



Home Lending to Communities of Color in California

Updated with 2021 HMDA Data

MARCH 2023

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AUTHORS

Marwa Abubakr is an Economic Equity Fellow at the Greenlining Institute, where she supports the organization’s research and advocacy efforts to close the racial and gender wealth gap. Being the product of Afghan refugees, navigating life in a diaspora community, the politics of poverty and discrimination have always been prevalent in her life. Marwa has passionately dedicated her career towards uplifting and empowering marginalized communities. She spent two years in AmeriCorps service working to expand literacy development in underserved elementary schools in Oakland. Through her experience in financial analytics at Morgan Stanley, Marwa was able to grasp how our financial systems stand to benefit those with the most privilege, driving her dedication towards economic equity. She has since worked at multiple nonprofit organizations in the Bay Area supporting research and data analytics. Marwa holds a B.A. in Political Science from the University of California, Berkeley.

Rawan Elhalaby is the Associate Director, Economic Equity at The Greenlining Institute, where she leads the organization’s research efforts around bank accountability and financial inclusion. As the daughter of Palestinian, working-class refugees, Rawan is all too familiar with the obstacles that low-income and immigrant families face in achieving self-sufficiency in the United States. She has spent her career fighting barriers to economic opportunity through direct service at the International Rescue Committee in San Diego and through policy as a consultant to the Consumer Financial Protection Bureau, the County of San Diego, the Western Regional Advocacy Project and the Dellums Institute for Social Justice. Rawan holds a Master of Public Policy from UC Berkeley’s Goldman School of Public Policy and a B.A. in Political Science from San Diego State University.

Rawan co-authored Greenlining’s recent report, [A Fair Financial System](#), testified before the House Financial Services Committee’s [Subcommittee on Diversity and Inclusion](#) on the lack of diversity in banks, and has been quoted in a variety of publications ranging from [American Banker](#) to [Politico](#).

Editorial:

Danielle Bell, Senior Program Manager of Media Relations at The Greenlining Institute

Tram Quang, Copyeditor

Design:

Zhanae Briggs, Communications Coordinator at The Greenlining Institute

Design Action Collective

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THE GREENLINING INSTITUTE

The Greenlining Institute works towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. Greenlining is building an abundant future that brings investments and opportunities into our communities – what we call Greenlining. Since 1993, we have successfully advocated and negotiated initiatives directing more than \$800 billion in corporate and public investments into communities of color in California and across the nation.

ECONOMIC EQUITY

The Greenlining Institute's Economic Equity program advocates for race-conscious policies that hold financial institutions accountable, end discriminatory practices, and establish pathways to financial security and prosperity. We are building a future where more people of color are homeowners, business owners, and have access to wealth-building infrastructure such as high-speed internet for generations to come.



Photo credit: Kadyn Pierce via Unsplash

Executive Summary

California is one of the most racially diverse states in the country, yet its homeownership and home purchase loan origination rates do not reflect this diversity. Homeownership is one major pathway to building family wealth, yet owning a home continues to be out of reach for most people of color in California.

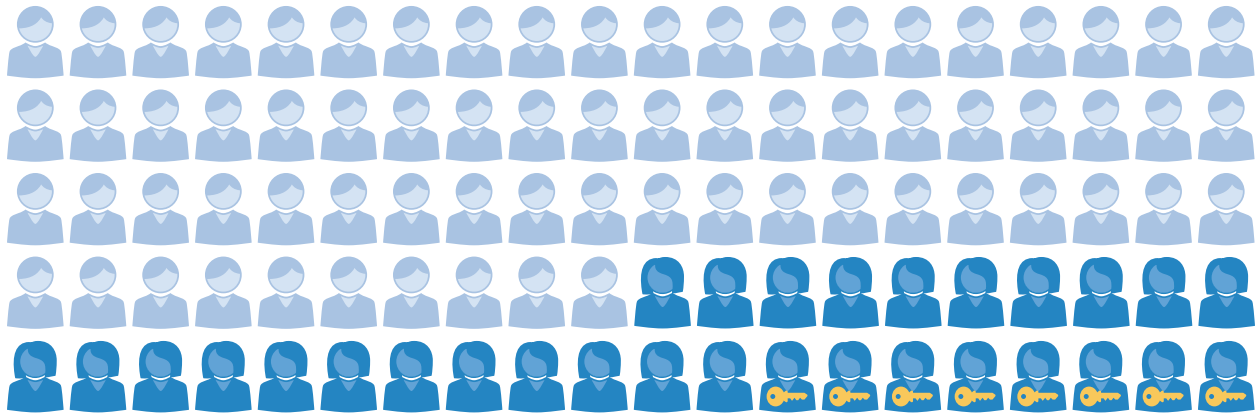
The Greenlining Institute assessed Home Mortgage Disclosure Act lending data from six metropolitan areas of California: Sacramento, San Francisco, Oakland, Fresno, Los Angeles, and San Diego. This report evaluates the lending overall in these regions, and the top 15 lenders in each region for 2021. Although there are slight variations among the largest lenders for each region, the findings across the regions were consistent.

Findings:

- **Communities of color do not access home purchase loans at rates comparable to white communities.** Latino households access 21% of the state's home purchase loans, despite making up over 40% of the population, and Black households access 3% of home loans, while making up over 5% of the population. White households are especially overrepresented in home purchase originations relative to their share of the population, and Asian households are slightly overrepresented.
- **Women of color, 30% of the state's population, receive just 8% of home purchase loans by the top 15 lenders in California, consistent with 2020.** Women of color are also more likely to access a loan from a nonbank lender than from a mainstream bank. The disproportionate caretaking burdens and responsibilities of women of color are compounded by the gender pay gap and racial wealth gap—all of which are compounded by an inability to access home loans.

Figure 1: Home Purchase Loans by Race and Gender

Only **EIGHT PERCENT** of the home loans made by the major lenders in California are to **women of color**, but they make up **30% of the state's population**.



- **Asian ethnic communities do not access home loans at the same rate.** While home lending to all Asian households in California appears to exceed their share of the population—rising to 19.4% in 2021 from 15.5% in 2020—there are disparities in access for different subgroups within the Asian population, emphasizing the need to collect and disaggregate lending data.
- **Nonbank lenders are more likely to make home loans to low-income borrowers than traditional banks**—with both conventional and government-subsidized loans.
- **Low-income white borrowers are more likely than low-income borrowers of color to receive a home loan in over half of the six regions proportional to their percentage of the population.** Low-income Black and Latino borrowers are more likely to receive home purchase loans from nonbank lenders proportional to their percentage of the population.
- **Nonbank lenders dominate several regional markets in California and play an increasing role in home lending across the state.** Ten of the top 15 home purchase lenders are largely unregulated nonbanks that do not offer traditional banking services and operate largely online. These nonbank lenders are also not subject to the Community Reinvestment Act, therefore their lending is not regularly assessed to determine whether they meet the credit and borrowing needs of the communities where they operate. Like last year, Black and Latino households were more likely than other racial groups to access home purchase loans from nonbank lenders. In the Fresno Metropolitan Area, all 15 of the top 15 lenders were nonbanks.
- **Low-income and people of color borrowers are more highly represented in government-subsidized loans than conventional loans, consistent with nationwide trends.** Some lending institutions in this study did not issue *any* government-subsidized loans in some areas in 2021, and these loans represent a smaller part of the market than conventional loans. Black and Latino borrowers are particularly likely to receive government-subsidized loans.

Key Recommendations:

- **The state should create a California Community Reinvestment Act.** Unlike traditional banks, nonbank lenders are not covered by the federal Community Reinvestment Act despite the similarities in their products and services. Nonbank lenders should have the same mandate to serve low-to-moderate-income communities as traditional bank lenders, and this mandate can come from the state. A state CRA can expand beyond the many limitations of the current federal law. State governments in Connecticut, Illinois, Massachusetts, and New York have already passed state CRA legislation.
- **The federal government should strengthen the Home Mortgage Disclosure Act.** It should be made stronger, more accessible, and with easier-to-access data that is disaggregated by different racial and ethnic communities. At the state level, California regulators should help to lead this discussion with respect to nonbank lenders licensed by the state.
- **Lenders should provide more loan products and outreach tailored to low- to moderate income families.** Financial institutions should increase mortgage originations to communities of color through alternative products to government-subsidized loans.
- **Lenders should provide more support to nonprofit organizations led by people of color that provide homeownership counseling.** They must also improve the cultural competency of their products and marketing, and make use of ethnic media outlets to reach communities of color.

The gap in homeownership rates between California and the national average continues to persist in 2021, with California lagging 11 percentage points behind at a rate of 54.2%. Consistent with [last year's findings](#), rates of Black and Latino homeownership are significantly lower in California than the national averages. According to the latest available data from 2020, in California the Black homeownership rate is 37% compared to 44% nationally. The Latino homeownership rate in California stands at 46% and 48% nationally.

Home lenders, including both traditional banks and nonbank 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.



Photo credit: Taylor Rooney via Unsplash

Introduction

The Greenlining Institute envisions a future where housing is a human right and contributes to healthy, resilient communities for all. We believe that every Californian should be able to live in a home that is affordable, safe, resilient to the impacts of climate change, and contributes to equitable wealth-building rather than dragging people down further into debt. Under Greenlining’s [housing platform](#), we work to equitably increase access to capital, economic and homeownership opportunities for people of color in California.¹

Homeownership continues to be the primary path for wealth-building for families in California and throughout the U.S. Unfortunately, that path is far less open to Black, Latino, and many other communities of color than it is for white potential home buyers. Ongoing impacts of the pandemic and rising interest rates appear to be making the situation worse. However, increasing access to homeownership is one of the most important ways to address the racial wealth gap and for families to build wealth.

As of October 2021, 19% of all households report having lost all their savings during the pandemic, but the number is higher among Black and Latino households at 31% and over 25% respectively.

Slow homeownership rates for communities of color

Between 2019 and 2021, Black and Latino homeownership rates increased nationally.² With increases of 2% and 2.5% percent respectively, the rates of increase exceed that of white homeowners. Historically low interest rates were key contributors to the rise in Black and Latino homeownership. In 2021, interest rates were below 3% on average for a 30-year fixed rate mortgage, similar to 2020.³ Since then, interest rates have soared to record highs, posing a threat to the sustainability of increasing Black and Latino homeownership.

In addition, we saw a significant rise in home prices between 2020 and 2022 as well as the highest level of non-housing inflation since the Great Recession. The Federal Reserve has found that important contributors to rising inflation rates are increased consumption and decreased price sensitivity as a result of gaining wealth.⁴ In order to combat inflation, the Federal Reserve has raised interest rates in an effort to discourage borrowing and spending, slowing the economy down.

Currently, inflation poses the greatest threat to low-income marginalized communities. Studies show inflation stress impacts Black and Latino communities at higher rates than white communities, with 53.7% of Black individuals and 57.2% of Latino individuals reporting financial stresses as a result of rising inflation compared to 43.6% of white individuals.⁵ This increased financial burden has changed the outlook for potential home buyers in 2023 and risks a further decline in access to homeownership for communities of color.

Home appraisal bias is another significant disadvantage marginalized communities face when selling their homes. The Federal National Mortgage Association analyzed nearly two million appraisals from 2019 to 2020 and found that on average Black borrowers' homes received lower appraisal values compared to automated models when seeking to refinance.⁶ For example, in California, a Black couple was offered \$500,000 less for their home than when their home was staged to be owned by a white family.^{7 8}

Additionally, during the pandemic, the wealth gap increased substantially, in part as a result of unequal access to refinancing. The Federal Deposit Insurance Corporation (FDIC) found that in 2020, low-income borrowers were underrepresented in refinancing applications leading to a \$5 billion disparity in refinancing savings between the market and the upper quintile of the income distribution.⁹ Their study further concluded that the pandemic “counteracted the stabilizing effect that expansionary monetary policy is thought to have on inequality,” hindering the ability of marginalized borrowers to take advantage of the opportunity to lower their mortgages and build wealth.

The racial wealth divide

The legacy of racism and injustice in the housing market is undeniable – that’s why Greenlining advances anti-racist policies that promote housing as a human right. In the past two years, the racial wealth divide has only been exacerbated through the unequal financial toll of the pandemic and its economic impact. Black and Latino households have consistently been less likely to have liquid assets or savings that can help them weather economic storms. As of October 2021, 19% of all households report having lost all their savings during the pandemic, but the number is higher among Black and Latino households at 31% and over 25% respectively.¹⁰

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 disproportionately excluded from homeownership, and people of color do not access mortgages at equal rates to their white counterparts across the state and country. The national Black homeownership rate has dropped to 44%, compared to an overall national rate of 65%.¹¹

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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 family that can provide relief from debt burdens, help them weather financial emergencies, and support family members in asset accumulation, such as assisting with mortgage down payments.¹² Women of color are disproportionately 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.¹³

Comparing conventional and government-subsidized loans

Our analysis distinguishes between conventional and government-subsidized loans. Conventional loans are issued by the financial institution directly without government backing, while government-subsidized loans are guaranteed by the government. In this report, government-subsidized loans include loans guaranteed by the Federal Housing Administration (FHA), Veteran Affairs (VA), Rural Housing Service (RHS), or FSA (Farm Service Agency).

Government-subsidized loans are typically easier to qualify for than conventional loans, because government backing against default increases lenders' comfort levels. Borrowers of these loans tend to have lower income and lower credit scores, and also tend to be people of color due to a history of economic exclusion and exploitation.¹⁴ Conventional loans typically offer more options related to mortgage rates, properties available to purchase, and refinancing than government-subsidized loans.¹⁵

A recent survey by the National Association of Realtors found that 89% of home sellers would likely accept a buyer with a conventional loan whereas only 30% would likely accept an FHA or VA loan.¹⁶ The higher prevalence of government-subsidized loans in communities of color, or rather the absence of conventional loans in communities of color, raises concerns of ongoing mortgage redlining and discriminatory loan steering. It may indicate that lenders are illegally steering applicants of color who could qualify for conventional loans into government-subsidized loans, which have more restrictive uses and rigid structures.¹⁷

DEFINITIONS

Nonbank: In this report, “nonbank” 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. They are also referred to as mainstream or traditional banks.

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% of the region's Area Median Income.

Changes in home lending and the need to protect consumers

Financial institutions continue to 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.

In addition to these financial barriers to access, people of color were more likely to be denied a mortgage than their white counterparts, despite having similar debt-to-income ratios. Last year, *The Markup* found that nationally, this disparity is driven by algorithms utilized by nonbank lenders that disproportionately affect information input by people of color.¹⁸

The U.S. financial system has changed significantly in the past few decades, with mergers and acquisitions resulting in a smaller number of larger banks, each serving a greater number of people.¹⁹ Additionally, the influence of nonbank lenders continues to grow. In 2020, 68% of all mortgages originated in the United States were issued by nonbank lenders, marking their highest market share on record.²⁰ Mergers between mainstream banks and nonbanks are predicted to increase as mainstream banks seek to expand their markets, increase fee revenue to offset lower rates, and enhance their digital capabilities.²¹ These changes can be expected to impact the available options for financial products and services as well as how accessible they are to different groups of consumers.

In 2020, 68% of all mortgages originated in the United States were issued by nonbank lenders

As noted in The Greenlining Institute's 2021 report, *A Fair Financial System: Regulating Fintech and Nonbank Lenders*, nonbank lenders are exempt from the requirements of the Community Reinvestment Act, a federal law passed in 1977 to reverse redlining and meet the credit needs of low-to-moderate income communities. CRA is critical for obligating banks to meet the needs of low-to moderate income borrowers and, although race-blind, is an important tool for addressing the widening racial wealth gap and increasing access to first-time homeownership.

Home lending is changing with the emergence of largely unregulated fintech²² and the decreasing presence of physical branches in many communities, particularly low-income communities and communities of color. Nonbank lenders tend to be more effective than traditional banks at reaching communities of color, low-income, and immigrant communities, all of which are highly vulnerable to predatory lending. Because nonbanks are not subject to the CRA, they don't have the same legal obligation as traditional banks to meet the credit needs of low-to moderate income borrowers responsibly.²³

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, allowing advocates and policymakers to watch for potential redlining and ensure fair lending.

The HMDA data show that people of color are significantly 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 face the ongoing impacts of rising cost of living, our economic prosperity and resilience will increasingly depend on people of color having expanding access to capital and opportunities to build wealth, especially homeownership, to reach their full potential.

Figure 2: Home Purchase Loans by Race and Gender

Latino households access 21% of the state's home purchase loans, despite making up over 40% of the population.





Photo Credit: Stephen Leonardi via Unsplash

Methodology

We reviewed the loans reported in the 2021 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.

Data was controlled for conventional and government-subsidized loan product types. Conventional loan products include first and subordinate lien conventional loans. The Consumer Financial Protection Bureau defines conventional loans as those not insured or guaranteed by the Federal Housing Administration (FHA), Veteran Affairs (VA), Rural Housing Service (RHS) or FSA (Farm Service Agency).²⁴ Government subsidized loan products in this report include first and subordinate (where applicable) lien FHA, VA and FSA/RHS loans.

Loans were examined based on the income, gender and race/ethnicity of the primary borrower. In our analysis, joint applicant borrowers were not addressed as a separate race or gender group, but were counted toward the total loan number. This report identifies race and ethnicity in the following manner: If the ethnicity was indicated as 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. Multirace responses are extremely rare (1% in California) in the dataset and as such are not addressed as a separate racial group. Multirace responses were included in calculations of total people of color and women of color.

Unfortunately, approximately 20% of responses in the dataset on average 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. As we noted last year, this is a serious issue with HMDA data collection, and lenders should take greater care to ensure that race is collected for all borrowers.

This report identifies gender as utilized by the HMDA dataset (female and male). Borrowers with “sex not available” were not addressed as a separate category, but were counted toward the total loan number.

The top 15 lenders for each region were identified by market share for the Metropolitan Statistical Area.

This report uses population demographic data from 2021.

20% 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. Given the missing data, in the tables below the percent of loan originations will not reflect all lending. This is a serious issue with the HMDA dataset, and lenders and regulators should take greater care to ensure that demographic data is collected for all borrowers.

Findings

State of Home Lending in California

California lenders reported 469,212 home purchase originations in 2021.

California Demographics

Total Population: 39,237,836



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 of 2020 data, conducted in 2021.

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 for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	171,030	36.45%	34.30%
Asian	91,114	19.42%	15.00%
Native American	983	0.21%	0.20%
Black	15,231	3.25%	5.30%
Pacific Islander	1,073	0.23%	0.40%
Latino	97,571	20.79%	40.20%

While home lending to Asian households appears to exceed their share of the population (and to increase from 15.5% in 2020 to 19.4% in 2021), it is important to not treat the Asian population in California as a monolith, and to disaggregate the Asian category in order to consider the differences in access for different groups. Nationally, LMI Asian American and Pacific Islanders (AAPI) are far less likely to own a home compared to white people of the same income group—37% compared to 55%. Further, LMI Native Hawaiians and Other Pacific Islanders (NHOPI) are more than two times less likely to own a home at 22%, and are nearly twice as likely to be denied home purchase loans compared to white borrowers.²⁶ Data collected through the Home Mortgage Disclosure Act now includes disaggregated Asian data, and we are including the data that was analyzed by Compliance Tech in Table 2 and throughout the report for each MSA.²⁷ Although this data is incomplete for all Asian borrowers, this gives us a better understanding of the state of home lending for Asian communities in California and emphasizes the need for more targeted outreach by financial institutions, targeted language services and supportive home counseling services to specific populations.

