

Changing Patterns XIV

Mortgage Lending to

Traditionally Underserved

Borrowers & Neighborhoods

in Boston, Greater Boston and

Massachusetts, 2006

BY

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MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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FOREWORD

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

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

MCBC's Mortgage Lending Committee, which includes bank and mortgage company lenders, home buyer counseling and foreclosure prevention agency representatives, public officials and consumer and housing advocates, oversees preparation of this report and works to identify other ways to expand homeownership opportunities for low- and moderate-income homebuyers and to sustain homeownership in low- and moderate-income neighborhoods. The Committee collaborates with the Massachusetts Housing Partnership Fund to track the performance of the SoftSecond™ Loan Program in an effort to identify ways that banks and community organizations can work together to avoid SoftSecond foreclosures. Since 2005, MCBC has served as a member of the Massachusetts Fair Lending Coordinating Committee

which is working to implement the recommendations for the Fair Lending Task Force. In 2007, MCBC actively participated in the development of recommendations by the Mortgage Summit Working Groups organized by the Division of Banks.

Over the last year and more, MCBC's Mortgage Lending Committee has sought to share information on efforts to address the rising rate of foreclosures. MCBC applauds Governor Deval Patrick, Attorney General Martha Coakley, Banking Commissioner Steven Antonakes and the state legislature on the important steps that they have taken to expand oversight and standards for mortgage lending across the state, steps that we believe will help to prevent future lending abuses. MCBC also commends MassHousing, the City of Boston, other municipalities and individual financial institutions in their efforts to assist homeowners currently in financial difficulty. The Committee will continue to share data and analyses, by MCBC and others, and anecdotal reports from foreclosure counselors and lenders to inform us about the rise in higher-cost mortgage lending and foreclosures.

MCBC will also continue to support mortgage lending and home buyer counseling programs that work. The SoftSecond Loan Program, now available statewide, has provided mortgage loans to over 10,000 income-qualified borrowers. In mid-2007, over seven percent of subprime loans in Massachusetts were in process of foreclosure. Among SoftSecond borrowers, who are required to attend home buyer counseling, the total actual foreclosure rate was less than four-tenths of one percent.

Clearly, this report on 2006 lending represents a transition period. None of the top five subprime lenders in Boston and statewide is still in the business of making subprime loans. During 2006, the loan shares of Massachusetts banks and credit unions increased slightly for the first time since MCBC began tracking lender performance. Some banks and credit unions have stepped up their marketing as "responsible" mortgage lenders. The impact that new federal and state regulations and lending standards will have on the availability of credit to low- and moderate-income homebuyers and homeowners is yet to be measured. Over the coming year, MCBC's Mortgage

Lending Committee will continue to monitor changes in the mortgage market and to encourage lenders, community advocates and others to work together to protect low- and moderate-income and minority home buyers, homeowners and neighborhoods.

Copies of this report and its supplementary tables are available at www.masscommunityandbanking.org. Other MCBC reports, including the *Massachusetts Fair Lending Task Force Report and Recommendations*, and *Expanding Homeownership Opportunity II: The*

SoftSecond Loan Program 1991–2006 are also available at this website, together with further information on MCBC's committees and programs.

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CONTENTS

Executive Summary	i
Introduction	1
I. The Overall Level of Higher-Cost Mortgage Lending	5
II. Lending by Borrower Race/Ethnicity and Income	6
III. Lending by Neighborhood Race/Ethnicity and Income	10
IV. Denials of Mortgage Loan Applications	12
V. Lending by Major Type of Lender	14
VI. The Biggest Lenders	16
VII. Additional Information.....	18
Map of Greater Boston	
Tables 1–2: The Overall Level of Higher-Cost Lending	
Tables 3–13: Lending by Borrower Race/Ethnicity and Income	
Tables 14–17: Lending by Neighborhood Race/Ethnicity and Income	
Tables 18–22: Denials of Mortgage Loan Applications	
Tables 23–27: Lending by Major Type of Lender	
Tables 28–31: The Biggest Lenders	
Appendix Tables 1–12	
Notes on Data and Methods	N-1

Note: Additional tables, providing the same information for all Massachusetts cities and towns that the tables in this report provide for the state’s thirty-three biggest cities, are available in the “Reports” section of the MCBC website: www.masscommunityandbanking.org.

EXECUTIVE SUMMARY

This is the fourteenth in the annual series of *Changing Patterns* reports prepared for the Massachusetts Community & Banking Council (MCBC) by the present author. This year's report, for the first time, includes the analysis of subprime lending that was previously presented in a separate annual series of *Borrowing Trouble* reports. The report presents information for the city of Boston, for Greater Boston, and for Massachusetts, as well as for each of the state's fourteen counties and each of its thirty-three largest cities and towns.

The analysis is based on federal Home Mortgage Disclosure Act (HMDA) data for 2006, as well as on data on population and income from the 2000 census and annual data on metropolitan area income levels from the Department of Housing and Urban Development. The report is restricted to first-lien loans for owner-occupied homes and gives particular attention to higher-cost loans, identified in HMDA data as having annual percentage rates (APRs) at least three percentage points higher than the current interest rate on long-term U.S. Treasury bonds; these loans are referred to in this report as high-APR loans, or HALs.

This "Executive Summary" highlights some of the most interesting findings presented in the following pages. A more inclusive summary is provided by the bold-faced portions of the thirty-two bullet points in the body of this report, and by the dozen charts and tables that are interspersed with the text. Readers interested in additional detail will want to investigate the forty-eight pages of tables that follow the body of the report; these may be particularly useful for those interested in lending patterns in a particular community or region of the state.

- ❖ There were over forty-thousand high-APR loans (HALs) in Massachusetts in 2006, accounting for about one-fifth of all home-purchase loans and one-quarter of all refinance loans the state. HALs accounted for much higher shares of total loans in Lawrence, Springfield, and Brockton (where HAL shares of home-purchase loans ranged from 43% to 56% and HAL shares of refinance loans ranged from 39% to 48%). Every city and town in Massachusetts received at least one HAL in 2006.
- ❖ Black and Latino borrowers were much more likely to get HALs than were whites. For home-purchase loans in Greater Boston, for example, the HAL loan shares were 49% for blacks and 48% for Latinos, but only 11% for whites. More than 60% of black home-buyers in Brockton and Worcester received HALs, as did more than 60% of Latino home-buyers in Lawrence and Framingham. For both blacks and Latinos, HAL shares exceeded 50% in fifteen of the state's thirty-three largest cities, while the HAL share for whites was always below one-third.
- ❖ When borrowers are grouped by both race/ethnicity and income level, the HAL loan shares for blacks and Latinos were always substantially higher than the HAL loan shares for whites in the same income category. Furthermore, the disparities in HAL loan shares tended to be greater at higher income levels. For example, for home-buyers in the Boston with incomes over \$165,000 (i.e., more than double the area's median family income), the HAL loan shares were 55% for blacks and 49% for Latinos, but only 7% for whites.
- ❖ High-APR loans (HALs) were *not* directed primarily toward low- and moderate-income borrowers (defined as borrowers whose incomes were no greater than 80% of the area's median family income). In fact, these borrowers received only 9% of all home-purchase HALs in Boston, 12% of all home-purchase HALs in Greater Boston, and 20% of all home-purchase HALs statewide.
- ❖ When the focus is shifted to the racial/ethnic composition and income level of neighborhoods, the data show that HAL loan shares were much greater in neighborhoods with lower income levels and higher percentages of minority residents. The report documents this finding for census tracts in Boston, Greater Boston, and statewide, but it may be most readily understood in terms of Boston's major neighborhoods. For home-purchase loans, HAL shares ranged from 54% in Mattapan and 49% in Roxbury to 3% in Charlestown and 2% in Fenway/Kenmore.

- ❖ Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others. For example, just nine cities accounted for over two-thirds (68%) of total loans to blacks in Massachusetts, although they accounted for less than one-sixth (16%) of the state's total loans to whites. At the same time, blacks received no home-purchase loans in 148 of the state's 351 cities and towns, and only a single loan in 57 more communities.
- ❖ Prime lenders denied home-purchase loan applications by blacks and Latinos about two and one-half times as often as they denied applications by whites; this was true in Boston, Greater Boston, and statewide. In Greater Boston, for example, denial rates were 19% for blacks, 17% for Latinos, and 7% for whites. These denial rate disparities cannot be explained by the lower incomes of blacks and Latinos; when applicants are grouped into income categories, the denial rates for blacks and Latinos are always well above the denial rate for whites in the same income category. Subprime lenders generally had higher denial rates than prime lenders, but they were only moderately more likely to deny black and Latino applicants than they were to deny whites.
- ❖ Another perspective on the differential outcomes experienced by black, Latino, and white loan applicants is provided by examining what percentage of applications to all lenders (prime and subprime combined) resulted in prime loans (i.e., non-HAL loans). In Greater Boston, 67% of white applicants for a home-purchase loan ended up receiving a prime loan, compared to just 26% of black applicants and 29% of Latino applicants.
- ❖ Both in Boston and statewide, the market shares of Massachusetts banks and credit unions increased in 2006 for the first time since these reports began tracking them, rising from 20% to 22% in Boston and from 24% to 26% statewide. Nevertheless, lenders whose Boston lending is not covered by the federal and/or state Community Reinvestment Act (CRA) continued to account for about three-quarters of all home-purchase loans (78% in Boston and 74% statewide).
- ❖ Licensed mortgage lenders (LMLs—these are mainly mortgage companies not related to banks) had by far the largest market share among the three major types of lenders. For example, in Greater Boston, LMLs accounted for 50% of all mortgage loans, and for 70% of high-APR loans (HALs). Massachusetts banks and credit unions accounted for 20% of all loans, but for only 1% of all HALs, while other lenders accounted for the remaining 29% of both total lending and HALs. Nearly one-third (32%) of all loans by LML lenders in Massachusetts were HALs, far greater than the 1.6% of all loans by CRA-covered lenders (Massachusetts banks and credit unions) that were HALs. HALs made up about one-fifth (21%) of all loans by other lenders.
- ❖ Massachusetts banks and credit unions (lenders whose local lending was covered by the CRA) directed a substantially greater share of their total loans as prime loans—and a substantially smaller share of their total loans as HALs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did lenders not covered by the CRA. For home-purchase loans in Boston, for example, prime loans to black borrowers made up 14% of all loans made by CRA-covered lenders, but only 5% of all loans by LMLs and 4% of all loans by other lenders. At the same time, HAL loans to black borrowers made up just 0.1% of all loans made by CRA-covered lenders, while making up 10% of all loans by LMLs and 11% of all loans by other lenders. (This same pattern holds for loans to Latino borrowers.)
- ❖ H&R Block/Option One was the state's biggest subprime lender, with 4,080 HALs statewide in 2006. New Century, Countrywide, Fremont, and WMC/GE rounded out the top five, each with over three thousand HALs in the state. These same five lenders were also the biggest HAL lenders in Boston. These five lenders accounted for 42% of the total HALs statewide, and for 45% of the total HALs in Boston. None of these top five subprime lenders is still in the business of making subprime loans.

- ❖ Only one of the top eight overall lenders in the state, and only four of the top thirty, were covered by the CRA for their Massachusetts lending, and none of the twelve biggest HAL lenders in the state were covered by the CRA. In contrast, four of the top eight overall lenders, and six of the top HAL lenders, were licensed mortgage lenders (LMLs). One section of “An Act Protecting and Preserving Homeownership” (Chapter 206 of the Acts of 2007), signed into law by Governor Patrick in November, imposes CRA-type obligations on LMLs.
- ❖ The six large lenders that made substantial numbers of both prime loans and HALs tended to provide HALs to a considerably larger share of their black and Latino borrowers than of their white borrowers. For example, the black/white disparity ratios were 2.0 at Countrywide (36% vs. 18%), 3.3 at Wells Fargo (47% vs. 15%), and 3.9 at Washington Mutual/Long Beach (53% vs. 13%). The Latino/white disparity ratios at these same three lenders were 1.8, 2.1, and 3.1, respectively.
- ❖ A borrower in Greater Boston who received a thirty-year fixed-rate loan of \$325,000 (which was the average size HAL loan in Greater Boston in 2006), and whose interest rate was 10.44% (the estimated median APR on HALs in Massachusetts in 2006), would face monthly payments of interest and principal more than \$900 greater than if he or she had received the same loan at an interest rate of 6.5% (a typical APR for prime loans in 2006).

INTRODUCTION

This report is the fourteenth in an annual series of studies that was initiated by *Changing Patterns: Mortgage Lending in Boston, 1990–1993*. This year, for the first time, the report incorporates the analysis of subprime lending previously presented in a companion series begun eight years ago with *Borrowing Trouble? Subprime Mortgage Lending in Greater Boston, 1999*.

Geographic coverage of these reports, initially limited to the City of Boston, has expanded to include information on lending in Boston, Greater Boston, and Massachusetts, as well as in the state's fourteen counties and in its thirty-three largest cities and towns. In addition, a set of on-line tables provides selected data for every Massachusetts municipality.

The series is aptly named: mortgage lending since 1990 has indeed been characterized by “changing patterns.” In the early 1990s, Massachusetts banks, responding to community and regulatory pressures to fulfill their obligations under the state and/or federal Community Reinvestment Act (CRA), greatly increased their lending to the lower-income and minority borrowers and neighborhoods that had previously been underserved. Since then, however, these banks have lost most of their total market share to other lenders whose local lending is not covered by the CRA. In the middle 1990s, subprime lending began its explosive growth. Although subprime loans initially consisted overwhelmingly of loans to refinance existing mortgages, by 2003 they had become a larger share of home-purchase loans than of refinance loans. And all this was before the dramatic changes associated with the boom-and-bust developments in mortgage lending beginning around 2005.

This report offers a snapshot of lending patterns during 2006, when the housing bubble was still expanding and the flood of subprime and “nontraditional” mortgage products was at its peak.

(These products were seen as merely “exotic” by some, but were regarded as “toxic” by others¹). In the wake of the collapse of the subprime mortgage industry during the past year, lending patterns for 2007 and 2008 are certain to be very different from those documented in this report.

The basic goal which motivated the Massachusetts Community & Banking Council (MCBC) to initiate the *Changing Patterns* series of reports was increasing access to home-purchase mortgage loans—and, thus, access to homeownership—for traditionally underserved borrowers and neighborhoods. In the early 1990s, mortgages themselves were a relatively standard product, which potential home-buyers either got or didn't get. With the growth of subprime lending, however, a very different concern became increasingly important: the proliferation of higher-cost mortgage loans to the same borrowers and in the same neighborhoods that had traditionally been underserved. In short, concern shifted to include not only *fair access to credit* but also *access to fair credit*.² Expressed differently, the problem of *redlining* has recently been overshadowed by concern with *reverse redlining*, whereby areas that previously had difficulty getting any mortgage loans at all are now specifically targeted for high-cost mortgage loans.

The *Borrowing Trouble* series was originally motivated by concern with predatory lending³—loans characterized by egregiously high interest rates and fees, unconscionable features, and/or highly deceptive sales practices, often aimed at stripping away the accumulated equity of vulnerable home owners, and too often resulting in borrowers losing their homes. However, available data do not make it possible to identify loans that are predatory. Instead, Home Mortgage Disclosure Act (HMDA) data, the only detailed data that include the race/ethnicity and income of borrowers, provide limited information on loan pricing (described below) that indicates whether

¹ See, for example, Allen J. Fishbein and Patrick Woodall, “Exotic or Toxic? An Examination of the Non-Traditional Mortgage Market for Consumers and Lenders,” www.consumerfed.org/pdfs/Exotic_Toxic_Mortgage_Report0506.pdf, Consumer Federation of America, May 2006.

² This shift is discussed in “From Fair Access to Credit to Access to Fair Credit,” Chapter 5 of Dan Immergluck, *Credit to the Community: Community Reinvestment and Fair Lending Policy in the United States* (M.E. Sharpe, 2004).

³ Although this report's use of the word “predatory” has negative connotations, not everyone agrees with this usage. For example, www.predatorylendingassociation.com, a highly-recommended website that does for the payday lending industry what *The Colbert Report* does for conservative talk show hosts, states on its home page: “We are embracing the term predator, which connotes strength and opportunity. After all, the American Eagle is a predator.”

or not a loan is likely to be a subprime loan. To determine that an individual loan is predatory would require information on fees and loan terms (such as the existence of prepayment penalties or single premium credit insurance), lender behavior, and borrower circumstances that is not publicly available.

Responsible subprime lending can provide a useful service. Lenders can do this by making credit available to borrowers otherwise unable to obtain it, while charging somewhat higher interest rates and fees that bear a reasonable relationship to the increased expenses and risks borne by the lender. There are, however, good reasons to believe that most subprime lending has not satisfied this definition of responsibility. To a great extent, this is because of the prevalence of “opportunity pricing” in the subprime mortgage market.

Whereas the prime mortgage market continues to resemble the market for major appliances—where retailers sell refrigerators at the same advertised price to all customers—the subprime mortgage market is more like the market for used automobiles. Here the selling price and other charges often are negotiated individually with each customer and salespeople often have financial incentives to obtain the highest price possible. Many (probably most) borrowers from subprime lenders pay more than they would have if they had obtained the best loan for which they were qualified. Of particular concern is the fact that the likelihood of being overcharged for a mortgage loan is much greater for borrowers of color.⁴

There is no single, simple way to characterize the impact of receiving a subprime loan. The consequences may differ dramatically, depending on the characteristics of both the borrower and the loan. In this regard, it is useful to divide borrowers who have received subprime loans into three broad categories,

characterized in terms of their likely ability to make their monthly mortgage payments: (1) borrowers who could have qualified for a prime loan, (2) borrowers who received loans that they had no realistic prospect of being able to repay, and (3) borrowers not qualified for prime loans, but likely to be able to repay their subprime loans; this third category may be subdivided into (a) borrowers who received subprime loans that were over-priced and (b) borrowers who received subprime loans with pricing that fairly reflected the additional risks and costs they imposed on their lenders.

I know of no persuasive attempts to quantify the distribution of subprime loan recipients among these various groups. Nevertheless, there is considerable evidence that many borrowers have been given loans that they had no realistic ability to repay, that many borrowers qualified for prime loans received subprime loans instead, and that many other borrowers received over-priced subprime loans. There is also considerable evidence that foreclosure rates tend to be high in the same communities in which rates of subprime lending have been high.⁵

The primary data source for this report is the Home Mortgage Disclosure Act (HMDA) data released annually by the Federal Financial Institutions Examination Council. HMDA data include information from almost all lenders who make substantial numbers of mortgage loans. For each loan application received, the data include the income, race, ethnicity, and sex of the applicant; the location of the property; whether the loan is for home-purchase, refinance, or home improvement; whether the loan is secured by a first lien or a junior lien on the property; and whether or not the loan is for an owner-occupied home. Beginning with 2004 loans, HMDA data also include limited information on the pricing of some higher-cost loans. In particular, lenders are required to compare the **annual percentage rate (APR)** on each mortgage loan

⁴ An excellent entry point to the large and rapidly growing literature on subprime lending is the special issue of *Housing Policy Debate* on “Market Failures and Predatory Lending” (Fall 2004; Vol. 15, No. 3). Alan White’s article in this issue on “Risk-Based Mortgage Pricing” (pp. 503–31) makes a persuasive case for the pervasiveness of “opportunity-pricing” (as opposed to “efficiency pricing,” where prices are closely related to risks) in subprime mortgage lending. The entire issue is available at: www.fanniemae.foundation.org/programs/hpd/v15i3-index.shtml. For a comprehensive survey of the “overpricing” of home loans, and the methods by which this is accomplished, see Lauren E. Willis, “Decision-making and the Limits of Disclosure: The Problem of Predatory Lending: Price,” (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=927756; printed in *Maryland Law Review*, Vol. 65, No. 3, 2006, pp. 707–840). For a classic article that documents the differential impact on minority and female shoppers of opportunity pricing in the automobile market, see: Ian Ayres, “Fair Driving: Gender and Race Discrimination in Retail Car Negotiations,” *Harvard Law Review*, Vol. 104, No. 4, February 1991 (pp. 817–72).

⁵ For example, Ricardo Borgos, Prabal Chakrabarti, and Julia Reade found, for Massachusetts cities and towns, not only that “the correlation between higher-cost lending and foreclosure rates is strong,” but also that “higher foreclosure rates were more closely associated with higher-cost lending than with high rates of poverty.” (*Understanding Foreclosure Rates in Massachusetts*, Community Affairs Discussion Paper 07-1, Federal Reserve Bank of Boston, March 2007, page 7).

to the current interest rate on U.S. Treasury securities of the same maturity. If the “spread” between the loan’s APR and the interest rate on the corresponding Treasury security is three percentage points or more for a first-lien loan (five percentage points or more for a junior-lien loan), then the spread for that loan must be reported in the lender’s HMDA data. **In this report, loans with reported rate spreads are referred to as “high-APR loans” or “HALs.”**

The primary focus of many of this report’s tables and charts is to provide information on HALs as a share of all loans made to different categories of borrowers and in different geographical areas. To this end, the report draws on two major sources of data in addition to HMDA data. First, the estimates of the 2006 median family income (MFI) in each metropolitan area produced by the U.S. Department of Housing and Urban Development (HUD) are used to place borrowers into income categories. Second, information from the 2000 U.S. Census is utilized so that analysis of HAL lending patterns in terms of the income level and race of the *borrowers* who receive the loans can be supplemented by analysis of patterns in terms of the income level and percentage of minority households in the *geographic areas* where the loans were made. The “Notes on Data and Methods” at the end of the report provide details on the definitions and sources of the data used and on how the data were processed in preparing the report’s tables and charts.

The analysis in this report is limited to first-lien loans for owner-occupied homes, both home-purchase loans and refinance loans. That is, it excludes (1) second mortgages and other junior-lien loans,⁶ and (2) loans for homes that borrowers will not be occupying as a principal residence. Appendix Table 1 provides information on the percentages of HAL loans—overall

and by the race/ethnicity of borrowers—for both first-lien and junior-lien loans. Appendix Table 2 provides detailed data on the numbers and percentages of different types of loans in Massachusetts. It shows that first-lien loans for owner-occupied homes accounted for 70.1% of all loans in the state, that junior-lien loans accounted for 22.7% of the total, and that first-lien loans for non-owner-occupied housing accounted for the remaining 7.2%.⁷

The primary goal of this report, like its predecessors, is to contribute to improving the performance of mortgage lenders in meeting the needs of traditionally underserved borrowers and neighborhoods by presenting a careful *description* of what has happened that all interested parties—community groups, consumer advocates, banks and other lenders, regulators, and policy-makers—can agree is fair and accurate. This series reports offers neither *explanations* of why the observed trends have occurred nor *evaluations* of how well lenders have performed. Rather, its descriptive contributions are intended to be important annual inputs into the complex, ongoing tasks of explanation and evaluation.

For many readers, this report’s main contribution will consist of the wealth of information contained in its forty-eight pages of tables, especially data about individual municipalities or counties of particular interest.⁸ No attempt is made to summarize all of this information in the pages that follow.

For those seeking an overview, however, the following pages of text, charts, and simple tables attempt to highlight some of the most significant findings that emerge from an analysis of the data for Boston, Greater Boston, and Massachusetts, with limited attention to other areas. (In this report, *Greater Boston* is defined as

⁶ Junior-lien home-purchase loans—sometimes referred to as “piggyback loans”—became very common in recent years as borrowers sought to avoid the cost of private mortgage insurance, which is generally required when the loan amount is greater than 80% of the value of the home being purchased. Thus, borrowers receive a first-lien loan for 80% of the value of the home and a second, junior-lien mortgage for the additional amount being borrowed (20% of the home’s value in the case of a zero-down-payment loan). Restricting this report’s analysis to first-lien loans avoids double-counting home-buyers who obtained piggy-back second mortgages.

⁷ Some analysts restrict their coverage to conventional loans (i.e., they exclude government-backed [VA and FHA] loans) and/or to site-built homes (i.e., they exclude loans for manufactured homes). However, the numbers of such loans in Massachusetts are so small that their impact on the analysis is negligible. Government-backed loans accounted for only 1.0% of total loans and loans for manufactured homes made up just 0.3% of the total.

⁸ Additional tables, available in the reports section of the website of the Massachusetts Community & Banking Council (www.masscommunityandbanking.org) provide **information on mortgage lending in all of the cities and towns in Massachusetts**. The format of the seven on-line tables is the same as the corresponding tables in this report that provide information for the state’s 33 largest cities and towns (Tables 2, 6A, 6B, 7A, 7B, 19A, and 19B). It should be noted that these on-line tables do not provide individual data for all 351 of the state’s cities and towns; this is because census tracts are the smallest geographic units for which HMDA data are reported, and 69 towns in Massachusetts are too small to have even one census tract of their own. In these cases, information is reported for the set of towns that share a single tract (for example, Truro and Wellfleet in Barnstable County).

consisting of the 101 cities and towns in the Metropolitan Area Planning Council [MAPC] region.⁹)

The remaining sections of the report are organized as follows:

- ❖ Part I presents information on the overall level of high-APR mortgage lending.
- ❖ Part II analyzes patterns of high-APR mortgage lending to borrowers grouped by race/ethnicity and by income level.
- ❖ Part III examines patterns of high-APR mortgage lending in neighborhoods. The analysis looks at census tracts grouped by income level and by percentage of minority households, as well as at Boston's major neighborhoods.
- ❖ Part IV summarizes data on denial rates, highlighting both racial/ethnic disparities and the differences in the denial patterns of prime and subprime lenders.
- ❖ Part V focuses on the relative importance and differential patterns of lending by three major types of mortgage lenders.
- ❖ Part VI presents information on the biggest lenders—both overall and for high-APR loans—both in Boston and statewide.
- ❖ Part VII offers information on a few matters not covered elsewhere: the magnitude of the substantial costs imposed on borrowers who obtain HALs rather than prime loans; the differences in median rate spreads of HALs obtained by black, Latino, and white borrowers; the limits of currently available HMDA data; and the recently enacted legislation that imposes CRA-type obligations on the lenders who have been responsible for the bulk of the state's high-APR loans.
- ❖ Finally, a section of “Notes on Data and Methods” provides considerable detail on a number of technical matters.

⁹ More information on the MAPC region and on the MAPC itself—a regional planning agency established by the state in 1963—is available at www.mapc.org. Another widely used definition of “Greater Boston” is the Boston Metropolitan Statistical Area (MSA), the Massachusetts portion of which is currently defined by the federal government to include the 147 communities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. A map of the MAPC region and the Boston MSA precedes Table 1.

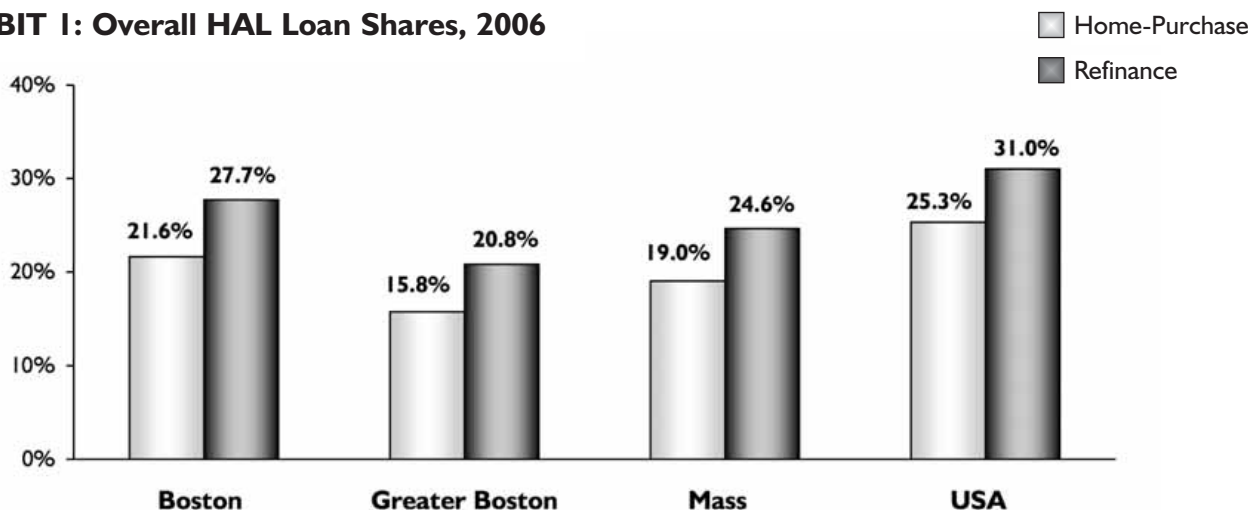
I. THE OVERALL LEVEL OF HIGHER-COST MORTGAGE LENDING

Before examining the distribution of high-APR loans (HALs) among different categories of borrowers and neighborhoods, this brief section reports on how large a share of total mortgage lending was accounted for by these loans. The findings presented in the bullet points and chart below are based on detailed tables that follow the text of this report. Table 1 provides information on mortgage lending in the city of Boston, in the Greater Boston area, in Massachusetts, and in each of the state's fourteen counties. Table 2 provides the same information for each of the state's 33 biggest cities and towns. For each geographical area, the tables provide information on the number of mortgage loans, the number of high-APR loans (HALs), and the percentage of all loans that are HALs; this information is provided separately for home-purchase loans and refinance loans. Among the main findings that emerge from analysis of these tables are the following:

- ❖ **In Massachusetts in 2006, one out of every five home-purchase loans (19.0%) and one out of every four refinance loans (24.6%) was a high-APR loan. Both percentages were somewhat higher in the city of Boston, and somewhat lower in Greater Boston.**¹⁰ (See Exhibit 1 and Table 1.)

- ❖ **There were over forty thousand high-APR loans (HALs) in Massachusetts in 2006—14,639 loans to finance home purchases and 25,534 refinance loans.** Borrowers in Greater Boston received almost fifteen thousand HALs (5,788 home-purchase plus 9,061 refinance). In the city of Boston, there were 3,361 HALs (1,522 home-purchase plus 1,839 refinance). (Table 1)
- ❖ **High-APR loans accounted for a smaller percentage of loans in Massachusetts than they did nationwide.** Both for home-purchase loans and for refinance loans, the HAL loan share in the state was about six percentage points lower than it was in the nation (19.0% vs. 25.3% for home-purchase loans; 24.6% vs. 31.0% for refinance loans.)¹¹
- ❖ **Among the state's thirty-three biggest cities¹², HAL loan shares were highest in Lawrence** (where they accounted for 55.5% of all home-purchase loans and 42.9% of all refinance loans), **Springfield** (43.0% and 48.4%), **and Brockton** (49.6% and 39.1%). Among these thirty-three cities, Lawrence has by far the highest percentage of Latino

EXHIBIT I: Overall HAL Loan Shares, 2006



Source: Table 1

¹⁰ Appendix Table 3 provides data on the overall level of high-APR lending in Boston, Greater Boston, and Massachusetts annually for 2004–2006. Although the way that HALs are defined makes it difficult to interpret changes in the overall percentage of HALs from year to year, it is noteworthy that HAL shares were greater for refinance loans than for home-purchase loans in 2006, a change from 2005 when HAL shares were greater for home-purchase loans.

¹¹ Nationwide HAL shares are reported in Robert Avery, Kenneth Brevoort, and Glenn Canner, “The 2006 HMDA Data,” *Federal Reserve Bulletin*, December 2007, Table 4. These percentages are for first-lien, conventional loans on owner-occupied site-built homes. Although the Massachusetts percentages include government-backed loans and loans for manufactured homes, these together constitute only 1.3% of total loans in the state.

