

Changing Patterns XXII

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2014

BY

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

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FOREWORD

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

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

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

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

MCBC depends on the financial support of its members to produce reports like *Changing Patterns*. MCBC thanks the following financial institutions for their 2015 membership:

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Beverly Co-operative Bank	Eagle Bank	RTN Federal Credit Union
Blue Hills Bank	East Cambridge Savings Bank	Santander
Boston Private Bank & Trust Company	Eastern Bank	StonehamBank
Braintree Cooperative Bank	Equitable Bank	—A Co-operative Bank
Cambridge Savings Bank	Everett Co-operative Bank	TD Bank
Cape Cod Five Cents Savings Bank	Industrial Credit Union	The Cooperative Bank
Capital One	Leader Bank, N.A.	The Savings Bank
Citi	Mansfield Co-operative Bank	Wellesley Bank
Citizens Bank	Mass Bay Credit Union	Winchester Co-operative Bank
	North Cambridge Co-operative Bank	Winchester Savings Bank

MCBC's 2015 Community Partners include ACCION, City of Boston through the Boston Redevelopment Authority, Community Teamwork, Inc., Dudley Square Main Streets, ESAC, Fair Housing Center of Greater Boston, Family Independence Initiative, Interise, Massachusetts Affordable Housing Alliance, Massachusetts Association of CDCs, Massachusetts Housing Partnership, Metropolitan Boston Housing Partnership, Somerville Community Corporation, South Eastern Economic Development (SEED) Corporation, and The Neighborhood Developers.

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EXECUTIVE SUMMARY

This is the twenty-second in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. The report presents information on home-purchase mortgage lending in the city of Boston, in Greater Boston, in Massachusetts, in Boston neighborhoods, and in thirty-six large cities.

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

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

Level and Composition of Mortgage Lending

❖ Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2014, although their share of home-purchase loans fell for the fourth straight year. In Greater Boston, GBLs accounted for 10% of all home-purchase lending (down from a peak of 25% in 2010 and from 11% in 2013). In the City of Boston, the GBL share of all home-purchase loans was 8%. The GBL loan shares remain far above those in 2005, when GBLs

accounted for just 0.5% of home-purchase loans in Greater Boston.

- ❖ Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide. For home-purchase loans, the GBL loan shares were 19% in the state and 37% nationwide.
- ❖ For the state’s twenty-six Gateway Cities combined, 34% of home-purchase loans in 2014 were GBLs, nearly double the statewide GBL share of 19%. Among the state’s biggest cities, GBL loan shares were highest in Lawrence (where they accounted for 61% of all loans), Brockton (56%) and Springfield (53%). GBLs also made up more than 40% of all home-purchase loans in five other cities (Fall River, Lynn, New Bedford, Fitchburg, and Chicopee).

Borrower Race/Ethnicity and Income

- ❖ Black and Latino borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2014 that were far below their shares of total households. In Greater Boston, blacks made up 7.3% of households but received only 2.0% of conventional home-purchase loans, while Latinos made up 6.8% of households but received only 3.2% of loans. In Boston, the black household share was 21.0%, but the black loan share was just 3.6%, while the Latino household share was 13.7% and the Latino loan share was just 4.0%.
- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs in 2014 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, GBLs accounted for 36% of loans to blacks and 37% of loans to Latinos, but only 9% of loans to whites. In the City of Boston, GBLs accounted for 40% of loans to blacks, 23% of loans to Latinos, and 5% of loans to whites. GBL loan shares were consistently much *lower* for Asian borrowers than for whites.

- ❖ Black and Latino shares of conventional (i.e., non-government-backed) loans have changed little over the 2009–2014 period, both in Greater Boston and statewide. In contrast, the share of black borrowers (but not that of Latinos) in the City of Boston has trended downward during this six-year period.
- ❖ Home-purchase lending to black and Latino borrowers varied dramatically among Boston’s twenty major neighborhoods in 2014. Black borrowers received 49% of total loans in Mattapan and 25% or more of total loans in Hyde Park and Roxbury, but received no loans in the Allston, Beacon Hill, Downtown, Fenway, Mission Hill, North End, and South Boston neighborhoods. Latino borrowers received between 16% and 18% of total loans in Hyde Park, Roxbury, and East Boston, while there were no loans to Latinos in the Beacon Hill and North End neighborhoods.
- ❖ When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2014 tend to decline steadily as the level of borrower income increases. In Greater Boston, GBL shares of home-purchase loans fell steadily from 18% for moderate-income borrowers to 2% for highest-income borrowers. (However, the GBL shares for low-income borrowers were generally lower than those for the next two income categories.)
- ❖ When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos in 2014 were usually substantially higher than the GBL shares for white borrowers in the same income category. For example, in Greater Boston the 2014 home-purchase GBL loan shares for high-income borrowers were 32% for blacks, 21% for Latinos, and 7% for whites.
- in predominantly minority tracts (those with at least 75% minority residents) was 3.8 times greater than the GBL loan share in predominantly white tracts (31.7% vs. 8.4%). The GBL share in low-income census tracts was 4.3 times greater than it was in upper-income tracts (21.2% vs. 4.9%).
- ❖ Government-backed lending varied dramatically among Boston’s neighborhoods. The GBL share of home-purchase loans ranged from 34% in Hyde Park and 32% in Mattapan to 0.0% in Allston, Beacon Hill, Downtown, Fenway, and the North End. The five Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of GBL loans.
- ❖ Total home-purchase lending to blacks and Latinos in 2014 was highly concentrated in a small number of the state’s cities and towns, and entirely absent in many others. Just five cities (Brockton, Boston, Randolph, Springfield, and Worcester) accounted for 47% of total loans to blacks in Massachusetts, but for only 12% of the state’s total loans. Seven cities (Lawrence, Springfield, Boston, Lynn, Worcester, Methuen, and Revere) accounted for 42% of loans to Latinos in the state, while accounting for just 14% of the state’s total loans. Meanwhile, in 86 of the state’s 351 cities and towns there was not a single home-purchase loan to either a black or Latino homebuyer.

Neighborhood Race/Ethnicity and Income

- ❖ For home-purchase loans in Greater Boston in 2014, the government-backed loan (GBL) share

Denials of Mortgage Applications

- ❖ In Boston, Greater Boston, and Massachusetts in 2014, the denial rates on conventional (i.e., non-government-backed) home-purchase loan applications by blacks and Latinos were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.6 in Boston (21% vs. 6%), 2.8 in Greater Boston (17% vs. 6%), and 2.4 statewide (17% vs. 7%). Latino denial rates for conventional home-purchase loans were approximately twice the denial rates for white applicants.

- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2014 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. For example, for applicants with incomes between \$71,000 and \$90,000, the black denial rate was 3.6 times greater than the white denial rate in Boston, 2.5 times greater in Greater Boston, and 2.4 times greater statewide.
- ❖ While there have been ups and downs in the Asian/white, black/white, and Latino/white denial rate disparity ratios during the last eleven years, there are no major trends—that is, in most cases the disparity ratios in 2014 were quite close to what they had been in 2004. There is one exception: the black/white disparity ratio in the City of Boston has risen in the last four years to a historically high level of 3.6, far above its level of 2.6 ten years earlier.

Lenders

- ❖ Massachusetts banks and credit unions (CRA-covered lenders) had the biggest home-purchase loan shares in 2014 for the seventh consecutive year. The loan shares of Licensed Mortgage Lenders (LMLs) were nearly as large, while Other Lenders were a distant third. In Greater Boston, their loan shares were 44%, 43%, and 14%, respectively. These loan shares are dramatically changed from 2005–2006, when the share of CRA-covered lenders was only about 20%.
- ❖ In virtually every case, CRA-covered lenders directed a greater share of their total loans as conventional loans—and a smaller share of their total loans as GBLs—to the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and Other Lenders. In Greater Boston in

2014, for example, conventional loans to black borrowers made up 2.2% of all loans made by CRA-covered lenders, 1.6% of all loans by LMLs and 1.2% of all loans by Other Lenders.

- ❖ The introduction of Performance Evaluations and ratings of individual LMLs under the state's CRA for Mortgage Lenders regulation seems to have had a positive impact on the relative performance of LMLs for second straight year. Since the initial *Changing Patterns* report in 1995, this type of comparison had consistently shown a substantial difference between the performance of CRA-covered lenders and the two other major types of lenders, and proponents of the new regulation argued that it should have an analogous impact on the performance of LMLs relative to that of Other Lenders. The expected effect appeared for the first time in 2013 lending data and it appears again this year. For conventional home-purchase lending in 2014, the loan shares for LMLs were greater than the loan shares for Other Lenders in all five categories of traditionally underserved borrowers and neighborhoods in Boston, in Greater Boston, and statewide.

- ❖ Guaranteed Rate was the biggest lender in Boston, Greater Boston, and statewide in 2014. The next five biggest lenders in Greater Boston were Leader Bank, Mortgage Master, Wells Fargo Bank, and Prospect Mortgage. These five lenders accounted for 21% of total home-purchase loans in Greater Boston.

Legislative and Regulatory Developments

- ❖ The CFPB issued a final rule in mid-October that greatly expands the data to be reported by lenders under the Home Mortgage Disclosure Act (HMDA). The CFPB will determine at a later date how much of the new data that lenders report to their regulators will be released to the public. The new requirements will cover reporting on applications received on or after January 1, 2018.

INTRODUCTION

This report is the twenty-second in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. The report includes detailed information on lending in 2014 in Boston, Greater Boston, and Massachusetts, as well as in Boston’s neighborhoods and thirty-six of the state’s largest cities and towns. In addition, a separate set of supplemental tables provides selected data for every city and town in Massachusetts and for the state’s fourteen counties.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. In the following years, however, these banks lost most of their market share to other lenders—out of state banks and independent mortgage companies—whose local lending was not covered by the CRA.

In the middle 1990s, subprime lending began its explosive growth. Although subprime loans initially consisted overwhelmingly of loans to refinance existing mortgages, by 2003 they had become a larger share of home-purchase loans than of refinance loans. Subprime lending peaked in 2005 and 2006, and then began a precipitous drop that resulted in its almost complete disappearance.

Since 2008, government-backed lending has captured an unprecedentedly large share of the overall market, particularly of home-purchase lending, although this share has declined in the last four years.

The basic goal that motivated the Massachusetts Community & Banking Council (MCBC) to initiate the *Changing Patterns* series of reports was to increase access to home-purchase mortgage loans—and, thus, access to homeownership—for traditionally underserved borrowers and neighborhoods. In the early 1990s, mortgages themselves were a relatively standard product, which potential homebuyers either got or didn’t get.

With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*.

Expressed differently, the problem of *redlining* became overshadowed by concern with *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all became specifically targeted for higher-cost mortgage loans. Predatory lenders pushed loans characterized by egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices on minority borrowers and neighborhoods. As a result, these same borrowers and neighborhoods have been disproportionately impacted by the ongoing tidal wave of foreclosures.¹

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

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

(FHA) or guaranteed by the Department of Veterans Affairs (VA) or the Department of Agriculture (USDA)—is an indication of reduced availability of prime mortgage loans. While government-backed lending is generally done in a responsible way, GBLs are typically more costly than prime loans and often represent a second-best option that borrowers turn to when they cannot obtain prime mortgage loans. The “Notes on Government-Backed Lending” at the end of this report provide considerable additional information on the nature of GBLs and the reasons for their high levels in recent years.

The current report differs from its recent predecessors by returning the focus to home-purchase loans, as in the original reports in the *Changing Patterns* series. Although overall data on refinance lending are contained in Tables 1–3 and Appendix Tables 1–2, all of the other tables present data on home-purchase lending only. In addition, all twenty-six Gateway Cities are now included in the tables with data on lending in the state’s largest cities. Finally, there are now six tables (up from three) with annual data beginning in 2004; the new tables show trends in lending to Asian, black, and Latino borrowers, in lending to low- and moderate-income borrowers, and in denial rates for Asian, black, Latino, and white loan applicants.

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

A major focus of many of this report’s tables and charts is to provide information on lending to different categories of borrowers and in different geographical areas. To this end, the report draws on two major sources of data in addition to HMDA data. First, estimates of the 2014 median family income (MFI) in each metropolitan area, produced by the FFIEC, are used to place borrowers into income categories. Second, information from the U.S. Census Bureau is utilized so that analysis of lending patterns in terms of the income level and race/ethnicity of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. The “Notes on Data and Methods” at the end of the report provide details on the definitions and sources of the data used.

The analysis in this report is limited to first-lien home-purchase and refinance loans for owner-occupied homes. That is, it excludes (1) second mortgages and other junior-lien loans, (2) loans for homes that borrowers will not be occupying as a principal residence, and (3) home-improvement loans. Appendix Table 1 provides detailed data on the numbers and percentages of different types of home-purchase and refinance loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 86.0% of all loans in the state, that first-lien loans for non-owner-occupied homes accounted for 12.1% of the total, and that junior-lien loans accounted for the remaining 1.9%. Appendix Table 2 provides information on all loans and GBLs, broken down by purpose (home-purchase and refinance), by type of lien, and by borrower race/ethnicity.

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

the complex, ongoing tasks of explanation and evaluation of the lending patterns observed.

For many readers, this report’s main contribution will consist of the wealth of information contained in its thirty-eight tables, including data about individual municipalities of particular interest.² No attempt is made to summarize all of this information in the pages that follow.

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, Massachusetts. (In this report, *Greater Boston* is defined as consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.³) The remaining sections of the report are organized as follows:

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

² Additional tables, available at www.mcbc.info/reports/mortgage, provide **information on mortgage lending in all of the cities and towns in Massachusetts** and in all fourteen of the state’s counties. It should be noted that these supplemental tables do not provide individual data for all 351 of the state’s cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 60 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Florida and Savoy in Berkshire County).

³ More information on the MAPC region and on the MAPC itself—a regional planning agency established by the state in 1963—is available at www.mapc.org. Another widely used definition of “Greater Boston” is the Boston Metropolitan Statistical Area (MSA), the Massachusetts portion of which is currently defined by the federal government to include the 147 communities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. Brockton, Lowell, and Lawrence are the three biggest cities in the Boston MSA that are not included in the MAPC region. A map of the MAPC region and the Boston MSA precedes Table 1.

I. THE OVERALL LEVEL AND COMPOSITION OF MORTGAGE LENDING

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

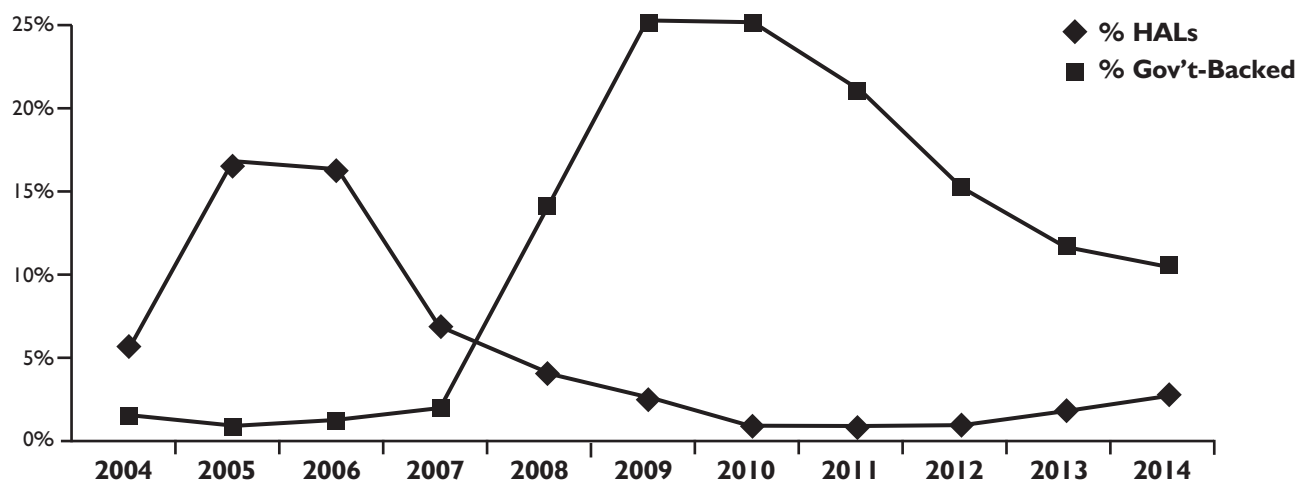
- ❖ **The overall level of home-purchase lending fell very slightly in 2014, while the level of refinance lending declined by nearly two-thirds.** In Greater Boston, the number of home-purchase loans decreased by 4% to 30,396 loans while the number of refinance loans dropped 65% to 22,108. In 2014, home-purchase loans accounted for 58% of all loans in Greater

Boston, up from just 33% the year before. (See Table 1.)

- ❖ **Government-backed loans (GBLs) continued to account for historically high shares of total lending in 2014, although their share of home-purchase loans fell for the fourth straight year. In Greater Boston, GBLs accounted for 10.0% of all home-purchase lending (down from a peak of 24.7% in 2010 and from 11.2% in 2013).** In the City of Boston, the GBL share of all home-purchase loans was lower, at 7.6%, while statewide it was substantially higher, at 18.5%. The GBL loan shares remain far above those in 2005, when GBLs accounted for just 0.5% of home-purchase loans in Greater Boston. (Table 1 and Exhibit 1)

- ❖ **The level of high-APR loans (HALs) remained very low in 2014, accounting for just 2.2% of all home-purchase loans in Greater Boston—far below their peak level of 16.2% in 2005.** Even these relatively small numbers of HALs were not predatory loans similar to those prevalent a decade ago—in fact, 82.6% of all home-purchase HALs in Greater Boston were

Exhibit I: High-APR and Gov't-Backed Loans in Greater Boston, 2004–2014
First-Lien Home-Purchase Loans for Owner-Occupied Homes



Source: Tables 1 & 2

FHA loans, whose APRs were raised modestly above the HAL threshold by recent increases in the insurance premiums on FHA mortgages.⁴ (See Table 2 and Exhibit 1.)

❖ **Government-backed loans accounted for a substantially smaller percentage of loans in Massachusetts than they did nationwide.**

Overall, the GBL loan shares in 2014 were 14.2% in Massachusetts and 29.2% nationwide. For home-purchase loans, the GBL loan shares were 18.5% in the state and 36.6% nationwide; for refinance loans, they were 8.3% in the state and 18.7% nationwide.⁵

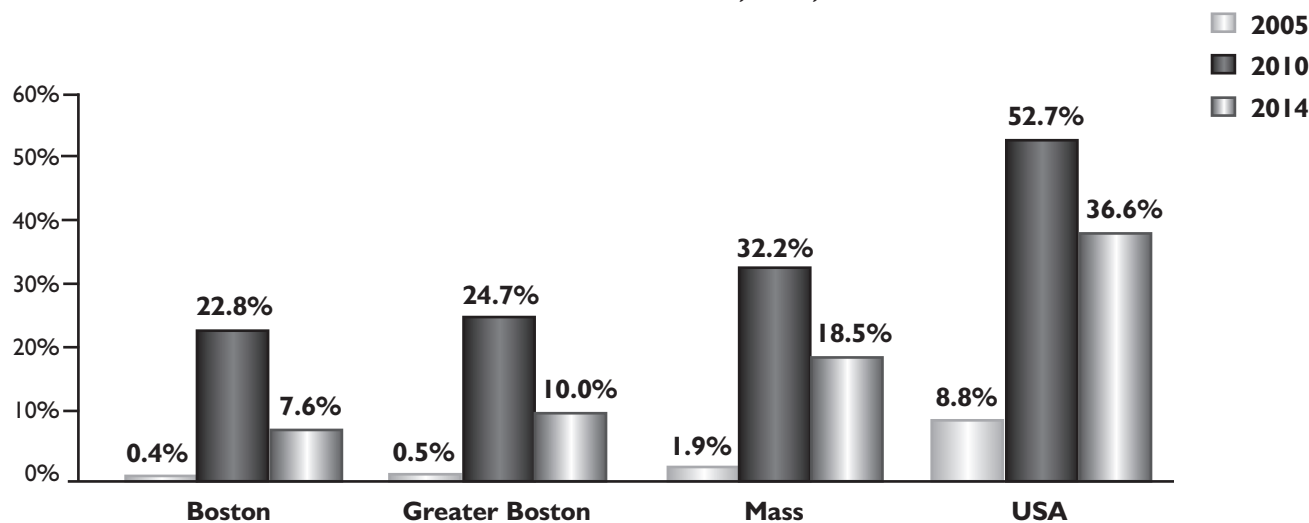
❖ **For the state’s twenty-six Gateway Cities combined, 34.1% of home-purchase loans in 2014 were GBLs, nearly double the statewide GBL share of 18.5%. Among the state’s biggest cities,⁶ GBL loan shares for home-purchase lending in 2014 were highest in Lawrence (where they accounted for 61.1% of all loans), Brockton (56.1%) and Springfield (52.6%). GBLs also made up more than 40% of all home-purchase loans in five other cities (Fall River, Lynn, New Bedford, Fitchburg, and Chicopee). (Table 3)**

II. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, blacks and Latinos received shares of total **conventional loans (i.e., “non-government-backed loans” or “non-GBLs”)** that were disproportionately small compared to their shares of total households. At the same time,

black and Latino borrowers were much more likely than their white counterparts to receive **government-backed loans (GBLs)**. The pattern with respect to GBL loans can be seen from two different perspectives. First, GBLs made up much

EXHIBIT 2: Gov’t-Backed Loan Shares of Home-Purchase Loans, 2005, 2010 & 2014



Source: Table 2 and see footnote 20

⁴ In Greater Boston, 551 of 667 home-purchase HALs (82.6%) and 79 of 134 refinance HALs (59.0%) were FHA loans. These data are not shown in any of this report’s tables. See “Notes on Government-Backed Lending” for information on the recent increases in FHA mortgage insurance premiums and their role in pushing the APRs on many FHA loans slightly above the HAL threshold.

⁵ The nationwide overall GBL share is calculated from data in Table 1 and the home-purchase and refinance GBL shares are from Table 3 of Neil Bhutta, Jack Popper, and Daniel R. Ringo, “The 2014 Home Mortgage Disclosure Act Data” (*Federal Reserve Bulletin*, 2015; available at: www.federalreserve.gov).

⁶ Although four of the thirty-six municipalities listed in Table 3 are officially towns, these municipalities will be referred to collectively as “cities” throughout this report. The four towns are: Brookline, Framingham, Plymouth, and Weymouth.

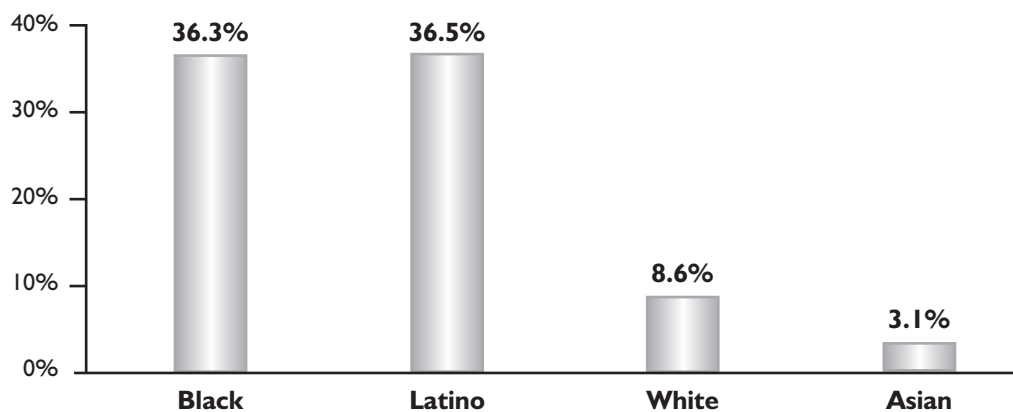
larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. Second, blacks and Latinos received much larger shares of total GBLs than they received of total conventional loans. When borrowers are grouped by income level, GBL loan shares tend to decrease steadily as income increases. When borrowers are classified by both race and income, substantial black/white and Latino/white disparities exist at every income level.⁷

❖ **Black borrowers in Boston, Greater Boston, and statewide received shares of total conventional loans in 2014 that were far below their shares of total households. In Greater Boston, blacks made up 7.3% of households but received only 2.0% of conventional home-purchase loans. In Boston, the black household share was 21.0%, but the black loan share was just 3.6%. Statewide, the black household share was 5.7% and the black loan share was 2.1%.⁸ (Panel B of Table 4)**

❖ **Latino borrowers in Boston, Greater Boston, and statewide also received shares of total conventional loans in 2014 that were well below their shares of total households. In Greater Boston, Latinos made up 6.8% of households but received only 3.2% of conventional home-purchase loans. In Boston, the Latino household share was 13.7%, but the Latino loan share was just 4.0%. Statewide, the Latino household share was 7.2% and the Latino loan share was 3.5%. (Panel B of Table 4)**

❖ **Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive GBLs in 2014 than were their white or Asian counterparts. For home-purchase loans in Greater Boston, GBLs accounted for 36.3% of loans to blacks and 36.5% of loans to Latinos, but only 8.6% of loans to whites. Accordingly, the black/white and Latino/white disparity ratios both were 4.2. In the City of Boston, the black/white disparity**

EXHIBIT 3: Gov’t-Backed Loan Shares by Race/Ethnicity, Home-Purchase Loans, Greater Boston, 2014



Source: Table 4

⁷ Appendix Table 3 and the accompanying Chart A-3 update the table and chart from previous *Changing Patterns* reports that have tracked the number and percentage of all home-purchase loans that have gone to borrowers of different races/ethnicities in the City of Boston since 1990. Most notably, **blacks—who made up 21% of the city’s households throughout the entire period—saw their share of home-purchase loans increase from 16% in 1990 to 21% in 1993, then fall steadily to 10% in 2002, rebound to 17% by 2006, and then resume a steady decline to 6.6% in 2013 before a slight uptick to 6.3% in 2014.**

In addition, information on the share of all loans that went to borrowers at various income levels is presented in the bottom half of Table 9, and Appendix Table 4 and Chart A-4 provide data on the number and percentages of all loans that went to borrowers at different income levels in the City of Boston since 1990. This information is provided for readers who may be interested; none of it is discussed in the text of this report.

