Comprehensive Report Examining Lending Practices of Authorized Depositories for The City of Philadelphia

Calendar Year 2005

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Report Submitted To: City Treasurer's Office 1401 JFK Boulevard Room 640 Philadelphia PA 19102 **Report Submitted By:** Econsult Corporation & MFR Consultants, Inc.

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Firms Submitting the Report

Econsult Corporation

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LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

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Legislative and Institutional Context

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Executive Summary



Executive Summary

Econsult Corporation and MFR Consultants, Inc. are pleased to present this analysis of the home lending performance, small business lending performance, and bank branching patterns of the nine authorized depositories of the City of Philadelphia. This report is required by City's Resolution No. 051161, which is a request by City Council for the Office of the City Treasurer to commission an annual report of lending activity and disparities by city depositories.

The City is committed to ensuring that the institutions selected to be authorized depositories of City funds provide financial products and services in a fair and unbiased manner to the citizens of Philadelphia, and this report is an important resource in that effort. Specifically, this report provides rankings of the authorized depositories in key fair lending categories, as well as a composite ranking of the depositories across all categories, based on our statistical analysis of their home lending performance in these various categories. This composite is designed to establish the base for an ongoing disparity ranking index that can be used by the City to assess changes in depository performance over time. Together these rankings will provide the City with guidance on the performance of theses banks.

It is important to note that these depositories make less than 12 percent of all residential loans originated in Philadelphia. These institutions are a declining part of the home lending picture.

Home Mortgage Disclosure Act data and Community Reinvestment Act data were analyzed for this report using the prior year's methodology to maintain consistency. Most sections of the report focus on owner-occupied single-family loans secured by a first lien.

E.1 Background

The aforementioned ordinance is best understood within the overall federal, state, and local legislative context in which banks operate and which give policymakers with tools and information to provide oversight and accountability in the area of fair lending. Most notably, the Home Mortgage Disclosure Act (HMDA) requires lending institutions to report loan data. This allows for the necessary transparency to assist public officials in distributing public-sector investments so as to attract private investment to areas of greatest need, and to identify potential discriminatory lending patterns.

Fair lending is also covered in national civil rights legislation, with the Fair Housing Act, part of Title VIII of the Civil Rights Act of 1968. In 1977, Congress enacted the Community Reinvestment Act (CRA) to require that a bank distribute its financial activity and investment across its entire market area, including low- and moderate-income neighborhoods.

At the state level, legislation is in place to protect the interests of lendees, such as the Pennsylvania Loan Interest and Protection Law (1974), the Secondary Mortgage Loan Act (1980) and the Mortgage Bankers and Brokers and Consumer Equity Protection Act (1989). More recently, the Pennsylvania Department of Banking has examined trends in foreclosures and documented lending practices that are harmful to consumers.

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E.1

Of course, home lending cannot be examined without considering foreclosure. Loan holders filed to begin foreclosure proceedings on approximately 4,800 homes with outstanding principals totaling more than \$250 million in 2005. The number of foreclosure filings was up one percent over 2004. These statistics do not reflect the home loans which were delinquent but had not entered into formal foreclosure proceedings.

Unfortunately, the city's foreclosure database shows the lender holding the loan at the time of filing, which is not necessarily the lender that wrote the loan. This makes it difficult to identify lenders writing a high percentage of loans ending in foreclosure.

City Depositories

The City currently has nine authorized depositories. These nine financial institutions range greatly in size, in terms of total assets under management and geographic scope. They also vary significantly in home and small business lending activity in the City. The following table provides some pertinent information on the City's authorized depositories (see Figure E.1.1):

Figure E.1.1

City of Philadelphia's Authorized Depositories at a Glance (2006)

	Advance	Bank of America	Citizens	Commerce	Mellon	PNC	Republic	United	Wachovia
Total Assets ¹	\$67M	\$1.2T	\$34B	\$41B	\$26B	\$90B	\$1B	\$74M	\$518B
Employees ¹	33	164,000	4,400	10,600	7,600	16,000	110	30	84,000
Offices ¹	3	5,783	412	371	24	842	11	4	3,211
Philadelphia offices ¹	1	16	62	15	2	39	7	4	49
CRA Rating (most recent year)	Outstanding (2003)	Outstanding (2001)	Outstanding (2004)	Satisfactory (2003)	Outstanding (2005)	Outstanding (2002)	Satisfactory (2005)	Outstanding (2006)	Outstanding (2003)
Data from the last quarter reported in 2006									

Home lending performance for these depositories was analyzed using 2005 HMDA data. Methodology from the prior year's report was adopted in order to maintain consistency. Unless otherwise noted, only originated home loans secured by a first lien for an owner-occupied dwelling of four units or less were included in the analysis.

Of the 164,746 applications recorded in Philadelphia, 100,244 met these initial criteria and were included in the overall owner-occupied analysis. However, smaller subsets were used for analyses by loan purpose and loan rate.

Borrowers were placed in racial categories based on the information reported by the lender. A separate category was created for Hispanics of any race. The other racial categories excluded Hispanics. Importantly, the applicant and co-applicant both had to be of the same race for that application to be included in a racial group. Records without racial or income information were excluded from the respective borrower denominators.

US Census data from 2000 were used to calculate household share and the minority and income character-

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E.1	Background

istics for census tracts. To avoid double-counting, racial counts included only applicants identified as non-Hispanic.

Small business lending was based on CRA data. Unlike the HMDA data, individual records are not available. The data are only available in aggregate by census tract or lender. As for branching patterns, banks were evaluated by the percentage of branches located within minority tracts and within low- to moderate-income tracts.

E.2 Home Lending and Discrimination

The very purpose of the City's fair lending legislation is to identify if there is evidence of discriminatory lending practices by banks and other mortgage providers. Our analysis indicates that there exist some statistically significant disparities across the racial and ethnic characteristics of borrowers. The data are consistent with discrimination, but do not prove discrimination. The adverse treatment could alternatively be caused by unobserved characteristics of the borrower.

These findings, however, may be biased by the omission (due to data constraints) of certain variables that are important in the lending decision process. In particular, the borrower's (1) credit rating score and (2) wealth and existing debt load are clearly important factors, but not included in the model. These omissions could mean that some of the legitimate effects of those factors could be falsely attributed to race or ethnicity. Still, there is a statistically significant negative effect associated with race and ethnicity, which warrants concern and additional examination.

E.3 Home Lending - Performance

In 2005, financial institutions received over 100,000 loan applications for home purchase, refinance, and home improvements in Philadelphia, and over 42,000 loans were originated. This represents a 13 percent increase in applications and a 15 percent increase in originated loans over the previous year (see Figure E.3.1). For each loan type, lending patterns were analyzed by borrower race, income, tract minority level, tract income level, and gender.

		2005 Loan Applications	Percent Change '04-'05
Applications	89,045	100,244	13%
Originations	36,593	42,228	15%

Figure E.3.1 Loan Applications and Originations Over Time

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Home Lending and Discrimination / Home Lending - Performance | E.2 - E.3

E.3.1 Home Purchase Lending

For home purchases, about 28,000 loan applications were submitted and over 17,000 loans were originated in 2005. The proportion of subprime loans jumped from 12 percent in 2004 to 22 percent in 2005. Some of this increase may be the result of interest rate changes and HMDA reporting rules, meaning not all these loans should be classified as subprime.

Race

- Whites received 59 percent of all prime and 41 percent of all subprimes, but represented 48 percent of households, proportions were largely unchanged from the previous year (see Figure E.3.2).
- Fourteen percent of white borrowers received subprime loans.
- African Americas make up 40 percent of households, but received 17 percent of all prime loans and 49 percent of all subprime loans. Despite, a 29 percent increase in the number of loans to African Americans, the prime and subprime proportions were largely unchanged.
- Forty-one percent of African American borrowers received subprime loans, up significantly from 25 percent in the previous year.
- Hispanics represent 7 percent of all prime loans, consistent with the percentage of Hispanic households in the City.
- The Hispanic share of all subprime loans was nearly twice their household share of 7 percent. These proportions were nearly identical to the previous year.
- Thirty-three percent of Hispanic borrowers received subprime loans, up significantly from 16 percent in the previous year.
- Borrowing by Asians increased by 47 percent over the previous year.
- Asians received 23 percent of all prime loans, six times their share of Philadelphia households.
- Asians also had the lowest denial rate (10 percent) versus 11 percent for whites.
- Nineteen percent of Hispanics and 22 percent of African Americans were denied.

Borrower Race	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
White	59.4%	41.2%	47.8%
African American	17.0&	49.3%	40.2%
Asian	22.8%	9.0%	3.5%
Hispanic	6.9%	13.2%	6.5%

Figure E.3.2

Proportion of Prime and Subprime Loans, Households by Race

Income

- Low-to-moderate-income (LMI) borrowers received 45 percent of all prime loans in 2005, down from 56 percent in the previous year.
- LMI borrowers also received 4 percent of all subprime loans, but represented 57 percent of all households in Philadelphia (see Figure E.3.3).
- LMI borrowers were almost twice as likely as middle-to-upper-income (MUI) borrowers to receive subprime loans.
- One in five LMI applicants was denied versus 13 percent for MUI applicants.

Borrower Income	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
LMI (<79.99% MSA Income)	44.8%	64.4%	57.4%
MUI (>80% MSA Income)	55.2%	35.6%	42.6%

Tract Minority Level

- Tracts in which at least half of the population was minority received 40 percent more loans in 2005 than in 2004.
- Although nearly half (49 percent) of all owner-occupied housing units are in minority tracts, those tracts only received 29 percent of all prime loans, up from 27 percent in 2004.
- Minority tracts received 53 percent of all subprime loans, up from 49 percent in 2004 (see Figure E.3.4).

Figure E.3.3

Proportion of Prime and Subprime Loans, Households by Income

- Non-minority tracts received 18 percent more loans in 2005 than in 2004.
- Representing 51 percent of all owner-occupied housing units, non-minority tracts received 71 percent of prime loans and 47 percent of subprime loans.
- Borrowers in non-minority tracts were over half as likely to receive subprime loans as ones in minority tracts.
- Twenty-two percent of applicants in minority tracts were denied compared to 12 percent in non-minority tracts.

Minority Level		Percent of All Subprime Loans	Percent of All OOHUs
0-49% minority	71.5%	47.1%	51.0%
50-100% minority	28.5%	52.9%	49.0%

Tract Income Level

- LMI tracts received 29 percent more loans in 2005 than in 2004.
- Although two-thirds of all owner-occupied housing units are in LMI tracts, those tracts received 53 percent of all prime loans and 75 percent of all subprime loans (see Figure E.3.5).
- MUI tracts, which account for the other one-third of owner-occupied housing units, received 47 percent of all prime loans and 25 percent of all subprime loans.
- Borrowers in MUI tracts were more than half as likely to receive subprime loans (13 percent) compared to 28 percent in LMI tracts.
- Applicants in MUI tracts were also almost half as likely to be denied, as they experienced denial rates of 11 percent versus 19 percent in LMI tracts.

Tract Income	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All OOHUs
LMI (<79.99% MSA Income)	53.3%	75.1%	67.0%
MUI (>80% MSA Income)	46.7%	24.9%	33.0%

Figure E.3.5

Figure E.3.4 Proportion of Prime and Subprime Loans, Households by Tract Minority

Level

Proportion of Prime and Subprime Loans, Households by Tract Income Level

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8.1 Home Purchase Lending

E.3.1

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Gender

- Forty-five percent of all subprime loans were awarded to male borrowers, 45 percent to female borrowers, and 10 percent to joint applicants (see Figure E.3.6).
- Males received about twice their household share of prime loan, as they received 42 percent of all prime loans and represent 22 percent of households
- Females received 35 percent of all prime loans, less than their household share (45 percent).
- Joint applicants were more likely to receive prime loans. Ninety percent of loans to joint applicants were prime compared to 77 percent of loans to male applicants and 74 percent of loans to female applicants.
- Joint applicants were also less likely to be denied, with a denial rate of 10 percent versus 16 percent for both male applicants and female applicants.

Borrower Gender	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
Male	41.8%	44.6%	22.4%
Female	35.2%	45.3%	44.9%
Joint (Male/Female)	23.0%	10.1%	32.7%

Figure E.3.6

Proportion of Prime and Subprime Loans, Households by Gender

E.3.2 Home Refinance Lending

In 2005, financial institutions originated nearly 22,000 refinance loans, up 10 percent from the previous year. About 60 percent of these loans were prime.

Race

- Whites received 71 percent of all prime refinance loans and 50 percent of all subprime refinance loans (see Figure E.3.7).
- Twenty-seven percent of white borrowers received subprime refinance loans, and white applicants were denied about a quarter of the time.
- African Americans received 24 percent of all prime refinance loans and 48 percent of all subprime refinance loans, both up slightly from the previous

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> Home Purchase Lending / Home Refinance Lending E.3.1 / E.3.2

year.

- Fifty-two percent of African American borrowers received subprime refinance loans, making them twice more likely to do so than whites.
- African American applicants were denied 44 percent of the time, twice as often as whites.
- Hispanic borrowers received 6 percent of prime refinance loans and 8 percent of subprime refinance loans.
- Forty-four percent of Hispanic borrowers received subprime refinance loans, making them almost twice as likely to do so as whites.
- Hispanic applicants were denied 38 percent of the time, almost twice as often as whites.
- Asian borrowers received 5 percent of all prime refinance loans and 3 percent of all subprime refinance loans.
- Twenty-five percent of Asian American borrowers received subprime refinance loans.
- Asian applicants were denied 27 percent of the time.

Borrower Race	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
White	70.9%	49.6%	47.8%
African American	23.6%	47.5%	40.2%
Asian	5.1%	3.1%	3.5%
Hispanic	6.0%	8.2%	6.5%

Income

• LMI borrowers received 47 percent of all prime refinance loans and 66 percent of all subprime refinance loans in 2005 (see Figure E.3.8).

Figure E.3.8 Proportion of Prime and Subprime Refinance Loans, Households by Income

Figure E.3.7 Proportion of Prime and Subprime Refinance Loans, Households by Race

Borrower Income			Percent of All Households
LMI (<79.99% MSA Income)	46.7%	65.5%	57.4%
MUI (>80% MSA Income)	53.3%	34.5%	42.6%

- LMI borrowers were far more likely to receive subprime refinance loans than MUI borrowers, as 48 percent of LMI borrowers received subprime refinance loans, compared to 30 percent of MUI borrowers.
- LMI applicants were denied 40 percent of the time, far more often than MUI applicants, who were denied 26 percent of the time.

Tract Minority Level

- Borrowers in minority tracts received 29 percent of all prime refinance loans and half of all subprime refinance loans (see Figure E.3.9).
- Borrowers in minority tracts received prime refinance loans 49 percent of the time, while borrowers in non-minority tracts received prime refinance loans 70 percent of the time, a large disparity but smaller than the previous year. In 2004 borrowers in non-minority tracts were twice as likely to receive prime refinance loans as borrowers in minority tracts.
- Applicants in minority tracts were denied 43 percent of the time, far more often than applicants in non-minority tracts, who were denied 26 percent of the time.

Minority Level	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All OOHUs
0-49% minority	71.0%	49.8%	51.0%
50-100% minority	28.9%	50.2%	49.0%

Tract Income Level

- LMI tracts received half of all prime refinance loans and almost 70 percent of all subprime loans (see Figure E.3.10).
- Borrowers in MUI tracts were almost half as likely to receive subprime loans, as only 27 percent of loans in these tracts were subprime compared to 46 percent in LMI tracts.
- Applicants in MUI tracts were also almost half as likely to be denied, as they experienced denial rates of 25 percent versus 39 percent in LMI tracts.

Figure E.3.9 Proportion of Prime and

Subprime Refinance Loans, Households by Tract Minority Level

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Figure E.3.10

Proportion of Prime and Subprime Refinance Loans, Households by Tract Income Level

Tract Income	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All OOHUs
LMI (<79.99% MSA Income)	50.2%	70.2%	67.0%
MUI (>80% MSA Income)	49.8%	29.8%	33.0%

Gender

- Thirty-six percent of all subprime refinance loans were awarded to male borrowers, 42 percent to female borrowers and 22 percent to joint applicants (see Figure E.3.11).
- Seventy-two percent of joint applicants receive prime refinance loans compared to 60 percent of loans to male applicants and 57 percent of loans to female applicants.
- Joint applicants were also less likely to be denied, with a denial rate of 27 percent versus 34 percent for male and 37 percent for female applicants.

Borrower Gender	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
Male	32.0%	35.6%	22.4%
Female	34.1%	42.3%	44.9%
Joint (Male/Female)	33.9%	22.1%	32.7%

E.3.3 Home Improvement Lending

In 2005, financial institutions received about 8,000 home improvement loan applications and originated about 3,000 home improvement loans, up 10 percent from the previous year. These numbers include only loans secured by a first lien. More than 5,000 additional home improvement loans were not included in the analysis because they were secured by a second lien or had no lien. Seventy-seven percent of these loans were prime. Our analysis yielded the following points:

• African American and Hispanic borrowers were twice as likely to receive subprime home improvement loans as whites.

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Figure E.3.11 Proportion of Prime and Sub-

prime Refinance Loans, Households by Gender

- LMI applicants were far more likely to be denied as well as to receive subprime home improvement loans than MUI applicants.
- Applicants in non-minority tracts received prime home improvement loans twice as often as applicants in minority tracts, and almost half as likely to be denied.
- Applicants in LMI tracts were twice as likely to be denied, as well as to receive subprime loans, than applicants in MUI tracts.
- Joint applicants were more likely to be accepted and to receive prime home improvement loans than male or female applicants.

E.4 Philadelphia vs. Other Areas

Lending to city residents was also compared to lending to residents of the four suburban counties (Bucks, Chester, Delaware and Montgomery) with the following key findings (see Figure E.4.1):

- 30 percent of city loans were subprime, more than double that of the suburbs, at 14 percent.
- African American borrowers in the suburbs were more than three times as likely as white borrowers to receive a subprime loan.
- Borrowers in minority tracts were three times as likely as borrowers in other tracts to receive a subprime loan.
- The 3 percent of tracts in the suburbs that have a population that is more than half minority received 1 percent of all suburban prime loans and 5 percent of all suburban subprime loans.
- The 6 percent of tracts in the suburbs that are LMI received 4 percent of all suburban prime loans and 12 percent of all suburban subprime loans.

Figure E.4.1

Summary Chart, Philadelphia Vs. Suburbs

Category	Suburbs Percent of All Prime Loans	Suburbs Percent of All Subprime Loans	Suburbs Percent of All Households	Philadelphia Percent of All Prime Loans	Philadelphia Percent of All Subprime Loans	Philadelphia Percent of All Households
Race						
White	91.2%	81.3%	85.7%	64.9%	46.2%	47.8%
Black	4.1%	16.0%	8.3%	20.6%	48.7%	40.2%
Asian	4.0%	2.8%	2.7%	13.9%	5.0%	3.5%
Hispanic	1.5%	3.7%	2.2%	6.4%	10.0%	6.5%
Borrower Income						
LMI (<79.99% MSA In- come)	21.5%	33.8%	29.0%	46.7%	65.6%	57.4%
MUI (>80% MSA Income)	78.5%	66.2%	71.0%	53.3%	34.4%	42.6%
Tract Minority Level						
0-49% minority	98.8%	94.8%	97.4%	70.8%	48.5%	51.0%
50-100% minority	1.2%	5.2%	2.6%	29.2%	51.5%	49.0%
Tract Income Level						
LMI tract (<79.99% MSA Income)	4.0%	11.6%	5.6%	52.4%	72.1%	67.0%
MUI tract (>80% MSA Income)	96.1%	88.4%	94.4%	47.6%	27.9%	33.0%
Gender						
Male	24.4%	34.7%	17.3%	36.1%	38.2%	22.4%
Female	21.1%	28.4%	27.8%	35.0%	43.3%	44.9%
Joint (Male/Female)	54.4%	36.9%	55.0%	29.0%	18.5%	32.7%

Lending in Philadelphia was compared against data from Baltimore, Detroit, and Pittsburgh, three cities similar to Philadelphia in demographics, poverty, and geography, with the following key findings (see Figure E.4.2):

- 30 percent of Philadelphia's 42,000 home loans were subprime, versus 68 percent of Detroit's 23,000 home loans, 38 percent of Baltimore's 21,000 home loans, and 31 percent of Pittsburgh's 5,500 home loans.
- Philadelphia had the greatest disparity between the denial rate of African American applicants and white applicants, and between that of Hispanic applicants and white applicants.
- Asians in Philadelphia enjoyed the greatest share of prime loans as a proportion of their share of households.
- While borrowers in minority tracts received a smaller percentage of prime loans than the share of

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 Philadelphia vs Other Areas

housing units in those tracts in every city, this disparity was greatest in Philadelphia.

• Philadelphia also had the greatest disparity in the rate of LMI borrowers versus MUI borrowers receiving subprime loans, and in the percentage of borrowers in LMI tracts receiving subprime loans versus borrowers in MUI tracts.

Figure E.4.2

Summary Chart, Philadelphia Vs. Detroit, Baltimore, Pittsburgh

City	Total	Per-	Percent	Prime	Minority	Minority	Percent	Percent	LMI Tract	MUI Tract
	Loans	cent	Sub-	Share to	Tract	Tract	of LMI	of MUI	Percent	Percent
		Prime	prime	House-	Percent	Percent	(<79.99%	(>80%	Receiving	Receiving
		Loans	Loans	hold	of Prime	of All	MSA	MSA In-	Subprime	Subprime
				Share	Loans	OOHUs	Income)	come)	Loans	Loans
				Ratio			Denials	Denials		
Philadelphia	42,228	69.9%	30.1%	0.51	29.2%	49.0%	35.7%	22.1%	37.2%	20.1%
Baltimore	21,281	61.6%	38.4%	0.63	41.3%	60.2%	31.6%	21.2%	42.9%	29.0%
Detroit	23,263	31.8%	68.2%	0.98	93.7%	96.3%	40.9%	36.2%	72.7%	67.3%
Pittsburgh	5,573	69.0%	31.0%	0.33	8.6%	10.8%	39.8%	28.4%	37.5%	23.6%

E.5 Non-Occupant Investor vs. Owner Lending

Non-occupant investors in Philadelphia received about 10,000 loans in 2005, about 20 percent of all home loans made. Nearly two-thirds of those loans were prime (see Figure E.5.1).

- By race, African American investors were twice as likely as white investors to receive subprime loans, and African American applicants were almost twice as likely as white applicants to be denied.
- Asians received 17 percent of all loans, four times their share of households.
- Despite representing half of all households, minority tracts received only 40 percent of prime loans and 72 percent of all subprime loans.
- Applicants in minority tracts were denied 26 percent of the time versus 16 percent of the time for other tracts.
- LMI investors, who represented 29 percent of applicants, were denied 30 percent of the time. Of those who did receive loans, 44 percent were subprime versus 33 percent for MUI investors.
- Applicants in LMI tracts were denied 23 percent of the time versus 16 percent for applicants in MUI tracts; and investors in LMI tracts received subprime loans 40 percent of the time.

Figure E.5.1

Summary Chart, Non-Occupant Investor vs. Owner Lending

Category	Owner-Occupied Percent of All Prime Loans	Non-Owner Occupied Percent of All Prime Loans	Percent of All Households
Race			
White	64.9%	59.2%	46.8%
African American	20.6%	12.5%	42.6%
Asian	13.9%	22.8%	4.4%
Hispanic	6.4%	3.6%	6.5%
Borrower income			
LMI (<79.99% MSA Income)	46.7%	16.2%	57.4%
MUI (>80% MSA Income)	53.3%	83.8%	42.6%
Tract Minority Level			
0-49% minority	70.8%	60.4%	51.0%
50-100% minority	29.2%	39.6%	49.0%
Tract Income Level			
LMI tract (<79.99% MSA Income)	52.4%	73.5%	67.0%
MUI tract (>80% MSA Income)	47.6%	26.5%	33.0%
Gender			
Male	36.1%	51.0%	22.4%
Female	35.0%	24.7%	44.9%
Joint (Male/Female)	29.0%	24.4%	32.7%

E.6 Home Lending - Rankings

Our rankings in home lending include the five depositories that wrote more than 25 home loans: Bank of America, Citizens, Commerce, PNC and Wachovia. For the purposes of the composite rankings, each of the authorized depositories was evaluated in 13 categories related to home purchase lending:

1-3 Percentage of all home purchase loans originated for African Americans, Hispanics, and LMI borrowers

4-6 Raw number of loans originated for African Americans, Hispanics, and LMI borrowers

7-9 Denial rates for African Americans, Hispanics, and LMI borrowers

10-13 Neighborhood-related factors: percentage of loans originated in LMI

census tracts, percentage of loans originated in minority tracts, denial rate for LMI census tracts, denial rate for minority tracts

The first nine factors make up nine-tenths of the composite score. Together, the last four factors make up one-tenth. For each factor, a depository received a score according to how different it is from the average lender in Philadelphia; positive scores mean that the depository is better than the average lender.

All of the depositories measured had positive composite scores, suggesting that they performed better than the average home mortgage lender in the city market in 2005 (see Figure E.6.1).

Rank	Depository	Composite Score	Home Purchase Applica- tions	Prime Home Purchase Loans
1	PNC	8.9	82	44
2	Citizens	6.6	556	358
3	Bank of America	6.5	487	344
4	Commerce	3.3	260	193
5	Wachovia	3.2	794	388

Figure E.6.1

Ranking of City Depositories by Composite Score for Home Purchase Lending

In aggregate, the authorized City depositories received over 10,000 home loan applications in 2005, and accepted 43 percent of them. Depositories originated 16 percent of all prime lending in the City. As the group, they had the following performance:

- By race, they fared better than all City lenders on percentage of prime loans to African Americans and to Hispanics, but their denial rate disparities for all minority groups was worse than the City average.
- They outperformed all City lenders in terms of lending to LMI borrowers, female borrowers, and loans to minority tracts, although in none of these did they reach the group's share of households.

Depositories were also ranked individually within each category:

• From last year to this year, Wachovia worsened in all but one performance category for all loans. It was the only bank of the authorized depositories to write a smaller percentage of loans to African Americans (from 38 percent in 2004 to 34 percent in 2005). Commerce wrote the lowest percentage of loans to African Americans of the City depositories (26 percent).

• Meanwhile, PNC improved in all but one performance category, while

writing nearly half (48 percent) of all of its loans to African Americans, the only bank to write a percentage of loans to African Americans higher than the group's share of households. PNC also wrote 47 percent of its loans to women borrowers, 68 percent to LMI borrowers, 58 percent to borrowers in minority areas, and 69 percent to borrowers in LMI tracts – all percentages higher than those groups' share of households.

• Bank of America had the next best showing, falling short in only three categories while improving in eight. Citizens and Commerce were both outperformed by all City lenders in four categories. Citizens showed improvement in its loans to Asians, Hispanics, and females. Commerce showed improvement in its loans to minority and LMI tracts. Wachovia was outperformed by all City lenders in five categories, but did show improvement from last year's performance in 10 categories.

The authorized depositories as a whole fared well in the area of refinance loans, which represented half of all depository lending. Looking at them individually, PNC Bank was once again the top performer, followed by Citizens Bank, Bank of America, Wachovia Bank, and Commerce Bank.

Home improvement loans represent 18 percent of all depository lending. Here, also, the authorized depositories performed well, for the most part, led once again by PNC Bank, followed by Citizens Bank, Bank of America, Wachovia Bank, and Commerce Bank.

E.7 Small Business Lending – Performance

According to Community Reinvestment Act data, about 21,000 loans of an aggregate \$883 million were made to small businesses in 2005, of which 55 percent of which were made to small businesses located in low and moderate-income areas (see Figure E.7.1).

Tract Income level	Number of Loans	% of all Philadelphia Loans
Low-income	3,991	18.6%
Moderate-income	7,704	35.9%
Middle-income	6,241	29.1%
Upper-income	2,935	13.7%
Census tract or income level unknown	567	2.7%
Total	21,438	100.0%

Figure E.7.1 Loans to Small

Businesses in Philadelphia by Tract Income Level

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

E.6 / E.7 Home Lending - Rankings / Small Business Lending - Performance

CRA data also yielded the following additional performance information:

Non-minority small businesses received twice as many loans as minority small businesses.

As could be expected given the region's demographics, Philadelphia has a much higher share of its loans going to low-income and moderate-income areas and to minority tracts than in suburban counties.

As mentioned above, 55 percent of small business loans in Philadelphia went to businesses in low-to-moderate-income areas; in the surrounding suburbs, that proportion is less than 10 percent.

E.8 Small Business Lending – Rankings

Rankings of City Depositories on Small Business Lending

Rankings in small business lending included the seven depositories for which information was available (no data was available for United Bank and Advance Bank). For the purposes of the composite rankings, each of the authorized depositories was evaluated in five categories related to small business lending:

1. Market share of loans to small businesses, as compared to the citywide average

2. Market share of loans to small businesses with annual revenues of less than \$1 million, as compared to the citywide average

3. Percentage of loans to small businesses in low-income and moderate-income areas, as compared to the citywide average

4. Ranking among depositories of loans to small businesses with annual revenues of less than \$1 million

5. Ranking among depositories of loans to small businesses in low-income and moderate-income areas

Each category was weighted equally, with a score from 1 to 7 (7 being the best), yielding Citizens Bank as the top performer and Mellon Bank as the bottom performer (see Figure E.8.1):

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005 25

Small Business Lending - Performance / Small Business Lending - Rankings | E.7 / E.8

Figure E.8.1

Summary Chart, City Depositories' Performance in Home Lending

Ran	k/Institution	Category 1 – MS-SB	Category 2 – MS-SSB	Category 3 – LMI-MS	Category 4 - SSB/ other	Category 5 - LMI/ other	Total Score
1.	Citizens Bank	6	6	5	6	5	28
2.	PNC Bank	7	7	6	5	2	27
3.	Republic Bank	1	5	7	7	1	21
4.	Commerce Bank	4	4	1	4	6	19
5.	Wachovia Bank	5	3	4	2	3	17
6.	Bank of America	3	2	3	3	4	15
7.	Mellon Bank	2	1	2	1	7	13

E.9 Branching Patterns – Performance and Rankings

Banks	Branches 2004	Branches 2005
Advanced	1	1
Bank of America	12	15
Citizens	65	61
Commerce	12	13
Mellon	2	2
PNC	37	37
Republic	5	6
United	5	4
Wachovia	55	45
All banks	316	322

City depositories were further evaluated in two categories related to branching patterns: percentage of branches in minority tracts and percentage of branches in LMI tracts. City depositories represent 57 percent of the 322 bank branches in Philadelphia, having a net loss of 10 branches from 2004 to 2005 (see Figure E.9.1).

In Philadelphia, 52 percent of tracts are minority tracts. In comparison, 27 percent of City depository branches and 23 percent of all City branches

were in minority tracts. Two of the City depositories had greater than 52 percent of their branches in minority tracts, while five had greater than 23 percent of their branches in minority tracts.

LMI tracts represent 69 percent of all tracts in Philadelphia. In comparison, 59 percent of City depository branches and 58 percent of all City branches were in LMI tracts. Three had greater than 58 percent of their branches in LMI tracts (see Figure E.9.2).

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E.8 / E.9 Small Business Lending - Rankings / Branch Patterns - Performance and Rankings

Figure E.9.1

Number of Branches, by Depository (2004 and 2005)

Banks	Branches	LMI Tract	50% or More Minority Tract
Advanced	1	100.0%	100.0%
Bank of America	15	53.3%	6.7%
Citizens	61	57.4%	27.9%
Commerce	13	53.8%	0.0%
Mellon	2	50.0%	0.0%
PNC	37	62.2%	35.1%
Republic	6	33.3%	16.7%
United	4	50.0%	75.0%
Wachovia	45	64.4%	28.9%
All banks	322	58.4%	23.0%
Census tracts	381	69.3%	52.2%

Figure E.9.2

Number of Branches in Minority, LMI Tracts, by Depository

E.10 Neighborhood Analysis

As part of our analysis, we supplemented our citywide perspective with nine neighborhood-level perspectives, as designated by the major community organization that operates in that neighborhood (see Figure E.10.1):

Community Organization	Location	Major Ethnic Group	Median Income as % of Regional Median	Loans 2005	Percent Sub- prime
Assocation of Puerto Ricans on the March	NE Phila.	Hispanic	36%	8	63%
Hispanic Association of Contractors & Enterprise	N 5th	Hispanic	24%	126	42%
Allegheny West	N. Phila.	African American	46%	161	53%
Ogontz Ave. Revitalization	W. Oak Ln.	African American	76%	1,280	52%
Project Home	Spr Garden	African American	34%	105	51%
Peoples' Emergency Center	W. Phila.	African American	36%	76	33%
American Street EZ	Kensington	Hispanic	37%	143	40%
North Central EZ	N. Phila.	African American	33%	62	39%
West Philadelphia EZ	W. Phila.	African American	41%	86	39%

Figure E.10.1 Neighborhood Analysis

Within these nine neighborhoods are about 3,600 businesses with annual revenues of less than \$1 million. In 2005, 573 loans were made to these businesses. The overall performance of the five authorized depositories that wrote loans there is as follows (see Figure E.10.2):

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Branch Patterns - Performance and Rankings / Neighborhood Analysis E.9 - E.10

Figure E.10.2

Depository	Loans originated	Percent of Bank's Loans	City Market Share	Neighborhood Market Share
Bank of America	31	5.5%	1.3%	1.5%
Citizens	79	6.0%	3.9%	3.1%
Commerce	13	0.6%	0.9%	0.6%
PNC	54	11.7%	1.1%	2.6%
Wachovia	139	6.6%	5.0%	6.8%

Depository Performance at the Neighborhood Level

E.11 Recommendations

Based on this comprehensive analysis, we make three sets of recommendations: 1) public policy recommendations, 2) recommendations for additional data collection, and 3) recommendations for further, ancillary study.

Our public policy recommendations are guided by the notion that lending disparities exact an economic cost on the City, thus efforts should be made to challenge banks to improve the efforts in this area. Specifically, we recommend the following public policy actions:

- The City should use these annual rankings to identify under-performing depositories: any bank, for example, scoring below a specific raw score would be a candidate for further investigation and possible sanctions if performance does not improve.
- Conversely, banks that score above a specific raw score could be rewarded with a larger share of the City's financial transactions. These banks should also be studied further, so that best practices can be publicized and replicated.
- The rise in higher-priced loans leads to a number of questions about what triggers offers above the market interest rate, and accordingly the City should position itself to assist groups particularly vulnerable to predatory lending products to take steps to become more eligible for prime loans.
- The City should regularly convene its authorized depositories to discuss lending disparities, collaborate on policy initiatives that will stimulate economic growth, and establish a regional recovery coalition for an emergency preparedness plan for Philadelphia's financial sector.
- The City should consider the creation of banking development districts to encourage the sitting of branches in under-represented low-income and minority neighborhoods, to improve accessibility and stimulate investment.

Our data collection recommendations are guided by the notion that better data enables better analysis and ensures greater accountability. Of course, those benefits have to be weighed against the cost of collecting or requiring additional data. Accordingly, we make the following recommendations that would broaden policymakers understanding of home lending, small business lending, and branching patterns:

- The City should require depositories to annually submit a list of branch locations and hours, which would provide useful data for understanding each bank's accessibility as well as identifying unserved and underserved neighborhoods.
- HMDA data does not currently require banks to collect or disclose which applicants are recent immigrants; to the extent that such data could be collected, it would help policymakers evaluate the out reach efforts of banks towards various immigrant populations and communities.
- Unlike HMDA, CRA does not require banks to provide race, ethnicity, or gender information about applicants; the City could compensate for this by requesting that banks submit summary statistics, allowing for cross tabulations of small business lending by income and race/ethnicity and/or income and gender.
- To gain a better understanding of trends in foreclosures and sheriff's sale, the City should require the Prothonotary's Office to submit an annual report of foreclosures by area of the city and lender, and the Sheriff should submit annual statistics on forced sales, including the number resulting from loan default.

Finally, our additional study recommendations are guided by the notion that the performance of the City's nine authorized depositories is but a sliver of a larger, important field, that of capital access. Therefore, we make the following recommendations to the City for further, ancillary avenues of study beyond the scope of this report:

- Since loans originated by City depositories constitute only 12 percent of all home loans and 2 percent of subprime loans in Philadelphia, the City should consider expanding its analysis of lending practices beyond the authorized depositories to include any financial institution that originates more than 1,000 loans per year in Philadelphia.
- It is uncertain how much of the rise in subprime lending is due to increasing diversity and sophistication in the menu of capital options, and how much of it is due to unnecessarily restrictive lending practices by mainstream banks.
- Further, it is not yet completely clear what the effect is of more subprime lending on the overall lending market, in terms of interest rates, mortgage payments, and default rates; thus, a comprehensive study that combines information from many datasets, including home sales, foreclosures and bankruptcies, might be in order.

Section 1

Background Legislative and Institutional Context Depository Descriptions

1.0 Background

This section puts the topic of fair lending into context by explaining the related legislation under which banks operate and to describe the size, structure and community lending goals of the City's nine Authorized Depositories.

1.1 Legislative and Institutional Context

At the federal, state, and local level, legislation exists to regulate the banking industry in the area of fair lending, and to provide policymakers with tools and information to provide that oversight and accountability.

Federal

At the federal level, we must begin with the Home Mortgage Disclosure Act (HMDA). According to the Federal Financial Institutions Examination Council (FFIEC), HMDA, enacted by Congress in 1975 and implemented by the Federal Reserve Board's Regulation C, requires lending institutions to report public loan data. HMDA applies to banks, savings associations, credit unions, and other mortgage lending institutions.

HMDA was expressly instituted to provide the necessary information for the following three ends:

- To help determine if financial institutions are serving the housing needs of their communities;
- To assist public officials in distributing public-sector investments so as to attract private investment to areas of greatest need; and
- To identify potential discriminatory lending patterns.

As such, data gathered and aggregated through HMDA is critically important to this report. With it, we can thoroughly analyze the performance of the City's depositories from the standpoint of their lending practices and patterns, and evaluate them against one another and against other comparison groups.

Fair lending is also covered in national civil rights legislation. The Fair Housing Act, part of the Title VIII of the Civil Rights Act of 1968, made it unlawful to engage in the following practices based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan;
- Refuse to provide information regarding loans;
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- Discriminate in appraising property; or
- Refuse to purchase a loan or set different terms or conditions for purchasing a loan.

In 1977, Congress enacted the Community Reinvestment Act (CRA) to encourage depository institutions to help meet the credit needs of the communities in which they operate. The intention of CRA is to require that a bank distribute its financial activity and investment across its entire market area, including low- and moderate-income neighborhoods, rather than simply targeting wealthier districts.

Each bank, lending or savings institution is overseen by one of four federal oversight bodies - the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Office of Thrift Supervision (OTS), or the Federal Deposit Insurance Corporation (FDIC). These agencies assign CRA ratings, which affect federal considerations regarding an institution's application for deposit facilities, including mergers and acquisitions.

State

At the state level, some very important legislation is in place to protect the interests of borrowers. For example, the Pennsylvania Loan Interest and Protection Law (1974) requires that lenders clearly explain the terms and conditions of any variable loans offered, as well as provide fixed-rate alternatives. The Secondary Mortgage Loan Act (1980) and the Mortgage Bankers and Brokers and Consumer Equity Protection Act (1989) regulate the licensing of mortgage brokers and outline rules of conduct, while the Credit Services Act (1992) regulates the credit service industry.

In 2003, at the request of the Pennsylvania House of Representatives and in response to the state's rising foreclosure rates, the Pennsylvania Department of Banking produced a study of residential lending practices in the state, examining trends in foreclosures and documenting lending practices that are harmful to consumers. Losing the American Dream: A Report on Residential Mortgage Foreclosures and Abusive Lending Practices was presented to the General Assembly in March 2005. In 2007, it released its "Pennsylvania Mortgage Lending Reform Recommendations."

Local

At the city level, Resolution No. 051161 is a request by City Council for the Office of the City Treasurer to commission an annual report of lending disparities by city depositories. The resolution calls for the annual submission of a comprehensive analysis of home lending, small business lending and branching patterns, as well as the measurement of community reinvestment and fair lending performance of banks receiving City deposits.

City depositories together constitute a relatively small fraction of home purchase, refinance and home improvement lending activity in the city. However, they represent important and well-recognized financial institutions in the community, and they competitively seek the city's banking business. To the extent these depositories exhibit lending practices or show improvements over time is important to the city for both economic growth and fairness.

Over the years, Philadelphia has also instituted a number of programmatic offerings for residents, to facilitate home-ownership and to provide financial education. For example, in 2004, Mayor Street and Pennsylvania Secretary of Banking William Schenck joined officials from Citizens Bank and Freddie Mac in unveiling an intensive advertising blitz to alert borrowers in North Philadelphia and other target neighborhoods about the dangers of predatory lending and to encourage them to call the city's Don't Borrow Trouble anti-predatory lending hotline at 215-523-9520.

1.2 Depository Descriptions

This section provides a brief overview of each authorized depository's size, organizational structure, geographic footprint and related features, where this descriptive information is available to report. The primary source materials used to complete the descriptions were Community Reinvestment Act (CRA) reporting available from the Federal Deposit Insurance Corporation (FDIC) and the interagency information available from the Federal Financial Institutions Examination Council (FFIEC). Alternative sources were used to supplement the descriptive information, including the Authorized Depository Compliance Annual Request for Information Calendar Year 2005 and annual company reports. Asset, employee and office information are from the last quarter reported in 2006.

Advance Bank

Advance Bank is a minority controlled and operated federally chartered mutual savings bank headquartered in Baltimore, Md. The bank originates a limited number of consumer loans.

Advance Bank merged with Berean Bank in Philadelphia in 2003 and now provides banking services to the residents of Baltimore and Philadelphia. All bank branches in Philadelphia and Baltimore are located in low-to-moderate-income areas. In Philadelphia, Advance Bank operates one full-service branch office, which has a walk-up Automated Teller Machine (ATM). Its focus has been to provide deposit services and residential and small business loans within underserved communities, as well as the community at large. Advance Bank participates in the Emerging Contractor's program with the City of Philadelphia. Advantage Bank reports that it does not conduct business in Northern Ireland, is in federal compliance with laws regarding predatory lending, and is not known to have benefited from slavery or slaveholder insurance policies.¹

For 2005 Advance Bank did not identify specific community reinvestment goals for the Philadelphia market separate from their bank-wide goals. The bank plans to identify such goals in order to comply with the city's Request for Information in 2006.

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005 **Total Assets:** \$66,998,000 (as of 12/31/06)

Employees: 33

Offices: 3 total domestic offices 1 office in Philadelphia

CRA Rating: Outstanding (2003)

Structure: N/A

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

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Total Assets: \$1,196,123,794,000 (as of 12/31/06)

Employees: 164,318

Offices:

5,783 total domestic offices (6,008 Total Offices) 16 offices in Philadelphia

> **CRA Rating:** Outstanding (2001)

Subsidiary of Bank of American Corporation

Total Assets: \$34,417,990,000 (as of 12/31/06)

Employees: 4,397

Offices: 412 total domestic offices 62 offices in Philadelphia

> **CRA Rating:** Outstanding (2004)

Structure: Subsidiary of Royal Bank of Scotland Group, PLC

Bank of America

Bank of America, N.A. is a publicly-traded company headquartered in Charlotte, NC. Bank of America is a subsidiary of Bank of America Corporation with previous ownership held by Nations Bank Corporation. The bank is a full-service interstate bank that operates throughout the United States and 44 foreign countries.

Bank of America acquired a retail banking center footprint in Philadelphia in 2004 through the acquisition of Fleet Bank. It has 16,000 ATMs nationwide. Bank of America also certifies that it does not engage in discriminatory practices, is in federal compliance with laws regarding predatory lending, and is not known to have benefited from slavery or slaveholder insurance policies.¹

Bank of America's annual Community Reinvestment Goals reported strategies to address home mortgage lending, small business lending and branching in low-and moderate-income census tracts. The Bank reported that it exceeded half of its goals for 2005, including small business loans by 317 loans and \$7.3 million. Though they fell short of their goal for home improvement loans by 15 loans, the bank surpassed its goal by \$1.5 million. Bank of America reported it did not meet its goals for home mortgages and community development investment.