¹² Although five of the state's thirty-three largest municipalities, as listed in Table 2, are officially towns, the municipalities will be referred to collectively as “cities” throughout this report. The five towns are: Arlington, Brookline, Framingham, Plymouth, and Weymouth. The smallest city or town among the biggest thirty-three is Westfield, with a population of 40,072.

households, and Springfield and Brockton have the second and third highest percentages of black households. (Table 2)

- ❖ **Every city and town in Massachusetts¹³ received at least one high-APR loan (HAL).** In fact, with the exception of four towns (all in Berkshire County) that did not receive a home-purchase HAL, every

municipality in the state received both at least one home-purchase HAL and at least one refinance HAL. Weston, which has the highest median family income (MFI) of any community in the state (\$181,041, according to the 2000 Census), received sixteen HALs. The towns with the second highest MFI's, Dover and Carlisle, each received six HALs. (Supplemental Table 1, available online)

II. LENDING BY BORROWER RACE/ETHNICITY AND INCOME

In all areas of Massachusetts, high-APR loans (HALs) went disproportionately to black and Latino borrowers. This pattern can be seen from two different perspectives. On the one hand, HALs made up much larger shares of all loans to black and Latino borrowers than they did of all loans to white borrowers. On the other hand, blacks and Latinos received much larger shares of total HALs than they received of total prime loans (a term we use here as equivalent to “non-HAL loans”). However, the patterns that emerge when borrowers are grouped by income level are different from what might be expected: relatively *few* high-APR loans (HALs) went to borrowers at lower income levels.¹⁴ When lenders are classified by both race and income, the disparities between black and Latino borrowers and white borrowers tend to be *greater* at higher income levels.¹⁵

- ❖ Black and Latino borrowers in Boston, in Greater Boston, and statewide were much more likely to receive HALs than were their white or Asian counterparts. **Among homebuyers in Greater Boston, for example, the HAL loan shares were 48.9% for blacks and 48.3% for Latinos, but only**

10.8% for whites. Accordingly, the black/white and Latino/white disparity ratios were both 4.5; that is, both blacks and Latino homebuyers in Greater Boston were 4.5 times more likely to get a HAL loan than were their white counterparts. For *refinance loans* in Greater Boston, HALs accounted for 38.2% of loans to blacks and 36.3% of loans to Latinos, but only 16.8% of loans to whites, for a black/white disparity ratio of 2.3 and a Latino/white disparity ratio of 2.2. HALs also accounted for approximately half of all loans to black and Latino home buyers in the City of Boston and statewide. HAL loan shares were consistently lower for Asian borrowers than for whites. (Exhibit 2 & Table 3)

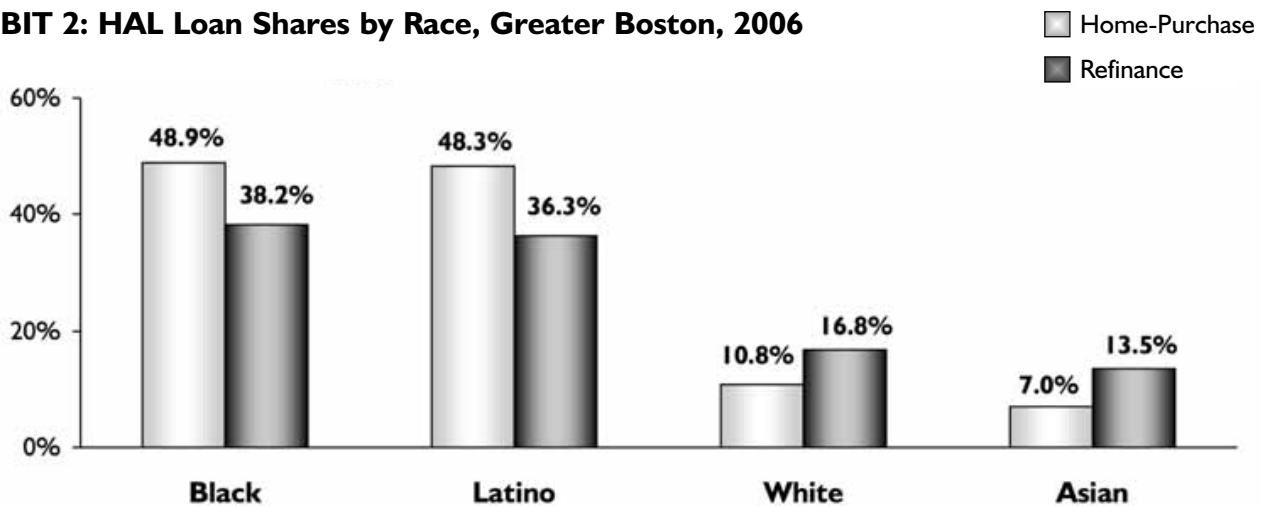
- ❖ **In fifteen of the state's 33 biggest cities, half or more of all home-purchase loans to black borrowers were HAL's, with the HAL loan shares being highest in Brockton (60.9%) and Worcester (60.7%). The HAL loan shares for Latino homebuyers also exceeded 50% in fifteen cities, and were greater than sixty percent in Lawrence**

¹³ More precisely, this should say “every city and town in Massachusetts that consists of at least one entire census tract, plus every multi-town census tract.” Of the 351 cities and towns in the state, only 283 are large enough to have at least one census tract entirely to themselves. The other 68 towns share a total of 23 census tracts, with the number of towns sharing a single census tract ranging from two to six. Census tracts are the smallest geographical area for which HMDA data are available, so it is impossible to determine which towns received the loans made in these 23 census tracts.

¹⁴ HMDA data include, to the nearest thousand dollars, the income that the lender relied upon in deciding whether or not to make the loan. In recent years, including 2006, HMDA data overstate the actual incomes of many borrowers and, therefore, result in some of these borrowers being placed into higher income categories than they should be. This was made possible by very high numbers of “stated income” loans (i.e., loans where lenders did not attempt to verify the incomes stated by borrowers). A *New York Times* article indicated the extent of this problem by citing two studies: “An April 2006 report by the Mortgage Asset Research Institute...analyzed 100 loans in which borrowers merely stated their incomes, and then looked at documents those borrowers had filed with the I.R.S....[I]n almost 60 percent of cases, borrowers inflated their income by more than half. A Deutsche Bank report said [stated income] loans accounted for 40 percent of the subprime mortgage issuance last year.” (Gretchen Morgenson, “Crisis Looms in Market for Mortgages,” March 11, 2007, Sunday Business Section). It has been widely reported that in many cases incomes were misrepresented by loan originators, without the awareness of the borrowers themselves. I know of no way to estimate the quantitative impact of this development on the classification of borrowers into income categories using HMDA data. Nor do I know of any way to determine whether (and, if so, to what extent) income overstatements differed among black, Latino, and white borrowers.

¹⁵ Appendix Table 4 and the accompanying Chart A-4 provide information on the shares of all home-purchase loans (not just HALs) that have gone to borrowers of different races/ethnicities in Boston since 1990. In addition, information on the share of all loans (not just HALs) that went to borrowers at various income levels is presented in the bottom half of Table 8, and information on the number and percentage of all loans that went to low- and moderate-income borrowers is presented in Appendix Tables 5 and 6. Appendix Table 7 and Chart A-7 update the table and chart from previous *Changing Patterns* reports that track the number and percentage of loans to borrowers at different income levels in the city of Boston since 1990. This information is provided for readers who may be interested; none of it is discussed in the text of this report.

EXHIBIT 2: HAL Loan Shares by Race, Greater Boston, 2006



Source: Table 3

(61.4%) and Framingham (61.0%).¹⁶ The HAL loan share for whites was always below one-third; it was greatest in Lawrence (32.9%). In addition, blacks and Latinos were disproportionately more likely to get HAL loans in every county where they received enough loans to make percentages useful indicators. (Table 6A and Table 4)

- ❖ The dramatic racial/ethnic disparities in high-cost mortgage lending can be illuminated from a different perspective by noting that **while black homebuyers in Greater Boston received just 3.5% of all prime (i.e., non-HAL) loans in 2006, their share of all HAL loans was five times greater—17.8%. Similarly, while Latino homebuyers**

received only 4.4% of all prime loans in Greater Boston, their share of all HAL loans was also five times greater—21.7%. (Table 3, Panel I.A)

- ❖ **The general pattern of black and Latinos having substantially larger shares of HALs than of prime loans was present throughout the state’s counties and largest cities, for both home-purchase and refinance loans. (Tables 5, 7A, & 7B) Exhibit 3 provides the data for the state’s ten largest cities.**
- ❖ When borrowers in Boston, Greater Boston, and Massachusetts are grouped into five income categories, **middle-income and high-income borrowers (those with incomes between 80% and**

EXHIBIT 3: Black and Latino Homebuyer Shares of All Loans, Ten Biggest Cities in Massachusetts, 2006

	Black share of total		Latino share of total	
	non-HALs	HALs	non-HALs	HALs
Boston	8.7%	36.3%	5.9%	17.4%
Worcester	8.6%	26.4%	9.9%	17.7%
Springfield	16.5%	22.9%	23.3%	38.3%
Lowell	6.1%	15.4%	9.1%	17.1%
Cambridge	3.6%	13.3%	2.2%	4.4%
Brockton	35.0%	55.4%	8.0%	11.2%
New Bedford	5.2%	13.4%	7.9%	13.4%
Fall River	2.4%	7.4%	2.6%	7.4%
Lynn	7.5%	13.2%	20.8%	44.7%
Quincy	3.2%	13.3%	3.3%	9.3%

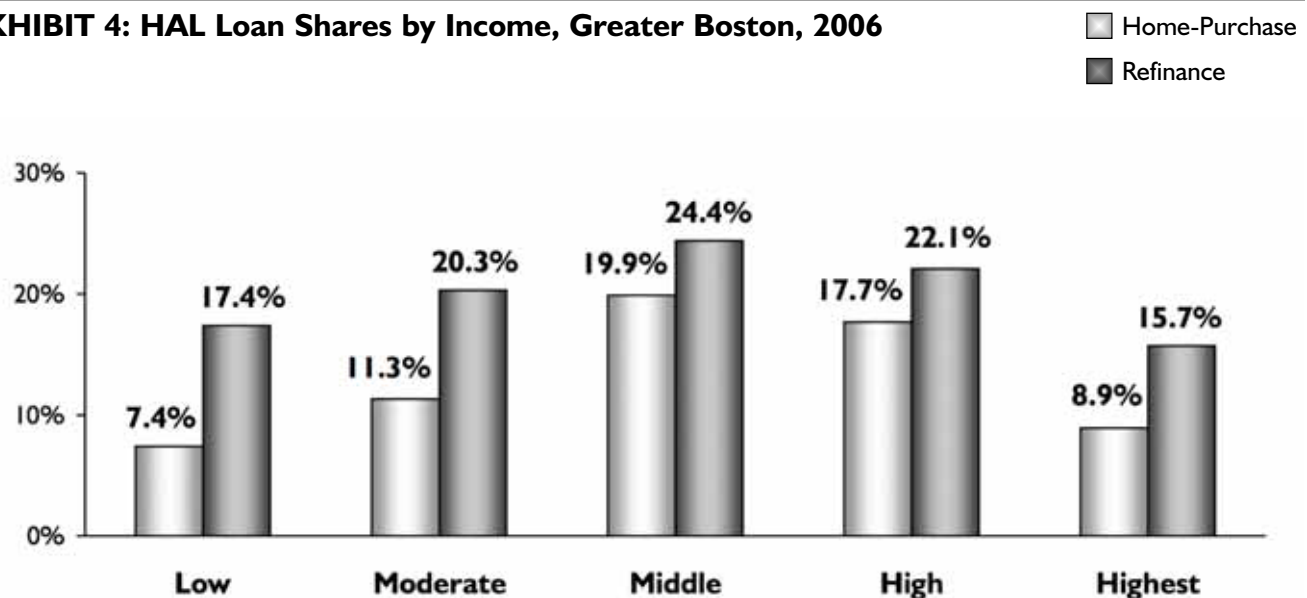
Source: Table 7A

¹⁶ The HAL loan shares of Latinos were even greater in Barnstable (71.4%), Plymouth (also 71.4%) and Peabody (66.7%), although there were less than 100 loans to Latinos in these three towns combined.

200% of the median income in their metropolitan area) had *higher* HAL loan shares than low-income and moderate-income borrowers (those with incomes below 80% of the median in their area). HAL loan shares were usually—but not always—lowest for borrowers in the highest income category (those with more than double the median income in their area). This general pattern held in Boston, in Greater Boston, and in Massachusetts as a whole. For example, for home-purchase loans in Greater Boston, the HAL loan share was greatest for middle-income borrowers (19.9%) and next greatest for high-income borrowers (17.7%), while the HAL loan shares of low-income, moderate-income, and highest-income borrowers were all substantially smaller (7.4%, 11.3%, and 8.9%). The median family income in the Boston MSA in 2006 was \$82,000, so low- and moderate income borrowers were those with reported incomes up to \$65,000; middle- and high-income borrowers were those with incomes between \$66,000 and \$164,000; and highest-income borrowers had incomes of \$165,000 or more. (Table 8 and Exhibit 4)¹⁷

- ❖ When borrowers are grouped into just two income categories, there is **further evidence that high-APR loans in 2006 were *not* disproportionately directed toward lower-income borrowers: the HAL loan shares of low- and moderate-income borrowers (those with incomes less than 80% of the median income in their metropolitan area) were generally smaller than the HAL loan shares of middle- and high-income borrowers (those with incomes ranging from 80% to 200% of their area’s median).** For example, this was true for home-purchase loans in 11 of 14 counties and in 28 of the 33 biggest cities. (Tables 9 and 10 provide this information not only for Boston, Greater Boston, and the state as a whole, but also for each of the state’s fourteen counties and its 33 largest cities. Borrowers in the highest-income category are excluded from these two tables.)
- ❖ Looking at the *numbers* of loans to borrowers at different income levels provides even stronger evidence that high-APR loans are not directed primarily to lower-income borrowers. For home-purchase loans, for example, **low- and moderate-**

EXHIBIT 4: HAL Loan Shares by Income, Greater Boston, 2006



Source: Table 8

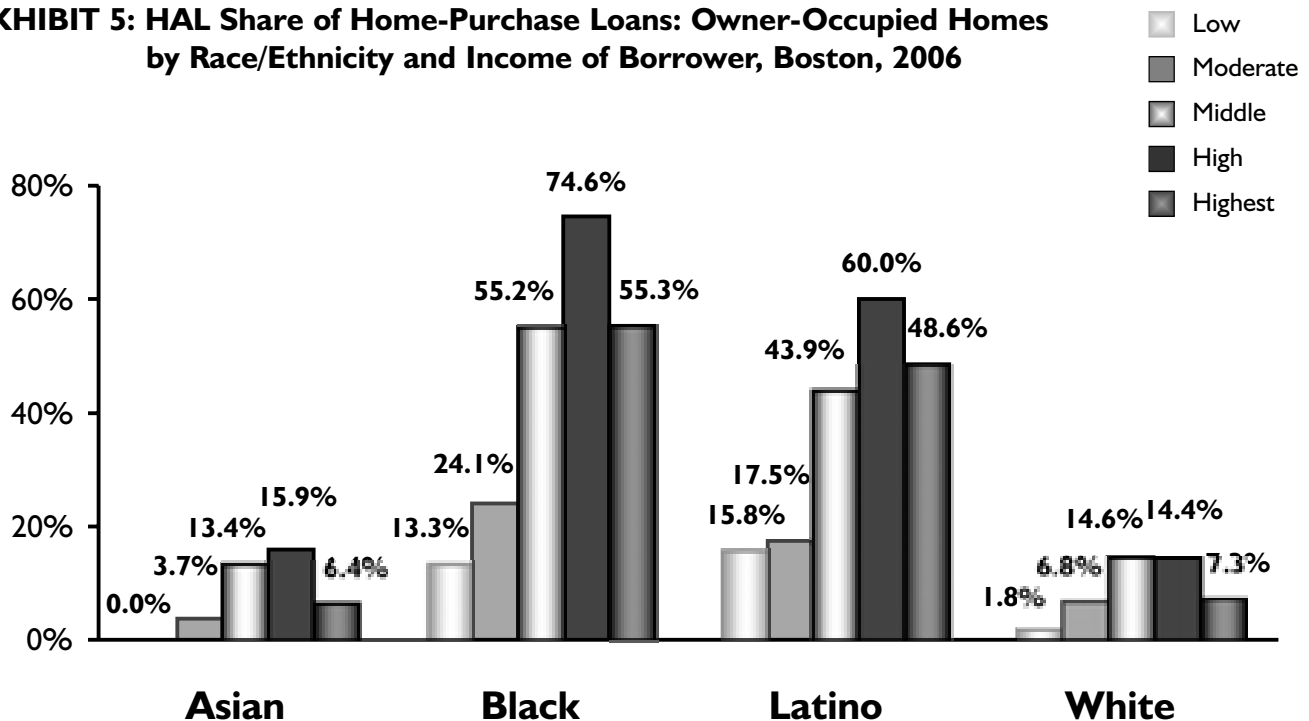
¹⁷ Following standard practice in mortgage lending studies, these income categories are defined in relationship to the median family income (MFI) in the metropolitan area in which the home is located. Standard practice is to divide borrowers into four income categories: less than 50% of the MFI of the metro area is “low-income”; between 50% and 80% is “moderate-income”; between 80% and 120% is “middle-income”; and over 120% is “upper-income.” **In this report, the standard “upper-income” category for borrowers is subdivided into “high-income” (between 120% and 200% of the MFI in the relevant metropolitan area) and “highest-income” (more than double the MFI in the metro area).** This report also differs from standard practice in using the MFI of the Boston MSA for all communities in that five-county region. The standard practice for analysis of HMDA data now is based on the division of the Boston MSA into three Metropolitan Divisions (MDs), each with its own MFI. This report deviates from the standard practice because it makes no sense to treat, for example, Cambridge and Boston as being in different metropolitan areas. **Note:** HMDA data only reports borrower income to the nearest thousand dollars. See “Notes on Data and Methods” for more detailed information on metropolitan areas and MFIs.

income borrowers combined received only 9.0% of all HALs in Boston, 12.0% of all HALs in Greater Boston, and 20.1% of all HALs in Massachusetts. Furthermore, low- and moderate-income borrowers received fewer—usually far fewer—HALs than middle- and high-income borrowers in each of state’s counties and in each of the state’s 33 biggest cities (with only one exception: refinance loans in Springfield). (Tables 8–10)

- ❖ **When borrowers are grouped by both race/ethnicity and income level, the HAL loan shares for blacks and Latinos are always substantially higher than the HAL shares for white borrowers in the same income category. Furthermore, the disparities in HAL shares tend to increase as the income level increases.** These general patterns are the same for Boston (Table 11), for Greater Boston (Table 12), and for the entire state (Table 13). HAL loan shares are greatest for blacks and Latinos in the “high”

income category, while black/white and Latino/white disparity ratios are greatest in the “highest” income category. For brevity, specific data will be provided here for only two income categories in one geographical area. (Again: high-income borrowers in Boston in 2006 were those with incomes between \$99,000 and \$164,000 and highest-income borrowers were those with incomes of \$165,000 or more.) **In Boston, 74.6% of high-income blacks and 60.0% of high-income Latinos received their home-purchase loans in the form of HALs, while the HAL loan share was 14.4% for high-income whites.** For the highest-income homebuyers in Boston, the HAL loan shares were 55.3% for blacks, 48.6% for Latinos, and 7.3% for white. This means that among homebuyers with reported incomes of \$165,000 or more, blacks were 7.6 times more likely to receive a HAL than their white counterparts, and Latinos were 6.7 times more likely than whites to receive their mortgage in the form of a HAL. (Tables 11–13 & Exhibit 5)

EXHIBIT 5: HAL Share of Home-Purchase Loans: Owner-Occupied Homes by Race/Ethnicity and Income of Borrower, Boston, 2006



Source: Table 11

III. LENDING BY NEIGHBORHOOD RACE/ETHNICITY AND INCOME

In this part of the report the focus is on the characteristics of the *geographical areas* where high-APR mortgage lending is done rather than on the characteristics of the *borrowers* who received such loans. The data in Tables 14–17 provide clear evidence that HALs are concentrated disproportionately in areas where the percentage of minority residents is high and in areas where income levels are low (often, these are the same areas).

Table 14 (Boston), Table 15 (Greater Boston), and Table 16 (Massachusetts) classify census tracts by both race/ethnicity and income level.¹⁸ In each panel of these tables, the first four rows and columns of numbers provide information on tracts classified by both income level and race/ethnicity; the bottom row provides information for the total of all tracts at each income level; and the right-most column provides information for the total of all tracts in each racial/ethnic category. These tables show that high-APR loans account for greatly disproportionate shares of total lending in census tracts with low income levels and/or high concentrations of minority households. The following two bullets summarize results for home-purchase lending in Boston and statewide; the patterns that emerge from the table for Greater Boston are similar, and all three tables also provide information for refinance lending.

- ❖ **For home-purchase loans in the city of Boston in 2006, HAL shares in low-income census tracts were six times greater than those in upper-income tracts (27.9% vs. 4.7%) and HAL loan shares in predominantly-minority tracts (those with more than 75% minority households) were six times greater than those in predominantly-white tracts (56.3% vs. 9.1%).** For tracts in every income category, the HAL share rises consistently as the percentage of minority households increases.¹⁹

The reverse, however, is not the case: in the three categories of tracts with at least 25% minority households, the HAL shares tend to increase, rather than decrease, as income rises. The concentration of high-APR lending is greatest in the predominantly-minority census tracts (all of these tracts are low- or moderate-income). **For home-purchase loans in Boston, the HAL shares for low-income and moderate-income predominantly-minority tracts were, respectively, 11.4 times and 11.9 times higher than the HAL share in upper-income predominantly-white tracts.** (Table 14)

- ❖ **For home-purchase loans in the state as a whole, HAL loan shares in low-income census tracts were five times greater than those in upper-income tracts (42.0% vs. 8.4%) and HAL loan shares in predominantly-minority tracts were about three and one-half times greater than in predominantly-white tracts (57.5% vs. 16.1%).** With rare exceptions, HAL shares rise as the percentage of minority households increases for tracts in a given income category and they decrease as the income level increases for tracts in a given racial/ethnic category.²⁰ The concentration of high-APR lending is greatest in the census tracts with more than 75% minority households (all these tracts are low- or moderate-income); for both low- and moderate-income high-minority tracts, the HAL share for home-purchase loans was 6.9 times higher than the HAL share for upper-income predominantly-white tracts. (Table 16)
- ❖ **High-APR lending varied dramatically among Boston's major neighborhoods. For home-purchase loans, HAL shares ranged from 54.4% in Mattapan and 49.0% in Roxbury to 3.2% in Charlestown, and 1.7% in Fenway/Kenmore. For**

¹⁸ Census tracts, defined by the U.S. Census Bureau for each decennial census, are the smallest geographic area for which HMDA data are reported. Census tracts typically contain between 3,000 and 6,000 people and, in urban areas, cover an area several blocks square. Boston, with a population of 589,141 according to the 2000 census, has 157 census tracts. Census tracts are placed in racial/ethnic categories on the basis of percentages of minority and white households as reported in the 2000 census (minority households are all those for which the householder is other than a non-Latino white). A tract is placed into an income category on the basis of its median family income (MFI) in relationship to the MFI in the Metropolitan Statistical Area (MSA) within which the tract is located. MFIs for geographical areas are from the 2000 decennial census. “Low-income” tracts are those with MFI’s less than 50% of the MFI in the MSA; “moderate-income” tracts have MFI’s from 50%–80% of the MFI in the MSA; “middle-income” tracts have MFI’s from 80%–120% of the MFI in the MSA; and “upper-income” tracts are those with MFI’s greater than 120% of the MFI in their MSA.

¹⁹ There is one exception to this generalization: there were no HALs among the twenty home-purchase loans in the single upper-income census tract with 25%–50% minority households, while the HAL loan share was 4.8% in the upper-income tracts with more than 75% white households.

²⁰ Note that the latter trend statewide—HAL loan shares tend to fall as tract income rises—is the opposite of that in Boston, where HAL shares tend to rise as income tract rises. In Greater Boston, there is no trend in either direction.

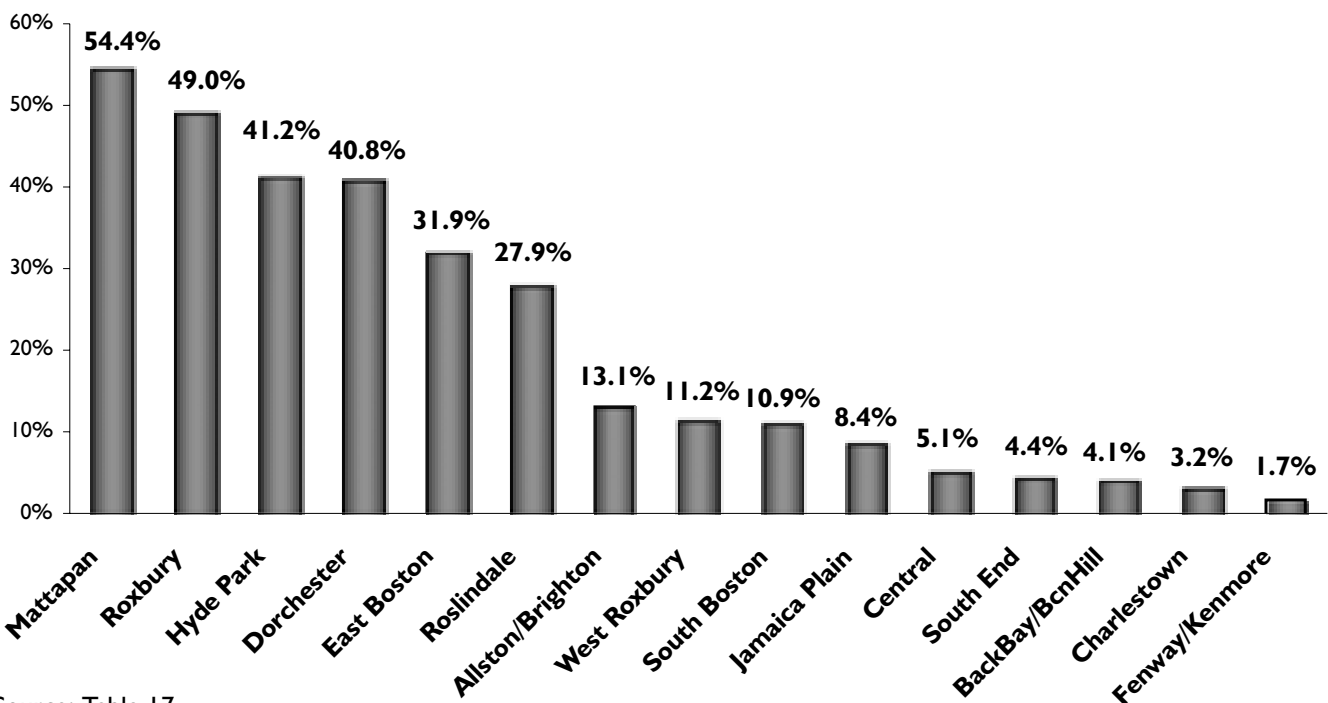
refinance loans, HAL shares ranged from 44.5% in Mattapan to 9.2% in Fenway/Kenmore. The four Boston neighborhoods with the highest percentages of minority residents—Mattapan, Roxbury, Dorchester, and Hyde Park—also had the four highest HAL shares for home-purchase lending, all greater than 40%; meanwhile, in the four neighborhoods with fewer than 25% minority residents—Back Bay/Beacon Hill, South Boston, West Roxbury, and Charlestown—the HAL shares were between 3.2% and 11.2%. (Table 17 and Exhibit 6)

- ❖ The same pattern emerges at the level of entire communities. For the 33 biggest cities in Massachusetts, Table 3 provides information on median family income and percentages of black and of Latino households as well as on high-APR lending. Examination of these data shows that HAL loan shares have a strong positive correlation with communities' percentages of black and Latino residents and a strong negative correlation with communities' median family incomes (MFIs). For example, **the four cities with the highest HAL shares for home-purchase loans in 2006 had an average of 35.5% black plus Latino households and an average MFI of \$40,049, while the four cities with the lowest HAL shares had an average of**

7.8% black plus Latino households and an average MFI of \$77,012. (The high HAL-share cities are Lawrence, Brockton, Springfield, and Revere; the low HAL-share cities are Cambridge, Arlington, Newton, and Waltham.)

- ❖ **Total home-purchase lending to blacks and Latinos was highly concentrated in a small number of the state's cities and towns, and entirely absent in many others.** Just nine cities and towns (Boston, Brockton, Springfield, Worcester, Randolph, Lowell, Lynn, Malden, and New Bedford) accounted for over two-thirds (67.7%) of total loans to blacks in Massachusetts; these same nine communities accounted for only 15.8% of the state's total loans to whites. A different set of nine communities (Springfield, Boston, Lawrence, Lynn, Revere, Worcester, Everett, Chelsea, and Framingham) accounted for over half (51.0%) of all lending to Latinos in the state; these nine communities accounted for just 13.8% of total lending to whites. At the same time, blacks received no home-purchase loans in 148 of the state's 351 cities and towns, and only a single loan in 57 more, while there were 98 communities where Latinos received no loans and 60 more where they received just one. (Calculated from data presented in Supplemental Table 2, available on-line.)

EXHIBIT 6: HAL Loan Shares of Home-Purchase Loans, Boston Neighborhoods, 2006



Source: Table 17

IV. DENIALS OF MORTGAGE LOAN APPLICATIONS

This report, for the first time, provides separate information on denials by two important categories of lenders. *Subprime lenders* are defined, for purposes of this report, as those lenders for whom high-APR loans accounted for at least 40% of their total lending. All other lenders are referred to as *prime lenders*.²¹ Previous reports in the *Changing Patterns* series have reported on denials by all lenders combined, and have consistently shown that black and Latino applicants for home-purchase mortgage loans experience much higher denial rates than their white counterparts.²² However, because of the increased market share of subprime lenders and because the behavior of prime and subprime lenders is so different, it is illuminating to present information separately for these two categories of lenders. The focus in this section is on denials of applications for home-purchase loans. (Patterns of denials of applications for refinance loans are generally similar to those for home-purchase loans.²³)

- ❖ **In Boston, Greater Boston, and Massachusetts in 2006, prime lenders denied home-purchase loan applications by blacks and Latinos about two and one-half times as often as they denied applications by whites.** In Greater Boston, for example, the denial rates were 19.2% for blacks, 16.7% for Latinos, and 6.6% for whites; this translates into black/white and Latino/white denial rate disparity ratios of 2.92 and 2.54, respectively. Denial rates for Asians were approximately the same as those for whites. (Table 18A and Exhibit 7)
- ❖ **Subprime lenders had generally higher denial rates than prime lenders, but they were only moderately more likely to deny black and Latino applicants than they were to deny whites.** In

Greater Boston, for example, the denial rates by subprime lenders were 36.5% for blacks, 30.6% for Latinos, and 28.4% for whites, which translated into black/white and Latino/white denial rate disparity ratios of 1.29 and 1.08. Again, denial rates for Asians were approximately the same as those for whites. (Table 18B and Exhibit 7)

- ❖ Although there is considerable variation in denial rates and denial rate disparity ratios among the state's fourteen counties and 33 largest cities, the patterns noted above generally can be observed. **For prime lenders, the black/white denial rate disparity ratio was greater than 2.0 in eleven counties and in sixteen cities, while the Latino/white denial rate disparity ratio was greater than 2.0 in nine counties and in fifteen cities. For subprime lenders the disparity ratios were usually between 0.6 and 1.4** (this was true in nine counties and eighteen cities for the black/white ratio and in thirteen counties and 28 cities for the Latino/white ratio) and subprime lender disparity ratios rarely exceeded 2.0 (the black/white ratio was higher than this in three cities and no counties, while the Latino/white ratio was above 2.0 in one county and no cities). (Tables 18A, 18B, 19A, & 19B).
- ❖ Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts,²⁴ **the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, in Greater Boston, and statewide are grouped into income categories, the 2006 prime lender denial rates for blacks and for Latinos were in every case well above the denial rates for white applicants in the same**

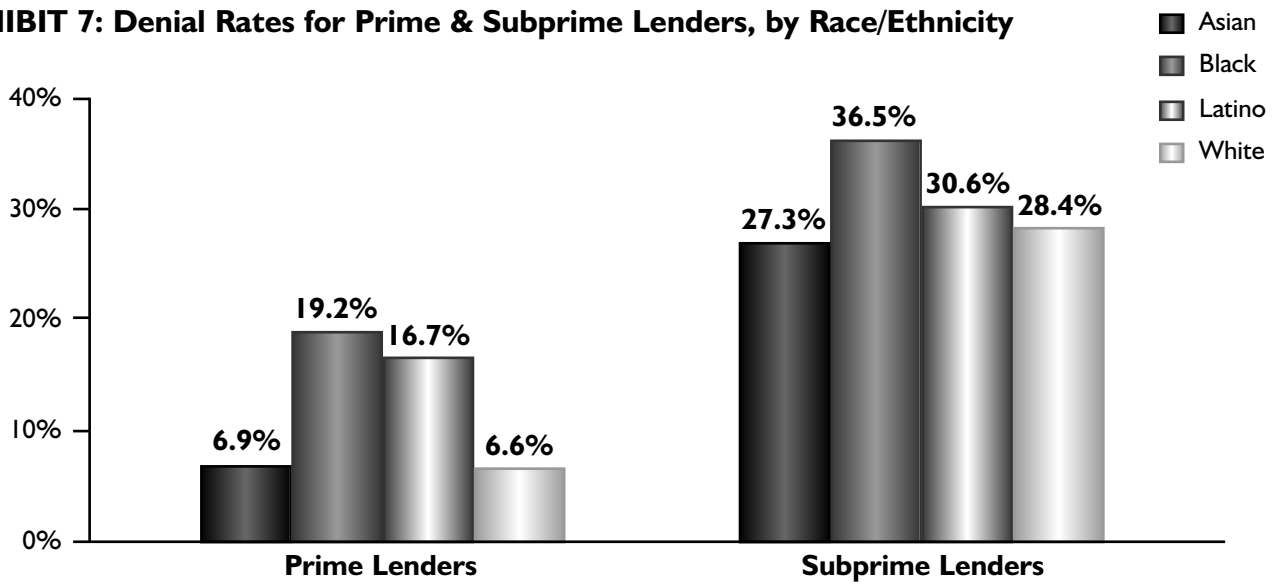
²¹ For more on the definition of subprime lenders, see footnote #29, on page 15. Note that HMDA data do not provide any information on applications or denials for high-APR loans; this is because pricing (rate-spread) information is provided only for loans that were actually originated.

²² Appendix Table 8 updates the table from last year's report that provides information on overall denial rates and on denial rate disparity ratios since 1990; it shows that, for all lenders combined, both denial rates and black/white and Latino/white disparity ratios rose in 2006.

²³ Because denial patterns for refinance loan applications differ little from those for home-purchase loans, this report includes only one pair of tables on refinance denials. Appendix Tables 9A & 9B present the same data on denials of applications for refinance loans that is presented in Tables 18A & 18B for denials of applications for home-purchase loans. Although the general patterns for refinance denials are very similar to those for home-purchase denials, it can be seen that refinance denial rates tend to be somewhat higher and black/white and Latino/white denial rate disparities tend to be somewhat smaller.

