



Athens-Clarke County Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, almost one in three loans, or 30.8%, was a high-cost loan. When buying a home, borrowers of all races have a moderate incidence of receiving a high-cost home purchase loan. Almost one in six home purchase loans in the metropolitan area, or 15.8%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 points above the comparable rate on U.S. Treasury Securities. During 2006, many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Athens-Clarke County area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans¹

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. Minorities received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 58.7% or almost three out of every five, home refinance loans made to African-Americans were high-cost loans and, 44.0%, or more than two of five, home refinance loans made to Latinos were high-cost loans. In contrast, only 23.6%, or nearly one out of four, home refinance loans made to whites were high-cost loans.

¹ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	150	88	58.7%	2.5
Latino	25	11	44.0%	1.9
White	681	161	23.6%	
ALL ²	1024	315	30.8%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 2.5 times more likely to receive a high-cost loan than whites. Latino homeowners were 1.9 times more likely to receive a high-cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.³ In 2006, upper-income African-American homeowners were 2.4 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.7 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 2.7 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 2.1 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 1.8 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 3.2 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 2.1 times more likely to receive a high-cost refinance loan than low-income whites..

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	34.6%	0.0%	72.2%	0.0	2.1
Moderate Income	31.2%	100.0%	57.1%	3.2	1.8
Middle Income	20.9%	44.4%	56.8%	2.1	2.7
Upper Income	22.2%	38.5%	52.9%	1.7	2.4

² The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

³ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$62,356 for the Athens-Clarke County metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$26,200; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$26,200 and \$41,920; middle-income borrowers have incomes 80-119% of median income, or between \$41,920 and \$62,356.

Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Upper-income and middle-income African-Americans were more likely to receive a high-cost refinance loan than low-income whites. Middle-income Latinos were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 27.9% of the high-cost refinance loans but only 8.7% of the prime refinance loans. Latinos received 3.5% of the high-cost loans originated but a smaller 2.0% of the prime loans originated. In contrast, whites received 73.3% of all prime loans originated, which is greater than their 51.1% share of all high-cost loans originated. African-Americans represent 20.3% of the population in the metropolitan area while Latinos represent 4.8% of the population⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	20.3%	8.7%	27.9%
Latino	4.8%	2.0%	3.5%
White	71.4%	73.3%	51.1%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 51.8%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 42.1%, or more than two of every five, refinances made to moderate-income homeowners and 32.6% or one of three loans to middle-income homeowners. In contrast, only 25.0%, or one out of every four, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	56	29	51.8%
Moderate-Income	145	61	42.1%
Middle-Income	224	73	32.6%
Upper-Income	529	132	25.0%

In comparative terms, low-income homeowners were 2.1 times more likely to receive a high-cost loan than upper-income homeowners, while moderate-income homeowners were 1.7 times more likely to receive a high-cost loan than whites.

⁴ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans⁵

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. Minorities received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 42.9%, or more than two out of five, home purchase loans received by African-Americans were high-cost loans and 26.7%, or more than one out of four, home purchase loans received by Latinos were high-cost loans. In contrast, only 11.0%, or one out of nine, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	170	73	42.9%	3.9
Latino	75	20	26.7%	2.4
White	1046	115	11.0%	
ALL	1481	234	15.8%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 3.9 times more likely to receive a high-cost home purchase loan than whites, while Latinos were 2.4 times as likely as whites to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 41.7% of the home purchase loans received by upper-income African-Americans and 60.0% of the home purchase loans received by upper-income Latinos, compared to only 9.0% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 4.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 6.7 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

⁵ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders or government-backed loans.

High-cost Loans as a Percentage of All Home Purchase Loans By Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	9.1%	0.0%	33.3%	0.0	3.7
Moderate Income	15.0%	31.6%	41.0%	2.1	2.7
Middle Income	10.8%	44.4%	36.4%	4.1	3.4
Upper Income	9.0%	60.0%	41.7%	6.7	4.6

