HOME LENDING TO COMMUNITIES OF COLOR IN CALIFORNIA

Rawan Elhalaby | November 2020

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EXECUTIVE SUMMARY

The Greenlining Institute assessed Home Mortgage Disclosure Act lending data from six metropolitan areas of California: Sacramento, San Francisco, Oakland, Fresno, Los Angeles and San Diego. This report evaluates the lending overall in those regions and the top 15 lenders in each region for 2019. Although there are slight variations among the largest lenders for each region, the findings across the regions were consistent:

- **Communities of color do not access home purchase loans at rates comparable to White communities.** Specifically, Latino households access 22 percent of the state's home purchase loans, despite making up over 39 percent of the population, and Black households access three percent of home loans, while making up over five percent of the population. White households are especially overrepresented in home purchase originations relative to their share of the population.

- **Women of color receive seven percent of home purchase loans by the top lenders in California, while making up 30 percent of the state's population.** Women of color are underrepresented in their share of home purchase loans and are more likely to access a loan from a non-bank lender than from a mainstream bank. The disproportionate caretaking burdens and responsibilities of women of color are compounded with a wage gap and wealth gap that widen with an inability to access home loans.

- **Low-income White borrowers are more likely than low-income borrowers of color to receive a home loan.** In several regional markets, some lenders do not make any loans to low-income borrowers from communities of color. When Black, Asian and Latino low-income households do access home purchase loans, it is more likely to be from a non-bank lender.

- **Non-bank lenders are more likely to make home loans to low-income borrowers than traditional banks.** In several regional markets, non-bank lenders make twice as many home purchase loans to low-income borrowers as mainstream banks.

- **Non-bank lenders dominate several regional markets in California and play an increasing role in home lending across the state.** In California, nine of the top 15 home purchase lenders are unregulated non-bank lenders that do not offer traditional banking services, operate largely online, and are not subject to the Community Reinvestment Act, so their lending is not regularly assessed to determine whether they meet the credit and borrowing needs of the communities where they operate. In our analysis, Black and Latino households were more likely than other racial groups to access home purchase loans from non-bank lenders.

Owning a home is the primary way most Americans build wealth for their families, yet what is a modest goal in most parts of the country is being pushed further and further out of reach for most people of color in California. While the homeownership gap is an issue throughout the country, the rate of Black and Latino homeownership is significantly worse in California compared to other states. At the national level, the Black and Latino homeownership rates are 42 percent and 47 percent, respectively, compared to 35 percent and 42 percent in California.

Home lenders, including both traditional banks and non-bank lenders, have an important role to play in ensuring that all communities have access to affordable, safe home loans that increase family wealth and reduce the racial wealth gap.

INTRODUCTION

The racial wealth divide

As housing prices across California continue to rise and the housing market expands against the backdrop of the economic fallout of the COVID-19 pandemic, communities of color continue to be excluded from homeownership—a crucial wealth-building vehicle in the United States. Homeownership rates are not equally distributed along racial and ethnic lines, and people of color do not access mortgages at equal rates as their White counterparts across the state and country. Specifically, the national Black homeownership rate has dropped to 44 percent, compared to an overall national homeownership rate of 65 percent[1]. The COVID-19 pandemic threatens to exacerbate the racial wealth divide even further, with Black and Latino households disproportionately experiencing financial stress[2].

Intergenerational wealth transfer plays the largest role in explaining the growing racial wealth divide. White households are far more likely than similarly situated people of color to have relief from debt burdens, and to be able to weather financial emergencies and support family members in asset accumulation, such as mortgage down payment support[3]. Moreso, women of color are more likely to be heads of their households and bear more responsibility for providing for children and extended family, while overcoming a gender pay gap and racial wealth gap[4].

Changes in home lending

Financial institutions play a critical role in the homeownership gap between people of color and White people. Factors involved include inaccessible products and services, lower branch presence in communities of color, and an inability to meet the needs of communities that have long been locked out of the traditional pathways to homeownership—pathways that include generational wealth, financial literacy, established credit histories and higher incomes.

Home lending is changing with the emergence of unregulated FinTech* and the decreasing presence of physical branches in many communities, particularly low-income communities and communities of color. Non-bank lenders tend to be more effective than mainstream banks at reaching communities of color, low-income and immigrant communities, all of which are highly vulnerable to predatory lending, and are not subject to the Community Reinvestment Act (CRA), which obligates traditional banks to lend to low-to-moderate income borrowers[5]. The Greenlining Institute has leveraged the race-blind CRA to increase investments and lending to people of color through negotiations with traditional banks.

In this report, we use home mortgage data collected under the Home Mortgage Disclosure Act to provide insight into lending patterns to communities of color in California and six major metropolitan areas: Sacramento, San Francisco, Oakland, Fresno, Los Angeles and San Diego.

HMDA requires lenders to collect and report demographic information about borrowers that allows advocates and policymakers to watch for potential redlining and ensure fair lending.

The HMDA data show that people of color are largely underrepresented in loans received across California, and especially in urban areas such as Oakland and Los Angeles. As California's demographics continue to shift and communities rebuild from the effects of the COVID-19 crisis, our economic prosperity and resilience will increasingly depend on people of color having expanding access to capital and opportunities to build wealth and reach their full potential.

Definitions

Non-bank:
In this report, "non-bank" refers to any lender that itself does not offer traditional banking services such as savings or checking accounts. These lenders are often independent mortgage lenders and are not regulated by the Community Reinvestment Act.

Bank:
In this report, "bank" refers to any lender that offers deposit-based services.

FinTech:
In this report, "FinTech" refers to any lending delivered through online and digital platforms.

Low-Income:
Refers to borrowers who report an income below 80 percent of the region's Area Median Income, as defined by HUD. In this report, we used the Area Median Income for a family of four.

METHODOLOGY

We reviewed the loans reported in the 2019 Home Mortgage Disclosure Act dataset. The study was limited to home purchase loans for single family or manufactured homes.

This study only reflects loan origination of home purchase loans and does not address purchased loans, which are a major source of income for many lenders and can outnumber loan originations for some lenders.

Loans were examined based on the income, gender and race/ethnicity of the primary borrower. This report identifies race and ethnicity in the following manner: if the ethnicity was Hispanic, we identified the borrower as Hispanic (we use the term Latino in this report) regardless of the race selected. If the ethnicity is non-Hispanic, the borrower is then identified by the primary or first race they selected. Asian in this report refers to Asian Americans, excluding Pacific Islander communities, which are classified separately. Dual race responses are extremely rare in the dataset and as such are not addressed as a separate racial group. Unfortunately, approximately 16 percent of responses in the dataset were identified as "Race Not Available" and were not included in the calculations of loans to households of color, but were counted toward the total loan number. This is a serious issue with HMDA data collection and lenders should take greater care to ensure that race is collected for all borrowers.
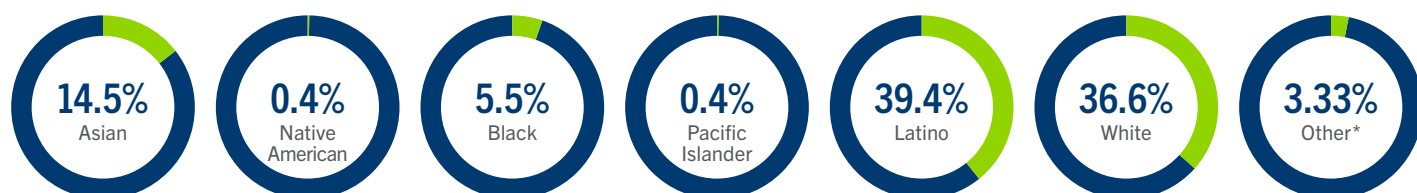
The top 15 lenders for each region were identified by market share. Home lending data was sorted regionally by metropolitan statistical area.

STATE OF HOME LENDING IN CALIFORNIA

California lenders reported 384,095 home purchase originations in 2019.

California Demographics

Total Population: 39,557,045

| 14.5%
Asian | 0.4%
Native American | 5.5%
Black | 0.4%
Pacific Islander | 39.4%
Latino | 36.6%
White | 3.33%
Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

In California, Black and Latino households continue to be underrepresented in mortgage lending. Home lending to Asian households slightly exceeded their share of the population and home lending to White households exceeded their share of the population. Home lending rates across all groups have not changed since Greenlining's last statewide analysis in 2017.

Table 1 below illustrates the number of home purchase loan originations by race for all lenders in California.

Table 1: Home Purchase Loans by Race (all lenders)

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	61,144	15.92%	14.5%
Native American	755	0.2%	0.4%
Black	12,582	3.28%	5.5%
Pacific Islander	1,160	0.3%	0.4%
Latino	84,083	21.89%	39.4%
White	157,696	41.06%	36.3%

Top 15 Lenders in Six Metropolitan Areas of California

For the regional analysis, we studied six metropolitan regions: Sacramento, San Francisco, Oakland, Fresno, Los Angeles and San Diego. The analysis evaluated the top 15 lenders of each MSA by:

- Home purchase originations by race;

- Home purchase originations by race and gender, focusing on loans to women of color;

- Home purchase originations by borrower income, and;

- Home purchase originations by borrower income and race.

Table 2: Home Purchase Loans by Race and Gender

Women of Color

39,537,045

California Population

comprise

30%

of State's population

take out

7%

of home purchase loans
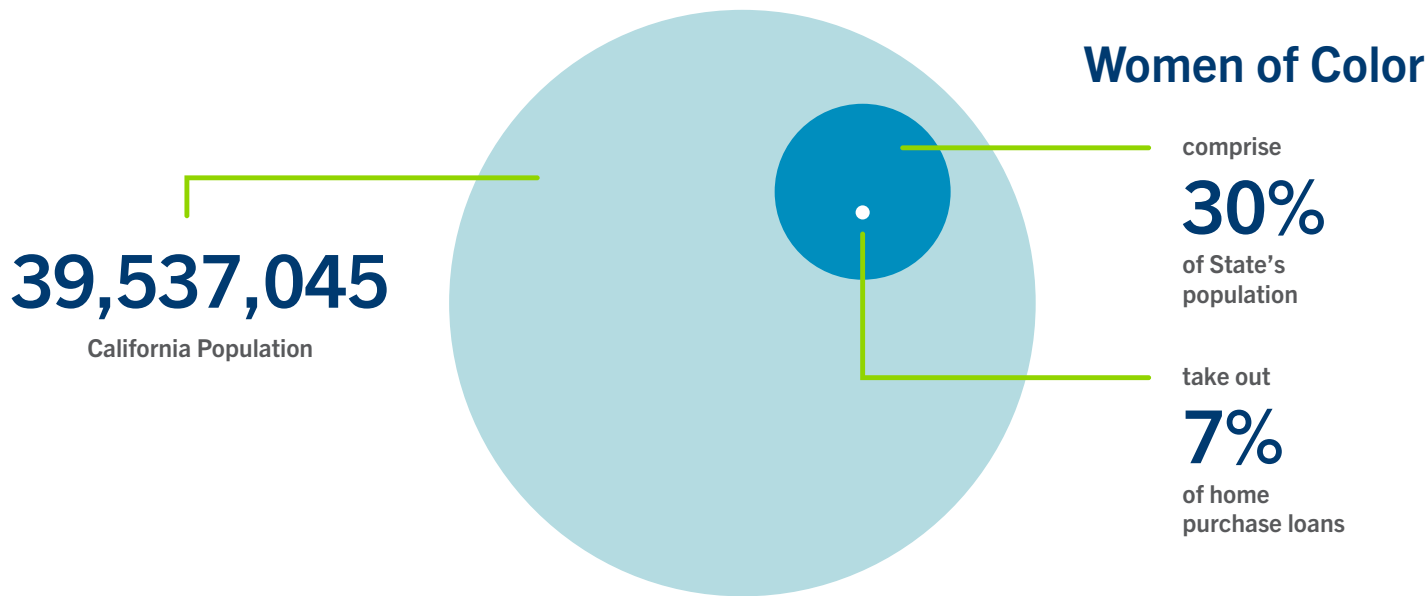
Seven percent of the home purchase loans made by the top 15 lenders went to women of color, who comprise 30 percent of the state's population.

SACRAMENTO | ROSEVILLE | FOLSOM

Sacramento-Roseville-Folsom Demographics

Total Population: 2,345,210; 5.92 percent of California's population

| 13.4%
Asian | 0.33%
Native American | 6.8%
Black | 0.9%
Pacific Islander | 21.8%
Latino | 51.7%
White | 5.07%
Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

Overview of Lending in Sacramento-Roseville-Folsom MSA

In the Sacramento region, Black, Latino and White communities receive fewer loans relative to their share of the population than other racial groups in the region. Latino households receive just 12 percent of home purchase loans, while making up 22 percent of the population.

Table 3: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	4,624	13.3%	13.42%
Native American	108	0.31%	0.33%
Black	1,606	4.62%	6.84%
Pacific Islander	204	0.59%	0.85%
Latino	4,419	12.71%	21.84%
White	16,796	48.31%	51.65%

Top 15 Lenders in Sacramento-Roseville-Folsom MSA

The top 15 lenders in the Sacramento region account for 54 percent of the market. Like the Fresno region, non-bank lenders make up 11 of the top 15 lenders.

