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**Subprime Home Mortgage Lending in  
New York City and Westchester County, 2005–2006**

**Jane J. Yoo**  
New York Law School  
Class of 2008

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## INTRODUCTION

The Home Mortgage Disclosure Act (“HMDA”)<sup>1</sup>, initially passed in 1975, requires banks and other home mortgage lenders to collect and make available to the public certain data about their home mortgage lending. HMDA is intended to provide data that can be used to (1) help determine whether financial institutions are serving the housing needs of their communities, (2) assist public officials in distributing public-sector investment so as to attract private investment to areas where it is needed, and (3) assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.<sup>2</sup> The 2002 amendments to the HMDA regulations expanded HMDA’s disclosure requirements, and as a result, data about interest rates on home mortgage loans first became available for loans made in 2004. Although the data are not sufficient to show conclusive evidence of racial discrimination in home mortgage lending, the expanded disclosure requirements nevertheless increased the usefulness and effectiveness of HMDA data in identifying possible discriminatory home mortgage lending practices.

Using the data made available by HMDA (“HMDA data”), this report examines whether there is evidence of discriminatory home mortgage lending practices in New York City and Westchester County. This report follows-up and updates *The Higher Cost of Being African-American or Latino: Subprime Lending in New York City, 2004-2005*,<sup>3</sup> a report by the Economic Justice Project of New York Law School’s Justice Action Center published in October 2007. The 2007 report found that African-Americans, Latinos and residents of predominantly minority neighborhoods received a disproportionately lower percentage of all home mortgage loans and a disproportionately higher percentage of subprime home mortgage loans in New York City in 2005.<sup>4</sup> This report examines HMDA data for 2006 to determine whether the disparities continued. This report, however, is more narrowly focused than the previous one and examines data on home purchase loans only, defined as conventional, first-lien home purchase loans on one- to four-family, owner-occupied residential property. Also, this report is expanded to include Westchester County as well as New York City and to include Asian-Americans.

This report contains two parts. Part I examines HMDA data for New York City and Part II examines HMDA data for Westchester County. Each part contains two sections. Section I examines all home purchase lending and subprime home purchase lending in 2005 and 2006 by all lenders that report HMDA data in the aggregate. Section I examines: (1) percentage changes in all home purchase lending and in subprime home purchase lending from 2005 to 2006; (2) the market shares of all home purchase loans held by African-Americans, Asian-Americans, Latinos and residents of predominantly minority neighborhoods compared with the market shares held by whites and residents of predominantly white neighborhoods; (3) the market shares of subprime home purchase loans held by African-Americans, Asian-Americans, Latinos and residents of predominantly minority neighborhoods compared with the market shares held by whites and residents of predominantly white neighborhoods; and (4) the percentages of all home purchase loans that African-Americans, Asian-Americans, Latinos, and residents of predominantly

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<sup>1</sup> 12 U.S.C. §§2801–2811 (2004).

<sup>2</sup> 12 C.F.R. §203.1(b) (2007).

<sup>3</sup> RICHARD MARCISO, *THE HIGHER COST OF BEING AFRICAN-AMERICAN OR LATINO: SUBPRIME LENDING IN NEW YORK CITY, 2004–2005* (2007).

<sup>4</sup> *Id.*

minority neighborhoods received that were subprime compared with the same percentages for whites and residents of predominantly white neighborhoods.

Section II examines the home purchase lending records of the ten lenders who made the most home purchase loans and the ten lenders who made the most subprime home purchase loans in 2006.<sup>5</sup> Section II examines: (1) the percentages of all of each lender's home purchase loans that were subprime loans to African-Americans, Latinos, Asian-Americans and residents of predominantly minority neighborhoods compared with the percentages to whites and residents of predominantly white neighborhoods, and also compared with the aggregate percentages; and (2) the percentages of all of the home purchase loans each lender made to African-Americans, Latinos, Asian-Americans and residents of predominantly white neighborhoods that were subprime compared with the percentages to whites and residents of predominantly white neighborhoods.

This report has four appendices. Appendix I describes the variables this report uses. Appendix II is a glossary. Appendix III describes the tables this report uses. Appendix IV contains the tables.

This report reaches several conclusions.

## **NEW YORK CITY**

**\*Home purchase lending decreased 7.1% in New York City from 2005-2006, but subprime home purchase lending increased 5.4%.**

**\*African-Americans, Latinos, and residents of predominantly minority neighborhoods held higher market shares of subprime home purchase loans than home purchase loans. The reverse was true for whites and residents of predominantly white neighborhoods.** The disparity index was 4.4 for African-Americans, 3.2 for Latinos, and 6.0 for residents of predominantly minority neighborhoods.

**\*Asian-Americans and whites both held lower market shares of subprime home purchase loans than home purchase loans but the difference between the market shares was slightly lower for Asian-Americans.** The disparity index for Asian-Americans was 1.4.

**\*More than half of all home purchase loans to African-Americans were subprime home purchase loans, nearly five times higher than the percentage of home purchase loans to whites that were subprime.** African-Americans were thus five times more likely than whites to receive subprime home purchase loans.

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<sup>5</sup> In Part I (New York City), Section II examines the records of the ten lenders who made the most home purchase loans as well as the ten lenders who made the most subprime home purchase loans in 2006. In Part II (Westchester County), Section II examines only the records of the ten lenders who made the most subprime home purchase loans. The reason for this is that the ten largest home purchase loan lenders in Westchester made so few subprime home purchase loans that an analysis of their subprime lending is not meaningful.

**\*Nearly forty percent of all home purchase loans to Latinos were subprime, more than three times higher than the percentage of all home purchase loans to whites that were subprime.** Latinos were thus three times more likely than whites to receive subprime home purchase loans.

**\*Approximately fifteen percent of all home purchase loans to Asian-Americans were subprime, 1.4 times higher than the percentage of all home purchase loans to whites that were subprime.** Asian-Americans were thus 1.4 times more likely than whites to receive subprime home purchase loans.

**\*More than forty percent of all home purchase loans to residents of predominantly minority neighborhoods were subprime, nearly six times higher than the percentage to residents of predominantly white neighborhoods that were subprime.** Residents of predominantly minority neighborhoods were thus nearly six times more likely than residents of predominantly white neighborhoods to receive subprime home purchase loans.

**\*Disproportionately high percentages of all the home purchase loans that several large lenders made were subprime home purchase loans to African-Americans, Latinos and residents of predominantly minority neighborhoods.** For example, 42.8% of all the home purchase loans that Fremont Investment & Loan made were subprime home purchase loans to African-Americans, four times higher than the 10.6% it made to whites.

**\*Disproportionately high percentages of all the home purchase loans that several large lenders made to African-Americans, Latinos, and residents of predominantly minority neighborhoods were subprime home purchase loans.** For example, 23% of all home purchase loans that Wells Fargo made to African-Americans were subprime, 17.7 times higher than the 1.3% it made to whites.

## **WESTCHESTER COUNTY**

**\*Home purchase lending decreased 16.1% in Westchester County from 2005-2006. Subprime home purchase lending also decreased, but only by 5.0%.**

**\*African-Americans, Latinos and residents of predominantly minority neighborhoods held higher market shares of subprime home purchase loans than home purchase loans. The reverse was true for whites and residents of predominantly white neighborhoods.** The disparity index was 6.2 for African-Americans, 4.6 for Latinos, and 7.8 for residents of predominantly minority neighborhoods.

**\*Asian-Americans and whites both held lower market shares of subprime home purchase loans than home purchase loans but the difference between the market shares was slightly lower for Asian-Americans.** The disparity index for Asian-Americans was 1.2.

**\*More than forty percent of all home purchase loans to African-Americans were subprime home purchase loans, more than six times higher than the percentage of home**

**purchase loans to whites that were subprime.** African-Americans were thus six times more likely than whites to receive subprime home purchase loans.

**\*More than thirty percent of all home purchase loans to Latinos were subprime, five times higher than the percentage of all home purchase loans to whites that were subprime.** Latinos were thus nearly five times more likely than whites to receive subprime home purchase loans.

**\*More than seven percent of all home purchase loans to Asian-Americans were subprime, 1.2 times higher than the percentage of all home purchase loans to whites that were subprime.** Asian-Americans were thus 1.2 times more likely than whites to receive subprime home purchase loans.

**\*More than half of all home purchase loans to residents of predominantly minority neighborhoods were subprime, eight times higher than the percentage of all home purchase loans to residents of predominantly white neighborhoods that were subprime.** Residents of predominantly minority neighborhoods were thus eight times more likely than residents of predominantly white neighborhoods to receive subprime home purchase loans.

**\*Disproportionately high percentages of all home the purchase loans that several large lenders made were subprime home purchase loans to African-Americans, Latinos and residents of predominantly minority neighborhoods.** For example, 36.6% of all the home purchase loans that WMC originated were subprime home purchase loans to residents of predominantly minority neighborhoods, more than twice as high as the 16.9% it made to residents of predominantly white neighborhoods.

