

2020 Mortgage Market Activity and Trends:

A Conversation about 2020 Mortgage Lending Data

Prepared for presentation to the Community Bank Advisory Council & Credit Union
Advisory Council | August 12, 2021

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Home Mortgage Disclosure Act (HMDA)

- HMDA is a data collection, reporting, and disclosure statute that was enacted in 1975.
- HMDA data are used to assist in:
 - ❑ determining whether financial institutions are serving the housing needs of their local communities;
 - ❑ facilitating public entities' distribution of funds to local communities to attract private investment; and
 - ❑ helping identify possible discriminatory lending patterns.
- Institutions covered by HMDA are required to annually collect and report specified information on each mortgage application acted upon and purchased during the prior calendar year.

Home Mortgage Disclosure Act (HMDA)

- The 2020 HMDA data are the third year of data that incorporate amendments made to HMDA by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA) and 2015 HMDA Rule.
- On June 17th, 2021, the Bureau published a static application-level 2020 HMDA data file that consolidates data from individual reporters. The data file is modified to protect applicant and borrower privacy.
- The Bureau will also provide an updated file separately to reflect any later resubmissions or late submissions.

Home Mortgage Disclosure Act (HMDA)

- The Dodd Frank Act (DFA) amended HMDA to require the reporting of 13 new data points.
- The 2015 HMDA Rule also:
 - ❑ amended Regulation C to include 14 additional data points pursuant to its discretionary authority under the DFA;
 - ❑ revised several preexisting data points; and
 - ❑ changed coverage requirements.
- Starting with the data collected in 2018 and reported in 2019, the HMDA data differ significantly from the data in previous years.

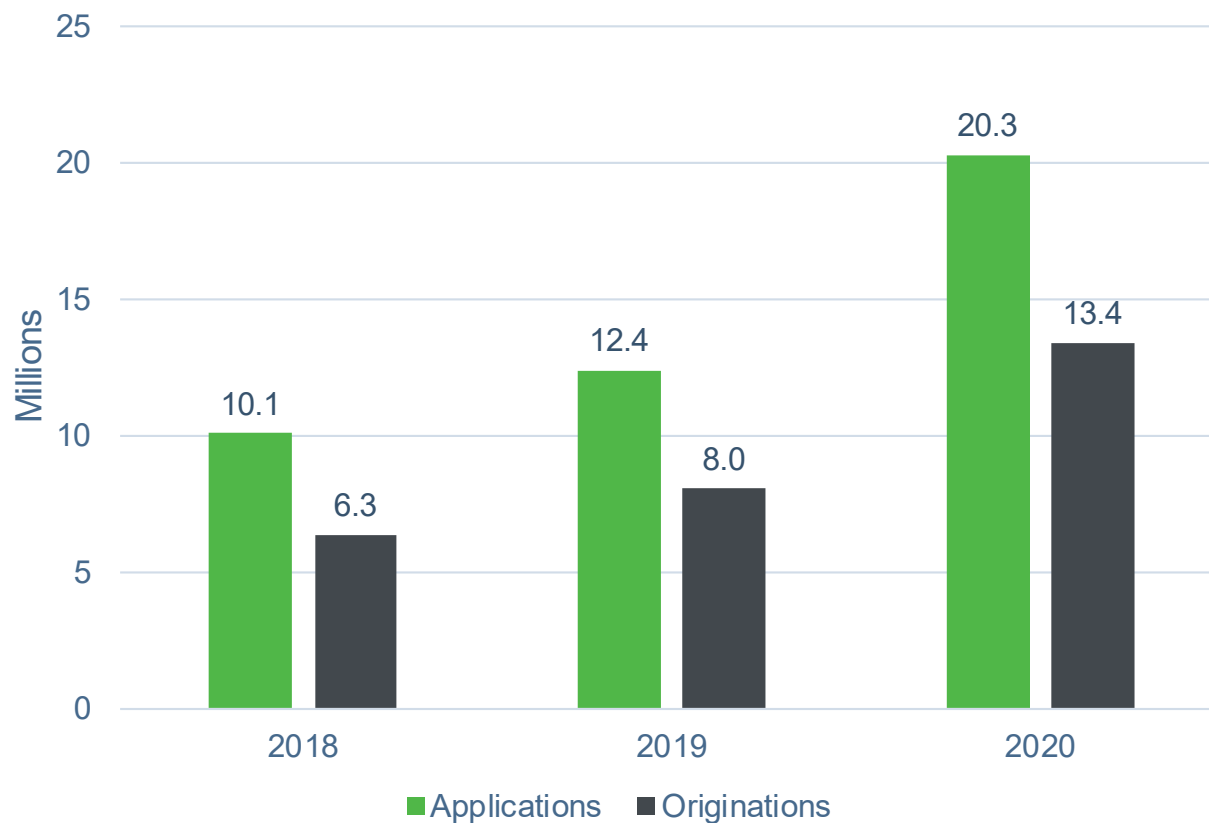
CFPB Reports Based on 2020 HMDA Data

- “Asian American and Pacific Islanders in the Mortgage Market,” July 2021.
- “2020 Mortgage Market Activity and Trends,” forthcoming.

