

Changing Patterns XVII

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2009

BY

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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 XVII*, 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 on-line tables. MCBC hopes that this report and its supplementary data can help to increase access to fair credit for lower-income and minority homebuyers and homeowners by providing bankers, mortgage lenders, community representatives, regulators and others involved in the mortgage process with information on current mortgage lending patterns and the performance of major types of lenders.

MCBC was established in 1990 to bring together community organizations and financial institutions to 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, other information, assistance and direction in understanding and addressing the credit and financial needs of low- and moderate-income individuals and neighborhoods.

Avon Co-operative Bank
Bank of America
Boston Private Bank & Trust Company
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Cape Ann Savings Bank
Central Bank
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Citi
Citizens Bank of Massachusetts
Danversbank
Dedham Institution for Savings
Eagle Bank
East Cambridge Savings Bank
Eastern Bank
Everett Co-operative Bank

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. Over the last year and more, MCBC's Mortgage Lending Committee has served as a forum for information sharing on the efforts of homebuyer counselors, non-profit organizations and public agencies to address the rising rate of foreclosures.

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

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Note: A set of Supplemental Tables provides much additional information on: (1) lending in all cities and towns in Massachusetts; (2) lending in the state's fourteen counties; and (3) higher-cost (high-APR) lending. These tables are available in the "Reports" section of the MCBC website: www.mcabc.info/reports/mortgage.

EXECUTIVE SUMMARY

This is the seventeenth in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In recent years, the major focus of the series had shifted from concern for *fair access to credit* for traditionally underserved borrowers and neighborhoods to concern for *access to fair credit* for these same borrowers and neighborhoods. This reflected the extent to which the problem of *redlining* had become overshadowed by the problem of *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans.

This year’s report, which offers information on patterns of mortgage lending during 2009, shows another major shift in lending patterns. In the wake of the implosion of the subprime mortgage industry, high-cost subprime lending has almost disappeared, while government-backed lending (mostly consisting of loans insured by the Federal Housing Administration [FHA]) has grown dramatically. This government-backed lending has gone disproportionately to the same traditionally-underserved borrowers and neighborhoods that were targeted by predatory subprime lenders, but it represents a very different phenomenon.

Government-backed loans (GBLs), while somewhat more expensive than conventional prime loans, are generally responsible and sustainable loans. They are not a problem in themselves, but are a symptom of—and a constructive response to—a deeper problem: the limited availability of conventional prime loans to lower-income and minority borrowers and neighborhoods. With the fading of predatory subprime lending, the emergence of the current housing market ills, and the persistence of the foreclosure epidemic, the original problem that led to the inception of this series of reports in the mid-1990s has again assumed center stage: the problem

of fair access to good loans for traditionally underserved borrowers and neighborhoods.

The report presents information for the City of Boston, for Greater Boston, and for Massachusetts, as well as for each of the state’s thirty-three largest cities and towns. The primary data source is federal Home Mortgage Disclosure Act (HMDA) data for 2009, supplemented by data on population and income from the U.S. Census Bureau and annual data on metropolitan area income levels from the Department of Housing and Urban Development. The report is restricted to first-lien loans for owner-occupied homes.

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; these may be particularly useful for those interested in lending patterns in specific communities.¹

- ❖ Government-backed loans (GBLs) accounted for an unprecedented share of total lending in 2009. Statewide, 16,996 home-purchase GBLs made up nearly one-third of all home-purchase lending; approximately the same number of refinance GBLs constituted just one-tenth of the much larger total of refinance loans. In 2005, GBLs accounted for only 2% of home-purchase loans and 0.6% of refinance loans statewide.
- ❖ High-APR loans (HALs) accounted for less than 2% of all loans (home-purchase and refinance combined) statewide in 2009, down from 4% in 2008, and from a peak of 22% in 2006. Over the same three year period, the number of HALs fell from 3,361 to 213 in Boston, from 14,849 to 1,519 in Greater Boston, and from 40,143 to 3,839 statewide.

¹ A set of supplemental tables, available online at www.mcabc.info/reports/mortgage, provides information on lending in all of the state’s 351 cities and towns and in each of its fourteen counties.

- ❖ Government-backed loans (GBLs) made up a substantially smaller share of loans in Massachusetts than they did nationwide. Overall, the GBL loan shares in 2009 were 15% in Massachusetts and 29% nationwide. For home-purchase loans, the GBL loan shares were 33% in the state and 54% nationwide; for refinance loans, they were 10% in the state and 18% nationwide.
- ❖ Among the state's thirty-three biggest cities, GBL loan shares were highest in Lawrence (where they accounted for 76% of all home-purchase loans and 52% of all refinance loans), Springfield (63% and 42%), and Brockton (63% and 36%). The GBL share of home-purchase loans was also above 50% in five other cities (Lynn, New Bedford, Methuen, Attleboro, and Revere).
- ❖ Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2009 that were far below their shares of total households. In Boston, for example, blacks made up 21% of households but received only 6% of conventional home-purchase loans and 4% of conventional refinance loans. Statewide, the Latino household share was 7%, but Latino loan shares were 3% for conventional home-purchase loans and just 1% for conventional refinance loans.
- ❖ 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 refinance loans in Greater Boston in 2009, for example, the GBL loan shares were 29% for blacks and 25% for Latinos, but only 6% 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 2009 tended to decline steadily as the level of borrower income increased. For refinance lending statewide, for example, GBL loan shares fell steadily from 9.0% for low-income borrowers to just 1.0% for the highest-income borrowers.
- ❖ 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. In the City of Boston, for example, the GBL loan shares for homebuyers with incomes of \$177,000 or more were 29% for blacks, 22% for Latinos, and 9% for whites.
- ❖ For refinance loans in the City of Boston in 2009, the GBL share in low-income census tracts was almost seven times greater than that in upper-income tracts (10% vs. 1.5%) and the GBL loan share in predominantly minority census tracts was seven times greater than that in predominantly white tracts (29% vs. 4%). For tracts in every income category, the GBL share rose consistently as the percentage of minority households increased.
- ❖ Government-backed lending varied dramatically among Boston's major neighborhoods. For home-purchase loans, GBL shares ranged from 51% in Hyde Park and 50% in Mattapan to just 4% in Back Bay/Beacon Hill. For refinance loans, GBLs accounted for 37% of the total in Mattapan but only 1% of all loans in Back Bay/Beacon Hill.
- ❖ Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others. Just five cities and towns (Boston, Brockton, Springfield, Randolph, and Worcester) accounted for over one-half of total loans to blacks in Massachusetts, but only 8% of the state's total loans to whites. Six communities (Boston, Lawrence, Springfield, Lynn, Revere, and Chelsea) accounted for over one-third of all lending to Latinos in the state, but only 7% of total lending to whites. Meanwhile, in 114 communities—nearly one-third of the state's 351 cities and towns—there was not a single home-purchase loan to either a black or a Latino homebuyer.
- ❖ In Boston, Greater Boston, and Massachusetts in 2009, the denial rates on conventional (i.e., non-government-backed) mortgage loan applications by blacks and Latinos—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. However, black/white and Latino/white denial rate disparity ratios were considerably lower for applications for government-backed loans (GBLs). In the case of applications for home-purchase GBLs, these disparity ratios all fell in the relatively narrow range of 1.51 to 1.79. In the case of applications for refinance GBLs, there were only small differences among black, Latino, and white denial rates, with the disparity ratios all in the range of 0.87 to 1.26.
- ❖ When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2009 denial rates for blacks and for Latinos were in every case well above the denial rates for white applicants in the same income category. For example, in Greater Boston, black applicants with incomes between \$91,000 and \$120,000 experienced a denial rate of 21%, almost three times greater than the 8% denial rate experienced by their white counterparts; the 20% denial rate for Latinos in this income category was over two and one-half times the white rate.
 - ❖ The home-purchase loan share of Massachusetts banks and credit unions increased in 2009 for the fourth consecutive year, to 48% in Boston (up from 39% the year before and more than double the low point of 20% in 2005) and to 45% statewide (up from 41% the year before and from 24% in 2005). The loan shares of subprime lenders both in Boston and statewide were negligible, after having accounted for as much as 19% of total lending at the peak of the subprime lending boom.
 - ❖ Massachusetts banks and credit unions accounted for a substantially larger share of total (home-purchase plus refinance) loans than of government-backed loans (GBLs), while the reverse was true for Licensed Mortgage Lenders (LMLs). Statewide, Massachusetts banks and credit unions accounted for 44% of all loans but only 19% of GBLs, while LMLs accounted for less than one third of all lending (31%), but for one-half (50%) of GBLs.
 - ❖ Massachusetts banks and credit unions (“CRA-covered lenders”) directed a substantially greater share of their total loans as conventional loans—and a substantially smaller share of their total loans as GBLs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders.
 - ❖ The Bank of America lender family was by far the biggest lender both in Boston and statewide in 2009. Mortgage Master ranked second in Boston and third statewide, while Wells Fargo was third in Boston and second statewide. Sovereign ranked fourth in both Boston and the state.
 - ❖ Lending in 2009 was much less concentrated among a small number of big lenders in Boston and Massachusetts than it was nationwide. The combined market shares of the top *five* lenders in Boston (40%) and in Massachusetts (29%) were smaller than the 42% combined market share of the top *two* lenders nationwide (Wells Fargo and Bank of America).

INTRODUCTION

This report is the seventeenth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report includes information on 2009 lending in Boston, Greater Boston, and Massachusetts, as well as in the state's thirty-three largest cities and towns. In addition, a set of online tables provides selected data for every city and town in Massachusetts and for the state's fourteen counties.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. In the following years, however, these banks lost most of their total market share to other lenders whose local lending was not covered by the CRA. In the middle 1990s, subprime lending began its explosive growth. Although subprime loans initially consisted overwhelmingly of loans to refinance existing mortgages, by 2003 they had become a larger share of home-purchase loans than of refinance loans. Subprime lending peaked in 2005 and 2006, then began a precipitous drop that has resulted in its almost complete disappearance. Most recently, government-backed lending has captured a large and growing share of the total market.

The basic goal which motivated the Massachusetts Community & Banking Council (MCBC) to initiate the *Changing Patterns* series of reports was to increase access to home-purchase mortgage loans—and, thus, access to homeownership—for traditionally underserved borrowers and neighborhoods. In the early 1990s, mortgages

themselves were a relatively standard product, which potential home-buyers either got or didn't get. With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*.¹

Expressed differently, the problem of *redlining* 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 current tidal wave of foreclosures.²

Following the meltdown of the subprime mortgage lending industry, concerns over mortgage lending have returned to problems with fair 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 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 only when they cannot obtain prime mortgage loans. Because the government-

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

² Researchers at the Center for Responsible Lending estimate that “among recent borrowers...nearly 8% of both African Americans and Latinos have lost their homes to foreclosures, compared to 4.5% of whites.” (Debbie Bocian, Wei Li, and Keith Ernst, *Foreclosures by Race and Ethnicity: The Demographics of a Crisis*, June 2010, page 2; available at: www.responsiblelending.org.) The Mortgage Bankers Association reported that the percentage of loans in the foreclosure process nationwide at the end of the third quarter of 2009 was 15.4% for subprime loans, compared to 3.2% for prime loans (Press release of Nov. 19, 2009, available at: www.mbaa.org/newsandmedia). Closer to home, the City of Boston's Department of Neighborhood Development found that the Boston neighborhoods where the rate of foreclosure petitions were highest in 2007 were the neighborhoods where the rate of higher-cost lending was found to be highest in previous *Changing Patterns* reports, (“Foreclosure Trends 2007,” pp. 2 and 8; available at: www.cityofboston.gov/dnd/PDFs/U_2007_Foreclosure_Trends.pdf).

backed lending programs had low lending volumes in Massachusetts until very recently, many readers of this report will be unfamiliar with them. Accordingly, Section I of this report provides a brief guide to understanding government-backed lending.

The main data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council. HMDA data include information from almost all lenders who make substantial numbers of mortgage loans. For each loan application received, the data include the income, race, ethnicity, and sex of the applicant; the location of the property; whether the loan is for home-purchase, refinance, or home improvement; whether 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. HMDA data also include limited information on the pricing of some higher-cost loans. In particular, lenders are required to compare the annual percentage rate (APR) on each mortgage loan to an indicator of the current prime mortgage lending rate. If the “spread” between the loan’s APR and the indicator rate exceeds a certain threshold, then the spread for that loan must be reported in the lender’s HMDA data. In this report, loans with reported rate spreads are referred to as “*high-APR loans*” or “*HALs*.”³

The primary focus of many of this report’s tables and charts is to provide information on GBLs as a share of all loans made to different categories of borrowers and in different geographical areas. To this end, the report draws on two major sources of data in addition to HMDA data. First, the estimates of the 2009 median family income (MFI) in each metropolitan area produced by the U.S. Department of Housing and Urban Development (HUD) are used to place borrowers into income categories. Second, information from the 2000 U.S. Census is utilized so that analysis of GBL 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.

This focus on GBLs replaces the focus on high-APR loans (HALs) in recent *Changing Patterns* reports. Nevertheless, the report does include a number of tables with summary information on the number and distribution of HALs. Many additional tables with data on HALs are included in the set of Supplemental Tables available online at www.mcabc.info/reports/mortgage.

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 91.7% of all loans in the state, that first-lien loans for non-owner-occupied homes accounted for 6.1% of the total, and that junior-lien loans accounted for the remaining 2.2% (the corresponding percentages in 2008 were 84.4%, 9.8%, and 5.8%, 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 lenders have performed. Rather, its descriptive contributions are intended to be important annual inputs into the complex, ongoing tasks of explanation and evaluation.

³ The criteria for determining whether a loan is a high-APR loan changed late in 2009. See “Notes on Data and Methods” for details on the old and new criteria.

For many readers, this report's main contribution will consist of the wealth of information contained in its thirty-nine 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.

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, and Massachusetts, with limited attention to other areas. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.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 households, 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 offers information on recent legislative and regulatory developments affecting mortgage lending in Massachusetts.
- ❖ Finally, a section of “Notes on Data and Methods” provides considerable detail on a number of technical matters.

⁴ Additional tables, available in the reports section of the website of the Massachusetts Community & Banking Council (www.mcbc.info) provide **information on mortgage lending in all of the cities and towns in Massachusetts** and in all fourteen of the state's counties. It should be noted that these on-line tables do not provide individual data for all 351 of the state's cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 68 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Truro and Wellfleet in Barnstable County).

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. 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

The take-away lesson from this section is that 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 have resulted in delinquencies and foreclosures; as of August 2010, only 46.2% of outstanding subprime loans in Massachusetts were current in their payments, 24.7% were 90 or more days delinquent, and 12.3% 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. Although GBLs require smaller down payments and allow lower credit scores than prime loans, they have proven to be almost as affordable and sustainable. As of August 2010, 91.5% of outstanding GBLs in Massachusetts were current in their payments (the same percentage as for prime loans), 3.5% were 90 or more days delinquent (compared to 2.8% for prime loans), and 1.8% were in the process of foreclosure (compared to 1.9% 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 vast majority of GBLs (91.6% of the total in Massachusetts in 2009), with the VA accounting for most of the rest (6.7% of the statewide total). Although there are differences among the three programs, they are similar enough that the description that follows will focus on FHA lending only.⁹

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

⁶ Loan status statistics in this paragraph and the next are from a very useful website maintained by the Federal Reserve Bank of New York: <http://data.newyorkfed.org/creditconditions>. Data for August 2010 were "current" when the website was accessed in mid-November.

⁷ See previous footnote. The New York Fed's data are for "FHA+VA" loans rather than for all GBLs.

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). 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 premium (they require an upfront guarantee fee [for the VA this is equal to 2.15% of the loan amount if the down payment is less than 5%, waived in the case of disabled borrowers] 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 to borrowers who are income-qualified.

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. Borrowers must be owner-occupiers and must make a down payment of at least 3.5% of the value of the property, although the down payment need not come from their own funds. (For example, the FHA allowed the \$8,000 tax credit that was available to first-time home buyers during all of 2009 to be applied to the down payment.) 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. The maximum for a single-unit property in the Greater Boston area is currently \$523,750. (The lowest maximum in the state is \$271,050 in Berkshire County; the highest is \$729,750 in Martha's Vineyard and Nantucket.)

In response to losses in recent years that have depleted the reserves in its insurance fund, the FHA has tightened its minimum lending standards, increased insurance premiums on new loans, and increased scrutiny of lender performance.¹⁰ As of October 2010, the one-time upfront insurance premium is 1% of the loan amount and the annual insurance premium is 0.85% if the loan-to-value ratio (LTV) is 95% or less (that is, if the down payment is 5% or more), and 0.90% if the LTV is above 95%. The 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 lenders require higher credit scores than the minimums established by the FHA; the average credit score on newly-insured loans is currently almost 700, up from 634 in 2007.¹¹

Reasons for the Surge in Government-Backed Lending

In the 1990s government-backed lending primarily served borrowers who could not obtain a prime conventional loan, 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 to 2000, at about 12%, but was considerably lower in Greater Boston and other areas where relatively high home prices resulted in most loan amounts exceeding the FHA maximum. Data in previous *Changing Patterns* reports indicate that GBLs accounted for an average of 7.1% of applications for home-purchase loans in Boston between 1993 and 2000 (fluctuating in the range 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, 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 2006.¹²

The surge of GBLs in the last three years has 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

¹⁰ 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 recently told Congress 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>).

¹¹ *The Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2010* (November 15, 2010; available at: www.hud.gov) is an excellent up-to-date source of information on how the FHA lending program works and on recent changes to the program. Before October 2010, the upfront insurance premium was higher (1.75%) and the annual premiums were lower (0.50% or 0.55%).

¹² 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).

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.¹³

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 red-lining 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 1977.¹⁴

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. One recent episode came in the immediate aftermath of the subprime lending meltdown, when many predatory lenders simply moved over and continued plying their trade as FHA lenders.¹⁵

II. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

This brief section reports on the current levels of, and recent trends in, the overall volume of mortgage lending and in the shares of total lending accounted for by government-backed loans (GBLs) and high-APR loans (HALs). The findings presented in the bullet points and charts below are based on detailed tables that follow the text of this report. 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 finding that emerges from these tables is the dramatic shrinkage of HAL lending during the last three years, and the sharp expansion of GBL lending during the last two years. It is in response to this development that the primary focus of the tables and discussion in this report has shifted from HALs to GBLs and that most of the tables containing information about HALs have been moved to the set of Supplemental Tables available online only ([at www.mcbsc.info/reports/mortgage](http://www.mcbsc.info/reports/mortgage)).

¹³ Researchers at the Federal Reserve have provided a fairly detailed account of these developments and their impact on GBL lending. They show that during the last half of 2009, for borrowers with FICO scores below 700, FHA and VA loans accounted for almost all loans with loan-to-value ratios (LTVs) greater than 80%; for borrowers with FICO scores above 700, FHA and VA loans accounted for about 40% of loans with LTVs between 80% and 90%, for about 80% of loans with LTVs between 90% and 95%, and for about 95% of loans with LTVs above 95%. Robert Avery, *et al.*, "The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress," *Federal Reserve Bulletin* [forthcoming], pp. 18–26, Table 9, & Figures 5–6 of the version online in late 2010 at: www.federalreserve.gov/pubs/bulletin/2010/pdf/hmda2009.pdf.

¹⁴ 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/CITYSCAPE/VOL2NUM1/bradford.pdf). For an account of the B-BURG experience, see Hillel Levine and Lawrence Harmon, *The Death of an American Jewish Community: A Tragedy of Good Intentions*, Free Press, 1992.

¹⁵ 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.

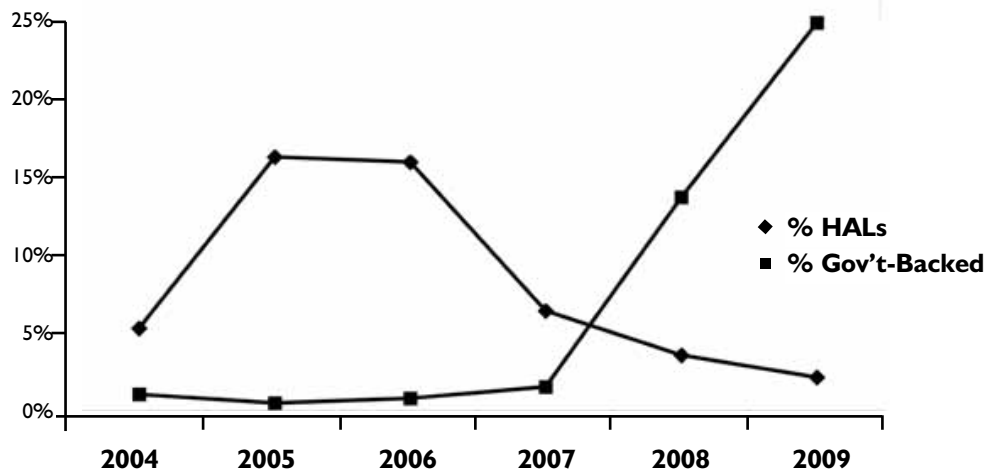
Among the main findings that emerge from analysis of the tables on the overall level and composition of lending are the following:

- ❖ **Government-backed loans (GBLs) accounted for an unprecedented share of total lending in 2009. Statewide, there were 16,996 home-purchase GBLs, accounting for nearly one-third (32.7%) of all home-purchase lending.** There were approximately the same number of refinance GBLs (16,544), but these accounted for just one-tenth (9.7%) of the much larger total of refinance loans. In the City of Boston, GBLs accounted for 19.5% of home-purchase loans and 7.9% of refinance loans; in Greater Boston, the corresponding loan shares were 24.7% and 6.8%. In 2005, GBLs accounted for just 1.9% of home-purchase loans and 0.6% of refinance loans statewide (these loans shares were even smaller in Boston and Greater Boston), and their shares increased only slightly during the next two years. (See Table 1 and Exhibit 1.)

- ❖ **High-APR loans (HALs), which had declined dramatically in 2008, continued to fall in 2009, accounting for just 1.7% of all loans (home-purchase and refinance combined) statewide, down from 4.2% in 2008, and from a peak of 22.2% in 2006.** Over the same three year period the number of HALs fell from 3,361 to 213 in Boston, from 14,849 to 1,519 in Greater Boston, and from 40,143 to 3,839 statewide. Of the loans classified with the new, more accurate method of identifying HALs that went into effect during the last quarter of 2009¹⁶, HALs accounted for only 0.6% of all loans statewide, and only 0.2% of all loans in the City of Boston.¹⁷ (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 2009 were 15.0% in Massachusetts and 29.4% nationwide. For home-purchase loans, the GBL loan shares were 32.7% in the state and 54.4% nationwide; for refinance loans, they were 9.7% in the state and 18.3% nationwide.¹⁸

**EXHIBIT 1: High-APR and Gov’t-Backed Loans in Greater Boston, 2004–2009
First-Lien Home-Purchase Loans for Owner-Occupied Homes**



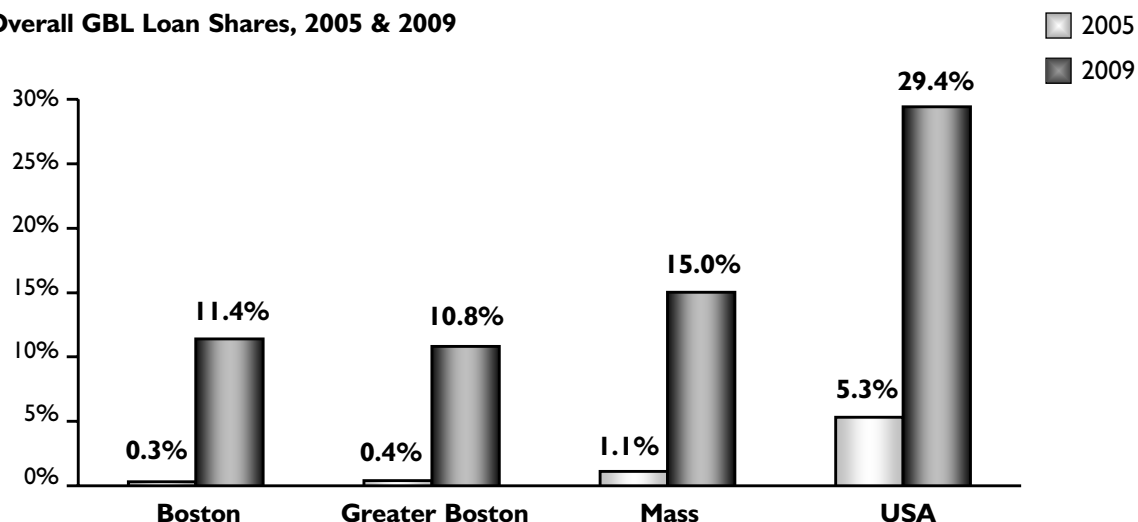
Source: Tables 1 & 2

¹⁶ See “Notes on Data and Methods” for an explanation of the change in how high-APR loans are identified in HMDA data.

