



Akron 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 38.6%, was a high-cost loan. When buying a home, borrowers of all races have a very high incidence of receiving a high-cost home purchase loan. More than one in three home purchase loans in the metropolitan area, or 35.5%, 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 Akron 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. 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, 63.0% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 28.6%, or more than one out of four, home refinance loans made to Latinos were high-cost loans. In contrast, only 37.1%, or more than one out of three, 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 | 454 | 286 | 63.0% | 1.7 |
| Latino | 49 | 14 | 28.6% | 0.8 |
| White | 4145 | 1537 | 37.1% | |
| ALL ² | 5190 | 2004 | 38.6% | |

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

Racial disparities persisted even among homeowners of the same income level.³ 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 1.5 times more likely to receive a high-cost loan than upper-income whites.

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

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

Low-income African-Americans were 1.7 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 | 48.2% | -- | 81.3% | -- | 1.7 |
| Moderate Income | 40.5% | 12.5% | 71.7% | 0.3 | 1.8 |
| Middle Income | 36.9% | 20.0% | 52.3% | 0.5 | 1.4 |
| Upper Income | 33.2% | 50.0% | 52.2% | 1.5 | 1.6 |

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 \$72,947 for the Akron metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$30,650; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$30,650 and \$49,040; middle-income borrowers have incomes 80-119% of median income, or between \$49,040 and \$72,947.

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.

African-Americans received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 14.3% of the high-cost refinance loans but only 5.3% of the prime refinance loans. In contrast, whites received 81.9% of all prime loans originated which is greater than their 76.7% share of all high-cost loans originated. African-Americans represent 10.9% of the population in the metropolitan area while Latinos represent 0.8% of the population⁴.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 10.9% | 5.3% | 14.3% |
| Latino | 0.8% | 1.1% | 0.7% |
| White | 85.4% | 81.9% | 76.7% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 52.6%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 44.5%, or almost one out of every two, refinances made to moderate-income homeowners and 36.9% or more than one of three loans to middle-income homeowners. In contrast, only 33.3%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

| | # Refinance Loans | # High-Cost Loans | % High-cost |
|-----------------|-------------------|-------------------|-------------|
| Low-Income | 578 | 304 | 52.6% |
| Moderate-Income | 1217 | 541 | 44.5% |
| Middle-Income | 1399 | 516 | 36.9% |
| Upper-Income | 1724 | 574 | 33.3% |

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.

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, 79.6%, or more than two out of three, home purchase loans received by African-Americans were high-cost loans and 42.1%, or almost one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 29.4%, or almost 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 | 465 | 370 | 79.6% | 2.7 |
| Latino | 38 | 16 | 42.1% | 1.4 |
| White | 3492 | 1028 | 29.4% | |
| ALL | 4263 | 1514 | 35.5% | |

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.7 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.4 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loan were issued to 81.1% of the home purchase loans received by upper-income African-Americans and 66.7% of the home purchase loans received by upper-income Latinos, compared to only 28.4% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.9 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 2.3 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 | 44.9% | 50.0% | 86.7% | 1.1 | 1.9 |
| Moderate Income | 32.2% | 50.0% | 88.4% | 1.6 | 2.7 |
| Middle Income | 28.6% | 45.5% | 77.3% | 1.6 | 2.7 |
| Upper Income | 28.4% | 66.7% | 81.1% | 2.3 | 2.9 |

Middle-income African-Americans were 2.7 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.6 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.7 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.6 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.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 24.4% of all high-cost home purchase loans but only 3.5% of the prime home purchase loans. Latinos were issued 1.1% of all high-cost loans originated and 0.8% of the prime loans originated. In contrast, whites received 89.6% of the prime loans originated which is greater than their 67.9% share of the high-cost loans originated. African-Americans represent 10.9% of the population in the metropolitan area while Latinos represent 0.8% of the population.

| Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006 | | | |
|--|---------------------|----------------------|--------------------------|
| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
| African-American | 10.9% | 3.5% | 24.4% |
| Latino | 0.8% | 0.8% | 1.1% |
| White | 85.4% | 89.6% | 67.9% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 53.3% of the loans received by low-income homebuyers were high-cost loans, or about more than one out of two loans. 41% of the loans received by moderate-income

homebuyers, and 34.5% loans to middle-income homeowners were high-cost loans. In comparison, only 24.8% of loans made to upper-income homebuyers were high-cost loans.

| High-cost Lender Share of Home Purchase Loans by Borrower Income Level 2006 | | | |
|--|-----------------|-----------|-------------|
| | High-cost Loans | All Loans | % High-cost |
| Low Income | 266 | 499 | 53.3% |
| Moderate Income | 435 | 1074 | 41% |
| Middle Income | 347 | 1007 | 34.5% |
| Upper Income | 375 | 1512 | 24.8% |

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

Methodology

The data for the Akron metropolitan area includes Portage, Summit 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.



