

HMDA DATA

As stated in the fair housing section of this report, the Home Mortgage Disclosure Act (HMDA) was established in 1975 to make loan information publicly available. The Federal Financial Institutions Examination Council (FFIEC) generates aggregate data as well as disclosure reports for each metropolitan statistical area (MSA), which are also made available to the public. The aggregate HMDA data has several uses; however, for the purpose of this report, its main uses will center on the following:

- Determining whether or not financial institutions are responding to the housing needs in their respective communities.
- Identifying discriminatory lending practices.

The aggregate data covers the numbers of and amounts granted per guaranteed home-purchase loans, conventional home-purchase loans, refinance loans, and home improvement loans. Loan application outcomes for each loan type are included as well. All data used for this report is for 2003.

HMDA Summary Points

Originations versus Denials

- The majority of loan applications accounted for by the HMDA data were for refinance loans.
- In terms of race, white applicants saw the most originations, as well as the least amount of denials, while African Americans saw the most denials. Minorities as a whole saw the least amount of originations for all loan types.
- In terms of income, those earning 100% or more of the annual MSA median income saw the most origination and also the least denials for all loan types. Vice versa, those earning less than 50% of the median income saw the least amount of originations and the greatest amount of denials.
- In terms of income and race, regardless of income level, for most loan types minorities saw the least origination and faced the most denials.
- In terms of gender, for both guaranteed and home improvement loans, males and females saw approximately the same amount of

originations; however, for all loan types, females experienced slightly more denials. Joint-filers saw the greatest amount of originations.

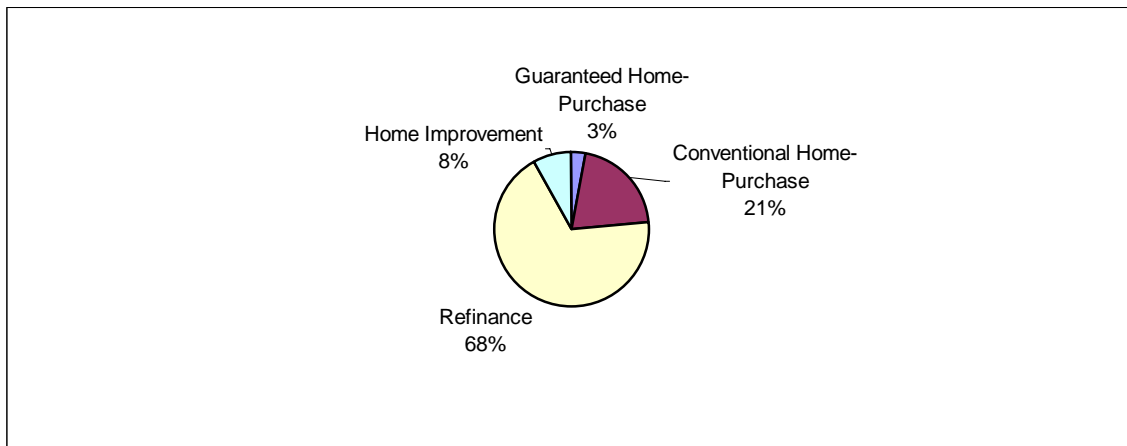
Reasons for Denial

- When looking at the total number of applications for all loan types, the largest reason for denial fell in the “other” category, followed by credit history.
- For all loan types except for refinance loans, the greatest reason for denial was credit history, followed by “other.” For refinance loans, the greatest reason for denial was “other.”
- In terms of race, for African Americans, whites, and “others” denials were more often due to credit history problems. For Hispanic applicants, denials for all loan types were due to either “other” reasons or credit history.
- In terms of income, credit history and “other” reasons are to blame for larger amounts of denials.
- In terms of gender, again credit history and “other” were the two main reasons for denial, with “other” reasons being more so the problem for males, and credit history being more of a problem for females.

For further clarification, a few terms need to be defined. First of all, guaranteed loans are FHA, FSA/RHS, and VA loans. These loans are called guaranteed because they are backed by government-sponsored entities (GSEs). In other words, if someone receiving a guaranteed loan forecloses on their house, the GSEs provide insurance against the lender. GSE loans also offer incentives to the lenders, to make every attempt to keep the borrower in their home. In terms of race/ethnicity, the categories are as follows: African American, Hispanic, white, other, and unknown. Other includes American Indian/Alaska Native, Asian/Pacific Islander, and joint (white/minority as termed by the FFIEC – we can assume this to be biracial or multiracial). In regards to gender, joint is male and female filing together. For all variables, the “unknowns” are not including in the written analysis.

The majority of loans (68%) granted in 2003 were refinance loans. See Figure 28 for the breakdown of the applications for different loans.

Figure 28: Loan Types Accounted For In HMDA Data



Loan Application Outcomes

The following sections deal primarily with the outcomes of loan applications:

- Applications that were both approved and accepted, and the loans were issued; in other words, loans that were originated
- Applications that were approved but not accepted
- Applications that were denied
- Applications that were withdrawn
- Files closed as incomplete

These application outcomes first explored by loan type, then broken down by race/ethnicity, income, race/ethnicity and income, and gender. The total in the tables represents the total applications received.

Loan Application Outcomes by Race/Ethnicity

Guaranteed Home-Purchase Loans

For guaranteed home-purchase loans, white applicants received the most originated (74%), with African American and Hispanic applicants following (62 and 61%, respectively). In contrast, 22% of African American applicants were denied, compared to 19% of Hispanic and 12% of white applicants. When looking at the “other” and “unknown” race categories, a majority of loans for these groups of applicants were originated, while applications denied fell in between the amount of Hispanics and African Americans. Figures 29, 30, 31, 32, and 33 provide a visual illustration of the loan outcomes by race/ethnicity.

Figure 29: African American Application Outcomes for Guaranteed Home-Purchase Loans

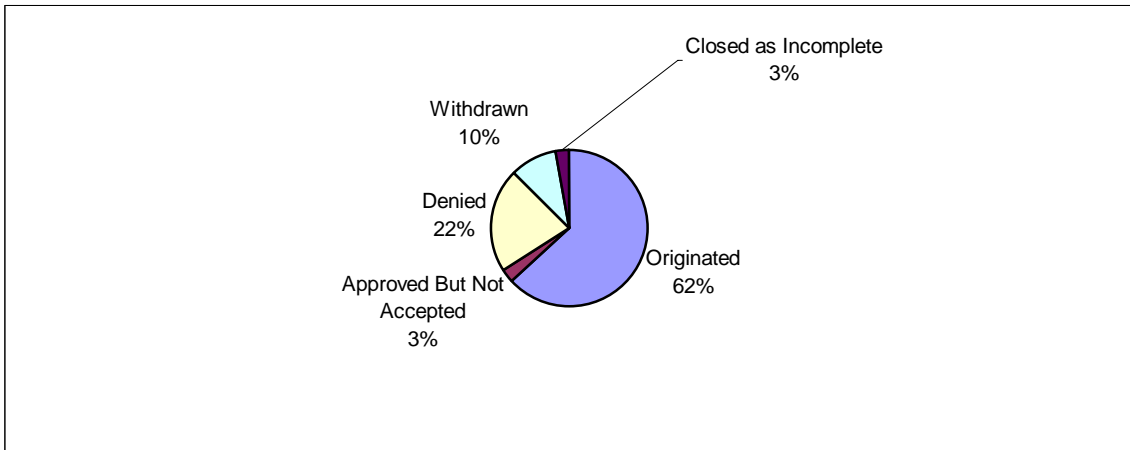


Figure 30: Hispanic Application Outcomes for Guaranteed Home-Purchase Loans

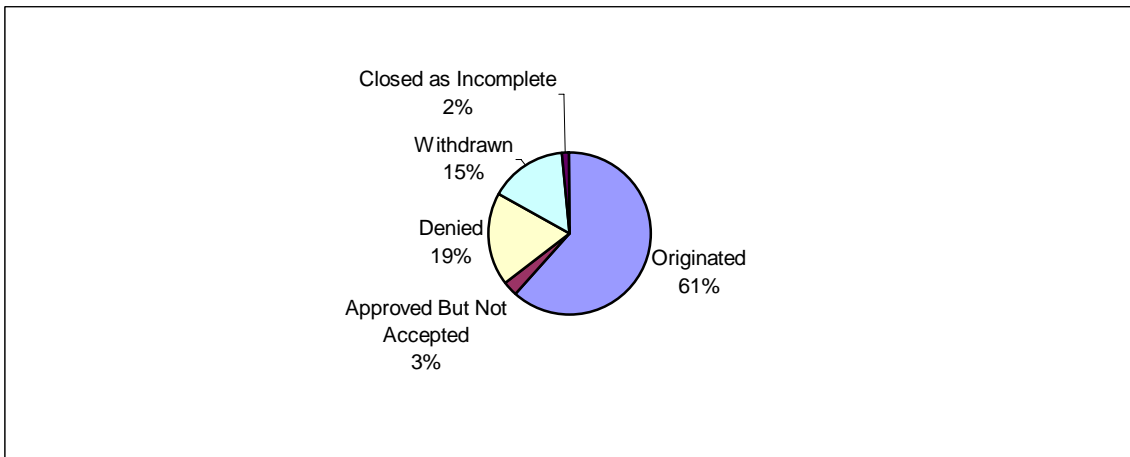


Figure 31: White Application Outcomes for Guaranteed Home-Purchase Loans

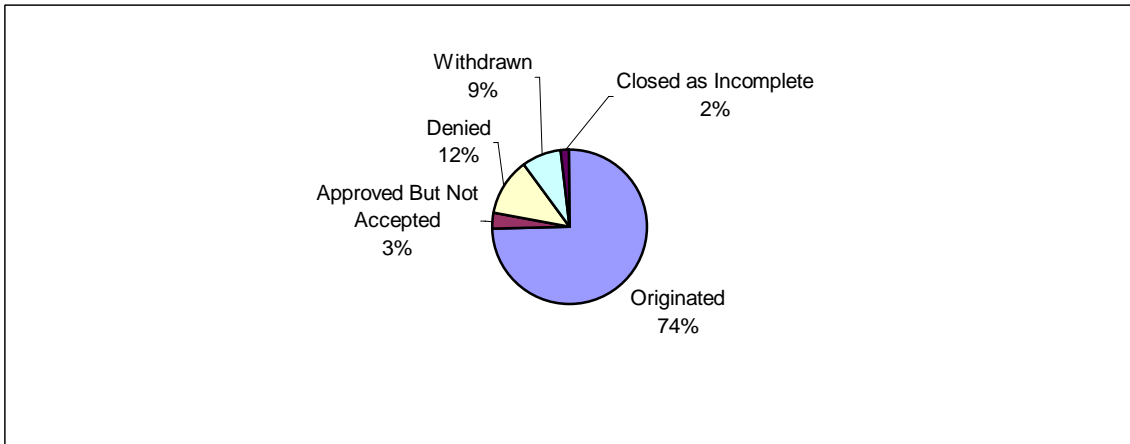


Figure 32: Other Race/Ethnicity Application Outcomes for Guaranteed Home-Purchase Loans