¹⁷ Supplemental Tables 11, 12, and 13 provide information on total and HAL lending in the state’s 33 biggest cities, in all 14 counties, and in all cities and towns. These tables are available online only, and are not further discussed in this report.

¹⁸ Nationwide GBL shares were calculated from data in Table 7 of Robert B. Avery, *et al.*, “The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress,” *Federal Reserve Bulletin*, 2010 [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.

EXHIBIT 2: Overall GBL Loan Shares, 2005 & 2009



Source: Table 2 and see footnote 18

- ❖ **Among the state's thirty-three biggest cities,¹⁹ GBL loan shares were highest in Lawrence** (where they accounted for 76.1% of all home-purchase loans and 52.1% of all refinance loans), **Springfield** (63.0% and 42.2%) and **Brockton** (62.8% and 36.3%). The GBL share of home-purchase loans was also above 50% in five other cities (Lynn, New Bedford, Methuen, Attleboro, and Revere) and the GBL share of refinance loans was also above 25% in five other cities (New Bedford, Lynn, Chicopee, Fall River, and Worcester). (Table 3)
- ❖ **Almost every city and town in Massachusetts received at least one government-backed loan**

(GBL) in 2009. Of the 285 cities and towns for which the number of GBLs loans can be determined exactly, only four small towns in Berkshire County failed to receive at least one GBL (New Marlborough, West Stockbridge, Monterey, and Tyringham).²⁰ There were few GBLs in the wealthiest communities: Weston, which has the highest median family income (MFI) of any community in the state (\$181,041, according to the 2000 Census), received two GBLs; Dover, with the second highest MFI, received one GBL; and Carlisle, which had the third highest MFI, received two GBLs. (Supplemental Table 5, available online)

III. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, black and Latino borrowers were much more likely than their white counterparts to receive **government-backed loans (GBLs)**. At the same time, blacks and Latinos received shares of total **conventional loans (a term commonly used as equivalent to “non-government-back loans” or “non-GBLs”)** that were

disproportionately small compared to their shares of total households. The pattern with respect to GBL loans can be seen from two different perspectives. On the one hand, GBLs made up much larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. On the other hand, blacks and Latinos received much larger

¹⁹ Although five of the state's thirty-three largest municipalities, as listed in Table 3, are officially towns, the municipalities will be referred to collectively as “cities” throughout this report. The five towns are: Arlington, Brookline, Framingham, Plymouth, and Weymouth. The smallest city or town among the biggest thirty-three is Westfield, with a population of 40,072 according to the 2000 Census.

²⁰ In addition, there were three multi-town census tracts where the number of GBLs was smaller than the number of towns; in these census tracts there were between four and eight additional towns that did not receive any GBLs. Of the 351 cities and towns in the state, only 283 are large enough to have at least one census tract entirely to themselves. The other 68 towns share a total of 23 census tracts, with the number of towns that share a single census tract ranging from two to six. Census tracts are the smallest geographical area for which HMDA data are available, so it is impossible to determine which towns received the loans made in these 23 census tracts.

shares of total GBLs than they received of total conventional loans. (These same patterns also hold for high-APR loans [HALs]). 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, the disparities between black borrowers and white borrowers tend to be *greater* at higher income levels, while those between Latino borrowers and white borrowers tend to decrease as income rises.²¹

❖ **Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2009 that were far below their shares of total households. In Boston, for example, blacks made up 21.1% of households but received only 6.1% of conventional home-purchase loans and 4.2% of conventional refinance loans.**

Statewide, the black household share was 4.6%, but black loan shares were just 1.9% for prime home-purchase loans and 0.9% for prime refinance loans.²² (Panel II of Table 4)

❖ **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total conventional loans in 2009 that were well below their shares of total households. In Boston, for example, Latinos made up 13.6% of households, but received only 4.2% of conventional home-purchase loans and 2.5% of conventional refinance loans.** Statewide, the Latino household share was 6.9%, but Latino loan shares were 3.0% for conventional home-purchase loans and just 1.3% 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**

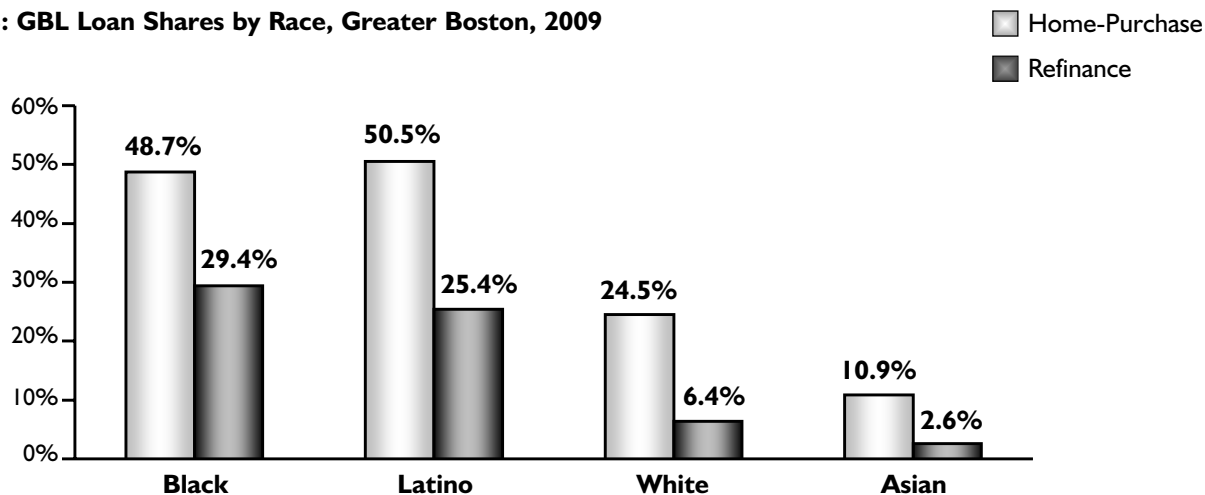
Asian counterparts. For refinance loans in Greater Boston in 2009, the GBL loan shares were 29.4% for blacks and 25.4% for Latinos, but only 6.4% for whites. Accordingly, the black/white disparity ratio was 4.6 and the Latino/white disparity ratio was 4.0; these black/white disparity ratios indicate, for example, that black homeowners in Greater Boston who refinanced their mortgages were 4.6 times more likely to get GBLs than were their white counterparts. For home-purchase loans in Greater Boston, GBLs accounted for 48.7% of loans to blacks and 50.5% of loans to Latinos, but only 24.5% of loans to whites, for a black/white disparity ratio of 2.0 and a Latino/white disparity ratio of 2.1. For home-purchase loans in the City of Boston, the black/white and Latino/white GBL disparity ratios were 2.7 and 2.4, respectively, while the disparity ratios for refinance loans were 6.2 and 5.2. Statewide, the black/white GBL disparity ratio was 1.8 for home-purchase loans and 3.8 for refinance loans; the corresponding Latino/white disparity ratios were 1.8 and 3.4. 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 2.2% of all conventional loans in 2008, their share of all GBL loans was almost three times greater—6.2%. Similarly, while Latino homebuyers received only 2.9% of all conventional loans in Greater Boston, their share of all GBL loans was slightly over three times greater—8.9%.** (Table 4, Panel II)

²¹ 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 Boston since 1990. 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 11, 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.

²² The black and Latino household shares in this paragraph and the next are for 2008, calculated using data from the Census Bureau's American Fact Finder (www.census.gov). The black household shares both in Boston and statewide decreased slightly between 2000 and 2008: from 21.4% to 21.1% in Boston and from 4.7% to 4.6% statewide. The Latino household shares both in Boston and statewide increased between 2000 and 2008: from 10.6% to 13.6% in Boston and from 4.9% to 6.9% statewide. Calculations for 2000 were based on data in Tables H9 and H10 of Summary File 3 data. Calculations for 2008 were based on data in Tables B11001, B11001B, and B11001I of American Community Survey 1-year estimates for 2008. The method used for of these calculations was consistent for the two dates.

EXHIBIT 3: GBL Loan Shares by Race, Greater Boston, 2009



Source: Table 4

- ❖ **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 7–10; also see Exhibit 4.²³
- ❖ Although this report gives limited attention to high-APR loans (HALs), because their volume has become so small, it is worth observing that the patterns of HAL lending remain similar to what they were in past years, and to current patterns of GBL lending—that is, HALs continue to go disproportionately to black and Latino borrowers and neighborhoods. For example, in Greater Boston in 2009, 6.0% of home-purchase

EXHIBIT 4: Black and Latino Homebuyer Shares of All Refinance Loans, Ten Biggest Cities in Massachusetts, 2009

	Black share of total		Latino share of total	
	non-GBLs	GBLs	non-GBLs	GBLs
Boston	4.2%	23.6%	2.5%	11.3%
Worcester	1.8%	7.6%	2.0%	6.4%
Springfield	7.9%	16.3%	9.4%	15.0%
Lowell	0.6%	3.0%	3.6%	5.6%
Cambridge	1.5%	8.8%	1.4%	5.9%
Brockton	11.7%	24.2%	3.6%	10.0%
New Bedford	4.1%	7.2%	2.6%	5.2%
Fall River	0.4%	0.4%	1.6%	3.6%
Lynn	2.8%	8.0%	5.1%	17.1%
Quincy	0.5%	2.5%	1.1%	2.0%

Source: Table 10

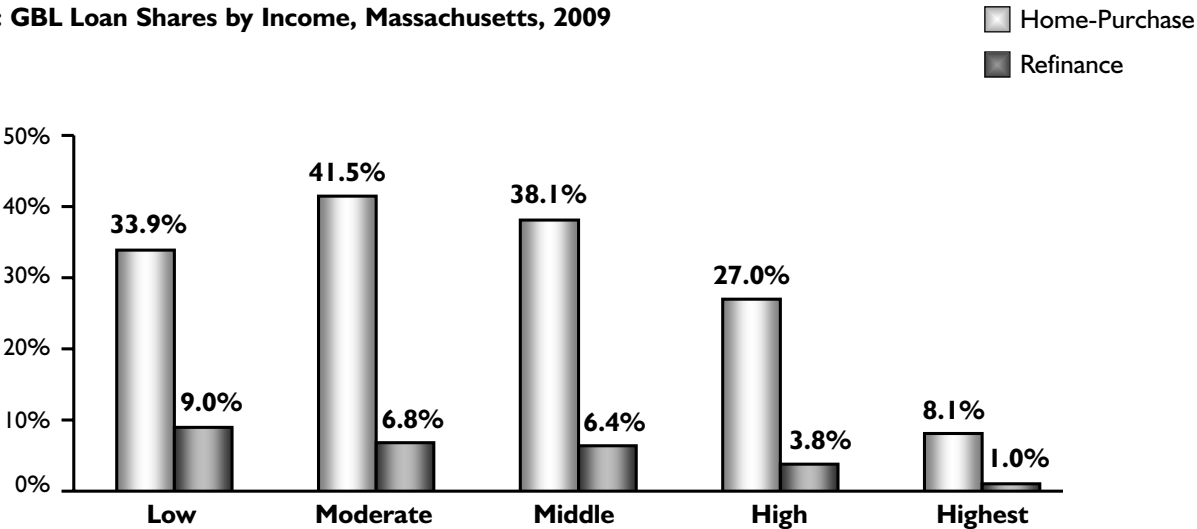
²³ Information for the state's fourteen counties and for all of its cities and towns is presented in Supplemental Tables 2–3 & 7–9, available online.

loans to both blacks and Latinos were HALs, compared to 1.7% of the home-purchase loans to whites; for refinance loans, the HAL shares were 3.6% for blacks, 3.1% for Latinos, and 1.0% for whites. These percentages result in disparity ratios of about 3.5 in each case. The corresponding disparity ratios were higher in the City of Boston and lower statewide. (Table 5)²⁴

❖ **Among borrowers who receive GBLs, blacks and Latinos are substantially more likely to receive higher-cost loans**—that is, their GBLs are more likely to be HALs. For home-purchase loans in Greater Boston, for example, HALs accounted for 8.9% of the GBLs received by black borrowers, 10.1% of the GBLs received by Latinos, and 3.4% of the GBLs received by whites—resulting in a black/white disparity ratio of 2.6 and a Latino/white disparity ratio of 3.0. The disparity ratios were greater in the City of Boston and smaller for Massachusetts as a whole. The disparity ratios were considerably smaller for refinance lending than for home-purchase lending. (Table 6)

❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2009 tend to decline steadily as the level of borrower income increases.** Statewide, for example, GBL shares of home-purchase loans were 41.5% for moderate-income borrowers, 38.1% for middle-income borrowers, 27.0% for high-income borrowers, and 8.1% for highest-income borrowers; the GBL share for low-income borrowers, 33.9%, was a modest deviation from the general pattern by being smaller than the GBL shares for moderate- and middle-income borrowers. For refinance lending statewide, GBL loan shares fell steadily from 9.0% of low-income borrowers to just 1.0% for the highest-income borrowers.²⁵ Information on 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 2009 was \$88,100, so low-income borrowers there were those with incomes up to \$44,000, moderate-income was from \$45,000 to \$70,000,

EXHIBIT 5: GBL Loan Shares by Income, Massachusetts, 2009



Source: Table 11

²⁴ Additional information about HAL lending by borrower race/ethnicity, and by income, is provided in Supplemental Tables 14–24, available online at www.mcabc.info/reports/mortgage.

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 2009—see the “No Info” row in Panel I.B in Table 11. (In contrast, HMDA data include information on borrower income for over 99% both of home-purchase GBLs and of all conventional loans.) This reflects the FHA’s “streamline refinance” program for borrowers refinancing from one FHA loan to another with no cash out; under this 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.

middle-income was from \$71,000 to \$105,000, high-income was from \$106,000 to \$176,000, and highest-income borrowers were those with incomes of \$177,000 or more.^{26, 27} (Tables 11 & 12 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.** For black borrowers, the disparities in GBL shares tend to increase as the income level increases, for both home-purchase and refinance loans. For Latino borrowers, the disparities in GBL shares show no significant trend by income level for home purchase loans, while for refinance loans they tend to decrease as the

income level increases. These general patterns hold in Boston (Table 13), in Greater Boston (Table 14), and statewide (Table 15). For brevity, only two specific examples will be provided here. **In the City of Boston, 61.1% of high-income blacks and 43.8% of high-income Latinos received their home-purchase loans in the form of GBLs, while the GBL loan share was 19.1% for high-income whites. For the highest-income homebuyers in Boston, the GBL loan shares were 28.6% for blacks, 22.2% for Latinos, and 9.0% for whites.** This means that among homebuyers with reported incomes of \$177,000 or more, blacks were 3.2 times more likely to receive a GBL than their white counterparts, and Latinos were 2.5 times more likely than whites to receive their mortgage in the form of a GBL. (Tables 13–15)

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. The data in Tables 16–19 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).

Table 16 (Boston), Table 17 (Greater Boston), and Table 18 (Massachusetts) classify census tracts by both race/ethnicity and income level.²⁸ In each

panel of these tables, the first four rows and columns of numbers provide information on tracts classified by both income level and race/ethnicity; the bottom row provides information for the total of all tracts at each income level; and the right-most column provides information for the total of all tracts in each racial/ethnic category. Panel A indicates the distribution of census tracts among categories; Panels B–D provide information on home-purchase lending: total number of loans, share of these loans that are GBLs, and GBL-share disparity ratios (expressed as the ratio of each GBL share to the GBL share in upper-income, predominantly white tracts);

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.

²⁷ Information on lending to borrowers at different income levels in the state’s fourteen counties is provided in Supplemental Table 4, available online only.

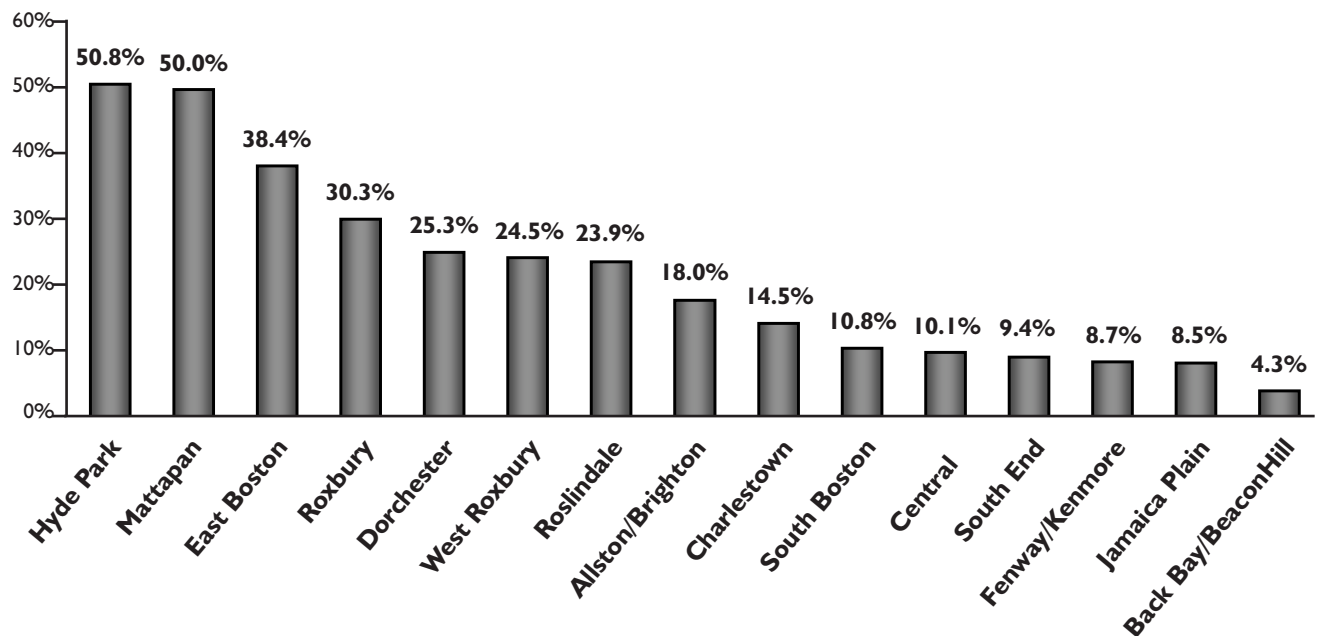
²⁸ Census tracts, defined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 589,141 according to the 2000 census, has 157 census tracts. Census tracts are placed in racial/ethnic categories on the basis of percentages of minority and white households as reported in the 2000 census (minority households are all those for which the householder is other than a non-Latino white). A tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the Metropolitan Statistical Area (MSA) within which the tract is located. MFIs for geographical areas are from the 2000 decennial census. “Low-income” tracts are those with MFIs less than 50% of the MFI in the MSA; “moderate-income” tracts have MFIs from 50%–80% of the MFI in the MSA; “middle-income” tracts have MFIs from 80%–120% of the MFI in the MSA; and “upper-income” tracts are those with MFIs greater than 120% of the MFI in their MSA.

and Panels E–G provide the same information on refinance lending. These tables show that in every case GBL loan shares tend to be substantially higher in traditionally underserved neighborhoods—that is, in census tracts with low income levels and high concentrations of minority households. The first two bullets illustrate this general pattern by summarizing results for refinance lending in Boston and home-purchase lending statewide.

- ❖ **For refinance loans in the City of Boston in 2009, the government-backed loan (GBL) share in low-income census tracts was almost seven times greater than that in upper-income tracts (10.2% vs. 1.5%) and the GBL loan share in predominantly minority tracts (those with more than 75% minority households) was almost seven times greater than that in predominantly white tracts (29.4% vs. 4.3%).** For tracts in every income category, the GBL share rises consistently as the percentage of minority households increases. The GBL loan shares were highest by far, at nearly 30%, in the predominantly minority census tracts (all of which tracts are low- or moderate-income). (Table 16)

- ❖ **For home-purchase loans in the state as a whole, the GBL loan share in low-income census tracts was 2.4 times greater than that in upper-income tracts (47.5% vs. 20.0%) and the GBL loan share in predominantly minority tracts was 1.5 times greater than in predominantly white tracts (47.4% vs. 31.5%).** The GBL loan shares are highest, at over half of all loans, in low-income census tracts where minorities constitute a majority of all households. (Table 18)
- ❖ **Government-backed lending varied dramatically among Boston’s major neighborhoods. For home-purchase loans, GBL shares ranged from 50.8% in Hyde Park and 50.0% in Mattapan to 4.3% in Back Bay/Beacon Hill.** For refinance loans, GBL shares ranged from 36.8% in Mattapan to 0.8% in Back Bay/Beacon Hill. The four Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, and Hyde Park—were all among the five neighborhoods with the highest GBL shares for home-purchase lending, all above 25%.²⁹ (Table 19 and Exhibit 6)

EXHIBIT 6: GBL Shares of Home-Purchase Loans, Boston Neighborhoods, 2009



Source: Table 19

²⁹ Table 20 shows very similar patterns for the distribution of high-APR loans (HALs) among Boston’s major neighborhoods, although HALs make up a much smaller portion of total lending than do GBLs.

- ❖ The same pattern emerges at the level of entire communities. For the 33 biggest cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on government-backed lending. Examination of these data shows that GBL loan shares have a strong positive correlation with communities' percentages of black and Latino residents and a strong negative correlation with communities' median family incomes (MFIs). For example, **the four cities with the highest GBL shares for home-purchase loans in 2009 had an average of 34.3% black plus Latino households and an average MFI of \$39,906, while the four cities with the lowest GBL shares had an average of 6.7% black plus Latino households and an average MFI of \$84,112.** (The high GBL-share cities are Lawrence, Springfield, Brockton, and Lynn; the low GBL-share cities are Brookline, Cambridge, Newton, and Arlington.)
- ❖ **Total home-purchase lending to blacks and Latinos was highly concentrated in a small**

number of the state's cities and towns, and entirely absent in many others. Just five cities and towns (Boston, Brockton, Springfield, Randolph, and Worcester) accounted for over one-half (50.7%) of total loans to blacks in Massachusetts; these same five communities accounted for only 8.1% of the state's total loans to whites. Six communities (Boston, Lawrence, Springfield, Lynn, Revere, and Chelsea) accounted for over one-third (35.8%) of all lending to Latinos in the state; these six communities accounted for just 7.3% of total lending to whites. At the same time, **blacks received no home-purchase loans in 192 of the state's 351 cities and towns, and only a single loan in 57 more, while there were 142 communities where Latinos received no loans and 73 more where they received just one. In 114 communities, nearly one-third (32.5%) of the state's cities and towns, there was not a single home-purchase loan to either a black or a Latino homebuyer.** (Calculated from data presented in Supplemental Table 6, available online.)

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 21–22 for Boston, Greater Boston, and Massachusetts. Information on applications and denial rates for Asians, blacks, Latinos, and whites in every city and town in Massachusetts is presented in Supplemental Table 10, available online.^{30, 31}

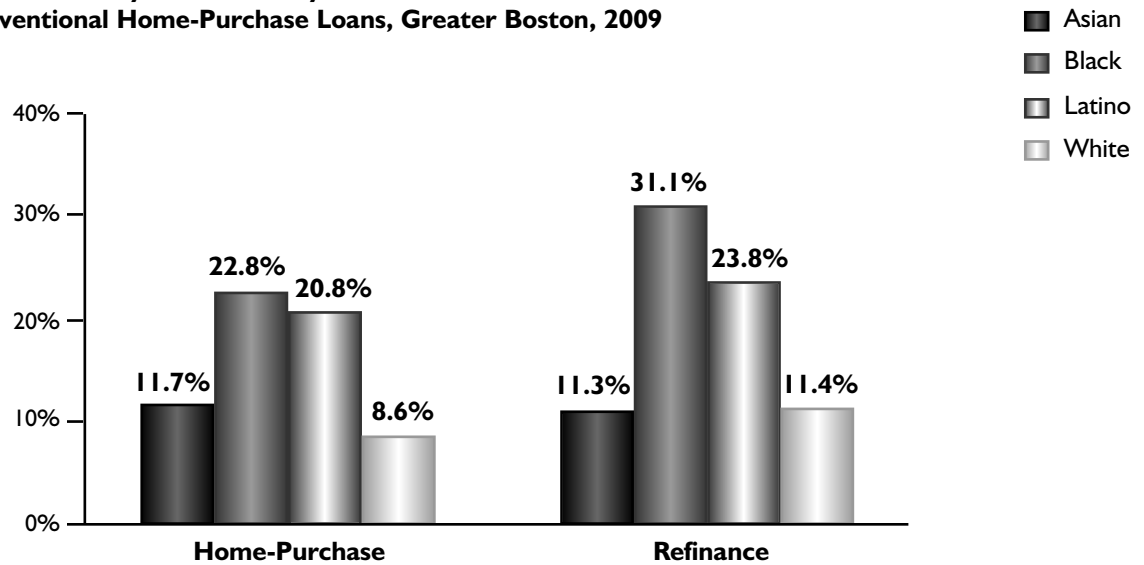
- ❖ **In Boston, Greater Boston, and Massachusetts in 2009, the denial rates on conventional (i.e.,**

non-government-backed) mortgage loan applications by blacks and Latinos—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. The black/white disparity ratios ranged from 2.36 to 2.74, while the Latino/white disparity ratios ranged from 2.07 to 2.43. Asian denial rates for applications for conventional home-purchase loans were about midway between those for whites and those for blacks and Latinos; for conventional refinance loans, they were close to those for whites. (Table 21 and Exhibit 7)

³⁰ 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. It shows that denial rates for black, Latino, and white applicants fell in all three areas in 2009; white denial rates fell somewhat less than the others so that the black/white and Latino/white denial rate disparity ratios all fell (the disparity ratios for 2009 ranged from 1.95 to 2.47). The Asian denial rate rose in Boston, and the Asian/white denial disparity rate increased both in Boston (reaching a record high of 1.69) and statewide (to 1.23, also a record).

