CONSUMER FINANCIAL PROTECTION BUREAU | JUNE 2020

Data Point: 2019 Mortgage Market Activity and Trends

A First Look at the 2019 HMDA Data

Consumer Financial Protection Bureau

This is another in an occasional series of publications from the Consumer Financial Protection Bureau's Office of Research. These publications are intended to further the Bureau's objective of providing an evidence-based perspective on consumer financial markets, consumer behavior, and regulations to inform the public discourse. See 12 U.S.C. §5493(d).[1]

[1] This report was prepared by Young Jo, Feng Liu, Akaki Skhirtladze, and Laura Barriere.

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1. Introduction

This Data Point article provides a first overview of residential mortgage lending in 2019 based on data collected under the Home Mortgage Disclosure Act (HMDA). HMDA is a data collection, reporting, and disclosure statute enacted in 1975. HMDA data are used to assist in determining whether financial institutions are serving the housing credit needs of their local communities; facilitate public entities' distribution of funds to local communities to attract private investment; and help identify possible discriminatory lending patterns and enforce antidiscrimination statutes.[1] Institutions covered by HMDA are required to collect and report specified information about each mortgage application acted upon and mortgage purchased.[2] The data include the disposition of each application for mortgage credit; the type, purpose, and characteristics of each home mortgage application or purchased loan; the census-tract designations of the properties; loan pricing information; demographic and other information about loan applicants, such as their race, ethnicity, sex, age, and income; and information about loan sales.[3]

The 2019 HMDA data are the second year of data that incorporate changes made to HMDA under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA). Among the changes mandated by the DFA were changes to some data points and also authorizing the Bureau to collect new and revised data points. The Bureau issued a final rule implementing these and other changes in October 2015 (2015 HMDA rule).[4] The 2015 HMDA rule made four primary changes to the data collected starting in January 1, 2018: (1) mandated reporting of open-end lines of credit (LOCs); (2) changed the transactional coverage definition from loan-purpose-based to one based primarily on whether the loan was secured by a dwelling; (3) modified definitions and values of some existing data points; and (4) required reporting of 27 new data points.[5]

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[1] For a brief history of HMDA, see Federal Financial Institutions Examination Council, "History of HMDA," available at www.ffiec.gov/hmda/history2.htm.

[2] The 2019 HMDA data, which are used for the analysis of this Data Point, cover mortgage applications acted upon and mortgages purchased during the calendar year of 2019 and reported in 2020.

[3] See https://s3.amazonaws.com/cfpb-hmda-public/prod/help/2019-hmda-fig.pdf for a full list of items reported under HMDA for 2019.

[4] See Home Mortgage Disclosure (Regulation C), 80 FR 66128 (Oct. 28, 2015). In September 2017, the Bureau published in the Federal Register a rule which made a few technical corrections to and clarified certain requirements of the rule implementing HMDA. This rule also increased the threshold for collecting and reporting data about open-end LOCs for a period of two years. See 82 FR 43088 (Sep. 13, 2017).

[5] Beginning with 2018 HMDA data, the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) exempted certain insured depository institutions and credit unions from the requirement

Consistent with the last year, the Consumer Financial Protection Bureau (hereafter, Bureau) is issuing two Data Point articles. This first article follows a consistent format as previous annual articles released by the Federal Reserve, which accompanied the release of a public version of the aggregate HMDA data, and focuses specifically on trends in mortgage applications and originations. By examining the HMDA data over several years (2004–2019), this article closely analyzes trends using historical data points that had been collected prior to the 2015 HMDA Rule. The Bureau's second Data Point article, which is scheduled to be published later, includes analyses of open-end LOCs and dwelling-secured applications not covered in the first article. Furthermore, the second article focuses on an in-depth cross-sectional analysis of new or revised data points that were added under the 2015 HMDA rule. The Bureau is releasing these two articles at different times to make the static application-level 2019 HMDA data file available to the public as soon as possible.

With the first Data Point article, the Bureau is publishing a static application-level 2019 HMDA data file that consolidates data from individual reporters. The data file is modified to protect applicant and borrower privacy.[6] The data file and the two Data Point articles reflect the data as of April 27, 2020. Though this static file will not change, the Bureau will also provide an updated file separately to reflect any later resubmissions or late submissions. The results using the updated file may differ from those reported in this Data Point article, although the Bureau expects them to be largely consistent.

The remainder of this article summarizes the 2019 HMDA data and recent trends in mortgage applications and originations. The Bureau seeks to make the 2019 HMDA data as comparable as possible to HMDA data from previous years, including HMDA data prior to the data collected in 2018 when the majority of the 2015 HMDA Rule took effect. To do this, the Bureau excludes 2.1 million open-end LOCs except reverse mortgages and the 1.1 million records that were dwelling-secured but for a purpose other than purchase, home improvement, or refinance, because such records were not required to be reported prior to 2018. In addition, the Bureau converts any

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to collect and report data on 26 of the 27 new data points added under the 2015 HMDA rule for certain types of entities and transactions. For more details on the 2015 HMDA rule, see the "Data Point: 2018 Mortgage Market Activity and Trends," available at https://www.consumerfinance.gov/data-research/research-reports/data-point-2018-mortgage-market-activity-and-trends/

[6] For more information concerning these modifications and the Bureau's analyses under the balancing test it adopted to protect applicant and borrower privacy while also fulfilling HMDA's disclosure purposes, see 84 FR 649 (January 1, 2019).

changes made to data points by the 2015 HMDA rule back to their historical values and does not incorporate any of the new HMDA fields into the first article.[7] Some of the key findings are:[8]

- 5,496 institutions reported closed-end records in 2019, down 3 percent from the 5,666 which reported in 2018.

- In total, the number of closed-end originations in 2019 increased by 26 percent, from 6.4 million in 2018 to 8.1 million in 2019. Most of the increase was driven by an increase in the number of refinance loans. For example, the number of home-purchase loans secured by one-to-four-family properties increased by about 174,000, whereas the number of refinance loans nearly doubled from 1.9 million in 2018 to 3.4 million in 2019. The number of home improvement loans secured by dwellings declined slightly from 183,000 in 2018 to 174,000 in 2019.

- Black borrowers increased their share of home-purchase loans for one-to-four-family, owner-occupied, site-built properties in 2019. Approximately 7 percent of such loans went to Black borrowers, up from 6.7 percent in 2018. In contrast, 60.3 percent went to non-Hispanic White borrowers, down slightly from 62 percent in 2018. The share of Asian borrowers declined by 0.2 percentage points whereas that of Hispanic White borrowers increased by 0.3 percentage points. The share of home-purchase loans to low-or-moderate-income (LMI) borrowers increased slightly from 28.1 percent in 2018 to 28.6 percent in 2019.

- Unlike other racial and ethnic groups, Asian borrowers increased their share of refinance loans for a first-lien, one-to-four-family, owner-occupied, site-built properties from 3.7 percent to 5.4 percent in 2019. In addition, the share of refinance loans for high-income borrowers and properties in high-income neighborhoods also increased by 2.1 percentage points and 5.0 percentage points, respectively.

- Not adjusting for inflation, the average loan amount for a first-lien, one-to-four-family, owner-occupied, site-built home-purchase and refinance loans increased by 4.2 percent and 23.4 percent, respectively. For the first time since the Great Recession (2009/2010), the average home-purchase loan amount for Hispanic White borrowers surpassed their pre-Recession peak level. The average home-purchase loan amounts for Asian, Black,

[7] See https://www.consumerfinance.gov/policy-compliance/guidance/hmda-implementation/ for a list of new HMDA fields, as well as additional reference material about recent changes to the HMDA reporting.

[8] For 2019 mortgage lending activities, this Data Point article is based on the analysis of the static consolidated application-level 2019 HMDA data file made available concurrently to the public. Analyses of the prior years' data in this Data Point article are based on the *updated* consolidated application-level HMDA data, rather than the *static* data initially released to the public for such years. Accordingly, the results herein for prior years' HMDA data may differ from those initially released in prior years.

and non-Hispanic White borrowers had already surpassed their pre-Recession peaks before 2019.

- The denial rates for a first-lien, one-to-four-family, owner-occupied, site-built home-purchase and refinance loans decreased between 2018 and 2019. The decline was particularly large for refinance loans, where the denial rate decreased by 33.8 percent, compared with 10 percent decrease for home-purchase loans.

- Black and Hispanic White borrowers continued to be much more likely to use nonconventional loans (insured by Federal Housing Administration (FHA) or a guarantee from the Department of Veterans Affairs (VA), the Farm Service Agency (FSA), or the Rural Housing Service (RHS)) than other racial and ethnic groups. In addition, the share of nonconventional loans for home-purchase increased slightly from 2018 to 2019, putting an end to the general downward trend observed since the Great Recession.

- Nondepository institutions' (non-DIs') share of mortgage originations continued an upward trend that began back in 2010. In 2019, this group of lenders accounted for 61.6 percent of first-lien, owner-occupied, site-built home-purchase loans, slightly up from 61.1 percent in 2018. Non-DIs were also more likely than DIs to (1) originate nonconventional loans, (2) originate loans to minority borrowers and low- or moderate-income (LMI) borrowers, as well as for properties in LMI neighborhoods and (3) sell originated loans instead of holding them.

2. HMDA data coverage of the mortgage market

The HMDA data are the most comprehensive source of publicly available information on the U.S. mortgage market, and the only publicly available source of nationwide application-level data on mortgage credit. Given that mortgage debt is by far the largest component of household debt, the data have been used extensively for research and supervisory work, as well as for public policy deliberations related to the mortgage market.

Although the HMDA data are the most extensive application-level data on residential mortgage lending in the U.S., they do not cover the entire mortgage market. Among depository institutions (DI), the smallest institutions, institutions without any branches in a metropolitan statistical area (MSA), and institutions that are not federally insured or regulated or do not make loans insured by a Federal agency or intended for sale to Fannie Mae or Freddie Mac, do not have to report HMDA data. The 2015 HMDA rule's changes to institutional coverage criteria for closed-end loans took effect in 2017 and raised the reporting threshold from one covered origination to 25 covered originations for DIs.[9] This change thus further increased the number of exempted DIs. Among nondepository institutions (non-DI), institutions that make few mortgage originations and those that operate entirely outside of an MSA do not have to report HMDA data.[10]

To assess HMDA's overall coverage of the mortgage market, the Bureau first estimates the universe of mortgage lenders and the number of mortgage originations by all lenders regardless

[9] For reporting of open-end LOCs, the 2015 HMDA rule established an institutional coverage threshold of at least 100 open-end LOCs in each of the two preceding calendar years. See 80 FR 66128 (Oct. 28, 2015). In a rule finalized in August 2017, the Bureau temporarily increased the open-end threshold to 500 open-end LOCs for calendar years 2018 and 2019. For example, if an institution was over the 25 closed-end loan threshold in both of the two preceding years, but under the 500 open-end LOC threshold in either of the two preceding years, it would still have to report closed-end loans but not open-end LOCs. See 82 FR 43088 (Sep. 13, 2017).

[10] This section describes HMDA coverage applicable at the time the data discussed here were reported. For 2019 data, DIs with less than $46 million in assets or less than 25 covered, closed-end originations in either of the last two years, and non-DIs with less than 25 covered, closed-end originations in either of the last two years were not required to report closed-end data under HMDA. For additional details, see Federal Financial Institutions Examination Council's "A Guide to HMDA Reporting: Getting It Right!" available at https://www.ffiec.gov/hmda/guide.htm.

of whether they are HMDA reporters or not.[11] The estimate uses data from the HMDA data, the Bank/Thrift and Credit Union Call Reports, and other data sources. This analysis focuses solely on closed-end mortgages.

For financial institutions that did not report HMDA data in a given year but reported relevant mortgage activity to one of the alternative sources, the Bureau employed several different estimation strategies. For example, for credit unions that did not report HMDA data, the agency examined their year-to-date closed-end loan origination volumes reported at the end of the year to Credit Union Call Reports. In doing so, the Bureau used only the categories of mortgage loans under the Credit Union Call Reports that are the same as the transactional coverage requirements governing the 2019 HMDA data.[12] For banks and thrifts that did not report under HMDA, the Call Reports contain information only on the end-of-period balance of the mortgages on their books, but not on the origination volumes within the reporting period. For those institutions, the Bureau developed a set of econometric models, first estimating the relationships between annual originations and the end-of-year balances using HMDA reporters.[13] These models control for an array of institutional characteristics, such as assets, institution type, number of employees, and number of branches in MSAs. The Bureau then applied this estimated relation to the characteristics of non-HMDA reporters to estimate their closed-end mortgage origination volumes.[14]

Based on this analysis, the Bureau estimates that the share of institutions and originations covered by HMDA remain largely constant from 2018 to 2019. In 2019, approximately 11,200 institutions originated at least one closed-end mortgage loan, with a total origination volume of about 9.2 million loans. These estimates largely remain unchanged from 2018 when the Bureau estimated 11,800 total institutions with an origination volume of 7.3 million loans.

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[11] Note for the discussion in this section, the Bureau defines the universe of mortgages in line with the transactional coverage criteria under HMDA that is applicable at the time the 2019 HMDA data were collected.

[12] For instance, these estimates include mortgage loans regardless of lien status but do not include open-end LOCs.

[13] The Bureau assumes the dependent variable (the number of mortgage originations for each institution) follows a Poisson distribution, and that the logarithm of its expected value can be modeled by a linear combination of unknown parameters. In other words, the Bureau estimated Poisson regressions.

[14] Alternatively, one might compare the number of loans reported under HMDA with the number of loans reported in consumer credit files maintained by nationwide consumer reporting agencies (NCRAs). However, there are several disadvantages in using NCRA data to estimate the total universe of mortgage originations, including (1) a lag between the time when a mortgage is originated and when the information on the mortgage tradeline is first reported to the credit bureaus (2) potential duplication and transactional coverage issues, and (3) the estimates reported from NCRAs do not allow the breakdown of the origination volumes by the origination entities.

The 2019 HMDA data contained closed-end data from a total of 5,496 institutions. Although this is lower than the 5,666 institutions that reported in 2018, the percentage of total institutions that reported under HMDA was similar in each year (49.1 percent in 2019 vs. 48.0 percent in 2018). In addition, HMDA reporters originated about 8.1 million loans or about 88 percent of the estimated total number of closed-end originations in the U.S. In 2018, HMDA reporters originated about 6.4 million loans or approximately 88 percent of the estimated number of originations.[15]

[15] Calculations in the text are based on precise data values. Using rounded numbers from the printed tables may lead to different values due to rounding error.

3. Mortgage applications and originations

In 2019, a total of 5,508 financial institutions—banks, savings associations, credit unions, and nondepository mortgage lenders—reported data on 15.1 million applications and 9.3 million originations under HMDA. Beginning with data collected in 2018, the reporting of home equity lines of credit (HELOCs) became mandatory rather than optional.[16] The number of HELOC records decreased from 2.3 to 2.1 million between 2018 and 2019, and the number of HELOC originations also declined from 1.1 to 1.0 million. Also beginning in 2018, financial institutions were required to report a loan purpose other than purchase, home improvement, or refinance. The number of records for the purpose other than purchase, home improvement, or refinance decreased from 1.4 million in 2018 to 1.3 million in 2019.

To make the 2019 HMDA data as consistent as possible with historical data, the Bureau excludes all HELOCs as well as records for a loan purpose other than purchase, home improvement, or refinance. These exclusions reduce the number of HMDA reporters by 12 to 5,496.[17] Unless specifically noted, the remainder of the article will focus on these 5,496 financial institutions to facilitate comparability of HMDA data over time.

