



Baton Rouge 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, one in two loans, or 51.0%, 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. One in three home purchase loans in the metropolitan area, or 32.4%, 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 Baton Rouge 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. 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, 73.4% or nearly three out of every four, home refinance loans made to African-Americans were high-cost loans and, 49.3%, or one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 40.5%, or two out of five, 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	1206	885	73.4%	1.8
Latino	73	36	49.3%	1.2
White	2344	950	40.5%	
ALL ²	4128	2107	51.0%	

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 1.2 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 2.1 times more likely than upper-income white homeowners to receive a high-cost refinance loan.

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

Moderate-income African-Americans were 1.5 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 1.4 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	50.0%	33.3%	75.5%	0.7	1.5
Moderate Income	50.1%	72.2%	77.1%	1.4	1.5
Middle Income	44.0%	50.0%	72.9%	1.1	1.7
Upper Income	35.3%	40.0%	73.4%	1.1	2.1

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 \$66,402 for the Baton Rouge metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$27,900; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$27,900 and \$44,640; middle-income borrowers have incomes 80-119% of median income, or between \$44,640 and \$66,402.

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 42.0% of the high-cost refinance loans but only 15.9% of the prime refinance loans. In contrast, whites received 69.0% of all prime loans originated, which is greater than their 45.1% share of all high-cost loans originated. African-Americans represent 34.0% of the population in the metropolitan area while Latinos represent 1.6% of the population⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	34.0%	15.9%	42.0%
Latino	1.6%	1.8%	1.7%
White	62.1%	69.0%	45.1%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 61.5%, or more than three out of every five, refinance loans made to low-income homeowners were high-cost loans, as were 62.0%, or more than three out of five, refinances made to moderate-income homeowners and 53.9% or more than one of every two loans to middle-income homeowners. In contrast, only 43.8%, or less than one of every two, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	327	201	61.5%
Moderate-Income	826	512	62.0%
Middle-Income	1128	608	53.9%
Upper-Income	1716	751	43.8%

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 1.4 times more likely to receive a high-cost loan.

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, 63.0%, or more than three of every five, home purchase loans received by African-Americans were high-cost loans and 39.1%, or more than one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 22.2%, or one out of 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	1261	794	63.0%	2.8
Latino	128	50	39.1%	1.8
White	3421	761	22.2%	
ALL	5459	1769	32.4%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.8 times more likely to receive a high-cost home purchase loan than whites while Latinos were 1.8 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 61.8% of the home purchase loans received by upper-income African-Americans and 43.5% of the home purchase loans received by upper-income Latinos, compared to only 24.5% 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.

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	26.4%	60.0%	67.5%	2.3	2.6
Moderate Income	26.8%	25.0%	67.7%	0.9	2.5
Middle Income	25.2%	53.8%	64.2%	2.1	2.5
Upper Income	24.5%	43.5%	61.8%	1.8	2.5

Middle-income African-Americans were 2.5 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 2.1 times more likely to be issued a high-cost purchase loan than middle-income whites.

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

Low-income African-Americans were 2.6 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 2.3 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 44.9% of all high-cost home purchase loans but only 12.7% of the prime home purchase loans. Latinos were issued 2.8% of all high-cost loans originated and 2.1% of the prime loans originated. In contrast, whites received 72.1% of the prime loans originated, which is greater than their 43.0% share of the high-cost loans originated. African-Americans represent 34.0% of the population in the metropolitan area while Latinos represent 1.6% 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	34.0%	12.7%	44.9%
Latino	1.6%	2.1%	2.8%
White	62.1%	72.1%	43.0%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 49.8% of the loans received by low-income homebuyers were high-cost loans, or about one out of every two loans. 41% of the loans received by moderate-income

homebuyers, and 37.1% loans to middle-income homeowners were high-cost loans. In comparison, only 24.2% 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	156	313	49.8%
Moderate Income	416	1027	41%
Middle Income	513	1383	37.1%
Upper Income	625	2584	24.2%

In comparative terms, low-income homebuyers were 2.1 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.7 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Baton Rouge metropolitan area includes Ascension Parish, E. Baton Rouge Parish, E. Feliciana Parish, Iberville Parish, Livingston Parish, Pointe Coupee Parish, St. Helena Parish, W. Baton Rouge Parish, W. Feliciana Parish.