Table 2: Home Purchase Loans to Asian Borrowers for All Lenders

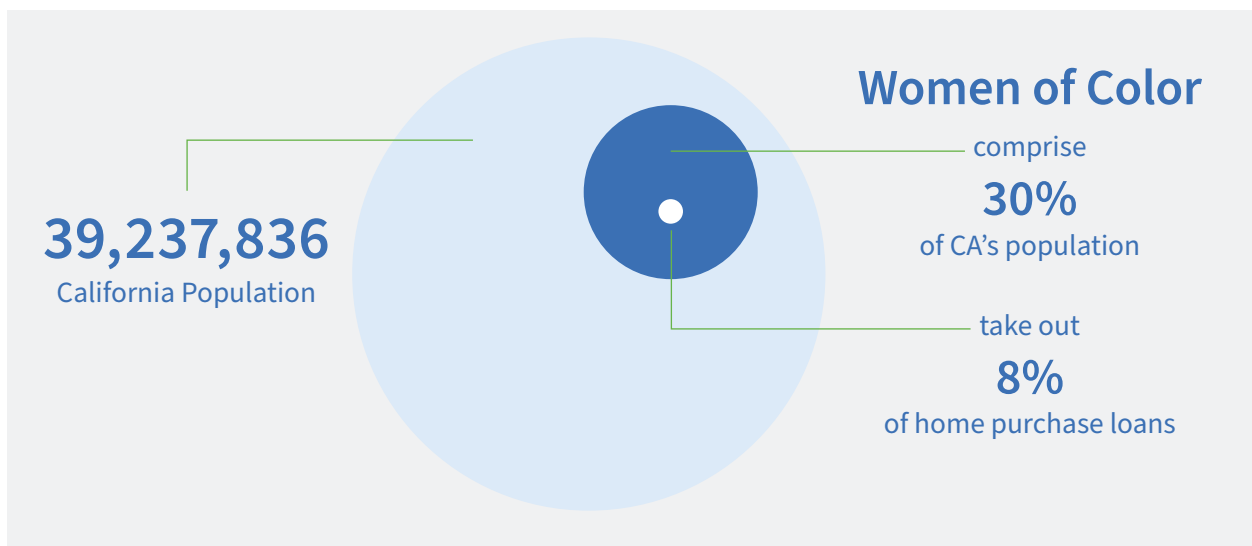
Asian Breakout	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations	Percent of Total Population
Asian	18,106	19.87%	3.86%	-
Asian Indian	19,142	21.01%	4.08%	2.24%
Chinese	22,888	25.12%	4.88%	3.77%
Filipino	9,285	10.19%	1.98%	3.21%
Japanese	1,227	1.35%	0.26%	0.65%
Korean	6,083	6.68%	1.30%	1.17%
Vietnamese	6,086	6.68%	1.30%	1.70%
Asian Other	5,294	5.81%	1.13%	1.72% ²⁸
Multi-Asian	3,003	3.30%	0.64%	0.54%

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

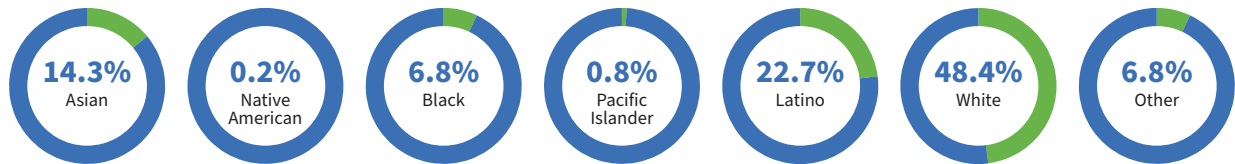


Eight percent of the home purchase loans made by the top 15 lenders are to women of color, who comprise 30% of the state's population.²⁹ This rate is consistent with last year.

Sacramento-Roseville-Folsom MSA

Total Population: 2,411,428, 6.15% of California’s population

Sacramento MSA Demographics



Overview of Lending in Sacramento-Roseville-Folsom MSA

Lender	Type of Lender	% of Market
United Wholesale Mortgage	Non-Bank	15.25%
Rocket Mortgage	Non-Bank	6.24%
American Pacific Mortgage Corporation	Non-Bank	4.61%
Guild Mortgage Company	Non-Bank	4.14%
Loandepot.com	Non-Bank	3.85%
Finance of America Mortgage	Non-Bank	3.84%
Home Point Financial Corporation	Non-Bank	2.50%
Movement Mortgage	Non-Bank	2.48%
Caliber Home Loans	Non-Bank	2.26%
Fairway Independent Mortgage Corporation	Non-Bank	2.25%
Lennar Mortgage	Non-Bank	2.20%
Wells Fargo Bank, National Association	Bank	2.13%
Summit Funding	Non-Bank	2.03%
U.S. Bank, National Association	Bank	1.48%
Flagstar Bank	Bank	1.36%

**Nonbank lenders are highlighted.*

In the Sacramento region, Black, Latino and Pacific Islander communities receive fewer loans relative to their share of the population than other racial groups in the region. Latino households receive just 14% of home purchase loans, while making up 23% 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
White	17,249	42.88%	48.40%
Asian	6,960	17.30%	14.30%
Native American	124	0.31%	0.20%
Black	1,687	4.19%	6.80%
Pacific Islander	190	0.47%	0.80%
Latino	5,472	13.60%	22.70%

Table 4: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	1,287	18.49%	3.20%
Asian Indian	1,569	22.54%	3.90%
Chinese	1,270	18.25%	3.16%
Filipino	994	14.28%	2.47%
Japanese	93	1.34%	0.23%
Korean	196	2.82%	0.49%
Vietnamese	602	8.65%	1.50%
Asian Other	635	9.12%	1.58%
Multi-Asian	314	4.51%	0.78%

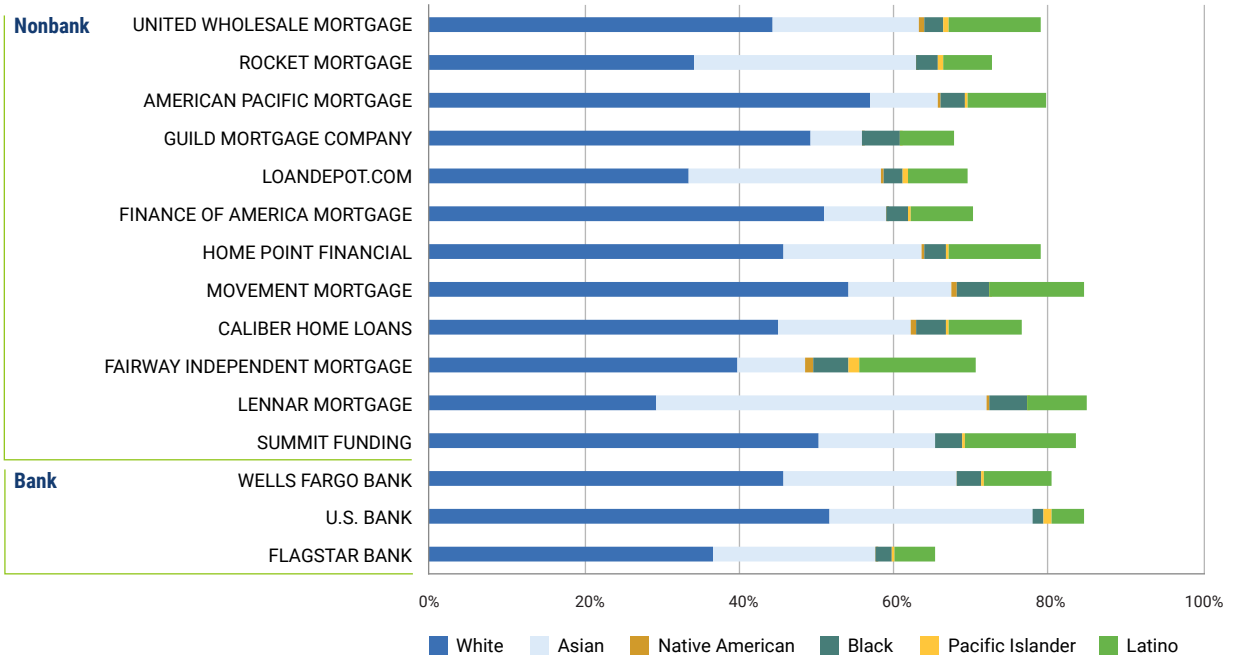
Top 15 Lenders in Sacramento-Roseville-Folsom MSA

The top 15 lenders in the Sacramento region account for 57% of the market. Similar to last year, nonbank lenders make up 12 of the top 15 lenders. The top lender, United Wholesale Mortgage, accounts for 15% of all loan originations.

Table 5 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Sacramento MSA in 2021. A majority of loans across both loan product types for each institution are issued to White borrowers.

Table 5: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

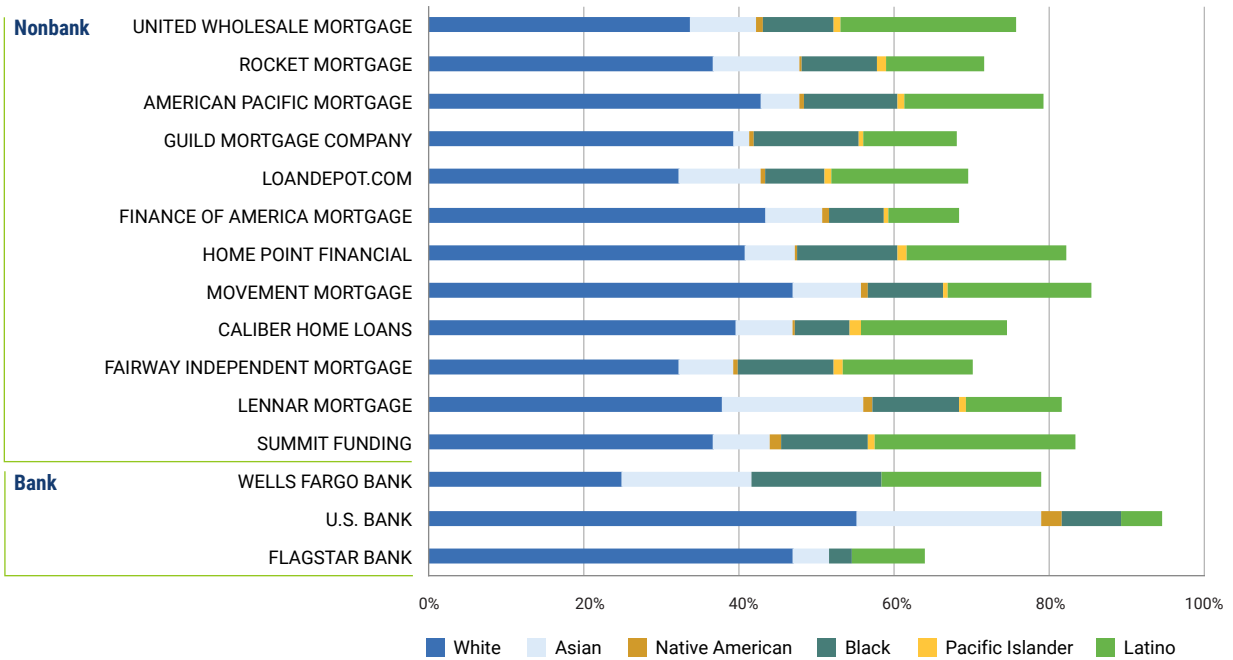
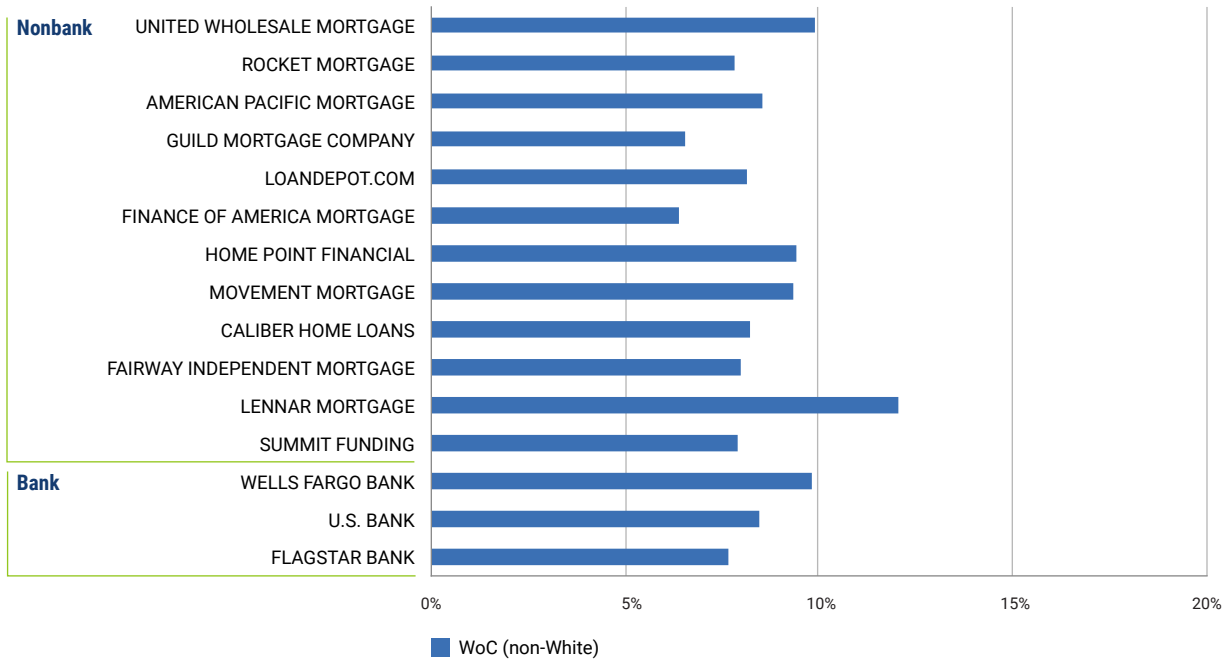


Table 6 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Sacramento MSA in 2021.

Table 6: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

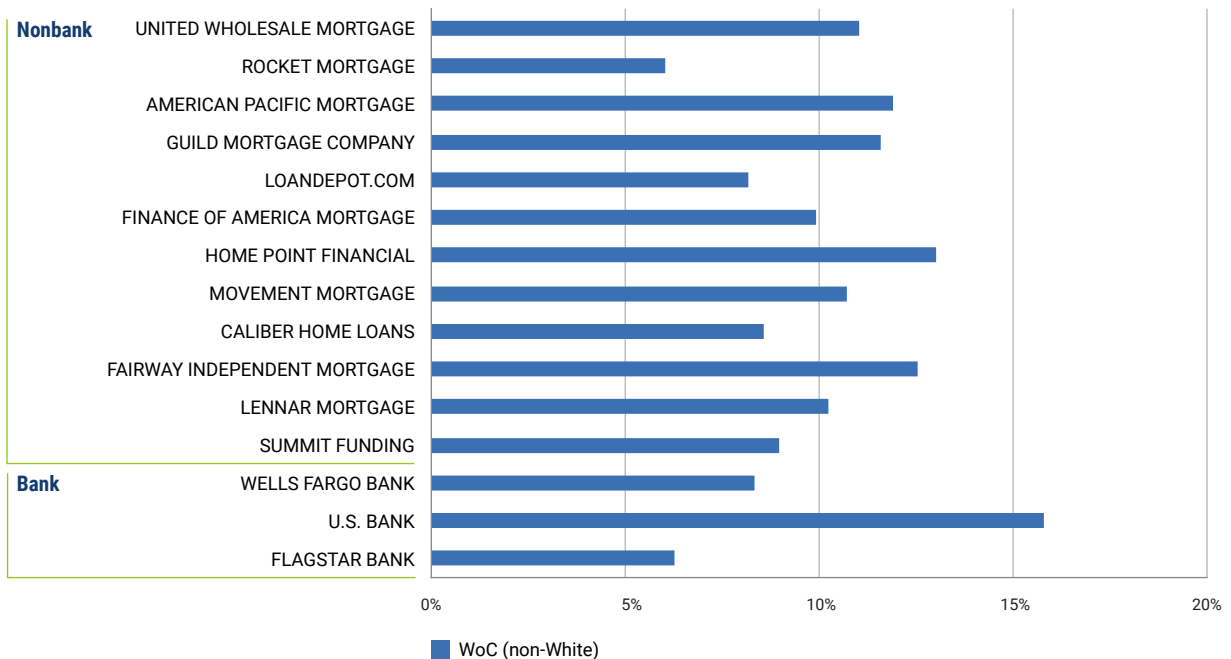
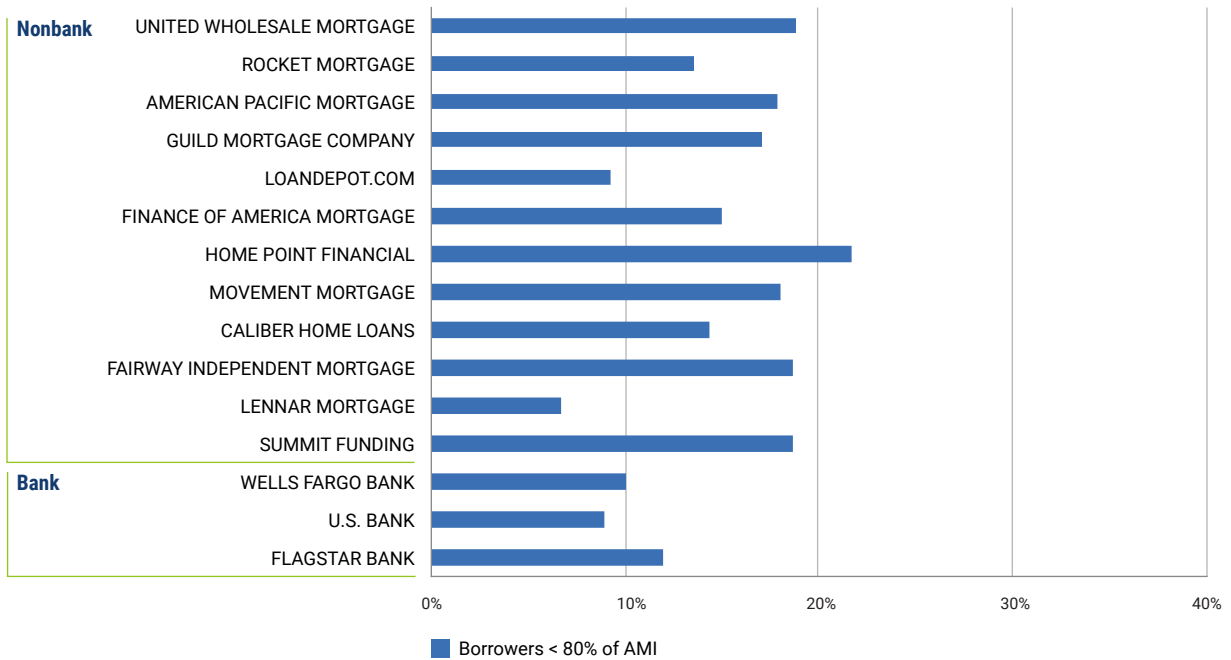


Table 7 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income, for each of the top 15 lenders in the Sacramento MSA in 2021. On average, a higher percentage of low-income borrowers are served by nonbanks than mainstream banks.

Table 7: Home Purchase Loans to Low-Income Borrowers

Conventional Loans



Government Subsidized Loans

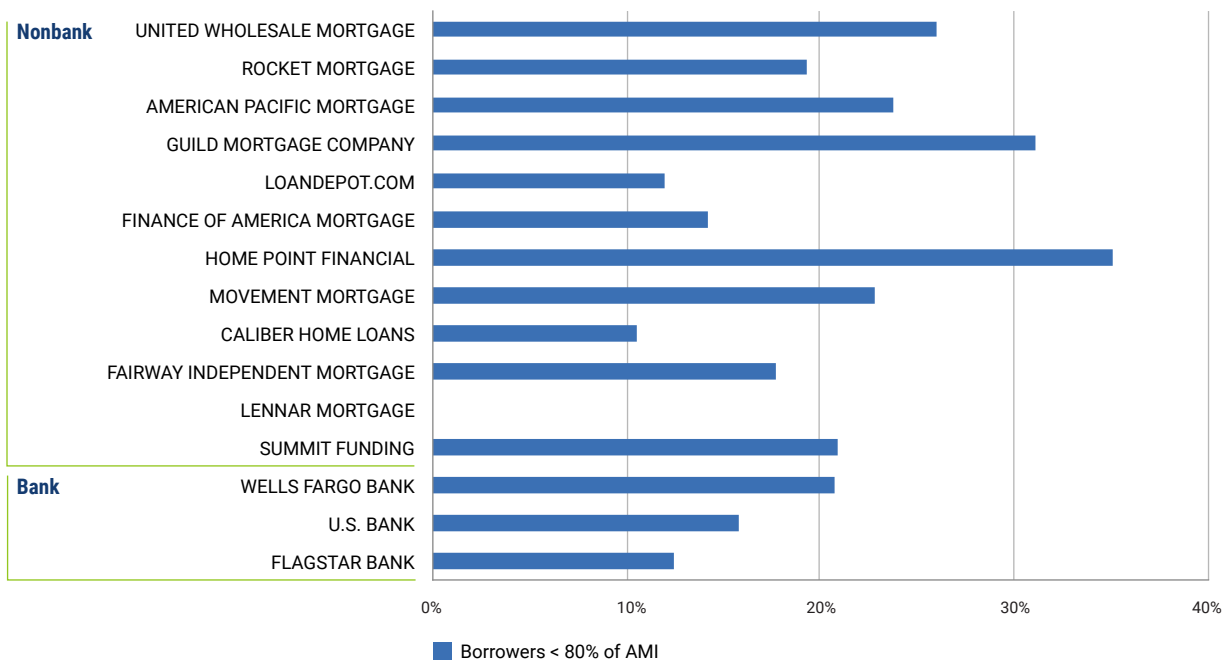
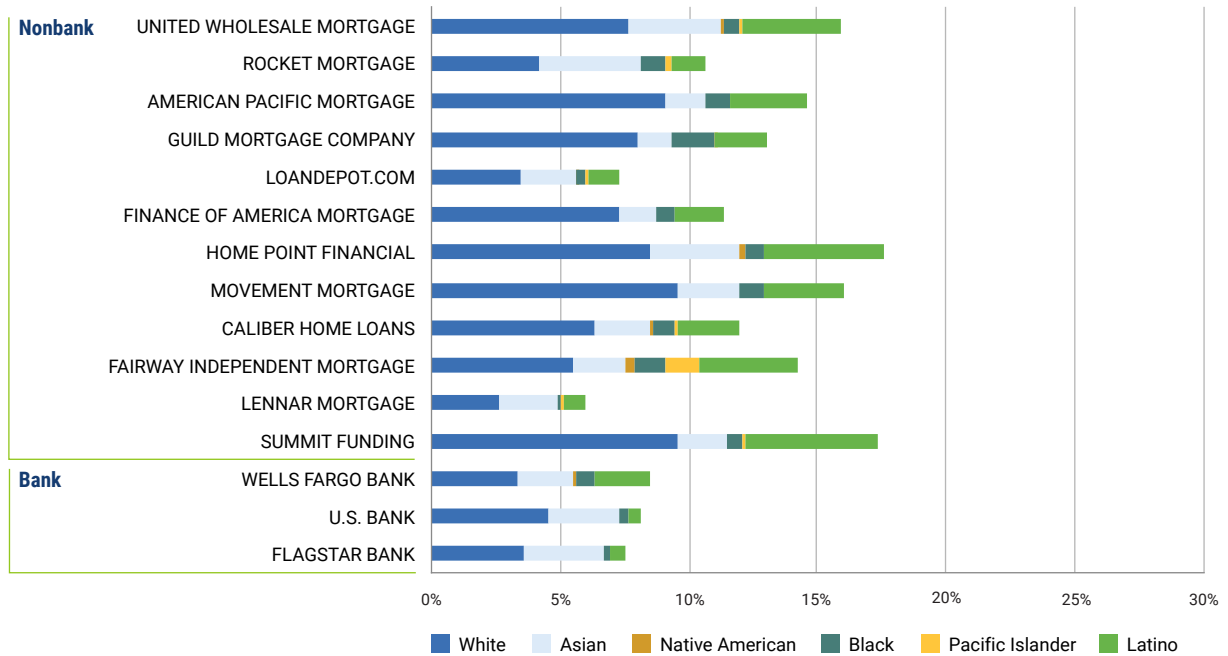


