

Changing Patterns XV

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2007

BY

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JANUARY 2009

A REPORT PREPARED FOR

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MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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ACKNOWLEDGEMENTS

Preparation of this report was overseen by an advisory committee consisting of four members of the Mortgage Lending Committee of the Massachusetts Community and Banking Council (MCBC)—Tom Callahan of the Massachusetts Affordable Housing Alliance, Donna Haynes of Central Bank, Esther Schlorholtz of Boston Private Bank & Trust Company, and Kathy Schreck of the Massachusetts Mortgage Bankers Association—plus Kathleen Tullberg, MCBC’s manager. Rolf Goetze of the Boston Redevelopment Authority and Roy Williams of the Massachusetts State Data Center provided assistance with 2000 Census data. Stuart Ryan of Bank Maps LLC produced the map. Eileen Callahan of Eileen Callahan Design designed the report and prepared the PDF file for the on-line version of the report. In spite of helpful comments and suggestions received, the ideas and conclusions in this report are the responsibility of the author, and should not be attributed to officers or board members either of the MCBC or of the Gastón Institute at UMass/Boston.

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FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XV*, its annual report on mortgage lending to traditionally underserved borrowers and neighborhoods in Boston, Greater Boston and Massachusetts. Once again, the report incorporates the analysis of higher-cost mortgage loans previously presented in a separate series of *Borrowing Trouble* reports. In addition to the data presented in this report, MCBC is also providing data on all Massachusetts cities and towns in a set of on-line tables. MCBC hopes that this report and its supplementary data can help to increase access to fair credit for lower-income and minority homebuyers and homeowners by providing bankers, mortgage lenders, community representatives, regulators and others involved in the mortgage process with information on current mortgage lending patterns and the performance of major types of lenders.

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

MCBC's Mortgage Lending Committee, which includes bank and mortgage company lenders, home buyer counseling and foreclosure prevention agency representatives, public officials and consumer and housing advocates, oversees preparation of this report 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 and report the quarterly performance of the SoftSecond™ Mortgage Program. In 2005–2008, MCBC served as a member of the Massachusetts Fair

Lending Coordinating Committee. In 2007, MCBC actively participated in the development of recommendations by the Mortgage Summit Working Groups organized by the Division of Banks.

Over the last year and more, MCBC's Mortgage Lending Committee has sought to share information on efforts to address the rising rate of foreclosures. MCBC applauds Governor Deval Patrick, Attorney General Martha Coakley, Undersecretary Daniel Crane of the Office of Consumer Affairs and Business Regulation, Banking Commissioner Steven Antonakes, and the state legislature on the important steps that they have taken to expand oversight, standards and enforcement for mortgage lending across the state. We believe that these measures, when followed and enforced, will help to prevent future lending abuses. MCBC also commends the Federal Reserve Bank of Boston, MassHousing, the City of Boston, other municipalities and individual financial institutions in their efforts to assist homeowners currently in financial difficulty. The Committee will continue to share data and analyses, by MCBC and others, and anecdotal reports from foreclosure counselors and lenders to inform us about the rise in higher-cost mortgage lending and foreclosures.

MCBC will also continue to support mortgage lending and home buyer counseling programs that help to promote sustainable homeownership. The SoftSecond Loan Program, now available statewide, has provided mortgage loans to over 12,000 income-qualified borrowers. In mid-2008, nearly thirteen percent of subprime loans in Massachusetts were in process of foreclosure. Among SoftSecond borrowers, the number of loans in process of foreclosure was less than one-half of one percent. SoftSecond borrowers are required to attend pre-purchase home buyer counseling and can also take advantage of post-purchase counseling and foreclosure intervention assistance.

Clearly, this report on 2007 lending represents the beginning of a transition period. None of the top subprime lenders in Boston and statewide in previous years is still in the business of making

subprime loans. During 2007, the loan shares of Massachusetts banks and credit unions increased significantly for the first time since MCBC began tracking lender performance. Some banks and credit unions have stepped up their marketing as “responsible” mortgage lenders. The impact that new federal and state regulations and lending standards will have on the availability of credit to low- and moderate-income homebuyers and homeowners is yet to be measured. There can be little doubt that the lending patterns in 2008 will be substantially changed from those of 2007. Over the coming year, MCBC’s Mortgage Lending Committee will continue to monitor changes in the mortgage market and to encourage lenders, community advocates and others to work together to protect low- and moderate-income and minority home buyers, homeowners and neighborhoods.

Avidia Bank
Avon Co-operative Bank
Bank of America
Bank of Canton
Benjamin Franklin Bank
Boston Private Bank & Trust Company
Braintree Cooperative Bank
Central Bank
Chelsea-Provident Co-operative Bank
Citibank
Citizens Bank of Massachusetts
Dedham Institution for Savings
Eagle Bank
East Cambridge Savings Bank

This report and its supplementary tables, as well as earlier reports in the *Changing Patterns* series, are available on MCBC’s website at www.mcbc.info. Other MCBC reports, including *Expanding Homeownership Opportunity II: The SoftSecond Loan Program 1991–2006* and the Fair Lending Coordinating Committee report, *Expanding Fair Access to Credit*, are also available at this website, together with further information on MCBC’s committees and programs.

MCBC is grateful to Bank of America, Boston Private Bank & Trust Company, Central Bank, Eastern Bank and Hyde Park Savings Bank for their help in distributing this report. MCBC depends on the financial support of its bank members to produce reports like *Changing Patterns*. MCBC thanks the following banks for their 2008 membership:

Eastern Bank
Everett Co-operative Bank
Fiduciary Trust Company
Hyde Park Co-operative Bank
Hyde Park Savings Bank
Mt. Washington Bank
North Cambridge Co-operative Bank
Sovereign Bank
State Street Corporation
StonehamBank—A Co-operative Bank
TD Banknorth
The Bank of New York Mellon Corporation
Wainwright Bank

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Note: Additional tables, providing the same information for all Massachusetts cities and towns that the tables in this report provide for the state’s thirty-three biggest cities, are available in the “Reports” section of the MCBC website: www.mcbc.info.

EXECUTIVE SUMMARY

This is the fifteenth in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author, the second that incorporates the analysis of subprime lending that was previously presented in a separate annual series of *Borrowing Trouble* reports. Indeed, the major focus of the series has shifted from concern for *fair access to credit* for traditionally underserved borrowers and neighborhoods to concern for *access to fair credit* for these same borrowers and neighborhoods. This reflects the extent to which the problem of *redlining* has become overshadowed by the problem of *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” This year’s report offers information on patterns of mortgage lending during 2007, the year that witnessed the collapse of the subprime mortgage industry. Although subprime lending was still strong at the beginning of 2007, it had almost disappeared by year-end. As a result, the share of total lending accounted for by higher-cost loans during 2007 is representative neither of lending during the early months of the year (when the share was much higher) nor during the final months of the year (when the subprime share was much lower). And there can be little doubt that the lending patterns in 2008, when examined in next year’s report, will be substantially changed from those of 2007.

The report presents information for the city of Boston, for Greater Boston, and for Massachusetts, as well as for each of the state’s fourteen counties and each of its thirty-three largest cities and towns. The primary data source is federal Home Mortgage Disclosure Act (HMDA) data for 2007, supplemented by data on population and income from the 2000 census and annual data on metropolitan area income levels from the Department of Housing and Urban Development. The report is restricted to first-lien loans for owner-occupied homes and gives particular attention to higher-cost loans, identified in

HMDA data as having annual percentage rates (APRs) at least three percentage points higher than the current interest rate on long-term U.S. Treasury bonds; these loans are referred to in this report as **high-APR loans, or HALs**.

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

Tables 1–28 provide data on lending patterns in Boston, Greater Boston, and Massachusetts. Tables 29–35 provide selected data on lending in the fourteen counties of Massachusetts, and Tables 36–43 provide data on lending in the state’s 33 largest cities and towns. Seven supplemental tables, available online at www.mcbc.info, provide information on lending in all of the state’s 351 cities and towns.

- ❖ There were over sixteen thousand high-APR loans (HALs) in Massachusetts in 2007, accounting for about 8% of all home-purchase loans and 14% of all refinance loans in the state. HALs accounted for much higher shares of total loans in Springfield, Brockton, Lawrence, and Lynn. In 2007, as in 2006, every city and town in Massachusetts received at least one HAL.
- ❖ Both the HAL shares of total lending and the numbers of HAL loans were dramatically lower in 2007 than they were in 2006. The HAL shares of home-purchase loans fell by more than half (e.g., from 19% to 8% statewide), while the HAL shares of refinance loans fell by somewhat less than half (e.g., from 21% to 11% in Greater Boston). The total number of HALs (home-purchase and refinance loans combined) fell from 3,361 to 1,280 in the city of Boston and from 40,173 to 16,290 statewide.
- ❖ The market shares of Massachusetts banks and credit unions increased dramatically in 2007, jumping from 22% to 37% in Boston and from

26% to 38% statewide. Nevertheless, lenders whose Massachusetts lending was not covered by the federal and/or state Community Reinvestment Act (CRA) still accounted for nearly two-thirds of all home-purchase loans.

- ❖ Massachusetts banks and credit unions accounted for about one-third of all loans in 2007, but only a small share of high-APR loans (e.g., 6% in Greater Boston).¹ The two other major types of lenders—out-of-state banks and licensed mortgage lenders (mainly mortgage companies not affiliated with banks)—also accounted for about one-third of total loans each, but they had shares of high-APR loans (HALs) of between 45% and 50%. About one-sixth of all loans by licensed mortgage lenders and out-of-state banks were HALs, but the share of all loans by CRA-covered lenders (Massachusetts banks and credit unions) that were HALs was just 2% in Boston and 3% statewide.
- ❖ Massachusetts banks and credit unions directed a substantially greater share of their total loans as prime loans—and a substantially smaller share of their total loans as HALs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did lenders not covered by the CRA.
- ❖ Countrywide, Bank of America, and Wells Fargo were the three biggest overall lenders in 2007, both in Boston and statewide. Countrywide and H&R Block/Option One were the two biggest HAL lenders. HSBC, Merrill Lynch, and IndyMac were the third to fifth biggest HAL lenders statewide, while JPMorgan Chase, IndyMac, and Merrill Lynch ranked third to fifth in Boston. The top five lenders accounted for 37% of the total HALs in Boston, and for 33% of the total HALs statewide.
- ❖ Only one of the top five overall lenders in the state (Bank of America, ranked #2), and eight of the top thirty, were covered by the CRA for their Massachusetts lending; none of the nine biggest HAL lenders in the state were covered by the CRA. One section of “An Act Protecting and Preserving Homeownership” (Chapter 206 of the Acts of 2007) imposes CRA-type obligations on Licensed Mortgage Lenders (LMLs) in Massachusetts; final regulations implementing this law were issued by the Division of Banks in September 2008, and the first exams evaluating the community investment performance of LMLs are scheduled for early 2009.
- ❖ In Greater Boston, 71% of white applicants for a home-purchase loan ended up receiving a prime loan (i.e., a non-HAL loan), compared to just 37% of black applicants and 41% of Latino applicants.
- ❖ Black and Latino borrowers were much more likely to get HALs than were whites. For home-purchase loans in Greater Boston, for example, the HAL loan shares were 22% for blacks and 20% for Latinos, but only 5% for whites.
- ❖ HAL loan shares were much greater in neighborhoods with lower income levels and higher percentages of minority residents. The report documents this finding for census tracts in Boston, Greater Boston, and statewide, but it may be most readily understood in terms of Boston’s major neighborhoods. For home-purchase loans, HAL shares ranged from 29% in Mattapan and 25% in Roxbury to just 2% in the South End and in Back Bay/Beacon Hill.
- ❖ Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state’s cities and towns, and entirely absent in many others. Just five cities accounted for over one-half of total loans to blacks in Massachusetts, and nine cities accounted for over one-half of loans to Latinos. At the same time, blacks received no home-purchase loans in 161 of the state’s 351 cities and towns, while there were 103 communities where Latinos received no loans.

¹ That lenders whose local lending is covered by the CRA account for a very small portion of higher-cost loans in Boston, Greater Boston, and Massachusetts has been a consistent finding in the *Changing Patterns* series of reports. The Federal Reserve has recently provided authoritative confirmation that this pattern also holds at the national level. In a speech on December 3, 2008, Fed Governor Randall Kroszner emphasized a “striking result” of recent Fed research: Only 6 percent of all higher-priced loans were extended by CRA-covered lenders to lower-income borrowers or neighborhoods in their CRA assessment areas. (See the final section of this report for details.)

INTRODUCTION

This report is the fifteenth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. This year's report, like last year's, incorporates the analysis of subprime lending previously presented in a companion series that ended with *Borrowing Trouble VII: Higher-Cost Mortgage Lending in Boston, Greater Boston and Massachusetts, 2005*.

Geographic coverage of these reports, initially limited to the City of Boston, has expanded to include information on lending in Boston, Greater Boston, and Massachusetts, as well as in the state's fourteen counties and in its thirty-three largest cities and towns. In addition, a set of on-line tables provides selected data for every Massachusetts municipality.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. In the following years, however, these banks lost most of their total market share to other lenders whose local lending was not covered by the CRA. In the middle 1990s, subprime lending began its explosive growth. Although subprime loans initially consisted overwhelmingly of loans to refinance existing mortgages, by 2003 they had become a larger share of home-purchase loans than of refinance loans. And all this was before the dramatic changes associated with the boom-and-bust developments in mortgage lending that have culminated in the current foreclosure crisis.

This report offers information on patterns of mortgage lending during 2007, the year that witnessed the collapse of the subprime mortgage industry. Although subprime lending was still strong at the beginning of 2007, it had almost disappeared by year-end. As a result, the share of total lending

accounted for by higher-cost loans during 2007 is representative neither of lending during the early months of the year (when the share was much higher) nor during the final months of the year (when the subprime share was much lower).

The basic goal which motivated the Massachusetts Community & Banking Council (MCBC) to initiate the *Changing Patterns* series of reports was to increase access to home-purchase mortgage loans—and, thus, access to homeownership—for traditionally underserved borrowers and neighborhoods. In the early 1990s, mortgages themselves were a relatively standard product, which potential home-buyers either got or didn't get. With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*¹. Expressed differently, the problem of *redlining* has become overshadowed by concern with *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans.

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, available data do not make it possible to identify loans that are predatory. Instead, Home Mortgage Disclosure Act (HMDA) data, the only detailed data that include the race/ethnicity and income of borrowers, provide limited information on loan pricing (described below) that indicates whether or not a loan is likely to be a subprime loan. To determine that an individual loan is predatory would require information on fees and loan terms (such as

¹ This shift is discussed in “From Fair Access to Credit to Access to Fair Credit,” Chapter 5 of Dan Immergluck, *Credit to the Community: Community Reinvestment and Fair Lending Policy in the United States* (M.E. Sharpe, 2004).

the existence of prepayment penalties or single premium credit insurance), lender behavior, and borrower circumstances that is not publicly available.

Responsible subprime lending can provide a useful service. 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 are, however, good reasons to believe that most subprime lending has not satisfied this definition of responsibility. To a great extent, this is because of the prevalence of “opportunity pricing” in the subprime mortgage market.

Whereas the prime mortgage market resembles the market for major appliances—where retailers sell refrigerators at the same advertised price to all customers—the subprime mortgage market has been more like the market for used automobiles. Here the selling price and other charges often are negotiated individually with each customer and salespeople often have financial incentives to obtain the highest price possible. Many (probably most) borrowers from subprime lenders pay more than they would have if they had obtained the best loan for which they were qualified. Of particular concern is the fact that the likelihood of being overcharged for a mortgage loan is much greater for borrowers of color.²

There is no single, simple way to characterize the impact of receiving a subprime loan. The consequences may differ dramatically, depending on the characteristics of both the borrower and the loan. In this regard, it is useful to divide borrowers who have received subprime loans into three broad categories, characterized in terms of their likely

ability to make their monthly mortgage payments: (1) borrowers who could have qualified for a prime loan, (2) borrowers who received loans that they had no realistic prospect of being able to repay, and (3) borrowers not qualified for prime loans, but likely to be able to repay their subprime loans; this third category may be subdivided into (a) borrowers who received subprime loans that were over-priced and (b) borrowers who received subprime loans with pricing that fairly reflected the additional risks and costs they imposed on their lenders.

I know of no persuasive attempts to quantify the distribution of subprime loan recipients among these various groups. Nevertheless, there is considerable evidence that many borrowers have been given loans that they had no realistic ability to repay, that many borrowers qualified for prime loans received subprime loans instead, and that many other borrowers received over-priced subprime loans.

In light of the on-going foreclosure epidemic, it is particularly important to note that there is considerable evidence of a strong correlation between subprime lending and foreclosures. The Mortgage Bankers Association reported that the percentage of loans in the foreclosure process nationwide at the end of the third quarter was 1.58% for prime loans and 12.55% for subprime loans.³ Closer to home, the City of Boston’s Department of Neighborhood Development found not only that the four Boston neighborhoods where the rate of foreclosure petitions were highest in 2007 were Roxbury, Mattapan, Dorchester, and Hyde Park (the same four neighborhoods where the rate of higher-cost lending has found to be highest in these *Changing Patterns* reports), but also that “the top originating lenders of foreclosed loans were identified as top HAL lenders in 2004, 2005, and 2006

² 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 at: www.fanniemae.com/programs/hpd/v15i3-index.shtml. For a comprehensive survey of the “overpricing” of home loans, and the methods by which this is accomplished, see Lauren E. Willis, “Decision-making and the Limits of Disclosure: The Problem of Predatory Lending: Price,” (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=927756; printed in *Maryland Law Review*, Vol. 65, No. 3, 2006, pp. 707–840). 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).

³ Mortgage Bankers Association, “Delinquencies Increase, Foreclosure Starts Flat in Latest MBA National Delinquency Survey,” December 5, 2008. Available at: www.mbaa.org/newsand media/presscenter/66626.htm.

by [the *Changing Patterns*] reports.”⁴ In addition, researchers at the Federal Reserve Bank of Boston found that foreclosure rates tended to be high in the same Massachusetts communities in which rates of subprime lending were high.⁵

The main data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council. HMDA data include information from almost all lenders who make substantial numbers of mortgage loans. For each loan application received, the data include the income, race, ethnicity, and sex of the applicant; the location of the property; whether the loan is for home-purchase, refinance, or home improvement; whether 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. Beginning with 2004 loans, HMDA data also include 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 the corresponding Treasury security 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 with reported rate spreads are referred to as “high-APR loans” or “HALs.”**

The primary focus of many 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 2007 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 HAL lending patterns in terms of the income level and race of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. The “Notes on Data and Methods” at the end of the report provide details on the definitions and sources of the data used and on how the data were processed in preparing the report’s tables and charts.

The analysis in this report is limited to first-lien loans for owner-occupied homes, both home-purchase loans and refinance loans. That is, it excludes (1) second mortgages and other junior-lien loans,⁶ and (2) loans for homes that borrowers will not be occupying as a principal residence. Appendix Table 1 provides detailed data on the numbers and percentages of different types of loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 70.1% of all loans in the state, that junior-lien loans accounted for 22.7% of the total, and that first-lien loans for non-owner-occupied housing accounted for the remaining 7.2%.⁷ Appendix Table 2 provides information on the percentages of HAL loans—

⁴ City of Boston, Department of Neighborhood Development, “Foreclosure Trends 2007,” pages 2 and 8. Available at: www.cityofboston.gov/dnd/PDFs/U_2007_Foreclosure_Trends.pdf.

⁵ For example, Ricardo Borgos, Prabal Chakrabarti, and Julia Reade found, for Massachusetts cities and towns, not only that “the correlation between higher-cost lending and foreclosure rates is strong,” but also that “higher foreclosure rates were more closely associated with higher-cost lending than with high rates of poverty.” (*Understanding Foreclosure Rates in Massachusetts*, Community Affairs Discussion Paper 07-1, Federal Reserve Bank of Boston, March 2007, page 7). The strong relationships among subprime lending, race/ethnicity, and foreclosures are also documented in Kristopher S. Gerardi and Paul S. Willen, *Subprime Mortgages, Foreclosures, and Urban Neighborhoods*, Public Policy Discussion Paper No. 08-6, Federal Reserve Bank of Boston, December 2008.

⁶ Junior-lien home-purchase loans—sometimes referred to as “piggyback loans”—became very common in recent years as a way of avoiding the cost of private mortgage insurance, which is generally required when the loan amount is greater than 80% of the value of the home being purchased. Thus, borrowers receive a first-lien loan for 80% of the value of the home and a second, junior-lien mortgage for the additional amount being borrowed (20% of the home’s value in the case of a zero-down-payment loan). Restricting this report’s analysis to first-lien loans avoids double-counting home-buyers who obtained piggy-back second mortgages.

⁷ Some analysts restrict their coverage to conventional loans (i.e., they exclude government-backed [VA and FHA] loans) and/or to site-built homes (i.e., they exclude loans for manufactured homes). However, the numbers of such loans in Massachusetts are so small that their impact on the analysis is negligible. Government-backed loans accounted for only 2.1% of total loans in 2007 and loans for manufactured homes made up just 0.2% of the total.

overall and by the race/ethnicity of borrowers—for both first-lien and junior-lien loans.

The principal goal of this report, like its predecessors, is to contribute to improving the performance of mortgage lenders in meeting the needs of traditionally underserved borrowers and neighborhoods by presenting a careful *description* of what has happened that all interested parties—community groups, consumer advocates, banks and other lenders, regulators, and policy-makers—can agree is fair and accurate. This series of reports offers neither *explanations* of why the observed trends have occurred nor *evaluations* of how well lenders have performed. Rather, its descriptive contributions are intended to be important annual inputs into the complex, ongoing tasks of explanation and evaluation.

For many readers, this report’s main contribution will consist of the wealth of information contained in its forty-six pages of tables, especially data about individual municipalities or counties of particular interest.⁸ No attempt is made to summarize all of this information in the pages that follow.

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, and Massachusetts, with limited attention to other areas. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.⁹) The remaining sections of the report are organized as follows:

- ❖ Part I presents information on the overall level of high-APR mortgage lending.
- ❖ Part II analyzes patterns of high-APR mortgage lending to borrowers grouped by race/ethnicity and by income level.
- ❖ Part III examines patterns of high-APR mortgage lending in neighborhoods. The analysis looks at census tracts grouped by income level and by percentage of minority households, as well as at Boston’s major neighborhoods.
- ❖ Part IV summarizes data on denial rates, highlighting both racial/ethnic disparities and the differences in the denial patterns of prime and subprime lenders.
- ❖ Part V focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- ❖ Part VI presents information on the biggest lenders—both overall and for high-APR loans—both in Boston and statewide.
- ❖ Part VII offers information on a few matters not covered elsewhere: the magnitude of the substantial costs imposed on borrowers who obtain HALs rather than prime loans; the differences in median rate spreads of HALs obtained by black, Latino, and white borrowers; the limits of currently available HMDA data; the recently enacted legislation that imposes CRA-type obligations on the lenders who have been responsible for the bulk of the state’s high-APR loans; and the results of some recent research by the Federal Reserve that confirms a key finding of this series of reports.
- ❖ Finally, a section of “Notes on Data and Methods” provides considerable detail on a number of technical matters.

⁸ Additional tables, available in the reports section of the website of the Massachusetts Community & Banking Council (www.mcabc.info) provide **information on mortgage lending in all of the cities and towns in Massachusetts**. The format of the seven on-line tables is the same as the corresponding tables in this report that provide information for the state’s 33 largest cities and towns (Tables 36–40 and 42–43). It should be noted that these on-line tables do not provide individual data for all 351 of the state’s cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 68 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Truro and Wellfleet in Barnstable County).

⁹ More information on the MAPC region and on the MAPC itself—a regional planning agency established by the state in 1963—is available at www.mapc.org. Another widely used definition of “Greater Boston” is the Boston Metropolitan Statistical Area (MSA), the Massachusetts portion of which is currently defined by the federal government to include the 147 communities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. A map of the MAPC region and the Boston MSA precedes Table 1.

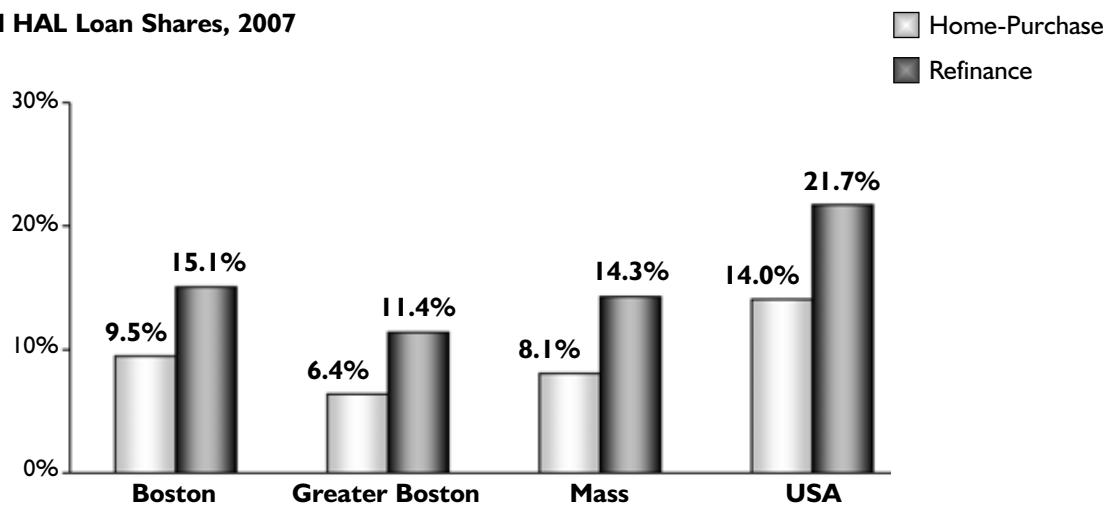
I. THE OVERALL LEVEL OF HIGHER-COST MORTGAGE LENDING

Before examining the distribution of high-APR loans (HALs) among different categories of borrowers and neighborhoods, this brief section reports on how large a share of total mortgage lending was accounted for by these loans. The findings presented in the bullet points and chart below are based on detailed tables that follow the text of this report. Tables 1 and 2 provide information on mortgage lending in the city of Boston, in the Greater Boston area, and in Massachusetts; data for the fourteen counties of Massachusetts and for its thirty-three largest cities and towns are presented in Tables 29 and 36, respectively. For each geographical area, the tables provide information on the number of mortgage loans, the number of high-APR loans (HALs), and the percentage of all loans that are HALs; this information is provided separately for home-purchase loans and refinance loans. Among the main findings that emerge from analysis of these tables are the following:

- ❖ **In Massachusetts in 2007, one out of every twelve home-purchase loans (8.1%) and one out of every seven refinance loans (14.3%) was a high-APR loan. Both percentages were somewhat higher in the city of Boston, and somewhat lower in Greater Boston.** (See Exhibit 1 and Table 1.)

- ❖ **There were over sixteen thousand high-APR loans (HALs) in Massachusetts in 2007—5,085 loans to finance home purchases and 11,205 refinance loans.** Borrowers in Greater Boston received almost six thousand HALs (1,977 home-purchase plus 3,885 refinance). In the city of Boston, there were 1,280 HALs (545 home-purchase plus 735 refinance). (Table 1)
- ❖ **Both the HAL shares of total lending and the numbers of HAL loans were dramatically lower in 2007 than they were in 2006.** The HAL shares of home-purchase loans fell by more than half (e.g., from 19.0% to 8.1% statewide), while the HAL shares of refinance loans fell by somewhat less than half (e.g., from 20.8% to 11.4% in Greater Boston). The total number of HALs (home-purchase and refinance loans combined) fell from 3,361 to 1,280 in the city of Boston and from 40,173 to 16,290 statewide. (Table 2)
- ❖ **High-APR loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.** For home-purchase loans, the HAL loan shares were 8.1% in the state and 14.0% nationwide; for refinance loans, they were 14.3% in the state and 21.7% nationwide.¹⁰

EXHIBIT 1: Overall HAL Loan Shares, 2007



Source: Table 1

¹⁰ Nationwide HAL shares are reported in Robert Avery, Kenneth Brevoort, and Glenn Canner, “The 2007 HMDA Data,” *Federal Reserve Bulletin*, December 2008, Table 3. These percentages are for first-lien, conventional loans on owner-occupied site-built homes. Although the Massachusetts percentages include government-backed loans and loans for manufactured homes, these together constitute only 1.3% of total loans in the state.

