

Home Mortgage Disclosure Act (HMDA) data for New England, 2006-2009¹

Total mortgage **applications** in New England increased 42.8 percent in 2009 from the previous year (Figure 1), fueled by a sharp increase (70.9 percent) in refinance applications (Figure 3). Home purchase applications, on the other hand, declined 5.4 percent year-over-year (Figure 2).

Figure 1

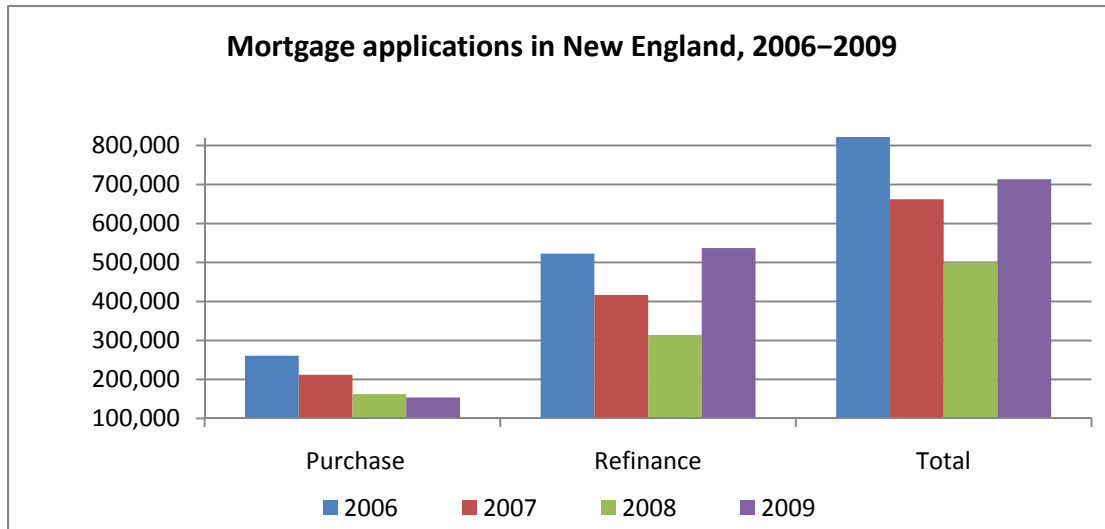
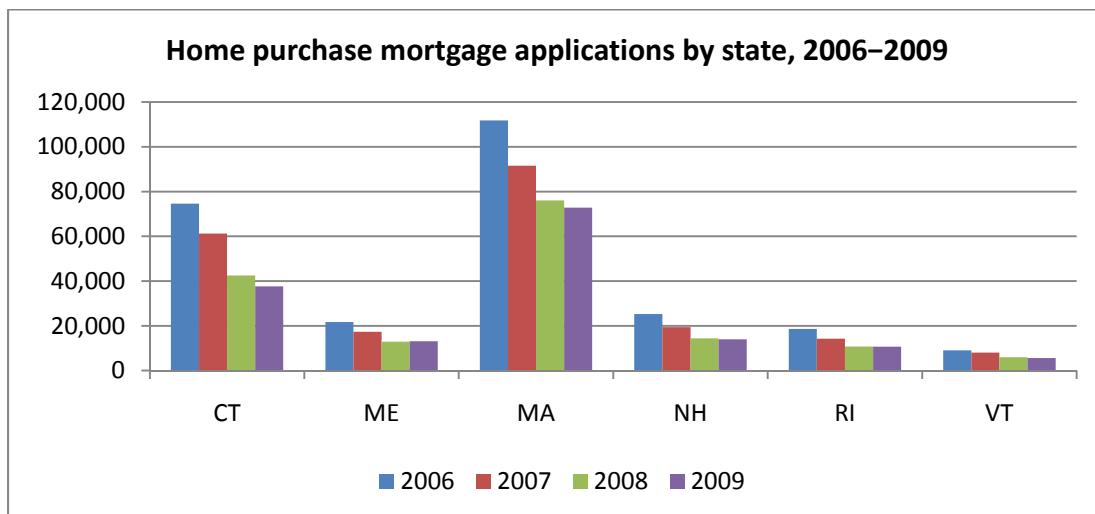
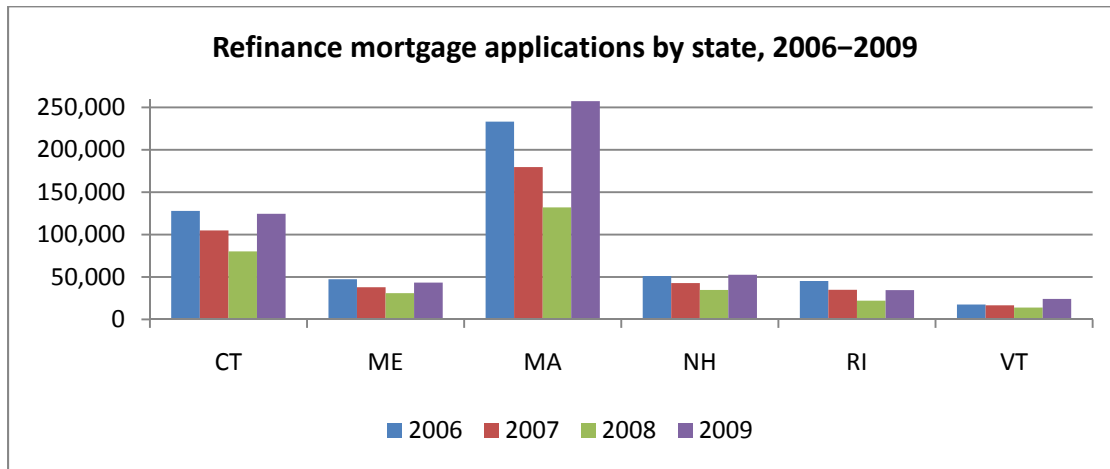