⁸ The black and Latino household shares in this paragraph and the next are calculated from 2010 Census data (see “Notes on Data and Methods” for details). In 2000, the black household shares were 21.3% in Boston and 4.7% statewide, while the Latino household shares were 10.6% in Boston and 5.0% statewide. Thanks to Jessie Partridge of MAPC for providing the 2010 household percentages for Greater Boston.

ratio was 8.2 (39.5% vs. 4.8%) and the Latino/white disparity ratio was 4.75 (22.8% vs. 4.8%). Statewide disparity ratios were both about 2.75. GBL loan shares were consistently much *lower* for Asian borrowers than for whites. (Table 4 and Exhibit 3)

- ❖ The dramatic racial/ethnic disparities in government-backed mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 2.0% of all conventional loans in 2014, their share of all GBL loans was more than five times greater—10.2%. Similarly, while Latino homebuyers received only 3.2% of all conventional loans in Greater Boston, their share of all GBL loans was 16.6%.** (Table 4, Panel B)
- ❖ Table 5 shows Asian, black, and Latino loan shares annually since 2004, when HMDA data first became available in its present form; however, the data for 2004–2008 show prime rather than conventional loans, and so are not directly comparable to the data for later years. **Black and Latino shares of conventional (i.e.,**

non-government-backed) loans have changed little over the 2009–2014 period, both in Greater Boston and statewide. In contrast, the share of black borrowers (but not that of Latinos) in the City of Boston has trended downward during this six-year period. (Table 5, Panel A)

- ❖ Tables 6 and 7 provide information for lending in thirty-six cities, including the state’s twenty-six Gateway Cities individually and as a group. **The general patterns of GBL loan shares being substantially higher for black and Latino borrowers than for their white counterparts, and of blacks and Latinos having substantially larger shares of GBLs than of conventional loans, were present in most of the state’s largest cities, and for the state’s twenty-six Gateway Cities as a group.** (Tables 6–7 and Exhibit 4)⁹
- ❖ **Home-purchase lending to black borrowers varied dramatically among Boston’s twenty major neighborhoods in 2014. Black borrowers received 48.9% of total loans in Mattapan and 25.0% or more of total loans in**

EXHIBIT 4: Black and Latino Shares of All Home-Purchase Loans, in Massachusetts Gateway Cities, Ten Biggest & Total, 2014

	Black share of total		Latino share of total	
	non-GBLs	GBLs	non-GBLs	GBLs
Worcester	5.3%	15.9%	7.9%	24.3%
Springfield	12.7%	13.8%	21.0%	38.3%
Lowell	4.4%	9.1%	9.6%	19.6%
New Bedford	3.3%	9.2%	1.6%	13.6%
Brockton	39.0%	48.4%	10.5%	12.2%
Quincy	1.9%	3.8%	1.5%	7.7%
Lynn	5.9%	8.0%	16.9%	43.9%
Fall River	3.1%	7.8%	3.1%	7.8%
Lawrence	0.0%	0.9%	75.2%	86.8%
Haverhill	1.2%	5.2%	8.7%	26.4%
All Gateway Cities	5.0%	12.1%	9.9%	26.8%

Source: Table 7

⁹ Corresponding data for all of the state’s cities and towns is presented in Supplemental Table 2.

Hyde Park and Roxbury, but received less than 1.0% of total loans in 13 other neighborhoods. Just five neighborhoods (Dorchester, Hyde Park, Mattapan, Roslindale, and Roxbury) accounted for 89.9% of all Boston loans to blacks, while **seven neighborhoods (Allston, Beacon Hill, Downtown, Fenway, Mission Hill, the North End, and South Boston) received no loans to blacks** and in six additional neighborhoods blacks received three or fewer loans. (Table 8).

- ❖ **Home-purchase loans to Latino borrowers also varied substantially among Boston’s twenty major neighborhoods. Latino borrowers received between 16% and 18% of total loans in Hyde Park, Roxbury, and East Boston, while they received 2.0% or less of total loans in seven other neighborhoods.** Just three neighborhoods (Dorchester, Hyde Park, and East Boston) accounted for over half (52.1%) of all Boston loans to Latinos, while seven neighborhoods (adding Roslindale, Roxbury, Jamaica Plain, and West Roxbury) accounted for 80.5% the total. In two neighborhoods (Beacon Hill and the North End) there were no loans to Latino borrowers in 2014. (Table 8).
- ❖ **When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, GBL shares of both home-purchase and refinance loans in 2014 tend to decline steadily as the level of borrower income increases.** In Greater Boston, GBL shares of home-purchase loans were 18.2% for moderate-income borrowers, 15.5% for middle-income borrowers, 7.5% for high-income borrowers, and 1.9% for highest-income borrowers. The GBL shares for the small number of low-income borrowers (less than 4%

of borrowers in Greater Boston) were generally lower than those for moderate- and middle-income borrowers; this may reflect the role that targeted affordable mortgage programs play for low-income borrowers. GBL lending to borrowers at different income levels in the thirty-six cities covered in this report tended to follow this same general pattern. Note: The median family income in the Boston MSA in 2014 was \$90,500, so low-income borrowers there were those with incomes up to \$45,000, moderate-income was from \$46,000 to \$72,000, middle-income was from \$73,000 to \$108,000, high-income was from \$109,000 to \$181,000, and highest-income borrowers were those with incomes of \$182,000 or more.¹⁰ (Tables 9 & 10)

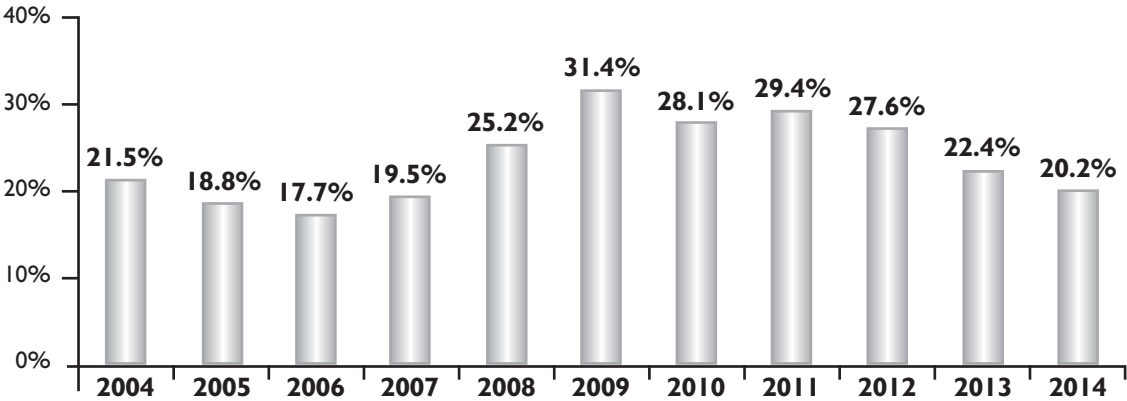
- ❖ **Low- and moderate-income (LMI) borrowers received 20.2% of all home-purchase loans in Greater Boston in 2014, down substantially from the peak LMI loan share of 31.4% reached in 2009,** but still above the LMI loan shares in 2005–2007. During the 2004–2014 period, the level and trajectory of the LMI loan shares in Boston and statewide were similar to those in Greater Boston. (Table 11 and Exhibit 5)
- ❖ **When borrowers are grouped by both race/ethnicity and income level, the GBL loan shares for blacks and Latinos in 2014 were usually substantially higher than the GBL shares for white borrowers in the same income category.** This general pattern holds in Boston (Table 12), in Greater Boston (Table 13), and statewide (Table 14). For brevity, only one specific example will be provided here. **In Greater Boston, 31.5% of high-income blacks and 20.8% of high-income Latinos received their home-purchase loans in the form of GBLs, while the GBL loan share was 7.4% for high-income whites.** This means that among

¹⁰ Following standard practice in mortgage lending studies, these income categories are defined in relationship to the median family income (MFI) in the metropolitan area in which the home is located. Standard practice is to divide borrowers into four income categories: less than 50% of the MFI of the metro area is “low-income”; between 50% and 80% is “moderate-income”; between 80% and 120% is “middle-income”; and over 120% is “upper-income.” **In this report, the standard “upper-income” category for borrowers is subdivided into “high-income” (between 120% and 200% of the MFI in the relevant metropolitan area) and “highest-income” (more than double the MFI in the metro area).** This report also differs from standard practice in using the MFI of the Boston MSA for all communities in that five-county region. The standard practice for analysis of HMDA data now is based on the division of the Boston MSA into two Metropolitan Divisions (MDs), each with its own MFI. This report deviates from the standard practice because it makes no sense to treat, for example, Cambridge and Boston as being in different metropolitan areas. Note: HMDA data only report borrower income to the nearest thousand dollars. See “Notes on Data and Methods” for more detailed information on metropolitan areas and MFIs.

homebuyers with reported incomes between \$109,000 and \$181,000, blacks were 4.2 times more likely to receive a GBL than their white

counterparts, and Latinos were 2.8 times more likely than whites to receive their mortgage in the form of a GBL. (Tables 12–14)

Exhibit 5: Low and Moderate Income Borrower Loan Share Home-Purchase Loans, Greater Boston, 2004–2014



Source: Table 11

III. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where mortgage loans were made rather than on the characteristics of the *borrowers* who received the loans. Table 15 (Boston), Table 16 (Greater Boston), and Table 17 (Massachusetts) classify census tracts by both race/ethnicity and income level.¹¹ These tables provide clear evidence on the high correlation between the percentage of white residents in a census tract and the median income level in that census tract. They also show that government-backed loans (GBLs) are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where

income levels are low. The general patterns noted from Greater Boston in the following two bullets also hold in Boston and statewide.

- ❖ **In Greater Boston, almost all (49 of 53, or 92.5%) of the predominantly minority census tracts (those with more than 75% minority residents) are low- or moderate-income (LMI) and no predominantly minority tracts are upper-income. In contrast, almost none (24 of 398, or 6.0%) of the predominantly white tracts are LMI while more than half (51.2%) are upper-income.** (The remaining

¹¹ Census tracts, redefined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 617,594 according to the 2010 census, had 181 census tracts. A census tract is placed in a racial/ethnic category on the basis of its percentage of minority population as reported in the 2014 HMDA data. A census tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the metropolitan area within which the tract is located, as reported in the 2014 HMDA data. “Low-income” tracts are those with MFIs less than 50% of the MFI in the metro area; “moderate-income” tracts have MFIs from 50%–80% of the MFI in the metro area; “middle-income” tracts have MFIs from 80%–120% of the MFI in the metro area; and “upper-income” tracts are those with MFIs greater than 120% of the MFI in their metro area.

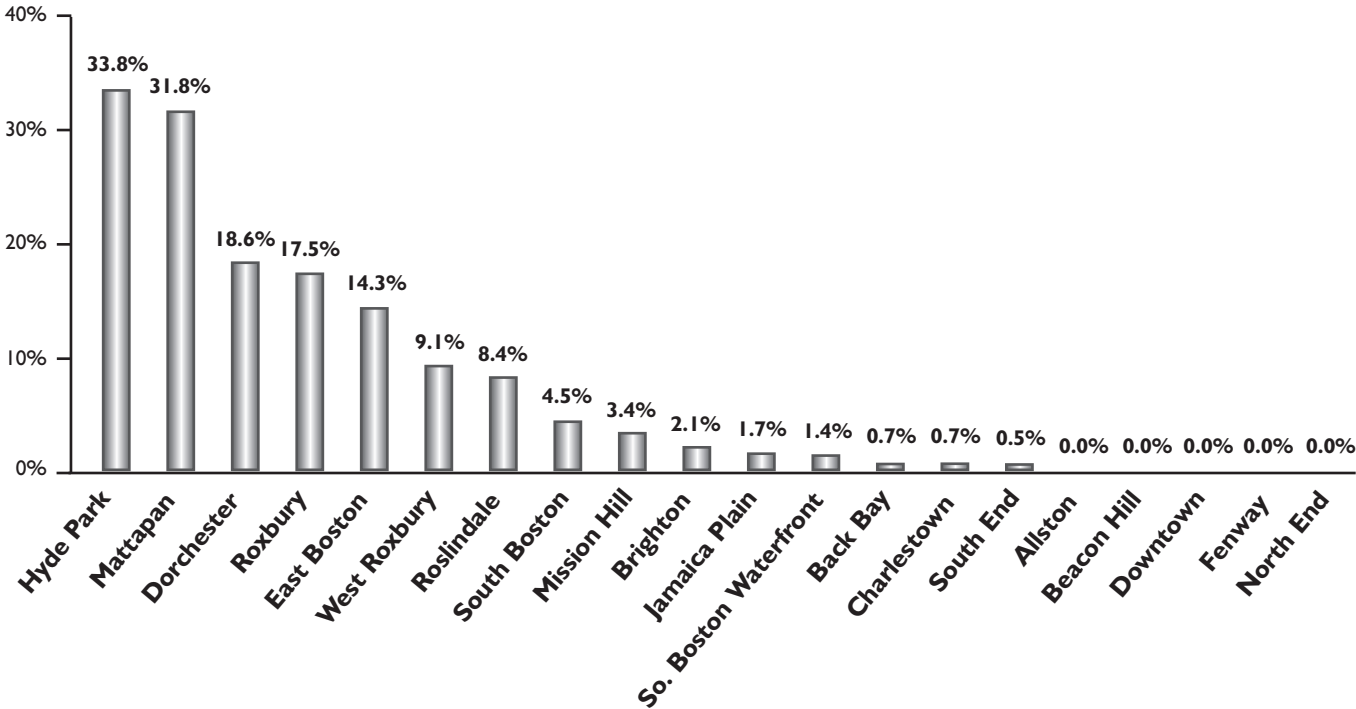
tracts fall into the middle-income category.)¹² The high correlation between the income levels and racial/ethnic composition of neighborhoods can also be seen from another perspective: while minorities make up at least half of the population in over-three quarters of all low-income census tracts in Greater Boston (55 of 70, or 78.6%), this is true for none of the 230 upper-income tracts. (The shares of tracts with a majority of minority residents were 33.3% for moderate-income tracts and 6.5% for middle-income tracts.) (Table 16, Panel A)

- ❖ **For home-purchase loans in Greater Boston in 2014, the government-backed loan (GBL) share in the 53 predominantly minority tracts (those with at least 75% minority residents) was 3.8 times greater than the GBL loan share in the 398 predominantly white tracts (31.7% vs. 8.4%).** The GBL share in low-income census tracts was 4.3 times greater than

it was in upper-income tracts (21.2% vs. 4.9%). (Table 16)

- ❖ **Government-backed lending varied dramatically among Boston’s neighborhoods. The GBL share of home-purchase loans ranged from 33.8% in Hyde Park and 31.8% in Mattapan to 0.0% in five neighborhoods: Allston, Beacon Hill, Downtown, Fenway, and the North End.** The five Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, Hyde Park, and East Boston—had the five highest shares of GBL loans. (Table 17 and Exhibit 6)
- ❖ The same pattern emerges at the level of entire communities. For 36 large cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on government-backed lending. Examination of

EXHIBIT 6: Gov’t-Backed Shares of Home-Purchase Loans, Boston Neighborhoods, 2014



Source: Table 18

¹² While the middle-income category is for census tracts with median family incomes (MFIs) between 80% and 120% of the MFI in the metro area, all four of the predominantly minority middle-income tracts in Greater Boston have MFIs of less than 90% of the metro area MFI. These four tracts are located in Boston’s Hyde Park, Mattapan, and Roslindale neighborhoods.

these data shows that GBL loan shares have a strong positive correlation with communities' percentages of black and Latino residents and a strong negative correlation with communities' median family incomes (MFIs). For example, among these 36 cities, **the three cities with the highest GBL shares for home-purchase loans in 2014 had an average of 60.0% black plus Latino residents and an average MFI of \$45,444 while the three cities with the lowest GBL shares had an average of 11.8% black plus Latino households and an average MFI of \$121,460.** (The high GBL-share cities are Lawrence, Brockton, and Springfield; the low GBL-share cities are Brookline, Cambridge, and Newton.) (Table 3)

- ❖ **Total home-purchase lending to blacks and Latinos in 2014 was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others.** Table 19 provides data for the ten cities that received the most loans to black borrowers and, separately, the ten cities that received the most loans to

Latino borrowers. Just five cities (Brockton, Boston, Randolph, Springfield, and Worcester) accounted for almost one-half (47.4%) of all loans to blacks in Massachusetts; these same five communities accounted for only 12.1% of the state's total loans. Seven cities (Lawrence, Springfield, Boston, Lynn, Worcester, Methuen, and Revere) accounted for 41.7% of all loans to Latinos in the state, while accounting for just 13.6% of the state's total loans. At the same time, **blacks received no home-purchase loans in 2014 in 163 of the state's 351 cities and towns, and only a single loan in 54 more, while there were 101 communities where Latinos received no loans and 67 more where they received just one. In 86 communities, there was not a single home-purchase loan to either a black or Latino homebuyer.** This is down from 95 communities last year, which was the first time since 2007 that there had been fewer than 100 such communities. (Table 19 and calculated from data in Supplemental Table 2)

IV. DENIALS OF MORTGAGE LOAN APPLICATIONS

HMDA data include information not just on mortgage loans made, but also on all applications for mortgage loans, thereby making it possible to examine patterns of loan denials. The findings presented in this section are based on information presented in Tables 20–22 for Boston, Greater Boston, and Massachusetts. Information on applications and denial rates for Asians, blacks, Latinos, and whites in every city and town in Massachusetts is presented in Supplemental Table 3.^{13, 14}

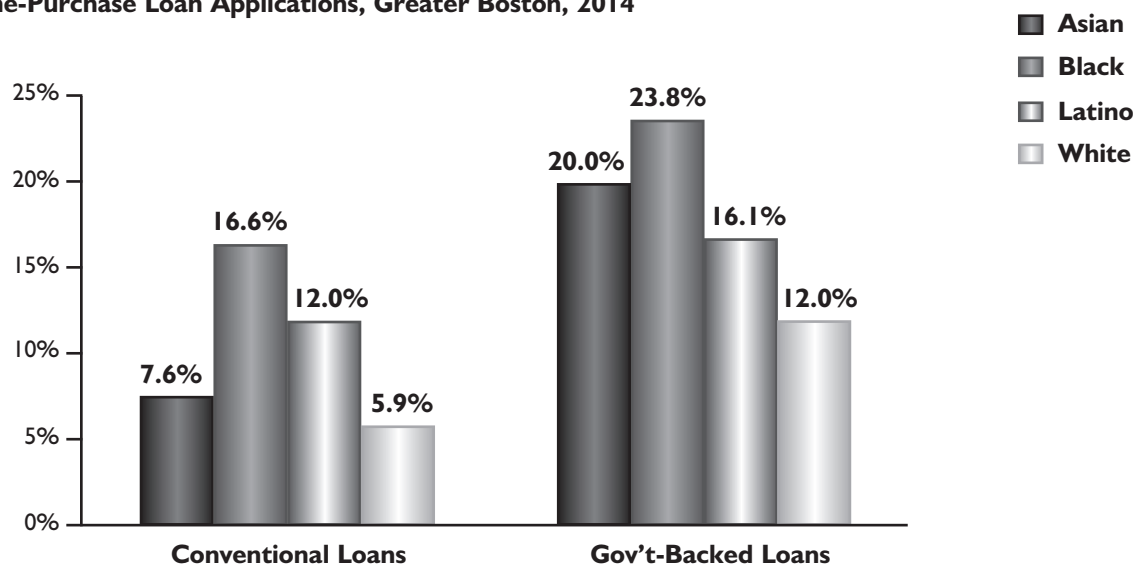
- ❖ **In Boston, Greater Boston, and Massachusetts in 2014, the denial rates on conventional (i.e., non-government-backed) home-purchase**

loan applications by blacks were much higher than the corresponding denial rates for whites. The black/white denial rate disparity ratio was 3.61 in Boston (21.1% vs. 5.9%), 2.80 in Greater Boston (16.6% vs. 5.9%), and 2.37 statewide (16.6% vs. 7.0%). Latino denial rates for conventional home-purchase loans were approximately twice the denial rates for white applicants; the Latino/white denial rate disparity ratios were 2.26 in Boston, and 2.02 both in Greater Boston and statewide. Asian/white denial rate disparity ratios were 1.22 in Boston, 1.29 in Greater Boston, and 1.19 statewide. (Table 20 and Exhibit 7)

¹³ In addition, Appendix Table 5 updates the table from earlier reports that provided information on overall denial rates and on denial rate disparity ratios in Boston, Massachusetts, and the U.S. since 1990.

¹⁴ Not all loan applications result in either loans or denials; approximately one-sixth of applications have other outcomes. Appendix Table 6 provides information on the percentage distribution of loan applications among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts.

**EXHIBIT 7: Denial Rates, by Race/Ethnicity,
Home-Purchase Loan Applications, Greater Boston, 2014**



Source: Table 20

- ❖ Although denial rates for blacks and Latinos seeking government-backed loans (GBLs) were generally higher than the corresponding denial rates for those seeking conventional home-purchase loans, the denial rate disparity ratios were considerably lower for GBLs. This is because the white denial rates for GBLs were about double the white denial rates for conventional loans. For example, the denial rates for government-backed home-purchase loans in Greater Boston in 2014 were 23.8% for blacks, 16.1% for Latinos, and 12.0% for whites, for a black/white denial rate disparity ratio of 1.98 and a Latino/white disparity ratio of 1.33. (Table 20)
- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,¹⁵ **the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes.**

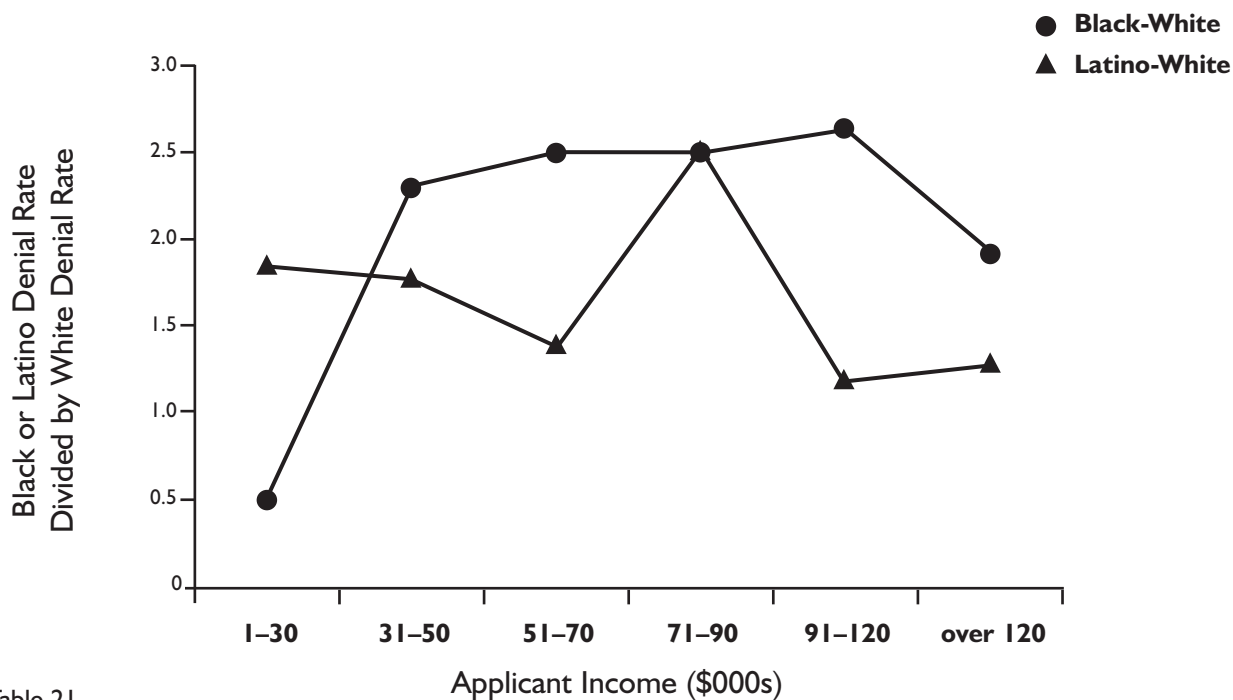
When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2014 denial rates for blacks and for Latinos were generally well above the denial rates for white applicants in the same income category. In Greater Boston, the black/white denial rate disparity ratios ranged from 1.89 (for applicants with incomes over \$120,000) to 2.61 (for applicants with incomes between \$91,000 and \$120,000); the Latino/white disparity ratios ranged from 1.17 to 2.49.¹⁶ (Table 21 and Exhibit 8)

- ❖ Table 22 presents denial rates and denial rate disparity ratios for 2004 through 2014 for Boston, Greater Boston, and Massachusetts. **While there have been ups and downs in the three denial rate disparity ratios (Asian/white, black/white, and Latino/white) during the eleven-year period, there are no major trends—that is, in most cases the**

¹⁵ For example, it can be calculated from the data in Table 21 that 69% of white applicants in Greater Boston had reported incomes of \$91,000 or greater, compared to only 39% of black applicants and 42% of Latino applicants.