Table 4 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Fresno MSA in 2019.
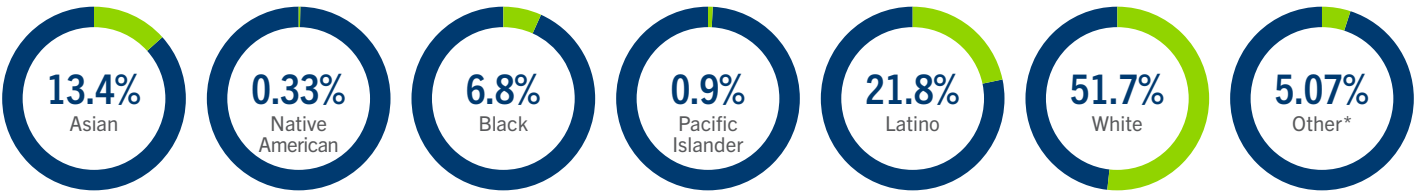
Table 4: Home Purchase Loans by Race

Non-bank	Market Share
United Shore Financial Services	10.54%
Quicken Loans	9.11%
Finance of America Mortgage	4.03%
Guild Mortgage Company	3.56%
The Golden 1	3.35%
LoanDepot.com	2.60%
American Pacific Mortgage Corporation	2.40%
Freedom Mortgage Corporation	1.83%
Caliber Home Loans	1.82%
Provident Funding Associates	1.67%
Safe Credit Union	1.60%
Bank	
Wells Fargo	4.54%
Bank of America	2.69%
JPMorgan Chase Bank	2.06%
U.S. Bank	2.06%

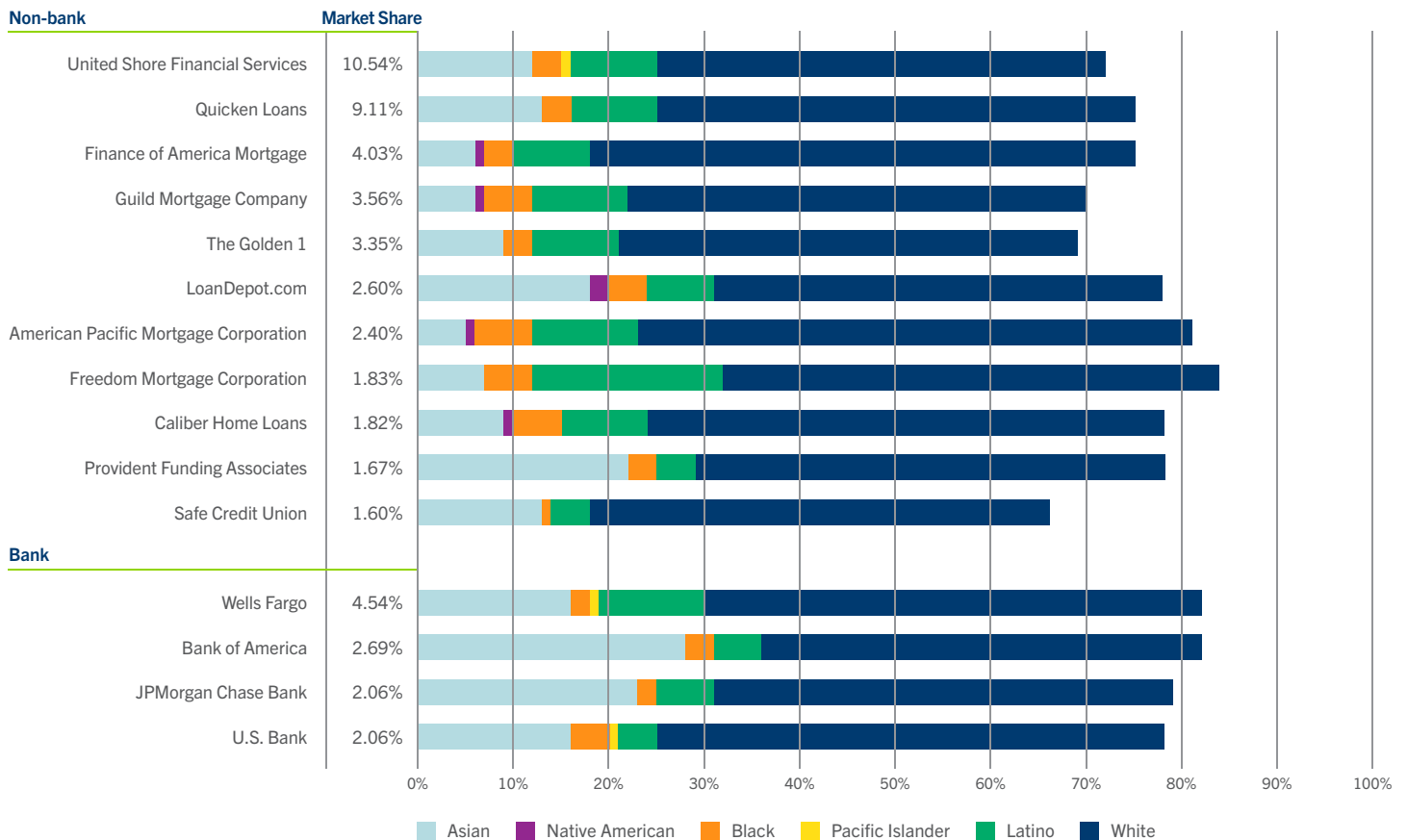Legend: Asian, Native American, Black, Pacific Islander, Latino, White

Table 5 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80 percent of the region's Area Median Income, for each of the top 15 lenders in the Sacramento MSA in 2019.

Table 5: Home Purchase Loans by Borrower Income

Borrowers <80% of AMI

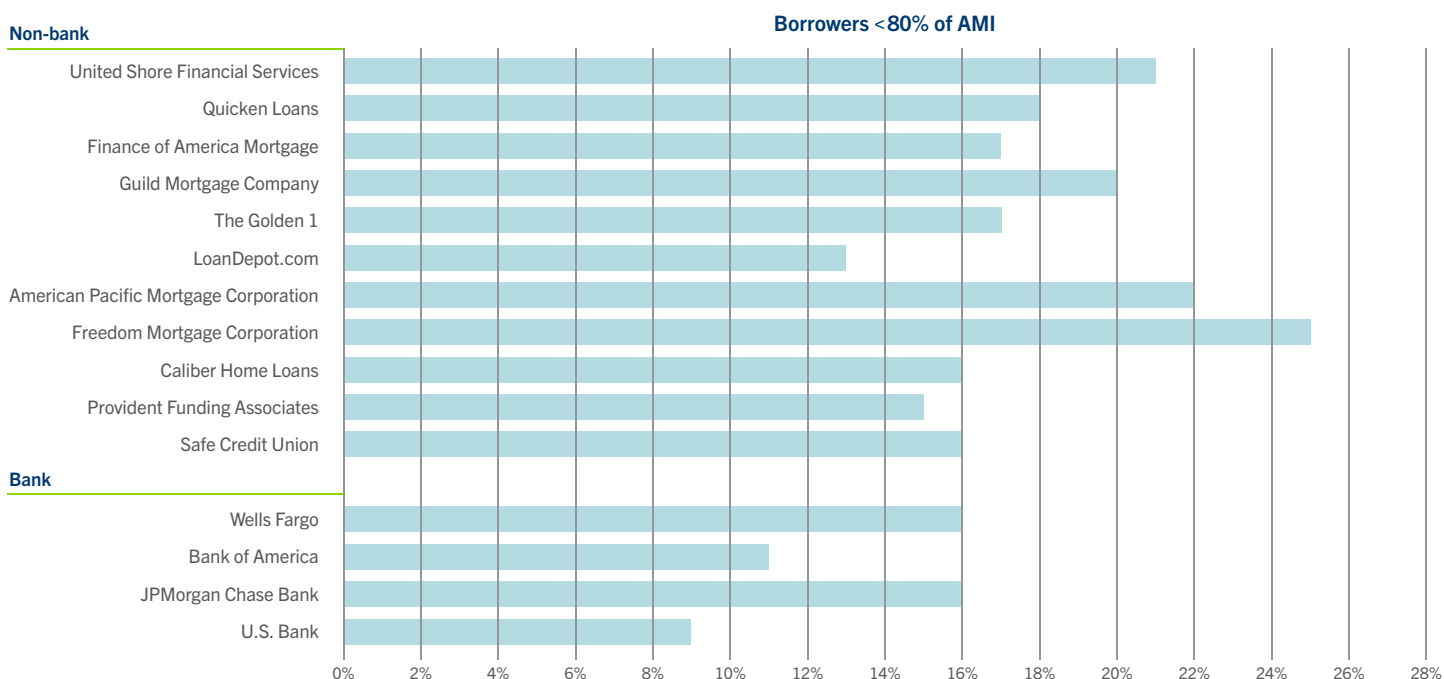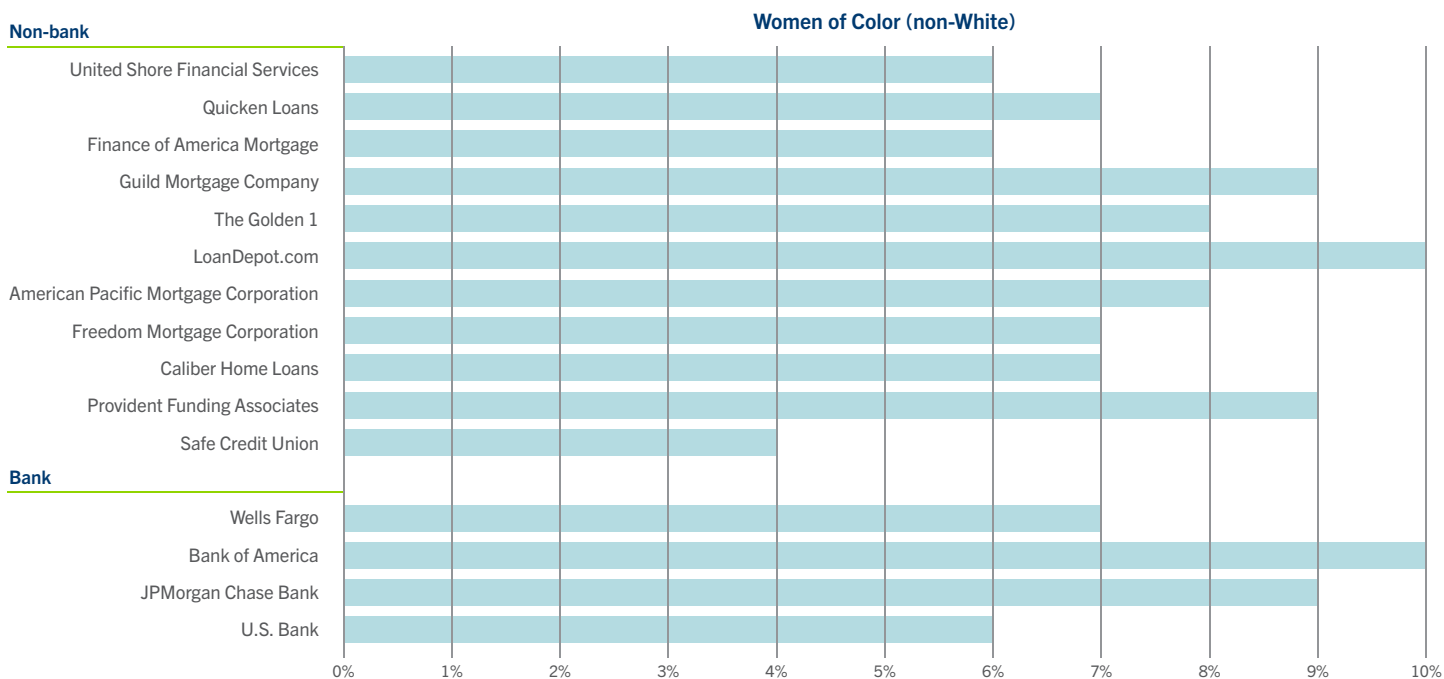| Non-bank	
United Shore Financial Services	21%
Quicken Loans	18%
Finance of America Mortgage	17%
Guild Mortgage Company	20%
The Golden 1	17%
LoanDepot.com	13%
American Pacific Mortgage Corporation	22%
Freedom Mortgage Corporation	25%
Caliber Home Loans	16%
Provident Funding Associates	15%
Safe Credit Union	16%
Bank	
Wells Fargo	16%
Bank of America	11%
JPMorgan Chase Bank	16%
U.S. Bank	9%

Table 6 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Sacramento MSA in 2019.