Canton-Massillon 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 40.6%, 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. Almost one in three home purchase loans in the metropolitan area, or 30.9%, 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 Canton-Massillon 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, 65.2% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 50.0%, or one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 38.8%, or more than 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 | 158 | 103 | 65.2% | 1.7 |
| Latino | 22 | 11 | 50.0% | 1.3 |
| White | 2704 | 1048 | 38.8% | |
| ALL ⁷ | 3186 | 1295 | 40.6% | |

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 1.3 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 1.5 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.3 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 1.7 times more likely to receive a high-cost refinance loan than moderate-income whites, while moderate-income Latinos were 1.2 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.

| High-cost Loans as a Percentage of Refinance Loans By Borrower Race and Ethnicity Among Income Levels 2006 | | | | | |
|---|-------|--------|------------------|-----------------------------|------------------|
| Borrower Income Level | White | Latino | African-American | Disparity Compared to White | |
| | | | | Latino | African-American |
| Low Income | 49.5% | 42.9% | 81.1% | 0.9 | 1.6 |
| Moderate Income | 42.7% | 50.0% | 71.7% | 1.2 | 1.7 |
| Middle Income | 39.2% | 60.0% | 52.6% | 1.5 | 1.3 |
| Upper Income | 33.3% | 50.0% | 55.2% | 1.5 | 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 \$65,331 for the Canton-Massillon metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$27,450; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$27,450 and \$43,920; middle-income borrowers have incomes 80-119% of median income, or between \$43,920 and \$65,331.

Middle-income Latinos were more likely to receive a high-cost loan than low-income whites.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 8.0% of the high-cost refinance loans but only 2.9% of the prime refinance loans. Latinos received 0.8% of the high-cost loans originated but a smaller 0.6% of the prime loans originated. In contrast, whites received 87.6% of all prime loans originated which is greater than their 80.9% share of all high-cost loans originated. African-Americans represent 6.7% of the population in the metropolitan area while Latinos represent 0.9% of the population⁹.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 6.7% | 2.9% | 8.0% |
| Latino | 0.9% | 0.6% | 0.8% |
| White | 90.8% | 87.6% | 80.9% |

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 45.0%, or almost one out of every two, refinances made to moderate-income homeowners and 40.5% or more than one out of three loans to middle-income homeowners. In contrast, only 34.2%, 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 | 387 | 209 | 54.0% |
| Moderate-Income | 706 | 318 | 45.0% |
| Middle-Income | 894 | 362 | 40.5% |
| Upper-Income | 1044 | 357 | 34.2% |

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. 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, 72.3%, or more than two out of three, home purchase loans received by African-Americans were high-cost loans and 40.0%, or more than one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 30.9%, or almost 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 | 101 | 73 | 72.3% | 2.3 |
| Latino | 20 | 8 | 40.0% | 1.3 |
| White | 2280 | 704 | 30.9% | |
| ALL | 2280 | 704 | 30.9% | |

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 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 loan were issued to 66.7% of the home purchase loans received by upper-income African-Americans compared to only 27.6% 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.

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 | 43.2% | 25.0% | 77.8% | 0.6 | 1.8 |
| Moderate Income | 35.2% | 50.0% | 75.0% | 1.4 | 2.1 |
| Middle Income | 30.3% | 100.0% | 66.7% | 3.3 | 2.2 |
| Upper Income | 27.6% | -- | 66.7% | -- | 2.4 |

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 3.3 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 1.4 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. 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 10.4% of all high-cost home purchase loans but only 1.8% of the prime home purchase loans. Latinos were issued 1.1% of all high-cost loans originated and 0.8% of the prime loans originated. In contrast, whites received 98.2% of the prime loans originated which is greater than their 88.5% share of the high-cost loans originated. African-Americans represent 6.7% of the population in the metropolitan area while Latinos represent 0.9% 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 | 6.7% | 1.8% | 10.4% |
| Latino | 0.9% | 0.8% | 1.1% |
| White | 90.8% | 98.2% | 88.5% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 46.8% of the loans received by low-income homebuyers were high-cost loans, or about one out of two loans. 38% of the loans received by moderate-income homebuyers,

and 32.6% loans to middle-income homeowners were high-cost loans. In comparison, only 23.1% 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 | 145 | 310 | 46.8% |
| Moderate Income | 270 | 717 | 38% |
| Middle Income | 219 | 672 | 32.6% |
| Upper Income | 179 | 775 | 23.1% |

In comparative terms, low-income homebuyers were 2 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 Canton-Massillon metropolitan area includes Carroll, Stark 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.



Cincinnati-Middletown Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, one in three loans, or 37.5%, was a high-cost loan. When buying a home, borrowers of all races have a high incidence of receiving a high-cost home purchase loan. One in four home purchase loans in the metropolitan area, or 26.7%, 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 point above the comparable rate on U.S. Treasury Securities. During 2006 many of these loans are also exploding ARMs which are likely to lead to foreclosures.

In this summary of lending in the Cincinnati-Middletown 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, 56.3% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 53.3%, or one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 35.6%, or about 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 | 1330 | 749 | 56.3% | 1.6 |
| Latino | 135 | 72 | 53.3% | 1.5 |
| White | 11558 | 4120 | 35.6% | |
| ALL ¹² | 14498 | 5432 | 37.5% | |

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 1.5 times more likely to receive a high cost loan than whites.