²⁴ For example, it can be calculated from the data in Table 20 that 57% of white applicants in Greater Boston had reported incomes of \$91,000 or greater, compared to only 36% of black applicants and 37% of Latino applicants.

EXHIBIT 7: Denial Rates for Prime & Subprime Lenders, by Race/Ethnicity



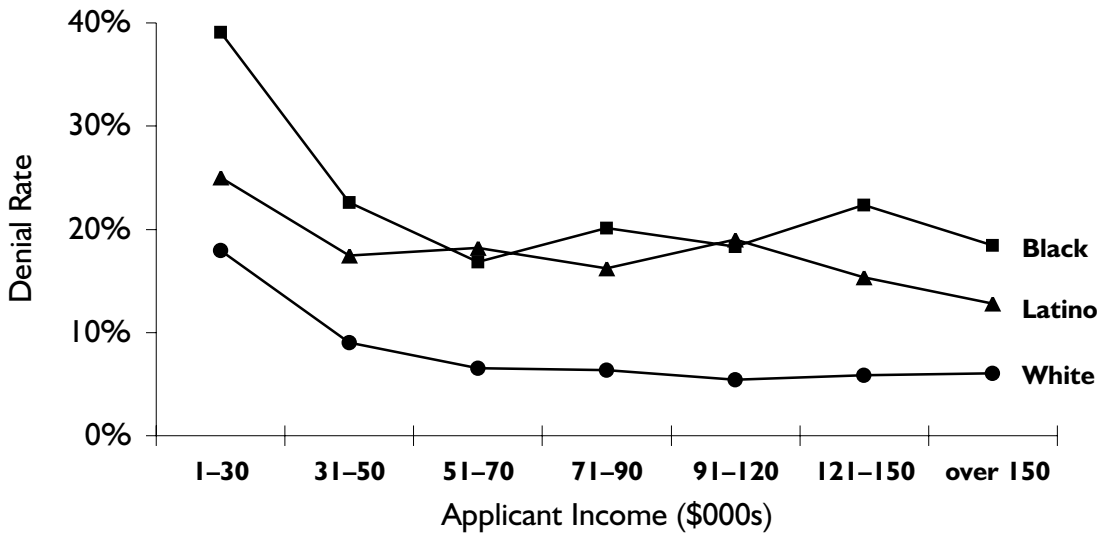
Source: Table 18A & 18B

income category. In fact, denial rate disparity ratios tended to be higher for applicants in higher income categories. For example, in Greater Boston, black applicants with incomes above \$150,000 experienced a denial rate of 18.4%, triple the 6.0% denial rate experienced by their white counterparts; the 12.8% denial rate for Latinos in this income category was more than double the white rate. (Table 20 and Exhibit 8)

loan applicants is to consider what percentage of applications to all lenders (prime and subprime combined) resulted in a prime loan (i.e., a non-HAL loan). **In Greater Boston in 2006, 67.2% of white applicants for a home-purchase loan ended up receiving a prime loan, compared to just 26.0% of black applicants and 29.4% of Latino applicants.** The difference has three components: blacks and Latinos applicants were more likely to be denied; more likely to have their applications result in neither a loan nor a denial;

- ❖ Another interesting perspective on the differential outcomes experienced by black, Latino, and white

EXHIBIT 8: Denial Rates by Race & Income, Prime Lenders Home-Purchase Loans, Greater Boston, 2006



Source: Table 20

and, if they did receive a loan, more likely to have that loan be a HAL.²⁵ (Table 21)

- ❖ Table 22 provides summary information on the stated reasons for statewide loan denials to black, Latino, and white applicants for home-purchase loans, both overall and for two broad income groupings. Providing up to three reasons for a loan denial is optional for most lenders and **in 2006 no reason was given for 28% of white denials and for more than 40% of black and Latino denials. Stated reasons for loan denials are quite similar for blacks, Latinos, and whites, but differ substantially by the income level of applicants.**

V. LENDING BY MAJOR TYPE OF LENDER

The analysis in this section is based on classifying each mortgage lender into one of three major categories. *Massachusetts banks and credit unions* consist of all banks headquartered in Massachusetts or with branches in the state, plus Massachusetts-chartered credit unions, plus all mortgage lending affiliates of these institutions. *Licensed Mortgage Lenders* consist of all lenders who require a license from the state's Division of Banks in order to make mortgage loans in the state; these are primarily independent mortgage companies, but also include subsidiaries of non-Massachusetts federally-chartered banks as well as subsidiaries and affiliates of non-Massachusetts state-chartered banks. *Other lenders* consist primarily of out-of-state banks and credit unions, plus federally-chartered Massachusetts credit unions.²⁶ This three-way classification has been used in the *Changing Patterns* series of reports to emphasize one crucial factor—whether a lender's Massachusetts mortgage lending is currently covered by the state and/or federal Community Reinvestment Act (CRA); whether its lending is *potentially* subject to similar oversight by

For all three racial/ethnic groups, the most common reason for denial—given for about one-third of all denials for which any reason was provided—was “other.” The second and third most common reasons were “credit history” and “debt-to-income ratio.” When applicants from each of the three racial/ethnic groups are divided into two major income categories, lenders were substantially more likely to cite “debt-to-income” or “credit history” as a reason for denials to low- and moderate-income applicants in each group than for denials to their middle- and upper-income counterparts.

the state; or whether its lending is exempt from such state oversight.

This classification has proved useful in identifying dramatically different patterns of mortgage lending by lenders subject to evaluation under the CRA and by those not subject to such evaluation, as will become obvious as this section proceeds.²⁷ Recognition of these different lending patterns was an important factor in the inclusion of CRA-type obligations and evaluation for licensed mortgage lenders (LMLs) as part of *An Act Protecting and Preserving Homeownership* that was signed into law on November 29, 2007 [Chapter 206 of the Acts of 2007]. During the coming year, the state's Division of Banks will draft regulations to implement the new law, which will apply to all LMLs who make fifty or more mortgage loans in Massachusetts annually.²⁸

- ❖ **Changes in the market shares of the major types of lenders in 2006 reversed a long-standing trend: both in Boston and statewide, the loan shares of Massachusetts banks and credit unions increased**

²⁵ Appendix Table 10 provides information on the percentage distribution of applications for home-purchase loans among the five possible results of a mortgage application that are reported in HMDA data (loan originated, loan approved by lender but declined by applicant, application denied, application withdrawn, and file closed for incompleteness). Data are provided for Boston, Greater Boston, and Massachusetts, separately for prime and subprime lenders.

²⁶ Federal credit unions based in Massachusetts are included in the “other lenders” category because they are not subject to either the federal or state CRA.

²⁷ This difference was emphasized in a recent study of 2006 lending in the nation's fifteen biggest metropolitan areas. Traiger & Hinckley LLP, a New York law firm that specializes in providing fair lending counsel, found that “banks originating loans in their Community Reinvestment Act [CRA] assessment areas...were substantially less likely than other lenders to make the kinds of risky home purchase loans that helped fuel the foreclosure crisis.” (*The Community Reinvestment Act: A Welcome Anomaly in the Foreclosure Crisis: Indications that the CRA Deterred Irresponsible Lending in the 15 Most Populous U. S. Metropolitan Areas*, January 7, 2008; available at www.traigerlaw.com.)

²⁸ Although licensed mortgage lenders are not covered by the CRA, they are subject to many other state and federal laws and regulations, including fair lending laws, truth-in-lending laws, and the state's anti-predatory lending law.

for the first time since these reports began tracking them, rising from 20% to 22% in Boston and from 24% to 26% statewide. Nevertheless, lenders whose Boston lending is not covered by CRA continued to account for about three-quarters of all home-purchase loans (78% in Boston and 74% statewide). The loan share of the subprime lenders included in the latter category increased slightly in Boston, from 18% to 19% of all loans, while falling statewide from 19% to 17%.²⁹ Table 23 shows how the share of major categories of mortgage lenders have changed since 1990, following the same format—and the same lender categories—as the corresponding table in previous reports.³⁰ For this table only, Licensed Mortgage Lenders and Other Lenders are combined into “Mortgage Companies and Out-of-State Banks,” and lenders classified as “subprime lenders” are separated out from the other lenders within this broad grouping. (Table 23)

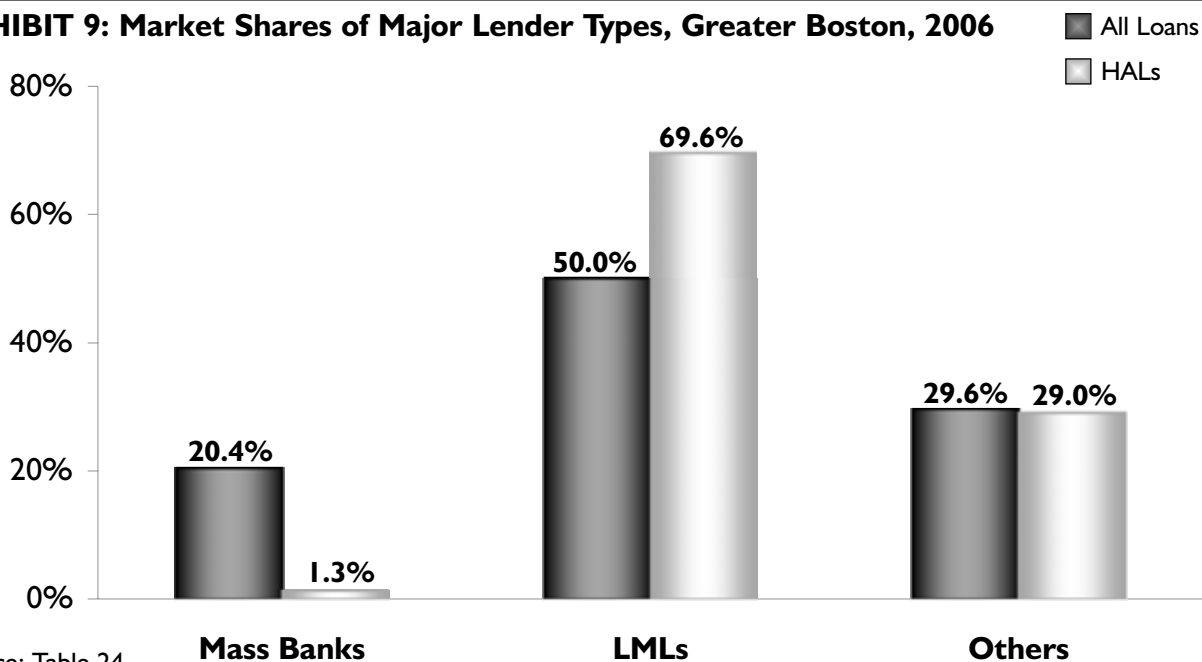
- ❖ **Licensed mortgage lenders (LMLs) had by far the largest market share of the three major types of lenders in 2006, while the share of Massachusetts banks and credit unions was the smallest. In Greater Boston, LML lenders accounted for half (50%) of all mortgage loans, and for an even larger share (70%) of high-APR loans (HALs).** Massachusetts banks and credit unions accounted for 20% of all loans, but for only 1% of the HALs, while other lenders accounted for the remaining 29% of both total lending and HALs. The market shares of the three major types of lenders in Boston and statewide were very similar to those in Greater Boston. (Table 24)

- ❖ **Nearly one-third (32.3%) of all loans by LML lenders in Massachusetts were high-APR loans (HALs), far greater than the 1.6% of all loans by CRA-covered lenders (Massachusetts banks and credit unions) that were HALs.** HALs made up about one-fifth (21.4%) of all loans by other lenders. The percentages were all lower in Greater Boston, where the overall level of HAL lending was lower than either statewide or in Boston. (Table 25)
- ❖ Table 26 (Boston) and Table 27 (Massachusetts) present information on the shares of the total loans of each of the three major types of lenders that consisted of prime loans (a term we will use here as equivalent to “non-HAL loans”) to traditionally underserved borrowers and neighborhoods, and on the shares of their total loans that consisted of high-APR loans (HALs) to these same borrowers and neighborhoods. **Massachusetts banks and credit unions (“CRA-covered lenders”) directed a substantially greater share of their total loans as prime loans—and a substantially smaller share of their total loans as HALs—to every one of the categories of traditionally underserved borrowers and neighborhoods examined in this report than did LMLs and other lenders (“lenders not covered by CRA”).** For home-purchase loans in Boston, for example, prime loans to black borrowers made up 14.0% of all loans made by CRA-covered lenders, but only 5.4% of all loans by LMLs and 3.6% of all loans by other lenders. At the same time, HAL loans to black borrowers made up just 0.1% of all loans made by CRA-covered lenders, while making up 9.8% of the loans by LMLs and 10.6% of the loans by other lenders. (This same pattern holds

²⁹ From 1998 through 2003, lenders were classified as “subprime” on the basis of annual lists published by the U.S. Department of Housing and Urban Development (HUD). Beginning with 2004, the *Changing Patterns* series of reports identifies “subprime lenders” on the basis of information on high-APR loans (HALs), which was included for the first time in 2004 HMDA data. For most purposes, it is preferable to identify higher-cost loans directly rather than to try to approximate these loans by identifying lenders who specialize in such loans. A lender was classified as a “subprime lender” for 2004 if it made at least five first-lien, owner-occupied, home-purchase HALs in Massachusetts, and if these HALs constituted more than 15% of its total loans in the state. A lender was classified as a “subprime lender” for 2005 if HALs constituted more than one-third (33.3%) of its total loans in the state. A lender was classified as a “subprime lender” for 2006 if HALs constituted more than 40% of its total loans in the state. These cut-off points were chosen to include known subprime lenders, including those identified with subprime lenders on the annual lists of subprime lenders prepared by the U.S. Department of Housing and Urban Development. HUD has not released a list of subprime lenders for 2006, but the 103 lenders identified in this report as subprime lenders include 52 of the 55 lenders on HUD’s 2005 list that made at least one HAL loan in Massachusetts (the other three made a total of 7 HALs in the state). The 103 lenders identified as subprime lenders for 2006 accounted for 75% of the home-purchase and refinance HAL loans made in the state by the 346 lenders that made at least one HAL loan. HUD has never classified a Massachusetts bank or credit union (or any affiliate) as a “subprime lender.”

³⁰ For Boston only, the “Big Boston Banks” are separated out from other Massachusetts banks and credit unions to document how the formerly dominant market share of this group has diminished. In 2006, the biggest Boston banks consisted of Citizens, Bank of America, and Sovereign, together with their affiliated mortgage companies. Bank of America includes Bank of America and Fleet loans for 2004, but only Fleet loans for earlier years. Five former banks were included in this grouping while they still existed: Bank of New England (1990–91), Boston Five Cents Savings Bank (1990–92), BayBanks (1990–96), Shawmut (1990–96), and BankBoston (1990–99). A sixth bank, Boston Safe Deposit (now Mellon New England), was included in this category until it exited the mortgage lending business in 2002.

EXHIBIT 9: Market Shares of Major Lender Types, Greater Boston, 2006



Source: Table 24

for loans to Latino borrowers.) CRA-covered lenders directed 56.7% of their total loans to LMI census tracts in the form of prime loans, and only 0.7% in the form of HALs. Lenders not covered by CRA directed about 37% of their total loans to LMI tracts in the forms of prime loans, but over 20% of their total loans were HALs in these LMI tracts. The

general patterns statewide are similar to those in Boston, although the percentages of total loans to black and Latino borrowers and to LMI census tracts are lower, reflecting the greater concentration of these borrowers and census tracts in Boston. (Tables 26 & 27)

VI. THE BIGGEST LENDERS

Who were the biggest lenders, both overall and for high-APR loans (HALs)? Tables 28 and 29 present information on the 30 biggest overall lenders in 2006 in the city of Boston and in Massachusetts. For each lender, these tables show the total number of loans, the total number of HALs, and HALs as a percentage of the total (for overall lending as well as for home-purchase and refinance loans separately). These tables include the 13 biggest HAL lenders in Boston and the 12 biggest HAL lenders in the state. Loans by separate lenders within the same corporate family are consolidated; information on the lending by individual lenders within each family is presented in Appendix Tables 11 and 12.

- ❖ **Countrywide was by far the biggest overall lender both in Boston and statewide, making over 50% more loans than its nearest competitors—Bank of America in Boston, and Wells Fargo statewide.** The same five lenders—Washington Mutual and

Taylor, Bean & Whitaker³¹ in addition to the three already named—were the top five both in Boston and statewide, although in different orders. These five lenders accounted for 29.0% of the total loans in Boston, and 22.5% of the total loans in Massachusetts. (Tables 28 and 29)

- ❖ **H&R Block/Option One was the state's biggest subprime lender, with 4,080 HALs statewide in 2006. New Century was second, with 3,789 loans, and Countrywide, Fremont, and WMC/GE rounded out the top five with about three thousand loans each. These same five lenders were also the biggest HAL lenders in Boston, although their ordering was different; Fremont's 364 HALs gave it top ranking in the city.** These five lenders accounted for 41.8% of the total HALs statewide, and for 45.4% of the total HALs in Boston. Four of these five lenders were subprime

³¹ Taylor, Bean & Whitaker has a much lower profile than the other large lenders. It is a Florida-based company (whose only office northeast of Pennsylvania is in Braintree) that operates exclusively as a wholesale lender (that is, it does not deal directly with borrowers when making loans).

**EXHIBIT 10: The 5 Biggest HAL Lenders in Boston & Massachusetts
Home-Purchase & Refinance Loans Combined, 2006**

Lender	Boston		Massachusetts	
	Rank	HALs	Rank	HALs
H&R Block/Option One	3	315	1	4,080
New Century	2	351	2	3,789
Countrywide	4	252	3	3,029
Fremont	1	364	4	2,987
WMC/GE	5	245	5	2,901
Total, these 5 Lenders		1,527		16,786
Total, All Lenders		3,361		40,173
Share of these 5 Lenders		45.4%		41.8%

Source: Tables 28 & 29

specialists, with HALs accounting for between 86% and 94% of their total loans; the exception is Countrywide, for whom HALs were only 22% of total loans in the state. As of January 2008, *none of these top five subprime lenders was still in the business of making subprime loans.* (Exhibit 10)

- ❖ **Only one of the top eight overall lenders in the state, and only four of the top thirty, were covered by the CRA for their Massachusetts lending, and none of the twelve biggest HAL lenders in the state were covered by the CRA.** (The four CRA-covered lenders among the top thirty were Bank of America, ranked #3; Sovereign, #11; Citizens, #19; and Eastern, #26). **In contrast, four of the top eight overall lenders, and fourteen of the top thirty, were licensed mortgage lenders (LMLs). Among the state's twelve biggest HAL lenders, six were LMLs (these were ranked #1, #2, #3, #5, #7 & #8).** (Table 29; very similar patterns emerge from an examination of the information in Table 28 on the biggest lenders in Boston.)
- ❖ Table 30 (Boston) and Table 31 (Massachusetts) provide information on lending to blacks, Latino, and white borrowers by each of the lenders included in Tables 28 and 29 (listed in the same order). This information includes: total loans to

each of these racial/ethnic groups, the percentage of high-APR loans for each group, and the disparity ratios for black/white and Latino/white HAL shares (calculated as the black [or Latino] HAL share divided by the white HAL share). Several of the biggest HAL lenders—including H&R Block/Option One, New Century, Fremont, WMC/GE, Accredited Home Lenders, and Ameriquest—specialized in high-APR lending to the extent that between 78% and 95% of all their white borrowers in Massachusetts received HALs; these lenders therefore necessarily had disparity ratios close to one (in fact, they ranged from 0.99 to 1.17). In contrast, HALs made up 15%–55% of the overall lending of the other six of the twelve biggest HAL lenders in the state, and these lenders tended to provide HALs to a considerably larger share of their black and Latino borrowers than of their white borrowers. **The black/white disparity ratios were 2.0 at Countrywide (36.1% vs. 18.0%), 3.3 at Wells Fargo (47.4% vs. 14.5%), and 3.9 at Washington Mutual/Long Beach (52.7% vs. 13.4%). The Latino/white disparity ratios at these same three lenders were 1.8, 2.1, and 3.1, respectively.** (At the three others among these six lenders, the disparity ratios were necessarily smaller because roughly half of all loans to whites were HALs.³²) (Exhibit 11.)

³² This paragraph uses data from Table 31 (Massachusetts). The same general points could be illustrated by using data from Table 30 (Boston), although the numbers would be somewhat different. Most significantly, the six disparity ratios for the (same) three biggest statewide lenders ranged from 1.8 to 3.9 in Massachusetts, compared to 2.0 to 7.8 in Boston. Note that if half of a lender's loans to white borrowers were HALs, its black/white disparity could not exceed 2.0, even if all of its loans to blacks were HALs (100%/50% = 2.0). Similarly, if 80% of a lender's loans to whites were HALs, then its black/white disparity ratio could not exceed 1.25 (100%/80%).

**EXHIBIT 11: Disparity Ratios for Biggest HAL Lenders That Were Not HAL Specialists
Massachusetts, 2006**

Lender	HALs as Share of Total Loans			HAL share Disparity Ratios	
	Blacks	Latinos	Whites	Black/White	Latino/White
Countywide	36.1%	32.2%	18.0%	2.01	1.79
Wells Fargo	47.4%	29.9%	14.5%	3.28	2.06
Washington Mutual	52.7%	40.9%	13.4%	3.93	3.05
National City	71.0%	76.6%	44.9%	1.58	1.71
HSBC	70.4%	75.4%	51.2%	1.37	1.47
IndyMac Bank	54.5%	44.6%	44.6%	1.22	1.00

Source: Table 31

VII. ADDITIONAL INFORMATION

It is beyond the scope of this descriptive report to offer explanations of the causes underlying the observed patterns of high-APR subprime mortgage lending or to investigate the extent to which HAL lenders engage in predatory lending, opportunity pricing, or racial/ethnic discrimination. Instead, this concluding section offers supplementary information on four matters that may help readers better interpret the report’s findings.

High-APR Loans Involve Very Substantial Cost for Borrowers, Compared to Prime Loans

To examine the extra costs imposed by high-APR loans compared to prime loans, the monthly payments on a thirty-year fixed-rate loan of \$325,000 (the average size of a first-lien HAL for an owner-occupied home in Greater Boston in 2006 was \$325,362)³³ were calculated at three different interest rates: 6.50% (a typical rate for a prime 30-year fixed-rate loan in 2006), 8.00% (the estimated minimum rate to qualify as a high-APR loan when the prime rate was 6.50%), and 10.44% (the estimated median rate on first-lien HALs in 2006 when the prime rate was 6.50%).³⁴ The calculated monthly

payments for principal and interest are shown in Exhibit 12—together with the additional monthly and annual costs resulting from above-prime interest rates. Even the lowest-price HAL costs almost four thousand dollars more per year than a prime-rate loan. **The median-rate HAL entails annual payments \$10,848 greater than for a prime-rate loan.**

This table indicates the higher costs imposed on HAL borrowers who make their monthly payments in a timely manner. However, this represents only part of the additional costs imposed by high-APR lending. In fact, many HAL borrowers have been unable to keep up their monthly payments.³⁵ Some of these borrowers will be able to save their homes, but will incur the substantial fees imposed on delinquent borrowers. Others will end up losing their homes through foreclosure. In addition to the human costs involved, these foreclosures will impose financial costs including: the loss of any home equity previously achieved, the possible costs imposed by foreclosure rescue scams, the future costs resulting from ruined

³³ The average loan amount for a first-lien HAL for an owner-occupied home in 2006 was higher than this in the city of Boston (\$337,239), but lower statewide (\$266,332). In Boston and Greater Boston, the average loan amounts for a first-lien HAL loan were somewhat *greater* than the average amount for a non-HAL loan; statewide, HALs were, on average, slightly smaller than non-HALs.

³⁴ Information presented in the article accompanying the Federal Reserve’s release of the 2006 HMDA data indicates that the average value for the APR on a prime 30-year fixed-rate mortgage loan during 2006 was about 6.5% and that the average difference between this prime APR and the reporting threshold for high-APR loans was about 1.50 percentage points (Robert Avery, Kenneth Brevoort, and Glenn Canner, “The 2006 HMDA Data,” *Federal Reserve Bulletin*, December 2007, pp. A91–A92). Appendix Table 1 of the present report shows that the median rate spread on first-lien HALs in Massachusetts in 2006 was 5.48 percentage points for home-purchase loans and 5.40 percentage points for refinance loans. The average of these two rate spreads is 5.44 percentage points, which is 2.44 percentage points above the threshold rate spread of 3.00. Thus, the accompanying table shows the minimum-rate HAL having an interest rate 1.50 percentage points above the prime interest rate and the median-rate HAL having an interest rate 2.44 percentage points higher than that. For simplicity, this table assumes that the interest rates are the same as the APRs.

³⁵ Remember, lenders maintain that borrowers obtain high-APR loans only when there is too great a risk that they will be unable to successfully make the required monthly payments on prime loans. But the substantially higher monthly payments required by high-APR loans can only make the likelihood of default even greater. While it is often true that borrowers receive costlier loans because they are riskier borrowers, causation also runs in the other direction: subprime borrowers are riskier *because* they receive costlier loans.

**EXHIBIT 12: Monthly Payments on a \$325,000 Thirty-Year Fixed-Rate Mortgage
Selected Interest Rates, 2006**

Rate Level	Interest Rate	Monthly Payment	Extra over Prime-rate loan/month	Extra over Prime-rate loan/year
Prime loan	6.50%	\$2,054	---	---
Minimum-rate HAL	8.00%	\$2,385	\$331	\$3,972
Median-rate HAL	10.44%	\$2,958	\$904	\$10,848

credit ratings, and the neighborhood effects of lowered property values. While it is impossible to know how many HAL borrowers will end up losing their homes, a careful investigation by **the Center for Responsible Lending estimated over a year ago that more than one out of every six first-lien subprime loans for single-family owner-occupied homes originated in Massachusetts in 2006 would result in foreclosure** (their 17.6% estimated foreclosure rate for Massachusetts was slightly below their estimated nationwide foreclosure rate of 19.4%).³⁶

Median Rate Spreads for HALs Are Modestly Higher for Black and Latino Borrowers

The right-hand column of Appendix Table 1 shows the median rate spread for each type of loan for each racial/ethnic category of borrower. For example, the median rate spread of 6.16 for black borrowers in Massachusetts who received any type of home-purchase loan means that of all black borrowers who received such loans, half had APRs that were more than 6.16 percentage points above the current rate on Treasury securities of the same maturity and half had APRs that were less than 6.16 percentage points above the Treasury rate. Given the substantial racial disparities in HAL shares that are documented in almost all of the other tables in this report, it may be surprising to observe in Appendix Table 1 that there are not greater gaps between the rate spreads for the different racial groups for each category of loans. Nevertheless, the rate spreads for blacks and Latinos are generally greater than those for whites. For example, for first-lien home-purchase loans, the

median rate spread for black borrowers is one-quarter of one percentage point higher than that for white borrowers, with the median rate spread for Latinos halfway between. For a borrower with the median-rate HAL as shown in the table just above, adding one-quarter of a percentage point to the interest rate would increase the monthly payment by about \$60.

Limitations of HMDA Data Could be Reduced by Including Additional Information

At the present time, analysis of mortgage lending—particularly of subprime lending—is constrained by limited nature of HMDA data. Many of the questions that may have occurred to readers of this report could be explored much more fruitfully if HMDA data included appropriate additional information. Important possible enhancements to HMDA include expanding the information available about *the borrower* (e.g., creditworthiness, such as measured by a FICO or other credit score); *the lender* (e.g., the top-level corporate parent, to facilitate identifying affiliated lenders); *the lending channel* (e.g., broker, correspondent lender, or retail); *the type of loan* (e.g., fixed-rate or adjustable-rate and, if the latter, what sub-type); *loan ratios* (e.g., the loan-to-value ratio and the debt-to-income ratio); *loan features* (e.g., prepayment penalty, balloon payment, single-payment credit insurance, low- or no-doc, stated-income, interest-only, payment-option); and *loan pricing* (e.g., separate information on interest rate and fees; rate spread information based on relationship to an appropriate index of mortgage interest rates—different at least for fixed- and adjustable-rate mortgages).

³⁶ Ellen Schloemer, Wei Li, Keith Ernst, and Kathleen Keest, *Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners*, Center for Responsible Lending, December 2006; available at: www.responsiblelending.org. The estimated national foreclosure rate is on page 16; estimated rates for individual states are on page 51. This report provides an excellent introduction to the growing literature on the relationships between subprime lending and foreclosures.

A Newly-Enacted Massachusetts Law Extends CRA-type Obligations to Licensed Mortgage Lenders

Under the federal Community Reinvestment Act (CRA), as under its Massachusetts counterpart, a lender's performance in meeting the credit needs of local communities is evaluated by government regulators only if the lender is a bank with at least one branch office in the area. As a result, only four of the state's thirty biggest lenders—and *none* of the twelve biggest HAL lenders in the state—are covered by the CRA for their lending in Massachusetts (see Table 29). In spite of the important impacts—positive or negative—that these lenders may have on the neighborhoods where they operate, they are not subject to CRA regulatory review, evaluation, and ratings.

This situation is partially remedied with the enactment of Section 13 of “An Act Protecting and Preserving Homeownership” (Chapter 206 of the Acts of 2007), legislation that was supported by the Massachusetts Community & Banking Council, the Massachusetts Bankers Association, and numerous community groups and municipal officials. The new law provides that licensed mortgage lenders that made fifty or more mortgage loans in the Commonwealth during the preceding year will be evaluated by the Division of Banks for their performance in helping low- and moderate-income residents acquire and remain in

affordable housing with loans on reasonable rates and terms, avoiding patterns of lending that result in the loss of affordable housing, and working with delinquent borrowers. The Division's evaluation will result in a public performance evaluation and rating, and an unsatisfactory rating may provide the basis for non-renewal of a lender's license.³⁷

Although this section of the law became effective on the date the legislation was signed by the Governor (November 29, 2007), its implementation will require drafting of regulations by the Division of Banks, followed by a period of public comment before the regulations are issued in final form. Massachusetts is the first state to impose CRA-type requirements on mortgage companies. The new regulations will apply to lenders that made nearly half of all loans in the state in 2006, including approximately 70% of all Massachusetts HALs (see Table 24). Fourteen out of the thirty biggest lending families in the state (identified in Table 29) consist entirely or predominantly of licensed mortgage lenders. However, out-of-state banks (and subsidiaries of federally-chartered out-of-state banks) will not be covered by the new legislation; imposing CRA obligations on them for their Massachusetts lending would require legislation and/or regulatory changes at the federal level.

³⁷ The new law also has many other important provisions, including: an expanded statewide network of centers for homebuyer and foreclosure prevention counseling; prohibition of subprime adjustable rate mortgages unless the borrower affirmatively opts for such a mortgage after receiving counseling from a certified counseling center; licensing of individual loan originators (including mortgage brokers) and recording the license number and name of the loan originator on every mortgage; a ninety-day “right to cure” for homeowners facing foreclosure; tenant-at-will rights for renters in foreclosed properties; and creating a foreclosure database at the state's Division of Banks that will include information on all right-to-cure notices, all foreclosure notices, and all foreclosure sales.

NOTES ON DATA AND METHODS

Introduction

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

Home Mortgage Disclosure Act (HMDA) Data

Data on loans, lenders, and borrowers were calculated from HMDA Loan Application Register (LAR) data, as collected, processed, and released each year by the FFIEC (www.ffiec.gov/hmda). Among the HMDA data provided for each loan are: the identity of the lending institution; the census tract, county, and metropolitan area in which the property is located; the race, ethnicity, and sex of the applicant (and co-applicant, if any); the income of the applicant(s); the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the amount of the loan; the *lien status* of the loan (first lien or junior lien); *pricing information* for loans with annual percentage rates above threshold levels (see below); whether the loan is secured by a *manufactured home*; and whether the loan is a *HOEPA loan* (that is, a high-cost loan subject to the protections of the Home Ownership and Equity Protection Act of 1994; home-purchase loans are not covered by HOEPA). The information in *italics* was included for the first time in 2004 HMDA data. The FFIEC makes raw HMDA LAR data available on CD-ROM. Starting with data for 2006, raw HMDA LAR data may also be downloaded from the FFIEC website.

High-APR loans (HALs) were identified for the first time in 2004 HMDA data. Lenders are required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference (“spread”) between the loan’s APR and the interest rate on Treasury securities is three percentage points or more for a first-lien loan (or five percentage points or more for a junior-lien loan) then the spread for that loan must be reported, to two decimal points. In this report, loans for which the spreads are reported are referred to as “high-APR loans” or “HALs.”