Table 1 presents the number of one-to-four-family properties applications and originations by loan purpose (*e.g.*, home purchase, home improvement, refinance) as well as the number of multifamily applications and originations dating back to year 2004. The one-to-four family originations are first disaggregated by lien status (*e.g.*, first lien, junior lien) and occupancy (*e.g.*, owner-occupied, non-owner-occupied). Then, the first-lien, owner-occupied originations are further disaggregated by property type (*e.g.*, site-built, manufactured home) and by whether it is a conventional loan or not.[18] Finally, the site-built, nonconventional originations are disaggregated by nonconventional loan types (*e.g.,* FHA-insured, VA-guaranteed, FSA/RHS).

[16] HELOCs are defined as open-end LOCs except those that are reverse mortgages.
[17] The 2015 HMDA rule change that eliminated reporting of unsecured home improvement loans was one reporting change the Bureau was unable to make consistent over time. When applicable, results prior to 2018 include unsecured home improvement loans, while those beginning with 2018 do not.
[18] Manufactured-home lending differs from lending for site-built homes. Furthermore, even among the manufactured home loans, chattel-secured lending differs greatly from those that are not chattel secured. Chattel-secured lending typically carries higher interest rates and shorter terms to maturity (for pricing information on manufactured home loans, see Tables 8 and 9). This Data Point article focuses almost entirely on site-built mortgage originations, which constitute most originations (as shown in Table 1).

Nonconventional loans are those with mortgage insurance or other guarantees from federal government agencies, including the FHA, VA, and the U.S. Department of Agriculture's FSA/RHS. Conventional lending encompasses all other loans, including those held in banks' portfolios, those sold to Government-Sponsored Enterprises (GSEs), such as Fannie Mae and Freddie Mac, and those packaged into private-label securities. In general, nonconventional loans have higher allowable loan-to-value (LTV) ratios—that is, borrowers provide relatively smaller down payments relative to conventional loans.

The total number of originations reported under 2019 HMDA increased by approximately 2 million (26 percent), with the increase in refinance loans driving 80 percent of the increase. Lenders reported approximately 8.1 million originations in 2019, up from 6.4 million originations in 2018. In addition, lenders reported 12.6 million applications, which includes 2.9 million applications that the lenders closed as incomplete or the applicant withdrew before the lender made a decision.

Refinance applications for one-to-four family properties increased from 3.8 million in 2018 to 5.9 million in 2019. Refinance originations also nearly doubled, by approximately 1.5 million from 2018 to 2019. More detailed information on refinance loans available in the 2019 data shows that less than half (41.1 percent) of refinance loans were cash-out refinances. This contrasts with 2018 when cash-out refinance loans accounted for 56.3 percent of all refinance loans.

TABLE 1: APPLICATIONS AND ORIGINATIONS (IN THOUSANDS), SHARE OF ONE-TO-FOUR-FAMILY SITE-BUILT, NONCONVENTIONAL LOAN ORIGINATIONS (PERCENT), AND PRE-APPROVALS AND LOAN PURCHASES (IN THOUSANDS)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1-4 FAMILY																
Home purchase																
Applications[(1)]	9,804	11,685	10,929	7,609	5,060	4,217	3,848	3,650	4,023	4,586	4,679	5,196	5,694	6,036	6,069	6,284
Originations	6,437	7,391	6,740	4,663	3,139	2,793	2,547	2,430	2,742	3,139	3,248	3,676	4,046	4,251	4,262	4,436
First lien, owner occupied	4,789	4,964	4,429	3,454	2,628	2,455	2,219	2,073	2,343	2,703	2,815	3,210	3,544	3,699	3,707	3,853
Site-built, conventional	4,107	4,425	3,912	2,937	1,581	1,089	1,006	999	1,251	1,630	1,741	1,899	2,123	2,297	2,410	2,489
Site-built, nonconventional	553	411	386	394	951	1,302	1,152	1,019	1,033	1,007	1,006	1,235	1,340	1,309	1,186	1,249
FHA share (%)	74.6	68.6	66.0	65.8	78.9	77.0	77.4	70.9	68.0	62.8	58.3	64.6	64.6	62.3	60.2	60.4
VA share (%)	21.6	26.7	29.0	27.1	15.2	13.9	15.2	18.2	19.9	24.2	28.3	26.0	26.9	28.7	31.2	31.8
FSA/RHS share (%)	3.9	4.7	5.0	7.1	5.9	9.0	7.4	10.9	12.0	13.1	13.3	9.4	8.5	9.1	8.6	7.9
Manufactured, conventional	106	100	101	95	68	43	45	40	44	51	51	56	59	67	80	83
Manufactured, nonconventional	24	27	30	29	28	21	17	15	14	14	16	20	22	26	31	32
First lien, non-owner occupied	857	1,053	880	607	412	292	285	314	355	388	378	406	435	472	470	481
Junior lien, owner occupied	738	1,224	1,269	552	93	44	42	41	43	46	53	58	65	79	83	101
Junior lien, non-owner occupied	53	150	162	50	6	2	2	1	1	1	2	2	2	2	2	2
Refinance																

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Applications[1]	16,085	15,907	14,046	11,566	7,805	9,983	8,437	7,422	10,526	8,564	4,526	5,957	7,187	4,949	3,832	5,927
Originations	7,591	7,107	6,091	4,818	3,491	5,772	4,971	4,330	6,668	5,141	2,370	3,234	3,759	2,523	1,941	3,447
First lien, owner occupied	6,497	5,770	4,469	3,659	2,934	5,301	4,519	3,856	5,930	4,393	2,001	2,847	3,375	2,207	1,662	3,116
Site-built, conventional	6,115	5,541	4,287	3,407	2,363	4,264	3,837	3,315	4,971	3,634	1,608	2,155	2,529	1,635	1,247	2,295
Site-built, nonconventional	297	151	110	180	506	979	646	508	917	715	363	661	812	541	384	786
FHA share (%)	68.3	77.3	87.5	91.5	92.2	83.7	79.3	63.2	61.2	61.2	47.6	59.6	49.5	53.3	55.4	47.0
VA share (%)	31.4	22.4	12.3	8.3	7.6	15.9	20.3	35.9	37.8	37.6	51.9	40.2	50.1	46.0	44.3	52.7
FSA/RHS share (%)	0.2	0.3	0.2	0.1	0.2	0.4	0.4	0.9	0.9	1.2	0.5	0.3	0.4	0.8	0.3	0.3
Manufactured, conventional	77	70	60	56	42	36	25	25	31	32	22	21	20	19	20	21
Manufactured, nonconventional	7	8	12	16	22	22	10	9	11	12	8	10	14	13	10	14
First lien, non-owner occupied	618	582	547	474	330	350	359	394	660	673	310	329	329	253	206	262
Junior lien, owner occupied	464	729	1,036	661	219	115	88	74	73	70	55	55	52	60	69	67
Junior lien, non-owner occupied	13	25	39	23	9	7	6	5	5	5	4	4	3	3	3	3
Home improvement																
Applications	2,200	2,544	2,481	2,218	1,413	832	671	675	779	833	846	926	1,005	1,054	350	347
Originations	964	1,096	1,140	958	573	390	342	335	382	425	411	477	536	549	183	174
MULTIFAMILY[1]																
Applications	61	58	52	54	43	26	26	35	47	51	46	52	50	48	62	66
Originations	48	45	40	41	31	19	19	27	37	40	35	41	40	38	51	54
Total applications	**28,151**	**30,193**	**27,508**	**21,448**	**14,320**	**15,057**	**12,981**	**11,782**	**15,375**	**14,034**	**10,097**	**12,132**	**13,937**	**12,086**	**10,314**	**12,624**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total originations	**15,040**	**15,638**	**14,011**	**10,480**	**7,234**	**8,974**	**7,879**	**7,122**	**9,828**	**8,744**	**6,064**	**7,428**	**8,381**	**7,361**	**6,437**	**8,111**
Memo																
Purchased Loans	5,142	5,868	6,236	4,821	2,935	4,301	3,231	2,939	3,163	2,788	1,800	2,126	2,232	2,089	1,757	2,072
Requests for preapproval(2)	1,068	1,260	1,175	1,065	735	559	440	429	474	474	496	531	514	485	467	445
Requests for preapproval that were approved but not acted on	167	166	189	197	99	61	53	55	64	69	64	63	60	36	75	74
Requests for preapproval that were denied	171	231	222	235	177	155	117	130	149	123	125	115	115	107	102	77

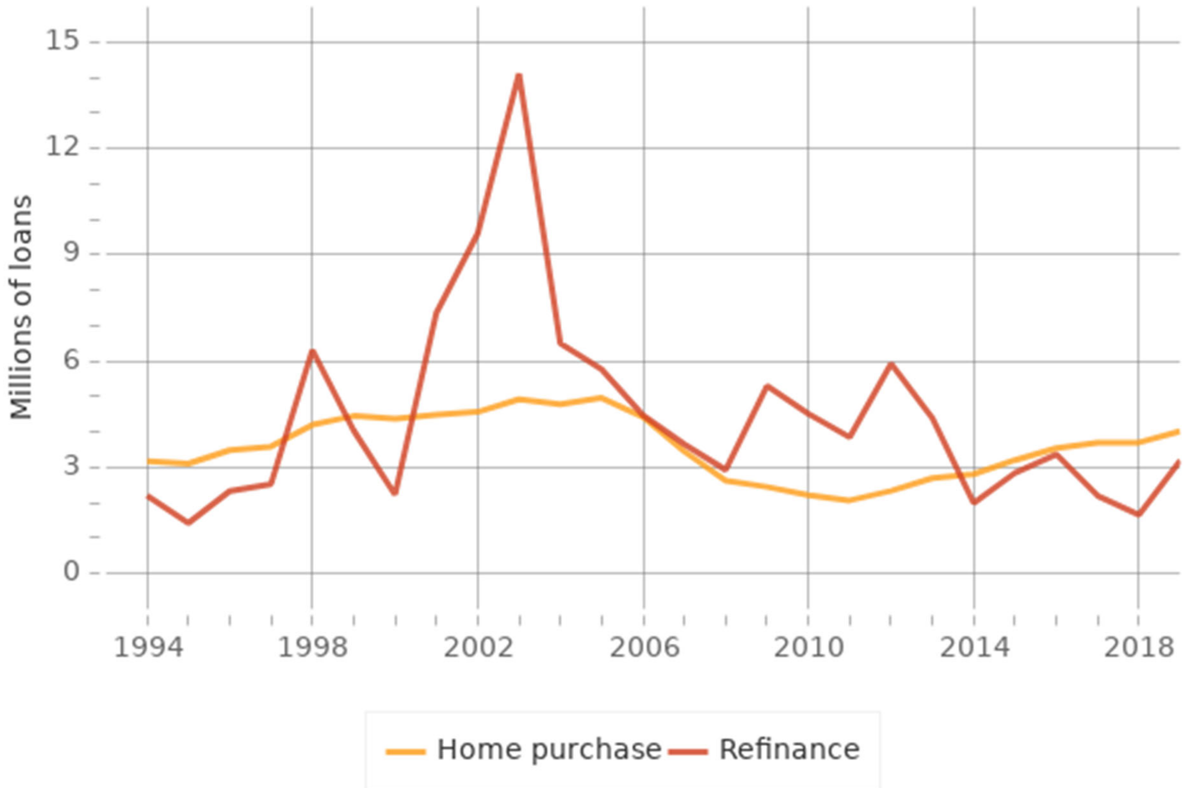
NOTE: Components may not sum to totals because of rounding. Applications include those withdrawn and those closed for incompleteness. FHA is Federal Housing Administration; VA is U.S. Department of Veterans Affairs; FSA is Farm Service Agency; RHS is Rural Housing Service.

(1) A multifamily property consists of five or more units.

(2) Consists of all requests for preapproval. Preapprovals are not related to a specific property and thus are distinct from applications.

SOURCE: Here and in subsequent tables and figures, except as noted, Federal Financial Institutions Examination Council, data reported under the Home Mortgage Disclosure Act (www.ffiec.gov/hmda).

FIGURE 1: NUMBER OF HOME-PURCHASE AND REFINANCE MORTGAGE ORIGINATIONS, 1994-2019



The decrease in interest rates was likely a main driver behind the increase in refinance applications and loans. Average interest rates declined throughout 2019 and were generally lower in 2019 than 2018. The average rate on 30-year fixed rate conventional conforming mortgage loans made to prime borrowers started at 4.5 percent at the beginning of 2019 and decreased to 3.7 percent by the end of 2019.[19] In contrast, interest rates gradually increased from 3.9 percent in the beginning of 2018 to 4.5 percent by the end of 2018. The reported interest rates in HMDA data follow a consistent pattern. The median interest rate for 30-year

[19] This measure comes from Freddie Mac's Primary Mortgage Market Survey and is available from the Federal Reserve Bank of St. Louis' Federal Reserve Economic Database (FRED) at https://fred.stlouisfed.org/series/MORTGAGE30US.

conventional loans for prime borrowers (with a credit score of at least 620) was 4.1 in 2019 HMDA data compared to 4.8 in 2018 HMDA data.

Home-purchase originations for one-to-four family properties increased from 4.3 million in 2018 to 4.4 million in 2019. This is a continuation of an upward trend dating back to 2011. Figure 1 shows that, unlike the number of refinance loans, which has been volatile throughout the observed period, the number of home purchase loans has been steadily increasing since 2011, reaching a similar level in 2019 as in 2007.[20] The historical fluctuations in the volume of refinance loans compared with a steady increase in home-purchase loans in recent years suggests that a decision to refinance is more responsive to the changes in interest rates than a decision to purchase a home.

The volume of home improvement loans reported declined from 183,000 in 2018 to 174,000 in 2019. As noted above, this measure cannot be constructed consistently over time since all results prior to 2018 included unsecured home improvement loans, but the results beginning in 2018 do not.

Most one-to-four family home-purchase loans were first liens for owner-occupied properties. In 2019, there were 3.9 million such originations, representing about 87 percent of home purchase loans, which was unchanged from 2018. Although the share of first-lien originations for owner-occupied properties did not change, there was some variation in the size of the increase across different loan and property types. For example, among first-lien, owner-occupied, one-to-four-family, home-purchase originations, the number of site-built, nonconventional originations increased by 5.4 percent between 2018 and 2019. On the other hand, in this same subset of home-purchase originations, the number of manufactured, nonconventional originations increased by 2.5 percent.