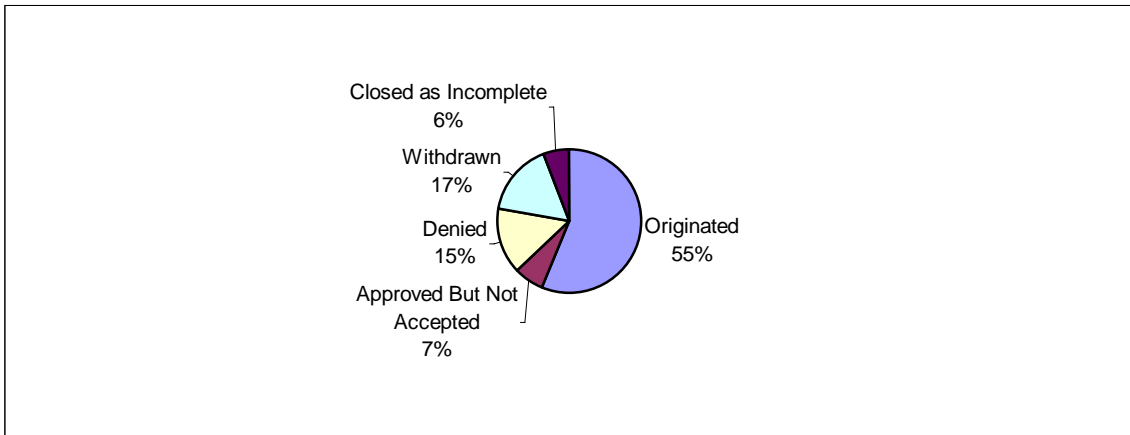
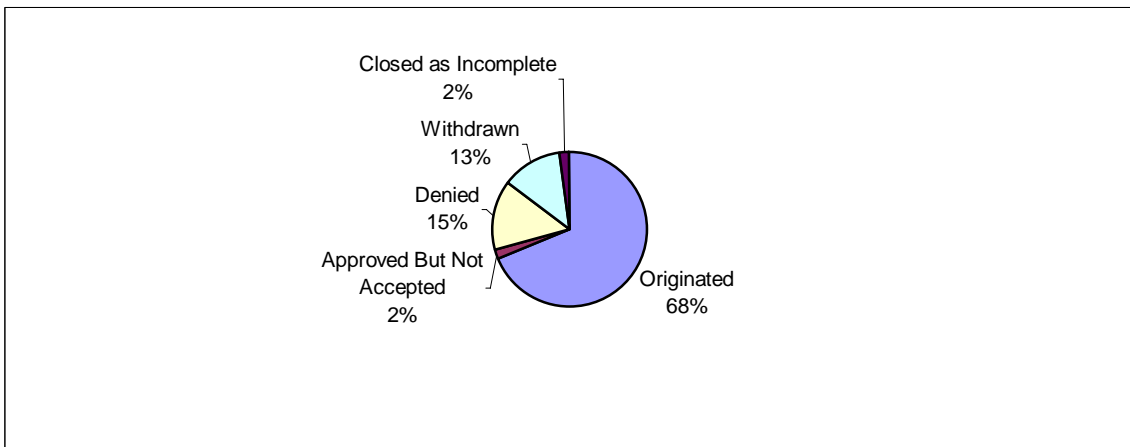


Figure 33: Unknown Race/Ethnicity Application Outcomes for Guaranteed Home-Purchase Loans



Conventional Home-Purchase Loans

When comparing racial/ethnic groups and conventional home-purchase loans, white applicants had the best success, with 70% of the loans being originated, and only 14% being denied. African Americans had the lowest percentage of loans originated, and again the greatest percentage of application denials. See Figures 34, 35, 36, 37, and 38 for the visual representation.

Figure 34: African American Application Outcomes for Conventional Home-Purchase Loans

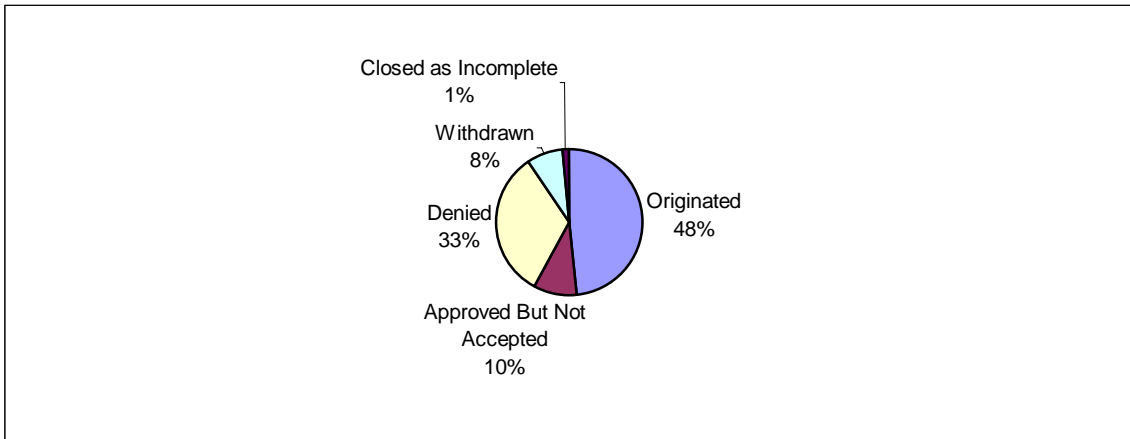


Figure 35: Hispanic Application Outcomes for Conventional Home-Purchase Loans

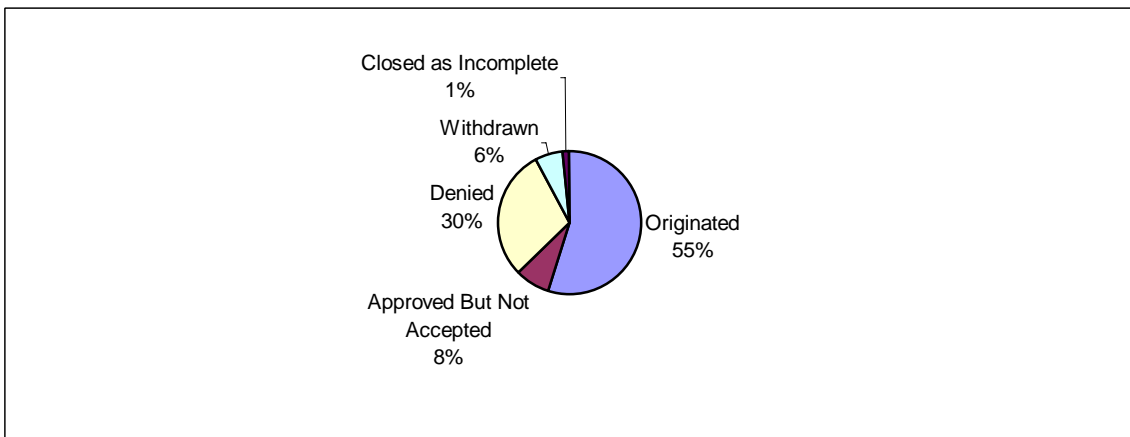


Figure 36: White Application Outcomes for Conventional Home-Purchase Loans

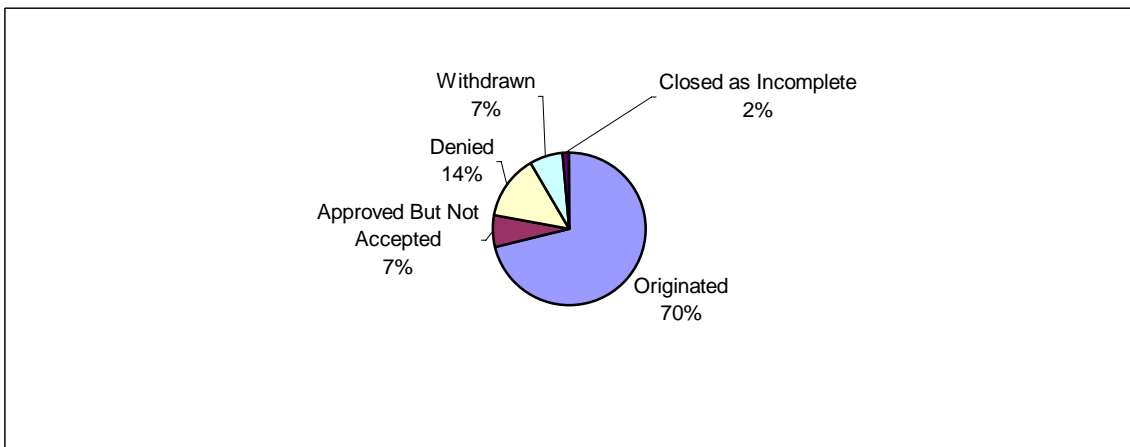


Figure 37: Other Race/Ethnicity Application Outcomes for Conventional Home-Purchase Loans

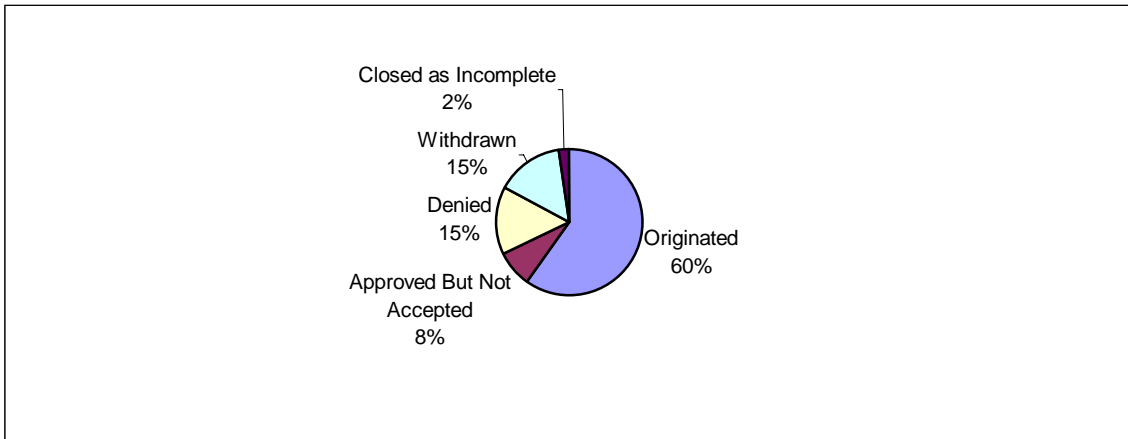
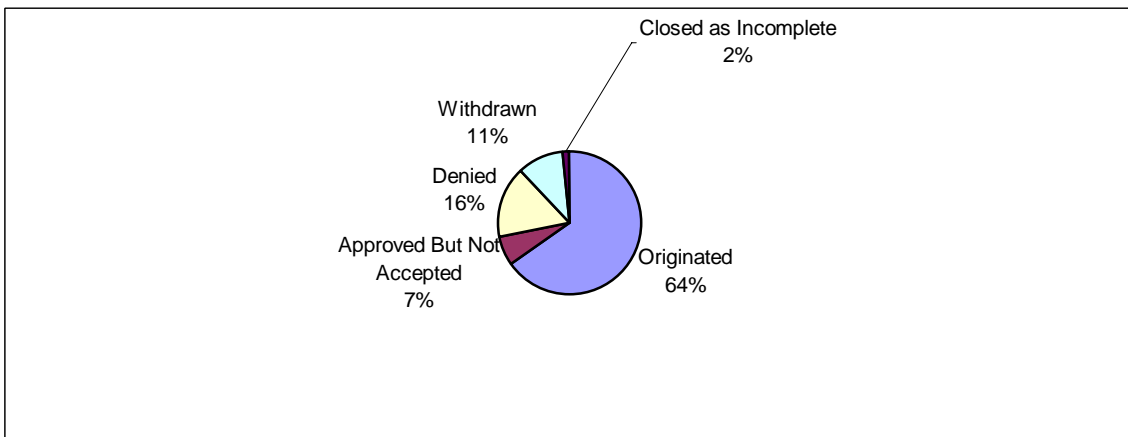


Figure 38: Unknown Race/Ethnicity Application Outcomes for Conventional Home-Purchase Loans



Refinance Loans

For refinance loan applications, whites and Hispanics were the only race/ethnic groups to report a majority of applications leading to loan origination. African Americans applicants saw 44% of their refinance loans originated; applicants in the “other” category saw the least amount. However, when looking at refinance loan denials, applications in the applications falling under the other race/ethnicity category experienced the most denials. African American applicants were next, with 32% denied, Hispanic applicants with 24%, and white and “other” with less than 15% of refinance loan applications being denied. Figures 39, 40, 41, 42, and 43 provide the visual breakdown of race/ethnicity categories and application outcomes for refinance loans.

