

COMPREHENSIVE REPORT

*Examining the
Lending Practices of
Authorized Depositories
for the*

CITY OF PHILADELPHIA

CALENDAR YEAR 2006

SUBMITTED TO:

Office of the City Treasurer
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SUBMITTED BY:

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&
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Firms Submitting the Report

Econsult Corporation

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EXECUTIVE SUMMARY



Executive Summary

Econsult Corporation and MFR Consultants, Inc. (“the Econsult team”) 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 per the 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 as 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. Together these rankings will provide the City with guidance on the performance of these banks.

As this is the second consecutive year the Econsult team has produced this analysis, we begin by noting that while the task at hand is identical from last year, there are two significant differences in this year’s version. First, we have made some minor but important improvements to our methodology. Second, we adjust last year’s recommendations in light of any action taken by the City since then, as well as in light of any significant local and national developments in the banking industry.

E.1 Background

The aforementioned ordinance is best understood within the overall federal, state, and local legislative context in which banks operate and that provides 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 provides 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 lenders, 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.

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 City's nine authorized depositories together constitute a relatively small fraction of home purchase, refinance, and home improvement lending activity in the City, but represent important and well-recognized financial institutions in the community. Over the years, the City has employed a number of tactics to combat predatory lending, including Consumer Education and Outreach, Legal Assistance, the creation of Alternative Loan Products, and research.

The City's nine authorized depositories 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 (2007)

	Total Assets	Total Employees	Total Offices	Philadelphia Offices	Most Recent CRA Rating (Year)
Advance Bank	\$67M	33	3	1	Outstanding (2003)
Bank of America	\$1.46T	203,000	6,008	16	Outstanding (2001)
Citizens Bank	\$161B	4,400	412	62	Outstanding (2003)
Commerce Bank	\$45B	10,600	371	15	Outstanding (2003)
Mellon Bank	\$41B	7,600	22	2	Outstanding (2005)
PNC Bank	\$102B	15,900	831	39	Outstanding (2006)
Republic Bank	\$1.01B	110	11	7	Satisfactory (2005)
United Bank	\$74M	30	4	4	Outstanding (2006)
Wachovia Bank	\$518B	83,800	3,211	49	Outstanding (2003)

E.2 Philadelphia Home Lending and Discrimination

The ultimate objective of this report is to examine a combination of statistical data of banking information and residential information from the U.S. Census to assess if discriminatory practices exist, and if the subset of Philadelphia depositories differs from the entire sample of lenders. Thus, we must determine if the data indicate practices of racial or ethnic discrimination by regulated mortgage lenders, and the subset of lenders who are also City depositories, and in doing so we consider (1) denial rates by loan type, and (2) less-favorable lending terms (e.g. subprime verses prime loans).

Our analysis yields the following results:

- When offered a loan, African Americans and Hispanics are more likely to be offered a subprime loan than whites.
- African Americans and Hispanics are more likely to be denied home purchase loans and home improvement loans than whites.
- African Americans, Hispanics, and Asians are more likely to be denied loans for refinancing than whites.
- Individuals who did not report their race are more likely to be denied home purchase loans.
- Individuals with greater incomes and individuals applying for greater loan amounts are less likely to be denied.
- Redlining (i.e. discriminatory practices based on geographic rather than individual characteristics) does not appear to be taking place.

Importantly, the analyses do not contain data on the borrower’s credit rating score, wealth, or existing debt load; if these data were included in the analyses, the existing gap among different racial and ethnic groups might shrink or disappear completely. Still, the existing information indicates a statistically significant negative effect associated with race and ethnicity.

E.3 Prime and Subprime Home Lending in Philadelphia

E.3.1 All Loans

In 2006, Philadelphia experienced a 9 percent decrease in loan applications from 2005. Notably, compared to 2005, there were 17 percent less prime loans originated but 11 percent more subprime loans originated (see Figure E.3.1).

	2005	2006	% Change
Applications	100,244	91,611	-9.4%
Prime Loans	29,511	25,131	-17.4%
Subprime Loans	12,717	14,093	10.8%
Denied	29,770	27,774	-7.2%

Figure E.3.1
All Loan Applications and Originations, 2005 vs. 2006

Lending patterns for each loan type were analyzed by race, income, tract minority level, tract income level, and gender. Notable findings from these analyses are presented below.

All Loans - Race (see Figure E.3.2)

- Whites had an overall decrease in the total number of loans from 2005 to 2006, with prime loans down 26 percent and subprime loans down 8 percent.
- African Americans had an overall increase in the total number of loans, with prime loans down less than 1 percent and subprime loans up 29 percent from 2005 to 2006. Fifty-three percent of loans issued to African American borrowers in 2006 were subprime loans, the highest percentage of any racial or ethnic category.
- Asians generated greater numbers of prime loans per household than other racial and ethnic categories in 2006.
- Hispanics had an overall increase in the total number of loans, with prime loans up 3 percent and subprime loans up 27 percent from 2005 to 2006.

Figure E.3.2
Share of All Loans
by Race

Borrower Race / Ethnicity	% of Prime Loans	% of Subprime Loans	% of All Households	Denial Rate
White	63.3%	38.8%	47.8%	21.9%
African American	25.3%	57.2%	40.2%	39.5%
Asian	10.9%	4.0%	3.5%	21.7%
Hispanic	7.8%	11.4%	6.5%	33.7%

All Loans - Income

- Sixty-six percent of subprime loans issued in 2006 were to low- to moderate-income (LMI) borrowers.
- Seventy-three percent of loans issued to middle- to upper-income (MUI) borrowers were prime loans, down from 78 percent in 2005.
- LMI applicants were denied 1.48 times as often as MUI applicants, down from being denied 1.62 times as often in 2005.

All Loans - Tract Minority Level

- Census tracts with less than 50 percent minority residents (i.e. non-minority tracts) received 17 percent fewer prime loans and 11 percent fewer subprime loans from 2005 to 2006.
- Census tracts with more than 50 percent minority residents (i.e. minority tracts) received 23 percent more subprime loans from 2005 to 2006.
- Applicants in minority tracts were denied 1.61 times as often as applicants in non-minority tracts, down from 1.77 times as often in 2005.

All Loans - Tract Income Level

- Seventy-six percent of borrowers in MUI tracts received prime loans, versus 57 percent of borrowers in LMI tracts, in 2006.
- Applicants in MUI tracts received 28 percent fewer prime loans from 2005 to 2006.
- Residents in LMI tracts were denied 1.58 times as often as residents in MUI tracts in 2006.

All Loans - Gender

- Men received 1 percent more subprime loans and women received 15 percent more subprime loans from 2005 to 2006.
- Women compose 45 percent of all Philadelphia residents but received 38 percent of all loans in 2006; men compose 22 percent of all Philadelphia residents but received 37 percent of all loans in 2006.
- In 2006, 75 percent of loans received by joint applicants were prime loans, the highest proportion among gender types.

E.3.2 Home Purchase Loans

In 2006, Philadelphia experienced a 1 percent decrease in home purchase loan applications from 2005. Notably, compared to 2005, there were 8 percent less prime loans originated but 19 percent more subprime loans originated (see Figure E.3.3).

Figure E.3.3
Home Purchase Loan
Applications and
Originations, 2005 vs.
2006

	2005	2006	Difference
Applications	27,789	27,748	-1.0%
Prime Loans	13,625	12,651	-7.7%
Subprime Loans	3,749	4,462	19.0%
Denied	4,485	4,866	8.5%

Lending patterns for each loan type were analyzed by race, income, tract minority level, tract income level, and gender. Notable findings from these analyses are presented below.

Home Purchase Loans – Race (see Figure E.3.4)

- Whites submitted 8 percent fewer applications and received 4 percent more denials from 2005 to 2006.
- African Americans submitted 21 percent more applications and received 35 percent more denials from 2005 to 2006.
- Asians received 66 percent fewer prime loans from 2005 to 2006.
- Hispanics received 43 percent more subprime loans from 2005 to 2006.

Figure E.3.4
Share of Home
Purchase Loans
by Race

Borrower Race / Ethnicity	% of Prime Loans	% of Subprime Loans	% of All Households	Denial Rate
White	61.3%	37.0%	47.8%	11.8%
African American	22.0%	57.3%	40.2%	24.3%
Asian	15.9%	5.8%	3.5%	12.1%
Hispanic	8.7%	15.9%	6.5%	19.4%

Home Purchase Loans – Income

- MUI borrowers received 13 percent fewer prime loans and 23 percent more subprime loans from 2005 to 2006.
- Fifty-seven percent of households are LMI but LMI borrowers received 63 percent of subprime loans in 2006.
- LMI applicants were denied 1.39 times as often as MUI applicants in 2006, relatively unchanged from 2005.

Home Purchase Loans – Tract Minority Level

- Borrowers in non-minority tracts received 15 percent fewer prime loans and 15 percent more subprime loans from 2005 to 2006.

- Borrowers in minority tracts received 7 percent more prime loans and 23 percent more subprime loans from 2005 to 2006.
- Borrowers in minority tracts were denied 1.79 times as often as borrowers in non-minority tracts in 2006, down slightly from 2005.

Home Purchase Loans – Tract Income Level

- In 2006, nearly 85 percent of loans issued to residents in MUI tracts were prime loans.
- Applicants in LMI tracts were denied 1.83 times as often as MUI tract applicants in 2006.
- Both LMI and MUI tracts received less prime loans and more subprime loans from 2005 to 2006.

Home Purchase Loans – Gender

- From 2005 to 2006, male applicants received 12 percent fewer prime loans and 25 percent more subprime loans, and female applicants received 5 percent fewer prime loans and 14 percent more subprime loans.
- From 2005 to 2006, men submitted less than 1 percent more loan applications but received 21 percent more denials, and women submitted 1 percent more loan applications but received 15 percent more denials.
- In 2006, joint applicants were most likely to receive a prime loan - 87 percent of the time, compared to 71 percent for males and 70 percent for females.

E.3.3 Home Refinance Loans

In 2006, Philadelphia experienced a 15 percent decrease in home refinance loan applications from 2005. Notably, compared to 2005, there were 30 percent less prime loans originated but 7 percent more subprime loans originated (see Figure E.3.5).

	2005	2006	Difference
Applications	64,319	55,816	-15.2%
Prime Loans	13,602	10,486	-29.7%
Subprime Loans	8,274	8,834	6.8%
Denied	21,977	18,974	-15.8%

Figure E.3.5
Home Refinance
Loan Applications
and Originations,
2005 vs. 2006

Lending patterns for each loan type were analyzed by race, income, tract minority level, tract income level, and gender. Notable findings from these analyses are presented below.

Home Purchase Loans – Race (see Figure E.3.6)

- Whites submitted 8 percent fewer applications and received 4 percent more denials from 2005 to 2006.
- African Americans submitted 21 percent more applications and received 35 percent more denials from 2005 to 2006.
- Asians received 66 percent fewer prime loans from 2005 to 2006.
- Hispanics received 43 percent more subprime loans from 2005 to 2006.

Figure E.3.6
Share of Home Refinance Loans by Race

Borrower Race / Ethnicity	% of Prime Loans	% of Subprime Loans	% of All Households	Denial Rate
White	66.0%	40.7%	47.8%	26.8%
African American	28.4%	56.1%	40.2%	41.8%
Asian	5.4%	3.2%	3.5%	31.8%
Hispanic	6.6%	8.6%	6.5%	38.6%

Home Refinance Loans – Income

- Forty percent of all households are MUI, but MUI applicants received 51 percent of prime loans in 2006.
- The LMI denial rate was 38 percent in 2006, down slightly from 40 percent in 2005.
- LMI applicants were denied 1.36 times as often as MUI applicants in 2006, down from 1.54 times as often in 2005.

Home Refinance Loans – Tract Minority Level

- From 2005 to 2006, non-minority tracts received 39 percent fewer prime loans and 10 percent fewer subprime loans, while minority tracts received 11 percent fewer prime loans but 23 percent more subprime loans.
- Prime loans represented 65 percent of loans to non-minority tracts but only 41 percent of loans to minority tracts.

- Applicants in minority tracts were denied 1.43 times as often as applicants in non-minority tracts in 2006, down from 1.63 times as often in 2005.

Home Refinance Loans – Tract Income Level

- From 2005 to 2006, LMI tracts received 12 percent more subprime loans while MUI tracts received 6 percent fewer subprime loans.
- Prime loans represented 67 percent of loans to MUI tracts but only 47 percent of loans to LMI tracts.
- Applicants in LMI tracts were denied 1.41 times as often as applicants in MUI tracts in 2006, down from 1.58 times as often in 2005.

Home Refinance Loans – Gender

- From 2005 to 2006, male applicants received 2 percent more subprime loans and female applicants received 15 percent more subprime loans, while joint applicants received 12 percent fewer subprime loans.
- Joint applicants received 49 percent fewer prime loans from 2005 to 2006.
- From 2005 to 2006, denial rates increased for male applicants and joint applicants but decreased slightly for female applicants.

E.3.4 Home Improvement Loans

In 2006, there were 17,473 applications for home improvement loans in Philadelphia. Of these applications, 45 percent were denied. Eighty-two percent of loans originated were prime loans. Lending patterns for each loan type were analyzed by race, income, tract minority level, tract income level, and gender. Notable findings from these analyses are presented below.

Home Improvement - Race

- Whites represent 48 percent of households but received 61 percent of loans in 2006.

- African American applicants received 61 percent of all subprime loans in 2006.
- Of loans received by Asian applicants in 2006, about 90 percent were prime loans.
- Hispanics represent 7 percent of households but received 13 percent of subprime loans in 2006.

Home Improvement - Income

- LMI households represent 58 percent of households but LMI applicants received 69 percent of subprime loans in 2006.
- In 2006, LMI applicants were denied 53 percent of the time, while MUI applicants were denied 33 percent of the time.
- LMI applicants were denied 1.60 times as often as MUI applicants in 2006.

Home Improvement - Tract Minority Level

- In 2006, applicants in minority tracts were denied 56 percent of the time, while applicants in non-minority tracts were denied 35 percent of the time.

Home Improvement - Tract Income Level

- In 2006, applicants in LMI tracts were denied 53 percent of the time, while applicants in MUI tracts were denied 30 percent of the time.

Home Improvement - Gender

- In 2006, female applicants were denied 50 percent of the time, while joint applicants were denied 33 percent of the time.

E.4 Philadelphia Compared to Other Areas

Lending to Philadelphia city residents was compared to lending to residents of four suburban counties (Bucks, Chester, Delaware, and

Montgomery), with the following key findings (see Figure E.4.1):

- In 2006, subprime loans represent 17 percent of loans in the suburbs versus 36 percent of loans in the City.
- From 2005 to 2006, Whites received 14 percent more subprime loans in the suburbs versus 24 percent more subprime loans in the City.
- African American and Asian denial rates in the suburbs were both up 4 percent from 2005 to 2006.
- Hispanics represent 2 percent of suburban households but received 4 percent of subprime loans in the suburbs in 2006.
- LMI households represent 29 percent of suburban households and received 22 percent of prime loans and 32 percent of subprime loans in the suburbs in 2006.
- In the suburbs, borrowers in minority tracts were 2.9 times more likely to receive subprime loans than borrowers in non-minority tracts in 2006; in the City, that ratio is 1.8.
- In the suburbs, borrowers in LMI tracts were 1.7 times more likely to receive subprime loans than borrowers in MUI tracts in 2006; in the City, that ratio is 1.6.
- All gender types experienced lower denial rates in the suburbs versus the City in 2006 – male applicants: 22 percent versus 30 percent, female applicants: 22 percent versus 32 percent, and joint applicants: 16 percent versus 26 percent.

Figure E.4.1
Summary Chart,
Philadelphia Suburbs

Category	Total # of Loans	% of Prime Loans	% of Subprime Loans	% of Households	Denial Rate
Race / Ethnicity					
White	54,202	90.2%	77.3%	85.7%	16.8%
African-American	4,427	4.9%	19.5%	8.3%	34.2%
Asian	2,564	4.4%	3.2%	2.7%	13.8%
Hispanic	1,304	1.7%	3.7%	2.2%	22.1%
Income					
LMI	16,345	21.5%	32.0%	29.0%	27.3%
MUI	53,739	78.5%	68.0%	71.0%	16.9%
Tract Minority Level					
Non-minority	70,922	98.4%	93.0%	97.4%	19.0%
Minority	1,863	1.6%	7.0%	2.6%	37.0%
Tract Income Level					
LMI	4,699	4.9%	13.9%	5.6%	31.0%
MUI	68,082	95.1%	86.1%	94.4%	18.7%
Gender					
Male	19,305	26.2%	35.9%	17.3%	21.7%
Female	16,448	22.4%	30.4%	27.8%	21.5%
Joint	33,419	51.4%	33.6%	55.0%	16.3%

Lending to Philadelphia city residents was also compared to lending to residents of three cities similar to Philadelphia in demographics, poverty, and geography (Baltimore, Detroit, and Pittsburgh), with the following key findings (see Figure E.X):

- From 2005 to 2006, lending increased in Baltimore, but decreased in Philadelphia, Detroit, and Pittsburgh.
- Detroit has a much higher proportion of subprime loans to total loans in 2006 – 71 percent versus 36 percent for Philadelphia, 32 percent for Baltimore, and 31 percent for Pittsburgh.
- In 2006, African Americans in all cities except Detroit received a percentage of prime loans significantly lower than their share of households.
- In 2006, Hispanic applicants in all cities except Detroit were more likely than Whites to be denied.
- In 2006, Asians in all cities except Pittsburgh received a percentage of prime loans significantly higher than their share of households.

- In 2006, LMI households were far more likely than MUI households to receive subprime loans in all cities except Detroit.
- In 2006, borrowers in minority tracts in all four cities received a smaller percentage of prime loans than their share of households, with the greatest disparity in Baltimore, where minority tracts represent 60 percent of households but only received 21 percent of prime loans.
- In 2006, borrowers in LMI tracts in all four cities received a smaller percentage of prime loans than their share of households, with the greatest disparity in Baltimore, where LMI tracts represent 73.4 percent of households but only received 14.7 percent of prime loans.

Figure E.4.2
Summary Chart,
Philadelphia vs. Other
Cities

Category	Philadelphia	Baltimore	Detroit	Pittsburgh
Total # of Loans	39,224	34,740	18,310	5,185
% Loans that are Subprime	35.9%	31.7%	71.1%	31.3%
% Households that are Minority	52.2%	35.5%	86.7%	29.6%
% Prime Loans Given to Minorities	36.7%	29.3%	80.0%	11.3%
% Subprime Loans Given to Minorities	61.2%	50.1%	86.9%	25.2%
% of Households that are LMI	57.4%	62.6%	61.7%	51.6%
% Prime Loans Given to LMIs	49.6%	32.1%	50.7%	39.8%
% Subprime Loans Given to LMIs	66.5%	39.9%	54.5%	55.3%
% of Households in Minority Tracts	49.0%	60.2%	96.3%	10.8%
% Prime Loans to Minority Tracts	34.0%	21.1%	95.0%	8.0%
% Subprime Loans to Minority Tracts	57.4%	38.3%	95.8%	18.3%
% of Households in LMI Tracts	67.0%	73.4%	60.9%	37.7%
% Prime Loans to LMI Tracts	56.4%	14.7%	49.6%	26.5%
% Subprime Loans to LMI Tracts	75.3%	23.5%	50.4%	40.4%

E.5. Comparison of Lending to Non-Occupant and Owner-Occupied Borrowers

- Nineteen percent of all single-family loans in Philadelphia were made to non-occupant investors in 2006, down 9 percent from 2005.
- In 2006, 45 percent of non-occupant borrowers received subprime loans, versus 36 percent of owner-occupied borrowers.
- In 2006, the majority of White and Asian borrowers received prime loans (62 percent and 75 percent, respectively), while the majority of African American and Hispanic borrowers received subprime loans (67 percent and 53 percent, respectively).
- MUI households represent 43 percent of households but received 84 percent of prime loans in 2006.
- Minority tracts represent 49 percent of households but received 74 percent of subprime loans in 2006.

- LMI tracts represent 67 percent of households but received 91 percent of subprime loans in 2006.
- Men represent 22 percent of households but received 54 percent of prime loans in 2006.

E.6 City Depositories and Home Lending

Thirteen factors, measuring various facets of lending by race and income, were combined to create a composite score for prime home purchase lending performance for each depository. For each factor, a depository received a score according to how different it is from the average lender in Philadelphia: the more positive, the more above average. Only lenders in Philadelphia that originated 25 loans or more in 2006 were included in the calculations.

Depository	Composite Score	Applications	Prime Loans
1 Bank of America	9.70	784	502
2 Commerce Bank	7.00	341	260
3 Citizens Bank	1.58	120	49
4 Wachovia Bank	0.77	206	99

Figure E.6.1
Ranking of City Depositories by Composite Score for Home Purchase Lending

Notably, Bank of America and Commerce Bank significantly increased in applications and prime loans, reflecting expansion efforts; while Citizens Bank and Wachovia Bank significantly decreased in applications and prime loans, reflecting reduced demand and tighter credit markets.

In aggregate, the City depositories made a larger percentage of home purchase loans to all minority groups and to borrowers in minority tracts from 2005 to 2006; however, denial ratios for the City depositories exceeded city benchmarks for African American and Hispanic borrowers for home purchase loans. Similar trends were noted for home refinance loans and home improvement loans.

Individually, we note the following home purchase lending findings:

- Bank of America exceeded citywide averages for all minority groups in 2006.
- Citizens Bank increased its proportion of loans to borrowers in LMI tracts from 66 percent in 2005 to 80 percent in 2006.

- At Commerce Bank, African Americans were actually less likely than Whites to be denied (a ratio of 0.96, vs. a citywide average of 1.61).
- At Wachovia Bank, Hispanics were 3.74 times more likely than Whites to be denied (vs. a citywide average of 2.42).

E.7 Small Business Lending in Philadelphia

- According to Community Reinvestment Act (CRA) data, about 34,000 loans totaling \$881 million were made to small businesses in Philadelphia in 2006.
- Fifty-five percent of those loans went to businesses located in LMI tracts.
- Thirty-four percent of those loans went to businesses with less than \$1 million in annual revenues.
- Non-minority areas received about twice as many small business loans as minority areas.
- A much higher proportion of small business loans went to LMI tracts in Philadelphia than in the surrounding suburbs.

E.8 Rankings of Depositories - Small Business Lending

In ranking the City depositories on small business lending, we considered five equally weighted factors:

- MS to SB – Market share of loans to small businesses.
- MS to SSB – Market share of loans to the smallest of small businesses.
- LMI/MS – Lending to small businesses located in low and moderate income areas.
- SSB/other depositories – Ranking among depositories for small business lending to the smallest businesses.
- LMI/other depositories – Ranking among depositories for small business lending in low and moderate income areas.

These factors were selected because they show performance in relation to the City and among the depositories on key lending practices affecting low- and moderate-income and minority businesses. Each bank was given a rating from 1 to 6 (6 being the highest rating), and our results indicate that PNC was the best performer and Mellon Bank the worst performer (see Figure E.8.1).

Institution	MS to SB	MS to SSB	LMI/MS	SSB / Other Depos	LMI / Other Depos	Total Score
1. PNC Bank	6	6	6	6	6	30
2. Citizens Bank of Pennsylvania	5	5	5	5	5	25
3. Wachovia Bank, N.A.	4	4	4	4	4	20
4. Commerce, N.A.	3	2	3	3	3	14
5. Bank of America, N.A.	2	3	2	2	2	11
6. Mellon Bank, N.A.	1	1	1	1	1	5

Figure E.8.1
City Depositories' Performance in Small Business Lending

E.9 Bank Branch Analysis

- There were 316 bank branches in Philadelphia by the end of 2006, up 10 from 2005. City depositories accounted for 61 percent of those locations.
- In 2006, 27 percent of City depository branches and 24 percent of all bank branches were located in minority tracts.
- PNC Bank (38 percent of branches in minority tracts), Wachovia Bank (30 percent), and Citizens Bank (26 percent) are all above the citywide average, as are Advanced Bank (1 out of 1) and United Bank (3 out of 4).
- Bank of America, Commerce Bank, PNC Bank, and Wachovia all increased the proportion of their branches in minority tracts, although Bank of America and Commerce Bank are still below the citywide average of 24 percent; Republic Bank and Mellon Bank have no branches in minority tracts.
- In 2006, 57 percent of City depository branches and 56 percent of all bank branches were located in low- to moderate-income (LMI) tracts.
- Wachovia Bank (64 percent of branches in LMI tracts) and PNC Bank (63 percent) are both above the citywide average, as is Advanced Bank (1 out of 1); PNC Bank was the only City depository to increase its proportion of branches in LMI tracts from 2005.
- Bank of America, Citizens Bank, Commerce Bank, and Mellon Bank, and United Bank are below the citywide average, although all within 6 percentage points.

E.10 Neighborhood Analysis

We examined home and business lending practices in nine neighborhoods that contain census tracts classified as minority and low- to moderate-income (LMI) and that are located in areas where community development corporations and empowerment zones have been established (see Figure E.10.1). We also examined lending by each depository (see Figure E.6.1) and small business lending (see Figure E.8.1) in these neighborhoods.

Community Organization	Location	Major Ethnic Group	Median Income as a % of Regional Median	2006 # Loans	2005% Loans That Were Subprime
Association of Puerto Ricans on the March	NE Phila	Hispanic	36%	30	43%
Hispanic Association of Contractors & Enterprises	N 5th St	Hispanic	24%	195	53%
Allegheny West Foundation	N Phila	Afr-Am	46%	198	58%
Ogontz Avenue Revitalization Committee	W Oak Ln	Afr-Am	76%	1,493	54%
Project Home	Spr Garden	Afr-Am	34%	164	60%
People's Emergency Center	W Phila	Afr-Am	36%	97	39%
American Street Empowerment Zone	Kensington	Hispanic	37%	217	38%
North Central Empowerment Zone	N Phila	Afr-Am	33%	76	36%
West Philadelphia Empowerment Zone	W Phila	Afr-Am	41%	86	48%

Figure E.10.1
Summary Chart,
Neighborhood
Analysis

Figure E.10.2
 Depository
 Performance
 at the
 Neighborhood
 Level

	Bank of America	Citizens Bank	Commerce Bank	PNC Bank	Wachovia Bank	All Lenders
Single-Family Loans						
Philadelphia	767	859	431	310	1,655	39,224
9 Neighborhoods	42	76	34	36	159	2,556
Market Share - % of Loans by Institution						
9 Neighborhoods	1.6%	3.0%	1.3%	1.4%	6.2%	100.0%
Philadelphia	2.0%	2.2%	1.1%	0.8%	4.2%	100.0%
Portfolio Share - % of Institution's Loan						
9 Neighborhoods	5.5%	8.8%	7.9%	11.6%	9.6%	6.5%

Figure E.10.3
 Small Business
 Loans in
 Selected
 Neighborhoods

Neighborhood	# Small Businesses w/Revenues < \$1M	# Loans to Small Businesses w/Revenues < \$1M
Association of Puerto Ricans on March	44	16
Hispanic Association of Contractors & Enterprises	479	77
Allegheny West Foundation	419	79
Ogontz Avenue Revitalization Committee	726	134
Project Home	373	37
People's Emergency Center	410	114
American Street Empowerment Zone	542	125
North Central Empowerment Zone	450	35

E.11 Recommendations

Since hearings about the 2005 report were not conducted until the 2006 report had already begun, the City had little if any time to take action on recommendations put forth in the 2005 report. Therefore, we reiterate those recommendations, and add the following additional ones:

- From a public policy standpoint, the City can encourage its depositories to recruit minority and bilingual staff, reassess marketing materials, and redouble financial product education efforts.
- From a data collection standpoint, the City can deepen the scope of its analysis of City depository activity by gathering information related to the borrowing outcomes of similarly qualified applicants and to the fair lending training being offered by depositories.
- Finally, with the new Nutter administration focusing on increasing the number of successful small businesses in communities throughout the City, access to capital is an important element of such an effort, and thus the City should continue to encourage depositories to reevaluate their community development lending programs, branch locations, and financial products.

We also repeat a major limitation associated with public policy toward City depositories, namely the diminishing share of residential mortgages originated by these institutions, with the explosion of non-bank financial intermediaries providing credit. Therefore, we encourage the City to examine ways to increase its scope beyond the authorized depositories, towards the broader goal of facilitating greater availability of credit to citizens and businesses across all types of financial markets.

SECTION 1

Background	1.0
Legislative and Institutional Context	1.1
Depository Descriptions	1.2



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 reinvestment 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 reasons:

- 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 employed a number of tactics to combat predatory lending, including Consumer Education and Outreach, Legal Assistance, creation of Alternative Loan Products, and research. In 2004, Mayor Street and Pennsylvania Secretary of Banking William Schenck joined officials from Citizens Bank and Freddie Mac in unveiling a comprehensive consumer awareness campaign to alert borrowers in North Philadelphia and other target neighborhoods about the dangers of predatory lending. The program offers financial literacy, credit counseling and consumer education workshops, and encourages borrowers to call the city's "Don't Borrow Trouble" anti-predatory lending hotline.

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 2006 and annual company reports.

Advance Bank

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

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

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 services, both depository and loan, to underserved communities, as well as the general population. Advance Bank participates in the Emerging Contractor's Program and is a member of various community development organizations in the City of Philadelphia, such as Greater Philadelphia Urban Affairs Coalition's Community Development Committee and the African American Chamber of Commerce. Advance Bank 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

Advance Bank specified community reinvestment goals in 2006, but did not meet them. The bank aimed to provide 12 Small Business Loans, 25 Home Mortgages, and four Community Development Investments but only offered one, 11, and zero, respectively.

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 2006

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 increasing small business loans by 317 loans and \$7.3 million. Though it 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.

Total Assets:

\$1,459,737,000,000
(as of 12/31/06)

Employees:

203,425

Offices:

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

16 offices in Philadelphia

CRA Rating:

Outstanding (2001)

Structure:

Subsidiary of Bank of
American Corporation

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 2006

Citizens Bank

Total Assets:
\$160,831,000,000
(as of 12/31/06)

Employees:
4,397

Offices:
412 total domestic offices
62 offices in
Philadelphia

CRA Rating:
Outstanding (2003)

Structure:
Subsidiary of
Royal Bank of
Scotland Group, PLC

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

In 2006, Citizens Bank exceeded all four of its community reinvestment goals. The bank provided 258 more Small Business Loans and 363 more Home Mortgages than the established benchmarks for each category. The Home Improvement Loan's goal of 950 was surpassed with 1,155. Finally, 14 Community Development Investments, totaling \$1.1 million, were made compared with the bank's goal of 10 CD Investments. Citizen's Bank increased all goals, except Community Development Investments, for 2007.

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 2006

Commerce Bank

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 a market area covering 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 achieved 3 of 4 community reinvestment goals for 2006. The bank fell short of its Small Business Loan goal by 72, but exceeded Home Mortgages by 19, Home Improvement Loans by 10, and Community Development Investments by 17. Commerce Bank increased all of its Community Reinvestment goals for 2007, except Small Business 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 2006

Total Assets:

\$45,271,816,000
(as of 12/31/06)
*annual report

Employees:

10,627

Offices:

371 total domestic offices

15 offices in Philadelphia

CRA Rating:

Outstanding (2003)

Structure:

Subsidiary of
Commerce Bancorp, Inc.

Mellon Bank

Total Assets:
\$41,478,000,000
(as of 12/31/06)

Employees:
7,662

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

CRA Rating:
Outstanding (2005)

Structure:
Subsidiary of Mellon
Financial Corporation

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 MacBride 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 2006 - Small Business Loans and Community Development Investments. The bank provided 63 Small Business Loans, exceeding its goal by 23. The Community Development Investments goal was 60; the bank fell short by 8. During 2006, Mellon sold its premium financing affiliate, AFCO, and for 2007 and beyond, will no longer engage in small business lending as a line of business.

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 2006.

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 MacBride 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 2006. Small business loans in 2006 reached 1,198, exceeding its benchmark by nearly three times as many. Goals for home mortgages and home improvements were 73 and 490, respectively. In 2006, PNC made 81 home mortgage loans and 521 home improvement loans. Community development investments totaled \$24.5 million, far exceeding the goal of \$1.8 million. PNC Bank raised its goals slightly for 2007.

Total Assets:
\$101,820,000,000
(as of 12/31/06)
*annual report

Employees:
15,890

Offices:
831 total domestic offices
(842 total offices)

39 Offices in Philadelphia

CRA Rating:
Outstanding (2006)

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 2006

Republic First Bank

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

Employees:
110

Offices:
11 total domestic offices
7 offices in Philadelphia

CRA Rating:
Satisfactory (2005)

Structure:
Subsidiary of Republic
First Bankcorp, Inc.

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 MacBride 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 it does not set separate community reinvestment goals for the City of Philadelphia. Rather, they are included in the bank's goals for the overall assessment area. In 2006, the Bank provided 110 Small Business Loans, 13 Home Mortgages, no Home Improvement Loans, and 16 Community Development Investments totaling \$1.4 million.

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 2006

United Bank of Philadelphia

United Bank of Philadelphia (United Bank), headquartered in Philadelphia, is a state-chartered, full-service commercial bank. United Bank is wholly owned 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 areas. 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.¹

Community reinvestment goals were set in all categories, except community development investments, but none of them were met. Small Business Loans fell short of their goal by 21; Home Mortgages fell short by 5; Home Improvement Loans fell short by 6. As a result, 2007 goals were lowered slightly.

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 2006

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.

Wachovia Bank

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 office
in Philadelphia

CRA Rating:
Outstanding (2003)

Structure:
Subsidiary of
Wachovia Corp.

Wachovia Bank, N.A., is an interstate bank headquartered in Charlotte, N.C. The bank is the primary subsidiary of Wachovia Corporation (WC) also in Charlotte, N.C. WC has one other commercial banking subsidiary, Wachovia Bank of Delaware, N.A. 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 fourth-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 certifies that it is in compliance with the MacBride 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

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. In 2006, the Wachovia Foundation provided over 5.6 million dollars to more than 250 eligible organizations in Philadelphia, focused on the areas of education and community development. The bank set benchmarks for Small Business Loans in 2006 of 535, however only 383 loans were made. They also set a benchmark of 1,770 for Home Mortgages and the bank made 2,571. No goals were set for Home Improvement Loans or Community Development Investments. The bank provided 260 Community Development Investments.

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 2006

SECTION 2

Statistical Analysis of Residential Mortgage Lending Practices	2.0
The Data Set	2.1
Model Specification and Methodology	2.2
Findings: All Lender Sample	2.3
Depository Sample	2.4
Comparison with Previous Year Analysis (2005)	2.5



2.0 Statistical Analysis of Residential Mortgage Lending Practices

The following report analyzes fair lending practices among City depositories and the entire universe of lenders within Philadelphia. The ultimate objective of this report is to examine a combination of statistical data of banking information and residential information from the census to assess (1) if discriminatory practices exist, and if the subset of City depositories differs from the entire sample of lenders, and (2) if so, to recommend public policies to eliminate the discrimination, as required by federal, state, and local legislation.

The specific City legislation requires an analysis of City depositories to assess whether they comply with practices of fair lending, yet these institutions originate only a small portion (approximately 15 percent) of residential loans. We first examine the universe of all lenders, and then turn to analyzing the data for the depositories.

The central focus of this analysis addresses the following question: does the data indicate practices 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? The analysis of discrimination in the access to credit considers (1) denial rates, by type of loan application (home purchase, home improvement, and refinancing), and (2) less-favorable lending terms (e.g. subprime verses prime loans).

The City's fair lending legislation requires an assessment of discriminatory lending practices by banks. Our analysis indicates statistically significant disparities across the racial and ethnic characteristics of borrowers, yet notable differences exist between City depositories and the overall sample of lenders, which indicate more favorable conditions among the City depositories regarding home purchase loans.

Yet this analysis is constrained by the lack of available data. For instance the analysis does not contain data on the borrower's (1) credit rating score and (2) wealth and existing debt load. If these data were included in the analysis, the existing gap among different racial and ethnic groups might shrink or disappear completely. Still, the existing information indicates a statistically significant negative effect associated with race and ethnicity, which warrants concern and additional examination.

2.1 The Data Set

This study uses 2006 (calendar year) mortgage application data collected under the Home Mortgage Disclosure Act for the City of Philadelphia.¹ A total of 91,661 loan applications for owner occupied homes were used in this analysis. Of these 13,036 were loan applications to City depositories.

In addition to loan-specific data, this analysis also utilizes data at the census tract level on median home values and vacancy rates obtained from the Census 2000 Summary File 3 (www.census.gov).

2.2 Model Specification and Methodology

We model the lender's decisions on whether to offer or deny a loan by type of loan (home purchase, home improvement, and refinancing). Additionally, within the sample of loans granted we analyze whether there are discriminatory practices within the terms of the loan offered through an analysis of prime or subprime loans. As both the dependent variables are binary (loan denied=0,1 subprime=0,1) we employ a multinomial logistic regression model to bound the interval between 0 and 1.

The independent variables include both neighborhood and individual-level characteristics, as well as characteristics of the loan requested and dummy variables for the particular lender.

2.2.1 The Dependent Variables

The dependent variables for this analysis include loan denial rates and subprime vs. prime loan approvals.

The first dependent variable in this study is a dichotomous variable, defined as whether or not an applicant was denied approval of a (1) home purchase loan, (2) home improvement loan, or (3) a refinancing loan. 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 examines the terms of the loan, solely for home purchase loans. 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.

¹ This is the same data source (HMDA) used in the previous lending disparity reports, as described in Section 1

2.2.2 The Independent Variables

We included independent variables in the model to control for factors that are likely to influence the lending decision. Individual-level characteristics include gender, log of annual income, and race (African American, Asian, Hispanic, or Missing) with non-Hispanic Whites as the reference category. Neighborhood characteristics include: tract-level information on the median level of income (as a percentage of median income in the entire city), and the vacancy rate of unoccupied home; one specification of the model also includes a variable for percent of minority within the census tract. Loan characteristics include: amount of loan (logged), and whether it was a conventional or FHA loan. An additional variable measures the loan-to-value ratio as a measure of the amount of loan requested divided by the median home value in the census tract. The following is a bulleted list of all variables:

Individual Characteristics:

- Gender
- Race or Ethnicity
- Applicant income (logged)

Neighborhood Characteristics:

- Median income of the census tract (as % Median income of City)
- Vacancy rates by census tract
- Percentage minority

Loan Characteristics:

- Type of loan (Conventional or FHA)
- Amount of loan (logged)
- Dummy variables by lender
- Loan-to-Value Ratio (loan amount relative to median home value in the census tract)

We also include an interaction term to examine lending practices of African American males and females separately. Several potential control variables are missing from this model due to the limitations of the HMDA data. These include an applicant's credit history, and wealth and existing assets.

Credit histories are crucial factors that banks use to assess risk. Additionally, there is a strong possibility that credit scores may be correlated with race and ethnicity. Without this information, we cannot fully assess whether the banks made discriminatory decisions. We can, however, compare the practices of the City depositories with the universe of all lenders. Additionally we can compare the 2006 data with the previous year to analyze if any changes have taken place.

Additionally, while the dataset does not contain information on the interest rate associated with loans granted, we estimate the potential for discriminatory practices in interest rates by using a proxy for whether loans were granted as prime or subprime rate.

2.3 Findings: All Lender Sample

2.3.1 All Lenders: Home Purchase Loans

The estimated coefficients and standard errors from the full sample are shown in the following table. The most striking findings relate to race and ethnicity. African Americans have an 11 percent greater probability of being denied a home purchase loan than Whites, and Hispanics have a 7 percent greater probability of being denied. African American males have an additional 2.5 percent likelihood (for a total of 13.5 percent) over non-Hispanic Whites. Individuals who did not report their race are 10 percent more likely to be denied a home purchase loan.

Additionally, individuals with greater incomes and individuals applying for greater loan amounts had a lower likelihood of being denied a loan.

[See Appendix 1, Table 1]

Red-Lining

Red-lining relates to discriminatory practices based on geographic rather than individual characteristics, whereby lenders exhibit a pattern of avoiding loans in specific geographic areas. Our analysis of red-lining behavior incorporates a variable that captures the minority population share at the census tract level.

While the variable on percent of minority population is significant, the impact is so marginal (approximately .1 percent) that these data do not support the hypothesis of red-lining behavior.

[See Appendix 1, Table 2]

2.3.2 All Lenders: Prime and Subprime Loans

The next section of the analysis examines whether, when granted a loan, discriminatory practices exist regarding the terms of the loan. The model performs a binary logistic regression model analyzing the likelihood of being granted a prime or a subprime loan. This model tests whether, with everything else being equal, racial or ethnic groups are offered a disproportionately high number of subprime home purchase mortgages.

The table reveals that, when offered a loan, African Americans have a 14 percent higher probability of being offered a subprime loan and Hispanics have an 11 percent higher probability compared to non-Hispanic Whites.

[See Appendix 1, Table 3]

2.3.3 All Lenders: Refinancing

As the conditions and circumstances for home purchase, home improvement, and refinancing vary greatly, these loan types are analyzed separately. The following model considers loans for refinancing. The results show that African Americans are denied loans for refinancing 14 percent more frequently than Whites, while Hispanics are denied loans 10 percent more frequently and Asians are denied loans 7 percent more frequently.

[See Appendix 1, Table 4]

2.3.4 All Lenders: Home Improvement Loans

We have also examined the patterns of loan approvals and denials for home improvement loans. In the case of home improvement loans African Americans are routinely denied loans 17 percent more frequently and Hispanics are denied loans 15 percent more frequently than non-Hispanic Whites.

[See Appendix 1, Table 5]

2.4 Depository Sample

2.4.1 Depository Home Purchase Loans

The next section of the report analyzes Philadelphia depositories separately. This model shows that African Americans within the sample are statistically no more likely to be denied a home purchase loan than Whites in the sample. This finding reveals a marked difference from the entire universe of lending institutions. Surprisingly, Asians within the sample were 13 percent more likely to be denied a home purchase loan from a City depository, although no more likely to be denied a loan within the entire sample. Hispanics were 11 percent more likely to be denied a home purchase loan than Whites.