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.



Houma-Bayou Cane-Thibodaux Metropolitan Area

Homeowners of all races in the metropolitan area have a extremely high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, one in two loans, or 51.0%, 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. More than one in four home purchase loans in the metropolitan area, or 28.4%, 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 Houma-Bayou Cane-Thibodaux 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, 73.8% or nearly three out of every four, home refinance loans made to African-Americans were high-cost loans and, 42.9%, or more than two out of five, home refinance loans made to Latinos were high-cost loans. In contrast, only 47.2%, or less than one out of two, 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	84	62	73.8%	1.6
Latino	7	3	42.9%	0.9
White	614	290	47.2%	
ALL ⁷	784	400	51.0%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.6 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 1.7 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 1.5 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.

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	73.5%	--	75.0%	--	1.0
Moderate Income	60.0%	--	85.0%	--	1.4
Middle Income	49.7%	50.0%	76.5%	1.0	1.5
Upper Income	41.9%	50.0%	69.7%	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 \$58,786 for the Houma-Bayou Cane-Thibodaux metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$24,700; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$24,700 and \$39,520; middle-income borrowers have incomes 80-119% of median income, or between \$39,520 and \$58,786.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 15.5% of the high-cost refinance loans but only 5.7% of the prime refinance loans. Latinos received 0.8% of the high-cost loans originated and 1.0% of the prime loans originated. In contrast, whites received 84.4% of all prime loans originated, which is greater than their 72.5% share of all high-cost loans originated. African-Americans represent 15.3% of the population in the metropolitan area while Latinos represent 1.5% of the population⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	15.3%	5.7%	15.5%
Latino	1.5%	1.0%	0.8%
White	77.4%	84.4%	72.5%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 75.0%, or three out of four, refinance loans made to low-income homeowners were high-cost loans, as were 60.8%, or three out of every five, refinances made to moderate-income homeowners and 52.0% or more than one of two loans to middle-income homeowners. In contrast, only 46.8%, or less than one out of every two, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	52	39	75.0%
Moderate-Income	130	79	60.8%
Middle-Income	196	102	52.0%
Upper-Income	378	177	46.8%

In comparative terms, low-income homeowners were 1.6 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.3 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. African-Americans 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, 49.3%, or one out of every two, home purchase loans received by African-Americans were high-cost loans and 23.8%, or about one out of four, home purchase loans received by Latinos were high-cost loans. In contrast, only 25.1%, or one out of four, 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	73	36	49.3%	2.0
Latino	21	5	23.8%	0.9
White	606	152	25.1%	
ALL	754	214	28.4%	

African-Americans homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.0 times as 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 50.0% of the home purchase loans received by upper-income Latinos, compared to 40.3% of the home purchase loans received by upper-income whites.

In comparative terms, upper-income Latinos were 1.2 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	29.6%	--	62.5%	--	2.1
Moderate Income	27.4%	33.3%	62.5%	1.2	2.3
Middle Income	32.1%	33.3%	50.0%	1.0	1.6
Upper Income	40.3%	50.0%	27.3%	1.2	0.7

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 2.3 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.2 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.1 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. Middle-income African-American 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 16.8% of all high-cost home purchase loans but only 6.9% of the prime home purchase loans. In contrast, whites received 84.1% of the prime loans originated, which is greater than their 71.0% share of the high-cost loans originated. African-Americans represent 15.3% of the population in the metropolitan area while Latinos represent 1.5% 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	15.3%	6.9%	16.8%
Latino	1.5%	3.0%	2.3%
White	77.4%	84.1%	71.0%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 34.2% of the loans received by low-income homebuyers were high-cost loans, or one out of three loans. 33% of the loans received by moderate-income homebuyers, and 35.7% loans to middle-income homeowners were high-cost loans. In comparison, only 22.0% 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	13	38	34.2%
Moderate Income	40	123	33%
Middle Income	74	207	35.7%
Upper Income	80	364	22.0%

In comparative terms, low-income homebuyers were 1.6 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 Houma-Bayou Cane-Thibodaux metropolitan area includes Lafourche Parish, Terrebonne Parish.

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.