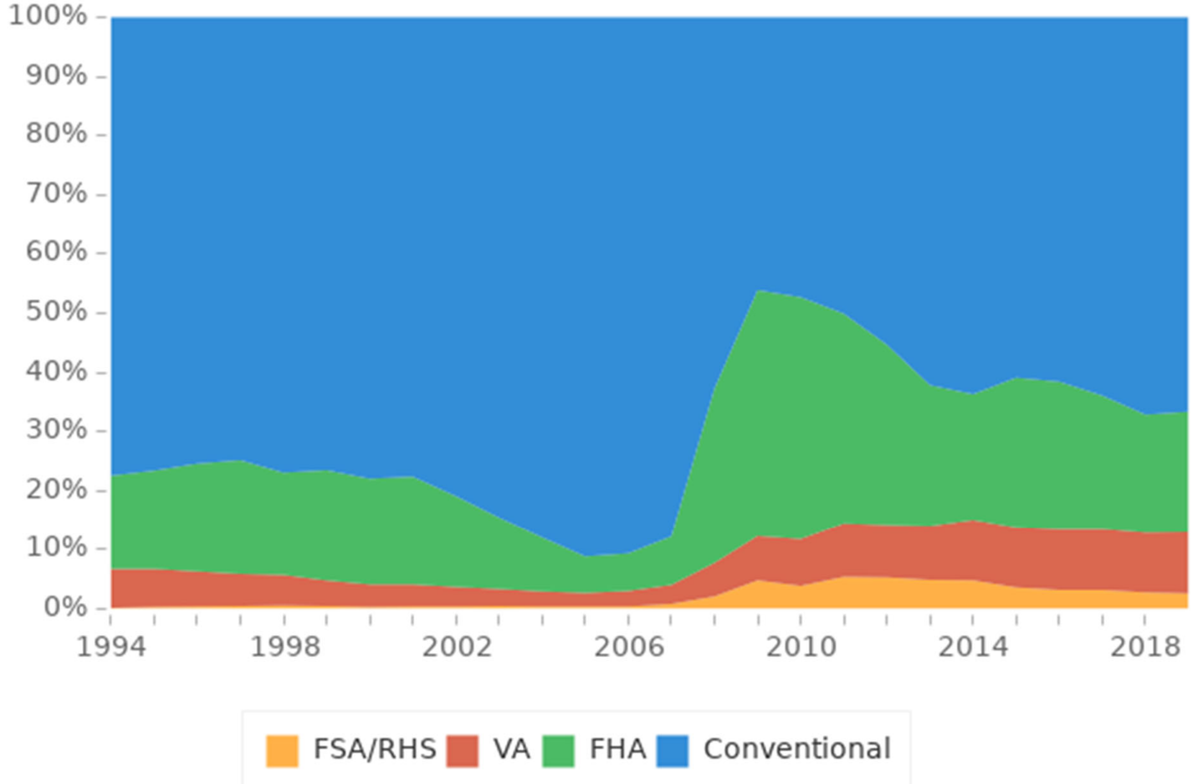
Similar to home-purchase loans, most one-to-four-family refinance loans were first liens for owner-occupied properties. The volume of these refinance loans increased significantly during 2019. There were 3.1 million first-lien, owner-occupied refinance originations in 2019, nearly double the number in 2018. Furthermore, most of first-lien, owner-occupied refinance originations were for conventional loans for site-built homes. In fact, the share of conventional loans for site-built homes was larger among refinance loans (73.6 percent) than home-purchase loans (64.6 percent).

Among first-lien, home-purchase loans for one-to-four-family, owner-occupied, site-built properties, 33.4 percent were nonconventional loans, up slightly from 33 percent in 2018 but

[20] The HMDA data prior to 2004 did not provide lien status for loans, and thus the number of loans prior to 2004 in Figure 1 include both first- and junior-lien loans.

down from a peak of approximately 54 percent in 2009. Figure 2 shows that the change in the nonconventional share of loans is mostly driven by change in the share of FHA loans. Unlike the FHA share of loans, the VA and FSA/RHS shares make up a small and stable proportion of nonconventional loans.

FIGURE 2: NONCONVENTIONAL SHARE OF HOME-PURCHASE MORTGAGE ORIGINATIONS, 1994-2019



In addition to loan applications and originations, the HMDA data also include preapproval requests for home-purchase loans. As shown in Table 1, lenders reported approximately 445,000 preapproval requests, which is down slightly by less than 5 percent from 2018. About 17 percent of these requests were denied. Approximately 17 percent of them were requests that lenders had approved but the applicants did not take any further action.

Finally, HMDA data include information on loans purchased by reporting institutions during the reporting year, although the purchased loans may have been originated before 2019. Table 1 shows that lenders purchased 2.1 million loans from other institutions in 2019, an 18 percent increase from 2018.

4. Mortgage outcomes by demographic groups

The HMDA data are a key resource for policymakers and the public to understand the distribution of mortgage credit across demographic groups. Tables 2 through 8 provide information on loan shares, product usage, denials, and certain mortgage pricing information for groups defined by applicant income, neighborhood income, and applicant race and ethnicity. Tables 2 through 7 focus on first-lien home purchase and refinance loans for one-to-four-family, owner-occupied, site-built properties, which accounted for approximately 82 percent of all HMDA originations excluding purchased loans in 2019. Table 8, in contrast, also includes loans for manufactured homes.

4.1 Distribution of home loans across demographic groups

One of the 2015 HMDA rule changes to historical HMDA data points altered reporting requirements for race and ethnicity. Beginning in 2018, mortgage applicants now have the option of providing disaggregated information for the Asian, Pacific Islander, and Native American race categories and for the Hispanic ethnicity category. Of the total of 17.5 million records in the 2019 HMDA data, including open-end LOCs, about 1.6 million records (8.9 percent) included at least one disaggregated racial or ethnic category. Even though the number of records reporting at least one disaggregated racial or ethnic category increased from 1.3 million (10 percent) in 2018, because of an increase in the total number of records, the share has decreased from 2018 to 2019. Asian Indian was the most commonly reported disaggregated race at 1.2 percent and Mexican was the most commonly reported disaggregated ethnicity at 2.7 percent.

To make the 2019 results consistent with and comparable to results from years prior to 2018, this Data Point article aggregates all disaggregated race and ethnicity data to their corresponding aggregate category. As an example, if an applicant reported being Chinese, that applicant is aggregated into the Asian category. The 2015 HMDA rule also increased the number of ethnicities primary applicants and co-applicants can provide from one each to five each. To convert the new set of five ethnicity fields for the primary applicant back into one ethnicity field, the Bureau uses values from just the first ethnicity data field as in the past years, unless the first field contains a missing value. When the first ethnicity data field is missing, the Bureau replaces that missing value using the remaining four data fields. A similar process is used for co-applicants. The footnotes to Table 2 summarize how applicants were classified into racial and ethnic categories.[21]

Table 2 presents different groups' shares of one-to-four-family, owner-occupied, site-built home purchase and refinance loans and how these shares have changed over time. Continuing the historical trend, the share of home-purchase loans for Black borrowers increased from 2018 to 2019, whereas those for non-Hispanic White borrowers decreased. The Black borrowers' share of home-purchase loans increased from 6.7 percent in 2018 to 7.0 percent, which was the sixth consecutive year of an increase. For non-Hispanic White borrowers, their share of home-purchase loans was 60.3 percent in 2019, down from 62.0 percent in 2018. This drop continues a downward trend that began in 2013 when non-Hispanic White borrowers' share of home purchase loans was 70.2 percent.

The share of refinance loans decreased for all racial groups except Asian borrowers. For example, the non-Hispanic White borrowers' share of refinance loans declined from 63.3 percent in 2018 to 61.0 percent in 2019. The share for Black and Hispanic White borrowers declined more modestly than non-Hispanic White borrowers. The share of refinance loans for Black borrowers declined from 6.2 percent to 5.3 percent, while that for Hispanic White borrowers declined from 6.8 percent to 6.2 percent. In contrast, the share for Asian borrowers increased from 3.7 percent in 2018 to 5.4 percent in 2019.

[21] The application is designated as "joint" if one applicant was reported as White and the other was reported as one or more minority races or if the application is designated as White with one Hispanic applicant and one non-Hispanic applicant.

TABLE 2: DISTRIBUTION OF HOME-PURCHASE AND REFINANCE LOANS, BY BORROWER AND NEIGHBORHOOD CHARACTERISTICS, 2004-2019 (PERCENT EXCEPT AS NOTED)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Home Purchase																
Borrower race and ethnicity[1]																
Asian	4.8	5.0	4.5	4.5	4.9	5.3	5.5	5.2	5.3	5.7	5.4	5.3	5.5	5.8	5.9	5.7
Black or African American	7.1	7.7	8.7	7.6	6.3	5.7	6.0	5.5	5.1	4.8	5.2	5.5	6.0	6.4	6.7	7.0
Hispanic white	7.6	10.5	11.7	9.0	7.9	8.0	8.1	8.3	7.7	7.3	7.9	8.3	8.8	8.8	8.9	9.2
Non-Hispanic white	57.1	61.7	61.2	65.4	67.5	67.9	67.6	68.7	70.0	70.2	69.1	68.1	66.4	64.9	62.0	60.3
Other minority[2]	1.4	1.3	1.1	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.8	0.8
Joint	2.3	2.3	2.3	2.5	2.8	2.8	2.7	2.8	2.9	3.1	3.4	3.5	3.6	3.7	3.6	3.7
Missing	19.8	11.5	10.5	10.1	9.6	9.3	9.1	8.6	8.2	8.2	8.3	8.5	8.9	9.6	12.0	13.3
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Borrower income[3]																
Low or moderate	27.7	24.6	23.6	24.6	28.0	36.6	35.4	34.4	33.3	28.5	27.0	27.9	26.2	26.3	28.1	28.6
Middle	26.9	25.7	24.7	25.1	27.0	26.6	25.6	25.2	25.1	25.2	25.6	26.1	26.4	26.7	26.7	27.1
High	41.4	45.5	46.7	46.9	42.9	34.6	37.3	38.8	40.0	44.7	46.1	44.9	46.4	46.0	44.3	43.1
Income not used or not applicable	4.0	4.2	5.0	3.4	2.1	2.2	1.7	1.6	1.5	1.6	1.3	1.1	1.0	1.0	0.9	1.2
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Neighborhood income[4]																
Low or moderate	14.5	15.1	15.7	14.4	13.2	12.6	12.1	11.0	12.8	12.7	13.3	13.5	14.1	16.1	17.0	16.5
Middle	48.7	49.2	49.5	49.6	49.8	50.2	49.5	49.4	43.6	43.7	44.6	45.2	45.8	44.2	44.2	44.3
High	35.8	34.7	33.7	35.1	35.9	35.8	37.7	39.1	43.2	43.2	41.8	41.0	40.0	39.6	38.8	38.9

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
B. Refinance																
Borrower race and ethnicity(1)																
Asian	3.5	2.9	3.0	3.1	3.1	4.1	5.2	5.4	5.5	4.7	4.3	5.0	5.5	4.0	3.7	5.4
Black or African American	7.4	8.3	9.6	8.4	6.0	3.5	2.9	3.1	3.3	4.4	5.4	5.0	5.0	5.9	6.2	5.3
Hispanic white	6.2	8.6	10.1	8.7	5.3	3.2	3.0	3.3	3.9	5.0	6.2	6.3	6.2	6.8	6.8	6.2
Non-Hispanic white	57.2	60.9	59.6	62.7	70.7	74.6	74.3	73.5	72.5	70.5	67.8	67.2	65.2	63.2	63.3	61.0
Other minority(2)	1.4	1.4	1.3	1.1	0.8	0.6	0.5	0.6	0.6	0.7	0.9	0.8	0.9	1.0	0.9	0.8
Joint	2.1	2.1	1.9	2.0	2.2	2.6	2.7	2.8	3.1	3.1	3.2	3.3	3.4	3.3	2.9	3.3
Missing	22.1	15.7	14.6	14.1	11.9	11.4	11.4	11.3	11.1	11.6	12.2	12.4	13.8	15.8	16.2	17.9
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Borrower income(3)																
Low or moderate	26.2	25.5	24.7	23.3	23.4	19.6	18.9	19.2	19.6	21.1	22.1	19.0	16.9	22.9	30.0	23.8
Middle	26.3	26.8	26.1	25.5	25.4	22.4	22.5	21.3	21.8	21.7	21.9	21.0	20.3	23.4	24.9	21.9
High	38.8	40.8	43.7	46.0	44.6	45.6	49.5	48.1	47.6	46.3	44.9	45.2	47.5	44.0	41.0	43.1
Income not used or not applicable	8.7	6.9	5.5	5.2	6.6	12.4	9.1	11.4	10.9	11.0	11.1	14.8	15.3	9.7	4.1	11.2
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Neighborhood income(4)																
Low or moderate	15.3	16.5	17.9	16.1	11.9	7.8	7.2	7.4	10.1	12.1	13.3	12.3	12.0	15.5	16.8	14.0
Middle	50.0	51.3	52.0	52.2	51.9	47.5	46.1	46.1	41.9	43.7	45.3	43.8	43.4	44.6	45.6	43.0
High	33.9	31.6	29.4	31.0	35.2	43.5	46.0	46.0	47.6	43.9	41.3	43.7	44.4	39.7	37.6	42.7
All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Memo																
Number of home-purchase loans (thousands)	4,660	4,836	4,298	3,331	2,533	2,391	2,157	2,018	2,284	2,638	2,747	3,134	3,463	3,606	3,596	3,738
Number of refinance loans (thousands)	6,412	5,692	4,397	3,588	2,869	5,243	4,483	3,823	5,888	4,349	1,971	2,816	3,341	2,176	1,631	3,081

NOTE: First-lien mortgages for one- to four-family, owner-occupied, site-built homes. Rows may not sum to 100 because of rounding or, for the distribution by neighborhood income, because property location is missing.

(1) Applications are placed in one category for race and ethnicity. The application is designated as joint if one applicant was reported as white and the other was reported as one or more minority races or if the application is designated as white with one Hispanic applicant and one non-Hispanic applicant. If there are two applicants and each reports a different minority race, the application is designated as two or more minority races. If an applicant reports two races and one is white, that applicant is categorized under the minority race. Otherwise, the applicant is categorized under the first race reported. "Missing" refers to applications in which the race of the applicant(s) has not been reported or is not applicable or the application is categorized as white but ethnicity has not been reported.

(2) Consists of applications by American Indians or Alaska Natives, Native Hawaiians or other Pacific Islanders, and borrowers reporting two or more minority races.

(3) The categories for the borrower-income group are as follows: Low-or moderate-income (or LMI) borrowers have income that is less than 80 percent of estimated current area median family income (AMFI), middle-income borrowers have income that is at least 80 percent and less than 120 percent of AMFI, and high-income borrowers have income that is at least 120 percent of AMFI.

(4) The categories for the neighborhood-income group are based on the ratio of census-tract median family income to area median family income from the 2006-10 American Community Survey data for 2012-2019 and from the 2000 census for 2004-11, and the three categories have the same cutoffs as the borrower-income groups (see note 3).

The shares of home purchase and refinance loans exhibit opposite trends for low- or moderate-income (LMI) borrowers compared with high-income borrowers.[22] The LMI borrower share of home-purchase loans increased from 28.1 percent to 28.6 percent, whereas high-income borrowers' share decreased from 44.3 percent to 43.1 percent. The LMI borrower share of refinance loans decreased from 30.0 percent to 23.8 percent, while high-income borrowers' share increased from 41.0 percent to 43.1 percent.

The trends in shares of LMI and high-income neighborhoods mirror those of the borrowers for refinance loans but not for home purchase loans.[23] The LMI neighborhoods' share of refinance loans decreased slightly, whereas high-income neighborhoods' share of refinance loans increased. On the other hand, the share of home purchase loans in LMI neighborhoods declined slightly, while the share in high-income neighborhoods increased slightly between 2018 and 2019.

Even though the *share* of refinance loans for most racial/ethnic groups, LMI borrowers, and LMI neighborhoods has decreased, because of the increase in the total number of refinance loans, the *number* of refinance loans has increased for all groups between 2018 and 2019.[24] For example, the share of refinance loans for Blacks decreased from 6.2 percent to 5.3 percent but the number increased by about 63,000. The increase in the *number* of refinance loans was especially large for non-Hispanic White borrowers, Asian borrowers, high-income borrowers, and high-income neighborhoods.

In examining historical trends based on a borrower or neighborhood income, changes in underlying estimates may impact income categories. First, in 2012 and 2017, the Federal Financial Institutions Examination Council (FFIEC) revised the census-tract median family income

[22] In accordance with the definitions used by the federal bank supervisory agencies to enforce the Community Reinvestment Act, LMI borrowers are defined as those with incomes less than 80 percent of the estimated current area median family income (AMFI). Middle-income borrowers have incomes of at least 80 percent and less than 120 percent of AMFI, and high-income borrowers have incomes of at least 120 percent of AMFI. AMFI is estimated based on the incomes of residents of the metropolitan area or nonmetropolitan portion of the state in which the loan-securing property is located. For AMFI estimates, see Federal Financial Institutions Examination Council (2019), "FFIEC Median Family Income Report," available at https://www.ffiec.gov/Medianincome.htm.