Figure 2



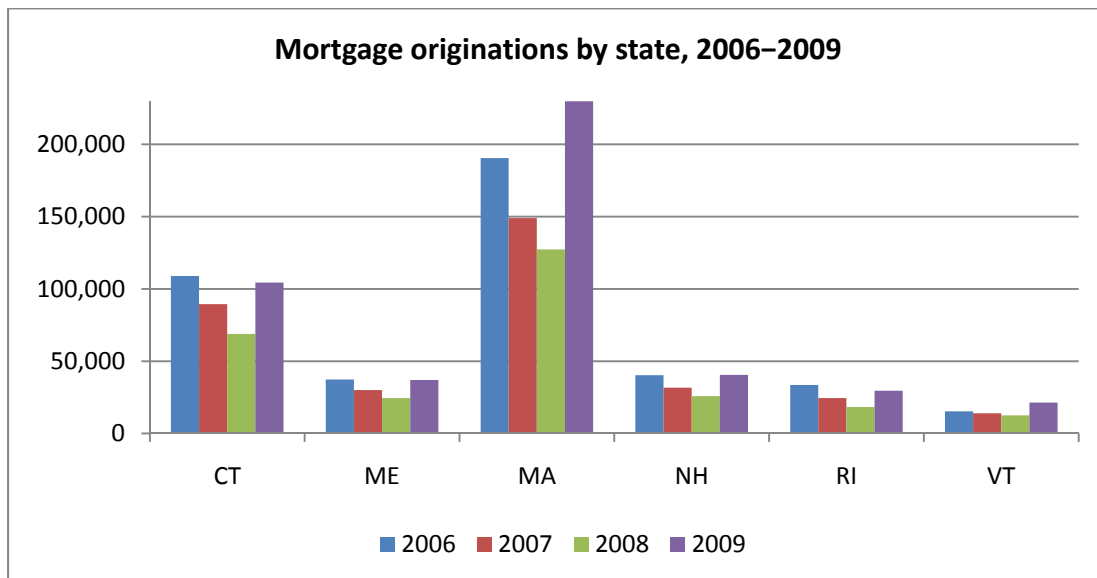
¹ Detailed data by state is available at <http://www.bostonfed.org/commdev/regulatory-resources/hmda>.