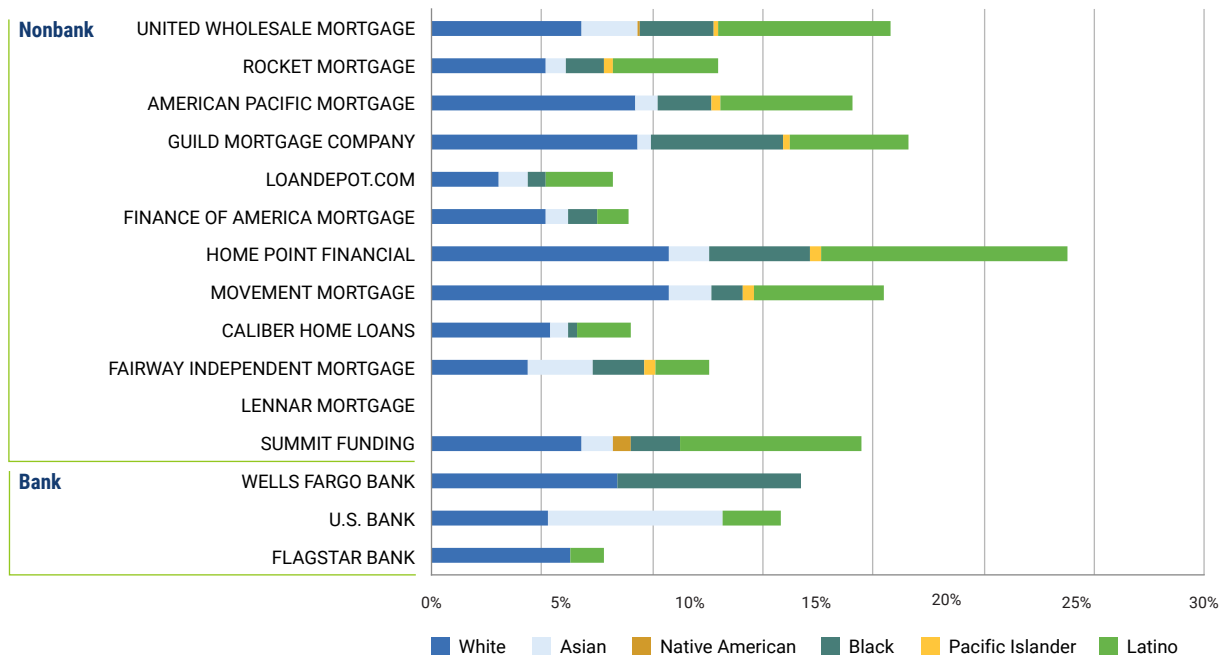
Table 8 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the Sacramento MSA in 2021.

Table 8: Home Purchase Loans to Low-Income Borrowers by Race

Conventional Loans



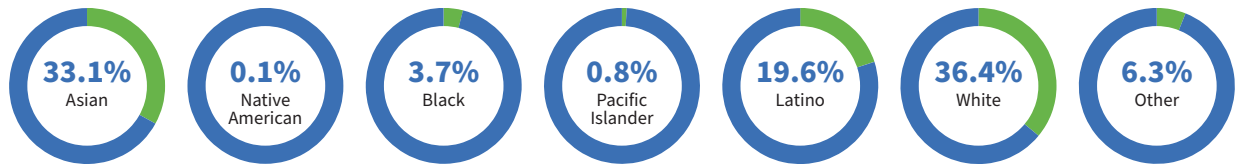
Government Subsidized Loans



San Francisco-San Mateo-Redwood City MSA

Total Population: 1,553,089, 3.96% of California’s population

San Francisco-San Mateo-Redwood City MSA Demographics



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

Lender	Type of Lender	% of Market
Wells Fargo Bank	Bank	15.65%
First Republic Bank	Bank	11.06%
Bank of America	Bank	6.40%
JPMorgan Chase Bank	Bank	4.90%
Rocket Mortgage	Non-Bank	3.49%
Guaranteed Rate	Non-Bank	3.47%
United Wholesale Mortgage	Non-Bank	3.31%
Citibank	Bank	3.25%
U.S. Bank	Bank	3.19%
PNC Bank	Bank	2.98%
Loandepot.com	Non-Bank	2.03%
Flagstar Bank	Bank	1.98%
Amwest Funding	Non-Bank	1.90%
Guaranteed Rate Affinity	Non-Bank	1.90%
MUFG Union Bank	Bank	1.89%

**Nonbank lenders are highlighted.*

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. Black households receive below 1% of home purchase loans, while making up 4% of the population. Latino households receive just 5% of home purchase loans, while making up 20% of the population.

Table 9: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	5,269	34.71%	36.40%
Asian	6,142	40.46%	33.10%
Native American	8	0.05%	0.10%
Black	111	0.73%	3.70%
Pacific Islander	21	0.14%	0.80%
Latino	700	4.61%	19.60%

Table 10: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	1,262	20.55%	8.31%
Asian Indian	873	14.21%	5.75%
Chinese	2,857	46.52%	18.82%
Filipino	237	3.86%	1.56%
Japanese	77	1.25%	0.51%
Korean	239	3.89%	1.57%
Vietnamese	151	2.46%	0.99%
Asian Other	259	4.22%	1.71%
Multi-Asian	187	3.04%	1.23%

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

Traditional bank lenders make up nine of the top 15 lenders in the San Francisco region, a departure from the dominance of nonbank lenders in other California regions. This remains consistent with last year’s findings.

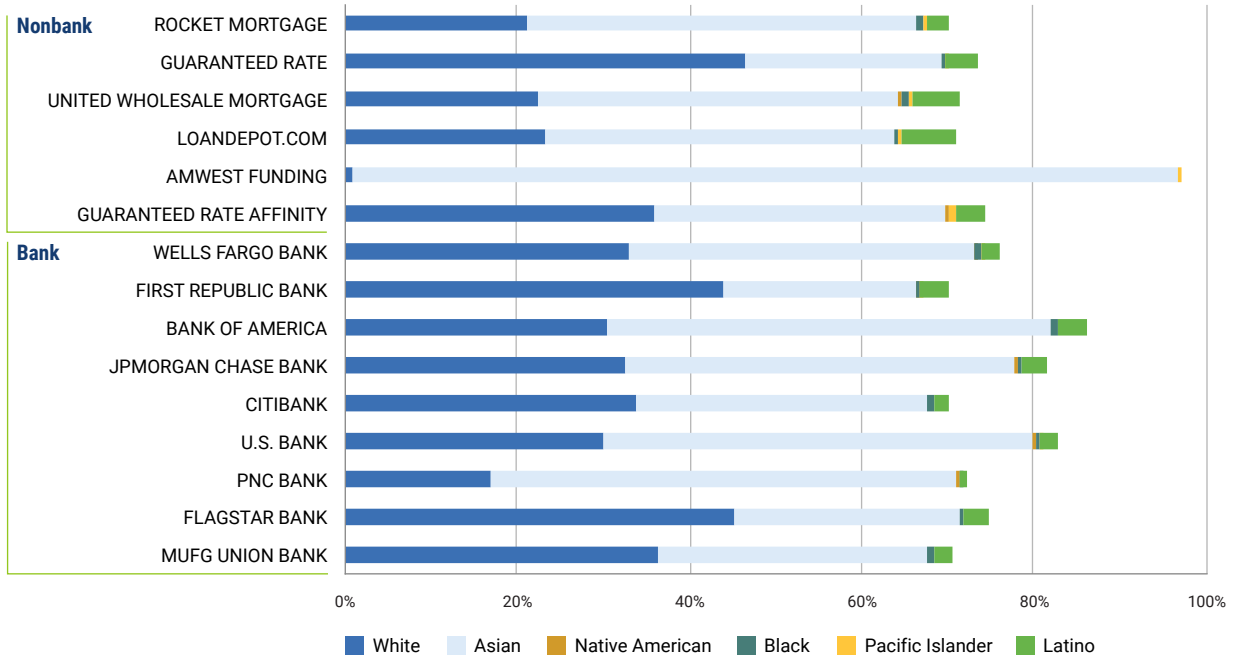
The top 15 lenders in the San Francisco region account for over 67% of the market. The top lender, Wells Fargo Bank, accounts for 16% of all home purchase loan originations.

Table 11 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the San Francisco MSA in 2021. Asian and white borrowers make up the majority of both conventional and government-subsidized home purchase loan originations.

In the San Francisco MSA, eight institutions did not issue any government-subsidized loans in 2021, reflected in the table below.

Table 11: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

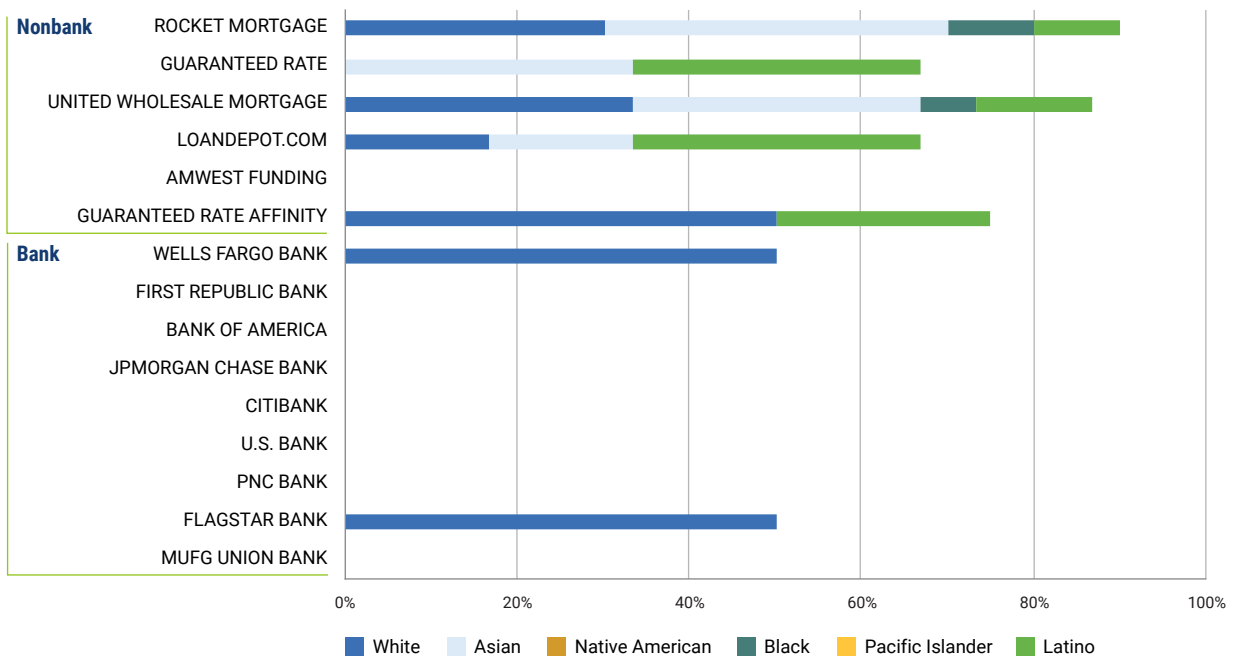
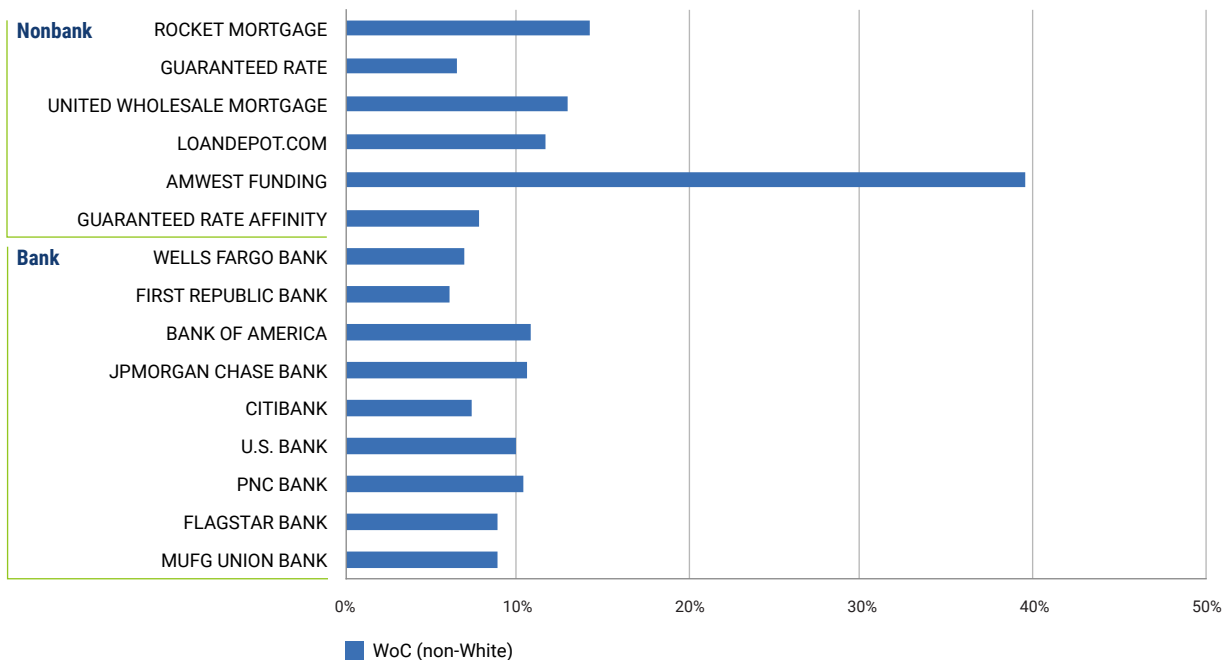


Table 12 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the San Francisco MSA in 2021.

Of the top 15 institutions in the San Francisco MSA, only two made government-subsidized loans to women of color.

Table 12: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

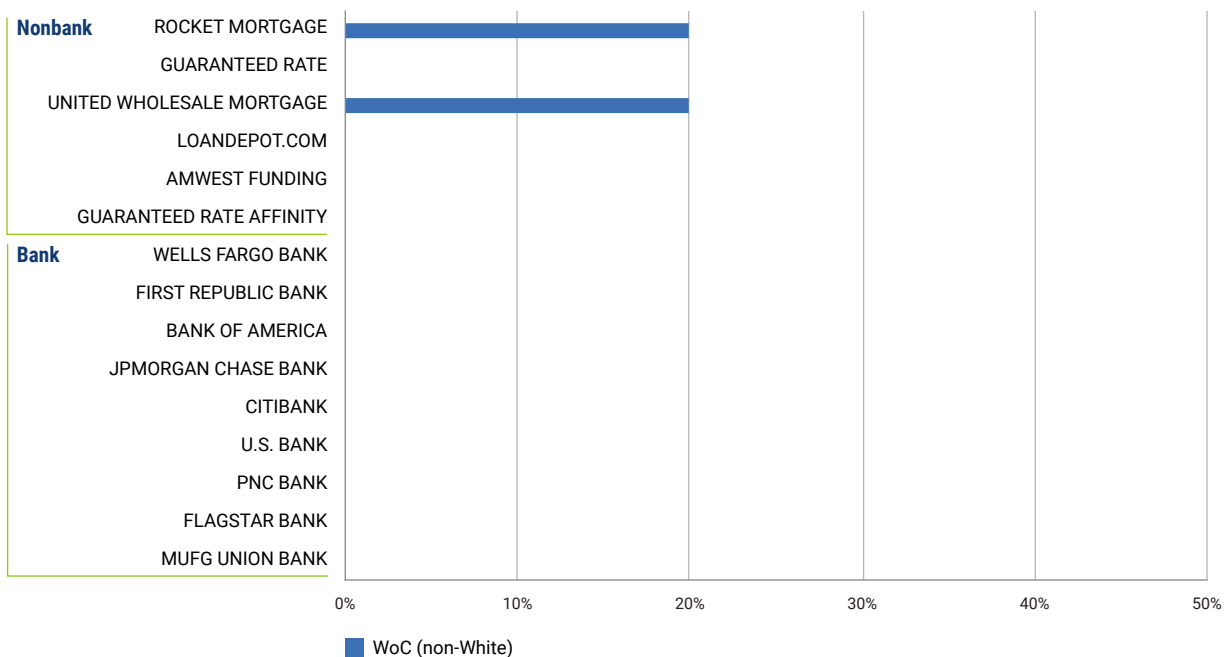
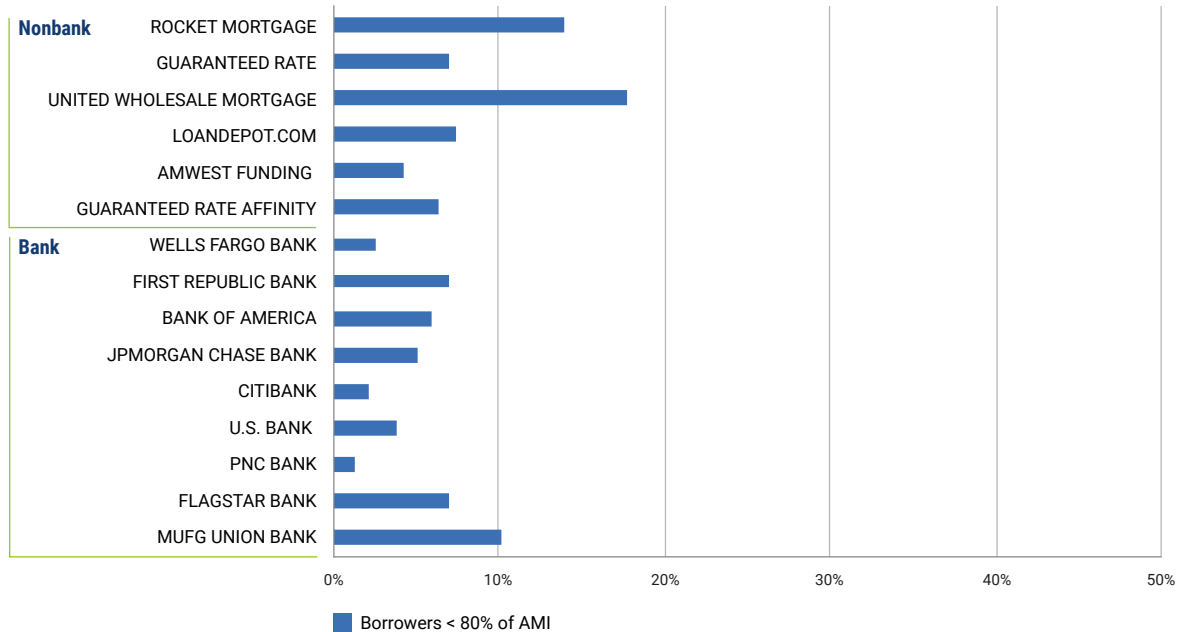


Table 13 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income, for each of the top 15 lenders in the San Francisco MSA in 2021. The data reveals differences in lending to low-income households between bank and nonbank lenders, with nonbank lenders lending to low-income borrowers at a higher rate, if at all.

On average, less than 5% of loans made by banks were to low-income borrowers and 11 institutions did not make any government-subsidized loans to low-income borrowers.

