2014

Twin Cities in Crisis: Unequal Treatment of Communities of Color in Mortgage Lending

Institute on Metropolitan Opportunity

Follow this and additional works at: http://scholarship.law.umn.edu/imo_studies

Part of the Law Commons

Recommended Citation


This Article is brought to you for free and open access by the University of Minnesota Law School. It has been accepted for inclusion in Studies collection by an authorized administrator of the Scholarship Repository. For more information, please contact lenz009@umn.edu.
## Mortgage Denial Rates by Neighborhood Type (Census Tract), 2009-2012

### Percentage of Applications Denied

<table>
<thead>
<tr>
<th></th>
<th>Upper Middle, High and Very High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Predominantly white</td>
<td>7</td>
</tr>
<tr>
<td>Diverse</td>
<td>8</td>
</tr>
<tr>
<td>Majority non-white</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
</tr>
</tbody>
</table>

### Refinances:

<table>
<thead>
<tr>
<th></th>
<th>Upper Middle, High and Very High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Predominantly white</td>
<td>13</td>
</tr>
<tr>
<td>Diverse</td>
<td>17</td>
</tr>
<tr>
<td>Majority non-white</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
</tr>
</tbody>
</table>

* note: no percentage reported for cells with less than 25 applicants.

### Definitions:
- **Majority non-white**: Census tracts with more than 50% of the population non-white in 2010.
- **Diverse**: Census tracts with non-white shares between 30% and 49% in 2010.
- **Predominantly white**: Census tracts with white shares greater than 70% in 2010.

### Source:
U.S. Census; Home Mortgage Disclosure Act
Twin Cities, Percentage of Home Purchase Applications Denied by Race and Income, 2009-2012

Percentage Denied

Income Group:
- Very Low (< $42k)
- Low ($42k to $66K)
- Middle ($67k to $99k)
- Upper Middle ($100k to $124k)
- High ($125k to $166k)
- Very High (> $167k)

Percetnages Denied by Race and Income:
- Black: 1.9 to 1 ratio
- Hispanic: 1.4 to 1 ratio
- Asian: 3.4 to 1 ratio
- Joint: 3.3 to 1 ratio
- White: 1.9 to 1 ratio

Ratios indicate the disparity in percentage of home purchase applications denied by race and income group.
Twin Cities, Percentage of Refinance Applications Denied by Race and Income, 2009-2012

Income Group:
- Very Low (< $42k)
- Low ($42k to $66K)
- Middle ($67k to $99k)
- Upper Middle ($100k to $124k)
- High ($125k to $166k)
- Very High (> $167k)

Percentage Denied:
- Black: 1.7 to 1 ratio
- Hispanic: 2.1 to 1 ratio
- Asian: 1.7 to 1 ratio
- Joint: 1.7 to 1 ratio
- White: 1.7 to 1 ratio