[23] Definitions for LMI, middle-income, and high-income neighborhoods are identical to those for LMI, middle-income, and high-income borrowers, but are based on the ratio of census-tract median family income to AMFI measured from the census data.

[24] The bottom of Table 2 provides the total loan counts for each year, and thus the number of loans to a given group in a given year can be easily computed. For example, the number of home-purchase loans to Asians in 2019 was approximately 213,000, calculated by multiplying 3.7 million loans by 5.7 percent.

estimates that accompany the public HMDA data (and that are used for this Data Point article).[25] Therefore, in Table 2 and all subsequent tables that use neighborhood income categories, the underlying neighborhood income data used to generate the results for 2017 and later are different from the data used for 2016 and earlier. Similarly, neighborhood income data used for the results from 2012 through 2016 are different than those used from 2011 and earlier. Second, the tract demographic measures for 2017 and later are based on the 2015 American Community Survey (ACS) five-year estimates, whereas the 2012–2016 data relied on the 2010 ACS five-year estimates, and the 2004–2011 data relied on the 2000 Census data. Lastly, the Office of Management and Budget (OMB) updates metropolitan area delineations over time. In short, income and demographic data can be compared across ACS datasets, and also between ACS and the 2000 Census data.[26] However, given the changes in geographic delineations over time, some caution should be exercised in comparing relative income measurements over time.

[25] For details on the changes of census information used in this Data Point article, see FFIEC's "Changes for Current Census File," at https://www.ffiec.gov/census/htm/2015CensusInfoSheet.htm

[26] See https://www.census.gov/programs-surveys/acs/guidance/comparing-acs-data.html for more details.

4.2 Average loan size by demographic group

The average size of loan amount differs substantially by race and ethnicity. Table 3 shows the average size of home purchase and refinance loans for different groups over time.[27] In 2019, Asian borrowers continued to take out loans with the largest loan amount, averaging approximately $412,000 for home purchases and $450,000 for refinance loans. On the other hand, Black borrowers continued to take out loans with the smallest loan amount, averaging approximately $243,000 for home purchases and $250,000 for refinance loans.

The average home-purchase loan amounts have followed historical trends in home prices, rising during the mid-2000s, falling sharply through 2008 and 2009, and then beginning to rise again since about 2010.[28] The average home-purchase loan amounts returned to pre-crisis levels (in nominal terms) by 2014 for Asians and Blacks, and by 2013 for non-Hispanic Whites.[29] Hispanic White borrowers were the last racial/ethnic group to have home-purchase loan amount surpass the pre-crisis level in 2019. The average value of home-purchase loans to Hispanic White borrowers was $249,000 in 2019, which surpasses the pre-Recession peak of $238,000 in 2006.

The average loan amount for refinancing has risen since 2013 and increased significantly more than home-purchase loans between 2018 and 2019. The year-over-year increase in the average loan amount for refinancing was 23.4 percent compared with 4.2 percent for home-purchase loans. The largest increase in the average refinance loan amount occurred for LMI borrowers and LMI neighborhoods.

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[27] All dollar amounts are reported in nominal terms.

[28] The Federal Housing Finance Agency's (FHFA's) quarterly Purchase-Only House Price Index (seasonally adjusted) increased each quarter during 2019 and was up 5.1 percent for the year. The housing price increases seen at the national level varied considerably across geography ranging from a slight 3 percent increase in North Dakota to 12 percent increases in Idaho (seasonally adjusted, year-over-year comparison). All of these data are available from FHFA at https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx.

[29] Beginning in 2018, HMDA reporters were required to report the loan amount to the dollar instead of rounded to the thousands, which might affect comparability of averages over time.

TABLE 3: AVERAGE VALUE OF HOME-PURCHASE AND REFINANCE LOANS, BY BORROWER AND NEIGHBORHOOD CHARACTERISTICS, 2004-2019 (THOUSANDS OF DOLLARS, NOMINAL, EXCEPT AS NOTED)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Home Purchase																
Borrower race and ethnicity[1]																
Asian	280	316	326	334	299	276	293	291	304	328	344	360	373	390	406	412
Black or African American	166	183	197	197	184	172	174	174	179	193	199	209	217	224	232	243
Hispanic white	189	224	238	220	186	168	168	168	176	190	198	209	220	230	237	249
Non-Hispanic white	193	211	216	222	209	195	204	204	213	226	231	239	246	254	261	273
Other minority[2]	206	240	257	245	216	196	201	198	206	219	229	241	249	256	259	266
Joint	233	255	261	269	255	248	263	261	274	289	293	302	311	321	332	347
Missing	216	248	261	280	265	242	256	262	279	298	293	303	308	317	313	324
Borrower income[3]																
Low or moderate	114	116	117	124	128	129	128	125	131	132	132	141	146	152	163	174
Middle	165	170	170	176	182	187	189	184	192	194	193	204	209	217	228	242
High	281	306	313	317	298	291	303	302	313	323	328	341	345	359	371	386
Income not used or not applicable	208	235	254	257	211	189	204	221	231	258	275	292	312	333	366	356
Neighborhood income[4]																
Low or moderate	159	180	189	188	175	160	164	163	158	171	178	188	199	204	213	221
Middle	172	190	197	196	186	174	177	173	178	191	196	206	216	224	233	244
High	258	284	294	301	277	257	270	271	282	300	306	316	324	340	349	360
Memo																

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
All home-purchase loans	201	221	228	232	217	202	210	210	221	235	240	249	257	267	274	286
Conventional jumbo loans (percent of originations)(5)	11.2	12.7	9.4	6.8	2.3	1.3	1.7	2.2	3.0	4.0	4.8	5.3	5.2	5.5	5.2	4.8
Conventional jumbo loans (percent of loaned dollars)(5)	29.4	32.5	26.8	21.8	10.1	6.2	7.5	9.5	12.0	14.6	16.5	17.3	16.9	17.6	16.9	15.5
B. Refinance																
Borrower race and ethnicity(1)																
Asian	274	325	370	368	321	298	313	309	308	304	341	363	368	368	376	450
Black or African American	151	180	199	192	173	184	180	174	181	171	174	199	212	213	209	250
Hispanic white	178	219	252	244	193	190	191	183	190	180	190	214	228	223	227	272
Non-Hispanic white	180	205	221	222	205	209	210	208	212	206	216	239	251	238	237	289
Other minority(2)	190	229	269	258	211	217	218	207	213	201	213	240	252	245	240	285
Joint	210	246	265	262	243	247	254	249	254	249	266	292	304	290	295	354
Missing	194	226	246	250	242	243	248	253	253	244	245	268	277	259	262	320
Borrower income(3)																
Low or moderate	114	124	124	126	129	138	133	128	135	128	123	136	143	143	154	192
Middle	162	181	183	181	180	185	180	174	182	171	174	193	202	200	208	244
High	256	294	320	312	276	268	274	281	277	276	301	324	330	329	335	395
Income not used or not applicable	150	178	240	236	192	203	202	185	211	193	198	229	243	225	236	296
Neighborhood income(4)																
Low or moderate	142	169	188	185	164	173	173	167	163	153	157	182	196	185	187	232
Middle	158	184	201	198	182	184	182	175	181	173	180	201	214	204	205	251
High	245	282	313	311	272	259	265	269	269	270	290	311	321	316	320	377

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Memo																
All refinance loans	185	212	232	231	212	216	220	218	221	213	222	247	259	246	245	302
Conventional jumbo loans (percent of originations)(5)	9.2	11.4	10.2	7.5	2.0	0.9	1.6	2.4	2.2	3.0	4.2	4.9	4.6	4.3	4.0	4.8
Conventional jumbo loans (percent of loaned dollars)(5)	25.8	29.6	28.3	23.0	9.0	4.1	6.9	10.7	9.2	12.7	16.5	16.8	15.7	16.4	15.3	16.3

NOTE: First-lien mortgages for one- to four-family, owner-occupied, site-built homes.

(1) See table 2, note 1.

(2) See table 2, note 2.

(3) See table 2, note 3.

(4) See table 2, note 4.

(5) Fraction of loans that are conventional and have loan amounts in excess of the single-family conforming loan-size limits for eligibility for purchase by the government-sponsored enterprises.

4.3 Jumbo lending

A loan qualifies as jumbo if the loan amount is above the GSEs' conforming loan-size limit for a single-family home for that year and location. The conforming loan-size limit was mostly uniform across the nation prior to 2008. The limits in Alaska, Hawaii, the U.S. Virgin Islands, and Guam were 50 percent higher than in the nation at large. For the years 2008 and thereafter, designated higher-cost areas had elevated limits. For 2019, the conforming loan-size limit was $484,350 with the maximum limit of $726,525 for higher-cost areas.

As shown in Table 3, conventional jumbo loans—those with loan amounts greater than the GSEs' conforming loan limits and with no other government guarantee—made up 4.8 percent of all first-lien home-purchase loans for owner-occupied, one-to-four-family, site-built homes in 2019, a slight decrease from 2018.[30] Among refinance loans, the share of conventional jumbo loans increased to 4.8 percent in 2019 from 4.0 percent in 2018. Because of their larger size, conventional jumbo loans made up a correspondingly larger share of the dollar volume of mortgages, accounting for 15.5 percent of home-purchase loans and 16.3 percent of refinance loans in 2019.

[30] Beginning with 2018 data, two main issues with pre-2018 jumbo loans have been resolved. First, conforming loan-size limits increase with the number of units that make up the property, but prior to 2018 the HMDA data did not have information on the number of units. Therefore, some loans could have been misclassified as jumbo despite being eligible for purchase by a GSE. This is not an issue for data from 2018 and later, since institutions reported the exact number of property units. A second issue prior to 2018 was that HMDA's implementing rules required lenders to report the loan amounts rounded to the nearest thousands. However, the conforming loan limits published by FHFA may be set in hundreds of dollars. Prior to 2018, FHFA conforming loan limits were rounded to the nearest thousands to match with the HMDA reporting requirement. This is not an issue for 2018 and later years, since loan amount was reported to the dollar (Publicly released loan amounts are rounded to the mid-point of ten-thousand-dollar ranges to protect applicant and borrower privacy). Moreover, to make the identification of jumbo loans easier, the Bureau has included a conforming loan flag in the release of the public HMDA Aggregate LAR since 2018.

4.4 Variation across demographic groups in nonconventional loan use

Historically, nonconventional loans (FHA, VA, RHS, and FSA) provide access to credit to those who may otherwise have had limited access to mortgage credit. One advantage of nonconventional loans is the relatively low down-payment requirement of as little as 3.5 percent for FHA and VA lending programs, which serve the needs of borrowers who have few assets to meet down-payment and closing-cost requirements. FHA-insured and VA-guaranteed programs also provide credit access to borrowers who have low credit scores or high debt-to-income (DTI) ratios and cannot obtain conventional loans.[31] Table 4 shows the share of nonconventional home purchase and refinance loans by race/ethnicity, borrower's income, and neighborhood income groups.

Black and Hispanic White borrowers were more likely than other racial and ethnic groups to take out nonconventional home-purchase loans.[32] In 2019, among those obtaining a first-lien, owner-occupied, site-built, one-to-four-family home purchase mortgage, 60.6 percent of Blacks and 48.8 percent of Hispanic Whites took out a nonconventional loan, whereas 29.7 percent of non-Hispanic Whites and just 12.4 percent of Asians did so.

LMI borrowers and loans for properties in LMI neighborhoods were also more likely to use nonconventional home-purchase loans. About 42 percent of both LMI home-purchase borrowers and of applicants borrowing to purchase homes in LMI neighborhoods used nonconventional loans, compared with 23.5 percent of high-income borrowers and 24.6 percent of borrowers purchasing homes in high-income neighborhoods.

The use of nonconventional loans for home-purchase has declined since 2009 but remained largely unchanged for all racial/ethnic groups from 2018 to 2019, except for Asian borrowers. The share of Asian borrowers using nonconventional home-purchase loans increased by 5.6 percent between 2018 and 2019. Despite the increase, the share of Asian borrowers using

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[31] Sections 6.4.2 and 6.6 of last year's second CFPB HMDA Data Point article explores this in more detail. See "Introducing New and Revised Data Points in HMDA: Initial Observation from New and Revised Data Points in 2018 HMDA," available at https://files.consumerfinance.gov/f/documents/cfpb_new-revised-data-points-in-hmda_report.pdf.

[32] Findings of the Federal Reserve Board's Survey of Consumer Finances for 2017 indicate that income, liquid asset levels, and financial wealth holdings for minorities and lower-income groups are substantially smaller than they are for non-Hispanic White borrowers or higher-income populations, and the long-standing and substantial wealth disparities between families of different racial and ethnic groups have changed little in the past few years. See Board of Governors of the Federal Reserve System, "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances," available at https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm.

nonconventional home-purchase loans remained below its peak of 26.6 percent in 2010 and far below other racial/ethnic groups.

The shares of nonconventional home-purchase loans across borrower and neighborhood incomes mostly increased between 2018 and 2019. The share of nonconventional home-purchase loans largely remained unchanged for LMI borrowers, whereas the share for middle- and high-income borrowers increased slightly between 2018 and 2019.

As was the case for home-purchase loans, Black borrowers and lower-income borrowers were each more likely than borrowers in other groups to refinance through a nonconventional loan. However, the differences were not as stark as for home-purchase loans. Overall, the share of borrowers using nonconventional loans for refinancing was lower than that for home purchases.

The share of borrowers using nonconventional loans for refinancing was at its lowest in 2006, increased substantially between 2006 and 2009, and has been fluctuating ever since. For example, the share of Black borrowers using nonconventional loans for refinancing has fluctuated between its lowest in 2013 at 37.1 percent and its highest in 2016 at 53.0 percent. Similarly, the share for LMI borrowers has fluctuated between 9.3 percent in 2012 and 32.3 percent in 2019.[33]

[33] The reported nonconventional share of refinance loans likely underestimates the actual share for the groups categorized by borrower income because, for most nonconventional refinance loans, income was not reported. Thus, when income was reported on a refinance loan, the loan is likely to be conventional.

