Loans	High-APR Loans	Other Loans	Percent HALs	Ratio to White %	Median Rate Spread
A-1. Home Purchase Loans -- Any Lien						
Asian	601	30	571	5.0%	1.00	5.28
Black	1,199	348	851	29.0%	5.84	4.63
Latino	888	222	666	25.0%	5.03	5.26
White	6,317	314	6,003	5.0%	1.00	4.57
No Info*	1,342	130	1,212	9.7%		4.81
Total*	10,386	1,045	9,341	10.1%		5.01
A-2. Home Purchase Loans -- First Lien (82.4% of all Home Purchase Loans)						
Asian	518	15	503	2.9%	0.83	3.55
Black	850	191	659	22.5%	6.43	3.63
Latino	611	103	508	16.9%	4.83	3.65
White	5,440	190	5,250	3.5%	1.00	3.78
No Info*	1,206	74	1,132	6.1%		3.75
Total*	8,658	573	8,085	6.6%		3.71
A-3. Home Purchase Loans -- Junior Lien (17.6% of all Home Purchase Loans)						
Asian	83	15	68	18.1%	1.28	6.44
Black	349	157	192	45.0%	3.18	6.37
Latino	277	119	158	43.0%	3.04	6.47
White	877	124	753	14.1%	1.00	6.41
No Info*	136	56	80	41.2%		6.36
Total*	1,728	472	1,256	27.3%		6.43
B-1. Refinance Loans -- Any Lien						
Asian	379	21	358	5.5%	0.90	4.25
Black	2,226	324	1,902	14.6%	2.37	3.75
Latino	832	84	748	10.1%	1.64	3.61
White	5,874	361	5,513	6.1%	1.00	3.81
No Info*	2,150	276	1,874	12.8%		3.90
Total*	11,506	1,071	10,435	9.3%		3.80
B-2. Refinance Loans -- First Lien (95.6% of all Refinance Loans)						
Asian	359	15	344	4.2%	0.70	3.99
Black	2,139	304	1,835	14.2%	2.36	3.69
Latino	793	73	720	9.2%	1.53	3.49
White	5,607	337	5,270	6.0%	1.00	3.71
No Info*	2,055	249	1,806	12.1%		3.79
Total*	10,996	983	10,013	8.9%		3.71
B-3. Refinance Loans -- Junior Lien (4.4% of all Refinance Loans)						
Asian	20	6	14	30.0%	3.34	6.24
Black	87	20	67	23.0%	2.56	6.33
Latino	39	11	28	28.2%	3.14	6.22
White	267	24	243	9.0%	1.00	7.02
No Info*	95	27	68	28.4%		6.54
Total*	510	88	422	17.3%		6.46
C-1. All Home Purchase and Refinance Loans -- Any Lien						
Asian	980	51	929	5.2%	0.94	4.37
Black	3,425	672	2,753	19.6%	3.54	4.03
Latino	1,720	306	1,414	17.8%	3.21	4.51
White	12,191	675	11,516	5.5%	1.00	4.08
No Info*	3,492	406	3,086	11.6%		4.11
Total*	21,892	2,116	19,776	9.7%		4.11

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

"Total" includes "Other" as well as the categories shown in the table; "other" is always < 0.6% of total loans.

Appendix Table 3
High-APR Loans (HALs), by Race/Ethnicity of Borrower
Loans for Owner-Occupied Homes, MAPC Region, 2004

