2023 State of Housing in Black America

10 YEAR ANNIVERSARY EDITION

Housing Inventory Must Increase to Bolster Black Homeownership

James H. Carr | Michela Zonta

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With Message from Courtney Johnson Rose, President, National Association of Real Estate Brokers

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ABOUT THE AUTHORS

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ABOUT THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS NAREB

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

DISCLAIMERS

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

Dedication

This year's report is dedicated to Dr. William Spriggs, who was a brilliant, trailblazing economist who dedicated his life to advancing economic justice for Black Americans. He passed away earlier this year. His powerful and influential voice will be missed.

Bill was highly respected within the economics community. He served in numerous roles and achieved many honors. He was most known to NAREB as a reliable colleague and former coauthor of State of Housing in Black America.

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Forward: Message from the President

The 2023 State of Housing in Black America (SHIBA) report provides the most comprehensive annual data available on the status of Black homeownership in American. I thank James H. Carr and Michela Zonta for compiling the facts, statistics, and analysis that show African Americans in 2023 gaining in significant areas, such as labor market participation, but continuing to face substantial obstacles when seeking to purchase a home. For America to have equitable communities and equality for all, it is essential that the Black-White homeownership gap be erased, and Blacks have opportunities to enjoy this American Dream.

Homeownership directly impacts the overall economic growth and social equality in the United States. Increasing Black homeownership empowers and enables Black families and individuals to achieve financial stability and family economic security. The barriers to Black homeownership date back to the early 20th Century when discriminatory housing policies such as redlining were rampant. These policies systematically excluded Blacks from acquiring loans or purchasing homes in certain areas, resulting in severe racial disparities in homeownership rates. As a result, the wealth gap between Black and White households widened significantly over time. Today, the median net worth of White households is $250,400, compared to $24,520 for Black families. This is not societal equality. I believe our nation can and will do better..

In addition to the economic benefits, increasing Black homeownership has significant social implications. Homeownership provides stability and a sense of belonging for families, which can positively impact mental health and overall well-being. It also allows individuals to have a stake in their community and foster a stronger sense of civic engagement. Furthermore, studies have shown that neighborhoods with higher homeownership rates tend to have lower crime rates, creating safer and more prosperous communities.

The 2023 SHIBA report is a guiding light for NAREB and the nation. With its analysis of the current economic environment, as well as citation of the barriers to homeownership that Blacks face, it provides the organization with a roadmap on what areas we must address to increase Black homeownership and wealth. This year, NAREB has launched a Black Wealth Tour, which will provide financial literacy and build wealth knowledge in more than 100 cities. We announced that a Black Development Academy will next year begin training NAREB Members to become real estate developers. We also announced our first list of the top 100 Black real estate agents and brokers nationwide, highlighting their prolific work in communities.

Our work goes on. By implementing strategic policies and addressing systemic barriers, NAREB can work towards closing the racial homeownership gap and creating a fairer and more just society. As we continue to advocate for this cause, we must recognize that increasing Black homeownership is not just a matter of housing but a critical step towards achieving overall equity and justice for everyone in our society.

Courtney Johnson Rose

Dr. Courtney Johnson Rose
President
National Association of Real Estate Brokers

Introduction and Executive Summary

The U.S. economy remained surprisingly resilient last year, despite a three-decade high rate of inflation and dramatic actions by the Federal Reserve (the Fed) to rein in dramatic increases in consumer prices.

Black labor market performance was surprisingly strong last year and extended into the first quarter of 2023. Black unemployment reached 4.7 percent this past April, the lowest level ever recorded by the Bureau of Labor Statistics (BLS).[1] With an unemployment rate of 3.5 percent for Whites, this is also the narrowest gap in unemployment rates for those two populations recorded by BLS.[2]

Further, the gap in labor force participation rates for Blacks and Whites also reached an historic low, with the gap now negative (i.e., Blacks now have a higher labor force participation rate than do their White counterparts). This positive employment news might suggest Blacks had an opportunity to have attained major homeownership gains over the past year. But major obstacles continued to impede increased Black homeownership.

In 2022, the Black homeownership rate was 45 percent, a level that was only modestly higher than it was at the time of the passage of the 1968 Fair Housing Act; the gap in homeownership rates between Blacks and Whites is larger than it was more than half a century ago.

The Black/White homeownership disparity was 23.8 percentage points in 1970 and had climbed to nearly 30 percentage points in 2022. Equally important, the current Black homeownership rate remains far below its peak recorded in 2004, when Black homeownership was nearly 50 percent.

BLACK WAGES AND WEALTH

Lower median incomes and wealth, unfavorable housing market conditions, and continuing housing finance institutional biases within the housing finance system are major impediments to Black homeownership gains. The median household income for Whites remained far above that for Blacks, at $81,060 for White households and $52,860 for their Black counterparts.[3]

According to the 2022 Survey of Income and Program Participation, the median net worth of White households was $250,400, an amount that is more than 10 times greater than the median net worth of Black households ($24,520). The Black-White wealth gap is so great that the 400 richest Americans control the same wealth as the 48 million Blacks living in the U.S.[4]

These severe wealth and income gaps are not the result of market forces. Rather, as Lisa Rice, Executive Director of the National Fair Housing Alliance, has stated:

> From the Black Codes passed during the colonial period, to Slave Codes passed after the inception of the U.S., to Jim Crow laws passed after passage of the 13th Amendment, to the bevy of laws passed during and in the aftermath of the Great Depression, policies were explicitly designed to provide land, housing, and financial benefits to Whites while denying them to People of Color... Hundreds of laws and policies were passed creating housing and finance systems that were inequitable and unjust. Many of these systems are still in existence – residential segregation, school segregation, restrictive and exclusionary zoning ordinances, the dual credit market, biased technologies – are still performing their functions, perpetuating discriminatory and disparate outcomes that continue to disproportionately impact consumers and communities of color.[5]

Lower incomes and fewer assets dramatically undermine the homeownership potential of Black Americans. In fact, a scarcity of household assets can become a revolving door to generational failure to gain economic mobility including homeownership. As Derrick Hamilton and William Darrity have stated, wealth provides a host of benefits that make economic success more likely:

> "Wealthier families are far better positioned to finance elite independent school and college education, access capital to start a business, finance expensive medical procedures, reside in higher amenity neighborhoods, lower health hazards, etc.; exert political influence through campaign financing; purchase better counsel if confronted with the legal system, leave a bequest, and/or withstand financial hardship resulting from any number of emergencies,"[6]

Gaining access to homeownership is one of the most direct and immediate ways to step out of the revolving door of generational economic stagnation.

HOUSING AFFORDABILITY IN 2022

Housing affordability was another major challenge to Black homeownership in 2022. The 30-year fixed-rate mortgage surpassed 7 percent in November of 2022, compared to a rate of less than half that (2.98 percent) twelve months earlier.[7] Soaring mortgage interest rates were a response to rapid and successive interest rate increases by the Federal Reserve Board (the Fed), in its efforts to lower inflation which peaked at 9.1% for the 12-month period ending in June 2022, as measured by the Consumer Price Index (CPI).[8]

Affordability fell steeply starting in the second quarter of last year. By the fourth quarter, only 38 percent of new and existing homes sold were affordable to families with an annual income of $90,000.[9] This placed the median-priced new and existing home far out of reach for the median Black household.

Jacob Channel, senior economic analyst at LendingTree, provides a useful example of the impact of rising interest rates on home buying. A 30-year fixed-rate mortgage on a $300,000 home would cost roughly $1,283 monthly at 3.11 percent, compared to $1,863, at 6.33 percent, a monthly increase of $580 or nearly $7,000 annually.[10]

INADEQUATE HOUSING SUPPLY

An inadequate supply of new homes is also a major contributor to the growing housing affordability crisis. As NAREB President Courtney Johnson Rose has succinctly stated, affordable lending requires affordable housing stock. Housing demand is outpacing new home construction by roughly 100,000 units annually, which has created the largest housing shortfall in nearly half a century.[11] The lack of housing stock is contributing to sustained high home prices despite high interest rates.

Urban Institute (UI) researchers Laurie Goodman, Ted Tozer, and Michael Neal cite housing unit shortfall estimates by several housing experts: Parrott and Zandi (2021), 1.7 million units; Khater, Kiefer, and Yanamadra (2021), 3.8 million units; and Rosen and coauthors (2021), 5.5 million units."[12]

The purchase of single-family homes by investors has had a further significant negative impact on the affordability and supply of homes available for purchase, particularly for lower-income households. Joint Center for Housing Studies researcher Hermann Alexander found that between 2001 and 2016, the number of single-family rental units grew by more than four million, from 10.9 to 15.2.

Investor purchases slowed between 2017 and 2019, averaging about 16 percent of all sales, but accelerated again during the 2020-2021 pandemic. By the first quarter of 2022, investor purchases of single-family homes peaked at a 28 percent market share. As of the first quarter of 2023, investors accounted for about 27 percent of single-family home purchases.[13]

Rents also rose last year, putting pressure on prospective first-time buyers by limiting their ability to save for a downpayment. As with home prices, however, rent increases fell sharply during the year. Rents were up only 8.8 percent, year-over-year, from the spring to fall of 2022, compared to an increase of 13.9 percent the previous year.[14] In addition to curbing the ability of prospective homebuyers to save for downpayment, rising rents encourage more investors to purchase owner-occupied homes and flip them to rental stock.

HOUSING MARKET IN 2023 AND BEYOND

Although home prices slowed their ascent in early 2023, they continued to grow in a market plagued with rapidly rising mortgage interest rates. According to NAR, the national median home price rose 8.5 percent between the first and second quarters of this year.[15]

Mortgage interest rates rose from 5.37 percent in the first quarter of 2023, to above 7 percent by mid-August. Thirty-year, fixed-rate mortgages were 7.44 percent on September 25, 2023.[16] The net effect is that rather than easing, housing affordability challenges have further worsened this year.

According to the Harvard Joint Center for Housing Studies, these high costs meant that prospective buyers needed an annual salary of nearly $100,000 to afford the monthly payments on the median-priced home in the second quarter, up from just over half of that amount, or $53,000, just three years ago.[17] Housing affordability as measured by the National Association of Realtors indicates a similar affordability challenge for prospective homebuyers last year. NAR's affordability index also shows affordability improving in the final quarter of last year but collapsing to an historic low by June of 2023.

Housing affordability continues to be a particular obstacle for Blacks in 2023. According to NAR, "Less than 10% of the Black renters can currently afford to buy the median price home." [18]

The prospects for a recovery in home buying in 2023 are not positive. As of May of this year, applications for 30-year fixed-rate mortgages had fallen to a 28-year low and the share of first-time buyers fell to 26 percent, down from an historic share of roughly 40 percent.[19]

Even if The Fed holds the federal funds rate stable, with no additional rate increases this year, it is unlikely to reduce interest rates until sometime next year at the earliest. Although the Fed does not directly control mortgage rates, the federal funds rate greatly influences mortgage rates. As a result, the housing market is likely in for continued affordability challenges for the foreseeable future.

CLIMATE CHANGE AND BLACK HOMEOWNERSHIP

Black communities are disproportionately vulnerable to the effects of climate change.[20] Decades of systemic racism have contributed to the concentration of Black families in areas that are highly exposed to increasingly frequent and severe natural disasters.[21]

Blacks are among the majority of Americans residing in close proximity to sites at high risk of flooding.[22] The frequency and severity of climate disasters puts significant pressure on the crumbling infrastructure of long-disinvested Black neighborhoods across the country, like those in New Orleans, Louisiana, Houston, Texas, and Jackson, Mississippi, where catastrophic flooding has disproportionately affected low-income Black communities.[23]

Further, a large proportion of home mortgages to Black borrowers continue to be made in census tracts vulnerable to the effects of climate change. As climate related severe weather events are expected to increase in the coming decades,[24] Black homeowners and renters residing in vulnerable areas will be the hardest hit and will face billions of dollars of losses.[25]

The Bipartisan Infrastructure Law of 2021 and the Inflation Reduction Act of 2022 provide more than $50 billion to promote climate resilience among American communities while also reducing future negative climate impacts by cutting greenhouse gas emissions.

As discussed in last year's SHIBA report, these laws fell short of addressing three urgent challenges that affect low-income families and people of color, in particular: 1) the shortage of affordable housing; 2) skyrocketing home prices; and 3) a crumbling infrastructure, especially in communities of color and in formerly redlined neighborhoods.[26]

NAREB is pleased that climate-related concerns it raised in last year's SHIBA report were addressed this year in Executive Order 14096, "Revitalizing Our Nation's Commitment to Environmental Justice for All," which President Biden signed on April 21, 2023.[27] To support that Executive Order, in September 2023 the Administration released the National Climate Resilience Framework to develop nationally comprehensive, locally tailored, and community-driven resilience strategies.[28]

The Framework represents an important starting point to better ensure that Black communities receive the critical resources they need to effectively meet the challenges of climate change. But Executive Orders, goals, and resolutions, unaccompanied by action and accountability, will not meet the critical challenges faced. Success metrics should be developed that take into account the scope and magnitude of problems that lay ahead and the manner in which each agency will support the goals that are established.

RECENT NAREB SUCCESSES TO INCREASE BLACK HOMEOWNERSHIP

For more than a decade, NAREB has advanced numerous policy changes that it believes could meaningfully improve Black homeownership. NAREB is delighted that this year, in addition to climate change policy, the Federal Housing Finance Administration and GSEs, have taken important steps to remove some of the most onerous and unnecessary barriers to Blacks seeking mortgage credit.

In October 2022, FHFA announced new guidelines for the credit score models accepted by Fannie Mae and Freddie Mac when securitizing mortgage loans. Lenders will be able to evaluate borrowers using the FICO 10T, which looks back over at least 24 months of borrowers' credit activity rather than considering just a snapshot of the day the credit report was requested. Lenders will also be allowed to use VantageScore models, which usually require shorter credit histories compared with FICO.

More sophisticated scoring models consider data from additional sources, such as payments for rent, utilities, or cell phone services. These changes may allow more borrowers, especially among those who have historically been excluded from homeownership, to qualify for mortgages. However, it may take time for the implementation of these changes to make a significant impact.[29]

How expanded credit score flexibility is incorporated by the GSEs will ultimately determine the success achieved on this issue. NAREB has cautioned that if minimum credit score eligibility criteria for mortgage loans is increased, for example, as the use of more sophisticated scoring algorithms result in higher credit scores for Blacks, that the benefits of the use of more sophisticated scoring tools could be negligible.

Further, in 2021, the FHFA adopted and implemented a new capital regulation for the GSEs, the Enterprise Regulatory Capital Framework (ERCF), to ensure that the GSEs' capital requirements and pricing framework are more closely aligned. Since 2022, the Enterprises have transitioned from the Conservatorship Capital Framework (CCF) to the ERCF to measure capital requirements and buffers. At the time of 2022 HMDA data collection, LLPAs did not yet reflect recent changes to the pricing framework.

The ERCF reduced risk-based capital requirements for loans with LTV ratios above 80 percent. In October 2022, FHFA announced the elimination of upfront guarantee fees for mortgage loans made to many first-time homebuyers, low-income borrowers, and underserved communities as well as lower upfront fees for other groups. These changes are reflected in the recalibrated fee grids that were updated in May 2023. The FHFA's objectives in updating the framework include increasing pricing support for many creditworthy first-time borrowers with limited resources for a downpayment. Based on new adjustments, for loans with LTV ratios greater than 80 percent, a borrower with a credit score lower than 640 pays 1.875 percentage points more than a borrower with a credit score equal to or greater than 740, compared with 3 percentage points more before the adjustments were implemented.

As discussed in detail in the report, major changes have occurred related to the use of outdated credit scores and to reducing or eliminating fees for certain affordable loan products. Most of these efforts were not in effect in 2022. The GSEs continued, for example, to use loan level pricing (LLPAs) which is both unnecessary and discriminatory as discussed in detail in the report.[30]

Also, due to the time needed for implementation of revised credit and pricing policies, as well as continued high home prices and mortgage interest rates, the value of credit scoring and pricing initiatives will not likely be observed in the current year. But these important changes in underwriting practices demonstrate that federal policy makers are listening and responding to NAREB concerns. Still, many more efforts are needed to meaningfully increase the Black homeownership rate.

NAREB POLICY PRIORITIES AND RECOMMENDATIONS

Both the challenges highlighted in the 2022 HMDA data and current market impediments discussed in the Economics and Housing Market section of this report make clear that major gains in Black homeownership are unlikely in the foreseeable future without significant housing market interventions. The establishment of the modern housing finance system, initiated in the 1930s with the establishment of FHA and Fannie Mae, is out of date and in need of major restructuring.

Not only does it fail to meet the financing needs of historically disadvantaged households and increasingly young and moderate-income households generally, but it also does not address inadequate housing supply and job creation, which were two key policy goals of the modern U.S. housing finance system when it was launched in 1934.

President Rose has repeatedly stated that the lack of affordable housing stock is arguably as much of an impediment to Black homeownership today as is lack of access to affordable financing. Programs such as downpayment assistance and special credit initiatives are useful and important tools. But they cannot compensate for a lack of affordable housing stock.

As discussed at length in the Economy and Housing Market section, the nation is facing a severe housing shortage. This housing shortage should be addressed by a combination of new construction and home renovation of properties to be available for owner-occupancy.

As a result, NAREB'S priorities this year are on increasing access to affordable housing stock for Black households, and enhancing employment in the development processes that would produce those new housing units. Those goals are reflected in four of this year's five major recommendations:

1. The NAREB Black Developers Academy. This initiative seeks to be a transformative effort that increases Black participation in the real estate development industry by providing aspiring Black professionals with the skills, knowledge and opportunities to become successful housing and community development professionals. The initiative's three key goals are foster economic equity, increase Black homeownership rates, and revitalize underserved communities.

The program offers a certification jointly from NAREB and the Urban Developers Council. NAREB is further partnering with the African American Mayors Association to identify high priority cities that will be a focus for development activities.

The program is open to all NAREB members across the nation and will consist of 13 education and training modules covering issues related to pre-development activities, the development process, development risks, marketing research, development financing, sustainable development considerations and techniques, and land development in underserved areas.

Other key partners for the NAREB Black Developers Academy include Enterprise Community Partners and Wells Fargo Foundation.

2. NAREB partnership with the Housing Preservation Exchange (HPE). The HPE is a nonprofit organization that works in alliance with federal, state, and local agencies, as well as nonprofit and philanthropic institutions to sustain and expand homeownership. It was initially launched in 2012 in response to the extraordinary damage caused in communities of color resulting from the housing market collapse of 2008. HPE is headed by former Washington, DC Mayor, Sharon Pratt.

The core of HPE's activities is the purchase of distressed properties from FHA with the goals of (1) Helping non-performing loans to return to performing status and maintain homeownership, (2) make properties available for homeownership that cannot be maintained by their previous owners, and (3) stabilize neighborhoods by avoiding foreclosures and managing the transfer of distressed assets back to owner-occupancy. Since 2018, HPE has participated in six distressed sales auctions and has received 726 assets. HPP has committed to allocating as much as 40 of assets it receives from FHA auctions to NAREB for processing.

3. National Homeownership Tax Credit Program. The National Low Income Tax Credit produces new and rehabilitated, affordable rental housing in underserved urban and rural communities and in high-cost suburban areas across the nation. LIHTC is responsible for roughly 90 percent of all affordable rental housing built in the U.S. Between 2014 and 2018, the program is estimated to have created or preserved nearly 40,000 homes and attracted more than $7.7 billion in investments for lower-income communities across the nation.

NAREB is a strong supporter of LIHTC. NAREB feels that federal support for affordable housing should also support ownership of properties, rather than exclusively renting, since ownership allows for the accumulation of wealth that is desperately needed in the Black community. Rather than taking funding from current rental initiatives, NAREB proposes the program should be greatly enhanced with the addition of a sizable owner-occupied program component.

Because the tax credit has the capacity to lower the cost of units, downpayments for tax credit properties could be lower than on market rate homes and the program could help to level the playing field between first-time buyers and investors, particularly for the lower end of the market.

4. First Choice Mortgage Product. Currently, HUD operates a Section 184 program to provide homeownership opportunities to Native Americans and Alaskan Native households, tribes, or housing entities. The program offers downpayments of 1.25 percent for loans that are less than $50,000 and downpayments of 2.25 percent for loans that are $50,000 or greater. Mortgage insurance is only .25 percent for borrowers with less than 22 percent equity. There is no minimum credit score, therefore credit scores are not taken into account in determining mortgage borrower interest rates. All borrowers are, however, assessed to ensure they are creditworthy for a mortgage loan.

NAREB seeks to make available to Black borrowers, loans from HUD that carry the same mortgage loan terms as those available in the Section 184 program. The rational for extending the program to Blacks is obvious; Black households have extremely low levels of homeownership and wealth as a direct result of decades of discriminatory practices that were institutionalized and mandated by federal agencies. Further, this program already exists, HUD staff have decades of experience in managing the program. A Section 184 program for Blacks would greatly lower the cost of financing a home which would be particularly useful in this period where homeownership affordability has reached record lows.

5. NAREB Building Black Wealth Tour. Homeownership begins with preparing financially to become homeowners and then applying for a mortgage. There are potentially millions of mortgage-ready Black households in the U.S., meaning they have the financial means necessary to purchase a home, but they are either not aware of their financial homeownership potential or unfamiliar with the process of becoming a homeowner. To address this lack of information, NAREB has committed to pursue a more than 100 cities tour that will provide mortgage ready households with the information and resources they need to successfully achieve the American Dream of homeownership.

2022 HMDA HIGHLIGHTS

Below are highlights of the 2022 Home Mortgage Loan Disclosure Data related to Black homeownership. The benchmark year is 2008. This year is useful in helping market participants and policy makers to understand how well Black access to mortgage credit and homeownership has recovered from the depths of the Great Recession's housing market collapse. The year 2004 is also frequently used as a benchmark for year with which to compare 2022 data, because it was the year of highest Black homeownership to date, of nearly 50 percent.

Finally, HMDA data cited in this report pertains exclusively to purchase mortgages unless otherwise stated. Specific references are made occasionally to refinance activity, but the core of this report is focused on loans that lead to homeownership rather than financial management of an existing asset.

Applications and Originations by Race and Ethnicity

- Home mortgage applications and originations, for the purchase of single-family homes, declined by nearly a million, compared to 2021. Loan originations fell by 20 percent relative to 2021.
- Despite the decline in applications and originations for both Blacks and Whites, in 2022, the number of applications and originations were 2.4 times greater for Blacks than they were during the mortgage market collapse of 2008. Applications and originations for Whites were up 1.5 times compared to 2008.
- Black borrowers' share of total loan originations increased from 6 percent in 2008 to 8 percent in 2022 but remains far below their 12 percent share of the U.S. population.
- Applications from Blacks for conventional and non-conventional loans decreased by 9 percent and 17 percent respectively from 2021 to 2022.
- As in 2021, the number of applications from Blacks for FHA-insured loans was smaller than the number of applications for conventional loans; 45 percent versus 55 percent.
- Conventional loan originations to Blacks decreased by 14 percent between 2021 and 2022 and represented only 5 percent of all conventional loan originations.
- Non-conventional loan originations to Black borrowers decreased by 21 percent in 2022 relative to 2021. Similar to 2021, Blacks nevertheless received 15 percent of all non-conventional loans in 2022.
- For both Black and White borrowers, the lower the income level, the larger the proportion of FHA-insured loans.

Loan Denial by Race and Ethnicity

- The denial rate for conventional loans to Black applicants was more than three times the rate for White applicants-- 16 percent among Black applicants compared to 5 percent for White applicants.
- The denial rate for nonconventional loans was 17 percent for Black applicants and 10 percent for White applicants.
- The denial rate for conventional loans to Blacks has dropped substantially since 2008, the height of the foreclosure crisis, when it had reached a peak of 36 percent.
- Thirty-nine percent of Black applicants had incomes at or below 80 percent of the local AMI, compared to 29 percent of non-Hispanic White applicants.
- Less than a third of Black applicants had very high incomes (more than 120 percent of the local AMI), compared to 45 percent of White applicants.
- Unfavorable debt-to-income ratio, poor credit history, and inadequate collateral were the top three reasons for loan denial among Black and White prospective borrowers.
- One of the highest disparities between Black and White applicants regarding denial rates was among applicants in the highest income bracket; 27 percent of high-income Blacks were denied loans based on inadequate credit history compared to only 18 percent for high-income White applicants.
- Blacks continued to receive a disproportionate share of high-cost loans; 14 percent of Black borrowers received high-cost loans, which was more than twice the 6 percent rate for non-Hispanic Whites.
- For both racial groups, the percentage of high-cost loans was higher in low- to moderate-

income neighborhoods than in higher-income neighborhoods.

Loan Failure Rates by Race and Ethnicity

- Loan failure rate provides a more comprehensive understanding of the potential for a loan applicant to succeed with a mortgage application. This rate considers loan denials, loan application withdrawals, and applicant refusal to accept an approved loan.
- Black applicants experienced an overall loan origination failure rate of 37 percent, compared to the non-Hispanic White applicant rate of 25 percent. Although an important gap, this rate has narrowed greatly since 2008.
- Failure rates for White applicants over the past decade have been consistently below 30 percent while the failure rates for Black applicants are consistently above 30 percent.
- For Blacks, the number of approved loans per failed application submitted ranged from 1.2 in 2008 to 1.7 in 2022.
- For non-Hispanic Whites, the number of approved loans per failed application submitted has been consistently larger, ranging from 2.5 loans in 2008 to 3.0 loans in 2022.

Loan and Lender Channels by Race and Ethnicity

- Banks' share of the mortgage market fell from 51 percent in 2008 to 28 percent in 2021.[31] During the same period, nonbanks' share of the mortgage market increased from 34 percent to 67 percent.[32]
- Seventy-one percent of Black applicants and 61 percent of White applicants applied for a loan at an independent mortgage company in 2022, regardless of income level.
- Between 2021 and 2022, the number of applications and originations at independent mortgage companies decreased for both racial groups across all income levels.
- Independent mortgage companies received the largest share of applications from Black applicants for FHA-insured loans (32 percent). The largest share of applications from White applicants was for conventional loans at independent mortgage companies.
- Origination rates were higher at independent mortgage companies than at banks for both racial groups.
- Loan originations were several percentage points higher among White applicants (76 percent at independent mortgage companies and 74 percent at banks) than among Black applicants (64 percent and 60 percent).
- Black applicants had a 21 percent denial rate at banks compared to 8 percent among non-Hispanic White applicants. At independent mortgage companies, denial rates were 15 percent versus 6 percent.
- Nonbank lenders charged higher rates and fees than banks, resulting in a larger share of high-cost loans compared to banks, and especially to Black borrowers.

Loan Type, Geographic Patterns and Race

- Nearly one-third of loans originated to Black applicants were for homes located in low- and moderate-income neighborhoods, which is nearly twice the share of loans originated to Whites in low- and moderate-income communities (16 percent).
- Fifty-four percent of Black borrowers obtained loans for homes in majority minority neighborhoods in 2022, compared to only 12 percent for White borrowers.
- Origination rates for both racial groups were higher in census tracts with a small presence of the Black population.
- Origination rates for White applicants were higher than those for Black applicants

regardless of applicant income and census tract racial composition.

- In 2022, 93 percent of conventional loans and 90 percent of FHA-insured loans going to White applicants were for homes located in census tracts where Black residents represent no more than 25 percent of the total population.

Cities with Largest Black Populations and High Levels of Segregation

- The Black population in these cities ranges from a high of approximately 2 million in New York to 305 thousand in Washington D.C.
- Cities where Blacks have historically represented a very large share of the total population (40 percent and more) represented a larger share of Black population in 2021 relative to 1990, with the exception of Washington D.C., where Blacks represent 45 percent of the total population in 2021, compared to 66 percent in 1990.
- Segregation, as measured by the dissimilarity index, is high (with a score of .60 or higher) in all 10 cities, with Detroit being the least segregated (.60) and Chicago being the most segregated (.82).
- Blacks have gradually moved from very expensive and gentrifying cities such as D.C and New York, to more affordable areas, particularly in the South. In Baltimore, Memphis, and Detroit, Blacks still represent the majority of the population.
- In all ten cities, the share of both applications from and loan originations to Blacks is well below the share of those cities' Black populations.
- In Los Angeles, for example, where 75 percent of applications from Black prospective borrowers were for conventional loans, loans to Blacks represented just 3 percent of all conventional loan originations.

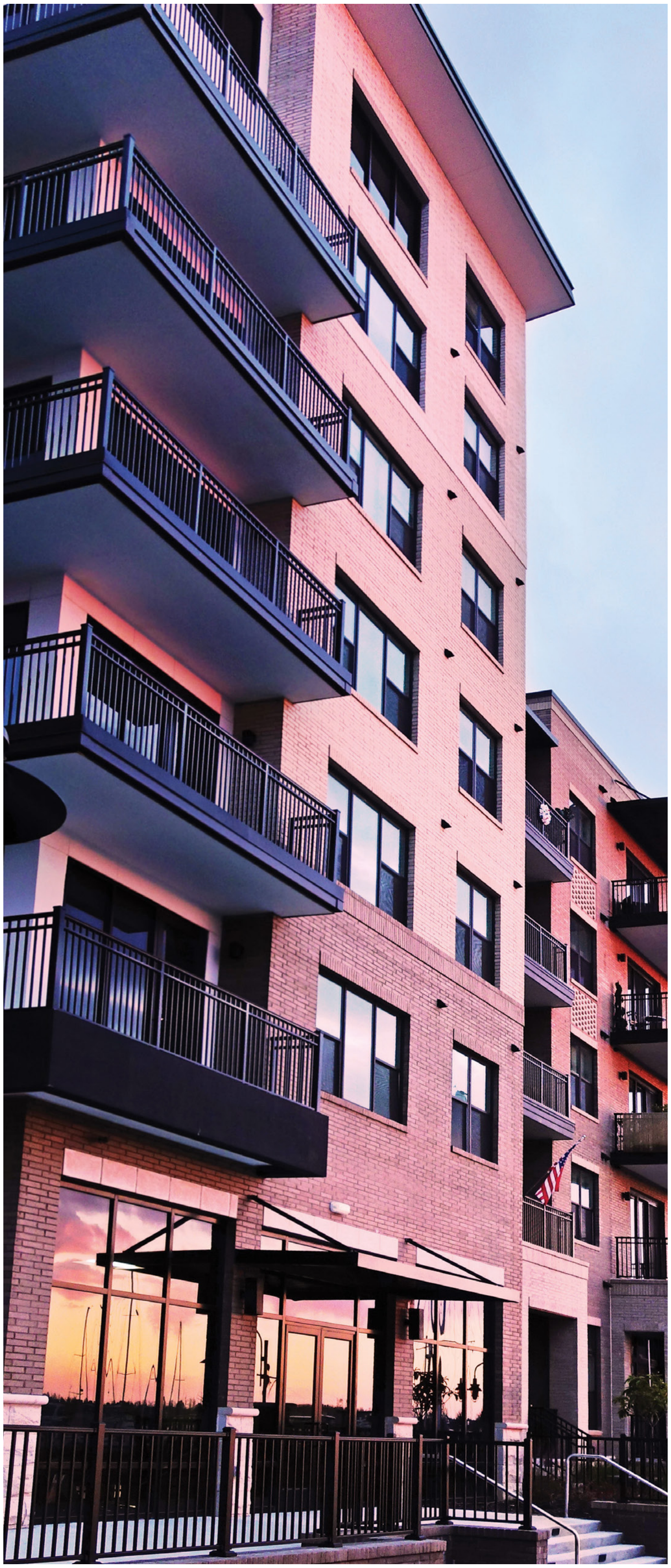
Mortgage Lending to Black Female Applicants

- The gender composition of the Black applicant pool is significantly different from that of White applicants.
  - Among Black applicants: 40 females applying without a co-applicant, 34 percent males applying without a co-applicant, and 20 percent joint applicants.
  - Among White applicants: 41 percent are joint applicants, 33 percent males applying without a co-applicant , 21 percent are females applying without a co-applicant.
- Applications from Black female borrowers declined 17 percent from 2021.
- The steepest decline was in FHA loan applications – a 22 percent decrease versus a 12 percent decrease in conventional loan applications.
- Forty-seven percent of applications from Black females were for conventional loans, compared with 21 percent in 2010.
- Seventy-seven percent of applications from White females were for conventional loans compared to 48 percent in 2010.
- Sixty-two percent of applications from Black females resulted in a loan origination, a 4 percentage points decline from 2021.
- Seventy-four percent of loan applications from White females were originated, despite the reduction of applications from this group relative to 2021.
- Among Black and White prospective borrowers, male and female applicants applying jointly have higher origination rates than applicants applying alone.
- Seventeen percent of applications submitted by Black females were denied, compared to 8 percent of applications submitted by White females.

- The denial rates for FHA loans to Black females are higher than denial rates for conventional loans to that demographic group.
- Even though the share of high-cost loans to Black females in 2022 was half of that recorded in 2014 (31 percent), 14 percent of all Black female borrowers received high-cost loans last year, nearly three times the share as their White counterparts (6 percent).

Access to Credit by Black Millennial Applicants

- Black millennials accounted for the largest generational share of mortgage loans among Blacks in 2022.
- In 2022, the Black millennial homeownership rate was 30 percent, which is half the size of the 61 percent homeownership rate for White millennials.
- Between 2021 and 2022, applications and originations from Black millennials fell by 23 percent and 27 percent, respectively.
- Declines in applications and loan originations were more pronounced among White millennial applicants, down 34 percent and 36 percent since 2020, respectively.
- Millennials represented 33 percent of the White applicant pool compared to 25 percent for Blacks.
- The origination rate was 77 percent among White millennials and 64 percent for Black millennials.
- Applications from Black millennials were denied at a much higher rate compared to White millennials – 16 percent versus 6 percent.
- Debt-to-income ratio was reported as the main reason for denial for 39 percent of Black millennial applicants compared to 32 percent of White millennial applicants.
- Credit history was the second most common reason for denial for both populations.



Homeownership and Wealth Inequality

The rapid home price appreciation of last year resulted in strong home equity gains for two-thirds of homeowners with a mortgage. Homeowners' equity was up an average of 15.8 percent per mortgage borrower by the third quarter of 2022, relative to the same period in 2021.[33]

As in the past several decades, last year's explosive gains in housing equity combined with the higher homeownership rate and median home values for White households, relative to Black households, continued to fuel the racial wealth gap.

Today, the Black-White wealth gap is so great that the 400 richest Americans control the same wealth as the 48 million Blacks living in the U.S.[34]

The Black-White racial wealth gap narrowed substantially in the years immediately following emancipation and through reconstruction. But the wealth gap stabilized throughout the mid-1900s and has recently increased. The reasons for the persistent wealth gap can be directly attributed to a variety of laws throughout the 20th century that directly prohibited Blacks from engaging freely in economic enterprise while also denying them access to federal benefits, including homeownership opportunities, that were reserved for White households.[35]

As multiple NAREB publications have highlighted, Blacks not only lag far behind Whites in terms of access to homeownership, but the gap in homeownership between Blacks and Whites today is greater than it was nearly a century ago (Exhibit 1). This gap can be directly traced to extreme acts of blatant labor market and housing discrimination against Blacks throughout the 20th Century, supported, and often mandated, by federal law.