³¹ Not all loan applications result in either loans or denials; approximately one-sixth of applications have other outcomes. Appendix Table 6 provides information on the percentage distribution of loan applications among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts, separately for home-purchase and refinance loans.

**EXHIBIT 7: Denial Rates, by Race/Ethnicity,
Conventional Home-Purchase Loans, Greater Boston, 2009**

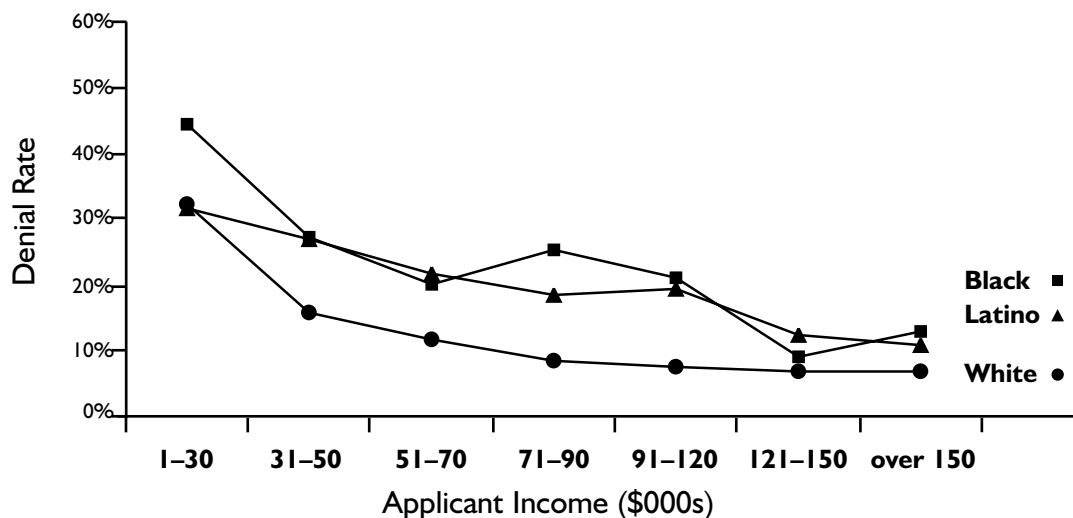


Source: Table 21

- ❖ **Black/white and Latino/white denial rate disparity ratios were considerably lower for applications for government-backed loans (GBLs) than they were for conventional loans. In the case of applications for home-purchase GBLs, these disparity ratios all fell in the relatively narrow range of 1.51 to 1.79. In the case of applications for refinance GBLs, there were only small differences among black, Latino, and white denial rates, with the disparity ratios all in the range of 0.87 to 1.26.** Asian denial rates for home-purchase GBLs were close to those for whites; in the case of applications for refinance GBLs, however, Asians had the highest denial rates of any group, in all three geographical areas. (Table 21)
- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,³² **the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2009 denial rates for blacks and for Latinos were in every case well above the denial rates for white applicants in the same income category.** In fact, in all three areas the denial rate disparity ratios are greatest for applicants with incomes between \$70,000 and \$120,000. For example, in Greater Boston, black applicants with incomes between \$91,000 and \$120,000 experienced a denial rate of 21.2%, almost three times greater than the 7.6% denial rate experienced by their white counterparts; the 19.5% denial rate for Latinos in this income category was over two and one-half times the white rate. (Table 22 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. Providing up to three reasons for a loan denial is optional for most lenders; in 2009 no reason was given for about one-quarter of denials. **The stated reasons for loan denials are quite similar for blacks, Latinos, and whites, but differ substantially by the income level of applicants and between home-purchase and refinance applications. “Collateral” is the most**

³² For example, it can be calculated from the data in Table 22 that 49% of white applicants in Greater Boston had reported incomes of \$91,000 or greater, compared to only 18% of black applicants and 14% of Latino applicants.

EXHIBIT 8: Denial Rates by Race & Income, Home-Purchase Loans, Greater Boston, 2009



Source: Table 22

frequently stated reason for denials to middle- and upper-income applicants, cited in over one-half of refinance denials and about one-third of home-purchase denials. For low- and moderate-income applicants, “Debt-to-Income Ratio” is the most frequently stated reason for

denial, but for these applicants also collateral is cited more frequently for refinance loans than for home-purchase loans. (Black applicants vary somewhat from these generalizations.) “Credit History” is consistently the third most frequently cited reasons for denial.

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 all lenders who require a license from the state’s Division of Banks in order to make mortgage loans in the state; these are primarily independent mortgage companies, but also include affiliates of non-Massachusetts federally-chartered banks as well as subsidiaries and affiliates of non-Massachusetts state-chartered banks. *Other Lenders* consist primarily of out-of-state banks and credit

unions, plus federally-chartered Massachusetts credit unions.³³ 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 currently covered by the state and/or federal Community Reinvestment Act (CRA); (2) is potentially subject to similar oversight by the state; or (3) is exempt from such state oversight.

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

³³ 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.

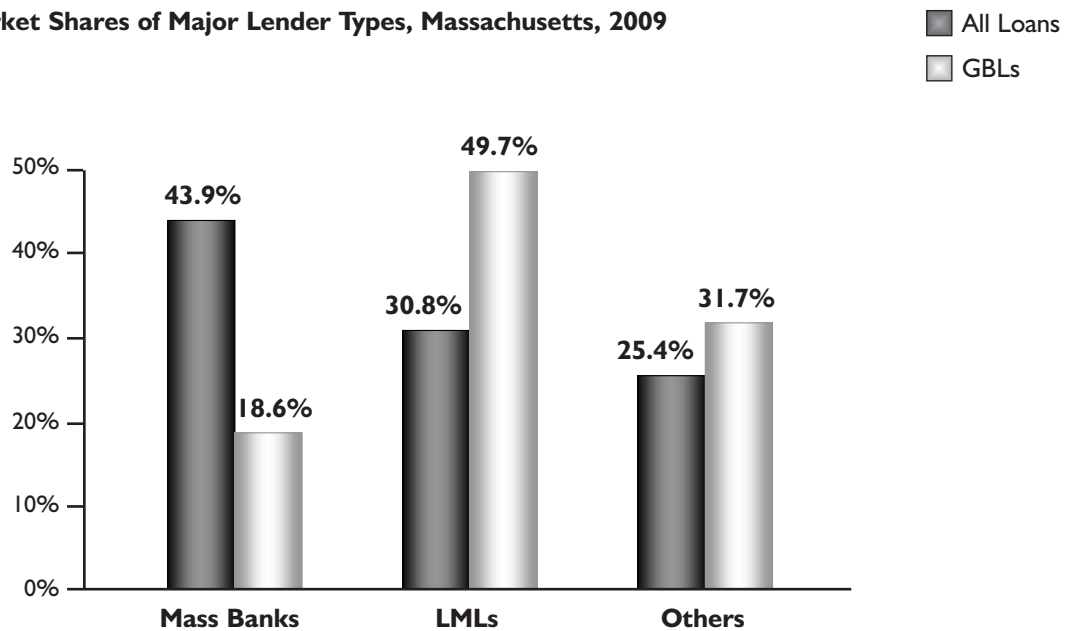
factor in the inclusion of CRA-type obligations and evaluation for licensed mortgage lenders (LMLs) as part of *An Act Protecting and Preserving Homeownership* that was signed into Massachusetts law in November 2007. In other words, the “potential” noted for category (2) at the end of the preceding paragraph has now become a reality for licensed mortgage lenders who have made at least fifty mortgage loans in the state during the preceding year. (See Part VIII for more information on the implementation of the state’s Mortgage Lender Community Investment regulations.)

❖ **The home-purchase loan share of Massachusetts banks and credit unions increased in 2009 for the fourth consecutive year, to 47.5% in Boston (up from 39.1% the year before and more than double the low point of 19.7% in 2005) and to 45.1% statewide (up from 41.2% the year before and from 23.6% in 2005). The loan shares of subprime lenders both in Boston and statewide were negligible, after having accounted for as much as 19% of total lending at the peak of the subprime lending boom.** Table 23 shows how the shares of major

categories of mortgage lenders have changed since 1990, following the same format—and the same lender categories—as the corresponding table in previous reports. For this table only, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-State Banks,” and lenders classified as “subprime lenders” are separated out from the other lenders within this broad grouping.³⁴ (Table 23)

❖ **Massachusetts banks and credit unions accounted for a substantially larger share of total (home-purchase plus refinance) loans than of government-backed loans (GBLs), while the reverse was true for Licensed Mortgage Lenders.** Statewide, Massachusetts banks and credit unions accounted for 43.9% of all loans but only 18.6% of GBLs, while LMLs accounted for less than one-third (30.8%) of all loans, but for one-half (49.7%) of GBLs. Other Lenders accounted for 25.4% of total lending and 31.7% of GBLs. The same general pattern was true in the City of Boston and in Greater Boston. (Table 24 and Exhibit 9)

EXHIBIT 9: Market Shares of Major Lender Types, Massachusetts, 2009



Source: Table 24

³⁴ For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished. In 2009, the biggest Boston banks consisted of Bank of America, RBS Citizens, and Sovereign. “Notes on Data and Methods” provides information on the banks included in the “Big Boston Bank” category in earlier years and on how the category of “subprime lenders” is defined for purposes of this table.

- ❖ **GBLs made up a much larger share of total loans by LMLs than of total loans by Massachusetts banks and credit unions. Statewide, for example, GBLs accounted for 24.3% of all loans by LMLs, and for 18.8% of all loans by Other Lenders, but for only 6.4% of all loans by Massachusetts banks and credit unions.** Again, the same general pattern was true in the City of Boston and in Greater Boston. (Table 25)
- ❖ Table 26 (Boston) and Table 27 (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. **Massachusetts banks and credit unions (“CRA-covered lenders”) directed a substantially greater share of their total loans as conventional loans—and a substantially smaller share of their total loans as GBLs—to every one of the categories of traditionally underserved borrowers and neighborhoods**

examined in this report than did LMLs and Other Lenders.³⁵ For home-purchase loans in Boston, for example, conventional loans to black borrowers made up 9.1% of all loans made by CRA-covered lenders, but only 1.3% of all loans by LMLs and 1.1% of all loans by Other Lenders. At the same time, GBL loans to black borrowers made up just 2.3% of all loans made by CRA-covered lenders, while making up 5.0% of the loans by LMLs and 5.9% of the loans by Other Lenders. (This same pattern holds for loans to Latino borrowers.) CRA-covered lenders directed 8.9% of their total loans to predominantly black and Latino LMI census tracts in the form of conventional loans, and only 2.2% in the form of GBLs. LMLs directed 1.6% of their total loans to these tracts in the form of conventional loans, and 4.7% in the form of GBLs; for Other Lenders, the corresponding percentages were 1.8% and 6.7%. The general patterns statewide are similar to those in Boston, although the percentages of total loans to black and Latino borrowers and to LMI census tracts are lower, reflecting the greater concentration of these borrowers and census tracts in Boston. (Tables 26 & 27)

VII. THE BIGGEST LENDERS

Who were the biggest lenders, both overall and for government-backed loans (GBLs)? Tables 28 and 29 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 tables include 17 of the 20 biggest GBL lenders in Boston and 16 of the 20 biggest GBL lenders

statewide. Loans by lenders within the same corporate family are consolidated; information on the lending by individual lenders within each family is presented in Table 32.

- ❖ **The Bank of America lender family was by far the biggest lender both in Boston and statewide in 2009.**³⁶ In Boston, the Bank of America family made 2,346 total loans, while Mortgage Master and Wells Fargo ranked second and third with

³⁵ The shares of their total loans directed to these categories of borrowers and neighborhoods by LMLs were similar to those for Other Lenders, with the shares for LMLs generally being somewhat lower for conventional loans and higher for GBLs. In future years, it will be interesting to see if the implementation of the state’s Mortgage Lender Community Investment (MLCI) regulation covering LMLs will have an impact on their performance relative to the other two major types of lenders. However, it seems unlikely that the new regulation would have had significant impact on LML lending during 2009, since the regulation was only issued in final form in September 2008.

³⁶ Countrywide Bank FSB, which was acquired by Bank of America Corp. in 2008, remained a separate bank, headquartered in California, until April 2009 and its lending until that date is reported separately in 2009 HMDA data. Because Countrywide’s Massachusetts lending is not evaluated under the CRA, the Bank of America lender family is classified as a “MIX,” even though 80% of its 2009 Massachusetts lending was done by the Bank of America NA, which is a CRA lender.

1,078 and 1,075 loans, respectively.³⁷ In Massachusetts, the Bank of America family made 24,711 total loans, while Wells Fargo ranked second with 12,615 and Mortgage Master ranked third with 10,521. Sovereign ranked fourth both in Boston and statewide; RBS Citizens ranked fifth in Boston and MetLife Bank ranked fifth in Massachusetts.

❖ **Lending in 2009 was much less concentrated among a small number of big lenders in Boston and Massachusetts than it was nationwide.** Locally, Bank of America’s market share was 17.2% in Boston and 11.1% statewide, and no other lender had a double-digit market share. The combined market shares of the top *five* lenders in Boston (40.5%) and in Massachusetts (28.6%) were smaller than the 42.2% combined nationwide market share of the top *two* lenders (Wells Fargo and Bank of America). The third through fifth biggest lenders nationwide—JPMorgan Chase, CitiGroup, and GMAC/Ally—did relatively little lending in Massachusetts, ranking twelfth, twenty-seventh, and tenth, respectively, in the state.³⁸

❖ **The Bank of America and Wells Fargo lender families were Boston and the state’s two biggest government-backed loan (GBL) lenders in 2009, with MetLife Bank, Mortgage Master, and Franklin American Mortgage ranking third, fourth, and fifth in both Boston and Massachusetts.** GBLs made up about the same share of total loans by Bank of America (14.6%) and Mortgage Master (14.1%) as they did for all lenders combined (15.0%); the GBL share of total lending was somewhat above average for Wells Fargo (20.4%), well above average for MetLife (34.4%), and far above average for Franklin American, where GBLs made up 62.0% of all lending. Together, these five lenders accounted for one-third (33.5%) of total GBLs made in Massachusetts in 2009. (Tables 28 & 29)

❖ **Of the top six lender families in Boston and the state, three had most or all of their Massachusetts lending covered by the CRA: Bank of America, Sovereign, and RBS Citizens. The lending of Mortgage Master, ranked second in Boston and third statewide, is now covered by the state’s Mortgage Lender Community**

EXHIBIT 10: The 5 Biggest Lending Families in Boston & Massachusetts Home-Purchase & Refinance Loans Combined, 2009

Rank	Boston			Massachusetts		
	Lender	Loans	Mkt Share	Lender	Loans	Mkt Share
1	Bank of America	2,346	17.2%	Bank of America	24,711	11.1%
2	Mortgage Master	1,078	7.9%	Wells Fargo	12,615	5.7%
3	Wells Fargo	1,075	7.9%	Mortgage Master	10,521	4.7%
4	Sovereign Bank	551	4.0%	Sovereign Bank	9,652	4.3%
5	RBS Citizens	476	3.5%	MetLife Bank	6,371	2.9%
	Total, Top 5 Lenders	5,526	40.5%		63,870	28.6%
	Total, All Lenders	13,649	100.0%		223,062	100.0%

Source: Tables 28 & 29.

³⁷ Mortgage Master, Inc. is a privately-held mortgage company based in Walpole, Massachusetts, that currently has 39 offices in 11 states.

³⁸ Nationwide mortgage market shares are from http://mortgagestats.com/residential_lending. See table titled: “Residential Lenders Ranked by Total Volume in 2009.” Mortgagestats.com is an affiliate of *National Mortgage News*. The same source indicates that nationwide concentration continues to grow: in the second quarter of 2010, Wells Fargo and Bank of America accounted for 48.0% of all mortgage lending and JPMorgan Chase accounted for an additional 10.3%.

Investment (MLCI) regulations. Of the thirty biggest lender families statewide, twelve are (completely or partially) covered by CRA, thirteen are (completely or partially) covered by MLCI, and seven are (completely or partially) out-of-state banks. This increase in the number of CRA-covered lenders among the biggest lenders (in 2008, only two of the top six and eight of the top thirty were covered by CRA) is consistent with the increase in the share of total lending accounted for by Massachusetts banks and credit unions. (Table 29)

- ❖ Table 30 (Boston) and Table 31 (Massachusetts) provide information on lending to blacks, Latino, and white borrowers by each of the lenders included in Tables 28 and 29 (listed in the same

order). This information includes: total loans to each of these racial/ethnic groups, the percentage of government-backed loans (GBLs) for each group, and the disparity ratios for black/white and Latino/white GBL shares (calculated as the black [or Latino] GBL share divided by the white GBL share). **For the great majority of lenders, GBLs made up much greater shares of their total loans to blacks and Latinos than of their total loans to whites. For the top four GBL lenders in Boston, the average black/white disparity ratio was 5.48 and the average Latino/white disparity ratio was 4.14.** Statewide, the disparity ratios tended to be smaller; for the top four lenders, the average black/white disparity ratio was 3.06 and the average Latino/white disparity ratio was 3.22.

VIII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

This final section offers information on some recent developments in public policy related to mortgage lending: outlawing predatory mortgage lending practices; expanding the coverage of Home Mortgage Disclosure Act (HMDA) data; implementing the state's recent law that extends CRA-like obligations to licensed mortgage lenders; and updating the Community Reinvestment Act (CRA).

Outlawing Predatory Mortgage Lending Practices

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, signed by the president on July 21, 2010) includes three major measures designed to prevent a future reemergence of predatory mortgage lending.³⁹ First, it directly addresses certain mortgage lending practices: it requires lenders to determine and document that

borrowers have the ability to repay their loans; it prohibits compensation systems that give individual loan originators a financial incentive to increase the costs of the loans for their borrowers; and it bans some specific loan terms and features including prepayment penalties on adjustable rate mortgages, single-premium credit insurance, and binding mandatory arbitration. Second, it limits federal preemption of state mortgage lending laws and empowers state attorneys general to enforce the new federal law as well.

Most importantly, it establishes a new Bureau of Consumer Financial Protection (CFPB), which will come into existence on July 21, 2011, and transfers to this new agency authority for rule-making, supervision, and (most) enforcement of numerous statutes related to mortgage lending, including the

³⁹ Government regulation and oversight played almost no role in bringing about the precipitous decline in the level of high-cost subprime lending beginning in 2007; the industry collapsed on its own once the rapid rise in housing prices ended. The Home Ownership and Equity Protection Act (HOEPA) of 1994 had granted the Federal Reserve the authority to prohibit "unfair and deceptive acts and practices in mortgage lending" by any lenders, but the Fed did not issue proposed rules under this authority until December 2007, after the subprime implosion was already well underway. Most of these rules were finalized in July 2008 and took effect on October 1, 2009. Others, including those related to the compensation of loan originators, were finalized only in August 2010 and will become effective on April 1, 2011. For more information on these regulations see the Fed's press releases dated July 14, 2008 and August 16, 2010, available at www.federalreserve.gov/newsevents.

Many states—including Massachusetts—did adopt anti-predatory lending laws, but the impact of these measures was seriously undermined when federal bank regulators aggressively used their powers of preemption to exempt national banks and federally chartered thrifts from being subject to these state laws. See Lei Ding, *et al.*, "The Impact of Federal Preemption of State Anti-Predatory Lending Laws on the Foreclosure Crisis," Center for Community Capital, University of North Carolina, August 2010, available at www.ccc.unc.edu.

Truth in Lending Act (the provisions of the Dodd-Frank Act cited in the previous paragraph are amendments to TILA), the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the Home Ownership and Equity Protection Act, and the Secure and Fair Enforcement for Mortgage Licensing Act. Unlike the current bank regulators, the CFPB will have consumer protection as its primary mission and it will be able to act in a timely and proactive manner in response to the inevitable emergence of new unfair, abusive, or deceptive acts and practices by mortgage lenders.

Expanding HMDA Data

Although a great deal of useful information is collected and reported under the Home Mortgage Disclosure Act (HMDA), the information remains limited in important ways. Developments in 2010 indicate that the scope of HMDA data will be substantially expanded, although it remains unclear exactly what those changes will be or when they will be implemented.

Most importantly, the Dodd-Frank Act mandates that HMDA data be expanded in numerous ways, including: information about the borrower (age, credit score); the property (value); the loan (number of months until maturity, total points and fees, APR spread [on all loans, not just higher-cost loans], number of months until first interest rate adjustment [thus allowing the identification of adjustable-rate vs. fixed-rate loans], term in months of any prepayment penalty, presence of any terms allowing payments other than fully amortizing payments); and the lender (the channel through which the loan was made [e.g., retail, broker, or correspondent lender]).

Before the Dodd-Frank Act was passed by Congress, the Federal Reserve—which is currently responsible for writing the regulations that implement HMDA—announced in June 2010 that it was considering

expanding the information required to be reported under HMDA, would be holding public hearings in four cities, and was requesting public comments on the matter. MCBC submitted written comments, as did the author of this report, who was also panelist at the Fed's public hearing in Chicago. The Federal Reserve has not initiated a formal rule-making process or proposed draft revisions to the current regulations, and has not indicated whether or not it will do so before authority over HMDA is transferred to the new Bureau of Consumer Financial Protection (CFPB) when it comes into existence in July 2011.⁴⁰

Implementing the State's Mortgage Lender Community Investment (MLCI) Regulation

Under the federal Community Reinvestment Act (CRA), as under its Massachusetts counterpart, a lender's performance in meeting the credit needs of local communities is evaluated by government regulators only if the lender is a bank with at least one branch office in the area. As a result, most mortgage lending in Massachusetts is done by lenders who are not subject to CRA regulatory review, which includes a public evaluation report and rating, for their lending here.

Massachusetts has partially remedied this situation with the November 2007 enactment of Section 13 of "An Act Protecting and Preserving Homeownership," which provides that licensed mortgage lenders (LMLs) that made fifty or more mortgage loans in the Commonwealth during the preceding year shall be evaluated by the Division of Banks for their performance in helping low- and moderate-income residents acquire and remain in affordable housing with loans on reasonable rates and terms, avoiding patterns of lending that result in the loss of affordable housing, and working with delinquent borrowers. The Division's examinations result in public performance evaluations and ratings, and an unsatisfactory rating may provide the basis for non-renewal of a lender's license. The implementation of

⁴⁰ Section 1094 of the Dodd-Frank Act, "Amendments to the Home Mortgage Disclosure Act of 1975," includes the changes summarized here. The Act specifies that final regulations with new data reporting requirements must be issued by March 31 of one year in order to take effect for the following calendar year. Thus, for example, if final regulations were to be issued in August 2011, they would not take effect until January 1, 2013. Information on the Fed's HMDA public hearings and public comment process is available at: www.federalreserve.gov/communitydev/hmda_hearings.htm. This page includes links to pages for each of the hearings, where the prepared statements of the panelists plus transcripts and audio recordings can be found, as well as a link to the page where all public comments, including those of MCBC and myself, are posted.

the law is governed by a regulation, entitled Mortgage Lender Community Investment (MCLI), issued by the Division of Banks in September 2008.⁴¹

The Division of Banks' website provides quarterly lists of LMLs scheduled for performance evaluations as well as a list, updated monthly, of performance evaluations and ratings that have been completed and made public.⁴² The latter list has links to the written performance evaluations for the individual lenders. As of mid-November 2010, the Division's list shows the results of evaluations of twenty LMLs. One lender (Suntrust Mortgage) received a rating of "High Satisfactory" and fourteen lenders received a rating of "Satisfactory," but five lenders did worse than that.