Citizens Bank

Citizens Bank of Pennsylvania (CBPA) is a full-service financial institution serving Pennsylvania and New Jersey. The bank's primary market focus is providing credit, deposit account, and services to individuals and small businesses. CBPA is a subsidiary of the Citizens Financial Group, Inc (CFG), a holding company based in Providence, R.I., and is one of the nation's 20 largest commerce companies. CFG owns five other independently state-chartered operating banks under the Citizens name and approximately 702 ATMs throughout the Philadelphia area, including walk-up branches and supermarket branches.

Citizens Bank of Pennsylvania certifies that it conducts no business with Northern Ireland, is in federal compliance with laws regarding predatory lending, and is not known to have benefited from slavery or slaveholder insurance policies.¹

Citizens Bank's reported Community Reinvestment goals in the areas of small

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

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1.2 Depository Descriptions

business technical support, neighborhood beautification, homeownership and financial literacy, anti-predatory lending, commercial corridor development and economic development for African Americans. In 2005, Citizens Bank met two of its four community reinvestment goals. They made seven more small business loans and 814 more home improvement loans than their established benchmarks for each category. Citizens reported it made 306 fewer home mortgages in LMI neighborhoods than desired largely due to a slowdown in purchases as interest rates rose. Though it set out to make 25 community development investments, it made only 17; however the bank stated that this is due to the reclassification of more than 20 loans to the small business loan category.

Commerce Bank, N.A.

Headquartered in Cherry Hill, N.J., Commerce Bank, N.A. is the largest area interstate bank serving Metropolitan Philadelphia, New Jersey, New York, Connecticut, Delaware, Washington, D.C., Virginia, Maryland and Southeast Florida. Commerce Bank is wholly owned by Commerce Bankcorp, Inc. It provides a full range of retail and commercial services within the five-county Philadelphia area. The bank's primary business includes community bank deposits and credit services.

Commerce Bank states that it intends to continue to expand its working relationships with the non-profit community corporations in support of its commitment to community reinvestment. Commerce Bank, N.A. does not report any offices, branches, depositories, or subsidiaries in Northern Ireland, is in federal compliance with laws regarding predatory lending and is not known to have benefited from slavery or slaveholder insurance policies.¹

Commerce Bank accomplished all of their community reinvestment goals for 2005. They exceeded the desired level of small business loans by 112, home mortgages by 61, home improvement loans by 26, and community development investments by nine.

Total Assets:

\$41,169,973,000 (as of 12/31/06)

Employees: 10,627

Offices:

371 total domestic offices 15 offices in Philadelphia

CRA Rating:

Satisfactory (2003)

Structure:

Subsidiary of Commerce Bancorp, Inc.

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

Total Assets: \$26,225,646,000 (as of 12/31/06)

Employees: 7,662

Offices: 22 total domestic offices (24 total offices) 2 Offices in Philadelphia

CRA Rating: Outstanding (2005)

Subsidiary of Mellon Financial Group.

Mellon Bank

Mellon Bank, N.A. is a wholly owned subsidiary of Mellon Financial Corporation (MFC), headquartered in Pittsburgh, Pa. In December 2001, Mellon Bank sold its mid-Atlantic retail (consumer, small business and middle market banking) operation to Citizens Financial Group (Citizens). As part of the sale, the majority of its bank branches and ATMs in Pennsylvania, Delaware and New Jersey are now operated under Citizens Bank. Currently, Mellon Bank's primary business is in institutional assets and personal wealth management along with corporate and institutional servicing, such as asset services and financial management.

Mellon certifies that it makes all lawful efforts to implement the fair employment practices embodied in the Mac Bride Principles, rejects any policy or activity that promotes predatory lending practices and does not participate in subprime lending. Mellon Bank states that there is no indication that any Mellon Bank predecessors had any involvement in the slave trade, direct ownership of slaves, or ever-offered loans secured through slaves. ¹

Mellon Bank reported that it is committed to "partnering with key players in our communities, sharing time, talent, resources and services," as well as addressing societal "concerns." Community reinvestment goals were only set for two categories in 2005 - small business loans and community development investments. Neither benchmark was met. Small business loans fell short by one loan while community development investments were 14 below the previously set goal. Though the number of community development investments decreased from 2004, the dollar amount was similar to the prior year.

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

PNC Bank

PNC Bank is the flagship subsidiary of the PNC Financial Services Group, Inc (PNC Financial). Headquartered in Pittsburgh, Pa., PNC Bank is an interstate bank operating in Delaware, the District of Columbia, Florida, Virginia, Kentucky, New Jersey, Ohio, Maryland and Pennsylvania. PNC has over 800 branches and 3,600 ATM machines nationwide.

PNC Bank certifies that it adheres to the Mac Bride Principles and is committed to providing full and equal access to its credit products for all potential borrowers. PNC Bank also certifies that it has uncovered no instances of the sale of insurance policies relating to slaves; ownership of slaves by any of the predecessor institutions; sale or purchase of slaves to satisfy debt collection; or the acceptance of slaves as collateral.¹

PNC states that its commitment to community reinvestment employs a combination of community financial commitments, corporate contributions, community development, financial literacy and banking services. The bank exceeded all of its goals for 2005. Small business loans in 2005 reached 1,150, exceeding its benchmark by nearly 3 times. Goals for home mortgages and home improvements were combined and set at 530. In 2005, PNC made 69 home mortgage loans and 474 home improvement loans, exceeding the benchmark by four loans. Community development investments totaled \$6.5 million, far exceeding the goal of \$1.7 million.

Total Assets: \$90,142,449,000 (as of 12/31/06)

Employees: 15,890

Offices:

831 total domestic offices (842 total offices) 39 Offices in Philadelphia

CRA Rating:

Outstanding (2002)

Structure:

Subsidiary of PNC Financial Services Group

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

Total Assets: \$1,007,718,000 (as of 12/31/06)

Employees: 110

Offices: 11 total domestic offices 7 offices in Philadelphia

CRA Rating: Satisfactory (2005)

Subsidiary of Republic First Bankcorp, Inc.

Republic First Bank

Locally owned and operated, Republic First Bank has its corporate headquarters in Philadelphia. Republic First Bank is a full-service, state-chartered bank dedicated to serving the needs of individuals, businesses and families throughout the greater Philadelphia area. Republic First Bank certifies that it is in compliance with the Mac Bride Principles, makes its CRA Public File available to city residents who are concerned about predatory lending practices, and found no evidence of profits from slavery and/or slavery insurance policies during the slavery era.¹

Republic First Bank states that in its effort to reach community reinvestment goals, it has engaged in various corporate community development programs and service education forums to attract individuals and organizations to approach the bank with special credit needs for financial assistance.

The bank only met community reinvestment goals in two of the four categories - small business loans and home mortgages. Both goals were exceeded - small business loans by \$6 million and home mortgages by \$3 million. Though no benchmark was set, Republic First Bank provided \$695,000 in home improvement loans.

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

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United Bank of Philadelphia

United Bank of Philadelphia (United Bank), headquartered in Philadelphia, is a state-chartered full-service commercial bank. United Bank is whollyowned by United Bancshares, Inc., a bank holding company headquartered in Philadelphia whose principals and owners are African American. Through its branch offices located in Philadelphia, the bank offers a variety of consumer and commercial banking services, with an emphasis on community development and services to underserved neighborhoods and small businesses. Two of the bank's branches are located in moderate-income census tracts in the North Philadelphia and West Philadelphia Empowerment Zones; the others are in a middle-income tract in the northwest Philadelphia area. United Bank also operates 26 automated teller machines (ATMs) through its 24-hour Banking Network. ATM locations include three at the bank's branches, one at its corporate headquarters, and ten inside a popular drugstore chain around the city. The U.S. Treasury Department has certified United Bank as a Community Development Financial Institution. This certification requires that the bank have a primary mission of promoting community development. United Bank's stated mission is to bring financial services and economic support to portions of its community that have been historically underserved, primarily the West Philadelphia and North Philadelphia Empowerment Zones.

United Bank certifies that it does not have any funds invested in companies doing business in or with Northern Ireland, provides all loan customers with the consumer disclosures required by Federal Regulation (i.e. good faith estimate, truth in lending, fair lending notice) and did not profit from slavery and/or slavery insurance policies during the slavery era..¹

Community reinvestment goals were set in all categories, except community development investments, and each of them were met. United Bank made 59 small business loans, five more than their established goal. The benchmark for home mortgages was exceeded by one loan and the home improvement loans matched its goal.

Total Assets: \$73,935,000 (as of 12/31/06)

Employees: 30

Offices:

4 total domestic offices 4 offices in Philadelphia

CRA Rating:

Outstanding (2006)

Structure:

Subsidiary of United Bancshares, Inc.

¹ Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

Wachovia Bank, N.A.

Total Assets: \$518,123,000,000 (as of 12/31/06)

Employees: 83,834

Offices:

3,189 total domestic offices (3,211 total offices) 49 offices in Philadelphia

> CRA Rating: Outstanding (2003)

Structure: Subsidiary of Wachovia Corp Wachovia Bank, National Association (Wachovia), is an interstate bank headquartered in Charlotte, N.C. The bank is the primary subsidiary of Wachovia Corporation (WC) also in Charlotte, N.C. Wachovia has one other commercial banking subsidiary, Wachovia Bank of Delaware, National Association in Wilmington, Del. Wachovia was formed by the 2001 merger of First Union Corporation and the former Wachovia Corporation. In connection with the merger, First Union changed its name to Wachovia Corporation and is the forth-largest financial institution in the United States. Wachovia is a large full service bank offering consumer and business products through its domestic and foreign branches.

Wachovia states that its Community Reinvestment Goal is to be recognized as a leader and innovator in providing economically sustainable financial services for the underserved and disadvantaged communities it serves. The bank set benchmarks for small business loans in 2005 of 741, but only 348 loans were made. They also set a benchmark of 983 for home mortgages and the bank made 1,830. No goals were set for the remaining two categories, however in those categories Wachovia made 415 home improvement loans and made community development investments totaling \$160 million.

Wachovia certifies that it is in compliance with the Mac Bride Principles, it has comprehensive compliance and fair lending programs that include extensive controls for monitoring predatory lending issues, and that two predecessor institutions owned slaves. Pursuant to Bill 050615, Wachovia does not intend to make reparations.¹

¹ ¹Response of Authorized Depositories to the City of Philadelphia, Office of the City Treasurer; Authorized Depository Compliance: Philadelphia City Code Chapter 19-200. City Funds—Deposits, Investments, Disbursements; Annual Request for Information, Calendar Year 2005

Section 2

Philadelphia Home Lending and Discrimination 2

2.0 Statistical Analysis of Residential Mortgage Lending Practices

The ultimate objectives of the city's fair lending legislation is to (1) identify whether there is evidence of discriminatory lending practices by banks or other financial institutions in the home purchase, improvement or refinancing markets used by Philadelphia residents, and (2) if so, devise public policies to eliminate the discrimination, as required by federal, state and local law.

While the specific City legislation calls for an analysis of lending behavior and disparities by City depositories, these institutions originate less than one-fifth of residential loans in the City. First, we examine the universe of all lenders, and then turn to analyzing the data for the depositories.

The purpose of this section is to address the seminal question: Is there statistical evidence of racial or ethnic discrimination by regulated mortgage lenders (and the subset of lenders who are also City depositories) within the City of Philadelphia for home purchase, refinancing or home improvement loans? Such discrimination, leading to decreased access to the capital markets due to racial or ethnic differences, could be in the form of increased denial rates and/or less-favorable lending terms (for example, sub prime versus prime loans).

Clearly, increased denial rates for applicants of certain racial or ethnic groups, holding all other relevant factors constant, would suggest the presence of discrimination in lending. Another indicator of discrimination is evidence that, everything else being equal, borrowers in certain racial or ethnic groups are offered a disproportionately high number of sub-prime mortgages. This section presents statistical analyses of both outcomes.

Our analysis indicates that there exist some statistically significant disparities across the racial and ethnic characteristics of borrowers. The data are consistent with discrimination, but do not prove discrimination. The adverse treatment could alternatively be caused by unobserved characteristics of the borrower.

These findings, however, may be biased by the omission (due to data constraints) of certain variables that are important in the lending decision process. In particular, the borrower's (1) credit rating score and (2) wealth and existing debt load are clearly important factors, but not included in the model. These omissions could mean that some of the legitimate effects of those factors could be falsely attributed to race or ethnicity. Still, there is a statistically significant negative effect associated with race and ethnicity, which warrants concern and additional examination.

2.1 The Data Set

This study uses 2005 Philadelphia mortgage application data collected under the Home Mortgage Disclosure Act. A total of 23,997 loan applications for owner-occupied homes were in the original data set. However, this data set was reduced due to several reasons. First, some of these applications were originated in 2004 and the loan decision was made in 2005. Some of the applications were not first lien loans and these records were analyzed separately. Finally, specific information was sometimes missing in some records due to

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 Statistical Analysis of Residential Mortgage Lending Practices / The Data Set
 2.0 / 2.1

HMDA regulations that allow banks not to report full information on portfolio loans. The final number of observations used in the analysis was 15,079.

In addition to information on loan acceptance and other application information, lenders report the race and ethnicity of loan applicants. This analysis examines Hispanic applicants as a separate group that was excluded from other race categories.

This analysis also utilizes median home values and vacancy rates at the census tract level obtained from the Census 2000 Summary File 3 (www.census.gov).

2.2 Model Specification and Methodology

We model the lender's decisions whether to offer a loan and whether to offer a prime or a subprime loan to be functions of characteristics of the borrower and characteristics of the particular residential property.

While linear regression is used in many modeling exercises it is not appropriate in this context because a linear model is continuous and unbounded. The dependent variables in this study are neither; they are discrete and bounded (either loan or deny and either prime or sub prime). This type of model can be estimated with either a logit or probit specification; we have utilized the logit model.

Logistic regression is a statistical technique that predicts the probability of a dichotomous dependent variable (eg, loan or deny) using a combination of continuous and categorical independent variables.

For binary response models, the response, Y, takes on one of two possible values, denoted for convenience by 1 and 0. For example, Y=1 if a loan is denied and Y=0 otherwise. Suppose x is a vector of explanatory variables and p=Pr(Y=1|x) is the response probability to be modeled. Then the logistic model is:

Logit (p) = $e^{\beta X} / (1 + e^{\beta X})$

where β is a vector of parameters.

2.2.1 The Dependent Variables

This analysis examines both loan denial rates and subprime versus prime loan approvals, the two variables of interest with regard to potential discrimination in the home lending markets.

The first dependent variable in this study is a dichotomous variable, defined as whether or not an applicant was denied approval of an owner occupied home mortgage. If the applicant was approved for a loan the dependent variable assumes a value of zero (0) and if the application was denied a loan the dependent variable assumes a value of one (1).

The second dependent variable consists of all observations of loan offers. There are no denials included in the dependent variable. The variable is assigned a value of 1 if the offer is a sub-prime loan and a value of 0 if

it is not sub-prime.

2.2.2 The Independent Variables

We included independent variables in the model to control for factors that were likely to influence the lending decision. The question of what variables should be included as controls comes down to the following principle. One would like to control for any factor that (1) is a legitimate determinate of lending decisions and (2) is correlated with race (or gender) in the presence of the other control variables. If a variable does not meet both criteria, it need not be included in the model and in some cases should not be included.

- Gender
- Race
- Type of loan
- Amount of loan
- Applicant income
- Median home values by census tract
- Vacancy rates by census tract
- Dummy variables for each lender

As mentioned above the independent variables are a combination of continuous and categorical variables. Gender, race, type of loan and dummy variables by lender are all categorical variables. The amount of the loan, applicant income, home values and vacancy rates by census tract are all continuous variables.

Several potential control variables that meet the two tests for inclusion in the model discussed are not available in the HMDA data. These variables, which are both relevant to the lending decision and are potentially correlated with race or ethnicity, but are not available include:

- Loan to Value Ratio
- Interest Rate
- Debt Burden of the Applicant
- Credit Score of the Applicant.

These variables, which are not included in the statistical model due to the limitations of the HMDA data, are essential to gain a full understanding of the reasons for granting or denying a loan. Inclusion of some of these variables could shed additional light on whether or not discrimination actually occurred in the mort-gage market.

There are consequences for excluding each variable. The loan-to-value ratio is a critical consideration in assessing the risk associated with a mortgage. While the amount of the loan is included in the HMDA data, the appraised value of the property is not. The loan-to-value ratio may not be strongly correlated with race or gender, especially after controlling for applicant income, and thus may not present a serious problem. On the other hand, minority households may have lower wealth than non-minority households, even controlling for income, and therefore may have higher loan-to-value ratios. This would imply riskier loans and higher rejection rates for minorities based on sound business reasons, and tend to bias our estimates towards finding a statistically significant, positive impact of of race on loan denial.

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Model Specification and Methodology 2.2

The interest rate associated with loans granted is not contained in the dataset. Variations in interest rates by race are clear signs of discrimination. Discrimination in interest rates could also result in higher rejection rates for minority applicants. Higher rates will raise the income qualification for any given loan amount. Excluding interest rates could bias estimates toward finding no significant impact of race on denial. Finally, our analysis of the prime verse subprime loan decisions represents perhaps the most significant example of interest rate differentials, by definition.

The debt burden of applicants is not contained in the dataset. Debt burdens are crucial in assessing the applicant's ability to meet mortgage responsibilities. To the extent that debt burdens are greater for minority households for any given income level, debt burden could be positively correlated with race, and therefore its exclusion could bias the model toward finding evidence of discrimination.

The credit scores of applicants are not contained in the dataset. Credit histories are crucial in assessing risk and there is a strong possibility that credit scores may be correlated with race. The key question is whether the rating is correlated with race in the presence of the other control variables, and it may be the case that there is no partial correlation between race and rating in the presence of a control for income. To the extent that credit score is negatively correlated with race or gender, given controls for applicant income, its exclusion could bias the model towards finding evidence of discrimination.

In the absence of all relevant control variables it is not possible to "prove" discriminatory behavior. However, if the model shows a strong relation between minority status and loan denial, that relation certainly implies that the limited data are consistent with the hypothesis of discrimination. In the discussion of the findings below, statistically significant impacts of race, ethnicity, or gender will be termed "evidence of discrimination." We further note that this evidence, while consistent with discrimination, is not proof thereof because several key variables are unavailable for the statistical model. More complete data might eliminate the significance of the race, ethnicity and gender impacts, but based on currently available data, when significant impacts are found, they suggest that discrimination is a serious concern that cannot be ruled out on the basis of the available data.

2.3 Findings: All Lender Sample

2.3.1 All Lenders: Home Purchase Loans

For home purchase loans, the statistically significant independent variables are African American, Asian, Hispanic, vacancy rate, and applicant income. There is evidence of discrimination based. Holding other factors constant, African Americans were 11 percent more likely to be denied a loan than whites and Hispanics were 10 percent more likely to be denied a loan. These findings, while not proving discrimination, are consistent with the hypothesis of discrimination in the mortgage market, and certainly warrant close scrutiny. *(See Appendix 1: Table A.1)*

The statistically significant negative coefficient on Asians indicates they were less likely to be denied a loan than whites and the marginal effects coefficients indicate they were approximately 2 percent less likely to be denied a loan.

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The statistically significant positive coefficient on the vacancy rate indicates that lenders denied more applicants located in census tracts with high vacancy rates. High vacancy rates are an indicator of a locally weak housing market and lenders may view that weakness as a threat to the value of the collateral.

This specification also included dummy variables for each of the lenders active in the home mortgage market. The coefficients on these variables have been omitted from the above table because they represent control variables relevant to the referent lender which was selected as Country Wide Lending given its volume of business in the Philadelphia market.

Redlining

When lenders exhibit a pattern of avoiding loans in specific geographic areas it is called redlining. We have examined the possibility that lenders may engage in redlining by incorporating a variable that captures the minority population share at the census tract level. Replacing the variables for race with the minority population share yields a relationship that indicates lenders deny more loan applications in census tracts with a high proportion of minorities. However, the marginal effect of the minority population is very small. *(See Appendix 1: Table A.2)*

2.3.2 All Lenders: Prime and Subprime Loans

Another indicator of discrimination is when, everything else being equal, a racial group is offered a disproportionately high number of subprime mortgages. In this specification the dependent variable consists of all observations of loan offers. There are no denials included in the dependent variable. The variable is assigned a value of 1 if the offer is a subprime loan and a value of 0 if it is not subprime.

The data clearly shows an ethnic bias in the offers of subprime loans. African Americans and Hispanics received subprime offers 10 percent more frequently than whites and Asians received subprime offers 6 percent less frequently than whites. *(See Appendix 1: Table A.3)*

2.3.3 All Lenders: Refinancing

In loan applications for refinancing African Americans, Asians, and Hispanics were routinely denied loans more frequently than whites. African Americans were denied loans for refinancing 21 percent more frequently than whites. Hispanics were denied loans 16 percent more frequently. Asians were denied loans 6 percent more frequently. *(See Appendix 1: Table A.4)*

2.3.4 All Lenders: Home Improvement Loans

We have also examined the patterns of loan approvals and denials for home improvement loans and refinancing. In the case of home improvement loans African Americans and Hispanics are routinely denied loans 17 percent more frequently than whites. *(See Appendix 1: Table A.5)*

2.4 Depository Sample

2.4.1 Depositories: Home Purchase Loans

The model was also tested on a reduced sample of home purchase loan applications to the authorized city depositories. In this sample (N:1,610) Mellon, United, Advance, and Bank of America were excluded due to a lack of sufficient data. Wachovia had the largest number of applications and they were omitted as the referent group. None of the loans in this sample are considered subprime. This relationship shows clear evidence that Hispanics were discriminated against in the decision process for home mortgages at the Philadelphia depositories. Hispanic applicants were 9.9 percent more likely to be denied a loan than whites. *(See Appendix 1: Table A.6)*

The independent variables for gender, loan amount, applicant income, median home value at the census tract level, and type of loan are all insignificant. Citizens and Commerce were less likely to reject a loan application than Wachovia.

We used the same sample to test whether or not these lenders engaged in systematic redlining. The variables for race were replaced with a variable that captures the minority population share at the census tract level. The estimated coefficient for this variable is not significant and this implies that redlining is not present in the market for home purchase loans. *(See Appendix 1: Table A.7)*

2.4.2 Depositories: Prime and Subprime Loans

As noted above, in addition to the denial of loan applications, individuals can be discriminated against if the terms of a loan are significantly different from offers extended to other potential home buyers with similar incomes purchasing similar properties. When the sample is restricted to home purchase loan offers from the Philadelphia depositories, and subprime loans are included, it is clear that African Americans receive subprime loan offers more frequently than other racial groups. However, the magnitude of the difference is indeterminate given the lack of statistical significance on the marginal effects coefficient.

2.4.3 Depositories: Refinancing Loans

The market for refinancing shows evidence of discrimination as well. African Americans are 20 percent more likely than whites to be denied a loan and Hispanics are 18 percent more likely to be denied a loan. Citizens had a denial rate 10 percent above Wachovia and PNC had a denial rate 26 percent above Wachovia.

2.4.4 Depositories: Home Improvement Loans

There is clear evidence of discrimination in the market for home improvement loans. African Americans, Asians, and Hispanics are much more likely to be denied a home improvement loan than whites. African Americans and Hispanics were 20 percent more likely to be denied a home improvement loan than whites and Asians were 11 percent more likely to be denied a loan. Commerce and PNC had denial rates 11 percent and 17 percent higher than Wachovia.

Section 3

Prime and Subprime Home Lending in Philadelphia Home Purchase Lending Home Refinance Lending Home Improvement Lending



3.0 Prime and Subprime Home Lending in Philadelphia

A total of more than 100,000 loan applications were submitted for home purchase, refinance and home improvements in Philadelphia in 2005. More than 42,000 loans were originated, a 13 percent increase in applications and a 15 percent increase in originated loans over the prior year.

For each loan type, lending patterns were analyzed by borrower race, income, tract minority level, tract income level and borrower gender. Percentages and ratios were rounded for simplicity. See referenced table for specific numbers.

	2005	2004
All loans	42,228	36,593
Home purchase Ioans	17,374	13,935
Refinance loans	21,876	19,958
Home improvement loans	2,978	2,700

Figure 3.1 Number of Loans by Type, 2005 and 2004

3.1 Home Purchase Lending Compared with Demographics

Out of the 27,789 home purchase applications submitted in 2005, 17,374 loans were originated. More than three-quarters of those loans were prime. However, the proportion of subprime loans grew from 12 percent to 22 percent between 2004 and 2005. However, it is important to note that interest rate changes coupled with HMDA reporting rules may account for some of the increase in subprime loans, meaning some prime loans may incorrectly fall into the subprime category. While the exact number of subprime loans is not known, the Federal Reserve report "Higher-Price Home Lending and the 2005 HMDA Data" estimated they were 20 percent of all loans nationwide. This percentage is consistent with the percentage shown in Philadelphia HMDA data.

Race

A greater percentage of all prime home purchase loans went to white borrowers than their share of households. White borrowers received 59 percent of prime loans, but are 48 percent of households. They received a smaller share of subprime loans (41 percent). *(See Appendix 2: Table 6)*

There was little change from the prior year. Both the share of prime and subprimes fell slightly.

While the number of loans to African Americans was up 29 percent, the share of prime and subprimes remained unchanged. There continued to be great

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disparity in the percentage of prime loans awarded to African Americans compared to their share of households. Nearly half of all subprime loans (49 percent) were awarded to African American borrowers. Only 17 percent of prime loans went to African Americans, who make up about 40 percent of all households.

Patterns in Hispanic lending were nearly identical to the prior year. Hispanic borrowers received 7 percent of prime and 13 percent of subprime loans. The percentage of prime loans awarded to Hispanics was consistent with the percentage of Hispanic households. However, the percentage of subprime loans was twice the share of households.

Borrowing by Asians increased dramatically over the prior year. The number of originated loans was up 47 percent. As a result, they claimed a greater share of prime and subprime loans. Asian borrowers received 23 percent of all prime loans, a rate 6.5 times greater than their share of households. Approximately four percent of households are Asian, but they were awarded 9 percent of subprime loans.

Borrower Race	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
White	59.4%	41.2%	47.8%
African American	17.0%	49.3%	40.2%
Asian	22.8%	9.0%	3.5%
Hispanic	6.9%	13.2%	6.5%

Income

Figure 3.2 Share of Prime and Subprime Home Purchase Loans, Households by Race

> In 2004, 56 percent of all prime home purchase loans were given to low-to-moderate-income (LMI) borrowers. The number of loans significantly decreased in 2005, when lenders provided only 45 percent of their prime home purchase loans to LMI borrowers. The remaining 55 percent of loans were given to MUI borrowers. This breakout is not reflective of general city demographics. LMI households comprise 57 percent of total households in the city and MUI households comprise only 43 percent. *(See Appendix 2: Table 7)*

> Furthermore, LMI borrowers received almost 65 percent of all subprime loans while MUI received only 35 percent of all subprime loans. LMI borrowers' share of subprime loans was 1.2 times higher than their percent of total households.

Tract Minority Level

In 2005, 40 percent more loans were written in tracts where at least half of the

population was minority than in 2004. Although nearly half (49 percent) of all owner-occupied housing units were in minority tracts, those tracts received a disproportionately low percentage of prime loans. Twenty-nine percent of all prime loans went to borrowers in minority tracts, two percentage points higher than the prior year. The percentage of subprimes in these tracts increased from 49 percent to 53 percent. However, the share of subprimes remained roughly equal to the share of housing units. *(See Appendix 2: Table 8)*

Lending in non-minority tracts, where less than half of the population was minority, was up 18 percent over the prior year. Fifty-one percent of the city's owner-occupied housing units are in non-minority tracts. The share of prime loans in non-minority tracts was 1.4 times higher than the percentage of housing units. These tracts received 47 percent of all subprime loans, lower than 51 percent in the prior year.

Tract Income Level

Two-thirds of all city owner-occupied housing units are located in LMI census tracts. The total number of home purchase loans in LMI census tracts increased from 2004 to 2005 by 29 percent. In 2005, only 53 percent of prime home purchase loans were made in these areas yet 75 percent of subprime home purchase loans were made for properties in such tracts. The prime loan ratio for LMI census tracts was 0.8 which indicates that the percent of prime loans made in LMI census tracts was one fifth lower than the percent of owneroccupied housing units located in these census tracts. *(See Appendix 2: Table 9)*

Though MUI tracts only comprise about one-third of all census tracts in the city, lenders made 47 percent of their prime home purchase loans and 25 percent of their subprime loans in these areas of the city. The percent of prime loans in MUI census tracts was 1.4 times higher than the percent of owner-oc-cupied housing units located in these census tracts.

Tracts	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All OOHUs
0-49% minority	28.5%	52.9%	49.0%
50-100% minority	53.3%	75.1%	67.0%

Gender

Male borrowers received the largest share of prime loans (42 percent) compared to 35 percent for females and 23 percent for joint applicants. Males received prime loans at 1.9 times their share of households (22 percent). Female and joint borrowers were awarded a smaller percentage of prime loans than their share of households. Forty-five percent of the city's households

Figure 3.3

Share of Prime and Subprime Home Purchase Loans, Housing Units for Minority and LMI Tracts

Home Purchase Lending Compared with Demographics 3.1

are headed by a female and 33 percent are male and female. *(See Appendix 2: Table 10)*

Joint applicants received the smallest share of subprime loans (10 percent) compared to 45 percent for males and females. Males received subprime loans at twice their share of households. In contrast, the female percentage of subprimes and the percentage of households were equal.

Figure 3.4 Share of Prime and Subprime Loans, Households by Gender

Borrower Gender	Percent of All Prime Loans	Percent of All Subprime Loans	Percent of All Households
Male	41.8%	44.6%	22.4%
Female	35.2%	45.3%	44.9%
Joint (Male/Female)	23.0%	10.1%	32.7%

Home Purchase Lending Market Share

Not all groups of borrowers are offered prime home purchase loans at the same rate. Comparisons can be made between groups to identify disparities in prime and subprime loan distribution. A larger percentage of loans were subprime for nearly all groups, but some were hit disproportionately harder.

Race

All racial categories received a higher percentage of subprime loans compared to the prior year. The most dramatic difference was for African-American borrowers. The percentage of subprime loans to African Americans went from 25 percent in 2004 to 41 percent in 2005. Loans to white borrowers were 86 percent prime and 14 percent subprime. The ratio of the African American subprime share to the white subprime share was 2.9, nearly identical to the prior year. (*See Appendix 2: Table 6*)

Figure 3.5

Percentage of Prime and Subprime Home Purchase Loans by Race

Borrower Race	Percent of All Prime Loans	Percent of All Households
White	85.7%	14.3%
African American	58.9%	41.1%
Asian	91.3%	8.7%
Hispanic	67.1%	32.9%

The percentage of Hispanics receiving subprime home purchase loans went from 16 percent in 2004 to 33 percent in 2005, making subprime loans 2.3 times more frequent for Hispanics than white borrowers. Asians were the only group with a lesser percentage of subprimes than whites. Only nine percent of home purchase loans to Asians were subprime.

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3.1

Income

Of all home purchase loans to low- and moderate-income (LMI) borrowers, about 70 percent were prime loans while nearly 30 percent were subprime. For MUI borrowers, over 85 percent of home purchase loans were prime loans and only about 15 percent were subprime. LMI borrowers received subprime loans 1.9 times as frequently as MUI borrowers. *(See Appendix 2: Table 7)*

Borrower Income		Percent of All Subprime Loans
LMI (<79.99% MSA Income)	71.8%	28.2%
MUI (>80% MSA Income)	85.1%	14.9%

Percentage of Prime and Subprime Home

Figure 3.6

and Subprime Home Purchase Loans by Income

Tract Minority Level

One-third of loans in minority tracts were subprime. In the prior year, only one-fifth was subprime. By contrast, 15 percent of loans in non-minority tracts are subprime. Because both groups experienced an increase in subprime lending, minority tract loans remained 2.2 times more likely to receive a subprime loan. (*See Appendix 2: Table 8*)

Minority Level	2005 Percent of Loans Prime	2004 Percent of Loans Prime	2005 Percent of Loans Subprime	2004 Percent of Loans Subprime
0-49% minority	84.7%	90.9%	15.3%	9.1%
50-100% minority	66.2%	79.6%	33.8%	20.4%

Figure 3.7

Percentage of Prime and Subprime Home Purchase Loans by Tract Minority Level, 2004 and 2005

Tract Income Level

In MUI tracts, over 87 percent were prime loans while 13 percent were subprime. In LMI tracts 72 percent of the loans were prime 28 percent of the loans were subprime. Subprime loans occurred 2.2 times more frequently in LMI tracts than MUI tracts. *(See Appendix 2: Table 9)*

Tract Income	2005 Percent of Loans Prime	2004 Percent of Loans Prime	2005 Percent of Loans Subprime	2004 Percent of Loans Subprime
LMI (<79.99% MSA Income)	72.0%	85.7%	28.0%	14.4%
MUI (>80% MSA Income)	87.2%	90.6%	12.8%	9.4%

Figure 3.8

Percentage of Prime and Subprime Home Purchase Loans by Tract Income Level, 2004 and 2005

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Home Purchase Lending Compared with Demographics 3.1

Gender

Male and female borrowers received prime loans at comparable rates. Seventy-seven percent of male applicants were given prime loans compared to 74 percent for females. The largest disparity was between joint and single gender applicants. Nine out of 10 joint applicants received a prime loan. The percentage of subprime loans increased evenly in all groups over the prior year. *(See Appendix 2: Table 10)*

Home Purchase Lending Denial Rates

Of the 27,789 home purchase applications in 2005, 16 percent were denied. Despite dramatic increases in the number of loans over the prior year, denial rates remained about the same for most groups, meaning there was little improvement in existing disparities.

Figure 3.9

Denial Rates for Home Purchase Loans by Race

Borrower Race	Percent Denied
White	59.4%
African American	17.0%
Asian	22.8%
Hispanic	6.9%
Total	16.1%

Race

Denial rates were highest for African-American applicants. Twenty-two percent of African-American applications were denied, two times higher than white applicants. However, the white denial rate of 11 percent was not the lowest. Asian applications were denied 10 percent of the time. Hispanic applications denials increased to 19 percent from 16 percent in 2004. (See Appendix 2: Table 6)

Figure 3.10 Denial Rates for Home Purchase Loans by Income

Borrower Income	Percent Denied
LMI (<79.99% MSA Income)	19.2%
MUI (>80% MSA Income)	13.0%

Income

Nearly one in every five LMI applicants was denied home purchase loans. MUI applicants were denied home purchase loans 13 percent of the applications. LMI applicants were denied home purchase loans one and a half (1.5 times) more often than MUI applicants. *(See Appendix 2: Table 7)*

Tract Minority Level

Twenty-two percent of applications in minority tracts were denied. They were 1.8 times more frequently denied than those in non-minority tracts. The disparity was consistent with the prior year. (*See Appendix 2: Table 8*)

Tract Income Level

Lenders denied nearly 1 in every 5 home purchase loans from LMI income tracts. Home purchase loan applications from MUI census tracts were denied 11 percent of the time. Lenders denied home purchase loan applications from LMI tracts 1.7 times more frequently than applications in MUI tracts. (See Appendix 2: Table 9)

Gender

Both male and female applicants were denied 16 percent of the time. Joint applicant denial rates were lower at 11 percent. There was no change from 2004. (See Appendix 2: Table 10)

3.2 Refinance lending compared with demographics

There were 21,876 refinance loans originated in Philadelphia, up 10 percent from the previous year. Approximately six out of 10 were prime refinance loans.

Race

White borrowers received a disproportionately large share of prime refinance loans - 71 percent of prime loans compared to 48 percent of households. However, the share of subprimes (50 percent) and households were almost evenly distributed. (See Appendix 2: Table 11)

Lenders gave African Americans borrowers 24 percent of all prime refinance loans much lower than their 40 percent share of households. And they were 1.2 times more frequently given subprime refinance loans than whites. The African American share of prime and subprime refinance loans each increased about two percentage points over the prior year.

Nearly seven percent of all households are Hispanic. And Hispanic borrowers received 6 percent of prime refinance loans and 8 percent of subprimes. The Hispanic share of prime and subprime refinance loans was unchanged since 2004.

Asian borrowers were given 5 percent of prime refinance loans, 1.4 times more than their share of households. Their percentage of subprime refinance loans (3 percent) was less than their share of households.

Borrower Race	Percent of All Prime Loans	Percent of All Households
White	70.9%	47.8%
African American	23.6%	40.2%
Asian	5.1%	3.5%
Hispanic	6.0%	6.5%

Figure 3.11

Share of Prime Refinance Loans, Households by Race

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Home Purchase Lending Compared with Demographics / Refinance Lending Compared with Demographics 3.1 / 3.2

Income

LMI borrowers received a disproportionately small share of all prime loans and a disproportionately large share of all subprime loans when compared to their percent of total households. Lenders provided only 47 percent of prime refinance loans to LMI borrowers, but borrowers in this income bracket received 66 percent of subprime refinance loans to this income bracket. The proportion of subprime loans was 1.14 times higher than the percent of LMI households in the city. *(See Appendix 2: Table 12)*

Lenders provided 53 percent of all prime refinance loans and 35 percent of all subprime refinance loans to MUI borrowers. Given that these households accounted for only 43 percent of all households the percent of prime refinance loans made to MUI borrowers was 1.3 times greater than the percent of MUI households.

Borrower Income	Percent of All Prime Loans	Percent of All Households
LMI (<79.99% MSA In- come)	46.7%	57.4%
MUI (>80% MSA Income)	53.3%	42.6%

Tract Minority Level

Borrowers in minority tracts received prime refinance loans at a rate much lower than the share of the city's owner-occupied housing units. Lenders awarded only 29 percent of prime refinance loans to minority tracts, which contain 49 percent of housing units. Subprime refinance loans were evenly divided. Half of all subprime refinance loans went to non-minority tracts, which hold 51 percent of the housing units. *(See Appendix 2: Table 13)*

Tract Income Level

As previously stated, 67 percent of owner-occupied housing units in Philadelphia are found in LMI census tracts. Lenders made half of all prime refinance loans and nearly 70 percent of all subprime refinance loans in these census tracts. The percent of prime loans made in LMI census tracts was lower than of the city's percentage of owner-occupied housing units in these tracts. *(See Appendix 2: Table 14)*

Though only 33 percent of owner occupied housing units were located in MUI census tracts lenders provided 50 percent of prime refinance loans and 30 percent of subprime refinance loans for refinancing home loans in these areas. The percent of prime loans issued in MUI census tracts was 1.5 times greater

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3.2 Refinance Lending Compared with Demographics

Figure 3.12 Share of Prime Refinance Loans, Households by Income than the percent of owner-occupied housing units located in these census tracts.

Gender

Prime refinance loans were split almost evenly among the three-gender category. Male, female and joint applicants each received about one-third of all prime refinance loans, 1.4 times higher than the male share of households and .8 times lower for females. Single gender applicants received a larger share of

subprimes. Constituting 22 percent of households, males were given 36 percent of subprime refinance loans. Females received 42 percent of subprime refinance loans compared to their 45 percent share of households. The remaining 22 percent of subprimes went to joint applicants, much lower than their 33 percent of households. *(See Appendix 2: Table 15)*

Borrower Race	Percent of All Subprime Loans
White	70.9%
African American	23.6%
Asian	5.1%
Hispanic	6.0%
All Borrowers	37.8%

Figure 3.13

Percentage of Subprime Refinance Loans by Race

Refinance Lending Market Share

Race

Within each racial group the percentage of loans issued that were subprime increased.However, the percentage of refinance loans written as subprime is substantially higher among African American and Hispanic borrowers. More than half of all African Americans (52 percent)

Borrower Income	Percent of All Subrrime Loans
LMI (<79.99% MSA Income)	47.8%
MUI (>80% MSA Income)	29.7%

and 44 percent of Hispanics received subprime refinance loans compared to 27 percent of whites and 25 percent of Asians. African Americans received subprime refinance loans 1.9 times more often and Hispanics 1.6 times more often than white borrowers. Lenders gave about three quarters of white (73 percent) and Asian (75 percent) prime refinance loans. *(See Appendix 2: Table 11)*

Income

LMI borrowers were 1.6 times more likely than MUI borrowers to receive subprime refinance loans. Of all refinance loans to LMI borrowers, 52 percent were prime loans and 48 percent were subprime. For MUI borrowers however, 70 percent were prime loans and 30 percent were subprime. *(See Appendix 2: Table 12)*

Figure 3.14

Percentage of Subprime Refinance Loans by Income

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005 61

Refinance Lending Compared with Demographics 3.2

Tract Minority Level

Seventy percent of refinance loans written in non-minority tracts were prime compared to 49 percent in minority tracts. Borrowers in minority tracts received subprime refinance loans 1.7 times more frequently than those in non-minority tracts. There was a small improvement in subprime disparity from the prior year when borrowers in minority tracts were 2 times more likely to receive a subprime refinance loan. *(See Appendix 2: Table 13)*

Tract Income Level

Borrowers in LMI census tracts were 1.72 times more likely to receive subprime loans than borrowers in MUI tracts. Of all the loans in LMI tracts, 54 percent were prime loans and 46 percent were subprime. In MUI tracts, the percentage of prime refinance loans was 73 percent and subprime loans accounted for 27 percent. (*See Appendix 2: Table 14*)

Gender

Male and female applicants received a similar share of prime refinance loans (60 percent and 57 percent, respectively). Joint applicants were awarded prime refinance loans 72 percent of the time. All three groups had an increase in the percentage of subprime refinance loans over the prior year. Four in 10 male or female borrowers received a subprime refinance loan compared to three in 10 joint borrowers. *(See Appendix 2: Table 15)*

Refinance Lending Denial Rates

Race

White and Asian applicants refinance loans were denied about one quarter of the time. For 44 percent of African American applications the lender refused to approve the loan, 1.9 times more frequently than whites. Hispanic applications were denied at a rate of 38 percent, 1.7 times more often than whites. The only

-		1
5	Borrower Race	Denia
r		Dernia
s		
е	White	23.0%
	African	43.8%
	American	
	Asian	26.7%
	Hispanic	38.0%

Total

minority group to come close to the white denial rate was Asians with a 27 percent denial rate or 1.2 times the white rate. All groups had a lower denial rates in 2005 than in 2004. (See Appendix 2: Table 11)

Figure 3.15 Denial Rates for Refinance Loans by Race

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LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

34.2%

Rate

Income LMI applicants were denied refinance loans 1.5 times more frequently than MUI applicants. LMI applicants were denied refinance loans at a rate of 40 percent, whereas the denial rate for MUI borrowers was 26 percent. *(See Appendix 2: Table 12)*

Borrower Income	Denial Rate
LMI (<79.99% MSA Income)	40.3%
MUI (>80% MSA Income)	26.2%

Figure 3.16

Denial Rates for Refinance Loans by Income

Tract Minority Level

Borrowers in minority tracts continue to be denied at a rate 1.6 times higher than those in non-minority tracts. Forty-three percent of minority tract borrowers were denied compared to 26 percent in non-minority tracts. *(See Appendix 2: Table 13)*

Tract Income Level

Lenders denied 39 percent of applicants in LMI census tracts for home refinance loans. The denial rate for applicants in MUI tracts was almost 25 percent. Applicants in LMI tracts were 1.6 times more likely to be denied refinance loans than applicants in MUI census tracts. *(See Appendix 2: Table 14)*

Gender

Joint applicants had the lowest denial rate of any gender group. Twenty-seven percent of joint applications were denied compared to 34 percent for males and 37 percent for females. The denial rates were slightly lower than the previous year. (*See Appendix 2: Table 15*)

3.3 Home Improvement Lending Compared with Demographics

Of the 8,136 home improvement loan applications, there were 2,978 loans originated, a 10 percent increase over 2004. In keeping with the prior year's methodology, more than 5,000 home improvement loans were excluded from the analysis because they were secured by a second lien or had no lien. Seventyseven percent of those loans were prime.

Race

Two-thirds of all prime home improvement loans for white borrowers. African-American borrowers received 27 percent of prime home improvement loans, less than their 40 percent share of households. Hispanics were both six percent of households and prime home improvement loans. Asians received prime

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005 63

Refinance Lending Compared with Demographics / Home Improvement Lending Compared with Demographics 3.2 / 3.3

home improvement loans 1.9 times more than their share of households. *(See Appendix 2: Table 16)*

African-American and Hispanics had the largest disparities in subprime home improvement lending. More than half (58 percent) of all subprime home improvement loans went to African Americans, a rate 1.5 times greater than their share of households. Hispanics received subprimes at a portion larger than their percent of households (12 percent of all subprimes and seven percent of households.)