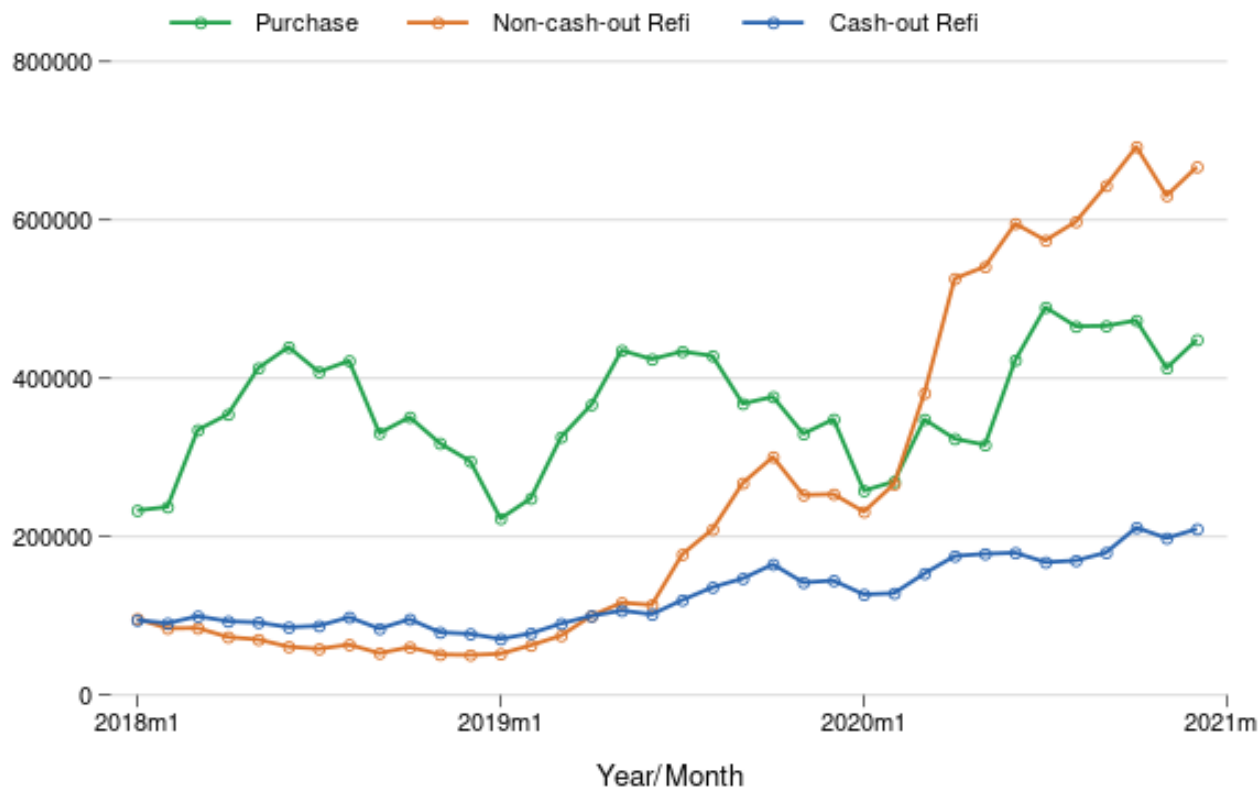
of Reporters and Volumes

- 4,472 financial institutions reported at least one closed-end record in 2020, down by 18.6 percent from 5,505 financial institutions who reported in 2019.
- The number of closed-end originations (excluding reverse mortgages) in 2020 increased by 65.2 percent, from 8.3 million in 2019 to 13.6 million in 2020.
- Most of the increase was driven by an increase in the number of refinance loans.
 - The number of home refinance loans secured by site-built one-to-four-family properties increased by 149.1 percent from 3.4 million in 2019 to 8.4 million in 2020.

Closed-end Single-Family Volumes



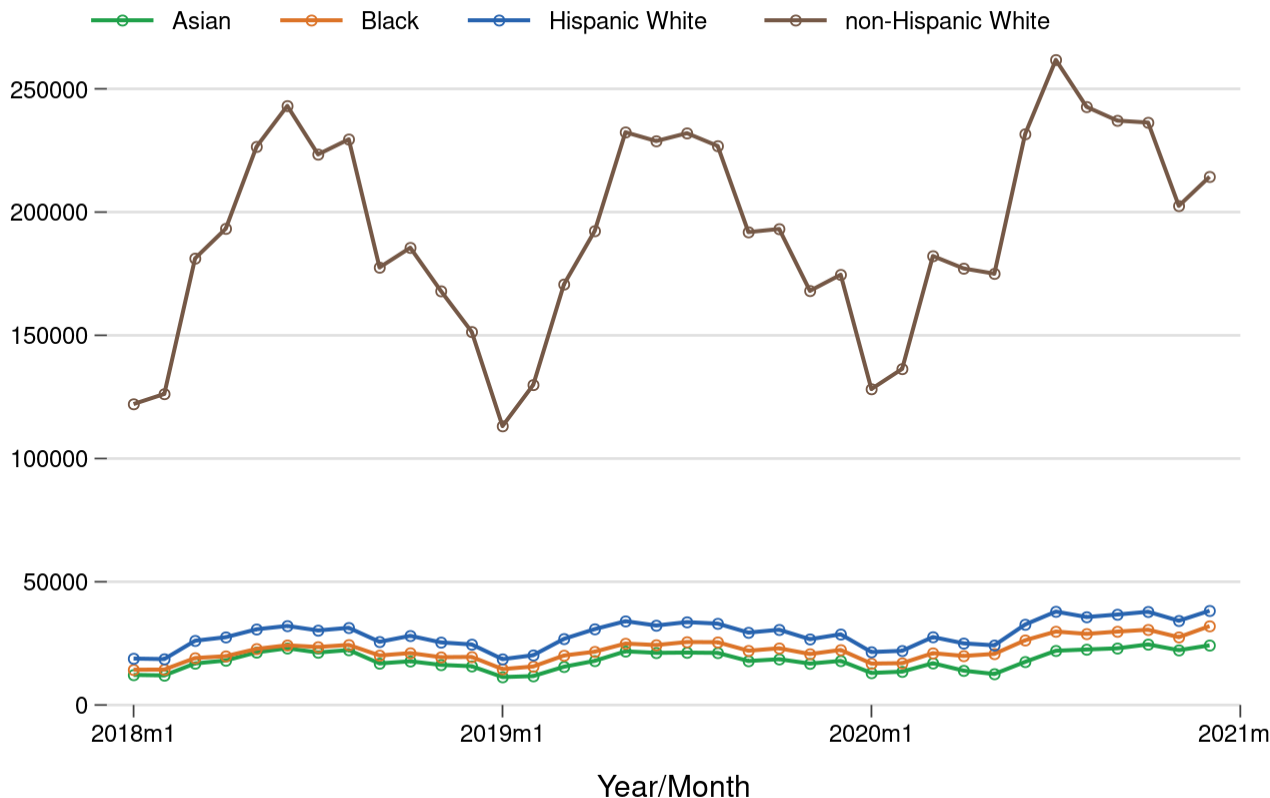
Monthly Trend (# of originations)



