2021 State of Housing in Black America

Emerging from the Covid Pandemic Recession

James H. Carr | Michela Zonta | William Spriggs

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National Association of Real Estate Brokers
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With Message from Lydia Pope, President,
National Association of Real Estate Brokers

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Acknowledgements

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ABOUT THE AUTHORS

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ABOUT THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS

NAREB was founded in Tampa, Florida, in 1947 as an equal opportunity and civil rights advocacy organization for African American real estate professionals, consumers, and communities in the United States. Our purpose remains the same today, but we are more focused on economic opportunity than civil rights. Although composed principally of African Americans, the REALTIST® organization embraces all qualified real estate practitioners who are committed to achieving our vision, which is "Democracy in Housing."

DISCLAIMERS

All statements in this report are the views of the authors and do not represent the views or opinions of any organizations with which they are associated. Neither the Board of the National Association of Real Estate Brokers, nor its executives or staff, are responsible for the content of this report. Any errors are the sole responsibility of the authors.

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Message from the President

November 5, 2021

It gives me great pleasure to present the National Association of Real Estate Brokers (NAREB), 2021 State of Housing In Black America Report (SHIBA). This report, as in all prior ones, takes a critical look at the existent causes for the disparity in the Black homeownership rates when compared to those of our White counterparts and recommends solutions aimed at closing the gap.

As the oldest minority real estate trade association in America and with the motto and mission of "Democracy In Housing" NAREB has been the voice of Black real estate and Black homeownership since 1947. As the leading minority real estate trade association, NAREB ensures that the dream of homeownership remains alive for all who desire regardless of economic conditions.

Our 2021 report, "Emerging from the Pandemic Recession" looks at how Black homeownership faired during the worldwide shutdown, the low interest rate mortgage market and the changing economy. Our report highlights historical and public policy barriers that impede equity in the housing market. As you review the findings of the report and our recommended solutions, you will notice that Blacks have made little, if any, strides at closing the disparate homeownership gap between those of our White counterparts. Systemic discriminatory regulations and policies continue to thwart any meaningful effort at closing the homeownership gap.

As President of this association, I invite you to join us in advocating for fairer credit lending policies and practices that do not penalize an otherwise qualified buyer, with higher fees due to their credit score. Additionally, we ask that you join us in our effort to pressure your legislator to fully support funding the housing provisions of President Biden's "Build Back Better" bill.

It is with immense gratitude that I thank the SHIBA committee for the heavy lifting that went into producing this report. I also want to thank Jim Carr, our report's principal author and Maurice Jourdain-Earl for his tremendous evaluation and analysis of the data supporting this report.

Finally, to the members, partners and supporters of the National Association of Real Estate Brokers thank you for all you do to make the Dream of homeowner for the more than 46.8 million Blacks in America.

Sincerely,

Lydia Pope

Lydia Pope
President
National Association of Real Estate Brokers

Introduction

As highlighted throughout this report, the past year has presented several potentially strong headwinds to increasing Black homeownership in the near future. Payrolls dropped by 20.7 million jobs in April 2020, the largest ever one-month loss of employment in U.S. history. Gross domestic product (GDP)—the value of all goods and services produced—suffered its sharpest two quarter decline in history. Blacks were disproportionately negatively impacted by the Covid-induced recession. When combined with pre-existing structural defects in the U.S. housing finance system, the near-term prospects for increased Black homeownership are not promising.

BLATANT DISCRIMINATION/INSTITUTIONAL BIASES IN HOUSING FINANCE

This past June, America commemorated the 100th anniversary of the 1921 attack on the Greenwood neighborhood of Tulsa, OK. Known as the "Black Wall Street," Greenwood was a thriving Black community that was looted and burned to the ground by White rioters. A total of 35 city blocks were destroyed and as many as 300 people died.[1] According to Tulsa Historical Society and Museum, the causes of the massacre were the result of a mixture of "Jim Crow, jealously, white supremacy, and land lust…"

1. 2001 Race Riot Commission Report. Tulsa Historical Society and Museum. Tulsa, OK. 2021.

In its efforts this year to bring attention to harrowing chapter in American history, USA Today published a series of articles on Black economic and social progress over the past century. One of those articles asked the question, “Is Black homeownership in America better than 100 years ago?” The response was, its complicated.[2]

Blacks today have a higher homeownership rate than in 1921 and have the legal right to live in the community of their choice. Yet the Black to Non-Hispanic White (herein after White) homeownership gap has increased over the past 80 years.[3] Today, fewer than 45 percent of Black households own their homes compared to nearly 75 percent of White households.

Tulsa holds great historical importance for our nation. From the late 1800s and into the early years of the last century, Blacks were achieving extraordinary economic success, and closing the Black-White wealth gap that had been created by centuries of slavery.[4]

Just little more than a decade after the Tulsa massacre, the Federal Housing Administration (FHA) was established, effectively launching the modern federal housing finance system. FHA and other federal housing agencies[5] excluded Blacks from access to low-cost, fixed-rate, self-amortizing loans, thus precluding from Blacks, the opportunity to close the homeownership gap with Whites and narrow the racial wealth gap.

Although blatant discrimination is no longer federally sanctioned,[6] institutional discrimination continues to permeate almost every aspect of the real estate industry, including many practices of federal housing agencies.

Underappraisal of home values in Black neighborhoods, inappropriate use of outdated or otherwise inaccurate and misleading credit scoring models, and unfair mortgage pricing schemes that penalize Blacks for the decades of forced economic deprivation they’ve experienced, are among the practices that today, continue to impede Black homeownership progress.

In fact, institutional biases in the housing market are so imbedded and accepted, that some of the costliest hindrances to Blacks benefitting from homeownership are rarely discussed in conversations related to improving Black homeownership or economic returns to homeownership (i.e., home equity accumulation over the life of owning a home).

Home refinancing, for example, is one of the most lucrative financial opportunities for homeowners. In response to the Covid-induced recession last year, the Federal Reserve lowered interest rates to stimulate the struggling economy. The Fed’s low interest rate policy led to a surge in home refinancings. An estimated $5.8 billion in cost savings on future mortgage payments were achieved by U.S. homeowners. Of that amount, only $198 million in savings were captured by Black homeowners.

When considering the difference in the number of Black versus White homeowners, Black owners on average received a value of $17,000 in future mortgage payment savings compared to White owners, who on average received a value of $64,000 in future mortgage payment savings per homeowner. These numbers pale in comparison to the billions of dollars in refinancing that was made available disproportionately to White households in the conventional market through the Home Affordable Refinance Program between 2009 and 2018.

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2. Carr, James H. Is Black Homeownership Better in America than 100 Years Ago? USA Today. May 30, 2021.
3. Authors extrapolations from Collins, William J and Robert A. Margo. Race and Homeownership from the Civil War to the Present. Working Paper 16665. National Bureau of Economic Research. Cambridge, MA. January 2011.
4. Massey, Douglas S. and Nancy A, Denton. American Apartheid: Segregation and the Making of the Underclass. Harvard University Press. 1988.
5. Carr, James H. and Katrin B. Anacker. "The Complex History of the FHA: Building Wealth, Promoting Segregation, and Rescuing the U.S. Housing Market and the Economy." Banking and Financial Services Policy Report. 2015.
6. Carr, James H. Michela Zonta, and Stephen P. Hornburg. Fifty Years of Struggle: Successes and Setbacks Since the Release of the Report of the National Advisory Commission on Civil Disorders and Enactment of the 1968 Fair Housing Act. National Association of Real Estate Brokers. 2015.

Lower mortgage interest rates contribute to higher levels of homeownership since lower mortgage interest rates directly translate into lower default probabilities. Further, cost savings on home mortgages can be transferred to children in the form of inheritances that can be used to purchase homes. The same institutional biases that lead Blacks to disproportionately rely on high-cost loans for home purchases are the same barriers that restrict the ability of Black households from leveraging periods of extremely low interest rates to refinance their homes.

Discriminatory biases that are the virtual fiber of the U.S. housing finance system must be eliminated if Black homeownership is to increase meaningfully. Downpayment assistance, for example, is a powerful tool to promote homeownership. But downpayment assistance programs that are accessible by Blacks, that are overlaid on a system that relies on faulty mortgage pricing and credit scoring algorithms (and other flawed and biased industry practices) will be limited in their effectiveness. Further, as discussed in separate sections of the report, Black women applying alone, and Black millennials, are emerging as major contributors to the recent rise in Black homeownership. Each of those populations have unique challenges that must be addressed if major gains in Black homeownership are to be achieved.

BLACKS AND THE ECONOMY

Unlike the Great Recession of 2007-2009, Congress enacted a broad range of stimulus programs to support the financial needs of households and small businesses suffering from the severe economic downturn. Expanded Supplemental Nutrition Program benefits, deferment of student loans, a moratorium on foreclosures on homes with federally backed mortgages, and a prohibition on evictions on rental housing, further aided households that experienced lower wages or loss of employment.

Despite the substantial support mechanisms, Blacks were disproportionately negatively impacted by the Covid-induced recession. A greater likelihood for Blacks, relative to Whites, to have Covid, may have longer-term negative income implications.

Blacks also experienced substantially greater levels of unemployment, and long-term unemployment, yet were most likely not to receive unemployment benefits relative to unemployed Whites due to flawed unemployment systems at the state level. In fact, nearly half of all Black unemployment last year was long-term (26 weeks or more).

Being unemployed is particularly damaging to a household's financial wellbeing because the longer the period of unemployment, the more challenging it is to secure another job. Also, long-term unemployment requires households to draw down on their savings.

Black-owned businesses also were disproportionately negatively impacted and did not receive the same level of support as did White-owned businesses. Economic stimulus checks to individuals and multiple rounds of direct support to small businesses helped Black businesses to remain afloat much better than they would have without the direct and indirect federal assistance.

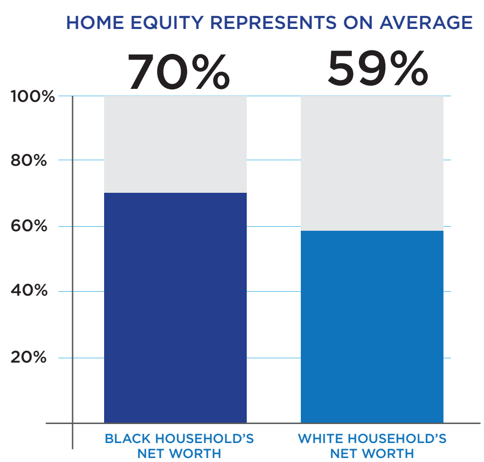
The challenge is that as of today, those federal economic support payments are winding down. Also, as of this past September 2021, Black households were still missing about 700,000 jobs from February 2020 peak employment levels. The loss of support for household income could slow the jobs recovery. Based on current indicators, the labor market likely will not return to its previous peak employment until March 2022.

Executive Summary*

HOUSING MARKET PERFORMANCE

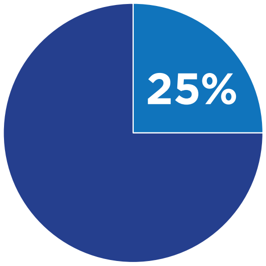
Wealth and Homeownership

- The typical White family holds eight times the amount of wealth held by the typical Black family, according to the 2019 Survey of Consumer Finances. That disparity translates into an estimated $24,100 for Black households compared to a median net worth of $188,200 for White families. This pattern of substantial racial wealth disparity has changed little since 2016.
- Homeownership constitutes the largest component of median household wealth and intergenerational wealth transfer in the United States.
- For Blacks, home equity represents on average 70 percent of a Black household's net worth, compared with 59 percent among White households.



- The homeownership gap is larger than it was more than 80 years ago when the Federal Housing Administration was established in 1934. The Black rate of homeownership remains lower than its historic high in 2004.
- According to the U.S. Census, as of the second quarter of 2021, the Black homeownership rate was 44.6 percent compared to 74.2 percent for Whites. That's down from the recent high achieved in the second quarter of 2020, but up significantly from the half-century low of 40.6 percent measured in the second quarter of 2019.
- In 2020, the Black homeownership rate was 45.3 percent. This rate is substantially above the second quarter 2019 rate of 40.6 percent, which was less than the Black homeownership during the year of the passage of the 1968 Fair Housing Act.
- Recent optimistic official statistics, such as those that indicate a surge in Black homeownership during the pandemic, should be taken with caution. It is not clear, based on available data, if the sudden increase in Black homeownership is due to a statistical anomaly or factors such as financial gains, policy outcomes, demographic shifts, or greater access to mortgage credit.
- In spite of an apparent increase in homeownership among Blacks in 2020, the gap in homeownership rates between Blacks and Whites is still a staggering 30 percentage points.

*All statistics and research findings highlighted in this Executive Summary are fully cited and documented in the full text and footnotes below. This report covers purchase mortgages only; refinancings are not included in the data reported below. A methodology section is included in the Appendix that details how the HMDA data was tabulated for the preparation of this report.



- Several metropolitan areas with growing Black populations, feature homeownership rates that are well below the national average of 45.3%. In Minneapolis, for example, only 25 percent of Black families own their home.

Loan Applications and Originations by Race and Ethnicity

- For the first time since the Great Recession and foreclosure crisis, in 2020 the total number of home mortgage applications and originations surpassed the number of applications registered in 2004, which was the highest year of Black homeownership on record.
- Even though originations to Black applicants have increased by 9 percentage points since 2004, the increase in originations to Blacks remains much lower than the increase in originations to Whites (12 percent), Latinos (60 percent) and Asians (25 percent).
- The share of total loan originations to Black applicants remains unchanged since 2004 (7 percent) and is two percentage points smaller than the share registered in in 2006.
- Between 2019 and 2020, applications from Blacks rose by 16 percentage points, while total originations for that same period increased by 14 percentage points.
- Only 19 percent of loan originations to Black borrowers were purchased by the GSEs compared with 40 percent of those to Whites borrowers.
- Most Black borrowers (61 percent) rely on nonconventional loans, particularly FHA-insured loans.
- The proportion of FHA-insured loans received by Black borrowers is much larger than that of Whites (41 percent versus 15 percent respectively). These disparities exist at all income levels.
- White applicants decreased from 2.9 million in 2004 to 1.4 million in 2010 before steadily increasing to 3.1 million in 2020.
- Seventy-three percent of applications from Whites in 2020 were for conventional loans, up from 66 percent in 2019, but still a lower percentage than in 2004, when 89 percent of loan applications coming from White applicants were for conventional loans.
- In 2020, 43 percent of Black applicants had incomes at or below 80 percent of the local AMI, up from 41 percent in 2019. In contrast, only 31 percent of White applicants had incomes at or below the local AMI, a 4-percentage point increase from 2019.
- Conversely, 45 percent of White applicants had high incomes (i.e., more than 120 percent of AMI), while only just 27 percent of Black applicants fell into this income bracket.
- In 2020, 13 percent of Black loan recipients received high-cost loans, nearly three times the rate for White applicants—only 5 percent.

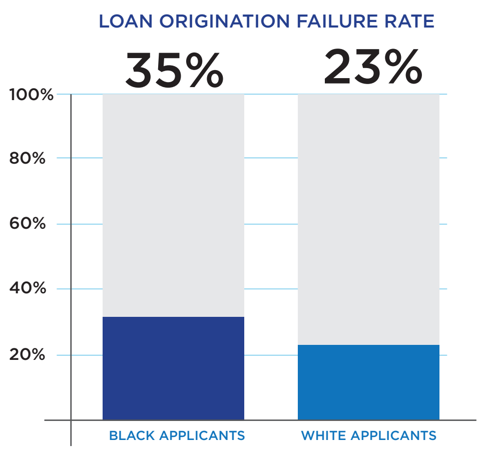
Loan Denial Rates

- In 2020, Black applicants experienced higher loan denial rates than Whites, although denial rates continued to drop since their peak in 2007, when they had reached 32 percent.
- For Black applicants, conventional and nonconventional combined, denial rates for home-purchase loans were more than double those of White applicants—16 percent versus 7 percent—virtually unchanged from 2019.
- Debt-to-income ratios represents the most common reason for denial for both Black (35 percent) and White applicants (30 percent).

- Credit history represents the second most prevalent reason for denials among both Black applicants (25 percent) and White applicants (19 percent)

Loan Origination Failure Rate

- The Loan Origination Failure Rate compares loan applications with loans that did not progress to originations because one of the following reasons:
  - The loan application was approved by the lender but not accepted by the applicant,
  - The loan application was either withdrawn or the file was closed for incompleteness; or
  - The loan application was denied.
- Black applicants experienced a loan origination failure rate of 35 percent, compared to a White applicant rate of 23 percent.



- The principal value of the Loan Failure Rate for 2020 is that it shows that all of the reduction in loan denials to Blacks since 2015 has been more than offset by an increase in loan application withdrawals or files closed.
- The disproportionately larger number of applications that were approved, but not accepted by the applicant and those that were withdrawn or closed for incompleteness among Black applicants, relative to Whites applicants, calls for further investigation.

Loan and Lender Channels by Race and Ethnicity

- Forty-two percent of Black borrowers applied for an FHA-insured loan, a rate that is more than twice that for White applicants (15 percent). Conversely, only 40 percent of Black applicants sought conventional financing in 2020, a much lower rate than that of White applicants (71 percent).
- Most applicants, Blacks and Whites, applied for a loan at an independent mortgage company (66 percent of Black applicants and 56 percent of White applicants).
- In 2020, although origination rates were higher at independent mortgage companies than at banks for both racial groups, the rates of loan origination were several percentage points higher for White applicants (78 percent at mortgage companies and 75 percent at banks) than for Black applicants (66 percent at mortgage companies and 62 percent at banks).
- Origination rates across all lenders to Whites remained constant between 2019 and 2020; Blacks experienced a decline in origination rates across all lenders.
- Denials for Blacks and Whites across all lender types and income categories for 2020 were virtually the same as in 2019, with an exception for Black applicants applying for loans at affiliated mortgage companies; in those instances, the denial rate increased from 14 percent to 17 percent.

Loan Type, Geographic Patterns and Race

- Origination rates for both racial groups were higher in census tract with a small presence of Black population than were originations by all racial groups in majority Black neighborhoods. Origination rates among White applicants were higher than among Black applicants regardless of applicant income level and census tract racial composition, except for high-income

White applicants applying for loans in majority Black census tracts.

- High-income Black applicants, relative to low-income Black applicants, experienced higher origination rates in census tracts with a small Black population. In contrast, in majority Black neighborhoods, origination rates are higher for low-income Black applicants than for those with high incomes.

- In 2020, 29 percent of loans originated to Black applicants financed properties located in low- and moderate-income neighborhoods, which is twice the rate for White borrowers at 14 percent

Cities with Largest Black Populations and High Levels of Segregation

- In the 10 cities with the largest Black populations, all 10 are highly segregated as measured by the dissimilarity index, with the least segregated being Detroit (60 percent) and the most segregated being Chicago (81 percent).

- In all 10 cities, the share of both all applications and all loan originations to Black applicants is well below the share of Black population, indicating a persisting disadvantage in access to mortgages among Blacks.

- In Detroit, for instance, Blacks represent 78 percent of the city's population. Black applicants, however, represent only 50 percent of all mortgage applicants, and only 48 percent of loan recipients. In New York, Blacks represent 24 percent of the city's population, but only 9 percent of loan recipients.

Mortgage Lending to Black Female Applicants

- In 2020, 41 percent of Black mortgage applicants consisted of single women (i.e., without a co-applicant).

- In 2020, 184 thousand applications from female Black prospective borrowers (without a co-applicant) represented a 23 percentage point increase over 2019. The share of applications coming from this group has continually increased since 2017, in contrast with the share of applications coming from single male Black applicants and joint-male and female Black applicants applying jointly.

- In 2020, the total number of applications from female Black prospective homeowners applying alone remained much smaller than at its peak of over 312 thousand reached in 2005.

- In contrast, women (applying without a co-applicant) represent only 22 percent of all White applicants, a percentage that has remained stable since 2004.

- In 2020, 42 percent of applications coming from single Black female applicants were for conventional loans, compared with 72 percent of applications submitted by single White applicants.

- Conversely, in 2020, 46 percent of applications coming from single Black female prospective borrowers were for FHA-insured loans, compared to only 19 percent among their White counterparts.
- In 2020, 65 percent of applications coming from single female Black applicants resulted in a loan origination, compared with 56 percent in 2004.
- In 2020, 77 percent of loan applications coming from single White female prospective borrowers were originated.
- Both among Black and White applicants, male and female applicants applying jointly have higher origination rates than applicants applying alone. The percentage of originated loans among Black male and female applicants applying jointly is 68 percent versus 78 percent among their White counterparts.
- The debt-to-income ratio is the most reported reason for loan denial among single female applicants, followed by credit history and collateral.
- The loan origination failure rate is also higher among single Black female applicants than among their White counterparts. In 2020, 20 percent of applications submitted by Black single female applicants were withdrawn or were reported as closed for incompleteness compared with 15 percent of applications among White applicants.
- Fourteen percent of all Black female borrowers received high-cost loans in 2020, compared with only 5 percent of their White counterparts.

Black Millennials Homeownership

- Black millennials contributed to more than 2 percentage points of the increase in homeownership among all Black homeowners during the first three quarters of 2020.
- A November 2020 report from the National Association of Realtors indicates that 5 percent of Americans who purchased homes during the first months of the pandemic were Black, contributing to an increase in the Black homeownership.
- This surge is largely attributed to the greater buying power that millennials have compared to other generations, reflecting a greater ability to save and invest, especially among middle-class Black millennials, who have higher incomes and more stable employment.

- The surge in Black millennial homebuying has was further supported by low interest rates, reduced personal spending, and the ability to work remotely, which may have contributed to savings (from a reduction in commuting expenses) and facilitated relocation out of high-cost cities to more affordable suburban areas or to areas where owning a home is cheaper than renting.

- Student loan debt likely represents one of these challenges, as it can limit the amount of savings that can be used for a down payment. In the general population, Black households are more than twice as likely to have student loan debt than their White counterparts.

- There has been a 33 percentage point increase in applications from Black millennials between 2018 and 2020, compared to a 14 percent point increase among White millennials.

- Even though the share of applications among Blacks coming from millennials has increased—from 29 percent in 2018 to 32 percent in 2020—the share of Black millennials as a share of Black applicants remains far below the share of White millennials as a share of White applicants; in 2020, millennials represented 41 percent of the White applicant pool.

- Origination rates are higher among Black and White millennials relative to older households.

- The origination rate is 79 percent among White millennials; it is much lower for Black millennials (67 percent). Applications from Black millennials are more than twice as likely to be denied as applications from White millennials (15 percent versus 6 percent).

- The substantially lower application/origination rates for Black millennials relative to White millennials means that Blacks, on average, continue to become homeowners later in life than White homeowners. That gap in first-time ownership age between Blacks and Whites translate into fewer years for Blacks to accumulate housing equity.

- Debt-to-income ratio is reported as the main reason for denial for over 35 percent of Black millennial applicants compared with 28 percent of White millennial applicants. Credit history is the second most common reason for denial.

- In 2020, 23 percent of denied applications coming from Black millennials were rejected because of credit history, compared with 18 percent among White millennial applicants.

- According to a 2019 New America report, about half of millennials between the ages of 21 and 29 who have a credit record and live in a community of color have a subprime score, which makes them vulnerable to high-cost predatory lending.

THE ECONOMY, COVID-19, AND BLACK HOMEOWNERSHIP

Labor Market

- In April 2020, 20.7 million jobs were dropped from American payrolls. The biggest one month decline ever and more jobs lost than comparing the peak job loss suffered in the Great Recession.

- Gross Domestic Product—the value of all goods and services produced—suffered its sharpest two quarter decline in history.

- Congress acted quickly to devise a broad set of measures to stabilize the economy. The CARES Act and the American Recovery Plan virtually flooded households with liquidity and provided programs to accommodate major debt—mortgages, rents and student loans. Supplemental Nutrition Assistance Program (SNAP) benefits were expanded to add further help.
- Blacks were significantly more likely than whites to become Covid-infected.
- Black workers were less likely than white workers to be working from home in the early months of the pandemic and therefore more likely to be exposed to Covid.
- Black workers also suffered higher levels of unemployment, including those with more education, even compared to less educated whites. Until this past June, Blacks with associate degrees had higher unemployment rates than whites who had failed to finish high school.
- At its worst, the Black unemployment rate spiked to 16.7 percent in April 2020.
- Not only was Black unemployment the highest of all race ethnicities, nearly 45 percent of Black unemployed workers were classified as long-term unemployed (unemployed 27 weeks or more).
- A lasting impact of the labor market slide is that the graduating classes of 2020 and 2021 are likely to suffer permanent income losses.
- Because of provisions in the CARES Act, the Department of Education reports that 23 million Direct Loan borrowers holding $935 million in outstanding debt are in forbearance, preventing any Direct Loan borrowers from entering default in the second quarter of 2021.

Blacks and Housing

- Of those who had mortgages in January 2020, 5.5 percent were past due in October 2020, much higher than the 1.1 percent over that period in 2019. But 12.3 percent of Black borrowers were past due in 2020 compared to 4.3 percent for Whites.
- Blacks were about equally likely to enter mortgage forbearance as other households that missed mortgage payments.
- Among Black households that rent, almost one in four, reported in the most recent data, June 2021, that they were not current on their rent.
- The American Rescue Plan, provided $46 billion to state and local government to help those families, while they were also protected by the extension of the Centers for Disease

Control moratorium on evictions. Yet, through July 2021, states had only managed to administer $4.8 billion of the available funds.

Black Small Businesses

- Financial support provided by the CARES Act and American Rescue Program kept Black household consumption steady, in the aggregate, and greatly helped the cash balance of Black businesses that sold to them.
- The initial attempt of offering a Payroll Protection Program loan, to directly protect small businesses and their labor force, was uneven. The Treasury Department funneled the loans through banks, which quickly favored their own customers and those customers with deep relations over other businesses.
- So few Black firms got funding initially that Congress went back and created a second batch of funding directed to address the disparity. In the first round of the firms reporting their race, Black firms received 1.6 percent of loans, though they are 10 percent of firms.
- Compared to White firms on the basis of their employment size, HUBZone/non-HUBZone location and rural/urban status, Black firms received loans that were on average $38,000 less than White firms. Things were better in the second round, with closer to 10 percent of the firms being Black, and the loan gap was smaller at $11,550.
- When commercial banks failed to reach low-income neighborhoods and minority-owned firms, the Federal Reserve ran a special project through the Minneapolis Federal Reserve Bank to increase liquidity for CDFIs to improve access.
- The wave of loans in January and February under the American Rescue Plan did not show a significant improvement among the firms that did report race. Black firms were only 1.6 percent of firms that got loans. But, again, only 22.4 percent of all firms reported their race.
- As is true of Black households, Black businesses have significantly less liquid wealth than White business owners. This makes Black firms highly fragile and less resilient during economic downturns. Keeping Black consumption up during this pandemic went a long way to keeping Black businesses afloat, given their difficulty in getting money aimed at small business liquidity challenges.
- Black consumption is falling as those federal emergency stimulus payments winddown, and it is unlikely to rebound for several quarters until the Black labor market has regained its pre-pandemic levels.

Student Loan Debt

- Student loan debt continues to mount and is now estimated to be $1.7 trillion.
- Excessive student loan debt is a disproportionate problem for young Black adults.
- Black college graduates have an average of $52,000 in student loan debt and owe an average of $25,000 more than White college graduates, according to data from the National Center for Education Statistics. Four years after graduation, almost half of Black borrowers owe 12.5 percent more than what they borrowed due to interest, while 83 percent of White borrowers owe 12 percent less than they borrowed. And over half of Black students say that their student loan debt exceeds their net worth.
- Not only do Blacks carry more college debt, but they also do not receive the same returns to education as do Whites. In fact, according to

the Economic Policy Institute (EPI), the Black-White wage gap is larger today than it was more than a decade ago, and this wage gap exist regardless of educational attainment.

- High student loan debt stifles the ability of Black college graduates to accumulate wealth, particularly through attaining homeownership.
- Moreover, a disproportionate share of Black adults who enter college do not graduate and therefore must settle for jobs that that pay wages that are insufficient to repay their college loans; many young Blacks start their adult lives with student loan debt for which they will never be able to afford to repay.
- Brookings Institution research highlights that none of the current federal policies designed to assist families manage the rising cost of student debt are meaningfully helpful to the average Black college graduate with student debt.

Foreclosures and House Prices

- As of September 2021, Black households were missing almost 700,000 jobs relative to their February 2020 peak employment levels. Based on current indicators, the labor market likely will not return to its previous peak until March 2022.
- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) placed a moratorium on foreclosures of loans backed by federal agencies. Application for CARES Act protection was very simple, requiring no documentation of economic distress, rather, just a confirmation that a borrower was experiencing Covid-related economic hardship.
- The Mortgage Bankers Association estimates that at the height of the moratorium, nearly 5 million households (or 10 percent of owners with a mortgage) had registered for mortgage payment protection.
- The data does not show the extent to which borrowers who are no longer captured in the CARES Act moratorium protection data are able to begin to make mortgage payments.
- The share of mortgage borrowers who are behind on their home loans was 2.45 times higher in February 2021, relative to February 2020. For a variety of reasons, many people who still may require CARES Act moratorium protection may have fallen out of the pipeline.
- Blacks were about equally likely to enter mortgage forbearance as other households that missed mortgage payments. But 12.3 percent of Black borrowers were past due in 2020 compared to 4.3 percent for Whites.
- The share of Black households that are late on their mortgage payments, combined with continuing high Black unemployment, raises concerns about the ability of many Blacks to return to making mortgage payments, now that the federal foreclosure moratorium has terminated; it also raises doubts for the near-term increase in new Black homeowners.
- Home prices soared during the pandemic recession; the S&P CoreLogic Case-Shiller Home Price Index estimates home prices rose nearly 20 percent between August 2020 and August 2021.
- High home prices exacerbate existing downpayment and debt to income challenges for prospective Black home buyers, in general, and particularly, Black millennials, who hold student loan debt.

Housing Market Performance

INTRODUCTION

The typical White family holds eight times the amount of wealth held by the typical Black family, according to the 2019 Survey of Consumer Finances. That disparity translates into an estimated $24,100 for Black households compared to a median net worth of $188,200 for White families. This pattern of substantial racial wealth disparity has changed little since 2016.[7] Homeownership constitutes the largest component of median household wealth and intergenerational wealth transfer in the United States. As the 2018 Survey of Income and Program Participation indicates,[8] home equity accounts for 67 percent of an American household's net worth on average. For Blacks, home equity represents on average 70 percent of a Black household's net worth, compared with 59 percent among White households, suggesting that Blacks disproportionately rely on home equity as a determinant of wealth accumulation.

This chapter examines 2020 Home Mortgage Disclosure Act[9] data regarding loan applications by many factors, including:

1. Race and ethnicity
2. Loan type and lender channels
3. Income
4. Neighborhood characteristics
5. Gender and generation

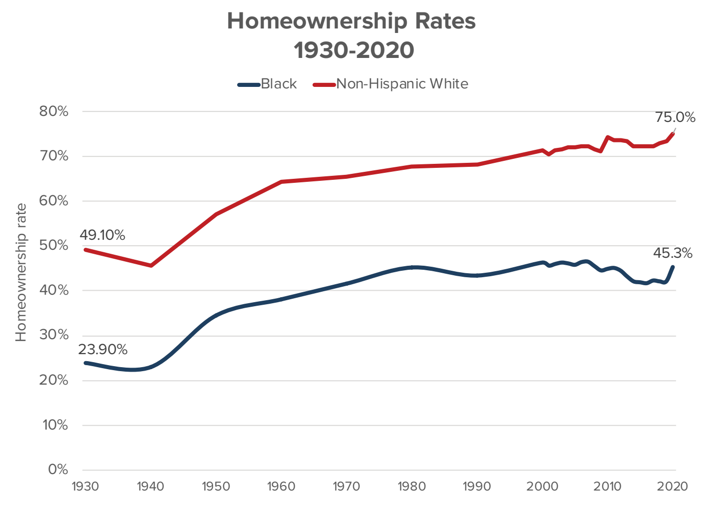
7. Bhutta, Neil, Andrew C. Chang, Lisa J Detting, and Joanne W. Hsu. "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances". *Fed Notes*. Board of Governors of the Federal Reserve System. September 28, 2020.
8. U.S. Census Bureau. Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2018.
9. FFIEC, "Home Mortgage Disclosure Act, 2020," available at https://ffiec.cfpb.gov/data-publication/dynamic-national-loan-level-dataset.

WEALTH AND HOMEOWNERSHIP

As of 2019, all homeownership gains by Blacks that had been achieved since the passage of the 1968 Fair Housing Act had been erased as the Black homeownership rate fell to 40.6 percent, the lowest level in more than half a century. NAREB chronicled the challenges to Black homeownership and predatory loan products in a 2018 publication titled, *50 Years of Struggle: Successes and Setbacks Since the Release of the Report of the National Advisory Commission on Civil Disorders and Enactment of the 1968 Fair Housing Act.*[10]

From the second quarter of 2019 through the second quarter of 2020, the Black homeownership rate surged an historic six percentage points in only a 12-month period, to reach a rate of 47 percent.[11] Even with that tremendous spike in Black homeownership, Black homeownership remains below its historic high of just under 50 percent that was achieved in 2004.

EXHIBIT 1



Source: U.S. Census Bureau, "Housing Vacancies and Homeownership (CPS/HVS)," available at www.census.gov/housing/hvs/data/ann20ind.html

Between 2019 and 2020, the average Black homeownership fell slightly to 45.3 percent, according to the Bureau of the Census (Exhibit 1). This rate is encouraging, considering both the negative effects of the Covid pandemic in 2020, and the 40.6 percent Black homeownership rate in 2019.[12] Moreover, a November 2020 report from the National Association of Realtors indicates that 5 percent of Americans who purchased homes during the first months of the pandemic were Black, contributing to an increase in the Black homeownership.[13] Both NAR and NAREB indicated that first-time Black Millennials contributed to the surge in Black homeownership, as many took advantage of low mortgage rates to leave major cities and relocate to suburban areas.[14]

Recent optimistic official statistics, such as those that indicate a surge in Black homeownership during the pandemic, however, should be taken with caution and should put into context. It is not clear, based on available data, if the sudden increase in Black homeownership is due to a statistical anomaly or, if real, due to financial gains, policy outcomes, demographic shifts, or greater access to mortgage credit. The Census Bureau noted, for example, that the pandemic impacted the collection of housing vacancies and homeownership data in 2020. For instance, in-person interviews were suspended during the second quarter of 2020 and resumed in the following months only in limited areas of the country.