Borrower Race	Percent of All Prime Loans	Percent of All Households
White	66.1%	47.8%
African American	27.3%	40.2%
Asian	6.7%	3.5%
Hispanic	5.6%	6.5%

Figure 3.17

Share of Prime Home Improvement Loans, Households by Race

Income

LMI borrowers received nearly 73 percent of all subprime home improvement loans and 58 percent of prime loans. Given that LMI households comprise about 57 percent of all city households, lenders provided LMI borrowers with a share of subprime home improvement loans greater than their share of households. Subprime loans made to LMI borrowers were over 1.3 times the percent of LMI households in the city. *(See Appendix 2: Table 17)*

Prime lending to MUI fell in line with the percent of MUI households. Borrowers received 42 percent of prime loans and MUI households make up a little over 42 percent of total households. MUI borrowers received significantly less subprime loans compared to the LMI share of total households. Lenders provided only 27 percent of subprime loans to MUI borrowers.

Figure 3.18

Share of Prime Home Improvement Loans, Households by Income

Borrower Income		Percent of All Households
LMI (<79.99% MSA In- come)	58.1%	57.4%
MUI (>80% MSA Income)	41.9%	42.6%

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3.3 Home Improvement Lending Compared with Demographics

Tract Minority Level

Minority tracts received 35 percent of all prime home improvement loans and 59 percent of all subprimes, neither in proportion with the 49 percent of owner-occupied units they contain. However, the disparity in subprime loans improved somewhat from the prior year when minority tracts received 67 percent. *(See Appendix 2: Table 18)*

Tract Income Level

LMI census tracts received about 78 percent of all subprime home improvement loans, 1.2 times higher than the percent of LMI census tracts in the city. MUI census tracts received only 21 percent of all subprime loans though they comprise 33 percent of all city census tracts. Lenders however provided MUI census tracts with 1.2 times more home improvement loans than the percent of MUI census tracts. (*See Appendix 2: Table 19*)

Gender

Male and joint applicants received more prime home improvement loans than their share of households (1.1 ratio), while females received less (.9 ratio). Thirty-three percent of all subprimes went to males who are 22 percent of all households. The female share of all subprimes (44 percent) was nearly equal to its share of households (45 percent). Joint applicants had a subprime home improvement loan share to household share ratio of .7. *(See Appendix 2: Table 20)*

Home Improvement Lending Market Share

Race

A majority of borrowers in all racial groups received a prime home improvement loan. All groups, except whites, experienced an increase in subprime lending compared to the prior year. Eighty-six percent of whites and 88 percent of Asians were given a prime loan. African American and Hispanic borrowers received prime loans in about 60 percent of the cases. *(See Appendix 2: Table 16)*

Income

Nearly three out of every 10 home improvement loans to LMI borrowers were subprime while about 2 of every 10 home improvement loans to MUI borrowers were subprime. LMI borrowers were 1.65 times more likely to receive subprime loans than MUI borrowers. *(See Appendix 2: Table 17)*

Minority Level	2005 Percent of Loans Prime	2004 Percent of Loans Prime	2005 Percent of Loans Subprime	2004 Percent of Loans Subprime
0-49% minority	84.1%	88.8%	15.9%	11.2%
50-100% minority	65.9%	71.2%	34.1%	28.8%

Figure 3.19

Share of Prime and Subprime Home Improvement Loans by Tract Minority Level, 2004 and 2005

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Home Improvement Lending Compared with Demographics 3.3

Tract Minority Level

Two-thirds of borrowers in minority tracts received a prime home improvement loan compared to 84 percent in non-minority tracts. Both groups had an increase in subprimes. The minority tract to non-minority tract ratio of percentage of subprime loans to the percentage of households was 2.1. *(See Appendix 2: Table 18)*

Tract Income Level

LMI census tracts received subprimes in 29 percent of the home improvement loans originated. They were more than twice as likely as MUI census tracts to receive subprime loans. *(See Appendix 2: Table 19)*

Tract Income	2005 Percent of Loans Prime	2004 Percent of Loans Prime	2005 Percent of Loans Subprime	2004 Percent of Loans Subprime
LMI (<79.99% MSA Income)	71.5%	78.8%	28.5%	21.2%
MUI (>80% MSA Income)	85.9%	85.4%	14.1%	14.6%

Gender

The percentage of prime home improvement loans for males and females was similar (72 percent and 74 percent respectively). Eighty-four percent of joint applicants received prime loans. All three groups had an increase in subprime home improvement lending. *(See Appendix 2: Table 20)*

Home Improvement Lending Denial Rates

Borrower Race	Denial Rate
White	27.1%
African American	53.1%
Asian	40.9%
Hispanic	57.3%
Total	40.7%
· · ·	<u> </u>

Race

A wide gap existed between the denial rate of white and the other racial groups. More than half (53 percent) of African American applicants and 57 percent of Hispanics were not approved. The Asian denial rate was 41 percent, the only group with an increase over the prior year. *(See Appendix 2: Table 16)*

Figure 3.21 Denial Rates for

Figure 3.20 Share of Prime and Subprime Home Improvement Loans by Tract Income Level,

2004 and 2005

Home Improvement Loans by Race

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

Home Improvement Lending Compared with Demographics

Borrower Income	Denial Rates
LMI (<79.99% MSA Income)	45.2%
MUI (>80% MSA Income)	29.3%

Income

Over 45 percent of all LMI home improvement loan applicants were denied loans while less than 30 percent of MUI applicants were denied. LMI applicants were nearly 1.6 times more likely to be declined than MUI applicants. *(See Appendix 2: Table 17)*

Tract Minority Level

Fifty-one percent of all applications in minority tracts were denied compared to 28 percent in non-minority tracts. While denial rates fell for both groups in 2005, the drop was not proportional thus creating greater disparity between the two. *(See Appendix 2: Table 18)*

Tract Income Level

Applications from LMI census tracts were denied over 46 percent of the time while MUI tracts were denied 25 percent of the time. LMI tracts received 1.8 times more denials than MUI tracts. *(See Appendix 2: Table 19)*

Gender

Males and females had a denial rate of about 44 percent compared to 28 percent for joint applicants. The denial rate fell for all three groups. *(See Appendix 2: Table 20)* **Figure 3.22** Denial Rates for Home Improvement Loans by Income

Section 4

Philadelphia Compared to Other Areas Comparison to Lending in the Suburbs Comparison to Lending in Other Cities

 \angle

4.0 Philadelphia Compared to Other Areas

The lending to city residents can be placed in context by comparing it to the lending in other places. Two areas of comparison were used. First, Philadel-phia lending compared to lending to residents of the four suburban counties – Bucks, Chester, Delaware and Montgomery. Second, Philadelphia lending compared to that of other big cities – Baltimore, Detroit and Pittsburgh. Both analyses looked at all single-family, owner-occupied lending for home purchase, home improvement and home refinance loans combined.

4.1 Comparison to Lending in the Suburbs

Race

One of the biggest lending discrepancies was in percentage of subprime loans. Thirty percent of city loans were subprime compared to 14 percent in the suburbs. *(See Appendix 2: Table 1 and 21)*

	2004		2005		2000 Census	
Borrower Race	Suburban Subprime		Suburban Subprime	City Sub- prime	Suburban: Percent of Households	City: Percent of Households
White	81.8%	49.0%	81.3%	46.2%	85.7%	46.8%
African American	14.9%	46.2%	16.0%	48.7%	8.3%	42.6%
Asian	2.8%	8.8%	2.8%	5.0%	2.7%	4.4%
Hispanic	2.0%	3.2%	3.7%	10.0%	2.2%	6.5%

Figure 4.1

Percent of Subprime Loans in Suburbs and City, Households by Race, 2005 and 2004

Consistent with last year's findings, African Americans in both the city and suburbs were given prime loans at half of their proportion of the population. Only 4 percent of suburban prime loans went to African Americans compared to 21 percent in the city.

Twelve percent of all loans to Asians in the city and 9 percent in the suburbs were subprime, making them less likely than whites to receive a subprime. In fact, whites were nearly twice as likely as Asians to get a subprime in the city.

Asians received subprime loans at a percentage consistent with their proportion of households in both areas. In the city, Asians are 4 percent of households and received 5 percent of all subprime loans. The percentage of subprimes was slightly lower in the suburbs where Asians were 3 percent of households and all subprimes.

Asians received prime loans at four times their proportion of households in the

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Philadelphia Compared to Other Areas / Comparison Lending in the Suburbs 4.0 / 4.1

city, but the proportion was nearly equal in the suburbs - 3 percent of households and 4 percent of all prime loans.

Thirty-eight percent of city Hispanics received subprime loans compared to 25 percent in the suburbs. However, suburban Hispanics had a greater disparity in percentages of households to subprimes. Hispanics make up two percent of suburban households and 4 percent of all subprime loans compared to 7 percent of households and 10 percent of subprimes in Philadephia.

Discrepancies in the market share of subprime loans also existed for whites. In the city, 21 percent of loans to whites were subprime compared to 11 percent in the suburbs.

Overall loan applications were denied at a higher rate in the city than in the suburbs – 30 percent and 17 percent of all applications, respectively. City denial rates were higher in every race category, but the gap was greatest among Hispanics. Twenty percent of suburban Hispanic applications were denied, compared to 34 percent in the city. Four out of every 10 African American applications were denied in the city and three out of 10 in the suburbs.

Borrower Race	Suburbam Denial Rate	City Denial Rate	Suburban Race to White Denial	City Race to White Denial
White	13.5%	19.3%	1.00	1.00
Black	29.8%	39.8%	2.20	2.06
Asian	13.3%	16.7%	0.98	0.87
Hispanic	20.4%	33.8%	1.51	1.76
Total	16.8%	29.7%	1.24	1.54

Figure 4.2 Denial Rate in

Suburbs and City, Denial Ratio by Race, 2005 and 2004

> The ratio of African American to white denials was higher in the suburbs. However, the difference between the ratios was relatively small. In both areas African Americans were more than twice as likely to be denied a loan.

Only Asians were less likely to be denied loans than whites. The suburban Asians denial rate of 13 percent was the lowest percentage of any category, including the 17 percent denial rate for Asians in the city.

Low- and moderate-income borrowers

While (LMI) households in Philadelphia comprised 57 percent of the city's households, they received 66 percent of all subprime single family loans and 47 percent of the prime loans issued in the city. *(See Appendix 2: Table 2 and 22)*

A similar story unfolded in the suburbs. LMI households constituted 29 percent of all the households yet they received 22 percent of all prime loans and 34

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

72

percent of the subprime loans.

Borrower	Suburban Subprime	City Subprime	Suburban: Percent of Households	City: Percent of Households
LMI (<79.99% MSA Income)	33.8%	65.6%	29.0%	57.4%
MUI (>80% MSA Income)	66.2%	34.4%	71.0%	42.6%

Figure 4.3

Percent of Subprime Loans in Suburbs and City, Households by Income

Institutions issued a greater proportion of subprime loans to LMI borrowers than to (MUI) borrowers in both the city and the suburbs. Subprime lending accounted for 39 percent of the single family loans to urban LMI borrowers but made up just 22 percent of the loans to MUI borrowers.

In the suburbs, subprime loans comprised 21 percent of the loans to LMI borrowers but only 13 percent of the loans to MUI borrowers. LMI borrowers in the suburbs were 1.7 times more likely than MUI borrowers to receive subprime loans.

Lenders denied LMI applicants in the City, 36 percent of the time compared to MUI applicants who were denied 22 percent of the time. In general, LMI applicants were denied 1.6 times more often than MUI applicants. In the suburbs, nearly a quarter of LMI applicants were denied compared to almost 1.4 percent of MUI. LMI applicants were almost twice as likely to be denied as their MUI counterparts.

Minority level of census tracts

Nearly half of all census tracts in Philadelphia have a population that is more than 50 percent minority, a stark contrast to the three percent of tracts in the suburbs. However, four in 10 minority tract borrowers in both areas received subprime loans. *(See Appendix 2: Table 3 and 23)*

In the city and suburbs, minority tracts receive 3 percentage of subprime loans than their share of all tracts. City minority tracts are 49 percent of all tracts and received 52 percent of all subprime loans. Suburban minority tracts received 5 percent of all subprime loans, but are 3 percent of all tracts.

The prime loan breakdown showed even greater disparities. City minority tracts received 29 percent of prime loans. Suburban minority tracts received just 1 percent of prime loans.

Figure 4.4 Percent of Prime Loans in Suburbs and City, Households by Tract Minority Level

Tract Minority Level	Suburban Prime Loans	City Prime Loans		City: Percent of Households
0-49% minority	98.8%	70.8%	97.4%	51.0%
50-100% minority	1.2%	29.2%	2.6%	49.0%

Borrowers in substantially minority tracts in the suburbs were three times as likely to receive a subprime loan than in non-minority tracts and nearly twice as likely in the city. Fifty-nine percent of borrowers in suburban minority tracts got prime loans similar to the 57 percent of those in the city.

The denial rates in the city and suburbs were very similar – 39 percent and 37 percent, respectively. Suburban borrowers in minority tracts were 2.3 times more likely to be denied than non-minority tracts compared to 1.8 times more likely in the city.

Income Level of Census Tracts

There are considerably more owner-occupied housing units in LMI census tracts in the city compared to the suburbs. The majority of owner-occupied housing units in the city are in LMI census tracts, comprising 67 percent of total units. In the suburbs by contrast, LMI tracts make up only 6 percent of owner-occupied housing units. *(See Appendix 2: Table 4 and 24)*

LMI tracts in the city, received a considerably smaller share of prime loans than their proportion of total owner-occupied housing units. By contrast, the percent of all subprime loans in city LMI tracts was higher than the percent of owneroccupied housing units at 72 percent. Similarly, in the suburbs, residents of LMI tracts received 4 percent of all prime loans and 12 percent of all subprime loans despite comprising 6 percent of total owner-occupied housing units.

Figure 4.5	
ent of Prime and	

Percent of Prime and Subprime Loans in Suburbs and City

Tract Income Level	Suburban Prime Loans	City Prime Loans	Suburban Subprime Loans	Subprime Loans
LMI (<79.99% MSA Income)	4%	52.4%	11.6%	72.1%
MUI (>80% MSA Income)	96%	47.8%	88.4%	27.9%

Subprime lending accounted for more than one-third of all loans in LMI urban tracts and only about one-fifth of loans in MUI tracts. Residents of LMI urban tracts were generally 1.9 times more likely to receive subprime loans than residents of MUI tracts.

In the suburbs, subprime loans constituted 32 percent of all loans in LMI tracts,

but 13 percent of all loans in MUI tracts. Residents of LMI suburban tracts were almost 2.5 times more likely to receive subprime loans than residents of MUI tracts.

Residents of urban LMI tracts had a rejection rate of 34 percent. Residents of MUI tracts were declined 21 percent of the time. LMI tract inhabitants were nearly twice as likely to be rejected as those of MUI tracts. Similarly, in the suburbs LMI tract residents were nearly two times more likely to be denied loans than MUI tract residents.

Gender

Joint applications were most likely to be approved for a loan and the loan had a better chance of being at the market rate. Ninety percent of joint applicants in the suburbs and 79 percent in the city received prime loans. Joint applicants were denied at the rate of 13 percent in the suburbs and 24 percent in the city. *(See Appendix 2: Table 5 and 25)*

Households with a male and female present made up 55 percent of all suburban households and 54 percent of all prime loans. In the city, these households are one-third of all households and received 29 percent of all prime loans. City joint applicants received 19 percent of all subprime loans compared to 37 percent in the suburbs

In the city, female applicants received the largest percentage of subprime loans. Forty-three percent of subprime loans in the city went to a female applicant compared with 28 percent in the suburbs. The percentage of female applicants receiving subprime loans was nearly two times higher in the city than in the suburbs.

Male applicants received a similar percentage of all prime loans as females did. However, males received 1.7 times more subprime loans than their percentage of all city households and two times more in the suburbs. Male applicants received 35 percent of all suburban subprimes and 37 percent of all city subprimes. In the city, three in 10 male applicants received subprime loans. The number fell to 2 in 10 in the suburbs.

Borrower Gender	Suburban Prime Loans	-		City: Percent of Households
Male	34.7%	38.2%	17.3%	22.4%
Female	28.4%	43.3%	27.8%	44.9%
Joint (Male/Female)	36.9%	18.5%	55.0%	32.7%

Figure 4.6 Percent of Subprime Loans, Households by Gender

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Comparison Lending in the Suburbs 4.1

Both male and female applicants had a denial of 19 percent in the suburbs. In the city, males had a denial rate of 29 percent and the female rate was 32 percent.

4.2 Comparison to Lending in Other Cities

Like Philadelphia, Baltimore, Detroit and Pittsburgh have declining population, according to U.S. Census Bureau estimates. The majority of householders are minorities in three of the four cities (30 percent in Pittsburgh). For each, the percentage of female householders is between 43 percent and 49 percent. More than half of all borrowers in each city are categorized as low- to moderate-income. Geographically, they are all in the nation's "Rustbelt" with aging housing stock and infrastructure.

Philadelphia lenders originated 42,228 home loans, more than Detroit (23,363), Baltimore (21,281), and Pittsburgh (5,573). However, Philadelphia had the lowest percent of subprime loans (30 percent) compared to 31 percent in Pittsburgh, 38 percent in Baltimore, and 68 percent in Detroit.

City	Prime Loans	Subprime Loans	Total Loans
Philadelphia	29,511	12,717	42,228
Baltimore	13,115	8,166	21,281
Detroit	7,402	15,861	23,263
Pittsburgh	3,844	1,729	5,573

While Philadelphia appeared to be doing better in terms of subprime lending and denial rates than most of the other cities, it had some of the biggest disparities in many of the categories. In contrast, Detroit borrowers were more likely than those in the other cities to receive subprime loans or be denied, but there was very little disparity among the racial and income groups.

Race

Figure 4.7

Prime, Subprime and Total Loans by City

> All of the cities, except Detroit, showed a disparity in the percentage of prime loans going to African Americans compared to their share of households. Philadelphia was second only to Pittsburgh in this disparity ratio (.5 and .3, respectively).

A slightly lower percentage of African American borrowers in Philadelphia received subprime loans than in the other cities. Seventy percent of African Americans in Detroit were issued subprime loans, much higher than 47 percent in Philadelphia, 51 percent in Baltimore and 53 percent in Pittsburgh. Despite

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4.1 / 4.2 Comparison Lending in the Suburbs / Comparison Lending in Other Cities

City	African American Percent of All Prime Loans	African American Percent of All Households
Philadelphia	20.6%	40.2%
Baltimore	37.4%	58.9%
Detroit	78.7%	80.1%
Pittsburgh	7.9%	24.1%

the high percentage of subprime loans, African Americans in Detroit did not fare much worse than white borrowers, 62 percent of which received subprime loans. In the other cities, African Americans received subprime loans two times more frequently than whites.

The denial ratio between African American and white applicants was highest in Philadelphia, where African Americans were two times more likely to be denied. Pittsburgh's ratio was 1.8 and Baltimore's was 1.9. The least disparity was in Detroit with a ratio of 1.2.

City	African American to White Denial Ratio
Philadelphia	2.06
Baltimore	1.93
Detroit	1.15
Pittsburgh	1.84

Figure 4.8

Percent of Prime Loans, Households for African Americans by City

Figure 4.9

African American to White Denial Ratio by City

Philadelphia was the only city where Hispanics received a share of all prime loans roughly equal to their percentage of households. In all of the other cities Hispanics received a greater percentage relative to their share of households.

Sixty percent of all Hispanics in Detroit received a subprime loan, comparable to the percentage of whites. Hispanics in the remaining three cities were issued subprime loans more frequently than whites, with Philadelphia's ratio of 1.8 being the highest.

City	Percent of Whites Receiving Subprime Loans	Percent of Hispanics Receiving Subprime Loans
Philadelphia	21.0%	38.1%
Baltimore	23.0%	37.0%
Detroit	61.9%	60.1%
Pittsburgh	26.1%	30.3%

The greatest disparity between Hispanic and white denial rates was in Philadelphia. In comparison to the Philadelphia ratio of 1.8, Baltimore Hispanics were 1.4 times more likely to be denied. Hispanics in Detroit were denied at rates equal to white applicants. In Pittsburgh, they were less likely to be denied than whites.

Figure 4.10 Market Share of Subprime Loans by White and Hispanic

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Comparison Lending in Other Cities

Asians in Philadelphia received a percentage of all prime loans four times more frequently than their household share. It was by far the greatest disparity of any city. Detroit's and Baltimore's Asian borrowers received prime loans 1.2 times more frequently. Asians in Pittsburgh were issued a smaller percentage of prime loans than their share of households.

Twelve percent of Asian borrowers in Philadelphia and 11 percent in Pittsburgh were given subprime loans, about half the percentage given to white borrowers. Fifty-eight percent of Asians in Detroit and 26 percent in Baltimore

Figure 4.	11
centage of Pri	me

Perc Loans to Household Share for Asians by City

City	Asian Prime Share to Household Share Ratio
Philadelphia	3.98
Baltimore	1.20
Detroit	1.21
Pittsburgh	0.87

received subprime loans, both commensurate with the percentage given to whites.

In Philadelphia and Pittsburgh Asian applicants were denied less frequently than whites. Asians were denied at about the same rate as whites in Detroit and Baltimore.

Borrower Income

Low-to-moderate (LMI) income borrowers received a smaller share of all prime loans than their percentage of households. The ratio of LMI borrowers to household share were similar in all of the cities, ranging from .7 to .8.

About two-thirds of Philadelphia LMI borrowers received subprime loans, 1.7 times the rate for MUI borrowers. Philadelphia was followed by Pittsburgh (1.6), Baltimore (1.7) and Detroit (1.1).

Only Baltimore had a denial rate for LMI applicants lower than Philadelphia's. Thirty-two percent of Baltimore LMI applicants were denied compared to 36 percent in Philadelphia. Detroit's rate of 41 percent was the highest. However, the LMI applicant denial rate was in line with MUI applicants.

Figure 4.12 LMI. MUI Denial Rate by City

City	LMI Denial Rate	MUI Denial Rate
Philadelphia	35.7%	22.1%
Baltimore	31.7%	21.3%
Detroit	40.9%	36.2%
Pittsburgh	37.8%	28.2%

Minority Tracts

Borrowers in tracts that were at least half minority received a smaller percentage of prime loans than the share of owner-occupied housing units in these areas. The disparity was greatest in Philadelphia. Twenty-nine percent of prime loans went to borrowers in minority tracts, which contain 49 percent of housing units, a ratio of .6. The ratio was .7 in Baltimore for borrowers in these tracts and .8 in Pittsburgh. In Detroit the percentage of prime loans in minority tracts nearly equaled its share of housing units.

City	Minority Tract Percent of Prime Loans	Minority Tract Percent of All OOHUs
Philadelphia	29.2%	49.0%
Baltimore	41.3%	60.2%
Detroit	93.7%	96.3%
Pittsburgh	8.6%	10.8%

Figure 4.13

Percent of Prime Loans, OOHUs in Minority Tracts by City

Borrowers in minority tracts received nearly twice the percentage of subprime loans as borrowers in non-minority tracts in Philadelphia and Baltimore. Detroit had the smallest disparity – 69 percent of loans in minority tracts were subprime compared to 58 percent in non-minority areas. Philadelphia applicants in minority tracts were denied at a higher rate than those in non-minority areas, a ratio of 1.8. Baltimore's and Pittsburgh's ratio were about 1.6 and Detroit's was 1.1.

Tract Income

In the four cities, borrowers in LMI tracts received a smaller percentage of prime loans than their share of housing units. The ratio ranged from .7 to .8 for all of the cities.

Philadelphia had the largest disparity between borrowers in LMI and MUI tracts when it came to the percentage of subprime loans. Thirty-seven percent of LMI applicants received subprime loans compared to 20 percent of MUI applicants, a ratio of 1.9. Baltimore's and Pittsburgh's ratio of the percentage of borrowers receiving subprime loans in LMI areas compared to ones in MUI areas was 1.5. Detroit had the lowest ratio – 1.2.

Pittsburgh had the highest denial rate of borrowers in LMI areas - 42 percent.

Figure 4.14 LMI, MUI Tracts Percent Receiving Subprime Loans by City

City	LMI Tract Percent Receiving Subprime Loans	MUI Tract Percent Receiving Subprime Loans
Philadelphia	37.2%	20.1%
Baltimore	42.9%	29.0%
Detroit	72.7%	67.3%
Pittsburgh	37.5%	23.6%

Baltimore's rate was the lowest (30 percent) followed by Philadelphia (34 percent) and Detroit (39 percent). The difference between denial rates for applicants in LMI tracts and ones in MUI tracts was largest in Philadelphia.

Gender

The percentage of prime loans to female borrowers in Detroit was equal to the group's share of households. In all other cities, females received a lower percentage than their household share.

In Philadelphia, a greater share of females received subprime loans than male borrowers or joint applicants. This was true in Baltimore and Pittsburgh, also. A smaller percentage of females in Detroit received subprime loans than male borrowers, but the same was not true in comparison to joint applicants.

The denial rate of females was greater than male borrowers and joint applicants in all of the cities except Detroit. In that city, females were denied less frequently than joint applicants. The female denial rate was between 28 and 37 percent in the four cities.

Section 5

Comparison of City Non-Occupant Investors and Owner-Occupied



5.0 Comparison of City Non-Occupant Investors to Owner-Occupied Lending

Nearly 20 percent of all single-family home loans made in Philadelphia went to non-occupant investors in 2005. Of those 10,251 loans to non-occupant investors, approximately 65 percent were given prime rates and 35 percent were given subprime rates. Thirty-four percent of non-occupant investors received subprime loans, higher than their owner-occupant counterparts, whose market share of subprime loans was only 30 percent.

Race

In 2005, applications by African American investors grew by almost 48 percent over the prior year. However, the denial rate remained relatively constant at 31 percent which is nearly 9 percentage points lower than the denial rate for African-American owner-occupied loans. African-American applicants were almost twice as likely to be denied as white applicants. They were also more than twice as likely as white investors to receive subprime rates. Of all loans made available to African American investors 62 percent were subprime compared to 30 percent for white investors. For loans to owner-occupied units, a smaller 47 percent of African Americans received subprime loans. *(See Appendix 2: Table 1 and 41)*

Hispanic investors received a smaller percent of loans (5 percent) than their share of households (7 percent). In contrast, Asian investors received a far greater share of all loans (17 percent) in comparison to their share of households (4 percent). The share of prime loans for Asian borrowers was 5.2 times their share of households.

Borrower Race	Owner- occupied Denial Rate	Non- owner- occupied Denial Rate
African American	39.8%	31.2%
Hispanic	33.8%	26.3%

Figure 5.1

Non-Occupant Owner and Owner-Occupied Denial Rates for African Americans and Hispanics

Income

Approximately 71 percent of applicants were middle-to-upper-income (MUI) and about one-fifth of them were denied loans. The denial rate for low-to-moderate-income (LMI) applicants was 30 percent compared to 36 percent of applications for owner-occupied units. Of the over 5,000 loans made to MUI investors 67 percent were prime loans and 33 percent were subprime. The remaining 1,000 loans to LMI investors were comprised of 56 percent prime loans and 44 percent subprime loans. LMI investors were 1.3 times more likely to receive subprime rates than MUI investors. Lenders were 1.7 times more

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likely to give subprime rates to LMI borrowers of owner-occupied units. *(See Appendix 2: Table 2 and 42)*

Figure 5.2

Non-Occupant Owner and Owner-Occupied Denial Rate by Borrower Income

Borrower Income		Non-Owner Occupied Denial Rate
LMI (<79.99% MSA Income)	35.7%	30.0%
MUI (>80% MSA Income)	22.1%	19.8%

Minority Level of Tract

Loans to non-occupant investors were split almost evenly between tracts with less than half of their population minority and those with a minority population of 50 percent or greater. Predominately minority tracts, however, received a smaller share of all prime loans (40 percent) and a much larger share of all subprime loans (72 percent). Shares of all prime and all subprime loans were significantly lower for owner-occupied units, 29 percent and 52 percent respectively. Investors in minority tracts were almost 2.5 times as likely as those from tracts with lower minority populations to received subprime loans. There was also a disparity between these groups in denial percentage. Minority tracts had a denial rate of 26 percent, while tracts with lower minority populations had a denial rate of only 16 percent. *(See Appendix 2: Table 3 and 43)*

Minority Level	Percent of	Percent of	Occupied	Non-Owner- Occupied Percent of Subprime Loans
0-49% minority	70.8%	60.4%	48.5%	28.3%
50-100% minority	29.2%	39.6%	51.5%	71.7%

Figure 5.3

Non-Occupant Owner and Owner-Occupied Percent of Prime and Subprime Loans by Minority Tract Level

Tract Income Level (See Appendix 2: Table 4 and 44)

The vast majority of applications from non-occupant investors (82 percent) were in LMI census tracts while only 66 percent of applications for owner occupant units were in LMI census tracts. Non-occupant LMI census tract applications were denied 23 percent of the time while applications from MUI census tracts were denied only 16 percent of the time. Both groups had higher denial percentages for owner-occupied units. Subprime loans comprised 40 percent of the total loans provided to LMI census tracts. Investors in these tracts were 2.5 times more likely to receive subprime loans than investors in MUI tracts. By comparison, owner-occupied units in LMI census tracts were 1.9 times more likely to receive subprime rates.

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5.0 Comparison of City Non-Occupant Investors to Owner-Occupied Lending

Tract Income	Owner- Occupied Denial Rate	Non-Owner Occupied Denial Rate
LMI (<79.99% MSA Income)	34.4%	23.1%
MUI (>80% MSA Income)	20.6%	15.9%

Gender

One quarter of all non-occupant investor loan applications were submitted by women. They had a 23 percent denial rate which is equivalent to the denial rate for men. It is also a smaller denial rate than that of female applications for owner-occupied units. Joint applicants were denied only 16 percent of the time. Male and female investors had the same market share of prime and subprime loans. For both groups 60 percent of all loans received prime rates and 40 percent received subprime rates. Joint applicants received prime rates 77 percent of the time. (*See Appendix 2: Table 5 and 45*)

Borrower Gender	Owner- Occupied Percent of Loans	Non- Owner Occupied Percent of Loans	Onwer- Occupied Percent of Loans	Non- Owner Occupied Percent of Loans
Male	68.9%	60.3%	31.1%	39.7%
Female	65.4%	59.9%	34.6%	40.1%
Joint (Male/Female)	78.6%	77.4%	21.4%	22.6%

Figure 5.4

Non-Occupant Owner and Owner-Occupied Denial Rate by Tract Income Level

Figure 5.5

Non-Occupant Owner and Owner-Occupied Percent of Prime and Subprime Loans by Gender

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Section 6

6

City Depositories and Home Lending Ranking of Depositories - Home Purchase Lending Aggregate Analysis of Depositories Disaggregated Analysis of Depositories Home Purchase Lending by Depositories Refinance Lending by Depositories Home Improvement Lending by Depositories

6.0 City Depositories and Home Lending

In 2005, nine banks were designated as city depositories: Advance, Bank of America, Citizens, Commerce, Mellon, PNC, Republic, United Bank of Philadelphia and Wachovia. The performance of these banks and their subsidiaries is ranked annually through an analysis of their lending to specific groups or in certain areas. Of these nine banks, only five had more than 25 loans, a pre-established threshold for inclusion in the analysis. The remaining four banks, Advance, Mellon, Republic and United, were not included in rankings. These banks were excluded from last year's rankings for the same reason.

Lending by depositories to minority, female and low- to-moderate-income (LMI) borrowers and to borrowers in minority or LMI census tracts was examined in this analysis. Denial rates in these categories were also scrutinized. These data were used to develop a multi-factor composite score, from which relative rankings can be determined. Further, these scores can be used as a base year for an annual index, which will not only convey information about the changes in relative performance across depositories, but also about improvements or declines in the performance of each depository over time.

Of the 4,873 loans originated by the depositories, 94 percent were prime loans. Because only Citizens and Wachovia wrote more than 25 higher-priced loans, the analysis was confined to prime lending.

6.1 Ranking of Depositories – Home Purchase Lending

Thirteen factors were combined to create a composite score for prime home purchase lending performance for each depository. The percentage of loans originated, raw number of loans and denial ratios for African Americans, Hispanics and LMI borrowers were each weighted one-tenth of the composite score. Four additional neighborhood-related factors were collectively weighted as one-tenth of the composite score: the percentage of loans originated in LMI census tracts, the percentage of loans originated in minority tracts, and the denial ratios for those two types of tracts.

For each factor, a depository received a score according to how different it is from the average lender in Philadelphia. If the depository is better than average, the score is positive; if it is below average, the score is negative. These 13 scores are added together to form the depository's overall rating score. A rating score that is close to zero means that the lender is an average lender in Philadelphia. A positive rating score means that the depository is above average. The higher the score, the more above average the depository is. A below-average depository would have a negative rating score. All of the depositories measured had positive composite scores suggesting that they performed better than the average home mortgage lender in the city market in 2005.

Rank	Depository	Composite Score	Applications	Prime Loans
1	PNC	8.9	82	44
2	Citizens	6.6	556	358
3	Bank of America	6.5	487	344
4	Commerce	3.3	260	193
5	Wachovia	3.2	794	388

Figure 6.1	City Depositories	Ranked by	Composite Score
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 City Depositories and Home Lending / Ranking of Depositories – Home Purchase Lending
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6.2 Aggregate Analysis of Depositories

City depositories received 10,713 applications for single-family, owner-occupied loans in 2005, a 14 percent decrease from the prior year. Forty-three percent of those applications resulted in a prime loan. Collectively, depositories originated 16 percent of all prime lending in the city, a 1 percent decline from 2004. Wachovia wrote the most prime loans (1,894) followed by Citizens (1,277), Bank of America (547), PNC (451) and Commerce (392). Prime loan totals were up for all depositories except Citizens and PNC. *(See Appendix 2: Tables 46-50)*

Depository	2005 Prime Loans Originated	2004 Prime Loans Originated
Bank of America	547	543
Citizens	1,277	1,713
Commerce	392	314
PNC	451	745
Wachovia	1,894	1,602

Looking at all loans, the depositories as a group performed well when compared to all city lenders. They did better on the percentage of prime loans to all minority groups except to Asians. However, depository denial rate disparities were higher than all city lenders. African-American, Hispanic and Asian applicants were denied more frequently than whites.

Depositories did a better job than the city's collective lending community of originating prime loans to African American and Hispanic borrowers. Thirty-two percent of prime loans by depositories went to African Americans compared to 21 percent for all city lenders. Hispanics received 10 percent of depository loans and 6 percent of all city loans. However, the depositories fell below the city-wide lending of 14 percent to Asians. Eight percent of depository loans went to Asian borrowers. It should be noted that while the share of prime loans to Hispanics and Asians exceeded each group's share of households the same was not true for African Americans. Depository lending to African Americans was below the group's 40 percent share of households.

Figure 6.3

Prime Lending to African Americans, Hispanics and Asians by Depositories and All City Lenders

Depository	Percent of Prime Loans to African Americans	Percent of Prime Loans to Hispanics	Percent of Prime Loans to Asians
All Depositories	31.9%	9.8%	8.1%
All City Lenders	20.6%	6.4%	13.9%

Lending to LMI and female borrowers as well as loans in minority and low- to moderate-income areas surpassed city benchmarks. However, none of the prime loan shares for those groups exceeded household or housing unit shares.

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Figure 6.2 Number of Loans

by Depository, 2004 and 2005 Loans to LMI borrowers had the closest loan share to household share ratio - 55 percent of all prime loans and 57 percent of all households. Only 47 percent of all city lending went to these borrowers.

Depositories issued a higher percentage of loans in LMI and minority areas than the city-wide benchmark. Sixty percent of depository loans went to borrowers in LMI areas compared to 52 percent for all city lenders. Forty-one percent of lending went to borrowers in minority areas, better than 29 percent for all city lenders. However, the percent of loans depositories issued to these areas was below their share of housing units.

		Percent of Prime Loans in Minority Tracts
All Depositories	60.3%	40.6%
All City Lenders	52.4%	29.2%

Depository lending to female borrowers was similar to the city total, 38 percent and 35 percent, respectively. Females head 45 percent of all city households.

6.3 Disaggregated Depository Analysis

Most of the depositories performed better than all city lenders in more than half of the categories for all home loans. Two changes of note were PNC's improvement in all measures except one and Wachovia's worsening in all but one category. With the exception of loans to Asians, the Hispanic-to-white denial ratio and the Asian-to-white denial ratio, the majority of depository banks outperformed city lenders as a whole. In those three categories nearly all depositories fell short of city benchmarks for all loans. And only in three categories – loans to Hispanics, Asians and LMI borrowers – did the majority of depositories originate a percentage of loans at least as high as the share of households or owner-occupied housing units for the group.

African-Americans received a greater percentage of home loans in 2005 compared to 2004 from all depositories except Wachovia. PNC wrote nearly half (48 percent) of its loans to African Americans, a nine percentage point gain from the prior year. It was the only depository to surpass the percentage of African-American households (40 percent) in the city. Wachovia was second with 34 percent, a four percentage point drop from 2004. The smallest percentage was 26 percent by Commerce. **Figure 6.4** Percent of Prime Loans in LMI and Minority Tracts by Depositories and All City Lenders

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Aggregate Analysis of Depositories / Disaggregated Depository Analysis 6.2 / 6.3

Each of the depositories had a greater percentage of all loans to African-American borrowers in the city than whites resulting in a ratio of more than 1. PNC's market share of loans to African-Americans was 3.4 times greater than its white share. The next highest ratio was 1.9 by Wachovia. It was down from 2.1 the prior year. Both Citizens and Commerce ratios (1.5 and 1.2 respectively) improved after being less than 1 in 2004.

Figure 6.5

Percentage of Prime Loans to African Americans by Depository, 2004 and 2005

Depository	2004 Percent of Prime Loans to African Americans	2005 Percent of Prime Loans to African Americans
Bank of America	24.1%	27.0%
Citizens	23.1%	28.0%
Commerce	19.6%	26.4%
PNC	38.9%	48.2%
Wachovia	37.8%	33.6%
All City Lenders	22.8%	20.6%

Hispanic borrowers received a higher share of loans than their percentage of households from four of the five largest depositories. Bank of America (14 percent) and Wachovia (12 percent) performed the best. Only Commerce wrote a lower percentage of loans to Hispanics than their household share. However, the bank's four percent was double its percentage from the prior year.

Hispanics had higher denial rates than whites for every depository. PNC's Hispanic-to-white denial ratio was the lowest at 1.5, down from 1.7 the prior year. And it was the only bank to perform better than the city-wide 1.8 ratio. Wacho-via denied Hispanic applicants 2.2 times more frequently than white, the largest ratio of all depositories.

Depository	2004 Percent of Prime Loans to Hispanics	2005 Percent of Prime Loans to Hispanics
Bank of America	10.4%	14.3%
Citizens	7.3%	7.2%
Commerce	2.1%	4.4%
PNC	7.2%	9.9%
Wachovia	12.8%	11.7%
All City Lenders	7.0%	6.4%

Figure 6.6 Percentage of Prime Loans to Hispanics by Depository, 2004

and 2005

Asians received loans from all depositories at a rate higher than their household share. However, none of the depositories met the city-wide Asian benchmark of 14 percent. Bank of America lent 12 percent of its loans to Asians followed by Citizens with 10 percent. Of all lending to Asians, Commerce had the smallest percentage, falling from 7 percent in 2004 to 5 percent in 2005.

The citywide Asian-to-white denial ratio was the lowest of any minority group. None of the depositories had a ratio lower than the city-wide ratio of .9. The greatest disparity was Commerce's denial of Asian applicants 1.8 times more frequently than whites. PNC denied white applicants more often than Asians resulting in a ratio of less than 1.

Depository	Asian to White Denial Ratio
Bank of America	1.26
Citizens	1.23
Commerce	1.82
PNC	0.94
Wachovia	1.69
All City Lenders	0.87

Figure 6.7

Asian-to-White Denial Ratio by Depository and All City Lenders

LMI borrowers received a percentage of loans that met or exceeded their share of households (57 percent) from three depositories – PNC (68 percent), Citizens (63 percent) and Bank of America (57 percent). And all of the depositories performed better than the 47 percent benchmark of all city lenders. Bank of America, Commerce and Wachovia wrote a smaller percentage of loans to LMI borrowers compared to the prior year. Most notably, Wachovia's percentage dropped to 48 percent from 61 percent in 2004.

Depository	2004 Percent of Prime Loans to LMI Borrow- ers	2005 Percent of Prime Loans to LMI Borrowers
Bank of America	59.8%	57.4%
Citizens	59.9%	62.5%
Commerce	55.0%	48.7%
PNC	56.9%	67.6%
Wachovia	60.6%	48.0%
All City Lenders	52.8%	46.7%

Figure 6.8 Percentage of Prime

Loans to LMI Borrowers by Depository and All City Lenders

All depositories had a greater market share of loans to LMI borrowers than to middle- to upper-income (MUI) ones. PNC's ratio of 2.38 was double the prior year's. Citizens was second with a ratio of 1.9. Only the ratios of Commerce and Wachovia fell in 2005.

Every depository made a greater market share of loans in minority areas than city lenders as a whole. PNC issued 58 percent of its loans in minority areas, far surpassing the 29 percent for the entire city. Wachovia's percentage dipped a

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Disaggregated Depository Analysis

few percentage points to 41 percent, but it held its second place spot. All other depositories wrote a greater share of loans than in the previous year.

Depository	2004 Percent of Loans in Minority Tracts	2005 Percent of Loans in Minority Tracts
Bank of America	30.9%	37.5%
Citizens	31.5%	37.0%
Commerce	30.6%	34.9%
PNC	45.0%	57.6%
Wachovia	44.0%	40.9%
All City Lenders	29.4%	29.2%

Figure 6.9 Percentage of Prime Loans in Minority Tracts by Depository and All City Lenders

All depositories had a greater market share of the minority area loans than of the non-minority area loans. Those ratios ranged from 1.3 for Commerce to 3.3 for PNC. Only Wachovia's ratio declined. It fell from 1.9 to 1.7.

The ratio of denials in minority areas as compared to non-minority areas improved for all depositories but Wachovia, which increased from 1.6 to 1.8. All of the depositories did better than citywide minority to non-minority area denial ratio of 1.9.

Each depository exceeded the percentage of loans in LMI areas by all city lenders (52 percent). PNC was the highest. It wrote 69 percent of its loans in LMI areas, which contain 67 percent of owner-occupied housing units. No other depository surpassed that threshold. Citizens was second with 62 percent of its loans in these areas. Four of the five improved a few percentage points over the prior year. Wachovia fell from 65 percent to 58 percent.

PNC's market share of LMI area loans was 2.1 times larger than its share of MUI area loans. Second was Citizens with a 1.5 ratio. Ratios for four of the five depositories increased.

Depository	Percent of Prime Loans to Females
Bank of America	37.0%
Citizens	39.8%
Commerce	36.5%
PNC	47.1%
Wachovia	33.7%
All City Lenders	35.0%

Female borrowers received the largest share of loans (47 percent) from PNC. All depositories except Wachovia surpassed the city benchmark of 35 percent. However, only PNC wrote a greater share of loans to females than their share of households. Citizens ranked second with 40 percent. Three of the five – Citizens, Commerce and PNC – issued a larger percentage of loans to females than the prior year.

Figure 6.10 Percentage of Prime

Loans to Females by Depository and All City Lenders

6.4 Home Purchase Lending by Depositories

Home purchase loans made up 29 percent of all depository lending. The depositories as a group performed better than all lenders in the city in every category but three – loans to Asians, Hispanic-to-white denial ratio and the Asian-to-white denial ratio. However, each individual depository hit fewer benchmarks than in the prior year.