The tables in this report provide information on first-lien loans for owner-occupied homes, usually presented separately for home-purchase loans and refinance loans. (A few tables combine data for home-purchase and refinance loans; a few other tables have data for home-purchase loans only.) This involves ignoring a great deal of

data in order to avoid a proliferation of tables that would result in information overload. In fact, information in the HMDA LAR data makes it possible to present results for 72 categories of loans on the basis of the following five distinctions: government-backed vs. conventional loans; 1–4 family site-built homes vs. manufactured homes vs. multi-family properties; owner-occupied vs. non-owner-occupied homes; home-purchase vs. refinance vs. home improvement loans; and first-lien vs. junior-lien loans. To achieve simplicity and to focus on the loans of greatest interest, I have taken two measures. First, I ignored all junior-lien loans, all loans for multi-family properties, all home improvement loans, and all loans for non-owner-occupied homes—that is, none of these types of loans are included in any of the numbers contained in this report’s tables. Second, I ignored the distinction between conventional and government-backed loans and the distinction between site-built and manufactured homes (in 2006, government-backed loans accounted for only 1.0% of all loans in Massachusetts and loans for manufactured homes accounted for only 0.3% of the state’s loans). Appendix Tables 1 and 2 provide data that allow the interested reader to assess the impact of these decisions about what loans to include and exclude from the analysis in this report. (These tables do not provide any information on home-improvement loans. There were a total of 32,482 home-improvement loans reported in 2006 HMDA data for Massachusetts, which constituted 11.2% of total [home-purchase plus refinance plus home-improvement] loans. Of these, 9,666 were first-lien home-improvement loans for owner-occupied homes, which constituted 5.1% of total first-lien loans for owner-occupied homes. HALs made up 10.0% of all home-improvement loans, and 15.8% of first-lien home-improvement loans for owner-occupied homes.)

The decision to exclude junior-lien loans from all of the tables in body of this report was the closest call, not only because they made up 25.0% of all home-purchase loans and 22.9% of all refinance loans, but also because a larger percentage of junior-lien home-purchase loans were HALs (40.7%) than of first-lien home-purchase loans (19.0%). One alternative would have been to present information separately on first-lien and junior-lien loans throughout the report, but the benefits from doing this did not seem to justify doubling the amount of information in each table (or doubling the number of tables). Another alternative would have been to report only on all liens combined, but this would have involved counting twice all home-buyers who got piggy-back second-lien loans (in most cases, the second-lien loans were from the same lenders as the first-lien loans, and borrowers whose second-lien loans were HALs also had HALs for their first-lien loans). Appendix Table 1 provides information on the breakdown of home-purchase and refinance lending between first-lien and junior-lien loans for total loans and HALs, overall and for each of the major

racial/ethnic groups included in this report. In the case of home-purchase loans, including all loans (rather than restricting the analysis to first-lien loans as is done in this study) would have resulted in reporting a higher percentage of HALs among home-purchase loans (24.4% vs. 19.0%), but a lower percentage of HALs among refinance loans (23.6% vs. 24.6%). Black-white and Latino-white disparity ratios were lower for all loans than for first-lien loans only.

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

Metropolitan areas used in defining income categories for borrowers. Beginning in 2004, HMDA data use the revised metropolitan areas defined by U.S. Office of Management and Budget OMB in June 2003, under which New England joined the rest of the U.S. in having metropolitan areas consist of entire counties (www.whitehouse.gov/omb/bulletins/b03-04.html). The Boston MSA now consists of Essex, Middlesex, Suffolk, Norfolk, and Plymouth counties. (Actually, this is just the Massachusetts portion of the Boston-Cambridge-Quincy MA-NH MSA; only data for the Massachusetts portion of the MSA are analyzed in this series of reports). Furthermore, like ten other large MSAs in the U.S., the Boston MSA is divided into Metropolitan Divisions (MDs). The Boston MSA now consists of three MDs: the Essex County MD; the Cambridge-Newton-Framingham MD (Middlesex County); and the Boston-Quincy MD (Suffolk, Norfolk, and Plymouth Counties). Although the standard practice—by bank regulators and others—in analyzing HMDA data is to use the MFI of MDs in classifying borrowers and census tracts into income categories, **this report uses the MFI of the Boston MSA to classify all borrowers and census tracts in the Boston MSA into income categories.** This is a change from what was done in this report’s predecessors during the last two years, resulting from an increasing understanding of the absurdity of following the standard practice. There is little or no economic, political, or social logic to a system which places Cambridge and Boston into separate Metropolitan areas. (The 2006 MFIs for the three MDs as well as for the entire Boston MSA are provided below.)

Racial/ethnic categories: Beginning with 2004, HMDA data classify each applicant and co-applicant by both ethnicity (Latino or Not Latino) and race (the possible races are now: American Indian or Alaska Native, Asian, Black, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as they wish (up to all five). This report uses this information to place each borrower into one of six categories: “Asian” is shorthand for non-Latino Asian; “black” is shorthand for non-Latino black; “Latino” includes all applicants with Latino ethnicity; “white” is shorthand for non-Latino white; “other” is shorthand for non-Latino American Indian, Alaska Native, Native Hawaiian, or Other Pacific Islander; and “no information” includes borrowers with no information on race and either no information or Not Latino for ethnicity. Other analysts, including the Federal Reserve researchers who write an annual analysis of HMDA data for the *Federal Reserve Bulletin*, have grouped black Latinos with other blacks rather than with other Latinos. Which of these two ways of classifying black Latinos is adopted makes relatively little difference because the number of such borrowers is relatively small. Of all 180,061 first-lien loans for owner-occupied homes in Massachusetts in 2006, a total of 9,650 are identified in the HMDA data as going to black borrowers and a total of 11,493 are identified as going to Latinos; only 507 are identified as going to borrowers who were both black and Latino.

This report classifies borrowers on the basis of the ethnicity and first race of the applicant—that is, information about second or additional races of the applicant is ignored, as is all information about co-applicants. This provides considerable simplification to the analysis with very small impact. For example, of all loans for owner-occupied homes in Massachusetts in 2006 with information on the race of the borrower, only 0.3% of borrowers specified more than one race and only 1.2% of borrowers had co-borrowers of a different race; only 0.9% of borrowers had co-borrowers with different ethnicity.

Denial rates are calculated simply as the number of applications denied divided by the total number of applications. Not all loan applications result in either a loan or a denial. Appendix Table 10 provides data on how the actions taken on mortgage loan applications (for first-lien home-purchase loans on owner-occupied homes) were distributed among the five possible outcomes. This information is provided for four racial/ethnic categories as well as overall—or Boston, Greater Boston, and Massachusetts.

Lenders in HMDA data are not necessarily the same as the lenders who close the loans or those who interact directly with borrowers. In many cases, local banks dealing with borrowers are, in effect, acting as agents or brokers for out of state banks. HMDA regulations specify that a loan is reported only by the lender that makes the “credit decision.” For details

on this matter see the Fed’s “Official Staff Commentary” on Section 203.1 of its Regulation C (available in the 2004 edition of *A Guide to HMDA Reporting: Getting It Right!*, Appendix D, pages D1–D2 [www.ffiec.gov/hmda/guide.htm]).

Data from the 2000 Census

All population and income data presented in this report for geographic areas are from the 2000 Census. Rolf Goetze of the Policy Development and Research Department at the Boston Redevelopment Authority (BRA) provided me with 2000 Census data in electronic form on requested variables for all of the census tracts in the city of Boston. Roy Williams of the Massachusetts State Data Center provided me with information on these same variables for all Massachusetts cities and towns and for all census tracts in the state. Income data from the 2000 Census were obtained using the “American FactFinder” feature on the website of the U.S. Census Bureau (www.census.gov).

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

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

Census tracts are assigned to income categories on the basis of decennial census data, using the metropolitan area definitions adopted by the federal government in June 2003 (see above). This differs from the way that borrowers are

assigned to income categories on the basis of annually updated data on median family incomes (MFIs) for metropolitan areas as reported annually by HUD. MFIs for census tracts are only reported (by the Census Bureau) once every ten years, so the assignment of census tracts to income categories does not change annually. (However, the assignment of census tracts is different in this report than in its recent predecessors because of the decision [discussed above] to classify all census tracts in the Boston MSA on the basis of the MFI in the MSA rather than on the basis of the MFIs in the three Metropolitan Divisions [MDs] within the Boston MSA.)

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

Median family income (MFI) of each metropolitan area is reported annually by HUD. Borrowers are placed into income categories by comparing their reported incomes to the annual HUD estimate of the MFI in the Metropolitan Statistical Area (MSA) area where the home being mortgaged is located. The Boston MSA is divided into three Metropolitan Divisions (MDs), but the MFIs of these MDs were not used in this report. The 2006 MFIs for all of the state’s metropolitan areas were:

Barnstable MSA (Barnstable County)	\$70,400
Boston MSA (Essex/Middlesex/Norfolk/Plymouth/Suffolk Counties)	\$80,500
Boston-Quincy MD (Norfolk/Plymouth/Suffolk Counties)	\$76,900
Cambridge-Newton-Framingham MD (Middlesex County).....	\$88,900
Essex County MD	\$77,200
Pittsfield MSA (Berkshire County)	\$62,800
Providence-Fall River-New Bedford MSA (Bristol County).....	\$68,300
Springfield MSA (Franklin/Hampden/Hampshire Counties).....	\$61,800
Worcester MSA (Worcester County)	\$71,700
Non-Metro part of Massachusetts (Dukes/Nantucket Counties)	\$74,400

Subprime lenders among HMDA-reporting lenders have been identified in annual lists prepared by Randall Scheessele of HUD. HUD’s lists include lenders who specialize in subprime loans or for whom subprime loans constitute a majority of loans originated. Information on how the lists were compiled and the lists themselves through 2005 are available at: www.huduser.org/datasets/manu.html. As of mid-February 2008, HUD had not produced a list of subprime lenders for 2006.

Given the unavailability of HUD’s lists of subprime lenders for 2004, 2005, and 2006 at the time that the *Changing Patterns* reports for the corresponding years (including the

present report) were being prepared, lenders were classified as *subprime lenders*—for the purposes of this report—on the basis of the percentage of their total Massachusetts loans that consisted of high-APR loans (HALs). Minimum percentages for specifying subprime lenders were chosen to include known subprime lenders, including those identified as subprime lenders on HUD’s annual lists. *A lender was classified as a “subprime lender” for 2006 if HALs constituted*

more than 40% of its total loans in the state. The 103 lenders identified in this report as subprime lenders for 2006 include 52 of the 55 lenders on HUD’s 2005 list that made at least one HAL loan in Massachusetts in 2006 (the other three made a total of 7 HALs in the state). Lenders identified as subprime lenders for 2006 accounted for 75% of all the home-purchase and refinance HALs made in the state by the 346 lenders that made at least one HAL loan.

TABLE I
High-APR Loans (HALs) in the City Of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans			Refinance Loans			% Black House- holds	% Latino House- holds	Median Family Income
	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR			
A. BOSTON AND GREATER BOSTON*									
Boston	7,052	1,522	21.6%	6,635	1,839	27.7%	21.4%	10.8%	\$44,151
Greater Boston*	36,538	5,788	15.8%	43,625	9,061	20.8%	6.6%	4.7%	N/A
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS									
Barnstable	2,497	478	19.1%	5,458	1,190	21.8%	1.4%	0.8%	\$54,728
Berkshire	1,411	202	14.3%	1,708	384	22.5%	1.6%	1.1%	\$50,162
Bristol	5,841	1,187	20.3%	9,292	2,397	25.8%	2.1%	2.6%	\$53,733
Dukes	100	36	36.0%	406	98	24.1%	2.6%	0.7%	\$55,018
Essex	8,825	1,811	20.5%	12,956	2,984	23.0%	2.3%	8.1%	\$63,746
Franklin	744	123	16.5%	985	274	27.8%	0.8%	1.3%	\$50,915
Hampden	5,516	1,547	28.0%	7,149	2,608	36.5%	7.5%	11.6%	\$49,257
Hampshire	1,626	159	9.8%	1,650	376	22.8%	1.5%	2.4%	\$57,480
Middlesex	17,467	2,324	13.3%	19,753	3,774	19.1%	3.1%	3.3%	\$74,194
Nantucket	111	24	21.6%	253	27	10.7%	2.4%	1.2%	\$66,786
Norfolk	8,227	1,074	13.1%	10,369	2,065	19.9%	2.8%	1.3%	\$77,847
Plymouth	5,968	1,385	23.2%	11,144	2,939	26.4%	4.3%	1.7%	\$65,554
Suffolk	8,170	1,940	23.7%	8,328	2,349	28.2%	19.5%	11.4%	\$44,361
Worcester	9,837	2,220	22.6%	13,927	3,956	28.4%	2.3%	5.1%	\$58,394
C. STATEWIDE									
Massachusetts	76,984	14,639	19.0%	103,877	25,534	24.6%	4.9%	5.0%	\$61,664

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

TABLE 2
High-APR Loans (HALs) in the 33 Biggest Cities & Towns in Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans			Refinance Loans			% Black Households	% Latino Households	Median Family Income
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR			
Arlington	598	32	5.4%	455	51	11.2%	1.6%	1.3%	\$78,741
Attleboro	580	144	24.8%	767	200	26.1%	1.6%	3.1%	\$59,112
Barnstable	515	154	29.9%	1,213	274	22.6%	2.4%	1.1%	\$54,026
Boston	7,052	1,522	21.6%	6,635	1,839	27.7%	21.4%	10.8%	\$44,151
Brockton	1,263	626	49.6%	2,396	936	39.1%	16.9%	6.4%	\$46,235
Brookline	754	23	3.1%	512	59	11.5%	2.4%	2.8%	\$92,993
Cambridge	983	45	4.6%	521	59	11.3%	10.5%	5.2%	\$59,423
Chicopee	588	148	25.2%	836	267	31.9%	1.7%	6.1%	\$44,136
Fall River	666	162	24.3%	949	295	31.1%	2.1%	2.3%	\$37,671
Framingham	748	211	28.2%	887	196	22.1%	4.2%	7.8%	\$67,420
Haverhill	918	230	25.1%	1,285	346	26.9%	1.8%	6.1%	\$59,772
Lawrence	704	391	55.5%	1,182	507	42.9%	2.0%	50.6%	\$31,809
Leominster	384	90	23.4%	701	210	30.0%	3.1%	8.7%	\$54,660
Lowell	1,228	363	29.6%	1,442	435	30.2%	3.4%	11.4%	\$45,901
Lynn	944	385	40.8%	1,696	553	32.6%	9.0%	13.2%	\$45,295
Malden	633	165	26.1%	798	211	26.4%	7.4%	3.6%	\$55,557
Medford	609	90	14.8%	809	158	19.5%	5.4%	1.7%	\$62,409
Methuen	572	103	18.0%	899	222	24.7%	0.8%	7.1%	\$59,831
New Bedford	790	269	34.1%	1,454	472	32.5%	4.5%	7.4%	\$35,708
Newton	919	51	5.5%	939	87	9.3%	1.4%	1.6%	\$105,289
Peabody	507	112	22.1%	839	163	19.4%	0.8%	2.6%	\$65,483
Pittsfield	577	96	16.6%	558	130	23.3%	3.1%	1.3%	\$46,228
Plymouth	757	139	18.4%	1,440	389	27.0%	1.1%	0.6%	\$63,266
Quincy	1,193	150	12.6%	1,068	209	19.6%	2.2%	1.6%	\$59,735
Revere	629	261	41.5%	926	276	29.8%	2.6%	6.3%	\$45,865
Salem	572	94	16.4%	636	128	20.1%	2.1%	7.4%	\$55,635
Somerville	803	98	12.2%	611	124	20.3%	5.4%	5.7%	\$51,243
Springfield	1,995	857	43.0%	2,552	1,236	48.4%	19.4%	21.8%	\$36,285
Taunton	754	207	27.5%	1,172	352	30.0%	2.4%	3.0%	\$52,433
Waltham	623	61	9.8%	605	106	17.5%	3.6%	5.9%	\$64,595
Westfield	521	96	18.4%	559	180	32.2%	0.7%	3.7%	\$55,327
Weymouth	655	126	19.2%	1,039	237	22.8%	1.5%	1.1%	\$64,083
Worcester	1,986	666	33.5%	2,514	920	36.6%	5.9%	11.8%	\$42,988

TABLE 3
High-APR Loans (HALs), By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2006

I. HALs AS PERCENTAGE OF ALL LOANS, BY RACE/ETHNICITY OF BORROWER												
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %	All Loans	High-APR Loans	% High-APR	Ratio to White %
A. HALs AS PERCENT OF ALL HOME-PURCHASE LOANS												
Asian	376	37	9.8%	0.84	2,330	163	7.0%	0.64	3,555	359	10.1%	0.72
Black	1,033	553	53.5%	4.57	2,108	1,030	48.9%	4.50	4,199	2,126	50.6%	3.62
Latino	589	265	45.0%	3.84	2,600	1,256	48.3%	4.45	5,665	2,779	49.1%	3.51
White	4,192	491	11.7%	1.00	25,439	2,760	10.8%	1.00	56,251	7,861	14.0%	1.00
Other*	21	8	38.1%		129	33	25.6%		282	71	25.2%	
No Info ^	841	168	20.0%		3,932	546	13.9%		7,032	1,443	20.5%	
Total	7,052	1,522	21.6%		36,538	5,788	15.8%		76,984	14,639	19.0%	
B. HALs AS PERCENT OF ALL REFINANCE LOANS												
Asian	180	31	17.2%	0.98	1,245	168	13.5%	0.80	2,003	317	15.8%	0.76
Black	1,535	620	40.4%	2.29	2,760	1,055	38.2%	2.28	4,944	2,022	40.9%	1.97
Latino	616	230	37.3%	2.12	2,583	937	36.3%	2.16	5,828	2,379	40.8%	1.97
White	3,191	562	17.6%	1.00	31,146	5,228	16.8%	1.00	77,543	16,069	20.7%	1.00
Other*	43	18	41.9%		188	53	28.2%		445	128	28.8%	
No Info ^	1,070	378	35.3%		5,703	1,620	28.4%		13,114	4,619	35.2%	
Total	6,635	1,839	27.7%		43,625	9,061	20.8%		103,877	25,534	24.6%	
II. SHARES OF ALL LOANS, NON-HAL LOANS, AND HALs, BY RACE/ETHNICITY OF BORROWER												
Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans
A. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL HOME-PURCHASE LOANS												
Asian	376	5.3%	6.1%	2.4%	2,330	6.4%	7.0%	2.8%	3,555	4.6%	5.1%	2.5%
Black	1,033	14.6%	8.7%	36.3%	2,108	5.8%	3.5%	17.8%	4,199	5.5%	3.3%	14.5%
Latino	589	8.4%	5.9%	17.4%	2,600	7.1%	4.4%	21.7%	5,665	7.4%	4.6%	19.0%
White	4,192	59.4%	66.9%	32.3%	25,439	69.6%	73.8%	47.7%	56,251	73.1%	77.6%	53.7%
Other*	21	0.3%	0.2%	0.5%	129	0.4%	0.3%	0.6%	282	0.4%	0.3%	0.5%
No Info ^	841	11.9%	12.2%	11.0%	3,932	10.8%	11.0%	9.4%	7,032	9.1%	9.0%	9.9%
Total	7,052	100.0%	100.0%	100.0%	36,538	100.0%	100.0%	100.0%	76,984	100.0%	100.0%	100.0%
B. LOANS TO EACH RACIAL/ETHNIC GROUP AS PERCENT OF TOTAL REFINANCE LOANS												
Asian	180	2.7%	3.1%	1.7%	1,245	2.9%	3.1%	1.9%	2,003	1.9%	2.2%	1.2%
Black	1,535	23.1%	19.1%	33.7%	2,760	6.3%	4.9%	11.6%	4,944	4.8%	3.7%	7.9%
Latino	616	9.3%	8.0%	12.5%	2,583	5.9%	4.8%	10.3%	5,828	5.6%	4.4%	9.3%
White	3,191	48.1%	54.8%	30.6%	31,146	71.4%	75.0%	57.7%	77,543	74.6%	78.5%	62.9%
Other*	43	0.6%	0.5%	1.0%	188	0.4%	0.4%	0.6%	445	0.4%	0.4%	0.5%
No Info ^	1,070	16.1%	14.4%	20.6%	5,703	13.1%	11.8%	17.9%	13,114	12.6%	10.8%	18.1%
Total	6,635	100.0%	100.0%	100.0%	43,625	100.0%	100.0%	100.0%	103,877	100.0%	100.0%	100.0%

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

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

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

TABLE 4
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the Fourteen Counties in Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2006

	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
A. HOME PURCHASE LOANS											
Barnstable	45	19	42.2%	94	57	60.6%	2,080	333	16.0%	2.64	3.79
Berkshire	24	11	45.8%	44	7	15.9%	1,231	155	12.6%	3.64	1.26
Bristol	212	100	47.2%	233	101	43.3%	4,879	871	17.9%	2.64	2.43
Dukes	5	3	60.0%	2	1	50.0%	75	21	28.0%	2.14	1.79
Essex	237	115	48.5%	1,158	643	55.5%	6,446	872	13.5%	3.59	4.10
Franklin	8	5	62.5%	19	3	15.8%	676	103	15.2%	4.10	1.04
Hampden	446	216	48.4%	816	420	51.5%	3,796	717	18.9%	2.56	2.72
Hampshire	17	1	5.9%	51	7	13.7%	1,423	127	8.9%	0.66	1.54
Middlesex	538	229	42.6%	1,069	497	46.5%	12,468	1,227	9.8%	4.33	4.72
Nantucket	4	2	50.0%	8	5	62.5%	80	14	17.5%	2.86	3.57
Norfolk	525	237	45.1%	251	82	32.7%	5,863	596	10.2%	4.44	3.21
Plymouth	641	375	58.5%	187	104	55.6%	4,524	724	16.0%	3.66	3.48
Suffolk	1,071	574	53.6%	1,012	496	49.0%	4,697	625	13.3%	4.03	3.68
Worcester	410	233	56.8%	678	336	49.6%	7,485	1,377	18.4%	3.09	2.69
B. REFINANCE LOANS											
Barnstable	75	31	41.3%	166	73	44.0%	4,500	864	19.2%	2.15	2.29
Berkshire	15	5	33.3%	14	2	14.3%	1,460	267	18.3%	1.82	0.78
Bristol	229	83	36.2%	250	96	38.4%	7,653	1,766	23.1%	1.57	1.66
Dukes	14	4	28.6%	10	5	50.0%	319	69	21.6%	1.32	2.31
Essex	299	119	39.8%	1,450	648	44.7%	9,647	1,746	18.1%	2.20	2.47
Franklin	6	4	66.7%	15	3	20.0%	820	206	25.1%	2.65	0.80
Hampden	462	232	50.2%	671	335	49.9%	4,888	1,458	29.8%	1.68	1.67
Hampshire	20	6	30.0%	32	5	15.6%	1,409	297	21.1%	1.42	0.74
Middlesex	569	207	36.4%	944	313	33.2%	14,835	2,489	16.8%	2.17	1.98
Nantucket	5	1	20.0%	7	0	0.0%	207	22	10.6%	1.88	0.00
Norfolk	527	195	37.0%	234	71	30.3%	7,864	1,351	17.2%	2.15	1.77
Plymouth	735	294	40.0%	268	103	38.4%	8,570	1,952	22.8%	1.76	1.69
Suffolk	1,592	643	40.4%	1,021	389	38.1%	4,154	809	19.5%	2.07	1.96
Worcester	381	193	50.7%	719	331	46.0%	10,784	2,675	24.8%	2.04	1.86

TABLE 5
Black, Latino, & White Borrowers' Shares of All Loans
In the Fourteen Counties of Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2006

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-HAL Loans	High-APR Loans	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs
A. HOME-PURCHASE LOANS												
Barnstable	2,497	2,019	478	1.8%	1.3%	4.0%	3.8%	1.8%	11.9%	83.3%	86.5%	69.7%
Berkshire	1,411	1,209	202	1.7%	1.1%	5.4%	3.1%	3.1%	3.5%	87.2%	89.0%	76.7%
Bristol	5,841	4,654	1,187	3.6%	2.4%	8.4%	4.0%	2.8%	8.5%	83.5%	86.1%	73.4%
Dukes	100	64	36	5.0%	3.1%	8.3%	2.0%	1.6%	2.8%	75.0%	84.4%	58.3%
Essex	8,825	7,014	1,811	2.7%	1.7%	6.4%	13.1%	7.3%	35.5%	73.0%	79.5%	48.2%
Franklin	744	621	123	1.1%	0.5%	4.1%	2.6%	2.6%	2.4%	90.9%	92.3%	83.7%
Hampden	5,516	3,969	1,547	8.1%	5.8%	14.0%	14.8%	10.0%	27.1%	68.8%	77.6%	46.3%
Hampshire	1,626	1,467	159	1.0%	1.1%	0.6%	3.1%	3.0%	4.4%	87.5%	88.3%	79.9%
Middlesex	17,467	15,143	2,324	3.1%	2.0%	9.9%	6.1%	3.8%	21.4%	71.4%	74.2%	52.8%
Nantucket	111	87	24	3.6%	2.3%	8.3%	7.2%	3.4%	20.8%	72.1%	75.9%	58.3%
Norfolk	8,227	7,153	1,074	6.4%	4.0%	22.1%	3.1%	2.4%	7.6%	71.3%	73.6%	55.5%
Plymouth	5,968	4,583	1,385	10.7%	5.8%	27.1%	3.1%	1.8%	7.5%	75.8%	82.9%	52.3%
Suffolk	8,170	6,230	1,940	13.1%	8.0%	29.6%	12.4%	8.3%	25.6%	57.5%	65.4%	32.2%
Worcester	9,837	7,617	2,220	4.2%	2.3%	10.5%	6.9%	4.5%	15.1%	76.1%	80.2%	62.0%
B. REFINANCE LOANS												
Barnstable	5,458	4,268	1,190	1.4%	1.0%	2.6%	3.0%	2.2%	6.1%	82.4%	85.2%	72.6%
Berkshire	1,708	1,324	384	0.9%	0.8%	1.3%	0.8%	0.9%	0.5%	85.5%	90.1%	69.5%
Bristol	9,292	6,895	2,397	2.5%	2.1%	3.5%	2.7%	2.2%	4.0%	82.4%	85.4%	73.7%
Dukes	406	308	98	3.4%	3.2%	4.1%	2.5%	1.6%	5.1%	78.6%	81.2%	70.4%
Essex	12,956	9,972	2,984	2.3%	1.8%	4.0%	11.2%	8.0%	21.7%	74.5%	79.2%	58.5%
Franklin	985	711	274	0.6%	0.3%	1.5%	1.5%	1.7%	1.1%	83.2%	86.4%	75.2%
Hampden	7,149	4,541	2,608	6.5%	5.1%	8.9%	9.4%	7.4%	12.8%	68.4%	75.5%	55.9%
Hampshire	1,650	1,274	376	1.2%	1.1%	1.6%	1.9%	2.1%	1.3%	85.4%	87.3%	79.0%
Middlesex	19,753	15,979	3,774	2.9%	2.3%	5.5%	4.8%	3.9%	8.3%	75.1%	77.3%	66.0%
Nantucket	253	226	27	2.0%	1.8%	3.7%	2.8%	3.1%	0.0%	81.8%	81.9%	81.5%
Norfolk	10,369	8,304	2,065	5.1%	4.0%	9.4%	2.3%	2.0%	3.4%	75.8%	78.4%	65.4%
Plymouth	11,144	8,205	2,939	6.6%	5.4%	10.0%	2.4%	2.0%	3.5%	76.9%	80.7%	66.4%
Suffolk	8,328	5,979	2,349	19.1%	15.9%	27.4%	12.3%	10.6%	16.6%	49.9%	55.9%	34.4%
Worcester	13,927	9,971	3,956	2.7%	1.9%	4.9%	5.2%	3.9%	8.4%	77.4%	81.3%	67.6%

Note: See Table 4 for the *numbers* of loans to black, Latino, & white borrowers in each county that were used to calculate this table's *percentages*.

TABLE 6A
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2006

	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
	Arlington	5	0	0.0%	12	3	25.0%	464	24	5.2%	0.00
Attleboro	28	13	46.4%	34	10	29.4%	454	100	22.0%	2.11	1.34
Barnstable	12	4	33.3%	49	35	71.4%	382	88	23.0%	1.45	3.10
Boston	1,033	553	53.5%	589	265	45.0%	4,192	491	11.7%	4.57	3.84
Brockton	570	347	60.9%	121	70	57.9%	433	135	31.2%	1.95	1.86
Brookline	5	0	0.0%	18	2	11.1%	513	16	3.1%	0.00	3.56
Cambridge	40	6	15.0%	23	2	8.7%	647	30	4.6%	3.24	1.88
Chicopee	12	3	25.0%	57	29	50.9%	477	94	19.7%	1.27	2.58
Fall River	24	12	50.0%	25	12	48.0%	561	117	20.9%	2.40	2.30
Framingham	27	11	40.7%	141	86	61.0%	479	96	20.0%	2.03	3.04
Haverhill	27	12	44.4%	113	64	56.6%	699	133	19.0%	2.34	2.98
Lawrence	40	22	55.0%	472	290	61.4%	140	46	32.9%	1.67	1.87
Leominster	17	7	41.2%	54	25	46.3%	276	54	19.6%	2.10	2.37
Lowell	109	56	51.4%	141	62	44.0%	683	139	20.4%	2.52	2.16
Lynn	93	51	54.8%	288	172	59.7%	441	121	27.4%	2.00	2.18
Malden	80	43	53.8%	96	47	49.0%	298	53	17.8%	3.02	2.75
Medford	34	15	44.1%	47	16	34.0%	414	48	11.6%	3.81	2.94
Methuen	21	6	28.6%	109	40	36.7%	381	49	12.9%	2.22	2.85
New Bedford	63	36	57.1%	77	36	46.8%	596	184	30.9%	1.85	1.51
Newton	10	0	0.0%	17	3	17.6%	661	27	4.1%	0.00	4.32
Peabody	9	5	55.6%	30	20	66.7%	402	77	19.2%	2.90	3.48
Pittsfield	17	7	41.2%	27	5	18.5%	486	68	14.0%	2.94	1.32
Plymouth	7	3	42.9%	14	10	71.4%	659	106	16.1%	2.66	4.44
Quincy	53	20	37.7%	48	14	29.2%	721	84	11.7%	3.24	2.50
Revere	23	10	43.5%	263	146	55.5%	261	82	31.4%	1.38	1.77
Salem	10	5	50.0%	37	19	51.4%	449	61	13.6%	3.68	3.78
Somerville	19	5	26.3%	70	32	45.7%	557	48	8.6%	3.05	5.30
Springfield	384	196	51.0%	593	328	55.3%	824	226	27.4%	1.86	2.02
Taunton	41	21	51.2%	45	28	62.2%	592	138	23.3%	2.20	2.67
Waltham	17	10	58.8%	40	21	52.5%	436	21	4.8%	12.21	10.90
Westfield	1	0	0.0%	23	9	39.1%	467	79	16.9%	0.00	2.31
Weymouth	16	8	50.0%	36	19	52.8%	518	82	15.8%	3.16	3.33
Worcester	290	176	60.7%	249	118	47.4%	1,172	280	23.9%	2.54	1.98

TABLE 6B
High-APR Loans (HALs) to Black, Latino, & White Borrowers
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2006

	Black Borrowers			Latino Borrowers			White Borrowers			High-APR Share Disparity Ratios	
	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	Black/White	Latino/White
Arlington	9	2	22.2%	5	0	0.0%	383	43	11.2%	1.98	0.00
Attleboro	20	8	40.0%	25	11	44.0%	609	146	24.0%	1.67	1.84
Barnstable	26	9	34.6%	88	40	45.5%	962	178	18.5%	1.87	2.46
Boston	1,535	620	40.4%	616	230	37.3%	3,191	562	17.6%	2.29	2.12
Brockton	629	267	42.4%	188	80	42.6%	1,111	376	33.8%	1.25	1.26
Brookline	7	0	0.0%	16	7	43.8%	368	40	10.9%	0.00	4.03
Cambridge	23	2	8.7%	22	4	18.2%	372	36	9.7%	0.90	1.88
Chicopee	7	3	42.9%	35	12	34.3%	674	191	28.3%	1.51	1.21
Fall River	16	6	37.5%	41	17	41.5%	768	215	28.0%	1.34	1.48
Framingham	30	10	33.3%	127	47	37.0%	586	101	17.2%	1.93	2.15
Haverhill	36	15	41.7%	132	59	44.7%	1,002	221	22.1%	1.89	2.03
Lawrence	47	21	44.7%	678	323	47.6%	322	101	31.4%	1.42	1.52
Leominster	20	8	40.0%	65	24	36.9%	522	135	25.9%	1.55	1.43
Lowell	89	50	56.2%	111	44	39.6%	883	233	26.4%	2.13	1.50
Lynn	148	60	40.5%	375	171	45.6%	922	236	25.6%	1.58	1.78
Malden	88	31	35.2%	94	33	35.1%	473	108	22.8%	1.54	1.54
Medford	53	19	35.8%	43	5	11.6%	582	99	17.0%	2.11	0.68
Methuen	15	5	33.3%	108	48	44.4%	652	130	19.9%	1.67	2.23
New Bedford	79	27	34.2%	84	41	48.8%	1,121	316	28.2%	1.21	1.73
Newton	12	2	16.7%	18	0	0.0%	686	60	8.7%	1.91	0.00
Peabody	9	2	22.2%	35	7	20.0%	690	125	18.1%	1.23	1.10
Pittsfield	10	4	40.0%	3	0	0.0%	487	94	19.3%	2.07	0.00
Plymouth	9	0	0.0%	20	4	20.0%	1,254	324	25.8%	0.00	0.77
Quincy	18	5	27.8%	18	7	38.9%	767	132	17.2%	1.61	2.26
Revere	32	10	31.3%	202	75	37.1%	554	147	26.5%	1.18	1.40
Salem	10	3	30.0%	48	18	37.5%	486	83	17.1%	1.76	2.20
Somerville	52	17	32.7%	68	20	29.4%	388	65	16.8%	1.95	1.76
Springfield	408	218	53.4%	492	258	52.4%	1,183	469	39.6%	1.35	1.32
Taunton	49	22	44.9%	36	8	22.2%	951	269	28.3%	1.59	0.79
Waltham	15	5	33.3%	39	12	30.8%	463	69	14.9%	2.24	2.06
Westfield	3	1	33.3%	20	9	45.0%	456	131	28.7%	1.16	1.57
Weymouth	8	3	37.5%	18	7	38.9%	849	179	21.1%	1.78	1.84
Worcester	242	124	51.2%	301	153	50.8%	1,556	477	30.7%	1.67	1.66