Table 13: Home Purchase Loans by Borrower Income

Conventional Loans



Government Subsidized Loans

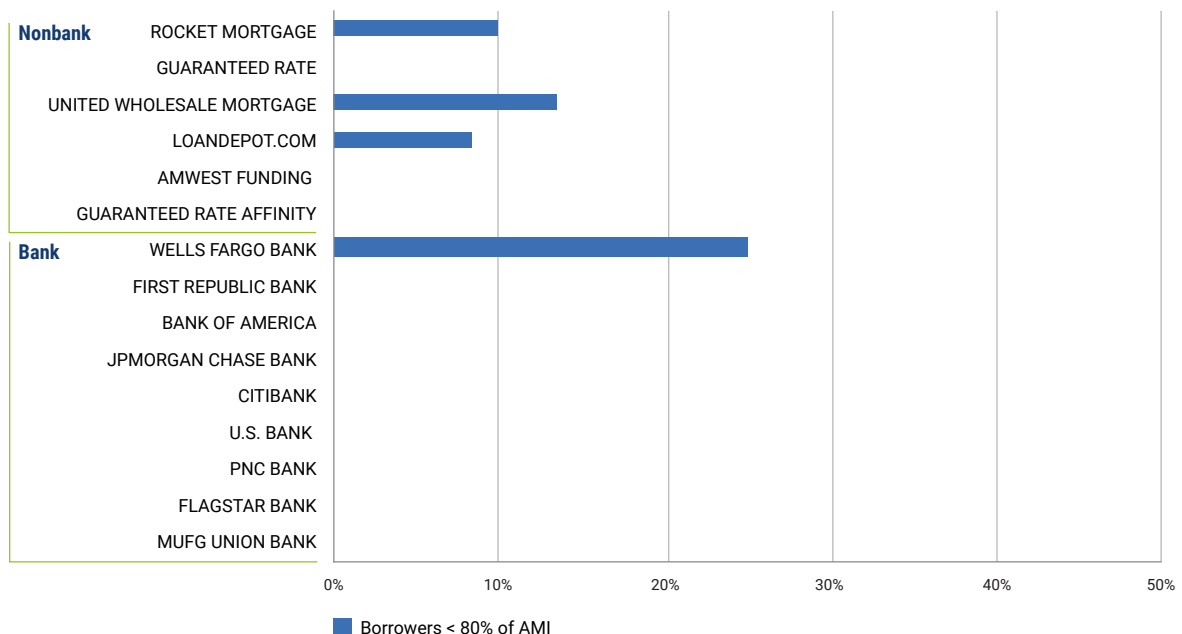
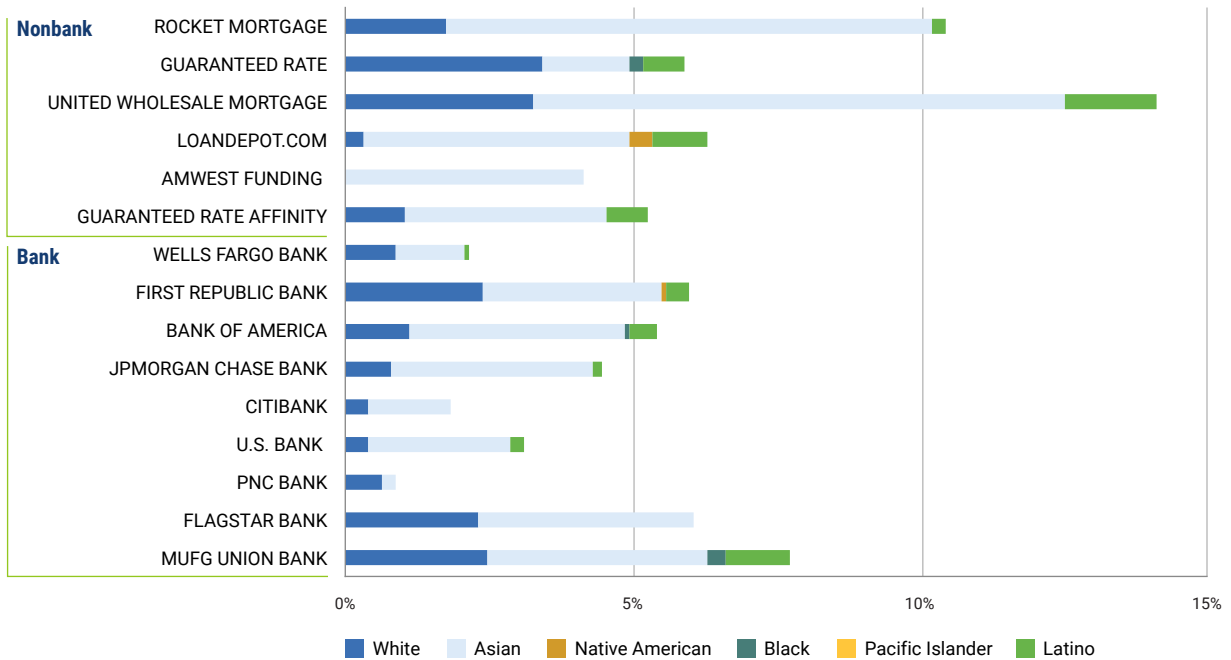


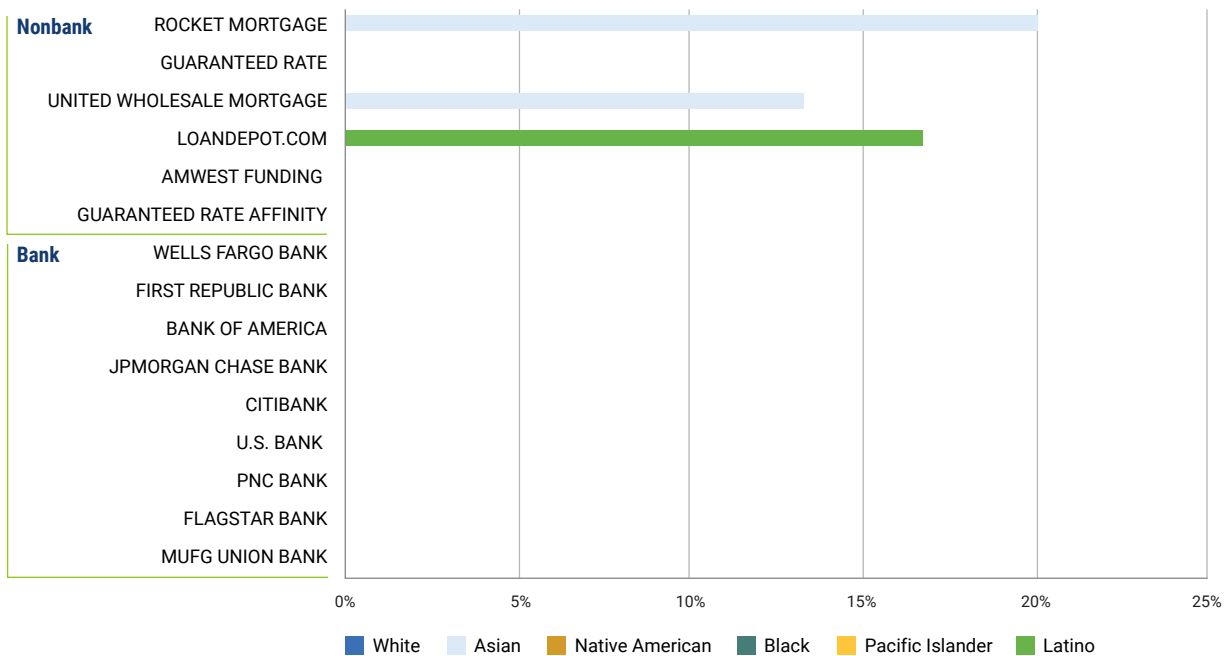
Table 14 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the San Francisco MSA in 2021.

Table 14: Home Purchase Loans by Borrower Income and Race

Conventional Loans



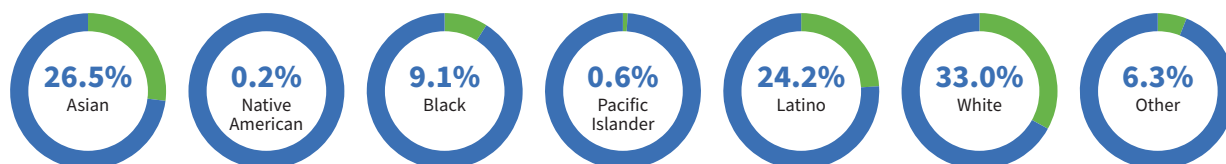
Government Subsidized Loans



Oakland-Berkeley-Livermore MSA

Total Population: 2,809,969, 7.16% of California’s population

Oakland-Berkeley-Livermore Demographics



Overview of Lending in Oakland-Berkeley-Livermore MSA

Lender	Type of Lender	% of Market
Wells Fargo Bank	Bank	7.47%
Rocket Mortgage	Non-Bank	6.98%
United Wholesale Mortgage	Non-Bank	6.87%
American Pacific Mortgage	Non-Bank	4.90%
U.S. Bank	Bank	3.96%
Loandepot.com	Non-Bank	3.91%
Bank of America	Bank	3.82%
Guaranteed Rate	Non-Bank	3.41%
First Republic Bank	Bank	2.64%
JPMorgan Chase Bank	Bank	2.54%
Caliber Home Loans	Non-Bank	2.20%
Commerce Home Mortgage	Non-Bank	1.84%
Lendus	Non-Bank	1.81%
Crosscountry Mortgage	Non-Bank	1.76%
Home Point Financial	Non-Bank	1.66%

**Nonbank lenders are highlighted.*

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 9% of the population, but receive less than 4% of the home purchase loans; Latino households make up 24% of the population, but receive only 10% of the loans. Home lending to Asian households significantly exceeds their share of the region’s population by 12 percentage points.

Table 15: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	9,981	26.87%	33.00%
Asian	14,488	39.00%	26.50%
Native American	41	0.11%	0.20%
Black	1,454	3.91%	9.10%
Pacific Islander	103	0.28%	0.60%
Latino	3,863	10.40%	24.20%

Table 16: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	2,422	16.72%	6.52%
Asian Indian	4,934	34.06%	13.28%
Chinese	3,774	26.05%	10.16%
Filipino	1,160	8.01%	3.12%
Japanese	108	0.75%	0.29%
Korean	412	2.84%	1.11%
Vietnamese	429	2.96%	1.15%
Asian Other	709	4.89%	1.91%
Multi-Asian	540	3.73%	1.45%

Top 15 Lenders in Oakland-Berkeley-Livermore MSA

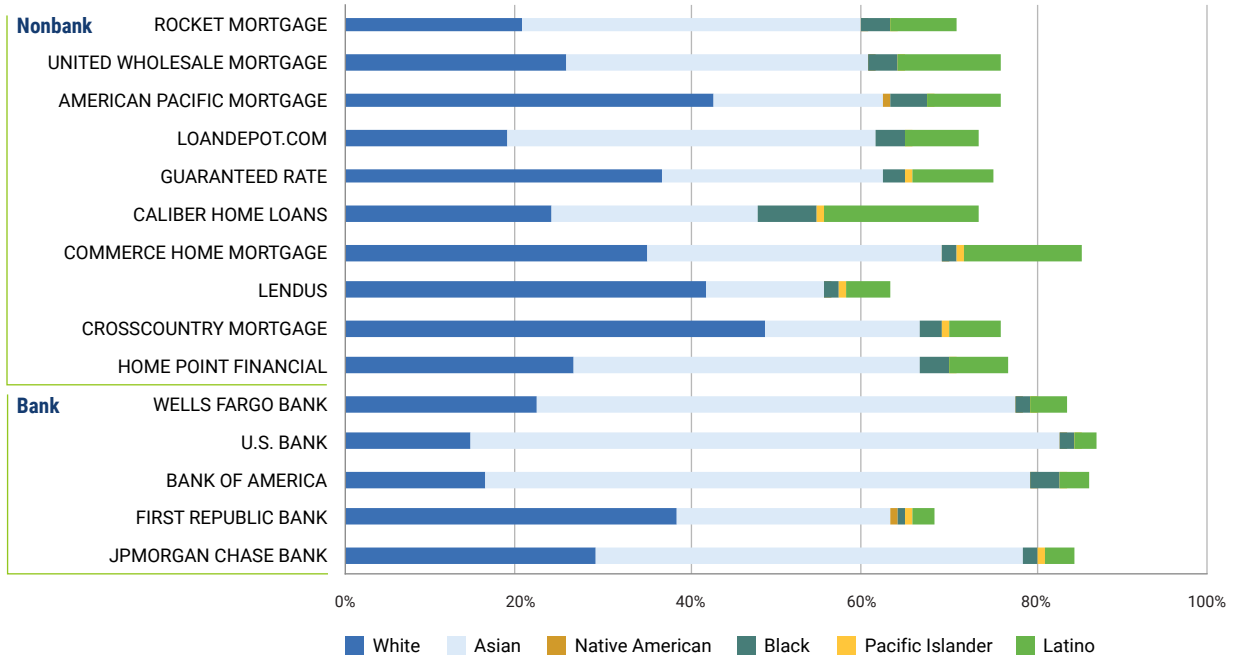
The top 15 lenders in the Oakland region account for over 56% of the market. The top lender, Wells Fargo Bank, accounts for 7% of all home purchase loan originations.

Table 17 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Oakland MSA in 2021. Black and Latino borrowers are significantly underrepresented across all lenders for conventional loans proportional to their share of the population.

First Republic Bank did not make any government-subsidized home purchase loans in 2021.

Table 17: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

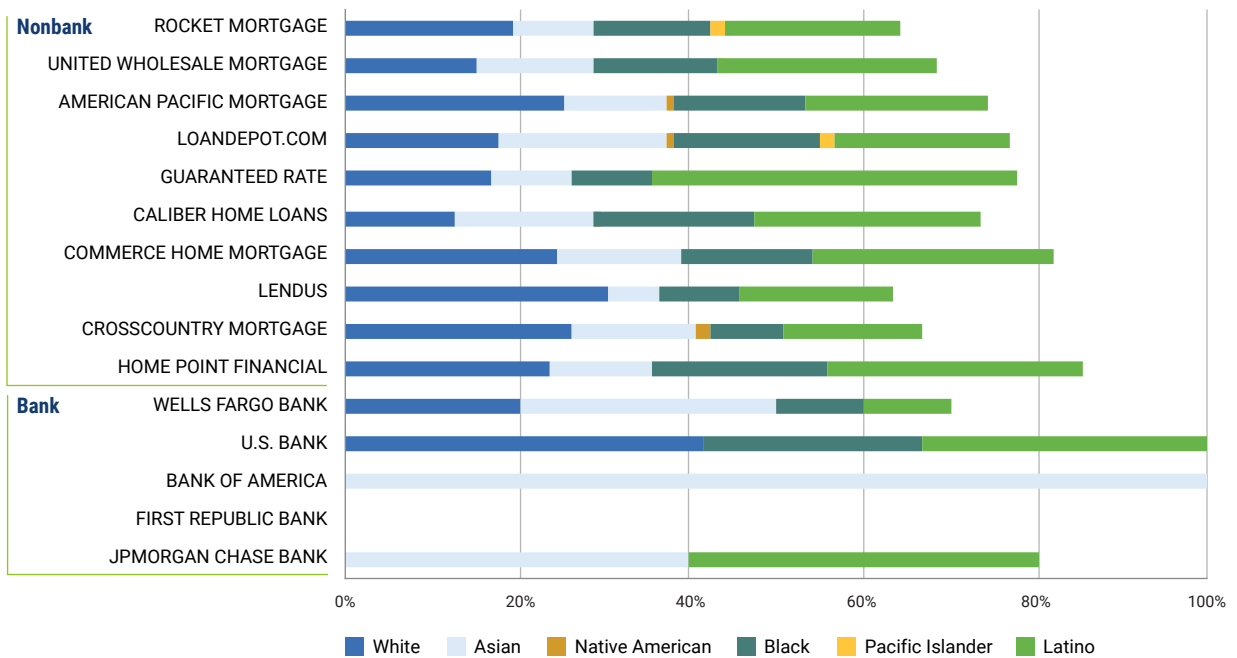
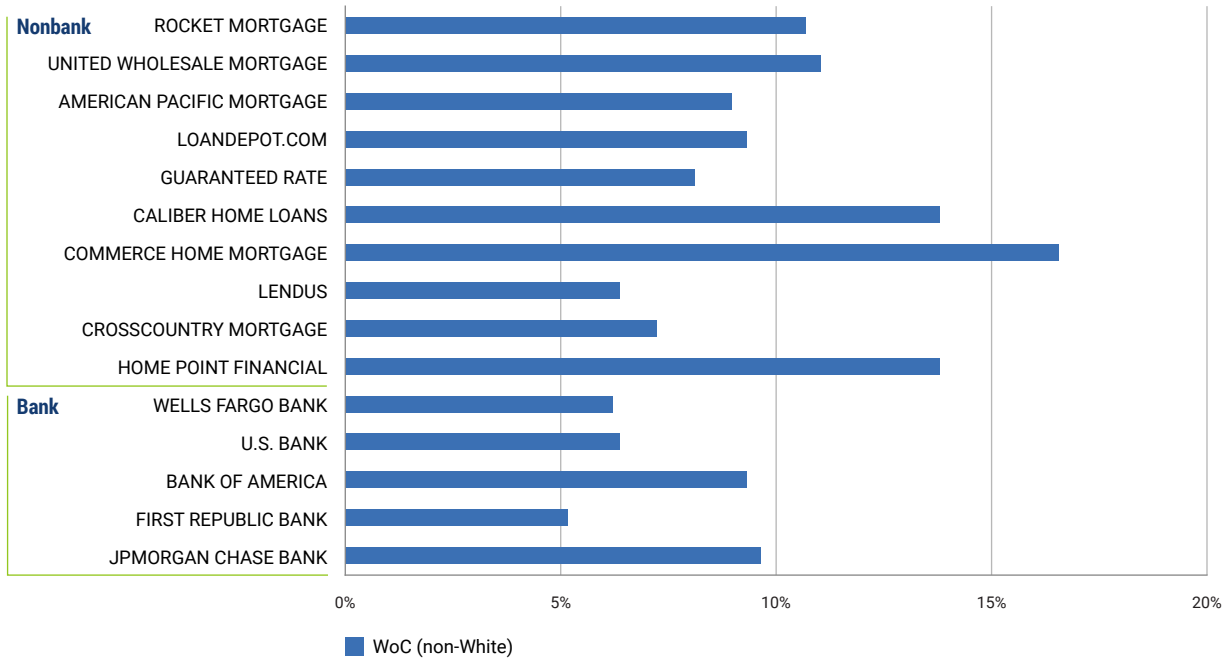


Table 18 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Oakland MSA in 2021.

Table 18: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

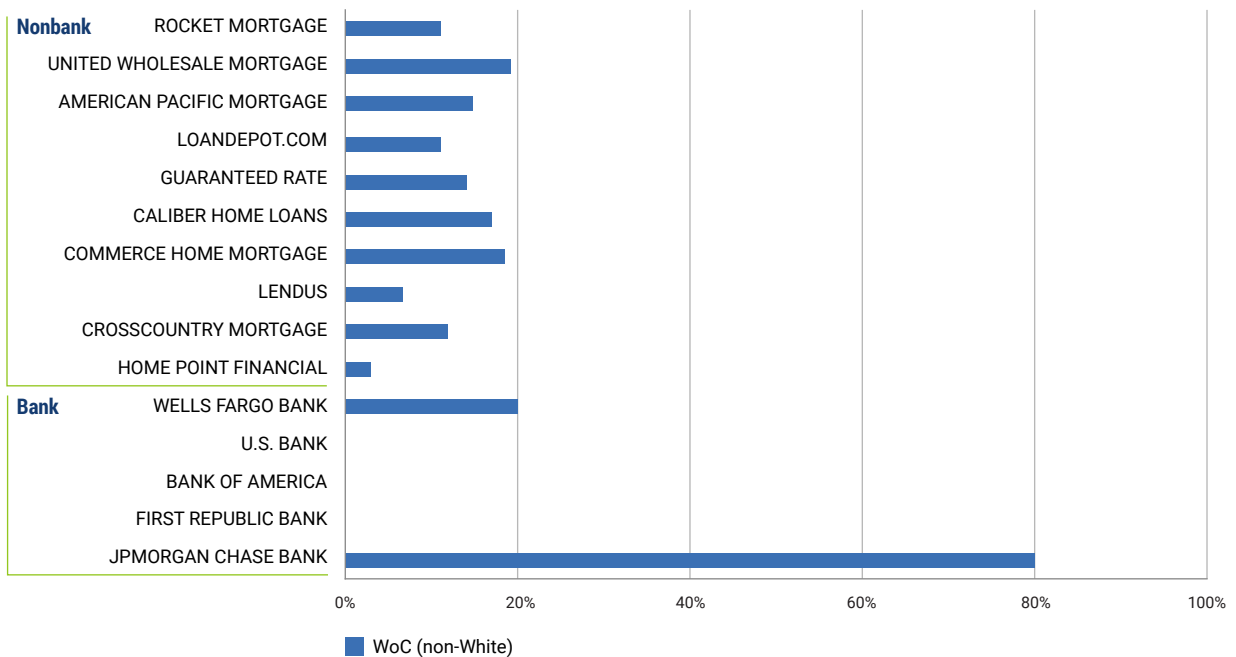
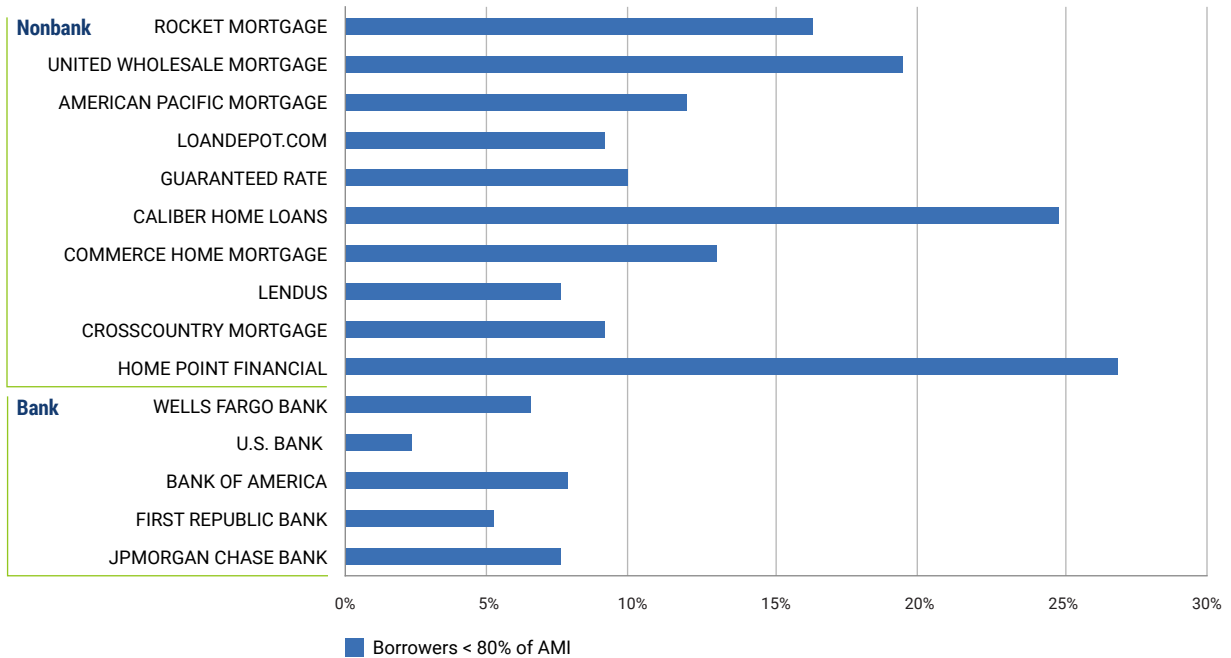


Table 19 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income (AMI), for each of the top 15 lenders in the Oakland MSA in 2021.