Depository	Asian to White Denial Ratio
Bank of America	1.26
Citizens	1.23
Commerce	1.82
PNC	0.94
Wachovia	1.69
All City Lenders	0.87

Figure 6.11

Asian-to-White Denial Ratio by Depository and All City Lenders

Collectively, their percentage of loans to each group exceeded the group's share of households or owner-occupied housing units in three categories: Hispanics, Asians and LMI tracts. *(See Appendix 2: Table 47)*

Depository	Percent of Prime Loans to African Americans
Bank of America	27.0%
Citizens	28.0%
Commerce	26.4%
PNC	48.2%
Wachovia	33.6%
All City Lenders	20.6%

Figure 6.12

Percentage of Prime Loans to African Americans by Depository and All City Lenders

Bank of America

- 344 home purchase loans
- Missed three benchmarks
- 15 percent of loans to Asians compared to 23 percent citywide
- Hispanic-to-white denial ratio of 1.89 compared to 1.82 citywide
- Asian-to-white denial ratio of 1.63 compared to .99 citywide
- Denial disparities for African Americans, Hispanics, Asians and minority areas increased since 2004
- Percentage increase in loans to African Americans, Hispanics, Asians, females, minority tracts and LMI tracts over prior year

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Home Purchase Lending by Depositories 6.4

Citizens

- 358 home purchase loans
- Missed four benchmarks
- 6 percent of loans to Hispanics compared to 7 percent citywide
- 14 percent of loans to Asians compared to 23 percent citywide
- Hispanic-to-white denial ratio of 2.09 compared to 1.82 citywide
- Asian-to-white denial ratio of 1.25 compared to .99 citywide
- Percentage increase in share of loans to African Americans, Asians, females, minority tracts and LMI tracts over prior year
- All denial disparities improved compared to prior year, except Hispanic-to-white

Commerce

- 193 home purchase loans
- Missed four benchmarks
- 5 percent of loans to Hispanics compared to 7 percent citywide
- 8 percent of loans to Asians compared to 23 percent citywide
- Hispanic-to-white denial ratio of 4.3 compared to 1.82 citywide
- Asian-to-white denial ratio of 2.18 compared to .99 citywide
- Lending in LMI tracts (64 percent) exceeded share of housing units in those areas (52 percent)
- Denial disparities for African Americans and minority tracts improved compared to 2004

PNC

- 44 home purchase loans (least of any depository)
- Missed one benchmark
- 6 percent of loans to Asians compared to 23 percent citywide
- Lending to African Americans, Hispanics, Asians and LMI borrowers exceeding household share in each category
- Lending in minority tracts (61 percent) and LMI tracts (84 percent) surpassing housing unit share in each category
- Percentage of lending in all categories improved except to females

Wachovia

- 388 home purchase loans (most of any depository)
- Missed five benchmarks
- 15 percent of loans to Asians compared to 23 percent citywide
- 43 percent of loans to LMI borrowers compared to 45 percent citywide
- 32 percent of loans to females compared to 35 percent citywide
- Hispanic-to-white denial ratio of 2.17 compared to 1.82 citywide
- Asian-to-white denial ratio of 1.92 compared to .99 citywide
- Lending in LMI tracts (53 percent) exceeded share of housing units in those areas (52 percent)
- Percentage of loans to African Americans, Hispanics, Asians and minority tracts improved over the prior year
- Denial disparities for African Americans, Hispanics and minority tracts improved compared to 2004

6.5 Refinance Lending by Depositories

Refinance loans were more than half of all depository lending. The depositories did well in refinance lending compared to all city lenders with the exception of denial ratios. As a group, they had higher denial rates to African Americans, Hispanics, Asians and minority tracts than to whites compared to all city lenders. There was also a disparity between the lending of depositories to African Americans, LMI borrowers, females and borrowers in minority tracts and the share of households or housing units for each group. *(See Appendix 2: Table 48)*

Depository	African American to White Denial Ratio		Asian to White Denial Ratio
All depositories	2.13	1.97	1.42
All City Lenders	1.90	1.65	1.16

Again, nearly all of the individual depositories surpassed fewer benchmarks in comparison to the prior year.

Bank of America

- 169 refinance loans
- Missed five benchmarks
- 4 percent of loans to Asians compared to 5 percent citywide
- 29 percent of loans to females compared to 34 percent citywide
- African American-to-white denial ratio of 2.08 compared to 1.9 citywide
- Hispanic-to-white denial ratio of 2.09 compared to 1.65 citywide
- Asian-to-white denial ratio of 1.97 compared to 1.16 citywide
- Percentage of loans to Hispanics exceed its share of households
- Improvement in percentage of loans to African Americans, Hispanics, LMI borrowers and minority tracts and in the minority-to-non-minority denial ratio compared to 2004

Citizens

- 527 refinance loans
- Missed four benchmarks
- 23 percent of loans to African Americans compared to 24 percent citywide
- African American-to-white denial ratio of 1.95 compared to 1.9 citywide
- Hispanic-to-white denial ratio of 1.66 compared to 1.65 citywide
- Asian-to-white denial ratio of 1.21 compared to 1.16 citywide
- Percentage of loans to Hispanics and Asians exceeded the share of households for each category
- Percentage of loans in LMI tracts surpassed the share of housing units in those areas
- Improvement over 2004 in all areas except loans to females and the Hispanic-to-white denial ratio

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

Figure 6.13

Denial Ratios of African Americans, Hispanics and Asians Compared to Whites for Depositories and All City Lenders

Refinance Lending by Depositories 6

Commerce

- 141 refinance loans
- Missed 10 benchmarks
- 18 percent of loans to African Americans compared to 24 percent citywide
- 5 percent of loans to Hispanic compared to 6 percent citywide
- 1 percent of loans to Asians compared to 5 percent citywide
- 24 percent of loans in minority tracts compared to 29 percent citywide
- 36 percent of loans to LMI borrowers compared to 47 percent citywide
- 44 percent of loans in LMI areas compared to 50 percent citywide
- 28 percent of loans to females compared to 34 percent citywide
- Hispanic-to-white denial ratio of 2.28 compared to 1.65 citywide
- Asian-to-white denial ratio of 3.42 compared to 1.16 citywide
- Minority-to-non-minority denial ratio of 1.79 compared to 1.63 citywide
- Percentage of loans to African Americans, Hispanics and minority tracts improved
- All denial ratios were lower except Asian-to-white

PNC

- 216 refinance loans
- Missed one benchmark
- Hispanic-to-white denial ratio of 1.78 compared to 1.65 citywide
- Percentage of loans to African Americans, Hispanics, Asians, LMI borrowers and females exceeded or met the household share for each category
- Percentage of loans to minority and LMI areas surpassed the share of housing units in those areas
- All areas improved except the percentage of loans to Hispanics and the Hispanic-to-white denial ratio

Wachovia

- 1,358 refinance loans
- Missed five benchmarks
- 4 percent of loans to Asians compared to 5 percent citywide
- African American-to-white denial ratio of 2.03 compared to 1.9 citywide
- Hispanic-to-white denial ratio of 2.09 compared to 1.65 citywide
- Asian-to-white denial ratio of 1.43 compared to 1.16 citywide
- Minority-to-non-minority denial ratio of 1.73 compared to 1.63 citywide
- Improvement in percentage of loans to Asians and Asian-to-white denial ratio

6.6 Home Improvement Lending by Depositories

Home Improvement loans are 18 percent of all depository lending. Depositories originated 826 home improvement loans with a first lien. In keeping with the prior year's methodology, an additional 1,950 loans were not included in the analysis because they were secured by a second lien or had no lien. Together, the depositories met city-wide benchmarks in all categories with the exception of loans to Asians. And collectively, the depositories' percentage of home improvement loans exceeded the household or housing unit share of all groups but loans to African Americans and females and loans in minority tracts. *(See Appendix 2: Table 49)*

6..5 / 6.6 Refinance Lending by Depositories / Home Improvement Lending by Depositories

Depository	to African	Percent of Prime Loans to Hispanics	Percent of Prime Loans to Asians	Percent of Prime Loans to LMI Borrowers
All depositories	33.7%	8.5%	6.2%	63.1%
All City Lenders	27.3%	5.6%	6.7%	58.1%

In comparison to the prior year, most depositories missed the same number or more benchmarks for home improvement loans.

Bank of America

- 34 home improvement loans
- Missed four benchmarks
- 21 percent of loans to African Americans compared to 27 percent citywide
- 56 percent of loans to LMI borrowers compared to 58 percent citywide
- African American-to-white denial ratio of 1.97 compared to 1.96 citywide
- Hispanic-to-white denial ratio of 2.18 compared to 2.12 citywide
- Percentage of loans to Hispanics and Asians exceeded the share of households for each category
- Percentage of loans in LMI tracts exceeded the share of housing units in those areas
- Improvement in the percentage of loans to African Americans, Asians, minority tracts and LMI tracts

Citizens

- 392 home improvement loans
- Missed three benchmarks
- 6 percent of loans to Asians compared to 7 percent citywide
- Hispanic-to-white denial ratio of 2.23 compared to 2.12 citywide
- Asian-to-white denial ratio of 1.73 compared to 1.51 citywide
- Percentage of loans to Hispanics, Asians and LMI borrowers surpassed the share of households for each category
- Percentage of loans in LMI tracts exceeded the share of housing units in those areas
- Improvement in percentage of loans to each examined category except Asians
- Denial disparity for African Americans, Hispanics, Asians and Minority tracts increased

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

Figure 6.14

Percentage of Prime Loans to African Americans, Hispanics, Asians and LMI Borrowers by Depository and All City Lenders

Home Improvement Lending by Depositories

Commerce

- 58 home improvement loans
- Missed seven benchmarks
- 11 percent of loans to African Americans compared to 27 percent citywide
- 2 percent of loans to Hispanics compared to 6 percent citywide
- 5 percent of loans to Asians compared to 7 percent citywide
- 28 percent of loans in minority tracts compared to 35 percent citywide
- 45 percent of loans to LMI borrowers compared to 58 percent citywide
- African American-to-white denial ratio of 2.09 compared to 1.96 citywide
- Asian-to-white denial ratio of 1.59 compared to 1.51 citywide
- Percentage of loans to Asians exceeded the group's share of households
- Percentage of loans in LMI areas surpassed the share of housing units in those areas
- Improvement in the percentage of loans to African Americans, Hispanics, minority tracts, and females from the prior year
- Decrease in denial disparity for Hispanics compared to 2004

PNC

- 191 home improvement loans
- Missed one benchmark
- 4 percent of loans to Asians compared to 7 percent citywide
- Percentage of loans to African Americans, Hispanics, Asians, LMI borrowers and females exceeded the share of households for each category
- Percentage of loans in minority and LMI tracts exceeded the share of housing units in those areas
- All categories improved except the percentage of loans to Asians

Wachovia

- 148 home improvement loans
- Missed five benchmarks
- 51 percent of loans to LMI borrowers compared to 58 percent citywide
- African American-to-white denial ratio of 2.11 compared to 1.96 citywide
- Hispanic-to-white denial ratio of 2.3 compared to 2.12 citywide
- Asian-to-white denial ratio of 1.89 compared to 1.51 citywide
- Minority-to-non-minority denial ratio of 1.96 compared to 1.84
- Percentage of loans to Hispanics and Asians surpassed the share of households for each category
- Percentage of loans in LMI tracts exceeded the share of housing units in those areas
- Improvement in the percentage of loans to Asians and females compared to last year
- Decrease in denial disparity for Hispanics compared to 2004

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6.6

Section 7

7

Small Business Lending in Philadelphia

7.0 Small Business Lending

By Income - Philadelphia

A total of 21,438 loans for \$882,897,000 were made to small businesses in Philadelphia, according to Community Reinvestment Act (CRA) data for 2005. Of these, 10,277 loans were made to businesses with revenues of less than \$1 million.

Approximately 55 percent of the loans to small businesses in Philadelphia were made to those located in low- and moderate-income areas.

Tract Income level	Number of Loans	Percent of Loans for Philadelphia
Low-income	3,991	18.6%
Moderate-income	7,704	35.9%
Middle-income	6,241	29.1%
Upper-income	2,935	13.7%
Census tract or income level unknown	567	2.7%
Total	21,438	100%

Figure 7.1

Distribution of Loans to Small Businesses in Philadelphia by Tract Income Level

Businesses with less than \$1 million in revenue received about 54 percent of the loans in Philadelphia. This percentage is lower than the share of small businesses with revenues of less than \$1 million located in low- and moderate-income areas (62 percent).

Tract Income level	Number of Loans	Percent of Loans to Smallest Businesses for Philadelphia
Low-income	1,932	19.1%
Moderate-income	3,517	34.6%
Middle-income	3,137	30.8%
Upper-income	1,466	14.4%
Census tract or income level unknown	106	1.1
Total	10,158	100%

Figure 7.2

Distribution of Loans to Small Businesses with Revenues of Less than \$1 Million in Philadelphia by Tract Income Level

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Small Business Lending in Philadelphia 7.0

By Minority Status - Philadelphia

For small businesses, including those with revenues of less than \$1 million, more loans were made in non-minority areas than in minority areas. The graph below shows this contrast. For both categories of small businesses, the ratio of loans for non-minority areas to minority areas was 2:1.

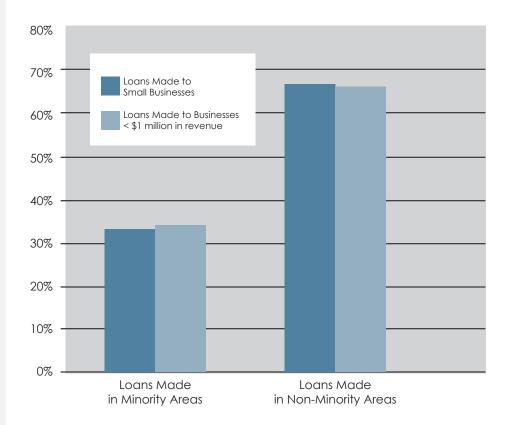
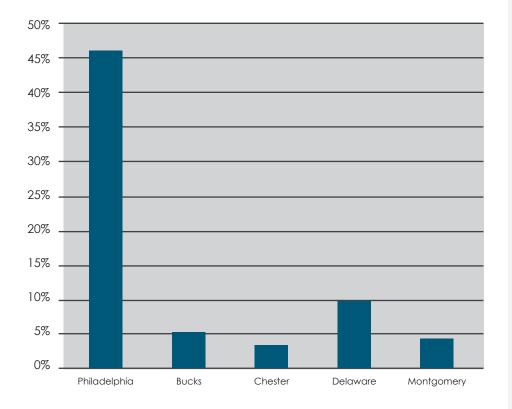


Figure 7.3 Percentage of Loans to Small Businesses by Minority Status

By Income - Compared to Suburban Counties

For Bucks and Chester Counties no loans were made to businesses located in low-income areas. Loans to businesses in moderate-income areas represented 5 percent of those made in Bucks County and 3 percent of those made in Chester County. Loans to businesses in low- and moderate-income areas of Delaware County represented close to 10 percent of the total made in the county. In Montgomery County, the number of loans made to small businesses in low- and moderate-income areas represented less than 5 percent.



The percentage of loans to small businesses in low- and moderate-income areas is far greater in Philadelphia than in the surrounding counties. Comparing lending in Philadelphia with lending in the suburban counties by income levels and by minority status for businesses with revenues of less than \$1 million, Philadelphia has a higher performance ratio. Additionally, the rate of lending to small businesses in low- and moderate-income areas is greater for Philadelphia, than for the suburban counties combined.

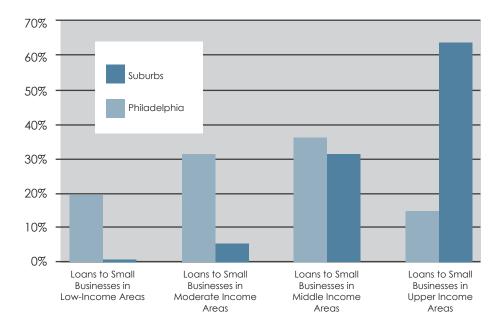


Figure 7.4

Percentage of Loans to Small Businesses in Low- and Moderate-Income Areas for Philadelphia and the Suburban Counties

Figure 7.5 Percentage of Loans to Small Businesses by Income Levels for Philadelphia and the Suburbs

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Small Business Lending in Philadelphia 7.0

By Minority Status - Compared to Suburban Counties

Of the approximately 47,052 small businesses with revenues of less than \$1 million in Philadelphia, 43 percent are located in minority areas. In contrast, a little less than 3 percent of small businesses with revenues of less than \$1 million in the suburban counties are located in minority areas.

Although the City outperformed the suburbs in lending to small businesses in low- and moderate-income areas and in areas where the majority of the population is minority, the percentage of loans in these areas is still disproportionately smaller than for middle- and upper-income areas and for non-minority areas.

Section 8

Ranking of Depositories - Small Business Lending

8

8.0 Rankings of Depositories -Small Business Lending

Small business lending in all categories among the City depositories represented over 21 percent of the total small business lending reported in Philadelphia.

To rank the City depositories on small business lending, we reviewed the 2005 Institution Disclosure Statements for seven of the nine depositories. Data was not available for United Bank of Philadelphia and Advance Bank.

There were five factors considered in the ranking of the seven banks. Each bank was given a rating (1 to 7, where 7 is the highest rating) on each of the factors relating to performance in Philadelphia County. The chart below shows the five factors and an explanation of each. The detailed data for each of these factors is presented in Appendix 2: Table 55.

Factor	Description
Market share of loans to small businesses in Philadelphia (MS to SB)	This shows the ranking of the individual bank based on its performance in relation to all institutions serving the city in terms of percentage of loans made to small businesses.
Market share of loans to the smallest of small businesses (MS to SSB)	This shows the ranking of the individual bank based on its performance in relation to all institutions serving the city in terms of percentage of loans to small businesses with revenues of less than one million dollars.
Lending to small businesses located in low and moderate income areas (LMI/MS)	This shows the ranking of the individual bank based on its per- formance in relation to all institutions serving the city in terms of percentage of loans to small businesses in low- and moderate-income areas.
Ranking among depositories for small business lending to the smallest businesses (SSB/other depositories)	This shows the individual bank's performance in relation to the other six depositories for lending to smallest businesses and is indicated by the percentage of its own total lending to small businesses that goes to small businesses with revenues of less than one million dollars.
Ranking among depositories for small business lending in low and moderate income areas (LMI/other depositories)	This shows the individual bank's performance in relation to the other six depositories for lending to small businesses in low and moderate income areas as indicated by the percentage of its own small business lending that goes to low- and moderate- income areas.

These five factors were selected because they show performance in relation to the entire city and among the depositories on key lending practices affecting low- and moderate-income and minority businesses. These factors also address the smallest businesses (those with revenues less than \$1 million).

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Ranking of Depositories - Small Business Lending 8.0

The table below shows the ratings for the City depositories based on the five factors.

Depository	MS to SB	MS to SSB	LMI/MS	SSB/other depositories	LMI/other depositories	Total Score
Bank of America	3	2	3	3	4	15
Citizens	6	6	5	6	5	28
Commerce	4	4	1	4	6	19
Mellon	2	1	2	1	7	13
PNC	7	7	6	5	2	27
Republic	1	5	7	7	1	21
Wachovia	5	3	4	2	3	17

Based on the total scores shown above, the seven depositories were ranked as follows:

- 1. Citizens Bank
- 2. PNC
- 3. Republic First Bank
- 4. Commerce Bank
- 5. Wachovia Bank
- 6. Bank of America
- 7. Mellon Bank

Section 9

Bank Branch Analysis

9

9.0 Bank Branch Analysis

There were 322 branches in Philadelphia by the end of 2005, according to the FDIC directory of bank offices. For the purposes of this analysis, branches were defined as offices with some consumer banking services. More than half of those branches (184) were owned by city depositories. *(See Appendix 2: Table 57)*

Banks	Branches	Percent of All City Branches
Advanced	1	0.3%
Bank of America	15	4.7%
Citizens	61	18.9%
Commerce	13	4.0%
Mellon	2	0.6%
PNC	37	11.5%
Republic	6	1.9%
United	4	1.2%
Wachovia	45	14.0%
Non-Depository Banks	138	42.9%

Figure 9.1 Number of Branches by Depository

There were 10 fewer city depository branches than in 2004. Wachovia (45 branches) had 10 fewer branches in 2005. Citizens was down four to 61. United closed one branch leaving a total of 4. Advance (1), Bank of America (12), Mellon (2) and PNC (37) branch totals were unchanged. Commerce (13) and Republic (6) each showed one additional branch.

It is important to keep in mind that since most depositories have a relatively small number of branches the percentage of branches in minority or low-tomoderate income (LMI) areas can quickly change with the opening or closing of just one or two offices.

Branch Locations in Minority Areas

Twenty-three percent of all city branches were in areas that were more than 50 percent minority. The city depositories exceeded this percentage. Together, the depositories had 27 percent of their branches in minority areas. Individually, five of the nine depositories surpassed the city-wide benchmark. Advanced's one branch and three of United's four branches were in minority areas. Citizens (28 percent), PNC (35 percent) and Wachovia (29 percent) also surpassed the benchmark. The remaining depositories fell short. Republic and Bank of America had only one branch in a minority area. Commerce and Mellon had no branches in these areas. These were the same four depositories that missed

the benchmark in the previous year. (See Appendix 3: Map 11)

Of the census tracts in the city, 52 percent were at least one-half minority, more than double the percentage of all city branches in minority areas. None of the depositories, except Advanced and United, came close to putting a percentage of their branches in minority tracts equal to the share of all tracts that are minority. Bank of America, Citizens, PNC, Republic, and Wachovia all have made some progress toward this goal since 2004.

Branch Locations in LMI Areas

Fifty-eight percent of all city branches are in LMI areas, which have a median income of less than 80 percent of the area median income. Collectively, the depositories had a higher percentage (59 percent) of branches in LMI areas. However, individually only Advanced, PNC, and Wachovia had a greater share. Advanced has its sole branch in an LMI area. PNC placed 62 percent and Wachovia placed 64 percent of their branches in these areas. The remaining depositories, with the exception of Republic, were within 10 percentage points of the benchmark. (See Map 12.)

LMI tracts constitute 69 percent of all tracts in the city. Only Advanced was able to meet this goal. Of the other depositories, Wachovia was the closest, coming within five percentage points. However, it should be noted that the five depositories with the most branches did better than the prior year. Bank of America, Citizens, Commerce, PNC and Wachovia all showed a higher percentage of branches in LMI areas.

Conclusion

Most depositories did a better job of locating branches in minority areas than all city banks. However, many have a long way to go before being able to surpass the share of city tracts that are at least half minority.

While the majority of depositories failed to meet the city-wide benchmark for branches in LMI areas, they were within striking range. The same could be said for the percentage of tracts that had low-to-moderate income, since the two measures were just 11 percentage points apart.

Section 10



10.0 Neighborhood Analysis

The home and business lending practices in nine city neighborhoods were examined. These neighborhoods are located in areas where community development corporations and empowerment zones have been established. All nine neighborhoods contain census tracts classified as minority and low-to-moderate income. *(See Appendix 2: Table 57)* These areas and the census tracts that comprise them are listed below:

- Association of Puerto Ricans on the March (APM) – 156
- Hispanic Association of Contractors & Enterprises (HACE) – 175, 176.01, 176.02, 195
- Allegheny West Foundation (AWF) 170, 171, 172, 173
- Ogontz Avenue Revitalization Committee (OARC) – 262, 263.01, 263.02, 264, 265, 266, 267

	Total Loans
APM	8
HACE	126
AWF	161
OARC	1,280
Project Home	105
People's	76
American St EZ	143
North Central EZ	62
West Phila. EZ	86

Figure 10.1 Number of Loans by

Number of Loans by Neighborhood

- Project Home 151, 152, 168, 169.01
- People's Emergency Center (PEC) 90, 91, 108, 109
- American Street Empowerment Zone 144, 156, 157, 162, 163
- North Central Empowerment Zone 140, 141, 147, 148, 165
- West Philadelphia Empowerment Zone 105, 111

10.1 Demographics and Lending Practices by Neighborhood

APM

The Association of Puerto Ricans on the March (APM) is located in the northeastern section of Philadelphia. Its Hispanic population comprises 77 percent of households, giving APM the largest Hispanic population of all neighborhoods examined in this section. African Americans account for most of the remaining population with 14 percent of households. The median family income is about 36 percent of the regional median family income. There are 289 owner-occupied housing units (OOHUs) in the APM neighborhood, which is less than 0.1 percent of all OOHUs in the city.

In 2005, a total of eight loans were made in the APM neighborhood. This is the smallest number of loans made in any of the nine neighborhoods discussed in this section. Three of those loans were prime loans and five were subprime.

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

Neighborhood Analysis / Demographics and Lending Practices by Neighborhood 10.0 / 10.1

These loans represent only 0.02 percent of all loans in the city, including 0.01 percent of all prime loans and 0.04 percent of all subprime loans.

HACE

The Hispanic Association of Contractors & Enterprises is located within the neighborhood surrounding the North Fifth Street cluster of key Latino neighborhood businesses and cultural institutions. Seventy-five percent of all households in this neighborhood are Hispanic and 19 percent are African American. The median family income for this neighborhood is only 24 percent of the regional median family income, making HACE the poorest of the nine neighborhoods evaluated for this study. The neighborhood contains 4,022 owner-occupied housing units, about 1 percent of all city OOHUs.

A total of 126 loans were made within the HACE community in 2005. These represented 0.3 percent of all loans made in the city. Lenders provided HACE borrowers with 73 prime loans and 53 subprime loans (0.3 percent of all city prime and 0.4 percent of all city subprime loans). The neighborhood received a greater share of subprime loans and a smaller share of prime loans in comparison to their share of total city loans.

AWF

The Allegheny West Foundation is located in a predominately African American neighborhood in North Philadelphia. Ninety-four percent of all households are African American and 1 percent is Hispanic. AWF has a median family income that is 46 percent of the regional median. The neighborhood is comprised of 4 census tracts and contains about 1 percent of the city's total owner-occupied housing units, with 4,584 units.

Borrowers from the AWF neighborhood received a total of 161 loans in 2005. Seventy-six (or 47 percent) of these loans were prime loans and 85 (or 53 percent) were subprime. AWF neighborhood borrowers received 0.4 percent of all loans issued in Philadelphia, however they received only 0.3 percent of the city's prime loans but as many as 0.7 percent of the city's subprime loans. Lenders gave borrowers from this section of the city a greater share of city subprime loans and a smaller share of city prime loans.

OARC

The Ogontz Avenue Revitalization Corporation is located in the West Oak Lane section of the City. It has a large African American population that represents 96 percent of total households. Hispanics comprise only 0.8 percent of the neighborhoods total households. Though OARC is the most "affluent" of the nine neighborhoods, its median family income is only 76 percent of the regional median family income. This neighborhood is also the largest of the nine discussed in this section. It contains seven census tracts and 11,794 owner-occupied housing units. Three percent of all city owner-occupied housing units are located there.

In 2005, 1,280 loans were made in the OARC community, the largest amount for all of the nine neighborhoods. These loans account for 3 percent of all loans issued in the city, yet only 2 percent of all prime loans and 5 percent of the city's subprime loans. The OARC neighborhood had one of the greatest disparities between its share of total city loans and subprime loans. Prime loans only accounted for 48 percent of all lending in the OARC neighborhood while subprime loans accounted for 52 percent.

Project Home

The Project Home neighborhood consists of four census tracts located near the Spring Garden section of the city. Ninety-eight percent of all households are African American, giving Project Home the largest African-

American population of the neighborhoods discussed in this section. Hispanics comprise less than 1 percent of all households and the median family income is 34 percent of the region's median. The 3,894 housing units located in this area comprise about 1 percent of the city's total owner-occupied units.

Lenders provided 105 loans to the Project Home neighborhood in 2005. Those loans were almost evenly split between prime and subprime loans. These loans accounted for only 0.3 percent of all loans made in Philadelphia; however, prime loans in the Project Home neighborhood comprised only 0.2 percent of the city's total prime loans. Subprime loans to this neighborhood accounted for 0.4 percent of all subprime loans made in the city. With respect to their share of total city loans, the borrowers in the Project Home neighborhood received a higher share of subprime loans and a lower share of prime loans.

Peoples' Emergency Center

The Peoples' Emergency Center (PEC) neighborhood is located in the city's West Philadelphia section and consists of four census tracts. This neighborhood contains 1,445 owner-occupied housing units, which is approximately 0.4 percent of all owner-occupied units in the city. Nearly two-thirds of households in this neighborhood are African American and approximately 3 percent are Hispanic. The median family income for PEC is only 36 percent of the median for the entire region.

In 2005, only 76 loans were made to borrowers in the PEC neighborhood. Nearly two-thirds of them were prime loans. Of the nine neighborhoods analyzed in this section, PEC had the smallest percent of subprime loans and the closest mix of prime and subprime loans compared to its share of all city loans. Borrowers in the PEC neighborhood received 0.2 percent of all loans made in the city, including 0.2 percent of all prime loans and 0.2 percent of all subprime loans.

American Street Empowerment Zone

The American Street Empowerment Zone contains 2,165 owner-occupied housing units or 0.6 percent of the total owner-occupied housing units in the city of Philadelphia. The zone is located in the Olney section of the city and is comprised of five census tracts. The median family income is 37 percent of the median family income for the region. Its population is predominately Hispanic, with 66 percent of total households are from this ethnic group. Seventeen percent of households in this neighborhood are African American, one of the smaller African-American populations of the nine neighborhoods discussed in this section.

Borrowers received 143 loans in 2005. Almost 60 percent of these loans were prime loans and 40 percent were subprime. These loans comprised approximately 0.3 percent of all loans made in the city, including 0.3 percent of prime loans and 0.5 percent of subprime loans. Lenders provided the American Street neighborhood with a lower share of prime loans and a higher share of subprime loans compared to their share of all city lending.

North Central Empowerment Zone

The North Central Empowerment Zone is comprised of five census tracts and 1,339 owner-occupied housing units. These represent 0.4 percent of all owner-occupied units in Philadelphia. North Central is a predominately African-American community. Ninety percent of households are African American and 5 percent of households are Hispanic. The median family income for North Central is 33 percent of the median family income for the region.

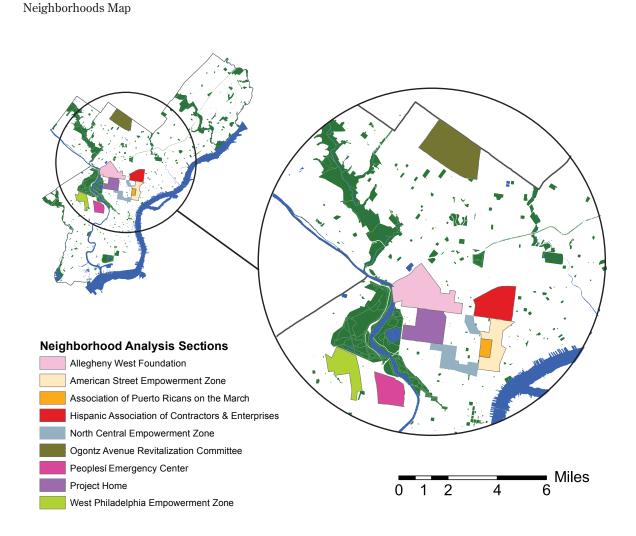
Only 62 loans were made in 2005 within the North Central neighborhood. Thirty-eight of these loans were prime loans and 24 were subprime loans. These loans comprised only 0.2 percent of all city lending, including 0.1 percent of prime and 0.2 percent of subprime lending.

West Philadelphia Empowerment Zone

Figure 10.1

The West Philadelphia Empowerment Zone contains two census tracts in the West Philadelphia section of the city. There are 1,399 of the city's owner-occupied housing units (0.4 percent) within this empowerment zone. The median family income for this area is 41 percent of the regional median family income. Ninety-five percent of households in the area are African American and 0.8 percent are Hispanic.

In 2005, lenders provided 86 loans to the West Philadelphia Empowerment Zone. Sixty-five percent of those loans received prime rates while 35 percent received subprime rates. Only 0.2 percent of all loans made in Philadelphia went to the West Philadelphia Empowerment Zone. This included 0.2 percent of all prime loans and 0.2 percent of all subprime loans.



10.2 Depository Lending Practices by Neighborhood

Lending by each depository to these neighborhoods was analyzed. (See Appendix 2: Table 58)

Bank of America

Bank of America provided 31 loans to borrowers in all but one (PEC) of the nine neighborhoods. This represents approximately 6 percent of all lending by Bank of America in the city. Eleven of those loans were in OARC; however, Bank of America's market share was only 0.9 percent in this neighborhood. Only one loan in the APM neighborhood was made by a city depository bank and that loan was made by Bank of America. Its market share for the city was about 1 percent and its market share in the nine neighborhoods was a little less than 2 percent.

Citizens Bank

Citizens Bank made 79 loans or 6 percent of its city loans in the nine neighborhoods. Thirty-one of these loans were made in the OARC neighborhood and Citizens had a 2 percent market share in that neighborhood. In the North Central neighborhood, Citizens made six loans and had a market share of 10 percent, the largest of the depository banks. Citizens' market share in all nine neighborhoods was about 4 percent which is slightly greater than its market share in Philadelphia of 3 percent.

Commerce Bank

Commerce Bank provided borrowers in the nine neighborhoods with 13 loans. It held only 0.6 percent of the market in these neighborhoods and 0.9 percent of the market in Philadelphia. Commerce made 4 percent of its Philadelphia loans in the nine neighborhoods. Six of those loans were provided to the Project Home neighborhood and these accounted for about 6 percent of the market. This was also the most loans provided by Commerce to a single neighborhood.

PNC Bank

Borrowers in the nine neighborhoods received 54 loans from PNC bank. These loans represented approximately 12 percent of lending by PNC in the city of Philadelphia, the largest share of any city depository. Within the neighborhoods, PNC held a market share of about 3 percent which is larger than their market share in the city of 1 percent. The majority of its loans in the nine neighborhoods were in the OARC section where PNC made 29 loans. PNC's market share in that neighborhood was only 2 percent. In the Project Home neighborhood, PNC had a market share of 12 percent. This was the largest market share for any of the depository banks in this neighborhood.

Wachovia Bank

Wachovia bank made the most loans by a city depository bank within the nine neighborhoods with 139 loans. It also made the most loans within the city. Wachovia made around 7 percent of all its city loans in those nine areas. Its market share in the neighborhoods was 7 percent, which is slightly above the 5 percent market share it had in all of Philadelphia. In all but two of the nine neighborhoods (APM and North Central), Wachovia had the largest market share of all the city depository banks. The largest number of loans was made in the OARC neighborhood (68 loans) where Wachovia enjoyed a market share of 5 percent. Wachovia had its highest market share in the HACE neighborhood, where it held 20 percent of the market. The bank made 26 loans to that neighborhood in 2005.

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Depository Lending Practices by Neighborhood 10.2

10.3 Small Business Lending by Neighborhood

Small business lending was analyzed for the nine neighborhoods. However, an analysis of each depository was not possible because the data were not available by financial institution at the census tract level.

There were a total of 3,663 small businesses in these nine neighborhoods combined. Small businesses with less than \$1 million in revenue received 573 loans, reaching about 16 percent of these businesses.

The table below shows the number of small business loans reported in the 2005 Community Reinvestment Act (CRA) data for each of the targeted neighborhoods. It also displays the number of small businesses with revenues of less than \$1 million located in the neighborhoods.

Figure 10.2

Neighborhood	Number of Small Business Loans	Loans to Small Businesses with Less than \$1 Million	Number of Small Businesses with Revenues Less than \$1 million	Percentage of Loans to Small Businesses with Revenues Less than \$1 Million
APM	12	6	44	50%
HACE	143	76	479	53%
AWF	130	50	419	38%
OARC	215	98	726	46%
Project Home	81	43	373	53%
PEC	162	86	371	53%
American Street	253	123	542	48%
North Central	102	53	450	51%
West Philadelphia	84	38	259	45%

Number of Small Business Loans in Selected Neighborhoods.

OARC has the largest number of small businesses with less than \$1 million of revenue. However, the loans reached only 46 percent of the smallest businesses in that area, ranking it seventh among the nine neighborhoods.

The neighborhood with the next largest number of businesses with less than \$1 million in revenue was American Street, with 542 businesses. Lending reached 48 percent of the smallest businesses, ranking it sixth.

Section 11



11.0 Recommendations

Based on our analysis and findings, we offer this final section as a summary of recommendations for further action. Our recommendations fall into three main categories: 1) public policy changes that should be considered, 2) additional data collection that should be undertaken, and 3) ancillary topics outside of this report's scope of work that should be studied further.

11.1 Public Policy Changes

Lending disparities are costly to the economic health of the city because they introduce inefficiencies to the economy and they restrict economic opportunities to certain groups of citizens and businesses. Therefore, we make the following public policy recommendations:

- The City should use the depository composite scores as a bank performance guide. Any depository that falls below a specified composite score threshold should be investigated with the possibility of sanctions if positive changes are not made. Conversely, any depository scoring above a given threshold for three years in a row should be rewarded with an increased share of the City's financial dealings.
- Further study should be given to the programs and policies of depositories consistently scoring well on the composite score and consistently improving each year. These programs and policies should be held up as positive examples for the entire city lending community, and mechanisms should be created to capture, disseminate, and replicate best practices.
- Loans originated by City Depositories constitute only 12 percent of all home loans (purchase, refinance and improvement) and 2 percent of higher-priced loans in Philadelphia. And since a segment of the city's population is more likely to use a store-front lender than a traditional bank, the city should consider expanding its examination of lending practices beyond depositories to any financial institution that originates more than 1,000 loans in a calendar year.
- On a related note, additional consideration should be given to the extent to which the lending practices of larger banks creates gaps in the marketplace that are filled by higher-priced lenders, and whether policy interventions are needed to loosen lending criteria by mainstream banks to avoid further introduction of predatory lending.
- Similarly, because home lending is but one aspect of capital access, which is itself a vitally important topic for the City, the City should consider regularly convening all authorized depositories to discuss lending disparities, collaborate on policy initiatives that will stimulate economic growth, and establish a regional recovery coalition for an emergency preparedness plan for Philadelphia's financial sector. For example, both the Pennsylvania Bankers Association and the Federal Insurance Deposit Corporation gather such committees and host such forums.

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Recommendations / Public Policy Changes 11.0 / 11.1

• Dispersing bank branches into neighborhoods, in addition to directly improving accessibility to low-income and minority tracts, often leads also to other positive outcomes, such as increased investment in neighborhoods and corridors, financial education opportunities, and employment opportunities. Accordingly, the City should consider the development of a banking development district program to encourage the sitting of branches in neighborhoods that currently lack them. Such an initiative could be modeled after the banking development districts authorized by the State of New York.

11.2 Additional Data Collection

In attempting to analyze trends in lending discrepancies, it became clear that many pieces of relevant data were not currently available. The cost of collecting additional data will have to be balanced against the benefits of having new information. However, it is possible that additional data would broaden the understanding of city lending and offer new ideas for making market-rate mortgages available to a greater number of Philadelphians. We therefore make the following data collection recommendations:

- The City should require depositories to submit a list of branches including addresses and hours of operation each year. Given that branch accessibility increases the availability of lower-fee loans written by traditional banks, this list would provide the City with an annual snapshot of bank coverage and highlight underserved neighborhoods.
- Accurate, current and consistent descriptive data are required to facilitate monitoring compliance of the Authorized Depositories. It is also needed to establish a standardized framework for which to perform comparative analysis. While some demographic, financial and organizational data are available from other sources, the reporting time periods, data requirements and frequency of updates for this information are not standardized. The City should require all depositories to supply the information requested in the Office of the City of Treasurer's Authorized Depository Compliance Annual Request for Information Survey or face sanctions.
- Statistical attempts to identify discriminatory lending practices are thwarted by the lack of credit score information in home lending data. While lenders are not required to report an applicants credit score to the federal government under the Home Mortgage Disclosure Act (HMDA), the City should explore ways to collect scores from depositories.
- Data collected under HMDA include only race and ethnicity information for each applicant. Since no data exists to evaluate if banks are lending to immigrants, the City should ask depositories to detail their efforts to reach out to the city's immigrant communities. These outreach efforts could be incorporated into the depository's annual index.
- Unlike HMDA, the Community Reinvestment Act does not require banks to provide race, ethnicity or gender information about each applicant. As a result, there are fewer ways to examine lending disparities. To compensate for these deficiencies, the City should require depositories to submit summary statistics. Simple cross tabulations of lending by income and race, income and gender or income and ethnicity would clarify the small-business lending picture.

- The rise in subprime loans leads to a number of questions about what triggers offers above the market interest rate. The City should strive for a greater understanding of bank practices so it can support programs to help those borrowers most likely to fall into the subprime category namely African Americans, Hispanics and women take steps to make themselves eligible for loans at the market rate.
- Unfortunately, thousands of properties each year end in foreclosure or sheriff's sale. To gain a better understanding of the trends in both, the City should require the Prothonotary's Office to submit an annual report of foreclosures by area of the city and lender. And the sheriff should submit annual statistics on forced sales, including the number resulting from loan default.

11.3 Ancillary Topics

Loan origination is only one part of the lending equation. Examination of home lending leads to other potentially relevant avenues of study beyond the scope of this report. We therefore recommend the following topics for further exploration:

- As the results of the 2005 analysis show, higher-priced lending has become more prevalent. However, it is unclear what, if any, negative impact sub prime lending has on Philadelphia borrowers beyond higher mortgage payments. Are these loans more likely to default? Are subprime borrowers more likely to declare bankruptcy? Unfortunately these questions are not easily answered without a comprehensive study that combines information from many datasets including home sales, for closures and bankruptcies. The Reinvestment Fund study of mortgage foreclosures from 2000 to 2003 titled "Lost Values: A Study of Predatory Lending in Philadelphia" is a good example of the type of analysis that can be done.
- As noted above, there is uncertainty as to the connection between subprime lending and lending by mainstream institutions. In other words, is the rise of subprime lending due to increasing product diversity in the marketplace and/or increasing demand by potential borrowers? Or are unnecessarily restrictive lending practices by main stream banks driving borrowers to pursue capital from alternative sources?
- Philadelphia is a city of neighborhoods. Its citizens identify with the neighborhoods they live in. An analysis of lending practices and bank accessibility at a neighborhood level would make it easier for Philadelphians to understand the impact on their communities. After all, accessibility is a difficult term to quantify, and yet certainly the spatial distribution of bank branches is vitally important to the distribution of capital and other opportunities into Philadelphia's neighborhoods.
- Subprime lending and denial rates were compared against a selected group of "peer cities." Those cities were selected based on similarities in poverty, racial composition and geographic location. A more in-depth analysis of additional demographic and economic factors would result in the best "peer cities" for Philadelphia. These cities should become mandatory for all future reports requiring city-to-city comparison.