One lender (Plaza Home Mortgage) received a rating of "Needs to Improve." Examinations were not completed for three lenders (Amerisave Mortgage, Mortgage Network, and Primary Residential Mortgage) who agreed to Consent Orders that required them to rectify "substantial noncompliance with applicable federal and state statutes, rules, and regulations," including incomplete loan records and inaccurate HMDA reporting that made an evaluation of lending performance impossible. Finally, the examination of one lender (Union Capital Mortgage Business Trust) revealed conduct, including unfair and deceptive acts and practices, so egregious that it received a rating of "Substantial Noncompliance" and was closed down by the issuance of a Cease and Desist order in November 2009.

Analysis of HMDA data indicates that, on the basis of the statutory cutoff point of at least fifty total (any purpose, any lien, any occupancy) mortgage loans in the state reported in HMDA data for the most recent

calendar year, 77 LMLs were eligible for evaluation under MLCI on the basis on their 2008 lending and 81 LMLs are currently eligible on the basis of their 2009 lending. (An additional 107 LMLs made between one and forty-nine loans in 2009.)

Updating the Community Reinvestment Act

Out-of-state banks without local branches (and subsidiaries of federally-chartered out-of-state banks) are not covered by the state's recent legislation. Imposing CRA obligations on these lenders for their Massachusetts lending would require legislation and/or regulatory changes at the federal level. Legislative changes, such as those embodied in the proposed American Community Investment Reform Act (H.R. 6334), now seem unlikely in light of the November 2010 elections. Nevertheless, substantial changes in the regulations that implement the CRA could be made by the four federal bank regulators, and in July and August of 2010 these regulators held a series of joint public hearings in four cities "to receive public comments as they consider updating their regulations governing procedures for assessing a financial institution's performance under the Community Reinvestment Act (CRA)." Potential changes advocated in these hearings and comments included expanding banks' assessment areas to include all areas where they make substantial numbers of loans, not just where they have branch offices; automatically including all lending by all members of a lending family in a bank's CRA performance evaluation; and expanding coverage to include independent mortgage companies, unaffiliated with any bank.⁴³ The regulators have not publicized a timetable for proposing revised regulations.

⁴¹ The legislation was Chapter 206 of the Acts of 2007; it is incorporated into Section 8 of Chapter 255E of the Massachusetts General Laws. The final regulations (209 CMR 54.00: *Mortgage Lending Community Investment*, effective September 5, 2008), are available at the Division of Banks website: www.mass.gov/dob. Licensed mortgage lenders continue to be covered by fair lending laws, truth-in-lending laws, and the state's anti-predatory lending law.

⁴² The lists of lenders scheduled for MLCI examinations and of publicly available MLCI performance evaluations and ratings can be reached from the Division of Banks' homepage (www.mass.gov/dob) by clicking on "Loans & Mortgages" (under "Consumer Services") and then clicking on "CRA for Mortgage Lenders."

⁴³ Information on these hearings, and links to some of the testimony presented and public comments received is available at www.ffiec.gov/cra/hearings.htm and at www.federalreserve.gov/communitydev/cra_hearings.htm.

TABLE I
Total and Government-Backed Loans (GBLs), 2004–2009
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%
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%
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%

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 2009 were insured by the Federal Housing Administration (FHA).

Statewide, the FHA accounted for 89.5% of home-purchase loans and 93.8% of refinance loans.

Of total GBLs in Boston -- FHA: 1,483 (95.4%); VA: 71 (4.6%); USDA: 1 (0.1%).

Of total GBLs in Greater Boston -- FHA: 12,129 (95.5%); VA: 544 (4.3%); USDA: 29 (0.2%).

Of total GBLs in Massachusetts -- FHA: 30,736 (91.6%); VA: 2,248 (6.7%); USDA: 556 (1.7%).

TABLE 2
Total and High-APR Loans (HALs), 2004–2009
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%
2009A*	3,625	91	2.5%	22,545	546	2.4%	44,488	1,376	3.1%
2009B*	535	1	0.2%	3,718	18	0.5%	7,413	57	0.8%
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%
2009A*	8,497	119	1.4%	81,042	927	1.1%	152,519	2,312	1.5%
2009B*	992	2	0.2%	10,320	28	0.3%	18,642	94	0.5%
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%
2009A*	12,122	210	1.7%	103,587	1,473	1.4%	197,007	3,688	1.9%
2009B*	1,527	3	0.2%	14,038	46	0.3%	26,055	151	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 for loans resulting from applications received after Sept. 30, 2009. 2009A shows data for loans reported under the old rules. 2009B shows data for loans 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, 2009

	Home-Purchase Loans			Refinance Loans			% Black House-holds	% Latino House-holds	Median Family Income
	All Loans	Govt-Backed Loans	% GBLs	All Loans	Govt-Backed Loans	% GBLs			
Arlington	486	40	8.2%	1,962	36	1.8%	1.6%	1.3%	\$78,741
Attleboro	372	199	53.5%	1,060	210	19.8%	1.6%	3.1%	\$59,112
Barnstable	351	140	39.9%	1,372	100	7.3%	2.4%	1.1%	\$54,026
Boston	4,160	810	19.5%	9,489	745	7.9%	21.4%	10.8%	\$44,151
Brockton	685	430	62.8%	910	330	36.3%	16.9%	6.4%	\$46,235
Brookline	601	25	4.2%	1,958	24	1.2%	2.4%	2.8%	\$92,993
Cambridge	717	37	5.2%	2,077	34	1.6%	10.5%	5.2%	\$59,423
Chicopee	472	223	47.2%	723	197	27.2%	1.7%	6.1%	\$44,136
Fall River	420	192	45.7%	933	249	26.7%	2.1%	2.3%	\$37,671
Framingham	484	199	41.1%	1,525	164	10.8%	4.2%	7.8%	\$67,420
Haverhill	535	263	49.2%	1,240	210	16.9%	1.8%	6.1%	\$59,772
Lawrence	477	363	76.1%	280	146	52.1%	2.0%	50.6%	\$31,809
Leominster	304	144	47.4%	770	131	17.0%	3.1%	8.7%	\$54,660
Lowell	689	337	48.9%	1,078	266	24.7%	3.4%	11.4%	\$45,901
Lynn	649	380	58.6%	1,060	299	28.2%	9.0%	13.2%	\$45,295
Malden	396	151	38.1%	788	124	15.7%	7.4%	3.6%	\$55,557
Medford	451	104	23.1%	1,406	143	10.2%	5.4%	1.7%	\$62,409
Methuen	440	240	54.5%	1,202	215	17.9%	0.8%	7.1%	\$59,831
New Bedford	481	273	56.8%	1,011	307	30.4%	4.5%	7.4%	\$35,708
Newton	698	50	7.2%	3,492	33	0.9%	1.4%	1.6%	\$105,289
Peabody	416	173	41.6%	1,397	181	13.0%	0.8%	2.6%	\$65,483
Pittsfield	353	47	13.3%	950	81	8.5%	3.1%	1.3%	\$46,228
Plymouth	523	223	42.6%	1,830	277	15.1%	1.1%	0.6%	\$63,266
Quincy	743	196	26.4%	1,863	202	10.8%	2.2%	1.6%	\$59,735
Revere	399	201	50.4%	602	129	21.4%	2.6%	6.3%	\$45,865
Salem	431	155	36.0%	941	153	16.3%	2.1%	7.4%	\$55,635
Somerville	539	65	12.1%	1,214	65	5.4%	5.4%	5.7%	\$51,243
Springfield	1,050	661	63.0%	1,165	492	42.2%	19.4%	21.8%	\$36,285
Taunton	440	214	48.6%	1,041	240	23.1%	2.4%	3.0%	\$52,433
Waltham	513	99	19.3%	1,538	92	6.0%	3.6%	5.9%	\$64,595
Westfield	289	123	42.6%	799	156	19.5%	0.7%	3.7%	\$55,327
Weymouth	538	246	45.7%	1,430	216	15.1%	1.5%	1.1%	\$64,083
Worcester	1,196	577	48.2%	1,852	471	25.4%	5.9%	11.8%	\$42,988

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, 2009

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	333	30	9.0%	0.55	2,525	275	10.9%	0.44	3,517	522	14.8%	0.46	
Black	369	163	44.2%	2.70	832	405	48.7%	1.99	1,612	932	57.8%	1.80	
Latino	231	91	39.4%	2.41	1,141	576	50.5%	2.06	2,551	1,512	59.3%	1.84	
White	2,731	446	16.3%	1.00	19,136	4,687	24.5%	1.00	39,966	12,846	32.1%	1.00	
Other*	13	4	30.8%		77	30	39.0%		159	73	45.9%		
No Info ^	483	76	15.7%		2,552	513	20.1%		4,096	1,111	27.1%		
Total	4,160	810	19.5%		26,263	6,486	24.7%		51,901	16,996	32.7%		
B. GBLs AS PERCENT OF ALL REFINANCE LOANS													
Asian	498	25	5.0%	0.96	5,603	145	2.6%	0.41	7,959	272	3.4%	0.37	
Black	546	176	32.2%	6.15	1,292	380	29.4%	4.61	2,140	750	35.0%	3.84	
Latino	306	84	27.5%	5.24	1,492	379	25.4%	3.98	2,861	874	30.5%	3.35	
White	6,962	365	5.2%	1.00	72,802	4,645	6.4%	1.00	141,071	12,863	9.1%	1.00	
Other*	23	3	13.0%		229	20	8.7%		468	66	14.1%		
No Info ^	1,154	92	8.0%		9,944	647	6.5%		16,662	1,719	10.3%		
Total	9,489	745	7.9%		91,362	6,216	6.8%		171,161	16,544	9.7%		
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	333	8.0%	9.0%	3.7%	2,525	9.6%	11.4%	4.2%	3,517	6.8%	8.6%	3.1%	
Black	369	8.9%	6.1%	20.1%	832	3.2%	2.2%	6.2%	1,612	3.1%	1.9%	5.5%	
Latino	231	5.6%	4.2%	11.2%	1,141	4.3%	2.9%	8.9%	2,551	4.9%	3.0%	8.9%	
White	2,731	65.6%	68.2%	55.1%	19,136	72.9%	73.1%	72.3%	39,966	77.0%	77.7%	75.6%	
Other*	13	0.3%	0.3%	0.5%	77	0.3%	0.2%	0.5%	159	0.3%	0.2%	0.4%	
No Info ^	483	11.6%	12.1%	9.4%	2,552	9.7%	10.3%	7.9%	4,096	7.9%	8.6%	6.5%	
Total	4,160	100.0%	100.0%	100.0%	26,263	100.0%	100.0%	100.0%	51,901	100.0%	100.0%	100.0%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS													
Asian	498	5.2%	5.4%	3.4%	5,603	6.1%	6.4%	2.3%	7,959	4.7%	5.0%	1.6%	
Black	546	5.8%	4.2%	23.6%	1,292	1.4%	1.1%	6.1%	2,140	1.3%	0.9%	4.5%	
Latino	306	3.2%	2.5%	11.3%	1,492	1.6%	1.3%	6.1%	2,861	1.7%	1.3%	5.3%	
White	6,962	73.4%	75.4%	49.0%	72,802	79.7%	80.0%	74.7%	141,071	82.4%	82.9%	77.8%	
Other*	23	0.2%	0.2%	0.4%	229	0.3%	0.2%	0.3%	468	0.3%	0.3%	0.4%	
No Info ^	1,154	12.2%	12.1%	12.3%	9,944	10.9%	10.9%	10.4%	16,662	9.7%	9.7%	10.4%	
Total	9,489	100.0%	100.0%	100.0%	91,362	100.0%	100.0%	100.0%	171,161	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 High-APR Loans (HALs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2009

I. HALs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %	
A. HALs AS PERCENT OF ALL HOME-PURCHASE LOANS													
Asian	333	8	2.4%	1.77	2,525	61	2.4%	1.39	3,517	89	2.5%	1.05	
Black	369	21	5.7%	4.20	832	50	6.0%	3.45	1,612	94	5.8%	2.41	
Latino	231	13	5.6%	4.15	1,141	69	6.0%	3.48	2,551	176	6.9%	2.85	
White	2,731	37	1.4%	1.00	19,136	333	1.7%	1.00	39,966	967	2.4%	1.00	
Other*	13	1	7.7%		77	3	3.9%		159	7	4.4%		
No Info ^	483	12	2.5%		2,552	48	1.9%		4,096	100	2.4%		
Total	4,160	92	2.2%		26,263	564	2.1%		51,901	1,433	2.8%		
B. HALs AS PERCENT OF ALL REFINANCE LOANS													
Asian	498	6	1.2%	1.40	5,603	24	0.4%	0.45	7,959	45	0.6%	0.42	
Black	546	25	4.6%	5.31	1,292	47	3.6%	3.78	2,140	81	3.8%	2.82	
Latino	306	13	4.2%	4.93	1,492	46	3.1%	3.21	2,861	101	3.5%	2.63	
White	6,962	60	0.9%	1.00	72,802	700	1.0%	1.00	141,071	1,894	1.3%	1.00	
Other*	23	0	0.0%		229	3	1.3%		468	8	1.7%		
No Info ^	1,154	17	1.5%		9,944	135	1.4%		16,662	277	1.7%		
Total	9,489	121	1.3%		91,362	955	1.0%		171,161	2,406	1.4%		
II. SHARES OF ALL LOANS, NON-HAL LOANS, AND HALs, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS													
Asian	333	8.0%	8.0%	8.7%	2,525	9.6%	9.6%	10.8%	3,517	6.8%	6.8%	6.2%	
Black	369	8.9%	8.6%	22.8%	832	3.2%	3.0%	8.9%	1,612	3.1%	3.0%	6.6%	
Latino	231	5.6%	5.4%	14.1%	1,141	4.3%	4.2%	12.2%	2,551	4.9%	4.7%	12.3%	
White	2,731	65.6%	66.2%	40.2%	19,136	72.9%	73.2%	59.0%	39,966	77.0%	77.3%	67.5%	
Other*	13	0.3%	0.3%	1.1%	77	0.3%	0.3%	0.5%	159	0.3%	0.3%	0.5%	
No Info ^	483	11.6%	11.6%	13.0%	2,552	9.7%	9.7%	8.5%	4,096	7.9%	7.9%	7.0%	
Total	4,160	100.0%	100.0%	100.0%	26,263	100.0%	100.0%	100.0%	51,901	100.0%	100.0%	100.0%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS													
Asian	498	5.2%	5.3%	5.0%	5,603	6.1%	6.2%	2.5%	7,959	4.7%	4.7%	1.9%	
Black	546	5.8%	5.6%	20.7%	1,292	1.4%	1.4%	4.9%	2,140	1.3%	1.2%	3.4%	
Latino	306	3.2%	3.1%	10.7%	1,492	1.6%	1.6%	4.8%	2,861	1.7%	1.6%	4.2%	
White	6,962	73.4%	73.7%	49.6%	72,802	79.7%	79.8%	73.3%	141,071	82.4%	82.5%	78.7%	
Other*	23	0.2%	0.2%	0.0%	229	0.3%	0.2%	0.3%	468	0.3%	0.3%	0.3%	
No Info ^	1,154	12.2%	12.1%	14.0%	9,944	10.9%	10.8%	14.1%	16,662	9.7%	9.7%	11.5%	
Total	9,489	100.0%	100.0%	100.0%	91,362	100.0%	100.0%	100.0%	171,161	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 6
High-APR Loan (HAL) Shares of Government-Backed Loans (GBLs)
By Race/Ethnicity of Borrower; City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2009

I. HALs AS PERCENTAGE OF ALL GOV'T-BACKED LOANS, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Govt-Backed	Govt-Backed HALs	HAL % of GBLs	Ratio to White %	All Govt-Backed	Govt-Backed HALs	HAL % of GBLs	Ratio to White %	All Govt-Backed	Govt-Backed HALs	HAL % of GBLs	Ratio to White %	
A. HALs AS PERCENT OF ALL HOME-PURCHASE GOV'T-BACKED LOANS													
Asian	30	1	3.3%	1.65	275	14	5.1%	1.50	522	26	5.0%	1.18	
Black	163	15	9.2%	4.56	405	36	8.9%	2.62	932	77	8.3%	1.96	
Latino	91	8	8.8%	4.36	576	58	10.1%	2.97	1,512	146	9.7%	2.29	
White	446	9	2.0%	1.00	4,687	159	3.4%	1.00	12,846	542	4.2%	1.00	
Other*	4	1	25.0%		30	3	10.0%		73	4	5.5%		
No Info ^	76	3	3.9%		513	18	3.5%		1,111	50	4.5%		
Total	810	37	4.6%		6,486	288	4.4%		16,996	845	5.0%		
B. HALs AS PERCENT OF ALL REFINANCE GOV'T-BACKED LOANS													
Asian	25	1	4.0%	0.81	145	6	4.1%	0.64	272	18	6.6%	1.00	
Black	176	16	9.1%	1.84	380	29	7.6%	1.18	750	54	7.2%	1.09	
Latino	84	9	10.7%	2.17	379	33	8.7%	1.34	874	71	8.1%	1.23	
White	365	18	4.9%	1.00	4,645	301	6.5%	1.00	12,863	852	6.6%	1.00	
Other*	3	0	0.0%		20	2	10.0%		66	5	7.6%		
No Info ^	92	5	5.4%		647	39	6.0%		1,719	111	6.5%		
Total	745	49	6.6%		6,216	410	6.6%		16,544	1,111	6.7%		
II. SHARES OF ALL GBLs, NON-HAL GBLs, AND HAL GBLs, BY RACE/ETHNICITY OF BORROWER													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All G-B Loans	% of All GBLs	% of Non-HAL GBLs	% of HAL GBLs	All G-B Loans	% of All GBLs	% of Non-HAL GBLs	% of HAL GBLs	All G-B Loans	% of All GBLs	% of Non-HAL GBLs	% of HAL GBLs	
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS													
Asian	30	3.7%	3.8%	2.7%	275	4.2%	4.2%	4.9%	522	3.1%	3.1%	3.1%	
Black	163	20.1%	19.1%	40.5%	405	6.2%	6.0%	12.5%	932	5.5%	5.3%	9.1%	
Latino	91	11.2%	10.7%	21.6%	576	8.9%	8.4%	20.1%	1,512	8.9%	8.5%	17.3%	
White	446	55.1%	56.5%	24.3%	4,687	72.3%	73.1%	55.2%	12,846	75.6%	76.2%	64.1%	
Other*	4	0.5%	0.4%	2.7%	30	0.5%	0.4%	1.0%	73	0.4%	0.4%	0.5%	
No Info ^	76	9.4%	9.4%	8.1%	513	7.9%	8.0%	6.3%	1,111	6.5%	6.6%	5.9%	
Total	810	100.0%	100.0%	100.0%	6,486	100.0%	100.0%	100.0%	16,996	100.0%	100.0%	100.0%	
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS													
Asian	25	3.4%	3.4%	2.0%	145	2.3%	2.4%	1.5%	272	1.6%	1.6%	1.6%	
Black	176	23.6%	23.0%	32.7%	380	6.1%	6.0%	7.1%	750	4.5%	4.5%	4.9%	
Latino	84	11.3%	10.8%	18.4%	379	6.1%	6.0%	8.0%	874	5.3%	5.2%	6.4%	
White	365	49.0%	49.9%	36.7%	4,645	74.7%	74.8%	73.4%	12,863	77.8%	77.8%	76.7%	
Other*	3	0.4%	0.4%	0.0%	20	0.3%	0.3%	0.5%	66	0.4%	0.4%	0.5%	
No Info ^	92	12.3%	12.5%	10.2%	647	10.4%	10.5%	9.5%	1,719	10.4%	10.4%	10.0%	
Total	745	100.0%	100.0%	100.0%	6,216	100.0%	100.0%	100.0%	16,544	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 7
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, 2009

	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	3	0	0.0%	6	1	16.7%	370	35	9.5%	0.00	1.76
Attleboro	13	9	69.2%	9	6	66.7%	300	165	55.0%	1.26	1.21
Barnstable	8	4	50.0%	19	16	84.2%	300	113	37.7%	1.33	2.24
Boston	369	163	44.2%	231	91	39.4%	2,731	446	16.3%	2.70	2.41
Brockton	224	155	69.2%	58	42	72.4%	323	181	56.0%	1.23	1.29
Brookline	5	0	0.0%	16	2	12.5%	386	20	5.2%	0.00	2.41
Cambridge	14	1	7.1%	17	3	17.6%	494	24	4.9%	1.47	3.63
Chicopee	8	7	87.5%	41	23	56.1%	400	184	46.0%	1.90	1.22
Fall River	12	7	58.3%	9	3	33.3%	372	171	46.0%	1.27	0.73
Framingham	15	7	46.7%	36	23	63.9%	358	146	40.8%	1.14	1.57
Haverhill	8	5	62.5%	41	33	80.5%	424	205	48.3%	1.29	1.66
Lawrence	9	6	66.7%	350	281	80.3%	97	63	64.9%	1.03	1.24
Leominster	12	8	66.7%	22	13	59.1%	253	113	44.7%	1.49	1.32
Lowell	26	18	69.2%	56	29	51.8%	399	200	50.1%	1.38	1.03
Lynn	40	32	80.0%	123	83	67.5%	368	215	58.4%	1.37	1.16
Malden	38	24	63.2%	23	13	56.5%	188	75	39.9%	1.58	1.42
Medford	8	3	37.5%	10	1	10.0%	336	82	24.4%	1.54	0.41
Methuen	11	8	72.7%	74	55	74.3%	305	154	50.5%	1.44	1.47
New Bedford	30	21	70.0%	37	25	67.6%	377	214	56.8%	1.23	1.19
Newton	6	0	0.0%	12	1	8.3%	450	38	8.4%	0.00	0.99
Peabody	8	3	37.5%	23	15	65.2%	341	140	41.1%	0.91	1.59
Pittsfield	7	2	28.6%	9	3	33.3%	326	41	12.6%	2.27	2.65
Plymouth	2	1	50.0%	7	3	42.9%	471	198	42.0%	1.19	1.02
Quincy	11	5	45.5%	10	4	40.0%	415	144	34.7%	1.31	1.15
Revere	13	8	61.5%	129	76	58.9%	207	96	46.4%	1.33	1.27
Salem	3	3	100.0%	12	7	58.3%	372	130	34.9%	2.86	1.67
Somerville	9	4	44.4%	30	9	30.0%	378	39	10.3%	4.31	2.91
Springfield	122	92	75.4%	239	173	72.4%	616	349	56.7%	1.33	1.28
Taunton	19	11	57.9%	7	5	71.4%	374	170	45.5%	1.27	1.57
Waltham	7	1	14.3%	12	5	41.7%	381	74	19.4%	0.74	2.15
Westfield	4	2	50.0%	5	4	80.0%	262	111	42.4%	1.18	1.89
Weymouth	8	4	50.0%	10	9	90.0%	435	206	47.4%	1.06	1.90
Worcester	98	74	75.5%	95	54	56.8%	848	385	45.4%	1.66	1.25

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 HOME-PURCHASE LOANS for Owner-Occupied Homes, 2009