[See Appendix 1, Table 6]

Red-Lining

We used the same sample to test whether or not these lenders engaged in systematic red-lining. 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 red-lining is not present in the market for purchase money loans for the depositories.

[See Appendix 1, Table 7]

2.4.2 Depositories: Prime and Subprime Loans

The model for prime and subprime loans reveals no statistically significant differences in lending behavior. That is, when granted a home purchase loan, there is no statistical evidence to indicate that African Americans, Hispanics, or Asians are more likely to be granted a loan with less favorable conditions. Again, this finding indicates a striking difference in the lending practices of Philadelphia depositories compared to the entire universe of lenders.

[See Appendix 1, Table 8]

2.4.3 Depositories Refinancing Loans

Unlike the market for home purchase loans, the analysis of refinancing loans suggests that the Philadelphia depositories practiced discriminatory policies based on race and ethnicity. We do not have access to the complete information that the banks used to make these decisions, including credit scores and other assets. Yet, based on the existing information, our analysis finds that the Philadelphia depositories are 15 percent more likely to deny a refinancing loan to African

Americans, 14 percent more likely to deny a loan to Hispanics, and 8 percent more likely to deny a loan to Asians than to non-Hispanic Whites.

[See Appendix 1, Table 9]

2.4.4 Depositories Home Improvement Loans

The analysis on home improvement loans also suggests discriminatory practices among the Philadelphia depositories. For instance, African Americans were 15 percent more likely to be denied a loan, Hispanics were 16 percent more likely to be denied a loan, and Asians were 11 percent more likely to be denied a loan. Thus the data indicate differences between the depositories and the entire universe of lenders in terms of home purchase loans, yet not in refinancing or home improvement loans.

[See Appendix 1, Table 10]

2.5 Comparison with Previous Year Analysis (2005)

The results from an identical analysis based on data from 2005 reveal largely similar trends. The Philadelphia depositories did not reveal statistically significant differences between African Americans and Whites for home purchase loans, either in denial rates or loan conditions (prime verses subprime). Yet the data suggest that Hispanics were more likely to be denied a home purchase loan in both years. The entire sample of lenders indicate discriminatory practices on denial rates of home purchase loans, and on likelihood of receiving less favorable conditions (subprime loans) when applying for a home purchase loan, controlling for factors such as loan amount and annual income. Once again, we do not have access to credit scores or other assets that banks use to assess risk. Yet these trends do indicate differences between the Philadelphia depositories and the entire universe of lenders in Philadelphia based on race and ethnicity.

A comparison of the denial rates among Philadelphia depositories in refinancing and home improvement loans indicates some improvement between 2005 and 2006. The analysis of refinancing and home improvement loans suggests discriminatory practices among both depositories and other lenders in both 2005 and 2006, with both African Americans and Hispanics more likely than whites to be denied a loan. However, a comparison of the denial rates among Philadelphia depositories in refinancing and home improvement loans indicates some improvement between 2005 and 2006. The likelihood of denial for a home improvement loan for African Americans and Hispanics each fell from 20 percent to 16 percent between 2005 and 2006. While substantial differences exist, these trends suggest a slight improvement between the two years.

In conclusion, the data suggest that discriminatory practices existed in the sample of all lenders in all three types of loans: home purchase, refinancing and home improvement. Within the sample of Philadelphia depositories, the data indicate similar finding for home purchase and refinancing loans yet do not show any statistical differences between African Americans and Whites in the likelihood of a home purchase loan, or in the likelihood of receiving a subprime rate on a home purchase loan. This difference is striking, but merits further examination. Overall, these findings indicate that Philadelphia depositories performed somewhat better than the overall sample of lenders yet racial and ethnic differences warrant concern and additional examination.

SECTION 3

Prime and Subprime Home Lending in Philadelphia	3.0
All Loans Compared with Demographics	3.1
Home Purchase Loans Compared with Demographics	3.2
Home Refinance Loans Compared with Demographics	3.3
Home Improvement Loans Compared with Demographics	3.4



3.0 Prime and Subprime Home Lending in Philadelphia

3.1 All Loans Compared with Demographics

In 2006, there were 91,611 applications for loans in Philadelphia, a 9 percent decrease from 2005. Of these applications, 27,774 were denied, 7 percent fewer than the previous year. Lenders originated 25,131 loans at prime rates, a decrease of 17 percent. Subprime loans rose by 11 percent to 14,093.

	Applications	Prime Loans	Subprime Loans	Denied
2005	100,244	29,511	12,717	29,770
2006	91,611	25,131	14,093	27,774
Difference	-9.40%	-17.40%	10.80%	-7.20%

Figure 3.1
All Loan Applications and Originations, 2005 vs. 2006

Lending patterns for each loan type were analyzed by borrower race, income, tract minority level, tract income level, and borrower gender. For both borrowers income and tract income analyses, borrowers and tracts were divided into groups based on their reported income and the median family income for the Metropolitan Statistical Area (Philadelphia County's 2006 median family income was \$69,800). Below are the income subsets:

- Low-to-moderate-income: less than 80 percent of the median family income (less than \$55,840)
- Middle-to-upper-income: 80 percent or more of the median family income (\$55,840 and higher)

Percentages and ratios were rounded to the nearest whole number. See referenced tables for specific numbers.

Race

(See Appendix 2: Table 1)

- The overall number of loans given to white borrowers decreased between 2005 and 2006, with prime loans decreasing at a greater percentage than subprime loans (26 percent and 8 percent respectively).

- While the total number of loan applications for whites decreased by 19 percent, total denials decreased by only 5 percent.
- The overall number of loans issued to African American borrowers increased by nearly 14 percent between 2005 and 2006. Prime loans decreased by less than 1 percent, while subprime loans increased by 29 percent.
- Fifty-three percent of loans issued to African American borrowers were subprime loans, the highest percentage of any racial category.
- African American borrowers were denied 1.80 times as often as white borrowers, a small improvement over 2005.
- Total loans to Asian borrowers decreased by 49 percent.
- Despite Asians representing the smallest percentage of total Philadelphia households (nearly 4 percent), they have the highest prime-loan-to-household ratio (3.13). Thus, Asians generated greater numbers of prime loans per household than other racial categories.
- While total applications for Asians decreased by 34 percent, total denials decreased by only 3 percent.
- Hispanics had an overall increase in the total number of loans. However, prime loans increased by only 3 percent, while subprime loans increased by 27 percent.
- Although African American denial rates decreased between 2005 and 2006, this group had the highest denial rate of all racial and ethnic categories (nearly 40 percent).
- Hispanic denial rates compared to whites fell between 2005 and 2006, from a ratio of 1.76 to 1.54.

Figure 3.2
Share of All Loans
by Race

Borrower Race	Percent of Prime Loans	Percent of Subprime Loans	Percent of All Loans	Percent of All Households
White	63.3%	38.8%	55.1%	47.8%
African American	25.3%	57.2%	36.0%	40.2%
Asian	10.9%	4.0%	8.6%	3.5%
Hispanic	7.8%	11.4%	9.1%	6.5%

Income

(See Appendix 2: Table 2)

- Between 2005 and 2006, the number of prime loans decreased for all income categories, with the MUI category showing a significant decrease of nearly 22 percent.
- Subprime loans increased over the same period across all income categories, with one of the largest gains seen in the LMI category (11.8 percent).
- Sixty-seven percent of subprime loans issued were to borrowers within the LMI category.
- While most income categories had a fairly even split between subprime and prime loan issuance, 73 percent of loans issued to MUI borrowers were prime loans. However, this was a decrease from 78 percent in 2005.
- MUI applicants experienced a 12 percent decrease in total applications, yet only a 5 percent decrease in total denials between 2005 and 2006.
- Denial rates for MUI borrowers increased from 22 percent to nearly 24 percent between 2005 and 2006.
- LMI applicants were denied 1.48 times as often as MUI applicants. This is compared to being denied 1.62 times as often in 2005.

Borrower Income	Pct. of Prime Loans	Pct. of Subprime Loans	Applications	Denials	Denial Rate
LMI (<79.99% MSA Income)	56.9%	43.1%	53,812	18,740	34.8%
MUI (>80% MSA Income)	72.7%	27.3%	34,181	8,053	23.6%

Figure 3.3
Share of All Prime and Subprime Loans by Income

Tract Minority Level

(See Appendix 2: Table 3)

- Loans to census tracts with less than 50 percent minority residents (non-minority tracts) decreased for both prime and subprime types (26 and 3 percent, respectively).

- Subprime loans to census tracts with greater than 50 percent minority residents (minority tracts) increased between 2005 and 2006 by 23 percent.
- The percentage of prime loans issued to non-minority tract applicants decreased in 2006 relative to the percentage of non-minority tract housing units in the city (from 1.39 to 1.29).
- Conversely, the percentage of subprime loans issued to minority tract applicants increased relative to the percentage of minority tract housing units in the city (from 1.05 to 1.17).
- Applications in non-minority tracts decreased 19 percent; the denial rate decreased as well.
- Between 2005 and 2006, denial rates increased for borrowers in non-minority areas, and decreased for borrowers in minority areas.
- Applicants in minority tracts were denied 1.61 times as often as applicants in non-minority tracts. This was a decrease compared to the 2005 rate of 1.77.

Figure 3.4
Share of All Prime and Subprime Loans by Tract Minority Level

Minority Level	Loan Applications	Denial Rate	Pct. of Prime Loans	Pct. of Subprime Loans	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	44,923	23.1%	66.0%	42.6%	1.29	0.84
50-100% minority	46,657	37.2%	34.0%	57.4%	0.69	1.17

Tract Income Level

(See Appendix 2: Table 4)

- Sixty-three percent of all loans issued were issued to LMI tract applicants.
- The majority of originated loans were at prime rates. Seventy-six percent of MUI tract borrowers received prime loans compared to fifty-seven percent of borrowers in LMI tracts.
- Prime loans for both LMI and UMI tract categories decreased.
- MUI tract applicants had the greatest decrease in prime loans between 2005 and 2006 (28 percent).

- While only 33 percent of owner-occupied housing units in Philadelphia are in MUI tracts, these applicants received 44 percent of all prime loans.
- Between 2005 and 2006, the LMI denial rate decreased while the MUI denial rate increased. Both changes were less than one percentage point.
- LMI tract residents were denied 1.58 times as often as MUI tract residents.
- All residents were denied 1.93 times as often as MUI tract residents.

Tract Income	Loan Application	Denial Rate	Income to Upper Income Denial Ratio	Percent of All Loans	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
LMI (<79.99% MSA Income)	63,320	34.2%	1.58	63.2%	67.0%	0.84	1.12
MUI (>80% MSA Income)	28,205	21.6%	1.00	36.8%	33.0%	1.32	0.75

Figure 3.5
Share of All Loans by Tract Income Level

Gender

(See Appendix 2: Table 5)

- Subprime loans to women increased 15 percent between 2005 and 2006. Subprime loans to men increased by 1 percent.
- Total loans to women, men, and joint gender (one male and one female) decreased, with joint gender showing the biggest decrease (25 percent).
- Similar to last year, women had a greater number of loans than men (8 percent more).
- Women compose 45 percent of all Philadelphia residents, yet had only 40 percent of all loans. Conversely, men make up 22 percent of all Philadelphia residents and received 37 percent of all loans.
- Joint applicants received the highest proportion of prime loans, with 75 percent of their total loans categorized as prime.

- Total loan applications from men decreased by 11 percent, while denials decreased by nearly 7 percent. Joint applications were denied at a lower rate than applications of men. All gender categories saw increases in their denial rates between 2005 and 2006. The changes were no more than 2 percentage points, and joint gender had the lowest denial rate of 26 percent.

Figure 3.6
Share of
All Loans
by Gender

Borrower Gender	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of All Households	Denial Rate
Male	36.7%	38.5%	22.4%	29.9%
Female	37.3%	45.4%	44.9%	32.0%
Joint (Male/Female)	26.0%	16.1%	32.7%	25.6%

3.2 Home Purchase Loans Compared with Demographics

In 2006, there were 27,748 applications for home purchase loans in Philadelphia, a decrease of less than 1 percent from 2005. Of these applications, 12,651 were at prime rates, 4,462 were at subprime rates, and 4,866 applications were denied. The number of prime loans originated decreased by 8 percent, while the number of subprime loans increased by 19 percent. Denials increased by 9 percent.

Figure 3.7
Home Purchase
Loan Applications
and Originations,
2005 vs. 2006

	2005	2006	Difference
Applications	27,789	27,748	-1.0%
Prime Loans	13,625	12,651	-7.7%
Subprime Loans	3,749	4,462	19.0%
Denied	4,485	4,866	8.5%

Race

(See Appendix 2: Table 6)

- Prime loans for all racial categories, excluding African Americans, and Hispanics decreased. Prime loans to African Americans increased by 12 percent and by 14 percent for Hispanics.
- Asian prime loans decreased by 66 percent between 2005 and 2006.
- Subprime loans increased across all racial categories, with Hispanics having the greatest increase (43 percent). However, more than half of loans in each racial category were prime.

- Whites received 61 percent of all prime loans, and approximately 56 percent of total loans. Conversely, whites comprise 48 percent of all Philadelphia households.
- Asians, who comprise nearly 4 percent of households, received 16 percent of all prime loans, a share nearly four times greater than other racial categories.
- All racial categories show increases in the proportion of total loans that were subprime. Ninety percent of total loans issued to Asians were prime.
- Total white applications decreased by 8 percent, yet total denials to white applications increased by 4 percent.
- African American applications increased by 21 percent and denials increased 35 percent between 2005 and 2006.
- All denial rates increased between 2005 and 2006. The most significant increase was the African American denial rate, from 22 percent to 24 percent.
- African Americans were denied 2.06 times as often as whites. Hispanics were denied 1.64 times as often. Both ratios decreased compared to 2005.

Borrower Race	Loan Applications	Denial Rate	Race to White Denial	Pct. of Prime Loans	Pct. of Subprime Loans
White	10,310	11.8%	1.00	61.3%	37.0%
African American	7,320	24.3%	2.06	22.0%	57.3%
Asian	2,478	12.1%	1.03	15.9%	5.8%
Hispanic	2,437	19.4%	1.64	8.7%	15.9%

Income

(See Appendix 2: Table 7)

- Prime loans for all income categories decreased, with MUI prime loans showing one of the greatest decreases of nearly 13 percent.

Figure 3.8
Share of Home Purchase Loans by Race

- MUI subprime loans increased by 23 percent between 2005 and 2006, with all income categories increasing the number of subprime loans by no less than 10 percent.
- LMI borrowers received a larger share of subprime than their share of all households (63 percent of subprime loans and 57 percent of households).
- The percentage of MUI borrowers with subprime loans grew from 15 percent in 2005 to 20 percent in 2006.
- LMI applications were denied 1.39 times as often as MUI applications. Denial rates for both MUI and LMI borrowers were nearly unchanged from the prior year.

Figure 3.9
Share of Home
Purchase Loans
by Income

Borrower Income	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of all Households
LMI (<79.99% MSA Income)	47.7%	63.3%	57.4%
MUI (>80% MSA Income)	52.3%	36.7%	42.6%

Tract Minority Level

(See Appendix 2: Table 8)

- Prime loans for non-minority census tracts decreased by 15 percent, while subprime loans for the same group increased by 15 percent between 2005 and 2006.
- Prime and subprime loans for minority census tracts both increased (7 percent and 23 percent, respectively).
- Borrowers in non-minority census tracts received a greater share of prime loans than their share of housing units (67 percent of prime loans compared to 51 percent of all the city's housing units).
- Borrowers in minority census tracts received 55 percent of subprime loans, and 39 percent of all loans.
- Applications by borrowers in minority census tracts increased by 11 percent, while total applications denied increased by 16 percent.

- Both minority and non-minority area borrowers' denial rates increased by a percentage point between 2005 and 2006.
- Borrowers in minority census tracts were denied 1.79 times as often as borrowers in non-minority census tracts. This is a slight decrease from 2005, when applications were denied 1.83 times as often.

Minority Level	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of All OOHU
0-49% minority	67.1%	45.4%	51.0%
50-100% minority	32.9%	54.6%	49.0%

Figure 3.10
Share of Home Purchase Loans by Tract Minority Level

Tract Income

(See Appendix 2: Table 9)

- Similar to borrower income, the number of loans originated increased in LMI areas and decreased MUI areas.
- MUI prime loans decreased by 17 percent between 2005 and 2006.
- Subprime loans increased for all tract income categories. LMI areas share of total subprime loans remained around 75 percent in both years.
- Thirty-three percent of Philadelphia is an MUI area, yet these areas received 43 percent of all prime loans in the city.
- Eighty-four percent of all loans issued to MUI tract residents were prime loans, a slight decrease from 2005.
- The LMI denial rate increased from 19 percent to 21 percent between 2005 and 2006.
- The MUI denial rate did not change from 2005 to 2006. It remained considerably lower than the overall denial rate of 18 percent. LMI tract applications were denied 1.83 times as often as MUI tract applicants.

Figure 3.11
Share of Home
Purchase Loans by
Tract Income Level

Tract Income	Loan Applications	Denial Rate	Income to Upper Income Denial Ratio	Percent of All Loans	Percent of All OOHU	Prime Share to OOHU Share Ratio	Share to OOHU Share Ratio
LMI (<79.99% MSA Income)	18,227	20.7%	1.83	62.2%	67.0%	0.85	1.16
MUI (>80% MSA Income)	9,442	11.3%	1.00	37.8%	33.0%	1.31	0.68

Gender

(See Appendix 2: Table 10)

- Male and female applicants experienced a decrease in prime loans. Male prime loans fell 12 percent compared to 5 percent for females.
- Subprime loans to men increased by a greater percentage than subprime loans to women (25 percent and 14 percent, respectively).
- Prime loans for joint applicants decreased by 9 percent, while subprime loans increased by 16 percent.
- Men compose 22 percent of all Philadelphia households, yet received 41 percent of all prime loans and 47 percent of all subprime loans.
- Joint applicants were the most likely to receive a prime loan - 87 percent compared to 71 percent for males and 70 percent for females.
- Loan applications by men increased by less than 1 percent, yet total applications denied increased by 21 percent.
- Loan applications by women increased by 1 percent, while total applications denied increased by 15 percent.
- Loan applications by joint applicants decreased by 5 percent, while denials decreased by 6 percent.
- Joint applications were denied less often than male applicants.
- Male and female denial rates increased between 2005 and 2006 by as much as 3 percentage points. Joint gender denial rates declined slightly, from 10.8 percent to 10.6 percent. The overall denial rate was 18 percent.

Borrower Gender	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Prime
Male	70.8%	29.2%	1.00	1.00
Female	70.2%	29.8%	0.99	1.02
Joint (Male/Female)	86.7%	13.3%	1.23	0.45

Figure 3.12
Share of Home Purchase Loans by Gender

3.3 Home Refinance Loans Compared with Demographics

In 2006, there were 55,816 applications for home refinance loans in Philadelphia, a 15 percent decrease from 2005. Of these applications, 10,486 loans were originated at prime rates and 8,834 were originated at subprime rates. More than one-third of the applications were denied. The number of prime loans decreased by 30 percent. The number of subprime loans increased by 7 percent.

	2005	2006	Difference
Applications	64,319	55,816	-15.2%
Prime Loans	13,602	10,486	-29.7%
Subprime Loans	8,274	8,834	6.8%
Denied	21,977	18,974	-15.8%

Figure 3.13
Home Refinance Loan Applications and Originations, 2005 vs. 2006

Race

(See Appendix 2: Table 11)

- Prime loans decreased for all racial categories. White applicants had the greatest decrease (44 percent), while African American applicants had the least decrease (11.1 percent).
- Subprime loans increased for all racial categories, except whites, who received 13 percent fewer subprime loans between 2005 and 2006.
- African American applicants had the greatest increase in subprime loans (28 percent).
- White applicants received two-thirds of all prime loans.
- African Americans received 56 percent of all subprime loans.

- Only African American and Hispanic applicants had more subprime loans than prime loans. Four out of 10 African Americans received prime loans. Nearly half of all Hispanics received prime loans.
- White applications decreased by 28 percent, while total applications denied decreased by 10 percent.
- Asian applications decreased by 9 percent, while total applications denied increased by 9 percent.
- Although the African American denial rate was the only rate to decrease between 2005 and 2006 (from 44 percent to 42 percent), it remained the highest denial rate of all racial and ethnic categories.
- African Americans and Hispanics were denied 1.56 and 1.44 times, respectively, as often as white applicants in 2006. This was an improvement over the rates of 2005, of 1.90 and 1.65, respectively.

Figure 3.14
Share of Home Refinance Loans by Race

Borrower Race	Percent of Prime Loans	Percent of Subprime Loans	Percent of All Households	Denial Rate
White	66.0%	40.7%	47.8%	26.8%
African American	28.4%	56.1%	40.2%	41.8%
Asian	5.4%	3.2%	3.5%	31.8%
Hispanic	6.6%	8.6%	6.5%	38.6%

Income

(See Appendix 2: Table 12)

- Prime loans decreased and subprime loans increased for all income categories.
- While MUI applicants compose 43 percent of all households, they received 51 percent of prime loans.
- The share of prime loans going to MUI borrowers fell from 70 percent in 2005 to 64 percent in 2006.
- LMI applications decreased by 12 percent.
- MUI applications decreased by 19.5 percent.

- The LMI denial rate decreased from 40 percent to 38 percent between 2005 and 2006. The overall denial rate was much lower, at 34 percent.
- LMI applications were denied 1.36 times as often as upper-income applications. This is a decrease from 2005's rate of 1.54.

Borrower Income	Loan Applications	Denial Rate	Income to Upper Income Denial Ratio	Percent of All Loans	Percent of All Households
LMI (<79.99% MSA Income)	33,779	37.9%	1.36	57.8%	57.4%
MUI (>80% MSA Income)	19,462	27.8%	1.00	42.2%	42.6%

Figure 3.15
Share of Home Refinance Loans by Income

Tract Minority Level

(See Appendix 2: Table 13)

- Non-minority census tract applicants experienced a decrease of 39 percent in prime loans between 2005 and 2006. During this period, subprime loans decreased by 10 percent.
- Prime loans to minority census tract applicants decreased 11 percent, yet subprime loans increased 23 percent.
- Although non-minority census tracts contain 51 percent of Philadelphia's housing units, these tracts received two-thirds of all prime loans.
- The majority of loans for non-minority census tract applicants were prime (65 percent), while the majority of loans for minority census tract applicants were subprime (59 percent).
- Both categories saw applications and denials decrease. Non-minority applications decreased by 25 percent, with denials down by 19 percent. Minority tract applications decreased by 6 percent, with denials decreasing by 14 percent.

Figure 3.16
Share of Home
Refinance Loans by
Tract Minority Level

Minority Level	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of All OOHU	Denial Rate
0-49% minority	66.3%	42.2%	51.0%	27.7%
50-100% minority	33.7%	57.8%	49.0%	39.7%

Tract Income

(See Appendix 2: Table 14)

- Both LMI and MUI tract income categories experienced a decrease in prime loans originated compared to 2005, with the greatest decrease occurring in MUI tracts (42 percent).
- The total number of subprime loans for LMI tracts increased (12 percent), while subprime loans for MUI tracts decreased (6 percent).
- Borrowers in LMI tracts received the majority of all prime and subprime loans (55 and 74 percent, respectively).
- Fifty-three percent of all loans to borrowers in LMI tracts were subprime loans. Subprime loans were originated to LMI tract borrowers 1.63 times as often as those in MUI tracts, lower than the 2005 rate of 1.72.
- Sixty-seven percent of all loans in MUI tracts were prime loans.
- While the LMI denial rate decreased from 39 percent to 37 percent, it still remains greater than the overall denial rate of 34 percent. The MUI denial rate increased from 25 percent to 26 percent between 2005 and 2006, yet is still below the overall denial rate of 34 percent.
- LMI tract applications were denied 1.41 times as often as upper-income tract applications. This compares to the 1.58 rate of 2005.

Figure 3.17
Share of Home
Refinance Loans by
Tract Income Level

Tract Income	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio	Denial Rate	Income to Upper - Income Denial
LMI (<79.99% MSA Income)	54.5%	73.8%	67.0%	0.81	1.10	37.3%	1.41
MUI (>80% MSA Income)	45.5%	26.2%	33.0%	1.38	0.80	26.4%	1.00

Gender

(See Appendix 2: Table 15)

- Prime loans for men, women, and joint applicants decreased between 2005 and 2006. Joint gender applicants showed the greatest decrease (49 percent).
- Subprime loans for men and women increased (2 percent and 15 percent, respectively), while joint subprime loans decreased 12 percent.
- The majority of loans to both men and joint applicants originated at prime rates. Conversely, 51 percent of female applicants received loans at subprime rates.
- Total applications and denials declined for all gender categories. The greatest decrease in total applications was experienced by joint applicants (30 percent).
- The denial rate for female borrowers was the only gender denial rate to decrease between 2005 and 2006. The rate went from 37 percent to 36 percent.

Borrower Gender	Loan Applications	Denial Rate	Gender to Male Denial Ratio	Pct. of Prime Loans	Pct. of Subprime Loans
Male	17,340	34.0%	1.00	54.0%	46.0%
Female	20,357	35.5%	1.04	49.4%	50.6%
Joint (Male/Female)	10,563	30.1%	0.89	65.6%	34.4%

Figure 3.18
Share of Home Refinance Loans by Gender

3.4 Home Improvement Loans Compared with Demographics

In 2006, there were 17,473 applications for home improvement loans in Philadelphia. Of these applications, 5,684 were originated at prime rates and 1,243 were at subprime rates. More than 45 percent of all applications were denied. Eighty-two percent of total loans were issued at prime rate.

Figure 3.19
Home Improvement
Loan Applications
and Originations,
2005 vs. 2006

	Applications	Prime Loans	Subprime Loans	Denied
2005*	8,136	2,284	694	3,308
2006**	17,473	5,684	1,243	7,958

* Includes first lien only
**Includes first and second lien

Race

(See Appendix 2: Table 16)

- Sixty-six percent of all prime loans were issued to white applicants.
- African American applicants received 61 percent of all subprime loans.
- White applicants received a higher share of loans than their share of households (61 percent of loans compared to 48 percent of households).
- Hispanics represent nearly 7 percent of the city's households, yet received 13 percent of all subprime loans.
- Nine out of 10 Asian and white borrowers received prime loans.
- African Americans and Hispanic applicants had the highest denial rates (59 percent and 57 percent, respectively).

Figure 3.20
Share of Home
Improvement Loans
by Race

Borrower Race	Loan Applications	Denial Rate	Pct. of Prime Loans	Pct. of Subprime Loans	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	5,805	32.6%	66.1%	36.1%	1.38	0.76
African American	6,073	59.3%	28.2%	60.7%	0.70	1.51
Asian	693	47.2%	5.6%	2.7%	1.60	0.78
Hispanic	1,470	57.2%	6.9%	12.8%	1.05	1.96

Income

(See Appendix 2: Table 17)

- Fifty-eight percent of all Philadelphia households fall into the LMI category, yet these borrowers received 69 percent of all subprime loans.
- Both LMI and MUI categories received nearly the same number of prime loans.
- Eighty-eight percent of MUI borrowers received prime loans compared to 77 percent of LMI borrowers.
- LMI borrowers received 1.96 times as many subprime loans as MUI borrowers.
- LMI applicants have one of the highest denial rates (53 percent), while MUI applicants have a denial rate of 33 percent.
- LMI applicants are denied 1.60 times as often as upper-income applicants.

Borrower Income	Pct. of All Loans	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio	Denial Rate
LMI (<79.99% MSA Income)	53.4%	57.4%	0.87	1.21	52.8%
MUI (>80% MSA Income)	46.6%	42.6%	1.17	0.72	33.1%

Figure 3.21
Share of Home Improvement Loans by Income

Tract Minority Level

(See Appendix 2: Table 18)

- Sixty-five percent of prime loans were issued to applicants residing in non-minority census tracts.
- Sixty-two percent of subprime loans were issued to applicants residing in minority census tracts.
- Minority tract residents received 2.42 times as many subprime loans as those in non-minority tracts.
- Residents of minority census tracts were denied 56 percent of the time, while the rate for non-minority tract residents was 35 percent.

Figure 3.22
Share of
Home Improvement
Loans by
Tract Minority Level

Minority Level	Loan Applications	Denial Rate	Pct. of Prime Loans	Pct. of Subprime Loans	Percent of All OOHU
0-49% minority	8,458	35.0%	64.8%	38.4%	51.0%
50-100% minority	9,014	55.5%	35.2%	61.6%	49.0%

Tract Income

(See Appendix 2: Table 19)

- Three out of four subprime loans were issued to LMI borrowers.
- While MUI tracts represent only 33 percent of all Philadelphia households, they received 46 percent of all prime loans.
- Ninety percent of borrowers in MUI tracts received a prime loan compared to 76 percent of those in LMI tracts.
- LMI tract borrowers were denied 1.74 times as often as MUI tract borrowers.
- Fifty-three percent of applicants in LMI tracts were denied compared to 30 percent of those in MUI tracts.

Tract Income	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper Income – Share Ratio: Prime	Income Share to Upper Income – Share Ratio: Subprime	Denial Rate
LMI (<79.99% MSA Income)	76.3%	23.7%	0.85	2.38	52.6%
MUI (>80% MSA Income)	90.0%	10.0%	1.00	1.00	30.2%

Figure 3.23
Share of Home Improvement Loans by Tract Income Level

Gender

(See Appendix 2: Table 20)

- Women received 38 percent of all prime loans and 45 percent of all subprime loans.
- While men represent 22 percent of all Philadelphia households, they received 29 percent of prime loans and 32 percent of subprime loans.
- Eighty-seven percent of joint applicants received prime loans.
- Half of all female applicants were denied, the highest denial rate of any gender category
- Joint applicants were denied one-third of the time, the lowest denial rate.

Borrower Gender	Pct. of Prime Loans	Pct. of Subprime Loans	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio	Denial Rate	Gender to Male Denial Ratio
Male	29.1%	31.7%	1.30	1.42	47.7%	1.00
Female	38.0%	45.2%	0.85	1.01	50.2%	1.05
Joint (Male/Female)	32.9%	23.1%	1.01	0.71	33.2%	0.70

Figure 3.24
Share of Home Improvement Loans by Gender

SECTION 4

Philadelphia Compared to Other Areas	4.0
Comparison to Lending in the Suburbs	4.1
Comparison to Lending in Other Cities	4.2



4.0 Philadelphia Compared to Other Areas

Lending to Philadelphia city residents was compared to lending to residents of four suburban counties—Bucks, Chester, Delaware, and Montgomery (see Appendix 2, Tables 21-40)—and compared to lending in other big cities: Baltimore, Detroit, and Pittsburgh. Aggregated single-family home purchase, home improvement, and home refinance lending was analyzed (see Appendix 2, Tables 11-45).

4.1 Comparison to Lending in the Suburbs

Race

(See Appendix 2: Table 1 and 21)

- Thirty-six percent of city loans were subprime compared to 17 percent of suburban loans.

Borrower Race	2005		2006		2000 Census	
	Suburban Subprime	City Subprime	Suburban Subprime	City Subprime	Suburban: Percent of Households	City: Percent of Households
White	81.3%	46.2%	77.3%	38.8%	85.7%	47.8%
African American	16.0%	48.7%	19.5%	57.2%	8.3%	40.2%
Asian	2.8%	5.0%	3.2%	4.0%	2.7%	3.5%
Hispanic	3.7%	10.0%	3.7%	11.4%	2.2%	6.5%

- Consistent with 2005 findings, African Americans in the city and suburbs were given prime loans at slightly over half of their proportion of households.
- African Americans in the city received 25 percent of all prime loans compared to just below 5 percent in the suburbs.
- Twelve percent of loans to Asians in the suburbs were subprime, compared to 16 percent in the city.
- Asians were less likely than whites to receive subprime loans in both the city and suburbs.

Figure 4.1
Share of
All Loans by Race,
Philadelphia vs.
Suburbs

- As in 2005, Asians received subprime loans consistent with their proportion of households in both the city and suburbs. They received 4 percent and 3 percent of all subprime loans in the city and suburbs, respectively.
- Asians received prime loans at three times their proportion of households in the city.
- Twenty-nine percent of loans to Hispanics in the suburbs were subprime, compared to 43 percent in the city. These percentages increased by 4 percentage points since 2005, in both the city and suburbs.
- Hispanics were 2 percent of households in the suburbs and received 4 percent of all subprime loans. Hispanics in the city were 7 percent of households and received 8 percent of subprime loans.
- The percentage of whites receiving subprime loans increased from 2005, to 24 percent in the city and 14 percent in the suburbs.
- Loan applications continued to be denied at a higher rate in the city than in the suburbs, as was the case in 2005. Twenty percent of loan applications were denied in the suburbs compared to a 30 percent denial rate in the city.
- City denial rates remained higher in each racial category. The largest difference between city and suburban denial rates occurred for Hispanics, who experienced rates of 22 percent in the suburbs and 34 percent in the city.
- The largest differences in denial rates from 2005 to 2006 were in the suburban denial rate to African Americans and in the city denial rate to Asians, both of which increased by 4 percentage points.

Figure 4.2
Denial Rate
by Race,
Philadelphia vs.
Suburbs

Borrower Race	Suburban Denial Rate	City Denial Rate	Suburban Race to White Denial	City Race to White Denial
White	16.8%	21.9%	1.00	1.00
African American	34.2%	39.5%	2.04	1.80
Asian	13.8%	21.7%	0.82	0.99
Hispanic	22.1%	33.7%	1.32	1.54
Total	19.7%	30.3%	1.17	1.38

- The ratios of every race category to white denials decreased from the 2005, with the exception of Asian.
- The denial ratios of other races to white were higher in the city for each racial category except for the denial ratio of African Americans-to-whites in the suburbs. In both the city and the suburbs, African Americans were approximately twice as likely as whites to be denied a loan.
- As occurred in 2005, only Asians were less likely than whites to be denied loans. The suburban Asian denial rate of 14 percent was the lowest denial rate of any category.

Low-to-Moderate-Income Borrowers

(See Appendix 2: Table 2 and 22)

- Low-to-moderate-income (LMI) households comprise 57 percent of all households in the city. These households received 67 percent of all subprime loans and 50 percent of all prime loans within the city, which was consistent with the 66 percent of subprime and 47 percent of prime loans that were issued in 2005.
- LMI households were 29 percent of all suburban households and received 22 percent of all prime loans and 32 percent of all subprime loans.

Borrower	Suburban Subprime Loans	City Subprime Loans	Suburban: Percent of Households	City: Percent of Households
LMI (<79.99% MSA Income)	32.0%	66.5%	29.0%	57.4%
MUI (>80% MSA Income)	68.0%	33.5%	71.0%	42.6%

- A greater proportion of subprime loans were issued to LMI borrowers than to middle-to-upper income (MUI) borrowers in both the city and suburbs, as was the pattern in 2005.
- Subprime loans were 43 percent of the loans to urban LMI borrowers compared to 39 percent in 2005; they represented 27 percent of the loans to MUI borrowers, which increased from 22 percent in 2005.

Figure 4.3
Share of All Loans by Income, Philadelphia vs. Suburbs

- Subprime loans were 24 percent of the loans issued to LMI borrowers in the suburbs and 16 percent of the loans issued to MUI borrowers. Subprime lending to each income group increased by 3 percent in the suburbs from 2005.
- LMI borrowers were denied 35 percent of the time in the city, while MUI borrowers were denied 24 percent of the time. These denial rates were consistent with 2005 rates.
- In the suburbs, LMI borrowers were denied 27 percent of the time while MUI borrowers were denied 17 percent of the time.

Minority Level of Census Tracts

(See Appendix 2: Table 3 and 23)

- Forty-nine percent of all census tracts in the city of Philadelphia had more than 50 percent minority populations compared to 3 percent of suburban tracts.
- Approximately 50 percent of the loans issued in minority tracts were subprime in both the city and suburbs, where loans increased from 41 percent in 2005.
- City minority tracts received 57 percent of all subprime loans, while suburban minority tracts received 7 percent of all subprime loans.
- City minority tracts received 34 percent of all prime loans compared to 29 percent of prime loans in 2005. Suburban minority tracts received 2 percent of all prime loans compared to 1 percent in 2005.

Figure 4.4
Share of All Loans by
Tract Minority Level,
Philadelphia vs.
Suburbs

Tract Minority Level	Suburban Prime Loans	City Prime Loans	Suburban: Percent of Households	City: Percent of Households
0-49% minority	98.4%	66.0%	97.4%	51.0%
50-100% minority	1.6%	34.0%	2.6%	49.0%

- Both city and suburban borrowers in minority tracts received prime loans about 52 percent of the time, which were decreases from the 57 and 59 percent, respectively, in 2005.

- City borrowers in minority tracts were 1.8 times more likely to get subprime loans than in non-minority tracts, while suburban borrowers in minority tracts were 2.9 times more likely. These ratios were consistent with the ratios in 2005.
- Denial rates were 37 percent in both city and suburban minority tracts.

Income Level of Census Tracts

(See Appendix 2: Table 4 and 24)

- Sixty-seven percent of owner-occupied housing units are in LMI tracts in the city compared to 6 percent in the suburbs.
- LMI tracts in the city received 56 percent of all prime loans and 75 percent of all subprime loans. Suburban LMI tracts received 5 percent of all prime loans and 14 percent of all subprime loans. These percentages were slightly higher than they had been in 2005.

Tract Income Level	Suburban Prime Loans	City Prime Loans	Suburban Subprime Loans	City Subprime Loans
LMI (<79.99% MSA Income)	4.9%	56.4%	13.9%	75.3%
MUI (>80% MSA Income)	95.1%	43.6%	86.1%	24.7%

- Forty-three percent of the loans in city LMI tracts were subprime compared to 24 percent of loans in MUI tracts. Thirty-eight percent of all loans in suburban LMI tracts were subprime compared to 16 percent of loans in MUI tracts.
- City applicants in LMI tracts were denied 34 percent of the time compared to a rate of 31 percent in these areas of the suburbs. LMI residents were 1.6 times more likely to be denied than MUI residents in the city and 1.7 times more likely in the suburbs.

Gender

(See Appendix 2: Table 5 and 25)

- Joint (Male/Female) applicants were the most likely to be approved for loans and most likely to receive prime loans in suburban areas.

Figure 4.5
Share of All Loans by Tract Income Level, Philadelphia vs. Suburbs

- Joint applicants in the city received prime loans 75 percent of the time, while joint applicants in the suburbs received prime loans 88 percent of the time.
- Joint applicants were denied 16 percent of the time in the suburbs and 26 percent of the time in the city.
- Female applicants received 45 percent of subprime loans in the city and 30 percent of subprime loans in the suburbs. The rates of subprime lending to female applicants increased 2 percentage points from 2005 in both the city and suburbs.
- Male applicants received 39 percent of all subprime loans in the city and 36 percent in the suburbs. Males received subprime loans 1.7 times more than their percentage of households in the city and over two times more in the suburbs. These percentages were consistent with 2005 rates.

Figure 4.6
Share of All Loans
by Gender,
Philadelphia vs.
Suburbs

Borrower Gender	Suburban Prime Loans	City Prime Loans	Suburban: Percent of Households	City: Percent of Households
Male	26.2%	36.7%	17.3%	22.4%
Female	22.4%	37.3%	27.8%	44.9%
Joint (Male/Female)	51.4%	26.0%	55.0%	32.7%

- Both males and females in the suburbs had denial rates of 22 percent, while males in the city had a denial rate of 30 percent compared to the female urban denial rate of 32 percent.

4.2 Comparison to Lending in Other Cities

Philadelphia, Baltimore, Detroit, and Pittsburgh have many similarities. All of these cities have declining populations, according to U.S. Census estimates. With the exception of Pittsburgh, the majority of householders in these cities are minorities, and the cities all have aging housing stock and infrastructure. Female householders occupy between 43 and 49 percent of the households in all four cities.

Lending in Philadelphia, Detroit, and Pittsburgh decreased from 2005, while it increased in Baltimore. Thirty-six percent of home loans in Philadelphia were subprime, compared to 32 percent in Baltimore,

71 percent in Detroit, and 31 percent in Pittsburgh.

Philadelphia went from having the lowest percent of subprime loans in 2005 out of the comparison cities, to having the second highest percentage in 2006. The percentage of subprime lending from 2005 to 2006 increased in Philadelphia and Detroit, remained the same in Pittsburgh, and decreased in Baltimore. Philadelphia continued to have lower denial rates than most of the other cities. Borrowers in Detroit remained the most likely to receive subprime loans and to be denied, but the disparity among racial and income groups remained low.

[See Appendix 2, Tables 41-55]

City	Prime Loans	Subprime Loans	Total Loans
Philadelphia	25,131	14,093	39,224
Baltimore	23,743	10,997	34,740
Detroit	5,299	13,011	18,310
Pittsburgh	3,563	1,622	5,185

Figure 4.7
Prime, Subprime,
and Total Loans by
City

Race

- Philadelphia, Baltimore, and Pittsburgh all showed a disparity in prime lending to African Americans compared to their share of households. Philadelphia improved its disparity from 2005 and increased the ratio of prime lending compared to households from .5 to .6.
- Detroit was the only city without disparity in prime lending to African Americans.
- African Americans in Philadelphia were issued subprime loans 53 percent of the time, compared to 73 percent in Detroit, 55 percent in Pittsburgh, and 46 percent of the time in Baltimore.
- African Americans in Philadelphia, Baltimore, and Pittsburgh were issued subprime loans twice as often as Whites were. In Detroit, 61 percent of Whites received subprime loans compared to 73 percent of African Americans.

Figure 4.8
African American
Share of
All Prime Loans
by City

City	African American Percent of All Prime Loans	African American Percent of All Households
Philadelphia	25.3%	40.2%
Baltimore	23.5%	58.9%
Detroit	78.3%	80.1%
Pittsburgh	8.3%	24.1%

- The denial ratio between African Americans and Whites was highest in Philadelphia, as it had been in 2005, though the ratio decreased from 2.1 to 1.8.
- In Detroit, African Americans were only slightly more likely to be denied than Whites. The denial ratios decreased in all four cities from 2005 to 2006.