Middle-income African-Americans were 3.4 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 4.1 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.7 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 2.1 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 3.7 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites. Upper-income and middle-income Latino homebuyers were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 31.2% of all high-cost home purchase loans but only 7.8% of the prime home purchase loans. Latinos were issued 8.5% of all high-cost loans originated and 4.4% of the prime loans originated. In contrast, whites received 74.7% of the prime loans originated, which is greater than their 49.1% share of the high-cost loans originated. African-Americans represent 20.3% of the population in the metropolitan area while Latinos represent 4.8% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	20.3%	7.8%	31.2%
Latino	4.8%	4.4%	8.5%
White	71.4%	74.7%	49.1%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 14.1% of the loans received by low-income homebuyers were high-cost loans, or about one out of seven loans. 23% of the loans received by moderate-income

homebuyers, and 16.5% loans to middle-income homeowners were high-cost loans. In comparison, only 12.3% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	10	71	14.1%
Moderate Income	62	267	23%
Middle Income	46	279	16.5%
Upper Income	102	829	12.3%

In comparative terms, moderate-income homebuyers were 1.9 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Athens-Clarke County metropolitan area includes Clarke, Madison, Oconee, and Oglethorpe counties.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

High-cost loans are defined as loans originated with an Annual Percentage Rate (APR) at least 3 points above the comparable rate on U.S. Treasury Securities. As such, HMDA regulations require that these loans include information on the difference or “rate spread” between the APR on the loan and the comparable Treasury Rate. Prime loans as counted in this report were loans where no rate spread was reported because the APR on that loan was less than 3 points above the comparable Treasury rate.

This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas and recommendations.



Atlanta-Sandy Springs-Marietta Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, one in three loans, or 32.8%, was a high-cost loan. When buying a home, borrowers of all races have a high incidence of receiving a high-cost home purchase loan. One in four home purchase loans in the metropolitan area, or 25.6%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 points above the comparable rate on U.S. Treasury Securities. During 2006, many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Atlanta-Sandy Springs-Marietta area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans⁶

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. African-Americans received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 49.4% or one out of two, home refinance loans made to African-Americans were high-cost loans and, 31.6%, or nearly one out of three, home refinance loans made to Latinos were high-cost loans. In contrast, only 25.6%, or one out of four, home refinance loans made to whites were high-cost loans.

⁶ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	14783	7299	49.4%	1.9
Latino	1855	586	31.6%	1.2
White	28474	7285	25.6%	
ALL ⁷	53599	17598	32.8%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.9 times more likely to receive a high-cost loan than whites. Latino homeowners were 1.2 times more likely to receive a high-cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.⁸ In 2006, upper-income African-American homeowners were 2.3 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.4 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.7 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 1.2 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 1.6 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.5 times more likely to receive a high-cost refinance loan than low-income whites.

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	36.3%	30.4%	54.0%	0.8	1.5
Moderate Income	34.4%	36.3%	55.8%	1.1	1.6
Middle Income	29.3%	34.3%	51.2%	1.2	1.7

⁷ The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

⁸ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$62,951 for the Atlanta-Sandy Springs-Marietta metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$26,450; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$26,450 and \$42,320; middle-income borrowers have incomes 80-119% of median income, or between \$42,320 and \$62,951.

Upper Income	19.6%	27.2%	44.2%	1.4	2.3
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Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Upper-income and middle-income African-Americans were more likely to receive a high-cost refinance loan than low-income whites.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 41.5% of the high-cost refinance loans but only 20.8% of the prime refinance loans. In contrast, whites received 58.9% of all prime loans originated, which is greater than their 41.4% share of all high-cost loans originated. African-Americans represent 28.4% of the population in the metropolitan area while Latinos represent 6.4% of the population⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	28.4%	20.8%	41.5%
Latino	6.4%	3.5%	3.3%
White	60.4%	58.9%	41.4%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 43.4%, or more than two out of five, refinance loans made to low-income homeowners were high-cost loans, as were 42.2%, more than two out of five, of the refinances made to moderate-income homeowners and 36.8% or more than one of three loans to middle-income homeowners. In contrast, only 25.1%, or one out of every four, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	3926	1702	43.4%
Moderate-Income	10774	4549	42.2%
Middle-Income	13619	5010	36.8%
Upper-Income	22561	5663	25.1%

In comparative terms, low-income homeowners were 1.7 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.7 times more likely to receive a high-cost loan.

⁹ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans¹⁰

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. Minorities received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 46.7%, or nearly one out of two, home purchase loans received by African-Americans were high-cost loans and 32.1%, or one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 13.8%, or almost one out of seven, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	19534	9120	46.7%	3.4
Latino	4541	1457	32.1%	2.3
White	30249	4179	13.8%	
ALL	65907	16875	25.6%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 3.4 times as likely to receive a high-cost home purchase loan as whites, while Latinos were 2.3 times more likely to receive a high-cost loan than whites.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 52.8% of the home purchase loans received by upper-income African-Americans and 31.8% of the home purchase loans received by upper-income Latinos, compared to only 13.4% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 3.9 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 2.4 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

¹⁰ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders or government-backed loans.