	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	486	446	40	0.6%	0.7%	0.0%	1.2%	1.1%	2.5%	76.1%	75.1%	87.5%
Attleboro	372	173	199	3.5%	2.3%	4.5%	2.4%	1.7%	3.0%	80.6%	78.0%	82.9%
Barnstable	351	211	140	2.3%	1.9%	2.9%	5.4%	1.4%	11.4%	85.5%	88.6%	80.7%
Boston	4,160	3,350	810	8.9%	6.1%	20.1%	5.6%	4.2%	11.2%	65.6%	68.2%	55.1%
Brockton	685	255	430	32.7%	27.1%	36.0%	8.5%	6.3%	9.8%	47.2%	55.7%	42.1%
Brookline	601	576	25	0.8%	0.9%	0.0%	2.7%	2.4%	8.0%	64.2%	63.5%	80.0%
Cambridge	717	680	37	2.0%	1.9%	2.7%	2.4%	2.1%	8.1%	68.9%	69.1%	64.9%
Chicopee	472	249	223	1.7%	0.4%	3.1%	8.7%	7.2%	10.3%	84.7%	86.7%	82.5%
Fall River	420	228	192	2.9%	2.2%	3.6%	2.1%	2.6%	1.6%	88.6%	88.2%	89.1%
Framingham	484	285	199	3.1%	2.8%	3.5%	7.4%	4.6%	11.6%	74.0%	74.4%	73.4%
Haverhill	535	272	263	1.5%	1.1%	1.9%	7.7%	2.9%	12.5%	79.3%	80.5%	77.9%
Lawrence	477	114	363	1.9%	2.6%	1.7%	73.4%	60.5%	77.4%	20.3%	29.8%	17.4%
Leominster	304	160	144	3.9%	2.5%	5.6%	7.2%	5.6%	9.0%	83.2%	87.5%	78.5%
Lowell	689	352	337	3.8%	2.3%	5.3%	8.1%	7.7%	8.6%	57.9%	56.5%	59.3%
Lynn	649	269	380	6.2%	3.0%	8.4%	19.0%	14.9%	21.8%	56.7%	56.9%	56.6%
Malden	396	245	151	9.6%	5.7%	15.9%	5.8%	4.1%	8.6%	47.5%	46.1%	49.7%
Medford	451	347	104	1.8%	1.4%	2.9%	2.2%	2.6%	1.0%	74.5%	73.2%	78.8%
Methuen	440	200	240	2.5%	1.5%	3.3%	16.8%	9.5%	22.9%	69.3%	75.5%	64.2%
New Bedford	481	208	273	6.2%	4.3%	7.7%	7.7%	5.8%	9.2%	78.4%	78.4%	78.4%
Newton	698	648	50	0.9%	0.9%	0.0%	1.7%	1.7%	2.0%	64.5%	63.6%	76.0%
Peabody	416	243	173	1.9%	2.1%	1.7%	5.5%	3.3%	8.7%	82.0%	82.7%	80.9%
Pittsfield	353	306	47	2.0%	1.6%	4.3%	2.5%	2.0%	6.4%	92.4%	93.1%	87.2%
Plymouth	523	300	223	0.4%	0.3%	0.4%	1.3%	1.3%	1.3%	90.1%	91.0%	88.8%
Quincy	743	547	196	1.5%	1.1%	2.6%	1.3%	1.1%	2.0%	55.9%	49.5%	73.5%
Revere	399	198	201	3.3%	2.5%	4.0%	32.3%	26.8%	37.8%	51.9%	56.1%	47.8%
Salem	431	276	155	0.7%	0.0%	1.9%	2.8%	1.8%	4.5%	86.3%	87.7%	83.9%
Somerville	539	474	65	1.7%	1.1%	6.2%	5.6%	4.4%	13.8%	70.1%	71.5%	60.0%
Springfield	1,050	389	661	11.6%	7.7%	13.9%	22.8%	17.0%	26.2%	58.7%	68.6%	52.8%
Taunton	440	226	214	4.3%	3.5%	5.1%	1.6%	0.9%	2.3%	85.0%	90.3%	79.4%
Waltham	513	414	99	1.4%	1.4%	1.0%	2.3%	1.7%	5.1%	74.3%	74.2%	74.7%
Westfield	289	166	123	1.4%	1.2%	1.6%	1.7%	0.6%	3.3%	90.7%	91.0%	90.2%
Weymouth	538	292	246	1.5%	1.4%	1.6%	1.9%	0.3%	3.7%	80.9%	78.4%	83.7%
Worcester	1,196	619	577	8.2%	3.9%	12.8%	7.9%	6.6%	9.4%	70.9%	74.8%	66.7%

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
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, 2009

	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	12	3	25.0%	27	1	3.7%	1,561	30	1.9%	13.01	1.93
Attleboro	18	5	27.8%	20	8	40.0%	877	164	18.7%	1.49	2.14
Barnstable	11	4	36.4%	14	0	0.0%	1,231	88	7.1%	5.09	0.00
Boston	546	176	32.2%	306	84	27.5%	6,962	365	5.2%	6.15	5.24
Brockton	148	80	54.1%	54	33	61.1%	603	175	29.0%	1.86	2.11
Brookline	12	1	8.3%	26	1	3.8%	1,443	13	0.9%	9.25	4.27
Cambridge	34	3	8.8%	31	2	6.5%	1,524	22	1.4%	6.11	4.47
Chicopee	8	5	62.5%	21	12	57.1%	641	159	24.8%	2.52	2.30
Fall River	4	1	25.0%	20	9	45.0%	835	212	25.4%	0.98	1.77
Framingham	25	10	40.0%	31	9	29.0%	1,169	122	10.4%	3.83	2.78
Haverhill	7	3	42.9%	27	14	51.9%	1,054	164	15.6%	2.75	3.33
Lawrence	5	3	60.0%	108	80	74.1%	121	43	35.5%	1.69	2.08
Leominster	11	4	36.4%	12	6	50.0%	671	99	14.8%	2.46	3.39
Lowell	13	8	61.5%	44	15	34.1%	780	175	22.4%	2.74	1.52
Lynn	45	24	53.3%	90	51	56.7%	803	187	23.3%	2.29	2.43
Malden	30	12	40.0%	32	12	37.5%	492	71	14.4%	2.77	2.60
Medford	35	11	31.4%	21	1	4.8%	1,041	115	11.0%	2.84	0.43
Methuen	15	6	40.0%	69	26	37.7%	958	165	17.2%	2.32	2.19
New Bedford	51	22	43.1%	34	16	47.1%	822	229	27.9%	1.55	1.69
Newton	23	0	0.0%	45	0	0.0%	2,614	30	1.1%	0.00	0.00
Peabody	3	0	0.0%	22	9	40.9%	1,229	160	13.0%	0.00	3.14
Pittsfield	12	4	33.3%	13	2	15.4%	863	65	7.5%	4.43	2.04
Plymouth	18	4	22.2%	20	6	30.0%	1,606	248	15.4%	1.44	1.94
Quincy	13	5	38.5%	23	4	17.4%	1,394	167	12.0%	3.21	1.45
Revere	9	4	44.4%	64	36	56.3%	445	72	16.2%	2.75	3.48
Salem	9	4	44.4%	13	4	30.8%	826	127	15.4%	2.89	2.00
Somerville	19	4	21.1%	39	9	23.1%	916	44	4.8%	4.38	4.80
Springfield	133	80	60.2%	137	74	54.0%	757	272	35.9%	1.67	1.50
Taunton	19	10	52.6%	21	7	33.3%	906	192	21.2%	2.48	1.57
Waltham	16	1	6.3%	30	1	3.3%	1,200	70	5.8%	1.07	0.57
Westfield	2	1	50.0%	15	6	40.0%	720	131	18.2%	2.75	2.20
Weymouth	7	2	28.6%	12	3	25.0%	1,235	192	15.5%	1.84	1.61
Worcester	61	36	59.0%	58	30	51.7%	1,500	353	23.5%	2.51	2.20

TABLE 10
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, 2009

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Arlington	1,962	1,926	36	0.6%	0.5%	8.3%	1.4%	1.3%	2.8%	79.6%	79.5%	83.3%
Attleboro	1,060	850	210	1.7%	1.5%	2.4%	1.9%	1.4%	3.8%	82.7%	83.9%	78.1%
Barnstable	1,372	1,272	100	0.8%	0.6%	4.0%	1.0%	1.1%	0.0%	89.7%	89.9%	88.0%
Boston	9,489	8,744	745	5.8%	4.2%	23.6%	3.2%	2.5%	11.3%	73.4%	75.4%	49.0%
Brockton	910	580	330	16.3%	11.7%	24.2%	5.9%	3.6%	10.0%	66.3%	73.8%	53.0%
Brookline	1,958	1,934	24	0.6%	0.6%	4.2%	1.3%	1.3%	4.2%	73.7%	73.9%	54.2%
Cambridge	2,077	2,043	34	1.6%	1.5%	8.8%	1.5%	1.4%	5.9%	73.4%	73.5%	64.7%
Chicopee	723	526	197	1.1%	0.6%	2.5%	2.9%	1.7%	6.1%	88.7%	91.6%	80.7%
Fall River	933	684	249	0.4%	0.4%	0.4%	2.1%	1.6%	3.6%	89.5%	91.1%	85.1%
Framingham	1,525	1,361	164	1.6%	1.1%	6.1%	2.0%	1.6%	5.5%	76.7%	76.9%	74.4%
Haverhill	1,240	1,030	210	0.6%	0.4%	1.4%	2.2%	1.3%	6.7%	85.0%	86.4%	78.1%
Lawrence	280	134	146	1.8%	1.5%	2.1%	38.6%	20.9%	54.8%	43.2%	58.2%	29.5%
Leominster	770	639	131	1.4%	1.1%	3.1%	1.6%	0.9%	4.6%	87.1%	89.5%	75.6%
Lowell	1,078	812	266	1.2%	0.6%	3.0%	4.1%	3.6%	5.6%	72.4%	74.5%	65.8%
Lynn	1,060	761	299	4.2%	2.8%	8.0%	8.5%	5.1%	17.1%	75.8%	80.9%	62.5%
Malden	788	664	124	3.8%	2.7%	9.7%	4.1%	3.0%	9.7%	62.4%	63.4%	57.3%
Medford	1,406	1,263	143	2.5%	1.9%	7.7%	1.5%	1.6%	0.7%	74.0%	73.3%	80.4%
Methuen	1,202	987	215	1.2%	0.9%	2.8%	5.7%	4.4%	12.1%	79.7%	80.3%	76.7%
New Bedford	1,011	704	307	5.0%	4.1%	7.2%	3.4%	2.6%	5.2%	81.3%	84.2%	74.6%
Newton	3,492	3,459	33	0.7%	0.7%	0.0%	1.3%	1.3%	0.0%	74.9%	74.7%	90.9%
Peabody	1,397	1,216	181	0.2%	0.2%	0.0%	1.6%	1.1%	5.0%	88.0%	87.9%	88.4%
Pittsfield	950	869	81	1.3%	0.9%	4.9%	1.4%	1.3%	2.5%	90.8%	91.8%	80.2%
Plymouth	1,830	1,553	277	1.0%	0.9%	1.4%	1.1%	0.9%	2.2%	87.8%	87.4%	89.5%
Quincy	1,863	1,661	202	0.7%	0.5%	2.5%	1.2%	1.1%	2.0%	74.8%	73.9%	82.7%
Revere	602	473	129	1.5%	1.1%	3.1%	10.6%	5.9%	27.9%	73.9%	78.9%	55.8%
Salem	941	788	153	1.0%	0.6%	2.6%	1.4%	1.1%	2.6%	87.8%	88.7%	83.0%
Somerville	1,214	1,149	65	1.6%	1.3%	6.2%	3.2%	2.6%	13.8%	75.5%	75.9%	67.7%
Springfield	1,165	673	492	11.4%	7.9%	16.3%	11.8%	9.4%	15.0%	65.0%	72.1%	55.3%
Taunton	1,041	801	240	1.8%	1.1%	4.2%	2.0%	1.7%	2.9%	87.0%	89.1%	80.0%
Waltham	1,538	1,446	92	1.0%	1.0%	1.1%	2.0%	2.0%	1.1%	78.0%	78.1%	76.1%
Westfield	799	643	156	0.3%	0.2%	0.6%	1.9%	1.4%	3.8%	90.1%	91.6%	84.0%
Weymouth	1,430	1,214	216	0.5%	0.4%	0.9%	0.8%	0.7%	1.4%	86.4%	85.9%	88.9%
Worcester	1,852	1,381	471	3.3%	1.8%	7.6%	3.1%	2.0%	6.4%	81.0%	83.1%	74.9%

Note: See Table 9 for the *numbers* of loans to black, Latino, & white borrowers that were used to calculate this table's *percentages*.

TABLE II
Total and Government-Backed Loans (GBLs), By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2009

I. GBLs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER													
Borrower Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	Gov't-Backed Loans	% Gov't-Backed	Ratio to Highest%	All Loans	Gov't-Backed Loans	% Gov't-Backed	Ratio to Highest%	All Loans	Gov't-Backed Loans	% Gov't-Backed	Ratio to Highest%	
A. GBLs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL													
Low	290	35	12.1%	1.43	1,920	425	22.1%	3.61	4,868	1,651	33.9%	4.19	
Moderate	1,219	280	23.0%	2.73	6,333	2,030	32.1%	5.22	14,563	6,038	41.5%	5.12	
Middle	1,125	259	23.0%	2.74	7,080	2,214	31.3%	5.09	14,540	5,539	38.1%	4.71	
High	888	179	20.2%	2.40	6,785	1,531	22.6%	3.68	11,934	3,220	27.0%	3.33	
Highest	618	52	8.4%	1.00	4,023	247	6.1%	1.00	5,696	461	8.1%	1.00	
No Info	20	5	25.0%		122	39	32.0%		300	87	29.0%		
Total	4,160	810	19.5%		26,263	6,486	24.7%		51,901	16,996	32.7%		
B. GBLs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL													
Low	501	37	7.4%	8.42	3,749	204	5.4%	7.64	8,735	790	9.0%	8.82	
Moderate	1,616	69	4.3%	4.87	13,124	645	4.9%	6.90	27,447	1,874	6.8%	6.66	
Middle	2,449	120	4.9%	5.59	22,938	1,115	4.9%	6.83	44,327	2,836	6.4%	6.24	
High	2,728	94	3.4%	3.93	29,988	889	3.0%	4.16	53,739	2,064	3.8%	3.75	
Highest	1,710	15	0.9%	1.00	17,692	126	0.7%	1.00	26,914	276	1.0%	1.00	
No Info	485	410	84.5%		3,871	3,237	83.6%		9,999	8,704	87.0%		
Total	9,489	745	7.9%		91,362	6,216	6.8%		171,161	16,544	9.7%		
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	290	7.0%	7.6%	4.3%	1,920	7.3%	7.6%	6.6%	4,868	9.4%	9.2%	9.7%	
Moderate	1,219	29.3%	28.0%	34.6%	6,333	24.1%	21.8%	31.3%	14,563	28.1%	24.4%	35.5%	
Middle	1,125	27.0%	25.9%	32.0%	7,080	27.0%	24.6%	34.1%	14,540	28.0%	25.8%	32.6%	
High	888	21.3%	21.2%	22.1%	6,785	25.8%	26.6%	23.6%	11,934	23.0%	25.0%	18.9%	
Highest	618	14.9%	16.9%	6.4%	4,023	15.3%	19.1%	3.8%	5,696	11.0%	15.0%	2.7%	
No Info	20	0.5%	0.4%	0.6%	122	0.5%	0.4%	0.6%	300	0.6%	0.6%	0.5%	
Total	4,160	100.0%	100.0%	100.0%	26,263	100.0%	100.0%	100.0%	51,901	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	501	5.3%	5.3%	5.0%	3,749	4.1%	4.2%	3.3%	8,735	5.1%	5.1%	4.8%	
Moderate	1,616	17.0%	17.7%	9.3%	13,124	14.4%	14.7%	10.4%	27,447	16.0%	16.5%	11.3%	
Middle	2,449	25.8%	26.6%	16.1%	22,938	25.1%	25.6%	17.9%	44,327	25.9%	26.8%	17.1%	
High	2,728	28.7%	30.1%	12.6%	29,988	32.8%	34.2%	14.3%	53,739	31.4%	33.4%	12.5%	
Highest	1,710	18.0%	19.4%	2.0%	17,692	19.4%	20.6%	2.0%	26,914	15.7%	17.2%	1.7%	
No Info	485	5.1%	0.9%	55.0%	3,871	4.2%	0.7%	52.1%	9,999	5.8%	0.8%	52.6%	
Total	9,489	100.0%	100.0%	100.0%	91,362	100.0%	100.0%	100.0%	171,161	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 2009 was \$88,100. The MFIs in the five other MSAs in the state, ranged from \$66,900 to \$79,700 in 2009. 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 (\$77,600). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 12
Government-Backed Loans (GBLs) To Borrowers at Different Income Levels
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2009

	Home-Purchase Loans						Refinance Loans					
	Low/Mod Income		Mid/High Income		Highest Income		Low/Mod Income		Mid/High Income		Highest Income	
	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs
Arlington	6	7.6%	28	8.9%	5	5.4%	4	1.6%	13	1.0%	1	0.3%
Attleboro	65	53.3%	128	56.6%	6	25.0%	34	14.7%	66	10.7%	4	4.0%
Barnstable	78	47.9%	59	37.3%	3	10.3%	17	5.1%	25	3.3%	2	1.0%
Boston	315	20.9%	438	21.8%	52	8.4%	106	5.0%	214	4.1%	15	0.9%
Brockton	331	64.1%	97	61.4%	1	50.0%	70	16.7%	35	13.7%	0	0.0%
Brookline	2	2.2%	20	7.4%	3	1.3%	1	0.5%	10	1.0%	2	0.3%
Cambridge	6	3.4%	26	6.6%	3	2.1%	4	1.2%	19	1.5%	1	0.2%
Chicopee	124	47.1%	98	48.8%	1	20.0%	45	19.2%	52	14.2%	1	4.5%
Fall River	91	41.6%	101	51.0%	0	0.0%	34	9.6%	48	12.3%	3	13.0%
Framingham	70	42.2%	122	42.1%	7	26.9%	18	5.8%	54	5.8%	7	3.8%
Haverhill	143	47.7%	116	53.5%	1	8.3%	44	9.9%	43	6.9%	0	0.0%
Lawrence	332	77.6%	31	63.3%	0	na	40	32.0%	11	19.0%	0	0.0%
Leominster	81	49.1%	62	45.3%	0	0.0%	24	10.7%	24	5.8%	1	2.5%
Lowell	249	49.6%	87	48.9%	1	14.3%	75	16.0%	32	7.7%	0	0.0%
Lynn	271	57.2%	107	63.3%	2	50.0%	61	14.4%	47	11.1%	0	0.0%
Malden	67	30.9%	80	47.3%	2	33.3%	26	8.9%	33	8.3%	2	6.7%
Medford	33	20.0%	64	24.5%	4	19.0%	11	2.9%	60	7.1%	2	2.0%
Methuen	141	55.1%	97	55.4%	1	14.3%	37	8.8%	59	9.8%	3	5.2%
New Bedford	178	60.1%	92	52.0%	0	0.0%	55	15.3%	53	12.7%	2	6.9%
Newton	5	7.8%	38	10.7%	7	2.6%	3	1.1%	13	0.7%	5	0.4%
Peabody	72	35.3%	98	50.0%	3	21.4%	26	5.6%	59	7.4%	0	0.0%
Pittsfield	25	14.6%	22	14.4%	0	0.0%	20	7.0%	20	4.0%	1	1.1%
Plymouth	110	47.2%	107	42.5%	5	14.3%	43	7.7%	71	7.3%	5	4.0%
Quincy	67	18.4%	124	35.5%	4	14.8%	39	6.5%	53	5.2%	3	2.4%
Revere	120	46.7%	80	58.0%	0	na	24	9.7%	15	6.0%	2	15.4%
Salem	61	33.2%	91	39.7%	2	13.3%	23	7.2%	44	9.1%	0	0.0%
Somerville	19	12.8%	44	13.1%	2	3.6%	10	3.6%	27	3.5%	2	1.4%
Springfield	441	64.2%	209	60.9%	10	52.6%	108	28.0%	112	24.0%	2	5.1%
Taunton	100	49.3%	112	49.3%	2	25.0%	38	13.2%	55	9.9%	2	4.0%
Waltham	25	15.2%	69	21.8%	5	16.1%	10	2.7%	44	4.5%	2	1.3%
Westfield	59	49.6%	61	40.9%	2	10.5%	35	20.0%	38	8.4%	3	3.4%
Weymouth	105	43.2%	136	49.5%	4	23.5%	30	7.1%	80	9.5%	0	0.0%
Worcester	372	48.9%	197	49.3%	7	20.6%	107	17.3%	103	11.8%	4	4.3%

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the metro area; "Highest-income" is more than double the MFI in the metro area.

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, City of Boston, 2009

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	48	93	84	68	39
Black	42	180	102	36	7
Latino	31	117	56	16	9
White	143	723	757	653	446
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	4.2%	9.7%	9.5%	14.7%	2.6%
Black	26.2%	42.2%	49.0%	61.1%	28.6%
Latino	16.1%	46.2%	39.3%	43.8%	22.2%
White	9.8%	16.5%	19.3%	19.1%	9.0%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.43	0.59	0.49	0.77	0.29
Black	2.68	2.57	2.54	3.19	3.19
Latino	1.65	2.80	2.04	2.29	2.48
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	33	96	144	149	62
Black	83	144	128	58	22
Latino	37	67	71	46	22
White	274	1,134	1,825	2,159	1,333
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	12.1%	1.0%	4.2%	2.7%	0.0%
Black	14.5%	18.8%	17.2%	13.8%	9.1%
Latino	18.9%	6.0%	12.7%	4.3%	0.0%
White	4.0%	2.4%	3.9%	3.0%	0.7%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	3.02	0.44	1.06	0.89	0.00
Black	3.60	7.88	4.36	4.58	13.46
Latino	4.71	2.51	3.21	1.44	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 (\$88,100 in 2009).
“Low” is less than 50% of this amount (\$1K–\$44K in 2009); “Moderate” is 50%–80% of this amount (\$45K–\$70K);
“Middle” is 80%–120% of this amount (\$71K–\$105K); “High” is 120%–200% of this amount (\$106K–\$176K); and
“Highest” is over 200% of this amount (\$177K or more). HMDA data report income to the nearest thousand dollars.

TABLE 14
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, 2009

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	282	587	655	616	373
Black	91	347	243	110	34
Latino	164	479	301	134	54
White	1,239	4,413	5,223	5,201	2,985
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	6.0%	13.8%	13.9%	11.5%	3.5%
Black	41.8%	48.7%	53.9%	50.0%	23.5%
Latino	41.5%	56.6%	56.1%	45.5%	7.4%
White	21.5%	30.9%	31.4%	23.2%	6.2%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.28	0.45	0.44	0.50	0.56
Black	1.95	1.57	1.72	2.15	3.78
Latino	1.93	1.83	1.79	1.96	1.19
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	184	619	1,539	2,079	1,085
Black	135	262	309	232	109
Latino	107	268	356	315	158
White	2,905	10,682	18,379	24,073	13,920
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	7.6%	1.9%	2.1%	0.9%	0.0%
Black	17.0%	16.4%	14.2%	13.4%	3.7%
Latino	11.2%	11.2%	10.4%	5.1%	1.3%
White	4.6%	4.4%	4.7%	3.0%	0.7%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.66	0.44	0.44	0.30	0.00
Black	3.72	3.71	3.02	4.40	5.01
Latino	2.45	2.53	2.20	1.67	1.73
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 2009 was \$88,100 (three small communities were in the Worcester MSA, where the MFI in 2009 was \$79,700). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA.

TABLE 15
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, 2009

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	424	834	934	828	479
Black	237	692	442	179	49
Latino	604	1,075	553	227	76
White	3,291	11,030	11,476	9,619	4,343
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	14.9%	20.0%	17.5%	12.7%	4.4%
Black	57.8%	59.2%	60.0%	54.7%	26.5%
Latino	61.3%	65.3%	58.4%	44.9%	10.5%
White	29.8%	39.9%	38.3%	27.6%	8.5%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.50	0.50	0.46	0.46	0.52
Black	1.94	1.49	1.57	1.98	3.13
Latino	2.05	1.64	1.53	1.63	1.24
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	279	833	2,151	3,053	1,464
Black	208	417	494	385	155
Latino	246	536	669	552	242
White	7,188	23,211	36,809	44,474	21,664
E. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	10.4%	3.0%	2.3%	1.0%	0.1%
Black	24.5%	20.4%	17.4%	14.3%	3.9%
Latino	21.5%	16.2%	13.5%	6.7%	2.1%
White	7.9%	6.3%	6.1%	3.8%	1.0%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	1.32	0.48	0.37	0.26	0.13
Black	3.10	3.25	2.84	3.71	3.73
Latino	2.73	2.59	2.20	1.74	1.99
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 2009 ranging from \$66,900 to \$88,100. "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. The minimum income needed to qualify for the "Highest" income category ranged from \$134K in the Pittsfield MSA to \$177K in the Boston MSA. See "Notes on Data & Methods."