¹⁶ This summary of the disparity ratios for Greater Boston ignores the anomalously low black/white disparity ratio of 0.50 for applicants with incomes of \$30,000 or less. There were only eleven black applicants in this income category, of whom just two were denied.

EXHIBIT 8: Black-White & Latino-White Denial Rate Disparity Ratios, Non-GBL Home-Purchase Loans, Greater Boston, 2014

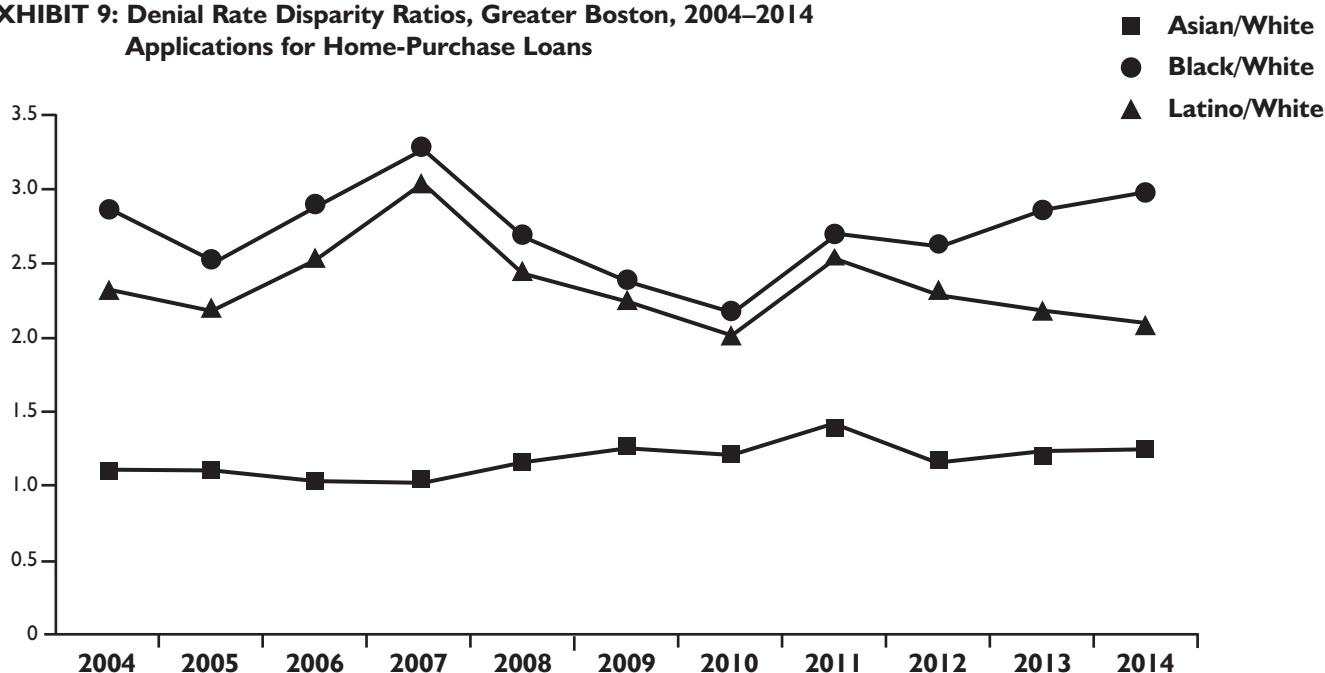


Source: Table 21

disparity ratios in 2014 were quite close to what they had been in 2004. In general, the disparity ratios went down from 2004 to 2005, up from 2005 to 2007, down from 2007 to 2010, and up again from 2010 to 2014. **The major exception to the preceding generalization is the black/white disparity ratio in the City of Boston, which has risen in the last four years to a historically high level of 3.60, far above its level of 2.58 ten years earlier.** Over all eleven years in all three areas, the Asian/white denial rate disparity ratio has ranged between 1.02 and 1.62, the black/white ratio between 1.95 and 3.60, and the Latino/white ratio between 1.82 and 3.06. (Table 22 and Exhibit 9)

❖ Appendix Table 7 provides summary information on the stated reasons for home-purchase loan denials to black, Latino, and white applicants in Greater Boston, both overall and for two broad income groupings. The most frequently stated reason for denial was “Debt-to-Income Ratio,” with “Credit History” and “Collateral” being the second and third most frequently stated reasons. “Debt-to-Income Ratio” was a stated reason for about half of denials to low- and moderate-income applicants but for only about one-quarter of denials to middle- and upper-income applicants. The stated reasons for loan denials are quite similar for black, Latino, and white applicants.

EXHIBIT 9: Denial Rate Disparity Ratios, Greater Boston, 2004–2014
Applications for Home-Purchase Loans



Source: Table 22

V. LENDING BY MAJOR TYPE OF LENDER

The analysis in this section is based on classifying each mortgage lender into one of three major categories. *Massachusetts Banks and Credit Unions* are banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions. *Licensed Mortgage Lenders* are independent mortgage companies that made at least fifty mortgage loans in Massachusetts. *Other Lenders* are out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.¹⁷

This three-way classification was adopted for the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender’s Massachusetts mortgage lending (1) was covered by the state and/or federal Community Reinvestment Act (CRA); (2) was potentially subject to coverage by a Massachusetts analogue to

the federal CRA; or (3) was exempt from such oversight from any regulator.

This classification has proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation. Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluations for licensed mortgage lenders (LMLs) in the state’s 2007 *Act Protecting and Preserving Homeownership*; these were implemented in the Division of Bank’s CRA for Mortgage Lenders (officially: Mortgage Lender Community Investment or MLCI) regulation that became effective in September 2008. The regulation applies to licensed mortgage lenders that made at least fifty mortgage loans in the state during the preceding year.

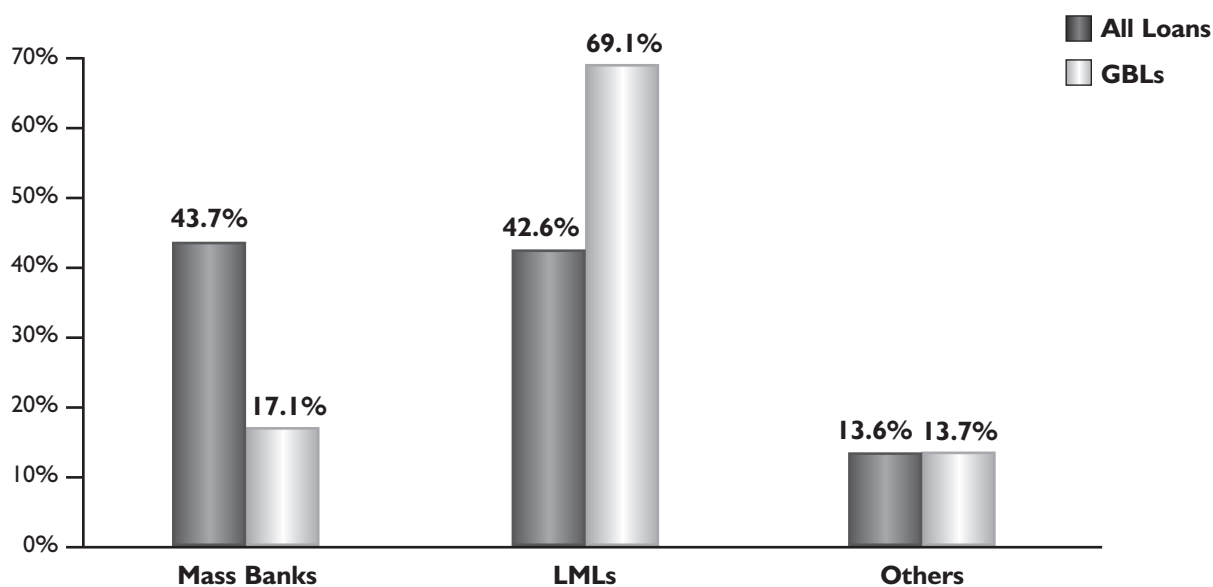
¹⁷ These descriptions of the types of lenders in each category are somewhat oversimplified, but the lenders identified in the text accounted for at least 94% of the loans in 2014 by each of the three major types of lenders. The “Massachusetts Banks and Credit Unions” category also includes two subsidiaries of Massachusetts banks. The “Licensed Mortgage Lenders” category also includes affiliates of non-Massachusetts banks that made more than fifty mortgage loans in the state. The “Other Lenders” category also includes independent mortgage companies that made fewer than fifty in-state loans, affiliates of non-Massachusetts banks that made fewer than fifty in-state loans, and subsidiaries of federally-chartered out-of-state banks. Federal credit unions based in Massachusetts are included in the “Other Lenders” category because they are not subject to either the federal or state CRA.

- ❖ Table 23 shows the home-purchase loan market shares of each of the three major types of lenders—for Boston, Greater Boston, and Massachusetts—for each of the past eleven years. **Massachusetts banks and credit unions (CRA-covered lenders) had the biggest loan shares in 2014 for the seventh consecutive year. The loan shares of Licensed Mortgage Lenders (LMLs) were nearly as large, while Other Lenders were a distant third. In Greater Boston, their loan shares were 43.7%, 42.6%, and 13.6%, respectively.** These loan shares are dramatically changed from 2005–2006, when LMLs made almost half of all loans, and the share of CRA lenders was only about 20%. Other Lenders now account for only about 14% of all loans, down from approximately one-third of all loans from 2004 through 2008. (Table 23)¹⁸
- ❖ **Massachusetts banks and credit unions accounted for a substantially larger share of all loans than of government-backed loans (GBLs) in 2014, while the reverse was true for**

Licensed Mortgage Lenders. In Greater Boston, Massachusetts banks and credit unions accounted for 43.7% of all loans but for only 17.1% of GBLs, while LMLs accounted for 42.6% of all loans, but for 69.1% of GBLs. Other Lenders accounted for almost identical shares of the two types of loans (13.6% and 13.7%). The same general pattern was true in the City of Boston and statewide. (Table 24 and Exhibit 10)

- ❖ **GBLs made up a much larger share of total loans by LMLs and Other Lenders than of total loans by Massachusetts banks and credit unions. In Greater Boston, GBLs accounted for 16.2% of all loans by LMLs, and for 10.1% of all loans by Other Lenders, but for only 3.9% of all loans by Massachusetts banks and credit unions.** Similarly, in Boston and statewide, GBLs accounted for shares of all loans by LMLs and Other Lenders that were between three and five times larger than the GBL share of all loans by Massachusetts banks and credit unions. (Table 25)

EXHIBIT 10: Market Shares of Major Lender Types, Greater Boston, 2014



Source: Table 24

¹⁸ Appendix Table 8 shows how the shares of major categories of mortgage lenders in Boston have changed since 1990; statewide data in this table begin in 2003. This table follows the same format—and the same lender categories—as the corresponding table in previous reports in this series. For this table, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-State Banks.” For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished.

- ❖ Table 26 (Boston), Table 27 (Greater Boston) and Table 28 (Massachusetts) present information on the shares of the total 2014 home-purchase loans of each of the three major types of lenders that consisted of conventional loans (that is, non-GBLs) to five categories of traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of GBLs to these same borrowers and neighborhoods. **In virtually every case, Massachusetts banks and credit unions (CRA-covered lenders) made a greater (often, a substantially greater) share of their total loans as conventional loans—and a smaller share of their total loans as GBLs—to these categories of traditionally underserved borrowers and neighborhoods than did LMLs and Other Lenders.**¹⁹ In Greater Boston in 2014, for example, conventional loans to black borrowers made up 2.2% of all loans made by CRA-covered lenders, 1.6% of all loans by LMLs and 1.2% of all loans by Other Lenders. Similarly, conventional loans to low- and moderate-income borrowers accounted for 19.0% of all Greater Boston loans by CRA-covered lenders, compared to 17.0% of the loans by LMLs and 9.6% of the loans by Other Lenders. (Tables 26–28)
- ❖ **The introduction of Performance Evaluations and ratings of individual LMLs under the state’s CRA for Mortgage Lenders regulation seems to have had a positive impact on the relative performance of LMLs for second straight year.**²⁰ Since the *Changing Patterns* series of reports was begun in the mid-1990s, this type of comparison had consistently shown a substantial difference between the performance of CRA-covered lenders and the two other major types of lenders, and proponents of the new regulation argued that it should have an analogous impact on the performance of LMLs relative to that of Other Lenders. The expected effect appeared for the first time in 2013 lending data and it appears again this year. For conventional home-purchase lending in 2014, the loan shares for LMLs were greater than the loan shares for Other Lenders in all five categories of traditionally underserved borrowers and neighborhoods in Boston (by an average of 47%), in all five categories in Greater Boston (by an average of 51%), and in all five categories statewide (by an average of 18%). (Tables 26–28)

VI. THE BIGGEST LENDERS

Who were 2014’s biggest lenders? Tables 29 and 30 present information on the thirty biggest lenders in Greater Boston.²¹ Table 29 shows, for each of these lenders, its total loans and rank in Boston and Massachusetts as well as in Greater Boston. Table

30 shows, for each of these same lenders, the number and percent of its total home-purchase loans in Greater Boston that were made up of (1) government-backed loans, (2) loans to low- and moderate-income (LMI) borrowers, and (3) loans

¹⁹ The phrase “virtually every case” is used because out a total of sixty comparisons between the loan share of CRA-covered lenders and the loan share of a different lender type, the claim made here holds true in all but one instance (conventional loans to LMI census tracts in the City of Boston).

²⁰ Of the 85 active LMLs that were subject to MLCI in 2014 on the basis of having made fifty or more mortgage loans in Massachusetts in 2013, just over half (47 of the 85, or 55.3%) had received ratings by the end of 2014. For details, and a list of ratings of the LMLs that had been examined and rated, see Jim Campen, *CRA Ratings of Massachusetts Banks, Credit Unions, and Licensed Mortgage Lenders in 2014*, Massachusetts Affordable Housing Alliance, March 2014, Table A-4 (<http://mahahome.org/sites/default/files/CRARatings2014.pdf>).

²¹ A few years ago it was common for companies in the mortgage business to operate through two or more separate lenders. Accordingly, recent reports in the *Changing Patterns* series ranked top lenders according to “lender families” of affiliated lenders. However, almost all companies in the mortgage business now operate through a single lender and so Table 29 in this report is based on individual HMDA-reporting lenders. Using “lender families” this year would have resulted in only three relatively minor changes in Table 29. First, Leader Mortgage Company’s loans would have been combined with those of Leader Bank, giving a total of 1,695 loans (up from 1,556 as shown, but not changing Leader’s ranking). Second, the loans of PHH Home Loans and PHH Mortgage Group would have been combined with those of NE Moves, giving a total of 736 loans (up from 596 as shown, but not changing NE Moves’ ranking). Third, the four loans of Military Family Home Loans would have been combined with those of Wells Fargo Bank.

to black and Latino borrowers, as well as its overall rank in terms of the number of its loans in each of these three categories.

- ❖ **Guaranteed Rate was the biggest lender in Greater Boston in 2014 with 1,745 home-purchase loans; it also ranked first in Boston and statewide. Leader Bank ranked second in Greater Boston with 1,556 loans, Mortgage Master ranked third with 1,230 loans, and Wells Fargo Bank ranked fourth with 1,094 loans.**²² Prospect Mortgage and Residential Mortgage ranked fifth and sixth with 889 and 888 loans, respectively. The top five lenders in Greater Boston accounted for 21.4% of total home-purchase loans in the region. (Table 29 and Exhibit 11)
- ❖ **Of the thirty biggest lenders in Greater Boston in 2014, fourteen were banks whose Massachusetts lending was covered by the CRA, fourteen were Licensed Mortgage Lenders (LMLs) whose Massachusetts lending was covered by the state’s CRA for Mortgage Lenders regulation, and only two were Other Lenders, whose Massachusetts lending was subject to neither of these regulations.** Of the top six lenders in Greater Boston, four (Guaranteed Rate, Mortgage Master, Prospect, and Residential) were LMLs, one (Leader) was a

Massachusetts bank, and one (Wells Fargo) was an Other Lender. (Table 29)

- ❖ Guaranteed Rate ranked first in GBL loans as well as in total loans, but **the GBL rankings for some lenders differed substantially from their overall rankings because the GBL loan percentages for these lenders were far from the overall GBL loan share of 10.0%.** Sage Bank ranked second for GBLs, although only 16th overall; Radius Financial Group ranked third for GBLs, although only 23rd overall; and PMAC ranked eighth for GBLs, although only 19th overall. On the other hand, Leader Bank ranked second overall, but only tenth for GBLs; Santander ranked eighth overall, but only 31st for GBLs; and JPMorgan Chase ranked eleventh overall but 80th for GBLs. (Table 30)
- ❖ Guaranteed Rate ranked first in loans to low- and moderate-income borrowers (LMI loans) as well as in total loans, but **the LMI rankings for some lenders differed substantially from their overall rankings because the LMI loan percentages for these lenders were far from the overall LMI loan share of 20.2%.** Santander Bank ranked third for LMIs, although only eighth overall; Sage Bank ranked fifth for LMIs, although only 16th overall; and Radius Financial and Eastern Bank ranked

EXHIBIT 11: The 5 Biggest Lenders in Greater Boston Home-Purchase Loans, 2014

Rank	Lender	Loans	Mkt Share
1	Guaranteed Rate	1,745	5.7%
2	Leader Bank	1,556	5.1%
3	Mortgage Master	1,230	4.0%
4	Wells Fargo	1,094	3.6%
5	Prospect Mortgage	889	2.9%
	Total, Top 5 Lenders	6,514	21.4%
	Total, All Lenders	30,396	100.0%

Source: Table 29

²² Guaranteed Rate is a privately-held mortgage company based in Chicago; according to its website, it has nine Massachusetts branches among its 170 branches in all fifty states. Mortgage Master, until recently a privately-held mortgage company based in Walpole, Massachusetts, is now a division of loanDepot LLC; according to its website it has ten Massachusetts locations among its 53 locations in fifteen states.

tenth and eleventh for LMIs, although only 23rd and 24th overall. On the other hand, Wells Fargo ranked fourth overall, but only 20th for LMIs; Bank of America ranked seventh overall, but only 14th for LMIs; and JPMorgan Chase ranked eleventh overall but 82nd for LMIs. (Table 30)

- ❖ Guaranteed Rate ranked first in loans to blacks and Latinos as well as in total loans, but **the black and Latino loan rankings for some lenders differed substantially from their overall rankings because the black and Latino loan percentages for these lenders**

were far from the overall black and Latino loan share of 7.3%. MSA Mortgage ranked second for black and Latino loans, although only 15th overall; Santander ranked third for black and Latino loans, although only eighth overall; and Prime Lending ranked fourth for black and Latino loans, although not in the top thirty overall. On the other hand, Leader Bank ranked second overall, but only tenth for black and Latino loans; Mortgage Network ranked ninth overall, but only 35th for black and Latino loans; and JPMorgan Chase ranked eleventh overall but 44th for black and Latino loans. (Table 30)

VII. RECENT LEGISLATIVE AND REGULATORY DEVELOPMENTS

Two developments during the past year are particularly noteworthy. First, on October 3 the Consumer Financial Protection Bureau’s “Know Before You Owe” regulations governing the disclosures that mortgage lenders are required to provide to applicants took effect. Starting on that date, four previous disclosure forms were replaced with two: a “Loan Estimate” that lenders must provide within three business days of receiving an application and a “Closing Disclosure” that lenders must provide at least three business days before the loan closing.²³

Second, on October 15 the CFPB issued its final rule on expanded reporting by lenders under the Home Mortgage Disclosure Act (HMDA), the primary source of data used in preparing the *Changing Patterns* series of reports. Under the new rule, lenders will report substantially more information about each loan or application, including: age and credit score of applicants/borrowers; four subcategories for Hispanic ethnicity (Mexican, Puerto Rican, Cuban, and other) and seven subcategories for Asian race

(Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, and other); property value, debt-to-income ratio and combined loan-to-value ratio; rate spread, interest rate, total points and fees, and total origination costs; whether the loan is adjustable rate, whether it is a reverse mortgage, and whether the loan has specific features that were common in last decade’s predatory loans (such as a prepayment penalty or non-amortizing features); and unique identifiers for the loan, the loan officer, and the property.²⁴

Because some of the new data points raise serious privacy issues, the CFPB separated the issue of what data lenders will report to their regulators (covered by the October 15 final regulation) from the issue of what data the regulators will release to the public (this will be the subject of a future CFPB rule-making process). The new requirements will cover reporting on applications received on or after January 1, 2018. As a result, the next three *Changing Patterns* reports, covering lending during 2015, 2016, and 2017, will continue to be based on data reported under the current HMDA regulations.

²³ The final rule was issued on November 20, 2013, and became effective on October 3, 2015. Summary information, with links to more detailed information, is available at: <http://www.consumerfinance.gov/blog/know-before-you-owe-making-the-mortgage-process-easier-for-you/>.

²⁴ Helpful summary information about the new rule is available at <http://www.consumerfinance.gov/regulatory-implementation/hmda/>. For the complete final rule, clicking on “Home Mortgage Disclosure Act Rule” leads to a page with a link to the 213 page pdf version as it appeared in the *Federal Register* on October 28; the double-spaced version released on October 15 was 797 pages long. An informative five-page summary of the final rule by the law firm Buckley-Sandler can be found by a Google search for its title: “Special Alert: CFPB Adopts Significant Expansion of HMDA Reporting Requirements.”

TABLE I
Total and Government-Backed Loans (GBLs), 2004–2014
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed	All Loans	Govt-Backed Loans	% Govt-Backed
A. HOME-PURCHASE LOANS									
2004	8,658	52	0.6%	46,819	491	1.0%	98,297	3,404	3.5%
2005	8,330	32	0.4%	44,583	229	0.5%	94,286	1,832	1.9%
2006	7,052	42	0.6%	36,538	295	0.8%	76,984	1,589	2.1%
2007	5,718	70	1.2%	30,982	472	1.5%	62,973	1,959	3.1%
2008	4,472	458	10.2%	25,928	3,527	13.6%	51,279	10,228	19.9%
2009	4,160	810	19.5%	26,263	6,486	24.7%	51,901	16,996	32.7%
2010	3,958	902	22.8%	24,602	6,072	24.7%	47,699	15,352	32.2%
2011	3,493	630	18.0%	22,983	4,731	20.6%	44,032	12,839	29.2%
2012	4,369	524	12.0%	27,673	4,109	14.8%	52,280	12,268	23.5%
2013	4,821	388	8.0%	31,727	3,558	11.2%	60,129	11,335	18.9%
2014	4,447	336	7.6%	30,396	3,038	10.0%	59,960	11,088	18.5%
B. REFINANCE LOANS									
2004	10,996	75	0.7%	79,579	413	0.5%	177,135	1,982	1.1%
2005	9,157	28	0.3%	62,947	188	0.3%	146,120	926	0.6%
2006	6,635	36	0.5%	43,625	212	0.5%	103,877	1,997	1.9%
2007	4,882	85	1.7%	34,185	504	1.5%	78,322	2,036	2.6%
2008	4,443	274	6.2%	34,763	2,035	5.9%	70,957	7,192	10.1%
2009	9,489	745	7.9%	91,362	6,216	6.8%	171,161	16,544	9.7%
2010	8,615	608	7.1%	89,394	5,277	5.9%	158,689	12,592	7.9%
2011	7,507	380	5.1%	71,620	2,951	4.1%	126,596	7,149	5.6%
2012	11,115	526	4.7%	108,182	4,774	4.4%	191,666	12,398	6.5%
2013	7,546	304	4.0%	63,391	2,807	4.4%	118,908	8,200	6.9%
2014	2,926	144	4.9%	22,108	1,169	5.3%	43,055	3,577	8.3%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	127	0.6%	126,398	904	0.7%	275,432	5,386	2.0%
2005	17,487	60	0.3%	107,530	417	0.4%	240,406	2,758	1.1%
2006	13,687	78	0.6%	80,163	507	0.6%	180,861	3,586	2.0%
2007	10,600	155	1.5%	65,167	976	1.5%	141,295	3,995	2.8%
2008	8,915	732	8.2%	60,691	5,562	9.2%	122,236	17,420	14.3%
2009	13,649	1,555	11.4%	117,625	12,702	10.8%	223,062	33,540	15.0%
2010	12,573	1,510	12.0%	113,996	11,349	10.0%	206,388	27,944	13.5%
2011	11,000	1,010	9.2%	94,603	7,682	8.1%	170,628	19,988	11.7%
2012	15,484	1,050	6.8%	135,855	8,883	6.5%	243,946	24,666	10.1%
2013	12,367	692	5.6%	95,118	6,365	6.7%	179,037	19,535	10.9%
2014	7,373	480	6.5%	52,504	4,207	8.0%	103,015	14,665	14.2%

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

Note:

Of all home-purchase GBLs in Boston: FHA---254 (76%); VA---82 (24%); USDA---no loans.
Of all home-purchase GBLs in Greater Boston: FHA---2,304 (76%); VA---695 (23%); USDA---39 (1%).
Of all home-purchase GBLs in Mass: FHA---7,583 (68%); VA---2,406 (22%); USDA---1,099 (10%).