High-cost Loans as a Percentage of All Home Purchase Loans By Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	17.6%	25.1%	43.6%	1.4	2.5
Moderate Income	17.3%	35.1%	46.9%	2.0	2.7
Middle Income	15.1%	35.1%	51.2%	2.3	3.4
Upper Income	13.4%	31.8%	52.8%	2.4	3.9

Middle-income African-Americans were 3.4 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 2.3 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.7 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 2.0 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.5 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.4 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites. Upper-income and middle-income Latino homebuyers were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans.

African-Americans were issued 54.0% of all high-cost home purchase loans but only 21.2% of the prime home purchase loans. Latinos were issued 8.6% of all high-cost loans originated and 6.3% of the prime loans originated. In contrast, whites received 53.2% of the prime loans originated, which is greater than their 24.8% share of the high-cost loans originated. African-Americans represent 28.4% of the population in the metropolitan area while Latinos represent 6.4% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	28.4%	21.2%	54.0%
Latino	6.4%	6.3%	8.6%
White	60.4%	53.2%	24.8%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 28.6% of the loans received by low-income homebuyers were high-

cost loans, or more than one out of every four loans. 31% of the loans received by moderate-income homebuyers, and 29.2% loans to middle-income homeowners were high-cost loans. In comparison, only 19.3% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	1213	4238	28.6%
Moderate Income	4679	15279	31%
Middle Income	4690	16039	29.2%
Upper Income	5313	27461	19.3%

In comparative terms, low-income homebuyers were 1.5 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.6 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Atlanta-Sandy Springs-Marietta metropolitan area includes Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spaulding, Walton counties.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

High-cost loans are defined as loans originated with an Annual Percentage Rate (APR) at least 3 points above the comparable rate on U.S. Treasury Securities. As such, HMDA regulations require that these loans include information on the difference or “rate spread” between the APR on the loan and the comparable Treasury Rate. Prime loans as counted in this report were loans where no rate spread was reported because the APR on that loan was less than 3 points above the comparable Treasury rate.

This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas and recommendations.



Augusta - Richmond County Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, more than one in three loans, or 37.4%, was a high-cost loan. When buying a home, borrowers of all races have a moderate incidence of receiving a high-cost home purchase loan. One in five home purchase loans in the metropolitan area, or 19.5%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 points above the comparable rate on U.S. Treasury Securities. During 2006, many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Augusta - Richmond County area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans¹¹

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. African-American homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. African-Americans received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 52.7% or more than one out of every two, home refinance loans made to African-Americans were high-cost loans and, 26.4%, or over one out of four, home refinance loans made to Latinos were high-cost loans. In contrast, only 31.4%, or nearly one out of three, home refinance loans made to whites were high-cost loans.

¹¹ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	934	492	52.7%	1.7
Latino	72	19	26.4%	0.8
White	2000	628	31.4%	
ALL ¹²	3441	1286	37.4%	

African-American homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.7 times more likely to receive a high-cost loan than whites..

Racial disparities persisted even among homeowners of the same income level.¹³ In 2006, upper-income African-American homeowners were 1.8 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.2 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.6 times more likely than middle-income whites to receive a high-cost refinance loan.

Moderate-income African-Americans were 1.4 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.9 times more likely to receive a high-cost refinance loan than low-income whites.

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	30.4%	--	57.3%	--	1.9
Moderate Income	43.0%	11.1%	60.5%	0.3	1.4
Middle Income	35.5%	28.6%	56.8%	0.8	1.6
Upper Income	26.7%	31.4%	48.3%	1.2	1.8

¹² The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

¹³ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$62,118 for the Augusta - Richmond County metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$26,100; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$26,100 and \$41,760; middle-income borrowers have incomes 80-119% of median income, or between \$41,760 and \$62,118.

Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Upper-income and middle-income African-Americans were more likely to receive a high-cost refinance loan than low-income whites.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 38.3% of the high-cost refinance loans but only 20.5% of the prime refinance loans. In contrast, whites received 63.7% of all prime loans originated, which is greater than their 48.8% share of all high-cost loans originated. African-Americans represent 34.8% of the population in the metropolitan area while Latinos represent 2.4% of the population¹⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	34.8%	20.5%	38.3%
Latino	2.4%	2.5%	1.5%
White	57.7%	63.7%	48.8%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 40.7%, or two out of five, refinance loans made to low-income homeowners were high-cost loans, as were 48.6%, or nearly one out of every two, refinances made to moderate-income homeowners and 43.7% or more than two of five loans to middle-income homeowners. In contrast, only 31.6%, or almost one out of every three, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	275	112	40.7%
Moderate-Income	496	241	48.6%
Middle-Income	884	386	43.7%
Upper-Income	1578	499	31.6%

In comparative terms, low-income homeowners were 1.3 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.5 times more likely to receive a high-cost loan.

¹⁴ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans¹⁵

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. Minorities received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 39.0%, or nearly two out of five, home purchase loans received by African-Americans were high-cost loans and 22.7%, or almost one out of four, home purchase loans received by Latinos were high-cost loans. In contrast, only 14.1%, or one out of seven, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	799	312	39.0%	2.8
Latino	132	30	22.7%	1.6
White	2681	378	14.1%	
ALL	4047	791	19.5%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.8 times as likely to receive a high-cost home purchase loan as whites while Latinos were 1.6 times more likely to receive a high-cost loan than whites.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 38.4% of the home purchase loans received by upper-income African-Americans and 26.3% of the home purchase loans received by upper-income Latinos, compared to only 14.7% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 1.8 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

¹⁵ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders or government-backed loans.

High-cost Loans as a Percentage of All Home Purchase Loans By Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African- American	Disparity Compared to White	
				Latino	African- American
Low Income	20.2%	20.0%	45.1%	1.0	2.2
Moderate Income	15.2%	30.8%	42.7%	2.0	2.8
Middle Income	15.0%	17.1%	37.5%	1.1	2.5
Upper Income	14.7%	26.3%	38.4%	1.8	2.6

Middle-income African-Americans were 2.5 times more likely than middle-income whites to be issued a high-cost home purchase loan.

Moderate-income African-Americans were 2.8 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 2.0 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.2 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites. Upper-income Latino homebuyers were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 39.4% of all high-cost home purchase loans but only 15.0% of the prime home purchase loans. Latinos were issued 3.8% of all high-cost loans originated and 3.1% of the prime loans originated. In contrast, whites received 70.7% of the prime loans originated, which is greater than their 47.8% share of the high-cost loans originated. African-Americans represent 34.8% of the population in the metropolitan area while Latinos represent 2.4% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	34.8%	15.0%	39.4%
Latino	2.4%	3.1%	3.8%
White	57.7%	70.7%	47.8%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 27.6% of the loans received by low-income homebuyers were high-cost loans, or more than one out of every four loans. 23% of the loans received by moderate-income

homebuyers, and 20.9% loans to middle-income homeowners were high-cost loans. In comparison, only 15.2% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	87	315	27.6%
Moderate Income	173	762	23%
Middle Income	207	992	20.9%
Upper Income	289	1896	15.2%

In comparative terms, low-income homebuyers were 1.8 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.5 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Augusta - Richmond County metropolitan area includes Richmond, McDuffie, Columbia Counties in GA and Aiken, Edgefield Counties in SC.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

High-cost loans are defined as loans originated with an Annual Percentage Rate (APR) at least 3 points above the comparable rate on U.S. Treasury Securities. As such, HMDA regulations require that these loans include information on the difference or “rate spread” between the APR on the loan and the comparable Treasury Rate. Prime loans as counted in this report were loans where no rate spread was reported because the APR on that loan was less than 3 points above the comparable Treasury rate.

This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas and recommendations.



Columbus Metropolitan Area

Homeowners of all races in the metropolitan area have an extremely high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, more than two out of every five loans, or 42.0%, was a high-cost loan. When buying a home, borrowers of all races have a moderate incidence of receiving a high-cost home purchase loan. One in five home purchase loans in the metropolitan area, or 19.8%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 points above the comparable rate on U.S. Treasury Securities. During 2006, many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Columbus area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans¹⁶

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. Minorities received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 58.9%, or almost three out of five, home refinance loans made to African-Americans were high-cost loans and, 49.1%, or one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 33.6%, or one out of three, home refinance loans made to whites were high-cost loans.