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

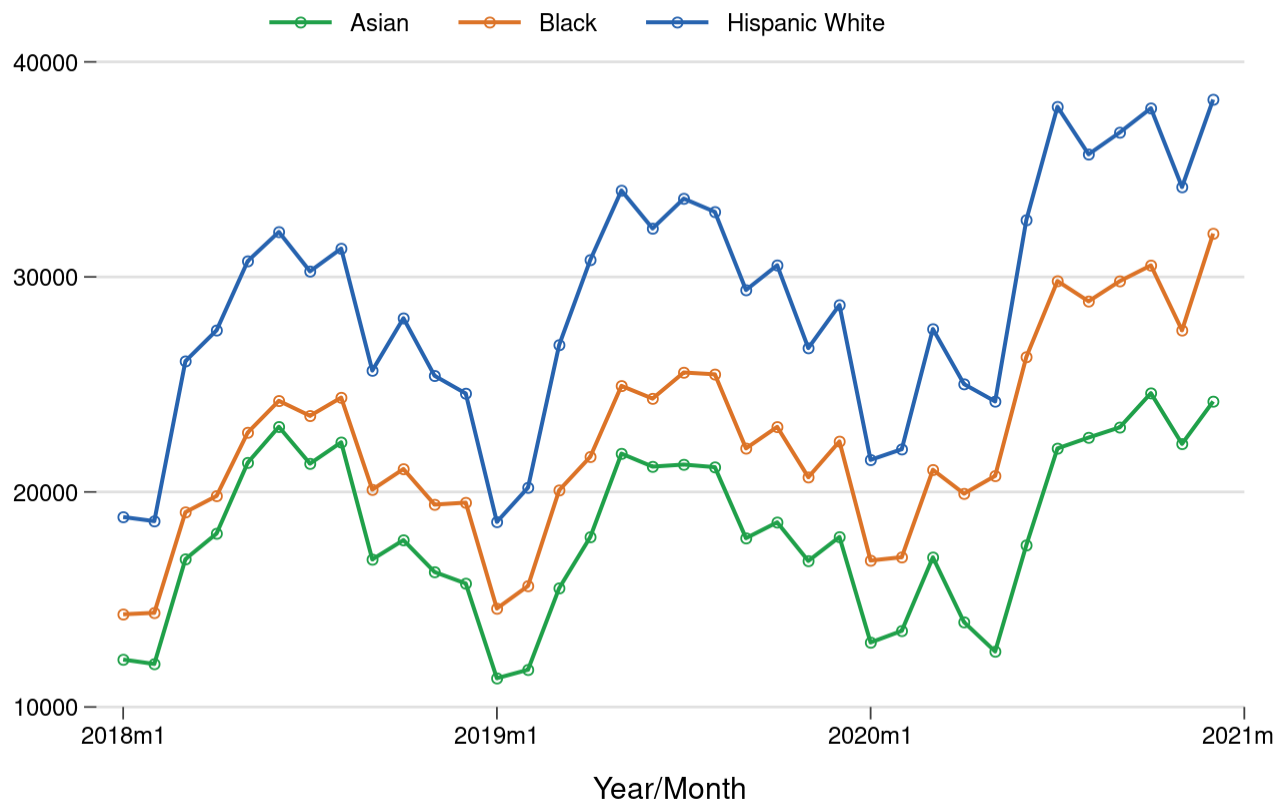
of Home-purchase Loan Originations by Race and Ethnicity



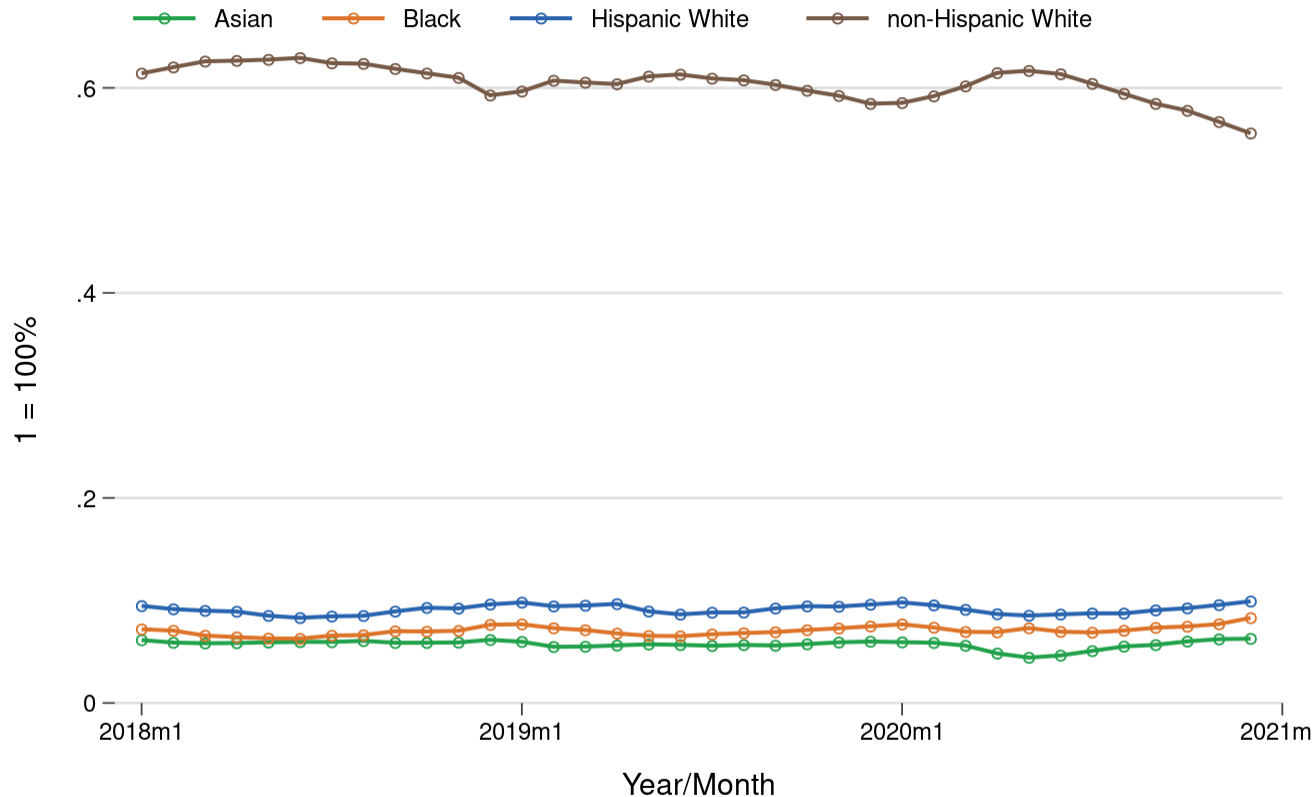
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Protection Bureau