TABLE 2
Total and High-APR Loans (HALs), 2004–2014
Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
A. HOME-PURCHASE LOANS									
2004	8,658	573	6.6%	46,819	2,463	5.3%	98,297	6,887	7.0%
2005	8,330	1,596	19.2%	44,583	7,202	16.2%	94,286	18,249	19.4%
2006	7,052	1,522	21.6%	36,538	5,788	15.8%	76,984	14,639	19.0%
2007	5,718	545	9.5%	30,982	1,977	6.4%	62,973	5,085	8.1%
2008	4,472	198	4.4%	25,928	920	3.5%	51,279	2,361	4.6%
2009*	4,160	92	2.2%	26,263	564	2.1%	51,901	1,433	2.8%
2010	3,958	12	0.3%	24,602	99	0.4%	47,699	383	0.8%
2011	3,493	9	0.3%	22,983	119	0.5%	44,032	464	1.1%
2012	4,369	9	0.2%	27,673	144	0.5%	52,280	539	1.0%
2013	4,821	48	1.0%	31,727	447	1.4%	60,129	1,589	2.6%
2014	4,447	80	1.8%	30,396	667	2.2%	59,960	2,650	4.4%
B. REFINANCE LOANS									
2004	10,996	983	8.9%	79,579	4,719	5.9%	177,135	14,553	8.2%
2005	9,157	1,754	19.2%	62,947	8,215	13.1%	146,120	24,155	16.5%
2006	6,635	1,839	27.7%	43,625	9,061	20.8%	103,877	25,534	24.6%
2007	4,882	735	15.1%	34,185	3,885	11.4%	78,322	11,205	14.3%
2008	4,443	141	3.2%	34,763	902	2.6%	70,957	2,777	3.9%
2009*	9,489	121	1.3%	91,362	955	1.0%	171,161	2,406	1.4%
2010	8,615	30	0.3%	89,394	233	0.3%	158,689	683	0.4%
2011	7,507	25	0.3%	71,620	232	0.3%	126,596	667	0.5%
2012	11,115	24	0.2%	108,182	258	0.2%	191,666	812	0.4%
2013	7,546	27	0.4%	63,391	196	0.3%	118,908	656	0.6%
2014	2,926	18	0.6%	22,108	134	0.6%	43,055	425	1.0%
C. TOTAL: HOME-PURCHASE PLUS REFINANCE LOANS									
2004	19,654	1,556	7.9%	126,398	7,182	5.7%	275,432	21,440	7.8%
2005	17,487	3,350	19.2%	107,530	15,417	14.3%	240,406	42,404	17.6%
2006	13,687	3,361	24.6%	80,163	14,849	18.5%	180,861	40,173	22.2%
2007	10,600	1,280	12.1%	65,167	5,862	9.0%	141,295	16,290	11.5%
2008	8,915	339	3.8%	60,691	1,822	3.0%	122,236	5,138	4.2%
2009*	13,649	213	1.6%	117,625	1,519	1.3%	223,062	3,839	1.7%
2010	12,573	42	0.3%	113,996	332	0.3%	206,388	1,066	0.5%
2011	11,000	34	0.3%	94,603	351	0.4%	170,628	1,131	0.7%
2012	15,484	33	0.2%	135,855	402	0.3%	243,946	1,351	0.6%
2013	12,367	75	0.6%	95,118	643	0.7%	179,037	2,245	1.3%
2014	7,373	98	1.3%	52,504	801	1.5%	103,015	3,075	3.0%

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

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

TABLE 3
Total and Government-Backed Loans in 36 Massachusetts Cities and Towns:
The 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2014

	Home-Purchase Loans			Refinance Loans			% Black Pop'n	% Latino Pop'n	Median Family Income
	All Loans	Govt-Backed Loans	% GBLs	All Loans	Govt-Backed Loans	% GBLs			
Attleboro	432	130	30.1%	300	41	13.7%	3.5%	6.3%	\$79,688
Barnstable	429	123	28.7%	382	35	9.2%	3.8%	3.1%	\$72,741
Brockton#	718	403	56.1%	429	83	19.3%	34.1%	10.0%	\$57,861
Chelsea*	153	46	30.1%	91	12	13.2%	7.4%	62.1%	\$43,060
Chicopee	412	166	40.3%	246	46	18.7%	3.3%	14.8%	\$56,446
Everett*	235	84	35.7%	156	11	7.1%	14.5%	21.1%	\$59,942
Fall River	347	154	44.4%	324	42	13.0%	4.4%	7.4%	\$44,498
Fitchburg	261	110	42.1%	161	26	16.1%	5.2%	21.6%	\$57,245
Haverhill#	609	193	31.7%	423	53	12.5%	3.2%	14.5%	\$75,342
Holyoke	176	46	26.1%	127	19	15.0%	3.0%	48.4%	\$39,935
Lawrence#	373	228	61.1%	182	42	23.1%	2.5%	73.8%	\$36,940
Leominster	352	99	28.1%	223	32	14.3%	5.2%	14.5%	\$69,655
Lowell#	666	209	31.4%	404	64	15.8%	6.7%	17.3%	\$55,852
Lynn*	662	289	43.7%	419	50	11.9%	11.8%	32.1%	\$50,536
Malden*	416	58	13.9%	272	19	7.0%	15.3%	8.4%	\$67,666
Methuen#	517	152	29.4%	377	48	12.7%	2.3%	18.1%	\$80,739
New Bedford	532	228	42.9%	344	53	15.4%	7.5%	16.7%	\$45,347
Peabody*	469	107	22.8%	393	43	10.9%	2.3%	6.3%	\$80,471
Pittsfield	332	75	22.6%	146	21	14.4%	6.6%	5.0%	\$56,256
Quincy*	777	52	6.7%	538	25	4.6%	5.0%	3.3%	\$77,514
Revere*	336	95	28.3%	239	25	10.5%	5.1%	24.4%	\$59,327
Salem*	487	90	18.5%	276	21	7.6%	4.3%	15.6%	\$68,844
Springfield	783	412	52.6%	494	120	24.3%	20.9%	38.8%	\$41,532
Taunton	451	164	36.4%	309	45	14.6%	5.9%	5.5%	\$68,796
Westfield	310	98	31.6%	169	22	13.0%	1.8%	7.5%	\$69,828
Worcester	1,032	371	35.9%	634	92	14.5%	11.4%	20.9%	\$56,053
Total, Gateway Cities	12,267	4,182	34.1%	8,058	1,090	13.5%			
Boston*	4,447	336	7.6%	2,926	144	4.9%	23.6%	17.5%	\$58,600
Brookline*	478	0	0.0%	346	2	0.6%	3.7%	5.0%	\$139,787
Cambridge*	565	1	0.2%	405	3	0.7%	12.2%	7.6%	\$87,750
Framingham*	575	112	19.5%	369	36	9.8%	5.8%	13.4%	\$84,362
Medford*	488	26	5.3%	424	13	3.1%	9.4%	4.4%	\$80,839
Newton*	772	6	0.8%	679	8	1.2%	2.8%	4.1%	\$136,843
Plymouth#	705	198	28.1%	433	72	16.6%	2.5%	1.8%	\$88,518
Somerville*	521	11	2.1%	300	10	3.3%	7.2%	10.6%	\$69,245
Waltham*	564	25	4.4%	411	17	4.1%	6.2%	13.7%	\$82,688
Weymouth*	565	86	15.2%	483	61	12.6%	3.4%	2.6%	\$82,992

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

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

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

TABLE 4
Total and Government-Backed Loans (GBLs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

A. GBLs AS PERCENTAGE OF ALL HOME-PURCHASE LOANS													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to White %	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to White %	All Loans	Govt-Backed Loans	% Govt-Backed	Ratio to White %	
Asian	342	8	2.3%	0.49	3,227	100	3.1%	0.36	4,536	282	6.2%	0.37	
Black	248	98	39.5%	8.23	851	309	36.3%	4.21	1,877	874	46.6%	2.74	
Latino	215	49	22.8%	4.75	1,380	504	36.5%	4.23	3,222	1,517	47.1%	2.77	
White	3,084	148	4.8%	1.00	21,836	1,884	8.6%	1.00	45,106	7,668	17.0%	1.00	
Other*	17	4	23.5%		111	11	9.9%		218	45	20.6%		
No Info ^	541	29	5.4%		2,991	230	7.7%		5,001	702	14.0%		
Total	4,447	336	7.6%		30,396	3,038	10.0%		59,960	11,088	18.5%		

B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS													
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans	All Loans	% of All Loans	% of Non-GB Loans	% of GB Loans	
Asian	342	7.7%	8.1%	2.4%	3,227	10.6%	11.4%	3.3%	4,536	7.6%	8.7%	2.5%	
Black	248	5.6%	3.6%	29.2%	851	2.8%	2.0%	10.2%	1,877	3.1%	2.1%	7.9%	
Latino	215	4.8%	4.0%	14.6%	1,380	4.5%	3.2%	16.6%	3,222	5.4%	3.5%	13.7%	
White	3,084	69.4%	71.4%	44.0%	21,836	71.8%	72.9%	62.0%	45,106	75.2%	76.6%	69.2%	
Other*	17	0.4%	0.3%	1.2%	111	0.4%	0.4%	0.4%	218	0.4%	0.4%	0.4%	
No Info ^	541	12.2%	12.5%	8.6%	2,991	9.8%	10.1%	7.6%	5,001	8.3%	8.8%	6.3%	
Total	4,447	100.0%	100.0%	100.0%	30,396	100.0%	100.0%	100.0%	59,960	100.0%	100.0%	100.0%	

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

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

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

TABLE 5
Loan Shares of Asian, Black, and Latino Borrowers, 2004–2014
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	Asians	Blacks	Latinos	Asians	Blacks	Latinos	Asians	Blacks	Latinos
A. SHARE OF ALL PRIME* (2004-2008) OR CONVENTIONAL* LOANS (SINCE 2009)									
2004	7.2%	9.5%	7.3%	8.0%	3.9%	5.7%	5.9%	3.8%	5.9%
2005	6.9%	8.5%	6.4%	7.9%	3.4%	5.0%	5.9%	3.2%	4.9%
2006	6.1%	8.7%	5.9%	7.0%	3.5%	4.4%	5.1%	3.3%	4.6%
2007	5.6%	9.5%	5.6%	7.7%	3.7%	4.1%	5.5%	3.4%	4.6%
2008	7.3%	9.5%	5.3%	8.9%	3.4%	4.1%	6.4%	3.1%	4.7%
2009	9.0%	6.1%	4.2%	11.4%	2.2%	2.9%	8.6%	1.9%	3.0%
2010	9.2%	5.4%	3.5%	11.3%	2.0%	2.5%	8.7%	1.9%	2.6%
2011	8.3%	4.5%	3.6%	10.6%	1.8%	2.4%	8.1%	1.7%	2.7%
2012	7.0%	3.6%	3.3%	10.5%	1.8%	2.5%	8.1%	1.7%	2.8%
2013	8.3%	3.7%	3.0%	11.9%	1.8%	2.7%	9.1%	1.8%	2.9%
2014	8.1%	3.6%	4.0%	11.4%	2.0%	3.2%	8.7%	2.1%	3.5%
B. SHARE OF ALL LOANS									
2004	7.0%	11.4%	8.2%	7.8%	4.5%	6.7%	5.7%	4.5%	6.9%
2005	6.1%	14.3%	9.7%	7.1%	5.8%	8.5%	5.3%	5.6%	8.2%
2006	5.3%	14.6%	8.4%	6.4%	5.8%	7.1%	4.6%	5.5%	7.4%
2007	5.3%	11.8%	6.7%	7.4%	4.5%	4.8%	5.3%	4.0%	5.3%
2008	7.2%	10.2%	5.7%	8.8%	3.6%	4.3%	6.2%	3.3%	5.0%
2009	8.0%	8.9%	5.6%	9.6%	3.2%	4.3%	6.8%	3.1%	4.9%
2010	8.0%	8.4%	5.4%	9.6%	3.3%	4.1%	6.9%	3.2%	4.9%
2011	7.3%	7.2%	5.0%	9.2%	3.0%	3.9%	6.6%	3.0%	4.6%
2012	6.5%	5.6%	4.6%	9.5%	2.7%	3.7%	6.8%	2.6%	4.4%
2013	7.9%	5.2%	3.9%	11.1%	2.5%	3.6%	7.9%	2.7%	4.6%
2014	7.7%	5.6%	4.8%	10.6%	2.8%	4.5%	7.6%	3.1%	5.4%

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

* "Prime" loans are all loans other than those identified in *Changing Patterns XII-XVI* as "High-APR Loans."

"Conventional" loans all loans other than government-backed loans.

TABLE 6
Total and Government-Backed Loans (GBLs) to Black, Latino, & White Borrowers
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	Black Borrowers			Latino Borrowers			White Borrowers			GBL Share Disparity Ratios	
	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	All Loans	Gov't-Backed Loans	% GBL	Black/White	Latino/White
Attleboro	11	5	45.5%	17	10	58.8%	365	100	27.4%	1.66	2.15
Barnstable	12	11	91.7%	29	16	55.2%	336	82	24.4%	3.76	2.26
Brockton	318	195	61.3%	82	49	59.8%	231	105	45.5%	1.35	1.31
Chelsea	9	4	44.4%	57	32	56.1%	60	4	6.7%	6.67	8.42
Chicopee	11	5	45.5%	60	32	53.3%	314	119	37.9%	1.20	1.41
Everett	25	10	40.0%	83	41	49.4%	80	20	25.0%	1.60	1.98
Fall River	18	12	66.7%	18	12	66.7%	286	119	41.6%	1.60	1.60
Fitchburg	11	5	45.5%	41	29	70.7%	186	67	36.0%	1.26	1.96
Haverhill	15	10	66.7%	87	51	58.6%	453	122	26.9%	2.48	2.18
Holyoke	3	1	33.3%	27	12	44.4%	134	29	21.6%	1.54	2.05
Lawrence	2	2	100.0%	307	198	64.5%	50	20	40.0%	2.50	1.61
Leominster	16	6	37.5%	44	23	52.3%	266	67	25.2%	1.49	2.08
Lowell	39	19	48.7%	85	41	48.2%	326	71	21.8%	2.24	2.21
Lynn	45	23	51.1%	190	127	66.8%	342	107	31.3%	1.63	2.14
Malden	27	10	37.0%	34	16	47.1%	190	23	12.1%	3.06	3.89
Methuen	19	8	42.1%	128	59	46.1%	311	73	23.5%	1.79	1.96
New Bedford	31	21	67.7%	36	31	86.1%	424	158	37.3%	1.82	2.31
Peabody	10	3	30.0%	15	7	46.7%	405	87	21.5%	1.40	2.17
Pittsfield	9	5	55.6%	13	5	38.5%	293	63	21.5%	2.58	1.79
Quincy	16	2	12.5%	15	4	26.7%	387	34	8.8%	1.42	3.04
Revere	21	4	19.0%	127	52	40.9%	137	30	21.9%	0.87	1.87
Salem	8	6	75.0%	25	12	48.0%	387	60	15.5%	4.84	3.10
Springfield	104	57	54.8%	236	158	66.9%	369	163	44.2%	1.24	1.52
Taunton	35	23	65.7%	15	7	46.7%	366	122	33.3%	1.97	1.40
Westfield	4	2	50.0%	8	5	62.5%	282	85	30.1%	1.66	2.07
Worcester	94	59	62.8%	142	90	63.4%	649	190	29.3%	2.14	2.16
Gateway Cities	913	508	55.6%	1,921	1,119	58.3%	7,629	2,120	27.8%	2.00	2.10
Boston	248	98	39.5%	215	49	22.8%	3,084	148	4.8%	8.23	4.75
Brookline	3	0	0.0%	14	0	0.0%	292	0	0.0%	NA	NA
Cambridge	13	0	0.0%	10	0	0.0%	352	1	0.3%	0.00	0.00
Framingham	10	3	30.0%	54	29	53.7%	418	70	16.7%	1.79	3.21
Medford	15	3	20.0%	11	2	18.2%	342	16	4.7%	4.28	3.89
Newton	6	0	0.0%	16	0	0.0%	477	4	0.8%	0.00	0.00
Plymouth	6	5	83.3%	6	2	33.3%	641	182	28.4%	2.93	1.17
Somerville	3	0	0.0%	9	0	0.0%	395	10	2.5%	0.00	0.00
Waltham	10	0	0.0%	19	3	15.8%	408	20	4.9%	0.00	3.22
Weymouth	10	2	20.0%	21	7	33.3%	456	71	15.6%	1.28	2.14

TABLE 7
Black, Latino, & White Borrowers' Loan Shares
Shares of All Loans, Gov't-Backed Loans (GBLs), and Conventional Loans (Non-GBLs)
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-GBL Loans	GBL Loans	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs	% of All Loans	% of All Non-GBLs	% of All GBLs
Attleboro	432	302	130	2.5%	2.0%	3.8%	3.9%	2.3%	7.7%	84.5%	87.7%	76.9%
Barnstable	429	306	123	2.8%	0.3%	8.9%	6.8%	4.2%	13.0%	78.3%	83.0%	66.7%
Brockton	718	315	403	44.3%	39.0%	48.4%	11.4%	10.5%	12.2%	32.2%	40.0%	26.1%
Chelsea	153	107	46	5.9%	4.7%	8.7%	37.3%	23.4%	69.6%	39.2%	52.3%	8.7%
Chicopee	412	246	166	2.7%	2.4%	3.0%	14.6%	11.4%	19.3%	76.2%	79.3%	71.7%
Everett	235	151	84	10.6%	9.9%	11.9%	35.3%	27.8%	48.8%	34.0%	39.7%	23.8%
Fall River	347	193	154	5.2%	3.1%	7.8%	5.2%	3.1%	7.8%	82.4%	86.5%	77.3%
Fitchburg	261	151	110	4.2%	4.0%	4.5%	15.7%	7.9%	26.4%	71.3%	78.8%	60.9%
Haverhill	609	416	193	2.5%	1.2%	5.2%	14.3%	8.7%	26.4%	74.4%	79.6%	63.2%
Holyoke	176	130	46	1.7%	1.5%	2.2%	15.3%	11.5%	26.1%	76.1%	80.8%	63.0%
Lawrence	373	145	228	0.5%	0.0%	0.9%	82.3%	75.2%	86.8%	13.4%	20.7%	8.8%
Leominster	352	253	99	4.5%	4.0%	6.1%	12.5%	8.3%	23.2%	75.6%	78.7%	67.7%
Lowell	666	457	209	5.9%	4.4%	9.1%	12.8%	9.6%	19.6%	48.9%	55.8%	34.0%
Lynn	662	373	289	6.8%	5.9%	8.0%	28.7%	16.9%	43.9%	51.7%	63.0%	37.0%
Malden	416	358	58	6.5%	4.7%	17.2%	8.2%	5.0%	27.6%	45.7%	46.6%	39.7%
Methuen	517	365	152	3.7%	3.0%	5.3%	24.8%	18.9%	38.8%	60.2%	65.2%	48.0%
New Bedford	532	304	228	5.8%	3.3%	9.2%	6.8%	1.6%	13.6%	79.7%	87.5%	69.3%
Peabody	469	362	107	2.1%	1.9%	2.8%	3.2%	2.2%	6.5%	86.4%	87.8%	81.3%
Pittsfield	332	257	75	2.7%	1.6%	6.7%	3.9%	3.1%	6.7%	88.3%	89.5%	84.0%
Quincy	777	725	52	2.1%	1.9%	3.8%	1.9%	1.5%	7.7%	49.8%	48.7%	65.4%
Revere	336	241	95	6.3%	7.1%	4.2%	37.8%	31.1%	54.7%	40.8%	44.4%	31.6%
Salem	487	397	90	1.6%	0.5%	6.7%	5.1%	3.3%	13.3%	79.5%	82.4%	66.7%
Springfield	783	371	412	13.3%	12.7%	13.8%	30.1%	21.0%	38.3%	47.1%	55.5%	39.6%
Taunton	451	287	164	7.8%	4.2%	14.0%	3.3%	2.8%	4.3%	81.2%	85.0%	74.4%
Westfield	310	212	98	1.3%	0.9%	2.0%	2.6%	1.4%	5.1%	91.0%	92.9%	86.7%
Worcester	1,032	661	371	9.1%	5.3%	15.9%	13.8%	7.9%	24.3%	62.9%	69.4%	51.2%
Gateway Cities	12,267	8,085	4,182	7.4%	5.0%	12.1%	15.7%	9.9%	26.8%	62.2%	68.1%	50.7%
Boston	4,447	4,111	336	5.6%	3.6%	29.2%	4.8%	4.0%	14.6%	69.4%	71.4%	44.0%
Brookline	478	478	0	0.6%	0.6%	NA	2.9%	2.9%	NA	61.1%	61.1%	NA
Cambridge	565	564	1	2.3%	2.3%	0.0%	1.8%	1.8%	0.0%	62.3%	62.2%	100.0%
Framingham	575	463	112	1.7%	1.5%	2.7%	9.4%	5.4%	25.9%	72.7%	75.2%	62.5%
Medford	488	462	26	3.1%	2.6%	11.5%	2.3%	1.9%	7.7%	70.1%	70.6%	61.5%
Newton	772	766	6	0.8%	0.8%	0.0%	2.1%	2.1%	0.0%	61.8%	61.7%	66.7%
Plymouth	705	507	198	0.9%	0.2%	2.5%	0.9%	0.8%	1.0%	90.9%	90.5%	91.9%
Somerville	521	510	11	0.6%	0.6%	0.0%	1.7%	1.8%	0.0%	75.8%	75.5%	90.9%
Waltham	564	539	25	1.8%	1.9%	0.0%	3.4%	3.0%	12.0%	72.3%	72.0%	80.0%
Weymouth	565	479	86	1.8%	1.7%	2.3%	3.7%	2.9%	8.1%	80.7%	80.4%	82.6%

Note: See Table 6 for the numbers of loans to black, Latino, & white borrowers that were used to calculate this table's percentages.