¹⁶ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	749	441	58.9%	1.8
Latino	57	28	49.1%	1.5
White	1156	388	33.6%	
ALL ¹⁷	2318	973	42.0%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.8 times more likely to receive a high-cost loan than whites. Latino homeowners were 1.5 times more likely to receive a high-cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.¹⁸ In 2006, upper-income African-American homeowners were 2.1 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.6 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.4 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 1.3 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 1.4 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 1.5 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.4 times more likely to receive a high-cost refinance loan than low-income whites.

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	49.2%	40.0%	70.3%	0.8	1.4
Moderate Income	48.6%	71.4%	69.2%	1.5	1.4
Middle Income	43.7%	58.8%	63.2%	1.3	1.4
Upper Income	24.7%	40.7%	50.9%	1.6	2.1

¹⁷ The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

¹⁸ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$57,120 for the Columbus metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$24,000; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$24,000 and \$38,400; middle-income borrowers have incomes 80-119% of median income, or between \$38,400 and \$57,120.

Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Middle-income African-Americans were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans.

African-Americans received 45.3% of the high-cost refinance loans but only 22.9% of the prime refinance loans. Latinos received 2.9% of the high-cost loans originated but a smaller 2.2% of the prime loans originated. In contrast, whites received 57.1% of all prime loans originated, which is greater than their 39.9% share of all high-cost loans originated. African-Americans represent 39.9% of the population in the metropolitan area while Latinos represent 4.0% of the population¹⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	39.9%	22.9%	45.3%
Latino	4.0%	2.2%	2.9%
White	53.0%	57.1%	39.9%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 59.0%, or nearly three out of five, refinance loans made to low-income homeowners were high-cost loans, as were 56.3%, or more than one out of every two, refinances made to moderate-income homeowners and 51.4% or one of two loans to middle-income homeowners. In contrast, only 32.1%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	156	92	59.0%
Moderate-Income	412	232	56.3%
Middle-Income	551	283	51.4%
Upper-Income	1078	346	32.1%

In comparative terms, low-income homeowners were 1.8 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.8 times more likely to receive a high-cost loan.

¹⁹ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans²⁰

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. African-American homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. African-Americans received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 32.5%, or one out of three, home purchase loans received by African-Americans were high-cost loans and 17.5%, or one out of six, home purchase loans received by Latinos were high-cost loans. In contrast, only 17.5%, or one out of six, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	578	188	32.5%	1.9
Latino	103	18	17.5%	1.0
White	1094	191	17.5%	
ALL	2214	438	19.8%	

African-American homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 1.9 times more likely to receive a high-cost home purchase loan than whites.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 39.8% of the home purchase loans received by upper-income African-Americans and 14.3% of the home purchase loans received by upper-income Latinos, compared to only 24.8% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 1.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home..

²⁰ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders or government-backed loans.

High-cost Loans as a Percentage of All Home Purchase Loans By Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	20.0%	16.7%	31.0%	0.8	1.6
Moderate Income	17.1%	22.7%	36.0%	1.3	2.1
Middle Income	21.8%	10.0%	34.0%	0.5	1.6
Upper Income	24.8%	14.3%	39.8%	0.6	1.6

Middle-income African-Americans were 1.6 times more likely than middle-income whites to be issued a high-cost home purchase loan.

Moderate-income African-Americans were 2.1 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.3 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.6 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 42.9% of all high-cost home purchase loans but only 22.0% of the prime home purchase loans. In contrast, whites received 50.8% of the prime loans originated, which is greater than their 43.6% share of the high-cost loans originated. African-Americans represent 39.9% of the population in the metropolitan area while Latinos represent 4.0% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	39.9%	22.0%	42.9%
Latino	4.0%	4.8%	4.1%
White	53.0%	50.8%	43.6%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 22.8% of the loans received by low-income homebuyers were high-cost loans, or more than one out of every five loans. 23% of the loans received by moderate-income homebuyers, and 22.1% loans to middle-income homeowners were high-cost loans. In comparison, only 16.8% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	28	123	22.8%
Moderate Income	89	391	23%
Middle Income	114	517	22.1%
Upper Income	187	1116	16.8%

In comparative terms, low-income homebuyers were 1.4 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.4 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Columbus metropolitan area includes Russell County in AL and Chattahoochee, Harris, Marion, and Muscogee Counties in GA counties.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

High-cost loans are defined as loans originated with an Annual Percentage Rate (APR) at least 3 points above the comparable rate on U.S. Treasury Securities. As such, HMDA regulations require that these loans include information on the difference or "rate spread" between the APR on the loan and the comparable Treasury Rate. Prime loans as counted in this report were loans where no rate spread was reported because the APR on that loan was less than 3 points above the comparable Treasury rate.