Table 19: Home Purchase Loans to Low-Income Borrowers

Conventional Loans



Government Subsidized Loans

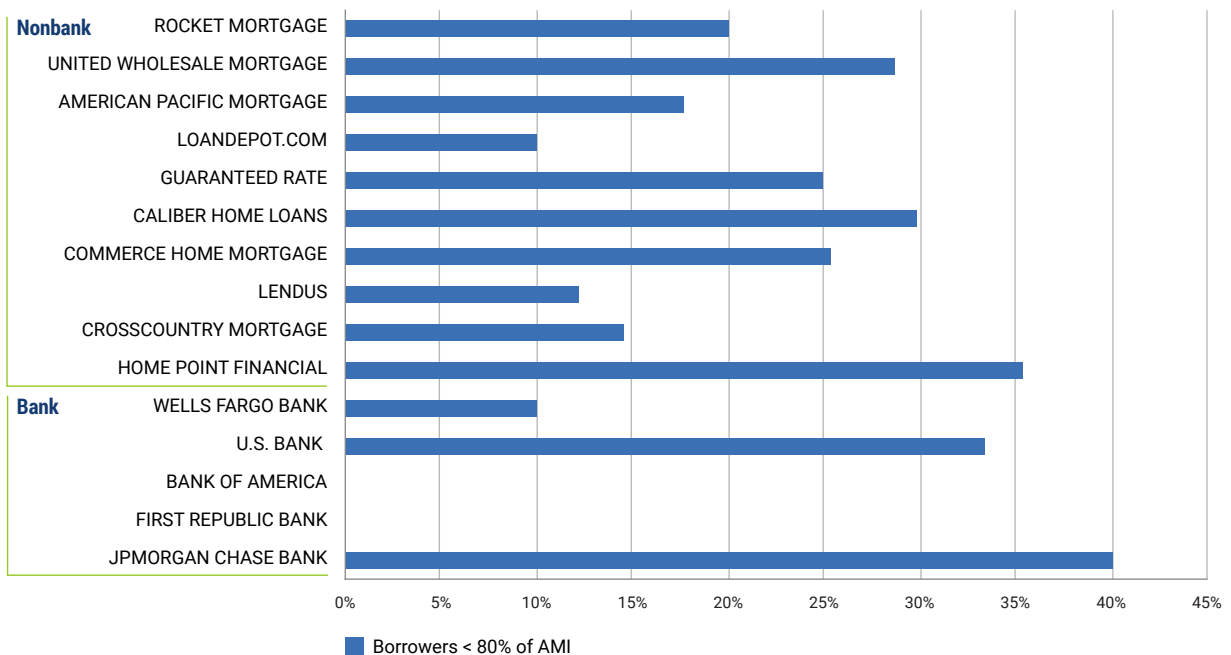
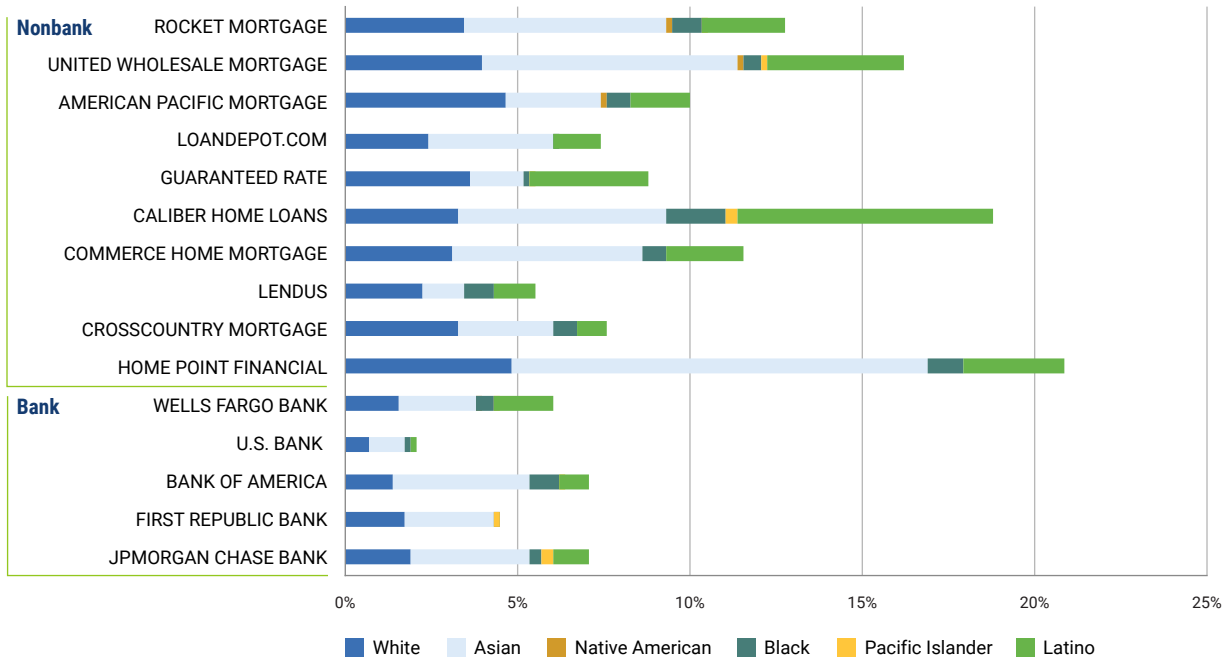


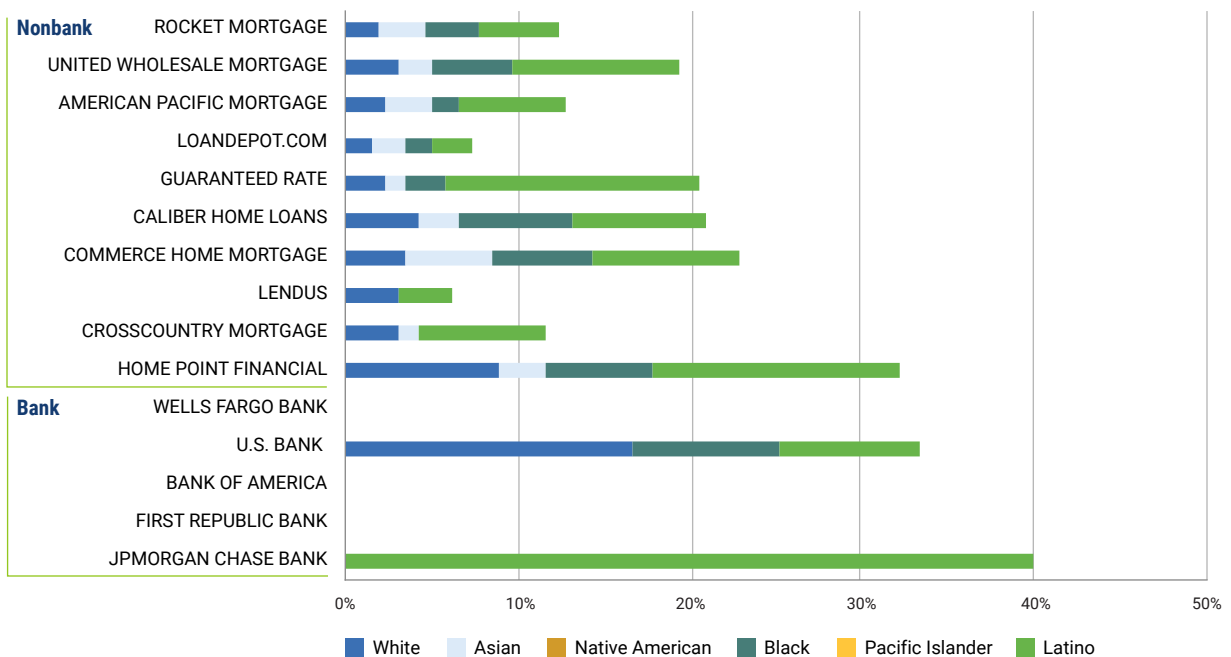
Table 20 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the Oakland MSA in 2021.

Table 20 Home Purchase Loans to Low-Income Borrowers by Race

Conventional Loans



Government Subsidized Loans



Fresno MSA

Total Population: 1,013,581, 2.58% of California’s population

Fresno Demographics



Overview of Lending in Fresno MSA

Lender	Type of Lender	% of Market
United Wholesale Mortgage	Non-Bank	13.09%
Alameda Mortgage	Non-Bank	8.90%
Home Point Financial	Non-Bank	6.11%
Homebridge Financial Services	Non-Bank	3.82%
Rocket Mortgage	Non-Bank	3.68%
Country Club Mortgage	Non-Bank	3.52%
Sierra Pacific Mortgage Company	Non-Bank	3.51%
American Pacific Mortgage	Non-Bank	2.52%
Lennar Mortgage	Non-Bank	2.43%
Inspire Home Loans	Non-Bank	2.15%
Kings Mortgage Services	Non-Bank	2.00%
Finance of America Mortgage	Non-Bank	1.79%
Bay Equity	Non-Bank	1.56%
Amerifirst Financial	Non-Bank	1.42%
Cardinal Financial Company	Non-Bank	1.41%

**Nonbank lenders are highlighted.*

In the Fresno region, Asian households are overrepresented in loan originations, while Latino households are significantly underrepresented. Latino households make up 55% of the region’s population but only 36% of home purchase loans.

Table 21: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	3,458	28.50%	26.30%
Asian	1,744	14.37%	10.60%
Native American	34	0.28%	0.40%
Black	305	2.51%	4.10%
Pacific Islander	14	0.12%	0.20%
Latino	4,397	36.24%	54.70%

Table 22: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	427	24.48%	3.52%
Asian Indian	587	33.66%	4.84%
Chinese	139	7.97%	1.15%
Filipino	111	6.36%	0.91%
Japanese	20	1.15%	0.16%
Korean	20	1.15%	0.16%
Vietnamese	86	4.93%	0.71%
Asian Other	302	17.32%	2.49%
Multi-Asian	52	2.98%	0.43%

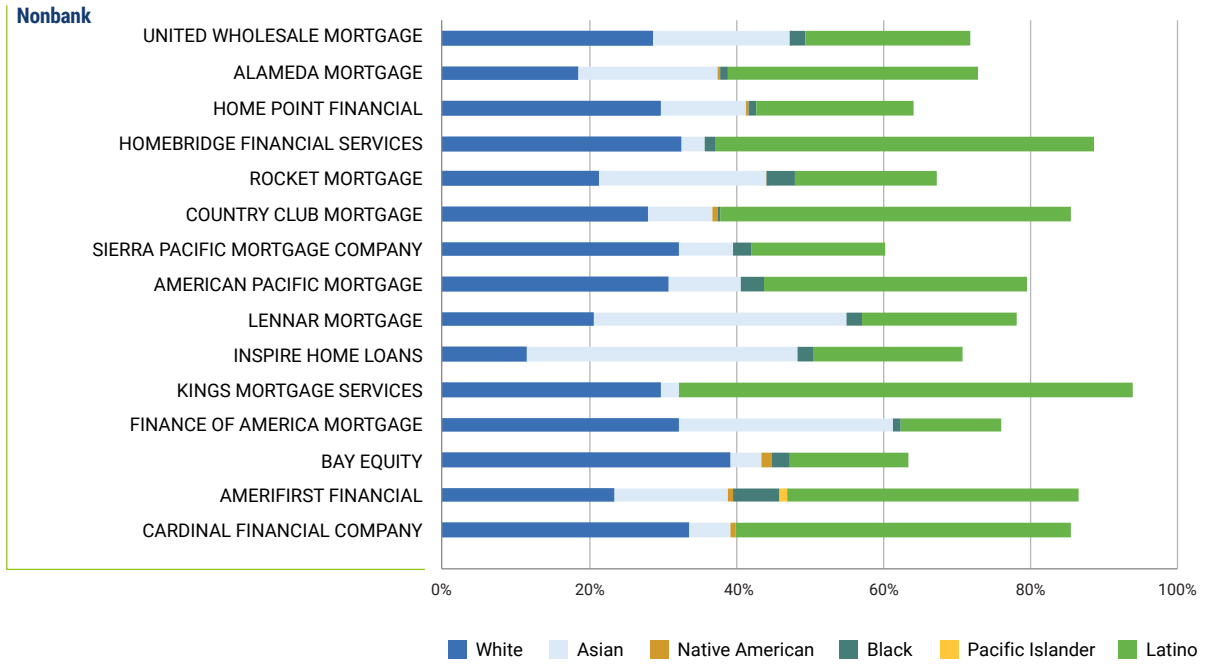
Top 15 Lenders in Fresno MSA

The top 15 lenders in the Fresno region account for 58% of the market. Nonbank lenders entirely dominate and make up all 15 of the top lenders, an increase from 14 last year. 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 nonbank lenders in rural markets.

Table 23 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Fresno MSA in 2021. More than half (nine out of 15) of the nonbank lenders in this sample issued their largest share of government-subsidized loans to Latino borrowers.

Table 23: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

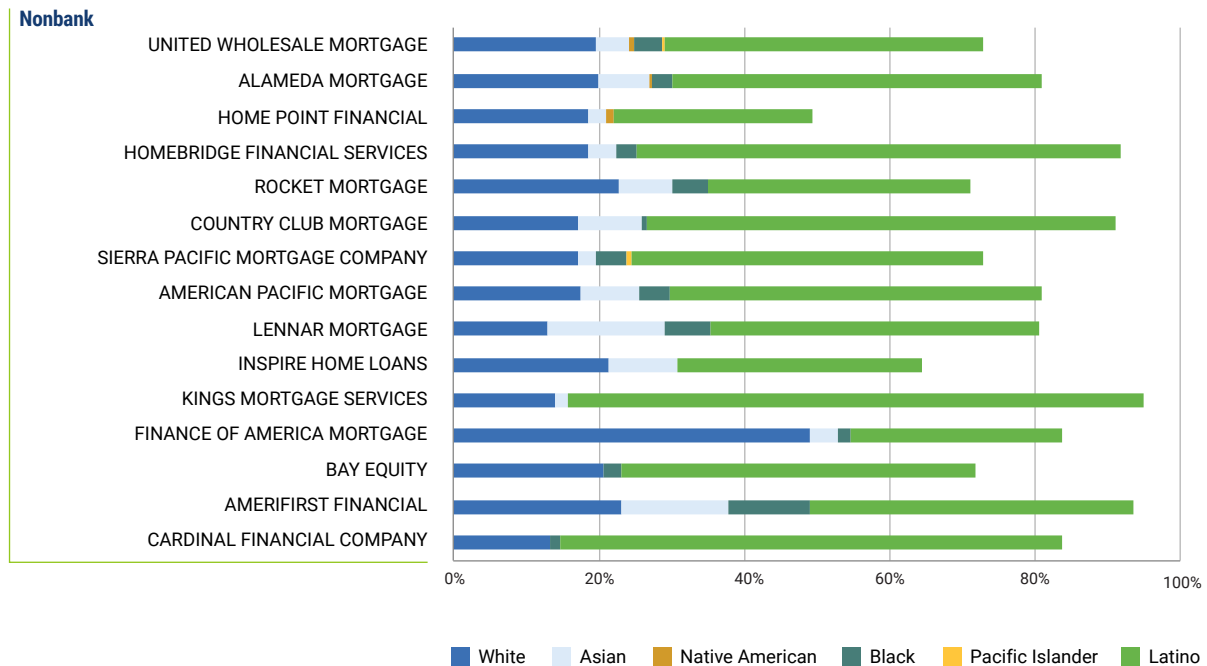
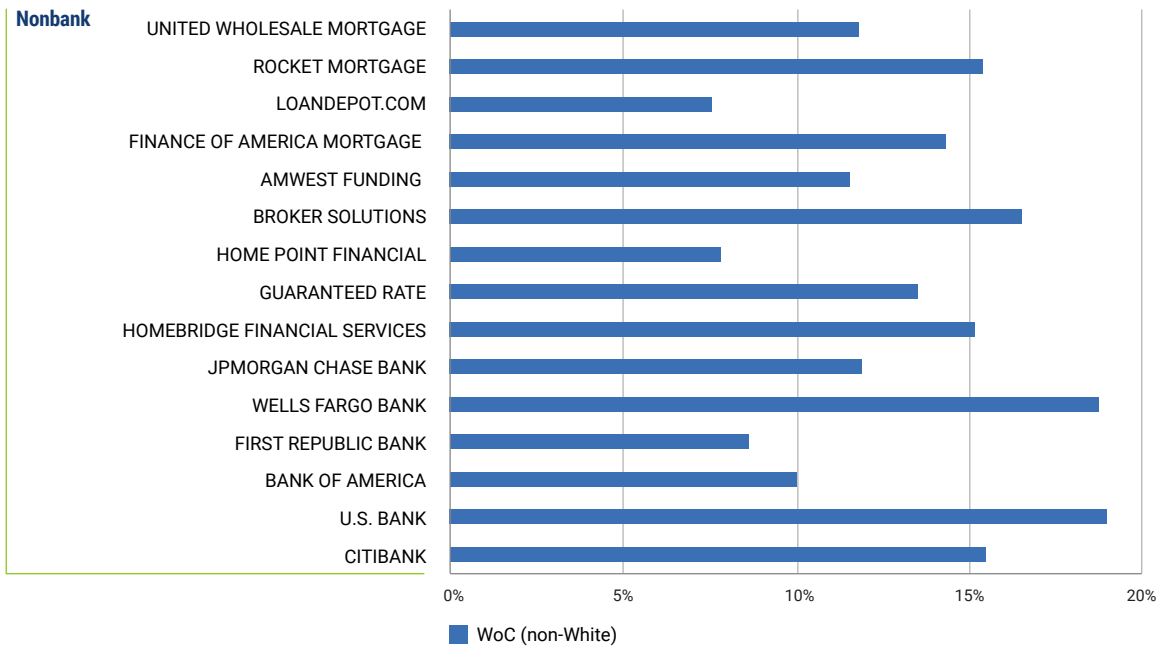


Table 24 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Fresno MSA in 2021.