Table 6: Home Purchase Loans by Race & Gender

Women of Color (non-White)

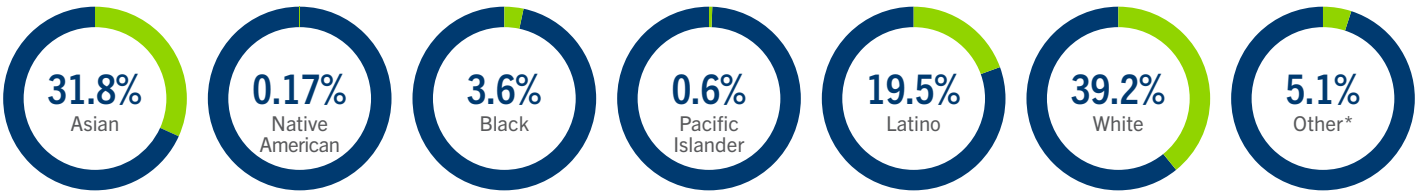| Non-bank	
United Shore Financial Services	6%
Quicken Loans	7%
Finance of America Mortgage	6%
Guild Mortgage Company	9%
The Golden 1	8%
LoanDepot.com	10%
American Pacific Mortgage Corporation	8%
Freedom Mortgage Corporation	7%
Caliber Home Loans	7%
Provident Funding Associates	9%
Safe Credit Union	4%
Bank	
Wells Fargo	7%
Bank of America	10%
JPMorgan Chase Bank	9%
U.S. Bank	6%

SAN FRANCISCO | SAN MATEO | REDWOOD CITY

San Francisco-San Mateo-Redwood City Demographics

Total Population: 1,652,850; 4.18 percent of California's population

| 31.8% Asian | 0.17% Native American | 3.6% Black | 0.6% Pacific Islander | 19.5% Latino | 39.2% White | 5.1% Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

Overview of Lending in San Francisco-San Mateo-Redwood City MSA

In the San Francisco region, Black and Latino communities receive far fewer loans relative to their share of the population than other racial groups in the region.

Table 7: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	3,826	35.61%	31.77%
Native American	8	0.07%	0.17%
Black	78	0.73%	3.60%
Pacific Islander	14	0.13%	0.64%
Latino	449	4.18%	19.47%
White	4,200	39.09%	39.24%

Top 15 Lenders in San Francisco-San Mateo-Redwood City MSA

Traditional bank lenders make up 11 of the top 15 lenders in the San Francisco region, a departure from the dominance of non-bank lenders in other California regions.

The top 15 lenders in the San Francisco region account for over 67 percent of the market. The top lender, Wells Fargo Bank, accounts for 14 percent of all loan originations.

Table 8 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the San Francisco MSA in 2019.

Table 8: Home Purchase Loans by Race

Non-bank	Market Share
Quicken Loans	4.75%
United Shore Financial Services	3.58%
LoanDepot.com	1.67%
Guaranteed Rate	1.25%

Bank	
Wells Fargo	14.34%
Bank of America	10.76%
First Republic	9.47%
JPMorgan Chase Bank	6.17%
Citibank	4.75%
U.S. Bank	3.58%
MUFG Union Bank	1.83%
Bank of the West	1.48%
PNC Bank	1.45%
Fremont Bank	1.41%
Flagstar Bank	1.25%

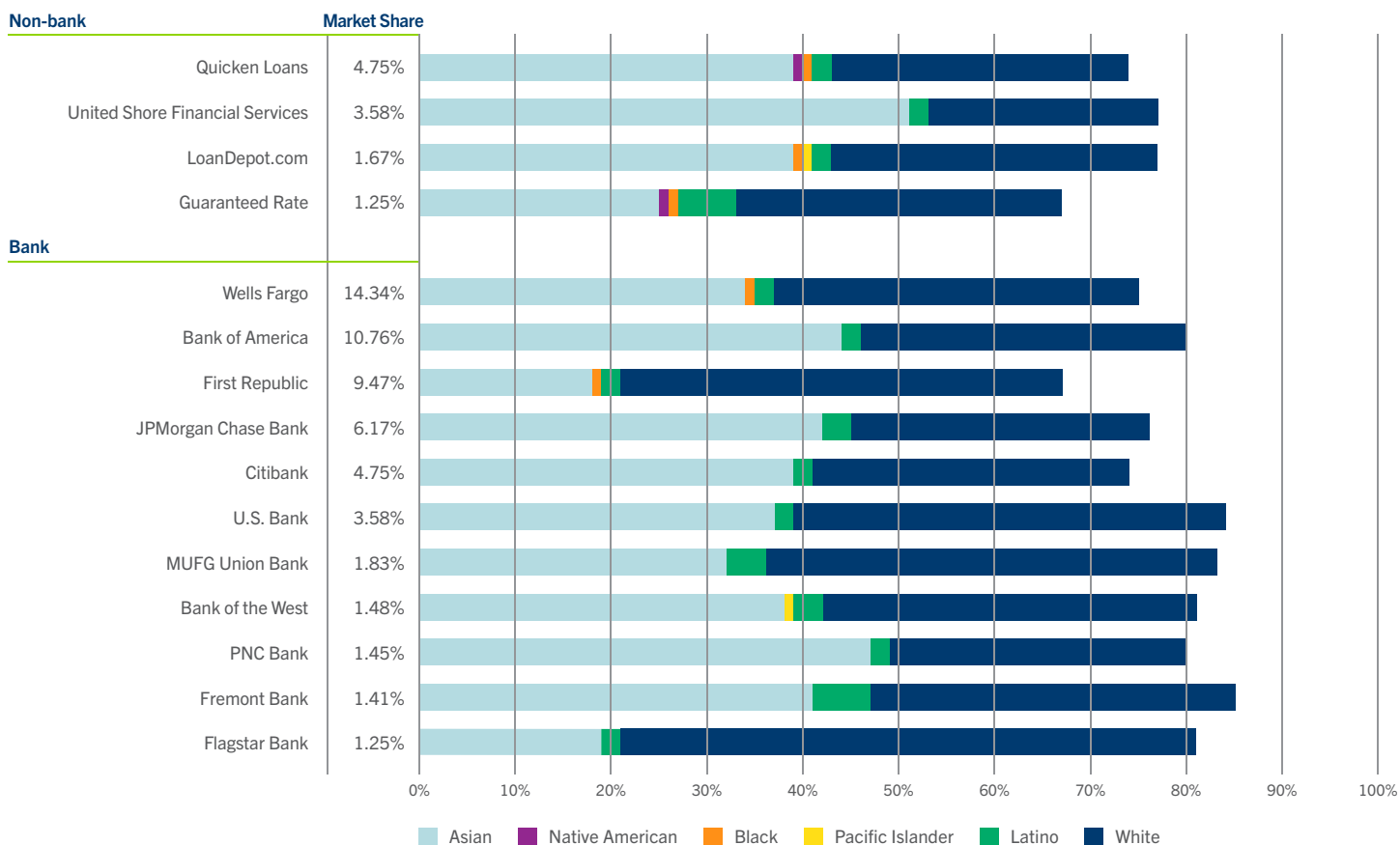Legend: Asian, Native American, Black, Pacific Islander, Latino, White

Table 9 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the San Francisco MSA in 2019.

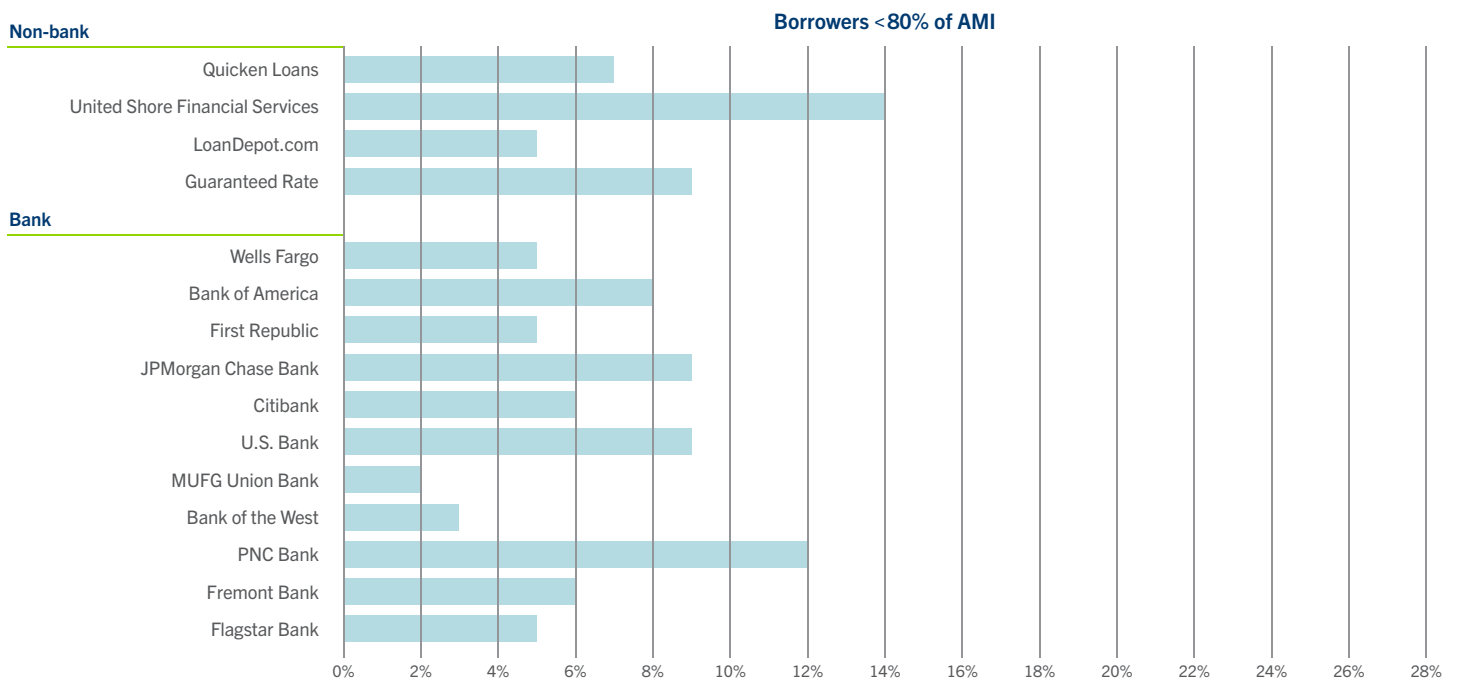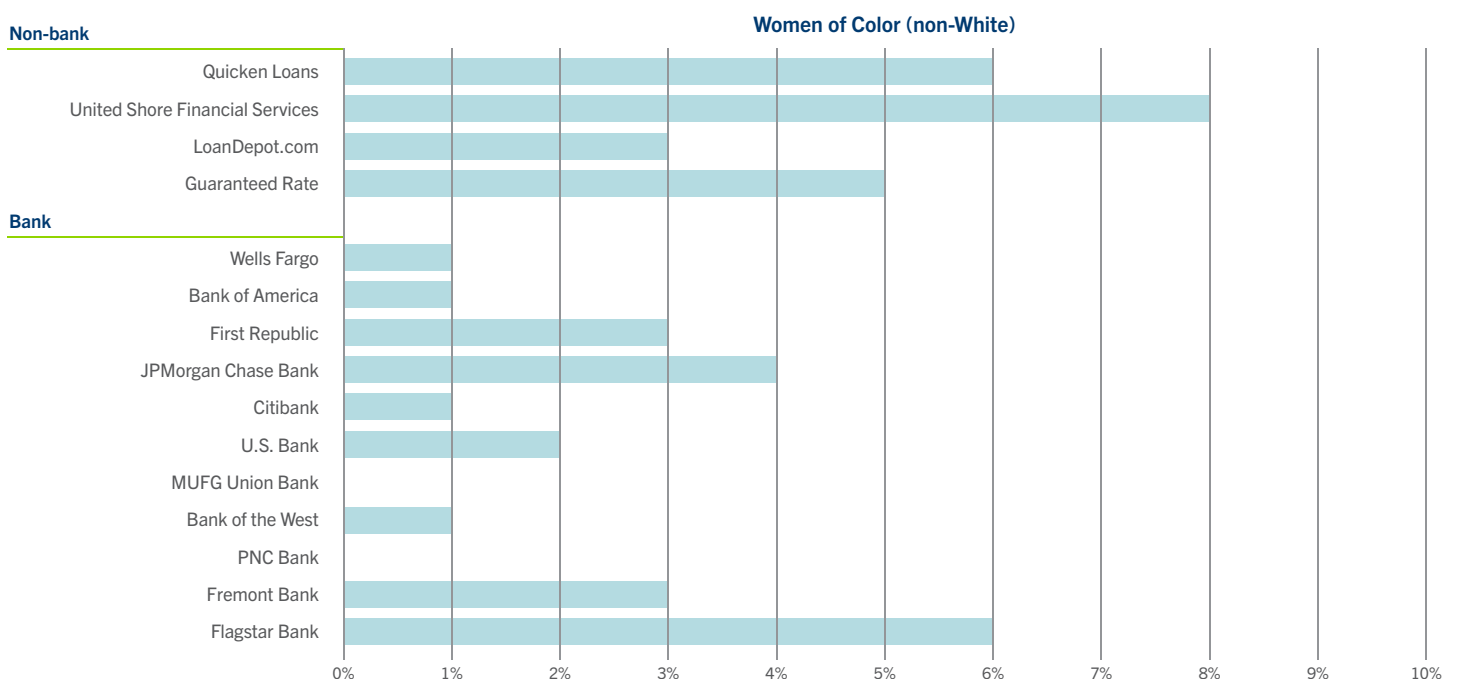## Table 9: Home Purchase Loans by Borrower Income

Borrowers <80% of AMI

Table 10 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the San Francisco MSA in 2019.

