

Changing Patterns XX

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2012

BY

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MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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

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FOREWORD

The Massachusetts Community & Banking Council (MCBC) is pleased to offer *Changing Patterns XX* 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.mcabc.info. Other MCBC reports are also available at this website, together with further information on MCBC's committees and programs.

MCBC depends on the financial support of its members to produce reports like *Changing Patterns*. MCBC thanks the following financial institutions for their 2013 membership:

Abington Bank	Everett Co-operative Bank
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Braintree Cooperative Bank	People's United Bank
Cambridge Savings Bank	RBS Citizens
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MCBC's Community Partners include Chelsea Neighborhood Developers, Community Teamwork, Inc., Dudley Square Main Streets, ESAC, the Fair Housing Center of Greater Boston, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Metropolitan Boston Housing Partnership and the Somerville Community Corporation.

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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 twentieth 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 2012 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 most interesting findings presented in the following pages. 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.

Level and Composition of Mortgage Lending

- ❖ The overall level of lending was substantially higher in 2012 than during the year before. Home-purchase loans rose 19% statewide, reversing a multi-year downward trend, while refinance loans jumped by more than 50% from 2011. Refinance loans accounted for 79% of all loans in the state.
- ❖ Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2012. The GBL share of home-purchase loans fell for the third consecutive year, to 12.0% in Boston, 14.8% in Greater Boston, and 23.5% statewide. The GBL share of the much larger number of refinance loans remained steady at 4.7% in Boston, 4.4% in Greater Boston, and 6.5% statewide. These GBL loans 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.
- ❖ The level of high-APR loans (HALs) remained very low in 2012, accounting for just 0.6% of all loans (home-purchase and refinance combined) statewide—far below their peak level of 22.2% in 2006. In 2012, there were just 33 HALs in Boston

(0.2% if all loans), 402 HALs in Greater Boston (0.3% of all loans), and 1,351 HALs statewide.

- ❖ Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. Overall, the GBL loan shares in 2012 were 10.1% in Massachusetts and 23.8% nationwide. For home-purchase loans, the GBL loan shares were 23.5% in the state and 44.7% nationwide; for refinance loans, they were 6.5% in the state and 15.6% nationwide.
- ❖ Among the state's thirty-three biggest cities, GBL loan shares were highest in Lawrence (where they accounted for 69% of all home-purchase loans and 29% of all refinance loans), Brockton (65% and 23%) and Springfield (59% and 24%). GBLs also made up more than half of all home-purchase loans in two other cities (New Bedford and Lynn).

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 2012 that were far below their shares of total households. In Boston, for example, blacks made up 21.0% of households but received only 3.6% of conventional home-purchase loans and 4.4% of conventional refinance loans. Latinos made up 13.7% of Boston households but received only 3.3% of conventional home-purchase loans and 3.0% of conventional refinance loans.
- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs in 2012 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, for example, GBLs accounted for 42.7% of loans to blacks and 41.6% of loans to Latinos, but for only 13.7% of loans to whites. For refinance loans, the GBL loan shares were 15.2% for blacks, 13.8% for Latinos, and 4.3% 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 2012 tended to decline steadily as the level of borrower income increased. For home-purchase lending statewide, for example, GBL loan shares fell steadily from 34.7% for moderate-income borrowers to just 4.9% 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 2012 GBL loan shares for high-income homebuyers were 36.5% for blacks, 20.8% for Latinos, and 12.1% for whites.

Neighborhood Race/Ethnicity and Income

- ❖ For home-purchase loans in the City of Boston in 2012, the government-backed loan (GBL) share in low-income census tracts was four times greater than that in upper-income tracts (19.3% vs. 4.7%) and the GBL loan share in predominantly minority census tracts was seven times greater than that in predominantly white tracts (41.7% vs. 6.0%). The pattern for refinance loans was similar.
- ❖ Government-backed lending varied dramatically among Boston's major neighborhoods. For home-purchase loans in 2012, GBLs accounted for 46.9% of all loans in Mattapan while there were no GBL loans in the Allston, Beacon Hill, or Fenway neighborhoods. For refinance loans, GBL shares ranged from 19.0% in Mattapan to just 0.2% in Back Bay.
- ❖ Total home-purchase lending to blacks and Latinos in 2012 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, Springfield, and Worcester) accounted for 47.2% of total home-purchase loans to blacks in Massachusetts in 2012, but for only 10.5% of the state's total loans to whites. Eight communities (Lawrence, Boston, Springfield, Worcester, Lynn, Revere, Methuen, and Brockton) accounted for 45.8% of all home-purchase lending to Latinos in the state, but for just 12.2% of total lending to whites. Meanwhile, in 110 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 2012, the denial rates on conventional (i.e., non-government-backed) mortgage loan applications by blacks—both for home-purchase loans and for refinance loans—were in every case substantially more than double the corresponding denial rates for whites. The denial rates for Latinos were always at least 1.8 times as high as the white denial rates. 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 in Boston, in Greater Boston, and statewide are grouped into income categories, the 2012 denial rates for blacks and for Latinos were in almost every case well above the denial rates for white applicants in the same income category. For example, for applicants with incomes between \$71,000 and \$90,000, the black denial rate was 2.0 times greater than the white denial rate in Boston, 2.6 times greater in Greater Boston, and 2.0 times greater statewide.

Lenders

- ❖ For all loans statewide in 2012, Massachusetts banks and credit unions (CRA-covered lenders) had the biggest loan share (43.5%) for the fifth

consecutive year, but Licensed Mortgage Lenders (LMLs—mainly independent mortgage companies) became a closer second by increasing their market share by five percentage points to 36.6%. Other Lenders (mainly out-of-state banks) saw their market share fall from 25.2% to 19.9%. In Greater Boston, CRA-covered lenders and LMLs each had a market share of 41.1%; in the City of Boston, LMLs had a larger share than CRA-covered lenders. 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 Boston, for example, conventional loans to black borrowers made up 5.2% of all loans made by CRA-covered lenders, 1.6% of all loans by LMLs and 1.7% 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.
- ❖ However, the introduction of performance evaluations and ratings of individual LMLs under the state’s Mortgage Lender Community Investment (MLCI) regulation appears to have had no impact to date on the relative performance of LMLs, at least as measured here. The shares of the total 2012 loans of Licensed Mortgage Lenders (LMLs) that consisted of

conventional loans to the five categories of traditionally underserved borrowers and neighborhoods examined in this report tended to be somewhat smaller than the corresponding shares of all loans by Other Lenders.

- ❖ Mortgage Master was the biggest lender in 2012 both in Boston (with 1,323 loans) and statewide (with 12,426 loans). Wells Fargo ranked second both in the city (982 loans) and the state (11,533 loans). Guaranteed Rate was the third largest lender in Boston, while Sovereign Bank was the third largest lender statewide. Leader Bank/Mortgage and Bank of America ranked fourth and fifth respectively both in Boston and Massachusetts.

Legislative and Regulatory Developments

- ❖ During 2013, regulators issued four long-awaited rules to implement legislation designed to prevent irresponsible mortgage lending: regulations governing the compensation of loan originators; standards for ensuring that mortgage borrowers have the ability to repay their loans (including the so-called “qualified mortgage” or “QM” regulations); rules for 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); and the forms to be used in providing disclosures to mortgage loan applicants following applications and before closings. However, there was no tangible progress on issuing rules for revised and expanded reporting under the Home Mortgage Disclosure Act (HMDA), on revising the regulations implementing the Community Reinvestment Act (CRA), or on reforming the housing finance system.

INTRODUCTION

This report is the twentieth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report includes detailed information on 2012 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.¹

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 has 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 two 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 home-buyers either got or didn’t get. With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*.²

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.³

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 Veterans Administration (VA) or the Department of Agriculture (USDA)—is an indication of reduced

¹ These supplemental tables are available at: www.mcabc.info/reports/mortgage.

² 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).

³ 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 2011 and in 2012 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) and *Changing Patterns XIV*, Table 17 (available at: www.mcabc.info/reports/mortgage).

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, the estimates of the 2012 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 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 loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 89.8% of all loans in the state, that first-lien loans for non-owner-occupied homes accounted for 9.0% of the total, and that junior-lien loans accounted for the remaining 1.2% (the corresponding percentages in 2011 were 89.4%, 9.1%, and 1.5%, 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. This series of reports offers neither *explanations* of why the observed trends have occurred nor *evaluations* of how well individual lenders have performed. Rather, its descriptive contributions are intended to be important annual inputs into the complex, ongoing tasks of explanation and evaluation.

For many readers, this report's main contribution will consist of the wealth of information contained in its thirty-seven pages of tables, especially data about individual municipalities of particular interest.⁴ No attempt is made to summarize all of this information in the pages that follow.

⁴ Additional tables, available at www.mcabc.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).

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, 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.⁵) 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 overall and for government-backed loans—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.

⁵ 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 increased volume of government-backed lending and on the disproportionate shares of this lending that went to traditionally underserved borrowers and neighborhoods. To be able to assess the significance and implications of this development, it is necessary to understand the nature of government-backed mortgage lending and the context within which it has increased so dramatically.

Overview

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.⁶

In contrast, GBLs are somewhat less profitable for lenders, and more expensive for borrowers, than prime conventional loans, but they offer a

reasonable option for both parties when borrowers are unable to obtain a prime loan. Their recent growth, 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. GBLs require smaller down payments and allow lower credit scores than prime loans and, accordingly, their delinquency and foreclosure rates are somewhat higher than those of prime loans. As of September 30, 2013, 4.7% of outstanding GBLs in Massachusetts were 90 or more days delinquent (compared to 1.9% for prime loans), and 2.4% were in foreclosure (compared to 1.4% for prime loans).⁷

The Nature of Government-Backed Lending

Three different agencies of the federal government back home mortgage loans issued by private lenders. The Department of Housing and Urban Development's Federal Housing Administration (FHA) insures mortgages, while the Veterans Administration (VA) and the Department of Agriculture (USDA) guarantee them.⁸ The FHA accounts for the great majority of GBLs (although their share of all Massachusetts GBLs has fallen from over 90% in 2008 to 76.4% in 2012), with the VA accounting for most of the rest of the statewide total (the VA share rose from 8.1% in 2010 to 19.3% in 2012). Although there are differences among the three programs, the following description will focus on FHA lending.⁹

⁶ These loan status statistics are from a very useful website previously maintained by the Federal Reserve Bank of New York (<http://data.newyorkfed.org/creditconditions>) that seems to have been abandoned. The data cited in the text were "current" when the website was accessed in late November 2011.

⁷ These percentages are calculated from data in the Mortgage Bankers Association's *National Delinquency Survey Q3 2013* (subscription required, information at www.mortgagebankers.org/nds).

⁸ 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 between 1970 and 2008, when they failed and were placed into federal government conservatorships.

⁹ Among the most important differences are that VA and USDA require no monthly insurance premiums (they require an upfront guarantee fee instead) and they require no down payment. VA loans are available only to veterans of the military services, while USDA loans are available only in rural areas (broadly defined) and only to borrowers who are income-qualified.

FHA loans are made by private lenders who have been certified by the agency and whose performance is subject to FHA review. The lender sets the price and terms of the loan, and decides whether or not to approve the applications that it receives. Insurance for the loans is provided by a self-supporting Mutual Mortgage Insurance Fund, financed by premiums paid by FHA borrowers; there is both an initial upfront premium and an annual premium that is allocated to the borrowers' monthly payments.¹⁰ Borrowers must be owner-occupants and must make a down payment of at least 3.5% of the value of the property.¹¹ 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 all of 2012 and 2013, the maximum for a single-unit property in the Greater Boston area has been \$523,750. (The lowest maximum in the state is \$271,050 in Berkshire County; the highest is \$729,750 on Martha's Vineyard and Nantucket.)

Beginning in 2010, in response to loan losses that were depleting the reserves in its insurance fund, the FHA has tightened its minimum lending standards, increased upfront and annual insurance premiums on new loans, and increased scrutiny of lender performance.¹² During the first quarter of 2012, the one-time upfront insurance premium was 1% of the loan amount and the annual insurance premium was 1.10%. For the last three quarters of 2012, the

upfront insurance premium was 1.75% and the annual insurance premium was 1.20%. On April 1, 2013, the annual premium for loans with down payments of at least 5% was raised to 1.30%. (All annual premiums quoted in this paragraph are for loans with down payments of at least 5%; for loans with smaller down payments, the annual premiums are 0.05% higher; e.g., 1.25% rather than 1.20%).¹³ Recent increases in the FHA's insurance premiums—particularly in the annual premium, which was only 0.50% in mid-2010—have made FHA loans an unattractive option for borrowers who qualify for VA loans (which have no annual premiums at all), and provide one explanation for the VA's rising share of all GBLs.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

¹⁰ 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 to the program. HUD's report for Fiscal Year 2013 was released on December 13, 2013.

¹¹ The FHA's minimum down payment of 3.5% applies only for borrowers with credit scores of at least 580; borrowers with credit scores between 500 and 579 must make a down payment of at least 10%; and loans to borrowers with credit scores below 500 are not eligible for FHA insurance. Most FHA borrowers have credit scores well above these minimums. The average credit score on loans originated in FY 2012 was 698, up from 634 in 2007; less than 3% of FHA borrowers in FY 2012 had credit scores below 620 (data from pages 16–17 of report cited in the preceding footnote).

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. The head of the FHA told Congress in the fall of 2010 that during the previous year the FHA had withdrawn approval from more than 1,500 lenders, and suspended others (testimony of David H. Stevens to the House Financial Services Committee, September 22, 2010, pp. 1 and 5; available at: <http://financialservices.house.gov>).

¹³ The annual insurance premium increases borrowers' monthly mortgage payments by approximately as much as would increasing the mortgage's interest rate by the same number of percentage points; this accounts for almost all of the extra cost of FHA loans compared to prime conventional loans. As annual premiums for FHA loans have continued to rise, increasing numbers of borrowers have found these loans to be more expensive than conventional loans with private mortgage insurance (generally required for down payments of less than 20%).

¹⁴ The VA's one-time loan guaranty fee is 1.25% of the loan amount for down payments of 10% or more, 1.50% for down payments of 5%–10%, and 2.15% for down payments of less than 5% (these fees, which have been unchanged since 2004 except for a brief period in the fall of 2011, are 0.25 percentage point higher for Reservists and National Guard as opposed to regular military).

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

Although the nature of current FHA lending merits the positive assessment offered here, the program has a checkered history that has brought it much well-deserved criticism over the years. From its inception in the 1930s until the mid-1960s, the FHA explicitly embraced both redlining and discrimination against black and other minority borrowers. FHA lenders subsequently pioneered reverse redlining and championed block-busting practices that devastated many inner-city neighborhoods; the B-BURG program that transformed Mattapan in the late 1960s is a local example of the damage wrought by FHA lending. In fact, it was outrage at the destructive impacts of FHA lending that was responsible for much of the organizing and advocacy that resulted in enactment of the Home Mortgage Disclosure Act in 1975 and the Community Reinvestment Act in 1977.¹⁷

II. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

In the last three decades, there have been 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

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/pubs/bulletin/2010/pdf/2009_HMDA_final.pdf. See also: "A Look at the FHA's Evolving Market Shares by Race and Ethnicity," in HUD's *U.S. Housing Market Conditions*, First Quarter, 2011, pp. 6–12; available at: http://www.huduser.org/portal/periodicals/ushmc/spring11/USHMC_1q11_summary.pdf.

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.)

subprime lending meltdown when many predatory lenders simply moved over and continued plying their trade as FHA lenders.¹⁸

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.

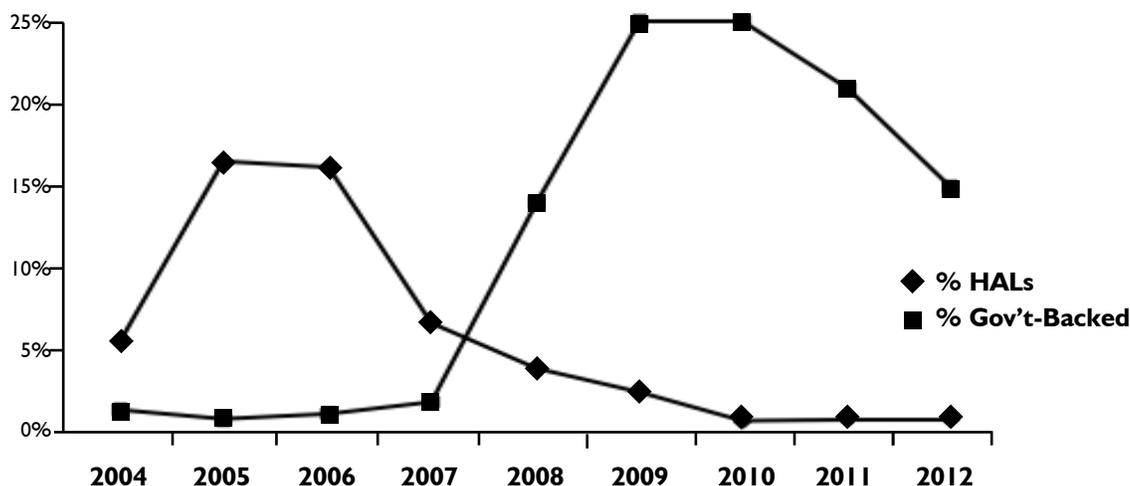
The most striking findings that emerge from these tables are that the high level of government-backed lending that began in 2008 is declining and that subprime (high-APR) lending has virtually disappeared.

❖ **The overall level of lending rose substantially in 2012 and, for the fourth consecutive year,**

there were approximately three times as many refinance loans as there were home-purchase loans. Statewide, the number of home-purchase loans increased 19% to 52,280 loans, the highest level since 2007, while the number of refinance loans jumped by more than 50% to 191,666, the most loans since HMDA data were expanded in 2004 to allow the identification of first-lien loans for owner-occupied homes. In 2012, refinance loans accounted for 72% of all loans in Boston, 80% of all loans in Greater Boston, and 79% of all loans statewide. (See Table 1.)