Racial disparities persisted even among homeowners of the same income level.¹³ In 2006, upper-income African-American homeowners were 1.9 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.5 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.3 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 1.4 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 1.6 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 | 46.7% | 75.0% | 67.5% | 1.6 | 1.4 |
| Moderate Income | 41.0% | 56.8% | 58.9% | 1.4 | 1.4 |
| Middle Income | 39.5% | 61.0% | 52.3% | 1.5 | 1.3 |
| Upper Income | 28.3% | 41.3% | 54.5% | 1.5 | 1.9 |

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 \$76,874 for the Cincinnati-Middletown metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$32,300; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$32,300 and \$51,680; middle-income borrowers have incomes 80-119% of median income, or between \$51,680 and \$76,874.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 13.8% of the high-cost refinance loans but only 6.4% of the prime refinance loans. Latinos received 1.3% of the high-cost loans originated but a smaller 0.7% of the prime loans originated. In contrast, whites received 82.0% of all prime loans originated which is greater than their 75.8% share of all high-cost loans originated. African-Americans represent 11.4% of the population in the metropolitan area while Latinos represent 1.2% of the population¹⁴.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 11.4% | 6.4% | 13.8% |
| Latino | 1.2% | 0.7% | 1.3% |
| White | 85.0% | 82.0% | 75.8% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 50.4%, or one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 43.8%, or close to one out of every two, refinances made to moderate-income homeowners and 40.6% or four out of ten loans to middle-income homeowners. In contrast, only 29.4%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

| | # Refinance Loans | # High-Cost Loans | % High-cost |
|-----------------|-------------------|-------------------|-------------|
| Low-Income | 1379 | 695 | 50.4% |
| Moderate-Income | 3183 | 1393 | 43.8% |
| Middle-Income | 4069 | 1654 | 40.6% |
| Upper-Income | 5248 | 1542 | 29.4% |

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

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 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, 58.7%, or one out of two, home purchase loans received by African-Americans were high-cost loans and 37.7%, or one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 23.2%, 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 | 1069 | 627 | 58.7%, | 2.5 |
| Latino | 231 | 87 | 37.7% | 1.6 |
| White | 10255 | 2381 | 23.2%, | |
| ALL | 12853 | 3428 | 26.7% | |

Minority homebuyers were much more likely than white homebuyers to receive 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 1.6 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 56.2% of the home purchase loans received by upper-income African-Americans and 35.0% of the home purchase loans received by upper-income Latinos, compared to only 18.5% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 3.0 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.

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 | 37.5% | 51.7% | 74.7% | 1.4 | 2.0 |
| Moderate Income | 28.2% | 48.2% | 60.9% | 1.7 | 2.2 |
| Middle Income | 21.7% | 39.7% | 58.5% | 1.8 | 2.7 |
| Upper Income | 18.5% | 35.0% | 56.2% | 1.9 | 3.0 |

Middle-income African-Americans were 2.7 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 2.0 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.4 times more likely to be issued a high-cost home purchase loan than low-income whites.

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

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

African-Americans were issued 18.3% of all high-cost home purchase loans but only 4.7% of the prime home purchase loans. Latinos were issued 2.5% of all high-cost loans originated and 1.5% of the prime loans originated. In contrast, whites received 83.5% of the prime loans originated which is greater than their 69.5% share of the high-cost loans originated. African-Americans represent 11.4% of the population in the metropolitan area while Latinos represent 1.2% of the population.

| Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006 | | | |
|---|---------------------|----------------------|--------------------------|
| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
| African-American | 11.4% | 4.7% | 18.3% |
| Latino | 1.2% | 1.5% | 2.5% |
| White | 85.0% | 83.5% | 69.5% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 43.5% 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 25.6% loans to middle-income homeowners were high-cost loans. In comparison, only 17.7% 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 | 545 | 1252 | 43.5% |
| Moderate Income | 1065 | 3241 | 33% |
| Middle Income | 866 | 3379 | 25.6% |
| Upper Income | 820 | 4635 | 17.7% |

In comparative terms, low-income homebuyers were 2.5 times more likely than upper-income borrowers to receive a high-cost loan to purchase their home. Moderate-income homebuyers were 1.9 times more likely to receive a high-cost loan than upper-income homebuyers.

Methodology

The data for the Cincinnati-Middletown metropolitan area includes Brown, Butler, Clermont, Hamilton, and Warren Counties in OH, and Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in KY, and Dearborn, Franklin, and Ohio Counties in IN 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.



Cleveland-Elyria-Mentor 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, almost one in two loans, or 41.4%, was a high-cost loan. When buying a home, borrowers of all races have a extremely high incidence of receiving a high-cost home purchase loan. Almost one in two home purchase loans in the metropolitan area, or 42.2%, 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 Cleveland-Elyria-Mentor 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, 66.6% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 54.8%, or more than one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 36.5%, or more 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 | 2084 | 1387 | 66.6% | 1.8 |
| Latino | 290 | 159 | 54.8% | 1.5 |
| White | 9207 | 3365 | 36.5% | |
| ALL ¹⁷ | 12913 | 5349 | 41.4% | |

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

Racial disparities persisted even among homeowners of the same income level.¹⁸ In 2006, upper-income African-American homeowners were 2.1 times more likely than upper-income white homeowners to receive a high-cost refinance loan. Upper-income Latinos were 1.2 times more likely to receive a high-cost loan than upper-income whites.

