



Albany-Schenectady-Troy 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, close to one in two loans, or 43.4%, 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. About one in three home purchase loans in the metropolitan area, or 30.2%, 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 Albany-Schenectady-Troy 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, 60.2% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 57.6%, or more than one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 42.1% 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	196	118	60.2%	1.4
Latino	85	49	57.6%	1.4
White	3799	1599	42.1%	
ALL ²	4899	2127	43.4%	

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.4 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.³ 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 1.3 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.2 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 1.3 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 1.3 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	52.6%	20.0%	70.6%	0.4	1.3
Moderate Income	48.5%	75.0%	65.2%	1.5	1.3
Middle Income	44.4%	62.1%	54.5%	1.4	1.2
Upper Income	36.9%	46.2%	61.3%	1.3	1.7

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 \$78,778 for the Albany-Schenectady-Troy metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$33,100; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$33,100 and \$52,960; middle-income borrowers have incomes 80-119% of median income, or between \$52,960 and \$78,778.

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 refinance loan than low-income whites.

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

African-Americans received 5.5% of the high-cost refinance loans but only 2.8% of the prime refinance loans. Latinos received 2.3% of the high-cost loans originated but a smaller 1.3% of the prime loans originated. In contrast, whites received 79.4% of all prime loans originated which is greater than their 75.2% share of all high-cost loans originated. African-Americans represent 6.2% of the population in the metropolitan area while Latinos represent 2.5% of the population⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	6.2%	2.8%	5.5%
Latino	2.5%	1.3%	2.3%
White	87.9%	79.4%	75.2%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 54.3%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 49.2%, or close to one out of every two, refinances made to moderate-income homeowners and 46.1% or close to one of two loans to middle-income homeowners. In contrast, only 37.8%, or 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	348	189	54.3%
Moderate-Income	1072	527	49.2%
Middle-Income	1598	736	46.1%
Upper-Income	1713	648	37.8%

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 1.3 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, 55.9%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 46.7%, or close to one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 26.0%, or about 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	281	157	55.9%	2.2
Latino	137	64	46.7%	1.8
White	3898	1015	26.0%	
ALL	5106	1542	30.2%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.2 times as 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 loan were issued to 52.8% of the home purchase loans received by upper-income African-Americans and 18.2% of the home purchase loans received by upper-income Latinos, compared to only 26.2% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.0 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 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	40.3%	44.4%	50.0%	1.1	1.2
Moderate Income	28.4%	51.9%	59.1%	1.8	2.1
Middle Income	30.1%	45.9%	57.0%	1.5	1.9
Upper Income	26.2%	18.2%	52.8%	0.7	2.0

Middle-income African-Americans were 1.9 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 2.1 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 1.2 times more likely to be issued a high-cost home purchase loan than low-income whites..

. 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 10.2% of all high-cost home purchase loans but only 3.5% of the prime home purchase loans. Latinos were issued 4.2% of all high-cost loans originated and 2.0% of the prime loans originated. In contrast, whites received 80.9% of the prime loans originated which is greater than their 65.8% share of the high-cost loans originated. African-Americans represent 6.2% of the population in the metropolitan area while Latinos represent 2.5% 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	6.2%	3.5%	10.2%
Latino	2.5%	2.0%	4.2%
White	87.9%	80.9%	65.8%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 46.1% of the loans received by low-income homebuyers were high-cost loans, or about one out of two loans. 33% of the loans received by moderate-income homebuyers, and 34.5% loans to middle-income homeowners were high-cost loans. In comparison, only 22.4% 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	130	282	46.1%
Moderate Income	350	1051	33%
Middle Income	538	1558	34.5%
Upper Income	462	2061	22.4%

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

Methodology

The data for the Albany-Schenectady-Troy metropolitan area includes Albany, Rensselaer, Saratoga, Schenectady, Schoharie 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 as well as recommendations.



Buffalo-Niagara Falls 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, close to one in two loans, or 42.2%, 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. Nearly one in four home purchase loans in the metropolitan area, or 23.5%, 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 Buffalo-Niagara Falls 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. 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, 71.7% or nearly three out of four, home refinance loans made to African-Americans were high-cost loans and, 66.0%, or more than one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 40.0%, or over one out of three, 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	237	170	71.7%	1.8
Latino	53	35	66.0%	1.7
White	3411	1363	40.0%	
ALL ⁷	4236	1788	42.2%	

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 1.7 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 2.0 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.9 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 1.8 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, while moderate-income Latinos were 1.8 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.6 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	51.3%	66.7%	80.6%	1.3	1.6
Moderate Income	45.9%	83.3%	78.6%	1.8	1.7
Middle Income	41.4%	72.7%	79.3%	1.8	1.9
Upper Income	35.5%	66.7%	70.5%	1.9	2.0

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 \$69,377 for the Buffalo-Niagara Falls metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$29,150; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$29,150 and \$46,640; middle-income borrowers have incomes 80-119% of median income, or between \$46,640 and \$69,377.