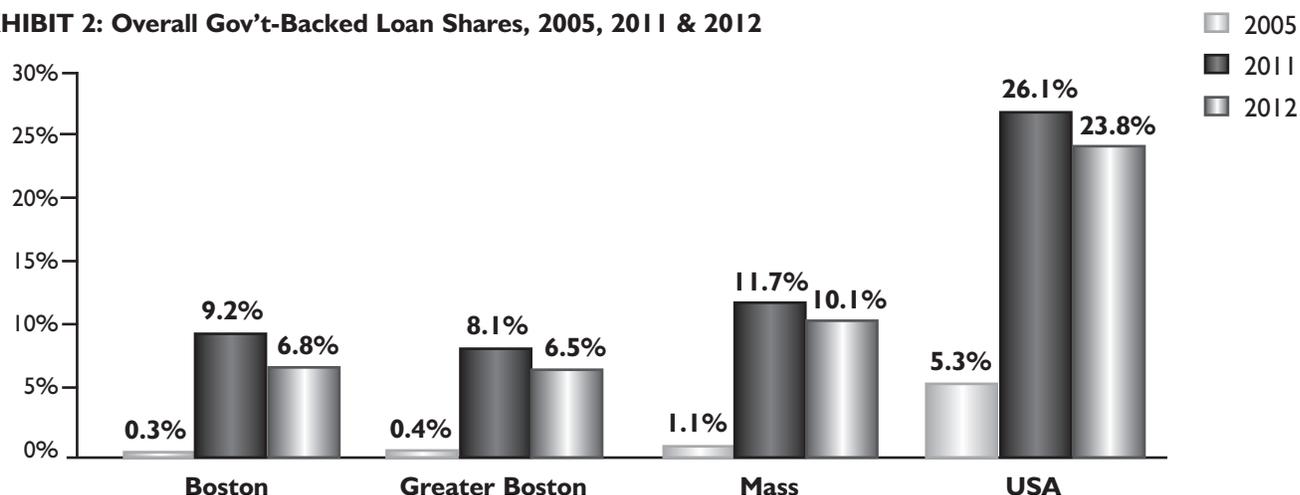
❖ **Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2012, although these shares fell for the third consecutive year. Statewide, GBLs accounted for 23.5% of all home-purchase lending (down from a peak of 32.7% in 2009 and from 29.2% in 2011).** They accounted for 6.5% of the much larger volume of refinance lending (up from 5.6% the previous year, but well below the peak level of 10.1% in 2008). In the City of Boston, GBLs accounted for 12.0% of home-purchase loans and 4.7% of refinance loans; in Greater Boston, the corresponding loan shares were 14.8% and 4.4%. The GBL loan shares remain far above those in 2005, when GBLs accounted for just 1.9% of home-purchase

**Exhibit 1: High-APR and Gov't-Backed Loans in Greater Boston, 2004–2012
First-Lien Home-Purchase Loans for Owner-Occupied Homes**



Source: Tables 1 & 2

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 2: Overall Gov't-Backed Loan Shares, 2005, 2011 & 2012

Source: Table 2 and see footnote 17

loans and 0.6% of refinance loans statewide (and their loans shares were even smaller in Boston and Greater Boston). (Table 1 and Exhibit 1)

❖ **The level of high-APR loans (HALs) remained very low in 2012, accounting for just 0.6% of all loans (home-purchase and refinance combined) statewide—far below their peak level of 22.2% in 2006.** In 2012, there were just 33 HALs in Boston (0.2% if all loans), 402 HALs in Greater Boston (0.3% of all loans), and 1,351 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 2012 were 10.1% in Massachusetts and 23.8% nationwide. For home-purchase loans, the GBL loan shares were 23.5% in the state and 44.7% nationwide; for refinance loans, they were 6.5% in the state and 15.6% nationwide.¹⁹

❖ **Among the state's thirty-three biggest cities,²⁰ GBL loan shares were highest in Lawrence** (where they accounted for 69.0% of all home-purchase loans and 28.6% of all refinance loans), **Brockton** (64.7% and 22.7%) and **Springfield** (58.7% and 24.2%). GBLs also made up more than half of all home-purchase loans in two other cities (New Bedford and Lynn) and the GBL share of refinance loans was also above 15% in three other cities (Chicopee, New Bedford, and Lynn). (Table 3)

❖ **Almost every city and town in Massachusetts received at least one government-backed loan (GBL) in 2012. Of the 292 cities and towns for which the number of GBLs loans can be determined exactly, only four small towns failed to receive at least one GBL** (Monterey, Pelham, Stockbridge, and Tyringham).²¹ There were only a few GBLs in the wealthiest communities: Wellesley, which has the highest

¹⁹ Nationwide GBL shares for 2011 and 2012 were calculated from data in Table 7 of Neil Bhutta and Glenn B. Canner, "Mortgage Market Conditions and Borrower Outcomes: Evidence from the 2012 HMDA Data and Matched HMDA—Credit Record Data," (*Federal Reserve Bulletin*, 2013, forthcoming). These percentages are for conventional and government-backed first-lien loans on owner-occupied site-built homes. The 2005 nationwide percentage shown in Exhibit 2 was calculated from data in Table 4 of Robert B. Avery, *et al.*, "Higher-Priced Home Lending and the 2005 HMDA Data," *Federal Reserve Bulletin*, 2006. Both articles are available at: www.federalreserve.gov.

²⁰ 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 Leominster, with a population of 40,759 according to the 2010 Census.

²¹ 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 two 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.

median family income (MFI) of any community in the state (\$182,250, according to 2006–2010 American Community Survey data from the Census Bureau), received fifteen GBLs; Weston,

Dover, and Carlisle—which had the second, third, and fourth highest MFIs—received three, four, and eight GBLs, respectively. (Supplemental Table 1)

III. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, blacks and Latinos received shares of total **conventional loans (a term commonly used as equivalent to “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, substantial black/white and Latino/white disparities exist at every income level.²²

❖ **Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2012 that were far below their shares of total households. In Boston, for example, blacks made up 21.0% of households but received only 3.6% of conventional home-purchase loans and 4.4% of conventional refinance loans.** Statewide, the black household share was 5.7%, but black loan shares were just

1.7% for conventional home-purchase loans and 1.1% for conventional refinance loans.²³ (Panel II of Table 4)

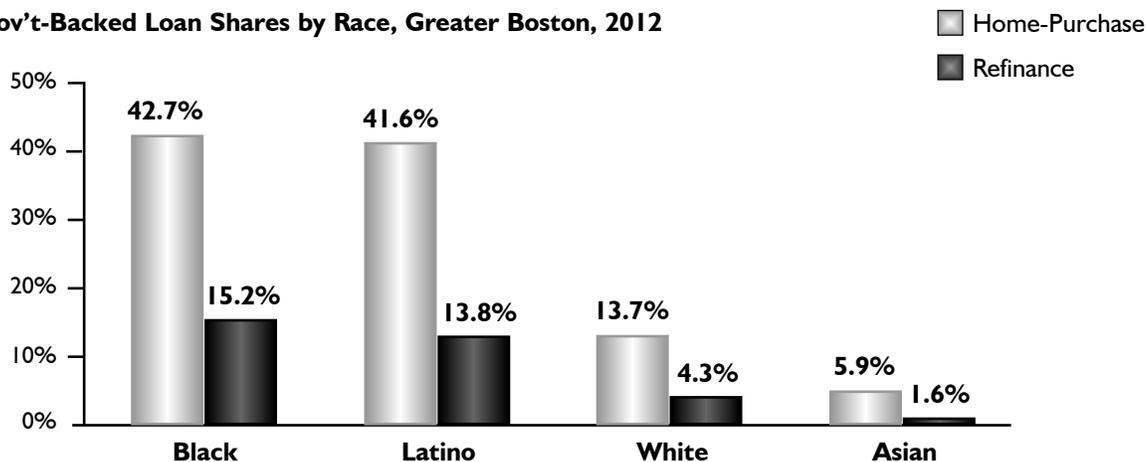
- ❖ **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total conventional loans in 2012 that were well below their shares of total households. In Boston, for example, Latinos made up 13.7% of households, but received only 3.3% of conventional home-purchase loans and 3.0% of conventional refinance loans.** Statewide, the Latino household share was 7.2%, but Latino loan shares were 2.8% for conventional home-purchase loans and just 1.5% 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 42.7% of loans to blacks and 41.6% of loans to Latinos, but only 13.7% of loans to whites.** Accordingly, the black/white disparity ratio was 3.1 and the Latino/white disparity ratio was 3.0. For refinance loans in Greater Boston in 2012, the GBL loan shares were smaller but the disparity ratios were greater: the GBL loan shares were 15.2% for blacks and 13.8% for Latinos, but only

²² 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 2012.

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.

²³ 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.

EXHIBIT 3: Gov't-Backed Loan Shares by Race, Greater Boston, 2012



Source: Table 4

4.3% for whites, for a black/white disparity ratio of 3.6 and a Latino/white disparity ratio of 3.2. The corresponding disparity ratios in the City of Boston were somewhat higher and those statewide were somewhat lower. 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 2012, their share of all GBL loans was more than four times greater—7.7%.**

Similarly, while Latino homebuyers received only 2.5% of all conventional loans in Greater Boston, their share of all GBL loans was 10.2%. (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 4.²⁴

EXHIBIT 4: Black and Latino Shares of Home-Purchase Loans, Ten Biggest Cities in Massachusetts, 2012

	Black share of total		Latino share of total	
	non-GBLs	GBLs	non-GBLs	GBLs
Boston	3.6%	20.4%	3.3%	13.9%
Worcester	3.9%	13.5%	8.0%	14.5%
Springfield	5.6%	12.7%	16.3%	31.1%
Lowell	3.1%	5.6%	5.3%	15.8%
Cambridge	2.1%	0.0%	3.1%	0.0%
New Bedford	4.8%	6.1%	5.9%	7.1%
Brockton	27.5%	37.4%	10.4%	10.5%
Quincy	2.0%	5.0%	2.5%	8.0%
Lynn	4.8%	9.4%	13.9%	26.1%
Fall River	2.0%	6.5%	3.1%	14.6%

Source: Table 6

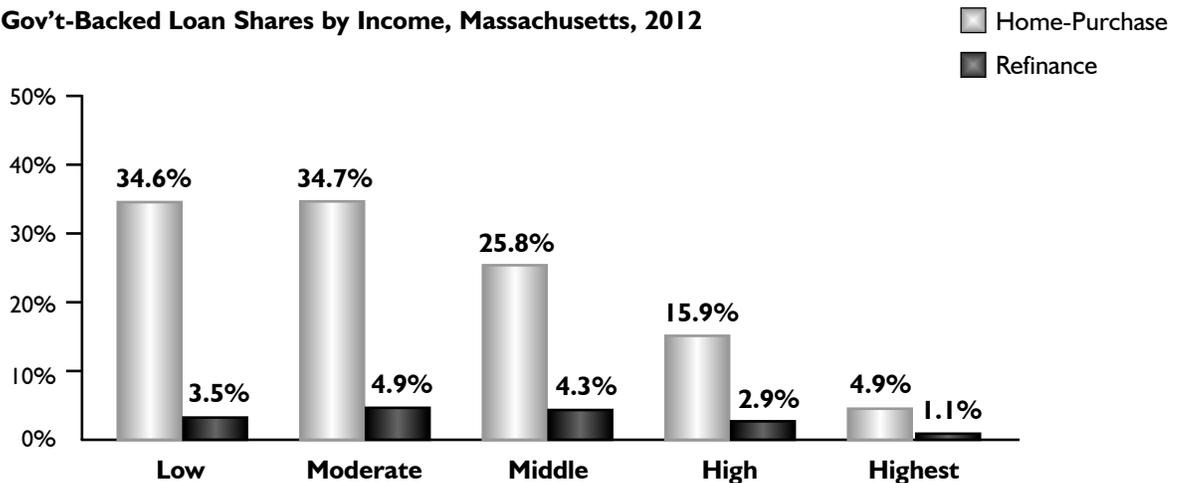
²⁴ Corresponding data for all of the state's cities and towns is presented in Supplemental Tables 2 and 3.

❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2012 tend to decline steadily as the level of borrower income increases.** Statewide, for example, GBL shares of home-purchase loans were 34.7% for moderate-income borrowers, 25.8% for middle-income borrowers, 15.9% for high-income borrowers, and 4.9% for highest-income borrowers. For refinance lending statewide, GBL loan shares fell steadily from 4.9% of moderate-income borrowers to just 1.1% for the highest-income borrowers.²⁵ 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

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 2011 was \$94,400, so low-income borrowers there were those with incomes up to \$47,000, moderate-income was from \$48,000 to \$75,000, middle-income was from \$76,000 to \$113,000, high-income was from \$114,000 to \$189,000, and highest-income borrowers were those with incomes of \$190,000 or more.²⁶ (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 are 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

EXHIBIT 5: Gov't-Backed Loan Shares by Income, Massachusetts, 2012



Source: Table 9

²⁵ 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.

²⁶ 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.

(Table 13). For brevity, only one specific example will be provided here. **In Greater Boston, 36.5% of high-income blacks and 20.8% of high-income Latinos received their home-purchase loans in the form of GBLs, while the GBL loan share was 12.1% for high-income whites.** This

means that among homebuyers with reported incomes between \$114,000 and \$189,000, blacks were 3.0 times more likely to receive a GBL than their white counterparts, and Latinos were 1.7 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 government-backed loans (GBLs) were made rather than on the characteristics of the *borrowers* who received such loans. Table 14 (Boston), Table 15 (Greater Boston), and Table 16 (Massachusetts) classify census tracts by both race/ethnicity and income level.²⁷ These tables provide clear evidence that 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.

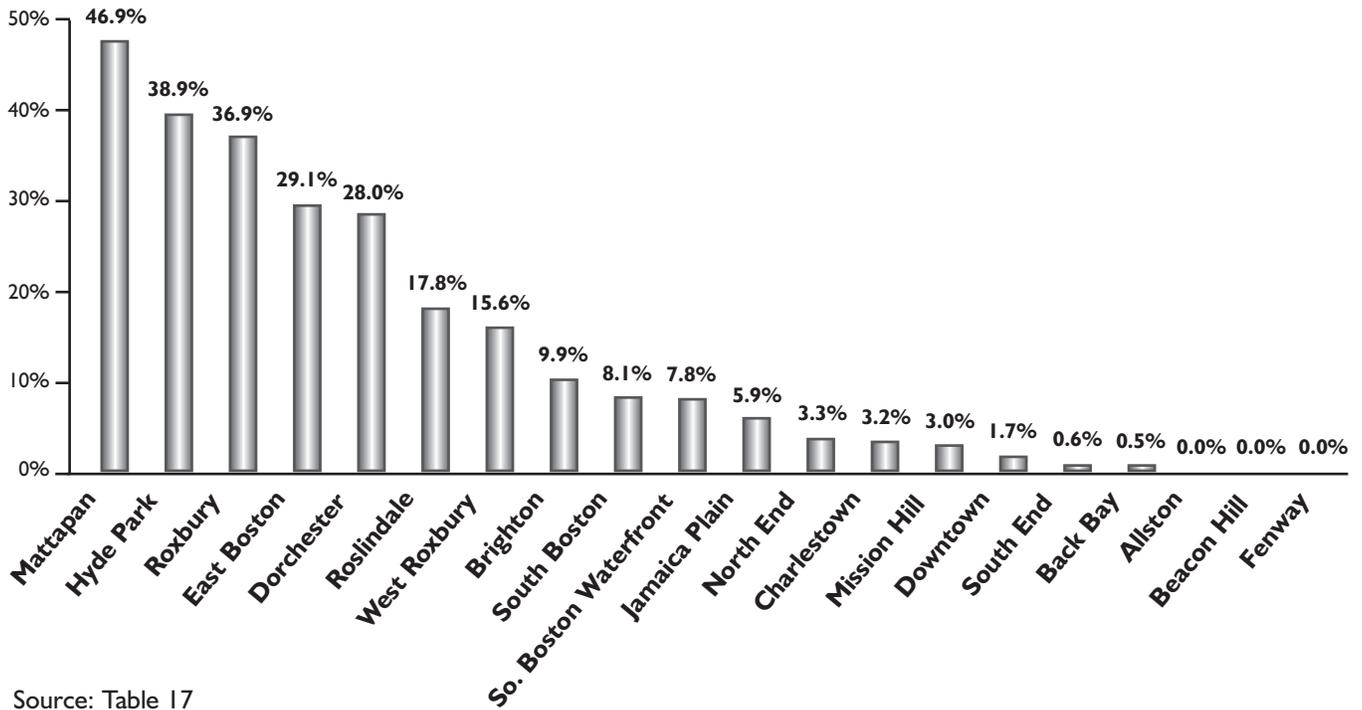
- ❖ **For home-purchase loans in the City of Boston in 2012, the government-backed loan (GBL) share in low-income census tracts was more than four times greater than that in upper-income tracts (19.3% vs. 4.7%) and the GBL loan share in predominantly minority tracts (those with more than 75% minority households) was seven times greater than that in predominantly white tracts (41.7% vs. 6.0%).** For tracts in the same income category, the GBL share tends to rise substantially as the percentage of minority households increases. The GBL loan shares were highest in the 76

census tracts where minorities constituted more than three-quarters of all households. (Table 14)

- ❖ **For refinance loans in the state as a whole, the GBL loan share in low-income census tracts was 3.6 times greater than that in upper-income tracts (13.7% vs. 3.8%) and the GBL loan share in predominantly minority tracts was 3.2 times greater than in predominantly white tracts (19.4% vs. 6.0%).** The GBL loan shares were highest in predominantly-minority census tracts. (Table 16)
- ❖ **Government-backed lending varied dramatically among Boston’s neighborhoods. For home-purchase loans, GBL shares ranged from 46.9% in Mattapan to 0.0% in Allston, Beacon Hill, and Fenway. For refinance loans, GBL shares ranged from 19.0% in Mattapan to 0.2% in Back Bay.** The five Boston 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

²⁷ Census tracts, redefined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. (2012 is the first year that HMDA reporting and analysis are based on 2010 census tracts.) 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 2012 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 2012 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.

EXHIBIT 6: Gov't-Backed Shares of Home-Purchase Loans, Boston Neighborhoods, 2012



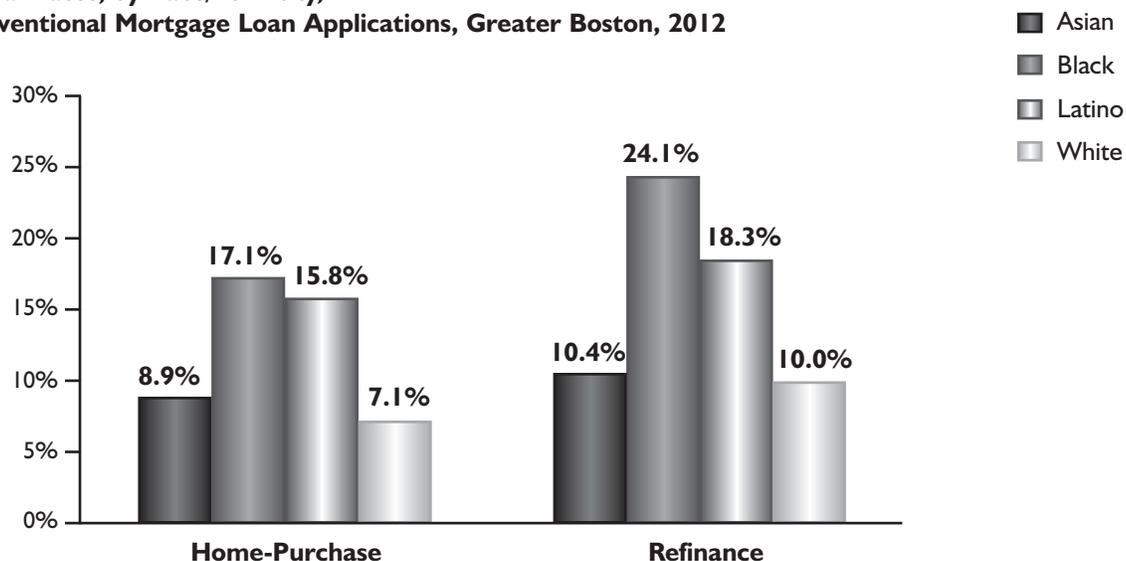
Source: Table 17

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, **the three cities with the highest GBL shares for home-purchase loans in 2012 had an average of 41.2% 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 (47.2%) 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. Just eight cities (Lawrence, Boston, Springfield, Worcester, Lynn, Revere, Methuen, and Brockton) accounted for 45.8% of all home-purchase lending to Latinos in the state, while accounting for just 12.2% of total lending to whites. At the same time, **blacks received no home-purchase loans in 184 of the state's 351 cities and towns, and only a single loan in 56 more, while there were 131 communities where Latinos received no loans and 69 more where they received just one. In 110 communities there was not a single home-purchase loan to either a black or Latino homebuyer.** (Calculated from data in Supplemental Table 2.)