**\*Disproportionately high percentages of all home purchase loans that several large lenders made to African-Americans, Latinos, and residents of predominantly minority neighborhoods were subprime home purchase loans.** For example, 34.4% of all home purchase loans that Countrywide made to African-Americans were subprime, 12.7 times higher than the 2.7% it made to whites.

## **PART ONE: NEW YORK CITY**

### **SECTION I: AGGREGATE LENDING BY ALL HMDA LENDERS IN NEW YORK CITY, 2005-2006**

**The total number of home purchase loans decreased in New York City in 2006 while the total number of subprime home purchase loans increased (Table 1 and Table 2).**

While the total number of home purchase loans decreased by 7.1%, the total number of subprime home purchase loans increased by 5.4% in 2006. Subprime home purchase loans constituted 20.2% of all home purchase loans in 2005 and increased to 22.9% in 2006.

	2005	2006	% Change 2005-2006
Home Purchase Loans	58,831	54,628	(7.1)
Subprime Home Purchase Loans	11,888	12,526	5.4

### **Market Share of Loans in 2006**

**African Americans’ market share of subprime home purchase loans was greater than their market share of home purchase loans. The reverse was true for whites. The disparity index was 4.4 (Table 1 and Table 2).**

African-Americans’ market share of subprime home purchase loans was 38.8%, 2.2 times higher than their 17.6% market share of home purchase loans. Whites’ market share of subprime home purchase loans was 17.0%, half their 36.4% market share of home purchase loans. This generates a “disparity index” of 4.4. The disparity index is calculated by dividing the subprime home purchase loan market share/home purchase loan market share ratio of one group (African-Americans) by the same ratio for another group (whites).

	MS--Subprime Home Purchase Loans	MS--Home Purchase Loans	Ratio
African-Americans	38.8%	17.6%	2.2
Whites	17.0%	36.4%	0.5
Disparity Index			4.4

**Latinos’ market share of subprime home purchase loans was greater than their market share of home purchase loans. The reverse was true for whites. The disparity index was 3.3. (Table 1 and Table 2).**

Latinos’ market share of subprime home purchase loans was 22.2%, 1.6 times higher than their 13.8% market share of home purchase loans. Whites’ market share of subprime home purchase loans was 17.0%, half their 36.4% market share of home purchase loans. The disparity index was 3.3, calculated as shown below.

	MS--Subprime Home Purchase Loans	MS--Home Purchase Loans	Ratio
Latinos	22.2%	13.8%	1.6
Whites	17.0%	36.4%	0.5
Disparity Index			3.2

**Asian-Americans’ market share of subprime home purchase loans was lower than their market share of home purchase loans. The same was true for whites, but the difference in market shares was lower for Asian-Americans. The disparity index was 1.4 (Table 1 and Table 2).**

Asian-Americans’ market share of subprime home purchase loans was 10.7%, 70% of their 16.2% market share of home purchase loans. Whites’ market share of subprime home

purchase loans was 17.0%, half their 36.7% market share of home purchase loans. The disparity index was 1.4, calculated as shown below.

	MS--Subprime Home Purchase Loans	MS--Home Purchase Loans	Ratio
Asian-Americans	10.7%	16.2%	0.7
Whites	17.0%	36.4%	0.5
Disparity Index			1.4

**The market share of subprime home purchase loans held by residents of predominantly minority neighborhoods was higher than their market share of home purchase loans. The reverse was true for residents of predominantly white neighborhoods. The disparity index was 6.0 (Table 1 and Table 2).**

Residents of predominantly minority neighborhoods held a market share of 69.7% of subprime home purchase loans, 1.8 times higher than their 37.9% market share of all home purchase loans. Residents of predominantly white neighborhoods held a market share of 5.7% of all subprime home purchase loans, 30% of their market share of all home purchase loans. The disparity index was 6.0, calculated as shown below.

	MS--Subprime Home Purchase Loans	MS--Home Purchase Loans	Ratio
Residents of Predominantly Minority N'hoods	69.7%	37.9%	1.8
Residents of Predominantly White N'hoods	5.7%	17.5%	0.3
Disparity Index			6.0

**Percentage of all home purchase loans to borrowers by race and to neighborhoods by racial composition that were subprime**

**Slightly more than half of all home purchase loans to African-Americans were subprime, nearly five times higher than the percentage of all home purchase loans to whites that were subprime (Table 3).**

50.6% of all home purchase loans to African-Americans were subprime. This means that more than half of African-Americans that received a home purchase loan received a subprime home purchase loan. This was 4.7 times higher than the 10.7% of all home purchase loans to whites that were subprime. African-Americans were thus nearly five times more likely than whites to receive subprime home purchase loans.

	African-Americans	Whites	Ratio--African American/White
Percentage of all Home Purchase Loans that were Subprime	50.6%	10.7%	4.7

**Nearly forty percent of all home purchase loans to Latinos were subprime, more than three times higher than the percentage of all home purchase loans to whites that were subprime (Table 3).**

36.9% of all home purchase loans to Latinos were subprime. This means that nearly two out of five Latinos who received a home purchase loan received a subprime home purchase loan. This was 3.4 times higher than the 10.7% of all home purchase loans to whites that were subprime. Latinos were thus more than three times more likely than whites to receive subprime home purchase loans.

	Latinos	Whites	Ratio--Latinos/White
Percentage of all Home Purchase Loans that were Subprime	36.9%	10.7%	3.4

**Approximately fifteen percent of all home purchase loans to Asian-Americans were subprime, 1.4 times higher than the percentage of all home purchase loans to whites that were subprime (Table 3).**

15.2% of all home purchase loans to Asian-Americans were subprime. This was 1.4 times higher than the 10.7% of all home purchase loans to whites that were subprime. Asian-Americans were thus 1.4 times more likely than whites to receive subprime home purchase loans.

	Asians-Americans	Whites	Ratio--Asian-Americans/White
Percentage of all Home Purchase Loans that were Subprime	15.2%	10.7%	1.4

**More than forty percent of all home purchase loans to residents of predominantly minority neighborhoods were subprime, nearly six times higher than the percentage of all home purchase loans to residents of predominantly white neighborhoods that were subprime (Table 3).**

42.2% of all home purchase loans to residents of predominantly minority neighborhoods were subprime. This means that more than two of every five home purchase loans to residents of predominantly minority neighborhoods were subprime. This was 5.6 times higher than the 7.5% of all home purchase loans to predominantly white neighborhoods that were subprime. Residents of predominantly minority neighborhoods were thus nearly six times more likely than residents of predominantly white neighborhoods to receive subprime home purchase loans.

	Minority N'hoods	White N'hoods	Ratio--Minority N'hoods/White N'hoods
Percentage of all Home Purchase Loans that were Subprime	42.2%	7.5%	5.6

**SECTION II: THE TEN LARGEST HOME PURCHASE LOAN LENDERS AND THE TEN LARGEST SUBPRIME HOME PURCHASE LENDERS IN NEW YORK CITY, 2006**

**The ten lenders who made the most home purchase loans in 2006 made a large majority of all home purchase loans. The ten lenders who made the most subprime home purchase loans made a large majority of all subprime home purchase loans. Four lenders are on both the top ten home purchase loan lenders and the top ten subprime loan lenders lists. This means that sixteen different lenders are on at least one of the two lists (Table 4 and Table 5).**

The ten lenders who made the highest number of home purchase loans in New York City in 2006 made 31,684 home purchase loans, constituting 58.0% of all home purchase loans. JP Morgan Chase Bank ranked first with 6,867 home purchase loans and a market share of 12.6%.

The ten lenders who made the highest number of subprime loans in New York City in 2006 made 8,050 subprime home purchase loans, constituting 64.3% of all subprime home purchase loans. Fremont Investment & Loan was the largest subprime lender, originating 1,858 subprime home purchase loans, constituting 14.8% of all subprime home purchase loans.

Four lenders are among both the top ten home purchase loan lenders and the top ten subprime home purchase loan lenders lists: Fremont Investment & Loan; WMC Mortgage Company; New Century Mortgage; and Countrywide Home Loans. JP Morgan Chase Bank, the top-ranked home purchase loan lender, was not among the top ten subprime home purchase loan lenders in 2006. Fremont Investment & Loan, the top-ranked subprime home purchase loan lender, was the eighth-ranking home purchase loan lender, originating 1,950 home purchase loans, a market share of 3.6%.

**Percentage of all the home purchase loans that individual lenders made that were subprime to borrowers by race and to neighborhoods by racial composition**

**The percentages of all the home purchase loans that eight lenders made that were subprime home purchase loans to African-Americans and Latinos were disproportionately high (Tables 6 and 6A).**

The percentages of all of eight lenders' home purchase loans that were subprime home purchase loans to African-Americans and Latinos were disproportionately high. This conclusion is based on the facts that the percentages of all of each lender's home purchase loans that were subprime home purchase loans to African-Americans and Latinos were higher than the aggregate percentages and the percentages they made to whites.

