Paying More for the American Dream:

A Multi-State Analysis of Higher Cost Home Purchase Lending

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A Joint Report By:

California Reinvestment Coalition

Community Reinvestment Association of North Carolina

Empire Justice Center

Massachusetts Affordable Housing Alliance

Neighborhood Economic Development Advocacy Project

Woodstock Institute

Acknowledgments

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crc

California Reinvestment Coalition advocates for the right of low-income communities and communities of color to have fair and equal access to banking and other financial services. CRC has a membership of more than 240 nonprofit organizations and public agencies across the State.

CRA-NC

Community Reinvestment Association of North Carolina is a nonprofit, nonpartisan research and advocacy organization whose mission is to promote and protect community wealth. We advocate for change in the lending practices of financial institutions to promote wealth building for underserved communities and to end predatory lending practices that strip wealth.

Empire Justice Center

Empire Justice Center is a statewide non-profit law firm that works to protect and strengthen the legal rights of people in New York State who are poor, disabled or disenfranchised through: systems change advocacy, training and support to other advocates and organizations, and high quality direct civil legal representation.

MASSACHUSETTS AFFORDABLE HOUSING ALLIANCE

Massachusetts Affordable Housing Alliance's mission is to organize for increases in public and private sector investment in affordable housing and to break down the barriers facing minority and low to moderate income first time homebuyers as they seek affordable and sustainable homeownership opportunities. Our campaigns have resulted in more than $3.3 billion of public and private sector investment in affordable housing in Massachusetts since 1985. Our grassroots Homebuyers Union organizing, in both urban and suburban communities, has been effective in engaging banks, insurance companies, and elected officials around the issues of affordable homeownership and responsible mortgage lending.

NEDAP

Neighborhood Economic Development Advocacy Project (NEDAP) is a resource and advocacy center that works with community groups to promote financial justice in New York City's low income communities and communities of color. NEDAP's mission is to promote community economic justice, and to eliminate discriminatory economic practices that harm communities and perpetuate inequality and poverty.

Woodstock Institute

Woodstock Institute is a 33-year old Chicago-based policy and advocacy nonprofit that works locally, nationally, and internationally to promote community reinvestment and economic development in lower-income and minority communities. The Institute engages in applied research, policy analysis, technical assistance, coalition building, public education, program design, and evaluation and works with community organizations, financial institutions, foundations, government agencies including regulatory bodies, the media, and others to promote its goals.

Executive Summary

An analysis of 2005 federal mortgage lending data shows that African American and Latino borrowers remain much more likely to pay more for their home purchase loans than white borrowers.

This report examines the cost of borrowing in six metropolitan areas in the United States. These areas include large urban areas - New York City, Los Angeles, Chicago, and Boston, - as well as the smaller urban areas of Charlotte, NC and Rochester, NY. This study confirms that large disparities remain in the pricing of home purchase loans.

- In these six metropolitan areas, **African American borrowers were 3.8 times more likely** to receive a higher-cost home purchase loan than were white borrowers.

- In the same six metro areas, **Latino borrowers were 3.6 times more likely** than white borrowers to receive a higher-cost home purchase loan.

The study focuses on lending by Citigroup, Countrywide, GMAC, HSBC, JP Morgan Chase, Washington Mutual, and Wells Fargo. These lenders were analyzed because they are among the biggest financial institutions in the nation, and all originated a substantial volume of both higher-cost subprime and lower-cost prime loans.

- For these seven lenders, the percentage of total home purchase loans to African Americans that were higher-cost was 6 times greater than the percentage of higher cost home purchase loans to whites in the same cities, and for the same lenders in the six cities (41.1 percent vs. 6.9 percent).

- The percentage of total home purchase loans to Latinos that were higher-cost was 4.8 times greater than the percentage of higher cost home purchase loans to whites (32.8 percent vs. 6.9 percent).

- In each of the cities examined, the seven lenders combined showed larger African American/white and Latino/white disparities than those exhibited for the overall lending market.

- The worst disparity for any individual lending group was observed in Chicago, where African American borrowers were 14 times more likely to receive a higher-cost home purchase loan from Wells Fargo than were white borrowers (35.3 percent vs. 2.5 percent).[1]

The report also offers a case study of one lender – Washington Mutual (WaMu), to highlight the significant role that different lending channels play in home loan pricing. WaMu's higher-cost subprime lender, Long Beach Mortgage Company, was WaMu's main lender to African American and Latino borrowers in the six survey cities.

- Regardless of race, 90 percent of Long Beach borrowers received higher-cost home purchase loans.

- Long Beach Mortgage accounted for 75.9 percent of all WaMu home purchase loans to African Americans, and 64.7 percent of all WaMu home purchase loans to Latinos.

- In contrast, WaMu's lower-cost prime lender, Washington Mutual Bank, accounted for more than 80 percent of all WaMu home purchase loans to whites.

[1] Larger disparities were observed for lenders in other cities, but were omitted because of low loan volumes.

- Less than 1 percent of the loans originated by Washington Mutual Bank were higher-cost loans.

Which lending channel a borrower enters – prime or subprime – has a large impact on the price she will pay for her home loan.

New York City was especially hard hit by these seven lenders. African American borrowers were more than 12 times as likely to receive a higher-cost home purchase loan as were their white counterparts. Latino borrowers in New York were almost eight times more likely than white borrowers to receive a higher-cost home purchase loan.

The report concludes with recommendations for the federal banking regulators, Wall Street, legislators, lenders, and the Federal Reserve to implement in order to end unfair and discriminatory lending.

Paying More for the American Dream: A Multi-State Analysis of Higher Cost Home Purchase Lending

Introduction

Minority communities, fair lending advocates, and policy makers have for years been concerned about discrimination in lending and unequal access to credit. In the past, the concern was whether all borrowers were able to obtain loans, and analysis focused on the fact that loan applicants of color were more likely to be denied home loans. Today, with credit more widely available, the concern is whether certain groups pay more for their loans. Considerable research has demonstrated that African American and Latino borrowers and neighborhoods are much more likely to receive higher-cost mortgages than white borrowers and neighborhoods. The findings of this report confirm and extend the results of this previous research.

This report demonstrates that African American and Latino borrowers are paying more than their white counterparts for home purchase loans in six geographic areas: Boston, Charlotte, Chicago, Los Angeles, New York, and Rochester. This review of federal lending data shows dramatic disparities. For example, in New York, African American borrowers were five times more likely to receive higher-cost home purchase loans than were white borrowers.

Homeownership remains the best path to building financial assets and attaining wealth for most Americans. With assets, families can more easily pay for a child's education, start a small business, prepare for retirement, or help to build wealth and a brighter future for their children and grandchildren.

Yet this vision is frustrated when borrowers are forced to pay too much for their home loans. Borrowers who obtain a home loan at an unnecessarily high interest rate will pay hundreds of dollars more each month in mortgage payments, making them more vulnerable to short term economic distress that may result from job loss or medical problems. In consequence, borrowers of color run higher risks of foreclosure, and will accumulate equity in their homes much more slowly than white borrowers. While for some minority borrowers with tarnished credit histories, higher-priced home loans provide the only access to the mortgage market and to homeownership, many other borrowers of color will be paying far more for their mortgages than their credit histories justify.

The skyrocketing levels of foreclosures in urban areas, and minority communities in particular, have been tied to the growth of concentrated subprime lending in these areas.[1] Concentrated foreclosures have a devastating impact on cities and neighborhoods. They affect local property values, serve as a magnet for crime, and hurt a city's property tax base.[2]

While many institutions specialize in lending to either prime or subprime markets, there is an important set of large lenders that are active in both markets. These lenders utilize diverse lending channels such as branch, broker and correspondent networks that allow them to reach a wide variety of geographic

[1] Immergluck, Dan and Geoff Smith. March 2004. "Risky Business: An Econometric Analysis of the Relationship Between Subprime Lending and Foreclosures." Woodstock Institute: Chicago, IL

[2] For discussions of the external impacts of foreclosures see Immergluck, Dan and Geoff Smith. June 2005. *There Goes the Neighborhood: The Effect of Single-Family Mortgage Foreclosures on Property Values*. Woodstock Institute: Chicago, IL; Immergluck, Dan and Geoff Smith. November 2006. "The Impact of Single Family Foreclosures on Neighborhood Crime." *Housing Studies* (21:6); and Apgar, William, Mark Duda, and Rochelle Nawrocki Gorey. February 2005. *The Municipal Costs of Foreclosures: A Chicago Case Study*. Foreclosure Prevention Foundation: Minneapolis, MN

markets. Their size also gives them the capacity to offer an array of products that may be appropriate for customers with different levels of credit quality.