Figure 4.9
African American
to White Denial
Ratio by City

City	African American to White Denial Ratio
Philadelphia	1.80
Baltimore	1.51
Detroit	1.09
Pittsburgh	1.73

- Hispanics in Philadelphia received a percentage of prime loans that was roughly equal to the percentage share of Hispanic households. Hispanics in Baltimore and Detroit received a greater percentage of prime loans relative to their household share, while in Pittsburgh they received a lesser share.
- Sixty-six percent of Hispanics in Detroit received subprime loans, compared to 43 percent in Philadelphia, 44 percent in Baltimore, and 36 percent in Pittsburgh.
- Hispanics in all four cities were issued subprime loans more frequently than whites.

City	Percent of Whites Receiving Subprime Loans	Percent of Hispanics Receiving Subprime Loans
Philadelphia	23.6%	43.2%
Baltimore	23.1%	44.3%
Detroit	61.3%	66.4%
Pittsburgh	26.0%	35.7%

Figure 4.10
White and Hispanic
Share of
All Subprime Loans
by City

- The greatest disparity between Hispanic and white denial rates was in Philadelphia, where Hispanics were 1.5 times more likely to be denied than whites. This was a slight decrease from the disparity denial ratio in 2005.
- Hispanics in Baltimore were denied 1.2 times more often than whites, compared to a 1.3 ratio in Pittsburgh. Hispanics in Detroit were less likely than whites to be denied.
- Asians in Philadelphia received a percentage of prime loans that was over three times greater than their share of households. This number was less than the 4 times more than Asians who received loans compared to their household share in 2005.
- Baltimore had the next greatest disparity of 2.9, followed by Detroit with 1.4. Asians in Pittsburgh received fewer prime loans than was proportionate to their household share.
- In all four cities, Asians were less likely than whites to receive subprime loans.
- Asians were denied at about the same rate as Whites in Philadelphia. Asians were denied less frequently than whites in Detroit, Baltimore, and Pittsburgh.

City	Asian Prime Share to Household Share Ratio
Philadelphia	3.13
Baltimore	2.91
Detroit	1.44
Pittsburgh	0.92

Figure 4.11
Percentage of
Prime Loans to
Household Share
for Asians
by City

Borrower Income

- In all cities, LMI borrowers received a smaller share of prime loans than their share of households.
- Philadelphia's ratio of prime loans to LMI borrowers compared to household share was the highest of all cities at .86, while Baltimore had the lowest ratio of .5.
- Philadelphia had the greatest disparity in subprime lending, as LMI borrowers were more than twice as likely as MUI borrowers to receive subprime loans. Less than half of the loans to LMI borrowers in Philadelphia were subprime, compared to 27 percent of the loans to MUI borrowers. Subprime lending to LMI borrowers decreased from 2005 to 2006.
- LMI borrowers in Baltimore were 1.3 times more likely than MUI borrowers to receive subprime loans, compared to a ratio of 1.5 in Pittsburgh. LMI and MUI borrowers in Detroit received subprime loans at about the same frequency.
- Only Baltimore's denial rate for LMI applicants was lower than Philadelphia's, at the rates of 24 percent and 35 percent, respectively.
- Detroit's LMI denial rate of 44 percent was the highest, though it was similar to the 41 percent denial rate for MUI applicants.

Figure 4.12
LMI, MUI
Denial Rate
by City

City	LMI Denial Rate	MUI Denial Rate
Philadelphia	34.8%	23.6%
Baltimore	23.8%	18.3%
Detroit	44.1%	40.8%
Pittsburgh	39.0%	29.1%

Minority Tracts

- In all four cities, borrowers in predominately minority tracts received prime loans at a smaller percentage than their share of owner-occupied housing units in the tracts.

- Baltimore had the greatest disparity: 21 percent of prime loans compared to 60 percent of households.

City	Minority Tract Percent of Prime Loans	Minority Tract Percent of All OOHUs
Philadelphia	34.0%	49.0%
Baltimore	21.1%	60.2%
Detroit	95.0%	96.3%
Pittsburgh	8.0%	10.8%

Figure 4.13
Percent of Prime Loans, OOHUs in Minority Tracts by City

- Borrowers in minority tracts in Philadelphia, Pittsburgh, and Baltimore received nearly twice the percentage of subprime loans as borrowers in non-minority tracts.
- Loans in minority and non-minority tracts in Detroit were subprime about 70 percent of the time.
- Applicants in minority areas in Philadelphia and Pittsburgh were denied about 1.6 times more often than applicants in non-minority areas. This ratio decreased from 1.8 in Philadelphia in 2005. Detroit's ratio was 1.1 and Baltimore's was 1.4.

Tract Income

- In all four cities borrowers in LMI tracts received a smaller percentage of prime loans than the share of housing units in those areas.
- Philadelphia, Detroit, and Pittsburgh had disparity ratios of .8, while Baltimore had the most disparity with a low .2 ratio.
- Philadelphia had the largest disparity in percentage of subprime loans between LMI and MUI tracts. Forty-three percent of borrowers in LMI tracts received subprime loans compared to 24 percent in MUI tracts. The 1.8 ratio, however, decreased from 1.9 in 2005.
- The ratio in the percentage of subprime loans in LMI tracts compared to MUI tracts was 1.5 in Baltimore and Pittsburgh and 1.1 in Detroit.

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	42.8%	24.1%
Baltimore	42.7%	29.3%
Detroit	74.6%	66.4%
Pittsburgh	40.9%	27.0%

- The highest denial rate for applicants in LMI tracts was in Detroit, where 43 percent were denied. Pittsburgh's denial rate was 42 percent, Philadelphia's was 34 percent, and Baltimore's was 23 percent.
- The difference in denial rates between applicants in LMI and MUI tracts was greatest in Philadelphia. Both Philadelphia rates increased from 2005 to 2006.

Gender

- The percentage of prime loans to female borrowers was about equal to their household share in Detroit. Females in the other three cities received lower percentages of prime loans than their household share.
- In every city except for Detroit, females received a greater share of subprime loans than males or joint applicants received. In Detroit, females received a lower percentage of subprime loans than males did, but a higher percentage than joint applicants received.
- Female applicants were slightly more likely to be denied loans than males were in every city except for Baltimore.
- In every city except for Detroit, joint applicants were the least likely to be denied.
- Female applicants were denied between 21 and 43 percent of the time in the four cities.

SECTION 5

Comparison of Lending to Non-Occupant 5.0
and Owner-Occupied Borrowers



5.0 Comparison of Lending to Non-Occupant and Owner-Occupied Borrowers

Nineteen percent of all single-family loans in Philadelphia were made to non-occupant investors. While the number of non-owner-occupied loans fell 9 percent, the share of all single-family loans was nearly unchanged. Forty-five percent of non-occupant borrowers received subprime loans, a greater share than owner-occupied borrowers (36 percent) (see Appendix 2: Tables 56-60).

Race

(See Appendix 2: Table 56)

- African Americans received a greater share of subprime loans than their share of all households (45 percent and 40 percent, respectively).
- Asians received nearly triple the share of non-occupant loans than their percentage of city households.
- The number of non-occupant loans given to Asian borrowers fell by more than 50 percent from 2005.
- Approximately six out of 10 non-occupant prime loans went to white borrowers.
- Loans to Hispanic non-occupant investors increased between 2005 and 2006, the only race category to do so.
- Hispanic non-occupant borrowers received 5 percent of prime loans, an increase of 1 percentage point over the prior year. However, Hispanic borrowers received a smaller share than their percentage of all households.
- The majority of white and Asian non-occupant borrowers received prime loans.
- The percent of borrowers in all racial categories receiving prime loans fell in 2006.
- Non-occupant investors were less likely than owner-occupied borrowers to receive a prime loan.
- African American non-occupant borrowers were the least likely group to receive a prime loan; less than one-third of loans to this group were prime, a decrease from the previous year.
- Only 47 percent of Hispanic investors received prime loans compared to 57 percent of Hispanics planning to live in the home.

- The non-owner-occupied denial rate increased slightly from 2005 (26 percent compared to 22 percent).
- Denial rates increased for every racial category in 2006.
- The greatest increase in denial rates was for Hispanic investors, where 32 percent were denied compared to 26 percent in 2005.
- African American investors had the highest denial rate. More than one out of three of these applications were denied.
- Despite the increase in African American denial rates, the ratio of African American-to-white denial rate dropped in 2006 to 1.68 from 1.9.

Income

(See Appendix 2: Table 57)

- The majority of prime non-owner-occupied loans went to middle-to-upper-income (MUI) recipients (84 percent), although they represented only 43 percent of households.
- The disparity between the share of prime loans and the share of households was much lower for MUI owner-occupied borrowers, who received nearly half of all prime loans, while occupying one third of all housing units.
- The share of prime and subprime loans given to lower-to-moderate-income (LMI) borrowers was similar to 2005 percentages.
- The majority of subprime loans went to LMI non-occupant borrowers.
- The percentage of LMI non-occupant investors receiving prime loans fell more than 10 percentage points. The percentage of MUI investors dropped 12 percentage points.
- More than one-third of all LMI investor applications were denied. This rate is consistent with that of LMI owner-occupied borrowers.
- Denial rates rose for both LMI and MUI investors over 2005.

Tract Minority Level

(See Appendix 2: Table 58)

- Nearly three out of four subprime loans were issued to borrowers investing in minority areas, a slight increase over the prior year. Minority areas contain nearly half of all owner-occupied housing units (OOHUs).
- The percentage of investors in minority areas receiving subprime loans was 56 percent.
- Forty-four percent of investors in minority areas received prime loans compared to 71 percent in non-minority areas.
- While the disparity between minority and non-minority area investors stayed the same, it improved for subprime loans.
- All categories experienced an increase in denial rates.
- Denial rates were more than 10 percentage points higher for investors in minority areas than those in non-minority areas.
- The disparity between denial rates in minority and non-minority areas decreased between 2005 and 2006 from 1.66 to 1.54.

Tract Income Level

(See Appendix 2: Table 59)

- The share of prime and subprime loans to non-occupant investors in LMI tracts was similar to the prior year.
- Three-quarters of all prime non-owner-occupied loans went to LMI tracts compared to 56 percent of all owner-occupied loans.
- While 67 percent of all OOHUs are in LMI areas, 91 percent of all subprime loans went to investors in these areas.
- Half of all investors in LMI areas received a prime-rate loan compared to 76 percent of borrowers in MUI areas.
- Borrowers in LMI areas were twice as likely as those in MUI areas to receive a subprime loan. This is an improvement from 2005 when non-occupant borrowers in LMI areas were 2.5 times as likely.

- The ratio of LMI-area-to-MUI-area denials worsened in 2006 to 1.59 from 1.45 in 2005.
- Twenty-eight percent of applicants in LMI areas were denied. Only 17 percent of MUI area applicants were denied.

Gender

(See Appendix 2: Table 60)

- Male non-occupant investors received more than their share of prime loans given their percentage of households (54 percent and 22 percent, respectively).
- Females comprise 45 percent of all households, but as non-owner-occupied borrowers they received 22 percent of prime loans and 27 percent of subprimes.
- Both male and female investors received prime loans approximately 49 percent of the time, more than a 10 percentage point drop from 2005.
- Joint applicant investors were most likely to receive a prime loan (72 percent).
- Female applicants were denied 29 percent of the time, the most of any gender category.
- Denial rates in all three categories were higher for owner-occupied borrowers.

SECTION 6

City Depositories and Home Lending	6.0
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6.0 City Depositories and Home Lending

In 2006, nine banks were designated as city depositories: Advance, Bank of America, Citizens, Commerce, Mellon, PNC, Republic, United Bank of Philadelphia, and Wachovia. Of these nine, only four originated more than 25 loans, a pre-established threshold for inclusion in the analysis. Advance, Mellon, Republic, and United were excluded from depository rankings. PNC is not included in the home purchase loan section because it wrote only 6 loans.

Lending to minority, female, and low-to-moderate-income (LMI) borrowers and to borrowers in minority or LMI areas were scrutinized, as well as the denial rates for each of these categories. The results of analysis were used to generate a multi-factor composite score. Depositories were ranked based on the composite score.

Philadelphia depositories received 12,995 loan applications of which 7,546 loans were originated in 2006. Forty percent were prime loans. The depository analysis focuses on prime loans only because all depositories except Bank of America and Wachovia wrote fewer than 25 sub-prime loans. See Appendix 2, Table 62 for information on City depositories, and Appendix 2, Table 66 for information on all other depositories. See also Appendix 2, Table 67 for a list of City depositories' affiliates.

	Applications	Prime Loans	Denied
2005	10,713	4,575	4,100
2006	12,995	5,235	5,449
Difference	21.3%	14.4%	32.9%

Figure 6.1
All Loan Applications and Originations for City Depositories, 2005 vs. 2006

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.

Figure 6.2
Ranking of
Depositories - Home
Purchase Lending

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 2006.

Only lenders in Philadelphia that originated 25 loans or more in 2006 were included in the calculations. As a result, PNC Bank was not ranked; it originated only six loans. Including such small lenders in the ratings would produce unreliable and unusable results (see Appendix 2, Table 61).

		Composite Score	Applications	Prime Loans
1	Bank of America	9.70	784	502
2	Commerce	7.00	341	260
3	Citizens	1.58	120	49
4	Wachovia	0.77	206	99

Notably, Bank of America and Commerce Bank significantly increased in applications and prime loans, reflecting expansion efforts. Meanwhile, Citizens Bank, and Wachovia Bank significantly decreased in applications and prime loans, reflecting reduced demand and tighter credit markets.¹

6.2 Aggregate Analysis of Depositories

Home Purchase Loans

(See Appendix 2: Table 63)

- Percentage of home purchase loans to African Americans, Hispanics, Asians, and borrowers in minority tracts increased for city depositories. This pattern was similar for all lenders, excluding loans to Asians, which decreased from 23 percent in 2005 to 19 percent in 2006.

¹See Table 65 for data on all loans by City depositories with enough volume to be ranked, see Table 66 for data on all loans by City depositories with enough volume to be ranked, and see Table 67 for a list of depositories included in this analysis

- Percentage of loans to Asians for City depositories doubled between 2005 and 2006, from 13 percent to 27 percent.
- Percentage of home purchase loans to LMI borrowers decreased for City depositories, as well as all lenders. City depositories decreased their percentage of loans to LMI from 58 percent to 50 percent. This percentage still exceeds the citywide benchmark for this category of 37 percent.
- Percentage of loans to female borrowers increased for all lenders (from 35 percent to 38 percent), but decreased slightly for City depositories (40 percent to 38 percent) between 2005 and 2006. The depositories and City benchmark were identical for this category.
- Percentage of loans to borrowers in LMI tracts increased dramatically for both the City depositories and all lenders. The depositories exceeded the City benchmark, by almost 6 percentage points. However, in 2005, the depositories exceeded the City benchmark by nearly 9 percentage points.
- The greatest denial disparity was the Hispanic-to-white ratio: Wachovia bank had a ratio of 3.74 compared to the depository benchmark of 2.42. In 2005, these ratios were 2.17 and 2.31, respectively.

Depository	Percent of Loans to Hispanics	Percent of Loans to Asians	Percent of Loans to LMI Borrowers	Percent of Loans to LMI Tracts
All depositories	14.1%	26.6%	49.8%	74.0%
All lenders	10.5%	19.2%	36.8%	68.2%

Home Refinance Loans

(See Appendix 2: Table 64)

- City depositories exceeded the percentage of home refinance loans to Hispanics, Asians, and minority tract borrowers compared to the percentage of home refinance loans to all lenders.
- The percentage of home refinance loans originated by depositories to minority-tract borrowers was 49 percent compared to 33 percent for all City lenders. The depository percentage increased from 39 percent in 2005.
- All lenders gave 41 percent of home refinance loans to African Americans, while City depositories gave only 36 percent.

Figure 6.3
Home Purchase Lending - City Depositories vs. All Lenders

- City depositories underperformed compared to all lenders in percentage of loans to female and LMI borrowers. Forty-one percent of loans were made to females and 43 percent went to LMI borrowers.
- For all denial ratios, the City depositories were higher than the benchmark of all lenders. This was similar to the pattern from 2005. The greatest disparity was with Asian-to-white denial ratios; the City depository ratio was 1.50 compared to all lenders' ratio of 1.19.

Figure 6.4
Home Refinance
Lending -
City Depositories
vs. All Lenders

Depository	Percent of Loans to African Americans	Percent of Loans to Asians	Percent of Loans to Females	African American to White Denial Ratio	Asian to White Denial Ratio
All depositories	36.4%	16.0%	37.1%	1.73	1.50
All lenders	40.5%	11.3%	41.4%	1.56	1.19

Home Improvement Loans

(See Appendix 2: Table 65)

- For all lenders, the percentage of home improvement loans to African Americans, Hispanics, Asians, and minority-tract borrowers increased between 2005 and 2006.
- Lending to African American and minority-tract borrowers decreased for City depositories between 2005 and 2006.
- City depositories exceeded city lending benchmarks for both Hispanic and Asian borrowers. Ten percent of depository loans went to Hispanics, and 21 percent were made to Asians. For all City lenders, these percentages were 8 and 14 percent, respectively.
- In 2005, City depositories exceeded City benchmarks for the percentage of loans to LMI and female borrowers and in LMI tracts. In 2006, depositories missed the benchmark for LMI tracts by nearly 6 percentage points.
- Denial ratios for depositories were less than all lenders, similar to 2005. The greatest disparity involved Asian lending. City depositories had an Asian-to-white denial ratio of 1.27, compared to all lenders' ratio of 1.45. In 2005, these numbers were 1.44 and 1.51, respectively, indicating some improvement was made over the year.

Depository	Percent of Loans to African Americans	Percent of Loans to Minority Tracts	Percent of Loans in LMI Tracts	Asian to White Denial Ratio	Minority to Non-Minority Tract Denial Ratio
All depositories	31.2%	43.3%	64.5%	1.27	1.52
All lenders	34.1%	48.6%	70.6%	1.45	1.59

Figure 6.5
Home Improvement Lending - City Depositories vs. All Lenders

6.3 Disaggregated Depository Analysis

In comparing the lending practices of City depositories to all City institutions, depositories were more willing to lend to Asians and LMI borrowers. For both of these demographics, City depositories exceeded the loan share of all Philadelphia lenders. Other demographic indicators are remarkably close to, if not exceeding, the City benchmarks. The percentage of loans to African Americans increased from 21 percent in 2005 to 36 percent in 2006 for all lenders. This percentage increased for all ranked City depositories. There were minimal increases in the percentages of loans to Hispanics, with the City rate increasing from 6 percent to 9 percent. Denial rates for all depositories decreased for African Americans, Hispanics, and minority tract borrowers, yet increased for Asian borrowers.

Home Purchase Lending by Depository

(See Appendix 2: Table 63)

Bank of America

- 502 home purchase loans
- Exceeded all City benchmarks for racial categories
- Fifty-one percent of loans to LMI borrowers, compared to 37 percent citywide
- Thirty-six percent of loans to female borrowers, compared to 38 percent citywide
- Seventy-three percent of loans in LMI areas, compared to 68 percent citywide
- Denial ratios for African Americans, Hispanics, Asians, and borrowers in minority tracts less than citywide ratios.
- 1.89 Hispanic-to-white denial ratio compared to 2.42 citywide

Figure 6.6
Home Purchase
Lending -
Bank of America
vs. All Lenders

Depository	Applications	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Asians	Percent of Loans in Minority Tracts	Hispanic to White Denial Ratio
Bank of America	784	502	31.2%	22.4%	47.2%	1.89
All lenders	27,748	12,651	30.4%	19.2%	52.2%	2.42

Citizens

- 49 home purchase loans
- Improved in percent of loans to Hispanics and Asians between 2005 and 2006
- Percent of loans to Asians was 31, compared to 19 percent citywide
- Improved in percent of loans to borrowers in LMI areas between 2005 and 2006, from 66 percent to 80 percent
- Lowered percent of loans to LMI borrowers from 67 percent to 44 percent between 2005 and 2006, but percent of loans to LMI borrowers exceeded citywide benchmark of 37 percent
- Eighteen percent of home purchase applications were denied, compared to the citywide benchmark of 20 percent

Figure 6.7
Home Purchase
Lending -
Citizens Bank
vs. All Lenders

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Asians	Percent of Loans to Hispanics	Hispanic to White Denial Ratio
Citizens	122	59	49	18.2%	31.0%	12.5%	1.42
All lenders	27,748	299	12,651	30.4%	19.2%	10.5%	2.42

Commerce

- 260 home purchase loans
- Improved in percentage of loans to Asians (from 8 percent to nearly 17 percent); missed citywide benchmark of 19 percent
- Thirty-seven percent of loans to African Americans, less than 2005, yet greater than citywide benchmark of 30 percent
- Improved in percent of loans to female borrowers, as well as borrowers in LMI areas between 2005 and 2006
- Percent of loans to female borrowers was 44 percent, compared to citywide 38 percent
- Percent of loans to LMI borrowers was 53 percent, compared to citywide 37 percent
- Nine percent of all home purchase applications denied, below the City's 20 percent
- African American-to-white denial ratio was .96, compared to citywide ratio of 1.61

Depository	Applications	Prime Loans Completed	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	Percent of Loans to Females	African American Denial Ratio	Minority Tract Denial Ratio
Commerce	341	260	37	41.9	44.3	.96	.98
All lenders	27,748	12,651	30.4	52.2	38.3	1.61	1.53

Figure 6.8
Home Purchase Lending -
Commerce Bank
vs. All Lenders

Wachovia

- 99 home purchase loans
- Exceeded benchmarks for African American, Asians, and borrowers in minority areas. Increased percentage of loans in each category from 2005
- Decreased percentage of loans to Hispanics from nearly 13 percent in 2005 to 8 percent in 2006. This compares to the citywide percentage of 11 percent
- Increased percentage of loans to borrowers in LMI areas between 2005 and 2006, from 53 percent to 85 percent
- Nineteen percent of applications denied, compared to citywide 20 percent
- Missed citywide benchmarks for African American-to-white and Hispanic-to-white denial ratios
- Hispanic-to-white denial ratio was 3.74 compared to citywide 2.42

Figure 6.9
Home Purchase
Lending -
Wachovia Bank
vs. All Lenders

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	African American to White Denial Ratio	Hispanic to White Denial Ratio
Wachovia	208	39	99	40.0%	66.7%	2.13	3.74
All lenders	27,748	299	12,651	30.4%	52.2%	1.61	2.42

Refinance Lending by Depository

(See Appendix 2: Table 64)

Bank of America

- 162 home refinance loans
- Thirty-four percent of loans to African Americans, compared to 41 percent citywide
- Nearly 35 percent of all loans to borrowers in LMI areas, greater than the citywide benchmark of 22 percent. Significant decrease from 2005, when Bank of America issued 52 percent of home refinance loans to borrowers in LMI areas
- Denial rate of 27 percent, compared to citywide benchmark of 34 percent
- Asian-to-white denial ratio was 2.22, compared to citywide ratio of 1.19

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to LMI Borrowers	African American to White Denial Ratio	Asian to White Denial Ratio
Bank of America	317	84	162	33.8%	32.7%	1.35	2.22
All lenders	55,816	18,974	10,486	40.5%	42.7%	1.56	1.19

Figure 6.10
Home Refinance Lending - Bank of America vs. All Lenders

Citizens

- 382 home refinance loans
- Twenty-two percent of loans to Asians, compared to 11.3 percent citywide
- Decreased percentage of loans to borrowers in LMI areas between 2005 and 2006, from 56 to 25 percent, respectively. However, this was greater than the citywide benchmark of 21.9
- Denial rate of 48 percent, compared to citywide benchmark of 34 percent
- In 2005, African American-to-white denial ratio was 1.95, compared to citywide ratio of 1.90. This year, both ratios are 1.56

Figure 6.11
Home Refinance
Lending -
Citizens Bank
vs. All Lenders

Depository	Applications	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Asians	Percent of Loans to Females	Hispanic to White Denial Ratio	Asian to White Denial Ratio
Citizens	874	382	29.7%	21.9%	36.3%	1.89	1.31
All lenders	55,816	10,486	40.5%	11.3%	41.4%	1.44	1.19

Commerce

- 96 home refinance loans
- Decreased percentage of loans to African Americans between 2005 and 2006, from 18 percent to 14 percent. Missed citywide benchmark of 24 percent
- Increased percentage of loans to female borrowers between 2005 and 2006, from 28 percent to 33 percent, respectively. Citywide benchmark, however, was 41 percent
- Denial rate of 38 percent, compared to citywide benchmark of 34 percent
- All denial ratios are greater than citywide denial ratios. Greatest disparity in Hispanic-to-white ratio of 1.70, compared to city wide 1.44

Figure 6.12
Home Refinance
Lending -
Commerce Bank
vs. All Lenders

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Females	Hispanic to White Denial Ratio	Minority to Non-Minority Tract Denial Ratio
Commerce	201	77	96	14.1%	32.9%	1.70	1.67
All lenders	55,816	18,974	10,486	40.5%	41.4%	1.44	1.43

PNC

- 132 home refinance loans
- Nearly 55 percent of all loans to African Americans; a 9 percentage point increase from 2005, and the highest percentage of all depositories
- Decreased percentage of loans to borrowers in LMI areas by 47 percentage points, from 66 to 18 percent
- Denial rate of 64 percent, the highest of all depositories. Compare to citywide benchmark of 34 percent
- All denial ratios are lower than citywide denial ratios. Greatest difference in Hispanic-to-white ratio of 1.26 compared to citywide 1.44

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	Percent of Loans in LMI Tracts	Minority to Non-Minority Tract Denial Ratio
PNC	565	362	132	54.5%	64.4%	18.4%	1.34
All lenders	55,816	18,974	10,486	40.5%	33.2%	21.9%	1.43

Figure 6.13
Home Refinance Lending - PNC Bank vs. All Lenders

Wachovia

- 1,100 home refinance loans
- Increased percentage of loans in minority areas between 2005 and 2006, from 42 percent to 55 percent. Citywide benchmark for this category was 33.2 percent
- Decreased percentage of loans to LMI borrowers from 49 percent to 40 percent between 2005 and 2006. Citywide benchmark was 43 percent
- Denial rate of nearly 29 percent, just below citywide benchmark of 34 percent
- All denial ratios are greater than citywide denial ratios, similar to 2005. Lowered the African American-to-white denial ratio from 2.03 to 1.73

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	Percent of Loans in LMI Tracts	Minority to Non-Minority Tract Denial Ratio
Wachovia	2,761	797	1,100	38.8%	14.1%	55.1%	29.4%
All lenders	55,816	18,974	10,486	40.5%	7.5%	33.2%	21.9%

Figure 6.14
Home Refinance Lending - Wachovia Bank vs. All Lenders

Home Improvement Lending by Depository

(See Appendix 2: Table 65)

Bank of America

- 98 home improvement loans
- Sixteen percent of loans to Hispanics was twice as great as the citywide benchmark (8 percent). This was an increase from 2005, where only 10 percent of loans went to Hispanics
- Percentage of loans to LMI borrowers decreased from 56 percent to 34 percent between 2005 and 2006. Citywide benchmark was 39 percent
- Denial rate was 56 percent, compared to citywide 46 percent
- Asian-to-white denial ratio of 0.77, compared to citywide ratio of 1.45

Figure 6.15
Home Improvement
Lending -
Bank of America
vs. All Lenders

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Hispanics	African American to White Denial Ratio	Asian to White Denial Ratio
Bank of America	350	197	98	24.4%	16.2%	1.56	0.77
All lenders	17,473	7,958	5,684	34.1%	8.0%	1.82	1.45

Citizens

- 961 home improvement loans
- Percent of loans to Asians increased from 6 percent to 19 percent between 2005 and 2006. Greater than the citywide benchmark of 14 percent
- Fell below citywide benchmarks for percentage of loans to LMI, female, and borrowers in LMI tracts. Greatest disparity between percentage of loans in LMI tracts (59 percent) and citywide benchmark of nearly 71 percent
- Denial rate was nearly 47 percent, compared to citywide 46 percent
- Hispanic-to-white denial ratio of 1.64 compared to citywide ratio of 1.76. In 2005, the ratios were 2.23 and 2.12, respectively

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Asians	Percent of Loans to Females	African American to White Denial Ratio
Citizens	2,142	1,003	961	29.4%	19.0%	38.6%	1.68
All lenders	17,473	7,958	5,684	34.1%	13.9%	39.3%	1.82

Figure 6.16
Home Improvement Lending - Citizens Bank vs. All Lenders

Commerce

- 249 home improvement loans
- Although only decreasing the percentage of loans to African Americans and Hispanics by less than one percent between 2005 and 2006, both were significantly lower than the citywide benchmarks
- Nine percent of home improvement loans to African Americans, compared to 34 percent citywide
- Percent of loans to female borrowers decreased from 38 percent to 33 percent between 2005 and 2006
- Denial rate was 57 percent, compared to citywide 46 percent
- Although the African American-to-white denial ratio has decreased from 2.09 to 1.87, it exceeded the citywide ratio of 1.82

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans to Hispanics	African American to White Denial Ratio	Hispanic to White Denial Ratio
Commerce	743	425	249	9.3%	1.8%	1.87	1.87
All lenders	17,473	7,958	5,684	34.1%	8.0%	1.82	1.76

Figure 6.17
Home Improvement Lending - Commerce Bank vs. All Lenders

PNC

- 655 home improvement loans
- Percentage of loans to African Americans, Hispanics, Asians, and borrowers in minority areas all exceeded citywide benchmarks
- In spite of decreasing the percentage of loans for LMI, LMI area, and female borrowers between 2005 and 2006, PNC exceeded all citywide benchmarks, excluding that for lending in LMI areas
- Denial rate was 59 percent, compared to citywide 46 percent
- Minority-to-non-minority denial ratio decreased from 1.52 to 1.48 between 2005 and 2006. This is lower than the citywide ratio of 1.59

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	Percent of Loans to LMI Borrowers	Minority to Non-Minority Tract Denial Ratio
PNC	2,126	1,256	655	45.5%	51.5%	49.3%	1.48
All lenders	17,473	7,958	5,684	34.1%	48.6%	38.8%	1.59

Figure 6.18
Home Improvement Lending - PNC Bank vs. All Lenders

Wachovia

- 484 home improvement loans
- Percentage of loans to borrowers in minority areas increased from 42 percent to 53 percent between 2005 and 2006. The citywide benchmark was 49 percent
- Seventy-nine percent of all loans were to borrowers in LMI areas, a 14 percentage point increase from 2005. The citywide benchmark was 71 percent
- Denial rate was nearly 37 percent, compared to citywide 46 percent
- African American-to-white and Hispanic-to-white denial ratios have increased between 2005 and 2006. They are also both significantly greater than the citywide ratios

Depository	Applications	Denials	Prime Loans Originated	Percent of Loans to African Americans	Percent of Loans in Minority Tracts	Percent of Loans to LMI Borrowers	Minority to Non-Minority Tract Denial Ratio
Wachovia	1,428	527	484	27.8%	52.5%	2.27	1.71
All lenders	17,473	7,958	5,684	34.1%	48.6%	1.82	1.59

Figure 6.19
Home Improvement Lending - Wachovia Bank vs. All Lenders

SECTION 7

Small Business Lending 7.0



7.0 Small Business Lending

By Income – Philadelphia

According to the Community Reinvestment Act (CRA), a total of 34,207 loans of an aggregate \$881,375.00 were made to small businesses in Philadelphia during 2006. Of these, 11,704 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.

[See Appendix 2, Tables 68-74]

Tract Income Level	Number of Loans	Percent of Loans for Philadelphia
Low-income	6,344	18.6%
Moderate-income	12,461	36.4%
Middle-income	9,801	28.7%
Upper-income	5,345	15.6%

Businesses with less than \$1 million in revenue received about 37 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 (61 percent).

Tract Income Level	Number of Loans	Percent of Loans for Philadelphia
Low-income	2,371	20.2%
Moderate-income	4,139	35.4%
Middle-income	3,387	28.9%
Upper-income	1,567	13.4%

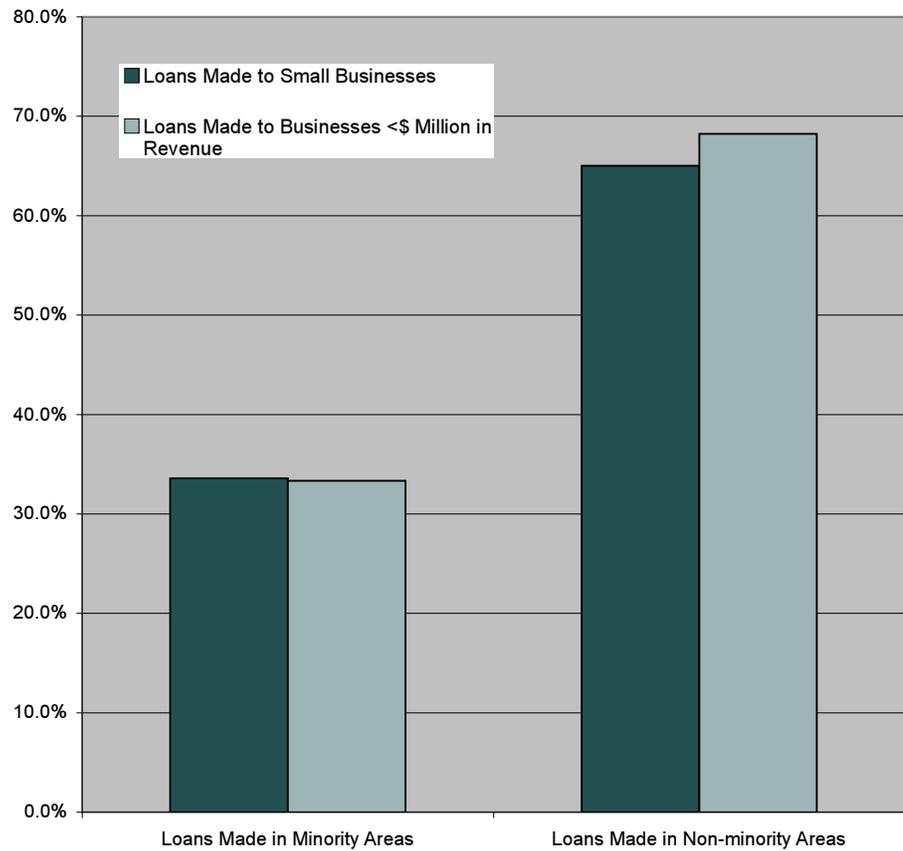
Figure 7.1
Distribution of Loans to Small Businesses in Philadelphia by Tract Income Level

Figure 7.2
Distribution of Loans to Small Businesses with Revenues of Less than \$1 Million in Philadelphia by Tract Income Level

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 approximately 2:1.

Figure 7.3
Percentage of Loans to Small Businesses by Income Levels for Philadelphia and the Suburbs



By Income – Compared to Suburban Counties

For Bucks and Chester Counties no loans were made to businesses located in low-income areas. Loans to small businesses in moderate-income areas represented 5.1 percent of those made in Bucks County and 3.2 percent of those made in Chester County. Loans to businesses in low- and moderate-income areas of Delaware County represented 8.96 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 3.9 percent.

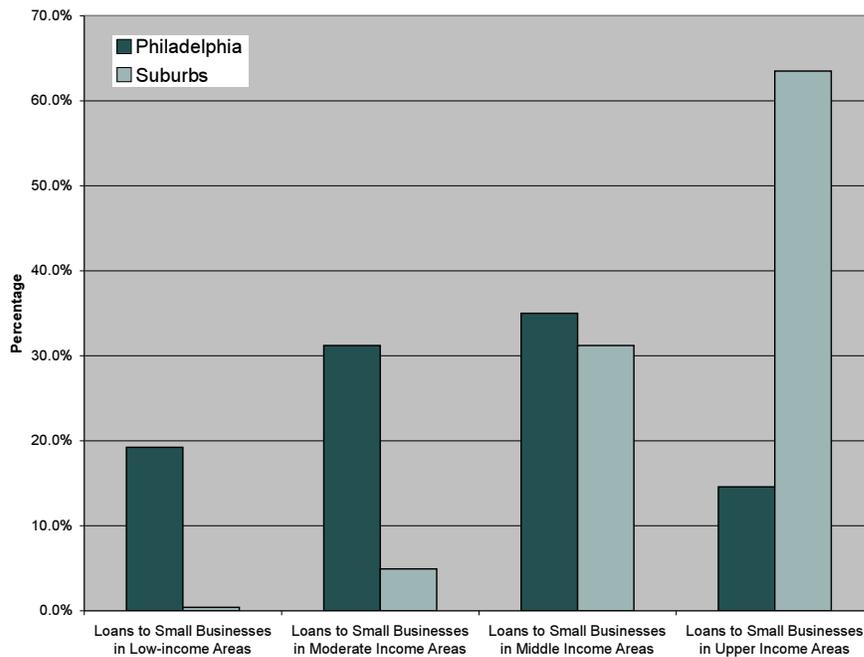
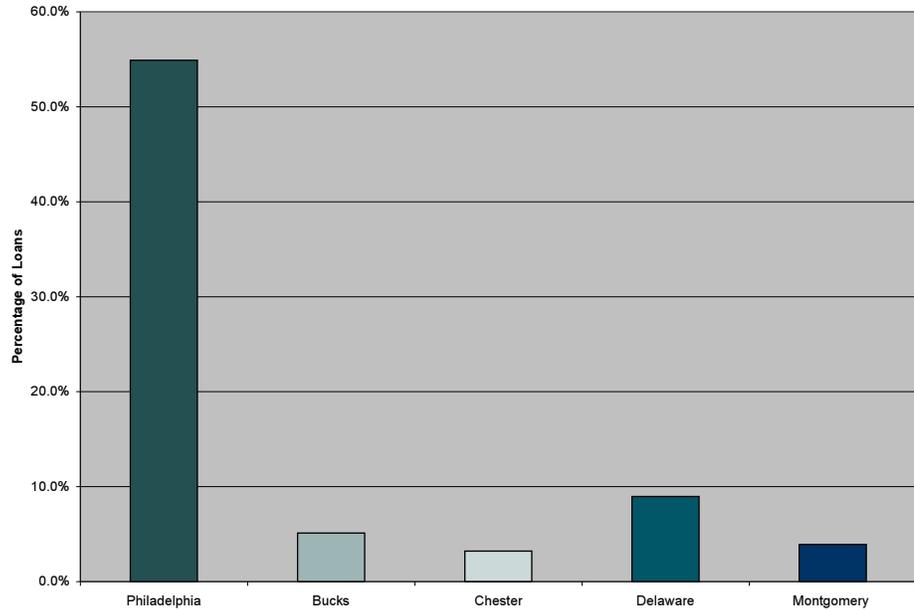


Figure 7.4
Percentage of Loans to Small Businesses in Low- and Moderate-Income Areas for Philadelphia and the Suburban Counties

The percentage of loans to small businesses in low- and moderate-income areas is far greater for Philadelphia than for its 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 7.5
Percentage of Loans to Small Businesses by Income Levels for Philadelphia and the Suburbs



By Minority Status – Compared to Suburban Counties

Of the approximately 47,052 small businesses with revenues of less than \$1 million in Philadelphia, 42.9 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, as well as in areas where the majority of the population is minority, the percentage of loans in areas of Philadelphia with large minority populations is still disproportionately smaller than for non-minority areas.

SECTION 8

Rankings of Depositories - Small Business Lending 8.0



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 2006 Institution Disclosure Statements for six of the nine depositories. Data was not available for Advance Bank, Republic First Bank, and United Bank of Philadelphia.

There were five factors considered in the ranking of the seven banks. Each bank was given a rating (1 to 6, where 6 is the highest rating) on each of the factors relating to performance in Philadelphia County. Ratings were assigned based on where each institution placed in relation to fellow institutions. 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: Tables 75 through 77.

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 performance 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 five 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 five 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 take into consideration service to the smallest businesses (those with revenues less than \$1 million). Ratings were totaled for each bank, resulting in an overall score by institution.

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

Institution	MS to SB	MS to SSB	LMI/MS	SSB/other depositories	LMI/other depositories	Total Score
Bank of America	2	3	2	2	2	11
Citizens	5	5	5	5	5	25
Commerce	3	2	3	3	3	14
Mellon	1	1	1	1	1	5
PNC	6	6	6	6	6	30
Wachovia	4	4	4	4	4	20

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

1. **PNC**
2. **Citizens**
3. **Wachovia**
4. **Commerce Bank**
5. **Bank of America**
6. **Mellon Bank**

SECTION 9

Bank Branch Analysis 9.0



9.0 Bank Branch Analysis

There were 316 bank branches in Philadelphia by the end of 2006, according to the FDIC's Institution Directory and Summary of Deposits. For the purpose of this analysis, branches were defined as offices with consumer banking services. Over 61 percent of the branches (194) were owned by city depositories

(See Appendix 2: Table 78)

Banks	Branches	Percent of All City Branches
Advance	1	0.3%
Bank of America	16	5.1%
Citizens	61	19.3%
Commerce	17	5.4%
Mellon	2	0.6%
PNC	40	12.7%
Republic	6	1.9%

- There were 10 more city depository branches than in 2005.
- Bank of America added one branch.
- Commerce added four branches.
- PNC added three branches.
- Wachovia added two branches.
- Advanced, Citizens, Mellon, Republic, and United maintained the same number of branches as in 2005.
- There were 16 fewer non-depository banks in 2006 than in 2005.
- Due to the fact that most depositories have a relatively small number of branches, the percentage of branches in minority or low- to-moderate-income (LMI) areas can quickly change with the opening or closing of just one or two offices.

Figure 9.1
Number of Branches
by Depository

Branch Locations in Minority Areas

(See Appendix 3: Maps 1-13)

- Twenty-four percent of all city branches were in areas that were more than 50 percent minority, which was slightly greater than the 23 percent of all city branches located in minority areas in 2005.
- The number of depository branches in minority areas exceeded the citywide 24 percent benchmark; 27 percent of the branches were located in minority areas in 2005 and 2006.
- Five out of the nine depositories surpassed the citywide benchmark as they had in 2005.
- Bank of America, Commerce, PNC, and Wachovia made progress since 2005 towards putting more branches in minority areas.
- Advance's lone branch and three out of United's four branches were in minority areas.
- Citizens, PNC, and Wachovia all surpassed the benchmark. Twenty-six percent of Citizens' branches were in minority areas, as were 38 percent of PNC's , and 30 percent of Wachovia's.
- Republic and Mellon had no branches located in minority areas.
- Bank of America and Commerce remained well below the 2006 benchmark, but both added branches to minority areas so that from 2005 to 2006 the percent of branches in minority areas for these banks increased by 12 and 6 percent, respectively.
- Fifty-two percent of census tracts were more than half minority. Only Advance and United surpassed the census benchmark.

