Changing Patterns XXI

Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Boston, Greater Boston and Massachusetts, 2013

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DECEMBER 2014

A REPORT PREPARED FOR

M|C|B|C

MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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ACKNOWLEDGEMENTS

Preparation of this report was overseen by an advisory committee consisting of seven members of the Mortgage Lending Committee of the Massachusetts Community & Banking Council (MCBC)—Tom Callahan of the Massachusetts Affordable Housing Alliance, Lisa Fiandaca of MassHousing, Aida Fanquiz of Boston Private Bank & Trust Company, Donna Haynes of Leader Bank, Kelly Maloy of the Massachusetts Housing Partnership, Kathleen Schreck of Marlborough Savings Bank, and Kathleen Tullberg, plus Dana LeWinter, MCBC's Executive Director. Stuart Ryan of Bank Maps LLC produced the map. Eileen Callahan of Eileen Callahan Design designed the report and prepared the PDF file. 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 of the MCBC.

This report is available online at: www.mcbc.info/reports/mortgage

FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XXI*, its annual report on mortgage lending to traditionally underserved borrowers and neighborhoods in Boston, Greater Boston and Massachusetts. In addition to the data presented in this report, MCBC is also providing data on all Massachusetts cities and towns in a set of supplementary 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 affect positive change in the availability of credit and financial services across Massachusetts by encouraging community investment in low- and moderate-income and minority neighborhoods; promoting fair and equitable access to financial products and services for minority group members; and providing research, information, assistance and direction in understanding and addressing the credit and financial needs of low- and moderate-income individuals and neighborhoods.

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

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

MCBC depends on the financial support of its members to produce reports like *Changing Patterns*. MCBC thanks the following financial institutions for their 2014 membership:

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MCBC's 2014 Community Partners include ACCION, City of Boston through the Boston Redevelopment Authority, Community Teamwork, Inc., DotWell, Dudley Square Main Streets, ESAC, the Fair Housing Center of Greater Boston, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Massachusetts Housing Partnership, the Metropolitan Boston Housing Partnership, the Somerville Community Corporation, and The Neighborhood Developers.

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Note: A set of Supplemental Tables provides information on lending in all 351 cities and towns in Massachusetts, including totals for the state's fourteen counties. These tables are available in the "Reports" section of the MCBC website: www.mcbc.info/reports/mortgage.

EXECUTIVE SUMMARY

This is the twenty-first in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. The report presents information on mortgage lending in the city of Boston, in Greater Boston, in Massachusetts, and in each of the state's thirty-three largest cities and towns.

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

Many of the report's findings relate to government-backed loans (GBLs)—loans made by private lenders that are insured or guaranteed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), or the Department of Agriculture (USDA). Although GBLs are somewhat more expensive for borrowers than conventional loans (i.e., non-GBLs), they offer a reasonable option for those unable to obtain conventional loans. The current high level of GBLs, especially to traditionally underserved borrowers and neighborhoods, is not itself a problem, but is rather a symptom of—and a constructive response to—an underlying problem: the lack of availability of prime conventional loans to those borrowers and neighborhoods.

Level and Composition of Mortgage Lending

- ❖ Home-purchase lending in 2013 increased to its highest level since 2007, while refinance lending dropped to the lowest level since 2008. Statewide, the number of home-purchase loans increased by 15%, while the number of refinance loans fell by 38%. Still, refinance loans accounted for two-thirds of all loans in the state.

- ❖ Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2013. The GBL share of home-purchase loans fell for the fourth consecutive year, to 19% statewide, while the GBL share of refinance loans remained steady at 7%. These GBL loans shares remain far above those in 2005, when GBLs accounted for just 2% of home-purchase loans and less than 1% of refinance loans in Massachusetts.

- ❖ The level of high-APR loans (HALs) remained very low in 2013, accounting for just 1% of all loans (home-purchase and refinance combined) statewide—far below their peak level of 22% in 2006.

- ❖ Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. For home-purchase loans, the GBL loan shares were 19% in the state and 38% nationwide; for refinance loans, they were 7% in the state and 16% nationwide.

- ❖ Among the state's thirty-three biggest cities, GBL loan shares were highest in Lawrence (where they accounted for 66% of all home-purchase loans and 27% of all refinance loans), Brockton (57% and 19%) and Springfield (50% and 21%). GBLs also made up more than 40% of all home-purchase loans in four other cities (Lynn, New Bedford, Everett, and Taunton).

Borrower Race/Ethnicity and Income

- ❖ Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional (i.e., not government-backed) loans in 2013 that were far below their shares of total households. In Boston, for example, blacks made up 21% of households but received only 4% of conventional home-purchase loans and 7% of conventional refinance loans. Latinos made up 14% of Boston households but received only 3% of conventional home-purchase loans and 4% of conventional refinance loans.

- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs in 2013 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, for example, GBL's accounted for 36% of loans to blacks and 34% of loans to Latinos, but for only 10% of loans to whites. For refinance loans, the GBL loan shares were 13% for blacks, 11% for Latinos, and 4% for whites. GBL loan shares were consistently much *lower* for Asian borrowers than for whites.

- When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2013 tended to decline steadily as the level of borrower income increased. For home-purchase lending statewide, for example, GBL loan shares fell steadily from 31% for moderate-income borrowers to just 4% for the highest-income borrowers. (However, GBL loan shares for low-income borrowers tended to be lower than those for the next two income categories.)

- When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos are usually substantially higher than the GBL shares for white borrowers in the same income category. For example, in Greater Boston the 2013 GBL loan shares for high-income homebuyers were 34% for blacks, 20% for Latinos, and 9% for whites.

Neighborhood Race/Ethnicity and Income

- For home-purchase loans in the city of Boston in 2013, the government-backed loan (GBL) share in predominantly minority census tracts (those with more than 75% minority residents) was nearly nine times greater than that in predominantly white tracts (31.2% vs. 3.6%) and the GBL loan share in low-income census tracts was six times greater than that in upper-income tracts (14.6% vs. 2.4%).

- Government-backed lending varied dramatically among Boston's major neighborhoods. For home-purchase loans in 2013, GBLs accounted for 41% of all loans in Mattapan while there were no GBL loans in the Allston, Back Bay, Beacon Hill, Downtown, or South End neighborhoods. For refinance loans, GBL shares ranged from 18% in Mattapan to 0% in Beacon Hill and Downtown.

- Total home-purchase lending to blacks and Latinos in 2013 was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others. Just five cities (Boston, Brockton, Randolph, Worcester, and Springfield) accounted for 46% of total home-purchase loans to blacks in Massachusetts, but for only 11% of the state's total loans to whites. Eleven communities (Lawrence, Boston, Springfield, Lynn, Worcester, Revere, Methuen, Haverhill, Lowell, Everett, and Brockton) accounted for 50% of all home-purchase lending to Latinos in the state, but for just 14% of total lending to whites. Meanwhile, in 95 of the state's 351 cities and towns there was not a single loan to either a black or a Latino homebuyer.

Denials of Mortgage Applications

- In Boston, Greater Boston, and Massachusetts in 2013, the denial rates on conventional (i.e., non-government-backed) home-purchase loan applications by blacks were strikingly high relative to the corresponding denial rates for whites. The black/white denial rate disparity ratio was 4.0 in Boston (25.9% vs. 6.5%), 3.0 in Greater Boston, and 2.7 statewide. Latino denial rates for conventional home-purchase loans were approximately twice the denial rates for white applicants. Black/white and Latino/white denial rate disparity ratios were significantly lower for applications for government-backed loans.

- Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants for conventional home-purchase loans in Boston, in Greater Boston, and statewide are grouped into income categories, the 2013 denial rates for blacks and for Latinos were, with only one exception, well above the denial rates for white applicants in the same income category. For example, for applicants with incomes between $91,000 and $120,000, the black denial rate was 2.8 times greater than the white denial rate in Boston, 2.7 times greater in Greater Boston, and 2.6 times greater statewide.

Lenders

- For all loans statewide in 2013, Massachusetts banks and credit unions (CRA-covered lenders) had the biggest loan share (45%) for the sixth consecutive year, while Licensed Mortgage Lenders (LMLs—mainly independent mortgage companies) had a market share of 37% and Other Lenders (mainly out-of-state banks) accounted for the remaining 18% of total loans. These loan shares are dramatically changed from 2005 and 2006, when the shares of Massachusetts banks and credit unions fell below 25%, after declining steadily from over 60% in the mid-1990s.

- In virtually every case, Massachusetts banks and credit unions (CRA-covered lenders) directed a greater share of their total loans as conventional loans—and a smaller share of their total loans as GBLs—to the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders. For home-purchase loans in 2013 in Boston, for example, conventional loans to black borrowers made up 5.5% of all loans made by CRA-covered lenders, 1.9% of all loans by LMLs and 1.5% of all loans by Other Lenders. Since the *Changing Patterns* series of reports was begun in the mid-1990s, this type of comparison has consistently shown a substantial difference between the performance of CRA-covered lenders and all other lenders.

- The introduction of Performance Evaluations and ratings of individual LMLs under the state's Mortgage Lender Community Investment (MLCI) regulation may have had a positive impact on the relative performance of LMLs for the first time in 2013. For conventional home-purchase lending in 2013, the loan shares for LMLs were greater than the loan shares for Other Lenders in four of the five categories of traditionally underserved borrowers and neighborhoods in Boston (the fifth category was a tie) and in all five categories statewide.

- Mortgage Master was the biggest lender in 2013 both in Boston (with 1,034 loans) and statewide (with 8,146). Bank of America ranked second in the state and third in the city, while Wells Fargo ranked third statewide and fourth in Boston. Guaranteed Rate was the second largest lender in Boston, but ranked only sixth statewide. The top five lenders in Boston accounted for 29% of all loans in the city; statewide, the top five lenders accounted for just 20% of all loans.

Legislative and Regulatory Developments

- In July 2014, the Consumer Financial Protection Bureau (CFPB) released a proposed rule that would greatly expand the data reported under the Home Mortgage Disclosure Act (HMDA), the primary source of data used in preparing the *Changing Patterns* series of reports. If the CFPB issues a final rule by March 31, 2015, then lenders will be required to begin reporting the new data to their regulators for applications received on or after January 1, 2016; if not, reporting of the new data will not begin until at least January 1, 2017. The CFPB will determine at a later date how much of the new data that lenders report to their regulators will be released by the regulators to the public.

INTRODUCTION

This report is the twenty-first in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report includes detailed information on 2013 lending in Boston, Greater Boston, and Massachusetts, as well as in the state's thirty-three largest cities and towns. In addition, a separate set of supplemental tables provides selected data for every city and town in Massachusetts and for the state's fourteen counties.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by "changing patterns." In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. In the following years, however, these banks lost most of their market share to other lenders 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.

Subprime lending peaked in 2005 and 2006, and then began a precipitous drop that resulted in its almost complete disappearance. Since 2008, government-backed lending has captured an unprecedentedly large share of the overall market, particularly of home-purchase lending, although this share has declined in the last three years.

The basic goal that 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 homebuyers 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* became 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. Predatory lenders pushed loans characterized by egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices on minority borrowers and neighborhoods. As a result, these same borrowers and neighborhoods have been disproportionately impacted by the ongoing tidal wave of foreclosures.[2]

Following the meltdown of the subprime mortgage lending industry, concerns over fairness in mortgage lending have returned to problems of access to prime mortgage loans by traditionally underserved borrowers and neighborhoods. The dramatic increase in the market share of *government-backed loans (GBLs)*—that is, loans insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) or the Department of Agriculture (USDA)—is an indication

[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).

[2] For a comprehensive study quantifying the ways that "foreclosure patterns are strongly linked with patterns of risky lending," see Debbie Bocian *et. al., Lost Ground, 2011: Disparities in Mortgage Lending and Foreclosures* (Center for Responsible Lending, November 2011), available at: www.responsiblelending.org. In Boston, the five neighborhoods (out of the fifteen major neighborhoods into which the city is divided) with the highest numbers of foreclosures in each year from 2008 (when foreclosure deeds peaked at 1,215) through 2012 (the last year of dramatically elevated foreclosures) were the same five neighborhoods that had the highest percentages of high-cost loans during 2006, the peak year of subprime lending. See the City's *Foreclosure Trends 2012*, Table 3 (www.cityofboston.gov/Images_Documents/Foreclosure_Trends_2012_v2_tcm3-39675.pdf), earlier reports in this same series, and *Changing Patterns XIV*, Table 17 (available at: www.mcbc.info/reports/mortgage).

of reduced availability of prime mortgage loans. While government-backed lending is generally done in a responsible way, GBLs are typically more costly than prime loans and represent a second-best option that borrowers turn to when they cannot obtain prime mortgage loans.

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

A major focus of many of this report's tables and charts is to provide information on lending 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, estimates of the 2013 median family income (MFI) in each metropolitan area, produced by the FFIEC, are used to place borrowers into income categories. Second, information from the U.S. Census Bureau is utilized so that analysis of lending patterns in terms of the income level and race/ethnicity of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. The "Notes on Data and Methods" at the end of the report provide details on the definitions and sources of the data used.

The analysis in this report is limited to first-lien home-purchase and refinance loans for owner-occupied homes. That is, it excludes (1) second mortgages and other junior-lien loans, (2) loans for homes that borrowers will not be occupying as a principal residence, and (3) home-improvement loans. Appendix Table 1 provides detailed data on the numbers and percentages of different types of home-purchase and refinance loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 87.2% of all loans in the state, that first-lien loans for non-owner-occupied homes accounted for 11.2% of the total, and that junior-lien loans accounted for the remaining 1.6% (the corresponding percentages in 2011 were 89.8%, 9.0%, and 1.2%, respectively.) Appendix Table 2 provides information on all loans and GBLs, broken down by purpose (home-purchase and refinance), by type of lien, and by borrower race/ethnicity.

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

For many readers, this report's main contribution will consist of the wealth of information contained in its thirty-seven pages of tables, especially data about individual municipalities of particular interest.[3] 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

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

attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, Massachusetts, and the state's 33 biggest cities. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.[4]) The remaining sections of the report are organized as follows:

- Part I provides background information on government-backed lending.
- Part II presents information on the overall level and composition of mortgage lending.
- Part III analyzes patterns of lending to borrowers grouped by race/ethnicity and by income level.
- Part IV examines patterns of lending in neighborhoods. The analysis looks at census tracts grouped by income level and by percentage of minority residents, as well as at Boston's major neighborhoods.
- Part V summarizes data on denial rates, highlighting racial/ethnic disparities.
- Part VI focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- Part VII presents information on the biggest lenders, both in Boston and statewide.
- Part VIII notes significant recent changes in the laws and regulations that govern mortgage lending.
- Finally, a section of "Notes on Data and Methods" provides considerable detail on a number of technical matters.

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

I. UNDERSTANDING GOVERNMENT-BACKED LENDING

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

Government-backed loans (GBLs) are very different from subprime loans. Subprime lenders had a financial incentive to steer borrowers into subprime loans, because these loans generally resulted in substantially higher fees than did prime loans. Subprime loans were marketed aggressively and deceptively to make them appear much less expensive than they actually were, with lenders particularly targeting black and Latino borrowers and neighborhoods. From the borrower's point of view, many (if not most) of those who received subprime loans would have been better off receiving no loan at all. An extraordinarily high proportion of subprime loans resulted in delinquencies and foreclosures; as of November 2010, for example, only 45.2% of outstanding subprime loans in Massachusetts were current in their payments, 23.9% were 90 or more days delinquent, and 13.4% were in the process of foreclosure.[5]

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

The Nature of Government-Backed Lending

Three federal government agencies back home mortgage loans issued by private lenders. The Department of Housing and Urban Development's Federal Housing Administration (FHA) insures mortgages, while the Department of Veterans Affairs (VA) and the Department of Agriculture (USDA) guarantee them.[6] The FHA accounts for the great majority of GBLs (although their share of all Massachusetts GBLs has fallen from over 90% in 2008 through 2010 to 72.2% in 2013), with the VA accounting for most of the rest of the statewide total (the VA share rose from 8.1% in 2010 to 22.2% in 2013). Accordingly, the following description is focused on FHA lending.[7]

FHA loans are made by private lenders who have been certified by the FHA and whose performance is subject to its review.[8] The lender sets the price and terms of the loan, and decides whether or not to approve the applications that it receives. Borrowers must be owner-occupants and must make a down payment of at least 3.5% of the value of the property;

5 These loan status statistics are from a very useful website previously maintained by the Federal Reserve Bank of New York (http://data.newyorkfed.org/regional/householdcredit.html) no longer provides data on subprime loans.

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

7 VA and USDA loans differ from FHA loans mainly by requiring no monthly insurance premiums (they require higher upfront funding fees) and by requiring no down payment. (The VA's one-time funding fee, unchanged since 2004, is 2.15% for loans with down payments of less than five percent). The increases in FHA insurance premiums in recent years (discussed in the text, below) have made VA and USDA loans less expensive options for those who qualify for them—VA loans are available only to veterans of the military services, while USDA loans are available only to income-qualified borrowers in rural areas (broadly defined). The increase in the relative cost of FHA loans is the probable cause of the FHA's falling share of total GBLs.

8 HUD's *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund* (available at: www.hud.gov) is an excellent source of information on how the FHA lending program works and on recent changes.

the low down payment requirement is the primary attraction of FHA loans and almost all borrowers take advantage of it.[9] Loan amounts must be below a maximum that depends on the level of housing prices in the county within which the property is located and whether the property has one, two, three, or four units. During 2013, the maximum for a single-unit property in the Greater Boston area was $523,750. (The lowest maximum in the state was $271,050 in Berkshire County; the highest was $729,750 on Martha's Vineyard and Nantucket.)

FHA loans are more expensive than conventional loans because of the required insurance premiums that go into the FHA's Mutual Mortgage Insurance Fund. Borrowers must pay both an upfront premium (1.75%) that is due at the time of the loan and an annual premium (increased from 1.25% to 1.35% in April 2013) that is allocated to the borrowers' monthly payments.

The April 2013 increase in the annual premium was the fourth since October 2010. Until then, the annual premium was just 0.55% of the loan amount.[10] The impact of these annual premium increases on monthly payments for FHA borrowers has been substantial. For example, a typical borrower who makes a 3.5% down payment on a $250,000 house and receives a 30-year fixed rate loan at an interest rate of 4% would today face monthly payments (for principal, interest, and FHA insurance) of $1,423. If the annual FHA insurance premium were still at its September 2010 level of 0.55% (rather than at its current level of 1.35%), the monthly payment would instead be $1,263—a difference of $160 per month, or $1,960 annually.

With the disappearance of subprime mortgage lenders and retrenchment of conventional lenders, government-backed lending played a huge role in the late 2000s in supporting the overall housing and mortgage markets. GBLs accounted for more than half of all home-purchase loans nationwide in 2008, 2009, and 2010.[11] Many of the loans made during the early part of this chaotic period became delinquent, resulting in massive losses to the Mutual Mortgage Insurance Fund. The FHA responded not only by increasing insurance premiums (as described just above), but also by imposing much tighter lending standards, ending seller-funded down payment assistance, and increasing scrutiny of lender performance.[12]

The overall delinquency and foreclosure rates on FHA loans are much higher than those for prime loans (for example, as of September 30, 2014, 11.7% of outstanding FHA loans in Massachusetts were delinquent, compared to 4.2% for prime loans, and 1.8% were in foreclosure, compared to 1.2% for prime loans).[13] However, this mainly reflects the

9 The average loan-to-value ratio for FHA home-purchase loans in 2013 was 95.9% (HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund*, Fiscal Year 2013, pp. 15–16).

10 For a helpful table showing the history of changes in both the upfront and annual mortgage insurance premiums since 2001, see the Urban Institute's *Housing Finance at a Glance: A Monthly Chartbook*, March 2014, p. 33 (available at: http://www.urban.org). Another consequence of the increase of the April 1, 2013 annual insurance premium to 1.35%, along with a simultaneous change that required this premium to be paid for the life of the loan rather than end when the loan-to-value ratio fell below 78%, was that the Annual Percentage Rates (APRs) of many FHA loans slightly exceeded the threshold defining "higher-priced" or high-APR loans ((HALs)—since this threshold is only 1.50% above the prevailing prime mortgage rate as reported by Freddie Mac. Nationwide, during the eight months of 2013 following the premium increase, about 40% of all FHA home-purchase loans were HALs, up from just 5% in the year's first four months (Neil Bhutta and Daniel Ringo, "The 2013 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, November 2014, p. 13; online at www.federalreserve.gov). In Massachusetts in 2013, 1,209 of the 8,263 FHA home-purchase loans were HALs and these loans accounted for over three-quarters (76.1%) of all home-purchase HALs in the state.

11 Neil Bhutta and Daniel Ringo, "The 2013 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, November 2014, Table 3 (online at www.federalreserve.gov).

12 Although FHA insurance compensates lenders for loan losses, the lenders still have incentives to avoid making loans that will not be repaid: they incur costs during the period of delinquency, they incur the risk that they will have to buy back loans that go bad, and they face the possibility of sanctions from the FHA, including the loss of eligibility to offer FHA loans.

13 These percentages are from the Mortgage Bankers Association's *National Delinquency Survey Q3 2014* (subscription required; information at www.mortgagebankers.org/nds).

poor performance of FHA loans made from 2007 through early 2009. The performance of FHA loans made since mid-2009 has been dramatically better. For example, the first-year delinquency rates for FHA loans made between 2010 and 2013 averaged 1.1%, compared to an average of 6.4% for loans made in 2007 and 2008. Similarly, the second-year delinquency rates for loans made between 2009 and 2011 averaged 3.2%, compared to 15.8% for loans made in 2007 and 2008; the third-year delinquency rates for loans made in 2010 and 2011 averaged 5.0%, compared to 20.6% for loans made in 2007 and 2008; and the fourth-year delinquency rate for loans made in 2010 was 6.2% compared to an average of 23.5% for loans made in 2007 and 2008.[14]

Reasons for the Surge in Government-Backed Lending

In the 1990s government-backed lending primarily served borrowers who were unable to obtain prime conventional loans, but could meet the looser underwriting standards and/or lower down payment requirements of government-backed loans. The FHA/VA share of the nationwide mortgage market was fairly constant between 1990 and 2000, at about 12%, but was considerably lower in Greater Boston and other areas where relatively high home prices resulted in most loan amounts exceeding the FHA maximum. Data in previous *Changing Patterns* reports indicate that GBLs accounted for an average of 7.1% of applications for home-purchase loans in Boston between 1993 and 2000 (the annual shares ranged from 5.5% to 9.5%). The GBL market share plunged with the growth of subprime lenders, who offered potential GBL borrowers loan products that required less documentation and paperwork, allowed higher loan amounts, required no down payments or mortgage insurance, and promised relatively low initial monthly payments. Nationwide, the FHA/VA share of the mortgage market steadily declined from 11.0% in 2000 to a low of 2.7% in 2006.[15]

The surge of GBLs beginning in 2008 resulted from at least three developments: the void created by the collapse of the subprime lenders who had taken away much of the traditional GBL market; very large increases in the maximum loan amounts allowed for FHA loans; and, most importantly, a dramatic decrease in the availability of conventional mortgage loans for all but those with high credit scores and the ability to make significant down payments. Portfolio lending and the secondary market for private securitization almost completely disappeared, limiting conventional lending almost entirely to loans that could be sold to Fannie Mae or Freddie Mac. Stricter underwriting criteria required by Fannie and Freddie, together with the greatly increased cost and decreased availability of the private mortgage insurance that Fannie and Freddie require for loans with down payments of less than 20%, made conventional loans unobtainable for many borrowers, and more expensive than government-backed lending for many others.[16]

Past Problems

FHA lending has a checkered history that has brought it much well-deserved criticism over the years. From its inception in the 1930s until the mid-1960s, the FHA explicitly embraced both redlining and discrimination against black and other minority borrowers. FHA lenders subsequently pioneered reverse redlining and championed block-busting practices that devastated many inner-city neighborhoods; the B-BURG program that transformed Mattapan in the late 1960s is a local example of the damage wrought by FHA lending. In

14 For information of the performance of FHA loans, see HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2014*, pp. 20–25; the delinquency rates cited above are from Exhibit I–16.

15 Nationwide FHA/VA shares were calculated from annual data in *The 2010 Mortgage Market Statistical Annual, Volume 1*, Inside Mortgage Finance, p. 4 (not available online).

16 Researchers at the Federal Reserve have provided a fairly detailed account of these developments and their impact on GBL lending. Robert Avery, *et al.*, "The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress," *Federal Reserve Bulletin*, December 2010, pp. A54–A61: available at: www.federalreserve.gov.

fact, it was outrage at the destructive impacts of FHA lending that was responsible for much of the organizing and advocacy that resulted in enactment of the Home Mortgage Disclosure Act in 1975 and the Community Reinvestment Act in 1977.[17]

Furthermore, during the three decades beginning in 1980, there were a number of episodes where unscrupulous lenders were able to take advantage of weak FHA oversight of its lending programs to produce large volumes of inappropriate loans that were highly profitable to them and their associates but injurious to borrowers, communities, and the FHA insurance fund. The most recent episode came in the immediate aftermath of the subprime lending meltdown when many predatory lenders simply moved over and continued plying their trade as FHA lenders.[18]

II. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

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

The most notable finding that emerges from these tables is that the high share of government-backed loans among all home-purchase loans continued to decline from the peak levels reached in 2009 and 2010.