This report examines the lending patterns of seven large mortgage lenders that operate substantial prime and subprime lending businesses: Citigroup, Countrywide, GMAC, HSBC, JP Morgan Chase, Washington Mutual, and Wells Fargo. Data from National Mortgage News indicate that all seven of the lenders analyzed are among the top 10 national home loan originators, and that five of the seven (all but Citigroup and JP Morgan Chase) are among the top 10 national subprime originators.[4]

The report focuses on these institutions' lending activities in six metropolitan areas. These areas include large urban areas - New York City, Los Angeles, Chicago, and Boston - as well as the smaller urban areas of Charlotte, North Carolina, and Rochester, New York. The areas examined represent communities in which the authors of this report and their organizations work.

This report's analysis focuses on conventional, first lien home purchase loans to owner occupied, site build single-family homes. This type of loan provides most American families with their first opportunity to accumulate assets and build wealth.[5]

The analysis reveals that African American and Latino borrowers are more likely to pay more for their home loans than white borrowers in each metropolitan area examined and for each lender examined.

The rest of the report is organized as follows. The first section looks at the overall racial and ethnic disparities in higher-cost lending for the six metropolitan areas. The second section focuses on the disparities found for each lender group in each metropolitan area. The third section presents a case study of Washington Mutual, looking at a specific lender group to illustrate concerns about an institution's propensity to fund loans to minority borrowers through its higher-cost subprime channel. The fourth section provides further analysis and discussion. Finally, the report offers conclusions and recommendations.

I. Higher-Cost Lending in Six Metropolitan Areas

Table 1 provides summary information on differences in higher-cost lending levels by race/ethnicity for all lenders active in each of the metropolitan areas examined. It shows that the percentage of home purchase loans that were higher-cost ranges from a high of 34.7 in Los Angeles to a low of 15.7 percent in Rochester. Chicago had the highest share of higher-cost loans to African American borrowers at 64.2 percent. Boston had the highest share of higher-cost loans to Latino borrowers at 54.5 percent.

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[4] "Top Originators in Q3 06" and "Top Subprime Originators in Q3 06." Database Products Group, *National Mortgage News*, as found at: http://www.nationalmortgagenews.com/mortgagestats/demos/qdr/ on 2/8/07.

[5] For a full description of the methodology used in this report, see the Appendix.

Table 1. Comparison of Disparities in Higher-Cost Home Purchase Lending by Metropolitan Area, 2005

MSA	Total Loans	Higher Cost Share: All	White	African American	Latino	AA/W Ratio	L/W Ratio
Boston	59,456	18.3%	12.5%	54.6%	**54.5%**	4.4	**4.4**
Charlotte	48,373	16.2%	11.1%	31.8%	25.7%	2.9	2.3
Chicago	157,880	26.9%	15.3%	**64.2%**	48.7%	4.2	3.2
Los Angeles	112,918	**34.7%**	**15.8%**	53.7%	52.4%	3.4	3.3
New York	58,831	20.2%	9.4%	47.7%	35.8%	**5.1**	3.8
Rochester	10,675	15.7%	13.7%	44.4%	28.5%	3.2	2.1

In all markets, African American and Latino borrowers received higher-cost loans at a much greater rate than white borrowers. Ratios comparing the percent of home purchase loans that were higher-cost to African American borrowers versus white borrowers show that New York had the highest level of disparity with African American borrowers being over five times more likely to receive higher-cost home purchase loans than white borrowers. Charlotte had the lowest level of African American/white disparity among the areas examined, but African American borrowers were still nearly three times more likely to get higher-cost loans than white borrowers. In Boston, Latino borrowers were 4.4 times more likely to receive higher-cost home purchase loans than white borrowers. Rochester had the lowest disparity ratio between Latino and white borrowers, but Latinos were still over twice as likely to receive higher-cost home purchase loans as white borrowers.

II. Lender Results in Six Metropolitan Areas

Tables 2 and 3 examine specific lender group performance in each metropolitan area analyzed, and Chart 1 illustrates the weighted average African American/white and Latino/white disparity ratios for all the metro areas combined. Wells Fargo had the highest weighted African American/white disparity ratio when combining lending in all metro areas.[6] For all areas analyzed, Wells Fargo's African American home purchase loan borrowers were ten times more likely to get a higher-cost home loan than whites. Wells saw very high African American/white disparity ratios in several survey cities, including Chicago (14.3), Los Angeles (11.2), New York (9.1), and Boston (9.1).

HSBC exhibited the largest weighted Latino/white disparity ratio, with HSBC being nearly four times as likely to originate higher-cost home purchase loans to Latino borrowers as to white borrowers in all six cities combined. HSBC's Latino borrowers in New York were twelve times as likely as HSBC's white borrowers to have a higher-cost home purchase loan. JP Morgan Chase had the largest Latino/white disparity ratio in any one city, with Chase's Latino borrowers in Los Angeles over fourteen times as likely to receive higher-cost home purchase loans as white borrowers.

[6] The weighted average combines the lending of all six metro areas, and will reflect the lending patterns of the larger cities more than those of the smaller geographies.

Table 2. African American/White Home Purchase Lending Disparity Ratios by Lender Group and Metropolitan Area, 2005

Lender Group	Boston	Charlotte	Chicago	Los Angeles	New York	Rochester	Weighted Average
Citigroup	0.0	5.0	4.2	7.9	5.6	1.8	5.0
Countrywide	3.1	2.9	5.6	5.9	5.3	3.3	4.9
GMAC	3.2	3.4	8.8	2.8	**17.2**	**6.3**	5.8
HSBC	3.1	**5.6**	1.6	2.1	8.8	3.4	3.0
JP Morgan Chase	3.7	2.2	4.0	5.7	5.7	4.7	3.5
Washington Mutual	4.4	1.3	3.3	5.9	9.8	1.0	4.0
Wells Fargo	**9.1**	5.4	**14.3**	**11.2**	9.1	4.5	**10.0**
Seven Lenders Combined	5.7	4.9	5.7	6.8	12.5	3.3	6.0
All Lenders	4.4	2.9	4.2	3.4	5.1	3.2	3.8

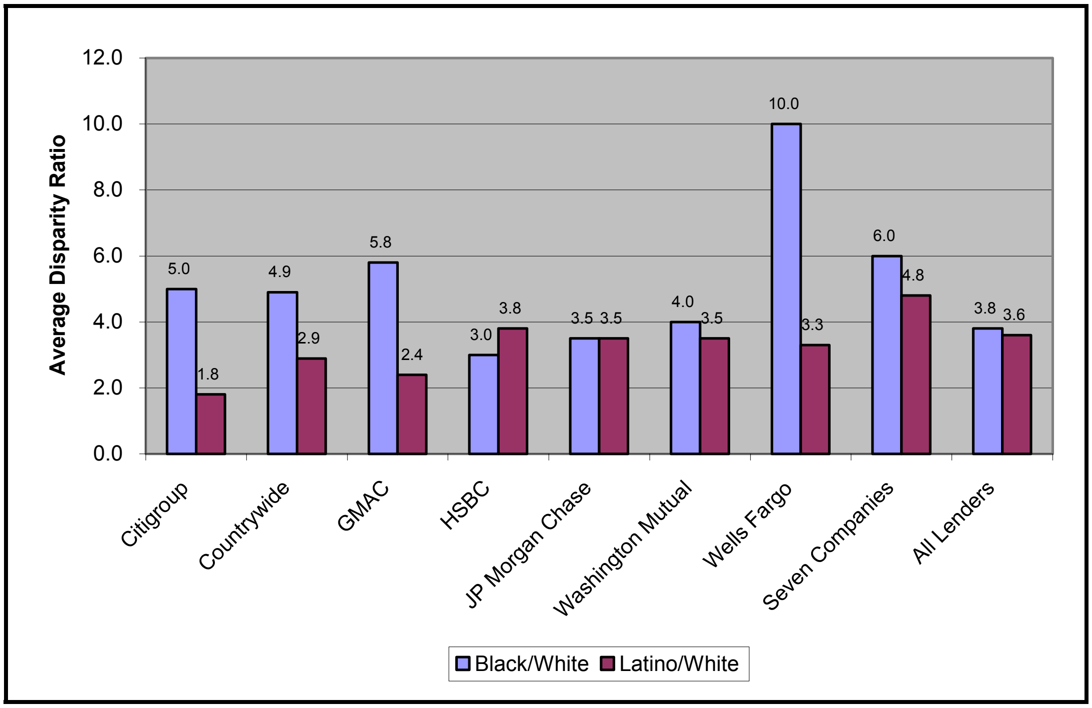
Table 3. Latino/White Home Purchase Lending Disparity Ratios by Lender Group and Metropolitan Area, 2005