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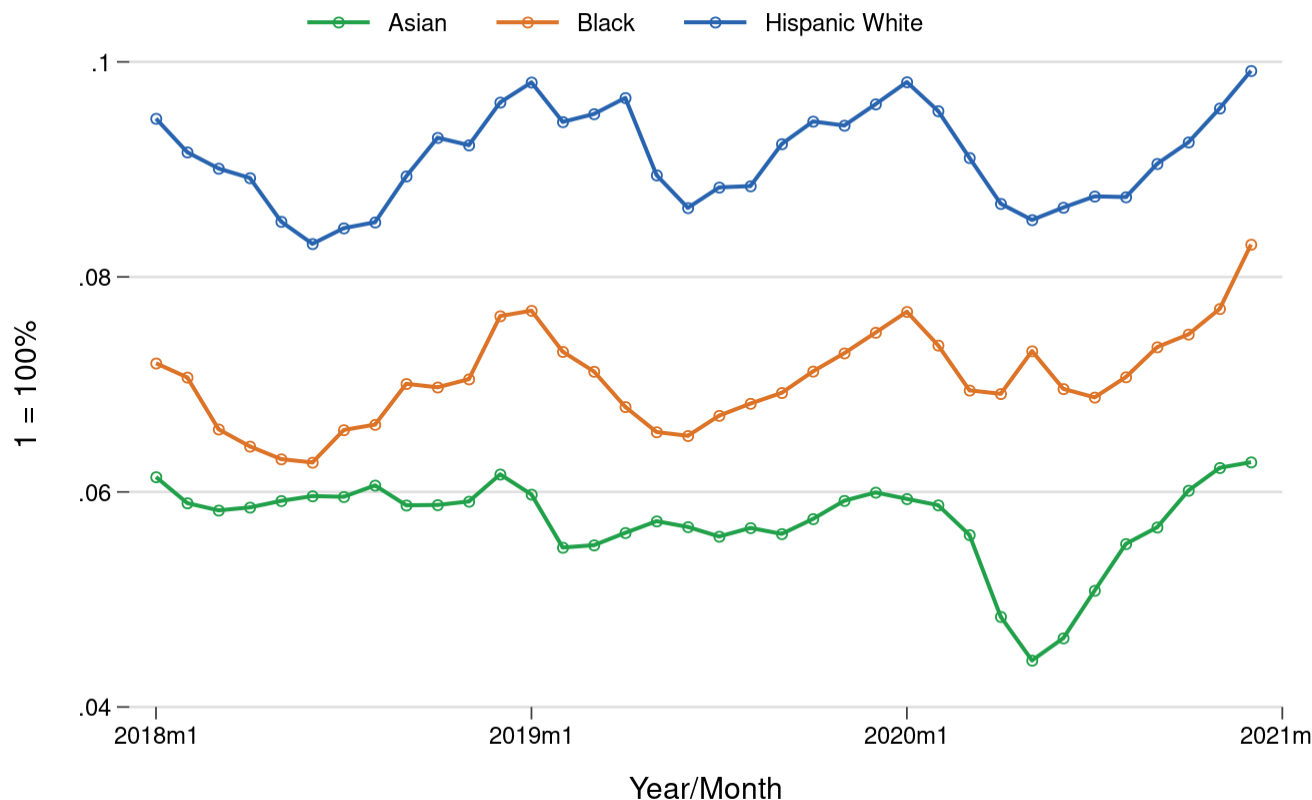
of Home-purchase Loan Originations (Minority Only)



Shares of Home-purchase Loan Originations by Race and Ethnicity



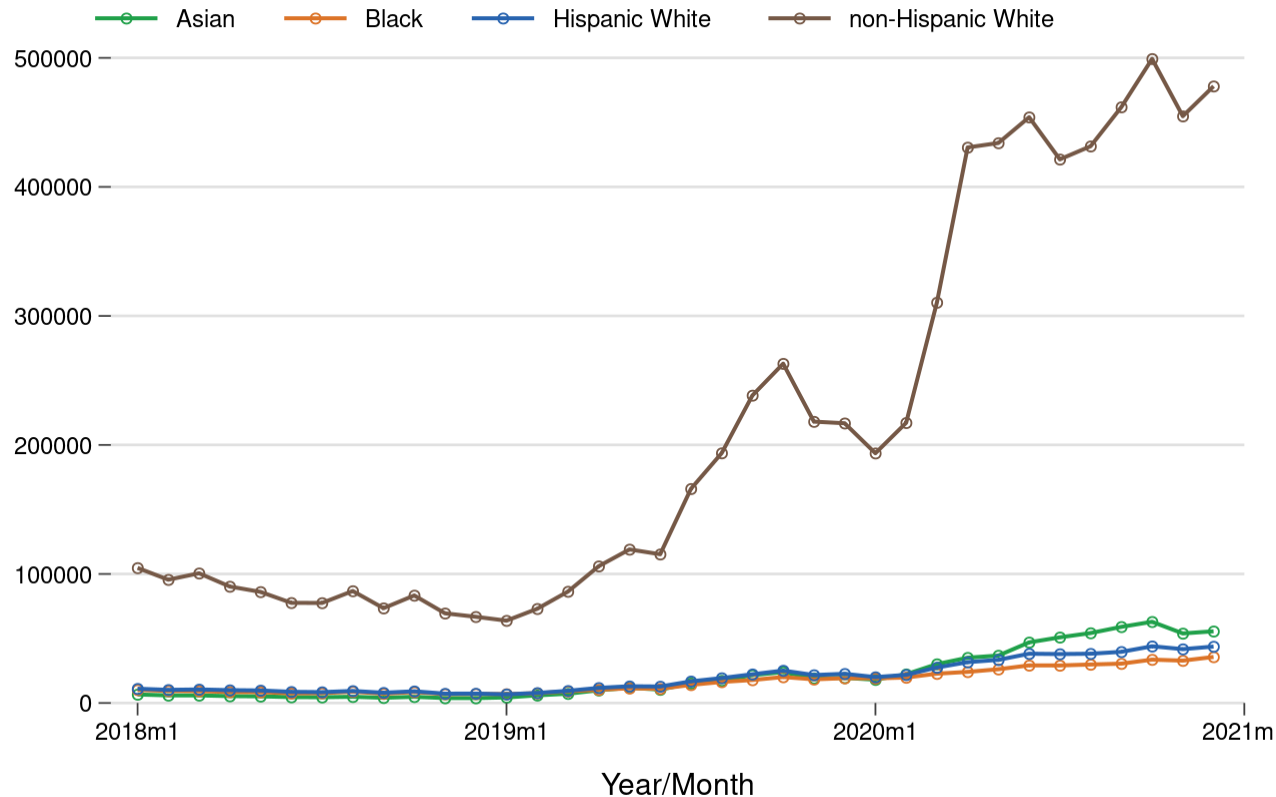
Shares of Home-purchase Loan Originations (Minority Only)