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, City of Boston, 2009

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%-75% Minority	7	13	0	0	20
25%-50% Minority	9	23	10	1	43
> 75% White	0	11	28	13	52
Total	40	64	38	14	156
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	184	291	0	0	475
50%-75% Minority	72	296	0	0	368
25%-50% Minority	215	648	320	8	1,191
> 75% White	0	367	1,209	550	2,126
Total	471	1,602	1,529	558	4,160
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	37.0%	40.5%	na	na	39.2%
50%-75% Minority	20.8%	23.6%	na	na	23.1%
25%-50% Minority	10.2%	19.1%	30.0%	12.5%	20.4%
> 75% White	na	20.2%	14.6%	8.2%	13.9%
Total	22.3%	24.1%	17.9%	8.2%	19.5%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	4.52	4.96	na	na	4.79
50%-75% Minority	2.55	2.89	na	na	2.82
25%-50% Minority	1.25	2.34	3.67	1.53	2.49
> 75% White	na	2.46	1.79	1.00	1.70
Total	2.72	2.94	2.18	1.01	2.38
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	210	402	0	0	612
50%-75% Minority	169	588	0	0	757
25%-50% Minority	483	1,350	719	38	2,590
> 75% White	0	660	3,072	1,798	5,530
Total	862	3,000	3,791	1,836	9,489
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	28.6%	29.9%	na	na	29.4%
50%-75% Minority	9.5%	14.6%	na	na	13.5%
25%-50% Minority	2.5%	9.3%	12.2%	2.6%	8.7%
> 75% White	na	8.2%	5.1%	1.4%	4.3%
Total	10.2%	12.8%	6.5%	1.5%	7.9%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	19.76	20.64	na	na	20.34
50%-75% Minority	6.55	10.11	na	na	9.32
25%-50% Minority	1.72	6.40	8.46	1.82	6.03
> 75% White	na	5.66	3.53	1.00	2.96
Total	7.06	8.87	4.47	1.02	5.43

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

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

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

TABLE 17
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, 2009

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%-75% Minority	27	22	0	0	49
25%-50% Minority	21	62	21	3	107
> 75% White	2	70	340	224	636
Total	74	171	361	227	833
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	184	291	0	0	475
50%-75% Minority	261	393	0	0	654
25%-50% Minority	302	1,315	883	128	2,628
> 75% White	12	1,687	10,781	10,026	22,506
Total	759	3,686	11,664	10,154	26,263
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	37.0%	40.5%	na	na	39.2%
50%-75% Minority	42.5%	23.7%	na	na	31.2%
25%-50% Minority	19.2%	26.2%	33.4%	18.0%	27.4%
> 75% White	41.7%	37.5%	30.1%	14.9%	23.9%
Total	31.9%	32.2%	30.3%	14.9%	24.7%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	2.48	2.72	na	na	2.63
50%-75% Minority	2.85	1.59	na	na	2.09
25%-50% Minority	1.29	1.76	2.24	1.21	1.84
> 75% White	2.80	2.51	2.02	1.00	1.60
Total	2.14	2.16	2.04	1.00	1.66
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	210	402	0	0	612
50%-75% Minority	332	773	0	0	1,105
25%-50% Minority	540	2,358	1,826	433	5,157
> 75% White	30	2,809	34,757	46,892	84,488
Total	1,112	6,342	36,583	47,325	91,362
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	28.6%	29.9%	na	na	29.4%
50%-75% Minority	23.5%	12.9%	na	na	16.1%
25%-50% Minority	4.1%	11.4%	12.7%	4.8%	10.5%
> 75% White	23.3%	16.7%	9.7%	3.2%	6.3%
Total	15.0%	15.1%	9.8%	3.2%	6.8%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	9.06	9.46	na	na	9.33
50%-75% Minority	7.45	4.10	na	na	5.11
25%-50% Minority	1.29	3.60	4.01	1.54	3.33
> 75% White	7.40	5.29	3.07	1.00	1.99
Total	4.76	4.78	3.11	1.00	2.16

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the MSA within which it is located. All but 3 of the 101 communities in Greater Boston are in the Boston MSA where the MFI in 2000 was \$66,676 (3 small communities were in the Worcester MSA where the MFI in 2000 was \$58,426). "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MSA.

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

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

TABLE 18
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, 2009

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	18	0	0	42
50%-75% Minority	38	24	0	0	62
25%-50% Minority	35	84	27	3	149
> 75% White	12	147	593	335	1,087
Total	109	273	620	338	1,340
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	328	309	0	0	637
50%-75% Minority	535	574	0	0	1,109
25%-50% Minority	584	2,414	1,103	128	4,229
> 75% White	64	4,050	25,463	16,321	45,898
Total	1,511	7,347	26,566	16,449	51,873
C. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	52.7%	41.7%	na	na	47.4%
50%-75% Minority	53.8%	38.7%	na	na	46.0%
25%-50% Minority	40.2%	41.6%	40.2%	18.0%	40.3%
> 75% White	34.4%	45.9%	36.6%	20.0%	31.5%
Total	47.5%	43.7%	36.7%	20.0%	32.7%
D. HOME-PURCHASE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	2.64	2.09	na	na	2.37
50%-75% Minority	2.69	1.93	na	na	2.30
25%-50% Minority	2.01	2.08	2.01	0.90	2.02
> 75% White	1.72	2.29	1.83	1.00	1.57
Total	2.37	2.19	1.84	1.00	1.64
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	273	433	0	0	706
50%-75% Minority	502	915	0	0	1,417
25%-50% Minority	784	3,581	2,116	433	6,914
> 75% White	105	6,955	80,516	74,484	162,060
Total	1,664	11,884	82,632	74,917	171,097
F. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	31.5%	31.6%	na	na	31.6%
50%-75% Minority	33.1%	19.9%	na	na	24.6%
25%-50% Minority	14.5%	20.4%	16.0%	4.8%	17.4%
> 75% White	25.7%	22.3%	12.2%	4.5%	9.1%
Total	23.6%	21.9%	12.3%	4.5%	9.7%
G. REFINANCE LOANS: GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.94	6.97	na	na	6.96
50%-75% Minority	7.28	4.38	na	na	5.41
25%-50% Minority	3.20	4.49	3.52	1.07	3.83
> 75% White	5.66	4.91	2.68	1.00	2.00
Total	5.20	4.82	2.70	1.00	2.13

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2000 ranging from \$50,150 to \$66,676. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Upper" is greater than 120% of the MFI of the metro area.

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

TABLE 19
Total & Government-Backed Loans (GBLs), By Neighborhood#
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2009

Neighborhood	All Loans	Gov't-Backed Loans	Percent GBLs	Percent Minority	Income Level
A. HOME-PURCHASE LOANS					
Hyde Park	197	100	50.8%	57.0%	\$54,666
Mattapan	108	54	50.0%	96.2%	\$38,463
East Boston	203	78	38.4%	50.3%	\$36,213
Roxbury	195	59	30.3%	95.2%	\$30,358
Dorchester	471	119	25.3%	68.2%	\$39,856
West Roxbury	302	74	24.5%	16.4%	\$68,966
Roslindale	293	70	23.9%	44.2%	\$53,418
Allston/Brighton	300	54	18.0%	31.3%	\$47,693
Charlestown	269	39	14.5%	21.4%	\$59,265
South Boston	545	59	10.8%	15.5%	\$47,794
Central	208	21	10.1%	30.4%	\$61,837
South End	381	36	9.4%	54.7%	\$42,263
Fenway/Kenmore	69	6	8.7%	30.5%	\$48,961
Jamaica Plain	340	29	8.5%	50.2%	\$45,762
BackBay/BeaconHill	279	12	4.3%	15.2%	\$127,542
City of Boston	4,160	810	19.5%	50.5%	\$44,151
B. REFINANCE LOANS					
Mattapan	193	71	36.8%	96.2%	\$38,463
East Boston	238	75	31.5%	50.3%	\$36,213
Hyde Park	392	103	26.3%	57.0%	\$54,666
Roxbury	233	54	23.2%	95.2%	\$30,358
Dorchester	749	126	16.8%	68.2%	\$39,856
Roslindale	716	74	10.3%	44.2%	\$53,418
West Roxbury	1,046	62	5.9%	16.4%	\$68,966
Allston/Brighton	708	39	5.5%	31.3%	\$47,693
South Boston	1,053	52	4.9%	15.5%	\$47,794
Jamaica Plain	781	26	3.3%	50.2%	\$45,762
Charlestown	685	19	2.8%	21.4%	\$59,265
Fenway/Kenmore	211	5	2.4%	30.5%	\$48,961
South End	1,039	24	2.3%	54.7%	\$42,263
Central	608	8	1.3%	30.4%	\$61,837
BackBay/BeaconHill	837	7	0.8%	15.2%	\$127,542
City of Boston	9,489	745	7.9%	50.5%	\$44,151

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

TABLE 20
Total & High-APR Loans (HALs), By Neighborhood#
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2009

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level
A. HOME-PURCHASE LOANS					
Mattapan	108	17	15.7%	96.2%	\$38,463
East Boston	203	13	6.4%	50.3%	\$36,213
Roxbury	195	12	6.2%	95.2%	\$30,358
Hyde Park	197	5	2.5%	57.0%	\$54,666
South Boston	545	12	2.2%	15.5%	\$47,794
Dorchester	471	10	2.1%	68.2%	\$39,856
Central	208	4	1.9%	30.4%	\$61,837
Fenway/Kenmore	69	1	1.4%	30.5%	\$48,961
Jamaica Plain	340	4	1.2%	50.2%	\$45,762
South End	381	4	1.0%	54.7%	\$42,263
Roslindale	293	3	1.0%	44.2%	\$53,418
Charlestown	269	2	0.7%	21.4%	\$59,265
BackBay/BeaconHill	279	2	0.7%	15.2%	\$127,542
West Roxbury	302	2	0.7%	16.4%	\$68,966
Allston/Brighton	300	1	0.3%	31.3%	\$47,693
City of Boston	4,160	92	2.2%	50.5%	\$44,151
B. REFINANCE LOANS					
Roxbury	233	10	4.3%	95.2%	\$30,358
Mattapan	193	7	3.6%	96.2%	\$38,463
East Boston	238	8	3.4%	50.3%	\$36,213
Dorchester	749	20	2.7%	68.2%	\$39,856
Hyde Park	392	10	2.6%	57.0%	\$54,666
Fenway/Kenmore	211	4	1.9%	30.5%	\$48,961
Allston/Brighton	708	12	1.7%	31.3%	\$47,693
Roslindale	716	10	1.4%	44.2%	\$53,418
BackBay/BeaconHill	837	9	1.1%	15.2%	\$127,542
Jamaica Plain	781	7	0.9%	50.2%	\$45,762
Charlestown	685	6	0.9%	21.4%	\$59,265
West Roxbury	1,046	8	0.8%	16.4%	\$68,966
South Boston	1,053	8	0.8%	15.5%	\$47,794
Central	608	2	0.3%	30.4%	\$61,837
South End	1,039		0.0%	54.7%	\$42,263
City of Boston	9,489	121	1.3%	50.5%	\$44,151

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

TABLE 21
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, 2009

	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	470	364	226	3,159	17.4%	24.5%	21.2%	10.3%	1.70	2.38	2.07
Greater Boston	3,181	738	939	19,101	11.7%	22.8%	20.8%	8.6%	1.36	2.66	2.43
Massachusetts	4,305	1,237	1,773	36,615	12.4%	23.8%	22.2%	10.1%	1.22	2.36	2.20
B. GOVERNMENT-BACKED HOME-PURCHASE LOANS											
Boston	49	317	162	663	14.3%	24.9%	23.5%	15.5%	0.92	1.60	1.51
Greater Boston	426	727	990	6,482	14.8%	22.8%	22.5%	12.8%	1.16	1.79	1.76
Massachusetts	805	1,619	2,519	17,461	16.1%	20.4%	20.8%	12.0%	1.35	1.71	1.73
C. ALL HOME-PURCHASE LOANS											
Boston	519	681	388	3,822	17.1%	24.7%	22.2%	11.2%	1.53	2.21	1.98
Greater Boston	3,607	1,465	1,929	25,583	12.0%	22.8%	21.7%	9.6%	1.25	2.37	2.25
Massachusetts	5,110	2,856	4,252	54,076	13.0%	21.9%	21.5%	10.7%	1.21	2.05	2.01
D. CONVENTIONAL (NON-GOVERNMENT-BACKED) REFINANCE LOANS											
Boston	730	858	435	9,641	16.4%	33.8%	30.3%	13.9%	1.19	2.44	2.19
Greater Boston	7,517	1,935	1,989	93,817	11.3%	31.1%	23.8%	11.4%	0.99	2.74	2.10
Massachusetts	10,747	3,145	3,893	182,117	11.9%	32.3%	27.1%	13.0%	0.92	2.49	2.09
E. GOVERNMENT-BACKED REFINANCE LOANS											
Boston	51	393	167	752	35.3%	31.6%	29.9%	30.1%	1.17	1.05	1.00
Greater Boston	316	807	690	8,342	29.4%	28.0%	19.3%	22.2%	1.32	1.26	0.87
Massachusetts	599	1,585	1,690	23,231	29.4%	26.2%	21.5%	22.5%	1.30	1.16	0.95
F. ALL REFINANCE LOANS											
Boston	781	1,251	602	10,393	17.7%	33.1%	30.2%	15.0%	1.18	2.20	2.01
Greater Boston	7,833	2,742	2,679	102,159	12.0%	30.2%	22.7%	12.2%	0.98	2.47	1.85
Massachusetts	11,346	4,730	5,583	205,348	12.8%	30.2%	25.4%	14.0%	0.91	2.15	1.81

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

TABLE 22
Applications And Denial Rates By Race & Income Of Applicant
First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2009

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	17	47.1%	8	50.0%	43	32.6%	1.45	1.54
31-50	140	30.0%	99	26.3%	370	17.0%	1.76	1.54
51-70	256	21.1%	144	20.8%	828	12.1%	1.75	1.73
71-90	139	26.6%	76	19.7%	657	9.7%	2.73	2.03
91-120	80	22.5%	26	23.1%	671	9.7%	2.32	2.38
121-150	22	18.2%	10	20.0%	375	10.7%	1.70	1.88
over 150	21	14.3%	20	10.0%	843	8.4%	1.70	1.19
Total*	681	24.7%	388	22.2%	3,822	11.2%	2.21	1.98
B. GREATER BOSTON								
1-30	47	44.7%	66	31.8%	361	32.4%	1.38	0.98
31-50	281	27.4%	484	27.1%	2,786	15.9%	1.72	1.70
51-70	466	20.2%	629	21.8%	4,883	11.8%	1.71	1.84
71-90	322	25.5%	354	18.6%	4,171	8.5%	2.99	2.19
91-120	193	21.2%	195	19.5%	4,792	7.6%	2.81	2.58
121-150	66	9.1%	80	12.5%	2,960	6.9%	1.31	1.80
over 150	77	13.0%	101	10.9%	5,440	6.9%	1.89	1.59
Total*	1,465	22.8%	1,929	21.7%	25,583	9.6%	2.37	2.25
C. MASSACHUSETTS								
1-30	152	39.5%	333	30.6%	1,664	29.0%	1.36	1.06
31-50	790	24.9%	1,498	23.4%	9,403	14.7%	1.70	1.60
51-70	886	19.1%	1,260	21.4%	12,219	11.1%	1.71	1.93
71-90	517	21.9%	565	18.9%	9,046	9.6%	2.27	1.97
91-120	287	20.6%	305	16.7%	8,845	7.9%	2.60	2.11
121-150	99	7.1%	119	11.8%	4,978	10.0%	0.71	1.18
over 150	100	14.0%	138	10.1%	7,489	7.5%	1.87	1.36
Total*	2,856	21.9%	4,252	21.5%	54,076	10.7%	2.05	2.01

* Total includes applicants without reported income.

TABLE 23
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2009
(For 2004–2009, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1992	1994	1996	1998	2000	2002	2004	2006	2007	2008	2009
I. BOSTON												
A. BIG BOSTON BANKS												
Number of Loans	541	911	1,849	1,954	1,429	876	860	736	699	1,019	723	937
% of All Loans	28.9%	38.6%	39.4%	34.8%	20.2%	11.7%	10.9%	8.5%	9.9%	17.8%	16.2%	22.5%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans	919	871	1,158	1,230	1,615	1,367	1,229	1,189	868	1,084	1,023	1,039
% of All Loans	49.1%	36.9%	24.7%	21.9%	22.8%	18.3%	15.6%	13.7%	12.3%	19.0%	22.9%	25.0%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders after 1997)												
Number of Loans	410	580	1,690	2,439	3,746	4,736	5,213	5,752	4,159	3,275	2,703	2,182
% of All Loans	21.9%	24.6%	36.0%	43.4%	53.0%	63.4%	66.0%	66.4%	59.0%	57.3%	60.4%	52.5%
D. SUBPRIME LENDERS #												
Number of Loans					280	488	600	981	1,326	340	23	2
% of All Loans					4.0%	6.5%	7.6%	11.3%	18.8%	5.9%	0.5%	0.0%
E. TOTAL												
Number of Loans	1,870	2,362	4,697	5,623	7,070	7,467	7,902	8,658	7,052	5,718	4,472	4,160
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS												
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans							31,946	26,038	19,734	23,750	21,131	23,408
% of All Loans							32.1%	26.5%	25.6%	37.7%	41.2%	45.1%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)												
Number of Loans							60,387	59,961	44,437	36,185	29,870	28,422
% of All Loans							60.7%	61.0%	57.7%	57.5%	58.2%	54.8%
D. SUBPRIME LENDERS #												
Number of Loans							7,186	12,298	12,813	3,038	278	71
% of All Loans							7.2%	12.5%	16.6%	4.8%	0.5%	0.1%
E. TOTAL												
Number of Loans							99,519	98,297	76,984	62,973	51,279	51,901
% of All Loans							100%	100%	100%	100%	100%	100%

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

Subprime lenders for 1998–2003 are from HUD's annual lists of subprime lenders. Subprime lenders for 2004, 2005, 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": Citizens, Bank of America, and Sovereign in 2004–2009. 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 2009, they would have added only 78 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 Reinvestment 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.

TABLE 24
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, 2009

	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	13,649	40.5%	33.8%	25.7%	1,555	20.9%	46.9%	32.2%
Greater Boston	117,625	40.0%	35.0%	25.0%	12,702	18.0%	50.3%	31.7%
Massachusetts	223,062	43.9%	30.8%	25.4%	33,540	18.6%	49.7%	31.7%

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

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

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

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

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

TABLE 25
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, 2009

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs
Boston	5,528	325	5.9%	4,620	730	15.8%	3,501	500	14.3%
Greater Boston	47,000	2,291	4.9%	41,194	6,388	15.5%	29,431	4,023	13.7%
Massachusetts	97,830	6,235	6.4%	68,613	16,669	24.3%	56,619	10,636	18.8%

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

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

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

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

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

TABLE 26
Shares of 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, 2009

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Blk + Latino	
		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	1,976	180	46	112	22	725	73	916	119	176	44
% of Loans	100%	9.1%	2.3%	5.7%	1.1%	36.7%	3.7%	46.4%	6.0%	8.9%	2.2%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,342	17	67	21	27	312	145	413	215	22	63
% of Loans	100%	1.3%	5.0%	1.6%	2.0%	23.2%	10.8%	30.8%	16.0%	1.6%	4.7%
C. OTHER LENDERS*											
Number of Loans	842	9	50	7	42	157	97	253	157	15	56
% of Loans	100%	1.1%	5.9%	0.8%	5.0%	18.6%	11.5%	30.0%	18.6%	1.8%	6.7%
D. TOTAL											
Number of Loans	4,160	206	163	140	91	1,194	315	1,582	491	213	163
% of Loans	100%	5.0%	3.9%	3.4%	2.2%	28.7%	7.6%	38.0%	11.8%	5.1%	3.9%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	3,552	187	37	117	8	841	16	1,390	83	186	28
% of Loans	100%	5.3%	1.0%	3.3%	0.2%	23.7%	0.5%	39.1%	2.3%	5.2%	0.8%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	3,278	79	78	58	37	668	59	1,043	226	75	80
% of Loans	100%	2.4%	2.4%	1.8%	1.1%	20.4%	1.8%	31.8%	6.9%	2.3%	2.4%
C. OTHER LENDERS*											
Number of Loans	2,659	104	61	47	39	502	31	956	164	80	49
% of Loans	100%	3.9%	2.3%	1.8%	1.5%	18.9%	1.2%	36.0%	6.2%	3.0%	1.8%
D. TOTAL											
Number of Loans	9,489	370	176	222	84	2,011	106	3,389	473	341	157
% of Loans	100%	3.9%	1.9%	2.3%	0.9%	21.2%	1.1%	35.7%	5.0%	3.6%	1.7%

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

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

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders 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 (<\$45K in 2009).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<\$71K in 2009).

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MSA (2000 Census data).

"LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 27

**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, 2009**

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Blk+Latino	
		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	23,408	510	233	770	423	7,258	1,781	3,136	982	217	73
% of Loans	100%	2.2%	1.0%	3.3%	1.8%	31.0%	7.6%	13.4%	4.2%	0.9%	0.3%
B. LICENSED MORTGAGE LENDERS											
Number of Loans	17,304	105	456	133	620	2,663	3,856	1,020	1,825	25	142
% of Loans	100%	0.6%	2.6%	0.8%	3.6%	15.4%	22.3%	5.9%	10.5%	0.1%	0.8%
C. OTHER LENDERS*											
Number of Loans	11,189	65	243	136	469	1,821	2,052	770	1,125	21	92
% of Loans	100%	0.6%	2.2%	1.2%	4.2%	16.3%	18.3%	6.9%	10.1%	0.2%	0.8%
D. TOTAL											
Number of Loans	51,901	680	932	1,039	1,512	11,742	7,689	4,926	3,932	263	307
% of Loans	100%	1.3%	1.8%	2.0%	2.9%	22.6%	14.8%	9.5%	7.6%	0.5%	0.6%
II. REFINANCE LOANS											
A. MASSACHUSETTS BANKS AND CREDIT UNIONS											
Number of Loans	74,422	741	122	978	115	17,097	332	5,487	428	214	35
% of Loans	100%	1.0%	0.2%	1.3%	0.2%	23.0%	0.4%	7.4%	0.6%	0.3%	0.0%
B. LICENSED MORTGAGE LENDERS											
Number of Loans	51,309	289	376	483	388	8,201	1,501	2,412	1,499	86	107
% of Loans	100%	0.6%	0.7%	0.9%	0.8%	16.0%	2.9%	4.7%	2.9%	0.2%	0.2%
C. OTHER LENDERS											
Number of Loans	45,430	360	252	526	371	8,220	831	2,657	1,065	91	58
% of Loans	100%	0.8%	0.6%	1.2%	0.8%	18.1%	1.8%	5.8%	2.3%	0.2%	0.1%
D. TOTAL											
Number of Loans	171,161	1,390	750	1,987	874	33,518	2,664	10,556	2,992	391	200
% of Loans	100%	0.8%	0.4%	1.2%	0.5%	19.6%	1.6%	6.2%	1.7%	0.2%	0.1%

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

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

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders 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 the relevant metropolitan area.

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in the relevant metropolitan area.

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MD (2000 Census data).

"LMI CTs >75% Blk+Latino" include all 51 census tracts in which over 75% of the population was black or Latino (2000 Census).

TABLE 28
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
(These Include 17 of the Top 20 Government-Backed Loan [GBL] Lenders ^)
First-Lien Loans for Owner-Occupied Homes, 2009

Lender Family*	Lender Type#	Total Loans			Number of GBLs			GBLs as % of Total			GBL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Bank of America*	MIX	2,346	740	1,606	248	137	111	10.6%	18.5%	6.9%	1
Mortgage Master	LML	1,078	279	799	83	45	38	7.7%	16.1%	4.8%	4
Wells Fargo*	OSB	1,075	352	723	154	105	49	14.3%	29.8%	6.8%	2
Sovereign Bank	CRA	551	109	442	15	10	5	2.7%	9.2%	1.1%	
RBS Citizens	CRA	476	162	314	33	29	4	6.9%	17.9%	1.3%	9
Metlife Bank	OSB	387	97	290	115	40	75	29.7%	41.2%	25.9%	3
JPMorgan Chase	OSB	284	44	240	21	14	7	7.4%	31.8%	2.9%	17
Prospect Mortgage	LML	271	89	182	26	15	11	9.6%	16.9%	6.0%	14
Mt. Washington Co-op	CRA	251	137	114	7	5	2	2.8%	3.6%	1.8%	
Leader Bank/Mortgage*	MIX	243	55	188	22	12	10	9.1%	21.8%	5.3%	16
NE Moves Mortgage	LML	242	161	81	44	38	6	18.2%	23.6%	7.4%	6
Greenpark Mortgage	LML	239	68	171	36	19	17	15.1%	27.9%	9.9%	8
Bank of Canton	CRA	230	140	90	0	0	0	0.0%	0.0%	0.0%	
Boston Private	CRA	225	134	91	0	0	0	0.0%	0.0%	0.0%	
GMAC/Ally*	OSB	204	39	165	31	9	22	15.2%	23.1%	13.3%	10
Fairway Independent Mort	LML	200	54	146	30	15	15	15.0%	27.8%	10.3%	11
Provident Funding	LML	188	27	161	0	0	0	0.0%	0.0%	0.0%	
Poli Mortgage	LML	184	30	154	2	1	1	1.1%	3.3%	0.6%	
New York Community Bank	OSB	178	34	144	0	0	0	0.0%	0.0%	0.0%	
Quicken Loans	LML	167	8	159	21	4	17	12.6%	50.0%	10.7%	18
Mortgage Network	LML	165	73	92	20	13	7	12.1%	17.8%	7.6%	19
CitiGroup*	CRA ^	132	15	117	9	1	8	6.8%	6.7%	6.8%	
Salem Five	CRA	132	51	81	8	6	2	6.1%	11.8%	2.5%	
MSA Mortgage	LML	118	40	78	19	13	6	16.1%	32.5%	7.7%	20
TD Bank	CRA	113	50	63	7	7	0	6.2%	14.0%	0.0%	
Wainwright Bank	CRA	110	69	41	0	0	0	0.0%	0.0%	0.0%	
William Rieves Mortgage	LML	98	50	48	12	6	6	12.2%	12.0%	12.5%	
Franklin American Mort	LML	94	35	59	58	28	30	61.7%	80.0%	50.8%	5
Merrimack Mortgage	LML	88	23	65	29	13	16	33.0%	56.5%	24.6%	12
Suntrust	LML	87	11	76	2		2	2.3%	0.0%	2.6%	
Total, 30 Biggest Lenders		10,156	3,176	6,980	1,052	585	467	10.4%	18.4%	6.7%	
Total, All 344 Lenders		13,649	4,160	9,489	1,555	810	745	11.4%	19.5%	7.9%	

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

Table 32 provides information on the individual lenders within each “lender family.”