Figure 39: African American Application Outcomes for Refinance Loans

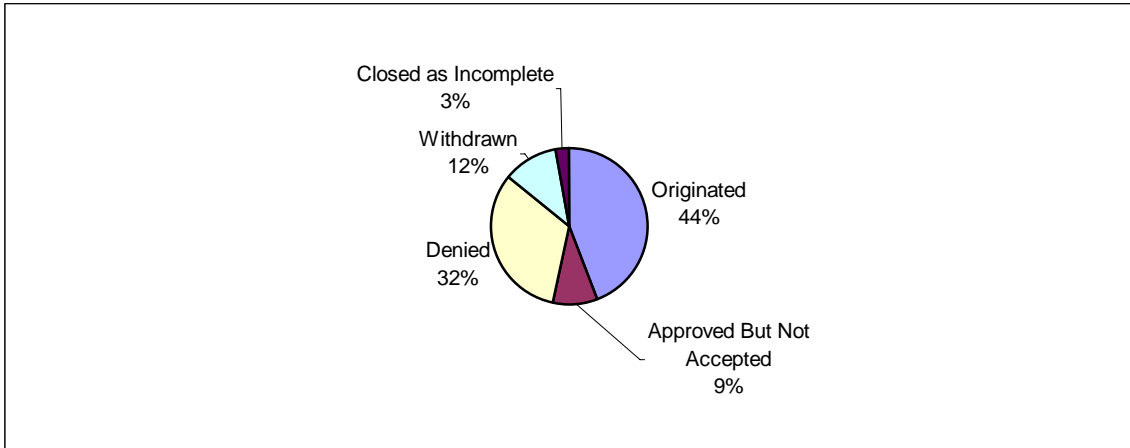


Figure 40: Hispanic Application Outcomes for Refinance Loans

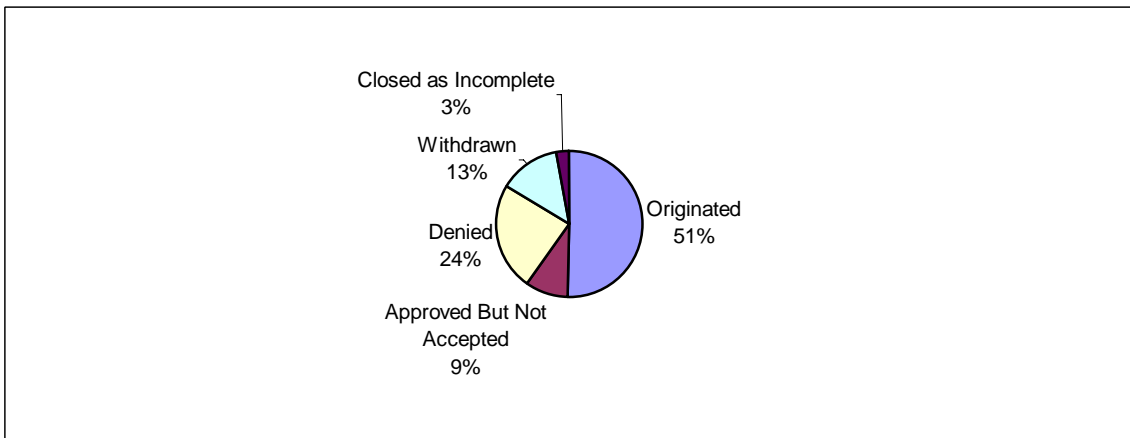


Figure 41: White Application Outcomes for Refinance Loans

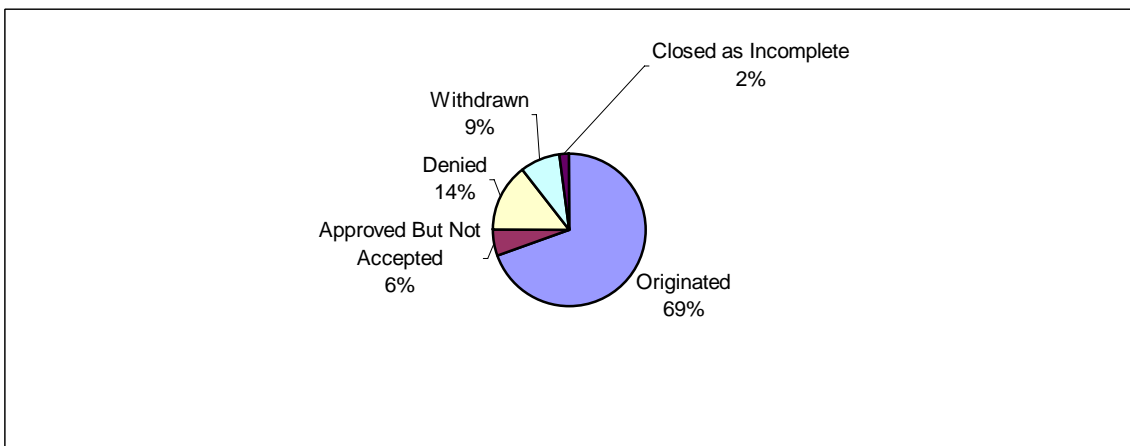


Figure 42: Other Race/Ethnicity Application Outcomes for Refinance Loans

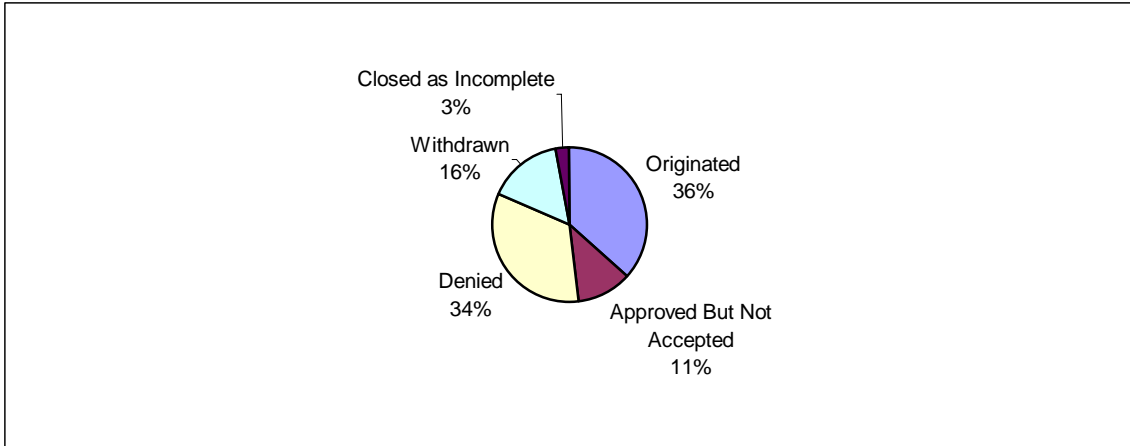
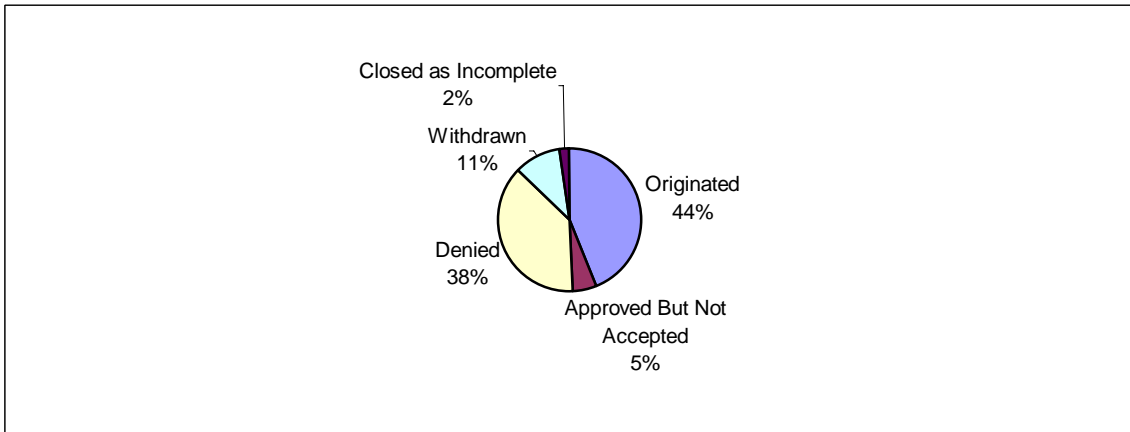


Figure 43: Unknown Race/Ethnicity Application Outcomes for Refinance Loans



Home Improvement Loans

Looking at home improvement loan applicants, applications submitted by those making up the unknown and “other” race/ethnicity groups saw the smallest percentage of loans originated. White applicants, again, saw the most, with 55% of home improvement loan applications being both approved and accepted. A majority of applications from African Americans, unknowns, and “others” ended in denial. Figures 44, 45, 46, 47, and 48 provide an illustration of home improvement loan applications by race/ethnic group.