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 9.5% of the high-cost refinance loans but only 2.7% of the prime refinance loans. Latinos received 2.0% of the high-cost loans originated but a smaller 0.7% of the prime loans originated. In contrast, whites received 83.7% of all prime loans originated which is greater than their 76.2% share of all high-cost loans originated. African-Americans represent 11.5% of the population in the metropolitan area while Latinos represent 2.9% of the population⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	11.5%	2.7%	9.5%
Latino	2.9%	0.7%	2.0%
White	82.5%	83.7%	76.2%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 54.0%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 49.7%, or about one out of every two, refinances made to moderate-income homeowners and 43.8% or close to one of two loans to middle-income homeowners. In contrast, only 37.1%, or 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	350	189	54.0%
Moderate-Income	888	441	49.7%
Middle-Income	1216	532	43.8%
Upper-Income	1611	598	37.1%

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.

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, 48.2%, or close to one out of two, home purchase loans received by African-Americans were high-cost loans and 46.7%, or close to one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 20.5%, or about 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	363	175	48.2%,	2.4
Latino	107	50	46.7%	2.3
White	4957	1016	20.5%,	
ALL	6006	1411	23.5%	

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 than whites while Latinos were 2.3 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 57.1% 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 20.5% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.8 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 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	24.2%	54.2%	41.3%	2.2	1.7
Moderate Income	20.7%	31.0%	41.7%	1.5	2.0
Middle Income	22.6%	44.8%	50.0%	2.0	2.2
Upper Income	20.5%	50.0%	57.1%	2.4	2.8

Middle-income African-Americans were 2.2 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 2.0 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.0 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.5 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.7 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos 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 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 12.4% of all high-cost home purchase loans but only 4.1% of the prime home purchase loans. Latinos were issued 3.5% of all high-cost loans originated and 1.2% of the prime loans originated. In contrast, whites received 85.8% of the prime loans originated which is greater than their 72.0% share of the high-cost loans originated. African-Americans represent 11.5% of the population in the metropolitan area while Latinos represent 2.9% 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	11.5%	4.1%	12.4%
Latino	2.9%	1.2%	3.5%
White	82.5%	85.8%	72.0%

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 30.3% of the loans received by low-income homebuyers were high-

cost loans, or about one out of three loans. 24% of the loans received by moderate-income homebuyers, and 24.9% loans to middle-income homeowners were high-cost loans. In comparison, only 20.6% 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	178	587	30.3%
Moderate Income	357	1517	24%
Middle Income	385	1549	24.9%
Upper Income	442	2149	20.6%

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 Buffalo-Niagara Falls metropolitan area includes Erie and Niagara 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 as well as recommendations.



Nassau-Suffolk Metropolitan Area

Homeowners of all races in the metropolitan area have a high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, more than one in four loans, or 27.2%, 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. Nearly one in four home purchase loans in the metropolitan area, or 24.2%, 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 Nassau-Suffolk 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. 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, 49.3% or about one out of two, home refinance loans made to African-Americans were high-cost loans and, 36.9%, or more than one out of three, home refinance loans made to Latinos were high-cost loans. In contrast, only 22.0%, or about one out of five, 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	2638	1301	49.3%	2.2
Latino	3196	1180	36.9%	1.7
White	17669	3893	22.0%	
ALL ¹²	29155	7925	27.2%	

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.¹³ In 2006, upper-income African-American homeowners were 2.5 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 1.5 times more likely to receive a high-cost loan than middle-income whites.

Moderate-income African-Americans were 2.0 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 1.3 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	24.5%	25.8%	35.2%	1.1	1.4
Moderate Income	23.5%	30.8%	48.1%	1.3	2.0
Middle Income	25.6%	38.9%	52.4%	1.5	2.0
Upper Income	20.5%	42.2%	51.5%	2.1	2.5

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 \$108,290 for the Nassau-Suffolk metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$45,500; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$45,500 and \$72,800; middle-income borrowers have incomes 80-119% of median income, or between \$72,800 and \$108,290.