Branch Locations in LMI Areas

(See Appendix 3: Maps 1-13)

- More than 56 percent of all city branches were in Low-to-Moderate-Income (LMI) areas, which have a median income of less than 80 percent of the area median. This was a decrease from 58 percent in 2005.
- Fifty-seven percent of city depositories had branches in LMI areas compared to 56 percent of all bank branches citywide. The percentage of city depositories in this area dipped slightly from the prior year's 59 percent.
- Only Advance, PNC, and Wachovia surpassed the citywide benchmark for locating branches in LMI areas. Advance's sole branch, 63 percent of PNC's branches, and 64 percent of Wachovia's branches were located in LMI areas. These percentages were consistent with 2005 percentages.
- Bank of America, Citizens, Commerce, Mellon, and United were all within 6 percentage points from achieving the 2006 benchmark.
- Sixty-nine percent of census tracts in the city of Philadelphia are LMI tracts. As was the case in 2005, only Advance was able to reach this goal, though PNC and Wachovia were less than 10 percentage points away from achieving it.
- Only PNC increased its percentage of branches in LMI tracts from 2005.

Conclusion

- The majority of city depositories continued to do a better job locating branches in minority areas than all city banks, though few surpassed the census benchmark for minority tracts.
- Most city depositories did not meet the citywide bank benchmark for locating branches in LMI areas, though many became closer to reaching this benchmark than they did in 2005.

SECTION 10

Neighborhood Analysis	10.0
Demographics and Lending Practices by Neighborhood	10.1
Demographics and Lending Practices by Neighborhoods	10.2
Small Business Lending in the Neighborhoods	10.3



10.0 Demographics and Lending Practices by Neighborhood

The home and business lending practices in nine city neighborhoods were examined. These neighborhoods contain census tracts classified as minority and low-to-moderate-income (LMI). (See Appendix 2: Table 79) All nine neighborhoods are located in areas where community development corporations and empowerment zones have been established. 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
- 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. More than three-quarters of this area’s households are Hispanic, giving APM the largest Hispanic population of all neighborhoods examined in this section. The next largest group is African Americans (14 percent of households). The median family income is approximately 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 2006, a total of 30 loans were made in the APM neighborhood. Although the number of loans increased more than three fold from 2005, this neighborhood still received the smallest number of loans of any of the nine neighborhoods discussed in this section. Seventeen of those loans were prime loans and thirteen were subprime. These loans represent only 0.08 percent of all loans in the city, including 0.07 percent of all prime loans and 0.09 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. Hispanic households make up 75 percent of all households in this neighborhood and 19 percent of all households are African American. With a median family income of only 24 percent of the regional median family income, HACE is the poorest of the nine neighborhoods evaluated for this study. The neighborhood contains 4,022 OOHUs, approximately 1 percent of all city OOHUs.

A total of 195 loans were made within the HACE community in 2006. A 55 percent increase from 2005, these loans represented 0.5 percent of all loans made in the city, a much smaller share than the portion of OOHUs contained in this neighborhood. Lenders provided HACE borrowers with 91 prime loans and 104 subprime loans (0.36 percent of all city prime and 0.74 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 OOHUs.

AWF

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

Borrowers from the AWF neighborhood received a total of 198 loans in 2006. This is a 23 percent increase in the number of loans from last year. Forty-two percent of these loans were prime and 58 percent were subprime. The number of subprime loans increased by one-third over 2005. AWF borrowers received 0.5 percent of all loans originated in Philadelphia, but the neighborhood contains 1.3 percent of city-wide OOHUs. Lenders gave borrowers from this section of the city a greater share of city subprime loans (0.81 percent) and a smaller share of city prime loans (0.33 percent).

OARC

The Ogontz Avenue Revitalization Corporation is located in the West Oak Lane section of the city. Ninety-six percent of total households in the neighborhood are African American, while only 0.8 percent of the neighborhood's total households are Hispanic. Though the median family income is only 76 percent, it is the highest of the nine neighborhoods. OARC is also the largest of the nine neighborhoods discussed in this section. It contains seven census tracts and 3 percent of all city OOHUs are located there.

The OARC community received 1,493 loans in 2006, the largest amount of the nine neighborhoods. The number of originated loans increased by 16 percent increase from 2005. These loans made up 3.8 percent of all loans issued in the city. The OARC neighborhood had one of the greatest disparities between its share of the city's OOHUs and subprime loans. More than half of neighborhood borrowers received subprime loans.

Project Home

The Project Home neighborhood is located near the Spring Garden section of the city. Ninety-eight percent of its households are African American, making it the largest African American population of all the neighborhoods being discussed in this section. Less than 1 percent of all households are Hispanic. The median family income is 34 percent of the region's median and the 3,894 housing units located in this area comprise approximately 1 percent of the city's total owner-occupied units.

Lenders provided 164 loans to the Project Home neighborhood in 2006, 40 percent of which were prime and 60 percent were subprime loans. These loans accounted for only 0.4 percent of all loans made in Philadelphia. With respect to their share of the city's OOHUs, 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. This neighborhood contains four census tracts and 1,445 OOHUs, which is approximately 0.4 percent of all city units. 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 2006, 97 loans were made to borrowers in the PEC neighborhood. This was an increase of 27 percent from 2005. Six out of 10 originated loans were prime. Borrowers in the PEC neighborhood received 0.25 percent of all loans made in the city.

American Street Empowerment Zone

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

Borrowers in the American Street Empowerment Zone received 217 loans in 2006, an increase of 52 percent from 2005. These loans comprised approximately 0.55 percent of all loans made in the city. Approximately 62 percent of these loans were prime.

North Central Empowerment Zone

The North Central Empowerment Zone is located in North Philadelphia and is comprised of five census tracts and 1,339 OOHUs (0.4 percent city units). North Central is 90 percent African American. Five percent of households are Hispanic. The median family income for North Central is 33 percent of the median family income for the region.

Only 76 loans were made in 2006 within the North Central neighborhood. These loans comprised only 0.2 percent of all city lending. A 23 percent increase over 2005, the neighborhood nonetheless had the second lowest amount of loans originated in 2006. More than two-thirds of originated loans were prime.

West Philadelphia Empowerment Zone

The West Philadelphia Empowerment Zone is located in the West Philadelphia section of the city. Ninety-five percent of households in the area are African American and less than 1 percent are Hispanic. The neighborhood contains two census tracts and 1,399 of the city's OOHUs (0.4 percent). The median family income for this area is 41 percent of the regional median family income.

In 2006, lenders provided 86 loans to the West Philadelphia Empowerment Zone. Fifty-two percent of those loans were prime rates, a 13 percent drop from 2005. Only 0.2 percent of all loans made in Philadelphia went to the West Philadelphia Empowerment Zone.

10.2 Demographics and Lending Practices by Neighborhood

Lending by each depository to these neighborhoods was analyzed. (See Appendix 2: Table 80)

Bank of America

Bank of America provided 42 loans to borrowers in six of the nine neighborhoods. The number of loans increased 35 percent over 2005. Lending by Bank of America to these neighborhoods represented 6 percent of all loans the bank originated in the city. Twenty of those loans were in OARC; however, Bank of America's market share was only 1.3 percent in this neighborhood. Its market share for the city was 2 percent and its market share in the nine neighborhoods was 1.6 percent.

Citizens Bank

Citizens Bank made 76 loans or 9 percent of all of its city loans in the nine neighborhoods. Thirty-nine of these loans were made in the OARC neighborhood and Citizens wrote 2.6 percent of all loans in that neighborhood. While Citizens' lending to these neighborhoods dropped by 4 percent from 2005, its lending to the entire city decreased by 34 percent. Citizens' market share in all nine neighborhoods was 3 percent compared to a 2 percent market share in all of Philadelphia.

Commerce Bank

Commerce Bank provided borrowers in the nine neighborhoods with 34 loans, nearly triple what it wrote in 2005. It originated only 1.3 percent of all loans in these neighborhoods, the lowest of all lenders, comparable to its 1.1 percent market share of all Philadelphia lending. Commerce made about 8 percent of its Philadelphia loans in the nine neighborhoods. Thirteen of those loans were provided to the OARC neighborhood, which was 1 percent all lending to this neighborhood. This was the most loans provided by Commerce to a single neighborhood. Commerce originated no loans in the APM, HACE, People's Emergency Center, American Street EZ, and West Philadelphia EZ neighborhoods.

PNC Bank

Borrowers in the nine neighborhoods received 36 loans from PNC bank, one-third fewer than last year. 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 1.4 percent, a drop from 2.6 percent in 2005. PNC's share of loans in these nine neighborhoods was greater than its city-wide share 0.8 percent. The majority of its loans in the nine neighborhoods were in the OARC section, which received 16 loans.

Wachovia Bank

Wachovia bank made 159 loans within the nine neighborhoods, the most loans by a city depository. The number of loans increased 14 percent from 2005. Wachovia made nearly 10 percent of all its city loans in those nine areas. Its market share in the neighborhoods was 6 percent, which is greater than the 4 percent market share it had in all of Philadelphia. In all but two of the nine neighborhoods (AWF 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 (66 loans), where Wachovia had a market share of 4.4 percent. Wachovia had its highest market share in the HACE neighborhood, where it held 19 percent of the market and made 37 loans to that neighborhood in 2006.

10.3 Small Business Lending in the Neighborhoods

Small business lending was examined in the nine neighborhoods, since information was not available at the census tract level for individual institutions. The table on page 141 shows the number of small business loans reported in the 2006 CRA data for each of the targeted neighborhoods. It also displays the number of small businesses with revenues less than one million dollars located in the neighborhoods.

OARC has the largest number of small businesses with revenues less than one million dollars (726). Also, in that area, small business lending was highest, with 383 loans to small businesses and 134 loans to small businesses with revenues of less than one million dollars. The neighborhood with the next largest number of businesses with revenues of less than one million dollars was American Street, with 524 businesses. This area had the third highest number of loans to small businesses (351), with the second highest number of loans to businesses with revenues of less than one million dollars (125). The final column of the table below shows the percentages of small business loans that went to businesses with revenues less than one million dollars. In all cases, the range of this percentage of loans going to businesses with revenues of less than one million dollars was between 31 percent and 43 percent.

There were a total of 3,702 small businesses with revenues of less than one million dollars in these nine neighborhoods combined. The number of loans to these smallest businesses totaled only 662, representing 17.8 percent of the total of businesses with revenues of less than one million dollars. This indicates that for every 100 businesses, approximately 18 received small business loans.

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
Association of Puerto Ricans on March (APM)	46	16	44	35%
Hispanic Association of Contractors & Enterprises (HACE)	186	77	479	41%
Allegheny West Foundation (AWF)	236	79	419	33%
Ogontz Avenue Revitalization Committee (OARC)	383	134	726	35%
Project Home	118	37	373	31%
People's Emergency Center (PEC)	268	114	410	43%
American Street Empowerment Zone	351	125	542	36%
North Central Empowerment Zone	102	35	450	34%
West Philadelphia Enterprise Zone	134	45	259	34%

Figure 10.1
Number of Small Business Loans in Selected Neighborhoods.

SECTION 11

Recommendations	11.0
Public Policy Changes	11.1
Additional Data Collection	11.2
Ancillary Topics	11.3



11.0 Recommendations

Since hearings about the 2005 report were not conducted until the 2006 report had already begun, the City had little if any time to take action on recommendations put forth in the 2005 report. Therefore, we reiterate those recommendations (see Appendix 5).

We also repeat a major limitation associated with public policy toward City depositories, namely the increasingly diminishing share of residential mortgages originated by these institutions, with the explosion of non-bank financial intermediaries providing credit. Therefore, we encourage the City to examine ways to increase its scope beyond the authorized depositories, toward the broader goal of facilitating greater availability of credit to citizens and businesses across all types of financial markets.

We also add the following additional recommendations, based on lessons learned from reviewing 2006 data, as well as our interpretation of important local and national factors that influence this arena. 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

Fair lending is an integral part of any lending institution's responsibility to society. Lenders have a responsibility to end the actual practice of lending discrimination. The data certainly does not suggest that overt discrimination exists in the lending practices of the depositories included in the study. However the data does indicate that some statistically significant disparities exist across racial and ethnic characteristics of borrowers, therefore giving the appearance that discrimination may exist.

- The City should encourage its depositories to continue recruiting bi-lingual staff, as well as hire minority sales staff, loan originators and underwriters. This will help to expand its penetration into minority markets and sensitize staffs to the needs and concerns of minority homebuyers.
- Similarly, the City should encourage all lenders active in the City to reassess their targeted marketing and advertising materials to ensure that no unintentionally misleading or misrepresented loan programs exist.

As the downward economic pressures of the national subprime lending market loom, it is ever more important for lenders to make sure that lending decisions continue to reflect a disciplined approach. In this respect, it is even more important that any loan-tightening be balanced with education and a fair decision making process.

- The City, in partnership with its depositories and all lenders, as well as community organizations, should work to identify, and market to, households with low- and moderate incomes and in low and moderate income neighborhoods that would qualify for loans under traditional underwriting guidelines.

Community development lending is a highly heterogeneous product category that includes many different types of loans, such as multifamily residential and commercial development lending, and lending to community development organizations.

- The City should recommend that City depositories and all lenders evaluate their community development lending mix between tract income level and tract minority level to ensure fair and balanced product blends by percentage.

When a City depository continues to perform worse than its peers, the City should consider the following actions:

- Encourage contribution to a fund that goes to the advocacy of consumer education, consultation, and information on mortgage lending procedures and standards.
- Require depositories to annually submit certification that all senior level managers, sales staff, underwriters, processors, and mortgage originators have been properly trained on fair lending practices. Such certification would be subject to review by the City's auditors.

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. To help strengthen its understanding of fair lending practices, the City should seek answers to the following:

- Are clearly qualified individuals of any race equally approved for a loan?
- Are clearly unqualified individuals of any race equally rejected for a loan?
- Are less than ideal borrowers treated similarly?
- Are imperfect minority applicants less likely to be approved than imperfect non-minority applicants?

Additionally the City should seek responses to the following questions:

- How often is staff (appraisers and brokers) trained in the area of fair lending?
- Does the depository have a review policy to ensure detection of discrimination?
- Are all loan products presented to prospective clients?
- Do the employees reflect the communities in which they serve?

11.3 Ancillary Topics

One of the top priorities of the new Nutter administration is to increase the number of successful small businesses created in communities throughout Philadelphia. This is based on the principle that every neighborhood should have a strong business presence that responds to the needs of its residents and the development of wealth and employment-generating opportunities for residents. Critical to the success of this goal is to have adequate funding for those potential businesses within targeted minority tract and income tract communities.

To align with the direction of the new administration, the City should encourage the depositories to do the following:

- Reevaluate its community development lending programs
- Consider its geographic distribution of offices
- Reassess community credit needs within targeted tracts
- Review marketing and types of credit offered
- Consider loan products that have underwriting guidelines that are more flexible

The City, its depositories, and its residents would all benefit as this new direction raises the lenders' profile within the targeted neighborhood, promotes community growth and stability, and responds to the lending needs of the community. Even amidst difficulties in the local and national financial markets, access to capital can and should be pursued for all people in all neighborhoods.

APPENDIX 1

Regression Tables



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Table 1: All Lenders - Home Purchase Loans

Logistic regression Number of obs = 27699
 LR chi2(14) = 1464.12
 Prob > chi2 = 0.0000
 Log likelihood = -13167.591 Pseudo R2 = 0.0527

Dependent = Loan Denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference=White)						
Black	0.668	0.055	12.110	0.000	0.560	0.776
Asian	-0.033	0.064	-0.510	0.607	-0.158	0.092
Hispanic	0.422	0.060	7.040	0.000	0.304	0.539
Missing Race	0.596	0.051	11.590	0.000	0.495	0.697
Gender (Reference=Female)						
Male	0.044	0.041	1.060	0.289	-0.037	0.125
Missing Gender	0.216	0.072	3.010	0.003	0.076	0.357
Black * Male	0.163	0.067	2.410	0.016	0.030	0.295
Vacancy Rate	0.009	0.003	2.640	0.008	0.002	0.015
Tract Percent of Median Income	-0.007	0.001	-7.250	0.000	-0.008	-0.005
Log (Loan Amount)	-0.200	0.030	-6.610	0.000	-0.260	-0.141
Log (Income)	-0.183	0.031	-5.920	0.000	-0.243	-0.122
Conventional Loan	0.817	0.289	2.820	0.005	0.250	1.384
FHA Loan	-0.276	0.300	-0.920	0.358	-0.863	0.312
Loan to Value Ratio	0.069	0.014	4.800	0.000	0.041	0.097
Constant	2.001	0.515	3.890	0.000	0.992	3.010

Marginal effects after logit
 $y = \text{Pr}(\text{loan_denied}) (\text{predict})$
 = .18422077

variable	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]		X
Race (Reference=White)							
Black	0.111	0.010	11.160	0.000	0.091	0.130	0.259
Asian	-0.005	0.009	-0.520	0.604	-0.023	0.014	0.093
Hispanic	0.070	0.011	6.420	0.000	0.049	0.092	0.088
Missing Race	0.101	0.010	10.520	0.000	0.082	0.120	0.172
Gender (Reference=Female)							
Male	0.007	0.006	1.060	0.288	-0.006	0.019	0.534
Missing Gender	0.034	0.012	2.850	0.004	0.011	0.058	0.062
Black * Male	0.025	0.011	2.320	0.020	0.004	0.047	0.118
Vacancy Rate	0.001	0.000	2.640	0.008	0.000	0.002	8.916
Tract Percent of Median Income	-0.001	0.000	-7.290	0.000	-0.001	-0.001	75.385
Log (Loan Amount)	-0.030	0.005	-6.620	0.000	-0.039	-0.021	11.531
Log (Income)	-0.027	0.005	-5.930	0.000	-0.037	-0.018	10.955
Conventional Loan	0.097	0.026	3.700	0.000	0.046	0.149	0.933
FHA Loan	-0.038	0.038	-1.000	0.318	-0.113	0.037	0.063
Loan to Value Ratio	0.010	0.002	4.800	0.000	0.006	0.015	1.954

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

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

Logistic regression Number of obs = 27699
 LR chi2(10) = 1292.99
 Prob > chi2 = 0.0000
 Log likelihood = -13253.154 Pseudo R2 = 0.0465

loan_denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Percent Minority Population	0.0085	0.0005	15.7400	0.0000	0.0075	0.0096
Male	0.0683	0.0328	2.0800	0.0370	0.0040	0.1326
Missing Gender	0.4228	0.0607	6.9700	0.0000	0.3039	0.5417
Vacancy Race	-0.0035	0.0033	-1.0400	0.2990	-0.0100	0.0031
Tract Percent of Median Income	-0.0044	0.0009	-4.8300	0.0000	-0.0061	-0.0026
Log (Loan Amount)	-0.1945	0.0301	-6.4500	0.0000	-0.2535	-0.1354
Log (Income)	-0.2380	0.0302	-7.8900	0.0000	-0.2971	-0.1788
Conventional Loan	0.6657	0.2881	2.3100	0.0210	0.1011	1.2304
FHA Loan	-0.3786	0.2985	-1.2700	0.2050	-0.9635	0.2064
Loan to Value Ratio	0.0567	0.0142	3.9800	0.0000	0.0287	0.0846
Constant	2.5599	0.5075	5.0400	0.0000	1.5652	3.5545

Marginal effects after logit
 $y = \text{Pr}(\text{loan_denied})$ (predict)
 = .18665059

variable	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]		X
Percent Minority Population	0.0013	0.0001	15.8400	0.0000	0.0011	0.0015	47.5654
Male	0.0104	0.0050	2.0900	0.0370	0.0006	0.0201	0.5338
Missing Gender	0.0717	0.0113	6.3200	0.0000	0.0495	0.0939	0.0624
Vacancy Race	-0.0005	0.0005	-1.0400	0.2980	-0.0015	0.0005	8.9164
Tract Percent of Median Income	-0.0007	0.0001	-4.8400	0.0000	-0.0009	-0.0004	75.3851
Log (Loan Amount)	-0.0295	0.0046	-6.4600	0.0000	-0.0385	-0.0206	11.5309
Log (Income)	-0.0361	0.0046	-7.9000	0.0000	-0.0451	-0.0272	10.9545
Conventional Loan	0.0838	0.0293	2.8600	0.0040	0.0264	0.1411	0.9328
FHA Loan	-0.0517	0.0363	-1.4200	0.1550	-0.1228	0.0195	0.0629
Loan to Value Ratio	0.0086	0.0022	3.9800	0.0000	0.0044	0.0128	1.9541

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

Table 3: All Lenders – Home Purchase Loans by Prime and Sub-prime

Logistic regression	Number of obs =	31437
	LR chi2(13) =	3481.99
	Prob > chi2 =	0.0000
Log likelihood = -12708.537	Pseudo R2 =	0.1205

Dependent = Sub-prime	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference = White)						
Black	1.0014	0.0547	18.3100	0.0000	0.8942	1.1086
Asian	-0.5991	0.0754	-7.9500	0.0000	-0.7469	-0.4514
Hispanic	0.7851	0.0581	13.5100	0.0000	0.6713	0.8990
Missing Race	0.6811	0.0519	13.1300	0.0000	0.5794	0.7827
Gender (Reference=Female)						
Male	0.0051	0.0418	0.1200	0.9040	-0.0770	0.0871
Missing Gender	-1.4441	0.0841	-17.1600	0.0000	-1.6090	-1.2791
Black * Male	0.0582	0.0685	0.8500	0.3950	-0.0760	0.1924
Vacancy Rate	-0.0424	0.0037	-11.3500	0.0000	-0.0498	-0.0351
Tract Percent of Median Income	-0.0150	0.0010	-14.9700	0.0000	-0.0169	-0.0130
Log (Loan Amount)	-0.4196	0.0313	-13.4200	0.0000	-0.4809	-0.3583
Log (Income)	-0.0356	0.0326	-1.0900	0.2740	-0.0994	0.0282
Conventional Loan	2.0696	0.0963	21.4800	0.0000	1.8808	2.2584
Loan to Value Ratio	0.0208	0.0169	1.2300	0.2190	-0.0124	0.0540
Constant	2.7503	0.4560	6.0300	0.0000	1.8565	3.6441

Marginal effects after logit
 $y = \text{Pr}(\text{subprime})$ (predict)
 $= .15562268$

variable	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]		X
Race (Reference=White)							
Black	0.1408	0.0091	15.4700	0.0000	0.1230	0.1587	
Asian	-0.0575	0.0059	-9.7300	0.0000	-0.0691	-0.0460	
Hispanic	0.1140	0.0102	11.1500	0.0000	0.0939	0.1340	
Missing Race	0.0907	0.0079	11.5500	0.0000	0.0753	0.1060	
Gender (Reference=Female)							
Male	0.0006	0.0048	0.1200	0.9040	-0.0089	0.0100	
Missing Gender	-0.1116	0.0041	-27.1300	0.0000	-0.1196	-0.1035	
Black * Male	0.0068	0.0082	0.8400	0.4030	-0.0092	0.0228	
Vacancy Rate	-0.0049	0.0004	-11.4900	0.0000	-0.0057	-0.0041	
Tract Percent of Median Income	-0.0017	0.0001	-15.3600	0.0000	-0.0019	-0.0015	
Log (Loan Amount)	-0.0483	0.0036	-13.4500	0.0000	-0.0553	-0.0413	
Log (Income)	-0.0041	0.0038	-1.0900	0.2740	-0.0114	0.0032	
Conventional Loan	0.1326	0.0031	42.9400	0.0000	0.1265	0.1386	
Loan to Value Ratio	0.0024	0.0020	1.2300	0.2190	-0.0014	0.0062	

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

Table 4: All Lenders – Refinancing Loans

Logistic regression Number of obs = 47225
 LR chi2(13) = 3145.96
 Prob > chi2 = 0.0000
 Log likelihood = -30677.271 Pseudo R2 = 0.0488

loan_denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference=White)						
Black	0.5743	0.0326	17.6100	0.0000	0.5104	0.6382
Asian	0.2740	0.0531	5.1600	0.0000	0.1700	0.3780
Hispanic	0.4070	0.0428	9.5100	0.0000	0.3232	0.4909
Missing Race	0.3578	0.0298	12.0300	0.0000	0.2995	0.4161
Gender (Reference=Female)						
Male	0.0205	0.0264	0.7800	0.4380	-0.0313	0.0723
Missing Gender	0.2723	0.0380	7.1600	0.0000	0.1978	0.3468
Black*Male	0.0486	0.0429	1.1300	0.2560	-0.0354	0.1327
Vacancy Rate	0.0123	0.0020	6.1700	0.0000	0.0084	0.0162
Log(Loan Amount)	-0.0618	0.0209	-2.9600	0.0030	-0.1028	-0.0209
Log(Income)	-0.5738	0.0180	-31.7900	0.0000	-0.6092	-0.5385
Conventional Loan	-1.6782	0.6569	-2.5500	0.0110	-2.9658	-0.3906
FHA Loan	-2.7138	0.6679	-4.0600	0.0000	-4.0229	-1.4047
Loan to Value Ratio	0.2153	0.0142	15.1600	0.0000	0.1875	0.2432
Constant	7.4433	0.7099	10.4800	0.0000	6.0518	8.8347

Marginal effects after logit
 $y = \text{Pr}(\text{loan_denied})$ (predict)
 = .42350627

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
Race (Reference=White)						
Black	0.1412	0.0080	17.6700	0.0000	0.1255 0.1569	0.3123
Asian	0.0678	0.0133	5.1200	0.0000	0.0419 0.0938	0.0368
Hispanic	0.1010	0.0107	9.4700	0.0000	0.0801 0.1219	0.0606
Missing Race	0.0881	0.0074	11.9800	0.0000	0.0737 0.1025	0.2725
Gender (Reference=Female)						
Male	0.0050	0.0065	0.7800	0.4380	-0.0076 0.0176	0.4523
Missing Gender	0.0673	0.0095	7.1100	0.0000	0.0487 0.0858	0.1186
Black*Male	0.0119	0.0105	1.1300	0.2580	-0.0087 0.0325	0.1288
Vacancy Rate	0.0030	0.0005	6.1700	0.0000	0.0021 0.0040	8.7874
Log(Loan Amount)	-0.0151	0.0051	-2.9600	0.0030	-0.0251 -0.0051	11.2922
Log(Income)	-0.1401	0.0044	-31.8300	0.0000	-0.1487 -0.1315	10.7763
Conventional Loan	-0.3750	0.1075	-3.4900	0.0000	-0.5858 -0.1643	0.9913
FHA Loan	-0.3816	0.0314	-12.1600	0.0000	-0.4431 -0.3201	0.0084
Loan to Value Ratio	0.0526	0.0035	15.1600	0.0000	0.0458 0.0594	1.6196

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

Table 5: All Lenders – Home Improvement Loans

Logistic regression Number of obs = 20055
 LR chi2(11) = 2406.88
 Prob > chi2 = 0.0000
 Log likelihood = -12642.745 Pseudo R2 = 0.0869

loan_denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference=White)						
Black	0.6982	0.0474	14.7400	0.0000	0.6054	0.7910
Asian	0.5628	0.0702	8.0200	0.0000	0.4253	0.7003
Hispanic	0.6203	0.0573	10.8300	0.0000	0.5080	0.7325
Missing Race	-0.1922	0.0576	-3.3400	0.0010	-0.3052	-0.0793
Gender (Reference=Female)						
Male	-0.0460	0.0412	-1.1200	0.2640	-0.1267	0.0348
Missing Gender	0.8303	0.0771	10.7700	0.0000	0.6792	0.9814
Black*Male	0.2325	0.0652	3.5700	0.0000	0.1048	0.3602
Vacancy Rate	0.0081	0.0028	2.9200	0.0040	0.0027	0.0135
Log(Loan Amount)	-0.3253	0.0224	-14.5400	0.0000	-0.3691	-0.2814
Log(Income)	-0.5316	0.0267	-19.9100	0.0000	-0.5839	-0.4792
Loan to Value Ratio	0.4087	0.0322	12.6900	0.0000	0.3456	0.4718
Constant	8.3061	0.3153	26.3400	0.0000	7.6881	8.9240

Note: 0 failures and 1 success completely determined.

Marginal effects after logit
 $y = \text{Pr}(\text{loan_denied})$ (predict)
 = .54186657

variable	dy/dx	Std. Err.	Z	P> z	[95% C.I.]	X
Race (Reference=White)						
Black	0.1703	0.0112	15.1700	0.0000	0.1483 0.1923	0.3891
Asian	0.1339	0.0157	8.5500	0.0000	0.1032 0.1646	0.0510
Hispanic	0.1474	0.0128	11.5700	0.0000	0.1224 0.1724	0.0953
Missing Race	-0.0479	0.0144	-3.3300	0.0010	-0.0761 -0.0197	0.1541
Gender (Reference=Female)						
Male	-0.0114	0.0102	-1.1200	0.2650	-0.0315 0.0086	0.4331
Missing Gender	0.1917	0.0159	12.1000	0.0000	0.1606 0.2228	0.0701
Black*Male	0.0572	0.0158	3.6100	0.0000	0.0262 0.0882	0.1434
Vacancy Rate	0.0020	0.0007	2.9200	0.0040	0.0007 0.0034	9.6574
Log(Loan Amount)	-0.0808	0.0056	-14.5500	0.0000	-0.0916 -0.0699	9.9796
Log(Income)	-0.1320	0.0066	-19.9100	0.0000	-0.1450 -0.1190	10.6373
Loan to Value Ratio	0.1015	0.0080	12.7000	0.0000	0.0858 0.1171	0.6924

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

Table 6: Depositories – Home Purchase Loans

Logistic regression Number of obs = 2394
 LR chi2(17) = 169.52
 Prob > chi2 = 0.0000
 Log likelihood = -1119.0023 Pseudo R2 = 0.0704

loan_denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference=White)						
Black	0.1178	0.2036	0.5800	0.5630	-0.2813	0.5169
Asian	0.7498	0.1682	4.4600	0.0000	0.4202	1.0795
Hispanic	0.6422	0.1816	3.5400	0.0000	0.2863	0.9980
Missing Race	-0.1446	0.2974	-0.4900	0.6270	-0.7275	0.4384
Gender (Reference=Female)						
Male	0.0289	0.1379	0.2100	0.8340	-0.2413	0.2991
Missing Gender	0.3020	0.3310	0.9100	0.3620	-0.3467	0.9506
Black * Male	0.2599	0.2500	1.0400	0.2980	-0.2300	0.7499
Vacancy Rate	-0.0279	0.0113	-2.4700	0.0140	-0.0501	-0.0057
Log (Loan Amount)	-0.4741	0.1005	-4.7200	0.0000	-0.6711	-0.2770
Log (Income)	-0.1413	0.0977	-1.4500	0.1480	-0.3328	0.0502
Tract Percent of Median Income	-0.0069	0.0030	-2.3200	0.0200	-0.0127	-0.0011
Bank (Reference = All other)						
Bank of America	-0.0673	0.1784	-0.3800	0.7060	-0.4169	0.2823
Royal Bank of Scotland Group	0.1016	0.1839	0.5500	0.5810	-0.2588	0.4620
Commerce Bankcorp	-0.4819	0.2252	-2.1400	0.0320	-0.9233	-0.0405
PNC Financial Services	0.9446	0.2579	3.6600	0.0000	0.4391	1.4502
Conventional Loan	0.3753	0.3196	1.1700	0.2400	-0.2512	1.0018
Loan to Value Ratio	0.1355	0.0582	2.3300	0.0200	0.0213	0.2496
Constant	5.3754	1.4740	3.6500	0.0000	2.4863	8.2645

variable	dy/dx	Std. Err.	z	P> z	[95% Conf.Interval]		X
Race (Reference=White)							
Black	0.0178	0.0313	0.5700	0.5700	-0.0436	0.0791	0.2460
Asian	0.1310	0.0335	3.9100	0.0000	0.0654	0.1967	0.1257
Hispanic	0.1100	0.0352	3.1300	0.0020	0.0411	0.1790	0.1203
Missing Race	-0.0207	0.0412	-0.5000	0.6150	-0.1014	0.0600	0.1441
Gender (Reference=Female)							
Male	0.0043	0.0204	0.2100	0.8340	-0.0357	0.0443	0.5163
Missing Gender	0.0482	0.0566	0.8500	0.3950	-0.0628	0.1592	0.0998
Black * Male	0.0411	0.0420	0.9800	0.3280	-0.0413	0.1235	0.0969
Vacancy Rate	-0.0041	0.0017	-2.4800	0.0130	-0.0074	-0.0009	9.7657
Log (Loan Amount)	-0.0702	0.0148	-4.7500	0.0000	-0.0992	-0.0413	11.4261
Log (Income)	-0.0209	0.0145	-1.4500	0.1480	-0.0492	0.0074	10.8593
Tract Percent of Median Income	-0.0010	0.0004	-2.3300	0.0200	-0.0019	-0.0002	72.5527
Bank (Reference = All other)							
Bank of America	-0.0099	0.0261	-0.3800	0.7040	-0.0611	0.0413	0.3697
Royal Bank of Scotland Group	0.0152	0.0280	0.5500	0.5860	-0.0395	0.0700	0.2999
Commerce Bankcorp	-0.0641	0.0266	-2.4100	0.0160	-0.1162	-0.0120	0.1571
PNC Financial Services	0.1777	0.0579	3.0700	0.0020	0.0643	0.2912	0.0447
Conventional Loan	0.0496	0.0373	1.3300	0.1830	-0.0234	0.1226	0.9657
Loan to Value Ratio	0.0201	0.0086	2.3300	0.0200	0.0032	0.0369	1.8551

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

Table 8: Depositories – Home Purchase Loans by Prime and Sub-prime

Logistic regression Number of obs = 2136
 LR chi2(16) = 86.42
 Prob > chi2 = 0.0000
 Log likelihood = -369.5562 Pseudo R2 = 0.1047

subprime	Coef.	Std. Err.	z	P> z	[95% Conf.	Interval]
Black	0.5509	0.3829	1.4400	0.1500	-0.1995	1.3013
Asian	-0.5622	0.5107	-1.1000	0.2710	-1.5632	0.4388
Hispanic	0.5303	0.3560	1.4900	0.1360	-0.1674	1.2281
Missing Race	-0.1616	0.5708	-0.2800	0.7770	-1.2803	0.9571
Male	0.0454	0.2981	0.1500	0.8790	-0.5388	0.6296
Missing Gender	0.3307	0.6400	0.5200	0.6050	-0.9238	1.5851
Black*Male	0.1812	0.4520	0.4000	0.6880	-0.7047	1.0672
Vacancy Rate	-0.0521	0.0226	-2.3100	0.0210	-0.0964	-0.0078
Log(Loan Amount)	0.0983	0.2385	0.4100	0.6800	-0.3692	0.5658
Log(Income)	-0.6001	0.2108	-2.8500	0.0040	-1.0132	-0.1870
Tract Percent of Median Income	-0.0172	0.0069	-2.4900	0.0130	-0.0307	-0.0036
Bank of America	-1.1348	0.2940	-3.8600	0.0000	-1.7110	-0.5586
Royal Bank of Scotland Group	-1.2225	0.3003	-4.0700	0.0000	-1.8110	-0.6341
Commerce Bank	-3.2826	0.7522	-4.3600	0.0000	-4.7569	-1.8082
PNC Financial Services	-1.8074	1.0457	-1.7300	0.0840	-3.8570	0.2421
Loan to Value Ratio	-0.0288	0.1428	-0.2000	0.8400	-0.3087	0.2512
Constant	4.9258	3.1854	1.5500	0.1220	-1.3175	11.1691

Marginal effects after logit
 $y = \text{Pr}(\text{subprime})$ (predict)
 = .02895885

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	
Black	0.0179	0.0143	1.25	0.2110	-0.0101	0.0458	0.2453
Asian	-0.0130	0.0096	-1.36	0.1750	-0.0317	0.0058	0.1053
Hispanic	0.0183	0.0151	1.22	0.2240	-0.0112	0.0478	0.1039
Missing Race	-0.0043	0.0145	-0.30	0.7660	-0.0327	0.0240	0.1517
Male	0.0013	0.0084	0.15	0.8790	-0.0151	0.0177	0.5140
Missing Gender	0.0105	0.0230	0.46	0.6470	-0.0346	0.0556	0.1086
Black*Male	0.0055	0.0146	0.37	0.7090	-0.0232	0.0342	0.0936
Vacancy Rate	-0.0015	0.0006	-2.33	0.0200	-0.0027	-0.0002	9.6260
Log(Loan Amount)	0.0028	0.0067	0.41	0.6800	-0.0104	0.0159	11.4992
Log(Income)	-0.0169	0.0060	-2.80	0.0050	-0.0287	-0.0050	10.8775
Tract Percent of Median Income	-0.0005	0.0002	-2.54	0.0110	-0.0009	-0.0001	74.3868
Bank of America	-0.0283	0.0074	-3.84	0.0000	-0.0427	-0.0139	0.3460
Royal Bank of Scotland Group	-0.0304	0.0076	-3.99	0.0000	-0.0454	-0.0155	0.3493
Commerce Bank	-0.0459	0.0060	-7.68	0.0000	-0.0576	-0.0342	0.1582
PNC Financial Services	-0.0253	0.0068	-3.70	0.0000	-0.0387	-0.0119	0.0286
Loan to Value Ratio	-0.0008	0.0040	-0.20	0.8400	-0.0087	0.0071	1.9053

Table 9: Depositories – Refinancing Loans

Logistic regression Number of obs = 6354
 LR chi2(17) = 940.50
 Prob > chi2 = 0.0000
 Log likelihood = -3691.565 Pseudo R2 = 0.1130

loan_denied	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Race (Reference=White)						
Black	0.6614	0.0941	7.0300	0.0000	0.4769	0.8459
Asian	0.3422	0.1148	2.9800	0.0030	0.1173	0.5671
Hispanic	0.5894	0.0992	5.9400	0.0000	0.3949	0.7838
Missing Race	0.2666	0.1827	1.4600	0.1450	-0.0916	0.6248
Gender (Reference=Female)						
Male	0.0334	0.0765	0.4400	0.6620	-0.1165	0.1834
Missing Gender	0.0248	0.1934	0.1300	0.8980	-0.3543	0.4038
Black * Male	-0.0826	0.1251	-0.6600	0.5090	-0.3279	0.1626
Vacancy Rate	0.0009	0.0064	0.1400	0.8920	-0.0116	0.0134
Log (Loan Amount)	0.4948	0.0715	6.9200	0.0000	0.3546	0.6350
Log (Income)	-0.7599	0.0501	-15.1800	0.0000	-0.8581	-0.6618
Tract Percent of Median Income	-0.0045	0.0017	-2.6100	0.0090	-0.0079	-0.0011
Bank (Reference = All other)						
Bank of America	0.1824	0.1184	1.5400	0.1230	-0.0497	0.4144
Royal Bank of Scotland Group	0.7997	0.0720	11.1000	0.0000	0.6586	0.9409
Commerce Bankcorp	0.6779	0.1311	5.1700	0.0000	0.4211	0.9348
PNC Financial Services	1.2683	0.0850	14.9200	0.0000	1.1017	1.4350
Conventional Loan	1.1800	0.6703	1.7600	0.0780	-0.1337	2.4938
Loan to Value Ratio	0.1294	0.0516	2.5100	0.0120	0.0282	0.2305
Constant	0.4073	1.0290	0.4000	0.6920	-1.6095	2.4240

Marginal effects after logit
 y = Pr(loan_denied) (predict)
 = .34163166

variable	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]		X
Race (Reference=White)							
Black	0.1534	0.0222	6.9100	0.0000	0.1099	0.1969	0.2990
Asian	0.0801	0.0277	2.8900	0.0040	0.0258	0.1344	0.0721
Hispanic	0.1400	0.0244	5.7500	0.0000	0.0923	0.1877	0.1088
Missing Race	0.0617	0.0434	1.4200	0.1550	-0.0233	0.1467	0.1198
Gender (Reference=Female)							
Male	0.0075	0.0172	0.4400	0.6620	-0.0262	0.0413	0.4655
Missing Gender	0.0056	0.0438	0.1300	0.8980	-0.0802	0.0914	0.1043
Black * Male	-0.0184	0.0276	-0.6700	0.5050	-0.0724	0.0356	0.1242
Vacancy Rate	0.0002	0.0014	0.1400	0.8920	-0.0026	0.0030	8.4249
Log (Loan Amount)	0.1113	0.0160	6.9500	0.0000	0.0799	0.1427	11.0809
Log (Income)	-0.1709	0.0112	-15.3000	0.0000	-0.1928	-0.1490	10.8814
Tract Percent of Median Income	-0.0010	0.0004	-2.6200	0.0090	-0.0018	-0.0003	74.8075
Bank (Reference = All other)							
Bank of America	0.0420	0.0278	1.5100	0.1310	-0.0126	0.0965	0.0620
Royal Bank of Scotland Group	0.1890	0.0174	10.8900	0.0000	0.1550	0.2231	0.2088
Commerce Bankcorp	0.1629	0.0326	5.0100	0.0000	0.0991	0.2268	0.0502
PNC Financial Services	0.3043	0.0199	15.2800	0.0000	0.2653	0.3434	0.1333
Conventional Loan	0.2044	0.0798	2.5600	0.0100	0.0480	0.3608	0.9980
Loan to Value Ratio	0.0291	0.0116	2.5000	0.0120	0.0063	0.0519	1.2998

(*) 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	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	11,984	3,701	15,685	63.3%	38.8%	55.1%	282,063	47.8%	1.32	0.81
African American	4,785	5,458	10,243	25.3%	57.2%	36.0%	237,553	40.2%	0.63	1.42
Asian	2,058	385	2,443	10.9%	4.0%	8.6%	20,567	3.5%	3.13	1.15
Hispanic ³	1,627	1,238	2,865	7.8%	11.4%	9.1%	38,509	6.5%	1.20	1.75
Total ⁴	25,131	14,093	39,224				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	11,984	3,701	15,685	76.4%	23.6%	1.00	1.00
African American	4,785	5,458	10,243	46.7%	53.3%	0.61	2.26
Asian	2,058	385	2,443	84.2%	15.8%	1.10	0.67
Hispanic ³	1,627	1,238	2,865	56.8%	43.2%	0.74	1.83
Total ⁴	25,131	14,093	39,224	64.1%	35.9%	0.84	1.52

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White
White	28,929	6,341	21.9%	1.00
African American	27,430	10,822	39.5%	1.80
Asian	4,327	940	21.7%	0.99
Hispanic ³	6,364	2,147	33.7%	1.54
Total ⁴	91,611	27,774	30.3%	1.38

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 2: All Loans by Income in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	4,435	3,960	8,395	18.2%	28.8%	22.1%	229,276	38.8%	0.47	0.74
Moderate (50-79.99% MSA)	7,613	5,181	12,794	31.3%	37.7%	33.6%	109,355	18.5%	1.69	2.03
Middle (80-119.99% MSA)	6,298	3,067	9,365	25.9%	22.3%	24.6%	102,462	17.4%	1.49	1.29
Upper (120% or More MSA)	5,966	1,536	7,502	24.5%	11.2%	19.7%	149,190	25.3%	0.97	0.44
LMI (<79.99% MSA Income)	12,048	9,141	21,189	49.6%	66.5%	55.7%	338,631	57.4%	0.86	1.16
MJI (>80% MSA Income)	12,264	4,603	16,867	50.4%	33.5%	44.3%	251,652	42.6%	1.18	0.79
Total ³	25,131	14,093	39,224				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	4,435	3,960	8,395	52.8%	47.2%	0.66	2.30
Moderate (50-79.99% MSA)	7,613	5,181	12,794	59.5%	40.5%	0.75	1.98
Middle (80-119.99% MSA)	6,298	3,067	9,365	67.3%	32.7%	0.85	1.60
Upper (120% or More MSA)	5,966	1,536	7,502	79.5%	20.5%	1.00	1.00
LMI (<79.99% MSA Income)	12,048	9,141	21,189	56.9%	43.1%	0.71	2.11
MJI (>80% MSA Income)	12,264	4,603	16,867	72.7%	27.3%	0.91	1.33
Total ³	25,131	14,093	39,224	64.1%	35.9%	0.81	1.75

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	24,410	10,012	41.0%	1.98
Moderate (50-79.99% MSA)	29,402	8,728	29.7%	1.43
Middle (80-119.99% MSA)	19,621	5,033	25.7%	1.24
Upper (120% or More MSA)	14,560	3,020	20.7%	1.00
LMI (<79.99% MSA Income)	53,812	18,740	34.8%	1.48
MJI (>80% MSA Income)	34,181	8,053	23.6%	1.00
Total ³	91,611	27,774	30.3%	1.46

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

**Table 3: All Loans by Tract Minority Level in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	16,589	6,008	22,597	66.0%	42.6%	57.6%	178,316	51.0%	1.29	0.84
50-100% minority	8,540	8,080	16,620	34.0%	57.4%	42.4%	171,335	49.0%	0.69	1.17
Total ³	25,131	14,093	39,224				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract	Minority Level Share to Non-Minority Tract
0-49% minority	16,589	6,008	22,597	73.4%	26.6%	1.00	1.00
50-100% minority	8,540	8,080	16,620	51.4%	48.6%	0.70	1.83
Total ³	25,131	14,093	39,224	64.1%	35.9%	0.87	1.35

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	44,923	10,398	23.1%	1.00
50-100% minority	46,657	17,365	37.2%	1.61
Total ³	91,611	27,774	30.3%	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.