Further contributing to the Black-White racial homeownership gap is the exceptional levels of federal homeownership assistance provided to White households, which was denied to Black households, beginning in the 1930s, and expanding greatly after WWII.[36] That racial homeownership gap continues to be perpetuated today via institutional lending biases that are built into the operation of today's housing finance system.[37] Black households experience significant barriers to homeownership and as discussed below, receive lower financial returns to homeownership relative to White households.

In 2022, the Black homeownership rate was 45 percent. Even though the percentage of Black homeowners has slowly increased since the passage of the 1968 Fair Housing Act, the gap in homeownership rates between Blacks and Whites is larger than it was more than half a century ago. The Black/White homeownership disparity was 23.8

percentage points in 1970 and had climbed to nearly 30 percentage points by 2022 (Exhibit 2). Equally important, the current Black homeownership rate remains far below its peak recorded in 2004, when Black homeownership exceeded 49 percent.

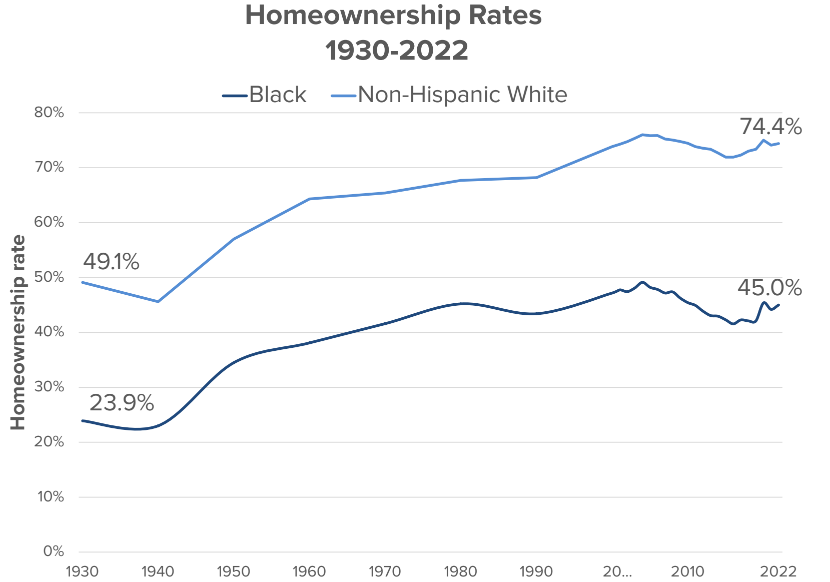
The greater homeownership rate for White households and higher appraised values for homes in predominantly White communities is a major driver of the enormous wealth gap between Blacks and Whites. Numerous studies have found that the difference in appraised values of homes in Black versus White communities cannot be explained by legitimate market variables such as housing location, type, size, or construction.[38] Studies over the past three decades have found higher appraised values of homes in White communities, relative to homes in Black neighborhoods, that is attributable to the racial composition of communities.[39]

Finally, White households, on average, access homeownership earlier in life than do Black households. The longer homeownership holding periods for White households, relative to Blacks, further contributes to the greater total return to homeownership for White, relative to Black homeowners.

According to the 2022 Survey of Income and Program Participation, net worth of the median White households was $250,400, an amount that is more than 10 times greater than the median net worth of Black households ($24,520). Net worth is the value of assets that households own minus the liabilities that they owe. In 2022, total assets for the typical White household amounted to $808,000, an amount that is twice that of the typical Black household.

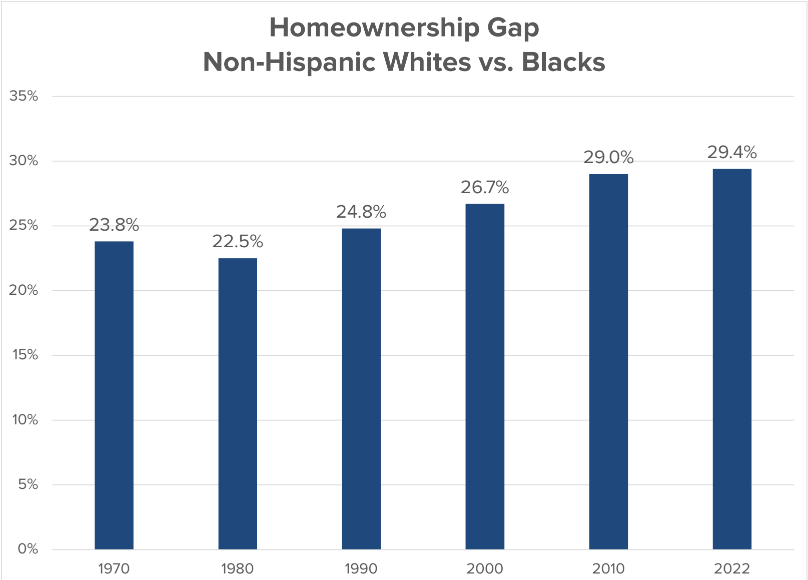
The composition of asset portfolios of White households is also more diversified than that of Black households (Exhibit 3). Retirement accounts, educational savings,

EXHIBIT 1



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

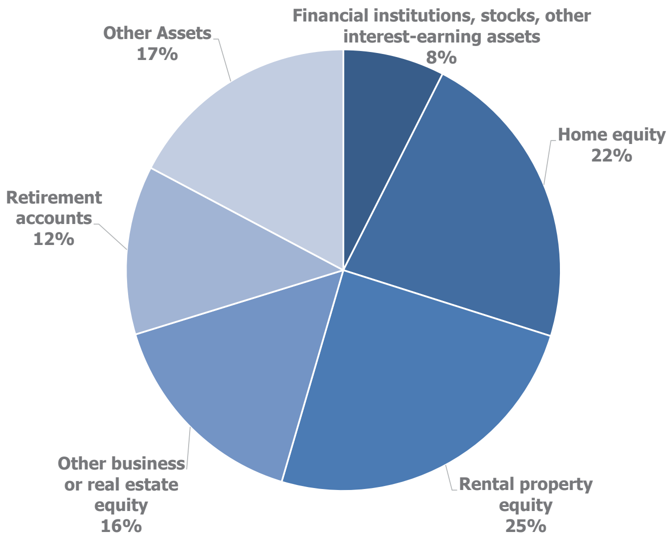
EXHIBIT 2

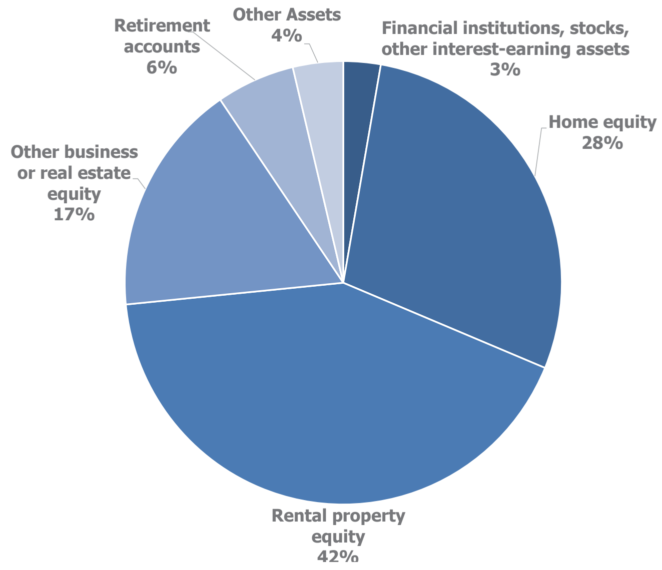


Source: Authors' calculations of data from U.S. Census Bureau, "Housing Vacancies and Homeownership (CPS/HVS)," available at https://www.census.gov/housing/hvs/data/histtabs.html

EXHIBIT 3

Composition of asset portfolios by race





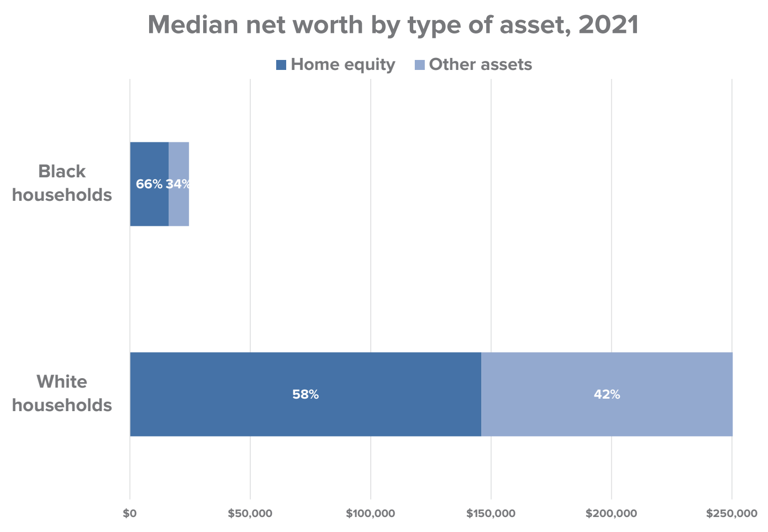
Source: Authors'calculations of 2022 Survey of Income and Program Participation data

annuities, and trusts – made up 29 percent of assets for White households compared with only 10 percent among Black households. Nearly a quarter of Black households had zero or negative net worth compared to less than 10 percent of White households.

Homeownership represents the main vehicle for the accumulation of wealth for American households and particularly for people of color. As in the past, home equity continued last year to represent a substantially larger portion of Black households' net worth compared to White households (Exhibit 4). Sixty-six percent of Black households' median net worth consisted of home equity, compared with 58 percent for White households, despite the latter's substantially higher homeownership rate and higher median homeowner equity. As discussed below, Blacks are also significantly more likely to receive high-cost loans that further erode their financial gains for homeownership.

Neither improvements in employment nor modest wage gains are sufficient to narrow the racial wealth gap. Asset appreciation contributes more significantly to increasing household wealth than wage gains. Because White households have higher valued assets and more diversified investment portfolios than Black households do, the racial wealth gap between those two populations will continue to grow in the foreseeable future.

EXHIBIT 4



Source: Authors' calculations of 2022 Survey of Income and Program Participation data

Review of 2022 HMDA Data

LOAN APPLICATIONS AND ORIGINATIONS BY RACE AND ETHNICITY

In 2022, the volume of home mortgage applications for the purchase of single-family homes declined by nearly a million compared to 2021, reversing the growth trend of the previous three years (see Table 1). Similarly, loan originations decreased by 20 percent between 2022 and 2021.

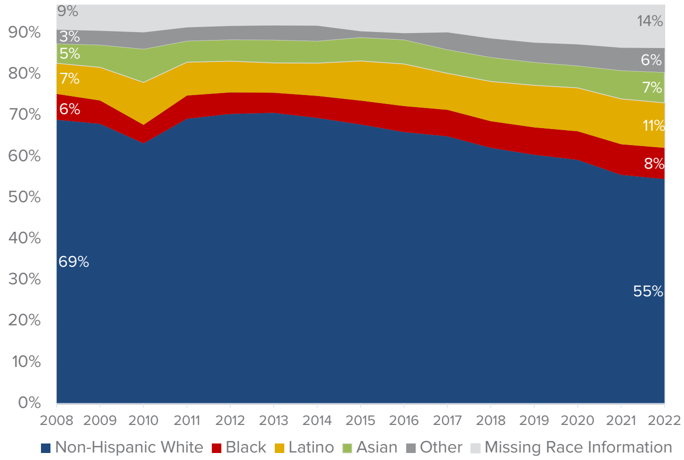
The volume of both applications and originations declined across all racial and ethnic groups, especially among White prospective homebuyers.

Among Blacks, Latinos, and Asians the number of applications more than doubled since the 2008 foreclosure crisis, when the mortgage market collapsed due to the dramatic house price bubble created during the early 2000s.[40] For Blacks, both the number of applications and the number of originations were 2.4 times larger in 2022 than they were in 2009. For Whites, both the number of applications and the number of originations were approximately 1.5 times larger in 2022 than they were in 2009.

Black borrowers' share of total loan originations increased from 6 percent in 2008 to 8 percent in 2022. Despite a slight increase in the share of total loans to Black applicants since 2021, Blacks remain disproportionately under-represented among borrowers. This share is still well below the 12 percent proportion of Black households as a percentage of total U.S. households.[41] White borrowers received 55 percent of all loans in 2022. Although this still represents the largest proportion of loans among all racial and ethnic groups, the share of loans to White borrowers continued to decline in 2022, reflecting recent increasing shares of loans to people of color (Exhibit 5).[42]

EXHIBIT 5

Share of Loan Originations by Race and Ethnicity

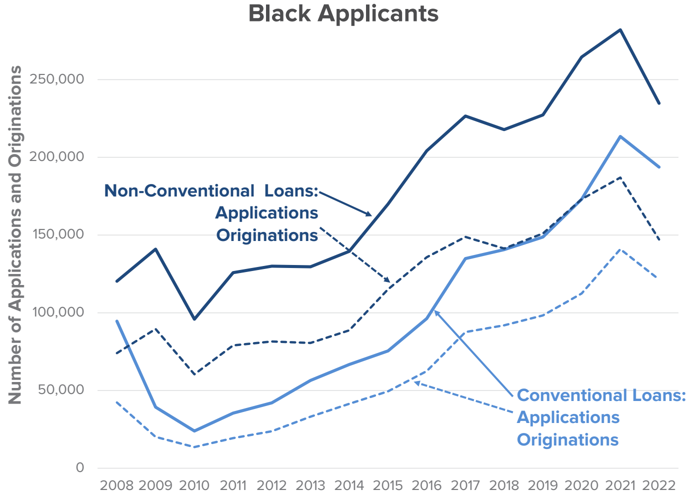


Source: Authors' calculations of HMDA data (2008-2022)

In 2022, White households experienced an 18 percent decline in applications and a 21 percent decline in loan originations since 2021. The number of applications for conventional and non-conventional loans from Black prospective homebuyers, which had been increasing since 2010, also decreased in 2022, although the volume of applications was still higher than in pre-pandemic years. Applications for conventional loans decreased from 213,449 in 2021 to 193,751 in 2022, a 9 percent decrease (Exhibit 6). Applications for non-conventional loans decreased by 17 percent.

EXHIBIT 6

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



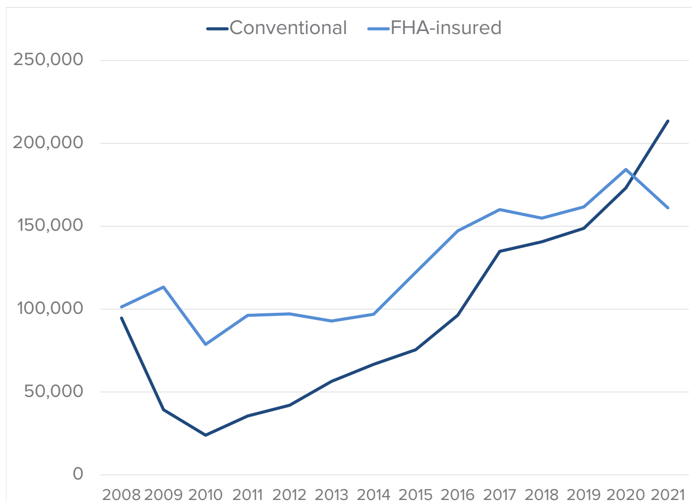
Source: Authors' calculations of HMDA data (2008-2022)

The more pronounced decline in non-conventional loan applications reflects the 19 percent decrease in FHA-insured loan applications from Blacks in 2022. As in 2021 the number of applications from Blacks for FHA-insured loans was smaller than the number of applications for conventional loans, due in part to the post-financial crisis decline in the FHA share of loans originated by the largest banks (Exhibit 7).

In 2022, 55 percent of Black applicants applied for conventional loans and 45 percent of Black applicants applied for FHA-insured loans. As discussed in last year's NAREB report, the decline in FHA-insured applications may be attributed to several factors including: (1) the post-financial crisis decline in the FHA share of loans originated by the largest banks, partly due to stepped-up enforcement of the False Claim Act;[43] (2) the increase in FHA mortgage insurance premiums;[44] and (3) the availability of conventional loans with just a 3 percent down payment through Fannie Mae and Freddie Mac.[45]

EXHIBIT 7

Applications for Conventional Loans and FHA-Insured Loans Black Applicants



Source: Authors'calculations of HMDA data (2008-2022)

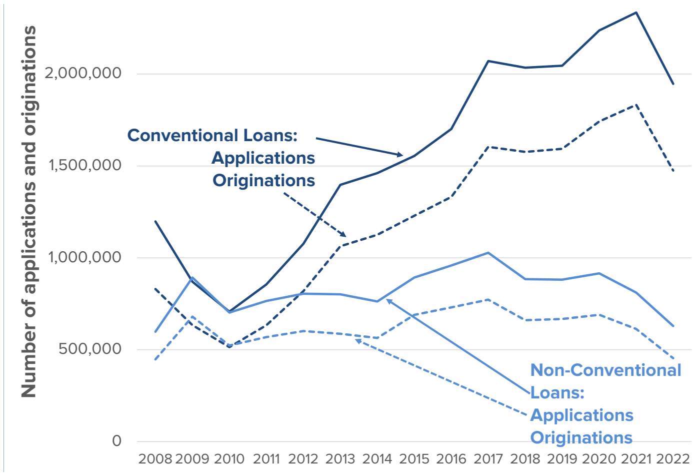
Conventional loan originations to Blacks decreased by 14 percent between 2021 and 2022, which was a sharp departure from the previous year in which conventional loans to Blacks increased by 25 percent relative from 2020 to 2021. As in 2021, only 5 percent of all originated conventional loans went to Black borrowers in 2022.

Non-conventional loan originations to Black borrowers decreased by 21 percent in 2022 relative to 2021. Similar to 2021, Blacks received 15 percent of all non-conventional loans in 2022. Even though 55 percent of all loans to Black borrowers were non-conventional products, the gap between conventional and non-conventional loans has continued to narrow (See Exhibit 6 and Tables 2 and 3 for more detail on 2022 data). In 2016, for example, non-conventional loans to Black borrowers outnumbered conventional loans by more than 124,000. In 2021, this gap was about 26,000.

As in previous years, the majority of 2022 loan applications from White applicants were for conventional loans. Loans to White borrowers represented 58 percent of all originated conventional loans and 46 percent of all non-conventional loan originations. In contrast with Black borrowers, the gap between conventional and non-conventional loans (both applications and loan originations) among White prospective homebuyers had widened significantly since the 2008 housing crisis, with White applicants steadily increasing their share of conventional loans (Exhibit 8). In 2022, however, the pronounced drop in conventional loans to Whites resulted in a narrowing of the gap between conventional and non-conventional loans to White applicants.

EXHIBIT 8

Applications and Originations of First-Lien Loans for the Purchase of Owner-Occupied One-to-Four Single-Family Homes Non-Hispanic White Applicants

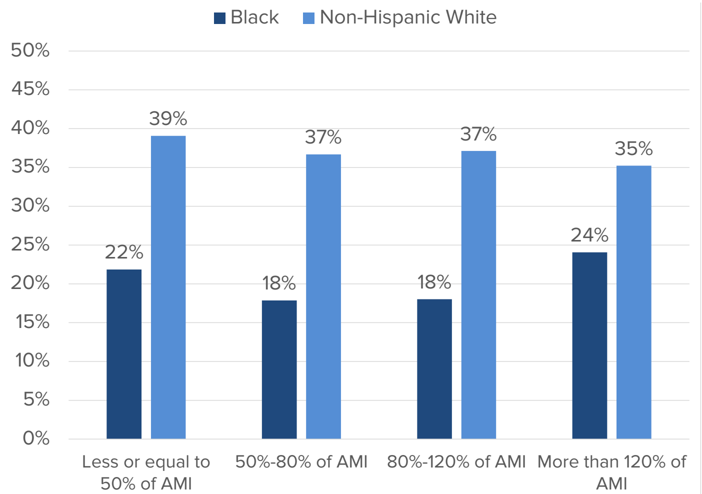


Source: Authors' calculations of HMDA data (2008-2022)

Access to loans purchased by Fannie Mae and Freddie Mac remains relatively limited among Black borrowers, who continue to rely more heavily on FHA-insured loans, despite the recent decline in FHA applications from Blacks. Only 20 percent of loan originations to Black borrowers were purchased by the GSEs in 2022 compared with 36 percent of loans to White borrowers. Conversely, 37 percent of loans to Black borrowers were FHA-insured, compared with 12 percent of loans to White borrowers (see Table 6). The disparities

EXHIBIT 9

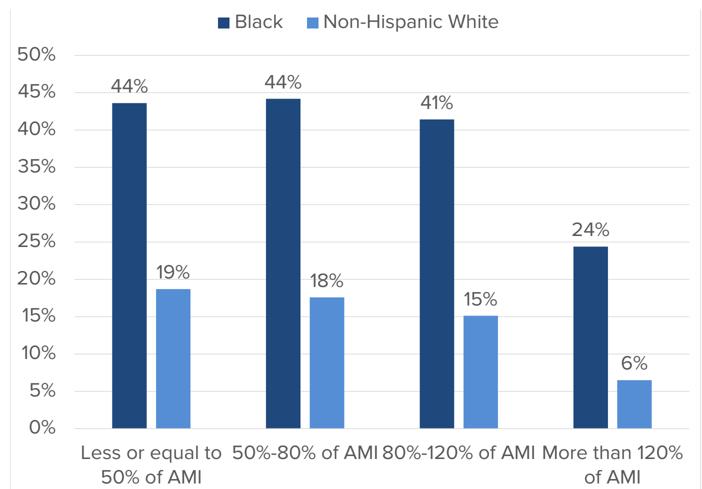
GSE-Purchased Loans by Borrower's Race and Income Level (2022)



Source: Authors' calculations of 2022 HMDA data

EXHIBIT 10

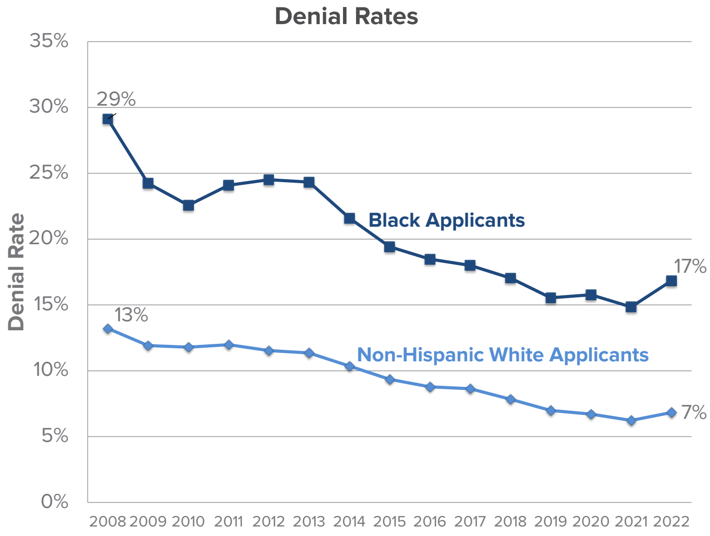
FHA-Insured Loans by Borrower's Race and Income Level (2022)



Source: Authors' calculations of 2022 HMDA data

between the types of loans secured by Black and White borrowers are consistent at different income brackets, as Exhibits 9 and 10 illustrate. In general, for both Black and White borrowers, the lower the income level, the larger the proportion of FHA-insured loans. These patterns hold at the regional level.

EXHIBIT 11



Source: Authors' calculations of HMDA data (2008-2022)

LOAN DENIAL RATES BY RACE AND ETHNICITY

In 2022, Black applicants continued to experience higher loan denial rates than White applicants and denial rates increased relative to 2021. Denial rates, however, remain below their 2008 level (see Exhibit 11).[46]
In 2022, Black applicants were denied mortgages more than twice the rate for Whites -- 17 percent versus 7 percent (see Table 1). The denial rate for conventional loans to Black applicants was more than three times the rate for White applicants -- 16 percent among Black applicants compared to 5 percent for White applicants (Table 2). The denial rate for non-conventional loans was 17 percent for Black applicants and 10 percent for White applicants (Table 3). The denial rate for conventional loans to Blacks has dropped substantially since 2008, the height of the foreclosure crisis, when it had reached a peak of 36 percent. Denial rates for Black applicants, however, continue to be the highest among borrowers of color. [47]

BORROWER INCOME AND DENIAL RATES

In 2022, 39 percent of Black applicants had incomes at or below 80 percent of the local AMI, compared to 29 percent of White applicants. Only 31 percent of Black applicants had very high incomes (more than 120 percent of the local AMI), compared to 45 percent of White applicants (See Table 4 for more detail).

Table 7 presents the distribution of denied applications from Black and White applicants by denial reason and applicant income level in 2022. Debt-to-income ratios represented the most common reason for loan denial for both Black and White applicants. Among Black applicants for whom the reason for denial was reported, 39 percent of denied applications were rejected because of an unfavorable debt-to-income ratio (up from 34 percent in 2021). The corresponding percentage for White applicants was 34 percent (up from 29 percent in 2021).

As in the past, credit history represented the second most prevalent reason for denials for both Black applicants (19 percent) and White applicants (16 percent).

The percentage of denials due to unfavorable debt-to-income ratios tends to decrease as income increases, a tendency common among both conventional and non-conventional denied loan applications. Denials to Blacks due to credit history increase considerably as incomes rise, while the corresponding trend for Whites is much less pronounced.

Among applicants with incomes of more than 120 percent of AMI, 27 percent of denied applications to Blacks were due to credit history. The corresponding share of credit history denials to non-White Hispanic applicants at this income level was 18 percent. Denials based on insufficient collateral increased with income for both Black and White applicants.

In 2022, Black homebuyers continued disproportionately to rely on high-cost loans compared to White homebuyers. In 2022, 14 percent of Black borrowers received high-cost loans, which was more than twice the 6 percent rate for Whites (see Table 14). For both racial groups, the percentage of high-cost loans was higher in low- to moderate-income neighborhoods than in higher-income neighborhoods (Table 14).

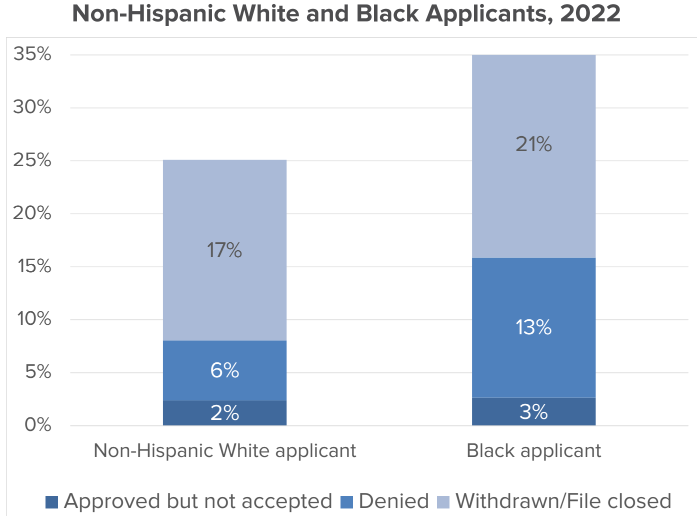
LOAN FAILURE RATES BY RACE AND ETHNICITY

Loan origination failure rates represent a broad measure of the extent to which a mortgage loan application does not achieve approval. This measure, which is useful to further understand the large disparities in access to mortgage loans by race and ethnicity, is based on the combined reasons for non-origination:[48]

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

EXHIBIT 12

Loan Origination Failure Rate, Non-Hispanic White and Black Applicants, 2022

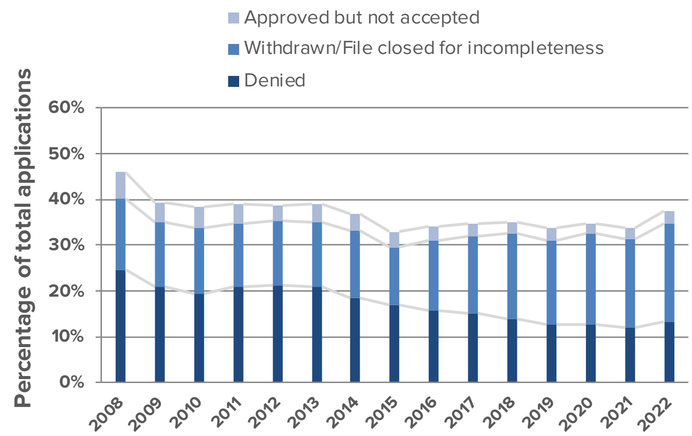


Source: Authors' calculations of 2022 HMDA data

Exhibit 12 shows that in 2022 origination loan failure rates increased for both Black and White applicants. Black applicants experienced an overall loan origination failure rate of 37 percent, compared to the White applicant rate of 25 percent. Most of this 12-percentage point difference is due to loan denials (13 percent for Blacks and 6 percent for Whites). Applications withdrawn and files closed represent 21 percent of all applications from Blacks and 17 percent of those from Whites, up from 19 percent and 15 percent, respectively, relative to 2021.

EXHIBIT 13

Loan Origination Failure Rate Black Applicants



Source: Authors' calculations of HMDA data (2008-2022)

EXHIBIT 14

Loan Origination Failure Rate Non-Hispanic White Applicants

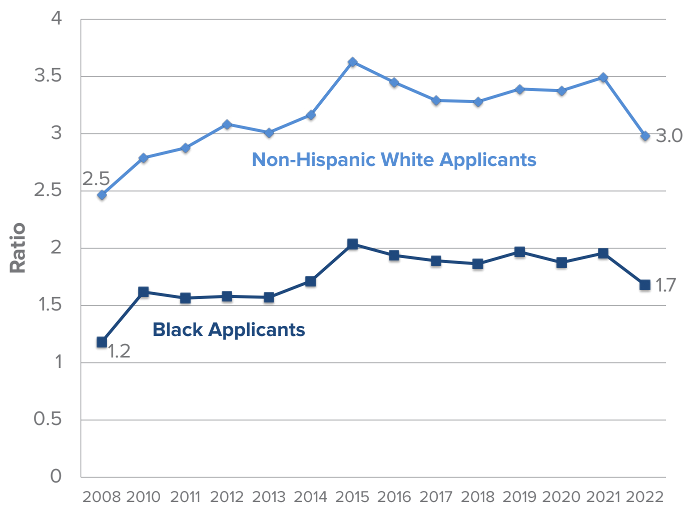
Source: Authors' calculations of HMDA data (2008-2022)

Exhibits 13 and 14 illustrate loan origination failure rates throughout the period from 2008 to 2022. There is a significant gap between Black and White applicants regarding loan origination failure rates. Failure rates for White applicants are consistently below 30 percent throughout this period. The failure rates for Black applicants, in contrast, are consistently above 30 percent, with significant peaks during the foreclosure crisis period, when the disparity between Whites and Blacks was particularly pronounced. above 30 percent, with significant peaks during the foreclosure crisis period, when the disparity between Whites and Blacks was particularly pronounced.

Examining the ratios of loan originations to applications that failed over time can highlight where Blacks have improved or failed to improve their chances of successful loan origination since the 2008 foreclosure crisis (Exhibit 15). For Blacks, the number of approved loans per failed application submitted ranged from 1.2 in 2008 to 1.7 in 2022. For Whites, the number of approved loans per failed application submitted has been consistently larger, ranging from 2.5 loans in 2008 to 3.0 loans in 2022.

EXHIBIT 15

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



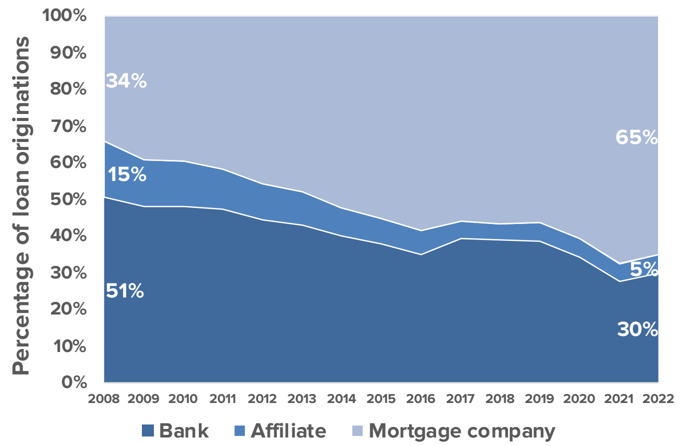
Source: Authors' calculations of HMDA data (2008-2022)

LOAN AND LENDER CHANNELS BY RACE AND ETHNICITY

Since the 2008-2009 financial crisis, mortgage lending has shifted from traditional banks to independent mortgage companies (nonbank lenders) that are not subject to the same regulatory oversight as banks, including having to adhere to the Community Reinvestment Act (CRA) (Exhibit 16).[49]

EXHIBIT 16

Share of the Home Purchase Market by Type of Lender



Source: Authors'calculations of HMDA data (2008-2022)

Lack of CRA coverage enables nonbank lenders to operate without any requirements to serve the credit needs of lower-income and otherwise disenfranchised communities. Proposed additional capital reserve requirements for banks involved in mortgage lending will likely further shift mortgage lending away from depository lending institutions.

On the positive side, nonbank lenders typically have a strong digital focus that makes submitting a loan application and communicating with a lender easier, especially in areas with limited access to traditional bank offices.[50] Some nonbank lenders also offer innovative products that facilitate home-buying in competitive real-estate markets.[51] As discussed in last year's report, nonbank lenders include technology firms, known as fintechs, which operate as an alternative lending channel and provide services predominantly online.[52]

Exhibit 16 shows that the number of loan originations by banks has dropped substantially for more than a decade. Banks' share of the mortgage market fell from 51 percent in 2008 to 28 percent in 2021.[53] During the same period, nonbanks' share of the mortgage market increased from 34 percent to 67 percent.[54]

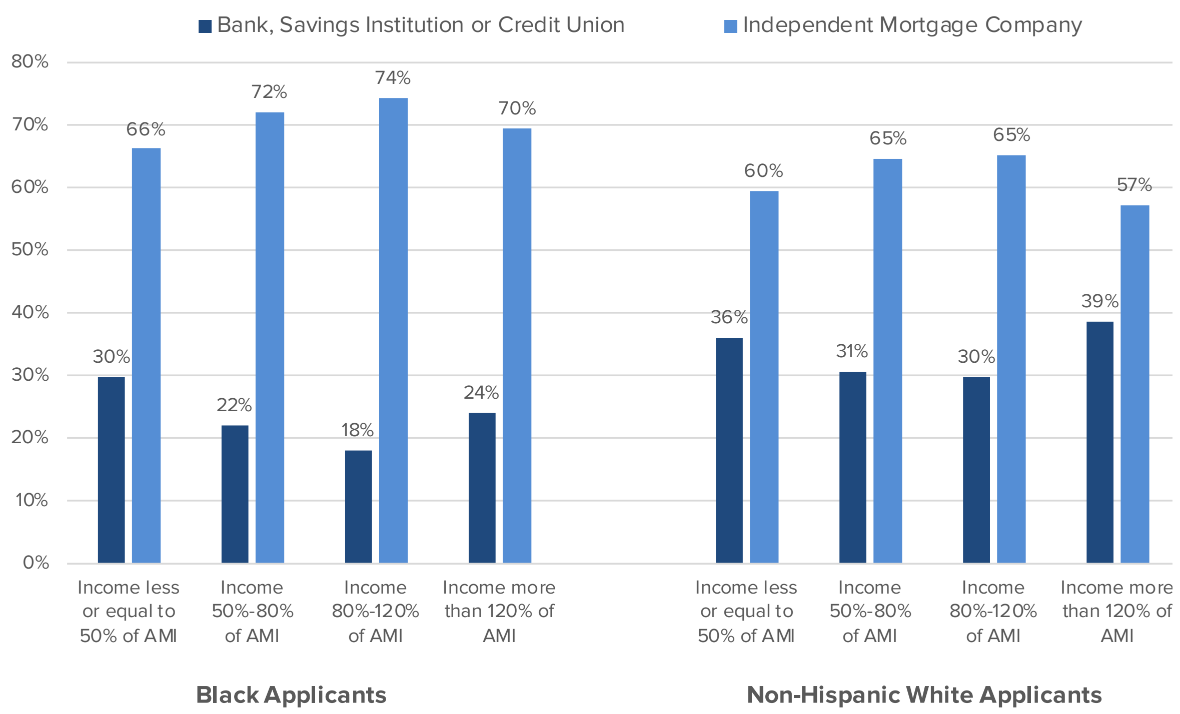
In 2022, nonbank lenders continued to dominate the mortgage market, even though their share of the mortgage market experienced a 2 percentage point decrease. Seventy-one percent of Black applicants and 61 percent of White applicants applied for a loan at an independent mortgage company in 2022, regardless of income level (Exhibit 17).[55] Banks continued disproportionately to attract White applicants: 34 percent of White prospective borrowers sought loans from banks in 2022 compared to 22 percent of Black applicants.