Figure 3



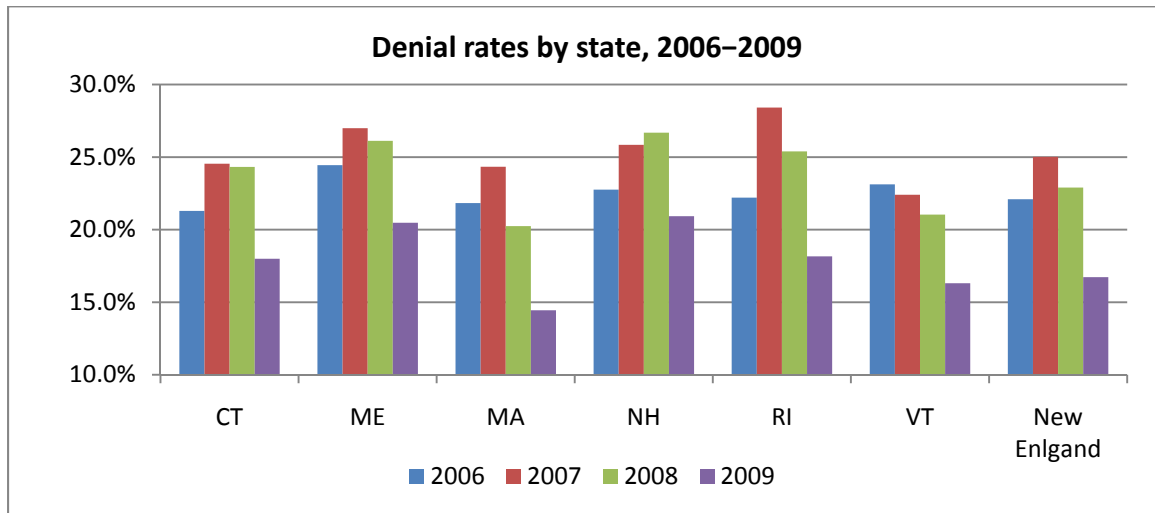
In 2009, a total of 462,653 loans were **originated** in the region (Figure 4), up 66.8 percent from 2008 and 8.6 percent from 2006. Meanwhile, **denial rates**² decreased considerably from 22.9 percent in 2008 to 16.7 percent in 2009 (Figure 5). Among New England states, Massachusetts had the lowest denial rate at 14.4 percent, whereas Maine and New Hampshire experienced the highest denial rates at around 21 percent.