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 16.4% of the high-cost refinance loans but only 6.3% of the prime refinance loans. Latinos received 14.9% of the high-cost loans originated but a smaller 9.5% of the prime loans originated. In contrast, whites received 64.9% of all prime loans originated which is greater than their 49.1% share of all high-cost loans originated. African-Americans represent 8.1% of the population in the metropolitan area while Latinos represent 10.3% of the population¹⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	8.1%	6.3%	16.4%
Latino	10.3%	9.5%	14.9%
White	76.4%	64.9%	49.1%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 26.0%, or about one out of four, refinance loans made to low-income homeowners were high-cost loans, as were 28.4%, or more than one out of every four, refinances made to moderate-income homeowners and 31.7% or nearly one of three loans to middle-income homeowners. In contrast, only 25.4%, or about one out of every four, refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	908	236	26.0%
Moderate-Income	4338	1230	28.4%
Middle-Income	9561	3032	31.7%
Upper-Income	12741	3238	25.4%

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.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 57.5%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 49.3%, or about one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 13.3%, or more that one out of eight, 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	1845	1060	57.5%	4.3
Latino	3560	1754	49.3%	3.7
White	12702	1684	13.3%	
ALL	21948	5310	24.2%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 4.3 times as likely to receive a high-cost home purchase loan than whites while Latinos were 3.7 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 60.9% of the home purchase loans received by upper-income African-Americans and 55.8% of the home purchase loans received by upper-income Latinos, compared to only 15.5% 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 3.6 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 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	7.6%	--	13.8%	--	1.8
Moderate Income	9.0%	28.3%	38.0%	3.1	4.2
Middle Income	14.3%	53.1%	59.5%	3.7	4.2
Upper Income	15.5%	55.8%	60.9%	3.6	3.9

Middle-income African-Americans were 4.2 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 3.7 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 4.2 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 3.1 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.8 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 20.0% of all high-cost home purchase loans but only 4.7% of the prime home purchase loans. Latinos were issued 33.0% of all high-cost loans originated and 10.9% of the prime loans originated. In contrast, whites received 66.2% of the prime loans originated which is greater than their 31.7% share of the high-cost loans originated. African-Americans represent 8.1% of the population in the metropolitan area while Latinos represent 10.3% 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	8.1%	4.7%	20.0%
Latino	10.3%	10.9%	33.0%
White	76.4%	66.2%	31.7%

Methodology

The data for the Nassau-Suffolk metropolitan area includes Nassau and Suffolk 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 as well as recommendations.



New York-White Plains- Wayne Metropolitan Area

Homeowners of all races in the metropolitan area have a high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, more than one in four loans, or 27.8%, 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. About one in five home purchase loans in the metropolitan area, or 19.7%, 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 York-White Plains- Wayne 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, 43.6% or close to one out of two, home refinance loans made to African-Americans were high-cost loans and, 34.4%, or more than one out of three, home refinance loans made to Latinos were high-cost loans. In contrast, only 21.2%, or about one out of five, 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	10512	4582	43.6%	2.1
Latino	9653	3325	34.4%	1.6
White	23755	5026	21.2%	
ALL ¹⁷	59123	16458	27.8%	

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 1.6 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 2.2 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 1.7 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 1.7 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 1.4 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	27.8%	36.7%	38.4%	1.3	1.4
Moderate Income	22.1%	30.0%	37.6%	1.4	1.7
Middle Income	23.2%	31.5%	38.9%	1.4	1.7
Upper Income	21.5%	37.1%	48.3%	1.7	2.2

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 \$70,448 for the New York-White Plains- Wayne metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$29,600; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$29,600 and \$47,360; middle-income borrowers have incomes 80-119% of median income, or between \$47,360 and \$70,448.

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 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 27.8% of the high-cost refinance loans but only 13.9% of the prime refinance loans. Latinos received 20.2% of the high-cost loans originated but a smaller 14.8% of the prime loans originated. In contrast, whites received 43.9% of all prime loans originated which is greater than their 30.5% share of all high-cost loans originated. African-Americans represent 20.5% of the population in the metropolitan area while Latinos represent 24.9% of the population¹⁹.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	20.5%	13.9%	27.8%
Latino	24.9%	14.8%	20.2%
White	42.4%	43.9%	30.5%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 31.0%, or one out of three, refinance loans made to low-income homeowners were high-cost loans, In contrast, only 29.4% refinances to upper-income homeowners were high-cost loans.

	# Refinance Loans	# High-Cost Loans	% High-cost
Low-Income	445	138	31.0%
Moderate-Income	2524	698	27.7%
Middle-Income	8539	2456	28.8%
Upper-Income	43161	12688	29.4%

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.