- ❖ **Among the state's thirty-three biggest cities¹¹, HAL loan shares were highest in Springfield** (where they accounted for 22.0% of all home-purchase loans and 34.5% of all refinance loans), **Brockton** (19.9% and 26.9%), **Lawrence** (19.6% and 26.0%), **and Lynn** (19.4% and 20.2%). Among these thirty-three cities, Springfield, Brockton, and Lynn have the second, third and fifth highest percentages of black households, and Lawrence, Springfield, and Lynn have the three highest percentages of Latino households. (Table 36)
- ❖ **Every city and town in Massachusetts¹² received at least one high-APR loan (HAL).** Weston, which has the highest median family income (MFI) of any community in the state (\$181,041, according to the 2000 Census), received eighteen HALs. The towns with the second and third highest MFIs, Dover and Carlisle, each received two HALs. (Supplemental Table 1, available online)

II. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, high-APR loans (HALs) went disproportionately to black and Latino borrowers. This pattern can be seen from two different perspectives. On the one hand, HALs made up much larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. On the other hand, blacks and Latinos received much larger shares of total HALs than they received of total prime loans (a term we use here as equivalent to “non-HAL loans”). However, the patterns that emerge when borrowers are grouped by income level are different from what might be expected: relatively *few* high-APR loans (HALs) went to borrowers at lower income levels.¹³ When lenders are classified by both race and income, the disparities between black and Latino borrowers and white borrowers tend to be *greater* at higher income levels.¹⁴

- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive HALs than were their white or Asian counterparts. **Among homebuyers in Greater Boston in 2007, the HAL loan shares were 22.0% for blacks and 20.3% for Latinos, but only 4.8% for whites. Accordingly, the black/white disparity ratio was 4.6 and the Latino/white disparity ratio was 4.2; this black/white disparity ratio, for example, indicates that black homebuyers in Greater Boston were 4.6 times more likely to get a HAL loan than were their white counterparts.** For *refinance loans* in Greater Boston, HALs accounted for 23.7% of loans to blacks and 25.0% of loans to Latinos, but only 9.5% of loans to whites, for a black/white disparity ratio of 2.5 and a Latino/white disparity

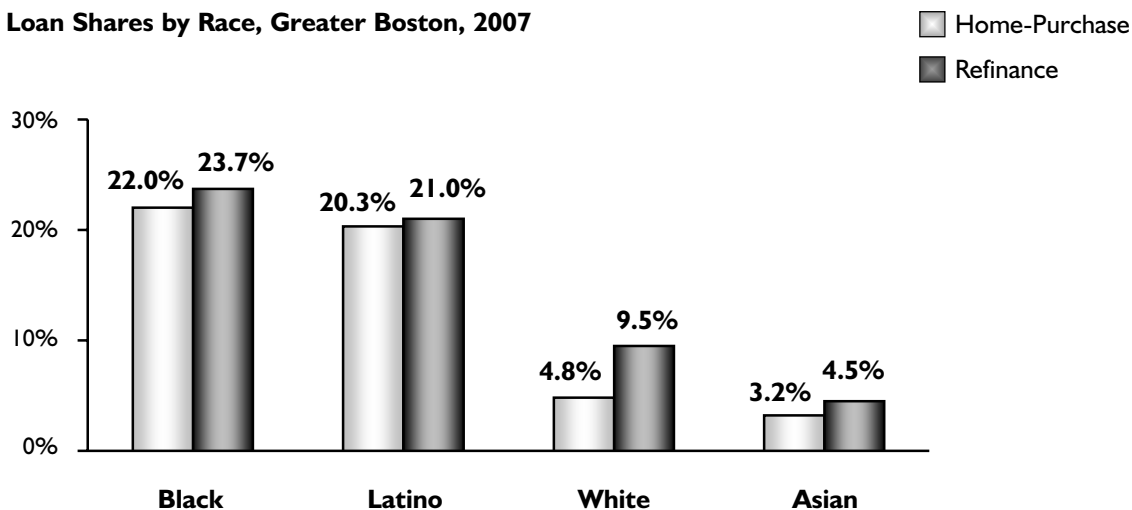
¹¹ Although five of the state's thirty-three largest municipalities, as listed in Table 2, are officially towns, the municipalities will be referred to collectively as “cities” throughout this report. The five towns are: Arlington, Brookline, Framingham, Plymouth, and Weymouth. The smallest city or town among the biggest thirty-three is Westfield, with a population of 40,072.

¹² More precisely, this should say “every city and town in Massachusetts that consists of at least one entire census tract, plus every multi-town census tract.” Of the 351 cities and towns in the state, only 283 are large enough to have at least one census tract entirely to themselves. The other 68 towns share a total of 23 census tracts, with the number of towns that share a single census tract ranging from two to six. Census tracts are the smallest geographical area for which HMDA data are available, so it is impossible to determine which towns received the loans made in these 23 census tracts.

¹³ HMDA data include, to the nearest thousand dollars, the income that the lender relied upon in deciding whether or not to make the loan. In recent years, HMDA data overstate the actual incomes of many borrowers and, therefore, result in some of these borrowers being placed into higher income categories than they should be. This was made possible by very high numbers of “stated income” loans (i.e., loans where lenders did not attempt to verify the incomes stated by borrowers). A *New York Times* article indicated the extent of this problem by citing two studies: “An April 2006 report by the Mortgage Asset Research Institute...analyzed 100 loans in which borrowers merely stated their incomes, and then looked at documents those borrowers had filed with the I.R.S....[I]n almost 60 percent of cases, borrowers inflated their income by more than half. A Deutsche Bank report said [stated income] loans accounted for 40 percent of the subprime mortgage issuance last year.” (Gretchen Morgenson, “Crisis Looms in Market for Mortgages,” March 11, 2007, Sunday Business Section). It has been widely reported that in many cases incomes were misrepresented by loan originators, without the awareness of the borrowers themselves. I know of no way to estimate the quantitative impact of this development on the classification of borrowers into income categories using HMDA data. Nor do I know of any way to determine whether (and, if so, to what extent) income overstatements differed among black, Latino, and white borrowers.

¹⁴ Appendix Table 3 and the accompanying Chart A-3 update the table and chart from previous *Changing Patterns* reports that have tracked the number and percentage of all home-purchase loans (not just HALs) that have gone to borrowers of different races/ethnicities in Boston since 1990. In addition, information on the share of all loans (not just HALs) that went to borrowers at various income levels is presented in the bottom half of Table 4, and Appendix Table 4 and Chart A-4 provide data on the number and percentages of all loans that went to borrowers at different income levels in the city of Boston since 1990. This information is provided for readers who may be interested; none of it is discussed in the text of this report.

EXHIBIT 2: HAL Loan Shares by Race, Greater Boston, 2007



Source: Table 3

ratio of 2.2. For home-purchase loans in the city of Boston, the black/white disparity ratio was 5.1 and the Latino/white disparity ratio was 4.8, whereas the statewide disparity ratios were 3.4 and 3.1, respectively. HAL loan shares were consistently lower for Asian borrowers than for whites. (Exhibit 2 & Table 3)

- ❖ The dramatic racial/ethnic disparities in high-cost mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 3.7% of all prime (i.e., non-HAL) loans in 2007, their share of all HAL loans was more than four**

times greater—15.4%. Similarly, while Latino homebuyers received only 4.1% of all prime loans in Greater Boston, their share of all HAL loans was almost four times greater—15.2%. (Table 3)

- ❖ **The general patterns of HAL loan shares being substantially higher for black and Latino borrowers than for their white counterparts, and of blacks and Latinos having substantially larger shares of HALs than of prime loans, were present throughout the state’s counties and in its largest cities. See Exhibit 3 & Tables 37–40 (for cities) and Tables 30–31 (for counties).**

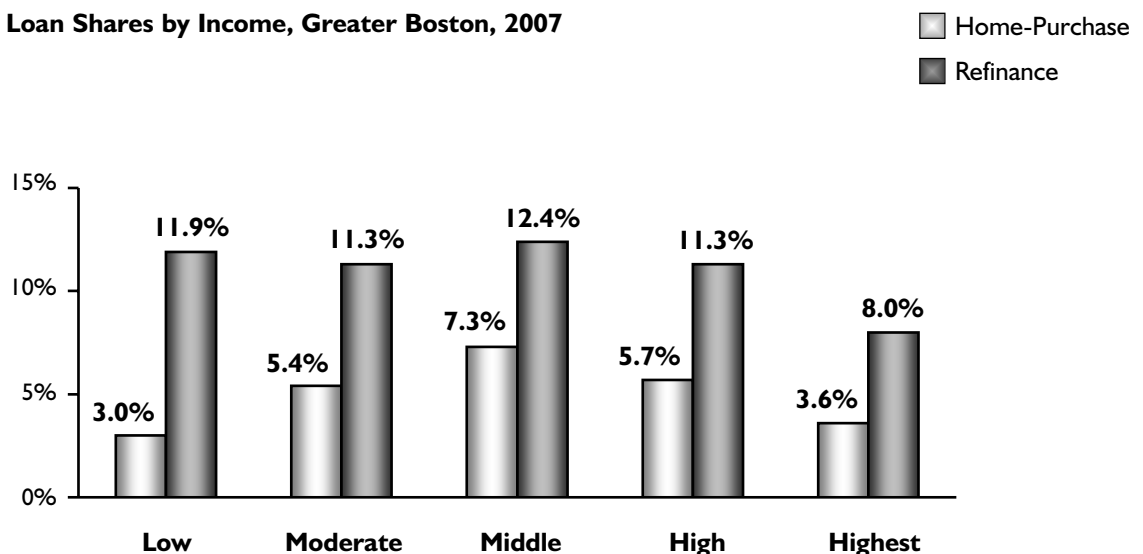
EXHIBIT 3: Black and Latino Homebuyer Shares of All Loans, Ten Biggest Cities in Massachusetts, 2007

	Black share of total		Latino share of total	
	non-HALs	HALs	non-HALs	HALs
Boston	9.5%	33.0%	5.6%	17.6%
Worcester	7.9%	18.6%	10.1%	12.0%
Springfield	13.8%	23.7%	27.7%	30.7%
Lowell	5.1%	15.0%	6.6%	14.3%
Cambridge	5.7%	5.9%	2.9%	5.9%
Brockton	29.4%	40.6%	10.2%	9.1%
New Bedford	4.3%	4.3%	4.5%	12.9%
Fall River	4.4%	0.0%	2.5%	3.8%
Lynn	8.0%	17.1%	20.1%	31.6%
Quincy	4.0%	0.0%	2.6%	6.7%

Source: Table 39

- ❖ When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, **middle-income and high-income borrowers (those with incomes between 80% and 200% of the median income in their metropolitan area) generally had larger HAL loan shares than low-income and moderate-income borrowers (those with incomes below 80% of the median in their area)**. This general pattern held in Boston, in Greater Boston, and in Massachusetts as a whole. For example, for home-purchase loans in Greater Boston, the HAL loan share was greatest for middle-income borrowers (7.3%) and next greatest for high-income borrowers (5.7%), while the HAL loan shares of low-income and moderate-income borrowers were 3.0% and 5.4%, respectively. The median family income in the Boston MSA in 2007 was \$80,500, so low- and moderate-income borrowers were those with reported incomes up to \$64,000; and middle- and high-income borrowers were those with incomes between \$65,000 and \$161,000.¹⁵ (Table 4 and Exhibit 4)
- ❖ When borrowers are grouped into just two income categories, there is further evidence that high-APR loans in 2007 were *not* disproportionately directed toward lower-income borrowers: **the HAL loan shares of low- and moderate-income borrowers (those with incomes less than 80% of the median income in their metropolitan area) were smaller than the HAL loan shares of middle- and high-income borrowers (those with incomes ranging from 80% to 200% of their area’s median) in Boston and Greater Boston, and only slightly higher statewide**. Borrowers in the highest-income category—those with incomes more than double the median family income in their metropolitan area—are excluded from this analysis. (See Table 5; the same information is provided for the state’s fourteen counties in Table 32 and its 33 biggest cities in Table 41.)
- ❖ Looking at the *numbers* of loans to borrowers at different income levels provides even stronger evidence that high-APR loans are not directed

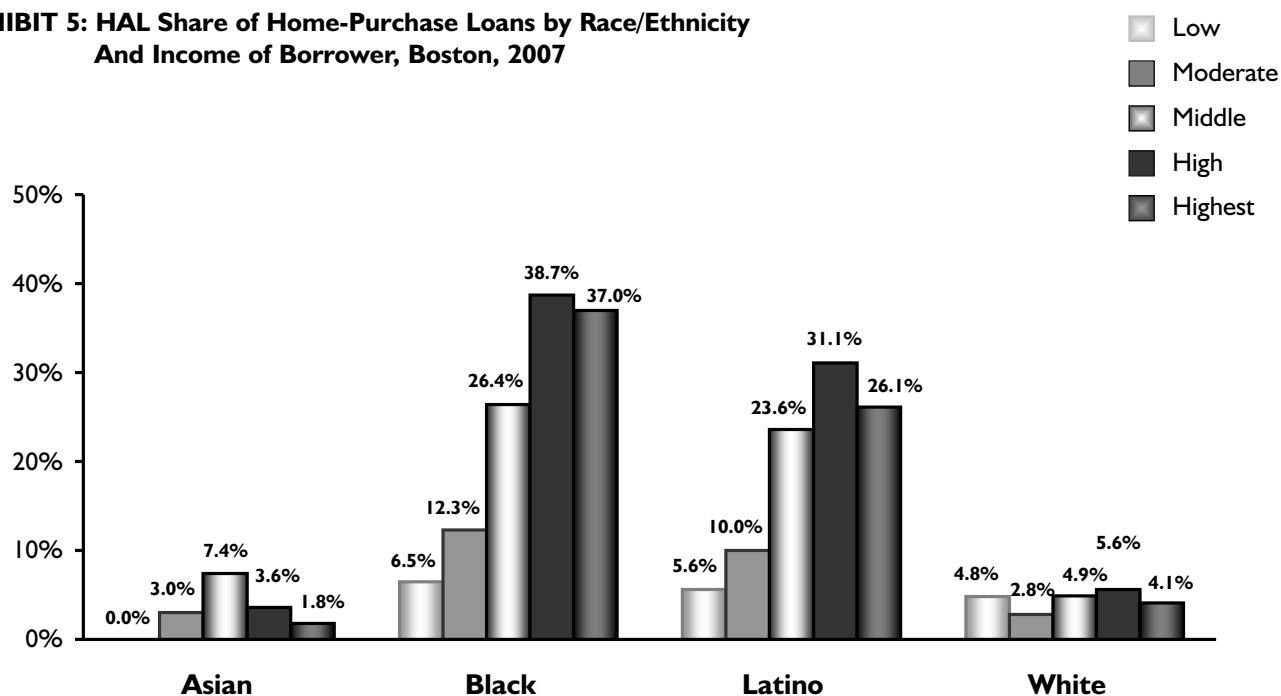
EXHIBIT 4: HAL Loan Shares by Income, Greater Boston, 2007



Source: Table 4

¹⁵ Following standard practice in mortgage lending studies, these income categories are defined in relationship to the median family income (MFI) in the metropolitan area in which the home is located. Standard practice is to divide borrowers into four income categories: less than 50% of the MFI of the metro area is “low-income”; between 50% and 80% is “moderate-income”; between 80% and 120% is “middle-income”; and over 120% is “upper-income.” **In this report, the standard “upper-income” category for borrowers is subdivided into “high-income” (between 120% and 200% of the MFI in the relevant metropolitan area) and “highest-income” (more than double the MFI in the metro area).** This report also differs from standard practice in using the MFI of the Boston MSA for all communities in that five-county region. The standard practice for analysis of HMDA data now is based on the division of the Boston MSA into three Metropolitan Divisions (MDs), each with its own MFI. This report deviates from the standard practice because it makes no sense to treat, for example, Cambridge and Boston as being in different metropolitan areas. *Note:* HMDA data only reports borrower income to the nearest thousand dollars. See “Notes on Data and Methods” for more detailed information on metropolitan areas and MFIs.

**EXHIBIT 5: HAL Share of Home-Purchase Loans by Race/Ethnicity
And Income of Borrower, Boston, 2007**



Source: Table 6

primarily to lower-income borrowers. **For home-purchase loans, low- and moderate-income borrowers combined received only 11.9% of all HALs in Boston, 15.5% of all HALs in Greater Boston, and 25.3% of all HALs in Massachusetts.**¹⁶ (Table 4)

- ❖ **When borrowers are grouped by both race/ethnicity and income level, the HAL loan shares for blacks and Latinos are almost always substantially higher than the HAL shares for white borrowers in the same income category. Furthermore, the disparities in HAL shares tend to increase as the income level increases.** These general patterns are the same for Boston (Table 6), for Greater Boston (Table 7), and for the entire state (Table 8). HAL loan shares are generally greatest for blacks and Latinos in the “high” income category, while black/white and Latino/white disparity ratios are greatest in either

the “high” or “highest” income categories. For brevity, specific data will be provided here for only two income categories in one geographical area. (Again: high-income borrowers in Boston in 2007 were those with incomes between \$98,000 and \$161,000 and highest-income borrowers were those with incomes of \$162,000 or more.) **In Boston, 38.7% of high-income blacks and 31.1% of high-income Latinos received their home-purchase loans in the form of HALs, while the HAL loan share was 5.6% for high-income whites. For the highest-income homebuyers in Boston, the HAL loan shares were 37.0% for blacks, 26.1% for Latinos, and 4.1% for whites. This means that among homebuyers with reported incomes of \$162,000 or more, blacks were 9.0 times more likely to receive a HAL than their white counterparts, and Latinos were 6.4 times more likely than whites to receive their mortgage in the form of a HAL.** (Tables 6–8 & Exhibit 5)

¹⁶ This same information is provided for counties in Table 29 and for the state’s 33 biggest cities in Table 42. In almost every case, low- and moderate-income borrowers received fewer—usually far fewer—HALs than middle- and high-income borrowers.

III. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where high-APR mortgage lending is done rather than on the characteristics of the *borrowers* who received such loans. The data in Tables 9–12 provide clear evidence that HALs are concentrated disproportionately in areas where the percentages of minority residents are high and in areas where income levels are low (often, these are the same areas).

Table 9 (Boston), Table 10 (Greater Boston), and Table 11 (Massachusetts) classify census tracts by both race/ethnicity and income level.¹⁷ In each panel of these tables, the first four rows and columns of numbers provide information on tracts classified by both income level and race/ethnicity; the bottom row provides information for the total of all tracts at each income level; and the right-most column provides information for the total of all tracts in each racial/ethnic category. Panel A indicates the distribution of census tracts among categories; Panels B–D provide information on home-purchase lending: total number of loans, share of these loans that are HALs, and HAL-share disparity ratios (expressed as the ratio of each HAL share to the HAL share in upper-income, predominantly white tracts); and Panels E–G provide the same information on refinance lending. These tables show that high-APR loans account for greatly disproportionate shares of total lending in traditionally underserved neighborhoods—that is, in census tracts with low income levels and high concentrations of minority households. The first two bullets here summarize results for home-purchase lending in Boston and statewide; the patterns that emerge from the table for Greater Boston are similar, and all three tables

also provide information for refinance lending in addition to that for home-purchase lending.

- ❖ **For home-purchase loans in the city of Boston in 2007, the HAL share in low-income census tracts was more than seven times greater than that in upper-income tracts (16.1% vs. 2.2%) and the HAL loan share in predominantly-minority tracts (those with more than 75% minority households) was almost seven times greater than that in predominantly-white tracts (29.9% vs. 4.4%).** For tracts in every income category, the HAL share rises consistently as the percentage of minority households increases.¹⁸ The reverse, however, is not the case: in the three categories of tracts with at least 25% minority households, the HAL shares tend to increase, rather than decrease, as income rises. The concentration of high-APR lending is greatest in the predominantly-minority census tracts (all of these tracts are low- or moderate-income). **For home-purchase loans in Boston, the HAL shares for low-income and moderate-income predominantly-minority tracts were more than thirteen times higher than the HAL share in upper-income predominantly-white tracts.** (Table 9)
- ❖ **For home-purchase loans in the state as a whole, the HAL loan share in low-income census tracts was 4.5 times greater than that in upper-income tracts (19.2% vs. 4.3%) and the HAL loan share in predominantly-minority tracts was 4.3 times greater than in predominantly-white tracts (30.0% vs. 7.0%).** With rare exceptions, HAL shares rise as the percentage of minority households increases for tracts in a given income category and they decrease as the income level increases for tracts

¹⁷ Census tracts, defined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 589,141 according to the 2000 census, has 157 census tracts. Census tracts are placed in racial/ethnic categories on the basis of percentages of minority and white households as reported in the 2000 census (minority households are all those for which the householder is other than a non-Latino white). A tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the Metropolitan Statistical Area (MSA) within which the tract is located. MFIs for geographical areas are from the 2000 decennial census. “Low-income” tracts are those with MFIs less than 50% of the MFI in the MSA; “moderate-income” tracts have MFIs from 50%–80% of the MFI in the MSA; “middle-income” tracts have MFIs from 80%–120% of the MFI in the MSA; and “upper-income” tracts are those with MFIs greater than 120% of the MFI in their MSA.

¹⁸ There is one exception to this generalization: there were no HALs among the eighteen home-purchase loans in the single upper-income census tract with 25%–50% minority households, while the HAL loan share was 2.2% in the upper-income tracts with more than 75% white households.

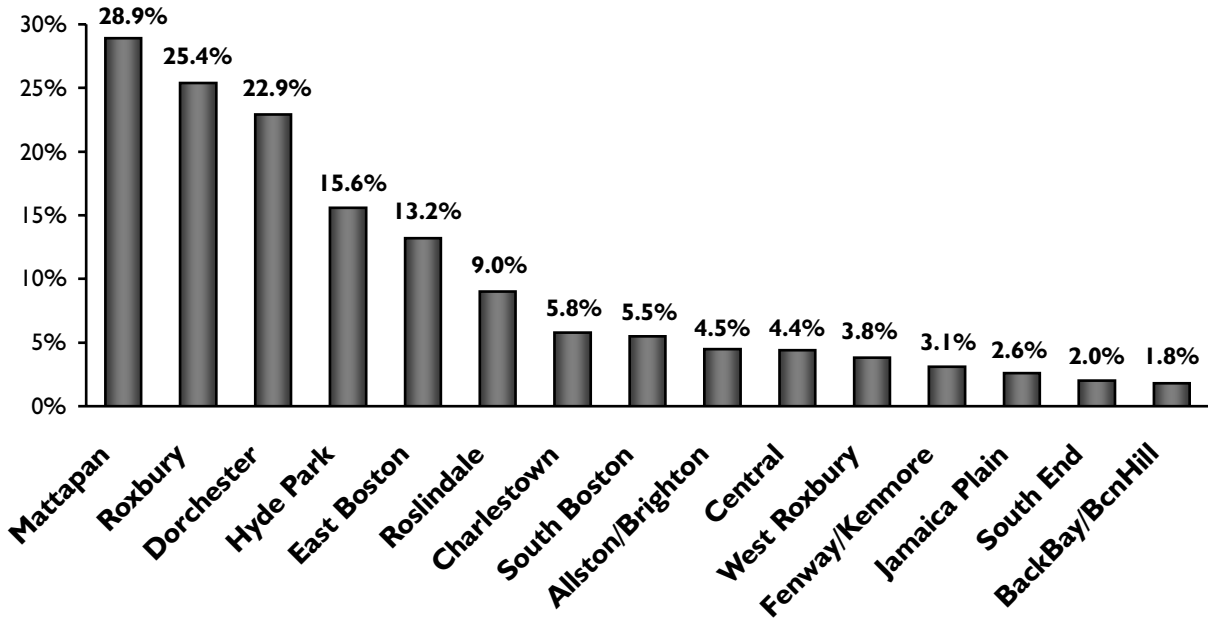
in a given racial/ethnic category.¹⁹ The concentration of high-APR lending is greatest in the census tracts with more than 75% minority households (all these tracts are low- or moderate-income); for both low- and moderate-income high-minority tracts, the HAL share for home-purchase loans was about seven times higher than the HAL share for upper-income predominantly-white tracts. (Table 11)

- ❖ **High-APR lending varied dramatically among Boston’s major neighborhoods. For home-purchase loans, HAL shares ranged from 28.9% in Mattapan and 25.4% in Roxbury to 2.0% in the South End and 1.8% in Back Bay/Beacon Hill. For refinance loans, HAL shares ranged from 29.5% in Roxbury to 2.9% in the South End.** The four Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, and Hyde Park—also had the four highest HAL shares for home-purchase lending, all greater than 15%; 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 between 1.8% and 5.8%. (Table 12 and Exhibit 6)

- ❖ The same pattern emerges at the level of entire communities. For the 33 biggest cities in Massachusetts, Table 36 provides information on median family income and percentages of black and of Latino households as well as on high-APR lending. Examination of these data shows that HAL loan shares have a strong positive correlation with communities’ percentages of black and Latino residents and a strong negative correlation with communities’ median family incomes (MFIs). For example, **the four cities with the highest HAL shares for home-purchase loans in 2007 had an average of 34.6% black plus Latino households and an average MFI of \$39,906, while the four cities with the lowest HAL shares had an average of 8.4% black plus Latino households and an average MFI of \$80,575.** (The high HAL-share cities are Springfield, Brockton, Lawrence, and Lynn; the low HAL-share cities are Cambridge, Brookline, Newton, and Waltham.)

EXHIBIT 6: HAL Loan Shares of Home-Purchase Loans, Boston Neighborhoods, 2007



Source: Table 12

¹⁹ Note that the latter trend statewide—HAL loan shares tend to fall as tract income rises—is the opposite of that in Boston, where HAL shares tend to rise as tract income rises. In Greater Boston (Table 10), HAL shares also tend to fall as income rises.

❖ **Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others.** Just five cities and towns (Boston, Brockton, Springfield, Worcester, and Randolph) accounted for over one-half (56.5%) of total loans to blacks in Massachusetts; these same five communities accounted for only 11.9% of the state's total loans to whites. Nine communities (Springfield, Boston, Lawrence, Worcester, Lynn, Revere, Brockton, Lowell, and Everett) accounted for over half (50.3%) of all lending to Latinos in the state;

these nine communities accounted for just 14.5% of total lending to whites. At the same time, blacks received no home-purchase loans in 161 of the state's 351 cities and towns, and only a single loan in 61 more, while there were 103 communities where Latinos received no loans and 70 more where they received just one. In 84 communities, nearly one-quarter (23.9%) of the state's cities and towns, there was not a single loan to either a black or a Latino homebuyer. (Calculated from data presented in Supplemental Table 2, available online.)

IV. DENIALS OF MORTGAGE LOAN APPLICATIONS

This report provides separate information on denials by two important categories of lenders. *Subprime lenders* are defined, for purposes of this report, as those lenders for whom high-APR loans accounted for at least 40% of their total lending in 2007, or at least 40% of their total lending in 2006 and at least 25% of their total lending in 2007. All other lenders are referred to as *prime lenders*.²⁰ Until last year, reports in the *Changing Patterns* series reported on denials by all lenders combined.²¹ However, because of the increased market share of subprime lenders and because the behavior of prime and subprime lenders is so different, it is illuminating to present information separately for these two categories of lenders. The focus in this section is on denials of applications for home-purchase loans.²²

❖ **In Boston, Greater Boston, and Massachusetts in 2007, prime lenders denied home-purchase loan applications by blacks and Latinos about three times as often as they denied applications**

by whites. In Greater Boston, for example, the denial rates were 23.8% for blacks, 22.2% for Latinos, and 7.3% for whites; this translates into black/white and Latino/white denial rate disparity ratios of 3.28 and 3.06, respectively. Denial rates for Asians were slightly higher than those for whites. (Table 13 and Exhibit 7)

❖ **Subprime lenders had much higher denial rates than prime lenders, but they were only moderately more likely to deny black and Latino applicants than they were to deny whites.** In Greater Boston, for example, the denial rates for home-purchase loan applications to subprime lenders were 52.4% for blacks, 55.1% for Latinos, and 39.0% for whites, which translated into black/white and Latino/white denial rate disparity ratios of 1.34 and 1.41. Again, denial rates for Asians were only slightly higher than those for whites.²³ (Table 13 and Exhibit 7)

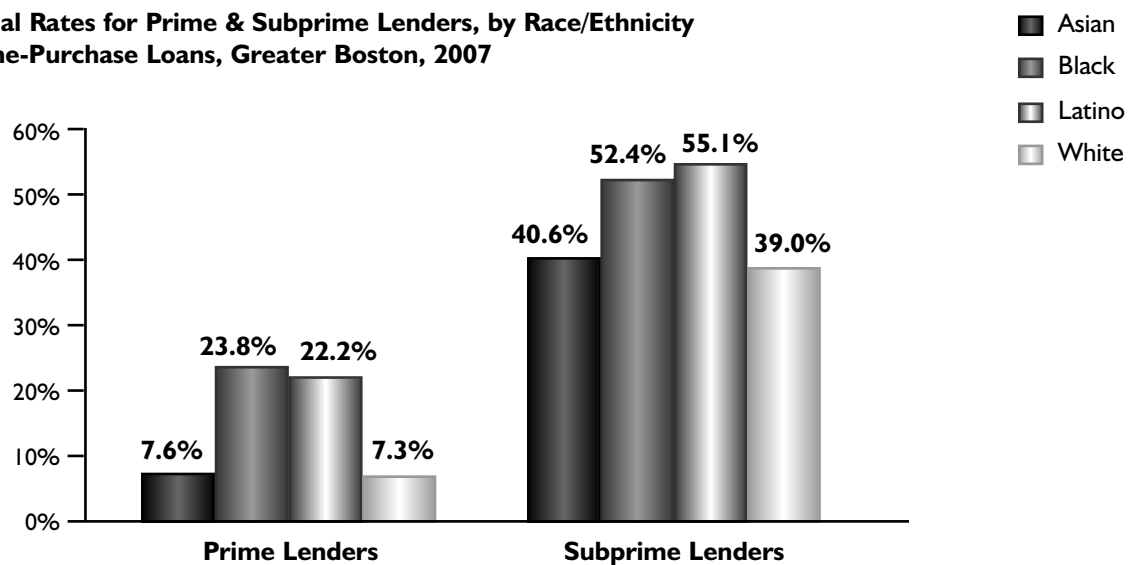
²⁰ For more on the definition of subprime lenders, see the footnote that accompanies the first bullet in the next section. Note that HMDA data do not provide any information on applications or denials for high-APR loans; this is because pricing (rate-spread) information is provided only for loans that were actually originated.