Lender Group	Boston	Charlotte	Chicago	Los Angeles	New York	Rochester	Weighted Average
Citigroup	0.0	0.0	2.0	2.9	2.4	3.2	1.8
Countrywide	1.5	1.7	2.5	5.7	1.9	1.9	2.9
GMAC	1.2	4.5	4.2	1.8	**13.8**	**6.3**	2.4
HSBC	3.1	0.0	1.5	2.1	12.2	2.0	**3.8**
JP Morgan Chase	**7.7**	**5.0**	2.3	**14.2**	3.0	2.3	3.5
Washington Mutual	4.7	1.3	2.9	5.5	8.7	2.0	3.5
Wells Fargo	3.7	2.4	**5.2**	7.9	5.3	2.4	3.3
Seven Lenders Combined	5.0	3.1	4.1	6.9	7.8	2.6	4.8
All Lenders	4.4	2.3	3.2	3.3	3.8	2.1	3.6

Combining home purchase loans by all lender groups in each metro area, New York saw the largest African American/white disparities, with African American New Yorkers over 12 times as likely to get a higher-cost home purchase loan from the seven lender groups analyzed than whites. Similarly, New York's Latino borrowers were most likely to be stuck with higher-cost home purchase loans from the seven lender groups analyzed, with Latinos there nearly eight times as likely to get higher-cost home loans as whites.

Importantly, in each metropolitan area, the seven lenders combined showed larger African American/white and Latino/white disparities than those exhibited for the lending market as a whole.

Chart 1. Comparison of Weighted Average African American/White and Latino/White Disparity Ratios in all Metropolitan Areas, 2005



III. A Case Study: Washington Mutual

These findings raise concerns that the largest lenders that offer both prime and subprime products are not adequately serving the prime lending needs of minority households. The use of different lending channels, whereby a corporation offers prime credit under one name in some locations, and offers higher-cost subprime credit under a different name in other locations, enables the corporation to target minority neighborhoods with higher-cost subprime loan products. This can be, and is done both through networks of branch offices and through networks of mortgage brokers.

The Federal Reserve has noted that much of the disparity in loan pricing by race and ethnicity can be explained by the fact that borrowers of color are more likely to obtain their loans from higher-cost subprime lenders.[7] This suggests that which door a borrower enters--prime or subprime--has a large impact on the price that the borrower will pay. This report illustrates this pattern with a case study of one corporation which has distinct prime and subprime lending channels: Washington Mutual, Inc.

Washington Mutual is a large bank holding company with over $350 billion in assets. It operates bank and thrift affiliates that specialize in prime lending and also owns Long Beach Mortgage Company, one of the nation's largest subprime lenders. As of the third quarter of 2006, Washington Mutual was the third ranked mortgage originator in the country and the ninth ranked subprime originator in the country.[8] The holding company lends through distinct prime and subprime channels. In almost all of the markets

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[7]Avery, Robert B., and Canner, Glenn B. Summer 2005. "New Information Higher-Cost Loans Under HMDA and Its Application in Fair Lending Enforcement." *Federal Reserve Bulletin*.

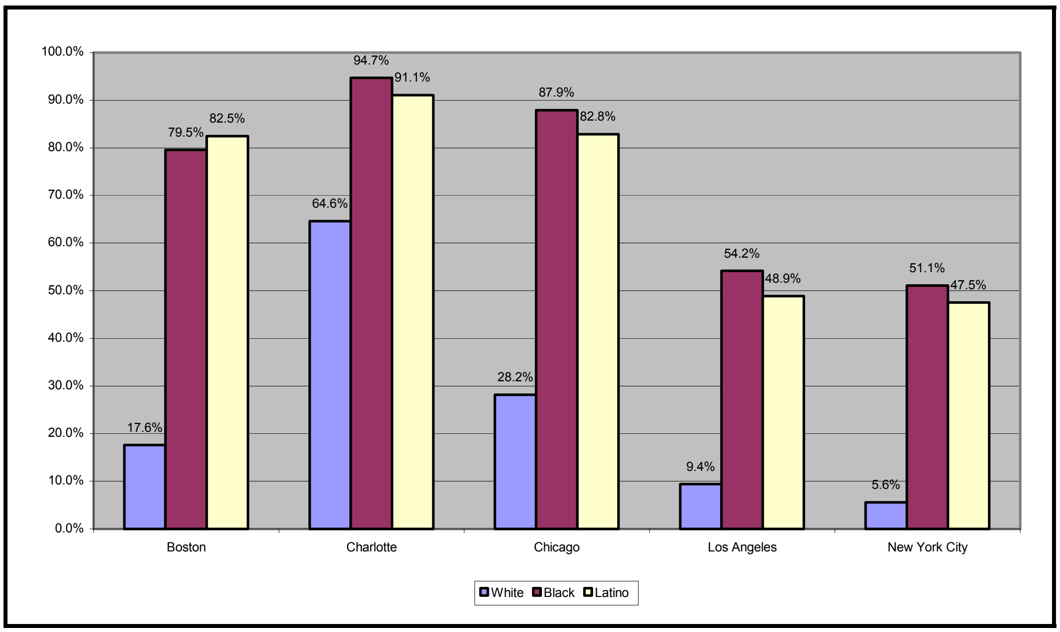
[8]Source National Mortgage News

analyzed in this report, over 90 percent of the home purchase loans originated by Long Beach Mortgage were higher-cost. In contrast, less than one percent of the mortgages originated by Washington Mutual Bank were higher-cost.

Lending patterns within Washington Mutual indicate that the lending of higher-cost subprime Long Beach Mortgage is heavily targeted to minority borrowers. Chart 2 illustrates this in five of the metropolitan areas analyzed. Rochester was omitted from this analysis as Washington Mutual originated only 22 loans there.

In Charlotte, 95 percent of the Washington Mutual loans to African American borrowers and 91 percent of the loans to Latino borrowers were through Long Beach Mortgage Company compared to 65 percent for white borrowers. In Boston, Charlotte, and Chicago, 80 percent or more of the Washington Mutual home purchase loans to African American or Latino borrowers were through Long Beach. In New York City, less than six percent of Washington Mutual home purchase loans to whites were through Long Beach compared to over 51 percent for African American borrowers and over 47 percent for Latino borrowers. Similar patterns were seen in Los Angeles.[9]

Chart 2. Percent of Washington Mutual Home Purchase Loans Originated by Long Beach Mortgage by Race/Ethnicity and Metropolitan Area, 2005



In each city, African American and Latino borrowers utilized Long Beach Mortgage far more frequently than did white borrowers. These patterns raise questions about the lending channels used by Washington Mutual to reach African American and Latino borrowers and how well Washington Mutual serves the prime lending needs of these borrowers.

[9] Appendix 3 includes maps from illustrating the disparate lending patterns of Long Beach Mortgage and Washington Mutual Bank in New York City.

IV. Discussion

There has been considerable debate as to why the pricing disparities described above persist. A Federal Reserve analysis of HMDA data found that despite controlling for publicly available borrower and lender related factors that may affect pricing, a substantial, unexplained gap remained between levels of higher-cost lending to African American and Latino borrowers and white borrowers.[10] This gulf has often been attributed to differences in credit history, loan documentation, and overall wealth between race and ethnic groups.

Yet evidence suggests that weak borrower credit profiles do not fully explain why some borrowers get stuck with higher-cost home loans. The Government Sponsored Enterprises, Fannie Mae and Freddie Mac, have estimated that many subprime borrowers could have qualified for lower-cost prime loans. Recent public enforcement actions by state Attorneys General have alleged that certain large national subprime lenders were inappropriately charging borrowers more than their credit profiles warranted. Additionally, research by consumer groups have used private credit scoring data to show that loan pricing disparities remain even after controlling for differences in credit scores.[11] Finally, consumer advocates continue to request that credit score information be made publicly available, while industry groups continue to vehemently resist such disclosure. The lack of such public data makes it impossible to verify industry claims that the large disparities in levels subprime lending by race found in this and other reports are not discriminatory.