TABLE 7A
Black, Latino, & White Borrowers' Shares of All Loans
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE LOANS for Owner-Occupied Homes, 2006

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non- HAL Loans	High- APR Loans	% of All Loans	% of All Non- HALs	% of All HALs	% of All Loans	% of All Non- HALs	% of All HALs	% of All Loans	% of All Non- HALs	% of All HALs
Arlington	598	566	32	0.8%	0.9%	0.0%	2.0%	1.6%	9.4%	77.6%	77.7%	75.0%
Attleboro	580	436	144	4.8%	3.4%	9.0%	5.9%	5.5%	6.9%	78.3%	81.2%	69.4%
Barnstable	515	361	154	2.3%	2.2%	2.6%	9.5%	3.9%	22.7%	74.2%	81.4%	57.1%
Boston	7,052	5,530	1,522	14.6%	8.7%	36.3%	8.4%	5.9%	17.4%	59.4%	66.9%	32.3%
Brockton	1,263	637	626	45.1%	35.0%	55.4%	9.6%	8.0%	11.2%	34.3%	46.8%	21.6%
Brookline	754	731	23	0.7%	0.7%	0.0%	2.4%	2.2%	8.7%	68.0%	68.0%	69.6%
Cambridge	983	938	45	4.1%	3.6%	13.3%	2.3%	2.2%	4.4%	65.8%	65.8%	66.7%
Chicopee	588	440	148	2.0%	2.0%	2.0%	9.7%	6.4%	19.6%	81.1%	87.0%	63.5%
Fall River	666	504	162	3.6%	2.4%	7.4%	3.8%	2.6%	7.4%	84.2%	88.1%	72.2%
Framingham	748	537	211	3.6%	3.0%	5.2%	18.9%	10.2%	40.8%	64.0%	71.3%	45.5%
Haverhill	918	688	230	2.9%	2.2%	5.2%	12.3%	7.1%	27.8%	76.1%	82.3%	57.8%
Lawrence	704	313	391	5.7%	5.8%	5.6%	67.0%	58.1%	74.2%	19.9%	30.0%	11.8%
Leominster	384	294	90	4.4%	3.4%	7.8%	14.1%	9.9%	27.8%	71.9%	75.5%	60.0%
Lowell	1,228	865	363	8.9%	6.1%	15.4%	11.5%	9.1%	17.1%	55.6%	62.9%	38.3%
Lynn	944	559	385	9.9%	7.5%	13.2%	30.5%	20.8%	44.7%	46.7%	57.2%	31.4%
Malden	633	468	165	12.6%	7.9%	26.1%	15.2%	10.5%	28.5%	47.1%	52.4%	32.1%
Medford	609	519	90	5.6%	3.7%	16.7%	7.7%	6.0%	17.8%	68.0%	70.5%	53.3%
Methuen	572	469	103	3.7%	3.2%	5.8%	19.1%	14.7%	38.8%	66.6%	70.8%	47.6%
New Bedford	790	521	269	8.0%	5.2%	13.4%	9.7%	7.9%	13.4%	75.4%	79.1%	68.4%
Newton	919	868	51	1.1%	1.2%	0.0%	1.8%	1.6%	5.9%	71.9%	73.0%	52.9%
Peabody	507	395	112	1.8%	1.0%	4.5%	5.9%	2.5%	17.9%	79.3%	82.3%	68.8%
Pittsfield	577	481	96	2.9%	2.1%	7.3%	4.7%	4.6%	5.2%	84.2%	86.9%	70.8%
Plymouth	757	618	139	0.9%	0.6%	2.2%	1.8%	0.6%	7.2%	87.1%	89.5%	76.3%
Quincy	1,193	1,043	150	4.4%	3.2%	13.3%	4.0%	3.3%	9.3%	60.4%	61.1%	56.0%
Revere	629	368	261	3.7%	3.5%	3.8%	41.8%	31.8%	55.9%	41.5%	48.6%	31.4%
Salem	572	478	94	1.7%	1.0%	5.3%	6.5%	3.8%	20.2%	78.5%	81.2%	64.9%
Somerville	803	705	98	2.4%	2.0%	5.1%	8.7%	5.4%	32.7%	69.4%	72.2%	49.0%
Springfield	1,995	1,138	857	19.2%	16.5%	22.9%	29.7%	23.3%	38.3%	41.3%	52.5%	26.4%
Taunton	754	547	207	5.4%	3.7%	10.1%	6.0%	3.1%	13.5%	78.5%	83.0%	66.7%
Waltham	623	562	61	2.7%	1.2%	16.4%	6.4%	3.4%	34.4%	70.0%	73.8%	34.4%
Westfield	521	425	96	0.2%	0.2%	0.0%	4.4%	3.3%	9.4%	89.6%	91.3%	82.3%
Weymouth	655	529	126	2.4%	1.5%	6.3%	5.5%	3.2%	15.1%	79.1%	82.4%	65.1%
Worcester	1,986	1,320	666	14.6%	8.6%	26.4%	12.5%	9.9%	17.7%	59.0%	67.6%	42.0%

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

TABLE 7B
Black, Latino, & White Borrowers' Shares of All Loans
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien REFINANCE LOANS for Owner-Occupied Homes, 2006

	All Borrowers			Black Borrowers			Latino Borrowers			White Borrowers		
	All Loans	Non-HAL Loans	High-APR Loans	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs	% of All Loans	% of All Non-HALs	% of All HALs
Arlington	455	404	51	2.0%	1.7%	3.9%	1.1%	1.2%	0.0%	84.2%	84.2%	84.3%
Attleboro	767	567	200	2.6%	2.1%	4.0%	3.3%	2.5%	5.5%	79.4%	81.7%	73.0%
Barnstable	1,213	939	274	2.1%	1.8%	3.3%	7.3%	5.1%	14.6%	79.3%	83.5%	65.0%
Boston	6,635	4,796	1,839	23.1%	19.1%	33.7%	9.3%	8.0%	12.5%	48.1%	54.8%	30.6%
Brockton	2,396	1,460	936	26.3%	24.8%	28.5%	7.8%	7.4%	8.5%	46.4%	50.3%	40.2%
Brookline	512	453	59	1.4%	1.5%	0.0%	3.1%	2.0%	11.9%	71.9%	72.4%	67.8%
Cambridge	521	462	59	4.4%	4.5%	3.4%	4.2%	3.9%	6.8%	71.4%	72.7%	61.0%
Chicopee	836	569	267	0.8%	0.7%	1.1%	4.2%	4.0%	4.5%	80.6%	84.9%	71.5%
Fall River	949	654	295	1.7%	1.5%	2.0%	4.3%	3.7%	5.8%	80.9%	84.6%	72.9%
Framingham	887	691	196	3.4%	2.9%	5.1%	14.3%	11.6%	24.0%	66.1%	70.2%	51.5%
Haverhill	1,285	939	346	2.8%	2.2%	4.3%	10.3%	7.8%	17.1%	78.0%	83.2%	63.9%
Lawrence	1,182	675	507	4.0%	3.9%	4.1%	57.4%	52.6%	63.7%	27.2%	32.7%	19.9%
Leominster	701	491	210	2.9%	2.4%	3.8%	9.3%	8.4%	11.4%	74.5%	78.8%	64.3%
Lowell	1,442	1,007	435	6.2%	3.9%	11.5%	7.7%	6.7%	10.1%	61.2%	64.5%	53.6%
Lynn	1,696	1,143	553	8.7%	7.7%	10.8%	22.1%	17.8%	30.9%	54.4%	60.0%	42.7%
Malden	798	587	211	11.0%	9.7%	14.7%	11.8%	10.4%	15.6%	59.3%	62.2%	51.2%
Medford	809	651	158	6.6%	5.2%	12.0%	5.3%	5.8%	3.2%	71.9%	74.2%	62.7%
Methuen	899	677	222	1.7%	1.5%	2.3%	12.0%	8.9%	21.6%	72.5%	77.1%	58.6%
New Bedford	1,454	982	472	5.4%	5.3%	5.7%	5.8%	4.4%	8.7%	77.1%	82.0%	66.9%
Newton	939	852	87	1.3%	1.2%	2.3%	1.9%	2.1%	0.0%	73.1%	73.5%	69.0%
Peabody	839	676	163	1.1%	1.0%	1.2%	4.2%	4.1%	4.3%	82.2%	83.6%	76.7%
Pittsfield	558	428	130	1.8%	1.4%	3.1%	0.5%	0.7%	0.0%	87.3%	91.8%	72.3%
Plymouth	1,440	1,051	389	0.6%	0.9%	0.0%	1.4%	1.5%	1.0%	87.1%	88.5%	83.3%
Quincy	1,068	859	209	1.7%	1.5%	2.4%	1.7%	1.3%	3.3%	71.8%	73.9%	63.2%
Revere	926	650	276	3.5%	3.4%	3.6%	21.8%	19.5%	27.2%	59.8%	62.6%	53.3%
Salem	636	508	128	1.6%	1.4%	2.3%	7.5%	5.9%	14.1%	76.4%	79.3%	64.8%
Somerville	611	487	124	8.5%	7.2%	13.7%	11.1%	9.9%	16.1%	63.5%	66.3%	52.4%
Springfield	2,552	1,316	1,236	16.0%	14.4%	17.6%	19.3%	17.8%	20.9%	46.4%	54.3%	37.9%
Taunton	1,172	820	352	4.2%	3.3%	6.3%	3.1%	3.4%	2.3%	81.1%	83.2%	76.4%
Waltham	605	499	106	2.5%	2.0%	4.7%	6.4%	5.4%	11.3%	76.5%	79.0%	65.1%
Westfield	559	379	180	0.5%	0.5%	0.6%	3.6%	2.9%	5.0%	81.6%	85.8%	72.8%
Weymouth	1,039	802	237	0.8%	0.6%	1.3%	1.7%	1.4%	3.0%	81.7%	83.5%	75.5%
Worcester	2,514	1,594	920	9.6%	7.4%	13.5%	12.0%	9.3%	16.6%	61.9%	67.7%	51.8%

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

TABLE 8
Total and High-APR Lending, By Income of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2006

I. HALs AS PERCENTAGE OF ALL LOANS BY INCOME OF BORROWER													
Borrower Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	High-APR Loans	% High-APR	Ratio to Highest%	All Loans	High-APR Loans	% High-APR	Ratio to Highest%	All Loans	High-APR Loans	% High-APR	Ratio to Highest%	
A. HALs AS PERCENT OF ALL HOME-PURCHASE LOANS AT EACH INCOME LEVEL													
Low	222	12	5.4%	0.50	1,063	79	7.4%	0.84	2,829	382	13.5%	1.28	
Moderate	1,192	124	10.4%	0.95	5,415	612	11.3%	1.27	13,758	2,566	18.7%	1.77	
Middle	2,042	520	25.5%	2.33	10,457	2,083	19.9%	2.24	23,624	5,405	22.9%	2.17	
High	2,102	634	30.2%	2.76	10,966	1,943	17.7%	2.00	21,601	3,992	18.5%	1.75	
Highest	1,155	126	10.9%	1.00	6,914	614	8.9%	1.00	11,022	1,161	10.5%	1.00	
No Info	339	106	31.3%		1,723	457	26.5%		4,150	1,133	27.3%		
Total	7,052	1,522	21.6%		36,538	5,788	15.8%		76,984	14,639	19.0%		
B. HALs AS PERCENT OF ALL REFINANCE LOANS AT EACH INCOME LEVEL													
Low	374	95	25.4%	1.30	2,229	387	17.4%	1.11	6,484	1,337	20.6%	1.11	
Moderate	1,218	318	26.1%	1.34	7,530	1,527	20.3%	1.29	21,172	5,690	26.9%	1.45	
Middle	2,015	640	31.8%	1.62	12,926	3,154	24.4%	1.56	32,039	8,959	28.0%	1.51	
High	1,777	553	31.1%	1.59	12,013	2,654	22.1%	1.41	26,663	6,445	24.2%	1.30	
Highest	762	149	19.6%	1.00	5,984	938	15.7%	1.00	10,708	1,989	18.6%	1.00	
No Info	489	84	17.2%		2,943	401	13.6%		6,811	1,114	16.4%		
Total	6,635	1,839	27.7%		43,625	9,061	20.8%		103,877	25,534	24.6%		
II. SHARES OF ALL LOANS, NON-HAL LOANS, AND HALs, BY INCOME OF BORROWER													
Borrower Income	City of Boston				Greater Boston				Massachusetts				
	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	All Loans	% of All Loans	% of Non-HAL Loans	% of HAL Loans	
A. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL HOME-PURCHASE LOANS: ALL LOANS, NON-HAL LOANS, AND HALs													
Low	222	3.1%	3.8%	0.8%	1,063	2.9%	3.2%	1.4%	2,829	3.7%	3.9%	2.6%	
Moderate	1,192	16.9%	19.3%	8.1%	5,415	14.8%	15.6%	10.6%	13,758	17.9%	18.0%	17.5%	
Middle	2,042	29.0%	27.5%	34.2%	10,457	28.6%	27.2%	36.0%	23,624	30.7%	29.2%	36.9%	
High	2,102	29.8%	26.5%	41.7%	10,966	30.0%	29.3%	33.6%	21,601	28.1%	28.2%	27.3%	
Highest	1,155	16.4%	18.6%	8.3%	6,914	18.9%	20.5%	10.6%	11,022	14.3%	15.8%	7.9%	
No Info	339	4.8%	4.2%	7.0%	1,723	4.7%	4.1%	7.9%	4,150	5.4%	4.8%	7.7%	
Total	7,052	100.0%	100.0%	100.0%	36,538	100.0%	100.0%	100.0%	76,984	100.0%	100.0%	100.0%	
B. LOANS TO EACH INCOME CATEGORY AS PERCENT OF TOTAL REFINANCE LOANS: ALL LOANS, NON-HAL LOANS, AND HALs													
Low	374	5.6%	5.8%	5.2%	2,229	5.1%	5.3%	4.3%	6,484	6.2%	6.6%	5.2%	
Moderate	1,218	18.4%	18.8%	17.3%	7,530	17.3%	17.4%	16.9%	21,172	20.4%	19.8%	22.3%	
Middle	2,015	30.4%	28.7%	34.8%	12,926	29.6%	28.3%	34.8%	32,039	30.8%	29.5%	35.1%	
High	1,777	26.8%	25.5%	30.1%	12,013	27.5%	27.1%	29.3%	26,663	25.7%	25.8%	25.2%	
Highest	762	11.5%	12.8%	8.1%	5,984	13.7%	14.6%	10.4%	10,708	10.3%	11.1%	7.8%	
No Info	489	7.4%	8.4%	4.6%	2,943	6.7%	7.4%	4.4%	6,811	6.6%	7.3%	4.4%	
Total	6,635	100.0%	100.0%	100.0%	43,625	100.0%	100.0%	100.0%	103,877	100.0%	100.0%	100.0%	

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. For the Boston Metropolitan Statistical Area (MSA), which includes all of Greater Boston, the MFI in 2006 was \$82,000. In the entire state, there are six MSAs, with MFIs in 2006 ranging from \$61,200 to \$82,000. Borrowers in Dukes and Nantucket Counties, which are not in any metro area, were classified using the MFI for the nonmetro part of the state (\$71,700). "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Highest" over 200% of the MFI in the relevant metro area. (More detail in "Notes on Data & Methods.")

TABLE 9
High-APR Loans (HALs) To Borrowers at Different Income Levels# in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans					Refinance Loans				
	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%
	Number HALs	% HALs	Number HALs	% HALs		Number HALs	% HALs	Number HALs	% HALs	
A. BOSTON AND GREATER BOSTON*										
Boston	136	9.6%	1,154	27.8%	0.35	413	25.9%	1,193	31.5%	0.82
Greater Boston	691	10.7%	4,026	18.8%	0.57	1,914	19.6%	5,808	23.3%	0.84
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS										
Barnstable	32	8.1%	327	23.2%	0.35	163	15.6%	769	25.3%	0.62
Berkshire	89	21.0%	91	12.1%	1.74	170	28.1%	174	20.4%	1.38
Bristol	143	16.3%	857	21.6%	0.75	520	24.5%	1,568	27.1%	0.90
Dukes	0	0.0%	17	38.6%	0.00	8	16.0%	62	28.6%	0.56
Essex	447	19.4%	1,144	22.7%	0.86	829	22.0%	1,791	25.0%	0.88
Franklin	32	14.7%	75	16.8%	0.88	109	31.5%	143	25.6%	1.23
Hampden	601	31.5%	814	26.6%	1.18	1,114	41.3%	1,334	35.6%	1.16
Hampshire	28	8.2%	99	10.0%	0.82	105	23.3%	244	24.4%	0.95
Middlesex	414	12.8%	1,466	14.2%	0.90	915	19.7%	2,330	20.7%	0.95
Nantucket	0	0.0%	7	16.3%	0.00	1	5.6%	6	7.1%	0.78
Norfolk	107	7.7%	750	15.6%	0.49	445	19.0%	1,302	22.2%	0.86
Plymouth	291	21.3%	919	25.9%	0.83	892	25.8%	1,775	28.5%	0.90
Suffolk	201	11.8%	1,446	29.9%	0.40	526	25.8%	1,536	31.9%	0.81
Worcester	563	23.3%	1,385	23.2%	1.00	1,230	30.2%	2,370	29.3%	1.03
C. STATEWIDE										
Massachusetts	2,948	17.8%	9,397	20.8%	0.86	7,027	25.4%	15,404	26.2%	0.97

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the relevant metro area. "Highest-income" borrowers (those with incomes more than double the MFI in the metro area) are excluded from this table. For more information, see footnote to Table 4 or "Notes on Data & Methods."

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

TABLE 10
High-APR Loans (HALs) To Borrowers at Different Income Levels
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans					Refinance Loans				
	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%	Low/Mod Income		Mid/High Income		Ratio: LMI%/MHI%
	Number HALs	% HALs	Number HALs	% HALs		Number HALs	% HALs	Number HALs	% HALs	
Arlington	3	4.2%	17	4.2%	0.99	5	7.5%	34	11.9%	0.63
Attleboro	14	22.2%	116	26.7%	0.83	43	29.1%	134	25.8%	1.13
Barnstable	9	13.6%	120	36.6%	0.37	29	12.8%	189	27.9%	0.46
Boston	136	9.6%	1,154	27.8%	0.35	413	25.9%	1,193	31.5%	0.82
Brockton	153	38.3%	434	56.7%	0.68	350	35.2%	535	43.7%	0.81
Brookline	1	1.2%	10	2.8%	0.42	5	12.5%	28	13.0%	0.96
Cambridge	2	1.2%	23	4.3%	0.28	10	13.5%	32	12.5%	1.08
Chicopee	63	26.4%	76	23.4%	1.13	116	32.5%	137	32.0%	1.02
Fall River	27	16.5%	115	25.6%	0.64	89	31.1%	182	32.9%	0.95
Framingham	43	28.9%	136	28.3%	1.02	58	25.0%	118	22.9%	1.09
Haverhill	92	27.8%	118	22.6%	1.23	113	22.7%	211	30.7%	0.74
Lawrence	148	48.4%	214	62.9%	0.77	213	40.0%	266	48.7%	0.82
Leominster	28	23.1%	58	24.8%	0.93	62	30.7%	130	30.4%	1.01
Lowell	121	24.0%	219	34.2%	0.70	180	28.9%	229	32.2%	0.90
Lynn	71	23.6%	278	48.7%	0.48	163	26.9%	342	37.1%	0.73
Malden	17	9.7%	133	32.8%	0.29	37	18.2%	158	30.6%	0.60
Medford	6	7.0%	68	15.7%	0.44	25	15.2%	112	21.0%	0.72
Methuen	25	14.7%	69	19.8%	0.74	47	15.8%	159	30.4%	0.52
New Bedford	39	22.2%	201	36.7%	0.60	139	30.3%	297	34.5%	0.88
Newton	4	7.8%	20	5.3%	1.47	10	10.6%	38	9.4%	1.13
Peabody	23	17.2%	72	23.2%	0.74	42	17.7%	111	21.7%	0.82
Pittsfield	43	19.6%	44	15.5%	1.27	72	32.6%	51	18.1%	1.80
Plymouth	23	13.3%	93	20.0%	0.67	115	26.6%	239	28.6%	0.93
Quincy	20	5.9%	103	14.1%	0.42	48	16.4%	129	20.4%	0.81
Revere	39	25.8%	187	47.5%	0.54	53	21.6%	192	33.7%	0.64
Salem	15	8.9%	66	19.0%	0.47	32	16.6%	80	21.6%	0.77
Somerville	7	4.2%	68	13.6%	0.31	19	13.5%	81	23.2%	0.58
Springfield	396	41.1%	418	44.7%	0.92	622	50.5%	548	47.9%	1.05
Taunton	29	25.2%	155	28.0%	0.90	68	23.5%	246	32.8%	0.72
Waltham	2	1.8%	45	10.6%	0.17	15	12.3%	75	19.6%	0.63
Westfield	20	16.1%	65	19.5%	0.83	51	31.5%	117	34.5%	0.91
Weymouth	22	13.0%	92	21.7%	0.60	74	21.8%	145	24.5%	0.89
Worcester	178	27.9%	427	36.3%	0.77	290	34.0%	574	40.1%	0.85

"Low/Mod Income" is no more than 80% of the Median Family Income (MFI) of the metro area in which the home is located; "Mid/High-income" is between 80%–200% of the MFI in the relevant metro area. "Highest-income" borrowers (those with incomes more than double the MFI in the metro area) are excluded from this table. For more information, see footnote to Table 4 or "Notes on Data & Methods."

TABLE II
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2006

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	25	82	119	88	47
Black	45	170	339	355	47
Latino	19	97	187	190	37
White	114	709	1,152	1,203	862
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	0.0%	3.7%	13.4%	15.9%	6.4%
Black	13.3%	24.1%	55.2%	74.6%	55.3%
Latino	15.8%	17.5%	43.9%	60.0%	48.6%
White	1.8%	6.8%	14.6%	14.4%	7.3%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.54	0.92	1.11	0.87
Black	7.60	3.56	3.78	5.19	7.57
Latino	9.00	2.59	3.01	4.17	6.66
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	4	22	54	57	27
Black	118	350	507	347	75
Latino	18	91	212	203	27
White	161	535	887	903	510
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	13.6%	13.0%	21.1%	29.6%
Black	30.5%	36.6%	42.0%	49.6%	50.7%
Latino	22.2%	29.7%	36.8%	48.3%	44.4%
White	17.4%	16.3%	20.2%	18.9%	13.9%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	-	0.84	0.64	1.11	2.13
Black	1.75	2.25	2.08	2.62	3.64
Latino	1.28	1.82	1.82	2.55	3.19
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income of the Boston MSA (\$82,000 in 2006).

“Low” is less than 50% of this amount (\$1K–\$41K in 2006); “Moderate” is 50%–80% of this amount (\$42K–\$65K);

“Middle” is 80%–120% of this amount (\$66K–\$98K); “High” is 120%–200% of this amount (\$99K–\$164K); and

“Highest” is over 200% of this amount (> \$165K). HMDA data report income to the nearest thousand dollars.

TABLE 12
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston, 2006

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	104	379	708	675	379
Black	73	355	735	662	131
Latino	76	407	956	745	170
White	717	3,723	6,975	7,654	5,298
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	1.9%	2.6%	8.6%	7.9%	7.1%
Black	13.7%	23.9%	53.3%	65.1%	43.5%
Latino	25.0%	30.0%	52.9%	55.8%	44.1%
White	5.9%	8.6%	13.4%	11.1%	7.5%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.33	0.31	0.64	0.71	0.96
Black	2.34	2.79	3.99	5.85	5.84
Latino	4.27	3.50	3.96	5.02	5.92
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	25	171	364	376	228
Black	162	577	966	661	166
Latino	85	391	967	771	145
White	1,642	5,356	8,809	8,664	4,625
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	0.0%	9.9%	11.5%	17.0%	14.0%
Black	27.2%	33.6%	41.4%	44.9%	42.2%
Latino	25.9%	30.9%	38.3%	42.7%	39.3%
White	13.8%	16.3%	19.5%	17.5%	14.0%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.00	0.61	0.59	0.98	1.00
Black	1.97	2.06	2.12	2.57	3.01
Latino	1.88	1.90	1.96	2.45	2.80
White	1.00	1.00	1.00	1.00	1.00

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

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area in which the home is located. All but 3 of the 101 communities in the MAPC Region are in the Boston MSA where the MFI in 2006 was \$82,000 (three small communities were in the Worcester MSA, where the MFI in 2006 was \$72,800). “Low” is less than 50% of the MFI in the relevant MSA; “Moderate” is 50%–80% of this amount; “Middle” is 80%–120% of this amount; “High” is 120%–00% of this amount; and “Highest” is over 200% of the MFI in the relevant MSA. For more information, see “Notes on Data & Methods.”

TABLE 13
High-APR Loans by Race/Ethnicity & Income of Borrower
Number of Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2006

	Low Income*	Moderate Income*	Middle Income*	High Income*	Highest Income*
A. TOTAL NUMBER OF HOME-PURCHASE LOANS					
Asian	159	588	1,094	1,021	527
Black	140	933	1,584	1,089	199
Latino	276	1,331	2,082	1,233	279
White	2,021	9,809	16,709	16,107	8,678
B. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: HOME-PURCHASE LOANS					
Asian	3.8%	8.3%	13.8%	9.5%	6.6%
Black	28.6%	38.5%	55.8%	60.4%	45.2%
Latino	36.6%	41.6%	52.2%	56.1%	44.8%
White	10.3%	13.5%	16.3%	13.1%	9.0%
C. HOME-PURCHASE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.37	0.62	0.85	0.72	0.74
Black	2.78	2.84	3.42	4.60	5.01
Latino	3.56	3.07	3.20	4.27	4.96
White	1.00	1.00	1.00	1.00	1.00
D. TOTAL NUMBER OF REFINANCE LOANS					
Asian	69	324	597	570	300
Black	320	1,153	1,753	1,094	255
Latino	349	1,348	2,118	1,282	259
White	4,854	15,521	23,255	20,375	8,468
E. HIGH-APR LOANS (HALs) AS PERCENT OF TOTAL: REFINANCE LOANS					
Asian	4.3%	14.2%	13.7%	18.6%	18.0%
Black	25.9%	40.4%	44.3%	46.5%	42.7%
Latino	37.0%	40.9%	43.1%	46.0%	39.0%
White	16.6%	22.5%	23.4%	20.4%	16.5%
F. REFINANCE LOANS SHARE DISPARITY RATIOS (Ratio to White HAL percentage for same income category)					
Asian	0.26	0.63	0.59	0.91	1.09
Black	1.56	1.80	1.89	2.28	2.59
Latino	2.22	1.82	1.84	2.26	2.37
White	1.00	1.00	1.00	1.00	1.00

* Income categories are defined in relationship to the Median Family Income (MFI) of the metropolitan area (MSA) in which the home is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2006 ranging from \$61,200 to \$82,000. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%–80% of this amount; "Middle" is 80%–120% of this amount; "High" is 120%–200% of this amount; and "Highest" is over 200% of the MFI in the relevant MSA. The minimum income needed to qualify for the "Highest" income category ranged from \$123K in the Pittsfield MSA to \$165K in the Boston MSA. See "Notes on Data & Methods."

TABLE 14
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2006

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	24	17	0	0	41
50%-75% Minority	7	13	0	0	20
25%-50% Minority	9	23	10	1	43
> 75% White	0	11	28	13	52
Total	40	64	38	14	156
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	463	712	0	0	1,175
50%-75% Minority	194	575	0	0	769
25%-50% Minority	506	1,153	491	20	2,170
> 75% White	0	540	1,586	812	2,938
Total	1,163	2,980	2,077	832	7,052
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	54.6%	57.3%	na	na	56.3%
50%-75% Minority	18.6%	31.7%	na	na	28.3%
25%-50% Minority	7.1%	18.0%	26.7%	0.0%	17.3%
> 75% White	na	14.4%	9.5%	4.8%	9.1%
Total	27.9%	29.4%	13.6%	4.7%	21.6%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	11.38	11.93	na	na	11.71
50%-75% Minority	3.86	6.59	na	na	5.90
25%-50% Minority	1.48	3.76	5.55	0.00	3.60
> 75% White	na	3.01	1.98	1.00	1.90
Total	5.82	6.12	2.83	0.98	4.49
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	741	1,270	0	0	2,011
50%-75% Minority	103	676	0	0	779
25%-50% Minority	225	848	598	13	1,684
> 75% White	0	424	1,219	518	2,161
Total	1,069	3,218	1,817	531	6,635
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	41.7%	43.8%	na	na	43.0%
50%-75% Minority	19.4%	29.0%	na	na	27.7%
25%-50% Minority	11.6%	25.0%	28.4%	7.7%	24.3%
> 75% White	na	20.0%	17.1%	10.6%	16.1%
Total	33.2%	32.6%	20.9%	10.5%	27.7%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	3.93	4.12	na	na	4.05
50%-75% Minority	1.83	2.73	na	na	2.61
25%-50% Minority	1.09	2.35	2.68	0.72	2.29
> 75% White	na	1.89	1.61	1.00	1.52
Total	3.13	3.07	1.96	0.99	2.61

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

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

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

TABLE 15
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Greater Boston ^, 2006

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	30	17	0	0	47
50%-75% Minority	27	22	0	0	49
25%-50% Minority	21	62	21	3	107
> 75% White	2	70	340	224	636
Total	80	171	361	227	839
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	463	712	0	0	1,175
50%-75% Minority	515	725	0	0	1,240
25%-50% Minority	668	2,069	1,352	144	4,233
> 75% White	11	2,553	14,496	12,830	29,890
Total	1,657	6,059	15,848	12,974	36,538
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	54.6%	57.3%	na	na	56.3%
50%-75% Minority	35.9%	27.4%	na	na	31.0%
25%-50% Minority	15.9%	23.3%	24.6%	16.7%	22.3%
> 75% White	0.0%	29.8%	14.9%	6.9%	12.7%
Total	32.8%	30.5%	15.7%	7.0%	15.8%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	7.94	8.33	na	na	8.17
50%-75% Minority	5.22	3.99	na	na	4.50
25%-50% Minority	2.31	3.39	3.58	2.42	3.25
> 75% White	0.00	4.33	2.16	1.00	1.85
Total	4.77	4.44	2.28	1.02	2.30
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	741	1,270	0	0	2,011
50%-75% Minority	552	792	0	0	1,344
25%-50% Minority	391	1,999	1,575	188	4,153
> 75% White	27	3,181	18,494	14,415	36,117
Total	1,711	7,242	20,069	14,603	43,625
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	41.7%	43.8%	na	na	43.0%
50%-75% Minority	33.0%	29.8%	na	na	31.1%
25%-50% Minority	22.3%	29.2%	29.1%	21.8%	28.1%
> 75% White	40.7%	26.2%	20.5%	13.7%	18.3%
Total	34.4%	30.5%	21.2%	13.8%	20.8%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	3.05	3.20	na	na	3.14
50%-75% Minority	2.41	2.18	na	na	2.27
25%-50% Minority	1.63	2.13	2.12	1.59	2.06
> 75% White	2.98	1.91	1.50	1.00	1.34
Total	2.52	2.23	1.55	1.01	1.52

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the MSA within which it is located. All but 3 of the 101 communities in Greater Boston are in the Boston MSA where the MFI in 2006 was \$82,000 (3 small communities were in the Worcester MSA where the MFI in 2006 was \$72,800). "Low" is less than 50% of the MFI of the MSA; "Moderate" is between 50% and 80%; "Middle" is between 80% and 120%; and "Upper" is greater than 120% of the MFI of the MSA.