TABLE 4: NONCONVENTIONAL SHARE OF HOME-PURCHASE AND REFINANCE LOANS, BY BORROWER AND NEIGHBORHOOD CHARACTERISTICS, 2004-2019 (PERCENT)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Home Purchase																
Borrower race and ethnicity[1]																
Asian	2.9	1.8	2.1	2.6	13.4	26.1	26.6	25.8	21.9	16.1	14.7	16.6	15.6	13.4	11.8	12.4
Black or African American	21.7	14.3	13.6	21.7	64.1	82.0	82.9	80.3	77.2	70.8	68.0	70.2	68.5	64.9	60.6	60.6
Hispanic white	13.7	7.5	7.0	12.4	51.4	75.4	77.0	74.1	70.7	63.1	59.6	62.7	59.8	55.5	48.8	48.8
Non-Hispanic white	11.1	8.9	9.5	11.5	35.4	52.0	50.3	47.4	42.2	35.5	33.4	36.0	35.2	33.1	29.7	29.7
Other minority[2]	14.0	9.3	9.4	14.8	48.4	67.6	68.8	65.9	62.2	55.5	54.0	55.3	54.2	52.1	49.3	50.1
Joint	16.9	12.8	14.4	17.2	46.4	59.4	56.3	53.6	48.9	42.1	41.3	43.8	43.1	40.9	37.3	37.1
Missing	11.3	5.1	5.7	8.8	32.7	50.6	49.4	45.9	39.4	31.9	32.2	34.9	34.7	31.9	31.0	32.5
Borrower income[3]																
Low or moderate	20.3	15.2	14.9	16.0	46.1	65.3	66.6	64.5	59.7	52.5	50.3	53.4	51.7	47.5	41.6	41.5
Middle	14.3	11.0	12.6	16.7	46.1	60.4	59.3	57.0	51.5	45.6	44.8	47.7	47.6	45.1	40.8	41.5
High	5.3	3.9	4.9	7.5	26.7	38.5	37.2	34.4	29.5	25.1	24.2	26.3	26.7	25.2	23.2	23.5
Neighborhood income[4]																
Low or moderate	15.8	9.7	9.6	13.8	45.4	64.3	65.0	61.2	57.9	49.9	48.1	50.4	48.8	46.2	41.4	42.0
Middle	14.1	10.2	10.8	14.2	42.7	59.8	59.4	56.9	52.1	44.7	43.1	45.6	44.6	41.7	37.8	38.1
High	7.1	5.4	6.1	7.6	27.4	43.4	42.0	39.5	34.6	28.2	26.1	29.0	28.4	26.3	23.8	24.6
Memo: All borrowers	11.9	8.5	9.0	11.8	37.6	54.4	53.4	50.5	45.2	38.2	36.6	39.4	38.7	36.3	33.0	33.4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
B. Refinance																
Borrower race and ethnicity[1]																
Asian	1.2	0.7	0.6	1.0	4.6	5.7	4.7	4.3	5.9	6.7	6.8	9.8	8.3	10.2	11.0	9.1
Black or African American	11.1	5.8	4.4	10.2	39.2	53.8	42.0	37.8	38.6	37.1	39.1	49.4	53.0	47.0	43.1	52.5
Hispanic white	5.6	2.6	1.9	3.9	20.5	36.2	28.2	22.9	26.9	25.8	21.2	32.1	30.5	26.4	23.3	29.5
Non-Hispanic white	4.0	2.4	2.6	4.9	15.9	16.8	13.6	12.2	14.2	14.8	16.3	21.0	21.7	22.3	21.5	22.6
Other minority[2]	5.5	3.4	2.4	4.9	20.0	28.3	23.3	21.9	25.5	24.9	25.0	32.6	36.7	33.7	33.1	38.7
Joint	7.5	3.7	3.4	6.2	19.5	21.1	16.6	16.3	20.1	20.5	25.5	28.0	29.3	29.6	28.5	30.7
Missing	4.2	1.9	1.7	4.1	18.7	19.0	12.5	13.6	16.5	16.7	21.5	25.5	27.7	28.3	25.7	29.5
Borrower income[3]																
Low or moderate	2.3	1.6	2.9	5.7	18.3	16.6	14.1	11.5	9.3	9.3	13.0	16.5	18.4	23.5	28.2	32.3
Middle	1.7	1.3	2.7	6.2	19.6	13.2	12.3	10.9	8.9	9.5	13.2	14.8	15.3	21.4	23.5	17.3
High	0.8	0.6	1.1	2.7	10.6	7.2	6.8	6.3	5.5	6.1	8.8	9.2	9.2	14.2	16.4	10.2
Neighborhood income[4]																
Low or moderate	5.9	3.2	2.9	6.3	24.6	31.2	23.1	19.7	22.2	22.1	22.4	29.5	30.4	30.4	28.1	32.1
Middle	5.2	3.0	2.9	5.8	20.2	22.3	17.5	16.1	18.4	19.0	20.9	26.8	28.2	27.8	26.1	29.2
High	2.9	1.7	1.6	3.0	11.3	12.1	10.0	9.3	11.7	12.4	14.5	18.5	19.0	19.4	18.4	19.8
Memo: All borrowers	4.6	2.6	2.5	5.0	17.6	18.7	14.4	13.3	15.6	16.4	18.4	23.5	24.3	24.9	23.5	25.5

NOTE: First-lien mortgages for one- to four-family, owner-occupied, site-built homes. Excludes applications where no credit decision was made. Nonconventional loans are those insured by the Federal Housing Administration or backed by guarantees from the U.S. Department of Veterans Affairs, the Farm Service Agency, or the Rural Housing Service.

(1) See table 2, note 1.

(2) See table 2, note 2.
(3) See table 2, note 3.
(4) See table 2, note 4.

4.5 Denial rates and reasons

As in past years, Black and Hispanic White borrowers had notably higher denial rates in 2019 than non-Hispanic White and Asian borrowers. For example, the denial rates for conventional home-purchase loans were 16.0 percent for Black borrowers and 10.8 percent for Hispanic White borrowers (Table 5). In contrast, denial rates for such loans were 8.6 percent for Asian borrowers and 6.1 percent for non-Hispanic White borrowers.

Differences in denial rates and in the incidence of higher-priced lending (the topic of the next subsection) among racial and ethnic groups may stem, at least in part, from factors related to credit risk.[34] Some of those factors—such as credit history (including credit score), ratio of total monthly DTI ratio, and combined loan-to-value (CLTV) ratio—were available for the second consecutive year in the 2019 HMDA data.[35]

Denial rates for home-purchase applications were generally lower in 2019 compared to 2018.[36] The overall denial rate on applications for conventional and nonconventional home-purchase loans was 8.9 percent in 2019, 10 percent lower than in 2018. The denial rate for each racial/ethnic group also declined from 2018 to 2019. These declines in 2019 continued a general trend since the Great Recession of declining denial rates for home-purchase mortgages.

Although denial rates on home-purchase applications declined from 2018 to 2019, the rate of decline varied by racial/ethnic group and types of loans. For example, for conventional and nonconventional applications combined, denial rates for non-Hispanic Whites declined from 7.9 percent in 2018 to 7.0 percent in 2019 (11 percent decline) compared to a smaller decline for Blacks from 17.4 percent to 15.9 percent (8 percent). As a second example, the denial rate for all applications for nonconventional home-purchase loans decreased by 11 percent, while that for conventional loans decreased by 9 percent.

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[34] HMDA data are regularly used in fair lending examination and enforcement processes. When examiners for the federal banking agencies evaluate an institution's fair lending risk, they analyze HMDA price data, loan application outcomes, and explanatory factors, in conjunction with other information and risk factors, which can be drawn directly from loan files or electronic records maintained by lenders, in accordance with the Interagency Fair Lending Examination Procedures (available at https://www.ffiec.gov/PDF/fairlend.pdf).

[35] To protect applicant and borrower privacy, credit score is excluded from the 2019 application-level HMDA data made available to the public, and DTI is binned into ranges.

[36] Denial rates are calculated as the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness.

Consistent with home-purchase loans, denial rates on refinance applications also decreased between 2018 and 2019 but at a much faster rate. Denial rates on refinance loans applications for conventional and nonconventional combined decreased by 34 percent, from 29.0 percent in 2018 to 19.2 percent in 2019. Furthermore, denial rates for all refinance loan types decreased between 2018 and 2019 for all racial and ethnic groups with the largest change being a 42-percent decline for Asian applicants for conventional loans. Overall, refinance applications were denied at about twice the rate of home-purchase applications.

TABLE 5: HOME-PURCHASE AND REFINANCE LOAN DENIAL RATES, BY LOAN TYPE AND BORROWER RACE AND ETHNICITY, 2004-2019 (PERCENT)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Home Purchase																
Conventional and nonconventional[1]																
All applicants	14.4	16.0	18.0	18.7	18.0	15.5	15.6	15.8	14.9	14.4	13.3	12.1	11.5	10.7	9.8	8.9
Asian	13.7	15.9	16.9	17.5	19.2	16.3	15.9	16.5	15.8	15.3	14.1	12.7	11.6	10.6	10.2	9.1
Black or African American	23.6	26.5	30.3	33.5	30.6	25.5	24.9	26.0	26.0	25.5	23.0	20.8	19.8	18.4	17.4	15.9
Hispanic white	18.3	21.1	25.1	29.5	28.3	22.2	21.8	21.1	20.2	20.5	18.4	16.2	15.0	13.4	13.1	11.6
Non-Hispanic white	11.1	12.2	12.9	13.3	14.0	12.8	13.0	13.1	12.5	12.0	11.1	10.0	9.5	8.8	7.9	7.0
Other minority[2]	19.4	20.8	24.0	26.7	25.5	21.2	22.0	20.9	20.8	21.2	19.0	17.2	16.6	14.7	14.3	13.0
Conventional only																
All applicants	14.6	16.3	18.5	19.0	18.3	15.8	15.2	15.1	13.6	12.9	11.9	10.8	10.2	9.6	8.4	7.6
Asian	13.7	16.0	17.1	17.5	19.1	15.8	14.9	15.5	14.4	14.2	13.3	11.9	10.9	10.1	9.6	8.6
Black or African American	25.0	27.8	31.9	35.7	37.6	35.8	33.7	33.2	32.0	28.5	25.1	23.3	22.0	19.2	16.9	16.0
Hispanic white	18.6	21.4	25.7	30.5	32.5	26.9	24.9	24.2	22.4	21.5	18.9	17.2	15.4	13.5	12.1	10.8
Non-Hispanic white	11.2	12.3	13.2	13.3	14.1	13.3	12.9	12.7	11.6	10.8	9.9	9.1	8.5	7.8	6.8	6.1
Other minority[2]	19.7	21.2	24.8	27.8	29.0	25.9	28.1	24.6	23.6	22.5	20.2	18.2	16.8	14.8	13.4	12.9
Nonconventional only[1]																
All applicants	13.3	12.5	12.1	16.2	17.4	15.3	16.0	16.5	16.3	16.8	15.8	13.9	13.4	12.8	12.7	11.3
Asian	12.6	11.6	10.6	15.5	20.2	17.7	18.7	19.3	20.2	20.6	18.9	16.2	14.9	14.1	14.2	12.9
Black or African American	17.7	16.8	16.2	22.8	25.3	22.6	22.7	23.9	24.0	24.1	21.9	19.7	18.8	17.9	17.7	15.9
Hispanic white	16.3	17.2	15.7	20.5	23.1	20.4	20.7	19.9	19.3	19.9	18.0	15.6	14.7	13.4	14.3	12.4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Non-Hispanic white	10.7	10.2	10.0	13.1	13.9	12.5	13.0	13.6	13.7	14.1	13.4	11.7	11.2	10.6	10.5	9.1
Other minority(2)	16.8	16.3	15.2	18.6	20.9	18.7	18.7	18.8	18.9	20.1	17.9	16.2	16.4	14.7	15.2	13.2
B. Refinance																
Conventional and nonconventional(1)																
All applicants	29.5	32.6	35.4	39.6	37.7	24.0	23.3	23.8	19.9	23.3	31.0	27.2	29.9	26.3	29.0	19.2
Asian	18.8	23.5	27.5	32.6	32.5	21.4	19.5	20.1	17.3	21.0	28.1	23.8	25.1	24.7	28.0	16.0
Black or African American	39.9	42.2	44.1	52.0	56.0	42.2	41.7	40.0	32.8	35.0	45.8	43.1	45.9	39.1	44.1	32.8
Hispanic white	28.7	30.1	33.2	43.0	49.1	36.4	33.4	33.2	27.5	29.6	36.7	32.5	33.8	30.1	32.0	23.0
Non-Hispanic white	24.1	26.9	30.1	33.7	32.2	20.7	20.6	21.3	17.8	20.5	27.5	24.1	26.9	22.9	24.9	16.4
Other minority(2)	33.7	35.5	40.6	52.0	57.4	37.3	35.4	34.4	30.0	32.1	41.6	40.1	44.2	37.2	42.2	30.4
Conventional only																
All applicants	30.1	32.9	35.6	39.9	37.0	22.1	21.2	22.3	19.4	22.5	29.6	26.4	28.8	24.0	24.8	16.6
Asian	18.8	23.5	27.5	32.5	31.5	20.2	18.5	19.4	17.0	20.5	27.2	23.2	23.7	23.4	25.4	14.7
Black or African American	41.7	43.0	44.7	53.3	60.9	48.6	41.4	40.6	34.8	36.0	47.0	47.7	52.3	39.3	39.9	33.5
Hispanic white	29.3	30.2	33.3	43.2	50.2	38.9	33.6	33.5	28.9	30.6	37.3	34.8	35.2	30.0	30.1	22.7
Non-Hispanic white	24.6	27.1	30.4	33.9	31.5	19.1	18.9	20.1	17.4	19.9	26.2	23.2	25.7	20.6	21.2	14.1
Other minority(2)	34.5	35.7	40.9	52.6	59.4	38.4	34.8	34.4	31.1	32.6	40.9	41.2	45.9	34.5	37.1	28.5
Nonconventional only(1)																
All applicants	15.0	20.1	21.9	31.6	40.9	31.1	33.3	32.2	22.2	26.7	36.5	29.6	33.0	32.4	39.6	25.7
Asian	15.0	20.0	22.0	38.5	48.9	37.2	34.2	32.7	22.2	26.9	37.5	28.8	36.7	34.1	43.7	26.7
Black or African American	17.5	23.6	24.6	33.7	43.5	35.1	42.2	39.1	29.5	33.1	43.9	37.5	38.8	38.8	48.9	32.2
Hispanic white	15.7	23.6	26.3	34.6	43.4	31.4	33.0	32.3	23.3	26.6	34.5	27.1	30.5	30.6	37.3	23.7

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Non-Hispanic white	12.0	17.6	19.7	28.3	36.1	27.4	29.3	29.0	19.7	23.8	33.7	26.9	31.0	29.7	36.0	23.3
Other minority(2)	15.2	25.8	22.2	34.8	45.4	34.1	37.0	34.4	26.6	30.6	43.8	37.6	41.2	41.9	50.2	33.3

NOTE: First-lien mortgages for one- to four-family, owner-occupied, site-built homes. For a description of how borrowers are categorized by race and ethnicity, see table 2, note 1.

(1) Nonconventional loans are those insured by the Federal Housing Administration or backed by guarantees from the U.S. Department of Veterans Affairs, the Farm Service Agency, or the Rural Housing Service.

(2) See table 2, note 2.

Variations in denial rates over time reflect not only changes in credit standards, but also changes in the demand for credit and in the composition of borrowers applying for mortgages. For example, the denial rate on applications for conventional home-purchase loans was lower in 2019 (7.6 percent) than the years leading up to the Great Recession (19 percent), even though most measures of credit availability suggest that credit standards were tighter in 2019.[37] This may stem from a relatively large drop in applications from riskier applicants or in applications that are risky for other reasons, such as documentation or collateral risk.

Historically, lenders could, but were not required to, report up to three reasons out of nine potential reasons for denying a mortgage application. The 2015 HMDA rule (1) changed reporting of denial reasons from optional to mandatory, (2) required reporting of up to four denial reasons, and (3) added a mandatory free-form text field to fill in when reporting a denial for "other" reasons. Table 6 presents all of the reasons reported by a lender for denying an application.[38]

The four most frequently cited denial reasons for both home-purchase and refinance loans were the applicant's credit history, DTI ratio, collateral, and credit application incomplete. The DTI ratio was overwhelmingly the most common reason for denial of home-purchase applications. For refinance applications that were denied, credit history was cited with a frequency similar to DTI ratio. In addition, for denied home-purchase applications, prospective lenders were more likely to cite collateral as the denial reason on conventional than on nonconventional applications. On the other hand, for denied refinance applications, prospective lenders were much more likely to cite DTI ratio as a denial reason on conventional than on nonconventional applications.

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[37] Both the Mortgage Bankers Association (MBA) and the Urban Institute publish indexes of mortgage credit availability. For the most recent index, see https://www.urban.org/policy-centers/housing-finance-policy-center/projects/housing-credit-availability-index. Information about MBA's mortgage credit availability index is available at https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index. Although tighter than during the mid-2000s, both indexes have shown slight loosening of mortgage credit availability since the financial crisis. Much of the recent easing in mortgage underwriting was for loans that were eligible for purchase by the GSEs. In addition, the October 2019 Senior Loan Officer Opinion Survey on Bank Lending Practices suggest that mortgage credit conditions remained unchanged throughout 2019 and credit remained more difficult to obtain for subprime borrowers. The survey is available on the Federal Reserve Board's website at https://www.federalreserve.gov/data/sloos/sloos-201910.htm.