The following chart shows the percentages of all the home purchase loans that each of the eight lenders made that were subprime home purchase loans to African-Americans, Latinos, and whites. It also shows the ratios of each lender's percentages to African-Americans and Latinos to the aggregate percentages.

Lender	% to African-Americans	Ratio – Lender/Aggregate	% to Latinos	Ratio – Lender/Aggregate	% to Whites
Fremont	45.3%	5.1	19.6%	3.8	11.2%
WMC	39.5%	4.4	23.5%	4.6	15.3%
New Century	40.3%	4.5	21.5%	4.2	13.1%
National City	36.6%	4.1	17.4%	3.4	11.9%
Option One	43.7%	4.9	23.9%	4.7	14.3%
Argent	31.6%	3.6	19.1%	3.7	27.9%
Accredited	31.4%	3.5	21.6%	4.2	16.9%
Long Beach	43.5%	4.9	25.6%	5.0	12.1%

Thus, for example, 45.3% of all home purchase loans that Fremont made were subprime home purchase loans to African-Americans, 5.1 times higher than the aggregate percentage and 4 times higher than the 11.2% it made to whites.

**The percentages of all the home purchase loans that nine lenders made that were subprime home purchase loans to residents of predominantly minority neighborhoods were disproportionately high (Tables 6 and 6A).**

The percentages of all of nine lenders' home purchase loans that were subprime home purchase loans to residents of predominantly minority neighborhoods were disproportionately high. This conclusion is based on the facts that the percentages of all of each lender's home purchase loans that were subprime home purchase loans to residents of predominantly minority neighborhoods were higher than the aggregate percentage and the percentages they made to residents of predominantly white neighborhoods.

The following chart shows the percentages of all the home purchase loans that each of the nine lenders made that were subprime home purchase loans to residents of predominantly minority neighborhoods and predominantly white neighborhoods. It also shows the ratio of each lender's percentage to residents of predominantly minority neighborhoods to the aggregate percentage.

Lender	% to Minority N'hoods	Ratio – Lender/Aggregate	% to White N'hoods
Fremont	71.5%	4.5	4.4%
WMC	70.6%	4.4	5.3%
New Century	65.7%	4.1	3.7%
National City	60.5%	3.8	4.3%
Option One	65.9%	4.1	6.8%
Indymac	21.4%	1.3	2.5%

Argent	65.4%	4.1	4.9%
Accredited	64.7%	4.0	2.4%
Long Beach	75.9%	4.7	3.8%

Thus, for example, 75.9% of all home purchase loans that Long Beach made were subprime home purchase loans to predominantly minority neighborhoods, 4.7 times higher than the aggregate percentage and 20 times higher than the 3.8% it made to residents of predominantly white neighborhoods.

**Percentage of all the home purchase loans individual lenders made to borrowers by race and to neighborhoods by racial composition that were subprime**

**The percentages of all the home purchase loans that six lenders made to African-Americans and Latinos that were subprime were significantly higher than the percentages they made to whites (Table 7).**

The percentages of all the home purchase loans that six lenders made to African-Americans and Latinos that were subprime were higher than the percentages they made to whites. The following chart shows the percentages of home purchase loans each lender made to African-Americans, Latinos, and whites that were subprime and the ratio of each lender’s percentages of home purchase loans to African-Americans and Latinos that were subprime to their percentages of home purchase loans to whites that were subprime.

Lender	% to African-Americans	Ratio – African-Americans/Whites	% to Latinos	Ratio – Latinos/Whites	% to Whites
JP Morgan Chase	15.6%	5.6	12.4%	4.5	2.8%
Citimortgage	1.7%	5.7	1.6%	4.9	0.3%
Wells Fargo	23.0%	17.7	10.9%	8.4	1.3%
HSBC	2.6%	6.4	2.3%	5.7	0.4%
Countrywide	33.7%	3.1	18.4%	1.7	10.8%
Greenpoint	19.7%	3.9	14.3%	2.9	5.0%

Thus, for example, African-Americans were 17.7 times more likely than whites and Latinos were 8.4 times more likely than whites to receive subprime home purchase loans from Wells Fargo.

**The percentages of all the home purchase loans that six lenders made to residents of predominantly minority neighborhoods that were subprime were higher than their percentages they made to residents of predominantly white neighborhoods (Table 7).**

The percentages of all the home purchase loans that six lenders made to residents of predominantly minority neighborhoods that were subprime were higher than the percentages they made to residents of predominantly white neighborhoods. The following chart shows the percentages of all the home purchase loans each lender made to residents of predominantly

minority neighborhoods and residents of predominantly white neighborhoods that were subprime, and the ratio of the two percentages.

Lender	% to Minority N'hoods	% to White N'hoods	Ratio – Minority/ White N'hoods
JP Morgan Chase	13.0%	1.5%	8.7
Citimortgage	1.1%	0.2%	7.4
Wells Fargo	12.0%	1.2%	10.0
HSBC	1.6%	0.5%	3.2
Countrywide	31.8%	7.6%	4.2
Greenpoint	17.5%	4.4%	4.0

Thus, for example, residents of predominantly minority neighborhoods were 10 times more likely than residents of predominantly minority neighborhoods to receive subprime home purchase loans from Wells Fargo.

## **PART TWO: WESTCHESTER COUNTY**

### **SECTION I: AGGREGATE LENDING BY ALL HMDA LENDERS IN WESTCHESTER COUNTY, 2005-2006**

**The total number of home purchase loans and subprime home purchase loans decreased in Westchester County in 2006 but the decline in subprime lending was smaller (Table 8 and Table 9).**

The total number of home purchase loans in Westchester County decreased by 16.1% from 2005 to 2006 and the total number of subprime home purchase loans decreased by 5.0%. Subprime home purchase loans constituted 11.7% of all home purchase loans in 2005 and increased to 13.3% in 2006.

	2005	2006	% Change 2005-2006
Home Purchase Loans	12,285	10,309	(16.1)
Subprime Home Purchase Loans	1,443	1,371	(5.0)

### **Market Share of Loans in 2006**

**African-Americans' market share of subprime home purchase loans was greater than their market share of home purchase loans. The reverse was true for whites. The disparity index was 6.2 (Table 8 and Table 9).**

African-Americans' market share of subprime home purchase loans was 28.6%, 3.1 times higher than their 9.1% market share of home purchase loans. Whites' market share of subprime home purchase loans was 25.0%, half their 51.9% market share of all home purchase loans. The disparity index was 6.2, calculated as shown below.

	MS—Subprime Home Purchase Loans	MS—Home Purchase Loans	Ratio
African-Americans	28.6%	9.1%	3.1
Whites	25.0%	51.9%	0.5
Disparity Index			6.2

**Latinos’ market share of subprime home purchase loans was greater than their market share of home purchase loans. The reverse was true for whites. The disparity index was 4.6 (Table 8 and Table 9).**

Latinos’ market share of subprime home purchase loans was 32.3%, 2.3 times higher than their 13.8% market share of all home purchase loans. Whites’ market share of subprime home purchase loans was 25.0%, half their 51.9% market share of all home purchase loans. The disparity index was 4.6, calculated as shown below.

	MS—Subprime Home Purchase Loans	MS—Home Purchase Loans	Ratio
Latinos	32.3%	13.8%	2.3
Whites	25.0%	51.9%	0.5
Disparity Index			4.6

**Asian-Americans’ market share of subprime home purchase was lower than their market share of home purchase loans, the same as for whites. However, the difference was lower for Asian-Americans. The disparity index was 1.2 (Table 8 and Table 9).**

Asian-Americans’ market share of subprime home purchase loans was 2.6%, 60% of their 4.5% market share of all home purchase loans. Whites’ market share of all subprime home purchase loans was 25.0%, half their 51.9% market share of all home purchase loans. The disparity index was 1.2, calculated as shown below.

	MS—Subprime Home Purchase Loans	MS—Home Purchase Loans	Ratio
Asian-Americans	2.6%	4.5%	0.6
Whites	25.0%	51.9%	0.5
Disparity Index			1.2

**The market share of all subprime home purchase loans residents of predominantly minority neighborhoods held was higher than their market share of home purchase loans.**

**The reverse was true for residents of predominantly white neighborhoods. The disparity index was 7.8 (Table 8 and Table 9).**

Residents of predominantly minority neighborhoods held a market share of 23.2% of subprime home purchase loans, 3.9 times higher than their 5.9% market share of all home purchase loans. Residents of predominantly white neighborhoods held 21.9% of all subprime home purchase loans, half their 45.0% market share of all home purchase loans. The disparity index was 7.8, calculated as shown below.