Lake Charles 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 44.5%, 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. One in three home purchase loans in the metropolitan area, or 38.2%, 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 Lake Charles 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, 70.7% or more than two out of three, home refinance loans made to African-Americans were high-cost loans and, 33.3%, or one out of three, home refinance loans made to Latinos were high-cost loans. 38.2%, or 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	133	94	70.7%	1.9
Latino	6	2	33.3%	0.9
White	531	203	38.2%	
ALL ¹²	726	323	44.5%	

African-American 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.

Racial disparities persisted even among homeowners of the same income level.¹³ 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

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.

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	44.1%	--	92.9%	--	2.1
Moderate Income	42.5%	--	82.8%	--	1.9
Middle Income	48.5%	100.0%	45.2%	2.1	0.9
Upper Income	32.2%	20.0%	72.9%	0.6	2.3

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

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 \$60,571 for the Lake Charles metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$25,450; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$25,450 and \$40,720; middle-income borrowers have incomes 80-119% of median income, or between \$40,720 and \$60,571.

high-cost refinance loan than low-income whites. Middle-income Latinos 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 received 29.1% of the high-cost refinance loans but only 9.7% of the prime refinance loans. In contrast, whites received 81.4% of all prime loans originated, which is greater than their 62.8% share of all high-cost loans originated. African-Americans represent 22.8% of the population in the metropolitan area while Latinos represent 1.4% of the population¹⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	22.8%	9.7%	29.1%
Latino	1.4%	1.0%	0.6%
White	73.9%	81.4%	62.8%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 57.1%, or nearly three out of every five, refinance loans made to low-income homeowners were high-cost loans, as were 52.0%, or one out of every two, refinances made to moderate-income homeowners and 49.2% or one of two loans to middle-income homeowners. In contrast, only 38.7%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	56	32	57.1%
Moderate-Income	127	66	52.0%
Middle-Income	177	87	49.2%
Upper-Income	341	132	38.7%

In comparative terms, low-income homeowners were 1.5 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.3 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, 64.3%, or almost two out of every three, home purchase loans received by African-Americans were high-cost loans and 41.7%, or two out of five, home purchase loans received by Latinos were high-cost loans. In contrast, only 32.1%, or one out of three, 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	129	83	64.3%	2.0
Latino	12	5	41.7%	1.3
White	605	194	32.1%	
ALL	808	309	38.2%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.0 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.3 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 55.6% of the home purchase loans received by upper-income African-Americans and 33.3% of the home purchase loans received by upper-income Latinos, compared to only 44.1% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 1.3 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	52.2%	--	36.4%	--	0.7
Moderate Income	41.1%	100.0%	68.6%	2.4	1.7
Middle Income	36.3%	33.3%	66.7%	0.9	1.8
Upper Income	44.1%	33.3%	55.6%	0.8	1.3

Middle-income African-Americans were 1.8 times more likely than middle-income whites to be issued a high-cost home purchase loan.

Moderate-income African-Americans were 1.7 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 2.4 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Middle-income African-American 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 26.9% of all high-cost home purchase loans but only 9.2% of the prime home purchase loans. Latinos were issued 1.6% of all high-cost loans originated and 1.4% of the prime loans originated. In contrast, whites received 82.4% of the prime loans originated, which is greater than their 62.8% share of the high-cost loans originated. African-Americans represent 22.8% of the population in the metropolitan area while Latinos represent 1.4% 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	22.8%	9.2%	26.9%
Latino	1.4%	1.4%	1.6%
White	73.9%	82.4%	62.8%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 47.2% of the loans received by low-income homebuyers were high-cost loans, or about one out of two loans. 49% of the loans received by moderate-income homebuyers, and 42.1% loans to middle-income homeowners were high-cost loans. In comparison, only 29.6% 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	17	36	47.2%
Moderate Income	74	152	49%
Middle Income	98	233	42.1%
Upper Income	107	362	29.6%

In comparative terms, low-income homebuyers were 1.6 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 Lake Charles metropolitan area includes Calcasieu Parish, Cameron Parish.

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.