[38] Note that the sum across columns can add up to more than 100 percent because lenders can cite more than one denial reason.

TABLE 6: REASONS FOR DENIAL OF HOME-PURCHASE AND REFINANCE LOANS, BY LOAN TYPE AND BORROWER RACE AND ETHNICITY, 2019 (PERCENT)

	Debt-to-income ratio	Employ-ment history	Credit history	Collateral	Insuf-ficient cash	Unveri-fiable informa-tion	Credit applica-tion incom-plete	Mortgage insurance denied	Other	No reason given
A. Home Purchase										
Conventional and nonconventional[(1)]										
All applicants	30.1	3.5	18.6	14.6	5.4	5.5	10.8	0.1	9.0	0.0
Asian	37.4	4.0	9.3	11.1	6.7	9.0	11.4	0.1	10.0	0.0
Black or African American	32.5	3.2	24.9	11.2	5.1	4.6	8.4	0.1	8.2	0.0
Hispanic white	33.0	4.0	16.2	14.8	5.5	7.0	8.3	0.2	9.9	0.0
Non-Hispanic white	27.9	3.5	18.5	16.0	5.4	4.8	11.0	0.1	8.9	0.0
Other minority[(2)]	31.0	3.5	23.3	12.1	4.9	4.5	9.0	0.1	9.3	0.0
Conventional only										
All applicants	30.3	2.7	16.1	15.9	5.6	5.9	10.9	0.1	8.6	0.0
Asian	36.7	3.5	8.4	11.5	7.1	9.4	11.8	0.1	10.1	0.0
Black or African American	31.1	2.1	24.0	13.8	4.8	4.4	7.4	0.1	8.6	0.0
Hispanic white	32.2	3.0	15.0	16.3	5.5	7.3	7.9	0.1	10.4	0.0
Non-Hispanic white	28.8	2.6	16.3	17.0	5.5	5.3	11.1	0.1	8.0	0.0
Other minority[(2)]	31.1	2.6	22.8	12.1	4.7	4.9	8.2	0.0	9.5	0.0
Nonconventional only[(1)]										
All applicants	29.8	4.7	21.7	12.8	5.2	4.9	10.6	0.1	9.4	0.0

	Debt-to-income ratio	Employment history	Credit history	Collateral	Insufficient cash	Unverifiable information	Credit application incomplete	Mortgage insurance denied	Other	
	40.5						9.2			
Black or African American	33.5	3.9	25.4	9.5	5.3	4.8	9.1	0.1	8.0	0.0
Hispanic white	33.8	4.8	17.3	13.4	5.6	6.8	8.6	0.2	9.4	0.0
Non-Hispanic white	26.5	5.0	22.0	14.5	5.2	4.2	10.9	0.2	10.3	0.0
Other minority[2]	30.9	4.4	23.7	12.1	5.1	4.0	9.8	0.1	9.0	0.0
B. Refinance										
Conventional and nonconventional[1]										
All applicants	24.2	1.0	22.4	15.7	2.0	2.7	18.7	0.0	11.8	0.0
Asian	35.0	1.3	14.0	12.6	2.9	4.7	16.9	0.1	11.9	0.0
Black or African American	21.3	0.7	31.8	13.1	1.9	2.0	15.0	0.0	13.2	0.0
Hispanic white	29.5	1.1	22.5	11.9	2.3	3.4	15.1	0.1	13.0	0.0
Non-Hispanic white	23.8	1.0	22.6	16.5	1.9	2.7	17.8	0.0	11.5	0.0
Other minority[2]	23.9	0.8	26.4	13.4	1.7	2.4	16.5	0.0	13.8	0.0
Conventional only										
All applicants	29.3	1.1	19.2	15.4	2.1	3.3	16.4	0.0	10.8	0.0
Asian	37.9	1.4	11.9	12.4	3.1	5.1	16.2	0.0	11.1	0.0
Black or African American	26.7	0.8	27.9	12.4	1.9	2.3	13.0	0.0	13.0	0.0
Hispanic white	34.3	1.1	20.4	11.5	2.2	3.6	12.8	0.0	12.3	0.0
Non-Hispanic white	28.4	1.1	19.6	16.3	2.1	3.2	15.8	0.0	10.4	0.0
Other minority[2]	29.4	1.0	21.3	12.2	2.0	2.9	15.8	0.0	13.6	0.0

	Debt-to-income ratio	Employment history	Credit history	Collateral	Insufficient cash	Unverifiable information	Credit application incomplete	Mortgage insurance denied	Other	No reason given
Nonconventional only(1)										
All applicants	15.7	0.8	27.8	16.2	1.7	1.9	22.3	0.1	13.4	0.0
Asian	21.4	1.1	24.1	13.3	1.8	2.8	19.8	0.1	15.6	0.0
Black or African American	16.2	0.6	35.4	13.7	2.0	1.6	16.9	0.1	13.4	0.0
Hispanic white	18.7	0.9	27.3	12.7	2.7	2.8	20.1	0.1	14.5	0.0
Non-Hispanic white	15.5	0.8	28.0	16.9	1.7	1.9	21.4	0.1	13.5	0.0
Other minority(2)	17.1	0.5	32.7	14.9	1.3	1.8	17.5	0.0	14.2	0.0

NOTE: Denied first-lien mortgage applications for one- to four-family, owner-occupied, site-built homes. Columns sum to more than 100 because lenders may report up to three denial reasons. For a description of how borrowers are categorized by race and ethnicity, see table 2, note 1.

(1) See table 5, note 1.

(2) See table 2, note 2.

Denial reasons vary across racial and ethnic groups. The DTI ratio was cited most often as a denial reason for home-purchase applicants in all racial and ethnic groups. Credit history was the second most common denial reason cited for home-purchase applicants for all groups except Asians, for whom credit application incomplete was the second most common reason for conventional loans, as well as conventional and nonconventional loans combined.

5. Incidence of higher-priced lending

The definition of higher-priced loans has changed over time. Prior to October 2009, loans were classified as higher-priced if the spread between the Annual Percentage Rate (APR) and the rate on a Treasury bond of comparable term exceeded three percentage points for first-lien loans or five percentage points for junior-lien loans.[39] Following a change to Regulation C in October 2009, loans were classified as higher-priced if the APR exceeded the average prime offer rate (APOR) for loans of a similar type by at least 1.5 percentage points for first-lien loans or 3.5 percentage points for junior-lien loans.[40] However, since the 2018 implementation of the DFA's requirement to report rate spread regardless of loan price, Regulation C no longer specifies a threshold for defining higher-priced loans.[41]

To compare the 2019 data to the data from earlier years, the Bureau defines higher-priced loans according to the classification used in Regulation C after 2009.[42] Given the change from a comparison of APR against a Treasury bond rate to a comparison against APOR, it is

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[39] The APR of a closed-end mortgage differs from the interest rate because an APR takes certain up-front fees and loan costs, such as discount points and mortgage origination charges, into account. APR is calculated over the term of a loan, which may not represent the real expected rate of return if the expected life of a loan is shorter than its term.

[40] APOR is an estimate of APR on loans being offered to high-quality prime borrowers. It is based on the contract interest rates and discount points reported by Freddie Mac's "Primary Mortgage Market Survey" (www.freddiemac.com/pmms), and from the Bureau's own survey of one-year ARMs (https://ffiec.cfpb.gov/tools/rate-spread).

[41] Prior to 2018, Regulation C required reporters to report rate spread data only on higher-priced mortgage loans (HPML).

[42] It is important to note that the definition of higher-priced mortgage lending discussed in this section pertains to APR spread in Regulation C only, using a definition drawn from post-2009 Regulation C requirements. This is to facilitate historical comparison of the HMDA data. It may not match the higher priced mortgage loan definition in other regulations. In particular, a clause in Regulation Z defines, for the escrow purpose, a first-lien higher priced mortgage loan to be a first-lien mortgage with an APR that exceeds the APOR by 2.5 percentage points or more, if the principal amount of the mortgage exceeds Freddie Mac's limit for mortgages it will purchase ("jumbo loan") in effect as of the date the interest rate for the transaction is set. (See https://files.consumerfinance.gov/f/201401_cfpb_tila-hpml-escrow_compliance-guide.pdf for details.)

difficult to compare rates of higher-priced lending pre- and post-2009.[43] Table 7 provides rates of higher-priced mortgage lending by loan purpose, loan type, and race/ethnicity.

The share of home-purchase loans that were higher-priced remained largely constant from 2018 to 2019. The percentage of home-purchase loans (again, first liens for one-to-four-family, owner-occupied, site-built properties) above the higher-priced threshold remained constant at about 11 percent for conventional and nonconventional loans combined.[44] On the other hand, nonconventional home-purchase loans (22.7 percent) were much more likely to be higher-priced than conventional loans (4.6 percent).

Refinance loans were less likely to be higher-priced than home-purchase loans, and the share of all refinance loans that were higher-priced remained constant at about 4 percent in 2019. The share of nonconventional higher-priced refinance loans showed a greater decline (by 20 percent) compared to that for conventional loans (by 5 percent).

Table 7 shows that, as in earlier years, Black and Hispanic White borrowers were more likely to have higher-priced conventional and nonconventional loans in 2019. For home-purchase loans, 22.3 percent of loans to Black borrowers and 23.0 percent of loans to Hispanic White borrowers were higher-priced, compared with 8.3 percent of loans to non-Hispanic Whites. For refinance loans, 7.0 percent of loans to Black borrowers and 6.0 percent of loans to Hispanic White borrowers were higher-priced, in contrast to 3.4 percent for non-Hispanic Whites.

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[43] For more detailed discussion on the change of APR spread methodology in 2009, see Avery, Robert B., et al., "The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress," available at https://www.federalreserve.gov/pubs/bulletin/2010/articles/2009HMDA/default.htm.

[44] The rate spread data point is one of the data points covered by EGRRCPA, so HMDA reporters eligible for the exemption under the EGRRPCA are not required to report the rate spread data. The results in Table 7 for 2018 and 2019 include originations from these reporters in all calculations.

TABLE 7: INCIDENCE OF HIGHER-PRICED HOME-PURCHASE AND REFINANCE LENDING, BY LOAN TYPE AND BORROWER RACE AND ETHNICITY, 2004-2019 (PERCENT)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Home Purchase																
Conventional and nonconventional[1]																
All applicants	9.8	22.5	23.2	12.7	8.1	4.6	2.2	3.3	3.1	7.1	11.6	7.6	7.7	8.4	10.6	10.7
Asian	5.5	16.3	16.4	7.6	4.0	2.4	1.0	1.5	1.4	3.1	5.2	3.6	3.7	4.2	5.0	4.9
Black or African American	24.3	46.7	46.4	27.6	14.5	7.1	3.0	5.0	5.3	14.3	25.6	16.2	15.8	18.0	22.9	22.3
Hispanic white	17.5	42.0	43.3	25.9	15.8	8.1	3.9	6.1	5.9	16.9	28.5	18.5	18.0	19.3	23.7	23.0
Non-Hispanic white	7.8	15.5	16.0	9.6	7.2	4.3	2.2	3.1	2.9	6.2	9.5	6.3	6.3	6.7	8.2	8.3
Other minority[2]	14.4	30.3	30.7	16.1	9.1	5.3	2.3	3.5	3.4	8.8	13.7	8.9	9.2	10.4	13.2	13.4
Conventional only																
All applicants	11.0	24.5	25.3	14.0	7.3	4.6	3.3	3.8	3.2	2.9	3.1	3.2	3.7	4.2	4.4	4.6
Asian	5.6	16.6	16.7	7.7	3.3	1.9	1.0	1.3	1.2	1.1	1.5	2.1	2.5	3.1	3.3	3.2
Black or African American	30.6	54.1	53.4	34.0	17.4	8.7	6.1	8.0	6.7	6.1	7.7	6.8	8.3	10.3	11.3	10.9
Hispanic white	20.0	45.3	46.3	28.9	17.7	11.0	9.6	10.7	8.7	7.3	6.5	8.3	10.1	11.5	12.3	12.8
Non-Hispanic white	8.6	16.9	17.5	10.5	6.5	4.8	3.4	3.9	3.2	2.9	3.0	2.9	3.3	3.5	3.4	3.6
Other minority[2]	16.1	33.3	33.6	18.5	9.5	6.7	4.7	5.5	5.1	4.9	5.0	4.9	5.6	7.4	7.6	6.7
Nonconventional only[1]																

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
All applicants	1.2	0.9	1.8	3.0	9.5	4.6	1.3	2.7	3.0	13.9	26.3	14.5	14.0	15.7	23.1	22.7
Asian	2.4	0.6	0.8	1.3	8.2	3.9	0.8	2.0	1.9	13.4	26.3	11.4	10.2	11.7	18.0	16.6
Black or African American	1.4	1.6	2.5	4.5	12.8	6.8	2.4	4.3	4.9	17.6	34.0	20.2	19.2	22.2	30.4	29.6
Hispanic white	2.0	1.4	3.5	4.5	14.0	7.1	2.2	4.5	4.8	22.5	43.4	24.6	23.3	25.6	35.7	33.8
Non-Hispanic white	1.0	0.7	1.5	2.5	8.4	3.9	1.0	2.3	2.6	12.1	22.5	12.2	11.7	13.1	19.6	19.3
Other minority(2)	4.4	0.7	2.1	2.4	8.8	4.7	1.2	2.5	2.4	11.9	21.0	12.2	12.2	13.2	19.0	19.9
B. Refinance																
Conventional and nonconventional(1)																
All applicants	14.5	25.0	30.3	21.0	10.9	3.8	1.8	2.1	1.5	1.9	3.3	2.5	2.0	3.0	4.0	3.6
Asian	5.8	15.1	19.5	12.5	3.1	0.9	0.4	0.5	0.4	0.5	1.1	0.7	0.6	1.3	2.6	1.6
Black or African American	30.0	46.2	50.7	38.1	22.8	9.0	6.5	6.8	4.1	3.8	5.7	5.1	3.9	4.7	6.8	7.0
Hispanic white	18.2	32.6	36.9	26.5	15.1	7.0	4.4	4.4	2.6	3.1	4.8	3.9	3.2	4.1	5.8	6.0
Non-Hispanic white	12.3	20.4	25.0	17.6	10.2	3.7	1.8	2.2	1.5	2.0	3.4	2.5	2.1	3.1	3.9	3.4
Other minority(2)	17.6	26.9	32.3	23.8	13.9	4.7	2.5	2.6	2.0	2.2	3.1	2.8	2.2	3.0	4.5	4.7
Conventional only																
All applicants	15.2	25.7	31.0	21.8	10.4	3.1	1.3	1.5	1.2	1.5	2.2	1.6	1.5	2.2	2.7	2.5
Asian	5.8	15.2	19.6	12.5	2.9	0.7	0.2	0.3	0.3	0.3	0.7	0.4	0.4	0.9	2.0	1.3
Black or African American	33.7	49.0	52.8	41.5	27.6	9.9	4.0	4.2	2.9	3.3	3.8	3.1	3.2	3.8	4.9	5.9
Hispanic white	19.2	33.4	37.5	27.3	16.0	7.2	3.3	3.3	2.3	2.4	2.8	2.4	2.3	3.2	4.2	4.7
Non-Hispanic white	12.8	20.9	25.6	18.2	9.8	3.1	1.3	1.6	1.2	1.6	2.3	1.7	1.6	2.3	2.6	2.5
Other minority(2)	18.2	27.7	32.9	24.5	14.7	4.8	1.9	2.2	1.7	2.0	2.1	2.0	1.7	2.3	3.3	3.9

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nonconventional only[1]																
All applicants	1.5	0.9	3.1	6.6	13.2	6.7	4.9	5.9	3.2	3.9	8.3	5.4	3.9	5.4	8.4	6.7
Asian	3.6	2.1	2.5	4.9	8.9	4.8	3.1	4.0	1.8	2.6	7.2	3.4	2.7	4.5	7.6	5.0
Black or African American	1.0	1.2	4.1	7.8	15.2	8.2	9.9	10.9	6.0	4.6	8.5	7.1	4.4	5.7	9.2	8.1
Hispanic white	2.0	0.9	2.6	6.2	11.6	6.6	7.4	7.9	3.6	5.1	12.2	7.0	5.1	6.5	11.1	9.2
Non-Hispanic white	1.3	0.7	2.8	6.0	12.1	6.5	4.6	5.9	3.3	4.2	8.9	5.5	4.0	5.8	8.5	6.6
Other minority[2]	8.1	3.9	9.6	9.9	10.5	4.5	4.6	4.3	2.9	2.8	6.0	4.4	3.0	4.3	6.9	6.0

NOTE: First-lien mortgages for one- to four-family, owner-occupied, site-built homes. For a description of how borrowers are categorized by race and ethnicity, see table 2, note 1.