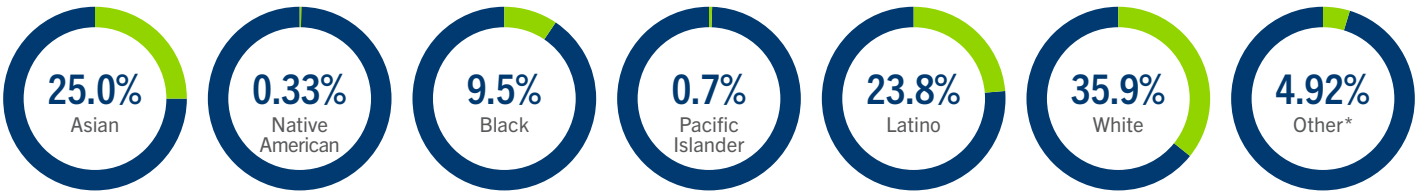## Table 10: Home Purchase Loans by Race & Gender

Women of Color (non-White)

OAKLAND | BERKELEY | LIVERMORE

Oakland-Berkeley-Livermore Demographics

Total Population: 2,816,968; 7.12 percent of California's population

25.0% Asian	0.33% Native American	9.5% Black	0.7% Pacific Islander	23.8% Latino	35.9% White	4.92% Other*

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

Overview of Lending in Oakland-Berkeley-Livermore MSA

In the Oakland region, Black and Latino communities receive far fewer loans relative to their share of the population than other racial groups in the region. Black households make up almost 10 percent of the population, but receive only four percent of the home purchase loans; Latino households make up 24 percent of the population, but receive only 10 percent of the loans. Home lending to Asian households exceeds their share of the region's population.

Table 11: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	9,996	33.95%	24.98%
Native American	25	0.08%	0.29%
Black	1,215	4.13%	9.47%
Pacific Islander	106	0.36%	0.68%
Latino	3,189	10.83%	23.79%
White	9,318	31.56%	35.85%

Top 15 Lenders in Oakland-Berkeley-Livermore MSA

The top 15 lenders in the Oakland region account for over 57 percent of the market. The top lender is Quicken Loans, a non-depository mortgage lender.

Table 12 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Oakland MSA in 2019.

Table 12: Home Purchase Loans by Race

Non-bank	Market Share
Quicken Loans	8.86%
United Shore Financial Services	6.80%
LoanDepot.com	2.39%
Patelco	1.94%
Caliber Home Loans	1.55%
Guaranteed Rate	1.36%

Bank	Market Share
Bank of America	8.43%
Wells Fargo	8.38%
JPMorgan Chase Bank	4.09%
Fremont Bank	3.13%
U.S. Bank	2.90%
First Republic Bank	2.36%
Citibank	1.73%
MUFG Union Bank	1.49%
Bank of the West	1.39%

Legend: Asian, Native American, Black, Pacific Islander, Latino, White
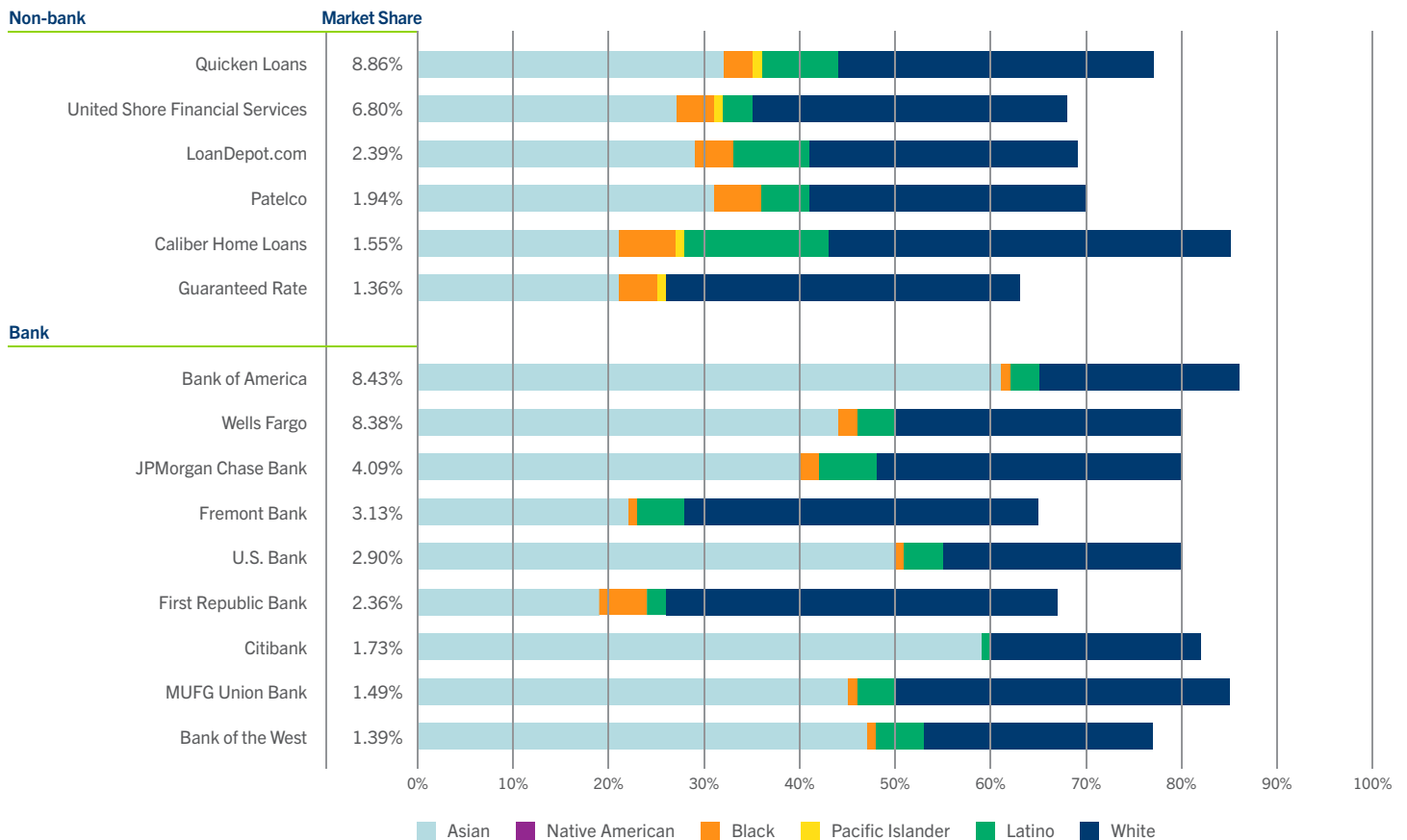
Table 13 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80 percent of the region's Area Median Income (AMI), for each of the top 15 lenders in the Oakland MSA in 2019.

Table 13: Home Purchase Loans by Borrower Income
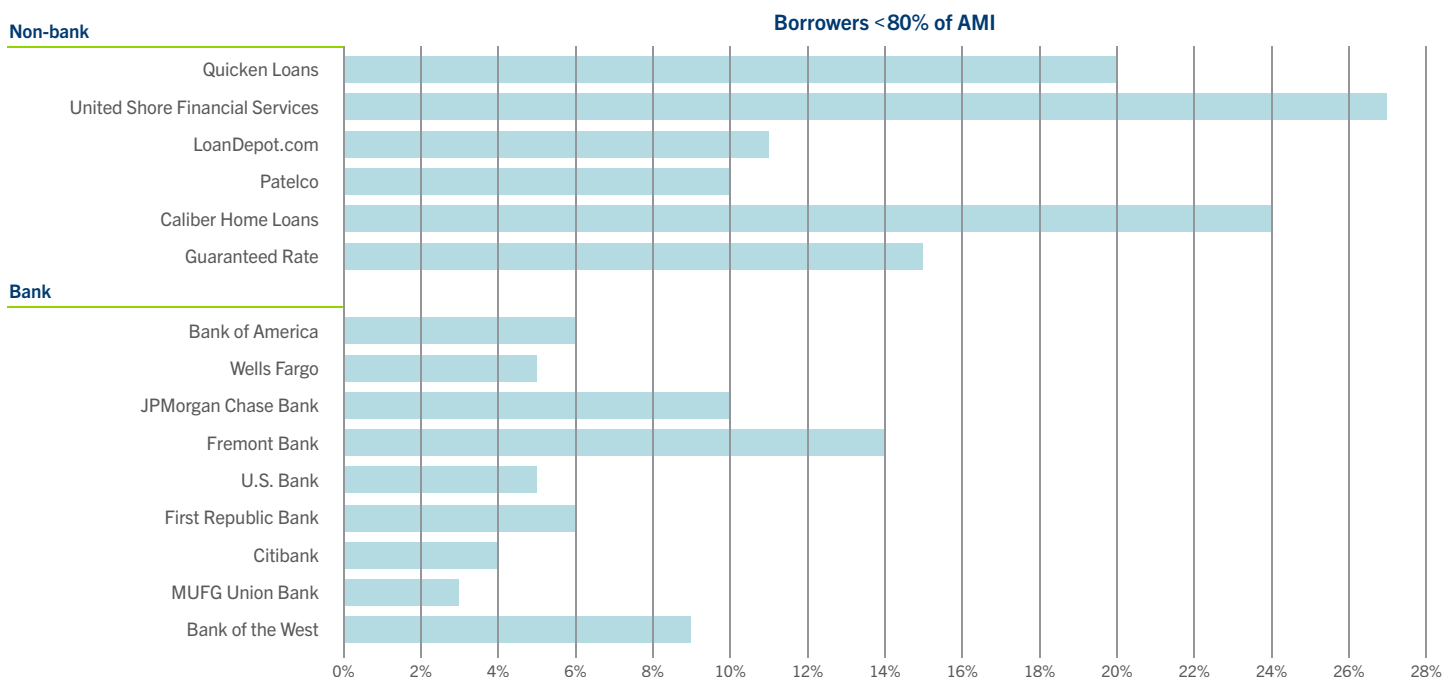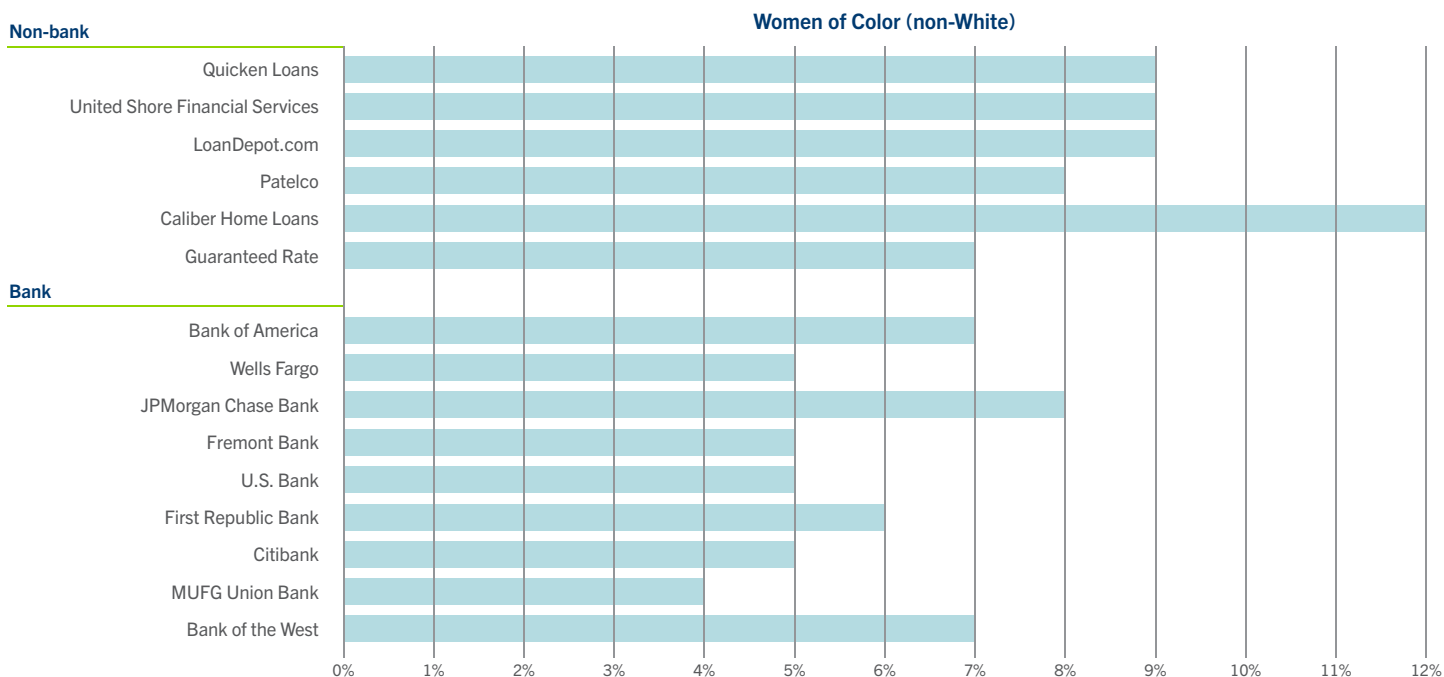

Borrowers <80% of AMI

Table 14 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Oakland MSA in 2019.