Changes in data collection could therefore have affected the estimates of homeownership rates. As the Bureau states "[Data] users should consider the potential for the suspension of in-person interviews to disproportionately affect the response rates of renters versus homeowners. For example, if response rates declined further among rental units than homeowner units following the suspension of

10.Carr, James H., Michela Zonta, and Stephen P. Hornburg. *50 Years of Struggle: Successes and Setbacks Since the Release of the Report of the National Advisory Commission on Civil Disorders and Enactment of the 1968 Fair Housing Act.* National Association of Real Estate Brokers. 2018.
11. U.S Census Bureau. Quarterly Residential Vacancies and Homeownership. Third Quarter 2021.
12. Asante-Muhammad, Dedrick, Jamie Buell, and Joshua Devine. Homeownership: A Radical Goal for Black Wealth Development. NCRC. March 2, 2021.
13. National Association of Realtors. NAR Releases 2020 Profile of Home Buyers and Sellers. November 11, 2020.
14. Alcorn, Chauncey. Black Millennials Fueled A Surprising 2020 Home-Buying Surge For African Americans -CNN Business. December 6, 2020. See also Grant, Bre'Anna. Black Millennials Increased African American Homeownership In 2020, But The Road Ahead Is 'Going To Be A Challenge,' Experts Say. Insider. April 11, 2021.

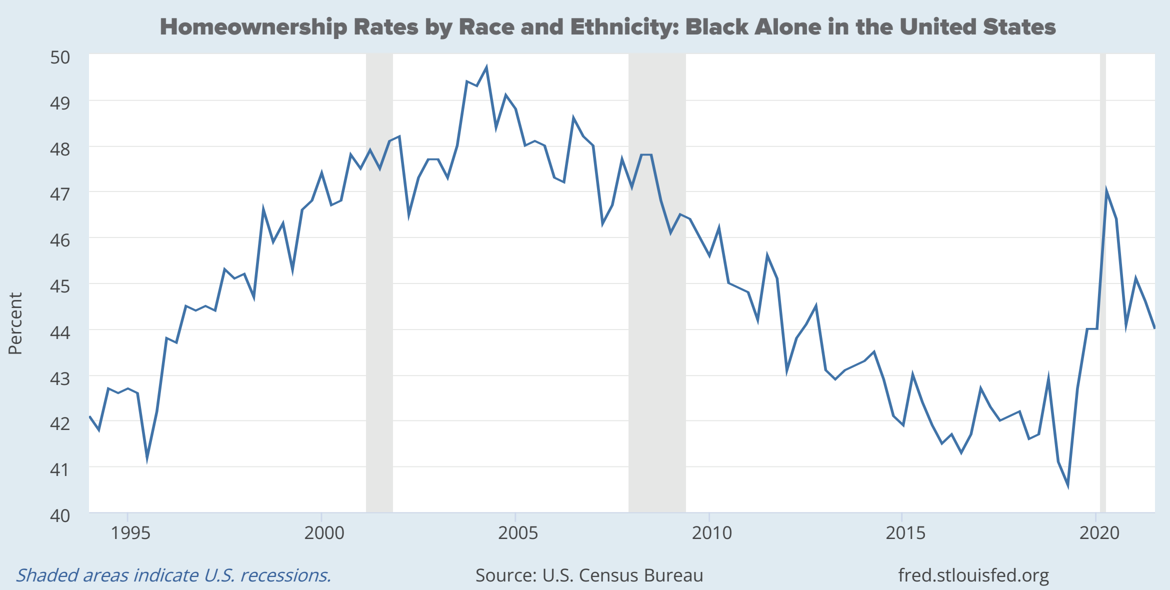
in-person interviews, the effects on the CPS/HVS estimates would be a lower estimate of the number of rental households, a higher estimate of the number of homeowner households, and a higher estimate of the homeownership rate.

Data users should therefore exercise caution when comparing the second, third, and fourth quarter estimates to previous quarters, interpreting the differences between quarters to reflect both the effects of the COVID19 pandemic and the effects of changes in data collection procedures." [15] Changes in data collection represent a sensible explanation of the sudden surges in homeownership rates among Blacks and other people of color. And the most recent estimates suggest that important adjustments to those estimates should be expected as data collection procedures return to pre-pandemic standards.

Data from the second quarter of 2021 Exhibit 2, for example, indicate that the Black homeownership rate has experienced dramatic shifts in the past two years and seems to be again on the decline. Recent analyses also suggest that Blacks may have been undercounted in the 2020 Census.[16] This undercount may also have impacted homeownership estimates.

In addition to changes in data collection, other factors may have impacted homeownership estimates. In particular, new residential arrangements resulting from COVID-related emergencies, such as job loss, housing instability, and other public health-related issues, may have led to lower rates of household formation and a temporary decrease in the number of total households, on which homeownership rates are usually calculated. The March Supplement of the Current Population Survey indicates a modest decrease in the total number of Black households from 2019 to 2020, which may also affect the homeownership estimate.[17] This issue, however, calls for further investigation, when more demographic and residential mobility data become available.

EXHIBIT 2



Source: U.S. Census Bureau, Homeownership Rates by Race and Ethnicity: Black Alone in the United States [BOAAAHORUSQ156N], retrieved from FRED, Federal Reserve Bank of St. Louis; www.fred.stlouisfed.org/series/BOAAAHORUSQ156N, October 15, 2021

15. U.S. Census Bureau. Historical Current Population Survey/Housing Vacancy Survey (Cps/Hvs) Changes. p. 3.
16. 2020 Census May Have Undercounted Black Americans, New Analyses Say. Washington Post. October 13, 2021.
17. According to the U.S. Current Population Survey, the number of households headed by a Black householder decreased from 17,167,000 in 2019 to 17,054,000 in 2020.

Having an accurate estimate of the homeownership rate for Blacks is critical. An overinflated estimate could discourage financial regulators and lenders to continue their efforts to achieve greater racial equity to access to homeownership. Given the importance of homeownership to wealth, maintaining a focus on increasing Black homeownership is essential.

Even accepting the legitimacy of the current 45.3 percent Black homeownership rate, the gap in homeownership rates between Blacks and Whites remains a staggering 30 percentage points. (Exhibit 1). As a report recently released by the National Community Reinvestment Coalition notes, in the past 15 years, Black homeownership has experienced the most dramatic drop of any other racial or ethnic group.[18] Further, national estimates mask important geographic variations in the Black homeownership rate. Several metropolitan areas with growing Black populations, for instance, have homeownership rates that are well below the national average of 45.3%. In Minneapolis, for example, only 25 percent of Black families own their homes, making Minneapolis the U.S. metropolitan area with the lowest Black homeownership rate in the nation.[19]

Because of historical higher rates of financial instability and fewer savings, low-income families of color, and Blacks in particular, are less likely than their White counterparts to have the ability to weather the economic hardships and housing instability caused by the pandemic. Black homeowners have experienced disproportionate difficulty paying their mortgages. In addition, Black renters have struggled to pay rents. As federally mandated eviction and foreclosure moratoria come to a close, many Blacks may be unable to maintain or transition to homeownership.[20]

LOAN APPLICATIONS AND ORIGINATIONS BY RACE AND ETHNICITY

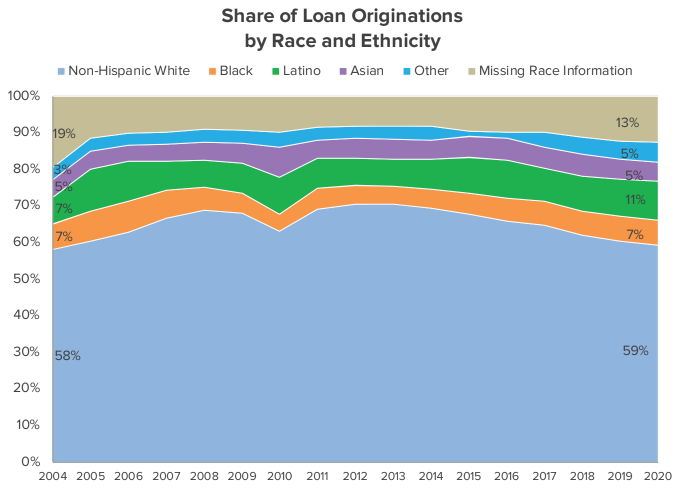
For the first time since the foreclosure crisis and Great Recession, which forced many homeowners and prospective home buyers out of the market, in 2020 the total number of home mortgage applications surpassed the number of applications registered in 2004, by three percentage points (see Table 1). The total number of mortgage loan applications for the purchase of first-lien 1-to-4 family-occupied homes slowly climbed from 5.4 million in 2004 to nearly 5.6 million in 2020. Similarly, loan originations increased from 3.7 million in 2004 to 4.1 million in 2020, a 10 percentage point increase.

18. Asante_Muhammad, Dedrick. *60% Black Homeownership: A Radical Goal for Black Wealth Development*. NCRC. March 2, 2021.
19. Anderson, Dana. "Minneapolis, Milwaukee & Salt Lake City Have the Lowest Black Homeownership Rates in the U.S., With Just One-Quarter of Black Families Owning Their Home." Redfin News. June 29, 2020.
20. Passy, Jacob. "Black homeownership has declined since 2012 — here's where Black households are most likely to be homeowners." Market Watch. July 1, 2020.

These gains, however, are not evenly distributed across the major racial and ethnic groups. While the number of applications from White, Latino, and Asian prospective borrowers is larger in 2020 than in 2004—a 10-, 40- and 23-percentage point increase respectively—the total number of applications among Blacks in 2020 remains 5-percentage points lower than in 2004. Even though originations to Black applicants have increased by 9 percentage points since 2004, the increase in the number of originations remains much lower for Blacks than for Whites (12 percent), Latinos (60 percent) and Asians (25 percent). The share of total loan originations to Black applicants remains unchanged from 2004 (7 percent) and is two percentage points smaller than the share registered in 2006 (Exhibit 3).

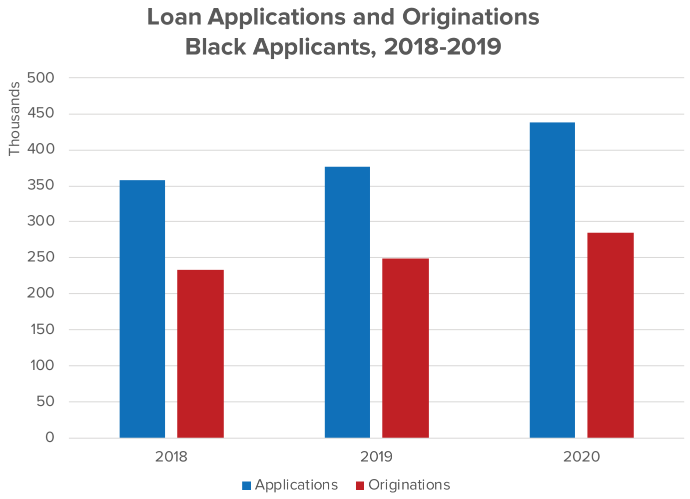
Between 2019 and 2020, applications from Blacks rose by 16 percentage points, while total originations for that same period increased by 14 percentage points (see Exhibit 4 and Table 1). Applications for FHA-insured loans from Blacks climbed from 156,940 in 2019 to 184,311 in 2020, a 17 percentage point increase. FHA originations to Blacks increased by 13 percentage points from 2019 to 2020, compared to the 4 percent point growth in 2019 from 2018 levels. Comparable increases over 2019 were experienced in applications for conventional loans from Black applicants (16 percentage points from 2019 to 2020 and versus 6 percentage points over 2018 in 2019) and originations (14 percentage points in 2020 over 2019 versus 7 percentage points in 2019 over 2018). (See Table 4 for more detail on 2020.)

EXHIBIT 3



Source: Authors' calculations of HMDA data (2004-2020)

EXHIBIT 4



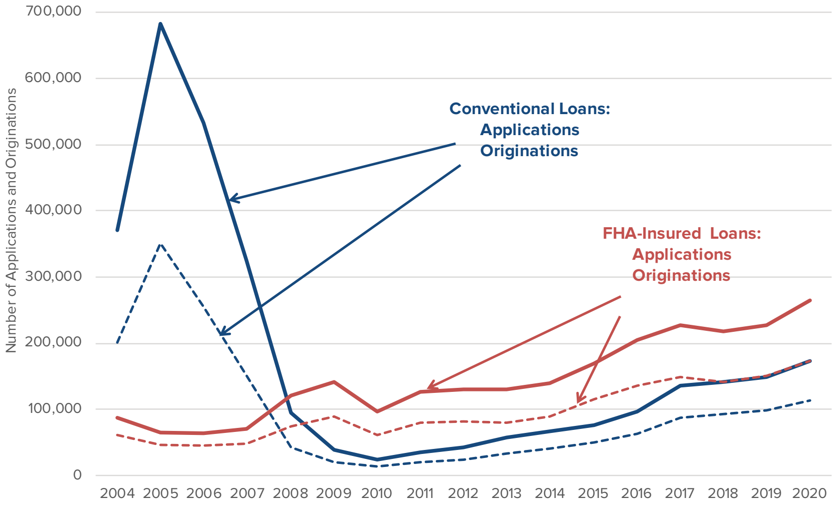
Source: Authors' calculations of HMDA data (2004-2020)

Blacks have historically, and continue today, to rely disproportionately on higher-cost mortgage products. Higher fees and interest rates unfairly impact potential gains in home equity among Black home buyers and limits the wealth Black households accumulate from being homeowners. Higher-cost loans also increase the likelihood of default by Black borrowers. Limited access to safe and affordable mortgage credit greatly constrains the ability of Black families to move up from the bottom of the economic opportunity ladder.

Despite the increase in conventional loan applications by Blacks, access to loans held by Fannie Mae and Freddie Mac loans remain limited to that population. Only 19 percent of loan originations to Black applicants are purchased by the GSEs compared with 40 percent for Whites. Most Black borrowers (61 percent) rely on nonconventional loans, particularly FHA-insured loans (Exhibit 5).

EXHIBIT 5

Applications and Originations of First-Lien Loans for the Purchase of Owner-Occupied One-to-Four Family Homes Black Applicants



Source: Authors' calculations of HMDA data (2004-2020)

While applications from and originations to Blacks for conventional loans decreased by 53 percentage points and 44 percentage points respectively, between 2004 and 2020, Black applications and originations for nonconventional loans increased by 201 percentage points and 181 percentage points over the same period (Tables 2 and 3). In 2020, 60 percent of applications from Black prospective borrowers were for nonconventional loans, virtually unchanged from 2019, but far exceeding its 2004 share of 19 percent (See Table 4 for more information on 2020).

The share of conventional loan applications from Black prospective borrowers, as a share of all loan applicants, decreased from 8 percent in 2004 to 5 percent in 2020. Only 4 percent of all originated conventional loans went to Black borrowers in 2020, virtually unchanged from the 2019 share and well below the 6 percent share recorded in 2004. Despite an increase in the number of Black applicants for nonconventional loans since 2004—from 87,869 to 264,581—the share of all nonconventional loans originated to Black borrowers was 13 percent in 2020, unchanged compared to 2004.

The proportion of FHA-insured loans received by Black borrowers is much larger than that of Whites (41 percent versus 15 percent respectively). At the same time, Blacks succeed in getting GSE-purchased loans at nearly half the rate of Whites (19 versus 40 percent respectively). Data in Table 6 show that the magnitude of these disparities does not disappear at any income level, including for borrowers with incomes below 50 percent of the local Area Median Income (AMI), where presumably low-income status for Whites might force a greater tilt towards FHA-insured loans. Table 6 reveals no notable difference in these patterns at the regional level.

White borrowers have not been immune to the impact of the Great Recession and foreclosure crisis. White applicants decreased from 2.9 million in 2004 to 1.4 million in 2010 before steadily increasing to 3.1 million in 2020 (see Table 1). Seventy-three percent of applications in 2020 sought conventional loans, up from 66 percent in 2019, but still a lower percentage than in 2004, when 89 percent of loan applications from White applicants were for conventional loans.

In 2020, loan originations to Whites increased by 12 percentage point compared to 2004, and their share of total mortgage originations was 59 percent in 2020, one percentage point larger than the share registered in 2004. Loan originations to Whites reached a peak of 71 percent in 2013. Even though the share of total loan originations to White borrowers has decreased over the last decade, loan originations to White borrowers are still disproportionately over-represented relative to all other races and ethnicities (Exhibit 3). In 2020, loans to White borrowers represented 63 percent of all conventional loans originated and 51 percent of all nonconventional loans. Those shares were 60 percent and 64 percent respectively, in 2019 (see Tables 2 and 3).

Similar to Latino prospective borrowers, Black applicants are overrepresented in the low- and moderate-income brackets of the income distribution. In 2020, 43 percent of Black applicants had incomes at or below 80 percent of the local AMI, up from 41 percent in 2019. In contrast, only 31 percent of White applicants had incomes at or below the local AMI, a 4-percentage point increase from 2019.

Conversely, 45 percent of White applicants had high incomes (i.e., more than 120 percent of AMI), whereas only just 27 percent of Black applicants fell into this income bracket. While the percentage of very high-income applicants remained virtually unchanged since 2019, among Whites, it dropped by 2 percentage points among Blacks to (See Table 4 for more detail).

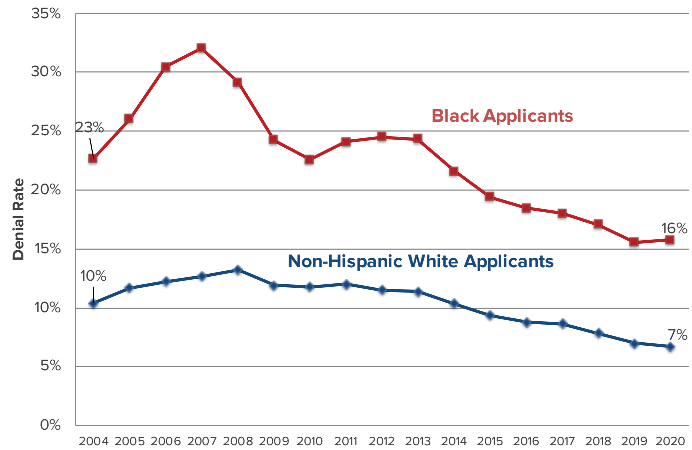
Even when successful in obtaining a home loan, Black borrowers routinely receive higher cost loans than White borrowers. In 2020, 13 percent of Black loan recipients received high-cost loans,[21] nearly three times the rate (5 percent) for White applicants (Table 14). For both racial groups, high-cost loans as a percentage of loan originations were higher in low- to moderate-income neighborhoods than in higher income neighborhoods.

LOAN DENIAL RATES BY RACE AND ETHNICITY

In 2020, Black applicants experienced higher loan denial rates than Whites, although denial rates for Blacks continued to drop since their peak in 2007, when they had reach 32 percent (see Exhibit 6).[22] For Black applicants, overall denial rates for home-purchase loans were more than double those of White applicants—16 percent versus 7 percent (see Table 1) — virtually unchanged from 2019.

EXHIBIT 6

Denial Rates



Source: Authors' calculations of HMDA data (2004-2020)

In 2020, the denial rate for both conventional and nonconventional loans was 16 percent among Black applicants. The denial rate for conventional loans has dropped significantly since 2008, the height of the foreclosure crisis, when it reached the peak of 36 percent. Denial rates for Black applicants, however, continue to be the highest among borrowers of color.[23]

Table 7 shows the distribution of denied applications from Black and White applicants, by reason for denial, and applicant income level, in 2020. Debt-to-income ratios represents the most common reason for denial for both Black and White applicants. Among Black applicants for whom the reason for denial was reported, 35 percent of denied applications were rejected because of an unfavorable debt-to-income ratio, up from 33 percent in 2019. The corresponding percentage among White applicants was 30 percent. As in the past, credit history represents the second most prevalent reason for denials among both Black applicants (25 percent, as in 2019) and White applicants (19 percent).

21. High-cost loans are loans with an interest rate at closing that is more than 1.5 percent above the Average Percent Offer Rate (APOR) for the day the loan closed.
22. Typically, denial rates are calculated by dividing the number of denied loan applications by the combined number of originated loans, applications approved but not accepted, and denied applications.
23. Among Latino applicants, denial rates for conventional and non-conventional loans are 11 percent and 13 percent, respectively. The corresponding rates for Asian applicants are 9 percent and 12 percent.

Debt-to-income denials tend to decrease as income increases, a tendency common among both conventional and nonconventional denied loan applications. Credit history denials for Blacks increase as incomes rise, while remaining relatively flat for Whites. Among applicants with incomes more than 120 percent of AMI, 33 percent of denied applications for Blacks were due to credit history. The corresponding share of credit history denials for non-White Hispanic applicants at this income level was 20 percent. Denials based on insufficient collateral for conventional loans increases with income for both Black and White applicants while remaining relatively flat across income for nonconventional loans.

LOAN FAILURE RATES BY RACE AND ETHNICITY

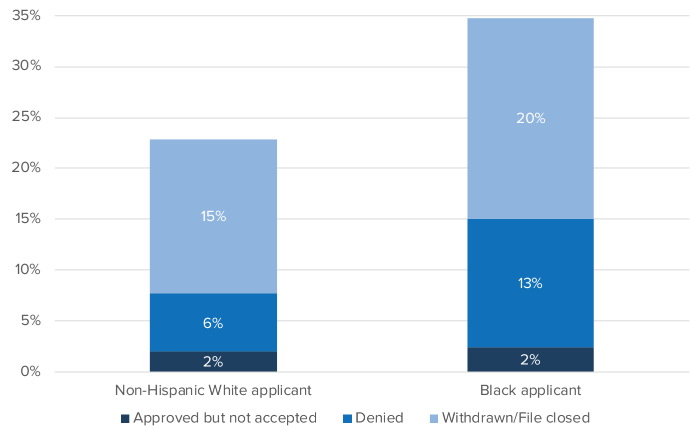
Loan origination failure rates (Loan Failure Rate) represent a broad measure of the extent to which a mortgage loan application does not achieve approval. This measure, which is useful to further clarify the large disparities in access to mortgage loans by race and ethnicity, is based on the combined reasons for non-origination:

- The loan application was approved by the lender but not accepted by the borrower;
- The loan application was either withdrawn or the file was closed for incompleteness; or
- The loan application was denied.

As can be seen in Exhibit 7, in 2020, Black applicants experienced an overall Loan Failure Rate of 35 percent, compared to a White applicant rate of 23 percent. The majority of this 12-percentage point difference is due to loan denials (20 percent for Blacks and 15 percent for Whites). For both groups, applications withdrawn, and files closed, account for an additional 2 percent of the Loan Failure Rate.

EXHIBIT 7

Loan Origination Failure Rate, Non-Hispanic White and Black Applicants, 2020

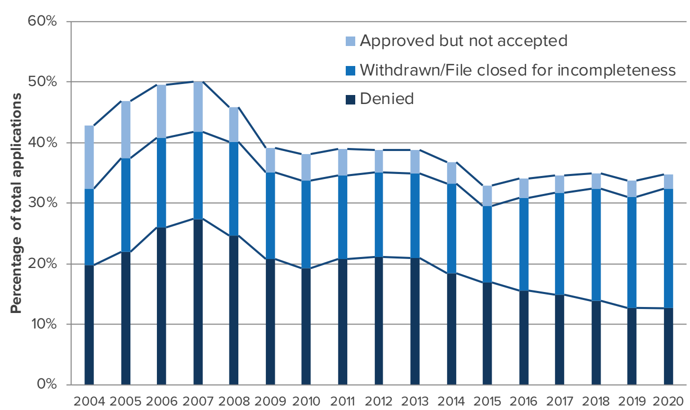


Source: Authors' calculations of 2020 HMDA data

Exhibits 8 and 9 illustrate Loan Failure Rates throughout the period from 2004 to 2020. There is a significant gap between White applicants and Black applicants with regard to Loan Failure Rates. Failure and their components are consistently below 30 percent for Whites throughout this timeframe. The failure rates for Black applicants, in contrast,

EXHIBIT 8

Loan Origination Failure Rate Black Applicants

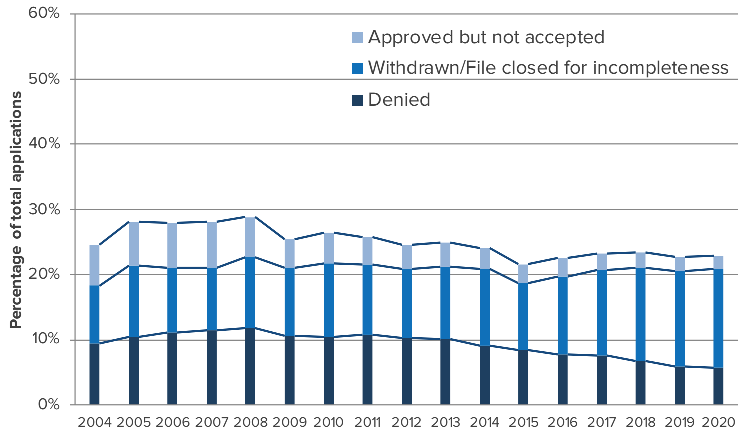


Source: Authors' calculations of HMDA data (2004-2020) are consistently above the 30 percent rate, with significant peaks during the foreclosure crisis period, when the disparity between Whites and Blacks was particularly pronounced.

The disproportionately larger volume of applications approved but not accepted and those that were withdrawn or closed for incompleteness among Black applicants relative to Whites applicants calls for further investigation.

EXHIBIT 9

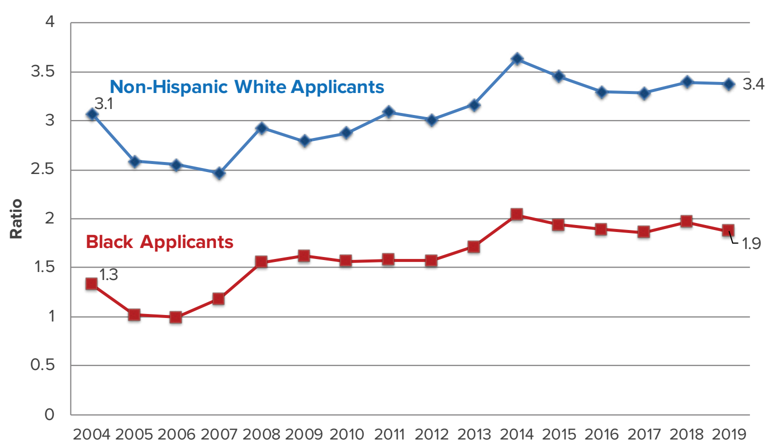
Loan Origination Failure Rate Non-Hispanic White Applicants



Source: Authors' calculations of HMDA data (2004-2020)

EXHIBIT 10

Number of loan originations per application that was approved but not accepted, denied, withdrawn, or closed for incompleteness



Source: Authors' calculations of HMDA data (2004-2020)

To assess the significance of the observed disparities in loan failure rates, it is useful to compare, over time, the ratio of loan originations to applications that failed (Exhibit 10). From 2004 through 2020, one to two loans have been approved for every Black application that failed. For Whites, the number of approved loans per failed application has been consistently larger, ranging from 2.5 in 2005 to 3.6 in 2015 loans. In 2020, 1.9 loans were approved per each failed application from Blacks. Whites received 3.4 loans per failed application.

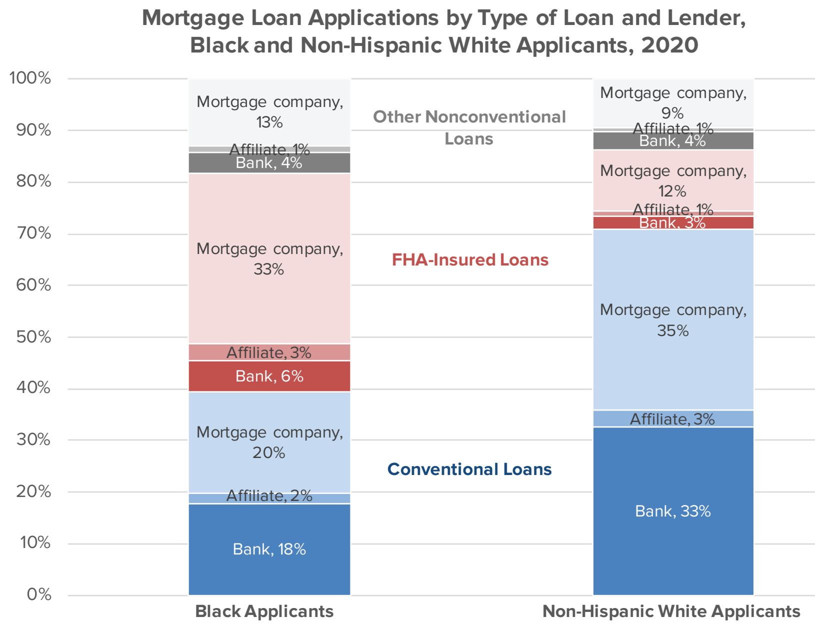
LOAN AND LENDER CHANNELS BY RACE AND ETHNICITY

As Exhibit 11 illustrates, Black and White applicants apply for different loan types across different channels. In 2020, Black prospective borrowers relied more heavily on FHA loans than White applicants. Forty-two percent of Black applicants sought FHA financing, which is more than twice the rate of FHA utilization by Whites (15 percent). Conversely, only 40 percent of Black applicants sought conventional financing in 2020, substantially lower than that of White applicants (71 percent).

The majority of Whites and Blacks applicants applied for a loan at an independent mortgage company (66 percent of Black applicants and 56 percent of White applicants), reflecting the increasing importance of independent lenders in the

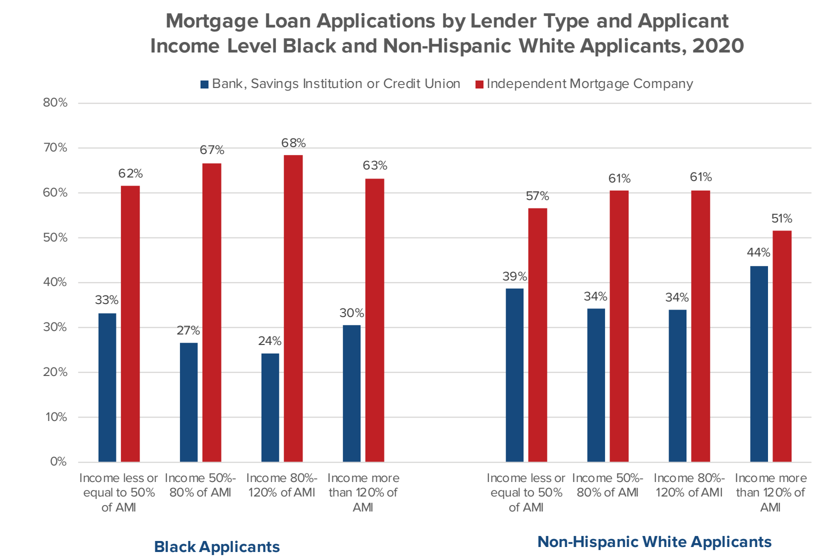
24. Orla McCaffrey, "Nonbank Lenders Are Dominating the Mortgage Market," The Wall Street Journal, June 22, 2021.

EXHIBIT 11



Source: Authors' calculations of 2020 HMDA data

EXHIBIT 12



Source: Authors' calculations of 2020 HMDA data

mortgage lending market.[24] Banks, in 2020, disproportionately served 39 percent of White applicants, compared to 28 percent of Black applicants. Exhibit 11 shows that 33 percent of applications from Black applicants were for an FHA-insured loan through a mortgage company, the highest loan type by lender share for Blacks.

APPLICATIONS BY LENDER TYPE, APPLICANT INCOME, AND RACE AND ETHNICITY

In 2019 and 2020, the number of applications from Black and White applicants increased at all types of lenders. For Whites, applications increased at all lenders in 2020, but fell at banks, savings institutions, and credit unions by 3 percentage points in 2019. Black applications at banks rose by 2 percentage points over 2019, whereas applications at independent mortgage companies increased by 22 percentage points during the same period.

Exhibit 12 illustrates the distribution of applications from Black and White applicants by applicant income and type of lender.[25] As the graph shows that among both Black and White applicants, the percentage of those applying at an independent mortgage company increases as income rises. This percentage decreases, however, among applicants of both racial groups with incomes greater than 120 percent of AMI. Conversely, the percentage of applications by both racial groups to banks, savings institutions, and credit unions is larger among very-low income and high-income applicants compared to those in the low- and moderate-income brackets.

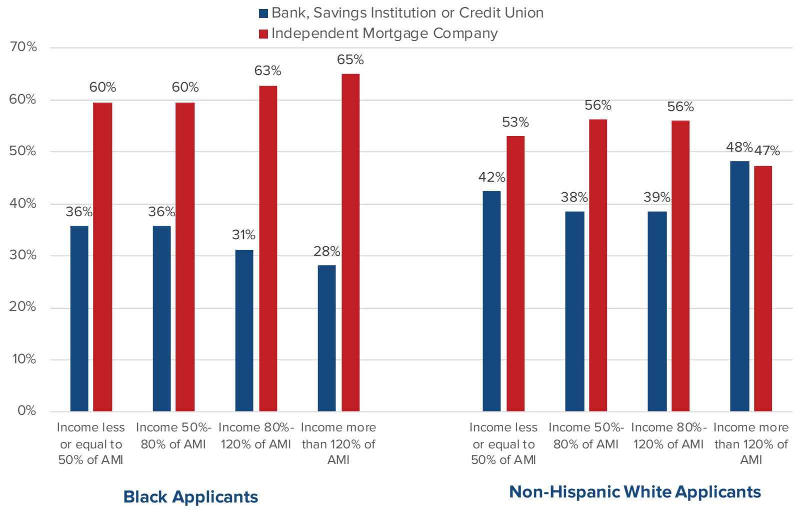
25. Exhibits 12 and 13 exclude "Mortgage Companies Affiliated with Depositories".