Figure 4



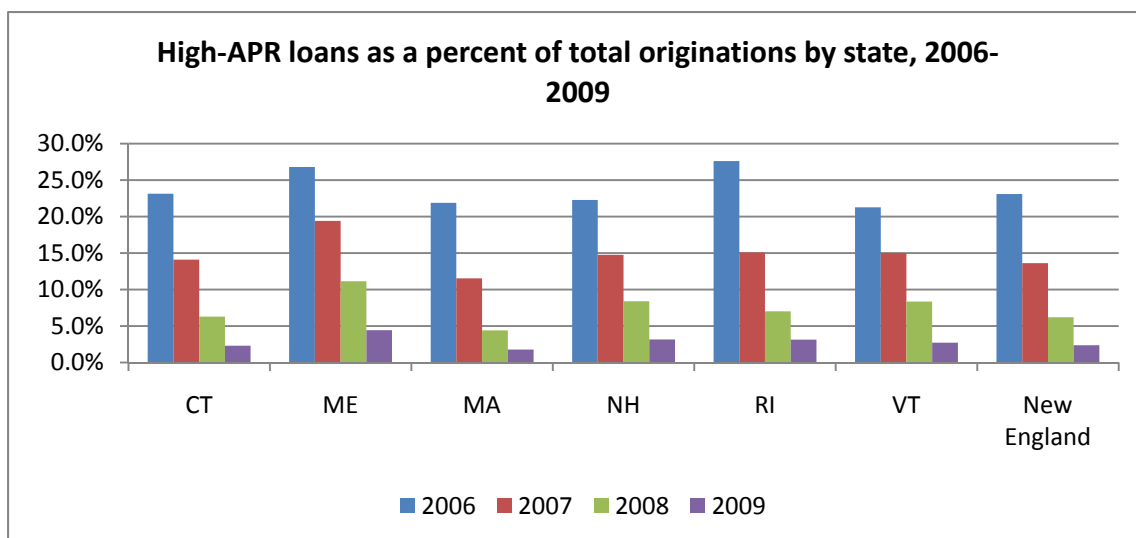
² Denied loans/total applications

Figure 5



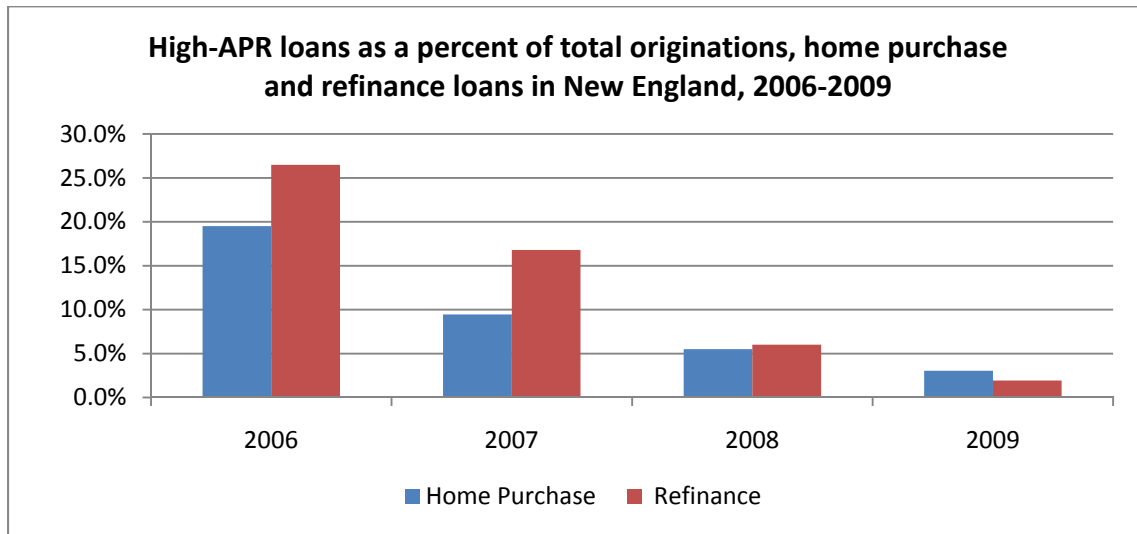
High-priced loans (high-APR loans)³ continued to decline in 2009, representing only 2.4 percent of total originations (Figure 6). Fewer than 11,000 high-APR loans were originated in 2009 in New England, a decrease of 88.9 percent since 2006. In 2006, more than a fifth of all originations and more than a quarter of refinance loans in New England were high-APR. In 2009, Maine showed the highest share of high-APR loans as a percent of total loans (4.4 percent).

Figure 6



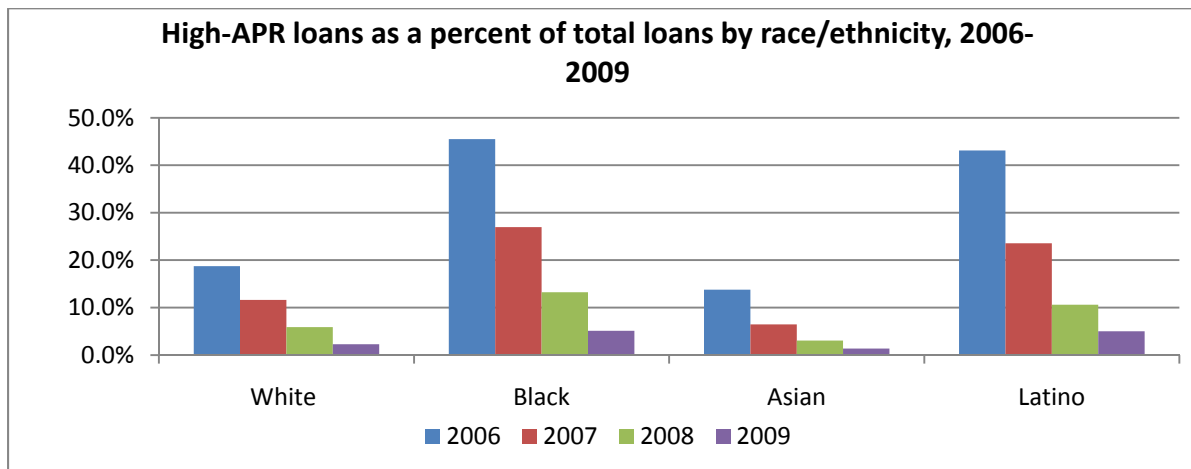
³ See note at the end of the document.