The absence of substantial competition from prime lending institutions in many minority markets is a contributing factor to the relative dearth of low-cost credit in these communities. Many communities with concentrations of higher-cost loans have few bank branches. In addition, many households in these communities have not historically had positive experiences working with regulated, depository financial institutions. This dynamic leaves a vacuum for credit that is often filled by relatively unregulated mortgage brokers. Limited regulatory oversight of the broker industry has led to continued concerns that borrowers are often steered into more expensive and less appropriate mortgage products than that for which they otherwise might qualify.

Further, many of the corporations that offer both prime and subprime loans do not offer effective "refer up" mechanisms that give borrowers with good credit profiles the opportunity to get a lower-cost prime loan, even if they are working with the company's subprime affiliate. A recent agreement between the State of New York and Countrywide Financial Corp. requires Countrywide to provide increased disclosures on certain products and closely monitor pricing decisions. The agreement was triggered by an analysis of 2004 HMDA data by the New York Attorney General's office which indicated that African American and Latino borrowers paid more for loans than white borrowers.[12]

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[10]See for example Avery, Robert et al. al. September 2006. "Higher-Priced Home Lending and the 2005 HMDA Data." *Federal Reserve Bulletin*.

[11]See, Treskon, Mark, Kornil, Milena, Silver, Josh. November 2003. "Broken Credit System: Discrimination and Unequal Access to Affordable Loans by Race and Age." National Community Reinvestment Coalition; Bocian, Debbie; Ernst, Keith; Li, Wei. May 2006. "Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages," Center for Responsible Lending.

[12]Berry, Kate. December 6, 2006. "Countrywide-Spitzer Deal a Disclosure Precedent?" *American Banker*.

V. Conclusions and Recommendations

The mortgage market is not operating efficiently or fairly if some borrowers are charged more than they should be, as when lenders and brokers sell higher-priced subprime loans to borrowers who actually qualify for lower-cost prime loans. This dynamic is particularly offensive and egregious if such overcharging has a disproportionate effect on people and neighborhoods of color. It is more problematic still when a corporation that charges borrowers of color more than they deserve to pay, is a corporation that also offers lower-cost prime loans.

The above analysis reveals that many of the largest lenders with both prime and subprime lending operations have substantial disparities between their levels of higher-cost lending to African American and Latino borrowers and white borrowers. Such patterns indicate a dual lending market in which lenders heavily push their higher-cost subprime products to minority markets while excluding those markets from access to lower cost prime mortgage products. This is illustrated through the example of Washington Mutual, a major lender that operates distinct prime and subprime lending channels, yet sees the vast majority of its loans to African American and Latino borrowers come through its subprime unit.

Based on the preceding findings and analysis, we offer the following recommendations in order to combat discriminatory lending and unequal access to fairly priced credit:

Regulators - Rigorously examine large bank holding companies for fair lending violations around mortgage pricing. For holding companies that operate lending affiliates regulated by different federal and state agencies, conduct coordinated exams that consider the affiliate product mix, marketing efforts, delivery channels, and pricing decisions of all lending entities. To date, a state regulator, New York Attorney General Eliot Spitzer, has taken the only public enforcement action against a mortgage lender based on HMDA disparities, despite the Federal Reserve Board having identified hundreds of lenders whose data show large differences between the prices paid by racial and ethnic groups and whites.

Securities Industry - Develop screens that filter out predatory loans - including loans where borrowers of color are steered to higher-cost loan products or otherwise overcharged - from pools of mortgages that are purchased on the secondary market and sold to investors. Wall Street firms and investors buy the mortgage-backed securities and collateralized debt obligations that free up subprime lenders to make more loans. If Wall Street will buy it, subprime lenders will sell it. Currently, there are insufficient due diligence procedures and other safeguards in place to ensure that Wall Street is only purchasing fairly priced loans. Wall Street firms should turn off the spigot of overpriced credit.

Legislators - Promote and enforce anti-steering legislation that prohibits lenders from putting borrowers into higher-cost products when they qualify for lower cost alternatives. Protect borrowers from yield spread premiums that reward brokers for acting against the interest of borrowers by charging them higher rates than that for which they qualify.

Lenders - Make the same array of prime and subprime products available to all borrowers regardless of the delivery channel or lending affiliate the borrower first comes in contact with. Utilize diverse delivery mechanisms to ensure that borrowers in communities isolated from mainstream financial institutions have access to prime mortgage products.

Federal Reserve Board - Increase the transparency in mortgage pricing by providing additional data fields in the HMDA data. These fields should include information on whether or not a loan was originated through a broker; borrower credit score; age of borrower; term of mortgage; whether the rate is fixed or adjustable; whether a loan is non-traditional (i.e., option ARM, interest-only, hybrid ARM); level of income documentation; debt to income ratios; and loan to value ratios.

APPENDIX

Part I: Notes on Data and Definitions

HMDA Data: The primary data source for this report is the Home Mortgage Disclosure Act Loan Application Register data (HMDA data), as collected, processed, and released each year by the federal government. (For more information, visit: www.ffiec.gov/hmda). Among the HMDA data provided for each loan are: the identity of the lending institution; whether the loan is government-backed (by the VA or FHA) or "conventional" (not government-backed); whether or not the home is owner-occupied; whether the home is a site-built home or a manufactured home; the census tract, county, and metropolitan area in which the property is located; the race and ethnicity of the borrower; the purpose of the loan (home-purchase, refinancing of existing mortgage, or home improvement); the lien status of the loan (first lien or junior lien); and pricing information for loans with annual percentage rates above threshold levels (see below). The FFIEC makes raw HMDA Loan Application Register data available on CD-ROM.

Loans Included: This report examines only a particular portion of all loans included in HMDA data – those that are (1) for a home purchase (rather than for refinancing an existing mortgage); (2) conventional (rather than government-backed); (3) first-lien; (4) for a home that will be occupied by the borrower; and (5) for a site-built home.

Higher-Cost Loans: The specific focus of this report is on investigating what share of all loans by particular lenders and to particular groups of borrowers are higher-cost loans. Beginning with 2004 data, lenders are now required to compare the annual percentage rate (APR) on each loan made to the current interest rate on U.S. Treasury securities of the same maturity. If the difference ("spread") between the loan's APR and the interest rate on the Treasury securities is three percentage points or more (for a first-lien loan), then the spread for that loan must be reported in the lender's HMDA data. In this report, loans for which the spreads are reported are referred to as "higher-cost loans." Many people use the terms "subprime loans" and "higher-cost" loans interchangeably, although there are many subprime loans (subprime because their interest rates and/or fees are greater than those of prime loans) with APRs that are below the HMDA-reporting threshold used to identify "higher-cost" loans. In the tables in this Appendix, the acronym "HALs" is used as shorthand for "high-APR loans."

Race/Ethnicity: Beginning with 2004, HMDA data classify each borrower and co-borrower by both ethnicity (Latino or Not Latino) and race (the possible races are now: American Indian or Alaska Native, Asian, African American, Native Hawaiian or Other Pacific Islander, and White) and each person can choose as many races as he or she wishes (up to all five). This report classifies borrowers on the basis of the ethnicity and first race of the borrower – that is, information about second or additional races of the borrower is ignored, as is all information about the co-borrower, if any. This report uses three racial/ethnic categories: "Latino" includes all applicants with Latino ethnicity, regardless of race; "African American" is shorthand for non-Latino African American; and "white" is shorthand for non-Latino white. For the U.S. census and for HMDA data, the terms "Latino" and "Hispanic" are equivalent, as are the terms "African American" and "African American."

Lenders: For this report, we chose seven large lending companies that made substantial volumes of both prime and subprime loans in 2005. Each of these companies had a corporate "family" of at least two separate lenders that reported their own HMDA data. The body of the report includes only data at the corporate level – that is, the loans by all of the members each corporate lending family are combined. The tables in this Appendix provide information on each individual lender within each of the seven lending families. Table A-1, for all six cities combined, includes data for every individual lender that made one or more loans in any of the six cities covered in the report. Table A-2, with separate panels for each individual city, includes only individual lenders that accounted for at least 10 percent of the lending family's loans in that city and that made at least 25 loans in the city.

Cities: Metropolitan areas can be, and are, defined in many different ways for many different purposes. Each of the six groups that participated in preparing this report defined its own metropolitan area in the way that it has found to be most useful for its own work. The footnotes to Table A-2 provide information on the precise definitions of each city or metropolitan area included in this report.