Between 2021 and 2022, the number of applications and originations at independent mortgage companies decreased for both racial groups across all income levels. The share of applications at banks fell for all income categories among both racial groups.[56] As Exhibit 17 shows, for both Black and White applicants, the percentage of those applying at an independent mortgage company is larger in the mid-income brackets than at either end of the income spectrum.

Conversely, the percentage of applications by both racial groups to banks, savings institutions, and credit unions is larger among very-low-income and very high-income applicants, compared to those in the low- and moderate-income brackets. The larger share of applications at banks from the lowest-income applicants may be associated with CRA compliance by banks that receive performance grades related to their lending in low-income communities. At the other end of the income spectrum, the larger share of applications from very high-income applicants may be a result of banks seeking less risky applicants since the Great Recession.

EXHIBIT 17

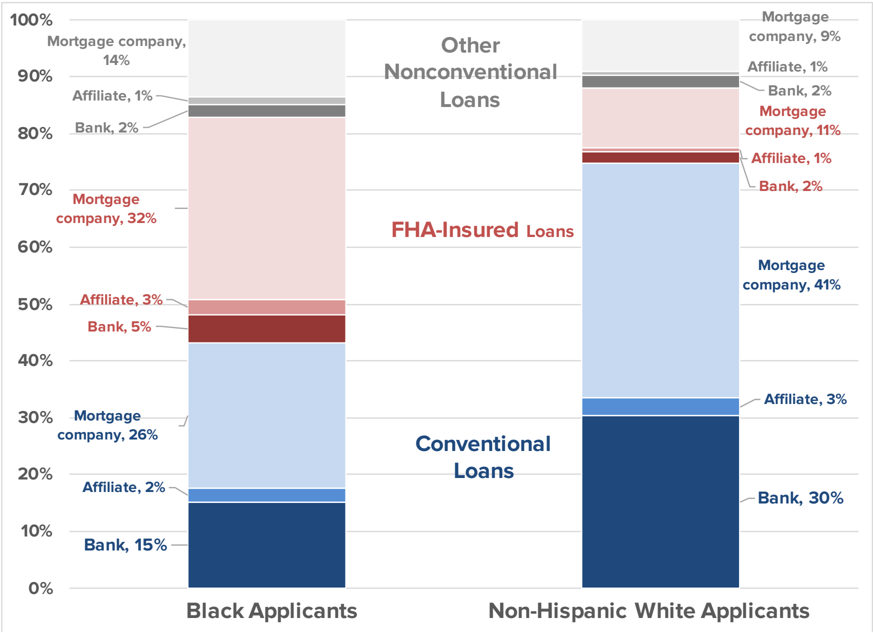
Mortgage Loan Applications by Lender Type and Applicant Income Level
Black and Non-Hispanic White Applicants, 2022



Source: Authors' calculations of 2022 HMDA data

EXHIBIT 18

Mortgage Loan Applications by Type of Loan and Lender, Black and Non-Hispanic White Applicants, 2022



Source: Authors' calculations of 2022 HMDA data

Since the foreclosure crisis, nonbank lenders have become key sellers of mortgages purchased by Fannie Mae and Freddie Mac. Both institutions have concurrently allowed greater underwriting flexibility in recent years.[57] Independent lenders have, however, also continued to be major originators of loans covered by Ginnie Mae.[58] FHA and the VA offer mortgage guarantees that greatly help nonbanks reduce their risks in case of borrower default.[59]

Exhibit 18 shows that independent mortgage companies receive the largest share of applications from Black applicants for FHA-insured loans (32 percent). The largest share of applications from White applicants was for conventional loans at independent mortgage companies (41 percent).

Origination rates were higher at independent mortgage companies than at banks for both racial groups. There continues, nevertheless, to be a consistent gap between Black and White applicants in origination rates at all types of institutions (Table 8). In 2022, the rates of loan origination were several percentage points higher among White applicants (76 percent at independent mortgage companies and 74 percent at banks) than among Black applicants (64 percent and 60 percent). Denials for both racial groups across lender type and income categories for 2022 either decreased or were virtually the same as in 2020.

In 2022, denial rates continued to be lower at independent mortgage companies than at banks. Disparities in denials mirror those in loan origination rates as Black applicants fared much worse than White applicants across all types of lender types. Black applicants had a 21 percent denial rate at banks compared to 8 percent among White applicants (Table 8). At independent mortgage companies, denial rates were 15 percent versus 6 percent.

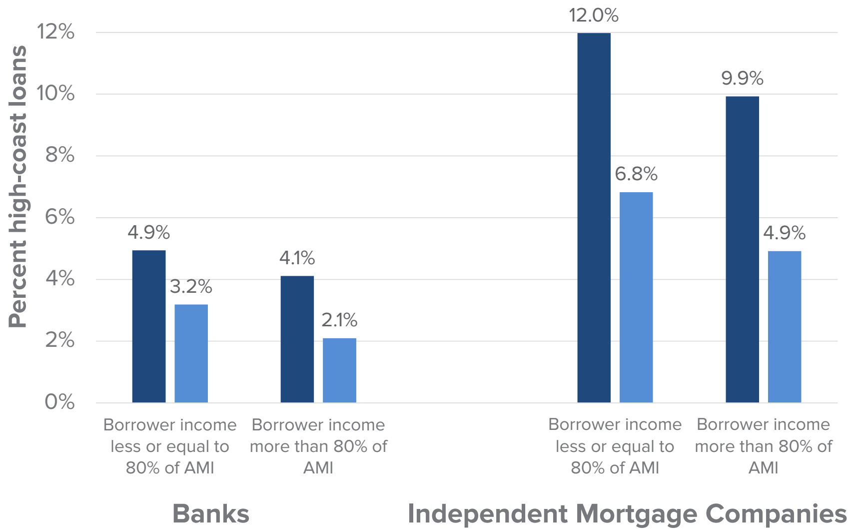
Gaps in denial rates persisted regardless of income level at all lender types. High-income Black applicants applying at banks, for example, had a 21 percent denial rate compared to 7 percent among White applicants – a 14 percentage points difference. The gap was 13 percentage points among very low-income applicants (34 percent among Blacks and 21 percent among Whites).

Similar gaps can be observed among other lender types. Stated otherwise, a lower-income Black applicant is more likely to be accepted for mortgage credit relative to a lower-income White applicant than is a higher-income Black applicant relative to a similarly situated White applicant.

Nonbank lenders, which are typically more flexible in their underwriting than other types of lenders, charged higher rates and fees than banks, resulting in a larger share of high-cost loans compared to banks, and especially to Black borrowers (Exhibit 19).

EXHIBIT 19

Share of High-cost Loans by Borrower Income Level and Lender Type Black and Non-Hispanic Borrowers, 2022



Source: Authors' calculations of 2022 HMDA data

LOAN TYPE, GEOGRAPHIC PATTERNS AND RACE

In 2022, 32 percent of loans originated to Black applicants were for homes located in low-and moderate-income neighborhoods, up from 29 percent in 2021. Only 16 percent of loans to White borrowers financed similarly located properties.

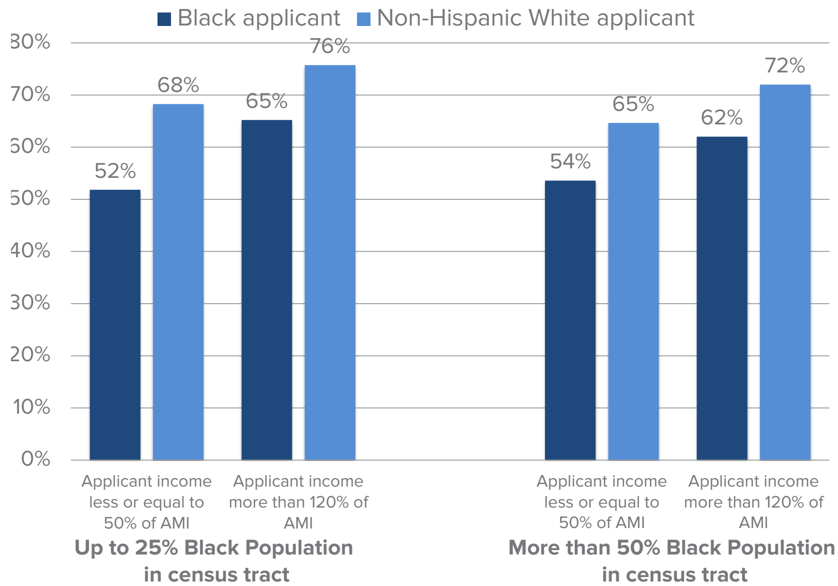
Further, 54 percent of Black borrowers obtained loans for homes in majority minority neighborhoods in 2022, up from 43 percent in 2021. The percentage of White borrowers receiving loans in majority minority neighborhoods increased from 9 percent in 2021 to 12 percent in 2022 (see Table 4). Denial rates for Black applicants in majority minority neighborhoods are more than twice as high (17 percent) as those for White applicants (8 percent) in majority minority neighborhoods. This denial rate difference varied by income as discussed below.

Exhibit 20 shows differences in loan originations for Black and White applicants at both ends of the income spectrum based on the racial composition of the neighborhoods in which homes to be purchased were located. Similar to previous years, in 2022, origination rates for both racial groups were higher in census tracts with a small presence of Black population (i.e., where Blacks represented up to 25 percent of the neighborhood total population) than in majority Black neighborhoods, except for Black applicants with an income at or below 50 percent of the local AMI.

Origination rates for White applicants were higher than those for Black applicants regardless of applicant income and census tract racial composition. Mirroring the performance of White applicants by neighborhood

EXHIBIT 20

Origination Rates by Percentage of Black Population in Census Tract and Applicant Income, 2022



Source: Authors' calculations of 2022 HMDA data

racial composition, high-income Black applicants had higher origination rates in census tracts with a small Black population than in majority Black neighborhoods. In contrast, low-income Black applicants had higher origination rates in majority Black neighborhoods than in census tracts with a small percentage of Black population.

These patterns are consistent across both conventional and FHA-insured loans across all lender types, applicant income, and census tract racial composition, with a few exceptions, as the data in Tables 9 and 10 show. Specifically, originations of conventional loans to Black and White applicants at mortgage companies affiliated with depository institutions are higher than at non-affiliated lender institutions. The percentage of originated loans to Blacks at mortgage companies that are affiliated with depository institutions likely reflect the fact that these institutions operate more heavily in majority Black census tracts compared with other types of lenders.

Origination rates of FHA-insured loans are also higher at mortgage companies affiliated with depositories. These rates are higher in majority Black census tracts for Black applicants, whereas origination rates for White borrowers are higher in census tracts with a smaller Black population.

In 2022, 93 percent of conventional loans and 90 percent of FHA-insured loans going to White applicants were for homes located in census tracts where Black residents represent no more than 25 percent of the total population. In contrast, conventional and FHA-insured loans going to Black applicants were more evenly distributed across census tracts with different racial compositions.

Table 5 indicates that in 2022, 65 percent of loan applications from Blacks were submitted in the South, a much larger percentage than that from Whites (41 percent). Twenty-six percent of applications from White borrowers were submitted in the Midwest and 18 percent were recorded in the West. Only 8 percent of applications from Blacks were submitted in the West. In general, the share of originations by region for both groups reflect the percentages of loan applications.

CITIES WITH LARGEST BLACK POPULATIONS AND HIGH LEVELS OF SEGREGATION

This section examines the mortgage market performance in the top ten U.S. cities with the largest Black populations. Exhibit 21 shows the size of the Black population in these cities. The Black population in these cities ranges from a high of approximately 2 million in New York to 305 thousand in Washington D.C.

In the largest cities – New York, Los Angeles, Chicago, Houston, and Dallas, -- where Blacks represented less than 40 percent of the total population in 1990, the share of Black population has shrunk substantially over time (Exhibit 22). In Los Angeles, in particular, Blacks now represent only 9 percent of the total population. Cities where Blacks have historically represented a very large share of the total population (40 percent and more) had a larger share of Black population in 2021 relative to 1990, with the exception of Washington D.C., where Blacks represented 45 percent of the total population in 2021, compared to 66 percent in 1990.

As noted in last year's report, Blacks have gradually moved from very expensive and gentrifying cities such as D.C. and New York, to more affordable areas, particularly in the South. In Baltimore, Memphis, and Detroit, Blacks still represent the majority of the population.

The dissimilarity index, the most popular measure of residential segregation, measures the extent to which Blacks would have to move to different census tracts to achieve an even geographic distribution throughout the city compared to Whites. Dissimilarity indices over .60 percent are generally considered high. In all cities listed in Exhibit 21, Blacks are still highly segregated from Whites. As Exhibit 21 shows, dissimilarity indexes range from .60 in Detroit to .82 in Chicago.
In all ten cities, the share of both applications from and loan originations to Blacks is well below the share of those cities' Black populations, indicating that high concentrations of Black residents do not appear to improve access to homeownership for that population.

EXHIBIT 21

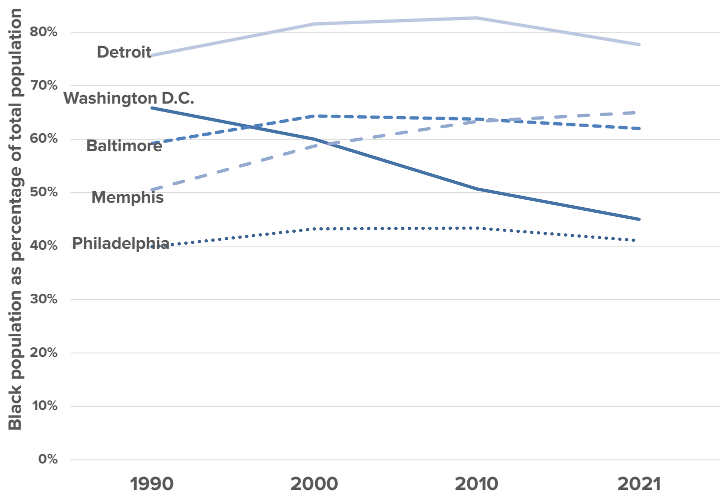
Ten Cities with the Largest Black Populations (2021)

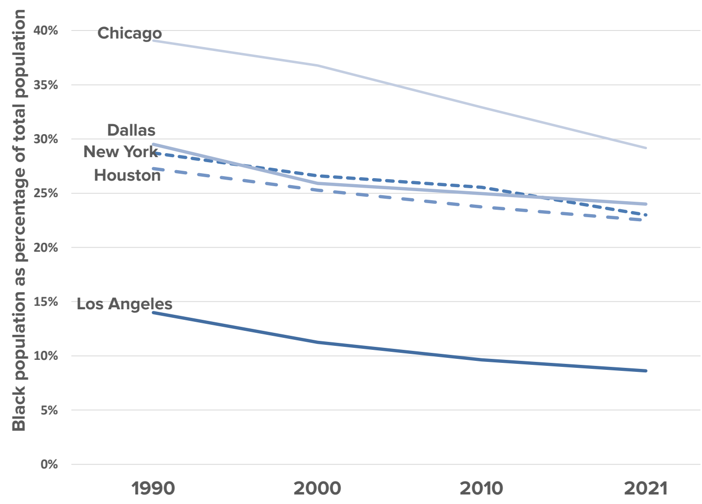
City	1990			2021		
	Black Population	Percent of Total Population	Dissimilarity Index	Black Population	Percent of Total Population	Dissimilarity Index
New York city, New York	2,102,513	29%	0.83	2,042,560	23%	0.78
Chicago city, Illinois	1,087,727	39%	0.87	801,353	29%	0.82
Philadelphia city, Pennsylvania	631,936	40%	0.83	651,978	41%	0.71
Houston city, Texas	466,523	27%	0.69	517,944	23%	0.73
Detroit city, Michigan	777,915	76%	0.64	503,197	78%	0.60
Memphis city, Tennessee	345,294	51%	0.71	409,433	65%	0.67
Baltimore city, Maryland	435,768	59%	0.76	364,879	62%	0.66
Los Angeles city, California	487,831	14%	0.78	336,973	9%	0.65
Dallas city, Texas	297,264	30%	0.67	312,696	24%	0.65
Washington, DC	399,604	66%	0.78	305,109	45%	0.67

Source: Authors' calculations of data coming from Steven Manson, Jonathan Schroeder, David Van Riper, Tracy Kugler, and Steven Ruggles. IPUMS National Historical Geographic Information System: Version 16.0 [dataset]. Minneapolis, MN: IPUMS. 2022, available at http://doi.org/10.18128/D050.V16.0

EXHIBIT 22

Black share of the total population since 1990





Source: Authors'calculations of U.S. Census Bureau data, 1990-2021

In Detroit, for example, Blacks represent 78 percent of the city's population. Black applicants, however, represent only 53 percent of all mortgage applicants. In New York, Blacks represent 22 percent of the city's population, but only 8 percent of applicants (See Exhibit 21 and 23). Detroit and Baltimore, which are among the top 10 most affordable areas for Black homebuyers,[60] have the highest origination rates for Blacks (51 percent and 36 percent, respectively).

The ten cities also present significant differences in terms of the types of loans that Black applicants seek. While most cities mirror national patterns regarding the distribution of applications for, and originations of, conventional and FHA-insured loans to Black applicants, there are some notable variations. In cities like Baltimore, Chicago, Detroit, and Philadelphia, most applications were for FHA-insured loans. In all other cities, most applications from Black borrowers were for conventional loans.

EXHIBIT 23

Selected Characteristics of Loan Applications from Black Applicants in the 10 U.S. Cities with the Largest Black Populations, 2022

		Loan Applications from Black Applicants				Loan Originations to Black Applicants			
City	Blacks as percentage of total population	Total	Share of all applications	Percent applications for conventional loans	Percent applications for FHA-insured loans	Total	Share of all originations	Share of all conventional loans	Share of all FHA-insured loans
Baltimore	62%	3,472	39%	33%	59%	2,201	36%	20%	66%
Chicago	29%	5,462	16%	41%	53%	3,210	13%	7%	42%
Dallas	24%	765	8%	63%	27%	420	6%	5%	15%
Detroit	78%	2,125	53%	43%	52%	1,199	51%	40%	66%
Houston	23%	2,006	14%	53%	39%	1,120	12%	8%	28%
Los Angeles	9%	876	4%	75%	19%	542	4%	3%	10%
Memphis	65%	1,759	37%	53%	37%	1,054	33%	25%	58%
New York	23%	3,365	8%	58%	39%	2,089	7%	5%	42%
Philadelphia	41%	3,544	22%	43%	51%	2,282	20%	12%	43%
Washington	45%	1,619	22%	71%	23%	997	19%	15%	65%

Source: Authors' calculations of 2022 HMDA data and Steven Manson, Jonathan Schroeder, David Van Riper, Tracy Kugler, and Steven Ruggles, IPUMS National Historical Geographic Information System: Version 17.0 [dataset]. Minneapolis, MN: IPUMS, 2022, http://doi.org/10.18128/D050.V17.0

In these latter cities, however, conventional loans to Black borrowers represented a small share of all conventional loans. In Los Angeles, for example, where 75 percent of applications from Black prospective borrowers were for conventional loans, loans to Blacks represented just 3 percent of all conventional loan originations (See Exhibit 23).

MORTGAGE LENDING TO BLACK FEMALE APPLICANTS

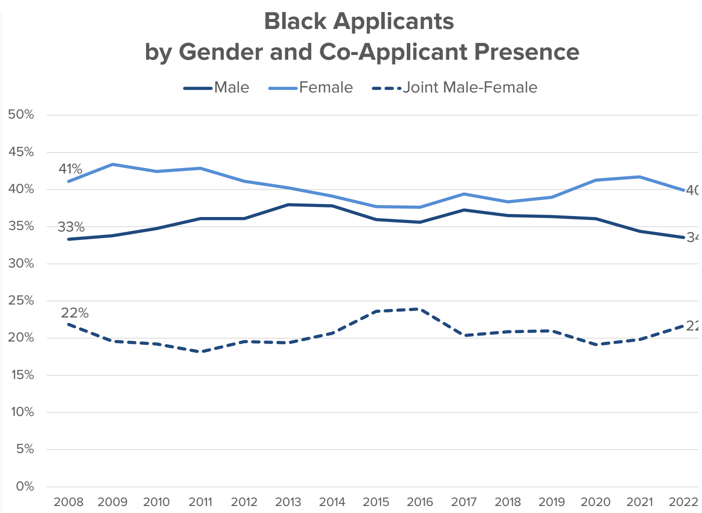
In 2022, the number of applications from Black female prospective borrowers[61] declined relative to 2021. Prior to 2022, increasing numbers of Black females had been applying for mortgage loans since the Great Recession. In 2022, 170,982 applications came from Black female borrowers, a 17 percent decrease from the previous year (Table 15). The gender composition of the Black applicant pool is significantly different from that of White applicants (Exhibits 24 and 25).

In 2022, female applicants continued to be the largest segment of the Black applicant pool. Forty percent of Black mortgage applicants consisted of women without a co-applicant, 34 percent consisted of male applicants without a co-applicant, and male and female applicants applying jointly represented the smallest segment of the applicant pool (20 percent).

As in previous years, women represented only 21 percent of all White applicants in 2022. The largest group in the White applicant pool consisted of male and female applicants applying jointly (41 percent), followed by male applicants (33 percent).

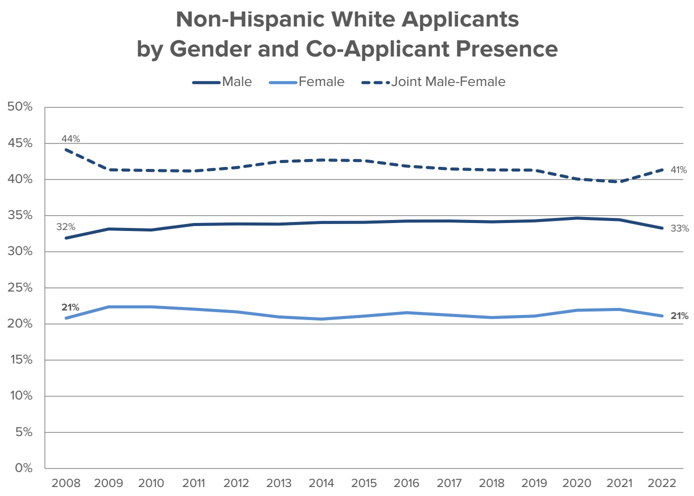
The number of applications among Black females applying alone for both conventional and FHA-insured loans declined in 2022. The steepest decline was in FHA loan applications – a 22 percent decrease versus a 12 percent decrease in conventional loan

EXHIBIT 24



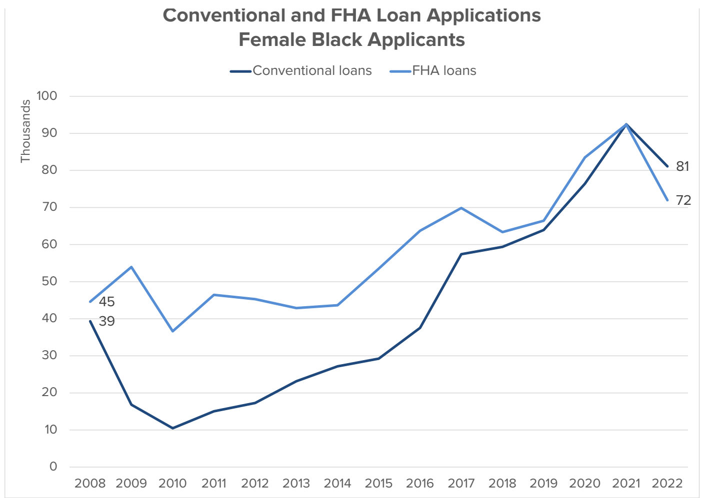
Source: Authors' calculations of HMDA data (2008-2022)

EXHIBIT 25



Source: Authors' calculations of HMDA data (2008-2022)

EXHIBIT 26



Source: Authors' calculations of HMDA data (2008-2022)

applications. Despite a decrease relative to 2021, in 2022, the number of applications for conventional loans from Black female applicants was greater than the number of applications from that population for FHA-insured loans.

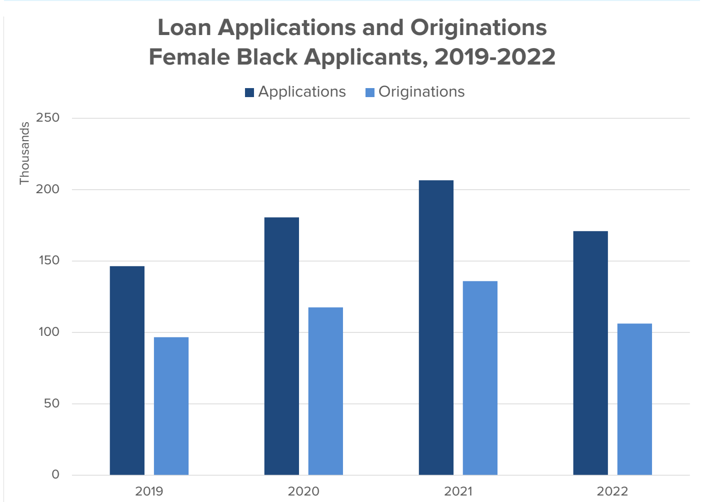
That greater demand for conventional loans, relative to FHA loans, by Black females reflects a trend that has been increasing since the Great Recession (Exhibit 26).

In 2022, 47 percent of applications from Black females were for conventional loans, compared with 21 percent in 2010 (Table 16). Forty-eight percent of applications from White female prospective borrowers were for conventional loans in 2010. This percentage climbed to 77 percent in 2022. In 2022, an additional 42 percent of total applications from Black female prospective borrowers were for FHA-insured loans, compared to only 16 percent among their White counterparts (Table 17).

Loan originations to Black female applicants continued to lag behind those of White female applicants. In 2022, 62 percent of applications from Black females resulted in a loan origination, a 4 percentage points decline from 2021 (Exhibit 27). In contrast, 74 percent of loan applications from White female applicants were originated, despite the reduction of applications from this group relative to 2021 (Table 15). The gap in origination rates between Black and White female applicants, however, has been closing over the past decade. Among both Black and White applicants, male and female applicants applying jointly have higher origination rates than applicants applying alone.

Since the foreclosure crisis more than a decade ago, denial rates have decreased among both Black and White female applicants. A large gap, however, persists between Black female applicants and their White counterparts; in 2022, 17 percent of applications submitted by Black female applicants were denied, compared to 8 percent of applications submitted by White females.

EXHIBIT 27

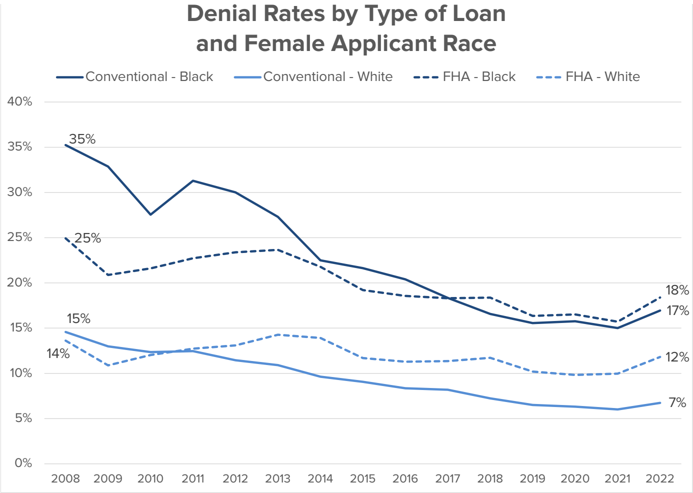


Source: Authors'calculations of HMDA data (2018-2022)

While denial rates for FHA-insured loans have generally been higher than those for conventional loans among White female applicants, especially after the Great Recession, the opposite trend was observed among Black female applicants up until 2017. Since 2017, the denial rates for FHA loans to Black females have been higher than denial rates for conventional loans to that demographic group (Exhibit 29). Denial rates for FHA-insured and conventional loans to Black female applicants increased between 2021 and 2022, to 18 percent and 17, respectively.

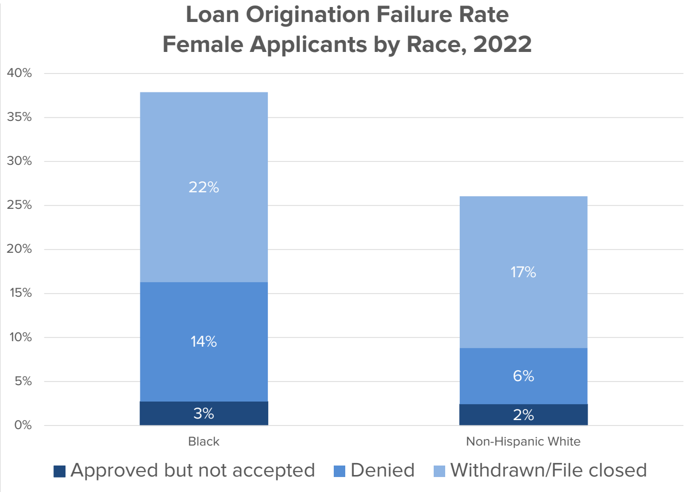
The application success rate of Black female applicants has increased over time. The loan failure rate for this group was 46 percent in 2008 and dropped to 34 percent in 2021. In 2022, however, this rate increased to 39 percent and continued to be higher than the failure rate of White female applicants (25 percent) (Exhibit 29). In 2022, 22 percent of applications submitted by Black female applicants were withdrawn or were reported as closed for incompleteness, compared to 17 percent of applications from White applicants.

EXHIBIT 28



Source: Authors'calculations of HMDA data (2008-2022)

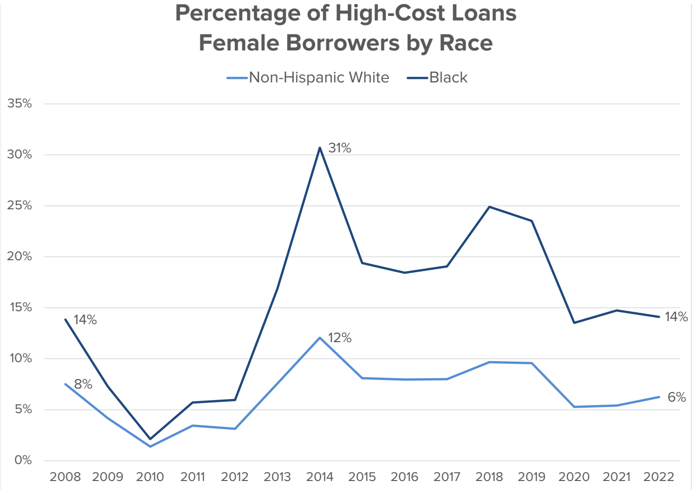
EXHIBIT 29



Source: Authors' calculations of 2022 HMDA data

The debt-to-income ratio is the most reported reason for loan denial among female applicants, followed by credit history and collateral (Table 18). There are some differences among Black and White applicants, however, regarding the incidence of each of these factors in loan dispositions. Forty percent of applications denied to Black applicants are reported as being rejected because of the debt-to-income ratio, compared to 35 percent of applications from White applicants. Credit history is reported as the main denial reason for 18 percent of applications from Black applicants compared to 15 percent of those from White applicants. Collateral appears to be a more common reason for denial for White applicants than for Black applicants – 17 percent versus 11 percent.

EXHIBIT 30



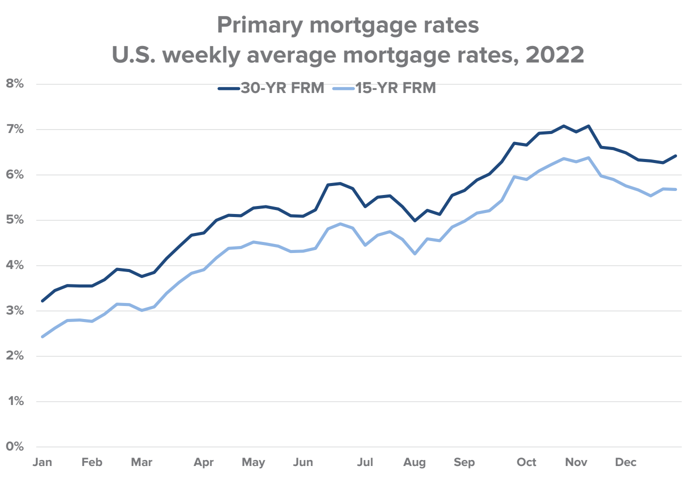
Source: Authors' calculations of HMDA data (2008-2022)

Black female borrowers continue to receive a larger proportion of high-cost loans than White female borrowers. Even though the share of high-cost loans for Black females is half of that recorded in 2014 (31 percent), 14 percent of all Black female borrowers received high-cost loans in 2022, nearly three times the share as their White counterparts (6 percent) (Table 19 and Exhibit 30).