²¹ Appendix Table 5 updates the table from earlier reports that provided information on overall denial rates and on denial rate disparity ratios since 1990. It shows that, for all lenders combined, denial rates for Asian, black, and Latino applicants—as well as Asian/white, black/white and Latino/white disparity ratios—rose in 2007 in Boston and statewide (although not in the U.S.).

²² This report includes information on denial of applications for refinance loans only in Table 13. Although the general patterns for refinance denials are very similar to those for home-purchase denials, it can be seen in this table that denial rates for refinance applications tend to be somewhat greater, and black/white and Latino/white denial rate disparities for refinance applications tend to be somewhat smaller, than their home-purchase counterparts.

²³ The patterns noted here can generally be observed in individual counties and cities, in spite of considerable variation in denial rates and denial rate disparity ratios. See Table 33 for data on the state's fourteen counties and Tables 42 & 43 for data on the state's 33 largest cities.

**EXHIBIT 7: Denial Rates for Prime & Subprime Lenders, by Race/Ethnicity
Home-Purchase Loans, Greater Boston, 2007**



Source: Table 13

- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,²⁴ **the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2007 prime lender denial rates for blacks and for Latinos were in every case well above the denial rates for white applicants in the same income category.** In fact, denial rate disparity ratios tended to be higher for applicants in higher income categories. For example, in Greater Boston, black applicants with incomes between \$121,000 and \$150,000 experienced a denial rate of 21.9%, four times greater than the 5.5% denial rate experienced by their white counterparts; the 25.5% denial rate for Latinos in this income category was more four and one-half times the white rate. (Table 14 and Exhibit 8)
- ❖ Another interesting perspective on the differential outcomes experienced by black,

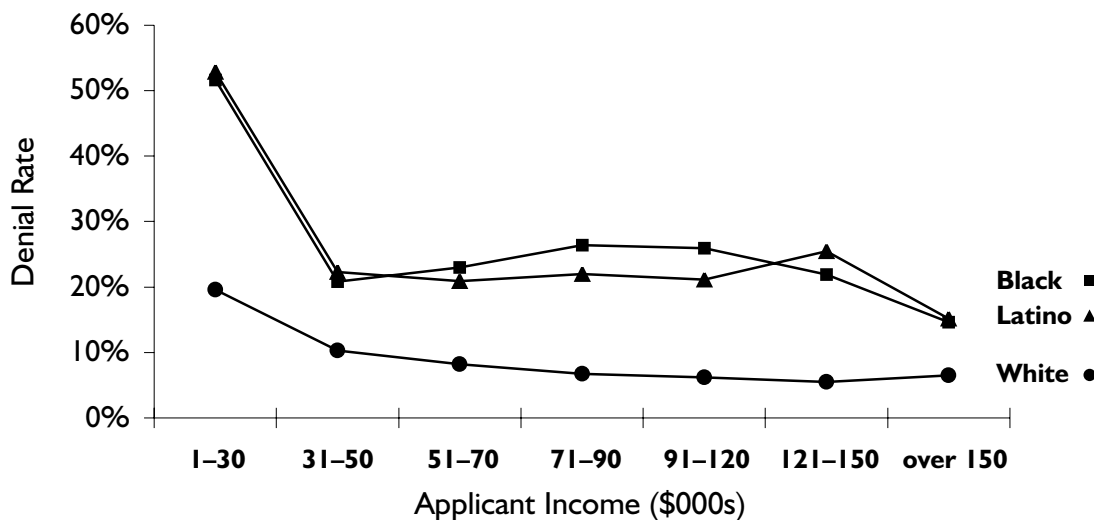
Latino, and white loan applicants is to consider what percentage of applications to all lenders (prime and subprime combined) result in a prime loan (i.e., a non-HAL loan). **In Greater Boston in 2007, 71.4% of white applicants for a home-purchase loan ended up receiving a prime loan, compared to 36.7% of black applicants and 41.1% of Latino applicants.** The difference has three components: blacks and Latinos applicants were more likely to be denied; more likely to have their applications result in neither a loan nor a denial; and, if they did receive a loan, more likely to have that loan be a HAL.²⁵ (Tables 15 & 16)

- ❖ Table 17 provides summary information on the stated reasons for statewide loan denials to black, Latino, and white applicants for home-purchase loans, both overall and for two broad income groupings. Providing up to three reasons for a loan denial is optional for most lenders and **in 2007 no reason was given for 20% of white denials, 18% of black denials, and 17% of Latino denials. Stated reasons for loan denials are**

²⁴ For example, it can be calculated from the data in Table 24 that 55% of white applicants in Greater Boston had reported incomes of \$91,000 or greater, compared to only 30% of black applicants and 34% of Latino applicants.

²⁵ Table 16 provides information on the percentage distribution of applications for home-purchase loans among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts, separately for prime and subprime lenders.

**EXHIBIT 8: Denial Rates by Race & Income, Prime Lenders
Home-Purchase Loans, Greater Boston, 2007**



Source: Table 14

quite similar for blacks, Latinos, and whites, but differ substantially by the income level of applicants. For all three racial/ethnic groups, the most common reason for denial—given for about one-quarter of all denials for which any reason was provided—was “other.” The second and third most common reasons were “credit history” and “debt-to-income ratio.” When applicants from

each of the three racial/ethnic groups are divided into two major income categories, lenders were substantially more likely to cite “debt-to-income” or “credit history” as a reason for denials to low- and moderate-income applicants in each group than for denials to their middle- and upper-income counterparts.

V. LENDING BY MAJOR TYPE OF LENDER

The analysis in this section is based on classifying each mortgage lender into one of three major categories. *Massachusetts banks and credit unions* consist of all banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions, plus all mortgage lending affiliates of these institutions. *Licensed Mortgage Lenders* consist of all lenders who require a license from the state’s Division of Banks in order to make mortgage loans in the state; these are primarily independent mortgage companies, but also include subsidiaries of non-Massachusetts federally-

chartered banks as well as subsidiaries and affiliates of non-Massachusetts state-chartered banks. *Other Lenders* consist primarily of out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.²⁶ This three-way classification has been used in the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender’s Massachusetts mortgage lending (1) is currently covered by the state and/or federal Community Reinvestment Act (CRA); (2) is potentially subject to similar oversight by the state; or (3) is exempt from such state oversight.

²⁶ Federal credit unions based in Massachusetts are included in the “other lenders” category because they are not subject to either the federal or state CRA.

This classification has proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation, as will become obvious as this section proceeds. Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluation for licensed mortgage lenders (LMLs) as part of *An Act Protecting and Preserving Homeownership* that was signed into law on November 29, 2007 [Chapter 206 of the Acts of 2007]. (See the final paragraphs of Section VII for more information on this law.)

❖ **The loan shares of Massachusetts banks and credit unions increased dramatically in 2007, jumping from 22.2% to 36.8% in Boston and from 25.6% to 37.7% statewide. Nevertheless, lenders whose local lending is not covered by CRA still account for nearly two-thirds of all home-purchase loans** (63.2% in Boston and 62.3% statewide). The loan share of the subprime lenders (included in the latter category) fell sharply, from 19% to 6% of all loans in Boston, and from 17% to 5% of all loans statewide.²⁷ Table 18 shows how the share of major categories of mortgage lenders have changed since 1990, following the same format—and the same lender categories—as the corresponding table in previous reports.²⁸ For this table only, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-

State Banks,” and lenders classified as “subprime lenders” are separated out from the other lenders within this broad grouping. (Table 18)

❖ The three major types of lenders each accounted for about one-third of total loans in Massachusetts in 2007, a substantial change from 2006 when licensed mortgage lenders (LMLs) accounted for approximately half of all loans.²⁹ **Massachusetts banks and credit unions accounted for only a small share of high-APR loans (e.g., 6% in Greater Boston), with LMLs and Other Lenders each having loan shares between 45% and 50%.** (Table 19)

❖ **About one-sixth of all loans by LMLs and Other Lenders in both Boston and in Massachusetts were high-APR loans (HALs), but the shares of all loans by CRA-covered lenders (Massachusetts banks and credit unions) that were HALs were just 1.9% in Boston and 2.8% statewide.** The percentages were all lower in Greater Boston, where the overall level of HAL lending was lower than either statewide or in Boston. (Table 20)

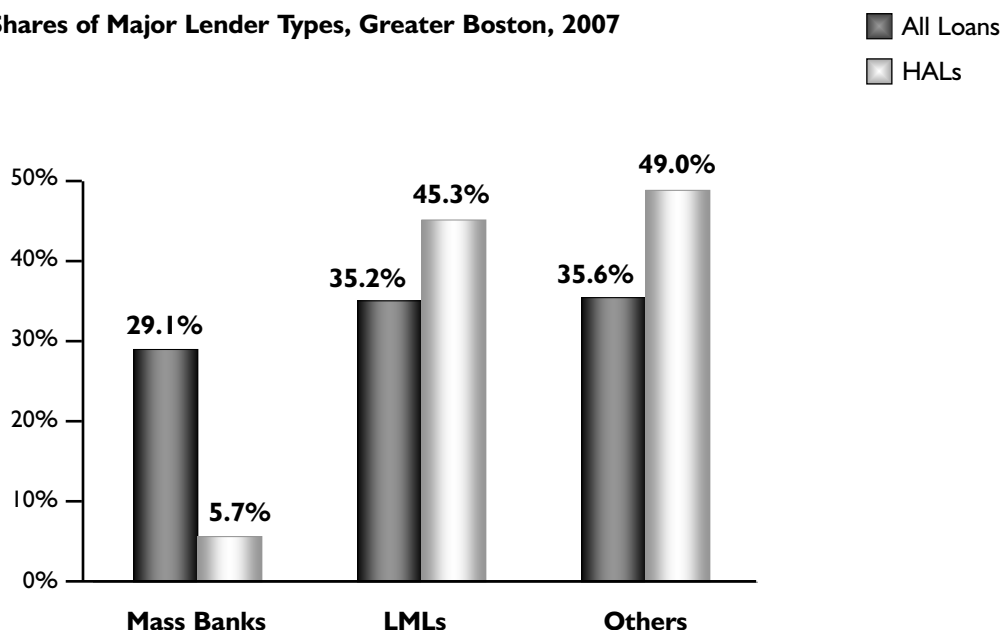
❖ Table 21 (Boston) and Table 22 (Massachusetts) present information on the shares of the total loans of each of the three major types of lenders that consisted of prime loans (a term we will use here as equivalent to “non-HAL loans”) to traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of high-APR loans (HALs) to

²⁷ From 1998 through 2003, lenders were classified as “subprime” on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. Beginning with 2004, the *Changing Patterns* series of reports identifies “subprime lenders” on the basis of information on high-APR loans (HALs), which was included for the first time in 2004 HMDA data. For most purposes, it is preferable to identify higher-cost loans directly rather than to try to approximate these loans by identifying lenders who specialize in such loans. A lender is classified as a “subprime lender” for 2004 if it made at least five first-lien, owner-occupied, home-purchase HALs in Massachusetts, and if these HALs constituted more than 15% of its total loans in the state. A lender is classified as a “subprime lender” for 2005 if HALs constituted more than one-third (33.3%) of its total loans in the state. A lender is classified as a “subprime lender” for 2006 if HALs constituted more than 40% of its total loans in the state. *A lender is classified as a “subprime lender” for 2007 if HALs constituted more than 40% of its total loans in the state in 2007 or more than 40% of its loans in 2006 and 25% of its loans in 2007.* These cut-off points were chosen to include known subprime lenders, including those identified as subprime lenders on the annual lists of subprime lenders prepared by the U.S. Department of Housing and Urban Development. HUD has not released a list of subprime lenders for 2006 or 2007. The 64 lenders identified as subprime lenders for 2007 accounted for 59% of the home-purchase and refinance HAL loans made in the state by the 280 lenders that made at least one HAL loan. HUD has never classified a Massachusetts bank or credit union (or any affiliate) as a “subprime lender.”

²⁸ For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished. In 2007, the biggest Boston banks consisted of Citizens, Bank of America, and Sovereign, together with their affiliated mortgage companies. Bank of America includes Bank of America and Fleet loans for 2004, but only Fleet loans for earlier years. Five former banks were included in this grouping while they still existed: Bank of New England (1990–91), Boston Five Cents Savings Bank (1990–92), BayBanks (1990–96), Shawmut (1990–96), and BankBoston (1990–99). A sixth bank, Boston Safe Deposit (now Mellon New England), was included in this category until it exited the mortgage lending business in 2002.

²⁹ Table 24 of *Changing Patterns XIV* shows that LMLs accounted for 52.4% of all (home-purchase plus refinance) mortgage loans in Boston, 50.0% of all loans in Greater Boston, and 48.6% of all loans in Massachusetts.

EXHIBIT 9: Market Shares of Major Lender Types, Greater Boston, 2007



Source: Table 19

these same borrowers and neighborhoods. **Massachusetts banks and credit unions (“CRA-covered lenders”) directed a substantially greater share of their total loans as prime loans—and a substantially smaller share of their total loans as HALs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders (“lenders not covered by CRA”).** For home-purchase loans in Boston, for example, prime loans to black borrowers made up 13.2% of all loans made by CRA-covered lenders, but only 6.6% of all loans by LMLs and 5.5% of all loans by other lenders. At the same time, HAL loans to black borrowers made up just 0.3% of all loans

made by CRA-covered lenders, while making up 5.3% of the loans by LMLs and 4.3% of the loans by other lenders. (This same pattern holds for loans to Latino borrowers.) CRA-covered lenders directed 55.8% of their total loans to LMI census tracts in the form of prime loans, and only 0.9% in the form of HALs. Lenders not covered by CRA directed about 40% of their total loans to LMI tracts in the forms of prime loans, while over 10% of their total loans were HALs in these LMI tracts. The general patterns statewide are similar to those in Boston, although the percentages of total loans to black and Latino borrowers and to LMI census tracts are lower, reflecting the greater concentration of these borrowers and census tracts in Boston. (Tables 21 & 22)

VI. THE BIGGEST LENDERS

Who were the biggest lenders, both overall and for high-APR loans (HALs)? Tables 23 and 24 present information on the 30 biggest overall lenders in 2007 in the city of Boston and in Massachusetts. For each lender, these tables show the total number of loans, the total number of HALs, and HALs as a percentage of the total (for overall lending as well as for home-

purchase and refinance loans separately). These tables include the 10 biggest HAL lenders both in Boston and statewide. Loans by separate lenders within the same corporate family are consolidated; information on the lending by individual lenders within each family is presented in Tables 27 and 28.

- ❖ **Countrywide, Bank of America, and Wells Fargo ranked first, second, and third both in Boston and statewide.** CitiGroup and Washington Mutual ranked fourth and fifth in Boston, while Taylor, Bean & Whitaker³⁰ and GMAC ranked fourth and fifth statewide. The top five lenders accounted for 35.3% of the total loans in Boston, and 26.4% of the total loans in Massachusetts. (Tables 28 & 29)
- ❖ **Countrywide was also Boston’s and the state’s biggest subprime lender in 2007 even though its 1,683 high-APR loans (HALs) accounted for only 13.4% of its total loans in the state. H&R Block/Option One ranked second both statewide and in Boston, with 1,201 HALs statewide. HSBC, Merrill Lynch, and IndyMac ranked third to fifth statewide. JPMorgan Chase, IndyMac, and Merrill Lynch ranked third to fifth in Boston.** The top five lenders accounted for 37.1% of the total HALs in Boston, and for 33.3% of the total HALs statewide. (Tables 28 & 29 and Exhibit 10)
- ❖ **Only one of the top five overall lenders in the state (Bank of America, ranked #2), and eight of the top thirty, were covered by the CRA for their Massachusetts lending; none of the nine biggest HAL lenders in the state were covered by the**

CRA. Licensed Mortgage Lenders (LMLs) accounted for only two of the top ten overall lenders (Taylor, Bean & Whitaker, #4 and Mortgage Master, #10), nine of the top thirty lenders, and one of the top ten HAL lenders (although the biggest individual lenders in the “Mixed” Lender Families of Countrywide and HSBC, the first and third biggest HAL lenders, were LMLs). (Table 24; similar patterns emerge from an examination of the information in Table 23 on the biggest lenders in Boston.)

- ❖ Table 25 (Boston) and Table 26 (Massachusetts) provide information on lending to blacks, Latino, and white borrowers by each of the lenders included in Tables 23 and 24 (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). Only one of this year’s biggest HAL lenders—H&R Block/Option One—specialized in high-APR lending to the extent that more than 70% of all their white borrowers in Massachusetts received HALs; this lender therefore necessarily had disparity ratios close to one (in fact, they were 1.00 and 1.03). In contrast,

EXHIBIT 10: The 5 Biggest HAL Lenders in Boston & Massachusetts Home-Purchase & Refinance Loans Combined, 2007

Rank	Boston		Massachusetts	
	Lender	HALs	Lender	HALs
1	Countrywide	152	Countrywide	1,683
2	H&R Block/Option One	110	H&R Block/Option One	1,201
3	HSBC	78	JPMorgan Chase	770
4	Merrill Lynch	68	IndyMac	783
5	IndyMac	67	Merrill Lynch	983
	Total, Top 5 Lenders	475		5,420
	Total, All Lenders	1,280		16,290
	Share of Top 5 lenders	37.1%		33.3%

Source: Tables 23 & 24

³⁰ Taylor, Bean & Whitaker has a much lower profile than the other large lenders. It is a Florida-based company (whose only office northeast of Pennsylvania is in Braintree) that operates exclusively as a wholesale lender (that is, it does not deal directly with borrowers when making loans).

**EXHIBIT 11: Disparity Ratios for Big HAL Lenders Whose HAL Shares Were Under 25%
Boston, 2007**

Lender	HALs as Share of Total Loans			HAL share Disparity Ratios	
	Blacks	Latinos	Whites	Black/White	Latino/White
Countrywide	20.4%	16.5%	7.7%	2.64	2.12
Wells Fargo	34.8%	16.7%	5.5%	6.37	3.05
Washington Mutual	20.0%	23.3%	7.9%	2.52	2.94
JPMorgan Chase	53.1%	52.0%	13.8%	3.85	3.77
GMAC	23.3%	28.0%	7.9%	2.96	3.56

Source: Table 25

HALs made up 8%–22% of the overall lending of five of the top ten HAL lenders in Boston, and these lenders tended to provide HALs to a considerably larger share of their black and Latino borrowers than of their white borrowers. The average of the black/white disparity ratios for these five lenders was 3.67 and the average Latino/white disparity ratio was 3.09. The

disparity ratios were highest for Wells Fargo where the black/white ratio was 6.37 (34.8% vs. 5.5%) and the Latino/white ratio was 3.05 (16.7% vs. 5.5%). For Countrywide, the biggest HAL lender, the black/white disparity ratio was 2.64 (20.4% vs. 7.7%) and the Latino/white ratio was 2.12 (16.5% vs. 7.7%).³¹ (See Exhibit 11).

VII. 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, opportunity pricing, or racial/ethnic discrimination. Instead, this concluding section offers supplementary information on five matters that may help readers better interpret the report's findings.

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

To examine the extra costs imposed by high-APR loans compared to prime loans, the monthly payments on a thirty-year fixed-rate loan of \$330,000 (the average size of a first-lien HAL for an owner-occupied home in Greater Boston in 2007 was \$332,382)³² were calculated at three different interest rates: 6.34% (the average interest rate for a prime 30-year fixed-rate loan in 2007), 7.84% (the estimated

³¹ This paragraph uses data from Table 25 (Boston). A similar analysis of Table 26 reveals that the disparity ratios were smaller statewide than in Boston. In particular, for the five lenders among the top ten HAL lenders who gave HALs to between 10% and 20% of their total borrowers, the average black/white disparity ratio was 2.37 and the average Latino/white disparity ratio was 2.32. The disparity ratios were highest for JPMorgan Chase where the black/white ratio was 3.07 (48.1% vs. 15.7%) and the Latino/white ratio was 4.08 (63.9% vs. 15.7%). For Countrywide, the biggest HAL lender, the black/white disparity ratio was 2.11 (22.8% vs. 10.8%) and the Latino/white ratio was 1.78 (19.2% vs. 10.8%). Note that if half of a lender's loans to white borrowers were HALs, its black/white disparity could not exceed 2.0, even if all of its loans to blacks were HALs (100%/50% = 2.0). Similarly, if 80% of a lender's loans to whites were HALs, then its black/white disparity ratio could not exceed 1.25 (100%/80%).

³² The average loan amount for a first-lien HAL for an owner-occupied home in 2007 was slightly lower than this in the city of Boston (\$326,900), and was considerably lower statewide (\$269,332). In Greater Boston in 2007, the average loan amount for a first-lien non-HAL loan was \$336,993.

**EXHIBIT 12: Monthly Payments on a \$330,000 Thirty-Year Fixed-Rate Mortgage
Selected Interest Rates, 2007**

Rate Level	Interest Rate	Monthly Payment	Extra over Prime-rate loan: per month	Extra over Prime-rate loan: per year
Prime loan	6.34%	\$2,051	--	--
Minimum-rate HAL	7.84%	\$2,385	\$334	\$4,008
Median-rate HAL	9.37%	\$2,744	\$693	\$8,316

minimum rate to qualify as a high-APR loan when the rate for prime mortgages was 6.34%), and 9.37% (the estimated median rate on first-lien HALs in 2007 when the rate for prime mortgages was 6.34%).³³ The calculated monthly payments for principal and interest are shown in the table above—together with the additional monthly and annual costs resulting from above-prime interest rates. Even the lowest-price HAL costs four thousand dollars more per year than a prime-rate loan. **The median-rate HAL entails annual payments \$8,316 greater than for a prime-rate loan.**

This table indicates the higher costs imposed on HAL borrowers who make their monthly payments in a timely manner. However, this represents only part of the additional costs imposed by high-APR lending. In fact, **many HAL borrowers have been unable to keep up their monthly payments.**³⁴ **Some of these borrowers will be able to save their homes, but will incur the substantial fees imposed on delinquent**

borrowers. Many other HAL borrowers have lost their homes through foreclosure, and many more are expected to lose their homes before the current foreclosure epidemic has run its course. In addition to the human costs involved, these foreclosures will impose financial costs including: the loss of any home equity previously achieved, the possible costs imposed by foreclosure rescue scams, the future costs resulting from ruined credit ratings, and the neighborhood effects of lowered property values.

Median Rate Spreads for HALs Are Higher for Black and Latino Borrowers

The right-hand column of Appendix Table 2 shows the median rate spread for each type of loan for each racial/ethnic category of borrower. For example, the median rate spread of 5.42 for black borrowers in Massachusetts who received any type of home-purchase loan means that of all black borrowers who received such loans, half had APRs that were more

³³ 6.34% is the annual interest rate on a thirty-year fixed-rate mortgage loan in 2007 as reported by Freddie Mac's Primary Mortgage Market Survey (www.freddiemac.com/pmms/pmms30.htm). Information presented in the article accompanying the Federal Reserve's release of the 2006 HMDA data indicates that the average difference between the APR for prime loans and the reporting threshold for high-APR loans was about 1.50 percentage points (Robert Avery, Kenneth Brevoort, and Glenn Canner, "The 2006 HMDA Data," *Federal Reserve Bulletin*, December 2007, pp. A91–A92). Appendix Table 1 of the present report shows that the median rate spread on first-lien HALs in Massachusetts in 2007 was 4.00 percentage points for home-purchase loans and 5.06 percentage points for refinance loans. The average of these two rate spreads is 4.53 percentage points, which is 1.53 percentage points above the threshold rate spread of 3.00. Thus, the accompanying table shows the minimum-rate HAL having an interest rate 1.50 percentage points above the interest rate on prime mortgages and the median-rate HAL having an interest rate 1.53 percentage points higher than that. For simplicity, this table assumes that the interest rates are the same as the APRs.

³⁴ Remember, lenders maintain that borrowers obtain high-APR loans only when there is too great a risk that they will be unable to successfully make the required monthly payments on prime loans. But the substantially higher monthly payments required by high-APR loans can only make the likelihood of default even greater. While it is often true that borrowers receive costlier loans because they are riskier borrowers, causation also runs in the other direction: subprime borrowers are riskier *because* they receive costlier loans.

than 5.42 percentage points above the current rate on Treasury securities of the same maturity and half had APRs that were less than 5.42 percentage points above the Treasury rate. The rate spreads for blacks and Latinos are generally greater than those for whites. For example, for first-lien home-purchase loans, the 4.58 median rate spread for black borrowers is 0.71 percentage points higher than the 3.87 median rate spread for white borrowers, while the 4.34 median rate spread for Latinos is 0.47 percentage points higher than that of whites. For a borrower with the median-rate HAL as shown in the table just above, adding 0.71 percentage points to the interest rate would increase the monthly payment by about \$172 (or the annual payment by \$2,064). The differences in median rates spreads for first-lien refinance loans are smaller, 0.25 percentage points for blacks vs. whites and 0.29 percentage points for Latinos vs. whites.

Limitations of HMDA Data Could be Reduced by Including Additional Information

At the present time, analysis of mortgage lending—particularly of subprime lending—is constrained by the limited nature of HMDA data. Many of the questions that may have occurred to readers of this report could be explored much more fruitfully if HMDA data included appropriate additional information. Important possible enhancements to HMDA include expanding the information available about *the borrower* (e.g., creditworthiness, such as measured by a FICO or other credit score); *the lender* (e.g., the top-level corporate parent, to facilitate identifying affiliated lenders); *the lending channel* (e.g., broker, correspondent lender, or retail); *the type of loan* (e.g., fixed-rate or adjustable-rate and, if the latter, what sub-type); *loan ratios* (e.g., the loan-to-value ratio and the debt-to-income ratio); *loan features* (e.g., prepayment penalty, balloon payment, single-payment credit insurance, low- or no-doc, stated-income, interest-only, payment-option); and *loan pricing* (e.g., separate information on interest rate and fees).

In October 2008, the Federal Reserve published a final rule revising the reporting of price information for high-APR loans that is a major improvement over the present method. Under the new rules, lenders will compare to the APR of each loan to an estimate of the current APRs of prime loans in the same category (e.g., 30-year fixed-rate; one-year adjustable rate) that will be updated weekly by the Fed. However, the new rules will not be effective until October 1, 2009, and so it will not be until September 2011 that HMDA data based on a whole year under the new rule will become available.³⁵

Licensed Mortgage Lenders Now Have CRA-type Obligations for Their Massachusetts Lending

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. As a result, most mortgage lending in Massachusetts is done by lenders who are not subject to CRA regulatory review, evaluation, and ratings for their lending here.

This situation has been partially remedied with the enactment of Section 13 of "An Act Protecting and Preserving Homeownership" (Chapter 206 of the Acts of 2007), legislation that was supported by numerous community groups and municipal officials as well as the Massachusetts Community & Banking Council and the Massachusetts Bankers Association. The new law provides that licensed mortgage lenders that made fifty or more mortgage loans in the Commonwealth during the preceding year will be evaluated by the Division of Banks for their performance in helping low- and moderate-income residents acquire and remain in affordable housing with loans on reasonable rates and terms, avoiding patterns of lending that result in the loss of affordable housing, and working with delinquent borrowers. The Division's evaluation will result in a public performance evaluation and rating, and an unsatisfactory rating may provide the basis for non-renewal of a lender's license. The regulations

³⁵ These revisions to Regulation C (Home Mortgage Disclosure Act) were published in the *Federal Register* on October 24, 2008 and are available at: <http://edocket.access.gpo.gov/2008/E8-25320.htm>.

implementing this new law were issued by the Division of Banks in September 2008, and the first examinations of LMLs are scheduled to begin in early 2009.³⁶

Out-of-state banks (and subsidiaries of federally-chartered out-of-state banks) without local branches will not be covered by the new legislation; imposing CRA obligations on them for their Massachusetts lending would require legislation and/or regulatory changes at the federal level.