Part II: Detailed Tables

Table A-1
Racial/Ethnic Disparities in High-APR Home-Purchase Lending: SIX CITIES COMBINED
Detailed Information for Individual Lenders in Seven Lender Families
Conventional First-Lien Loans for Owner-Occupied Site-Built Homes Only

	All Borrowers		Black		Latino		White		Disparity Ratios	
Lenders & Lender Families	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**B/W**	**L/W**
CitiBank, FSB	268	0.0%	25	0.0%	26	0.0%	148	0.0%	na	na
Citibank, NA	673	0.3%	93	1.1%	73	1.4%	306	0.0%	na	na
Citibank, West	3	0.0%	0	na	1	0.0%	1	0.0%	na	na
CitiFinancial Mortgage Co.	55	30.9%	9	55.6%	6	16.7%	36	41.7%	1.33	0.40
CitiMortgage, Inc.	10,458	1.2%	630	5.6%	820	2.0%	5,795	0.9%	6.07	2.13
Citigroup, Total	**11,457**	**1.3%**	**757**	**5.4%**	**926**	**1.9%**	**6,286**	**1.1%**	**5.01**	**1.80**
Countrywide Bank	3,940	0.9%	158	1.9%	722	1.8%	1,959	0.7%	2.86	2.71
Countrywide Home Loans	35,715	16.5%	2,632	44.5%	7,734	26.8%	17,237	9.4%	4.75	2.86
Countrywide Mortgage Ventures	813	6.8%	57	14.0%	73	2.7%	388	4.1%	3.40	0.66
Countrywide, Total	**40,468**	**14.8%**	**2,847**	**41.6%**	**8,529**	**24.5%**	**19,584**	**8.4%**	**4.94**	**2.91**
GMAC Bank	3,496	2.5%	124	10.5%	188	2.1%	2,764	2.3%	4.60	0.93
GMAC Mortgage Corp.	2,774	2.1%	146	10.3%	280	2.5%	1,896	1.7%	6.09	1.48
Homecomings Financial Network	912	20.9%	101	40.6%	162	23.5%	474	15.0%	2.71	1.57
Ditech.com, Inc.	4	0.0%	0	na	0	na	0	na	na	na
GMAC, Total	**7,186**	**4.7%**	**371**	**18.6%**	**630**	**7.8%**	**5,134**	**3.2%**	**5.75**	**2.41**
HSBC Bank USA	49	0.0%	34	0.0%	14	0.0%	0	na	na	na
HSBC Mortgage Corp.	6,135	0.9%	382	3.4%	374	1.1%	3,357	1.0%	3.46	1.09
HSBC Mortgage Services	8	75.0%	1	0.0%	1	0.0%	5	100.0%	0.00	0.00
Decision One Mortgage	2,206	95.7%	436	96.8%	854	95.8%	706	94.1%	1.03	1.02
HSBC, Total	**8,398**	**25.9%**	**853**	**51.0%**	**1,243**	**66.1%**	**4,068**	**17.3%**	**2.96**	**3.83**
Chase Manhattan Bank, USA	727	52.3%	90	61.1%	267	47.9%	266	54.9%	1.11	0.87
JPMorgan Chase Bank	17,198	1.5%	836	4.7%	1,371	2.8%	8,903	1.4%	3.35	2.04
JPMorgan Chase , Total	**17,925**	**3.5%**	**926**	**10.2%**	**1,638**	**10.2%**	**9,169**	**2.9%**	**3.45**	**3.46**
Long Beach Mortgage Co.	9,049	90.8%	2,239	90.2%	3,994	91.7%	2,010	89.4%	1.01	1.03
Washington Mutual Bank	15,770	0.1%	709	0.3%	2,176	0.3%	8,518	0.1%	2.67	3.04
Washington Mutual, Total	**24,819**	**33.2%**	**2,948**	**68.6%**	**6,170**	**59.5%**	**10,528**	**17.1%**	**4.00**	**3.47**
Wells Fargo Bank	27,278	3.9%	1,426	23.6%	2,068	7.5%	18,167	2.4%	9.84	3.15
Wells Fargo Funding	1,012	0.8%	27	0.0%	52	7.7%	833	0.5%	0.00	16.02
Seven Other Wells Fargo Lenders	69	0.0%	3	na	0	na	61	0.0%	na	na
Wells Fargo, Total	**28,359**	**3.8%**	**1,456**	**23.1%**	**2,120**	**7.5%**	**19,061**	**2.3%**	**10.02**	**3.28**
Subtotal, These Seven Companies	138,612	13.4%	10,158	41.1%	21,256	32.8%	73,830	6.9%	5.96	4.75
Total, All Lenders	**448,133**	**25.4%**	**42,853**	**52.2%**	**80,039**	**48.7%**	**234,879**	**13.6%**	**3.82**	**3.57**

This table includes all individual lenders that made at least one loan in any of the six cities. Table A-2, which has panels for each individual city, shows only those individual lenders who accounted for more than 10.0% of a lending family's total loans in a city and who made at least 25 total loans in the city.

Table A-2 (page 1 of 3)
Racial/Ethnic Disparities in High-APR Home-Purchase Lending in Individual Cities
Detailed Information for Individual Lenders in Seven Lender Families
Conventional First-Lien Loans for Owner-Occupied Site-Built Homes Only

A. Boston *

	All Borrowers		Black		Latino		White		Disparity Ratios	
Lenders# & Lender Families	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**B/W**	**L/W**
CitiMortgage, Inc.	837	1.3%	13	0.0%	17	0.0%	649	1.2%	0.00	0.00
Citigroup, Total	**890**	**1.2%**	**13**	**0.0%**	**17**	**0.0%**	**689**	**1.2%**	**0.00**	**0.00**
Countrywide Home Loans	4,255	11.8%	241	30.7%	344	15.4%	2,690	10.0%	3.08	1.55
Countrywide, Total	**4,587**	**11.2%**	**257**	**28.8%**	**367**	**14.4%**	**2,935**	**9.4%**	**3.06**	**1.54**
GMAC Bank	1,014	2.4%	36	5.6%	17	0.0%	809	2.3%	2.37	0.00
GMAC Mortgage Corp.	800	1.0%	9	11.1%	29	0.0%	682	1.0%	10.83	0.00
Homecomings Financial Network	207	13.5%	7	28.6%	8	25.0%	182	13.2%	2.17	1.90
GMAC, Total	**2,025**	**3.0%**	**52**	**9.6%**	**54**	**3.7%**	**1,673**	**3.0%**	**3.22**	**1.24**
HSBC Mortgage Corp.	379	1.6%	16	12.5%	9	11.1%	285	1.1%	11.88	10.56
Decision One Mortgage	248	93.1%	64	93.8%	58	89.7%	101	93.1%	1.01	0.96
HSBC, Total	**627**	**37.8%**	**80**	**77.5%**	**67**	**79.1%**	**386**	**25.1%**	**3.08**	**3.15**
JPMorgan Chase Bank	1,065	2.1%	17	11.8%	16	0.0%	572	2.8%	4.21	0.00
JPMorgan Chase , Total	**1,121**	**4.8%**	**19**	**15.8%**	**37**	**32.4%**	**590**	**4.2%**	**3.73**	**7.65**
Long Beach Mortgage Co.	626	96.3%	105	94.3%	235	97.0%	247	96.8%	0.97	1.00
Washington Mutual Bank	1,422	0.1%	27	3.7%	50	0.0%	1,157	0.1%	42.85	0.00
Washington Mutual, Total	**2,048**	**29.5%**	**132**	**75.8%**	**285**	**80.0%**	**1,404**	**17.1%**	**4.43**	**4.68**
Wells Fargo Bank	3,773	2.8%	80	20.0%	181	8.3%	2,736	2.2%	9.12	3.78
Wells Fargo, Total	**3,805**	**2.8%**	**80**	**20.0%**	**182**	**8.2%**	**2,762**	**2.2%**	**9.06**	**3.73**
Subtotal, These Seven Companies	15,103	10.5%	633	41.1%	1,009	36.0%	10,439	7.3%	5.66	4.96
Total, All Lenders	**59,456**	**18.3%**	**3,374**	**54.6%**	**4,681**	**54.5%**	**42,114**	**12.5%**	**4.38**	**4.37**