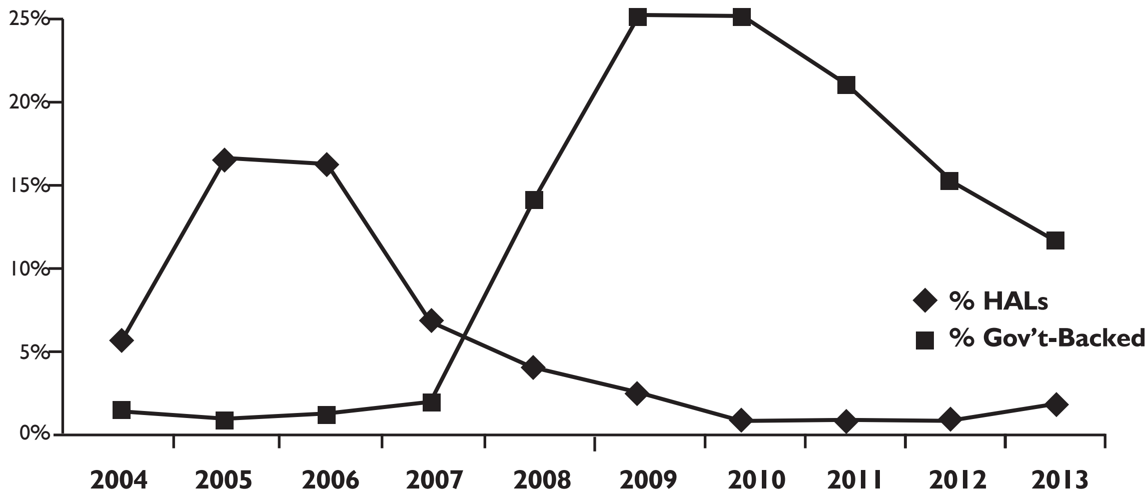
- ❖ **The overall level of home-purchase lending rose substantially in 2013, while the level of refinance lending fell by more than one-third.** Statewide, the number of home-purchase loans increased 15% to 60,129 loans, the highest level since 2007; at the same time, the number of refinance loans fell by 38% to 118,908, the lowest level since 2008. In 2013, refinance loans accounted for 61% of all loans in Boston, 67% of all loans in Greater Boston, and 66% of all loans statewide. (See Table 1.)

- ❖ **Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2013, although these shares fell for the fourth consecutive year. Statewide, GBLs accounted for 18.9% of all home-purchase lending (down from a peak of 32.7% in 2009 and from 23.5% in 2012).** They accounted for 6.9% of the much larger volume of refinance lending. In the City of Boston, GBLs accounted for 8.0% of home-purchase loans and 4.0% of refinance loans; in Greater Boston, the corresponding loan shares were 11.2% and 4.4%.

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

18 See *Business Week's* cover story of November 19, 2008, by Chad Terhune and Robert Berner, "FHA-Backed Loans: The New Subprime"; available at: www.businessweek.com/magazine/content/08_48/b4110036448352.htm.

Exhibit 1: High-APR and Gov't-Backed Loans in Greater Boston, 2004–2013
First-Lien Home-Purchase Loans for Owner-Occupied Homes



Source: Tables 1 & 2

The GBL loan shares remain far above those in 2005, when GBLs accounted for just 1.9% of home-purchase loans and 0.6% of refinance loans statewide. (Table 1 and Exhibit 1)

❖ **The level of high-APR loans (HALs) remained very low in 2013, accounting for just 1.3% of all loans (home-purchase and refinance combined) statewide—far below their peak level of 22.2% in 2006. Almost two-thirds (63.7%) of statewide HALs were FHA loans,** whose APRs were raised modestly above the HAL threshold by recent increases in the insurance premiums on FHA mortgages.[19] In 2013, there were 75 HALs in Boston (0.6% of all loans), 643 HALs in Greater Boston (0.7% of all loans), and 2,245 HALs statewide. (See Table 2 and Exhibit 1.)

❖ **Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.** Overall, the GBL loan shares in 2013 were 10.9% in Massachusetts and 24.5% nationwide. For home-purchase loans, the GBL loan shares were 18.9% in the state and 38.0% nationwide; for refinance loans, they were 6.9% in the state and 16.4% nationwide.[20] (Exhibit 2)

❖ **Among the state's thirty-three biggest cities,[21] GBL loan shares in 2013 were highest in Lawrence** (where they accounted for 65.8% of all home-purchase loans and 27.0% of all refinance loans), **Brockton** (57.2% and 19.0%) and **Springfield** (50.4% and 21.4%). GBLs also made up more than 40% of all home-purchase loans in four other cities (Lynn, New Bedford, Everett, and Taunton) and the GBL share of

19 Statewide, 1,209 of 1,589 home-purchase HALs (76.1%) and 221 of 656 refinance HALs (33.7%) were FHA loans. These data are not shown in any of this report's tables. See Part I, above, for information on the recent increases in the cost of FHA loans.

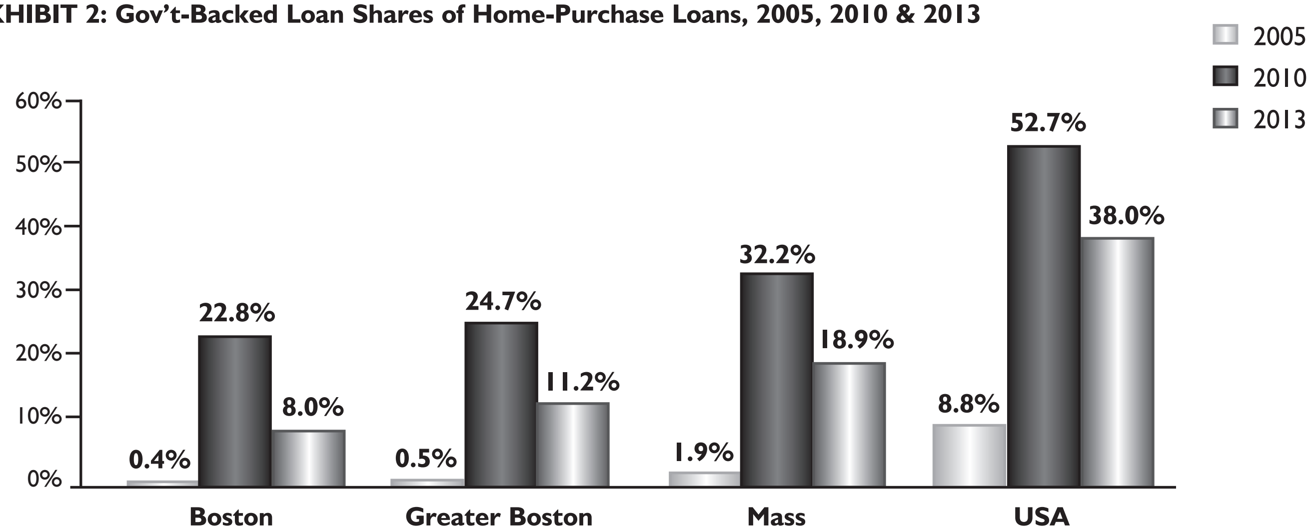
20 The nationwide overall GBL share is calculated from data in Table 1 and the home-purchase and refinance GBL shares are from Table 3 of Neil Bhutta and Daniel R. Ringo, "The 2013 Home Mortgage Disclosure Act Data" (*Federal Reserve Bulletin*, 2014, November 2014, available at: www.federalreserve.gov).

21 Although five of the state's thirty-three largest municipalities, as listed in Table 3, are officially towns, these 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 41,094 according to the 2010 Census.

refinance loans was also above 15% in four other cities (Chicopee, New Bedford, Westfield, and Lynn). (Table 3)

❖ **Almost every city and town in Massachusetts received at least one government-backed loan (GBL) in 2013. Of the 292 cities and towns for which the number of GBLs loans can be determined exactly, only three small towns in Berkshire Country failed to receive at least one GBL** (Monterey, Stockbridge, and Tyringham).[22] There were only a few GBLs in the wealthiest communities: Wellesley, which has the highest median family income (MFI) of any community in the state ($182,250, according to 2006–2010 American Community Survey data), received seven GBLs; Weston, Dover, and Carlisle—which had the second, third, and fourth highest MFIs—received one, one, and two GBLs, respectively. (Supplemental Table 1)

EXHIBIT 2: Gov't-Backed Loan Shares of Home-Purchase Loans, 2005, 2010 & 2013



Source: Table 2 and see footnote 20

III. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, blacks and Latinos received shares of total **conventional loans (i.e., "non-government-backed loans" or "non-GBLs")** that were disproportionately small compared to their shares of total households. At the same time, black and Latino borrowers were much more likely than their white counterparts to receive **government-backed loans (GBLs)**. The pattern with respect to GBL loans can be seen from two different perspectives. First, GBLs made up much larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. Second, blacks and Latinos received much larger shares of total GBLs than they received of total conventional loans. When borrowers are grouped by income level, GBL loan shares tend to decrease steadily as income increases. When borrowers are classified by both race and income,

22 In addition, there were two multi-town census tracts where the number of GBLs was smaller than the number of towns; in these census tracts there at least were three additional towns that did not receive any GBLs. Of the 351 cities and towns in the state, sixty are too small to have even one census tract entirely to themselves. These towns share a total of 22 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 22 census tracts.

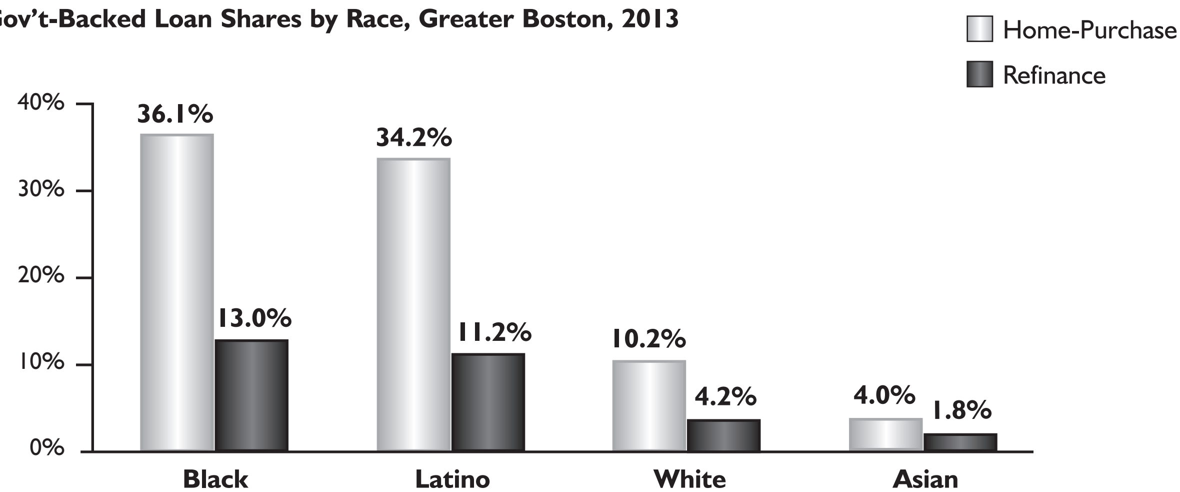
substantial black/white and Latino/white disparities exist at every income level.[23]

- **Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2013 that were far below their shares of total households. In Boston, for example, blacks made up 21.0% of households but received only 3.7% of conventional home-purchase loans and 7.4% of conventional refinance loans.** Statewide, the black household share was 5.7%, but black loan shares were just 1.8% for conventional home-purchase loans and 1.7% for conventional refinance loans.[24] (Panel II of Table 4)

- **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total conventional loans in 2013 that were well below their shares of total households. In Boston, for example, Latinos made up 13.7% of households, but received only 3.0% of conventional home-purchase loans and 4.1% of conventional refinance loans.** Statewide, the Latino household share was 7.2%, but Latino loan shares were 2.9% for conventional home-purchase loans and just 2.1% for conventional refinance loans. (Panel II of Table 4)

- **Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs than were their white or Asian counterparts. For home-purchase loans in Greater Boston, for example, GBLs accounted for 36.1% of loans to blacks and 34.2% of loans to Latinos, but only 10.2% of loans to whites.** Accordingly, the black/white disparity ratio was 3.5 and the Latino/white disparity ratio was 3.4. For refinance loans in Greater Boston in 2013, the GBL loan shares were 13.0% for blacks and 11.2% for Latinos, but only 4.2% for whites, for a black/white disparity ratio of 3.1 and a Latino/white disparity ratio of 2.7. The corresponding disparity ratios in the City of Boston were higher, particularly for home-purchase loans where the black/white disparity ratio was 6.9 and the Latino/white ratio was 5.5.

EXHIBIT 3: Gov't-Backed Loan Shares by Race, Greater Boston, 2013



Source: Table 4

[23] Appendix Table 3 and the accompanying Chart A-3 update the table and chart from previous *Changing Patterns* reports that have tracked the number and percentage of all home-purchase loans that have gone to borrowers of different races/ethnicities in the City of Boston since 1990. Most notably, **blacks—who made up 21% of the city's households throughout the entire period—saw their share of home-purchase loans increase from 16% in 1990 to 21% in 1993, then fall steadily to 10% in 2002, rebound to 17% by 2006, and then resume a steady decline to 6.6% in 2013.**

In addition, information on the share of all loans that went to borrowers at various income levels is presented in the bottom half of Table 9, 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.

[24] The black and Latino household shares in this paragraph and the next are calculated from 2010 Census data (see "Notes on Data and Methods" for details). In 2000, the black household shares were 21.3% in Boston and 4.7% statewide, while the Latino household shares were 10.6% in Boston and 5.0% statewide.

Statewide disparity ratios were somewhat *lower* than those in Greater Boston. GBL loan shares were consistently much lower for Asian borrowers than for whites. (Exhibit 3 & Table 4)

❖ The dramatic racial/ethnic disparities in government-backed mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 1.8% of all conventional loans in 2013, their share of all GBL loans was more than four times greater—8.0%. Similarly, while Latino homebuyers received only 2.7% of all conventional loans in Greater Boston, their share of all GBL loans was 11.0%.** (Table 4, Panel II)

❖ **The general patterns of GBL 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 GBLs than of conventional loans, were also present in most of the state's largest cities.** Information for the state's thirty-three largest cities is presented in Tables 5–8; also see Exhibit 4.[25]

❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2013 tend to decline steadily as the level of borrower income increases.** Statewide, for example, GBL shares of home-purchase loans were 30.5% for moderate-income borrowers, 23.1% for middle-income borrowers, 12.8% for high-income borrowers, and 3.8% for highest-income borrowers. For refinance lending statewide, GBL loan shares fell steadily from 5.3% of moderate-income borrowers to just 1.4% for the highest-income borrowers.[26] The GBL shares for low-income borrowers were generally lower than those for moderate- and middle-income borrowers; this may reflect the role that targeted affordable mortgage programs play for low-income borrowers. GBL lending to borrowers at

EXHIBIT 4: Black and Latino Shares of All Home-Purchase Loans, Ten Biggest Cities in Massachusetts, 2013

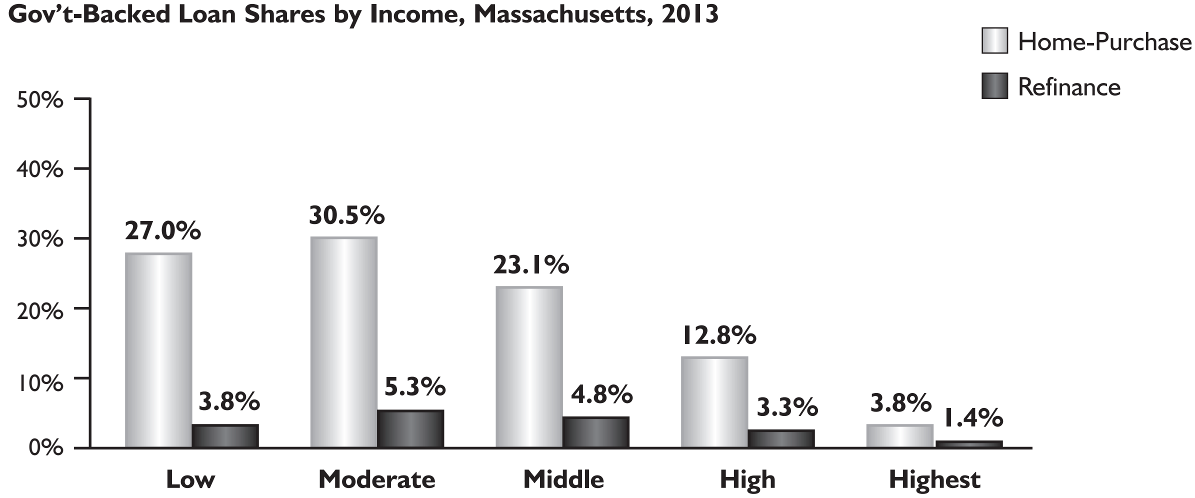
	Black share of total		Latino share of total	
	non-GBLs	GBLs	non-GBLs	GBLs
Boston	3.7%	23.2%	3.0%	13.4%
Worcester	4.9%	14.9%	8.9%	19.1%
Springfield	10.3%	11.3%	15.0%	38.0%
Lowell	4.2%	5.8%	5.3%	20.1%
Cambridge	1.8%	0.0%	2.0%	0.0%
New Bedford	1.9%	6.9%	3.4%	10.8%
Brockton	29.6%	42.0%	6.7%	11.5%
Quincy	1.7%	5.9%	1.5%	2.9%
Lynn	4.8%	7.3%	14.4%	32.7%
Fall River	1.6%	6.3%	2.4%	3.9%

Source: Table 6

25 Corresponding data for all of the state's cities and towns is presented in Supplemental Tables 2 and 3.

26 It is interesting to note that HMDA data include no information on borrower income for more than one-half of the refinance GBLs in Massachusetts in 2012—see the "No Info" row in Panel I.B in Table 9. (In contrast, HMDA data include information on borrower income for over 99% of home-purchase GBLs and for over 96% of all conventional loans.) This likely reflects the FHA's "streamline refinance" program for borrowers refinancing from one FHA loan to another with no cash out, although loans in this program are not explicitly identified in HMDA data. Under the streamline refinance program, if a current appraisal shows that the property value is greater than the loan amount and if the borrower has a good payment history, then the lender need not verify or report the borrower's income.

EXHIBIT 5: Gov't-Backed Loan Shares by Income, Massachusetts, 2013



Source: Table 9

different income levels in each of the state's thirty-three largest cities tended to follow the same general pattern. The median family income in the Boston MSA in 2013 was $91,200, so low-income borrowers there were those with incomes up to $45,000, moderate-income was from $46,000 to $72,000, middle-income was from $73,000 to $109,000, high-income was from $110,000 to $182,000, and highest-income borrowers were those with incomes of $183,000 or more.[27] (Tables 9 & 10 and Exhibit 5)

❖ **When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos in 2013 were usually substantially higher than the GBL shares for white borrowers in the same income category.** This general pattern holds in Boston (Table 11), in Greater Boston (Table 12), and statewide (Table 13). For brevity, only one specific example will be provided here. **In Greater Boston, 33.7% of high-income blacks and 20.0% of high-income Latinos received their home-purchase loans in the form of GBLs, while the GBL loan share was 9.4% for high-income whites.** This means that among homebuyers with reported incomes between $110,000 and $182,000, blacks were 3.6 times more likely to receive a GBL than their white counterparts, and Latinos were 2.1 times more likely than whites to receive their mortgage in the form of a GBL. (Tables 11–13)

IV. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where mortgage loans were made rather than on the characteristics of the *borrowers* who received the loans. Table 14 (Boston), Table 15 (Greater Boston), and Table 16 (Massachusetts) classify census tracts

27 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 report borrower income to the nearest thousand dollars. See "Notes on Data and Methods" for more detailed information on metropolitan areas and MFIs.

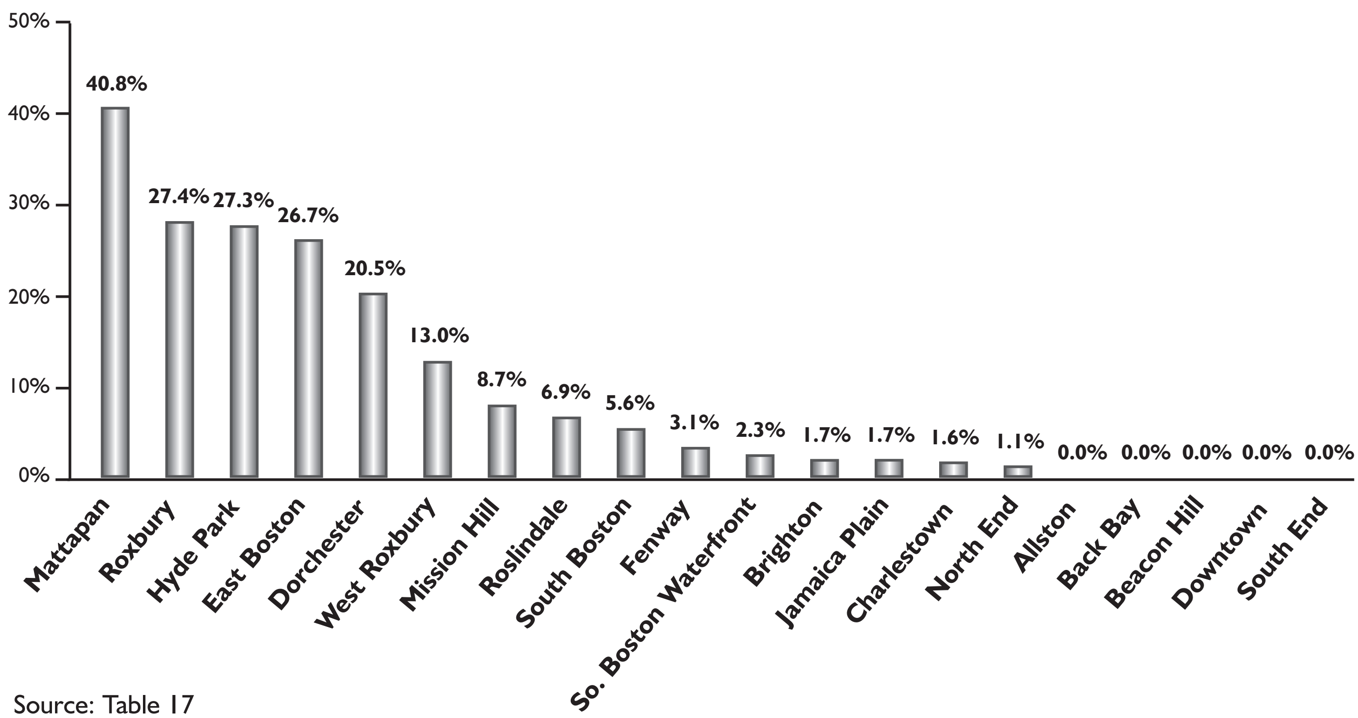
by both race/ethnicity and income level.[28] These tables provide clear evidence that government-backed loans (GBLs) are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where income levels are low (often, these are the same areas). The first two bullets illustrate this general pattern by summarizing results for home-purchase lending in Boston and refinance lending statewide.

- **For home-purchase loans in the City of Boston in 2013, the government-backed loan (GBL) share in the 44 predominantly minority tracts (those with more than 75% minority residents) was 8.7 times greater than that in the 39 predominantly white tracts (31.2% vs. 3.6%); the GBL share in low-income census tracts was 6.1 times greater than that in upper-income tracts (14.6% vs. 2.4%).** For tracts in the same income category, the GBL share tends to rise substantially as the percentage of minority households increases. (Table 14)

- **For refinance loans in the state as a whole in 2013, the GBL loan share in predominantly minority tracts was 2.6 times greater than in predominantly white tracts (17.0% vs. 6.5%); the GBL loan share in low-income census tracts was 3.0 times greater than that in upper-income tracts (11.9% vs. 4.0%).** (Table 16)

- **Government-backed lending varied dramatically among Boston's neighborhoods. For home-purchase loans, GBL shares ranged from 40.8% in Mattapan to 0.0% in Allston, Back Bay, Beacon Hill, Downtown and the South End. For refinance loans, GBL shares ranged from 17.6% in Mattapan to 0.0% in Beacon Hill and Downtown.** The five Boston

EXHIBIT 6: Gov't-Backed Shares of Home-Purchase Loans, Boston Neighborhoods, 2013



Source: Table 17

28 Census tracts, redefined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 617,594 according to the 2010 census, had 181 census tracts. A census tract is placed in a racial/ethnic category on the basis of its percentage of minority population as reported in the 2013 HMDA data. A census tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the metropolitan area within which the tract is located, as reported in the 2013 HMDA data. "Low-income" tracts are those with MFIs less than 50% of the MFI in the metro area; "moderate-income" tracts have MFIs from 50%–80% of the MFI in the metro area; "middle-income" tracts have MFIs from 80%–120% of the MFI in the metro area; and "upper-income" tracts are those with MFIs greater than 120% of the MFI in their metro area.

neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest GBL shares for both home-purchase and refinance lending. (Table 17 and Exhibit 6)

- The same pattern emerges at the level of entire communities. For the 33 biggest cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on government-backed lending. Examination of these data shows that GBL loan shares have a strong positive correlation with communities' percentages of black and Latino residents and a strong negative correlation with communities' median family incomes (MFIs). For example, among the state's 33 biggest cities, **the three cities with the highest GBL shares for home-purchase loans in 2013 had an average of 60.0% black plus Latino residents and an average MFI of $45,444 while the three cities with the lowest GBL shares had an average of 11.8% black plus Latino households and an average MFI of $121,460.** (The high GBL-share cities are Lawrence, Brockton, and Springfield; the low GBL-share cities are Brookline, Cambridge, and Newton.)