The Fed Confirms That CRA-Covered Lenders Made a Very Small Share of Higher-Cost Loans

For years, the *Changing Patterns* series has reported that lenders whose local lending is covered by the Community Reinvestment Act have accounted for very small shares of total higher-cost loans. In 2006, for example, CRA-covered lenders accounted for just 1.3% of all HALs in Greater Boston. (*Changing Patterns XIV*, Table 24). In 2007, CRA-covered lenders made 5.7% of the total HALs in Greater Boston (Table 19 and Exhibit 9, above). The Federal Reserve has recently provided authoritative confirmation that this pattern also holds at the national level.

On November 25, Fed Chairman Ben Bernanke sent a letter to Senator Robert Menendez of New Jersey,

responding to the senator's request for "the Board's view on claims that the Community Reinvestment Act [CRA] is to blame for the subprime meltdown and current mortgage foreclosure situation." Bernanke wrote that the Fed's own "recent analysis of available data...runs counter to the charge that CRA was at the root of, or otherwise contributed in any substantive way to, the current mortgage difficulties." This "recent analysis" was summarized in some detail in a subsequent speech by Fed Governor Randall Kroszner that emphasized a "striking result: Only 6 percent of all the higher-priced loans were extended by CRA-covered lenders to lower-income borrowers or neighborhoods in their CRA assessment areas."

The *Changing Patterns* reports' findings on this matter were also confirmed by an earlier study of 2006 lending in the nation's fifteen biggest metropolitan areas by Traiger & Hinckley LLP, a New York law firm that specializes in providing fair lending counsel. This study found that "banks originating loans in their Community Reinvestment Act [CRA] assessment areas...were substantially less likely than other lenders to make the kinds of risky home purchase loans that helped fuel the foreclosure crisis."³⁷

³⁶ The final regulations (209 CMR 54.00: *Mortgage Lending Community Investment*, effective September 5, 2008), are available at the Division of Banks website: www.mass.gov/dob. Licensed mortgage lenders continue to be covered by fair lending laws, truth-in-lending laws, and the state's anti-predatory lending law.

³⁷ Bernanke's letter is available on Sen. Mendendez's website: <http://menendez.senate.gov/newsroom/record.cfm?id=305395>. Kroszner's December 3 speech is available at: www.federalreserve.gov/newsevents/speech/kroszner20081203a.htm. The Traiger & Hinckley study, *The Community Reinvestment Act: A Welcome Anomaly in the Foreclosure Crisis: Indications that the CRA Deterred Irresponsible Lending in the 15 Most Populous U.S. Metropolitan Areas*, January 7, 2008, is available at www.traigerlaw.com.

TABLE I
High-APR Loans in the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans			Refinance Loans			% Black House-holds	% Latino House-holds	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
Boston	5,718	545	9.5%	4,882	735	15.1%	21.4%	10.8%	\$44,151
Greater Boston*	30,982	1,977	6.4%	34,185	3,885	11.4%	6.6%	4.7%	N/A
Massachusetts	62,973	5,085	8.1%	78,322	11,205	14.3%	4.9%	5.0%	\$61,664

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

TABLE 2
Total and High-APR Lending, by Year, 2004–2007
Loans for First-Lien, Owner-Occupied Homes

	City of Boston			Greater Boston*			Massachusetts		
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
A. HOME-PURCHASE LOANS									
2004	8,658	573	6.6%	46,819	2,463	5.3%	98,297	6,887	7.0%
2005	8,330	1,596	19.2%	44,583	7,202	16.2%	94,286	18,249	19.4%
2006	7,052	1,522	21.6%	36,538	5,788	15.8%	76,984	14,639	19.0%
2007	5,718	545	9.5%	30,982	1,977	6.4%	62,973	5,085	8.1%
B. REFINANCE LOANS									
2004	10,996	983	8.9%	79,579	4,719	5.9%	177,135	14,553	8.2%
2005	9,157	1,754	19.2%	62,947	8,215	13.1%	146,120	24,155	16.5%
2006	6,635	1,839	27.7%	43,625	9,061	20.8%	103,877	25,534	24.6%
2007	4,882	735	15.1%	34,185	3,885	11.4%	78,322	11,205	14.3%

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

TABLE 3
High-APR Loans (HALs), by Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

I. HALs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %	
A. HALs AS PERCENT OF ALL HOME-PURCHASE LOANS													
Asian	304	13	4.3%	0.82	2,300	73	3.2%	0.66	3,342	144	4.3%	0.65	
Black	674	180	26.7%	5.12	1,380	304	22.0%	4.59	2,518	572	22.7%	3.44	
Latino	384	96	25.0%	4.79	1,477	300	20.3%	4.23	3,319	668	20.1%	3.05	
White	3,622	189	5.2%	1.00	22,313	1,072	4.8%	1.00	47,811	3,157	6.6%	1.00	
Other*	17	1	5.9%		92	7	7.6%		206	18	8.7%		
No Info^	717	66	9.2%		3,420	221	6.5%		5,777	526	9.1%		
Total	5,718	545	9.5%		30,982	1,977	6.4%		62,973	5,085	8.1%		
B. HALs AS PERCENT OF ALL REFINANCE LOANS													
Asian	160	9	5.6%	0.53	1,121	50	4.5%	0.47	1,722	123	7.1%	0.59	
Black	886	212	23.9%	2.27	1,631	387	23.7%	2.51	2,933	758	25.8%	2.15	
Latino	399	81	20.3%	1.92	1,641	344	21.0%	2.22	3,558	897	25.2%	2.10	
White	2,623	277	10.6%	1.00	25,382	2,401	9.5%	1.00	60,393	7,263	12.0%	1.00	
Other*	23	1	4.3%		112	15	13.4%		281	55	19.6%		
No Info^	791	155	19.6%		4,298	688	16.0%		9,435	2,109	22.4%		
Total	4,882	735	15.1%		34,185	3,885	11.4%		78,322	11,205	14.3%		
II. SHARES OF ALL LOANS, NON-HAL LOANS, AND HALs, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS													
Asian	304	5.3%	5.6%	2.4%	2,300	7.4%	7.7%	3.7%	3,342	5.3%	5.5%	2.8%	
Black	674	11.8%	9.5%	33.0%	1,380	4.5%	3.7%	15.4%	2,518	4.0%	3.4%	11.2%	
Latino	384	6.7%	5.6%	17.6%	1,477	4.8%	4.1%	15.2%	3,319	5.3%	4.6%	13.1%	
White	3,622	63.3%	66.4%	34.7%	22,313	72.0%	73.2%	54.2%	47,811	75.9%	77.1%	62.1%	
Other*	17	0.3%	0.3%	0.2%	92	0.3%	0.3%	0.4%	206	0.3%	0.3%	0.4%	
No Info^	717	12.5%	12.6%	12.1%	3,420	11.0%	11.0%	11.2%	5,777	9.2%	9.1%	10.3%	
Total	5,718	100.0%	100.0%	100.0%	30,982	100.0%	100.0%	100.0%	62,973	100.0%	100.0%	100.0%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS													
Asian	160	3.3%	3.6%	1.2%	1,121	3.3%	3.5%	1.3%	1,722	2.2%	2.4%	1.1%	
Black	886	18.1%	16.3%	28.8%	1,631	4.8%	4.1%	10.0%	2,933	3.7%	3.2%	6.8%	
Latino	399	8.2%	7.7%	11.0%	1,641	4.8%	4.3%	8.9%	3,558	4.5%	4.0%	8.0%	
White	2,623	53.7%	56.6%	37.7%	25,382	74.2%	75.8%	61.8%	60,393	77.1%	79.2%	64.8%	
Other*	23	0.5%	0.5%	0.1%	112	0.3%	0.3%	0.4%	281	0.4%	0.3%	0.5%	
No Info^	791	16.2%	15.3%	21.1%	4,298	12.6%	11.9%	17.7%	9,435	12.0%	10.9%	18.8%	
Total	4,882	100.0%	100.0%	100.0%	34,185	100.0%	100.0%	100.0%	78,322	100.0%	100.0%	100.0%	

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

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

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

TABLE 4
Total and High-APR Lending, by Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

I. HALs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER													
Borrower Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	High-APR Loans	% High-APR	Ratio to Highest %	All Loans	High-APR Loans	% High-APR	Ratio to Highest %	All Loans	High-APR Loans	% High-APR	Ratio to Highest %	
A. HALs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL													
Low	173	7	4.0%	0.78	907	27	3.0%	0.82	2,798	235	8.4%	1.86	
Moderate	1,104	58	5.3%	1.01	5,149	278	5.4%	1.48	12,778	1,053	8.2%	1.82	
Middle	1,650	174	10.5%	2.02	8,424	614	7.3%	2.00	18,447	1,648	8.9%	1.98	
High	1,480	164	11.1%	2.13	8,933	512	5.7%	1.58	17,171	1,120	6.5%	1.44	
Highest	1,151	60	5.2%	1.00	6,652	242	3.6%	1.00	9,986	451	4.5%	1.00	
No Info	160	82	51.3%		917	304	33.2%		1,793	578	32.2%		
Total	5,718	545	9.5%		30,982	1,977	6.4%		62,973	5,085	8.1%		
B. HALs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL													
Low	238	36	15.1%	1.41	1,527	182	11.9%	1.49	4,658	691	14.8%	1.52	
Moderate	904	139	15.4%	1.44	5,544	627	11.3%	1.42	15,175	2,304	15.2%	1.56	
Middle	1,453	225	15.5%	1.45	9,800	1,212	12.4%	1.55	23,604	3,754	15.9%	1.63	
High	1,225	193	15.8%	1.47	9,593	1,083	11.3%	1.41	21,027	2,765	13.1%	1.35	
Highest	701	75	10.7%	1.00	5,723	457	8.0%	1.00	9,622	937	9.7%	1.00	
No Info	361	67	18.6%		1,998	324	16.2%		4,236	754	17.8%		
Total	4,882	735	15.1%		34,185	3,885	11.4%		78,322	11,205	14.3%		
II. SHARES OF ALL LOANS, NON-HAL LOANS, AND HALs, BY INCOME OF BORROWER													
Borrower Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	
A. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL HOME-PURCHASE LOANS: ALL LOANS, NON-HAL LOANS, AND HALs													
Low	173	3.0%	3.2%	1.3%	907	2.9%	3.0%	1.4%	2,798	4.4%	4.4%	4.6%	
Moderate	1,104	19.3%	20.2%	10.6%	5,149	16.6%	16.8%	14.1%	12,778	20.3%	20.3%	20.7%	
Middle	1,650	28.9%	28.5%	31.9%	8,424	27.2%	26.9%	31.1%	18,447	29.3%	29.0%	32.4%	
High	1,480	25.9%	25.4%	30.1%	8,933	28.8%	29.0%	25.9%	17,171	27.3%	27.7%	22.0%	
Highest	1,151	20.1%	21.1%	11.0%	6,652	21.5%	22.1%	12.2%	9,986	15.9%	16.5%	8.9%	
No Info	160	2.8%	1.5%	15.0%	917	3.0%	2.1%	15.4%	1,793	2.8%	2.1%	11.4%	
Total	5,718	100.0%	100.0%	100.0%	30,982	100.0%	100.0%	100.0%	62,973	100.0%	100.0%	100.0%	
B. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL REFINANCE LOANS: ALL LOANS, NON-HAL LOANS, AND HALs													
Low	238	4.9%	4.9%	4.9%	1,527	4.5%	4.4%	4.7%	4,658	5.9%	5.9%	6.2%	
Moderate	904	18.5%	18.4%	18.9%	5,544	16.2%	16.2%	16.1%	15,175	19.4%	19.2%	20.6%	
Middle	1,453	29.8%	29.6%	30.6%	9,800	28.7%	28.3%	31.2%	23,604	30.1%	29.6%	33.5%	
High	1,225	25.1%	24.9%	26.3%	9,593	28.1%	28.1%	27.9%	21,027	26.8%	27.2%	24.7%	
Highest	701	14.4%	15.1%	10.2%	5,723	16.7%	17.4%	11.8%	9,622	12.3%	12.9%	8.4%	
No Info	361	7.4%	7.1%	9.1%	1,998	5.8%	5.5%	8.3%	4,236	5.4%	5.2%	6.7%	
Total	4,882	100.0%	100.0%	100.0%	34,185	100.0%	100.0%	100.0%	78,322	100.0%	100.0%	100.0%	

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all of Greater Boston, the MFI in 2007 was \$80,500. There are five other MSAs in the state, with MFIs in 2007 ranging from \$61,800 to \$72,800. Borrowers in Dukes and Nantucket Counties, which are not in any metro area, were classified using the MFI for the nonmetro part of the state (\$71,700). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" over 200% of the MFI in the relevant metro area. (More detail in "Notes on Data & Methods.")

TABLE 5
High-APR Loans (HALs) to Borrowers at Different Income Levels#
in the City of Boston, Greater Boston, and Statewide
First-Lien Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans					Refinance Loans				
	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%
	Number HALs	% HALs	Number HALs	% HALs		Number HALs	% HALs	Number HALs	% HALs	
Boston	65	5.1%	338	10.8%	0.47	175	15.3%	418	15.6%	0.98
Greater Boston	305	5.0%	1,126	6.5%	0.78	809	11.4%	2,295	11.8%	0.97
Massachusetts	1,288	8.3%	2,768	7.8%	1.06	2,995	15.1%	6,519	14.6%	1.03

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the relevant metro area. "Highest-income" borrowers (those with incomes more than double the MFI in the metro area) are excluded from this table. For more information, see footnote to Table 8 or "Notes on Data & Methods."

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

TABLE 6
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2007

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	23	66	95	56	56
Black	31	195	231	155	27
Latino	18	90	144	90	23
White	84	643	979	988	853
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	0.0%	3.0%	7.4%	3.6%	1.8%
Black	6.5%	12.3%	26.4%	38.7%	37.0%
Latino	5.6%	10.0%	23.6%	31.1%	26.1%
White	4.8%	2.8%	4.9%	5.6%	4.1%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	1.08	1.50	0.64	0.44
Black	1.35	4.40	5.39	6.95	9.03
Latino	1.17	3.57	4.82	5.59	6.36
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	4	34	51	32	25
Black	61	235	307	179	36
Latino	20	68	136	104	26
White	105	430	710	729	483
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	0.0%	11.8%	9.4%	0.0%
Black	18.0%	17.0%	22.8%	31.3%	44.4%
Latino	5.0%	8.8%	18.4%	31.7%	26.9%
White	16.2%	12.6%	10.0%	9.2%	8.1%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.00	1.18	1.02	0.00
Black	1.11	1.36	2.28	3.40	5.50
Latino	0.31	0.70	1.84	3.45	3.33
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston MSA (\$80,500 in 2007).
“Low” is less than 50% of this amount (\$1K–\$40K in 2006); “Moderate” is 50%–80% of this amount (\$41K–\$64K);
“Middle” is 80%–120% of this amount (\$65K–\$97K); “High” is 120%–200% of this amount (\$98K–\$161K); and
“Highest” is over 200% of this amount (\$162K or more). HMDA data report income to the nearest thousand dollars.

TABLE 7
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston, 2007

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	85	391	690	644	436
Black	54	420	461	300	87
Latino	71	368	520	321	130
White	627	3,521	5,867	6,665	4,983
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	0.0%	1.5%	3.8%	2.5%	2.3%
Black	9.3%	10.5%	24.7%	32.3%	12.6%
Latino	2.8%	11.4%	21.5%	23.7%	17.7%
White	3.0%	4.6%	4.9%	4.0%	3.2%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.34	0.78	0.62	0.71
Black	3.06	2.29	5.09	8.13	3.91
Latino	0.93	2.50	4.43	5.95	5.48
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	25	154	306	339	241
Black	94	363	597	358	92
Latino	71	299	593	416	114
White	1,137	4,009	7,094	7,323	4,410
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	4.5%	4.2%	5.3%	2.9%
Black	17.0%	19.0%	22.6%	28.5%	30.4%
Latino	12.7%	11.4%	19.2%	29.3%	23.7%
White	10.3%	9.5%	10.1%	9.1%	7.4%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.48	0.42	0.59	0.39
Black	1.65	1.99	2.25	3.14	4.12
Latino	1.23	1.19	1.91	3.23	3.20
White	1.00	1.00	1.00	1.00	1.00

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2007 was \$80,500 (three small communities were in the Worcester MSA, where the MFI in 2007 was \$72,800). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA. For more information, see "Notes on Data & Methods."

TABLE 8
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2007

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	143	604	1,013	922	576
Black	160	792	837	500	137
Latino	273	1,078	1,093	563	192
White	2,017	9,360	13,847	13,523	7,722
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	1.4%	3.5%	5.0%	3.1%	3.3%
Black	20.0%	16.5%	23.7%	28.4%	13.9%
Latino	10.3%	16.0%	21.2%	21.8%	20.8%
White	7.8%	6.8%	6.9%	5.2%	4.1%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.18	0.51	0.73	0.60	0.81
Black	2.57	2.42	3.43	5.42	3.42
Latino	1.32	2.33	3.07	4.17	5.14
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	60	246	481	517	326
Black	211	688	1,084	617	132
Latino	214	854	1,328	721	181
White	3,579	11,508	17,799	16,734	7,630
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	1.7%	6.9%	9.1%	6.6%	4.6%
Black	20.4%	21.2%	26.4%	31.0%	29.5%
Latino	18.2%	21.5%	25.9%	29.1%	27.1%
White	12.5%	12.7%	13.1%	11.0%	8.8%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.13	0.54	0.70	0.60	0.52
Black	1.63	1.67	2.01	2.80	3.36
Latino	1.46	1.69	1.97	2.64	3.08
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area (MSA) in which the home is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2007 ranging from \$61,800 to \$80,500. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from \$127K in the Pittsfield MSA to \$162K in the Boston MSA. See "Notes on Data & Methods."

TABLE 9
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2007

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%–75% Minority	7	13	0	0	20
25%–50% Minority	9	23	10	1	43
> 75% White	0	11	28	13	52
Total	40	64	38	14	156
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	302	451	0	0	753
50%–75% Minority	95	441	0	0	536
25%–50% Minority	337	900	358	18	1,613
> 75% White	0	506	1,540	770	2,816
Total	734	2,298	1,898	788	5,718
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	29.8%	29.9%	na	na	29.9%
50%–75% Minority	13.7%	14.7%	na	na	14.6%
25%–50% Minority	4.5%	7.8%	9.2%	0.0%	7.3%
> 75% White	na	4.5%	5.5%	2.2%	4.4%
Total	16.1%	12.8%	6.2%	2.2%	9.5%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	13.50	13.56	na	na	13.53
50%–75% Minority	6.20	6.68	na	na	6.59
25%–50% Minority	2.02	3.52	4.18	0.00	3.31
> 75% White	na	2.06	2.47	1.00	1.99
Total	7.28	5.78	2.79	0.98	4.32
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	393	744	0	0	1,137
50%–75% Minority	82	455	0	0	537
25%–50% Minority	197	650	415	15	1,277
> 75% White	0	333	1,070	528	1,931
Total	672	2,182	1,485	543	4,882
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	32.1%	24.3%	na	na	27.0%
50%–75% Minority	12.2%	14.5%	na	na	14.2%
25%–50% Minority	5.6%	13.5%	15.9%	6.7%	13.0%
> 75% White	na	11.7%	10.5%	6.6%	9.6%
Total	21.9%	17.1%	12.0%	6.6%	15.1%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.84	3.67	na	na	4.07
50%–75% Minority	1.84	2.19	na	na	2.14
25%–50% Minority	0.84	2.04	2.40	1.01	1.96
> 75% White	na	1.77	1.58	1.00	1.45
Total	3.30	2.59	1.81	1.00	2.27

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

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

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

TABLE 10
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston ^, 2007

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	30	17	0	0	47
50%–75% Minority	27	22	0	0	49
25%–50% Minority	21	62	21	3	107
> 75% White	2	70	340	224	636
Total	80	171	361	227	839
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	302	451	0	0	753
50%–75% Minority	270	560	0	0	830
25%–50% Minority	422	1,588	1,041	140	3,191
> 75% White	10	1,933	12,243	12,022	26,208
Total	1,004	4,532	13,284	12,162	30,982
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	29.8%	29.9%	na	na	29.9%
50%–75% Minority	17.4%	13.0%	na	na	14.5%
25%–50% Minority	7.1%	9.9%	8.1%	3.6%	8.7%
> 75% White	10.0%	10.1%	6.1%	3.4%	5.2%
Total	16.7%	12.4%	6.3%	3.4%	6.4%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	8.74	8.78	na	na	8.76
50%–75% Minority	5.10	3.82	na	na	4.24
25%–50% Minority	2.08	2.92	2.37	1.05	2.55
> 75% White	2.93	2.97	1.79	1.00	1.52
Total	4.91	3.64	1.84	1.00	1.87
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	393	744	0	0	1,137
50%–75% Minority	315	539	0	0	854
25%–50% Minority	288	1,401	1,070	144	2,903
> 75% White	16	2,144	14,434	12,697	29,291
Total	1,012	4,828	15,504	12,841	34,185
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	32.1%	24.3%	na	na	27.0%
50%–75% Minority	21.0%	14.8%	na	na	17.1%
25%–50% Minority	9.0%	15.6%	16.7%	6.9%	14.9%
> 75% White	18.8%	15.3%	11.7%	7.8%	10.2%
Total	21.8%	16.7%	12.0%	7.8%	11.4%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.13	3.13	na	na	3.48
50%–75% Minority	2.70	1.91	na	na	2.20
25%–50% Minority	1.16	2.00	2.15	0.89	1.92
> 75% White	2.41	1.96	1.50	1.00	1.32
Total	2.81	2.15	1.55	1.00	1.46

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the MSA within which it is located. All but 3 of the 101 communities in Greater Boston are in the Boston MSA where the MFI in 2007 was \$80,500 (3 small communities were in the Worcester MSA where the MFI in 2007 was \$72,800). “Low” is less than 50% of the MFI of the MSA; “Moderate” is between 50% and 80%; “Middle” is between 80% and 120%; and “Upper” is greater than 120% of the MFI of the MSA.

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

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

TABLE 11
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2007

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	40	18	0	0	58
50%–75% Minority	38	24	0	0	62
25%–50% Minority	35	84	27	3	149
> 75% White	12	147	593	335	1,087
Total	125	273	620	338	1,356
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	490	482	0	0	972
50%–75% Minority	628	768	0	0	1,396
25%–50% Minority	820	2,958	1,328	140	5,246
> 75% White	113	4,949	30,482	19,764	55,308
Total	2,051	9,157	31,810	19,904	62,922
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	30.6%	29.5%	na	na	30.0%
50%–75% Minority	20.9%	15.8%	na	na	18.1%
25%–50% Minority	11.6%	14.0%	10.0%	3.6%	12.4%
> 75% White	15.0%	12.7%	7.9%	4.3%	7.0%
Total	19.2%	14.3%	8.0%	4.3%	8.1%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.14	6.87	na	na	7.01
50%–75% Minority	4.87	3.68	na	na	4.21
25%–50% Minority	2.70	3.27	2.34	0.83	2.88
> 75% White	3.51	2.97	1.84	1.00	1.64
Total	4.47	3.33	1.86	1.00	1.88
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	646	799	0	0	1,445
50%–75% Minority	730	832	0	0	1,562
25%–50% Minority	692	3,221	1,447	144	5,504
> 75% White	137	6,142	40,807	22,651	69,737
Total	2,205	10,994	42,254	22,795	78,248
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	35.1%	24.9%	na	na	29.5%
50%–75% Minority	27.1%	20.7%	na	na	23.7%
25%–50% Minority	19.5%	23.3%	19.3%	6.9%	21.3%
> 75% White	23.4%	19.1%	14.4%	9.5%	13.2%
Total	26.8%	20.9%	14.5%	9.4%	14.3%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	3.71	2.63	na	na	3.11
50%–75% Minority	2.87	2.18	na	na	2.50
25%–50% Minority	2.06	2.46	2.04	0.73	2.26
> 75% White	2.47	2.02	1.52	1.00	1.40
Total	2.84	2.21	1.54	1.00	1.51

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2007 ranging from \$61,800 to \$80,500. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Upper" is greater than 120% of the MFI of the metro area.

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

TABLE 12
High-APR Loans (HALs), by Neighborhood#
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2007

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level
A. HOME-PURCHASE LOANS					
Mattapan	180	52	28.9%	96.2%	\$38,463
Roxbury	334	85	25.4%	95.2%	\$30,358
Dorchester	728	167	22.9%	68.2%	\$39,856
Hyde Park	243	38	15.6%	57.0%	\$54,666
East Boston	266	35	13.2%	50.3%	\$36,213
Roslindale	335	30	9.0%	44.2%	\$53,418
Charlestown	329	19	5.8%	21.4%	\$59,265
South Boston	709	39	5.5%	15.5%	\$47,794
Allston/Brighton	466	21	4.5%	31.3%	\$47,693
Central	294	13	4.4%	30.4%	\$61,837
West Roxbury	345	13	3.8%	16.4%	\$68,966
Fenway/Kenmore	161	5	3.1%	30.5%	\$48,961
Jamaica Plain	419	11	2.6%	50.2%	\$45,762
South End	458	9	2.0%	54.7%	\$42,263
BackBay/BeaconHill	451	8	1.8%	15.2%	\$127,542
City of Boston	5,718	545	9.5%	50.5%	\$44,151
B. REFINANCE LOANS					
Roxbury	336	99	29.5%	95.2%	\$30,358
Mattapan	366	97	26.5%	96.2%	\$38,463
Dorchester	813	161	19.8%	68.2%	\$39,856
East Boston	250	49	19.6%	50.3%	\$36,213
Hyde Park	435	84	19.3%	57.0%	\$54,666
Roslindale	350	51	14.6%	44.2%	\$53,418
South Boston	385	56	14.5%	15.5%	\$47,794
Jamaica Plain	238	30	12.6%	50.2%	\$45,762
West Roxbury	334	29	8.7%	16.4%	\$68,966
Fenway/Kenmore	93	8	8.6%	30.5%	\$48,961
Allston/Brighton	339	24	7.1%	31.3%	\$47,693
Charlestown	194	13	6.7%	21.4%	\$59,265
Central	230	13	5.7%	30.4%	\$61,837
BackBay/BeaconHill	244	13	5.3%	15.2%	\$127,542
South End	275	8	2.9%	54.7%	\$42,263
City of Boston	4,882	735	15.1%	50.5%	\$44,151

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

TABLE 13
Denial Rates and Ratios, By Race/Ethnicity
City of Boston, Greater Boston#, and Statewide
First-Lien Loans for Owner-Occupied Homes, 2007

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. HOME-PURCHASE LOANS FROM PRIME LENDERS*											
Boston	437	1,088	569	4,609	11.4%	26.9%	25.8%	8.6%	1.34	3.14	3.01
Greater Boston	3,015	2,149	2,118	27,915	7.6%	23.8%	22.2%	7.3%	1.04	3.28	3.06
Massachusetts	4,437	3,843	4,838	60,603	9.1%	23.8%	20.8%	8.4%	1.08	2.84	2.48
B. HOME-PURCHASE LOANS FROM SUBPRIME LENDERS*											
Boston	22	467	272	320	50.0%	54.8%	58.1%	42.5%	1.18	1.29	1.37
Greater Boston	128	781	748	1,817	40.6%	52.4%	55.1%	39.0%	1.04	1.34	1.41
Massachusetts	248	1,292	1,395	4,230	43.5%	50.3%	53.1%	38.6%	1.13	1.30	1.38
C. REFINANCE LOANS FROM PRIME LENDERS*											
Boston	259	1,579	787	3,800	21.2%	35.0%	36.0%	17.2%	1.24	2.03	2.09
Greater Boston	1,642	2,971	3,250	34,280	15.2%	35.3%	34.5%	15.2%	1.00	2.32	2.27
Massachusetts	2,603	5,356	6,937	82,396	18.1%	35.2%	35.2%	17.1%	1.06	2.07	2.06
D. REFINANCE LOANS FROM SUBPRIME LENDERS*											
Boston	57	1,303	460	1,088	54.4%	54.6%	57.6%	50.8%	1.07	1.07	1.13
Greater Boston	336	2,337	2,039	10,452	49.4%	54.8%	57.2%	46.1%	1.07	1.19	1.24
Massachusetts	787	4,573	5,170	33,422	51.2%	56.5%	57.7%	47.9%	1.07	1.18	1.20

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

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2007 were high-APR loans (HALs), or if over 40% of its loans in 2006 and more than 25% of its loans in 2007 were HALs. Every other lender was classified as a "Prime Lender."