Borrower Race/Ethnicity	All Loans	High-APR Loans	Other Loans	Percent HALs	Ratio to White %	Median Rate Spread
A-1. Home Purchase Loans -- Any Lien						
Asian	3,609	154	3,455	4.3%	0.73	4.50
Black	2,527	688	1,839	27.2%	4.68	5.11
Latino	3,896	1,159	2,737	29.7%	5.11	5.25
White	37,815	2,202	35,613	5.8%	1.00	4.94
No Info*	6,386	472	5,914	7.4%		4.59
Total*	54,483	4,699	49,784	8.6%		5.06
A-2. Home Purchase Loans -- First Lien (85.5% of all Home Purchase Loans)						
Asian	3,201	89	3,112	2.8%	0.76	3.62
Black	1,861	345	1,516	18.5%	5.05	3.67
Latino	2,762	527	2,235	19.1%	5.20	3.59
White	33,095	1,214	31,881	3.7%	1.00	3.60
No Info*	5,693	275	5,418	4.8%		3.75
Total*	46,819	2,463	44,356	5.3%		3.63
A-3. Home Purchase Loans -- Junior Lien (14.5% of all Home Purchase Loans)						
Asian	408	65	343	15.9%	0.76	6.28
Black	666	343	323	51.5%	2.46	6.24
Latino	1,134	632	502	55.7%	2.66	6.24
White	4,720	988	3,732	20.9%	1.00	6.12
No Info*	693	197	496	28.4%		6.25
Total*	7,664	2,236	5,428	29.2%		6.19
B-1. Refinance Loans -- Any Lien						
Asian	3,221	99	3,122	3.1%	0.61	4.11
Black	3,925	534	3,391	13.6%	2.70	3.75
Latino	3,151	336	2,815	10.7%	2.12	3.66
White	59,760	3,012	56,748	5.0%	1.00	3.89
No Info*	13,853	1,343	12,510	9.7%		4.00
Total*	84,224	5,355	78,869	6.4%		3.87
B-2. Refinance Loans -- First Lien (94.4% of all Refinance Loans)						
Asian	3,028	80	2,948	2.6%	0.56	3.84
Black	3,746	490	3,256	13.1%	2.78	3.66
Latino	2,987	282	2,705	9.4%	2.00	3.48
White	56,344	2,654	53,690	4.7%	1.00	3.74
No Info*	13,179	1,185	11,994	9.0%		3.77
Total*	79,579	4,719	74,860	5.9%		3.73
B-3. Refinance Loans -- Junior Lien (5.6% of all Refinance Loans)						
Asian	193	19	174	9.8%	0.94	6.03
Black	179	44	135	24.6%	2.35	6.41
Latino	164	54	110	32.9%	3.14	6.05
White	3,416	358	3,058	10.5%	1.00	6.31
No Info*	674	158	516	23.4%		6.44
Total*	4,645	636	4,009	13.7%		6.34
C-1. All Home Purchase and Refinance Loans -- Any Lien						
Asian	6,830	253	6,577	3.7%	0.69	4.27
Black	6,452	1,222	5,230	18.9%	3.54	4.12
Latino	7,047	1,495	5,552	21.2%	3.97	4.85
White	97,575	5,214	92,361	5.3%	1.00	4.10
No Info*	20,239	1,815	18,424	9.0%		4.04
Total*	138,707	10,054	128,653	7.2%		4.16

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

"Total" includes "Other" as well as the categories shown in the table; "other" is always < 0.6% of total loans.

NOTES ON DATA AND METHODS

Introduction

This report is based primarily on data from three major sources: the Federal Financial Institutions Examination Council (FFIEC) for Home Mortgage Disclosure Act (HMDA) data; the U.S. Census Bureau for data from the 2000 Census; and the U.S. Department of Housing and Urban Development (HUD) for annual data on income levels for metropolitan areas. These “Notes” will first provide information on the data obtained from these three sources and will then provide information relevant to some specific tables and charts in the report. The information here is intended to supplement the information provided in the notes to the tables themselves, and not all of that information is repeated here.

Home Mortgage Disclosure Act (HMDA) Data

Data on loans, lenders, and borrowers were calculated from HMDA Loan Application Register (LAR) data, as collected, processed, and released each year by the FFIEC (www.ffiec.gov/hmda). Among the HMDA data provided for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home purchase, refinancing of existing mortgage, or home improvement); the amount of the loan, the *lien status* of the loan (first lien or junior lien), *pricing information* for loans with annual percentage rates above threshold levels (see below), whether the loan is secured by a *manufactured home*, and whether the loan is a *HEOPA loan* (that is, a high-cost loan subject to the protections of the Home Ownership and Equity Protection Act of 1994; home purchase loans are not covered by HOEPA). The information in *italics* was included for the first time in 2004 HMDA data. The FFIEC makes raw HMDA LAR data available on CD-ROM.

High APR loans (HALs) are identified for the first time in 2004 HMDA data. Lenders are required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference (“spread”) between the loan’s APR and the interest rate on Treasury securities is three percentage points or more for a first-lien loan (or five percentage points or more for a junior-lien loan) then the spread for that loan must be reported, to two decimal points. In this report, loans for which the spreads are reported are referred to as “high APR loans” or “HALs.”