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

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

TABLE 16
High-APR Loans by Race/Ethnicity & Income of Census Tracts*
Numbers of Tracts & Loans, Percent of All Loans, and Disparity Ratios
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2006

	Low Income	Moderate Income	Middle Income	Upper Income	Total
A. NUMBER OF CENSUS TRACTS					
> 75% Minority	40	18	0	0	58
50%-75% Minority	38	24	0	0	62
25%-50% Minority	35	84	27	3	149
> 75% White	12	147	593	335	1,087
Total	125	273	620	338	1,356
B. NUMBER OF HOME-PURCHASE LOANS					
> 75% Minority	801	763	0	0	1,564
50%-75% Minority	1,107	1,066	0	0	2,173
25%-50% Minority	1,266	4,160	1,737	144	7,307
> 75% White	153	6,606	36,875	21,640	65,274
Total	3,327	12,595	38,612	21,784	76,318
C. HIGH-APR LOANS (HALs) AS PERCENT OF ALL HOME-PURCHASE LOANS					
> 75% Minority	57.4%	57.5%	na	na	57.5%
50%-75% Minority	45.9%	36.5%	na	na	41.3%
25%-50% Minority	29.6%	33.1%	26.5%	16.7%	30.6%
> 75% White	36.6%	31.6%	17.7%	8.4%	16.1%
Total	42.0%	34.1%	18.1%	8.4%	19.0%
D. HOME-PURCHASE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	6.86	6.88	na	na	6.87
50%-75% Minority	5.48	4.36	na	na	4.93
25%-50% Minority	3.54	3.95	3.16	1.99	3.65
> 75% White	4.37	3.78	2.11	1.00	1.92
Total	5.02	4.07	2.16	1.01	2.27
E. NUMBER OF REFINANCE LOANS					
> 75% Minority	1,220	1,369	0	0	2,589
50%-75% Minority	1,377	1,303	0	0	2,680
25%-50% Minority	1,092	4,931	2,149	188	8,360
> 75% White	210	9,276	53,994	26,243	89,723
Total	3,899	16,879	56,143	26,431	103,352
F. HIGH-APR LOANS (HALs) AS PERCENT OF ALL REFINANCE LOANS					
> 75% Minority	47.0%	45.0%	na	na	46.0%
50%-75% Minority	42.6%	35.6%	na	na	39.2%
25%-50% Minority	34.1%	36.6%	33.6%	21.8%	35.1%
> 75% White	35.2%	31.0%	24.1%	16.2%	22.6%
Total	41.2%	34.1%	24.5%	16.3%	24.6%
G. REFINANCE LOANS: HAL SHARE DISPARITY RATIOS (Ratio to HAL % in Upper-Income Tracts >75% White)					
> 75% Minority	2.90	2.77	na	na	2.83
50%-75% Minority	2.63	2.19	na	na	2.42
25%-50% Minority	2.10	2.25	2.07	1.34	2.17
> 75% White	2.17	1.91	1.49	1.00	1.39
Total	2.54	2.10	1.51	1.00	1.52

* A census tract is placed into an income category based on the relationship, according to the 2000 census, between its Median Family Income (MFI) and the MFI of the metro area within which it is located. Communities in Massachusetts are located in six different MSAs, with MFIs in 2006 ranging from \$61,200 to \$82,000. "Low" is less than 50% of the MFI in the relevant MSA; "Moderate" is 50%-80% of this amount; "Middle" is 80%-120% of this amount; "High" is 120%-200% of this amount; and "Upper" is greater than 120% of the MFI of the metro area.

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

TABLE 17
High-APR Loans (HALs), By Neighborhood#
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2006

Neighborhood	All Loans	High-APR Loans	Percent HALs	Percent Minority	Income Level
A. HOME-PURCHASE LOANS					
Mattapan	305	166	54.4%	96.2%	\$38,463
Roxbury	469	230	49.0%	95.2%	\$30,358
Hyde Park	345	142	41.2%	57.0%	\$54,666
Dorchester	1,061	433	40.8%	68.2%	\$39,856
East Boston	354	113	31.9%	50.3%	\$36,213
Roslindale	463	129	27.9%	44.2%	\$53,418
Allston/Brighton	551	72	13.1%	31.3%	\$47,693
West Roxbury	356	40	11.2%	16.4%	\$68,966
South Boston	722	79	10.9%	15.5%	\$47,794
Jamaica Plain	438	37	8.4%	50.2%	\$45,762
Central	467	24	5.1%	30.4%	\$61,837
South End	562	25	4.4%	54.7%	\$42,263
BackBay/BeaconHill	465	19	4.1%	15.2%	\$127,542
Charlestown	315	10	3.2%	21.4%	\$59,265
Fenway/Kenmore	179	3	1.7%	30.5%	\$48,961
City of Boston	7,052	1,522	21.6%	50.5%	\$44,151
B. REFINANCE LOANS					
Mattapan	652	290	44.5%	96.2%	\$38,463
Roxbury	645	260	40.3%	95.2%	\$30,358
Hyde Park	627	220	35.1%	57.0%	\$54,666
East Boston	410	140	34.1%	50.3%	\$36,213
Dorchester	1,292	429	33.2%	68.2%	\$39,856
Roslindale	492	140	28.5%	44.2%	\$53,418
South Boston	468	85	18.2%	15.5%	\$47,794
West Roxbury	356	61	17.1%	16.4%	\$68,966
Jamaica Plain	325	52	16.0%	50.2%	\$45,762
Allston/Brighton	327	48	14.7%	31.3%	\$47,693
BackBay/BeaconHill	263	31	11.8%	15.2%	\$127,542
South End	287	33	11.5%	54.7%	\$42,263
Central	218	23	10.6%	30.4%	\$61,837
Charlestown	197	20	10.2%	21.4%	\$59,265
Fenway/Kenmore	76	7	9.2%	30.5%	\$48,961
City of Boston	6,635	1,839	27.7%	50.5%	\$44,151

The neighborhoods used in this study are based on the Planning Districts (PDs) defined by the Boston Redevelopment Authority (BRA), except: North and South Dorchester are combined and the Harbor Islands PD (no loans in 2005) is omitted. *Percent minority* population was calculated by the BRA for these exact neighborhoods from 2000 Census data. However, lending data are available only on a census tract basis and many tracts are divided among two or more PDs; *loans* in each PD were calculated using a list of census tracts obtained from the BRA that correspond to the PDs as closely as possible. The income level is estimated as the median of the Median Family Incomes of the census tracts in the PD.

TABLE 18A
Denial Rates and Ratios, By Race/Ethnicity, in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien HOME-PURCHASE Loans for Owner-Occupied Homes, PRIME LENDERS*, 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. BOSTON AND GREATER BOSTON#											
Boston	460	869	565	4,927	8.9%	21.1%	21.4%	8.3%	1.07	2.54	2.58
Greater Boston	2,860	1,840	2,129	29,157	6.9%	19.2%	16.7%	6.6%	1.04	2.92	2.54
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS Note: Numbers of Denials are in hidden columns											
Barnstable	23	38	68	2,265	13.0%	18.4%	20.6%	8.2%	1.59	2.24	2.51
Berkshire	29	21	47	1,404	3.4%	14.3%	10.6%	8.0%	0.43	1.77	1.32
Bristol	139	211	199	5,327	11.5%	21.8%	20.6%	9.7%	1.18	2.24	2.11
Dukes	1	3	2	78	0.0%	0.0%	50.0%	11.5%	0.00	0.00	4.33
Essex	239	217	863	7,337	10.0%	20.3%	18.0%	7.4%	1.36	2.75	2.44
Franklin	5	6	16	772	20.0%	33.3%	0.0%	10.8%	1.86	3.10	0.00
Hampden	107	362	642	4,055	11.2%	17.4%	17.4%	7.6%	1.47	2.28	2.28
Hampshire	66	19	54	1,655	9.1%	5.3%	5.6%	5.4%	1.67	0.97	1.02
Middlesex	1,697	519	850	14,283	6.6%	18.7%	14.8%	6.1%	1.07	3.04	2.41
Nantucket	2	3	8	103	0.0%	33.3%	25.0%	12.6%	0.00	2.64	1.98
Norfolk	908	442	231	6,607	7.3%	17.9%	9.5%	5.7%	1.28	3.14	1.67
Plymouth	81	480	149	5,109	11.1%	20.2%	17.4%	8.4%	1.32	2.40	2.07
Suffolk	502	901	872	5,499	9.8%	21.0%	21.0%	8.5%	1.14	2.45	2.46
Worcester	469	310	564	8,104	6.0%	20.0%	18.8%	7.5%	0.79	2.66	2.50
C. STATEWIDE											
Massachusetts	4,303	3,565	4,637	63,321	7.6%	19.6%	17.4%	7.4%	1.03	2.63	2.34

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

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

TABLE 18B
Denial Rates and Ratios, By Race/Ethnicity, in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien HOME-PURCHASE Loans for Owner-Occ Homes, SUBPRIME LENDERS, # 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. BOSTON AND GREATER BOSTON#											
Boston	79	1,312	547	845	34.2%	37.9%	32.2%	33.4%	1.02	1.14	0.96
Greater Boston	293	2,304	2,450	4,573	27.3%	36.5%	30.6%	28.4%	0.96	1.29	1.08
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS Note: Numbers of Denials are in hidden columns											
Barnstable	9	36	106	495	22.2%	30.6%	31.1%	25.9%	0.86	1.18	1.20
Berkshire	0	15	18	250	na	20.0%	11.1%	16.4%	na	1.22	0.68
Bristol	16	186	179	1,421	18.8%	33.9%	25.7%	25.3%	0.74	1.34	1.01
Dukes	1	2	3	34	100%	0.0%	66.7%	26.5%	3.78	0.00	2.52
Essex	54	221	1,164	1,337	22.2%	30.8%	29.6%	26.3%	0.85	1.17	1.13
Franklin	5	7	12	180	20.0%	28.6%	25.0%	22.2%	0.90	1.29	1.13
Hampden	31	430	739	1,153	22.6%	29.3%	26.0%	20.9%	1.08	1.40	1.24
Hampshire	7	1	12	210	42.9%	0.0%	33.3%	27.1%	1.58	0.00	1.23
Middlesex	273	494	971	2,074	28.6%	38.7%	29.4%	26.1%	1.09	1.48	1.12
Nantucket	0	6	10	18	na	16.7%	30.0%	33.3%	na	0.50	0.90
Norfolk	77	524	171	905	22.1%	35.3%	32.7%	26.6%	0.83	1.33	1.23
Plymouth	17	814	193	1,183	17.6%	36.0%	33.2%	25.5%	0.69	1.41	1.30
Suffolk	92	1,346	974	1,091	35.9%	37.4%	31.4%	33.3%	1.08	1.13	0.94
Worcester	61	451	589	2,088	37.7%	29.9%	31.1%	25.0%	1.51	1.20	1.24
C. STATEWIDE											
Massachusetts	643	4,534	5,146	12,441	28.5%	34.9%	29.6%	25.8%	1.10	1.36	1.15

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

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

TABLE 19A
Denial Rates and Ratios, By Race/Ethnicity
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE Loans for Owner-Occupied Homes, PRIME LENDERS*, 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
Arlington	55	6	13	530	4%	0%	23%	5%	0.71	0.00	4.53
Attleboro	19	23	29	485	16%	22%	10%	9%	1.78	2.45	1.17
Barnstable	8	13	30	401	0%	31%	23%	11%	0.00	2.87	2.18
Boston	460	869	565	4,927	9%	21%	21%	8%	1.07	2.54	2.58
Brockton	18	414	93	430	0%	20%	16%	12%	0.00	1.59	1.31
Brookline	124	5	17	626	10%	0%	0%	5%	2.12	0.00	0.00
Cambridge	137	51	30	795	6%	16%	10%	6%	0.97	2.60	1.66
Chicopee	5	11	51	518	0%	0%	22%	9%	0.00	0.00	2.48
Fall River	23	26	17	601	35%	31%	18%	15%	2.35	2.08	1.19
Framingham	36	23	99	484	8%	30%	20%	6%	1.44	5.26	3.49
Haverhill	17	26	83	739	12%	23%	23%	9%	1.38	2.71	2.69
Lawrence	11	40	326	129	9%	20%	22%	16%	0.56	1.23	1.38
Leominster	8	17	47	288	13%	18%	23%	8%	1.57	2.21	2.93
Lowell	170	95	110	735	16%	28%	15%	10%	1.71	2.94	1.60
Lynn	38	78	193	463	13%	24%	13%	9%	1.42	2.62	1.45
Malden	114	70	74	326	3%	16%	16%	10%	0.27	1.60	1.65
Medford	50	47	32	473	4%	11%	9%	7%	0.57	1.52	1.34
Methuen	18	22	96	459	0%	23%	15%	12%	0.00	1.97	1.26
New Bedford	10	59	79	549	30%	19%	35%	11%	2.75	1.71	3.24
Newton	132	14	25	813	5%	0%	12%	5%	0.98	0.00	2.22
Peabody	5	6	25	438	0%	0%	20%	7%	0.00	0.00	3.02
Pittsfield	16	15	26	498	6%	13%	15%	8%	0.82	1.75	2.02
Plymouth	8	5	6	773	25%	20%	17%	8%	3.07	2.45	2.04
Quincy	360	49	49	824	8%	8%	4%	8%	0.94	1.02	0.51
Revere	27	16	184	274	30%	13%	21%	14%	2.19	0.93	1.53
Salem	13	9	26	515	0%	11%	12%	8%	0.00	1.36	1.41
Somerville	71	24	54	650	7%	25%	6%	6%	1.24	4.39	0.98
Springfield	42	305	436	826	21%	18%	17%	9%	2.33	1.92	1.87
Taunton	14	34	19	616	7%	21%	5%	10%	0.72	2.08	0.53
Waltham	67	11	29	523	3%	36%	24%	5%	0.65	7.92	5.26
Westfield	8	1	20	485	13%	0%	20%	8%	1.48	0.00	2.37
Weymouth	23	17	23	543	9%	35%	9%	6%	1.39	5.64	1.39
Worcester	104	199	225	1,230	11%	21%	21%	9%	1.19	2.32	2.36

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

TABLE 19B
Denial Rates and Ratios, By Race/Ethnicity
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien HOME-PURCHASE Loans for Owner-Occ Homes, SUBPRIME LENDERS*, 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
Arlington	1	0	6	34	0%	na	17%	24%	0.00	na	0.71
Attleboro	1	25	22	125	0%	40%	23%	17%	0.00	2.38	1.35
Barnstable	0	6	64	149	na	17%	31%	28%	na	0.61	1.14
Boston	79	1,312	547	845	34%	38%	32%	33%	1.02	1.14	0.96
Brockton	10	750	118	264	20%	36%	36%	33%	0.60	1.08	1.07
Brookline	2	2	5	23	0%	100%	0%	17%	0.00	5.75	0.00
Cambridge	4	15	2	44	75%	53%	50%	32%	2.36	1.68	1.57
Chicopee	1	9	43	144	100%	11%	23%	19%	5.14	0.57	1.20
Fall River	5	19	30	233	40%	21%	30%	30%	1.31	0.69	0.98
Framingham	3	20	153	170	67%	10%	27%	32%	2.10	0.31	0.86
Haverhill	2	26	91	206	0%	38%	22%	32%	0.00	1.22	0.70
Lawrence	5	54	559	97	60%	31%	30%	27%	2.24	1.17	1.12
Leominster	6	17	43	86	50%	24%	30%	27%	1.87	0.88	1.13
Lowell	166	133	107	202	30%	44%	31%	22%	1.33	1.96	1.38
Lynn	16	85	301	203	19%	29%	29%	31%	0.60	0.95	0.94
Malden	12	76	102	105	8%	37%	34%	36%	0.23	1.02	0.95
Medford	10	44	52	100	30%	55%	27%	33%	0.91	1.65	0.82
Methuen	5	16	85	77	20%	31%	36%	27%	0.73	1.15	1.34
New Bedford	3	57	55	295	33%	30%	22%	23%	1.47	1.31	0.96
Newton	9	2	5	38	22%	0%	20%	26%	0.84	0.00	0.76
Peabody	8	6	37	93	13%	17%	30%	22%	0.58	0.78	1.38
Pittsfield	0	8	12	128	na	13%	0%	16%	na	0.76	0.00
Plymouth	2	6	17	187	0%	50%	24%	27%	0.00	1.87	0.88
Quincy	29	37	24	136	24%	43%	38%	32%	0.76	1.37	1.19
Revere	8	20	256	167	38%	20%	29%	35%	1.08	0.58	0.82
Salem	2	12	26	91	0%	42%	8%	24%	0.00	1.72	0.32
Somerville	2	17	50	81	0%	35%	28%	25%	0.00	1.43	1.13
Springfield	25	386	580	367	24%	29%	26%	23%	1.04	1.25	1.14
Taunton	2	42	41	192	0%	38%	22%	23%	0.00	1.66	0.96
Waltham	4	27	45	43	50%	37%	27%	28%	1.79	1.33	0.96
Westfield	1	1	10	123	0%	100%	0%	17%	0.00	5.86	0.00
Weymouth	1	6	34	124	0%	0%	21%	27%	0.00	0.00	0.75
Worcester	31	339	234	471	42%	32%	32%	28%	1.47	1.14	1.14

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

TABLE 20
Applications And Denial Rates By Race & Income Of Applicant
First-Lien Home-Purchase Loans For Owner-Occupied Homes
Prime Lenders, # 2006

Income (\$000)	Black		Latino		White		D-Rate Ratio	
	Applics	D-Rate	Applics	D-Rate	Applics	D-Rate	Blk/White	Lat/White
A. BOSTON								
1-30	7	57.1%	4	25.0%	27	29.6%	1.93	0.84
31-50	118	21.2%	68	17.6%	400	9.0%	2.35	1.96
51-70	191	14.7%	122	22.1%	793	7.4%	1.97	2.97
71-90	183	24.6%	117	23.1%	835	7.2%	3.42	3.21
91-120	160	21.9%	102	20.6%	907	6.7%	3.25	3.06
121-150	82	29.3%	45	22.2%	573	9.8%	2.99	2.27
over 150	41	19.5%	44	22.7%	1,178	8.2%	2.37	2.76
Total*	869	21.1%	565	21.4%	4,927	8.3%	2.54	2.58
B. GREATER BOSTON								
1-30	23	39.1%	16	25.0%	252	17.9%	2.19	1.40
31-50	212	22.6%	230	17.4%	2,132	9.0%	2.53	1.94
51-70	388	16.8%	412	18.2%	3,970	6.5%	2.56	2.78
71-90	374	20.1%	458	16.2%	4,900	6.3%	3.16	2.55
91-120	377	18.3%	415	19.0%	5,840	5.4%	3.38	3.52
121-150	148	22.3%	170	15.3%	3,446	5.8%	3.86	2.65
over 150	141	18.4%	195	12.8%	7,249	6.0%	3.09	2.15
Total*	1,840	19.2%	2,129	16.7%	29,157	6.6%	2.92	2.54
C. MASSACHUSETTS								
1-30	76	44.7%	154	31.2%	1,295	21.7%	2.06	1.44
31-50	577	22.2%	894	16.6%	7,759	10.5%	2.10	1.57
51-70	923	18.5%	1,074	17.1%	11,571	7.5%	2.46	2.28
71-90	704	18.2%	933	17.0%	11,565	6.9%	2.63	2.46
91-120	601	17.6%	645	18.8%	11,612	5.8%	3.03	3.22
121-150	215	23.3%	231	16.0%	6,037	5.5%	4.23	2.91
over 150	195	16.4%	280	13.6%	10,509	6.0%	2.74	2.27
Total*	3,565	19.6%	4,637	17.4%	63,321	7.4%	2.63	2.34

A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

* Total includes applicants without reported income.

TABLE 21
Percent of Applications that Resulted in Non-HAL Loans, By Race/Ethnicity of Borrower
City of Boston, Greater Boston, and Massachusetts
First-Lien Home-Purchase Loans for Owner-Occupied Homes, 2006

Borrower Race/Ethnicity	City of Boston				Greater Boston				Massachusetts			
	Applications	Non-Hal Loans	%	Ratio to White %	Applications	Non-Hal Loans	%	Ratio to White %	Applications	Non-Hal Loans	%	Ratio to White %
A. HOME-PURCHASE APPLICATIONS AND LOANS												
Asian	539	339	62.9%	0.98	3,153	2,167	68.7%	1.02	4,946	3,196	64.6%	1.01
Black	2,181	480	22.0%	0.34	4,144	1,078	26.0%	0.39	8,099	2,073	25.6%	0.40
Latino	1,112	324	29.1%	0.45	4,579	1,344	29.4%	0.44	9,783	2,886	29.5%	0.46
White	5,772	3,701	64.1%	1.00	33,730	22,679	67.2%	1.00	75,762	48,390	63.9%	1.00
Other*	40	13	32.5%		225	96	42.7%		462	211	45.7%	
No Info ^	1,534	673	43.9%		6,575	3,386	51.5%		12,774	5,589	43.8%	
Total	11,178	5,530	49.5%		52,406	30,750	58.7%		111,826	62,345	55.8%	
B. REFINANCE APPLICATIONS AND LOANS												
Asian	333	149	44.7%	1.00	2,219	1,077	48.5%	1.02	3,898	1,686	43.3%	1.02
Black	3,851	915	23.8%	0.53	6,938	1,705	24.6%	0.52	12,763	2,922	22.9%	0.54
Latino	1,580	386	24.4%	0.55	6,709	1,646	24.5%	0.51	15,371	3,449	22.4%	0.53
White	5,868	2,629	44.8%	1.00	54,344	25,918	47.7%	1.00	144,724	61,474	42.5%	1.00
Other*	94	25	26.6%		465	135	29.0%		1,095	317	28.9%	
No Info ^	4,135	692	16.7%		21,211	4,083	19.2%		55,415	8,495	15.3%	
Total	15,861	4,796	30.2%		91,886	34,564	37.6%		233,266	78,343	33.6%	

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

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

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

TABLE 22
Reasons Given For Denials Of Mortgage Loan Applications
From Black, Latino, And White Applicants In Massachusetts
First-Lien, Owner-Occupied Home-Purchase Loans Only, 2006

A: NUMBER OF DENIALS FOR WHICH THIS WAS THE FIRST OR SECOND REASON REPORTED IN HMDA DATA									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	157	146	309	139	122	269	577	516	1,132
Employment History	6	23	30	11	26	43	60	101	181
Credit History	108	206	333	108	185	325	423	762	1,279
Collateral	29	92	126	50	99	163	196	446	699
Insufficient Cash	15	23	42	15	36	57	78	218	223
Unverifiable Information	30	149	188	34	147	194	95	350	482
Credit Application Incomplete	18	81	103	38	93	143	156	711	932
Mortgage Insurance Denied	0	0	1	3	7	10	2	9	13
Other	84	295	405	110	267	420	328	1,234	1,698
Total Denials	599	1,580	2,281	693	1,462	2,332	2,155	5,236	7,912
Number with Reason Reported	369	868	1,299	406	823	1,345	1,558	3,717	5,662
Number with No Reason Reported	230	712	982	287	639	987	597	1,519	2,250
Percent with No Reason Reported	38.4%	45.1%	43.1%	41.4%	43.7%	42.3%	27.7%	29.0%	28.4%

B: NUMBER OF DENIALS WITH THIS REASON AS PERCENT OF TOTAL DENIALS FOR WHICH ANY REASON WAS REPORTED									
Reason	Black			Latino			White		
	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All	Low- & Mod-Income	Mid- & Upper-Income	All
Debt-to-Income Ratio	43%	17%	24%	34%	15%	20%	37%	14%	20%
Employment History	2%	3%	2%	3%	3%	3%	4%	3%	3%
Credit History	29%	24%	26%	27%	22%	24%	27%	21%	23%
Collateral	8%	11%	10%	12%	12%	12%	13%	12%	12%
Insufficient Cash	4%	3%	3%	4%	4%	4%	5%	6%	4%
Unverifiable Information	8%	17%	14%	8%	18%	14%	6%	9%	9%
Credit Application Incomplete	5%	9%	8%	9%	11%	11%	10%	19%	16%
Mortgage Insurance Denied	0%	0%	0%	1%	1%	1%	0%	0%	0%
Other	23%	34%	31%	27%	32%	31%	21%	33%	30%

Notes: Lenders can report up to three reasons for the denial of a mortgage loan application. This is why percentages in Panel B add to more than 100%. Lenders supervised by OTS or OCC must report at least one reason for each denial; reporting reasons is optional for all other lenders. Lenders reported three reasons for only 2.6% of denials in Massachusetts in 2006; to greatly simplify calculations, this table includes only first and second reasons. HMDA reporting instructions specify which of the approximately twenty reasons for denial listed in the model form for adverse action contained in the appendix to Regulation B (Equal Credit Opportunity) correspond to each of the reasons for denial that are available in HMDA data:

- Debt-to-income ratio: income insufficient for amount of credit requested; excessive obligations in relation to income
- Employment history: temporary or irregular employment; length of employment
- Credit history: insufficient number of credit references provided; unacceptable type of credit references provided; no credit file; limited credit experience; poor credit performance with us; delinquent past or present credit obligations with others; garnishment, attachment, foreclosure, repossession, collection action, or judgment; bankruptcy
- Collateral: value or type of collateral not sufficient
- Insufficient cash: [for downpayment or closing costs]
- Unverifiable information: unable to verify credit references; unable to verify employment; unable to verify income; unable to verify residence
- Credit application incomplete: credit application incomplete
- Mortgage insurance denied: [none listed]
- Other: length of residence; temporary residence; other reasons specified on notice.

TABLE 23
Home-Purchase Loans by Major Types of Lenders, Boston & Massachusetts, 1990-2006
(For 2004-2006, Includes Only First-Lien Loans for Owner-Occupied Homes*)

	1990	1992	1994	1996	1998	2000	2001	2002	2003	2004	2005	2006
I. BOSTON												
A. BIG BOSTON BANKS												
Number of Loans	541	911	1,849	1,954	1,429	876	751	860	790	736	695	699
% of All Loans	28.9%	38.6%	39.4%	34.8%	20.2%	11.7%	10.3%	10.9%	9.3%	8.5%	8.3%	9.9%
B. OTHER MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans	919	871	1,158	1,230	1,615	1,367	1,171	1,229	1,188	1,189	946	868
% of All Loans	49.1%	36.9%	24.7%	21.9%	22.8%	18.3%	16.1%	15.6%	14.0%	13.7%	11.4%	12.3%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders after 1997)												
Number of Loans	410	580	1,690	2,439	3,746	4,736	4,765	5,213	5,545	5,752	5,196	4,159
% of All Loans	21.9%	24.6%	36.0%	43.4%	53.0%	63.4%	65.6%	66.0%	65.3%	66.4%	62.4%	59.0%
D. SUBPRIME LENDERS #												
Number of Loans					280	488	573	600	963	981	1,493	1,326
% of All Loans					4.0%	6.5%	7.9%	7.6%	11.3%	11.3%	17.9%	18.8%
E. TOTAL												
Number of Loans	1,870	2,362	4,697	5,623	7,070	7,467	7,260	7,902	8,486	8,658	8,330	7,052
% of All Loans	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
II. MASSACHUSETTS												
A + B. MASSACHUSETTS BANKS AND CREDIT UNIONS												
Number of Loans						32,899	31,946	29,750		26,038	22,238	19,734
% of All Loans						34.1%	32.1%	28.4%		26.5%	23.6%	25.6%
C. MORTGAGE COMPANIES & OUT-OF-STATE BANKS (excluding subprime lenders)												
Number of Loans						56,947	60,387	64,105		59,961	53,719	44,437
% of All Loans						59.1%	60.7%	61.3%		61.0%	57.0%	57.7%
D. SUBPRIME LENDERS #												
Number of Loans						6,562	7,186	10,801		12,298	18,329	12,813
% of All Loans						6.8%	7.2%	10.3%		12.5%	19.4%	16.6%
E. TOTAL												
Number of Loans						96,408	99,519	104,656		98,297	94,286	76,984
% of All Loans						100%	100%	100%		100%	100%	100%

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

Subprime lenders for 1998-2003 are from HUD's annual lists of subprime lenders. Subprime lenders for 2004, 2005, & 2006 are those for whom high-APR loans constituted more than 15.0%, 33.3%, & 40.0% (respectively) of their total Massachusetts loans.

"Big Boston Banks": Citizens, Bank of America/Fleet, and Sovereign in 2004-2006. BankBoston, Bank of New England, BayBanks, Boston Five, Boston Safe Deposit, and Shawmut were included during the years they existed. In all cases, affiliated mortgage companies are included.

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

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

For Massachusetts banks and credit unions local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Local lending by mortgage companies and out-of-state banks is not subject to such evaluation under the CRA.

TABLE 24
Shares of Total Loans by Major Types of Lenders* in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien Mortgage Loans for Owner-Occupied Homes, 2006

	All Loans (HomePur + Refi)				High-APR Loans (HomePur + Refi)			
	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*	Total Loans	% Mass Banks & CUs*	% Lic. Mort Lenders*	% Other Lenders*
A. THE CITY OF BOSTON								
Boston	13,687	18.5%	52.4%	29.1%	3,361	0.9%	69.4%	29.7%
Greater Boston	80,163	20.4%	50.0%	29.6%	14,849	1.3%	69.6%	29.0%
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS								
Barnstable	7,955	31.1%	41.1%	27.8%	1,668	2.2%	71.5%	26.4%
Berkshire	3,119	39.5%	24.1%	36.4%	586	2.6%	64.2%	33.3%
Bristol	15,133	24.1%	46.0%	29.9%	3,584	2.6%	70.4%	27.0%
Dukes	506	18.2%	44.7%	37.2%	134	0.7%	70.1%	29.1%
Essex	21,781	20.4%	50.3%	29.3%	4,795	1.6%	70.5%	27.9%
Franklin	1,729	38.8%	36.3%	24.9%	397	1.3%	67.8%	31.0%
Hampden	12,665	28.3%	48.6%	23.2%	4,155	1.4%	73.3%	25.2%
Hampshire	3,276	47.5%	34.5%	18.0%	535	1.3%	73.8%	24.9%
Middlesex	37,220	20.3%	49.6%	30.1%	6,098	1.4%	70.0%	28.6%
Nantucket	364	44.2%	24.7%	31.0%	51	3.9%	56.9%	39.2%
Norfolk	18,596	21.1%	50.6%	28.3%	3,139	1.6%	71.8%	26.6%
Plymouth	17,112	21.5%	50.1%	28.4%	4,324	2.0%	70.4%	27.6%
Suffolk	16,498	17.6%	52.8%	29.7%	4,289	0.9%	68.7%	30.4%
Worcester	23,764	20.1%	48.2%	31.6%	6,176	1.6%	69.5%	28.9%
C. STATEWIDE								
Massachusetts	180,861	22.5%	48.6%	28.9%	40,173	1.6%	70.6%	27.8%

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

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

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

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.

TABLE 25
High-APR Loans and Loan Percentages by Major Lender Type
City of Boston, Greater Boston, All Massachusetts Counties, and Statewide
First Lien Mortgage Loans (Home-Purchase + Refinance) for Owner-Occupied Homes, 2006

	Mass. Banks & CUs*			Licensed Mort Lenders*			Other Lenders*		
	Total Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR	All Loans	High-APR Loans	% High-APR
A. THE CITY OF BOSTON									
Boston	2,530	31	1.2%	7,176	2,331	32.5%	3,981	999	25.1%
Greater Boston	16,339	200	1.2%	40,119	10,336	25.8%	23,705	4,313	18.2%
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS									
Barnstable	2,477	36	1.5%	3,269	1,192	36.5%	2,209	440	19.9%
Berkshire	1,233	15	1.2%	751	376	50.1%	1,135	195	17.2%
Bristol	3,646	93	2.6%	6,965	2,522	36.2%	4,522	969	21.4%
Dukes	92	1	1.1%	226	94	41.6%	188	39	20.7%
Essex	4,447	78	1.8%	10,951	3,381	30.9%	6,383	1,336	20.9%
Franklin	671	5	0.7%	627	269	42.9%	431	123	28.5%
Hampden	3,579	59	1.6%	6,152	3,047	49.5%	2,934	1,049	35.8%
Hampshire	1,556	7	0.4%	1,131	395	34.9%	589	133	22.6%
Middlesex	7,562	84	1.1%	18,458	4,268	23.1%	11,200	1,746	15.6%
Nantucket	161	2	1.2%	90	29	32.2%	113	20	17.7%
Norfolk	3,918	50	1.3%	9,413	2,253	23.9%	5,265	836	15.9%
Plymouth	3,682	86	2.3%	8,567	3,044	35.5%	4,863	1,194	24.6%
Suffolk	2,898	38	1.3%	8,708	2,947	33.8%	4,892	1,304	26.7%
Worcester	4,784	101	2.1%	11,465	4,291	37.4%	7,515	1,784	23.7%
C. STATEWIDE									
Massachusetts	40,707	655	1.6%	87,881	28,350	32.3%	52,273	11,168	21.4%

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

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

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

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

For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.

TABLE 26
Shares of the High-APR Loans (HALs) and non-HAL Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Loans for Owner-Occupied Homes, City of Boston, 2006

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts	
		Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans	Non-HAL Loans	HAL Loans
I. HOME-PURCHASE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*									
Number of Loans	1,567	219	2	110	4	595	-	889	11
% of Loans	100%	14.0%	0.1%	7.0%	0.3%	38.0%	0.0%	56.7%	0.7%
B. LICENSED MORTGAGE LENDERS*									
Number of Loans	3,487	189	340	135	176	446	101	1,323	792
% of Loans	100%	5.4%	9.8%	3.9%	5.0%	12.8%	2.9%	37.9%	22.7%
C. OTHER LENDERS*									
Number of Loans	1,998	72	211	79	85	237	35	730	398
% of Loans	100%	3.6%	10.6%	4.0%	4.3%	11.9%	1.8%	36.5%	19.9%
D. TOTAL									
Number of Loans	7,052	480	553	324	265	1,278	136	2,942	1,201
% of Loans	100%	6.8%	7.8%	4.6%	3.8%	18.1%	1.9%	41.7%	17.0%
II. REFINANCE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS*									
Number of Loans	963	192	3	75	1	351	5	530	11
% of Loans	100%	19.9%	0.3%	7.8%	0.1%	36.4%	0.5%	55.0%	1.1%
B. LICENSED MORTGAGE LENDERS*									
Number of Loans	3,689	457	428	178	160	537	316	1,464	1,022
% of Loans	100%	12.4%	11.6%	4.8%	4.3%	14.6%	8.6%	39.7%	27.7%
C. OTHER LENDERS*									
Number of Loans	1,983	266	189	133	69	291	92	889	371
% of Loans	100%	13.4%	9.5%	6.7%	3.5%	14.7%	4.6%	44.8%	18.7%
D. TOTAL									
Number of Loans	6,635	915	620	386	230	1,179	413	2,883	1,404
% of Loans	100%	13.8%	9.3%	5.8%	3.5%	17.8%	6.2%	43.5%	21.2%

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.
 "Licensed Mortgage Lenders": those requiring a state license to make mortgage loans in Mass.; mostly independent mortgage companies.
 "Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
 For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.
 "Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in Boston Metro District (MD) (<\$39K in 2006).
 "LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in Boston Metropolitan District [MD] (<\$63K in 2006).
 "LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MD (2000 Census data).
 "LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census data).