In 2020, most Black and White prospective borrowers across all income brackets applied for loans at independent mortgage companies, with most income brackets increasing their shares over 2019 (Exhibit 13). The largest percentage increase for Black applications at independent mortgage companies over 2019 levels occurred in the low-income category, that is, among those with an income above 50 percent but less than 80 percent of the AMI (30 percent increase).

points to a consistent gap between Black and White applicants in relation to origination rates at all types of institutions. For instance, although origination rates were higher at independent mortgage companies than at banks for both racial groups, the rates of loan origination were several percentage points higher among White applicants (78 percent at mortgage companies versus 75 percent at banks) than among Black applicants (66 percent versus 62 percent).

EXHIBIT 13

Mortgage Loan Applications by Lender Type and Applicant Income Level Black and Non-Hispanic White Applicants, 2019



Source: Authors' calculations of 2019 HMDA data

Denials across all lender types and income categories for 2020 were virtually the same as in 2019, except among Black applicants applying for loans at affiliated mortgage companies, in which the denial rate increased from 14 percent to 17 percent. In 2020, denial rates were lower for Blacks at independent mortgage companies than at banks. Black applicants, (relative to White applicants) experienced higher denial and lower origination rates across all type of lenders.

Black applicants had a 20 percent denial rate at banks compared with 8 percent at bank for White applicants (Table 8). At independent mortgage companies, denial rates were 14 percent versus 6 percent for Blacks and Whites, respectively. Gaps in denial rates persisted regardless of income level at all types of lenders. For instance, high-income Black applicants applying at banks had a 19 percent denial rate compared to 7 percent denial rate among White applicants. The gap was virtually the same among very low-income applicants (31 percent among Blacks and 19 among Whites). Similar gaps can be observed among other lender types.

From 2019 to 2020, the share of applications at independent mortgage companies increased among White applicants at all income levels. The share of applications at banks fell for all income categories among both racial groups, except for high-income Blacks for whom the share of applications at banks increased from 28 percent in 2019 to 30 percent in 2020.

While the total number of applications and originations at banks from low- and moderate income Black and White applicants increased from 2019 to 2020, the number of applications from Black and White applicants with incomes higher than 80 percent of the AMI dropped over the same period. Table 8

LOAN TYPE, GEOGRAPHIC PATTERNS AND RACE

Exhibit 14 illustrates the geographic distribution of loan originations to Black and White applicants by applicant income across neighborhoods with varying degrees of Black representation. As in previous years, in 2020 origination rates for both racial groups were higher in census tracts with a small presence of Black population than in majority Black neighborhoods. Origination rates among White applicants were higher than among Black applicants regardless of applicant income level and census tract racial composition, except for high-income White applicants applying for loans in majority Black census tracts. In those census tracts, origination rates are higher for high-income Black applicants than for their White counterparts. High-income Black applicants had higher origination rates in census tracts with a small Black population than did low-income Black applicants. Low-income Blacks had higher origination rates in majority Black neighborhoods.

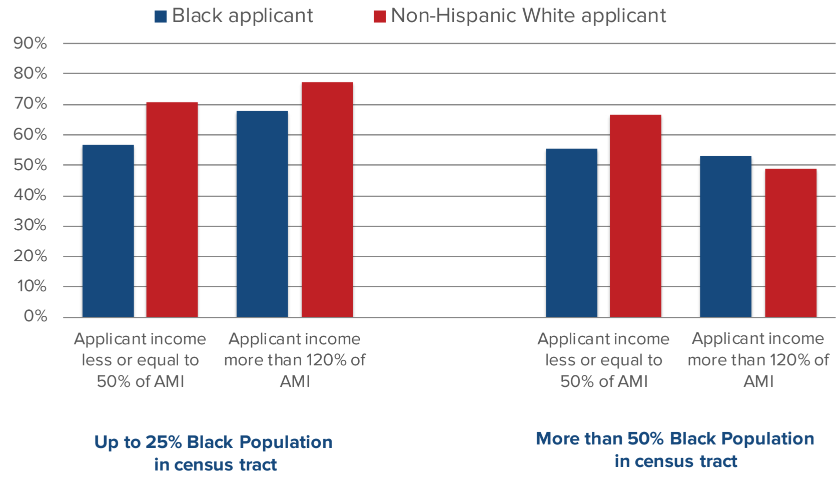
This pattern holds for both conventional and FHA-insured loans across all lender types, applicant income level, and census tract racial composition (Tables 9 and 10). Conventional and FHA-insured loans going to White applicants are concentrated in census tracts with the smallest percentage (25 percent or less percent) of Black population. Ninety-four percent of conventional loans and 91 percent of FHA-insured loans to White applicants are for homes located in census tracts with the smallest percentage of Black population. In contrast, conventional and FHA-insured loans to Black applicants are evenly distributed across census tracts with different racial compositions.

Table 5 indicates that most loan applications from Blacks and Whites are submitted in the South. However, a larger share of Blacks apply for loans in this region (66 percent) compared with Whites (40 percent).

In 2020, 29 percent of loans originated to Black applicants financed properties located in low- and moderate-income neighborhoods—compared to 30 percent in 2019 (Table 4). Only 14 percent of White borrowers financed properties in low- and moderate-neighborhoods, which was up 1 percentage point from 2019. Further, 45 percent of Black borrowers obtained loans for homes in majority minority neighborhoods in 2020, compared to only 9 percent of White borrowers (see Table 4). Denial rates for Black applicants are higher (17 percent) in majority minority neighborhoods compared to denial rates for White applicants in majority minority neighborhoods (8 percent).

EXHIBIT 14

Origination Rates by Percentage of Black Population in Census Tract and Applicant Income, 2020



Source: Authors' calculations of 2019 HMDA data

CITIES WITH LARGEST BLACK POPULATIONS AND HIGH LEVELS OF SEGREGATION

Exhibit 15 shows the top ten U.S. cities with the largest Black populations, along with the size of Black population in each city, and each city's dissimilarity index (the most popular measure of residential segregation). The dissimilarity index measures the extent to which Blacks would have to move to different census tracts to achieve an even geographic racial distribution of Black and White residents throughout the city. Dissimilarity indices over .60 (60 percent) are considered high. In all ten cities, the dissimilarity index exceeds 60 percent or more, ranging from a low of 60 percent in Detroit to a high of 81 percent in Chicago.

The Black populations in these cities range from a high of 2,046,877 in New York, to 320,811 in Washington, D.C. Although New York contains the largest Black population nationwide, Blacks represent just less than one quarter of the city's total population. Blacks as a share of the total city population range from 78 percent in Detroit, to 9 percent in Los Angeles.

In order to better understand lending to Black households, it is useful to examine lending to Blacks in the 10 cities with the largest Black populations In all 10 cities, the share of both applications from, and loan originations to, Black applicants is well below the share of Black population within each city, indicating a persisting disadvantage in access to mortgages among Blacks, in cities where they are heavily concentrated. In Detroit, for instance, Blacks represent 78 percent of the city's population. Black applicants, however, represent only 50 percent of all mortgage applicants, and only 48 percent of loan originations. In New York, Blacks represent 24 percent of the city's population, but only 9 percent of loan originations. (Exhibits 15 and 16.)

EXHIBIT 15

Ten Cities with the Largest Black Populations (2019)

City	Black Population	Percent of Total Population	Dissimilarity Index
New York, New York	2,046,877	24%	0.79
Chicago, Illinois	802,460	30%	0.81
Philadelphia, Pennsylvania	665,333	42%	0.71
Detroit, Michigan	528,584	78%	0.60
Houston, Texas	521,871	23%	0.66
Memphis, Tennessee	417,973	64%	0.66
Baltimore, Maryland	379,751	62%	0.67
Los Angeles, California	354,169	9%	0.65
Dallas, Texas	323,051	24%	0.64
Washington, D.C.	320,811	46%	0.66

Source: Authors' calculations of U.S. Census Bureau, 2015-2019 American Community Survey, 5-year Estimates, available at https://www.census.gov/programs-surveys/acs/data/summary-file.html

EXHIBIT 16

Selected Characteristics of Loan Applications from Black Applicants in the 10 U.S. Cities with the Largest Black Populations, 2020

	Loan Applications from Black Applicants				Loan Originations to Black Applicants			
City	Total	Share of all applications	Percent applications for conventional loans	Percent applications for FHA-insured loans	Total	Share of all originations	Share of all conventional loans	Share of all FHA-insured loans
Baltimore	3,321	39%	33%	59%	2,070	35%	19%	63%
Chicago	5,833	17%	38%	56%	3,359	14%	7%	42%
Dallas	1,371	8%	51%	39%	829	7%	4%	18%
Detroit	1,516	50%	45%	49%	833	48%	33%	72%
Houston	2,751	10%	51%	40%	1,625	9%	6%	20%
Los Angeles	1,152	4%	70%	22%	671	4%	3%	11%
Memphis	2,162	35%	44%	46%	1,379	31%	20%	56%
New York	3,432	10%	49%	49%	2,092	9%	5%	43%
Philadelphia	3,836	21%	38%	58%	2,528	19%	10%	42%
Washington	1,826	16%	74%	20%	1,187	14%	12%	59%

Source: Authors' calculations of 2020 HMDA data

There are differences across the 10 cities regarding the types of loans that Black applicants seek. While most cities mirror national patterns regarding the distribution of applications for, and originations of conventional and FHA-insured loans to, Black applicants, there are some notable variations. While in most cases the largest percentage of applications are for FHA-insured loans, the majority of applications from Black applicants in Dallas, Houston, Los Angeles and Washington, D.C. are for conventional loans. Yet despite the relatively large share of Black population in these four cities, loans to Black applicants as a share of all conventional loans are modest. Conventional loans to Black applicants, for instance, represent only 3 percent of all conventional loans in Los Angeles. In Dallas, where 51 percent of applications from Blacks are for conventional loans, conventional loan originations represent only 4 percent of all conventional loans. (Exhibit 16.)

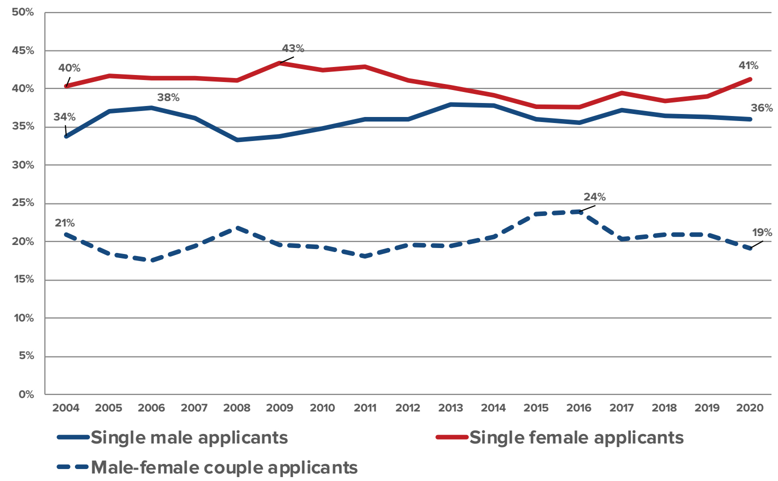
MORTGAGE LENDING TO BLACK FEMALE APPLICANTS

In 2020, 183,593 applications came from female Black prospective borrowers,[26] a 23 percentage point increase from the previous year. The share of applications from this group has continually increased since 2017, in contrast with the share of applications from single male Black applicants and male and female Black applicants applying jointly. In 2020, however, the total number of applications from female Blacks applying alone was still much smaller than the peak of over 312,000 reached in 2005 (Table 15).

The gender composition of the Black applicant pool is significantly different from that of White applicants (Exhibits 17 and 18). In 2020, 41 percent of Black mortgage applicants consisted of single women without a co-applicant. That

EXHIBIT 17

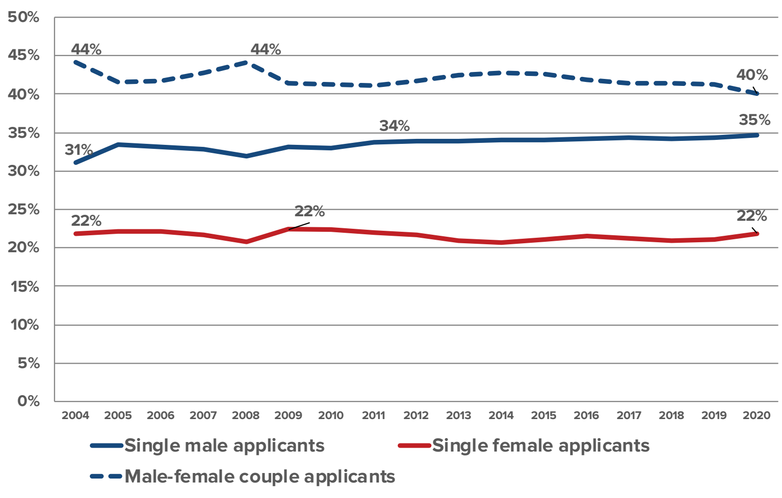
Black Applicants
by Gender and Co-Applicant Presence



Source: Authors' calculations of HMDA data (2004-2020)

EXHIBIT 18

Non-Hispanic White Applicants
by Gender and Co-Applicant Presence



Source: Authors' calculations of HMDA data (2004-2020)

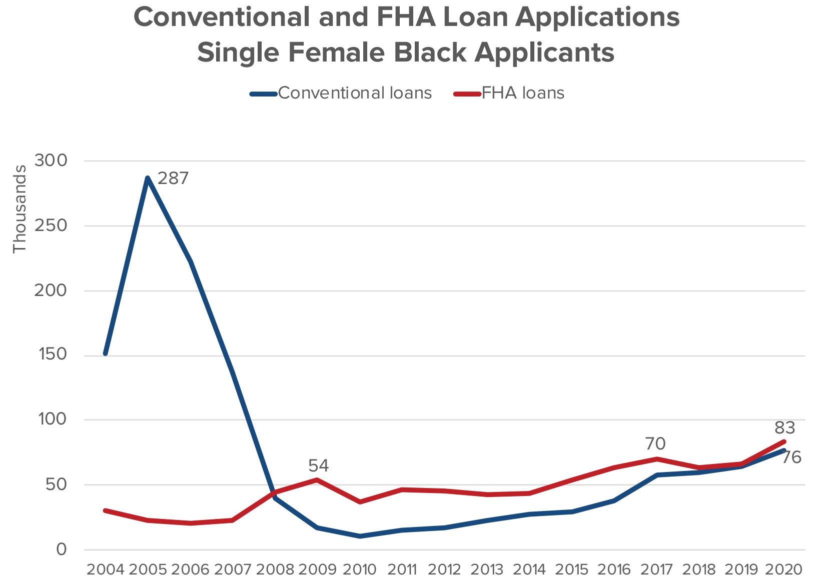
26. Throughout the report, the terms female applicants and female applicants applying alone are used interchangeably. The term "single" does not refer to marital status in the case of both male and female applicants but to whether applicants had a co-applicant.

percentage has not substantially changed since 2004 (40 percent), with the exception of the years following the Great Recession, when the percentage of Black single women applying alone dropped to 38 percent. Single male applicants represent 36 percent of the Black applicant pool, whereas male and female applicants applying jointly continue to represent the smallest segment of the pool (19 percent). In contrast, single women represent only 22 percent of all White applicants, a percentage that has remained stable since 2004. The large bulk of the White applicant pool is comprised of male-female Black applicants applying jointly (40 percent) and single male applicants (35 percent).

As in the general Black applicant pool, most applications from female Black applicants are for FHA-insured loans, continuing a shift from conventional loans that emerged during the 2008 foreclosure crisis. The gap between the number of applications for conventional loans and the number of applications for FHA-insured loans has been narrowing in the past few years, due largely to an uptick in the number of applications for conventional loans (Exhibit 19). The number of applications for conventional loans, nevertheless, remains well below the number recorded in 2004, in contrast with the number of applications for FHA-insured loans, which in 2020 was nearly three times as large as in 2004.

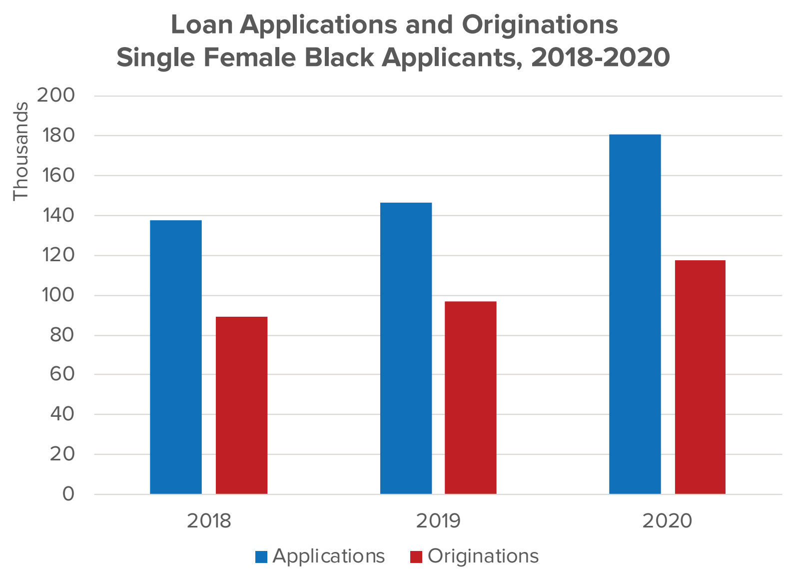
In 2020, 42 percent of applications from single Black female applicants were for conventional loans, compared with 72 percent of applications submitted by White applicants (Table 16). Conversely, in 2020, 46 percent of applications from single Black female prospective borrowers were for FHA-insured loans, compared to only 19 percent among their White counterparts (Table 17).

EXHIBIT 19



Source: Authors' calculations of HMDA data (2004-2020)

EXHIBIT 20



Source: Authors' calculations of HMDA data (2018-2020)

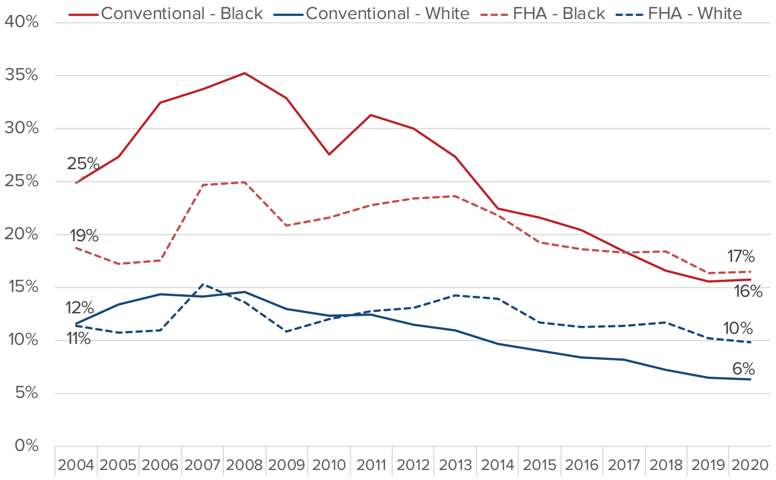
In 2020, 65 percent of applications from female Black applicants resulted in a loan origination, compared with an origination rate of 56 percent in 2004. Despite a general increase in the percentage of loan originations among single Black female applicants, however, loan originations among this group continue to lag behind that of White female applicants. In 2020, 77 percent of loan applications from White female prospective borrowers were originated. For Black and White applicants, male-female applicants applying jointly have higher origination rates than female applicants. The percentage of originated loans to Black male and female applicants applying jointly is 68 percent compared to 78 percent for White male and female applicants applying jointly.

Denial rates have decreased among Black and White female applicants since the foreclosure crisis. A significant gap, however, persists between Black female applicants and their White counterparts: in 2020, 16 percent of applications submitted by Black female applicants were denied, compared with 7 percent of applications submitted by White female applicants. While denial rates for FHA-insured loans have in general been higher than those for conventional loans among White applicants, especially after the Great Recession, the opposite trend was experienced among Black applicants until 2017, when denial rates for FHA loans became higher than those for conventional loans (Exhibit 21).

The debt-to-income ratio is the most reported reason for loan denial among female applicants, followed by credit history and collateral. There are some differences among Black and White applicants, however, regarding the incidence of each of these factors in loan dispositions. Nearly 37 percent of denied applications from Black female applicants are reported as being rejected because of the debt-to-income ratio, compared with 31 percent among White female applicants. Credit history is reported as the main denial reason for 23 percent of denied loans among Black female applicants compared with 18 percent among White female applicants. Collateral appears to be a more common reason for denial for White applicants than for Black applicants—10 percent versus 7 percent, respectively.

EXHIBIT 21

Denial Rates by Type of Loan and Single Female Applicant Race

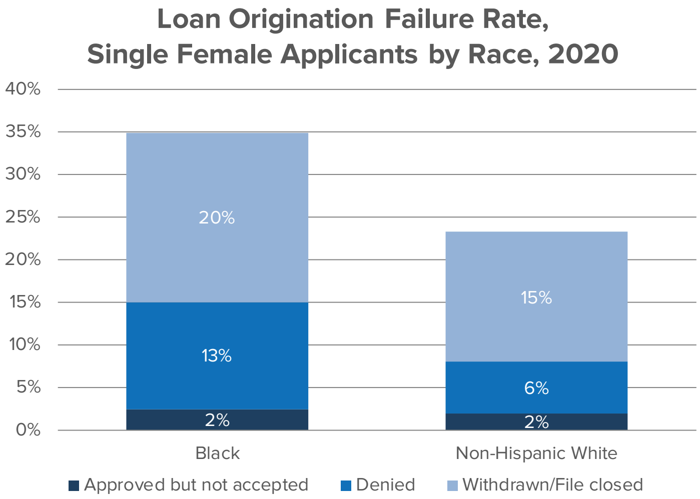


Source: Authors' calculations of HMDA data (2004-2020)

The Loan Failure Rate is also higher among single Black female applicants than among their White counterparts (Exhibit 22). In 2020, 20 percent of applications submitted by Black female applicants were withdrawn or were reported as closed for incompleteness compared with 15 percent of applications among White applicants. For both groups, the proportion of applications that were withdrawn or closed for incompleteness was larger than in 2020, most likely due to the financial hardships caused by the pandemic.

Nearly three times as many single Black female borrowers (14 percent) received high-cost loans in 2020, compared with only 5 percent of their White counterparts. The percentage of Black female borrowers applying alone and receiving high-cost loans was 54 percent in 2005. Even though it has declined since the foreclosure crisis, it still represents the largest percentage of high-cost loans across all Black applicants (Table 18).

EXHIBIT 22



Source: Authors' calculations of 2020 HMDA data

BLACK MILLENNIALS HOMEOWNERSHIP

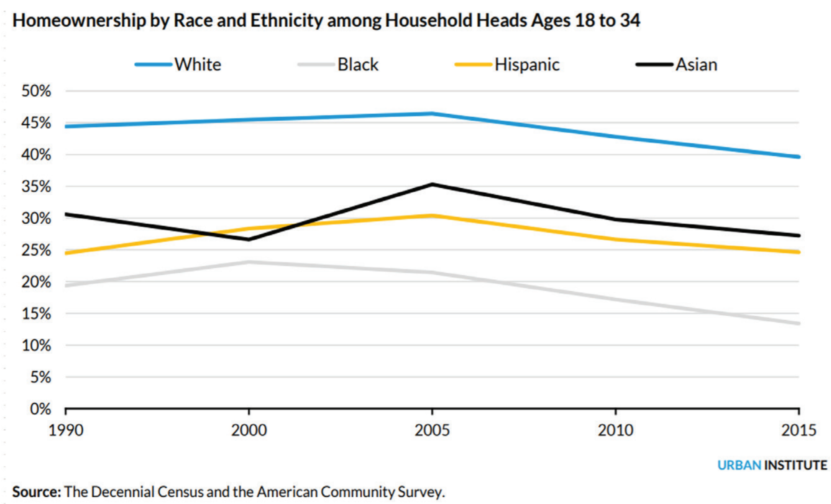
Several months into the COVID-19 pandemic, which disproportionately impacted communities of color, economists noted an unexpected trend: homeownership has been on the rise partly fueled by an increase in home-buying among Black millennials.[27] According to census data, this group contributed to more than 2 percent of the increase in homeownership among all Black Americans during the first three quarters of 2020.[28] This increase in Black millennial homeownership attainment is a stark reversal of the dramatic falloff in Black homeownership that occurred for the first five years of the recovery from the Great Recession that began in 2007 (Exhibit 23).

This surge is largely attributed to the greater buying power that millennials have compared to other generations, reflecting a greater ability to save and invest, especially among middle-class Black millennials, who have higher incomes and more stable employment. The surge in homebuying has further been facilitated by low interest rates, reduced personal spending, and the ability to work remotely, which may have allowed relocations out of high-cost cities to more affordable suburban areas or to areas where owning a home is cheaper than renting.

The Urban Institute indicates that, in 2018, there were over 1.7 million Black millennials in 31 large metropolitan areas who could be considered mortgage-ready, based on the following criteria:[29]

1. They do not have a mortgage;
2. They are 40 years of age or younger;

EXHIBIT 23



Source: Jung Choi et al., "Millennial Homeownership: Why Is It So Low, and How Can We Increase It?" Urban Institute, July 2018 (updated January 2019).

27. Deena Zaru, "Black millennial homeownership emerges as silver lining in pandemic economy," ABC News, December 7, 2020; Chauncey Alcorn, "Black Millennials fueled a surprising 2020 home-buying surge for African Americans," CNN Business, December 6, 2020.
28. Kori Hale, "Black Millennials Are Buying Up The Block In Home Spending Spree," Forbes, August 12, 2021.
29. Goodman, Laurie and Sarah Strochak, "More than 19 million millennials in 31 US cities are ready to become homeowners," Urban Wire, Urban Institute, September 26, 2018. Laurie Goodman et al., "Barriers to Accessing Homeownership: Down Payment, Credit, and Affordability," Urban Institute, September 2018.

3. They have a FICO score of 620 or above;

4. They have a debt-to-income ratio not exceeding 25 percent;

5. They have not had any foreclosures or bankruptcies in the prior 84 months; and

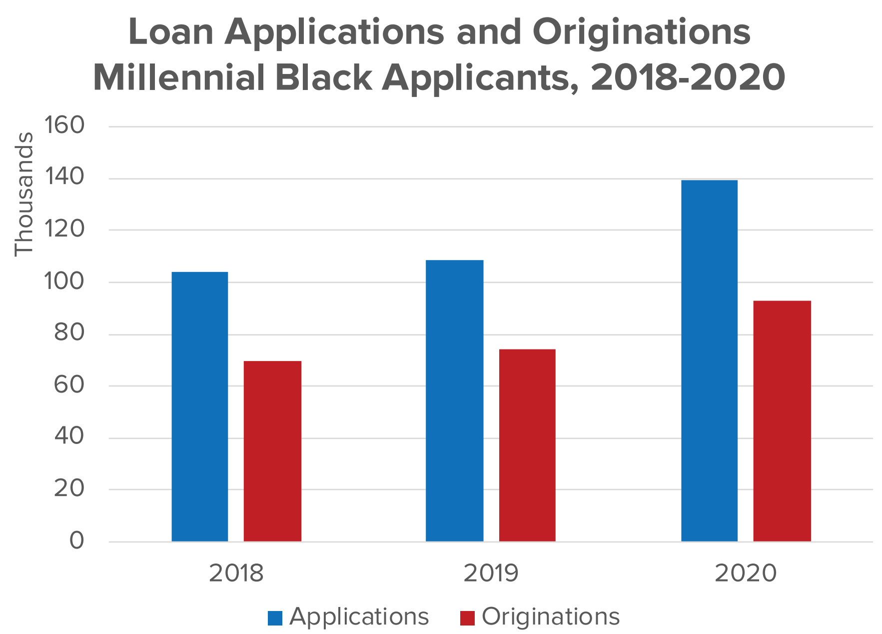
6. They have not had any severe delinquencies in the prior 12 months.

Black millennials who are mortgage-ready represent only 20 percent of all Black millennials compared with 38 percent of mortgage-ready White millennials.[30] This racial mortgage-ready disparity suggests that, despite the recent surge in homeownership among young Black adults, there are still important challenges that are impeding Black millennials' path towards homeownership. Student loan debt likely represents one of these challenges, as it can limit the amount of savings that can be accumulated for a down payment, as well as produce disqualifying debt-to-income ratios. Black households are more than twice as likely to have student loan debt than their White counterparts.[31]

As mentioned earlier in this report, the amount of wealth that can be transferred across generations and invested in education and homeownership opportunities is disproportionately smaller among Black households compared to Whites. Black college graduate millennials have less than one tenth the wealth of their White counterparts, largely because Black millennials are more likely to have student debt than White millennials.[32] The Urban Institute reports that Blacks are also significantly less likely to purchase homes at an early age compared to Whites.[33]

Since 2018, HMDA data have reported applicant age. This data allows analysts to examine lending patterns to different generational groups. Applicants who are 34 years of age or younger are considered part of the millennial generation. Since 2018, the number of applications from millennials has increased, both for Black and White prospective borrowers (Exhibit 24).

EXHIBIT 24



Source: Authors' calculations of HMDA data (2018-2020)

30. Goodman, Laurie and Sarah Strochak, "More Than 19 Million Millennials In 31 US Cities Are Ready To Become Homeowners," Urban Institute, September 26, 2018.
31. NAR, "NAR Finds Black Home Buyers More Than Twice as Likely to Have Student Loan Debt, Be Rejected for Mortgage Loans Than White Home Buyers," February 17, 2021; Hillary Hoffower, "The Typical Older Black Millennial Has 17 Times Less Wealth Than Their White Peers, And Student Debt May Be Why," Business Insider, April 1, 2021.
32. WSJ Podcasts, "College Debt Hits Black Millennials Especially Hard," August 10, 2021.
33. Housing Finance Policy Center. "Black Homeownership Gap: Research Trends And Why The Growing Gap Matters." Data Talk. Urban Institute. June 2019.

There has been a 33 percentage point increase in applications from Black millennials between 2018 and 2020, compared to a 14 percentage point increase among White millennials. Important differences, however, exist among these applicants. Even though the share of applications among Blacks from millennials has increased— from 29 percent in 2018 to 32 percent in 2020—White millennials makeup a much larger share of total White applicant pool—41 percent in 2020 (Table 19). This difference means the returns to homeownership will be greater for White millennials since they will, on average, own their homes for a longer period of time assuming they maintain homeownership throughout their lifetimes.

Origination rates are higher among both Black and White millennials than for older generations, for both racial groups. However, while the origination rate is 79 percent among White millennials, it is much lower for Black millennials (67 percent). Conversely, applications from Black millennials tend to be denied at a much higher rate compared with White millennials15 percent versus 6 percent. Debt-to-income ratio is reported as the main reason for denial for over 35 percent of Black millennial applicants compared with 28 percent of White millennial applicants. Higher student debt levels for Black millennials likely contributes to this situation.

Credit history is the second most common reason for denial. In 2020, 23 percent of denied applications from Black millennials were rejected because of credit history, compared with 18 percent among White millennial applicants (Table 20). Credit history is known to be a challenge for millennials of color. According to a 2019 New America report, about half of millennials between the ages of 21 and 29 with a credit record and living in a community of color have a subprime score, which makes them vulnerable to high-cost predatory lending.[34]

Over 13 percent of Black millennial borrowers received a high-cost loan in 2020 compared to only 5 percent of White millennial borrowers (Table 21). Moreover, while 67 percent of White millennial homebuyers received a conventional loan in 2020, compared to only 38 percent of Blacks. Conversely, 44 percent of Black millennial borrowers received an FHA-insured loan, compared with 18 percent of White millennial applicants. Nearly half of Black millennial borrowers received loans for properties located in majority-minority neighborhoods (47 percent) compared with only 10 percent of their White counterparts. The large majority of loans to Black millennials (66 percent) were for properties located in the South, compared with 37 percent among White millennial borrowers.

Despite the important increase to Black millennials, the persisting gaps in origination rates, denial rates, and borrowing costs between that group and White millennials mortgage loan applicants requires further study and action.