HOMEOWNERSHIP AMONG BLACK MILLENNIALS

As last year's report noted, in 2021 millennials were estimated to be the fastest-growing generation among Black homebuyers.[62] This growth, however, slowed down in 2022, most likely due to increasing interest rates throughout the year, continuing high home prices, and the drop in the inventory of homes for sale (see Exhibits 31 and 32).[63]

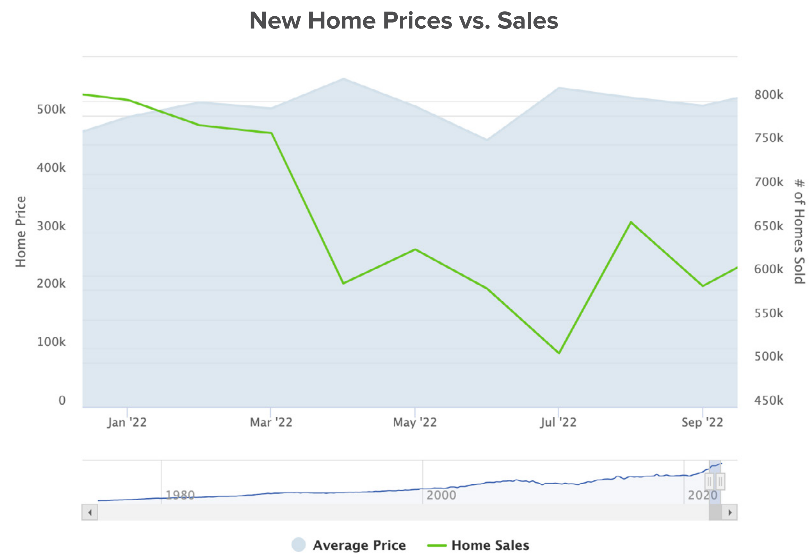
EXHIBIT 31



Source : Freddie Mac, Primary Mortgage Market Survey, available at https://www.freddiemac.com/pmms.

Despite an increase in homeownership among Black millennials, particularly over the past three years, Black millennials continue to lag far behind White millennials in terms of homeownership. In 2022, the Black millennial homeownership rate was 30 percent, which is half the size of the 61 percent homeownership rate for White millennials (Exhibit 33).

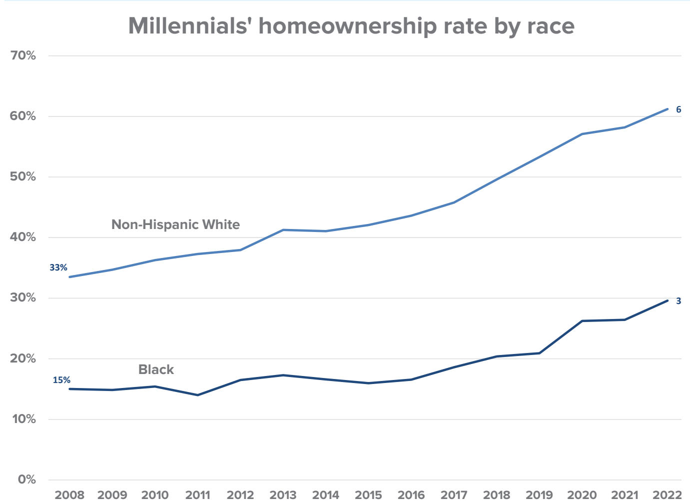
EXHIBIT 32



Source : https://www.mortgagenewsdaily.com/data/new-home-prices.

As the Urban Institute points out,[64] even though it is estimated that 20 percent of Black millennials are mortgage-ready, that population experiences a range of challenges that nevertheless limits their success at achieving homeownership, compared to their White counterparts. Black millennials, in particular, are burdened by significantly fewer financial assets and wealth, relative to young White applicants, which can be accessed for a downpayment.[65]

EXHIBIT 33

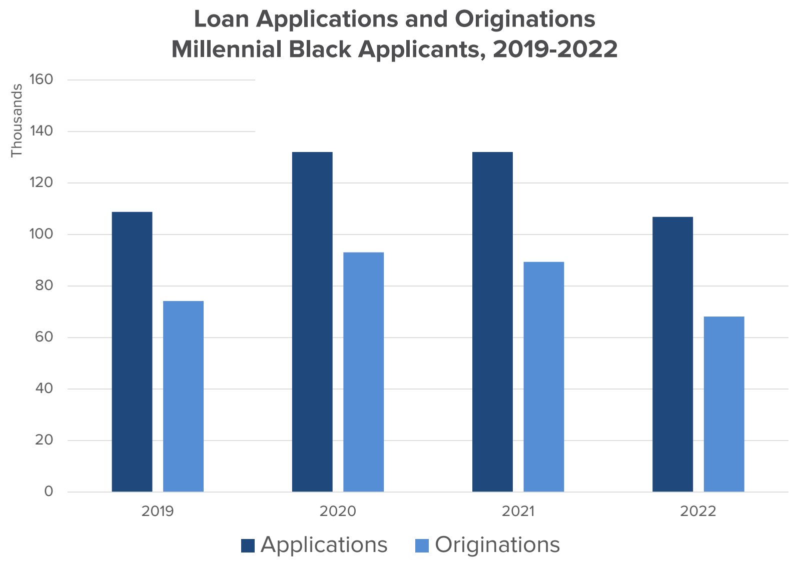


Source: Authors' calculations of Current Population Survey-ASEC data (2008-2022)

In 2020, the number of applications from Black millennials had increased a robust 28 percent relative to 2019. This positive news was extremely promising for the long-term prospects of raising the overall rate of Black homeownership over time. Further, accessing homeownership earlier in life could have translated into Black owners accumulating greater home equity in their properties during their lifetimes.

The positive news regarding Black millennials' access to mortgage credit, however, was not long-lived. HMDA data indicates that the number of applications from Blacks in the millennial age group continued the decline that began in 2021 (Exhibit 34). Between 2021 and 2022, applications and originations from Black Millennials fell by 23 percent and 27 percent, respectively. Although not unexpected given the housing market's characteristics last year, these data are particularly disappointing.

EXHIBIT 34



Source: Authors'calculations of HMDA data (2018-2022)

Interestingly, declines in applications and loan originations were more pronounced among White millennial applicants, down 34 percent and 36 percent since 2020, respectively. There remains, however, a significant gap between Black and White millennials in their relative shares of total applications. In 2022, millennials represented 33 percent of the White applicant pool compared to 25 percent for Blacks (see Table 20). While the origination rate was 77 percent among White millennials, it remained much lower for Black millennials (64 percent).

Most importantly, applications from Black millennials were denied at a much higher rate compared to those from White millennials – 16 percent versus 6 percent. The debt-to-income ratio was reported as the main reason for denial for 39 percent of Black millennial applicants compared to 32 percent of White millennial applicants. Credit history was the second most common reason for denial for both populations. In 2022, 17 percent of denied applications from Black millennials were rejected because of credit history, compared to 14 percent among White millennial applicants (Table 21).

Fourteen percent of Black millennial borrowers received a high-cost loan in 2022 compared to only 5 percent of White millennial borrowers (Table 22). Seventy-five percent of White millennial homebuyers received a conventional loan in 2022, compared to only 44 percent of Black millennials.

Conversely, 39 percent of Black millennial borrowers received an FHA-insured loan, compared to 13 percent of White millennial borrowers. Most Black millennial borrowers received loans for properties located in majority-minority neighborhoods (56 percent) compared to only 14 percent of their White counterparts. Sixty-four percent of Black millennial borrowers received loans for homes located in high-income neighborhoods, compared to 82 percent of White millennial borrowers.

The greatest number of loans to Black millennials (65 percent) were for properties located in the South, compared to 38 percent among White millennial borrowers.

Mortgage Credit Availability

CREDIT SCORING AND RELATED RISK ASSESSMENT MODIFICATIONS

Mortgage lenders rely largely on credit scores to evaluate the creditworthiness of prospective loan borrowers. Based on an applicant's credit score, lenders decide whether to originate a mortgage loan and, in the case of approved applications, they determine the terms of the loan. As in previous years, the Equifax Beacon and FICO Classic 4 were the most popular scoring models used by mortgage lenders in 2022.

Up until recently, lenders were required to use classic FICO models to underwrite mortgages that were to be purchased or securitized by the GSEs. These models, however, are outdated and do not reflect the availability of alternative information that would potentially increase the chance for millions of prospective borrowers to access mortgage credit, especially in communities of color. [66]

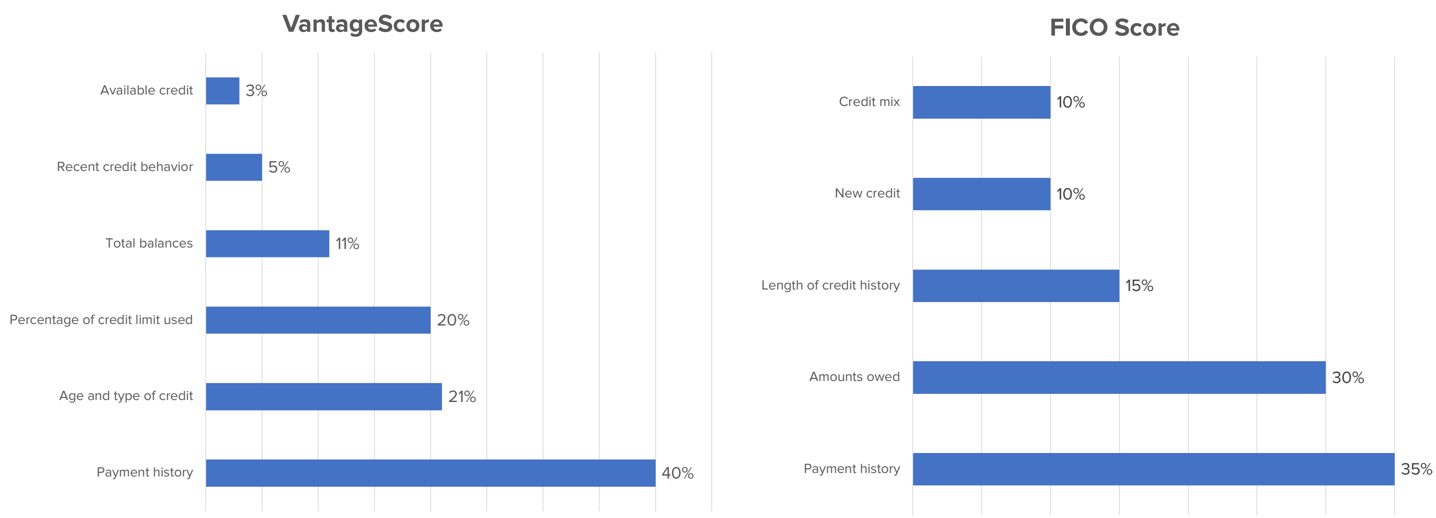
In October 2022, FHFA announced new guidelines for the credit score models accepted by Fannie Mae and Freddie Mac when securitizing mortgage loans. Lenders will be able to evaluate borrowers using the FICO 10T, which looks back over at least 24 months of borrowers' credit activity rather than considering just a snapshot of the day the credit report was requested. Lenders will also be allowed to use scores from VantageScore, which usually requires a shorter credit history compared with FICO.

These models consider data from additional sources, such as payments for rent, utilities, or cell phone services. These changes may allow more borrowers, especially among those who have historically been excluded from homeownership, to qualify for mortgages. However, it may take time for the implementation of these changes to make a significant impact.[67]

The algorithms currently used by credit scoring systems such as FICO and VantageScore systems are designed to be race-neutral (Exhibit 35). Race, however, indirectly determines an individual's credit, which is built on an individual's financial history.

EXHIBIT 35

Components of credit scoring systems

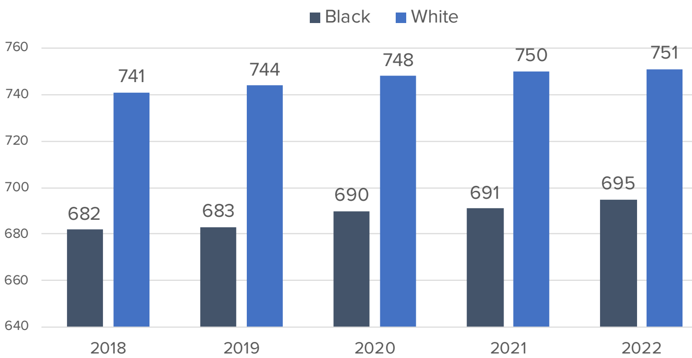


Source: Shift, "Credit Score Statistics," August 2021, available at https://shiftprocessing.com/credit-score/#race.

There are significant racial disparities in credit scores among mortgage borrowers. The CFPB analysis of 2022 HMDA data reports that variations in credit scores among borrowers of different race and ethnicity persist, although median credit scores have been increasing since 2018.[68] In 2022, the median credit score for Black borrowers was 695 compared to 682 in 2018. Black and Hispanic borrowers, however, continued to have significantly lower credit scores than Asian and White borrowers. In 2022, the median credit score for Black borrowers was 56 points lower than that of White borrowers (Exhibit 36).

EXHIBIT 36

Median credit scores of home purchase loans by borrower race (2018-2022)



Source: Data from Feng Liu, Young Jo, and Noah Cohen-Harding, Data Point : 2022 Mortgage Market Activity and Trends, Consumer Financial Protection Bureau, September 2023, available at https ://files.consumerfinance.gov/f/documents/cfpb_data-point-mortgage-market-activity-trends_report_2023-09.pdf.

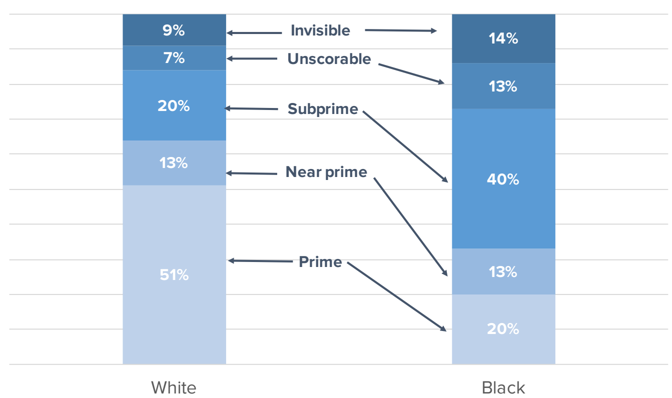
As discussed in last year's report, decades of racial discrimination in the housing and labor markets have limited economic mobility, access to credit, and wealth accumulation for generations of Black families, contributing to lower credit scores of that population compared to other racial groups.[69] In addition, Black and Hispanic adults are more likely than their White counterparts to be credit invisible, meaning they do not have conventional credit scores.[70]

Estimates based on 2020 Experian credit bureau data indicate that 49 million consumers (19 percent of American adults) are credit invisible and 21 million consumers are unscorable. Consumers are considered unscorable if they have insufficient information in their credit file to generate a conventional credit score.

Fourteen percent of Black consumers are credit invisible, and 13 percent are unscorable. Blacks are 1.8 times more likely than Whites to be credit invisible or unscorable. Further, 40 percent of Black consumers are classified as subprime, due to low credit scores that prevent them from having a loan approved or result in higher interest rates. Black consumers are 1.9 times, or nearly twice less likely to have access to prime or near-prime rate loan products than White consumers.[71]

EXHIBIT 37

Access to credit by consumer race



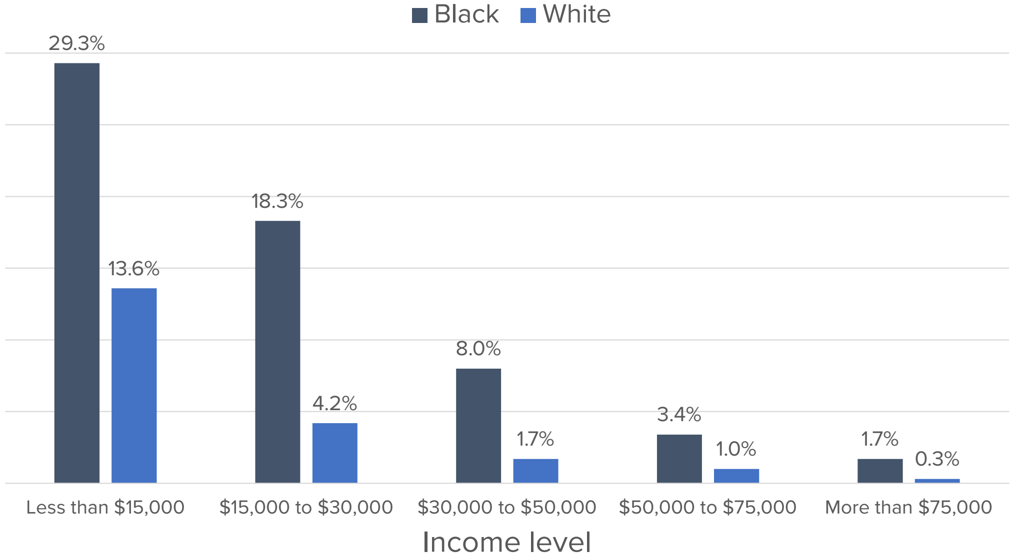
Source: Data from Mike Hepinstall et al., "Financial Inclusion and Access to Credit," Oliver Wyman, 2022, available at https://us-go.experian.com/driving-growth-with-greater-credit-access-white-paper?cmpid=pr-release.

Because of their lower credit scores, Blacks are more likely than Whites to be excluded from conventional financial services.[72] According to the latest FDIC survey of unbanked and underbanked households, Black households are more likely to be unbanked than White households across all income levels (Exhibit 38). Nearly 25 percent of Black households were underbanked in 2021 and 11.3 percent were unbanked. In contrast, 9.3 percent of White households were underbanked and 2.1 percent were unbanked.[73] The smaller presence of bank branches in Black communities compared to White communities further contributes to the relatively limited access to credit for Blacks, even at a time when online banking has become more common.[74]

As a consequence of limited access to conventional financial services, Blacks disproportionately rely on payday and other high-cost loans that are not factored into traditional credit scores and are often predatory.[75] FDIC data indicate that Blacks are more likely than Whites to use rent-to-own services, payday loans, tax refund anticipations, auto title loans, and pawn loan services. Over 7 percent of Black households use these types of services compared to 3.3 percent of White households.

EXHIBIT 38

Percentage of unbanked households by race and income level (2021)



Source: FDIC, "2021 FDIC National Survey of Unbanked and Underbanked," available at https://www.fdic.gov/analysis/household-survey/2021report.pdf

Blacks are also less likely than White applicants to receive algorithmic approvals from race-blind government automated underwriting systems (AUS), which must follow fair lending regulations.[76] AUS for government-backed loans include Fannie Mae's Desktop Underwriter (DU), Freddie Mac's Loan Product Advisor (LPA), and FHA's credit risk scorecard (TOTAL).These systems' algorithms consider factors like credit history, loan-to-value ratios, debt-to-income ratios, and self-employment to determine whether a loan is low-risk enough to be recommended for approval. In 2022, 70 percent of loan applications from Blacks that were evaluated with AUS were approved (67 percent resulted in a loan origination).

In contrast, 80 percent of loan applications from Whites that were evaluated with AUS were approved (Exhibit 39). Neil Bhutta and colleagues[77] found that disparities in race-blind AUS recommendations largely reflect differences in underlying measures of applicant credit risk, such as gaps in credit scores, which in turn reflect systemic racial bias.

NAREB has expressed concern that these algorithms should be more transparent to mortgage market participants. Inasmuch as the GESs now operate as federal agencies, it seems unreasonable to treat their risk assessment models as proprietary information since its purpose of those scoring tools is solely to pursue a public service.

EXHIBIT 39

Disposition of purchase loan applications by race and AUS, 2022

	Automated underwriting system				
	DU	LPA	TOTAL	Other	Total
Black applicants					
Originated	67%	71%	65%	55%	67%
Approved but not acce	3%	3%	3%	3%	3%
Denied	11%	9%	14%	21%	12%
Withdrawn/File closed	19%	18%	18%	21%	19%
White applicants					
Originated	78%	81%	74%	68%	78%
Approved but not acce	2%	2%	2%	2%	2%
Denied	4%	4%	9%	11%	5%
Withdrawn/File closed	15%	14%	15%	19%	15%

Source: Authors' calculations of 2022 HMDA data

EXHIBIT 40

Event Date	Change
March 2008	The Enterprises increased ongoing fees and added two new upfront fees: a fee based on the borrower's LTV ratio and credit score, and a 25-basis point adverse market charge.
Late 2008 through 2011	The Enterprises gradually raised fees and refined their upfront fee schedules.
December 2011	Pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011, FHFA directed the Enterprises to increase the ongoing fee for all loans by 10 basis points. The Enterprises pay this fee to the U.S. Department of the Treasury. This fee increase was effective with April 2012 deliveries and will expire after 10 years.
August 2012	FHFA directed the Enterprises to raise fees by an additional 10 basis points on average to better compensate for credit risk exposure. FHFA raised fees more on loans with terms longer than 15 years than on shorter-term loans to better align the gaps and made fees more uniform across sellers with varying loan delivery volumes. These changes were effective with December 2012 MBS deliveries.
December 2013	FHFA directed the Enterprises to increase ongoing fees by 10 basis points, change upfront fees to better align pricing with credit risk characteristics, and remove the 25-basis point adverse market charge for all but four states. However, in January 2014, FHFA suspended the implementation of these changes pending review.
April 2015	FHFA completed its fee review and directed the Enterprises to eliminate the adverse market charge in all markets and add targeted increases for specific loan groups effective with September 2015 deliveries. These changes were approximately revenue-neutral with little or no impact for most borrowers.
July 2016	Based on findings from FHFA's quarterly guarantee fee reviews, the Agency directed the Enterprises to set minimum ongoing guarantee fees by product type, effective in November 2016, consistent with FHFA's responsibility to ensure the safety and soundness of the Enterprises.
September 2018 & March 2019	The Enterprises implemented a 25-basis point upfront fee for loans on second homes where LTV exceeds 85 percent.
April 2020	FHFA allowed the Enterprises to purchase loans in forbearance, with an upfront fee add-on of 500 basis points for first-time home buyers and 700 basis points for all others, effective for loans closed through December 31, 2020, following multiple extensions.
August 2020	FHFA directed the Enterprises to introduce a 50-basis point upfront Adverse Market Refinance Fee, effective December 1, 2020, for cash-out and rate-term refinances. The Enterprises excluded loans with principal balance less than or equal to $125,000, those associated with HomeReady/Home Possible, and construction-to-permanent loans meeting certain criteria.
July 2021	FHFA announced that the Enterprises would eliminate the Adverse Market Refinance Fee for loan deliveries effective August 1, 2021.
November 2021	The Infrastructure Investment and Jobs Act extended to 2032 the existing 10-basis point ongoing fee arising from the Temporary Payroll Tax Cut Continuation Act of 2011, which was due to expire in 2022. The Enterprises remit the proceeds from this fee to the U.S. Department of the Treasury.

Source: https://guide.freddiemac.com/ci/okcsFattach/get/1001717_5 (05/04/2022).

FANNIE MAE AND FREDDIE MAC PRICING

Fannie Mae and Freddie Mac (the GSEs), which guarantee most of the mortgages made in the U.S., purchase single-family loans from lenders and bundle these loans into mortgage-backed securities (MBS), which are then kept as investments or sold into the secondary market. The GSEs assume the credit risk on these loans and ensure that investors receive principal and interest payments. In exchange for this guarantee and to cover other administrative costs and the cost of holding capital, the GSEs charge a guarantee fee (G-fee).

Guarantee fees come in two forms: ongoing and upfront. Both types of fees are passed on to the borrower by the lender as they are factored into a loan's interest rate paid by the borrower. Ongoing fees are paid monthly until the loan is paid off, whereas upfront fees consist of one-time payments that sellers make to the GSEs upon loan delivery.

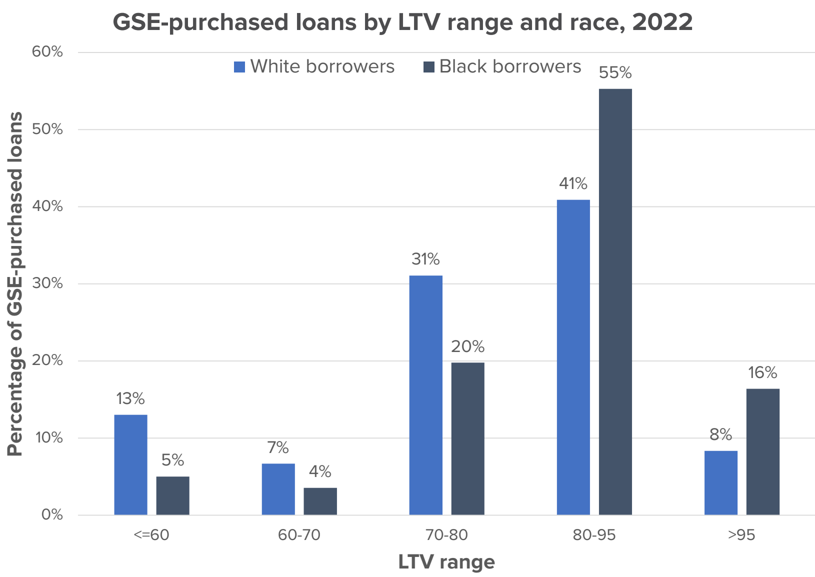
The latter are generally referred to as loan-level price adjustments (LLPAs). LLPAs were implemented in 2008, as a response to the financial crisis. Regulators determined that individual borrowers should pay for the unique risk they individually pose, rather than aggregate the risk of a pool of loans and charge all borrowers roughly the same fee.

The specific risk attributes accounted for by LLPAs include product types, borrowers' credit scores, and LTV ratios, which Fannie Mae and Freddie Mac use along with a target rate of return on capital to estimate the costs of guaranteeing a loan. Exhibit 40 shows the timeline of changes in guarantee fees from 2008 to 2021.

Charging borrowers based on the risk each individual loan presents has been intuitively reasonable, but discriminatory in fact. LLPAs, ignore the fact that the principal reason that borrowers of color are more financially vulnerable, is due directly to discriminatory federally sanctioned and supported labor market and housing finance practices during most of the last century. Guarantee fees and the structure of LLPAs impact the ability of borrowers of color to access affordable credit by pricing them out of the mortgage market, thus exacerbating the racial homeownership gap.

Guarantee fees, for example, are also higher for mortgages with low down-payments, thus negatively impacting borrowers with fewer savings, who often consist of Black consumers.[78] As discussed above, people of color, particularly Black Americans, are more likely than White Americans to lack the financial resources needed to make large down-payments and are more likely to have lower credit scores due to generations of housing and labor market discrimination.[79] Exhibit 41 illustrates the distribution of GSE-purchased loans by LTV range and race in 2022.

EXHIBIT 41



Source: Authors' calculations of 2022 HMDA data

In 2022, 55 percent of GSE-purchased loans to Black borrowers had an LTV ratio greater than 80 compared with 41 percent of GSE-purchased loans to White borrowers. LLPAs, which reflect disparities in credit scores and LTV ratios, result in disproportionately costlier loans for Black borrowers than for White borrowers. In 2022, the median total cost for GSE-purchased loans to Black borrowers was $5,500, compared to $4,700 for loans to White borrowers. The median origination cost for Black borrowers was $2,400, compared to $1,800 for White borrowers. Gaps in total costs and origination costs of GSE-purchased loans by race are consistent across different LTV ranges (Exhibit 42).

EXHIBIT 42

Distribution of median costs and interest rates by LTV range and race GSE-purchased loans, 2022 race

	Black borrowers			White borrowers		
LTV range	Origination costs	Total costs	Interest rate	Origination costs	Total costs	Interest rate
<=60	$2,065	$4,608	4.88	$1,652	$4,184	4.88
60-70	$2,845	$5,550	4.99	$2,063	$4,893	4.99
70-80	$3,197	$6,071	5.00	$2,035	$4,961	4.99
80-95	$2,447	$5,726	5.00	$1,735	$4,857	5.00
>95	$1,647	$4,616	5.13	$1,500	$4,091	5.13

Source: Authors' calculations of 2022 HMDA data

In 2021, the FHFA adopted and implemented a new capital regulation for the GSEs, the Enterprise Regulatory Capital Framework (ERCF) to ensure that the GSEs' capital requirements and pricing framework are more closely aligned. Since 2022, the Enterprises have transitioned from the Conservatorship Capital Framework (CCF) to the ERCF to measure capital requirements and buffers. At the time of 2022 HMDA data collection, however, LLPAs did not yet reflect recent changes to the pricing framework.

The ERCF changes capital requirements across credit characteristics using base grids. The FHFA expects the GSEs to set guarantee fees consistent with the amount of the regulatory capital requirements determined using the ERCF, which in the aggregate are higher than in the past.[80] The ERCF reduced risk-based capital requirements for loans with LTV ratios above 80 percent. In October 2022, FHFA announced the elimination of upfront guarantee fees for mortgage loans made to many first-time homebuyers, low-income borrowers, and underserved communities as well as lower upfront fees for other groups. These changes are reflected in the recalibrated fee grids that were updated in May 2023 (Exhibit 43).

The FHFA's objectives in updating the framework include increasing pricing support for many creditworthy first-time borrowers with limited resources for a downpayment. Based on new adjustments, for loans with LTV ratios greater than

EXHIBIT 43

LLPA by credit score and LTV ratio

Credit Score	LTV Range Applicable for all loans with terms greater than 15 years									
	≤30.00%	30.01 – 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	>95.00%	SFC
≥ = 780	0.000%	0.000%	0.000%	0.000%	0.375%	0.375%	0.250%	0.250%	0.125%	N/A
760 – 779	0.000%	0.000%	0.000%	0.250%	0.625%	0.625%	0.500%	0.500%	0.250%	N/A
740 – 759	0.000%	0.000%	0.125%	0.375%	0.875%	1.000%	0.750%	0.625%	0.500%	N/A
720 – 739	0.000%	0.000%	0.250%	0.750%	1.250%	1.250%	1.000%	0.875%	0.750%	N/A
700 – 719	0.000%	0.000%	0.375%	0.875%	1.375%	1.500%	1.250%	1.125%	0.875%	N/A
680 – 699	0.000%	0.000%	0.625%	1.125%	1.750%	1.875%	1.500%	1.375%	1.125%	N/A
660 – 679	0.000%	0.000%	0.750%	1.375%	1.875%	2.125%	1.750%	1.625%	1.250%	N/A
640 - 659	0.000%	0.000%	1.125%	1.500%	2.250%	2.500%	2.000%	1.875%	1.500%	N/A
≤ 639	0.000%	0.125%	1.500%	2.125%	2.750%	2.875%	2.625%	2.250%	1.750%	N/A

Source: https://singlefamily.fanniemae.com/originating-underwriting/mortgage-products/eligibility-pricing

80 percent, a borrower with a credit score lower than 640 pays 1.875 percentage points more than a borrower with a credit score equal to or greater than 740, compared with the 3 percentage points more that were typically paid before the adjustments were implemented.

Critics of the new adjustments have claimed that FHFA' updated fees penalize borrowers with good credit while undercharging those with bad credit.[81] But, as FHFA Director Sandra Thompson has clarified, the updated fees generally increase as credit scores decrease for any given level of downpayment. As a matter of fact, fees will decrease or remain flat for many borrowers with high credit scores or large down payments. Urban Institute's Jim Parrott and Janneke Ratcliffe provide further evidence that the new pricing framework is not punishing borrowers with better credit to subsidize those with bad credit and argue that FHFA simply had to adjust pricing to align it with the new capital requirements.[82]

Specifically, Urban Institute experts point out that critiques of the new pricing structure ignore the role of mortgage insurance, which continues to be required of borrowers with a downpayment of less than 20 percent. Mortgage insurance allows the GSEs to charge lower LLPAs by moving some of the risks from Fannie Mae and Freddie Mac to private mortgage insurers. Ultimately, the fees charged to borrowers to acquire mortgage insurance are added to the total costs borrowers pay for their mortgage.

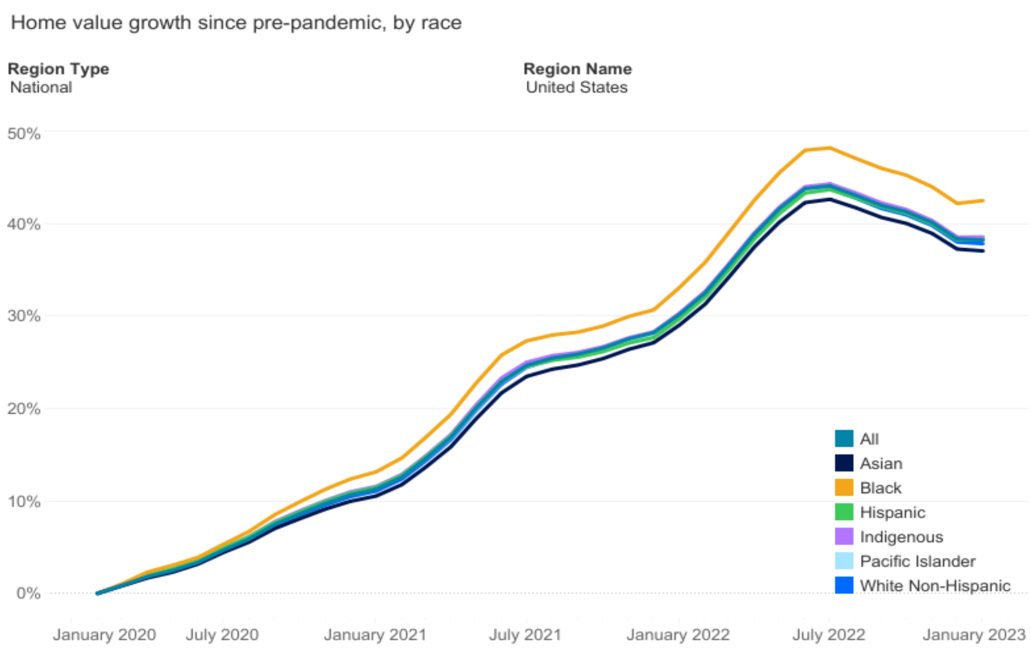
DISPARATE HOME APPRAISAL PRACTICES

As discussed in last year's report, homes in predominantly Black neighborhoods have historically appreciated less or have been valued at an amount that is lower than similar homes in predominantly White neighborhoods, even after controlling for important factors that affect home values and appraisal practices.[83] Lower rates of appreciation in Black neighborhoods negatively impact Black homeowners' ability to accumulate home equity, with important repercussions on the racial wealth gap.

Zillow analysis of ZIP code-level home values indicates that there is still a wide gap in home values among homeowners of different race and ethnicity. During the pandemic, however, Zillow data suggest that Black-owned home values increased faster than home values for all other racial and ethnic groups, giving an equity boost to Black homeowners (Exhibit 44).[84] Specifically,

EXHIBIT 44

Over the pandemic, black homeowners had the highest home value appreciation out of all owners



Source: Nicole Bachaud, "Black Owned Home Values Appreciated the Fastest During the Pandemic," Zillow, February 24, 2023, available at https://www.zillow.com/research/black-home-values-32186/.

the report indicates that Black-owned home values appreciated 42.5 percent from pre-pandemic to January 2023, compared to 37.8 percent for white home values. These estimates vary significantly from historic trends, most likely due to the use of ZIP code-level data that could potentially inflate the results of the analysis. Additional examination of the study, therefore, is needed at a finer geographic level to best understand its contribution to our understanding of potential appraisal bias in the valuation of homes in predominantly Black neighborhoods.

Under-appraisal of homes in Black communities, in fact, remains pervasive[85] as multiple accounts show.[86] This situation exists despite the fact that today's appraisal practices are theoretically designed to maintain objectivity during the valuation of similar properties across different neighborhoods.

During the home purchase process, mortgage lenders require an appraisal to assess the property's worth and a low valuation can affect a homebuyer's mortgage loan, beyond the downpayment amount – in its approval, interest rate, and insurance requirements.