- **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 (Boston, Brockton, Randolph, Worcester, and Springfield) accounted for almost one-half (46.3%) of total home-purchase loans to blacks in Massachusetts; these same five communities accounted for only 10.5% of the state's total loans to whites. Eleven cities (Lawrence, Boston, Springfield, Lynn, Worcester, Revere, Methuen, Haverhill, Lowell, Everett, and Brockton) accounted for half (49.9%) of all home-purchase lending to Latinos in the state, while accounting for just 13.9% of total lending to whites. At the same time, **blacks received no home-purchase loans in 158 of the state's 351 cities and towns, and only a single loan in 65 more, while there were 112 communities where Latinos received no loans and 61 more where they received just one. In 95 communities there was not a single home-purchase loan to either a black or Latino homebuyer.** This is the first time since 2007 that there have been fewer than 100 such communities. (Calculated from data in Supplemental Table 2)

V. DENIALS OF MORTGAGE LOAN APPLICATIONS

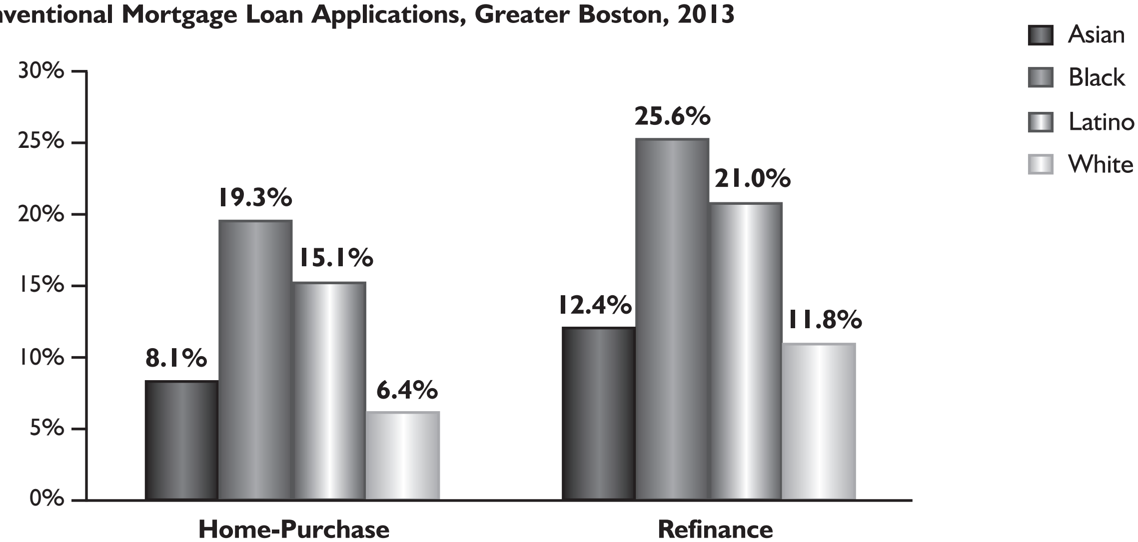
HMDA data include information not just on mortgage loans made, but also on all applications for mortgage loans, thereby making it possible to examine patterns of loan denials. The findings presented in this section are based on information presented in Tables 18 and 19 for Boston, Greater Boston, and Massachusetts. Information on applications and denial rates for Asians, blacks, Latinos, and whites in every city and town in Massachusetts is presented in Supplemental Table 4.[29, 30]

- **In Boston, Greater Boston, and Massachusetts in 2013, the denial rates on conventional (i.e., non-government-backed) home-purchase loan applications by blacks were strikingly high relative to the corresponding denial rates**

[29] In addition, Appendix Table 5 updates the table from earlier reports that provided information on overall denial rates and on denial rate disparity ratios in Boston, Massachusetts, and the U.S. since 1990. The accompanying chart shows no trend in any of the three denial rate disparity ratios in Boston during the last ten years, in spite of the unprecedented level of the black/white disparity ratio in 2013. The black/white disparity ratio has averaged about 2.5, the Latino/white ratio has averaged about 2.25, and the Asian/white ratio has averaged about 1.25.

[30] Not all loan applications result in either loans or denials; approximately one-sixth of applications have other outcomes. Appendix Table 6 provides information on the percentage distribution of loan applications among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts, separately for home-purchase and refinance loans.

EXHIBIT 7: Denial Rates, by Race/Ethnicity, Conventional Mortgage Loan Applications, Greater Boston, 2013



Source: Table 18

for whites. The black/white denial rate disparity ratio was 4.00 in Boston (25.9% vs. 6.5%), 3.02 in Greater Boston (19.3% vs. 6.4%), and 2.65 statewide (20.2% vs. 7.6%).[31] Latino denial rates for conventional home-purchase loans were approximately twice the denial rates for white applicants; the Latino/white denial rate disparity ratios were 1.99 in Boston, 2.37 in Greater Boston, and 2.03 statewide. Asian/white denial rate disparity ratios were 1.70 in Boston, 1.28 in Greater Boston, and 1.14 statewide. (Table 18 and Exhibit 7)

❖ **Although denial rates for blacks and Latinos seeking government-backed loans (GBLs) or refinance loans were generally higher than the corresponding denial rates for those seeking conventional home-purchase loans, the denial rate disparity ratios were considerably lower for these categories of loans. This is because the white denial rates for GBLs and for refinance loans were generally about double the white denial rates for conventional home-purchase loans.** For example, for conventional refinance loans in Greater Boston in 2013, the denial rates were 25.6% for blacks, 21.0% for Latinos, and 11.8% for whites, for a black/white denial rate disparity ratio of 2.16 and a Latino/white disparity ratio of 1.77. (Table 18)

❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,[32] **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 2013 denial rates for blacks and for Latinos were, with only one exception, well above the denial rates for white applicants in the same income category.** For example, for applicants with incomes between $91,000 and $120,000, the black/white disparity ratios ranged from 2.17 statewide to 2.75 in the City of Boston, and the

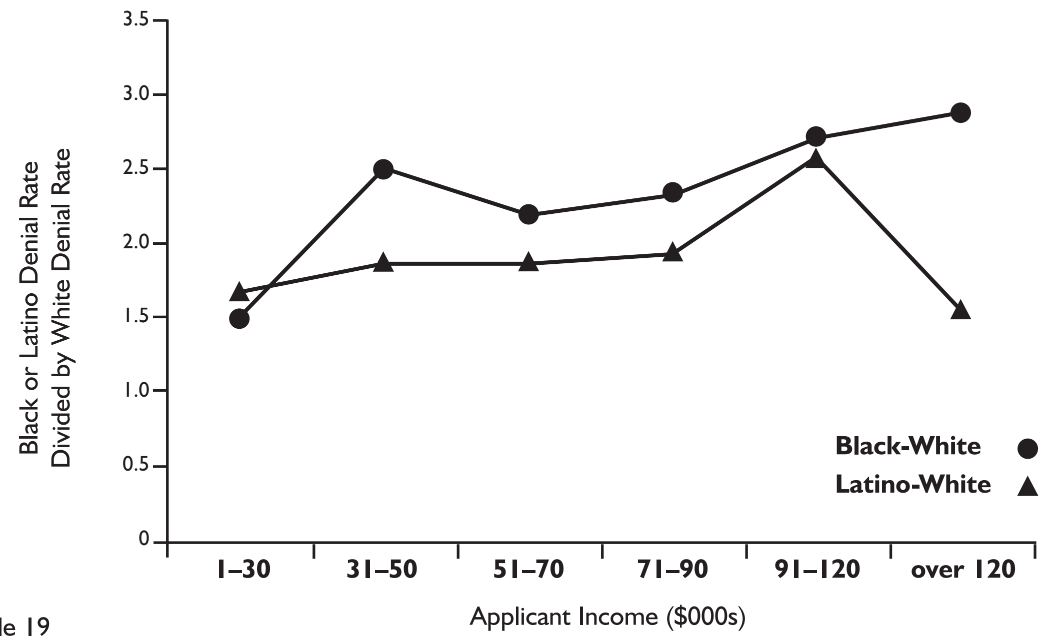
[31] These are substantially higher than the corresponding black/white denial rate disparity ratios in 2012, which were 2.74 in Boston, 2.40 in Greater Boston, and 2.23 statewide.

[32] For example, it can be calculated from the data in Table 19 that 66% of white applicants in Greater Boston had reported incomes of $91,000 or greater, compared to only 30% of black applicants and 41% of Latino applicants.

Latino/white disparity ratios ranged from 1.70 in Boston to 2.57 in Greater Boston[33] (Table 19 and Exhibit 8)

- Appendix Tables 7 and 8 provide summary information on the stated reasons for loan denials to black, Latino, and white applicants for home-purchase and refinance loans, respectively, both overall and for two broad income groupings. **The stated reasons for loan denials are quite similar for blacks, Latinos, and whites, but differ substantially by the income level of applicants and between home-purchase and refinance applications.** Overall, the clearest results are that "Debt-to-Income Ratio" is the most frequently stated reason for denials to low- and moderate-income applicants seeking either type of loan, while "Collateral" is the most frequently stated reason for denials to middle- and upper-income applicants seeking refinance loans.[34]

EXHIBIT 8: Black-White & Latino-White Denial Rate Disparity Ratios, Non-GBL Home-Purchase Loans, Greater Boston, 2013



Source: Table 19

VI. 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. *Licensed Mortgage Lenders* consist of independent mortgage companies that made at least fifty mortgage loans

[33] The exception was for Latino applicants in Boston with incomes greater than $120,000. When compared to the 5.3% denial rate for whites, the Latino denial rate of 2.8% (one denial for 36 applicants) resulted in the *lowest* denial rate disparity (0.52) shown in Table 19. Meanwhile, however, the *highest* observed disparity ratio in Table 19 was also for this income category in Boston; the 29.2% denial rate for blacks (seven denials for 24 applicants) resulted in a black-white denial rate ratio of 5.51.

[34] "Collateral" is generally given as the reason for a loan denial when the required appraisal of the property resulted in an appraised value too low relative to the amount of the requested loan. For example, if the lender allows a maximum loan-to-value ratio of 80%, then an application for a $200,000 loan would require an appraised value of at least $250,000.

in Massachusetts. *Other Lenders* consist of out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.[35]

This three-way classification was adopted for the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender's Massachusetts mortgage lending (1) is covered by the state and/or federal Community Reinvestment Act (CRA); (2) is covered by the state's Mortgage Lender Community Investment (MLCI) regulations; or (3) is exempt from such oversight from any regulator.

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

- ❖ Table 20 shows the market shares of each of the three major types of lenders for home-purchase loans, for refinance loans, and for both types of loans combined—for Boston, Greater Boston, and Massachusetts—for each of the past ten years. **For all loans statewide in 2013, Massachusetts banks and credit unions (CRA lenders) had the biggest loan share for the sixth consecutive year (44.6%), Licensed Mortgage Lenders (LMLs) were second with 37.2%, and Other Lenders were a distant third with a loan share of 18.3%.** The gap between CRA lenders and LMLs was less than half as great in Greater Boston (43.2% vs. 40.3%), while in the City of Boston, LMLs had a slightly larger loan share than CRA lenders. These loan shares are dramatically changed from 2005 and 2006, when the shares of Massachusetts banks and credit unions were only 22% statewide. (Table 20)[36]

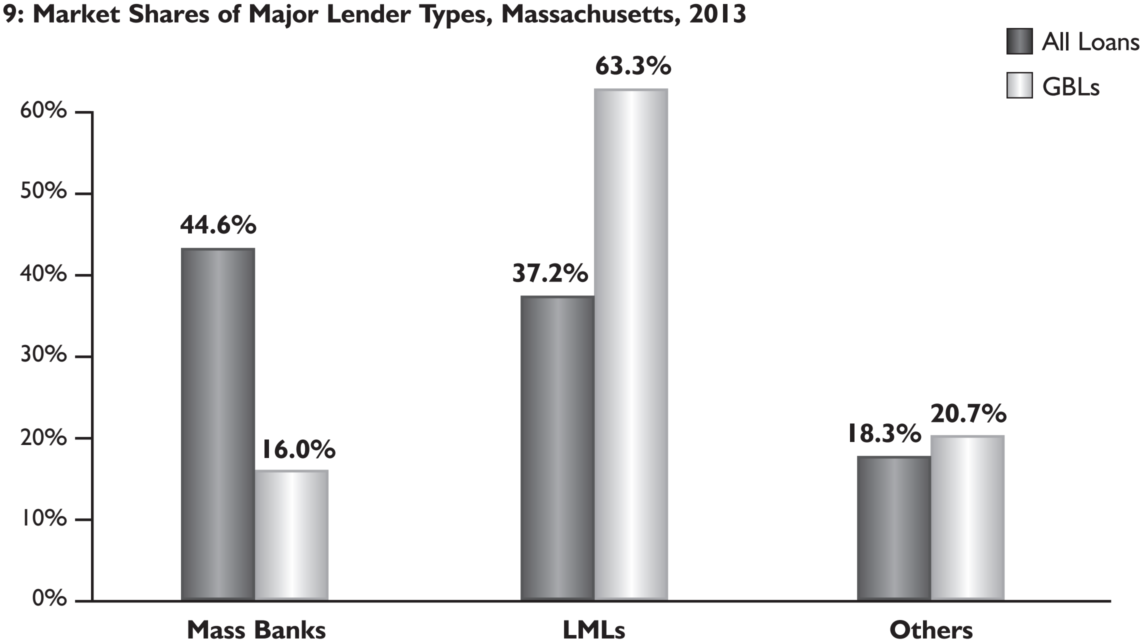
- ❖ **Massachusetts banks and credit unions accounted for a substantially larger share of all loans than of government-backed loans (GBLs), while the reverse was true for Licensed Mortgage Lenders.** Statewide, for home-purchase and refinance loans combined, Massachusetts banks and credit unions accounted for 44.6% of all loans but only 16.0% of GBLs, while LMLs accounted for 37.2% of all loans, but for 63.3% of GBLs. Other Lenders accounted for approximately roughly equal shares of both types of loans (18.3% and 20.7%). The same general pattern was true in the City of Boston and in Greater Boston. (Table 21 and Exhibit 9)

- ❖ **GBLs made up a much larger share of total loans by LMLs and Other Lenders than of total loans by Massachusetts banks and credit unions. Statewide, for example, GBLs accounted for 18.6% of all loans by LMLs, and for 12.4% of all loans by Other Lenders, but for only 3.9% of all loans by Massachusetts banks and credit unions.** Likewise in Boston and Greater Boston, GBLs accounted for shares of all loans by LMLs and Other Lenders that were between three and four times larger than

[35] These descriptions of the types of lenders in each category are somewhat oversimplified, but the lenders identified in the text accounted for at least 95% of the loans by each of the three major types of lenders. The "Massachusetts Banks and Credit Unions" category also includes two subsidiaries of Massachusetts banks. The "Licensed Mortgage Lenders" category also includes affiliates of non-Massachusetts banks that made more than fifty mortgage loans in the state. The "Other Lenders" category also includes independent mortgage companies that made fewer than fifty in-state loans, affiliates of non-Massachusetts banks that made fewer than fifty in-state loans, and subsidiaries of federally-chartered out-of-state banks. Federal credit unions based in Massachusetts are included in the "Other Lenders" category because they are not subject to either the federal or state CRA.

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

EXHIBIT 9: Market Shares of Major Lender Types, Massachusetts, 2013



Source: Table 21

the GBL share of all loans by Massachusetts banks and credit unions. (Table 22)

❖ Table 23 (Boston) and Table 24 (Massachusetts) present information on the shares of the total loans of each of the three major types of lenders that consisted of conventional loans (that is, non-government-backed loans) to traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of GBLs to these same borrowers and neighborhoods. **In virtually every case, Massachusetts banks and credit unions (CRA-covered lenders) made a greater (often, a substantially greater) share of their total loans as conventional loans—and a smaller share of their total loans as GBLs—to the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders.**[37] For home-purchase loans in 2013 in Boston, for example, conventional loans to black borrowers made up 5.5% of all loans made by CRA-covered lenders, 1.9% of all loans by LMLs and 1.5% of all loans by Other Lenders. Similarly, conventional home-purchase loans to low- and moderate-income borrowers accounted for 24.9% of the Massachusetts loans by CRA-covered lenders, compared to 17.5% of the loans by LMLs and 15.2% of the loans by Other Lenders. (Tables 23 & 24)

❖ **The introduction of Performance Evaluations and ratings of individual LMLs under the state's Mortgage Lender Community Investment (MLCI) regulation may have had a positive impact on the relative performance of LMLs for the first time in 2013.**[38] Since the *Changing Patterns* series of reports was begun in the mid-1990s, this type of comparison has consistently shown a substantial difference between the performance of CRA-covered lenders and all other lenders, and proponents of the new regulation argued that it would have an

37 The phrase "virtually every case" is used because out a total of eighty comparisons between the loan share of CRA-covered lenders and the loan share of a different lender type the claim made here holds true in all but three cases.

38 Of the approximately ninety active LMLs that were subject to MLCI in 2013 on the basis of having made fifty or more mortgage loans in Massachusetts in 2012, forty-three had received performance evaluations or ratings by the end of 2013. For details, and a list of ratings of the LMLs that have been examined, see Jim Campen, *CRA Ratings of Massachusetts Banks, Credit Unions, and Licensed Mortgage Lenders in 2013*, Massachusetts Affordable Housing Alliance, March 2014, Table A-4 (http://mahahome.org).

analogous impact on the performance of LMLs relative to that of Other Lenders. For conventional home-purchase lending in 2013, the loan shares for LMLs were greater than the loan shares for Other Lenders in four of the five categories of traditionally underserved borrowers and neighborhoods in Boston (by an average of 42%; the fifth category was a tie) and in all five categories statewide (by an average of 12%). However, the situation was reversed for conventional refinance loans: the loan shares for LMLs were *lower* in all five categories both in Boston (by an average of 28%) and statewide (by an average of 18%). (Tables 23 & 24)

VII. THE BIGGEST LENDERS

Who were the biggest lenders, both overall and for government-backed loans (GBLs)? Tables 25 and 26 present information on the 30 biggest overall lenders in the City of Boston and in Massachusetts. For each lender, these tables show the total number of loans, the total number of GBLs, and GBLs as a percentage of the total (for overall lending as well as for home-purchase and refinance loans separately). These lenders include the nine biggest GBL lenders in Boston and ten of the eleven biggest GBL lenders statewide. Loans by lenders within the same "family" of related lenders are consolidated; information on the lending by individual lenders within each family is presented in Table 29.[39]

❖ **Mortgage Master was the biggest lender in 2013 both in Boston (with 1,034 loans) and statewide (with 8,146 loans). Bank of America ranked third in the city (650 loans) and second statewide (7,712 loans). Wells Fargo ranked fourth in the city (610 loans) and third in the state (7,239 loans).** These three were the only lenders that ranked in the top five in both the city and the state. Quicken and Santander ranked fourth and fifth statewide. Guaranteed Rate was the second largest lender in Boston (with 759 loans), but ranked only sixth statewide, while Leader Bank/Mortgage ranked fifth in the city.[40] The top five lenders in Boston accounted for 29.4% of all loans in the city; statewide, the top five

EXHIBIT 10: The 5 Biggest Lending Families in Boston & Massachusetts
Home-Purchase & Refinance Loans Combined, 2013

	Boston			Massachusetts		
Rank	Lender	Loans	Mkt Share	Lender	Loans	Mkt Share
1	Mortgage Master	1,034	8.4%	Mortgage Master	8,146	4.5%
2	Guaranteed Rate	759	6.1%	Bank of America	7,712	4.3%
3	Bank of America	650	5.3%	Wells Fargo	7,239	4.0%
4	Wells Fargo	610	4.9%	Quicken Loans	7,056	3.9%
5	Leader Bank/Mort	577	4.7%	Santander	6,031	3.4%
	Total, Top 5 Lenders	3,630	29.4%		36,184	20.2%
	Total, All Lenders	12,367	100.0%		179,037	100.0%

Source: Tables 25 & 26

39 A few years ago it was common for companies in the mortgage business to operate through two or more separate lenders, often doing most of their subprime lending through subsidiaries that specialized in such loans. As Table 29 indicates, however, most companies now operate through a single lender, while the others tend to do almost all of their lending through their main lender (e.g., Wells Fargo, 98.6% and Salem Five, 99.9%). The only exceptions in 2013 were provided by Leader Bank/Mortgage (82% through Leader Bank) and NEMoves/PHH (63% through NE Moves Mortgage).

40 Mortgage Master, Inc. is a privately-held mortgage company based in Walpole, Massachusetts, that operates in 26 states. Guaranteed Rate is a privately-held mortgage company, based in Chicago, that has offices in 41 states. Leader Bank has no formal corporate connection to Leader Mortgage Company. However, the former's president and CEO owns and is chairman of the latter, so they are classified here as members of the same lending family.

lenders accounted for just one-fifth (20.2%) of all loans. (Tables 25 & 26; see also Exhibit 10)

- **Wells Fargo and Quicken were the state's two biggest government-backed loan (GBL) lenders in 2013. While GBLs accounted for 10.9% of total loans by all lenders, Wells Fargo's 1,349 GBLs accounted for 18.6% of its total lending and Quicken's 1,157 GBLs accounted for 16.4% of its total.** The third, fourth, and fifth ranked GBL lenders statewide were Residential Mortgage (25.8% of its loans were GBLs), Guaranteed Rate (12.6%), and Freedom Mortgage (70.6%). Mortgage Master was the sixth biggest GBL lender, although GBLs accounted for only 7.4% of its total loans. The five biggest GBL lenders in the City of Boston in 2013 were, in order: Wells Fargo, Guaranteed Rate, Quicken, Mortgage Master, and Prospect Mortgage. (Tables 25 & 26)

- **Of the eight lenders that were the eight biggest lenders both in Boston and the state, four had all or most of their Massachusetts lending covered by the CRA: Bank of America, Santander, RBS Citizens, and Leader. Three more of the eight were covered by the state's Mortgage Lender Community Investment (MLCI) regulations (Mortgage Master, Quicken, and Guaranteed Rate) and only Wells Fargo was in the Other Lender category.** Of the thirty biggest lender families statewide, twelve were (completely or partially) covered by CRA, fourteen were (completely or partially) covered by MLCI, and five were Other Lenders. The distribution among the major types of lenders for the thirty biggest lenders in Boston was seventeen covered by CRA, twelve covered by MLCI, and just two Other Lenders. (Tables 25 & 26)

- Table 27 (Boston) and Table 28 (Massachusetts) provide information on lending to blacks, Latino, and white borrowers by each of the lenders included in Tables 25 and 26 (listed in the same order). This information includes—for all loans, for conventional loans, and for GBLs—the total number of loans for each lender and the number and percentage of these loans that went to black or Latino borrowers. **The shares of total loans that went to Black or Latino borrowers varied greatly among the biggest lenders. Statewide, where 4.1% of all conventional loans went to blacks or Latinos in 2013, three lenders (all of whom were CRA-covered lenders) made at least 6.8% of their conventional loans to these borrowers, while four other lenders (one CRA-covered lender, two Licensed Mortgage Lenders and one Other Lender) made 2.0% or fewer of their loans to blacks and Latinos.** In Boston, where 9.7% of all conventional loans went to blacks or Latinos, seven lenders (all of whom were CRA-covered lenders) made at least 16.0% of their conventional loans to these borrowers, while eleven other lenders (five covered by CRA and six LMLs) made 5.0% or less of their loans to blacks or Latinos.

VIII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Three years ago, the final section of *Changing Patterns VIII* summarized a broad range of legislative and regulatory measures, designed to prevent irresponsible mortgage lending, that were adopted in the aftermath of the implosion of the subprime mortgage industry.[41] The regulations implementing four of the most important measures had not yet been finalized at that time.

During 2013, regulators issued final rules in three of these four areas: the rules governing the compensation of loan originators[42]; the standards for ensuring that mortgage borrowers have the ability to repay their loans (including the so-called "qualified mortgage" or "QM" regulations)[43]; and the forms to be used in providing disclosures to mortgage loan

41 This summary, presented on pages 19–23 of *Changing Patterns XVIII* (available at www.mcbc.info), was limited to measures concerning the origination of mortgage loans and thus excluded consideration of such related issues as mortgage servicing and foreclosure.

42 The final rule was issued on January 20, 2013 and became effective on January 14, 2014. Summary and detailed information is available by clicking on "Loan Originator Rule" in the table at: www.consumerfinance.gov/regulatory-implementation/title-xiv/.

43 The final rule was issued on January 14, 2013 and became effective on January 14, 2014. Summary and detailed information is available by clicking on the "Ability to Repay/Qualified Mortgage" link in the table mentioned in the previous footnote.

applicants both following their applications and at closings.[44] On October 22, 2014, final rules were issued in the fourth area, determining when issuers of mortgage-backed securities must retain a portion of the risk that the mortgages will not be repaid as scheduled (the so-called "qualified residential mortgage" or "QRM" regulations). These final rules specify that all "qualified mortgages" shall be regarded as "qualified residential mortgages," so that risk retention requirements will apply only to the securitization of non-QM loans.[45]

On July 24, 2014, the Consumer Financial Protection Bureau (CFPB) released a proposed rule that would greatly expand the data reported under the Home Mortgage Disclosure Act (HMDA), the primary source of data used in preparing the *Changing Patterns* series of reports. The proposed new information, some of which was mandated by the Dodd-Frank Act of 2010, includes age and credit score of applicants/borrowers; property value, debt-to-income ratio and combined loan-to-value ratio; rate spread, interest rate, total points and fees, and total origination costs; whether the loan is adjustable rate, whether it is a "qualified mortgage," and whether it is a reverse mortgage; whether the loan has specific features that were common in last decade's predatory loans (such as prepayment penalties, interest-only or other non-amortizing features, or teaser rates); and unique identifiers for the loan, the loan officer, and the property (these will facilitate matching information from HMDA databases of different years, and matching HMDA data with information in related databases, such as those on loan performance, delinquency, modification, and foreclosure).[46]

The comment period on the proposed revised HMDA regulations ended in October. If the CFPB issues a final rule by March 31, 2015, then lenders will be required to begin reporting the new data to their regulators for applications received on or after January 1, 2016; if not, reporting of the new data will not begin until at least January 1, 2017. In any case, because some of the new data points raise serious privacy issues, the CFPB separated the issue of what data lenders will report to their regulators (covered by their July 24 proposal) from the issue of what data the regulators—working jointly through the Federal Financial Institutions Examination Council—will release to the public (this will be the subject of a future CFPB proposal).[47]

There was much less progress on the two other pending issues noted in last year's report. First, more than four years after soliciting and receiving extensive public input, the federal bank regulators have yet to offer any proposals to revise the regulations that implement the Community Reinvestment Act (CRA).[48] Second, while the Obama administration and the Congress are continuing to address the issues involved in reforming the housing finance system—including reforming or replacing Fannie Mae and Freddie Mac—there seems little prospect of legislative action soon.[49]

44 The final rule was issued on November 20, 2013, but will not become effective until August 1, 2015. Summary information, with links to more detailed information, is available at: www.consumerfinance.gov/blog/a-final-rule-that-makes-mortgage-disclosure-better-for-consumers/

45 A brief summary of the final rule, together with a link to the 688-page *Federal Register* notice, is available at: http://www.occ.gov/news-issuances/news-releases/2014/nr-ia-2014-140.html. The final rule will become effective for residential mortgage-backed securities in October 2015.