34. Cramer, Reid, et al., "The Emerging Millennial Wealth Gap," New America, October 2019.

Mortgage credit availability

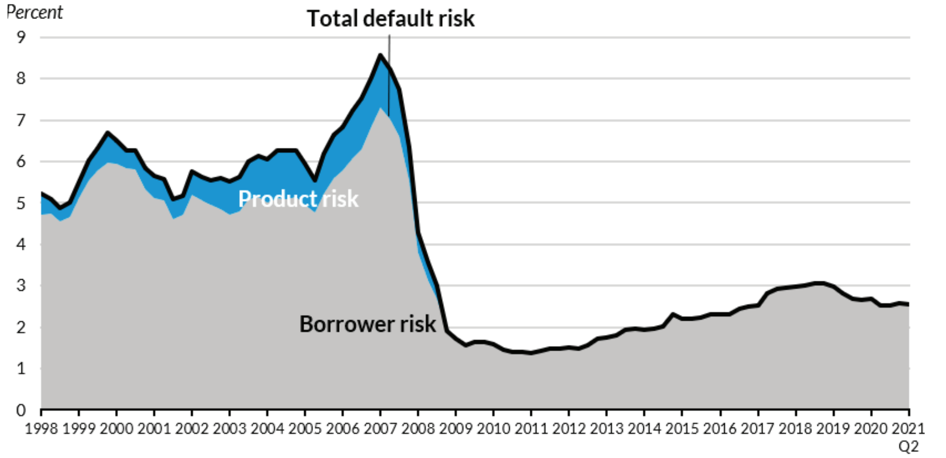
According to the Urban Institute, mortgage credit availability hit an historic low in the second quarter of 2020, due to the Covid pandemic-induced recession. The Urban Institute measures mortgage availability via a Housing Credit Availability Index (HCAI). The HCAI "measures the percentage of owner-occupied home purchase loans that are likely to default—that is, go unpaid for more than 90 days past their due date. A lower HCAI indicates that lenders are unwilling to tolerate defaults and are imposing tighter lending standards, making it harder to get a loan. A higher HCAI indicates that lenders are willing to tolerate defaults and are taking more risks, making it easier to get a loan."[35]

For the GSEs, the HCAI shows a doubling of credit availability from the second quarter of 2011 and into the first quarter of 2019. From the middle of 2019 through throughout 2020, the GSEs experienced a period of tightening. The first quarter of 2021 was the first increase in HCAI since early 2019. (Exhibit 25)

Credit availability has been consistently greater at the government agencies than at either the GSEs or through private label channels since the 2008 housing crisis, although HCAI declined for the government sector in the third quarter of 2020. The government sector increased credit availability from the fourth quarter of 2020 and into the first quarter of 2021 but remains far below its peak availability in 2008. (Exhibit 26)

EXHIBIT 25

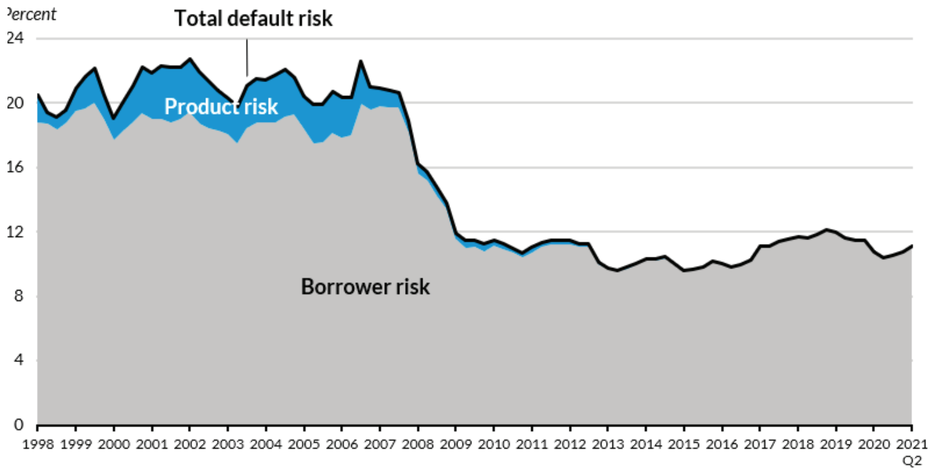
Default Risk Taken by the Government-Sponsored Enterprises Channel, 1998Q1–2021Q2



Sources: eMBS, CoreLogic, HMDA, IMF, and Urban Institute.

EXHIBIT 26

Default Risk Taken by the Government Channel, 1998Q1–2021Q2



Sources: eMBS, CoreLogic, HMDA, IMF, and Urban Institute.

35. Urban Institute. Housing Credit Availability Index. Updated August 17, 2021.

Both Exhibits 25 and 26 show the continuation of a trend of extreme credit tightening on loan products and near exclusive reliance on borrow risk to determine loan origination eligibility that began during the 2008 housing collapse. This borrower-heavy focus continues to disadvantage lower- and moderate-income households and people of color. Almost no product innovation that could safely and soundly expand homeownership is offered by either public or private lending channels.

UI notes there also remains substantial room to expand the credit box: "If the current default risk was doubled across all channels, risk would still be well within the pre-crisis standard of 12.5 percent from 2001 to 2003 for the whole mortgage market."[36]

CREDIT SCORING AND RELATED RISK ASSESSMENT MODIFICATIONS

For decades, lenders have relied primarily on credit scores to evaluate the creditworthiness of prospective mortgage loan borrowers. Based on an applicant's credit score, lenders decide whether they will originate a loan. For the GSEs, credit scores are combined with loan-to-value ratios (LTVs) to determine loan pricing at the individual borrower level. Exhibit 27 shows Fannie Mae's current loan pricing using credit scores and LTVs to produce loan-level price adjustments (LLPAs). Individual borrowers can pay as much as 3.357 percentage points more for a mortgage to an applicant with the combination of minimum qualifying credit score and LTV compared to an applicant with the highest quality credit score and LTV. Assuming an 80 percent or higher LTV, a borrower with a credit score lower than 620 will pay 3 percentage point more for a mortgage than a borrower with a credit score equal to or greater than 740. Additional factors impact the cost of housing including age and condition of housing stock.

Exhibit 28 shows that Freddie Mac uses similar criteria to adjust loan prices. Borrowers with lower credit scores, who are disproportionately people of color and living in lower-income communities, bear higher costs for mortgage credit.

FICO and VantageScore are the two credit scoring models used by lenders, with FICO being the most popular.[37] The basic FICO score was created in 1989 by the Fair Isaacs, and Company to provide a standardized model to calculate credit scores. Credit

Exhibit 27
Fannie Mae's LLPA by Credit Score/LTV Ratio

Representative Credit Score	LTV Range									
	Applicable for all mortgages with terms greater than 15 years									
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	>97.00%	SFC
≥ 740	0.000%	0.250%	0.250%	0.500%	0.250%	0.250%	0.250%	0.750%	0.750%	N/A
720 – 739	0.000%	0.250%	0.500%	0.750%	0.500%	0.500%	0.500%	1.000%	1.000%	N/A
700 – 719	0.000%	0.500%	1.000%	1.250%	1.000%	1.000%	1.000%	1.500%	1.500%	N/A
680 – 699	0.000%	0.500%	1.250%	1.750%	1.500%	1.250%	1.250%	1.500%	1.500%	N/A
660 – 679	0.000%	1.000%	2.250%	2.750%	2.750%	2.250%	2.250%	2.250%	2.250%	N/A
640 – 659	0.500%	1.250%	2.750%	3.000%	3.250%	2.750%	2.750%	2.750%	2.750%	N/A
620 – 639	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.500%	3.500%	N/A
< 620[1]	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.750%	3.750%	N/A

Source: Fannie Mae, "Loan-Level Price Adjustment (LLPA) Matrix," 2021, available at https://singlefamily.fanniemae.com/media/9391/display.

36. Urban Institute. Housing Credit Availability Index. 1st Quarter. August 17, 2021.
37. FICO and VantageScore have a few major differences. While FICO penalizes all late payments the same way, VantageScore penalizes late mortgage payments higher than other late payments. The two models also handle similar credit inquiries in different ways. See Resendiz, Joe.

Exhibit 28
Freddie Mac's Indicator Score/Loan-To-Value Matrix

Product	Credit Score [1, 2]	LTV Ratios — All Eligible							
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85% & ≤ 90%	> 90% & ≤ 95%	> 95%
All Eligible Product	≥ 740	0.00%	0.25%	0.25%	0.50%	0.25%	0.25%	0.25%	0.75%
	≥ 720 & < 740	0.00%	0.25%	0.50%	0.75%	0.50%	0.50%	0.50%	1.00%
	≥ 700 & < 720	0.00%	0.50%	1.00%	1.25%	1.00%	1.00%	1.00%	1.50%
	≥ 680 & < 700	0.00%	0.50%	1.25%	1.75%	1.50%	1.25%	1.25%	1.50%
	≥ 660 & < 680	0.00%	1.00%	2.25%	2.75%	2.75%	2.25%	2.25%	2.25%
	≥ 640 & < 660	0.50%	1.25%	2.75%	3.00%	3.25%	2.75%	2.75%	2.75%
	≥ 620 & < 640	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.50%
	< 620	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.75%

Source: Freddie Mac. Credit Fees in Price. Freddie Mac Single-Family Seller/Servicer Guide Bulletin 2021-29. September 1, 2021.

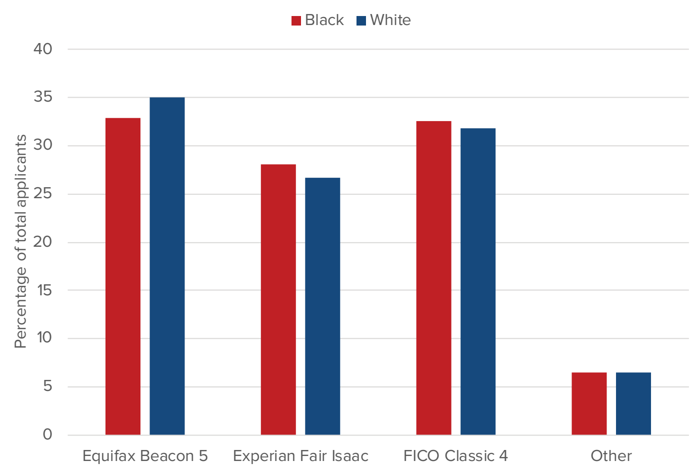
scores range from 300 (bad) to 850 (excellent) and are based on borrowers' credit reports, including payment history, amounts owed, types of credit used, credit utilization ratio, the age of a person's accounts, and number of credit inquiries. The three national credit bureaus—Experian, Equifax, and TransUnion—feature their own credit scoring models and use specific algorithms to produce their credit scores. The credit bureaus use the following scores:

1. **Experian** – FICO Advanced Risk Score (330-830)
2. **TransUnion** – FICO Risk Score NextGen (150-934)
3. **Equifax** – Pinnacle (formerly Beacon) (300-850)[38]

A score of at least 650 is typically required by lenders in order to approve a loan application. Currently, lenders who want to sell mortgage loans to the GSEs have some flexibility to use alternative credit information but a large share continue to rely on FICO Classic 4 score that is not as predictive for households of color as are more sophisticated scoring models. The Urban Institute indicates that adopting alternative credit data could allow millions of additional consumers to access credit Newer scoring approaches include, for example, factors such as rental and utility payments in their models. Exhibit 29 shows the most popular credit scoring models used to evaluate Black and White mortgage loan applicants according to 2020 HMDA data.

EXHIBIT 29

Applicant Credit Scoring Model, HMDA 2020



Source: Authors' calculations of 2020 HMDA data

38. FICO Models Explained: Which Differences Matter Most. ValuePenguin-Lending Tree. August 2, 2921.
39. Driscoli, Suzanne. "What is a Beacon Credit Score?" My Banktracker, August 19, 2021.
40. Kaul, Karen. "Adopting Alternative Data in Credit Scoring Would Allow Millions of Consumers to Access Credit," Urban Institute, March 15, 2021.
41. Kaul, Karen. "Adopting Alternative Data in Credit Scoring Would Allow Millions of Consumers to Access Credit," Urban Institute, March 15, 2021.

The trend among large financial institutions to explore the use alternative scoring models has been increasing.[41] It has accelerated during the COVID 19 pandemic, in part, because deferred debt payments on many types of loans were precluded by the federal government from being reported to credit reporting bureaus.[42] Further, financial regulators have expressed concern that FICO scores limit the ability of many Americans, particularly among communities of color, to access affordable credit, and are encouraging banks to consider other scores.[43] (About 53 million Americans do not have FICO scores, with Black and Hispanic adults being more likely than their White counterparts not to have a traditional credit score.

About 54 percent of Black adults report having no credit or a poor to fair credit score,[44] according to a recent survey from Credit Sesame.[45] According to the Urban Institute, the median credit score for Black consumers is 629, that is about 100 points lower than the median credit score for White consumers.[46] In October 2020, 45.1 percent of Black consumers had subprime credit scores of 532 and below.[47] Majority-Black communities have among the lowest median credit scores and the highest debt in collection rates. They also have a disproportionate use of high-cost payday and other Alternative Financial Services loans.[48]

Structural racism, historical inequities, and several related systemic factors[49] play key roles in Black Americans' low credit scores or lack of credit scores, as well as their disproportionate existence living paycheck to paycheck and use of credit cards to meet basic expenses. Black adults also have higher rates of student loan debt and only half own a credit card.[50] When unable to pay their debts, Black borrowers tend to experience far worse financial consequences than their White counterparts in debt-collection lawsuits that end in default judgements.[51] The data used in current credit models largely reflect structural inequalities, especially wealth inequalities that are racially driven, even though credit-score systems are not allowed to use information like race and other personal characteristics.[52]

41. Andriotis, AnnaMaria. "FICO Score's Hold on the Credit Market Is Slipping," Walls Street Journal, August 2, 2021.
42. Andriotis, AnnaMaria. "'Flying Blind Into a Credit Storm': Widespread Deferrals Mean Banks Can't Tell Who's Creditworthy," Walls Street Journal, June 29, 2020.
43. Andriotis, AnnaMaria. "FICO Score's Hold on the Credit Market Is Slipping," Walls Street Journal, August 2, 2021.
44. In 2015, the Consumer Financial Protection Bureau found that about 26 million people are "credit invisible," that is they do not have a credit history with one of the three credit bureaus. Black and Hispanic consumers and those living in low-income communities have the higher invisibility rates. See Consumer Financial Protection Bureau. Who are the credit invisibles? How to help people with limited credit histories. December 2016.
45. Credit Sesame, "Black and Hispanic Americans on the U.S. financial system: "The odds were always against me," new Credit Sesame survey finds," CISION, January 26, 2021.
46. Reynolds, Liam, Vanessa Perry, and Jung Hyun Choi, "Closing the Homeownership Gap Will Require Rooting Systemic Racism Out of Mortgage Underwriting," Urban Institute, October 13, 2021.
47. Karan Kaul, cit. "Adopting Alternative Data in Credit Scoring Would Allow Millions of Consumers to Access Credit," Urban Institute, March 15, 2021.
48. Urban Institute, "Credit Health During the COVID-19 Pandemic," February 25, 2021.
49. Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2021." See also, Michelle Singletary, "Credit scores are supposed to be race-neutral. That's impossible," The Washington Post, October 16, 2020.
50. Megan Leonhardt, "Black and Hispanic Americans often have lower credit scores – here's why they're hit harder," CNBC, January 28, 2021.
51. The Pew Charitable Trusts, "How Debt Collectors Are Transforming the Business of State Courts," May 2020
52. Natalie Campisi, "From Inherent Racial Bias to Incorrect Data – The Problems With Current Credit Scoring Models," Forbes, February 26, 2021.

Among the sources of information that can indicate a borrower's creditworthiness, beyond traditional credit scoring models, are cash-flow information and data from applicants' savings and checking accounts. Some large banks are beginning to supplement their credit assessments with this information to boost applicants' chances of obtaining a credit card as part of a national pilot program.[53] In addition, new fintech mortgage products[54] are emerging to provide a better picture of consumers' creditworthiness. Experian Boost, for example, allows consumers to get credit for on-time utility, telecom, and Netflix payments.[55] The Urban Institute indicates that FICO now offers two alternative data scoring models—FICO Score XD and UltraFICO Score, using utilities payments and deposit account information, respectively—to generate more accurate credit profiles.[56]

In August 2021, the FHFA announced that Fannie Mae will consider including rent-payment history in its risk assessment process in order to help borrowers with thin credit files to obtain home mortgage loans.[57] As of September 2021, Fannie Mae will allow lenders to use applicants' bank account information to identify 12 months of consistent rent payments.[58] Blacks are more likely to rent their homes than owning them. The possibility to provide evidence of consistent rent payments may improve the credit profile of many Black renters who are considering purchasing a home.

Some challenges, however, persist. In particular, providing access to bank account information is voluntary and some borrowers may not be willing to share such information with lenders. In addition, some borrowers may not even have a bank account. The FDIC indicates that more than five times (14 percent) as many Black households are unbanked, than White households (2.5).[59] Some borrowers may never reach Fannie Mae's improved scoring model, as Black borrowers tend to apply for FHA-insured loans more than for conventional loans. In addition, individual lenders may fail to accept applications from Blacks with a low credit score based on outdated scoring models. The innovations in this arena are promising, but more needs to be done to bring to ensure that all federal housing agencies are uniformly using the most predictive credit assessment tools available within the housing finance industry.

FANNIE MAE AND FREDDIE MAC PRICING

Structure and Level of Guarantee Fees

The GSEs own or guarantee about half of the nation's residential mortgage market, including more than half of single-family mortgages.[60] The Enterprises acquire single-family loans from sellers and bundle these loans into mortgage-backed securities (MBS), which are then sold into the secondary market. The Enterprises assume the credit risk on these loans and ensure that investors receive principal and interest payments. In exchange for this guarantee and to cover other administrative costs and the cost of holding capital, the GSEs charge a guarantee fee. Guarantee fees come in two forms: upfront and on-going. Both types of fees are factored into a loan's interest rate paid by the borrowers. While ongoing fees are paid monthly until the loan is paid off, upfront fees consist of one-time payments that sellers make to the GSEs upon loan delivery. Upfront fees are typically used to cover for specific risk attributes, including product types, LTV ratios, and the borrower's credit score, among other factors.

53. Peter Rudegeair and AnnaMaria Andriotis, "JPMorgan, Other Plan to Issue Credit Cards to People With No Credit Scores," Walls Street Journal, May 13, 2021. See also Office of the Comptroller of the Currency, "Alternative Credit Assessment Utility Workstream," Project REACh.
54. Fintechs are technology firms operating as an alternative financial channel to traditional banks and providing services predominantly online.
55. Alexandria White, "Here's how Experian Boost can help raise your credit score for free," CNBC, August 6, 2021.
56. Kaul, cit.
57. Friedman, Nicole and AnnaMaria Andriotis, "Fannie Mae Aims to Make Home Loans More Accessible," Walls Street Journal, August 11, 2021.
58. National Low Income Housing Coalition, "Fannie Mae to Consider Rental Payment History in Underwriting Process," August 16, 2021.
59. Federal Deposit Insurance Corporation, "How America Banks: Household Use of Banking and Financial Services," 2019 FDIC Survey.
60. Federal Housing Finance Agency. "Fannie Mae and Freddie Mac Single-Family Guarantee Fees in 2019," December 2020.

Both Fannie Mae and Freddie Mac determine their own estimated costs of guaranteeing a loan based on several cost variables and on a target rate of return on capital. Cost variables include borrowers' credit scores and LTV ratios, which directly affect Fannie Mae's LLPA and Freddie Mac's Credit Fees in Price. The inclusion of these factors for individual loan pricing took effect in 2008, when the Great Recession and GSE conservatorship led to major changes in the structure and level of G-fees.

Prior to 2008, the GSEs charged similar guarantee fees to all borrowers who qualified for a loan, across credit score brackets. Also in 2008, an additional 25-basis-point adverse market delivery fee was charged on all loans made in weak housing markets. That assessment was particularly harmful to low-income borrowers and borrowers of color because it increased the cost of borrowing and discouraged homebuying in their communities. That fee was removed in 2015 due to improvements in the housing market.

Exhibit 30: Timeline of Changes in Fees

Event Date	Change
March 2008	The Enterprises increased ongoing fees and added two new upfront fees: a fee based on the borrower's LTV ratio and credit score, and a 25 basis point adverse market charge
Late 2008 through 2011	The Enterprises gradually raised fees and refined their upfront fee schedules.
December 2011	Pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, FHFA directed the Enterprises to increase the ongoing fee for all loans by 10 basis points. This fee is paid to the U.S. Department of the Treasury. This fee increase was effective with April 2012 deliveries and will expire after 10 years.
August 2012	FHFA directed the Enterprises to raise fees by an additional 10 basis points on average to better compensate for credit risk exposure. Fees were raised more on loans with terms longer than 15 years than on shorter-term loans to better align the gaps, and the fees were made more uniform for sellers that deliver larger and smaller volumes of loans. These changes were effective with December 2012 MBS deliveries.
December 2013	FHFA directed the Enterprises to increase ongoing fees by 10 basis points, change upfront fees to better align pricing with credit risk characteristics, and remove the 25 basis point adverse market charge for all but four states. However, in January 2014, FHFA suspended the implementation of these changes pending review.
April 2015	FHFA completed its fee review and directed the Enterprises to eliminate the adverse market charge in all markets and add targeted increases for specific loan groups effective with September 2015 deliveries. These changes were approximately revenue neutral with little or no impact for most borrowers.
July 2016	Based on findings from FHFA's quarterly guarantee fee reviews, the Agency directed the Enterprises to set minimum ongoing guarantee fees by product type, effective in November 2016, consistent with FHFA's responsibility to ensure the safety and soundness of the Enterprises.
December 2017	FHFA directed the Enterprises to meet specified return on capital targets, effective with February 2018 loan deliveries.
September 2018 & March 2019	The Enterprises implemented a 25 basis point upfront fee for loans on second homes where LTV exceeds 85 percent.

Source: FHFA, "Fannie Mae and Freddie Mac Single-Family Guarantee Fees in 2019," December 2020.

In 2016, the FHFA directed the GSEs to set minimum guarantee fees by product type and in 2017, the Agency directed them to meet specified returns on capital targets. A further 25 basis point upfront fee was implemented in 2018 and 2019 on second homes where LTV ratios exceeds 85 percent. Exhibit 30 provides a timeline of the evolution of guarantee fees post-Great Recession.

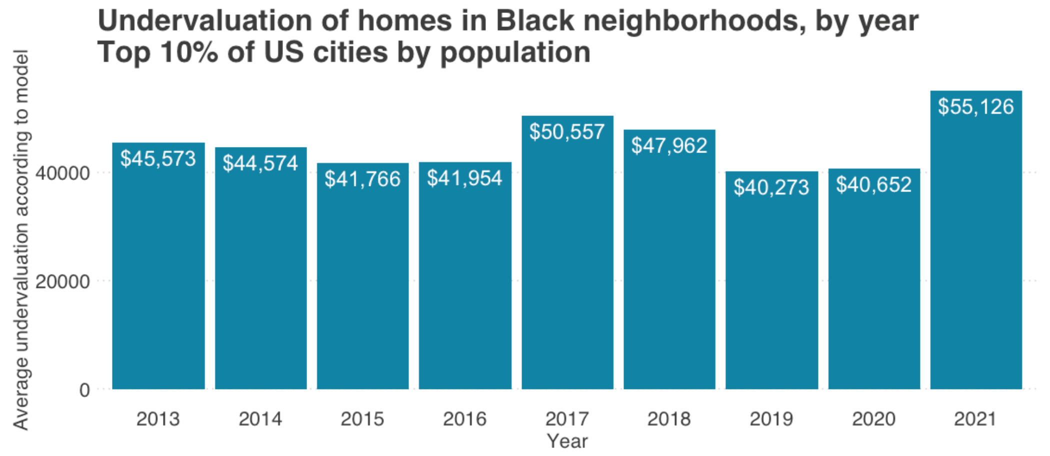
The 2020 FHFA report on guarantee fees in 2019 indicates that, between 2018 and 2019, the average single-family guarantee fee increased 1 basis point to 56 basis points. The upfront portion of the guarantee fee, which is based on the credit risk attributes, decreased 2 basis points to 13 basis points. In contrast, the ongoing portion of the guarantee fee, which is based on the product type, increased 3 basis points to 43 basis points. Furthermore, the report indicates that for each LTV and credit score group, the average guarantee fee increased by 1-3 basis points.

The increase in guarantee fees and the structure of LLPAs, which are passed on to borrowers, impact the ability of low-income borrowers and borrowers of color to access affordable credit by overcharging them and often pricing them out of the mortgage market, even though mortgage rates are at historic lows. These excessive fees unnecessarily limit access to conventional loans to lower- and moderate-income households. As mentioned above, LLPAs are higher for borrowers with lower credit scores and higher LTV ratio. They are also higher for mortgages with low down payments, thus impacting borrowers with fewer savings resources, disproportionately among Black consumers.[61] A 2020 study by Federal Reserve Bank of Atlanta shows that Black borrowers with mortgages guaranteed by the GSEs paid interest rates that were almost 50 basis points higher than those paid by their White counterparts. This disadvantage is compounded by the fact that Black borrowers are less likely than White borrowers to access low interest rates and refinance their loans, largely due to lower credit scores, equity, and income.[62]

DISPARATE HOME APPRAISAL PRACTICES

Even when Blacks are able to secure a mortgage loan and purchase a home, they face substantial additional challenges in building equity. Not only are their loans more costly than those of their White counterparts, but their homes also tend to appreciate less or be valued less than similar homes in predominantly White neighborhoods, even after taking housing characteristics into consideration.[63] A 2018 study from the Brookings Institution shows that homes in predominantly Black neighborhoods are appraised for 23 percent less than similar homes in predominantly White neighborhoods.[64] A 2021 Redfin study shows that homes in Black neighborhood are undervalued by $46,000 on average and this gap has remained essentially the same in the past decade (Exhibit 31).[65]

Exhibit 31



Source: Redfin analysis; US Census Bureau

61. Levitin, Adam. "How to Start Closing the Racial Wealth Gap," The American Prospect, June 17, 2020.
62. Gerardi, Kristopher, Paul Willen, and David Hao Zhang, "Mortgage Prepayment, Race, and Monetary Policy," Federal Reserve Bank of Atlanta, Working Paper 2020-22, December 2020.
63. Rusk, David. "The 'Segregation Tax': The Cost of Racial Segregation to Black Homeowners" (Washington: The Brookings Institution, 2001). See also Dorothy Brown, "How Home Ownership Keeps Blacks Poorer Than Whites," Forbes, December 10, 2012; Chenoa Flippen, "Unequal Returns to Housing Investments? A Study of Real Housing Appreciation among Black, White, and Hispanic Households" Social Forces 82 (4) (2004): 1523–1551; Anacker, Katrin B. "Still Paying the Race Tax? Analyzing Property Values in Homogeneous and Mixed-Race Suburbs," Journal of Urban Affairs 32 (1) (2010): 55–77; Kim, Sunwoong. "Race and Home Price Appreciation in Urban Neighborhoods: Evidence from Milwaukee, Wisconsin," The Review of Black Political Economy 28 (2) (2000): 9–28; Thomas and others, "Separate and Unequal."
64. Perry, Andre M. Perry, Jonathan Rothwell, and David Harshbarger, "The devaluation of assets in Black neighborhoods," Brookings Institution, November 27, 2018.
65. Anderson, Dana. "The Price of Racial Bias: Homes in Black Neighborhoods Are Valued at an Average of $46,000 Less Than Similar Homes in White Neighborhoods," Redfin, April 20, 2021.

This troubling pattern reflects decades of residential segregation, housing discrimination, redlining, and disparate access to credit and homeownership that continue to constrict the ability of Blacks to build equity and accumulate wealth through homeownership.[66] The most overt forms of housing discrimination that were common prior to the Fair Housing Act of 1968 have declined over the course of the past few decades.[67] Racial discrimination in the housing market, however, still exists and is a moving target, as more subtle forms of racial bias have emerged and have become common. These practices include racial steering, whereby real estate agents deliberately steer Black home buyers away from White neighborhoods and toward neighborhoods with larger concentrations of people of color, or deny Black home buyers basic information and offer them fewer residential options than to White homebuyers.[68] Housing providers often do not advertise available units and discriminatory digital marketing has become more common due to the proliferation of social media and online housing advertising.[69]

The neighborhoods where Black homebuyers purchase their homes contribute to their home's worth and its chance of appreciating over time. Homes in predominantly Black neighborhoods typically feature more volatile demand and prices than those in predominantly White areas, where resources and amenities contribute to higher housing demand and prices.[70] Factors such as variations in appraisal methods and appraisers' racialized perceptions of neighborhoods contribute to a lower housing demand in Black neighborhoods,[71] which depresses their home prices. The devaluation of Black-owned homes is particularly evident in previously redlined neighborhoods.[72]

During the home purchase process, mortgage lenders require an appraisal to assess the property' worth and a low valuation can affect a homebuyer's mortgage loan—in particular its approval, interest rate, and insurance requirements—and can disrupt a home sale. Modern appraisal practices, such as the sales comparison or market approach, were designed to maintain objectivity during the valuation of properties across different neighborhoods. Appraisers work under a code of ethics and are regulated by state agencies, which are then regulated by the appraisal subcommittee of the Federal Financial Institutions Examinations Council, which in turn coordinates with banking regulators.

Most importantly, like mortgage lenders and brokers, appraisers must abide by the Fair Housing Act, which prohibits discrimination based on race, national

66. Zonta, Michela. "Racial Disparities in Home Appreciation," Center for American Progress, July 2019.
66. Margery Austin Turner et al., Housing Discrimination Against Racial and Ethnic Minorities 2012. (U.S. Department of Housing and Urban Development, Washington, D.C., 2013), available at https://www.huduser.gov/portal//Publications/pdf/HUD-514_HDS2012.pdf.
67. Ann Choi, Keith Herbert, Olivia Winslow and Arthur Browne, "Long Island Divided," Newsday, Nov. 17, 2019; Elizabeth Korver-Glenn, "Brokering Ties and Inequality: How White Real Estate Agents Recreate Advantage and Exclusion in Urban Housing Markets," Social Currents, December 27, 2017.
68. White, Gillian B., "When Algorithms Don't Account for Civil Rights," The Atlantic, March 7, 2017; Rieke, Aaron and Corrine Yu, "Discrimination's Digital Frontier," The Atlantic, April 15, 2015, available at https://www.theatlantic.com/ideas/archive/2019/04/facebook-targeted-marketing-perpetuates-discrimination/587059/.
69. Faber, Jacob W. and Ingrid Gould Ellen, "Race and the Housing Cycle: Differences in Home Equity Trends Among Long-Term Homeowners," Housing Policy Debate 26 (3) (2016): 456–473; See also Jeffrey P. Cohen, Cletus C. Coughlin, and David A. Lopez, "The Boom and Bust of U.S. .Housing Prices from Various Geographic Perspectives," Federal Reserve Bank of St. Louis Review 94 (5) (2012): 341–367; Melvin E. Thomas and others, "Separate and Unequal: The Impact of Socioeconomic Status, Segregation, and the Great Recession on Racial Disparities in Housing Values," Sociology of Race and Ethnicity 4 (2) (2017): 229–244; Douglas S. Massey and Jacob S. Rugh, "Segregation in Post–Civil Rights America: Stalled
70. Integration or End of the Segregated Century?", Du Bois Review: Social Science Research on Race 11 (4) (2014): 205–232.
71. Howell, Junia and Elizabeth Korver-Glenn, "Neighborhoods, Race, and the Twenty-first-century Housing Appraisal Industry," Sociology of Race and Ethnicity 4 (4) (2018): 473–490.
72. Mikhitarian, Sarah. "Home Values Remain Low in Vast Majority of Formerly Redlined Neighborhoods," Zillow, April 25, 2018; Aaron Glantz and Emmanuel Martinez, "Kept out: For people of color, banks are shutting the door to homeownership," Reveal from the Center for Investigative Reporting, February 15, 2018.

origins, color, sex, familial status, and disability. Numerous accounts, however, show that racial bias in home appraisals is common.[73] A 2021 Freddie Mac study examining appraisals for home purchases the GSEs received from 2015 to 2020 shows that appraisals in Black neighborhoods are more likely to fall short of the contracted price than those in White neighborhoods even when taking structural and neighborhood characteristics into consideration (Exhibit 32).[74]

According to a recent study on the relationship between neighborhood racial composition and home appraisals,[75] the sales comparison approach used by appraiser plays a key role in perpetuating the devaluation of homes in Black neighborhoods as appraisers typically base their estimates on similar homes sold in the same or other Black neighborhoods, which in turn are devalued due to historical racialized appraisals, especially those that existed before fair housing legislation.

Exhibit 32

Appraisal gaps for minority tracts

Appraisals for the purchase of single-family one-unit homes, Jan. 1, 2015-Dec. 31, 2020

Property Tract	Count	% Lower Than Contract Price	Gap vs. White
Overall	12,752,779	8.3%	-
White	10,632,616	7.4%	-
Latino [50% -100%]	**553,470**	**15.4%**	**8.0%**
Latino [50%-80%]	443,218	15.0%	7.7%
Latino [80%-100%]	110,252	16.7%	9.4%
Black [50%-100%]	**373,747**	**12.5%**	**5.2%**
Black [50%-80%]	245,428	12.1%	4.8%
Black [80%-100%]	128,319	13.3%	5.9%

Source: Freddie Mac, "Racial and Ethnic Valuation Gaps In Home Purchase Appraisals," Research Note, September 20, 2021

Automated valuation models (AVMs), which apply specific mathematical algorithms to home value calculations, are being increasingly used by lenders in order to limit the human assessment element and potential racial bias in the home appraisal process. Researchers at the Urban Institute, however, warn that AVM inaccuracy disproportionately affects majority-Black neighborhoods.[76] This is due to the fact majority-Black neighborhoods have lower single-family home values on average ($169,855 in 2018, versus $424,810 in predominantly White neighborhoods). Majority-Black neighborhoods also tend to have older homes and different conditions than those of White neighborhoods. A wider use of AVMs, therefore, could contribute to the systemic undervaluation of homes in majority-Black neighborhoods.

73. Kamin, Debra. "Black Homeowners Face Discrimination in Appraisals," The New York Times, August 27, 2020.; Troy McMullen, "For Black homeowners, a common conundrum with appraisals," The Washington Post, January 21, 2021; Brentin Mock, "A Neighborhood's Race Affects Home Values More Now Than in 1980," Bloomberg CityLab, September 21, 2020.
74. Freddie Mac, "Racial and Ethnic Valuation Gaps In Home Purchase Appraisals," Research Note, September 20, 2021.
75. Howell, Junia and Elizabeth Korver-Glenn, "The Increasing Effect of Neighborhood Racial Composition on Housing Values, 1980-2015," Social Problems, 2020.
76. Neal, Michael, Sarah Strochak, Linna Zhu, and Caitlin Young, "How Automated Valuation Models Can Disproportionately Affect Majority-Black Neighborhoods," Urban Institute, December 2020.

The Economy, Covid-19, Student Loan Debt, and Black Homeownership

Exhibit 33

Median Weekly Duration of Unemployment
4th Quarter 2019 to 2nd Quarter 2021

Source: U.S. Labor Force Statistics from the Current Population Survey. 2019-2021.