B. Charlotte *

	All Borrowers		Black		Latino		White		Disparity Ratios	
Lenders & Lender Families	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**%HALs**	**B/W**	**L/W**
CitiFinancial Mortgage Co.	27	18.5%	4	100.0%	1	0.0%	18	27.8%	3.60	0.00
Citigroup, Total	**35**	**14.3%**	**4**	**100.0%**	**1**	**0.0%**	**25**	**20.0%**	**5.00**	**0.00**
Countrywide Home Loans	2,697	13.2%	397	27.0%	121	18.2%	1,631	9.7%	2.78	1.88
Countrywide, Total	**3,039**	**12.6%**	**440**	**25.9%**	**146**	**15.1%**	**1,816**	**8.9%**	**2.90**	**1.69**
GMAC Bank	261	4.2%	15	20.0%	9	22.2%	214	2.8%	7.13	7.93
GMAC Mortgage Corp.	427	1.2%	40	0.0%	9	11.1%	310	1.3%	0.00	8.61
Homecomings Financial Network	130	29.2%	21	38.1%	3	33.3%	90	17.8%	2.14	1.88
GMAC, Total	**818**	**6.6%**	**76**	**14.5%**	**21**	**19.0%**	**614**	**4.2%**	**3.42**	**4.50**
HSBC Mortgage Corp.	367	2.7%	23	8.7%	15	0.0%	259	1.5%	5.63	0.00
HSBC, Total	**367**	**2.7%**	**23**	**8.7%**	**15**	**0.0%**	**259**	**1.5%**	**5.63**	**0.00**
JPMorgan Chase Bank	1,029	2.0%	64	3.1%	67	7.5%	753	1.5%	2.14	5.11
JPMorgan Chase , Total	**1,074**	**3.6%**	**75**	**5.3%**	**73**	**12.3%**	**775**	**2.5%**	**2.18**	**5.03**
Long Beach Mortgage Co.	467	60.2%	252	59.1%	51	62.7%	122	66.4%	0.89	0.95
Washington Mutual Bank	124	0.0%	14	0.0%	5	0.0%	67	0.0%	na	na
Washington Mutual, Total	**591**	**47.5%**	**266**	**56.0%**	**56**	**57.1%**	**189**	**42.9%**	**1.31**	**1.33**
Wells Fargo Bank	3,233	4.7%	237	16.0%	80	7.5%	2,568	3.0%	5.28	2.47
Wells Fargo, Total	**3,477**	**4.4%**	**247**	**15.4%**	**89**	**6.7%**	**2,776**	**2.8%**	**5.41**	**2.37**
Subtotal, These Seven Companies	9,401	9.9%	1,131	28.5%	401	18.2%	6,454	5.8%	4.89	3.12
Total, All Lenders	**48,373**	**16.2%**	**8,069**	**31.8%**	**2,681**	**25.7%**	**30,241**	**11.1%**	**2.86**	**2.32**

* In this report, "Boston" is the Boston metro area consisting of Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties. This is the same area as the Massachusetts portion of the Boston Metropolitican Statistical Area defined by the federal government in 2003.
"Charlotte" is the Charlotte-Gastonia-Concord NC-SC Metropolitan Statistical Area as defined by the federal government in 2003. This area consists of five counties in NC (Anson, Cabarrus, Gaston, Mecklenburg, & Union) plus York County in SC.

Individual lenders are shown only if they made at least 25 loans and accounted at least 10% of their lending family's total loans in this city.

Table A-2 (page 2 of 3)
Racial/Ethnic Disparities in High-APR Home-Purchase Lending in Individual Cities
Detailed Information for Individual Lenders in Seven Lender Families
Conventional First-Lien Loans for Owner-Occupied Site-Built Homes Only

C. Chicago *

	All Borrowers		Black		Latino		White		Disparity Ratios	
Lenders# & Lender Families	Loans	%HALs	Loans	%HALs	Loans	%HALs	Loans	%HALs	B/W	L/W
CitiMortgage, Inc.	2,458	2.7%	242	8.7%	243	4.1%	1,457	1.8%	4.86	2.31
Citigroup, Total	**2,674**	**2.6%**	**267**	**7.9%**	**271**	**3.7%**	**1,565**	**1.9%**	**4.24**	**1.99**
Countrywide Home Loans	11,976	19.6%	1,107	60.8%	2,490	27.1%	6,589	11.5%	5.27	2.35
Countrywide, Total	**13,043**	**18.2%**	**1,140**	**59.2%**	**2,630**	**26.0%**	**7,304**	**10.6%**	**5.59**	**2.46**
GMAC Bank	1,944	2.6%	60	13.3%	99	2.0%	1,610	2.2%	6.13	0.93
GMAC Mortgage Corp.	723	3.3%	54	18.5%	63	3.2%	518	2.1%	8.72	1.49
GMAC, Total	**2,960**	**5.5%**	**160**	**26.9%**	**225**	**12.9%**	**2,235**	**3.0%**	**8.83**	**4.24**
HSBC Mortgage Corp.	404	0.7%	8	12.5%	19	0.0%	281	0.7%	17.56	0.00
Decision One Mortgage	1,119	96.5%	293	96.9%	346	95.7%	425	96.7%	1.00	0.99
HSBC, Total	**1,530**	**71.2%**	**301**	**94.7%**	**366**	**90.4%**	**711**	**58.8%**	**1.61**	**1.54**
JPMorgan Chase Bank	4,949	1.4%	242	2.9%	580	2.8%	3,327	1.2%	2.47	2.35
JPMorgan Chase , Total	**5,319**	**5.8%**	**305**	**18.0%**	**653**	**10.3%**	**3,529**	**4.6%**	**3.95**	**2.25**
Long Beach Mortgage Co.	4,989	91.7%	1,355	94.5%	2,111	90.4%	1,295	90.3%	1.05	1.00
Washington Mutual Bank	4,808	0.3%	186	0.5%	437	1.4%	3,302	0.2%	2.54	6.48
Washington Mutual, Total	**9,797**	**46.8%**	**1,541**	**83.1%**	**2,548**	**75.2%**	**4,597**	**25.6%**	**3.25**	**2.94**
Wells Fargo Bank	8,650	6.2%	662	36.3%	575	13.0%	6,337	2.7%	13.51	4.86
Wells Fargo, Total	**9,411**	**5.8%**	**679**	**35.3%**	**613**	**12.7%**	**6,975**	**2.5%**	**14.33**	**5.16**
Subtotal, These Seven Companies	44,734	20.4%	4,393	59.2%	7,306	42.6%	26,916	10.4%	5.70	4.10
Total, All Lenders	**157,880**	**26.9%**	**15,968**	**64.2%**	**26,258**	**48.7%**	**95,272**	**15.3%**	**4.20**	**3.18**

D. Los Angeles *

	All Borrowers		Black		Latino		White		Disparity Ratios	
Lenders# & Lender Families	Loans	%HALs	Loans	%HALs	Loans	%HALs	Loans	%HALs	B/W	L/W
CitiMortgage, Inc.	1,693	0.4%	40	2.5%	107	0.9%	634	0.3%	7.93	2.96
Citigroup, Total	**1,697**	**0.4%**	**40**	**2.5%**	**109**	**0.9%**	**635**	**0.3%**	**7.94**	**2.91**
Countrywide Bank	2,470	0.2%	79	1.3%	535	0.7%	974	0.0%	na	na
Countrywide Home Loans	13,704	16.0%	522	32.2%	4,244	29.2%	4,800	5.5%	5.87	5.34
Countrywide, Total	**16,479**	**13.4%**	**631**	**26.9%**	**4,821**	**25.9%**	**5,858**	**4.6%**	**5.91**	**5.68**
GMAC Bank	217	0.0%	9	0.0%	57	0.0%	93	0.0%	na	na
GMAC Mortgage Corp.	547	0.2%	24	4.2%	164	0.0%	230	0.0%	na	na
Homecomings Financial Network	226	9.3%	15	6.7%	82	9.8%	86	7.0%	0.96	1.40
GMAC, Total	**990**	**2.2%**	**48**	**4.2%**	**303**	**2.6%**	**409**	**1.5%**	**2.84**	**1.80**
HSBC Mortgage Corp.	426	0.5%	9	0.0%	40	0.0%	133	0.8%	-	0.00
Decision One Mortgage	765	95.8%	69	100.0%	446	96.6%	124	87.9%	1.14	1.10
HSBC, Total	**1,191**	**61.7%**	**78**	**88.5%**	**486**	**88.7%**	**257**	**42.8%**	**2.07**	**2.07**
JPMorgan Chase Bank	2,348	0.4%	46	0.0%	210	0.5%	837	0.4%	-	1.33
JPMorgan Chase , Total	**2,604**	**3.9%**	**60**	**6.7%**	**377**	**16.4%**	**861**	**1.2%**	**5.74**	**14.16**
Long Beach Mortgage Co.	2,079	93.6%	188	92.6%	1,337	94.2%	236	89.8%	1.03	1.05
Washington Mutual Bank	5,892	0.0%	159	0.0%	1,398	0.1%	2,269	0.0%	na	na
Washington Mutual, Total	**7,971**	**24.4%**	**347**	**50.1%**	**2,735**	**46.1%**	**2,505**	**8.5%**	**5.93**	**5.45**
Wells Fargo Bank	6,180	1.7%	181	7.2%	874	4.9%	3,121	0.6%	11.21	7.68
Wells Fargo, Total	**6,198**	**1.7%**	**181**	**7.2%**	**875**	**5.0%**	**3,130**	**0.6%**	**11.24**	**7.87**
Subtotal, These Seven Companies	37,130	13.8%	1,385	31.3%	9,706	31.5%	13,655	4.6%	6.81	6.85
Total, All Lenders	**112,918**	**34.7%**	**6,081**	**53.7%**	**38,376**	**52.4%**	**33,881**	**15.8%**	**3.41**	**3.33**