TABLE 8
Loans to Black and Latino Borrowers by Boston Neighborhood
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

A. LOANS TO BLACK BORROWERS							
Neighborhood	Number of Loans			Percentage of Boston Totals			
	To Black Borrowers	To All Borrowers	% to Blacks	Loans to Blacks	Black Pop'n	Total Loans	Total Pop'n
Dorchester	79	633	12.5%	31.9%	35.6%	14.2%	18.5%
Hyde Park	59	201	29.4%	23.8%	10.5%	4.5%	5.0%
Mattapan	43	88	48.9%	17.3%	12.5%	2.0%	3.7%
Roslindale	22	285	7.7%	8.9%	4.5%	6.4%	4.6%
Roxbury	20	80	25.0%	8.1%	18.2%	1.8%	7.8%
West Roxbury	8	296	2.7%	3.2%	2.1%	6.7%	4.9%
Jamaica Plain	6	420	1.4%	2.4%	3.6%	9.4%	6.1%
S. Bos. Waterfront	3	652	0.5%	1.2%	0.0%	14.7%	0.3%
South End	3	433	0.7%	1.2%	2.3%	9.7%	4.2%
Charlestown	2	304	0.7%	0.8%	0.6%	6.8%	2.7%
Back Bay	1	136	0.7%	0.4%	0.5%	3.1%	2.9%
Brighton	1	189	0.5%	0.4%	1.5%	4.3%	7.4%
East Boston	1	196	0.5%	0.4%	0.9%	4.4%	6.6%
Allston	0	22	0.0%	0.0%	1.0%	0.5%	4.7%
Beacon Hill	0	93	0.0%	0.0%	0.1%	2.1%	1.5%
Downtown	0	176	0.0%	0.0%	0.8%	4.0%	2.6%
Fenway	0	71	0.0%	0.0%	1.3%	1.6%	5.5%
Mission Hill	0	29	0.0%	0.0%	1.9%	0.7%	2.6%
North End	0	67	0.0%	0.0%	0.1%	1.5%	1.6%
South Boston	0	66	0.0%	0.0%	1.6%	1.5%	5.4%
Boston Total	248	4,447	5.6%	100.0%	100.0%	100.0%	100.0%
B. LOANS TO LATINO BORROWERS							
City or Town	Number of Loans			Percentage of Boston Totals			
	To Latino Borrowers	To All Borrowers	% to Latinos	Loans to Latinos	Latino Pop'n	Total Loans	Total Pop'n
Dorchester	44	633	7.0%	20.5%	18.0%	14.2%	18.5%
Hyde Park	36	201	17.9%	16.7%	5.6%	4.5%	5.0%
East Boston	32	196	16.3%	14.9%	19.8%	4.4%	6.6%
Roslindale	21	285	7.4%	9.8%	6.9%	6.4%	4.6%
Roxbury	14	80	17.5%	6.5%	12.3%	1.8%	7.8%
Jamaica Plain	13	420	3.1%	6.0%	8.8%	9.4%	6.1%
West Roxbury	13	296	4.4%	6.0%	2.4%	6.7%	4.9%
Charlestown	6	304	2.0%	2.8%	1.5%	6.8%	2.7%
S. Bos. Waterfront	6	652	0.9%	2.8%	3.4%	14.7%	0.3%
Downtown	5	176	2.8%	2.3%	0.9%	4.0%	2.6%
Mattapan	5	88	5.7%	2.3%	2.5%	2.0%	3.7%
South End	5	433	1.2%	2.3%	3.1%	9.7%	4.2%
Fenway	4	71	5.6%	1.9%	2.6%	1.6%	5.5%
Brighton	3	189	1.6%	1.4%	3.8%	4.3%	7.4%
South Boston	3	66	4.5%	1.4%	0.1%	1.5%	5.4%
Back Bay	2	136	1.5%	0.9%	1.0%	3.1%	2.9%
Mission Hill	2	29	6.9%	0.9%	3.0%	0.7%	2.6%
Allston	1	22	4.5%	0.5%	3.1%	0.5%	4.7%
Beacon Hill	0	93	0.0%	0.0%	0.3%	2.1%	1.5%
North End	0	67	0.0%	0.0%	0.3%	1.5%	1.6%
Boston Total	215	4,447	4.8%	100.0%	100.0%	100.0%	100.0%

* This report uses Boston's "Neighborhoods" as defined by the Boston Redevelopment Authority (BRA). Three of the BRA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 640), Longwood Medical Area (2 loans, pop. 3969) and West End (8 loans, pop. 3,609). Population data are from the BRA's *Boston in Context: Neighborhoods (2007-2011 American Community Survey and 2010 Census)*. Data on total population, percent minority population, and Median Family Income for each neighborhood are shown in Table 18 of this report.

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

TABLE 9
Total and Government-Backed Loans (GBLs), By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

I. GBLs AS PERCENTAGE OF ALL LOANS, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%	All Loans	Govt- Backed Loans	% Govt- Backed	Ratio to Highest%
Low	124	2	1.6%	1.67	1,136	114	10.0%	5.21	3,439	897	26.1%	7.72
Moderate	694	76	11.0%	11.32	5,016	915	18.2%	9.48	12,958	4,030	31.1%	9.20
Middle	1,151	156	13.6%	14.01	7,526	1,165	15.5%	8.04	15,905	3,840	24.1%	7.14
High	1,291	90	7.0%	7.21	9,257	695	7.5%	3.90	16,677	1,937	11.6%	3.44
Highest	1,137	11	1.0%	1.00	7,220	139	1.9%	1.00	10,590	358	3.4%	1.00
No Info	50	1	2.0%		241	10	4.1%		391	26	6.6%	
Total	4,447	336	7.6%		30,396	3,038	10.0%		59,960	11,088	18.5%	

II. SHARES OF ALL LOANS, NON-GBL LOANS, AND GBLs, BY INCOME OF BORROWER												
Borrower* Income	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of non- GBLs	% of GBLs	All Loans	% of All Loans	% of non- GBLs	% of GBLs	All Loans	% of All Loans	% of non- GBLs	% of GBLs
Low	124	2.8%	3.0%	0.6%	1,136	3.7%	3.7%	3.8%	3,439	5.7%	5.2%	8.1%
Moderate	694	15.6%	15.0%	22.6%	5,016	16.5%	15.0%	30.1%	12,958	21.6%	18.3%	36.3%
Middle	1,151	25.9%	24.2%	46.4%	7,526	24.8%	23.3%	38.3%	15,905	26.5%	24.7%	34.6%
High	1,291	29.0%	29.2%	26.8%	9,257	30.5%	31.3%	22.9%	16,677	27.8%	30.2%	17.5%
Highest	1,137	25.6%	27.4%	3.3%	7,220	23.8%	25.9%	4.6%	10,590	17.7%	20.9%	3.2%
No Info	50	1.1%	1.2%	0.3%	241	0.8%	0.8%	0.3%	391	0.7%	0.7%	0.2%
Total	4,447	100.0%	100.0%	100.0%	30,396	100.0%	100.0%	100.0%	59,960	100.0%	100.0%	100.0%

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all (except 3 small towns) of Greater Boston, the MFI in 2014 was \$90,500. The MFIs in the five other MSAs in the state, ranged from \$64,200 to \$79,400 in 2014. For the non-metro part of the state (Dukes, Nantucket, and Franklin counties), the 2014 MFI was \$72,800.

"Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 10
Government-Backed Loans (GBLs) To Borrowers at Different Income Levels
In the 26 Gateway Cities and the 10 Others with Over 50,000 Residents
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	Low Income*		Moderate Income*		Middle Income*		High Income*		Highest Income*	
	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs	Number GBLs	% GBLs
Attleboro	2	14.3%	35	36.1%	50	32.9%	35	26.9%	7	18.9%
Barnstable	8	28.6%	50	39.7%	46	39.7%	13	13.8%	6	9.5%
Brockton	91	59.5%	216	61.0%	79	50.3%	16	32.7%	1	33.3%
Chelsea	2	18.2%	20	29.4%	21	38.2%	3	17.6%	0	0.0%
Chicopee	22	40.0%	60	40.5%	67	49.3%	15	25.4%	1	9.1%
Everett	1	7.7%	34	37.0%	41	39.4%	8	40.0%	0	0.0%
Fall River	14	34.1%	68	50.0%	60	51.3%	11	25.6%	1	12.5%
Fitchburg	24	52.2%	46	44.2%	24	31.2%	15	50.0%	0	0.0%
Haverhill	19	24.1%	94	39.3%	58	32.4%	20	21.5%	2	13.3%
Holyoke	3	20.0%	20	43.5%	11	17.7%	8	21.6%	4	25.0%
Lawrence	59	56.7%	130	64.0%	34	63.0%	4	36.4%	0	NA
Leominster	13	34.2%	40	30.8%	32	33.3%	13	19.1%	1	5.6%
Lowell	45	33.3%	95	32.6%	50	34.7%	18	23.1%	1	6.3%
Lynn	39	41.5%	133	44.2%	93	47.0%	23	37.7%	0	0.0%
Malden	0	0.0%	14	10.4%	37	22.6%	7	8.8%	0	0.0%
Methuen	14	24.1%	75	35.4%	49	33.6%	14	17.1%	0	0.0%
New Bedford	44	46.3%	94	46.5%	65	39.6%	23	39.0%	1	11.1%
Peabody	1	3.7%	33	22.8%	52	30.4%	20	20.2%	1	4.8%
Pittsfield	10	27.0%	34	33.7%	20	19.4%	9	16.1%	2	6.5%
Quincy	1	2.0%	15	6.6%	17	7.3%	15	7.3%	4	8.3%
Revere	6	16.7%	32	24.8%	43	36.1%	13	28.9%	1	20.0%
Salem	4	12.9%	28	20.0%	38	20.9%	17	16.8%	3	10.0%
Springfield	84	58.3%	195	55.6%	97	49.7%	28	39.4%	7	35.0%
Taunton	5	26.3%	64	40.8%	57	36.3%	33	35.5%	4	18.2%
Westfield	5	23.8%	31	39.2%	37	36.6%	21	28.0%	4	12.5%
Worcester	41	39.8%	188	42.4%	110	36.5%	28	19.3%	3	8.3%
Gateway Cities	557	37.7%	1,844	39.6%	1,288	35.0%	430	22.6%	54	11.3%
Boston	2	1.6%	76	11.0%	156	13.6%	90	7.0%	11	1.0%
Brookline	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Cambridge	0	0.0%	0	0.0%	1	1.1%	0	0.0%	0	0.0%
Framingham	5	15.6%	47	35.3%	34	19.3%	22	13.1%	4	6.5%
Medford	2	9.1%	6	7.1%	9	5.6%	9	5.4%	0	0.0%
Newton	0	0.0%	0	0.0%	0	0.0%	4	1.6%	2	0.5%
Plymouth	16	31.4%	73	43.2%	66	31.1%	40	19.3%	3	4.7%
Somerville	0	0.0%	1	1.5%	2	1.5%	7	3.6%	1	0.8%
Waltham	0	0.0%	3	3.4%	11	6.0%	9	4.8%	2	2.4%
Weymouth	3	6.8%	39	22.8%	28	15.0%	11	8.7%	4	12.9%

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes 23 of these 36 cities, the MFI in 2014 was \$90,500. The MFIs in the five other MSAs in the state ranged from \$64,200 to \$79,400 in 2014. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant metro area.

TABLE 11
Total and Gov't-Backed Loans to Low- and Moderate-Income (LMI) Borrowers*, 2004–2014
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI	All Loans	LMI* Loans	% LMI
A. CONVENTIONAL (NON-GOVERNMENT-BACKED) LOANS									
2004	8,606	1,782	20.7%	46,328	9,872	21.3%	94,993	23,511	24.8%
2005	8,298	1,528	18.4%	44,354	8,326	18.8%	92,454	20,975	22.7%
2006	7,010	1,412	20.1%	36,243	6,445	17.8%	75,405	16,232	21.5%
2007	5,648	1,269	22.5%	30,510	5,994	19.6%	61,014	15,160	24.8%
2008	4,014	1,269	31.6%	22,401	5,600	25.0%	41,051	12,123	29.5%
2009	3,350	1,194	35.6%	19,777	5,798	29.3%	34,905	11,742	33.6%
2010	3,056	1,017	33.3%	18,530	4,570	24.7%	32,347	9,594	29.7%
2011	2,863	874	30.5%	18,252	4,702	25.8%	31,193	9,455	30.3%
2012	3,845	1,077	28.0%	23,564	5,870	24.9%	40,012	11,947	29.9%
2013	4,433	937	21.1%	28,169	5,906	21.0%	48,794	12,316	25.2%
2014	4,111	740	18.0%	27,358	5,123	18.7%	48,872	11,470	23.5%
B. GOVERNMENT-BACKED LOANS									
2004	52	11	21.2%	491	174	35.4%	3,304	1,291	39.1%
2005	32	2	6.3%	229	62	27.1%	1,832	573	31.3%
2006	42	2	4.8%	295	33	11.2%	1,579	355	22.5%
2007	70	8	11.4%	472	62	13.1%	1,959	416	21.2%
2008	458	11	2.4%	3,527	923	26.2%	10,228	3,539	34.6%
2009	810	315	38.9%	6,486	2,455	37.9%	16,996	7,689	45.2%
2010	902	267	29.6%	6,072	2,354	38.8%	15,352	7,189	46.8%
2011	630	280	44.4%	4,731	2,066	43.7%	12,839	6,533	50.9%
2012	524	215	41.0%	4,109	1,756	42.7%	12,268	6,347	51.7%
2013	388	120	30.9%	3,558	1,209	34.0%	11,335	5,201	45.9%
2014	336	78	23.2%	3,038	1,029	33.9%	11,088	4,927	44.4%
C. TOTAL LOANS									
2004	8,658	1,793	20.7%	46,819	10,046	21.5%	98,297	24,802	25.2%
2005	8,330	1,530	18.4%	44,583	8,388	18.8%	94,286	21,548	22.9%
2006	7,052	1,414	20.1%	36,538	6,478	17.7%	76,984	16,587	21.5%
2007	5,718	1,277	22.3%	30,982	6,056	19.5%	62,973	15,576	24.7%
2008	4,472	1,280	28.6%	25,928	6,523	25.2%	51,279	15,662	30.5%
2009	4,160	1,509	36.3%	26,263	8,253	31.4%	51,901	19,431	37.4%
2010	3,958	1,284	32.4%	24,602	6,924	28.1%	47,699	16,783	35.2%
2011	3,493	1,154	33.0%	22,983	6,768	29.4%	44,032	15,988	36.3%
2012	4,369	1,292	29.6%	27,673	7,626	27.6%	52,280	18,294	35.0%
2013	4,821	1,057	21.9%	31,727	7,115	22.4%	60,129	17,517	29.1%
2014	4,447	818	18.4%	30,396	6,152	20.2%	59,960	16,397	27.3%

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. "Low-income" is less than 50% of the MFI in the relevant MSA; "Moderate-income" is 50%–80% of this amount.

TABLE 12
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, City of Boston, 2014

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	25	59	96	92	67
Black	15	78	93	42	19
Latino	17	52	80	37	26
White	52	428	770	952	849
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL					
Asian	0.0%	3.4%	4.2%	2.2%	0.0%
Black	0.0%	38.5%	47.3%	50.0%	15.8%
Latino	5.9%	19.2%	37.5%	18.9%	3.8%
White	1.9%	5.6%	8.8%	5.0%	0.7%
C. GOV'T-BACKED LOAN SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.00	0.60	0.47	0.43	0.00
Black	0.00	6.86	5.36	9.92	22.34
Latino	3.06	3.43	4.25	3.75	5.44
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston MSA (\$90,500 in 2014).

"Low" is less than 50% of this amount (\$1K-\$45K in 2014); "Moderate" is 50%-80% of this amount (\$46K-\$72K);

"Middle" is 80%-120% of this amount (\$73K-\$108K); "High" is 120%-200% of this amount (\$109K-\$181); and

"Highest" is over 200% of this amount (\$182K or more). HMDA data report income to the nearest thousand dollars.

TABLE 13
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2014

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	168	532	788	1,006	709
Black	59	288	286	143	73
Latino	105	484	449	197	132
White	719	3,292	5,308	6,928	5,423
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL					
Asian	1.8%	5.1%	4.9%	2.5%	0.8%
Black	18.6%	39.9%	45.5%	31.5%	11.0%
Latino	28.6%	45.0%	46.1%	20.8%	6.1%
White	8.9%	14.9%	13.2%	7.4%	1.9%
C. GOV'T-BACKED LOAN SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.20	0.34	0.37	0.33	0.45
Black	2.09	2.68	3.43	4.23	5.83
Latino	3.21	3.02	3.48	2.80	3.22
White	1.00	1.00	1.00	1.00	1.00

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2014 was \$90,500 (three small communities were in the Worcester MSA, where the MFI in 2014 was \$77,900). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA.

TABLE 14
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2014

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF LOANS					
Asian	278	789	1,086	1,411	941
Black	191	710	581	288	103
Latino	455	1,332	873	362	182
White	2,309	9,197	12,136	13,025	8,156
B. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF TOTAL					
Asian	10.8%	13.6%	9.0%	2.7%	0.9%
Black	50.3%	52.7%	50.1%	34.0%	14.6%
Latino	46.8%	55.7%	50.4%	28.7%	8.8%
White	22.5%	27.8%	22.7%	11.8%	3.4%
C. GOV'T-BACKED LOAN SHARE DISPARITY RATIOS (Ratio to White GBL percentage for same income category)					
Asian	0.48	0.49	0.40	0.23	0.25
Black	2.23	1.89	2.20	2.89	4.32
Latino	2.08	2.00	2.22	2.44	2.61
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area (MSA) in which the home is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2014 ranging from \$64,200 to \$90,500. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from \$129K in the Pittsfield MSA to \$182K in the Boston MSA. See "Notes on Data & Methods."

TABLE 15
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2014

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	22	18	4	0	44
50%-75% Minority	13	13	6	0	32
25%-50% Minority	9	16	18	7	50
> 75% White	0	1	10	28	39
Total	44	48	38	35	165
B. NUMBER OF LOANS					
> 75% Minority	166	243	80	0	489
50%-75% Minority	222	482	177	0	881
25%-50% Minority	85	322	493	233	1,133
> 75% White	0	23	492	1,420	1,935
Total	473	1,070	1,242	1,653	4,438
C. LOANS AS PERCENT OF TOTAL LOANS IN BOSTON					
> 75% Minority	3.7%	5.5%	1.8%	0.0%	11.0%
50%-75% Minority	5.0%	10.9%	4.0%	0.0%	19.9%
25%-50% Minority	1.9%	7.3%	11.1%	5.3%	25.5%
> 75% White	0.0%	0.5%	11.1%	32.0%	43.6%
Total	10.7%	24.1%	28.0%	37.2%	100.0%
D. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	29.5%	24.3%	36.3%	na	28.0%
50%-75% Minority	6.3%	8.5%	28.8%	na	12.0%
25%-50% Minority	1.2%	5.6%	5.1%	0.9%	4.1%
> 75% White	na	0.0%	4.1%	1.8%	2.4%
Total	13.5%	11.0%	10.1%	1.7%	7.5%
E. GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	16.12	13.26	na	na	15.30
50%-75% Minority	3.44	4.65	na	na	6.57
25%-50% Minority	0.64	3.05	2.77	0.47	2.22
> 75% White	na	0.00	2.22	1.00	1.30
Total	7.39	6.02	5.50	0.93	4.12

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the Boston-Quincy Metropolitan District (MD). "Low" is less than 50% of the MFI of the MD; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MD. A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2014 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 16
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston, 2014

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	31	18	4	0	53
50%-75% Minority	24	29	12	0	65
25%-50% Minority	15	70	60	26	171
> 75% White	0	24	170	204	398
Total	70	141	246	230	687
B. NUMBER OF LOANS					
> 75% Minority	286	243	80	0	609
50%-75% Minority	421	863	524	0	1,808
25%-50% Minority	168	1,839	2,420	1,115	5,542
> 75% White	11	1,008	9,009	12,400	22,428
Total	886	3,953	12,033	13,515	30,387
C. LOANS AS PERCENT OF TOTAL LOANS IN GREATER BOSTON					
> 75% Minority	0.9%	0.8%	0.3%	0.0%	2.0%
50%-75% Minority	1.4%	2.8%	1.7%	0.0%	5.9%
25%-50% Minority	0.6%	6.1%	8.0%	3.7%	18.2%
> 75% White	0.0%	3.3%	29.6%	40.8%	73.8%
Total	2.9%	13.0%	39.6%	44.5%	100.0%
D. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	36.7%	24.3%	36.3%	na	31.7%
50%-75% Minority	16.4%	17.3%	31.3%	na	21.1%
25%-50% Minority	5.4%	18.0%	8.5%	2.2%	10.3%
> 75% White	na	18.3%	11.9%	5.1%	8.4%
Total	21.2%	18.3%	12.2%	4.9%	10.0%
E. GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.19	4.76	7.10	na	6.21
50%-75% Minority	3.21	3.38	6.13	na	4.14
25%-50% Minority	1.05	3.53	1.67	0.42	2.01
> 75% White	na	3.58	2.33	1.00	1.65
Total	4.16	3.58	2.39	0.95	1.96

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. The 101 communities in Greater Boston are located in four different metro areas: 98 of these are in the three Metropolitan Districts (MDs) that make up the Boston MSA; the other three communities are in the Worcester MSA. "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MSA.

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2014 HMDA data. See "Notes on Data and Methods" for more information.

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

TABLE 17
Total & Gov't-Backed Loans (GBLs) by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2014

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	66	28	4	0	98
50%-75% Minority	45	58	14	0	117
25%-50% Minority	36	127	83	33	279
> 75% White	9	80	499	364	952
Total	156	293	600	397	1,446
B. NUMBER OF LOANS					
> 75% Minority	671	355	80	0	1,106
50%-75% Minority	644	1,636	558	0	2,838
25%-50% Minority	415	3,343	3,446	1,502	8,706
> 75% White	82	2,200	23,647	21,346	47,275
Total	1,812	7,534	27,731	22,848	59,925
C. LOANS IN AS PERCENT OF TOTAL LOANS IN MASSACHUSETTS					
> 75% Minority	1.1%	0.6%	0.1%	0.0%	1.8%
50%-75% Minority	1.1%	2.7%	0.9%	0.0%	4.7%
25%-50% Minority	0.7%	5.6%	5.8%	2.5%	14.5%
> 75% White	0.1%	3.7%	39.5%	35.6%	78.9%
Total	3.0%	12.6%	46.3%	38.1%	100.0%
D. GOV'T-BACKED LOANS (GBLs) AS PERCENT OF ALL LOANS IN CENSUS-TRACT CATEGORY					
> 75% Minority	51.6%	38.3%	36.3%	na	46.2%
50%-75% Minority	29.2%	34.6%	33.3%	na	33.1%
25%-50% Minority	35.2%	29.9%	16.5%	2.7%	20.2%
> 75% White	48.8%	30.2%	21.1%	10.2%	16.7%
Total	39.7%	31.4%	20.8%	9.7%	18.5%
E. GBL SHARE DISPARITY RATIOS (Ratio to GBL % in Upper-Income Tracts >75% White)					
> 75% Minority	5.05	3.75	3.55	na	4.53
50%-75% Minority	2.86	3.39	3.27	na	3.25
25%-50% Minority	3.45	2.93	1.62	0.27	1.98
> 75% White	4.78	2.96	2.07	1.00	1.63
Total	3.89	3.08	2.04	0.95	1.81

* A census tract is placed into an income category based on the relationship, according to the 2010 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Each community in Massachusetts is located in one of nine metro areas, each consisting of one or more counties: five MSAs, three MDs, and one "non-metropolitan" area. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Upper" is greater than 120% of the MFI of the metro area.

A census tract is placed into a racial/ethnic category based on its minority population percentage as reported in 2014 HMDA data. See "Notes on Data and Methods" for more information.

TABLE 18
Total & Government-Backed Loans (GBLs), By Neighborhood*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Boston, 2014

Neighborhood	All Loans	Govt-Backed Loans	Percent GBLs	Percent Minority*	Median Fam Inc.*	Population*
Hyde Park	201	68	33.8%	71.8%	\$71,017	30,637
Mattapan	88	28	31.8%	93.7%	\$54,119	22,600
Dorchester	633	118	18.6%	77.8%	\$48,254	114,235
Roxbury	80	14	17.5%	88.8%	\$32,432	48,454
East Boston	196	28	14.3%	62.8%	\$47,198	40,508
West Roxbury	296	27	9.1%	26.7%	\$93,582	30,446
Roslindale	285	24	8.4%	53.3%	\$72,567	28,680
South Boston	66	3	4.5%	15.0%	\$75,257	1,889
Mission Hill	29	1	3.4%	52.9%	\$36,237	16,305
Brighton	189	4	2.1%	29.9%	\$59,383	45,801
Jamaica Plain	420	7	1.7%	46.4%	\$84,045	37,468
S. Bos. Waterfront	652	9	1.4%	24.2%	\$169,697	33,311
Back Bay	136	1	0.7%	21.8%	\$182,190	18,088
Charlestown	304	2	0.7%	24.2%	\$100,725	16,439
South End	433	2	0.5%	44.4%	\$72,063	25,889
Allston	22	0	0.0%	40.1%	\$50,109	29,196
Beacon Hill	93	0	0.0%	13.2%	\$166,257	9,023
Downtown	176	0	0.0%	45.2%	\$119,943	16,298
Fenway	71	0	0.0%	35.3%	\$69,094	33,796
North End	67	0	0.0%	9.1%	\$119,597	10,131
City of Boston	4,447	336	7.6%	53.0%	\$61,109	617,594

* This report uses Boston's "Neighborhoods" as defined by the Boston Redevelopment Authority (BRA). Three of the BRA's 23 neighborhoods are omitted because of their small population and few loans: Harbor Islands (0 loans, pop. 640), Longwood Medical Area (2 loans, pop. 3,969); and West End (8 loans, pop. 3,609). *Percent minority* is 100% minus the percentage of the population that is non-Latino white-only. Population and income data are from the BRA's *Boston in Context: Neighborhoods (2007-2011 American Community Survey and 2010 Census)*.