The Covid-19 (Covid) Pandemic shocked virtually every aspect of life. The need to social distance and curtail or slow some economic activities disrupted commerce, work, politics, elections, education, and everyday life. Most of these changes had implications that were surprisingly unexpected.

Social distancing orders in February and March 2020 resulted in the shuttering of many businesses and many office workers were sent home to work online. The initial response was mass layoffs of workers especially in personal service industries, and a slowdown in demand for all products and services. In April 2020 alone, 20.7 million jobs were dropped from American payrolls.[77] The biggest one month decline ever, and more jobs lost than even at the peak job loss suffered in the Great Recession. Payrolls stood close to its low point during the Great Recession, 12 years earlier.

The economy, measured in the aggregate by the Gross Domestic Product—the value of all goods and services produced—suffered its sharpest two quarter decline in history.

77. U.S. Bureau of Labor Statistics. Establishment data series from the monthly B Tables: U.S. Bureau of Labor Statistics (bls.gov).

RESPONSE BY THE FEDERAL GOVERNMENT AND THE EFFECT ON HOUSING

Congress acted quickly to devise a broad set of measures to stabilize the economy. Checks were mailed to individuals authorized by the legislation, which also addressed expanding and supplementing unemployment insurance benefits, supporting small businesses in meeting payroll, providing for mortgage forbearance and slowing evictions. Three major acts that were passed were the CARES Act, Payroll Protection Act, and American Recovery Act. Those initiatives provided substantial income to meet the needs of millions of unemployed workers and maintain the stability of small businesses across the nation.

There were delays in implementing the unemployment insurance and Payroll Protection Plan (PPP) help for small business payroll support, but when the major elements of the plan were all in place, demand for durable goods quickly recovered and the economy began to rebound. By the second quarter of 2021, the GDP fully recovered to above its pre-Covid level. The biggest surprise was how the housing market responded.

The Federal Reserve Board of Governors took aggressive steps to provide liquidity to the markets to accommodate a quick recovery. Its policy of quantitative easing helped push mortgage interest rates to new lows. The extra household income from Congress was used by households to dramatically improve their balance sheets, substantially lowering their debt. The improved household balance sheets greatly increased people's abilities to qualify for and to buy homes. As workers faced longer periods of working from home, many sought to relocate to homes that had more space (e.g., sufficient for home offices), or to homes or in more desirable locations for a world where commute times did not exist. But ability to, and interest in, buying homes was met with low inventory. New home starts were significantly reduced due to labor and materials shortages. Older homeowners, hesitant to downscale to senior living facilities amid the Covid crisis in senior homes, also helped make existing homes scarce. The surprising result was that the pandemic increased the demand for housing, relative to supply and, as a result, housing prices soared.

In the final quarter of 2019, before the Pandemic, the Federal Reserve estimates of White owned real estate was $23.16 trillion, and $1.6 trillion for Black households. The Fed's most current estimate, for first quarter 2021, is that White households have $25.93 trillion in real estate holdings, while Black households have $1.87 trillion. (Federal Reserve Board of Governors, 2021) That is a 12 percentage point increase for Whites, and a 13 percentage point increase for Blacks. This means that the boom in home equity improved the wealth position of Black and White homeowners.

Despite increasing value in real estate wealth, the home ownership rate for Black households fell from 47.0 percent in the second quarter of 2020 to 44.6 percent in the second quarter of 2021. Over that same period, White home ownership fell from 76.2 percent to 74.2 percent, a similar slide. (U.S. Census Bureau, 2021)

The equity in homes is one side of the household balance sheet. Blacks were significantly more likely than Whites to be hospitalized by Covid, and more likely to die, all related to differences in occupations and the differences in risks of exposure to Covid by occupation. (Goldman, Pebley, Lee, Andrasfay, & Pratt, 2021) (Rogers, et al., 2020) And Black workers were less likely than White workers to be working from home in the early months of the Pandemic. Even by July 2021, when most workers had returned to work, 12.3 percent of White workers teleworked in the previous month compared to 10.8 percent of Black workers. (U.S. Bureau of Labor Statisitics, 2021) These disruptions to household incomes would be expected to have a disparate effect on Black homeowners keeping current on their mortgages. Black workers also suffered higher levels of unemployment, including those with more education, even compared to less educated Whites. Until June, Blacks with associate degrees had higher unemployment rates than Whites who had failed to finish high school. This also led to disparate stress on Black homeowners.

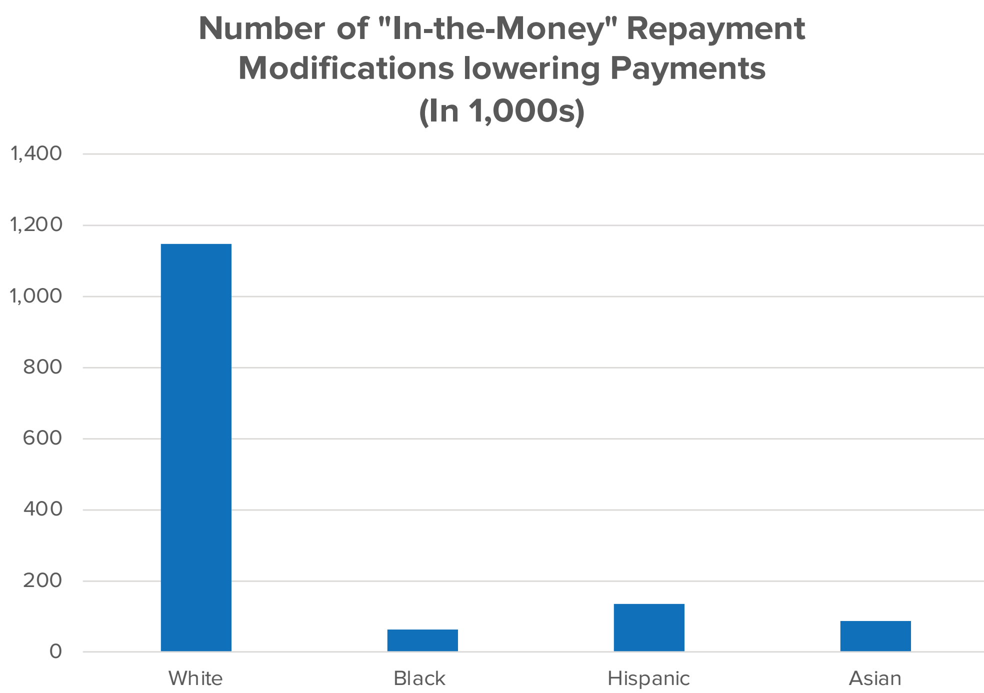
Because of the disruptions to earnings, Congress included in its initial response, the CARES Act, funding for home mortgage modifications. Through October 2020, it is estimated the refinancing saved American homeowners an aggregate of $5.8 billion in reduced mortgage payments. But, of that amount, only about $198 million went to Black households. Those savings were 3.7 percent of the savings, although Blacks are 9.1 percent of homeowners. Of those who had mortgages in January 2020, 5.5 percent were past due in October 2020, much higher than the 1.1 percent over that period in 2019. But 12.3 percent of Black borrowers were past due in 2020 compared to 4.3 percent for Whites.

Looking only at those who missed a mortgage payment from the onset of the economic shock in February 2020, 35 percent of Whites were still not caught up by October versus 44 percent of Blacks. Blacks were about equally likely to enter mortgage forbearance as other households that missed mortgage payments, 80 percent for Black households compared to 81 percent for all households that missed a payment.

The CARES Act protected the credit scores of those who needed forbearance assistance, and by February 2021, Black homeowners in forbearance saw slightly higher credit score gains than Whites in the program. (Gerardi, Lambie-Hanson, & Willen, 2021) As earlier noted, everyone gained equity from the booming housing market. So, the challenge is that because of disparities in health and labor market conditions, the slower exit rate for Black homeowners out of the forbearance program could lead to disparities in outcomes when the program expires this September 2021.

The overall picture for the Black housing market of course must acknowledge the lower homeownership rates for Black households. Among Black households that rent, almost one-in-four, reported in the most recent data, June 2021, that they were not current on their rent. (Center on Budget and Policy Priorities, 2021) The American Rescue Plan provided $46 billion to state and local government to help those families while they are protected by the extension of the Centers for Disease Control moratorium on evictions. Yet, through July 2021, states had only managed to administer $4.8 billion of the available funds.

Exhibit 34



Source: Gerardi, Kristopher, Lauren Lambie-Hanson, and Paul Willen. Current Policy Perspectives Racial Differences in Mortgage Refinancing, Distress, and Housing Wealth Accumulation during COVID-19.June 22, 2021.

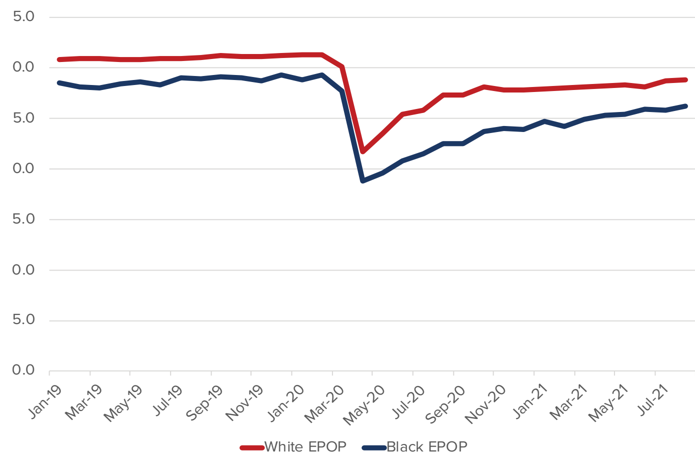
Success by state varied greatly. Virginia was the only state to disburse at least half its funds. Sixteen states had released less than 5 percent of their funds. (O'Donnell, 2021) That moratorium is set to end soon, though the spike in the Delta variant of Covid may lead the CDC to extend the moratorium.

BLACK UNEMPLOYMENT AND LABOR FORCE -PARTICIPATION

Black workers were not hurt by the Covid labor market collapse in March and April in the same proportions as other workers. Their share of employment loss was on order with that of White women, and not as severe as for Latinos. The spike in the unemployment rate was not as dramatic as for Whites. But, of course, because the Black unemployment rate was already higher, and the level of employment lower before the shock, Black workers did have the highest unemployment rates and the lowest employment-to-population ratios. And, as with the Great Recession, state and local government employment took significant hits, dropping by almost 600,000 for state employees and one million in local government. State employment began to pick up in January 2021 but by July was still down a little over 200,000 and local government employment began to edge back in June 2020, but by July 2021 was still down almost 600,000. The public sector has a disproportionate share of Black professional workers.

Exhibit 35

Share of People who are Employed (EPOP)

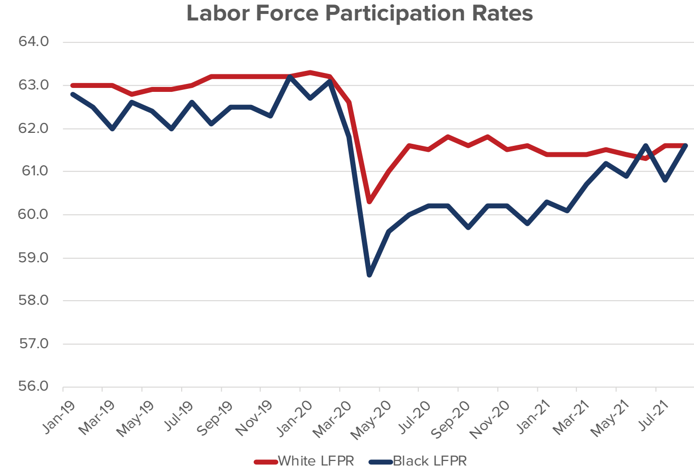


Source: U.S. Labor Force Statistics from the Current Population Survey. 2019-2021.

The milder jump in unemployment for Black workers reflected their role in doing essential work: in healthcare, transportation, and food production, sales and distribution. Unfortunately, this also meant great exposure to Covid. Unlike Whites, hospitalizations and deaths were more prevalent among those under 65, in the prime working ages; while Whites overwhelmingly faced these risks among those older than 65. In February 2020, White labor force participation was 63.2 percent, and 63.1 percent among Blacks. But, by May, the Black participation rate was 60.0 percent compared to 61.6 percent for Whites. This may also reflect the higher share of Black workers who were hospitalized because of Covid, and not able to return to work.

Exhibit 36

Labor Force Participation Rates



Source: U.S. Labor Force Statistics form the Current Population Survey. 2019-2021.

But, some of the drop in participation could be from public school closures and single parent mothers needing to stay home, with a higher share of Black families being single parent. While the overall unemployment rate for Black women has been trending down, the unemployment rates for women headed households (of any race) trended up in June and July 2021 from 6.6 to 8.5 percent.

At its worst, the Black unemployment rate spiked to 16.7 percent in April 2020. In July 2021, it fell to 8.2 percent, after two months of rising because the increased job seeking of Black workers was only partially met with job gains; the net result being that a rising share of workers were left looking but unemployed.

More importantly, the share of the Black population over 16 holding a job collapsed in April to 48.8 percent, its lowest since 1972 when separate monthly records for Blacks have been kept. Just in February 2020, the Black employment-to-population ratio was on a climb out of the Great Recession and had reached 59.3 percent, appearing on its way to its previous record of 61.4 percent in April 2000. In July, it stood at 55.8 percent, the levels it had reached in 2015.

This setback in Black employment is likely to have lasting effects, coming on the heels of the recovery from the Great Recession. Despite rapid hiring since April, in July 2021 the economy remained 5.7 million payroll positions short of its February 2020 level. In the second quarter of 2021, 846,000 Black workers were long-term unemployed (i.e., unemployed 27 weeks or more) comprising 44.5 percent of all unemployed Black workers, with the average duration of unemployment for Black workers being 33 weeks, and the median showing that half of unemployed Black workers had been looking for over 22 weeks. (U.S. Bureau of Labor Statistics, 2021) This will take many months to clear. Long spells of unemployment make it hard for workers to get hired. They also strain savings and financial resources.

Despite Congressional efforts to address inadequacies in the unemployment insurance system, gaps remained, and Black workers were still less likely to get unemployment benefits if they became unemployed compared to White workers.

In a normal economy, such as 2018, among people who applied for unemployment, 60.5 percent of Blacks received benefits compared to 67.9 percent of Whites; among unemployed people, 14.2 percent of Blacks received unemployment benefits compared to 18.1 percent of Whites. (U.S. Bureau of Labor Statistics, 2019). The changes increased recipiency rates for the unemployed, but did not close the racial gap. Estimates are that, in August 2020, when most states had fully implemented the new unemployment insurance programs, 13 percent of Black unemployed workers were drawing benefits compared to 24 percent of Whites. (Kofman & Fresques, 2020)

Despite those failings, a key design difference for unemployment insurance in this downturn was the $600 and later $300 added to the weekly benefit. In a downturn, households with low savings tend to save more from their unemployment checks, to build up reserves in anticipation things will get worse. At all income levels, Black households have low liquidity, this means Black household consumption levels fall more, dollars spent for dollars coming in, than for White households. This has key implications for businesses located in Black neighborhoods when the economy slows.

The additional $300 a week, however, provided enough extra to keep Black consumption levels steady. (Grieg, Wheat, O'Brien, & Banerjee, 2021) Tracking employment by neighborhood income, employment for low wage workers in firms in low-income neighborhoods fell less than employment in firms in high income neighborhoods, because consumer spending rebounded more quickly for low-income households. (Chetty, Friedman, Hendren, & Spencer, 2020)

Regrettably, though clear evidence showed the extra money did not slow the recovery of the labor market by discouraging people from looking for jobs, (Boone, Dube, Goodman, & Kaplan, 2021) (Dube, 2021) the 26 states with Republican governors all attempted to terminate the $300 benefit adjustment ahead of its scheduled September expiration. But it did have a disparate impact for Black workers, because the much higher share of Black workers who live in those states. (Mueller, 2021) The additional provisions expire this September. That will add further economic stress to Black households this fall.

A lasting impact of the labor market slide is that the college graduating classes of 2020 and 2021 are likely to suffer permanent income losses. Similar labor market downturns were catastrophic for young workers. If this follows course, college graduates, regardless of race, are likely to have $108,000 less in lifetime earnings if they graduated in 2020 and $77,000 less if they graduated in 2021. (Friedman, 2021)

This has disparate outcome for Black students, because of a shift in policy that started with the 21st Century to decrease public support for higher education and put a higher burden on tuition revenue. This has caused tuitions to rise much faster than income, and because of income differences, tuitions at state schools are a significantly higher share of median Black income than of White income. (Mitchell, Leachman, & Saenz, 2019) Because of the size of the racial wealth gap, the result has been a rising burden of college loans for Black students from all income levels. Black students are more likely to have student debt and larger amounts of debt than all other groups. (Chingos, 2019) (Urban Institute, 2017)

Currently, because of provisions in the CARES Act, the Department of Education reports that 23 million Direct Loan borrowers holding $935 million in outstanding debt are in forbearance, preventing any Direct Loan borrowers from entering default in the second quarter of 2021. (Gravely, 2021) (U.S. Department of Education: Office of Federal Student Aid, 2021) This provides some relief from the coming issue of lower earnings for this unique cohort of college graduates.

BLACK SMALL BUSINESS RELIEF

Of the many programs to address the crisis, the one with the greatest disparities was the effort to help small businesses weather the pandemic. The initial attempt of offering a PPP loan to protect small businesses and their labor force was uneven. The Treasury Department funneled the loans through banks, which quickly favored their own customers and those customers with deep relations over other businesses. The plan was to keep small businesses from losing employees, but many small businesses balked at the job retention requirement, and this was softened. So few Black firms got funding initially that Congress went back and created a second batch of funding directed to address the disparity. In the first round of the firms reporting their race, Black firms received 1.6 percent of loans, though they are 10 percent of firms.

Compared to White firms based on their employment

size, HUB Zone/non-HUB Zone (Historically Underutilized Business Zone program) location and rural/urban status, Black firms received loans that were on average $38,000 less than White firms. Things were better in the second round, with closer to 10 percent of the firms being Black, and the loan gap was smaller at $11,550. (Vanderbeek, 2021) The Federal Reserve was given a special fund to direct lending to “Main Street.” When commercial banks failed to reach low-income neighborhoods and minority-owned firms, the Federal Reserve ran a special project through the Minneapolis Federal Reserve Bank to increase liquidity for CDFIs (Community Development Financial Institutions) to improve access.

A significant problem is that the US Small Business Administration (SBA) did not require firms to report race. Overwhelmingly, firms did not report race. Of the loans for more than $150,000, 86 percent of the

661,218 firms did not report race. (Kranhold & Zubak-Skees, 2020) A deep dive into Durham, NC's data explains some of the reasons race was not reported; corporations were less likely to report race, and firms in zip codes that were heavily Hispanic or people who identify as neither Black, White, or Asian were less likely to report race. But some Black-owned firms also did not report their race.

Firms that did identify as Black, controlling for industry, number of employees and location received smaller loans than other borrowers, and less than those who did not report their race, but, with the smaller set of firms that did report being White, there was too much variation for the gap with Black firms to be statistically significant. (Camara, et al., 2021)

The wave of loans in January and February 2020 under the American Rescue Plan, did not show a significant improvement among the firms that did report race. Black firms were only 1.6 percent of firms that got loans. But, again, only 22.4 percent of all firms reported their race. (Plerhoples, 2021) So, in February, the SBA to took steps to increase the collection of demographic data on the loans, and to make some changes to eligibility to increase loans to sole proprietorships (i.e., the vast majority of Black owned firms have no employees)[78]. (U.S. Small Business Administration, 2021)

Initial despair for Black-owned firms, most of whom are in personal services. reflected the difficulty in getting cash assistance to Black households. But by May 2020, when Black consumption recovered after the unemployment system began delivering benefits, cash balances held in their bank accounts for Black-owned repair and maintenance companies and those in personal services grew faster than for White- or Hispanic-owned firms in their industries.

Black restaurant owners also enjoyed an improvement in their cash balances to pre-COVID levels, but not greater than for White-owned restaurants. (JP Morgan Chase Institute, 2020) As is true of Black households, Black businesses have significantly less liquid wealth than White business owners. (JP Morgan Chase Institute, 2021) This makes Black firms highly fragile and less resilient during economic downturns. Keeping Black consumption up during this pandemic went a long way to keeping Black businesses afloat, given their difficulty in getting money aimed at small business liquidity challenges.

The Federal Reserve's data on financial the distribution of assets, showed the aggregate value of Black-owned private business was $240 billion in the first quarter of 2020 ahead of the pandemic and, in the first quarter of 2021, it reached $250 billion. By comparison, White-owned private business wealth was $10.6 trillion in the first quarter of 2020 and $11.5 trillion in the first quarter of 2021. The health of Black-owned firms may change when the extra-ordinary efforts to support household balance sheets come to an end in September. Black consumption will fall without those supports, and it is unlikely to rebound for several quarters until the Black labor market has regained its pre-pandemic levels.

STUDENT LOAN DEBT

Student loan debt continues to mount and is now estimated to be $1.7 trillion.[79] Excessive student loan debt is a disproportionate problem for young Black adults. According to a recent article published in Higher Ed Insight:

Black college graduates have an average of $52,000 in student loan debt and owe an average of $25,000 more than White college graduates, according to data from the National Center for Education Statistics. Four years after graduation, almost half of Black borrowers owe 12.5 percent more than what they borrowed due to interest, while 83 percent of White borrowers

78. The claim that 41 percent of Black businesses closed in April 2020 reflects self-employed Black workers reporting they did not have employment in April, which is not necessarily the same as a business failure. (Fairlie, 2020)
79. Sheffey, Ayelet. "Here's Everything Biden Has Done So Far To Address The $1.7 Trillion Student Debt Crisis." Insider. October 6, 2021.

owe 12 percent less than they borrowed. And over half of Black students say that their student loan debt exceeds their net worth.

High student loan debt stifles the ability of Black college graduates to accumulate wealth, particularly through attaining homeownership. Not only do Blacks carry more college debt, but also Blacks do not receive the same returns to education as do Whites. In fact, according to the Economic Policy Institute (EPI), the Black-White wage gap is larger today than it was more than a decade ago, and this wage gap exist regardless of educational attainment.[80]

EPI estimates that on average, White workers earn 27 percent more than Black workers. White college graduates earn 23 percent more than Black college graduates, and Whites with an advanced degree earn 18 percent more than Blacks with advanced degrees. In fact, while more than 62 percent of White college graduates are full-time employed, only 53 percent of

Black college graduates have full-time jobs. Moreover, a disproportionate share of Black adults who enter college do not graduate and therefore must settle for jobs that that pay wages that are insufficient to repay their college loans; many young Blacks start their adult lives with student loan debt for which they will never be able to afford to repay.[81] Black college graduates are nearly twice as likely to be unemployed one year after graduation than White college graduates.[82]

Research by the Brookings Institution highlights that there are many federally supported efforts to assist students afford college tuition. Those initiatives include tax preferred programs to promote savings to pay for college tuition and the deductibility of a portion of student loan interest payments. Student loan borrowers also can adjust their student loan repayments based on their incomes.

Brookings Institution research highlights why none of these options are particularly helpful to the average Black college graduate with student debt.[83] Tax-preferred college savings programs require that parents have the discretionary incomes to save for their children's college. Most Black parents lack that luxury. Moreover, because the interest deduction on student debt is capped at $2,500, Blacks, unlike Whites, on average, will be unable to deduct their total student loan interest payments because their interest payments will exceed the federal student loan interest deduction cap.

One popular initiative to address high student debt is income-driven repayment (IDR) programs. IDRs enable borrowers to adjust their student loan repayments based on a percentage of the borrower's income. Unpaid amounts lengthen the repayment period or increase the principal balance. If the balance on the loan is not paid off by the end of the IDR repayment term, the loan balance is forgiven.[84]

While these programs have greatly decreased loan defaults since their introduction, loan balances in

80. Gould, Elise. Black-White Wage Gaps Are Worse Today Than In 2000. Economic Policy Institute. February 27, 2020.
81. Perry, Andre. Student Loans, The Racial Wealth Divide, And Why We Need Full Student Debt Cancellation. Brookings Institution. June 23, 2021.
82. Morrison, Nick. Black Graduates Twice As Likely To Be Unemployed
83. Perry, Andre. Student Loans, The Racial Wealth Divide, And Why We Need Full Student Debt Cancellation. Brookings Institution. June 23, 2021.
84. Id.

IDA programs are increasing, not decreasing over time. Most importantly, neither the deductibility of student loan interest payments nor IDAs address the fact that Black college graduates, on average, start their careers with the twice the debt of the average White college graduate, but are less likely to be paid the same as a White college graduate. Neither improve the ability of Black households to become homeowners or close the racial wealth gap.

FORECLOSURES AND HOUSE PRICES

Because Blacks, on average, have few savings, a combination of loss of wages and drawdown on savings will likely hamper near-term Black homeownership gains. As of September 2021, Black households were missing almost 700,000 jobs relative to their February 2020 peak employment levels. Based on current indicators, the labor market likely will not return to its previous peak until March 2022.

Unlike the during the onset of the 2007 Great Recession and housing market collapse of 2008, when millions of homeowners were allowed to fall into foreclosure,[85] the federal government acted quickly and decisively to help struggling homeowners who were suffering economically from temporary shuttering of American businesses due to the Covid pandemic.[86]

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act)[87] placed a moratorium on foreclosures of loans backed by federal agencies. Application for CARES Act protection was very simple, requiring no documentation of economic distress, rather, just a confirmation that a borrower was experiencing Covid-related economic hardship.

The Mortgage Bankers Association estimates that, at the height of the moratorium, nearly 5 million households (or 10 percent of owners with a mortgage) had registered for mortgage payment protection.[88] That number has fallen by nearly half, which on the surface is a positive sign. The challenge is that it is not clear from the data, the extent to which borrowers who are no longer captured in the CARES Act moratorium protection data are able to begin to make mortgage payments.

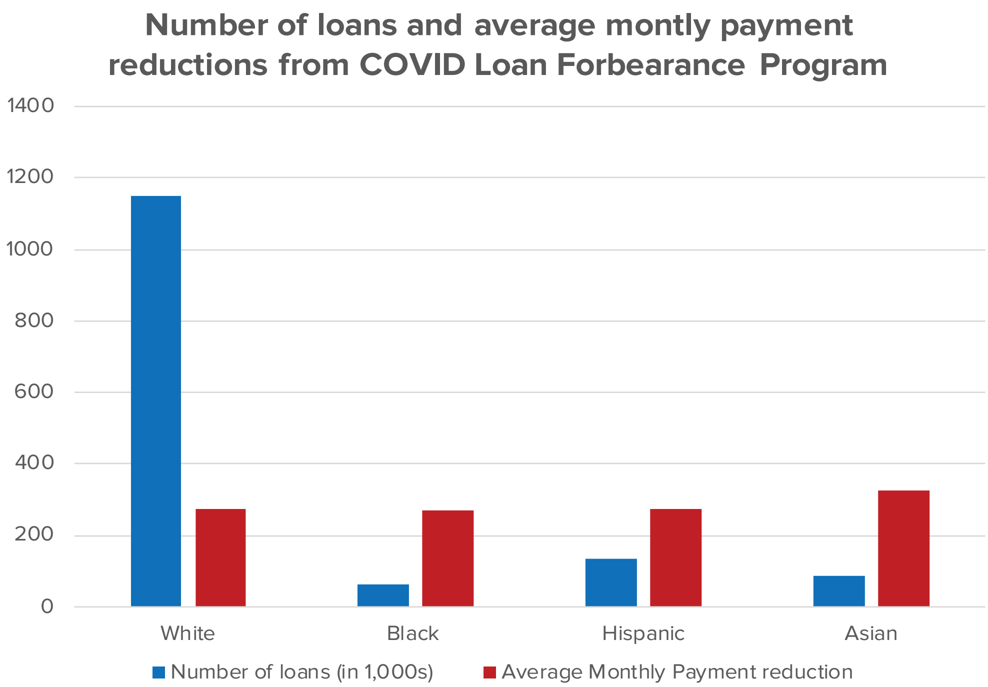
Consider that the share of mortgage borrowers who are behind on their home loans was 2.45 times higher in February of 2021,[89] relative to February 2020. For a variety of reasons, many people who still may require CARES Act moratorium protection may have fallen out of the pipeline.[90]

Blacks were about equally likely to enter mortgage forbearance as other households that missed mortgage payments. But 12.3 percent of Black borrowers were past due in 2020 compared to 4.3 percent for Whites. But Black unemployment remains nearly twice that of Whites. Moreover, although the Cares Act allows borrows to work with servicers to establish affordable payment terms to compensate for the unmet payments during the moratorium period, payment terms that are affordable to borrowers are not automatic; they must be negotiated.

The share of Black households that are late on their mortgage payments, combined with continuing high Black unemployment, raises concerns about the ability of many Blacks to return to making mortgage payments, now that the federal foreclosure

84. Id.
85. Christie, Les. Foreclosures up a record 81% in 2008: Filings Continued To Soar Through The End Of The Year - And There's No Relief In Sight For 2009. CNN Money. January 15, 2009.
86. U.S. Government Accountability Office. COVID-19 Housing Protections: Mortgage Forbearance and Other Federal Efforts Have Reduced Default and Foreclosure Risks July 21, 2021.
87. Office of Inspector General. CARES Act. U.S. Department of the Treasury. Accessed November 2, 2021.
88. Commentary. Is A Foreclosure Crisis In The Cards? DSNews. March 5, 2021.
89. Lurye, Sharon. The Surprising Reason the Nation May Avoid Another Foreclosure Crisis. realtor.com. April 19, 2021.
90. Hurson, Brittany. The Foreclosure Crisis Waiting For Us In January. Shelterforce. December 16, 2020.

Exhibit 37



Source: Gerardi, Kristopher, Lauren Lambie-Hanson, and Paul Willen. Current Policy Perspectives Racial Differences in Mortgage Refinancing, Distress, and Housing Wealth Accumulation during COVID-19.June 22, 2021.

moratorium has terminated; it also raises doubts for the near-term increase in new Black homeowners.

Home prices soared during the pandemic recession; the S&P CoreLogic Case-Shiller Home Price Index estimates home prices rose nearly 20 percent between August 2020 and August 2021.[91] Rising home prices are positive news for homeowners but is a troubling reality for prospective home buyers. Unlike the home price spike in the early 2000s, was driven by unsustainable financial institution misconduct,[92] the current spike in home price runup is largely a result of limited homes for sale. Low housing inventories are not likely to be corrected in the near turn. As a result, although home prices may slow their rate of growth relative to the past year, home prices are not likely to experience a reduction from their current levels.

High home prices exacerbate existing downpayment and debt to income challenges for prospective Black home buyers, in general, and particularly, Black millennials, who hold student loan debt.

NEAR-TERM OUTLOOK FOR BLACKS AND THE ECONOMY

The major difficulty faced by Black households during economic downturns is the lack of liquidity and accommodating policy for managing debt. The CARES Act and the American Recovery Plan flooded households with liquidity and provided programs to accommodate major debt—mortgages, rents, and student loans. Supplemental Nutrition Assistance Program (SNAP) benefits were expanded to add

91. Passy, Joseph. Home-Price Growth Is Slowing Down — But That Doesn't Mean Prices Are Falling. MSN Money. October 26, 2020.
92. Carr, James H. The Silent Depression: How are Minorities Faring in the Economic Downturn? United States House of Representatives Committee on Oversight and Government Reform at the hearing on The Silent Depression, September 23, 2009.

further help. These supports kept Black household consumption steady, in the aggregate, and so greatly helped the cash balance of Black businesses that sold to them.

The challenge ahead is that in September 2021 this support will end. In September, it is very likely, Black households will still be missing almost 700,000 jobs from February 2020 peak employment levels. The loss of support for household income, could slow the jobs recovery. So, it looks likely the labor market will be back to its previous peak by March 2022. That would leave many households in trouble.

There are important provisions of the FY 2022 Budget Resolution passed by the House and Senate that could help alleviate the worse of that strain. Most importantly would be the extension of the fully refundable child tax credit, and the expansion of SNAP benefits. These two will greatly help those families with children, the ones who have faced the greatest labor market constraints. (Ricketts & Kent, 2021)

Can other fixes be made to programs that showed weakness? The unemployment insurance system was made relevant by its expansion. Can mortgage forbearance become engrained during downturns? Similarly, during downturns, can student loan payments be slowed? Healthy household balance sheets make the economy more resilient. The scars left on Black households because of economic downturns are the wounds that do not heal and intensify the Black/White wealth gap.

Proposals to Increase Black Homeownership

Meaningfully closing the Black-White homeownership gap will require multiple, significant, and sustained interventions over many years. The legacy of more than a century of housing discrimination against Blacks in America will not be erased by one or two new affordable housing products or downpayment assistance. Both of those items would be important elements to a comprehensive Black homeownership strategy, but programs and products are not the only barriers to Black homeownership success.

Many institutional practices have a profound influence on the successfulness of homeownership attainment and must be thoughtfully and comprehensively addressed, such the way risk-assessment tools are calibrated and implemented, including credit scoring models, pricing matrixes, debt-to-income rations, home appraisal practices, estimation of income and debt, and related issues. Rising home prices because of limited housing supply and continuing acts of blatant discrimination are also challenges that must be effectively addressed and remedied.

Finally, the housing finance and real estate industry remain largely closed to Black workers. The failure to diversify mortgage lending is a key reason for the continued lack of progress in expanding Black homeownership. The real estate appraisal industry is particularly illustrative of the harm that that results to Black communities, in the undervaluation of homes in Black communities, in part resulting from a lack of Black professionals who might best understand Black housing markets.

Ignoring the institutional biases embedded in the structure and operation of the housing finance system will undermine the most well-designed targeted lending initiatives.