* In this report, the Chicago metropolitan area is defined here as consisting of six counties: Cook, DuPage, Kane, Lake, McHenry, and Will. The Woodstock Institute views this is the most meaningful definition of metro Chicago, even though it does not correspond to any of the Chicago-area metropolitan regions defined by the federal government.
"Los Angeles" is defined as the metro area consisting of Los Angeles County.

Individual lenders are shown only if they made at least 25 loans and accounted at least 10% of their lending family's total loans in this city.

Table A-2 (page 3 of 3)
Racial/Ethnic Disparities in High-APR Home-Purchase Lending in Individual Cities
Detailed Information for Individual Lenders in Seven Lender Families
Conventional First-Lien Loans for Owner-Occupied Site-Built Homes Only

E. New York City*

	All Borrowers		Black		Latino			White		Disparity Ratios	
Lenders# & Lender Families	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**HALs**	**%HALs**	**Loans**	**%HALs**	**B/W**	**L/W**
CitiMortgage, Inc.	5,364	0.6%	316	2.5%	451	4	0.9%	2,982	0.4%	5.81	2.03
Citigroup, Total	**6,030**	**0.5%**	**406**	**2.2%**	**523**	**5**	**1.0%**	**3,285**	**0.4%**	**5.60**	**2.42**
Countrywide Bank	215	0.0%	14	0.0%	29	0	0.0%	125	0.0%	na	na
Countrywide Mortgage Ventures	7	0.0%	0	na	1	0	0.0%	5	0.0%	na	na
Countrywide, Total	**2,524**	**15.3%**	**353**	**39.1%**	**546**	**77**	**14.1%**	**970**	**7.3%**	**5.34**	**1.93**
GMAC Bank	43	0.0%	4	0.0%	6	0	0.0%	21	0.0%	na	na
GMAC Mortgage Corp.	177	3.4%	17	5.9%	13	2	15.4%	84	1.2%	4.94	12.92
GMAC, Total	**269**	**6.3%**	**32**	**15.6%**	**24**	**3**	**12.5%**	**110**	**0.9%**	**17.19**	**13.75**
HSBC Bank USA	49	0.0%	34	0.0%	14	0	0.0%	0	na	na	na
HSBC Mortgage Corp.	3,218	0.3%	272	1.8%	260	3	1.2%	1,189	0.1%	21.86	13.72
HSBC Mortgage Services	1	0.0%	1	0.0%	0	0	na	0	na	na	na
HSBC, Total	**3,326**	**1.9%**	**324**	**5.9%**	**295**	**24**	**8.1%**	**1,199**	**0.7%**	**8.79**	**12.19**
JPMorgan Chase Bank	7,575	1.3%	463	5.4%	490	14	2.9%	3,264	0.9%	5.69	3.01
JPMorgan Chase , Total	**7,575**	**1.3%**	**463**	**5.4%**	**490**	**14**	**2.9%**	**3,264**	**0.9%**	**5.69**	**3.01**
Long Beach Mortgage Co.	875	91.1%	337	93.8%	259	233	90.0%	102	86.3%	1.09	1.04
Washington Mutual Bank	3,516	0.0%	323	0.0%	286	0	0.0%	1,717	0.1%	-	0.00
Washington Mutual, Total	**4,391**	**18.2%**	**660**	**47.9%**	**545**	**233**	**42.8%**	**1,819**	**4.9%**	**9.79**	**8.74**
Wells Fargo Funding	25	0.0%	3	0.0%	3	0	0.0%	12	0.0%	na	na
Wells Fargo, Total	**4,744**	**1.0%**	**242**	**4.5%**	**339**	**9**	**2.7%**	**2,795**	**0.5%**	**9.07**	**5.30**
Subtotal, These Seven Companies	28,859	5.0%	2,480	21.1%	2,762	365	13.2%	13,442	1.7%	12.49	7.83
Total, All Lenders	**58,831**	**20.2%**	**8,872**	**47.7%**	**7,738**	**2,772**	**35.8%**	**24,225**	**9.4%**	**5.05**	**3.79**