TABLE 27
Shares of the High-APR Loans (HALs) and non-HAL Loans by Each Major Type of Lender*
That Went to Traditionally Underserved Borrowers and Neighborhoods
First-Lien Loans for Owner-Occupied Homes, Massachusetts, 2006

	Total Loans	Black Borrowers		Latino Borrowers		LMI Borrowers		LMI Census Tracts	
		Non- HAL Loans	HAL Loans	Non- HAL Loans	HAL Loans	Non- HAL Loans	HAL Loans	Non- HAL Loans	HAL Loans
I. HOME-PURCHASE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS									
Number of Loans	19,734	775	9	972	25	5,941	127	3,256	76
% of Loans	100%	3.9%	0.0%	4.9%	0.1%	30.1%	0.6%	16.5%	0.4%
B. LICENSED MORTGAGE LENDERS									
Number of Loans	35,650	885	1,377	1,183	1,867	4,729	1,880	4,332	3,773
% of Loans	100%	2.5%	3.9%	3.3%	5.2%	13.3%	5.3%	12.2%	10.6%
C. OTHER LENDERS*									
Number of Loans	21,600	413	740	731	887	2,969	941	2,644	1,841
% of Loans	100%	1.9%	3.4%	3.4%	4.1%	13.7%	4.4%	12.2%	8.5%
D. TOTAL									
Number of Loans	76,984	2,073	2,126	2,886	2,779	13,639	2,948	10,232	5,690
% of Loans	100%	2.7%	2.8%	3.7%	3.6%	17.7%	3.8%	13.3%	7.4%
II. REFINANCE LOANS									
A. MASSACHUSETTS BANKS AND CREDIT UNIONS									
Number of Loans	20,973	625	11	632	13	7,103	145	2,991	60
% of Loans	100%	3.0%	0.1%	3.0%	0.1%	33.9%	0.7%	14.3%	0.3%
B. LICENSED MORTGAGE LENDERS									
Number of Loans	52,231	1,443	1,465	1,694	1,760	8,088	5,202	6,350	5,491
% of Loans	100%	2.8%	2.8%	3.2%	3.4%	15.5%	10.0%	12.2%	10.5%
C. OTHER LENDERS									
Number of Loans	30,673	854	546	1,123	606	5,438	1,680	4,075	1,811
% of Loans	100%	2.8%	1.8%	3.7%	2.0%	17.7%	5.5%	13.3%	5.9%
D. TOTAL									
Number of Loans	103,877	2,922	2,022	3,449	2,379	20,629	7,027	13,416	7,362
% of Loans	100%	2.8%	1.9%	3.3%	2.3%	19.9%	6.8%	12.9%	7.1%

* "Mass. Banks and Credit Unions": all banks with Mass. offices, plus all affiliated mortgage companies; excludes fed-chartered CUs.
 "Licensed Mortgage Lenders": those requiring a state license to make mortgage loans in Mass.; mostly independent mortgage companies.
 "Other Lenders": those not in either of the two preceding categories; mainly out-of-state banks.
 For Mass. banks and credit unions, local performance in meeting community credit needs is subject to evaluation by federal and/or state bank regulators under the state and/or federal Community Revestment Act (CRA). Licensed mortgage lenders are potentially subject to state oversight and monitoring. Other lenders are, essentially, exempt from such oversight and regulation.
 "Low-Income" borrowers: reported incomes below 50% of median family income (MFI) in the relevant metropolitan area.
 "LMI [low- or moderate-income] borrowers": reported incomes below 80% of MFI in the relevant metropolitan area.
 "LMI census tracts" have median family incomes (MFIs) less than 80% of the MFI in the Boston MD (2000 Census data).
 "LMI CTs >75% Blk+Latino" include all 31 census tracts in which over 75% of the population was black or Latino (2000 Census data).

TABLE 28
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
(These Include the Top 13 High-APR Loan [HAL] Lenders)
First-Lien Loans for Owner-Occupied Homes, 2006

Lender Family*	Lender Type#	Total Loans			Number of HALs			HALs as % of Total			HAL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Countrywide*	LML ^	1,369	655	714	252	102	150	18.4%	15.6%	21.0%	4
Bank of America*	CRA ^	820	567	253	7	2	5	0.9%	0.4%	2.0%	
Wells Fargo*	OSB ^	708	451	257	108	28	80	15.3%	6.2%	31.1%	9
Washington Mutual*	OSB	546	237	309	103	72	31	18.9%	30.4%	10.0%	10
Taylor, Bean & Whitaker	LML ^	533	251	282	0	0	0	0.0%	0.0%	0.0%	
Fremont Investment & Loan	OSB	385	182	203	364	180	184	94.5%	98.9%	90.6%	1
New Century/Home 123*	LML	384	159	225	351	154	197	91.4%	96.9%	87.6%	2
H&R Block/Option One*	LML	349	94	255	315	92	223	90.3%	97.9%	87.5%	3
GMAC*	MIX	319	131	188	32	17	15	10.0%	13.0%	8.0%	
Summit Mortgage	LML	309	228	81	1	1	0	0.3%	0.4%	0.0%	
WMC/GE*	LML ^	286	140	146	245	134	111	85.7%	95.7%	76.0%	5
Sovereign Bank	CRA ^	285	153	132	10	7	3	3.5%	4.6%	2.3%	
JPMorgan Chase*	OSB	283	150	133	50	21	29	17.7%	14.0%	21.8%	13
American Home Mortgage	LML	269	119	150	32	13	19	11.9%	10.9%	12.7%	
Mortgage Master	LML	260	149	111	38	18	20	14.6%	12.1%	18.0%	
Citizens*	CRA ^	258	120	138	4	0	4	1.6%	0.0%	2.9%	
CitiGroup*	OSB ^	256	146	110	27	1	26	10.5%	0.7%	23.6%	
Wachovia*	OSB	220	71	149	9	5	4	4.1%	7.0%	2.7%	
First Horizon	OSB	194	93	101	7	4	3	3.6%	4.3%	3.0%	
National City*	OSB	189	117	72	121	96	25	64.0%	82.1%	34.7%	8
Accredited Home Lenders	LML	183	86	97	165	81	84	90.2%	94.2%	86.6%	6
HSBC*	MIX	181	40	141	84	19	65	46.4%	47.5%	46.1%	11
Boston Private Bank*	CRA ^	158	144	14	0	0	0	0.0%	0.0%	0.0%	
Ameriquist/Argent*	LML	149	50	99	131	45	86	87.9%	90.0%	86.9%	7
NE Moves Mortgage	LML	144	131	13	0	0	0	0.0%	0.0%	0.0%	
New York Mortgage Co	LML	134	100	34	15	11	4	11.2%	11.0%	11.8%	
IndyMac Bank	OSB	127	43	84	52	22	30	40.9%	51.2%	35.7%	12
Ohio Savings Bank	OSB	120	63	57	11	7	4	9.2%	11.1%	7.0%	
Mortgage Network	LML	102	66	36	9	6	3	8.8%	9.1%	8.3%	
Capital One*	LML ^	98	26	72	18	5	13	18.4%	19.2%	18.1%	
Total, 30 Biggest Lenders		9,618	4,962	4,656	2,561	1,143	1,418	26.6%	23.0%	30.5%	
Total, All 406 Lenders		13,687	7,052	6,635	3,361	1,522	1,839	24.6%	21.6%	27.7%	

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

Appendix Table 11 provides information on the individual lenders within each “lender family.”

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

TABLE 29
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
(These Include the Top 12 High-APR Loan [HAL] Lenders)
First-Lien Loans for Owner-Occupied Homes, 2006

Lender Family*	Lender Type#	Total Loans			Number of HALs			HALs as % of Total			HAL Rank
		Total	HmPur	ReFi	Total	HmPur	ReFi	Total	HmPur	ReFi	
Countrywide*	LML ^	13,842	5,302	8,540	3,029	971	2,058	21.9%	18.3%	24.1%	3
Wells Fargo*	OSB ^	7,607	4,682	2,925	1,225	327	898	16.1%	7.0%	30.7%	10
Bank of America*	CRA ^	7,466	4,446	3,020	93	46	47	1.2%	1.0%	1.6%	
Taylor, Bean & Whitaker	LML	6,306	2,561	3,745	0	0	0	0.0%	0.0%	0.0%	
Washington Mutual*	OSB	5,429	1,492	3,937	936	368	568	17.2%	24.7%	14.4%	11
GMAC*	MIX	4,607	1,870	2,737	335	121	214	7.3%	6.5%	7.8%	
H&R Block/Option One*	LML	4,571	1,170	3,401	4,080	1,152	2,928	89.3%	98.5%	86.1%	1
New Century/Home123*	LML	4,143	1,356	2,787	3,789	1,291	2,498	91.5%	95.2%	89.6%	2
CitiGroup*	OSB ^	3,827	1,473	2,354	532	29	503	13.9%	2.0%	21.4%	
National City*	OSB	3,784	2,258	1,526	2,002	1,456	546	52.9%	64.5%	35.8%	6
Sovereign Bank	CRA	3,751	1,487	2,264	101	58	43	2.7%	3.9%	1.9%	
Wachovia*	OSB	3,465	922	2,543	128	30	98	3.7%	3.3%	3.9%	
WMC/GE*	LML ^	3,383	1,481	1,902	2,901	1,417	1,484	85.8%	95.7%	78.0%	5
Fremont Investment & Loan	OSB	3,179	1,160	2,019	2,987	1,140	1,847	94.0%	98.3%	91.5%	4
American Home Mortgage	LML	3,136	1,341	1,795	420	199	221	13.4%	14.8%	12.3%	
HSBC*	MIX	3,047	552	2,495	1,649	283	1,366	54.1%	51.3%	54.7%	7
Mortgage Master	LML	2,942	1,637	1,305	444	205	239	15.1%	12.5%	18.3%	
JPMorgan Chase*	OSB	2,879	1,032	1,847	622	192	430	21.6%	18.6%	23.3%	
Citizens*	CRA	2,849	984	1,865	34	17	17	1.2%	1.7%	0.9%	
First Horizon	OSB	2,708	1,148	1,560	152	58	94	5.6%	5.1%	6.0%	
Mortgage Network	LML	2,347	1,474	873	126	69	57	5.4%	4.7%	6.5%	
NE Moves Mortgage	LML	2,190	1,942	248	38	32	6	1.7%	1.6%	2.4%	
IndyMac Bank	OSB	1,877	675	1,202	831	355	476	44.3%	52.6%	39.6%	12
Ohio Savings Bank	OSB	1,813	876	937	195	133	62	10.8%	15.2%	6.6%	
Ameriquest/Argent*	LML	1,780	413	1,367	1,368	375	993	76.9%	90.8%	72.6%	9
Eastern Bank	CRA	1,601	680	921	45	20	25	2.8%	2.9%	2.7%	
Accredited Home Lenders	LML	1,591	576	1,015	1,448	540	908	91.0%	93.8%	89.5%	8
Provident Funding	LML	1,540	487	1,053	1	1	0	0.1%	0.2%	0.0%	
First Magnus Financial Corp	LML	1,479	460	1,019	127	48	79	8.6%	10.4%	7.8%	
Summit Mortgage	LML	1,369	899	470	28	22	6	2.0%	2.4%	1.3%	
Total, 30 Biggest Lenders		110,508	46,836	63,672	29,666	10,955	18,711	26.8%	23.4%	29.4%	
Total, All 839 Lenders		180,861	76,984	103,877	40,173	14,639	25,534	22.2%	19.0%	24.6%	

* Indicates that the loans shown are for two or more affiliated lenders in the same “lender family.” Appendix Table 12 provides information on the individual lenders within each “lender” family.”

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

TABLE 30
The 30 Biggest Lenders (“Lender Families”) in the City of Boston*
High-APR Lending by Borrower Race/Ethnicity
First-Lien Loans for Owner-Occupied Homes, 2006

Lender Family*	Lender Type#	Total Loans			HALs as % of Total			Ratio to White		HAL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Countrywide*	LML ^	175	107	689	31.4%	26.2%	12.9%	2.43	2.03	4
Bank of America*	CRA ^	152	66	416	0.0%	1.5%	1.2%	0.00	1.26	
Wells Fargo*	OSB ^	90	37	458	57.8%	24.3%	7.4%	7.78	3.28	9
Washington Mutual*	OSB	86	34	339	51.2%	47.1%	8.8%	5.78	5.32	10
Taylor, Bean & Whitaker	LML ^	63	39	382	0.0%	0.0%	0.0%	na	na	
Fremont Investment & Loan	OSB	177	68	87	93.8%	95.6%	98.9%	0.95	0.97	1
New Century/Home123*	LML	165	51	145	90.9%	94.1%	93.1%	0.98	1.01	2
H&R Block/Option One*	LML	128	27	112	85.9%	88.9%	97.3%	0.88	0.91	3
GMAC*	MIX	56	30	181	12.5%	3.3%	11.0%	1.13	0.30	
Summit Mortgage	LML	4	7	265	0.0%	0.0%	0.4%	0.00	0.00	
WMC/GE*	LML ^	102	59	69	86.3%	88.1%	79.7%	1.08	1.11	5
Sovereign Bank	CRA ^	86	52	111	2.3%	5.8%	2.7%	0.86	2.13	
JPMorgan Chase*	OSB	37	25	134	45.9%	60.0%	7.5%	6.16	8.04	13
American Home Mortgage	LML	35	18	158	20.0%	16.7%	10.1%	1.98	1.65	
Mortgage Master	LML	16	4	220	25.0%	0.0%	14.1%	1.77	0.00	
Citizens*	CRA ^	65	18	149	3.1%	0.0%	1.3%	2.29	0.00	
CitiGroup*	OSB ^	40	8	167	55.0%	0.0%	1.2%	45.93	0.00	
Wachovia*	OSB	40	33	108	2.5%	3.0%	5.6%	0.45	0.55	
First Horizon*	OSB	17	37	103	23.5%	5.4%	1.0%	24.24	5.57	
National City*	OSB	66	25	68	62.1%	64.0%	58.8%	1.06	1.09	8
Accredited Home Lenders	LML	55	42	47	85.5%	92.9%	91.5%	0.93	1.01	6
HSBC*	MIX	68	16	78	60.3%	62.5%	30.8%	1.96	2.03	11
Boston Private Bank*	CRA ^	31	18	80	0.0%	0.0%	0.0%	na	na	
Ameriquet/Argent*	LML	36	19	63	94.4%	89.5%	90.5%	1.04	0.99	7
NE Moves Mortgage	LML	6	1	119	0.0%	0.0%	0.0%	na	na	
New York Mortgage Co	LML	15	5	85	26.7%	20.0%	9.4%	2.83	2.13	
IndyMac Bank	OSB	31	24	43	54.8%	29.2%	41.9%	1.31	0.70	12
Ohio Savings Bank	OSB	10	5	89	20.0%	0.0%	7.9%	2.54	0.00	
Mortgage Network	LML	8	4	85	37.5%	0.0%	7.1%	5.31	0.00	
Capital One*	LML ^	32	18	33	15.6%	27.8%	15.2%	1.03	1.83	
Total, 30 Biggest Lenders		1,892	897	5,083	48.9%	40.5%	16.6%	2.95	2.44	
Total, All 406 Lenders		2,568	1,205	7,383	41.0%	41.1%	15.9%	2.58	2.59	

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

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

TABLE 31
The 30 Biggest Lenders (“Lender Families”) in Massachusetts*
High-APR Lending by Borrower Race/Ethnicity
First-Lien Loans for Owner-Occupied Homes, 2006

Lender Family*	Lender Type#	Total Loans			HALs as % of Total			Ratio to White		HAL Rank
		Black	Latino	White	Black	Latino	White	Black	Latino	
Countrywide*	LML*	593	1,027	8,867	36.1%	32.2%	18.0%	2.01	1.79	3
Wells Fargo*	OSB*	310	365	5,785	47.4%	29.9%	14.5%	3.28	2.06	10
Bank of America*	CRA*	499	613	5,086	0.8%	1.3%	1.5%	0.54	0.87	
Taylor, Bean & Whitaker	LML	198	248	5,282	0.0%	0.0%	0.0%	na	na	
Washington Mutual*	OSB	239	308	4,170	52.7%	40.9%	13.4%	3.93	3.05	11
GMAC*	MIX	201	245	3,574	9.0%	9.8%	6.9%	1.31	1.43	
H&R Block/Option One*	LML	406	399	2,960	93.3%	93.0%	90.7%	1.03	1.03	1
New Century/Home123*	LML	573	455	2,882	92.5%	94.5%	91.8%	1.01	1.03	2
CitiGroup*	OSB*	150	131	3,052	48.0%	19.1%	12.7%	3.77	1.50	
National City*	OSB	297	384	2,666	71.0%	76.6%	44.9%	1.58	1.71	6
Sovereign Bank	CRA	189	237	3,087	3.2%	5.1%	2.5%	1.27	2.03	
Wachovia*	OSB	157	268	2,591	3.8%	2.6%	4.1%	0.94	0.64	
WMC/GE*	LML*	417	799	1,598	84.9%	90.6%	84.0%	1.01	1.08	5
Fremont Investment & Loan	OSB	506	458	1,727	95.5%	96.1%	94.7%	1.01	1.01	4
American Home Mortgage	LML	165	216	2,172	18.2%	18.5%	12.4%	1.46	1.49	
HSBC*	MIX	250	256	2,249	70.4%	75.4%	51.2%	1.37	1.47	7
Mortgage Master	LML	64	37	2,444	18.8%	24.3%	14.4%	1.30	1.69	
JPMorgan Chase*	OSB	115	199	1,891	42.6%	61.3%	17.3%	2.46	3.55	
Citizens*	CRA	134	106	2,273	3.0%	0.9%	1.1%	2.71	0.86	
First Horizon	OSB	84	161	2,148	9.5%	5.6%	5.3%	1.81	1.06	
Mortgage Network	LML	31	25	2,130	9.7%	12.0%	5.5%	1.76	2.18	
NE Moves Mortgage	LML	49	33	1,871	0.0%	6.1%	1.9%	0.00	3.24	
IndyMac Bank	OSB	123	233	1,169	54.5%	44.6%	44.6%	1.22	1.00	12
Ohio Savings Bank	OSB	54	91	1,512	16.7%	31.9%	9.9%	1.69	3.23	
Ameriquest/Argent*	LML	167	163	1,130	90.4%	87.1%	77.5%	1.17	1.12	9
Eastern Bank	CRA	49	74	1,347	2.0%	2.7%	2.8%	0.72	0.96	
Accredited Home Lenders	LML	188	330	798	88.8%	94.5%	90.0%	0.99	1.05	8
Provident Funding	LML	27	36	1,189	0.0%	0.0%	0.1%	0.00	0.00	
First Magnus Financial Corp	LML	72	92	1,163	9.7%	25.0%	7.7%	1.27	3.27	
Summit Mortgage	LML	22	20	1,201	4.5%	0.0%	2.2%	2.10	0.00	
Total, 30 Biggest Lenders		6,329	8,009	80,014	51.1%	48.6%	22.7%	2.25	2.14	
Total, All 839 Lenders		9,143	11,493	133,794	45.4%	44.9%	17.9%	2.54	2.51	

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

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

APPENDIX TABLE I
High-APR Loans (HALs), by Race/Ethnicity of Borrower
By Loan Purpose and Lien Type, With Median Rate Spread#
Loans for Owner-Occupied Homes, Massachusetts, 2006

Borrower Race/Ethnicity	All Loans	Non-HAL Loans	High-APR Loans	Percent HALs	Ratio to White %	Median Rate Spread
A-1. HOME-PURCHASE LOANS — ANY LIEN						
Asian	4,562	3,968	594	13.0%	0.73	5.83
Black	6,529	2,773	3,756	57.5%	3.22	6.16
Latino	8,907	3,809	5,098	57.2%	3.20	6.13
White	72,641	59,663	12,978	17.9%	1.00	5.89
No Info*	9,550	7,057	2,493	26.1%		
Total*	102,583	77,536	25,047	24.4%		6.00
A-2. HOME-PURCHASE LOANS — FIRST LIEN (75.0% of all Home Purchase Loans)						
Asian	3,555	3,196	359	10.1%	0.72	5.37
Black	4,199	2,073	2,126	50.6%	3.62	5.65
Latino	5,665	2,886	2,779	49.1%	3.51	5.52
White	56,251	48,390	7,861	14.0%	1.00	5.40
Other	282	211	71	25.2%		
Total*	76,984	62,345	14,639	19.0%		5.48
A-3. HOME-PURCHASE LOANS — JUNIOR LIEN (25.0% of all Home Purchase Loans)						
Asian	1,007	772	235	23.3%	0.75	6.84
Black	2,330	700	1,630	70.0%	2.24	6.99
Latino	3,242	923	2,319	71.5%	2.29	7.04
White	16,390	11,273	5,117	31.2%	1.00	6.72
No Info*	2,518	1,468	1,050	41.7%		
Total*	25,599	15,191	10,408	40.7%		6.90
B-1. REFINANCE LOANS — ANY LIEN						
Asian	2,608	2,196	412	15.8%	0.80	5.60
Black	6,106	3,628	2,478	40.6%	2.05	5.72
Latino	7,409	4,302	3,107	41.9%	2.12	5.58
White	100,662	80,723	19,939	19.8%	1.00	5.66
No Info*	17,341	11,631	5,710	32.9%		
Total*	134,706	102,903	31,803	23.6%		5.66
B-2. REFINANCE LOANS — FIRST LIEN (77.1% of all Refinance Loans)						
Asian	2,003	1,686	317	15.8%	0.76	5.11
Black	4,944	2,922	2,022	40.9%	1.97	5.52
Latino	5,828	3,449	2,379	40.8%	1.97	5.19
White	77,543	61,474	16,069	20.7%	1.00	5.44
No Info*	13,114	8,495	4,619	35.2%		
Total*	103,877	78,343	25,534	24.6%		5.40
B-3. REFINANCE LOANS — JUNIOR LIEN (22.9% of all Refinance Loans)						
Asian	605	510	95	15.7%	0.94	6.61
Black	1,162	706	456	39.2%	2.34	6.79
Latino	1,581	853	728	46.0%	2.75	6.81
White	23,119	19,249	3,870	16.7%	1.00	6.66
No Info*	4,227	3,136	1,091	25.8%		
Total*	30,829	24,560	6,269	20.3%		6.76
C-1. ALL HOME-PURCHASE AND REFINANCE LOANS — ANY LIEN						
Asian	7,170	6,164	1,006	14.0%	0.74	5.73
Black	12,635	6,401	6,234	49.3%	2.60	5.96
Latino	16,316	8,111	8,205	50.3%	2.65	5.93
White	173,303	140,386	32,917	19.0%	1.00	5.76
No Info*	26,891	18,688	8,203	30.5%		
Total*	237,289	180,439	56,850	24.0%		5.81

For each High-APR loan, HMDA data include the difference between the APR of the loan and the interest rate on Treasury securities of the same maturity (e.g., 30 years) at the time the loan was made. This difference, reported in percentage points, is referred to as the "rate spread."

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

"Total" includes "Other" as well as the categories shown in the table; "other" is always < 0.5% of total loans.

APPENDIX TABLE 2

**All Home-Purchase and Refinance Loans in Massachusetts, 2006, Classified by Five Characteristics:
(1) Home-purchase or Refinance; (2) Conventional or Government-Backed; (3) First-Lien or Subordinate-Lien;
(4) Owner-Occupied or Not Owner-Occupied; and (5) Site-Built or Manufactured Housing**

A. NUMBER OF LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	84,470	1,582	86,052	112,444	1,010	113,454	196,914	2,592	199,506
Owner-Occupied	75,405	1,579	76,984	102,870	1,007	103,877	178,275	2,586	180,861
Site-built	75,061	1,577	76,638	102,592	1,007	103,599	177,653	2,584	180,237
Mfg housing	344	2	346	278	0	278	622	2	624
Not Owner-Occ	9,065	3	9,068	9,574	3	9,577	18,639	6	18,645
Site-built	9,057	3	9,060	9,572	3	9,575	18,629	6	18,635
Mfg housing	8	0	8	2	0	2	10	0	10
Sub Lien	27,086	3	27,089	31,480	8	31,488	58,566	11	58,577
Owner-Occupied	25,597	2	25,599	30,821	8	30,829	56,418	10	56,428
Site-built	25,577	2	25,579	30,772	8	30,780	56,349	10	56,359
Mfg housing	20	0	20	49	0	49	69	0	69
Not Owner-Occ	1,489	1	1,490	659	0	659	2,148	1	2,149
Site-built	1,488	1	1,489	659	0	659	2,147	1	2,148
Mfg housing	1	0	1	0	0	0	1	0	1
Any Lien	111,556	1,585	113,141	143,924	1,018	144,942	255,480	2,603	258,083
Owner-Occupied	101,002	1,581	102,583	133,691	1,015	134,706	234,693	2,596	237,289
Site-built	100,638	1,579	102,217	133,364	1,015	134,379	234,002	2,594	236,596
Mfg housing	364	2	366	327	0	327	691	2	693
Not Owner-Occ	10,554	4	10,558	10,233	3	10,236	20,787	7	20,794
Site-built	10,545	4	10,549	10,231	3	10,234	20,776	7	20,783
Mfg housing	9	0	9	2	0	2	11	0	11
memo:									
total site-built	111,183	1,583	112,766	143,595	1,018	144,613	254,778	2,601	257,379
total mfg hsing	373	2	375	329	0	329	702	2	704
B. PERCENTAGE OF TOTAL LOANS									
	Home Purchase Loans			Refinance Loans			Total Loans		
	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total	Conventional	Gov-Backed	Total
First Lien	32.7%	0.6%	33.3%	43.6%	0.4%	44.0%	76.3%	1.0%	77.3%
Owner-Occupied	29.2%	0.6%	29.8%	39.9%	0.4%	40.2%	69.1%	1.0%	70.1%
Site-built	29.1%	0.6%	29.7%	39.8%	0.4%	40.1%	68.8%	1.0%	69.8%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.0%	0.2%
Not Owner-Occ	3.5%	0.0%	3.5%	3.7%	0.0%	3.7%	7.2%	0.0%	7.2%
Site-built	3.5%	0.0%	3.5%	3.7%	0.0%	3.7%	7.2%	0.0%	7.2%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub Lien	10.5%	0.0%	10.5%	12.2%	0.0%	12.2%	22.7%	0.0%	22.7%
Owner-Occupied	9.9%	0.0%	9.9%	11.9%	0.0%	11.9%	21.9%	0.0%	21.9%
Site-built	9.9%	0.0%	9.9%	11.9%	0.0%	11.9%	21.8%	0.0%	21.8%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not Owner-Occ	0.6%	0.0%	0.6%	0.3%	0.0%	0.3%	0.8%	0.0%	0.8%
Site-built	0.6%	0.0%	0.6%	0.3%	0.0%	0.3%	0.8%	0.0%	0.8%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Any Lien	43.2%	0.6%	43.8%	55.8%	0.4%	56.2%	99.0%	1.0%	100.0%
Owner-Occupied	39.1%	0.6%	39.7%	51.8%	0.4%	52.2%	90.9%	1.0%	91.9%
Site-built	39.0%	0.6%	39.6%	51.7%	0.4%	52.1%	90.7%	1.0%	91.7%
Mfg housing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.3%	0.0%	0.3%
Not Owner-Occ	4.1%	0.0%	4.1%	4.0%	0.0%	4.0%	8.1%	0.0%	8.1%
Site-built	4.1%	0.0%	4.1%	4.0%	0.0%	4.0%	8.1%	0.0%	8.1%
Mfg housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
memo:									
total site-built	43.1%	0.6%	43.7%	55.6%	0.4%	56.0%	98.7%	1.0%	99.7%
total mfg hsing	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%	0.3%	0.0%	0.3%

Note: This five-way classification results in a total of 32 categories. The number of loans in each of these categories was obtained from the 2006 HMDA data. All other numbers in this table are calculated from these 32 basic numbers.

The text of this report, and all other tables, include only first-lien loans for owner-occupied homes, which are shown in this table to constitute 70.1% of total loans. The loans excluded by this criterion consisted of first-lien loans for non-owner occupied homes (7.2% of the total) and subordinate-lien loans (22.7%).

Additional details: Of the government-backed loans, 82% were FHA, 17% were VA, and 1% were FSA/RHS. There were a total of exactly 100 HEOPA loans.

This table ignores 514 loans (0.2% of the total) for which owner-occupancy status was not reported.

This table also ignores the state's 32,482 home-improvement loans, of which 9,666 were first-lien loans on owner-occupied homes.

APPENDIX TABLE 3
Total and High-APR Lending, By Year, 2004–2006
Loans for First-Lien, Owner-Occupied Homes

	City of Boston			Greater Boston*			Massachusetts		
	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR	All Loans	High- APR Loans	% High- APR
A. HOME-PURCHASE LOANS									
2004	8,658	573	6.6%	46,819	2,463	5.3%	98,297	6,887	7.0%
2005	8,330	1,596	19.2%	44,583	7,202	16.2%	94,286	18,249	19.4%
2006	7,052	1,522	21.6%	36,538	5,788	15.8%	76,984	14,639	19.0%
B. REFINANCE LOANS									
2004	10,996	983	8.9%	79,579	4,719	5.9%	177,135	14,553	8.2%
2005	9,157	1,754	19.2%	62,947	8,215	13.1%	146,120	24,155	16.5%
2006	6,635	1,839	27.7%	43,625	9,061	20.8%	103,877	25,534	24.6%

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

APPENDIX TABLE 4
Boston Home-Purchase Loans by Race/Ethnicity, 1990–2006 *

Race/ Ethnicity	Number of Loans						Percent of All Loans#					
	1990	1995	2000	2004	2005	2006	1990	1995	2000	2004	2005	2006
Asian	100	269	381	518	453	376	5.7%	6.0%	5.8%	7.0%	6.1%	6.1%
Black	287	880	710	850	1,065	1,033	16.4%	19.8%	10.9%	11.4%	14.3%	16.6%
Latino	91	303	463	611	719	589	5.2%	6.8%	7.1%	8.2%	9.7%	9.5%
White	1,266	2,866	4,831	5,440	5,175	4,192	72.5%	64.4%	74.0%	73.0%	69.5%	67.5%
Other	3	132	147	33	34	21	0.2%	3.0%	2.3%	0.4%	0.5%	0.3%
SubTotal#	1,747	4,450	6,532	7,452	7,446	6,211	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Info+	23	187	935	1,206	884	841						
Total	1,770	4,637	7,467	8,658	8,330	7,052						

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

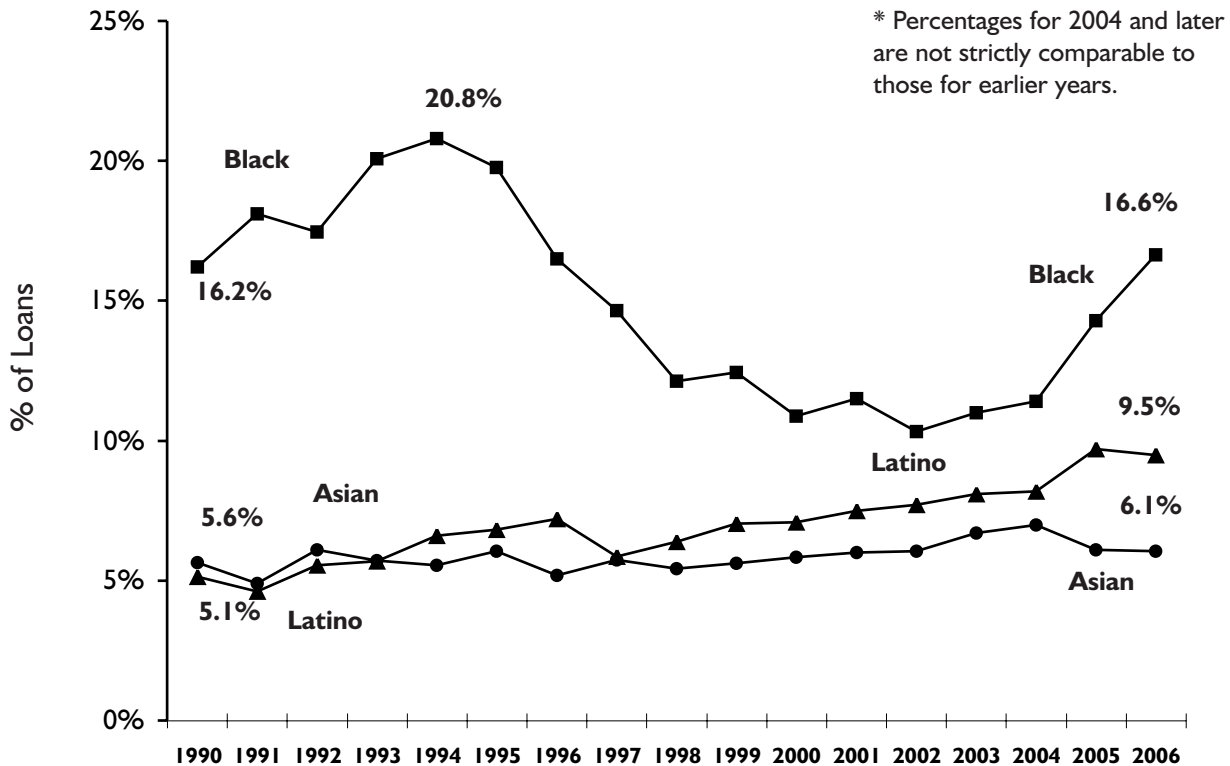
* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-4.