^ There were three top-20 GBL lenders not among the top 30 overall lenders: Flagstar Bank (#7), Freedom Mortgage (#13), & Taylor, Bean, & Whitaker (#15).

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. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation. CRA^ or LML^ or OSB^ indicates that the family includes more than one type of lender, but that more than 90% of the lending family’s loans are accounted for by lenders of the type indicated. MIX: lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family’s total loans).

TABLE 29
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
(These Include 16 of the Top 20 Government-Backed Loan [GBL] Lenders ^)
First-Lien Loans for Owner-Occupied Homes, 2009

Lender Family*	Lender Type#	Total Loans			Number of GBLs			GBLs as % of Total			GBL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Bank of America*	MIX	24,711	6,330	18,381	3,616	2,071	1,545	14.6%	32.7%	8.4%	1
Wells Fargo*	OSB	12,615	3,196	9,419	2,577	1,400	1,177	20.4%	43.8%	12.5%	2
Mortgage Master	LML	10,521	2,311	8,210	1,486	905	581	14.1%	39.2%	7.1%	4
Sovereign Bank	CRA	9,652	1,560	8,092	467	326	141	4.8%	20.9%	1.7%	19
Metlife Bank	OSB	6,371	1,375	4,996	2,191	746	1,445	34.4%	54.3%	28.9%	3
RBS Citizens	CRA	5,956	1,226	4,730	398	330	68	6.7%	26.9%	1.4%	
Provident Funding	LML	4,188	446	3,742	0	0	0	0.0%	0.0%	0.0%	
Leader Bank/Mortgage*	MIX	4,063	664	3,399	266	136	130	6.5%	20.5%	3.8%	
Salem Five	CRA	3,973	1,057	2,916	474	337	137	11.9%	31.9%	4.7%	18
GMAC/Ally*	OSB	3,969	737	3,232	943	430	513	23.8%	58.3%	15.9%	8
Quicken Loans	LML	3,466	117	3,349	740	69	671	21.4%	59.0%	20.0%	12
JPMorgan Chase	OSB	3,399	433	2,966	271	173	98	8.0%	40.0%	3.3%	
NE Moves Mortgage	LML	3,250	2,080	1,170	986	812	174	30.3%	39.0%	14.9%	7
Prospect Mortgage	LML	3,159	1,288	1,871	931	642	289	29.5%	49.8%	15.4%	9
Greenpark Mortgage	LML	2,927	722	2,205	573	287	286	19.6%	39.8%	13.0%	15
Mortgage Network	LML	2,885	824	2,061	638	342	296	22.1%	41.5%	14.4%	13
First Eastern Mortgage	CRA	2,601	765	1,836	588	360	228	22.6%	47.1%	12.4%	14
Merrimack Mortgage	LML	2,548	876	1,672	991	598	393	38.9%	68.3%	23.5%	6
New York Community Bank	OSB	2,383	345	2,038	0	0	0	0.0%	0.0%	0.0%	
Poli Mortgage	LML	2,341	250	2,091	16	7	9	0.7%	2.8%	0.4%	
TD Bank	CRA	2,339	589	1,750	195	159	36	8.3%	27.0%	2.1%	
Franklin American Mort	LML	2,211	799	1,412	1,370	662	708	62.0%	82.9%	50.1%	5
PNC Bank	OSB	2,093	528	1,565	877	380	497	41.9%	72.0%	31.8%	10
Bank of Canton	CRA	2,031	906	1,125	0	0	0	0.0%	0.0%	0.0%	
Eastern Bank	CRA	2,023	504	1,519	271	187	84	13.4%	37.1%	5.5%	
HarborOne CU	CRA	1,986	347	1,639	84	78	6	4.2%	22.5%	0.4%	
CitiGroup*	CRA ^	1,973	189	1,784	151	24	127	7.7%	12.7%	7.1%	
Suntrust	LML	1,864	256	1,608	136	89	47	7.3%	34.8%	2.9%	
Cape Cod Five	CRA	1,852	366	1,486	24	24		1.3%	6.6%	0.0%	
Fairway Independent Mort	LML	1,725	441	1,284	381	191	190	22.1%	43.3%	14.8%	
Total, 30 Biggest Lenders		135,075	31,527	103,548	21,641	11,765	9,876	16.0%	37.3%	9.5%	
Total, All 665 Lenders		223,062	51,901	171,161	33,540	16,996	16,544	15.0%	32.7%	9.7%	

* Indicates that the loans shown are for two or more affiliated lenders in the same “lender family.”
Table 32 provides information on the individual lenders within each “lender family.”

^ There were four top-20 GBL lenders not among the top-30 overall lenders: Flagstar Bank (#11), Freedom Mort. (#16), 1-800-East/West Mort. (#17) & Plaza Home Mort. (#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 became subject to CRA-type state regulation beginning in 2008. OSB: other lenders, mainly out-of-state banks, who can do mortgage lending in Mass. without a license and are exempt from state regulation. CRA^ or LML^ or OSB^ indicates that the family includes more than one type of lender, but that more than 90% of the lending family’s loans are accounted for by lenders of the type indicated. MIX: lender families that include two types of lenders (with each lender type accounting for at least 10% of the lender family’s total loans).

TABLE 30
The 30 Biggest Lenders (“Lender Families”) in Boston*
Total and Government-Backed Loans (GBLs) by Borrower Race/Ethnicity
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2009

Lender Family*	Lender Type#	Total Loans			GBLs as % of Total			Ratio to White		GBL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Bank of America*	MIX	209	116	1,354	26.8%	16.4%	8.9%	3.02	1.85	1
Mortgage Master	LML	20	16	944	50.0%	18.8%	6.7%	7.49	2.81	4
Wells Fargo*	OSB	76	46	738	63.2%	52.2%	9.1%	6.96	5.75	2
Sovereign Bank	CRA	45	30	416	4.4%	13.3%	1.9%	2.31	6.93	
RBS Citizens	CRA	63	41	248	14.3%	12.2%	5.6%	2.53	2.16	9
Metlife Bank	OSB	24	45	258	70.8%	97.8%	15.9%	4.46	6.15	3
JPMorgan Chase	OSB	19	5	212	15.8%	0.0%	6.6%	2.39	0.00	17
Prospect Mortgage	LML	6	7	179	66.7%	42.9%	7.3%	9.18	5.90	13
Mt. Washington Co-op	CRA	47	9	187	10.6%	0.0%	1.1%	9.95	0.00	
Leader Bank/Mortgage*	MIX	6	5	191	33.3%	20.0%	8.9%	3.75	2.25	16
NE Moves Mortgage	LML	5	1	207	80.0%	0.0%	16.9%	4.73	0.00	6
Greenpark Mortgage	LML	12	5	214	41.7%	20.0%	13.1%	3.18	1.53	8
Bank of Canton	CRA	4	4	169	0.0%	0.0%	0.0%	na	na	
Boston Private	CRA	14	10	147	0.0%	0.0%	0.0%	na	na	
GMAC/Ally*	OSB	18	3	151	33.3%	33.3%	13.2%	2.52	2.52	10
Fairway Independent Mort	LML	3	4	165	33.3%	50.0%	13.9%	2.39	3.59	11
Provident Funding	LML	6	7	140	0.0%	0.0%	0.0%	na	na	
Poli Mortgage	LML	1	0	141	0.0%	na	1.4%	0.00	na	
New York Community Bank	OSB	5	1	128	0.0%	0.0%	0.0%	na	na	
Quicken Loans	LML	12	11	116	33.3%	18.2%	10.3%	3.22	1.76	18
Mortgage Network	LML	3	1	135	66.7%	0.0%	9.6%	6.92	0.00	19
CitiGroup*	CRA ^	15	4	82	20.0%	0.0%	7.3%	2.73	0.00	
Salem Five	CRA	4	2	118	75.0%	0.0%	4.2%	17.70	0.00	
MSA Mortgage	LML	5	3	91	80.0%	33.3%	14.3%	5.60	2.33	20
TD Bank	CRA	4	5	82	50.0%	40.0%	2.4%	20.50	16.40	
Wainwright Bank	CRA	1	3	92	0.0%	0.0%	0.0%	na	na	
William Ravier Mortgage	LML	1	0	90	100.0%	na	12.2%	8.18	na	
Franklin American Mort	LML	16	6	61	93.8%	66.7%	50.8%	1.84	1.31	5
Merrimack Mortgage	LML	11	3	66	63.6%	66.7%	25.8%	2.47	2.59	12
Suntrust	LML	3	0	71	0.0%	na	2.8%	0.00	na	
Total, 30 Biggest Lenders		658	393	7,193	32.4%	30.0%	8.0%	4.02	3.73	
Total, All 344 Lenders		915	537	9,693	37.0%	32.6%	8.4%	4.43	3.89	

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

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

TABLE 31
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
Total and Government-Backed Loans (GBLs) by Borrower Race/Ethnicity
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2009

Lender Family*	Lender Type#	Total Loans			GBLs as % of Total			Ratio to White		GBL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Bank of America*	MIX	622	947	17,059	35.5%	34.8%	14.2%	2.50	2.45	1
Wells Fargo*	OSB	269	397	10,271	63.6%	59.4%	19.3%	3.30	3.08	2
Mortgage Master	LML	140	203	8,895	54.3%	61.6%	13.6%	3.99	4.53	4
Sovereign Bank	CRA	145	255	8,381	13.8%	27.1%	4.2%	3.30	6.48	19
Metlife Bank	OSB	127	298	5,228	74.8%	86.6%	30.8%	2.43	2.81	3
RBS Citizens	CRA	128	177	3,712	23.4%	29.4%	6.0%	3.90	4.89	
Provident Funding	LML	25	50	3,179	0.0%	0.0%	0.0%	na	na	
Leader Bank/Mortgage*	MIX	17	49	2,917	35.3%	18.4%	7.6%	4.64	2.41	
Salem Five	CRA	48	85	3,593	33.3%	28.2%	11.1%	2.99	2.54	18
GMAC/Ally*	OSB	64	99	3,434	40.6%	48.5%	23.6%	1.72	2.05	8
Quicken Loans	LML	38	69	2,730	36.8%	27.5%	20.6%	1.79	1.34	12
JPMorgan Chase	OSB	63	41	2,814	15.9%	14.6%	8.0%	1.99	1.83	
NE Moves Mortgage	LML	55	64	2,778	78.2%	60.9%	30.1%	2.60	2.03	7
Prospect Mortgage	LML	78	98	2,511	76.9%	69.4%	27.3%	2.82	2.54	9
Greenpark Mortgage	LML	50	31	2,678	56.0%	32.3%	19.2%	2.92	1.68	15
Mortgage Network	LML	25	30	2,384	64.0%	70.0%	22.1%	2.90	3.17	13
First Eastern Mortgage	CRA	26	50	2,344	57.7%	46.0%	21.8%	2.64	2.11	14
Merrimack Mortgage	LML	70	98	2,231	72.9%	75.5%	37.2%	1.96	2.03	6
New York Community Bank	OSB	17	31	1,812	0.0%	0.0%	0.0%	na	na	
Poli Mortgage	LML	14	7	1,574	0.0%	0.0%	1.0%	0.00	0.00	
TD Bank	CRA	21	62	1,965	42.9%	38.7%	7.4%	5.81	5.25	
Franklin American Mort	LML	89	101	1,799	88.8%	94.1%	58.8%	1.51	1.60	5
PNC Bank	OSB	55	56	1,764	78.2%	82.1%	41.9%	1.87	1.96	10
Bank of Canton	CRA	23	38	1,586	0.0%	0.0%	0.0%	na	na	
Eastern Bank	CRA	40	52	1,564	30.0%	28.8%	11.6%	2.59	2.49	
HarborOne CU	CRA	99	16	1,839	28.3%	0.0%	3.0%	9.29	0.00	
CitiGroup*	CRA ^	46	39	1,548	21.7%	15.4%	7.3%	2.98	2.11	
Suntrust	LML	9	22	1,400	11.1%	27.3%	8.1%	1.36	3.35	
Cape Cod Five	CRA	10	14	1,642	10.0%	0.0%	1.3%	7.46	0.00	
Fairway Independent Mort	LML	14	34	1,438	57.1%	50.0%	20.9%	2.74	2.40	
Total, 30 Biggest Lenders		2,427	3,513	107,070	44.9%	46.1%	15.6%	2.88	2.96	
Total, All 655 Lenders		3,752	5,412	181,037	44.8%	44.1%	14.2%	3.16	3.10	

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

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

TABLE 32
Individual Lenders in the 30 Biggest Lender “Families” in Massachusetts*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2009

Lender Family	Lender Name	Lender Type#	Boston			Massachusetts		
			Total Loans	GBL Loans	% GBLs	Total Loans	GBL Loans	% GBLs
Bank of America*	BANK OF AMERICA, N.A.	CRA	1,858	212	11.4%	19,777	2,946	14.9%
Bank of America*	COUNTRYWIDE BANK FSB	OSB	413	36	8.7%	4,324	665	15.4%
Bank of America*	MERRILL LYNCH CREDIT CORP	OSB	41	0	0.0%	423	0	0.0%
Bank of America*	MERRILL LYNCH BANK & TRUST FSB	CRA	33	0	0.0%	132	0	0.0%
Bank of America*	PROPERTYMORTGAGE.COM	OSB	1	0	0.0%	43	25	58.1%
CitiGroup*	CITIMORTGAGE, INC.	CRA	122	9	7.4%	1,796	151	8.4%
CitiGroup*	CITICORP TRUST BANK FSB	OSB	9	0	0.0%	130	0	0.0%
CitiGroup*	CITIFINANCIAL SERVICES, INC.	LML	1	0	0.0%	47	0	0.0%
GMAC/Ally*	ALLY BANK F/K/A/ GMAC BANK	OSB	204	31	15.2%	3,953	950	24.0%
Leader Bank/Mortgage*	LEADER BANK	CRA	152	13	8.6%	2,439	155	6.4%
Leader Bank/Mortgage*	LEADER MORTGAGE COMPANY, INC.	LML	91	9	9.9%	1,624	112	6.9%
Wells Fargo*	WELLS FARGO BANK, NA	OSB	1,020	143	14.0%	11,823	2,462	20.8%
Wells Fargo*	WACHOVIA MORTGAGE FSB	OSB	17	3	17.6%	294	35	11.9%
Wells Fargo*	RESIDENTIAL MORTGAGE SERVICES	LML	13	8	61.5%	227	92	40.5%
Wells Fargo*	WELLS FARGO FUNDING, INC.	OSB	16	0	0.0%	152	0	0.0%
Wells Fargo*	AMERICANMTGNETWORK DBA VERTICE	OSB	3	0	0.0%	62	9	14.5%

* This table is a supplement to Tables 26 & 27, 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 26 & 27. Thirteen individual lenders with fewer than 25 total loans statewide are excluded from this table, but their loans are included in the lender family totals in Tables 26 & 27. These thirteen lenders include two from Bank of America*, one from GMAC/Ally*, and ten from Wells Fargo*.

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

APPENDIX TABLE I

**All Home-Purchase and Refinance Loans in Massachusetts, 2009, 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't-Backed	Total	Conventional	Gov't-Backed	Total	Conventional	Gov't-Backed	Total
First Lien	40,121	16,999	57,120	164,249	16,587	180,836	204,370	33,586	237,956
Owner-Occupied	34,905	16,996	51,901	154,617	16,544	171,161	189,522	33,540	223,062
Site-built	34,711	16,994	51,705	154,495	16,531	171,026	189,206	33,525	222,731
Mfg housing	194	2	196	122	13	135	316	15	331
Not Owner-Occ	5,216	3	5,219	9,632	43	9,675	14,848	46	14,894
Site-built	5,213	3	5,216	9,632	43	9,675	14,845	46	14,891
Mfg housing	3	0	3	0	0	0	3	0	3
Sub Lien	2,693	10	2,703	2,539	4	2,543	5,232	14	5,246
Owner-Occupied	2,661	7	2,668	2,495	4	2,499	5,156	11	5,167
Site-built	2,660	6	2,666	2,493	2	2,495	5,153	8	5,161
Mfg housing	1	1	2	2	2	4	3	3	6
Not Owner-Occ	32	3	35	44	0	44	76	3	79
Site-built	29	0	29	44	0	44	73	0	73
Mfg housing	3	3	6	0	0	0	3	3	6
Any Lien	42,814	17,009	59,823	166,788	16,591	183,379	209,602	33,600	243,202
Owner-Occupied	37,566	17,003	54,569	157,112	16,548	173,660	194,678	33,551	228,229
Site-built	37,371	17,000	54,371	156,988	16,533	173,521	194,359	33,533	227,892
Mfg housing	195	3	198	124	15	139	319	18	337
Not Owner-Occ	5,248	6	5,254	9,676	43	9,719	14,924	49	14,973
Site-built	5,242	3	5,245	9,676	43	9,719	14,918	46	14,964
Mfg housing	6	3	9	0	0	0	6	3	9
memo:									
total site-built	42,613	17,003	59,616	166,664	16,576	183,240	209,277	33,579	242,856
total mfg hsing	201	6	207	124	15	139	325	21	346
B. PERCENTAGE OF TOTAL LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov't-Backed	Total	Conventional	Gov't-Backed	Total	Conventional	Gov't-Backed	Total
First Lien	16.5%	7.0%	23.5%	67.5%	6.8%	74.4%	84.0%	13.8%	97.8%
Owner-Occupied	14.4%	7.0%	21.3%	63.6%	6.8%	70.4%	77.9%	13.8%	91.7%
Site-built	14.3%	7.0%	21.3%	63.5%	6.8%	70.3%	77.8%	13.8%	91.6%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%
Not Owner-Occ	2.1%	0.0%	2.1%	4.0%	0.0%	4.0%	6.1%	0.0%	6.1%
Site-built	2.1%	0.0%	2.1%	4.0%	0.0%	4.0%	6.1%	0.0%	6.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	1.1%	0.0%	1.1%	1.0%	0.0%	1.0%	2.2%	0.0%	2.2%
Owner-Occupied	1.1%	0.0%	1.1%	1.0%	0.0%	1.0%	2.1%	0.0%	2.1%
Site-built	1.1%	0.0%	1.1%	1.0%	0.0%	1.0%	2.1%	0.0%	2.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.0%	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	17.6%	7.0%	24.6%	68.6%	6.8%	75.4%	86.2%	13.8%	100.0%
Owner-Occupied	15.4%	7.0%	22.4%	64.6%	6.8%	71.4%	80.0%	13.8%	93.8%
Site-built	15.4%	7.0%	22.4%	64.6%	6.8%	71.3%	79.9%	13.8%	93.7%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%
Not Owner-Occ	2.2%	0.0%	2.2%	4.0%	0.0%	4.0%	6.1%	0.0%	6.2%
Site-built	2.2%	0.0%	2.2%	4.0%	0.0%	4.0%	6.1%	0.0%	6.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	17.5%	7.0%	24.5%	68.5%	6.8%	75.3%	86.1%	13.8%	99.9%
total mfg hsing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%

Note: This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2009 HMDA data. All other numbers in this table are calculated from these 32 basic numbers.

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 91.7% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (6.1% of the total) and subordinate-lien loans (2.2%).

Additional details: Of the government-backed loans, 91.6% were FHA, 6.7% were VA, and 1.7% were FSA/RHS. There were only 5 HEOPA loans.

This table ignores 307 loans (0.1% of the total) for which owner-occupancy status was not reported.

This table also ignores the state's 11,451 home-improvement loans, of which 6,718 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, 2009

Borrower Race/Ethnicity	All Loans	Non-GBL Loans	GBL Loans	Percent GBLs	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	3,759	3,236	523	13.9%	0.45
Black	1,834	902	932	50.8%	1.64
Latino	2,919	1,407	1,512	51.8%	1.68
White	41,588	28,737	12,851	30.9%	1.00
No Info*	4,303	3,192	1,111	25.8%	
Total*	54,568	37,566	17,002	31.2%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (95.5% of all Home Purchase Loans)					
Asian	3,517	2,995	522	14.8%	0.46
Black	1,612	680	932	57.8%	1.80
Latino	2,551	1,039	1,512	59.3%	1.84
White	39,966	27,120	12,846	32.1%	1.00
No Info*	4,096	2,985	1,111	27.1%	
Total*	51,901	34,905	16,996	32.7%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (4.5% of all Home Purchase Loans)					
Asian	242	241	1	0.4%	1.34
Black	222	222	0	0.0%	0.00
Latino	368	368	0	0.0%	0.00
White	1,622	1,617	5	0.3%	1.00
No Info*	207	207	0	0.0%	
Total*	2,667	2,661	6	0.2%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	8,054	7,782	272	3.4%	0.38
Black	2,174	1,423	751	34.5%	3.84
Latino	2,900	2,026	874	30.1%	3.35
White	143,145	130,281	12,864	9.0%	1.00
No Info*	16,912	15,193	1,719	10.2%	
Total*	173,658	157,112	16,546	9.5%	
B-2. REFINANCE LOANS — FIRST LIEN (98.6% of all Refinance Loans)					
Asian	7,959	7,687	272	3.4%	0.37
Black	2,140	1,390	750	35.0%	3.84
Latino	2,861	1,987	874	30.5%	3.35
White	141,071	128,208	12,863	9.1%	1.00
No Info*	16,662	14,943	1,719	10.3%	
Total*	171,161	154,617	16,544	9.7%	
B-3. REFINANCE LOANS — JUNIOR LIEN (1.4% of all Refinance Loans)					
Asian	95	95	0	0.0%	0.00
Black	34	33	1	2.9%	61.00
Latino	39	39	0	0.0%	0.00
White	2,074	2,073	1	0.0%	1.00
No Info*	250	250	0	0.0%	
Total*	2,497	2,495	2	0.1%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	11,813	11,018	795	6.7%	0.48
Black	4,008	2,325	1,683	42.0%	3.02
Latino	5,819	3,433	2,386	41.0%	2.95
White	184,733	159,018	25,715	13.9%	1.00
No Info*	21,215	18,385	2,830	13.3%	
Total*	228,226	194,678	33,548	14.7%	

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

"Total" includes "Other" as well as the categories shown in the table; "other" is 0.3% or less in each category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2009 *

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2008	2009	1990	1995	2000	2005	2008	2009
Asian	100	269	381	453	320	333	5.7%	6.0%	5.8%	6.1%	8.2%	9.1%
Black	287	880	710	1,065	454	369	16.4%	19.8%	10.9%	14.3%	11.6%	10.0%
Latino	91	303	463	719	255	231	5.2%	6.8%	7.1%	9.7%	6.5%	6.3%
White	1,266	2,866	4,831	5,175	2,858	2,731	72.5%	64.4%	74.0%	69.5%	73.1%	74.3%
Other	3	132	147	34	22	13	0.2%	3.0%	2.3%	0.5%	0.6%	0.4%
SubTotal#	1,747	4,450	6,532	7,446	3,909	3,677	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	563	483						
Total	1,770	4,637	7,467	8,330	4,472	4,160						