(1) See table 5, note 1.

(2) See table 2, note 2.

Table 8 shows the distribution of higher-priced loans by property type (e.g. site-built, manufactured), loan purpose, and loan type. In 2019, 36.5 percent of site-built, home-purchase, FHA loans were higher-priced, down from 37.8 percent in 2018. These loans were much more likely to be higher-priced than conventional (4.6 percent) or VA/RHS/FSA (1.7 percent) loans, in part because of the relatively high up-front and annual mortgage insurance premiums charged by the FHA.

Although manufactured housing loans made up less than three percent of all owner-occupied originations, a much higher percentage of them were higher-priced than loans on site-built homes. Among manufactured housing home-purchase loans, 69.3 percent of conventional loans and 70.2 percent of FHA-insured loans were higher priced in 2019. In addition, among those manufactured housing, home-purchase, conventional loans that were higher priced, more than half exceeded the higher-priced threshold by five or more percentage points. This is markedly higher than for all other loan types and purposes where most of higher-priced lending was concentrated right above the 1.5 percentage point threshold.

TABLE 8: DISTRIBUTION OF LOANS WITH APOR SPREAD ABOVE 1.5 PERCENTAGE POINTS, BY PROPERTY TYPE, PURPOSE AND LOAN TYPE, 2019 (PERCENT)

	Total Number	Loans with APOR spread above 1.5 percentage points[1]							
		Number	Percent	Distribution, by percentage points of APOR spread					
				1.5-1.99	2-2.49	2.5-2.99	3-3.99	4-4.99	5 or more
SITE-BUILT HOMES									
Home purchase									
Conventional	2,488,838	115,233	4.6	55.0	24.9	9.2	6.8	2.7	1.5
FHA[2]	754,108	275,175	36.5	60.3	26.9	10.8	1.9	0.0	0.1
VA/RHS/FSA[3]	495,131	8,244	1.7	80.8	15.3	2.4	0.7	0.4	0.4
Refinance									
Conventional	2,294,903	57,994	2.5	56.7	21.5	8.0	7.8	3.7	2.3
FHA[2]	369,215	49,818	13.5	79.2	16.1	3.9	0.6	0.1	0.1
VA/RHS/FSA[3]	417,012	2,866	0.7	84.1	12.2	0.9	2.2	0.5	0.1
MANUFACTURED HOMES									
Home purchase									
Conventional	82,677	57,263	69.3	5.3	4.5	6.2	14.9	16.9	52.2
FHA[2]	24,411	17,139	70.2	40.2	35.3	17.7	5.7	0.3	0.8
VA/RHS/FSA[3]	7,742	824	10.6	75.0	18.3	3.6	2.8	0.2	0.0
Refinance									

	Total Number	Loans with APOR spread above 1.5 percentage points[1]							
		Number	Percent	Distribution, by percentage points of APOR spread					
				1.5-1.99	2-2.49	2.5-2.99	3-3.99	4-4.99	5 or more
Conventional	20,838	4,198	20.1	36.3	18.0	11.0	13.9	7.4	13.3
FHA[2]	7,927	2,774	35.0	54.2	31.7	10.9	3.0	0.1	0.0
VA/RHS/FSA[3]	6,183	305	4.9	79.0	18.0	2.0	0.7	0.3	0.0

NOTE: First-lien mortgages for one- to four-family owner-occupied homes

(1) Average prime offer rate (APOR) spread is the difference between the annual percentage rate on the loan and the APOR for loans of a similar type published weekly by the Federal Financial Institutions Examination Council. The threshold for first-lien loans is a spread of 1.5 percentage points.

(2) Loans insured by the Federal Housing Administration.

(3) Loans backed by guarantees from the U.S. Department of Veterans Affairs, the Rural Housing Service, or the Farm Service Agency.

5.1 HOEPA loans

Under the Home Ownership and Equity Protection Act (HOEPA), certain mortgage loans that have APRs or fees above specified levels (*i.e.*, HOEPA loans or high-cost mortgages) are subject to additional consumer protections, such as special disclosures and restrictions on loan features. In January 2013, the Bureau issued a final rule (2013 HOEPA Rule) implementing DFA amendments that extended HOEPA's protections from refinance and home equity loans to also include home-purchase loans and HELOCs and added new protections for high-cost mortgages, such as a pre-loan counseling requirement.[45] The rule became effective on January 10, 2014.[46]

The 2013 HOEPA Rule also changed the benchmarks used to define HOEPA loans. First, instead of comparing the loan's APR to the yield on comparable Treasury securities, it is now compared with APOR. Prior to 2014, HOEPA's protections as defined in the implementing regulation were triggered if the loan's APR was eight percentage points above the rate on a Treasury security of similar term for first liens, and ten percentage points for junior liens. HOEPA coverage now applies to first liens with an APR of more than 6.5 percentage points above APOR. If the loan is a junior lien, or if the loan is a first lien that is less than $50,000 and secured by personal property (such as many manufactured homes), then the high-cost threshold is 8.5 percentage points above APOR. Second, the 2013 HOEPA Rule changed the points and fees threshold that triggers HOEPA coverage. A loan is a high-cost mortgage if the points and fees exceed five percent of the total loan amount, for a loan amount equal to or more than $20,000; or eight percent of the total loan amount or $1,000 for a loan less than $20,000, with the loan amounts and $1,000 threshold adjusted annually for inflation from the base year of 2014. Lastly, the 2013 HOEPA Rule added a third HOEPA coverage test based on a transaction's prepayment penalties.

Even at their peak of nearly 36,000 in 2005 (Table 9), HOEPA loans made up a small fraction of the mortgage market with approximately 8.4 million loans. With an increase from 1,252 loans in 2015 to 6,507 loans in 2019, the volume of HOEPA loans has trended upward in recent years despite still being far below its peak level.

There was also variation in the trend of HOEPA loans across loan characteristics. While the share of HOEPA loans for home improvement remained unchanged at about 7 percent, that for home purchase and refinance showed opposite trends. The share of HOEPA loans

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[45] 78 FR 6856 (Jan. 31, 2013).
[46] *Id.*; *see* 12 CFR 1026.31, 1026.32, and 1026.34 (2018).

decreased by about 5 percentage points for home purchase, whereas that for refinance increased by the same amount. On the other hand, first liens, manufactured homes, and loan amounts of greater than $50,000 each accounted for a larger share of HOEPA loans in 2019 than 2018.

TABLE 9: DISTRIBUTION OF HOEPA LOANS, BY LOAN CHARACTERISTIC, 2004-2019 (PERCENT EXCEPT AS NOTED)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
HOEPA loans (total)	**24,437**	**35,985**	**15,195**	**10,780**	**8,577**	**6,446**	**3,379**	**2,373**	**2,193**	**1,868**	**1,271**	**1,252**	**1,880**	**3,561**	**6,681**	**6,507**
Loan purpose																
Home purchase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.4	40.4	58.8	51.8	54.7	50.0
Home improvement	37.7	26.1	42.4	45.4	30.5	31.1	32.6	32.3	31.5	30.1	17.9	14.8	15.1	21.8	6.7	6.8
Refinance	62.3	73.9	57.6	54.6	69.5	68.9	67.4	67.7	68.5	69.9	50.7	44.8	26.2	26.4	38.6	43.2
Lien status																
First	55.5	60.5	53.6	52.8	78.5	84.1	83.4	82.8	84.6	84.2	90.3	88.6	90.0	94.0	91.2	92.7
Junior	44.5	39.5	46.4	47.2	21.5	15.9	16.6	17.2	15.4	15.8	9.7	11.4	10.0	6.0	8.8	7.3
Property type																
Site built	88.0	91.8	83.7	81.0	72.7	67.8	67.9	65.7	65.7	68.8	75.4	83.4	86.0	75.6	89.0	88.1
Manufactured home	12.0	8.2	16.3	19.0	27.3	32.2	32.1	34.3	34.3	31.2	24.6	16.6	14.0	24.4	11.0	11.9
Loan amount																
Less than $50,000	72.4	48.4	72.1	74.3	66.7	72.5	76.8	77.8	75.6	71.3	52.9	36.4	35.4	38.4	22.3	20.0
Greater than $50,000	27.6	51.6	27.9	25.7	33.3	27.5	23.2	22.2	24.4	28.7	47.1	63.6	64.6	61.6	77.7	80.0

NOTE: Mortgages for one- to four-family homes. HOEPA loans are mortgages with terms that triggered the additional protections provided by the Home Ownership and Equity Protection Act.

6. Lending institutions

In 2019, 5,496 financial institutions reported closed-end applications and originations (Table 10), down from 5,666 institutions in 2018. The decrease in the number of reporting institutions continued the previous trend from 2017 to 2018. As discussed in Section 3, the overall market volume, however, has increased from 10.3 million applications in 2018 to 12.6 million applications in 2019.

The financial institutions are broadly categorized into depository institutions (DIs) and non-depository institutions (non-DIs). In 2019, DIs included 2,829 banks and thrifts (hereafter, banks), of which 2,155 were small (assets less than $1 billion), and 1,602 credit unions. Non-DIs included 93 mortgage companies affiliated with DIs and 972 independent mortgage companies.[47]

Among DIs, banks collectively originated most of the reported loans, whereas, among non-DIs, independent mortgage companies originated more loans than mortgage companies affiliated with DIs. For example, banks collectively originated 2.6 million loans, accounting for 32.4 percent of all reported originations in 2019. Credit unions originated 714,000 loans, accounting for only 8.8 percent. Independent mortgage companies originated 4.4 million loans accounting for 54.5 percent of all reported loans, whereas affiliates of DIs originated only 350,000 loans or 4.3 percent.

Over the past few years, the share of loans originated by independent mortgage companies has increased sharply. In 2019, these lenders originated 56.4 percent (2.1 million divided by 3.7 million) of first-lien, owner-occupied, one-to-four-family, site-built, home-purchase loans, down

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[47] Data on bank assets were drawn from the Federal Deposit Insurance Corporation's Reports of Condition and Income. The $1 billion threshold is based on the combined assets of all banks within a given banking organization. Data available in the HMDA Reporter Panel (available at https://ffiec.cfpb.gov/data-publication/) can be used to help identify the various types of institutions. Affiliate institutions include all mortgage companies known to be wholly or partially owned by a depository—that is, institutions for which the "other lender code" in the Reporter Panel equals 1, 2, or 5. Most credit unions report HMDA data under the agency code "National Credit Union Administration," with a few large credit unions reporting under the agency code "Consumer Financial Protection Bureau."

slightly from 57.2 percent in 2018 and up from just 35.0 percent in 2010. Independent mortgage companies also originated 58.1 percent (1.8 million divided by 3.1 million) of first-lien, owner-occupied, one-to-four family site-built refinance loans, an increase from 56.1 percent in 2018.

Many institutions reported little lending activity in 2019. Similar to 2018, about 37 percent of institutions (2,042 out of 5,496) reported fewer than 100 close-end originations in 2019, accounting for about 98,000 total originations or less than 2 percent of all originations. About 7 percent of institutions (405 out of 5,496), originated fewer than 25 loans, totaling just under 6,000 originations.[48]

[48] These results include all originated dwelling-secured, closed-end loans with a home purchase, home improvement or refinance purpose for all reporters. The reporting threshold of 25 originations applies to home-purchase and refinance originations in each of the previous two years. Beginning in 2018, lending institutions were not subject to HMDA reporting requirements unless they originated at least 25 covered closed-end mortgage loans or 500 covered open-end LOCs in each of the two preceding calendar years. For a more detailed description of these and other changes to Regulation C, see Consumer Financial Protection Bureau, "New Rule Summary: Home Mortgage Disclosure (Regulation C)" (October 15, 2015), http://files.consumerfinance.gov/f/201510_cfpb_hmda-executive-summary.pdf and 82 FR 43088 (2017).

TABLE 10: LENDING ACTIVITY, BY TYPE OF INSTITUTION, 2019 (PERCENT EXCEPT AS NOTED)

	Type of institution[1]					
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	All
Number of institutions	2,155	674	1,602	93	972	5,496
Applications (thousands)	704	3,191	1,149	550	7,030	12,624
Originations (thousands)	522	2,103	714	350	4,421	8,111
Purchases (thousands)	22	952	13	237	849	2,072
Number of institutions with fewer than 100 loans	1,023	67	752	18	182	2,042
Originations (thousands)	54.0	3.8	33.2	0.5	6.5	98.0
Number of institutions with fewer than 25 loans	124	6	193	9	73	405
Originations (thousands)	2.2	0.1	2.7	0.1	0.7	5.6
Home-purchase loans (thousands)[2]	215	956	267	194	2,107	3,738
Conventional	73.4	82.4	85.2	57.9	57.1	66.6
Higher-priced share of conventional loans	4.1	2.7	5.0	4.4	5.9	4.6
LMI borrower[3]	30.4	24.1	27.5	29.6	30.5	28.6
LMI neighborhood[4]	14.1	14.0	15.1	15.3	18.1	16.5
Non-Hispanic white[5]	75.6	64.0	65.7	59.6	56.5	60.3
Minority borrower[5]	14.0	20.2	18.0	22.5	25.4	22.7
Sold[6]	75.9	68.3	49.7	99.2	96.4	84.7
Refinance loans (thousands)[2]	152	758	269	111	1,791	3,081
Conventional	81.6	92.1	95.4	62.7	64.0	74.5

	Type of institution[1]					
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	All
Higher-priced share of conventional loans	2.3	2.2	3.0	3.4	2.6	2.5
LMI borrower[3]	22.5	19.1	24.5	24.7	25.7	23.8
LMI neighborhood[4]	10.9	11.3	14.4	14.3	15.4	14.0
Non-Hispanic white[5]	78.1	67.4	67.8	65.6	55.6	61.0
Minority borrower[5]	8.4	17.0	16.1	17.9	19.1	17.7
Sold[6]	71.3	61.8	34.4	99.4	96.9	81.8

(1) Small banks consist of those banks with assets (including the assets of all other banks in the same banking organization) of less than $1 billion at the end of 2016. Affiliated mortgage companies are nondepository mortgage companies owned by or affiliated with a banking organization or credit union

(2) First-lien mortgages for one- to four-family, owner-occupied, site-built homes.

(3) See table 2, note 3.

(4) See table 2, note 4.

(5) See table 2, note 1. "Minority borrower" refers to nonwhite (excluding joint or missing) or Hispanic white applicants.