**EXHIBIT 7: Denial Rates, by Race/Ethnicity,
Conventional Mortgage Loan Applications, Greater Boston, 2012**



Source: Table 18

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.^{28, 29}

❖ **In Boston, Greater Boston, and Massachusetts in 2012, the denial rates on conventional (i.e., non-government-backed) mortgage loan applications by blacks—both for home-purchase loans and for refinance loans—were in every case more than twice as high as the corresponding denial rates for whites, while**

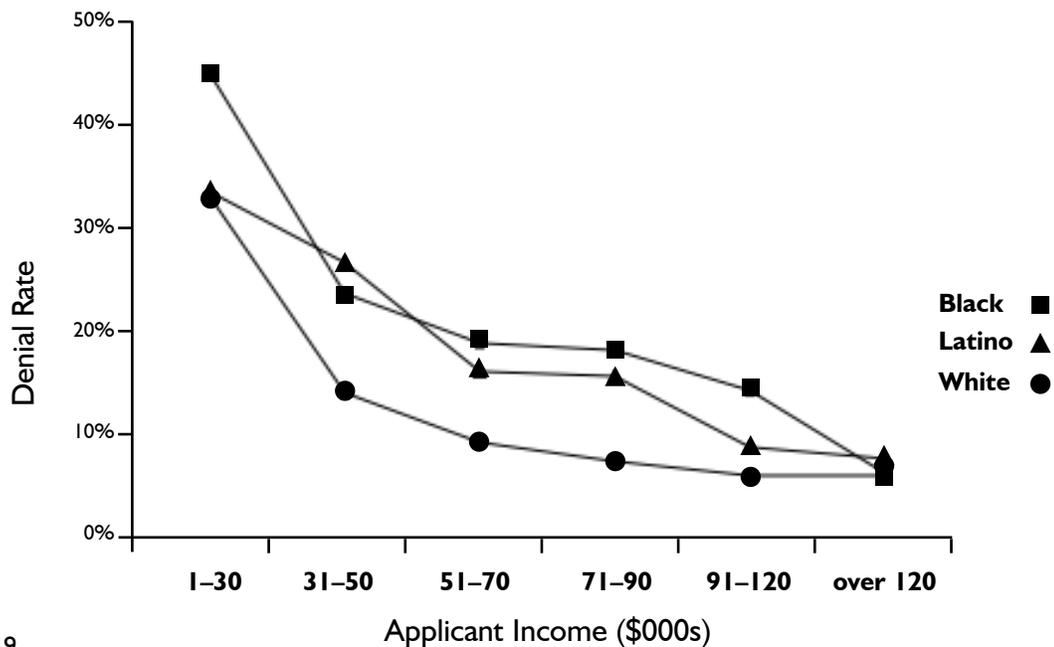
denial rates for Latinos were always at least 1.8 times as high as the white denial rates. For example, for home-purchase loans in Greater Boston, the denial rates were 17.1% for blacks, 15.8% for Latinos, and 7.1% for whites, for a black/white denial rate disparity ratio of 2.40 and a Latino/white disparity ratio of 2.21. Asian denial rates were, on average, about one percentage point higher than the corresponding white denial rates. (Table 18 and Exhibit 7)

❖ **Although denial rates were considerably higher for government-backed loans (GBLs) than they were for conventional loans, black/white and Latino/white denial rate disparity ratios for GBLs were considerably lower.** For example, for home-purchase GBL loans in Greater Boston in 2012, the denial rates

²⁸ 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, with the black/white disparity ratio averaging about 2.5, the Latino/white ratio averaging about 2.25, and the Asian/white ratio averaging about 1.25.

²⁹ 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 8: Denial Rates by Race & Income,
Non-GBL Home-Purchase Loans, Greater Boston, 2012**



Source: Table 19

were 25.1% for blacks, 22.0% for Latinos, and 12.9% for whites, for a black/white denial rate disparity ratio of 1.95 and a Latino/white disparity ratio of 1.71. Asian denial rates were generally between the corresponding denial rates for whites and for Latinos—for example, the Asian denial rate for home-purchase GBLs in Greater Boston was 16.0%. (Table 18)

- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,³⁰ **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 2012 denial rates for blacks and for Latinos were in almost every case 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 2.57 statewide to 3.39 in the City of Boston, and the Latino/white disparity ratios ranged from 1.28 in Boston to 1.73 statewide. The major exception was for black applicants with incomes greater than \$120,000; for this income category, black and white denial rates were very similar both statewide (5.3% vs. 5.8%) and in Greater Boston (5.6% vs. 5.4%). This is a change from previous years and it will be interesting to see if the similarity of denial rates for blacks and whites in the highest income category continues into the future. (The other exception was for applicants with incomes of \$30,000 or less, of whom there were very few.) (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**

³⁰ For example, it can be calculated from the data in Table 19 that 61% of white applicants in Greater Boston had reported incomes of \$91,000 or greater, compared to only 23% of black applicants and 32% of Latino applicants.

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.³¹

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, plus most mortgage lending affiliates of these institutions. *Licensed Mortgage Lenders* consist of lenders who require a license from the state’s Division of Banks in order to make mortgage loans in the state; these are primarily independent mortgage companies, but also include some subsidiaries and affiliates of non-Massachusetts banks. (Beginning in 2010, this category is limited to lenders that made at least fifty mortgage loans in Massachusetts during the year; in earlier years it included all licensed lenders.) *Other Lenders* consist of all other lenders, primarily of out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.³²

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 subject to similar oversight by the state (until recently, this oversight was potential; now it is actual, as explained in the following paragraph); or (3) is exempt from such state oversight.

This classification has proved useful in identifying dramatically different patterns of mortgage lending

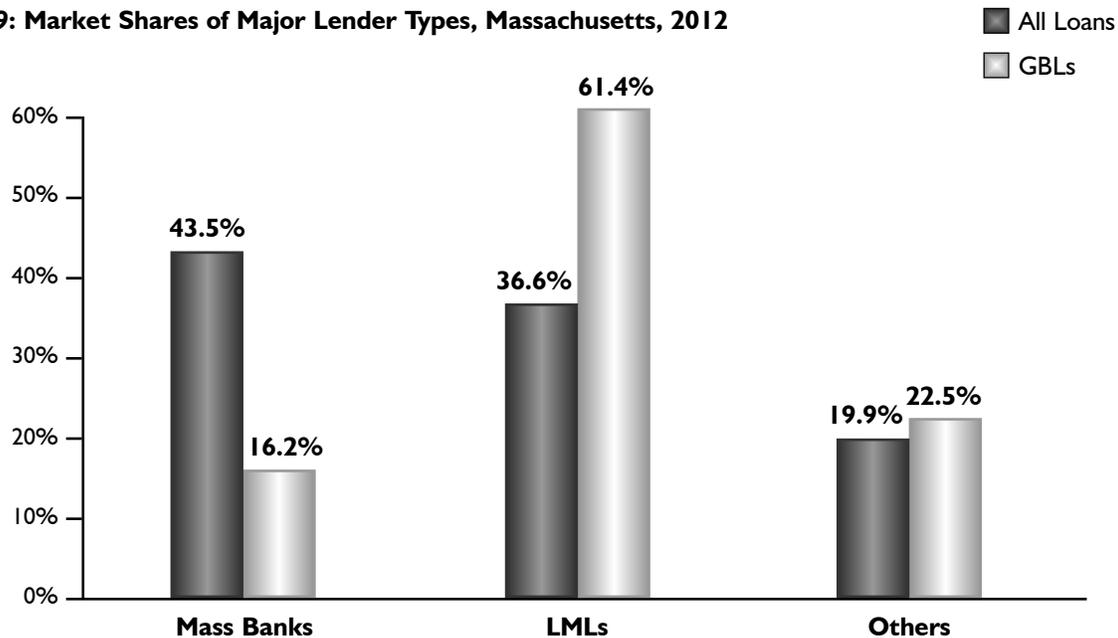
by lenders subject to evaluation under the CRA and by those not subject to such evaluation. Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluations for licensed mortgage lenders (LMLs) in the state’s 2007 *Act Protecting and Preserving 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 nine years. **For all loans statewide in 2012, Massachusetts banks and credit unions (CRA lenders) had the biggest loan share for the fifth consecutive year (43.5%), but Licensed Mortgage Lenders (LMLs) became a closer second by increasing their market share by five percentage points to 36.6%, while Other Lenders saw their market share fall from 25.2% to 19.9%.** In Greater Boston, CRA Lenders and LMLs each had a market share of 41.1%; in the City of Boston, LMLs had a larger share than CRA lenders. These loan shares are dramatically changed from 2005 and 2006, when the shares of Massachusetts banks and credit fell

³¹ “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.

³² 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.

EXHIBIT 9: Market Shares of Major Lender Types, Massachusetts, 2012



Source: Table 21

below 25%, after declining steadily from over 60% in the mid-1990s. (Table 20)³³

- ❖ **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 43.5% of all loans but only 16.2% of GBLs, while LMLs accounted for 36.6% of all loans, but for over three-fifths (61.4%) of GBLs. Other Lenders accounted for approximately roughly equal shares of both types of loans (19.9% and 22.5%). 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 16.9% of all loans by LMLs, and for 11.4% of all loans by Other Lenders, but for only 3.8% 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 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-**

³³ 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.

covered lenders) directed 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.³⁴ For home-purchase loans in Boston, for example, conventional loans to black borrowers made up 5.2% of all loans made by CRA-covered lenders, 1.6% of all loans by LMLs and 1.7% of all loans by Other Lenders. Similarly, CRA-covered lenders directed 6.7% of their Boston home-purchase loans to predominantly minority low- and moderate-income (LMI) census tracts in the form of conventional loans, compared to 2.7% for LMLs and 2.4% for 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 appears to have had no impact to date on the relative performance of LMLs, at least as measured here.³⁵ 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 analogous impact on the performance of LMLs. However, the shares of the total loans of Licensed Mortgage Lenders (LMLs) in 2012 that consisted of conventional loans to the five categories of traditionally underserved borrowers and neighborhoods included in Tables 23 and 24 are very similar to the corresponding shares of all loans by Other Lenders, with the shares of LMLs tending to be somewhat *smaller* than those of Other Lenders. (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 13 biggest GBL lenders in Boston (and 16 of the top 20) and the eight biggest GBL lenders statewide

(and 15 of the top 20). 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 29.³⁶

- ❖ **Mortgage Master was the biggest lender in 2012 both in Boston (with 1,323 loans) and statewide (with 12,426 loans).³⁷ Wells Fargo ranked second both in the city (982 loans) and the state (11,533 loans). Guaranteed Rate was the third largest lender in Boston (with**

³⁴ 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. The three exceptions all involve comparisons to the statewide shares of conventional refinance loans by Other Lenders where the shares of CRA-covered lenders are either equal to or smaller than the shares of Other Lenders.

³⁵ Of the ninety active LMLs that were subject to MLCI in 2012 on the basis of having made fifty or more mortgage loans in Massachusetts in 2011, thirty-four had received performance evaluations or ratings by the end of 2012. 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 2012*, Massachusetts Affordable Housing Alliance, February 2013, Table A-4 (<http://mahahome.org/sites/default/files/CRARatings2012.pdf>).

³⁶ 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, 99%). Exceptions are provided by Leader Bank/Mortgage, NEMoves/PHH, and USBank.

³⁷ Mortgage Master, Inc. is a privately-held mortgage company based in Walpole, Massachusetts, that operates in 22 states.

**EXHIBIT 10: The 5 Biggest Lending Families in Boston & Massachusetts
Home-Purchase & Refinance Loans Combined, 2012**

Rank	Boston			Massachusetts		
	Lender	Loans	Mkt Share	Lender	Loans	Mkt Share
1	Mortgage Master	1,323	8.5%	Mortgage Master	12,426	5.1%
2	Wells Fargo	982	6.3%	Wells Fargo	11,533	4.7%
3	Guaranteed Rate	850	5.5%	Sovereign	9,499	3.9%
4	Lender Bank/Mort	664	4.3%	Lender Bank/Mort	8,052	3.3%
5	Bank of America	619	4.0%	Bank of America	7,583	3.1%
	Total, Top 5 Lenders	4,438	28.7%		49,093	20.1%
	Total, All Lenders	15,484	100.0%		243,946	100.0%

Source: Tables 25 & 26

850 loans), while Sovereign Bank was the third largest lender statewide (with 9,499 loans).

Leader Bank/Mortgage and Bank of America ranked fourth and fifth respectively both in Boston and Massachusetts.³⁸ (Tables 25 & 26; see also Exhibit 10.)

- ❖ **Wells Fargo was the state’s biggest government-backed loan (GBL) lender by far in 2012. While GBLs accounted for 10.1% of total loans by all lenders, Wells Fargo’s 2,012 GBLs accounted for 18.2% of its total lending. Mortgage Master was the fourth biggest GBL lender although GBLs accounted for only 6.3% of its total loans.** The second, third, and fifth ranked GBL lenders statewide all made more than 20% of their loans in the form of GBLs: Quicken (24.2%), Residential Mortgage (28.3%), and NEMoves/PHH (20.6%). The five biggest GBL lenders in the City of Boston in 2012 were, in order: Wells Fargo, Guaranteed Rate, Mortgage Master, Quicken, and Prospect Mortgage. (Tables 25 & 26)
- ❖ **Of the seven lender families that were the seven biggest lenders both in Boston and the state, four had all or most of their**

Massachusetts lending covered by the CRA: Bank of America, Leader, RBS Citizens, and Sovereign. Two more of the seven were covered by the state’s Mortgage Lender Community Investment (MLCI) regulations (Mortgage Master and Guaranteed Rate) and only Wells Fargo falls in the Other Lender category.

Of the thirty biggest lender families statewide, fourteen are (completely or partially) covered by CRA, thirteen are (completely or partially) covered by MLCI, and four are Other Lenders. The same distribution among the major types of lenders applies to the thirty biggest lenders in Boston. (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 2.9% of all**

³⁸ 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.

conventional loans went to blacks or Latinos in 2012, four lenders (all of whom were CRA-covered lenders) made more than 5.0% of their conventional loans to these borrowers, while nine other lenders (seven of whom were Licensed Mortgage Lenders) made 2.0% or fewer of their loans to blacks and Latinos. In

Boston, where 7.3% of all conventional loans went to blacks or Latinos, seven lenders (five of whom were CRA-covered lenders) made more than 12.0% of their conventional loans to these borrowers, while seven other lenders (five of whom were LMLs) made less than 4.0% of their loans to blacks or Latinos.

VIII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Two years ago, the final section of *Changing Patterns XVIII* 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.³⁹

The regulations implementing four of the most important measures had not yet been finalized at that time and all four remained unfinalized when *Changing Patterns XIX* was released one year later. During 2013, however, final (or almost final) rules have been issued in all four of these areas: the rules governing the compensation of loan originators⁴⁰; the standards for ensuring that mortgage borrowers have the ability to repay their loans (including the so-called “qualified mortgage” or “QM” regulations)⁴¹; the rules for 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)⁴²; and the forms to be used in providing disclosures to

mortgage loan applicants both following their applications and at closings.⁴³

Last year’s report described concerns that a set of regulatory capital rules proposed by the bank regulators in mid-2012 (commonly referred to as the “Basel III” rules) would increase the amount of capital that banks are required to hold against riskier mortgages in a way that would inappropriately reduce access to high-quality mortgage credit for traditionally-underserved borrowers and neighborhoods. However, the final rules left the relevant current requirements intact.⁴⁴

There was much less progress on three other pending issues noted in last year’s report. First, although the process of preparing the regulations that will implement the expansions in Home Mortgage Disclosure Act (HMDA) data that were mandated by the Dodd-Frank Act is now actively underway at the Consumer Financial Protection Bureau, 2016 is now the earliest possible year for which lenders would be required to collect the

³⁹ This summary, presented on pages 19–23 of *Changing Patterns XVIII* (available at www.mcbc.info/reports/mortgage), was limited to measures concerning the origination of mortgage loans and thus excluded consideration of such related issues as mortgage servicing and foreclosure.

⁴⁰ The final rule was issued on January 20, 2013 and all provisions will be effective by January 14, 2014. Summary and detailed information is available by clicking on “Loan Originator Rule” in the first table at: www.consumerfinance.gov/regulatory-implementation/.

⁴¹ The final rule was issued on January 14, 2013 and will become 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.

⁴² More than two years after an earlier proposal, a revised proposed rule was issued by six regulators on August 28, 2013. Although the regulators requested comments on a specific alternative QRM rule, it seems highly likely that this proposed rule will become the final rule. For more information: www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-25.html.

⁴³ 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/

⁴⁴ For more information: www.aba.com/Issues/Documents/MortgageGrandfatheringwithedit.pdf.

expanded HMDA data.⁴⁵ Second, more than three 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).⁴⁶ Finally, while the Obama administration

and the Congress are beginning 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 during 2014.⁴⁷

⁴⁵ 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. There is no chance that these regulations will be finalized by March 31, 2014; therefore the earliest they could go into effect is January 1, 2016. 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.

⁴⁶ 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.

⁴⁷ John Griffith of the Center for American Progress has provided a helpful introduction of 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/

TABLE I
Total and Government-Backed Loans (GBLs), 2004–2012
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%
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%
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%

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 2012 were insured by the Federal Housing Administration (FHA).

Statewide, the FHA accounted for 77.6% of home-purchase GBLs and 75.2% of refinance GBLs.

Of total GBLs in Boston -- FHA: 830 (79.0%); VA: 220 (21.0%); USDA: no loans.

Of total GBLs in Greater Boston -- FHA: 7,288 (82.0%); VA: 1,530(17.2%); USDA: 65 (0.7%).

Of total GBLs in Massachusetts -- FHA: 18,844 (76.4%); VA: 4,754 (19.3%); USDA: 1,070 (4.3%).