Figure 7



The share of high-APR loans to Latinos and blacks went down 40 percentage points from 2006 to 2009. In 2006, more than 43 percent of mortgages originated to blacks and Latinos where high-APR, compared with 18.7 percent of mortgages to whites. In 2009, the percent of Latinos and blacks receiving high priced loans was more than two times higher (5 percent) than the percent of whites receiving high-APR mortgages (2.3 percent).

Figure 8



The number of **FHA loans** increased sixfold from 2006 to 2009 (Figure 9). In 2006, while FHA loans accounted only for 2.3 percent of total originations in New England, by 2009 that share had increased to 15.9 percent. The fastest rate of growth was experienced from 2007 to 2008 when the number of FHA loans went up 225.2 percent and the share increased from 3.8 percent in 2007 to 15.2 percent in 2008. In Rhode Island, the state hit hardest by the recession in New England, the change was even more pronounced. The share of Rhode Island’s FHA loans in total originations went from 1.8 percent in 2006 to 22.4 percent in 2009. Moreover, about half of **home purchase loans** in Rhode Island were FHA loans in 2009 (Figure 10). In New England, the share of **conventional home purchase loans** plummeted from 94.8 percent in 2006 to 59.7 percent in 2009.

Figure 9

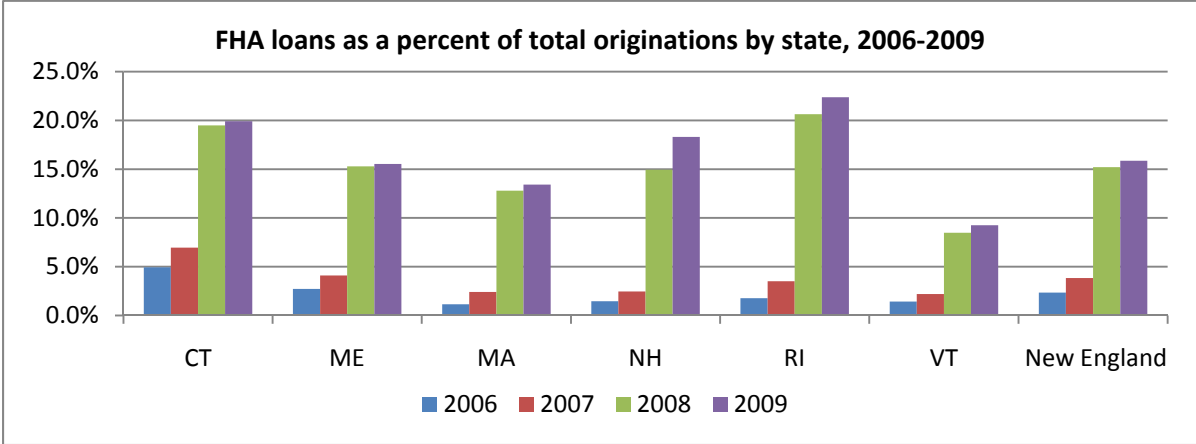
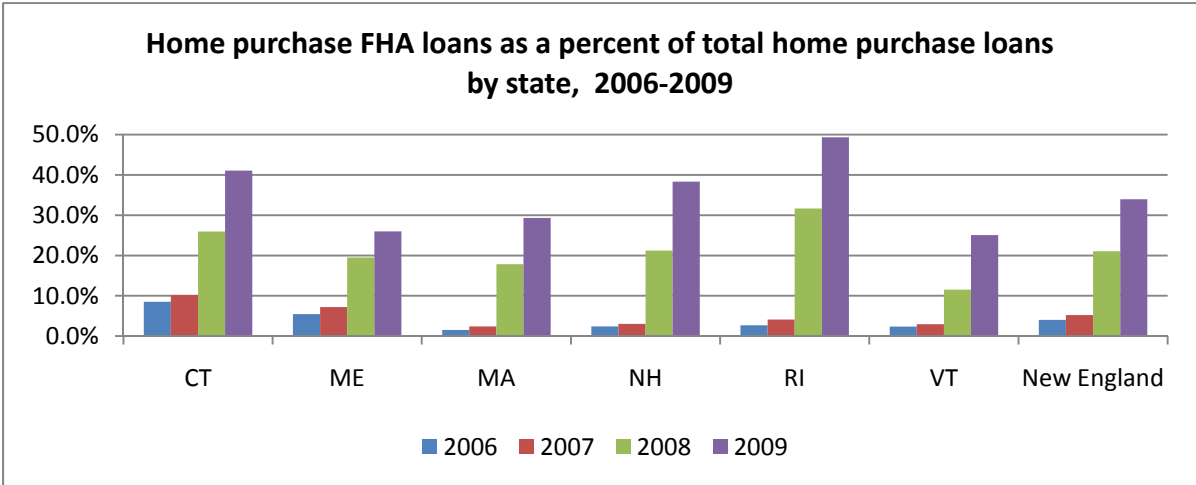