	MS—Subprime Home Purchase Loans	MS—Home Purchase Loans	Ratio
Minority Neighborhoods	23.2%	5.9%	3.9
White Neighborhoods	21.9%	45.0%	0.5
Disparity Index			7.8

**Percentage of all home purchase loans to borrowers by race and to neighborhoods by racial composition that were subprime**

**More than forty percent of all home purchase loans to African-Americans were subprime, more than six times higher than the percentage of all home purchase loans to whites that were subprime (Table 10).**

42.0% of all home purchase loans to African-Americans were subprime. This means that more than two of five African-Americans who received a home purchase loan received a subprime home purchase loan. This was 6.6 times higher than the 6.4% of all home purchase loans to whites that were subprime. African-Americans were thus more than six times more likely than whites to receive subprime home purchase loans.

	African-Americans	Whites	Ratio – African American/White
Percentage of all Home Purchase Loans that were Subprime	42.0%	6.4%	6.6

**More than thirty percent of all home purchase loans to Latinos were subprime, more than five time higher than the percentage of all home purchase loans to whites that were subprime (Table 10).**

31.8% of all home purchase loans to Latinos were subprime. This means that more than three of ten Latinos who received a home purchase loan received a subprime home purchase loan. This was five times higher than the 6.4% of all home purchase loans to whites that were subprime. This means that Latinos were five times more likely than whites to receive subprime home purchase loans.

	Latinos	Whites	Ratio –Latinos/White
Percentage of all Home Purchase Loans that were Subprime	31.8%	6.4%	5.0

**More than seven percent of all home purchase loans to Asian-Americans were subprime, approximately 1.2 times higher than the percentage of all home purchase loans to whites that were subprime (Table 10).**

7.6% of all home purchase loans to Asian-Americans were subprime. This was 1.2 times higher than the 6.4% of all home purchase loans to whites that were subprime. This means that Asian-Americans were 1.2 times more likely than whites to receive subprime home purchase loans.

	Asian-Americans	Whites	Ratio – Asian-Americans/White
Percentage of all Home Purchase Loans that were Subprime	7.6%	6.4%	1.2

**More than half of all home purchase loans to residents of predominantly minority neighborhoods were subprime, eight times higher than the percentage of all home purchase loans to residents of predominantly white neighborhoods that were subprime (Table 10).**

52.4% of all home purchase loans to residents of predominantly minority neighborhoods were subprime. This means that more than one out of two home purchase loans to residents of predominantly minority neighborhoods were subprime. This is 8.1 times higher than the 6.5% of all home purchase loans to residents of predominantly white neighborhoods that were subprime. Residents of predominantly minority neighborhoods were thus 8.1 times more likely than residents of predominantly white neighborhoods to receive subprime home purchase loans.

	Minority N'hoods	White N'hoods	Ratio – Minority N'hoods/White N'hoods
Percentage of all Home Purchase Loans that were Subprime	52.4%	6.5%	8.1

## **SECTION II: THE TEN LARGEST HOME PURCHASE LOAN LENDERS AND THE TEN LARGEST SUBPRIME HOME PURCHASE LENDERS IN WESTCHESTER COUNTY, 2006**

**The ten lenders who made the most home purchase loans in 2006 made over half of all home purchase loans. The ten lenders who made the most subprime home purchase loans made a majority of all subprime home purchase loans. Three lenders are on both the top ten home purchase loan lenders and the top ten subprime home purchase loan lenders lists. This means that seventeen different lenders are on at least one of the two lists (Table 11 and Table 12).**

The ten lenders that made the highest number of home purchase loans in Westchester County in 2006 made 6,424 home purchase loans, constituting 62.3% of all home purchase loans. Wells Fargo Bank ranked first with 1,580 home purchase loans and a market share of 15.3%.

The ten lenders who made the highest number of subprime loans in Westchester County in 2006 made 838 subprime home purchase loans, constituting 61.1% of all subprime home purchase loans. WMC Mortgage Company was the largest subprime lender, originating 172 subprime home purchase loans, constituting 12.6% of all subprime home purchase loans.

Three lenders are listed on both the top ten home purchase loan lenders and the top ten subprime home purchase loan lenders lists: JP Morgan Chase; Countrywide Home Loans; and Indymac Bank. Wells Fargo, the top ranked home purchase loan lender, was not among the top ten subprime home purchase loan lenders in 2006. WMC, the top-ranked subprime home purchase loan lender, was not among the top ten home purchase lenders.

**Percentage of all the home purchase loans that individual lenders made that were subprime to borrowers by race and to neighborhoods by racial composition**

**The percentages of all the home purchase loans that four lenders made that were subprime home purchase loans to African-Americans and Latinos were disproportionately high (Table 13).**

The percentages of all of four lenders’ home purchase loans that were subprime home purchase loans to African-Americans and Latinos were disproportionately high. This conclusion is based on the facts that the percentages of all of each of the lender’s home purchase loans that were subprime home purchase loans to African-Americans and Latinos were higher than the aggregate percentages and higher than the percentages they made to whites.

The following chart shows the percentages of all the home purchase loans that each of the four lenders made that were subprime home purchase loans to African-Americans, Latinos, and whites. It also shows the ratios of the lenders’ percentages to African-Americans and Latinos to the aggregate percentages.

Lender	% to African-Americans	Ratio – Lender/Aggregate	% to Latinos	Ratio – Lender/Aggregate	% to Whites
WMC	36.6%	9.6	31.7%	7.2	16.9%
Fremont	32.2%	8.5	33.9%	7.7	22.4%
National City	23.9%	6.3	23.9%	5.4	13.8%
New Century	28.8%	7.6	34.6%	7.9	18.3%

Thus, for example, 36.6% of all the home purchase loans that WMC made were subprime home purchase loans to African-Americans, 9.6 times higher than the aggregate percentage and more than twice as high as the 16.9% it made to whites.

**The percentages of all of the home purchase loans that four lenders made that were subprime home purchase loans to residents of predominantly minority neighborhoods were disproportionately high (Table 13).**

The percentages of all of four lenders' home purchase loans that were subprime home purchase loans to residents of predominantly minority neighborhoods were disproportionately high. This conclusion is based on the facts that the percentages of all of each lender's home purchase loans that were subprime home purchase loans to residents of predominantly minority neighborhoods were higher than the aggregate percentage and higher than their percentages to residents to predominantly white neighborhoods.

The following chart shows the percentages of all of the home purchase loans that each of the four lenders made that were subprime home purchase loans to residents of predominantly minority neighborhoods and predominantly white neighborhoods. It also shows the ratio of the lenders' percentages to residents of predominantly minority neighborhoods to the aggregate percentages.

Lender	% to Minority N'hoods	Ratio – Lender/Aggregate	% to White N'hoods
WMC	29.0%	9.4	15.3%
Fremont	20.1%	6.5	16.1%
National City	18.8%	6.1	8.7%
New Century	20.2%	6.5	23.1%

Thus, for example, 29.0% of all home purchase loans that WMC made were subprime home purchase loans to residents of predominantly minority neighborhoods, 9.4 times higher than the aggregate percentage and nearly twice as high as the 15.3% it made to residents of predominantly white neighborhoods.

**Percentage of all home purchase loans to borrowers by race and to neighborhoods by racial composition that were subprime**

**The percentages of all the home purchase loans that three lenders made to African-Americans and Latinos that were subprime were significantly higher than their percentages to whites (Table 14).**

The percentages of all the home purchase loans that three lenders made to African-Americans and Latinos that were subprime were higher than the percentages they made to whites. The following chart shows the percentages of home purchase loans each of the three lenders made to African-Americans, Latinos, and whites that were subprime and the ratios of each lender's percentage of home purchase loans to African-Americans and Latinos that were subprime to the percentage of home purchase loans to whites that were subprime.

Lender	% to African-Americans	Ratio – African-Americans/ Whites	% to Latinos	Ratio – Latinos/ Whites	% to Whites
National City	97.1%	2.4	78.6%	2.0	41.3%
Indymac	43.3%	2.0	28.8%	1.3	21.9%
Countrywide Loans	34.4%	12.7	14.0%	5.2	2.7%

Thus, for example, African-Americans were 12.7 times more likely than whites and Latinos were 5.2 times more likely than whites to receive subprime home purchase loans from Countrywide.

**The percentages of all the home purchase loans that two lenders made to residents of predominantly minority neighborhoods that were subprime were higher than their percentages to residents of predominantly white neighborhoods (Table 14).**

The percentages of all the home purchase loans that two lenders made to residents of predominantly minority neighborhoods that were subprime were higher than the percentages they made to residents of predominantly white neighborhoods. The following chart shows the percentages of all the home purchase loans each lender made to residents of predominantly minority neighborhoods and residents of predominantly white neighborhoods that were subprime, and the ratio of the two percentages.

Lender	% to Minority N'hoods	% to White N'hoods	Ratio – Minority/ White N'hoods
National City	96.3%	31.6%	3.0
Countrywide	46.2%	6.1%	7.6

Thus, for example, residents of predominantly minority neighborhood were 7.6 times more likely than residents of predominantly white neighborhoods to receive subprime home purchase loans from Countrywide.