TABLE 14
Applications and Denial Rates By Race & Income of Applicant
First-Lien Home-Purchase Loans for Owner-Occupied Homes
Prime Lenders#, 2007

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-30	21	52.4%	9	55.6%	15	33.3%	1.57	1.67
31-50	160	23.8%	80	23.8%	396	10.6%	2.24	2.24
51-70	264	24.6%	119	23.5%	747	8.2%	3.02	2.88
71-90	245	29.8%	130	28.5%	778	8.2%	3.62	3.46
91-120	208	30.3%	104	23.1%	836	7.8%	3.90	2.97
121-150	68	22.1%	51	39.2%	514	7.6%	2.91	5.17
over 150	46	17.4%	37	13.5%	1,205	7.8%	2.23	1.73
Total*	1,088	26.9%	569	25.8%	4,609	8.6%	3.14	3.01
B. GREATER BOSTON								
1-30	31	51.6%	34	52.9%	209	19.6%	2.63	2.70
31-50	331	20.8%	296	22.3%	2,271	10.3%	2.01	2.15
51-70	553	23.0%	460	20.9%	4,336	8.2%	2.80	2.54
71-90	450	26.4%	487	22.0%	4,491	6.7%	3.92	3.26
91-120	390	25.9%	370	21.1%	5,361	6.2%	4.17	3.39
121-150	137	21.9%	161	25.5%	3,309	5.5%	3.98	4.63
over 150	144	14.6%	198	15.2%	7,062	6.5%	2.26	2.35
Total*	2,149	23.8%	2,118	22.2%	27,915	7.3%	3.28	3.06
C. MASSACHUSETTS								
1-30	117	36.8%	241	37.3%	1,278	23.2%	1.58	1.61
31-50	770	21.7%	1,146	18.3%	8,387	11.2%	1.93	1.63
51-70	1,047	23.1%	1,291	19.8%	12,107	9.2%	2.52	2.15
71-90	782	24.6%	858	21.7%	10,585	7.5%	3.29	2.91
91-120	576	25.3%	589	19.2%	10,649	6.8%	3.74	2.83
121-150	189	23.8%	230	22.2%	5,682	5.8%	4.11	3.83
over 150	202	17.8%	267	14.6%	10,140	6.4%	2.76	2.26
Total*	3,843	23.8%	4,838	20.8%	60,603	8.4%	2.84	2.48

A lender was classified as a **"Subprime Lender"** if 40% or more of its total Massachusetts home-purchase and refinance loans in 2007 were high-APR loans (HALs), or if over 40% of its loans in 2006 and more than 25% of its loans in 2007 were HALs. Every other lender was classified as a **"Prime Lender."**

* Total includes applicants without reported income.

TABLE 15
Percent of Applications that Resulted in Non-HAL Loans, by Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2007

Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	Applications	Non-Hal Loans	%	Ratio to White %	Applications	Non-Hal Loans	%	Ratio to White %	Applications	Non-Hal Loans	%	Ratio to White %
A. HOME-PURCHASE APPLICATIONS AND LOANS												
Asian	459	291	63.4%	0.91	3,143	2,227	70.9%	0.99	4,685	3,198	68.3%	0.99
Black	1,555	494	31.8%	0.46	2,930	1,076	36.7%	0.51	5,135	1,946	37.9%	0.55
Latino	841	288	34.2%	0.49	2,866	1,177	41.1%	0.57	6,233	2,651	42.5%	0.62
White	4,929	3,433	69.6%	1.00	29,732	21,241	71.4%	1.00	64,833	44,654	68.9%	1.00
Other*	35	16	45.7%		152	85	55.9%		351	188	53.6%	
No Info ^	1,371	651	47.5%		5,750	3,199	55.6%		10,339	5,251	50.8%	
Total	9,190	5,173	56.3%		44,573	29,005	65.1%		91,576	57,888	63.2%	
B. REFINANCE APPLICATIONS AND LOANS												
Asian	316	151	47.8%	1.00	1,978	1,071	54.1%	1.05	3,390	1,599	47.2%	1.03
Black	2,882	674	23.4%	0.49	5,308	1,244	23.4%	0.46	9,929	2,175	21.9%	0.48
Latino	1,247	318	25.5%	0.53	5,289	1,297	24.5%	0.48	12,107	2,661	22.0%	0.48
White	4,888	2,346	48.0%	1.00	44,732	22,981	51.4%	1.00	115,818	53,130	45.9%	1.00
Other*	85	22	25.9%		331	97	29.3%		844	226	26.8%	
No Info ^	3,058	636	20.8%		14,918	3,610	24.2%		37,553	7,326	19.5%	
Total	12,476	4,147	33.2%		72,556	30,300	41.8%		179,641	67,117	37.4%	

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

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

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

TABLE 16
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes
As Percentage of Total, 2007

	Prime Lenders*						Subprime Lenders*					
	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete
A. BOSTON												
Asian	437	67.5%	12.1%	11.4%	6.4%	2.5%	22	40.9%	4.5%	50.0%	0.0%	4.5%
Black	1,088	52.4%	10.0%	26.9%	8.5%	2.1%	467	22.3%	9.0%	54.8%	6.0%	7.9%
Latino	569	55.9%	9.0%	25.8%	7.6%	1.8%	272	24.3%	7.7%	58.1%	5.5%	4.4%
White	4,609	76.0%	8.1%	8.6%	5.6%	1.7%	320	37.2%	7.8%	42.5%	6.9%	5.6%
Total*	7,875	68.3%	9.3%	13.4%	7.2%	1.8%	1,315	25.9%	7.8%	52.5%	6.9%	6.9%
B. GREATER BOSTON+												
Asian	3,015	74.3%	9.5%	7.6%	6.6%	1.9%	128	46.1%	4.7%	40.6%	3.1%	5.5%
Black	2,149	55.1%	10.0%	23.8%	8.7%	2.4%	781	25.0%	9.0%	52.4%	6.8%	6.9%
Latino	2,118	59.3%	9.0%	22.2%	7.7%	1.6%	748	29.4%	7.6%	55.1%	4.1%	3.7%
White	27,915	77.1%	7.9%	7.3%	6.3%	1.3%	1,817	43.0%	7.9%	39.0%	5.6%	4.5%
Total*	40,457	73.0%	8.8%	9.5%	7.2%	1.5%	4,116	35.2%	8.0%	45.5%	6.1%	5.3%
C. MASSACHUSETTS												
Asian	4,437	72.9%	9.3%	9.1%	6.8%	1.9%	248	44.0%	7.3%	43.5%	2.4%	2.8%
Black	3,843	56.8%	9.1%	23.8%	8.1%	2.1%	1,292	25.9%	9.4%	50.3%	6.9%	7.4%
Latino	4,838	60.1%	9.2%	20.8%	7.6%	2.1%	1,395	29.5%	8.0%	53.1%	5.0%	4.4%
White	60,603	75.9%	7.6%	8.4%	6.6%	1.4%	4,230	42.6%	8.2%	38.6%	5.2%	5.5%
Total*	83,022	72.2%	8.3%	10.5%	7.3%	1.7%	8,554	35.5%	8.3%	43.9%	6.5%	5.9%

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2007 were high-APR loans (HALs), or if more than 40% of its loans in 2006 and more than 25% of its loans in 2007 were HALs. Every other lender was classified as a "Prime Lender."

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

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

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

TABLE 17
Reasons Given for Denials of Mortgage Loan Applications
From Black, Latino, and White Applicants in Massachusetts
First-Lien, Owner-Occupied Home-Purchase Loans Only, 2007

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	180	155	339	210	135	353	627	545	1,192
Employment History	24	24	52	15	22	38	50	101	168
Credit History	124	203	341	137	165	332	349	651	1,074
Collateral	41	96	146	56	119	186	197	489	721
Insufficient Cash	32	56	91	46	40	96	128	258	411
Unverifiable Information	29	108	148	36	130	172	73	394	494
Credit Application Incomplete	53	118	188	57	174	251	198	818	1,112
Mortgage Insurance Denied	1	2	3	2	4	6	8	17	25
Other	70	246	345	97	249	387	351	957	1,432
Total Denials	497	978	1,566	597	1,026	1,747	2,061	4,239	6,719
Number with Reason Reported	404	799	1,278	496	844	1,444	1,551	3,470	5,378
Number with No Reason Reported	93	179	288	101	182	303	510	769	1,341
Percent with No Reason Reported	18.7%	18.3%	18.4%	16.9%	17.7%	17.3%	24.7%	18.1%	20.0%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	45%	19%	27%	42%	16%	24%	40%	16%	22%
Employment History	6%	3%	4%	3%	3%	3%	3%	3%	3%
Credit History	31%	25%	27%	28%	20%	23%	23%	19%	20%
Collateral	10%	12%	11%	11%	14%	13%	13%	14%	13%
Insufficient Cash	8%	7%	7%	9%	5%	7%	8%	7%	8%
Unverifiable Information	7%	14%	12%	7%	15%	12%	5%	11%	9%
Credit Application Incomplete	13%	15%	15%	11%	21%	17%	13%	24%	21%
Mortgage Insurance Denied	0%	0%	0%	0%	0%	0%	1%	0%	0%
Other	17%	31%	27%	20%	30%	27%	23%	28%	27%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%. Lenders supervised by OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders. Lenders reported three reasons for only 4.5 % of denials in Massachusetts in 2007; to greatly simplify calculations, this table includes only first and second reasons. HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:

- Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income
- Employment history: temporary or irregular employment; length of employment
- Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy
- Collateral: value or type of collateral not sufficient
- Insufficient cash: [for downpayment or closing costs]
- Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence
- Credit application incomplete: credit application incomplete
- Mortgage insurance denied: [none listed]
- Other: length of residence; temporary residence; other reasons specified on notice.

TABLE 18
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2007
(For 2004–2007, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1992	1994	1996	1998	2000	2002	2003	2004	2005	2006	2007
I. BOSTON												
A. BIG BOSTON BANKS												
Number of Loans	541	911	1,849	1,954	1,429	876	860	790	736	695	699	1,019
% of All Loans	28.9%	38.6%	39.4%	34.8%	20.2%	11.7%	10.9%	9.3%	8.5%	8.3%	9.9%	17.8%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans	919	871	1,158	1,230	1,615	1,367	1,229	1,188	1,189	946	868	1,084
% of All Loans	49.1%	36.9%	24.7%	21.9%	22.8%	18.3%	15.6%	14.0%	13.7%	11.4%	12.3%	19.0%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders after 1997)												
Number of Loans	410	580	1,690	2,439	3,746	4,736	5,213	5,545	5,752	5,196	4,159	3,275
% of All Loans	21.9%	24.6%	36.0%	43.4%	53.0%	63.4%	66.0%	65.3%	66.4%	62.4%	59.0%	57.3%
D. SUBPRIME LENDERS #												
Number of Loans					280	488	600	963	981	1,493	1,326	340
% of All Loans					4.0%	6.5%	7.6%	11.3%	11.3%	17.9%	18.8%	5.9%
E. TOTAL												
Number of Loans	1,870	2,362	4,697	5,623	7,070	7,467	7,902	8,486	8,658	8,330	7,052	5,718
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS												
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans							31,946	29,750	26,038	22,238	19,734	23,750
% of All Loans							32.1%	28.4%	26.5%	23.6%	25.6%	37.7%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)												
Number of Loans							60,387	64,105	59,961	53,719	44,437	36,185
% of All Loans							60.7%	61.3%	61.0%	57.0%	57.7%	57.5%
D. SUBPRIME LENDERS #												
Number of Loans							7,186	10,801	12,298	18,329	12,813	3,038
% of All Loans							7.2%	10.3%	12.5%	19.4%	16.6%	4.8%
E. TOTAL												
Number of Loans							99,519	104,656	98,297	94,286	76,984	62,973
% of All Loans							100%	100%	100%	100%	100%	100%

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

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

"Big Boston Banks": Citizens, Bank of America/Fleet, and Sovereign in 2004–2007. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, and Shawmut were included during the years they existed. In all cases, affiliated mortgage companies are included.

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

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

For Massachusetts banks and credit unions local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Local lending by mortgage companies and out-of-state banks is not subject to such evaluation under the CRA.

TABLE 19
Shares of Total Loans by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Mortgage Loans for Owner-Occupied Homes, 2007

	All Loans (HomePur + Refi)				High-APR Loans (HomePur + Refi)			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	10,600	30.4%	33.2%	36.5%	1,280	4.7%	46.7%	48.6%
Greater Boston	65,167	29.1%	35.2%	35.6%	5,862	5.7%	45.3%	49.0%
Massachusetts	141,295	32.0%	33.5%	34.5%	16,290	7.8%	47.5%	44.7%

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

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

"Licensed Mortgage Lenders": those requiring a state license to make mortgage loans in Mass.; mostly independent mortgage companies.

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.

TABLE 20
High-APR Loans and Loan Percentages by Major Lender Type
In the City of Boston, Greater Boston, and Statewide
First Lien Mortgage Loans (Home-Purchase + Refinance) for Owner-Occupied Homes, 2007

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
Boston	3,219	60	1.9%	3,514	598	17.0%	3,867	622	16.1%
Greater Boston	18,978	334	1.8%	22,969	2,657	11.6%	23,220	2,871	12.4%
Massachusetts	45,202	1,274	2.8%	47,329	7,740	16.4%	48,764	7,276	14.9%

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

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

"Licensed Mortgage Lenders": those requiring a state license to make mortgage loans in Mass.; mostly independent mortgage companies.

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.

TABLE 21
Shares of the High-APR Loans (HALs) and non-HAL Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2007

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts	
		Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans
I. HOME-PURCHASE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*									
Number of Loans	2,103	277	7	156	5	690	5	1,173	19
% of Loans	100%	13.2%	0.3%	7.4%	0.2%	32.8%	0.2%	55.8%	0.9%
B. LICENSED MORTGAGE LENDERS*									
Number of Loans	1,676	111	89	62	29	274	22	662	159
% of Loans	100%	6.6%	5.3%	3.7%	1.7%	16.3%	1.3%	39.5%	9.5%
C. OTHER LENDERS*									
Number of Loans	1,939	106	84	70	62	248	38	786	233
% of Loans	100%	5.5%	4.3%	3.6%	3.2%	12.8%	2.0%	40.5%	12.0%
D. TOTAL									
Number of Loans	5,718	494	180	288	96	1,212	65	2,621	411
% of Loans	100%	8.6%	3.1%	5.0%	1.7%	21.2%	1.1%	45.8%	7.2%
II. REFINANCE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*									
Number of Loans	1,116	222	9	93	4	344	11	644	22
% of Loans	100%	19.9%	0.8%	8.3%	0.4%	30.8%	1.0%	57.7%	2.0%
B. LICENSED MORTGAGE LENDERS*									
Number of Loans	1,838	209	110	91	33	313	106	758	275
% of Loans	100%	11.4%	6.0%	5.0%	1.8%	17.0%	5.8%	41.2%	15.0%
C. OTHER LENDERS*									
Number of Loans	1,928	243	93	134	44	310	58	931	224
% of Loans	100%	12.6%	4.8%	7.0%	2.3%	16.1%	3.0%	48.3%	11.6%
D. TOTAL									
Number of Loans	4,882	674	212	318	81	967	175	2,333	521
% of Loans	100%	13.8%	4.3%	6.5%	1.7%	19.8%	3.6%	47.8%	10.7%

* "Mass. Banks and Credit Unions": banks with Mass. offices, plus affiliated mortgage companies; excludes fed-chartered CUs.
 "Licensed Mortgage Lenders": require state license to make mortgage loans in Mass.; mostly independent mortgage companies.
 "Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
 For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight/regulation. Other lenders are, essentially, exempt from such oversight/regulation.
 "Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston MSA (<\$41K in 2007).
 "LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<\$65K in 2007).
 "LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MSA (2000 Census data).
 "LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 22
Shares of the High-APR Loans (HALs) and non-HAL Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2007

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts	
		Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans
I. HOME-PURCHASE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS									
Number of Loans	23,750	962	38	1,279	50	7,244	230	4,316	153
% of Loans	100%	4.1%	0.2%	5.4%	0.2%	30.5%	1.0%	18.2%	0.6%
B. LICENSED MORTGAGE LENDERS									
Number of Loans	19,201	487	242	688	210	3,764	449	2,505	600
% of Loans	100%	2.5%	1.3%	3.6%	1.1%	19.6%	2.3%	13.0%	3.1%
C. OTHER LENDERS*									
Number of Loans	20,022	497	292	684	408	3,280	609	2,687	947
% of Loans	100%	2.5%	1.5%	3.4%	2.0%	16.4%	3.0%	13.4%	4.7%
D. TOTAL									
Number of Loans	62,973	1,946	572	2,651	668	14,288	1,288	9,508	1,700
% of Loans	100%	3.1%	0.9%	4.2%	1.1%	22.7%	2.0%	15.1%	2.7%
II. REFINANCE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS									
Number of Loans	21,452	712	37	753	47	6,243	316	3,020	182
% of Loans	100%	3.3%	0.2%	3.5%	0.2%	29.1%	1.5%	14.1%	0.8%
B. LICENSED MORTGAGE LENDERS									
Number of Loans	28,128	676	422	907	440	5,134	1,653	3,378	1,540
% of Loans	100%	2.4%	1.5%	3.2%	1.6%	18.3%	5.9%	12.0%	5.5%
C. OTHER LENDERS									
Number of Loans	28,742	787	299	1,001	410	5,461	1,026	3,912	1,167
% of Loans	100%	2.7%	1.0%	3.5%	1.4%	19.0%	3.6%	13.6%	4.1%
D. TOTAL									
Number of Loans	78,322	2,175	758	2,661	897	16,838	2,995	10,310	2,889
% of Loans	100%	2.8%	1.0%	3.4%	1.1%	21.5%	3.8%	13.2%	3.7%

* "Mass. Banks and Credit Unions": banks with Mass. offices, plus affiliated mortgage companies; excludes fed-chartered CUs.
 "Licensed Mortgage Lenders": require state license to make mortgage loans in Mass.; mostly independent mortgage companies.
 "Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
 For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight/regulation. Other lenders are, essentially, exempt from such oversight/regulation.
 "Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in the relevant metropolitan area.
 "LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in the relevant metropolitan area.
 "LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MD (2000 Census data).
 "LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 23
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
(These Include the Top 10 High-APR Loan [HAL] Lenders)
First-Lien Loans for Owner-Occupied Homes, 2007

Lender Family*	Lender Type#	Total Loans			Number of HALs			HALs as % of Total			HAL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Countrywide*	MIX	1,187	529	658	152	69	83	12.8%	13.0%	12.6%	1
Bank of America	CRA	1,067	754	313	18	7	11	1.7%	0.9%	3.5%	
Wells Fargo*	OSB ^	630	442	188	53	22	31	8.4%	5.0%	16.5%	7
CitiGroup*	CRA ^	433	254	179	26	7	19	6.0%	2.8%	10.6%	
Washington Mutual	OSB	423	127	296	45	12	33	10.6%	9.4%	11.1%	8
JPMorgan Chase*	OSB	350	184	166	78	38	40	22.3%	20.7%	24.1%	3
Taylor, Bean & Whitaker	LML	312	139	173	0	0	0	0.0%	0.0%	0.0%	
GMAC*	MIX	294	137	157	34	21	13	11.6%	15.3%	8.3%	10
Sovereign	CRA	294	178	116	7	3	4	2.4%	1.7%	3.4%	
Mortgage Master	LML	286	147	139	8	6	2	2.8%	4.1%	1.4%	
Wachovia*	OSB	228	86	142	64	17	47	28.1%	19.8%	33.1%	6
IndyMac	OSB	209	104	105	68	44	24	32.5%	42.3%	22.9%	4
First Tennessee	OSB	188	90	98	7	6	1	3.7%	6.7%	1.0%	
NE Moves Mortgage	LML	182	163	19	0	0	0	0.0%	0.0%	0.0%	
RBS Citizens	CRA	172	87	85	5	2	3	2.9%	2.3%	3.5%	
Boston Private B&T	CRA	167	146	21	0	0	0	0.0%	0.0%	0.0%	
Provident Funding	LML	156	69	87	0	0	0	0.0%	0.0%	0.0%	
H&R Block/Option One*	LML	137	33	104	110	33	77	80.3%	100.0%	74.0%	2
Mt. Washington Co-op	CRA	137	88	49	4	3	1	2.9%	3.4%	2.0%	
National City*	OSB	109	56	53	6	1	5	5.5%	1.8%	9.4%	
Merrill Lynch*	OSB	98	59	39	67	43	24	68.4%	72.9%	61.5%	5
HSBC*	MIX	95	27	68	43	4	39	45.3%	14.8%	57.4%	9
Amtrust Bank	OSB	93	39	54	6	4	2	6.5%	10.3%	3.7%	
ING	OSB	89	52	37	0	0	0	0.0%	0.0%	0.0%	
Mortgage Network	LML	84	51	33	2	0	2	2.4%	0.0%	6.1%	
Deutsche Bank*	LML ^	82	43	39	23	17	6	28.0%	39.5%	15.4%	
Pride Mortgage	LML	79	43	36	0	0	0	0.0%	0.0%	0.0%	
SunTrust	LML	79	40	39	4	4	0	5.1%	10.0%	0.0%	
Greenpark Mortgage	LML	75	55	20	0	0	0	0.0%	0.0%	0.0%	
Dynamic Capital Mortgage	LML	65	31	34	0	0	0	0.0%	0.0%	0.0%	
Total, 30 Biggest Lenders		7,800	4,253	3,547	830	363	467	10.6%	8.5%	13.2%	
Total, All 351 Lenders		10,600	5,718	4,882	1,280	545	735	12.1%	9.5%	15.1%	

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

Table 27 provides information on the individual lenders within each “lender family.”

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

TABLE 24
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
(These Include the Top 10 High-APR Loan [HAL] Lenders)
First-Lien Loans for Owner-Occupied Homes, 2007

Lender Family*	Lender Type#	Total Loans			Number of HALs			HALs as % of Total			HAL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Countrywide*	MIX	12,571	4,483	8,088	1,683	555	1,128	13.4%	12.4%	13.9%	1
Bank of America	CRA	9,638	6,322	3,316	259	165	94	2.7%	2.6%	2.8%	
Wells Fargo*	OSB ^	6,282	3,823	2,459	624	138	486	9.9%	3.6%	19.8%	7
Taylor, Bean & Whitaker	LML	4,770	1,949	2,821	0	0	0	0.0%	0.0%	0.0%	
GMAC*	MIX	4,033	1,598	2,435	298	133	165	7.4%	8.3%	6.8%	
CitiGroup*	CRA ^	3,973	1,783	2,190	582	68	514	14.6%	3.8%	23.5%	10
Sovereign	CRA	3,798	1,736	2,062	126	56	70	3.3%	3.2%	3.4%	
Washington Mutual	OSB	3,751	868	2,883	589	100	489	15.7%	11.5%	17.0%	8
JPMorgan Chase*	OSB	3,658	1,355	2,303	744	259	485	20.3%	19.1%	21.1%	6
Mortgage Master	LML	2,967	1,404	1,563	64	42	22	2.2%	3.0%	1.4%	
First Tennessee	OSB	2,783	1,323	1,460	182	127	55	6.5%	9.6%	3.8%	
NE Moves Mortgage	LML	2,606	2,261	345	30	27	3	1.2%	1.2%	0.9%	
Provident Funding	LML	2,486	857	1,629	1	1	0	0.0%	0.1%	0.0%	
National City*	OSB	2,326	1,064	1,262	180	106	74	7.7%	10.0%	5.9%	
IndyMac	OSB	2,310	940	1,370	770	346	424	33.3%	36.8%	30.9%	5
Wachovia*	OSB	2,306	619	1,687	588	119	469	25.5%	19.2%	27.8%	9
HSBC*	MIX	1,809	308	1,501	983	71	912	54.3%	23.1%	60.8%	3
Amtrust Bank	OSB	1,780	779	1,001	151	86	65	8.5%	11.0%	6.5%	
RBS Citizens	CRA	1,628	611	1,017	48	17	31	2.9%	2.8%	3.0%	
SunTrust	LML	1,554	808	746	81	69	12	5.2%	8.5%	1.6%	
Mortgage Network	LML	1,527	741	786	42	17	25	2.8%	2.3%	3.2%	
H&R Block/Option One*	LML	1,472	278	1,194	1,201	273	928	81.6%	98.2%	77.7%	2
Quicken Loans	LML	1,465	150	1,315	89	35	54	6.1%	23.3%	4.1%	
WebsterBk/People's Mort*	CRA	1,394	635	759	43	18	25	3.1%	2.8%	3.3%	
Eastern Bank	CRA	1,194	650	544	34	15	19	2.8%	2.3%	3.5%	
Salem Five*	CRA	1,158	575	583	54	34	20	4.7%	5.9%	3.4%	
Merrill Lynch*	OSB	1,052	576	476	783	467	316	74.4%	81.1%	66.4%	4
Deutsche Bank*	LML ^	1,000	413	587	160	61	99	16.0%	14.8%	16.9%	
1-800-East/West Mortgage*	OSB ^	982	122	860	66	13	53	6.7%	10.7%	6.2%	
TD Banknorth	CRA	821	340	481	47	25	22	5.7%	7.4%	4.6%	
Total, 30 Biggest Lenders		89,094	39,371	49,723	10,502	3,443	7,059	11.8%	8.7%	14.2%	
Total, All 753 Lenders		141,295	62,973	78,322	16,290	5,085	11,205	11.5%	8.1%	14.3%	

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

Table 28 provides information on the individual lenders within each “lender family.”