TABLE 2
Total and High-APR Loans (HALs), 2004–2012
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%
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%
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%

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, 2012

	Home-Purchase Loans			Refinance Loans			% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	Govt-Backed Loans	% GBLs	All Loans	Govt-Backed Loans	% GBLs			
Arlington*	509	22	4.3%	2,284	29	1.3%	2.8%	3.3%	\$105,316
Attleboro	351	154	43.9%	1,135	157	13.8%	3.5%	6.3%	\$79,688
Barnstable	362	104	28.7%	1,372	102	7.4%	3.8%	3.1%	\$72,741
Boston*	4,369	524	12.0%	11,115	526	4.7%	23.6%	17.5%	\$58,600
Brockton#	516	334	64.7%	1,130	257	22.7%	34.1%	10.0%	\$57,861
Brookline*	576	2	0.3%	2,310	13	0.6%	3.7%	5.0%	\$139,787
Cambridge*	685	13	1.9%	2,325	23	1.0%	12.2%	7.6%	\$87,750
Chicopee	336	153	45.5%	645	137	21.2%	3.3%	14.8%	\$56,446
Everett*	195	85	43.6%	472	71	15.0%	4.4%	7.4%	\$59,942
Fall River	306	131	42.8%	952	141	14.8%	5.8%	13.4%	\$44,498
Framingham*	476	123	25.8%	1,884	146	7.7%	3.2%	14.5%	\$84,362
Haverhill#	491	207	42.2%	1,446	197	13.6%	2.5%	73.8%	\$75,342
Lawrence#	345	238	69.0%	392	112	28.6%	5.2%	14.5%	\$36,940
Lowell#	517	196	37.9%	1,434	214	14.9%	6.7%	17.3%	\$55,852
Lynn*	464	234	50.4%	1,237	188	15.2%	11.8%	32.1%	\$50,536
Malden*	319	63	19.7%	1,051	89	8.5%	15.3%	8.4%	\$67,666
Medford*	491	66	13.4%	1,683	89	5.3%	9.4%	4.4%	\$80,839
Methuen#	460	163	35.4%	1,313	167	12.7%	2.3%	18.1%	\$80,739
New Bedford	386	198	51.3%	908	167	18.4%	7.5%	16.7%	\$45,347
Newton*	833	19	2.3%	4,496	44	1.0%	2.8%	4.1%	\$136,843
Peabody*	410	116	28.3%	1,579	137	8.7%	2.3%	6.3%	\$80,471
Pittsfield	325	64	19.7%	692	35	5.1%	6.6%	5.0%	\$56,256
Plymouth#	553	208	37.6%	1,826	172	9.4%	2.5%	1.8%	\$88,518
Quincy*	706	100	14.2%	2,250	159	7.1%	5.0%	3.3%	\$77,514
Revere*	282	109	38.7%	650	68	10.5%	5.1%	24.4%	\$59,327
Salem*	389	88	22.6%	939	75	8.0%	4.3%	15.6%	\$68,844
Somerville*	549	41	7.5%	1,584	56	3.5%	7.2%	10.6%	\$69,245
Springfield	697	409	58.7%	1,101	266	24.2%	20.9%	38.8%	\$41,532
Taunton	390	166	42.6%	1,074	158	14.7%	5.9%	5.5%	\$68,796
Waltham*	461	48	10.4%	1,827	86	4.7%	6.2%	13.7%	\$82,688
Westfield	266	109	41.0%	714	96	13.4%	1.8%	7.5%	\$69,828
Weymouth*	509	142	27.9%	1,686	174	10.3%	3.4%	2.6%	\$82,992
Worcester	921	406	44.1%	2,143	320	14.9%	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 Metropolitan Area Planning Council (MAPC) Region and also in the Boston MSA.

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

TABLE 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, 2012

I. GBLs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER												
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	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	285	17	6.0%	0.68	2,622	156	5.9%	0.43	3,571	311	8.7%	0.39
Black	245	107	43.7%	4.98	744	318	42.7%	3.12	1,385	719	51.9%	2.35
Latino	201	73	36.3%	4.14	1,012	421	41.6%	3.04	2,317	1,215	52.4%	2.37
White	2,955	259	8.8%	1.00	20,232	2,772	13.7%	1.00	39,982	8,831	22.1%	1.00
Other*	11	2	18.2%		74	12	16.2%		152	42	27.6%	
No Info ^	672	66	9.8%		2,989	430	14.4%		4,873	1,150	23.6%	
Total	4,369	524	12.0%		27,673	4,109	14.8%		52,280	12,268	23.5%	
B. GBLs AS PERCENT OF ALL REFINANCE LOANS												
Asian	709	13	1.8%	0.46	8,245	134	1.6%	0.38	11,402	238	2.1%	0.34
Black	555	84	15.1%	3.78	1,509	230	15.2%	3.58	2,435	471	19.3%	3.11
Latino	359	45	12.5%	3.13	1,821	251	13.8%	3.23	3,278	587	17.9%	2.88
White	8,102	324	4.0%	1.00	85,430	3,642	4.3%	1.00	155,881	9,685	6.2%	1.00
Other*	27	2	7.4%		252	21	8.3%		505	49	9.7%	
No Info ^	1,363	58	4.3%		10,925	496	4.5%		18,165	1,368	7.5%	
Total	11,115	526	4.7%		108,182	4,774	4.4%		191,666	12,398	6.5%	
II. SHARES OF ALL LOANS, NON-GBLs, AND GBLs, BY RACE/ETHNICITY OF BORROWER												
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	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	285	6.5%	7.0%	3.2%	2,622	9.5%	10.5%	3.8%	3,571	6.8%	8.1%	2.5%
Black	245	5.6%	3.6%	20.4%	744	2.7%	1.8%	7.7%	1,385	2.6%	1.7%	5.9%
Latino	201	4.6%	3.3%	13.9%	1,012	3.7%	2.5%	10.2%	2,317	4.4%	2.8%	9.9%
White	2,955	67.6%	70.1%	49.4%	20,232	73.1%	74.1%	67.5%	39,982	76.5%	77.9%	72.0%
Other*	11	0.3%	0.2%	0.4%	74	0.3%	0.3%	0.3%	152	0.3%	0.3%	0.3%
No Info ^	672	15.4%	15.8%	12.6%	2,989	10.8%	10.9%	10.5%	4,873	9.3%	9.3%	9.4%
Total	4,369	100.0%	100.0%	100.0%	27,673	100.0%	100.0%	100.0%	52,280	100.0%	100.0%	100.0%
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS												
Asian	709	6.4%	6.6%	2.5%	8,245	7.6%	7.8%	2.8%	11,402	5.9%	6.2%	1.9%
Black	555	5.0%	4.4%	16.0%	1,509	1.4%	1.2%	4.8%	2,435	1.3%	1.1%	3.8%
Latino	359	3.2%	3.0%	8.6%	1,821	1.7%	1.5%	5.3%	3,278	1.7%	1.5%	4.7%
White	8,102	72.9%	73.5%	61.6%	85,430	79.0%	79.1%	76.3%	155,881	81.3%	81.6%	78.1%
Other*	27	0.2%	0.2%	0.4%	252	0.2%	0.2%	0.4%	505	0.3%	0.3%	0.4%
No Info ^	1,363	12.3%	12.3%	11.0%	10,925	10.1%	10.1%	10.4%	18,165	9.5%	9.4%	11.0%
Total	11,115	100.0%	100.0%	100.0%	108,182	100.0%	100.0%	100.0%	191,666	100.0%	100.0%	100.0%

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

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

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

TABLE 5
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, 2012

	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	1	0	0.0%	10	0	0.0%	382	16	4.2%	0.00	0.00
Attleboro	4	3	75.0%	12	6	50.0%	289	132	45.7%	1.64	1.09
Barnstable	5	3	60.0%	10	6	60.0%	312	85	27.2%	2.20	2.20
Boston	245	107	43.7%	201	73	36.3%	2,955	259	8.8%	4.98	4.14
Brockton	175	125	71.4%	54	35	64.8%	212	129	60.8%	1.17	1.07
Brookline	6	0	0.0%	19	0	0.0%	357	1	0.3%	0.00	0.00
Cambridge	14	0	0.0%	21	0	0.0%	449	8	1.8%	0.00	0.00
Chicopee	10	4	40.0%	32	26	81.3%	276	114	41.3%	0.97	1.97
Everett	6	5	83.3%	4	2	50.0%	257	104	40.5%	2.06	1.24
Fall River	15	8	53.3%	29	18	62.1%	353	81	22.9%	2.32	2.70
Framingham	6	4	66.7%	54	38	70.4%	392	147	37.5%	1.78	1.88
Haverhill	5	3	60.0%	280	206	73.6%	43	21	48.8%	1.23	1.51
Lawrence	8	7	87.5%	29	14	48.3%	227	66	29.1%	3.01	1.66
Lowell	21	11	52.4%	48	31	64.6%	283	90	31.8%	1.65	2.03
Lynn	33	22	66.7%	93	61	65.6%	253	110	43.5%	1.53	1.51
Malden	19	9	47.4%	15	4	26.7%	161	35	21.7%	2.18	1.23
Medford	14	6	42.9%	7	1	14.3%	358	47	13.1%	3.26	1.09
Methuen	12	5	41.7%	75	50	66.7%	314	96	30.6%	1.36	2.18
New Bedford	21	12	57.1%	25	14	56.0%	305	142	46.6%	1.23	1.20
Newton	6	2	33.3%	11	0	0.0%	566	16	2.8%	11.79	0.00
Peabody	10	6	60.0%	12	7	58.3%	348	86	24.7%	2.43	2.36
Pittsfield	11	8	72.7%	10	4	40.0%	283	51	18.0%	4.04	2.22
Plymouth	6	5	83.3%	2	1	50.0%	501	188	37.5%	2.22	1.33
Quincy	17	5	29.4%	23	8	34.8%	389	67	17.2%	1.71	2.02
Revere	11	7	63.6%	84	46	54.8%	143	40	28.0%	2.28	1.96
Salem	7	4	57.1%	15	7	46.7%	324	62	19.1%	2.99	2.44
Somerville	4	0	0.0%	18	4	22.2%	418	33	7.9%	0.00	2.81
Springfield	68	52	76.5%	174	127	73.0%	370	176	47.6%	1.61	1.53
Taunton	22	11	50.0%	13	9	69.2%	325	129	39.7%	1.26	1.74
Waltham	6	2	33.3%	22	7	31.8%	348	32	9.2%	3.63	3.46
Westfield	4	3	75.0%	10	4	40.0%	236	95	40.3%	1.86	0.99
Weymouth	15	5	33.3%	13	7	53.8%	414	115	27.8%	1.20	1.94
Worcester	75	55	73.3%	100	59	59.0%	602	222	36.9%	1.99	1.60

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, 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	509	487	22	0.2%	0.2%	0.0%	2.0%	2.1%	0.0%	75.0%	75.2%	72.7%
Attleboro	351	197	154	1.1%	0.5%	1.9%	3.4%	3.0%	3.9%	82.3%	79.7%	85.7%
Barnstable	362	258	104	1.4%	0.8%	2.9%	2.8%	1.6%	5.8%	86.2%	88.0%	81.7%
Boston	4,369	3,845	524	5.6%	3.6%	20.4%	4.6%	3.3%	13.9%	67.6%	70.1%	49.4%
Brockton	516	182	334	33.9%	27.5%	37.4%	10.5%	10.4%	10.5%	41.1%	45.6%	38.6%
Brookline	576	574	2	1.0%	1.0%	0.0%	3.3%	3.3%	0.0%	62.0%	62.0%	50.0%
Cambridge	685	672	13	2.0%	2.1%	0.0%	3.1%	3.1%	0.0%	65.5%	65.6%	61.5%
Chicopee	336	183	153	3.0%	3.3%	2.6%	9.5%	3.3%	17.0%	82.1%	88.5%	74.5%
Everett	306	175	131	2.0%	0.6%	3.8%	1.3%	1.1%	1.5%	84.0%	87.4%	79.4%
Fall River	476	353	123	3.2%	2.0%	6.5%	6.1%	3.1%	14.6%	74.2%	77.1%	65.9%
Framingham	491	284	207	1.2%	0.7%	1.9%	11.0%	5.6%	18.4%	79.8%	86.3%	71.0%
Haverhill	345	107	238	1.4%	1.9%	1.3%	81.2%	69.2%	86.6%	12.5%	20.6%	8.8%
Lawrence	287	192	95	2.8%	0.5%	7.4%	10.1%	7.8%	14.7%	79.1%	83.9%	69.5%
Lowell	517	321	196	4.1%	3.1%	5.6%	9.3%	5.3%	15.8%	54.7%	60.1%	45.9%
Lynn	464	230	234	7.1%	4.8%	9.4%	20.0%	13.9%	26.1%	54.5%	62.2%	47.0%
Malden	319	256	63	6.0%	3.9%	14.3%	4.7%	4.3%	6.3%	50.5%	49.2%	55.6%
Medford	491	425	66	2.9%	1.9%	9.1%	1.4%	1.4%	1.5%	72.9%	73.2%	71.2%
Methuen	460	297	163	2.6%	2.4%	3.1%	16.3%	8.4%	30.7%	68.3%	73.4%	58.9%
New Bedford	386	188	198	5.4%	4.8%	6.1%	6.5%	5.9%	7.1%	79.0%	86.7%	71.7%
Newton	833	814	19	0.7%	0.5%	10.5%	1.3%	1.4%	0.0%	67.9%	67.6%	84.2%
Peabody	410	294	116	2.4%	1.4%	5.2%	2.9%	1.7%	6.0%	84.9%	89.1%	74.1%
Pittsfield	325	261	64	3.4%	1.1%	12.5%	3.1%	2.3%	6.3%	87.1%	88.9%	79.7%
Plymouth	553	345	208	1.1%	0.3%	2.4%	0.4%	0.3%	0.5%	90.6%	90.7%	90.4%
Quincy	706	606	100	2.4%	2.0%	5.0%	3.3%	2.5%	8.0%	55.1%	53.1%	67.0%
Revere	282	173	109	3.9%	2.3%	6.4%	29.8%	22.0%	42.2%	50.7%	59.5%	36.7%
Salem	389	301	88	1.8%	1.0%	4.5%	3.9%	2.7%	8.0%	83.3%	87.0%	70.5%
Somerville	549	508	41	0.7%	0.8%	0.0%	3.3%	2.8%	9.8%	76.1%	75.8%	80.5%
Springfield	697	288	409	9.8%	5.6%	12.7%	25.0%	16.3%	31.1%	53.1%	67.4%	43.0%
Taunton	390	224	166	5.6%	4.9%	6.6%	3.3%	1.8%	5.4%	83.3%	87.5%	77.7%
Waltham	461	413	48	1.3%	1.0%	4.2%	4.8%	3.6%	14.6%	75.5%	76.5%	66.7%
Westfield	266	157	109	1.5%	0.6%	2.8%	3.8%	3.8%	3.7%	88.7%	89.8%	87.2%
Weymouth	509	367	142	2.9%	2.7%	3.5%	2.6%	1.6%	4.9%	81.3%	81.5%	81.0%
Worcester	921	515	406	8.1%	3.9%	13.5%	10.9%	8.0%	14.5%	65.4%	73.8%	54.7%

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, 2012

	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	17	2	11.8%	34	1	2.9%	1,797	20	1.1%	10.57	2.64
Attleboro	17	1	5.9%	21	3	14.3%	941	128	13.6%	0.43	1.05
Barnstable	10	2	20.0%	15	4	26.7%	1,205	84	7.0%	2.87	3.83
Boston	555	84	15.1%	359	45	12.5%	8,102	324	4.0%	3.78	3.13
Brockton	208	61	29.3%	55	19	34.5%	697	133	19.1%	1.54	1.81
Brookline	15	0	0.0%	33	0	0.0%	1,716	12	0.7%	0.00	0.00
Cambridge	38	1	2.6%	41	2	4.9%	1,724	15	0.9%	3.02	5.61
Chicopee	3	1	33.3%	23	4	17.4%	551	112	20.3%	1.64	0.86
Everett	9	6	66.7%	13	6	46.2%	865	107	12.4%	5.39	3.73
Fall River	21	4	19.0%	53	12	22.6%	1,479	106	7.2%	2.66	3.16
Framingham	12	5	41.7%	56	23	41.1%	1,230	144	11.7%	3.56	3.51
Haverhill	9	3	33.3%	153	71	46.4%	182	32	17.6%	1.90	2.64
Lawrence	17	2	11.8%	26	5	19.2%	753	80	10.6%	1.11	1.81
Lowell	28	9	32.1%	71	12	16.9%	1,009	156	15.5%	2.08	1.09
Lynn	45	15	33.3%	104	29	27.9%	906	115	12.7%	2.63	2.20
Malden	46	7	15.2%	33	5	15.2%	631	55	8.7%	1.75	1.74
Medford	49	8	16.3%	34	4	11.8%	1,256	63	5.0%	3.25	2.35
Methuen	14	2	14.3%	69	19	27.5%	1,061	127	12.0%	1.19	2.30
New Bedford	41	10	24.4%	34	7	20.6%	759	127	16.7%	1.46	1.23
Newton	40	0	0.0%	61	0	0.0%	3,374	37	1.1%	0.00	0.00
Peabody	15	2	13.3%	23	2	8.7%	1,392	119	8.5%	1.56	1.02
Pittsfield	6	2	33.3%	8	1	12.5%	616	27	4.4%	7.60	2.85
Plymouth	14	1	7.1%	14	4	28.6%	1,590	145	9.1%	0.78	3.13
Quincy	19	1	5.3%	28	3	10.7%	1,544	125	8.1%	0.65	1.32
Revere	14	4	28.6%	67	22	32.8%	474	36	7.6%	3.76	4.32
Salem	6	1	16.7%	17	3	17.6%	805	62	7.7%	2.16	2.29
Somerville	29	2	6.9%	59	5	8.5%	1,196	37	3.1%	2.23	2.74
Springfield	103	35	34.0%	133	36	27.1%	717	152	21.2%	1.60	1.28
Taunton	13	3	23.1%	18	6	33.3%	928	133	14.3%	1.61	2.33
Waltham	18	2	11.1%	47	3	6.4%	1,398	65	4.6%	2.39	1.37
Westfield	3	0	0.0%	13	5	38.5%	638	76	11.9%	0.00	3.23
Weymouth	16	5	31.3%	18	5	27.8%	1,470	147	10.0%	3.13	2.78
Worcester	60	25	41.7%	97	15	15.5%	1,692	236	13.9%	2.99	1.11