Appendix 1



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Table A.1: All Lenders – Home Purchase Loans

Logistic regression Log likelihood = -5430	Number of o LR chi2(150) Prob > chi2 Pseudo R2	= 394 = 0.00	5079 6.15 000 665				
approve_denied	Coef.	Std. Err.	z P	'> z	[95% Conf.	Interval]	
black asian hispanic male vacancy_rate medianhomevalue loan_amt app_income conventional_loan fha_loan _cons Marginal effects after y = Pr(approve_d	•	0.06591 0.07921 0.09249 0.05125 0.42947 0.00000 0.00037 0.00057 0.36205 0.37322 0.37590	12.670 -2.110 7.870 1.550 6.960 -0.390 -1.070 -2.590 0.320 -1.020 -6.140	0.000 0.035 0.000 0.121 0.000 0.693 0.283 0.010 0.749 0.307 0.000	0.70625 -0.32212 0.54672 -0.02097 2.14926 0.00000 -0.00113 -0.00259 -0.59366 -1.11302 -3.04326	0.96463 -0.01163 0.90925 0.17992 3.83274 0.00000 0.00033 -0.00036 0.82554 0.34996 -1.56974	
= .13245577 variable	dy/dx	Std. Err	. Z	P> z	[95%	C.I.]	Х
black* asian* hispanic* male* vacancy_rate medianhomevalue loan_amt app_income conventional_loan* fha_loan*	0.11353 -0.01848 0.10413 0.00909 0.34370 0.00000 -0.00005 -0.00017 0.01286 -0.03894	0.01060 0.00846 0.01601 0.00584 0.04992 0.00000 0.00004 0.00007 0.03872 0.03358	10.710 -2.180 6.500 1.560 6.880 -0.390 -1.070 -2.590 0.330 -1.160	0.000 0.029 0.000 0.119 0.000 0.693 0.283 0.010 0.740 0.246	0.09276 -0.03507 0.07274 -0.00235 0.24585 0.00000 -0.00013 -0.00030 -0.06304 -0.10476	0.13430 -0.00190 0.13552 0.02053 0.44155 0.00000 0.00004 -0.00004 0.08875 0.02688	0.22502 0.19962 0.07434 0.58293 0.08530 83333.90000 152.31700 71.02450 0.91657 0.07892

(*) dy/dx is for discrete change of dummy variable from 0 to 1 $\,$

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Appendix 1

Table A.2: All Lenders – Home Purchase Loans Test for Redlining

			Number of ob LR chi2(148) Prob > chi2 Pseudo R2	= 383 = 0.00	5079 8.96 000 593		
approve_denied	Coef. S	Std. Err.	z P:	> z	[95% Conf.	Interval]	
minority_pop_share male vacancy_rate medianhomevalue loan_amt app_income conventional_loan fha_loan _cons Marginal effects after y = Pr(approve_d = .13396389		0.00089 0.05065 0.46284 0.00000 0.00037 0.00058 0.36222 0.37369 0.37438	10.810 0.800 3.140 0.510 -1.470 -3.200 -0.190 -1.000 -6.030	0.000 0.425 0.002 0.612 0.141 0.001 0.846 0.319 0.000	0.00789 -0.05888 0.54517 0.00000 -0.00128 -0.00301 -0.78026 -1.10488 -2.99004	0.01138 0.13966 2.35947 0.00000 0.00018 -0.00072 0.63963 0.35995 -1.52252	
variable	dy/dx S	Std. Err.	z P:	> z	[95%	C.I.]	x
minority_pop_share male* vacancy_rate medianhomevalue loan_amt app_income conventional_loan* fha_loan*	0.00112 0.00467 0.16849 0.00000 -0.00006 -0.00022 -0.00833 -0.03850	0.00011 0.00585 0.05382 0.00000 0.00004 0.00007 0.04385 0.03418	10.560 0.800 3.130 0.510 -1.470 -3.200 -0.190 -1.130	0.000 0.424 0.002 0.612 0.141 0.001 0.849 0.260	0.00091 -0.0679 0.06300 0.00000 -0.00015 -0.00035 -0.09428 -0.10550	0.00133 0.01614 0.27399 0.00000 0.00002 -0.00008 0.07761 0.02849	41.79250 0.58293 0.08530 83333.90000 152.31700 71.02450 0.91657 0.07892

(*) dy/dx is for discrete change of dummy variable from 0 to 1

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 Appendix 1

Table A.3: All Lenders – Home Purchase Loans by Prime and Subprime

Logistic regression Log likelihood = -403	3.2538	LF Pr	umber of ol R chi2(122) ob > chi2 seudo R2	= 5952 = 0.00	3702 2.99 00 246		
prime_subprime	Coef.	Std. Err. z	Р	> z	95% Conf.	Interval]	
black asian hispanic male vacancy_rate medianhomevalue loan_amt app_income conventional_loan fha_loan _cons Marginal effects after y = Pr(prime_sut = .10387271		0.07229 0.10627 0.10193 0.05952 0.60604 0.00000 0.00062 0.00107 1.02220 1.03655 1.03243	12.250 -7.070 8.250 -0.490 0.580 -6.030 -4.910 -2.790 2.520 -0.200 -3.470	0.000 0.000 0.624 0.559 0.000 0.000 0.005 0.012 0.840 0.001	0.74363 -0.95954 0.64084 -0.14585 -0.83364 -0.00001 -0.00429 -0.00511 0.57355 -2.24150 -5.60744	1.02700 -0.54296 1.04039 0.08746 1.54201 -0.00001 -0.00184 -0.00089 4.58052 1.82169 -1.56040	
variable	dy/dx S	Std. Err. z	Р	> z	95%	C.I.] 2	x
black* asian* hispanic* male* vacanc~e media~ue loan_amt app_in~e conven~n* fha_loan*	0.09895 -0.05864 0.10292 -0.00272 0.03297 0.00000 -0.00029 -0.00028 0.11470 -0.01822	0.01012 0.00715 0.01603 0.00556 0.05649 0.00000 0.00006 0.00010 0.01965 0.08373	9.780 -8.210 6.420 -0.490 0.580 -6.070 -4.850 -2.800 5.840 -0.220	0.000 0.000 0.624 0.559 0.000 0.000 0.005 0.000 0.828	0.07912 -0.07265 0.07150 -0.01362 -0.07776 0.00000 -0.00040 -0.00048 0.07619 -0.18234	0.11877 -0.04464 0.13433 0.00817 0.14369 0.00000 -0.00017 -0.00008 0.15321 0.14590	0.24741 0.19121 0.08108 0.56955 0.08345 78303.80000 143.15300 67.06060 0.91717 0.07889

(*) dy/dx is for discrete change of dummy variable from 0 to 1

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Appendix 1

Table A.4: All Lenders – Refinancing Loans

			Number of ol LR chi2(176) Prob > chi2 Pseudo R2	= 1139 = 0.00	6720 94.19 000 6078		
approve_denied	Coef.	Std. Err.	z P	> z	[95% Conf.	Interval]	
black asian hispanic male vacancy_rate loan_amt app_income conventional_loan fha_loan _cons	0.86937 0.23582 0.70151 -0.06165 3.65347 -0.00107 -0.00105 -0.30148 -0.65368 -0.92290	0.03630 0.07714 0.06058 0.03167 0.27841 0.00024 0.00030 0.54134 0.55909 0.54660	3.060 11.580 -1.950 13.120 -4.390 -3.560 -0.560 -1.170	0.000 0.002 0.000 0.052 0.000 0.000 0.000 0.578 0.242 0.091	0.79823 0.08462 0.58279 -0.12372 3.10781 -0.00154 -0.00163 -1.36249 -1.74949 -1.99422	0.94052 0.38702 0.82024 0.00042 4.19914 -0.00059 -0.00047 0.75952 0.44212 0.14843	
Marginal effects after lo y = Pr(approve_de = .54425716	•	t)					
variable	dy/dx	Std. Err.	z	P> z	[95%	C.I.]	Х
black* asian* hispanic* male* vacanc~e loan_amt app_in~e conven~n*	0.21066 0.05770 0.16431 -0.01529 0.90621 -0.00026 -0.00026 -0.07328	0.00846 0.01855 0.01300 0.00785 0.06904 0.00006 0.00007 0.12800	3.110 12.630 -1.950 13.130 -4.390 -3.560	0.000 0.002 0.000 0.052 0.000 0.000 0.000 0.567	0.19407 0.02135 0.13882 -0.03068 0.77090 -0.00038 -0.00041 -0.32416	0.22724 0.09406 0.18980 0.00010 1.04153 -0.00015 -0.00012 0.17759	0.40891 0.04057 0.07100 0.53387 0.08878 102.89700 57.29930 0.99091
fha_loan*	-0.16117	0.13237	-1.220	0.223	-0.42060	0.09826	0.00850

(*) dy/dx is for discrete change of dummy variable from 0 to 1

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 Appendix 1

Table A.5: All Lenders – Home Improvement Loans

			Number of o LR chi2(63) Prob > chi2		4400 8.39 000		
Log likelihood = -2222.	8049		Pseudo R2	= 0.2	2657		
approve_de~d	Coef.	Std. Err.	z F	?> z	[95% Conf.	Interval]	
black asian hispanic male vacancy_rate medianhomevalue loan_amt app_income _cons	0.75066 0.27367 0.77810 0.06104 2.24648 -0.00001 0.00140 -0.00398 -0.17988	0.09089 0.15553 0.14078 0.07632 0.72568 0.00000 0.00074 0.00114 0.26857	1.760 5.530 0.800 3.100 -6.500 1.880 -3.490	0.000 0.078 0.000 0.424 0.002 0.000 0.060 0.000 0.503	0.57252 -0.03116 0.50218 -0.08855 0.82418 -0.00001 -0.00006 -0.00621 -0.70626	0.92881 0.57849 1.05401 0.21063 3.66878 -0.00001 0.00286 -0.00175 0.34651	
Marginal effects after logit y = Pr(approve_denied) (predict) = .58760462							
variable	dy/dx	Std. Err.	z	P> z	[95%	C.I.]	Х
black* asian* hispanic* male* vacancy_rate medianhomevalue loan_amt app_in~e	0.17865 0.06461 0.17262 0.01479 0.54438 0.00000 0.00034 -0.00096	0.02103 0.03560 0.02762 0.01849 0.17560 0.00000 0.00018 0.00028	1.820 6.250 0.800 3.100 -6.460 1.880	0.000 0.070 0.000 0.424 0.002 0.000 0.060 0.000	0.13744 -0.00516 0.11848 -0.02144 0.20020 0.00000 -0.00001 -0.000151	0.21986 0.13437 0.22676 0.05102 0.88856 0.00000 0.00069 -0.00042	0.44432 0.05659 0.09136 0.48864 0.10693 61516.40000 60.92500 48.40430

(*) dy/dx is for discrete change of dummy variable from 0 to 1

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Appendix 1

Table A.6: Depositories – Home Purchase Loans

Logit estimates			Number of obs = 1610 LR chi2(12) = 60.16 Prob > chi2 = 0.0000			
Log likelihood = -729.1	6577			Pseudo R2	= 0.0	396
approve_denied	Coef.	Std. Err .	Z	P> z	[95% Con	f. Interval]
black	0.25891	0.17538	1.480	0.140	-0.08484	0.60266
asian	0.30201	0.21192	1.430	0.154	-0.11335	0.71737
hispanic	0.61722	0.20455	3.020	0.003	0.21630	1.01814
male	0.05050	0.13523	0.370	0.709	-0.21455	0.31555
vacancy_rate	0.32383	0.99462	0.330	0.745	-1.62559	2.27325
loan_amt	-0.00056	0.00103	-0.540	0.586	-0.00258	0.00146
app_income	-0.00198	0.00180	-1.100	0.273	-0.00551	0.00156
medianhomevalue	0.00000	0.00000	-1.590	0.112	-0.00001	0.00000
conventional_loan	0.50513	0.42446	1.190	0.234	-0.32679	1.33705
Citizens	-0.52730	0.16860	-3.130	0.002	-0.85774	-0.19686
PNC	0.28901	0.29265	0.990	0.323	-0.28458	0.86260
Commerce	-0.67183	0.22869	-2.940	0.003	-1.12006	-0.22360
_cons	-1.68263	0.50094	-3.360	0.001	-2.66446	-0.70081

Marginal effects after logit

y = Pr(approve_denied) (predict)

= .16631333

variable	dy/dx	Std. Err.	z	P> z	[95%	C.I.]	Х
black*	0.03724	0.02614	1.420	0.154	-0.01399	0.08846	0.28820
asian*	0.04508	0.03387	1.330	0.183	-0.02130	0.11146	0.12671
hispanic*	0.09920	0.03737	2.650	0.008	0.02596	0.17245	0.12360
male*	0.00699	0.01869	0.370	0.708	-0.02964	0.04362	0.54596
vacancy_rate	0.04490	0.13793	0.330	0.745	-0.22544	0.31524	0.10076
loan_amt	-0.00008	0.00014	-0.540	0.586	-0.00036	0.00020	142.47500
app_income	-0.00027	0.00025	-1.100	0.270	-0.00076	0.00021	65.99320
medianhomevalue	0.00000	0.00000	-1.600	0.110	0.00000	0.00000	79131.20000
conventional_loan*	0.05964	0.04186	1.420	0.154	-0.02242	0.14169	0.96460
Citizens*	-0.06740	0.01964	-3.430	0.001	-0.10589	-0.02892	0.26708
PNC*	0.04370	0.04799	0.910	0.363	-0.05037	0.13776	0.03975
Commerce*	-0.07913	0.02230	-3.550	0.000	-0.12285	-0.03542	0.14099

(*) dy/dx is for discrete change of dummy variable from 0 to 1

Table A.7: Depositories – Home Purchase Loans Test for Redlining

Logit estimates Log likelihood = -733.3	37529		Number of obs=1610LR chi2(10)= 51.74 Prob > chi2= 0.0000 Pseudo R2= 0.0341					
approve_denied	Coef.	Std. Err.	z F	°> z	[95% Conf.	Interval]		
minority pop share	0.00202	0.00234	0.860	0.388	-0.00257	0.00661		
male	0.04817	0.13429	0.360	0.720	-0.21503	0.31137		
vacancy_rate	0.02409	1.09178	0.020	0.982	-2.11576	2.16394		
loan_amt	-0.00080	0.00106	-0.750	0.453	-0.00287	0.00128		
app_income	-0.00239	0.00186	-1.280	0.201	-0.00604	0.00127		
medianhomevalue	0.00000	0.00000	-1.800	0.072	-0.00001	0.00000		
conventional_loan	0.49106	0.42158	1.160	0.244	-0.33521	1.31734		
Citizens	-0.58639	0.16648	-3.520	0.000	-0.91270	-0.26009		
PNC	0.24444	0.29057	0.840	0.400	-0.32507	0.81395		
Commerce	-0.73668	0.22710	-3.240	0.001	-1.18178	-0.29158		
_cons	-1.41966	0.49161	-2.890	0.004	-2.38319	-0.45612		

Table A.8: Depositories – Home Purchase Loans by Prime and Subprime

prime_subprime Coef. Std. Err. z P> z [95% Conf. Interval] black 0.87767 0.35579 2.470 0.014 0.18033 1.57501 asian -0.43097 0.58028 -0.740 0.458 -1.56830 0.70636 hispanic -0.58507 0.60023 -0.970 0.330 -1.76151 0.59136 male 0.2038 0.20405 0.7550 0.4500 0.32519 0.35183	Logit estimates Log likelihood = -205.4	3531		Number of ol LR chi2(10) Prob > chi2 Pseudo R2	= 55. = 0.00			
asian -0.43097 0.58028 -0.740 0.458 -1.56830 0.70636 hispanic -0.58507 0.60023 -0.970 0.330 -1.76151 0.59136	prime_subprime	Coef.	Std. Err.	z P	> z	[95% Conf.	Interval]	
hispanic -0.58507 0.60023 -0.970 0.330 -1.76151 0.59136	black	0.87767						
	asian							
	•							
	male	-0.22038	0.29195		0.450	-0.79259	0.35183	
vacancy_rate -1.90689 2.75869 -0.690 0.489 -7.31383 3.50005								
loan_amt -0.00349 0.00345 -1.010 0.311 -0.01025 0.00326	_							
app_income -0.00587 0.00606 -0.970 0.333 -0.01775 0.00601	· · —							
medianhomevalue -0.00001 0.00001 -1.470 0.143 -0.00003 0.00000								
Citizens -0.02422 0.29882 -0.080 0.935 -0.60990 0.56145								
Commerce -1.94771 0.74301 -2.620 0.009 -3.40399 -0.49144								
_cons -1.42969 0.75114 -1.900 0.057 -2.90190 0.04251	_cons	-1.42969	0.75114	-1.900	0.057	-2.90190	0.04251	
Marginal effects after logit y = Pr(prime_subprime) (predict) = .02107254	y = Pr(prime_subp		t)					
variable dy/dx Std. Err. z P> z [95% C.I.] X	variable	dy/dx	Std. Err.	Z	P> z	[95%	C.I.]	Х
black* 0.02252 0.01260 1.790 0.074 -0.00217 0.04721 0.27145	black*	0.02252	0.01260	1,790	0.074	-0.00217	0.04721	0.27145
asian* -0.00767 0.00890 -0.860 0.389 -0.02512 0.00977 0.12715								
hispanic* -0.00979 0.00807 -1.210 0.225 -0.02560 0.00602 0.10530								
male* -0.00459 0.00621 -0.740 0.459 -0.01676 0.00757 0.54134		-0.00459	0.00621			-0.01676	0.00757	0.54134
vacancy_rate -0.03934 0.05515 -0.710 0.476 -0.14743 0.06876 0.09704	vacancy rate	-0.03934	0.05515	-0.710	0.476	-0.14743	0.06876	0.09704
loan_amt -0.00007 0.00007 -1.010 0.314 -0.00021 0.00007 150.10500		-0.00007	0.00007	-1.010	0.314	-0.00021	0.00007	150.10500
app_income -0.00012 0.00012 -1.000 0.319 -0.00036 0.00012 69.66540	app_income	-0.00012	0.00012	-1.000	0.319	-0.00036	0.00012	69.66540
media~ue 0.00000 0.00000 -1.640 0.102 0.00000 0.00000 83523.20000	media~ue	0.00000	0.00000	-1.640	0.102	0.00000	0.00000	83523.20000
Citizens* -0.00050 0.00610 -0.080 0.935 -0.01246 0.01147 0.28237	Citizens*	-0.00050	0.00610	-0.080	0.935	-0.01246	0.01147	0.28237
Commerce* -0.02416 0.00685 -3.530 0.000 -0.03759 -0.01074 0.15523	Commerce*	-0.02416	0.00685	-3.530	0.000	-0.03759	-0.01074	0.15523

(*) dy/dx is for discrete change of dummy variable from 0 to 1

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 Appendix 1

Table A.9: Depositories – Refinancing Loans

Logit estimates Log likelihood = -2996	.5563		Number of obs= 5012 LR chi2(12)= 703.50 Prob > chi2= 0.0000 Pseudo R2= 0.1051				
approve_de~d	Coef.	Std. Err.	z P	?> z	[95% Conf.	Interval]	
black	0.86079	0.07386	11.650	0.000	0.71602	1.00556	
asian	0.16184		1.160	0.246	-0.11151	0.43519	
hispanic	0.75616	0.10265	7.370	0.000	0.55496	0.95736	
male	-0.06635	0.06330	-1.050	0.295	-0.19041	0.05771	
vacancy_rate	0.88229	0.61758	1.430	0.153	-0.32814	2.09272	
loan_amt	0.00290	0.00051	5.640	0.000	0.00189	0.00391	
app_income	-0.00543	0.00101	-5.360	0.000	-0.00742	-0.00345	
medianhomevalue	-0.00001	0.00000	-7.180	0.000	-0.00001	-0.00001	
conventional_loan	1.57960	1.07318	1.470	0.141	-0.52378	3.68299	
Citizens	0.43419	0.08178	5.310	0.000	0.27390	0.59448	
PNC	1.09861	0.09211	11.930	0.000	0.91807	1.27915	
Commerce	-0.31612	0.17661	-1.790	0.073	-0.66228	0.03003	
_cons	-2.06415	1.08081	-1.910	0.056	-4.18250	0.05420	

Marginal effects after logit

y = Pr(approve_denied) (predict)

= .36742608

variable	dy/dx	Std. Err.	z		P> z	[95%	C.I.]		Х
black*	0.20250	0.01718		11.790	0.00	0	0.16883	0.236	318	0.37789
asian*	0.03827	0.03350		1.140	0.25	3	-0.02738	0.10	393	0.05666
hispanic*	0.18393	0.02523		7.290	0.00	0	0.13448	0.23	338	0.11792
male*	-0.01543	0.01472		-1.050	0.29	5	-0.04428	0.013	343	0.52095
vacancy_rate	0.20507	0.14366		1.430	0.15	3	-0.07650	0.486	363	0.08930
loan_amt	0.00067	0.00012		5.660	0.00	0	0.00044	0.00	291	86.01300
app_income	-0.00126	0.00023		-5.390	0.00	0	-0.00172	-0.00	080	58.77510
medianhomevalue	0.00000	0.00000		-7.250	0.00	0	0.00000	0.00	000	72106.00000
conventional_loan*	0.26092	0.10290		2.540	0.01	1	0.05925	0.462	259	0.99820
Citizens*	0.10385	0.01995		5.200	0.00	0	0.06474	0.142	296	0.18236
PNC*	0.26657	0.02189		12.180	0.00	0	0.22366	0.309	948	0.14146
Commerce*	-0.07027	0.03726		-1.890	0.05	9	-0.14330	0.002	276	0.04210

(*) dy/dx is for discrete change of dummy variable from 0 to 1

Table A.10: Depositories – Home Improvement Loans

Logit estimates	Number of obs = 2179 LR chi2(12) = 338.44 Prob > chi2 = 0.0000					
Log likelihood = -1332	Pseudo R2	= 0.1	127			
approve_denied	Coef.	Std. Err.	z P	> z	[95% Conf.	Interval]
black	0.81570	0.11523	7.080	0.000	0.58985	1.04156
asian	0.45202	0.19603	2.310	0.021	0.06781	0.83624
hispanic	0.88902	0.16850	5.280	0.000	0.55877	1.21928
male	0.09823	0.09616	1.020	0.307	-0.09024	0.28669
vacancy_rate	1.69590	0.90725	1.870	0.062	-0.08229	3.47409
loan_amt	0.00148	0.00111	1.330	0.184	-0.00070	0.00366
app_income	-0.00445	0.00146	-3.040	0.002	-0.00732	-0.00158
medianhomevalue	-0.00001	0.00000	-4.800	0.000	-0.00001	-0.00001
Citizens	-0.15900	0.12101	-1.310	0.189	-0.39616	0.07817
PNC	0.71959	0.12905	5.580	0.000	0.46666	0.97253
Commerce	0.46804	0.18958	2.470	0.014	0.09647	0.83961
United	-0.16978	0.93417	-0.180	0.856	-2.00072	1.66115
_cons	-0.04250	0.23076	-0.180	0.854	-0.49479	0.40978

Marginal effects after logit

y = Pr(approve_denied) (predict) = .54654329

variable	dy/dx	Std. Err.	Z	P> z	[95%	C.I.]	Х
black*	0.19859	0.02719	7.300	0.000	0.14531	0.25188	0.44562
asian*	0.10852	0.04498	2.410	0.016	0.02036	0.19667	0.06241
hispanic*	0.20492	0.03463	5.920	0.000	0.13705	0.27280	0.11978
male*	0.02433	0.02381	1.020	0.307	-0.02233	0.07100	0.47774
vacancy_rate	0.42030	0.22470	1.870	0.061	-0.02011	0.86071	0.11290
loan_amt	0.00037	0.00028	1.330	0.184	-0.00017	0.00091	51.11240
app_income	-0.00110	0.00036	-3.040	0.002	-0.00181	-0.00039	47.01700
medianhomevalue	0.00000	0.00000	-4.790	0.000	0.00000	0.00000	59294.90000
Citizens*	-0.03948	0.03008	-1.310	0.189	-0.09843	0.01948	0.33089
PNC*	0.17345	0.02977	5.830	0.000	0.11510	0.23181	0.30519
Commerce*	0.11234	0.04347	2.580	0.010	0.02715	0.19754	0.07848
United*	-0.04231	0.23352	-0.180	0.856	-0.50000	0.41538	0.00230

(*) dy/dx is for discrete change of dummy variable from 0 to 1

Appendix 2



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Table 1: All Loans by Race in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of All Loans	2	Percent of All	Household	Subprime Share to Household Share Ratio
White	15,098	4,012	19,110	64.9%	46.2%	59.8%	282,063	47.8%	1.36	0.97
African American	4,795	4,231	9,026	20.6%	48.7%	28.3%	237,553	40.2%	0.51	1.21
Asian	3,220	431	3,651	13.9%	5.0%	11.4%	20,567	3.5%	3.98	1.42
Hispanic ³	1,578	972	2,550	6.4%	10.0%	7.4%	38,509	6.5%	0.98	1.54
Total⁴	29,511	12,717	42,228				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Percent of Subprime Loans	White Share	Race Share to White Share Ratio: Subprime
White	15,098	4,012	19,110	79.0%	21.0%	1.00	1.00
African American	4,795	4,231	9,026	53.1%	46.9%	0.67	2.23
Asian	3,220	431	3,651	88.2%	11.8%	1.12	0.56
Hispanic³	1,578	972	2,550	61.9%	38.1%	0.78	1.82
Total⁴	29,511	12,717	42,228	69.9%	30.1%	0.88	1.43

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	34,540	6,657	19.3%	1.00
African American	26,461	10,523	39.8%	2.06
Asian	5,787	965	16.7%	0.87
Hispanic ³	6,355	2,150	33.8%	1.76
Total⁴	100,244	29,770	29.7%	1.54

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000.

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

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Table 2: All Loans by Income in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total	of Prime		Percent of All Loans	2	Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
Low (<50% MSA)	4,711	3,454	8,165	16.8%	27.7%	20.2%	229,276	38.8%	0.43	0.71
Moderate (50-79.99% MSA)	8,350	4,721	13,071	29.9%	37.9%	32.3%	109,355	18.5%	1.61	2.05
Middle (80-119.99% MSA)	7,507	2,883	10,390	26.8%	23.1%	25.7%	102,462	17.4%	1.55	1.33
Upper (120% or More MSA)	7,396	1,402	8,798	26.4%	11.3%	21.8%	149,190	25.3%	1.05	0.45
LMI (<79.99% MSA Income)	13,061	8,175	21,236	46.7%	65.6%	52.5%	338,631	57.4%	0.81	1.14
MUI (>80% MSA Income)	14,903	4,285	19,188	53.3%	34.4%	47.5%	251,652	42.6%	1.25	0.81
Total ³	29,511	12,717	42,228				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	4,711	3,454	8,165	57.7%	42.3%	0.69	2.65
Moderate (50-79.99% MSA)	8,350	4,721	13,071	63.9%	36.1%	0.76	2.27
Middle (80-119.99% MSA)	7,507	2,883	10,390	72.3%	27.7%	0.86	1.74
Upper (120% or More MSA)	7,396	1,402	8,798	84.1%	15.9%	1.00	1.00
LMI (<79.99% MSA Income)	13,061	8,175	21,236	61.5%	38.5%	0.79	1.72
MUI (>80% MSA Income)	14,903	4,285	19,188	77.7%	22.3%	1.00	1.00
Total ³	29,511	12,717	42,228	69.9%	30.1%	0.83	1.89

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	26,364	11,193	42.5%	2.16
Moderate (50-79.99% MSA)	31,031	9,303	30.0%	1.52
Middle (80-119.99% MSA)	21,650	5,174	23.9%	1.21
Upper (120% or More MSA)	16,762	3,302	19.7%	1.00
LMI (<79.99% MSA Income)	57,395	20,496	35.7%	1.62
MUI (>80% MSA Income)	38,412	8,476	22.1%	1.00
Total ³	100,244	29,770	29.7%	1.51

¹ Borrower Income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

Table 3: All Loans by Tract Minority Level in Philadelphia

owner-occupied, single-family loans

Portfolio share

Minority Level ¹	Prime Loans	I. '	Total	i ercent or		Percent of All	<u>^</u>	Percent of	Prime Share to OOHU Share Ratio	Share to OOHU		
0-49% minority	20,889	6,166	27,055	70.8%	48.5%	64.1%	178,316	51.0%	1.39	0.95		
50-100% minority	8,616	6,551	15,167	29.2%	51.5%	35.9%	171,335	49.0%	0.60	1.05		
Total ³	29,511	12,717	42,228				349,651					

Market share

Minority Level ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime	Share to Non- Minority Tract Share Ratio:	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	20,889	6,166	27,055	77.2%	22.8%	1.00	1.00
50-100% minority	8,616	6,551	15,167	56.8%	43.2%	0.74	1.90
Total ³	29,511	12,717	42,228	69.9%	30.1%	0.91	1.32

Denial disparity

	Loan	Application		Minority Area to Non- Minority Area
Minority Level ¹	Applications	Denials	Rate	Denial Ratio
0-49% minority	53,444	11,694	21.9%	1.00
50-100% minority	46,760	18,060	38.6%	1.77
Total ³	100,244	29,770	29.7%	1.36

 $^{\scriptscriptstyle \rm T}$ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 4: All Loans by Tract Income in Philadelphia

owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans		Subprime		Owner- Occupied Housing Units (OOHU) ²	Percent of	Prime Share	OOHU
Low (<50% MSA)	3,156	2,242	5,398	10.7%	17.6%	12.8%	81,464	23.3%	0.46	0.76
Moderate (50-79.99% MSA)	12,287	6,922	19,209	41.7%	54.5%	45.5%	152,805	43.7%	0.95	1.25
Middle (80-119.99% MSA)	11,882	3,381	15,263	40.3%	26.6%	36.2%	100,764	28.8%	1.40	0.92
Upper (120% or More MSA)	2,168	164	2,332	7.4%	1.3%	5.5%	14,605	4.2%	1.76	0.31
LMI (<79.99% MSA Income)	15,443	9,164	24,607	52.4%	72.1%	58.3%	234,269	67.0%	0.78	1.08
MUI (>80% MSA Income)	14,050	3,545	17,595	47.6%	27.9%	41.7%	115,369	33.0%	1.44	0.85
Total ³	29,511	12,717	42,228				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans		Percent of Subprime	Income Share to Upper - Income Share	Income Share
Low (<50% MSA)	3,156	2,242	5,398	58.5%	41.5%	0.63	5.91
Moderate (50-79.99% MSA)	12,287	6,922	19,209	64.0%	36.0%	0.69	5.12
Middle (80-119.99% MSA)	11,882	3,381	15,263	77.8%	22.2%	0.84	3.15
Upper (120% or More MSA)	2,168	164	2,332	93.0%	7.0%	1.00	1.00
LMI (<79.99% MSA Income)	15,443	9,164	24,607	62.8%	37.2%	0.79	1.85
MUI (>80% MSA Income)	14,050	3,545	17,595	79.9%	20.1%	1.00	1.00
Total ³	29,511	12,717	42,228	69.9%	30.1%	0.75	4.28

Denial disparity

Tract Income ¹		Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	17,854	7,539	42.2%	2.87
Moderate (50-79.99% MSA)	48,133	15,152	31.5%	2.14
Middle (80-119.99% MSA)	30,184	6,453	21.4%	1.45
Upper (120% or More MSA)	3,959	582	14.7%	1.00
LMI (<79.99% MSA Income)	65,987	22,691	34.4%	1.67
MUI (>80% MSA Income)	34,143	7,035	20.6%	1.00
Total ³	100,244	29,770	29.7%	2.02

¹ Tract income as a percent of the Metropolitan Statistical Area income

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

² 2000 Census

Table 5: All Loans by Gender in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Gender	Prime Loans		Total Loans	Prime		Percent of All Loans		Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
Male	10,048	4,545	14,593	36.1%	38.2%	36.7%	132,278	22.4%	1.61	1.70
Female	9,741	5,159	14,900	35.0%	43.3%	37.5%	264,975	44.9%	0.78	0.97
Joint (Male/Female)	8,081	2,205	10,286	29.0%	18.5%	25.9%	193,030	32.7%	0.89	0.57
Total ²	29,511	12,717	42,228				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Prime		Gender Share to Male Share	
Male	10,048	4,545	14,593	68.9%	31.1%	1.00	1.00
Female	9,741	5,159	14,900	65.4%	34.6%	0.95	1.11
Joint (Male/Female)	8,081	2,205	10,286	78.6%	21.4%	1.14	0.69
Total ²	29,511	12,717	42,228	69.9%	30.1%	1.01	0.97

Denial disparity

Borrower Gender		Application Denials		Gender to Male Denial Ratio
Male	34,570	9,908	28.7%	1.00
Female	35,593	11,235	31.6%	1.10
Joint (Male/Female)	20,154	4,738	23.5%	0.82
Total ²	100,244	29,770	29.7%	1.04

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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Table 6: Home Purchase Loans by Race in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	r ercent or	Percent of Subprime Loans	Percent of All Loans	0	Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
White	6,744	1,125	7,869	59.4%	41.2%	55.9%	282,063	47.8%	1.24	0.86
African American	1,928	1,346	3,274	17.0%	49.3%	23.2%	237,553	40.2%	0.42	1.22
Asian	2,589	247	2,836	22.8%	9.0%	20.1%	20,567	3.5%	6.54	2.60
Hispanic ³	839	412	1,251	6.9%	13.2%	8.2%	38,509	6.5%	1.06	2.02
Total ⁴	13,625	3,749	17,374				590,283			

Market share

Borrower Race ¹		Subprime Loans	Total	Percent of Prime Loans	Percent of Subprime Loans		Race Share to White Share Ratio: Subprime
White	6,744	1,125	7,869	85.7%	14.3%	1.00	1.00
African American	1,928	1,346	3,274	58.9%	41.1%	0.69	2.88
Asian	2,589	247	2,836	91.3%	8.7%	1.07	0.61
Hispanic ³	839	412	1,251	67.1%	32.9%	0.78	2.30
Total⁴	13,625	3,749	17,374	78.4%	21.6%	0.92	1.51

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White denial
White	11,128	1,170	10.5%	1.00
African American	6,032	1,322	21.9%	2.08
Asian	3,824	398	10.4%	0.99
Hispanic ³	2,059	394	19.1%	1.82
Total ⁴	27,789	4,485	16.1%	1.54

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

Table 7: Home Purchase Loans by Income in Philadelphia owner-occupied, single-family loans

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans			Percent of Subprime Loans	Percent of All Loans	0	Percent of all	Prime share to household	Subprime share to household share ratio
Low (<50% MSA)	2,081	974	3,055	15.7%	27.0%	18.2%	229,276	38.8%	0.41	0.70
Moderate (50-79.99% MSA)	3,842	1347	5,189	29.1%	37.4%	30.9%	109,355	18.5%	1.57	2.02
Middle (80-119.99% MSA)	3,482	833	4,315	26.3%	23.1%	25.7%	102,462	17.4%	1.52	1.33
Upper (120% or More MSA)	3,810	448	4,258	28.8%	12.4%	25.3%	149,190	25.3%	1.14	0.49
LMI (<79.99% MSA Income)	5,923	2321	8,244	44.8%	64.4%	49.0%	338,631	57.4%	0.78	1.12
MUI (>80% MSA Income)	7,292	1281	8,573	55.2%	35.6%	51.0%	251,652	42.6%	1.29	0.83
Total ³	13,625	3749	17,374				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime	- FF	Income Share to Upper - Income Share Ratio: Subprime 4
Low (<50% MSA)	2,081	974	3,055	68.1%	31.9%	0.76	3.03
Moderate (50-79.99% MSA)	3,842	1,347	5,189	74.0%	26.0%	0.83	2.47
Middle (80-119.99% MSA)	3,482	833	4,315	80.7%	19.3%	0.90	1.83
Upper (120% or More MSA)	3,810	448	4,258	89.5%	10.5%	1.00	1.00
LMI (<79.99% MSA Income)	5,923	2,321	8,244	71.8%	28.2%	0.84	1.88
MUI (>80% MSA Income)	7,292	1,281	8,573	85.1%	14.9%	1.00	1.00
Total ³	13,625	3,749	17,374	78.4%	21.6%	0.88	2.05

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials		Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	5,658	1,330	23.5%	2.00
Moderate (50-79.99% MSA)	8,323	1,358	16.3%	1.39
Middle (80-119.99% MSA)	6,474	918	14.2%	1.20
Upper (120% or More MSA)	6,223	733	11.8%	1.00
LMI (<79.99% MSA Income)	13,981	2,688	19.2%	1.48
MUI (>80% MSA Income)	12,697	1,651	13.0%	1.00
Total ³	27,789	4,485	16.1%	1.37

¹ Borrower income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 8: Home Purchase Loans by Tract Minority Level in Philadelphia

owner-occupied, single-family loans

Portfolio share

F UI LIUIIU SIIA										
Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Percent of Subprime Loans	Percent of	0	Percent of	Prime share to OOHU	Subprime share to OOHU share ratio
0-49% minority	9,738	1,764	11,502	71.5%	47.1%	66.2%	178,316	51.0%	1.40	0.92
50-100% minority	3,885	1,985	5,870	28.5%	52.9%	33.8%	171,335	49.0%	0.58	1.08
Total ³	13,625	3,749	17,374				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans		Percent of Subprime	Share to Non- Minority Tract Share Ratio:	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	9,738	1,764	11,502	84.7%	15.3%	1.00	1.00
50-100% minority	3,885	1,985	5,870	66.2%	33.8%	0.78	2.20
Total ³	13,625	3,749	17,374	78.4%	21.6%	0.93	1.41

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non-Minority Area Denial Ratio
0-49% minority	16,700	2,019	12.1%	1.00
50-100% minority	11,061	2,452	22.2%	1.83
Total ³	27,789	4,485	16.1%	1.33

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

Table 9: Home Purchase Loans by Tract Income in Philadelphia

owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime Loans	Percent of		Percent of	Prime share to OOHU	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	1,649	763	2,412	12.1%	20.4%	13.9%	81,464	23.3%	0.52	0.87
Moderate (50-79.99% MSA)	5,603	2,052	7,655	41.1%	54.7%	44.1%	152,805	43.7%	0.94	1.25
Middle (80-119.99% MSA)	5,169	884	6,053	38.0%	23.6%	34.9%	100,764	28.8%	1.32	0.82
Upper (120% or More MSA)	1,197	49	1,246	8.8%	1.3%	7.2%	14,605	4.2%	2.10	0.31
LMI (<79.99% MSA Income)	7,252	2,815	10,067	53.3%	75.1%	58.0%	234,269	67.0%	0.79	1.12
MUI (>80% MSA Income)	6,366	933	7,299	46.7%	24.9%	42.0%	115,369	33.0%	1.42	0.75
Total ³	6,684	3,567	10,251				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime		Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,649	763	2,412	68.4%	31.6%	0.71	8.04
Moderate (50-79.99% MSA)	5,603	2,052	7,655	73.2%	26.8%	0.76	6.82
Middle (80-119.99% MSA)	5,169	884	6,053	85.4%	14.6%	0.89	3.71
Upper (120% or More MSA)	1,197	49	1,246	96.1%	3.9%	1.00	1.00
LMI (<79.99% MSA Income)	7,252	2,815	10,067	72.0%	28.0%	0.83	2.19
MUI (>80% MSA Income)	6,366	933	7,299	87.2%	12.8%	1.00	1.00
Total ³	6,684	3,567	10,251	65.2%	34.8%	0.68	8.85

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	4,708	1,139	24.2%	2.29
Moderate (50-79.99% MSA)	12,531	2,129	17.0%	1.61
Middle (80-119.99% MSA)	8,676	995	11.5%	1.09
Upper (120% or More MSA)	1,817	192	10.6%	1.00
LMI (<79.99% MSA Income)	17,239	3,268	19.0%	1.68
MUI (>80% MSA Income)	10,493	1,187	11.3%	1.00
Total ³	18,349	4,006	21.8%	2.07

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "Total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 10: Home Purchase Loans by Gender in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of All Loans	4	Percent of all	Prime share to household	Subprime share to household share ratio
Male	5,447	1,604	7,051	41.8%	44.6%	42.4%	132,278	22.4%	1.87	1.99
Female	4,589	1,630	6,219	35.2%	45.3%	37.4%	264,975	44.9%	0.78	1.01
Joint (Male/Female)	2,995	362	3,357	23.0%	10.1%	20.2%	193,030	32.7%	0.70	0.31
Total ²	13,625	3,749	17,374				590,283			

Market share

Borrower Gender	Prime Loans		Total		Percent of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	5,447	1,604	7,051	77.3%	22.7%	1.00	1.00
Female	4,589	1,630	6,219	73.8%	26.2%	0.96	1.15
Joint (Male/Female)	2,995	362	3,357	89.2%	10.8%	1.15	0.47
Total ²	13,625	3,749	17,374	78.4%	21.6%	1.02	0.95

Denial disparity

Borrower Gender	Loan Applications	Application Denials		Gender to Male Denial Ratio
Male	11,191	1,767	15.8%	1.00
Female	9,941	1,572	15.8%	1.00
Joint (Male/Female)	4,718	509	10.8%	0.68
Total ²	27,789	4,485	16.1%	1.02

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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	Appendix 2	1

Table 11: Home Refinance Loans by Race in Philadelphia

owner-occupied, single-family loans

Portfolio share

										Subprime
				Percent of	Percent of					Subprime Share to
		Subprime		Prime	Subprime	Percent of All		Percent of All	Household Share	Household
Borrower Race ¹	Prime Loans	Loans	Total Loans	Loans	Loans	Loans	Households ²	Households	Ratio	Share Ratio
White	7,226	2,701	9,927	70.9%	49.6%	63.5%	282,063	47.8%	1.48	1.04
African American	2,401	2,582	4,983	23.6%	47.5%	31.9%	237,553	40.2%	0.59	1.18
Asian	516	168	684	5.1%	3.1%	4.4%	20,567	3.5%	1.45	0.89
Hispanic ³	640	493	1,133	6.0%	8.2%	6.8%	38,509	6.5%	0.92	1.26
Total ⁴	13,602	8,274	21,876				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans		Prime	Subprime	White Share	Race Share to White Share Ratio: Subprime
White	7,226	2,701	9,927	72.8%	27.2%	1.00	1.00
African American	2,401	2,582	4,983	48.2%	51.8%	0.66	1.90
Asian	516	168	684	75.4%	24.6%	1.04	0.90
Hispanic ³	640	493	1,133	56.5%	43.5%	0.78	1.60
Total ⁴	13,602	8,274	21,876	62.2%	37.8%	0.85	1.39

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to white denial
White	20,941	4,818	23.0%	1.00
African American	17,623	7,712	43.8%	1.90
Asian	1,665	445	26.7%	1.16
Hispanic ³	3,649	1,385	38.0%	1.65
Total ⁴	64,319	21,977	34.2%	1.49

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

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Table 12: Home Refinance Loans by Income in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Income ¹		Subprime Loans				Percent of All Loans		Percent of All Households	Prime Share to Household	Subprime Share to Household Share Ratio
Low (<50% MSA)	2,027	2,246	4,273	16.2%	27.5%	20.7%	229,276	38.8%	0.42	0.71
Moderate (50-79.99% MSA)	3,813	3,105	6,918	30.5%	38.0%	33.5%	109,355	18.5%	1.64	2.05
Middle (80-119.99% MSA)	3,528	1,917	5,445	28.2%	23.5%	26.3%	102,462	17.4%	1.62	1.35
Upper (120% or More MSA)	3,148	897	4,045	25.2%	11.0%	19.6%	149,190	25.3%	1.00	0.43
LMI (<79.99% MSA Income)	5,840	5,351	11,191	46.7%	65.5%	54.1%	338,631	57.4%	0.81	1.14
MUI (>80% MSA Income)	6,676	2,814	9,490	53.3%	34.5%	45.9%	251,652	42.6%	1.25	0.81
Total ³	13,602	8,274	21,876				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime Loans	Income	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	2,027	2,246	4,273	47.4%	52.6%	0.61	2.37
Moderate (50-79.99% MSA)	3,813	3,105	6,918	55.1%	44.9%	0.71	2.02
Middle (80-119.99% MSA)	3,528	1,917	5,445	64.8%	35.2%	0.83	1.59
Upper (120% or More MSA)	3,148	897	4,045	77.8%	22.2%	1.00	1.00
LMI (<79.99% MSA Income)	5,840	5,351	11,191	52.2%	47.8%	0.74	1.61
MUI (>80% MSA Income)	6,676	2,814	9,490	70.4%	29.7%	1.00	1.00
Total ³	13,602	8,274	21,876	62.2%	37.8%	0.80	1.71

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income denial ⁴
Low (<50% MSA)	17,692	8,311	47.0%	1.94
Moderate (50-79.99% MSA)	20,166	6,946	34.4%	1.42
Middle (80-119.99% MSA)	13,691	3,784	27.6%	1.14
Upper (120% or More MSA)	9,562	2,319	24.3%	1.00
LMI (<79.99% MSA Income)	37,858	15,257	40.3%	1.54
MUI (>80% MSA Income)	23,253	6,103	26.2%	1.00
Total ³	64,318	21,977	34.2%	1.41

¹ Borrower income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

Table 13: Home Refinance Loans by Tract Minority Level in Philadelphia

owner-occupied, single-family loans

Portfolio share

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Minority Level ¹		Subprime Loans		Prime		Percent of	0	Percent of All	OOHU Share	Subprime Share to OOHU Share Ratio
0-49% minority	9,663	4,120	13,783	71.0%	49.8%	63.0%	178,316	51.0%	1.39	0.98
50-100% minority	3,936	4,154	8,090	28.9%	50.2%	37.0%	171,335	49.0%	0.59	1.02
Total ³	13,602	8,274	21,876				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of	Share to Non- Minority Tract Share Ratio:	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	9,663	4,120	13,783	70.1%	29.9%	1.00	1.00
50-100% minority	3,936	4,154	8,090	48.7%	51.3%	0.69	1.72
Total ³	13,602	8,274	21,876	62.2%	37.8%	0.89	1.27

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non- Minority Area Denial Ratio
0-49% minority	33,108	8,667	26%	1.00
50-100% minority	31,200	13,308	43%	1.63
Total ³	64,319	21,977	34%	1.31