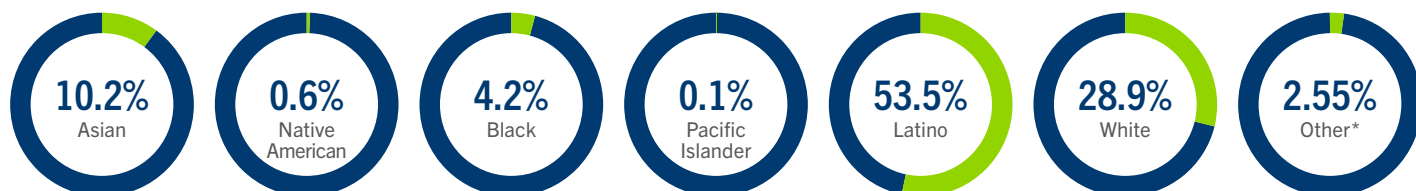**Table 14: Home Purchase Loans by Race & Gender**

Women of Color (non-White)

FRESNO

Fresno Demographics

Total Population: 994,400; 2.51 percent of California's population

| 10.2% Asian | 0.6% Native American | 4.2% Black | 0.1% Pacific Islander | 53.5% Latino | 28.9% White | 2.55% Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

Overview of Lending in Fresno MSA

In the Fresno region, White households are overrepresented in loan originations, while Latino households are significantly underrepresented. Latino households make up over half of the region's population, but only 37 percent of home purchase loans.

Table 15: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	1,208	11.25%	10.15%
Native American	37	0.34%	0.57%
Black	279	2.60%	4.23%
Pacific Islander	11	0.10%	0.12%
Latino	3,975	37.00%	53.47%
White	3,826	35.62%	28.91%

Top 15 Lenders in Fresno MSA

The top 15 lenders in the Fresno region account for 49 percent of the market. Non-bank lenders overwhelmingly dominate and make up 11 of the top 15 lenders. In contrast to the more urban California regions in this report, Fresno and the surrounding San Joaquin Valley have experienced a significant decrease in bank branches, a rising trend in rural communities that may account for the increased dominance of non-bank lenders in rural markets.

Table 16 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Fresno MSA in 2019.

Table 16: Home Purchase Loans by Race

Non-bank	Market Share
United Shore Financial Services	9.97%
Quicken Loans	7.52%
Alameda Mortgage Corporation	3.12%
Homebridge Financial Services	2.94%
Sierra Pacific Mortgage Company	2.50%
Educational Employees Credit Union	2.20%
Home Point Financial Corporation	2.19%
Country Club Mortgage	2.09%
LoanDepot.com	1.90%
Freedom Mortgage Corporation	1.80%
Citywide Home Loans	1.73%
Bank	
Wells Fargo	5.44%
Flagstar Bank	2.01%
Bank of America	1.94%
JPMorgan Chase Bank	1.57%

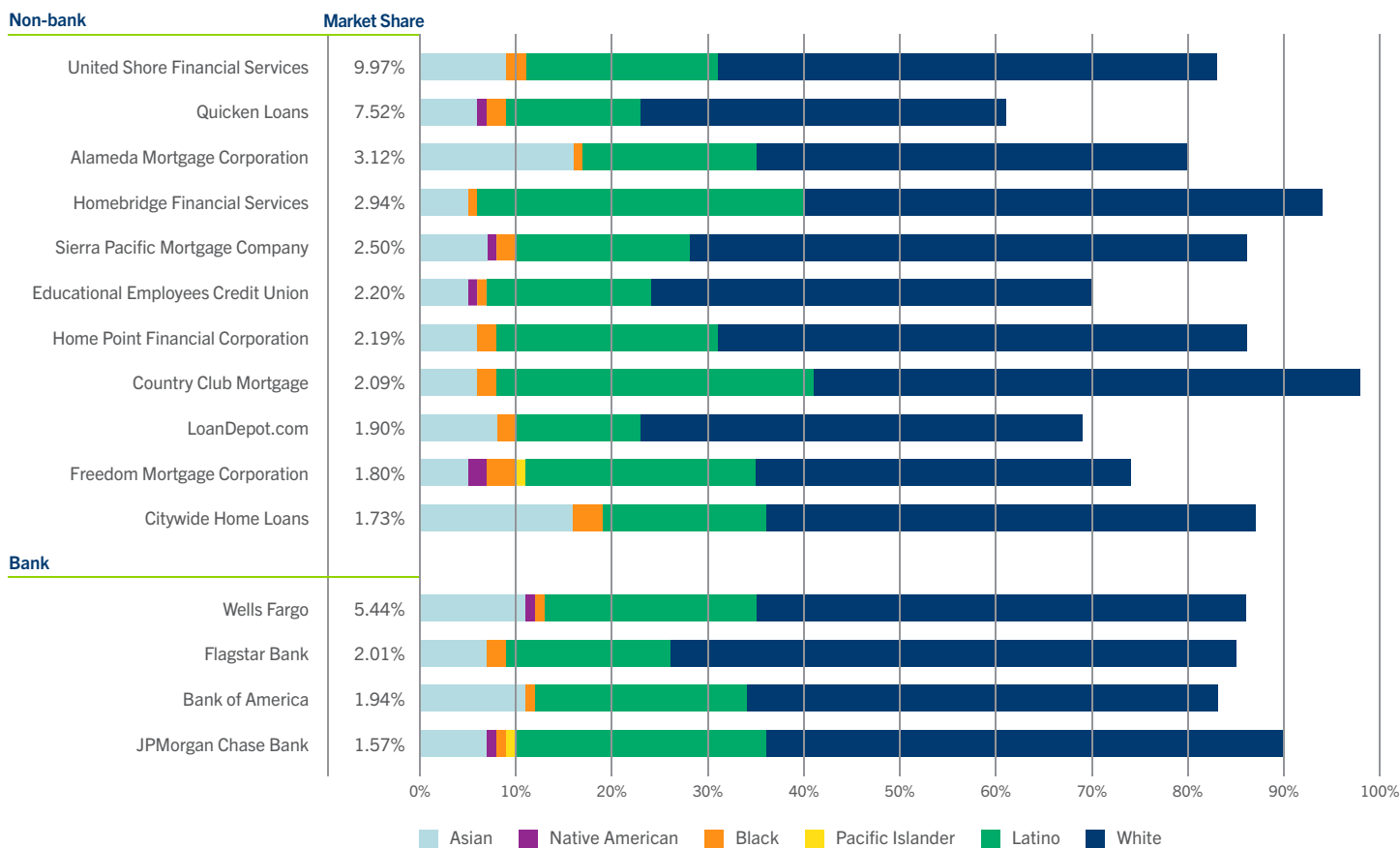Legend: Asian, Native American, Black, Pacific Islander, Latino, White

Table 17 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80 percent of the region's Area Median Income, for each of the top 15 lenders in the Fresno MSA in 2019. Five of the top 15 lenders made zero loans to low-income borrowers; these five lenders are all non-banks, in a region where non-banks dominate the market.

Table 17: Home Purchase Loans by Borrower Income
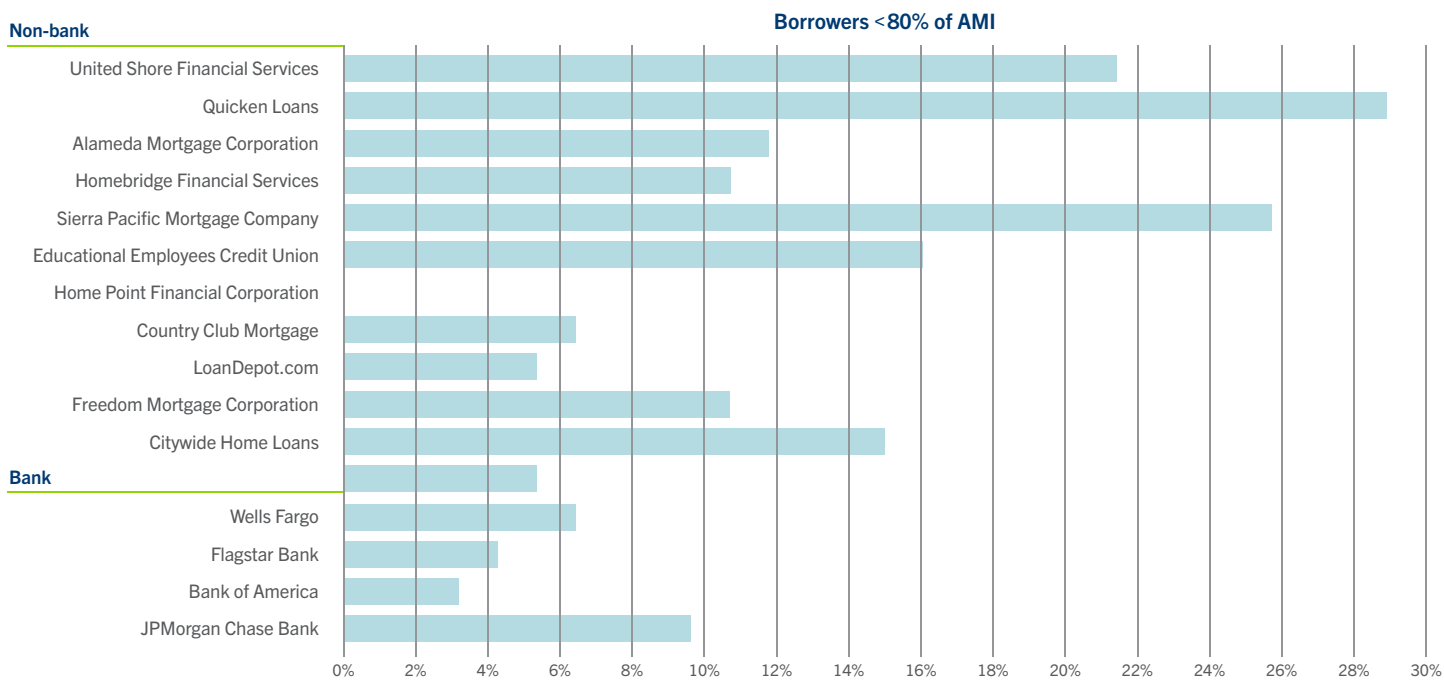
Borrowers <80% of AMI

Table 18 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Fresno MSA in 2019.

Table 18: Home Purchase Loans by Race & Gender
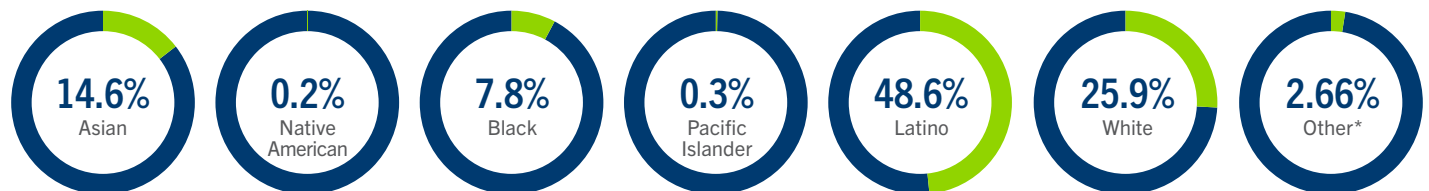
Women of Color (non-White)

LOS ANGELES | LONG BEACH | GLENDALE

Los Angeles-Long Beach-Glendale Demographics

Total Population: 10,105,518; 25.54 percent of California's population

| 14.6% Asian | 0.2% Native American | 7.8% Black | 0.3% Pacific Islander | 48.6% Latino | 25.9% White | 2.66% Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

Overview of Lending in Los Angeles-Long Beach-Glendale MSA

In the Los Angeles region, Latino households again make up almost half of the population, but only represent 23 percent of home purchase loans. Black households are also underrepresented in the region's home purchase loans, while White households are significantly overrepresented, by 10 percentage points.

Table 19: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	10,361	16.04%	14.58%
Native American	53	0.08%	0.19%
Black	2,612	4.04%	7.76%
Pacific Islander	115	0.18%	0.25%
Latino	14,744	22.83%	48.64%
White	23,341	36.13%	25.92%

Top 15 Lenders in Los Angeles-Long Beach-Glendale MSA

The top 15 lenders in the Los Angeles region account for 50 percent of the market. Of these 15 lenders, none made home purchase loans to Black and Latino households that sufficiently represented the population. The lender with the greatest percentage of loans to both Black and Latino households was the non-bank mortgage lender, Broker Solutions.