## CONCLUSION

This report presented data that show that African-Americans, Latinos and residents of predominantly minority neighborhoods received significantly higher percentages of subprime home purchase loans than whites and residents of predominantly white neighborhoods in New York City and Westchester County in 2006. It also presented data that several of the largest home mortgage lenders made disproportionately high percentages of subprime home purchase loans to African-American, Latinos, and residents of predominantly minority neighborhoods. The data presented in this report are not conclusive evidence of discriminatory practices in subprime home mortgage lending because they do not include the criteria that determine the borrowers' credit worthiness, most particularly the borrower's credit score. Because HMDA does not require home mortgage lenders to disclose such information, it is not available to the public.

The conclusions of this report are consistent with the report released by the Board of Governors of the Federal Reserve System (the “Fed”) in December 2007, which found that African-Americans and Latinos and residents of predominantly minority neighborhoods were more likely to have received subprime home mortgage loans than whites and residents of predominantly white neighborhoods in 2006.<sup>6</sup> While the Fed report acknowledged the limitations in the HMDA data, it recognized that the results raised concerns about possible discriminatory home mortgage lending practices.<sup>7</sup> Although the conclusions reached here and in the Fed report may not be conclusive evidence of racial discrimination in home mortgage lending, the disparities along racial lines are so large that they call for in-depth investigation and vigorous enforcement of the fair lending laws by the federal and state agencies with the authority to do so.

The disproportionate distribution of subprime home purchase loans means not only higher cost of homeownership but also a greater risk of foreclosure to African-Americans, Latinos and residents of predominantly minority neighborhoods. Because subprime loans lead to disproportionately high default and foreclosure rates, concentrations of subprime loans among African-American and Latino families and in predominantly minority neighborhoods means higher foreclosure rates in these communities.<sup>8</sup> As the subprime home mortgage crisis unfolds and as more homeowners face default and foreclosure, the government, lenders, and advocates searching for solutions must keep in mind the evidence that the racial impact of subprime loans may have been intentional.

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<sup>6</sup> Robert B. Avery, Kenneth P. Brevoort & Glenn G. Canner, *The 2006 HMDA Data*, 94 FEDERAL RESERVE BULLETIN A73, (2007), available at <http://www.federalreserve.gov/pubs/bulletin/2007/pdf/hmda06final.pdf>.

<sup>7</sup> *Id.* at A77.

<sup>8</sup> CALIFORNIA REINVESTMENT COALITION ET AL., *PAYING MORE FOR THE AMERICAN DREAM, THE SUBPRIME SHAKEOUT AND ITS IMPACT ON LOWER-INCOME AND MINORITY COMMUNITIES* (2008), available at <http://www.nedap.org/documents/MultistateHMDARReport-Final21.pdf>.

## **APPENDIX I: REPORT VARIABLES**

This report uses several variables which are defined more fully in the Glossary in Appendix II. The variables are:

### **Loan Type:**

- Home Purchase Loan
- Subprime Home Purchase Loan

### **Lender:**

- All lenders in New York City in the aggregate
- All lenders in Westchester County in the aggregate
- 10 lenders that made the highest number of home purchase loans
- 10 lenders that made the highest number of subprime home purchase loans

### **Borrower Characteristics:**

- African-American
- Latino
- Asian
- White, non-Latino

### **Neighborhood Characteristics:**

- <20% minority (predominantly white)
- 80 – 100% minority (predominantly minority)

## **APPENDIX II: GLOSSARY**

**African-American:** a person having origins in any of the black racial groups in Africa.<sup>9</sup>

**Aggregate:** all the lenders that report HMDA data in New York City combined or in Westchester County combined.

**Asian:** a person having origins in any of the original peoples of the Far East, Southeast Asia or the Indian subcontinent.<sup>10</sup>

**Conventional loan:** a loan that is not insured or guaranteed by the federal government.

**Disparity index:** The disparity index is calculated by dividing the subprime home purchase loan market share/home purchase loan market share ratio for one group by the same ratio for another group. It thus measures the extent of the difference in the ratios for each group, giving an indication of how much more prevalent subprime lending is in one community compared with another.

**HMDA:** the Home Mortgage Disclosure Act, which is the federal statute that requires lenders to report data about their home mortgage lending.

**Home purchase loan:** a first-lien conventional loan secured by and made for the purpose of buying a one-to-four family, owner-occupied home.<sup>11</sup>

**Latino:** a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin, regardless of race.<sup>12</sup>

**Lien:** an interest in real property secured by a mortgage.

**Loan origination:** a loan a lender makes to a borrower.

**Market share:** the percentage share of all loans held by a particular racial group or by residents of a particular neighborhood.

**Predominantly minority neighborhood:** a neighborhood whose racial composition is 80% or higher minority.

**Predominantly white neighborhood:** a neighborhood whose racial composition is less than 20% minority.

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<sup>9</sup> Office of Management and Budget, [http://www.whitehouse.gov/omb/inforeg/re\\_app-a-update.pdf](http://www.whitehouse.gov/omb/inforeg/re_app-a-update.pdf) (last visited May, 26, 2008).

<sup>10</sup> *Id.*

<sup>11</sup> 12 C.F.R. § 203.2(h) (2007).

<sup>12</sup> Office of Management and Budget, [http://www.whitehouse.gov/omb/inforeg/re\\_app-a-update.pdf](http://www.whitehouse.gov/omb/inforeg/re_app-a-update.pdf) (last visited May, 26, 2008).

**Subprime loans:** a home mortgage loans whose interest rate is at least three percentage points higher than the interest rate on the Treasury bill of comparable maturity.<sup>13</sup>

**White:** a person having origins in any of the original people of Europe, the Middle East, or North America and who is not a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin.<sup>14</sup>

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<sup>13</sup> 12 C.F.R. § 203.4(a)(12) (2007).

<sup>14</sup> Office of Management and Budget, [http://www.whitehouse.gov/omb/inforeg/re\\_app-a-update.pdf](http://www.whitehouse.gov/omb/inforeg/re_app-a-update.pdf) (last visited May, 26, 2008).

### APPENDIX III: DESCRIPTION OF TABLES

**Table 1** shows the (1) total number of home purchase loans originated in New York City in 2005 and 2006 by race of the borrower and the racial composition of the neighborhood in which the property that was the subject of the loan is located; (2) market share by the same characteristics; and (3) percentage change in market share from 2005 to 2006.

**Table 2** shows the (1) total number of subprime home purchase loans originated in New York City in 2005 and 2006 by race of the borrower and the racial composition of the neighborhood in which the property that was the subject of the loan is located; (2) market share by the same characteristics; and (3) percentage change in the market share from 2005 to 2006.

**Table 3** shows the (1) total number of home purchase loans originated in New York City in 2005 and 2006 by race of the borrower and the racial composition of the neighborhood in which the property that was the subject of the loan is located; (2) total number of subprime home purchase loans by the same characteristics; (3) percentage of home purchase loans that each particular group or neighborhood received that were subprime; and (4) percentage change from 2005 to 2006.

**Table 4** shows the (1) ten lenders that originated the most home purchase loans in New York City in 2006; (2) total number of home purchase loans that each lender originated; and (3) each lender's market share.

**Table 5** shows the (1) ten lenders that originated the most subprime home purchase loans in New York City in 2006; (2) total number of subprime home purchase loans that each lender originated; and (3) each lender's market share.

**Table 6** shows, for the ten lenders that originated the most home purchase loans in New York City in 2006, the (1) total number of home purchase loans that each lender made; (2) total number of subprime home purchase loans that each lender made by race of the borrower and by racial composition of the neighborhood in which the property that was the subject of the loan is located; (3) percentage of all the lender's home purchase loans that were subprime loans to each borrower category; and (4) aggregate percentages for all lenders in New York City in 2006, comparing each lender's percentages with the aggregate percentages. An individual lender's percentage that is higher than the corresponding aggregate percentage is in bold.

**Table 6A** shows, for the ten lenders that originated the most subprime home purchase loans in New York City in 2006, the (1) total number of home purchase loans that each lender made; (2) total number of subprime home purchase loans that each lender made by race of the borrower and by racial composition of the neighborhood in which the property that was the subject of the loan is located; (3) percentage of all the lender's home purchase loans that were subprime loans to each borrower category; and (4) aggregate percentages for all lenders in New York City in 2006, comparing each lender's percentages with the aggregate percentages. An individual lender's percentage that is higher than the corresponding aggregate percentage is in bold.

**Table 7** shows, for the ten lenders that made the most home purchase loans in New York City in 2006, the percentage of all home purchase loans the lender made to borrowers that were subprime by the race of the borrower and by the racial composition of the neighborhood in which the property that was the subject of the loan is located.

**Table 7A** shows, for the ten lenders that made the most subprime home purchase loans in New York City in 2006, the percentage of all home purchase loans the lender made to borrowers that were subprime by the race of the borrower and by the racial composition of the neighborhood in which the property that was the subject of the loan is located.