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 14: Home Refinance Loans by Tract Income in Philadelphia

owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of	0	Percent of	OOHU Share	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	1,168	1,300	2,468	8.6%	15.7%	11.3%	81,464	23.3%	0.37	0.67
Moderate (50-79.99% MSA)	5,650	4,502	10,152	41.6%	54.5%	46.4%	152,805	43.7%	0.95	1.25
Middle (80-119.99% MSA)	5,893	2,354	8,247	43.4%	28.5%	37.7%	100,764	28.8%	1.50	0.99
Upper (120% or More MSA)	881	111	992	6.5%	1.3%	4.5%	14,605	4.2%	1.55	0.32
LMI (<79.99% MSA Income)	6,818	5,802	12,620	50.2%	70.2%	57.7%	234,269	67.0%	0.75	1.05
MUI (>80% MSA Income)	6,774	2,465	9,239	49.8%	29.8%	42.3%	115,369	33.0%	1.51	0.90
Total ³	13,602	8,274	21,876				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime	Income Share to Upper - Income Share Ratio: Prime ⁴	
Low (<50% MSA)	1,168	1,300	2,468	47.3%	52.7%	0.53	4.71
Moderate (50-79.99% MSA)	5,650	4,502	10,152	55.7%	44.3%	0.63	3.96
Middle (80-119.99% MSA)	5,893	2,354	8,247	71.5%	28.5%	0.80	2.55
Upper (120% or More MSA)	881	111	992	88.8%	11.2%	1.00	1.00
LMI (<79.99% MSA Income)	6,818	5,802	12,620	54.0%	46.0%	0.74	1.72
MUI (>80% MSA Income)	6,774	2,465	9,239	73.3%	26.7%	1.00	1.00
Total ³	13,602	8,274	21,876	62.2%	37.8%	0.70	3.38

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income denial ⁴
Low (<50% MSA)	10,949	5,153	47.1%	2.62
Moderate (50-79.99% MSA)	31,798	11,493	36.1%	2.01
Middle (80-119.99% MSA)	19,558	4,967	25.4%	1.41
Upper (120% or More MSA)	1,960	352	18.0%	1.00
LMI (<79.99% MSA Income)	42,747	16,646	38.9%	1.58
MUI (>80% MSA Income)	21,518	5,319	24.7%	1.00
Total ³	64,319	21,977	34.2%	1.90

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

Table 15: Home Refinance Loans by Gender in Philadelphia

owner-occupied, single-family loans

Portfolio share

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Borrower Gender	Prime Loans	Subprime Loans		Prime		Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio
Male	4,054	2,726	6,780	32.0%	35.6%	33.3%	132,278	22.4%	1.43	1.59
Female	4,329	3,244	7,573	34.1%	42.3%	37.2%	264,975	44.9%	0.76	0.94
Joint (Male/Female)	4,300	1,691	5,991	33.9%	22.1%	29.4%	193,030	32.7%	1.04	0.67
Total ²	13,602	8,274	21,876				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans		to Male Share	Gender Share to Male Share Ratio: Subprime
Male	4,054	2,726	6,780	59.8%	40.2%	1.00	1.00
Female	4,329	3,244	7,573	57.2%	42.8%	0.96	1.07
Joint (Male/Female)	4,300	1,691	5,991	71.8%	28.2%	1.20	0.70
Total ²	13,602	8,274	21,876	62.2%	37.8%	1.04	0.94

Denial disparity

Borrower Gender	Loan Applications	Application Denials		Gender to Male Denial Ratio
Male	20,890	7,039	33.7%	1.00
Female	22,464	8,261	36.8%	1.09
Joint (Male/Female)	13,659	3,724	27.3%	0.81
Total ²	64,319	21,977	34.2%	1.01

 $^{\rm 1}$ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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Table 16: Home Improvement Loans by Race in Philadelphia owner-occupied, single-family loans

Portfolio share

Borrower Race ¹		Subprime Loans	Total	Percent of Prime Loans	Percent of Subprime Loans	Percent of All Loans	2	Percent of All	Prime Share	Household
White	1,128	186	1,314	66.1%	35.7%	59.0%	282,063	47.8%	1.38	0.75
African American	466	303	769	27.3%	58.2%	34.5%	237,553	40.2%	0.68	1.45
Asian	115	16	131	6.7%	3.1%	5.9%	20,567	3.5%	1.93	0.88
Hispanic ³	99	67	166	5.6%	11.9%	7.1%	38,509	6.5%	0.85	1.82
Total ⁴	2,284	694	2,978				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime Loans	White Share	Race Share to White Share Ratio: Subprime
White	1,128	186	1,314	85.8%	14.2%	1.00	1.00
African American	466	303	769	60.6%	39.4%	0.71	2.78
Asian	115	16	131	87.8%	12.2%	1.02	0.86
Hispanic ³	99	67	166	59.6%	40.4%	0.69	2.85
Total ⁴	2,284	694	2,978	76.7%	23.3%	0.89	1.65

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	2,471	669	27.1%	1.00
African American	2,806	1,489	53.1%	1.96
Asian	298	122	40.9%	1.51
Hispanic ³	647	371	57.3%	2.12
Total ⁴	8,136	3,308	40.7%	1.50

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

Table 17: Home Improvement Loans by Income in Philadelphia owner-occupied, single-family loans

Portfolio share

T officino officio										
Borrower Income ¹		Subprime Loans		Percent of Prime Loans		Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio
Low (<50% MSA)	603	234	837	27.0%	33.8%	28.6%	229,276	38.8%	0.70	0.87
Moderate (50-79.99% MSA)	695	269	964	31.1%	38.8%	32.9%	109,355	18.5%	1.68	2.10
Middle (80-119.99% MSA)	497	133	630	22.3%	19.2%	21.5%	102,462	17.4%	1.28	1.11
Upper (120% or More MSA)	438	57	495	19.6%	8.2%	16.9%	149,190	25.3%	0.78	0.33
LMI (<79.99% MSA Income)	1,298	503	1,801	58.1%	72.6%	61.6%	338,631	57.4%	1.01	1.27
MUI (>80% MSA Income)	935	190	1,125	41.9%	27.4%	38.4%	251,652	42.6%	0.98	0.64
Total ³	2,284	694	2,978				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans			Percent of Subprime	Share Ratio:	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	603	234	837	72.0%	28.0%	0.81	2.43
Moderate (50-79.99% MSA)	695	269	964	72.1%	27.9%	0.81	2.42
Middle (80-119.99% MSA)	497	133	630	78.9%	21.1%	0.89	1.83
Upper (120% or More MSA)	438	57	495	88.5%	11.5%	1.00	1.00
LMI (<79.99% MSA Income)	1,298	503	1,801	72.1%	27.9%	0.87	1.65
MUI (>80% MSA Income)	935	190	1,125	83.1%	16.9%	1.00	1.00
Total ³	2,284	694	2,978	76.7%	23.3%	0.87	2.02

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	3,014	1,552	51.5%	2.01
Moderate (50-79.99% MSA)	2,541	999	39.3%	1.54
Middle (80-119.99% MSA)	1,485	472	31.8%	1.24
Upper (120% or More MSA)	977	250	25.6%	1.00
LMI (<79.99% MSA Income)	5,555	2,551	45.9%	1.57
MUI (>80% MSA Income)	2,462	722	29.3%	1.00
Total ³	8,136	3,308	40.7%	1.59

¹Borrower income as a percent of the Metropolitan Statistical Area income

² U.S. Census 2000

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 18: Home Improvement Loans by Tract Minority Level in Philadelphia owner-occupied, single-family loans

Portfolio share

	-									
Minority Level ¹	Prime Loans	Subprime Loans		Prime		Percent of		Percent of All	Prime Share to OOHU	Subprime Share to OOHU Share Ratio
0-49% minority	1,488	282	1,770	65.1%	40.6%	59.4%	178,316	51.0%	1.28	0.80
50-100% minority	795	412	1,207	34.8%	59.4%	40.5%	171,335	49.0%	0.71	1.21
Total ³	2,284	694	2,978				349,651			

Market share

Minority Level ¹		Subprime Loans	Total Loans	Prime	Percent of Subprime	Share to Non- Minority Tract	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	1,488	282	1,770	84.1%	15.9%	1.00	1.00
50-100% minority	795	412	1,207	65.9%	34.1%	0.78	2.14
Total ³	2,284	694	2,978	76.7%	23.3%	0.91	1.46

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non- Minority Area Denial Ratio
0-49% minority	3,636	1,008	27.7%	1.00
50-100% minority	4,499	2,300	51.1%	1.84
Total ³	8,136	3,308	40.7%	1.47

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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	Appendix 2	1

Table 19: Home Improvement Loans by Tract Income in Philadelphia

owner-occupied, single family loans

Portfolio share

Tract Income ¹	Prime Loans			Percent of Prime		Percent of All Loans		Percent of		Subprime Share to OOHU Share Ratio
Low (<50% MSA)	340	180	520	14.9%	25.8%	17.4%	81,464	23.3%	0.64	1.11
Moderate (50-79.99% MSA)	1,034	368	1,402	45.3%	52.8%	47.0%	152,805	43.7%	1.04	1.21
Middle (80-119.99% MSA)	820	143	963	35.9%	20.5%	32.3%	100,764	28.8%	1.25	0.71
Upper (120% or More MSA)	89	6	95	3.9%	0.9%	3.2%	14,605	4.2%	0.93	0.21
LMI (<79.99% MSA Income)	1,374	548	1,922	60.2%	78.6%	64.5%	234,269	67.0%	0.90	1.17
MUI (>80% MSA Income)	909	149	1,058	39.8%	21.4%	35.5%	115,369	33.0%	1.21	0.65
Total ³	6,684	3,567	10,251				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans		Percent of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	340	180	520	65.4%	34.6%	0.70	5.48
Moderate (50-79.99% MSA)	1,034	368	1,402	73.8%	26.2%	0.79	4.16
Middle (80-119.99% MSA)	820	143	963	85.2%	14.8%	0.91	2.35
Upper (120% or More MSA)	89	6	95	93.7%	6.3%	1.00	1.00
LMI (<79.99% MSA Income)	1,374	548	1,922	71.5%	28.5%	0.83	2.02
MUI (>80% MSA Income)	909	149	1,058	85.9%	14.1%	1.00	1.00
Total ³	6,684	3,567	10,251	65.2%	34.8%	0.70	5.51

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	2,199	1,248	56.8%	2.78
Moderate (50-79.99% MSA)	3,823	1,530	40.0%	1.96
Middle (80-119.99% MSA)	1,930	491	25.4%	1.24
Upper (120% or More MSA)	181	37	20.4%	1.00
LMI (<79.99% MSA Income)	6,022	2,778	46.1%	1.84
MUI (>80% MSA Income)	2,111	528	25.0%	1.00
Total ³	18,349	4,006	21.8%	1.07

¹ Tract income as a percent of the Metropolitan Statistical Area income

² U.S. Census 2000

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 20: Home Improvement Loans by Gender in Philadelphia

owner-occupied, single-family loans

Portfolio share

Borrower Gender		Subprime Loans	Total Loans			Percent of All Loans		Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
Male	547	215	762	25.4%	33.0%	27.1%	132,278	22.4%	1.13	1.47
Female	823	285	1,108	38.2%	43.7%	39.5%	264,975	44.9%	0.85	0.97
Joint (Male/Female)	786	152	938	36.5%	23.3%	33.4%	193,030	32.7%	1.11	0.71
Total ²	2,284	694	2,978				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Fercent or	Subprime		Gender Share to Male Share Ratio: Subprime
Male	547	215	762	71.8%	28.2%	1.00	1.00
Female	823	285	1,108	74.3%	25.7%	1.03	0.91
Joint (Male/Female)	786	152	938	83.8%	16.2%	1.17	0.57
Total ²	2,284	694	2,978	76.7%	23.3%	1.07	0.83

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	2,489	1,102	44.3%	1.00
Female	3,188	1,402	44.0%	0.99
Joint (Male/Female)	1,777	505	28.4%	0.64
Total ²	8,136	3,308	40.7%	0.92

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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	Appendix 2	

Table 21: All Loans by Race in Suburbs

owner-occupied, single-family loans

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of All Loans	0	Percent of All	Prime Share to Household	
White	63,132	7,726	70,858	91.2%	81.3%	90.0%	766,308	85.7%	1.07	0.95
Black	2,828	1,517	4,345	4.1%	16.0%	5.5%	74,414	8.3%	0.49	1.92
Asian	2,788	266	3,054	4.0%	2.8%	3.9%	24,471	2.7%	1.47	1.02
Hispanic	1,085	366	1,451	1.5%	3.7%	1.8%	19,335	2.2%	0.72	1.71
Total	79,670	12,986	92,656				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Subprime		Race Share to White Share Ratio: Subprime
White	63,132	7,726	70,858	89.1%	10.9%	1.00	1.00
Black	2,828	1,517	4,345	65.1%	34.9%	0.73	3.20
Asian	2,788	266	3,054	91.3%	8.7%	1.02	0.80
Hispanic	1,085	366	1,451	74.8%	25.2%	0.84	2.31
Total	79,670	12,986	92,656	86.0%	14.0%	0.97	1.29

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to white denial
White	110,447	14,942	13.5%	1.00
Black	10,252	3,055	29.8%	2.20
Asian	4,772	634	13.3%	0.98
Hispanic	2,846	582	20.4%	1.51
Total	166,267	27,928	16.8%	1.24

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

Table 22: All Loans by Income in Suburbs

owner-occupied, single-family loans

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans			Subprime	Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio
Low (<50% MSA)	3,402	994	4,396	4.5%	7.9%	5.0%	135,139	15.5%	0.29	0.51
Moderate (50-79.99% MSA)	12,660	3,272	15,932	16.9%	25.9%	18.2%	117,361	13.5%	1.25	1.92
Middle (80-119.99% MSA)	19,468	4,198	23,666	26.0%	33.2%	27.1%	152,157	17.5%	1.49	1.90
Upper (120% or More MSA)	39,321	4,169	43,490	52.5%	33.0%	49.7%	464,768	53.5%	0.98	0.62
LMI (<79.99% MSA Income)	16,062	4,266	20,328	21.5%	33.8%	23.2%	252,500	29.0%	0.74	1.16
MUI (>80% MSA Income)	58,789	8,367	67,156	78.5%	66.2%	76.8%	616,925	71.0%	1.11	0.93
Total ³	79,670	12,986	92,656				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans		Percent of Prime Loans	Percent of Subprime Loans	Share	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	3,402	994	4,396	77.4%	22.6%	0.86	2.36
Moderate (50-79.99% MSA)	12,660	3,272	15,932	79.5%	20.5%	0.88	2.14
Middle (80-119.99% MSA)	19,468	4,198	23,666	82.3%	17.7%	0.91	1.85
Upper (120% or More MSA)	39,321	4,169	43,490	90.4%	9.6%	1.00	1.00
LMI (<79.99% MSA Income)	16,062	4,266	20,328	79.0%	21.0%	0.90	1.68
MUI (>80% MSA Income)	58,789	8,367	67,156	87.5%	12.5%	1.00	1.00
Total ³	79,670	12,986	92,656	86.0%	14.0%	0.95	1.46

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income denial ⁴
Low (<50% MSA)	12,081	4,037	33.4%	2.14
Moderate (50-79.99% MSA)	31,748	6,825	21.5%	1.42
Middle (80-119.99% MSA)	42,448	7,023	16.5%	1.28
Upper (120% or More MSA)	71,074	8,975	12.6%	1.00
LMI (<79.99% MSA Income)	43,829	10,862	24.8%	1.51
MUI (>80% MSA Income)	113,522	16,001	14.1%	1.00
Total ³	166,267	27,928	16.8%	1.19

¹ Borrower income as a percent of the Metropolitan Statistical Area income

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

Table 23: All Loans by Tract Minority Level in Suburbs

owner-occupied, single-family loans

Portfolio share

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Minority Level ¹		Subprime Loans		Prime	Percent of Subprime Loans	Percent of All	-	of All	OOHU Share	Subprime Share to OOHU Share Ratio			
0-49% minority	78,707	12,306	91,013	98.8%	94.8%	98.2%	631,633	97.4%	1.01	0.97			
50-100% minority	963	680	1,643	1.2%	5.2%	1.8%	16,574	2.6%	0.47	2.05			
Total	79,670	12,986	92,656				648,207						

Market share

Minority Level ¹	Prime Loans	Subprime Loans			Percent of Subprime Loans	Share to Non- Minority Tract Share Ratio:	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	78,707	12,306	91,013	86.5%	13.5%	1.00	1.00
50-100% minority	963	680	1,643	58.6%	41.4%	0.68	3.06
Total	79,670	12,986	92,656	86.0%	14.0%	0.99	1.04

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial Ratio
0-49% minority	160,760	25,912	16.1%	1.00
50-100% minority	5,507	2,016	36.6%	2.27
Total	166,267	27,928	16.8%	1.04

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 24: All Loans by Tract Income in Suburbs owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total	Prime		Percent of All	-		OOHU Share	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	127	153	280	0.2%	1.2%	0.3%	5,134	0.8%	0.20	1.49
Moderate (50-79.99% MSA)	3,023	1,355	4,378	3.8%	10.4%	10.5%	31,196	4.8%	0.79	2.16
Middle (80-119.99% MSA)	27,986	6,705	34,691	35.1%	51.6%	31.7%	230,235	35.5%	0.99	1.45
Upper (120% or More MSA)	48,518	4,771	53,289	60.9%	36.7%	57.5%	381,554	58.9%	1.03	0.62
LMI (<79.99% MSA Income)	3,150	1,508	4,658	4.0%	11.6%	5.0%	36,330	5.6%	0.71	2.07
MUI (>80% MSA Income)	76,504	11,476	87,980	96.0%	88.4%	95.0%	611,789	94.4%	1.02	0.94
Total ³	79,670	12,986	92,656				648,119			

Market share

Tract Income ¹		Subprime Loans	Total Loans	Prime	Percent of Subprime		
Low (<50% MSA)	127	153	280	45.4%	54.6%	0.50	6.10
Moderate (50-79.99% MSA)	3,023	1,355	4,378	69.0%	31.0%	0.34	3.46
Middle (80-119.99% MSA)	27,986	6,705	34,691	80.7%	19.3%	1.05	2.16
Upper (120% or More MSA)	48,518	4,771	53,289	91.0%	9.0%	1.00	1.00
LMI (<79.99% MSA Income)	3,150	1,508	4,658	67.6%	32.4%	0.78	2.48
MUI (>80% MSA Income)	76,504	11,476	87,980	87.0%	13.0%	1.00	1.00
Total ³	79,670	12,986	92,656	86.0%	14.0%	0.94	1.57

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income denial 4
Low (<50% MSA)	1,250	564	45.1%	3.46
Moderate (50-79.99% MSA)	10,736	3,033	28.3%	2.17
Middle (80-119.99% MSA)	66,940	12,945	19.3%	1.48
Upper (120% or More MSA)	87,322	11,385	13.0%	1.00
LMI (<79.99% MSA Income)	11,986	3,597	30.0%	1.90
MUI (>80% MSA Income)	154,262	24,330	15.8%	1.00
Total ³	166,267	27,928	16.8%	1.29

¹ Tract income as a percent of the Metropolitan Statistical Area income

² U.S. Census 2000

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Total" and "Upper" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 25: All Loans by Gender in Suburbs

owner-occupied, single-family loans

Portfolio share

T officine officie										
Borrower Gender	Prime Loans	Subprime Loans	Total		Caspinio	Percent of All Loans		Percent of All	Prime Share to Household	
Male	18,610	4,282	22,892	24.4%	34.7%	25.9%	154,324	17.3%	1.42	2.01
Female	16,066	3,499	19,565	21.1%	28.4%	22.1%	248,340	27.8%	0.76	1.02
Joint (Male/Female)	41,444	4,550	45,994	54.4%	36.9%	52.0%	491,946	55.0%	0.99	0.67
Total ²	79,670	12,986	92,656				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans		Subprime	to Male Share	Gender Share to Male Share Ratio: Subprime
Male	18,610	4,282	22,892	81.3%	18.7%	1.00	1.00
Female	16,066	3,499	19,565	82.1%	17.9%	1.01	0.96
Joint (Male/Female)	41,444	4,550	45,994	90.1%	9.9%	1.11	0.53
Total ²	79,670	12,986	92,656	86.0%	14.0%	1.06	0.75

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	45,286	8,687	19.2%	1.00
Female	35,636	6,761	19.0%	0.99
Joint (Male/Female)	73,066	9,694	13.3%	0.69
Total ²	166,267	27,928	16.8%	0.88

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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Table 26: Home Purchase Loans by Race in Suburbs

owner-occupied, single-family loans

Portfolio share

1 OILIOIIO SII													
Borrower Race ¹		Subprime Loans		of Prime		Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio			
White	27,250	2,209	29,459	88.3%	74.1%	87.1%	766,308	85.7%	1.03	0.86			
African American	1,280	619	1,899	4.1%	20.8%	5.6%	74,414	8.3%	0.50	2.50			
Asian	2,057	151	2,208	6.7%	5.1%	6.5%	24,471	2.7%	2.44	1.85			
Hispanic ³	539	149	688	1.7%	4.7%	2.0%	19,335	2.2%	0.79	2.19			
Total ⁴	34,674	3,706	38,380				894,610						

Market share

Borrower Race ¹		Subprime Loans		Percent of Prime Loans	Percent of Subprime Loans	White Share	Race Share to White Share Ratio: Subprime
White	27,250	2,209	29,459	92.5%	7.5%	1.00	1.00
African American	1,280	619	1,899	67.4%	32.6%	0.73	4.35
Asian	2,057	151	2,208	93.2%	6.8%	1.01	0.91
Hispanic ³	539	149	688	78.3%	21.7%	0.85	2.89
Total ⁴	34,674	3,706	38,380	90.3%	9.7%	0.98	1.29

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials		Race to White Denial						
White	37,421	2,435	6.5%	1.00						
African American	3,038	476	15.7%	2.41						
Asian	2,956	231	7.8%	1.20						
Hispanic ³	1,028	132	12.8%	1.97						
Total ⁴	51,015	4,070	8.0%	1.23						

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

 $^{\rm 4}$ Racial categories may not equal total because not all races are shown.

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Table 27: Home Purchase Loans by Income in Suburbs

owner-occupied, single-family loans

Borrower Income ¹		Subprime Loans		Percent of	Percent of Subprime Loans	Percent of All Loans		Percent of All		Subprime Share to Household Share Ratio
Low (<50% MSA)	1,114	245	1,359	3.3%	6.9%	3.7%	135,139	15.5%	0.21	0.45
Moderate (50-79.99% MSA)	5,144	840	5,984	15.4%	23.8%	16.2%	117,361	13.5%	1.14	1.76
Middle (80-119.99% MSA)	8,444	1,184	9,628	25.3%	33.6%	26.1%	152,157	17.5%	1.44	1.92
Upper (120% or More MSA)	18,705	1,257	19,962	56.0%	35.6%	54.0%	464,768	53.5%	1.05	0.67
LMI (<79.99% MSA Income)	6,258	1,085	7,343	18.7%	30.8%	19.9%	252,500	29.0%	0.65	1.06
MUI (>80% MSA Income)	27,149	2,441	29,590	81.3%	69.2%	80.1%	616,925	71.0%	1.15	0.98
Total ³	34,674	3,706	38,380				869,425			

Market share

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime	Income Share	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,114	245	1,359	82.0%	18.0%	0.87	2.86
Moderate (50-79.99% MSA)	5,144	840	5,984	86.0%	14.0%	0.92	2.23
Middle (80-119.99% MSA)	8,444	1,184	9,628	87.7%	12.3%	0.94	1.95
Upper (120% or More MSA)	18,705	1,257	19,962	93.7%	6.3%	1.00	1.00
LMI (<79.99% MSA Income)	6,258	1,085	7,343	85.2%	14.8%	0.93	1.79
MUI (>80% MSA Income)	27,149	2,441	29,590	91.8%	8.2%	1.00	1.00
Total ³	34,674	3,706	38,380	90.3%	9.7%	0.96	1.53

Denial disparity

Borrower Income ¹		Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	2,190	417	19.0%	3.18
Moderate (50-79.99% MSA)	8,233	853	10.4%	1.73
Middle (80-119.99% MSA)	12,720	1,034	8.1%	1.36
Upper (120% or More MSA)	25,558	1,532	6.0%	1.00
LMI (<79.99% MSA Income)	10,423	1,270	12.2%	1.82
MUI (>80% MSA Income)	38,278	2,566	6.7%	1.00
Total ³	51,015	4,070	8.0%	1.33

¹Borrower income as a percent of the Metropolitan Statistical Area income

² U.S. Census 2000

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 28: Home Purchase Loans by Tract Minority Level in Suburbs

owner-occupied, single-family loans

Portfolio share

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Minority Level ¹	Prime Loans	Subprime Loans				Percent of		Percent of All		Subprime Share to OOHU Share Ratio	
0-49% minority	34,230	3,484	37,714	98.7%	94.0%	98.3%	631,633	97.4%	1.01	0.96	
50-100% minority	444	222	666	1.3%	6.0%	1.7%	16,574	2.6%	0.50	2.34	
Total ³	34,674	3,706	38,380				648,207				

Market share

Minority Level ¹	Prime Loans	Subprime Loans		Percent of Prime Loans	Percent of Subprime	Share to Non- Minority Tract	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	34,230	3,484	37,714	90.8%	9.2%	1.00	1.0
50-100% minority	444	222	666	66.7%	33.3%	0.73	3.6
Total ³	34,674	3,706	38,380	90.3%	9.7%	1.00	1.0

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non-Minority Area Denial Ratio
0-49% minority	49,792	3,820	7.7%	1.00
50-100% minority	1,223	250	20.4%	2.66
Total ³	51,015	4,070	8.0%	1.04

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 29: Home Purchase Loans by Tract Income in Suburbs owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans				Percent of All		Percent of All	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	47	39	86	0.1%	1.1%	0.2%	5,134	0.8%	0.17	1.37
Moderate (50-79.99% MSA)	1,464	483	1,947	4.2%	13.0%	5.1%	31,196	4.8%	0.88	2.70
Middle (80-119.99% MSA)	11,375	1,953	1,229	23,006	52.7%	34.7%	230,235	35.5%	0.92	1.48
Upper (120% or More MSA)	21,777	1,229	23,006	62.8%	30.5%	59.7%	381,554	58.9%	1.07	0.52
LMI (<79.99% MSA Income)	1,511	522	2,033	4.4%	14.1%	5.3%	36,330	5.6%	0.78	2.52
MUI (>80% MSA Income)	33,152	3,185	36,337	95.6%	85.9%	94.7%	611,789	94.4%	1.01	0.09
Total ³	34,674	3,706	38,380				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime	Upper - Income	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	47	39	86	54.7%	45.3%	0.57	8.56
Moderate (50-79.99% MSA)	1,464	483	1,947	75.2%	24.8%	0.79	4.68
Middle (80-119.99% MSA)	11,375	1,953	13,328	85.3%	14.7%	0.90	2.76
Upper (120% or More MSA)	21,777	1,229	23,006	94.7%	5.3%	1.00	1.00
LMI (<79.99% MSA Income)	1,511	522	2,033	74.3%	25.7%	0.81	2.93
MUI (>80% MSA Income)	33,152	3,185	36,337	91.2%	8.8%	1.00	1.00
Total ³	34,674	3,706	38,380	90.3%	9.7%	0.95	1.82

Denial disparity

Tract Income ¹	Loan Applications	Application Denials		Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	177	38	21.5%	3.48
Moderate (50-79.99% MSA)	3,077	1,691	55.0%	8.90
Middle (80-119.99% MSA)	18,054	506	2.8%	0.45
Upper (120% or More MSA)	29,693	1,834	6.2%	1.00
LMI (<79.99% MSA Income)	3,254	544	16.7%	2.26
MUI (>80% MSA Income)	47,747	3,525	7.4%	1.00
Total ³	51,015	4,070	8.0%	1.29

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 30: Home Purchase Loans by Gender in Suburbs owner-occupied, single-family loans

Portfolio share

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Borrower Gender		Subprime Loans		Prime	Caspinio	Percent of All Loans	4	Percent of All	Household Share	Subprime Share to Household Share Ratio
Male	9,163	1,505	10,668	27.4%	41.8%	28.8%	154,324	17.3%	1.59	2.42
Female	7,052	1,125	8,177	21.1%	31.3%	22.0%	248,340	27.8%	0.76	1.13
Joint (Male/Female)	17,285	969	18,254	51.6%	26.9%	49.2%	491,946	55.0%	0.94	0.49
Total ²	34,674	3,706	38,380				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Prime	Subprime	Male Share	Gender Share to Male Share Ratio: Subprime
Male	9,163	1,505	10,668	85.9%	14.1%	1.00	1.00
Female	7,052	1,125	8,177	86.2%	13.8%	1.00	0.98
Joint (Male/Female)	17,285	969	18,254	94.7%	5.3%	1.10	0.38
Total ²	34,674	3,706	38,380	90.3%	9.7%	1.05	0.68

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial rate	Gender to Male Denial Ratio
Male	14,872	1,551	10.4%	1.00
Female	11,099	1,009	9.1%	0.87
Joint (Male/Female)	22,788	1,232	5.4%	0.52
Total ²	51,015	4,070	8.0%	0.76

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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Table 31: Home Refinance Loans by Race in Suburbs

owner-occupied, single-family loans

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans		Prime		Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio
White	32,511	5,204	37,715	93.6%	85.2%	92.3%	766,308	85.7%	1.09	0.99
African American	1,424	813	2,237	4.1%	13.3%	5.5%	74,414	8.3%	0.49	1.60
Asian	657	103	760	1.9%	1.7%	1.9%	24,471	2.7%	0.69	0.62
Hispanic ³	506	208	714	1.4%	3.3%	1.7%	19,335	2.2%	0.67	1.52
Total ⁴	40,997	8,774	49,771				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans			Subprime	White Share	Race Share to White Share Ratio: Subprime
White	32,511	5,204	37,715	86.2%	13.8%	1.00	1.00
African American	1,424	813	2,237	63.7%	36.3%	0.74	2.63
Asian	657	103	760	86.4%	13.6%	1.00	0.98
Hispanic ³	506	208	714	70.9%	29.1%	0.82	2.11
Total ⁴	40,997	8,774	49,771	82.4%	17.6%	0.96	1.28

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials		Race to White Denial
White	66,903	11,478	17.2%	1.00
African American	6,518	2,328	35.7%	2.08
Asian	1,647	366	22.2%	1.30
Hispanic ³	1,699	412	24.2%	1.41
Total ⁴	106,291	22,051	20.7%	1.21

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

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Table 32: Home Refinance Loans by Income in Suburbs

owner-occupied, single-family loans

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans			Percent of All Loans		Percent of All	Household	Subprime Share to Household Share Ratio
Low (<50% MSA)	1,832	687	2,519	4.9%	8.0%	5.5%	135,139	15.5%	0.31	0.51
Moderate (50-79.99% MSA)	6,727	2,277	9,004	17.9%	26.5%	19.5%	117,361	13.5%	1.33	1.96
Middle (80-119.99% MSA)	10,016	2,858	12,874	26.7%	33.2%	27.9%	152,157	17.5%	1.53	1.90
Upper (120% or More MSA)	18,948	2,781	21,729	50.5%	32.3%	47.1%	464,768	53.5%	0.94	0.60
LMI (<79.99% MSA Income)	8,559	2,964	11,523	22.8%	34.5%	25.0%	252,500	29.0%	0.79	1.19
MUI (>80% MSA Income)	28,964	5,639	34,603	77.2%	65.5%	75.0%	616,925	71.0%	1.09	0.92
Total ³	40,997	8,774	49,771				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans		ouspinito	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime 4
Low (<50% MSA)	1,832	687	2,519	72.7%	27.3%	0.83	2.13
Moderate (50-79.99% MSA)	6,727	2,277	9,004	74.7%	25.3%	0.86	1.98
Middle (80-119.99% MSA)	10,016	2,858	12,874	77.8%	22.2%	0.89	1.73
Upper (120% or More MSA)	18,948	2,781	21,729	87.2%	12.8%	1.00	1.00
LMI (<79.99% MSA Income)	8,559	2,964	11,523	74.3%	25.7%	0.89	1.58
MUI (>80% MSA Income)	28,964	5,639	34,603	83.7%	16.3%	1.00	1.00
Total ³	40,997	8,774	49,771	82.4%	17.6%	0.94	1.38

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	8,585	3,239	37.7%	2.30
Moderate (50-79.99% MSA)	21,465	5,528	25.8%	1.57
Middle (80-119.99% MSA)	27,414	5,527	20.2%	1.23
Upper (120% or More MSA)	42,372	6,957	16.4%	1.00
LMI (<79.99% MSA Income)	30,050	8,767	29.2%	1.63
MUI (>80% MSA Income)	69,786	12,484	17.9%	1.00
Total ³	106,291	22,051	20.7%	1.26

¹Borrower Income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 33: Home Refinance Loans by Tract Minority Level in Suburbs

owner-occupied, single-family loans

Portfolio share

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Minority Level ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of All	-			Subprime Share to OOHU Share Ratio
0-49% minority	40,544	8,355	48,899	98.9%	95.2%	98.2%	631,633	97.4%	1.01	0.98
50-100% minority	453	419	872	1.1%	4.8%	1.8%	16,574	2.6%	0.43	1.87
Total ³	40,997	8,774	49,771				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime		Minority Level Share to Non-Minority Tract Share Ratio: Subprime
0-49% minority	40,544	8,355	48,899	82.9%	17.1%	1.00	1.00
50-100% minority	453	419	872	51.9%	48.1%	0.63	2.81
Total ³	40,997	8,774	49,771	82.4%	17.6%	0.99	1.03

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non-Minority Area Denial Ratio
0-49% minority	102,433	20,435	19.9%	1.00
50-100% minority	3,858	1,616	41.9%	2.10
Total ³	106,291	22,051	20.7%	1.04

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 34: Home Refinance Loans by Tract Income in Suburbs owner-occupied, single-family loans

Portfolio share

Tract Income ¹		Subprime Loans	Total Loans			Percent of	-	Percent of All		Subprime Share to OOHU Share Ratio
Low (<50% MSA)	67	102	169	0.2%	1.2%	0.3%	5,134	0.8%	0.21	1.47
Moderate (50-79.99% MSA)	1,386	810	2,196	3.4%	9.2%	4.4%	31,196	4.8%	0.70	1.92
Middle (80-119.99% MSA)	14,984	4,495	19,479	36.6%	51.2%	39.1%	230,235	35.5%	1.03	1.44
Upper (120% or More MSA)	24,558	3,367	27,925	59.9%	38.4%	56.1%	381,554	58.9%	1.02	0.65
LMI (<79.99% MSA Income)	1,453	912	2,365	3.5%	10.4%	4.8%	36,330	5.6%	0.63	1.85
MUI (>80% MSA Income)	39,542	7,862	47,404	96.5%	89.6%	95.2%	611,789	94.4%	1.02	0.95
Total ³	40,997	8,774	49,771				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans		Percent of Subprime	Upper - Income Share Ratio:	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	67	102	169	39.6%	60.4%	0.45	5.01
Moderate (50-79.99% MSA)	1,386	810	2,196	63.1%	36.9%	0.72	3.06
Middle (80-119.99% MSA)	14,984	4,495	19,479	76.9%	23.1%	0.87	1.91
Upper (120% or More MSA)	24,558	3,367	27,925	87.9%	12.1%	1.00	1.00
LMI (<79.99% MSA Income)	1,453	912	2,365	61.4%	38.6%	0.74	2.33
MUI (>80% MSA Income)	39,542	7,862	47,404	83.4%	16.6%	1.00	1.00
Total ³	40,997	8,774	49,771	82.4%	17.6%	0.94	1.46

Denial disparity

Tract Income ¹	Loan Applications	Application Denials		Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	944	467	49.5%	2.98
Moderate (50-79.99% MSA)	6,999	2,353	33.6%	2.03
Middle (80-119.99% MSA)	44,896	10,369	23.1%	1.39
Upper (120% or More MSA)	53,450	8,862	16.6%	1.00
LMI (<79.99% MSA Income)	7,943	2,820	35.5%	1.82
MUI (>80% MSA Income)	98,346	19,231	19.6%	1.00
Total ³	106,291	22,051	20.7%	1.25
Total w/income	106,289	22,051	20.7%	

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and MUI" categories.

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Table 35: Home Refinance Loans by Gender in Suburbs

owner-occupied, single-family loans

Portfolio share

I official official	•									
Borrower Gender	Prime Loans	Subprime Loans		Prime		Percent of All Loans		Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
Male	8,756	2,633	11,389	22.6%	31.9%	24.2%	154,324	17.3%	1.31	1.85
Female	8,169	2,220	10,389	21.1%	26.9%	22.1%	248,340	27.8%	0.76	0.97
Joint (Male/Female)	21,839	3,393	25,232	56.3%	41.1%	53.7%	491,946	55.0%	1.02	0.75
Total ²	40,997	8,774	49,771				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans		Subprime		Gender Share to Male Share Ratio: Subprime
Male	8,756	2,633	11,389	76.9%	23.1%	1.00	1.00
Female	8,169	2,220	10,389	78.6%	21.4%	1.02	0.92
Joint (Male/Female)	21,839	3,393	25,232	86.6%	13.4%	1.13	0.58
Total ²	40,997	8,774	49,771	82.4%	17.6%	1.07	0.76

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	28,251	6,606	23.4%	1.00
Female	22,407	5,260	23.5%	1.00
Joint (Male/Female)	46,168	7,812	16.9%	0.72
Total ²	106,291	22,051	20.7%	0.89

¹ U.S. Census 2000; based on gender of householder.

 2 Gender categories may not equal total because not all applications contained gender information.

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Table 36: Home Improvement Loans by Race in Suburbs

owner-occupied, single-family loans

Portfolio share

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Borrower Race ¹		Subprime Loans			Percent of Subprime Loans	Percent of All	Households ²	Percent of All		Subprime Share to Household Share Ratio
White	3,371	313	3,684	93.8%	74.7%	91.8%	766,308	85.7%	1.09	0.87
African American	124	85	209	3.5%	20.3%	5.2%	74,414	8.3%	0.41	2.44
Asian	74	12	86	2.1%	2.9%	2.1%	24,471	2.7%	0.75	1.05
Hispanic ³	40	9	49	1.1%	2.1%	1.2%	19,335	2.2%	0.51	0.97
Total ⁴	3,999	506	4,505				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Percent of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	3,371	313	3,684	91.5%	8.5%	1.00	1.00
African American	124	85	209	59.3%	40.7%	0.65	4.79
Asian	74	12	86	86.0%	14.0%	0.94	1.64
Hispanic ³	40	9	49	81.6%	18.4%	0.89	2.16
Total ⁴	3,999	506	4,505	88.8%	11.2%	0.97	1.32

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials		Race to White Denial
White	6,123	1,029	16.8%	1.00
African American	696	251	36.1%	2.15
Asian	169	37	21.9%	1.30
Hispanic ³	119	38	31.9%	1.90
Total ⁴	8,961	1,807	20.2%	1.20

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

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Table 37: Home Improvement Loans by Income in Suburbs

owner-occupied, single family loans

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans		Prime	Subprime			Percent of All	Household	Subprime Share to Household Share Ratio
Low (<50% MSA)	456	62	518	11.6%	12.3%	11.7%	135,139	15.5%	0.75	0.79
Moderate (50-79.99% MSA)	789	155	944	20.1%	30.8%	21.3%	117,361	13.5%	1.49	2.28
Middle (80-119.99% MSA)	1,008	156	1,164	25.7%	31.0%	26.3%	152,157	17.5%	1.47	1.77
Upper (120% or More MSA)	1,668	131	1,799	42.5%	26.0%	40.7%	464,768	53.5%	0.80	0.49
LMI (<79.99% MSA Income)	1,245	217	1,462	31.8%	43.1%	33.0%	252,500	29.0%	1.09	1.48
MUI (>80% MSA Income)	2,676	287	2,963	68.2%	56.9%	67.0%	616,925	71.0%	0.96	0.80
Total ³	3,999	506	4,505				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Percent of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	456	62	518	88.0%	12.0%	0.95	1.64
Moderate (50-79.99% MSA)	789	155	944	83.6%	16.4%	0.90	2.25
Middle (80-119.99% MSA)	1,008	156	1,164	86.6%	13.4%	0.93	1.84
Upper (120% or More MSA)	1,668	131	1,799	92.7%	7.3%	1.00	1.00
LMI (<79.99% MSA Income)	1,245	217	1,462	85.2%	14.8%	0.94	1.53
MUI (>80% MSA Income)	2,676	287	2,963	90.3%	9.7%	1.00	1.00
Total ³	3,999	506	4,505	88.8%	11.2%	0.96	1.54

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	1,306	381	29.2%	1.88
Moderate (50-79.99% MSA)	2,050	444	21.7%	1.39
Middle (80-119.99% MSA)	2,314	462	20.0%	1.28
Upper (120% or More MSA)	3,144	489	15.6%	1.00
LMI (<79.99% MSA Income)	3,356	825	24.6%	1.41
MUI (>80% MSA Income)	5,458	951	17.4%	1.00
Total ³	8,961	1,807	20.2%	1.30

¹ Borrower income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Mole", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and they bries.

Table 38: Home Improvement Loans by Tract Minority Level in Suburbs

owner-occupied, single-family loans

Portfolio share

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Minority Level ¹	Prime Loans	Subprime Loans		Prime	Percent of Subprime Loans	Percent of All	-	Percent of	OOHU Share	Subprime Share to OOHU Share Ratio
0-49% minority	3,933	467	4,400	98.3%	92.3%	97.7%	631,633	97.4%	1.01	0.95
50-100% minority	66	39	105	1.7%	7.7%	2.3%	16,574	2.6%	0.65	3.01
Total ³	3,999	506	4,505				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Percent of Subprime	Minority Tract Share Ratio:	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	3,933	467	4,400	89.4%	10.6%	1.00	1.00
50-100% minority	66	39	105	62.9%	37.1%	0.70	3.50
Total ³	3,999	506	4,505	88.8%	11.2%	0.99	1.06

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non-Minority Area Denial Ratio
0-49% minority	8,535	1,657	19.4%	1.00
50-100% minority	426	150	35.2%	1.81
Total ³	8,961	1,807	20.2%	1.04

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 39: Home Improvement Loans by Tract Income in Suburbs

owner-occupied, single-family loans

Portfolio share

Tract Income ¹	Prime Loans		Total	Prime	Percent of Subprime Loans	Percent of All	Owner- Occupied Housing Units (OOHU) ²		Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	13	12	25	0.3%	2.4%	0.6%	5,134	0.8%	0.41	2.99
Moderate (50-79.99% MSA)	173	62	235	4.3%	12.3%	5.2%	31,196	4.8%	0.90	2.55
Middle (80-119.99% MSA)	1,627	257	1,884	40.7%	50.8%	41.8%	230,235	35.5%	1.15	1.43
Upper (120% or More MSA)	2,183	175	2,358	54.6%	34.6%	52.4%	381,554	58.9%	0.93	0.59
LMI (<79.99% MSA Income)	186	74	260	4.7%	14.6%	5.8%	36,330	5.6%	0.83	2.61
MUI (>80% MSA Income)	3,810	432	4,242	95.3%	85.4%	94.2%	611,789	94.4%	1.01	0.90
Total ³	3,999	506	4,505				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans			Percent of Subprime Loans	Upper - Income	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	13	12	25	52.0%	48.0%	0.56	6.47
Moderate (50-79.99% MSA)	173	62	235	73.6%	26.4%	0.80	3.55
Middle (80-119.99% MSA)	1,627	257	1,884	86.4%	13.6%	0.93	1.84
Upper (120% or More MSA)	2,183	175	2,358	92.6%	7.4%	1.00	1.00
LMI (<79.99% MSA Income)	186	74	260	71.5%	28.5%	0.80	2.79
MUI (>80% MSA Income)	3,810	432	4,242	89.8%	10.2%	1.00	1.00
Total ³	3,999	506	4,505	88.8%	11.2%	0.96	1.51

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	129	59	45.7%	2.77
Moderate (50-79.99% MSA)	660	174	26.4%	1.60
Middle (80-119.99% MSA)	3,990	885	22.2%	1.35
Upper (120% or More MSA)	4,179	689	16.5%	1.00
LMI (<79.99% MSA Income)	789	233	29.5%	1.53
MUI (>80% MSA Income)	8,169	1,574	19.3%	1.00
Total ³	8,961	1,807	20.2%	1.22

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Mdle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMI" and attagories.