Similar to mortgage lenders and brokers, appraisers must abide by the Fair Housing Act, which prohibits discrimination based on race, national origin, color, sex, familial status and disability. Appraisal bias is one of the key factors, along with lending and underwriting practices, that contribute to lower housing demand in predominantly Black neighborhoods. Reduced demand, in turn, depresses home prices in these neighborhoods, particularly those that were formerly redlined.[87]

In 2021, the Biden-Harris administration announced the creation of the federal Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) to evaluate the causes, extent, and consequences of racial and ethnic bias in home valuations. On March 23, 2022, the task force released the PAVE Action Plan, which includes several policy initiatives designed to reduce the prevalence and impact of appraisal bias.[88] Furthermore, in October 2022, the FHFA released Uniform Appraisal Dataset (UAD) Aggregate Statistics with information on home appraisals at various geographic levels.[89]

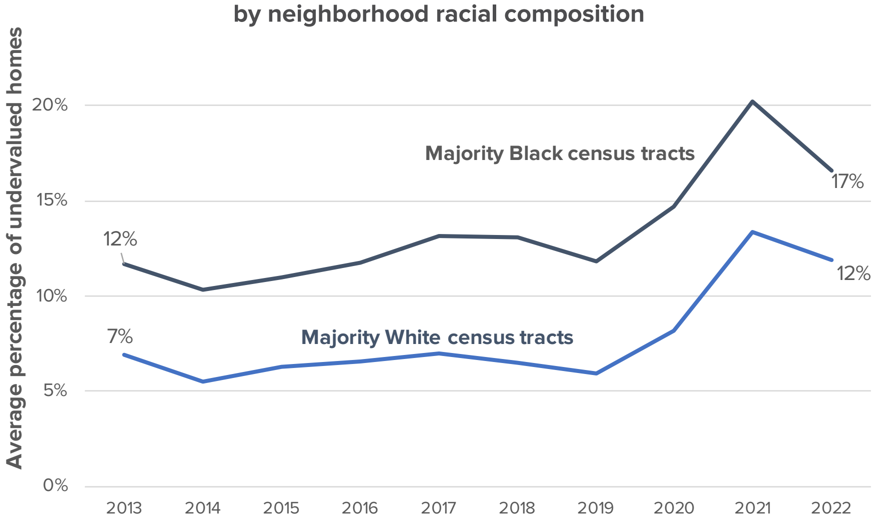
Using neighborhood-level UAD data, a 2022 report by the Brookings Institution shows that owner-occupied homes in predominantly Black neighborhoods are valued 21 percent to 23 percent below similar homes in non-Black neighborhoods.[90] The report estimates that the cost of devaluation across the 113 U.S. metropolitan areas with at least one majority-Black neighborhood is about $162 billion.

Appraisal transactions in majority-Black neighborhoods are 1.9 times more likely to be appraised under the contract price relative to similar homes in predominantly White neighborhoods. Appraisals that are below contract prices may require higher downpayments which, in turn, may cause a home sale to fall through.[91]

Exhibit 45 illustrates the share of homes appraised below contract price in majority Black census tracts and in majority White census tracts from 2013 to

EXHIBIT 45

Average percentage of homes appraised below contract price by neighborhood racial composition



Source: Authors' calculations of FHFA Uniform Appraisal Dataset

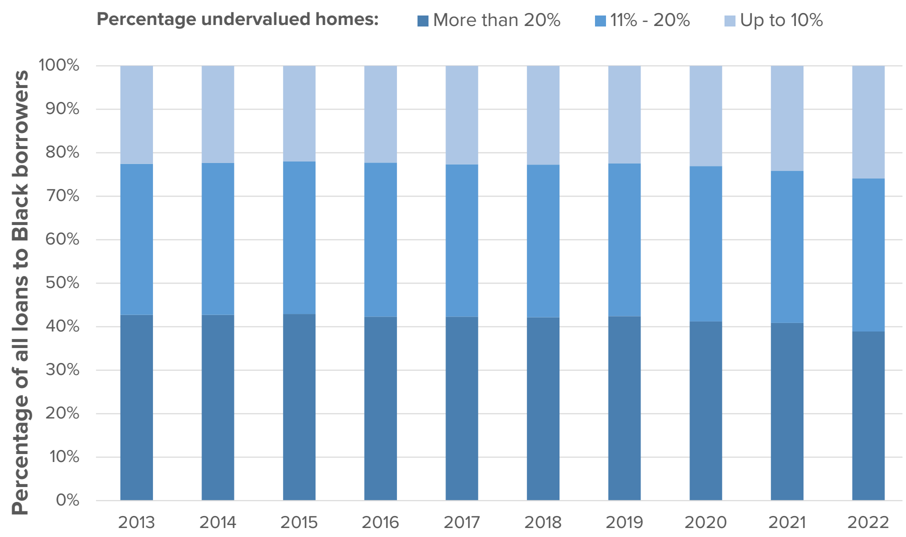
2022. On average, 17 percent of homes appraised below contract price in majority Black neighborhoods in 2022, up from 12 percent in 2013. The percentage of undervalued homes increased also in majority White neighborhoods during the same period, from 7 percent to 12 percent. The percentage of undervalued homes in predominantly Black neighborhoods has consistently been larger than the percentage in majority White neighborhoods.

The share of total loans to Black borrowers, in census tracts with larger proportions of homes that appraised below their contract price, has continued to be larger than the share of total loans to White borrowers in the same neighborhoods with large proportions of under-appraised homes. In 2022, 40 percent of all loans to Blacks, compared to 32 percent of all loans to Whites were made in neighborhoods where over 20 percent of homes were undervalued (Exhibits 46 and 47).

Conversely, 26 percent of loans to Blacks, compared with 36 percent of loans to Whites, were made in neighborhoods with 10 percent or fewer undervalued homes. The purchasing of homes by Blacks in neighborhoods with high percentages of under-appraised homes represents an important continued driver of the racial wealth gap.

EXHIBIT 46

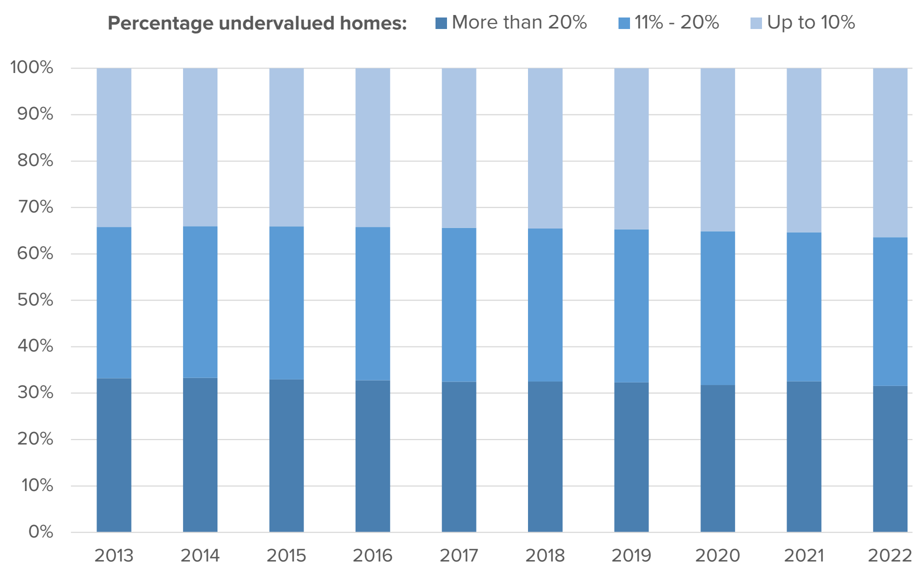
Home purchase loans to Black borrowers by percentage of homes appraised below contract price in census tract



Source: Authors' calculations of HMDA data (2013-2022) and FHFA Uniform Appraisal Dataset

EXHIBIT 47

Home purchase loans to White borrowers by percentage of homes appraised below contract price in census tract



Source: Authors' calculations of HMDA data (2013-2022) and FHFA Uniform Appraisal Dataset

Climate Change and Black Homeownership

Black communities are disproportionately vulnerable to the effects of climate change.[92] Decades of systemic racism have contributed to the concentration of Black families in areas that are highly exposed to increasingly frequent and severe natural disasters. Racially biased practices such as redlining, restrictive covenants, slum-clearance, the siting of subsidized housing, housing discrimination, and unequal investment have greatly shaped the segregation of Black communities in areas vulnerable to environmental risks.[93]

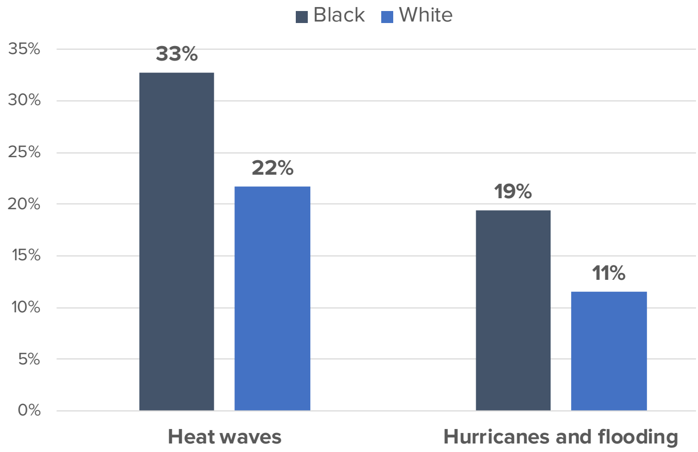
Blacks are among the majority of Americans residing in close proximity to sites at high risk of flooding.[94] Often, these areas consist of low-lying and flood-prone neighborhoods with limited economic resources to prepare for and recover from natural disasters.[95] The frequency and severity of climate disasters puts significant pressure on the crumbling infrastructure of long-disinvested Black neighborhoods across the country, like those in New Orleans, Louisiana, Houston, Texas, and Jackson, Mississippi, where catastrophic flooding has disproportionately affected low-income Black communities.[96]

Federal programs like Urban Renewal projects that supported the construction of major highways in Black neighborhoods have contributed to the likelihood of these communities being exposed not only to higher levels of pollution but also to higher levels of heat.[97] Land cover characteristics, land use planning, and zoning contribute to the urban heat island effect in Black communities and formerly redlined neighborhoods.[98] Black neighborhoods are often characterized by heat-retaining materials, outdated housing stock and infrastructure, a lack of adequate insulation and air conditioning, and limited access to greenspace.[99] High exposure to heat represents one of the major threats to public health in Black communities, where heat-related mortality rates are disproportionally higher than in White communities.[100]

Exhibit 48 illustrates that 33 percent of the Black population in the U.S. is highly exposed to heat waves compared to 22 percent of the White population. Further, 19 percent of the Black U.S. population resides in areas at high risk of hurricanes and flooding, compared to 11 percent of White U.S. population.

EXHIBIT 48

Percentage of population highly exposed to heat waves, hurricanes, and flooding, by race (2021) census tract



Source: Authors' calculations of U.S. Census Bureau, American Community Survey, 2017-2021, retrieved from Steven Manson, Jonathan Schroeder, David Van Riper, Tracy Kugler, and Steven Ruggles, IPUMS National Historical Geographic Information System: Version 17.0 [dataset], Minneapolis, MN: IPUMS 2022, http://doi.org/10.18128/D050.V17.0; FEMA, National Risk Index, March 2023 (version 1.19.0), available at https://hazards.fema.gov/nri/data-resources.

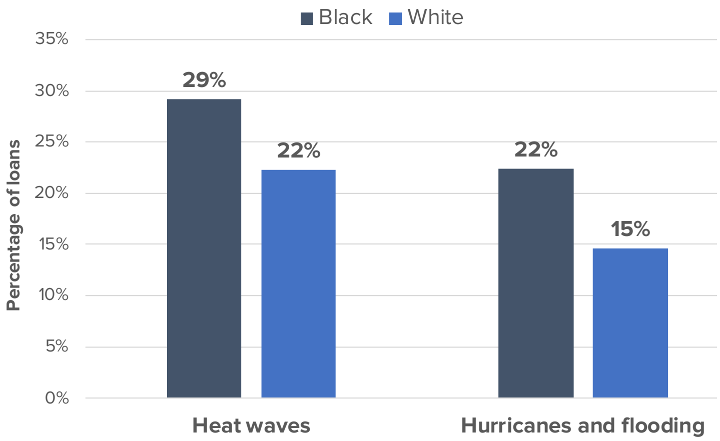
Exhibits 49 and 50 show that areas highly exposed to heat waves, hurricanes, and flooding largely overlap with areas where Black households are concentrated. This is particularly clear in the South, where more than 50 percent of the Black population resides.

A large proportion of home mortgages to Black borrowers continue to be made in census tracts vulnerable to the effects of climate change. In 2022, 29 percent of loans to Blacks were made in census tracts at high risk of heat waves, compared to 22 percent of loans to Whites. Twenty-two percent of loans to Black were made in census tracts highly exposed to hurricanes and flooding, compared to 15 percent of all loans to Whites (Exhibit 51).

As climate related severe weather events are expected to increase in the coming decades,[101] Black homeowners and renters residing in vulnerable areas will be the hardest hit and will face billions

EXHIBIT 51

Percentage of home purchase loans in census tracts highly exposed to heat waves, hurricanes, and flooding by borrower race, 2022



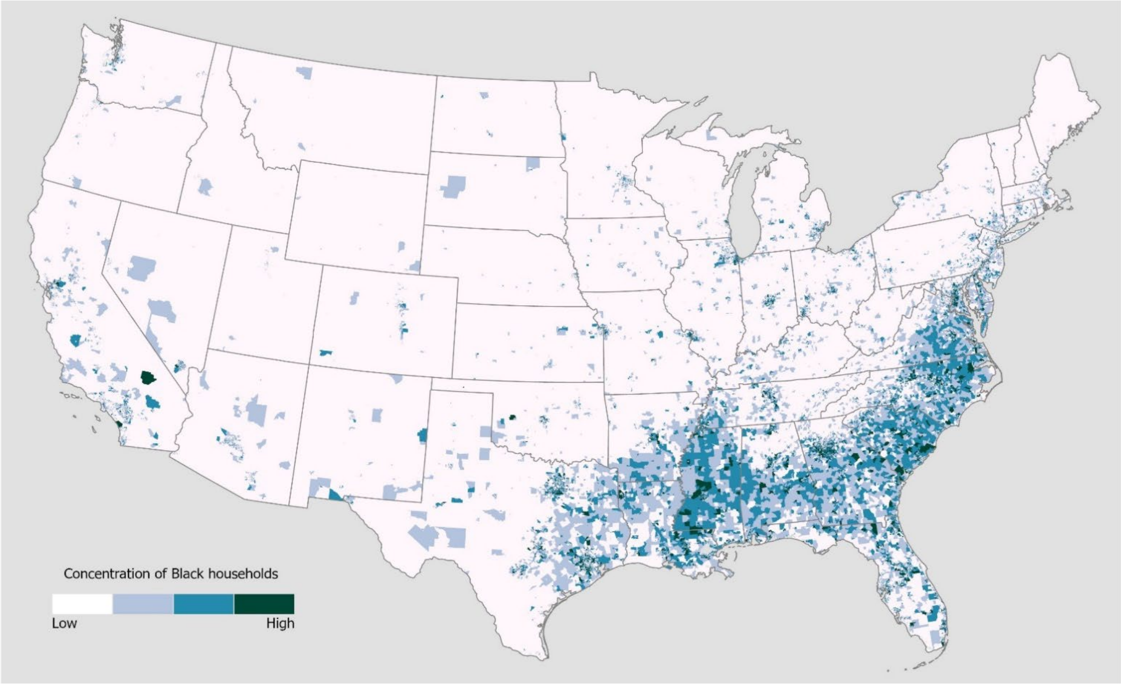
Source: Authors' calculations of HMDA 2022 data; FEMA, National Risk Index, March 2023 (version 1.19.0), available at https://hazards.fema.gov/nri/data-resources.

of dollars of losses.[102] In fact, by 2050 the top 20 percent of majority Black census tracts are projected to be at twice the flood risk as the 20 percent of neighborhoods with the lowest proportion of Blacks.[103] In these areas, flood insurance premiums are often unaffordable for low-income homeowners of color, most of whom do not have the financial resources to make home repairs and address the impacts of severe weather events.[104]

Local governments also tend to invest more in flood protection in areas with higher incomes and property values.[105] Further, federal aid is often allocated based on cost-benefit analyses that tend to benefit affluent White communities more than low-income communities and communities of color.[106] Making

EXHIBIT 49

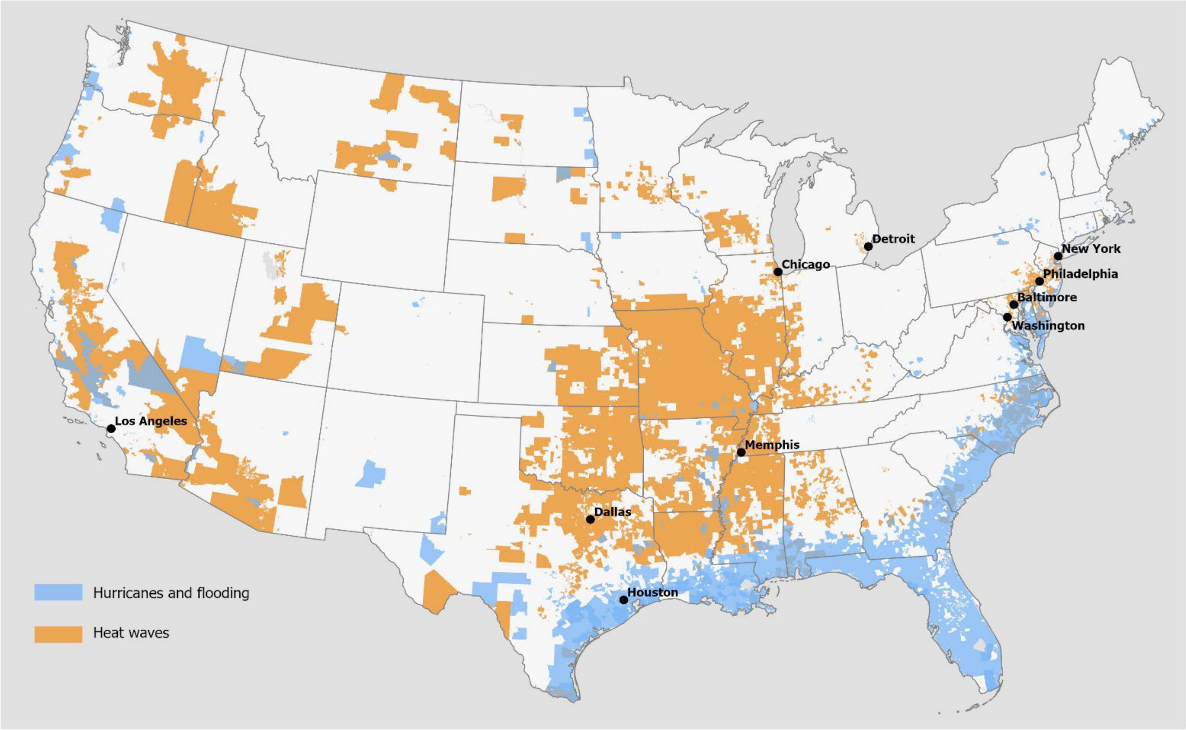
Concentration of Black households by census tract



Source: Authors' calculations of U.S. Census Bureau, American Community Survey, 2017-2021, retrieved from Steven Manson, Jonathan Schroeder, David Van Riper, Tracy Kugler, and Steven Ruggles, IPUMS National Historical Geographic Information System: Version 17.0 [dataset], Minneapolis, MN: IPUMS 2022, http://doi.org/10.18128/D050.V17.0.

EXHIBIT 50

Census tracts highly to heat waves, hurricanes, and flooding



Source: Authors' calculations of FEMA, National Risk Index, March 2023 (version 1.19.0), available at https://hazards.fema.gov/nri/data-resources.

matters worse is the fact that, as the risks of climate change grow, several insurance companies are raising premiums and pulling out of vulnerable markets.[107]

Rising premiums and the abandonment by home insurers of communities vulnerable to climate change is particularly deleterious for low-income communities and communities of color, whose residents often cannot afford housing in safer areas. Since it is not possible to get a mortgage without home insurance, many homeowners of color may have to rely on more expensive state-run home insurance plans which often offer limited coverage.[108] High insurance costs will add to already disproportionately high mortgage loan costs for Black borrowers and homeowners, making it harder for them to accumulate equity in the long run.

The increasing disproportionate exposure of Black communities to major natural disasters demands bold policy solutions in access to affordable and climate-resilient homeownership opportunities in order to dismantle decades-long investment inequities and the outcomes of environmental racism.

The Biden Administration has taken several steps to invest in clean energy and address the climate change challenges that American communities face. The Administration has recognized the importance of investment in low-income communities and communities of color, which are disproportionately exposed to climate risk and lack the resources to recover quickly when natural disasters strike.

Executive Order 14008, "Tackling the Climate Crisis at Home and Abroad," urged every Federal department and agency to focus on promoting climate resilience. Part of Executive Order 14008, the Justice 40 Initiative, establishes the goal that 40 percent of the overall benefits of certain Federal investments in climate and other key areas are delivered to disadvantaged communities.

In response to the President's direction, the Federal Reserve, the OCC, and the FDIC have addressed the modernization of CRA with particular consideration of disaster preparedness and climate resilience as qualifying activities in CRA exams.[109] Further, the FHFA made a commitment to treat climate change impacts as a priority in its oversight of the GSEs[110] and added resiliency to climate risk as one of the assessment criteria in its 2022 Scorecard for Fannie Mae and Freddie Mac.[111]

Recognizing the disproportionate risks that climate change poses to underserved communities of color, FHFA directed the GSEs to draft plans that specifically address climate change as one of their major priorities.[112]

The Bipartisan Infrastructure Law and the Inflation Reduction Act provide more than $50 billion to promote climate resilience of American communities while also reducing future climate impacts by cutting greenhouse gas emissions. These laws, for example, address infrastructure investment needs such as roads and bridges near projected flood zones as well as housing and buildings that need to be retrofitted to better withstand extreme weather.

As discussed in last year's SHIBA report, these laws fell short of addressing two very urgent challenges that affect low-income families and people of color, in particular: 1) the shortage of affordable housing and skyrocketing home prices; 2) a crumbling infrastructure, especially in communities of color and in formerly redlined neighborhoods.[113] These challenges are addressed in Executive Order 14096, "Revitalizing Our Nation's Commitment

to Environmental Justice for All," which President Biden signed on April 21, 2023.[114]

The executive order urges all Federal agencies to incorporate environmental justice into their mission and to better protect vulnerable communities from the increasing impacts of climate change and environmental harms. To support this work, in September 2023 the Administration released the National Climate Resilience Framework to develop nationally comprehensive, locally tailored, and community-driven resilience strategies.[115] The Framework contains specific actions related to six core objectives:

1. Embed climate resilience into planning and management.
2. Increase resilience of the built environment to both acute climate shocks and chronic stressors.
3. Mobilize capital, investment, and innovation to advance climate resilience at scale.
4. Equip communities with information and resources needed to assess their climate risks and develop the climate resilience solutions most appropriate for them.
5. Protect and sustainably manage lands and waters to enhance resilience while providing numerous other benefits.
6. Help communities become not only more resilient, but also more safe, healthy, equitable, and economically strong.

In particular, the Framework emphasizes the importance of a resilient built environment, that is "one that is constructed to the latest building codes, renovated to high-performance resilience standards, and located away from hazard zones, where possible, while ensuring there is an adequate and affordable housing supply." [116]

The Framework represents an important starting point to better ensure that Black communities receive the critical resources needed to effectively meet the challenges of climate change. But Executive Orders, goals, and resolutions, unaccompanied by action and accountability, will not meet the critical challenges faced. Success metrics should be developed that take into account the scope and magnitude of problems that lay ahead and the manner in which each agency will support the goals that are established.

The Economy and Housing Market

The U.S. economy remained surprisingly resilient last year, despite a three-decade high in inflation and dramatic actions by the Federal Reserve to rein in consumer prices. As discussed below, the high interest rates have had a profoundly negative impact on the housing market.

The Federal Reserve's interest rate increases were a response to soaring inflation, as measured by the Consumer Price Index (CPI), which peaked at 9.1% for the 12-month period ending in June 2022.[117]

The Federal Reserve increased the Federal Funds Target Rate to between 5.25 percent to 5.50 percent, a stark departure from the federal funds rates that ranged between 0.00 percent and 0.25 percent, in the decade following the 2008 housing crisis, as well as in 2020 and 2021.[118] As of the time of this writing, the Federal Reserve has left open the possibility of an additional rate hike before year's end.

The Federal Reserve's actions appear to have been somewhat effective in taming inflation, as the CPI has stood at 3.7 percent for the 12-month period ending in August 2023.[119] In spite of this positive inflation news, the CPI remains above the Federal Reserve's annual inflation target rate of just 2 percent.[120]

Even if the Federal Reserve holds the federal funds rate stable, with no additional rate increases this year, it is unlikely to reduce rates until sometime next year at the earliest. Although the Federal Reserve does not directly control mortgage rates, the federal funds rate greatly influences mortgage rates. As a result, the housing market is likely in for continued affordability challenges for the foreseeable future.

LABOR MARKET PERFORMANCE

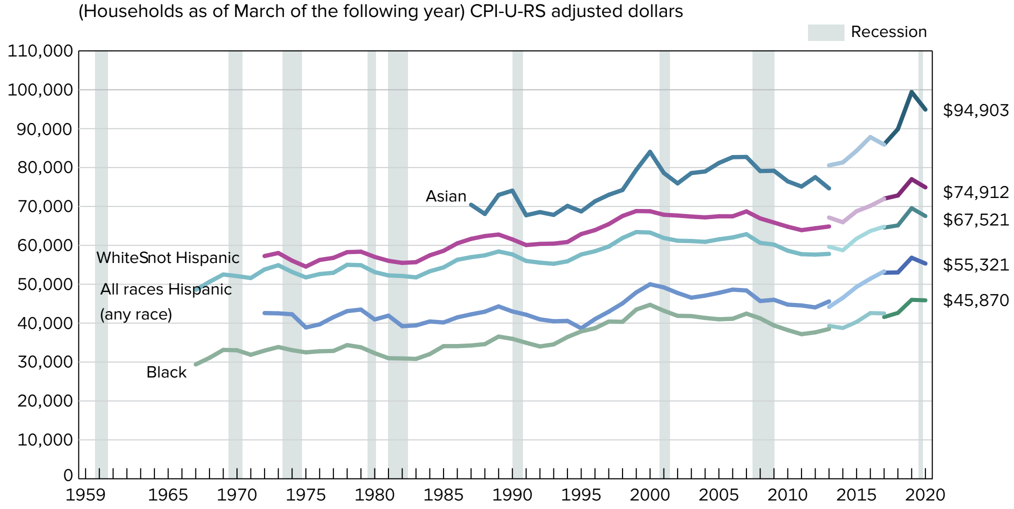
Given the Federal Reserve's inflation-fighting efforts, the economy performed well last year, with real gross domestic product growing by 2.1 percent.[121] The economy added an average of 401,000 jobs per month, translating into an aggregate annual job growth of 4.95 percent.[122]

Median nominal wages also grew last year, up an average of 6.1 percent, with lower-income workers experiencing the greatest gains.[123] Despite the wage growth made by Blacks last year, the median household income for Whites remained far above that for Blacks, at $81,060 for White households and $52,860 for their Black counterparts.[124] Asians have the highest median household income at $108,700 and Latino median household income is similar to that for Blacks, at $52,810.[125]

EXHIBIT 51

Real Median Household Income by Race and Hispanic Origin: 1967 to 2022

(Households as of March of the following year) CPI-U-RS adjusted dollars



Notes: The data for 2017 and beyond reflect the implementation of an updated processing system. The data for 2013 and beyond reflect the implementation of the redesigned income questions. Refer to Table A-2 for historical race footnotes. The data points are placed at the midpoints of the respective years. Median household income data are not available prior to 1967. More information on the CPI-U-RS dollar adjustment and recessions are available in Appendix A. Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf>.

Source: U.S. Census Bureau, Current Population Survey, 1968 to 2021 Annual Social and Economic Supplements (CPS ASEC).

Black employment continued strong into the first few months of 2023, with Black unemployment reaching 4.7 percent in April, the lowest level ever recorded by the Bureau of Labor Statistics (BLS).[126] With an unemployment rate of 3.5 percent for Whites, this is also the narrowest gap in unemployment rates for those two populations recorded by BLS.[127]

The unemployment rate is a measure of the percentage of individuals who are seeking work but are unable to find a job; i.e., it does not include individuals who are not seeking work. The labor force participation rate is the share of working adults (16 years or older) as a percent of all adults (16 years and older) including those who are neither working nor seeking a job. The labor force participation rate offers a closer examination of the extent to which a population is engaged in the labor market.

The labor force participation rate disparity between Blacks and Whites is also at an historic low, with the gap now being negative (i.e., Blacks now have a higher labor force participation rate than do their White counterparts). The closing of this gap is due to an improving labor force participation rate for Blacks and a stagnant labor force participation rate for Whites.[128] Part of the stagnant labor force participation rate for Whites may be due to a larger share of older White workers retiring during the pandemic.

THE HOUSING MARKET

Last year was an uphill climb for prospective homebuyers. Over the past decade, home prices were up a full 90 percent by the fall of 2022. Home prices grew rapidly during the first quarter of last year and slowed dramatically as interest rates rose in the latter months. Home prices did moderate slightly in the latter part of 2022, falling from a high of $390,000 in the second quarter, to $370,000 in the fourth quarter. The fourth quarter price was, nevertheless, the third highest median house price ever measured by the National Association of Homebuilders house price index.

Although home prices had slowed their ascent in early 2023, they continued to grow in a market already plagued with high mortgage interest rates. According to NAR, the national median home price rose 8.5 percent between the first and second quarters of this year.

Mortgage interest rates rose from 5.37 percent in the first quarter of 2023, to above 7 percent by mid-August. Thirty-year, fixed-rate mortgages were 7.44 percent on September 25, 2023. The 30-year fixed rate mortgage surpassed 7 percent in November of 2022, compared to a rate of less than half that (2.98 percent) twelve months earlier.

A 30-year fixed-rate mortgage with a 3.5 percent down payment (typical for first-time buyers), on the median-priced home, carried a monthly cost of $2,500 (including property taxes and insurance) in the median metro area in the second quarter of this year.

Rents also rose last year, putting pressure on prospective first-time buyers by limiting their ability to save for downpayment. As with home prices, however, rent increases fell sharply during the year, from 13.9 percent to 8.8 percent, year-over-year, from the spring to fall of 2022. In addition to curbing the ability of prospective homebuyers to save for downpayment, rising rents encourage more investors to purchase owner-occupied homes and flip them to rental stock.

Housing costs and high interest rates are contributing to the affordability crisis. As home prices and mortgage interest rates climbed, affordability fell steeply starting in the second quarter of last year. According to the Harvard Joint Center for Housing Studies, prospective buyers needed an annual salary of nearly $100,000 to afford the monthly payments on the median-priced home in the second quarter of last year, up from just over half of that amount, or $53,000, just three years ago. By the fourth quarter, only 38 percent of new and existing homes sold were affordable to families with an annual income of $90,000.

Jacob Channel, senior economic analyst at LendingTree, provides a useful example of the challenges presented by increasing interest rates on home buying. A 30-year fixed-rate mortgage on a $300,000 home would cost roughly $1,283 monthly at 3.11 percent, compared to $1,863, at 6.33 percent, a monthly increase of $580 or nearly $7,000 annually.

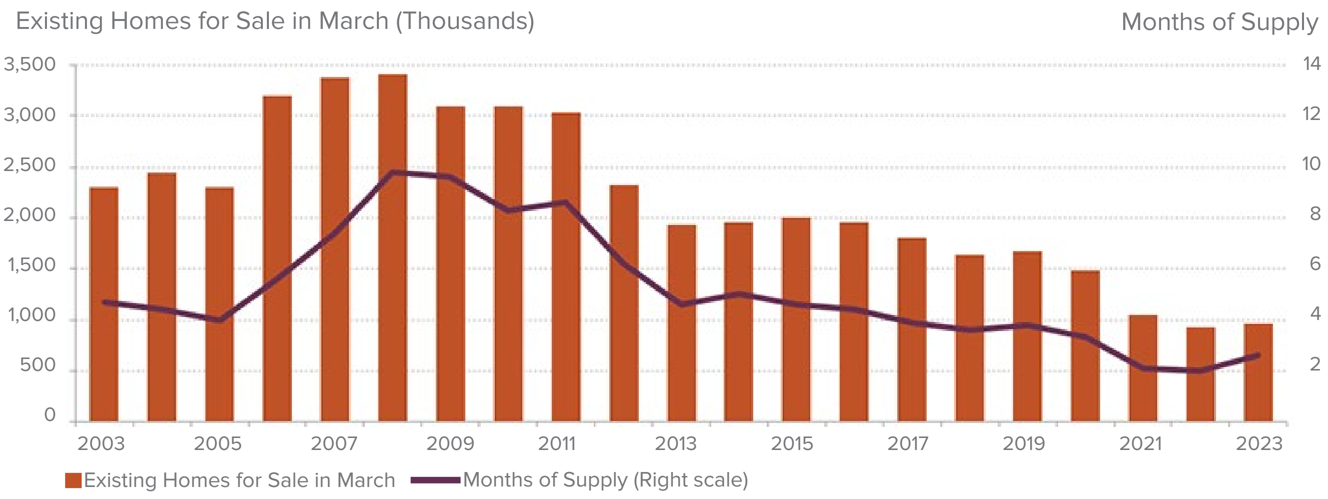
According to NAR and Realtor.com's housing affordability and supply report, middle-income households earning up to $75,000, can afford to buy less than one-quarter of homes for sale, a share that is significantly lower than the 51 percent of homes that would be affordable to that income group in a balanced market. NAR estimates this affordability crunch is due to a shortage of roughly 320,000 homes for sale, valued up to $256,000. NAR's affordability index also shows affordability improving in the final quarter of last year but collapsing to an historic low by June of 2023.

Housing affordability continues to be a particular obstacle for Blacks in 2023. According to NAR, "Less than 10 percent of Black renters can currently afford to buy the median price home."

An inadequate supply of new homes is a major contributor to the growing housing affordability crisis. Housing demand is outpacing new home construction by roughly 100,000 units annually, which has created the largest housing shortfall in nearly half a century. Moreover, the supply shortage is not evenly distributed. The shortage in production is concentrated at the lower end of the market, driving up rents and limiting homeownership opportunities for households that are most in need of affordable housing options.

EXHIBIT 52

Supply of Homes for Sale Remained Near Record Lows in Early 2023



Notes: Months of supply measure how long it would take homes on the market to sell at the current rate. Six months is typically considered a balanced market.

Source: Hermann, Alexander. "8 Facts About Investor Activity in the Single-Family Rental Market." Housing Perspectives. Harvard Joint University Joint Center for Housing Studies. July 18th, 2023.

According to the Harvard Joint Center for Housing Studies, the number of existing homes available for sale as of the second quarter of 2023, remains near the record lows experienced in early 2022. As of this past March, existing homes for sale were down 43 percent relative to the same month in 2019.