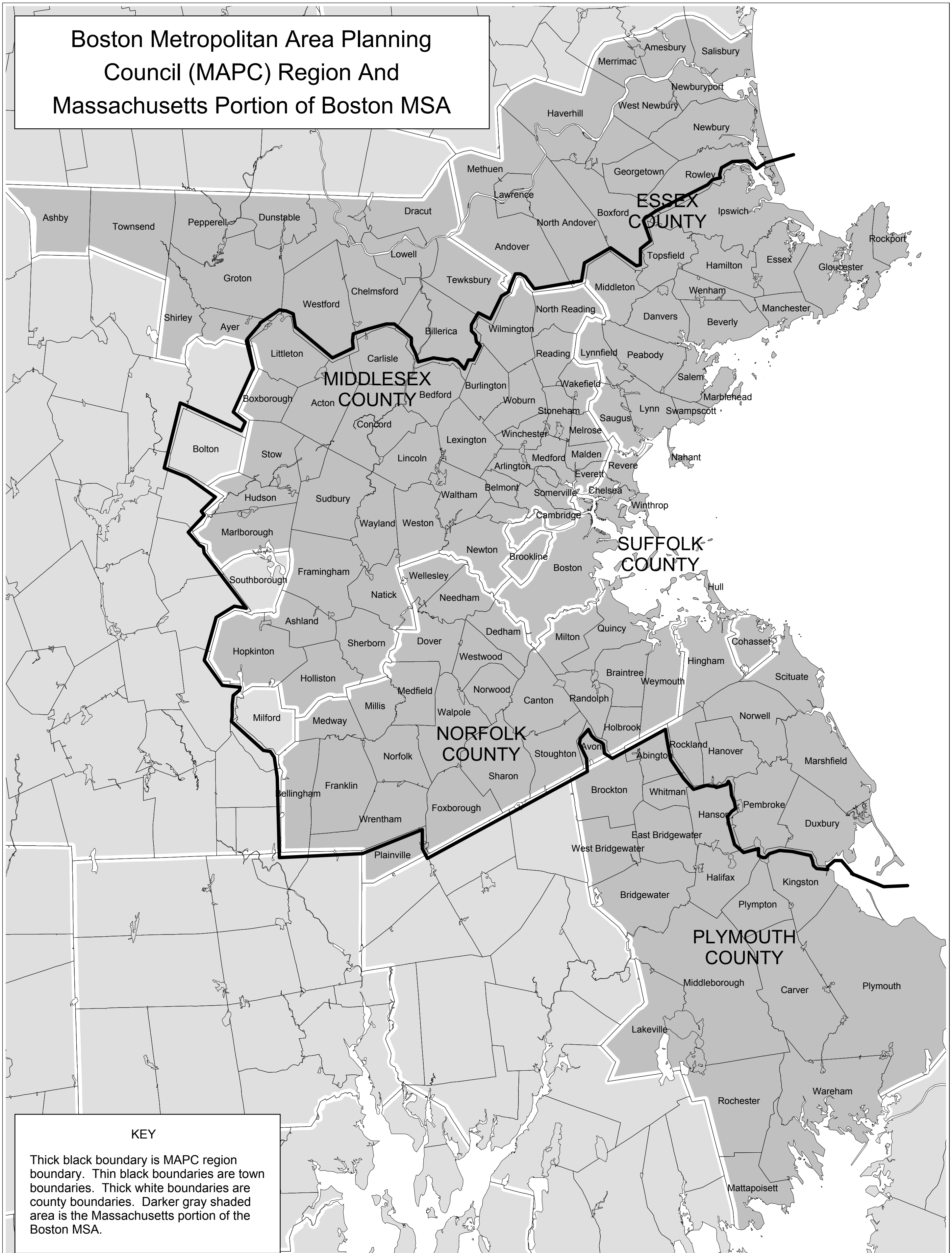
46 The CFPB News Release announcing and briefly describing the proposed rule, together with a link to the 573-page *Federal Register* notice is available here: http://www.consumerfinance.gov/newsroom/cfpb-proposes-rule-to-improve-information-about-access-to-credit-in-the-mortgage-market/. An informative five-page summary of the proposals by the law firm Buckley-Sandler can be found by a Google search for its title: "Special Alert: CFPB Proposes Significant Expansion of HMDA Reporting Requirements."

47 The Dodd-Frank Act specifies that the new reporting requirements will go into effect on the January 1 following the March 31 that follows the adoption of final implementing regulations. See Sec. 1094(3)(F) of the Act, page 724 of the full text version available at: www.sec.gov/about/laws/wallstreetreform-cpa.pdf.

48 In a June 2010 joint press release, the federal bank regulators announced a series of public hearings to help them "consider how to update the [CRA] regulations to reflect changes in the financial services industry, changes in how banking services are delivered to consumers today, and current housing and community development needs." Links to that press release and to the extensive comments submitted at the four day-long hearings held in July and August 2010 are available at: www.ffiec.gov/cra/hearings.htm.

49 John Griffith of the Center for American Progress has provided a helpful introduction to the issues involved in reforming the housing finance system, together with a comparison of 26 separate plans for dealing with the Fannie and Freddie question: www.americanprogress.org/issues/housing/news/2013/07/19/69881/a-comparison-of-plans-to-reform-our-housing-finance-system/.

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



KEY

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

TABLE 1

Total and Government-Backed Loans (GBLs), 2004–2013

Boston, Greater Boston, and Massachusetts

First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed
A. HOME-PURCHASE LOANS									
2004	8,658	52	0.6%	46,819	495	1.1%	98,297	3,404	3.5%
2005	8,330	32	0.4%	44,583	229	0.5%	94,286	1,832	1.9%
2006	7,052	42	0.6%	36,538	295	0.8%	76,984	1,589	2.1%
2007	5,718	70	1.2%	30,982	472	1.5%	62,973	1,959	3.1%
2008	4,472	458	10.2%	25,928	3,527	13.6%	51,279	10,228	19.9%
2009	4,160	810	19.5%	26,263	6,486	24.7%	51,901	16,996	32.7%
2010	3,958	902	22.8%	24,602	6,072	24.7%	47,699	15,352	32.2%
2011	3,493	630	18.0%	22,983	4,731	20.6%	44,032	12,839	29.2%
2012	4,369	524	12.0%	27,673	4,109	14.8%	52,280	12,268	23.5%
2013	4,821	388	8.0%	31,727	3,558	11.2%	60,129	11,335	18.9%
B. REFINANCE LOANS									
2004	10,996	75	0.7%	79,579	413	0.5%	177,135	1,982	1.1%
2005	9,157	28	0.3%	62,947	188	0.3%	146,120	926	0.6%
2006	6,635	36	0.5%	43,625	212	0.5%	103,877	1,997	1.9%
2007	4,882	85	1.7%	34,185	504	1.5%	78,322	2,036	2.6%
2008	4,443	274	6.2%	34,763	2,035	5.9%	70,957	7,192	10.1%
2009	9,489	745	7.9%	91,362	6,216	6.8%	171,161	16,544	9.7%
2010	8,615	608	7.1%	89,394	5,277	5.9%	158,689	12,592	7.9%
2011	7,507	380	5.1%	71,620	2,951	4.1%	126,596	7,149	5.6%
2012	11,115	526	4.7%	108,182	4,774	4.4%	191,666	12,398	6.5%
2013	7,546	304	4.0%	63,391	2,807	4.4%	118,908	8,200	6.9%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	127	0.6%	126,398	908	0.7%	275,432	5,386	2.0%
2005	17,487	60	0.3%	107,530	417	0.4%	240,406	2,758	1.1%
2006	13,687	78	0.6%	80,163	507	0.6%	180,861	3,586	2.0%
2007	10,600	155	1.5%	65,167	976	1.5%	141,295	3,995	2.8%
2008	8,915	732	8.2%	60,691	5,562	9.2%	122,236	17,420	14.3%
2009	13,649	1,555	11.4%	117,625	12,702	10.8%	223,062	33,540	15.0%
2010	12,573	1,510	12.0%	113,996	11,349	10.0%	206,388	27,944	13.5%
2011	11,000	1,010	9.2%	94,603	7,682	8.1%	170,628	19,988	11.7%
2012	15,484	1,050	6.8%	135,855	8,883	6.5%	243,946	24,666	10.1%
2013	12,367	692	5.6%	95,118	6,365	6.7%	179,037	19,535	10.9%

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

Note: The great majority of government-backed loans in 2013 were insured by the Federal Housing Administration (FHA). Statewide, the FHA accounted for 72.9% of home-purchase GBLs and 71.2% of refinance GBLs.

Of total GBLs in Boston -- FHA: 530 (76.6%); VA: 162 (23.4%); USDA: no loans.

Of total GBLs in Greater Boston -- FHA: 4,943 (77.7%); VA: 1,377(21.6%); USDA: 45 (0.7%).

Of total GBLs in Massachusetts -- FHA: 14,102 (72.2%); VA: 4,340 (22.2%); USDA: 1,093 (5.6%).

TABLE 2

Total and High-APR Loans (HALs), 2004–2013

Boston, Greater Boston, and Massachusetts

First-Lien Loans for Owner-Occupied Homes

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

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

* New and better rules for reporting higher-cost loans took effect on Oct. 1, 2009. Thus data for the first nine months of 2009 were reported under the old rules, while data for last three months of 2009, and for later years, were reported under the new rules.

TABLE 3
Total and Gov't-Backed Loans (GBLs) in the 33 Biggest Cities & Towns in Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2013

	Home-Purchase Loans			Refinance Loans					
	All Loans	Govt-Backed Loans	% GBLs	All Loans	Govt-Backed Loans	% GBLs	% Black Pop'n	% Latino Pop'n	Median Family Income
Arlington*	530	11	2.1%	1,172	11	0.9%	2.8%	3.3%	$105,316
Attleboro	413	154	37.3%	804	78	9.7%	3.5%	6.3%	$79,688
Barnstable	380	107	28.2%	899	85	9.5%	3.8%	3.1%	$72,741
Boston*	4,821	388	8.0%	7,546	304	4.0%	23.6%	17.5%	$58,600
Brockton#	624	357	57.2%	903	172	19.0%	34.1%	10.0%	$57,861
Brookline*	530	2	0.4%	1,335	6	0.4%	3.7%	5.0%	$139,787
Cambridge*	738	6	0.8%	1,442	10	0.7%	12.2%	7.6%	$87,750
Chicopee	371	147	39.6%	578	122	21.1%	3.3%	14.8%	$56,446
Everett*	229	96	41.9%	397	44	11.1%	14.5%	21.1%	$59,942
Fall River	383	128	33.4%	723	104	14.4%	4.4%	7.4%	$44,498
Framingham*	578	113	19.6%	1,146	84	7.3%	5.8%	13.4%	$84,362
Haverhill#	553	180	32.5%	1,007	132	13.1%	3.2%	14.5%	$75,342
Lawrence#	383	252	65.8%	363	98	27.0%	2.5%	73.8%	$36,940
Lowell#	621	189	30.4%	1,064	134	12.6%	6.7%	17.3%	$55,852
Lynn*	593	260	43.8%	963	145	15.1%	11.8%	32.1%	$50,536
Malden*	364	58	15.9%	677	52	7.7%	15.3%	8.4%	$67,666
Medford*	489	26	5.3%	1,057	47	4.4%	9.4%	4.4%	$80,839
Methuen#	444	147	33.1%	918	106	11.5%	2.3%	18.1%	$80,739
New Bedford	469	204	43.5%	786	137	17.4%	7.5%	16.7%	$45,347
Newton*	869	12	1.4%	2,378	17	0.7%	2.8%	4.1%	$136,843
Peabody*	429	86	20.0%	952	83	8.7%	2.3%	6.3%	$80,471
Pittsfield	280	14	5.0%	441	44	10.0%	6.6%	5.0%	$56,256
Plymouth#	648	185	28.5%	1,232	136	11.0%	2.5%	1.8%	$88,518
Quincy*	855	68	8.0%	1,411	89	6.3%	5.0%	3.3%	$77,514
Revere*	324	102	31.5%	596	69	11.6%	5.1%	24.4%	$59,327
Salem*	479	86	18.0%	663	58	8.7%	4.3%	15.6%	$68,844
Somerville*	555	19	3.4%	1,025	24	2.3%	7.2%	10.6%	$69,245
Springfield	685	345	50.4%	970	208	21.4%	20.9%	38.8%	$41,532
Taunton	450	183	40.7%	803	99	12.3%	5.9%	5.5%	$68,796
Waltham*	540	39	7.2%	1,038	36	3.5%	6.2%	13.7%	$82,688
Westfield	310	93	30.0%	570	88	15.4%	1.8%	7.5%	$69,828
Weymouth*	584	111	19.0%	1,043	94	9.0%	3.4%	2.6%	$82,992
Worcester	1,033	356	34.5%	1,685	227	13.5%	11.4%	20.9%	$56,053

Note: Population data from 2010 Census. Income data from 2006-2010 American Community Survey.

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

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

TABLE 4

Total and Government-Backed Loans (GBLs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2013

I. GBLs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER

	City of Boston				Greater Boston				Massachusetts			
Borrower Race/ Ethnicity	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to White %	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to White %	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to White %
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS												
Asian	381	15	3.9%	0.77	3,507	142	4.0%	0.40	4,742	319	6.7%	0.38
Black	253	90	35.6%	6.94	785	283	36.1%	3.54	1,595	739	46.3%	2.65
Latino	186	52	28.0%	5.45	1,149	393	34.2%	3.35	2,745	1,313	47.8%	2.73
White	3,356	172	5.1%	1.00	22,657	2,310	10.2%	1.00	45,181	7,904	17.5%	1.00
Other*	9	0	0.0%		88	13	14.8%		177	40	22.6%	
No Info ^	636	59	9.3%		3,541	417	11.8%		5,689	1,020	17.9%	
Total	4,821	388	8.0%		31,727	3,558	11.2%		60,129	11,335	18.9%	
B. GBLs AS PERCENT OF ALL REFINANCE LOANS												
Asian	456	6	1.3%	0.44	4,123	74	1.8%	0.43	5,763	146	2.5%	0.38
Black	607	70	11.5%	3.83	1,391	181	13.0%	3.12	2,277	385	16.9%	2.56
Latino	324	29	9.0%	2.97	1,484	166	11.2%	2.69	2,779	441	15.9%	2.40
White	5,175	156	3.0%	1.00	49,204	2,049	4.2%	1.00	95,674	6,324	6.6%	1.00
Other*	29	3	10.3%		174	13	7.5%		373	34	9.1%	
No Info ^	955	40	4.2%		7,015	324	4.6%		12,042	870	7.2%	
Total	7,546	304	4.0%		63,391	2,807	4.4%		118,908	8,200	6.9%	

II. SHARES OF ALL LOANS, NON-GBLs, AND GBLs, BY RACE/ETHNICITY OF BORROWER

	City of Boston				Greater Boston				Massachusetts			
Borrower Race/ Ethnicity	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Asian	381	7.9%	8.3%	3.9%	3,507	11.1%	11.9%	4.0%	4,742	7.9%	9.1%	2.8%
Black	253	5.2%	3.7%	23.2%	785	2.5%	1.8%	8.0%	1,595	2.7%	1.8%	6.5%
Latino	186	3.9%	3.0%	13.4%	1,149	3.6%	2.7%	11.0%	2,745	4.6%	2.9%	11.6%
White	3,356	69.6%	71.8%	44.3%	22,657	71.4%	72.2%	64.9%	45,181	75.1%	76.4%	69.7%
Other*	9	0.2%	0.2%	0.0%	88	0.3%	0.3%	0.4%	177	0.3%	0.3%	0.4%
No Info ^	636	13.2%	13.0%	15.2%	3,541	11.2%	11.1%	11.7%	5,689	9.5%	9.6%	9.0%
Total	4,821	100.0%	100.0%	100.0%	31,727	100.0%	100.0%	100.0%	60,129	100.0%	100.0%	100.0%
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS												
Asian	456	6.0%	6.2%	2.0%	4,123	6.5%	6.7%	2.6%	5,763	4.8%	5.1%	1.8%
Black	607	8.0%	7.4%	23.0%	1,391	2.2%	2.0%	6.4%	2,277	1.9%	1.7%	4.7%
Latino	324	4.3%	4.1%	9.5%	1,484	2.3%	2.2%	5.9%	2,779	2.3%	2.1%	5.4%
White	5,175	68.6%	69.3%	51.3%	49,204	77.6%	77.8%	73.0%	95,674	80.5%	80.7%	77.1%
Other*	29	0.4%	0.4%	1.0%	174	0.3%	0.3%	0.5%	373	0.3%	0.3%	0.4%
No Info ^	955	12.7%	12.6%	13.2%	7,015	11.1%	11.0%	11.5%	12,042	10.1%	10.1%	10.6%
Total	7,546	100.0%	100.0%	100.0%	63,391	100.0%	100.0%	100.0%	118,908	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 appplication" or "not available."

TABLE 5

Total and Government-Backed Loans (GBLs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2013

	Black Borrowers			Latino Borrowers			White Borrowers			GBL Share Disparity Ratios	
	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	Black/ White	Latino/ White
Arlington	2	0	0.0%	3	0	0.0%	383	5	1.3%	0.00	0.00
Attleboro	18	7	38.9%	18	8	44.4%	335	124	37.0%	1.05	1.20
Barnstable	7	4	57.1%	25	14	56.0%	318	81	25.5%	2.24	2.20
Boston	253	90	35.6%	186	52	28.0%	3,356	172	5.1%	6.94	5.45
Brockton	229	150	65.5%	59	41	69.5%	263	126	47.9%	1.37	1.45
Brookline	1	0	0.0%	13	0	0.0%	348	2	0.6%	0.00	0.00
Cambridge	13	0	0.0%	15	0	0.0%	454	3	0.7%	0.00	0.00
Chicopee	9	4	44.4%	43	33	76.7%	298	100	33.6%	1.32	2.29
Everett	31	15	48.4%	60	38	63.3%	66	23	34.8%	1.39	1.82
Fall River	12	8	66.7%	11	5	45.5%	330	95	28.8%	2.32	1.58
Framingham	16	9	56.3%	36	17	47.2%	415	69	16.6%	3.38	2.84
Haverhill	11	5	45.5%	74	44	59.5%	421	119	28.3%	1.61	2.10
Lawrence	6	4	66.7%	317	218	68.8%	38	21	55.3%	1.21	1.24
Lowell	29	11	37.9%	61	38	62.3%	334	73	21.9%	1.74	2.85
Lynn	35	19	54.3%	133	85	63.9%	311	108	34.7%	1.56	1.84
Malden	20	6	30.0%	24	8	33.3%	164	34	20.7%	1.45	1.61
Medford	5	1	20.0%	19	2	10.5%	342	18	5.3%	3.80	2.00
Methuen	9	6	66.7%	75	45	60.0%	300	83	27.7%	2.41	2.17
New Bedford	19	14	73.7%	31	22	71.0%	354	127	35.9%	2.05	1.98
Newton	9	0	0.0%	13	1	7.7%	584	8	1.4%	0.00	5.62
Peabody	4	1	25.0%	21	7	33.3%	361	66	18.3%	1.37	1.82
Pittsfield	6	4	66.7%	10	0	0.0%	248	9	3.6%	18.37	0.00
Plymouth	6	3	50.0%	8	4	50.0%	590	169	28.6%	1.75	1.75
Quincy	17	4	23.5%	14	2	14.3%	428	53	12.4%	1.90	1.15
Revere	17	8	47.1%	94	42	44.7%	147	31	21.1%	2.23	2.12
Salem	8	5	62.5%	14	4	28.6%	394	66	16.8%	3.73	1.71
Somerville	5	0	0.0%	12	2	16.7%	403	13	3.2%	0.00	5.17
Springfield	74	39	52.7%	182	131	72.0%	351	137	39.0%	1.35	1.84
Taunton	32	21	65.6%	13	6	46.2%	363	137	37.7%	1.74	1.22
Waltham	6	2	33.3%	18	2	11.1%	371	25	6.7%	4.95	1.65
Westfield	4	3	75.0%	11	7	63.6%	265	71	26.8%	2.80	2.38
Weymouth	6	1	16.7%	11	4	36.4%	467	87	18.6%	0.89	1.95
Worcester	86	53	61.6%	128	68	53.1%	687	201	29.3%	2.11	1.82

TABLE 6
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, Gov't-Backed Loans (GBLs), and Conventional Loans (Non-GBLs)
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2013

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Arlington	530	519	11	0.4%	0.4%	0.0%	0.6%	0.6%	0.0%	72.3%	72.8%	45.5%
Attleboro	413	259	154	4.4%	4.2%	4.5%	4.4%	3.9%	5.2%	81.1%	81.5%	80.5%
Barnstable	380	273	107	1.8%	1.1%	3.7%	6.6%	4.0%	13.1%	83.7%	86.8%	75.7%
Boston	4,821	4,433	388	5.2%	3.7%	23.2%	3.9%	3.0%	13.4%	69.6%	71.8%	44.3%
Brockton	624	267	357	36.7%	29.6%	42.0%	9.5%	6.7%	11.5%	42.1%	51.3%	35.3%
Brookline	530	528	2	0.2%	0.2%	0.0%	2.5%	2.5%	0.0%	65.7%	65.5%	100.0%
Cambridge	738	732	6	1.8%	1.8%	0.0%	2.0%	2.0%	0.0%	61.5%	61.6%	50.0%
Chicopee	371	224	147	2.4%	2.2%	2.7%	11.6%	4.5%	22.4%	80.3%	88.4%	68.0%
Everett	229	133	96	13.5%	12.0%	15.6%	26.2%	16.5%	39.6%	28.8%	32.3%	24.0%
Fall River	383	255	128	3.1%	1.6%	6.3%	2.9%	2.4%	3.9%	86.2%	92.2%	74.2%
Framingham	578	465	113	2.8%	1.5%	8.0%	6.2%	4.1%	15.0%	71.8%	74.4%	61.1%
Haverhill	553	373	180	2.0%	1.6%	2.8%	13.4%	8.0%	24.4%	76.1%	81.0%	66.1%
Lawrence	383	131	252	1.6%	1.5%	1.6%	82.8%	75.6%	86.5%	9.9%	13.0%	8.3%
Lowell	621	432	189	4.7%	4.2%	5.8%	9.8%	5.3%	20.1%	53.8%	60.4%	38.6%
Lynn	593	333	260	5.9%	4.8%	7.3%	22.4%	14.4%	32.7%	52.4%	61.0%	41.5%
Malden	364	306	58	5.5%	4.6%	10.3%	6.6%	5.2%	13.8%	45.1%	42.5%	58.6%
Medford	489	463	26	1.0%	0.9%	3.8%	3.9%	3.7%	7.7%	69.9%	70.0%	69.2%
Methuen	444	297	147	2.0%	1.0%	4.1%	16.9%	10.1%	30.6%	67.6%	73.1%	56.5%
New Bedford	469	265	204	4.1%	1.9%	6.9%	6.6%	3.4%	10.8%	75.5%	85.7%	62.3%
Newton	869	857	12	1.0%	1.1%	0.0%	1.5%	1.4%	8.3%	67.2%	67.2%	66.7%
Peabody	429	343	86	0.9%	0.9%	1.2%	4.9%	4.1%	8.1%	84.1%	86.0%	76.7%
Pittsfield	280	266	14	2.1%	0.8%	28.6%	3.6%	3.8%	0.0%	88.6%	89.8%	64.3%
Plymouth	648	463	185	0.9%	0.6%	1.6%	1.2%	0.9%	2.2%	91.0%	90.9%	91.4%
Quincy	855	787	68	2.0%	1.7%	5.9%	1.6%	1.5%	2.9%	50.1%	47.6%	77.9%
Revere	324	222	102	5.2%	4.1%	7.8%	29.0%	23.4%	41.2%	45.4%	52.3%	30.4%
Salem	479	393	86	1.7%	0.8%	5.8%	2.9%	2.5%	4.7%	82.3%	83.5%	76.7%
Somerville	555	536	19	0.9%	0.9%	0.0%	2.2%	1.9%	10.5%	72.6%	72.8%	68.4%
Springfield	685	340	345	10.8%	10.3%	11.3%	26.6%	15.0%	38.0%	51.2%	62.9%	39.7%
Taunton	450	267	183	7.1%	4.1%	11.5%	2.9%	2.6%	3.3%	80.7%	84.6%	74.9%
Waltham	540	501	39	1.1%	0.8%	5.1%	3.3%	3.2%	5.1%	68.7%	69.1%	64.1%
Westfield	310	217	93	1.3%	0.5%	3.2%	3.5%	1.8%	7.5%	85.5%	89.4%	76.3%
Weymouth	584	473	111	1.0%	1.1%	0.9%	1.9%	1.5%	3.6%	80.0%	80.3%	78.4%
Worcester	1,033	677	356	8.3%	4.9%	14.9%	12.4%	8.9%	19.1%	66.5%	71.8%	56.5%

Note: See Table 5 for the numbers of loans to black, Latino, & white borrowers that were used to calculate this table's percentages.