Table 24: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

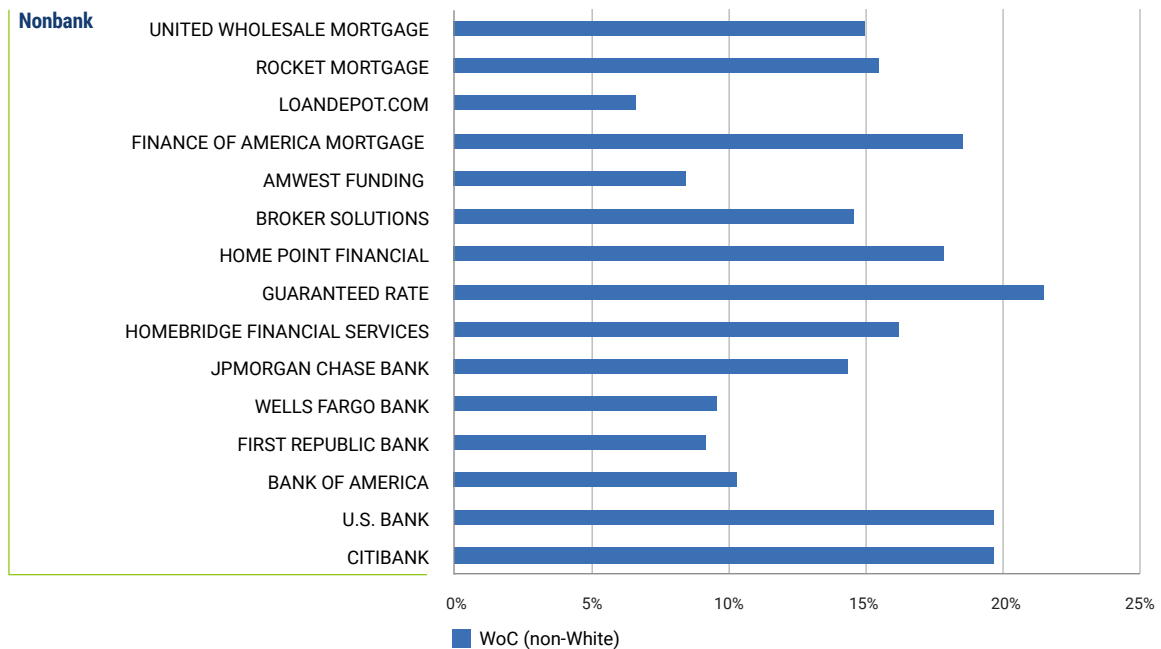
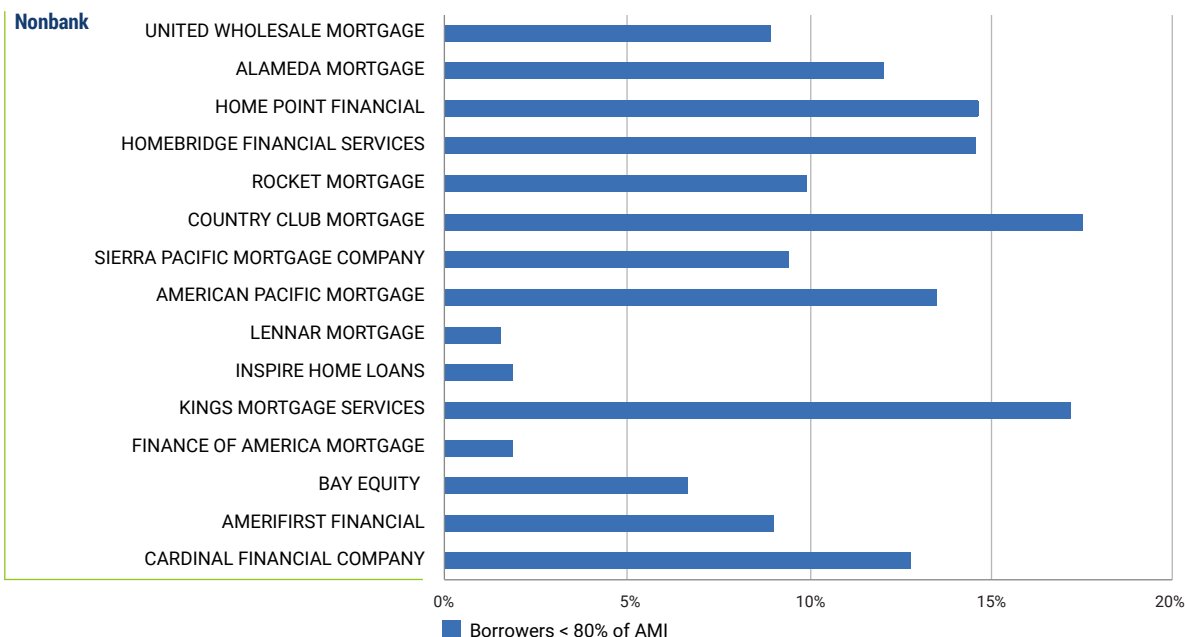


Table 25 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income, for each of the top 15 lenders in the Fresno MSA in 2021. Notably, nine out of 15 nonbank lenders in this sample issued more than 15% of their government-subsidized loans to low-income borrowers.

Table 25: Home Purchase Loans to Low-Income Borrowers

Conventional Loans



Government Subsidized Loans

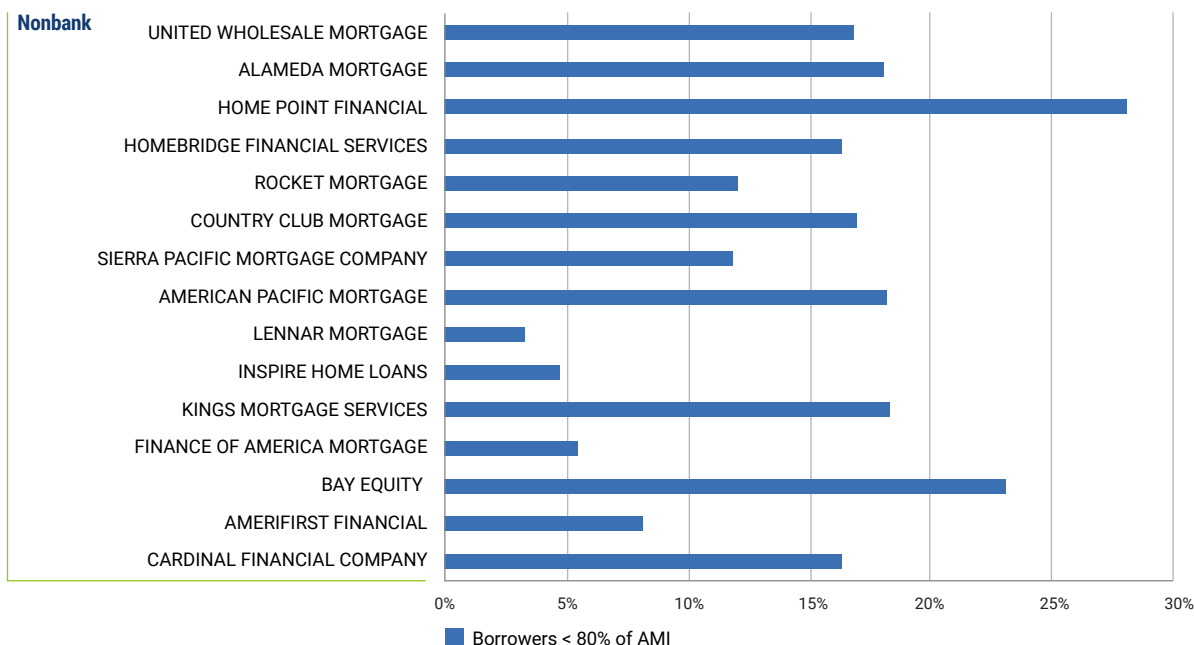
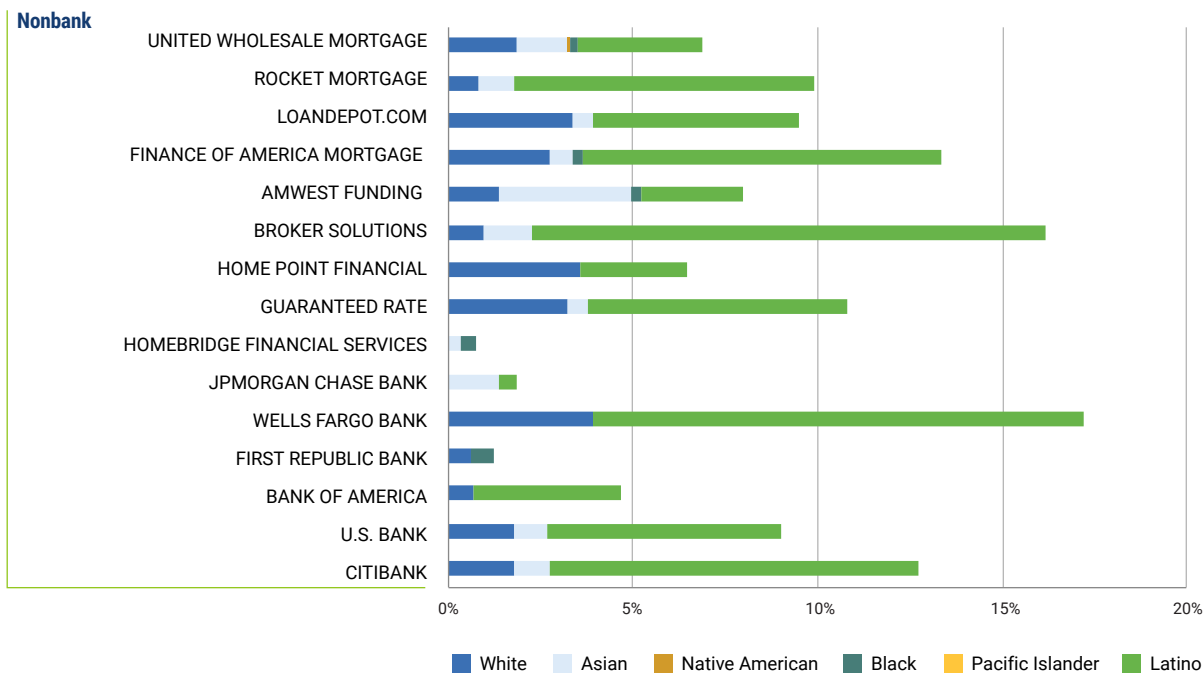


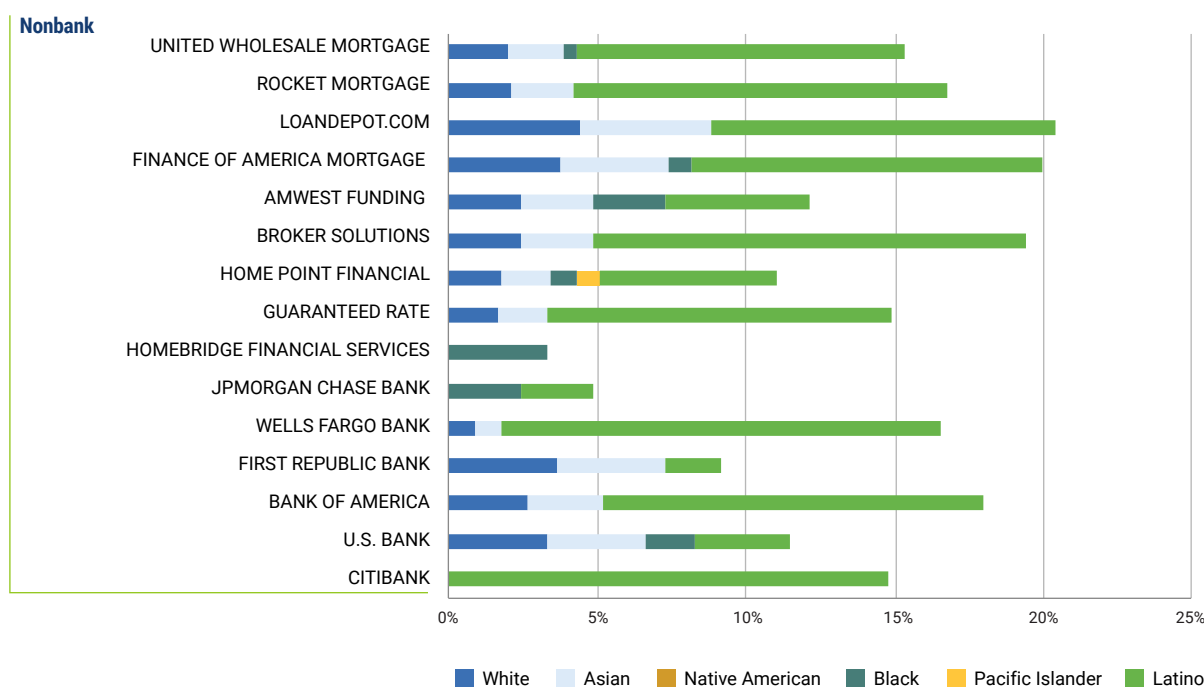
Table 26 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the Fresno MSA in 2021. Latino borrowers make up the highest percentage of low-income borrowers across both conventional and government-subsidized loans. Their share is nearly doubled for government-subsidized loans.

Table 26 Home Purchase Loans to Low-Income Borrowers by Race

Conventional Loans



Government Subsidized Loans



Los Angeles-Long Beach-Glendale MSA

Total Population: 9,829,544, 25.05% of California’s population

Los Angeles-Long Beach-Glendale Demographics



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

Lender	Type of Lender	% of Market
United Wholesale Mortgage	Non-Bank	11.17%
Rocket Mortgage	Non-Bank	6.28%
JPMorgan Chase Bank	Bank	4.01%
Loandepot.com	Non-Bank	3.58%
Wells Fargo Bank,	Bank	3.39%
First Republic Bank	Bank	2.58%
Finance of America Mortgage	Non-Bank	2.44%
Amwest Funding	Non-Bank	2.35%
Broker Solutions	Non-Bank	2.17%
Bank of America	Bank	2.05%
Home Point Financial	Non-Bank	2.02%
U.S. Bank	Bank	1.65%
Guaranteed Rate	Non-Bank	1.51%
Homebridge Financial Services	Non-Bank	1.48%
Citibank	Bank	1.43%

**Nonbank lenders are highlighted.*

In the Los Angeles region, Latino households again make up almost half of the population, but only 20% of home purchase loans. Black households are also underrepresented in the region’s home purchase loans, while white households are significantly overrepresented, by 11 percentage points.

Table 27: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	28,483	35.28%	24.60%
Asian	14,641	18.14%	14.60%
Native American	59	0.07%	0.10%
Black	3,186	3.95%	7.30%
Pacific Islander	103	0.13%	0.20%
Latino	16,056	19.89%	49.10%

Table 28: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	3,615	24.69%	4.48%
Asian Indian	1,116	7.62%	1.38%
Chinese	4,166	28.45%	5.16%
Filipino	1,425	9.73%	1.77%
Japanese	320	2.19%	0.40%
Korean	2,132	14.56%	2.64%
Vietnamese	597	4.08%	0.74%
Asian Other	780	5.33%	0.97%
Multi-Asian	490	3.35%	0.61%

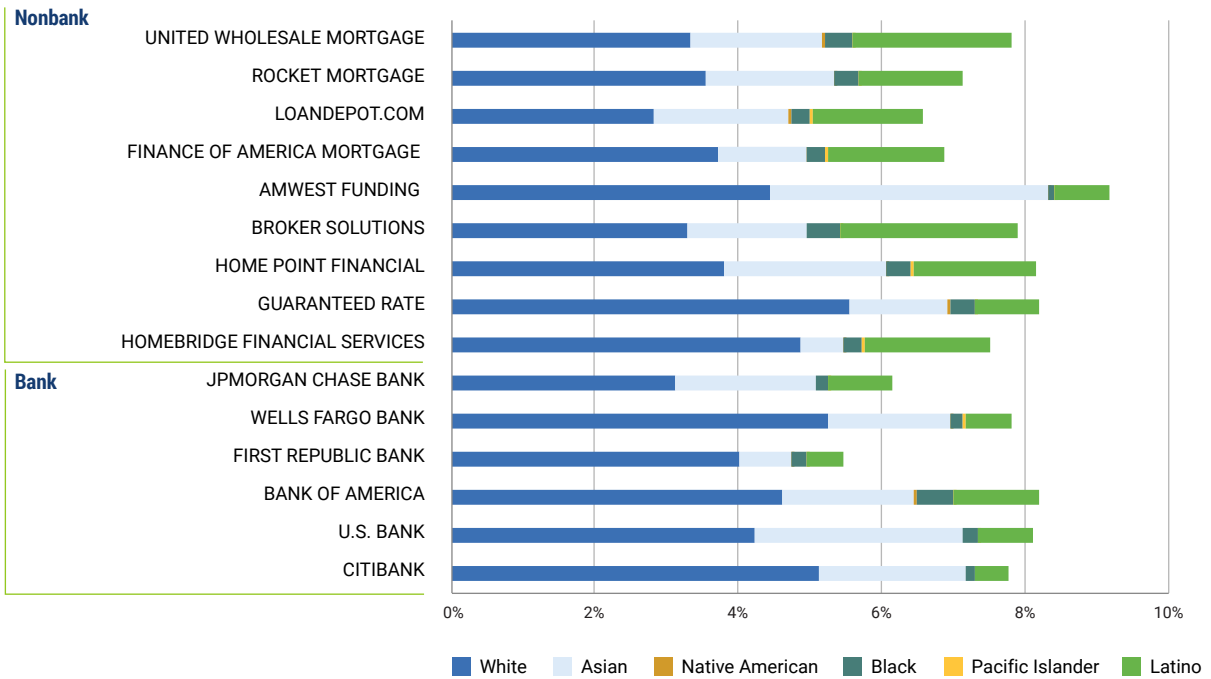
Top 15 Lenders in Los Angeles-Long Beach-Glendale MSA

The top 15 lenders in the Los Angeles region account for 48% of the market. Of these 15 lenders, Black and Latino households are more highly represented in government-subsidized loans, though not all lenders issue these loans. Consistent with years prior, the lender with the greatest percentage of conventional home purchase loans to both Black and Latino households is the nonbank mortgage lender Broker Solutions.

Table 29 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the Los Angeles MSA in 2021.

Table 29: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

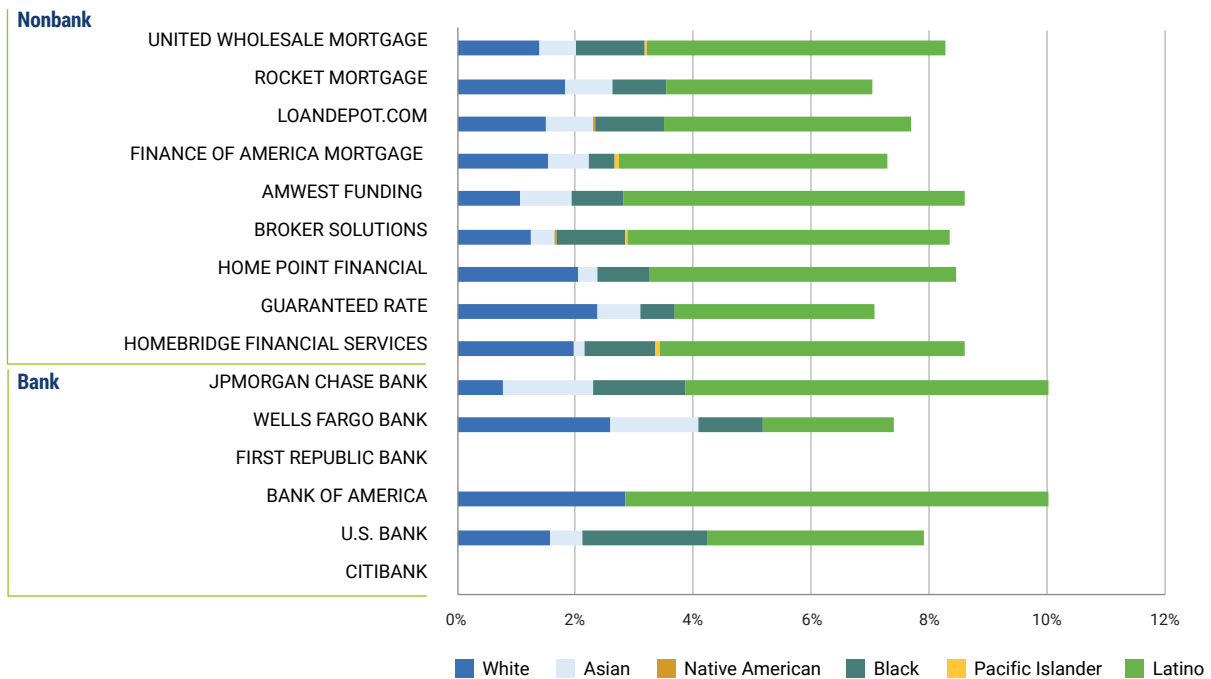
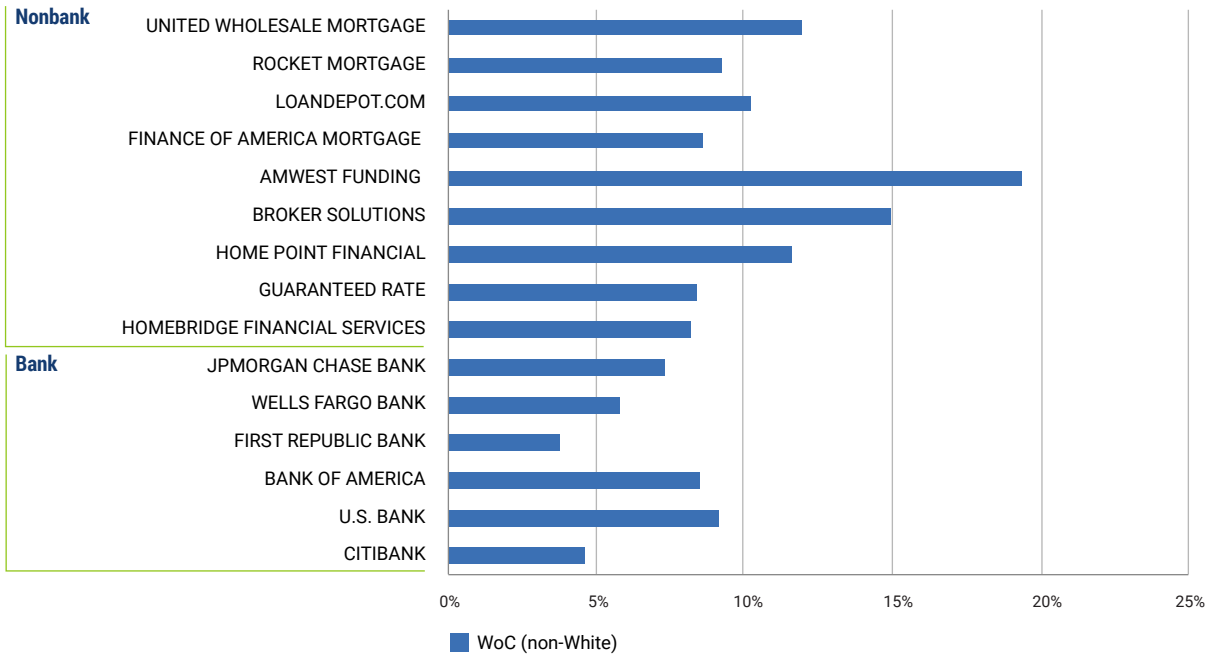


Table 30 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the Los Angeles MSA in 2021.