Figure 10



The housing market crisis has disproportionately affected **black and Latino** populations. Mortgage applications and originations from white applicants decreased in 2007 and 2008 but went up sharply in 2009, getting above the 2006 levels (Figure 11). Mortgages issued to **Asians** declined slightly in 2007, remained pretty much unchanged in 2008 and skyrocketed in 2009. Meanwhile, **applications** from blacks and Latinos continued to plummet through 2009, declining 60.7 percent from 2006 to 2009. Loans **originated** to blacks and Latinos declined 61.6 percent from 2006 to 2008 and went up 16.0 percent from 2008 to 2009 (Figure 12).

Figure 11

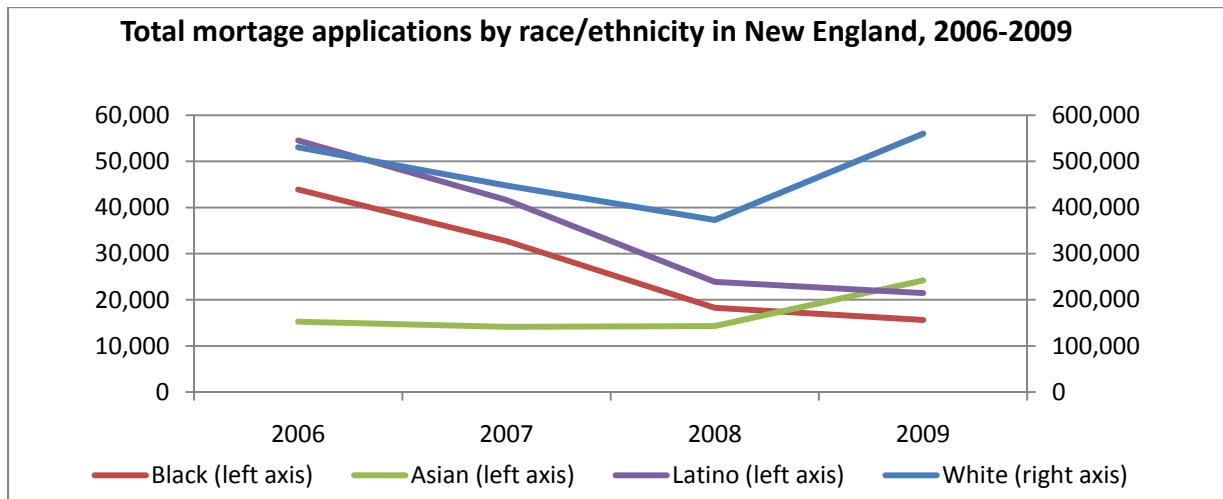
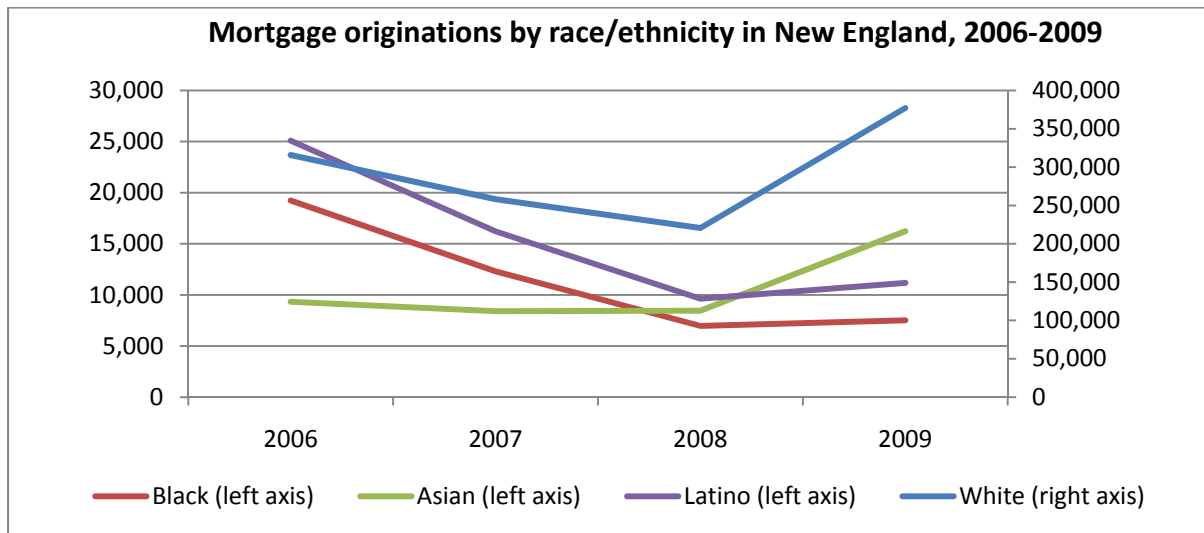
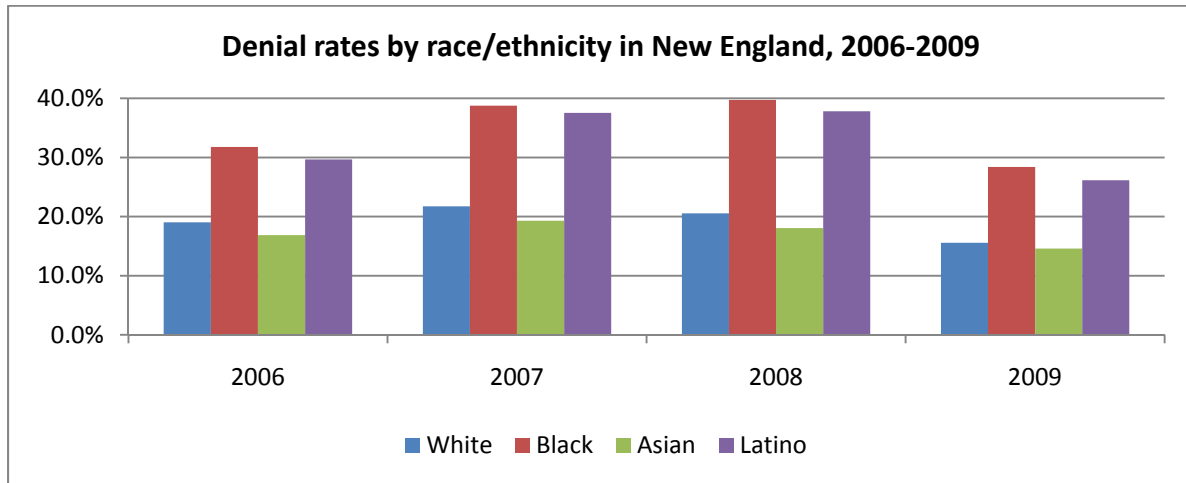