Recognizing that all housing finance system reforms cannot be accomplished simultaneously, NAREB proposes three efforts that can be immediately implemented and that could have a significant impact in increasing Black homeownership. Those proposal are highlighted below.

ESTABLISH A NATIONAL RESTORATIVE JUSTICE DOWN PAYMENT ASSISTANCE FUND

The concept of "restorative justice," in part, originates from a practice in the criminal justice rights arena, in which:

> Restorative justice is an approach to justice in which one of the responses to a crime is to organize a meeting between the victim and the offender, sometimes with representatives of the wider community. The goal is for them to share their experience of what happened, to discuss who was harmed by the crime and how, and to create a consensus for what the offender can do to repair the harm from the offense. This may include a payment of money given from the offender to the victim, apologies and other amends, and other actions to compensate those affected and to prevent the offender from causing future harm.[93]

An alternative definition states that restorative justice "is a set of principles and practices rooted in indigenous societies. Restorative justice can be applied both reactively in response to conflict and/or crime, and proactively to strengthen community by fostering communication and empathy."[94]

NAREB has adapted that term for use in the housing context to call for the establishment of a Restorative Justice Downpayment Assistance Fund. As its name implies, the purpose of the fund is to offer to Blacks households, access to homeownership downpayment assistance as partial reconciliation for the many years that Blacks households were blatantly discriminated against directly by the actions of federal government

93. https://en.wikipedia.org/wiki/Restorative_justice. Accessed November 1, 2021.
94. What is Restorative Justice? - Restorative Justice Initiative. https//restorativejustice.nyc. Accessed November 1, 2021.

institutions, including, but not limited to, the Federal Housing Administration and Homeowners Loan Corporation.

NAREB has documented the multiple abusive practices by federal housing institutions and financial regulators, most recently in its 2018 report, Fifty Years of Struggle: *Successes and Setbacks Since the Release of the Report of the National Advisory Commission on Civil Disorders and Enactment of the 1968 Fair Housing Act.*[95] Discriminatory actions by federal institutions have contributed greatly to the enormous homeownership and wealth gaps between Blacks and Whites.

NAREB recognizes there are millions of credit-ready Black households that have the requisite income and credit quality to purchase a home, but lack the savings, or ability to accumulate sufficient funds to pay downpayments. NAREB feels strongly that Black households that have been the subject of targeted opposition deserve access to targeted homeownership restoration funding.

As NAREB has stated "It is past the time that the descendants of American slavery, who have labored under Jim Crow laws and ordinances are made whole for lost opportunities to grow family wealth through the purchase of real property."

The National Association of Real Estate Brokers proposes the establishment of a National Restorative Justice Downpayment Fund.

ELIMINATE LOAN LEVEL PRICE ADJUSTMENTS (LLPAS) AND RISK BASED PRICING

In April 2008, Fannie Mae and Freddie Mac instituted a new pricing structure that charged borrowers' additional fees based on each borrower's individual financial characteristics. Lower down payments and lower credit scores can cost a borrower as much as an additional 3.37 percentage points to access a home mortgage. This practice represents one of the most blatant forms of institutional racism within the mortgage finance industry. Its is also a practice that did not exist within the federal housing finance system for the first 60 years of its existence, when the overwhelming majority of lower- and moderate-income borrowers were White.

By charging each borrower for the risk they individually represent, rather than an average cost of credit based on all borrowers within a pool, Blacks are effectively penalized for the financial disadvantage they display as a direct result of decades of federally enforced discrimination against them in the housing market. Discrimination is largely the reason why White households have, on average, $143,600 of median wealth compared to $12,920 of median wealth for Black households.[96] Historic and continuing lack of access to mainstream financial institutions accounts for much of the difference in average credit scores between Black and Whites; 677 versus 734.[97]

The National Association of Real Estate Brokers recommends the elimination of Loan Level Price Adjustments and other risk-based pricing schemes that penalize Blacks for decades of legal discrimination that has financially marginalized Blacks to the point where the use of LLPAs and other risk-based pricing unfairly and disproportionately harm, and create barriers to homeowner for, Black households. As NAREB observes, it is time for Fannie Mae and Freddie Mac to fulfill their Congressionally-mandated Duty to Serve requirements, which state, *"To increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets, each enterprise shall provide leadership to the market in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families."*

95. Carr, James H.; Zonta, Michela; Hornburg, Steven P. "Fifty Years of Struggle: Successes and Setbacks Since the Release of the Report of the National Advisory Commission on Civil Disorders and Enactment of the 1968 Fair Housing Act" National Association of Real Estate Brokers
96. Amadeo, Kimberly. Racial Wealth Gap in the United States: Is There a Way to Close It and Fill the Divide? The Balance. November 23, 2020.
97. Zukerman, Author. 44 Credit Score Statistics: 2020/2021 Data By Age, Gender & Generation. May 31, 2020.

REFORM AND STANDARDIZE THE PAYMENT CALCULATION FOR SCHOOL LOANS IN UNDERWRITING AT FEDERAL HOUSING AGENCIES

US housing finance policies have increasingly made it more difficult to buy a home if the prospective buyer is saddled with student loan debt. Both the method of calculation of student loan payments for credit underwriting purposes and the fact that the calculation method varies by agency, must be addressed.

The different approaches to accounting for student loans by the different federal housing agencies are outlined briefly below:

Freddie Mac and FHA: For mortgage loan applicants with a student loan payment plan (that is not in deferment), lenders must report a mortgage applicant's student loan payment as (1) the monthly student loan amount indicated in the mortgage applicant's credit file, or (2) the monthly student loan payment indicated on the mortgage applicant's verified student loan payment schedule (that amortizes the student loan debt). If the mortgage applicant does not have a student loan payment plan or the mortgage applicant's credit file indicates a monthly student loan payment of $0, the lender must report .5 percent of the mortgage applicant's outstanding student loan amount as their monthly student loan payment.

Fannie Mae: For mortgage applicants who are on an income-based/driven student loan payment plan, the lender uses the monthly amount of the income based deferent plan even if the payment is $0. If a mortgage applicant is on a standard student loan payment plan, the lender uses: (1) the monthly student loan amount indicated in the mortgage applicant's credit file or (2) the monthly student loan payment indicated on the mortgage applicant's verified student loan payment schedule (that amortizes the student loan debt). If the mortgage applicant is not on a student loan payment plan and the mortgage applicant's credit file indicates a monthly student loan payment of $0, the lender must use one percent of the mortgage applicant's outstanding student loan debt as the monthly student loan payment.

Veterans Administration (VA): If the mortgage applicant has a student loan payment plan, the lender must report the applicant's student loan payment as: (1) the monthly student loan amount indicated in the mortgage applicant's credit file or (2) the monthly student loan payment indicated on the mortgage applicant's verified student loan payment schedule (that amortizes the student loan debt). For borrowers on a student loan deferment plan that extends 12 months from the date of mortgage loan origination, lenders enter $0 as the mortgage applicant's monthly student loan payment. If the student loan deferment is less than 12 months, the lender must use 5 percent of the outstanding student loan amount divided by 12 as the mortgage applicant's monthly student loan payment.

The National Association of Mortgage Brokers recommends this system be streamlined, by adopting the Fannie Mae guidelines but substitute .5 percent of the loan amount for the current one percent required by Fannie Mae. The current guidelines unnecessarily complicate the mortgage lending process disproportionately for Black mortgage applicants who are already disadvantaged in the home buying process.

Conclusion

Each year presents new challenges and opportunities for Black homeownership. Unfortunately, the challenges seem to overwhelm the opportunities. This year is no different. As the U.S. nears the end of the COVID pandemic, job growth is improving, unemployment is falling, and home prices are strong. In addition, as a result the extraordinary level of protests that occurred in the summer of 2020, regulators, major U.S. corporations, and the public are arguably more aware and sensitive to issues related to the negative consequences of legacy of discrimination, as well as the continuing institutional biases that impede Black economic progress.

Fortunately, there may be more hope for systemic change than in any previous period in at least the past half-century. The death of George Floyd, whose life was taken by a Minneapolis police officer, lead to the largest, most sustained and diverse protests in U.S. history. In many cities across the nation, large and small, the protestors were primarily White. While blatant discrimination was a focus of the protests, the issues of structural racism and institutional bias were widely discussed in the national press, including on television, radio, and social media, as well as in the press.

This emerging recognition by our nation that impacts of and influences from centuries of discrimination will not simply disappear by pretending to be a color-blind society. Race matters. NAREB is committed to ensuring that national, state, and local policy makers and regulators, as well as the American public, fully understand the many ways in which Blacks continue to be harmed by discrimination; it is built into the fiber of the real estate industry, and that it can only be removed by acknowledging and accepting the ways in which being Black continues today to negatively influences a person's opportunities to be treated in a fair and impartial manner in the housing market.

The overwhelming challenges, notwithstanding, Black America cannot stand on the sidelines and wait for change. The National Association of Real Estate Brokers is committed to working with its industry partners, public and private, as well as the public at large, to help remove the barriers that hinder millions of Black Americans from achieving their dream of homeownership.

Appendix

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Home Mortgage Loan Disclosure Act Detailed Tables

Methodological note

The analysis presented in this report is based on Home Mortgage Disclosure Act (HMDA)[98] data from 2004 to 2020 and focuses on first lien loans for the purchase of one- to four-family owner-occupied homes. Data are for the United States, excluding Puerto Rico. Records for which no state information was reported were omitted. Only records with no quality or validity edit failures are included in the analysis. Applications are placed in one category for race and ethnicity. Applicants' and co-applicants' reported race and ethnicity information were combined to obtain the race category utilized in the analysis. In the final coding, American Indian applicants were combined into an "other race and ethnicity" category along with applicants reporting two or more races.

Denial rates are calculated as the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness. High-cost loans are defined as those for which a rate spread of 1.5 or higher is reported in HMDA data. Lenders must report the spread, or difference, between the annual percentage rate on a loan and the rate on U.S. Treasury securities of comparable maturity—but only for loans with spreads above designated thresholds.

Available at https://ffiec.cfpb.gov/.

Appendix

Table 1. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by year and race/ethnicity

Total Applications	2004		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	5,399,330		**7,436,253**	**5,460,054**	**4,022,896**	**2,812,503**	**2,732,911**	**2,349,050**	**2,456,376**	**2,790,926**	**3,245,843**	**3,338,594**	**3,734,982**	**4,192,391**	**4,969,634**	**4,897,108**	**5,037,176**	**5,575,499**
Originated	3,724,150		4,863,541	3,513,087	2,606,624	1,852,961	1,932,806	1,640,719	1,737,117	2,018,430	2,335,643	2,434,100	2,828,680	3,125,888	3,659,909	3,600,410	3,739,532	4,108,148
Approved but not accepted	432,314		584,249	440,352	321,388	190,510	130,090	120,223	112,962	109,986	130,686	112,300	116,596	122,152	135,376	116,302	117,382	117,610
Denied	647,102		1,019,773	835,545	629,398	414,166	346,998	293,292	309,925	337,726	385,097	360,287	374,084	390,124	448,457	400,923	369,464	403,369
Withdrawn/File closed	595,764		968,690	671,070	465,486	354,866	323,017	294,816	296,372	324,784	394,417	431,907	415,622	554,227	725,892	779,473	810,798	946,372
Non Hispanic White Applicant																		
Applications	**2,871,226**		**4,086,258**	**3,058,227**	**2,419,118**	**1,795,895**	**1,762,663**	**1,408,965**	**1,619,842**	**1,881,341**	**2,197,862**	**2,223,063**	**2,446,232**	**2,659,182**	**3,097,797**	**2,918,506**	**2,926,713**	**3,152,438**
Originated	2,165,602		2,941,208	2,205,337	1,737,846	1,277,775	1,313,583	1,037,184	1,201,921	1,420,633	1,649,943	1,689,184	1,917,607	2,061,488	2,375,851	2,236,728	2,260,266	2,432,039
Approved but not accepted	181,236		272,331	210,295	171,224	111,326	77,924	66,477	69,580	69,213	82,392	69,699	72,251	73,874	81,697	67,432	65,897	63,382
Denied	272,598		425,603	337,067	277,226	211,554	188,224	147,521	173,079	194,194	221,936	203,313	205,316	205,571	232,497	196,111	174,583	179,591
Withdrawn/File closed	251,790		447,116	305,528	232,822	195,240	182,932	157,783	175,262	197,301	243,591	260,867	251,058	318,249	407,752	418,235	425,967	477,426
Black Applicant																		
Applications	**458,354**		**748,090**	**596,132**	**394,846**	**214,892**	**180,219**	**119,818**	**161,319**	**172,061**	**186,074**	**206,182**	**245,425**	**300,503**	**361,457**	**358,433**	**376,037**	**437,680**
Originated	261,743	57%	397,178	300,583	197,120	116,371	109,728	74,055	98,416	105,379	113,723	130,176	164,585	198,217	236,419	233,269	249,367	285,468
Approved but not accepted	47,896		70,980	52,567	32,726	12,363	7,361	5,407	6,958	6,176	7,417	7,407	8,289	9,318	10,130	8,983	9,683	10,507
Denied	90,844		164,579	154,766	108,353	52,903	37,458	23,173	33,441	36,219	38,956	37,898	41,653	47,032	54,126	49,783	47,687	55,407
Withdrawn/File closed	57,871		115,353	88,216	56,647	33,255	25,672	17,183	22,504	24,287	25,978	30,701	30,898	45,936	60,782	66,398	69,300	86,298
Latino Applicant																		
Applications	**417,115**		**938,253**	**681,150**	**406,752**	**250,023**	**246,316**	**266,711**	**214,872**	**229,359**	**255,496**	**284,984**	**380,455**	**453,381**	**458,463**	**497,079**	**535,084**	**619,807**
Originated	270,811		557,842	381,664	211,608	137,877	155,587	168,788	140,712	153,239	169,493	193,892	272,525	319,710	324,269	348,237	382,392	433,420
Approved but not accepted	36,379		76,918	57,702	38,120	19,483	13,429	14,887	10,517	9,736	10,404	10,015	12,340	13,862	13,330	12,397	12,707	13,695
Denied	66,382		169,151	149,217	100,356	56,267	43,920	45,851	35,449	37,433	41,986	41,016	49,893	54,036	50,164	55,206	52,946	61,242
Withdrawn/File closed	43,543		134,342	92,567	56,668	36,396	33,380	37,185	28,194	28,951	33,613	40,061	45,697	65,773	70,700	81,239	87,039	111,450
Asian Applicant																		
Applications	**259,616**		**374,112**	**243,927**	**185,297**	**148,098**	**157,965**	**198,249**	**133,389**	**152,881**	**189,503**	**187,777**	**220,991**	**257,327**	**297,790**	**300,457**	**295,989**	**318,293**
Originated	177,948		240,108	155,945	117,048	88,755	105,677	133,862	89,722	105,700	130,781	131,352	162,198	184,921	213,022	212,017	209,806	222,255
Approved but not accepted	25,491		36,939	24,783	20,572	14,082	9,822	13,650	8,127	7,969	10,064	8,051	8,483	8,913	9,499	8,206	7,880	7,208
Denied	28,037		49,465	33,569	26,883	22,639	20,833	24,805	17,872	19,979	23,586	20,987	22,955	23,961	26,496	25,749	22,585	24,231
Withdrawn/File closed	28,140		47,600	29,630	20,794	22,622	21,633	25,932	17,668	19,233	25,072	27,387	27,355	39,532	48,773	54,485	55,718	64,599
Other Race/Ethnicity Applicant																		
Applications	**86,082**		**113,187**	**68,765**	**46,070**	**31,066**	**30,601**	**33,451**	**22,525**	**24,045**	**27,426**	**29,482**	**29,603**	**36,155**	**48,972**	**28,617**	**30,843**	**39,097**
Originated	53,043		66,743	39,218	25,704	17,868	19,337	20,865	14,917	16,115	17,894	19,974	21,436	25,533	33,733	19,179	21,063	26,744
Approved but not accepted	7,466		10,255	6,407	4,263	2,244	1,487	1,749	1,122	1,058	1,195	1,074	968	1,118	1,265	677	730	826
Denied	13,463		19,202	13,921	10,451	6,531	5,182	5,454	3,685	3,970	4,715	4,398	3,664	4,178	5,871	3,504	3,399	4,133
Withdrawn/File closed	12,110		16,987	9,219	5,652	4,423	4,595	5,383	2,801	2,902	3,622	4,036	3,535	5,326	8,103	5,257	5,651	7,394
Joint Applicants																		
Applications	**94,206**		**138,744**	**103,280**	**83,957**	**66,665**	**66,226**	**63,597**	**58,814**	**69,835**	**88,051**	**96,062**	**29,518**	**34,589**	**160,397**	**199,760**	**214,189**	**253,981**
Originated	70,559		100,421	74,084	59,127	46,298	48,631	46,595	43,594	52,839	65,910	72,580	22,990	26,214	120,968	148,552	159,704	188,843
Approved but not accepted	6,130		9,913	7,590	6,780	4,679	3,238	3,236	2,793	2,675	3,436	3,098	946	1,058	4,206	4,420	4,745	4,890
Denied	9,259		14,002	11,076	9,857	8,373	7,273	6,884	6,291	7,215	8,974	8,560	2,314	2,644	12,016	14,576	13,891	16,319
Withdrawn/File closed	8,258		14,408	10,530	8,193	7,315	7,084	6,882	6,136	7,106	9,731	11,824	3,268	4,673	23,207	32,212	35,849	43,929
Missing Race/Ethnicity																		
Applications	**1,212,731**		**1,037,609**	**708,573**	**486,856**	**305,864**	**288,921**	**258,259**	**245,615**	**261,404**	**301,431**	**311,044**	**382,758**	**451,254**	**544,758**	**594,256**	**658,321**	**754,203**
Originated	724,444		560,041	356,256	258,171	168,017	180,263	159,370	147,835	164,525	187,899	196,942	267,339	309,805	355,647	402,428	456,934	519,379
Approved but not accepted	127,716		106,913	81,008	47,703	26,333	16,829	14,817	13,865	13,159	15,778	12,956	13,319	14,009	15,249	14,187	15,740	17,102
Denied	166,519		177,771	135,929	96,272	55,899	44,108	39,604	40,108	38,716	44,944	44,115	48,289	52,702	67,287	55,994	54,373	62,446
Withdrawn/File closed	194,052		192,884	135,380	84,710	55,615	47,721	44,468	43,807	45,004	52,810	57,031	53,811	74,738	106,575	121,647	131,274	155,276

Table 2. Disposition of applications for conventional first lien purchase loans of occupied 1-to-4 family homes by year, race and ethnicity (2004 to 2020)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Applications for Conventional Loans	**4,765,090**	**6,963,526**	**5,012,541**	**3,566,531**	**1,835,870**	**1,275,064**	**1,103,806**	**1,211,548**	**1,502,386**	**1,967,593**	**2,076,294**	**2,234,000**	**2,523,396**	**3,165,749**	**3,247,459**	**3,325,809**	**3,702,605**
Originated	3,254,778	4,506,585	3,174,540	2,274,959	1,166,288	882,687	767,093	857,682	1,100,317	1,441,887	1,542,659	1,713,162	1,907,247	2,363,003	2,421,277	2,498,060	2,766,489
Approved but not accepted	407,693	564,800	423,018	303,926	148,332	72,063	65,528	64,055	67,869	87,529	73,998	74,365	79,173	92,996	82,956	82,873	80,125
Denied	575,493	971,024	790,233	567,537	276,063	161,525	129,578	144,957	164,228	204,924	194,942	198,262	205,567	254,707	231,050	212,747	236,309
Withdrawn/File closed	527,126	921,117	624,750	420,109	245,187	158,789	141,607	144,854	169,972	233,253	264,695	248,211	331,409	455,043	512,176	532,129	619,682
Non Hispanic White Applicant																	
Applications	**2,549,631**	**3,789,366**	**2,774,126**	**2,139,785**	**1,198,088**	**869,917**	**707,112**	**855,007**	**1,076,496**	**1,396,825**	**1,460,484**	**1,553,704**	**1,701,123**	**2,070,346**	**2,034,599**	**2,045,273**	**2,237,078**
Originated	1,912,097	2,707,274	1,981,619	1,524,500	830,352	633,529	513,994	633,208	819,077	1,063,103	1,125,471	1,228,571	1,331,315	1,603,613	1,576,220	1,593,015	1,742,103
Approved but not accepted	170,363	260,531	199,706	160,973	87,255	45,508	38,264	42,045	45,198	57,556	48,318	48,782	51,025	59,061	50,608	49,129	46,409
Denied	242,104	399,985	312,215	246,106	142,666	94,706	72,620	87,572	101,682	124,763	117,061	116,171	115,667	138,954	118,992	107,351	114,458
Withdrawn/File closed	225,067	421,576	280,586	208,206	137,815	96,174	82,234	92,182	110,539	151,403	169,634	160,180	203,116	268,718	288,779	295,778	334,108
Black Applicant																	
Applications	**370,485**	**682,601**	**532,348**	**323,607**	**94,617**	**39,307**	**23,949**	**35,491**	**42,036**	**56,456**	**66,696**	**75,466**	**96,285**	**134,856**	**140,593**	**148,741**	**173,099**
Originated	200,160	350,857	255,372	149,743	42,290	20,148	13,616	19,403	23,801	33,153	41,478	49,482	62,481	87,635	91,902	98,332	112,410
Approved but not accepted	44,552	68,223	50,040	30,219	7,646	2,098	1,265	1,912	1,869	2,738	2,611	2,849	3,204	4,064	3,823	3,980	4,078
Denied	77,811	155,502	146,193	94,665	28,075	11,092	5,649	9,581	10,784	12,966	12,850	13,858	16,097	20,816	19,007	18,780	22,173
Withdrawn/File closed	47,962	108,019	80,743	48,980	16,606	5,969	3,419	4,595	5,582	7,599	9,757	9,277	14,503	22,341	25,861	27,649	34,438
Latino Applicant																	
Applications	**362,298**	**892,234**	**641,627**	**364,107**	**137,842**	**65,053**	**57,702**	**57,009**	**67,932**	**94,889**	**115,133**	**150,503**	**189,043**	**218,062**	**258,981**	**279,120**	**318,715**
Originated	231,827	525,190	353,153	182,666	65,765	36,854	34,460	35,223	43,939	62,246	78,024	106,564	132,687	153,475	181,714	199,379	224,130
Approved but not accepted	34,293	74,963	56,032	36,360	14,004	4,564	3,949	3,303	3,454	4,497	4,463	5,393	6,368	6,831	6,999	7,416	7,396
Denied	58,568	162,936	144,471	93,291	36,101	13,951	10,701	11,042	12,204	16,202	16,747	20,618	22,670	24,084	27,761	26,502	30,228
Withdrawn/File closed	37,610	129,145	87,971	51,790	21,972	9,684	8,592	7,441	8,335	11,944	15,899	17,928	27,318	33,672	42,507	45,823	56,961
Asian Applicant																	
Applications	**251,641**	**368,789**	**239,191**	**180,639**	**131,467**	**116,116**	**143,833**	**96,840**	**116,471**	**155,968**	**157,770**	**177,906**	**210,334**	**256,779**	**262,793**	**257,319**	**276,068**
Originated	172,190	236,116	152,350	113,780	77,746	77,403	97,567	65,509	81,632	108,926	111,426	131,250	151,913	184,584	185,964	182,873	193,474
Approved but not accepted	25,122	36,700	24,564	20,377	13,217	7,829	10,876	6,429	6,513	8,720	6,937	7,022	7,484	8,422	7,428	7,085	6,398
Denied	27,192	48,950	33,165	26,272	20,031	14,699	16,656	12,079	13,826	17,768	16,373	17,265	18,266	21,669	21,416	18,590	20,061
Withdrawn/File closed	27,137	47,023	29,112	20,210	20,473	16,185	18,734	12,823	14,500	20,554	23,034	22,369	32,671	42,104	47,985	48,771	56,135
Other Race/Ethnicity Applicant																	
Applications	**74,889**	**106,661**	**63,363**	**40,330**	**18,507**	**11,393**	**10,595**	**8,235**	**9,532**	**12,438**	**13,685**	**14,361**	**17,636**	**24,032**	**14,504**	**15,431**	**19,309**
Originated	45,186	62,048	35,341	21,692	9,527	6,363	5,867	5,103	6,061	7,956	9,090	10,355	12,482	16,399	9,632	10,416	13,163
Approved but not accepted	6,994	9,989	6,197	3,999	1,639	666	582	453	477	609	552	519	598	711	400	419	436
Denied	12,023	18,424	13,232	9,550	4,395	2,160	2,053	1,573	1,786	2,217	2,163	1,805	1,932	2,865	1,769	1,738	2,066
Withdrawn/File closed	10,686	16,200	8,593	5,089	2,946	2,204	2,093	1,106	1,208	1,656	1,880	1,682	2,624	4,057	2,703	2,858	3,644
Joint Applicants																	
Applications	**79,710**	**124,913**	**89,632**	**70,422**	**39,231**	**28,587**	**28,372**	**28,411**	**36,646**	**52,047**	**57,724**	**18,633**	**21,607**	**97,193**	**124,135**	**133,040**	**160,900**
Originated	59,097	89,449	63,142	48,719	25,770	20,255	20,527	20,768	27,731	39,264	43,923	14,578	16,480	73,694	93,217	99,743	121,164
Approved but not accepted	5,601	9,358	7,077	6,198	3,419	1,702	1,689	1,614	1,689	2,320	1,991	615	718	2,817	3,072	3,289	3,238
Denied	7,858	12,863	10,003	8,487	5,217	3,165	2,890	2,951	3,434	4,689	4,705	1,308	1,446	6,597	8,011	7,689	9,051
Withdrawn/File closed	7,154	13,243	9,410	7,018	4,825	3,465	3,266	3,078	3,792	5,774	7,105	2,132	2,963	14,085	19,835	22,319	27,447
Missing Race/Ethnicity																	
Applications	**1,076,436**	**998,962**	**672,254**	**447,641**	**216,118**	**144,691**	**132,243**	**130,555**	**153,273**	**198,970**	**204,802**	**243,427**	**287,368**	**364,481**	**411,854**	**446,885**	**517,436**
Originated	634,221	535,651	333,563	233,859	114,838	88,135	81,062	78,468	98,076	127,239	133,247	172,362	199,889	243,603	282,628	314,302	360,045
Approved but not accepted	120,768	105,036	79,402	45,800	21,152	9,696	8,903	8,299	8,669	11,089	9,126	9,185	9,776	11,090	10,626	11,555	12,170
Denied	149,937	172,364	130,954	89,166	39,578	21,752	19,009	20,159	20,512	26,319	25,043	27,237	29,489	39,722	34,094	32,097	38,272
Withdrawn/File closed	171,510	185,911	128,335	78,816	40,550	25,108	23,269	23,629	26,016	34,323	37,386	34,643	48,214	70,066	84,506	88,931	106,949

Table 3. Disposition of applications for nonconventional first lien purchase loans of occupied 1-to-4 family homes by year, race and ethnicity (2004 to 2020)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Applications for Nonconventional Loans	**634,240**	**472,727**	**447,513**	**456,365**	**976,633**	**1,457,847**	**1,245,244**	**1,244,828**	**1,288,540**	**1,278,250**	**1,262,300**	**1,500,982**	**1,668,995**	**1,803,885**	**1,649,649**	**1,711,367**	**1,872,894**
Originated	469,372	356,956	338,547	331,665	686,673	1,050,119	873,626	879,435	918,113	893,756	891,441	1,115,518	1,218,641	1,296,906	1,179,133	1,241,472	1,341,659
Approved but not accepted	24,621	19,449	17,334	17,462	42,178	58,027	54,695	48,907	42,117	43,157	38,302	42,231	42,979	42,380	33,346	34,509	37,485
Denied	71,609	48,749	45,312	61,861	138,103	185,473	163,714	164,968	173,498	180,173	165,345	175,822	184,557	193,750	169,873	156,717	167,060
Withdrawn/File closed	68,638	47,573	46,320	45,377	109,679	164,228	153,209	151,518	154,812	161,164	167,212	167,411	222,818	270,849	267,297	278,669	326,690
Non Hispanic White Applicant																	
Applications	**321,595**	**296,892**	**284,101**	**279,333**	**597,807**	**892,746**	**701,853**	**764,835**	**804,845**	**801,037**	**762,579**	**892,528**	**958,059**	**1,027,451**	**883,907**	**881,440**	**915,360**
Originated	253,505	233,934	223,718	213,346	447,423	680,054	523,190	568,713	601,556	586,840	563,713	689,036	730,173	772,238	660,508	667,251	689,936
Approved but not accepted	10,873	11,800	10,589	10,251	24,071	32,416	28,213	27,535	24,015	24,836	21,381	23,469	22,849	22,636	16,824	16,768	16,973
Denied	30,494	25,618	24,852	31,120	68,888	93,518	74,901	85,507	92,512	97,173	86,252	89,145	89,904	93,543	77,119	67,232	65,133
Withdrawn/File closed	26,723	25,540	24,942	24,616	57,425	86,758	75,549	83,080	86,762	92,188	91,233	90,878	115,133	139,034	129,456	130,189	143,318
Black Applicant																	
Applications	**87,869**	**65,489**	**63,784**	**71,239**	**120,275**	**140,912**	**95,869**	**125,828**	**130,025**	**129,618**	**139,486**	**169,959**	**204,218**	**226,601**	**217,840**	**227,296**	**264,581**
Originated	61,583	46,321	45,211	47,377	74,081	89,580	60,439	79,013	81,578	80,570	88,698	115,103	135,736	148,784	141,367	151,035	173,058
Approved but not accepted	3,344	2,757	2,527	2,507	4,717	5,263	4,142	5,046	4,307	4,679	4,796	5,440	6,114	6,066	5,160	5,703	6,429
Denied	13,033	9,077	8,573	13,688	24,828	26,366	17,524	23,860	25,435	25,990	25,048	27,795	30,935	33,310	30,776	28,907	33,234
Withdrawn/File closed	9,909	7,334	7,473	7,667	16,649	19,703	13,764	17,909	18,705	18,379	20,944	21,621	31,433	38,441	40,537	41,651	51,860
Latino Applicant																	
Applications	**54,817**	**46,019**	**39,523**	**42,645**	**112,181**	**181,263**	**209,009**	**157,863**	**161,427**	**160,607**	**169,851**	**229,952**	**264,338**	**240,401**	**238,098**	**255,964**	**301,092**
Originated	38,984	32,652	28,511	28,942	72,112	118,733	134,328	105,489	109,300	107,247	115,868	165,961	187,023	170,794	166,523	183,013	209,290
Approved but not accepted	2,086	1,955	1,670	1,760	5,479	8,865	10,938	7,214	6,282	5,907	5,552	6,947	7,494	6,499	5,398	5,291	6,299
Denied	7,814	6,215	4,746	7,065	20,166	29,969	35,150	24,407	25,229	25,784	24,269	29,275	31,366	26,080	27,445	26,444	31,014
Withdrawn/File closed	5,933	5,197	4,596	4,878	14,424	23,696	28,593	20,753	20,616	21,669	24,162	27,769	38,455	37,028	38,732	41,216	54,489
Asian Applicant																	
Applications	**7,975**	**5,323**	**4,736**	**4,658**	**16,631**	**41,849**	**54,416**	**36,549**	**36,410**	**33,535**	**30,007**	**43,085**	**46,993**	**41,011**	**37,664**	**38,670**	**42,225**
Originated	5,758	3,992	3,595	3,268	11,009	28,274	36,295	24,213	24,068	21,855	19,926	30,948	33,008	28,438	26,053	26,933	28,781
Approved but not accepted	369	239	219	195	865	1,993	2,774	1,698	1,456	1,344	1,114	1,461	1,429	1,077	778	795	810
Denied	845	515	404	611	2,608	6,134	8,149	5,793	6,153	5,818	4,614	5,690	5,695	4,827	4,333	3,995	4,170
Withdrawn/File closed	1,003	577	518	584	2,149	5,448	7,198	4,845	4,733	4,518	4,353	4,986	6,861	6,669	6,500	6,947	8,464
Other Race/Ethnicity Applicant																	
Applications	**11,193**	**6,526**	**5,402**	**5,740**	**12,559**	**19,208**	**22,856**	**14,290**	**14,513**	**14,988**	**15,797**	**15,242**	**18,519**	**24,940**	**14,113**	**15,412**	**19,788**
Originated	7,857	4,695	3,877	4,012	8,341	12,974	14,998	9,814	10,054	9,938	10,884	11,081	13,051	17,334	9,547	10,647	13,581
Approved but not accepted	472	266	210	264	605	821	1,167	669	581	586	522	449	520	554	277	311	390
Denied	1,440	778	689	901	2,136	3,022	3,401	2,112	2,184	2,498	2,235	1,859	2,246	3,006	1,735	1,661	2,067
Withdrawn/File closed	1,424	787	626	563	1,477	2,391	3,290	1,695	1,694	1,966	2,156	1,853	2,702	4,046	2,554	2,793	3,750
Joint Applicants																	
Applications	**14,496**	**13,831**	**13,648**	**13,535**	**27,434**	**37,639**	**35,225**	**30,403**	**33,189**	**36,004**	**38,338**	**10,885**	**12,982**	**63,204**	**75,625**	**81,149**	**93,081**
Originated	11,462	10,972	10,942	10,408	20,528	28,376	26,068	22,826	25,108	26,646	28,657	8,412	9,734	47,274	55,335	59,961	67,679
Approved but not accepted	529	555	513	582	1,260	1,536	1,547	1,179	986	1,116	1,107	331	340	1,389	1,348	1,456	1,652
Denied	1,401	1,139	1,073	1,370	3,156	4,108	3,994	3,340	3,781	4,285	3,855	1,006	1,198	5,419	6,565	6,202	7,268
Withdrawn/File closed	1,104	1,165	1,120	1,175	2,490	3,619	3,616	3,058	3,314	3,957	4,719	1,136	1,710	9,122	12,377	13,530	16,482
Missing Race/Ethnicity																	
Applications	**136,295**	**38,647**	**36,319**	**39,215**	**89,746**	**144,230**	**126,016**	**115,060**	**108,131**	**102,461**	**106,242**	**139,331**	**163,886**	**180,277**	**182,402**	**211,436**	**236,767**
Originated	90,223	24,390	22,693	24,312	53,179	92,128	78,308	69,367	66,449	60,660	63,695	94,977	109,916	112,044	119,800	142,632	159,334
Approved but not accepted	6,948	1,877	1,606	1,903	5,181	7,133	5,914	5,566	4,490	4,689	3,830	4,134	4,233	4,159	3,561	4,185	4,932
Denied	16,582	5,407	4,975	7,106	16,321	22,356	20,595	19,949	18,204	18,625	19,072	21,052	23,213	27,565	21,900	22,276	24,174
Withdrawn/File closed	22,542	6,973	7,045	5,894	15,065	22,613	21,199	20,178	18,988	18,487	19,645	19,168	26,524	36,509	37,141	42,343	48,327