Middle-income African-Americans were 1.8 times more likely than middle-income whites to receive a high-cost refinance loan, while middle-income Latinos were 1.6 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 1.5 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.4 times more likely to receive a high-cost refinance loan than low-income whites, while low-income Latinos were 1.2 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 | 48.4% | 57.7% | 66.8% | 1.2 | 1.4 |
| Moderate Income | 42.3% | 63.3% | 70.0% | 1.5 | 1.7 |
| Middle Income | 37.3% | 61.2% | 65.4% | 1.6 | 1.8 |

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 \$73,066 for the Cleveland-Elyria-Mentor metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$30,700; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$30,700 and \$49,120; middle-income borrowers have incomes 80-119% of median income, or between \$49,120 and \$73,066.

| | | | | | |
|--------------|-------|-------|-------|-----|-----|
| Upper Income | 31.6% | 38.0% | 66.7% | 1.2 | 2.1 |
|--------------|-------|-------|-------|-----|-----|

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

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

African-Americans received 25.9% of the high-cost refinance loans but only 9.2% of the prime refinance loans. Latinos received 3.0% of the high-cost loans originated but a smaller 1.7% of the prime loans originated. In contrast, whites received 77.2% of all prime loans originated which is greater than their 62.9% share of all high-cost loans originated. African-Americans represent 19.1% of the population in the metropolitan area while Latinos represent 3.4% of the population¹⁹.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 19.1% | 9.2% | 25.9% |
| Latino | 3.4% | 1.7% | 3.0% |
| White | 74.6% | 77.2% | 62.9% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers.

In 2006, 53.0%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 48.6%, or almost one out of every two, refinances made to moderate-income homeowners and 42.1% or almost one out of two loans to middle-income homeowners. In contrast, only 34.6%, 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 | 1219 | 646 | 53.0% |
| Moderate-Income | 2933 | 1425 | 48.6% |
| Middle-Income | 3625 | 1526 | 42.1% |
| Upper-Income | 4516 | 1561 | 34.6% |

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 1.4 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. 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, 83.3%, or more than three out of four, home purchase loans received by African-Americans were high-cost loans and 55.3%, or more than one out of two, home purchase loans received by Latinos were high-cost loans. In contrast, only 27.8%, or more 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 | 2787 | 2321 | 83.3%, | 3.0 |
| Latino | 311 | 172 | 55.3% | 2.0 |
| White | 7434 | 2063 | 27.8%, | |
| ALL | 11480 | 4849 | 42.2% | |

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 3.0 times as likely to receive a high-cost home purchase loan than whites while Latinos were 2 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 83.3% of the home purchase loans received by upper-income African-Americans and 45.8% of the home purchase loans received by upper-income Latinos, compared to only 28.2% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 3.0 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 1.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

²⁰ Includes 1st lien conventional home purchase loans made to owner-occupied households and does not include loans made by manufactured lenders 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 | 44.2% | 61.2% | 86.5% | 1.4 | 2.0 |
| Moderate Income | 34.5% | 60.7% | 85.9% | 1.8 | 2.5 |
| Middle Income | 29.4% | 52.6% | 83.8% | 1.8 | 2.9 |
| Upper Income | 28.2% | 45.8% | 83.3% | 1.6 | 3.0 |

Middle-income African-Americans were 2.9 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 2.5 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.8 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.0 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.4 times more likely to be issued a high-cost home purchase loan than low-income whites.

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

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

African-Americans were issued 47.9% of all high-cost home purchase loans but only 7.0% of the prime home purchase loans. Latinos were issued 3.5% of all high-cost loans originated and 2.1% of the prime loans originated. In contrast, whites received 81.0% of the prime loans originated which is greater than their 42.5% share of the high-cost loans originated. African-Americans represent 19.1% of the population in the metropolitan area while Latinos represent 3.4% 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 | 19.1% | 7.0% | 47.9% |
| Latino | 3.4% | 2.1% | 3.5% |
| White | 74.6% | 81.0% | 42.5% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 63.0% of the loans received by low-income homebuyers were high-

cost loans, or more than one out of two loans. 54% of the loans received by moderate-income homebuyers, and 43.8% loans to middle-income homeowners were high-cost loans. In comparison, only 27.2% 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 | 642 | 1019 | 63.0% |
| Moderate Income | 1671 | 3121 | 54% |
| Middle Income | 1268 | 2895 | 43.8% |
| Upper Income | 1068 | 3923 | 27.2% |

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

Methodology

The data for the Cleveland-Elyria-Mentor metropolitan area includes Cuyahoga, Geauga, Lake, Lorain, Medina 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.



Columbus Metropolitan Area

Homeowners of all races in the metropolitan area have a very high incidence of receiving a high-cost loan when refinancing. Out of all refinance loans made in the metropolitan area, more than one in three loans, or 37.6%, 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 26.8%, were high-cost loans.

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

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



High-cost Refinance 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, 60.3% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 39.5%, or more than one out of three, home refinance loans made to Latinos were high-cost loans. In contrast, only 35.2%, or more than one out of three, home refinance loans made to whites were high-cost loans.

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

| REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006 | | | | |
|---|-------------------|-------------------|-------------|--------------------|
| Race/Ethnicity | # Refinance Loans | # High Cost Loans | % High Cost | Disparity to White |
| African-American | 1440 | 868 | 60.3% | 1.7 |
| Latino | 157 | 62 | 39.5% | 1.1 |
| White | 9611 | 3384 | 35.2% | |
| ALL ²² | 12607 | 4741 | 37.6% | |

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.