F. Rochester, NY *

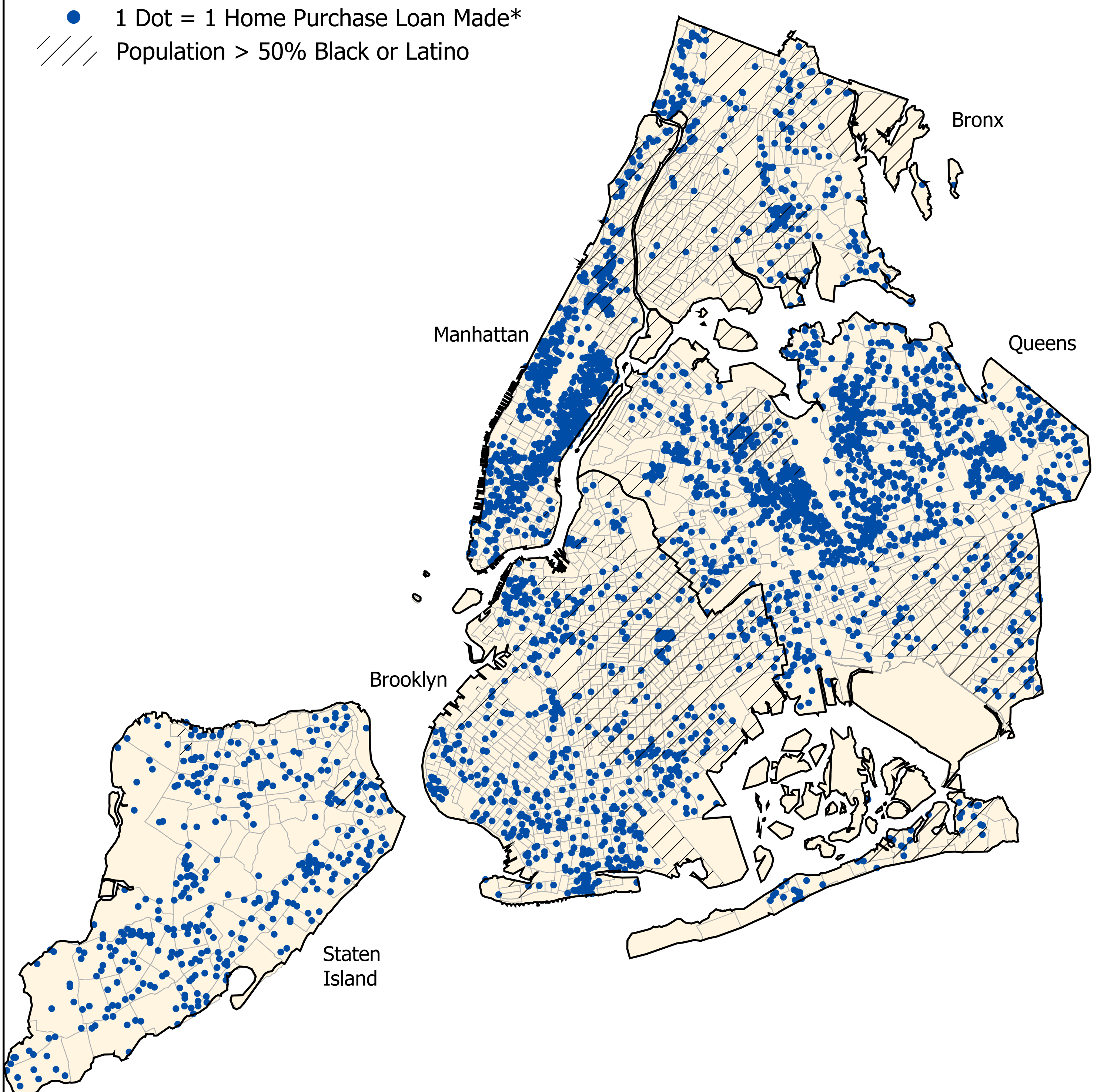
	All Borrowers		Black		Latino			White		Disparity Ratios	
Lenders & Lender Families	**Loans**	**%HALs**	**Loans**	**%HALs**	**Loans**	**HALs**	**%HALs**	**Loans**	**%HALs**	**B/W**	**L/W**
CitiMortgage, Inc.	106	11.3%	19	26.3%	2	1	50.0%	73	5.5%	4.80	9.13
Citigroup, Total	**131**	**16.0%**	**27**	**22.2%**	**5**	**2**	**40.0%**	**87**	**12.6%**	**1.76**	**3.16**
Countrywide Home Loans	781	16.1%	26	46.2%	19	5	26.3%	687	14.1%	3.27	1.86
Countrywide, Total	**796**	**15.8%**	**26**	**46.2%**	**19**	**5**	**26.3%**	**701**	**13.8%**	**3.34**	**1.90**
GMAC Mortgage Corp.	100	14.0%	2	100.0%	2	2	100.0%	72	12.5%	8.00	8.00
GMAC, Total	**125**	**17.6%**	**3**	**100.0%**	**3**	**3**	**100.0%**	**94**	**16.0%**	**6.27**	**6.27**
HSBC Mortgage Corp.	1,341	1.9%	54	5.6%	31	0	0.0%	1,210	1.8%	3.06	0.00
HSBC, Total	**1,414**	**6.6%**	**63**	**19.0%**	**35**	**4**	**11.4%**	**1,266**	**5.7%**	**3.35**	**2.01**
JPMorgan Chase Bank	232	13.8%	4	75.0%	8	3	37.5%	150	16.0%	4.69	2.34
JPMorgan Chase , Total	**232**	**13.8%**	**4**	**75.0%**	**8**	**3**	**37.5%**	**150**	**16.0%**	**4.69**	**2.34**
Washington Mutual, Total	**21**	**52.4%**	**2**	**50.0%**	**1**	**1**	**100.0%**	**14**	**50.0%**	**1.00**	**2.00**
Wells Fargo Bank	723	17.4%	27	66.7%	22	8	36.4%	622	15.0%	4.46	2.43
Wells Fargo, Total	**724**	**17.4%**	**27**	**66.7%**	**22**	**8**	**36.4%**	**623**	**14.9%**	**4.47**	**2.44**
Subtotal, These Seven Companies	3,443	12.5%	152	36.2%	93	26	28.0%	2,935	10.9%	3.33	2.57
Total, All Lenders	**10,675**	**15.7%**	**489**	**44.4%**	**305**	**87**	**28.5%**	**9,146**	**13.7%**	**3.24**	**2.08**

* New York City consists of the following five counties: Bronx, Kings (Brooklyn), New York (Manhattan), Queens, and Richmond (Staten Island), This report examines lending only in the city, not in the wider metropolitan region.
"Rochester" is the Rochester NY Metropolitan Statistical Area as defined by the federal government in 2003. This area consists of five counties: Livingston, Monroe, Ontario, Orleans, and Wayne.

\# Individual lenders are shown only if they made at least 25 loans and accounted at least 10% of their lending family's total loans in this city.

Part III: Illustrating Washington Mutual's Prime and Subprime Lending

Figure A-1. Washington Mutual Bank's (Prime Lender) New York City Home Purchase Lending, 2005



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*Washington Mutual Bank originated 3516 home purchase loans in New York City in 2005.

Sources: Home Mortgage Disclosure Act Data 2005; U.S. Census 2000

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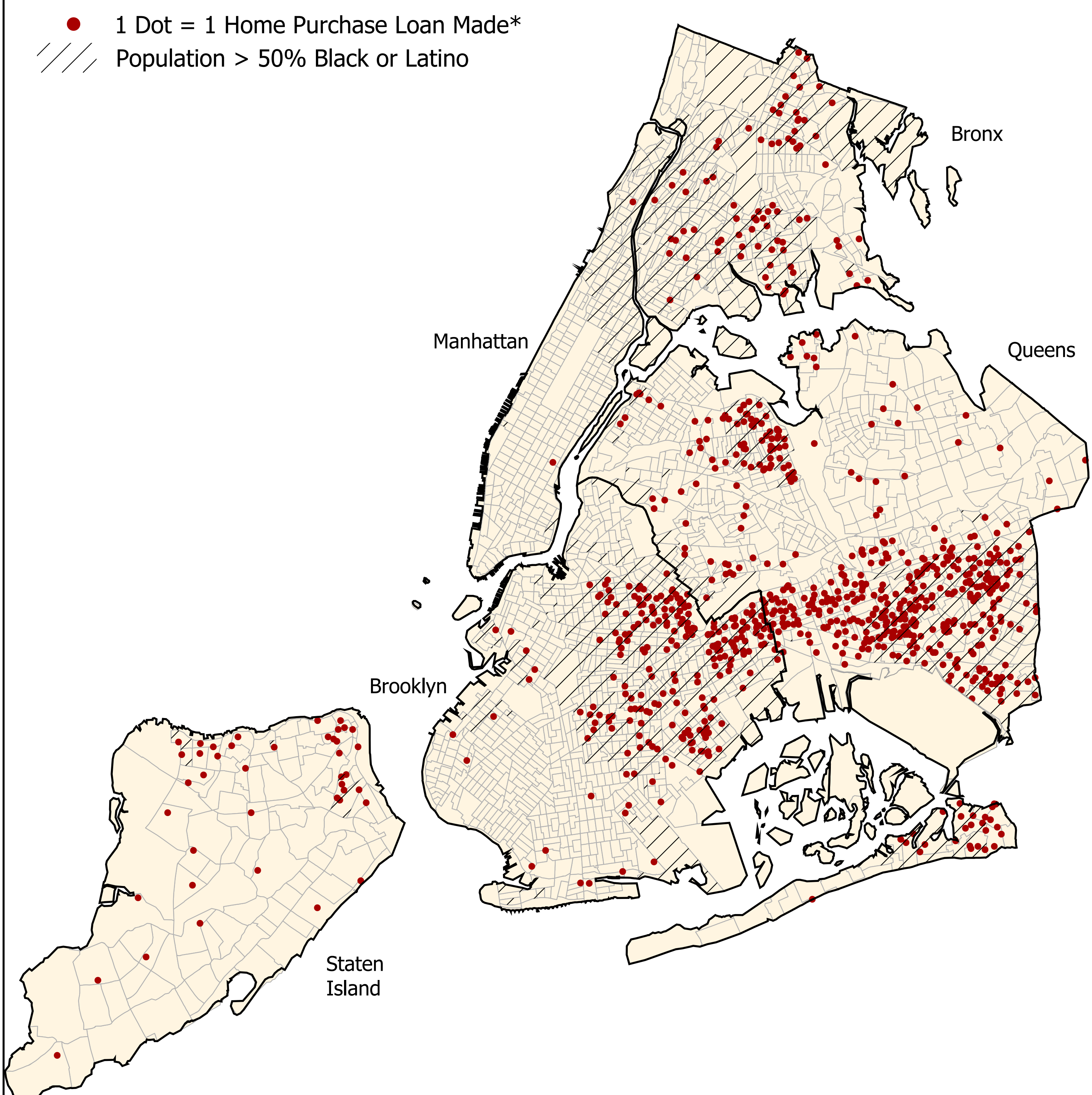
Part III: Illustrating Washington Mutual's Prime and Subprime Lending

Figure A-2. Long Beach Mortgage (Subprime Lender) New York City Home Purchase Lending, 2005



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*Long Beach Mortgage originated 875 home purchase loans in New York City in 2005.

Sources: Home Mortgage Disclosure Act Data 2005; U.S. Census 2000

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