This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas and recommendations.



Macon Metropolitan Area

Homeowners of all races in the metropolitan area have an extremely high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, almost one in two loans, or 47.7%, was a high-cost loan. When buying a home, borrowers of all races have a very high incidence of receiving a high-cost home purchase loan. More than one in three home purchase loans in the metropolitan area, or 37.6%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 points above the comparable rate on U.S. Treasury Securities. During 2006, many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Macon area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans²¹

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. Minorities received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 71.3% or nearly three of four, home refinance loans made to African-Americans were high-cost loans and, 56.3%, or more than one out of every two, home refinance loans made to Latinos were high-cost loans. In contrast, only 33.8%, or one out of three, home refinance loans made to whites were high-cost loans.

²¹ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	506	361	71.3%	2.1
Latino	16	9	56.3%	1.7
White	665	225	33.8%	
ALL ²²	1362	650	47.7%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 2.1 times more likely to receive a high-cost loan than whites. Latino homeowners were 1.7 times more likely to receive a high-cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.²³ In 2006, upper-income African-American homeowners were 2.2 times more likely than upper-income white homeowners to receive a high-cost refinance loan.

Middle-income African-Americans were 2.1 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 2.1 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 1.9 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 1.6 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.5 times more likely to receive a high-cost refinance loan than low-income whites, while low-income Latinos were 1.9 times more likely to receive a high-cost loan than low-income whites.

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	51.4%	100.0%	78.2%	1.9	1.5
Moderate Income	41.1%	66.7%	79.4%	1.6	1.9
Middle Income	37.3%	80.0%	78.3%	2.1	2.1
Upper Income	27.8%	28.6%	61.7%	1.0	2.2

²² The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

²³ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$61,642 for the Macon metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$25,900; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$25,900 and \$41,440; middle-income borrowers have incomes 80-119% of median income, or between \$41,440 and \$61,642.

Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Upper-income and middle-income African-Americans were more likely to receive a high-cost refinance loan than low-income whites. Middle-income Latinos were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 55.5% of the high-cost refinance loans but only 20.4% of the prime refinance loans. Latinos received 1.4% of the high-cost loans originated but a smaller 1.0% of the prime loans originated. In contrast, whites received 61.8% of all prime loans originated, which is greater than their 34.6% share of all high-cost loans originated. African-Americans represent 41.2% of the population in the metropolitan area while Latinos represent 1.3% of the population²⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	41.2%	20.4%	55.5%
Latino	1.3%	1.0%	1.4%
White	55.7%	61.8%	34.6%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 64.1%, or nearly two out of every three, refinance loans made to low-income homeowners were high-cost loans, as were 57.4%, or almost three out of five, refinances made to moderate-income homeowners and 54.6% or one of two loans to middle-income homeowners. In contrast, only 37.5%, or slightly more than one out of every three, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	103	66	64.1%
Moderate-Income	270	155	57.4%
Middle-Income	339	185	54.6%
Upper-Income	590	221	37.5%

In comparative terms, low-income homeowners were 1.7 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.5 times more likely to receive a high-cost loan.

²⁴ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans²⁵

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. African-Americans received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 66.7%, or two out of three, home purchase loans received by African-Americans were high-cost loans and 26.3%, or more than one out of four, home purchase loans received by Latinos were high-cost loans. In contrast, only 18.5%, or less than one out of every five, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	477	318	66.7%	3.6
Latino	19	5	26.3%	1.4
White	590	109	18.5%	
ALL	1203	452	37.6%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 3.6 times more likely to receive a high-cost home purchase loan than whites while Latinos were 1.4 times as likely to receive a high-cost loan as whites.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 70.2% of the home purchase loans received by upper-income African-Americans and 50.0% of the home purchase loans received by upper-income Latinos, compared to only 28.0% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.5 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 1.8 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

²⁵ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders or government-backed loans.