The prospects for a recovery in home buying in 2023 are not positive. As of May of this year, applications for 30-year fixed-rate mortgages had fallen to a 28 year low and the share of first-time buyers fell to 26 percent, down from an historic share of roughly 40 percent.

The principal drivers of the under-supply of new housing include a limited supply of land, shortage of access to affordable acquisition and construction financing, and high labor and materials costs.

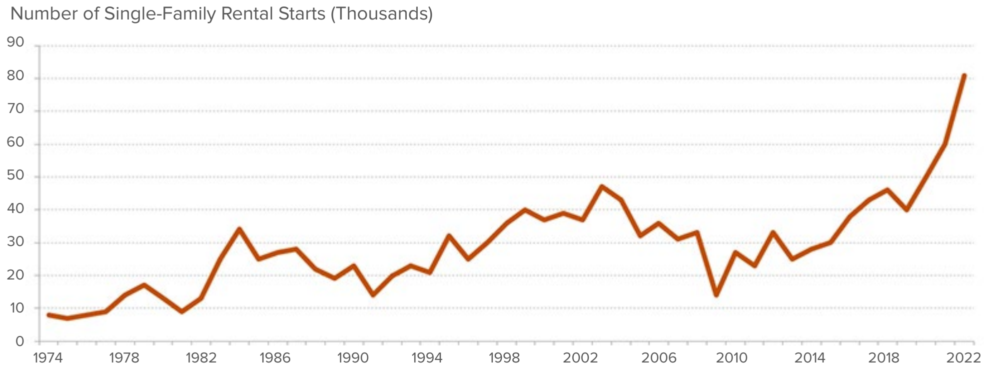
Further compounding the affordable housing stock problem is that a growing number of new single-family homes being built are intended for the rental market, as discussed below. That share has skyrocketed since 2010 and continues to increase.

High prices and sharply rising interest rates led mortgage availability to fall to its lowest level in a decade according to the Mortgage Availability Index prepared by the Mortgage Bankers Association.   Including refinancing activity, loans purchased by Fannie Mae and Freddie Mac fell by 72 percent as of the first quarter of this year compared to one year ago.

Home sales jumped 14 percent in February of this year, ending 12 straight months of decreases. In spite of that positive news, a March estimate by Fannie Mae showed an 18.4 percent drop in this year's home sales.

EXHIBIT 53

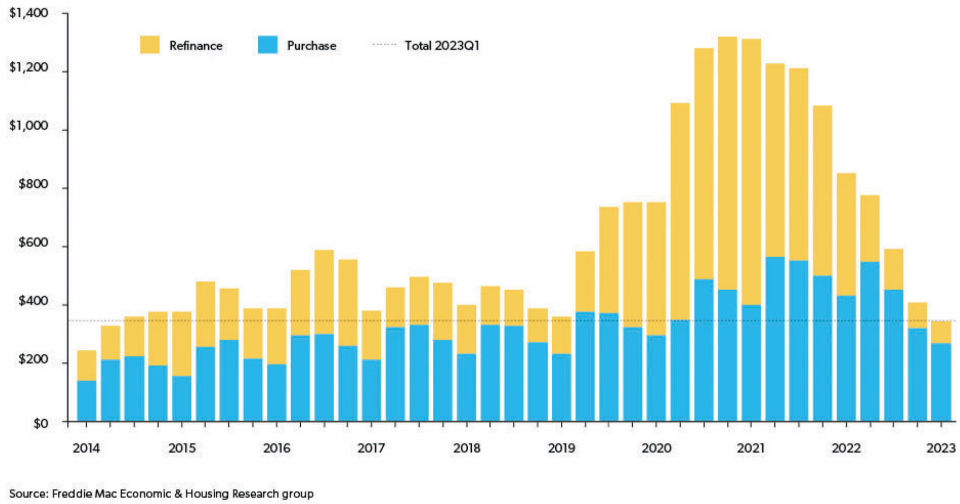
Single-family Built for Rent Hit Record Highs in 2022



Source: Hermann, Alexander. "8 Facts About Investor Activity in the Single-Family Rental Market." Housing Perspectives. Harvard Joint University Joint Center for Housing Studies. July 18th, 2023.

EXHIBIT 54

Quarterly U.S. single-family mortgage originations ($ billion)



Source: https://www.freddiemac.com/research/forecast/20230616-although-the-macroeconomic-outlook-remains-uncertain

INVESTOR PARTICIPATION IN THE SINGLE-FAMILY HOUSING MARKET

Investors have always been a component of the single-family housing market. Their share of the single-family housing market, however, has ballooned since the 2008 housing crisis. In part, the growing investor role was initiated by their ability to purchase large volumes of distressed and foreclosed homes, often for bargain prices. In part, the larger investor role is due to the tight rental market and the growing awareness by large equity firms of the potential profitability of the single-family rental homes market.

The purchase of single-family homes by investors has had a significant negative impact on the affordability and supply of homes available for purchase, particularly for lower-income households, for at least two reasons. First, investors can often outbid typical prospective homebuyers because investors typically pay cash for homes and don't require inspections or appraisals. Second, much of the single-family stock that has been purchased by investors over the past decade has been transformed into rental housing, therefore removing it from the owner-occupied stock.

Joint Center researcher Hermann Alexander points out that between 2001 and 2016, the number of single-family rental units grew by more than four million, from 10.9 to 15.2. Investor purchases slowed between 2017 and 2019, averaging about 16 percent of all sales, but accelerated again during the 2020-2021 pandemic. By the first quarter of 2022, investor purchases of single-family homes peaked at a 28 percent market share. As of the first quarter of 2023, investors accounted for about 27 percent of single-family home purchases.

Investor purchases present a unique challenge for Black prospective homebuyers who are disproportionately lower-income, relative to White homebuyers. Institutional investors in recent years, have tended to concentrate their purchases in lower-income, historically non-White, and disadvantaged communities.

In addition to removing properties from the market, the concentration of large investors in lower-income neighborhoods can drive up the cost of homes, particularly properties affordable to lower- and moderate-income buyers. Research in Atlanta concluded that large institutional investors weakened Black homeownership.

Investor ownership of single-family homes can also drive down the value of properties in owner-occupied communities. This can lead to further neighborhood decay and potentially distressed property sales or foreclosures. Studies have documented, for example, that investor rental properties are disproportionately in disrepair and in need of maintenance.

Recent NAREB Policy Successes to Increase Black Homeownership

Since the passage of the 1968 Fair Housing Act[129] and The Equal Credit Opportunity Act,[130] numerous commitments have been made by major U.S. financial firms, as well as financial regulatory institutions, to improve homeownership for Black households in the U.S. Most efforts, unfortunately, are commitment-focused rather than outcome-based. The result is that there is more discussion about what needs to be accomplished to grow Black homeownership than there are effective efforts accompanied by measurable results.[131]

Having said that, NAREB's advocacy for change within the housing finance system appears recently to be having some powerfully successful results. NAREB has for years highlighted the fact that Loan-level pricing needlessly increases the cost of homeownership finance for Blacks, making it harder for them to qualify for conventional loans. Further, overcharging Blacks ensures they receive lower returns on their housing investments relative to Whites since Blacks are unfairly made to pay more in fees to the GSEs for the same loan as White borrowers.

As discussed above, recent alterations to the GSEs' pricing grids that lower G-fees for many historically underserved borrower groups is a welcome change. The lower G-fees will greatly lower the total cost of borrowing for potentially millions of Black households. While NAREB celebrates the change, it will continue to argue that the continued use of LLPAs remains a punitive and discriminatory practice against Black borrowers and should be eliminated.

NAREB has also highlighted for years that use of out-of-date credit scores can needlessly undermine the homeownership aspirations of Black households. Progress has been made, as well, on this issue over the past couple of years. As discussed in the report, the GSEs are moving to the use of an expanded set of credit scoring models.

On October 26, for example, VantageScore announced the results of its research on its latest scoring model, Vantage 4.0. The company estimates that assuming a minimum mortgage eligibility criterion for individuals aged 25 to 65, fully 4.9 million additional borrowers will have access to mortgage credit, that could result in 2.7 million additional mortgages, with an annual loan volume of as much as $1 trillion.[132]

How expanded credit score flexibility is incorporated by the GSEs will ultimately determine the success achieved on this issue. NAREB has cautioned that if minimum credit score eligibility criteria for mortgage loans is increased, for example, as the use of more sophisticated scoring algorithms result in higher credit scores for Blacks, that the benefits of the use of more sophisticated scoring tools could be negligible.

Policy Priorities and Recommendations

Both the challenges highlighted in the 2022 HMDA data and current market impediments discussed in the Economics and Housing Market section of this report make clear that major gains in Black homeownership are unlikely in the foreseeable future without significant housing market interventions. The establishment of the modern housing finance system, initiated in the 1930s with the establishment of FHA and Fannie Mae, is out of date and in need of major restructuring.

Not only does it fail to meet the financing needs of historically disadvantaged households and increasingly young and moderate-income households generally, but it also does not address inadequate housing supply and job creation, which were two key policy goals of the modern U.S. housing finance system when it was launched in 1934.

NAREB President Courtney Johnson Rose has repeatedly stated that the lack of affordable housing stock is arguably as much of an impediment to Black homeownership today as is lack of access to affordable financing. Neither down payment assistance nor special lending initiatives can overcome a lack of available affordable housing stock for purchase.

As discussed at length in the Economy and Housing Market section, the nation is facing a severe shortage of housing stock. Estimates range from 1.7 million to 5.5 million units. This housing shortage should be addressed by a combination of new construction and home renovation of properties to be available for owner-occupancy.

President Rose's view that a more effective housing finance system should promote housing construction and rehabilitation and encourage job creation, in addition to providing access to low-cost homeownership finance, is consistent with the role that FHA has played historically. FHA was designed to serve three distinct goals:

1. Promote new jobs (particularly related to housing and infrastructure construction),
2. Provide an adequate housing supply; and
3. Assure access to safe and affordable homeownership finance.

FHA accomplished its job creation mission by insuring mortgages almost exclusively on newly built homes, i.e. almost every new FHA loan represented a new home. That system not only created millions of new jobs in residential construction, but in the process, greatly expanded the nation's housing stock. FHA's housing financing further stimulated the construction of streets, roads, bridges, water and sewer systems, and commercial establishments, which were essential to serve the needs of the new suburbs that sprouted across the nation.

That same housing finance system not only failed to serve the homeownership aspirations of Black households, but it also explicitly undermined them. The damage caused by the federally mandated redlining guidelines of FHA and the federal Home Owners Loan Corporation has never been ameliorated. To the contrary, the current housing finance system, including pricing policies by the GSEs builds on the economic damage those policies have created for Black households seeking homeownership.

Further, the current housing finance system was not designed for today's development-related or demographic housing challenges. Land, for example, was readily available for housing construction for most of the 20th Century. FHA was the principal driver of the building of the nation's ubiquitous suburbs. Today, large lots of available and inexpensive vacant land do not surround major cities as it did in the 1930s through 1970s.

Finally, because FHA disallowed lending within Black communities, that agency directly undermined the economic vitality of those areas and exacerbated the financial challenges of the residents of those neighborhoods. By failing to support the credit needs of Black communities, FHA also contributed to the severe housing distress and dilapidation that exists in many Black communities today.

Further, the idea that the housing finance system should support rehabilitation is neither unreasonable nor novel. FHA has long operated a housing renovation program, known as 203(k), but it has historically been plagued with numerous flaws and deficiencies that have limited its productivity. The result is that the number of 203(k) loans originated are a minor share of that housing agency's total volume of insurance. And the number of 201(k) loans originated have been declining for more than five consecutive years.

Fannie Mae and Freddie Mac also have renovation programs; Fannie Mae operates HomeStyle Renovation and Freddie Mac offers CHOICERenovation and CHOICERenovation eXPress. Similar to FHA's 203(k) program, those initiatives are a minor part of the GSEs total book of business and far short of meeting the renovation challenges/opportunities the nation faces.

Laurie Goodman and her UI colleagues estimate that an efficient housing rehabilitation program alone could save 107,000 homes annually from obsolescence. By allowing Black households to better afford to purchase and renovate homes in their communities, this program could contribute importantly to increasing Black homeownership.

As a result, NAREB's current priorities in many respects are to go back to the basics, that is, to leverage the housing finance system to promote affordable homeownership, provide adequate housing supply, and create jobs in communities throughout the nation. Recognizing that NAREB must work within the limits of its organizational resources, NAREB's policy priorities and recommendations are as follows:

1. The NAREB Black Developers Academy. This initiative seeks to be a transformative effort that increases Black participation in the real estate development industry by providing aspiring Black professionals with the skills, knowledge and opportunities to become successful housing and community development professionals. The initiative's three key goals are foster economic equity, increase Black homeownership rates, and revitalize underserved communities.

The program offers a certification certificate jointly from NAREB and the Urban Developers Council. NAREB is further partnering with the African American Mayors Association to identify high priority cities that will be a focus for development activities. The program is open to all NAREB members across the nation and will consist of 13 education and training modules covering issues related to pre-development activities, the development process, development risks, marketing research, development financing, sustainable development considerations and techniques, and land development in underserved areas.

Other key partners for the NAREB Black Developers Academy include Enterprise Community Partners and Wells Fargo Foundation.

2. NAREB partnership with the Housing Preservation Exchange (HPE). The HPE is a nonprofit organization that works in alliance with federal, state, and local agencies, as well as nonprofit and philanthropic institutions to sustain and expand homeownership. It was initially launched in 2012 in response to the extraordinary damage caused in communities of color resulting from the housing market collapse of 2008. HPE is headed by former Washington, DC Mayor, Sharon Pratt.

The core of HPE's activities is the purchase of distressed properties from FHA with the goals of (1) Helping non-performing loans to return to performing status and maintain homeownership, (2) make properties available for homeownership that cannot be maintained by their previous owners, and (3) stabilize neighborhoods by avoiding foreclosures and managing the transfer of distressed assets back to owner-occupancy. Since 2018, HPE has participated in six distressed sales auctions and has received 726 assets. HPP has committed to allocating as much as 40 of assets it receives from FHA auctions to NAREB for processing.

3. National Homeownership Tax Credit Program. The National Low Income Tax Credit produces new and rehabilitated, affordable rental housing in underserved urban and rural communities and in high-cost suburban areas across the nation. LIHTC is responsible for roughly 90 percent of all affordable rental housing built in the U.S. Between 2014 and 2018, the program is estimated to have created or preserved nearly 40,000 homes and attracted more than $7.7 billion in investments for lower-income communities across the nation.

NAREB is a strong supporter of LIHTC. The organization feels that federal support for affordable housing should also support ownership of properties, rather than exclusively renting, since ownership allows for the accumulation of wealth that is desperately needed in the Black community. Rather than taking funding from current rental initiatives, NAREB proposes the program should be greatly enhanced with the addition of a sizable owner-occupied program component.

Because the tax credit has the capacity to lower the cost of units, downpayments for tax credit properties could be lower than on market rate homes and the program could help to level the playing field between first-time buyers and investors, particularly for the lower end of the market.

4. First Choice Mortgage Product. Currently, HUD operates a Section 184 program to provide homeownership opportunities to Native Americans and Alaskan Native households, tribes, or housing entities. The program offers downpayments of 1.25 percent for loans that are less than $50,000 and downpayments of 2.25 percent for loans that are $50,000 or greater. Mortgage insurance is only .25 percent for borrowers with less than 22 percent equity. There is no minimum credit score, therefore credit scores are not taken into account in determining mortgage borrower interest rates. All borrowers are, however, assessed to ensure they are creditworthy for a mortgage loan.

NAREB seeks to make available to Black borrowers, loans from HUD that carry the same mortgage loan terms as those available in the Section 184 program. The rational for extending the program to Blacks is obvious; Black households have extremely low levels of homeownership and wealth as a direct result of decades of discriminatory practices that were institutionalized and mandated by federal agencies. Further, this program already exists, HUD staff have decades of experience in managing the program. A Section 184 program for Blacks would greatly lower the cost of financing a home which would be particularly useful in this period where homeownership affordability has reached record lows.

5. NAREB Building Black Wealth Tour Homeownership begins with preparing financially to become homeowners and then applying for a mortgage. There are potentially millions of mortgage-ready Black households in the U.S., meaning they have the financial means necessary to purchase a home, but they are either not aware of their financial homeownership potential or unfamiliar with the process of becoming a homeowner. To address this lack of information, NAREB has committed to pursue a more than 100 cities tour that will provide mortgage ready households with the information and resources they need to successfully achieve the American Dream of homeownership.

Conclusion

Last year was a challenging year for the home mortgage market. Rapidly rising rates in the latter part of last year combined with continuing high house prices, continued into the first part of 2023. The result has been a further deterioration of mortgage lending, particularly to Black households.

Although home prices have moderated over the past year, Federal Reserve's tight monetary policy will likely keep loan interest high into next year. The wildcard question is whether further Federal Reserve interest rate increases could trigger negative growth and higher unemployment within the coming months. An economic downturn could erase some of the labor market gains made by Blacks, relative to Whites, over the past few years.

Yet, even without a recession, the combination of high mortgage rates and a severe shortage of affordable housing stock will limit the potential for increasing homeownership for Black households and narrowing the Black-White homeownership gap, at least through the end of 2023.

Recent modifications to GSE pricing and credit scoring policies offer some potential for improved lending to Black households. And the administration's Executive Order on climate change may open the door for greater attention to the needs of Black communities as the nation addresses the increasingly dire impacts of climate change. These efforts alone, however, are not likely to meaningfully increase the rate of Black homeownership.

Concentrated and coordinated federal efforts created the massive schism between Black and White homeownership and wealth and drove Black communities across the nation into economic wastelands. Narrowing the Black-White racial gaps in homeownership and wealth will require a similar level of federal effort. The time to begin that effort is now.

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Appendix

DETAILED 2021 HMDA TABULATIONS

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

Total Applications	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Applications	**2,812,503**	**2,732,911**	**2,349,050**	**2,456,376**	**2,790,926**	**3,245,843**	**3,338,594**	**3,734,982**	**4,192,391**	**4,969,634**	**4,897,108**	**5,037,176**	**5,575,499**	**5,934,319**	**5,002,454**
Originated	1,852,961	1,932,806	1,640,719	1,737,117	2,018,430	2,335,643	2,434,100	2,828,680	3,125,888	3,659,909	3,600,410	3,739,532	4,108,148	4,400,889	3,536,575
Approved but not accepted	190,510	130,090	120,223	112,962	109,986	130,686	112,300	116,596	122,152	135,376	116,302	117,382	117,610	122,162	123,869
Denied	414,166	346,998	293,292	309,925	337,726	385,097	360,287	374,084	390,124	448,457	400,923	369,464	403,369	400,439	371,979
Withdrawn/File closed	354,866	323,017	294,816	296,372	324,784	394,417	431,907	415,622	554,227	725,892	779,473	810,798	946,372	1,010,829	970,031
Non Hispanic White Applicant															
Applications	**1,795,895**	**1,762,663**	**1,408,965**	**1,619,842**	**1,881,341**	**2,197,862**	**2,223,063**	**2,446,232**	**2,659,182**	**3,097,797**	**2,918,506**	**2,926,713**	**3,152,438**	**3,145,282**	**2,575,166**
Originated	1,277,775	1,313,583	1,037,184	1,201,921	1,420,633	1,649,943	1,689,184	1,917,607	2,061,488	2,375,851	2,236,728	2,260,266	2,432,039	2,445,167	1,928,597
Approved but not accepted	111,326	77,924	66,477	69,580	69,213	82,392	69,699	72,251	73,874	81,697	67,432	65,897	63,382	61,895	61,523
Denied	211,554	188,224	147,521	173,079	194,194	221,936	203,313	205,316	205,571	232,497	196,111	174,583	179,591	166,548	145,942
Withdrawn/File closed	195,240	182,932	157,783	175,262	197,301	243,591	260,867	251,058	318,249	407,752	418,235	425,967	477,426	471,672	439,104
Black Applicant															
Applications	**214,892**	**180,219**	**119,818**	**161,319**	**172,061**	**186,074**	**206,182**	**245,425**	**300,503**	**361,457**	**358,433**	**376,037**	**437,680**	**495,503**	**428,532**
Originated	116,371	109,728	74,055	98,416	105,379	113,723	130,176	164,585	198,217	236,419	233,269	249,367	285,468	327,927	268,597
Approved but not accepted	12,363	7,361	5,407	6,958	6,176	7,417	7,407	8,289	9,318	10,130	8,983	9,683	10,507	11,858	11,385
Denied	52,903	37,458	23,173	33,441	36,219	38,956	37,898	41,653	47,032	54,126	49,783	47,687	55,407	59,246	56,694
Withdrawn/File closed	33,255	25,672	17,183	22,504	24,287	25,978	30,701	30,898	45,936	60,782	66,398	69,300	86,298	96,472	91,856
Latino Applicant															
Applications	**250,023**	**246,316**	**266,711**	**214,872**	**229,359**	**255,496**	**284,984**	**380,455**	**453,381**	**458,463**	**497,079**	**535,084**	**619,807**	**674,860**	**567,285**
Originated	137,877	155,587	168,788	140,712	153,239	169,493	193,892	272,525	319,710	324,269	348,237	382,392	433,420	484,483	386,515
Approved but not accepted	19,483	13,429	14,887	10,517	9,736	10,404	10,015	12,340	13,862	13,330	12,397	12,707	13,695	14,596	14,126
Denied	56,267	43,920	45,851	35,449	37,433	41,986	41,016	49,893	54,036	50,164	55,206	52,946	61,242	59,597	56,551
Withdrawn/File closed	36,396	33,380	37,185	28,194	28,951	33,613	40,061	45,697	65,773	70,700	81,239	87,039	111,450	116,184	110,093
Asian Applicant															
Applications	**148,098**	**157,965**	**198,249**	**133,389**	**152,881**	**189,503**	**187,777**	**220,991**	**257,327**	**297,790**	**300,457**	**295,989**	**318,293**	**430,286**	**405,052**
Originated	88,755	105,677	133,862	89,722	105,700	130,781	131,352	162,198	184,921	213,022	212,017	209,806	222,255	305,331	262,965
Approved but not accepted	14,082	9,822	13,650	8,127	7,969	10,064	8,051	8,483	8,913	9,499	8,206	7,880	7,208	8,526	10,869
Denied	22,639	20,833	24,805	17,872	19,979	23,586	20,987	22,955	23,961	26,496	25,749	22,585	24,231	27,103	29,786
Withdrawn/File closed	22,622	21,633	25,932	17,668	19,233	25,072	27,387	27,355	39,532	48,773	54,485	55,718	64,599	89,326	101,432
Other Race/Ethnicity Applicant															
Applications	**31,066**	**30,601**	**33,451**	**22,525**	**24,045**	**27,426**	**29,482**	**29,603**	**36,155**	**48,972**	**28,617**	**30,843**	**39,097**	**45,666**	**39,471**
Originated	17,868	19,337	20,865	14,917	16,115	17,894	19,974	21,436	25,533	33,733	19,179	21,063	26,744	31,161	25,574
Approved but not accepted	2,244	1,487	1,749	1,122	1,058	1,195	1,074	968	1,118	1,265	677	730	826	940	999
Denied	6,531	5,182	5,454	3,685	3,970	4,715	4,398	3,664	4,178	5,871	3,504	3,399	4,133	4,608	4,380
Withdrawn/File closed	4,423	4,595	5,383	2,801	2,902	3,622	4,036	3,535	5,326	8,103	5,257	5,651	7,394	8,957	8,518
Joint Applicants															
Applications	**66,665**	**66,226**	**63,597**	**58,814**	**69,835**	**88,051**	**96,062**	**29,518**	**34,589**	**160,397**	**199,760**	**214,189**	**253,981**	**283,643**	**257,667**
Originated	46,298	48,631	46,595	43,594	52,839	65,910	72,580	22,990	26,214	120,968	148,552	159,704	188,843	214,678	185,717
Approved but not accepted	4,679	3,238	3,236	2,793	2,675	3,436	3,098	946	1,058	4,206	4,420	4,745	4,890	5,286	5,910
Denied	8,373	7,273	6,884	6,291	7,215	8,974	8,560	2,314	2,644	12,016	14,576	13,891	16,319	16,250	15,665
Withdrawn/File closed	7,315	7,084	6,882	6,136	7,106	9,731	11,824	3,268	4,673	23,207	32,212	35,849	43,929	47,429	50,375
Missing Race/Ethnicity															
Applications	**305,864**	**288,921**	**258,259**	**245,615**	**261,404**	**301,431**	**311,044**	**382,758**	**451,254**	**544,758**	**594,256**	**658,321**	**754,203**	**859,079**	**729,281**
Originated	168,017	180,263	159,370	147,835	164,525	187,899	196,942	267,339	309,805	355,647	402,428	456,934	519,379	592,142	478,610
Approved but not accepted	26,333	16,829	14,817	13,865	13,159	15,778	12,956	13,319	14,009	15,249	14,187	15,740	17,102	19,061	19,057
Denied	55,899	44,108	39,604	40,108	38,716	44,944	44,115	48,289	52,702	67,287	55,994	54,373	62,446	67,087	62,961
Withdrawn/File closed	55,615	47,721	44,468	43,807	45,004	52,810	57,031	53,811	74,738	106,575	121,647	131,274	155,276	180,789	168,653

Table 2. Disposition of applications for conventional first lien purchase loans of occupied 1-to-4 family homes by year, race and ethnicity (2004 to 2022)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Applications for Conventional Loans	**1,835,870**	**1,275,064**	**1,103,806**	**1,211,548**	**1,502,386**	**1,967,593**	**2,076,294**	**2,234,000**	**2,523,396**	**3,165,749**	**3,247,459**	**3,325,809**	**3,702,605**	**4,151,173**	**3,558,277**
Originated	1,166,288	882,687	767,093	857,682	1,100,317	1,441,887	1,542,659	1,713,162	1,907,247	2,363,003	2,421,277	2,498,060	2,766,489	3,117,337	2,551,738
Approved but not accepted	148,332	72,063	65,528	64,055	67,869	87,529	73,998	74,365	79,173	92,996	82,956	82,873	80,125	86,109	91,460
Denied	276,063	161,525	129,578	144,957	164,228	204,924	194,942	198,262	205,567	254,707	231,050	212,747	236,309	243,946	229,359
Withdrawn/File closed	245,187	158,789	141,607	144,854	169,972	233,253	264,695	248,211	331,409	455,043	512,176	532,129	619,682	703,781	685,720
Non Hispanic White Applicant															
Applications	**1,198,088**	**869,917**	**707,112**	**855,007**	**1,076,496**	**1,396,825**	**1,460,484**	**1,553,704**	**1,701,123**	**2,070,346**	**2,034,599**	**2,045,273**	**2,237,078**	**2,334,357**	**1,946,447**
Originated	830,352	633,529	513,994	633,208	819,077	1,063,103	1,125,471	1,228,571	1,331,315	1,603,613	1,576,220	1,593,015	1,742,103	1,832,330	1,474,734
Approved but not accepted	87,255	45,508	38,264	42,045	45,198	57,556	48,318	48,782	51,025	59,061	50,608	49,129	46,409	46,688	48,239
Denied	142,666	94,706	72,620	87,572	101,682	124,763	117,061	116,171	115,667	138,954	118,992	107,351	114,458	109,548	96,629
Withdrawn/File closed	137,815	96,174	82,234	92,182	110,539	151,403	169,634	160,180	203,116	268,718	288,779	295,778	334,108	345,791	326,845
Black Applicant															
Applications	**94,617**	**39,307**	**23,949**	**35,491**	**42,036**	**56,456**	**66,696**	**75,466**	**96,285**	**134,856**	**140,593**	**148,741**	**173,099**	**213,449**	**193,751**
Originated	42,290	20,148	13,616	19,403	23,801	33,153	41,478	49,482	62,481	87,635	91,902	98,332	112,410	140,935	121,437
Approved but not accepted	7,646	2,098	1,265	1,912	1,869	2,738	2,611	2,849	3,204	4,064	3,823	3,980	4,078	5,105	5,389
Denied	28,075	11,092	5,649	9,581	10,784	12,966	12,850	13,858	16,097	20,816	19,007	18,780	22,173	25,459	25,061
Withdrawn/File closed	16,606	5,969	3,419	4,595	5,582	7,599	9,757	9,277	14,503	22,341	25,861	27,649	34,438	41,950	41,864
Latino Applicant															
Applications	**137,842**	**65,053**	**57,702**	**57,009**	**67,932**	**94,889**	**115,133**	**150,503**	**189,043**	**218,062**	**258,981**	**279,120**	**318,715**	**385,843**	**338,180**
Originated	65,765	36,854	34,460	35,223	43,939	62,246	78,024	106,564	132,687	153,475	181,714	199,379	224,130	278,398	231,788
Approved but not accepted	14,004	4,564	3,949	3,303	3,454	4,497	4,463	5,393	6,368	6,831	6,999	7,416	7,396	8,464	8,781
Denied	36,101	13,951	10,701	11,042	12,204	16,202	16,747	20,618	22,670	24,084	27,761	26,502	30,228	32,423	32,070
Withdrawn/File closed	21,972	9,684	8,592	7,441	8,335	11,944	15,899	17,928	27,318	33,672	42,507	45,823	56,961	66,558	65,541
Asian Applicant															
Applications	**131,467**	**116,116**	**143,833**	**96,840**	**116,471**	**155,968**	**157,770**	**177,906**	**210,334**	**256,779**	**262,793**	**257,319**	**276,068**	**388,530**	**367,432**
Originated	77,746	77,403	97,567	65,509	81,632	108,926	111,426	131,250	151,913	184,584	185,964	182,873	193,474	276,535	238,734
Approved but not accepted	13,217	7,829	10,876	6,429	6,513	8,720	6,937	7,022	7,484	8,422	7,428	7,085	6,398	7,784	10,108
Denied	20,031	14,699	16,656	12,079	13,826	17,768	16,373	17,265	18,266	21,669	21,416	18,590	20,061	23,108	25,713
Withdrawn/File closed	20,473	16,185	18,734	12,823	14,500	20,554	23,034	22,369	32,671	42,104	47,985	48,771	56,135	81,103	92,877
Other Race/Ethnicity Applicant															
Applications	**18,507**	**11,393**	**10,595**	**8,235**	**9,532**	**12,438**	**13,685**	**14,361**	**17,636**	**24,032**	**14,504**	**15,431**	**19,309**	**24,237**	**21,588**
Originated	9,527	6,363	5,867	5,103	6,061	7,956	9,090	10,355	12,482	16,399	9,632	10,416	13,163	16,524	13,948
Approved but not accepted	1,639	666	582	453	477	609	552	519	598	711	400	419	436	503	594
Denied	4,395	2,160	2,053	1,573	1,786	2,217	2,163	1,805	1,932	2,865	1,769	1,738	2,066	2,418	2,360
Withdrawn/File closed	2,946	2,204	2,093	1,106	1,208	1,656	1,880	1,682	2,624	4,057	2,703	2,858	3,644	4,792	4,686
Joint Applicants															
Applications	**39,231**	**28,587**	**28,372**	**28,411**	**36,646**	**52,047**	**57,724**	**18,633**	**21,607**	**97,193**	**124,135**	**133,040**	**160,900**	**193,643**	**175,449**
Originated	25,770	20,255	20,527	20,768	27,731	39,264	43,923	14,578	16,480	73,694	93,217	99,743	121,164	148,215	128,204
Approved but not accepted	3,419	1,702	1,689	1,614	1,689	2,320	1,991	615	718	2,817	3,072	3,289	3,238	3,735	4,196
Denied	5,217	3,165	2,890	2,951	3,434	4,689	4,705	1,308	1,446	6,597	8,011	7,689	9,051	9,623	9,281
Withdrawn/File closed	4,825	3,465	3,266	3,078	3,792	5,774	7,105	2,132	2,963	14,085	19,835	22,319	27,447	32,070	33,768
Missing Race/Ethnicity															
Applications	**216,118**	**144,691**	**132,243**	**130,555**	**153,273**	**198,970**	**204,802**	**243,427**	**287,368**	**364,481**	**411,854**	**446,885**	**517,436**	**611,114**	**515,430**
Originated	114,838	88,135	81,062	78,468	98,076	127,239	133,247	172,362	199,889	243,603	282,628	314,302	360,045	424,400	342,893
Approved but not accepted	21,152	9,696	8,903	8,299	8,669	11,089	9,126	9,185	9,776	11,090	10,626	11,555	12,170	13,830	14,153
Denied	39,578	21,752	19,009	20,159	20,512	26,319	25,043	27,237	29,489	39,722	34,094	32,097	38,272	41,367	38,245
Withdrawn/File closed	40,550	25,108	23,269	23,629	26,016	34,323	37,386	34,643	48,214	70,066	84,506	88,931	106,949	131,517	120,139