Racial disparities persisted even among homeowners of the same income level.²³ 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.

Middle-income African-Americans were 1.6 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 1.5 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 1.5 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 | 47.8% | 71.4% | 69.9% | 1.5 | 1.5 |
| Moderate Income | 42.1% | 48.4% | 62.1% | 1.1 | 1.5 |
| Middle Income | 37.9% | 54.1% | 61.7% | 1.4 | 1.6 |
| Upper Income | 28.7% | 27.1% | 57.0% | 0.9 | 2.0 |

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 \$76,636 for the Columbus metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$32,200; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$32,200 and \$51,520; middle-income borrowers have incomes 80-119% of median income, or between \$51,520 and \$76,636.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 18.3% of the high-cost refinance loans but only 7.3% of the prime refinance loans. Latinos received 1.3% of the high-cost loans originated and 1.2% of the prime loans originated. In contrast, whites received 79.2% of all prime loans originated which is greater than their 71.4% share of all high-cost loans originated. African-Americans represent 12.8% of the population in the metropolitan area while Latinos represent 1.8% of the population²⁴.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 12.8% | 7.3% | 18.3% |
| Latino | 1.8% | 1.2% | 1.3% |
| White | 81.1% | 79.2% | 71.4% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 51.8%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 44.6%, or almost one out of every two, refinances made to moderate-income homeowners and 40.1% or more than one of three loans to middle-income homeowners. In contrast, only 30.4%, or almost one out of every three, refinances to upper-income homeowners were high-cost loans.

| | # Refinance Loans | # High-Cost Loans | % High-cost |
|-----------------|-------------------|-------------------|-------------|
| Low-Income | 1235 | 640 | 51.8% |
| Moderate-Income | 2716 | 1212 | 44.6% |
| Middle-Income | 3399 | 1362 | 40.1% |
| Upper-Income | 4538 | 1381 | 30.4% |

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

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



High-cost Home Purchase Loans²⁵

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

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan.
3. The racial disparity persisted even among borrowers of the same income level.
4. 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, 57.8%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 33.0%, or one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 22.4%, or almost 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 | 1249 | 722 | 57.8%, | 2.6 |
| Latino | 291 | 96 | 33.0% | 1.5 |
| White | 8871 | 1988 | 22.4%, | |
| ALL | 11677 | 3133 | 26.8% | |

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.6 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.5 times as likely to receive a high-cost loan.

The racial disparity persists even among borrowers of the same income level. High-cost loan were issued to 57.1% of the home purchase loans received by upper-income African-Americans and 30.8% of the home purchase loans received by upper-income Latinos, compared to only 21.8% of the home purchase loans to upper-income whites.

In comparative terms, upper-income African-Americans were 2.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home. Upper-income Latinos were 1.4 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 | 35.9% | 37.5% | 62.7% | 1.0 | 1.7 |
| Moderate Income | 27.5% | 42.7% | 60.1% | 1.6 | 2.2 |
| Middle Income | 22.3% | 29.7% | 56.8% | 1.3 | 2.5 |
| Upper Income | 21.8% | 30.8% | 57.1% | 1.4 | 2.6 |

Middle-income African-Americans were 2.5 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.3 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 1.6 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.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 23.0% of all high-cost home purchase loans but only 6.2% of the prime home purchase loans. Latinos were issued 3.1% of all high-cost loans originated and 2.3% of the prime loans originated. In contrast, whites received 80.6% of the prime loans originated which is greater than their 63.5% share of the high-cost loans originated. African-Americans represent 12.8% of the population in the metropolitan area while Latinos represent 1.8% of the population.

| Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006 | | | |
|--|---------------------|----------------------|--------------------------|
| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
| African-American | 12.8% | 6.2% | 23.0% |
| Latino | 1.8% | 2.3% | 3.1% |
| White | 81.1% | 80.6% | 63.5% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 40.8% of the loans received by low-income homebuyers were high-cost loans, or more than one out of three loans. 33% of the loans received by moderate-income

homebuyers, and 27.6% loans to middle-income homeowners were high-cost loans. In comparison, only 19.4% 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 | 415 | 1017 | 40.8% |
| Moderate Income | 905 | 2756 | 33% |
| Middle Income | 823 | 2986 | 27.6% |
| Upper Income | 860 | 4444 | 19.4% |

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

Methodology

The data for the Columbus metropolitan area includes Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, Union 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.



Dayton 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 38.8%, was a high-cost loan. When buying a home, borrowers of all races have a high incidence of receiving a high-cost home purchase loan. More than one in four home purchase loans in the metropolitan area, or 26.7%, 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 Dayton area, we examine data for the area concerning refinance loans, including the disparities in the issuance of high-cost loans by race and income, and the data concerning purchase loans including the disparities in the issuance of high-cost loans by race and income.



High-cost Refinance Loans²⁶

For refinance loans, our findings show that in 2006:

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

High-cost loans made up a significant proportion of the home refinance loans made to minorities. In 2006, 64.3% or more than one out of two, home refinance loans made to African-Americans were high-cost loans and, 43.8%, or almost one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 35.7%, or more than one out of three, home refinance loans made to whites were high-cost loans.