TABLE 7

Government-Backed Loans (GBLs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2013

	Black Borrowers			Latino Borrowers			White Borrowers			GBL Share Disparity Ratios	
	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	Black/ White	Latino/ White
Arlington	8	0	0.0%	16	0	0.0%	919	8	0.9%	0.00	0.00
Attleboro	11	4	36.4%	15	3	20.0%	666	62	9.3%	3.91	2.15
Barnstable	8	0	0.0%	12	2	16.7%	777	68	8.8%	0.00	1.90
Boston	607	70	11.5%	324	29	9.0%	5,175	156	3.0%	3.83	2.97
Brockton	178	33	18.5%	58	15	25.9%	529	94	17.8%	1.04	1.46
Brookline	16	0	0.0%	27	0	0.0%	975	4	0.4%	0.00	0.00
Cambridge	29	0	0.0%	26	1	3.8%	1,055	6	0.6%	0.00	6.76
Chicopee	8	4	50.0%	23	9	39.1%	482	101	21.0%	2.39	1.87
Everett	44	8	18.2%	54	16	29.6%	221	16	7.2%	2.51	4.09
Fall River	4	3	75.0%	5	1	20.0%	650	84	12.9%	5.80	1.55
Framingham	23	4	17.4%	33	3	9.1%	886	64	7.2%	2.41	1.26
Haverhill	12	4	33.3%	33	7	21.2%	847	107	12.6%	2.64	1.68
Lawrence	5	3	60.0%	178	68	38.2%	129	13	10.1%	5.95	3.79
Lowell	27	4	14.8%	51	7	13.7%	739	91	12.3%	1.20	1.11
Lynn	50	14	28.0%	82	23	28.0%	676	78	11.5%	2.43	2.43
Malden	36	8	22.2%	33	5	15.2%	388	24	6.2%	3.59	2.45
Medford	31	1	3.2%	29	1	3.4%	793	38	4.8%	0.67	0.72
Methuen	15	1	6.7%	63	21	33.3%	716	71	9.9%	0.67	3.36
New Bedford	32	11	34.4%	32	10	31.3%	640	96	15.0%	2.29	2.08
Newton	13	0	0.0%	30	0	0.0%	1,799	14	0.8%	0.00	0.00
Peabody	10	2	20.0%	22	3	13.6%	829	71	8.6%	2.34	1.59
Pittsfield	9	3	33.3%	9	0	0.0%	383	35	9.1%	3.65	0.00
Plymouth	11	0	0.0%	11	1	9.1%	1,051	119	11.3%	0.00	0.80
Quincy	16	2	12.5%	29	2	6.9%	962	70	7.3%	1.72	0.95
Revere	14	5	35.7%	83	18	21.7%	408	42	10.3%	3.47	2.11
Salem	3	0	0.0%	15	1	6.7%	567	49	8.6%	0.00	0.77
Somerville	23	4	17.4%	38	2	5.3%	765	14	1.8%	9.50	2.88
Springfield	133	40	30.1%	147	34	23.1%	553	100	18.1%	1.66	1.28
Taunton	11	2	18.2%	19	8	42.1%	711	84	11.8%	1.54	3.56
Waltham	18	1	5.6%	34	1	2.9%	797	28	3.5%	1.58	0.84
Westfield	2	0	0.0%	13	1	7.7%	488	76	15.6%	0.00	0.49
Weymouth	7	0	0.0%	17	3	17.6%	898	70	7.8%	0.00	2.26
Worcester	88	29	33.0%	70	11	15.7%	1,265	152	12.0%	2.74	1.31

TABLE 8
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, Gov't-Backed Loans (GBLs), and Conventional Loans (Non-GBLs)
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2012

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Arlington	1,172	1,161	11	0.7%	0.7%	0.0%	1.4%	1.4%	0.0%	78.4%	78.5%	72.7%
Attleboro	804	726	78	1.4%	1.0%	5.1%	1.9%	1.7%	3.8%	82.8%	83.2%	79.5%
Barnstable	899	814	85	0.9%	1.0%	0.0%	1.3%	1.2%	2.4%	86.4%	87.1%	80.0%
Boston	7,546	7,242	304	8.0%	7.4%	23.0%	4.3%	4.1%	9.5%	68.6%	69.3%	51.3%
Brockton	903	731	172	19.7%	19.8%	19.2%	6.4%	5.9%	8.7%	58.6%	59.5%	54.7%
Brookline	1,335	1,329	6	1.2%	1.2%	0.0%	2.0%	2.0%	0.0%	73.0%	73.1%	66.7%
Cambridge	1,442	1,432	10	2.0%	2.0%	0.0%	1.8%	1.7%	10.0%	73.2%	73.3%	60.0%
Chicopee	578	456	122	1.4%	0.9%	3.3%	4.0%	3.1%	7.4%	83.4%	83.6%	82.8%
Everett	397	353	44	11.1%	10.2%	18.2%	13.6%	10.8%	36.4%	55.7%	58.1%	36.4%
Fall River	723	619	104	0.6%	0.2%	2.9%	0.7%	0.6%	1.0%	89.9%	91.4%	80.8%
Framingham	1,146	1,062	84	2.0%	1.8%	4.8%	2.9%	2.8%	3.6%	77.3%	77.4%	76.2%
Haverhill	1,007	875	132	1.2%	0.9%	3.0%	3.3%	3.0%	5.3%	84.1%	84.6%	81.1%
Lawrence	363	265	98	1.4%	0.8%	3.1%	49.0%	41.5%	69.4%	35.5%	43.8%	13.3%
Lowell	1,064	930	134	2.5%	2.5%	3.0%	4.8%	4.7%	5.2%	69.5%	69.7%	67.9%
Lynn	963	818	145	5.2%	4.4%	9.7%	8.5%	7.2%	15.9%	70.2%	73.1%	53.8%
Malden	677	625	52	5.3%	4.5%	15.4%	4.9%	4.5%	9.6%	57.3%	58.2%	46.2%
Medford	1,057	1,010	47	2.9%	3.0%	2.1%	2.7%	2.8%	2.1%	75.0%	74.8%	80.9%
Methuen	918	812	106	1.6%	1.7%	0.9%	6.9%	5.2%	19.8%	78.0%	79.4%	67.0%
New Bedford	786	649	137	4.1%	3.2%	8.0%	4.1%	3.4%	7.3%	81.4%	83.8%	70.1%
Newton	2,378	2,361	17	0.5%	0.6%	0.0%	1.3%	1.3%	0.0%	75.7%	75.6%	82.4%
Peabody	952	869	83	1.1%	0.9%	2.4%	2.3%	2.2%	3.6%	87.1%	87.2%	85.5%
Pittsfield	441	397	44	2.0%	1.5%	6.8%	2.0%	2.3%	0.0%	86.8%	87.7%	79.5%
Plymouth	1,232	1,096	136	0.9%	1.0%	0.0%	0.9%	0.9%	0.7%	85.3%	85.0%	87.5%
Quincy	1,411	1,322	89	1.1%	1.1%	2.2%	2.1%	2.0%	2.2%	68.2%	67.5%	78.7%
Revere	596	527	69	2.3%	1.7%	7.2%	13.9%	12.3%	26.1%	68.5%	69.4%	60.9%
Salem	663	605	58	0.5%	0.5%	0.0%	2.3%	2.3%	1.7%	85.5%	85.6%	84.5%
Somerville	1,025	1,001	24	2.2%	1.9%	16.7%	3.7%	3.6%	8.3%	74.6%	75.0%	58.3%
Springfield	970	762	208	13.7%	12.2%	19.2%	15.2%	14.8%	16.3%	57.0%	59.4%	48.1%
Taunton	803	704	99	1.4%	1.3%	2.0%	2.4%	1.6%	8.1%	88.5%	89.1%	84.8%
Waltham	1,038	1,002	36	1.7%	1.7%	2.8%	3.3%	3.3%	2.8%	76.8%	76.7%	77.8%
Westfield	570	482	88	0.4%	0.4%	0.0%	2.3%	2.5%	1.1%	85.6%	85.5%	86.4%
Weymouth	1,043	949	94	0.7%	0.7%	0.0%	1.6%	1.5%	3.2%	86.1%	87.2%	74.5%
Worcester	1,685	1,458	227	5.2%	4.0%	12.8%	4.2%	4.0%	4.8%	75.1%	76.3%	67.0%

Note: See Table 7 for the numbers of loans to black, Latino, & white borrowers that were used to calculate this table's percentages.

TABLE 9

Total and Government-Backed Loans (GBLs), By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2013

I. GBLs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER

Borrower* Income	City of Boston All Loans	City of Boston Govt-Backed Loans	City of Boston % Govt-Backed	City of Boston Ratio to Highest%	Greater Boston All Loans	Greater Boston Govt-Backed Loans	Greater Boston % Govt-Backed	Greater Boston Ratio to Highest%	Massachusetts All Loans	Massachusetts Govt-Backed Loans	Massachusetts % Govt-Backed	Massachusetts Ratio to Highest%
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL												
Low	146	7	4.8%	4.68	1,489	202	13.6%	6.05	4,183	1,129	27.0%	7.18
Moderate	911	113	12.4%	12.10	5,626	1,077	19.1%	8.54	13,334	4,072	30.5%	8.13
Middle	1,269	155	12.2%	11.92	7,973	1,260	15.8%	7.05	15,826	3,651	23.1%	6.14
High	1,280	98	7.7%	7.47	9,282	852	9.2%	4.10	16,236	2,083	12.8%	3.41
Highest	1,171	12	1.0%	1.00	7,051	158	2.2%	1.00	10,086	379	3.8%	1.00
No Info	44	3	6.8%		306	9	2.9%		464	21	4.5%	
Total	4,821	388	8.0%		31,727	3,558	11.2%		60,129	11,335	18.9%	
B. GBLs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL												
Low	475	9	1.9%	2.95	3,013	69	2.3%	2.46	7,000	264	3.8%	2.62
Moderate	1,317	43	3.3%	5.09	9,169	356	3.9%	4.17	19,209	1,023	5.3%	3.70
Middle	2,037	64	3.1%	4.90	15,752	546	3.5%	3.72	30,254	1,467	4.8%	3.36
High	2,100	37	1.8%	2.75	19,924	441	2.2%	2.38	36,357	1,199	3.3%	2.29
Highest	1,403	9	0.6%	1.00	13,746	128	0.9%	1.00	21,092	304	1.4%	1.00
No Info	214	142	66.4%		1,787	1,267	70.9%		4,996	3,943	78.9%	
Total	7,546	304	4.0%		63,391	2,807	4.4%		118,908	8,200	6.9%	

II. SHARES OF ALL LOANS, NON-GBL LOANS, AND GBLs, BY INCOME OF BORROWER

Borrower* Income	City of Boston All Loans	City of Boston % of All Loans	City of Boston % of non-GBLs	City of Boston % of GBLs	Greater Boston All Loans	Greater Boston % of All Loans	Greater Boston % of non-GBLs	Greater Boston % of GBLs	Massachusetts All Loans	Massachusetts % of All Loans	Massachusetts % of non-GBLs	Massachusetts % of GBLs
A. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL HOME-PURCHASE LOANS: ALL LOANS, NON-GBL LOANS, AND GBLs												
Low	146	3.0%	3.1%	1.8%	1,489	4.7%	4.6%	5.7%	4,183	7.0%	6.3%	10.0%
Moderate	911	18.9%	18.0%	29.1%	5,626	17.7%	16.1%	30.3%	13,334	22.2%	19.0%	35.9%
Middle	1,269	26.3%	25.1%	39.9%	7,973	25.1%	23.8%	35.4%	15,826	26.3%	25.0%	32.2%
High	1,280	26.6%	26.7%	25.3%	9,282	29.3%	29.9%	23.9%	16,236	27.0%	29.0%	18.4%
Highest	1,171	24.3%	26.1%	3.1%	7,051	22.2%	24.5%	4.4%	10,086	16.8%	19.9%	3.3%
No Info	44	0.9%	0.9%	0.8%	306	1.0%	1.1%	0.3%	464	0.8%	0.9%	0.2%
Total	4,821	100.0%	100.0%	100.0%	31,727	100.0%	100.0%	100.0%	60,129	100.0%	100.0%	100.0%
B. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL REFINANCE LOANS: ALL LOANS, NON-GBL LOANS, AND GBLs												
Low	475	6.3%	6.4%	3.0%	3,013	4.8%	4.9%	2.5%	7,000	5.9%	6.1%	3.2%
Moderate	1,317	17.5%	17.6%	14.1%	9,169	14.5%	14.5%	12.7%	19,209	16.2%	16.4%	12.5%
Middle	2,037	27.0%	27.2%	21.1%	15,752	24.8%	25.1%	19.5%	30,254	25.4%	26.0%	17.9%
High	2,100	27.8%	28.5%	12.2%	19,924	31.4%	32.2%	15.7%	36,357	30.6%	31.8%	14.6%
Highest	1,403	18.6%	19.2%	3.0%	13,746	21.7%	22.5%	4.6%	21,092	17.7%	18.8%	3.7%
No Info	214	2.8%	1.0%	46.7%	1,787	2.8%	0.9%	45.1%	4,996	4.2%	1.0%	48.1%
Total	7,546	100.0%	100.0%	100.0%	63,391	100.0%	100.0%	100.0%	118,908	100.0%	100.0%	100.0%

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all (except 3 small towns) of Greater Boston, the MFI in 2013 was $91,200. The MFIs in the five other MSAs in the state, ranged from $56,400 to $81,300 in 2013. For Dukes and Nantucket Counties, which are not in any metro area, the 2013 MFI was estimated for this report as $88,000. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 10
Government-Backed Loans (GBLs) To Borrowers at Different Income Levels
In the 33 Biggest Cities and Towns in Massachusetts
Home-Purchase and Refinance Loans Combined
First-Lien Loans for Owner-Occupied Homes, 2013

	Low Income*		Moderate Income*		Middle Income*		High Income*		Highest Income*	
	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs
Arlington	1	2.5%	1	0.7%	5	1.2%	9	1.3%	2	0.5%
Attleboro	6	10.5%	48	23.9%	63	18.5%	62	14.8%	14	9.4%
Barnstable	9	8.0%	62	23.0%	54	15.0%	27	9.0%	8	4.1%
Boston	16	2.6%	156	7.0%	219	6.6%	135	4.0%	21	0.8%
Brockton	130	35.3%	183	34.7%	99	28.0%	19	13.8%	1	4.3%
Brookline	0	0.0%	0	0.0%	1	0.3%	1	0.2%	1	0.1%
Cambridge	0	0.0%	0	0.0%	5	1.0%	7	1.0%	0	0.0%
Chicopee	21	20.2%	78	27.9%	62	23.0%	32	18.2%	3	7.9%
Everett	8	11.3%	51	21.6%	50	22.6%	5	8.2%	0	0.0%
Fall River	21	14.2%	58	17.4%	66	20.0%	24	13.2%	1	2.7%
Framingham	12	10.6%	50	16.3%	58	11.4%	36	6.6%	2	1.0%
Haverhill	42	19.8%	105	23.0%	73	15.5%	24	8.2%	4	7.8%
Lawrence	98	38.3%	163	55.4%	35	34.0%	4	11.4%	1	20.0%
Lowell	48	15.1%	120	21.6%	63	15.1%	18	7.0%	1	2.1%
Lynn	49	20.4%	165	28.7%	80	19.0%	27	13.8%	4	13.3%
Malden	5	4.2%	25	8.0%	39	11.2%	14	7.5%	3	9.4%
Medford	0	0.0%	10	3.2%	18	3.4%	22	4.6%	3	2.8%
Methuen	30	16.6%	83	21.3%	63	15.9%	27	9.8%	0	0.0%
New Bedford	36	24.3%	109	27.0%	76	20.9%	37	18.0%	4	9.8%
Newton	2	3.6%	1	0.6%	5	1.1%	14	1.4%	0	0.0%
Peabody	1	0.9%	48	13.6%	57	11.5%	26	8.1%	4	8.2%
Pittsfield	3	5.8%	8	6.5%	12	6.6%	11	5.4%	3	2.4%
Plymouth	21	11.9%	97	19.7%	94	17.4%	44	9.6%	11	7.4%
Quincy	5	2.3%	23	4.2%	46	6.4%	39	7.0%	7	4.9%
Revere	6	4.4%	63	18.6%	55	21.1%	16	13.8%	0	0.0%
Salem	7	7.2%	23	7.3%	50	13.6%	29	10.8%	4	7.3%
Somerville	2	2.7%	3	1.2%	11	2.3%	14	2.6%	3	1.4%
Springfield	89	35.6%	175	32.3%	115	27.6%	30	13.0%	5	7.9%
Taunton	6	10.9%	64	21.5%	93	23.3%	59	16.4%	10	12.7%
Waltham	2	2.4%	14	4.7%	20	4.1%	22	4.3%	2	1.2%
Westfield	6	12.2%	40	22.6%	50	21.2%	34	13.7%	7	5.9%
Weymouth	10	7.5%	60	14.3%	54	9.8%	30	7.6%	2	2.9%
Worcester	70	19.8%	216	24.6%	102	14.8%	49	10.0%	9	6.4%

* 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 24 of the 33 largest cities and towns, the MFI in 2013 was $91,200. The MFIs in the five other MSAs in the state ranged from $56,400 to $81,300 in 2013. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 11
Total & Gov't-Backed Loans (GBLs) 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, 2013

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	19	82	98	94	83
Black	19	103	99	26	6
Latino	17	68	54	35	11
White	74	549	854	956	894
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	5.3%	3.7%	7.1%	4.3%	0.0%
Black	5.3%	37.9%	39.4%	38.5%	16.7%
Latino	11.8%	33.8%	35.2%	20.0%	0.0%
White	2.7%	6.0%	7.0%	6.8%	1.1%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.95	0.61	1.02	0.63	0.00
Black	1.95	6.30	5.61	5.66	14.90
Latino	4.35	5.63	5.01	2.94	0.00
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	48	101	110	118	71
Black	93	196	150	99	27
Latino	43	79	105	61	19
White	220	774	1,418	1,564	1,090
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	0.0%	2.7%	0.0%	0.0%
Black	2.2%	9.2%	8.0%	3.0%	0.0%
Latino	4.7%	6.3%	10.5%	1.6%	0.0%
White	1.8%	1.8%	2.4%	2.0%	0.5%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.00	0.00	1.14	0.00	0.00
Black	1.18	5.08	3.34	1.48	0.00
Latino	2.56	3.50	4.37	0.80	0.00
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 ($91,200 in 2013).

"Low" is less than 50% of this amount ($1K–$45K in 2013); "Moderate" is 50%–80% of this amount ($46K–$72K); "Middle" is 80%–120% of this amount ($73K–$109K); "High" is 120%–200% of this amount ($110K–$182K); and "Highest" is over 200% of this amount ($183K or more). HMDA data report income to the nearest thousand dollars.

TABLE 12
Total & Gov't-Backed Loans (GBLs) 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, 2013

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	215	606	858	981	754
Black	67	293	278	104	41
Latino	130	408	301	185	105
White	952	3,732	5,692	6,879	5,244
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	2.8%	7.4%	5.7%	3.7%	0.8%
Black	17.9%	38.9%	42.1%	33.7%	12.2%
Latino	33.8%	47.5%	38.5%	20.0%	1.0%
White	12.2%	15.8%	14.6%	9.4%	2.3%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.23	0.47	0.39	0.39	0.34
Black	1.47	2.46	2.88	3.59	5.29
Latino	2.78	3.00	2.64	2.14	0.41
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	221	529	1,039	1,407	864
Black	148	376	392	256	105
Latino	139	366	398	310	167
White	2,140	6,913	12,234	15,786	10,880
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.9%	1.5%	1.7%	0.9%	0.3%
Black	3.4%	7.4%	7.4%	5.1%	7.6%
Latino	2.9%	10.4%	9.5%	3.2%	2.4%
White	2.4%	3.5%	3.3%	2.3%	0.9%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.37	0.44	0.52	0.37	0.39
Black	1.39	2.14	2.22	2.18	8.63
Latino	1.18	2.99	2.87	1.39	2.71
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 101communities in the MAPC Region are in the Boston MSA where the MFI in 2013 was $91,200 (three small communities were in the Worcester MSA, where the MFI in 2013 was $81,300). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA.

TABLE 13
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2013

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	350	863	1,141	1,361	929
Black	216	601	490	215	67
Latino	556	1,065	618	324	157
White	2,762	9,674	12,142	12,597	7,728
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	10.3%	13.4%	8.9%	4.1%	1.0%
Black	44.9%	50.6%	51.6%	34.0%	14.9%
Latino	51.3%	61.1%	45.6%	26.9%	3.8%
White	22.5%	27.2%	22.0%	13.2%	4.1%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.46	0.49	0.41	0.31	0.24
Black	1.99	1.86	2.35	2.58	3.69
Latino	2.28	2.25	2.08	2.04	0.94
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	336	738	1,420	2,028	1,127
Black	250	589	603	426	164
Latino	357	657	708	531	246
White	5,341	15,339	24,574	29,674	17,007
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	1.8%	1.9%	2.5%	1.0%	0.4%
Black	6.4%	8.5%	9.0%	7.7%	7.9%
Latino	7.3%	11.3%	10.3%	5.1%	2.4%
White	3.6%	5.1%	4.8%	3.4%	1.4%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.49	0.37	0.52	0.31	0.31
Black	1.77	1.67	1.88	2.29	5.59
Latino	2.02	2.22	2.17	1.50	1.72
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 2013 ranging from $56,400 to $91,200. "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 $113K in the Pittsfield MSA to $183K in the Boston MSA. See "Notes on Data & Methods."

TABLE 14
Total & Gov't-Backed Loans (GBLs) 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, 2013

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	22	18	4	0	44
50%-75% Minority	13	13	6	0	32
25%–50% Minority	9	16	18	7	50
> 75% White	0	1	10	28	39
Total	44	48	38	35	165
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	160	238	60	0	458
50%–75% Minority	234	478	175	0	887
25%–50% Minority	107	372	530	271	1,280
> 75% White	0	28	569	1,594	2,191
Total	501	1,116	1,334	1,865	4,816
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	31.9%	29.0%	38.3%	na	31.2%
50%–75% Minority	8.5%	10.5%	22.3%	na	12.3%
25%–50% Minority	1.9%	7.0%	4.5%	1.8%	4.5%
> 75% White	na	0.0%	7.0%	2.4%	3.6%
Total	14.6%	13.0%	9.4%	2.4%	8.1%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	13.03	11.85	na	na	12.76
50%–75% Minority	3.49	4.28	na	na	5.02
25%–50% Minority	0.76	2.86	1.85	0.75	1.82
> 75% White	na	0.00	2.87	1.00	1.47
Total	5.96	5.31	3.86	0.96	3.29
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	305	425	156	0	886
50%–75% Minority	393	670	354	0	1,417
25%–50% Minority	165	606	906	292	1,969
> 75% White	0	47	833	2,389	3,269
Total	863	1,748	2,249	2,681	7,541
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	11.8%	9.9%	10.3%	na	10.6%
50%–75% Minority	4.8%	5.8%	10.2%	na	6.6%
25%–50% Minority	1.8%	2.3%	3.0%	1.4%	2.4%
> 75% White	na	0.0%	3.1%	1.7%	2.0%
Total	6.7%	5.4%	4.7%	1.6%	4.0%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.05	5.90	na	na	6.34
50%–75% Minority	2.89	3.48	na	na	3.96
25%–50% Minority	1.09	1.38	1.78	0.82	1.46
> 75% White	na	0.00	1.86	1.00	1.21
Total	4.01	3.25	2.79	0.98	2.39

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the Boston-Quincy Metropolitan District (MD). "Low" is less than 50% of the MFI of the MD; "Moderate" is between 50% and 80%; "Middle" is between 80% and120%; and "Upper" is greater than 120% of the MFI of the MD. A census tract is placed into a racial/ethnnic category based on its minority population percentage as reported in 2012 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 15
Total & Gov't-Backed Loans (GBLs) 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, 2013

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	31	18	4	0	53
50%-75% Minority	24	29	12	0	65
25%–50% Minority	15	70	60	26	171
> 75% White	0	24	170	204	398
Total	70	141	246	230	687
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	277	238	60	0	575
50%–75% Minority	490	849	532	0	1,871
25%–50% Minority	211	2,009	2,233	1,299	5,752
> 75% White	0	969	9,707	12,848	23,524
Total	978	4,065	12,532	14,147	31,722
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	43.7%	29.0%	38.3%	na	37.0%
50%–75% Minority	10.6%	20.4%	25.6%	na	19.3%
25%–50% Minority	10.4%	16.7%	9.9%	3.2%	10.8%
> 75% White	na	14.0%	13.9%	6.9%	10.0%
Total	19.9%	17.6%	13.8%	6.5%	11.2%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.36	4.22	5.58	na	5.40
50%–75% Minority	1.55	2.97	3.72	na	2.81
25%–50% Minority	1.52	2.44	1.44	0.47	1.57
> 75% White	na	2.04	2.02	1.00	1.46
Total	2.90	2.56	2.01	0.95	1.63
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	458	425	156	0	1,039
50%–75% Minority	770	1,257	982	0	3,009
25%–50% Minority	341	3,444	4,161	2,518	10,464
> 75% White	0	1,628	19,475	27,771	48,874
Total	1,569	6,754	24,774	30,289	63,386
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	15.5%	9.9%	10.3%	na	12.4%
50%–75% Minority	5.1%	8.8%	10.7%	na	8.4%
25%–50% Minority	3.2%	6.3%	4.8%	1.1%	4.4%
> 75% White	na	7.0%	5.8%	2.6%	4.0%
Total	7.7%	7.2%	5.9%	2.4%	4.4%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.04	3.85	3.99	na	4.84
50%–75% Minority	1.97	3.41	4.16	na	3.29
25%–50% Minority	1.26	2.47	1.87	0.43	1.70
> 75% White	na	2.73	2.28	1.00	1.57
Total	3.00	2.79	2.29	0.95	1.72

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the MSA within which it is located. The 101 communities in Greater Boston are located in four different metro areas: 98 of these are in one of the three Metropolitan Districts (MDs) that make up the Boston MSA; the other 3 are in the Worcester MSA. "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and120%; and "Upper" is greater than 120% of the MFI of the MSA.
A census tract is placed into a racial/ethnnic category based on its minority population percentage as reported in 2012 HMDA data. See "Notes on Data and Methods" for more information.