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Table 40: Home Improvement Loans by Gender in Suburbs

owner-occupied, single-family loans

Portfolio share

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Borrower Gender	Prime Loans	Subprime Loans		Prime		Percent of All Loans		Percent of All	Household Share	Subprime Share to Household Share Ratio
Male	691	144	835	17.9%	29.6%	19.2%	154,324	17.3%	1.04	1.72
Female	845	154	999	21.9%	31.7%	23.0%	248,340	27.8%	0.79	1.14
Joint (Male/Female)	2,320	188	2,508	60.2%	38.7%	57.8%	491,946	55.0%	1.09	0.70
Total ²	3,999	506	4,505				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Prime	Subprime	Male Share	Gender Share to Male Share Ratio: Subprime
Male	691	144	835	82.8%	17.2%	1.00	1.00
Female	845	154	999	84.6%	15.4%	1.02	0.89
Joint (Male/Female)	2,320	188	2,508	92.5%	7.5%	1.12	0.43
Total ²	3,999	506	4,505	88.8%	11.2%	1.07	0.65

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	2,163	530	24.5%	1.00
Female	2,130	492	23.1%	0.94
Joint (Male/Female)	4,110	650	15.8%	0.65
Total ²	8,961	1,807	20.2%	0.82

 $^{\rm 1}$ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

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Table 41: All Loans by Race in Philadelphia

non-occupant owner, single-family loans

Portfolio share

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Borrower Race ¹	Prime Loans	Subprime Loans		Prime		Percent of All Loans	0	Percent of All	Prime Share to Household	Subprime Share to Household Share Ratio
White	3,303	1,384	4,687	59.2%	50.7%	56.4%	282,063	46.8%	1.26	1.08
African American	695	1,154	1,849	12.5%	42.3%	22.3%	237,553	42.6%	0.29	0.99
Asian	1,273	174	1,447	22.8%	6.4%	17.4%	20,567	4.4%	5.15	1.44
Hispanic	207	195	402	3.6%	6.8%	4.7%	38,509	6.5%	0.55	1.04
Total	6,684	3,567	10,251				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Percent of Prime Loans	Subprime	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	3,303	1,384	4,687	70.5%	29.5%	1.00	1.00
African American	695	1,154	1,849	37.6%	62.4%	0.53	2.11
Asian	1,273	174	1,447	88.0%	12.0%	1.25	0.41
Hispanic	207	195	402	51.5%	48.5%	0.73	1.64
Total	6,684	3,567	10,251	65.2%	34.8%	0.93	1.18

Denial disparity

	Loan	Application		Race to White
Borrower Race ¹	Applications	Denials	Denial Rate	Denial
White	7,485	1,233	16.5%	1.00
African American	4,132	1,291	31.2%	1.90
Asian	2,137	314	14.7%	0.89
Hispanic	834	219	26.3%	1.59
Total	18,349	4,006	21.8%	1.33

¹ Includes only non-Hispanic borrowers of that race.

² U.S. Census 2000

³ Borrower identified as Hispanic of any race.

⁴ Racial categories may not equal total because not all races are shown.

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Table 42: All Loans by Income in Philadelphia

non-occupant owner, single-family loans

Portfolio share

					Percent of					Subprime Share to
Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans		Subprime Loans	Percent of All Loans				Household Share Ratio
Low (<50% MSA)	226	209	435		6.4%	4.6%				0.16
Moderate (50-79.99% MSA)	766	554	1,320	12.5%	16.9%	14.1%	109,355	18.5%	0.68	0.91
Middle (80-119.99% MSA)	1,252	855	2,107	20.5%	26.1%	22.4%	102,462	17.4%	1.18	1.50
Upper (120% or More MSA)	3,869	1,657	5,526	63.3%	50.6%	58.9%	149,190	25.3%	2.50	2.00
LMI (<79.99% MSA Income)	992	763	1,755	16.2%	23.3%	18.7%	338,631	57.4%	0.28	0.41
MUI (>80% MSA Income)	5,121	2,512	7,633	83.8%	76.7%	81.3%	251,652	42.6%	1.96	1.80
Total ³	6,684	3,567	13,368				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Prime	Percent of Subprime	Upper - Income Share Ratio:	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	226	209	435	52.0%	48.0%	0.74	1.60
Moderate (50-79.99% MSA)	766	554	1,320	58.0%	42.0%	0.83	1.40
Middle (80-119.99% MSA)	1,252	855	2,107	59.4%	40.6%	0.85	1.35
Upper (120% or More MSA)	3,869	1,657	5,526	70.0%	30.0%	1.00	1.00
LMI (<79.99% MSA Income)	992	763	1,755	56.5%	43.5%	0.84	1.32
MUI (>80% MSA Income)	5,121	2,512	7,633	67.1%	32.9%	1.00	1.00
Total ³	6,684	3,567	13,368	50.0%	26.7%	0.71	0.89

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial ⁴
Low (<50% MSA)	1,176	461	39.2%	2.14
Moderate (50-79.99% MSA)	2,707	705	26.0%	1.42
Middle (80-119.99% MSA)	3,918	915	23.4%	1.28
Upper (120% or More MSA)	9,194	1,684	18.3%	1.00
LMI (<79.99% MSA Income)	3,883	1,166	30.0%	1.51
MUI (>80% MSA Income)	13,112	2,599	19.8%	1.00
Total ³	18,349	4,006	21.8%	1.19

¹ Borrower income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LMätagdrlebl"

Table 43: All Loans by Tract Minority Level in Philadelphia

non-occupant owner, single-family loans

Portfolio share

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Minority Level ¹	Prime Loans	Subprime Loans		Prime		Percent of All	0	Percent of All		Subprime Share to OOHU Share Ratio
0-49% minority	4,034	1,008	5,042	60.4%	28.3%	49.2%	178,316	51.0%	1.18	0.55
50-100% minority	2,648	2,559	5,207	39.6%	71.7%	50.8%	171,335	49.0%	0.81	1.46
Total	6,684	3,567	10,251				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans				Share to Non- Minority Tract	Minority Level Share to Non- Minority Tract Share Ratio: Subprime
0-49% minority	4,034	1,008	5,042	80.0%	20.0%	1.00	1.00
50-100% minority	2,648	2,559	5,207	50.9%	49.1%	0.64	2.46
Total	6,684	3,567	10,251	65.2%	34.8%	0.81	1.74

Denial disparity

Minority Level ¹	Loan Applications	Application Denials		Minority Area to Non-Minority Area Denial Ratio
0-49% minority	7,855	1,246	15.9%	1.00
50-100% minority	10,489	2,757	26.3%	1.66
Total	18,349	4,006	21.8%	1.38

¹ The minority-level of a tract is defined as the non-white population.

² U.S. Census 2000.

³ Minority level categories may not equal total because a few applications may not contain census tract information.

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Table 44: All Loans by Tract Income in Philadelphia

non-occupant owner, single-family loans

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans		of Prime				Percent of	OOHU Share	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	1,574	1,526	3,100	23.6%	42.8%	30.2%	81,464	23.3%	1.01	1.84
Moderate (50-79.99% MSA)	3,337	1,706	5,043	49.9%	47.8%	49.2%	152,805	43.7%	1.14	1.09
Middle (80-119.99% MSA)	1,461	317	1,778	21.9%	8.9%	17.3%	100,764	28.8%	0.76	0.31
Upper (120% or More MSA)	310	17	327	4.6%	0.5%	3.2%	14,605	4.2%	1.11	0.11
LMI (<79.99% MSA Income)	4,911	3,232	8,143	73.5%	90.6%	79.5%	234,269	67.0%	1.10	1.35
MUI (>80% MSA Income)	1,771	334	2,105	26.5%	9.4%	20.5%	115,369	33.0%	0.80	0.28
Total ³	6,684	3,567	10,251				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans		Percent of Subprime Loans	Income Share to Upper - Income Share Ratio:	
Low (<50% MSA)	1,574	1,526	3,100	50.8%	49.2%	0.54	9.47
Moderate (50-79.99% MSA)	3,337	1,706	5,043	66.2%	33.8%	0.70	6.51
Middle (80-119.99% MSA)	1,461	317	1,778	82.2%	17.8%	0.87	3.43
Upper (120% or More MSA)	310	17	327	94.8%	5.2%	1.00	1.00
LMI (<79.99% MSA Income)	4,911	3,232	8,143	60.3%	39.7%	0.72	2.50
MUI (>80% MSA Income)	1,771	334	2,105	84.1%	15.9%	1.00	1.00
Total ³	6,684	3,567	10,251	65.2%	34.8%	0.69	6.69

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial ⁴
Low (<50% MSA)	6,098	1,606	26.3%	1.68
Moderate (50-79.99% MSA)	8,884	1,862	21.0%	1.34
Middle (80-119.99% MSA)	2,844	454	16.0%	1.02
Upper (120% or More MSA)	516	81	15.7%	1.00
LMI (<79.99% MSA Income)	14,982	3,468	23.1%	1.45
MUI (>80% MSA Income)	3,360	535	15.9%	1.00
Total ³	18,349	4,006	21.8%	1.39

¹ Tract income as a percent of the Metropolitan Statistical Area income

² 2000 Census

³ "Total" includes those applications with "income not available" reported; therefore, "total" may not equal the sum of "Low", "Middle", "Moderate" and "Upper".

⁴ The denominator for the "Low", "Moderate", "Middle", "Upper" and "Total" categories is "Upper" and "MUI" for the "LM#tegorides!!"

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Table 45: All Loans by Gender in Philadelphia

non-occupant owner, single-family loans

Portfolio share

Portfolio share													
Borrower Gender	Prime Loans		Total Loans	Percent of Prime Loans		Percent of All Loans	4	Percent of All Households	Household	Subprime Share to Household Share Ratio			
Male	3,017	1,985	5,002	51.0%	58.6%	53.8%	132,278	22.4%	2.27	2.62			
Female	1,462	979	2,441	24.7%	28.9%	26.2%	264,975	44.9%	0.55	0.64			
Joint (Male/Female)	1,442	421	1,863	24.4%	12.4%	20.0%	193,030	32.7%	0.74	0.38			
Total ²	6,684	3,567	10,251				590,283						

Market share

Borrower Gender	Prime Loans	Subprime Loans		Prime	Subprime	to Male Share	Gender Share to Male Share Ratio: Subprime
Male	3,017	1,985	5,002	60.3%	39.7%	1.00	1.00
Female	1,462	979	2,441	59.9%	40.1%	0.99	1.01
Joint (Male/Female)	1,442	421	1,863	77.4%	22.6%	1.28	0.57
Total ²	6,684	3,567	10,251	65.2%	34.8%	1.08	0.88

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	9,160	2,076	22.7%	1.00
Female	4,508	1,017	22.6%	1.00
Joint (Male/Female)	2,955	483	16.3%	0.72
Total ²	18,349	4,006	21.8%	0.96

¹ U.S. Census 2000; based on gender of householder.

² Gender categories may not equal total because not all applications contained gender information.

LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005 191

Table 46: Philadelphia Depository Ranking - All Loans

prime single-family, owner-occupied loans

Race

Depository		Prime Loans	Loans to African	Rank Percent of Loans to African Americans	Loans to		Loans to	Rank Percent of Loans to Asians	Loans in Minority	Rank Percent of Loans in Minority Tracts
Bank of America	839	547	27.0%	4	14.3%	1	11.5%	1	37.5%	3
Citizens	2,427	1,277	28.0%	3	7.2%	4	10.0%	2	37.0%	4
Commerce	698	392	26.4%	5	4.4%	5	5.2%	5	34.9%	5
PNC	1,788	451	48.2%	1	9.9%	3	6.8%	3	57.6%	1
Wachovia	4,934	1,894	33.6%	2	11.7%	2	6.6%	4	40.9%	2
All depositories	10,713	4,575	31.9%		9.8%		8.1%		40.6%	
All lenders	100,244	29,511	20.6%		6.4%		13.9%		29.2%	

Income/Gender

		Rank Percent of	Percent of	Rank Percent	Percent of	Rank Percent
	Percent of Loans	Loans to LMI	Loans in LMI	of Loans in LMI	Loans to	of Loans to
Depository	to LMI Borrowers	Borrowers	Tracts	Tracts	Females	Females
Bank of America	57.4%	3	60.7%	3	37.0%	3
Citizens	62.5%	2	61.9%	2	39.8%	2
Commerce	48.7%	4	56.4%	5	36.5%	4
PNC	67.6%	1	69.4%	1	47.1%	1
Wachovia	48.0%	5	57.8%	4	33.7%	5
All depositories	55.1%		60.3%		37.5%	
All lenders	46.7%		52.4%		35.0%	

Denials

Depository	Applications		American to White Denial	White Denial	White Denial		White Denial	to White	Non-Minority Tract Denial	Rank Minority to Non- Minority Tract Denial Ratio
Bank of America	839	180	2.13	5	1.98	3	1.26	3	1.55	4
Citizens	2,427	864	1.85	2	1.98	4	1.23	2	1.44	2
Commerce	698	201	1.87	3	1.87	2	1.82	5	1.52	3
PNC	1,788	1,174	1.58	1	1.54	1	0.94	1	1.38	1
Wachovia	4,934	1,677	2.06	4	2.24	5	1.69	4	1.83	5
All depositories	10,713	4,100	2.09		2.03		1.37		1.76	
All lenders	100,244	29,770	2.06		1.76		0.87		1.90	

Market Share Ratios

Depository	African American to White		Minority Tract to Non-Minority Tract	Tract Ratio	LMI to MUI		LMI Tracts to MUI Tracts	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	1.5	3	1.45	3	1.54	3	1.45	3
Citizens	1.5	4	1.42	4	1.90	2	1.53	2
Commerce	1.2	5	1.30	5	1.08	4	1.22	5
PNC	3.4	1	3.30	1	2.38	1	2.13	1
Wachovia	1.9	2	1.68	2	1.05	5	1.29	4

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Table 47: Philadelphia Depository Ranking - Home Purchase Loans

prime single-family, owner-occupied loans

Race

Depository		Prime Loans		African	Percent of Loans to		Loans to	Rank Percent of Loans to Asians	Loans in Minority	Rank Percent of Loans in Minority Tracts
Bank of America	487	344	29.5%	4	16.6%	2	14.7%	2	39.5%	4
Citizens	556	358	30.4%	3	6.3%	4	14.5%	3	43.9%	3
Commerce	260	193	37.4%	2	5.1%	5	8.2%	4	45.1%	2
PNC	82	44	59.4%	1	16.7%	1	6.3%	5	61.4%	1
Wachovia	794	388	27.1%	5	12.8%	3	15.3%	1	37.6%	5
All depositories	2,186	1,332	31.5%		10.7%		13.4%		41.7%	
All lenders	27,789	13,625	17.0%		6.9%		22.8%		28.5%	

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Rank Percent of Loans to LMI Borrowers		of Loans in		Rank Percent of Loans to Females
Bank of America	59.0%	4	64.2%	3	40.9%	3
Citizens	67.1%	2	65.9%	2	45.1%	1
Commerce	59.4%	3	63.7%	4	42.0%	2
PNC	86.4%	1	84.1%	1	40.5%	4
Wachovia	43.4%	5	53.4%	5	31.6%	5
All depositories	57.6%		62.0%		40.0%	
All depositories	44.8%		53.3%		35.2%	

Denials

Depository	Applications		American to White Denial		Hispanic to White Denial	White Denial		Rank Asian to White Denial	Non-Minority Tract Denial	Rank Minority to Non- Minority Tract Denial Ratio
Bank of America	487	80	2.01	5	1.89	2	1.63	2	1.64	4
Citizens	556	67	0.91	3	2.09	3	1.25	1	1.12	3
Commerce	260	32	0.61	1	4.30	5	2.18	4	0.55	1
PNC	82	27	0.79	2	1.36	1	NA		1.09	2
Wachovia	794	161	1.91	4	2.17	4	1.92	3	1.65	5
All depositories	2,186	368	1.50		2.31		1.60		1.37	

Market Share Ratios

Depository	African American to White	White Ratio	Minority Tract	Minority Tract	LMI to MUI	LMI to MUI Borrower Ratio Rank	LMI Tracts to	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	1.99	4	1.64	4	1.77	4	1.58	3
Citizens	2.00	3	1.96	3	2.51	2	1.70	2
Commerce	2.43	2	2.06	2	1.80	3	1.54	4
PNC	6.04	1	3.98	1	7.80	1	4.64	1
Wachovia	1.74	5	1.51	5	0.95	5	1.00	5

Table 48: Philadelphia Depository Ranking - Home Refinance Loans

prime single-family, owner-occupied loans

Race

Depository		Prime Loans Originated	Loans to African	African	Percent of Loans to	Rank Percent of Loans to Hispanics	Loans to		Loans in	Rank Percent of Loans in Minority Tracts
Bank of America	283	169	23.6%	3	10.8%	2	4.3%	4	33.7%	3
Citizens	1,072	527	22.5%	4	8.1%	3	10.1%	1	29.0%	4
Commerce	249	141	18.2%	5	4.8%	5	0.8%	5	24.1%	5
PNC	894	216	45.3%	1	7.1%	4	9.3%	2	59.3%	1
Wachovia	3,677	1,358	35.6%	2	11.4%	1	4.4%	3	41.7%	2
All depositories	6,175	2,411	31.5%		9.8%		5.9%		38.9%	
All lenders	64,319	13,602	23.6%		6.0%		5.1%		28.9%	

Income/Gender

Depository	Loans to LMI	Rank Percent of Loans to LMI Borrowers	Loans in LMI			Rank Percent of Loans to Females
Bank of America	53.9%	3	51.5%	4	29.0%	4
Citizens	55.1%	2	56.2%	3	32.9%	3
Commerce	35.7%	5	44.0%	5	28.1%	5
PNC	63.0%	1	65.7%	1	44.9%	1
Wachovia	48.9%	4	58.4%	2	33.6%	2
All depositories	51.1%		57.2%		33.8%	
All lenders	46.7%		50.2%		34.1%	

Denials

Depository	Applications		American to White Denial	White Denial	White Denial		Asian to White	Rank Asian to White Denial	Non-Minority Tract Denial	Rank Minority to Non-Minority Tract Denial Ratio
Bank of America	283	58	2.08	5	2.09	4	1.97	4	1.10	1
Citizens	1,072	421	1.95	3	1.66	1	1.21	2	1.51	3
Commerce	249	59	1.70	1	2.28	5	3.42	5	1.79	5
PNC	894	585	1.81	2	1.78	2	0.95	1	1.27	2
Wachovia	3,677	1,192	2.03	4	2.09	3	1.43	3	1.73	4
All depositories	6,175	2,315	2.13		1.97		1.42		1.69	
All lenders	64,319	21,977	1.90		1.65		1.16		1.63	

Market Share Ratios

	African	White Ratio	Minority Tract	Minority Tract	LMI to MUI			LMI Tracts to MUI Tracts Ratio Rank
Bank of America	1.02	4	1.25	3	1.34	3	1.05	4
Citizens	1.03	3	1.00	4	1.40	2	1.27	3
Commerce	0.70	5	0.78	5	0.64	5	0.78	5
PNC	3.09	1	3.57	1	1.94	1	1.91	1
Wachovia	1.88	2	1.75	2	1.10	4	1.39	2

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Table 49: Philadelphia Depository Ranking - Home Improvement Loans prime single-family, owner-occupied loans

Race

Depository		Prime Loans	African	Loans to African	Loans to		Loans to	Rank Percent of Loans to	Loans in	Rank Percent of Loans in Minority Tracts
Bank of America	89	34	21.4%	4	10.0%	3	17.9%	1	35.3%	4
Citizens	832	392	32.8%	2	7.1%	4	5.5%	3	41.3%	3
Commerce	192	58	10.7%	5	1.7%	5	5.4%	4	27.6%	5
PNC	824	191	49.0%	1	11.4%	2	4.0%	5	55.0%	1
Wachovia	690	148	28.6%	3	11.6%	1	8.9%	2	41.9%	2
All depositories	2,640	826	33.7%		8.5%		6.2%		43.6%	
All lenders	8,136	2,284	27.3%		5.6%		6.7%		34.8%	

Income/Gender

Depository	Percent of Loans to LMI	Rank Percent of Loans to LMI Borrowers		Rank Percent of Loans in LMI Tracts		Rank Percent of Loans to Females
Bank of America	56.3%	3	70.6%	1	38.7%	4
Citizens	68.4%	2	66.1%	3	44.0%	2
Commerce	44.8%	5	62.1%	5	37.9%	5
PNC	68.6%	1	70.2%	2	51.1%	1
Wachovia	50.7%	4	63.5%	4	39.5%	3
All depositories	63.1%		66.5%		44.1%	
All lenders	58.1%		60.2%		38.2%	

Denials

Depository	Applications			Rank African American to White Denial Ratio	Hispanic to White Denial	White Denial	White Denial	Rank Asian to White		Rank Minority to Non- Minority Tract Denial Ratio
Bank of America	89	42	1.97	3	2.18	3	NA		1.79	4
Citizens	832	376	1.94	2	2.23	4	1.73	3	1.56	3
Commerce	192	110	2.09	4	0.85	1	1.59	2	1.54	2
PNC	824	562	1.42	1	1.39	2	1.13	1	1.52	1
Wachovia	690	324	2.11	5	2.30	5	1.89	4	1.96	5
All depositories	2,640	1,417	1.86		1.85		1.44		1.70	
All lenders	8,136	3,308	1.96		2.12		1.51		1.84	

Market Share Ratios

Depository	African		to Non-Minority	Minority Tract to Non-Minority Tract Ratio Rank	LMI to MUI		LMI Tracts to MUI Tracts	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	0.97	4	1.02	4	0.93	3	1.64	1
Citizens	1.32	2	1.32	3	1.56	2	1.33	3
Commerce	0.32	5	0.71	5	0.59	5	1.12	5
PNC	2.52	1	2.29	1	1.57	1	1.61	2
Wachovia	1.12	3	1.35	2	0.74	4	1.19	4

Table 50: Philadelphia Unranked Depositories - All Loans

prime single-family, owner-occupied loans

Race

Depository		Prime Loan Originations	Percent of Loans to African Americans			Percent of Loans in Minority Tracts
Advance	4	3	66.7%	0.0%	33.3%	100.0%
Mellon	5	4	0.0%	0.0%	0.0%	0.0%
Republic	1	1	0.0%	0.0%	0.0%	0.0%
United	17	6	100.0%	0.0%	0.0%	83.3%
All depositories	10,713	4,575	31.9%	9.8%	8.1%	40.6%

Income/Gender

Depository			Percent of Loans to Females
Advance	50.0%	100.0%	33.3%
Mellon	25.0%	0.0%	25.0%
Republic	0.0%	0.0%	100.0%
United	66.7%	66.7%	0.0%
All depositories	55.1%	60.3%	37.5%

Denials

Depository	Applications	Denials	African American to White Denial Ratio	Hispanic to White Denial Ratio	Asian to White Denial Ratio	Minority to Non- Minority Tract Denial Ratio
Advance	4	0	NA	NA	NA	NA
Bank of America	859	180	2.13	1.98	1.26	1.55
Citizens	2,460	864	1.85	1.98	1.23	1.44
Commerce	701	201	1.87	1.87	1.82	1.52
Mellon	5	0	NA	NA	NA	NA
PNC	1,800	1,174	1.58	1.54	0.94	1.38
Republic	1	0	NA	NA	NA	NA
United	20	4	NA	NA	NA	NA
Wachovia	5,161	1,677	2.06	2.24	1.69	1.83
All depositories	11,011	4,100	2.09	2.03	1.37	1.76

Market Share

Depository		Minority Tract to Non-Minority Tract		LMI Tracts to MUI Tracts
Advance	NA	NA	1.14	NA
Mellon	0.0	0.00	0.38	0.00
Republic	0.0	0.00	0.00	0.00
United	NA	12.12	2.28	1.88

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Institution	Respondent Id	Loans Originiated in Philadelphia
Advance Bank	0000006824	X
Bank of America, NA	0000013044	Х
Royal Bank of Scotland Group		
CCO Mortgage Corp.	16-1146859	Х
Charter One Bank, NA	0000024340	Х
Citizens Bank	0000057281	Х
Citizens Bank National Association	0000024571	
Citizens Bank, CT	0000018197	
Citizens Bank, MA	0000018562	Х
Citizens Bank, NH	0000006214	
Citizens Bank, PA	0000057282	Х
Citizens Bank, RI	0000016954	
Citizens Mortgage Corp.	58-0834754	Х
Commerce Bancorp		
Commerce Bank, NA	0000017094	Х
Commerce Bank/North	0000022178	Х
Mellon Financial Corporation		
Mellon 1st Business Bank, NA	0000024400	
Mellon Bank, NA	0000006301	Х
Mellon Trust of New England, NA	0000024412	Х
Mellon United National Bank	0000016401	
PNC Financial Services Group		
PNC Bank, DE	000000679	Х
PNC Bank, NA	0000001316	Х
PNC Multifamily Finance, Inc.	25-1885222	
Somerset Trust Co.	0000212522	
Republic First Bank	0000027332	Х
United Bank of Philadelphia	0001945247	Х
Wachovia Corporation		
Southtrust Mortgage Corp. (EquiBanc)	63-0692047	
Wachovia Bank of Delaware, NA	0000022559	Х
Wachovia Bank, NA	000000001	Х
Wachovia Mortgage Co	56-0811711	Х

Table 51: 2005 HMDA Reporting Affliates of Depositories

Source: Federal Reserve System

Table 52: Small Business Lending - Tract Income Level

Philadelphia	All Small Bus	iness Loans	Loans to Businesses with < \$1 Million in Revenue		
Income level	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans	
Low income	3,991	19.1%	1,932	19.2%	
Moderate income	7,704	36.9%	3,517	35.0%	
Middle income	6,241	29.9%	3,137	31.2%	
Upper income	2,935	14.1%	1,466	14.6%	
Total 20,871		100.0%	10,052	100.0%	

Suburban Counties	All Small Bus	iness Loans	Loans to Businesses with < \$1 Million in Revenue		
Income level	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans	
Low income	346	0.5%	134	0.4%	
Moderate income	3,751	5.1%	1,687	4.9%	
Middle income	23,439	32.2%	10,950	31.7%	
Upper income	45,345	62.2%	21,731	63.0%	
Total 72,881		100.0%	34,502	100.0%	

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Table 53: Small Business Lending - Tract Minority Level

Philadelphia	All Small Business Loans		Loans to Businesses with < \$1 Million in Revenue	
Minority Status	Number of Loans Percent of Loans		Number of Loans	Percent of Loans
Minority Areas	7,094	33.3%	3,442	33.9%
Non-Minority Areas	14,206	66.7%	6,717	66.1%
Total	21,300	100.0%	10,159	100.0%

Suburban Counties	All Small Business Loans		Loans to Businesses with < \$1 Million in Revenue		
Minority Status	Number of Loans Percent of Loans		Number of Loans	Percent of Loans	
Minority Areas	1,205	1.7%	526	1.9%	
Non-Minority Areas	71,680	98.3%	27,049	98.1%	
Total	72,885	100.0%	27,575	100.0%	

Table 54: Small Business L	_ending - Revenue Size
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	Philad	elphia	Suburban Counties		
Revenue Size	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans	
Small Businesses	21438	100.0%	72885	100.0%	
Businesses with Revenues <\$1 mil.	10277	47.9%	27573	37.8%	

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Table 55: Small Business Lending Ranking AnalysisFor Depositories and the City of Philadelphia

	Number of Loans to LMI	% of total for all	
	Census Tracts	depositories	Ranking
Bank of America	108	4.8%	5
Citizens	631	27.8%	2
Commerce	263	11.6%	4
Mellon	49	2.2%	6
PNC	870	38.3%	1
Wachovia	348	15.3%	3
All Depositories	2,269	100.0%	

	Total Loans with Known	Number of Loans to LMI		
	Income	Census Tracts	LMI Portfolio share	Ranking
Bank of America	180	108	60.0%	3
Citizens	1110	631	56.8%	5
Commerce	443	263	59.4%	4
Mellon	861	49	5.7%	6
PNC	1186	870	73.4%	2
Wachovia	372	348	93.5%	1
All Depositories	4,152	2,269	54.6%	

Number of Loans to LMI			
	Census Tracts	% of total for Philadelphia	Ranking
Bank of America	108	0.5%	5
Citizens	631	2.9%	2
Commerce	263	1.2%	4
Mellon	49	0.2%	6
PNC	870	4.1%	1
Wachovia	348	1.6%	3
All Depositories	2,269	10.6%	

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Table 56: Philadelphia Depository Branches

location by income and minority level

Banks	Branches ²	LMI Tract	MUI Tract	Percent of Branches in LMI tracts/ Percent of All Branches in LMI Tracts Ratio	Percent of Branches in LMI tracts/Percent of LMI Tracts Ratio	
Advanced	1	100.0%	0.0%	1.71	1.84	
Bank of America	15	53.3%	46.7%	0.91	0.98	
Citizens	61	57.4%	41.0%	0.98	1.05	
Commerce	13	53.8%	46.2%	0.92	0.99	
Mellon	2	50.0%	50.0%	0.86	0.92	
PNC	37	62.2%	35.1%	1.06	1.14	
Republic	6	33.3%	66.7%	0.57	0.61	
United	4	50.0%	50.0%	0.86	0.92	
Wachovia	45	64.4%	35.6%	1.10	1.18	
All banks	322	58.4%	39.8%			
Census tracts	381	69.3%	30.7%			

Income Level¹

Minority Level¹

Banks	Branches ²	50% or More Minority Tract	Less than 50%	Percent of Branches in LMI tracts/ Percent of All Branches in Minority Tracts Ratio	Percent of Branches in LMI tracts/Percent of LMI Tracts Ratio
Advanced	1	100.0%	0.0%	4.35	1.92
Bank of America	15	6.7%	93.3%	0.29	0.13
Citizens	61	27.9%	72.1%	1.21	0.53
Commerce	13	0.0%	100.0%	0.00	0.00
Mellon	2	0.0%	100.0%	0.00	0.00
PNC	37	35.1%	62.2%	1.53	0.67
Republic	6	16.7%	83.3%	0.73	0.32
United	4	75.0%	25.0%	3.26	1.44
Wachovia	45	28.9%	71.1%	1.26	0.55
All banks	322	23.0%	76.1%		
Census tracts	381	52.2%	47.8%		

¹ Not all percentages will total to 100 because income and minority information is not available for every tract.

² Branches according to an FDIC list from March 2007. Branches opened after Jan. 1, 2006 were excluded.

Table 57: Neighborhood	I Single-Family	Lending Analysis
------------------------	-----------------	------------------

	2000	2000 Demographic Data			Portf	olio Share d	of City		Market Share of Loans				Loans as Percent of OOHUs		
	African	Percent of Households Hispanic	Percent of Regional Median Family Income ¹	Units			Percent of Prime City Loans		Total Loans	Prime	Prime as Percent of All Loans	Subprime Loans	Subprime as Percent of All Loans	Prime Loans/O OHU	Subprime Loans/ OOHU
APM	14.0%	76.5%	36.4%	289	0.08%	0.02%	0.01%	0.04%	8	3	37.5%	5	62.5%	1.0%	1.7%
HACE	19.3%	74.8%	24.2%	4,022	1.15%	0.30%	0.25%	0.42%	126	73	57.9%	53	42.1%	1.8%	1.3%
AWF	94.1%	1.0%	46.4%	4,584	1.31%	0.38%	0.26%	0.67%	161	76	47.2%	85	52.8%	1.7%	1.9%
OARC	95.7%	0.8%	75.8%	11,794	3.37%	3.03%	2.07%	5.25%	1,280	612	47.8%	668	52.2%	5.2%	5.7%
Project Home	98.4%	0.5%	33.8%	3,894	1.11%	0.25%	0.18%	0.42%	105	52	49.5%	53	50.5%	1.3%	1.4%
People's	64.6%	2.5%	36.3%	1,445	0.41%	0.18%	0.17%	0.20%	76	50	65.8%	26	34.2%	3.5%	1.8%
American St. EZ	17.3%	65.6%	36.8%	2,165	0.62%	0.34%	0.29%	0.46%	143	85	59.4%	58	40.6%	3.9%	2.7%
North Central EZ	90.3%	5.0%	32.9%	1,339	0.38%	0.15%	0.13%	0.19%	62	38	61.3%	24	38.7%	2.8%	1.8%
West Phila. EZ	95.3%	0.8%	41.0%	1,399	0.40%	0.20%	0.19%	0.24%	86	56	65.1%	30	34.9%	4.0%	2.1%
Philadelphia	40.7%	6.5%	63.4%	349,651	100.00%	100.00%	100.00%	100.00%	42,228	29,511	69.9%	12,717	30.1%	8.4%	3.6%

¹ A weighted average median family income was calculated for each neighborhood and compared against the Philadelphia PMSA.

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Table 58: Neighborhood Lending by Depository single-family, owner-occupied

Lending by Lender

	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
АРМ	1	0	0	0	0	8
HACE	5	7	0	5	26	126
AWF	4	9	0	8	13	161
OARC	11	31	2	20	68	1,280
Project Home	1	7	6	13	3	105
People's	0	3	0	0	5	76
American St. EZ	5	9	0	4	14	143
North Central EZ	2	6	1	1	2	62
West Phila. EZ	3	7	4	3	8	86
All 9 CDC Neighborhoods	31	79	13	54	139	2,047
Philadelphia	567	1,310	395	463	2,121	42,228

Market Share

	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
APM	12.5%	0.0%	0.0%	0.0%	0.0%	100.0%
HACE	4.0%	5.6%	0.0%	4.0%	20.6%	100.0%
AWF	2.5%	5.6%	0.0%	5.0%	8.1%	100.0%
OARC	0.9%	2.4%	0.2%	1.6%	5.3%	100.0%
Project Home	1.0%	6.7%	5.7%	12.4%	2.9%	100.0%
People's	0.0%	3.9%	0.0%	0.0%	6.6%	100.0%
American St. EZ	3.5%	6.3%	0.0%	2.8%	9.8%	100.0%
North Central EZ	3.2%	9.7%	1.6%	1.6%	3.2%	100.0%
West Phila. EZ	3.5%	8.1%	4.7%	3.5%	9.3%	100.0%
All 9 CDC Neighborhoods	1.5%	3.9%	0.6%	2.6%	6.8%	100.0%
Philadelphia	1.3%	3.1%	0.9%	1.1%	5.0%	100.0%

Lender Portfolio Share¹

	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
APM	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
HACE	0.9%	0.5%	0.0%	1.1%	1.2%	0.3%
AWF	0.7%	0.7%	0.0%	1.7%	0.6%	0.4%
OARC	1.9%	2.4%	0.5%	4.3%	3.2%	3.0%
Project Home	0.2%	0.5%	1.5%	2.8%	0.1%	0.2%
People's	0.0%	0.2%	0.0%	0.0%	0.2%	0.2%
American St. EZ	0.9%	0.7%	0.0%	0.9%	0.7%	0.3%
North Central EZ	0.4%	0.5%	0.3%	0.2%	0.1%	0.1%
West Phila. EZ	0.5%	0.5%	1.0%	0.6%	0.4%	0.2%
All 9 CDC Neighborhoods	5.5%	6.0%	3.3%	11.7%	6.6%	4.8%
Philadelphia	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Single-family loans in neighborhood by lender / single-family loans in city by lender

Lending by Lender						
	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
APM	1	0	0	0	0	8
HACE	5	7	0	5	26	126
AWF	4	9	0	8	13	161
OARC	11	31	2	20	68	1,280
Project Home	1	7	6	13	3	105
People's	0	3	0	0	5	76
American St. EZ	5	9	0	4	14	143
North Central EZ	2	6	1	1	2	62
West Phila. EZ	3	7	4	3	8	86
All 9 CDC Neighborhoods	31	79	13	54	139	2,047
Philadelphia	567	1,310	395	463	2,121	42,228
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Market Share						
	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
APM	12.5%	0.0%	0.0%	0.0%	0.0%	100.0%
HACE	4.0%	5.6%	0.0%	4.0%	20.6%	100.0%
AWF	2.5%	5.6%	0.0%	5.0%	8.1%	100.0%
OARC	0.9%	2.4%	0.2%	1.6%	5.3%	100.0%
Project Home	1.0%	6.7%	5.7%	12.4%	2.9%	100.0%
People's	0.0%	3.9%	0.0%	0.0%	6.6%	100.0%
American St. EZ	3.5%	6.3%	0.0%	2.8%	9.8%	100.0%
North Central EZ	3.2%	9.7%	1.6%	1.6%	3.2%	100.0%
West Phila. EZ	3.5%	8.1%	4.7%	3.5%	9.3%	100.0%
All 9 CDC Neighborhoods	1.5%	3.9%	0.6%	2.6%	6.8%	100.0%
Philadelphia	1.3%	3.1%	0.9%	1.1%	5.0%	100.0%
Lender Portfolio Share1						
	Bank of America	Citizens	Commerce	PNC	Wachovia	All lenders
APM	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
НАСЕ	0.9%	0.5%	0.0%	1.1%	1.2%	0.3%
AWF	0.7%	0.7%	0.0%	1.7%	0.6%	0.4%
OARC	1.9%	2.4%	0.5%	4.3%	3.2%	3.0%
Project Home	0.2%	0.5%	1.5%	2.8%	0.1%	0.2%
People's	0.0%	0.2%	0.0%	0.0%	0.2%	0.2%
American St. EZ	0.9%	0.7%	0.0%	0.9%	0.7%	0.3%
North Central EZ	0.4%	0.5%	0.3%	0.2%	0.1%	0.1%
West Phila. EZ	0.5%	0.5%	1.0%	0.6%	0.4%	0.2%
All 9 CDC Neighborhoods	5.5%	6.0%	3.3%	11.7%	6.6%	4.8%
Philadelphia	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1 Single-family loans in neighborhood by lender / single-family loans in city by lender



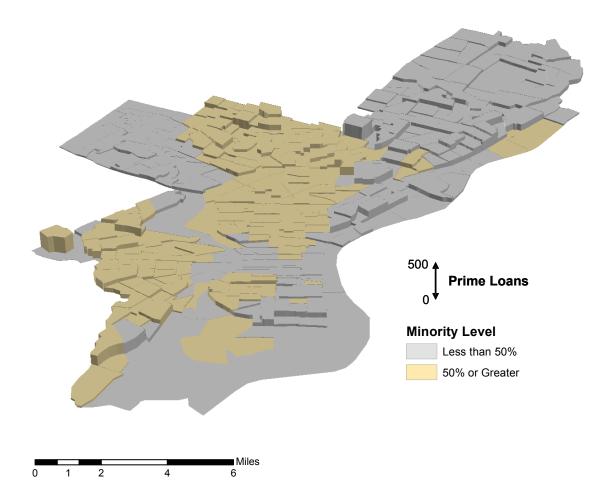
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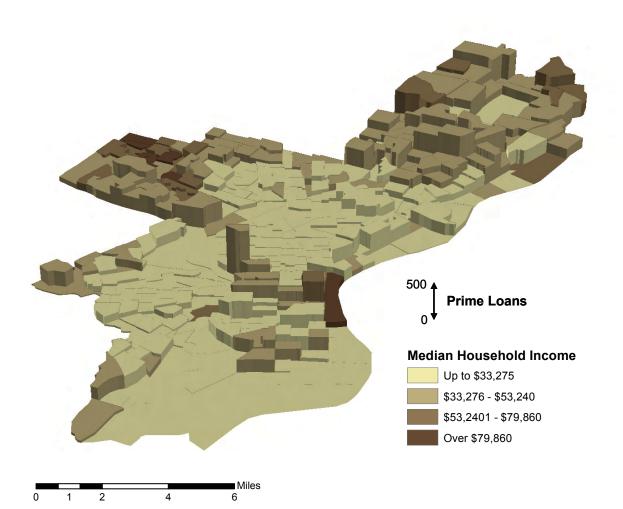
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Prime Loans by Minority Level of Tract

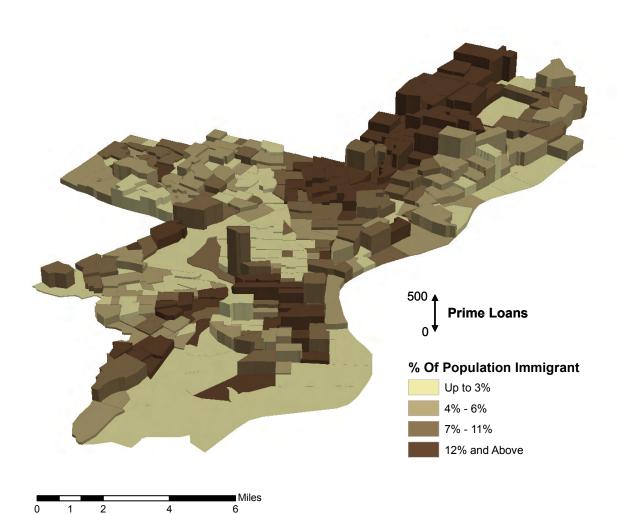


Prime Loans by Median Household Income of Tract

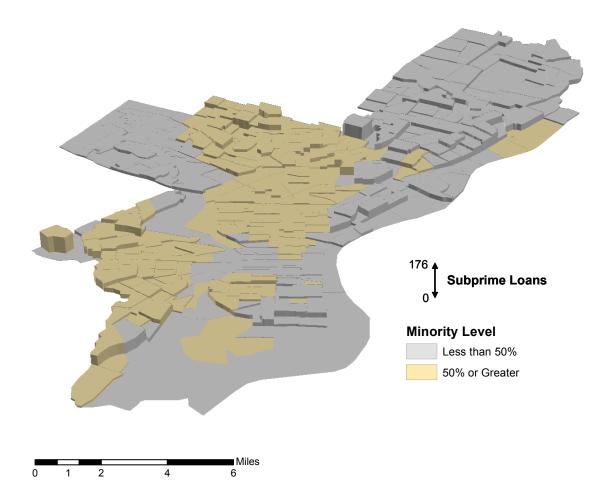


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Prime Loans by Immigrant Population of Tract

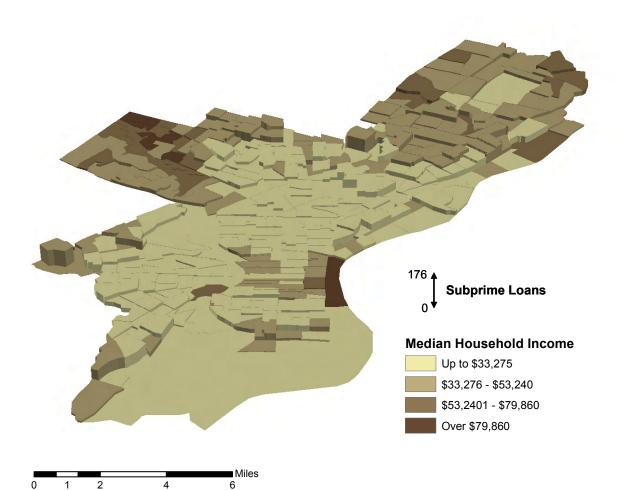


Subprime Loans by Minority Level of Tract

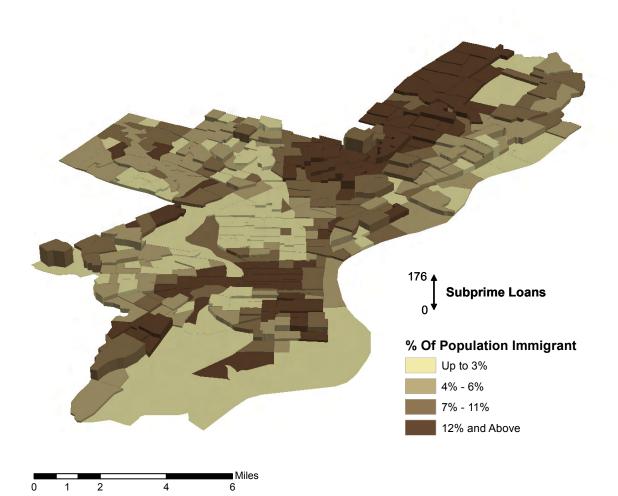


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Subprime Loans by Median Household Income of Tract