Figure 44: African American Application Outcomes for Home Improvement Loans

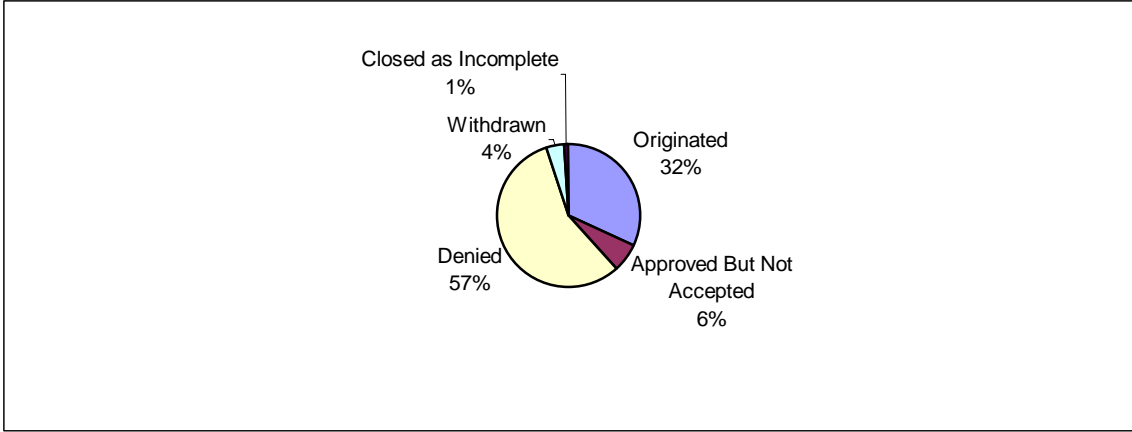


Figure 45: Hispanic Application Outcomes for Home Improvement Loans

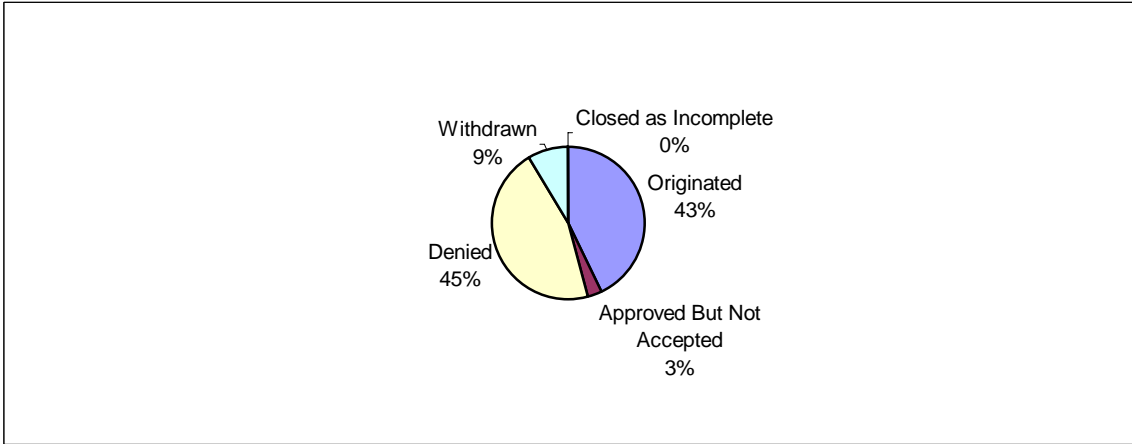


Figure 46: White Application Outcomes for Home Improvement Loans

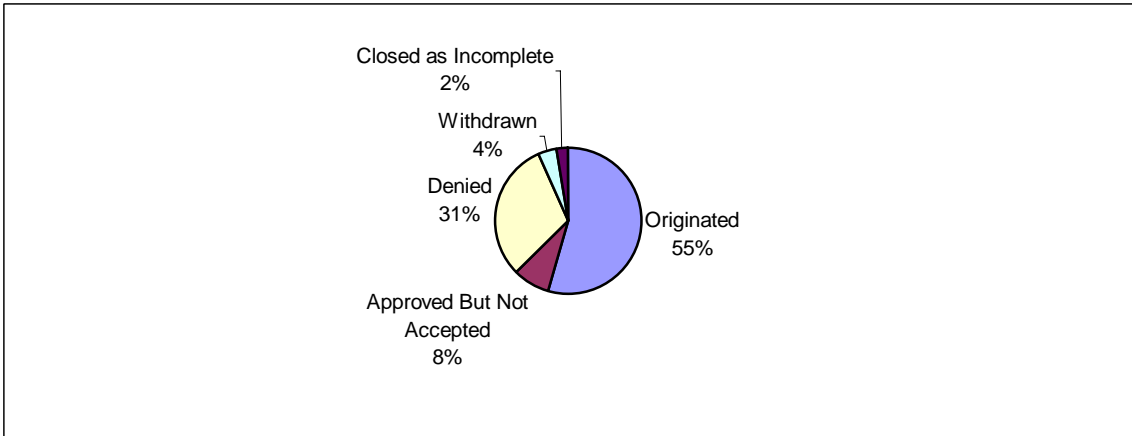


Figure 47: Other Race/Ethnicity Application Outcomes for Home Improvement Loans

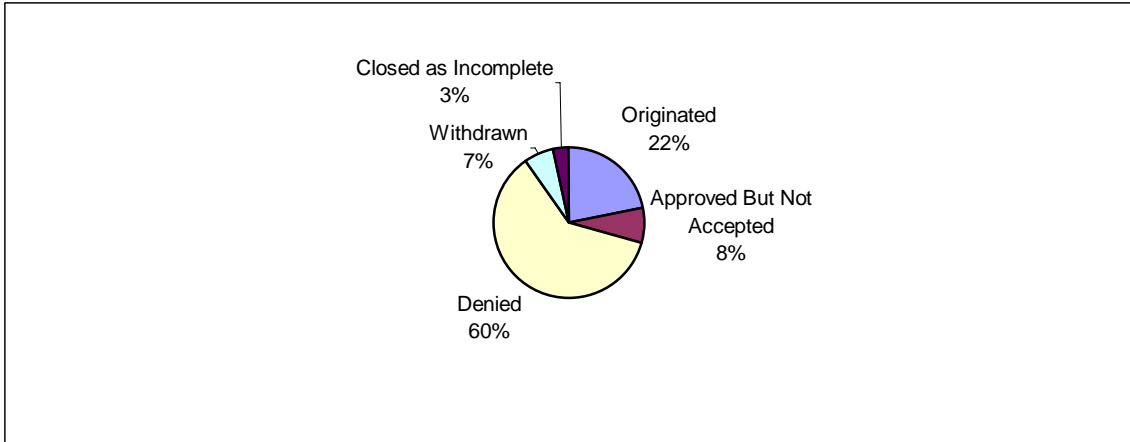
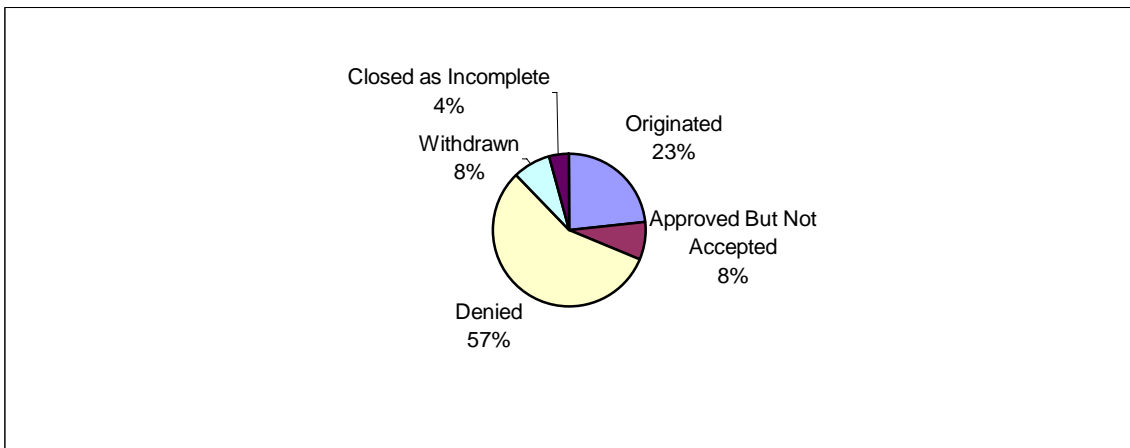


Figure 48: Unknown (Race/Ethnicity) Application Outcomes for Home Improvement Loans



Loan Application Outcomes by Income

The following section shows the loan application outcomes for all loan types by income. The income brackets are all percentages of the annual median income for the Greenville-Spartanburg-Anderson MSA.

Guaranteed Home-Purchase Loans

Naturally, the more money an individual makes, the better their chances are for loan approval and origination. For guaranteed home-purchase loan applicants this held true, as those making 100% or more of the median annual income saw approximately 80% of their loans originated. These applicants also saw the least denials. On the contrary, those applicants earning less than 50% of the median income received the most denials for this loan type. Figures 49, 50, 51, 52, and 53 depict the above.

Figure 49: Application Outcomes for Applicants Earning Less than 50% of Median Income

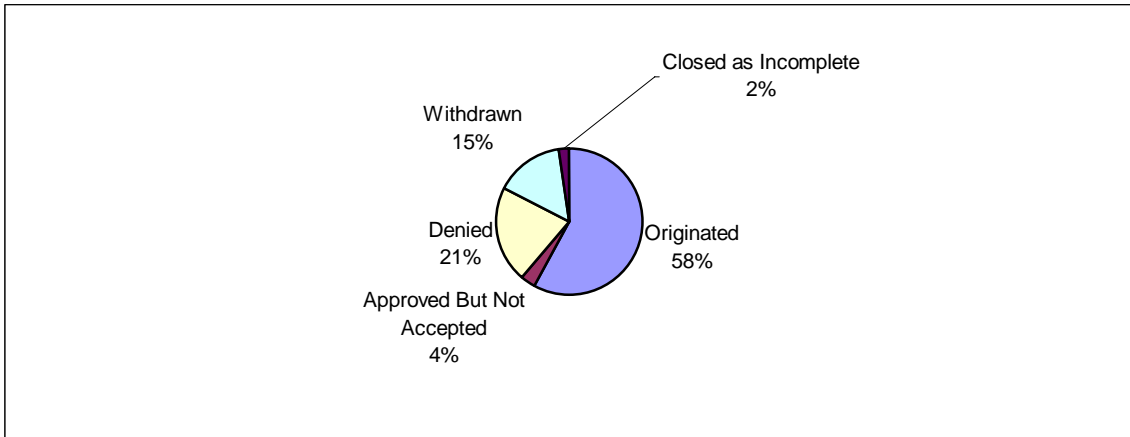


Figure 50: Application Outcomes for Applicants Earning 50% to 79% of Median Income

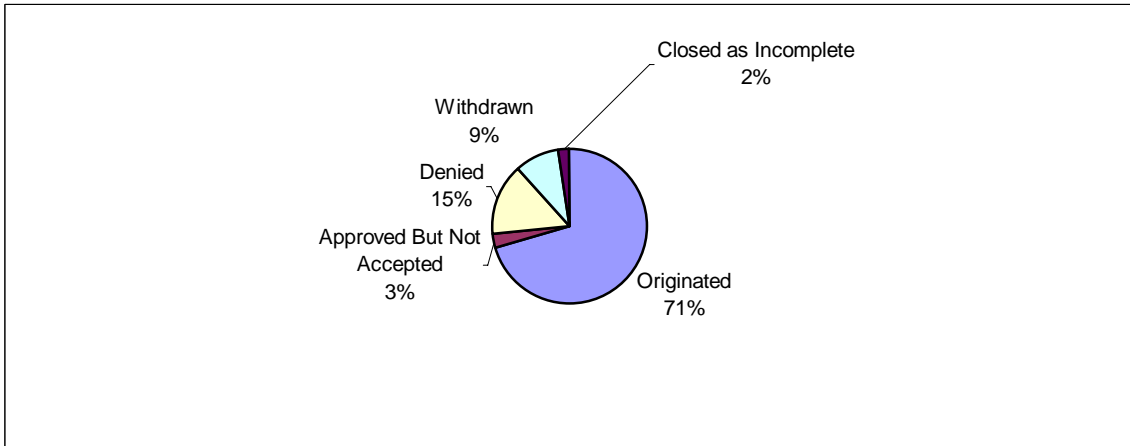


Figure 51: Application Outcomes for Applicants Earning 80% to 99% of Median Income