Table 30: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

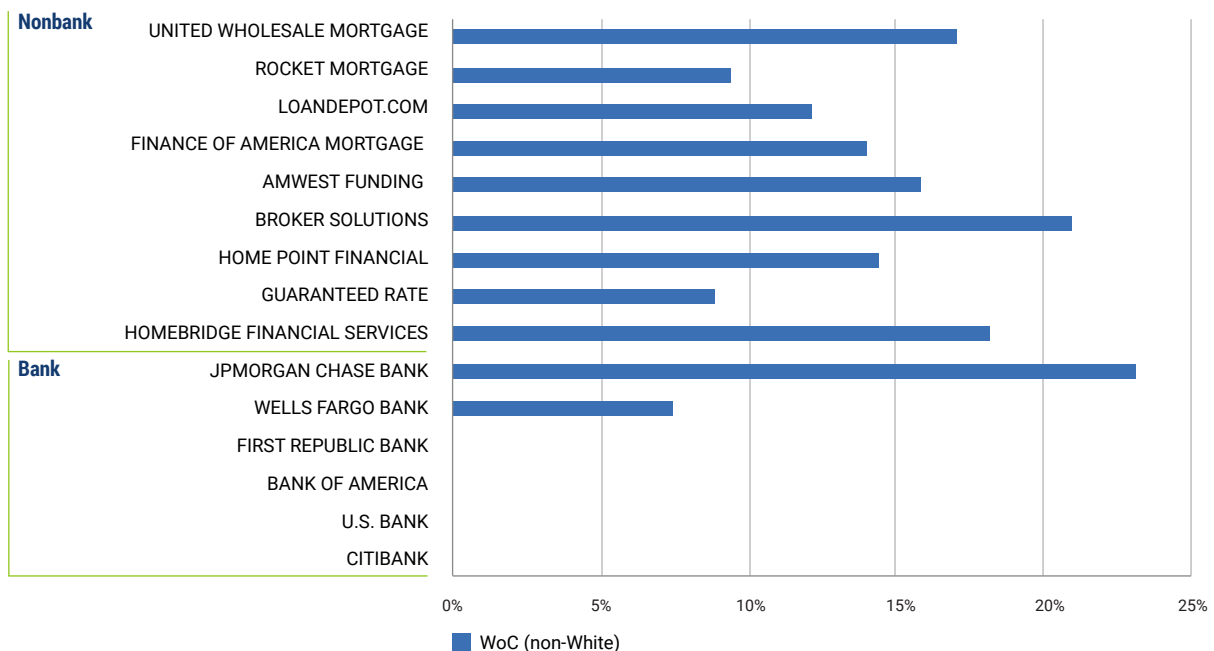
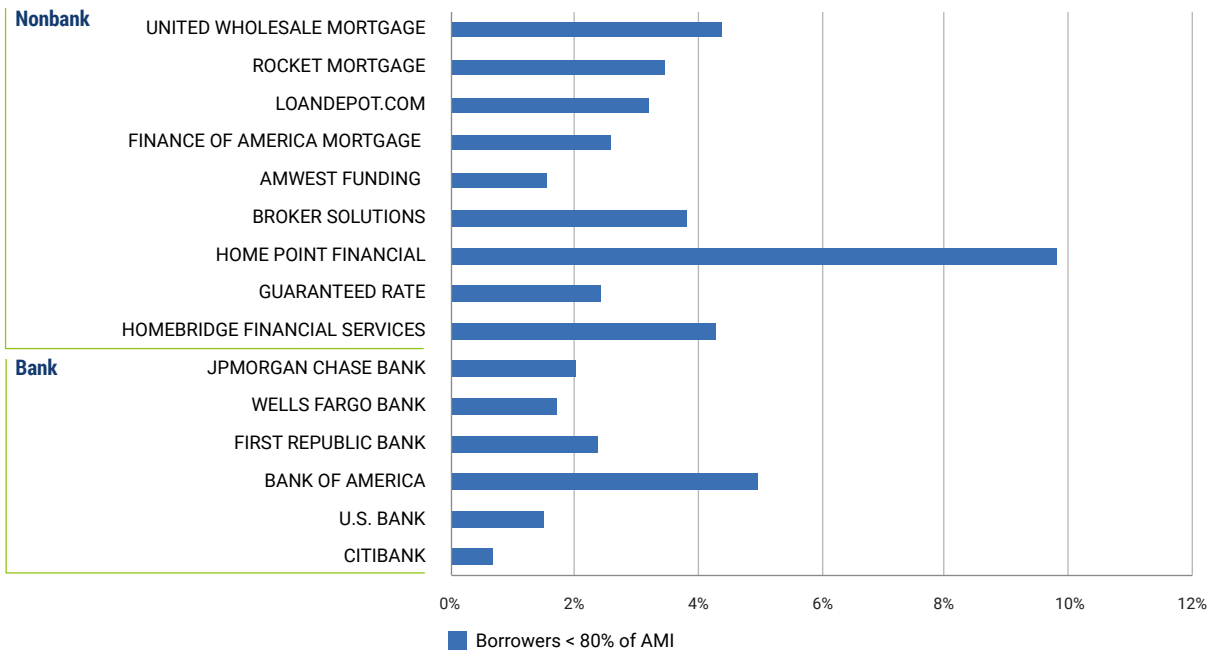


Table 31 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income, for each of the top 15 lenders in the Los Angeles MSA in 2021.

Table 31: Home Purchase Loans to Low-Income Borrowers

Conventional Loans



Government Subsidized Loans

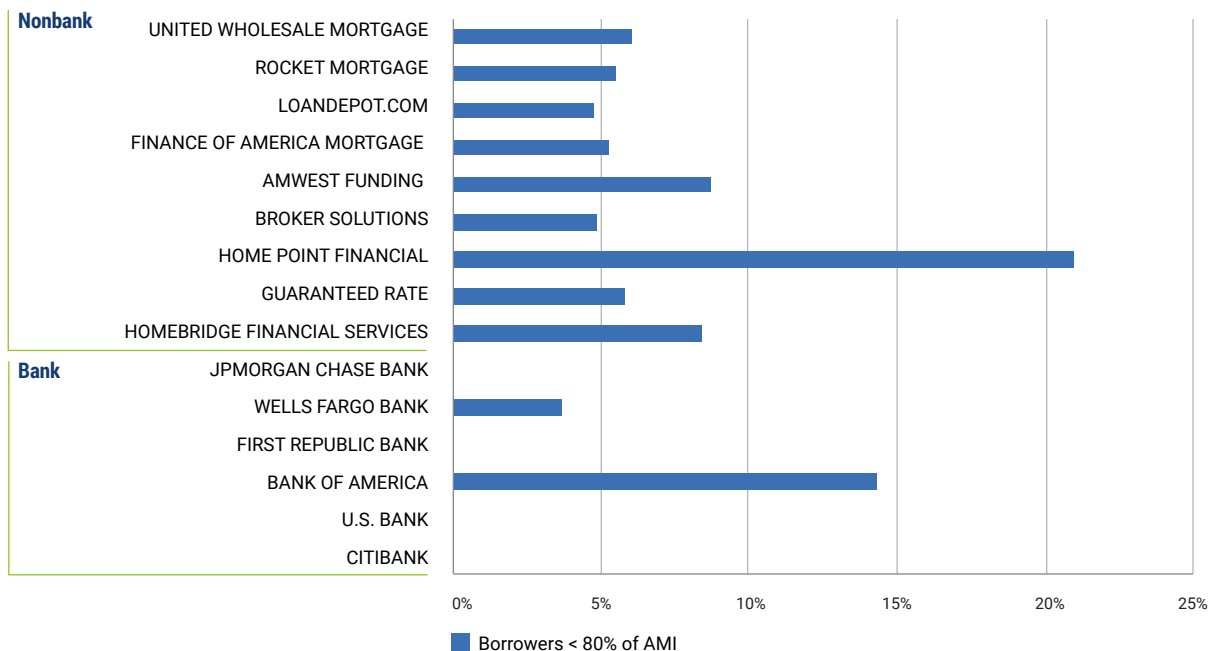
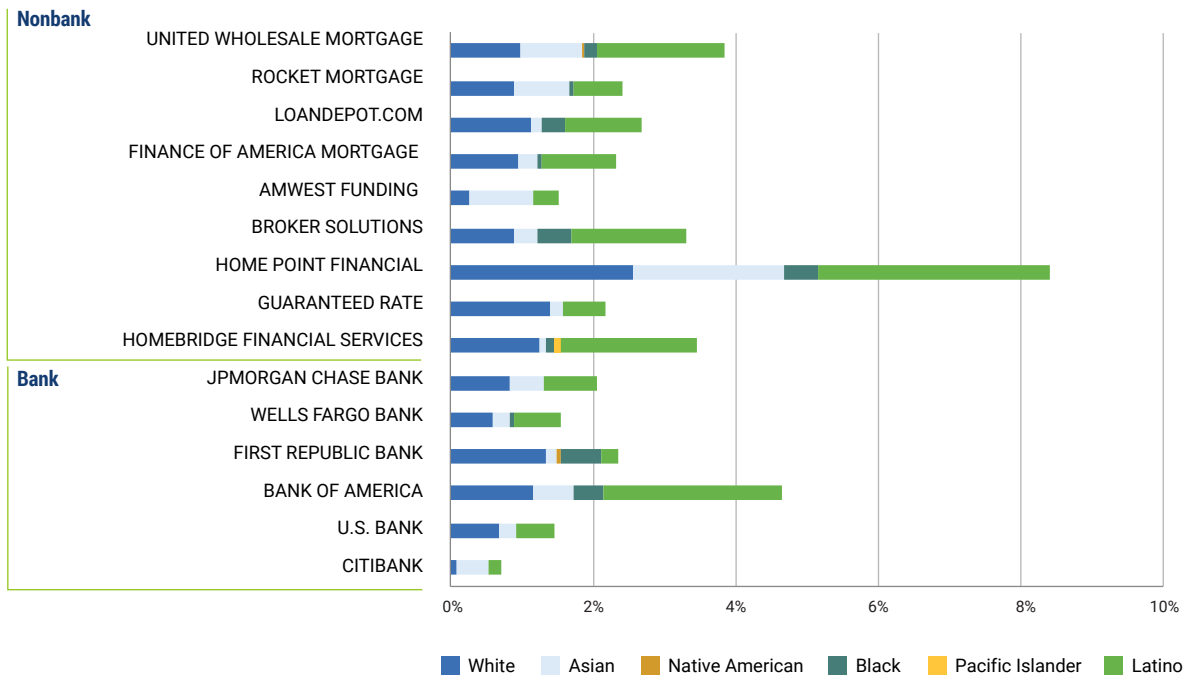


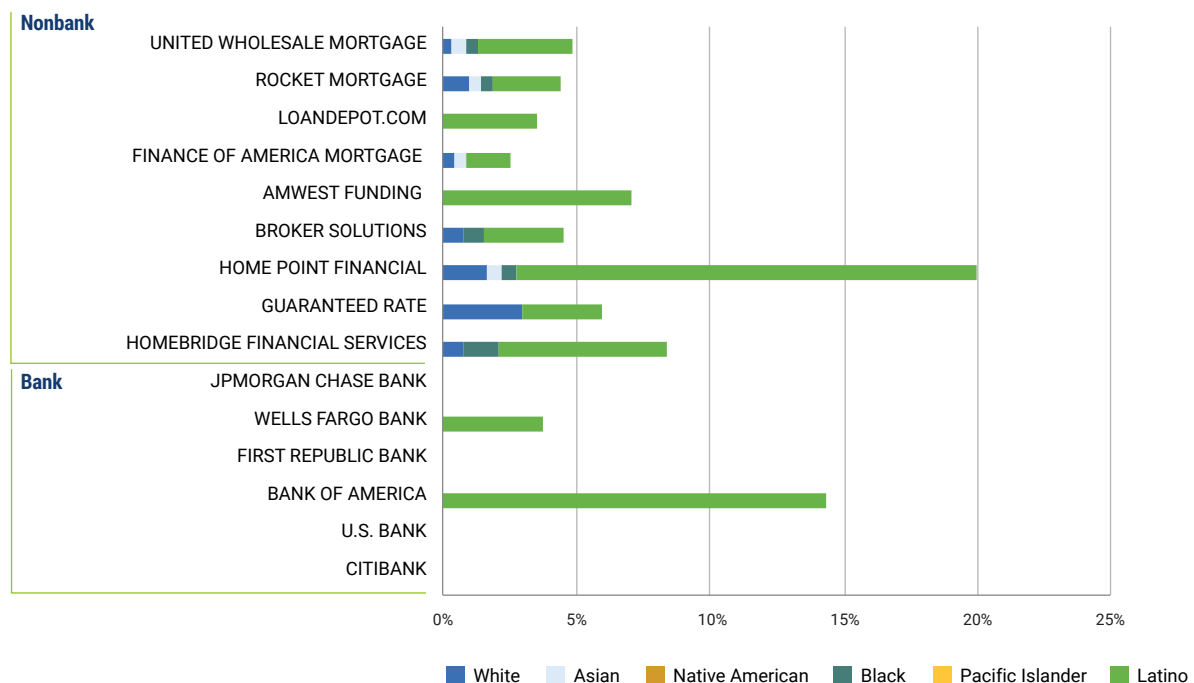
Table 32 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the Los Angeles MSA in 2021. Similar to Fresno, Latino households make up the highest percentage of low-income borrowers across both conventional and government-subsidized loans.

Table 32 Home Purchase Loans to Low-Income Borrowers by Race

Conventional Loans



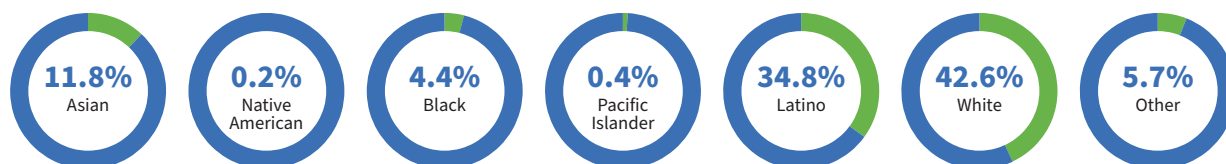
Government Subsidized Loans



San Diego-Chula Vista-Carlsbad MSA

Total Population: 3,286,069, 8.37% of California’s population

San Diego-Chula Vista-Carlsbad Demographics



Overview of Lending in San Diego-Chula Vista-Carlsbad MSA

Lender	Type of Lender	% of Market
United Wholesale Mortgage	Non-Bank	15.05%
Rocket Mortgage	Non-Bank	5.98%
Crosscountry Mortgage	Non-Bank	3.78%
Loandepot.com	Non-Bank	3.15%
Wells Fargo Bank	Bank	3.12%
Fairway Independent Mortgage	Non-Bank	2.64%
JPMorgan Chase Bank	Bank	2.59%
Caliber Home Loans	Non-Bank	2.54%
Home Point Financial	Non-Bank	2.41%
Guaranteed Rate	Non-Bank	2.14%
Finance of America Mortgage	Non-Bank	2.08%
American Pacific Mortgage	Non-Bank	2.01%
Bank of America	Bank	1.79%
U.S. Bank	Bank	1.72%
Movement Mortgage	Non-Bank	1.64%

**Nonbank lenders are highlighted.*

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 ethnic group and makes up 35% of the population, but only 16% of home purchase loans, consistent with last year’s figures.

Table 33: Home Purchase Loans by Race for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Population
White	18,061	44.38%	42.60%
Asian	5,378	13.22%	11.80%
Native American	87	0.21%	0.20%
Black	1,049	2.58%	4.40%
Pacific Islander	103	0.25%	0.40%
Latino	6,492	15.95%	34.80%

Table 34: Home Purchase Loans to Asian Borrowers for All Lenders

Race	Number of Loan Originations	Percent of Loan Originations	Percent of Total Loan Originations
Asian	1,120	20.83%	2.75%
Asian Indian	941	17.50%	2.31%
Chinese	947	17.61%	2.33%
Filipino	963	17.91%	2.37%
Japanese	98	1.82%	0.24%
Korean	329	6.12%	0.81%
Vietnamese	463	8.61%	1.14%
Asian Other	337	6.27%	0.83%
Multi-Asian	180	3.35%	0.44%

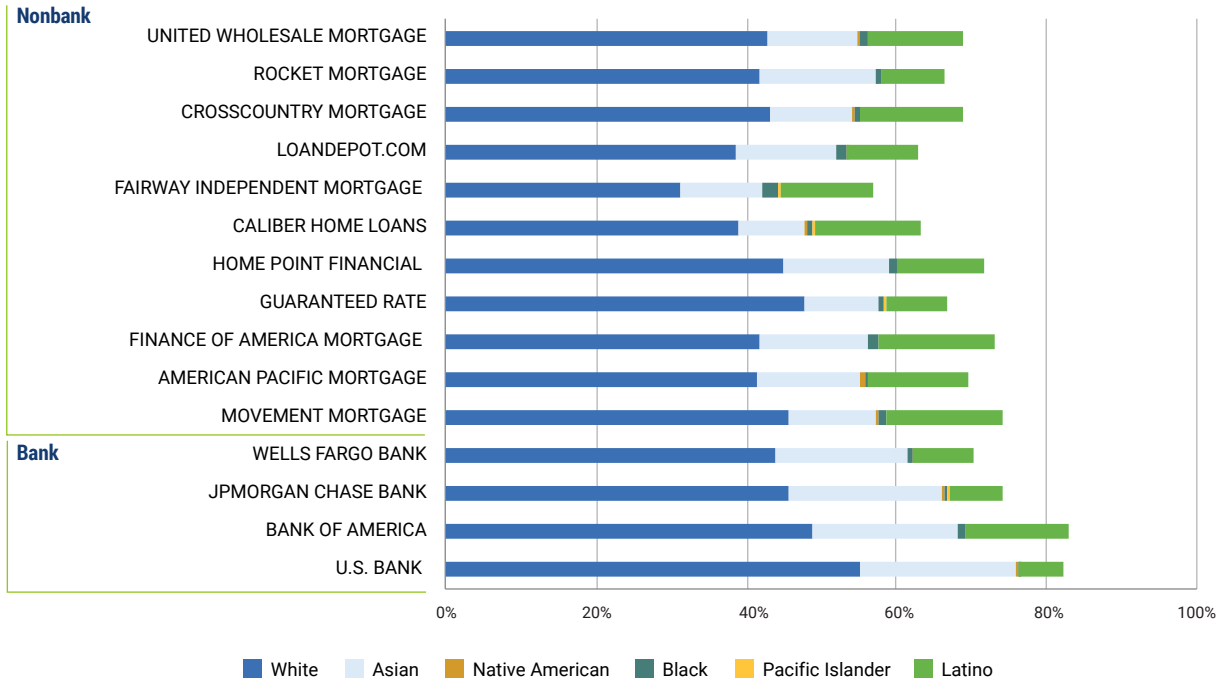
Top 15 Lenders in San Diego-Chula Vista-Carlsbad MSA

The top 15 lenders in the San Diego region account for 53% of the market. The top lender, United Wholesale Mortgage, accounts for over 15% of all loan originations.

Table 35 below illustrates the number of home purchase loan originations by race for each of the top 15 lenders in the San Diego MSA in 2021.