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

TABLE 25
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
High-APR Lending by Borrower Race/Ethnicity
First-Lien Loans for Owner-Occupied Homes, 2007

Lender Family*	Lender Type#	Total Loans			HALs as % of Total			Ratio to White		HAL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Countrywide*	MIX	147	79	594	20.4%	16.5%	7.7%	2.64	2.12	1
Bank of America	CRA	232	90	451	1.7%	2.2%	1.8%	0.97	1.25	
Wells Fargo*	OSB ^	66	18	439	34.8%	16.7%	5.5%	6.37	3.05	7
CitiGroup*	CRA ^	52	28	263	23.1%	17.9%	2.7%	8.67	6.71	
Washington Mutual	OSB	45	30	252	20.0%	23.3%	7.9%	2.52	2.94	8
JPMorgan Chase*	OSB	49	25	225	53.1%	52.0%	13.8%	3.85	3.77	3
Taylor, Bean & Whitaker	LML	32	23	233	0.0%	0.0%	0.0%	na	na	
GMAC*	MIX	43	25	178	23.3%	28.0%	7.9%	2.96	3.56	10
Sovereign	CRA	74	50	148	4.1%	0.0%	2.0%	2.00	0.00	
Mortgage Master	LML	15	3	253	0.0%	0.0%	3.2%	0.00	0.00	
Wachovia*	OSB	55	34	91	34.5%	47.1%	24.2%	1.43	1.95	6
IndyMac	OSB	37	34	86	37.8%	47.1%	25.6%	1.48	1.84	4
First Tennessee	OSB	14	39	96	0.0%	2.6%	4.2%	0.00	0.62	
NE Moves Mortgage	LML	3	3	155	0.0%	0.0%	0.0%	na	na	
RBS Citizens	CRA	49	17	82	2.0%	5.9%	2.4%	0.84	2.41	
Boston Private B&T	CRA	20	22	100	0.0%	0.0%	0.0%	na	na	
Provident Funding	LML	13	9	106	0.0%	0.0%	0.0%	na	na	
H&R Block/Option One*	LML	47	12	46	85.1%	75.0%	80.4%	1.06	0.93	2
Mt. Washington Co-op	CRA	21	2	111	9.5%	0.0%	1.8%	5.29	0.00	
National City*	OSB	30	2	62	6.7%	0.0%	3.2%	2.07	0.00	
Merrill Lynch*	OSB	21	13	45	100.0%	100.0%	37.8%	2.65	2.65	5
HSBC*	MIX	37	7	39	73.0%	42.9%	30.8%	2.37	1.39	9
Amtrust Bank	OSB	7	4	66	42.9%	0.0%	4.5%	na	na	
ING	OSB	4	3	56	0.0%	0.0%	0.0%	na	na	
Mortgage Network	LML	4		79	0.0%	#DIV/0!	2.5%	na	na	
Deutsche Bank*	LML ^	34	11	29	38.2%	36.4%	10.3%	3.70	3.52	
Pride Mortgage	LML		2	74	#DIV/0!	0.0%	0.0%	na	na	
SunTrust	LML	3	4	61	33.3%	0.0%	1.6%	20.33	0.00	
Greenpark Mortgage	LML	4	2	68	0.0%	0.0%	0.0%	na	na	
Dynamic Capital Mortgage	LML	4	1	50	0.0%	0.0%	0.0%	na	na	
Total, 30 Biggest Lenders		1,162	592	4,538	22.4%	19.1%	6.4%	3.50	2.99	
Total, All 351 Lenders		1,560	783	6,245	25.1%	22.6%	7.5%	3.37	3.03	

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

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

TABLE 26
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
High-APR Lending by Borrower Race/Ethnicity
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2007

Lender Family*	Lender Type#	Total Loans			HALs as % of Total			Ratio to White		HAL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Countrywide*	MIX	434	735	8,293	22.8%	19.2%	10.8%	2.11	1.78	1
Bank of America	CRA	665	994	5,771	3.5%	4.0%	2.9%	1.20	1.39	
Wells Fargo*	OSB ^	248	232	4,847	27.0%	19.0%	9.4%	2.86	2.01	7
Taylor, Bean & Whitaker	LML	129	292	3,969	0.0%	0.0%	0.0%	na	na	
GMAC*	MIX	144	184	3,118	19.4%	13.6%	6.4%	3.02	2.11	
CitiGroup*	CRA ^	163	195	3,035	32.5%	25.6%	14.2%	2.29	1.81	10
Sovereign	CRA	187	226	3,177	4.3%	3.1%	3.3%	1.28	0.93	
Washington Mutual	OSB	105	199	2,760	22.9%	28.6%	14.9%	1.53	1.92	8
JPMorgan Chase*	OSB	160	166	2,713	48.1%	63.9%	15.7%	3.07	4.08	6
Mortgage Master	LML	57	29	2,534	8.8%	6.9%	2.1%	4.19	3.30	
First Tennessee	OSB	84	195	2,156	8.3%	8.7%	6.1%	1.36	1.42	
NE Moves Mortgage	LML	47	57	2,185	2.1%	8.8%	0.8%	2.73	11.27	
Provident Funding	LML	44	63	1,976	0.0%	0.0%	0.1%	0.00	0.00	
National City*	OSB	116	122	1,912	12.1%	11.5%	7.0%	1.72	1.64	
IndyMac	OSB	128	225	1,442	44.5%	40.0%	31.3%	1.42	1.28	5
Wachovia*	OSB	117	168	1,632	36.8%	31.5%	24.5%	1.50	1.29	9
HSBC*	MIX	153	120	1,388	74.5%	71.7%	53.2%	1.40	1.35	3
Amtrust Bank	OSB	56	80	1,472	19.6%	22.5%	7.2%	2.73	3.12	
RBS Citizens	CRA	97	71	1,182	2.1%	5.6%	3.2%	0.64	1.75	
SunTrust	LML	49	63	1,300	16.3%	14.3%	4.6%	3.54	3.10	
Mortgage Network	LML	21	25	1,439	0.0%	4.0%	2.6%	0.00	1.56	
H&R Block/Option One*	LML	106	108	985	85.8%	88.0%	85.7%	1.00	1.03	2
Quicken Loans	LML	50	44	1,270	14.0%	11.4%	5.6%	2.50	2.03	
WebsterBk/People’s Mort*	CRA	39	57	1,172	2.6%	1.8%	3.2%	0.81	0.56	
Eastern Bank	CRA	35	50	992	5.7%	8.0%	2.4%	2.36	3.31	
Salem Five*	CRA	20	56	1,011	0.0%	5.4%	4.3%	0.00	1.26	
Merrill Lynch*	OSB	69	96	706	95.7%	95.8%	69.5%	1.38	1.38	4
Deutsche Bank*	LML ^	71	74	707	29.6%	17.6%	13.7%	2.16	1.28	
I-800-East/West Mortgage*	OSB ^	16	15	834	6.3%	0.0%	6.2%	1.00	0.00	
TD Banknorth	CRA	19	33	655	10.5%	6.1%	6.0%	1.77	1.02	
Total, 30 Biggest Lenders		3,629	4,974	66,633	22.9%	19.8%	10.4%	2.19	1.89	
Total, All 753 Lenders		5,451	6,877	108,204	24.4%	22.8%	9.6%	2.53	2.36	

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

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

TABLE 27
Individual Lenders in the 30 Biggest Lender “Families” in Boston*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2006

Lender Family	Lender Name	Lender Type#	Total Loans	High-APR Loans	% HALs
CitiGroup*	CITIMORTGAGE, INC.	CRA	416	16	3.8%
CitiGroup*	CITICORP TRUST BANK, FSB	OSB	15	10	66.7%
Countrywide*	COUNTRYWIDE HOME LOANS	LML	678	97	14.3%
Countrywide*	COUNTRYWIDE BANK, FSB	OSB	504	55	10.9%
Deutsche Bank*	MORTGAGEIT	LML	79	21	26.6%
GMAC*	GMAC BANK	OSB	134	6	4.5%
GMAC*	HOMECOMINGS FINANCIAL LLC	LML	95	26	27.4%
GMAC*	GMAC MORTGAGE LLC	LML	61	1	1.6%
H&R Block/Option One*	OPTION ONE MORTGAGE CORP.	LML	116	102	87.9%
H&R Block/Option One*	H&R BLOCK MORTGAGE CORP.	LML	21	8	38.1%
HSBC*	HSBC MORTGAGE CORP.	OSB	46	3	6.5%
HSBC*	BENEFICIAL COMPANY LLC	LML	21	17	81.0%
HSBC*	HFC COMPANY LLC	LML	18	15	83.3%
HSBC*	DECISION ONE MORTGAGE	LML	9	7	77.8%
JPMorgan Chase*	JPMORGAN CHASE BANK	OSB	284	14	4.9%
JPMorgan Chase*	CHASE MANHATTAN BANK USA, NA	OSB	66	64	97.0%
Merrill Lynch*	FIRST FRANKLIN CORP.	OSB	67	67	100.0%
Merrill Lynch*	MERRILL LYNCH CREDIT CORP.	OSB	31		0.0%
National City*	NATIONAL CITY BANK	OSB	108	6	5.6%
Wachovia*	WORLD SAVINGS BANK, FSB	OSB	94	46	48.9%
Wachovia*	AM MTG NETWORK DBA VERTICE	OSB	90	16	17.8%
Wachovia*	WACHOVIA MORTGAGE	OSB	42	2	4.8%
Wells Fargo*	WELLS FARGO BANK, NA	OSB	608	37	6.1%
Wells Fargo*	WELLS FARGO FINL MASS.	LML	20	16	80.0%

* This table is a supplement to Table 23, which shows total loans for each of the 30 biggest “lender families.” This table includes only individual lenders in multi-lender families, as indicated by an asterisk following the family name in Table 23. Eleven individual lenders with 5 or fewer total loans in Boston are excluded from this table, but their loans are included in the lender family totals in Table 23. These eleven lenders include one each from CitiGroup*, GMAC*, HSBC*, National City*, and Wachovia*, and two each from Countrywide*, Deutsche Bank*, and Wells Fargo*.

CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, who will become subject to state CRA-type regulation in 2008. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation.

TABLE 28
Individual Lenders in the 30 Biggest Lender “Families” in Massachusetts*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2007

Lender Family	Lender Name	Lender Type#	Total Loans	High-APR Loans	% HALs
I-800-East/West Mortgage*	I-800-EAST/WEST MORTGAGE CO.	OSB	941	65	6.9%
I-800-East/West Mortgage*	COMMERCE BANK & TRUST CO.	CRA	41	1	2.4%
CitiGroup*	CITIMORTGAGE, INC.	CRA	3,429	198	5.8%
CitiGroup*	CITICORP TRUST BANK, FSB	OSB	287	181	63.1%
CitiGroup*	CITIFINANCIAL SERVICES, INC.	CRA	234	195	83.3%
Countrywide*	COUNTRYWIDE HOME LOANS	LML	7,235	1,208	16.7%
Countrywide*	COUNTRYWIDE BANK, FSB	OSB	5,254	468	8.9%
Countrywide*	PROPERTYMORTGAGE.COM	LML	47	7	14.9%
Deutsche Bank*	MORTGAGEIT	LML	990	153	15.5%
GMAC*	GMAC BANK	OSB	1,794	94	5.2%
GMAC*	GMAC MORTGAGE LLC	LML	1,135	47	4.1%
GMAC*	HOMECOMINGS FINANCIAL LLC	LML	954	140	14.7%
GMAC*	DITECH.COM	LML	131	17	13.0%
H&R Block/Option One*	OPTION ONE MORTGAGE CORP.	LML	1,261	1,144	90.7%
H&R Block/Option One*	H&R BLOCK MORTGAGE CORP.	LML	211	57	27.0%
HSBC*	HSBC MORTGAGE CORP.	OSB	708	79	11.2%
HSBC*	HFC COMPANY LLC	LML	489	393	80.4%
HSBC*	BENEFICIAL COMPANY LLC	LML	420	343	81.7%
HSBC*	DECISION ONE MORTGAGE	LML	127	117	92.1%
HSBC*	SOLSTICE CAPITAL GROUP INC.	LML	53	44	83.0%
JPMorgan Chase*	JPMORGAN CHASE BANK	OSB	3,022	130	4.3%
JPMorgan Chase*	CHASE MANHATTAN BANK USA, NA	OSB	631	614	97.3%
Merrill Lynch*	FIRST FRANKLIN CORPORATION	OSB	802	782	97.5%
Merrill Lynch*	MERRILL LYNCH CREDIT CORP.	OSB	250	1	0.4%
National City*	NATIONAL CITY BANK	OSB	2,312	176	7.6%
Salem Five*	SALEM FIVE MORTGAGE CO., LLC	CRA	1,154	54	4.7%
Wachovia*	WORLD SAVINGS BANK, FSB	OSB	1,089	501	46.0%
Wachovia*	AM MTG NETWORK DBA VERTICE	OSB	837	72	8.6%
Wachovia*	WACHOVIA MORTGAGE	OSB	357	14	3.9%
WebsterBk/People's Mort*	WEBSTER BANK, N.A.	CRA	1,274	36	2.8%
WebsterBk/People's Mort*	PEOPLE'S MORTGAGE CORP.	CRA	120	7	5.8%
Wells Fargo*	WELLS FARGO BANK, NA	OSB	5,829	306	5.2%
Wells Fargo*	WELLS FARGO FINL MASS.	LML	413	315	76.3%

* This table is a supplement to Table 24, which shows total loans for each of the 30 biggest “lender families.” This table includes only individual lenders in multi-lender families, as indicated by an asterisk following the family name in Table 24. Twenty-two individual lenders with fewer than 25 total loans are excluded from this table, but their loans are included in the lender family totals in Table 24. These twenty-two lenders include one from CitiGroup*, three from Countrywide*, two from Deutsche Bank*, two from GMAC*, one from HSBC*, two from JPMorgan Chase*, one from National City*, one from Salem Five*, one from Wachovia*, and eight from Wells Fargo*.

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TABLE 29
High-APR Loans (HALs) in the Fourteen Counties of Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans			Refinance Loans			% Black House- holds	% Latino House- holds	Median Family Income
	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR			
Barnstable	2,007	195	9.7%	4,065	539	13.3%	1.4%	0.8%	\$54,728
Berkshire	1,226	112	9.1%	1,659	232	14.0%	1.6%	1.1%	\$50,162
Bristol	4,622	400	8.7%	6,872	1,133	16.5%	2.1%	2.6%	\$53,733
Dukes	68	13	19.1%	347	63	18.2%	2.6%	0.7%	\$55,018
Essex	6,937	587	8.5%	9,532	1,213	12.7%	2.3%	8.1%	\$63,746
Franklin	639	42	6.6%	783	148	18.9%	0.8%	1.3%	\$50,915
Hampden	4,583	584	12.7%	5,339	1,295	24.3%	7.5%	11.6%	\$49,257
Hampshire	1,399	64	4.6%	1,327	198	14.9%	1.5%	2.4%	\$57,480
Middlesex	15,402	856	5.6%	16,014	1,685	10.5%	3.1%	3.3%	\$74,194
Nantucket	110	9	8.2%	230	34	14.8%	2.4%	1.2%	\$66,786
Norfolk	7,043	340	4.8%	8,182	909	11.1%	2.8%	1.3%	\$77,847
Plymouth	4,739	495	10.4%	7,847	1,218	15.5%	4.3%	1.7%	\$65,554
Suffolk	6,451	645	10.0%	5,937	911	15.3%	19.5%	11.4%	\$44,361
Worcester	7,728	741	9.6%	10,150	1,627	16.0%	2.3%	5.1%	\$58,394
Massachusetts	62,973	5,085	8.1%	78,322	11,205	14.3%	4.9%	5.0%	\$61,664

TABLE 30
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the Fourteen Counties of Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

	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. HOME PURCHASE LOANS											
Barnstable	23	1	4.3%	50	17	34.0%	1,730	158	9.1%	0.48	3.72
Berkshire	20	2	10.0%	33	1	3.0%	1,102	97	8.8%	1.14	0.34
Bristol	129	19	14.7%	113	16	14.2%	3,977	317	8.0%	1.85	1.78
Dukes	3	1	33.3%	5	3	60.0%	53	9	17.0%	1.96	3.53
Essex	135	36	26.7%	622	136	21.9%	5,374	351	6.5%	4.08	3.35
Franklin	4	2	50.0%	8	0	0.0%	582	37	6.4%	7.86	-
Hampden	277	83	30.0%	586	123	21.0%	3,337	317	9.5%	3.15	2.21
Hampshire	18	0	0.0%	30	2	6.7%	1,229	55	4.5%	-	1.49
Middlesex	363	61	16.8%	601	118	19.6%	11,172	517	4.6%	3.63	4.24
Nantucket	5	0	0.0%	7	1	14.3%	89	7	7.9%	-	1.82
Norfolk	300	59	19.7%	179	19	10.6%	5,098	203	4.0%	4.94	2.67
Plymouth	313	78	24.9%	135	22	16.3%	3,825	329	8.6%	2.90	1.89
Suffolk	701	182	26.0%	562	134	23.8%	4,062	238	5.9%	4.43	4.07
Worcester	226	48	21.2%	388	76	19.6%	6,167	520	8.4%	2.52	2.32
Massachusetts	2,518	572	22.7%	3,319	668	20.1%	47,811	3,157	6.6%	3.44	3.05
B. REFINANCE LOANS											
Barnstable	51	11	21.6%	82	28	34.1%	3,433	402	11.7%	1.84	2.92
Berkshire	10	5	50.0%	24	5	20.8%	1,465	160	10.9%	4.58	1.91
Bristol	145	35	24.1%	180	47	26.1%	5,667	803	14.2%	1.70	1.84
Dukes	7	2	28.6%	10	7	70.0%	272	38	14.0%	2.05	5.01
Essex	137	44	32.1%	778	200	25.7%	7,500	765	10.2%	3.15	2.52
Franklin	4	-	0.0%	5	3	60.0%	668	108	16.2%	-	3.71
Hampden	361	132	36.6%	412	164	39.8%	3,755	694	18.5%	1.98	2.15
Hampshire	13	3	23.1%	18	5	27.8%	1,134	148	13.1%	1.77	2.13
Middlesex	354	74	20.9%	653	144	22.1%	12,233	1,132	9.3%	2.26	2.38
Nantucket	1	-	0.0%	4	1	25.0%	197	21	10.7%	-	2.35
Norfolk	336	83	24.7%	154	26	16.9%	6,343	619	9.8%	2.53	1.73
Plymouth	386	96	24.9%	187	47	25.1%	6,266	825	13.2%	1.89	1.91
Suffolk	905	216	23.9%	633	127	20.1%	3,295	378	11.5%	2.08	1.75
Worcester	222	57	25.7%	418	93	22.2%	8,132	1,170	14.4%	1.78	1.55
Massachusetts	2,933	758	25.8%	3,558	897	25.2%	60,393	7,263	12.0%	2.15	2.10

TABLE 31
Black, Latino, & White Borrowers' Shares of All Loans
In the Fourteen Counties of Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-HAL Loans	High-APR Loans	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs
A. HOME-PURCHASE LOANS												
Barnstable	2,007	1,812	195	1.1%	1.2%	0.5%	2.5%	1.8%	8.7%	86.2%	86.8%	81.0%
Berkshire	1,226	1,114	112	1.6%	1.6%	1.8%	2.7%	2.9%	0.9%	89.9%	90.2%	86.6%
Bristol	4,622	4,222	400	2.8%	2.6%	4.8%	2.4%	2.3%	4.0%	86.0%	86.7%	79.3%
Dukes	68	55	13	4.4%	3.6%	7.7%	7.4%	3.6%	23.1%	77.9%	80.0%	69.2%
Essex	6,937	6,350	587	1.9%	1.6%	6.1%	9.0%	7.7%	23.2%	77.5%	79.1%	59.8%
Franklin	639	597	42	0.6%	0.3%	4.8%	1.3%	1.3%	0.0%	91.1%	91.3%	88.1%
Hampden	4,583	3,999	584	6.0%	4.9%	14.2%	12.8%	11.6%	21.1%	72.8%	75.5%	54.3%
Hampshire	1,399	1,335	64	1.3%	1.3%	0.0%	2.1%	2.1%	3.1%	87.8%	87.9%	85.9%
Middlesex	15,402	14,546	856	2.4%	2.1%	7.1%	3.9%	3.3%	13.8%	72.5%	73.3%	60.4%
Nantucket	110	101	9	4.5%	5.0%	0.0%	6.4%	5.9%	11.1%	80.9%	81.2%	77.8%
Norfolk	7,043	6,703	340	4.3%	3.6%	17.4%	2.5%	2.4%	5.6%	72.4%	73.0%	59.7%
Plymouth	4,739	4,244	495	6.6%	5.5%	15.8%	2.8%	2.7%	4.4%	80.7%	82.4%	66.5%
Suffolk	6,451	5,806	645	10.9%	8.9%	28.2%	8.7%	7.4%	20.8%	63.0%	65.9%	36.9%
Worcester	7,728	6,987	741	2.9%	2.5%	6.5%	5.0%	4.5%	10.3%	79.8%	80.8%	70.2%
Massachusetts	62,973	57,869	5,085	4.0%	3.4%	11.2%	5.3%	4.6%	13.1%	75.9%	77.1%	62.1%
B. REFINANCE LOANS												
Barnstable	4,065	3,526	539	1.3%	1.1%	2.0%	2.0%	1.5%	5.2%	84.5%	86.0%	74.6%
Berkshire	1,659	1,427	232	0.6%	0.4%	2.2%	1.4%	1.3%	2.2%	88.3%	91.5%	69.0%
Bristol	6,872	5,739	1,133	2.1%	1.9%	3.1%	2.6%	2.3%	4.1%	82.5%	84.8%	70.9%
Dukes	347	284	63	2.0%	1.8%	3.2%	2.9%	1.1%	11.1%	78.4%	82.4%	60.3%
Essex	9,532	8,319	1,213	1.4%	1.1%	3.6%	8.2%	6.9%	16.5%	78.7%	81.0%	63.1%
Franklin	783	635	148	0.5%	0.6%	0.0%	0.6%	0.3%	2.0%	85.3%	88.2%	73.0%
Hampden	5,339	4,044	1,295	6.8%	5.7%	10.2%	7.7%	6.1%	12.7%	70.3%	75.7%	53.6%
Hampshire	1,327	1,129	198	1.0%	0.9%	1.5%	1.4%	1.2%	2.5%	85.5%	87.3%	74.7%
Middlesex	16,014	14,329	1,685	2.2%	2.0%	4.4%	4.1%	3.6%	8.5%	76.4%	77.5%	67.2%
Nantucket	230	196	34	0.4%	0.5%	0.0%	1.7%	1.5%	2.9%	85.7%	89.8%	61.8%
Norfolk	8,182	7,273	909	4.1%	3.5%	9.1%	1.9%	1.8%	2.9%	77.5%	78.7%	68.1%
Plymouth	7,847	6,629	1,218	4.9%	4.4%	7.9%	2.4%	2.1%	3.9%	79.9%	82.1%	67.7%
Suffolk	5,937	5,026	911	15.2%	13.7%	23.7%	10.7%	10.1%	13.9%	55.5%	58.0%	41.5%
Worcester	10,150	8,523	1,627	2.2%	1.9%	3.5%	4.1%	3.8%	5.7%	80.1%	81.7%	71.9%
Massachusetts	78,322	67,117	11,205	3.7%	3.2%	6.8%	4.5%	4.0%	8.0%	77.1%	79.2%	64.8%

Note: See Table 30 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE 32
High-APR Loans (HALs) to Borrowers at Different Income Levels#
In the Fourteen Counties of Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans					Refinance Loans				
	Low/Mod Income		Mid/High Income		Ratio: LMI%/ MHI%	Low/Mod Income		Mid/High Income		Ratio: LMI%/ MHI%
	Number HALs	% HALs	Number HALs	% HALs		Number HALs	% HALs	Number HALs	% HALs	
Barnstable	25	5.7%	98	9.0%	0.63	88	9.8%	323	14.5%	0.68
Berkshire	45	11.2%	54	8.4%	1.32	102	17.6%	104	12.1%	1.45
Bristol	87	7.7%	256	8.7%	0.89	295	16.0%	698	17.0%	0.94
Dukes	0	0.0%	3	12.5%	0.00	5	13.9%	29	18.8%	0.74
Essex	171	8.7%	305	8.1%	1.07	329	13.0%	679	12.9%	1.01
Franklin	11	6.1%	22	5.6%	1.09	60	21.7%	79	18.7%	1.16
Hampden	233	14.7%	298	11.6%	1.27	469	27.8%	734	23.6%	1.18
Hampshire	9	3.1%	37	4.3%	0.73	52	16.5%	119	14.7%	1.12
Middlesex	201	6.5%	429	4.9%	1.33	363	10.8%	992	10.8%	1.00
Nantucket	0	0.0%	0	0.0%	na	5	25.0%	5	6.3%	4.00
Norfolk	49	3.6%	199	5.0%	0.72	192	11.6%	542	11.5%	1.01
Plymouth	151	11.5%	257	9.8%	1.17	332	15.2%	718	16.0%	0.95
Suffolk	77	5.0%	403	11.4%	0.44	210	14.5%	534	16.2%	0.89
Worcester	229	10.1%	407	9.2%	1.09	493	16.5%	963	16.3%	1.01
Massachusetts	1,288	8.3%	2,768	7.8%	1.06	2,995	15.1%	6,519	14.6%	1.03

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the relevant metro area. "Highest-income" borrowers (those with incomes more than double the MFI in the metro area) are excluded from this table. For more information, see footnote to Table 30 or "Notes on Data & Methods."

TABLE 33
Denial Rates and Ratios, by Race/Ethnicity
In the Fourteen Counties of Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2007

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. PRIME LENDERS*											
Note: Numbers of Denials are in hidden columns											
Barnstable	25	37	69	2,156	36.0%	10.8%	20.3%	8.8%	4.09	1.23	2.30
Berkshire	19	30	52	1,419	0.0%	16.7%	19.2%	10.1%	0.00	1.65	1.91
Bristol	139	168	190	5,266	11.5%	17.9%	23.2%	11.3%	1.02	1.58	2.05
Dukes	1	2	7	76	100.0%	0.0%	42.9%	17.1%	5.85	0.00	2.51
Essex	277	210	908	6,838	10.1%	21.4%	21.7%	8.0%	1.27	2.69	2.73
Franklin	13	5	12	737	15.4%	20.0%	0.0%	8.5%	1.80	2.34	0.00
Hampden	122	394	861	4,320	15.6%	20.8%	19.3%	8.7%	1.80	2.40	2.23
Hampshire	62	21	47	1,551	16.1%	9.5%	19.1%	6.6%	2.43	1.43	2.88
Middlesex	1,894	538	842	13,871	7.8%	21.4%	20.0%	6.6%	1.19	3.25	3.04
Nantucket	0	8	8	126	na	37.5%	12.5%	16.7%	na	2.25	0.75
Norfolk	902	449	258	6,318	6.9%	22.9%	18.2%	6.9%	1.00	3.34	2.65
Plymouth	75	520	198	4,854	5.3%	28.8%	16.7%	9.2%	0.58	3.13	1.81
Suffolk	477	1,137	821	5,188	11.7%	26.5%	25.6%	8.8%	1.34	3.01	2.91
Worcester	423	323	560	7,807	10.6%	23.2%	18.0%	9.8%	1.09	2.38	1.85
Massachusetts	4,429	3,843	4,838	60,603	9.1%	23.8%	20.8%	8.4%	1.08	2.84	2.48
B. SUBPRIME LENDERS*											
Barnstable	2	4	42	166	50.0%	50.0%	42.9%	30.1%	1.66	1.66	1.42
Berkshire	0	4	3	70	na	75.0%	100.0%	41.4%	na	1.81	2.41
Bristol	6	35	25	425	50.0%	40.0%	60.0%	38.4%	1.30	1.04	1.56
Dukes	0	1	7	19	na	0.0%	71.4%	42.1%	na	0.00	1.70
Essex	28	73	288	471	53.6%	47.9%	52.8%	41.0%	1.31	1.17	1.29
Franklin	1	0	0	31	0.0%	na	na	48.4%	0.00	na	na
Hampden	17	147	164	330	47.1%	44.9%	50.6%	37.6%	1.25	1.19	1.35
Hampshire	1	1	0	53	100.0%	0.0%	na	37.7%	2.65	0.00	na
Middlesex	104	139	248	835	39.4%	43.9%	53.6%	38.4%	1.03	1.14	1.40
Nantucket	0	1	1	10	na	0.0%	0.0%	20.0%	na	0.00	0.00
Norfolk	22	154	47	320	36.4%	49.4%	61.7%	34.1%	1.07	1.45	1.81
Plymouth	3	180	41	445	33.3%	52.2%	48.8%	39.8%	0.84	1.31	1.23
Suffolk	32	470	377	412	50.0%	54.9%	54.6%	40.5%	1.23	1.35	1.35
Worcester	32	83	152	643	43.8%	49.4%	50.7%	39.3%	1.11	1.26	1.29
Massachusetts	248	1,292	1,395	4,230	43.5%	50.3%	53.1%	38.6%	1.13	1.30	1.38

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans (HALs), or if more than 40% of its loans in 2006 and more than 25% of its loans in 2007 were HALs. Every other lender was classified as a "Prime Lender."

TABLE 34
Shares of Total Loans by Major Types of Lenders*
In the Fourteen Counties of Massachusetts
First-Lien Mortgage Loans for Owner-Occupied Homes, 2007

	All Loans (HomePur + Refi)				High-APR Loans (HomePur + Refi)			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Barnstable	6,072	38.7%	27.8%	33.5%	734	7.2%	44.8%	48.0%
Berkshire	2,885	41.8%	14.8%	43.4%	344	4.9%	48.8%	46.2%
Bristol	11,494	33.7%	31.4%	34.9%	1,533	7.3%	49.9%	42.8%
Dukes	415	18.8%	31.3%	49.9%	76	0.0%	47.4%	52.6%
Essex	16,469	26.6%	35.2%	38.2%	1,800	5.4%	46.7%	47.8%
Franklin	1,422	41.4%	26.0%	32.6%	190	4.2%	62.6%	33.2%
Hampden	9,922	37.9%	33.4%	28.8%	1,879	6.8%	56.6%	36.7%
Hampshire	2,726	53.6%	24.2%	22.1%	262	6.1%	56.5%	37.4%
Middlesex	31,416	25.6%	36.0%	38.5%	2,541	4.6%	45.8%	49.7%
Nantucket	340	50.6%	17.6%	31.8%	43	4.7%	39.5%	55.8%
Norfolk	15,225	27.5%	36.6%	35.9%	1,249	4.1%	48.2%	47.7%
Plymouth	12,586	27.4%	35.0%	37.6%	1,713	5.6%	48.5%	45.9%
Suffolk	12,388	25.8%	33.1%	41.0%	1,556	3.6%	45.1%	51.3%
Worcester	17,878	26.8%	34.0%	39.2%	2,368	5.4%	48.6%	46.0%
Massachusetts	141,295	29.4%	33.7%	36.9%	16,290	5.4%	48.7%	45.9%

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

"Licensed Mortgage Lenders": require a state license to make mortgage loans in Mass.; mostly independent mortgage companies.

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight/regulation. Other lenders are are, essentially, exempt from such oversight/regulation.

TABLE 35
High-APR Loans and Loan Percentages by Major Lender Type
In the Fourteen Counties of Massachusetts
First Lien Mortgage Loans (Home-Purchase + Refinance) for Owner-Occupied Homes, 2007

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
Barnstable	2,348	53	2.3%	1,689	329	19.5%	2,035	352	17.3%
Berkshire	1,205	17	1.4%	428	168	39.3%	1,252	159	12.7%
Bristol	3,878	112	2.9%	3,607	765	21.2%	4,009	656	16.4%
Dukes	78	0	0.0%	130	36	27.7%	207	40	19.3%
Essex	4,388	98	2.2%	5,796	841	14.5%	6,285	861	13.7%
Franklin	588	8	1.4%	370	119	32.2%	464	63	13.6%
Hampden	3,760	127	3.4%	3,309	1,063	32.1%	2,853	689	24.2%
Hampshire	1,462	16	1.1%	661	148	22.4%	603	98	16.3%
Middlesex	8,036	116	1.4%	11,299	1,163	10.3%	12,081	1,262	10.4%
Nantucket	172	2	1.2%	60	17	28.3%	108	24	22.2%
Norfolk	4,181	51	1.2%	5,579	602	10.8%	5,465	596	10.9%
Plymouth	3,449	96	2.8%	4,399	830	18.9%	4,738	787	16.6%
Suffolk	3,201	56	1.7%	4,102	702	17.1%	5,085	798	15.7%
Worcester	4,792	128	2.7%	6,084	1,150	18.9%	7,002	1,090	15.6%
Massachusetts	41,538	880	2.1%	47,563	7,935	16.7%	52,194	7,475	14.3%

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

"Licensed Mortgage Lenders": require a state license to make mortgage loans in Mass.; mostly independent mortgage companies.

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight/regulation. Other lenders are are, essentially, exempt from such oversight/regulation.