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

TABLE 19
The Ten Massachusetts Cities with the Most Loans to Black & Latino Borrowers
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

A. LOANS TO BLACK BORROWERS							
City or Town	Rank	Number of Loans		Percentage of Massachusetts Totals			
		To Black Borrowers	To All Borrowers	Loans to Blacks	Black Pop'n	Total Loans	Total Pop'n
Brockton	1	318	718	16.9%	7.3%	1.2%	1.4%
Boston	2	248	4,447	13.2%	33.2%	7.4%	9.4%
Randolph	3	126	294	6.7%	2.8%	0.5%	0.5%
Springfield	4	104	783	5.5%	7.3%	1.3%	2.3%
Worcester	5	94	1,032	5.0%	4.7%	1.7%	2.8%
Stoughton	6	50	281	2.7%	0.7%	0.5%	0.4%
Lynn	7	45	662	2.4%	2.4%	1.1%	1.4%
Lowell	8	39	666	2.1%	1.6%	1.1%	1.6%
Taunton	9	35	451	1.9%	0.8%	0.8%	0.9%
New Bedford	10	31	532	1.7%	1.6%	0.9%	1.5%
341 Others		787	50,094	41.9%	37.6%	83.5%	77.8%
Massachusetts		1,877	59,960	100.0%	100.0%	100.0%	100.0%

B. LOANS TO LATINO BORROWERS							
City or Town	Rank	Number of Loans		Percentage of Massachusetts Totals			
		To Latino Borrowers	To All Borrowers	Loans to Latinos	Latino Pop'n	Total Loans	Total Pop'n
Lawrence	1	307	373	9.5%	9.0%	0.6%	1.2%
Springfield	2	236	783	7.3%	9.5%	1.3%	2.3%
Boston	3	215	4,447	6.7%	17.2%	7.4%	9.4%
Lynn	4	190	662	5.9%	4.6%	1.1%	1.4%
Worcester	5	142	1,032	4.4%	6.0%	1.7%	2.8%
Methuen	6	128	517	4.0%	1.4%	0.9%	0.7%
Revere	7	127	336	3.9%	2.0%	0.6%	0.8%
Haverhill	8	87	609	2.7%	1.4%	1.0%	0.9%
Lowell	9	85	666	2.6%	2.9%	1.1%	1.6%
Everett	10	83	235	2.6%	1.4%	0.4%	0.6%
341 Others		1,622	50,300	50.3%	44.6%	83.9%	78.2%
Massachusetts		3,222	59,960	100.0%	100.0%	100.0%	100.0%

Note: Related information about all but two of cities in this table—black and Latino shares of total population and black and Latino shares of total loans—is presented in Tables 3, 6, and 7. The two exceptions are Randolph, where the black population share was 38.9% and the black share of total loans was 42.9% and Stoughton, where the black population share was 11.7% and the black share of total loans was 17.8%.

TABLE 20
Denial Rates and Ratios, By Race/Ethnicity and Type of Loan
City of Boston, Greater Boston#, and Statewide
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. CONVENTIONAL (NON-GOVERNMENT-BACKED) LOANS											
Boston	435	265	227	3,657	7.1%	21.1%	13.2%	5.9%	1.22	3.61	2.26
Greater Boston	4,054	821	1,210	24,905	7.6%	16.6%	12.0%	5.9%	1.29	2.80	2.02
Massachusetts	5,608	1,495	2,381	47,434	8.3%	16.6%	14.2%	7.0%	1.19	2.37	2.02
B. GOVERNMENT-BACKED LOANS											
Boston	20	176	84	222	10.0%	25.0%	22.6%	13.5%	0.74	1.85	1.67
Greater Boston	165	512	734	2,606	20.0%	23.8%	16.1%	12.0%	1.66	1.98	1.33
Massachusetts	442	1,402	2,246	10,549	21.5%	21.9%	18.5%	12.9%	1.66	1.70	1.43
C. ALL LOANS											
Boston	455	441	311	3,879	7.3%	22.7%	15.8%	6.3%	1.15	3.60	2.50
Greater Boston	4,219	1,333	1,944	27,511	8.1%	19.4%	13.5%	6.5%	1.25	2.98	2.08
Massachusetts	6,050	2,897	4,627	57,983	9.3%	19.2%	16.3%	8.1%	1.15	2.37	2.01

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

TABLE 21
Applications And Denial Rates By Race & Income Of Applicant
Conventional ^ First-Lien Home-Purchase Loans For Owner-Occupied Homes, 2014

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-30	2	0.0%	3	66.7%	8	50.0%	-	1.33
31-50	35	31.4%	26	19.2%	131	20.6%	1.52	0.93
51-70	75	26.7%	46	17.4%	410	6.1%	4.37	2.85
71-90	71	18.3%	39	17.9%	493	5.1%	3.61	3.54
91-120	31	9.7%	37	2.7%	628	3.8%	2.53	0.71
over 120	47	19.1%	69	8.7%	1,927	5.1%	3.73	1.69
Total*	265	21.1%	227	13.2%	3,657	5.9%	3.61	2.26
B. GREATER BOSTON								
1-30	11	18.2%	21	66.7%	150	36.7%	0.50	1.82
31-50	114	28.1%	174	21.8%	1,310	12.4%	2.27	1.77
51-70	213	20.2%	283	11.3%	2,780	8.2%	2.47	1.38
71-90	156	15.4%	200	15.5%	3,299	6.2%	2.48	2.49
91-120	134	11.9%	187	5.3%	4,285	4.6%	2.61	1.17
over 120	183	8.7%	323	5.9%	12,780	4.6%	1.89	1.27
Total*	821	16.6%	1,210	12.0%	24,905	5.9%	2.80	2.02
C. MASSACHUSETTS								
1-30	33	24.2%	118	35.6%	864	31.3%	0.78	1.14
31-50	267	25.8%	535	20.4%	4,743	12.7%	2.03	1.60
51-70	390	16.9%	613	11.4%	7,130	8.3%	2.03	1.37
71-90	281	16.0%	343	14.6%	6,958	6.6%	2.42	2.20
91-120	247	11.7%	296	10.1%	8,273	5.3%	2.23	1.92
over 120	262	9.9%	445	7.0%	18,952	4.7%	2.10	1.48
Total*	1,495	16.6%	2,381	14.2%	47,434	7.0%	2.37	2.02

^ Conventional loans are non-Government-Backed Loans

* Total includes applicants without reported income.

TABLE 22
Denial Rates and Denial Rate Disparity Ratios
For Asian, Black, Latino, and White Applicants for
First-Lien Home-Purchase Loans for Owner-Occupied Homes
Boston, Greater Boston, and Massachusetts

	Denial Rate				Denial Rate Disparity Ratio		
	Asian	Black	Latino	White	Asian/ White	Black/ White	Latino/ White
A. BOSTON							
2004	12.2%	22.7%	19.2%	8.8%	1.39	2.58	2.19
2005	14.6%	23.6%	20.9%	10.1%	1.45	2.34	2.07
2006 ^	8.9%	21.1%	21.4%	8.3%	1.07	2.54	2.58
2007 ^	11.4%	26.9%	25.8%	8.6%	1.34	3.14	3.01
2008	14.8%	30.8%	28.7%	12.0%	1.24	2.57	2.39
2009	17.1%	24.7%	22.2%	11.2%	1.53	2.21	1.98
2010	14.1%	23.3%	21.7%	12.0%	1.18	1.95	1.82
2011	14.4%	26.9%	22.7%	9.3%	1.54	2.88	2.43
2012	10.3%	24.5%	21.1%	8.6%	1.19	2.85	2.45
2013	11.5%	25.3%	13.9%	7.1%	1.62	3.57	1.95
2014	7.3%	22.7%	15.8%	6.3%	1.15	3.60	2.50
B. GREATER BOSTON							
2004	8.5%	21.4%	17.6%	7.6%	1.12	2.84	2.33
2005	9.8%	22.3%	19.5%	8.9%	1.11	2.50	2.18
2006 ^	6.9%	19.2%	16.7%	6.6%	1.04	2.92	2.54
2007 ^	7.6%	23.8%	22.2%	7.3%	1.04	3.28	3.06
2008	12.0%	27.8%	25.1%	10.3%	1.16	2.69	2.43
2009	12.0%	22.8%	21.7%	9.6%	1.25	2.37	2.25
2010	12.0%	21.3%	19.7%	9.8%	1.22	2.16	2.01
2011	11.4%	21.6%	20.4%	8.0%	1.43	2.70	2.55
2012	9.4%	20.8%	18.6%	8.0%	1.17	2.61	2.33
2013	8.9%	20.6%	15.9%	7.3%	1.23	2.84	2.18
2014	8.1%	19.4%	13.5%	6.5%	1.25	2.98	2.08
C. MASSACHUSETTS							
2004	9.0%	20.2%	18.0%	8.8%	1.02	2.30	2.04
2005	10.1%	21.3%	19.1%	9.7%	1.04	2.20	1.97
2006 ^	7.6%	19.6%	17.4%	7.4%	1.03	2.63	2.34
2007 ^	9.1%	23.8%	20.8%	8.4%	1.08	2.84	2.48
2008	13.3%	26.6%	25.0%	11.2%	1.19	2.37	2.23
2009	13.0%	21.9%	21.5%	10.7%	1.21	2.05	2.01
2010	13.3%	22.2%	21.4%	11.1%	1.20	2.00	1.92
2011	12.9%	22.0%	20.8%	10.1%	1.28	2.19	2.07
2012	10.9%	21.4%	19.8%	9.8%	1.11	2.19	2.03
2013	9.6%	20.9%	17.0%	9.1%	1.06	2.30	1.88
2014	9.3%	19.2%	16.3%	8.1%	1.15	2.37	2.01

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

^ 2006 and 2007 denial rates are for prime lenders only; they exclude applications to lenders that specialized in high-cost subprime loans.

TABLE 23
Shares of Total Loans by Major Types of Lenders, 2004–2014
Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes

	City of Boston			Greater Boston#			Massachusetts		
	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*	% Mass Banks & Cus*	% Lic. Mort Lenders*	% Other Lenders*
2004	22.2%	42.5%	35.2%	23.2%	41.8%	34.9%	26.5%	39.1%	34.4%
2005	19.7%	49.8%	30.5%	19.8%	49.3%	30.9%	23.6%	46.8%	29.6%
2006	22.2%	49.4%	28.3%	22.1%	49.3%	28.5%	25.6%	46.3%	28.1%
2007	35.8%	29.8%	34.5%	33.6%	33.4%	33.1%	37.7%	30.5%	31.8%
2008	39.0%	26.0%	35.0%	37.1%	29.9%	33.0%	41.2%	27.0%	31.8%
2009	47.5%	32.3%	20.2%	42.6%	36.4%	21.0%	45.1%	33.3%	21.6%
2010	45.3%	33.7%	21.0%	41.8%	37.0%	21.2%	43.7%	34.4%	21.9%
2011	43.3%	34.9%	21.9%	40.5%	37.8%	21.7%	42.6%	34.9%	22.6%
2012	42.8%	42.2%	15.0%	43.1%	41.0%	15.9%	44.4%	39.3%	16.4%
2013	42.8%	44.4%	12.8%	43.9%	42.8%	13.3%	44.6%	41.0%	14.4%
2014	45.4%	42.0%	12.6%	43.7%	42.6%	13.6%	43.1%	42.8%	14.2%

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

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) (Starting in 2010, this includes only lenders with at least 50 mortgage loans in the state; other LMLs are included with "Other Lenders.")

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

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 24
Shares of Total Loans and Gov't-Backed Loans (GBLs) by Major Types of Lenders*
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	All Home-Purchase Loans				Gov't-Backed Home-Purchase Loans			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
Boston	4,447	45.4%	42.0%	12.6%	336	15.8%	69.6%	14.6%
Greater Boston	30,396	43.7%	42.6%	13.6%	3,038	17.1%	69.1%	13.7%
Massachusetts	59,960	43.1%	42.8%	14.2%	11,088	15.4%	69.3%	15.3%

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

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

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

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 25
Gov't-Backed Loans (GBLs) and Loan Percentages by Major Lender Type
In the City of Boston, Greater Boston, and Statewide
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs	All Loans	Gov't-Backed Loans	% GBLs
Boston	2,019	53	2.6%	1,868	234	12.5%	560	49	8.8%
Greater Boston	13,298	521	3.9%	12,955	2,100	16.2%	4,143	417	10.1%
Massachusetts	25,827	1,706	6.6%	25,640	7,682	30.0%	8,493	1,700	20.0%

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

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

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

For Mass. banks & credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other lenders are, essentially, exempt from such oversight and evaluation.

TABLE 26
Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each
Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, City of Boston, 2014

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	2,019	103	19	98	9	385	11	613	31	162	21
% of Loans	100%	5.1%	0.9%	4.9%	0.4%	19.1%	0.5%	30.4%	1.5%	8.0%	1.0%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	1,868	38	58	53	39	312	56	618	116	115	69
% of Loans	100%	2.0%	3.1%	2.8%	2.1%	16.7%	3.0%	33.1%	6.2%	6.2%	3.7%
C. OTHER LENDERS*											
Number of Loans	560	9	21	15	1	43	11	130	25	24	18
% of Loans	100%	1.6%	3.8%	2.7%	0.2%	7.7%	2.0%	23.2%	4.5%	4.3%	3.2%
D. TOTAL											
Number of Loans	4,447	150	98	166	49	740	78	1,361	172	301	108
% of Loans	100%	3.4%	2.2%	3.7%	1.1%	16.6%	1.8%	30.6%	3.9%	6.8%	2.4%

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston MSA (<\$46K in 2014).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<\$73K in 2014).

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston-Quincy MD (2014 HMDA data).

"LMI CTs >75% Minority" includes 40 of the 44 Boston census tracts with over 75% minority population.

TABLE 27
Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each
Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Greater Boston ^, 2014

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	13,298	292	68	451	100	2,521	186	1,828	186	196	35
% of Loans	100%	2.2%	0.5%	3.4%	0.8%	19.0%	1.4%	13.7%	1.4%	1.5%	0.3%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	12,955	202	193	335	367	2,203	740	1,742	629	142	104
% of Loans	100%	1.6%	1.5%	2.6%	2.8%	17.0%	5.7%	13.4%	4.9%	1.1%	0.8%
C. OTHER LENDERS*											
Number of Loans	4,143	48	48	90	37	399	103	358	96	27	25
% of Loans	100%	1.2%	1.2%	2.2%	0.9%	9.6%	2.5%	8.6%	2.3%	0.7%	0.6%
D. TOTAL											
Number of Loans	30,396	542	309	876	504	5,123	1,029	3,928	911	365	164
% of Loans	100%	1.8%	1.0%	2.9%	1.7%	16.9%	3.4%	12.9%	3.0%	1.2%	0.5%

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

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

"Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston MSA (<\$46K in 2014).

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston MSA (<\$73K in 2014).

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston-Quincy MD (2014 HMDA data).

"LMI CTs >75% Minority" includes 40 of the 44 Boston census tracts with over 75% minority population.

TABLE 28
Shares of the Conventional Loans (Non-GBLs) & Gov't-Backed Loans (GBLs) by Each
Major Type of Lender* That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Home-Purchase Loans for Owner-Occupied Homes, Massachusetts, 2014

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts		LMI Census Tracts >75% Minority	
		Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non- GBL Loans	GBL Loans	Non-GBL Loans	GBL Loans
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*											
Number of Loans	25,827	521	140	965	280	6,064	811	3,199	563	323	92
% of Loans	100%	2.0%	0.5%	3.7%	1.1%	23.5%	3.1%	12.4%	2.2%	1.3%	0.4%
B. LICENSED MORTGAGE LENDERS*											
Number of Loans	25,640	361	582	558	1,022	4,203	3,467	2,432	2,118	179	326
% of Loans	100%	1.41%	2.3%	2.2%	4.0%	16.4%	13.5%	9.5%	8.3%	0.7%	1.3%
C. OTHER LENDERS*											
Number of Loans	8,493	115	152	182	215	1,203	649	629	415	42	69
% of Loans	100%	1.35%	1.8%	2.1%	2.5%	14.2%	7.6%	7.4%	4.9%	0.5%	0.8%
D. TOTAL											
Number of Loans	59,960	997	874	1,705	1,517	11,470	4,927	6,260	3,096	544	487
% of Loans	100%	1.7%	1.5%	2.8%	2.5%	19.1%	8.2%	10.4%	5.2%	0.9%	0.8%

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

"Licensed Mortgage Lenders": lenders requiring a state license to make mortgage loans in Mass. (mostly independent mortgage companies) who made 50 or more mortgage loans in the state. Licensed lenders with fewer than 50 loans are classified as "Other Lenders."

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Reinvestment Act (CRA). Licensed mortgage lenders with 50 or more Mass. loans became subject to similar state evaluation under a state law enacted in 2007, with the first evaluations taking place in 2009. Other Lenders are, essentially, exempt from such oversight and regulation.

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

"LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in their MSA.

"LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in their metro area (2014 HMDA data).

"LMI CTs >75% Minority" includes 49 of the 53 Massachusetts census tracts with over 75% minority population. (2014 HMDA data).

TABLE 29
The Biggest Lenders in Boston, Greater Boston, and Massachusetts*
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2014

Lender	Lender Type#	Loans			Rank		
		Boston	Greater Bos	Mass	Boston	Greater Bos	Mass
Guaranteed Rate	LML	311	1,745	2,457	1	1	1
Leader Bank	CRA	188	1,556	1,893	5	2	4
Mortgage Master	LML	262	1,230	1,999	2	3	3
Wells Fargo Bank	OTH	158	1,094	1,730	7	4	5
Prospect Mortgage	LML	200	889	1,440	3	5	6
Residential Mortgage	LML	163	888	2,290	6	6	2
Bank of America	CRA	119	812	1,300	10	7	9
Santander Bank	CRA	144	806	1,375	8	8	7
Mortgage Network	LML	77	739	1,367	15	9	8
NE Moves Mortgage	LML	48	596	973	26	10	13
JPMorgan Chase	OTH	73	584	702	16	11	18
Citizens Bank	CRA	94	565	1,065	12	12	11
Salem Five Mortgage	CRA	51	558	1,105	24	13	10
Fairway Independent Mort	LML	124	510	944	9	14	14
MSA Mortgage	LML	87	479	576	13	15	25
Sage Bank	CRA	49	479	978	25	16	12
First Republic Bank	CRA	194	477	490	4	17	31
Bank of Canton	CRA	56	448	771	23	18	17
PMAC Lending Services	LML	35	439	647	30	19	22
Berkshire Bank	CRA	63	427	802	20	20	16
People's United Bank	CRA	117	415	513	11	21	28
Citibank	CRA	64	379	531	19	22	26
Radius Financial Group	LML	19	374	836	45	23	15
Eastern Bank	CRA	69	366	509	17	24	29
Washington Trust Mort	LML	79	335	414	14	25	35
Stearns Lending	LML	39	303	674	28	26	20
Mortgage Financial	LML	10	280	452	76	27	32
Quicken Loans	LML	24	278	663	39	28	21
Needham Bank	CRA	42	247	261	27	29	47
Boston Private Bank	CRA	69	224	238	18	30	57
Total, 30 Biggest Lenders		3,131	18,522	31,094			
Number of Lenders		255	445	535			
Total, All Lenders		4,447	30,396	59,960			

* This table includes the top 30 lenders in Greater Boston, listed in order of their rank in Greater Boston.

Three other lenders were in the top 30 in Boston: East Boston SB (60 loans, 21st), Blue Hills Bank (57 loans, 22nd) & Everbank (39 loans, 28th).

Five other lenders were in the top 30 statewide: Merrimack Mort (696 loans, 19th), First Federal SB (635 loans, 23rd), Cape Cod Five (592 loans, 24th),

Plaza Home Mortgage (529 loans, 27th) & USAA FSB (502 loans, 30th).

Total loans for 30 biggest lenders for Boston and Mass are calculated for top 30 lenders in those areas, and so differ from totals for 30 lenders in table.

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

TABLE 30
Lending by 30 Biggest Lenders in Greater Boston*, 2014
First-Lien Home-Purchase Loans for Owner-Occupied Homes

Lender	Total		Gov't-Backed Loans			Low + Mod-Inc Borrowers			Black & Latino Borrowers		
	Loans	Rank	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
Guaranteed Rate	1,745	1	244	14.0%	1	349	20.0%	1	116	6.6%	1
Leader Bank	1,556	2	78	5.0%	10	249	16.0%	2	60	3.9%	10
Mortgage Master	1,230	3	104	8.5%	6	181	14.7%	6	70	5.7%	6
Wells Fargo Bank	1,094	4	88	8.0%	9	84	7.7%	20	66	6.0%	7
Prospect Mortgage	889	5	113	12.7%	5	175	19.7%	7	61	6.9%	8
Residential Mortgage	888	6	125	14.1%	4	198	22.3%	4	76	8.6%	5
Bank of America	812	7	74	9.1%	13	118	14.5%	14	59	7.3%	11
Santander Bank	806	8	29	3.6%	31	229	28.4%	3	103	12.8%	3
Mortgage Network	739	9	68	9.2%	15	149	20.2%	9	16	2.2%	35
NE Moves Mortgage	596	10	69	11.6%	14	119	20.0%	13	37	6.2%	18
JPMorgan Chase	584	11	5	0.9%	80	14	2.4%	82	11	1.9%	44
Citizens Bank	565	12	31	5.5%	30	161	28.5%	8	52	9.2%	14
Salem Five Mortgage	558	13	56	10.0%	20	107	19.2%	17	23	4.1%	26
Fairway Independent Mort	510	14	37	7.3%	26	102	20.0%	19	47	9.2%	16
MSA Mortgage	479	15	65	13.6%	16	107	22.3%	17	104	21.7%	2
Sage Bank	479	16	153	31.9%	2	190	39.7%	5	55	11.5%	13
First Republic Bank	477	17	0	0.0%	NA	22	4.6%	58	13	2.7%	39
Bank of Canton	448	18	3	0.7%	92	111	24.8%	16	18	4.0%	30
PMAC Lending Services	439	19	92	21.0%	8	127	28.9%	12	34	7.7%	20
Berkshire Bank	427	20	14	3.3%	46	55	12.9%	28	18	4.2%	30
People's United Bank	415	21	0	0.0%	NA	22	5.3%	58	7	1.7%	64
Citibank	379	22	4	1.1%	86	54	14.2%	31	52	13.7%	14
Radius Financial Group	374	23	129	34.5%	3	137	36.6%	10	58	15.5%	12
Eastern Bank	366	24	4	1.1%	86	129	35.2%	11	61	16.7%	8
Washington Trust Mort	335	25	0	0.0%	NA	49	14.6%	35	13	3.9%	39
Stearns Lending	303	26	57	18.8%	19	113	37.3%	15	14	4.6%	37
Mortgage Financial	280	27	39	13.9%	25	81	28.9%	21	13	4.6%	39
Quicken Loans	278	28	49	17.6%	22	61	21.9%	23	18	6.5%	30
Needham Bank	247	29	0	0.0%	NA	24	9.7%	55	5	2.0%	75
Boston Private Bank	224	30	0	0.0%	NA	46	20.5%	36	32	14.3%	21
Total: All 445 Lenders	30,396		3,038	10.0%		6,152	20.2%		2,231	7.3%	75

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

Notes:

This table includes the top 30 lenders in Greater Boston; rankings are among all of the 445 lenders with at least one loan in Greater Boston.

See Table 29 for data on the total loans and rankings of these 30 lenders in Boston and in Massachusetts.

If lenders have the same number of loans in a category, they share a rank. For example, Prospect Mortgage & Eastern Bank each made

61 loans to black and Latino borrowers, so they are both ranked 8th in that category, and no lender received the rank of 9th.

One lender was among the top 10 in gov't-backed loans (GBLs), although it wasn't among the top 30 overall lenders; USAA FSB ranked

7th among all GBL lenders with 101 GBLs (all these were VA loans).

One lender was among the top 10 in loans to black and Latino borrowers, although it wasn't among the top 30 overall lenders; Prime Lending

ranked 4th in this category with 91 loans to blacks and Latinos (89 of these were to Latinos).