**Table 8** shows the (1) total number of home purchase loans originated in Westchester County in 2005 and 2006 by the race of the borrower and by the racial composition of the neighborhood in which the property that was the subject of the loan is located; (2) market share by the same characteristics; and (3) percentage change in market share from 2005 to 2006.

**Table 9** shows the (1) total number of subprime home purchase loans originated in Westchester County in 2005 and 2006 by the race of the borrower and by the racial composition of the neighborhood in which the property that was subject of the loan is located; (2) market share by the same characteristics; and (3) percentage change in the market share from 2005 to 2006.

**Table 10** shows the (1) total number of home purchase loans originated in Westchester County in 2005 and 2006 by race of the borrower and by the racial composition of the neighborhoods in which the property that was subject of the loan is located; (2) total number of subprime home purchase loans by the same characteristics; (3) percentage of home purchase loans that each particular group or neighborhood received that were subprime; and (4) the percentage change from 2005 to 2006.

**Table 11** shows the (1) ten lenders that originated the most home purchase loans in Westchester County in 2006; (2) total number of home purchase loans that each lender originated; and (3) each lender's market share.

**Table 12** shows the (1) ten lenders that originated the most subprime home purchase loans in Westchester County in 2006; (2) total number of subprime home purchase loans that each lender originated; and (3) each lender's market share.

**Table 13** shows, for the ten lenders that originated the most subprime home purchase loans in Westchester County in 2006, the (1) total number of home purchase loans that each lender made; (2) total number of subprime home purchase loans that each lender made by race of the borrower and by the racial composition of the neighborhood in which the property that was the subject of the loan is located; (3) percentage of all of the lender's home purchase loans that were subprime loans to each borrower category; and (4) aggregate percentages for all lenders in Westchester in 2006, comparing each lender's percentages with the aggregate percentages. An individual lender's percentage that is higher than the corresponding aggregate percentage is in bold.

**Table 14** shows, for the ten lenders that made the most subprime home purchase loans in Westchester County in 2006, the percentage of all home purchase loans the lender made to

borrowers that were subprime by race of the borrower and by the racial composition of the neighborhood in which the property that is the subject of the loan is located.

**APPENDIX IV: TABLES**

**Table 1**  
HOME PURCHASE LOANS RECEIVED, MARKET SHARE, AND PERCENTAGE CHANGE  
NEW YORK CITY 2005-2006

Borrower Characteristics	2005		2006		% Change in Market Share +/-
	Loans Received	Market Share	Loans Received	Market Share	
African-American	9,159	15.6%	9,613	17.6%	12.9
Asian	9,853	16.7%	8,849	16.2%	(3.0)
Latino	7,495	12.7%	7,536	13.8%	8.7
White Non-Latino	23,104	39.3%	19,884	36.4%	(7.4)
Neighborhood Characteristics	2005		2006		% Change in Market Share +/-
	Loans Received	Market Share	Loans Received	Market Share	
<20% Minority	11,557	19.6%	9,586	17.5%	(10.7)
80-100% Minority	20,266	34.4%	20,710	37.9%	10.2
<b>Total Home Purchase Loans Originated</b>	<b>58,831</b>		<b>54,628</b>		<b>(7.1)</b>

**Table 2**

SUBPRIME HOME PURCHASE LOANS RECEIVED, MARKET SHARE, AND PERCENTAGE CHANGE  
NEW YORK CITY 2005-2006

Borrower Characteristics	2005		2006		% Change in Market Share +/-
	Subprime HP Loans Received	Market Share	Subprime HP Loans Received	Market Share	
African-American	4,360	36.7%	4,863	38.8%	5.7
Asian	1,450	12.2%	1,341	10.7%	(12.3)
Latino	2,743	23.1%	2,779	22.2%	(3.9)
White Non-Latino	2,173	18.3%	2,132	17.0%	(7.1)
Neighborhood Characteristics	2005		2006		% Change in Market Share +/-
	Subprime HP Loans Received	Market Share	Subprime HP Loans Received	Market Share - All HP Loans	
<20% Minority	732	6.2%	720	5.7%	(8.1)
80-100% Minority	8,248	69.4%	8,733	69.7%	0.4
<b>Total Subprime Home Purchase Loans Originated</b>	<b>11,888</b>		<b>12,526</b>		<b>5.4</b>

**Table 3**  
**PERCENTAGE OF ALL HOME PURCHASE LOANS RECEIVED THAT WERE SUBPRIME AND PERCENTAGE CHANGE**  
**NEW YORK CITY 2005-2006**

Borrower Characteristics	2005			2006			% Change +/-
	Home Purchase Loans	Subprime HP Loans	% Subprime	Home Purchase Loans	Subprime HP Loans	% Subprime	
African-American	9,159	4,360	47.6%	9,613	4,863	50.6%	6.3
Asian	9,853	1,450	14.7%	8,849	1,341	15.2%	3.4
Latino	7,495	2,743	36.6%	7,536	2,779	36.9%	0.8
White Non-Latino	23,104	2,173	9.4%	19,884	2,132	10.7%	13.8
Neighborhood Characteristics	2005			2006			% Change +/-
	Home Purchase Loans	Subprime HP Loans	% Subprime	Home Purchase Loans	Subprime HP Loans	% Subprime	
<20% Minority	11,557	732	6.3%	9,586	720	7.5%	19.0
80-100% Minority	20,266	8,248	40.7%	20,710	8,733	42.2%	3.7

**Table 4**  
TOP 10 LENDERS - HOME PURCHASE LOANS  
NEW YORK CITY 2006

Rank	Institution	Loans Originated	Market Share
1	JP MORGAN CHASE BANK	6,867	12.6%
2	CITIMORTGAGE, INC.	5,579	10.2%
3	WELLS FARGO BANK, N.A.	4,777	8.7%
4	HSBC MORTGAGE CORPORATION	2,911	5.3%
5	WASHINGTON MUTUAL BANK	2,517	4.6%
6	COUNTRYWIDE HOME LOANS	2,061	3.8%
7	GREENPOINT MORTGAGE FUNDING	2,056	3.8%
8	FREMONT INVESTMENT & LOAN	1,950	3.6%
9	WMC MORTGAGE COMPANY	1,518	2.8%
10	NEW CENTURY MORTGAGE CORPORATION	1,448	2.7%
<b>TOTAL</b>		<b>31,684</b>	<b>58.0%</b>

**Table 5**  
TOP 10 LENDERS - SUBPRIME HOME PURCHASE LOANS  
NEW YORK CITY 2006

<b>Rank</b>	<b>Institution</b>	<b>Loans Originated</b>	<b>Market Share</b>
1	FREMONT INVESTMENT & LOAN	1,858	14.8%
2	WMC MORTGAGE COPMANY	1,479	11.8%
3	NEW CENTURY MORTGAGE	1,322	10.6%
4	NATIONAL CITY BANK	873	7.0%
5	OPTION ONE MORTGAGE CORPORATION	527	4.2%
6	INDYMAC BANK, F.S.B.	445	3.6%
7	ARGENT MORTGAGE COMPANY	437	3.5%
8	ACCREDITED HOME LENDERS, INC.	401	3.2%
9	COUNTRYWIDE HOME LOANS	374	3.0%
10	LONG BEACH MORTGAGE CO.	334	2.7%
<b>TOTAL</b>		<b>8,050</b>	<b>64.3%</b>

**Table 6**  
TOP 10 HOME PURCHASE LOAN LENDERS  
SUBPRIME HOME PURCHASE LOANS AND PERCENT OF ALL THE LENDER'S HOME PURCHASE LOANS THAT WERE SUBPRIME  
BY BORROWER RACE OR NEIGHBORHOOD RACIAL COMPOSITION  
NEW YORK CITY 2006

Institution	African-American	% all HP Loans	Asian	% all HP Loans	Latino	% all HP Loans	White Non-Latino	% all HP Loans	White N'hood	% all HP Loans	Minority N'hood	% all HP Loans	All HP Loans
JP MORGAN CHASE BANK	86	1.3%	51	0.7%	66	1.0%	76	1.1%	23	0.3%	203	3.0%	6,867
CITIMORTGAGE, INC.	8	0.1%	2	0.0%	9	0.2%	9	0.2%	2	0.0%	16	0.3%	5,579
WELLS FARGO BANK, N.A.	71	1.5%	18	0.4%	34	0.7%	34	0.7%	15	0.3%	93	1.9%	4,777
HSBC MORTGAGE CORPORATION	7	0.2%	7	0.2%	7	0.2%	4	0.1%	2	0.1%	14	0.5%	2,911
WASHINGTON MUTUAL BANK	6	0.2%	8	0.3%	7	0.3%	30	1.2%	12	0.5%	13	0.5%	2,517
COUNTRYWIDE HOME LOANS	112	5.4%	65	<b>3.2%</b>	76	3.7%	81	<b>3.9%</b>	26	<b>1.3%</b>	245	11.9%	2,061
GREENPOINT MORTGAGE FUNDING	39	1.9%	18	0.9%	41	2.0%	52	2.5%	24	1.2%	85	4.1%	2,056
FREMONT INVESTMENT & LOAN	883	<b>45.2%</b>	234	<b>12.0%</b>	383	<b>19.6%</b>	218	<b>11.2%</b>	86	<b>4.4%</b>	1395	<b>71.5%</b>	1,950
WMC MORTGAGE COMPANY	600	<b>39.5%</b>	119	<b>7.8%</b>	356	<b>23.5%</b>	232	<b>15.3%</b>	81	<b>5.3%</b>	1071	<b>70.6%</b>	1,518
NEW CENTURY MORTGAGE	584	<b>40.3%</b>	147	<b>10.2%</b>	311	<b>21.5%</b>	189	<b>13.1%</b>	54	<b>3.7%</b>	952	<b>65.7%</b>	1,448