The tables in this report provide information on loans for owner-occupied homes, presented separately for home purchase loans and refinance loans. (The only exceptions are Tables 8 and 15, which combine home purchase and refinance loans, and Appendix Tables 2 and 3, which provide separate information on first-lien and junior-lien loans.) This involves ignoring a great deal of data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 72 categories of loans on the basis of the following five distinctions: government-backed vs. conventional loans; 1-4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home purchase vs. refinance vs. home improvement loans; and first-lien vs. junior-lien loans. To achieve simplicity and focus on the loans of greatest interest, I have taken two measures. First, I ignored all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes – that is, none of these loans are included in any of the numbers contained in this report’s tables. Second, I ignored the distinction between conventional and government-backed loans and the distinction between site-built and manufactured homes (government-backed loans accounted for only 1.8% of all loans in state and loans for manufactured homes accounted for only 0.2% of the state’s loans).

First-lien loans vs. junior-lien loans are combined in all of the tables in body of this report, in spite of the significance of this distinction. One alternative would have been to present information separately on first-lien and junior-lien loans throughout the report, but the benefits from doing this did not seem to justify doubling the amount of information in each table (or doubling the number of tables). Another alternative would have been to report on first-lien loans only, as some reports based on 2004 HMDA data have done, but this would have meant ignoring junior-lien loans, which accounted for almost half (47.6%) of the home-purchase HALs (and for 11.8% of the refinance HALs) in the MAPC region. Appendix Tables 2 and 3 do provide information on the breakdown of home purchase and refinance lending between first-lien and junior-lien loans for total loans and HALs, and for each of the major racial/ethnic groups included in this report.

Income categories for applicants/borrowers are defined in relationship to the median family income (MFI) of the metropolitan area in which the property is located, as reported annually by the U.S. Department of Housing and Urban Development (see below). These categories are as follows – low: below 50% of the metropolitan area MFI; moderate: between 50% and 80% of the MFI; middle: between 80% and 120% of the MFI; and upper: over 120% of the MFI. Using these definitions, specific income ranges were calculated for each income category for each metropolitan area. 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. Through 2003, the metropolitan areas used in HMDA data were the Metropolitan Statistical Areas (MSAs) as defined by the U.S. Office of Management and Budget (OMB) in 1993; although MSAs in almost all of the country consisted of entire counties, this was not true in the New England states. For example, the Boston MSA consisted on 127 municipalities from seven different counties, only one of which had all of its municipalities included. Beginning in 2004, HMDA data used the revised metropolitan areas defined by OMB in June 2003 [www.whitehouse.gov/omb/bulletins/b03-04.html]. MSAs everywhere in the U.S. now consist of entire counties. The Boston MSA now consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). Furthermore, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs), and it is the median family income (MFI) in the relevant MD that is used to classify borrowers into income categories. The Boston MSA now consists of three MDs: the Essex Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Because the MFIs in these three MDs differ substantially from the MFI in the old Boston MSA, the changes in metropolitan area definitions had a substantial impact on the number of borrowers classified as low- and moderate-income. For example because the MFI in the Boston MD in 2004 was \$75,300, while the MFI in 2004 in the former Boston MSA was \$82,600, the maximum income for being classified as a low- or moderate-income in Boston (and in other communities in the Boston MD) is lower than it would have been if metropolitan areas had not been redefined.

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 now: American Indian or Alaska Native, Asian, Black, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as they wish (up to all five). This report uses this information to place each borrower into one of six categories: “Asian” is shorthand for non-Latino Asian; “black” is shorthand for non-Latino black; “Latino” includes all applicants with Latino ethnicity; “white” is shorthand for non-Latino white; “other” is shorthand for non-Latino American Indian, Alaska Native, Native Hawaiian, or Other Pacific Islander; and “no information” includes borrowers with no information on race and either no information or Not Latino for ethnicity. Other analysts, including the Federal Reserve researchers who wrote an analysis of 2004 HMDA data for the Summer 2005 issue of 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 borrowers who received loans for owner-occupied homes in Massachusetts in 2004, a total of 12,795 are identified in the HMDA data as black and a total of 15,487 are identified as Latino; only 728 were identified as both black and Latino.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant – that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: for example, of all applications for first-lien home purchase loans for owner-occupied homes in Boston in 2004 with information on the race of the applicant, only 0.4% of applicants specified more than one race and only 1.4% of applicants had co-applicants of a different race; only 0.9% of applicants had co-applicants with different ethnicity.