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	2,284	2,255	29	0.7%	0.7%	6.9%	1.5%	1.5%	3.4%	78.7%	78.8%	69.0%
Attleboro	1,135	978	157	1.5%	1.6%	0.6%	1.9%	1.8%	1.9%	82.9%	83.1%	81.5%
Barnstable	1,372	1,270	102	0.7%	0.6%	2.0%	1.1%	0.9%	3.9%	87.8%	88.3%	82.4%
Boston	11,115	10,589	526	5.0%	4.4%	16.0%	3.2%	3.0%	8.6%	72.9%	73.5%	61.6%
Brockton	1,130	873	257	18.4%	16.8%	23.7%	4.9%	4.1%	7.4%	61.7%	64.6%	51.8%
Brookline	2,310	2,297	13	0.6%	0.7%	0.0%	1.4%	1.4%	0.0%	74.3%	74.2%	92.3%
Cambridge	2,325	2,302	23	1.6%	1.6%	4.3%	1.8%	1.7%	8.7%	74.2%	74.2%	65.2%
Chicopee	645	508	137	0.5%	0.4%	0.7%	3.6%	3.7%	2.9%	85.4%	86.4%	81.8%
Everett	952	811	141	0.9%	0.4%	4.3%	1.4%	0.9%	4.3%	90.9%	93.5%	75.9%
Fall River	1,884	1,738	146	1.1%	1.0%	2.7%	2.8%	2.4%	8.2%	78.5%	79.0%	72.6%
Framingham	1,446	1,249	197	0.8%	0.6%	2.5%	3.9%	2.6%	11.7%	85.1%	86.9%	73.1%
Haverhill	392	280	112	2.3%	2.1%	2.7%	39.0%	29.3%	63.4%	46.4%	53.6%	28.6%
Lawrence	872	772	100	1.9%	1.9%	2.0%	3.0%	2.7%	5.0%	86.4%	87.2%	80.0%
Lowell	1,434	1,220	214	2.0%	1.6%	4.2%	5.0%	4.8%	5.6%	70.4%	69.9%	72.9%
Lynn	1,237	1,049	188	3.6%	2.9%	8.0%	8.4%	7.1%	15.4%	73.2%	75.4%	61.2%
Malden	1,051	962	89	4.4%	4.1%	7.9%	3.1%	2.9%	5.6%	60.0%	59.9%	61.8%
Medford	1,683	1,594	89	2.9%	2.6%	9.0%	2.0%	1.9%	4.5%	74.6%	74.8%	70.8%
Methuen	1,313	1,146	167	1.1%	1.0%	1.2%	5.3%	4.4%	11.4%	80.8%	81.5%	76.0%
New Bedford	908	741	167	4.5%	4.2%	6.0%	3.7%	3.6%	4.2%	83.6%	85.3%	76.0%
Newton	4,496	4,452	44	0.9%	0.9%	0.0%	1.4%	1.4%	0.0%	75.0%	75.0%	84.1%
Peabody	1,579	1,442	137	0.9%	0.9%	1.5%	1.5%	1.5%	1.5%	88.2%	88.3%	86.9%
Pittsfield	692	657	35	0.9%	0.6%	5.7%	1.2%	1.1%	2.9%	89.0%	89.6%	77.1%
Plymouth	1,826	1,654	172	0.8%	0.8%	0.6%	0.8%	0.6%	2.3%	87.1%	87.4%	84.3%
Quincy	2,250	2,091	159	0.8%	0.9%	0.6%	1.2%	1.2%	1.9%	68.6%	67.9%	78.6%
Revere	650	582	68	2.2%	1.7%	5.9%	10.3%	7.7%	32.4%	72.9%	75.3%	52.9%
Salem	939	864	75	0.6%	0.6%	1.3%	1.8%	1.6%	4.0%	85.7%	86.0%	82.7%
Somerville	1,584	1,528	56	1.8%	1.8%	3.6%	3.7%	3.5%	8.9%	75.5%	75.9%	66.1%
Springfield	1,101	835	266	9.4%	8.1%	13.2%	12.1%	11.6%	13.5%	65.1%	67.7%	57.1%
Taunton	1,074	916	158	1.2%	1.1%	1.9%	1.7%	1.3%	3.8%	86.4%	86.8%	84.2%
Waltham	1,827	1,741	86	1.0%	0.9%	2.3%	2.6%	2.5%	3.5%	76.5%	76.6%	75.6%
Westfield	714	618	96	0.4%	0.5%	0.0%	1.8%	1.3%	5.2%	89.4%	90.9%	79.2%
Weymouth	1,686	1,512	174	0.9%	0.7%	2.9%	1.1%	0.9%	2.9%	87.2%	87.5%	84.5%
Worcester	2,143	1,823	320	2.8%	1.9%	7.8%	4.5%	4.5%	4.7%	79.0%	79.9%	73.8%

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, 2012

I. GBLs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER													
Borrower* Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%	
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL													
Low	263	31	11.8%	3.56	1,815	375	20.7%	5.94	5,197	1,798	34.6%	7.11	
Moderate	1,029	184	17.9%	5.40	5,811	1,381	23.8%	6.83	13,097	4,549	34.7%	7.14	
Middle	1,108	181	16.3%	4.93	7,066	1,270	18.0%	5.16	13,596	3,505	25.8%	5.30	
High	1,060	96	9.1%	2.73	7,427	883	11.9%	3.42	12,649	2,010	15.9%	3.27	
Highest	875	29	3.3%	1.00	5,344	186	3.5%	1.00	7,356	358	4.9%	1.00	
No Info	34	3	8.8%		210	14	6.7%		385	48	12.5%		
Total	4,369	524	12.0%		27,673	4,109	14.8%		52,280	12,268	23.5%		
B. GBLs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL													
Low	528	8	1.5%	2.64	4,246	106	2.5%	2.89	9,361	330	3.5%	3.13	
Moderate	2,010	67	3.3%	5.82	15,574	555	3.6%	4.13	30,458	1,482	4.9%	4.32	
Middle	3,122	104	3.3%	5.81	28,039	881	3.1%	3.64	50,710	2,195	4.3%	3.84	
High	3,176	71	2.2%	3.90	35,965	820	2.3%	2.64	61,462	1,811	2.9%	2.61	
Highest	1,920	11	0.6%	1.00	21,312	184	0.9%	1.00	31,751	358	1.1%	1.00	
No Info	359	265	73.8%		3,046	2,228	73.1%		7,924	6,222	78.5%		
Total	11,115	526	4.7%		108,182	4,774	4.4%		191,666	12,398	6.5%		
II. SHARES OF ALL LOANS, NON-GBL LOANS, AND GBLs, BY INCOME OF BORROWER													
Borrower* Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of non- GBLs	% of GBLs	All Loans	% of All Loans	% of non- GBLs	% of GBLs	All Loans	% of All Loans	% of non- GBLs	% of GBLs	
A. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL HOME-PURCHASE LOANS: ALL LOANS, NON-GBL LOANS, AND GBLs													
Low	263	6.0%	6.0%	5.9%	1,815	6.6%	6.1%	9.1%	5,197	9.9%	8.5%	14.7%	
Moderate	1,029	23.6%	22.0%	35.1%	5,811	21.0%	18.8%	33.6%	13,097	25.1%	21.4%	37.1%	
Middle	1,108	25.4%	24.1%	34.5%	7,066	25.5%	24.6%	30.9%	13,596	26.0%	25.2%	28.6%	
High	1,060	24.3%	25.1%	18.3%	7,427	26.8%	27.8%	21.5%	12,649	24.2%	26.6%	16.4%	
Highest	875	20.0%	22.0%	5.5%	5,344	19.3%	21.9%	4.5%	7,356	14.1%	17.5%	2.9%	
No Info	34	0.8%	0.8%	0.6%	210	0.8%	0.8%	0.3%	385	0.7%	0.8%	0.4%	
Total	4,369	100.0%	100.0%	100.0%	27,673	100.0%	100.0%	100.0%	52,280	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	528	4.8%	4.9%	1.5%	4,246	3.9%	4.0%	2.2%	9,361	4.9%	5.0%	2.7%	
Moderate	2,010	18.1%	18.3%	12.7%	15,574	14.4%	14.5%	11.6%	30,458	15.9%	16.2%	12.0%	
Middle	3,122	28.1%	28.5%	19.8%	28,039	25.9%	26.3%	18.5%	50,710	26.5%	27.1%	17.7%	
High	3,176	28.6%	29.3%	13.5%	35,965	33.2%	34.0%	17.2%	61,462	32.1%	33.3%	14.6%	
Highest	1,920	17.3%	18.0%	2.1%	21,312	19.7%	20.4%	3.9%	31,751	16.6%	17.5%	2.9%	
No Info	359	3.2%	0.9%	50.4%	3,046	2.8%	0.8%	46.7%	7,924	4.1%	0.9%	50.2%	
Total	11,115	100.0%	100.0%	100.0%	108,182	100.0%	100.0%	100.0%	191,666	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 2012 was \$94,900. The MFIs in the five other MSAs in the state, ranged from \$69,800 to \$83,600 in 2012. Borrowers in Dukes and Nantucket Counties, which are not in any metro area, were classified using the MFI for the nonmetro part of the state (\$89,500). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant 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, 2012

	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	0	0.0%	2	0.7%	14	1.8%	21	1.8%	7	1.5%
Attleboro	10	13.7%	65	24.1%	74	19.5%	66	13.2%	9	5.6%
Barnstable	11	7.5%	65	15.9%	47	9.9%	31	7.5%	5	2.2%
Boston	39	4.9%	251	8.3%	285	6.7%	167	3.9%	40	1.4%
Brockton	152	37.7%	184	32.4%	85	24.3%	12	8.7%	4	25.0%
Brookline	0	0.0%	1	0.4%	2	0.4%	7	0.8%	1	0.1%
Cambridge	0	0.0%	3	0.8%	8	1.0%	15	1.4%	2	0.3%
Chicopee	34	27.6%	80	25.6%	72	27.1%	30	18.3%	0	0.0%
Everett	30	17.0%	83	20.6%	56	15.8%	21	10.8%	4	10.0%
Fall River	18	11.4%	64	14.7%	66	9.4%	42	5.8%	10	3.9%
Framingham	67	24.7%	105	19.4%	94	15.8%	32	8.7%	2	4.3%
Haverhill	143	48.6%	124	50.4%	28	26.9%	3	9.4%	1	20.0%
Lawrence	23	20.7%	54	19.7%	31	9.6%	15	4.9%	3	4.4%
Lowell	75	20.7%	116	17.9%	67	13.5%	32	11.7%	1	2.9%
Lynn	90	29.6%	145	24.5%	71	16.1%	27	11.6%	1	2.9%
Malden	11	6.6%	43	9.7%	37	9.0%	19	7.1%	0	0.0%
Medford	3	2.7%	29	5.8%	50	6.9%	34	5.3%	4	2.6%
Methuen	41	18.6%	90	17.4%	78	14.8%	37	10.8%	2	3.2%
New Bedford	58	30.1%	108	25.4%	71	23.2%	24	11.4%	0	0.0%
Newton	1	1.8%	0	0.0%	7	0.8%	27	1.5%	10	0.5%
Peabody	15	8.6%	70	12.7%	65	9.8%	37	8.4%	3	3.8%
Pittsfield	12	11.8%	40	15.2%	23	9.4%	4	1.6%	2	1.7%
Plymouth	35	16.1%	116	18.8%	94	12.8%	43	7.7%	3	2.1%
Quincy	10	3.6%	60	7.9%	66	7.2%	33	4.8%	8	4.5%
Revere	16	10.5%	75	21.4%	43	16.5%	10	9.0%	0	0.0%
Salem	12	8.9%	37	9.4%	45	11.0%	28	10.1%	3	4.8%
Somerville	1	1.2%	18	4.6%	23	3.3%	26	3.8%	3	1.3%
Springfield	149	46.4%	200	34.8%	99	24.6%	46	17.7%	10	17.5%
Taunton	16	15.8%	87	23.9%	77	17.8%	48	12.8%	7	8.0%
Waltham	2	2.0%	27	5.9%	36	4.7%	23	3.3%	1	0.5%
Westfield	14	26.4%	44	21.4%	55	22.1%	37	13.1%	2	1.6%
Weymouth	18	9.4%	74	11.8%	73	10.8%	47	9.3%	7	8.5%
Worcester	112	26.0%	219	24.0%	146	17.6%	60	11.1%	9	6.3%

* 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 2012 was \$94,900. The MFIs in the five other MSAs in the state ranged from \$69,800 to \$83,600 in 2012. "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 II
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, 2012

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	31	70	71	65	47
Black	42	103	76	16	5
Latino	27	81	57	22	11
White	130	646	762	785	612
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	3.2%	12.9%	2.8%	7.7%	0.0%
Black	28.6%	45.6%	57.9%	25.0%	0.0%
Latino	18.5%	48.1%	40.4%	22.7%	9.1%
White	6.9%	10.1%	11.8%	9.0%	3.4%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.47	1.28	0.24	0.85	0.00
Black	4.13	4.54	4.90	2.76	0.00
Latino	2.67	4.79	3.42	2.51	2.65
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	40	142	232	182	102
Black	74	159	184	79	19
Latino	40	102	105	56	26
White	308	1,334	2,269	2,470	1,481
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	1.4%	2.2%	1.1%	1.0%
Black	5.4%	12.6%	10.3%	7.6%	5.3%
Latino	0.0%	6.9%	10.5%	0.0%	0.0%
White	1.3%	2.2%	2.4%	2.2%	0.6%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.00	0.65	0.89	0.50	1.61
Black	4.16	5.79	4.26	3.47	8.66
Latino	0.00	3.16	4.32	0.00	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 (\$94,900 in 2012).

“Low” is less than 50% of this amount (\$1K-\$47K in 2012); “Moderate” is 50%-80% of this amount (\$48K-\$75K); “Middle” is 80%-120% of this amount (\$76K-\$113K); “High” is 120%-200% of this amount (\$114K-\$189K); and “Highest” is over 200% of this amount (\$190K 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, 2012

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	217	484	681	692	501
Black	95	285	216	96	46
Latino	166	390	246	120	80
White	1,166	4,117	5,205	5,696	3,927
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	4.1%	9.9%	6.0%	6.4%	2.8%
Black	34.7%	47.4%	51.4%	36.5%	6.5%
Latino	43.4%	53.8%	43.1%	20.8%	8.8%
White	18.1%	20.8%	16.5%	12.1%	3.7%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.23	0.48	0.37	0.53	0.75
Black	1.92	2.28	3.12	3.01	1.75
Latino	2.40	2.59	2.61	1.72	2.35
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	292	969	2,447	2,887	1,548
Black	129	360	460	308	123
Latino	154	403	496	411	214
White	3,186	12,254	22,071	28,759	16,831
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	1.9%	1.1%	1.0%	0.6%
Black	6.2%	10.3%	9.6%	6.2%	3.3%
Latino	5.2%	12.7%	9.9%	3.9%	1.4%
White	2.6%	3.2%	3.0%	2.3%	0.9%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.00	0.58	0.38	0.45	0.68
Black	2.41	3.20	3.15	2.66	3.80
Latino	2.02	3.94	3.25	1.68	1.64
White	1.00	1.00	1.00	1.00	1.00

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2012 was \$94,900 (three small communities were in the Worcester MSA, where the MFI in 2012 was \$83,600). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant 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, 2012

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	380	676	936	909	618
Black	245	556	356	150	67
Latino	618	861	486	228	110
White	3,512	9,902	10,635	10,111	5,563
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	15.0%	14.8%	7.4%	7.2%	3.1%
Black	55.1%	58.1%	55.3%	38.0%	7.5%
Latino	58.1%	61.7%	49.2%	31.6%	10.9%
White	29.7%	32.0%	25.1%	16.1%	5.2%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.51	0.46	0.29	0.45	0.59
Black	1.86	1.82	2.20	2.37	1.44
Latino	1.96	1.93	1.96	1.97	2.10
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	413	1,318	3,257	4,209	2,034
Black	228	562	702	471	182
Latino	359	741	856	670	308
White	7,463	25,040	41,319	50,220	25,624
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	1.2%	2.2%	1.3%	1.0%	0.7%
Black	7.0%	11.6%	10.4%	8.5%	3.3%
Latino	12.5%	14.7%	9.6%	6.1%	1.6%
White	3.1%	4.6%	4.2%	2.9%	1.1%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.39	0.48	0.30	0.35	0.61
Black	2.25	2.54	2.45	2.89	2.92
Latino	4.01	3.23	2.26	2.08	1.44
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 2012 ranging from \$69,800 to \$94,900. "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 \$140K in the Pittsfield MSA to \$190K 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, 2012

	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	130	194	72	0	396
50%-75% Minority	239	356	189	0	784
25%-50% Minority	86	318	513	171	1,088
> 75% White	0	26	502	1,568	2,096
Total	455	894	1,276	1,739	4,364
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	39.2%	42.8%	43.1%	na	41.7%
50%-75% Minority	13.4%	15.2%	32.8%	na	18.9%
25%-50% Minority	5.8%	9.4%	7.8%	5.8%	7.8%
> 75% White	na	0.0%	10.8%	4.6%	6.0%
Total	19.3%	18.7%	14.7%	4.7%	12.0%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	8.54	9.32	na	na	9.07
50%-75% Minority	2.92	3.30	na	na	4.11
25%-50% Minority	1.27	2.05	1.70	1.27	1.70
> 75% White	na	0.00	2.34	1.00	1.31
Total	4.21	4.07	3.19	1.03	2.61
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	307	453	166	0	926
50%-75% Minority	488	884	446	0	1,818
25%-50% Minority	231	911	1,376	416	2,934
> 75% White	0	57	1,385	3,988	5,430
Total	1,026	2,305	3,373	4,404	11,108
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	14.0%	11.9%	17.5%	na	13.6%
50%-75% Minority	7.2%	5.8%	13.2%	na	8.0%
25%-50% Minority	1.7%	4.4%	3.7%	2.2%	3.5%
> 75% White	na	1.8%	4.2%	2.3%	2.8%
Total	8.0%	6.3%	5.8%	2.3%	4.7%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.14	5.22	na	na	5.96
50%-75% Minority	3.14	2.53	na	na	3.50
25%-50% Minority	0.76	1.92	1.62	0.95	1.55
> 75% White	na	0.77	1.84	1.00	1.21
Total	3.50	2.78	2.56	1.00	2.07

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

	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	224	194	72	0	490
50%-75% Minority	407	652	464	0	1,523
25%-50% Minority	166	1,722	2,039	1,177	5,104
> 75% White	0	769	8,309	11,473	20,551
Total	797	3,337	10,884	12,650	27,668
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	43.8%	42.8%	43.1%	na	43.3%
50%-75% Minority	16.0%	25.3%	36.0%	na	26.1%
25%-50% Minority	10.8%	22.9%	12.6%	5.7%	14.4%
> 75% White	na	17.2%	18.8%	9.3%	13.4%
Total	22.7%	23.2%	18.6%	9.0%	14.9%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.71	4.60	4.63	na	4.66
50%-75% Minority	1.72	2.72	3.87	na	2.81
25%-50% Minority	1.17	2.47	1.36	0.61	1.55
> 75% White	na	1.85	2.03	1.00	1.45
Total	2.44	2.50	2.00	0.96	1.60
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	455	453	166	0	1,074
50%-75% Minority	977	1,611	1,241	0	3,829
25%-50% Minority	479	4,862	6,728	4,640	16,709
> 75% White	0	2,524	33,594	50,445	86,563
Total	1,911	9,450	41,729	55,085	108,175
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	16.5%	11.9%	17.5%	na	14.7%
50%-75% Minority	6.3%	9.2%	11.6%	na	9.2%
25%-50% Minority	5.4%	7.5%	5.0%	1.9%	4.9%
> 75% White	na	7.1%	5.7%	2.7%	4.0%
Total	8.5%	7.9%	5.8%	2.6%	4.4%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.16	4.46	6.53	na	5.50
50%-75% Minority	2.37	3.44	4.34	na	3.46
25%-50% Minority	2.03	2.81	1.88	0.69	1.82
> 75% White	na	2.65	2.13	1.00	1.49
Total	3.19	2.95	2.18	0.97	1.65

* 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% and 120%; and "Upper" is greater than 120% of the MFI of the MSA.
A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 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, 2012