TABLE 36
High-APR Loans (HALs) in the 33 Biggest Cities & Towns in Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans			Refinance Loans			% Black Households	% Latino Households	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
Arlington	490	16	3.3%	390	27	6.9%	1.6%	1.3%	\$78,741
Attleboro	451	45	10.0%	536	103	19.2%	1.6%	3.1%	\$59,112
Barnstable	424	51	12.0%	832	109	13.1%	2.4%	1.1%	\$54,026
Boston	5,718	545	9.5%	4,882	735	15.1%	21.4%	10.8%	\$44,151
Brockton	831	165	19.9%	1,281	344	26.9%	16.9%	6.4%	\$46,235
Brookline	697	13	1.9%	484	28	5.8%	2.4%	2.8%	\$92,993
Cambridge	1,098	17	1.5%	468	25	5.3%	10.5%	5.2%	\$59,423
Chicopee	558	48	8.6%	592	150	25.3%	1.7%	6.1%	\$44,136
Fall River	530	53	10.0%	656	120	18.3%	2.1%	2.3%	\$37,671
Framingham	555	43	7.7%	660	84	12.7%	4.2%	7.8%	\$67,420
Haverhill	680	74	10.9%	825	139	16.8%	1.8%	6.1%	\$59,772
Lawrence	357	70	19.6%	592	154	26.0%	2.0%	50.6%	\$31,809
Leominster	359	42	11.7%	460	81	17.6%	3.1%	8.7%	\$54,660
Lowell	983	133	13.5%	949	182	19.2%	3.4%	11.4%	\$45,901
Lynn	604	117	19.4%	1,012	204	20.2%	9.0%	13.2%	\$45,295
Malden	454	53	11.7%	559	90	16.1%	7.4%	3.6%	\$55,557
Medford	522	41	7.9%	574	74	12.9%	5.4%	1.7%	\$62,409
Methuen	452	51	11.3%	661	88	13.3%	0.8%	7.1%	\$59,831
New Bedford	577	70	12.1%	953	219	23.0%	4.5%	7.4%	\$35,708
Newton	880	23	2.6%	855	52	6.1%	1.4%	1.6%	\$105,289
Peabody	420	41	9.8%	673	90	13.4%	0.8%	2.6%	\$65,483
Pittsfield	491	50	10.2%	527	74	14.0%	3.1%	1.3%	\$46,228
Plymouth	621	58	9.3%	1,014	162	16.0%	1.1%	0.6%	\$63,266
Quincy	885	45	5.1%	840	91	10.8%	2.2%	1.6%	\$59,735
Revere	381	59	15.5%	636	106	16.7%	2.6%	6.3%	\$45,865
Salem	448	32	7.1%	496	61	12.3%	2.1%	7.4%	\$55,635
Somerville	555	30	5.4%	556	59	10.6%	5.4%	5.7%	\$51,243
Springfield	1,493	329	22.0%	1,691	583	34.5%	19.4%	21.8%	\$36,285
Taunton	518	57	11.0%	757	157	20.7%	2.4%	3.0%	\$52,433
Waltham	622	19	3.1%	509	41	8.1%	3.6%	5.9%	\$64,595
Westfield	362	31	8.6%	464	110	23.7%	0.7%	3.7%	\$55,327
Weymouth	514	29	5.6%	747	109	14.6%	1.5%	1.1%	\$64,083
Worcester	1,439	183	12.7%	1,694	362	21.4%	5.9%	11.8%	\$42,988

TABLE 37
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2007

	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/	Latino/
										White	White
Arlington	3	0	0.0%	9	1	11.1%	367	11	3.0%	0.00	3.71
Attleboro	21	5	23.8%	14	0	0.0%	368	32	8.7%	2.74	0.00
Barnstable	7	0	0.0%	24	11	45.8%	353	34	9.6%	0.00	4.76
Boston	674	180	26.7%	384	96	25.0%	3,622	189	5.2%	5.12	4.79
Brockton	263	67	25.5%	83	15	18.1%	378	54	14.3%	1.78	1.27
Brookline	4	0	0.0%	16	2	12.5%	458	8	1.7%	0.00	7.16
Cambridge	63	1	1.6%	32	1	3.1%	738	8	1.1%	1.46	2.88
Chicopee	13	2	15.4%	41	7	17.1%	474	39	8.2%	1.87	2.08
Fall River	21	0	0.0%	14	2	14.3%	452	45	10.0%	0.00	1.43
Framingham	14	1	7.1%	50	11	22.0%	412	27	6.6%	1.09	3.36
Haverhill	16	3	18.8%	61	16	26.2%	549	52	9.5%	1.98	2.77
Lawrence	7	2	28.6%	244	50	20.5%	69	13	18.8%	1.52	1.09
Leominster	11	0	0.0%	25	7	28.0%	299	28	9.4%	0.00	2.99
Lowell	63	20	31.7%	75	19	25.3%	588	56	9.5%	3.33	2.66
Lynn	59	20	33.9%	135	37	27.4%	332	45	13.6%	2.50	2.02
Malden	40	10	25.0%	57	14	24.6%	214	19	8.9%	2.82	2.77
Medford	21	4	19.0%	19	6	31.6%	376	24	6.4%	2.98	4.95
Methuen	11	3	27.3%	51	13	25.5%	331	30	9.1%	3.01	2.81
New Bedford	25	3	12.0%	32	9	28.1%	474	51	10.8%	1.12	2.61
Newton	17	2	11.8%	19	0	0.0%	595	15	2.5%	4.67	0.00
Peabody	8	4	50.0%	19	7	36.8%	359	27	7.5%	6.65	4.90
Pittsfield	15	2	13.3%	15	1	6.7%	428	41	9.6%	1.39	0.70
Plymouth	4	1	25.0%	8	4	50.0%	552	47	8.5%	2.94	5.87
Quincy	34	0	0.0%	25	3	12.0%	501	31	6.2%	0.00	1.94
Revere	15	0	0.0%	106	27	25.5%	207	25	12.1%	0.00	2.11
Salem	10	1	10.0%	26	7	26.9%	363	21	5.8%	1.73	4.65
Somerville	18	3	16.7%	35	8	22.9%	404	16	4.0%	4.21	5.77
Springfield	239	78	32.6%	423	101	23.9%	671	112	16.7%	1.96	1.43
Taunton	21	4	19.0%	13	0	0.0%	449	47	10.5%	1.82	0.00
Waltham	19	1	5.3%	22	2	9.1%	470	12	2.6%	2.06	3.56
Westfield	2	0	0.0%	10	0	0.0%	319	28	8.8%	0.00	0.00
Weymouth	8	2	25.0%	9	0	0.0%	416	15	3.6%	6.93	0.00
Worcester	133	34	25.6%	149	22	14.8%	936	95	10.1%	2.52	1.45

TABLE 38
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2007

	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
Arlington	9	2	22.2%	2	0	0.0%	313	20	6.4%	3.48	0.00
Attleboro	17	4	23.5%	9	3	33.3%	418	64	15.3%	1.54	2.18
Barnstable	17	2	11.8%	43	18	41.9%	670	74	11.0%	1.07	3.79
Boston	886	212	23.9%	399	81	20.3%	2,623	277	10.6%	2.27	1.92
Brockton	310	80	25.8%	105	33	31.4%	638	147	23.0%	1.12	1.36
Brookline	9	3	33.3%	10	1	10.0%	362	20	5.5%	6.03	1.81
Cambridge	23	3	13.0%	10	1	10.0%	323	12	3.7%	3.51	2.69
Chicopee	8	2	25.0%	34	14	41.2%	469	104	22.2%	1.13	1.86
Fall River	9	3	33.3%	24	6	25.0%	548	92	16.8%	1.99	1.49
Framingham	17	3	17.6%	73	15	20.5%	460	52	11.3%	1.56	1.82
Haverhill	12	2	16.7%	81	26	32.1%	634	89	14.0%	1.19	2.29
Lawrence	20	7	35.0%	321	95	29.6%	177	34	19.2%	1.82	1.54
Leominster	12	2	16.7%	33	8	24.2%	337	53	15.7%	1.06	1.54
Lowell	47	9	19.1%	77	19	24.7%	587	101	17.2%	1.11	1.43
Lynn	72	26	36.1%	195	50	25.6%	568	91	16.0%	2.25	1.60
Malden	51	8	15.7%	69	18	26.1%	332	42	12.7%	1.24	2.06
Medford	33	7	21.2%	44	8	18.2%	408	35	8.6%	2.47	2.12
Methuen	13	2	15.4%	67	6	9.0%	506	67	13.2%	1.16	0.68
New Bedford	54	12	22.2%	62	15	24.2%	723	145	20.1%	1.11	1.21
Newton	13	1	7.7%	13	1	7.7%	642	40	6.2%	1.23	1.23
Peabody	3	1	33.3%	24	6	25.0%	569	65	11.4%	2.92	2.19
Pittsfield	5	4	80.0%	14	1	7.1%	461	52	11.3%	7.09	0.63
Plymouth	8	2	25.0%	15	3	20.0%	870	127	14.6%	1.71	1.37
Quincy	15	5	33.3%	24	6	25.0%	592	56	9.5%	3.52	2.64
Revere	9	2	22.2%	133	24	18.0%	417	64	15.3%	1.45	1.18
Salem	1	1	100.0%	27	10	37.0%	408	40	9.8%	10.20	3.78
Somerville	22	5	22.7%	49	16	32.7%	395	32	8.1%	2.81	4.03
Springfield	323	121	37.5%	285	119	41.8%	746	199	26.7%	1.40	1.57
Taunton	24	5	20.8%	24	10	41.7%	610	116	19.0%	1.10	2.19
Waltham	14	4	28.6%	25	5	20.0%	375	22	5.9%	4.87	3.41
Westfield	2	0	0.0%	11	4	36.4%	381	75	19.7%	0.00	1.85
Weymouth	9	2	22.2%	11	2	18.2%	634	86	13.6%	1.64	1.34
Worcester	128	39	30.5%	154	35	22.7%	1,150	217	18.9%	1.61	1.20

TABLE 39
Black, Latino, & White Borrowers' Shares of All Loans
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2007

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-HAL Loans	High-APR Loans	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs
Arlington	490	474	16	0.6%	0.6%	0.0%	1.8%	1.7%	6.3%	74.9%	75.1%	68.8%
Attleboro	451	406	45	4.7%	3.9%	11.1%	3.1%	3.4%	0.0%	81.6%	82.8%	71.1%
Barnstable	424	373	51	1.7%	1.9%	0.0%	5.7%	3.5%	21.6%	83.3%	85.5%	66.7%
Boston	5,718	5,173	545	11.8%	9.5%	33.0%	6.7%	5.6%	17.6%	63.3%	66.4%	34.7%
Brockton	831	666	165	31.6%	29.4%	40.6%	10.0%	10.2%	9.1%	45.5%	48.6%	32.7%
Brookline	697	684	13	0.6%	0.6%	0.0%	2.3%	2.0%	15.4%	65.7%	65.8%	61.5%
Cambridge	1,098	1,081	17	5.7%	5.7%	5.9%	2.9%	2.9%	5.9%	67.2%	67.5%	47.1%
Chicopee	558	510	48	2.3%	2.2%	4.2%	7.3%	6.7%	14.6%	84.9%	85.3%	81.3%
Fall River	530	477	53	4.0%	4.4%	0.0%	2.6%	2.5%	3.8%	85.3%	85.3%	84.9%
Framingham	555	512	43	2.5%	2.5%	2.3%	9.0%	7.6%	25.6%	74.2%	75.2%	62.8%
Haverhill	680	606	74	2.4%	2.1%	4.1%	9.0%	7.4%	21.6%	80.7%	82.0%	70.3%
Lawrence	357	287	70	2.0%	1.7%	2.9%	68.3%	67.6%	71.4%	19.3%	19.5%	18.6%
Leominster	359	317	42	3.1%	3.5%	0.0%	7.0%	5.7%	16.7%	83.3%	85.5%	66.7%
Lowell	983	850	133	6.4%	5.1%	15.0%	7.6%	6.6%	14.3%	59.8%	62.6%	42.1%
Lynn	604	487	117	9.8%	8.0%	17.1%	22.4%	20.1%	31.6%	55.0%	58.9%	38.5%
Malden	454	401	53	8.8%	7.5%	18.9%	12.6%	10.7%	26.4%	47.1%	48.6%	35.8%
Medford	522	481	41	4.0%	3.5%	9.8%	3.6%	2.7%	14.6%	72.0%	73.2%	58.5%
Methuen	452	401	51	2.4%	2.0%	5.9%	11.3%	9.5%	25.5%	73.2%	75.1%	58.8%
New Bedford	577	507	70	4.3%	4.3%	4.3%	5.5%	4.5%	12.9%	82.1%	83.4%	72.9%
Newton	880	857	23	1.9%	1.8%	8.7%	2.2%	2.2%	0.0%	67.6%	67.7%	65.2%
Peabody	420	379	41	1.9%	1.1%	9.8%	4.5%	3.2%	17.1%	85.5%	87.6%	65.9%
Pittsfield	491	441	50	3.1%	2.9%	4.0%	3.1%	3.2%	2.0%	87.2%	87.8%	82.0%
Plymouth	621	563	58	0.6%	0.5%	1.7%	1.3%	0.7%	6.9%	88.9%	89.7%	81.0%
Quincy	885	840	45	3.8%	4.0%	0.0%	2.8%	2.6%	6.7%	56.6%	56.0%	68.9%
Revere	381	322	59	3.9%	4.7%	0.0%	27.8%	24.5%	45.8%	54.3%	56.5%	42.4%
Salem	448	416	32	2.2%	2.2%	3.1%	5.8%	4.6%	21.9%	81.0%	82.2%	65.6%
Somerville	555	525	30	3.2%	2.9%	10.0%	6.3%	5.1%	26.7%	72.8%	73.9%	53.3%
Springfield	1,493	1,164	329	16.0%	13.8%	23.7%	28.3%	27.7%	30.7%	44.9%	48.0%	34.0%
Taunton	518	461	57	4.1%	3.7%	7.0%	2.5%	2.8%	0.0%	86.7%	87.2%	82.5%
Waltham	622	603	19	3.1%	3.0%	5.3%	3.5%	3.3%	10.5%	75.6%	76.0%	63.2%
Westfield	362	331	31	0.6%	0.6%	0.0%	2.8%	3.0%	0.0%	88.1%	87.9%	90.3%
Weymouth	514	485	29	1.6%	1.2%	6.9%	1.8%	1.9%	0.0%	80.9%	82.7%	51.7%
Worcester	1,439	1,256	183	9.2%	7.9%	18.6%	10.4%	10.1%	12.0%	65.0%	67.0%	51.9%

Note: See Table 37 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE 40
Black, Latino, & White Borrowers' Shares of All Loans
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2007

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-HAL Loans	High-APR Loans	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs
Arlington	390	363	27	2.3%	1.9%	7.4%	0.5%	0.6%	0.0%	80.3%	80.7%	74.1%
Attleboro	536	433	103	3.2%	3.0%	3.9%	1.7%	1.4%	2.9%	78.0%	81.8%	62.1%
Barnstable	832	723	109	2.0%	2.1%	1.8%	5.2%	3.5%	16.5%	80.5%	82.4%	67.9%
Boston	4,882	4,147	735	18.1%	16.3%	28.8%	8.2%	7.7%	11.0%	53.7%	56.6%	37.7%
Brockton	1,281	937	344	24.2%	24.5%	23.3%	8.2%	7.7%	9.6%	49.8%	52.4%	42.7%
Brookline	484	456	28	1.9%	1.3%	10.7%	2.1%	2.0%	3.6%	74.8%	75.0%	71.4%
Cambridge	468	443	25	4.9%	4.5%	12.0%	2.1%	2.0%	4.0%	69.0%	70.2%	48.0%
Chicopee	592	442	150	1.4%	1.4%	1.3%	5.7%	4.5%	9.3%	79.2%	82.6%	69.3%
Fall River	656	536	120	1.4%	1.1%	2.5%	3.7%	3.4%	5.0%	83.5%	85.1%	76.7%
Framingham	660	576	84	2.6%	2.4%	3.6%	11.1%	10.1%	17.9%	69.7%	70.8%	61.9%
Haverhill	825	686	139	1.5%	1.5%	1.4%	9.8%	8.0%	18.7%	76.8%	79.4%	64.0%
Lawrence	592	438	154	3.4%	3.0%	4.5%	54.2%	51.6%	61.7%	29.9%	32.6%	22.1%
Leominster	460	379	81	2.6%	2.6%	2.5%	7.2%	6.6%	9.9%	73.3%	74.9%	65.4%
Lowell	949	767	182	5.0%	5.0%	4.9%	8.1%	7.6%	10.4%	61.9%	63.4%	55.5%
Lynn	1,012	808	204	7.1%	5.7%	12.7%	19.3%	17.9%	24.5%	56.1%	59.0%	44.6%
Malden	559	469	90	9.1%	9.2%	8.9%	12.3%	10.9%	20.0%	59.4%	61.8%	46.7%
Medford	574	500	74	5.7%	5.2%	9.5%	7.7%	7.2%	10.8%	71.1%	74.6%	47.3%
Methuen	661	573	88	2.0%	1.9%	2.3%	10.1%	10.6%	6.8%	76.6%	76.6%	76.1%
New Bedford	953	734	219	5.7%	5.7%	5.5%	6.5%	6.4%	6.8%	75.9%	78.7%	66.2%
Newton	855	803	52	1.5%	1.5%	1.9%	1.5%	1.5%	1.9%	75.1%	75.0%	76.9%
Peabody	673	583	90	0.4%	0.3%	1.1%	3.6%	3.1%	6.7%	84.5%	86.4%	72.2%
Pittsfield	527	453	74	0.9%	0.2%	5.4%	2.7%	2.9%	1.4%	87.5%	90.3%	70.3%
Plymouth	1,014	852	162	0.8%	0.7%	1.2%	1.5%	1.4%	1.9%	85.8%	87.2%	78.4%
Quincy	840	749	91	1.8%	1.3%	5.5%	2.9%	2.4%	6.6%	70.5%	71.6%	61.5%
Revere	636	530	106	1.4%	1.3%	1.9%	20.9%	20.6%	22.6%	65.6%	66.6%	60.4%
Salem	496	435	61	0.2%	0.0%	1.6%	5.4%	3.9%	16.4%	82.3%	84.6%	65.6%
Somerville	556	497	59	4.0%	3.4%	8.5%	8.8%	6.6%	27.1%	71.0%	73.0%	54.2%
Springfield	1,691	1,108	583	19.1%	18.2%	20.8%	16.9%	15.0%	20.4%	44.1%	49.4%	34.1%
Taunton	757	600	157	3.2%	3.2%	3.2%	3.2%	2.3%	6.4%	80.6%	82.3%	73.9%
Waltham	509	468	41	2.8%	2.1%	9.8%	4.9%	4.3%	12.2%	73.7%	75.4%	53.7%
Westfield	464	354	110	0.4%	0.6%	0.0%	2.4%	2.0%	3.6%	82.1%	86.4%	68.2%
Weymouth	747	638	109	1.2%	1.1%	1.8%	1.5%	1.4%	1.8%	84.9%	85.9%	78.9%
Worcester	1,694	1,332	362	7.6%	6.7%	10.8%	9.1%	8.9%	9.7%	67.9%	70.0%	59.9%

Note: See Table 38 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE 4I
High-APR Loans (HALs) to Borrowers at Different Income Levels
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2007

	Home-Purchase Loans							Refinance Loans					
	Low/Mod Income			Mid/High Income		Ratio:	LMI	Low/Mod Income			Mid/High Income		Ratio:
	Number	%	All	Number	%	LMI%/	All	Number	%	All	Number	%	LMI%/
	HALs	HALs	Loans	HALs	HALs	MHI%	Loans	HALs	HALs	Loans	HALs	HALs	MHI%
Arlington	2	4.3%	337	6	1.8%	2.44	52	3	5.8%	238	19	8.0%	0.72
Attleboro	10	10.3%	287	28	9.8%	1.06	126	29	23.0%	293	62	21.2%	1.09
Barnstable	5	6.3%	210	29	13.8%	0.46	183	11	6.0%	385	70	18.2%	0.33
Boston	65	5.1%	2,792	338	12.1%	0.42	1,142	175	15.3%	2,260	418	18.5%	0.83
Brockton	60	14.3%	285	85	29.8%	0.48	525	111	21.1%	460	202	43.9%	0.48
Brookline	2	2.2%	304	6	2.0%	1.14	47	2	4.3%	198	8	4.0%	1.05
Cambridge	1	0.5%	585	4	0.7%	0.69	69	3	4.3%	225	13	5.8%	0.75
Chicopee	21	8.9%	279	20	7.2%	1.24	211	61	28.9%	267	83	31.1%	0.93
Fall River	20	10.1%	286	30	10.5%	0.96	249	40	16.1%	269	69	25.7%	0.63
Framingham	10	8.4%	339	28	8.3%	1.02	152	19	12.5%	352	50	14.2%	0.88
Haverhill	32	11.9%	334	33	9.9%	1.20	276	42	15.2%	400	81	20.3%	0.75
Lawrence	33	14.7%	86	28	32.6%	0.45	294	59	20.1%	166	79	47.6%	0.42
Leominster	18	12.9%	181	22	12.2%	1.06	144	21	14.6%	224	53	23.7%	0.62
Lowell	68	13.0%	367	52	14.2%	0.92	402	76	18.9%	369	88	23.8%	0.79
Lynn	39	13.7%	228	66	28.9%	0.47	395	66	16.7%	414	111	26.8%	0.62
Malden	5	3.6%	242	38	15.7%	0.23	153	10	6.5%	272	67	24.6%	0.27
Medford	5	4.7%	321	24	7.5%	0.63	150	11	7.3%	295	51	17.3%	0.42
Methuen	19	11.4%	227	27	11.9%	0.96	217	24	11.1%	320	51	15.9%	0.69
New Bedford	21	8.3%	261	42	16.1%	0.52	365	80	21.9%	383	123	32.1%	0.68
Newton	1	1.6%	343	4	1.2%	1.38	73	4	5.5%	333	19	5.7%	0.96
Peabody	11	9.1%	237	24	10.1%	0.90	188	18	9.6%	350	56	16.0%	0.60
Pittsfield	20	11.2%	235	25	10.6%	1.06	208	33	15.9%	233	39	16.7%	0.95
Plymouth	13	7.6%	319	31	9.7%	0.78	283	44	15.5%	499	92	18.4%	0.84
Quincy	8	2.7%	479	21	4.4%	0.62	214	22	10.3%	454	53	11.7%	0.88
Revere	7	5.7%	185	39	21.1%	0.27	187	20	10.7%	303	68	22.4%	0.48
Salem	11	7.7%	251	16	6.4%	1.21	143	11	7.7%	249	37	14.9%	0.52
Somerville	4	3.7%	330	14	4.2%	0.87	130	15	11.5%	302	33	10.9%	1.06
Springfield	150	20.3%	546	163	29.9%	0.68	745	260	34.9%	563	294	52.2%	0.67
Taunton	12	8.6%	309	40	12.9%	0.66	203	41	20.2%	384	103	26.8%	0.75
Waltham	0	0.0%	403	13	3.2%	0.00	86	7	8.1%	310	20	6.5%	1.26
Westfield	10	9.8%	198	12	6.1%	1.62	94	31	33.0%	235	70	29.8%	1.11
Weymouth	9	5.5%	301	16	5.3%	1.04	219	26	11.9%	380	70	18.4%	0.64
Worcester	66	11.1%	648	98	15.1%	0.74	608	118	19.4%	713	209	29.3%	0.66

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the relevant metro area. "Highest-income" borrowers (those with incomes more than double the MFI in the metro area) are excluded from this table. For more information, see footnote to Table 4 or "Notes on Data & Methods."

TABLE 42
Denial Rates and Ratios, by Race/Ethnicity
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE Loans for Owner-Occupied Homes, PRIME LENDERS*, 2007

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
Arlington	51	4	10	447	6%	25%	0%	4%	1.31	5.59	0.00
Attleboro	27	24	20	459	15%	25%	10%	9%	1.66	2.80	1.12
Barnstable	5	14	39	429	40%	0%	26%	10%	3.81	0.00	2.44
Boston	437	1,088	569	4,609	11%	27%	26%	9%	1.34	3.14	3.01
Brockton	22	452	122	499	5%	31%	19%	11%	0.41	2.81	1.71
Brookline	119	6	22	590	5%	17%	0%	8%	0.63	2.09	0.00
Cambridge	144	82	43	922	6%	11%	16%	7%	0.89	1.56	2.31
Chicopee	15	18	59	619	13%	11%	15%	10%	1.31	1.09	1.50
Fall River	19	32	25	614	11%	19%	36%	18%	0.59	1.06	2.03
Framingham	44	20	70	502	7%	15%	23%	8%	0.90	1.98	3.02
Haverhill	11	23	75	692	9%	22%	13%	8%	1.16	2.79	1.71
Lawrence	17	15	408	115	24%	33%	25%	11%	2.08	2.95	2.23
Leominster	12	19	37	364	17%	16%	14%	7%	2.25	2.13	1.82
Lowell	218	88	101	758	19%	25%	20%	9%	2.18	2.83	2.24
Lynn	41	96	200	419	15%	25%	28%	11%	1.30	2.23	2.45
Malden	134	57	85	284	7%	25%	20%	12%	0.61	1.99	1.62
Medford	64	38	30	499	8%	24%	33%	7%	1.05	3.19	4.50
Methuen	21	11	65	420	5%	27%	20%	10%	0.50	2.86	2.10
New Bedford	6	35	61	693	17%	23%	33%	17%	0.97	1.33	1.91
Newton	140	20	30	753	4%	15%	10%	6%	0.60	2.51	1.67
Peabody	9	8	14	452	0%	0%	0%	8%	0.00	0.00	0.00
Pittsfield	13	22	24	526	0%	18%	25%	9%	0.00	2.13	2.92
Plymouth	8	4	10	688	0%	0%	10%	9%	0.00	0.00	1.09
Quincy	332	46	27	626	10%	9%	4%	9%	1.13	0.99	0.42
Revere	27	24	155	288	15%	8%	25%	12%	1.22	0.69	2.07
Salem	21	19	31	476	19%	0%	16%	11%	1.78	0.00	1.51
Somerville	56	28	49	481	9%	32%	31%	7%	1.30	4.69	4.46
Springfield	52	336	620	854	21%	21%	20%	10%	2.13	2.12	1.99
Taunton	6	23	22	638	17%	13%	14%	13%	1.31	1.03	1.07
Waltham	52	26	35	580	12%	4%	14%	6%	1.81	0.60	2.24
Westfield	5	4	15	419	40%	50%	20%	9%	4.53	5.66	2.26
Weymouth	30	10	13	506	10%	20%	23%	8%	1.20	2.41	2.78
Worcester	107	194	236	1,280	17%	28%	23%	13%	1.28	2.12	1.74

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2007 were high-APR loans (HALs), or if over 40% of its loans in 2006 and over 25% of its loans in 2007 were HALs. Every other lender was classified as a "Prime Lender."

TABLE 43
Denial Rates and Ratios, by Race/Ethnicity
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE Loans for Owner-Occ Homes, SUBPRIME LENDERS*, 2007

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
Arlington	0	0	0	19	na	na	na	32%	na	na	na
Attleboro	3	6	1	44	67%	17%	100%	59%	1.13	0.28	1.69
Barnstable	0	3	27	44	na	67%	52%	32%	na	2.10	1.63
Boston	22	467	272	320	50%	55%	58%	43%	1.18	1.29	1.37
Brockton	2	173	28	83	50%	53%	36%	47%	1.06	1.12	0.76
Brookline	2	0	1	20	0%	na	0%	40%	0.00	na	0.00
Cambridge	5	2	1	29	60%	50%	0%	41%	1.45	1.21	0.00
Chicopee	0	1	7	37	na	0%	57%	32%	na	0.00	1.76
Fall River	1	4	1	69	0%	75%	0%	41%	0.00	1.85	0.00
Framingham	0	2	29	53	na	100%	55%	43%	na	2.30	1.27
Haverhill	2	4	19	44	0%	50%	32%	34%	0.00	1.47	0.93
Lawrence	2	6	114	21	100%	50%	50%	52%	1.91	0.95	0.95
Leominster	1	0	7	18	0%	na	57%	33%	0.00	na	1.71
Lowell	47	35	37	48	47%	43%	57%	35%	1.32	1.21	1.60
Lynn	13	46	84	60	31%	46%	62%	50%	0.62	0.91	1.24
Malden	11	22	23	44	27%	55%	48%	45%	0.60	1.20	1.05
Medford	3	14	11	60	33%	43%	45%	50%	0.67	0.86	0.91
Methuen	1	7	31	33	100%	57%	58%	45%	2.20	1.26	1.28
New Bedford	0	4	11	77	na	25%	55%	45%	na	0.55	1.20
Newton	8	5	2	38	25%	40%	50%	32%	0.79	1.27	1.58
Peabody	0	3	9	33	na	33%	22%	33%	na	1.00	0.67
Pittsfield	0	4	2	33	na	75%	100%	48%	na	1.55	2.06
Plymouth	0	0	2	68	na	na	50%	29%	na	na	1.70
Quincy	11	7	7	48	55%	57%	43%	27%	2.01	2.11	1.58
Revere	2	1	72	46	0%	100%	50%	39%	0.00	2.56	1.28
Salem	0	3	8	26	na	100%	38%	69%	na	1.44	0.54
Somerville	1	10	20	38	100%	60%	50%	32%	3.17	1.90	1.58
Springfield	11	139	131	118	45%	44%	51%	42%	1.09	1.06	1.23
Taunton	0	8	3	46	na	25%	100%	28%	na	0.88	3.54
Waltham	6	9	7	18	50%	78%	86%	50%	1.00	1.56	1.71
Westfield	0	0	4	38	na	na	75%	37%	na	na	2.04
Weymouth	0	2	0	32	na	0%	na	41%	na	0.00	na
Worcester	14	64	66	175	36%	53%	53%	48%	0.74	1.11	1.10

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2007 were high-APR loans (HALs), or if over 40% of its loans in 2006 and over 25% of its loans in 2007 were HALs. Every other lender was classified as a "Prime Lender."