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 2004 edition of *A Guide to HMDA Reporting: Getting It Right!*, Appendix D, pages D1-D2 [www.ffiec.gov/hmda/guide.htm]).

Data from the 2000 Census

All population, housing, and income data presented in this report are from the 2000 Census. Rolf Goetze of the Policy Development and Research Department at the Boston Redevelopment Authority (BRA) provided me with 2000 Census data in electronic form on requested variables for all of the census tracts in the city of Boston. Roy Williams of the Massachusetts Institute for Social and Economic Research (MISER) at UMass/Amherst provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the state. Income data from the 2000 Census were obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov).

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

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

Census tracts are assigned to income categories on the basis of decennial census data. This differs from the way that borrowers are assigned to income categories on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas as reported annually by HUD. MFIs for census tracts are only reported (by the Census Bureau) once every ten years, so the assignment of census tracts to income categories only changes once per decade.

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

Median family income (MFI) of each metropolitan area is reported annually by HUD. Borrowers are placed into income categories by comparing their reported incomes to the annual HUD estimate of the MFI in the metropolitan area where the home being mortgaged is located. The MFIs for 2004 for each of the metropolitan areas with communities included in at least one of the tables in this report are as follows: Boston-Quincy Metropolitan Division (MD) - \$75,300; Cambridge-Newton-Framingham MD - \$88,600; Essex County MD - \$76,000; Providence-Fall River-New Bedford MSA - \$61,300; Springfield MSA \$61,200; and Worcester MSA - \$69,900.

Subprime lenders among HMDA-reporting lenders were identified each year through 2003 in annual lists prepared by Randall Scheessele of HUD. These are lenders who specialize in subprime loans or for whom subprime loans constitute a majority of loans originated. Information on how the lists were compiled and the lists themselves through 2002 are available at: www.huduser.org/datasets/manu.html. As of mid-February 2006, HUD had not produced a list of subprime lenders for 2004. The great majority, but not all, of the HMDA-reporting lenders who made large numbers of HALs in 2004 were on HUD's list of subprime lenders for 2003.

Data and Methods used for Particular Tables and Charts

Each lender shown in Tables 7, 8, 14, and 15 is assigned to one of three major "lender types," as indicated in the second column of each table. "**CRA**" refers to lenders whose local lending is covered by the federal and/or state Community Reinvestment Act and includes banks with branch offices in Massachusetts, even if they are based in another state or have a majority of their branches in another state, as well as mortgage company subsidiaries or affiliates of these banks; however, this category excludes federally-chartered credit unions. "**LML**" stands for licensed mortgage lenders and includes lenders that require a license from the state's Division of Banks in order to make mortgage loans in Massachusetts; these lenders consist mainly of independent mortgage companies, but also include companies that are affiliates or subsidiaries of out-of-state banks or affiliates of federally-chartered banks (subsidiaries of these banks do not require a license). "**OTH**" refers to all other lenders and includes out-of-state banks and the subsidiaries of out-of-state federally-chartered banks. "**MIX**" is used for "lending families" that include a mixture of lenders of different types; in these tables the mixture is always of LML and OTH lenders – there are no CRA lenders in these mixed families. The primary purpose of classifying lenders in this way is to distinguish between those whose local lending is currently subject to evaluation under the CRA, those whose lending is potentially subject to such evaluation by the state's Division of Banks (see the discussion of proposed legislation in Section IV of this report), and those whose Massachusetts lending is exempt from such evaluation by the state.

Four multi-community geographical areas are shown in Panel C of Tables 16-18. The *Metropolitan Area Planning Council Region (MAPC Region)* consists of 101 cities and towns as defined by the Metropolitan Area Planning Council (MAPC), a regional planning agency (see www.mapc.org); the data shown here for the MAPC region repeats information already shown in Tables 9-15. The Boston MD (Boston-Quincy Metropolitan Division) consists of Suffolk, Norfolk, and Plymouth Counties. The Boston MSA (Massachusetts portion of the Boston-Cambridge-Quincy MA-NH Metropolitan Statistical Area) consists of the Boston MD plus Essex and Middlesex Counties. The Boston MD and Boston MSA were newly defined by the U.S. Office of Management and Budget (OMB) in June 2003 [www.whitehouse.gov/omb/bulletins/b03-04.html].