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

| REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006 | | | | |
|---|-------------------|-------------------|-------------|--------------------|
| Race/Ethnicity | # Refinance Loans | # High Cost Loans | % High Cost | Disparity to White |
| African-American | 847 | 545 | 64.3% | 1.8 |
| Latino | 64 | 28 | 43.8% | 1.2 |
| White | 4510 | 1608 | 35.7% | |
| ALL ²⁷ | 6162 | 2392 | 38.8% | |

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.²⁸ 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 1.3 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.

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 1.7 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 1.6 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 | 46.1% | 75.0% | 73.0% | 1.6 | 1.6 |
| Moderate Income | 39.0% | 66.7% | 66.2% | 1.7 | 1.7 |
| Middle Income | 34.9% | 30.8% | 65.1% | 0.9 | 1.9 |
| Upper Income | 32.3% | 40.5% | 59.8% | 1.3 | 1.9 |

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

²⁸ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$71,162 for the Dayton metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$29,900; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$29,900 and \$47,840; middle-income borrowers have incomes 80-119% of median income, or between \$47,840 and \$71,162.

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.

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 22.8% of the high-cost refinance loans but only 8.0% of the prime refinance loans. Latinos received 1.2% of the high-cost loans originated but a smaller 1.0% of the prime loans originated. In contrast, whites received 77.0% of all prime loans originated which is greater than their 67.2% share of all high-cost loans originated. African-Americans represent 14.4% of the population in the metropolitan area while Latinos represent 1.2% of the population²⁹.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 14.4% | 8.0% | 22.8% |
| Latino | 1.2% | 1.0% | 1.2% |
| White | 81.5% | 77.0% | 67.2% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 51.1%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 43.9%, or almost one out of every two, refinances made to moderate-income homeowners and 38.1% or more than one of three loans to middle-income homeowners. In contrast, only 33.6%, or one out of every three, refinances to upper-income homeowners were high-cost loans.

| | # Refinance Loans | # High-Cost Loans | % High-cost |
|-----------------|-------------------|-------------------|-------------|
| Low-Income | 610 | 312 | 51.1% |
| Moderate-Income | 1411 | 620 | 43.9% |
| Middle-Income | 1618 | 617 | 38.1% |
| Upper-Income | 2170 | 730 | 33.6% |

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.

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



High-cost Home Purchase Loans³⁰

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

1. High-cost loans made up a significant proportion of the home purchase loans made to minorities.
2. Minority homebuyers were much more likely than white homebuyers to receive 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, 62.8%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 30.1%, or almost one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 21.7%, or almost 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 | 766 | 481 | 62.8% | 2.9 |
| Latino | 83 | 25 | 30.1% | 1.4 |
| White | 5018 | 1090 | 21.7% | |
| ALL | 6595 | 1760 | 26.7% | |

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 2.9 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.4 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 53.1% of the home purchase loans received by upper-income African-Americans and 35.7% of the home purchase loans received by upper-income Latinos, compared to only 22.4% 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 1.6 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

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



| High-cost Loans as a Percentage of All Home Purchase Loans by Borrower Race and Ethnicity Among Income Levels 2006 | | | | | |
|---|-------|--------|----------------------|-----------------------------|----------------------|
| | White | Latino | African- American | Disparity Compared to White | |
| | | | | Latino | African- American |
| Low Income | 33.5% | 66.7% | 78.3% | 2.0 | 2.3 |
| Moderate Income | 23.5% | 31.6% | 61.1% | 1.3 | 2.6 |
| Middle Income | 20.5% | 38.1% | 58.5% | 1.9 | 2.9 |
| Upper Income | 22.4% | 35.7% | 53.1% | 1.6 | 2.4 |

Middle-income African-Americans were 2.9 times more likely than middle-income whites to be issued a high-cost home purchase loan, while middle-income Latinos were 1.9 times more likely to be issued a high-cost purchase loan than middle-income whites.

Moderate-income African-Americans were 2.6 times more likely to be issued a high-cost home purchase loan than moderate-income whites, while moderate-income Latinos were 1.3 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 2.3 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 2.0 times more likely to be issued a high-cost home purchase loan than low-income whites.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 27.3% of all high-cost home purchase loans but only 5.9% of the prime home purchase loans. Latinos were issued 1.4% of all high-cost loans originated and 1.2% of the prime loans originated. In contrast, whites received 81.2% of the prime loans originated which is greater than their 61.9% share of the high-cost loans originated. African-Americans represent 14.4% of the population in the metropolitan area while Latinos represent 1.2% of the population.

| Distribution of High-cost Home Purchase Loans by Borrower Race and Ethnicity 2006 | | | |
|--|---------------------|----------------------|--------------------------|
| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
| African-American | 14.4% | 5.9% | 27.3% |
| Latino | 1.2% | 1.2% | 1.4% |
| White | 81.5% | 81.2% | 61.9% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 42.9% of the loans received by low-income homebuyers were high-cost loans, or about one out of two loans. 29% of the loans received by moderate-income homebuyers,

and 25.2% loans to middle-income homeowners were high-cost loans. In comparison, only 19.6% 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 | 300 | 699 | 42.9% |
| Moderate Income | 476 | 1640 | 29% |
| Middle Income | 448 | 1778 | 25.2% |
| Upper Income | 434 | 2214 | 19.6% |

In comparative terms, low-income homebuyers were 2.2 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 Dayton metropolitan area includes Greene, Miami, Montgomery, Preble 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.