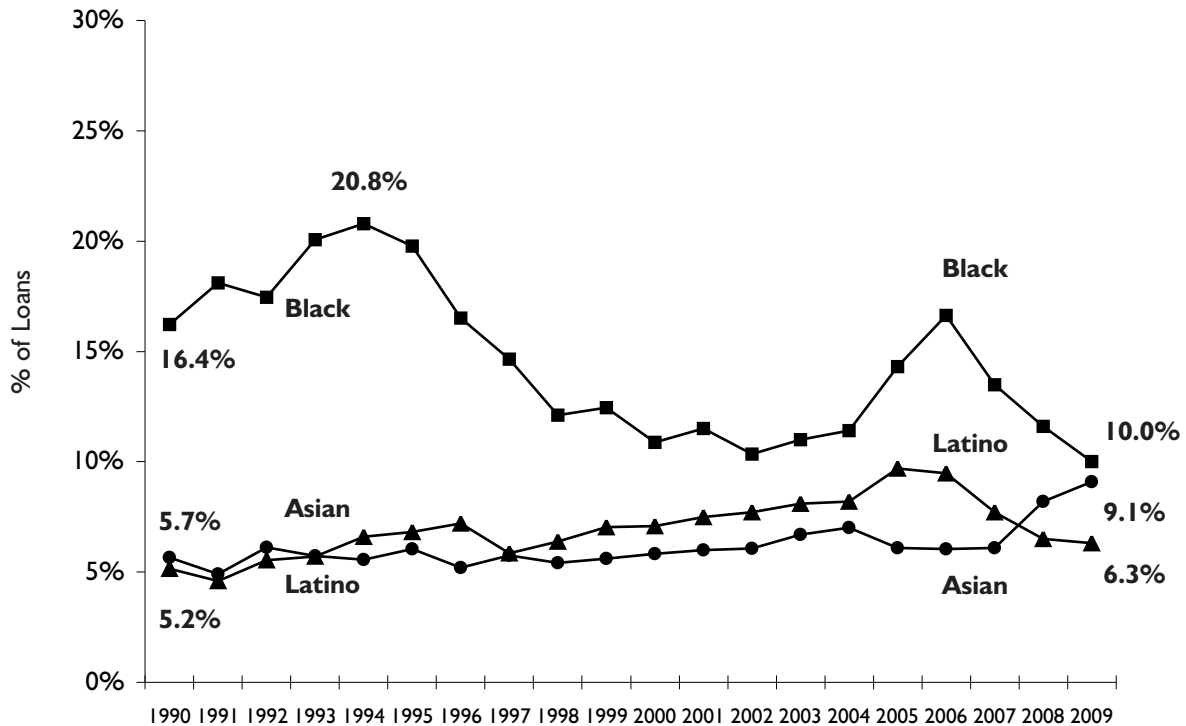
Important Note: 2004 and later data are not strictly comparable to those for previous years. Beginning in 2004, loans other than first-lien mortgages for owner-occupied homes are excluded; previously only junior-lien loans under the SoftSecond Program were excluded. In addition, race and ethnicity are 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, 1990–2009*

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

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



APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990–2009*

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2005	2008	2009	1990	1995	2000	2005	2008	2009
Low#	51	530	369	216	236	290	2.8%	11.6%	5.1%	2.7%	5.3%	7.0%
Moderate	352	1,233	1,321	1,314	1,044	1,219	19.6%	27.0%	18.4%	16.4%	23.3%	29.3%
Middle	527	1,261	1,815	2,281	1,248	1,125	29.3%	27.6%	25.2%	28.5%	27.9%	27.0%
High	513	889	2,095	2,715	1,077	888	28.5%	19.4%	29.1%	33.9%	24.1%	21.3%
Highest	355	659	1,589	1,474	841	618	19.7%	14.4%	22.1%	18.4%	18.8%	14.9%
Hi+Hi'est	868	1,548	3,684	4,189	1,918	1,506	48.3%	33.9%	51.2%	52.4%	42.9%	36.2%
Total#	1,798	4,572	7,189	8,000	4,472	4,160	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 (20 in 2009); 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:

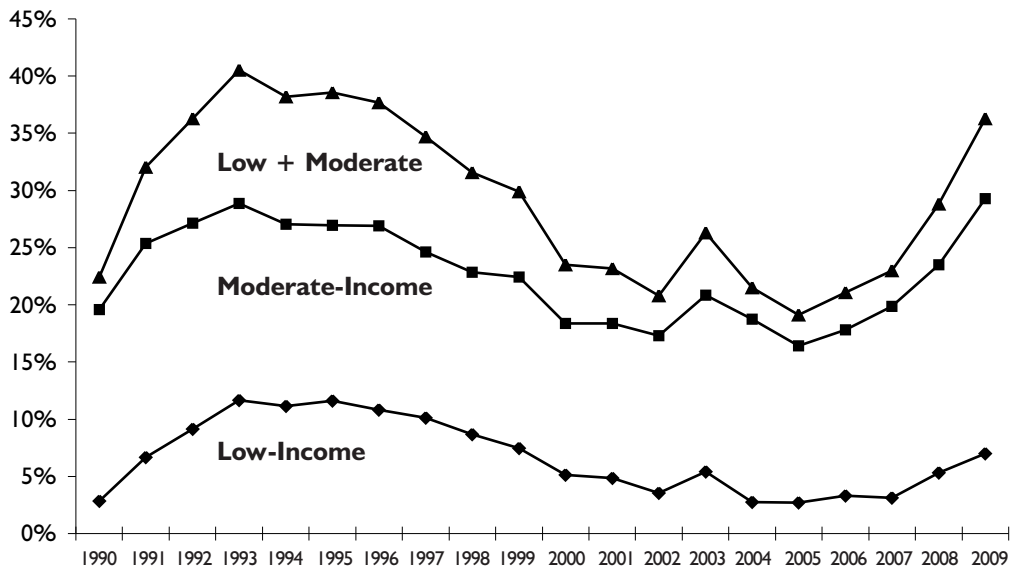
Low: <50% Moderate: 50%–80% Middle: 80%–120% High: 120%–200% Highest: >200%

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

Chart A-4: Loans to Low- and Moderate-Income Borrowers as % of All Boston Home-Purchase Loans, 1990–2009*

* 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 — 1990–2009*

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2005	2008	2009	1990	1995	2000	2005	2008	2009
A. BOSTON												
Asian	14.5%	8.2%	12.7%	14.6%	14.8%	17.4%	0.89	1.12	1.37	1.45	1.23	1.69
Black	32.7%	15.8%	24.5%	23.6%	30.8%	24.5%	2.00	2.16	2.63	2.34	2.57	2.38
Latino	25.3%	18.6%	18.9%	20.9%	28.7%	21.2%	1.55	2.55	2.03	2.07	2.39	2.06
White	16.4%	7.3%	9.3%	10.1%	12.0%	10.3%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	10.1%	13.3%	12.4%		0.99	1.08	1.04	1.19	1.23
Black		16.3%	20.7%	21.3%	26.6%	23.8%		2.23	2.46	2.20	2.38	2.36
Latino		13.1%	17.2%	19.1%	25.0%	22.2%		1.79	2.05	1.97	2.23	2.20
White		7.3%	8.4%	9.7%	11.2%	10.1%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	15.8%	18.7%	16.6%	0.90	0.61	0.56	1.28	1.38	1.27
Black	33.9%	40.5%	44.6%	27.5%	36.1%	32.3%	2.35	1.97	2.00	2.24	2.65	2.47
Latino	21.4%	29.5%	31.4%	21.3%	31.1%	25.6%	1.49	1.43	1.41	1.73	2.29	1.95
White	14.4%	20.6%	22.3%	12.3%	13.6%	13.1%	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.

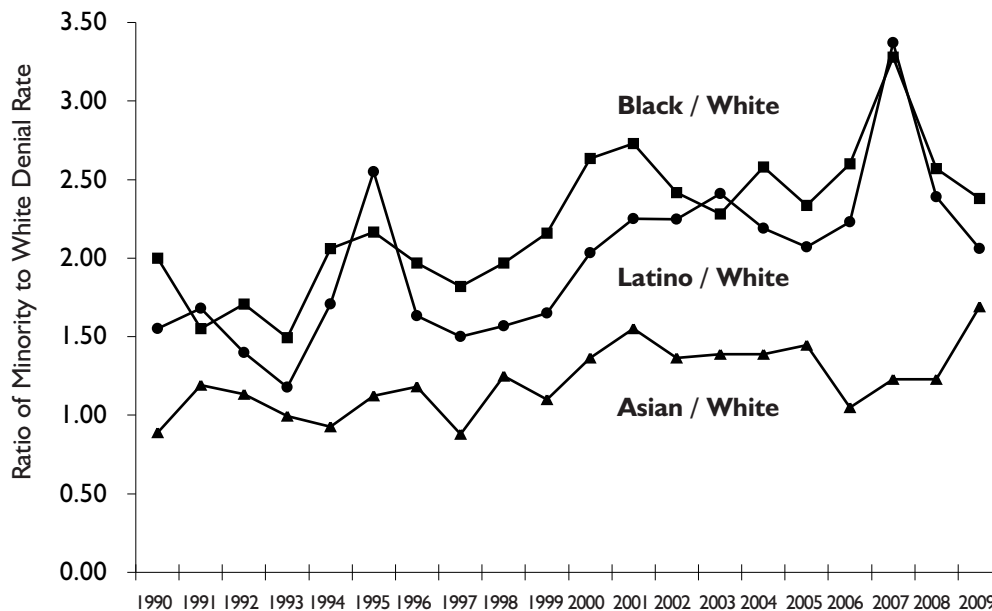
* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-5.

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). For 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, 1990–2009*

* 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, 2009

	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	519	64.2%	4.6%	17.1%	10.2%	3.1%	781	63.8%	4.2%	17.7%	10.4%	4.0%
Black	681	54.2%	6.2%	24.7%	10.7%	3.4%	1,251	43.6%	3.9%	33.1%	13.7%	5.7%
Latino	388	59.5%	4.6%	22.2%	9.3%	3.9%	602	50.8%	3.7%	30.2%	12.0%	3.3%
White	3,822	71.5%	4.8%	11.2%	10.1%	2.3%	10,393	67.0%	4.7%	15.0%	10.3%	3.0%
Total*	6,189	67.2%	5.1%	14.2%	10.5%	2.6%	15,267	62.2%	4.5%	18.3%	11.3%	3.7%
B. GREATER BOSTON+												
Asian	3,607	70.0%	4.9%	12.0%	9.6%	2.9%	7,833	71.5%	4.4%	12.0%	8.9%	3.1%
Black	1,465	56.8%	5.5%	22.8%	10.5%	3.6%	2,742	47.1%	5.0%	30.2%	12.8%	4.9%
Latino	1,929	59.1%	5.0%	21.7%	11.2%	2.8%	2,679	55.7%	5.0%	22.7%	12.9%	3.8%
White	25,583	74.8%	4.6%	9.6%	8.9%	1.8%	102,159	71.3%	4.3%	12.2%	9.5%	2.7%
Total*	36,534	71.9%	4.8%	11.2%	9.7%	2.2%	132,524	68.9%	4.4%	13.4%	10.1%	3.2%
C. MASSACHUSETTS												
Asian	5,110	68.8%	5.0%	13.0%	9.5%	3.1%	11,346	70.1%	4.4%	12.8%	9.3%	3.4%
Black	2,856	56.4%	5.5%	21.9%	11.3%	4.1%	4,730	45.2%	5.2%	30.2%	13.8%	5.6%
Latino	4,252	60.0%	4.8%	21.5%	10.2%	3.1%	5,583	51.2%	5.7%	25.4%	13.0%	4.6%
White	54,076	73.9%	4.4%	10.7%	8.8%	1.9%	205,348	68.7%	4.2%	14.0%	10.0%	3.1%
Total*	72,815	71.3%	4.6%	12.1%	9.4%	2.3%	257,418	66.5%	4.3%	15.1%	10.6%	3.5%

^ 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, 2009

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	105	35	141	182	42	229	851	422	1,298
Employment History	20	3	23	35	3	39	127	63	198
Credit History	79	34	120	113	34	150	441	353	813
Collateral	63	35	100	127	61	190	523	696	1,239
Insufficient Cash	24	10	34	41	16	57	132	130	268
Unverifiable Information	17	10	27	36	11	49	110	109	230
Credit Application Incomplete	11	16	27	48	17	65	125	214	351
Mortgage Insurance Denied	10	5	18	11	7	19	59	86	155
Other	49	40	91	111	24	137	378	461	860
Total Denials	398	209	626	683	212	916	2,897	2,720	5,788
Number with Reason Reported	307	156	475	561	176	747	2,185	2,109	4,398
Number with No Reason Reported	91	53	151	122	36	169	712	611	1,390
Percent with No Reason Reported	22.9%	25.4%	24.1%	17.9%	17.0%	18.4%	24.6%	22.5%	24.0%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	34%	22%	30%	32%	24%	31%	39%	20%	30%
Employment History	7%	2%	5%	6%	2%	5%	6%	3%	5%
Credit History	26%	22%	25%	20%	19%	20%	20%	17%	18%
Collateral	21%	22%	21%	23%	35%	25%	24%	33%	28%
Insufficient Cash	8%	6%	7%	7%	9%	8%	6%	6%	6%
Unverifiable Information	6%	6%	6%	6%	6%	7%	5%	5%	5%
Credit Application Incomplete	4%	10%	6%	9%	10%	9%	6%	10%	8%
Mortgage Insurance Denied	3%	3%	4%	2%	4%	3%	3%	4%	4%
Other	16%	26%	19%	20%	14%	18%	17%	22%	20%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%.
Lenders supervised by OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.
Lenders reported three reasons for only 4.5 % of denials in Massachusetts in 2007; to greatly simplify calculations, this table includes only first and second reasons.
HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:
Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income
Employment history: temporary or irregular employment; length of employment
Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy
Collateral: value or type of collateral not sufficient
Insufficient cash: [for downpayment or closing costs]
Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence
Credit application incomplete: credit application incomplete
Mortgage insurance denied: [none listed]
Other: length of residence; temporary residence; other reasons specified on notice.

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, 2009

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	171	84	259	209	82	294	3,060	2,074	5,222
Employment History	7	0	9	4	1	6	178	152	349
Credit History	99	110	221	103	73	184	1,000	1,543	2,653
Collateral	183	271	470	184	263	456	2,177	6,627	8,974
Insufficient Cash	18	15	34	23	14	40	176	332	529
Unverifiable Information	20	7	30	23	16	44	313	507	888
Credit Application Incomplete	25	39	78	26	38	79	507	1,449	2,109
Mortgage Insurance Denied	6	7	13	3	4	7	64	195	260
Other	50	67	128	61	75	152	903	2,209	3,240
Total Denials	666	689	1,430	704	624	1,419	8,378	15,088	24,224
Number with Reason Reported	471	518	1,045	527	493	1,077	5,379	10,414	16,265
Number with No Reason Reported	195	171	385	177	131	342	2,999	4,674	7,959
Percent with No Reason Reported	29.3%	24.8%	26.9%	25.1%	21.0%	24.1%	35.8%	31.0%	32.9%

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%	16%	25%	40%	17%	27%	57%	20%	32%
Employment History	1%	0%	1%	1%	0%	1%	3%	1%	2%
Credit History	21%	21%	21%	20%	15%	17%	19%	15%	16%
Collateral	39%	52%	45%	35%	53%	42%	40%	64%	55%
Insufficient Cash	4%	3%	3%	4%	3%	4%	3%	3%	3%
Unverifiable Information	4%	1%	3%	4%	3%	4%	6%	5%	5%
Credit Application Incomplete	5%	8%	7%	5%	8%	7%	9%	14%	13%
Mortgage Insurance Denied	1%	1%	1%	1%	1%	1%	1%	2%	2%
Other	11%	13%	12%	12%	15%	14%	17%	21%	20%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%.
Lenders supervised by OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.
Lenders reported three reasons for only 4.5 % of denials in Massachusetts in 2007; to greatly simplify calculations, this table includes only first and second reasons.
HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:
Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income
Employment history: temporary or irregular employment; length of employment
Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy
Collateral: value or type of collateral not sufficient
Insufficient cash: [for downpayment or closing costs]
Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence
Credit application incomplete: credit application incomplete
Mortgage insurance denied: [none listed]
Other: length of residence; temporary residence; other reasons specified on notice.

NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

HMDA Loan Application Register (LAR) data are the main source of data on loans, lenders, and borrowers for this report. These data are collected, processed, and released each year by the FFIEC (www.ffiec.gov/hmda). Among the HMDA data provided for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the 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; home-purchase loans are not covered by HOEPA). The information in *italics* was included for the first time in 2004 HMDA data. HMDA LAR data can be downloaded for free from the FFIEC website.

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; the old criteria were deeply flawed because the pricing of mortgages, which generally have a maturity of thirty years, is only coincidentally related to the interest rate on thirty-year U.S. Treasury securities; the interest rates on fixed-rate loans tend to be priced in relationship to seven-year Treasury securities and the rates on adjustable-rate loans tend to be priced in relationship to one-year Treasury securities. In this report, loans for which the spreads are reported are referred to as “high-APR loans” or “HALs.”

Government-backed loans (GBLs) are those identified in HMDA data as FHA-insured, VA-guaranteed, or USDA guaranteed. See Section I for more information about GBLs.

The tables in this report provide information on first-lien loans for owner-occupied homes, usually presented separately for home-purchase loans and refinance loans. (A few tables combine data for home-purchase and refinance loans; a few other tables have data for home-purchase loans only.) This involves ignoring a great deal of data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 72 categories of loans on the basis of the following five distinctions: government-backed vs. conventional loans; 1–4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home-purchase vs. refinance vs. home improvement loans; and first-lien vs. junior-lien loans. To achieve simplicity and to focus on the loans of greatest interest, I have taken two measures. First, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes—that is, none of these types of loans are included in any of the numbers contained in this report’s tables. Second, I ignored the distinction between site-built and manufactured homes (in 2009, loans for manufactured homes accounted for only 0.1% of the state’s loans, down from 0.3% in 2008). Appendix Tables 1 and 2 provide data that allow the interested reader to assess the impact of these decisions about what loans to include and exclude from the analysis in this report. (These tables do not provide any information on home-improvement loans. There were a total of 11,451 home-improvement loans reported in 2009 HMDA data for Massachusetts, which constituted 4.5% of total (home-purchase plus refinance plus home-improvement) loans. Of these, 6,718 were first-lien home-

improvement loans for owner-occupied homes, which constituted 2.8% of total first-lien loans for owner-occupied homes. Of the 11,451 total home-improvement loans, 163 (1.4%) were GBLs and 459 (4.1%) were HALs.

The decision to include only first-lien loans in all of the tables in body of this report has less impact for 2009 data than in previous years because junior-lien loans made up just 4.5% of all home-purchase loans and 1.4% of all refinance loans. Junior-lien home-purchase loans (sometimes referred to as “piggyback loans”) were very common a few years ago; they accounted for more than one-quarter of all home-purchase loans in Massachusetts in 2006 and 2007. These loans provided a way of avoiding the cost of private mortgage insurance, which is generally required for conventional loans when the loan amount is greater than 80% of the value of the home being purchased. Thus, borrowers received a first-lien loan for 80% of the value of the home and a second, junior-lien mortgage for the additional amount being borrowed (20% of the home’s value in the case of a zero-down-payment loan). Restricting the analysis to first-lien loans avoids double-counting home buyers who obtained piggy-back second mortgages. Appendix Table 2 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans and GBLs, overall and for each of the major racial/ethnic groups included in this report.

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

Metropolitan areas used in defining income categories for borrowers. Beginning in 2004, HMDA data use the revised metropolitan areas defined by U.S. Office of Management and Budget OMB in June 2003, under which New England joined the rest of the U.S. in having metropolitan areas consist of entire counties [www.whitehouse.gov/omb/bulletins/b03-04.html]. The Boston MSA now consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the

MSA are analyzed in this series of reports). Furthermore, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). The Boston MSA now consists of three MDs: the Essex Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify all borrowers and census tracts in the Boston MSA into income categories.** This practice, first used in *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 2009 MFIs for the three MDs as well as for the entire Boston MSA are provided below.)

Racial/ethnic categories: Beginning with 2004, HMDA data classify each applicant and co-applicant by both ethnicity (Latino or Not Latino) and race (the possible races are: American Indian or Alaska Native, Asian, Black, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as they wish (up to all five). This report uses this information to place each borrower into one of six categories: “Asian” is shorthand for non-Latino Asian; “black” is shorthand for non-Latino black; “Latino” includes all applicants with Latino ethnicity; “white” is shorthand for non-Latino white; “other” is shorthand for non-Latino American Indian, Alaska Native, Native Hawaiian, or Other Pacific Islander; and “no information” includes borrowers with no information on race and either no information or Not Latino for ethnicity. Other analysts, including the Federal Reserve researchers who write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 223,062 first-lien loans for owner-occupied homes in Massachusetts in 2009, a total of 3,952 are identified in the HMDA data as going to black borrowers and a total of 5,412 are identified as going to Latinos; only 200 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 2009 with information on the race of the borrower, only 0.3% of borrowers specified more than one race and only 1.4% of borrowers had co-borrowers of a different race; only 0.9% of borrowers had co-borrowers with different ethnicity.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Appendix Table 6 provides data on how the actions taken on mortgage loan applications (for first-lien home-purchase loans on owner-occupied homes) were distributed among the five possible outcomes. This information is provided for four racial/ethnic categories as well as overall—for Boston, Greater Boston, and Massachusetts.

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 23–32.

Big Boston Banks 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 2009, this group includes only Bank of America, RBS Citizens, and Sovereign. Bank of America includes Bank of America and Fleet loans for 2004, but only Fleet loans for earlier years. Five former banks were included in this grouping while they still existed: Bank of New England (1990–91), Boston Five Cents Savings Bank (1990–92), BayBanks (1990–96), Shawmut (1990–96), and BankBoston (1990–99). A sixth bank, Boston Safe Deposit (now Mellon New England), was included in this category until it exited the mortgage lending business in 2002.

Subprime lenders were identified, from 1998 through 2003, on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. HUD’s lists include lenders who specialized in subprime loans or for whom subprime loans constituted a majority of loans originated. Information on how the lists were compiled, and the lists themselves through 2005, are available at: www.huduser.org/datasets/manu.html. HUD’s lists for 2004 and 2005 were not available in time for use in preparing the *Changing Patterns* report on lending during those years. For most purposes, it is preferable to identify higher-cost loans directly rather than to try to approximate these loans by identifying lenders who specialize in such loans and for this reason HUD has stopped preparing annual lists of subprime lenders now that higher-cost loans are identified in HMDA data. HUD never classified any Massachusetts bank or credit union (or any affiliate) as a “subprime lender.”

For 2004 and later years, lenders have been classified as *subprime lenders*—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 to include known subprime lenders, including those identified as subprime lenders on HUD’s annual lists. A lender was classified as a “subprime lender” for 2004 if it made at least five first-lien, owner-occupied, home-purchase HALs in Massachusetts, and if these HALs constituted more than 15% of its total loans in the state. A lender was classified as a “subprime lender” for 2005 if HALs constituted more than one-third (33.3%) of its total loans in the state. A lender was classified as a “subprime lender” for 2006 if HALs constituted more than 40% of its total loans in the state. A lender was classified as a “subprime lender” for 2007 if HALs constituted more than 40% of its total loans in the state in 2007 or more than 40% of its loans in 2006 and at least 25% of its loans in 2007. *A lender was classified as a “subprime lender” for 2008 or 2009 if HALs constituted at least 40% of its total (home-purchase plus refinance) first-lien loans for owner-occupied homes in the state in that year.* Using this criterion, 46 lenders were identified as subprime lenders for 2008 and 18 lenders were identified as subprime lenders for 2009.

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 2009 edition of *A Guide to HMDA Reporting: Getting It Right!*, Appendix D, pages D1–D2 (www.ffiec.gov/hmda/guide.htm)).

Data from the 2000 Census

Almost all population and income data presented in this report for geographic areas are from the 2000 Census. The only exception to this generalization is the data used in the first two bullet points of Section III, which is explained in a footnote at that point. Rolf Goetze of the Policy Development and Research Department at the Boston Redevelopment Authority (BRA) provided me with 2000 Census data in electronic form on requested variables for all of the census tracts in the City of Boston. Roy Williams of the Massachusetts State Data Center provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the state. Income data from the 2000 Census were obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov).

Racial/ethnic composition of geographic areas may be defined in a number of ways as a result of the fact that the 2000 Census allowed individuals to choose two or more racial categories for themselves, in addition to classifying

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

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

Census tracts are assigned to income categories on the basis of decennial census data, using the metropolitan area definitions adopted by the federal government in June 2003 (see above). This differs from the way that borrowers are assigned to income categories on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas as reported by HUD. MFIs for census tracts are only reported (by the Census Bureau) once every ten years, so the assignment of census tracts to income categories does not change annually. (However, the assignment of census tracts in *Changing Patterns XIV* and later reports is different than in earlier reports because of the decision [discussed above] to classify all census tracts in the Boston MSA on the basis of the MFI in the MSA rather than on the basis of the MFIs in the three Metropolitan Divisions [MDs] within the Boston MSA.)

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

Median family income (MFI) of each metropolitan area is reported annually by HUD. Borrowers are placed into income categories by comparing their reported incomes to the annual HUD estimate of the MFI in the Metropolitan Statistical Area (MSA) area where the home being mortgaged is located. The Boston MSA is divided into three Metropolitan Divisions (MDs), but the MFIs of these MDs were not used in this report. The 2009 MFIs for all of the state’s metropolitan areas were:

Barnstable MSA (Barnstable County)	\$75,400
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$88,100
Boston–Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$83,900
Cambridge–Newton–Framingham MD (Middlesex County).....	\$97,100
Peabody MD (Essex County)	\$83,600
Pittsfield MSA (Berkshire County)	\$66,900
Providence–Fall River–New Bedford MSA (Bristol County).....	\$72,500
Springfield MSA (Franklin/Hampden/Hampshire Counties).....	\$67,200
Worcester MSA (Worcester County)	\$79,700
Non-Metro part of Massachusetts (Dukes/Nantucket Counties)	\$77,600