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

TABLE 16
Total & Gov't-Backed Loans (GBLs) 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, 2013

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	66	28	4	0	98
50%-75% Minority	45	58	14	0	117
25%–50% Minority	36	127	83	33	279
> 75% White	9	80	499	364	952
Total	156	293	600	397	1,446
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	530	421	60	0	1,011
50%–75% Minority	692	1,545	559	0	2,796
25%–50% Minority	419	3,442	3,031	1,669	8,561
> 75% White	53	2,180	23,964	21,547	47,744
Total	1,694	7,588	27,614	23,216	60,112
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	53.6%	46.3%	38.3%	na	49.7%
50%–75% Minority	22.4%	35.4%	26.3%	na	30.4%
25%–50% Minority	25.1%	27.4%	16.8%	3.7%	18.9%
> 75% White	50.9%	25.7%	22.0%	11.6%	17.5%
Total	33.7%	29.6%	21.6%	11.0%	18.9%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.61	3.99	3.30	na	4.27
50%–75% Minority	1.93	3.05	2.26	na	2.61
25%–50% Minority	2.16	2.36	1.45	0.31	1.63
> 75% White	4.39	2.22	1.89	1.00	1.51
Total	2.90	2.55	1.86	0.95	1.62
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	716	585	156.00	0	1,457
50%–75% Minority	1,030	2,253	1,018.00	0	4,301
25%–50% Minority	638	5,715	5,481	3,235	15,069
> 75% White	120	3,777	47,896	46,267	98,060
Total	2,504	12,330	54,551	49,502	118,887
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	18.6%	16.9%	10.3%	na	17.0%
50%–75% Minority	8.5%	13.7%	10.8%	na	11.8%
25%–50% Minority	8.0%	10.5%	6.8%	1.3%	7.1%
> 75% White	21.7%	11.0%	8.3%	4.2%	6.5%
Total	11.9%	11.5%	8.2%	4.0%	6.9%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.42	4.03	2.44	na	4.05
50%–75% Minority	2.03	3.26	2.57	na	2.80
25%–50% Minority	1.90	2.49	1.62	0.31	1.68
> 75% White	5.16	2.62	1.99	1.00	1.55
Total	2.83	2.74	1.96	0.95	1.64

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Each community in Massachusetts is located in one of nine metro areas, each consisting of one or more counties: five MSAs, three MDs, and one "non-metropolitan" area. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "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/ethnnic category based on its minority population percentage as reported in 2012 HMDA data.
See "Notes on Data and Methods" for more information.

TABLE 17
Total & Government-Backed Loans (GBLs), By Neighborhood*
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2013

Neighborhood	All Loans	Govt-Backed Loans	Percent GBLs	Percent Minority*	Median Fam Inc.*	Popu-lation*
A. HOME-PURCHASE LOANS						
Mattapan	76	31	40.8%	94.2%	$54,119	23,551
Roxbury	95	26	27.4%	91.9%	$32,432	45,829
Hyde Park	216	59	27.3%	70.6%	$71,017	32,961
East Boston	172	46	26.7%	64.5%	$47,198	41,128
Dorchester	576	118	20.5%	77.1%	$48,254	113,975
West Roxbury	355	46	13.0%	29.0%	$93,582	30,293
Mission Hill	23	2	8.7%	52.2%	$36,237	15,883
Roslindale	274	19	6.9%	48.8%	$72,567	27,237
South Boston	72	4	5.6%	21.4%	$75,257	31,423
Fenway	65	2	3.1%	30.5%	$69,094	33,450
S. Bos. Waterfront	703	16	2.3%	12.4%	$169,697	2,076
Brighton	234	4	1.7%	29.4%	$59,383	48,445
Jamaica Plain	421	7	1.7%	47.6%	$84,045	36,053
Charlestown	443	7	1.6%	24.6%	$100,725	16,685
North End	94	1	1.1%	8.9%	$119,597	8,414
Allston	23	0	0.0%	39.8%	$50,109	19,796
Back Bay	147	0	0.0%	19.3%	$182,190	16,886
Beacon Hill	110	0	0.0%	11.1%	$166,257	9,398
Downtown	213	0	0.0%	42.0%	$119,943	18,256
South End	496	0	0.0%	46.9%	$72,063	30,804
City of Boston	4,821	388	8.0%	52.9%	$61,109	609,942
B. REFINANCE LOANS						
Mattapan	159	28	17.6%	94.2%	$54,119	23,551
Hyde Park	422	48	11.4%	70.6%	$71,017	32,961
Roxbury	187	18	9.6%	91.9%	$32,432	45,829
East Boston	261	24	9.2%	64.5%	$47,198	41,128
Dorchester	955	69	7.2%	77.1%	$48,254	113,975
West Roxbury	705	34	4.8%	29.0%	$93,582	30,293
Roslindale	496	20	4.0%	48.8%	$72,567	27,237
Allston	56	2	3.6%	39.8%	$50,109	19,796
South Boston	58	2	3.4%	21.4%	$75,257	31,423
Mission Hill	62	2	3.2%	52.2%	$36,237	15,883
Brighton	453	13	2.9%	29.4%	$59,383	48,445
S. Bos. Waterfront	803	17	2.1%	12.4%	$169,697	2,076
Fenway	109	2	1.8%	30.5%	$69,094	33,450
Jamaica Plain	718	13	1.8%	47.6%	$84,045	36,053
North End	119	2	1.7%	8.9%	$119,597	8,414
South End	778	6	0.8%	46.9%	$72,063	30,804
Back Bay	281	2	0.7%	19.3%	$182,190	16,886
Charlestown	504	2	0.4%	24.6%	$100,725	16,685
Beacon Hill	141	0	0.0%	11.1%	$166,257	9,398
Downtown	251	0	0.0%	42.0%	$119,943	18,256
City of Boston	7,546	304	4.0%	52.9%	$61,109	609,942

* This report uses Boston's "Neighborhoods" as defined by the Boston Redevelopment Authority (BRA). Three of the BRA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 458), Longwood Medical Area (12 loans, pop. 4,728); and West End (29 loans, pop. 2,063). *Percent minority* is 100% minus the percentage of the population that is non-Latino white-only. These percentgages and the Median Family Incomes are from from 2007–2011 American Community Survey data as reported by the BRA.

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

TABLE 18
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston#, and Statewide
Applications for First-Lien Loans for Owner-Occupied Homes, 2013

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. CONVENTIONAL (NON-GOVERNMENT-BACKED) HOME-PURCHASE LOANS											
Boston	500	278	186	4,012	11.0%	25.9%	12.9%	6.5%	1.70	4.00	1.99
Greater Boston	4,418	768	1,055	25,741	8.1%	19.3%	15.1%	6.4%	1.28	3.02	2.37
Massachusetts	5,874	1,326	2,029	47,842	8.7%	20.2%	15.5%	7.6%	1.14	2.65	2.03
B. GOVERNMENT-BACKED HOME-PURCHASE LOANS											
Boston	31	168	95	268	19.4%	24.4%	15.8%	16.4%	1.18	1.49	0.96
Greater Boston	245	496	612	3,248	22.9%	22.8%	17.3%	14.5%	1.58	1.57	1.20
Massachusetts	519	1,220	1,996	11,140	20.0%	21.6%	18.6%	15.3%	1.31	1.41	1.22
C. ALL HOME-PURCHASE LOANS											
Boston	531	446	281	4,280	11.5%	25.3%	13.9%	7.1%	1.62	3.57	1.95
Greater Boston	4,663	1,264	1,667	28,989	8.9%	20.6%	15.9%	7.3%	1.23	2.84	2.18
Massachusetts	6,393	2,546	4,025	58,982	9.6%	20.9%	17.0%	9.1%	1.06	2.30	1.88
D. CONVENTIONAL (NON-GOVERNMENT-BACKED) REFINANCE LOANS											
Boston	667	1,078	519	6,843	15.1%	26.2%	21.4%	11.8%	1.28	2.21	1.81
Greater Boston	5,488	2,322	2,237	64,465	12.4%	25.6%	21.0%	11.8%	1.05	2.16	1.77
Massachusetts	7,807	3,628	4,197	126,647	13.4%	26.1%	23.1%	13.8%	0.98	1.90	1.68
E. GOVERNMENT-BACKED REFINANCE LOANS											
Boston	15	182	58	282	40.0%	28.6%	15.5%	16.3%	2.45	1.75	0.95
Greater Boston	164	402	379	3,848	22.0%	25.1%	23.5%	18.3%	1.20	1.37	1.28
Massachusetts	332	863	1,018	11,905	23.2%	25.7%	26.3%	20.3%	1.14	1.27	1.30
F. ALL REFINANCE LOANS											
Boston	682	1,260	577	7,125	15.7%	26.5%	20.8%	12.0%	1.31	2.21	1.73
Greater Boston	5,652	2,724	2,616	68,313	12.7%	25.6%	21.3%	12.2%	1.04	2.09	1.75
Massachusetts	8,139	4,491	5,215	138,552	13.8%	26.0%	23.7%	14.3%	0.96	1.82	1.65

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

TABLE 19
Applications And Denial Rates By Race & Income Of Applicant
Conventional ^ First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2013

Income	Black		Latino		White		D-Rate Ratio	
($000)	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1–30	5	80.0%	5	40.0%	13	38.5%	2.08	1.04
31–50	52	34.6%	32	18.8%	150	10.7%	3.25	1.76
51–70	85	23.5%	51	17.6%	519	7.7%	3.05	2.29
71–90	73	21.9%	26	7.7%	581	6.9%	3.18	1.12
91–120	39	17.9%	36	11.1%	720	6.5%	2.75	1.70
over 120	24	29.2%	36	2.8%	1,983	5.3%	5.51	0.52
Total*	278	25.9%	186	12.9%	4,012	6.5%	4.00	1.99
B. GREATER BOSTON								
1–30	16	50.0%	32	56.3%	198	33.8%	1.48	1.66
31–50	130	30.0%	179	22.3%	1,579	12.1%	2.48	1.85
51–70	223	19.7%	231	16.9%	3,157	9.1%	2.18	1.86
71–90	163	15.3%	156	12.8%	3,514	6.6%	2.31	1.93
91–120	105	14.3%	161	13.7%	4,455	5.3%	2.69	2.57
over 120	124	12.9%	275	6.9%	12,569	4.5%	2.86	1.53
Total*	768	19.3%	1,055	15.1%	25,741	6.1%	3.14	2.45
C. MASSACHUSETTS								
1–30	49	38.8%	125	33.6%	1,021	31.7%	1.22	1.06
31–50	289	25.6%	526	20.9%	5,230	13.0%	1.97	1.61
51–70	362	21.0%	445	16.2%	7,555	9.0%	2.34	1.80
71–90	245	20.0%	278	11.2%	7,093	7.2%	2.78	1.55
91–120	175	12.6%	253	11.5%	8,237	5.8%	2.17	1.98
over 120	193	13.0%	374	7.5%	18,279	5.0%	2.61	1.51
Total*	1,326	20.2%	2,029	15.5%	47,842	7.6%	2.65	2.03

^ Conventional loans are non-Government-Backed Loans

* Total includes applicants without reported income.

TABLE 20
Shares of Total Loans by Major Types of Lenders, 2004–2013
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*
A. HOME-PURCHASE LOANS									
2004	22.2%	42.5%	35.2%	23.2%	41.8%	34.9%	26.5%	39.1%	34.4%
2005	19.7%	49.8%	30.5%	19.8%	49.3%	30.9%	23.6%	46.8%	29.6%
2006	22.2%	49.4%	28.3%	22.1%	49.3%	28.5%	25.6%	46.3%	28.1%
2007	35.8%	29.8%	34.5%	33.6%	33.4%	33.1%	37.7%	30.5%	31.8%
2008	39.0%	26.0%	35.0%	37.1%	29.9%	33.0%	41.2%	27.0%	31.8%
2009	47.5%	32.3%	20.2%	42.6%	36.4%	21.0%	45.1%	33.3%	21.6%
2010	45.3%	33.7%	21.0%	41.8%	37.0%	21.2%	43.7%	34.4%	21.9%
2011	43.3%	34.9%	21.9%	40.5%	37.8%	21.7%	42.6%	34.9%	22.6%
2012	42.8%	42.2%	15.0%	43.1%	41.0%	15.9%	44.4%	39.3%	16.4%
2013	42.8%	44.4%	12.8%	43.9%	42.8%	13.3%	44.6%	41.0%	14.4%
B. REFINANCE LOANS									
2004	18.1%	45.6%	36.3%	22.6%	40.8%	36.6%	24.5%	41.3%	34.2%
2005	14.6%	53.2%	32.3%	19.1%	50.2%	30.7%	21.1%	48.6%	30.3%
2006	14.5%	55.6%	29.9%	18.9%	50.6%	30.5%	20.2%	50.3%	29.5%
2007	22.9%	37.6%	39.5%	25.1%	37.0%	37.9%	27.4%	35.9%	36.7%
2008	26.3%	31.5%	42.1%	28.9%	31.7%	39.4%	32.9%	28.1%	39.0%
2009	37.4%	34.5%	28.0%	39.2%	34.6%	26.2%	43.5%	30.0%	26.5%
2010	40.5%	36.7%	22.8%	39.8%	37.8%	22.3%	43.5%	32.8%	23.7%
2011	39.4%	35.4%	25.2%	39.1%	36.5%	24.5%	42.7%	31.1%	26.1%
2012	38.3%	42.0%	19.7%	40.5%	41.1%	18.4%	43.3%	35.9%	20.8%
2013	41.5%	41.5%	16.9%	42.8%	39.1%	18.1%	44.6%	35.2%	20.2%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19.9%	44.3%	35.8%	22.9%	41.2%	36.0%	25.2%	40.5%	34.3%
2005	17.0%	51.6%	31.4%	19.4%	49.8%	30.8%	22.1%	47.9%	30.0%
2006	18.5%	52.4%	29.1%	20.4%	50.0%	29.6%	22.5%	48.6%	28.9%
2007	29.8%	33.4%	36.8%	29.1%	35.2%	35.6%	32.0%	33.5%	34.5%
2008	32.7%	28.7%	38.5%	32.4%	30.9%	36.7%	36.4%	27.6%	36.0%
2009	40.5%	33.8%	25.7%	40.0%	35.0%	25.0%	43.9%	30.8%	25.4%
2010	42.0%	35.8%	22.2%	40.2%	37.7%	22.1%	43.5%	33.2%	23.3%
2011	40.6%	35.2%	24.1%	39.4%	36.8%	23.8%	42.7%	32.1%	25.2%
2012	39.5%	42.1%	18.4%	41.1%	41.1%	17.9%	43.5%	36.6%	19.9%
2013	42.0%	42.7%	15.3%	43.2%	40.3%	16.5%	44.6%	37.2%	18.3%

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

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.
"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) (Starting in 2010, this includes only lenders with at least 50 mortgage loans in the state; other LMLs are included with "Other Lenders.")
"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are are, essentially, exempt from such oversight and evaluation.

TABLE 21

Shares of Total Loans and Gov't-Backed Loans (GBLs) by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Mortgage Loans for Owner-Occupied Homes, 2013

	All Loans (HomePur + Refi)				Gov't-Backed Loans (HomePur + Refi)			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	12,367	42.0%	42.7%	15.3%	692	17.8%	62.6%	19.7%
Greater Boston	95,118	43.2%	40.3%	16.5%	6,365	16.0%	65.4%	18.6%
Massachusetts	179,037	44.6%	37.2%	18.3%	19,535	16.0%	63.3%	20.7%

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

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.
"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more 50 mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."
"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are are, essentially, exempt fromsuch oversight and evaluation.

TABLE 22

Gov't-Backed Loans (GBLs) 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, 2013

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs
Boston	5,195	123	2.4%	5,276	433	8.2%	1,896	136	7.2%
Greater Boston	41,079	1,019	2.5%	38,363	4,164	10.9%	15,676	1,182	7.5%
Massachusetts	79,780	3,118	3.9%	66,535	12,367	18.6%	32,722	4,050	12.4%

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

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.
"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more 50 mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."
"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are are, essentially, exempt from such oversight and evaluation.

TABLE 23

Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods First-Lien Loans for Owner-Occupied Homes, City of Boston, 2013

		Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
	Total Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans
I. HOME-PURCHASE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	2,062	113	23	83	16	473	36	613	54	149	34
% of Loans	100%	5.5%	1.1%	4.0%	0.8%	22.9%	1.7%	29.7%	2.6%	7.2%	1.6%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	2,142	41	54	43	29	391	71	640	139	100	74
% of Loans	100%	1.9%	2.5%	2.0%	1.4%	18.3%	3.3%	29.9%	6.5%	4.7%	3.5%
C. OTHER LENDERS*											
Number of Loans	617	9	13	8	7	73	13	146	25	29	12
% of Loans	100%	1.5%	2.1%	1.3%	1.1%	11.8%	2.1%	23.7%	4.1%	4.7%	1.9%
D. TOTAL											
Number of Loans	4,821	163	90	134	52	937	120	1,399	218	278	120
% of Loans	100%	3.4%	1.9%	2.8%	1.1%	19.4%	2.5%	29.0%	4.5%	5.8%	2.5%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	3,133	276	9	152	7	789	6	1,071	20	329	11
% of Loans	100%	8.8%	0.3%	4.9%	0.2%	25.2%	0.2%	34.2%	0.6%	10.5%	0.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	3,134	154	40	91	14	640	33	939	95	194	48
% of Loans	100%	4.9%	1.3%	2.9%	0.4%	20.4%	1.1%	30.0%	3.0%	6.2%	1.5%
C. OTHER LENDERS*											
Number of Loans	1,279	107	21	52	8	311	13	448	38	129	19
% of Loans	100%	8.4%	1.6%	4.1%	0.6%	24.3%	1.0%	35.0%	3.0%	10.1%	1.5%
D. TOTAL											
Number of Loans	7,546	537	70	295	29	1,740	52	2,458	153	652	78
% of Loans	100%	7.1%	0.9%	3.9%	0.4%	23.1%	0.7%	32.6%	2.0%	8.6%	1.0%

* "Mass. Banks and Credit Unions": banks with Mass. offices, plus affiliated mortgage companies; excludes fed-chartered CUs.
"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."
"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks 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 with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston MSA (<$46K in 2013).
"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<$73K in 2013).
"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston-Quincy MD (2013 HMDA data).
"LMI CTs >75% Minority" includes 40 of the 44 Boston census tracts with over 75% minority population.

TABLE 24

Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2013

		Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
	Total Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans
I. HOME-PURCHASE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	26,795	505	139	810	300	6,674	1,080	3,429	622	279	107
% of Loans	100%	1.9%	0.5%	3.0%	1.1%	24.9%	4.0%	12.8%	2.3%	1.0%	0.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	24,674	267	491	462	797	4,323	3,381	2,328	1,794	149	312
% of Loans	100%	1.1%	2.0%	1.9%	3.2%	17.5%	13.7%	9.4%	7.3%	0.6%	1.3%
C. OTHER LENDERS*											
Number of Loans	8,660	84	109	160	216	1,319	740	707	402	44	60
% of Loans	100%	1.0%	1.3%	1.8%	2.5%	15.2%	8.5%	8.2%	4.6%	0.5%	0.7%
D. TOTAL											
Number of Loans	60,129	856	739	1,432	1,313	12,316	5,201	6,464	2,818	472	479
% of Loans	100%	1.4%	1.2%	2.4%	2.2%	20.5%	8.6%	10.8%	4.7%	0.8%	0.8%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	52,985	904	49	1,104	62	12,309	131	6,194	221	527	33
% of Loans	100%	1.7%	0.1%	2.1%	0.1%	23.2%	0.2%	11.7%	0.4%	1.0%	0.1%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	41,861	551	216	717	230	7,427	898	4,301	963	315	141
% of Loans	100%	1.3%	0.5%	1.7%	0.5%	17.7%	2.1%	10.3%	2.3%	0.8%	0.3%
C. OTHER LENDERS*											
Number of Loans	24,062	437	120	517	149	5,186	258	2,621	534	227	58
% of Loans	100%	1.8%	0.5%	2.1%	0.6%	21.6%	1.1%	10.9%	2.2%	0.9%	0.2%
D. TOTAL											
Number of Loans	118,908	1,892	385	2,338	441	24,922	1,287	13,116	1,718	1,069	232
% of Loans	100%	1.6%	0.3%	2.0%	0.4%	21.0%	1.1%	11.0%	1.4%	0.9%	0.2%

* "Mass. Banks and Credit Unions": banks with Mass. offices, plus affiliated mortgage companies; excludes fed-chartered CUs.
"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."
"Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.

For Mass. banks 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 with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in their Metropolitan Stastical Area (MSA).
"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in their MSA.
"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in their metro area (2013 HMDA data).
"LMI CTs >75% Minority" includes 49 of the 53 Massachusetts census tracts with over 75% minority population. (2013 HMDA data).

TABLE 25

The 30 Biggest Lenders ("Lender Families") in the City of Boston*

(These Include the Top Government-Backed Loan [GBL] Lenders & of the Top ^)

First-Lien Loans for Owner-Occupied Homes, 2012

Lender Family*	Lender Type#	Total Loans			Number of GBLs			GBLs as % of Total			GBL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Mortgage Master	LML	1,034	370	664	35	21	14	3.4%	5.7%	2.1%	4
Guaranteed Rate	LML	759	420	339	47	32	15	6.2%	7.6%	4.4%	2
Bank of America	CRA	650	123	527	22	11	11	3.4%	8.9%	2.1%	8
Wells Fargo*	OTH	610	266	344	52	16	36	8.5%	6.0%	10.5%	1
Leader Bank/Mort*	MIX	577	226	251	15	11	4	2.6%	4.9%	1.6%	14
RBS Citizens	CRA	434	129	305	24	19	5	5.5%	14.7%	1.6%	6
Santander Bank	CRA	404	120	284	14	11	3	3.5%	9.2%	1.1%	16
Quicken Loans	LML	368	26	342	36	5	31	9.8%	19.2%	9.1%	3
Prospect Mortgage	LML	351	229	122	28	25	3	8.0%	10.9%	2.5%	5
JPMorgan Chase	OTH	301	43	258	8	0	8	2.7%	0.0%	3.1%	
First Republic Bank	CRA	282	204	78	0	0	0	0.0%	0.0%	0.0%	
Residential Mortgage	LML	253	139	114	17	15	2	6.7%	10.8%	1.8%	11
Poli Mortgage	LML	242	94	148	9	6	3	3.7%	6.4%	2.0%	
Citibank	CRA	239	42	197	1	0	1	0.4%	0.0%	0.5%	
MSA Mortgage	LML	202	118	84	21	20	1	10.4%	16.9%	1.2%	9
Berkshire Bank	CRA	179	98	81	6	6	0	3.4%	6.1%	0.0%	
Fairway Independent Mort	LML	169	84	85	5	3	2	3.0%	3.6%	2.4%	
Mortgage Network	LML	162	77	85	11	11	0	6.8%	14.3%	0.0%	19
Boston Private	CRA	161	104	57	0	0	0	0.0%	0.0%	0.0%	
East Boston SB	CRA	161	71	90	1	1	0	0.6%	1.4%	0.0%	
Bank of Canton	CRA	158	83	75	2	1	1	1.3%	1.2%	1.3%	
Sage Bank	CRA	157	69	88	23	17	6	14.6%	24.6%	6.8%	7
NE Moves/PHH*	LML	145	71	74	8	8	0	5.5%	11.3%	0.0%	
People's United Bank	CRA	134	73	61	0	0	0	0.0%	0.0%	0.0%	
Salem Five	CRA	116	59	57	5	4	1	4.3%	6.8%	1.8%	
Eastern Bank	CRA	105	47	58	0	0	0	0.0%	0.0%	0.0%	
TD Bank	CRA	95	43	52	1	1	0	1.1%	2.3%	0.0%	
Metro CU	CRA	93	25	68	1	1	0	1.1%	4.0%	0.0%	
City of Boston CU	CRA	87	19	68	1	0	1	1.1%	0.0%	1.5%	
Reliant Mortgage	LML	87	30	57	7	2	5	8.0%	6.7%	8.8%	
Total, 30 Biggest Lenders		8,715	3,502	5,113	400	247	153	4.6%	7.1%	3.0%	
Total, All 366 Lenders		12,367	4,821	7,546	692	388	304	5.6%	8.0%	4.0%	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family."
Table 29 provides information on the individual lenders within each "lender family."

^ There were seven top-20 GBL lenders not among the top 30 overall lenders: Freedom Mortgage (#10), Crescent Mortgage (#12), USAA FSB (#13), Plaza Home Mortgage (#15), Prime Lending (#17). Maverick Funding (#18), and Radius Financial (#20).

\# CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, who recently became subject to CRA-type state regulation. OTH: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass.without a license and are exempt from state regulation. CRA^ or LML^ or OTH^ 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 two types of 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*
(These Include the Top 4 Government-Backed Loan [GBL] Lenders, & 10 of the Top 11 ^)
First-Lien Loans for Owner-Occupied Homes, 2013

	Lender	Total Loans			Number of GBLs			GBLs as % of Total			GBL
Lender Family*	Type#	Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	Rank
Mortgage Master	LML	8,146	2,553	5,593	605	384	221	7.4%	15.0%	4.0%	6
Bank of America	CRA	7,712	1,225	6,487	522	195	327	6.8%	15.9%	5.0%	8
Wells Fargo*	OTH	7,239	2,416	4,823	1,349	545	804	18.6%	22.6%	16.7%	1
Quicken Loans	LML	7,056	386	6,670	1,157	154	1,003	16.4%	39.9%	15.0%	2
Santander Bank	CRA	6,031	1,504	4,527	133	116	17	2.2%	7.7%	0.4%	
Guaranteed Rate	LML	5,690	2,761	2,929	718	540	178	12.6%	19.6%	6.1%	4
RBS Citizens	CRA	4,826	1,359	3,467	358	293	65	7.4%	21.6%	1.9%	17
Leader Bank/Mort*	MIX	4,812	1,989	2,823	167	125	42	3.5%	6.3%	1.5%	
JPMorgan Chase	OTH	4,457	473	3,984	208	56	152	4.7%	11.8%	3.8%	
Citibank	CRA	3,751	355	3,396	32	10	22	0.9%	2.8%	0.6%	
Residential Mortgage	LML	3,174	1,972	1,202	819	716	103	25.8%	36.3%	8.6%	3
Salem Five*	CRA	2,809	1,280	1,529	327	277	50	11.6%	21.6%	3.3%	20
NE Moves/PHH*	LML	2,694	1,716	978	430	377	53	16.0%	22.0%	5.4%	10
Berkshire Bank	CRA	2,641	1,072	1,569	187	133	54	7.1%	12.4%	3.4%	
Mortgage Network	LML	2,489	1,292	1,197	328	251	77	13.2%	19.4%	6.4%	19
Sage Bank	CRA	2,167	1,013	1,154	525	366	159	24.2%	36.1%	13.8%	7
Prospect Mortgage	LML	2,145	1,358	787	396	361	35	18.5%	26.6%	4.4%	11
TD Bank	CRA	1,992	797	1,195	64	55	9	3.2%	6.9%	0.8%	
Poli Mortgage	LML	1,782	584	1,198	154	111	43	8.6%	19.0%	3.6%	
Reliant Mortgage	LML	1,749	639	1,110	254	162	92	14.5%	25.4%	8.3%	
Merrimack Mortgage	LML	1,628	635	993	373	299	74	22.9%	47.1%	7.5%	14
MSA Mortgage	LML	1,602	807	795	149	134	15	9.3%	16.6%	1.9%	
Bank of Canton	CRA	1,580	782	798	66	63	3	4.2%	8.1%	0.4%	
Digital Federal CU	OTH	1,578	319	1,259	1	1		0.1%	0.3%	0.0%	
Fairway Independent Mort	LML	1,556	784	772	146	118	28	9.4%	15.1%	3.6%	
Cape Cod Five	CRA	1,461	574	887	13	12	1	0.9%	2.1%	0.1%	
US Bank	OTH	1,335	193	1,142	70	17	53	5.2%	8.8%	na	
First FSB Boston	CRA	1,300	661	639	328	243	85	25.2%	36.8%	13.3%	18
Radius Financial	LML	1,285	785	500	463	389	74	36.0%	49.6%	14.8%	9
Flagstar Bank	OTH	1,114	323	791	221	94	127	19.8%	29.1%	16.1%	
Total, 30 Biggest Lenders		97,801	32,607	65,194	10,563	6,597	3,966	10.8%	20.2%	6.1%	
Total, All 626 Lenders		179,037	60,129	118,908	19,535	11,335	8,200	10.9%	18.9%	6.9%	

* Indicates that the loans shown are for two or more affiliated lenders in the same "lender family."
Table 29 provides information on the individual lenders within each "lender family."

^ There were five top-20 GBL lenders that were not among the top-30 overall lenders: Freedom Mortgage (#5), USAA FSB (#12), Plaza Home Mort (#13), Norwich Commercial Group (#15), and Franklin American Mortgage (#16).

\# 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 became subject to CRA-type state regulation beginning in 2008. OTH: 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 OTH^ 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 two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 27

The 30 Biggest Lenders ("Lender Families") in Boston*

Total Loans and Loans to Black and Latino Borrowers

First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2013

		All Loans			Conventional Loans			Govt-Backed Loans		
Lender Family*	Lender Type#	Total	To Blacks & Latinos	% to B + L	Total	To Blacks & Latinos	% to B + L	Total	To Blacks & Latinos	% to B + L
Mortgage Master	LML	1,034	53	5.1%	999	43	4.3%	35	10	28.6%
Guaranteed Rate	LML	759	43	5.7%	712	31	4.4%	47	12	25.5%
Bank of America	CRA	650	146	22.5%	628	136	21.7%	22	10	45.5%
Wells Fargo*	OTH	610	71	11.6%	558	47	8.4%	52	24	46.2%
Leader Bank/Mort*	MIX	477	33	6.9%	462	29	6.3%	15	4	26.7%
RBS Citizens	CRA	434	97	22.4%	410	83	20.2%	24	14	58.3%
Santander Bank	CRA	404	78	19.3%	390	71	18.2%	14	7	50.0%
Quicken Loans	LML	368	64	17.4%	332	51	15.4%	36	13	36.1%
Prospect Mortgage	LML	351	30	8.5%	323	17	5.3%	28	13	46.4%
JPMorgan Chase	OTH	301	43	14.3%	293	40	13.7%	8	3	37.5%
First Republic Bank	CRA	282	3	1.1%	282	3	1.1%	0	0	na
Residential Mortgage	LML	253	15	5.9%	236	10	4.2%	17	5	29.4%
Poli Mortgage	LML	242	9	3.7%	233	7	3.0%	9	2	22.2%
Citibank	CRA	239	39	16.3%	238	38	16.0%	1	1	100%
MSA Mortgage	LML	202	11	5.4%	181	9	5.0%	21	2	9.5%
Berkshire Bank	CRA	179	10	5.6%	173	8	4.6%	6	2	33.3%
Fairway Independent Mort	LML	169	10	5.9%	164	9	5.5%	5	1	20.0%
Mortgage Network	LML	162	13	8.0%	151	12	7.9%	11	1	9.1%
Boston Private	CRA	161	17	10.6%	161	17	10.6%	0	0	na
East Boston SB	CRA	161	32	19.9%	160	31	19.4%	1	1	100%
Bank of Canton	CRA	158	5	3.2%	156	4	2.6%	2	1	50.0%
Sage Bank	CRA	157	25	15.9%	134	15	11.2%	23	10	43.5%
NE Moves/PHH*	LML	145	15	10.3%	137	13	9.5%	8	2	25.0%
People's United Bank	CRA	134	4	3.0%	134	4	3.0%	0	0	na
Salem Five	CRA	116	3	2.6%	111	2	1.8%	5	1	20.0%
Eastern Bank	CRA	105	16	15.2%	105	16	15.2%	0	0	na
TD Bank	CRA	95	11	11.6%	94	10	10.6%	1	1	100%
Metro CU	CRA	93	19	20.4%	92	18	19.6%	1	1	100%
City of Boston CU	CRA	87	18	20.7%	86	18	20.9%	1	0	0.0%
Reliant Mortgage	LML	87	5	5.7%	80	4	5.0%	7	1	14.3%
Total, 30 Biggest Lenders		8,615	938	10.9%	8,215	796	9.7%	400	142	35.5%
Total, All 366 Lenders		12,367	1,370	11.1%	11,675	1,129	9.7%	692	241	34.8%

* 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, that became subject to CRA-type state regulation beginning in 2008. OTH: 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 OTH^ 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 two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 28
The 30 Biggest Lenders ("Lender Families") in Massachusetts*
Total Loans and Loans to Black and Latino Borrowers
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2013

Lender Family*	Lender Type#	All Loans			Conventional Loans			Govt-Backed Loans		
		Total	To Blacks & Latinos	% to B + L	Total	To Blacks & Latinos	% to B + L	Total	To Blacks & Latinos	% to B + L
Mortgage Master	LML	8,146	258	3.2%	7,541	175	2.3%	605	83	13.7%
Bank of America	CRA	7,712	617	8.0%	7,190	540	7.5%	522	77	14.8%
Wells Fargo*	OTH	7,239	569	7.9%	5,890	315	5.3%	1,349	254	18.8%
Quicken Loans	LML	7,056	402	5.7%	5,899	315	5.3%	1,157	87	7.5%
Santander Bank	CRA	6,031	357	5.9%	5,898	315	5.3%	133	42	31.6%
Guaranteed Rate	LML	5,690	218	3.8%	4,972	133	2.7%	718	85	11.8%
RBS Citizens	CRA	4,826	405	8.4%	4,468	302	6.8%	358	103	28.8%
Leader Bank/Mort*	MIX	4,812	143	3.0%	4,645	122	2.6%	167	21	12.6%
JPMorgan Chase	OTH	4,457	241	5.4%	4,249	198	4.7%	208	43	20.7%
Citibank	CRA	3,751	223	5.9%	3,719	217	5.8%	32	6	18.8%
Residential Mortgage	LML	3,174	369	11.6%	2,355	108	4.6%	819	261	31.9%
Salem Five*	CRA	2,809	74	2.6%	2,482	56	2.3%	327	18	5.5%
NE Moves/PHH*	LML	2,694	170	6.3%	2,264	125	5.5%	430	45	10.5%
Berkshire Bank	CRA	2,641	81	3.1%	2,454	57	2.3%	187	24	12.8%
Mortgage Network	LML	2,489	112	4.5%	2,161	85	3.9%	328	27	8.2%
Sage Bank	CRA	2,167	273	12.6%	1,642	123	7.5%	525	150	28.6%
Prospect Mortgage	LML	2,145	130	6.1%	1,749	68	3.9%	396	62	15.7%
TD Bank	CRA	1,992	109	5.5%	1,928	84	4.4%	64	25	39.1%
Poli Mortgage	LML	1,782	44	2.5%	1,628	26	1.6%	154	18	11.7%
Reliant Mortgage	LML	1,749	86	4.9%	1,495	50	3.3%	254	36	14.2%
Merrimack Mortgage	LML	1,628	69	4.2%	1,255	22	1.8%	373	47	12.6%
MSA Mortgage	LML	1,602	53	3.3%	1,453	36	2.5%	149	17	11.4%
Bank of Canton	CRA	1,580	54	3.4%	1,514	34	2.2%	66	20	30.3%
Digital Federal CU	OTH	1,578	81	5.1%	1,577	81	5.1%	1	0	0.0%
Fairway Independent Mort	LML	2,212	66	3.0%	2,066	56	2.7%	146	10	6.8%
Cape Cod Five	CRA	1,461	17	1.2%	1,448	16	1.1%	13	1	7.7%
US Bank	OTH	1,335	49	3.7%	1,265	44	3.5%	70	5	7.1%
First FSB Boston	CRA	1,300	65	5.0%	972	33	3.4%	328	32	9.8%
Radius Financial	LML	1,285	126	9.8%	822	42	5.1%	463	84	18.1%
Flagstar Bank	OTH	1,114	40	3.6%	893	16	1.8%	221	24	10.9%
Total, 30 Biggest Lenders		98,457	5,501	5.6%	87,894	3,794	4.3%	10,563	1,707	16.2%
Total, All 626 Lenders		179,037	9,396	5.2%	159,502	6,518	4.1%	19,535	2,878	14.7%

* 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, that became subject to CRA-type state regulation beginning in 2008. OTH: 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 OTH^ 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 two types of lenders (with each lender type accounting for at least 10% of the lender family's total loans).

TABLE 29

Individual Lenders in the 30 Biggest Lender "Families" in Boston & Massachusetts*

First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2013

			Boston			Massachusetts		
Lender Family	Lender Name	Lender Type#	Total Loans	GBL Loans	% GBLs	Total Loans	GBL Loans	% GBLs
Leader Bank/Mortgage*	LEADER BANK	CRA	419	15	3.6%	3,945	162	4.1%
Leader Bank/Mortgage*	LEADER MORTGAGE COMPANY	LML	58	0	0.0%	867	5	0.6%
NE Moves/PHH*	NE MOVES MORTGAGE, LLC	LML	104	6	5.8%	1,707	274	16.1%
NE Moves/PHH*	PHH MORTGAGE CORP	LML	38	2	5.3%	878	139	15.8%
NE Moves/PHH*	PHH HOME LOANS	LML	3	0	0.0%	109	17	15.6%
Salem Five*	SALEM FIVE MORTGAGE COMPANY	CRA	116	5	4.3%	2,807	327	11.6%
Salem Five*	SALEM FIVE CENTS SAVINGS BANK	CRA	0	0	na	2	0	0.0%
Wells Fargo*	WELLS FARGO BANK, NA	OTH	602	52	8.6%	7,139	1,341	18.8%
Wells Fargo*	MILITARY FAMILY HOME LOANS, LL	OTH	4	0	0.0%	54	8	14.8%
Wells Fargo*	PREMIA MORTGAGE, LLC	OTH	2	0	0.0%	41	0	0.0%
Wells Fargo*	EDWARD JONES MORTGAGE, LLC	OTH	0	0	na	3	0	0.0%
Wells Fargo*	HOME SERVICES LENDING, LLC	OTH	2	0	0.0%	2	0	0.0%

* This table is a supplement to Tables 25 & 26, which show 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 Tables 25 & 26.

\# CRA: banks with Mass. branches, whose local lending is subject to evaluation under the Community Reinvestment Act. LML: licensed mortgage lenders, mostly mortgage companies, with 50 or more Mass. Loans; these lenders recently became subject to state CRA-type regulation. OTH: all other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation.

APPENDIX TABLE 1

All Home-Purchase and Refinance Loans in Massachusetts, 2013, 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	57,718	11,336	69,054	124,630	8,399	133,029	182,348	19,735	202,083
Owner-Occupied	48,794	11,335	60,129	110,708	8,200	118,908	159,502	19,535	179,037
Site-built	48,607	11,334	59,941	110,643	8,200	118,843	159,250	19,534	178,784
Mfg housing	187	1	188	65	0	65	252	1	253
Not Owner-Occ	8,924	1	8,925	13,922	199	14,121	22,846	200	23,046
Site-built	8,920	1	8,921	13,921	199	14,120	22,841	200	23,041
Mfg housing	4	0	4	1	0	1	5	0	5
Sub Lien	1,597	1	1,598	1,668	0	1,668	3,265	1	3,266
Owner-Occupied	1,570	1	1,571	1,667	0	1,667	3,237	1	3,238
Site-built	1,569	1	1,570	1,666	0	1,666	3,235	1	3,236
Mfg housing	1	0	1	1	0	1	2	0	2
Not Owner-Occ	27	0	27	1	0	1	28	0	28
Site-built	27	0	27	1	0	1	28	0	28
Mfg housing	0	0	0	0	0	0	0	0	0
Any Lien	59,315	11,337	70,652	126,298	8,399	134,697	185,613	19,736	205,349
Owner-Occupied	50,364	11,336	61,700	112,375	8,200	120,575	162,739	19,536	182,275
Site-built	50,176	11,335	61,511	112,309	8,200	120,509	162,485	19,535	182,020
Mfg housing	188	1	189	66	0	66	254	1	255
Not Owner-Occ	8,951	1	8,952	13,923	199	14,122	22,874	200	23,074
Site-built	8,947	1	8,948	13,922	199	14,121	22,869	200	23,069
Mfg housing	4	0	4	1	0	1	5	0	5
memo:									
total site-built	59,123	11,336	70,459	126,231	8,399	134,630	185,354	19,735	205,089
total mfg hsing	192	1	193	67	0	67	259	1	260

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	28.1%	5.5%	33.6%	60.7%	4.1%	64.8%	88.8%	9.6%	98.4%
Owner-Occupied	23.8%	5.5%	29.3%	53.9%	4.0%	57.9%	77.7%	9.5%	87.2%
Site-built	23.7%	5.5%	29.2%	53.9%	4.0%	57.9%	77.6%	9.5%	87.1%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	4.3%	0.0%	4.3%	6.8%	0.1%	6.9%	11.1%	0.1%	11.2%
Site-built	4.3%	0.0%	4.3%	6.8%	0.1%	6.9%	11.1%	0.1%	11.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.8%	0.0%	0.8%	0.8%	0.0%	0.8%	1.6%	0.0%	1.6%
Owner-Occupied	0.8%	0.0%	0.8%	0.8%	0.0%	0.8%	1.6%	0.0%	1.6%
Site-built	0.8%	0.0%	0.8%	0.8%	0.0%	0.8%	1.6%	0.0%	1.6%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Site-built	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	28.9%	5.5%	34.4%	61.5%	4.1%	65.6%	90.4%	9.6%	100.0%
Owner-Occupied	24.5%	5.5%	30.0%	54.7%	4.0%	58.7%	79.2%	9.5%	88.8%
Site-built	24.4%	5.5%	30.0%	54.7%	4.0%	58.7%	79.1%	9.5%	88.6%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	4.4%	0.0%	4.4%	6.8%	0.1%	6.9%	11.1%	0.1%	11.2%
Site-built	4.4%	0.0%	4.4%	6.8%	0.1%	6.9%	11.1%	0.1%	11.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	28.8%	5.5%	34.3%	61.5%	4.1%	65.6%	90.3%	9.6%	99.9%
total mfg hsing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%

Notes:

This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2013 HMDA data. All other numbers in this table are calculated from these 32 basic numbers (in 2013, 12 of these numbers were "0" and 7 more of them were "1.").

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 87.2% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (11.2% of the total) and subordinate-lien loans (1.6%).

Of the government-backed loans, 72.3% were FHA, 22.2%% were VA, and 5.5%% were USDA. Of 3 total HEOPA loans, all were first-lien owner-occupied. This table ignores the state's 17,956 home-improvement loans, of which 8,092 were first-lien loans on owner-occupied homes.

APPENDIX TABLE 2
All Loans & Gov't-Backed Loans (GBLs), by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type#
Loans for Owner-Occupied Homes, Massachusetts, 2013

Borrower Race/Ethnicity	All Loans	Non-GBL Loans	GBL Loans	Percent GBLs	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	4,892	4,573	319	6.5%	0.38
Black	1,699	960	739	43.5%	2.54
Latino	2,907	1,594	1,313	45.2%	2.64
White	46,204	38,299	7,905	17.1%	1.00
No Info*	5,817	4,797	1,020	17.5%	
Total*	61,700	50,364	11,336	18.4%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (97.5% of all Home Purchase Loans)					
Asian	4,742	4,423	319	6.7%	0.38
Black	1,595	856	739	46.3%	2.65
Latino	2,745	1,432	1,313	47.8%	2.73
White	45,181	37,277	7,904	17.5%	1.00
No Info*	5,689	4,669	1,020	17.9%	
Total*	60,129	48,794	11,335	18.9%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (2.5% of all Home Purchase Loans)					
Asian	150	150	0	0.0%	0.00
Black	104	104	0	0.0%	0.00
Latino	162	162	0	0.0%	0.00
White	1,023	1,022	1	0.1%	1.00
No Info*	128	128	0	0.0%	
Total*	1,571	1,570	1	0.1%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	5,813	5,667	146	2.5%	0.39
Black	2,297	1,912	385	16.8%	2.57
Latino	2,815	2,374	441	15.7%	2.40
White	96,941	90,617	6,324	6.5%	1.00
No Info*	12,329	11,459	870	7.1%	
Total*	120,575	112,375	8,200	6.8%	
B-2. REFINANCE LOANS — FIRST LIEN (98.6% of all Refinance Loans)					
Asian	5,763	5,617	146	2.5%	0.38
Black	2,277	1,892	385	16.9%	2.56
Latino	2,779	2,338	441	15.9%	2.40
White	95,674	89,350	6,324	6.6%	1.00
No Info*	12,042	11,172	870	7.2%	
Total*	118,908	110,708	8,200	6.9%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.4% of all Refinance Loans)					
Asian	50	50	0	0.0%	na
Black	20	20	0	0.0%	na
Latino	36	36	0	0.0%	na
White	1,267	1,267	0	0.0%	na
No Info*	287	287	0	0.0%	
Total*	1,667	1,667	0	0.0%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	10,705	10,240	465	4.3%	0.44
Black	3,996	2,872	1,124	28.1%	2.83
Latino	5,722	3,968	1,754	30.7%	3.08
White	143,145	128,916	14,229	9.9%	1.00
No Info*	18,146	16,256	1,890	10.4%	
Total*	182,275	162,739	19,536	10.7%	

* "No Info" is "Information not provided…in mail, internet, or telephone application" plus "Not applicable."
"Total" includes "Other" as well as the categories shown; "other" is less than 0.5% in each category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2013*

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2010	2013	1990	1995	2000	2005	2010	2013
Asian	100	269	381	453	317	381	5.7%	6.0%	5.8%	6.1%	9.3%	9.1%
Black	287	880	710	1,065	332	253	16.4%	19.8%	10.9%	14.3%	9.7%	6.0%
Latino	91	303	463	719	212	186	5.2%	6.8%	7.1%	9.7%	6.2%	4.4%
White	1,266	2,866	4,831	5,175	2,548	3,356	72.5%	64.4%	74.0%	69.5%	74.5%	80.2%
Other	3	132	147	34	13	9	0.2%	3.0%	2.3%	0.5%	0.4%	0.2%
SubTotal#	1,747	4,450	6,532	7,446	3,422	4,185	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	536	636						
Total	1,770	4,637	7,467	8,330	3,958	4,821						

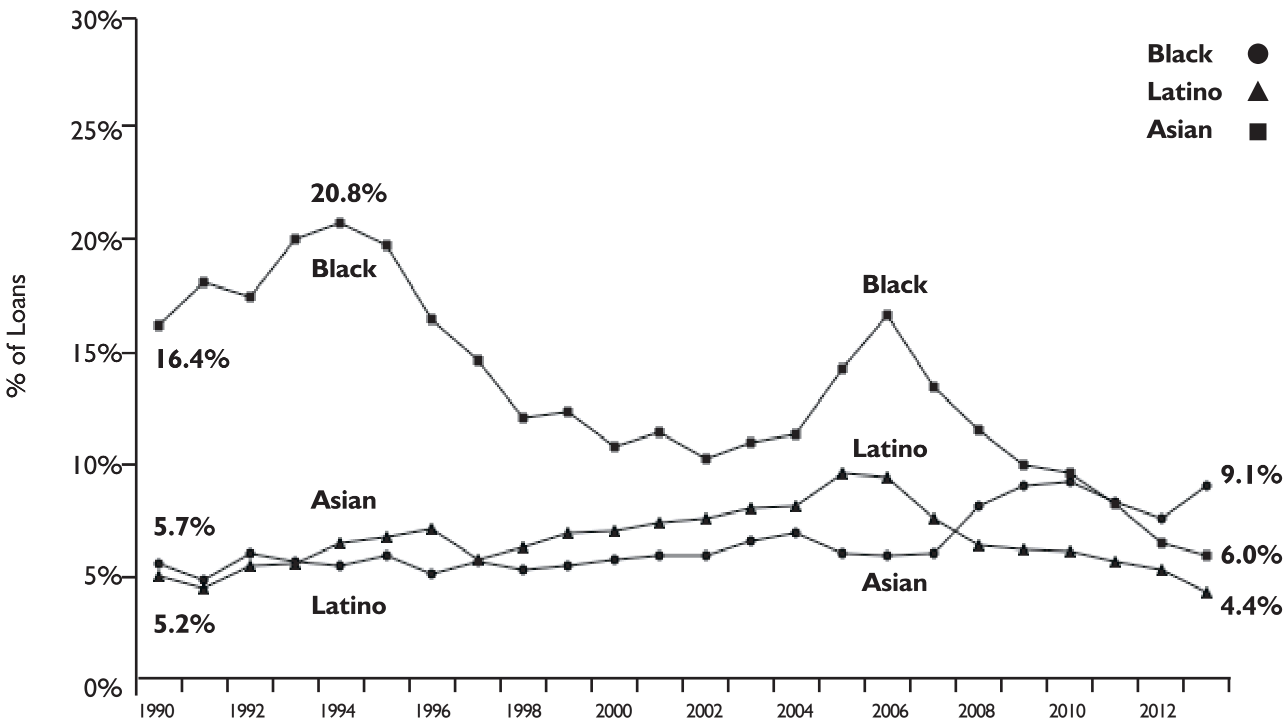
Important Note: 2004 and later data are not strictly comparable to those for previous years. Beginning in 2004, loans other than first-lien mortgages for owner-occupied homes are excluded; previously only junior-lien loans under the SoftSecond Program were excluded. In addition, race and ethnicity are 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, 1990–2013*

The black share of Boston households was 20.6% in 1990, 21.3% in 2000, & 21.0% in 2010.
The Asian share of Boston households was 4.1% in 1990, 6.8% in 2000, & 8.5% in 2010.
The Latino share of Boston households was 8.1% in 1990, 10.6% in 2000, & 13.7% in 2010.