**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	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	3,275	3,052	6,327	13.0%	21.7%	16.1%	81,464	23.3%	0.56	0.93
Moderate (50-79.99% MSA)	10,885	7,546	18,431	43.3%	53.6%	47.0%	152,805	43.7%	0.99	1.23
Middle (80-119.99% MSA)	9,260	3,312	12,572	36.9%	23.5%	32.1%	100,764	28.8%	1.28	0.82
Upper (120% or More MSA)	1,691	173	1,864	6.7%	1.2%	4.8%	14,605	4.2%	1.61	0.29
LMI (<79.99% MSA Income)	14,160	10,598	24,758	56.4%	75.3%	63.2%	234,269	67.0%	0.84	1.12
MUI (>80% MSA Income)	10,951	3,485	14,436	43.6%	24.7%	36.8%	115,369	33.0%	1.32	0.75
Total ³	25,131	14,093	39,224				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	3,275	3,052	6,327	51.8%	48.2%	0.57	5.20
Moderate (50-79.99% MSA)	10,885	7,546	18,431	59.1%	40.9%	0.65	4.41
Middle (80-119.99% MSA)	9,260	3,312	12,572	73.7%	26.3%	0.81	2.84
Upper (120% or More MSA)	1,691	173	1,864	90.7%	9.3%	1.00	1.00
LMI (<79.99% MSA Income)	14,160	10,598	24,758	57.2%	42.8%	0.75	1.77
MUI (>80% MSA Income)	10,951	3,485	14,436	75.9%	24.1%	1.00	1.00
Total ³	25,131	14,093	39,224	64.1%	35.9%	0.71	3.87

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	18,474	7,457	40.4%	2.57
Moderate (50-79.99% MSA)	44,846	14,191	31.6%	2.02
Middle (80-119.99% MSA)	25,061	5,605	22.4%	1.43
Upper (120% or More MSA)	3,144	493	15.7%	1.00

**Table 5: All Loans by Gender in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	8,685	5,017	13,702	36.7%	38.5%	37.3%	132,278	22.4%	1.64	1.72
Female	8,825	5,925	14,750	37.3%	45.4%	40.2%	264,975	44.9%	0.83	1.01
Joint (Male/Female)	6,155	2,095	8,250	26.0%	16.1%	22.5%	193,030	32.7%	0.80	0.49
Total ²	25,131	14,093	39,224				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	8,685	5,017	13,702	63.4%	36.6%	1.00	1.00
Female	8,825	5,925	14,750	59.8%	40.2%	0.94	1.10
Joint (Male/Female)	6,155	2,095	8,250	74.6%	25.4%	1.18	0.69
Total ²	25,131	14,093	39,224	64.1%	35.9%	1.01	0.98

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	31,064	9,300	29.9%	1.00
Female	33,893	10,839	32.0%	1.07
Joint (Male/Female)	16,629	4,250	25.6%	0.85
Total ²	91,611	27,774	30.3%	1.01

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

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

**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	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
White	6,028	1,143	7,171	61.3%	37.0%	55.5%	282,063	47.8%	1.28	0.78
African American	2,164	1,767	3,931	22.0%	57.3%	30.4%	237,553	40.2%	0.55	1.42
Asian	1,558	178	1,736	15.9%	5.8%	13.4%	20,567	3.5%	4.55	1.66
Hispanic ³	958	589	1,547	8.7%	15.9%	10.5%	38,509	6.5%	1.34	2.44
Total ⁴	12,651	4,462	17,113				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	6,028	1,143	7,171	84.1%	15.9%	1.00	1.00
African American	2,164	1,767	3,931	55.0%	45.0%	0.65	2.82
Asian	1,558	178	1,736	89.7%	10.3%	1.07	0.64
Hispanic ³	958	589	1,547	61.9%	38.1%	0.74	2.39
Total ⁴	12,651	4,462	17,113	73.9%	26.1%	0.88	1.64

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White denial
White	10,310	1,218	11.8%	1.00
African American	7,320	1,781	24.3%	2.06
Asian	2,478	301	12.1%	1.03
Hispanic ³	2,437	473	19.4%	1.64
Total ⁴	27,748	4,866	17.5%	1.48

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	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of all households	Prime share to household share ratio	Subprime share to household share ratio
Low (<50% MSA)	2,072	1,072	3,144	16.7%	25.0%	18.9%	229,276	38.8%	0.43	0.64
Moderate (50-79.99% MSA)	3,832	1,645	5,477	30.9%	38.4%	32.8%	109,355	18.5%	1.67	2.07
Middle (80-119.99% MSA)	3,112	1,006	4,118	25.1%	23.5%	24.7%	102,462	17.4%	1.45	1.35
Upper (120% or More MSA)	3,369	566	3,935	27.2%	13.2%	23.6%	149,190	25.3%	1.08	0.52
LMI (<79.99% MSA Income)	5,904	2,717	8,621	47.7%	63.3%	51.7%	338,631	57.4%	0.83	1.10
MUI (>80% MSA Income)	6,481	1,572	8,053	52.3%	36.7%	48.3%	251,652	42.6%	1.23	0.86
Total ³	12,651	4,462	17,113				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	2,072	1,072	3,144	65.9%	34.1%	0.77	2.37
Moderate (50-79.99% MSA)	3,832	1,645	5,477	70.0%	30.0%	0.82	2.09
Middle (80-119.99% MSA)	3,112	1,006	4,118	75.6%	24.4%	0.88	1.70
Upper (120% or More MSA)	3,369	566	3,935	85.6%	14.4%	1.00	1.00
LMI (<79.99% MSA Income)	5,904	2,717	8,621	68.5%	31.5%	0.85	1.61
MUI (>80% MSA Income)	6,481	1,572	8,053	80.5%	19.5%	1.00	1.00
Total ³	12,651	4,462	17,113	73.9%	26.1%	0.86	1.81

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	5,632	1,335	23.7%	1.75
Moderate (50-79.99% MSA)	8,695	1,550	17.8%	1.31
Middle (80-119.99% MSA)	6,438	992	15.4%	1.14
Upper (120% or More MSA)	6,043	820	13.6%	1.00
LMI (<79.99% MSA Income)	14,327	2,885	20.1%	1.39
MUI (>80% MSA Income)	12,481	1,812	14.5%	1.00
Total ³	27,748	4,866	17.5%	1.29

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 8: Home Purchase Loans by Tract Minority Level in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime share to OOHU share ratio	Subprime share to OOHU share ratio
0-49% minority	8,483	2,025	10,508	67.1%	45.4%	61.4%	178,316	51.0%	1.31	0.89
50-100% minority	4,167	2,435	6,602	32.9%	54.6%	38.6%	171,335	49.0%	0.67	1.11
Total ³	12,651	4,462	17,113				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio: Prime	Minority Level Share to Non-Minority Tract Share Ratio: Subprime
0-49% minority	8,483	2,025	10,508	80.7%	19.3%	1.00	1.00
50-100% minority	4,167	2,435	6,602	63.1%	36.9%	0.78	1.91
Total ³	12,651	4,462	17,113	73.9%	26.1%	0.92	1.35

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	15,478	2,009	13.0%	1.00
50-100% minority	12,258	2,853	23.3%	1.79
Total ³	27,748	4,866	17.5%	1.35

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	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime share to OOHU Share Ratio	Share to OOHU Share Ratio
Low (<50% MSA)	1,748	1,048	2,796	13.8%	23.5%	16.4%	81,464	23.3%	0.59	1.01
Moderate (50-79.99% MSA)	5,441	2,403	7,844	43.0%	53.9%	45.9%	152,805	43.7%	0.98	1.23
Middle (80-119.99% MSA)	4,377	951	5,328	34.6%	21.3%	31.2%	100,764	28.8%	1.20	0.74
Upper (120% or More MSA)	1,075	56	1,131	8.5%	1.3%	6.6%	14,605	4.2%	2.04	0.30
LMI (<79.99% MSA Income)	7,189	3,451	10,640	56.9%	77.4%	62.2%	234,269	67.0%	0.85	1.16
MUI (>80% MSA Income)	5,452	1,007	6,459	43.1%	22.6%	37.8%	115,369	33.0%	1.31	0.68
Total ³	12,651	4,462	17,113				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,748	1,048	2,796	62.5%	37.5%	0.66	7.57
Moderate (50-79.99% MSA)	5,441	2,403	7,844	69.4%	30.6%	0.73	6.19
Middle (80-119.99% MSA)	4,377	951	5,328	82.2%	17.8%	0.86	3.60
Upper (120% or More MSA)	1,075	56	1,131	95.0%	5.0%	1.00	1.00
LMI (<79.99% MSA Income)	7,189	3,451	10,640	67.6%	32.4%	0.80	2.08
MUI (>80% MSA Income)	5,452	1,007	6,459	84.4%	15.6%	1.00	1.00
Total ³	12,651	4,462	17,113	73.9%	26.1%	0.78	5.27

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	5,235	1,288	24.6%	2.75
Moderate (50-79.99% MSA)	13,042	2,500	19.2%	2.15
Middle (80-119.99% MSA)	7,808	923	11.8%	1.32
Upper (120% or More MSA)	1,634	146	8.9%	1.00
LMI (<79.99% MSA Income)	18,277	3,788	20.7%	1.83
MUI (>80% MSA Income)	9,442	1,069	11.3%	1.00
Total ³	27,748	4,866	17.5%	1.96

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 10: Home Purchase Loans by Gender in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of all households	Prime share to household share ratio	Subprime share to household share ratio
Male	4,860	2,006	6,866	40.6%	46.9%	42.2%	132,278	22.4%	1.81	2.09
Female	4,367	1,853	6,220	36.5%	43.3%	38.3%	264,975	44.9%	0.81	0.96
Joint (Male/Female)	2,752	421	3,173	23.0%	9.8%	19.5%	193,030	32.7%	0.70	0.30
Total ²	12,651	4,462	17,113				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	4,860	2,006	6,866	70.8%	29.2%	1.00	1.00
Female	4,367	1,853	6,220	70.2%	29.8%	0.99	1.02
Joint (Male/Female)	2,752	421	3,173	86.7%	13.3%	1.23	0.45
Total ²	12,651	4,462	17,113	73.9%	26.1%	1.04	0.89

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	11,244	2,139	19.0%	1.00
Female	10,070	1,811	18.0%	0.95
Joint (Male/Female)	4,500	479	10.6%	0.56
Total ²	27,748	4,866	17.5%	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.

**Table 11: Home Refinance Loans by Race in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
White	5,023	2,392	7,415	66.0%	40.7%	55.0%	282,063	47.8%	1.38	0.85
African American	2,161	3,299	5,460	28.4%	56.1%	40.5%	237,553	40.2%	0.71	1.39
Asian	409	187	596	5.4%	3.2%	4.4%	20,567	3.5%	1.54	0.91
Hispanic ³	541	556	1,097	6.6%	8.6%	7.5%	38,509	6.5%	1.01	1.32
Total ⁴	10,486	8,834	19,320				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	5,023	2,392	7,415	67.7%	32.3%	1.00	1.00
African American	2,161	3,299	5,460	39.6%	60.4%	0.58	1.87
Asian	409	187	596	68.6%	31.4%	1.01	0.97
Hispanic ³	541	556	1,097	49.3%	50.7%	0.73	1.57
Total ⁴	10,486	8,834	19,320	54.3%	45.7%	0.80	1.42

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to white denial
White	16,410	4,394	26.8%	1.00
African American	16,727	6,996	41.8%	1.56
Asian	1,524	484	31.8%	1.19
Hispanic ³	3,129	1,209	38.6%	1.44
Total ⁴	55,816	18,974	34.0%	1.27

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 12: Home Refinance Loans by Income in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	1,761	2,606	4,367	17.7%	30.1%	23.4%	229,276	38.8%	0.46	0.77
Moderate (50-79.99% MSA)	3,171	3,230	6,401	31.8%	37.3%	34.4%	109,355	18.5%	1.72	2.01
Middle (80-119.99% MSA)	2,748	1,927	4,675	27.6%	22.2%	25.1%	102,462	17.4%	1.59	1.28
Upper (120% or More MSA)	2,280	904	3,184	22.9%	10.4%	17.1%	149,190	25.3%	0.91	0.41
LMI (<79.99% MSA Income)	4,932	5,836	10,768	49.5%	67.3%	57.8%	338,631	57.4%	0.86	1.17
MUI (>80% MSA Income)	5,028	2,831	7,859	50.5%	32.7%	42.2%	251,652	42.6%	1.18	0.77
Total ³	10,486	8,834	19,320				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,761	2,606	4,367	40.3%	59.7%	0.56	2.10
Moderate (50-79.99% MSA)	3,171	3,230	6,401	49.5%	50.5%	0.69	1.78
Middle (80-119.99% MSA)	2,748	1,927	4,675	58.8%	41.2%	0.82	1.45
Upper (120% or More MSA)	2,280	904	3,184	71.6%	28.4%	1.00	1.00
LMI (<79.99% MSA Income)	4,932	5,836	10,768	45.8%	54.2%	0.72	1.50
MUI (>80% MSA Income)	5,028	2,831	7,859	64.0%	36.0%	1.00	1.00
Total ³	10,486	8,834	19,320	54.3%	45.7%	0.76	1.61

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income denial
Low (<50% MSA)	15,592	6,815	43.7%	1.74
Moderate (50-79.99% MSA)	18,187	5,985	32.9%	1.31
Middle (80-119.99% MSA)	11,778	3,478	29.5%	1.18
Upper (120% or More MSA)	7,684	1,927	25.1%	1.00
LMI (<79.99% MSA Income)	33,779	12,800	37.9%	1.36
MUI (>80% MSA Income)	19,462	5,405	27.8%	1.00
Total ³	55,816	18,974	34.0%	1.36

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

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	6,953	3,731	10,684	66.3%	42.2%	55.3%	178,316	51.0%	1.30	0.83
50-100% minority	3,532	5,100	8,632	33.7%	57.8%	44.7%	171,335	49.0%	0.69	1.18
Total ³	10,486	8,834	19,320				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio:
0-49% minority	6,953	3,731	10,684	65.1%	34.9%	1.00	1.00
50-100% minority	3,532	5,100	8,632	40.9%	59.1%	0.63	1.69
Total ³	10,486	8,834	19,320	54.3%	45.7%	0.83	1.31

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	26,392	7,300	27.7%	1.00
50-100% minority	29,405	11,667	39.7%	1.43
Total ³	55,816	18,974	34.0%	1.23

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 14: Home Refinance Loans by Tract Income in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	1,149	1,740	2,889	11.0%	19.7%	15.0%	81,464	23.3%	0.47	0.85
Moderate (50-79.99% MSA)	4,561	4,771	9,332	43.5%	54.0%	48.3%	152,805	43.7%	1.00	1.24
Middle (80-119.99% MSA)	4,213	2,210	6,423	40.2%	25.0%	33.3%	100,764	28.8%	1.40	0.87
Upper (120% or More MSA)	554	107	661	5.3%	1.2%	3.4%	14,605	4.2%	1.27	0.29
LMI (<79.99% MSA Income)	5,710	6,511	12,221	54.5%	73.8%	63.3%	234,269	67.0%	0.81	1.10
MUI (>80% MSA Income)	4,767	2,317	7,084	45.5%	26.2%	36.7%	115,369	33.0%	1.38	0.80
Total ³	10,486	8,834	19,320				349,638	100.0%		

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,149	1,740	2,889	39.8%	60.2%	0.47	3.72
Moderate (50-79.99% MSA)	4,561	4,771	9,332	48.9%	51.1%	0.58	3.16
Middle (80-119.99% MSA)	4,213	2,210	6,423	65.6%	34.4%	0.78	2.13
Upper (120% or More MSA)	554	107	661	83.8%	16.2%	1.00	1.00
LMI (<79.99% MSA Income)	5,710	6,511	12,221	46.7%	53.3%	0.69	1.63
MUI (>80% MSA Income)	4,767	2,317	7,084	67.3%	32.7%	1.00	1.00
Total ³	10,486	8,834	19,320	54.3%	45.7%	0.65	2.82

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income denial
Low (<50% MSA)	10,691	4,618	43.2%	1.88
Moderate (50-79.99% MSA)	28,094	9,849	35.1%	1.52
Middle (80-119.99% MSA)	15,608	4,174	26.7%	1.16
Upper (120% or More MSA)	1,370	315	23.0%	1.00
LMI (<79.99% MSA Income)	38,785	14,467	37.3%	1.41
MUI (>80% MSA Income)	16,978	4,489	26.4%	1.00
Total ³	55,816	18,974	34.0%	1.48

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

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Male	3,259	2,771	6,030	33.3%	34.6%	33.9%	132,278	22.4%	1.49	1.54
Female	3,635	3,726	7,361	37.2%	46.5%	41.4%	264,975	44.9%	0.83	1.04
Joint (Male/Female)	2,885	1,510	4,395	29.5%	18.9%	24.7%	193,030	32.7%	0.90	0.58
Total ²	10,486	8,834	19,320				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	3,259	2,771	6,030	54.0%	46.0%	1.00	1.00
Female	3,635	3,726	7,361	49.4%	50.6%	0.91	1.10
Joint (Male/Female)	2,885	1,510	4,395	65.6%	34.4%	1.21	0.75
Total ²	10,486	8,834	19,320	54.3%	45.7%	1.00	1.00

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	17,340	5,895	34.0%	1.00
Female	20,357	7,225	35.5%	1.04
Joint (Male/Female)	10,563	3,179	30.1%	0.89
Total ²	55,816	18,974	34.0%	1.00

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

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

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

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	2,686	331	3,017	66.1%	36.1%	60.6%	282,063	47.8%	1.38	0.76
African American	1,145	556	1,701	28.2%	60.7%	34.1%	237,559	40.2%	0.70	1.51
Asian	227	25	252	5.6%	2.7%	5.1%	20,567	3.5%	1.60	0.78
Hispanic ³	297	132	429	6.9%	12.8%	8.0%	38,590	6.5%	1.05	1.96
Total ⁴	5,684	1,243	6,927				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	2,686	331	3,017	89.0%	11.0%	1.00	1.00
African American	1,145	556	1,701	67.3%	32.7%	0.76	2.98
Asian	227	25	252	90.1%	9.9%	1.01	0.90
Hispanic ³	297	132	429	69.2%	30.8%	0.78	2.80
Total ⁴	5,684	1,243	6,927	82.1%	17.9%	0.92	1.64

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	5,805	1,892	32.6%	1.00
African American	6,073	3,599	59.3%	1.82
Asian	693	327	47.2%	1.45
Hispanic ³	1,470	841	57.2%	1.76
Total ⁴	17,473	7,958	45.5%	1.40

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

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share	Subprime Share to Household Share
Low (<50% MSA)	1,063	378	1,441	18.9%	30.7%	21.0%	229,276	38.8%	0.49	0.79
Moderate (50-79.99% MSA)	1,752	476	2,228	31.1%	38.6%	32.4%	109,355	18.5%	1.68	2.08
Middle (80-119.99% MSA)	1,528	256	1,784	27.1%	20.8%	26.0%	102,462	17.4%	1.56	1.20
Upper (120% or More MSA)	1,292	123	1,415	22.9%	10.0%	20.6%	149,190	25.3%	0.91	0.39
LMI (<79.99% MSA Income)	2,815	854	3,669	50.0%	69.3%	53.4%	338,631	57.4%	0.87	1.21
MUI (>80% MSA Income)	2,820	379	3,199	50.0%	30.7%	46.6%	251,652	42.6%	1.17	0.72
Total ³	5,684	1,243	6,927				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,063	378	1,441	73.8%	26.2%	0.81	3.02
Moderate (50-79.99% MSA)	1,752	476	2,228	78.6%	21.4%	0.86	2.46
Middle (80-119.99% MSA)	1,528	256	1,784	85.7%	14.3%	0.94	1.65
Upper (120% or More MSA)	1,292	123	1,415	91.3%	8.7%	1.00	1.00
LMI (<79.99% MSA Income)	2,815	854	3,669	76.7%	23.3%	0.87	1.96
MUI (>80% MSA Income)	2,820	379	3,199	88.2%	11.8%	1.00	1.00
Total ³	5,684	1,243	6,927	82.1%	17.9%	0.90	2.06

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income Denial Ratio ⁴
Low (<50% MSA)	5,273	3,176	60.2%	2.14
Moderate (50-79.99% MSA)	5,646	2,593	45.9%	1.63
Middle (80-119.99% MSA)	3,719	1,363	36.6%	1.30
Upper (120% or More MSA)	2,665	750	28.1%	1.00
LMI (<79.99% MSA Income)	10,919	5,769	52.8%	1.60
MUI (>80% MSA Income)	6,384	2,113	33.1%	1.00
Total ³	17,473	7,958	45.5%	1.62

¹ Borrower 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.

**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	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Share to OOHU Share Ratio
0-49% minority	3,686	477	4,163	64.8%	38.4%	60.1%	178,316	51.0%	1.27	0.75
50-100% minority	1,998	766	2,764	35.2%	61.6%	39.9%	171,335	49.0%	0.72	1.26
Total ³	5,684	1,243	6,927				349,651			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio:
0-49% minority	3,686	477	4,163	88.5%	11.5%	1.00	1.00
50-100% minority	1,998	766	2,764	72.3%	27.7%	0.82	2.42
Total ³	5,684	1,243	6,927	82.1%	17.9%	0.93	1.57

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	8,458	2,958	35.0%	1.00
50-100% minority	9,014	4,999	55.5%	1.59
Total ³	17,473	7,958	45.5%	1.30

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 19: Home Refinance Loans by Tract Income in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	732	341	1,073	12.9%	27.5%	15.5%	81,464	23.3%	0.55	1.18
Moderate (50-79.99% MSA)	2,327	611	2,938	40.9%	49.2%	42.4%	152,805	43.7%	0.94	1.13
Middle (80-119.99% MSA)	2,381	276	2,657	41.9%	22.2%	38.4%	100,764	28.8%	1.45	0.77
Upper (120% or More MSA)	243	14	257	4.3%	1.1%	3.7%	14,605	4.2%	1.02	0.27
LMI (<79.99% MSA Income)	3,059	952	4,011	53.8%	76.7%	57.9%	234,269	67.0%	0.80	1.14
MUI (>80% MSA Income)	2,624	290	2,914	46.2%	23.3%	42.1%	115,369	33.0%	1.40	0.71
Total ³	5,684	1,243	6,927				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	732	341	1,073	68.2%	31.8%	0.72	5.83
Moderate (50-79.99% MSA)	2,327	611	2,938	79.2%	20.8%	0.84	3.82
Middle (80-119.99% MSA)	2,381	276	2,657	89.6%	10.4%	0.95	1.91
Upper (120% or More MSA)	243	14	257	94.6%	5.4%	1.00	1.00
LMI (<79.99% MSA Income)	3,059	952	4,011	76.3%	23.7%	0.85	2.38
MUI (>80% MSA Income)	2,624	290	2,914	90.0%	10.0%	1.00	1.00
Total ³	5,684	1,243	6,927	82.1%	17.9%	0.87	3.29

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income Denial Ratio ⁴
Low (<50% MSA)	3,981	2,408	60.5%	2.47
Moderate (50-79.99% MSA)	7,994	3,887	48.6%	1.98
Middle (80-119.99% MSA)	5,033	1,548	30.8%	1.25
Upper (120% or More MSA)	457	112	24.5%	1.00
LMI (<79.99% MSA Income)	11,975	6,295	52.6%	1.74
MUI (>80% MSA Income)	5,490	1,660	30.2%	1.00
Total ³	17,473	7,958	45.5%	1.86

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.

**Table 20: Home Improvement Loans by Gender Level in Philadelphia
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	1,564	370	1,934	29.1%	31.7%	29.6%	132,278	22.4%	1.30	1.42
Female	2,042	527	2,569	38.0%	45.2%	39.3%	264,975	44.9%	0.85	1.01
Joint (Male/Female)	1,770	269	2,039	32.9%	23.1%	31.2%	193,030	32.7%	1.01	0.71
Total ²	5,684	1,243	6,927				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	1,564	370	1,934	80.9%	19.1%	1.00	1.00
Female	2,042	527	2,569	79.5%	20.5%	0.98	1.07
Joint (Male/Female)	1,770	269	2,039	86.8%	13.2%	1.07	0.69
Total ²	5,684	1,243	6,927	82.1%	17.9%	1.01	0.94

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	5,255	2,508	47.7%	1.00
Female	6,981	3,502	50.2%	1.05
Joint (Male/Female)	3,975	1,319	33.2%	0.70
Total ²	17,473	7,958	45.5%	0.95

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

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

**Table 21: All Loans by Race in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
White	46,830	7,372	54,202	90.2%	77.3%	88.2%	766,308	85.7%	1.05	0.90
Black	2,562	1,865	4,427	4.9%	19.5%	7.2%	74,414	8.3%	0.59	2.35
Asian	2,262	302	2,564	4.4%	3.2%	4.2%	24,471	2.7%	1.59	1.16
Hispanic	928	376	1,304	1.7%	3.7%	2.1%	19,335	2.2%	0.81	1.73
Total	60,088	12,697	72,785				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	46,830	7,372	54,202	86.4%	13.6%	1.00	1.00
Black	2,562	1,865	4,427	57.9%	42.1%	0.67	3.10
Asian	2,262	302	2,564	88.2%	11.8%	1.02	0.87
Hispanic	928	376	1,304	71.2%	28.8%	0.82	2.12
Total	60,088	12,697	72,785	82.4%	17.4%	0.95	1.28

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to white denial
White	88,646	14,908	16.8%	1.00
Black	10,329	3,535	34.2%	2.04
Asian	4,130	570	13.8%	0.82
Hispanic	2,542	563	22.1%	1.32
Total	134,382	26,533	19.7%	1.17

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	Total Loans	Pct. of Prime Loans	Pct. of Subprime	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share	Subprime Share to Household Share
Low (<50% MSA)	2,774	978	3,752	4.8%	8.0%	5.4%	135,139	15.5%	0.31	0.52
Moderate (50-79.99% MSA)	9,667	2,926	12,593	16.7%	24.0%	18.0%	117,361	13.5%	1.24	1.77
Middle (80-119.99% MSA)	15,302	3,915	19,217	26.4%	32.1%	27.4%	152,157	17.5%	1.51	1.83
Upper (120% or More MSA)	30,126	4,396	34,522	52.1%	36.0%	49.3%	464,768	53.5%	0.97	0.67
LMI (<79.99% MSA Income)	12,441	3,904	16,345	21.5%	32.0%	23.3%	252,500	29.0%	0.74	1.10
MUI (>80% MSA Income)	45,428	8,311	53,739	78.5%	68.0%	76.7%	616,925	71.0%	1.11	0.96
Total ³	60,088	12,697	72,785				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Share to Upper - Income Share Ratio:	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	2,774	978	3,752	73.9%	26.1%	0.85	2.05
Moderate (50-79.99% MSA)	9,667	2,926	12,593	76.8%	23.2%	0.88	1.82
Middle (80-119.99% MSA)	15,302	3,915	19,217	79.6%	20.4%	0.91	1.60
Upper (120% or More MSA)	30,126	4,396	34,522	87.3%	12.7%	1.00	1.00
LMI (<79.99% MSA Income)	12,441	3,904	16,345	76.1%	23.9%	0.90	1.54
MUI (>80% MSA Income)	45,428	8,311	53,739	84.5%	15.5%	1.00	1.00
Total ³	60,088	12,697	72,785	82.4%	17.4%	0.94	1.37

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income denial
Low (<50% MSA)	9,506	3,256	34.3%	2.29
Moderate (50-79.99% MSA)	26,020	6,444	24.8%	1.65
Middle (80-119.99% MSA)	35,367	7,067	20.0%	1.33
Upper (120% or More MSA)	57,658	8,639	15.0%	1.00
LMI (<79.99% MSA Income)	35,526	9,700	27.3%	1.62
MUI (>80% MSA Income)	93,025	15,706	16.9%	1.00
Total ³	134,382	26,533	19.7%	1.32

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 23: All Loans by Tract Minority Level in Suburbs
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	59,120	11,802	70,922	98.4%	93.0%	97.4%	631,633	97.4%	1.01	0.95
50-100% minority	968	895	1,863	1.6%	7.0%	2.6%	16,574	2.6%	0.63	2.76
Total	60,088	12,697	72,785				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio:
0-49% minority	59,120	11,802	70,922	83.4%	16.6%	1.00	1.00
50-100% minority	968	895	1,863	52.0%	48.0%	0.62	2.89
Total	60,088	12,697	72,785	82.6%	17.4%	0.99	1.05

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	129,047	24,559	19.0%	1.00
50-100% minority	5,335	1,974	37.0%	1.94
Total	134,382	26,533	19.7%	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.

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

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Subprime Loans	Pct. of All Loans	Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	156	207	363	0.3%	1.6%	0.5%	5,134	0.8%	0.33	2.06
Moderate (50-79.99% MSA)	2,783	1,553	4,336	4.6%	12.2%	6.0%	31,196	4.8%	0.96	2.54
Middle (80-119.99% MSA)	21,777	6,364	28,141	36.2%	50.1%	38.7%	230,235	35.5%	1.02	1.41
Upper (120% or More MSA)	35,368	4,573	39,941	58.9%	36.0%	54.9%	381,554	58.9%	1.00	0.61
LMI (<79.99% MSA Income)	2,939	1,760	4,699	4.9%	13.9%	6.5%	36,330	5.6%	0.87	2.47
MUI (>80% MSA Income)	57,145	10,937	68,082	95.1%	86.1%	93.5%	611,789	94.4%	1.01	0.91
Total ³	60,088	12,697	72,785				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	156	207	363	43.0%	57.0%	0.49	4.98
Moderate (50-79.99% MSA)	2,783	1,553	4,336	64.2%	35.8%	0.72	3.13
Middle (80-119.99% MSA)	21,777	6,364	28,141	77.4%	22.6%	0.87	1.98
Upper (120% or More MSA)	35,368	4,573	39,941	88.6%	11.4%	1.00	1.00
LMI (<79.99% MSA Income)	2,939	1,760	4,699	62.5%	37.5%	0.75	2.33
MUI (>80% MSA Income)	57,145	10,937	68,082	83.9%	16.1%	1.00	1.00
Total ³	60,088	12,697	72,785	82.6%	17.4%	0.93	1.52

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income denial ⁴
Low (<50% MSA)	1,306	565	43.3%	2.77
Moderate (50-79.99% MSA)	10,057	2,956	29.4%	1.88
Middle (80-119.99% MSA)	55,582	12,491	22.5%	1.44
Upper (120% or More MSA)	67,432	10,521	15.6%	1.00
LMI (<79.99% MSA Income)	11,363	3,521	31.0%	1.66
MUI (>80% MSA Income)	123,014	23,012	18.7%	1.00
Total ³	134,382	26,533	19.7%	1.27

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 "MUJ" categories.

**Table 25: All Loans by Gender in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Male	15,009	4,296	19,305	26.2%	35.9%	27.9%	154,324	17.3%	1.52	2.08
Female	12,808	3,640	16,448	22.4%	30.4%	23.8%	248,340	27.8%	0.81	1.10
Joint (Male/Female)	29,398	4,021	33,419	51.4%	33.6%	48.3%	491,946	55.0%	0.93	0.61
Total ²	60,088	12,697	72,785				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	15,009	4,296	19,305	77.7%	22.3%	1.00	1.00
Female	12,808	3,640	16,448	77.9%	22.1%	1.00	0.99
Joint (Male/Female)	29,398	4,021	33,419	88.0%	12.0%	1.13	0.54
Total ²	60,088	12,697	72,785	82.6%	17.4%	1.06	0.78

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	37,778	8,216	21.7%	1.00
Female	30,412	6,530	21.5%	0.99
Joint (Male/Female)	55,049	8,971	16.3%	0.75
Total ²	134,382	26,533	19.7%	0.91

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

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

**Table 26: Home Purchase Loans by Race in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	23,283	1,996	25,279	88.1%	68.1%	86.1%	766,308	85.7%	1.03	0.79
African American	1,314	753	2,067	5.0%	25.7%	7.0%	74,414	8.3%	0.60	3.09
Asian	1,646	172	1,818	6.2%	5.9%	6.2%	24,471	2.7%	2.28	2.14
Hispanic ³	554	176	730	2.0%	5.6%	2.4%	19,335	2.2%	0.94	2.59
Total ⁴	30,221	3,706	33,927				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	23,283	1,996	25,279	92.1%	7.9%	1.00	1.00
African American	1,314	753	2,067	63.6%	36.4%	0.69	4.61
Asian	1,646	172	1,818	90.5%	9.5%	0.98	1.20
Hispanic ³	554	176	730	75.9%	24.1%	0.82	3.05
Total ⁴	30,221	3,706	33,927	89.1%	10.9%	0.97	1.38

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	32,736	2,216	6.8%	1.00
African American	3,331	598	18.0%	2.65
Asian	2,530	178	7.0%	1.04
Hispanic ³	1,058	124	11.7%	1.73
Total ⁴	46,105	3,942	8.6%	1.26

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 27: Home Purchase Loans by Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share	Subprime Share to Household Share Ratio
Low (<50% MSA)	959	274	1,233	3.3%	7.9%	3.8%	135,139	15.5%	0.21	0.51
Moderate (50-79.99% MSA)	4,507	771	5,278	15.4%	22.3%	16.1%	117,361	13.5%	1.14	1.65
Middle (80-119.99% MSA)	7,627	1,125	8,752	26.0%	32.5%	26.7%	152,157	17.5%	1.49	1.86
Upper (120% or More MSA)	16,254	1,291	17,545	55.4%	37.3%	53.5%	464,768	53.5%	1.04	0.70
LMI (<79.99% MSA Income)	5,466	1,045	6,511	18.6%	30.2%	19.8%	252,500	29.0%	0.64	1.04
MUI (>80% MSA Income)	23,881	2,416	26,297	81.4%	69.8%	80.2%	616,925	71.0%	1.15	0.98
Total ³	30,221	3,706	33,927				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	959	274	1,233	77.8%	22.2%	0.84	3.02
Moderate (50-79.99% MSA)	4,507	771	5,278	85.4%	14.6%	0.92	1.99
Middle (80-119.99% MSA)	7,627	1,125	8,752	87.1%	12.9%	0.94	1.75
Upper (120% or More MSA)	16,254	1,291	17,545	92.6%	7.4%	1.00	1.00
LMI (<79.99% MSA Income)	5,466	1,045	6,511	84.0%	16.0%	0.92	1.75
MUI (>80% MSA Income)	23,881	2,416	26,297	90.8%	9.2%	1.00	1.00
Total ³	30,221	3,706	33,927	89.1%	10.9%	0.96	1.48

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	2,021	374	18.5%	2.83
Moderate (50-79.99% MSA)	7,392	823	11.1%	1.70
Middle (80-119.99% MSA)	11,747	1,038	8.8%	1.35
Upper (120% or More MSA)	23,071	1,511	6.5%	1.00
LMI (<79.99% MSA Income)	9,413	1,197	12.7%	1.74
MUI (>80% MSA Income)	34,818	2,549	7.3%	1.00
Total ³	46,105	3,942	8.6%	1.31

¹ Borrower 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.

**Table 28: Home Purchase Loans by Tract Minority Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	29,739	3,402	33,141	98.4%	91.8%	97.7%	631,333	97.4%	1.01	0.94
50-100% minority	482	304	786	1.6%	8.2%	2.3%	16,574	2.6%	0.62	3.21
Total ³	30,221	3,706	33,927				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio: Subprime
0-49% minority	29,739	3,402	33,141	89.7%	10.3%	1.00	1.00
50-100% minority	482	304	786	61.3%	38.7%	0.68	3.77
Total ³	30,221	3,706	33,927	89.1%	10.9%	0.99	1.06

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	44,688	3,665	8.2%	1.00
50-100% minority	1,417	277	19.5%	2.38
Total ³	46,105	3,942	8.6%	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.