Mansfield 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 an extremely high incidence of receiving a high-cost home purchase loan. Almost one in two home purchase loans in the metropolitan area, or 43.1%, 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 Mansfield 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 Loans³¹

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. 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, 43.4% or almost one out of two, 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. In contrast, only 45.5%, or almost one out of two, home refinance loans made to whites were high-cost loans.

| REFINANCE LOANS BY BORROWER RACE AND ETHNICITY 2006 | | | | |
|---|-------------------|-------------------|-------------|--------------------|
| Race/Ethnicity | # Refinance Loans | # High Cost Loans | % High Cost | Disparity to White |
| African-American | 53 | 23 | 43.4% | 1.0 |
| Latino | 6 | 2 | 33.3% | 0.7 |
| White | 574 | 261 | 45.5% | |
| ALL ³² | 690 | 307 | 44.5% | |

³¹ Includes conventional 1st lien refinances and does not include government-backed refinance loans.

³² The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 57.1%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 46.0%, or almost one out of every two, refinances made to moderate-income homeowners and 48.9% or almost one of two loans to middle-income homeowners. In contrast, only 37.4%, or more than 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 | 84 | 48 | 57.1% |
| Moderate-Income | 163 | 75 | 46.0% |
| Middle-Income | 182 | 89 | 48.9% |
| Upper-Income | 230 | 86 | 37.4% |

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



High-cost Home Purchase Loans³³

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, 57.1%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 69.6%, or over two out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 40.6%, or less than one out of two, home purchase loans received by whites were high-cost loans.

³³ 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.

| Home Purchase Loans By Borrower Race and Ethnicity 2006 | | | | |
|---|-----------------------|-------------------|-------------|--------------------|
| Race/Ethnicity | # Home Purchase Loans | # High Cost Loans | % High Cost | Disparity to White |
| African-American | 35 | 20 | 57.1%, | 1.4 |
| Latino | 23 | 16 | 69.6% | 1.7 |
| White | 534 | 217 | 40.6%, | |
| ALL | 613 | 264 | 43.1% | |

Minority homebuyers were much more likely than white homebuyers to receive a high-cost loan. African-American homebuyers were 1.4 times as likely to receive a high-cost home purchase loan than whites while Latinos were 1.7 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 50.0% of the home purchase loans received by upper-income African-Americans compared to only 19.7% 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.

| 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 | 50.8% | --- | 80.0% | --- | 1.6 |
| Moderate Income | 43.2% | --- | 62.5% | --- | 1.4 |
| Middle Income | 26.5% | 14.3% | 42.9% | 0.5 | 1.6 |
| Upper Income | 19.7% | --- | 50.0% | --- | 2.5 |

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 1.4 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans were issued 7.6% of all high-cost home purchase loans but only 4.3% of the prime home purchase loans. Latinos were issued 6.1% of all high-cost loans originated and 2.0% of the prime loans originated. In contrast, whites received 90.8% of the prime loans originated which is

greater than their 82.2% share of the high-cost loans originated. African-Americans represent 9.4% of the population in the metropolitan area while Latinos represent 0.9% of the population.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 9.4% | 4.3% | 7.6% |
| Latino | 0.9% | 2.0% | 6.1% |
| White | 88.2% | 90.8% | 82.2% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 55.8% of the loans received by low-income homebuyers were high-cost loans, or more than one out of two loans. 44% of the loans received by moderate-income homebuyers, and 28.2% loans to middle-income homeowners were high-cost loans. In comparison, only 36.7% of loans made to upper-income homebuyers were high-cost loans.

| | High-cost Loans | All Loans | % High-cost |
|-----------------|-----------------|-----------|-------------|
| Low Income | 43 | 77 | 55.8% |
| Moderate Income | 63 | 142 | 44% |
| Middle Income | 44 | 156 | 28.2% |
| Upper Income | 69 | 188 | 36.7% |

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.

Methodology

The data for the Mansfield metropolitan area includes Richland county.

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.



Toledo 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, almost one in two loans, or 48.3%, 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 Toledo 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 Loans³⁴

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, 70.0% or almost three out of four, home refinance loans made to African-Americans were high-cost loans and, 58.7%, or more than one out of two, home refinance loans made to Latinos were high-cost loans. In contrast, only 46.3%, or almost one out of two, home refinance loans made to whites were high-cost loans.

³⁴ 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 | 337 | 236 | 70.0% | 1.5 |
| Latino | 92 | 54 | 58.7% | 1.3 |
| White | 2804 | 1297 | 46.3% | |
| ALL ³⁵ | 3560 | 1719 | 48.3% | |

Minority homeowners were more likely than white homeowners to receive a high-cost loan when refinancing. In relative terms, African-Americans were 1.5 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.³⁶ In 2006, upper-income African-American homeowners were 1.4 times more likely than upper-income white homeowners to receive a high-cost refinance loan.

Middle-income African-Americans were 1.3 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 1.6 times more likely to receive a high-cost refinance loan than moderate-income whites.