New Orleans-Metairie-Kenner 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 38.4%, 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. One in three home purchase loans in the metropolitan area, or 29.8%, 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 New Orleans-Metairie-Kenner 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, 58.8% or nearly three out of five, home refinance loans made to African-Americans were high-cost loans and, 46.7%, or about one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 30.7%, less than 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	1032	607	58.8%	1.9
Latino	244	114	46.7%	1.5
White	3211	986	30.7%	
ALL ¹⁷	5212	2001	38.4%	

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 1.5 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 1.7 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.9 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 1.4 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 1.8 times more likely to receive a high-cost refinance loan than low-income whites, while low-income Latinos were 1.3 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	31.5%	40.0%	56.5%	1.3	1.8
Moderate Income	39.4%	42.4%	55.9%	1.1	1.4
Middle Income	35.1%	50.6%	66.6%	1.4	1.9
Upper Income	27.4%	45.9%	56.5%	1.7	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 \$62,237 for the New Orleans-Metairie-Kenner metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$26,150; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$26,150 and \$41,840; middle-income borrowers have incomes 80-119% of median income, or between \$41,840 and \$62,237.

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 30.3% of the high-cost refinance loans but only 13.2% of the prime refinance loans. Latinos received 5.7% of the high-cost loans originated but a smaller 4.0% of the prime loans originated. In contrast, whites received 69.3% of all prime loans originated, which is greater than their 49.3% share of all high-cost loans originated. African-Americans represent 37.1% of the population in the metropolitan area while Latinos represent 4.4% of the population¹⁹.

Distribution of High-cost Refinance Loans by Borrower Race and Ethnicity 2006			
Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	37.1%	13.2%	30.3%
Latino	4.4%	4.0%	5.7%
White	54.8%	69.3%	49.3%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 38.7%, or more than one out of three, refinance loans made to low-income homeowners were high-cost loans, as were 45.4%, or almost one out of every two, refinances made to moderate-income homeowners and 45.1% or nearly one of two loans to middle-income homeowners. In contrast, 33.9%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

Refinance Loans by Borrower Income Level 2006			
	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	238	92	38.7%
Moderate-Income	765	347	45.4%
Middle-Income	1380	622	45.1%
Upper-Income	2557	868	33.9%

In comparative terms, moderate-income homeowners were 1.3 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. 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. Moderate- and Middle-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, 52.1%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 44.8%, or almost one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 22.0%, or one out of 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	1452	756	52.1%	2.4
Latino	426	191	44.8%	2.0
White	4621	1016	22.0%	
ALL	7281	2169	29.8%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.4 times as likely to receive a high-cost home purchase loan as whites while Latinos were 2.0 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loans were issued to 59.0% of the home purchase loans received by upper-income African-Americans and 45.5% of the home purchase loans received by upper-income Latinos, compared to only 24.1% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.4 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 1.9 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	19.2%	28.6%	36.0%	1.5	1.9
Moderate Income	25.5%	30.4%	41.2%	1.2	1.6
Middle Income	24.8%	43.1%	56.8%	1.7	2.3
Upper Income	24.1%	45.5%	59.0%	1.9	2.4

Middle-income African-Americans were 2.3 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.7 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 1.6 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.2 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.9 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.5 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 34.9% of all high-cost home purchase loans but only 13.6% of the prime home purchase loans. Latinos were issued 8.8% of all high-cost loans originated and 4.6% of the prime loans originated. In contrast, whites received 70.5% of the prime loans originated, which is greater than their 46.8% share of the high-cost loans originated. African-Americans represent 37.1% of the population in the metropolitan area while Latinos represent 4.4% 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	37.1%	13.6%	34.9%
Latino	4.4%	4.6%	8.8%
White	54.8%	70.5%	46.8%

Moderate and Middle Income homebuyers are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 24.1% of the loans received by low-income homebuyers were

high-cost loans, or about one out of four loans. 31% of the loans received by moderate-income homebuyers, and 34.9% loans to middle-income homeowners were high-cost loans. In comparison, only 26.6% 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	41	170	24.1%
Moderate Income	314	1019	31%
Middle Income	680	1946	34.9%
Upper Income	1028	3865	26.6%

In comparative terms, moderate-income homebuyers were 1.2 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the New Orleans-Metairie-Kenner metropolitan area includes Jefferson Parish, Orleans Parish, Plaquemines Parish, St. Bernard Parish, St. Charles Parish, St. John the Baptist, St. Tammy parish.