High-cost Loans as a Percentage of All Home Purchase Loans By Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	35.0%	--	75.6%	--	2.2
Moderate Income	22.5%	40.0%	71.4%	1.8	3.2
Middle Income	26.1%	40.0%	68.4%	1.5	2.6
Upper Income	28.0%	50.0%	70.2%	1.8	2.5

Middle-income African-Americans were 2.6 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.5 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 3.2 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.8 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.2 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites. Upper-income Latino homebuyers were more likely to receive a high-cost loan than low-income whites.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 70.4% of all high-cost home purchase loans but only 21.2% of the prime home purchase loans. In contrast, whites received 64.0% of the prime loans originated, which is greater than their 24.1% share of the high-cost loans originated. African-Americans represent 41.2% of the population in the metropolitan area while Latinos represent 1.3% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	41.2%	21.2%	70.4%
Latino	1.3%	1.9%	1.1%
White	55.7%	64.0%	24.1%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 63.2% of the loans received by low-income homebuyers were high-cost loans, or nearly two out of three loans. 46% of the loans received by moderate-income

homebuyers, and 42.5% loans to middle-income homeowners were high-cost loans. In comparison, only 24.3% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	67	106	63.2%
Moderate Income	122	263	46%
Middle Income	130	306	42.5%
Upper Income	123	506	24.3%

In comparative terms, low-income homebuyers were 2.6 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.9 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Macon metropolitan area includes Bibb, Crawford, Jones, Monroe, Twiggs counties.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

High-cost loans are defined as loans originated with an Annual Percentage Rate (APR) at least 3 points above the comparable rate on U.S. Treasury Securities. As such, HMDA regulations require that these loans include information on the difference or “rate spread” between the APR on the loan and the comparable Treasury Rate. Prime loans as counted in this report were loans where no rate spread was reported because the APR on that loan was less than 3 points above the comparable Treasury rate.

This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas and recommendations.



Savannah Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, one in three loans, or 33.1%, was a high-cost loan. When buying a home, borrowers of all races have a low incidence of receiving a high-cost home purchase loan. One in seven home purchase loans in the metropolitan area, or 15.0%, were high-cost loans.

For the purposes of this report high-cost loans are defined as loans originated with an Annual Percentage Rate (APR) of at least 3 point above the comparable rate on U.S. Treasury Securities. During 2006 many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Savannah area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans²⁶

For refinance loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home refinance loans made to minorities.
2. Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing.
3. Racial disparities persisted even among homeowners of the same income level.
4. Minorities received a greater proportion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 52.4% or over one out of two, home refinance loans made to African-Americans were high-cost loans and, 40.0%, or over one out of three, home refinance loans made to Latinos were high-cost loans. In contrast, only 23.7%, or less than one out of four, home refinance loans made to whites were high-cost loans.

²⁶ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006				
Race/Ethnicity	# Refinance Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	767	402	52.4%	2.2
Latino	45	18	40.0%	1.7
White	1839	436	23.7%	
ALL ²⁷	3084	1020	33.1%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 2.2 times more likely to receive a high-cost loan than whites. Latino homeowners were 1.7 times more likely to receive a high cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.²⁸ In 2006, upper-income African-American homeowners were 2.6 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 2.1 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 2.0 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 1.3 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 1.4 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 2.8 times more likely to receive a high-cost refinance loan than low-income whites.

High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006					
Borrower Income Level	White	Latino	African-American	Disparity Compared to White	
				Latino	African-American
Low Income	16.4%	--	46.4%	--	2.8
Moderate Income	40.3%	11.1%	55.7%	0.3	1.4
Middle Income	28.1%	35.7%	56.6%	1.3	2.0
Upper Income	19.6%	41.2%	50.6%	2.1	2.6

²⁷ The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

²⁸ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$65,212 for the Savannah metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$27,400; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$27,400 and \$43,840; middle-income borrowers have incomes 80-119% of median income, or between \$43,840 and \$65,212.

Minority homeowners with higher incomes were more likely to receive a high-cost refinance loan than white homeowners with lower incomes. Upper-income and middle-income African-Americans were more likely to receive a high-cost refinance loan than low-income whites. Upper-income and middle-income Latinos were more likely to receive a high-cost refinance loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans.