	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	475	357	72	0	904
50%-75% Minority	601	1,290	484	0	2,375
25%-50% Minority	342	2,940	2,747	1,475	7,504
> 75% White	42	1,805	20,688	18,939	41,474
Total	1,460	6,392	23,991	20,414	52,257
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	56.8%	57.7%	43.1%	na	56.1%
50%-75% Minority	28.5%	43.1%	37.2%	na	38.2%
25%-50% Minority	28.9%	33.2%	20.9%	6.4%	23.2%
> 75% White	50.0%	31.6%	27.4%	15.0%	22.0%
Total	38.4%	36.1%	26.9%	14.4%	23.5%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	3.79	3.85	2.87	na	3.74
50%-75% Minority	1.90	2.88	2.48	na	2.55
25%-50% Minority	1.93	2.21	1.39	0.43	1.55
> 75% White	3.34	2.11	1.83	1.00	1.47
Total	2.57	2.41	1.80	0.96	1.57
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	711	626	166.00	0	1,503
50%-75% Minority	1,228	2,775	1,280.00	0	5,283
25%-50% Minority	768	7,650	8,470	5,994	22,882
> 75% White	129	5,376	75,509	80,914	161,928
Total	2,836	16,427	85,425	86,908	191,596
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	20.8%	18.2%	17.5%	na	19.4%
50%-75% Minority	11.0%	15.7%	11.6%	na	13.6%
25%-50% Minority	10.8%	10.9%	7.1%	2.1%	7.2%
> 75% White	17.8%	10.0%	7.9%	4.0%	6.0%
Total	13.7%	11.7%	7.9%	3.8%	6.5%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	5.26	4.60	4.41	na	4.89
50%-75% Minority	2.78	3.97	2.92	na	3.44
25%-50% Minority	2.73	2.76	1.80	0.52	1.81
> 75% White	4.50	2.52	2.00	1.00	1.52
Total	3.47	2.95	1.99	0.97	1.63

* 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/ethnic 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, 2012

Neighborhood	All Loans	Govt-Backed Loans	Percent GBLs	Percent Minority*	Median Fam Inc.*	Population*
A. HOME-PURCHASE LOANS						
Mattapan	49	23	46.9%	94.2%	\$54,119	23,551
Hyde Park	221	86	38.9%	70.6%	\$71,017	32,961
Roxbury	84	31	36.9%	91.9%	\$32,432	45,829
East Boston	141	41	29.1%	64.5%	\$47,198	41,128
Dorchester	483	135	28.0%	77.1%	\$48,254	113,975
Roslindale	202	36	17.8%	48.8%	\$72,567	27,237
West Roxbury	339	53	15.6%	29.0%	\$93,582	30,293
Brighton	171	17	9.9%	29.4%	\$59,383	48,445
South Boston	641	52	8.1%	21.4%	\$75,257	31,423
S. Bos. Waterfront	64	5	7.8%	12.4%	\$169,697	2,076
Jamaica Plain	375	22	5.9%	47.6%	\$84,045	36,053
North End	90	3	3.3%	8.9%	\$119,597	8,414
Charlestown	379	12	3.2%	24.6%	\$100,725	16,685
Mission Hill	33	1	3.0%	52.2%	\$36,237	15,883
Downtown	181	3	1.7%	42.0%	\$119,943	18,256
South End	483	3	0.6%	46.9%	\$72,063	30,804
Back Bay	204	1	0.5%	19.3%	\$182,190	16,886
Allston	22	0	0.0%	39.8%	\$50,109	19,796
Beacon Hill	122	0	0.0%	11.1%	\$166,257	9,398
Fenway	70	0	0.0%	30.5%	\$69,094	33,450
City of Boston	4,369	524	12.0%	52.9%	\$61,109	609,942
B. REFINANCE LOANS						
Mattapan	142	27	19.0%	94.2%	\$54,119	23,551
Hyde Park	521	82	15.7%	70.6%	\$71,017	32,961
East Boston	298	40	13.4%	64.5%	\$47,198	41,128
Dorchester	1,172	113	9.6%	77.1%	\$48,254	113,975
Roxbury	186	17	9.1%	91.9%	\$32,432	45,829
Roslindale	661	41	6.2%	48.8%	\$72,567	27,237
West Roxbury	1,327	71	5.4%	29.0%	\$93,582	30,293
Mission Hill	89	4	4.5%	52.2%	\$36,237	15,883
S. Bos. Waterfront	128	5	3.9%	12.4%	\$169,697	2,076
South Boston	1,271	39	3.1%	21.4%	\$75,257	31,423
Brighton	683	17	2.5%	29.4%	\$59,383	48,445
Allston	84	2	2.4%	39.8%	\$50,109	19,796
Charlestown	800	19	2.4%	24.6%	\$100,725	16,685
Jamaica Plain	1,121	25	2.2%	47.6%	\$84,045	36,053
North End	215	3	1.4%	8.9%	\$119,597	8,414
South End	1,175	14	1.2%	46.9%	\$72,063	30,804
Downtown	327	3	0.9%	42.0%	\$119,943	18,256
Beacon Hill	270	2	0.7%	11.1%	\$166,257	9,398
Fenway	167	1	0.6%	30.5%	\$69,094	33,450
Back Bay	445	1	0.2%	19.3%	\$182,190	16,886
City of Boston	11,115	526	4.7%	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 (11 loans, pop. 4,728); and West End (37 loans, pop. 2,063). *Percent minority* is 100% minus the percentage of the population that is non-Latino white-only. These percentages 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, 2012

	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	362	219	189	3,463	9.1%	22.4%	17.5%	8.2%	1.12	2.74	2.14
Greater Boston	3,244	642	854	22,083	8.9%	17.1%	15.8%	7.1%	1.24	2.40	2.21
Massachusetts	4,383	1,029	1,627	40,350	9.9%	19.0%	18.1%	8.5%	1.16	2.23	2.14
B. GOVERNMENT-BACKED HOME-PURCHASE LOANS											
Boston	37	209	129	362	21.6%	26.8%	26.4%	12.7%	1.70	2.11	2.07
Greater Boston	243	562	708	3,846	16.0%	25.1%	22.0%	12.9%	1.24	1.95	1.71
Massachusetts	500	1,222	1,945	12,263	19.6%	23.4%	21.3%	14.0%	1.40	1.67	1.52
C. ALL HOME-PURCHASE LOANS											
Boston	399	428	318	3,825	10.3%	24.5%	21.1%	8.6%	1.19	2.85	2.45
Greater Boston	3,487	1,204	1,562	25,929	9.4%	20.8%	18.6%	8.0%	1.17	2.61	2.33
Massachusetts	4,883	2,251	3,572	52,613	10.9%	21.4%	19.8%	9.8%	1.11	2.19	2.03
D. CONVENTIONAL (NON-GOVERNMENT-BACKED) REFINANCE LOANS											
Boston	960	929	529	10,453	12.9%	28.4%	22.1%	11.3%	1.15	2.53	1.97
Greater Boston	10,522	2,333	2,519	107,247	10.4%	24.1%	18.3%	10.0%	1.04	2.40	1.82
Massachusetts	14,651	3,691	4,549	198,962	11.1%	25.2%	21.1%	11.7%	0.95	2.15	1.80
E. GOVERNMENT-BACKED REFINANCE LOANS											
Boston	32	205	94	534	37.5%	29.8%	19.1%	12.2%	3.08	2.44	1.57
Greater Boston	267	510	494	5,989	18.0%	25.9%	18.4%	14.8%	1.21	1.75	1.24
Massachusetts	505	983	1,198	16,560	20.6%	23.5%	20.6%	16.5%	1.25	1.42	1.25
F. ALL REFINANCE LOANS											
Boston	992	1,134	623	10,987	13.7%	28.7%	21.7%	11.3%	1.21	2.54	1.92
Greater Boston	10,789	2,843	3,013	113,236	10.6%	24.4%	18.3%	10.3%	1.03	2.37	1.78
Massachusetts	15,156	4,674	5,747	215,522	11.4%	24.9%	21.0%	12.1%	0.94	2.06	1.74

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, 2012

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-30	9	44.4%	5	20.0%	18	44.4%	1.00	0.45
31-50	46	28.3%	43	32.6%	229	17.5%	1.62	1.86
51-70	77	23.4%	45	20.0%	561	10.9%	2.15	1.84
71-90	32	12.5%	31	12.9%	499	6.4%	1.95	2.01
91-120	29	24.1%	22	9.1%	576	7.1%	3.39	1.28
over 120	22	9.1%	38	5.3%	1,546	6.3%	1.45	0.84
Total*	219	22.4%	189	17.5%	3,463	8.2%	2.74	2.14
B. GREATER BOSTON								
1-30	15	46.7%	29	34.5%	197	34.0%	1.37	1.01
31-50	120	24.2%	180	27.2%	1,600	13.9%	1.74	1.96
51-70	178	19.1%	179	16.2%	2,985	8.8%	2.16	1.83
71-90	99	18.2%	134	15.7%	3,081	7.0%	2.59	2.24
91-120	99	14.1%	107	8.4%	3,916	5.3%	2.65	1.58
over 120	124	5.6%	209	7.2%	10,115	5.4%	1.04	1.33
Total*	642	17.1%	854	15.8%	22,083	7.1%	2.40	2.21
C. MASSACHUSETTS								
1-30	43	46.5%	125	35.2%	964	32.1%	1.45	1.10
31-50	237	27.0%	472	24.4%	4,992	13.7%	1.97	1.78
51-70	279	19.7%	333	17.4%	6,672	9.9%	2.00	1.77
71-90	150	15.3%	220	14.1%	5,983	7.6%	2.02	1.85
91-120	133	15.8%	179	10.6%	6,887	6.1%	2.57	1.73
over 120	171	5.3%	279	9.0%	14,491	5.8%	0.90	1.54
Total*	1,029	19.0%	1,627	18.1%	40,350	8.5%	2.23	2.14

^ Conventional loans are non-Government-Backed Loans

* Total includes applicants without reported income.

TABLE 20
Shares of Total Loans by Major Types of Lenders, 2004–2012
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%
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%
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%

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, 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, 2012

	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	15,484	39.5%	42.1%	18.4%	1,050	17.2%	56.8%	26.0%
Greater Boston	135,855	41.1%	41.1%	17.9%	8,883	15.9%	62.5%	21.6%
Massachusetts	243,946	43.5%	36.6%	19.9%	24,666	16.2%	61.4%	22.5%

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 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, essentially, exempt from such 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, 2012

	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	6,123	181	3.0%	6,512	596	9.2%	2,849	273	9.6%
Greater Boston	55,782	1,410	2.5%	55,777	5,555	10.0%	24,296	1,918	7.9%
Massachusetts	106,113	3,984	3.8%	89,331	15,135	16.9%	48,502	5,547	11.4%

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 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, 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, 2012

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		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	1,870	98	44	73	20	512	49	521	64	125	43
% of Loans	100%	5.2%	2.4%	3.9%	1.1%	27.4%	2.6%	27.9%	3.4%	6.7%	2.3%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,844	29	44	37	43	453	110	442	122	49	50
% of Loans	100%	1.6%	2.4%	2.0%	2.3%	24.6%	6.0%	24.0%	6.6%	2.7%	2.7%
C. OTHER LENDERS*											
Number of Loans	655	11	19	18	13	112	56	131	69	16	28
% of Loans	100%	1.7%	2.9%	2.7%	2.0%	17.1%	8.5%	20.0%	10.5%	2.4%	4.3%
D. TOTAL											
Number of Loans	4,369	138	107	128	76	1,077	215	1,094	255	190	121
% of Loans	100%	3.2%	2.4%	2.9%	1.7%	24.7%	4.9%	25.0%	5.8%	4.3%	2.8%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	4,253	252	17	157	5	1,034	10	1,272	36	332	18
% of Loans	100%	5.9%	0.4%	3.7%	0.1%	24.3%	0.2%	29.9%	0.8%	7.8%	0.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	4,668	109	43	89	26	900	48	1,178	125	161	48
% of Loans	100%	2.3%	0.9%	1.9%	0.6%	19.3%	1.0%	25.2%	2.7%	3.4%	1.0%
C. OTHER LENDERS*											
Number of Loans	2,194	10	24	68	14	529	17	653	67	170	24
% of Loans	100%	0.5%	1.1%	3.1%	0.6%	24.1%	0.8%	29.8%	3.1%	7.7%	1.1%
D. TOTAL											
Number of Loans	11,115	371	84	314	45	2,463	75	3,103	228	663	90
% of Loans	100%	3.3%	0.8%	2.8%	0.4%	22.2%	0.7%	27.9%	2.1%	6.0%	0.8%

* "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 Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston MSA (<\$48K in 2012).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<\$76K in 2012).

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston-Quincy MD (2012 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, 2012

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		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	23,190	405	181	661	326	6,651	1,375	2,760	712	244	142
% of Loans	100%	1.7%	0.8%	2.9%	1.4%	28.7%	5.9%	11.9%	3.1%	1.1%	0.6%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	20,522	177	401	283	645	3,815	3,812	1,644	1,589	82	226
% of Loans	100%	0.9%	2.0%	1.4%	3.1%	18.6%	18.6%	8.0%	7.7%	0.4%	1.1%
C. OTHER LENDERS*											
Number of Loans	8,568	84	137	158	244	1,481	1,160	581	567	30	91
% of Loans	100%	1.0%	1.6%	1.8%	2.8%	17.3%	13.5%	6.8%	6.6%	0.4%	1.1%
D. TOTAL											
Number of Loans	52,280	666	719	1,102	1,215	11,947	6,347	4,985	2,868	356	459
% of Loans	100%	1.3%	1.4%	2.1%	2.3%	22.9%	12.1%	9.5%	5.5%	0.7%	0.9%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	82,923	995	55	1,265	102	19,097	242	8,166	306	559	34
% of Loans	100%	1.2%	0.1%	1.5%	0.1%	23.0%	0.3%	9.8%	0.4%	0.7%	0.0%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	68,809	490	276	766	345	10,446	1,255	4,956	1,423	246	151
% of Loans	100%	0.7%	0.4%	1.1%	0.5%	15.2%	1.8%	7.2%	2.1%	0.4%	0.2%
C. OTHER LENDERS*											
Number of Loans	39,934	479	149	660	140	8,464	315	3,831	581	270	59
% of Loans	100%	1.2%	0.4%	1.7%	0.4%	21.2%	0.8%	9.6%	1.5%	0.7%	0.1%
D. TOTAL											
Number of Loans	191,666	1,964	480	2,691	587	38,007	1,812	16,953	2,310	1,075	244
% of Loans	100%	1.0%	0.3%	1.4%	0.3%	19.8%	0.9%	8.8%	1.2%	0.6%	0.1%

* "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 Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in their Metropolitan Statistical 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 (2012 HMDA data).

"LMI CTs >75% Minority" includes 49 of the 53 Massachusetts census tracts with over 75% minority population. (2012 HMDA data).

TABLE 25
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
(These Include the Top 13 Government-Backed Loan [GBL] Lenders & 16 of the Top 20 ^)
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	1,323	325	998	63	32	31	4.8%	9.8%	3.1%	3
Wells Fargo*	OTH	982	346	636	115	70	45	11.7%	20.2%	7.1%	1
Guaranteed Rate	LML	850	303	547	75	45	30	8.8%	14.9%	5.5%	2
Leader Bank/Mort*	MIX	664	170	494	21	10	11	3.2%	5.9%	2.2%	11
Bank of America	CRA	619	137	482	27	11	16	4.4%	8.0%	3.3%	9
Sovereign Bank	CRA	558	113	445	10	7	3	1.8%	6.2%	0.7%	6
RBS Citizens	CRA	533	152	381	36	31	5	6.8%	20.4%	1.3%	
Prospect Mortgage	LML	435	214	221	38	30	8	8.7%	14.0%	3.6%	5
JPMorgan Chase	OTH	427	30	397	8	3	5	1.9%	10.0%	1.3%	
Poli Mortgage	LML	342	76	266	19	12	7	5.6%	15.8%	2.6%	13
Quicken Loans	LML	316	18	298	39	2	37	12.3%	11.1%	12.4%	4
First Republic Bank	CRA	285	188	97	0	0	0	0.0%	0.0%	0.0%	
MSA Mortgage	LML	276	90	186	11	10	1	4.0%	11.1%	0.5%	19
Residential Mortgage	LML	270	127	143	28	15	13	10.4%	11.8%	9.1%	8
East Boston SB	CRA	262	105	157	14	12	2	5.3%	11.4%	1.3%	18
Bank of Canton	CRA	254	75	179	7	5	2	2.8%	6.7%	1.1%	
NE Moves/PHH*	LML	244	120	124	25	15	10	10.2%	12.5%	8.1%	10
Citibank	CRA	232	20	212	1	0	1	0.4%	0.0%	0.5%	
Mortgage Network	LML	222	85	137	20	8	12	9.0%	9.4%	8.8%	12
Boston Private	CRA	209	120	89	0	0	0	0.0%	0.0%	0.0%	
Lowell Co-op Bank	CRA	208	64	144	31	17	14	14.9%	26.6%	9.7%	7
Ally/GMAC	OTH	196	20	176	7	3	4	3.6%	15.0%	2.3%	
Fairway Independent Mort	LML	196	82	114	8	2	6	4.1%	2.4%	5.3%	
Salem Five	CRA	169	66	103	9	7	2	5.3%	10.6%	1.9%	
Berkshire Bank	CRA	150	52	98	7	5	2	4.7%	9.6%	2.0%	
First Place Bank	OTH	139	23	116	1	1	0	0.7%	4.3%	0.0%	
Reliant Mortgage	LML	137	30	107	16	7	9	11.7%	23.3%	8.4%	16
TD Bank	CRA	125	45	80	5	4	1	4.0%	8.9%	1.3%	
Provident Funding	LML	122	3	119	0	0	0	0.0%	0.0%	0.0%	
Cooperative Bank	CRA	108	17	91	0	0	0	0.0%	0.0%	0.0%	
Total, 30 Biggest Lenders		10,853	3,216	7,637	641	364	277	5.9%	11.3%	3.6%	
Total, All 367 Lenders		15,484	4,369	11,115	1,050	524	526	6.8%	12.0%	4.7%	

* 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 four top-20 GBL lenders not among the top 30 overall lenders: MetLife Bank (#14), Flagstar Bank (#15), Franklin American (#17), and Sierra Pacific Mortgage (#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 Eight Government-Backed Loan [GBL] Lenders, & 15 of the Top 20 ^)
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	12,426	2,097	10,329	788	383	405	6.3%	18.3%	3.9%	4
Wells Fargo*	OTH	11,533	3,428	8,105	2,102	1,166	936	18.2%	34.0%	11.5%	1
Sovereign Bank	CRA	9,499	1,288	8,211	162	127	35	1.7%	9.9%	0.4%	
Leader Bank/Mort*	MIX	8,052	1,587	6,465	223	116	107	2.8%	7.3%	1.7%	
Bank of America	CRA	7,583	1,226	6,357	559	219	340	7.4%	17.9%	5.3%	10
RBS Citizens	CRA	7,535	1,514	6,021	549	429	120	7.3%	28.3%	2.0%	11
Guaranteed Rate	LML	7,207	1,810	5,397	713	448	265	9.9%	24.8%	4.9%	6
JPMorgan Chase	OTH	6,322	257	6,065	162	68	94	2.6%	26.5%	1.5%	
Quicken Loans	LML	5,956	259	5,697	1,444	98	1,346	24.2%	37.8%	23.6%	2
Salem Five	CRA	4,546	1,368	3,178	400	310	90	8.8%	22.7%	2.8%	17
Provident Funding	LML	3,721	154	3,567	0	0	0	0.0%	0.0%	0.0%	
Mortgage Network	LML	3,662	1,168	2,494	533	302	231	14.6%	25.9%	9.3%	12
NE Moves/PHH*	LML	3,546	2,018	1,528	731	548	183	20.6%	27.2%	12.0%	5
Citibank	CRA	3,389	182	3,207	54	11	43	1.6%	6.0%	1.3%	
Residential Mortgage	LML	3,315	1,435	1,880	938	642	296	28.3%	44.7%	15.7%	3
Ally/GMAC*	OTH	3,209	261	2,948	76	29	47	2.4%	11.1%	1.6%	
Prospect Mortgage	LML	3,081	1,330	1,751	624	480	144	20.3%	36.1%	8.2%	7
Berkshire Bank	CRA	3,064	839	2,225	199	128	71	6.5%	15.3%	3.2%	
Poli Mortgage	LML	3,027	479	2,548	243	132	111	8.0%	27.6%	4.4%	20
Reliant Mortgage	LML	2,841	568	2,273	421	167	254	14.8%	29.4%	11.2%	16
MSA Mortgage	LML	2,787	602	2,185	144	112	32	5.2%	18.6%	1.5%	
Lowell Co-op Bank	CRA	2,646	821	1,825	582	332	250	22.0%	40.4%	13.7%	8
TD Bank	CRA	2,629	672	1,957	79	62	17	3.0%	9.2%	0.9%	
Merrimack Mortgage	LML	2,566	625	1,941	475	324	151	18.5%	51.8%	7.8%	14
Bank of Canton	CRA	2,488	716	1,772	81	69	12	3.3%	9.6%	0.7%	
First Eastern Mortgage	CRA	2,232	623	1,609	449	279	170	20.1%	44.8%	10.6%	15
US Bank*	OTH	2,066	257	1,809	97	30	67	4.7%	11.7%	na	
HarborOne CU	CRA	2,030	271	1,759	22	20	2	1.1%	7.4%	0.1%	
Cape Cod Five	CRA	1,983	435	1,548	17	17	0	0.9%	3.9%	0.0%	
Rockland Trust	CRA	1,854	352	1,502	60	35	25	3.2%	9.9%	1.7%	
Total, 30 Biggest Lenders		136,795	28,642	108,153	12,927	7,083	5,844	9.4%	24.7%	5.4%	
Total, All 641 Lenders		243,946	52,280	191,666	24,666	12,268	12,398	10.1%	23.5%	6.5%	

* 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.”