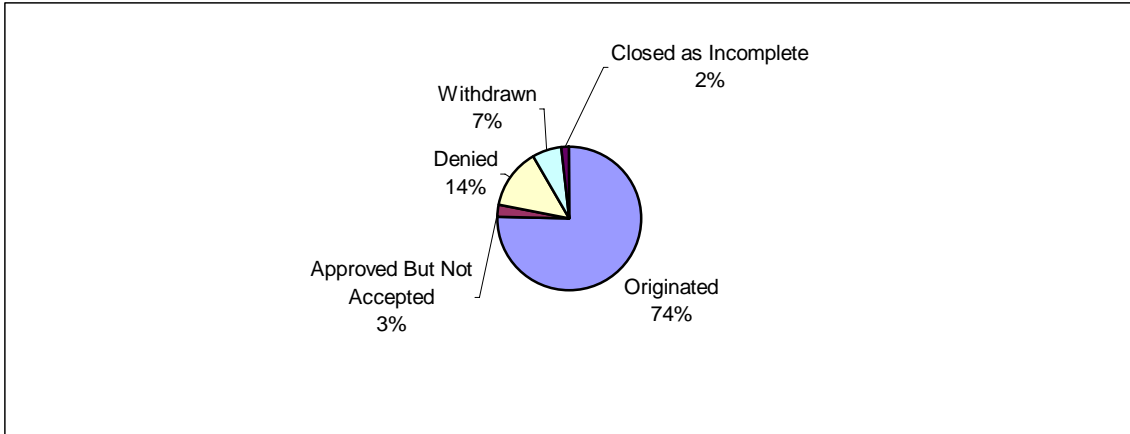


Figure 52: Application Outcomes for Applicants Earning 100% to 119% of Median Income

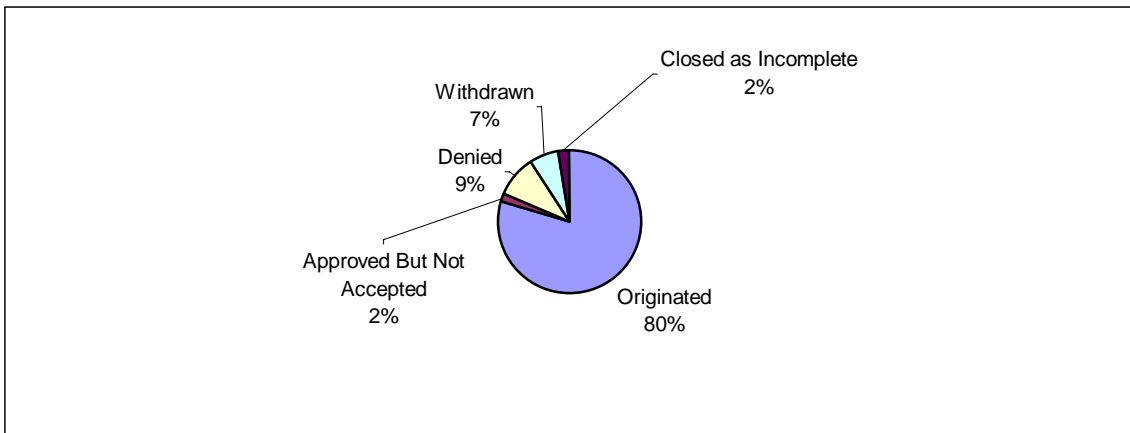
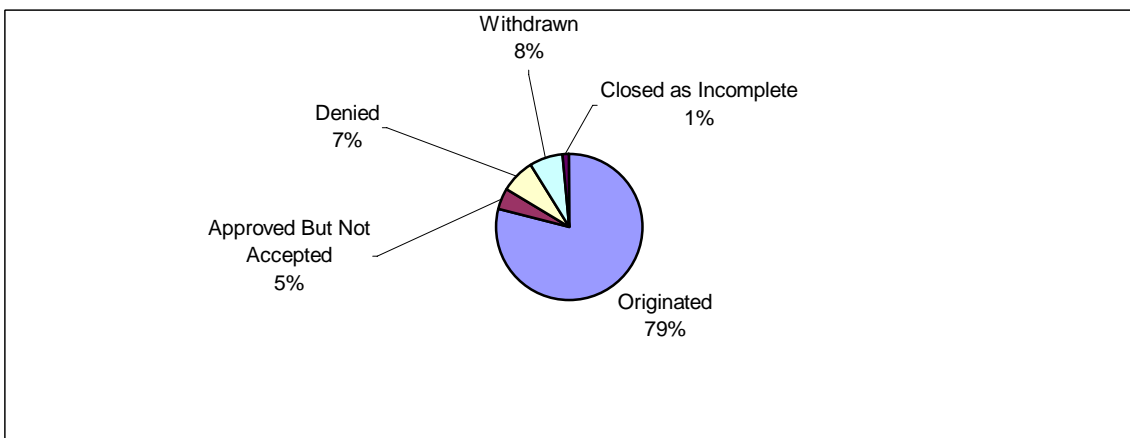


Figure 53: Application Outcomes for Applicants Earning 120% or More of Median Income



Conventional Home-Purchase Loans

Again, the same was found for conventional home-purchase, refinance, and home improvement loan applicants as was found for guaranteed home-purchase applicants. The higher the applicant's income, the greater the amount of origination; on the other hand, the lower the income, the greater the percent of loans declined. Figures 54, 55, 56, 57, and 58 illustrate breakdowns of loan application outcomes by income for conventional home-purchase loans, Figures 59, 60, 61, 62, and 63 illustrate breakdowns for refinance loans, and Figures 64, 65, 66, 67, and 68 illustrate breakdowns for home improvement loans.

Figure 54: Application Outcomes for Applicants Earning Less than 50% of Median Income

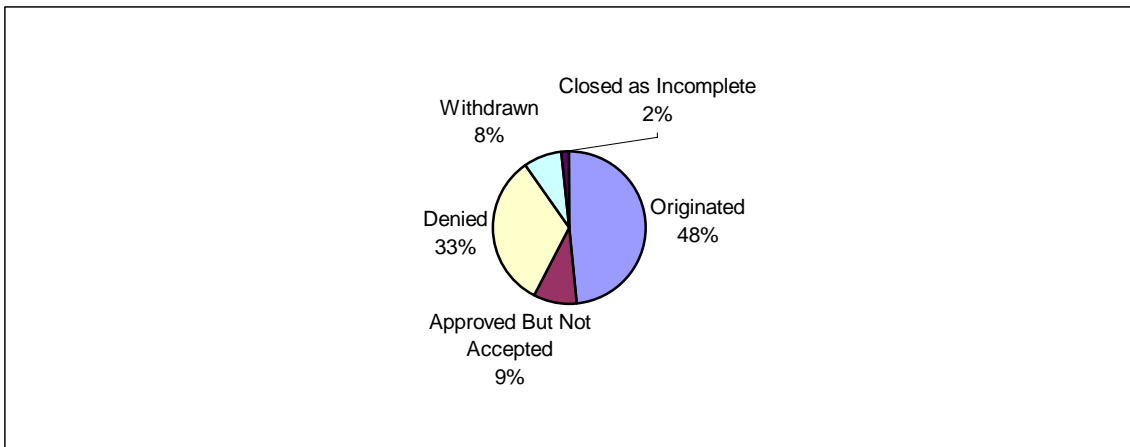


Figure 55: Application Outcomes for Applicants Earning 50% to 79% of Median Income

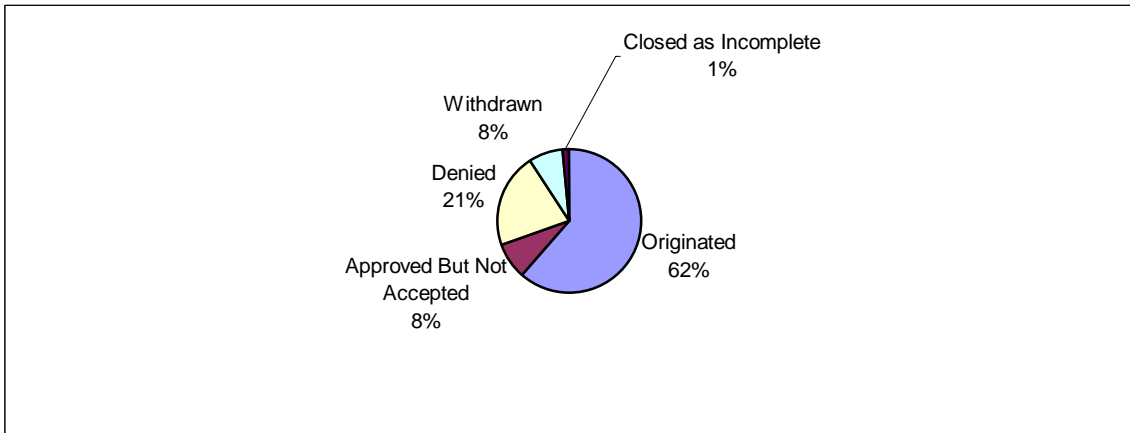


Figure 56: Application Outcomes for Applicants Earning 80% to 99% of Median Income

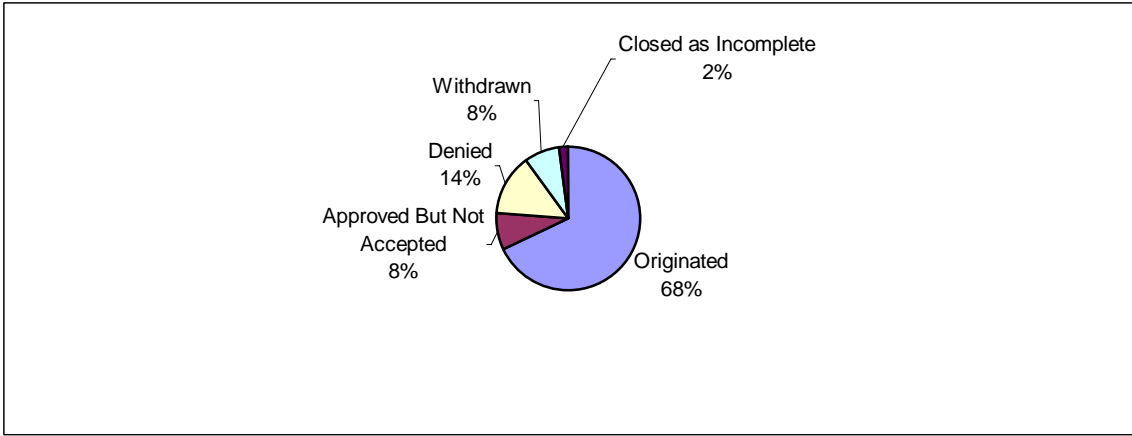


Figure 57: Application Outcomes for Applicants Earning 100% to 119% of Median Income