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 49.4%, or about one out of two, home purchase loans received by African-Americans were high-cost loans and 38.5%, or more than one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 10.7%, or nearly 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	6882	3398	49.4%,	4.6
Latino	9186	3538	38.5%	3.6
White	27238	2913	10.7%,	
ALL	61916	12190	19.7%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 4.6 times as likely to receive a high-cost home purchase loan than whites while Latinos were 3.6 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 23.3% of the home purchase loans received by upper-income African-Americans and 19.2% of the home purchase loans received by upper-income Latinos, compared to only 7.0% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 3.3 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 2.7 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 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	3.8%	13.6%	15.2%	3.6	4.0
Moderate Income	4.4%	7.8%	6.2%	1.8	1.4
Middle Income	6.3%	16.3%	21.2%	2.6	3.4
Upper Income	7.0%	19.2%	23.3%	2.7	3.3

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 2.6 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 1.4 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 4.0 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 3.6 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. 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 27.9% of all high-cost home purchase loans but only 7.0% of the prime home purchase loans. Latinos were issued 29.0% of all high-cost loans originated and 11.4% of the prime loans originated. In contrast, whites received 48.9% of the prime loans originated which is greater than their 23.9% share of the high-cost loans originated. African-Americans represent 20.5% of the population in the metropolitan area while Latinos represent 24.9% 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	20.5%	7.0%	27.9%
Latino	24.9%	11.4%	29.0%
White	42.4%	48.9%	23.9%

Methodology

The data for the New York-White Plains- Wayne metropolitan area includes Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, Westchester counties in New York and Bergen, Hudson and Passaic Counties in New Jersey.

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 as well as recommendations.



Rochester 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, close to one in two loans, or 45.3%, 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. About one in four home purchase loans in the metropolitan area, or 24.8%, 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 Rochester 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, 71.6% or nearly three out of four, home refinance loans made to African-Americans were high-cost loans and, 55.0%, or more than one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 43.6% 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	296	212	71.6%	1.6
Latino	111	61	55.0%	1.3
White	3314	1444	43.6%	
ALL ²²	4196	1901	45.3%	

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. Latino homeowners were 1.3 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 1.9 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 1.5 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	52.2%	50.0%	80.0%	1.0	1.5
Moderate Income	47.7%	65.8%	71.4%	1.4	1.5
Middle Income	46.7%	46.2%	70.0%	1.0	1.5
Upper Income	38.6%	63.6%	73.0%	1.6	1.9

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 \$76,279 for the Rochester metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$32,050; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$32,050 and \$51,280; middle-income borrowers have incomes 80-119% of median income, or between \$51,280 and \$76,279.

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 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 11.2% of the high-cost refinance loans but only 3.7% of the prime refinance loans. Latinos received 3.2% of the high-cost loans originated but a smaller 2.2% of the prime loans originated. In contrast, whites received 81.5% of all prime loans originated which is greater than their 76.0% share of all high-cost loans originated. African-Americans represent 10.4% of the population in the metropolitan area while Latinos represent 4.5% of the population²⁴.

Race/Ethnicity	Share of Population	Share of Prime Loans	Share of High-cost Loans
African-American	10.4%	3.7%	11.2%
Latino	4.5%	2.2%	3.2%
White	81.5%	81.5%	76.0%

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 55.6%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 49.8%, or about one out of every two, refinances made to moderate-income homeowners and 47.9% or close to one of two loans to middle-income homeowners. In contrast, only 39.9%, or 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	448	249	55.6%
Moderate-Income	1074	535	49.8%
Middle-Income	1190	570	47.9%
Upper-Income	1274	508	39.9%

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

High-cost loans made up a significant proportion of the home purchase loans made to minorities. In 2006, 53.7%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 40.7%, or more than one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 21.2%, or about 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	475	255	53.7%,	2.5
Latino	270	110	40.7%	1.9
White	5965	1266	21.2%,	
ALL	7295	1806	24.8%	

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.5 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.9 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 47.2% of the home purchase loans received by upper-income African-Americans and 40.0% of the home purchase loans received by upper-income Latinos, compared to only 16.9% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.8 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.

²⁵ 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	26.3%	46.7%	63.1%	1.8	2.4
Moderate Income	21.6%	36.3%	47.7%	1.7	2.2
Middle Income	20.7%	37.3%	53.1%	1.8	2.6
Upper Income	16.9%	40.0%	47.2%	2.4	2.8

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 1.8 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.2 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.7 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.4 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.8 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 14.1% of all high-cost home purchase loans but only 4.0% of the prime home purchase loans. Latinos were issued 6.1% of all high-cost loans originated and 2.9% of the prime loans originated. In contrast, whites received 85.6% of the prime loans originated which is greater than their 70.1% share of the high-cost loans originated. African-Americans represent 10.4% of the population in the metropolitan area while Latinos represent 4.5% 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	10.4%	4.0%	14.1%
Latino	4.5%	2.9%	6.1%
White	81.5%	85.6%	70.1%

Methodology

The data for the Rochester metropolitan area includes Livingston, Monroe, Ontario, Orleans, and Wayne 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 as well as recommendations.