Table 20 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Los Angeles MSA in 2019.

Table 20: Home Purchase Loans by Race

Non-bank	Market Share
United Shore Financial Services	8.86%
Quicken Loans	6.80%
LoanDepot.com	2.39%
Broker Solution	1.94%
Finance of America Mortgage	1.55%
Logix	1.36%
Homebridge Financial Services	8.43%
Impac Mortgage Corporation	8.38%
Bank	
JPMorgan Chase Bank	4.09%
Bank of America	3.13%
Wells Fargo	2.90%
U.S. Bank	2.36%
Citibank	1.73%
Flagstar Bank	1.49%
MUFG Union Bank	1.39%

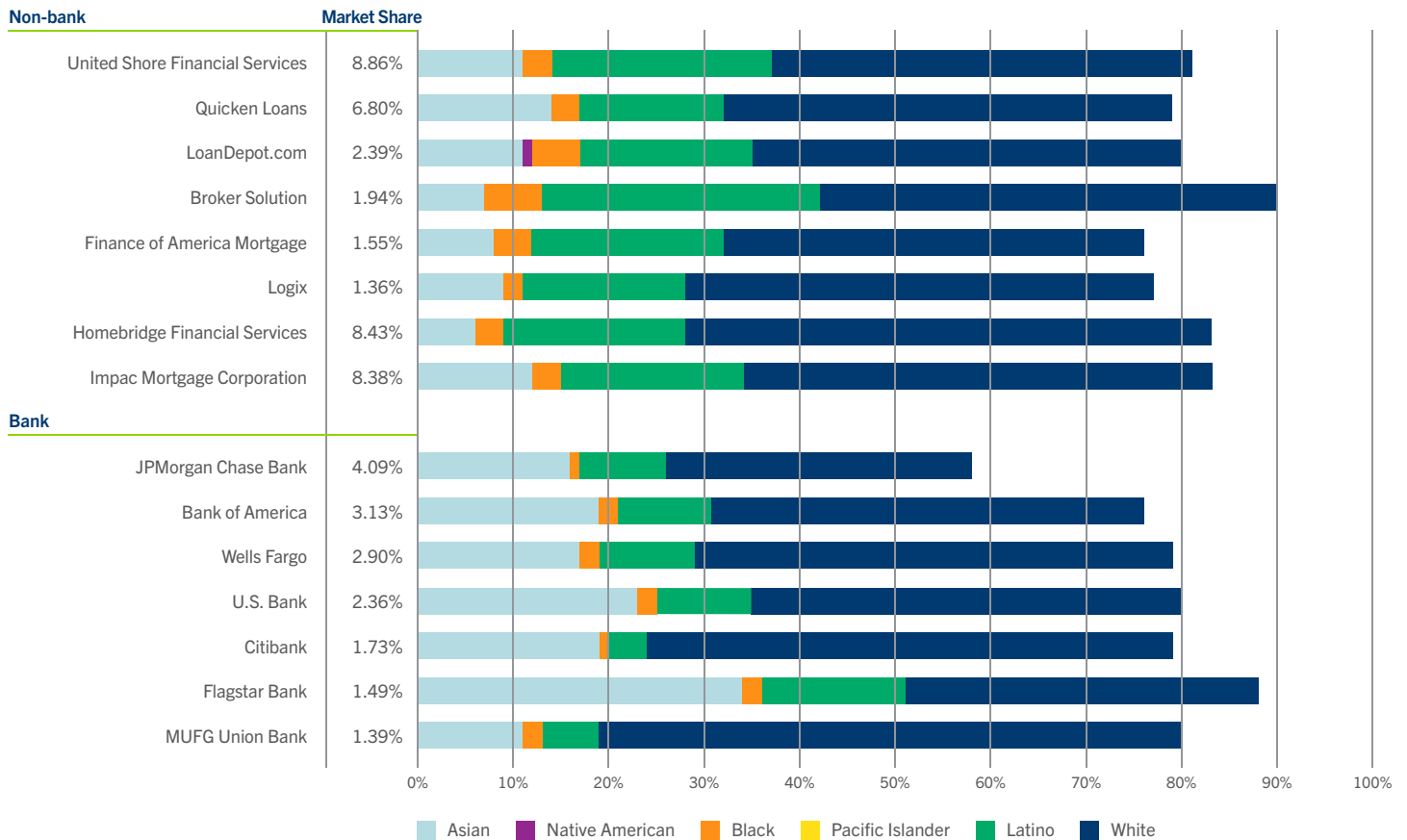Legend: Asian, Native American, Black, Pacific Islander, Latino, White

Table 21 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80 percent of the region's Area Median Income, for each of the top 15 lenders in the Los Angeles MSA in 2019.

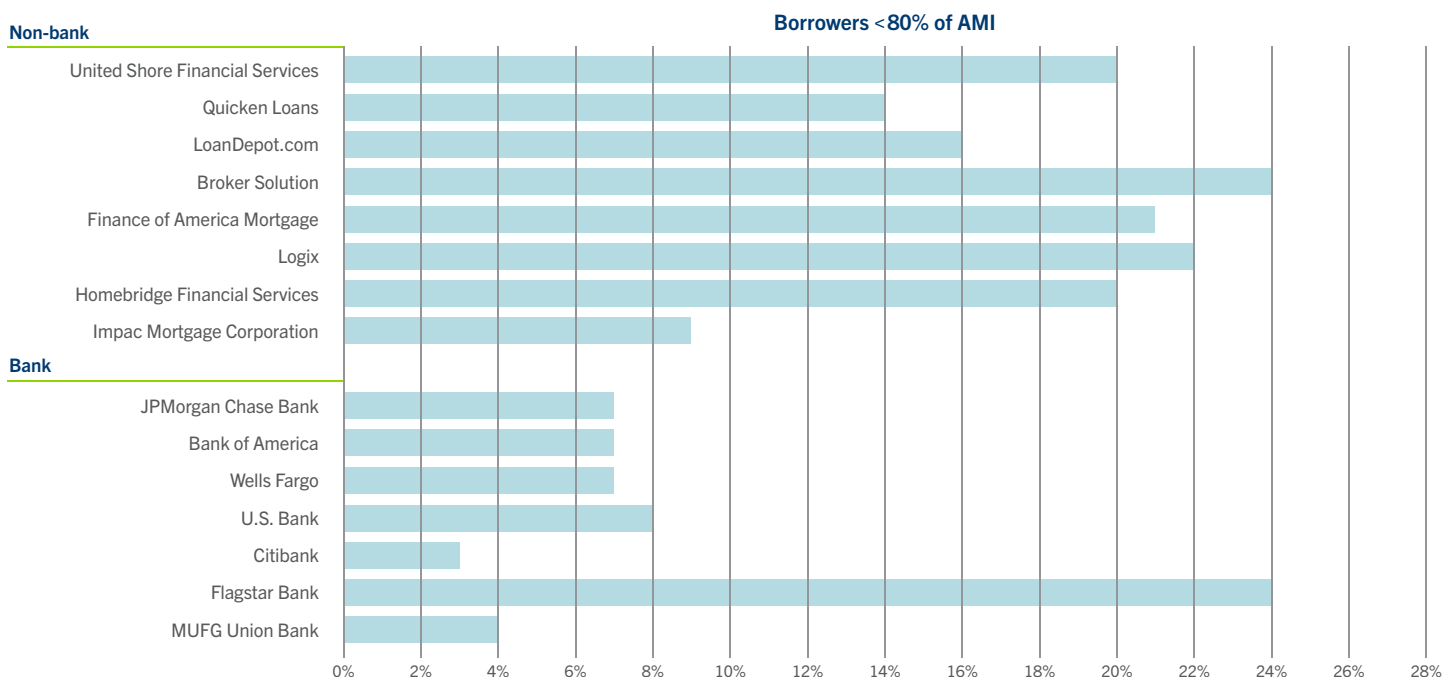**Table 21: Home Purchase Loans by Borrower Income**

Borrowers <80% of AMI

Table 22 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Los Angeles MSA in 2019.

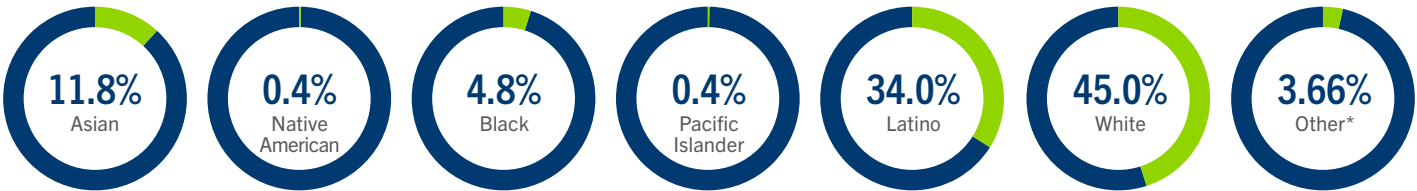**Table 22: Home Purchase Loans by Race & Gender**

Women of Color (non-White)

SAN DIEGO | CHULA VISTA | CARLSBAD

San Diego-Chula Vista-Carlsbad Demographics

Total Population: 3,343,364; 8.45 percent of California's population

| 11.8% Asian | 0.4% Native American | 4.8% Black | 0.4% Pacific Islander | 34.0% Latino | 45.0% White | 3.66% Other* |

*Other represents either individuals that identify as two or more races or that identify as a race that was not collected by the 2019 American Community Survey.

San Diego-Chula Vista-Carlsbad MSA

In the San Diego region, Latino households receive far fewer loans relative to their share of the population than other racial groups in the region. The Latino community in San Diego is the second largest racial group and makes up 34 percent of the population, but only 16 percent of home purchase loans.

Table 23: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
Asian	3,858	11.00%	11.75%
Native American	53	0.15%	0.42%
Black	911	2.60%	4.78%
Pacific Islander	141	0.40%	0.38%
Latino	5,586	15.93%	33.96%
White	16,907	48.20%	45.06%

Top 15 Lenders in San Diego-Chula Vista-Carlsbad MSA

The top 15 lenders in the San Diego region account for 54 percent of the market. The top lender, United Shore Financial Services, accounts for over 11 percent of all loan originations.

Of the top 15 lenders, only two lenders make home purchase loans to Black households at a level representative of the five percent Black population in the San Diego region: Navy Federal Credit Union (seven percent of loans) and Freedom Mortgage Corporation (five percent of loans).

Table 24 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the San Diego MSA in 2019.

Table 24: Home Purchase Loans by Race

Non-bank	Market Share
United Shore Financial Services	11.47%
Quicken Loans	8.50%
LoanDepot.com	3.47%
Navy Federal Credit Union	2.82%
Mission Federal Credit Union	2.73%
San Diego Credit Union	2.31%
Caliber Home Loans	2.29%
Finance of America Mortgage	1.28%
Freedom Mortgage Corporation	1.20%

Bank	Market Share
Wells Fargo	4.42%
JPMorgan Chase Bank	3.89%
Bank of America	3.83%
U.S. Bank	2.56%
MUFG Union Bank	1.57%
Flagstar Bank	1.56%