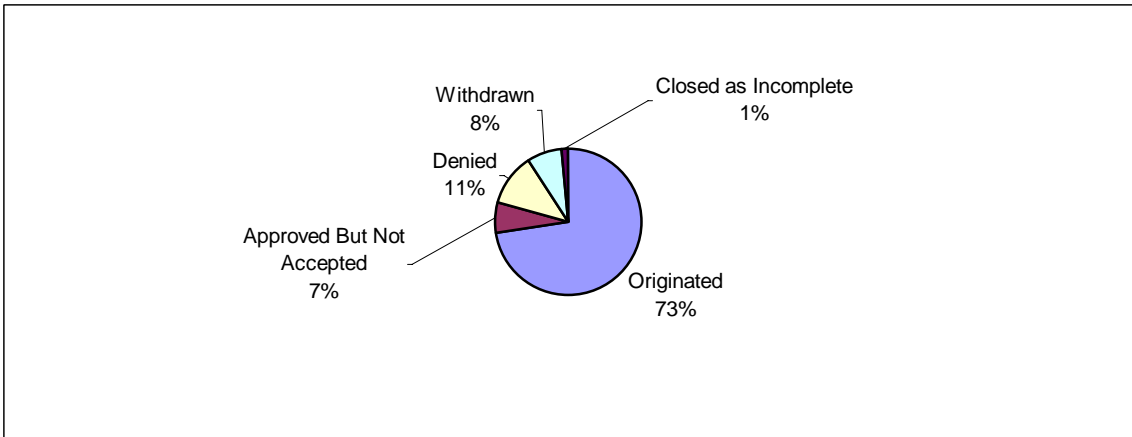
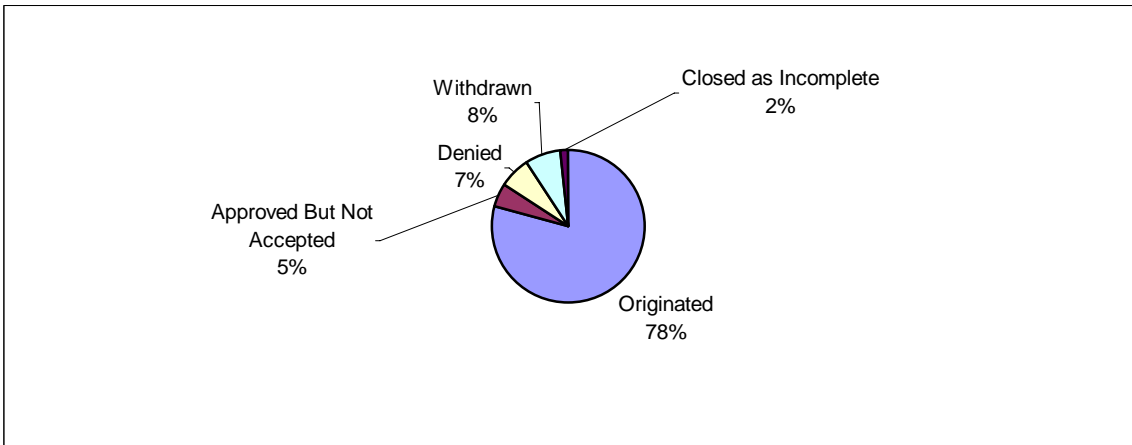


Figure 58: Application Outcomes for Applicants Earning 120% or More of Median Income



Refinance Loans

Figure 59: Application Outcomes for Applicants Earning Less than 50% of Median Income

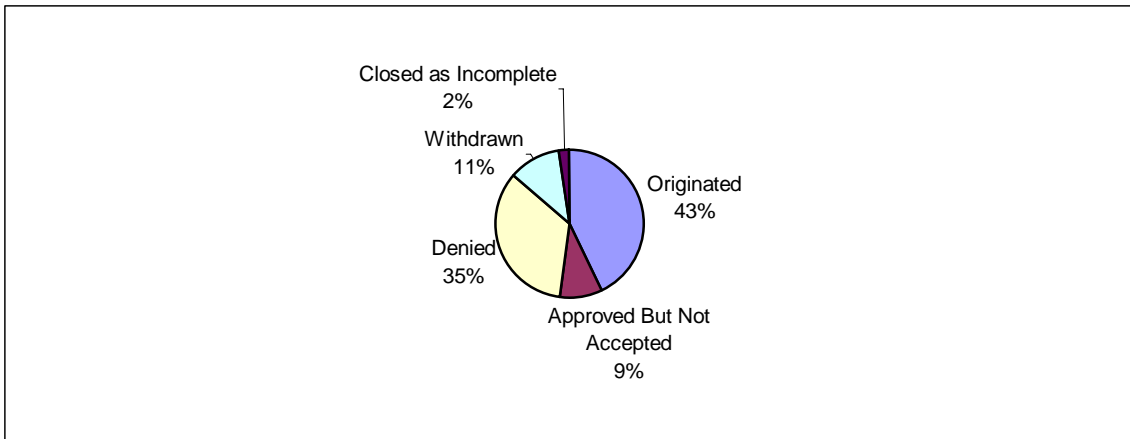


Figure 60: Application Outcomes for Applicants Earning 50% to 79% of Median Income

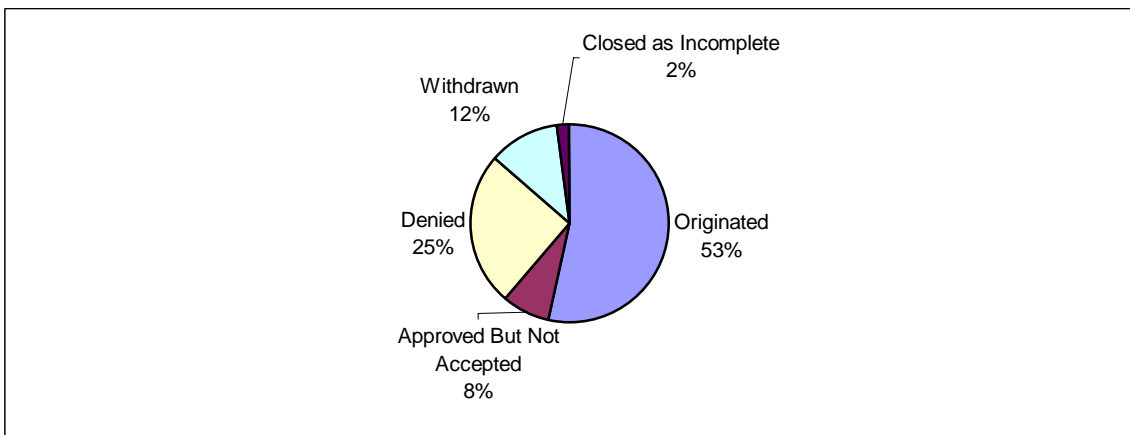


Figure 61: Application Outcomes for Applicants Earning 80% to 99% of Median Income

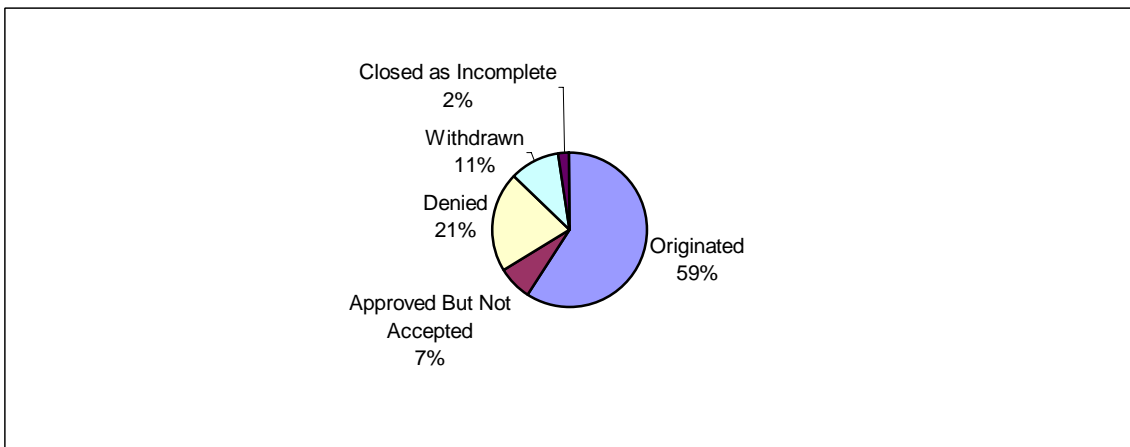


Figure 62: Application Outcomes for Applicants Earning 100% to 119% of Median Income

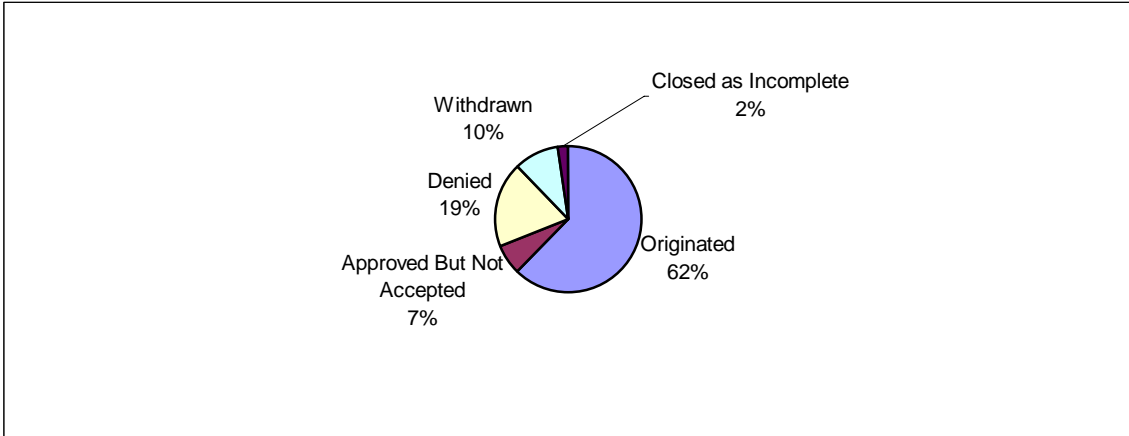
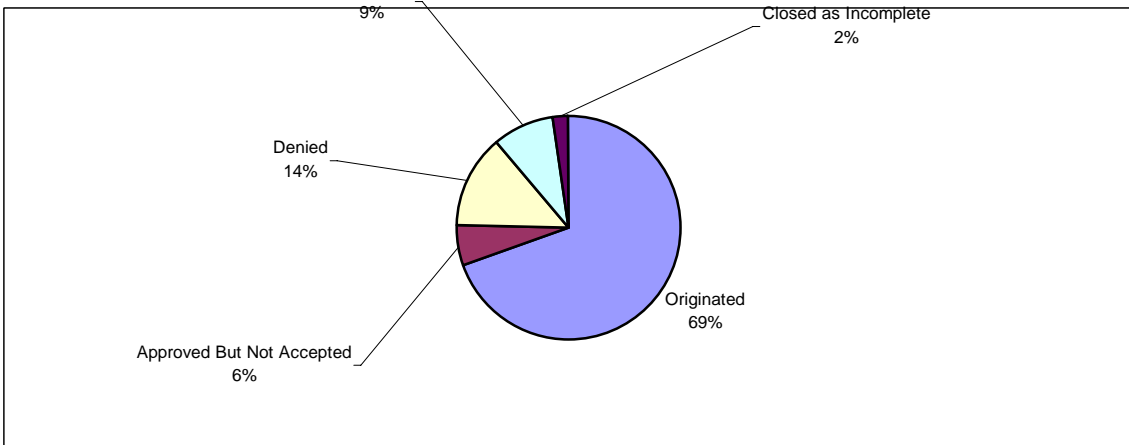