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



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2013*

Income	Number of Loans						As Percent of All Loans					
Level ^	1990	1995	2000	2005	2010	2013	1990	1995	2000	2005	2010	2013
Low#	51	530	369	216	217	146	2.8%	11.6%	5.1%	2.7%	5.5%	3.0%
Moderate	352	1,233	1,321	1,314	1,067	911	19.6%	27.0%	18.4%	16.4%	27.1%	18.9%
Middle	527	1,261	1,815	2,281	1,036	1,269	29.3%	27.6%	25.2%	28.5%	26.4%	26.3%
High	513	889	2,095	2,715	920	1,280	28.5%	19.4%	29.1%	33.9%	23.4%	26.6%
Highest	355	659	1,589	1,474	691	1,171	19.7%	14.4%	22.1%	18.4%	17.6%	24.3%
Hi+Hi'est	868	1,548	3,684	4,189	1,611	2,451	48.3%	33.9%	51.2%	52.4%	41.0%	50.8%
Total#	1,798	4,572	7,189	8,000	3,931	4,821	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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

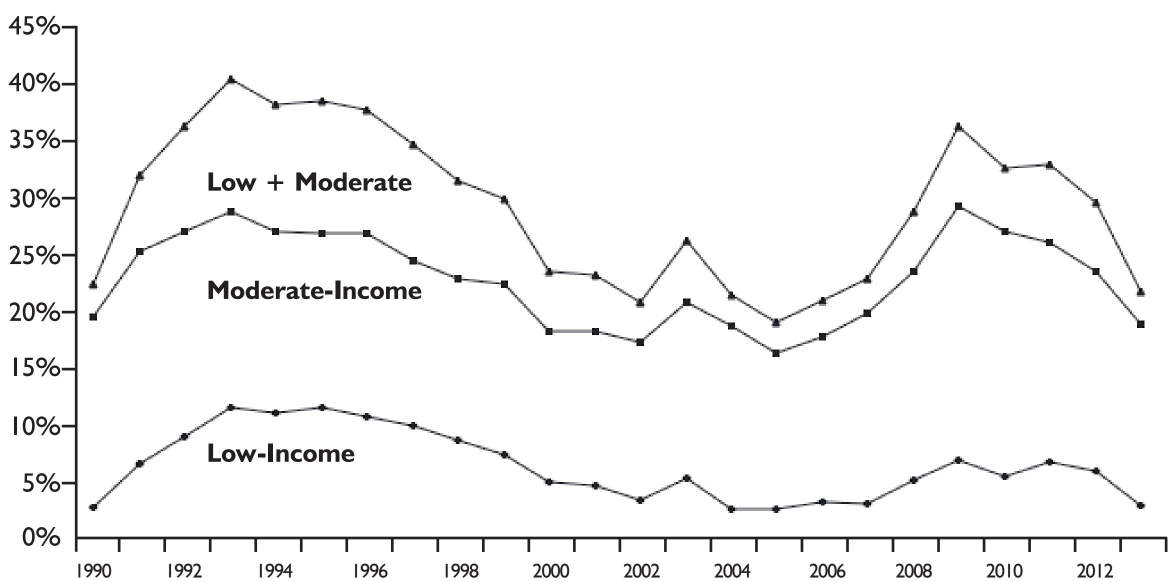
\# "Total" excludes borrowers without income data (44 in 2013); before 2004, Low & Total also excluded those with incomes of $10K or less.

^ Income categories are defined in relationship to Boston Metro Area Median Family Income as follows:
Low: <50% Moderate: 50%–80% Middle: 80%–120% High: 120%–200% Highest: >200%

The actual income ranges for each year were calculated from the following Boston Metro Area Median Family Incomes:
1990: $46,300; 1991: $50,200; 1992: $51,100; 1993: $51,200; 1994: $51,300; 1995: $53,100; 1996: $56,500; 1997: $59,600
1998: $60,000; 1999: $62,700; 2000: $65,500; 2001: $70,000; 2002: $74,200; 2003: $80,800; 2004: $75,300; 2005: $76,400
2006: $82,000; 2007: $80,500; 2008: $84,300; 2009: $88,100; 2010: $89,500; 2011: $93,700; 2012: $94,900; 2013: $91,200

Chart A-4: Loans to Low- and Moderate-Income Borrowers as % of All Boston Home-Purchase Loans, 1990–2013*

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



APPENDIX TABLE 5

Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2013*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2010	2013	1990	1995	2000	2005	2010	2013
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	12.3%	11.0%	0.89	1.12	1.37	1.45	1.13	1.70
Black	32.7%	15.8%	24.5%	23.6%	21.9%	25.9%	2.00	2.16	2.63	2.34	2.01	4.00
Latino	25.3%	18.6%	18.9%	20.9%	22.2%	12.9%	1.55	2.55	2.03	2.07	2.04	1.99
White	16.4%	7.3%	9.3%	10.1%	10.9%	6.5%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	12.4%	8.7%		0.99	1.08	1.04	1.24	1.14
Black		16.3%	20.7%	21.3%	22.3%	20.2%		2.23	2.46	2.20	2.23	2.65
Latino		13.1%	17.2%	19.1%	22.1%	15.5%		1.79	2.05	1.97	2.21	2.03
White		7.3%	8.4%	9.7%	10.0%	7.6%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	15.8%	14.4%	13.9%	0.90	0.61	0.56	1.28	1.17	1.28
Black	33.9%	40.5%	44.6%	27.5%	30.9%	28.5%	2.35	1.97	2.00	2.24	2.51	2.61
Latino	21.4%	29.5%	31.4%	21.3%	22.9%	21.5%	1.49	1.43	1.41	1.73	1.86	1.97
White	14.4%	20.6%	22.3%	12.3%	12.3%	10.9%	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.

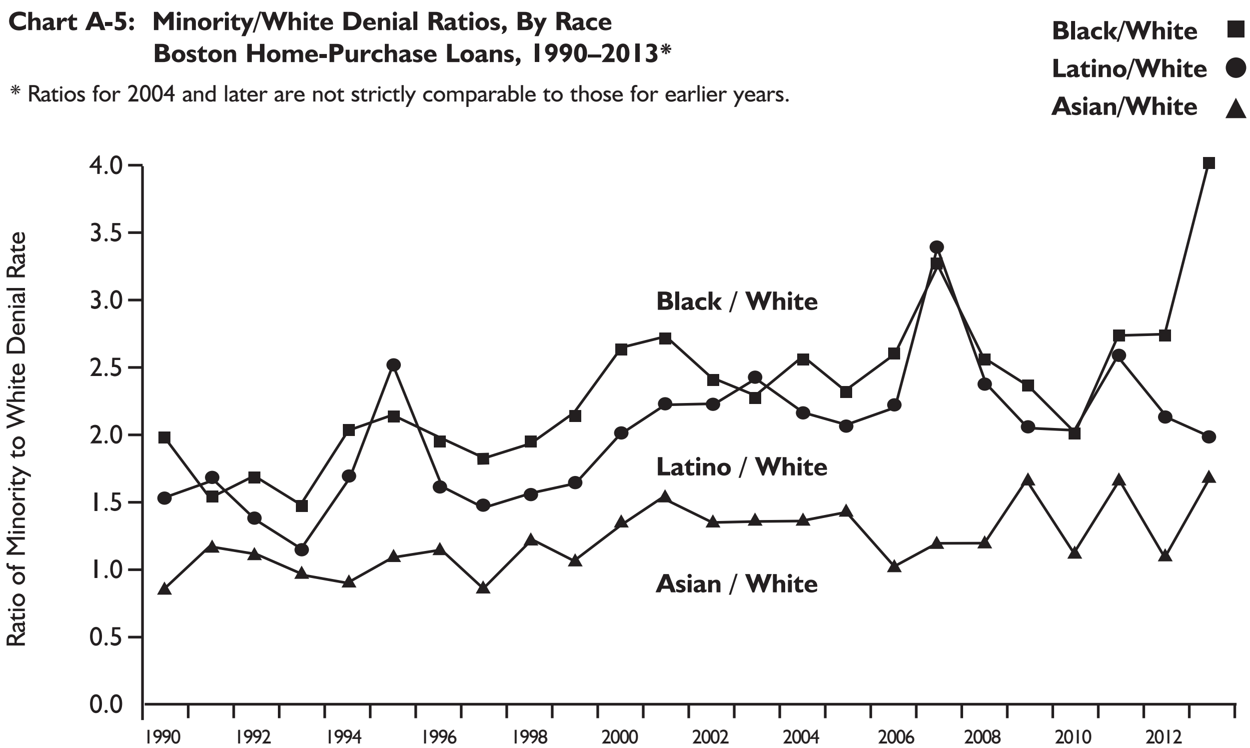
* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-5.

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

Chart A-5: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2013*

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



APPENDIX TABLE 6
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Loans for Owner-Occupied Homes
As Percentage of Total, 2013

	Home Purchase Loans						Refinance Loans					
	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	531	71.8%	2.6%	11.5%	11.1%	3.0%	682	66.9%	3.8%	15.7%	8.5%	5.1%
Black	446	56.7%	3.8%	25.3%	9.4%	4.7%	1,260	48.2%	5.4%	26.5%	12.1%	7.9%
Latino	281	66.2%	4.3%	13.9%	9.3%	6.4%	577	56.2%	5.2%	20.8%	9.9%	8.0%
White	4,280	78.4%	2.2%	7.1%	10.0%	2.2%	7,125	72.6%	3.3%	12.0%	7.8%	4.3%
Total*	6,431	75.0%	2.3%	9.3%	10.4%	2.9%	11,447	65.9%	3.8%	15.4%	9.0%	5.9%
B. GREATER BOSTON+												
Asian	4,663	75.2%	3.1%	8.9%	9.7%	3.1%	5,652	72.9%	3.3%	12.7%	6.5%	4.6%
Black	1,264	62.1%	2.4%	20.6%	11.2%	3.7%	2,724	51.1%	5.5%	25.6%	10.1%	7.7%
Latino	1,667	68.9%	2.3%	15.9%	8.5%	4.3%	2,616	56.7%	5.2%	21.3%	10.0%	6.7%
White	28,989	78.2%	2.6%	7.3%	9.5%	2.5%	68,313	72.0%	3.5%	12.2%	7.5%	4.7%
Total*	41,645	76.2%	2.7%	8.4%	9.9%	2.8%	91,740	69.1%	3.6%	13.5%	8.2%	5.6%
C. MASSACHUSETTS												
Asian	6,393	74.2%	3.1%	9.6%	9.9%	3.2%	8,139	70.8%	3.6%	13.8%	6.9%	4.9%
Black	2,546	62.6%	2.6%	20.9%	10.2%	3.6%	4,491	50.7%	5.8%	26.0%	10.0%	7.5%
Latino	4,025	68.2%	2.5%	17.0%	8.5%	3.7%	5,215	53.3%	5.1%	23.7%	10.9%	7.0%
White	58,982	76.6%	2.7%	9.1%	9.1%	2.4%	138,552	69.1%	3.7%	14.3%	7.9%	5.0%
Total*	80,394	74.8%	2.8%	10.1%	9.6%	2.8%	179,427	66.3%	3.8%	15.5%	8.6%	5.8%

^ 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 Plannning Council (MAPC) region.

APPENDIX TABLE 7
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Massachusetts
First-Lien, Owner-Occupied HOME-PURCHASE Loans Only, 2013

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA

	Black			Latino			White		
Reason	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	98	31	129	159	36	195	711	463	1,174
Employment History	12	8	20	19	4	23	122	81	203
Credit History	54	43	97	98	39	137	472	452	924
Collateral	54	20	74	69	29	98	341	563	904
Insufficient Cash	19	17	36	25	13	38	86	144	230
Unverifiable Information	18	3	21	41	13	54	85	130	215
Credit Application Incomplete	16	8	24	24	12	36	160	308	468
Mortgage Insurance Denied	4	2	6	3	2	5	19	32	51
Other	50	21	71	43	29	72	243	400	643
Total Denials	332	188	520	490	186	676	2,440	2,782	5,222
Number with Reason Reported	247	122	369	354	146	500	1,817	2,150	3,967
Number with No Reason Reported	85	66	151	136	40	176	623	632	1,255
Percent with No Reason Reported	25.6%	35.1%	29.0%	27.8%	21.5%	26.0%	25.5%	22.7%	24.0%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED

	Black			Latino			White		
Reason	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income	Low- & Mod-Income	Mid- & Upper-Income	Any Income
Debt-to-Income Ratio	40%	25%	35%	45%	25%	39%	39%	22%	30%
Employment History	5%	7%	5%	5%	3%	5%	7%	4%	5%
Credit History	22%	35%	26%	28%	27%	27%	26%	21%	23%
Collateral	22%	16%	20%	19%	20%	20%	19%	26%	23%
Insufficient Cash	8%	14%	10%	7%	9%	8%	5%	7%	6%
Unverifiable Information	7%	2%	6%	12%	9%	11%	5%	6%	5%
Credit Application Incomplete	6%	7%	7%	7%	8%	7%	9%	14%	12%
Mortgage Insurance Denied	2%	2%	2%	1%	1%	1%	1%	1%	1%
Other	20%	17%	19%	12%	20%	14%	13%	19%	16%

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

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

Lenders reported a third reason for only 2.3% of denials in Massachusetts in 2013; 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.

APPENDIX TABLE 9

Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2013 ^
(For 2004–2013, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	736	695	699	1,019	723	937	780	519	402	372
% of All Loans	28.9%	43.6%	11.7%	8.5%	8.3%	9.9%	17.8%	16.2%	22.5%	19.7%	14.9%	9.2%	7.7%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	1,189	946	868	1,084	1,023	1,039	1,012	992	1,468	1,690
% of All Loans	49.1%	18.7%	18.3%	13.7%	11.4%	12.3%	19.0%	22.9%	25.0%	25.6%	28.4%	33.6%	35.1%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,752	5,196	4,159	3,275	2,703	2,182	2,166	1,982	2,499	2,759
% of All Loans	21.9%	37.7%	63.4%	66.4%	62.4%	59.0%	57.3%	60.4%	52.5%	54.7%	56.7%	57.2%	57.2%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	981	1,493	1,326	340	23	2				
% of All Loans			6.5%	11.3%	17.9%	18.8%	5.9%	0.5%	0.0%				
E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,658	8,330	7,052	5,718	4,472	4,160	3,958	3,493	4,369	4,821
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS													
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans				26,038	22,238	19,734	23,750	21,131	23,408	20,857	18,738	23,190	26,795
% of All Loans				26.5%	23.6%	25.6%	37.7%	41.2%	45.1%	43.7%	42.6%	44.4%	44.6%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans				59,961	53,719	44,437	36,185	29,870	28,422	26,842	25,294	29,090	33,334
% of All Loans				61.0%	57.0%	57.7%	57.5%	58.2%	54.8%	56.3%	57.4%	55.6%	55.4%
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans				12,298	18,329	12,813	3,038	278	71				
% of All Loans				12.5%	19.4%	16.6%	4.8%	0.5%	0.1%				
E. TOTAL													
Number of Loans				98,297	94,286	76,984	62,973	51,279	51,901	47,699	44,032	52,280	60,129
% of All Loans				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

^ For reasons of space, the columns for several years before 2004 are omitted from this table.

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

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

"Big Boston Banks": RBS Citizens, Bank of America, and Sovereign/Santander in 2004–2012. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, Fleet and Shawmut were included during the years they existed. Mortgage companies affiliated with these banks are included, except that in 2008 and 2009 Countrywide was not considered part of Bank of America for this purpose. If Eastern Bank and TD Bank had been included as "Big Boston Banks" in 2013, they would have added only 90 loans to the group's total.

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

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

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

APPENDIX TABLE 9

Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2013 ^
(For 2004–2013, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	736	695	699	1,019	723	937	780	519	402	372
% of All Loans	28.9%	43.6%	11.7%	8.5%	8.3%	9.9%	17.8%	16.2%	22.5%	19.7%	14.9%	9.2%	7.7%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	1,189	946	868	1,084	1,023	1,039	1,012	992	1,468	1,690
% of All Loans	49.1%	18.7%	18.3%	13.7%	11.4%	12.3%	19.0%	22.9%	25.0%	25.6%	28.4%	33.6%	35.1%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,752	5,196	4,159	3,275	2,703	2,182	2,166	1,982	2,499	2,759
% of All Loans	21.9%	37.7%	63.4%	66.4%	62.4%	59.0%	57.3%	60.4%	52.5%	54.7%	56.7%	57.2%	57.2%
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E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,658	8,330	7,052	5,718	4,472	4,160	3,958	3,493	4,369	4,821
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
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% of All Loans				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

^ For reasons of space, the columns for several years before 2004 are omitted from this table.

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

"Big Boston Banks": RBS Citizens, Bank of America, and Sovereign/Santander in 2004–2012. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, Fleet and Shawmut were included during the years they existed. Mortgage companies affiliated with these banks are included, except that in 2008 and 2009 Countrywide was not considered part of Bank of America for this purpose. If Eastern Bank and TD Bank had been included as "Big Boston Banks" in 2013, they would have added only 90 loans to the group's total.

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NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

HMDA Loan Application Register (LAR) data are the main source of data on loans, lenders, and borrowers for this report. These data are collected, processed, and released each year by the FFIEC (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 type of the loan (conventional, FHA-insured, VA-guaranteed or USDA-guaranteed), the amount of the loan, the lien status of the loan (first lien or junior lien), 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). HMDA LAR data can be downloaded for free from the FFIEC website.

Government-backed loans (GBLs) are those identified in HMDA data as FHA-insured, VA-guaranteed, or USDA-guaranteed (i.e., guaranteed by the Farm Service Agency or the Rural Housing Service). See Section I for more information about GBLs.

High-APR loans (HALs) were identified for the first time in 2004 HMDA data. For applications received before October 1, 2009, and acted on by December 31 of that year, lenders were required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference ("spread") between the loan's APR and the interest rate on Treasury securities was 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 had to be reported, to two decimal points, in HMDA LAR data. Beginning with applications received on October 1, 2009 (and for all earlier applications not acted on until 2010), each loan's APR is compared to the Fed's estimate of the APR on prime mortgage loans of the same maturity (if fixed-rate) or same number of years until first interest-rate reset (if adjustable rate); high-APR loans are those with rate spreads of one and one-half percentage points or more for a first-lien loan (or three and one-half percentage points or more for a junior-lien loan). The new criteria are far superior to the old because the comparison is directly to the rate on comparable prime mortgages. 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 the distinction between site-built and manufactured homes (in 2013, loans for manufactured homes accounted for only 0.1% of the state's loans). Second, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes. That is, none of these types of loans are included in any of the numbers contained in this report's tables, except for Appendix Tables 1 and 2—which 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.

The decision to include only first-lien loans in all of the tables in the body of this report has had less impact in recent years than in 2008 and earlier. In 2013, for example, junior-lien loans made up just 2.5% of all home-purchase loans and 1.4% of all refinance loans. Junior-lien home-purchase loans (sometimes referred to as "piggyback loans") were very common a few years ago; they accounted for more than one-quarter of all home-purchase loans in Massachusetts in 2006 and 2007. These loans provided a way of avoiding the cost of private mortgage insurance, which is generally required for conventional loans when the loan amount is greater than 80% of the value of the home being purchased. Thus, borrowers received 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 the analysis to first-lien loans avoids double-counting home buyers who obtained piggy-back second mortgages. Appendix Table 2 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans and GBLs, overall and for each of the major racial/ethnic groups included in this report.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Appendix Table 6 provides data on how the actions taken on mortgage loan applications 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.

Classifying Applicants/Borrowers by Income and Race/Ethnicity

Income categories for applicants/borrowers are defined in relationship to annually updated estimates of the median family income (MFI) of the Metropolitan Statistical Area (MSA) in which the property is located. (These estimates are now provided by the FFIEC; through 2011 they were provided by the Department of Housing and Urban Development [HUD].) The income categories are as follows—low: below 50% of the MFI in the MSA; moderate: between 50% and 80% of the MFI; middle: between 80% and 120% of the MFI; high: between 120% and 200% of the MFI; and highest: over 200% of the MFI. (Note that *the "high-income" and "highest-income" categories used in this report are subdivisions of the standard "upper-income" category.*) Using these definitions, specific income ranges were calculated for each income category for each MSA. Applicants/borrowers were assigned to income categories on the basis of their income as reported (to the nearest $1000) in the HMDA data.

Metropolitan areas used in defining income categories for borrowers: Beginning in 2004, HMDA data 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 Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties).

> Note: The OMB revised its definitions of metropolitan areas in February 2013; according to the new revised definitions, the Boston MSA is divided into just two MDs (the Cambridge-Newton-Framingham MD will consist of Middlesex and Essex Counties) [www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf]. The new definitions will be used in HMDA beginning with 2014 data.

Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify borrowers in the Boston MSA into income categories.** This practice, first used in *Changing Patterns XIV*, was adopted because there is little or no economic, political, or social logic to a system which places Cambridge and Boston into separate Metropolitan areas. (The 2013 MFIs for the three MDs as well as for the entire Boston MSA are provided below.)

Median family incomes (MFI) of Massachusetts metropolitan areas in 2013 were:

Barnstable MSA
(Barnstable County) $74,900

Boston MSA
(Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties) $91,200*

Boston–Quincy MD
(Norfolk/Plymouth/Suffolk Counties) $88,000

Cambridge–Newton–Framingham MD
(Middlesex County) $101,000

Peabody MD
(Essex County) $83,500

Pittsfield MSA
(Berkshire County) $56,400

Providence–Fall River–New Bedford MSA
(Bristol County) $71,100

Springfield MSA
(Franklin/Hampden/Hampshire Counties) $66,100

Worcester MSA
(Worcester County) $81,300

Non-Metro part of Massachusetts
(Dukes/Nantucket Counties) ....$87,000^

* Since 2011, the FFIEC has not provided estimates of the MFIs for MSAs that are subdivided into MDs. The 2013 MFI for the Boston MSA was obtained from the Federal Housing Finance Agency. The 2011 and 2012 MFIs for the Boston MSA were calculated for this series of reports as the weighted sum of the MFIs of its three MDs, using each MD's share of the total MSA population as the weights. This same method for calculating the 2013 MFI produces an estimate of $91,900.

^ The 2013 MFI provided by the FFIEC for the non-metro part of the state is $52,400, down from $89,500, which is clearly absurd. The estimate used in this report ($87,000) was chosen to have roughly the same reduction from 2012 MFI as in the state's metro areas.

Racial/ethnic categories: Beginning with 2004, HMDA data classify each applicant and co-applicant by both ethnicity (Latino or Not Latino) and race (the possible races are: American Indian or Alaska Native, Asian, Black, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as he or she wishes (up to all five). This report uses this information to place each borrower into one of six categories: "Asian" is shorthand for non-Latino Asian; "black" is shorthand for non-Latino black; "Latino" includes all applicants with Latino ethnicity; "white" is shorthand for non-Latino white; "other" is shorthand for non-Latino American Indian, Alaska Native, Native Hawaiian, or Other Pacific Islander; and "no information" includes borrowers with no information on race and either no information or Not Latino for ethnicity. HMDA data do not include information that would make it possible to identify members of more specific racial/ethnic/nationality categories such as Brazilian, or Cape Verdean, or Vietnamese.

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 179,037 first-lien loans for owner-occupied homes in Massachusetts in 2013, a total of 4,135 are identified in the HMDA data as going to black borrowers and a total of 5,524 are identified as going to Latinos; only 263 are identified as going to borrowers who were both black and Latino. Classifying these 263 borrowers as black rather than as Latino would have increased the total number of black borrowers by 6.8% and reduced the total number of Latino borrowers by 4.8%.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: For example, of all first-lien loans for owner-occupied homes in Massachusetts in 2013 with information on the race of the borrower, only 0.3% of borrowers specified more than one race and only 1.5% of borrowers had co-borrowers of a different race; only 1.0% of borrowers had co-borrowers with different ethnicity.

Data on Geographical Areas

Population and income data for census tracts (used in Tables 14–16 and Tables 23–24) were assigned on the basis of information included in the 2013 HMDA LAR data. In particular, the HMDA LAR data include, for each record, (1) the percentage of minority residents in the census tract where the home is located and (2) the median family income (MFI) in that census tract as a percentage of the MFI in its metropolitan area. For 2012 to 2016 HMDA data, the FFIEC is using the 2006–2010 five-year estimates from American Community Survey data; going forward, it will update these data every five years (e.g., 2011–2015 ACS data will be used beginning with 2017 HMDA data). For more information on this, see the FFIEC's Press Release of October 19, 2011. Note: This differs from the way that *borrowers* are assigned to income categories, described above. First, borrowers are assigned on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas. Second, while the *Changing Patterns* series of reports assigns borrowers in the Boston MSA on the basis of the MFI for the MSA (rather than that for its component Metropolitan Districts [MDs]), census tracts in the Boston MSA are assigned to categories using the MFI for their MD.

Population and income data for larger geographical areas (the state's 33 largest municipalities and Boston's neighborhoods) are from either the 2010 Census or from five-year American Community Survey data, obtained using the "American FactFinder" feature on the website of the U.S. Census Bureau (www.census.gov). Population data in Table 3 are from Table P9 of the 2010 Census; in Table 3, "White" refers to non-Hispanic whites who reported no other race; "Black" refers to non-Hispanic blacks who reported black alone or with any other race; and "Asian" refers to non-Hispanic Asians who reported Asian alone or with any other race except black. The population and income information for Boston neighborhoods shown in Table 17 were taken from reports of the Boston Redevelopment Authority based on 2007–2011 American Community Survey data. The household shares in Chart A-3 and in the first two bullets of Section III were calculated from data in Tables H7 and H9 of the 2010 Census and Table HO 09 and HO 10 of the 2000 Census, with the number of black households calculated as the average of those who reported their race as black alone and the number who reported their race as black together with any other race or races.

Lenders

Major types of lenders. Each lender that reported HMDA LAR data for homes located in Massachusetts has been classified as belonging to one of three major categories of lenders. This was done primarily on the basis of the "Agency" and "OLC" fields included in HMDA data, but also draws on selected other sources. The categories used and the rationale for using these categories are described in the introductory text of Section VI and in the notes to Tables 20–29.

Big Boston Banks, a lender category now used only in Appendix Table 9, was used as a separate category of lenders in the initial reports in the *Changing Patterns* series because their collective market share in the City of Boston approached 40%. In 2013, this group includes only Bank of America, RBS Citizens, and Santander (formerly named Sovereign), but 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.

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

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