Table 4. Distribution of applications for first lien purchase loans of occupied 1-to-4 family homes by disposition and selected applicant and loan characteristics, 2020

	Applications	Originated	Approved but not accepted	Denied	Withdrawn/File closed
BLACK APPLICANTS					
TOTAL APPLICATIONS	**437,680**	**285,468**	**10,507**	**55,407**	**86,298**
Applicant income					
Less or equal to 50% of AMI	51,072	28,713	1,289	10,929	10,141
50% - 80% of AMI	137,354	90,898	3,271	17,085	26,100
80% - 120% of AMI	129,887	88,302	3,020	13,827	24,738
More than 120% of AMI	119,367	77,555	2,927	13,566	25,319
Loan type					
Nonconventional	264,581	173,058	6,429	33,234	51,860
Conventional	173,099	112,410	4,078	22,173	34,438
GSE/FHA					
GSE-purchased*	54,300	54,300	19%		
FHA-insured	184,311	118,305	4,683	24,896	36,427
Loan cost					
High cost*	38,401	36,488	1,913		
Property location					
Low-moderate income neighborhood	134,595	81,856	3,565	20,204	28,970
Higher income neighborhood	303,085	203,612	6,942	35,203	57,328
Majority minority neighborhood	200,987	127,098	5,374	26,894	41,621
Midwest	67,710	44,183	1,537	8,614	13,376
Northeast	45,570	29,817	1,252	6,047	8,454
South	288,867	188,004	6,758	37,083	57,022
West	35,533	23,464	960	3,663	7,446
NON-HISPANIC WHITE APPLICANTS					
TOTAL APPLICATIONS	**3,097,797**	**2,375,851**	**81,697**	**232,497**	**407,752**
Applicant income					
Less or equal to 50% of AMI	239,458	168,823	4,990	29,643	36,002
50% - 80% of AMI	708,451	553,142	13,403	43,286	98,620
80% - 120% of AMI	825,616	652,039	15,876	39,619	118,082
More than 120% of AMI	1,378,913	1,058,035	29,113	67,043	224,722
Loan type					
Nonconventional	915,360	689,936	16,973	65,133	143,318
Conventional	2,237,078	1,742,103	46,409	114,458	334,108
GSE/FHA					
GSE-purchased*	963,441	963,441	0.405514066		
FHA-insured	480,948	359,267	9,450	38,780	73,451
Loan cost					
High cost*	115,804	110,892	4,912		
Property location					
Low-moderate income neighborhood	453,932	332,497	9,998	34,428	77,009
Higher income neighborhood	2,698,506	2,099,542	53,384	145,163	400,417
Majority minority neighborhood	292,928	217,358	6,284	18,459	50,827
Midwest	816,186	648,604	15,412	44,657	107,513
Northeast	431,185	334,734	8,083	26,485	61,883
South	1,275,878	969,955	26,332	76,574	203,017
West	629,189	478,746	13,555	31,875	105,013

*Information applicable only to originated loans

Table 5. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by region and applicant income, Conventional and nonconventional loans, Black and Non-Hispanic White applicants, 2020

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	TOTAL APPLICATIONS	Originated	Approved but not accepted	Denied	Withdrawn/File closed	TOTAL APPLICATIONS	Originated	Approved but not accepted	Denied	Withdrawn/File closed
ALL APPLICATIONS	407,050	285,468	10,507	55,407	86,298	3,152,438	2,432,039	63,382	179,591	477,426
Midwest	67,710	44,183	1,537	8,614	13,376	816,186	648,604	15,412	44,657	107,513
Less or equal to 50% of AMI	12,724	7,623	302	2,318	2,481	95,566	70,533	1,888	10,280	12,865
50%-80% of AMI	24,264	16,248	540	2,865	4,611	222,317	178,609	4,064	12,193	27,451
80%-120% of AMI	17,567	11,943	420	1,824	3,380	211,084	171,110	3,926	9,243	26,805
More than 120% of AMI	13,155	8,369	275	1,607	2,904	287,219	228,352	5,534	12,941	40,392
Northeast	45,570	29,817	1,252	6,047	8,454	431,185	334,734	8,083	26,485	61,883
Less or equal to 50% of AMI	5,959	3,390	156	1,284	1,129	37,991	26,817	770	4,974	5,430
50%-80% of AMI	15,514	10,402	394	1,979	2,739	105,993	82,998	1,900	6,990	14,105
80%-120% of AMI	13,155	8,891	353	1,483	2,428	111,535	88,502	2,006	5,938	15,089
More than 120% of AMI	10,942	7,134	349	1,301	2,158	175,666	136,417	3,407	8,583	27,259
South	258,237	188,004	6,758	37,083	57,022	1,275,878	969,955	26,332	76,574	203,017
Less or equal to 50% of AMI	30,630	16,797	785	6,897	6,151	77,941	52,530	1,730	10,859	12,822
50%-80% of AMI	89,426	58,793	2,150	11,379	17,104	263,674	201,521	5,212	17,750	39,191
80%-120% of AMI	88,148	59,878	1,944	9,507	16,819	333,587	259,410	6,518	17,341	50,318
More than 120% of AMI	80,663	52,536	1,879	9,300	16,948	600,676	456,494	12,872	30,624	100,686
West	35,533	23,464	960	3,663	7,446	629,189	478,746	13,555	31,875	105,013
Less or equal to 50% of AMI	1,759	903	46	430	380	27,960	18,943	602	3,530	4,885
50%-80% of AMI	8,150	5,455	187	862	1,646	116,467	90,014	2,227	6,353	17,873
80%-120% of AMI	11,017	7,590	303	1,013	2,111	169,410	133,017	3,426	7,097	25,870
More than 120% of AMI	14,607	9,516	424	1,358	3,309	315,352	236,772	7,300	14,895	56,385
CONVENTIONAL LOANS	173,099	112,410	4,078	22,173	34,438	2,237,078	1,742,103	46,409	114,458	334,108
Midwest	29,846	19,814	663	3,616	5,753	600,176	484,322	11,625	27,910	76,319
Less or equal to 50% of AMI	5,310	3,279	117	972	942	61,619	46,677	1,210	5,990	7,742
50%-80% of AMI	9,575	6,602	202	1,053	1,718	145,278	118,803	2,660	6,863	16,952
80%-120% of AMI	7,091	4,855	177	729	1,330	148,202	121,845	2,854	5,574	17,929
More than 120% of AMI	7,870	5,078	167	862	1,763	245,077	196,997	4,901	9,483	33,696
Northeast	20,625	13,722	513	2,684	3,706	334,100	262,042	6,247	18,274	47,537
Less or equal to 50% of AMI	2,480	1,437	71	545	427	25,111	17,970	524	3,114	3,503
50%-80% of AMI	6,164	4,195	139	791	1,039	71,169	56,494	1,258	4,212	9,205
80%-120% of AMI	5,706	3,878	136	649	1,043	81,670	65,512	1,432	3,841	10,885
More than 120% of AMI	6,275	4,212	167	699	1,197	156,150	122,066	3,033	7,107	23,944
South	106,522	68,231	2,477	14,264	21,550	838,775	641,654	18,133	46,321	132,667
Less or equal to 50% of AMI	11,531	6,380	261	2,755	2,135	47,343	32,449	1,050	6,396	7,448
50%-80% of AMI	28,943	19,171	718	3,602	5,452	145,389	112,262	2,916	8,993	21,218
80%-120% of AMI	27,647	18,426	577	3,112	5,532	190,298	148,809	3,900	8,979	28,610
More than 120% of AMI	38,401	24,254	921	4,795	8,431	455,745	348,134	10,267	21,953	75,391
West	16,106	10,643	425	1,609	3,429	464,027	354,085	10,404	21,953	77,585
Less or equal to 50% of AMI	899	501	25	188	185	20,046	13,935	434	2,317	3,360
50%-80% of AMI	3,188	2,183	65	310	630	74,463	58,298	1,475	3,553	11,137
80%-120% of AMI	3,967	2,741	110	368	748	110,280	87,061	2,332	4,186	16,701
More than 120% of AMI	8,052	5,218	225	743	1,866	259,238	194,791	6,163	11,897	46,387
NONCONVENTIONAL LOANS	139,486	88,698	4,796	25,048	20,944	915,360	689,936	16,973	65,133	143,318
Midwest	37,864	24,369	874	4,998	7,623	216,010	164,282	3,787	16,747	31,194
Less or equal to 50% of AMI	7,414	4,344	185	1,346	1,539	33,947	23,856	678	4,290	5,123
50%-80% of AMI	14,689	9,646	338	1,812	2,893	77,039	59,806	1,404	5,330	10,499
80%-120% of AMI	10,476	7,088	243	1,095	2,050	62,882	49,265	1,072	3,669	8,876
More than 120% of AMI	5,285	3,291	108	745	1,141	42,142	31,355	633	3,458	6,696
Northeast	24,945	16,095	739	3,363	4,748	97,085	72,692	1,836	8,211	14,346
Less or equal to 50% of AMI	3,479	1,953	85	739	702	12,880	8,847	246	1,860	1,927
50%-80% of AMI	9,350	6,207	255	1,188	1,700	34,824	26,504	642	2,778	4,900
80%-120% of AMI	7,449	5,013	217	834	1,385	29,865	22,990	574	2,097	4,204
More than 120% of AMI	4,667	2,922	182	602	961	19,516	14,351	374	1,476	3,315
South	182,345	119,773	4,281	22,819	35,472	437,103	328,301	8,199	30,253	70,350
Less or equal to 50% of AMI	19,099	10,417	524	4,142	4,016	30,598	20,081	680	4,463	5,374
50%-80% of AMI	60,483	39,622	1,432	7,777	11,652	118,285	89,259	2,296	8,757	17,973
80%-120% of AMI	60,501	41,452	1,367	6,395	11,287	143,289	110,601	2,618	8,362	21,708
More than 120% of AMI	42,262	28,282	958	4,505	8,517	144,931	108,360	2,605	8,671	25,295
West	19,427	12,821	535	2,054	4,017	165,162	124,661	3,151	9,922	27,428
Less or equal to 50% of AMI	860	402	21	242	195	7,914	5,008	168	1,213	1,525
50%-80% of AMI	4,962	3,272	122	552	1,016	42,004	31,716	752	2,800	6,736
80%-120% of AMI	7,050	4,849	193	645	1,363	59,130	45,956	1,094	2,911	9,169
More than 120% of AMI	6,555	4,298	199	615	1,443	56,114	41,981	1,137	2,998	9,998

Table 6. Distribution of originations of first lien purchase loans of occupied 1-to-4 family homes by region and applicant income, GSE-purchased and FHA-insured, Black and Non-Hispanic White applicants, 2020

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Total	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI	Total	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI
Total Loans	285,468	28,713	90,898	88,302	77,555	2,432,039	168,823	553,142	652,039	1,058,035
GSE-Purchased	54,300	5,101	14,142	15,309	19,748	963,441	63,260	199,303	252,820	448,058
FHA-Insured	118,305	14,546	44,098	38,480	21,181	359,267	39,016	115,900	116,050	88,301
Midwest										
Total Loans	44,183	7,623	16,248	11,943	8,369	648,604	70,533	178,609	171,110	228,352
GSE-Purchased	10,498	1,545	3,276	2,849	2,828	281,029	27,294	71,003	74,495	108,237
FHA-Insured	19,827	3,928	8,167	5,498	2,234	92,562	16,100	34,059	26,867	15,536
Northeast										
Total Loans	29,817	3,390	10,402	8,891	7,134	334,734	26,817	82,998	88,502	136,417
GSE-Purchased	6,939	698	1,985	2,081	2,175	133,579	9,389	30,364	36,821	57,005
FHA-Insured	14,128	1,796	5,505	4,357	2,470	47,653	6,639	17,656	14,723	8,635
South										
Total Loans	188,004	16,797	58,793	59,878	52,536	969,955	52,530	201,521	259,410	456,494
GSE-Purchased	30,436	2,572	7,590	8,597	11,677	333,902	17,618	59,979	82,641	173,664
FHA-Insured	76,977	8,530	28,318	25,836	14,293	156,459	12,920	46,176	51,019	46,344
West										
Total Loans	23,464	903	5,455	7,590	9,516	478,746	18,943	90,014	133,017	236,772
GSE-Purchased	6,427	286	1,291	1,782	3,068	214,931	8,959	37,957	58,863	109,152
FHA-Insured	7,373	292	2,108	2,789	2,184	62,593	3,357	18,009	23,441	17,786

Table 7. Distribution of denial reasons of first lien purchase loans of occupied 1-to-4 family homes by applicant income, Conventional and nonconventional loan applications, Black and Non-Hispanic White applicants, 2020

Type of loan and denial reason	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Denied Applications	Less or equal to 50% of AMI	50%-80% of AMI	80%-120% of AMI	More than 120% of AMI	Denied Applications	Less or equal to 50% of AMI	50%-80% of AMI	80%-120% of AMI	More than 120% of AMI
Total	**54,622**	**10,763**	**16,894**	**13,693**	**13,272**	**173,568**	**28,434**	**41,789**	**38,435**	**64,910**
Debt-to-income ratio	19,126	5,648	6,446	3,952	3,080	52,240	14,340	13,519	9,873	14,508
Employment history	2,104	497	673	477	457	7,737	1,629	2,141	1,641	2,326
Credit history	13,798	1,798	3,800	3,813	4,387	33,003	4,345	7,970	7,974	12,714
Collateral	5,315	807	1,737	1,545	1,226	26,007	2,671	6,446	6,204	10,686
Insufficient cash	2,328	407	803	561	557	8,164	1,041	2,047	1,893	3,183
Unverifiable information	2,659	433	720	751	755	9,051	995	1,871	2,040	4,145
Credit application incomplete	4,243	478	1,180	1,146	1,439	19,404	1,631	3,900	4,440	9,433
Mortgage insurance denied	44	6	21	6	11	196	22	60	52	62
Other	5,005	689	1,514	1,442	1,360	17,766	1,760	3,835	4,318	7,853
Conventional	**21,518**	**4,327**	**5,603**	**4,750**	**6,838**	**109,148**	**16,760**	**22,341**	**21,549**	**48,498**
Debt-to-income ratio	7,295	2,147	2,082	1,410	1,656	34,559	8,949	7,725	6,231	11,654
Employment history	571	127	142	109	193	3,773	736	835	698	1,504
Credit history	5,585	884	1,294	1,231	2,176	18,616	2,503	3,965	3,879	8,269
Collateral	2,510	405	768	664	673	17,365	1,621	3,725	3,706	8,313
Insufficient cash	864	136	234	200	294	5,192	523	1,066	1,051	2,552
Unverifiable information	1,075	178	212	276	409	6,200	604	1,024	1,232	3,340
Credit application incomplete	1,632	168	361	367	736	12,805	902	2,144	2,582	7,177
Mortgage insurance denied	18	0	12	2	4	112	10	30	27	45
Other	1,968	282	498	491	697	10,526	912	1,827	2,143	5,644
Nonconventional	**33,104**	**6,436**	**11,291**	**8,943**	**6,434**	**64,420**	**11,674**	**19,448**	**16,886**	**16,412**
Debt-to-income ratio	11,831	3,501	4,364	2,542	1,424	17,681	5,391	5,794	3,642	2,854
Employment history	1,533	370	531	368	264	3,964	893	1,306	943	822
Credit history	8,213	914	2,506	2,582	2,211	14,387	1,842	4,005	4,095	4,445
Collateral	2,805	402	969	881	553	8,642	1,050	2,721	2,498	2,373
Insufficient cash	1,464	271	569	361	263	2,972	518	981	842	631
Unverifiable information	1,584	255	508	475	346	2,851	391	847	808	805
Credit application incomplete	2,611	310	819	779	703	6,599	729	1,756	1,858	2,256
Mortgage insurance denied	26	6	9	4	7	84	12	30	25	17
Other	3,037	407	1,016	951	663	7,240	848	2,008	2,175	2,209

Table 8. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by type of lender and applicant income, Black and Non-Hispanic White applicants, 2020

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Total Applications	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI	Total Applications	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI
TOTAL APPLICATIONS										
Bank, Savings Institution, or Credit Union										
Applications	121,279	16,991	36,547	31,386	36,355	1,220,123	92,681	242,568	280,530	604,344
Originated	75,159	9,300	23,649	20,186	22,024	919,205	62,566	185,464	216,671	454,504
Approved but not accepted	2,546	365	804	618	759	26,487	1,985	4,937	5,838	13,727
Denied	19,416	4,429	5,388	4,284	5,315	86,743	15,055	19,019	17,024	35,645
Withdrawn/File Closed	24,158	2,897	6,706	6,298	8,257	187,688	13,075	33,148	40,997	100,468
Mortgage Companies Affiliated with Depositories										
Applications	28,994	2,635	9,189	9,683	7,487	156,689	11,294	36,725	44,383	64,287
Originated	19,487	1,457	6,115	6,729	5,186	124,117	8,281	29,188	35,652	50,996
Approved but not accepted	580	77	189	155	159	3,161	241	679	854	1,387
Denied	4,059	716	1,395	1,158	790	8,007	1,371	2,186	1,968	2,482
Withdrawn/File Closed	4,868	385	1,490	1,641	1,352	21,404	1,401	4,672	5,909	9,422
Independent Mortgage Companies										
Applications	287,301	31,434	91,576	88,792	75,499	1,774,796	135,422	428,970	500,471	709,933
Originated	190,718	17,944	61,094	61,361	50,319	1,387,939	97,918	338,311	399,498	552,212
Approved but not accepted	7,381	847	2,278	2,247	2,009	33,721	2,764	7,784	9,180	13,993
Denied	31,932	5,784	10,302	8,385	7,461	84,831	13,215	22,080	20,624	28,912
Withdrawn/File Closed	57,270	6,859	17,902	16,799	15,710	268,305	21,525	60,795	71,169	114,816

Table 9. Disposition of applications for conventional first lien purchase loans of occupied 1-to-4 family homes by lender type, percentage of Black population in census tract and applicant income, 2020

	Applications	Originated	Approved but not accepted	Denied	Withdrawn/File closed	Applications	Originated	Approved but not accepted	Denied	Withdrawn/File closed
	BLACK APPLICANTS					NON-HISPANIC WHITE APPLICANTS				
TOTAL CONVENTIONAL LOANS	**173,074**	**109,251**	**4,126**	**21,867**	**33,346**	**2,236,481**	**1,741,537**	**46,403**	**114,450**	**334,091**
Bank, Savings Institution, or Credit Union	**77,765**	**48,200**	**1,828**	**12,751**	**14,986**	**1,029,612**	**781,690**	**23,820**	**69,028**	**155,074**
Up to 25% Black census tract	**38,873**	**25,132**	**884**	**5,326**	**7,531**	**962,345**	**735,091**	**22,148**	**62,071**	**143,035**
Applicant income										
Less or equal to 50% of AMI	3,866	2,190	85	1,014	577	67,979	46,677	1,554	10,558	9,190
50% - 80% of AMI	9,668	6,515	231	1,302	1,620	175,418	135,758	3,823	12,818	23,019
80% - 120% of AMI	9,327	6,110	216	1,193	1,808	208,958	163,122	4,734	11,828	29,274
More than 120% of AMI	16,012	10,317	352	1,817	3,526	509,990	389,534	12,037	26,867	81,552
26% - 50% Black census tract	**16,810**	**10,546**	**337**	**2,803**	**3,124**	**47,282**	**35,404**	**940**	**3,614**	**7,324**
Applicant income										
Less or equal to 50% of AMI	2,643	1,445	42	716	440	5,025	3,409	91	784	741
50% - 80% of AMI	5,434	3,614	121	802	897	10,879	8,209	224	875	1,571
80% - 120% of AMI	4,236	2,722	71	629	814	10,670	8,055	229	695	1,691
More than 120% of AMI	4,497	2,765	103	656	973	20,708	15,731	396	1,260	3,321
51% - 100% Black census tract	**22,082**	**12,522**	**607**	**4,622**	**4,331**	**19,985**	**11,195**	**732**	**3,343**	**4,715**
Applicant income										
Less or equal to 50% of AMI	4,553	2,481	121	1,190	761	1,761	1,109	50	308	294
50% - 80% of AMI	7,530	4,699	221	1,207	1,403	3,392	2,368	87	349	588
80% - 120% of AMI	5,031	3,039	123	853	1,016	3,270	2,324	86	267	593
More than 120% of AMI	4,968	2,303	142	1,372	1,151	11,562	5,394	509	2,419	3,240
Mortgage Companies Affiliated with Depositories	**8,946**	**3,144**	**252**	**527**	**539**	**101,386**	**81,436**	**2,185**	**3,779**	**13,986**
Up to 25% Black census tract	**5,310**	**3,764**	**107**	**492**	**947**	**93,353**	**75,036**	**1,981**	**3,463**	**12,873**
Applicant income										
Less or equal to 50% of AMI	361	214	9	80	58	5,912	4,494	118	549	751
50% - 80% of AMI	1,281	919	28	126	208	18,447	14,921	328	804	2,394
80% - 120% of AMI	1,519	1,093	25	122	279	23,709	19,316	496	773	3,124
More than 120% of AMI	2,149	1,538	45	164	402	45,285	36,305	1,039	1,337	6,604
26% - 50% Black census tract	**1,841**	**1,316**	**39**	**150**	**336**	**6,094**	**4,905**	**148**	**227**	**814**
Applicant income										
Less or equal to 50% of AMI	207	139	7	30	31	628	482	23	53	70
50% - 80% of AMI	567	401	13	48	105	1,472	1,197	32	62	181
80% - 120% of AMI	495	371	7	31	86	1,580	1,292	36	33	219
More than 120% of AMI	572	405	12	41	114	2,414	1,934	57	79	344
51% - 100% Black census tract	**1,795**	**1,198**	**58**	**191**	**348**	**1,939**	**1,495**	**56**	**89**	**299**
Applicant income										
Less or equal to 50% of AMI	287	169	13	54	51	184	127	7	18	32
50% - 80% of AMI	604	398	24	56	126	517	410	19	20	68
80% - 120% of AMI	488	331	11	45	101	493	380	13	17	83
More than 120% of AMI	416	300	10	36	70	745	578	17	34	116
Independent Mortgage Companies	**86,363**	**57,907**	**2,046**	**8,589**	**17,821**	**1,105,483**	**878,411**	**20,398**	**41,643**	**165,031**
Up to 25% Black census tract	**51,418**	**35,743**	**1,152**	**4,582**	**9,941**	**1,032,993**	**824,343**	**18,902**	**38,034**	**151,714**
Applicant income										
Less or equal to 50% of AMI	3,598	2,226	72	575	725	65,250	49,236	1,210	5,018	9,786
50% - 80% of AMI	11,950	8,438	223	1,075	2,214	208,353	168,918	3,460	7,955	28,020
80% - 120% of AMI	14,008	9,961	306	1,150	2,591	263,650	214,448	4,592	8,309	36,301
More than 120% of AMI	21,862	15,118	551	1,782	4,411	495,740	391,741	9,640	16,752	77,607
26% - 50% Black census tract	**16,702**	**11,300**	**390**	**1,703**	**3,309**	**52,344**	**41,228**	**998**	**2,110**	**8,008**
Applicant income										
Less or equal to 50% of AMI	2,049	1,245	52	347	405	5,493	4,129	125	385	854
50% - 80% of AMI	5,025	3,444	104	511	966	13,360	10,681	258	490	1,931
80% - 120% of AMI	4,654	3,194	109	392	959	13,851	10,994	237	492	2,128
More than 120% of AMI	4,974	3,417	125	453	979	19,640	15,424	378	743	3,095
51% - 100% Black census tract	**18,243**	**10,864**	**504**	**2,304**	**4,571**	**20,146**	**12,840**	**498**	**1,499**	**5,309**
Applicant income										
Less or equal to 50% of AMI	2,652	1,484	73	454	641	1,845	1,328	40	143	334
50% - 80% of AMI	5,808	3,720	159	629	1,300	4,335	3,275	76	247	737
80% - 120% of AMI	4,645	3,071	132	443	999	4,109	3,143	92	164	710
More than 120% of AMI	5,138	2,589	140	778	1,631	9,857	5,094	290	945	3,528

Table 10. Disposition of applications for FHA-insured first lien purchase loans of occupied 1-to-4 family homes by lender type, percentage of Black population in census tract and applicant income, 2020

	Applications	Originated	Approved but not accepted	Denied	Withdrawn/File closed	Applications	Originated	Approved but not accepted	Denied	Withdrawn/File closed
	BLACK APPLICANTS					NON-HISPANIC WHITE APPLICANTS				
TOTAL FHA-INSURED LOANS	**184,231**	**118,227**	**4,683**	**24,896**	**36,425**	**480,756**	**359,091**	**9,445**	**38,778**	**73,442**
Bank, Savings Institution, or Credit Union	**26,102**	**16,153**	**505**	**4,356**	**5,088**	**78,892**	**57,240**	**1,330**	**8,304**	**12,018**
Up to 25% Black census tract	**10,300**	**6,584**	**169**	**1,612**	**1,935**	**69,928**	**51,022**	**1,177**	**7,110**	**10,619**
Applicant income										
Less or equal to 50% of AMI	1,316	727	15	333	241	9,004	5,833	127	1,600	1,444
50% - 80% of AMI	3,752	2,406	61	569	716	22,536	16,656	402	2,212	3,266
80% - 120% of AMI	3,189	2,128	61	424	576	21,014	15,810	339	1,689	3,176
More than 120% of AMI	2,043	1,323	32	286	402	17,374	12,723	309	1,609	2,733
26% - 50% Black census tract	**6,249**	**4,031**	**121**	**945**	**1,152**	**6,523**	**4,805**	**114**	**625**	**979**
Applicant income										
Less or equal to 50% of AMI	1,114	633	20	255	206	1,085	713	17	167	188
50% - 80% of AMI	2,448	1,616	49	334	449	2,104	1,550	31	196	327
80% - 120% of AMI	1,743	1,172	34	207	330	1,834	1,386	34	145	269
More than 120% of AMI	944	610	18	149	167	1,500	1,156	32	117	195
51% - 100% Black census tract	**9,553**	**5,538**	**215**	**1,799**	**2,001**	**2,441**	**1,413**	**39**	**569**	**420**
Applicant income										
Less or equal to 50% of AMI	2,394	1,293	66	570	465	455	279	9	68	99
50% - 80% of AMI	3,734	2,243	79	615	797	638	465	9	68	96
80% - 120% of AMI	2,205	1,356	49	329	471	492	350	5	46	91
More than 120% of AMI	1,220	646	21	285	268	856	319	16	387	134
Mortgage Companies Affiliated with Depositories	**13,884**	**8,853**	**253**	**2,479**	**2,299**	**29,137**	**21,890**	**502**	**2,677**	**4,068**
Up to 25% Black census tract	**6,961**	**4,361**	**106**	**1,337**	**1,157**	**26,158**	**19,665**	**445**	**2,403**	**3,645**
Applicant income										
Less or equal to 50% of AMI	490	215	15	191	69	2,607	1,754	51	473	329
50% - 80% of AMI	2,391	1,501	29	499	362	8,127	6,164	149	726	1,088
80% - 120% of AMI	2,614	1,709	42	408	455	8,587	6,620	145	638	1,184
More than 120% of AMI	1,466	936	20	239	271	6,837	5,127	100	566	1,044
26% - 50% Black census tract	**3,415**	**2,229**	**58**	**604**	**524**	**2,303**	**1,715**	**45**	**225**	**318**
Applicant income										
Less or equal to 50% of AMI	366	207	9	107	43	343	243	9	52	39
50% - 80% of AMI	1,280	820	27	241	192	802	613	15	81	93
80% - 120% of AMI	1,185	813	16	168	188	659	492	14	49	104
More than 120% of AMI	584	389	6	88	101	499	367	7	43	82
51% - 100% Black census tract	**3,508**	**2,263**	**89**	**538**	**618**	**676**	**510**	**12**	**49**	**105**
Applicant income										
Less or equal to 50% of AMI	663	376	18	167	102	118	92	0	13	13
50% - 80% of AMI	1,387	901	43	202	241	238	183	6	15	34
80% - 120% of AMI	1,006	682	20	110	194	192	139	3	14	36
More than 120% of AMI	452	304	8	59	81	128	96	3	7	22
Independent Mortgage Companies	**144,245**	**93,221**	**3,925**	**18,061**	**29,038**	**372,727**	**279,961**	**7,613**	**27,797**	**57,356**
Up to 25% Black census tract	**67,647**	**45,012**	**1,601**	**8,292**	**12,742**	**337,863**	**255,428**	**6,785**	**24,565**	**51,085**
Applicant income										
Less or equal to 50% of AMI	6,604	3,689	174	1,385	1,356	37,914	26,071	801	4,784	6,258
50% - 80% of AMI	23,153	15,368	515	2,954	4,316	107,609	81,600	2,080	7,870	16,059
80% - 120% of AMI	23,396	16,079	547	2,491	4,279	109,071	84,386	2,168	6,592	15,925
More than 120% of AMI	14,494	9,876	365	1,462	2,791	83,269	63,371	1,736	5,319	12,843
26% - 50% Black census tract	**33,243**	**21,715**	**898**	**4,138**	**6,492**	**25,262**	**18,708**	**549**	**1,988**	**4,017**
Applicant income										
Less or equal to 50% of AMI	4,653	2,632	133	871	1,017	4,227	2,919	110	491	707
50% - 80% of AMI	12,790	8,323	336	1,578	2,553	8,776	6,575	193	637	1,371
80% - 120% of AMI	10,449	7,114	272	1,096	1,967	7,028	5,362	128	467	1,071
More than 120% of AMI	5,351	3,646	157	593	955	5,231	3,852	118	393	868
51% - 100% Black census tract	**43,355**	**26,494**	**1,426**	**5,631**	**9,804**	**9,602**	**5,825**	**279**	**1,244**	**2,254**
Applicant income										
Less or equal to 50% of AMI	8,505	4,766	253	1,465	2,021	1,678	1,096	44	204	334
50% - 80% of AMI	17,206	10,884	549	2,008	3,765	2,890	2,043	66	241	540
80% - 120% of AMI	11,434	7,409	380	1,150	2,495	2,066	1,452	73	158	383
More than 120% of AMI	6,210	3,435	244	1,008	1,523	2,968	1,234	96	641	997

Table 11. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by city and applicant income, Black applicants, 2020

	Baltimore MD	Chicago IL	Dallas TX	Detroit MI	Houston TX	Los Angeles CA	Memphis TN	New York City NY	Philadelphia PA	Washington D.C.
Total Applications	3,321	5,833	1,371	1,516	2,751	1,152	2,162	3,432	3,836	1,826
Disposition										
Originated	2,070	3,359	829	833	1,625	671	1,379	2,092	2,528	1,187
Approved but not accepted	94	152	30	68	93	56	41	178	118	38
Denied	402	850	176	305	393	140	298	549	490	188
Withdrawn/File closed	755	1,472	336	310	640	285	444	613	700	413
Income										
Less or equal to 50% of AMI	1,298	757	201	221	284	9	305	47	662	292
50%-80% of AMI	1,213	1,843	442	531	760	66	754	288	1,430	538
80%-120% of AMI	555	1,951	359	405	762	172	654	974	1,096	543
More than 120% of AMI	255	1,282	369	359	945	905	449	2,123	648	453
Income less or equal to 50% of AMI										
Applications	1,298	757	201	221	284	9	305	47	662	292
Originated	780	381	103	96	137	2	149	17	367	154
Approved but not accepted	37	13	4	7	11	1	8	1	19	3
Denied	193	169	46	75	80	3	81	21	136	48
Withdrawn/File closed	288	194	48	43	56	3	67	8	140	87
Income 50%-80% of AMI										
Applications	1,213	1,843	442	531	760	66	754	288	1,430	538
Originated	779	1,094	265	286	426	36	492	146	975	361
Approved but not accepted	33	42	10	36	25	2	13	7	44	10
Denied	117	268	60	97	109	10	97	80	163	43
Withdrawn/File closed	284	439	107	112	200	18	152	55	248	124
Income 80%-120% of AMI										
Applications	555	1,951	359	405	762	172	654	974	1,096	543
Originated	356	1,141	224	244	451	100	424	612	770	357
Approved but not accepted	16	67	6	16	26	7	13	45	34	14
Denied	56	252	37	69	106	27	81	161	110	55
Withdrawn/File closed	127	491	92	76	179	38	136	156	182	117
Income more than 120% of AMI										
Applications	255	1,282	369	359	945	905	449	2,123	648	453
Originated	155	743	237	207	611	533	314	1,317	416	315
Approved but not accepted	8	30	10	9	31	46	7	125	21	11
Denied	36	161	33	64	98	100	39	287	81	42
Withdrawn/File closed	56	348	89	79	205	226	89	394	130	85

Table 12. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by city and applicant income, Non-Hispanic White applicants, 2020