^ The four top-20 GBL lenders that were not among the top-30 overall lenders were: Franklin American Mort (#9), Radius Financial (#13), Flagstar Bank (#18), and MetLife Bank (#19),

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, 2012

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	1,323	50	3.8%	1,260	41	3.3%	63	9	14.3%
Wells Fargo*	OTH	982	87	8.9%	867	55	6.3%	115	32	27.8%
Guaranteed Rate	LML	850	41	4.8%	775	24	3.1%	75	17	22.7%
Leader Bank/Mort*	MIX	664	34	5.1%	643	32	5.0%	21	2	9.5%
Bank of America	CRA	619	126	20.4%	592	111	18.8%	27	15	55.6%
Sovereign Bank	CRA	558	73	13.1%	548	69	12.6%	10	4	40.0%
RBS Citizens	CRA	533	97	18.2%	497	73	14.7%	36	24	66.7%
Prospect Mortgage	LML	435	19	4.4%	397	11	2.8%	38	8	21.1%
JPMorgan Chase	OTH	427	65	15.2%	419	64	15.3%	8	1	12.5%
Poli Mortgage	LML	342	10	2.9%	323	8	2.5%	19	2	10.5%
Quicken Loans	LML	316	34	10.8%	277	25	9.0%	39	9	na
First Republic Bank	CRA	285	5	1.8%	285	5	1.8%	0	0	na
MSA Mortgage	LML	276	14	5.1%	265	12	4.5%	11	2	18.2%
Residential Mortgage	LML	270	19	7.0%	242	9	3.7%	28	10	35.7%
East Boston SB	CRA	262	43	16.4%	248	30	12.1%	14	13	92.9%
Bank of Canton	CRA	254	13	5.1%	247	10	4.0%	7	3	42.9%
NE Moves/PHH*	LML	244	21	8.6%	219	14	6.4%	25	7	28.0%
Citibank	CRA	232	42	18.1%	231	41	17.7%	1	1	100%
Mortgage Network	LML	222	9	4.1%	202	7	3.5%	20	2	10.0%
Boston Private	CRA	209	18	8.6%	209	18	8.6%	0	0	na
Lowell Co-op Bank	CRA	208	15	7.2%	177	7	4.0%	31	8	25.8%
Ally/GMAC	OTH	196	29	14.8%	189	28	14.8%	7	1	14.3%
Fairway Independent Mort	LML	196	13	6.6%	188	11	5.9%	8	2	25.0%
Salem Five	CRA	169	8	4.7%	160	5	3.1%	9	3	33.3%
Berkshire Bank	CRA	150	9	6.0%	143	7	4.9%	7	2	28.6%
First Place Bank	OTH	139	6	4.3%	138	6	4.3%	1	0	0.0%
Reliant Mortgage	LML	137	6	4.4%	121	5	4.1%	16	1	6.3%
TD Bank	CRA	125	16	12.8%	120	11	9.2%	5	5	100%
Provident Funding	LML	122	3	2.5%	122	3	2.5%	0	0	na
Cooperative Bank	CRA	108	7	6.5%	108	7	6.5%	0	0	na
Total, 30 Biggest Lenders		10,853	932	8.6%	10,212	749	7.3%	641	183	28.5%
Total, All 367 Lenders		15,484	1,360	8.8%	14,434	1,051	7.3%	1,050	309	29.4%

* 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, 2012

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	12,426	302	2.4%	11,638	213	1.8%	788	89	11.3%
Wells Fargo*	OTH	11,533	708	6.1%	9,431	365	3.9%	2,102	343	16.3%
Sovereign Bank	CRA	9,499	368	3.9%	9,337	331	3.5%	162	37	22.8%
Leader Bank/Mort*	MIX	8,052	177	2.2%	7,829	154	2.0%	223	23	10.3%
Bank of America	CRA	7,583	525	6.9%	7,024	441	6.3%	559	84	15.0%
RBS Citizens	CRA	7,535	486	6.4%	6,986	313	4.5%	549	173	31.5%
Guaranteed Rate	LML	7,207	213	3.0%	6,494	123	1.9%	713	90	12.6%
JPMorgan Chase	OTH	6,322	265	4.2%	6,160	252	4.1%	162	13	8.0%
Quicken Loans	LML	5,956	216	3.6%	4,512	139	3.1%	1,444	77	5.3%
Salem Five	CRA	4,546	105	2.3%	4,146	75	1.8%	400	30	7.5%
Provident Funding	LML	3,721	39	1.0%	3,721	39	1.0%	0	0	na
Mortgage Network	LML	3,662	115	3.1%	3,129	66	2.1%	533	49	9.2%
NE Moves/PHH*	LML	3,546	167	4.7%	2,815	97	3.4%	731	70	9.6%
Citibank	CRA	3,389	173	5.1%	3,335	170	5.1%	54	3	5.6%
Residential Mortgage	LML	3,315	307	9.3%	2,377	79	3.3%	938	228	24.3%
Ally/GMAC*	OTH	3,209	163	5.1%	3,133	155	4.9%	76	8	10.5%
Prospect Mortgage	LML	3,081	154	5.0%	2,457	71	2.9%	624	83	13.3%
Berkshire Bank	CRA	3,064	81	2.6%	2,865	63	2.2%	199	18	9.0%
Poli Mortgage	LML	3,027	60	2.0%	2,784	41	1.5%	243	19	7.8%
Reliant Mortgage	LML	2,841	84	3.0%	2,420	48	2.0%	421	36	8.6%
MSA Mortgage	LML	2,787	59	2.1%	2,643	50	1.9%	144	9	6.3%
Lowell Co-op Bank	CRA	2,646	252	9.5%	2,064	106	5.1%	582	146	25.1%
TD Bank	CRA	2,629	164	6.2%	2,550	142	5.6%	79	22	27.8%
Merrimack Mortgage	LML	2,566	65	2.5%	2,091	29	1.4%	475	36	7.6%
Bank of Canton	CRA	2,488	72	2.9%	2,407	59	2.5%	81	13	16.0%
First Eastern Mortgage	CRA	2,232	79	3.5%	1,783	45	2.5%	449	34	7.6%
US Bank*	OTH	2,066	58	2.8%	1,969	53	2.7%	97	5	5.2%
HarborOne CU	CRA	2,030	109	5.4%	2,008	98	4.9%	22	11	50.0%
Cape Cod Five	CRA	1,983	15	0.8%	1,966	14	0.7%	17	1	5.9%
Rockland Trust	CRA	1,854	46	2.5%	1,794	44	2.5%	60	2	3.3%
Total, 30 Biggest Lenders		136,795	5,627	4.1%	123,868	3,875	3.1%	12,927	1,752	13.6%
Total, All 641 Lenders		243,946	9,415	3.9%	219,280	6,423	2.9%	24,666	2,992	12.1%

* 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, 2012

Lender Family	Lender Name	Lender Type#	Boston			Massachusetts		
			Total Loans	GBL Loans	% GBLs	Total Loans	GBL Loans	% GBLs
Ally/GMAC*	ALLY BANK	OTH	196	7	3.6%	3,208	75	2.3%
Ally/GMAC*	GMAC MORTGAGE, LLC	OTH	0	0	na	1	1	100.0%
Leader Bank/Mortgage*	LEADER BANK	CRA	548	21	3.8%	8,186	213	2.6%
Leader Bank/Mortgage*	LEADER MORTGAGE COMPANY	LML	116	0	0.0%	1,866	10	0.5%
NE Moves/PHH*	NE MOVES MORTGAGE, LLC	LML	203	21	10.3%	2,610	487	18.7%
NE Moves/PHH*	PHH MORTGAGE CORP	LML	34	3	8.8%	810	222	27.4%
NE Moves/PHH*	PHH HOME LOANS	LML	7	1	14.3%	126	22	17.5%
US Bank*	US BANK, N.A.	OTH	85	3	3.5%	1,816	97	5.3%
US Bank*	US BK NA ND	OTH	8	0	0.0%	250	0	0.0%
Wells Fargo*	WELLS FARGO BANK, NA	OTH	966	115	11.9%	11,393	2,102	18.4%
Wells Fargo*	NEW ENGLAND MTG PARTNERS LLC	LML	12	0	0.0%	85	0	0.0%
Wells Fargo*	MILITARY FAMILY HOME LOANS, LL	OTH	2	0	0.0%	21	0	0.0%
Wells Fargo*	PREMIA MORTGAGE, LLC	OTH	1	0	0.0%	17	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. Six individual lenders from the Wells Fargo* that each had ten or fewer loans statewide are excluded from this table, but their loans are included in the Wells Fargo* lender family totals 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 I

**All Home-Purchase and Refinance Loans in Massachusetts, 2012, 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	47,904	12,280	60,184	195,535	12,562	208,097	243,439	24,842	268,281
Owner-Occupied	40,021	12,268	52,289	179,268	12,398	191,666	219,289	24,666	243,955
Site-built	39,832	12,268	52,100	179,142	12,397	191,539	218,974	24,665	243,639
Mfg housing	189	0	189	126	1	127	315	1	316
Not Owner-Occ	7,883	12	7,895	16,267	164	16,431	24,150	176	24,326
Site-built	7,880	12	7,892	16,264	164	16,428	24,144	176	24,320
Mfg housing	3	0	3	3	0	3	6	0	6
Sub Lien	1,465	1	1,466	1,858	3	1,861	3,323	4	3,327
Owner-Occupied	1,436	1	1,437	1,815	3	1,818	3,251	4	3,255
Site-built	1,436	1	1,437	1,814	3	1,817	3,250	4	3,254
Mfg housing	0	0	0	1	0	1	1	0	1
Not Owner-Occ	29	0	29	43	0	43	72	0	72
Site-built	29	0	29	43	0	43	72	0	72
Mfg housing	0	0	0	0	0	0	0	0	0
Any Lien	49,369	12,281	61,650	197,393	12,565	209,958	246,762	24,846	271,608
Owner-Occupied	41,457	12,269	53,726	181,083	12,401	193,484	222,540	24,670	247,210
Site-built	41,268	12,269	53,537	180,956	12,400	193,356	222,224	24,669	246,893
Mfg housing	189	0	189	127	1	128	316	1	317
Not Owner-Occ	7,912	12	7,924	16,310	164	16,474	24,222	176	24,398
Site-built	7,909	12	7,921	16,307	164	16,471	24,216	176	24,392
Mfg housing	3	0	3	3	0	3	6	0	6
memo:									
total site-built	49,177	12,281	61,458	197,263	12,564	209,827	246,440	24,845	271,285
total mfg hsing	192	0	192	130	1	131	322	1	323
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	17.6%	4.5%	22.2%	72.0%	4.6%	76.6%	89.6%	9.1%	98.8%
Owner-Occupied	14.7%	4.5%	19.3%	66.0%	4.6%	70.6%	80.7%	9.1%	89.8%
Site-built	14.7%	4.5%	19.2%	66.0%	4.6%	70.5%	80.6%	9.1%	89.7%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	2.9%	0.0%	2.9%	6.0%	0.1%	6.0%	8.9%	0.1%	9.0%
Site-built	2.9%	0.0%	2.9%	6.0%	0.1%	6.0%	8.9%	0.1%	9.0%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.5%	0.0%	0.5%	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%
Owner-Occupied	0.5%	0.0%	0.5%	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%
Site-built	0.5%	0.0%	0.5%	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%
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	18.2%	4.5%	22.7%	72.7%	4.6%	77.3%	90.9%	9.1%	100.0%
Owner-Occupied	15.3%	4.5%	19.8%	66.7%	4.6%	71.2%	81.9%	9.1%	91.0%
Site-built	15.2%	4.5%	19.7%	66.6%	4.6%	71.2%	81.8%	9.1%	90.9%
Mfg housing	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
Not Owner-Occ	2.9%	0.0%	2.9%	6.0%	0.1%	6.1%	8.9%	0.1%	9.0%
Site-built	2.9%	0.0%	2.9%	6.0%	0.1%	6.1%	8.9%	0.1%	9.0%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	18.1%	4.5%	22.6%	72.6%	4.6%	77.3%	90.7%	9.1%	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 2012 HMDA data. All other numbers in this table are calculated from these 32 basic numbers (12 of which were 0 in 2012).

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 89.8% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (9.0% of the total) and subordinate-lien loans (1.2%).

Of the government-backed loans, 76.4% were FHA, 19.3% were VA, and 4.3% were USDA. Of 25 total HEOPA loans, 13 were first-lien owner-occ.

This table ignores 116 loans (0.1% of the total) for which owner-occupancy status was not reported.

This table also ignores the state's 13,289 home-improvement loans, of which 7,529 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, 2012

Borrower Race/Ethnicity	All Loans	Non-GBL Loans	GBL Loans	Percent GBLs	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	3,684	3,373	311	8.4%	0.39
Black	1,475	756	719	48.7%	2.26
Latino	2,483	1,268	1,215	48.9%	2.27
White	40,939	32,108	8,831	21.6%	1.00
No Info*	4,979	3,828	1,151	23.1%	
Total*	53,717	41,448	12,269	22.8%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (97.0% of all Home Purchase Loans)					
Asian	3,571	3,260	311	8.7%	0.39
Black	1,385	666	719	51.9%	2.35
Latino	2,317	1,102	1,215	52.4%	2.37
White	39,982	31,151	8,831	22.1%	1.00
No Info*	4,873	3,723	1,150	23.6%	
Total*	52,280	40,012	12,268	23.5%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (3.0% of all Home Purchase Loans)					
Asian	113	113	0	0.0%	na
Black	90	90	0	0.0%	na
Latino	166	166	0	0.0%	na
White	957	957	0	0.0%	na
No Info*	106	105	1	0.9%	
Total*	1,437	1,436	1	0.1%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	11,459	11,221	238	2.1%	0.34
Black	2,451	1,980	471	19.2%	3.12
Latino	3,306	2,719	587	17.8%	2.88
White	157,318	147,630	9,688	6.2%	1.00
No Info*	18,440	17,072	1,368	7.4%	
Total*	193,484	181,083	12,401	6.4%	
B-2. REFINANCE LOANS — FIRST LIEN (98.9% of all Refinance Loans)					
Asian	11,402	11,164	238	2.1%	0.34
Black	2,435	1,964	471	19.3%	3.11
Latino	3,278	2,691	587	17.9%	2.88
White	155,881	146,196	9,685	6.2%	1.00
No Info*	18,165	16,797	1,368	7.5%	
Total*	191,666	179,268	12,398	6.5%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.1% of all Refinance Loans)					
Asian	57	57	0	0.0%	0.00
Black	16	16	0	0.0%	0.00
Latino	28	28	0	0.0%	0.00
White	1,437	1,434	3	0.2%	1.00
No Info*	275	275	0	0.0%	
Total*	1,818	1,815	3	0.2%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	15,143	14,594	549	3.6%	0.39
Black	3,926	2,736	1,190	30.3%	3.24
Latino	5,789	3,987	1,802	31.1%	3.33
White	198,257	179,738	18,519	9.3%	1.00
No Info*	23,419	20,900	2,519	10.8%	
Total*	247,201	222,531	24,670	10.0%	

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

"Total" includes "Other" as well as the categories shown; "other" is less than 0.4% in each category of loans.

**APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2012***

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2010	2012	1990	1995	2000	2005	2010	2011
Asian	100	269	381	453	317	285	5.7%	6.0%	5.8%	6.1%	9.3%	7.7%
Black	287	880	710	1,065	332	245	16.4%	19.8%	10.9%	14.3%	9.7%	6.6%
Latino	91	303	463	719	212	201	5.2%	6.8%	7.1%	9.7%	6.2%	5.4%
White	1,266	2,866	4,831	5,175	2,548	2,955	72.5%	64.4%	74.0%	69.5%	74.5%	79.9%
Other	3	132	147	34	13	11	0.2%	3.0%	2.3%	0.5%	0.4%	0.3%
SubTotal#	1,747	4,450	6,532	7,446	3,422	3,697	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	536	672						
Total	1,770	4,637	7,467	8,330	3,958	4,369						

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.”