Table 3. Disposition of applications for nonconventional first lien purchase loans of occupied 1-to-4 family homes by year, race and ethnicity (2004 to 2022)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Applications for Nonconventional Loans	**976,633**	**1,457,847**	**1,245,244**	**1,244,828**	**1,288,540**	**1,278,250**	**1,262,300**	**1,500,982**	**1,668,995**	**1,803,885**	**1,649,649**	**1,711,367**	**1,872,894**	**1,783,146**	**1,444,177**
Originated	686,673	1,050,119	873,626	879,435	918,113	893,756	891,441	1,115,518	1,218,641	1,296,906	1,179,133	1,241,472	1,341,659	1,283,552	984,837
Approved but not accepted	42,178	58,027	54,695	48,907	42,117	43,157	38,302	42,231	42,979	42,380	33,346	34,509	37,485	36,053	32,409
Denied	138,103	185,473	163,714	164,968	173,498	180,173	165,345	175,822	184,557	193,750	169,873	156,717	167,060	156,493	142,620
Withdrawn/File closed	109,679	164,228	153,209	151,518	154,812	161,164	167,212	167,411	222,818	270,849	267,297	278,669	326,690	307,048	284,311
Non Hispanic White Applicant															
Applications	**597,807**	**892,746**	**701,853**	**764,835**	**804,845**	**801,037**	**762,579**	**892,528**	**958,059**	**1,027,451**	**883,907**	**881,440**	**915,360**	**810,925**	**628,719**
Originated	447,423	680,054	523,190	568,713	601,556	586,840	563,713	689,036	730,173	772,238	660,508	667,251	689,936	612,837	453,863
Approved but not accepted	24,071	32,416	28,213	27,535	24,015	24,836	21,381	23,469	22,849	22,636	16,824	16,768	16,973	15,207	13,284
Denied	68,888	93,518	74,901	85,507	92,512	97,173	86,252	89,145	89,904	93,543	77,119	67,232	65,133	57,000	49,313
Withdrawn/File closed	57,425	86,758	75,549	83,080	86,762	92,188	91,233	90,878	115,133	139,034	129,456	130,189	143,318	125,881	112,259
Black Applicant															
Applications	**120,275**	**140,912**	**95,869**	**125,828**	**130,025**	**129,618**	**139,486**	**169,959**	**204,218**	**226,601**	**217,840**	**227,296**	**264,581**	**282,054**	**234,781**
Originated	74,081	89,580	60,439	79,013	81,578	80,570	88,698	115,103	135,736	148,784	141,367	151,035	173,058	186,992	147,160
Approved but not accepted	4,717	5,263	4,142	5,046	4,307	4,679	4,796	5,440	6,114	6,066	5,160	5,703	6,429	6,753	5,996
Denied	24,828	26,366	17,524	23,860	25,435	25,990	25,048	27,795	30,935	33,310	30,776	28,907	33,234	33,787	31,633
Withdrawn/File closed	16,649	19,703	13,764	17,909	18,705	18,379	20,944	21,621	31,433	38,441	40,537	41,651	51,860	54,522	49,992
Latino Applicant															
Applications	**112,181**	**181,263**	**209,009**	**157,863**	**161,427**	**160,607**	**169,851**	**229,952**	**264,338**	**240,401**	**238,098**	**255,964**	**301,092**	**289,017**	**229,105**
Originated	72,112	118,733	134,328	105,489	109,300	107,247	115,868	165,961	187,023	170,794	166,523	183,013	209,290	206,085	154,727
Approved but not accepted	5,479	8,865	10,938	7,214	6,282	5,907	5,552	6,947	7,494	6,499	5,398	5,291	6,299	6,132	5,345
Denied	20,166	29,969	35,150	24,407	25,229	25,784	24,269	29,275	31,366	26,080	27,445	26,444	31,014	27,174	24,481
Withdrawn/File closed	14,424	23,696	28,593	20,753	20,616	21,669	24,162	27,769	38,455	37,028	38,732	41,216	54,489	49,626	44,552
Asian Applicant															
Applications	**16,631**	**41,849**	**54,416**	**36,549**	**36,410**	**33,535**	**30,007**	**43,085**	**46,993**	**41,011**	**37,664**	**38,670**	**42,225**	**41,756**	**37,620**
Originated	11,009	28,274	36,295	24,213	24,068	21,855	19,926	30,948	33,008	28,438	26,053	26,933	28,781	28,796	24,231
Approved but not accepted	865	1,993	2,774	1,698	1,456	1,344	1,114	1,461	1,429	1,077	778	795	810	742	761
Denied	2,608	6,134	8,149	5,793	6,153	5,818	4,614	5,690	5,695	4,827	4,333	3,995	4,170	3,995	4,073
Withdrawn/File closed	2,149	5,448	7,198	4,845	4,733	4,518	4,353	4,986	6,861	6,669	6,500	6,947	8,464	8,223	8,555
Other Race/Ethnicity Applicant															
Applications	**12,559**	**19,208**	**22,856**	**14,290**	**14,513**	**14,988**	**15,797**	**15,242**	**18,519**	**24,940**	**14,113**	**15,412**	**19,788**	**21,429**	**17,883**
Originated	8,341	12,974	14,998	9,814	10,054	9,938	10,884	11,081	13,051	17,334	9,547	10,647	13,581	14,637	11,626
Approved but not accepted	605	821	1167	669	581	586	522	449	520	554	277	311	390	437	405
Denied	2,136	3,022	3,401	2,112	2,184	2,498	2,235	1,859	2,246	3,006	1,735	1,661	2,067	2,190	2,020
Withdrawn/File closed	1,477	2,391	3,290	1,695	1,694	1,966	2,156	1,853	2,702	4,046	2,554	2,793	3,750	4,165	3,832
Joint Applicants															
Applications	**27,434**	**37,639**	**35,225**	**30,403**	**33,189**	**36,004**	**38,338**	**10,885**	**12,982**	**63,204**	**75,625**	**81,149**	**93,081**	**90,000**	**82,218**
Originated	20,528	28,376	26,068	22,826	25,108	26,646	28,657	8,412	9,734	47,274	55,335	59,961	67,679	66,463	57,513
Approved but not accepted	1,260	1,536	1,547	1,179	986	1,116	1,107	331	340	1,389	1,348	1,456	1,652	1,551	1,714
Denied	3,156	4,108	3,994	3,340	3,781	4,285	3,855	1,006	1,198	5,419	6,565	6,202	7,268	6,627	6,384
Withdrawn/File closed	2,490	3,619	3,616	3,058	3,314	3,957	4,719	1,136	1,710	9,122	12,377	13,530	16,482	15,359	16,607
Missing Race/Ethnicity															
Applications	**89,746**	**144,230**	**126,016**	**115,060**	**108,131**	**102,461**	**106,242**	**139,331**	**163,886**	**180,277**	**182,402**	**211,436**	**236,767**	**247,965**	**213,851**
Originated	53,179	92,128	78,308	69,367	66,449	60,660	63,695	94,977	109,916	112,044	119,800	142,632	159,334	167,742	135,717
Approved but not accepted	5,181	7,133	5,914	5,566	4,490	4,689	3,830	4,134	4,233	4,159	3,561	4,185	4,932	5,231	4,904
Denied	16,321	22,356	20,595	19,949	18,204	18,625	19,072	21,052	23,213	27,565	21,900	22,276	24,174	25,720	24,716
Withdrawn/File closed	15,065	22,613	21,199	20,178	18,988	18,487	19,645	19,168	26,524	36,509	37,141	42,343	48,327	49,272	48,514

Table 4. Distribution of applications for first lien purchase loans of occupied 1-to-4 family homes by disposition and selected applicant and loan characteristics, 2022

	Applications	Originated	Approved but not accepted	Denied	Withdrawn/ File closed
BLACK APPLICANTS					
TOTAL APPLICATIONS	**428,532**	**268,597**	**11,385**	**56,694**	**91,856**
Applicant income					
Less or equal to 50% of AMI	47,618	25,116	1,250	11,935	9,317
50% - 80% of AMI	121,112	77,235	3,105	16,572	24,200
80% - 120% of AMI	127,308	83,788	3,261	13,771	26,488
More than 120% of AMI	132,494	82,458	3,769	14,416	31,851
Loan type					
Nonconventional	234,781	147,160	5,996	31,633	49,992
Conventional	193,751	121,437	5,389	25,061	41,864
GSE/FHA					
GSE-purchased*	54,235	54,235			
FHA-insured	161,056	99,885	4,432	23,580	33,159
Loan cost					
High cost*	37,095	35,257	1,838		
Property location					
Low-moderate income neighborhood	147,730	87,209	4,406	23,036	33,079
Higher income neighborhood	280,802	181,388	6,979	33,658	58,777
Majority minority neighborhood	234,021	145,199	6,307	31,518	50,997
Midwest	69,518	44,326	1,748	9,273	14,171
Northeast	45,927	29,789	1,278	6,146	8,714
South	276,999	172,959	7,225	36,116	60,699
West	33,367	21,473	842	3,829	7,223
NON-HISPANIC WHITE APPLICANTS					
TOTAL APPLICATIONS	**2,575,166**	**1,928,597**	**61,523**	**145,942**	**439,104**
Applicant income					
Less or equal to 50% of AMI	200,032	136,242	4,553	27,921	31,316
50% - 80% of AMI	541,589	412,184	11,911	34,503	82,991
80% - 120% of AMI	666,091	511,443	15,059	31,950	107,639
More than 120% of AMI	1,167,454	868,728	30,000	51,568	217,158
Loan type					
Nonconventional	628,719	453,863	13,284	49,313	112,259
Conventional	1,946,447	1,474,734	48,239	96,629	326,845
GSE/FHA					
GSE-purchased*	700,426	700,426			
FHA-insured	323,794	231,716	7,530	29,821	54,727
Loan cost					
High cost*	107,159	102,610	4,549		
Property location					
Low-moderate income neighborhood	440,564	310,205	12,912	33,870	83,577
Higher income neighborhood	2,134,602	1,618,392	48,611	112,072	355,527
Majority minority neighborhood	331,757	240,942	7,518	20,573	62,724
Midwest	678,978	531,931	13,895	34,948	98,204
Northeast	361,225	277,366	7,585	20,869	55,405
South	1,057,827	776,680	25,784	62,817	192,546
West	465,538	341,471	11,930	23,928	88,209

Table 5. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by region and applicant income Conventional and Nonconventional loans, Black and Non-Hispanic White applicants, 2022

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	TOTAL APPLICATIONS	Originated	Approved but not accepted	Denied	Withdrawn/ File closed	TOTAL APPLICATIONS	Originated	Approved but not accepted	Denied	Withdrawn/ File closed
ALL APPLICATIONS	**425,811**	**268,547**	**11,093**	**55,364**	**90,807**	**2,563,568**	**1,927,448**	**59,194**	**142,562**	**434,364**
Midwest	**69,518**	**44,326**	**1,748**	**9,273**	**14,171**	**678,978**	**531,931**	**13,895**	**34,948**	**98,204**
Less or equal to 50% of AMI	14,734	8,383	385	3,092	2,874	86,254	62,424	1,866	9,675	12,289
50%-80% of AMI	24,867	16,340	621	3,060	4,846	184,487	146,150	3,752	9,932	24,653
80%-120% of AMI	17,034	11,467	439	1,706	3,422	174,516	139,680	3,521	7,145	24,170
More than 120% of AMI	12,883	8,136	303	1,415	3,029	233,721	183,677	4,756	8,196	37,092
Northeast	**45,927**	**29,789**	**1,278**	**6,146**	**8,714**	**361,225**	**277,366**	**7,585**	**20,869**	**55,405**
Less or equal to 50% of AMI	5,851	3,212	161	1,493	985	31,718	22,037	696	4,577	4,408
50%-80% of AMI	14,897	9,811	400	1,971	2,715	83,476	64,922	1,709	5,496	11,349
80%-120% of AMI	13,701	9,246	398	1,563	2,494	92,907	72,952	1,978	4,566	13,411
More than 120% of AMI	11,478	7,520	319	1,119	2,520	153,124	117,455	3,202	6,230	26,237
South	**276,999**	**172,959**	**7,225**	**36,116**	**60,699**	**1,057,827**	**776,680**	**25,784**	**62,817**	**192,546**
Less or equal to 50% of AMI	25,705	12,918	673	6,918	5,196	63,748	40,504	1,541	10,554	11,149
50%-80% of AMI	75,394	47,355	1,942	10,653	15,444	201,939	148,236	4,757	14,574	34,372
80%-120% of AMI	86,113	56,084	2,168	9,394	18,467	277,159	207,375	6,593	14,691	48,500
More than 120% of AMI	89,787	56,602	2,442	9,151	21,592	514,981	380,565	12,893	22,998	98,525
West	**33,367**	**21,473**	**842**	**3,829**	**7,223**	**465,538**	**341,471**	**11,930**	**23,928**	**88,209**
Less or equal to 50% of AMI	1,322	600	31	430	261	18,247	11,253	448	3,090	3,456
50%-80% of AMI	5,943	3,721	142	885	1,195	71,571	52,804	1,685	4,480	12,602
80%-120% of AMI	10,444	6,981	256	1,107	2,100	121,323	91,312	2,954	5,528	21,529
More than 120% of AMI	15,658	10,171	413	1,407	3,667	254,397	186,102	6,843	10,830	50,622
CONVENTIONAL LOANS	**191,740**	**121,398**	**5,171**	**23,984**	**41,187**	**1,936,132**	**1,473,613**	**46,106**	**93,685**	**322,728**
Midwest	**32,621**	**21,282**	**835**	**3,917**	**6,587**	**520,428**	**414,699**	**10,742**	**21,742**	**73,245**
Less or equal to 50% of AMI	6,521	3,939	181	1,210	1,191	60,332	45,260	1,276	5,631	8,165
50%-80% of AMI	10,234	6,975	259	1,058	1,942	127,972	103,666	2,564	5,446	16,296
80%-120% of AMI	7,443	5,077	201	703	1,462	128,197	104,089	2,655	4,282	17,171
More than 120% of AMI	8,423	5,291	194	946	1,992	203,927	161,684	4,247	6,383	31,613
Northeast	**23,639**	**15,602**	**655**	**2,860**	**4,522**	**297,964**	**231,019**	**6,249**	**14,976**	**45,720**
Less or equal to 50% of AMI	3,053	1,746	76	736	495	23,482	16,709	490	3,066	3,217
50%-80% of AMI	6,941	4,654	189	853	1,245	61,130	48,309	1,217	3,494	8,110
80%-120% of AMI	6,437	4,432	182	641	1,182	73,038	57,798	1,544	3,149	10,547
More than 120% of AMI	7,208	4,770	208	630	1,600	140,314	108,203	2,998	5,267	23,846
South	**117,964**	**73,128**	**3,225**	**15,305**	**26,306**	**748,382**	**555,541**	**19,084**	**39,428**	**134,329**
Less or equal to 50% of AMI	11,913	6,217	327	3,142	2,227	44,026	28,789	1,087	6,680	7,470
50%-80% of AMI	27,951	17,874	700	3,777	5,600	124,516	93,163	2,973	7,810	20,570
80%-120% of AMI	30,305	19,411	816	3370	6,708	172,051	129,851	4,378	8,104	29,718
More than 120% of AMI	47,795	29,626	1382	5016	11,771	407,789	303,738	10,646	16,834	76,571
West	**17,516**	**11,386**	**456**	**1,902**	**3,772**	**369,358**	**272,354**	**10,031**	**17,539**	**69,434**
Less or equal to 50% of AMI	819	414	17	244	144	14,263	9,007	382	2,253	2,621
50%-80% of AMI	2,847	1,867	61	386	533	51,101	38,196	1,282	2,791	8,832
80%-120% of AMI	4,426	3,005	96	437	888	86,280	65,159	2,248	3,545	15,328
More than 120% of AMI	9,424	6,100	282	835	2,207	217,714	159,992	6,119	8,950	42,653
NONCONVENTIONAL LOANS	**234,071**	**147,149**	**5,922**	**31,380**	**49,620**	**627,436**	**453,835**	**13,088**	**48,877**	**111,636**
Midwest	**36,897**	**23,044**	**913**	**5,356**	**7,584**	**158,550**	**117,232**	**3,153**	**13,206**	**24,959**
Less or equal to 50% of AMI	8,213	4,444	204	1,882	1,683	25,922	17,164	590	4,044	4,124
50%-80% of AMI	14,633	9,365	362	2,002	2,904	56,515	42,484	1,188	4,486	8,357
80%-120% of AMI	9,591	6,390	238	1003	1,960	46,319	35,591	866	2,863	6,999
More than 120% of AMI	4,460	2,845	109	469	1,037	29,794	21,993	509	1,813	5,479
Northeast	**22,288**	**14,187**	**623**	**3,286**	**4,192**	**63,261**	**46,347**	**1,336**	**5,893**	**9,685**
Less or equal to 50% of AMI	2,798	1,466	85	757	490	8,236	5,328	206	1,511	1,191
50%-80% of AMI	7,956	5,157	211	1,118	1,470	22,346	16,613	492	2,002	3,239
80%-120% of AMI	7,264	4,814	216	922	1,312	19,869	15,154	434	1,417	2,864
More than 120% of AMI	4,270	2,750	111	489	920	12,810	9,252	204	963	2,391
South	**159,035**	**99,831**	**4,000**	**20,811**	**34,393**	**309,445**	**221,139**	**6,700**	**23,389**	**58,217**
Less or equal to 50% of AMI	13,792	6,701	346	3,776	2,969	19,722	11,715	454	3,874	3,679
50%-80% of AMI	47,443	29,481	1242	6,876	9,844	77,423	55,073	1,784	6,764	13,802
80%-120% of AMI	55,808	36,673	1352	6024	11,759	105,108	77,524	2,215	6,587	18,782
More than 120% of AMI	41,992	26,976	1060	4135	9,821	107,192	76,827	2,247	6,164	21,954
West	**15,851**	**10,087**	**386**	**1,927**	**3,451**	**96,180**	**69,117**	**1,899**	**6,389**	**18,775**
Less or equal to 50% of AMI	503	186	14	186	117	3,984	2,246	66	837	835
50%-80% of AMI	3,096	1,854	81	499	662	20,470	14,608	403	1,689	3,770
80%-120% of AMI	6,018	3,976	160	670	1,212	35,043	26,153	706	1,983	6,201
More than 120% of AMI	6,234	4,071	131	572	1,460	36,683	26,110	724	1,880	7,969

Table 6. Distribution of originations of first lien purchase loans of occupied 1-to-4 family homes by region and applicant income GSE-purchased and FHA-insured, Black and Non-Hispanic White applicants, 2022

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Total	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI	Total	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI
Total Loans	268,597	25,116	77,235	83,788	82,458	1,927,448	136,218	412,112	511,319	867,799
GSE-Purchased	54,234	5,489	13,804	15,100	19,841	700,417	53,239	151,212	189,860	306,106
FHA-Insured	99,882	10,951	34,123	34,701	20,107	231,700	25,465	72,500	77,328	56,407
Midwest										
Total Loans	44,326	8,383	16,340	11,467	8,136	531,931	62,424	146,150	139,680	183,677
GSE-Purchased	10,178	1,754	3,309	2,638	2,477	202,542	24,204	55,291	54,118	68,929
FHA-Insured	18,747	3,997	7,833	5,007	1,910	67,570	12,154	25,299	19,617	10,500
Northeast										
Total Loans	29,789	3,212	9,811	9,246	7,520	277,366	22,037	64,922	72,952	117,455
GSE-Purchased	6,781	797	2,021	2,042	1,921	93,604	7,869	22,729	26,792	36,214
FHA-Insured	12,411	1,327	4,527	4,222	2,335	30,469	4,076	11,399	9,802	5,192
South										
Total Loans	172,959	12,918	47,355	56,084	56,602	776,680	40,504	148,236	207,375	380,565
GSE-Purchased	31,045	2715	7,386	8,564	12,380	259,279	15,625	48,695	67,325	127,634
FHA-Insured	63,123	5,523	20,790	23,165	13,645	101,610	7,797	28,491	35,045	30,277
West										
Total Loans	21,473	600	3,721	6,981	10,171	341,471	11,253	52,804	91,312	186,102
GSE-Purchased	6,230	223	1,088	1,856	3,063	144,992	5,541	24,497	41,625	73,329
FHA-Insured	5,601	104	973	2,307	2,217	32,051	1,438	7,311	12,864	10,438

Table 7. Distribution of denial reasons of first lien purchase loans of occupied 1-to-4 family homes by applicant income Conventional and nonconventional loan applications, Black and Non-Hispanic White applicants, 2022

Type of loan and denial reason	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Denied Applications	Less or equal to 50% of AMI	50%-80% of AMI	80%-120% of AMI	More than 120% of AMI	Denied Applications	Less or equal to 50% of AMI	50%-80% of AMI	80%-120% of AMI	More than 120% of AMI
Total	**56,205**	**11,815**	**16,459**	**13,681**	**14,250**	**142,506**	**27,129**	**33,661**	**31,301**	**50,415**
Debt-to-income ratio	21,833	6,374	7,054	4,779	3,626	47,957	14,518	12,134	9,156	12,149
Employment history	2,068	597	565	484	422	5,044	1,438	1,306	1,062	1,238
Credit history	10,568	1,616	2,571	2,524	3,857	22,123	3,336	5,050	4,883	8,854
Collateral	5,828	960	1,869	1,482	1,517	22,754	2,722	5,470	5,449	9,113
Insufficient cash	3,391	487	1,006	968	930	8,373	1,000	1,922	2,099	3,352
Unverifiable information	2,894	482	708	813	891	6,779	1,067	1,282	1,447	2,983
Credit application incomplete	5,153	661	1,401	1,395	1,696	16,624	1,534	3,578	4,020	7,492
Mortgage insurance denied	49	11	16	13	9	123	9	31	31	52
Other	4,421	627	1,269	1,223	1,302	12,729	1,505	2,888	3,154	5,182
Conventional	**24,630**	**5,235**	**5,976**	**5,076**	**8,343**	**93,399**	**16,922**	**18,766**	**18,503**	**39,208**
Debt-to-income ratio	9,569	2,853	2,490	1,914	2,312	33,087	9,604	7,208	6,031	10,244
Employment history	652	193	134	133	192	2,440	673	476	465	826
Credit history	4,892	842	971	854	2,225	13,316	2,035	2,638	2,494	6,149
Collateral	2,976	519	905	662	890	16,043	1,771	3,392	3,478	7,402
Insufficient cash	1,270	164	283	287	536	5,253	504	954	1,165	2,630
Unverifiable information	1,229	203	250	274	502	4,629	665	718	870	2,376
Credit application incomplete	2,161	244	456	479	982	11,015	844	1,961	2,385	5,825
Mortgage insurance denied	18	5	3	6	4	72	4	12	19	37
Other	1,863	212	484	467	700	7,544	822	1,407	1,596	3,719
Nonconventional	**31,575**	**6,580**	**10,483**	**8,605**	**5,907**	**49,107**	**10,207**	**14,895**	**12,798**	**11,207**
Debt-to-income ratio	12,264	3,521	4,564	2,865	1,314	14,870	4,914	4,926	3,125	1,905
Employment history	1,416	404	431	351	230	2,604	765	830	597	412
Credit history	5,676	774	1,600	1,670	1,632	8,807	1,301	2,412	2,389	2,705
Collateral	2,852	441	964	820	627	6,711	951	2,078	1,971	1,711
Insufficient cash	2,121	323	723	681	394	3,120	496	968	934	722
Unverifiable information	1,665	279	458	539	389	2,150	402	564	577	607
Credit application incomplete	2,992	417	945	916	714	5,609	690	1,617	1,635	1,667
Mortgage insurance denied	31	6	13	7	5	51	5	19	12	15
Other	2,558	415	785	756	602	5,185	683	1,481	1,558	1,463

Table 8. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by type of lender and applicant income Black and Non-Hispanic White applicants, 2022

	BLACK APPLICANT					NON-HISPANIC WHITE APPLICANT				
	Total Applications	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI	Total Applications	Income less or equal to 50% of AMI	Income 50%-80% of AMI	Income 80%-120% of AMI	Income more than 120% of AMI
TOTAL APPLICATIONS										
Bank, Savings Institution, or Credit Union										
Applications	86,187	12,581	24,232	20,931	28,443	812,159	66,380	154,804	183,645	407,330
Originated	51,533	6,590	15,183	13,496	16,264	604,310	43,479	116,734	140,329	303,768
Approved but not accepted	2,193	293	569	480	851	20,562	1,567	3,343	4,293	11,359
Denied	14,474	3,520	3,731	2,665	4,558	57,324	11,785	12,384	11,010	22,145
Withdrawn/File Closed	17,987	2,178	4,749	4,290	6,770	129,963	9,549	22,343	28,013	70,058
Mortgage Companies Affiliated with Depositories										
Applications	24,619	1,720	6,539	8,912	7,448	107,304	8,161	23,600	31,227	44,316
Originated	16,781	925	4,442	6,367	5,047	82,708	5,939	18,411	24,543	33,815
Approved but not accepted	548	37	153	177	181	2,987	214	588	802	1,383
Denied	2,829	490	871	874	594	4,625	899	1,311	1,115	1,300
Withdrawn/File Closed	4,461	268	1,073	1,494	1,626	16,984	1,109	3,290	4,767	7,818
Independent Mortgage Companies										
Applications	275,802	28,026	79,177	86,402	82,197	1,442,176	109,732	326,242	403,707	602,495
Originated	177,727	15,315	51,444	57,758	53,210	1,090,968	77,296	250,891	312,473	450,308
Approved but not accepted	7,827	815	2,131	2,365	2,516	34,141	2,539	7,378	9,184	15,040
Denied	31,705	6,015	9,762	8,491	7,437	69,026	11,943	17,582	16,870	22,631
Withdrawn/File Closed	58,543	5,881	15,840	17,788	19,034	248,041	17,954	50,391	65,180	114,516

Table 9. Disposition of applications for conventional first lien purchase loans of occupied 1-to-4 family homes by lender type, percentage of Black population in census tract and applicant income, 2022

	BLACK APPLICANTS					NON-HISPANIC WHITE APPLICANTS				
	Applications	Originated	Approved but not accepted	Denied	Withdrawn/ File closed	Applications	Originated	Approved but not accepted	Denied	Withdrawn/ File closed
TOTAL CONVENTIONAL LOANS	**163,526**	**103,507**	**4,588**	**18,006**	**32,974**	**1,748,171**	**1,343,420**	**42,087**	**80,640**	**282,024**
Bank, Savings Institution, or Credit Union	**55,986**	**35,134**	**1,505**	**8,075**	**11,272**	**702,918**	**535,401**	**17,131**	**42,980**	**107,406**
Up to 25% Black census tract	**29,353**	**18,732**	**756**	**3,930**	**5,935**	**660,388**	**503,921**	**16,110**	**39,965**	**100,392**
Applicant income										
Less or equal to 50% of AMI	3,088	1,632	69	873	514	51,307	34,350	1,290	8,449	7,218
50% - 80% of AMI	6,696	4,340	167	972	1,217	117,760	90,262	2,692	8,520	16,286
80% - 120% of AMI	6,820	4,403	168	845	1,404	144,167	111,381	3,658	7,876	21,252
More than 120% of AMI	12,749	8,357	352	1,240	2,800	347,154	267,928	8,470	15,120	55,636
26% - 50% Black census tract	**11,748**	**7,469**	**297**	**1,671**	**2,311**	**32,410**	**24,297**	**750**	**2,246**	**5,117**
Applicant income										
Less or equal to 50% of AMI	1,825	1,005	50	471	299	3,663	2,415	81	630	537
50% - 80% of AMI	3,390	2,181	85	491	633	7,312	5,525	155	540	1,092
80% - 120% of AMI	2,890	1,938	69	323	560	7,393	5,607	165	432	1,189
More than 120% of AMI	3,643	2,345	93	386	819	14,042	10,750	349	644	2,299
51% - 100% Black census tract	**14,885**	**8,933**	**452**	**2,474**	**3,026**	**10,120**	**7,183**	**271**	**769**	**1,897**
Applicant income										
Less or equal to 50% of AMI	3,683	2,004	119	944	616	1,395	853	37	240	265
50% - 80% of AMI	5,160	3,236	132	734	1,058	2,444	1,760	63	169	452
80% - 120% of AMI	3,192	2,005	119	414	654	2,321	1,691	60	160	410
More than 120% of AMI	2,850	1,688	82	382	698	3,960	2,879	111	200	770
Mortgage Companies Affiliated with Depositories	**8,913**	**3,144**	**252**	**527**	**539**	**74,634**	**58,384**	**2,219**	**2,349**	**11,682**
Up to 25% Black census tract	**5,707**	**3,997**	**163**	**490**	**1,057**	**68,837**	**53,801**	**2,021**	**2,181**	**10,834**
Applicant income										
Less or equal to 50% of AMI	362	204	3	97	58	4,751	3,499	124	452	676
50% - 80% of AMI	1,235	884	36	105	210	13,605	10,802	359	536	1,908
80% - 120% of AMI	1,797	1,297	50	132	318	18,228	14,496	493	440	2,799
More than 120% of AMI	2,313	1,612	74	156	471	32,253	25,004	1,045	753	5,451
26% - 50% Black census tract	**1,685**	**1,236**	**30**	**128**	**291**	**4,425**	**3,502**	**149**	**134**	**640**
Applicant income										
Less or equal to 50% of AMI	163	106	4	26	27	523	410	16	34	63
50% - 80% of AMI	398	285	8	27	78	1,032	814	26	36	156
80% - 120% of AMI	537	402	11	46	78	1,199	967	42	28	162
More than 120% of AMI	587	443	7	29	108	1,671	1,311	65	36	259
51% - 100% Black census tract	**1,521**	**1,103**	**43**	**111**	**264**	**1,372**	**1,081**	**49**	**34**	**208**
Applicant income										
Less or equal to 50% of AMI	201	124	6	42	29	200	146	10	11	33
50% - 80% of AMI	501	355	11	34	101	368	292	16	5	55
80% - 120% of AMI	460	356	13	18	73	347	284	13	7	43
More than 120% of AMI	359	268	13	17	61	457	359	10	11	77
Independent Mortgage Companies	**98,627**	**65,229**	**2,831**	**9,404**	**21,163**	**970,619**	**749,635**	**22,737**	**35,311**	**162,936**
Up to 25% Black census tract	**59,642**	**39,805**	**1,703**	**5,352**	**12,782**	**903,208**	**697,972**	**21,168**	**32,668**	**151,400**
Applicant income										
Less or equal to 50% of AMI	4,078	2,430	100	770	778	59,655	44,379	1,265	4,749	9,262
50% - 80% of AMI	12,269	8,474	296	1,154	2,345	175,307	139,136	3,794	6,753	25,624
80% - 120% of AMI	16,019	11,073	420	1,285	3,241	230,837	181,726	5,272	7,383	36,456
More than 120% of AMI	27,276	17,828	887	2,143	6,418	437,409	332,731	10,837	13,783	80,058
26% - 50% Black census tract	**19,503**	**12,817**	**543**	**1,953**	**4,190**	**51,645**	**39,835**	**1,170**	**1,970**	**8,670**
Applicant income										
Less or equal to 50% of AMI	2,174	1,282	64	375	453	5,393	4,013	129	406	845
50% - 80% of AMI	5,163	3,507	134	516	1,006	12,952	10,177	288	479	2,008
80% - 120% of AMI	5,371	3,585	141	504	1,141	13,729	10,678	331	437	2,283
More than 120% of AMI	6,795	4,443	204	558	1,590	19,571	14,967	422	648	3,534
51% - 100% Black census tract	**19,482**	**12,607**	**585**	**2,099**	**4,191**	**15,766**	**11,828**	**399**	**673**	**2,866**
Applicant income										
Less or equal to 50% of AMI	3,108	1,848	97	494	669	2,045	1,472	54	172	347
50% - 80% of AMI	6,145	4,096	158	648	1,243	4,283	3,272	90	178	743
80% - 120% of AMI	5,118	3,322	159	484	1,153	4,081	3,100	100	135	746
More than 120% of AMI	5,111	3,341	171	473	1,126	5,357	3,984	155	188	1,030

Table 10. Disposition of applications for FHA-insured first lien purchase loans of occupied 1-to-4 family homes by lender type, percentage of Black population in census tract and applicant income, 2022

	BLACK APPLICANTS					NON-HISPANIC WHITE APPLICANTS				
	Applications	Originated	Approved but not accepted	Denied	Withdrawn/ File closed	Applications	Originated	Approved but not accepted	Denied	Withdrawn/ File closed
TOTAL FHA-INSURED LOANS	**151,709**	**95,723**	**4,153**	**21,457**	**30,376**	**309,698**	**224,838**	**7,135**	**27,636**	**50,089**
Bank, Savings Institution, or Credit Union	**18,475**	**11,064**	**336**	**3,291**	**3,784**	**45,473**	**31,657**	**732**	**5,362**	**7,722**
Up to 25% Black census tract	**7,499**	**4,630**	**129**	**1,288**	**1,452**	**40,383**	**28,230**	**631**	**4,750**	**6,772**
Applicant income										
Less or equal to 50% of AMI	951	486	11	308	146	5,410	3,268	74	1,232	836
50% - 80% of AMI	2,532	1,576	38	446	472	13,042	9,066	215	1,610	2,151
80% - 120% of AMI	2,463	1,598	44	333	488	12,436	9,038	170	1,118	2,110
More than 120% of AMI	1,553	970	36	201	346	9,495	6,858	172	790	1,675
26% - 50% Black census tract	**4,258**	**2,562**	**71**	**763**	**862**	**3,692**	**2,549**	**72**	**391**	**680**
Applicant income										
Less or equal to 50% of AMI	700	345	7	218	130	515	317	3	107	88
50% - 80% of AMI	1,553	943	29	268	313	1,219	832	23	134	230
80% - 120% of AMI	1,294	843	19	186	246	1,096	783	25	88	200
More than 120% of AMI	711	431	16	91	173	862	617	21	62	162
51% - 100% Black census tract	**6,718**	**3,872**	**136**	**1,240**	**1,470**	**1,398**	**878**	**29**	**221**	**270**
Applicant income										
Less or equal to 50% of AMI	1,788	893	30	487	378	305	171	7	75	52
50% - 80% of AMI	2,784	1,672	71	441	600	467	290	13	73	91
80% - 120% of AMI	1,465	917	19	200	329	374	256	4	40	74
More than 120% of AMI	681	390	16	112	163	252	161	5	33	53
Mortgage Companies Affiliated with Depositories	**10,583**	**7,004**	**202**	**1,608**	**1,769**	**17,426**	**13,031**	**407**	**1,429**	**2,559**
Up to 25% Black census tract	**6,109**	**4,023**	**89**	**995**	**1,002**	**15,692**	**11,713**	**366**	**1,289**	**2,324**
Applicant income										
Less or equal to 50% of AMI	332	152	6	137	37	1,594	1,128	37	234	195
50% - 80% of AMI	1,744	1,102	22	355	265	4,476	3,334	97	423	622
80% - 120% of AMI	2,554	1,745	33	347	429	5,482	4,165	128	351	838
More than 120% of AMI	1,479	1,024	28	156	271	4,140	3,086	104	281	669
26% - 50% Black census tract	**2,260**	**1,489**	**61**	**332**	**378**	**1,310**	**1,007**	**33**	**107**	**163**
Applicant income										
Less or equal to 50% of AMI	171	87	5	50	29	211	153	2	31	25
50% - 80% of AMI	652	414	26	104	108	419	309	14	37	59
80% - 120% of AMI	914	638	17	107	152	385	308	10	26	41
More than 120% of AMI	523	350	13	71	89	295	237	7	13	38
51% - 100% Black census tract	**2,214**	**1,492**	**52**	**281**	**389**	**424**	**311**	**8**	**33**	**72**
Applicant income										
Less or equal to 50% of AMI	344	184	9	84	67	87	60	2	13	12
50% - 80% of AMI	888	619	21	111	137	156	113	3	11	29
80% - 120% of AMI	701	500	14	60	127	104	83	1	8	12
More than 120% of AMI	281	189	8	26	58	77	55	2	1	19
Independent Mortgage Companies	**122,651**	**77,655**	**3,615**	**16,558**	**24,823**	**246,799**	**180,150**	**5,996**	**20,845**	**39,808**
Up to 25% Black census tract	**56,597**	**36,281**	**1,537**	**7,612**	**11,167**	**220,772**	**161,643**	**5,358**	**18,525**	**35,246**
Applicant income										
Less or equal to 50% of AMI	4,973	2,463	146	1,355	1,009	26,042	16,727	688	4,254	4,373
50% - 80% of AMI	17,011	10,762	455	2,561	3,233	68,331	49,988	1,735	5,960	10,648
80% - 120% of AMI	21,029	14,014	567	2,392	4,056	72,623	54,992	1,780	4,863	10,988
More than 120% of AMI	13,584	9,042	369	1,304	2,869	53,776	39,936	1,155	3,448	9,237
26% - 50% Black census tract	**28,633**	**18,270**	**877**	**3,827**	**5,659**	**19,129**	**13,869**	**447**	**1,583**	**3,230**
Applicant income										
Less or equal to 50% of AMI	3,454	1,815	109	817	713	2,878	1,915	65	404	494
50% - 80% of AMI	10,023	6,418	305	1,402	1,898	6,600	4,808	161	555	1,076
80% - 120% of AMI	9,760	6,483	291	1,065	1,921	5,702	4,261	133	386	922
More than 120% of AMI	5,396	3,554	172	543	1,127	3,949	2,885	88	238	738
51% - 100% Black census tract	**37,421**	**23,104**	**1,201**	**5,119**	**7,997**	**6,898**	**4,638**	**191**	**737**	**1,332**
Applicant income										
Less or equal to 50% of AMI	7,349	4,031	217	1,513	1,588	1,468	910	44	246	268
50% - 80% of AMI	14,615	9,233	460	1,871	3,051	2,542	1,732	80	235	495
80% - 120% of AMI	10,281	6,593	365	1,166	2,157	1,712	1,176	42	156	338
More than 120% of AMI	5,176	3,247	159	569	1,201	1,176	820	25	100	231