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

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	63	65	128	0.2%	1.8%	0.4%	5,134	0.8%	0.26	2.21
Moderate (50-79.99% MSA)	1,487	600	2,087	4.9%	16.2%	6.2%	31,196	4.8%	1.02	3.36
Middle (80-119.99% MSA)	10,362	1,819	12,181	34.3%	49.1%	35.9%	230,235	35.5%	0.97	1.38
Upper (120% or More MSA)	18,308	1,222	19,530	60.6%	33.0%	57.6%	381,554	58.9%	1.03	0.56
LMI (<79.99% MSA Income)	1,550	665	2,215	5.1%	17.9%	6.5%	36,330	5.6%	0.92	3.20
MUI (>80% MSA Income)	28,670	3,041	31,711	94.9%	82.1%	93.5%	611,789	94.4%	1.01	0.87
Total ³	30,221	3,706	33,927				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	63	65	128	49.2%	50.8%	0.53	8.12
Moderate (50-79.99% MSA)	1,487	600	2,087	71.3%	28.7%	0.76	4.59
Middle (80-119.99% MSA)	10,362	1,819	12,181	85.1%	14.9%	0.91	2.39
Upper (120% or More MSA)	18,308	1,222	19,530	93.7%	6.3%	1.00	1.00
LMI (<79.99% MSA Income)	1,550	665	2,215	70.0%	30.0%	0.77	3.13
MUI (>80% MSA Income)	28,670	3,041	31,711	90.4%	9.6%	1.00	1.00
Total ³	30,221	3,706	33,927	89.1%	10.9%	0.95	1.75

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	272	69	25.4%	3.86
Moderate (50-79.99% MSA)	3,281	497	15.1%	2.30
Middle (80-119.99% MSA)	16,809	1,683	10.0%	1.52
Upper (120% or More MSA)	25,741	1,693	6.6%	1.00
LMI (<79.99% MSA Income)	3,553	566	15.9%	2.01
MUI (>80% MSA Income)	42,550	3,376	7.9%	1.00
Total ³	46,105	3,942	8.6%	1.30

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

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Male	7,912	1,517	9,429	27.3%	42.5%	29.0%	154,324	17.3%	1.58	2.46
Female	6,403	1,171	7,574	22.1%	32.8%	23.3%	248,340	27.8%	0.80	1.18
Joint (Male/Female)	14,627	882	15,509	50.5%	24.7%	47.7%	491,946	55.0%	0.92	0.45
Total ²	30,221	3,706	33,927				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	7,912	1,517	9,429	83.9%	16.1%	1.00	1.00
Female	6,403	1,171	7,574	84.5%	15.5%	1.01	0.96
Joint (Male/Female)	14,627	882	15,509	94.3%	5.7%	1.12	0.35
Total ²	30,221	3,706	33,927	89.1%	10.9%	1.06	0.68

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial rate	Gender to Male Denial Ratio
Male	13,410	1,450	10.8%	1.00
Female	10,461	1,046	10.0%	0.92
Joint (Male/Female)	19,728	1,102	5.6%	0.52
Total ²	46,105	3,942	8.6%	0.79

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

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

Table 31: Home Refinance Loans by Race in Suburbs
owner-occupied, single-family loans

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	20,865	5,024	25,889	92.3%	81.6%	90.0%	766,308	85.7%	1.08	0.95
African American	1,131	1,028	2,159	5.0%	16.7%	7.5%	74,414	8.3%	0.60	2.01
Asian	534	117	651	2.4%	1.9%	2.3%	24,471	2.7%	0.86	0.69
Hispanic ³	347	196	543	1.5%	3.0%	1.8%	19,335	2.2%	0.70	1.40
Total ⁴	26,648	8,452	35,100				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	20,865	5,024	25,889	80.6%	19.4%	1.00	1.00
African American	1,131	1,028	2,159	52.4%	47.6%	0.65	2.45
Asian	534	117	651	82.0%	18.0%	1.02	0.93
Hispanic ³	347	196	543	63.9%	36.1%	0.79	1.86
Total ⁴	26,648	8,452	35,100	75.9%	24.1%	0.94	1.24

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	50,615	11,325	22.4%	1.00
African American	6,275	2,500	39.8%	1.78
Asian	1,414	330	23.3%	1.04
Hispanic ³	1,389	389	28.0%	1.25
Total ⁴	81,109	20,379	25.1%	1.12

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 32: Home Refinance Loans by Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	1,393	635	2,028	5.5%	7.7%	6.0%	135,139	15.5%	0.35	0.50
Moderate (50-79.99% MSA)	4,492	2,016	6,508	17.7%	24.5%	19.4%	117,361	13.5%	1.31	1.82
Middle (80-119.99% MSA)	6,880	2,622	9,502	27.1%	31.9%	28.3%	152,157	17.5%	1.55	1.82
Upper (120% or More MSA)	12,591	2,945	15,536	49.7%	35.8%	46.3%	464,768	53.5%	0.93	0.67
LMI (<79.99% MSA Income)	5,885	2,651	8,536	23.2%	32.3%	25.4%	252,500	29.0%	0.80	1.11
MUI (>80% MSA Income)	19,471	5,567	25,038	76.8%	67.7%	74.6%	616,925	71.0%	1.08	0.95
Total ³	26,648	8,452	35,100				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,393	635	2,028	68.7%	31.3%	0.85	1.65
Moderate (50-79.99% MSA)	4,492	2,016	6,508	69.0%	31.0%	0.85	1.63
Middle (80-119.99% MSA)	6,880	2,622	9,502	72.4%	27.6%	0.89	1.46
Upper (120% or More MSA)	12,591	2,945	15,536	81.0%	19.0%	1.00	1.00
LMI (<79.99% MSA Income)	5,885	2,651	8,536	68.9%	31.1%	0.89	1.40
MUI (>80% MSA Income)	19,471	5,567	25,038	77.8%	22.2%	1.00	1.00
Total ³	26,648	8,452	35,100	75.9%	24.1%	0.94	1.27

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	6,511	2,506	38.5%	1.90
Moderate (50-79.99% MSA)	16,961	5,017	29.6%	1.46
Middle (80-119.99% MSA)	21,762	5,454	25.1%	1.24
Upper (120% or More MSA)	32,019	6,495	20.3%	1.00
LMI (<79.99% MSA Income)	23,472	7,523	32.1%	1.44
MUI (>80% MSA Income)	53,781	11,949	22.2%	1.00
Total ³	81,109	20,379	25.1%	1.24

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.

tables 31-35.xls

**Table 33: Home Refinance Loans by Tract Minority Level in Suburbs
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	26,215	7,912	34,127	98.4%	93.6%	97.2%	631,633	97.4%	1.01	0.96
50-100% minority	433	540	973	1.6%	6.4%	2.8%	16,574	2.6%	0.64	2.50
Total ³	26,648	8,452	35,100				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio: Subprime
0-49% minority	26,215	7,912	34,127	76.8%	23.2%	1.00	1.00
50-100% minority	433	540	973	44.5%	55.5%	0.58	2.39
Total ³	26,648	8,452	35,100	75.9%	24.1%	0.99	1.04

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	77,589	18,921	24.4%	1.00
50-100% minority	3,520	1,458	41.4%	1.70
Total ³	81,109	20,379	25.1%	1.03

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 34: Home Refinance Loans by Tract Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	76	121	197	0.3%	1.4%	0.6%	5,134	0.8%	0.36	1.81
Moderate (50-79.99% MSA)	1,115	887	2,002	4.2%	10.5%	5.7%	31,196	4.8%	0.87	2.18
Middle (80-119.99% MSA)	10,125	4,264	14,389	38.0%	50.4%	41.0%	230,235	35.5%	1.07	1.42
Upper (120% or More MSA)	15,329	3,180	18,509	57.5%	37.6%	52.7%	381,554	58.9%	0.98	0.64
LMI (<79.99% MSA Income)	1,191	1,008	2,199	4.5%	11.9%	6.3%	36,330	5.6%	0.80	2.13
MUI (>80% MSA Income)	25,454	7,444	32,898	95.5%	88.1%	93.7%	611,789	94.4%	1.01	0.93
Total ³	26,648	8,452	35,100				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	76	121	197	38.6%	61.4%	0.47	3.57
Moderate (50-79.99% MSA)	1,115	887	2,002	55.7%	44.3%	0.67	2.58
Middle (80-119.99% MSA)	10,125	4,264	14,389	70.4%	29.6%	0.85	1.72
Upper (120% or More MSA)	15,329	3,180	18,509	82.8%	17.2%	1.00	1.00
LMI (<79.99% MSA Income)	1,191	1,008	2,199	54.2%	45.8%	0.70	2.03
MUI (>80% MSA Income)	25,454	7,444	32,898	77.4%	22.6%	1.00	1.00
Total ³	26,648	8,452	35,100	75.9%	24.1%	0.92	1.40

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	896	413	46.1%	2.19
Moderate (50-79.99% MSA)	6,143	2,156	35.1%	1.67
Middle (80-119.99% MSA)	35,632	9,734	27.3%	1.30
Upper (120% or More MSA)	38,435	8,076	21.0%	1.00
LMI (<79.99% MSA Income)	7,039	2,569	36.5%	1.52
MUI (>80% MSA Income)	74,067	17,810	24.0%	1.00
Total ³	81,109	20,379	25.1%	1.20

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 35: Home Refinance Loans by Gender in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Male	6,488	2,624	9,112	25.8%	33.3%	27.6%	154,324	17.3%	1.49	1.93
Female	5,682	2,334	8,016	22.6%	29.6%	24.3%	248,340	27.8%	0.81	1.07
Joint (Male/Female)	12,991	2,918	15,909	51.6%	37.0%	48.2%	491,946	55.0%	0.94	0.67
Total ²	26,648	8,452	35,100				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	6,488	2,624	9,112	71.2%	28.8%	1.00	1.00
Female	5,682	2,334	8,016	70.9%	29.1%	1.00	1.01
Joint (Male/Female)	12,991	2,918	15,909	81.7%	18.3%	1.15	0.64
Total ²	26,648	8,452	35,100	75.9%	24.1%	1.07	0.84

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial Ratio
Male	22,669	6,173	27.2%	1.00
Female	18,231	4,879	26.8%	0.98
Joint (Male/Female)	31,924	6,984	21.9%	0.80
Total ²	81,109	20,379	25.1%	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.

**Table 36: Home Improvement Loans by Race in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	11,952	938	12,890	93.4%	82.1%	92.4%	766,308	85.7%	1.09	0.96
African American	430	169	599	3.4%	14.8%	4.3%	74,414	8.3%	0.40	1.78
Asian	358	21	379	2.8%	1.8%	2.7%	24,471	2.7%	1.02	0.67
Hispanic ³	150	19	169	1.2%	1.6%	1.2%	19,335	2.2%	0.54	0.76
Total ⁴	14,803	1,340	16,143				894,610			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	11,952	938	12,890	92.7%	7.3%	1.00	1.00
African American	430	169	599	71.8%	28.2%	0.77	3.88
Asian	358	21	379	94.5%	5.5%	1.02	0.76
Hispanic ³	150	19	169	88.8%	11.2%	0.96	1.54
Total ⁴	14,803	1,340	16,143	91.7%	8.3%	0.99	1.14

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White Denial
White	20,703	4,573	22.1%	1.00
African American	1,813	974	53.7%	2.43
Asian	748	231	30.9%	1.40
Hispanic ³	388	152	39.2%	1.77
Total ⁴	27,556	6,910	25.1%	1.14

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 37: Home Improvement Loans by Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share	Subprime Share to Household Share
Low (<50% MSA)	772	96	868	5.3%	7.2%	5.4%	135,139	15.5%	0.34	0.46
Moderate (50-79.99% MSA)	2,104	315	2,419	14.4%	23.6%	15.2%	117,361	13.5%	1.07	1.75
Middle (80-119.99% MSA)	3,692	455	4,147	25.3%	34.1%	26.0%	152,157	17.5%	1.44	1.95
Upper (120% or More MSA)	8,041	470	8,511	55.0%	35.2%	53.4%	464,768	53.5%	1.03	0.66
LMI (<79.99% MSA Income)	2,876	411	3,287	19.7%	30.8%	20.6%	252,500	29.0%	0.68	1.06
MUI (>80% MSA Income)	11,733	925	12,658	80.3%	69.2%	79.4%	616,925	71.0%	1.13	0.98
Total ³	14,803	1,340	16,143				869,425			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	772	96	868	88.9%	11.1%	0.94	2.00
Moderate (50-79.99% MSA)	2,104	315	2,419	87.0%	13.0%	0.92	2.36
Middle (80-119.99% MSA)	3,692	455	4,147	89.0%	11.0%	0.94	1.99
Upper (120% or More MSA)	8,041	470	8,511	94.5%	5.5%	1.00	1.00
LMI (<79.99% MSA Income)	2,876	411	3,287	87.5%	12.5%	0.94	1.71
MUI (>80% MSA Income)	11,733	925	12,658	92.7%	7.3%	1.00	1.00
Total ³	14,803	1,340	16,143	91.7%	8.3%	0.97	1.50

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income Denial Ratio ⁴
Low (<50% MSA)	1,957	859	43.9%	2.42
Moderate (50-79.99% MSA)	4,858	1,711	35.2%	1.94
Middle (80-119.99% MSA)	7,145	1,861	26.0%	1.43
Upper (120% or More MSA)	13,288	2,412	18.2%	1.00
LMI (<79.99% MSA Income)	6,815	2,570	37.7%	1.80
MUI (>80% MSA Income)	20,433	4,273	20.9%	1.00
Total ³	27,556	6,910	25.1%	1.38

¹ Borrower 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.

**Table 38: Home Improvement Loans by Tract Minority Level in Suburbs
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Share to OOHU Share Ratio
0-49% minority	14,619	1,262	15,881	98.8%	94.2%	98.4%	631,633	97.4%	1.01	0.97
50-100% minority	184	78	262	1.2%	5.8%	1.6%	16,574	2.6%	0.49	2.28
Total ³	14,803	1,340	16,143				648,207			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract Share Ratio:	Minority Level Share to Non-Minority Tract Share Ratio:
0-49% minority	14,619	1,262	15,881	92.1%	7.9%	1.00	1.00
50-100% minority	184	78	262	70.2%	29.8%	0.76	3.75
Total ³	14,803	1,340	16,143	91.7%	8.3%	1.00	1.04

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	26,725	6,457	24.2%	1.00
50-100% minority	831	453	54.5%	2.26
Total ³	27,556	6,910	25.1%	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.

**Table 39: Home Refinance Loans by Tract Income in Suburbs
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	40	22	62	0.3%	1.6%	0.4%	5,134	0.8%	0.34	2.07
Moderate (50-79.99% MSA)	565	139	704	3.8%	10.4%	4.4%	31,196	4.8%	0.79	2.16
Middle (80-119.99% MSA)	5,360	688	6,048	36.2%	51.3%	37.5%	230,235	35.5%	1.02	1.45
Upper (120% or More MSA)	8,830	491	9,321	59.7%	36.6%	57.8%	381,554	58.9%	1.01	0.62
LMI (<79.99% MSA Income)	605	161	766	4.1%	12.0%	4.7%	36,330	5.6%	0.73	2.14
MUI (>80% MSA Income)	14,190	1,179	15,369	95.9%	88.0%	95.3%	611,789	94.4%	1.02	0.93
Total ³	14,803	1,340	16,143				648,119			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	40	22	62	64.5%	35.5%	0.68	6.74
Moderate (50-79.99% MSA)	565	139	704	80.3%	19.7%	0.85	3.75
Middle (80-119.99% MSA)	5,360	688	6,048	88.6%	11.4%	0.94	2.16
Upper (120% or More MSA)	8,830	491	9,321	94.7%	5.3%	1.00	1.00
LMI (<79.99% MSA Income)	605	161	766	79.0%	21.0%	0.86	2.74
MUI (>80% MSA Income)	14,190	1,179	15,369	92.3%	7.7%	1.00	1.00
Total ³	14,803	1,340	16,143	91.7%	8.3%	0.97	1.58

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Income Denial Ratio ⁴
Low (<50% MSA)	226	135	59.7%	3.02
Moderate (50-79.99% MSA)	1,578	663	42.0%	2.12
Middle (80-119.99% MSA)	10,885	3,173	29.2%	1.47
Upper (120% or More MSA)	14,859	2,939	19.8%	1.00
LMI (<79.99% MSA Income)	1,804	798	44.2%	1.86
MUI (>80% MSA Income)	25,744	6,112	23.7%	1.00
Total ³	27,556	6,910	25.1%	1.27

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.

**Table 40: Home Refinance Loans by Gender in Suburbs
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	2,689	346	3,035	19.1%	27.4%	19.8%	154,324	17.3%	1.11	1.59
Female	2,554	304	2,858	18.1%	24.1%	18.6%	248,340	27.8%	0.65	0.87
Joint (Male/Female)	8,862	612	9,474	62.8%	48.5%	61.7%	491,946	55.0%	1.14	0.88
Total ²	14,803	1,340	16,143				894,610			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	2,689	346	3,035	88.6%	11.4%	1.00	1.00
Female	2,554	304	2,858	89.4%	10.6%	1.01	0.93
Joint (Male/Female)	8,862	612	9,474	93.5%	6.5%	1.06	0.57
Total ²	14,803	1,340	16,143	91.7%	8.3%	1.03	0.73

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	6,079	1,920	31.6%	1.00
Female	5,330	1,639	30.8%	0.97
Joint (Male/Female)	14,396	2,829	19.7%	0.62
Total ²	27,556	6,910	25.1%	0.79

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

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

**Table 41: All Loans by Race in Baltimore
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	14,239	4,274	18,513	70.7%	49.9%	64.5%	93,423	36.2%	1.95	1.38
African American	4,738	4,039	8,777	23.5%	47.1%	30.6%	151,907	58.9%	0.40	0.80
Asian	954	215	1,169	4.7%	2.5%	4.1%	4,193	1.6%	2.91	1.54
Hispanic ³	597	474	1,071	2.9%	5.1%	3.5%	3,793	1.5%	1.95	3.46
Total ⁴	23,743	10,997	34,740				257,788			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	14,239	4,274	18,513	76.9%	23.1%	1.00	1.00
African American	4,738	4,039	8,777	54.0%	46.0%	0.70	1.99
Asian	954	215	1,169	81.6%	18.4%	1.06	0.80
Hispanic ³	597	474	1,071	55.7%	44.3%	0.72	1.92
Total ⁴	23,743	10,997	34,740	68.3%	31.7%	0.89	1.37

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White
White	30,168	4,934	16.4%	1.00
African American	17,351	4,277	24.6%	1.51
Asian	1,815	276	15.2%	0.93
Hispanic ³	1,819	362	19.9%	1.22
Total ⁴	65,686	13,222	20.1%	1.23

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 42: All Loans by Income in Baltimore
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	1,500	857	2,357	6.6%	8.0%	7.1%	110,295	42.8%	0.15	0.19
Moderate (50-79.99% MSA)	5,761	3,400	9,161	25.4%	31.9%	27.5%	50,969	19.8%	1.29	1.61
Middle (80-119.99% MSA)	7,245	3,762	11,007	32.0%	35.2%	33.0%	42,475	16.5%	1.94	2.14
Upper (120% or More MSA)	8,142	2,654	10,796	36.0%	24.9%	32.4%	54,049	21.0%	1.71	1.19
LMI (<79.99% MSA Income)	7,261	4,257	11,518	32.1%	39.9%	34.6%	161,264	62.6%	0.51	0.64
MUI (>80% MSA Income)	15,387	6,416	21,803	67.9%	60.1%	65.4%	96,524	37.4%	1.81	1.61
Total ³	23,743	10,997	34,740				257,788			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,500	857	2,357	63.6%	36.4%	0.84	1.48
Moderate (50-79.99% MSA)	5,761	3,400	9,161	62.9%	37.1%	0.83	1.51
Middle (80-119.99% MSA)	7,245	3,762	11,007	65.8%	34.2%	0.87	1.39
Upper (120% or More MSA)	8,142	2,654	10,796	75.4%	24.6%	1.00	1.00
LMI (<79.99% MSA Income)	7,261	4,257	11,518	63.0%	37.0%	0.89	1.26
MUI (>80% MSA Income)	15,387	6,416	21,803	70.6%	29.4%	1.00	1.00
Total ³	23,743	10,997	34,740	68.3%	31.7%	0.91	1.29

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	5,688	1,648	29.0%	1.69
Moderate (50-79.99% MSA)	17,791	3,947	22.2%	1.30
Middle (80-119.99% MSA)	20,038	3,894	19.4%	1.13
Upper (120% or More MSA)	19,046	3,262	17.1%	1.00
LMI (<79.99% MSA Income)	23,479	5,595	23.8%	1.30
MUI (>80% MSA Income)	39,084	7,156	18.3%	1.00
Total ³	65,686	13,222	20.1%	1.18

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

**Table 43: All Loans by Tract Minority Level in Baltimore
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	18,724	6,790	25,514	78.9%	61.7%	73.4%	51,722	39.8%	1.98	1.55
50-100% minority	5,018	4,207	9,225	21.1%	38.3%	26.6%	78,157	60.2%	0.35	0.64
Total ³	23,743	10,997	34,740				129,879			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract	Minority Level Share to Non-Minority Tract
0-49% minority	18,724	6,790	25,514	73.4%	26.6%	1.00	1.00
50-100% minority	5,018	4,207	9,225	54.4%	45.6%	0.74	1.71
Total ³	23,743	10,997	34,740	68.3%	31.7%	0.93	1.19

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	45,823	8,347	18.2%	1.00
50-100% minority	19,859	4,874	24.5%	1.35
Total ³	65,686	13,222	20.1%	1.11

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 44: All Loans by Tract Income in Baltimore
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	166	103	269	0.7%	0.9%	0.8%	28,290	21.8%	0.03	0.04
Moderate (50-79.99% MSA)	3,314	2,486	5,800	14.0%	22.6%	16.7%	67,006	51.6%	0.27	0.44
Middle (80-119.99% MSA)	13,759	6,894	20,653	58.0%	62.7%	59.5%	25,666	19.8%	2.93	3.17
Upper (120% or More MSA)	6,503	1,514	8,017	27.4%	13.8%	23.1%	8,917	6.9%	3.99	2.01
LMI (<79.99% MSA Income)	3,480	2,589	6,069	14.7%	23.5%	17.5%	95,296	73.4%	0.20	0.32
MUI (>80% MSA Income)	20,262	8,408	28,670	85.3%	76.5%	82.5%	34,583	26.6%	3.21	2.87
Total ³	23,743	10,997	34,740				129,879			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	166	103	269	61.7%	38.3%	0.76	2.03
Moderate (50-79.99% MSA)	3,314	2,486	5,800	57.1%	42.9%	0.70	2.27
Middle (80-119.99% MSA)	13,759	6,894	20,653	66.6%	33.4%	0.82	1.77
Upper (120% or More MSA)	6,503	1,514	8,017	81.1%	18.9%	1.00	1.00
LMI (<79.99% MSA Income)	3,480	2,589	6,069	57.3%	42.7%	0.81	1.45
MUI (>80% MSA Income)	20,262	8,408	28,670	70.7%	29.3%	1.00	1.00
Total ³	23,743	10,997	34,740	68.3%	31.7%	0.84	1.68

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	548	124	22.6%	1.41
Moderate (50-79.99% MSA)	11,990	2,757	23.0%	1.43
Middle (80-119.99% MSA)	39,626	8,165	20.6%	1.28
Upper (120% or More MSA)	13,518	2,175	16.1%	1.00

**Table 45: All Loans by Gender in Baltimore
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	6,646	3,492	10,138	29.4%	33.3%	30.6%	61,247	23.8%	1.24	1.40
Female	6,866	3,917	10,783	30.3%	37.4%	32.6%	124,476	48.3%	0.63	0.77
Joint (Male/Female)	9,111	3,069	12,180	40.3%	29.3%	36.8%	72,065	28.0%	1.44	1.05
Total ²	23,743	10,997	34,740				257,788			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	6,646	3,492	10,138	65.6%	34.4%	1.00	1.00
Female	6,866	3,917	10,783	63.7%	36.3%	0.97	1.05
Joint (Male/Female)	9,111	3,069	12,180	74.8%	25.2%	1.14	0.73
Total ²	23,743	10,997	34,740	68.3%	31.7%	1.04	0.92

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	19,558	4,239	21.7%	1.00
Female	19,901	4,134	20.8%	0.96
Joint (Male/Female)	20,516	3,446	16.8%	0.77
Total ²	65,686	13,222	20.1%	0.93

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

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

**Table 46: All Loans by Race in Detroit
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	884	1,401	2,285	20.0%	13.1%	15.1%	44,789	13.3%	1.51	0.98
African American	3,455	9,354	12,809	78.3%	87.3%	84.7%	269,354	80.1%	0.98	1.09
Asian	52	51	103	1.2%	0.5%	0.7%	2,758	0.8%	1.44	0.58
Hispanic ³	247	488	735	5.2%	4.2%	4.5%	12,446	3.7%	1.41	1.15
Total ⁴	5,299	13,011	18,310				336,482			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	884	1,401	2,285	38.7%	61.3%	1.00	1.00
African American	3,455	9,354	12,809	27.0%	73.0%	0.70	1.19
Asian	52	51	103	50.5%	49.5%	1.30	0.81
Hispanic ³	247	488	735	33.6%	66.4%	0.87	1.08
Total ⁴	5,299	13,011	18,310	28.9%	71.1%	0.75	1.16

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White
White	7,793	3,081	39.5%	1.00
African American	45,689	19,772	43.3%	1.09
Asian	279	92	33.0%	0.83
Hispanic ³	1,991	716	36.0%	0.91
Total ⁴	69,588	29,518	42.4%	1.07

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 47: All Loans by Income in Detroit
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	897	1,928	2,825	18.1%	15.1%	15.9%	144,057	42.8%	0.42	0.35
Moderate (50-79.99% MSA)	1,609	5,028	6,637	32.5%	39.4%	37.5%	63,525	18.9%	1.72	2.09
Middle (80-119.99% MSA)	1,392	3,813	5,205	28.1%	29.9%	29.4%	55,762	16.6%	1.70	1.80
Upper (120% or More MSA)	1,047	2,003	3,050	21.2%	15.7%	17.2%	73,138	21.7%	0.97	0.72
LMI (<79.99% MSA Income)	2,506	6,956	9,462	50.7%	54.5%	53.4%	207,582	61.7%	0.82	0.88
MUI (>80% MSA Income)	2,439	5,816	8,255	49.3%	45.5%	46.6%	128,900	38.3%	1.29	1.19
Total ³	5,299	13,011	18,310				336,482			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	897	1,928	2,825	31.8%	68.2%	0.92	1.04
Moderate (50-79.99% MSA)	1,609	5,028	6,637	24.2%	75.8%	0.71	1.15
Middle (80-119.99% MSA)	1,392	3,813	5,205	26.7%	73.3%	0.78	1.12
Upper (120% or More MSA)	1,047	2,003	3,050	34.3%	65.7%	1.00	1.00
LMI (<79.99% MSA Income)	2,506	6,956	9,462	26.5%	73.5%	0.90	1.04
MUI (>80% MSA Income)	2,439	5,816	8,255	29.5%	70.5%	1.00	1.00
Total ³	5,299	13,011	18,310	28.9%	71.1%	0.84	1.08

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	12,167	5,729	47.1%	1.18
Moderate (50-79.99% MSA)	24,344	10,387	42.7%	1.07
Middle (80-119.99% MSA)	19,277	7,971	41.3%	1.04
Upper (120% or More MSA)	11,308	4,513	39.9%	1.00
LMI (<79.99% MSA Income)	36,511	16,116	44.1%	1.08
MUI (>80% MSA Income)	30,585	12,484	40.8%	1.00
Total ³	69,588	29,518	42.4%	1.06

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

**Table 48: All Loans by Tract Minority Level in Detroit
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	263	544	807	5.0%	4.2%	4.4%	6,895	3.7%	1.32	1.11
50-100% minority	5,036	12,467	17,503	95.0%	95.8%	95.6%	176,976	96.3%	0.99	1.00
Total ³	5,299	13,011	18,310				183,871			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract	Minority Level Share to Non-Minority Tract
0-49% minority	263	544	807	32.6%	67.4%	1.00	1.00
50-100% minority	5,036	12,467	17,503	28.8%	71.2%	0.88	1.06
Total ³	5,299	13,011	18,310	28.9%	71.1%	0.89	1.05

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	2,814	1,066	37.9%	1.00
50-100% minority	66,774	28,452	42.6%	1.12
Total ³	69,588	29,518	42.4%	1.12

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 49: All Loans by Tract Income in Detroit
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	340	940	1,280	6.4%	7.2%	7.0%	17,007	9.2%	0.69	0.78
Moderate (50-79.99% MSA)	2,287	6,792	9,079	43.2%	52.2%	49.6%	95,031	51.7%	0.84	1.01
Middle (80-119.99% MSA)	2,152	4,608	6,760	40.6%	35.4%	36.9%	61,995	33.7%	1.20	1.05
Upper (120% or More MSA)	520	671	1,191	9.8%	5.2%	6.5%	9,838	5.4%	1.83	0.96
LMI (<79.99% MSA Income)	2,627	7,732	10,359	49.6%	59.4%	56.6%	112,038	60.9%	0.81	0.98
MUI (>80% MSA Income)	2,672	5,279	7,951	50.4%	40.6%	43.4%	71,833	39.1%	1.29	1.04
Total ³	5,299	13,011	18,310				183,871			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. 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	940	1,280	26.6%	73.4%	0.61	1.30
Moderate (50-79.99% MSA)	2,287	6,792	9,079	25.2%	74.8%	0.58	1.33
Middle (80-119.99% MSA)	2,152	4,608	6,760	31.8%	68.2%	0.73	1.21
Upper (120% or More MSA)	520	671	1,191	43.7%	56.3%	1.00	1.00
LMI (<79.99% MSA Income)	2,627	7,732	10,359	25.4%	74.6%	0.75	1.12
MUI (>80% MSA Income)	2,672	5,279	7,951	33.6%	66.4%	1.00	1.00
Total ³	5,299	13,011	18,310	28.9%	71.1%	0.66	1.26

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	5,236	2,280	43.5%	1.10
Moderate (50-79.99% MSA)	35,314	15,219	43.1%	1.09
Middle (80-119.99% MSA)	24,924	10,389	41.7%	1.05
Upper (120% or More MSA)	4,103	1,625	39.6%	1.00

**Table 50: All Loans by Gender in Detroit
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	2,004	5,328	7,332	40.0%	43.2%	42.2%	77,770	23.1%	1.73	1.87
Female	2,360	5,989	8,349	47.1%	48.5%	48.1%	165,315	49.1%	0.96	0.99
Joint (Male/Female)	648	1,030	1,678	12.9%	8.3%	9.7%	93,397	27.8%	0.47	0.30
Total ²	5,299	13,011	18,310				336,482			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	2,004	5,328	7,332	27.3%	72.7%	1.00	1.00
Female	2,360	5,989	8,349	28.3%	71.7%	1.03	0.99
Joint (Male/Female)	648	1,030	1,678	38.6%	61.4%	1.41	0.84
Total ²	5,299	13,011	18,310	28.9%	71.1%	1.06	0.98

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	26,785	11,236	41.9%	1.00
Female	30,077	12,809	42.6%	1.02
Joint (Male/Female)	6,259	2,740	43.8%	1.04
Total ²	69,588	29,518	42.4%	1.01

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

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

**Table 51: All Loans by Race in Pittsburgh
owner-occupied, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	2,799	983	3,782	88.7%	74.8%	84.6%	101,229	70.4%	1.26	1.06
African American	262	326	588	8.3%	24.8%	13.2%	34,690	24.1%	0.34	1.03
Asian	78	9	87	2.5%	0.7%	1.9%	3,869	2.7%	0.92	0.25
Hispanic ³	27	15	42	0.8%	1.1%	0.9%	1,586	1.1%	0.76	1.02
Total ⁴	3,563	1,622	5,185				143,752			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	2,799	983	3,782	74.0%	26.0%	1.00	1.00
African American	262	326	588	44.6%	55.4%	0.60	2.13
Asian	78	9	87	89.7%	10.3%	1.21	0.40
Hispanic ³	27	15	42	64.3%	35.7%	0.87	1.37
Total ⁴	3,563	1,622	5,185	68.7%	31.3%	0.93	1.20

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White
White	7,353	2,144	29.2%	1.00
African American	1,985	1,000	50.4%	1.73
Asian	151	34	22.5%	0.77
Hispanic ³	115	43	37.4%	1.28
Total ⁴	12,403	4,224	34.1%	1.17

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 52: All Loans by Income in Pittsburgh
owner-occupied, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	1,761	2,606	4,367	17.7%	30.1%	23.4%	229,276	38.8%	0.46	0.77
Moderate (50-79.99% MSA)	3,171	3,230	6,401	31.8%	37.3%	34.4%	109,355	18.5%	1.72	2.01
Middle (80-119.99% MSA)	2,748	1,927	4,675	27.6%	22.2%	25.1%	102,462	17.4%	1.59	1.28
Upper (120% or More MSA)	2,280	904	3,184	22.9%	10.4%	17.1%	149,190	25.3%	0.91	0.41
LMI (<79.99% MSA Income)	4,932	5,836	10,768	49.5%	67.3%	57.8%	338,631	57.4%	0.86	1.17
MUI (>80% MSA Income)	5,028	2,831	7,859	50.5%	32.7%	42.2%	251,652	42.6%	1.18	0.77
Total ³	10,486	8,834	19,320				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,761	2,606	4,367	40.3%	59.7%	0.56	2.10
Moderate (50-79.99% MSA)	3,171	3,230	6,401	49.5%	50.5%	0.69	1.78
Middle (80-119.99% MSA)	2,748	1,927	4,675	58.8%	41.2%	0.82	1.45
Upper (120% or More MSA)	2,280	904	3,184	71.6%	28.4%	1.00	1.00
LMI (<79.99% MSA Income)	4,932	5,836	10,768	45.8%	54.2%	0.72	1.50
MUI (>80% MSA Income)	5,028	2,831	7,859	64.0%	36.0%	1.00	1.00
Total ³	10,486	8,834	19,320	54.3%	45.7%	0.76	1.61

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income denial
Low (<50% MSA)	15,592	6,815	43.7%	1.74
Moderate (50-79.99% MSA)	18,187	5,985	32.9%	1.31
Middle (80-119.99% MSA)	11,778	3,478	29.5%	1.18
Upper (120% or More MSA)	7,684	1,927	25.1%	1.00
LMI (<79.99% MSA Income)	33,779	12,800	37.9%	1.36
MUI (>80% MSA Income)	19,462	5,405	27.8%	1.00
Total ³	55,816	18,974	34.0%	1.36

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 53: All Loans by Minority Tract Level in Pittsburgh
owner-occupied, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	3,277	1,325	4,602	92.0%	81.7%	88.8%	127,959	89.2%	1.03	0.92
50-100% minority	286	297	583	8.0%	18.3%	11.2%	15,543	10.8%	0.74	1.69
Total ³	3,563	1,622	5,185				143,502			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract	Minority Level Share to Non-Minority Tract
0-49% minority	3,277	1,325	4,602	71.2%	28.8%	1.00	1.00
50-100% minority	286	297	583	49.1%	50.9%	0.69	1.77
Total ³	3,563	1,622	5,185	68.7%	31.3%	0.97	1.09

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	10,108	3,091	30.6%	1.00
50-100% minority	2,295	1,133	49.4%	1.61
Total ³	12,403	4,224	34.1%	1.11

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 54: All Loans by Tract Income in Pittsburgh
owner-occupied, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	104	93	197	2.9%	5.7%	3.8%	4,402	5.9%	0.50	0.98
Moderate (50-79.99% MSA)	841	562	1,403	23.6%	34.6%	27.1%	23,883	31.9%	0.74	1.09
Middle (80-119.99% MSA)	1,694	850	2,544	47.5%	52.4%	49.1%	33,495	44.7%	1.06	1.17
Upper (120% or More MSA)	924	117	1,041	25.9%	7.2%	20.1%	13,150	17.5%	1.48	0.41
LMI (<79.99% MSA Income)	945	655	1,600	26.5%	40.4%	30.9%	28,285	37.7%	0.70	1.07
MUI (>80% MSA Income)	2,618	967	3,585	73.5%	59.6%	69.1%	46,645	62.3%	1.18	0.96
Total ³	3,563	1,622	5,185				74,930			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	104	93	197	52.8%	47.2%	0.59	4.20
Moderate (50-79.99% MSA)	841	562	1,403	59.9%	40.1%	0.68	3.56
Middle (80-119.99% MSA)	1,694	850	2,544	66.6%	33.4%	0.75	2.97
Upper (120% or More MSA)	924	117	1,041	88.8%	11.2%	1.00	1.00
LMI (<79.99% MSA Income)	945	655	1,600	59.1%	40.9%	0.81	1.52
MUI (>80% MSA Income)	2,618	967	3,585	73.0%	27.0%	1.00	1.00
Total ³	3,563	1,622	5,185	68.7%	31.3%	0.77	2.78

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	775	371	47.9%	2.80
Moderate (50-79.99% MSA)	3,969	1,613	40.6%	2.38
Middle (80-119.99% MSA)	5,895	1,937	32.9%	1.92
Upper (120% or More MSA)	1,762	301	17.1%	1.00

**Table 55: All Loans by Gender in Pittsburgh
owner-occupied, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	1,219	589	1,808	35.9%	39.0%	36.9%	35,954	25.0%	1.44	1.56
Female	1,124	592	1,716	33.1%	39.2%	35.0%	61,632	42.9%	0.77	0.91
Joint (Male/Female)	1,052	330	1,382	31.0%	21.8%	28.2%	46,166	32.1%	0.96	0.68
Total ²	3,563	1,622	5,185				143,752			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	1,219	589	1,808	67.4%	32.6%	1.00	1.00
Female	1,124	592	1,716	65.5%	34.5%	0.97	1.06
Joint (Male/Female)	1,052	330	1,382	76.1%	23.9%	1.13	0.73
Total ²	3,563	1,622	5,185	68.7%	31.3%	1.02	0.96

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	4,147	1,366	32.9%	1.00
Female	3,936	1,403	35.6%	1.08
Joint (Male/Female)	2,910	958	32.9%	1.00
Total ²	12,403	4,224	34.1%	1.03

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

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

**Table 56: All Loans by Race in Philadelphia
non-occupant owner, single-family loans**

Portfolio share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
White	2,545	1,588	4,133	61.9%	49.0%	56.2%	282,063	47.8%	1.30	1.03
African American	706	1,454	2,160	17.2%	44.9%	29.4%	237,553	40.2%	0.43	1.11
Asian	572	189	761	13.9%	5.8%	10.3%	20,567	3.5%	3.99	1.67
Hispanic ³	212	236	448	4.9%	6.8%	5.7%	38,509	6.5%	0.75	1.03
Total ⁴	5,131	4,226	9,357				590,283			

Market share

Borrower Race ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Race Share to White Share Ratio: Prime	Race Share to White Share Ratio: Subprime
White	2,545	1,588	4,133	61.6%	38.4%	1.00	1.00
African American	706	1,454	2,160	32.7%	67.3%	0.53	1.75
Asian	572	189	761	75.2%	24.8%	1.22	0.65
Hispanic ³	212	236	448	47.3%	52.7%	0.77	1.37
Total ⁴	5,131	4,226	9,357	54.8%	45.2%	0.89	1.18

Denial disparity

Borrower Race ¹	Loan Applications	Application Denials	Denial Rate	Race to White
White	7,058	1,435	20.3%	1.00
African American	4,920	1,677	34.1%	1.68
Asian	1,220	206	16.9%	0.83
Hispanic ³	942	304	32.3%	1.59
Total ⁴	18,094	4,703	26.0%	1.28

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 57: All Loans by Income in Philadelphia
non-occupant owner, single-family loans**

Portfolio share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ²	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household Share Ratio
Low (<50% MSA)	184	202	386	4.1%	5.2%	4.6%	229,276	38.8%	0.11	0.13
Moderate (50-79.99% MSA)	528	637	1,165	11.7%	16.4%	13.9%	109,355	18.5%	0.63	0.88
Middle (80-119.99% MSA)	871	970	1,841	19.3%	24.9%	21.9%	102,462	17.4%	1.11	1.44
Upper (120% or More MSA)	2,919	2,079	4,998	64.8%	53.5%	59.6%	149,190	25.3%	2.57	2.12
LMI (<79.99% MSA Income)	712	839	1,551	15.8%	21.6%	18.5%	338,631	57.4%	0.28	0.38
MUI (>80% MSA Income)	3,790	3,049	6,839	84.2%	78.4%	81.5%	251,652	42.6%	1.97	1.84
Total ³	5,131	4,226	9,357				590,283			

Market share

Borrower Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	184	202	386	47.7%	52.3%	0.82	1.26
Moderate (50-79.99% MSA)	528	637	1,165	45.3%	54.7%	0.78	1.31
Middle (80-119.99% MSA)	871	970	1,841	47.3%	52.7%	0.81	1.27
Upper (120% or More MSA)	2,919	2,079	4,998	58.4%	41.6%	1.00	1.00
LMI (<79.99% MSA Income)	712	839	1,551	45.9%	54.1%	0.83	1.21
MUI (>80% MSA Income)	3,790	3,049	6,839	55.4%	44.6%	1.00	1.00
Total ³	5,131	4,226	9,357	54.8%	45.2%	0.94	1.09

Denial disparity

Borrower Income ¹	Loan Applications	Application Denials	Denial Rate	Income to Upper - Income Denial Ratio ⁴
Low (<50% MSA)	1,114	464	41.7%	1.89
Moderate (50-79.99% MSA)	2,659	902	33.9%	1.54
Middle (80-119.99% MSA)	3,776	1,069	28.3%	1.28
Upper (120% or More MSA)	8,975	1,982	22.1%	1.00
LMI (<79.99% MSA Income)	3,773	1,366	36.2%	1.51
MUI (>80% MSA Income)	12,751	3,051	23.9%	1.00
Total ³	18,094	4,703	26.0%	1.18

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

**Table 58: All Loans by Tract Minority Level in Philadelphia
non-occupant owner, single-family loans**

Portfolio share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
0-49% minority	2,666	1,103	3,769	52.0%	26.1%	40.3%	178,316	51.0%	1.02	0.51
50-100% minority	2,464	3,122	5,586	48.0%	73.9%	59.7%	171,335	49.0%	0.98	1.51
Total ³	5,131	4,226	9,357				349,551			

Market share

Minority Level ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Minority Level Share to Non-Minority Tract	Minority Level Share to Non-Minority Tract
0-49% minority	2,666	1,103	3,769	70.7%	29.3%	1.00	1.00
50-100% minority	2,464	3,122	5,586	44.1%	55.9%	0.62	1.91
Total ³	5,131	4,226	9,357	54.8%	45.2%	0.78	1.54

Denial disparity

Minority Level ¹	Loan Applications	Application Denials	Denial Rate	Minority Area to Non-Minority Area Denial
0-49% minority	6,344	1,218	19.2%	1.00
50-100% minority	11,745	3,483	29.7%	1.54
Total ³	18,094	4,703	26.0%	1.35

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 59: All Loans by Tract income in Philadelphia
non-occupant owner, single-family loans**

Portfolio share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Owner-Occupied Housing Units (OOHU) ²	Percent of All OOHU	Prime Share to OOHU Share Ratio	Subprime Share to OOHU Share Ratio
Low (<50% MSA)	1,395	1,828	3,223	27.2%	43.3%	34.5%	81,464	23.3%	1.17	1.86
Moderate (50-79.99% MSA)	2,468	1,996	4,464	48.1%	47.3%	47.7%	152,805	43.7%	1.10	1.08
Middle (80-119.99% MSA)	944	357	1,301	18.4%	8.5%	13.9%	100,764	28.8%	0.64	0.29
Upper (120% or More MSA)	323	42	365	6.3%	1.0%	3.9%	14,605	4.2%	1.51	0.24
LMI (<79.99% MSA Income)	3,863	3,824	7,687	75.3%	90.6%	82.2%	234,269	67.0%	1.12	1.35
MJI (>80% MSA Income)	1,267	399	1,666	24.7%	9.4%	17.8%	115,369	33.0%	0.75	0.29
Total ³	5,131	4,226	9,357				349,638			

Market share

Tract Income ¹	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Income Share to Upper - Income Share Ratio: Prime ⁴	Income Share to Upper - Income Share Ratio: Subprime ⁴
Low (<50% MSA)	1,395	1,828	3,223	43.3%	56.7%	0.49	4.93
Moderate (50-79.99% MSA)	2,468	1,996	4,464	55.3%	44.7%	0.62	3.89
Middle (80-119.99% MSA)	944	357	1,301	72.6%	27.4%	0.82	2.38
Upper (120% or More MSA)	323	42	365	88.5%	11.5%	1.00	1.00
LMI (<79.99% MSA Income)	3,863	3,824	7,687	50.3%	49.7%	0.66	2.08
MJI (>80% MSA Income)	1,267	399	1,666	76.1%	23.9%	1.00	1.00
Total ³	5,131	4,226	9,357	54.8%	45.2%	0.62	3.92