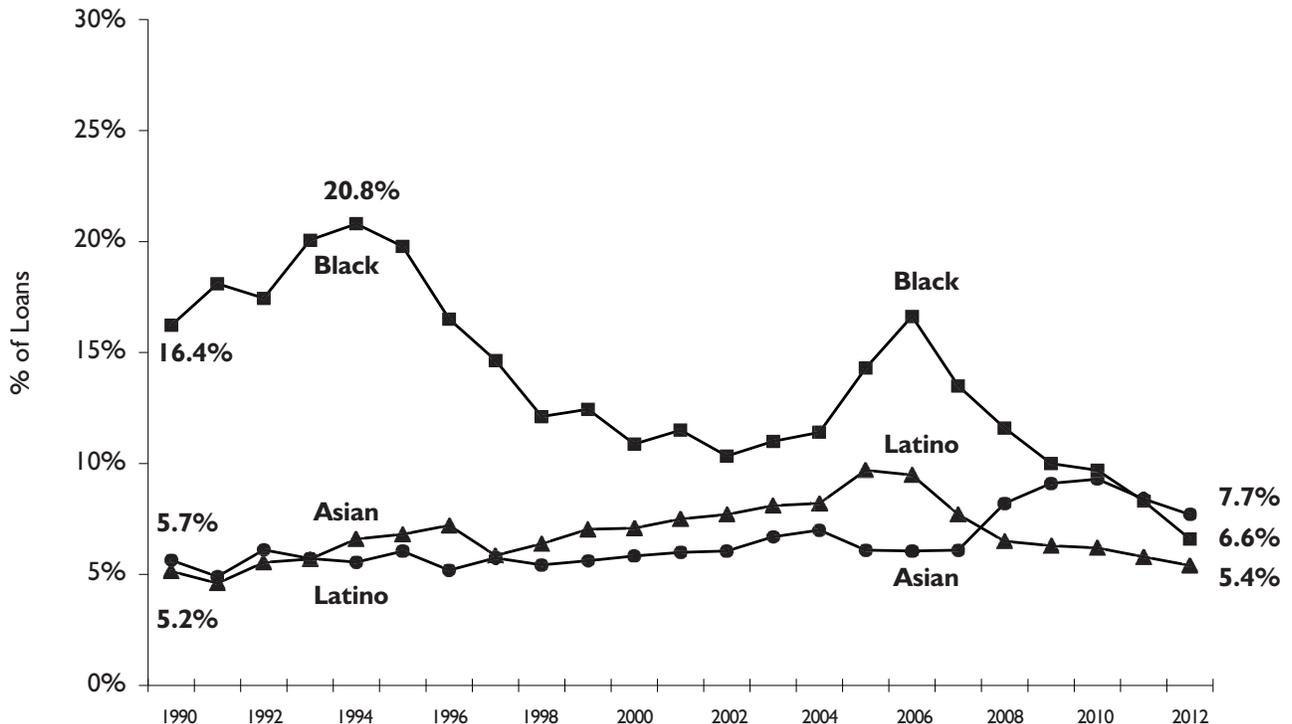
**Chart A-3: Shares of Home-Purchase Loans & Households
by Race/Ethnicity, Boston, 1990–2012***

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
1990-2012***

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2005	2010	2012	1990	1995	2000	2005	2010	2012
Low#	51	530	369	216	217	263	2.8%	11.6%	5.1%	2.7%	5.5%	6.0%
Moderate	352	1,233	1,321	1,314	1,067	1,029	19.6%	27.0%	18.4%	16.4%	27.1%	23.6%
Middle	527	1,261	1,815	2,281	1,036	1,108	29.3%	27.6%	25.2%	28.5%	26.4%	25.4%
High	513	889	2,095	2,715	920	1,060	28.5%	19.4%	29.1%	33.9%	23.4%	24.3%
Highest	355	659	1,589	1,474	691	875	19.7%	14.4%	22.1%	18.4%	17.6%	20.0%
Hi+Hi'est	868	1,548	3,684	4,189	1,611	1,935	48.3%	33.9%	51.2%	52.4%	41.0%	44.3%
Total#	1,798	4,572	7,189	8,000	3,931	4,369	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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

"Total" excludes borrowers without income data (34 in 2012); 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:

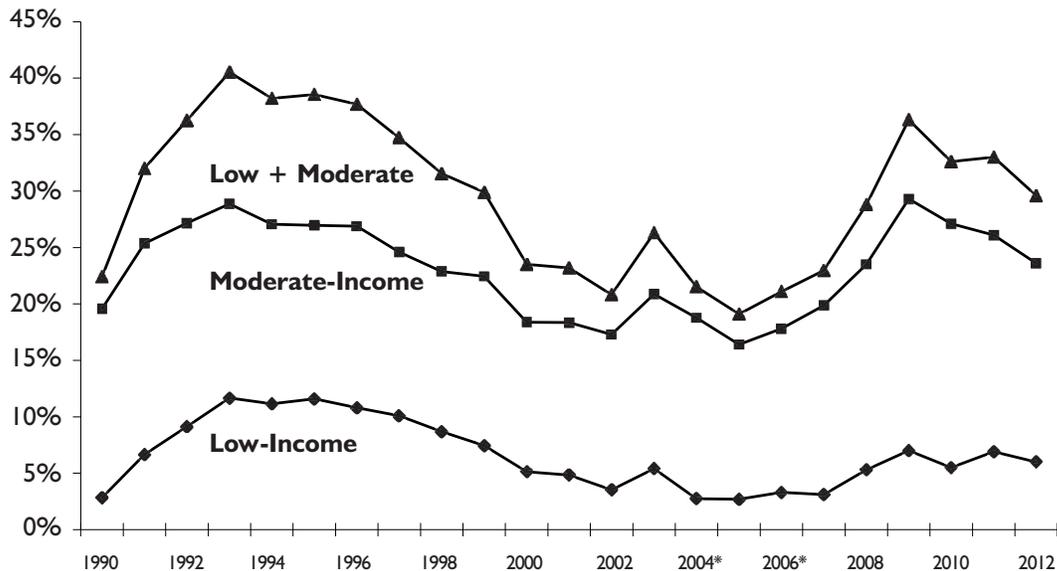
Low: <50% Moderate: 50%-80% Middle: 80%-120% High: 120%-200% Highest: >200%

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

**Chart A-4: Loans to Low- and Moderate-Income Borrowers
as % of All Boston Home-Purchase Loans, 1990-2012***

* 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 — 1990–2012*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2010	2012	1990	1995	2000	2005	2010	2012
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	12.3%	9.1%	0.89	1.12	1.37	1.45	1.13	1.12
Black	32.7%	15.8%	24.5%	23.6%	21.9%	22.4%	2.00	2.16	2.63	2.34	2.01	2.74
Latino	25.3%	18.6%	18.9%	20.9%	22.2%	17.5%	1.55	2.55	2.03	2.07	2.04	2.14
White	16.4%	7.3%	9.3%	10.1%	10.9%	8.2%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	12.4%	9.9%		0.99	1.08	1.04	1.24	1.16
Black		16.3%	20.7%	21.3%	22.3%	19.0%		2.23	2.46	2.20	2.23	2.23
Latino		13.1%	17.2%	19.1%	22.1%	18.1%		1.79	2.05	1.97	2.21	2.14
White		7.3%	8.4%	9.7%	10.0%	8.5%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	15.8%	14.4%	14.5%	0.90	0.61	0.56	1.28	1.17	1.25
Black	33.9%	40.5%	44.6%	27.5%	30.9%	32.0%	2.35	1.97	2.00	2.24	2.51	2.76
Latino	21.4%	29.5%	31.4%	21.3%	22.9%	20.5%	1.49	1.43	1.41	1.73	1.86	1.77
White	14.4%	20.6%	22.3%	12.3%	12.3%	11.6%	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.

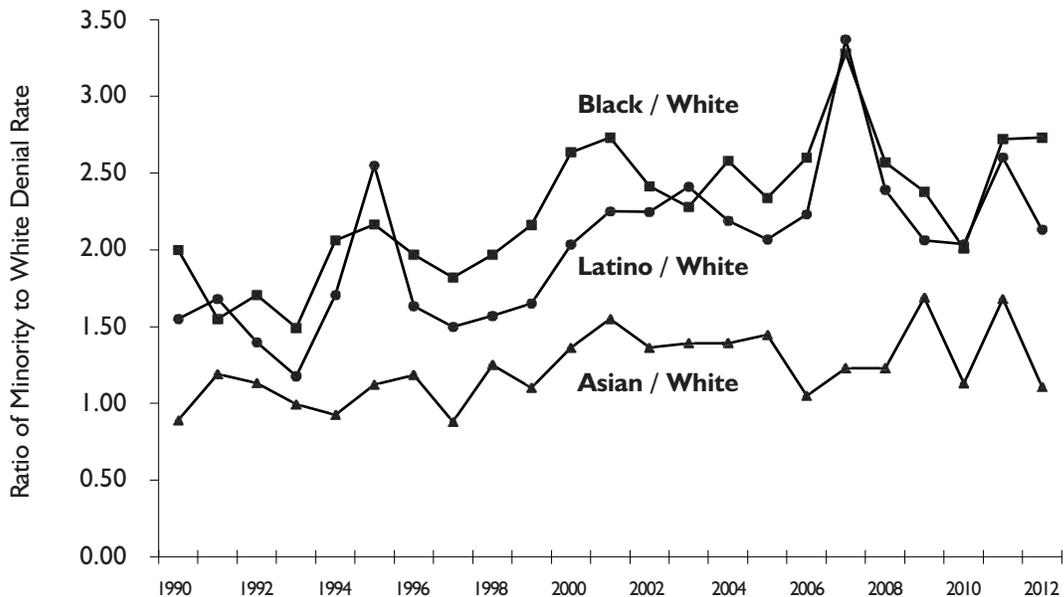
* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-5.

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, 1990–2012*

* 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, 2012

	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	399	71.4%	3.5%	10.3%	12.0%	2.8%	992	71.5%	2.3%	13.7%	9.5%	3.0%
Black	428	57.2%	4.4%	24.5%	9.3%	4.4%	1,134	48.9%	3.6%	28.7%	10.8%	7.9%
Latino	318	63.2%	2.8%	21.1%	8.8%	4.1%	623	57.6%	3.0%	21.7%	10.3%	7.4%
White	3,825	77.3%	2.7%	8.6%	9.4%	2.0%	10,987	73.7%	2.8%	11.3%	8.1%	4.1%
Total*	5,909	73.9%	3.0%	10.7%	10.0%	2.4%	16,140	68.9%	2.8%	13.8%	9.6%	4.9%
B. GREATER BOSTON +												
Asian	3,487	75.2%	3.7%	9.4%	9.4%	2.3%	10,789	76.4%	2.6%	10.6%	7.1%	3.3%
Black	1,204	61.8%	4.2%	20.8%	10.0%	3.1%	2,843	53.1%	3.5%	24.4%	11.6%	7.5%
Latino	1,562	64.8%	3.5%	18.6%	10.1%	3.0%	3,013	60.4%	3.8%	18.3%	10.8%	6.7%
White	25,929	78.0%	2.9%	8.0%	9.2%	1.9%	113,236	75.4%	2.8%	10.3%	7.6%	3.9%
Total*	36,462	75.9%	3.0%	9.2%	9.7%	2.2%	148,051	73.1%	2.8%	11.1%	8.5%	4.5%
C. MASSACHUSETTS												
Asian	4,883	73.1%	4.0%	10.9%	9.6%	2.5%	15,156	75.2%	2.7%	11.4%	7.1%	3.5%
Black	2,251	61.5%	3.2%	21.4%	10.3%	3.6%	4,674	52.1%	3.9%	24.9%	11.9%	7.2%
Latino	3,572	64.9%	2.8%	19.8%	9.6%	2.9%	5,747	57.0%	3.7%	21.0%	11.7%	6.5%
White	52,613	76.0%	2.9%	9.8%	9.3%	2.0%	215,522	72.3%	2.9%	12.1%	8.3%	4.4%
Total*	70,688	74.0%	3.0%	10.9%	9.8%	2.3%	273,399	70.1%	2.9%	12.8%	9.3%	4.9%

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

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

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

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, 2012

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	120	26	147	173	33	207	766	434	1,186
Employment History	17	6	23	21	4	26	145	70	220
Credit History	80	38	120	132	34	167	543	449	1,003
Collateral	59	24	84	84	24	109	411	646	1,066
Insufficient Cash	19	13	32	33	9	43	114	139	257
Unverifiable Information	18	10	28	37	12	51	97	130	232
Credit Application Incomplete	15	10	28	33	18	52	170	291	467
Mortgage Insurance Denied	3	0	4	1	0	1	21	27	50
Other	59	24	86	71	33	105	350	482	851
Total Denials	402	150	561	617	185	810	2,895	3,003	5,983
Number with Reason Reported	309	118	436	481	140	629	2,122	2,241	4,424
Number with No Reason Reported	93	32	125	136	45	181	773	762	1,559
Percent with No Reason Reported	23.1%	21.3%	22.3%	22.0%	24.3%	22.3%	26.7%	25.4%	26.1%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	39%	22%	34%	36%	24%	33%	36%	19%	27%
Employment History	6%	5%	5%	4%	3%	4%	7%	3%	5%
Credit History	26%	32%	28%	27%	24%	27%	26%	20%	23%
Collateral	19%	20%	19%	17%	17%	17%	19%	29%	24%
Insufficient Cash	6%	11%	7%	7%	6%	7%	5%	6%	6%
Unverifiable Information	6%	8%	6%	8%	9%	8%	5%	6%	5%
Credit Application Incomplete	5%	8%	6%	7%	13%	8%	8%	13%	11%
Mortgage Insurance Denied	1%	0%	1%	0%	0%	0%	1%	1%	1%
Other	19%	20%	20%	15%	24%	17%	16%	22%	19%

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 2.1% of denials in Massachusetts in 2011; 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 8
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Massachusetts
First-Lien, Owner-Occupied REFINANCE Loans Only, 2012

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	183	77	265	187	75	274	3,133	2,202	5,447
Employment History	12	1	14	11	4	15	176	201	407
Credit History	119	100	234	89	91	197	1,288	2,058	3,586
Collateral	113	139	260	132	161	305	1,777	5,187	7,124
Insufficient Cash	14	21	38	22	15	47	157	356	555
Unverifiable Information	27	19	52	25	25	64	415	665	1,170
Credit Application Incomplete	59	57	135	64	65	144	1,057	2,166	3,455
Mortgage Insurance Denied	4	2	6	2	3	5	26	69	96
Other	78	84	180	94	77	195	1,058	2,348	3,595
Total Denials	642	588	1,316	731	476	1,412	10,856	17,897	29,866
Number with Reason Reported	502	428	996	540	350	1,081	7,845	13,545	22,307
Number with No Reason Reported	140	160	320	191	126	331	3,011	4,352	7,559
Percent with No Reason Reported	21.8%	27.2%	24.3%	26.1%	26.5%	23.4%	27.7%	24.3%	25.3%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	36%	18%	27%	35%	21%	25%	40%	16%	24%
Employment History	2%	0%	1%	2%	1%	1%	2%	1%	2%
Credit History	24%	23%	23%	16%	26%	18%	16%	15%	16%
Collateral	23%	32%	26%	24%	46%	28%	23%	38%	32%
Insufficient Cash	3%	5%	4%	4%	4%	4%	2%	3%	2%
Unverifiable Information	5%	4%	5%	5%	7%	6%	5%	5%	5%
Credit Application Incomplete	12%	13%	14%	12%	19%	13%	13%	16%	15%
Mortgage Insurance Denied	1%	0%	1%	0%	1%	0%	0%	1%	0%
Other	16%	20%	18%	17%	22%	18%	13%	17%	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 2.1% of denials in Massachusetts in 2011; 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, 1990–2012 ^
(For 2004–2012, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	790	736	695	699	1,019	723	937	780	519	402
% of All Loans	28.9%	43.6%	11.7%	9.3%	8.5%	8.3%	9.9%	17.8%	16.2%	22.5%	19.7%	14.9%	9.2%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	1,188	1,189	946	868	1,084	1,023	1,039	1,012	992	1,468
% of All Loans	49.1%	18.7%	18.3%	14.0%	13.7%	11.4%	12.3%	19.0%	22.9%	25.0%	25.6%	28.4%	33.6%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,545	5,752	5,196	4,159	3,275	2,703	2,182	2,166	1,982	2,499
% of All Loans	21.9%	37.7%	63.4%	65.3%	66.4%	62.4%	59.0%	57.3%	60.4%	52.5%	54.7%	56.7%	57.2%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	963	981	1,493	1,326	340	23	2			
% of All Loans			6.5%	11.3%	11.3%	17.9%	18.8%	5.9%	0.5%	0.0%			
E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,486	8,658	8,330	7,052	5,718	4,472	4,160	3,958	3,493	4,369
% 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				29,750	26,038	22,238	19,734	23,750	21,131	23,408	20,857	18,738	23,190
% of All Loans				28.4%	26.5%	23.6%	25.6%	37.7%	41.2%	45.1%	43.7%	42.6%	44.4%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans				64,105	59,961	53,719	44,437	36,185	29,870	28,422	26,842	25,294	29,090
% of All Loans				61.3%	61.0%	57.0%	57.7%	57.5%	58.2%	54.8%	56.3%	57.4%	55.6%
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans				10,801	12,298	18,329	12,813	3,038	278	71			
% of All Loans				10.3%	12.5%	19.4%	16.6%	4.8%	0.5%	0.1%			
E. TOTAL													
Number of Loans				104,656	98,297	94,286	76,984	62,973	51,279	51,901	47,699	44,032	52,280
% of All Loans				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

^ For reasons of space, the columns for several years before 2003 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 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 2012, they would have added only 75 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.

NOTES ON DATA AND METHODS

Introduction

This report is based primarily on data from two major sources: the Federal Financial Institutions Examination Council (FFIEC) for Home Mortgage Disclosure Act (HMDA) data and for annual data on income levels for metropolitan areas and the U.S. Census Bureau for data on population and income levels of geographic areas. The information in these “Notes” here 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 2012, 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 body of this report has had less impact in recent years than in 2008 and earlier. In 2012, for example, junior-lien loans made up just 2.4% of all home-purchase loans and 0.8% 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 all borrowers and census tracts 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 2012 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 2012 were:

Barnstable MSA (Barnstable County)	\$80,000
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$94,900*
Boston-Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$88,800
Cambridge-Newton-Framingham MD (Middlesex County)	\$106,400
Peabody MD (Essex County)	\$87,300
Pittsfield MSA (Berkshire County)	\$69,800
Providence-Fall River-New Bedford MSA (Bristol County)	\$75,600
Springfield MSA (Franklin/Hampden/Hampshire Counties)	\$70,200
Worcester MSA (Worcester County)	\$83,600
Non-Metro part of Massachusetts (Dukes/Nantucket Counties)	\$89,500

* For 2011 and 2012, the FFIEC does not seem to have provided estimates of the MFIs for MSAs that are subdivided into MDs. Therefore, the MFI for the Boston MSA was calculated for this report as the weighted sum of the MFIs of its three MDs, using each MD's share of the total MSA population as the weights.

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 243,946 first-lien loans for owner-occupied homes in Massachusetts in 2012, a total of 4,026 are identified in the HMDA data as going to black borrowers and a total of 5,595 are identified as going to Latinos; only 206 are identified as going to borrowers who were both black and Latino.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: For example, of all first-lien loans for owner-occupied homes in Massachusetts in 2012 with information on the race of the borrower, only 0.2% of borrowers specified more than one race and only 1.7% 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 2012 HMDA LAR data. In particular, the HMDA LAR data include, for each record, (1) the percentage of minority residents in the census tract where the home is located and (2) the median family income (MFI) in that census tract as a percentage of the MFI in its metropolitan area. For 2012 to 2016 HMDA data, the FFIEC is using the 2006–2010 five-year estimates from American Community Survey data; going forward, it will update these data every five years (e.g., 2011–2015 ACS data will be used beginning with 2017 HMDA data). For more information on this, see the FFIEC's Press Release of October 19, 2011 entitled, "FFIEC Announces the Use of American Community Survey Data In Its Census Data Files." **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 2012, this group includes only Bank of America, RBS Citizens, and 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). HUD’s lists included lenders that specialized in subprime loans or for which subprime loans constituted a majority of loans originated. Between 2004 and 2009, subprime lenders were identified—for the purposes of this series of reports—on the basis of the percentage of their total Massachusetts loans that consisted of high-APR loans (HALs). Minimum percentages for specifying subprime lenders were chosen each year to include known subprime lenders, including those identified as subprime lenders on HUD’s annual lists.

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]).