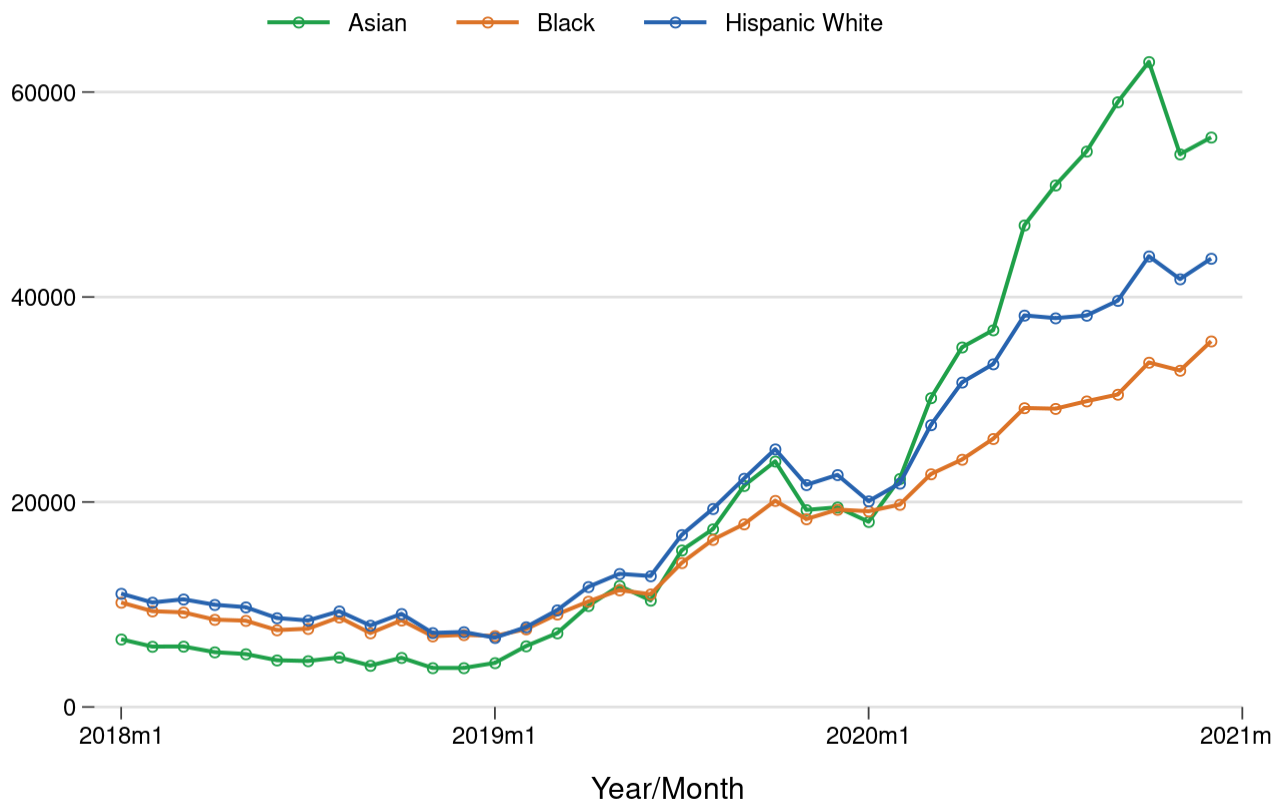
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of Refinance Loan Originations by Race and Ethnicity