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.



Shreveport-Bossier City 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, one in two loans, or 51.5%, 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. One in three home purchase loans in the metropolitan area, or 33.9%, 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 Shreveport-Bossier City 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, 69.2% or more than two out of three, home refinance loans made to African-Americans were high-cost loans and, 59.3%, or three out of five, home refinance loans made to Latinos were high-cost loans. In contrast, only 41.4%, or two out of five, 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	532	368	69.2%	1.7
Latino	27	16	59.3%	1.4
White	1162	481	41.4%	
ALL ²²	2012	1037	51.5%	

Minority 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. Latino homeowners were 1.4 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 1.6 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 1.5 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 1.7 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	51.9%	100.0%	79.5%	1.9	1.5
Moderate Income	45.5%	50.0%	76.1%	1.1	1.7
Middle Income	47.0%	55.6%	70.9%	1.2	1.5
Upper Income	39.3%	66.7%	62.0%	1.7	1.6

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 \$59,024 for the Shreveport-Bossier City metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$24,800; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$24,800 and \$39,680; middle-income borrowers have incomes 80-119% of median income, or between \$39,680 and \$59,024.

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. Upper-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 35.5% of the high-cost refinance loans but only 16.8% of the prime refinance loans. Latinos received 1.5% of the high-cost loans originated but a smaller 1.1% of the prime loans originated. In contrast, whites received 69.8% of all prime loans originated, which is greater than their 46.4% share of all high-cost loans originated. African-Americans represent 38.1% of the population in the metropolitan area while Latinos represent 1.9% of the population²⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	38.1%	16.8%	35.5%
Latino	1.9%	1.1%	1.5%
White	57.9%	69.8%	46.4%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 72.2%, or almost three out of four, refinance loans made to low-income homeowners were high-cost loans, as were 60.7%, or three out of five, refinances made to moderate-income homeowners and 55.7% or more than one of two loans to middle-income homeowners. In contrast, only 45.4%, or less than one out of every two, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	158	114	72.2%
Moderate-Income	359	218	60.7%
Middle-Income	521	290	55.7%
Upper-Income	879	399	45.4%

In comparative terms, low-income homeowners were 1.6 times more likely to receive a high-cost loan than upper-income homeowners and moderate-income homeowners were 1.3 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, 52.6%, or one out of two, home purchase loans received by African-Americans were high-cost loans and 25.4%, or one out of four, home purchase loans received by Latinos were high-cost loans. In contrast, only 22.5%, or less than one out of four, 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	686	361	52.6%	2.3
Latino	63	16	25.4%	1.1
White	1802	405	22.5%	
ALL	2894	980	33.9%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.3 times as 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 54.1% of the home purchase loans received by upper-income African-Americans and 44.4% of the home purchase loans received by upper-income Latinos, compared to only 17.7% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 3.1 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 2.5 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	33.8%	--	69.9%	--	2.1
Moderate Income	27.7%	16.7%	52.6%	0.6	1.9
Middle Income	21.6%	26.3%	54.6%	1.2	2.5
Upper Income	17.7%	44.4%	54.1%	2.5	3.1

Middle-income African-Americans were 2.5 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.2 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 1.9 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.1 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 36.8% of all high-cost home purchase loans but only 17.0% of the prime home purchase loans. In contrast, whites received 73.0% of the prime loans originated, which is greater than their 41.3% share of the high-cost loans originated. African-Americans represent 38.1% of the population in the metropolitan area while Latinos represent 1.9% 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	38.1%	17.0%	36.8%
Latino	1.9%	2.5%	1.6%
White	57.9%	73.0%	41.3%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 58.5% of the loans received by low-income homebuyers were high-cost loans, or about three out of five loans. 43% of the loans received by moderate-income

homebuyers, and 33.9% loans to middle-income homeowners were high-cost loans. In comparison, only 25.6% 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	121	207	58.5%
Moderate Income	259	610	43%
Middle Income	251	740	33.9%
Upper Income	323	1260	25.6%

In comparative terms, low-income homebuyers were 2.3 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.7 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Shreveport-Bossier City metropolitan area includes Bossier Parish, Caddo Parish, De Soto Parish.

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.