Figure 63: Application Outcomes for Applicants Earning 120% or More of Median Income



Home Improvement Loans

Figure 64: Application Outcomes for Applicants Earning Less than 50% of Median Income

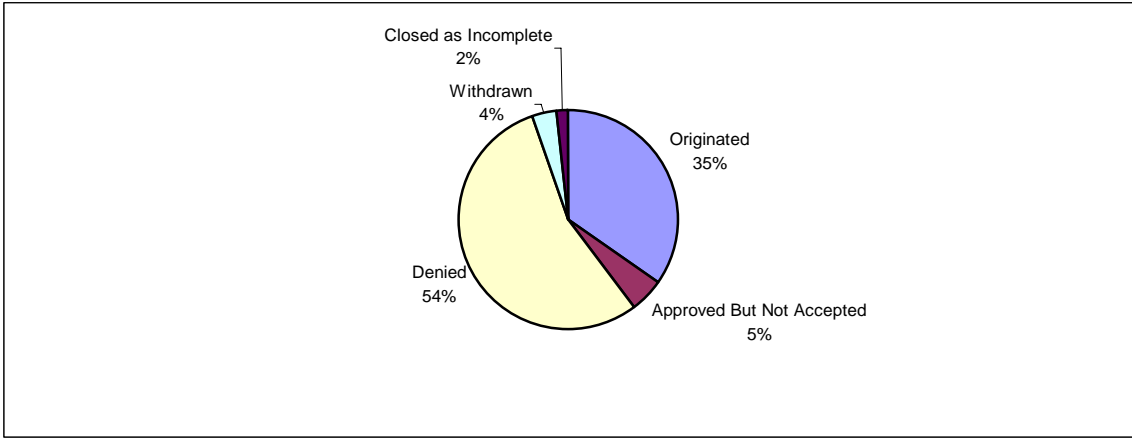


Figure 65: Application Outcomes for Applicants Earning 50% to 79% of Median Income

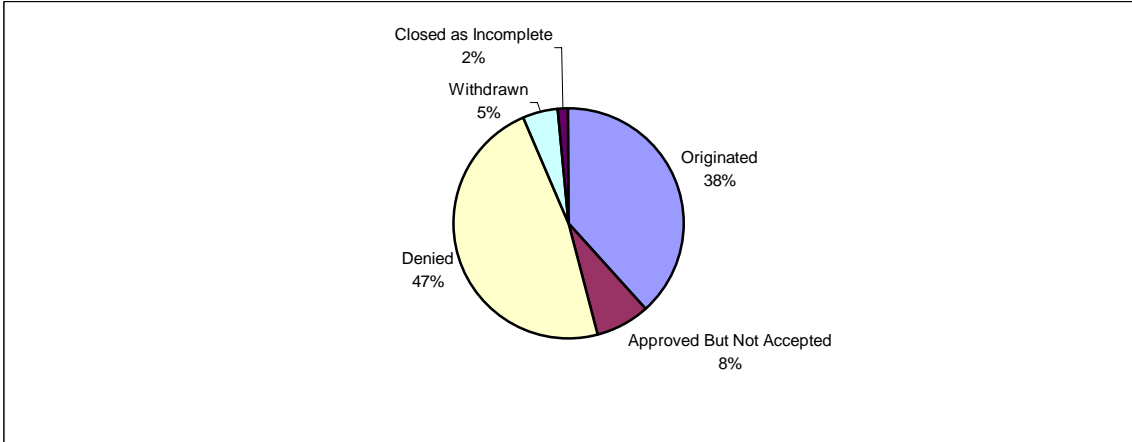


Figure 66: Application Outcomes for Applicants Earning 80% to 99% of Median Income

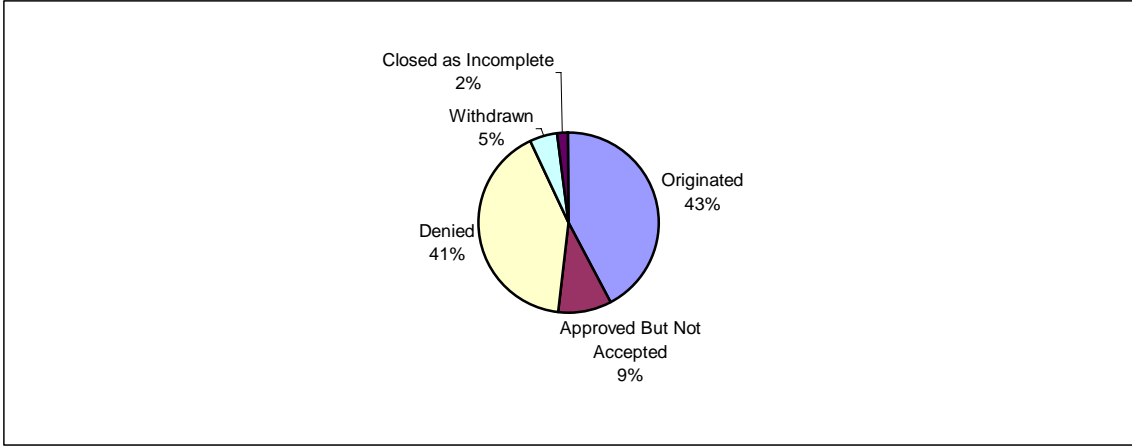


Figure 67: Application Outcomes for Applicants Earning 100% to 119% of Median Income

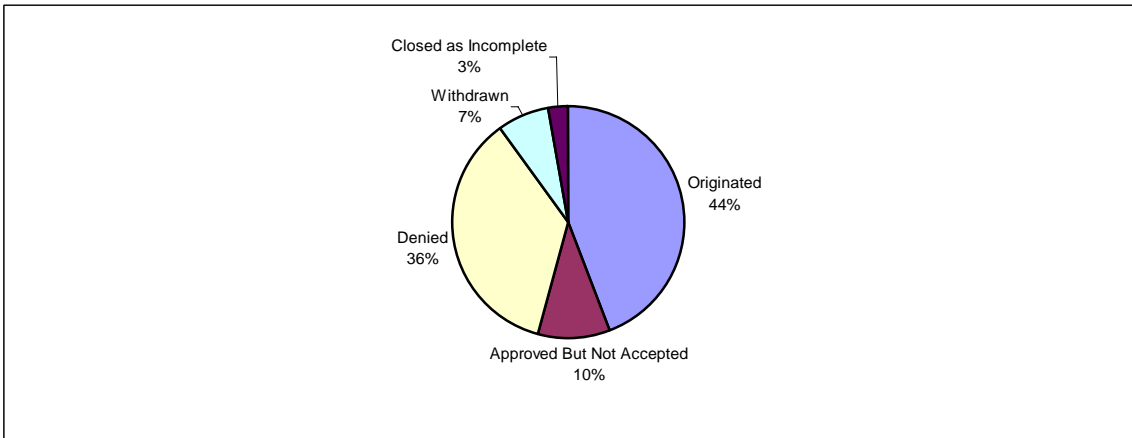
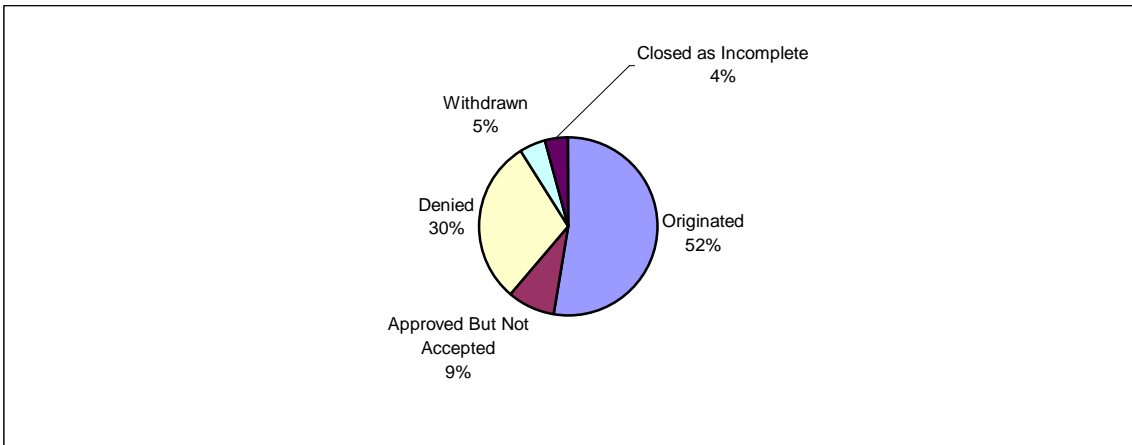


Figure 68: Application Outcomes for Applicants Earning 120% or More of Median Income



Loan Application Outcomes by Race/Ethnicity and Income

The following section shows the breakdown of application outcomes, by both race/ethnicity and income bracket.

Guaranteed Home-Purchase Loans

Less than 50% of Median Income

Breaking down loan application outcomes by both income and race, beginning with the applicants that earn less than 50% of the median income, for guaranteed home-purchase loans white and Hispanic applicants received the most loan originations (61%). African Americans at this income level experienced the most denials. Figures 69, 70, 71, 72, and 73 provide the visual breakdowns for this income level.