**Footnotes:** 2006 aggregate percentages of all home purchase loans that were subprime by borrower race and neighborhood racial composition (individual lender percentage higher than aggregate in **bold**)

1. African-American = 8.9%      2. Asian = 2.5%      3. Latino = 5.1%      4. White non-Latino = 3.9%      5. White N'hood = 1.3%      6. Minority N'hood = 16.0

**Table 6A**  
TOP 10 SUBPRIME HOME PURCHASE LOAN LENDERS  
SUBPRIME HOME PURCHASE LOANS AND PERCENT OF ALL THE LENDER'S HOME PURCHASE LOANS THAT WERE SUBPRIME  
BY BORROWER RACE OR NEIGHBORHOOD RACIAL COMPOSITION  
NEW YORK CITY 2006

Institution	African-American	% all HP Loans	Asian	% all HP Loans	Latino	% all HP Loans	White Non-Latino	% all HP Loans	White N'hood	% all HP Loans	Minority N'hood	% all HP Loans	All HP Loans
FREMONT INVESTMENT & LOAN	883	<b>45.3%</b>	234	<b>12.0%</b>	383	<b>19.6%</b>	218	<b>11.2%</b>	86	<b>4.4%</b>	1,395	<b>71.5%</b>	1,950
WMC MORTGAGE COMPANY	600	<b>39.5%</b>	119	<b>7.8%</b>	356	<b>23.5%</b>	232	<b>15.3%</b>	81	<b>5.3%</b>	1,071	<b>70.6%</b>	1,518
NEW CENTURY MORTGAGE	584	<b>40.3%</b>	147	<b>10.2%</b>	311	<b>21.5%</b>	189	<b>13.1%</b>	54	<b>3.7%</b>	952	<b>65.7%</b>	1,448
NATIONAL CITY BANK	369	<b>36.6%</b>	104	<b>10.3%</b>	175	<b>17.4%</b>	120	<b>11.9%</b>	43	<b>4.3%</b>	610	<b>60.5%</b>	1,008
OPTION ONE MORTGAGE CORP.	238	<b>43.7%</b>	43	<b>7.9%</b>	130	<b>23.9%</b>	78	<b>14.3%</b>	37	<b>6.8%</b>	359	<b>65.9%</b>	545
INDYMAC BANK, F.S.B.	127	<b>9.5%</b>	60	<b>4.5%</b>	142	<b>10.6%</b>	76	<b>5.7%</b>	33	<b>2.5%</b>	286	<b>21.4%</b>	1,335
ARGENT MORTGAGE COMPANY	155	<b>31.6%</b>	34	<b>6.9%</b>	94	<b>19.1%</b>	137	<b>27.9%</b>	24	<b>4.9%</b>	321	<b>65.4%</b>	491
ACCREDITED HOME LENDERS, INC.	147	<b>31.4%</b>	44	<b>9.4%</b>	101	<b>21.6%</b>	79	<b>16.9%</b>	11	<b>2.4%</b>	303	<b>64.7%</b>	468
COUNTRYWIDE HOME LOANS	112	5.4%	65	<b>3.2%</b>	76	3.7%	81	3.9%	26	1.3%	245	11.9%	2,061
LONG BEACH MORTGAGE CO.	148	<b>43.5%</b>	36	<b>10.6%</b>	87	<b>25.6%</b>	41	<b>12.1%</b>	13	<b>3.8%</b>	258	<b>75.9%</b>	340

**Footnotes:** 2006 aggregate percentages of all home purchase loans that were subprime by borrower race and neighborhood racial composition (individual lender percentage higher than aggregates in **bold**)

1. African-American = 8.9%      2. Asian = 2.5%      3. Latino = 5.1%      4. White non-Latino = 3.9%      5. White N'hood = 1.3%      6. Minority N'hood = 16.0

**Table 7**

TOP 10 HOME PURCHASE LOAN LENDERS  
PERCENTAGE OF ALL HOME PURCHASE LOANS TO BORROWERS BY BORROWER RACE OR NEIGHBORHOOD RACIAL COMPOSITION  
THAT WERE SUBPRIME  
NEW YORK CITY 2006

Institution	Borrower Race				Neighborhood	
	African-American	Asian	Latino	White Non-Latino	White N'hood	Minority N'hood
JP MORGAN CHASE BANK	15.6%	4.0%	12.4%	2.8%	1.5%	13.0%
CITIMORTGAGE, INC.	1.7%	0.3%	1.6%	0.3%	0.2%	1.1%
WELLS FARGO BANK, N.A.	23.0%	2.4%	10.9%	1.3%	1.2%	12.0%
HSBC MORTGAGE CORPORATION	2.6%	0.6%	2.3%	0.4%	0.5%	1.6%
WASHINGTON MUTUAL BANK	3.2%	1.5%	3.0%	2.7%	2.6%	2.4%
COUNTRYWIDE HOME LOANS	33.7%	17.6%	18.4%	10.8%	7.6%	31.8%
GREENPOINT MORTGAGE FUNDING	19.7%	5.8%	14.3%	5.0%	4.4%	17.5%
FREMONT INVESTMENT & LOAN	97.1%	92.5%	96.0%	90.5%	87.8%	96.5%
WMC MORTGAGE COMPANY	98.2%	97.5%	96.5%	96.3%	93.1%	98.2%
NEW CENTURY MORTGAGE	93.4%	89.1%	92.0%	86.3%	81.8%	93.0%

**Table 7A**  
TOP 10 SUBPRIME HOME PURCHASE LOAN LENDERS  
PERCENTAGE OF ALL HOME PURCHASE LOANS TO BORROWERS BY BORROWER RACE OR NEIGHBORHOOD RACIAL  
COMPOSITION THAT WERE SUBPRIME  
NEW YORK CITY 2006

Institution	Borrower Race				Neighborhood	
	African-American	Asian	Latino	White Non-Latino	White N'hood	Minority N'hood
FREMONT INVESTMENT & LOAN	97.1%	92.5%	96.0%	90.5%	87.8%	96.5%
WMC MORTGAGE COMPANY	98.2%	97.5%	96.5%	96.3%	93.1%	98.2%
NEW CENTURY MORTGAGE	93.4%	89.1%	92.0%	86.3%	81.8%	93.0%
NATIONAL CITY BANK	93.7%	74.3%	91.6%	73.6%	74.1%	91.3%
OPTION ONE MORTGAGE CORP.	97.5%	100.0%	97.7%	92.9%	90.2%	97.8%
INDYMAC BANK, F.S.B.	43.5%	28.4%	36.5%	23.8%	20.4%	41.0%
ARGENT MORTGAGE COMPANY	90.6%	87.2%	88.7%	87.3%	80.0%	91.5%
ACCREDITED HOME LENDERS, INC.	90.2%	83.0%	82.1%	84.0%	68.8%	87.6%
COUNTRYWIDE HOME LOANS	33.7%	17.6%	18.4%	10.8%	7.6%	31.8%
LONG BEACH MORTGAGE CO.	98.7%	97.3%	98.9%	97.6%	81.3%	99.2%

**Table 9**SUBPRIME HOME PURCHASE LOANS RECEIVED, MARKET SHARE, AND PERCENTAGE CHANGE  
WESTCHESTER COUNTY 2005-2006

Borrower Characteristics	2005		2006		% Change in Market Share +/-
	Subprime HP Loans Received	Market Share	Subprime HP Loans Received	Market Share	
African-American	317	21.2%	392	28.6%	35.3
Asian	32	2.2%	35	2.6%	18.2
Latino	513	35.6%	452	32.3%	(9.3)
White Non-Latino	408	28.3%	343	25.0%	(11.7)
Neighborhood Characteristics	2005		2006		% Change in Market Share +/-
	Subprime HP Loans Received	Market Share	Subprime HP Loans Received	Market Share	
<20% Minority	308	2.5%	300	21.9%	28.8
80-100% Minority	279	2.3%	318	23.2%	20.2
Total Subprime Home Purchase Loans Originated	1,443		1,371		(5.0)