Denial disparity

Tract Income ¹	Loan Applications	Application Denials	Denial Rate	Upper - Income Denial Ratio ⁴
Low (<50% MSA)	6,658	1,996	30.0%	2.51
Moderate (50-79.99% MSA)	8,582	2,209	25.7%	2.15
Middle (80-119.99% MSA)	2,257	423	18.7%	1.57
Upper (120% or More MSA)	585	70	12.0%	1.00

**Table 60: All Loans by Gender in Philadelphia
non-occupant owner, single-family loans**

Portfolio share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Pct. of All Loans	Households ¹	Percent of All Households	Prime Share to Household Share Ratio	Subprime Share to Household
Male	2,387	2,476	4,863	53.5%	62.4%	57.7%	132,278	22.4%	2.39	2.79
Female	995	1,064	2,059	22.3%	26.8%	24.4%	264,975	44.9%	0.50	0.60
Joint (Male/Female)	1,077	426	1,503	24.2%	10.7%	17.8%	193,030	32.7%	0.74	0.33
Total ²	5,131	4,226	9,357				590,283			

Market share

Borrower Gender	Prime Loans	Subprime Loans	Total Loans	Pct. of Prime Loans	Pct. of Subprime Loans	Gender Share to Male Share Ratio: Prime	Gender Share to Male Share Ratio: Subprime
Male	2,387	2,476	4,863	49.1%	50.9%	1.00	1.00
Female	995	1,064	2,059	48.3%	51.7%	0.98	1.01
Joint (Male/Female)	1,077	426	1,503	71.7%	28.3%	1.46	0.56
Total ²	5,131	4,226	9,357	54.8%	45.2%	1.12	0.89

Denial disparity

Borrower Gender	Loan Applications	Application Denials	Denial Rate	Gender to Male Denial
Male	9,434	2,513	26.6%	1.00
Female	4,323	1,262	29.2%	1.10
Joint (Male/Female)	2,494	448	18.0%	0.67
Total ²	18,094	4,703	26.0%	0.98

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

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

Table 61: Ranking of Depositories
prime single-family, owner-occupied loans

	Composite Score	Applications	Prime Loans	Prime Lending to African Americans				African American-to-White Denial		Prime lending to Hispanics				Hispanic-to-White Denial Rates	
				Share	Share Z-score	No.	No. Z-score	Ratio	Z-score	Share	Share Z-score	No.	No. Z-score	Ratio	Z-score
Mean				0.23		29.7		2.05		0.11		13.49		2.23	
St Dev				0.19		45.3		1.13		0.3		25.64		2.66	
Min				0		0		0		0		0		0	
Max				1		257		4.83		2.45		144		13	
N				67		67		54		67		67		54	
Weight															
depository	composite_score	banapps	primedenom	Clending_toafs_shareportf	Clending_toafs_shareportf_z	Clending_toafs_z	Cblacktowhite_d denial_ratio	Cblacktowhite_d denial_ratio_z	Clending_tohisp_shareportf	Clending_tohisp_shareportf_z	Clending_tohisp_z	Clending_tohisp_z	Chisptowwhite_d denial_ratio	Chisptowwhite_d denial_ratio_z	
1 Bank of America	9.70	784	502	0.29	0.30	94	1.42	1.56	0.43	0.26	0.50	84	2.75	1.91	
2 Commerce	7.00	341	260	0.37	0.68	79	1.09	0.96	0.96	0.05	-0.21	11	-0.10	1.76	
3 Citizens	1.58	120	49	0.16	-0.37	7	-0.50	1.57	0.42	0.14	0.09	6	-0.29	1.38	
4 Wachovia	0.77	206	99	0.42	0.95	26	-0.08	2.09	-0.04	0.11	0.00	7	-0.25	3.84	
Prime lending to LMI borrowers				LMI-to-MUI Denial				Prime lending in LMI tracts		LMI-to-MUI Tract denial		Prime lending in minority tracts		Minority-to-non-minority Tract Denial	
	Share	Share Z-score	No.	No. Z-score	Ratio	Z-score	Share	Z-score	Ratio	Z-score	Share	Z-score	Ratio	Z-score	
Mean	0.44		76.61		2.18		0.56		1.8		0.34		1.67		
St Dev	0.19		116.63		2.03		0.13		0.97		0.15		1.06		
Min	0.04		1		0		0.23		0.36		0.05		0		
Max	1		671		14		0.96		4.2		0.97		5.89		
N	67		67		55		67		50		67		57		
Weight															
depository	Cmi_shareportf	Cmi_shareportf_z	Cmi	Cmi_z	Cmi_mod_d denial_ratio	Cmi_mod_d denial_ratio_z	Cmi tract_share portf	Cmi tract_share portf_z	Cmi_mui_d denial_ratio	Cmi_mui_d denial_ratio_z	Cmajmintract_s hareportf	Cmajmintract_s hareportf_z	Cmin_nonmin_d denial_ratio	Cmin_nonmin_d denial_ratio_z	
1 Bank of America	0.60	0.87	303	1.94	1.25	0.45	0.67	0.20	1.49	0.32	0.44	0.17	1.43	0.22	
2 Commerce	0.61	0.89	158	0.70	0.81	0.67	0.71	0.28	0.76	1.08	0.41	0.12	0.98	0.65	
3 Citizens	0.59	0.81	29	-0.41	1.01	0.57	0.78	0.40	1.36	0.46	0.33	-0.02	1.56	0.11	
4 Wachovia	0.49	0.29	46	-0.26	1.29	0.44	0.70	0.25	2.44	-0.66	0.57	0.39	1.29	0.36	

Table 62: Philadelphia Depository Ranking - All Loans
Prime single-family, owner-occupied loans

Depository	Applications	Prime Loans Originated	Percent of Loans to African Americans	Rank Percent of Loans to African Americans	Percent of Loans to Hispanics	Rank Percent of Loans to Hispanics	Percent of Loans to Asians	Rank Percent of Loans to Asians	Percent of Loans in Minority Tracts	Rank Percent of Loans in Minority Tracts
Bank of America	1,236	705	31.6%	4	17.3%	1	19.1%	3	46.0%	3
Citizens	2,002	843	33.8%	3	9.2%	3	25.3%	2	41.9%	4
Commerce	770	427	27.3%	5	4.0%	5	17.5%	4	36.4%	5
PNC	1,320	275	49.8%	1	9.0%	4	27.2%	1	64.0%	1
Wachovia	3,744	1,405	37.8%	2	15.2%	2	16.4%	5	58.7%	2
All depositories	12,995	5,235	35.6%		12.6%		20.0%		50.2%	
All lenders	91,611	25,131	36.0%		9.1%		15.2%		66.1%	

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Rank Percent of Loans to LMI Borrowers	Percent of Loans in LMI Tracts	Rank Percent of Loans in LMI Tracts	Percent of Loans to Females	Rank Percent of Loans to Females
Bank of America	46.0%	3	72.1%	3	35.9%	5
Citizens	48.6%	2	65.8%	5	40.3%	2
Commerce	45.9%	4	68.8%	4	39.8%	3
PNC	54.8%	1	81.1%	1	47.1%	1
Wachovia	41.6%	5	78.4%	2	38.2%	4
All depositories	45.4%		73.4%		39.1%	
All lenders	40.7%		68.5%		40.2%	

Denials

Depository	Applications	Denials	African American to White Denial Ratio	Rank African American to White Denial	Hispanic to White Denial Ratio	Rank Hispanic to White Denial Ratio	Asian to White Denial Ratio	Rank Asian to White Denial Ratio	Minority to Non-Minority Denial Ratio	Rank Minority to Non-Minority Denial
Bank of America	1,236	301	1.56	1	1.77	2	1.52	5	1.48	3
Citizens	2,002	991	1.65	3	1.79	3	1.45	4	1.43	1
Commerce	770	242	1.62	2	1.79	3	1.08	1	1.55	4
PNC	1,320	891	1.71	4	1.71	1	1.30	2	1.46	2
Wachovia	3,744	1,139	1.88	5	2.07	5	1.40	3	1.70	5
All depositories	12,995	5,449	1.92		1.84		1.47		1.65	
All lenders	91,611	27,774	1.80		1.54		0.99		1.61	

Market Share Ratios

Depository	African American to White	African American to White Ratio Rank	Minority Tract to Non-Minority Tract	Minority Tract to Non-Minority Tract Ratio Rank	LMI to MUI Borrower	LMI to MUI Borrower Ratio Rank	LMI Tracts to MUI Tracts	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	0.57	4	0.73	3	1.21	3	1.96	4
Citizens	0.61	3	0.70	4	1.39	2	1.83	5
Commerce	0.45	5	0.55	5	1.15	4	2.04	2
PNC	1.24	1	1.31	1	1.95	1	2.56	1
Wachovia	0.69	2	1.00	2	0.92	5	2.00	3

¹ Only loans for owner-occupied are included.

Table 63: Philadelphia Depository Ranking - Home Purchase Loans
Prime single-family, owner-occupied loans

Race

Depository	Applications	Prime Loans Originated	Percent of Loans to African Americans	Rank Percent of Loans to African	Percent of Loans to Hispanics	Rank Percent of Loans to Hispanics	Percent of Loans to Asians	Rank Percent of Loans to Asians	Percent of Loans in Minority Tracts	Rank Percent of Loans in Minority Tracts
Bank of America	784	502	31.2%	3	19.9%	1	22.4%	3	47.2%	3
Citizens	122	49	18.2%	4	12.5%	3	31.0%	1	34.7%	5
Commerce	341	260	37.0%	2	4.8%	5	16.7%	4	41.9%	4
PNC	33	6	16.7%	5	14.3%	2	15.0%	5	50.0%	2
Wachovia	208	99	40.0%	1	8.1%	4	26.7%	2	66.7%	1
All depositories	1,488	916	33.0%		14.1%		26.6%		47.2%	
All lenders	27,748	12,651	30.4%		10.5%		19.2%		52.2%	

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Rank Percent of Loans to LMI Borrowers	Percent of Loans in LMI Tracts	Rank Percent of Loans in LMI Tracts	Percent of Loans to Females	Rank Percent of Loans to Females
Bank of America	51.0%	3	72.5%	3	36.0%	3
Citizens	44.0%	4	79.6%	2	40.0%	2
Commerce	53.4%	2	71.9%	4	44.3%	1
PNC	71.4%	1	66.7%	5	28.6%	5
Wachovia	36.4%	5	84.8%	1	34.7%	4
All depositories	49.8%		74.0%		38.3%	
All lenders	36.8%		68.2%		38.3%	

Denials

Depository	Applications	Denials	African American to White Denial Ratio	Rank African American to White Denial Ratio	Hispanic to White Denial Ratio	Rank Hispanic to White Denial Ratio	Asian to White Denial Ratio	Rank Asian to White Denial Ratio	Minority to Non-Minority Tract Denial Ratio	Rank Minority to Non-Minority Tract Denial Ratio
Bank of America	784	145	1.56	2	1.89	3	1.87	4	1.43	3
Citizens	122	59	1.62	3	1.42	1	1.38	1	1.55	4
Commerce	341	32	0.96	1	1.76	2	1.46	2	0.98	1
PNC	33	24	2.25	5	2.75	4	2.00	5	2.24	5
Wachovia	208	39	2.13	4	3.74	5	1.70	3	1.29	2
All depositories	1,488	299	1.61		2.42		2.18		1.53	

Market Share Ratios

Depository	African American to White	African American to White Ratio Rank	Minority Tract to Non-Minority Tract	Minority Tract to Non-Minority Tract Ratio Rank	LMI to MUI Borrower	LMI to MUI Borrower Ratio Rank	LMI Tracts to MUI Tracts	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	0.59	3	0.80	2	1.44	3	2.13	4
Citizens	0.47	4	0.52	5	1.29	4	3.55	1
Commerce	0.75	2	0.71	4	1.54	2	2.49	3
PNC	0.33	5	0.75	3	5.00	1	-	5

Table 64: Philadelphia Depository Ranking - Refinance Loans
Prime single-family, owner-occupied loans

Race

Depository	Applications	Prime Loans Originated	Percent of Loans to African	Rank Percent of Loans to African	Percent of Loans to Hispanics	Rank Percent of Loans to Hispanics	Percent of Loans to Asians	Rank Percent of Loans to Asians	Percent of Loans in Minority Tracts	Rank Percent of Loans in Minority Tracts
Bank of America	317	162	33.8%	3	9.1%	3	12.2%	5	41.4%	3
Citizens	874	382	29.7%	4	7.7%	4	21.9%	2	34.3%	4
Commerce	201	96	14.1%	5	2.5%	5	12.8%	4	19.8%	5
PNC	565	132	54.5%	1	13.1%	2	28.6%	1	64.4%	1
Wachovia	2,761	1,100	38.8%	2	14.1%	1	13.2%	3	55.1%	2
All depositories	4,730	1,872	36.4%		11.8%		16.0%		48.5%	
All lenders	55,816	10,486	40.5%		7.5%		11.3%		33.2%	

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Rank Percent of Loans to LMI Borrowers	Percent of Loans in LMI Tracts	Rank Percent of Loans in LMI Tracts	Percent of Loans to Females	Rank Percent of Loans to Females
Bank of America	32.7%	4	34.7%	1	35.2%	4
Citizens	42.3%	2	24.5%	4	36.3%	3
Commerce	28.1%	5	29.4%	2	32.9%	5
PNC	46.3%	1	18.4%	5	38.5%	1
Wachovia	40.3%	3	29.4%	2	37.7%	2
All depositories	39.9%		27.5%		37.1%	
All lenders	42.7%		21.9%		41.4%	

Denials

Depository	Applications	Denials	African American to White Denial Ratio	Rank African American to White Denial Ratio	Hispanic to White Denial Ratio	Rank Hispanic to White Denial Ratio	Asian to White Denial Ratio	Rank Asian to White Denial Ratio	Minority to Non-Minority Denial Ratio	Rank Minority to Non-Minority Denial Ratio
Bank of America	317	84	1.35	1	1.83	4	2.22	5	1.30	1
Citizens	874	422	1.56	3	1.89	5	1.31	3	1.33	2
Commerce	201	77	1.57	4	1.70	2	1.22	2	1.67	5
PNC	565	362	1.52	2	1.26	1	1.13	1	1.34	3
Wachovia	2,761	797	1.73	5	1.80	3	1.45	4	1.57	4
All depositories	4,730	1,742	1.73		1.71		1.50		1.49	
All lenders	55,816	18,974	1.56		1.44		1.19		1.43	

Market Share Ratios

Depository	African American to White Ratio	African American to White Ratio Rank	Minority Tract to Non-Minority Tract Ratio	Minority Tract to Non-Minority Tract Ratio Rank	LMI to MUI Borrower Ratio	LMI to MUI Borrower Ratio Rank	LMI Tracts to MUI Tracts Ratio	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	0.56	3	0.59	3	0.71	4	1.55	3
Citizens	0.50	4	0.51	4	1.03	2	1.24	5
Commerce	0.17	5	0.24	5	0.52	5	1.51	4
PNC	1.61	1	1.37	1	1.21	1	2.42	1
Wachovia	0.70	2	0.93	2	0.86	3	1.81	2

Table 65: Philadelphia Depository Ranking - Home Improvement Loans
Prime single-family, owner-occupied loans

Race

Depository	Applications	Prime Loans Originated	Percent of Loans to African Americans	Rank Percent of Loans to African Americans	Percent of Loans to Hispanics	Rank Percent of Loans to Hispanics	Percent of Loans to Asians	Rank Percent of Loans to Asians	Percent of Loans in Minority Tracts	Rank Percent of Loans in Minority Tracts
Bank of America	350	98	24.4%	4	16.2%	2	24.4%	2	32.7%	4
Citizens	2,142	961	29.4%	2	8.3%	4	19.0%	4	38.9%	3
Commerce	743	249	9.3%	5	1.8%	5	20.5%	3	24.9%	5
PNC	2,126	655	45.5%	1	9.2%	3	17.4%	5	51.5%	2
Wachovia	1,428	484	27.8%	3	17.7%	1	28.0%	1	52.5%	1
All depositories	6,812	2,447	31.2%		10.3%		20.7%		43.3%	
All lenders	17,473	5,684	34.1%		8.0%		13.9%		48.6%	

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Rank Percent of Loans to LMI Borrowers	Percent of Loans in LMI Tracts	Rank Percent of Loans in LMI Tracts	Percent of Loans to Females	Rank Percent of Loans to Females
Bank of America	33.9%	4	61.2%	3	39.8%	2
Citizens	38.2%	2	59.4%	4	38.6%	3
Commerce	31.3%	5	49.4%	5	33.3%	5
PNC	49.3%	1	67.8%	2	47.6%	1
Wachovia	36.5%	3	78.5%	1	37.2%	4
All depositories	39.9%		64.5%		40.3%	
All lenders	38.8%		70.6%		39.3%	

Denials

Depository	Applications	Denials	African American to White Denial Ratio	Rank African American to White Denial Ratio	Hispanic to White Denial Ratio	Rank Hispanic to White Denial Ratio	Asian to White Denial Ratio	Rank Asian to White Denial Ratio	Minority to Non-Minority Denial Ratio	Rank Minority to Non-Minority Denial Ratio
Bank of America	350	197	1.56	1	1.40	1	0.77	1	1.56	4
Citizens	2,142	1,003	1.68	2	1.64	2	1.41	5	1.50	3
Commerce	743	425	1.87	4	1.87	4	1.39	4	1.43	1
PNC	2,126	1,256	1.81	3	1.69	3	1.31	2	1.48	2
Wachovia	1,428	527	2.27	5	2.41	5	1.36	3	1.71	5
All depositories	6,812	3,408	1.81		1.66		1.27		1.52	
All lenders	17,473	7,958	1.82		1.76		1.45		1.59	

Market Share Ratios

Depository	African American to White Ratio	African American to White Ratio Rank	Minority Tract to Non-Minority Tract Ratio	Minority Tract to Non-Minority Tract Ratio Rank	LMI to MUI Borrower Ratio	LMI to MUI Borrower Ratio Rank	LMI Tracts to MUI Tracts Ratio	LMI Tracts to MUI Tracts Ratio Rank
Bank of America	0.37	4	0.41	4	0.79	3	1.18	4
Citizens	0.48	2	0.63	3	0.85	2	1.43	3

Table 66: Philadelphia Unranked Depositories - All Loans
Prime single-family, owner-occupied loans

Race

Depository	All Applications	Prime Loan Originations	Percent of Loans to African Americans	Percent of Loans to Hispanics	Percent of Loans to Asians	Percent of Loans in Minority Tracts
Advance	10	8	50.0%	0.0%	0.0%	100.0%
Mellon	7	5	0.0%	0.0%	0.0%	0.0%
Republic	6	4	0.0%	0.0%	0.0%	50.0%
United	18	4	66.7%	0.0%	0.0%	50.0%
All depositories	12,995	5,235	35.6%	12.6%	20.0%	50.2%

Income/Gender

Depository	Percent of Loans to LMI Borrowers	Percent of Loans in LMI Tracts	Percent of Loans to Females
Advance	50.0%	60.0%	66.7%
Mellon	0.0%	14.3%	0.0%
Republic	0.0%	50.0%	0.0%
United	33.3%	16.7%	66.7%
All depositories	45.4%	73.4%	39.1%

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	10	0	-	-	-	-
Bank of America	1,236	301	1.56	1.77	1.52	1.48
Citizens	2,002	991	1.65	1.79	1.45	1.43
Commerce	770	242	1.62	1.79	1.08	1.55
Mellon	7	0	-	-	-	-
PNC	1,320	891	1.71	1.71	1.30	1.46
Republic	6	1	0.00	-	-	0.00
United	18	12	0.73	-	-	0.02
Wachovia	3,744	1,139	1.88	2.07	1.40	1.70
All depositories	12,995	5,449	1.92	1.84	1.47	1.65

Market Share

Depository	African American to White	Minority Tract to Non-Minority Tract	LMI to MUI Borrower	LMI Tracts to MUI Tracts
Advance	1.00	2.00	-	3.00

Table 67: 2006 HMDA Reporting Affiliates of Depositories

Institution	Respondent Id	Loans Originated in Philadelphia
Advance Bank	000006824	X
Bank of America, NA	0000013044	X
Royal Bank of Scotland Group		
CCO Mortgage Corp.	16-1146859	
Charter One Bank, NA	0000024340	X
Citizens Bank	0000057281	X
Citizens Bank National Association	0000024571	
Citizens Bank, CT	0000018197	
Citizens Bank, MA	0000018562	X
Citizens Bank, NH	0000006214	
Citizens Bank, PA	0000057282	X
Citizens Bank, RI	0000016954	
Citizens Mortgage Corp.	58-0834754	
Commerce Bancorp		
Commerce Bank, NA	0000017094	X
Commerce Bank/North	0000022178	X
Mellon Financial Corporation		
Mellon 1st Business Bank, NA	0000024400	
Mellon Bank, NA	0000006301	X
Mellon Trust of New England, NA	0000024412	X
Mellon United National Bank	0000016401	
PNC Financial Services Group		
PNC Bank, DE	0000083311	X
PNC Bank, NA	0000001316	X
PNC Multifamily Finance, Inc.	25-1885222	
Somerset Trust Co.	0000212522	
Republic First Bank	0000027332	X
United Bank of Philadelphia	0001945247	X
Wachovia Corporation		
Southtrust Mortgage Corp. (EquiBanc)	63-0692047	
Wachovia Bank of Delaware, NA	0000022559	X
Wachovia Bank, NA	0000000001	X
Wachovia Mortgage Co	56-0811711	

Source: Federal Reserve System

Table 68: CRA Small Business Lending Data at the Institutional Level by Income Levels (2006)

Institution	Bank of America NA	Citizens Bank of PA	Commerce Bank NA	PNC Bank	Wachovia Bank	Mellon Bank	Total for all depositories
# of Small. Business Loans	129	770	356	1940	720	10	3925
# of loans to low income census tracks	24	156	80	404	155	2	821
# of loans to moderate income census tracks	38	298	127	666	232	4	1365
# of loans to middle income census tracks	38	199	99	476	180	1	993
# of loans to upper income census tracks	18	92	39	362	132	3	646
# of loans to all known income groups	118	745	345	1908	699	10	3825
# to bus < 1 mil	31	512	257	1463	316	0	2579

Total Small Business Loans in County of Philadelphia	34,207
Total Dollars to Small Businesses in County of Philadelphia	\$881,375,000

**Table 69: CRA Small Business Lending Data –
Bank of America NA (2006)**

Institution	Bank of America NA	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	129	3925	3.29%	0.38%
# loans of to low income census tracks	24	821	2.92%	0.07%
# to moderate income census tracks	38	1365	2.78%	0.11%
# to middle income census tracks	38	993	4.83%	0.11%
# to upper income census tracks	18	646	2.79%	0.05%
# to all known income groups	118	3825	3.08%	0.35%
# to bus < 1 mil	31	2579	1.20%	0.09%

**Table 70: CRA Small Business Lending Data –
Citizens Bank of PA (2006)**

Institution	Citizens Bank of PA	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	770	3925	19.62%	2.25%
# of to low income census tracts	156	821	19.00%	0.46%
# to moderate income census tracts	298	1365	21.83%	0.87%
# to middle income census tracts	199	1165	17.08%	0.58%
# to upper income census tracts	92	646	14.24%	0.27%
# to all known income groups	745	3825	19.48%	2.18%
# to bus < 1 mil	512	2579	19.85%	1.50%

**Table 71: CRA Small Business Lending Data –
Commerce Bank NA (2006)**

Institution	Commerce Bank NA	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	356	3925	9.70%	1.04%
# of to low income census tracks	80	821	9.74%	0.23%
# to moderate income census tracks	127	1365	9.30%	0.37%
# to middle income census tracks	99	993	9.97%	0.29%
# to upper income census tracks	39	646	6.04%	0.11%
# to all known income groups	345	3825	9.02%	1.01%
# to bus < 1 mil	257	2579	9.97%	0.75%

**Table 72: CRA Small Business Lending Data –
Mellon Bank (2006)**

Institution	Mellon Bank	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	10	3925	0.25%	0.29%
# of to low income census tracks	2	821	0.24%	0.01%
# to moderate income census tracks	4	1365	0.29%	0.01%
# to middle income census tracks	1	993	0.10%	0.003%
# to upper income census tracks	3	646	0.46%	0.01%
# to all known income groups	10	3825	0.26%	0.29%
# to bus < 1 mil	0	2579	0.00%	0.00%

**Table 73: CRA Small Business Lending Data –
PNC Bank (2006)**

Institution	PNC Bank	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	1940	3925	49.42%	5.67%
# of to low income census tracks	404	821	49.21%	1.18%
# to moderate income census tracks	666	1365	48.79%	1.95%
# to middle income census tracks	476	993	47.94%	1.39%
# to upper income census tracks	362	646	56.39%	1.06%
# to all known income groups	1908	3825	49.88%	5.79%
# to bus < 1 mil	1463	2579	56.73%	4.28%

**Table 74: CRA Small Business Lending Data –
Wachovia Bank (2006)**

Institution	Wachovia Bank	Total for all depositories	% of total for all depositories	% of total for County
# of Small. Business Loans	720	3925	18.34%	2.10%
# of to low income census tracks	155	821	18.88%	0.45%
# to moderate income census tracks	232	1365	17.00%	0.68%
# to middle income census tracks	180	993	18.12%	0.53%
# to upper income census tracks	132	646	20.43%	0.39%
# to all known income groups	699	3825	18.27%	2.04%
# to bus < 1 mil	316	2579	12.25%	0.92%

Table 75: Small Business Lending - All Loans

City of Philadelphia				
Income level	All Small Business Loans		Loans to Businesses with < \$1 Million in Revenue	
	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans
Low income	6,344	18.60%	2,371	20.20%
Moderate income	12,461	36.40%	4,139	35.40%
Middle income	9,801	28.70%	3,387	28.90%
Upper income	5,345	15.60%	1,567	13.40%
Tract or Income not known	256	0.70%	240	2.10%
Total	34,207	100.00%	11,704	100.00%

Suburban Counties				
Income level	All Small Business Loans		Loans to Businesses with < \$1 Million in Revenue	
	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans
Low income	516	0.4%	149	0.4%
Moderate income	5546	4.6%	1840	4.6%
Middle income	35856	29.4%	12367	35.8%
Upper income	77582	63.7%	24630	61.7%
Tract or Income not known	2292	1.9%	915	2.3%
Total	121792	100.0%	39901	100.0%

Table 76: Small Business Lending - Tract Minority Level

City of 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	11399	33.3%	3870	33.1%
Non-Minority Areas	22552	65.9%	7594	64.9%
Tract or Income not known	256	0.7%	240	2.1%
Total	34207	100.0%	11704	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	1877	1.5%	606	2.0%
Non-Minority Areas	117989	96.9%	29492	95.2%
Tract or Income not known	1896	1.6%	892	2.9%
Total	121762	100.0%	30990	100.0%

Table 77: Small Business Lending - Philadelphia and Suburbs

City of Philadelphia Revenue Size	Philadelphia County		Suburban Counties	
	Number of Loans	Percent of Loans	Number of Loans	Percent of Loans
Small Businesses	34207	100.0%	121792	100.0%
Businesses with Revenues<\$1mil.	11704	34.2%	39901	32.8%

**Table 78: Philadelphia Depository Branches
location by income and minority level**

Income Level¹

Banks	Branches ²	LMI Tract	MUI Tract	Percent of Branches in LMI tracts/ Percent of All Branches in LMI Tracts	Percent of Branches in LMI tracts/Percent of LMI Tracts
Advanced	1	100.0%	0.0%	1.78	1.44
Bank of America	16	50.0%	50.0%	0.89	0.72
Citizens	61	52.5%	44.3%	0.93	0.76
Commerce	17	52.9%	47.1%	0.94	0.76
Mellon	2	50.0%	50.0%	0.89	0.72
PNC	40	62.5%	32.5%	1.11	0.90
Republic	6	33.3%	66.7%	0.59	0.48
United	4	50.0%	50.0%	0.89	0.72
Wachovia	47	63.8%	36.2%	1.13	0.92
All banks	316	56.3%	42.1%		
Census tracts	381	69.3%	30.7%		

Minority Level¹

Banks	Branches ²	50% or More Minority Tract	Less than 50% Minority Tract	Percent of Branches in Minority tracts/ Percent of All Branches in Minority Tracts Ratio	Percent of Branches in Minority tracts/Percent of Minority Tracts Ratio
Advanced	1	100.0%	0.0%	4.15	1.92
Bank of America	16	18.8%	81.2%	0.78	0.36
Citizens	61	26.2%	72.1%	1.09	0.50
Commerce	17	5.9%	94.1%	0.24	0.11
Mellon	2	0.0%	100.0%	0.00	0.00
PNC	40	37.5%	60.0%	1.56	0.72
Republic	6	0.0%	100.0%	0.00	0.00
United	4	75.0%	25.0%	3.11	1.44
Wachovia	47	29.8%	70.2%	1.24	0.57
All banks	316	24.1%	75.3%		
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 November 2007. Branches opened after Jan. 1, 2007 were excluded.

Table 79: Neighborhood Single-Family Lending Analysis

	2000 Demographic Data			Portfolio Share of the City					Market Share of Loans					Loans as Percent of OOHUs	
	Percent of Households African-American	Percent of Households Hispanic	Percent of Regional Median Family Income	Owner-Occupied Housing Units (OOHU) ¹	Percent of City OOHUs	Percent of City Loans	Percent of Prime City Loans	Percent of Subprime City Loans	Total Loans	Prime Loans	Prime as a Percent of All Loans	Subprime Loans	Subprime as Percent of All Loans	Prime Loans/OOHU	Subprime Loans/OOHU
APM	14.0%	76.5%	36.4%	289	0.08%	0.08%	0.07%	0.09%	30	17	56.67%	13	43.33%	5.9%	4.5%
HACE	19.3%	74.8%	24.2%	4,022	1.15%	0.50%	0.36%	0.74%	195	91	46.67%	104	53.33%	2.3%	2.6%
AWF	94.1%	1.0%	46.4%	4,584	1.31%	0.50%	0.33%	0.81%	198	84	42.42%	114	57.58%	1.8%	2.5%
OARC	95.7%	0.8%	75.8%	11,794	3.37%	3.81%	2.73%	5.72%	1,493	687	46.01%	806	53.99%	5.8%	6.8%
Project Home	98.4%	0.5%	33.8%	3,894	1.11%	0.42%	0.26%	0.70%	164	66	40.24%	98	59.76%	1.7%	2.5%
People's	64.6%	2.5%	36.3%	1,445	0.41%	0.25%	0.23%	0.27%	97	59	60.82%	38	39.18%	4.1%	2.6%
American St. EZ	17.3%	65.6%	36.8%	2,165	0.62%	0.55%	0.54%	0.58%	217	135	62.21%	82	37.79%	6.2%	3.8%
North Central EZ	90.3%	5.0%	32.9%	1,339	0.38%	0.19%	0.19%	0.19%	76	49	64.47%	27	35.53%	3.7%	2.0%
West Phila. EZ	95.3%	0.8%	41.0%	1,399	0.40%	0.22%	0.18%	0.29%	86	45	52.33%	41	47.67%	3.2%	2.9%
Philadelphia	40.7%	6.5%	63.4%	349,651	100.00%	100.00%	100.00%	100.00%	39,224	25,131	64.07%	14,093	35.93%	7.2%	4.0%

¹ A weighted average median family income was calculated for each neighborhood and compared against the Philadelphia PMSA.

Table 80: Neighborhood Lending by Depository

Lending by Lender

	Bank of America	Citizens	Commerce	PNC	Wachovia	All Lenders
APM	0	0	0	0	3	30
HACE	6	5	0	3	37	195
AWF	5	10	8	5	10	198
OARC	20	39	13	16	66	1,493
Project Home	6	9	7	3	11	164
People's	0	7	0	3	5	97
American St. EZ	2	2	0	3	22	217
North Central EZ	0	1	6	1	0	76
West Phila. EZ	3	3	0	2	5	86
All 9 CDC Neighborhoods	42	76	34	36	159	2,556
Philadelphia	767	859	431	310	1,655	39,224

Market Share

Number of lender's single family loans to a neighborhood divided by all single family loans to the neighborhood.

	Bank of America	Citizens	Commerce	PNC	Wachovia	All Lenders
APM	0.0%	0.0%	0.0%	0.0%	10.0%	100.0%
HACE	3.1%	2.6%	0.0%	1.5%	19.0%	100.0%
AWF	2.5%	5.1%	4.0%	2.5%	5.1%	100.0%
OARC	1.3%	2.6%	0.9%	1.1%	4.4%	100.0%
Project Home	3.7%	5.5%	4.3%	1.8%	6.7%	100.0%
People's	0.0%	7.2%	0.0%	3.1%	5.2%	100.0%
American St. EZ	0.9%	0.9%	0.0%	1.4%	10.1%	100.0%
North Central EZ	0.0%	1.3%	7.9%	1.3%	0.0%	100.0%
West Phila. EZ	3.5%	3.5%	0.0%	2.3%	5.8%	100.0%
All 9 CDC Neighborhoods	1.6%	3.0%	1.3%	1.4%	6.2%	100.0%
Philadelphia	2.0%	2.2%	1.1%	0.8%	4.2%	100.0%

Lender Portfolio Share

Number of lender's single-family loans in a neighborhood divided by all of lender's single-family loans in the city.

	Bank of America	Citizens	Commerce	PNC	Wachovia	All Lenders
APM	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%
HACE	0.8%	0.6%	0.0%	1.0%	2.2%	0.5%
AWF	0.7%	1.2%	1.9%	1.6%	0.6%	0.5%
OARC	2.6%	4.5%	3.0%	5.2%	4.0%	3.8%
Project Home	0.8%	1.0%	1.6%	1.0%	0.7%	0.4%
People's	0.0%	0.8%	0.0%	1.0%	0.3%	0.2%
American St. EZ	0.3%	0.2%	0.0%	1.0%	1.3%	0.6%
North Central EZ	0.0%	0.1%	1.4%	0.3%	0.0%	0.2%
West Phila. EZ	0.4%	0.3%	0.0%	0.6%	0.3%	0.2%
All 9 CDC Neighborhoods	5.5%	8.8%	7.9%	11.6%	9.6%	6.5%
Philadelphia	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

APPENDIX 3

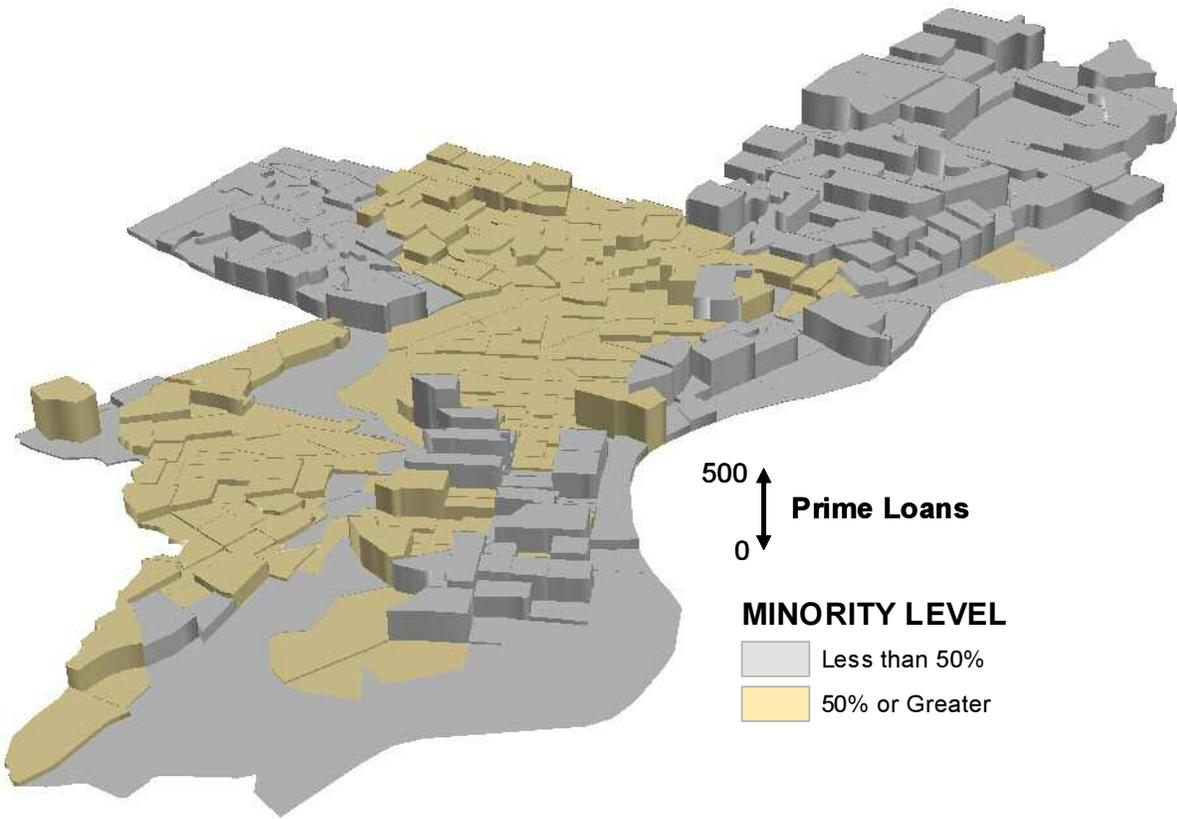
Maps



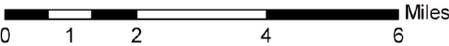
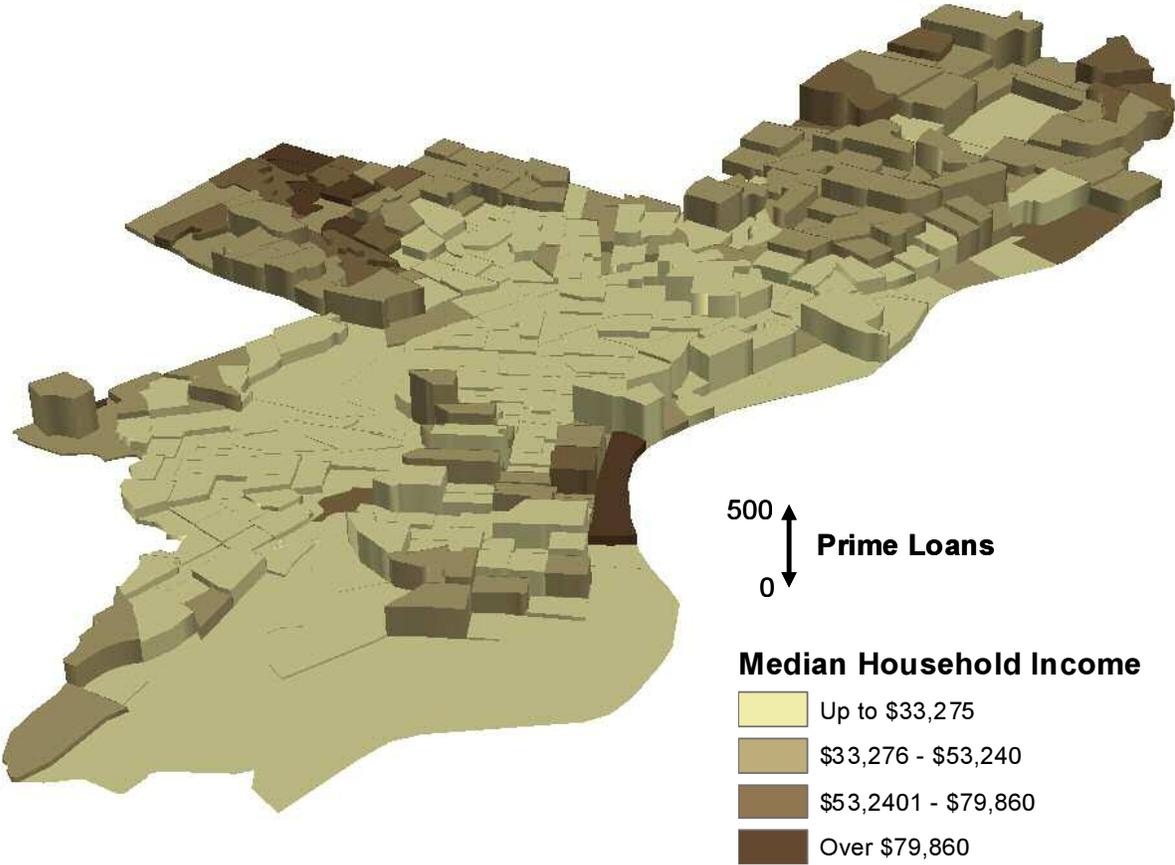
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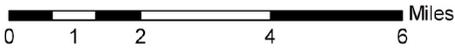
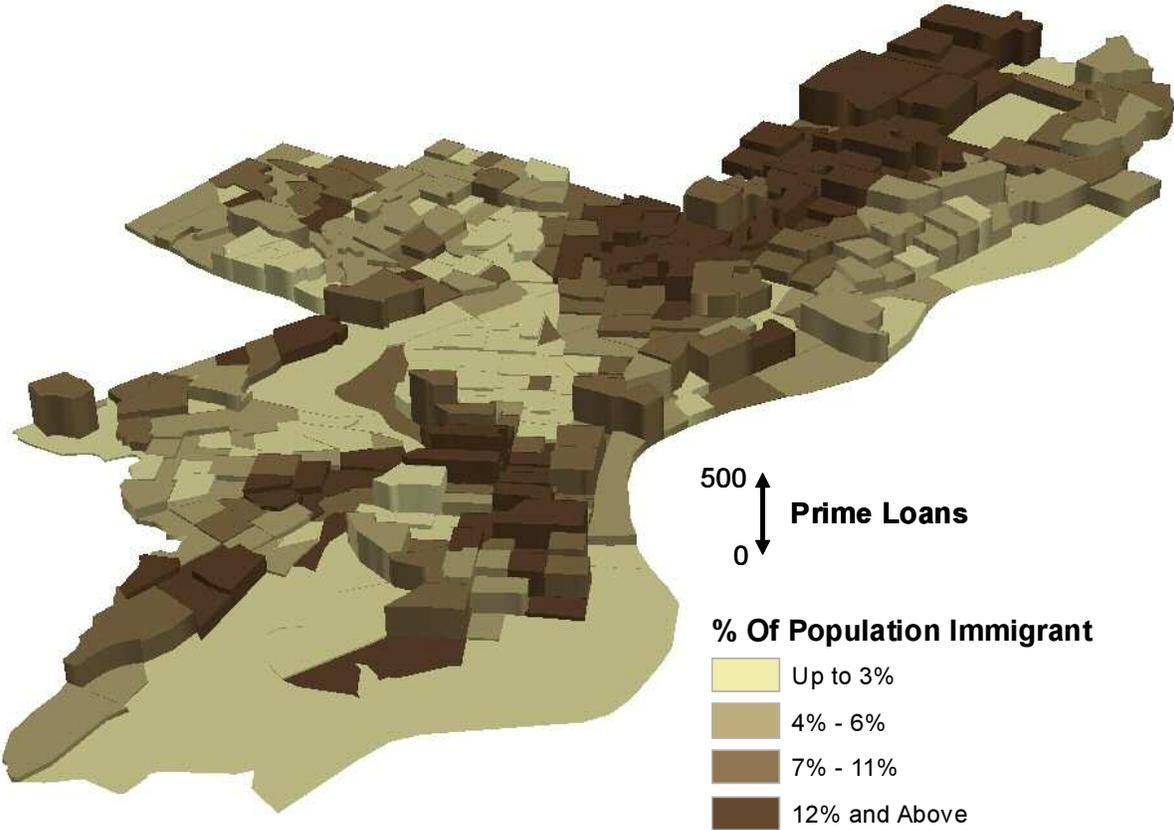
Map 1: Prime Loans by Minority Level of Tract