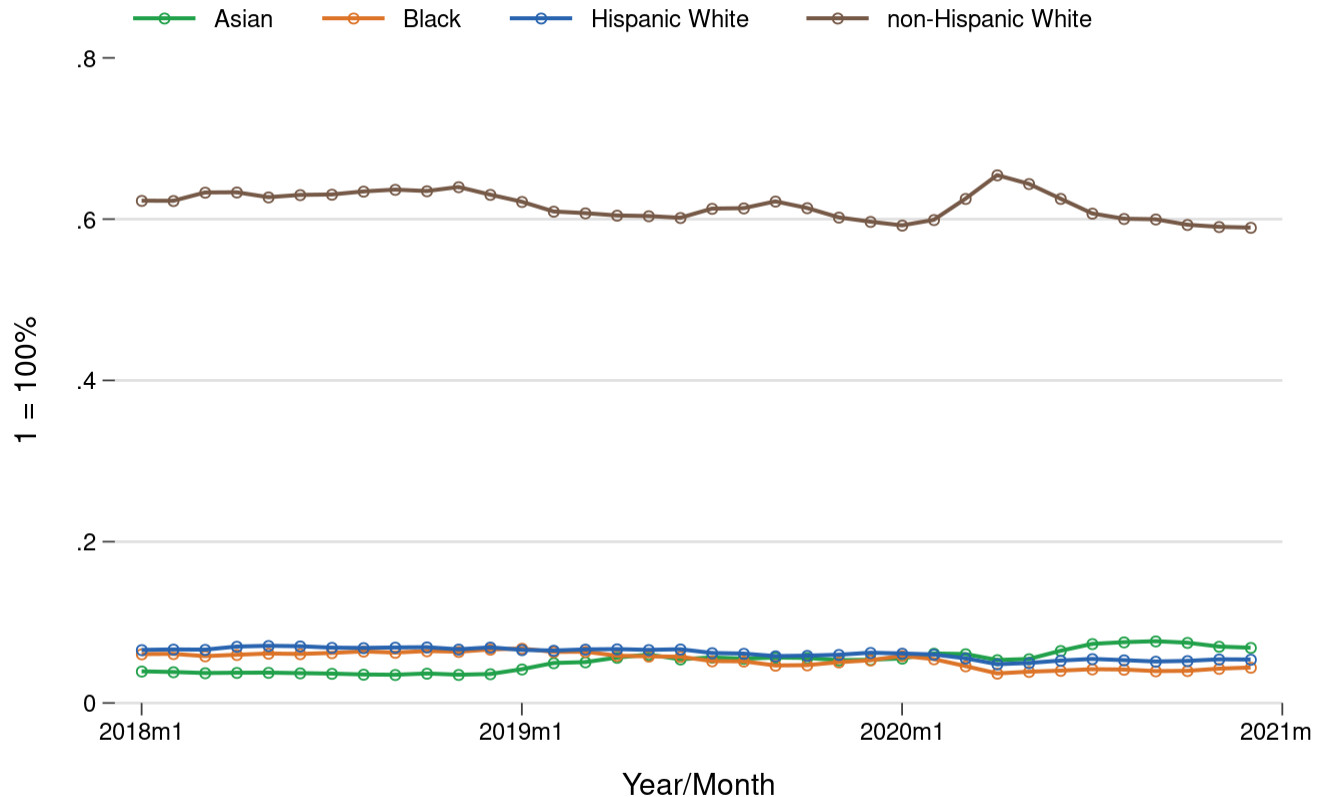
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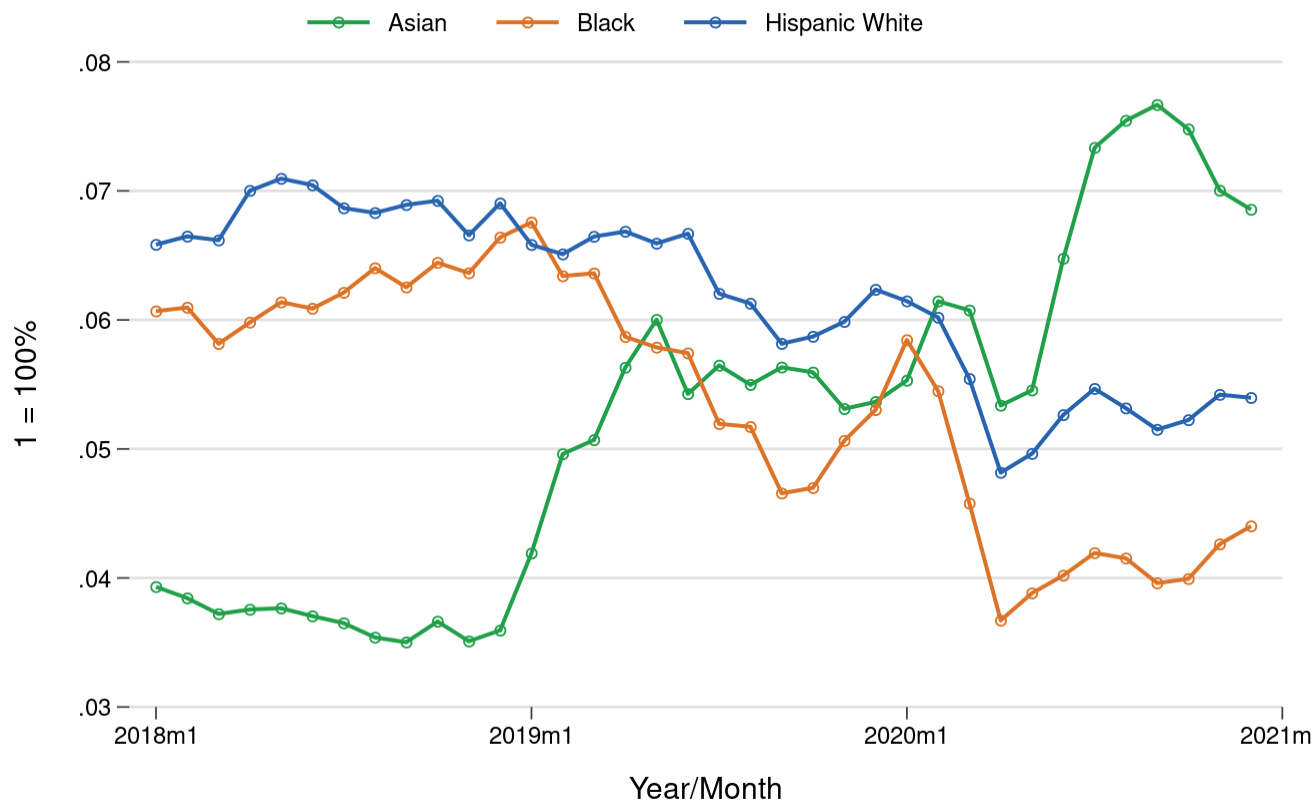
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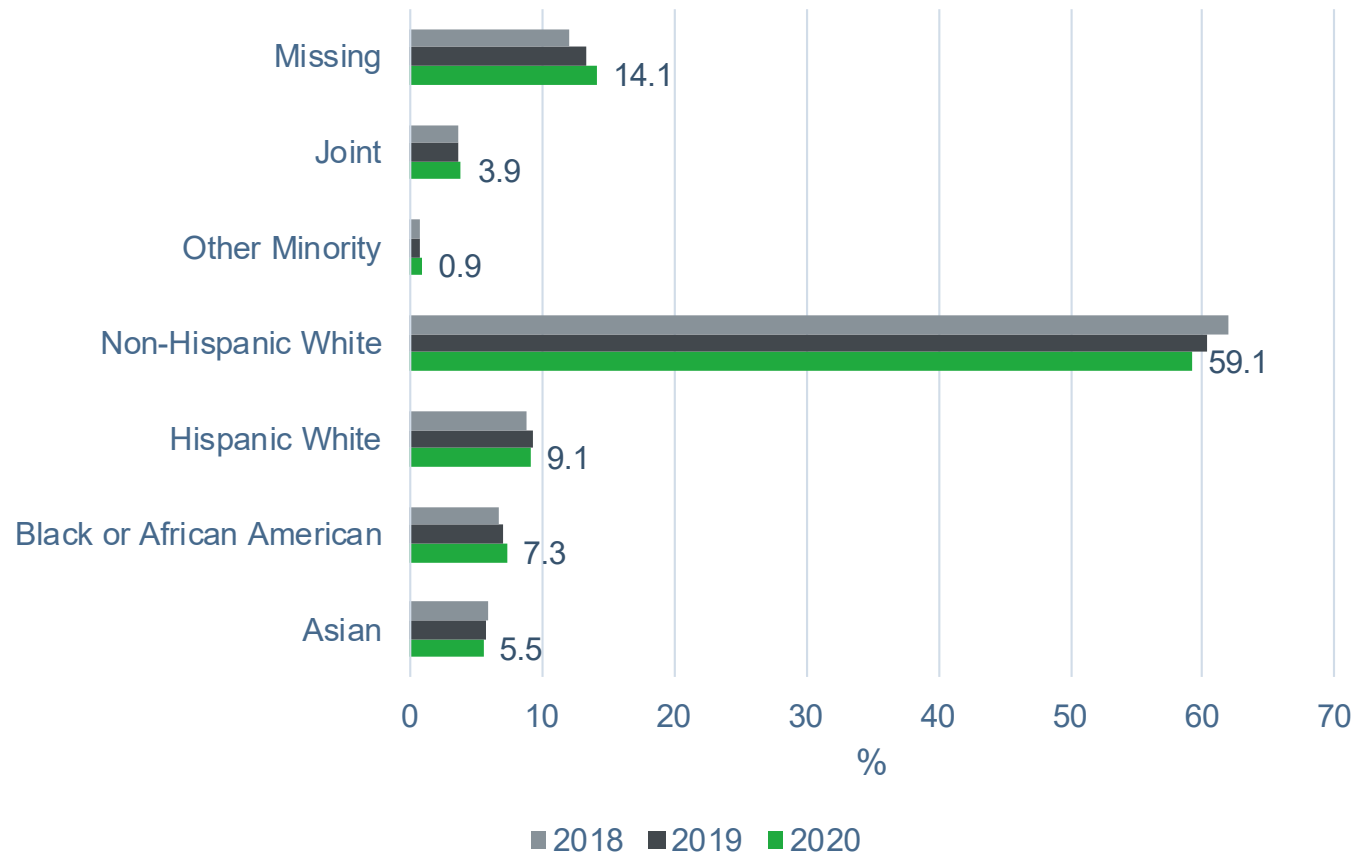
Shares of Refinance Loan Originations