Figure 69: African American Applicants Earning Less than 50% of Median Income

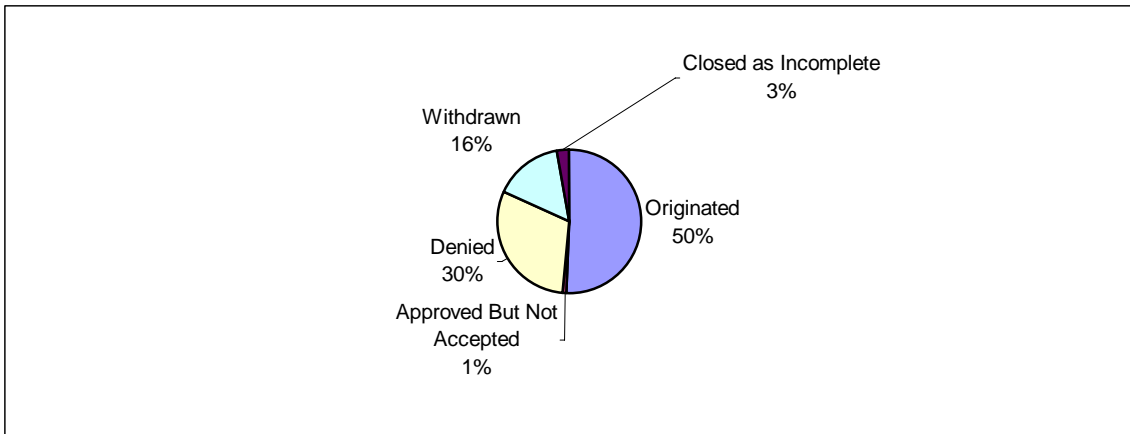


Figure 70: Hispanic Applicants Earning Less than 50% of Median Income

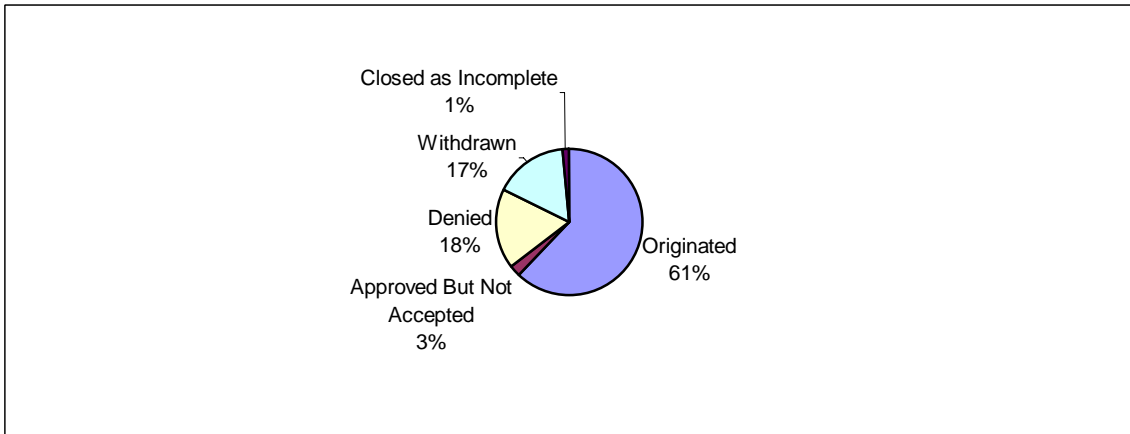


Figure 71: White Applicants Earning Less than 50% of Median Income

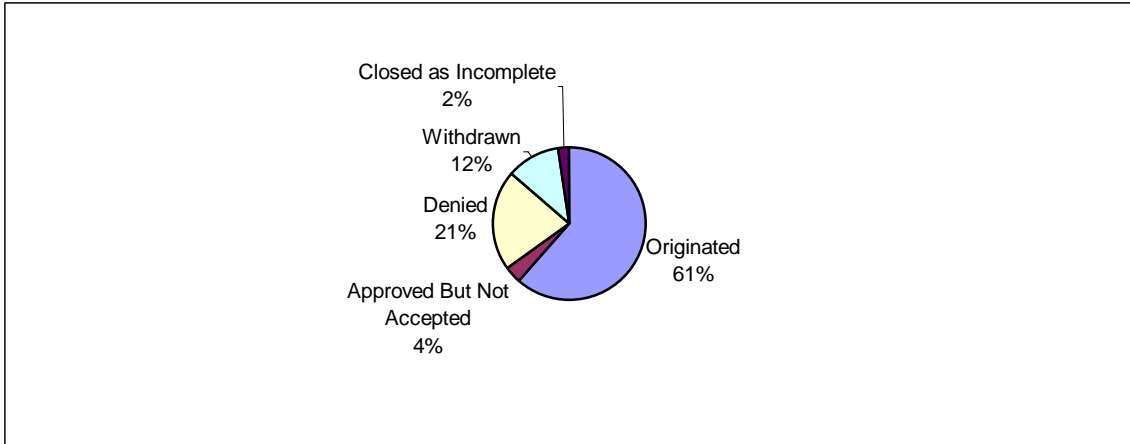


Figure 72: Other Race/Ethnicity Applicants Earning Less than 50% of Median Income

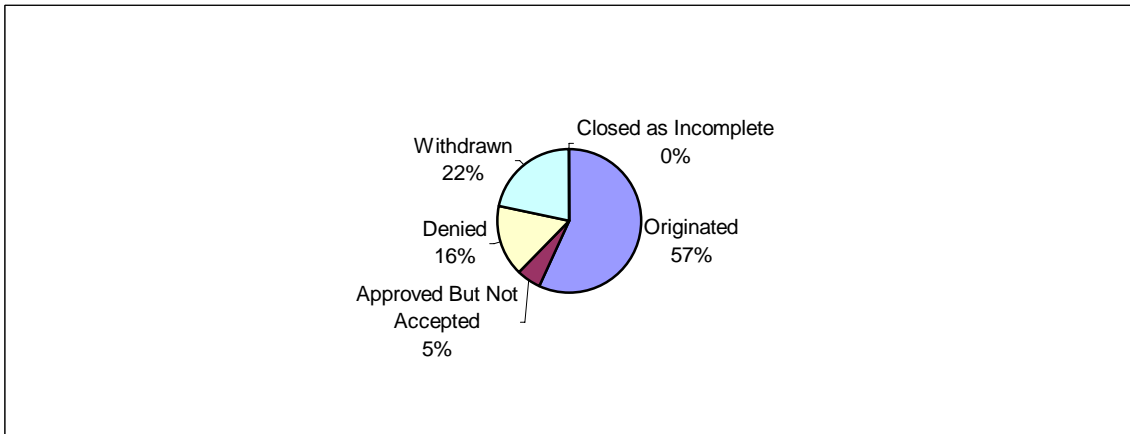
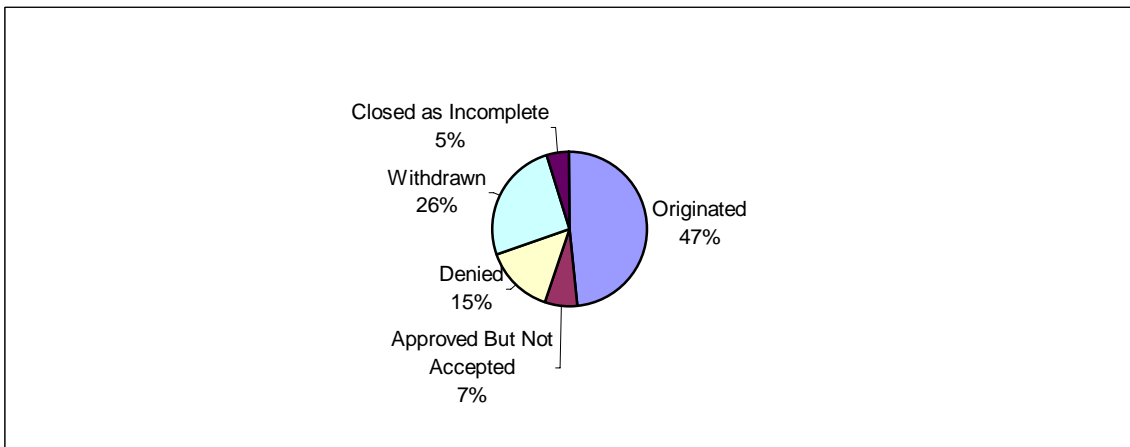


Figure 73: Unknown Race/Ethnicity Applicants Earning Less than 50% of Median Income



50% to 79% of Median Income

For the following income bracket, Hispanic applicants had the smallest amount of loan originations; however, over a majority of the applications for all race/ethnic groups ended in origination. African Americans still received the greatest amount of denials (20%) out of all categories. Figures 74, 75, 76, 77, and 78 provide the visual breakdowns for this income level.

Figure 74: African American Applicants Earning 50% to 79% of Median Income

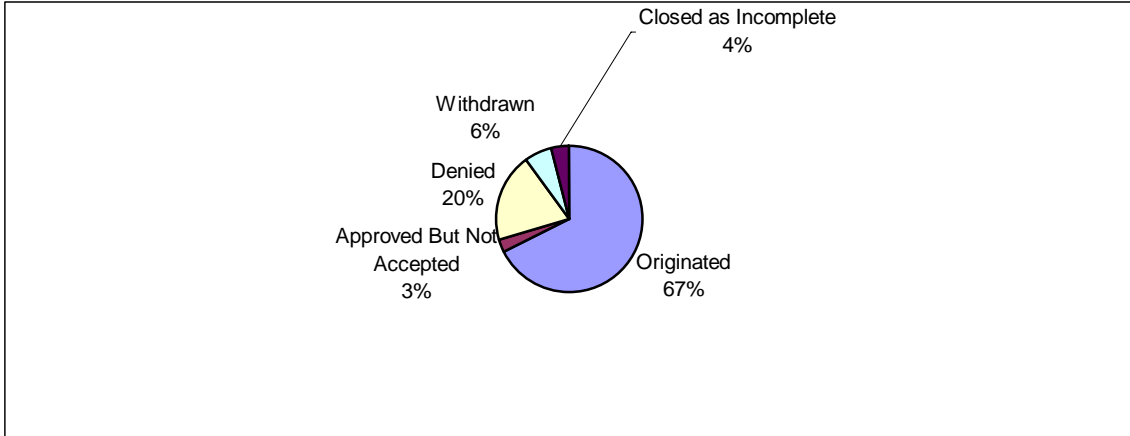


Figure 75: Hispanic Applicants Earning 50% to 79% of Median Income

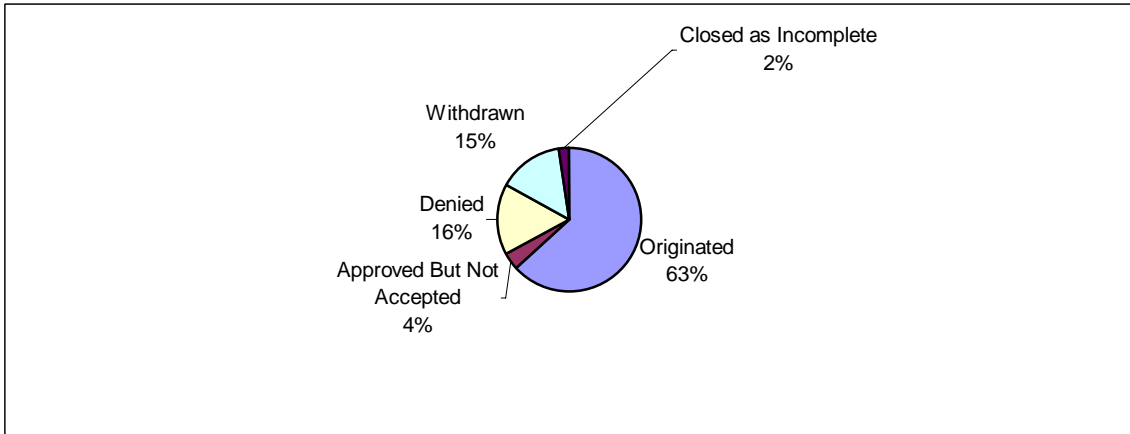


Figure 76: White Applicants Earning 50% to 79% of Median Income