(6) Excludes originations made in the last quarter of the year because the incidence of loan sales tends to decline for loans originated toward the end of the year, as lenders report a loan as sold only if the sale occurs within the same year as origination.

Source: FFIEC HMDA data; bank asset data drawn from Federal Deposit Insurance Corporation Reports of Condition and Income (https://www.fdic.gov).

A number of differences exist between DIs and non-DIs with respect to the activity reported in 2019. First, DIs originated a significantly higher fraction of conventional loans than non-DIs. Second, DIs originated smaller shares of loans to minority borrowers, LMI borrowers, and in LMI neighborhoods than non-DIs. Third, non-DIs sold more of their originated loans compared to DIs. The HMDA data provide information on whether lenders sold originated loans within the same calendar year that they were originated, as well as the type of institution to which the lenders sold the loans, such as one of the GSEs or a banking institution.[49] Table 10 shows that non-DIs sold almost all of their loans in the same calendar year that they originated them.

A distinct pattern emerges even within a specific institution type. For example, even among DIs, credit unions were the least likely to sell originated loans compared to banks. Small banks and large banks sold 75.9 percent and 68.3 percent, respectively, of their home-purchase loans within the same calendar year of the originations. In contrast, credit unions sold less than half of their home-purchase loans during the same period.

Tables 11a and 11b list the top 25 reporting institutions by total number of closed-end originations and their lending characteristics.[50] With about 541,000 originated loans, Quicken Loans continued to be the highest volume lender.[51]

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[49] Because loan sales are recorded in the HMDA data only if the loans are originated and sold in the same calendar year, loans originated toward the end of the year are less likely to be reported as sold. For that reason, statistics on loan sales are computed using only loans originated during the first three quarters of the year.

[50] Some institutions may be part of a larger organization; however, the data in Tables 11a and 11b are at the reporter level. Because affiliate activity has declined markedly since the housing boom, a top 25 list at the organization level is not likely to be significantly different from Tables 11a and 11b.

[51] Notably, loan counts and market shares derived from the HMDA data can differ from some other industry sources, such as the market shares compiled by the Inside Mortgage Finance (https://www.insidemortgagefinance.com/). For HMDA reporting purposes, institutions report only mortgage applications for which they make the credit decision. Under HMDA, if an application was approved by a third party (such as a correspondent) rather than the lending institution, then that third party reports the loan as its own origination, and the lending institution reports the loan as a purchased loan. Alternatively, if a third party forwards an application to the lending institution for approval, then the lending institution reports the application under HMDA (and the third party does not report anything). In contrast, the Inside Mortgage Finance considers loans to have been originated by the acquiring institution even if a third party makes the credit decision. Thus, many of the larger lending organizations that work with sizable networks of correspondents report considerable volumes of purchased loans in the HMDA data, while the Inside Mortgage Finance considers many of these purchased loans to be originations.

TABLE 11a: INSTITUTION TYPE, TOTAL ORIGINATIONS, AND TOTAL PURCHASES FOR TOP 25 RESPONDENTS IN TERMS OF TOTAL ORIGINATIONS, 2019 (HOME-PURCHASE LOANS)

	Institution type(1)	Total originations (thousands)	Total purchases (thousands)	Home-purchase loans(2)							
				Number (thousands)	Conventional	Higher priced(3)	LMI borrower (4)	LMI neighborhood(5)	Non-Hispanic white(6)	Minority borrower (6)	Sold(7)
QUICKEN LOANS INC.	Ind. mort. co.	541	2	134	69.4	0.2	27.8	15.9	51.1	16.9	99.9
UNITED SHORE FINANCIAL SERVICES, LLC	Ind. mort. co.	339	0	152	68.8	3.6	30.1	18.7	49.1	27.4	100.0
Wells Fargo Bank, National Association	Large bank	232	349	112	94.3	0.9	15.2	11.1	61.2	22.5	70.3
JPMorgan Chase Bank, National Association	Large bank	168	152	65	98.4	0.9	20.4	14.2	58.0	28.4	78.3
FAIRWAY INDEPENDENT MORTGAGE CORPORATION	Ind. mort. co.	147	0	94	59.0	6.3	31.9	18.2	64.0	20.0	99.9
LOANDEPOT.COM, LLC	Ind. mort. co.	146	0	52	58.7	4.9	23.7	17.3	45.6	31.2	99.8
CALIBER HOME LOANS, INC.	Ind. mort. co.	136	78	71	58.4	7.8	30.1	18.8	56.6	26.0	99.2
Bank of America, National Association	Large bank	134	13	62	95.0	0.1	18.0	14.2	45.4	32.8	18.3
FREEDOM MORTGAGE CORPORATION	Ind. mort. co.	110	59	24	34.9	3.8	28.8	19.0	54.0	30.7	94.5
U.S. Bank National Association	Large bank	94	96	38	89.1	1.3	24.7	13.0	63.3	16.5	68.5
GUARANTEED RATE, INC.	Ind. mort. co.	86	1	49	71.8	2.5	26.5	16.0	55.1	16.9	99.9
GUILD MORTGAGE COMPANY	Ind. mort. co.	85	2	47	57.0	7.7	30.6	19.9	52.1	19.7	99.9
Nationstar Mortgage LLC	Ind. mort. co.	84	87	12	20.3	7.8	29.6	20.6	52.3	27.6	77.9
Flagstar Bank, FSB	Large bank	75	34	37	59.6	5.1	30.1	18.2	63.0	23.4	92.5

	Institution type[1]	Total originations (thousands)	Total purchases (thousands)	Home-purchase loans[2]							
				Number (thousands)	Conventional	Higher priced[3]	LMI borrower[4]	LMI neighborhood[5]	Non-Hispanic white[6]	Minority borrower[6]	Sold[7]
MOVEMENT MORTGAGE, LLC	Ind. mort. co.	69	0	47	55.3	6.3	32.6	18.7	66.5	22.0	76.4
NAVY FEDERAL CREDIT UNION	Credit union	68	0	46	40.6	23.9	22.0	14.4	52.0	27.7	58.5
Mortgage Research Center, LLC	Ind. mort. co.	66	0	51	1.3	0.0	29.4	15.8	58.5	22.3	100.0
USAA Federal Savings Bank	Large bank	64	0	41	30.0	1.7	16.4	12.4	63.8	15.9	99.5
PRIMELENDING, A PLAINSCAPITAL COMPANY	Affiliated mort. co.	59	1	41	61.1	6.4	31.4	16.2	63.8	19.9	100.0
BROKER SOLUTIONS, INC.	Ind. mort. co.	57	0	29	49.4	7.3	33.2	22.4	51.1	32.9	95.5
PNC Bank, National Association	Large bank	53	1	15	88.4	0.0	29.0	14.0	57.9	18.0	73.2
HOMEBRIDGE FINANCIAL SERVICES, INC.	Ind. mort. co.	53	0	20	55.5	6.7	27.0	19.2	50.1	30.5	99.0
CROSSCOUNTRY MORTGAGE, LLC	Ind. mort. co.	51	0	33	56.8	8.5	32.3	21.2	61.3	26.5	99.8
FINANCE OF AMERICA MORTGAGE LLC	Ind. mort. co.	49	0	26	60.4	5.1	27.1	19.8	53.7	23.7	99.9
Citizens Bank, National Association	Large bank	49	48	25	82.7	2.1	26.1	13.4	68.3	14.3	83.7
Top 25 institutions	...	3,015	922	1,322	64.9	3.6	26.5	16.5	56.1	23.5	88.1
All institutions	**...**	**8,111**	**2,072**	**3,738**	**66.6**	**4.6**	**28.6**	**16.5**	**60.3**	**22.7**	**84.7**

(1) See table 10, note 1.

(2) First-lien mortgages for one- to four-family, owner-occupied, site-built homes.

(3) Share of conventional loans that are higher priced.

(4) See table 2, note 3.
(5) See table 2, note 4.
(6) See table 2, note 1. "Minority borrower" refers to nonwhite (excluding joint or missing) or Hispanic white applicants.
(7) See table 10, note 6.
... Not applicable.
Source: FFIEC HMDA data; bank asset data drawn from Federal Deposit Insurance Corporation Reports of Condition and Income (https://www.fdic.gov).

TABLE 11b: INSTITUTION TYPE, TOTAL ORIGINATIONS, AND TOTAL PURCHASES FOR TOP 25 RESPONDENTS IN TERMS OF TOTAL ORIGINATIONS, 2019 (REFINANCE LOANS)

	Institution type[1]	Total originations (thousands)	Total purchases (thousands)	Refinance loans[2]							
				Number (thousands)	Conventional	Higher priced[3]	LMI borrower[4]	LMI neighborhood[5]	Non-Hispanic white[6]	Minority borrower[6]	Sold[7]
QUICKEN LOANS INC.	Ind. mort. co.	541	2	381	71.1	0.0	25.1	15.0	44.2	13.2	99.9
UNITED SHORE FINANCIAL SERVICES, LLC	Ind. mort. co.	339	0	160	76.1	1.1	29.9	15.4	51.0	24.2	99.9
Wells Fargo Bank, National Association	Large bank	232	349	92	96.1	4.4	16.6	11.8	63.1	21.7	73.9
JPMorgan Chase Bank, National Association	Large bank	168	152	80	99.5	1.8	21.2	12.1	62.2	26.2	72.2
FAIRWAY INDEPENDENT MORTGAGE CORPORATION	Ind. mort. co.	147	0	33	76.7	2.7	18.7	13.9	69.8	14.1	99.8
LOANDEPOT.COM, LLC	Ind. mort. co.	146	0	81	69.9	3.0	25.0	15.2	50.3	16.3	99.8
CALIBER HOME LOANS, INC.	Ind. mort. co.	136	78	52	60.9	2.6	15.3	14.9	58.6	19.7	99.3
Bank of America, National Association	Large bank	134	13	59	99.8	0.7	13.0	11.3	50.1	29.0	4.4
FREEDOM MORTGAGE CORPORATION	Ind. mort. co.	110	59	82	17.4	8.5	8.3	15.9	57.0	21.5	91.9
U.S. Bank National Association	Large bank	94	96	41	97.3	2.9	20.7	12.5	68.3	17.6	47.7
GUARANTEED RATE, INC.	Ind. mort. co.	86	1	28	86.4	1.0	15.6	11.7	61.0	12.2	99.8
GUILD MORTGAGE COMPANY	Ind. mort. co.	85	2	23	67.8	2.0	38.0	16.7	51.0	13.3	99.9
Nationstar Mortgage LLC	Ind. mort. co.	84	87	68	40.6	11.7	19.8	18.4	55.1	23.4	98.1
Flagstar Bank, FSB	Large bank	75	34	29	76.6	2.2	18.1	12.9	62.6	19.1	94.0

	Institution type(1)	Total originations (thousands)	Total purchases (thousands)	Refinance loans(2)							
				Number (thousands)	Conventional	Higher priced(3)	LMI borrower(4)	LMI neighborhood(5)	Non-Hispanic white(6)	Minority borrower(6)	Sold(7)
MOVEMENT MORTGAGE, LLC	Ind. mort. co.	69	0	13	67.5	2.0	37.3	14.7	72.7	15.9	83.2
NAVY FEDERAL CREDIT UNION	Credit union	68	0	15	42.3	5.3	13.3	13.1	51.7	29.0	13.9
Mortgage Research Center, LLC	Ind. mort. co.	66	0	14	1.0	0.0	9.0	14.1	60.8	17.7	99.9
USAA Federal Savings Bank	Large bank	64	0	20	24.8	0.1	9.4	11.6	60.4	17.3	99.3
PRIMELENDING, A PLAINSCAPITAL COMPANY	Affiliated mort. co.	59	1	11	81.2	3.9	19.3	12.8	70.9	14.8	100.0
BROKER SOLUTIONS, INC.	Ind. mort. co.	57	0	19	67.9	2.0	19.1	16.9	59.8	23.6	98.0
PNC Bank, National Association	Large bank	53	1	25	97.6	0.0	24.4	11.6	64.0	17.1	31.3
HOMEBRIDGE FINANCIAL SERVICES, INC.	Ind. mort. co.	53	0	26	27.1	4.4	7.6	18.0	50.3	31.2	99.4
CROSSCOUNTRY MORTGAGE, LLC	Ind. mort. co.	51	0	14	68.9	3.7	22.5	15.6	69.8	18.5	99.9
FINANCE OF AMERICA MORTGAGE LLC	Ind. mort. co.	49	0	17	83.8	1.4	15.7	14.8	54.9	20.6	100.0
Citizens Bank, National Association	Large bank	49	48	19	94.8	0.8	22.2	10.2	73.8	10.0	89.2
Top 25 institutions	...	3,015	922	1,402	70.8	1.9	21.3	14.4	54.2	19.0	87.7
All institutions	**...**	**8,111**	**2,072**	**3,081**	**74.5**	**2.5**	**23.8**	**14.0**	**61.0**	**17.7**	**81.8**

(1) See table 10, note 1.

(2) First-lien mortgages for one- to four-family, owner-occupied, site-built homes.

(3) Share of conventional loans that are higher priced.

(4) See table 2, note 3.

(5) See table 2, note 4.

(6) See table 2, note 1. "Minority borrower" refers to nonwhite (excluding joint or missing) or Hispanic white applicants.

(7) See table 10, note 6.

... Not applicable.

Source: FFIEC HMDA data; bank asset data drawn from Federal Deposit Insurance Corporation Reports of Condition and Income (https://www.fdic.gov).

United Shore Financial Services, Wells Fargo, JPMorgan Chase, and Fairway Independent Mortgage Corporation were the next four largest lenders in terms of originations. Overall, the top 25 lenders accounted for 37.2 percent of all loan originations in 2019, a slight increase from 2018. These same firms also provided additional funding by purchasing approximately 922,000 loans from other lending institutions during 2019 (these loans could have been originated prior to 2019), equal to 44.5 percent of total purchased loans.

The top 25 institutions have varying lending patterns. Some of the variations reflect differences across types of institutions, which were discussed earlier. For example, Table 11a shows that large banks like Wells Fargo have a higher share of conventional mortgages and sold a lower share of their loans compared with independent mortgage companies like Quicken Loans.

In addition to the variation across types of institutions, there was a substantial variation in lending patterns within specific types of institutions. For example, among large banks, 98.4 percent of JPMorgan Chase's home-purchase loans were conventional, compared with 30 percent for USAA Federal Savings Bank. Similarly, for some large banks, more than 30 percent of their home-purchase borrowers were LMI, whereas other large banks had shares that were close to 15 percent. Although it is difficult to definitively know why such variations exist, the overall trends remained consistent from 2018.

7. Conclusion

The 2019 HMDA data are the second year of data that reflect changes implemented by the 2015 HMDA rule. The 2015 HMDA rule made changes to institution and transaction reporting criteria and changes to and extensions of the data points that institutions covered by HMDA must report.

The 2019 HMDA data remained largely consistent with the 2018 HMDA data. The share of home-purchase originations and lending by non-DIs, as well as denial rates and average loan amounts across all demographic and income groups were generally similar in 2019 compared to 2018. However, there were few notable changes. First, the number of originations increased substantially between 2018 and 2019, which was mostly driven by refinance loans. Decreasing interest rates in 2019 led to an increase in refinance loans. This increase was especially observed for non-Hispanic White borrowers, Asian borrowers, and high-income borrowers, as well as for properties located in high-income neighborhoods. Second, the average loan amounts increased especially for refinance loans. In 2019, for the first time the average home-purchase loan amount for Hispanic White borrowers surpassed their pre-Recession peak level. Third, denial rates decreased across all demographic groups and loan purposes with a particularly large decrease for refinance loans. Lastly, the share of nonconventional home-purchase loans increased slightly from 2018 to 2019, halting the general downward trend observed since the Great Recession.