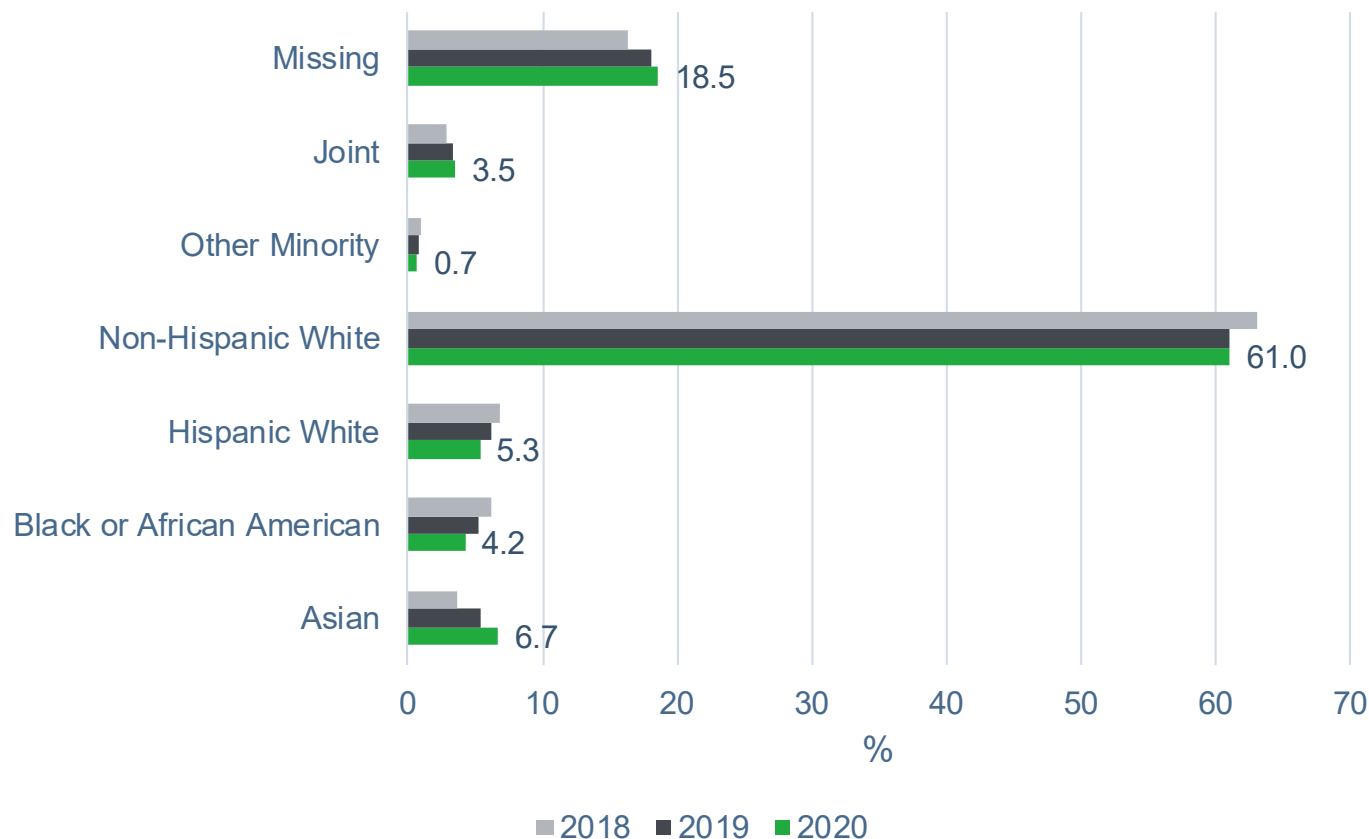
Shares of Refinance Loan Originations (Minority Only)



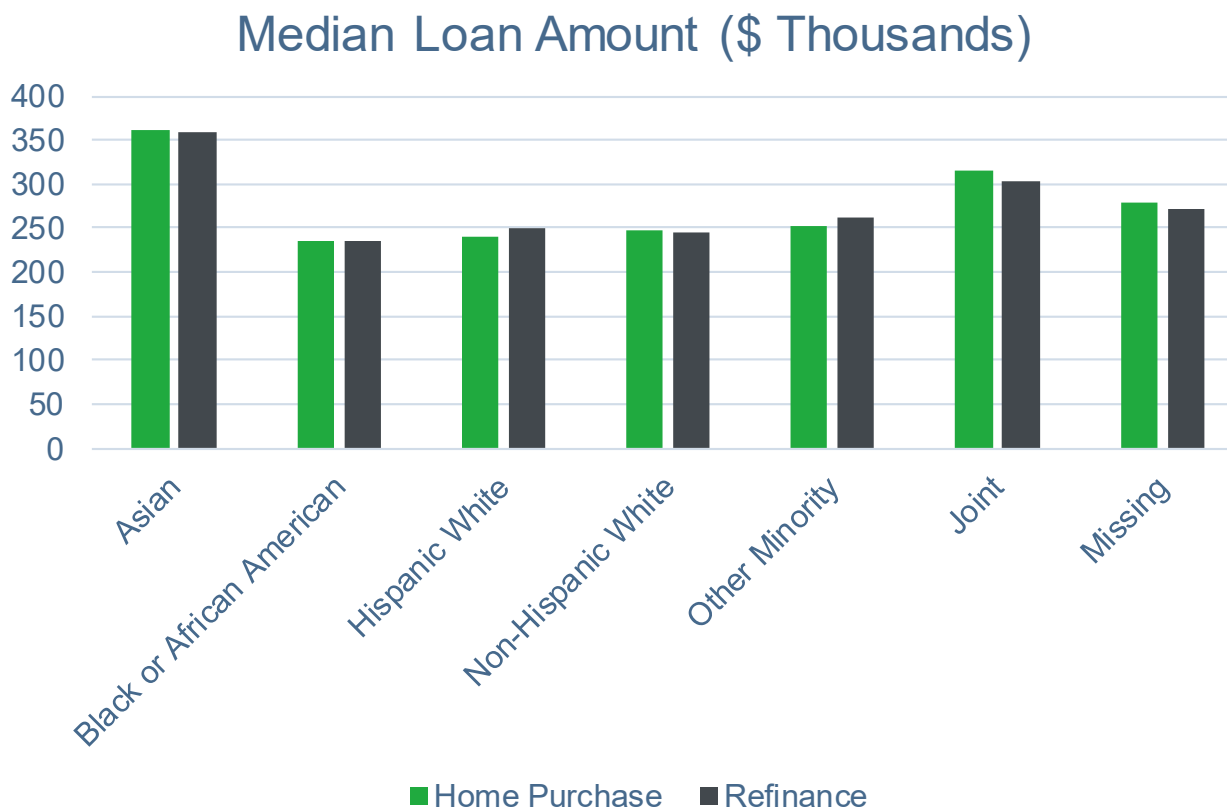
Share of Home-Purchase Loans by Race and Ethnicity