Figure 12



Denial rates in 2009 were below 2006 levels across race and ethnicity groups. Nevertheless, 2009 denial rates among blacks and Latinos were 1.8 and 1.7 times higher, respectively, than whites' denial rates (Figure 13).

Figure 13



As expected, denial rates decline as income increases regardless of race/ethnicity. However, even after controlling for income, denial rates among black and Latino borrowers are much higher than white and asian rates. Interestingly, the gap in denial rates increases as income categories go up from \$1,000-\$30,000 to \$91,000-\$120,000 and then declines for the borrowers with more than \$121,000 in income. For instance, in 2009, black borrowers with income ranging from \$91,000-\$120,000 experienced denial rates 2.2 times (1.6 times) higher than whites. Similarly, Latino borrowers with income ranging from \$91,000-\$120,000 experienced denial rates 1.6 times higher than whites (Figure 14).

Figure 14

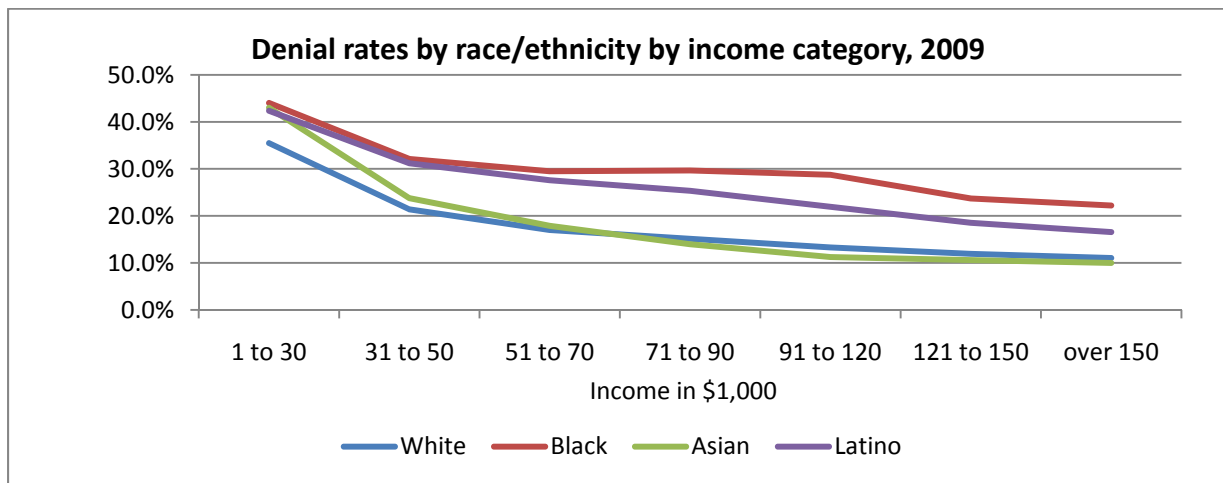
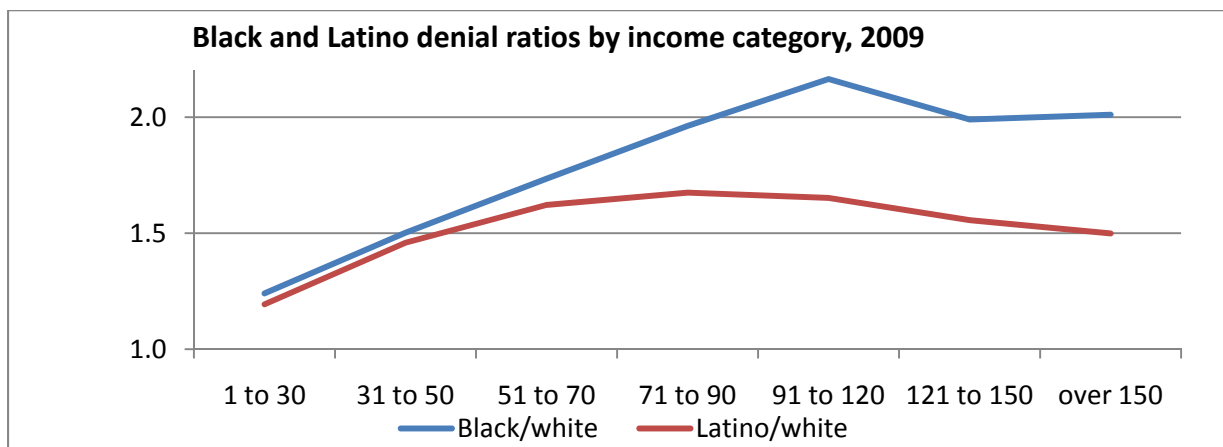


Figure 15



Source: Home Mortgage Disclosure Act (HMDA) Data for New England, 2006-2009. Data compiled by the Federal Reserve Bank of Boston.

Notes:

- 1) Data in this analysis include only first-lien loans for owner-occupied homes. The data exclude junior-lien loans, all loans for multifamily properties, and all loans for non-owner-occupied homes
- 2) High-priced loans or high-APR loans are mortgages for which the APR is reported (in this report we are just looking at first-lien loans). For loans issued before October 2009, lenders have to register APRs if the spread for first liens between APR on loan and yield on Treasury security of comparable maturity is above 3 percentage points, and for loans issued after October 2009 if the spread between APR on loan and the estimated APR on the lowest-risk prime loan was above 1.5 percentage points.
- 1) Whites, black and asian data refer to non-Latino white, non-Latino black and non-Latino asian. We do not present data on loans for which information was not provided by the applicant or data for “American Indian or Alaska Native” and “Native Hawaiian or Other Pacific Islander.”