APPENDIX TABLE I

**All Home-Purchase and Refinance Loans in Massachusetts, 2014, Classified by Five Characteristics:
(1) Home-purchase or Refinance; (2) Conventional or Government-Backed; (3) First-Lien or Subordinate-Lien;
(4) Owner-Occupied or Not Owner-Occupied; and (5) Site-Built or Manufactured Housing**

A. NUMBER OF LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	57,625	11,100	68,725	45,156	3,636	48,792	102,781	14,736	117,517
Owner-Occupied	48,872	11,088	59,960	39,478	3,577	43,055	88,350	14,665	103,015
Site-built	48,658	11,088	59,746	39,441	3,577	43,018	88,099	14,665	102,764
Mfg housing	214	0	214	37	0	37	251	0	251
Not Owner-Occ	8,753	12	8,765	5,678	59	5,737	14,431	71	14,502
Site-built	8,752	12	8,764	5,677	58	5,735	14,429	70	14,499
Mfg housing	1	0	1	1	1	2	2	1	3
Sub Lien	850	0	850	1,456	0	1,456	2,306	0	2,306
Owner-Occupied	814	0	814	1,393	0	1,393	2,207	0	2,207
Site-built	814	0	814	1,393	0	1,393	2,207	0	2,207
Mfg housing	0	0	0	0	0	0	0	0	0
Not Owner-Occ	36	0	36	63	0	63	99	0	99
Site-built	36	0	36	62	0	62	98	0	98
Mfg housing	0	0	0	1	0	1	1	0	1
Any Lien	58,475	11,100	69,575	46,612	3,636	50,248	105,087	14,736	119,823
Owner-Occupied	49,686	11,088	60,774	40,871	3,577	44,448	90,557	14,665	105,222
Site-built	49,472	11,088	60,560	40,834	3,577	44,411	90,306	14,665	104,971
Mfg housing	214	0	214	37	0	37	251	0	251
Not Owner-Occ	8,789	12	8,801	5,741	59	5,800	14,530	71	14,601
Site-built	8,788	12	8,800	5,739	58	5,797	14,527	70	14,597
Mfg housing	1	0	1	2	1	3	3	1	4
memo:									
total site-built	58,260	11,100	69,360	46,573	3,635	50,208	104,833	14,735	119,568
total mfg hsing	215	0	215	39	1	40	254	1	255
B. PERCENTAGE OF TOTAL LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	48.1%	9.3%	57.4%	37.7%	3.0%	40.7%	85.8%	12.3%	98.1%
Owner-Occupied	40.8%	9.3%	50.0%	32.9%	3.0%	35.9%	73.7%	12.2%	86.0%
Site-built	40.6%	9.3%	49.9%	32.9%	3.0%	35.9%	73.5%	12.2%	85.8%
Mfg housing	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%
Not Owner-Occ	7.3%	0.0%	7.3%	4.7%	0.0%	4.8%	12.0%	0.1%	12.1%
Site-built	7.3%	0.0%	7.3%	4.7%	0.0%	4.8%	12.0%	0.1%	12.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%	1.9%	0.0%	1.9%
Owner-Occupied	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%	1.8%	0.0%	1.8%
Site-built	0.7%	0.0%	0.7%	1.2%	0.0%	1.2%	1.8%	0.0%	1.8%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%
Site-built	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	48.8%	9.3%	58.1%	38.9%	3.0%	41.9%	87.7%	12.3%	100.0%
Owner-Occupied	41.5%	9.3%	50.7%	34.1%	3.0%	37.1%	75.6%	12.2%	87.8%
Site-built	41.3%	9.3%	50.5%	34.1%	3.0%	37.1%	75.4%	12.2%	87.6%
Mfg housing	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%
Not Owner-Occ	7.3%	0.0%	7.3%	4.8%	0.0%	4.8%	12.1%	0.1%	12.2%
Site-built	7.3%	0.0%	7.3%	4.8%	0.0%	4.8%	12.1%	0.1%	12.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	48.6%	9.3%	57.9%	38.9%	3.0%	41.9%	87.5%	12.3%	99.8%
total mfg hsing	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%

Notes:

This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2014 HMDA data. All other numbers in this table are calculated from these 32 basic numbers (in 2014, 14 of these numbers were "0" and 4 more of them were "1").

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown here to constitute 86.0% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (12.1% of the total) and subordinate-lien loans (1.9%).

Of the government-backed loans, 64.9% were FHA, 27.5% were VA, and 7.6% were USDA. Of 2 total HEOPA loans, both were first-lien owner-occupied.

This table ignores the state's 15,280 home-improvement loans, of which 5,070 were first-lien loans on owner-occupied homes.

This table also ignores the 82 home-purchase and refi loans for which owner-occupancy status was reported as "NA."

APPENDIX TABLE 2
All Loans & Gov't-Backed Loans (GBLs), by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type
Loans for Owner-Occupied Homes, Massachusetts, 2014

Borrower Race/Ethnicity	All Loans	Non-GBL Loans	GBL Loans	Percent GBLs	Ratio to White %
A-1. HOME-PURCHASE LOANS — ANY LIEN					
Asian	4,602	4,320	282	6.1%	0.37
Black	1,902	1,028	874	46.0%	2.74
Latino	3,262	1,745	1,517	46.5%	2.77
White	45,691	38,023	7,668	16.8%	1.00
No Info*	5,095	4,393	702	13.8%	
Total*	60,774	49,686	11,088	18.2%	
A-2. HOME-PURCHASE LOANS — FIRST LIEN (98.7% of all Home Purchase Loans)					
Asian	4,536	4,254	282	6.2%	0.37
Black	1,877	1,003	874	46.6%	2.74
Latino	3,222	1,705	1,517	47.1%	2.77
White	45,106	37,438	7,668	17.0%	1.00
No Info*	5,001	4,299	702	14.0%	
Total*	59,960	48,872	11,088	18.5%	
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (1.3% of all Home Purchase Loans)					
Asian	66	66	0	0.0%	NA
Black	25	25	0	0.0%	NA
Latino	40	40	0	0.0%	NA
White	585	585	0	0.0%	NA
No Info*	94	94	0	0.0%	
Total*	814	814	-	0.0%	
B-1. REFINANCE LOANS — ANY LIEN					
Asian	1,891	1,849	42	2.2%	0.29
Black	1,076	888	188	17.5%	2.28
Latino	1,411	1,211	200	14.2%	1.85
White	34,902	32,225	2,677	7.7%	1.00
No Info*	5,003	4,553	450	9.0%	
Total*	44,448	40,871	3,577	8.0%	
B-2. REFINANCE LOANS — FIRST LIEN (96.9% of all Refinance Loans)					
Asian	1,859	1,817	42	2.3%	0.29
Black	1,058	870	188	17.8%	2.25
Latino	1,381	1,181	200	14.5%	1.84
White	33,962	31,285	2,677	7.9%	1.00
No Info*	4,636	4,186	450	9.7%	
Total*	43,055	39,478	3,577	8.3%	
B-3. REFINANCE LOANS — JUNIOR LIEN (3.1% of all Refinance Loans)					
Asian	32	32	0	0.0%	na
Black	18	18	0	0.0%	na
Latino	30	30	0	0.0%	na
White	940	940	0	0.0%	na
No Info*	367	367	0	0.0%	
Total*	1,393	1,393	0	0.0%	
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN					
Asian	6,493	6,169	324	5.0%	0.39
Black	2,978	1,916	1,062	35.7%	2.78
Latino	4,673	2,956	1,717	36.7%	2.86
White	80,593	70,248	10,345	12.8%	1.00
No Info*	10,098	8,946	1,152	11.4%	
Total*	105,222	90,557	14,665	13.9%	

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

"Total" includes "Other" as well as the categories shown; "other" is less than 0.6% in each category of loans.

APPENDIX TABLE 3
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2014*

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2005	2010	2014	1990	1995	2000	2005	2010	2014
Asian	100	269	381	453	317	342	5.7%	6.0%	5.8%	6.1%	9.3%	8.8%
Black	287	880	710	1,065	332	248	16.4%	19.8%	10.9%	14.3%	9.7%	6.3%
Latino	91	303	463	719	212	215	5.2%	6.8%	7.1%	9.7%	6.2%	5.5%
White	1,266	2,866	4,831	5,175	2,548	3,084	72.5%	64.4%	74.0%	69.5%	74.5%	79.0%
Other	3	132	147	34	13	17	0.2%	3.0%	2.3%	0.5%	0.4%	0.4%
SubTotal#	1,747	4,450	6,532	7,446	3,422	3,906	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	884	536	541						
Total	1,770	4,637	7,467	8,330	3,958	4,447						

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

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

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

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

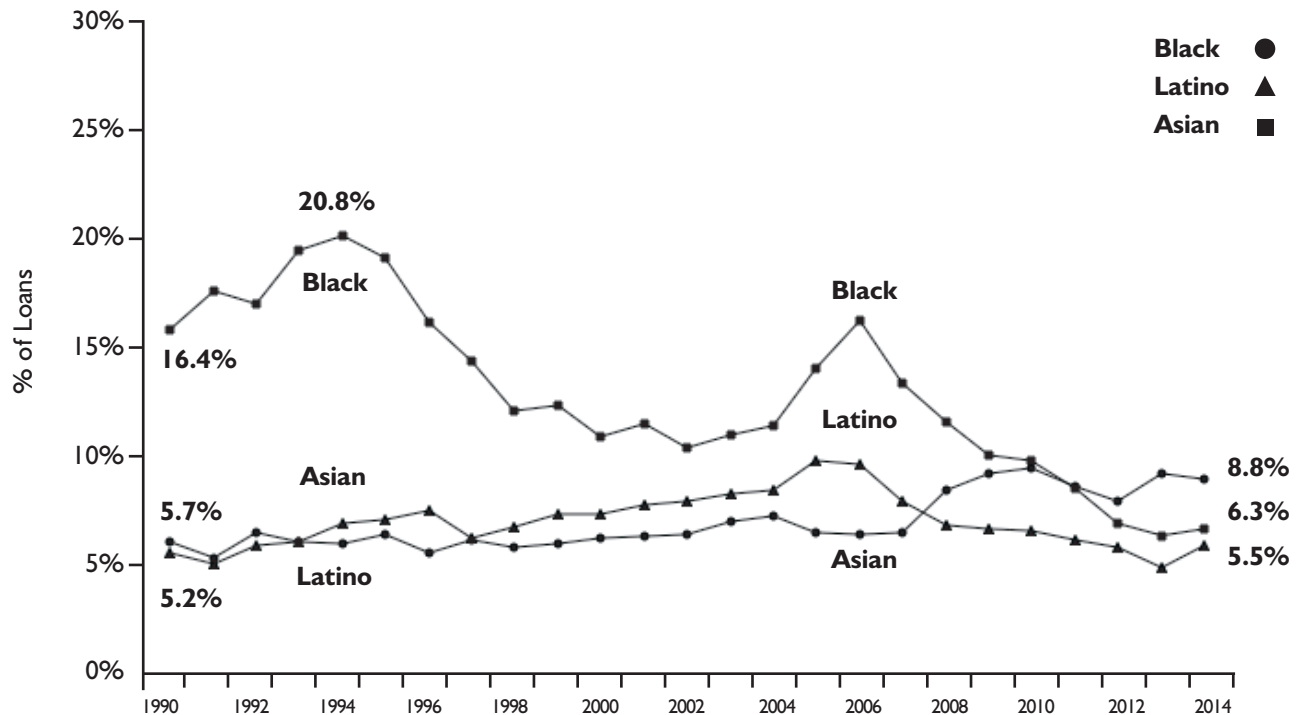
Chart A-3: Shares of Home-Purchase Loans & Households by Race/Ethnicity, Boston, 1990–2014*

The black share of Boston households was 20.6% in 1990, 21.3% in 2000, & 21.0% in 2010.

The Asian share of Boston households was 4.1% in 1990, 6.8% in 2000, & 8.5% in 2010.

The Latino share of Boston households was 8.1% in 1990, 10.6% in 2000, & 13.7% in 2010.

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



**APPENDIX TABLE 4
Boston Home-Purchase Loans by Income Level
1990-2014***

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2005	2010	2014	1990	1995	2000	2005	2010	2013
Low#	51	530	369	216	217	124	2.8%	11.6%	5.1%	2.7%	5.5%	2.8%
Moderate	352	1,233	1,321	1,314	1,067	694	19.6%	27.0%	18.4%	16.4%	27.1%	15.8%
Middle	527	1,261	1,815	2,281	1,036	1,151	29.3%	27.6%	25.2%	28.5%	26.4%	26.2%
High	513	889	2,095	2,715	920	1,291	28.5%	19.4%	29.1%	33.9%	23.4%	29.4%
Highest	355	659	1,589	1,474	691	1,137	19.7%	14.4%	22.1%	18.4%	17.6%	25.9%
Hi+Hi'est	868	1,548	3,684	4,189	1,611	2,428	48.3%	33.9%	51.2%	52.4%	41.0%	55.2%
Total#	1,798	4,572	7,189	8,000	3,931	4,397	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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

"Total" excludes borrowers without income data (50 in 2014); before 2004, Low & Total also excluded those with incomes of \$10K or less.

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

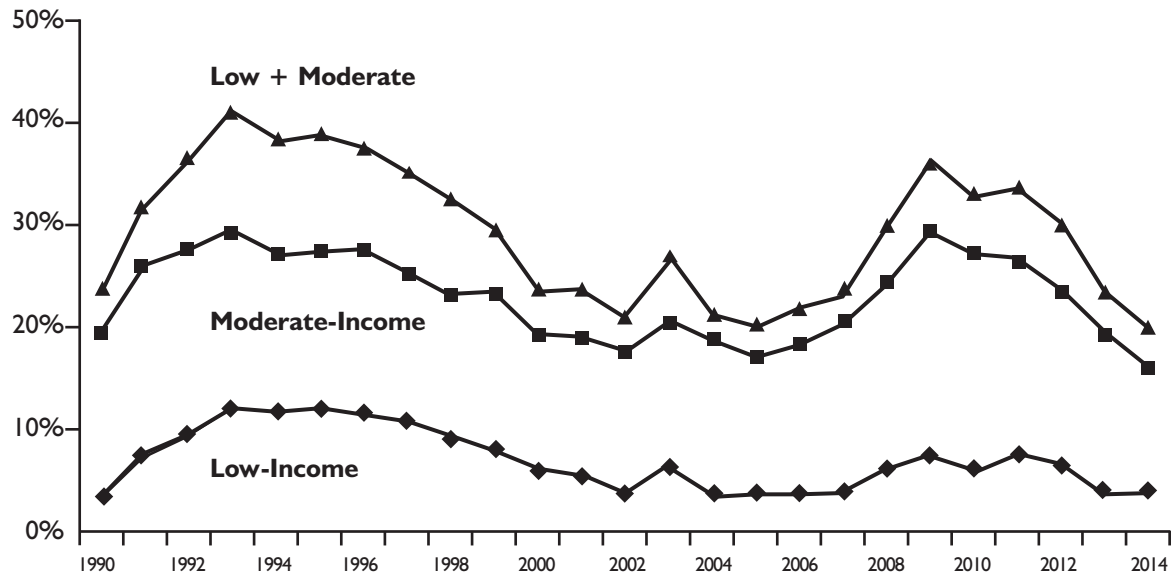
Low: <50% Moderate: 50%-80% Middle: 80%-120% High: 120%-200% Highest: >200%

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

1990: \$46,300; 1991: \$50,200; 1992: \$51,100; 1993: \$51,200; 1994: \$51,300; 1995: \$53,100; 1996: \$56,500; 1997: \$59,600
1998: \$60,000; 1999: \$62,700; 2000: \$65,500; 2001: \$70,000; 2002: \$74,200; 2003: \$80,800; 2004: \$75,300; 2005: \$76,400
2006: \$82,000; 2007: \$80,500; 2008: \$84,300; 2009: \$88,100; 2010: \$89,500; 2011: \$93,700; 2012: \$94,900; 2013: \$91,200
2014: \$90,500

**Chart A-4: Loans to Low- and Moderate-Income Borrowers
as % of All Boston Home-Purchase Loans, 1990-2014***

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



APPENDIX TABLE 5
Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2013*

	Denial Rate							Ratio to White Denial Rate						
	1990	1995	2000	2005	2010	2013	2014	1990	1995	2000	2005	2010	2013	2014
A. BOSTON														
Asian	14.5%	8.2%	12.7%	14.6%	12.3%	11.0%	7.1%	0.89	1.12	1.37	1.45	1.13	1.70	1.22
Black	32.7%	15.8%	24.5%	23.6%	21.9%	25.9%	21.1%	2.00	2.16	2.63	2.34	2.01	4.00	3.61
Latino	25.3%	18.6%	18.9%	20.9%	22.2%	12.9%	13.2%	1.55	2.55	2.03	2.07	2.04	1.99	2.26
White	16.4%	7.3%	9.3%	10.1%	10.9%	6.5%	5.9%	1.00	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS														
Asian		7.3%	9.1%	10.1%	12.4%	8.7%	8.3%		0.99	1.08	1.04	1.24	1.14	1.19
Black		16.3%	20.7%	21.3%	22.3%	20.2%	16.6%		2.23	2.46	2.20	2.23	2.65	2.37
Latino		13.1%	17.2%	19.1%	22.1%	15.5%	14.2%		1.79	2.05	1.97	2.21	2.03	2.02
White		7.3%	8.4%	9.7%	10.0%	7.6%	7.0%		1.00	1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #														
Asian	12.9%	12.5%	12.4%	15.8%	14.4%	13.9%	13.0%	0.90	0.61	0.56	1.28	1.17	1.28	1.33
Black	33.9%	40.5%	44.6%	27.5%	30.9%	28.5%	24.6%	2.35	1.97	2.00	2.24	2.51	2.61	2.51
Latino	21.4%	29.5%	31.4%	21.3%	22.9%	21.5%	18.7%	1.49	1.43	1.41	1.73	1.86	1.97	1.91
White	14.4%	20.6%	22.3%	12.3%	12.3%	10.9%	9.8%	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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

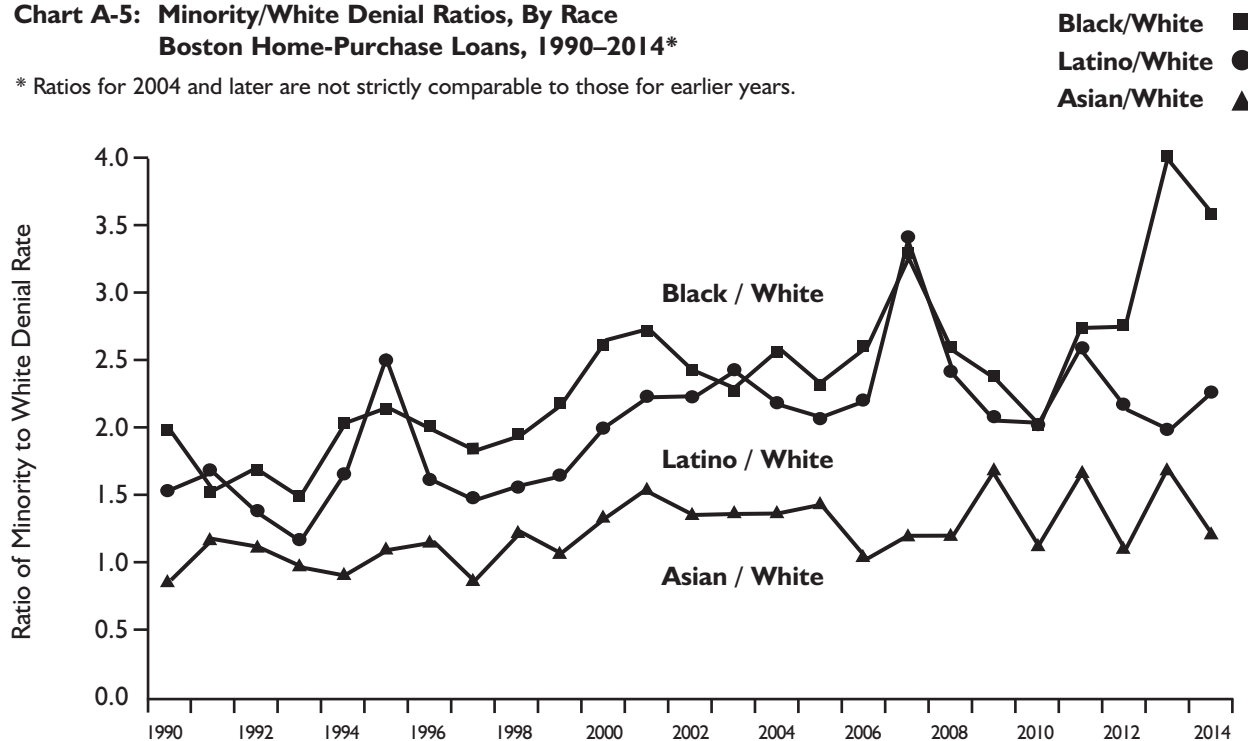
* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-5.

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

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

Chart A-5: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2014*

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



APPENDIX TABLE 6
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes
As Percentage of Total, 2014

	Number of Applications						Percent of Total				
	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete
A. BOSTON											
Asian	455	342	9	33	59	12	75.2%	2.0%	7.3%	13.0%	2.6%
Black	441	248	14	100	57	22	56.2%	3.2%	22.7%	12.9%	5.0%
Latino	311	215	7	49	29	11	69.1%	2.3%	15.8%	9.3%	3.5%
White	3,879	3,084	64	244	396	91	79.5%	1.6%	6.3%	10.2%	2.3%
Total*	5,843	4,447	105	477	656	158	76.1%	1.8%	8.2%	11.2%	2.7%
B. GREATER BOSTON+											
Asian	4,219	3,227	102	343	446	101	76.5%	2.4%	8.1%	10.6%	2.4%
Black	1,333	851	33	258	140	51	63.8%	2.5%	19.4%	10.5%	3.8%
Latino	1,944	1,380	48	263	182	70	71.0%	2.5%	13.5%	9.4%	3.6%
White	27,511	21,836	544	1,789	2,712	629	79.4%	2.0%	6.5%	9.9%	2.3%
Total*	39,304	30,396	817	2,995	4,086	1,008	77.3%	2.1%	7.6%	10.4%	2.6%
C. MASSACHUSETTS											
Asian	6,050	4,536	162	561	636	155	75.0%	2.7%	9.3%	10.5%	2.6%
Black	2,897	1,877	67	555	294	104	64.8%	2.3%	19.2%	10.1%	3.6%
Latino	4,627	3,222	84	753	436	131	69.6%	1.8%	16.3%	9.4%	2.8%
White	57,983	45,106	1,276	4,686	5,550	1,361	77.8%	2.2%	8.1%	9.6%	2.3%
Total*	79,023	59,960	1,774	7,336	7,894	2,053	75.9%	2.2%	9.3%	10.0%	2.6%

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

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

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

APPENDIX TABLE 7
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Greater Boston*
First-Lien, Owner-Occupied HOME-PURCHASE Loans Only, 2014

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod- Income	Mid- & Upper- Income	Any Income	Low- & Mod- Income	Mid- & Upper- Income	Any Income	Low- & Mod- Income	Mid- & Upper- Income	Any Income
Debt-to-Income Ratio	53	25	78	42	19	61	209	210	419
Employment History	4	3	7	2	4	6	25	25	50
Credit History	24	17	41	19	21	40	78	145	223
Collateral	16	13	29	16	26	42	69	202	271
Insufficient Cash	6	8	14	8	9	17	19	59	78
Unverifiable Information	10	10	20	8	6	14	27	47	74
Credit Application Incomplete	2	6	8	3	2	5	17	144	161
Mortgage Insurance Denied	2	1	3	0	1	1	4	7	11
Other	15	16	31	18	12	30	56	135	191
Total Denials ^	150	104	254	149	113	262	579	1,162	1,741
Number with Reason Reported	101	77	178	96	79	175	388	827	1,215
Number with No Reason Reported	49	27	76	53	34	87	191	335	526
Percent with No Reason Reported	32.7%	26.0%	29.9%	35.6%	30.1%	33.2%	33.0%	28.8%	30.2%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod- Income	Mid- & Upper- Income	Any Income	Low- & Mod- Income	Mid- & Upper- Income	Any Income	Low- & Mod- Income	Mid- & Upper- Income	Any Income
Debt-to-Income Ratio	52%	32%	44%	44%	24%	35%	54%	25%	34%
Employment History	4%	4%	4%	2%	5%	3%	6%	3%	4%
Credit History	24%	22%	23%	20%	27%	23%	20%	18%	18%
Collateral	16%	17%	16%	17%	33%	24%	18%	24%	22%
Insufficient Cash	6%	10%	8%	8%	11%	10%	5%	7%	6%
Unverifiable Information	10%	13%	11%	8%	8%	8%	7%	6%	6%
Credit Application Incomplete	2%	8%	4%	3%	3%	3%	4%	17%	13%
Mortgage Insurance Denied	2%	1%	2%	0%	1%	1%	1%	1%	1%
Other	15%	21%	17%	19%	15%	17%	14%	16%	16%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%.
Lenders supervised by OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders.
Lenders reported a third reason for only 2.3% of denials in Massachusetts in 2013; to greatly simplify calculations, this table includes only first and second reasons.
HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:
Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income
Employment history: temporary or irregular employment; length of employment
Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy
Collateral: value or type of collateral not sufficient
Insufficient cash: [for downpayment or closing costs]
Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence
Credit application incomplete: credit application incomplete
Mortgage insurance denied: [none listed]
Other: length of residence; temporary residence; other reasons specified on notice.

* In this report, "Greater Boston" consists of the 101 cities and towns that constitute the Metropolitan Area Planning Council (MAPC) region.
^ Total denials here are slightly lower than in Appendix Table 6 because applicant income was not reported for a small number of applicants.