APPENDIX TABLE I

**All Home-Purchase and Refinance Loans in Massachusetts, 2007, Classified by Five Characteristics:
(1) Home-purchase or Refinance; (2) Conventional or Government-Backed; (3) First-Lien or Subordinate-Lien;
(4) Owner-Occupied or Not Owner-Occupied; and (5) Site-Built or Manufactured Housing**

A. NUMBER OF LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	68,739	1,959	70,698	83,945	2,039	85,984	152,684	3,998	156,682
Owner-Occupied	61,014	1,959	62,973	76,286	2,036	78,322	137,300	3,995	141,295
Site-built	60,744	1,959	62,703	76,138	2,036	78,174	136,882	3,995	140,877
Mfg housing	270	0	270	148	0	148	418	0	418
Not Owner-Occ	7,725	0	7,725	7,659	3	7,662	15,384	3	15,387
Site-built	7,718	0	7,718	7,657	3	7,660	15,375	3	15,378
Mfg housing	7	0	7	2	0	2	9	0	9
Sub Lien	13,552	3	13,555	17,576	3	17,579	31,128	6	31,134
Owner-Occupied	12,966	3	12,969	17,248	3	17,251	30,214	6	30,220
Site-built	12,965	3	12,968	17,231	3	17,234	30,196	6	30,202
Mfg housing	1	0	1	17	0	17	18	0	18
Not Owner-Occ	586	0	586	328	0	328	914	0	914
Site-built	584	0	584	328	0	328	912	0	912
Mfg housing	2	0	2	0	0	0	2	0	2
Any Lien	82,291	1,962	84,253	101,521	2,042	103,563	183,812	4,004	187,816
Owner-Occupied	73,980	1,962	75,942	93,534	2,039	95,573	167,514	4,001	171,515
Site-built	73,709	1,962	75,671	93,369	2,039	95,408	167,078	4,001	171,079
Mfg housing	271	0	271	165	0	165	436	0	436
Not Owner-Occ	8,311	0	8,311	7,987	3	7,990	16,298	3	16,301
Site-built	8,302	0	8,302	7,985	3	7,988	16,287	3	16,290
Mfg housing	9	0	9	2	0	2	11	0	11
memo:									
total site-built	82,011	1,962	83,973	101,354	2,042	103,396	183,365	4,004	187,369
total mfg hsing	280	0	280	167	0	167	447	0	447
B. PERCENTAGE OF TOTAL LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	36.6%	1.0%	37.6%	44.7%	1.1%	45.8%	81.3%	2.1%	83.4%
Owner-Occupied	32.5%	1.0%	33.5%	40.6%	1.1%	41.7%	73.1%	2.1%	75.2%
Site-built	32.3%	1.0%	33.4%	40.5%	1.1%	41.6%	72.9%	2.1%	75.0%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.2%
Not Owner-Occ	4.1%	0.0%	4.1%	4.1%	0.0%	4.1%	8.2%	0.0%	8.2%
Site-built	4.1%	0.0%	4.1%	4.1%	0.0%	4.1%	8.2%	0.0%	8.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	7.2%	0.0%	7.2%	9.4%	0.0%	9.4%	16.6%	0.0%	16.6%
Owner-Occupied	6.9%	0.0%	6.9%	9.2%	0.0%	9.2%	16.1%	0.0%	16.1%
Site-built	6.9%	0.0%	6.9%	9.2%	0.0%	9.2%	16.1%	0.0%	16.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.3%	0.0%	0.3%	0.2%	0.0%	0.2%	0.5%	0.0%	0.5%
Site-built	0.3%	0.0%	0.3%	0.2%	0.0%	0.2%	0.5%	0.0%	0.5%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	43.8%	1.0%	44.9%	54.1%	1.1%	55.1%	97.9%	2.1%	100.0%
Owner-Occupied	39.4%	1.0%	40.4%	49.8%	1.1%	50.9%	89.2%	2.1%	91.3%
Site-built	39.2%	1.0%	40.3%	49.7%	1.1%	50.8%	89.0%	2.1%	91.1%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.2%
Not Owner-Occ	4.4%	0.0%	4.4%	4.3%	0.0%	4.3%	8.7%	0.0%	8.7%
Site-built	4.4%	0.0%	4.4%	4.3%	0.0%	4.3%	8.7%	0.0%	8.7%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	43.7%	1.0%	44.7%	54.0%	1.1%	55.1%	97.6%	2.1%	99.8%
total mfg hsing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.2%

Note: This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2006 HMDA data.

All other numbers in this table are calculated from these 32 basic numbers.

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown in this table to constitute 75.2% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes 8.2% of the total and subordinate-lien loans (16.6%).

Additional details: Of the government-backed loans, 88.1% were FHA, 10.9% were VA, and 1.0% were FSA/RHS. There were a total of exactly 8 HEOPA loans.

This table ignores 218 loans (0.1% of the total) for which owner-occupancy status was not reported.

This table also ignores the state's 24,613 home-improvement loans, of which 7,715 were first-lien loans on owner-occupied homes.

APPENDIX TABLE 2
High-APR Loans (HALs), by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type, with Median Rate Spread#
Loans for Owner-Occupied Homes, Massachusetts, 2007

Borrower Race/Ethnicity	All Loans	Non-HAL Loans	High-APR Loans	Percent HALs	Ratio to White %	Median Rate Spread
A-1. HOME-PURCHASE LOANS — ANY LIEN						
Asian	4,034	3,844	190	4.7%	0.64	5.00
Black	3,155	2,389	766	24.3%	3.32	5.42
Latino	4,248	3,266	982	23.1%	3.16	5.40
White	57,205	53,020	4,185	7.3%	1.00	4.80
No Info*	7,047	6,337	710	10.1%		
Total*	75,942	69,086	6,856	9.0%		5.07
A-2. HOME-PURCHASE LOANS — FIRST LIEN (82.9% of all Home Purchase Loans)						
Asian	3,342	3,198	144	4.3%	0.65	3.82
Black	2,518	1,946	572	22.7%	3.44	4.58
Latino	3,319	2,651	668	20.1%	3.05	4.34
White	47,811	44,654	3,157	6.6%	1.00	3.87
No Info*	5,777	5,251	526	9.1%		
Total*	62,973	57,888	5,085	8.1%		4.00
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (27.1% of all Home Purchase Loans)						
Asian	692	646	46	6.6%	0.61	6.00
Black	637	443	194	30.5%	2.78	6.97
Latino	929	615	314	33.8%	3.09	6.69
White	9,394	8,366	1,028	10.9%	1.00	6.15
No Info*	1,270	1,086	184	14.5%		
Total*	12,969	11,198	1,771	13.7%		6.39
B-1. REFINANCE LOANS — ANY LIEN						
Asian	2,051	1,888	163	7.9%	0.66	5.00
Black	3,479	2,586	893	25.7%	2.13	5.12
Latino	4,325	3,207	1,118	25.8%	2.15	5.15
White	73,660	64,804	8,856	12.0%	1.00	5.03
No Info*	11,705	9,307	2,398	20.5%		
Total*	95,573	82,081	13,492	14.1%		5.06
B-2. REFINANCE LOANS — FIRST LIEN (81.9% of all Refinance Loans)						
Asian	1,722	1,599	123	7.1%	0.59	3.95
Black	2,933	2,175	758	25.8%	2.15	4.60
Latino	3,558	2,661	897	25.2%	2.10	4.64
White	60,393	53,130	7,263	12.0%	1.00	4.35
No Info*	9,435	7,326	2,109	22.4%		
Total*	78,322	67,117	11,205	14.3%		4.45
B-3. REFINANCE LOANS — JUNIOR LIEN (18.1% of all Refinance Loans)						
Asian	329	289	40	12.2%	1.01	6.40
Black	546	411	135	24.7%	2.06	6.76
Latino	767	546	221	28.8%	2.40	6.50
White	13,267	11,674	1,593	12.0%	1.00	6.51
No Info*	2,270	1,981	289	12.7%		
Total*	17,251	14,964	2,287	13.3%		6.51
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN						
Asian	6,085	5,732	353	5.8%	0.58	5.03
Black	6,634	4,975	1,659	25.0%	2.51	5.33
Latino	8,573	6,473	2,100	24.5%	2.46	5.34
White	130,865	117,824	13,041	10.0%	1.00	5.07
No Info*	18,752	15,644	3,108	16.6%		
Total*	171,515	151,167	20,348	11.9%		5.13

For each High-APR loan, HMDA data include the difference between the APR of the loan and the interest rate on Treasury securities of the same maturity (e.g., 30 years) at the time the loan was made. This difference, reported in percentage points, is referred to as the "rate spread."

* "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 < 0.5% of total loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2007 *

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2006	2007	1990	1995	2000	2005	2006	2006
Asian	100	269	381	453	376	304	5.7%	6.0%	5.8%	6.1%	6.1%	6.1%
Black	287	880	710	1,065	1,033	674	16.4%	19.8%	10.9%	14.3%	16.6%	13.5%
Latino	91	303	463	719	589	384	5.2%	6.8%	7.1%	9.7%	9.5%	7.7%
White	1,266	2,866	4,831	5,175	4,192	3,622	72.5%	64.4%	74.0%	69.5%	67.5%	72.4%
Other	3	132	147	34	21	17	0.2%	3.0%	2.3%	0.5%	0.3%	0.3%
SubTotal#	1,747	4,450	6,532	7,446	6,211	5,001	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	841	717						
Total	1,770	4,637	7,467	8,330	7,052	5,718						

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

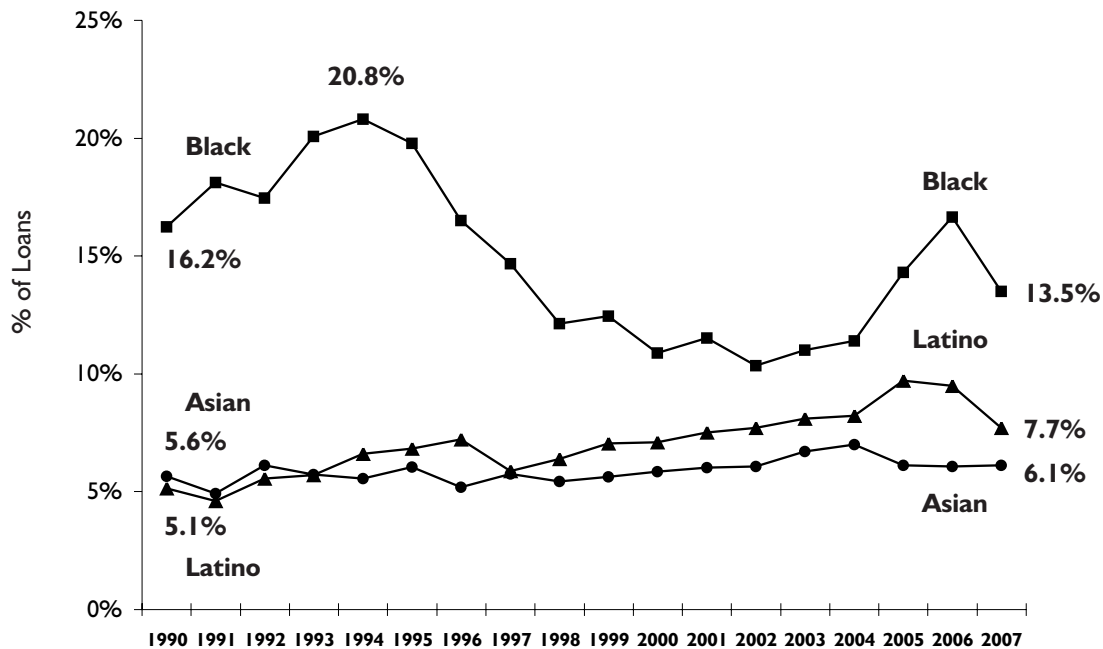
* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-3.

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

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

Chart A-3: Shares of Home-Purchase Loans & Households by Race/Ethnicity, Boston, 1990–2007

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



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2007*

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2005	2006	2007	1990	1995	2000	2005	2006	2007
Low#	51	530	369	216	222	173	2.8%	11.6%	5.1%	2.7%	3.3%	3.1%
Moderate	352	1,233	1,321	1,314	1,192	1,104	19.6%	27.0%	18.4%	16.4%	17.8%	19.9%
Middle	527	1,261	1,815	2,281	2,042	1,650	29.3%	27.6%	25.2%	28.5%	30.4%	29.7%
High	513	889	2,095	2,715	2,102	1,480	28.5%	19.4%	29.1%	33.9%	31.3%	26.6%
Highest	355	659	1,589	1,474	1,155	1,151	19.7%	14.4%	22.1%	18.4%	17.2%	20.7%
Hi+Hi'est	868	1,548	3,684	4,189	3,257	2,631	48.3%	33.9%	51.2%	52.4%	48.5%	47.3%
Total#	1,798	4,572	7,189	8,000	6,713	5,558	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Important Note: The metropolitan area used to determine income categories for Boston borrowers changed in 2004, so data for 2004 and later are not directly comparable to those for earlier years. If the metro area definitions had not changed, there would have been 376 loans (4.5%) to low-income borrowers and 1,864 loans (22.4%) to moderate-income borrowers in 2004. Also, beginning in 2004, loans other than first-lien loans for owner-occupied loans are excluded; previously, only junior-lien loans under the SoftSecond Program were excluded. See "Notes on Data and Methods" for details.

* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-7.

"Total" excludes borrowers without income data (330 in 2005); before 2004, Low & Total also excluded those with incomes of \$10K or less.

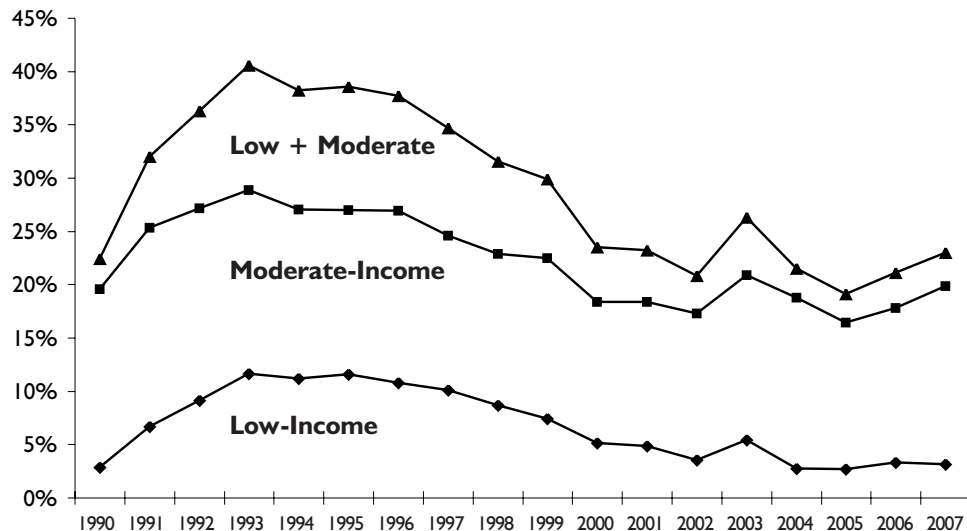
^ Income categories are defined in relationship to Boston Metro Area Median Family Income as follows:

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

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

1990: \$46,300; 1991: \$50,200; 1992: \$51,100; 1993: \$51,200; 1994: \$51,300; 1995: \$53,100; 1996: \$56,500; 1997: \$59,600
 1998: \$60,000; 1999: \$62,700; 2000: \$65,500; 2001: \$70,000; 2002: \$74,200; 2003: \$80,800; 2004: \$75,300; 2005: \$76,400
 2006: \$82,000; 2007: \$80,500

Chart A-4: Loans to Low- and Moderate-Income Borrowers as % of All Boston Home-Purchase Loans, 1990–2007



APPENDIX TABLE 5
Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States, 1990–2007*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2006	2007	1990	1995	2000	2005	2006	2006
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	12.6%	13.3%	0.89	1.12	1.37	1.45	1.05	1.23
Black	32.7%	15.8%	24.5%	23.6%	31.2%	35.3%	2.00	2.16	2.63	2.34	2.60	3.28
Latino	25.3%	18.6%	18.9%	20.9%	26.7%	36.3%	1.55	2.55	2.03	2.07	2.23	3.37
White	16.4%	7.3%	9.3%	10.1%	12.0%	10.8%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	10.3%	10.9%		0.99	1.08	1.04	0.99	1.05
Black		16.3%	20.7%	21.3%	28.2%	30.5%		2.23	2.46	2.20	2.70	2.94
Latino		13.1%	17.2%	19.1%	23.8%	28.0%		1.79	2.05	1.97	2.28	2.70
White		7.3%	8.4%	9.7%	10.4%	10.4%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	15.8%	17.0%	17.3%	0.90	0.61	0.56	1.28	1.30	1.31
Black	33.9%	40.5%	44.6%	27.5%	31.6%	30.9%	2.35	1.97	2.00	2.24	2.41	2.34
Latino	21.4%	29.5%	31.4%	21.3%	25.4%	24.7%	1.49	1.43	1.41	1.73	1.94	1.87
White	14.4%	20.6%	22.3%	12.3%	13.1%	13.2%	1.00	1.00	1.00	1.00	1.00	1.00

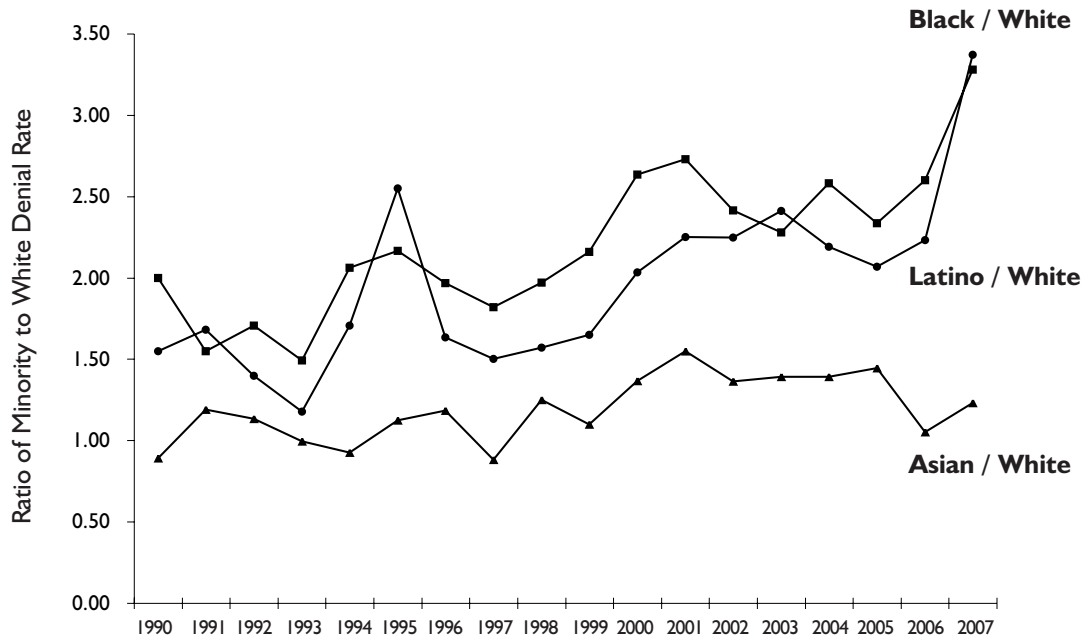
Important Note: Denial rates & ratios for 2004 and later are not strictly comparable to those for previous years. Beginning in 2004, all applications other than for first-lien mortgages for owner-occupied homes are excluded; previously only junior liens under the SoftSecond Program in Boston were excluded.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

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

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

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

Chart A-5: Minority/White Denial Ratios, by Race
Boston Home-Purchase Loans, 1990–2007



NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

HMDA Loan Application Register (LAR) data are the main source of data on loans, lenders, and borrowers for this report. These data are collected, processed, and released each year by the FFIEC (www.ffiec.gov/hmda). Among the HMDA data provided for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the amount of the loan, the *lien status* of the loan (first lien or junior lien), *pricing information* for loans with annual percentage rates above threshold levels (see below), whether the loan is secured by a *manufactured home*, and whether the loan is a *HOEPA loan* (that is, a high-cost loan subject to the protections of the Home Ownership and Equity Protection Act of 1994; 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. Starting with data for 2006, raw HMDA LAR data may also be downloaded from the FFIEC website.

High-APR loans (HALs) were 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 first-lien loans for owner-occupied homes, usually presented separately for home-purchase loans and refinance loans.

(A few tables combine data for home-purchase and refinance loans; a few other tables have data for home-purchase loans only.) This involves ignoring a great deal of data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 72 categories of loans on the basis of the following five distinctions: government-backed vs. conventional loans; 1–4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home-purchase vs. refinance vs. home-improvement loans; and first-lien vs. junior-lien loans. To achieve simplicity and to focus on the loans of greatest interest, I have taken two measures. First, I ignored all junior-lien loans, all loans for multi-family properties, all home-improvement loans, and all loans for non-owner-occupied homes—that is, none of these types of loans are included in any of the numbers contained in this report’s tables. Second, I ignored the distinction between conventional and government-backed loans and the distinction between site-built and manufactured homes (in 2007, government-backed loans accounted for only 2.1% of all loans in Massachusetts and loans for manufactured homes accounted for only 0.2% of the state’s loans). Appendix Tables 1 and 2 provide data that allow the interested reader to assess the impact of these decisions about what loans to include and exclude from the analysis in this report. (These tables do not provide any information on home-improvement loans. There were a total of 24,613 home-improvement loans reported in 2007 HMDA data for Massachusetts, which constituted 11.6% of total (home-purchase plus refinance plus home-improvement) loans. Of these, 7,715 were first-lien home-improvement loans for owner-occupied homes, which constituted 5.2% of total first-lien loans for owner-occupied homes. HALs made up 8.4% of all home-improvement loans, and 12.0% of first-lien home-improvement loans for owner-occupied homes.)

The decision to include only first-lien loans in all of the tables in body of this report was the closest call, not only because junior-lien loans made up 27.1% of all home-purchase loans and 18.1% of all refinance loans, but also because a larger percentage of junior-lien home-purchase loans were HALs (13.7%) than of first-lien home-purchase loans (8.1%). 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 only on all liens combined, but this would have involved counting twice all home-buyers who got piggy-back second-lien loans (in most cases, the second-lien loans were from the same

lenders as the first-lien loans, and borrowers whose second-lien loans were HALs also had HALs for their first-lien loans). Appendix Table 1 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans and HALs, overall and for each of the major racial/ethnic groups included in this report. In the case of home-purchase loans, including all loans (rather than restricting the analysis to first-lien loans as is done in this study) would have resulted in reporting a higher percentage of HALs among home-purchase loans (9.0% vs. 8.1%), but a lower percentage of HALs among refinance loans (14.1% vs. 14.3%). Black-white and Latino-white disparity ratios for all loans were very close to those for first-lien loans only.

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

Metropolitan areas used in defining income categories for borrowers: Beginning in 2004, HMDA data use the revised metropolitan areas defined by U.S. Office of Management and Budget OMB in June 2003, under which New England joined the rest of the U.S. in having metropolitan areas consist of entire counties [www.whitehouse.gov/omb/bulletins/b03-04.html]. The Boston MSA now consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston–Cambridge–Quincy MA–NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). Furthermore, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). The Boston MSA now consists of three MDs: the Essex County MD; the Cambridge–Newton–Framingham MD (Middlesex County); and the Boston–Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify all borrowers and census tracts in the Boston MSA into income categories.** This practice, first used in last year’s

report, was adopted because there is little or no economic, political, or social logic to a system which places Cambridge and Boston into separate Metropolitan areas. (The 2007 MFIs for the three MDs as well as for the entire Boston MSA are provided below.)

Racial/ethnic categories: Beginning with 2004, HMDA data classify each applicant and co-applicant by both ethnicity (Latino or Not Latino) and race (the possible races are 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 write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 141,295 first-lien loans for owner-occupied homes in Massachusetts in 2007, a total of 5,746 are identified in the HMDA data as going to black borrowers and a total of 6,877 are identified as going to Latinos; only 295 are identified as going to borrowers who were both black and Latino.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: for example, of all loans for owner-occupied homes in Massachusetts in 2006 with information on the race of the borrower, only 0.3% of borrowers specified more than one race and only 1.2% of borrowers had co-borrowers of a different race; only 0.9% of borrowers had co-borrowers with different ethnicity.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Table 16 provides data on how the actions taken on mortgage loan applications (for first-lien home-purchase loans on owner-occupied homes) were distributed among the five possible outcomes. This information is provided for four racial/ethnic categories as well as overall—for Boston, Greater Boston, and Massachusetts.

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 and income data presented in this report for geographic areas 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 State Data Center provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the state. Income data from the 2000 Census were obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov).

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

Racial/ethnic composition may be reported either as percentage of the entire population or as percentage of households, where a household is defined as one or more persons living in a single housing unit. (In many cases, a household consists of a family, but there are also many non-family households consisting of a single individual or a set of unrelated individuals.) In most cases, this report uses

household percentages because households provide a better indicator of the number of potential home mortgage borrowers. The race/ethnicity of a household is determined by the race of the individual identified as the householder.

Census tracts are assigned to income categories on the basis of decennial census data, using the metropolitan area definitions adopted by the federal government in June 2003 (see above). This differs from the way that borrowers are assigned to income categories on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas as reported 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 does not change annually. (However, the assignment of census tracts is different in this report than in its recent predecessors because of the decision [discussed above] to classify all census tracts in the Boston MSA on the basis of the MFI in the MSA rather than on the basis of the MFIs in the three Metropolitan Divisions [MDs] within the Boston MSA.)

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

Median family income (MFI) of each metropolitan area is reported annually by HUD. Borrowers are placed into income categories by comparing their reported incomes to the annual HUD estimate of the MFI in the Metropolitan Statistical Area (MSA) area where the home being mortgaged is located. The Boston MSA is divided into three Metropolitan Divisions (MDs), but the MFIs of these MDs were not used in this report. The 2007 MFIs for all of the state’s metropolitan areas were:

Barnstable MSA (Barnstable County)	\$70,400
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$80,500
Boston–Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$76,900
Cambridge–Newton–Framingham MD (Middlesex County).....	\$88,900
Essex County MD	\$77,200
Pittsfield MSA (Berkshire County)	\$62,800
Providence–Fall River–New Bedford MSA (Bristol County).....	\$68,300
Springfield MSA (Franklin/Hampden/Hampshire Counties).....	\$61,800
Worcester MSA (Worcester County)	\$72,800
Non-Metro part of Massachusetts (Dukes/Nantucket Counties)	\$71,700

Subprime lenders among HMDA-reporting lenders have been identified in annual lists prepared by Randall

Scheessele of HUD. HUD's lists include 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 2005 are available at: www.huduser.org/datasets/manu.html. As of November 2008, HUD had not posted a more recent list of subprime lenders.

Given the unavailability of HUD's lists of subprime lenders for 2004 and later years at the time that the *Changing Patterns* reports for the corresponding years (including the present report) were being prepared, lenders were classified as *subprime lenders*—for the purposes of this report—on the basis of the percentage of their total Massachusetts loans that consisted of high-APR loans

(HALs). Minimum percentages for specifying subprime lenders were chosen to include known subprime lenders, including those identified as subprime lenders on HUD's annual lists. *A lender was classified as a "subprime lender for 2007 if HALs constituted at least 40% of its total loans in the state in 2007 or more than 40% in 2006 and at least 25% in 2007.* (The second criterion was added to capture such well-known subprime lenders as Ameriquest, Capital One, H&R Block, and IndyMac that did not reach the 40% threshold in 2007.) The 67 lenders identified in this report as subprime lenders for 2007 accounted for 56% of all the first-lien home-purchase and refinance HALs on owner-occupied homes made in Massachusetts by the 280 lenders that made at least one HAL loan.