African-Americans received 39.4% of the high-cost refinance loans but only 17.7% of the prime refinance loans. Latinos received 1.8% of the high-cost loans originated but a smaller 1.3% of the prime loans originated. In contrast, whites received 68.0% of all prime loans originated which is greater than their 42.7% share of all high-cost loans originated. African-Americans represent 34.7% of the population in the metropolitan area while Latinos represent 2.2% of the population²⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	34.7%	17.7%	39.4%
Latino	2.2%	1.3%	1.8%
White	60.2%	68.0%	42.7%

Lower-, Moderate- and Middle-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 37.8%, or more than one out of three, refinance loans made to low-income homeowners were high-cost loans, as were 45.8%, or close to one out of every two, refinances made to moderate-income homeowners and 39.7% or over one of three loans to middle-income homeowners. In contrast, only 26.2%, or one out of every four, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	185	70	37.8%
Moderate-Income	478	219	45.8%
Middle-Income	701	278	39.7%
Upper-Income	1541	404	26.2%

In comparative terms, low-income homeowners were 1.4 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.7 times more likely to receive a high-cost loan.

²⁹ 2000 Census data based on the counties that are included in the metropolitan area. See methodology section for a list of counties included for this metropolitan area.



High-cost Home Purchase Loans³⁰

For home purchase loans, our findings show that in 2006:

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. Minorities received a greater portion of high-cost loans than they received of prime loans.
5. Lower-income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 31.9%, or almost one out of three, home purchase loans received by African-Americans were high-cost loans and 16.7%, or one out of six, home purchase loans received by Latinos were high-cost loans. In contrast, only 10.9%, or one out of nine, home purchase loans received by whites were high-cost loans.

Home Purchase Loans By Borrower Race and Ethnicity 2006				
Race/Ethnicity	# Home Purchase Loans	# High Cost Loans	% High Cost	Disparity to White
African-American	608	194	31.9%	2.9
Latino	144	24	16.7%	1.5
White	2618	285	10.9%	
ALL	3791	567	15.0%	

Minority homebuyers were much more likely than white homebuyers to receive to receive a high-cost loan. African-American homebuyers were 2.9 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.5 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loan were issued to 27.9% of the home purchase loans received by upper-income African-Americans compared to only 15.6% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 1.8 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

³⁰ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders nor government-backed loans.



High-cost Loans as a Percentage of All Home Purchase Loans by Borrower Race and Ethnicity Among Income Levels 2006					
	White	Latino	African- American	Disparity Compared to White	
				Latino	African- American
Low Income	13.8%	75.0%	21.2%	5.4	1.5
Moderate Income	10.9%	11.1%	25.0%	1.0	2.3
Middle Income	13.8%	10.8%	33.5%	0.8	2.4
Upper Income	15.6%	13.3%	27.9%	0.9	1.8

Middle-income African-Americans were 2.4 times more likely than middle-income whites to be issued a high-cost home purchase loan.

Moderate-income African-Americans were 2.3 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.5 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 5.4 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 34.2% of all high-cost home purchase loans but only 12.8% of the prime home purchase loans. Latinos were issued 4.2% of all high-cost loans originated and 3.7% of the prime loans originated. In contrast, whites received 72.4% of the prime loans originated which is greater than their 50.3% share of the high-cost loans originated. African-Americans represent 34.7% of the population in the metropolitan area while Latinos represent 2.2% of the population.

Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	34.7%	12.8%	34.2%
Latino	2.2%	3.7%	4.2%
White	60.2%	72.4%	50.3%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 18.6% of the loans received by low-income homebuyers were high-cost loans, or about one out of five loans. 15% of the loans received by moderate-income homebuyers, and 18.5% loans to middle-income homeowners were high-cost loans. In comparison, only 12.2% of loans made to upper-income homebuyers were high-cost loans.

High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006			
	High-cost Loans	All Loans	% High-cost
Low Income	24	129	18.6%
Moderate Income	92	610	15.1%
Middle Income	175	944	18.5%
Upper Income	241	1977	12.2%

In comparative terms, low-income homebuyers were 1.5 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.2 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Savannah metropolitan area includes Bryan, Chatham, Effingham counties.

This report analyzes data available to the public under the Home Mortgage Disclosure Act (HMDA). It uses a sample of 363 individual lenders owned by 19 different parent companies. They represent the largest mortgage lenders in the country and include the largest subprime mortgage lenders.

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This report analyzed data on first liens and does not include government-backed loans (FHA, VA, FmHA).

HMDA data reports race in addition to ethnicity of the applicant. For this report, any borrower of Latino ethnicity is not included in a racial group but only in the Latino category. For example, a borrower of Latino ethnicity and white race is counted as Latino and not counted as white.

See the main text of the report (www.acorn.org) for the complete list of lenders, analysis of national data comparisons of different metropolitan areas as well as recommendations.