Table 11. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by city and applicant income, Black applicants, 2022

	Baltimore	Chicago	Dallas	Detroit	Houston	Los Angeles	Memphis	New York City	Philadelphia	Washington
	MD	IL	TX	MI	TX	CA	TN	NY	PA	DC
Total Applications	**3,472**	**5,462**	**765**	**2,125**	**2,006**	**876**	**1,759**	**3,365**	**3,544**	**1,619**
Disposition										
Originated	2,201	3,210	420	1,199	1,120	542	1,054	2,089	2,282	997
Approved but not accepted	82	135	19	71	64	30	63	127	97	20
Denied	439	725	108	438	257	123	264	495	468	193
Withdrawn/File closed	750	1,392	218	417	565	181	378	654	697	409
Income										
Less or equal to 50% of AMI	1,272	1,060	85	504	223	21	319	109	532	294
50%-80% of AMI	1,263	2,056	218	769	568	38	612	374	1,315	489
80%-120% of AMI	628	1,398	183	516	480	104	453	918	982	422
More than 120% of AMI	309	948	279	336	735	713	375	1,964	715	414
Income less or equal to 50% of AMI										
Applications	1,272	1,060	85	504	223	21	319	109	532	294
Originated	768	560	32	235	102	4	152	49	274	156
Approved but not accepted	24	22	2	12	7	0	13	5	11	2
Denied	219	210	26	174	61	10	83	34	146	54
Withdrawn/File closed	261	268	25	83	53	7	71	21	101	82
Income 50%-80% of AMI										
Applications	1,263	2,056	218	769	568	38	612	374	1,315	489
Originated	847	1224	119	448	314	16	370	183	862	312
Approved but not accepted	32	58	4	26	20	3	20	11	38	6
Denied	126	282	28	139	84	14	87	97	166	63
Withdrawn/File closed	258	492	67	156	150	5	135	83	249	108
Income 80%-120% of AMI										
Applications	628	1,398	183	516	480	104	453	918	982	422
Originated	403	841	106	306	286	57	297	587	677	257
Approved but not accepted	15	38	6	22	13	4	18	38	33	7
Denied	59	147	18	81	51	21	58	147	91	40
Withdrawn/File closed	151	372	53	107	130	22	80	146	181	118
Income more than 120% of AMI										
Applications	309	948	279	336	735	713	375	1,964	715	414
Originated	183	585	163	210	418	465	235	1270	469	272
Approved but not accepted	11	17	7	11	24	23	12	73	15	5
Denied	35	86	36	44	61	78	36	217	65	36
Withdrawn/File closed	80	260	73	71	232	147	92	404	166	101

Table 12. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes by city and applicant income, Non-Hispanic White applicants, 2022

	Baltimore MD	Chicago IL	Dallas TX	Detroit MI	Houston TX	Jacksonville FL	Los Angeles CA	Memphis TN	New York City NY	Philadelphia PA
Total Applications	**2,640**	**13,371**	**4,236**	**704**	**4,406**	**8,227**	**1,806**	**13,723**	**5,457**	**2,936**
Disposition										
Originated	2,068	10,073	3,104	472	3,161	5,596	1,418	9,642	4,252	2,350
Approved but not accepted	33	158	106	20	132	233	34	314	96	40
Denied	98	516	163	78	201	619	78	1,189	227	67
Withdrawn/File closed	441	2,624	863	134	912	1,779	276	2,578	882	479
Income										
Less or equal to 50% of AMI	368	618	94	99	73	100	92	254	162	128
50%-80% of AMI	777	2,223	365	165	432	108	341	995	845	488
80%-120% of AMI	655	3,073	649	148	800	544	413	2,162	1,387	658
More than 120% of AMI	840	7,457	3,128	292	3,101	7,475	960	10,312	3,063	1,662
Income less or equal to 50% of AMI										
Applications	368	618	94	99	73	100	92	254	162	128
Originated	257	414	56	50	43	44	58	104	100	101
Approved but not accepted	8	8	1	2	1	1	1	7	1	0
Denied	32	85	21	33	17	35	16	104	36	8
Withdrawn/File closed	71	111	16	14	12	20	17	39	25	19
Income 50%-80% of AMI										
Applications	777	2,223	365	165	432	108	341	995	845	488
Originated	621	1653	253	105	309	57	268	667	658	383
Approved but not accepted	9	28	7	6	13	5	9	29	14	6
Denied	29	145	24	14	23	25	18	138	61	12
Withdrawn/File closed	118	397	81	40	87	21	46	161	112	87
Income 80%-120% of AMI										
Applications	655	3,073	649	148	800	544	413	2,162	1,387	658
Originated	525	2366	473	103	573	367	319	1571	1137	539
Approved but not accepted	9	41	19	5	23	9	10	53	30	8
Denied	18	108	23	11	49	53	15	215	37	15
Withdrawn/File closed	103	558	134	29	155	115	69	323	183	96
Income more than 120% of AMI										
Applications	840	7,457	3,128	292	3,101	7,475	960	10,312	3,063	1,662
Originated	665	5640	2322	214	2236	5128	773	7300	2357	1327
Approved but not accepted	7	81	79	7	95	218	14	225	51	26
Denied	19	178	95	20	112	506	29	732	93	32
Withdrawn/File closed	149	1558	632	51	658	1623	144	2055	562	277

Table 13. Distribution of applications and originations first lien purchase loans of occupied 1-to-4 family homes by region, 2021-2022

	Applications			Originations		
BLACK APPLICANTS	2,021	2,022	% Change	2,021	2,022	% Change
TOTAL APPLICATIONS	**495,503**	**425,811**	-14%	**327,927**	**268,547**	-18%
Midwest	80,729	69,518	**-14%**	53,325	44,326	**-17%**
Northeast	56,417	45,927	**-19%**	38,005	29,789	**-22%**
South	318,138	276,999	**-13%**	209,271	172,959	**-17%**
West	40,219	33,367	**-17%**	27,326	21,473	**-21%**
NON-HISPANIC WHITE APPLICANTS						
TOTAL APPLICATIONS	**3,145,282**	**2,563,568**	-18%	**2,445,167**	**1,927,448**	-21%
Midwest	814,550	678,978	**-17%**	652,614	531,931	**-18%**
Northeast	440,030	361,225	**-18%**	346,861	277,366	**-20%**
South	1,280,987	1,057,827	**-17%**	975,671	776,680	**-20%**
West	609,715	465,538	**-24%**	470,021	341,471	**-27%**

Table 14. Distribution of high-cost loans by neighborhood income level, 2022

	Originated	High-cost	%
BLACK APPLICANTS			
TOTAL LOANS	**268,597**	**37,095**	**14%**
Neighborhood income			
Low-moderate income neighborhood	87,209	15,425	18%
Higher income neighborhood	181,388	21,670	12%
NON-HISPANIC WHITE APPLICANTS			
TOTAL LOANS	**1,928,597**	**107,159**	**6%**
Neighborhood income			
Low-moderate income neighborhood	310,205	26,821	9%
Higher income neighborhood	1,618,392	80,338	5%

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Black Applicant															
Total Applications	**214,892**	**180,219**	**119,818**	**161,319**	**172,061**	**186,074**	**206,182**	**245,425**	**300,503**	**361,457**	**358,433**	**376,037**	**437,680**	**495,503**	**428,532**
Originated	116,371	109,728	74,055	98,416	105,379	113,723	130,176	164,585	198,217	236,419	233,269	249,367	285,468	327,927	268,597
Approved but not accepted	12,363	7,361	5,407	6,958	6,176	7,417	7,407	8,289	9,318	10,130	8,983	9,683	10,507	11,858	11,385
Denied	52,903	37,458	23,173	33,441	36,219	38,956	37,898	41,653	47,032	54,126	49,783	47,687	55,407	59,246	56,694
Withdrawn/File closed	33,255	25,672	17,183	22,504	24,287	25,978	30,701	30,898	45,936	60,782	66,398	69,300	86,298	96,472	91,856
Male applicants	**71,579**	**60,896**	**41,647**	**58,218**	**62,100**	**70,633**	**77,937**	**88,249**	**107,002**	**134,648**	**130,837**	**136,768**	**157,893**	**170,312**	**143,805**
Originated	36,463	36,302	25,421	35,440	37,623	42,863	48,683	58,393	70,038	87,460	84,590	90,228	102,834	112,017	88,958
Approved but not accepted	4,322	2,564	1,891	2,443	2,185	2,744	2,788	3,014	3,273	3,759	3,222	3,510	3,802	4,004	3,758
Denied	19,267	13,009	8,280	12,277	13,450	15,121	14,777	15,708	17,169	20,612	18,556	17,505	19,810	20,492	19,353
Withdrawn/File closed	11,527	9,021	6,055	8,058	8,842	9,905	11,689	11,134	16,522	22,817	24,469	25,525	31,447	33,799	31,736
Female applicants	**88,291**	**78,193**	**50,851**	**69,126**	**70,741**	**74,856**	**80,649**	**92,537**	**113,040**	**142,419**	**137,457**	**146,481**	**180,593**	**206,617**	**170,982**
Originated	47,988	48,391	31,321	41,893	42,920	45,484	50,672	61,500	73,624	92,689	89,020	96,653	117,555	135,993	106,200
Approved but not accepted	5,019	3,170	2,343	3,047	2,703	3,083	2,916	3,128	3,625	4,098	3,509	3,920	4,431	5,097	4,651
Denied	21,764	15,776	9,770	14,382	14,953	15,669	14,834	16,015	18,197	21,501	19,384	18,770	22,729	25,036	23,251
Withdrawn/File closed	13,520	10,856	7,417	9,804	10,165	10,620	12,227	11,894	17,594	24,131	25,544	27,138	35,878	40,491	36,880
Joint male-female applicants	**46,949**	**35,294**	**23,043**	**29,277**	**33,635**	**36,055**	**42,615**	**57,941**	**71,906**	**73,583**	**74,820**	**78,917**	**83,779**	**98,232**	**92,797**
Originated	27,711	21,964	14,899	18,470	21,688	22,978	27,995	40,664	49,438	49,788	50,382	53,928	55,845	67,173	60,750
Approved but not accepted	2,610	1,384	980	1,234	1,095	1,382	1,520	1,859	2,151	1,997	1,806	1,865	1,866	2,265	2,292
Denied	9,768	7,213	4,128	5,702	6,527	6,967	7,107	8,480	9,961	9,979	9,388	9,180	10,364	10,729	10,926
Withdrawn/File closed	6,860	4,733	3,036	3,871	4,325	4,728	5,993	6,938	10,356	11,819	13,244	13,944	15,704	18,065	18,829
Non Hispanic White Applicant															
Applications	**1,795,895**	**1,762,663**	**1,408,965**	**1,619,842**	**1,881,341**	**2,197,862**	**2,223,063**	**2,446,232**	**2,659,182**	**3,097,797**	**2,918,506**	**2,926,713**	**3,152,438**	**3,145,282**	**2,575,166**
Originated	1,277,775	1,313,583	1,037,184	1,201,921	1,420,633	1,649,943	1,689,184	1,917,607	2,061,488	2,375,851	2,236,728	2,260,266	2,432,039	2,445,167	1,928,597
Approved but not accepted	111,326	77,924	66,477	69,580	69,213	82,392	69,699	72,251	73,874	81,697	67,432	65,897	63,382	61,895	61,523
Denied	211,554	188,224	147,521	173,079	194,194	221,936	203,313	205,316	205,571	232,497	196,111	174,583	179,591	166,548	145,942
Withdrawn/File closed	195,240	182,932	157,783	175,262	197,301	243,591	260,867	251,058	318,249	407,752	418,235	425,967	477,426	471,672	439,104
Male applicants	**572,824**	**584,343**	**465,338**	**547,196**	**637,080**	**743,610**	**757,073**	**833,812**	**910,520**	**1,061,663**	**996,555**	**1,003,132**	**1,092,596**	**1,082,893**	**856,956**
Originated	387,326	423,310	332,152	394,365	466,464	542,406	561,285	639,986	692,413	800,271	750,942	762,219	828,831	826,617	628,491
Approved but not accepted	35,537	25,831	22,681	23,773	23,777	28,016	23,837	24,762	25,038	27,227	22,713	22,333	22,215	21,467	20,162
Denied	81,385	70,941	54,913	66,477	76,131	86,827	79,626	81,240	81,250	90,347	76,376	68,488	70,362	65,010	56,294
Withdrawn/File closed	68,576	64,261	55,592	62,581	70,708	86,361	92,325	87,824	111,819	143,818	146,524	150,092	171,188	169,799	152,009
Female applicants	**373,646**	**394,355**	**315,295**	**357,239**	**408,008**	**461,150**	**459,779**	**516,203**	**573,701**	**657,963**	**609,962**	**617,381**	**690,520**	**692,960**	**543,870**
Originated	261,579	292,848	230,060	262,105	303,948	341,738	345,546	400,146	439,073	499,339	464,156	472,779	529,338	533,435	402,181
Approved but not accepted	23,086	16,945	14,758	15,026	14,867	17,079	14,332	15,120	16,067	17,560	14,110	14,309	13,830	13,972	13,150
Denied	47,615	43,467	34,483	40,097	44,601	49,821	44,895	46,757	47,903	52,863	44,162	39,453	41,636	40,147	34,837
Withdrawn/File closed	41,366	41,095	35,994	40,011	44,592	52,512	55,006	54,180	70,658	88,201	87,534	90,840	105,716	105,406	93,702
Joint male-female applicants	**792,322**	**729,049**	**581,172**	**667,127**	**783,655**	**933,777**	**949,233**	**1,042,442**	**1,113,162**	**1,284,675**	**1,206,462**	**1,209,003**	**1,263,085**	**1,247,687**	**1,064,697**
Originated	590,450	558,543	441,033	510,977	612,196	722,977	741,098	836,853	883,584	1,007,214	944,522	952,814	994,940	993,029	817,628
Approved but not accepted	49,621	32,961	27,029	28,948	28,733	35,282	29,788	30,789	31,076	34,635	27,721	27,177	25,217	24,190	25,383
Denied	73,959	66,135	52,321	60,280	66,969	78,300	72,195	71,664	70,535	80,231	66,814	59,258	59,633	53,421	47,566
Withdrawn/File closed	78,292	71,410	60,789	66,922	75,757	97,218	106,152	103,136	127,967	162,595	167,405	169,754	183,295	177,047	174,120

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Black Applicant															
Total Applications	**94,617**	**39,307**	**23,949**	**35,491**	**42,036**	**56,456**	**66,696**	**75,466**	**96,285**	**134,856**	**140,593**	**148,741**	**173,099**	**213,449**	**213,449**
Originated	42,290	20,148	13,616	19,403	23,801	33,153	41,478	49,482	62,481	87,635	91,902	98,332	112,410	140,935	121,437
Approved but not accepted	7,646	2,098	1,265	1,912	1,869	2,738	2,611	2,849	3,204	4,064	3,823	3,980	4,078	5,105	5,389
Denied	28,075	11,092	5,649	9,581	10,784	12,966	12,850	13,858	16,097	20,816	19,007	18,780	22,173	25,459	25,061
Withdrawn/File closed	16,606	5,969	3,419	4,595	5,582	7,599	9,757	9,277	14,503	22,341	25,861	27,649	34,438	41,950	41,864
Male applicants	**33,880**	**12,834**	**7,911**	**11,789**	**14,035**	**19,639**	**23,226**	**24,815**	**32,013**	**47,395**	**48,277**	**50,424**	**58,743**	**70,831**	**63,373**
Originated	13,857	6,298	4,333	6,258	7,698	11,409	14,024	15,843	20,299	30,387	31,112	32,825	37,680	45,936	38,901
Approved but not accepted	2,823	715	443	655	625	952	938	978	1,091	1,494	1,348	1,387	1,401	1,706	1,781
Denied	11,003	3,720	1,938	3,297	3,773	4,568	4,687	4,880	5,660	7,558	6,785	6,612	7,589	8,787	8,506
Withdrawn/File closed	6,197	2,101	1,197	1,579	1,939	2,710	3,577	3,114	4,963	7,956	9,032	9,600	12,073	14,402	14,185
Female applicants	**39,341**	**16,823**	**10,472**	**15,055**	**17,296**	**23,148**	**27,162**	**29,230**	**37,552**	**57,425**	**59,381**	**63,920**	**76,427**	**92,449**	**81,111**
Originated	17,982	8,809	5,987	8,250	9,713	13,522	17,007	19,021	24,115	37,471	38,970	42,337	49,851	61,090	50,644
Approved but not accepted	3,134	870	527	784	772	1,100	1,017	1,092	1,218	1,680	1,508	1,716	1,828	2,242	2,246
Denied	11,491	4,738	2,476	4,114	4,495	5,492	5,231	5,550	6,488	8,797	8,040	8,120	9,665	11,183	10,787
Withdrawn/File closed	6,734	2,406	1,482	1,907	2,316	3,034	3,907	3,567	5,731	9,477	10,863	11,747	15,083	17,934	17,434
Joint male-female applicants	**18,630**	**8,569**	**4,960**	**7,765**	**9,516**	**12,351**	**14,823**	**19,373**	**24,159**	**26,217**	**27,589**	**29,342**	**32,241**	**41,561**	**40,583**
Originated	9,383	4,595	2,997	4,497	5,774	7,570	9,626	13,368	16,570	17,506	18,652	20,023	21,433	28,531	26,589
Approved but not accepted	1,482	448	269	420	404	610	596	698	810	802	762	742	716	973	1,093
Denied	4,600	2,245	1,064	1,872	2,165	2,498	2,541	2,982	3,396	3,700	3,329	3,257	3,953	4,287	4,543
Withdrawn/File closed	3,165	1,281	630	976	1,173	1,673	2,060	2,325	3,383	4,209	4,846	5,320	6,139	7,770	8,358
Non Hispanic White Applicant															
Applications	**1,198,088**	**869,917**	**707,112**	**855,007**	**1,076,496**	**1,396,825**	**1,460,484**	**1,553,704**	**1,701,123**	**2,070,346**	**2,034,599**	**2,045,273**	**2,237,078**	**2,334,357**	**1,946,447**
Originated	830,352	633,529	513,994	633,208	819,077	1,063,103	1,125,471	1,228,571	1,331,315	1,603,613	1,576,220	1,593,015	1,742,103	1,832,330	1,474,734
Approved but not accepted	87,255	45,508	38,264	42,045	45,198	57,556	48,318	48,782	51,025	59,061	50,608	49,129	46,409	46,688	48,239
Denied	142,666	94,706	72,620	87,572	101,682	124,763	117,061	116,171	115,667	138,954	118,992	107,351	114,458	109,548	96,629
Withdrawn/File closed	137,815	96,174	82,234	92,182	110,539	151,403	169,634	160,180	203,116	268,718	288,779	295,778	334,108	345,791	326,845
Male applicants	**365,766**	**258,766**	**207,854**	**252,771**	**318,482**	**418,299**	**441,252**	**468,729**	**519,812**	**642,227**	**631,024**	**634,364**	**702,314**	**736,733**	**596,556**
Originated	237,094	180,664	144,448	179,475	232,683	307,230	330,006	361,657	397,714	488,061	479,857	484,690	535,678	566,154	441,935
Approved but not accepted	27,119	13,695	11,907	12,924	14,006	17,754	14,798	14,940	15,672	18,026	15,689	15,375	14,885	14,944	14,713
Denied	54,185	33,439	25,155	30,858	36,311	44,687	42,009	41,655	42,050	49,797	42,710	38,912	41,885	40,236	35,017
Withdrawn/File closed	47,368	30,968	26,344	29,514	35,482	48,628	54,439	50,477	64,376	86,343	92,768	95,387	109,866	115,399	104,891
Female applicants	**251,899**	**184,412**	**151,985**	**177,262**	**222,648**	**287,116**	**300,805**	**325,458**	**365,678**	**445,192**	**437,323**	**443,437**	**498,032**	**517,105**	**418,548**
Originated	172,124	133,610	109,827	129,787	167,184	216,280	230,244	254,997	283,361	342,412	337,287	343,296	385,855	402,551	313,385
Approved but not accepted	18,195	9,317	8,041	8,417	9,196	11,572	9,703	9,952	10,838	12,465	10,562	10,523	10,092	10,292	10,211
Denied	32,470	21,327	16,619	19,663	22,805	27,892	25,571	26,422	26,827	31,666	27,133	24,632	26,710	26,411	23,391
Withdrawn/File closed	29,110	20,158	17,498	19,395	23,463	31,372	35,287	34,087	44,652	58,649	62,341	64,986	75,375	77,851	71,561
Joint male-female applicants	**548,063**	**403,568**	**327,140**	**402,879**	**507,420**	**655,410**	**681,393**	**724,958**	**774,788**	**918,533**	**892,233**	**897,999**	**958,444**	**985,787**	**846,597**
Originated	400,825	303,375	245,368	308,355	398,821	513,197	537,883	585,554	619,016	725,063	704,281	712,662	761,514	790,967	656,279
Approved but not accepted	39,798	21,391	17,320	19,710	20,855	26,913	22,603	22,833	23,358	26,903	22,123	21,649	19,875	19,685	21,143
Denied	50,405	36,479	28,401	34,197	39,342	48,362	45,651	44,752	43,349	51,838	43,700	39,185	40,607	37,497	33,416
Withdrawn/File closed	57,035	42,323	36,051	40,617	48,402	66,938	75,256	71,819	89,065	114,729	122,129	124,503	136,448	137,638	135,759

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Black Applicant															
Total Applications	**101,361**	**113,269**	**78,724**	**96,221**	**97,094**	**92,869**	**96,906**	**122,166**	**147,163**	**160,071**	**150,828**	**156,966**	**184,556**	**198,742**	**161,105**
Originated	60,849	70,562	48,474	58,560	59,454	56,119	59,887	81,533	96,375	103,703	96,759	103,225	118,550	130,265	99,934
Approved but not accepted	4,069	4,426	3,578	4,151	3,407	3,570	3,463	3,938	4,644	4,671	3,849	4,203	4,683	5,090	4,432
Denied	21,782	21,477	14,871	18,931	19,545	19,255	18,341	20,787	23,082	24,313	22,424	21,031	24,896	25,633	23,580
Withdrawn/File closed	14,661	16,804	11,801	14,579	14,688	13,925	15,215	15,908	23,062	27,384	27,796	28,507	36,427	37,754	33,159
Male applicants	**29,098**	**35,074**	**24,877**	**31,606**	**32,252**	**32,320**	**33,398**	**40,367**	**47,975**	**53,161**	**48,523**	**50,188**	**58,363**	**57,902**	**43,687**
Originated	16,603	21,135	14,975	18,938	19,423	19,207	20,253	26,470	31,192	34,176	30,917	32,972	37,482	37,796	26,673
Approved but not accepted	1,199	1427	1164	1359	1135	1253	1213	1311	1,507	1,554	1,220	1,360	1,547	1,519	1,198
Denied	6,906	7,004	4,908	6,463	6,732	6,962	6,623	7,279	7,730	8,274	7,340	6,722	7,769	7,518	6,656
Withdrawn/File closed	4,390	5,508	3,830	4,846	4,962	4,898	5,309	5,307	7,546	9,157	9,046	9,134	11,565	11,069	9,160
Female applicants	**44,583**	**53,939**	**36,628**	**46,426**	**45,283**	**42,893**	**43,658**	**53,515**	**63,722**	**69,878**	**63,392**	**66,443**	**83,492**	**92,369**	**71,978**
Originated	26,955	34,509	22,748	28,442	27,789	26,093	27,153	35,788	41,584	45,065	40,439	43,394	53,577	60,212	44,307
Approved but not accepted	1,753	2103	1676	2023	1685	1,709	1,561	1,717	2,071	2,106	1,676	1,840	2,132	2,371	1,995
Denied	9,533	9,662	6,732	8,959	8,993	8,612	7,993	8,914	9,954	10,574	9,483	8,845	11,018	11,666	10,434
Withdrawn/File closed	6,342	7,665	5,472	7,002	6,816	6,479	6,951	7,096	10,113	12,133	11,794	12,364	16,765	18,120	15,242
Joint male-female applicants	**22,716**	**19,936**	**14,037**	**14,818**	**15,952**	**14,910**	**16,948**	**24,361**	**30,342**	**30,960**	**30,538**	**32,561**	**34,239**	**38,321**	**34,852**
Originated	14,374	12,582	8,974	9,238	10,193	9,326	10,817	16,923	20,502	20,799	20,273	22,052	22,464	25,860	22,558
Approved but not accepted	922	733	586	608	488	509	589	747	913	835	740	773	765	929	876
Denied	4,292	3,820	2,485	2,804	3,035	3,005	3,064	3,734	4,414	4,354	4,257	4,196	4,740	4,870	4,774
Withdrawn/File closed	3,128	2,801	1992	2168	2,236	2,070	2,478	2,957	4,513	4,972	5,268	5,540	6,270	6,662	6,644
Non Hispanic White Applicant															
Applications	**472,231**	**681,331**	**549,361**	**532,429**	**532,898**	**484,224**	**424,996**	**546,820**	**588,842**	**586,849**	**482,836**	**478,397**	**481,466**	**420,887**	**324,060**
Originated	351,099	521,020	408,976	392,704	395,370	351,022	308,853	421,832	447,981	439,804	359,678	362,099	359,785	314,444	231,982
Approved but not accepted	19,577	25,261	22,232	19,579	16,328	15,161	11,907	13,833	14,034	13,552	9,714	9,550	9,450	8,432	7,530
Denied	54,100	67,110	57,799	59,156	61,477	59,984	50,937	55,666	56,778	55,082	45,291	39,557	38,780	34,406	29,821
Withdrawn/File closed	47,455	67,940	60,354	60,990	59,723	58,057	53,299	55,489	70,049	78,411	68,153	67,191	73,451	63,605	54,727
Male applicants	**152,420**	**231,392**	**188,759**	**187,700**	**194,190**	**181,161**	**162,165**	**207,492**	**221,134**	**218,817**	**180,187**	**179,451**	**183,280**	**158,967**	**115,453**
Originated	108,703	172,455	137,022	134,873	140,757	128,975	116,002	157,639	166,047	161,752	132,972	134,616	136,261	117,925	81,473
Approved but not accepted	6,407	8,973	7,994	7,174	6,228	5,833	4,743	5,473	5,391	5,158	3,741	3,695	3,727	3,293	2,773
Denied	20,506	25,363	21,536	22,871	24,435	24,134	20,675	22,961	22,972	21,865	17,800	15,711	15,209	13,387	11,368
Withdrawn/File closed	16,804	24,601	22,207	22,782	22,770	22,219	20,745	21,419	26,724	30,042	25,674	25,429	28,083	24,362	19,839
Female applicants	**104,835**	**174,830**	**142,584**	**141,561**	**141,050**	**125,335**	**109,529**	**144,561**	**158,564**	**155,399**	**123,586**	**124,265**	**133,010**	**122,444**	**88,998**
Originated	76,780	133,603	105,330	103,677	104,078	90,249	79,199	110,578	119,372	114,758	90,537	92,532	98,354	90,343	62,756
Approved but not accepted	4,357	6,475	5,853	5,350	4,372	3,966	3,063	3,804	3,860	3,744	2,562	2,642	2,571	2,530	2,150
Denied	12,797	17,096	15,205	15,897	16,341	15,681	13,297	15,144	15,681	15,184	12,360	10,810	10,996	10,280	8,693
Withdrawn/File closed	10,901	17,656	16,196	16,637	16,259	15,439	13,970	15,035	19,651	21,713	18,127	18,281	21,089	19,291	15,399
Joint male-female applicants	**192,047**	**246,221**	**194,181**	**180,671**	**176,883**	**158,856**	**137,743**	**178,565**	**191,739**	**189,909**	**155,359**	**153,168**	**143,790**	**119,584**	**101,046**
Originated	148,835	194,019	149,447	138,000	135,657	118,479	102,783	141,516	149,892	146,855	119,269	119,228	109,929	91,871	74,896
Approved but not accepted	7,920	8,823	7,468	6,316	5,134	4,783	3,678	4,134	4,341	4,186	2,906	2,824	2,713	2,234	2,132
Denied	18,068	20,833	18,060	17,449	17,934	17,617	14,809	15,621	16,103	15,388	12,584	10,851	10,410	8,723	7,827
Withdrawn/File closed	17,224	22,546	19,206	18,906	18,158	17,977	16,473	17,294	21,403	23,480	20,600	20,265	20,738	16,756	16,191

Table 18. Distribution of denial reasons of first lien purchase loans of occupied 1-to-4 family homes, Female applicants 2022

	Black	White
Total	*23,041*	*34,009*
Debt-to-income ratio	9,164	12,025
Employment history	851	1,178
Credit history	4,230	5,194
Collateral	2,516	5,660
Insufficient cash	1,378	1,995
Unverifiable information	1,147	1,454
Credit application incomplete	2,071	3,582
Mortgage insurance denied	20	28
Other	1,664	2,893

Table 19. High-cost loans, purchase loans of occupied 1-to-4 family homes by year, gender and coapplicant status, Black and Non-Hispanic White applicants

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Black Applicant															
Total loans	**116,371**	**109,728**	**74,055**	**98,416**	**105,379**	**113,723**	**130,176**	**164,585**	**198,217**	**236,419**	**233,269**	**249,367**	**285,468**	**327,927**	**255,908**
High-cost	16,237	7,773	1,504	5,020	5,629	16,851	34,557	27,139	31,769	41,323	53,622	55,713	36,488	44,858	33,060
Male applicants	**36,463**	**36,302**	**25,421**	**35,440**	**37,623**	**42,863**	**48,683**	**58,393**	**70,038**	**87,460**	**84,590**	**90,228**	**102,834**	**112,017**	**88,958**
High-cost	5,385	2,422	485	1,631	1,827	5,827	11,614	8,898	10,347	13,551	16,975	17,587	11,652	12,765	9,845
Female applicants	**47,988**	**48,391**	**31,321**	**41,893**	**42,920**	**45,484**	**50,672**	**61,500**	**73,624**	**92,689**	**89,020**	**96,653**	**117,555**	**135,993**	**106,200**
High-cost	6,643	3,528	666	2,394	2,559	7,670	15,557	11,928	13,578	17,670	22,171	22,737	15,899	20,046	14,985
Joint male-female applicants	**27,711**	**21,964**	**14,899**	**18,470**	**21,688**	**22,978**	**27,995**	**40,664**	**49,438**	**49,788**	**50,382**	**53,928**	**55,845**	**67,173**	**60,750**
High-cost	3,437	1,498	306	821	1,005	2,882	6,396	5,533	6,793	8,574	11,582	12,669	7,296	9,781	8,230
Non Hispanic White Applicant															
Total loans	**1,277,775**	**1,313,583**	**1,037,184**	**1,201,921**	**1,420,633**	**1,649,943**	**1,689,184**	**1,917,607**	**2,061,488**	**2,375,851**	**2,236,728**	**2,260,266**	**2,432,039**	**2,445,167**	**1,848,300**
High-cost	93,982	58,188	13,606	39,762	42,065	105,197	166,307	124,224	133,628	157,493	183,608	187,052	110,892	111,314	96,912
Male applicants	**387,326**	**423,310**	**332,152**	**394,365**	**466,464**	**542,406**	**561,285**	**639,986**	**692,413**	**800,271**	**750,942**	**762,219**	**828,831**	**826,617**	**628,491**
High-cost	32,287	18,971	4,406	12,917	14,140	38,484	61,934	47,425	50,094	59,118	68,081	69,412	41,382	40,081	35,232
Female applicants	261,579	292,848	230,060	262,105	303,948	341,738	345,546	400,146	439,073	499,339	464,156	472,779	529,338	533,435	402,181
High-cost	19,652	12,200	3,182	9,027	9,531	25,865	41,691	32,397	34,949	39,924	44,890	45,291	27,971	28,856	25,120
Joint male-female applicants	**590,450**	**558,543**	**441,033**	**510,977**	**612,196**	**722,977**	**741,098**	**836,853**	**883,584**	**1,007,214**	**944,522**	**952,814**	**994,940**	**993,029**	**817,628**
High-cost	38,294	24,607	5,485	16,204	16,914	36,907	57,111	41,068	44,622	52,531	61,782	63,938	36,553	37,076	36,560

Table 20. Disposition of applications for first lien purchase loans of occupied 1-to-4 family homes, Millennials, Black and Non-Hispanic White applicants (2019-2022)

	Black Applicant				Non Hispanic White Applicant			
	2019.00	2020.00	2021.00	2022.00	2019.00	2020.00	2021.00	2022.00
Total Applications	***376,037***	***437,680***	***495,503***	***428,532***	***2,926,713***	***3,152,438***	***3,145,282***	***2,575,166***
Originated	249,367	285,468	327,927	268,597	2,260,266	2,432,039	2,445,167	1,928,597
Approved but not accepted	9,683	10,507	11,858	11,385	65,897	63,382	61,895	61,523
Denied	47,687	55,407	59,246	56,694	174,583	179,591	166,548	145,942
Withdrawn/File closed	69,300	86,298	96,472	91,856	425,967	477,426	471,672	439,104
Millennials	**108,816**	**139,634**	**132,292**	**106,849**	**1,128,497**	**1,283,159**	**1,023,894**	**845,335**
Originated	74,179	93,113	89,405	68,160	892,584	1,015,427	818,996	649,885
Approved but not accepted	2,614	3,048	3,009	2,728	22,582	22,510	17,639	17,671
Denied	12,633	16,533	14,954	13,275	60,414	65,637	46,068	40,899
Withdrawn/File closed	19,390	26,940	24,924	22,686	152,917	179,585	141,191	136,880

Table 21. Distribution of denial reasons of first lien purchase loans of occupied 1-to-4 family homes, Millennial applicants 2022

	Black	White
Total	*13,179*	*39,921*
Debt-to-income ratio	5,080	12,872
Employment history	639	1,758
Credit history	2,301	5,744
Collateral	1,476	6,658
Insufficient cash	785	2,499
Unverifiable information	654	1,703
Credit application incomplete	1,296	5,071
Mortgage insurance denied	14	28
Other	934	3,588

Table 22. Distribution of first lien purchase loans of occupied 1-to-4 family homes by selected applicant and loan characteristics, Millennials 2022

	Black	White
TOTAL LOAN ORIGINATIONS	*68,160*	*649,885*
Applicant income		
Less or equal to 50% of AMI	6,354	41,585
50% - 80% of AMI	22,211	157,177
80% - 120% of AMI	22,158	195,689
More than 120% of AMI	17,437	255,434
Loan type		
Nonconventional	38,109	161,069
Conventional	30,051	488,816
GSE/FHA		
GSE-purchased	13,075	240,089
FHA-insured	26,920	85,277
Loan cost		
High cost*	9,252	34,636
Property location		
Low-moderate income neighborhood	24,630	114,319
Higher income neighborhood	43,530	535,566
Majority minority neighborhood	37,893	91,100
Midwest	11,245	195,000
Northeast	7,479	104,369
South	44,223	244,535
West	5,202	105,646

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