Low-income African-Americans were 1.5 times more likely to receive a high-cost refinance loan than low-income whites, while low-income Latinos were 1.5 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 | 55.1% | 84.6% | 84.4% | 1.5 | 1.5 |
| Moderate Income | 51.1% | 58.6% | 80.5% | 1.1 | 1.6 |
| Middle Income | 49.9% | 70.4% | 64.1% | 1.4 | 1.3 |
| Upper Income | 39.7% | 31.8% | 57.1% | 0.8 | 1.4 |

³⁵ The category ALL loans includes borrowers from other racial/ethnic groups as well as borrowers who did not self-declare their race.

³⁶ Upper-income is defined as borrowers with incomes 120% or greater than the area median income or greater than \$70,091 for the Toledo metropolitan area. Low-income borrowers have incomes below 50% of the median income, or less than \$29,450; moderate-income borrowers have incomes between 50% and 79% of median income, or between \$29,450 and \$47,120; middle-income borrowers have incomes 80-119% of median income, or between \$47,120 and \$70,091.

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

Minorities received a greater proportion of high-cost loans than they received of prime loans. African-Americans received 13.7% of the high-cost refinance loans but only 5.5% of the prime refinance loans. Latinos received 3.1% of the high-cost loans originated but a smaller 2.1% of the prime loans originated. In contrast, whites received 81.9% of all prime loans originated which is greater than their 75.5% share of all high-cost loans originated. African-Americans represent 11.9% of the population in the metropolitan area while Latinos represent 4.3% of the population³⁷.

| Race/Ethnicity | Share of Population | Share of Prime Loans | Share of High-cost Loans |
|------------------|---------------------|----------------------|--------------------------|
| African-American | 11.9% | 5.5% | 13.7% |
| Latino | 4.3% | 2.1% | 3.1% |
| White | 81.1% | 81.9% | 75.5% |

Lower-income homeowners of all races were more likely to receive a high-cost loan than upper-income borrowers. In 2006, 62.4%, or more than one out of two, refinance loans made to low-income homeowners were high-cost loans, as were 54.8%, or more than one out of every two, refinances made to moderate-income homeowners and 50.3% or one of two loans to middle-income homeowners. In contrast, only 40.0%, 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 | 394 | 246 | 62.4% |
| Moderate-Income | 810 | 444 | 54.8% |
| Middle-Income | 981 | 493 | 50.3% |
| Upper-Income | 1257 | 503 | 40.0% |

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

³⁷ 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 Loans³⁸

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, 67.5%, or more than one out of two, home purchase loans received by African-Americans were high-cost loans and 40.0%, or more than one out of three, home purchase loans received by Latinos were high-cost loans. In contrast, only 29.8%, or almost 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 | 231 | 156 | 67.5% | 2.3 |
| Latino | 80 | 32 | 40.0% | 1.3 |
| White | 2187 | 651 | 29.8% | |
| ALL | 2689 | 912 | 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 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 loan were issued to 68.4% 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 34.2% 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. Upper-income Latinos were 1.3 times more likely than upper-income whites to be issued a high-cost loan when purchasing a home.

³⁸ 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 | 41.7% | 56.3% | 65.6% | 1.4 | 1.6 |
| Moderate Income | 35.1% | 33.3% | 68.8% | 0.9 | 2.0 |
| Middle Income | 31.8% | 56.3% | 65.2% | 1.8 | 2.1 |
| Upper Income | 34.2% | 44.4% | 68.4% | 1.3 | 2.0 |

Middle-income African-Americans were 2.1 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 2.0 times more likely to be issued a high-cost home purchase loan than moderate-income whites.

Low-income African-Americans were 1.6 times more likely to be issued a high-cost home purchase loan than low-income whites, while low-income Latinos were 1.4 times more likely to be issued a high-cost home purchase loan than low-income whites.

Minority homebuyers with higher incomes were more likely to receive a high-cost loan than white homebuyers with lower incomes. Upper-income and middle-income African-Americans homebuyers were more likely to receive a high-cost loan than low-income whites. 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 17.1% of all high-cost home purchase loans but only 4.2% of the prime home purchase loans. Latinos were issued 3.5% of all high-cost loans originated and 2.7% of the prime loans originated. In contrast, whites received 86.4% of the prime loans originated which is greater than their 71.4% share of the high-cost loans originated. African-Americans represent 11.9% of the population in the metropolitan area while Latinos represent 4.3% 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 | 11.9% | 4.2% | 17.1% |
| Latino | 4.3% | 2.7% | 3.5% |
| White | 81.1% | 86.4% | 71.4% |

Lower income homeowners of all races are more likely to receive a high-cost loan than upper-income homebuyers. In 2006, 46.4% of the loans received by low-income homebuyers were high-cost loans, or about one out of two loans. 40% of the loans received by moderate-income homebuyers,

and 35.5% loans to middle-income homeowners were high-cost loans. In comparison, only 23.9% 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 | 280 | 46.4% |
| Moderate Income | 268 | 667 | 40% |
| Middle Income | 232 | 654 | 35.5% |
| Upper Income | 242 | 1014 | 23.9% |

In comparative terms, low-income homebuyers were 1.9 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 Toledo metropolitan area includes Fulton, Lucas, Ottawa, Wood 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.