**Table 8**  
 HOME PURCHASE LOANS ORIGINATED, MARKET SHARE, AND PERCENTAGE CHANGE  
 WESTCHESTER COUNTY 2005-2006

Borrower Characteristics	2005		2006		% Change in Market Share +/-
	Loans Received	Market Share	Loans Received	Market Share	
African-American	911	7.4%	933	9.1%	23.0
Asian	550	4.5%	461	4.5%	0.0
Latino	1,516	12.3%	1,420	13.8%	12.2
White Non-Latino	6,710	54.6%	5,350	51.9%	(4.9)
Neighborhood Characteristics	2005		2006		% Change in Market Share +/-
	Loans Received	Market Share	Loans Received	Market Share	
<20% Minority	5,657	46.0%	4,637	45.0%	(2.2)
80-100% Minority	601	4.8%	607	5.9%	22.9
<b>Total Home Purchase Loans Originated</b>	<b>12,285</b>		<b>10,309</b>		<b>(16.1)</b>

**Table 10**  
**PERCENTAGE OF ALL HOME PURCHASE LOANS RECEIVED THAT WERE SUBPRIME AND PERCENTAGE CHANGE**  
**WESTCHESTER COUNTY 2005-2006**

Borrower Characteristics	2005			2006			% Change + / (-)
	Home Purchase Loans	Subprime HP Loans	% Subprime	Home Purchase Loans	Subprime HP Loans	% Subprime	
African-American	911	317	34.8%	933	392	42.0%	20.7
Asian	550	32	5.8%	461	35	7.6%	31.0
Latino	1,516	513	33.8%	1,420	452	31.8%	(5.9)
White Non-Latino	6,710	408	6.1%	5,350	343	6.4%	4.9
Neighborhood Charateristics	2005			2006			% Change + / (-)
	Home Purchase Loans	Subprime HP Loans	% Subprime	Home Purchase Loans	Subprime HP Loans	% Subprime	
<20% Minority	5,657	308	5.4%	4,637	300	6.5%	20.4
80-100% Minority	601	279	46.4%	607	318	52.4%	12.9

**Table 11**  
**TOP 10 LENDERS - HOME PURCHASE LOANS**  
**WESTCHESTER COUNTY 2006**

<b>Rank</b>	<b>Institution</b>	<b>Loans Originated</b>	<b>Market Share</b>
1	WELLS FARGO BANK, N.A.	1,580	15.3%
2	JP MORGAN CHASE BANK	1,015	9.9%
3	CITIMORTGAGE, INC.	878	8.5%
4	HSBC MORTGAGE CORPORATION	630	6.1%
5	BNY MORTGAGE COMPANY	602	5.8%
6	COUNTRYWIDE HOME LOANS	494	4.8%
7	WASHINGTON MUTUAL BANK	452	4.4%
8	BANK OF AMERICA, N.A.	315	3.1%
9	GREENPOINT MORTGAGE FUNDING	270	2.6%
10	INDYMAC BANK, F.S.B.	188	1.8%
<b>TOTAL</b>		<b>6,424</b>	<b>62.3%</b>

**Table 12**  
**TOP 10 LENDERS - SUBPRIME HOME PURCHASE LOANS**  
**WESTCHESTER COUNTY 2006**

<b>Rank</b>	<b>Institution</b>	<b>Loans Originated</b>	<b>Market Share</b>
1	WMC MORTGAGE COMPANY	172	12.6%
2	FREEMONT INVESTMENT & LOAN	164	12.0%
3	NATIONAL CITY BANK	94	6.9%
4	NEW CENTURY MORTGAGE CORPORATION	91	6.6%
5	OPTION ONE MORTGAGE CORPORATION	81	5.9%
6	INDYMAC BANK, F.S.B.	54	3.9%
7	ARGENT MORTGAGE COMPANY	52	3.8%
8	COUNTRYWIDE HOME LOANS	51	3.7%
9	ACCREDITED HOME LENDERS, INC.	41	3.0%
10	JP MORGAN CHASE BANK	38	2.8%
	<b>TOTAL</b>	<b>838</b>	<b>61.1%</b>

**Table 13**  
TOP 10 SUBPRIME HOME PURCHASE LOAN LENDERS  
SUBPRIME HOME PURCHASE LOANS AND PERCENT OF ALL THE LENDER'S HOME PURCHASE LOANS THAT WERE SUBPRIME  
BY BORROWER RACE OR NEIGHBORHOOD RACIAL COMPOSITION  
WESTCHESTER COUNTY 2006

Institution	African-American	% all HP Loans	Asian	% all HP Loans	Latino	% all HP Loans	White Non-Latino	% all HP Loans	White N'hood	% all HP Loans	Minority N'hood	% all HP Loans	All HP Loans
WMC MORTGAGE COMPANY	67	<b>36.6%</b>	4	<b>2.2%</b>	58	<b>31.7%</b>	31	<b>16.9%</b>	28	<b>15.3%</b>	53	<b>29.0%</b>	183
FREMONT INVESTMENT & LOAN	56	<b>32.2%</b>	3	<b>1.7%</b>	59	<b>33.9%</b>	39	<b>22.4%</b>	28	<b>16.1%</b>	35	<b>20.1%</b>	174
NATIONAL CITY BANK	33	<b>23.9%</b>	3	<b>2.2%</b>	33	<b>23.9%</b>	19	<b>13.8%</b>	12	<b>8.7%</b>	26	<b>18.8%</b>	138
NEW CENTURY MORTGAGE CO	30	<b>28.8%</b>	5	<b>4.8%</b>	36	<b>34.6%</b>	19	<b>18.3%</b>	24	<b>23.1%</b>	21	<b>20.2%</b>	104
OPTION ONE MORTGAGE CO	10	<b>11.4%</b>	2	<b>2.3%</b>	40	<b>45.5%</b>	20	<b>22.7%</b>	14	<b>15.9%</b>	14	<b>15.9%</b>	88
INDYMACK BANK	13	<b>6.9%</b>	1	<b>0.5%</b>	17	<b>9.0%</b>	14	<b>7.4%</b>	18	<b>9.6%</b>	7	<b>3.7%</b>	188
ARGENT MORTGAGE CO	18	<b>31.0%</b>	2	<b>3.4%</b>	21	<b>36.2%</b>	12	<b>20.7%</b>	12	<b>20.7%</b>	10	<b>17.2%</b>	58
COUNTRYWIDE HOME LOANS	11	<b>2.2%</b>	0	<b>0.0%</b>	13	<b>2.6%</b>	18	<b>3.6%</b>	14	<b>2.8%</b>	6	<b>1.2%</b>	494
ACCREDITED HOME LENDERS	11	<b>23.4%</b>	1	<b>2.1%</b>	20	<b>42.6%</b>	8	<b>17.0%</b>	6	<b>12.8%</b>	13	<b>27.7%</b>	47
JP MORGAN CHASE BANK	7	<b>0.7%</b>	2	<b>0.2%</b>	13	<b>1.3%</b>	6	<b>0.6%</b>	9	<b>0.9%</b>	11	<b>1.1%</b>	1,015

**Footnotes:** 2006 aggregate percentages of all home purchase loans that were subprime by borrower race and neighborhood racial composition (individual lender percentage higher than aggregates in **bold**)

1. African-American = 3.8%      2. Asian = 0.3%      3. Latino = 4.4%      4. White non-Latino = 3.3%      5. White N'hood = 2.9%      6. Minority N'hood = 3.1%

**Table 14**  
**TOP 10 SUBPRIME HOME PURCHASE LOAN LENDERS**  
**PERCENTAGE OF ALL HOME PURCHASE LOANS TO BORROWERS TO BORROWERS BY RACE OR NEIGHBORHOOD RACIAL**  
**COMPOSITION THAT WERE SUBPRIME**  
**WESTCHESTER COUNTY 2006**

Institution	Borrower Race				Neighborhood	
	African-American	Asian	Latino	White Non-Latino	White N'hood	Minority N'hood
WMC MORTGAGE COMPANY	97.1%	100.0%	95.0%	86.1%	82.4%	100.0%
FREMONT INVESTMENT & LOAN	96.6%	100.0%	95.2%	88.6%	82.4%	94.6%
NATIONAL CITY	97.1%	75.0%	78.6%	41.3%	31.6%	96.3%
NEW CENTURY MORTGAGE CO	88.2%	100.0%	92.3%	79.2%	80.0%	95.5%
OPTION ONE MORTGAGE CO	100.0%	100.0%	93.0%	87.0%	87.5%	93.3%
INDYMACK BANK	43.3%	25.0%	28.8%	21.9%	25.0%	38.9%
ARGENT MORTGAGE CO	100.0%	66.7%	100.0%	75.0%	85.7%	90.9%
COUNTRYWIDE HOME LOANS	34.4%	0.0%	14.0%	2.7%	6.1%	46.2%
ACCREDITED HOME LENDERS	78.6%	100.0%	90.0%	80.0%	85.7%	86.7%
JP MORGAN CHASE BANK	16.7%	5.7%	16.0%	1.4%	1.5%	35.5%