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

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

CHART A-4: Shares of Home-Purchase Loans & Households by Race/Ethnicity, Boston, 1990-2006*

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



APPENDIX TABLE 5
Loans to Low- and Moderate-Income Borrowers# in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans					Refinance Loans				
	Number of Loans			% of All Loans		Number of Loans			% of All Loans	
	All Incomes	Low Income	Low+Mod Income	Low Income	Low+Mod Income	All Incomes	Low Income	Low+Mod Income	Low Income	Low+Mod Income
A. BOSTON AND GREATER BOSTON*										
Boston	6,723	222	1,414	3.3%	21.0%	6,146	374	1,592	6.1%	25.9%
Greater Boston	34,814	1,063	6,478	3.1%	18.6%	40,682	2,229	9,759	5.5%	24.0%
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS										
Barnstable	2,318	67	395	2.9%	17.0%	4,970	256	1,048	5.2%	21.1%
Berkshire	1,375	93	423	6.8%	30.8%	1,626	161	606	9.9%	37.3%
Bristol	5,573	141	877	2.5%	15.7%	8,755	487	2,121	5.6%	24.2%
Dukes	89	1	4	1.1%	4.5%	369	8	50	2.2%	13.6%
Essex	8,386	477	2,303	5.7%	27.5%	12,152	899	3,770	7.4%	31.0%
Franklin	716	34	217	4.7%	30.3%	954	99	346	10.4%	36.3%
Hampden	5,320	282	1,905	5.3%	35.8%	6,831	628	2,700	9.2%	39.5%
Hampshire	1,573	56	342	3.6%	21.7%	1,578	95	451	6.0%	28.6%
Middlesex	16,698	592	3,246	3.5%	19.4%	18,431	1,101	4,634	6.0%	25.1%
Nantucket	102	1	4	1.0%	3.9%	233	5	18	2.1%	7.7%
Norfolk	7,873	233	1,389	3.0%	17.6%	9,730	523	2,340	5.4%	24.0%
Plymouth	5,646	223	1,364	3.9%	24.2%	10,524	844	3,457	8.0%	32.8%
Suffolk	7,746	269	1,698	3.5%	21.9%	7,685	473	2,036	6.2%	26.5%
Worcester	9,419	360	2,420	3.8%	25.7%	13,228	905	4,079	6.8%	30.8%
C. STATEWIDE										
Massachusetts	72,834	2,829	16,587	3.9%	22.8%	97,066	6,484	27,756	6.7%	28.6%

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

Low-income is less than 50%, and moderate income is between 50% & 80%, of the median family income (MFI) in the metro area in which the property is located. Thus the income ranges for low- and moderate-income borrowers in a county depend on which metro area the county is in. In this table, "all incomes" and "all loans" exclude loans for which income was not reported (6.1% of Massachusetts borrowers in 2006).

APPENDIX TABLE 6
Loans to Low- and Moderate-Income Borrowers#
In the 33 Biggest Cities and Towns in Massachusetts
First-Lien Home-Purchase and Refinance Loans for Owner-Occupied Homes, 2006

	Home-Purchase Loans					Refinance Loans				
	Number of Loans			% of All Loans		Number of Loans			% of All Loans	
	All Incomes	Low Income	Low+Mod Income	Low Income	Low+Mod Income	All Incomes	Low Income	Low+Mod Income	Low Income	Low+Mod Income
Arlington	568	9	72	1.6%	12.7%	422	16	67	3.8%	15.9%
Attleboro	559	10	63	1.8%	11.3%	717	28	148	3.9%	20.6%
Barnstable	486	6	66	1.2%	13.6%	1,108	45	226	4.1%	20.4%
Boston	6,713	222	1,414	3.3%	21.1%	6,146	374	1,592	6.1%	25.9%
Brockton	1,185	52	399	4.4%	33.7%	2,265	212	995	9.4%	43.9%
Brookline	732	15	85	2.0%	11.6%	471	3	40	0.6%	8.5%
Cambridge	952	21	163	2.2%	17.1%	468	20	74	4.3%	15.8%
Chicopee	572	35	239	6.1%	41.8%	806	70	357	8.7%	44.3%
Fall River	634	29	164	4.6%	25.9%	885	65	286	7.3%	32.3%
Framingham	700	32	149	4.6%	21.3%	819	56	232	6.8%	28.3%
Haverhill	885	63	331	7.1%	37.4%	1,215	126	498	10.4%	41.0%
Lawrence	657	89	306	13.5%	46.6%	1,094	119	533	10.9%	48.7%
Leominster	376	19	121	5.1%	32.2%	672	39	202	5.8%	30.1%
Lowell	1,176	110	505	9.4%	42.9%	1,361	176	622	12.9%	45.7%
Lynn	889	46	301	5.2%	33.9%	1,581	143	606	9.0%	38.3%
Malden	604	32	176	5.3%	29.1%	745	33	203	4.4%	27.2%
Medford	581	12	86	2.1%	14.8%	758	38	165	5.0%	21.8%
Methuen	541	37	170	6.8%	31.4%	853	86	297	10.1%	34.8%
New Bedford	750	34	176	4.5%	23.5%	1,366	114	458	8.3%	33.5%
Newton	878	7	51	0.8%	5.8%	875	14	94	1.6%	10.7%
Peabody	475	23	134	4.8%	28.2%	786	56	237	7.1%	30.2%
Pittsfield	563	41	219	7.3%	38.9%	531	64	221	12.1%	41.6%
Plymouth	720	30	173	4.2%	24.0%	1,357	91	432	6.7%	31.8%
Quincy	1,146	45	339	3.9%	29.6%	995	60	292	6.0%	29.3%
Revere	577	27	151	4.7%	26.2%	843	52	245	6.2%	29.1%
Salem	546	23	169	4.2%	31.0%	590	40	193	6.8%	32.7%
Somerville	774	15	168	1.9%	21.7%	551	44	141	8.0%	25.6%
Springfield	1,926	130	963	6.7%	50.0%	2,427	334	1,231	13.8%	50.7%
Taunton	714	19	115	2.7%	16.1%	1,120	76	289	6.8%	25.8%
Waltham	595	23	111	3.9%	18.7%	567	23	122	4.1%	21.5%
Westfield	500	21	124	4.2%	24.8%	534	30	162	5.6%	30.3%
Weymouth	626	33	169	5.3%	27.0%	974	78	340	8.0%	34.9%
Worcester	1,899	84	638	4.4%	33.6%	2,379	173	854	7.3%	35.9%

Low-income is less than 50%, and moderate income is between 50% & 80%, of the median family income (MFI) in the metro area in which the city/town is located. Thus the income ranges for low- and moderate-income borrowers in a community depend on which metro area the community is in. In this table, "all incomes" and "all loans" exclude loans for which income was not reported (6.1% of Massachusetts borrowers in 2006).

APPENDIX TABLE 7
Boston Home-Purchase Loans by Income Level
1990–2006*

Income Level ^	Number of Loans						As Percent of All Loans					
	1990	1995	2000	2004	2005	2006	1990	1995	2000	2004	2005	2006
Low#	51	530	369	229	216	222	2.8%	11.6%	5.1%	2.7%	2.7%	3.3%
Moderate	352	1,233	1,321	1,564	1,314	1,192	19.6%	27.0%	18.4%	18.8%	16.4%	17.8%
Middle	527	1,261	1,815	2,472	2,281	2,042	29.3%	27.6%	25.2%	29.7%	28.5%	30.4%
High	513	889	2,095	2,606	2,715	2,102	28.5%	19.4%	29.1%	31.3%	33.9%	31.3%
Highest	355	659	1,589	1,463	1,474	1,155	19.7%	14.4%	22.1%	17.6%	18.4%	17.2%
Hi + Hi'est	868	1,548	3,684	4,069	4,189	3,257	48.3%	33.9%	51.2%	48.8%	52.4%	48.5%
Total#	1,798	4,572	7,189	8,334	8,000	6,713	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Important Note: The metropolitan area used to determine income categories for Boston borrowers changed in 2004, so data for 2004 and later are not directly comparable to those for earlier years. If the metro area definitions had not changed, there would have been 376 loans (4.5%) to low-income borrowers and 1,864 loans (22.4%) to moderate-income borrowers in 2004. Also, beginning in 2004, loans other than first-lien loans for owner-occupied loans are excluded; previously, only junior-lien loans under the SoftSecond Program were excluded. See "Notes on Data and Methods" for details.

* Columns for many years are omitted from this table because of insufficient space, but all years are shown in Chart A-7.

"Total" excludes borrowers without income data (330 in 2005); before 2004, Low & Total also excluded those with incomes of \$10K or less.

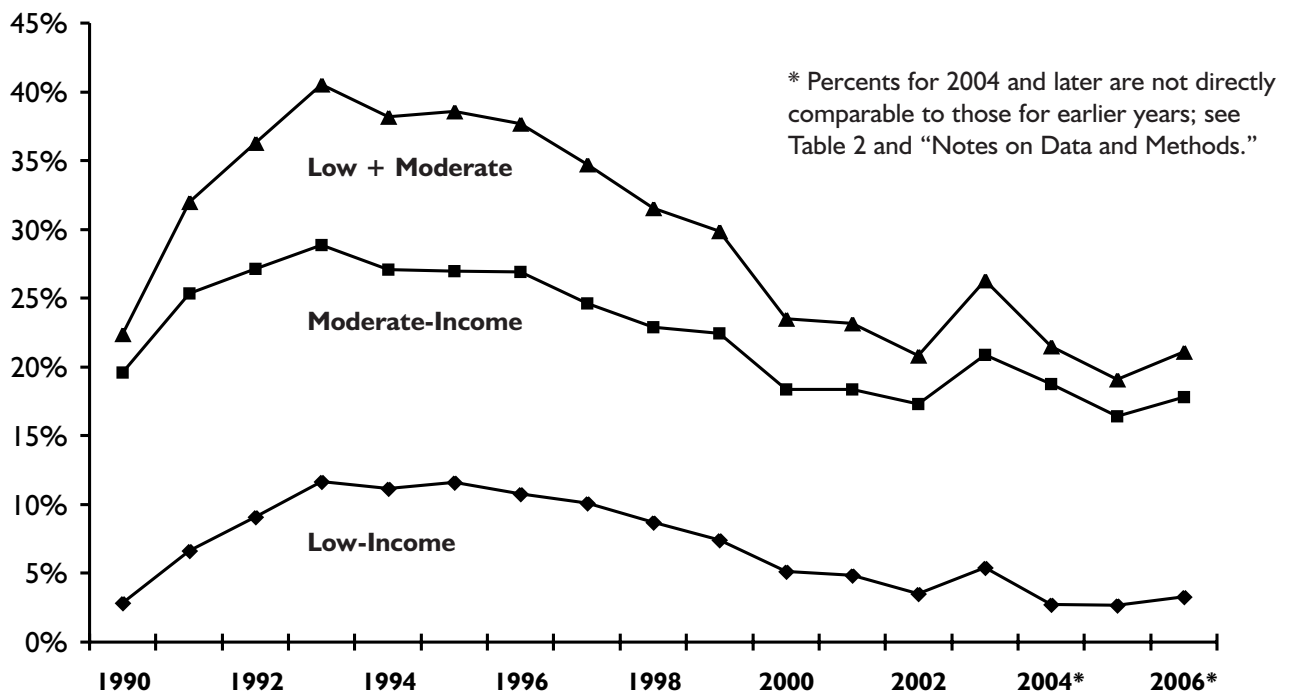
^ Income categories are defined in relationship to Boston Metro Area Median Family Income as follows:

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

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

1990: \$46,300; 1991: \$50,200; 1992: \$51,100; 1993: \$51,200; 1994: \$51,300; 1995: \$53,100; 1996: \$56,500; 1997: \$59,600
 1998: \$60,000; 1999: \$62,700. 2000: \$65,500; 2001: \$70,000; 2002: \$74,200; 2003: \$80,800; 2004: \$75,300; 2005: \$76,400
 2006: 82,000

CHART A-7: Loans to Low- and Moderate-Income Borrowers
as % of All Boston Home-Purchase Loans, 1990–2006*



APPENDIX TABLE 8

**Home-Purchase Loan Denial Rates by Race
Boston, Massachusetts, and United States — 1990–2006***

	Denial Rate						Ratio to White Denial Rate					
	1990	1995	2000	2004	2005	2006	1990	1995	2000	2004	2005	2006
A. BOSTON												
Asian	14.5%	8.2%	12.7%	12.2%	14.6%	12.6%	0.89	1.12	1.37	1.39	1.45	1.05
Black	32.7%	15.8%	24.5%	22.7%	23.6%	31.2%	2.00	2.16	2.63	2.58	2.34	2.60
Latino	25.3%	18.6%	18.9%	19.2%	20.9%	26.7%	1.55	2.55	2.03	2.19	2.07	2.23
White	16.4%	7.3%	9.3%	8.8%	10.1%	12.0%	1.00	1.00	1.00	1.00	1.00	1.00
B. MASSACHUSETTS												
Asian		7.3%	9.1%	9.0%	10.1%	10.3%		0.99	1.08	1.02	1.04	0.99
Black		16.3%	20.7%	20.2%	21.3%	28.2%		2.23	2.46	2.30	2.20	2.70
Latino		13.1%	17.2%	18.0%	19.1%	23.8%		1.79	2.05	2.04	1.97	2.28
White		7.3%	8.4%	8.8%	9.7%	10.4%		1.00	1.00	1.00	1.00	1.00
C. UNITED STATES #												
Asian	12.9%	12.5%	12.4%	13.5%	15.8%	17.0%	0.90	0.61	0.56	1.24	1.28	1.30
Black	33.9%	40.5%	44.6%	24.7%	27.5%	31.6%	2.35	1.97	2.00	2.27	2.24	2.41
Latino	21.4%	29.5%	31.4%	18.4%	21.3%	25.4%	1.49	1.43	1.41	1.69	1.73	1.94
White	14.4%	20.6%	22.3%	10.9%	12.3%	13.1%	1.00	1.00	1.00	1.00	1.00	1.00

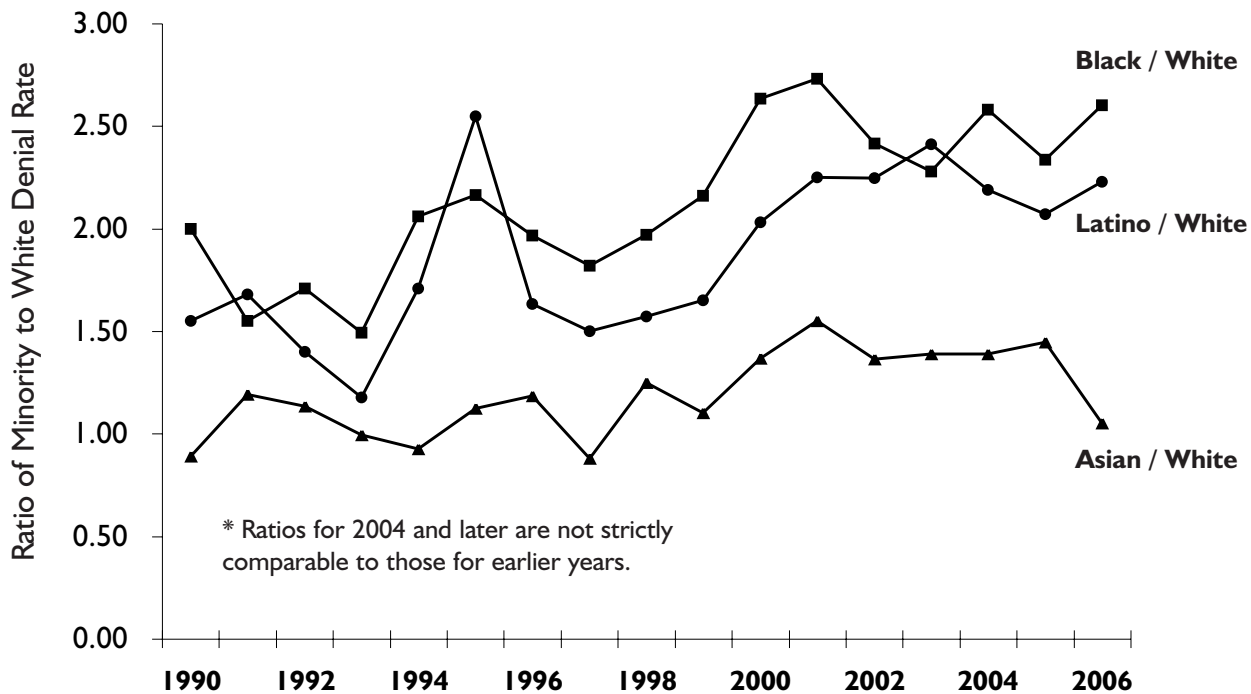
Important Note: Denial rates & ratios for 2004 and later are not strictly comparable to those for previous years. Beginning in 2004, all applications other than for first-lien mortgages for owner-occupied homes are excluded; previously only junior liens under the SoftSecond Program in Boston were excluded.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

* Columns for many years are omitted from this table because of insufficient space, but denial rate ratios for all years are shown in Chart A-8.

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

U.S. denial rates are for conventional loans only; in Boston and MA overall denial rates (in table) are very close to conventional denial rates.

**CHART A-8: Minority/White Denial Ratios, By Race
Boston Home-Purchase Loans, 1990–2006***



APPENDIX TABLE 9A
Denial Rates and Ratios, By Race/Ethnicity, in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien REFINANCE Loans for Owner-Occupied Homes, PRIME LENDERS*, 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. BOSTON AND GREATER BOSTON#											
Boston	231	1,642	771	3,895	16.0%	27.0%	29.4%	15.1%	1.06	1.79	1.95
Greater Boston	1,640	3,100	3,279	36,635	14.8%	25.8%	27.9%	13.2%	1.12	1.95	2.10
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS											
Barnstable	22	84	222	5,246	13.6%	17.9%	31.1%	14.6%	0.94	1.22	2.13
Berkshire	7	23	24	1,680	0%	26%	33%	15%	0.00	1.79	2.29
Bristol	87	283	301	8,390	17%	26%	30%	15%	1.12	1.70	1.96
Dukes	2	16	7	372	50%	25%	0%	17%	2.95	1.48	0.00
Essex	231	361	1,725	11,366	16%	29%	28%	14%	1.15	2.03	1.96
Franklin	7	4	15	931	14%	25%	20%	20%	0.73	1.27	1.02
Hampden	79	413	599	5,201	25%	26%	28%	18%	1.37	1.43	1.54
Hampshire	19	26	50	1,584	21%	23%	20%	14%	1.52	1.67	1.45
Middlesex	1,084	667	1,187	17,375	17%	24%	26%	13%	1.27	1.87	1.98
Nantucket	6	5	10	267	0%	0%	0%	12%	0.00	0.00	0.00
Norfolk	484	606	312	9,042	15%	24%	24%	13%	1.14	1.87	1.87
Plymouth	79	818	307	9,684	22%	28%	28%	15%	1.47	1.90	1.94
Suffolk	276	1,707	1,287	5,043	17%	27%	29%	16%	1.04	1.67	1.82
Worcester	272	423	790	11,952	17%	31%	29%	16%	1.08	1.96	1.88
C. STATEWIDE											
Massachusetts	2,668	5,454	6,877	88,659	16.5%	26.4%	27.8%	14.6%	1.13	1.82	1.91

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

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

APPENDIX TABLE 9B
Denial Rates and Ratios, By Race/Ethnicity), in the City of Boston,
Greater Boston, All Massachusetts Counties, and Statewide
First-Lien REFINANCE Loans for Owner-Occ Homes, SUBPRIME LENDERS,* 2006

	Applications				Denial Rate				Denial Rate Ratio		
	Asians	Blacks	Latinos	Whites	Asians	Blacks	Latinos	Whites	Asian/ White	Black/ White	Latino/ White
A. BOSTON AND GREATER BOSTON#											
Boston	102	2,209	809	1,973	41.2%	41.7%	42.6%	38.2%	1.08	1.09	1.12
Greater Boston	579	3,838	3,430	17,709	37.3%	41.4%	40.0%	34.7%	1.07	1.19	1.15
B. THE FOURTEEN COUNTIES IN MASSACHUSETTS											
Barnstable	16	73	184	2,738	25.0%	38.4%	42.4%	33.0%	0.76	1.16	1.28
Berkshire	5	37	20	1,382	80%	51%	25%	39%	2.06	1.32	0.64
Bristol	52	322	416	5,992	35%	48%	40%	33%	1.04	1.45	1.20
Dukes	2	15	13	182	50%	13%	38%	29%	1.72	0.46	1.32
Essex	132	456	2,089	6,271	39%	48%	41%	36%	1.08	1.33	1.13
Franklin	4	8	20	997	0%	25%	35%	36%	0.00	0.70	0.98
Hampden	85	864	1,320	6,035	31%	44%	41%	35%	0.87	1.25	1.18
Hampshire	18	27	34	1,224	39%	37%	56%	33%	1.19	1.14	1.71
Middlesex	395	813	1,223	8,599	40%	41%	40%	33%	1.22	1.23	1.22
Nantucket	0	6	3	75	na	17%	67%	25%	na	0.66	2.63
Norfolk	174	703	265	4,242	33%	40%	38%	33%	0.98	1.18	1.13
Plymouth	65	1,052	380	6,019	35%	40%	38%	36%	1.00	1.14	1.07
Suffolk	132	2,280	1,383	2,828	42%	42%	41%	37%	1.14	1.12	1.10
Worcester	147	644	1,136	9,446	39%	41%	40%	35%	1.12	1.20	1.14
C. STATEWIDE											
Massachusetts	1,230	7,309	8,494	56,065	37.6%	42.0%	40.5%	34.6%	1.09	1.21	1.17

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

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

APPENDIX TABLE 10
Results of Applications, by Race/Ethnicity of Applicant ^
Applications for First-Lien Home-Purchase Loans for Owner-Occupied Homes
As Percentage of Total, 2006

	Prime Lenders*						Subprime Lenders*					
	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete	Appli- cations	Loan Made	Approv No Loan	Denied	With- drawn	File In- complete
A. BOSTON												
Asian	460	75.0%	8.9%	8.9%	4.8%	2.4%	79	39.2%	15.2%	34.2%	10.1%	1.3%
Black	869	60.5%	7.8%	21.1%	8.9%	1.7%	1,312	38.6%	8.5%	37.9%	10.1%	4.7%
Latino	565	60.0%	8.0%	21.4%	8.8%	1.8%	547	45.7%	6.9%	32.2%	10.6%	4.6%
White	4,927	77.3%	6.3%	8.3%	6.9%	1.2%	845	45.1%	7.9%	33.4%	10.2%	3.4%
Total*	7,905	72.4%	7.0%	11.4%	7.6%	1.4%	3,273	40.5%	8.2%	35.5%	11.5%	4.2%
B. GREATER BOSTON+												
Asian	2,860	76.2%	8.6%	6.9%	6.8%	1.5%	293	51.2%	8.2%	27.3%	9.2%	4.1%
Black	1,840	63.0%	7.1%	19.2%	9.2%	1.3%	2,304	41.2%	8.3%	36.5%	9.3%	4.6%
Latino	2,129	66.6%	6.3%	16.7%	8.8%	1.5%	2,450	48.2%	6.4%	30.6%	11.3%	3.4%
White	29,157	79.2%	6.7%	6.6%	6.5%	1.0%	4,573	51.2%	7.5%	28.4%	9.3%	3.4%
Total*	41,329	76.1%	7.1%	8.3%	7.3%	1.1%	11,077	46.0%	7.6%	31.4%	11.1%	3.8%
C. MASSACHUSETTS												
Asian	4,303	74.8%	9.0%	7.6%	6.9%	1.7%	643	52.3%	8.7%	28.5%	6.7%	3.9%
Black	3,565	62.2%	7.1%	19.6%	9.3%	1.6%	4,534	43.7%	8.6%	34.9%	8.9%	3.7%
Latino	4,637	66.7%	6.7%	17.4%	7.5%	1.5%	5,146	50.0%	7.1%	29.6%	9.7%	3.5%
White	63,321	78.2%	6.6%	7.4%	6.6%	1.1%	12,441	54.0%	8.1%	25.8%	8.6%	3.4%
Total*	85,541	75.0%	7.0%	9.1%	7.3%	1.3%	26,285	48.7%	8.2%	29.2%	10.1%	3.7%

* A lender was classified as a "Subprime Lender" if 40% or more of its total Massachusetts home-purchase and refinance loans in 2006 were high-APR loans. Every other lender was classified as a "Prime Lender."

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

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

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

APPENDIX TABLE 11
Individual Lenders in the 30 Biggest Lender “Families” in Boston*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2006

Lender Family	Lender Name	Lender Type#	Total Loans	High-APR Loans	% HALs
Ameriquest/Argent*	ARGENT MORTGAGE COMPANY	LML	122	112	91.8%
Ameriquest/Argent*	AMERIQUEST MORTGAGE CO	LML	20	13	65.0%
Bank of America*	BANK OF AMERICA	CRA	815	7	0.9%
Boston Private Bank*	BOSTON PRIVATE BANK & TRUST	CRA	157		0.0%
Capital One*	GREENPOINT MORT FUNDING	LML	97	18	18.6%
CitiGroup*	CITIMORTGAGE	OSB	228	2	0.9%
CitiGroup*	CITICORP TRUST BANK, FSB	OSB	21	21	100.0%
CitiGroup*	CITIFINANCIAL SERVICES	LML	6	4	66.7%
Citizens*	CCO MORTGAGE	CRA	169	3	1.8%
Citizens*	CITIZENS BANK OF MASS	CRA	88	1	1.1%
Countrywide*	COUNTRYWIDE HOME LOANS	LML	1,234	215	17.4%
Countrywide*	COUNTRYWIDE BANK	OSB	133	37	27.8%
GMAC*	HEMCOMING FINANCIAL	LML	135	23	17.0%
GMAC*	GMAC BANK	OSB	92	7	7.6%
GMAC*	GMAC MORTGAGE	LML	86	1	1.2%
H&R Block/Option One*	OPTION ONE MORTGAGE CO	LML	305	287	94.1%
H&R Block/Option One*	H&R BLOCK MORTGAGE CO	LML	44	28	63.6%
HSBC*	HSBC MORTGAGE CO	OSB	57	1	1.8%
HSBC*	HFC COMPANY	LML	44	21	47.7%
HSBC*	DECISION ONE MORTGAGE	LML	42	41	97.6%
HSBC*	BENEFICIAL COMPANY	LML	27	11	40.7%
HSBC*	SOLSTICE CAPITAL GROUP	LML	10	9	90.0%
JPMorgan Chase*	JPMORGAN CHASE BANK	OSB	232	5	2.2%
JPMorgan Chase*	CHASE MANHATTAN BANK USA	OSB	51	45	88.2%
National City*	NATIONAL CITY BANK	OSB	188	121	64.4%
New Century/Home123*	NEW CENTURY MORTGAGE CO	LML	367	341	92.9%
New Century/Home123*	HOME123 CORP	LML	17	10	58.8%
Wachovia*	AMERICAN MORTGAGE	OSB	97	7	7.2%
Wachovia*	WORLD SAVINGS BANK	OSB	84	1	1.2%
Wachovia*	WACHOVIA MORTGAGE	OSB	35	1	2.9%
Washington Mutual*	WASHINGTON MUTUAL BANK	OSB	449	6	1.3%
Washington Mutual*	LONG BEACH MORTGAGE CO	OSB	97	97	100.0%
Wells Fargo*	WELLS FARGO BANK	OSB	683	92	13.5%
Wells Fargo*	WELLS FARGO FINL MASS	LML	23	16	69.6%
WMC/GE*	WMC MORTGAGE CO	LML	286	245	85.7%

* This table is a supplement to Table 28, which shows total loans for each of the 30 biggest “lender families.” This table includes only individual lenders in multi-lender families, as indicated by an asterisk following the family name in Table 28. Fifteen individual lenders with 5 or fewer total loans in Boston are excluded from this table, but their loans are included in the lender family totals in Table 28. These fifteen lenders include two from Ameriquest/Argent*; one from Bank of America*; one from Boston Private Bank*; one from Capital One*; one from CitiGroup*; one from Citizens*; one from Countrywide*; three from GMAC*; one from HSBC*; one from National City*; one from Wachovia*; and one from Wells Fargo*.

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

APPENDIX TABLE 12
Individual Lenders in the 30 Biggest Lender “Families” in Massachusetts*
First-Lien Loans (Home Purchase + Refinance) for Owner-Occupied Homes, 2006

Lender Family	Lender Name	Lender Type#	Total Loans	High-APR Loans	% HALs
Ameriquest/Argent*	ARGENT MORTGAGE COMPANY	LML	1,187	1,025	86.4%
Ameriquest/Argent*	AMERIQUEST MORTGAGE CO	LML	480	261	54.4%
Ameriquest/Argent*	TOWN & COUNTRY CREDIT	LML	78	56	71.8%
Ameriquest/Argent*	AMC MORTGAGE SERVICES	LML	35	26	74.3%
Bank of America*	BANK OF AMERICA	CRA	7,424	92	1.2%
Bank of America*	NEXSTAR FINANCIAL CORP	OSB	32	0	0.0%
CitiGroup*	CITIMORTGAGE	OSB	3,275	75	2.3%
CitiGroup*	CITICORP TRUST BANK, FSB	OSB	234	229	97.9%
CitiGroup*	CITIFINANCIAL SERVICES	LML	227	195	85.9%
CitiGroup*	CITIBANK	OSB	46	10	21.7%
CitiGroup*	CITIFINANCIAL MTG CO	OSB	45	23	51.1%
Citizens*	CCO MORTGAGE	CRA	1,763	33	1.9%
Citizens*	CITIZENS BANK OF MASS	CRA	1,048	1	0.1%
Countrywide*	COUNTRYWIDE HOME LOANS	LML	12,626	2,708	21.4%
Countrywide*	COUNTRYWIDE BANK	OSB	1,122	312	27.8%
Countrywide*	PROPERTYMORTGAGE.COM	LML	51	8	15.7%
GMAC*	GMAC MORTGAGE	LML	1,668	61	3.7%
GMAC*	HOMECOMING FINANCIAL	LML	1,556	186	12.0%
GMAC*	GMAC BANK	OSB	1,178	60	5.1%
GMAC*	DITECH.COM	LML	148	28	18.9%
GMAC*	GHS MORTGAGE	LML	47	0	0.0%
H&R Block/Option One*	OPTION ONE MORTGAGE CO	LML	3,903	3,720	95.3%
H&R Block/Option One*	H&R BLOCK MORTGAGE CO	LML	668	360	53.9%
HSBC*	HSBC MORTGAGE CO	OSB	782	32	4.1%
HSBC*	DECISION ONE MORTGAGE	LML	729	667	91.5%
HSBC*	HFC COMPANY	LML	679	363	53.5%
HSBC*	BENEFICIAL COMPANY	LML	550	292	53.1%
HSBC*	SOLSTICE CAPITAL GROUP	LML	287	279	97.2%
JPMorgan Chase*	JPMORGAN CHASE BANK	OSB	2,277	64	2.8%
JPMorgan Chase*	CHASE MANHATTAN BANK USA	OSB	602	558	92.7%
National City*	NATIONAL CITY BANK	OSB	3,752	1,993	53.1%
National City*	FIRST INDEPENDENT MORTGAGE	OSB	32	9	28.1%
New Century/Home123*	NEW CENTURY MORTGAGE CO	LML	3,852	3,581	93.0%
New Century/Home123*	HOME123 CORP	LML	291	208	71.5%
Wachovia*	WORLD SAVINGS BANK	OSB	1,732	77	4.4%
Wachovia*	AMERICAN MORTGAGE	OSB	971	34	3.5%
Wachovia*	WACHOVIA MORTGAGE	OSB	737	16	2.2%
Wachovia*	WACHOVIA BANK	OSB	25	1	4.0%
Washington Mutual*	WASHINGTON MUTUAL BANK	OSB	4,608	167	3.6%
Washington Mutual*	LONG BEACH MORTGAGE CO	OSB	821	769	93.7%
Wells Fargo*	WELLS FARGO BANK	OSB	7,093	914	12.9%
Wells Fargo*	WELLS FARGO FINL MASS	LML	471	307	65.2%
WMC/GE*	WMC MORTGAGE CO	LML	3,374	2,896	85.8%

* This table is a supplement to Table 29, which shows total loans for each of the 30 biggest “lender families.” This table includes only individual lenders in multi-lender families, as indicated by an asterisk following the family name in Table 29. Twenty individual lenders with fewer than 25 total loans are excluded from this table, but their loans are included in the lender family totals in Table 29. These twenty lenders include one from Bank of America*, five from Citizens*, four from Countrywide*, one from GMAC*, one from HSBC*, seven from Wells Fargo*, and one from WMC/GE*.

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