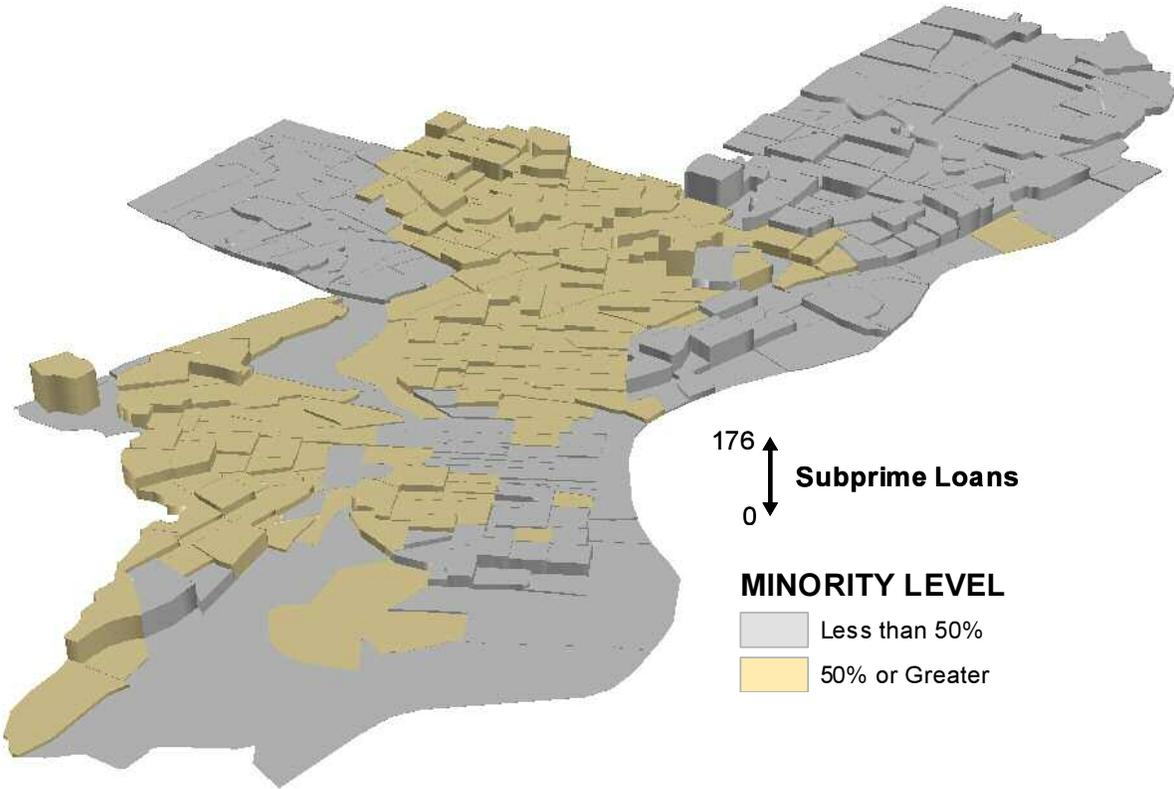
Map 2: Prime Loans by Median Household Income of Tract



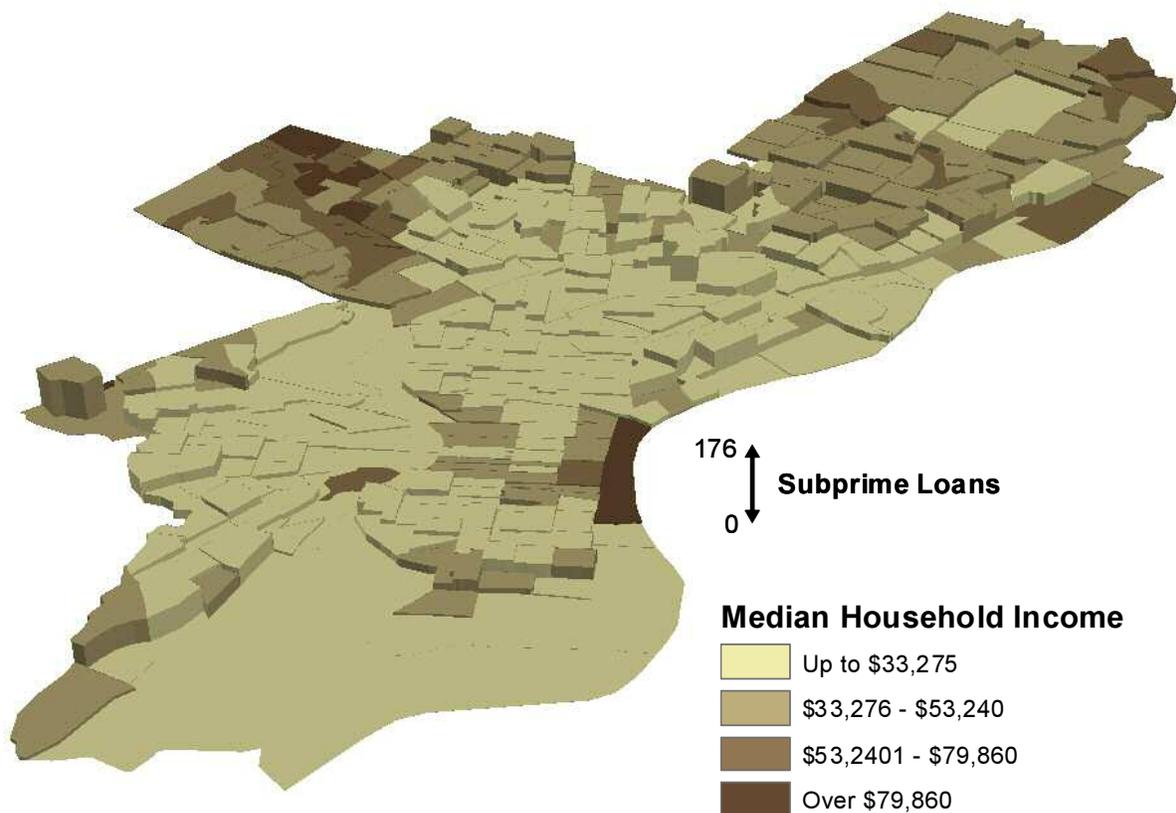
Map 3: Prime Loans by Immigrant Population of Tract



Map 4: Subprime Loans by Minority Level of Tract

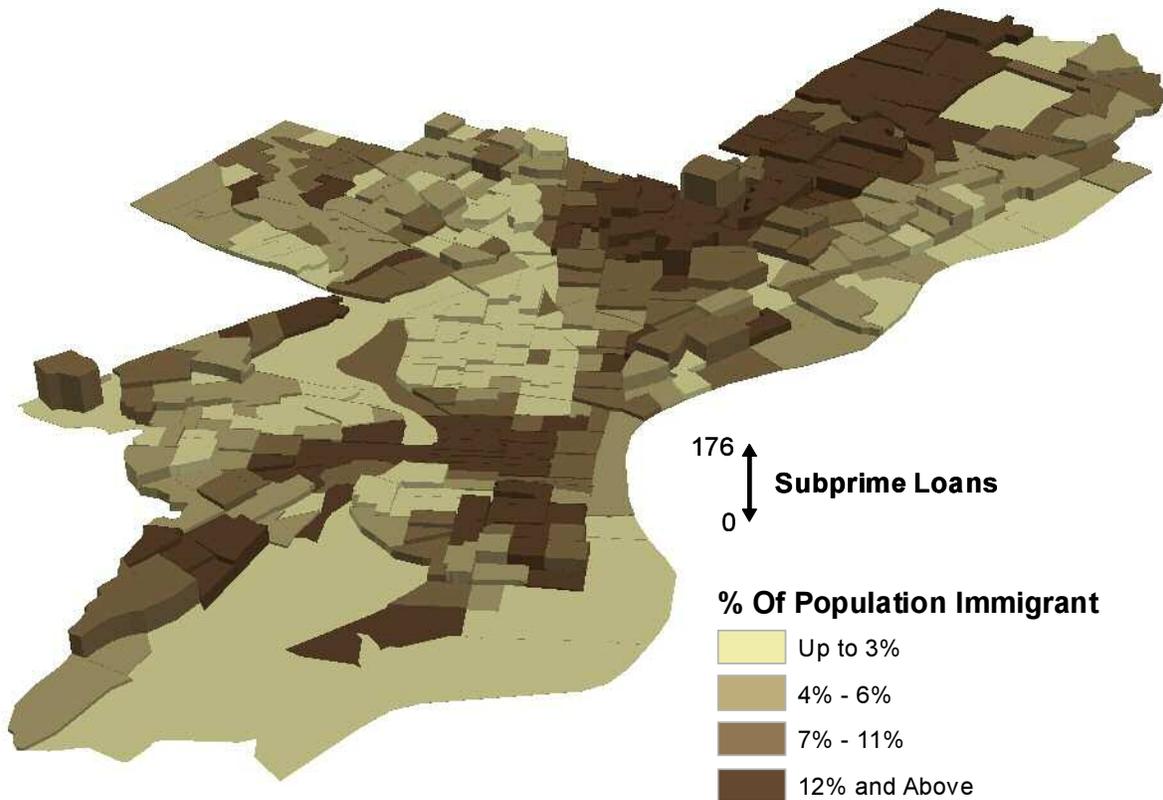


Map 5: Subprime Loans by Median Household Income of Tract



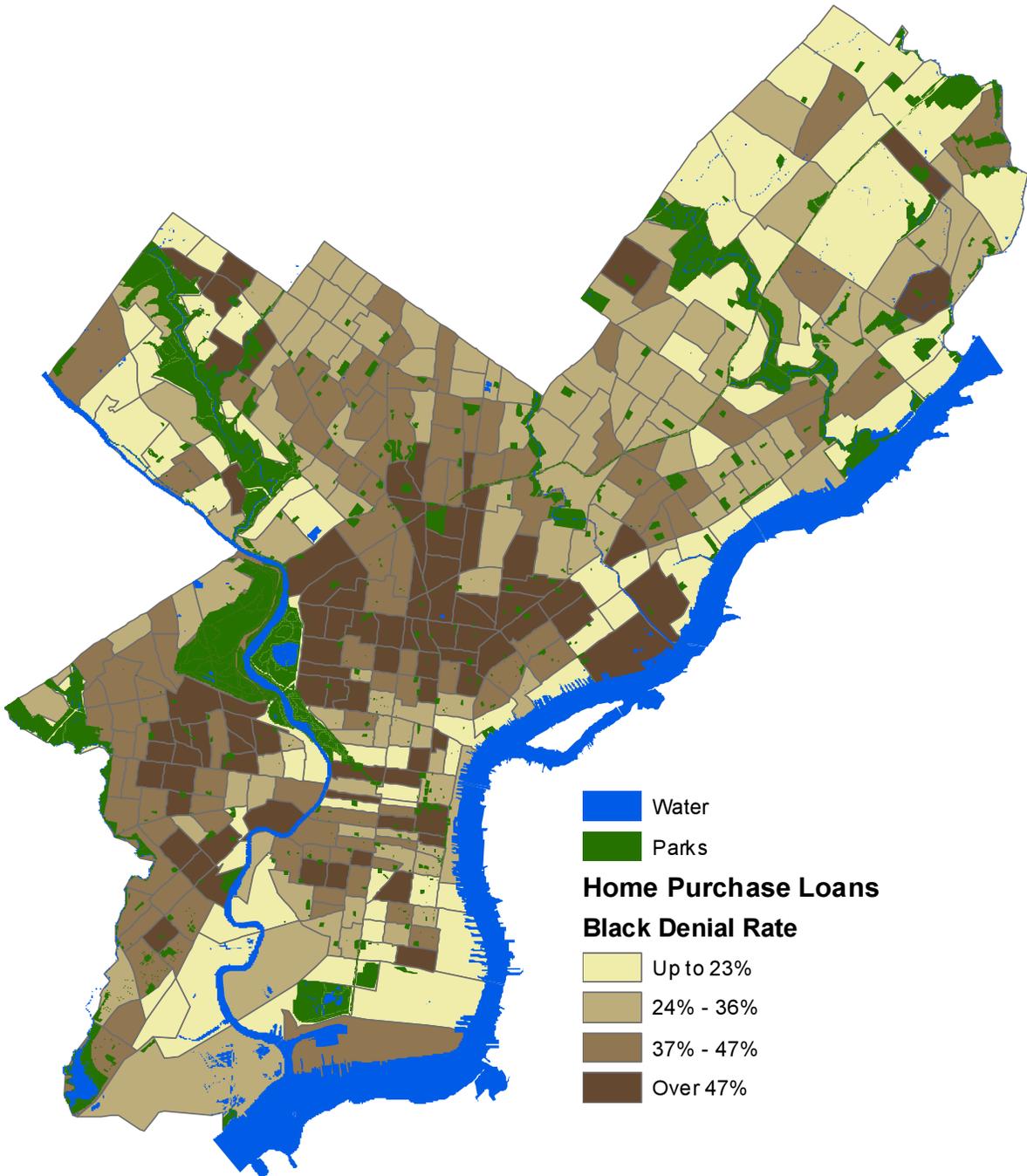
0 1 2 4 6 Miles

Map 6: Subprime Loans by Immigrant Population of Tract



0 1 2 4 6 Miles

Map 7: African-American Denial Rates for Home Purchase Loans by Tract



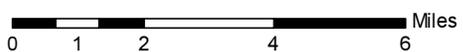
Water

Parks

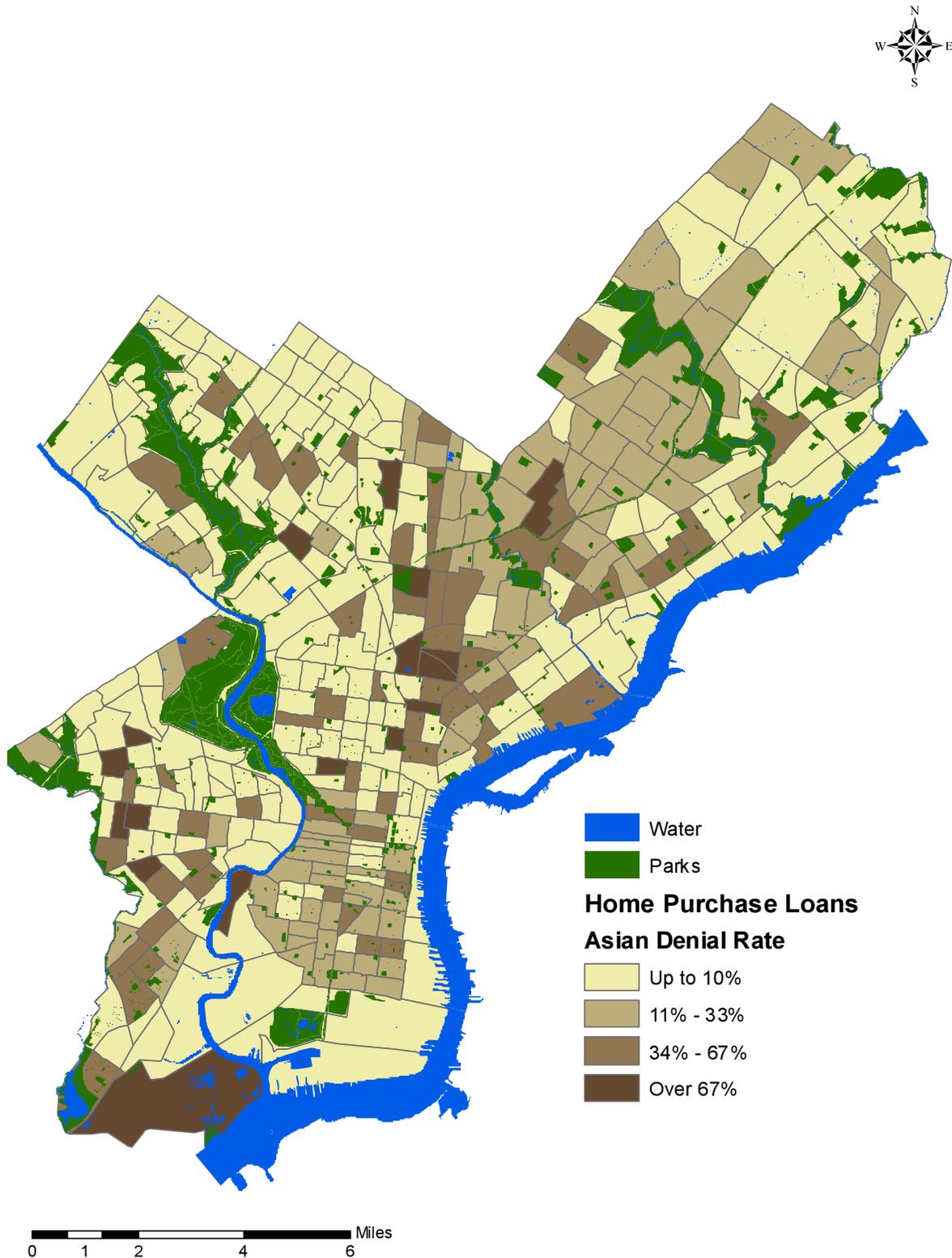
Home Purchase Loans

Black Denial Rate

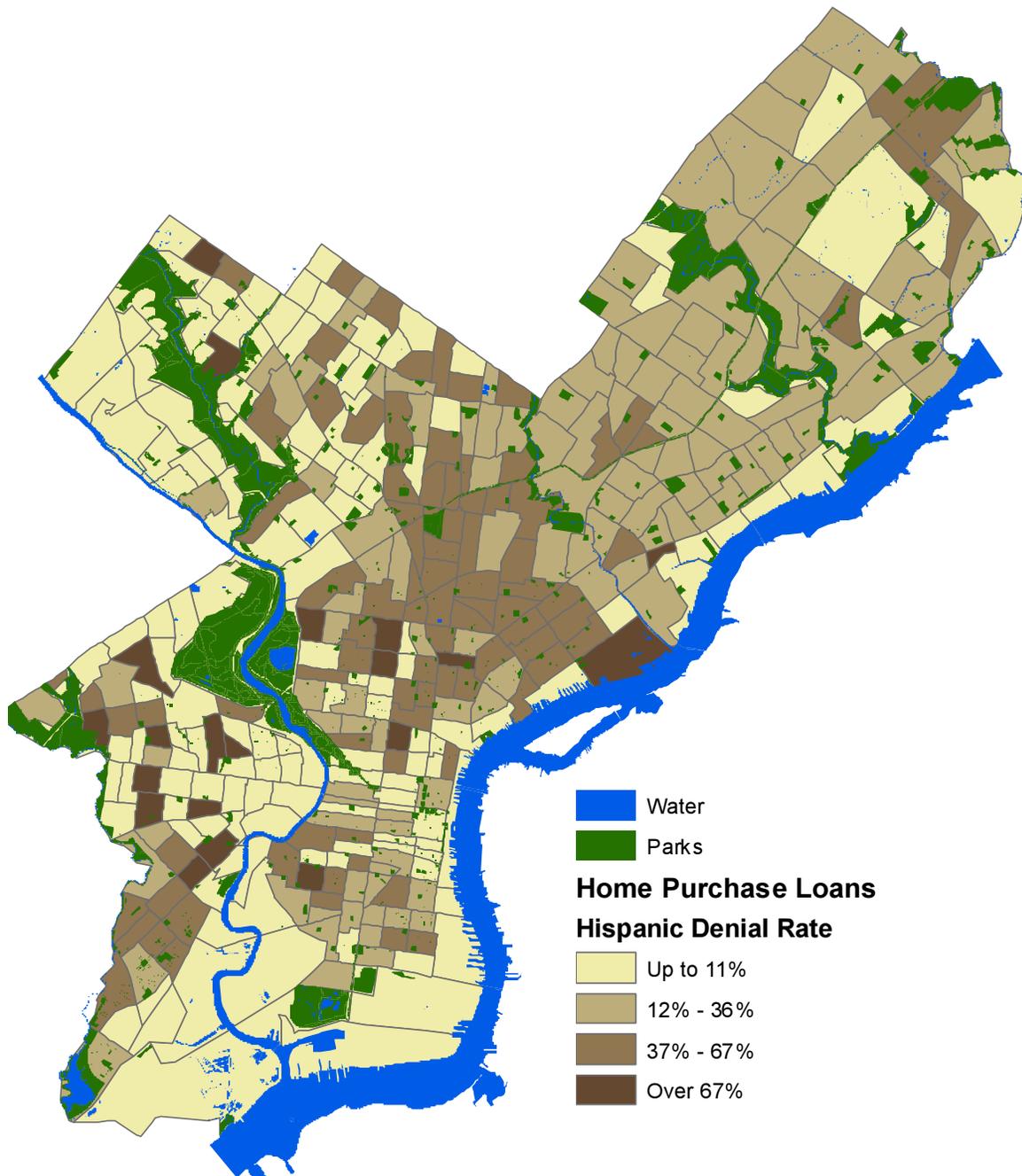
- Up to 23%
- 24% - 36%
- 37% - 47%
- Over 47%



Map 8: Asian Denial Rates for Home Purchase Loans by Tract

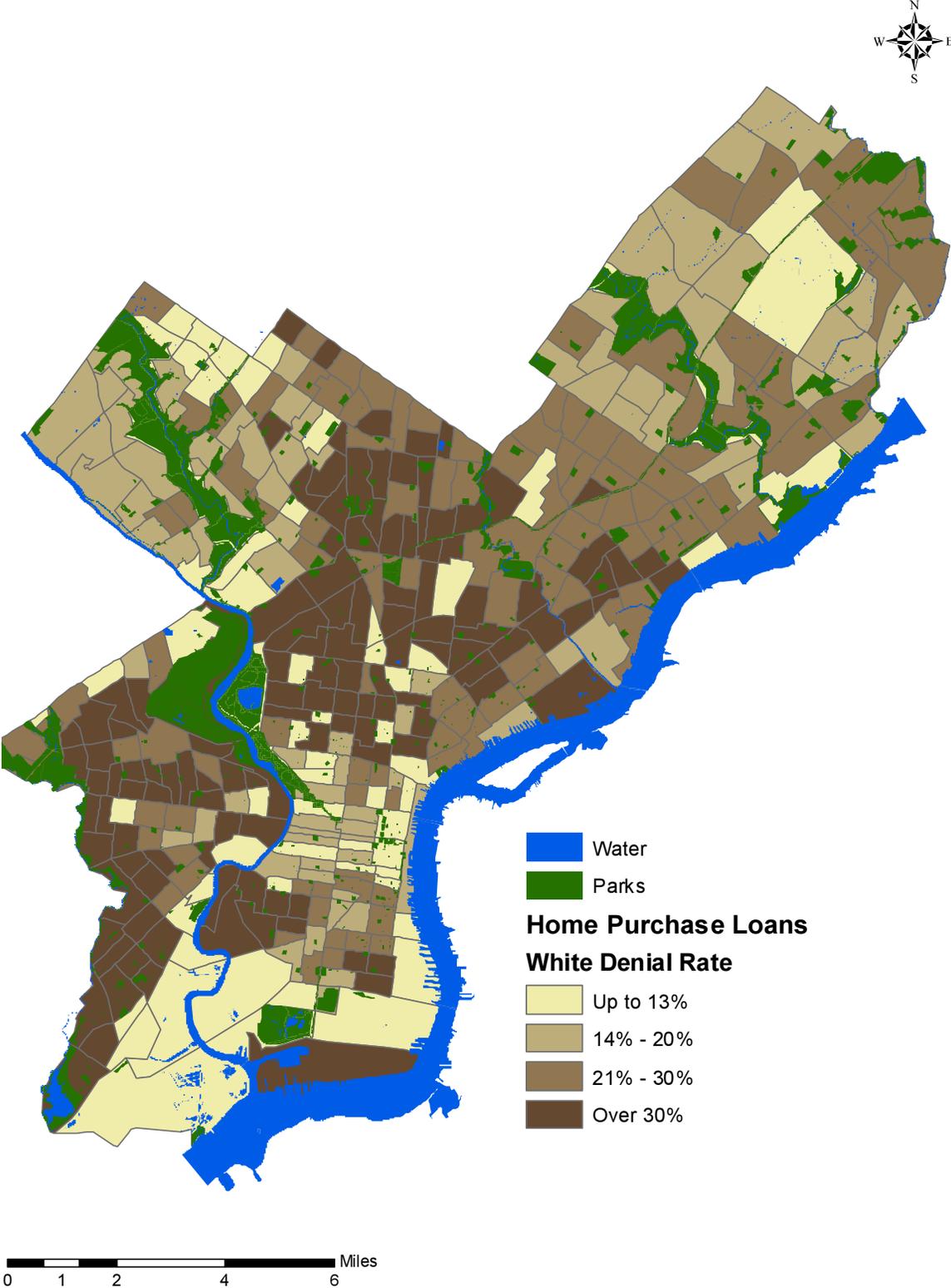


Map 9: Hispanic Denial Rates for Home Purchase Loans by Tract

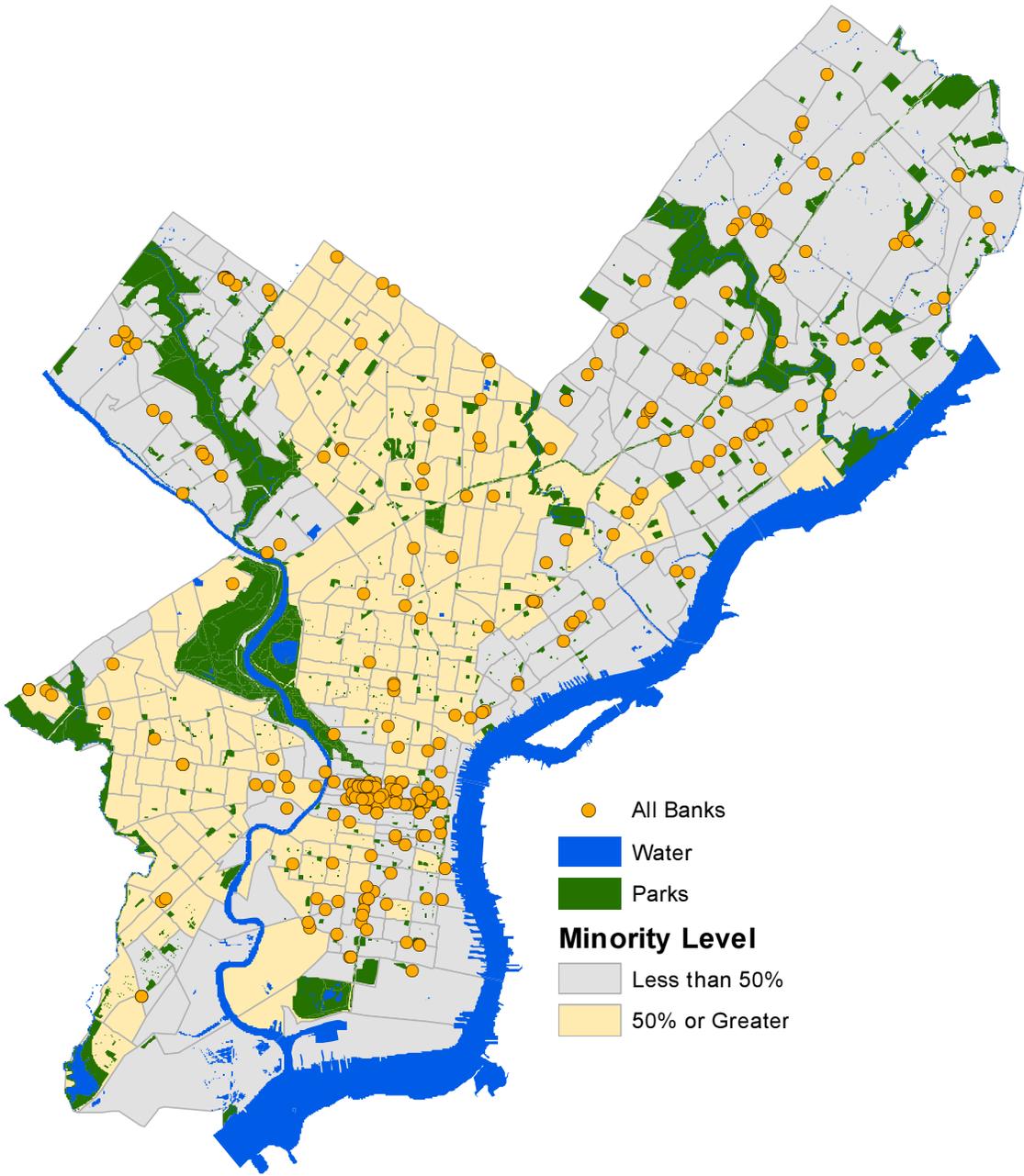


0 1 2 4 6 Miles

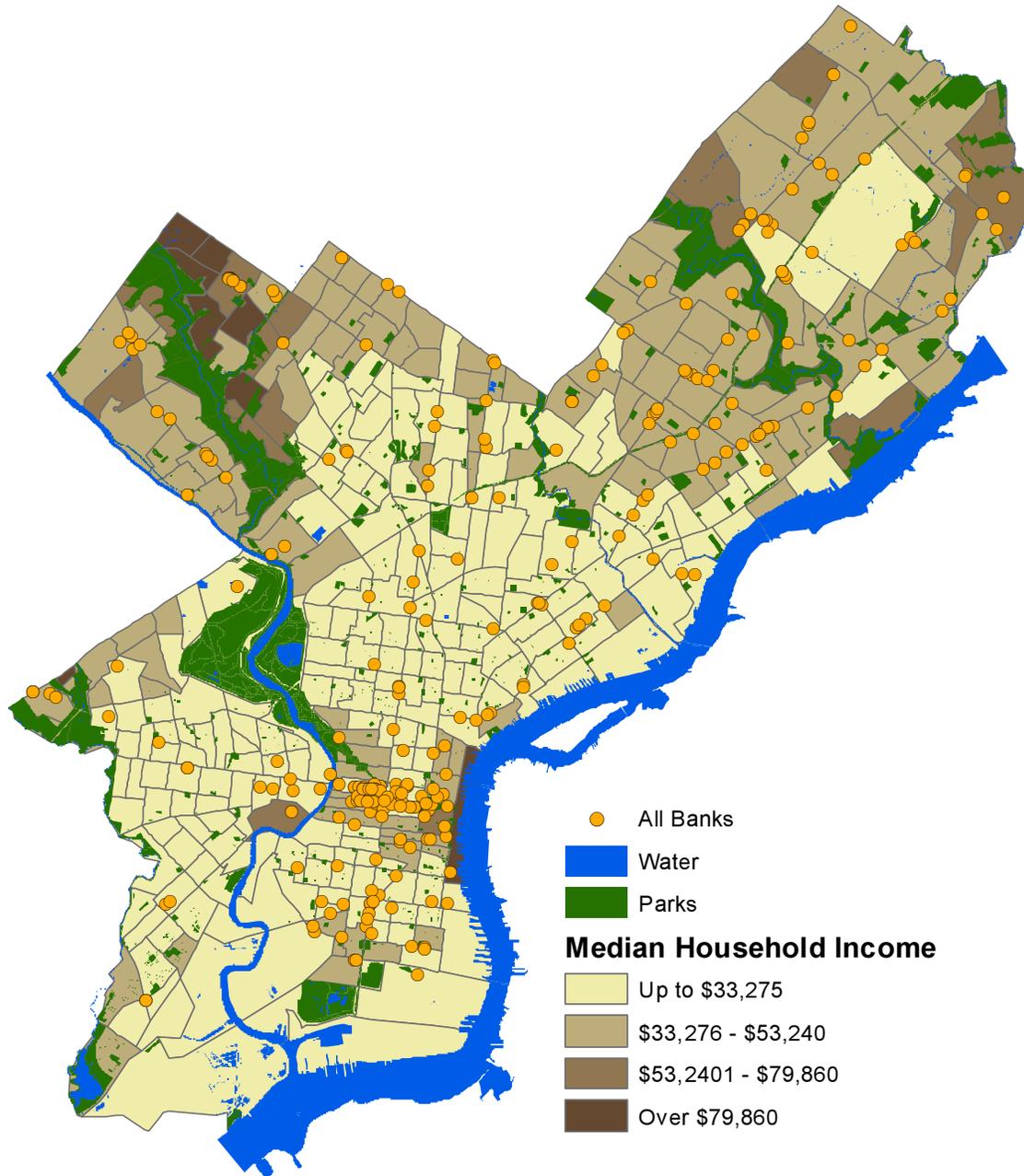
Map 10: White Denial Rates for Home Purchase Loans by Tract



Map 11: Bank Branches by Minority Level of Tract

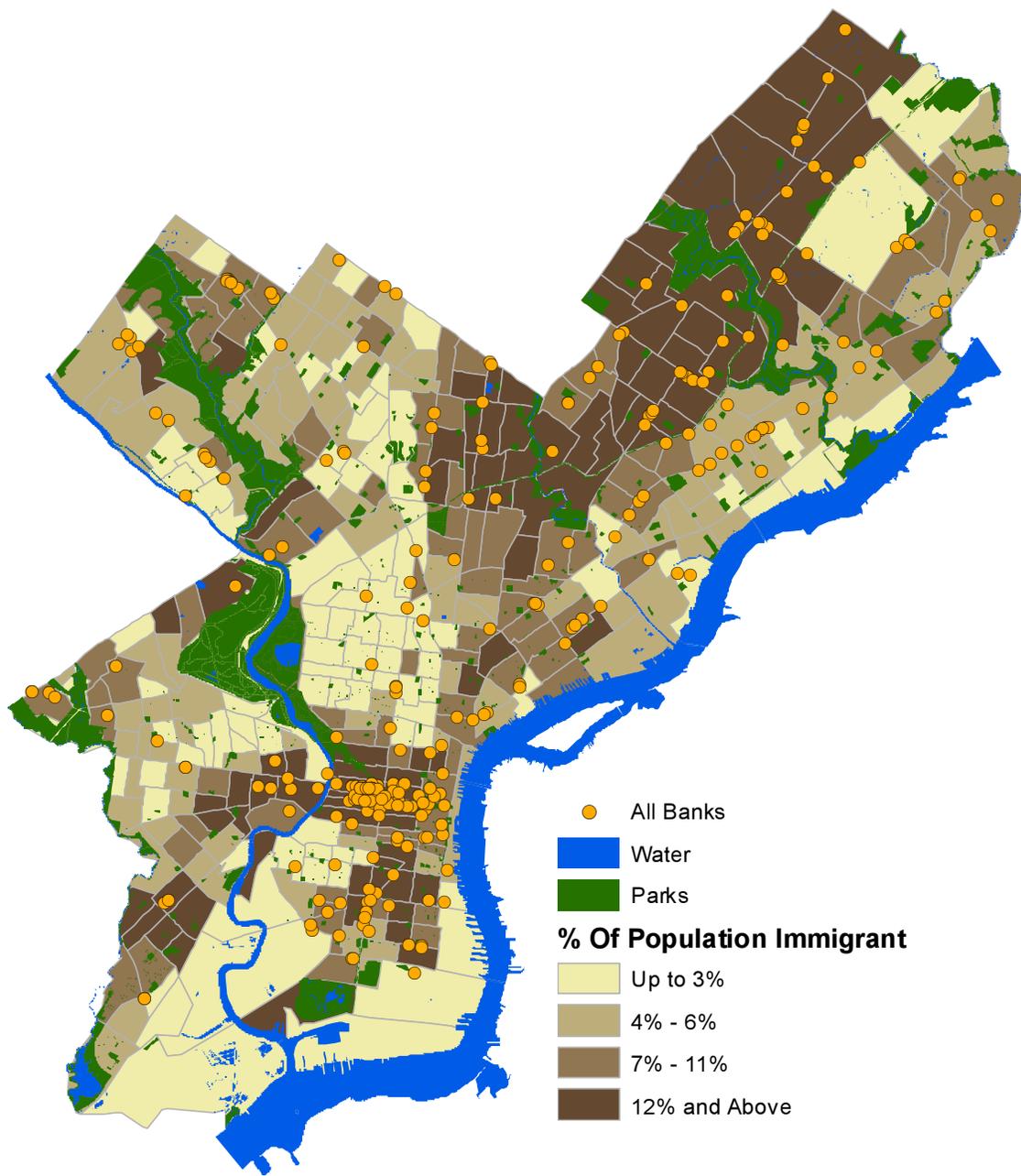


Map 12: Bank Branches by Median Household Income of Tract



0 1 2 4 6 Miles

Map 13: Bank Branches by Immigrant Population of Tract



APPENDIX 4

Methodology



Appendix 4: Methodology

Data Sources

Home lending was analyzed using 2006 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 2006 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 analysis was obtained from the 2006 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) were 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 and 2005 report. Any variations are noted.

Home purchase and home refinance loans secured by a first lien and applied for during 2006 were included. Home improvement loans secured by a first or second lien and applied for during 2006 were also 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 162,884 applications recorded in Philadelphia, 91,611 met these initial criteria and were included in the overall owner-occupied analysis and 18,094 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 that 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. It is important to note that not all subprime loans are three 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 2006 compared to 2005.

Race of Borrowers

Borrowers were placed in racial categories based on information reported by the lender. Lenders could report up to five races each for the applicant and co-applicant. In all but a few 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 racial 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. Few applications were excluded.

The denominator included only records where racial information was provided by the lender. Thus, the race denominator is less than the total number of loans. Of the 39,224 approved loans meeting owner-occupied analysis criteria, 28,473 included race information.

Applications without ethnic information were excluded from the Hispanic denominator. As a result, the Hispanic denominator is less than the total number of loans. Of the 39,224 approved loans meeting initial owner-occupied analysis criteria, 31,642 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. These numbers were then divided by the total number of households in Philadelphia.

Income

Borrowers were divided into six groups based on their reported income 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 2006 median family income for the Philadelphia area was \$69,800.

Income Groups as a Percent of MSA Median Family Income:

- low-income – less than 50 percent of median income
- moderate-income – between 50 and 80 percent of median income
- middle-income – Between 80 and 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 borrower's 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 39,224 approved loans meeting initial owner-occupied analysis criteria, 38,056 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's 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 39,224 approved loans meeting initial owner-occupied analysis criteria, 39,194 included census tract income.

Gender

Each applicant's gender is reported by the lender. Applications were separated into three groups: male, female and joint. Applications with either 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 39,224 approved loans meeting initial owner-occupied analysis criteria, 36,702 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 – between 50 percent and 80 percent of median income
- middle-income – between 80 percent and 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 of the population 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 as United Bank and Advance Bank did not report CRA data in 2006. 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 2006 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 2006. These depositories were left out of the rankings in 2005 for the same reason. Also note that PNC was excluded from the Home Purchase loan rankings as they originated only six prime loans in 2006.

Only prime loans were included in the analysis because just three depositories (Citizens, Bank of America, 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 the mean were calculated for all Philadelphia lenders that originated at least 25 prime home purchase loans in 2006. 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:

$F_{\text{Depository}}$ 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 2006 for the factor, and

σ is the standard deviation of the factor for all lenders in Philadelphia in 2006

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 indicates 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 final four factors were weighted at 2.5 percent each, totaling the remaining 10 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 closer to zero indicates the depository had average fair lending practices. A negative score means 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.

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 median family income.
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-minority 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.

APPENDIX 5

2005 Recommendations



Appendix 5: 2005 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 subprime loans in Philadelphia. The trend towards less mortgage lending by commercial banks is expected to continue, so the depositories are likely to provide relatively fewer mortgages in the future. There, 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. (Some of our analyses have included all lenders.)
- On a related note, additional consideration should be given to the extent to which the lending practices of larger banks create gaps in the marketplace that are filled by subprime lenders, and whether policy interventions are needed to loosen lending criteria by main stream 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.
- 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 siting 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. 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 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 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 the 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, subprime lending has become more prevalent. However, it is unclear what, if any, negative impact subprime lending has on Philadelphia borrowers beyond higher mortgage payments. Are these borrowers more likely to default? Are subprime borrowers more likely to declare bankruptcy? Or, do subprime loans increase home ownership opportunities for Philadelphia's poor and racial and ethnic residents? Unfortunately these questions are not easily answered without a comprehensive study that combines information from many datasets including home sales, foreclosures and bankruptcies.
- 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 mainstream 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.