Legend: Asian, Native American, Black, Pacific Islander, Latino, White
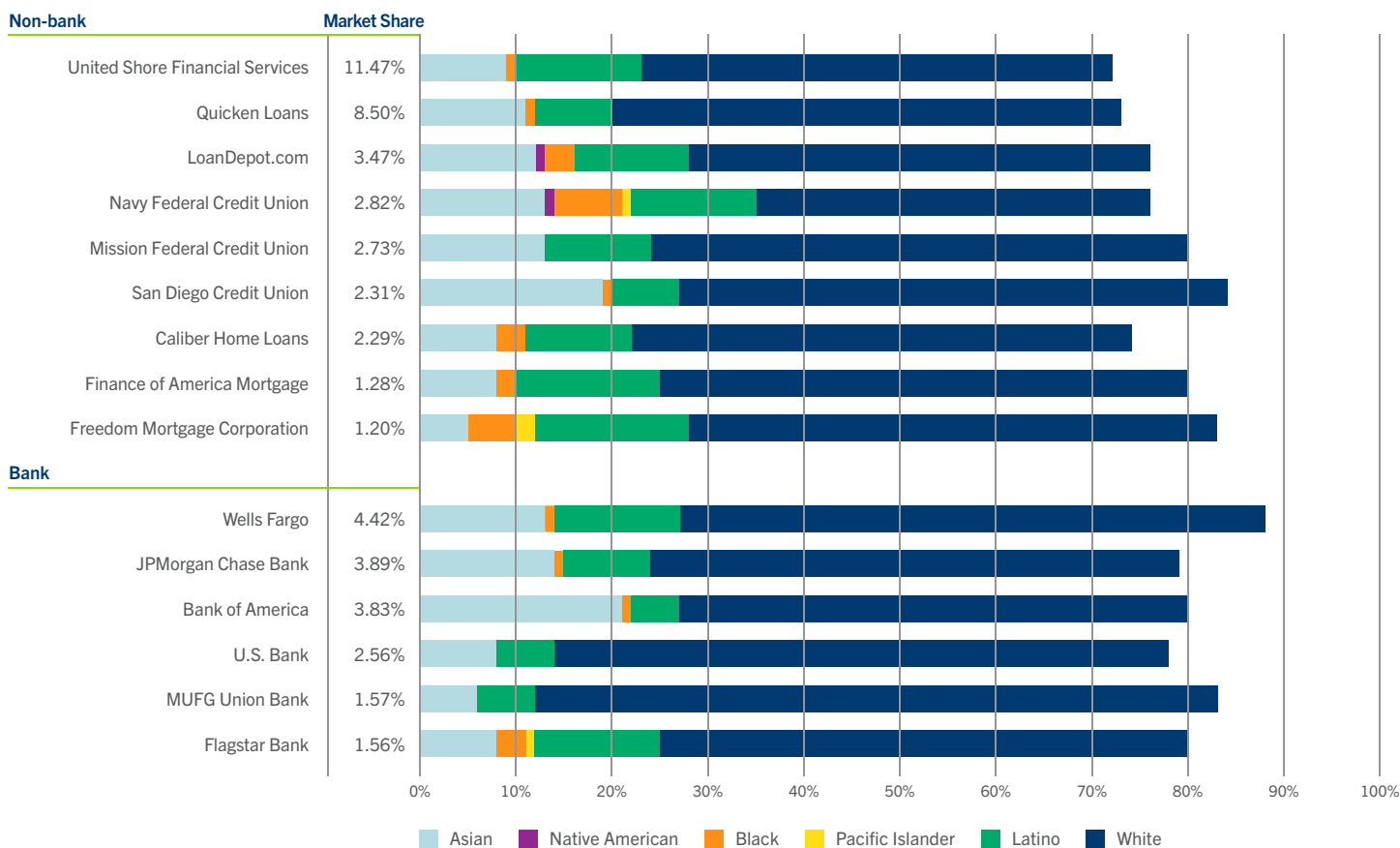
Table 25 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80 percent of the region's Area Median Income, for each of the top 15 lenders in the San Diego MSA in 2019.
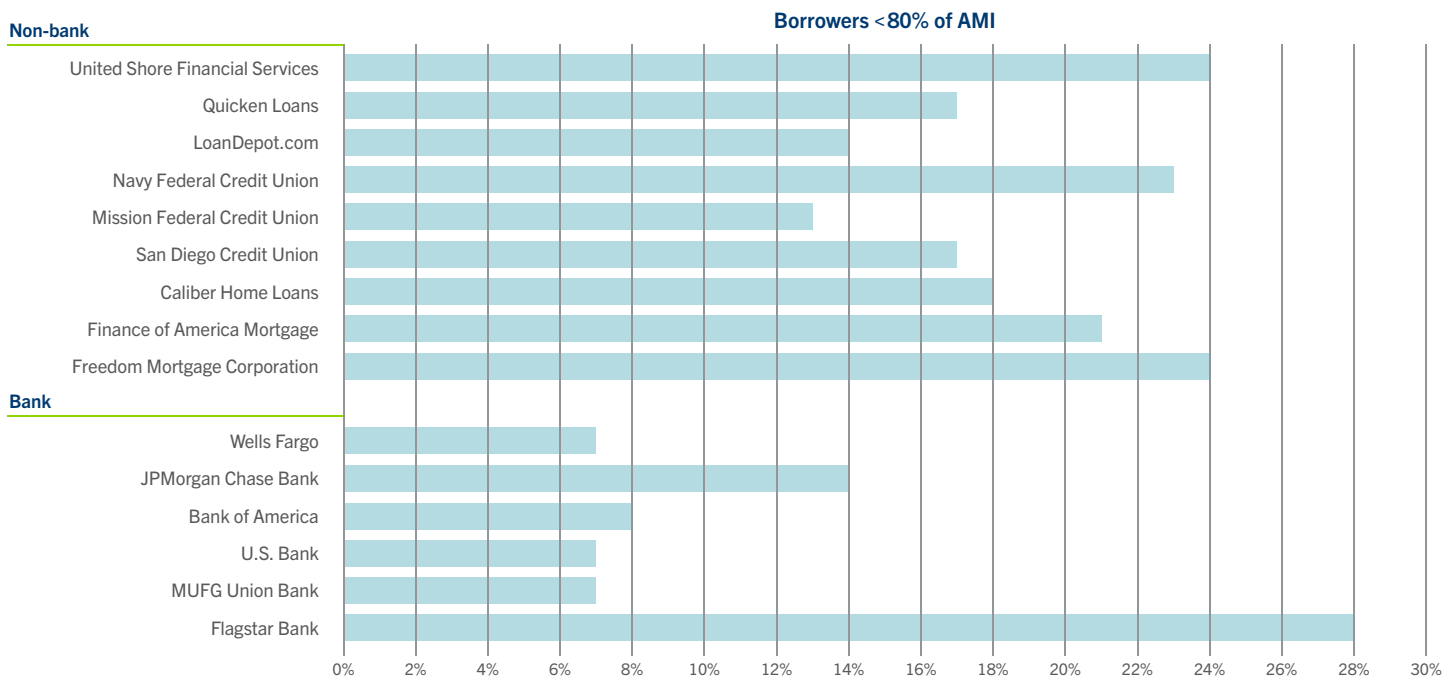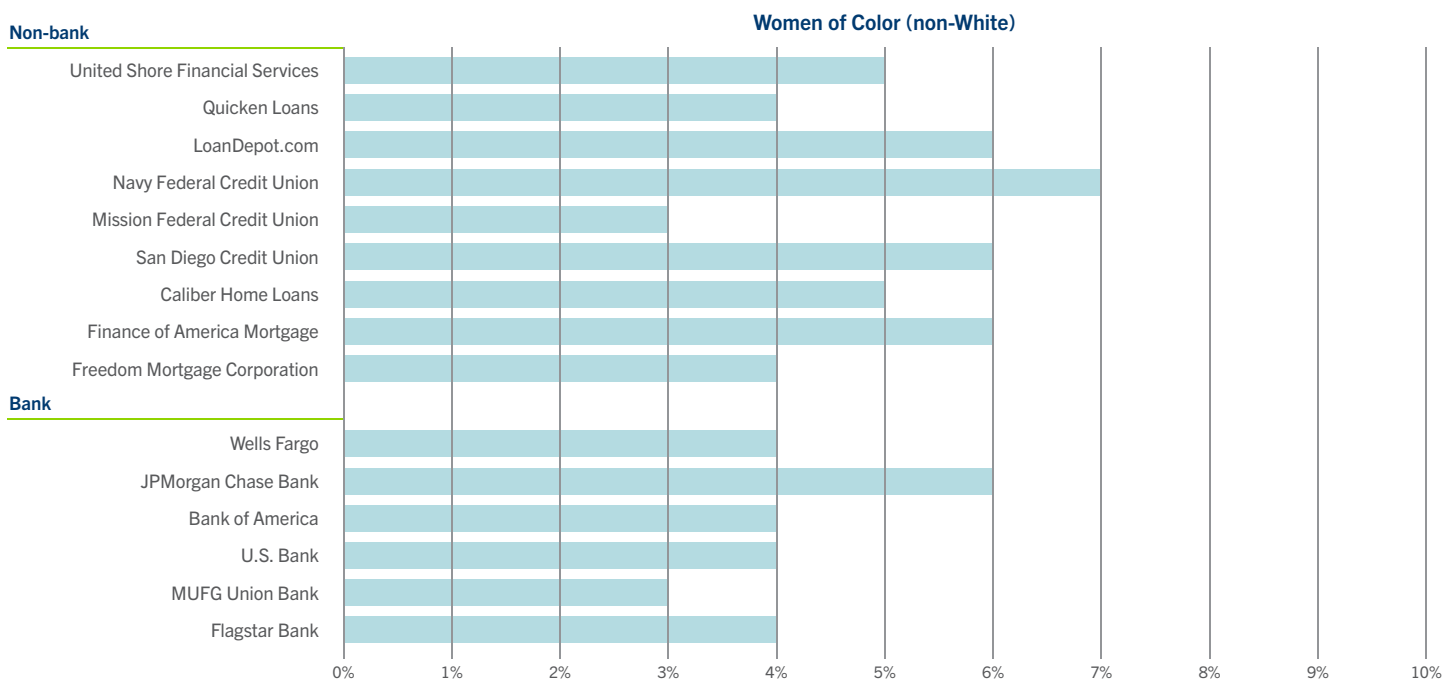
Table 25: Home Purchase Loans by Borrower Income

Table 26 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the San Diego MSA in 2019.

Table 26: Home Purchase Loans by Race & Gender

CONCLUSION AND RECOMMENDATIONS

Homeownership is the bedrock of wealth building. It is critical that home lending increases to communities of color in order to establish financial stability for future generations. This will require a comprehensive effort by non-bank lenders, traditional banks, financial regulators and state and federal policymakers to ensure that a continuous practice of racial equity and transparency is applied to the deployment of products, services and investments.

As our research shows, across California's regions, people of color are less likely to successfully access home loans despite making up a majority of the state. This is of particular concern to Black, Latino and immigrant communities. Even among low-income communities, White households are more likely than people of color to successfully take out a home purchase loan. Further, women of color face the highest gap between the size of their population and their ability to access home mortgages, which means this population should receive even more targeted attention and resources.

Lastly, the mortgage market is evolving and it's just as likely that today's borrower will receive a loan from an online, non-bank lender as from a traditional bank. Non-bank lenders can provide important competition to traditional banks and drive down costs for consumers while serving customers who currently fall through the cracks. It will be incumbent upon these non-bank lenders, which are not regulated by the Community Reinvestment Act, to proactively support California's communities of color and demonstrate their commitment to closing the racial wealth gap through equitable, safe and affordable products.

In light of our research, The Greenlining Institute recommends the following steps be taken:

1. More loan products and outreach tailored to low and moderate income families. These targeted investments in communities are not only the right thing to do, they will lead to increased business for lenders and improve a lender's bottom line.

2 More funding to nonprofits led by people of color to support homeownership counseling. It is important that first-time homeowners, especially those from communities which are often targeted by predatory lending, have as much information and training as possible to help them make important financial decisions during the homebuying process.

3 Increase branch presence in rural communities as well as support for broadband deployment. Rural communities, especially communities of color, are often left out of most traditional banks' footprint. Increased attention must be paid to both bank branches as well as philanthropic support for broadband deployment in underserved communities, which becomes absolutely vital as more and more banking services shift online.

4 Increase cultural competency in both products and marketing. Lenders should invest heavily in ethnic media for their marketing efforts, which will help them both ensure that they reach consumers not well served by mainstream media as well as help to support businesses owned by people of color. Further, lenders should prioritize delivering their products and services in the languages spoken by California's diverse communities and ensure that all communities, regardless of English proficiency, are protected against predatory practices and treated fairly.

5 Stronger, win-win community partnerships. Lenders, regardless of whether they are traditional banks, FinTech firms or non-bank mortgage institutions, should meet with California community groups annually to hear from those most impacted by their lending practices.

6 More targeted support from federal and state regulators. At the federal level, the Home Mortgage Disclosure Act should be made stronger, more accessible, with easier-to-access data that is disaggregated by different racial and ethnic communities. At the state level, California regulators should help to lead the discussion around the evolving, technology-oriented mortgage market with the goal of incentivizing innovation and lower costs while protecting consumers and underserved communities.