Table 35: Home Purchase Loans by Race

Conventional Loans



Government Subsidized Loans

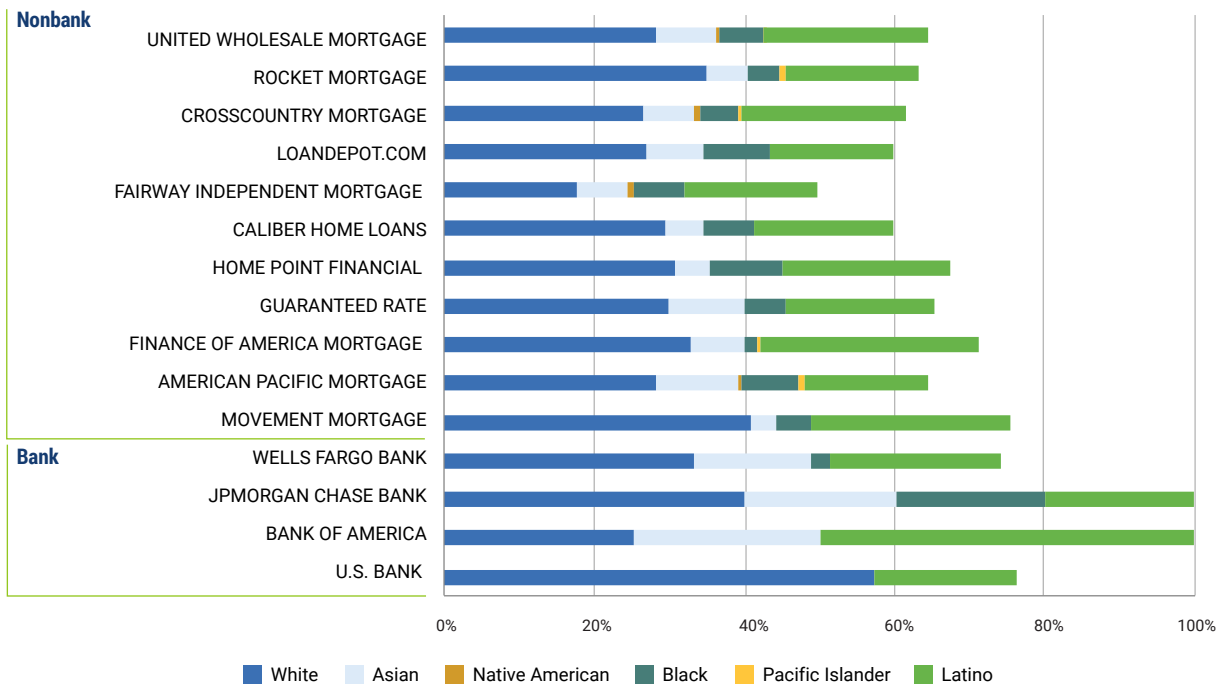
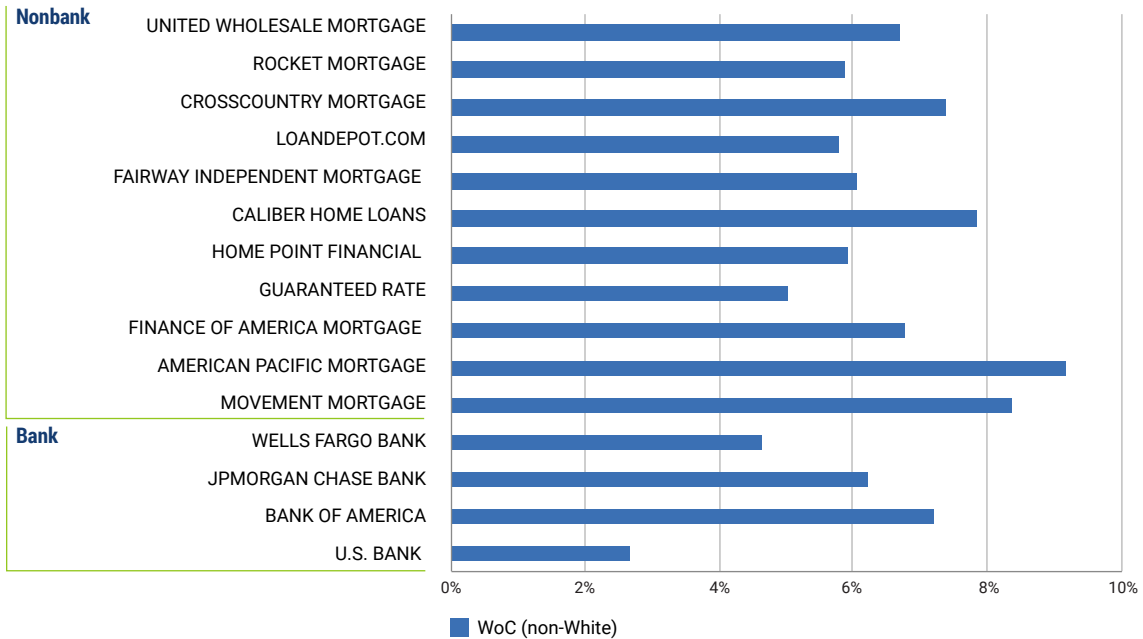


Table 36 illustrates the number of home purchase loan originations for women-identified people of color (non-White) for each of the top 15 lenders in the San Diego MSA in 2021.

Table 36: Home Purchase Loans to Women of Color

Conventional Loans



Government Subsidized Loans

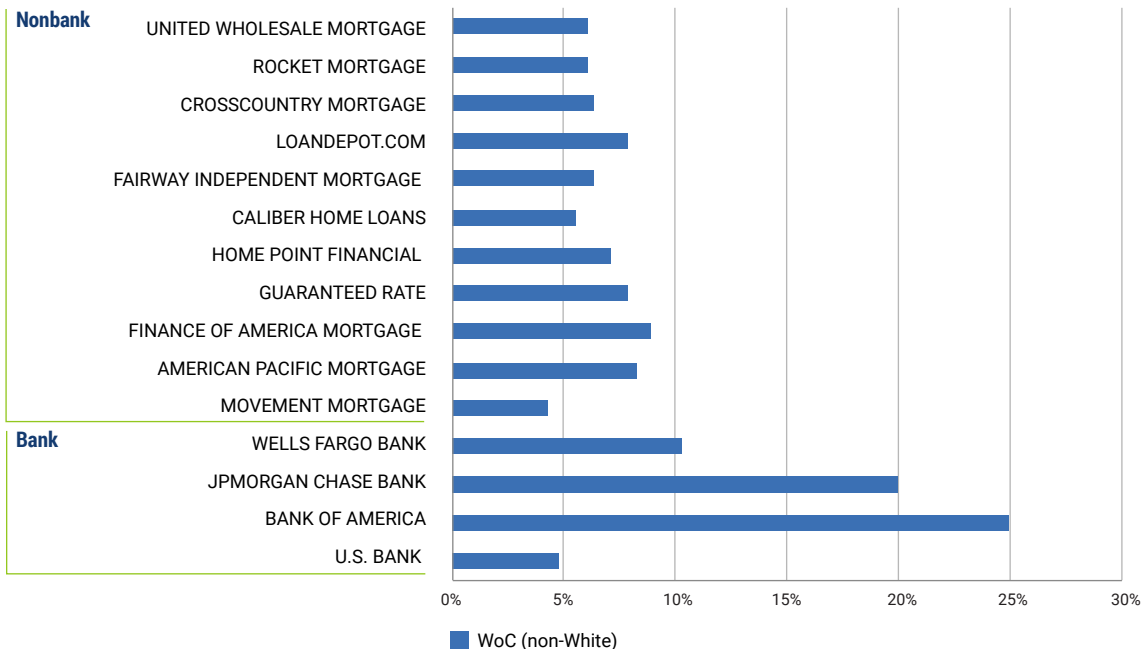
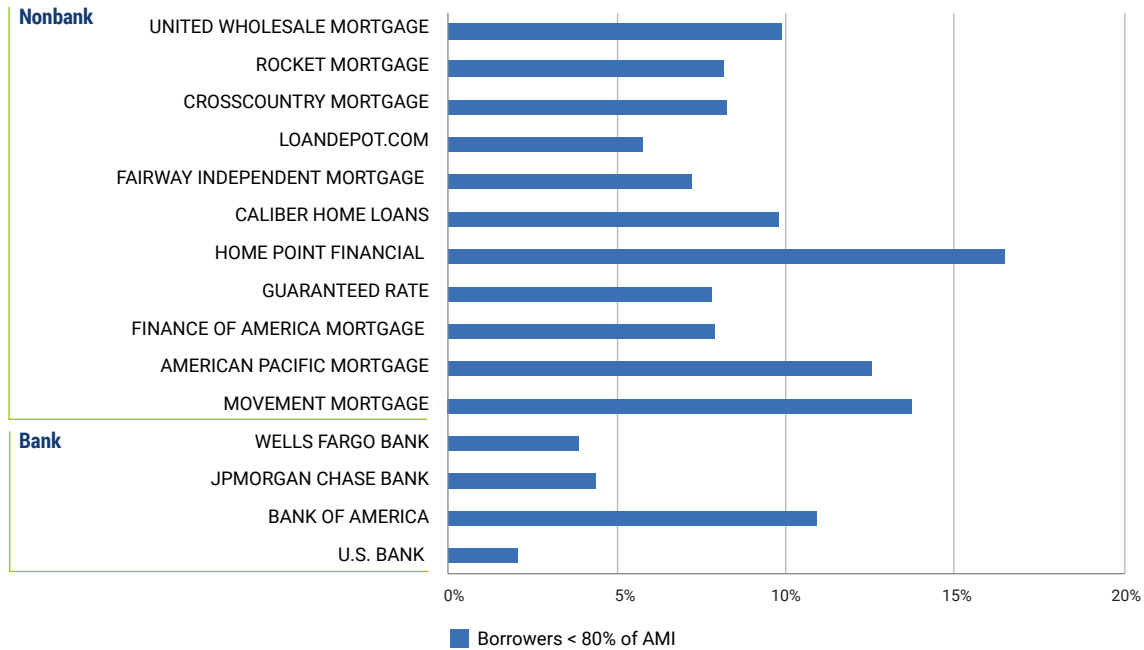


Table 37 below illustrates the number of home purchase loan originations to low-income borrowers, defined as borrowers who report an income below 80% of the region’s Area Median Income, for each of the top 15 lenders in the San Diego MSA in 2021.

Table 37: Home Purchase Loans to Low-Income Borrowers

Conventional Loans



Government Subsidized Loans

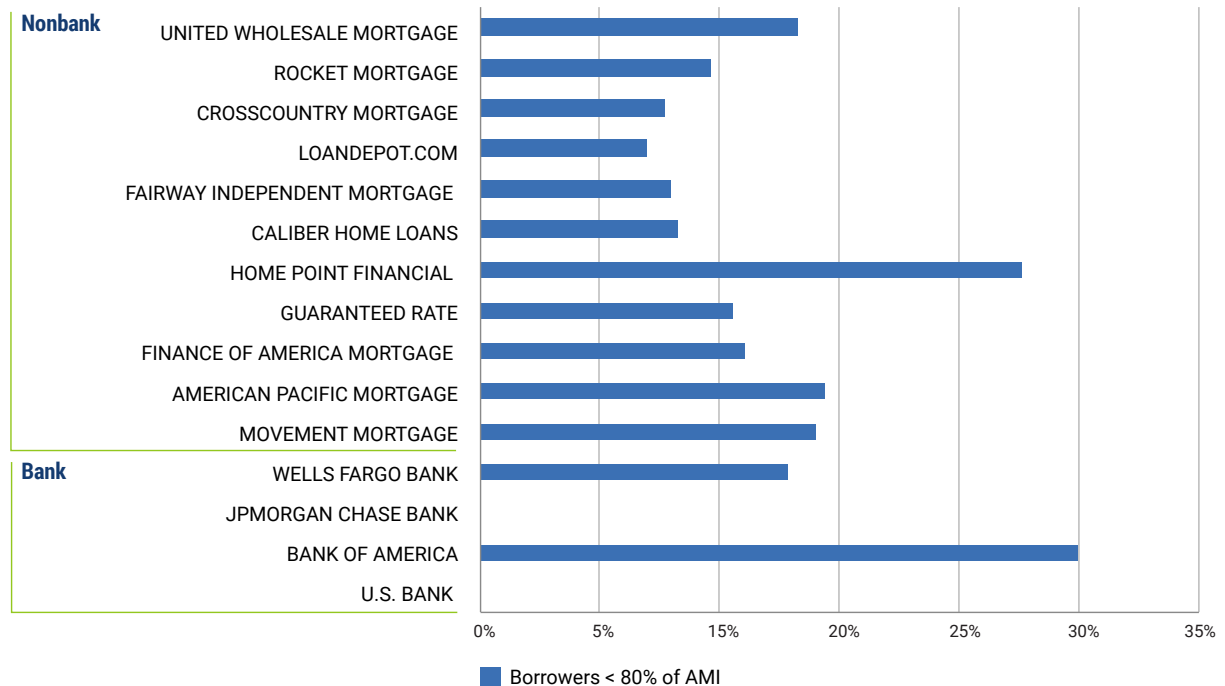
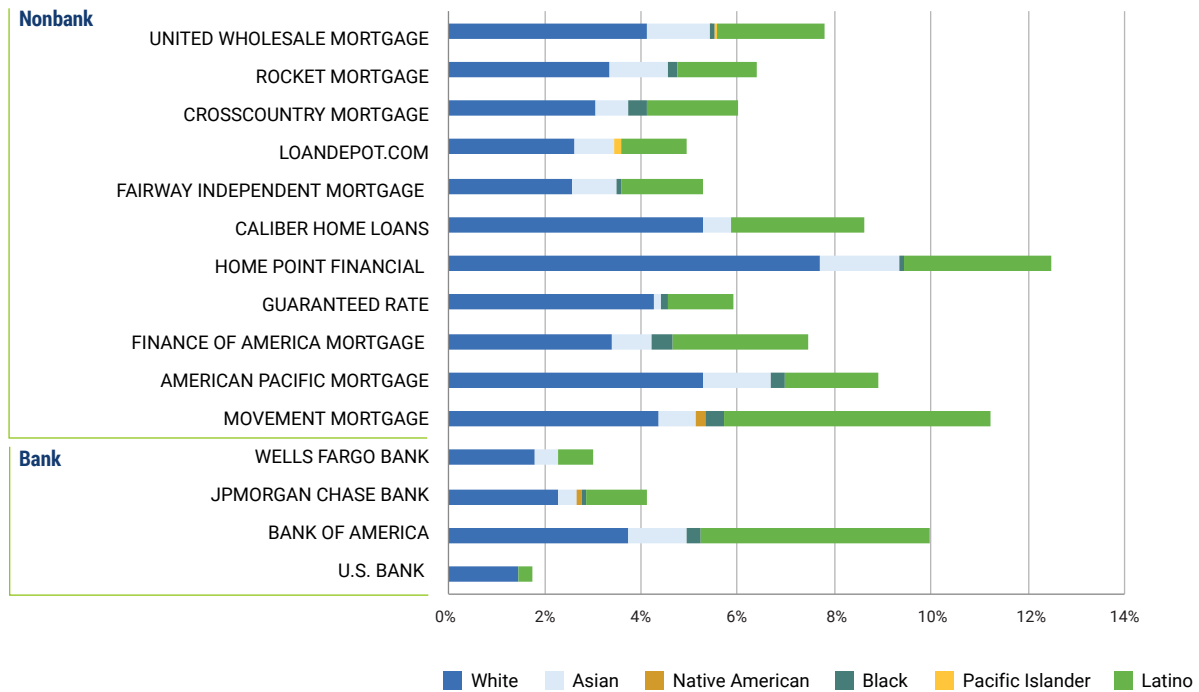


Table 38 below illustrates the number of home purchase loan originations to low-income borrowers by race for each of the top 15 lenders in the San Diego MSA in 2021. White borrowers represent the highest share of low-income borrowers.

Table 38: Home Purchase Loans by Low-Income Borrowers by Race

Conventional Loans



Government Subsidized Loans

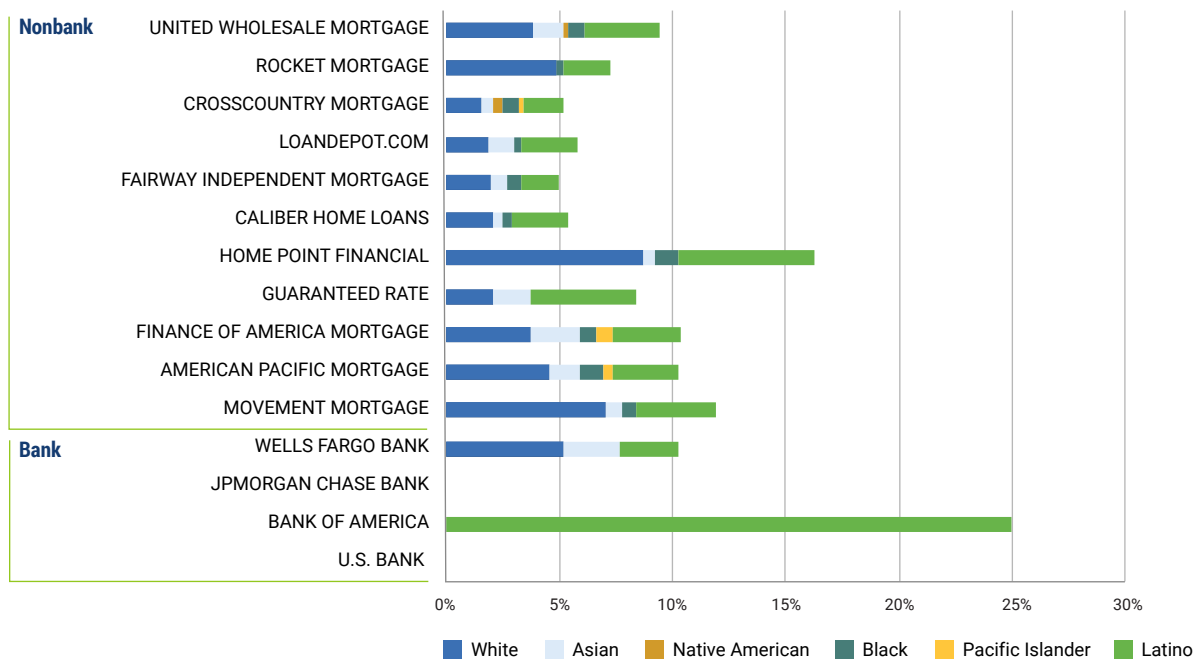




Photo credit: Grant Porter via Unsplash

Policy Recommendations

Homeownership forms the bedrock of wealth building. Home lending to communities of color must increase to establish financial stability for future generations. This will require a comprehensive effort by nonbank 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 financial 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, nonbank lender as from a traditional bank. Nonbank lenders can provide important competition to traditional banks and drive down costs for consumers while serving customers who currently fall through the cracks, but inadequate regulation of these lenders remains a concern. It will be incumbent upon these nonbank 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, Greenlining recommends the following steps be taken:

For Legislators and Financial Regulators:

1. Create a California Community Reinvestment Act. Unlike traditional banks, nonbank lenders are not covered by the federal Community Reinvestment Act, despite the similarity in their loan products and services. As such, nonbank lenders should have the same mandate to serve low- to moderate-income communities as traditional banks, and this mandate can come from the state. A state-level California CRA could:

- Incentivize relationships between nonbank lenders and nonprofit organizations that serve LMI communities and communities of color.
- Rebuild and significantly increase investments in low- to moderate income communities that do not have access to physical banks in their communities.
- Require lenders to offer the best possible mortgage products to clients.
- Ensure corporate accountability for financial institutions.
- Test for fair lending to all racial and ethnic groups, in comparison to peer lenders.

Four states — New York, Connecticut, Illinois, and Massachusetts—have already implemented a CRA to meet the needs of their community.

Figure 3: Home Purchase Loans by Race and Gender

Black households access **THREE PERCENT** of home loans, while making up **over 5% of the population.**



- 2. Regulate credit unions, mortgage lenders and insurance providers and require them to invest in low- to moderate income communities.** The California CRA should also be a mechanism for expanding beyond the limitations of the federal CRA—requiring traditional banks without a physical presence in low- to moderate income communities to still invest in these areas. A California CRA would benefit by adopting features similar to the law in Massachusetts, creating a racial equity lens in examining lending practices to ensure that communities of color are treated equally with white community members.
- 3. Provide more targeted support on federal and state levels.** 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.
- 4. Mitigate the disproportionate impacts of home lending barriers for low-income people of color as it relates to government-subsidized versus conventional loans.** Low-income people of color are more likely to be illegally steered toward government-subsidized loans even if they qualify for a conventional loan. This may limit their choice of properties they can purchase and constrain their loan payment options. Regulators must understand that this is a form of ongoing redlining and mitigate its impact. One option, as reported by the Urban Institute, is to establish a federal liquidity facility for mortgage servicing advances, particularly in the face of COVID-19 ripple effects on credit tightening and forbearance.³⁰ The federal government could also take steps to make government-subsidized loans more competitive in the housing market, aligning FHA/VA rules more closely with those of Fannie Mae and Freddie Mac.³¹

For Lenders:

- 1. Tailor more loan products and outreach 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. Financial institutions should increase mortgage originations to communities of color through alternative products to government-subsidized loans.
- 2. Increase 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 ensure 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. Create stronger, win-win community partnerships and agreements.** Lenders, regardless of whether they are traditional banks, fintech firms or nonbank mortgage institutions, should meet with California community groups annually to hear from those most impacted by their lending practices. This year and in the coming years we will see more mergers and acquisitions that place a systemic risk on our financial system. The only way to ensure a continued commitment to communities is for lenders, especially those not obligated to create CRA plans, to make clear and specific commitments to communities through Community Benefits Agreements that underscore their responsibility to their consumers.

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**THE
GREENLINING
INSTITUTE**

info@greenlining.org

410-533-1203 (c)

360 14th Street, 2nd Floor, Oakland, CA 94612

greenlining.org