	Baltimore MD	Chicago IL	Dallas TX	Detroit MI	Houston TX	Los Angeles CA	Memphis TN	New York City NY	Philadelphia PA	Washington D.C.
Total Applications	6,387	10,384	2,373	2,673	4,557	1,399	3,875	4,741	7,024	3,199
Disposition										
Originated	3,985	5,975	1,421	1,459	2,639	809	2,444	2,867	4,640	2,059
Approved but not accepted	180	274	50	127	155	66	75	231	215	65
Denied	768	1,539	319	546	688	180	557	811	899	334
Withdrawn/File closed	1,454	2,596	583	541	1,075	344	799	832	1,270	741
Income										
Less or equal to 50% of AMI	3,321	5,833	1,371	1,516	2,751	1,152	2,162	3,432	3,836	1,826
50%-80% of AMI	1,298	757	201	221	284	9	305	47	662	292
80%-120% of AMI	1,213	1,843	442	531	760	66	754	288	1,430	538
More than 120% of AMI	555	1,951	359	405	762	172	654	974	1,096	543
Income less or equal to 50% of AMI										
Applications	3,321	5,833	1,371	1,516	2,751	1,152	2,162	3,432	3,836	1,826
Originated	2070	3359	829	833	1625	671	1379	2092	2528	1187
Approved but not accepted	94	152	30	68	93	56	41	178	118	38
Denied	402	850	176	305	393	140	298	549	490	188
Withdrawn/File closed	755	1472	336	310	640	285	444	613	700	413
Income 50%-80% of AMI										
Applications	1,298	757	201	221	284	9	305	47	662	292
Originated	780	381	103	96	137	2	149	17	367	154
Approved but not accepted	37	13	4	7	11	1	8	1	19	3
Denied	193	169	46	75	80	3	81	21	136	48
Withdrawn/File closed	288	194	48	43	56	3	67	8	140	87
Income 80%-120% of AMI										
Applications	1,213	1,843	442	531	760	66	754	288	1,430	538
Originated	779	1,094	265	286	426	36	492	146	975	361
Approved but not accepted	33	42	10	36	25	2	13	7	44	10
Denied	117	268	60	97	109	10	97	80	163	43
Withdrawn/File closed	284	439	107	112	200	18	152	55	248	124
Income more than 120% of AMI										
Applications	555	1,951	359	405	762	172	654	974	1,096	543
Originated	356	1,141	224	244	451	100	424	612	770	357
Approved but not accepted	16	67	6	16	26	7	13	45	34	14
Denied	56	252	37	69	106	27	81	161	110	55
Withdrawn/File closed	127	491	92	76	179	38	136	156	182	117

Table 13. Distribution of applications and originations first lien purchase loans of occupied 1-to-4 family homes by region, 2019-2020

	Applications			Originations		
BLACK APPLICANTS	**2019**	**2020**	**% Change**	**2019**	**2020**	**% Change**
TOTAL APPLICATIONS	**376,037**	**437,680**	**16%**	**249,367**	**285,468**	**14%**
Midwest	56,851	67,710	**19%**	37,623	44,183	**17%**
Northeast	41,878	45,570	**9%**	27,720	29,817	**8%**
South	245,518	288,867	**18%**	162,537	188,004	**16%**
West	31,790	35,533	**12%**	21,487	23,464	**9%**
NON-HISPANIC WHITE APPLICANTS						
TOTAL APPLICATIONS	**2,926,713**	**3,152,438**	**8%**	**2,260,266**	**2,432,039**	**8%**
Midwest	763,563	816,186	**7%**	607,263	648,604	**7%**
Northeast	411,978	431,185	**5%**	319,950	334,734	**5%**
South	1,158,618	1,275,878	**10%**	883,015	969,955	**10%**
West	592,554	629,189	**6%**	450,038	478,746	**6%**

Table 14. Distribution of high-cost loans by neighborhood income level, 2020

	Originated	High-cost	%
BLACK APPLICANTS			
TOTAL LOANS	**285,468**	**38,401**	**13%**
Neighborhood income			
Low-moderate income neighborhood	81,856	14,369	18%
Higher income neighborhood	203,612	24,032	12%
NON-HISPANIC WHITE APPLICANTS			
TOTAL LOANS	**2,432,039**	**115,804**	**5%**
Neighborhood income			
Low-moderate income neighborhood	332,497	25,630	8%
Higher income neighborhood	2,099,542	90,174	4%

Table 15. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by year, gender and coapplicant status, Black and Non-Hispanic White applicants

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Black Applicant																	
Total Applications	**458,354**	**748,090**	**596,132**	**394,846**	**214,892**	**180,219**	**119,818**	**161,319**	**172,061**	**186,074**	**206,182**	**245,425**	**300,503**	**361,457**	**358,433**	**376,037**	**437,680**
Originated	261,743	397,178	300,583	197,120	116,371	109,728	74,055	98,416	105,379	113,723	130,176	164,585	198,217	236,419	233,269	249,367	285,468
Approved but not accepted	47,896	70,980	52,567	32,726	12,363	7,361	5,407	6,958	6,176	7,417	7,407	8,289	9,318	10,130	8,983	9,683	10,507
Denied	90,844	164,579	154,766	108,353	52,903	37,458	23,173	33,441	36,219	38,956	37,898	41,653	47,032	54,126	49,783	47,687	55,407
Withdrawn/File closed	57,871	115,353	88,216	56,647	33,255	25,672	17,183	22,504	24,287	25,978	30,701	30,898	45,936	60,782	66,398	69,300	86,298
Single male applicants	**155,141**	**276,818**	**223,829**	**142,556**	**71,579**	**60,896**	**41,647**	**58,218**	**62,100**	**70,633**	**77,937**	**88,249**	**107,002**	**134,648**	**130,837**	**136,768**	**157,893**
Originated	84,301	140,852	106,366	66,142	36,463	36,302	25,421	35,440	37,623	42,863	48,683	58,393	70,038	87,460	84,590	90,228	102,834
Approved but not accepted	17,748	27,513	20,766	12,278	4,322	2,564	1,891	2,443	2,185	2,744	2,788	3,014	3,273	3,759	3,222	3,510	3,802
Denied	32,903	64,759	62,989	42,859	19,267	13,009	8,280	12,277	13,450	15,121	14,777	15,708	17,169	20,612	18,556	17,505	19,810
Withdrawn/File closed	20,189	43,694	33,708	21,277	11,527	9,021	6,055	8,058	8,842	9,905	11,689	11,134	16,522	22,817	24,469	25,525	31,447
Single female applicants	**184,688**	**312,367**	**246,608**	**163,356**	**88,291**	**78,193**	**50,851**	**69,126**	**70,741**	**74,856**	**80,649**	**92,537**	**113,040**	**142,419**	**137,457**	**146,481**	**180,593**
Originated	102,798	163,352	123,420	81,838	47,988	48,391	31,321	41,893	42,920	45,484	50,672	61,500	73,624	92,689	89,020	96,653	117,555
Approved but not accepted	20,402	30,283	21,905	13,435	5,019	3,170	2,343	3,047	2,703	3,083	2,916	3,128	3,625	4,098	3,509	3,920	4,431
Denied	38,328	69,575	65,022	44,765	21,764	15,776	9,770	14,382	14,953	15,669	14,834	16,015	18,197	21,501	19,384	18,770	22,729
Withdrawn/File closed	23,160	49,157	36,261	23,318	13,520	10,856	7,417	9,804	10,165	10,620	12,227	11,894	17,594	24,131	25,544	27,138	35,878
Male-female couple applicants	**95,824**	**137,914**	**104,471**	**76,783**	**46,949**	**35,294**	**23,043**	**29,277**	**33,635**	**36,055**	**42,615**	**57,941**	**71,906**	**73,583**	**74,820**	**78,917**	**83,779**
Originated	60,356	82,782	61,393	43,579	27,711	21,964	14,899	18,470	21,688	22,978	27,995	40,664	49,438	49,788	50,382	53,928	55,845
Approved but not accepted	7,998	10,819	8,059	5,846	2,610	1,384	980	1,234	1,095	1,382	1,520	1,859	2,151	1,997	1,806	1,865	1,866
Denied	16,053	25,198	20,823	17,079	9,768	7,213	4,128	5,702	6,527	6,967	7,107	8,480	9,961	9,979	9,388	9,180	10,364
Withdrawn/File closed	11,417	19,115	14,196	10,279	6,860	4,733	3,036	3,871	4,325	4,728	5,993	6,938	10,356	11,819	13,244	13,944	15,704
Non Hispanic White Applicant																	
Applications	**2,871,226**	**4,086,258**	**3,058,227**	**2,419,118**	**1,795,895**	**1,762,663**	**1,408,965**	**1,619,842**	**1,881,341**	**2,197,862**	**2,223,063**	**2,446,232**	**2,659,182**	**3,097,797**	**2,918,506**	**2,926,713**	**3,152,438**
Originated	2,165,602	2,941,208	2,205,337	1,737,846	1,277,775	1,313,583	1,037,184	1,201,921	1,420,633	1,649,943	1,689,184	1,917,607	2,061,488	2,375,851	2,236,728	2,260,266	2,432,039
Approved but not accepted	181,236	272,331	210,295	171,224	111,326	77,924	66,477	69,580	69,213	82,392	69,699	72,251	73,874	81,697	67,432	65,897	63,382
Denied	272,598	425,603	337,067	277,226	211,554	188,224	147,521	173,079	194,194	221,936	203,313	205,316	205,571	232,497	196,111	174,583	179,591
Withdrawn/File closed	251,790	447,116	305,528	232,822	195,240	182,932	157,783	175,262	197,301	243,591	260,867	251,058	318,249	407,752	418,235	425,967	477,426
Single male applicants	**892,671**	**1,363,377**	**1,014,959**	**793,345**	**572,824**	**584,343**	**465,338**	**547,196**	**637,080**	**743,610**	**757,073**	**833,812**	**910,520**	**1,061,663**	**996,555**	**1,003,132**	**1,092,596**
Originated	641,921	924,617	690,358	538,597	387,326	423,310	332,152	394,365	466,464	542,406	561,285	639,986	692,413	800,271	750,942	762,219	828,831
Approved but not accepted	60,316	97,051	73,169	57,308	35,537	25,831	22,681	23,773	23,777	28,016	23,837	24,762	25,038	27,227	22,713	22,333	22,215
Denied	104,038	172,716	139,065	111,939	81,385	70,941	54,913	66,477	76,131	86,827	79,626	81,240	81,250	90,347	76,376	68,488	70,362
Withdrawn/File closed	86,396	168,993	112,367	85,501	68,576	64,261	55,592	62,581	70,708	86,361	92,325	87,824	111,819	143,818	146,524	150,092	171,188
Single female applicants	**628,470**	**906,946**	**675,354**	**525,418**	**373,646**	**394,355**	**315,295**	**357,239**	**408,008**	**461,150**	**459,779**	**516,203**	**573,701**	**657,963**	**609,962**	**617,381**	**690,520**
Originated	462,194	631,322	471,484	369,266	261,579	292,848	230,060	262,105	303,948	341,738	345,546	400,146	439,073	499,339	464,156	472,779	529,338
Approved but not accepted	42,789	63,037	47,505	36,797	23,086	16,945	14,758	15,026	14,867	17,079	14,332	15,120	16,067	17,560	14,110	14,309	13,830
Denied	66,230	106,227	85,060	66,913	47,615	43,467	34,483	40,097	44,601	49,821	44,895	46,757	47,903	52,863	44,162	39,453	41,636
Withdrawn/File closed	57,257	106,360	71,305	52,442	41,366	41,095	35,994	40,011	44,592	52,512	55,006	54,180	70,658	88,201	87,534	90,840	105,716
Male-female couple applicants	**1,267,414**	**1,697,220**	**1,273,792**	**1,034,736**	**792,322**	**729,049**	**581,172**	**667,127**	**783,655**	**933,777**	**949,233**	**1,042,442**	**1,113,162**	**1,284,675**	**1,206,462**	**1,209,003**	**1,263,085**
Originated	999,901	1,300,939	978,587	785,630	590,450	558,543	441,033	510,977	612,196	722,977	741,098	836,853	883,584	1,007,214	944,522	952,814	994,940
Approved but not accepted	73,337	104,132	83,307	71,991	49,621	32,961	27,029	28,948	28,733	35,282	29,788	30,789	31,076	34,635	27,721	27,177	25,217
Denied	94,489	134,365	100,755	89,301	73,959	66,135	52,321	60,280	66,969	78,300	72,195	71,664	70,535	80,231	66,814	59,258	59,633
Withdrawn/File closed	99,687	157,784	111,143	87,814	78,292	71,410	60,789	66,922	75,757	97,218	106,152	103,136	127,967	162,595	167,405	169,754	183,295

Table 16. Disposition of applications for first lien purchase conventional loans of occupied 1-to-4 family homes by year, gender and coapplicant status, Black and Non-Hispanic White applicants

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Black Applicant																	
Total Applications	**370,485**	**682,601**	**532,348**	**323,607**	**94,617**	**39,307**	**23,949**	**35,491**	**42,036**	**56,456**	**66,696**	**75,466**	**96,285**	**134,856**	**140,593**	**148,741**	**173,099**
Originated	200,160	350,857	255,372	149,743	42,290	20,148	13,616	19,403	23,801	33,153	41,478	49,482	62,481	87,635	91,902	98,332	112,410
Approved but not accepted	44,552	68,223	50,040	30,219	7,646	2,098	1,265	1,912	1,869	2,738	2,611	2,849	3,204	4,064	3,823	3,980	4,078
Denied	77,811	155,502	146,193	94,665	28,075	11,092	5,649	9,581	10,784	12,966	12,850	13,858	16,097	20,816	19,007	18,780	22,173
Withdrawn/File closed	47,962	108,019	80,743	48,980	16,606	5,969	3,419	4,595	5,582	7,599	9,757	9,277	14,503	22,341	25,861	27,649	34,438
Single male applicants	**129,494**	**256,215**	**203,596**	**120,152**	**33,880**	**12,834**	**7,911**	**11,789**	**14,035**	**19,639**	**23,226**	**24,815**	**32,013**	**47,395**	**48,277**	**50,424**	**58,743**
Originated	66,567	126,281	92,045	51,223	13,857	6,298	4,333	6,258	7,698	11,409	14,024	15,843	20,299	30,387	31,112	32,825	37,680
Approved but not accepted	16,748	26,665	19,993	11,499	2,823	715	443	655	625	952	938	978	1,091	1,494	1,348	1,387	1,401
Denied	28,957	61,841	60,194	38,462	11,003	3,720	1,938	3,297	3,773	4,568	4,687	4,880	5,660	7,558	6,785	6,612	7,589
Withdrawn/File closed	17,222	41,428	31,364	18,968	6,197	2,101	1,197	1,579	1,939	2,710	3,577	3,114	4,963	7,956	9,032	9,600	12,073
Single female applicants	**151,681**	**286,936**	**222,727**	**136,785**	**39,341**	**16,823**	**10,472**	**15,055**	**17,296**	**23,148**	**27,162**	**29,230**	**37,552**	**57,425**	**59,381**	**63,920**	**76,427**
Originated	80,291	145,692	106,934	64,732	17,982	8,809	5,987	8,250	9,713	13,522	17,007	19,021	24,115	37,471	38,970	42,337	49,851
Approved but not accepted	19,116	29,143	20,955	12,504	3,134	870	527	784	772	1,100	1,017	1,092	1,218	1,680	1,508	1,716	1,828
Denied	32,970	65,874	61,510	39,289	11,491	4,738	2,476	4,114	4,495	5,492	5,231	5,550	6,488	8,797	8,040	8,120	9,665
Withdrawn/File closed	19,304	46,227	33,328	20,260	6,734	2,406	1,482	1,907	2,316	3,034	3,907	3,567	5,731	9,477	10,863	11,747	15,083
Male-female couple applicants	**73,842**	**120,970**	**87,122**	**57,441**	**18,630**	**8,569**	**4,960**	**7,765**	**9,516**	**12,351**	**14,823**	**19,373**	**24,159**	**26,217**	**27,589**	**29,342**	**32,241**
Originated	44,345	70,306	48,576	30,127	9,383	4,595	2,997	4,497	5,774	7,570	9,626	13,368	16,570	17,506	18,652	20,023	21,433
Approved but not accepted	7,196	10,177	7,367	5,172	1,482	448	269	420	404	610	596	698	810	802	762	742	716
Denied	13,227	23,176	18,850	13,811	4,600	2,245	1,064	1,872	2,165	2,498	2,541	2,982	3,396	3,700	3,329	3,257	3,953
Withdrawn/File closed	9,074	17,311	12,329	8,331	3,165	1,281	630	976	1,173	1,673	2,060	2,325	3,383	4,209	4,846	5,320	6,139
Non Hispanic White Applicant																	
Applications	**2,549,631**	**3,789,366**	**2,774,126**	**2,139,785**	**1,198,088**	**869,917**	**707,112**	**855,007**	**1,076,496**	**1,396,825**	**1,460,484**	**1,553,704**	**1,701,123**	**2,070,346**	**2,034,599**	**2,045,273**	**2,237,078**
Originated	1,912,097	2,707,274	1,981,619	1,524,500	830,352	633,529	513,994	633,208	819,077	1,063,103	1,125,471	1,228,571	1,331,315	1,603,613	1,576,220	1,593,015	1,742,103
Approved but not accepted	170,363	260,531	199,706	160,973	87,255	45,508	38,264	42,045	45,198	57,556	48,318	48,782	51,025	59,061	50,608	49,129	46,409
Denied	242,104	399,985	312,215	246,106	142,666	94,706	72,620	87,572	101,682	124,763	117,061	116,171	115,667	138,954	118,992	107,351	114,458
Withdrawn/File closed	225,067	421,576	280,586	208,206	137,815	96,174	82,234	92,182	110,539	151,403	169,634	160,180	203,116	268,718	288,779	295,778	334,108
Single male applicants	**787,272**	**1,264,637**	**918,905**	**697,097**	**365,766**	**258,766**	**207,854**	**252,771**	**318,482**	**418,299**	**441,252**	**468,729**	**519,812**	**642,227**	**631,024**	**634,364**	**702,314**
Originated	560,600	848,499	616,364	466,855	237,094	180,664	144,448	179,475	232,683	307,230	330,006	361,657	397,714	488,061	479,857	484,690	535,678
Approved but not accepted	56,746	93,190	69,552	53,790	27,119	13,695	11,907	12,924	14,006	17,754	14,798	14,940	15,672	18,026	15,689	15,375	14,885
Denied	92,678	162,942	129,511	99,934	54,185	33,439	25,155	30,858	36,311	44,687	42,009	41,655	42,050	49,797	42,710	38,912	41,885
Withdrawn/File closed	77,248	160,006	103,478	76,518	47,368	30,968	26,344	29,514	35,482	48,628	54,439	50,477	64,376	86,343	92,768	95,387	109,866
Single female applicants	**564,375**	**851,204**	**624,679**	**475,202**	**251,899**	**184,412**	**151,985**	**177,262**	**222,648**	**287,116**	**300,805**	**325,458**	**365,678**	**445,192**	**437,323**	**443,437**	**498,032**
Originated	412,721	588,540	432,650	332,093	172,124	133,610	109,827	129,787	167,184	216,280	230,244	254,997	283,361	342,412	337,287	343,296	385,855
Approved but not accepted	40,587	60,721	45,579	35,033	18,195	9,317	8,041	8,417	9,196	11,572	9,703	9,952	10,838	12,465	10,562	10,523	10,092
Denied	59,577	100,808	80,024	60,377	32,470	21,327	16,619	19,663	22,805	27,892	25,571	26,422	26,827	31,666	27,133	24,632	26,710
Withdrawn/File closed	51,490	101,135	66,426	47,699	29,110	20,158	17,498	19,395	23,463	31,372	35,287	34,087	44,652	58,649	62,341	64,986	75,375
Male-female couple applicants	**1,129,136**	**1,567,033**	**1,148,308**	**913,867**	**548,063**	**403,568**	**327,140**	**402,879**	**507,420**	**655,410**	**681,393**	**724,958**	**774,788**	**918,533**	**892,233**	**897,999**	**958,444**
Originated	888,250	1,195,581	876,995	690,359	400,825	303,375	245,368	308,355	398,821	513,197	537,883	585,554	619,016	725,063	704,281	712,662	761,514
Approved but not accepted	68,714	99,084	78,721	67,507	39,798	21,391	17,320	19,710	20,855	26,913	22,603	22,833	23,358	26,903	22,123	21,649	19,875
Denied	83,187	124,849	91,430	77,954	50,405	36,479	28,401	34,197	39,342	48,362	45,651	44,752	43,349	51,838	43,700	39,185	40,607
Withdrawn/File closed	88,985	147,519	101,162	78,047	57,035	42,323	36,051	40,617	48,402	66,938	75,256	71,819	89,065	114,729	122,129	124,503	136,448

Table 17. Disposition of applications for first lien purchase FHA loans of occupied 1-to-4 family homes by year, gender and coapplicant status, Black and Non-Hispanic White applicants

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Black Applicant																	
Total Applications	**69,025**	**48,503**	**45,766**	**53,531**	**101,361**	**113,269**	**78,724**	**96,221**	**97,094**	**92,869**	**96,906**	**122,166**	**147,163**	**160,071**	**150,828**	**156,966**	**184,556**
Originated	47,455	33,146	31,329	34,072	60,849	70,562	48,474	58,560	59,454	56,119	59,887	81,533	96,375	103,703	96,759	103,225	118,550
Approved but not accepted	2,683	2,189	1,900	1,897	4,069	4,426	3,578	4,151	3,407	3,570	3,463	3,938	4,644	4,671	3,849	4,203	4,683
Denied	10,801	7,289	6,697	11,378	21,782	21,477	14,871	18,931	19,545	19,255	18,341	20,787	23,082	24,313	22,424	21,031	24,896
Withdrawn/File closed	8,086	5,879	5,840	6,184	14,661	16,804	11,801	14,579	14,688	13,925	15,215	15,908	23,062	27,384	27,796	28,507	36,427
Single male applicants	**17,961**	**13,063**	**12,216**	**14,382**	**29,098**	**35,074**	**24,877**	**31,606**	**32,252**	**32,320**	**33,398**	**40,367**	**47,975**	**53,161**	**48,523**	**50,188**	**58,363**
Originated	12,069	8,771	8,169	8,914	16,603	21,135	14,975	18,938	19,423	19,207	20,253	26,470	31,192	34,176	30,917	32,972	37,482
Approved but not accepted	724	594	510	516	1,199	1,427	1,164	1,359	1,135	1,253	1,213	1,311	1,507	1,554	1,220	1,360	1,547
Denied	2,931	2,068	1,904	3,329	6,906	7,004	4,908	6,463	6,732	6,962	6,623	7,279	7,730	8,274	7,340	6,722	7,769
Withdrawn/File closed	2,237	1,630	1,633	1,623	4,390	5,508	3,830	4,846	4,962	4,898	5,309	5,307	7,546	9,157	9,046	9,134	11,565
Single female applicants	**29,906**	**22,360**	**20,505**	**22,945**	**44,583**	**53,939**	**36,628**	**46,426**	**45,283**	**42,893**	**43,658**	**53,515**	**63,722**	**69,878**	**63,392**	**66,443**	**83,492**
Originated	20,276	15,274	13,909	14,401	26,955	34,509	22,748	28,442	27,789	26,093	27,153	35,788	41,584	45,065	40,439	43,394	53,577
Approved but not accepted	1,179	1,038	826	797	1,753	2,103	1,676	2,023	1,685	1,709	1,561	1,717	2,071	2,106	1,676	1,840	2,132
Denied	4,939	3,387	3,142	4,981	9,533	9,662	6,732	8,959	8,993	8,612	7,993	8,914	9,954	10,574	9,483	8,845	11,018
Withdrawn/File closed	3,512	2,661	2,628	2,766	6,342	7,665	5,472	7,002	6,816	6,479	6,951	7,096	10,113	12,133	11,794	12,364	16,765
Male-female couple applicants	**15,282**	**10,877**	**11,025**	**13,532**	**22,716**	**19,936**	**14,037**	**14,818**	**15,952**	**14,910**	**16,948**	**24,361**	**30,342**	**30,960**	**30,538**	**32,561**	**34,239**
Originated	10,886	7,687	7,869	9,035	14,374	12,582	8,974	9,238	10,193	9,326	10,817	16,923	20,502	20,799	20,273	22,052	22,464
Approved but not accepted	561	447	470	473	922	733	586	608	488	509	589	747	913	835	740	773	765
Denied	2,139	1,450	1,399	2,553	4,292	3,820	2,485	2,804	3,035	3,005	3,064	3,734	4,414	4,354	4,257	4,196	4,740
Withdrawn/File closed	1,696	1,293	1,287	1,471	3,128	2,801	1,992	2,168	2,236	2,070	2,478	2,957	4,513	4,972	5,268	5,540	6,270
Non Hispanic White Applicant																	
Applications	**233,142**	**203,864**	**192,374**	**188,713**	**472,231**	**681,331**	**549,361**	**532,429**	**532,898**	**484,224**	**424,996**	**546,820**	**588,842**	**586,849**	**482,836**	**478,397**	**481,466**
Originated	182,413	158,511	149,602	140,831	351,099	521,020	408,976	392,704	395,370	351,022	308,853	421,832	447,981	439,804	359,678	362,099	359,785
Approved but not accepted	8,215	8,646	7,379	7,123	19,577	25,261	22,232	19,579	16,328	15,161	11,907	13,833	14,034	13,552	9,714	9,550	9,450
Denied	22,393	18,069	17,203	22,756	54,100	67,110	57,799	59,156	61,477	59,984	50,937	55,666	56,778	55,082	45,291	39,557	38,780
Withdrawn/File closed	20,121	18,638	18,190	18,003	47,455	67,940	60,354	60,990	59,723	58,057	53,299	55,489	70,049	78,411	68,153	67,191	73,451
Single male applicants	**70,045**	**61,459**	**58,352**	**57,698**	**152,420**	**231,392**	**188,759**	**187,700**	**194,190**	**181,161**	**162,165**	**207,492**	**221,134**	**218,817**	**180,187**	**179,451**	**183,280**
Originated	53,137	46,019	43,729	41,168	108,703	172,455	137,022	134,873	140,757	128,975	116,002	157,639	166,047	161,752	132,972	134,616	136,261
Approved but not accepted	2,518	2,675	2,296	2,195	6,407	8,973	7,994	7,174	6,228	5,833	4,743	5,473	5,391	5,158	3,741	3,695	3,727
Denied	7,884	6,547	6,213	8,210	20,506	25,363	21,536	22,871	24,435	24,134	20,675	22,961	22,972	21,865	17,800	15,711	15,209
Withdrawn/File closed	6,506	6,218	6,114	6,125	16,804	24,601	22,207	22,782	22,770	22,219	20,745	21,419	26,724	30,042	25,674	25,429	28,083
Single female applicants	**55,729**	**46,910**	**42,040**	**40,259**	**104,835**	**174,830**	**142,584**	**141,561**	**141,050**	**125,335**	**109,529**	**144,561**	**158,564**	**155,399**	**123,586**	**124,265**	**133,010**
Originated	42,860	35,793	32,026	29,171	76,780	133,603	105,330	103,677	104,078	90,249	79,199	110,578	119,372	114,758	90,537	92,532	98,354
Approved but not accepted	2,009	2,039	1,658	1,486	4,357	6,475	5,853	5,350	4,372	3,966	3,063	3,804	3,860	3,744	2,562	2,642	2,571
Denied	5,756	4,536	4,126	5,538	12,797	17,096	15,205	15,897	16,341	15,681	13,297	15,144	15,681	15,184	12,360	10,810	10,996
Withdrawn/File closed	5,104	4,542	4,230	4,064	10,901	17,656	16,196	16,637	16,259	15,439	13,970	15,035	19,651	21,713	18,127	18,281	21,089
Male-female couple applicants	**95,117**	**84,667**	**81,408**	**79,939**	**192,047**	**246,221**	**194,181**	**180,671**	**176,883**	**158,856**	**137,743**	**178,565**	**191,739**	**189,909**	**155,359**	**153,168**	**143,790**
Originated	76,609	68,068	65,552	62,229	148,835	194,019	149,447	138,000	135,657	118,479	102,783	141,516	149,892	146,855	119,269	119,228	109,929
Approved but not accepted	3,250	3,431	3,014	2,997	7,920	8,823	7,468	6,316	5,134	4,783	3,678	4,134	4,341	4,186	2,906	2,824	2,713
Denied	7,727	6,198	6,048	7,906	18,068	20,833	18,060	17,449	17,934	17,617	14,809	15,621	16,103	15,388	12,584	10,851	10,410
Withdrawn/File closed	7,531	6,970	6,794	6,807	17,224	22,546	19,206	18,906	18,158	17,977	16,473	17,294	21,403	23,480	20,600	20,265	20,738

Table 18. High-cost loans, purchase loans of occupied 1-to-4 family homes by year, gender and coapplicant status, Black and Non-Hispanic White applicants

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Black Applicant																	
Total loans	**458,354**	**397,178**	**300,583**	**197,120**	**116,371**	**109,728**	**74,055**	**98,416**	**105,379**	**113,723**	**130,176**	**164,585**	**198,217**	**236,419**	**233,269**	**249,367**	**285,468**
High-cost	61,342	207,719	134,863	46,021	16,237	7,773	1,504	5,020	5,629	16,851	34,557	27,139	31,769	41,323	53,622	55,713	36,488
Single male applicants	**155,141**	**140,852**	**106,366**	**66,142**	**36,463**	**36,302**	**25,421**	**35,440**	**37,623**	**42,863**	**48,683**	**58,393**	**70,038**	**87,460**	**84,590**	**90,228**	**102,834**
High-cost	22,962	80,032	52,716	17,610	5,385	2,422	485	1,631	1,827	5,827	11,614	8,898	10,347	13,551	16,975	17,587	11,652
Single female applicants	**184,688**	**163,352**	**123,420**	**81,838**	**47,988**	**48,391**	**31,321**	**41,893**	**42,920**	**45,484**	**50,672**	**61,500**	**73,624**	**92,689**	**89,020**	**96,653**	**117,555**
High-cost	26,737	88,416	55,886	18,784	6,643	3,528	666	2,394	2,559	7,670	15,557	11,928	13,578	17,670	22,171	22,737	15,899
Male-female couple applicants	**95,824**	**82,782**	**61,393**	**43,579**	**27,711**	**21,964**	**14,899**	**18,470**	**21,688**	**22,978**	**27,995**	**40,664**	**49,438**	**49,788**	**50,382**	**53,928**	**55,845**
High-cost	9,845	34,209	21,581	8,182	3,437	1,498	306	821	1,005	2,882	6,396	5,533	6,793	8,574	11,582	12,669	7,296
Non Hispanic White Applicant																	
Total loans	**2,871,226**	**2,941,208**	**2,205,337**	**1,737,846**	**1,277,775**	**1,313,583**	**1,037,184**	**1,201,921**	**1,420,633**	**1,649,943**	**1,689,184**	**1,917,607**	**2,061,488**	**2,375,851**	**2,236,728**	**2,260,266**	**2,432,039**
High-cost	165,841	556,453	325,251	147,969	93,982	58,188	13,606	39,762	42,065	105,197	166,307	124,224	133,628	157,493	183,608	187,052	110,892
Single male applicants	**892,671**	**924,617**	**690,358**	**538,597**	**387,326**	**423,310**	**332,152**	**394,365**	**466,464**	**542,406**	**561,285**	**639,986**	**692,413**	**800,271**	**750,942**	**762,219**	**828,831**
High-cost	66,462	233,084	136,148	60,197	32,287	18,971	4,406	12,917	14,140	38,484	61,934	47,425	50,094	59,118	68,081	69,412	41,382
Single female applicants	**628,470**	**631,322**	**471,484**	**369,266**	**261,579**	**292,848**	**230,060**	**262,105**	**303,948**	**341,738**	**345,546**	**400,146**	**439,073**	**499,339**	**464,156**	**472,779**	**529,338**
High-cost	44,389	147,893	82,119	34,405	19,652	12,200	3,182	9,027	9,531	25,865	41,691	32,397	34,949	39,924	44,890	45,291	27,971
Male-female couple applicants	**1,267,414**	**1,300,939**	**978,587**	**785,630**	**590,450**	**558,543**	**441,033**	**510,977**	**612,196**	**722,977**	**741,098**	**836,853**	**883,584**	**1,007,214**	**944,522**	**952,814**	**994,940**
High-cost	50,854	158,388	95,434	49,204	38,294	24,607	5,485	16,204	16,914	36,907	57,111	41,068	44,622	52,531	61,782	63,938	36,553

Table 19. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes, Millennials, Black and Non-Hispanic White applicants (2018-2020)

	Black Applicant			Non Hispanic White Applicant		
	2018	2019	2020	2018	2019	2020
Total Applications	**358,433**	**376,037**	**437,680**	**2,918,506**	**2,926,713**	**3,152,438**
Originated	233,269	249,367	285,468	2,236,728	2,260,266	2,432,039
Approved but not accepted	8,983	9,683	10,507	67,432	65,897	63,382
Denied	49,783	47,687	55,407	196,111	174,583	179,591
Withdrawn/File closed	66,398	69,300	86,298	418,235	425,967	477,426
Millennials	**104,217**	**108,816**	**139,634**	**1,126,586**	**1,128,497**	**1,283,159**
Originated	69,702	74,179	93,113	885,026	892,584	1,015,427
Approved but not accepted	2,487	2,614	3,048	22,994	22,582	22,510
Denied	13,400	12,633	16,533	67,488	60,414	65,637
Withdrawn/File closed	18,628	19,390	26,940	151,078	152,917	179,585

Table 20. Distribution of denial reasons of first lien purchase loans of occupied 1-to-4 family homes, Millennial applicants 2020

	Black	White
Total	**16,303**	**63,214**
Debt-to-income ratio	5,833	18,277
Employment history	825	3,946
Credit history	3,674	11,187
Collateral	1,823	10,005
Insufficient cash	680	3,036
Unverifiable information	804	3,154
Credit application incomplete	1,201	7,406
Mortgage insurance denied	16	94
Other	1,447	6,109

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