APPENDIX TABLE 8
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990–2014 ^
(For 2004–2013, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
I. BOSTON													
A. BIG BOSTON BANKS													
Number of Loans	541	2,020	876	695	699	1,019	723	937	780	519	402	372	357
% of All Loans	28.9%	43.6%	11.7%	8.3%	9.9%	17.8%	16.2%	22.5%	19.7%	14.9%	9.2%	7.7%	8.0%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans	919	869	1,367	946	868	1,084	1,023	1,039	1,012	992	1,468	1,690	1,662
% of All Loans	49.1%	18.7%	18.3%	11.4%	12.3%	19.0%	22.9%	25.0%	25.6%	28.4%	33.6%	35.1%	37.4%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders 2000–2009)													
Number of Loans	410	1,748	4,736	5,196	4,159	3,275	2,703	2,182	2,166	1,982	2,499	2,759	2,428
% of All Loans	21.9%	37.7%	63.4%	62.4%	59.0%	57.3%	60.4%	52.5%	54.7%	56.7%	57.2%	57.2%	54.6%
D. SUBPRIME LENDERS (2000–2009) #													
Number of Loans			488	1,493	1,326	340	23	2					
% of All Loans			6.5%	17.9%	18.8%	5.9%	0.5%	0.0%					
E. TOTAL													
Number of Loans	1,870	4,637	7,467	8,330	7,052	5,718	4,472	4,160	3,958	3,493	4,369	4,821	4,447
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS													
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS													
Number of Loans			22,238	19,734	23,750	21,131	23,408	20,857	18,738	23,190	26,795	25,827	
% of All Loans			23.6%	25.6%	37.7%	41.2%	45.1%	43.7%	42.6%	44.4%	44.6%	43.1%	
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders, 2002–2009)													
Number of Loans			53,719	44,437	36,185	29,870	28,422	26,842	25,294	29,090	33,334	34,133	
% of All Loans			57.0%	57.7%	57.5%	58.2%	54.8%	56.3%	57.4%	55.6%	55.4%	56.9%	
D. SUBPRIME LENDERS (2002–2009) #													
Number of Loans			18,329	12,813	3,038	278	71						
% of All Loans			19.4%	16.6%	4.8%	0.5%	0.1%						
E. TOTAL													
Number of Loans			94,286	76,984	62,973	51,279	51,901	47,699	44,032	52,280	60,129	59,960	
% of All Loans			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

^ For reasons of space, the columns for several years before 2005 are omitted from this table.

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

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

“Big Boston Banks”: Bank of America, (RBS) Citizens, and Sovereign/Santander in 2004–2014. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, Fleet and Shawmut were included during the years they existed. Mortgage companies affiliated with these banks are included, except that in 2008 and 2009 Countrywide was not considered part of Bank of America for this purpose.

If Eastern Bank and TD Bank had been included as “Big Boston Banks” in 2014, they would have added 93 loans to the group’s total.

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

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

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

NOTES ON GOVERNMENT-BACKED LENDING

Introduction

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

Government-backed loans (GBLs) are very different from subprime loans. Subprime lenders had a financial incentive to steer borrowers into subprime loans, because these loans generally resulted in substantially higher fees than did prime loans. Subprime loans were marketed aggressively and deceptively to make them appear much less expensive than they actually were, with lenders particularly targeting black and Latino borrowers and neighborhoods. From the borrower's point of view, many (if not most) of those who received subprime loans would have been better off receiving no loan at all. An extraordinarily high proportion of subprime loans resulted in delinquencies and foreclosures; as of November 2010, for example, only 45.2% of outstanding subprime loans in Massachusetts were current in their payments, 23.9% were 90 or more days delinquent, and 13.4% were in the process of foreclosure.¹

In contrast, while GBLs are somewhat more expensive for borrowers than prime conventional loans, they do not include predatory features and they offer a reasonable option for those who are unable to obtain a prime loan.

The current high level of GBLs, especially to traditionally underserved borrowers and neighborhoods, is not itself a problem, but is rather a symptom of—and a constructive response to—an underlying problem: the

lack of availability of prime conventional loans to those borrowers and neighborhoods.

The Nature of Government-Backed Lending

Three federal government agencies back home mortgage loans issued by private lenders. The Department of Housing and Urban Development's Federal Housing Administration (FHA) insures mortgages, while the Department of Veterans Affairs (VA) and the Department of Agriculture (USDA) guarantee them.² FHA loans account for the great majority of GBLs (although their share of all Massachusetts GBLs has fallen from over 90% in 2008 through 2010 to 68.4% in 2014), with the VA accounting for most of the rest of the statewide total (the VA share rose from 8.1% in 2010 to 21.7% in 2014). Accordingly, the following description is focused on FHA lending.³

FHA loans are made by private lenders who have been certified by the FHA and whose performance is subject to its review.⁴ The lender sets the price and terms of the loan, and decides whether or not to approve the applications that it receives. Borrowers must be owner-occupants and must make a down payment of at least 3.5% of the value of the property; the low down payment requirement is the primary attraction of FHA loans and almost all borrowers take advantage of it.⁵ Loan amounts must be below a maximum that depends on the level of housing prices in the county within which the property is located and whether the property has one, two, three, or four units.

FHA loans are more expensive than conventional loans because of required insurance premiums that go into the FHA's Mutual Mortgage Insurance Fund. Borrowers must pay both an upfront premium (1.75%) that is due at the

¹ These loan status statistics were obtained from a website maintained by the Federal Reserve Bank of New York (<http://data.newyorkfed.org/regional/householdcredit.html>) that no longer provides data on subprime loans.

² This report follows the common practice of using the term "government-backed lending" to include only the lending backed by these three federal agencies. The term does not include lending backed by state housing finance agencies (such as MassHousing or the Massachusetts Housing Partnership). Nor does it include lending guaranteed by Fannie Mae and Freddie Mac; these two "government-sponsored enterprises" were private corporations until 2008, when they failed and were placed into federal government conservatorships.

³ VA and USDA loans differ from FHA loans mainly by requiring no monthly insurance premiums (they require higher upfront funding fees) and by requiring no down payment. (The VA's one-time funding fee, unchanged since 2004, is 2.15% for loans with down payments of less than five percent). The increases in FHA insurance premiums in recent years (discussed below) have made VA and USDA loans less expensive options for those who qualify for them—VA loans are available only to veterans of the military services, while USDA loans are available only to income-qualified borrowers in rural areas (broadly defined).

⁴ HUD's *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund* (available at: www.hud.gov) is an excellent source of information on how the FHA lending program works and on recent changes.

⁵ The average loan-to-value ratio for FHA home-purchase loans in 2013 was 95.9% (HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund*, Fiscal Year 2013, pp. 15–16). This statistic was not updated in the FY 2014 or FY 2015 report.

time of the loan and an annual premium (1.35% during all of 2014) that is allocated to the borrowers' monthly payments. The April 2013 increase of the annual premium to 1.35% was the fourth since October 2010. Until then, the annual premium had been just 0.55% of the loan amount.⁶ The impact of these annual premium increases on monthly payments for FHA borrowers was substantial, and these increases are probably the main reason for previously noted falling FHA share in total government-backed lending. The annual premium was reduced to 0.85% as of January 26, 2015, so the problems noted in this paragraph and the next one should be considerably less severe in 2015 HMDA data.

Another consequence of the April 2013 increase of the annual insurance premium to 1.35%, together with a simultaneous change that required this premium to be paid for the life of the loan rather than end when the loan-to-value ratio fell below 78%, was that the Annual Percentage Rates (APRs) of many FHA loans slightly exceeded the threshold defining "higher-priced" or high-APR loans (HALs)—since this threshold is only 1.50% above the prevailing prime mortgage rate as reported by Freddie Mac. Nationwide, during the eight months of 2013 following the premium increase, about 40% of all FHA home-purchase loans were HALs, up from just 5% in the year's first four months. During 2014, 44.3% of all FHA loans were HALs (compared to less than 1% of VA and USDA loans).⁷ In Massachusetts in 2014, 29% of FHA home-purchase loans (2,248 of 7,583 loans) were HALs and these loans accounted for 84.8% of all home-purchase HALs in the state.

With the disappearance of subprime mortgage lenders and retrenchment by conventional lenders, government-backed lending played a huge role in the late 2000s in supporting the overall housing and mortgage markets. GBLs accounted for more than half of all home-purchase

loans nationwide in 2008, 2009, and 2010.⁸ Many of the loans made during the early part of this chaotic period became delinquent, resulting in massive losses to the Mutual Mortgage Insurance Fund. The FHA responded not only by increasing insurance premiums (as described just above), but also by imposing much tighter lending standards, ending seller-funded down payment assistance, and increasing scrutiny of lender performance.⁹

The overall delinquency and foreclosure rates on FHA loans are much higher than those for prime loans (for example, as of September 30, 2015, 10.8% of outstanding FHA loans in Massachusetts were delinquent, compared to 3.4% for prime loans, and 2.7% were in foreclosure, compared to 1.1% for prime loans).¹⁰ However, this mainly reflects the poor performance of FHA loans made from 2007 through early 2009. The performance of FHA loans made since mid-2009 has been dramatically better. For example, the first-year delinquency rates for FHA loans made between 2010 and 2014 averaged 1.1%, compared to an average first-year delinquency rate of 6.4% for FHA loans made in 2007 and 2008. Similarly, the third-year delinquency rates for loans made between 2010 and 2012 averaged 4.4%, compared to the average third-year delinquency rate of 20.6% for loans made in 2007 and 2008; and the fifth-year delinquency rate for loans made in 2010 was 6.0% compared to an average fifth-year delinquency rate of 23.5% for loans made in 2007 and 2008.¹¹

Reasons for the Surge in Government-Backed Lending

In the 1990s government-backed lending primarily served borrowers who were unable to obtain prime conventional loans, but could meet the looser underwriting standards and/or lower down payment requirements of government-backed loans. The FHA/VA

⁶ For a helpful table showing the history of changes in both the upfront and annual mortgage insurance premiums since 2001, see the Urban Institute's *Housing Finance at a Glance: A Monthly Chartbook* (available at: www.urban.org). In the October 2015 edition, this information is on page 33.

⁷ Neil Bhutta, Jack Popper, and Daniel Ringo, "The 2014 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, p. 15 and Table 8; (online at www.federalreserve.gov). Almost all higher-priced FHA loans (over 97% nationwide and over 98% in Massachusetts) had APRs that were within one percentage point of the HAL threshold.

⁸ Neil Bhutta, Jack Popper, and Daniel Ringo, "The 2014 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, Table 4; (online at www.federalreserve.gov).

⁹ Although FHA insurance compensates lenders for loan losses, the lenders still have incentives to avoid making loans that will not be repaid: they incur costs during the period of delinquency, they incur the risk that they will have to buy back loans that go bad, and they face the possibility of sanctions from the FHA, including the loss of eligibility to offer FHA loans.

¹⁰ These percentages are from the Mortgage Bankers Association's *National Delinquency Survey Q3 2015* (subscription required; information at www.mortgagebankers.org/nds).

¹¹ For information of the performance of FHA loans, see HUD, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2015*, pp. 25–30; the delinquency rates cited above are from Exhibit B-14.

share of the nationwide mortgage market was fairly constant between 1990 and 2000, at about 12%, but was considerably lower in Greater Boston and other areas where relatively high home prices resulted in most loan amounts exceeding the FHA maximum. Data in previous *Changing Patterns* reports indicate that GBLs accounted for an average of 7.1% of applications for home-purchase loans in Boston between 1993 and 2000 (the annual shares ranged from 5.5% to 9.5%). The GBL market share plunged with the growth of subprime lenders, who offered potential GBL borrowers loan products that required less documentation and paperwork, allowed higher loan amounts, required no down payments or mortgage insurance, and promised relatively low initial monthly payments. Nationwide, the FHA/VA share of the mortgage market steadily declined from 11.0% in 2000 to a low of 2.7% in 2006.¹² (The extremely low level of GBL lending in Boston, Greater Boston, and Massachusetts from 2005 through 2007 is shown in Panel B of Table 11 of the present report.)

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

mortgage insurance that Fannie and Freddie require for loans with down payments of less than 20%, made conventional loans unobtainable for many borrowers, and more expensive than government-backed lending for many others.¹³

Past Problems

FHA lending has a checkered history that has brought it much well-deserved criticism over the years. From its inception in the 1930s until the mid-1960s, the FHA explicitly embraced both redlining and discrimination against black and other minority borrowers. FHA lenders subsequently pioneered reverse redlining and championed block-busting practices that devastated many inner-city neighborhoods; the B-BURG program that transformed Mattapan in the late 1960s is a local example of the damage wrought by FHA lending. In fact, it was outrage at the destructive impacts of FHA lending that was responsible for much of the organizing and advocacy that resulted in enactment of the Home Mortgage Disclosure Act in 1975 and the Community Reinvestment Act in 1977.¹⁴

Furthermore, during the three decades beginning in 1980, there were a number of episodes where unscrupulous lenders were able to take advantage of weak FHA oversight of its lending programs to produce large volumes of inappropriate loans that were highly profitable to them and their associates but injurious to borrowers, communities, and the FHA insurance fund. The most recent episode came in the immediate aftermath of the subprime lending meltdown when many predatory lenders simply moved over and continued plying their trade as FHA lenders.¹⁵

¹² Nationwide FHA/VA shares were calculated from annual data in *The 2010 Mortgage Market Statistical Annual, Volume 1*, Inside Mortgage Finance, p. 4 (not available online).

¹³ Researchers at the Federal Reserve have provided a fairly detailed account of these developments and their impact on GBL lending. Robert Avery, *et al.*, "The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress," *Federal Reserve Bulletin*, December 2010, pp. A54-A61; available at: www.federalreserve.gov/pubs/bulletin/2010/pdf/2009_HMDA_final.pdf.

¹⁴ For good introductions to these periods in the FHA's history see Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*, Oxford University Press, 1985, pp. 203-218; Gregory D. Squires, ed., *From Redlining to Reinvestment: Community Responses to Urban Disinvestment*, Temple University Press, 1992, pp. 3-7 and 231-234; Beryl Satter, *Family Properties: Race, Real Estate, and the Exploitation of Black Urban America*, Henry Holt, 2009, pp. 338-345; and Calvin Bradford and Anne B. Shlay, "Assuming a Can Opener: Economic Theory's Failure to Explain Discrimination in FHA Lending Markets," *Cityscape*, Vol. 2, Num. 1, pp. 77-87 (www.huduser.org/Periodicals/CITYSCPE/VOL2NUM1/bradford.pdf). For an account of the B-BURG experience, see Hillel Levine and Lawrence Harmon, *The Death of an American Jewish Community: A Tragedy of Good Intentions*, Free Press, 1992. (Following the assassination of Martin Luther King Jr. in 1968, the Boston Banks Urban Renewal Group (B-BURG) launched a well-meaning but deeply misguided program that promoted FHA loans to black borrowers, but only within specified, predominantly Jewish neighborhoods in Dorchester, Roxbury and, especially, Mattapan; the results were catastrophic both for the existing residents who were forced out, for the newcomers who received unaffordable loans on overpriced houses, and for the neighborhoods themselves.)

¹⁵ See *Business Week's* cover story of November 19, 2008, by Chad Terhune and Robert Berner, "FHA-Backed Loans: The New Subprime"; available at: www.businessweek.com/magazine/content/08_48/b4110036448352.htm.

NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

HMDA Loan Application Register (LAR) data are the main source of data on loans, lenders, and borrowers for this report. These data are collected, processed, and released each year by the FFIEC, and can be downloaded for free from the FFIEC website (www.ffiec.gov/hmda). Among the information that HMDA data provide for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the type of the loan (conventional, FHA-insured, VA-guaranteed or USDA-guaranteed), the amount of the loan, the lien status of the loan (first lien or junior lien), pricing information for loans with annual percentage rates above threshold levels (see below), and whether the loan is secured by a manufactured home. Some of these types of information have been included in HMDA data only since 2004.

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

High-APR loans (HALs) were identified for the first time in 2004 HMDA data. For applications received before October 1, 2009, and acted on by December 31 of that year, lenders were required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference (“spread”) between a first-lien loan’s APR and the interest rate on Treasury securities was three percentage points or more, then the spread for that loan had to be reported, to two decimal points, in

HMDA LAR data. Beginning with applications received on October 1, 2009, each loan’s APR is compared to the Fed’s estimate of the APR on prime mortgage loans of the same maturity (if fixed-rate) or same number of years until first interest-rate reset (if adjustable rate); for first-lien loans, high-APR loans are those with rate spreads of one and one-half percentage points or more. The current criteria are far superior to the old because the comparison is directly to the rate on comparable prime mortgages. In this series of reports, loans for which the spreads are reported are referred to as “high-APR loans” or “HALs.”

The tables in this report provide information on first-lien loans for owner-occupied homes; the primary emphasis is on home-purchase loans, although Tables 1, 2, and 3 and Appendix Tables 1 and 2 include data on refinance loans as well. This involves ignoring a great deal of data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 72 categories of loans on the basis of the following five distinctions: government-backed vs. conventional loans; 1–4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home-purchase vs. refinance vs. home improvement loans; and first-lien vs. junior-lien loans. To achieve simplicity and to focus on the loans of greatest interest, I have taken two measures. First, I ignored the distinction between site-built and manufactured homes (in 2014, loans for manufactured homes accounted for only 214 of the state’s 48,872 first-lien loans for owner-occupied homes). Second, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes. That is, none of these types of loans are included in any of the numbers contained in this report’s tables (except for Appendix Tables 1 and 2, which provide data that allow the interested reader to assess the impact of these decisions about what loans to include and exclude.

The decision to include only first-lien loans in all of the tables in the body of this report has had less impact in recent years than in 2008 and earlier. In 2014, for example, junior-lien loans made up just 1.3% of all home-purchase loans and 3.1% of all refinance loans. Junior-lien home-purchase loans (sometimes referred to as ‘piggyback loans’) were very common a few years ago; they accounted for more than one-quarter of all home-purchase loans in Massachusetts in 2006 and 2007. These loans provided a way of avoiding the cost of private mortgage insurance, which is generally required

for conventional loans when the loan amount is greater than 80% of the value of the home being purchased. Thus, borrowers received a first-lien loan for 80% of the value of the home and a second, junior-lien mortgage for the additional amount being borrowed (20% of the home's value in the case of a zero-down-payment loan). Restricting the analysis to first-lien loans avoids double-counting home buyers who obtain piggy-back second mortgages. Appendix Table 2 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans and GBLs, overall and for each of the major racial/ethnic groups included in this report.

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

Classifying Applicants/Borrowers by Income and Race/Ethnicity

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

Metropolitan areas used in defining income categories for borrowers: Beginning in 2004, HMDA data used the revised metropolitan areas defined by U.S. Office of Management and Budget (OMB) in June 2003. [www.whitehouse.gov/omb/bulletins/b03-04.html]. The Boston MSA consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just

the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). However, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). For HMDA data through 2013, the Boston MSA consisted of three MDs: the Essex Country MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Beginning with 2014 HMDA data, Essex County was included in the Cambridge-Newton-Framingham MD. [see: www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf].

Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify borrowers in the Boston MSA into income categories.** This practice, first used in *Changing Patterns XIV*, was adopted because there is little or no economic, political, or social logic to a system which places Cambridge and Boston into separate Metropolitan areas. (The 2014 MFIs for the two current MDs as well as for the entire Boston MSA are provided below.)

Median family incomes (MFI) of Massachusetts metropolitan areas in 2014 were:

Barnstable MSA (Barnstable County)	\$74,400
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$90,500*
Boston-Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$87,200
Cambridge-Newton-Framingham MD (Middlesex/Essex Counties)	\$93,300
Pittsfield MSA (Berkshire County)	\$64,200
Providence-Fall River-New Bedford MSA (Bristol County)	\$72,200
Springfield MSA (Hampden/Hampshire Counties)	\$66,000
Worcester MSA (Worcester County)	\$77,900
Non-Metro part of Massachusetts (Dukes/Franklin/Nantucket Counties)	\$72,800^

* Since 2011, the FFIEC has not provided estimates of the MFIs for MSAs that are subdivided into MDs. The 2014 MFI for the Boston MSA was calculated (as were the MFIs for 2011 and 2012) as the weighted sum of the MFIs of its MDs, using each MD's share of the total MSA population as the weights. The 2013 MFI for the Boston

MSA (\$91,200) was obtained from the Federal Housing Finance Agency; this is close to the estimate of \$91,900 obtained by using the same calculation method as in other years.

^ For 2013, the MFI for the non-metro part of the state provided by the FFIEC was \$52,400, down from \$89,500 in 2012, which is clearly absurd. The estimate for 2013 used in this series of reports (\$87,000) was chosen to have roughly the same reduction from the 2012 MFI as in the state's metro areas. Beginning with 2014 HMDA data, Franklin County is included in the non-metro part of the state rather than in the Springfield MSA.

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

Other analysts, including the Federal Reserve researchers who write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 59,960 first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2014, a total of 2,036 are identified in the HMDA data as going to black borrowers and a total of 3,222 are identified as going to Latinos; only 159 are identified as going to borrowers who were both black and Latino. Classifying these 159 borrowers as black rather than as Latino would have increased the black borrower share of total loans from 3.1% to 3.4% and reduced the Latino borrower share of total loans from 5.4% to 5.1%.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact: For example, of all first-lien home-purchase loans for owner-occupied homes in Massachusetts in 2014 with information on the race of the borrower, only 0.4% of borrowers specified more than one race and only 2.0% of borrowers had co-borrowers of a different race; only 1.4% of borrowers had co-borrowers with different ethnicity.

Data on Geographical Areas

Population and income data for census tracts (used in Tables 15–17 and Tables 26–28) were assigned on the basis of information included in the 2014 HMDA LAR data. In particular, the HMDA LAR data include, for each record, (1) the percentage of minority residents in the census tract where the home is located and (2) the median family income (MFI) in that census tract as a percentage of the MFI in its metropolitan area. For 2012 to 2016 HMDA data, the FFIEC is using the 2006–2010 five-year estimates from American Community Survey data; going forward, it will update these data every five years (e.g., 2011–2015 ACS data will be used beginning with 2017 HMDA data). For more information on this, see the FFIEC's Press Release of October 19, 2011 entitled, "FFIEC Announces the Use of American Community Survey Data In Its Census Data Files." **Note:** This differs from the way that *borrowers* are assigned to income categories, described above. First, borrowers are assigned on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas. Second, while the *Changing Patterns* series of reports assigns borrowers in the Boston MSA on the basis of the MFI for the MSA (rather than that for its component Metropolitan Districts [MDs]), census tracts in the Boston MSA are assigned to categories using the MFI for their MD.

Population and income data for larger geographical areas (municipalities and Boston's neighborhoods) are from either the 2010 Census or from five-year American Community Survey data, obtained using the "American FactFinder" feature on the website of the U.S. Census Bureau (www.census.gov). Population data in Table 3 are from Table P9 of the 2010 Census; in Table 3, "White" refers to non-Hispanic whites who reported no other race; "Black" refers to non-Hispanic blacks who reported black alone or with any other race; and "Asian" refers to non-Hispanic Asians who reported Asian alone

or with any other race except black. The population and income information for Boston neighborhoods shown in Tables 8 and 18 were taken from reports of the Boston Redevelopment Authority based on 2007–2011 American Community Survey data. The household shares in Chart A-3 and in the first two bullets of Section II were calculated from data in Tables H7 and H9 of the 2010 Census and Table HO 09 and HO 10 of the 2000 Census, with the number of black households calculated as the average of those who reported their race as black alone and the number who reported their race as black together with any other race or races.

Lenders

Major types of lenders. Each lender that reported HMDA LAR data for homes located in Massachusetts has been classified as belonging to one of three major categories of lenders. This was done primarily on the basis of the “Agency” and “OLC” fields included in HMDA data, but also draws on selected other sources. The categories used and the rationale for using these categories are described in the introductory text of Section V and in the notes to Tables 23–29.

Big Boston Banks, a lender category now used only in Appendix Table 8, was used as a separate category of lenders in the initial reports in the *Changing Patterns* series because their collective market share in the City of Boston approached 40%. In 2014, this group includes only Bank of America, Citizens (formerly RBS Citizens), and Santander (formerly Sovereign), but five former

banks were included in this grouping while they still existed: Bank of New England (1990–91), Boston Five Cents Savings Bank (1990–92), BayBanks (1990–96), Shawmut (1990–96), and BankBoston (1990–99). A sixth bank, Boston Safe Deposit (now Mellon New England), was included in this category until it exited the mortgage lending business in 2002.

Subprime lenders, another lender category now used only in Appendix Table 8, was an important category of lenders in earlier reports in the *Changing Patterns* series through 2009. From 1998 through 2003, subprime lenders were identified on the basis of annual lists published by the U.S. Department of Housing and Urban Development [HUD]. Between 2004 and 2009, subprime lenders were identified for this series of reports on the basis of the share of their total Massachusetts loans that were HALs.

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