APPENDIX

Sacramento-Roseville-Folsom MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
United Shore Financial Services	Non-Bank	28%	17%	34%	20%
Quicken Loans	Non-Bank	30%	20%	37%	13%
Finance of America Mortgage	Non-Bank	25%	22%	42%	11%
Guild Mortgage Company	Non-Bank	22%	23%	40%	15%
The Golden 1	Non-Bank	19%	24%	44%	12%
LoanDepot.com	Non-Bank	25%	25%	40%	10%
American Pacific Mortgage Corporation	Non-Bank	26%	27%	43%	4%
Freedom Mortgage Corporation	Non-Bank	31%	18%	43%	8%
Caliber Home Loans	Non-Bank	25%	21%	45%	9%
Provident Funding Associates	Non-Bank	32%	22%	45%	1%
Safe Credit Union	Non-Bank	26%	19%	52%	3%
Wells Fargo	Bank	28%	19%	47%	5%
Bank of America	Bank	28%	20%	46%	6%
JPMorgan Chase Bank	Bank	24%	19%	43%	14%
U.S. Bank	Bank	27%	17%	47%	10%

Sacramento-Roseville-Folsom MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
United Shore Financial Services	Non-Bank	11%	3%	0%	1%	0%	4%
Quicken Loans	Non-Bank	9%	3%	0%	1%	0%	3%
Finance of America Mortgage	Non-Bank	11%	1%	0%	1%	0%	3%
Guild Mortgage Company	Non-Bank	10%	2%	0%	2%	0%	4%
The Golden 1	Non-Bank	10%	2%	0%	1%	0%	3%
LoanDepot.com	Non-Bank	7%	3%	0%	1%	0%	2%
American Pacific Mortgage Corporation	Non-Bank	14%	1%	0%	2%	0%	4%
Freedom Mortgage Corporation	Non-Bank	17%	3%	0%	2%	0%	10%
Caliber Home Loans	Non-Bank	10%	2%	0%	1%	0%	2%
Provident Funding Associates	Non-Bank	7%	5%	0%	1%	0%	2%
Safe Credit Union	Non-Bank	8%	1%	0%	0%	0%	1%
Wells Fargo	Bank	9%	3%	0%	1%	0%	4%
Bank of America	Bank	5%	4%	0%	0%	0%	2%
JPMorgan Chase Bank	Bank	9%	5%	0%	1%	0%	2%
U.S. Bank	Bank	5%	1%	0%	2%	0%	1%

San Francisco-San Mateo-Redwood City MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
Quicken Loans	Non-Bank	34%	14%	40%	12%
United Shore Financial Services	Non-Bank	24%	21%	40%	15%
LoanDepot.com	Non-Bank	25%	16%	44%	14%
Guaranteed Rate	Non-Bank	26%	16%	41%	17%
Wells Fargo	Bank	23%	11%	60%	6%
Bank of America	Bank	28%	12%	53%	6%
First Republic Bank	Bank	21%	11%	47%	21%
JPMorgan Chase Bank	Bank	24%	16%	47%	13%
Citibank	Bank	27%	11%	50%	11%
U.S. Bank	Bank	25%	18%	51%	5%
MUFG Union Bank	Bank	28%	8%	55%	9%
Bank of the West	Bank	28%	6%	54%	11%
PNC Bank	Bank	28%	17%	45%	10%
Fremont Bank	Bank	38%	10%	49%	3%
Flagstar Bank	Bank	20%	14%	61%	4%

San Francisco-San Mateo-Redwood City MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
Quicken Loans	Non-Bank	2%	3%	0%	0%	0%	0%
United Shore Financial Services	Non-Bank	1%	6%	0%	0%	0%	0%
LoanDepot.com	Non-Bank	0%	2%	0%	0%	0%	0%
Guaranteed Rate	Non-Bank	1%	3%	0%	0%	0%	0%
Wells Fargo	Bank	1%	0%	0%	0%	0%	0%
Bank of America	Bank	0%	0%	0%	0%	0%	0%
First Republic Bank	Bank	2%	1%	0%	0%	0%	0%
JPMorgan Chase Bank	Bank	1%	2%	0%	0%	0%	0%
Citibank	Bank	0%	1%	0%	0%	0%	0%
U.S. Bank	Bank	0%	1%	0%	0%	0%	0%
MUFG Union Bank	Bank	0%	0%	0%	0%	0%	0%
Bank of the West	Bank	1%	1%	0%	0%	0%	0%
PNC Bank	Bank	0%	0%	0%	0%	0%	0%
Fremont Bank	Bank	0%	1%	0%	0%	0%	0%
Flagstar Bank	Bank	3%	2%	0%	0%	0%	0%

Oakland-Berkeley-Livermore MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
Quicken Loans	Non-Bank	30%	18%	41%	11%
United Shore Financial Services	Non-Bank	27%	18%	38%	17%
LoanDepot.com	Non-Bank	28%	15%	44%	13%
Patelco	Non-Bank	24%	13%	48%	15%
Caliber Home Loans	Non-Bank	26%	23%	48%	3%
Guaranteed Rate	Non-Bank	23%	19%	42%	16%
Bank of America	Bank	40%	10%	44%	5%
Wells Fargo	Bank	27%	10%	58%	5%
JPMorgan Chase Bank	Bank	27%	14%	48%	11%
Fremont Bank	Bank	24%	14%	51%	11%
U.S. Bank	Bank	38%	11%	42%	9%
First Republic Bank	Bank	20%	13%	52%	15%
Citibank	Bank	36%	8%	47%	8%
MUFG Union Bank	Bank	35%	9%	52%	5%
Bank of the West	Bank	32%	12%	38%	17%

Oakland-Berkeley-Livermore MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
Quicken Loans	Non-Bank	32%	31%	0%	5%	1%	13%
United Shore Financial Services	Non-Bank	11%	8%	0%	1%	0%	6%
LoanDepot.com	Non-Bank	4%	3%	0%	0%	0%	2%
Patelco	Non-Bank	4%	1%	0%	1%	0%	1%
Caliber Home Loans	Non-Bank	13%	7%	0%	2%	0%	7%
Guaranteed Rate	Non-Bank	7%	4%	0%	0%	0%	1%
Bank of America	Bank	2%	3%	0%	0%	0%	1%
Wells Fargo	Bank	3%	2%	0%	0%	0%	1%
JPMorgan Chase Bank	Bank	4%	6%	0%	0%	0%	1%
Fremont Bank	Bank	5%	3%	0%	0%	0%	2%
U.S. Bank	Bank	3%	1%	0%	0%	0%	1%
First Republic Bank	Bank	3%	1%	0%	1%	0%	1%
Citibank	Bank	1%	2%	0%	0%	0%	0%
MUFG Union Bank	Bank	2%	0%	0%	0%	0%	1%
Bank of the West	Bank	5%	2%	0%	0%	0%	2%

Fresno MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
United Shore Financial Services	Non-Bank	31%	19%	36%	14%
Quicken Loans	Non-Bank	28%	17%	24%	30%
Alameda Mortgage Corporation	Non-Bank	36%	25%	36%	3%
Homebridge Financial Services	Non-Bank	40%	20%	40%	1%
Sierra Pacific Mortgage Company	Non-Bank	29%	24%	45%	1%
Educational Employees Credit Union	Non-Bank	15%	15%	49%	21%
Home Point Financial Corporation	Non-Bank	38%	21%	37%	5%
Country Club Mortgage	Non-Bank	36%	19%	43%	2%
Loandepot.com	Non-Bank	32%	19%	32%	17%
Freedom Mortgage Corporation	Non-Bank	28%	16%	48%	9%
Citywide Home Loans	Non-Bank	35%	20%	43%	2%
Wells Fargo	Bank	32%	19%	45%	4%
Flagstar Bank	Bank	30%	20%	44%	5%
Bank of America	Bank	31%	21%	41%	7%
JPMorgan Chase Bank	Bank	30%	19%	48%	3%

Fresno MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
United Shore Financial Services	Non-Bank	18%	2%	0%	1%	0%	10%
Quicken Loans	Non-Bank	9%	1%	0%	1%	0%	5%
Alameda Mortgage Corporation	Non-Bank	17%	7%	0%	0%	0%	14%
Homebridge Financial Services	Non-Bank	23%	2%	0%	0%	0%	20%
Sierra Pacific Mortgage Company	Non-Bank	12%	1%	1%	0%	0%	5%
Educational Employees Credit Union	Non-Bank	6%	1%	0%	0%	0%	4%
Home Point Financial Corporation	Non-Bank	24%	2%	0%	1%	0%	14%
Country Club Mortgage	Non-Bank	21%	3%	0%	2%	0%	17%
Loandepot.com	Non-Bank	9%	1%	0%	0%	0%	3%
Freedom Mortgage Corporation	Non-Bank	4%	1%	0%	1%	0%	2%
Citywide Home Loans	Non-Bank	9%	3%	0%	0%	0%	6%
Wells Fargo	Bank	12%	3%	0%	0%	0%	9%
Flagstar Bank	Bank	12%	1%	0%	0%	0%	6%
Bank of America	Bank	17%	2%	0%	0%	0%	13%
JPMorgan Chase Bank	Bank	19%	1%	1%	1%	1%	12%

Los Angeles-Long Beach-Glendale MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
United Shore Financial Services	Non-bank	30%	20%	35%	15%
Quicken Loans	Non-bank	29%	20%	41%	10%
LoanDepot.com	Non-bank	29%	18%	44%	9%
Broker Solutions	Non-bank	37%	28%	34%	1%
Finance of America Mortgage	Non-bank	28%	19%	41%	12%
Logix	Non-bank	28%	14%	41%	17%
Homebridge Financial Services	Non-bank	32%	21%	41%	6%
Impac Mortgage Corp.	Non-bank	41%	22%	27%	10%
JPMorgan Chase Bank	Bank	19%	13%	28%	40%
Bank of America	Bank	33%	17%	43%	7%
Wells Fargo	Bank	29%	15%	49%	6%
U.S. Bank	Bank	29%	17%	46%	8%
Citibank	Bank	28%	15%	45%	12%
Flagstar Bank	Bank	30%	22%	44%	4%
MUFG Union Bank	Bank	30%	13%	50%	8%

Los Angeles-Long Beach-Glendale MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
United Shore Financial Services	Non-bank	12%	3%	0%	1%	0%	9%
Quicken Loans	Non-bank	8%	2%	0%	0%	0%	18%
LoanDepot.com	Non-bank	10%	2%	0%	1%	0%	5%
Broker Solutions	Non-bank	16%	2%	0%	2%	0%	41%
Finance of America Mortgage	Non-bank	13%	2%	0%	1%	0%	0%
Logix	Non-bank	16%	1%	0%	0%	0%	0%
Homebridge Financial Services	Non-bank	15%	2%	0%	1%	0%	24%
Impac Mortgage Corp.	Non-bank	7%	1%	0%	0%	0%	23%
JPMorgan Chase Bank	Bank	4%	2%	0%	0%	0%	10%
Bank of America	Bank	4%	2%	0%	0%	0%	0%
Wells Fargo	Bank	4%	2%	0%	0%	0%	0%
U.S. Bank	Bank	4%	2%	0%	0%	0%	0%
Citibank	Bank	2%	1%	0%	0%	0%	4%
Flagstar Bank	Bank	9%	12%	0%	1%	0%	0%
MUFG Union Bank	Bank	2%	1%	0%	0%	0%	0%

San Diego-Chula Vista-Carlsbad MSA | Home Purchase Loans by Gender

Institution	Type	Male	Female	Joint	NA
United Shore Financial Services	Non-Bank	26%	17%	38%	19%
Quicken Loans	Non-Bank	27%	16%	45%	12%
LoanDepot.com	Non-Bank	26%	16%	50%	9%
Navy Federal Credit Union	Non-Bank	30%	14%	51%	5%
Mission Federal Credit Union	Non-Bank	27%	15%	49%	10%
San Diego County Credit Union	Non-Bank	25%	15%	52%	7%
Caliber Home Loans	Non-Bank	30%	19%	48%	4%
Finance of America Mortgage	Non-Bank	21%	16%	50%	13%
Freedom Mortgage Corporation	Non-Bank	31%	13%	51%	5%
Wells Fargo	Bank	26%	14%	53%	6%
JPMorgan Chase Bank	Bank	27%	15%	43%	14%
Bank of America	Bank	32%	13%	47%	8%
U.S.Bank	Bank	29%	14%	47%	10%
MUFG Union Bank	Bank	30%	11%	49%	9%
Flagstar Bank	Bank	38%	16%	44%	3%

San Diego-Chula Vista-Carlsbad MSA | Home Purchase Loans by Low-income*/Race

Institution	Type	White	Asian	Native American	Black	Pacific Islander	Latino
United Shore Financial Services	Non-Bank	14%	3%	0%	0%	0%	6%
Quicken Loans	Non-Bank	10%	2%	0%	0%	0%	3%
LoanDepot.com	Non-Bank	8%	1%	0%	1%	0%	3%
Navy Federal Credit Union	Non-Bank	11%	3%	0%	2%	1%	6%
Mission Federal Credit Union	Non-Bank	11%	1%	0%	0%	0%	4%
San Diego County Credit Union	Non-Bank	11%	4%	0%	0%	0%	3%
Caliber Home Loans	Non-Bank	11%	2%	0%	1%	0%	4%
Finance of America Mortgage	Non-Bank	13%	2%	0%	1%	0%	6%
Freedom Mortgage Corporation	Non-Bank	16%	3%	0%	1%	1%	7%
Wells Fargo	Bank	5%	1%	0%	0%	0%	1%
JPMorgan Chase Bank	Bank	10%	3%	0%	0%	0%	3%
Bank of America	Bank	5%	1%	0%	0%	0%	2%
U.S.Bank	Bank	6%	0%	0%	0%	0%	1%
MUFG Union Bank	Bank	5%	0%	0%	0%	0%	1%
Flagstar Bank	Bank	22%	2%	0%	1%	0%	6%

ACKNOWLEDGEMENTS

The Greenlining Institute

Founded in 1993, The Greenlining Institute envisions a nation where communities of color thrive and race is never a barrier to economic opportunity. Because people of color will be the majority of our population by 2044, America will prosper only if communities of color prosper. Greenlining advances economic opportunity and empowerment for people of color through advocacy, community and coalition building, research and leadership development. We work on a variety of major policy issues because economic opportunity doesn't operate in a vacuum. Rather than seeing these issues as being in separate silos, Greenlining views them as interconnected threads in a web of opportunity.

Economic Equity

The Greenlining Institute's Economic Equity program works to overcome the lingering effects of redlining, close the racial wealth gap, and ensure that our financial system works for all.

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Endnotes

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