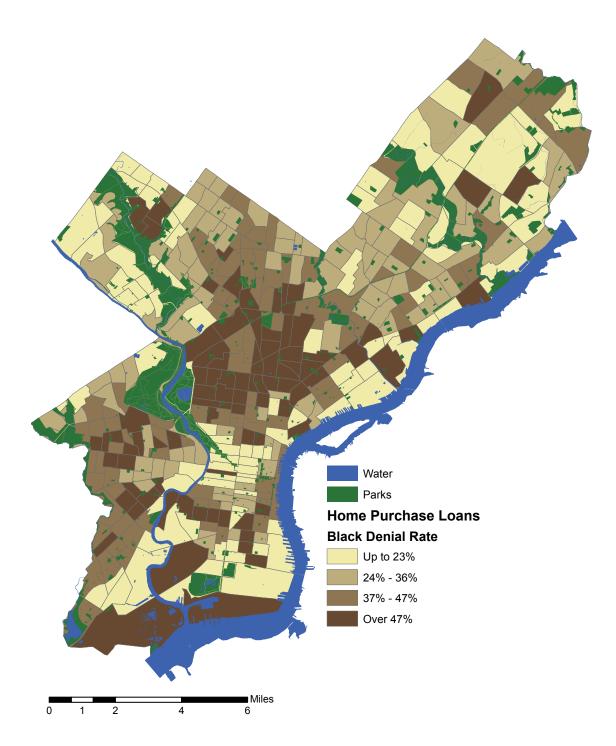


Subprime Loans by Immigrant Population of Tract

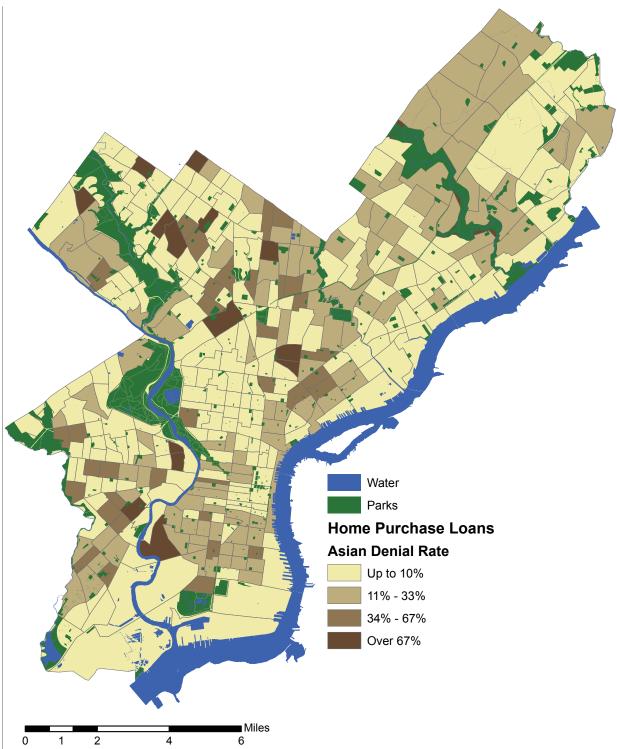


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African-American Denial Rates for Home Purchase Loans by Tract



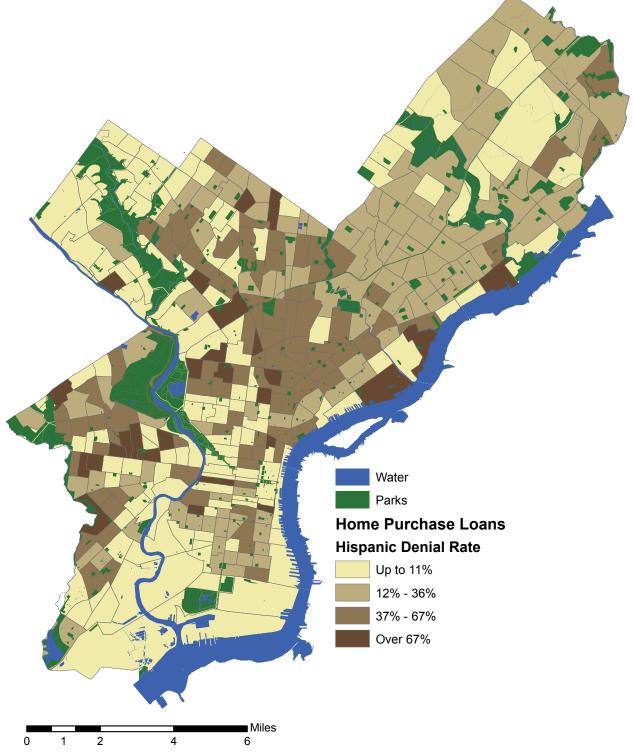
Asian Denial Rates for Home Purchase Loans by Tract



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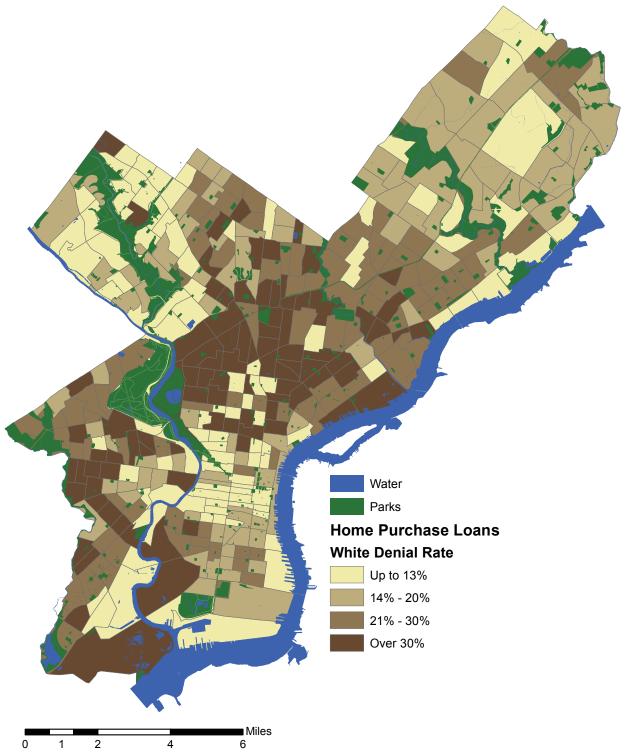
Hispanic Denial Rates for Home Purchase Loans by Tract



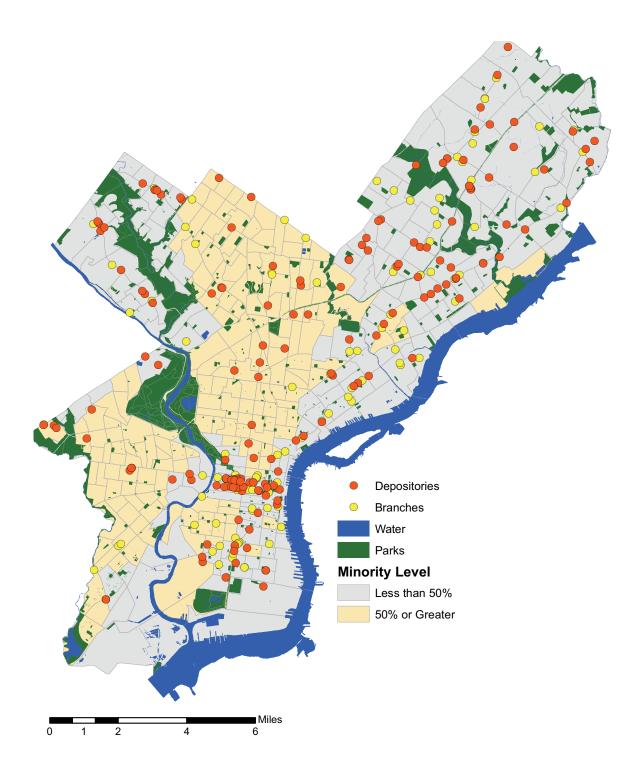
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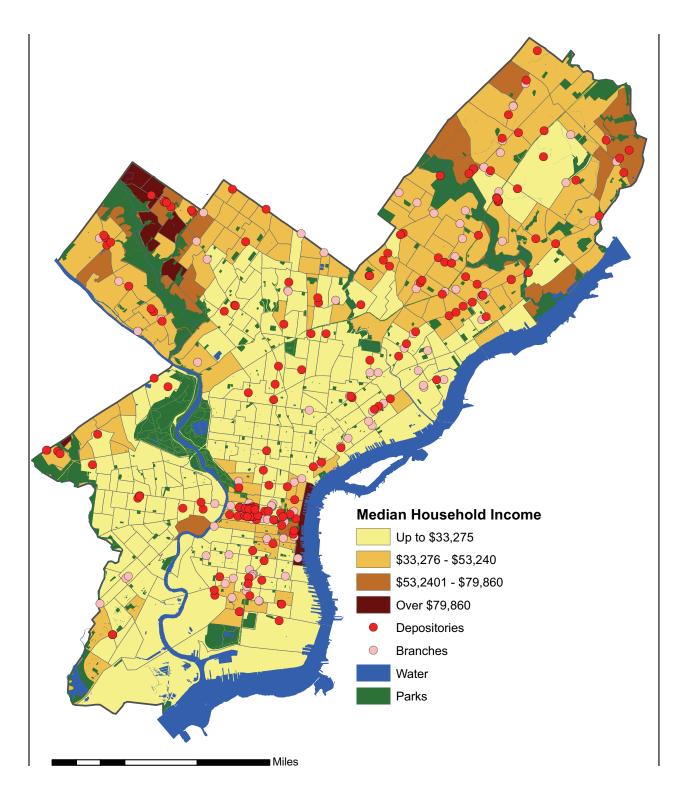
White Denial Rates for Home Purchase Loans by Tract



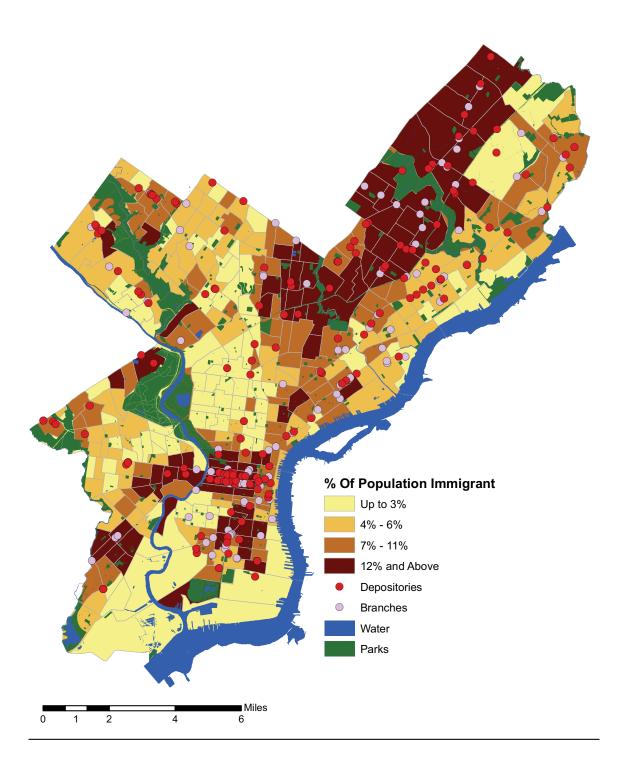
Bank Branches by Minority Level of Tract



Bank Branches by Median Household Income of Tract



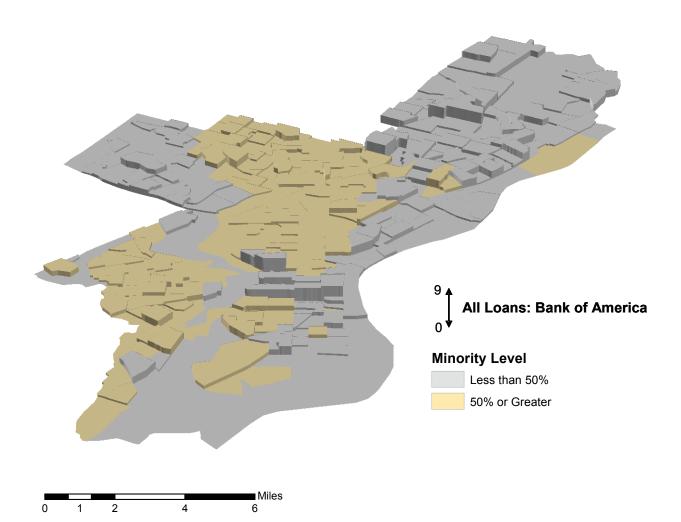
Bank Branches by Immigrant Population of Tract



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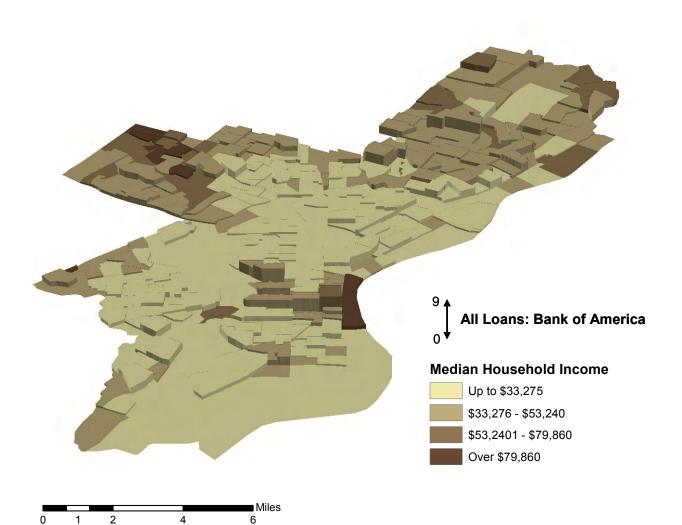
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Bank of America: All Loans by Minority Level of Tract



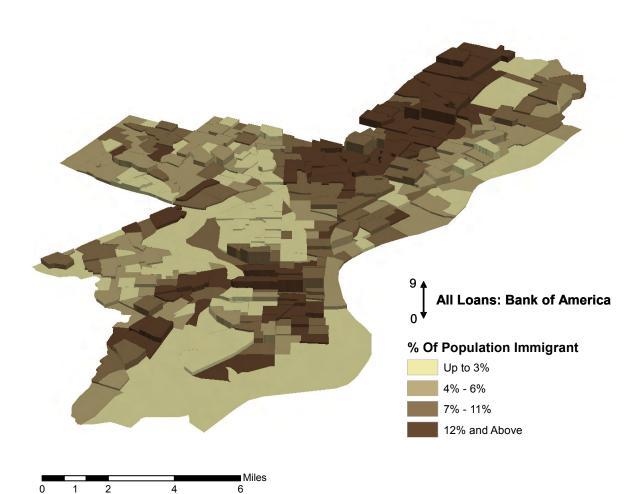
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Bank of America: All Loans by Median Household Income of Tract



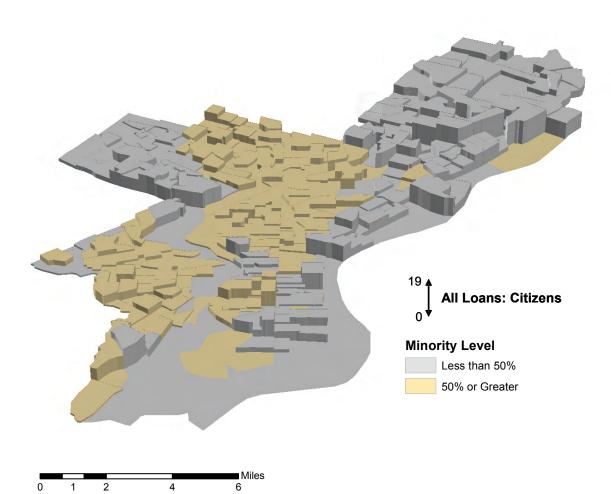
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Bank of America: All Loans by Immigrant Population of Tract

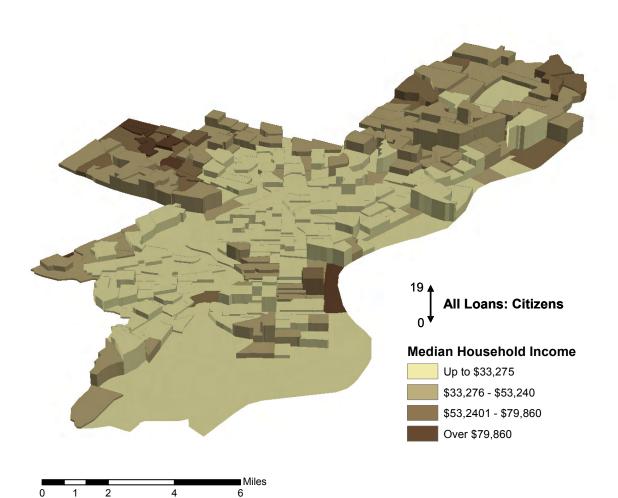


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Citizens: All Loans by Minority Level of Tract

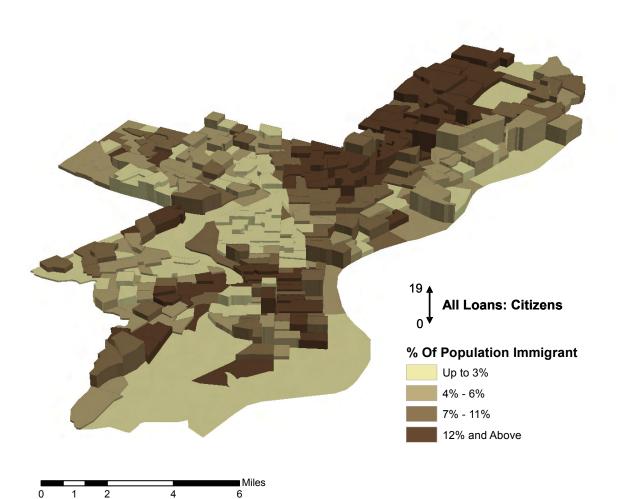


Citizens: All Loans by Median Household Income of Tract



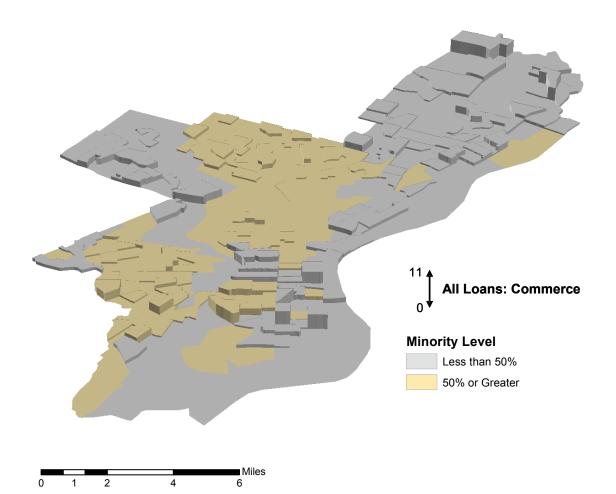
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Citizens: All Loans by Immigrant Population of Tract



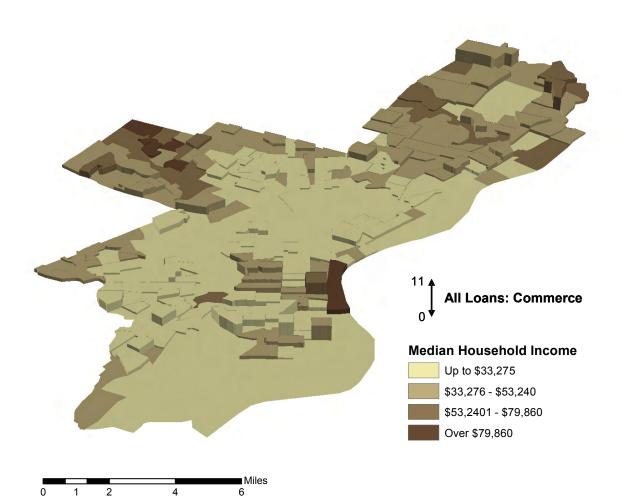
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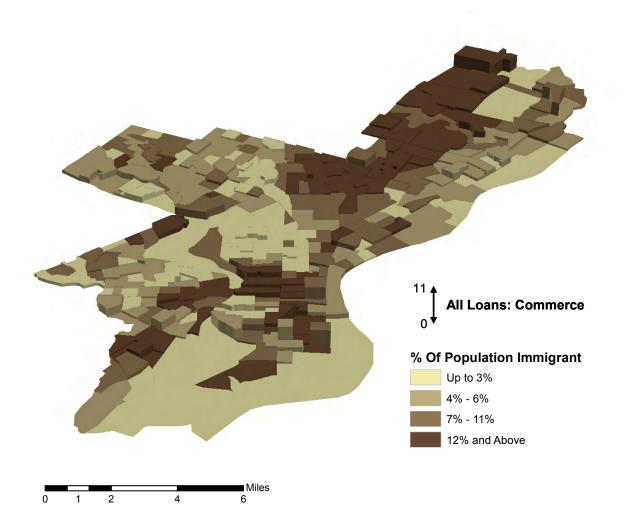


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Commerce: All Loans by Median Household Income of Tract

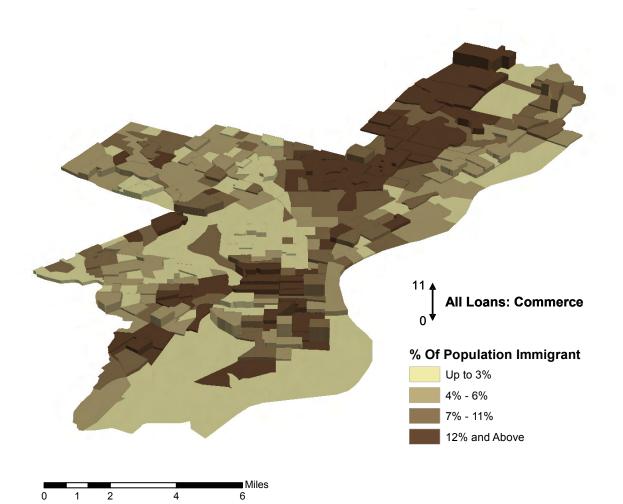


Commerce: All Loans Immigrant Population of Tract

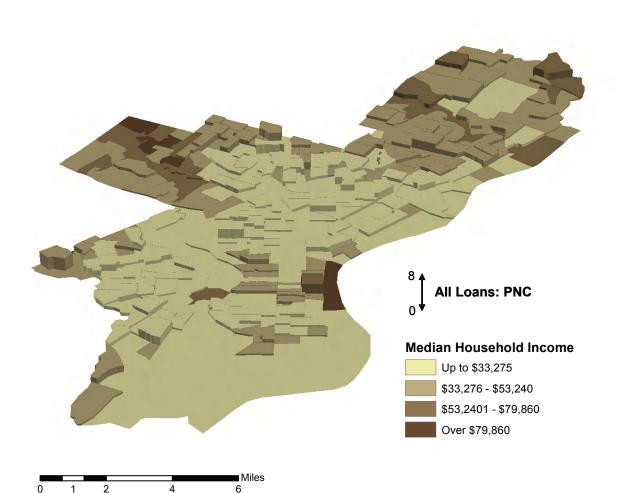


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PNC: All Loans by Minority Level of Tract



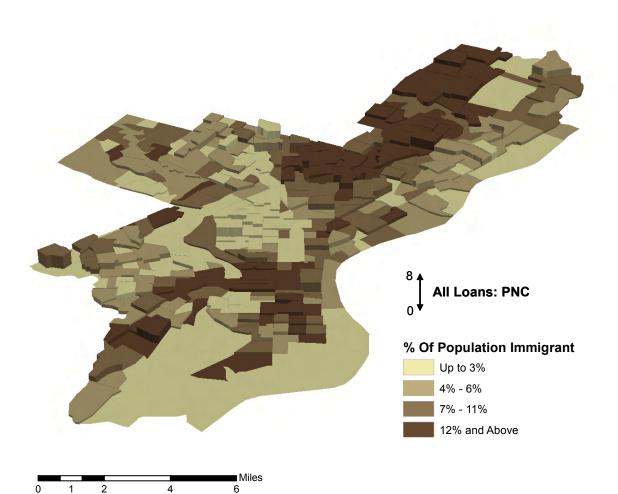
PNC: All Loans by Median Household Income of Tract



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 LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005

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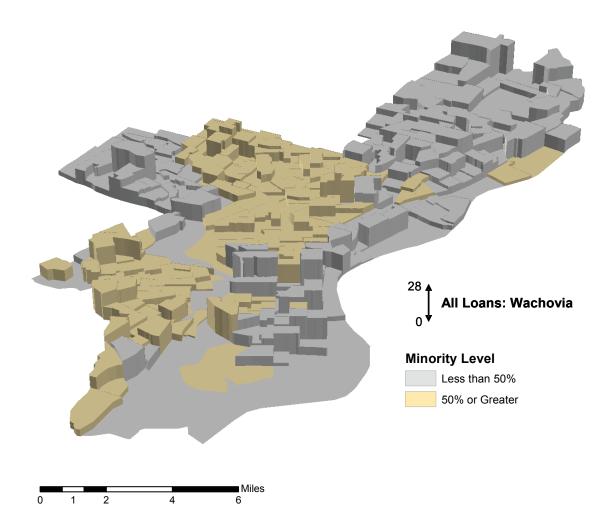
PNC: All Loans by Immigrant Population of Tract



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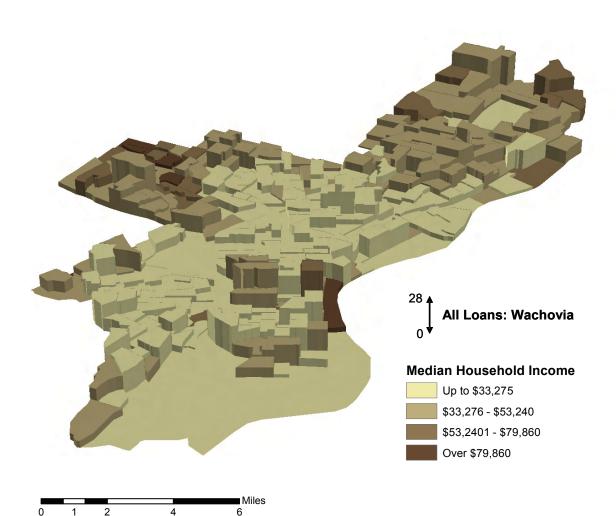
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Wachovia: All Loans by Minority Level of Tract

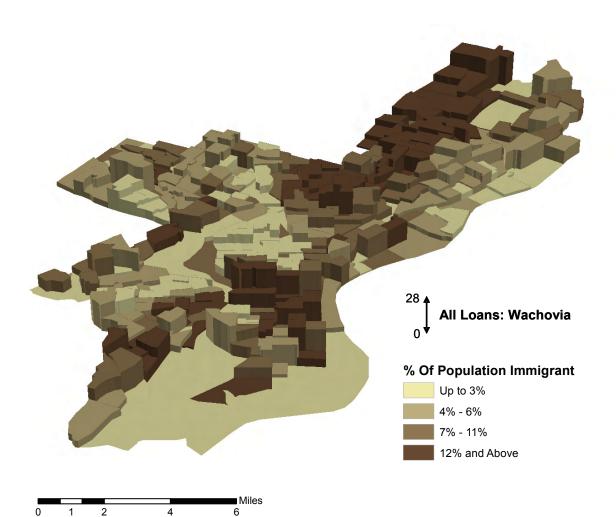


236	LENDING PRACTICES OF AUTHORIZED DEPOSITORIES FOR THE CITY OF PHILADELPHIA CALENDAR YEAR 2005
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Wachovia: All Loans by Median Household Income of Tract



Wachovia: All Loans by Immigrant Population of Tract



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Appendix 4

Methodology



Appendix 4: Methodology

Data Sources

Home lending was analyzed using 2005 Home Mortgage Disclosure Act data obtained from the Federal Financial Institutions Examination Council (FFIEC), which collects data annually from lenders.

The FFIEC's National Information Center database of 2005 HMDA reporting institutions was used to generate a list of affiliates for each City Depository.

Community Reinvestment Act aggregated public data on small business lending by census tract and by financial institution was downloaded from the FFIEC website.

The number of small businesses and business with less than \$1 million in revenue was data purchased from PCi Corporation (© PCi Corporation CRA Wiz, Tel: 800-261-3111).

Individual depository data for the small business lending analysi was obtained from the 2005 Institutional Disclosure Statements on the FFIEC website.

Other census-tract-level supplementary data, such as immigrant population, came from the 2000 census, the most recent information available at this geography. Unfortunately, these data become less accurate as the time since the last decennial census increases.

Geography

Census tract, county and state coding within the HMDA dataset were used to identify specific geographic areas. The lending universe for Philadelphia was isolated using its county code. The suburban analysis combined lending in Bucks, Chester, Delaware and Montgomery Counties.

Because cities are not coded in the HMDA data, a list of census tracts completely within Detroit and Pittsburgh was generated from the census website. Those tracts were then used for the city-wide analysis. Baltimore is coded as its own county.

Home Loans Used in Analysis

All loan types (conventional, Federal Housing Administration, Veterans Administration, Farm Service Agency/Rural Housing Service) are included in the analysis. Properties with more than four-units and manufactured housing were excluded. The remaining properties were considered to be single-family dwellings.

Lenders record the intended purpose of each loan – home purchase, refinance or home improvement. Any analysis combining all three is identified as "All Loans." In some analyses the loan purposes are disaggregated.

To allow for comparison, this analysis was done using the methodology established in the 2004 report. Any variations are noted.

Only loans secured by a first lien were included. Unless otherwise noted, the analysis included only applications by buyers intending to live in the property (owner-occupied) with one exception, the Section 5.0 analysis of investor (non-occupant owner) lending.

Of the 164,746 applications recorded in Philadelphia, 100,244 met these initial criteria and were included in the overall owner-occupied analysis and 18,349 in the overall non-occupant owner analysis. However, smaller subsets were used for analyses by loan purpose and loan rate.

Since 2004, lenders have been required to report loan rates which are three points greater than the rate on Treasury securities of comparable maturity. Loans with rate information were identified as subprime loans. Loans with "NA" in the rate field were considered to be prime loans. However, it is important to note that not all subprime loans are 3 percentage points or more above the Treasury APR. And some loans may be identified as subprime because of fees or yield spread premiums.

Because lenders frequently price mortgages based on shorter-term maturities, the Federal Reserve has warned that some of the increase in loans with rates 3 percentage points or more above the Treasury APR may reflect a narrower gap between short-term and long-term loans in 2005 compared to 2004.

Race of Borrowers

Borrowers were placed in racial categories based on information reported by the lender. Lenders could report up to five races for the applicant and co-applicant. In all but a handful of records, no more than two races were reported for the first applicant and one for the co-applicant. For this reason, the applicant race was determined based on what was reported in those fields. Three races were included in this analysis – white, African American and Asian.

In addition to race, the ethnicity of each applicant could also be reported. From this information, a fourth racial category was created – Hispanic. To be placed in the Hispanic category, the first applicant was identified as Hispanic. Joint applications were included if the second applicant was identified as Hispanic or if ethnicity information was not reported. Because Hispanic applicants can be of any race, those applicants were excluded from the three racial groups.

The result is four groupings: non-Hispanic white, non-Hispanic African American, non-Hispanic Asian and Hispanic.

In keeping with prior reports, only single applicant loans or joint loans where the second applicant's race either matched the race of the first applicant or was not reported were included in a particular racial group. The same method was used for Hispanic applicants. Very few applications were excluded.

The denominator included only those records where racial information was provided by the lender. Thus, the race denominator is smaller than the total number of loans. Of the 100,244 applications meeting initial owner-occupied analysis criteria, 67,236 included race information.

Applications without ethnic information were excluded from the Hispanic denominator. As a result, the Hispanic denominator is smaller than the total number of loans. Of the 100,244 applications meeting initial owner-occupied analysis criteria, 73,575 included ethnicity information.

The number of non-Hispanic white, non-Hispanic African American, non-Hispanic Asian and any-race Hispanic households in Philadelphia was downloaded from the U.S. Census Bureau Summary File 4 release. Each of these numbers was divided by the total number of households in Philadelphia. This is different from the prior year's report. Household percentages for white, African American and Asians are slightly lower.

Income

Borrowers were broken into six groups based on the income reported by the lender relative to the median family income for the Metropolitan Statistical Area (MSA). The median is determined by the Department of Housing and Urban Development (HUD). According to the FFIEC, HUD's 2005 median family income for the Philadelphia area was \$66,500.

Income Groups as a Percent of MSA Median Family Income:

- low-income less than half of median income
- moderate-income half or more to less than 80 percent of median income
- middle-income 80 percent or more to less than 120 percent of median income
- upper-income 120 percent or more of median income
- low- and moderate-income (LMI) less than 80 percent of median income
- middle- and upper-income (MUI) 80 percent or more of median income

Borrower income is reported in thousands. The breaks to determine the groupings were rounded to the nearest whole number.

All loans for which the borrowers' income was "not available" were excluded from this analysis. When calculating the percent of loans in each income category, the denominator represented the total of only those loans containing income information for the borrower. Of the 100,244 applications meeting initial owner-oc-cupied analysis criteria, 95,807 included applicant income.

Tract Minority Level

Each tract was placed into one of two groups based on the percentage of its population that was minority. The minority category includes all races except non-Hispanic whites. Population and race data are from the 2000 census, the most recent information available.

Minority Level Groups:

- minority half or more of the population is minority
- non-minority less than half is minority

Tract Income Level

Tracts were placed into six groups based on the tract median family income relative to the MSA median family income. These percents were provided in the HMDA data set. The income groupings are the same as borrower incomes: low, moderate, middle, upper, LMI and MUI.

Applications for which census tract income percentage was not available were excluded from the denominator. Of the 100,244 applications meeting initial owner-occupied analysis criteria, 100,130 included census tract income.

Gender

The gender of each applicant is reported by the lender. Applications were separated into three groups: male, female and joint. Applications with a single applicant or two applicants of the same gender were categorized as either male or female. Applications with a male and female borrower were classified as joint.

Applications without gender information were not included in the denominator. Of the 100,244 applications meeting initial owner-occupied analysis criteria, 90,317 included applicant gender.

Small Business Lending

Using data from the FFIEC website, a file was created showing the number of loans to small businesses and loans to businesses with revenues of less than \$1 million by census tract, and the income status of each tract, defined as follows:

Income Groups as a Percent of MSA Median Family Income:

- low-income less than half of median income
- moderate-income half or more to less than 80 percent of median income
- middle-income 80 percent or more to less than 120 percent of median income
- upper-income 120 percent or more of median income

The definition of a small business was not provided on the FFIEC website. However, it was clear that the businesses with revenues of less than \$1 million composed a subset of all small businesses.

The census tracts in this file were then matched with tracts from aggregated data files from the Census Bureau to add a minority status variable.

Minority status was defined as follows:

- minority half or more of the population is minority
- non-minority less than half is minority

The number of small businesses and small businesses with less than \$1 million in revenue in each tract was joined with the aggregate small business lending data using census tract codes.

Descriptive statistics, including frequency distributions, cross tabulations, and sums were run in SPSS to report the findings for Philadelphia in relation to its suburban counties and small business lending in the targeted neighborhoods.

The small business lending ranking was restricted to only seven of the depositories because United Bank and Advance Bank did not report CRA data in 2005. The methodology for ranking the seven institutions is specified in that section of the report.

Depository Analysis

Using the FFIEC's National Information Center database of 2005 HMDA reporters, a list of City Depositories and their affiliates was generated. From this list, the lending performance of these institutions was examined. Four of the depositories - Advance, Mellon, Republic and United - were excluded from further analysis because they wrote fewer than 25 loans in 2005. These depositories were left out of the rankings in 2004 for the same reason.

Only prime loans were included in the analysis because just two depositories (Citizens and Wachovia) wrote more than 25 subprime loans.

Composite Score

A statistical analysis was done to measure the relative performance and assign a composite score to each depository, taking into account several factors. Thirteen fair lending performance measures were identified to evaluate depositories:

- 1. African-American share of prime home purchase loans originated
- 2. Number of prime home purchase loans originated for African Americans
- 3. Denial ratio of African Americans to whites for prime home purchase loans
- 4. Hispanic share of prime home purchase loans originated
- 5. Number of prime home purchase loans originated for Hispanics
- 6. Denial ratio of Hispanics to whites for prime home purchase loans
- 7. Low- and moderate-income borrower share of prime home purchase loans originated
- 8. Number of prime home purchase loans originated for low- and moderate-income borrowers
- 9. Denial ratio of low- and moderate-income applicants to middle- and upper-income applicants for prime home purchase loans;
- 10. Share of prime home purchase loans originated in low and moderate-income tracts
- 11. Denial ratio of low- and moderate-income tracts to middle- and upper-income tracts for home purchase loans;
- 12. Share of prime home purchase loans originated in minority tracts
- 13. Denial ratio of minority tracts to non-minority tracts for prime home purchase loans

The depositories were evaluated on their performance in each of these 13 factors using standardized scores, also known as z-scores. For each factor, the mean value and standard deviation from that mean were calculated for all Philadelphia lenders that originated at least 25 prime home purchase loans in 2005. The z-score for each depository was calculated by subtracting the mean factor value for all lenders from the factor value for the depository, and dividing by the standard deviation for all lenders:

$$Z = \frac{F_{\text{Depository}} - \mu}{\sigma}$$

Where:

 $F_{Depositorv}$ is the value of the factor (e.g., the denial ratio of Hispanics to whites)

 μ is the mean for all lenders in Philadelphia in 2005 for that factor, and

 $\sigma\,$ is the standard deviation of the factor for all lenders in Philadelphia in 2005

The Z-score for each factor reflects the number of standard deviations a depository sat away from the mean value for all lenders. A score of one indicates the depository was one standard deviation above the mean, a negative one means the depository was one standard deviation below the mean, and a score of zero means that the depository had the average (mean) value for all lenders in Philadelphia.

These scores were combined to create a composite score reflecting the overall fair lending performance of each depository. The first nine factors were each weighted as 10 percent of the score for a total of 90 percent. The remaining 10 percent of the score was a combination of the final four factors, each weighted as 2.5 percent.

The composite score reflects the magnitude of deviation of each depository from the average fair lending performance of lenders in the City. A positive score means that a depository had above-average fair lending practices. A score near zero means that the depository had average fair lending practices. A negative score means that the depository had below-average fair lending practices. An overall ranking was given to each depository based on their combined score. The depository with the highest score was ranked first.

										n :an-to- Denial	Prime L	ending f	Hispanic-to- White Denial			
Rank	Depository	Composite Score	Applications	Prime Loans	Share	Share Z- score	No.	No. Z- score	Ratio	Z- score	Share	Share Z- score	No.	No. Z- score	Ratio	Z- score
	Mean				0.2		29.8		2.2		0.1		14.8		2.9	
	Standard Deviation				0.2		39.4		2.6		0.1		25.4		3.8	
	Max	1			0.8		199.0		16.3		0.4		129.0		23.7	
	Min	1			0.0		1.0		0.3		0.0		1.0		0.3	
	N	1			60		60		67		53		53		45	
	Weight	1				1		1		1		1		1		1
1	PNC	8.9	82	44	0.6	2.6	19.0	-0.3	0.8	0.6	0.2	1.2	6.0	-0.3	1.4	0.4
2	Citizens	6.6	556	358	0.3	0.7	101.0	1.8	0.9	0.5	0.1	-0.2	22.0	0.3	2.1	0.2
3	Bank of America	6.5	487	344	0.3	0.6	74.0	1.1	2.0	0.1	0.2	1.2	51.0	1.4	1.9	0.3
4	Commerce	3.3	260	193	0.4	1.1	64.0	0.9	0.6	0.6	0.1	-0.3	9.0	-0.2	4.3	-0.4
5	Wachovia	3.2	794	388	0.3	0.5	64.0	0.9	1.9	0.1	0.1	0.7	35.0	0.8	2.2	0.2

		3 • • • • • • • • • • • • • • • • • • •							Prime Lending in LMI Tracts		LMI-to-MUI Tract Denial		Prime Lending in Minority Tracts		Minority-to- Non-Minority Tract Denial Ratio	
Rank	Depository	Share	Share Z-score	No.	No. Z- score	Ratio	Z- score	Share	Z- score	LMI- to-MUI Tract Denial Ratio	Z- score	Share	Z- score	Ratio	Z- score	
	Mean	0.5		84.9		1.4		0.5		1.7		0.3		2.0		
	Standard Deviation	0.2		121.2		1.0		0.1		1.2		0.1		2.0		
	Max	0.9		719.0		6.6		0.9		7.1		0.7		10.7		
	Min	0.1		4.0		0.2		0.2		0.2		0.0		0.5		
	N	65		65		70		65		72		65		72		
	Weight		1		1		1		0.25		0.25		0.25		0.25	
1	PNC	0.9	2.5	38.0	-0.4	1.2	0.2	0.8	0.6	0.7	0.8	0.6	0.6	1.1	0.5	
2	Citizens	0.7	1.3	232.0	1.2	2.1	-0.7	0.7	0.2	1.1	0.5	0.4	0.3	1.1	0.5	
3	Bank of America	0.6	0.8	203.0	1.0	2.2	-0.8	0.6	0.2	1.3	0.3	0.4	0.2	1.6	0.2	
4	Commerce	0.6	0.8	114.0	0.2	2.2	-0.8	0.6	0.2	1.6	0.1	0.5	0.3	0.6	0.7	
5	Wachovia	0.4	-0.2	162.0	0.6	1.8	-0.4	0.5	0.0	2.1	-0.3	0.4	0.2	1.7	0.2	

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Figure A4.1: Z-scores by Category for Each Depository Performance Rankings

Separate from the composite score, the depositories were ranked compared to one another based on performance in 15 categories, which were established in prior years of this report. These rankings were calculated for all loans and for each home loan purpose (purchase, refinance and improvement) individually. Only prime, single-family, owner-occupied loans were included. The collective performance of the City Depositories, as well as all city lenders, is also listed.

Performance categories studied:

- 1. Percent of Loans to African-Americans Percentage of loans originated by the depository to African American borrowers.
- 2. Percent of Loans to Hispanic Percentage of loans originated by the depository to Hispanic borrowers.
- 3. Percent of Loans to Asians Percentage of loans originated by the depository to Asian borrowers.
- 4. Percent of Loans in Minority Tracts Percentage of loans originated by the depository in tracts where at least half of population is minority.
- 5. Percent of Loans to LMI Borrowers Percentage of loans originated by the depository to borrowers with an income of less than 80 percent of the MSA median family income.
- 6. Percent of Loans in LMI Tracts Percentage of loans originated by the depository in tracts where the median family income is less than 80 percent of the MSA.
- 7. Percent of Loans to Females Percentage of loans originated by the depository to female borrowers.
- 8. African American-to-White Denial Ratio The percentage of African-American loan applicants denied divided by the percentage of white applicants denied. A ratio greater than one indicates that African Americans are denied more frequently than whites.
- 9. Hispanic-to-White Denial Ratio The percentage of Hispanic applicants denied divided by the percentage of white applicants denied. A ratio greater than one indicates that Hispanics are denied more frequently than whites.
- 10. Asian-to-White Denial Ratio The percentage of Asian applicants denied divided by the percentage of white applicants denied. A ratio greater than one indicates that Asians are denied more frequently than whites. Conversely, a ratio of less than one means whites are denied more often.
- 11. Minority Tract-to-Non-minority Tract Denial Ratio The percentage of applications in minority tracts (population at least half minority) denied divided by the percentage of applications in non-minority tracts denied. A ratio greater than one indicates that applications in minority tracts are denied more frequently than those that are not.

- 12. African-American-to-White Market Share Ratio The depository's share of all loans in the city to African Americans divided by its share of all loans in the city to whites. A ratio of greater than one means that the depository has a greater share of the city's African American loan market than of the white one, which can indicate the depository is making a greater effort to lend to African Americans.
- 13. Minority Tract-to-Non-Minority Tract Market Share Ratio The depository's share of all loans in the city in minority tracts divided by its share of all loans in the city in non-minority ones. A ratio of greater than one means that the depository has a greater share of the city's minority tract loan market than of the non-minoirty one, which can indicate the depository is making a greater effort to lend in minority tracts.
- 14. LMI Borrower-to-MUI Borrower Market Share Ratio The depository's share of all loans in the city to LMI borrowers divided by its share of all loans in the city to MUI borrowers. A ratio of greater than one means that the depository has a greater share of the city's LMI borrower loan market than of the MUI borrower one, which can indicate the depository is making a greater effort to lend to LMI borrowers.
- 15. LMI Tract-to-MUI Tract Market Share Ratio The depository's share of all loans in the city in LMI tracts divided by its share of all loans in the city in MUI ones. A ratio of greater than one means that the depository has a greater share of the city's LMI tract loan market than of the MUI one, which can indicate the depository is making a greater effort to lend in LMI tracts.