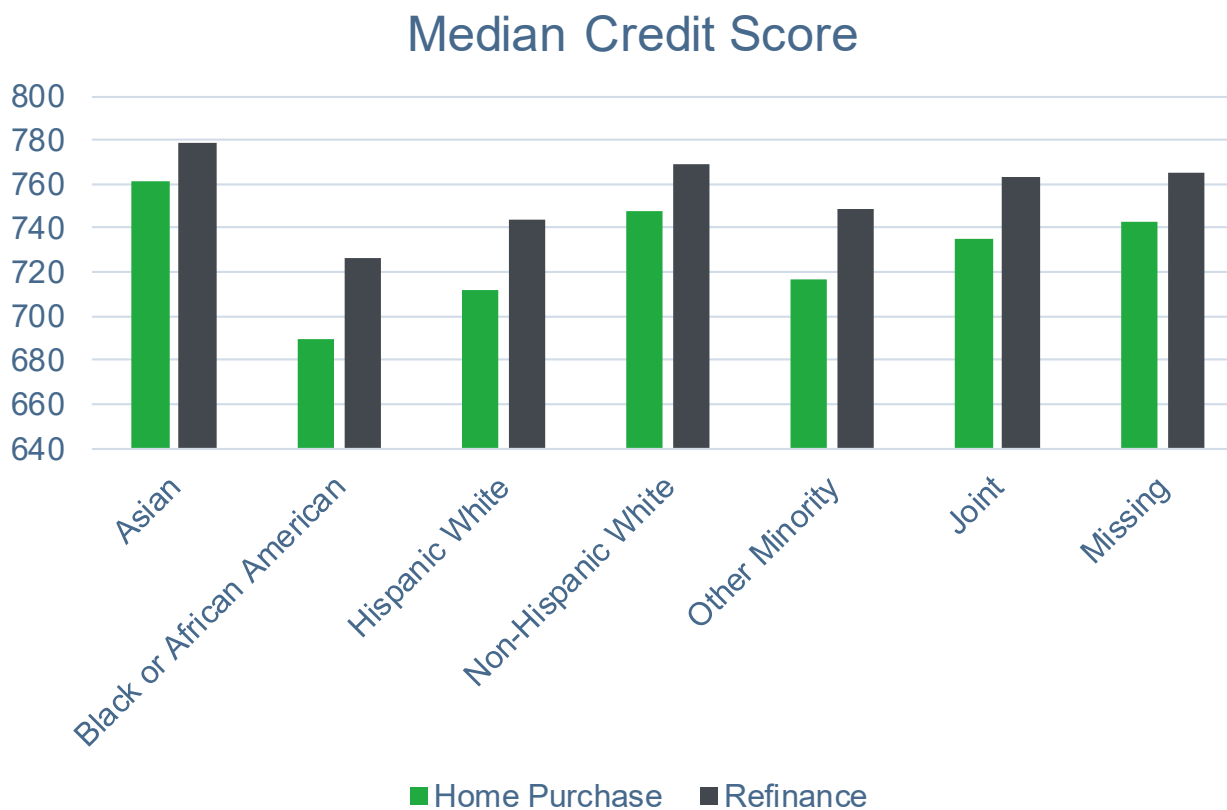
Share of Refinance Loans by Race and Ethnicity



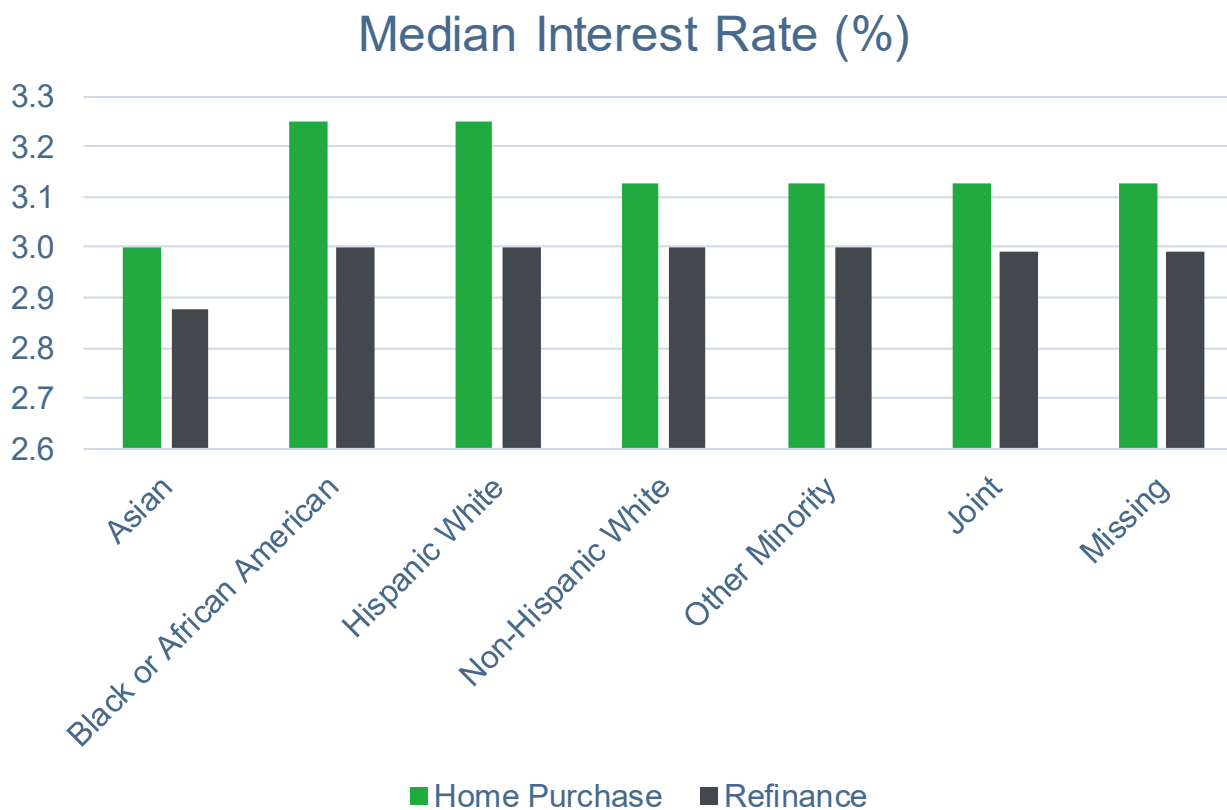
Characteristics of Loans by Race and Ethnicity



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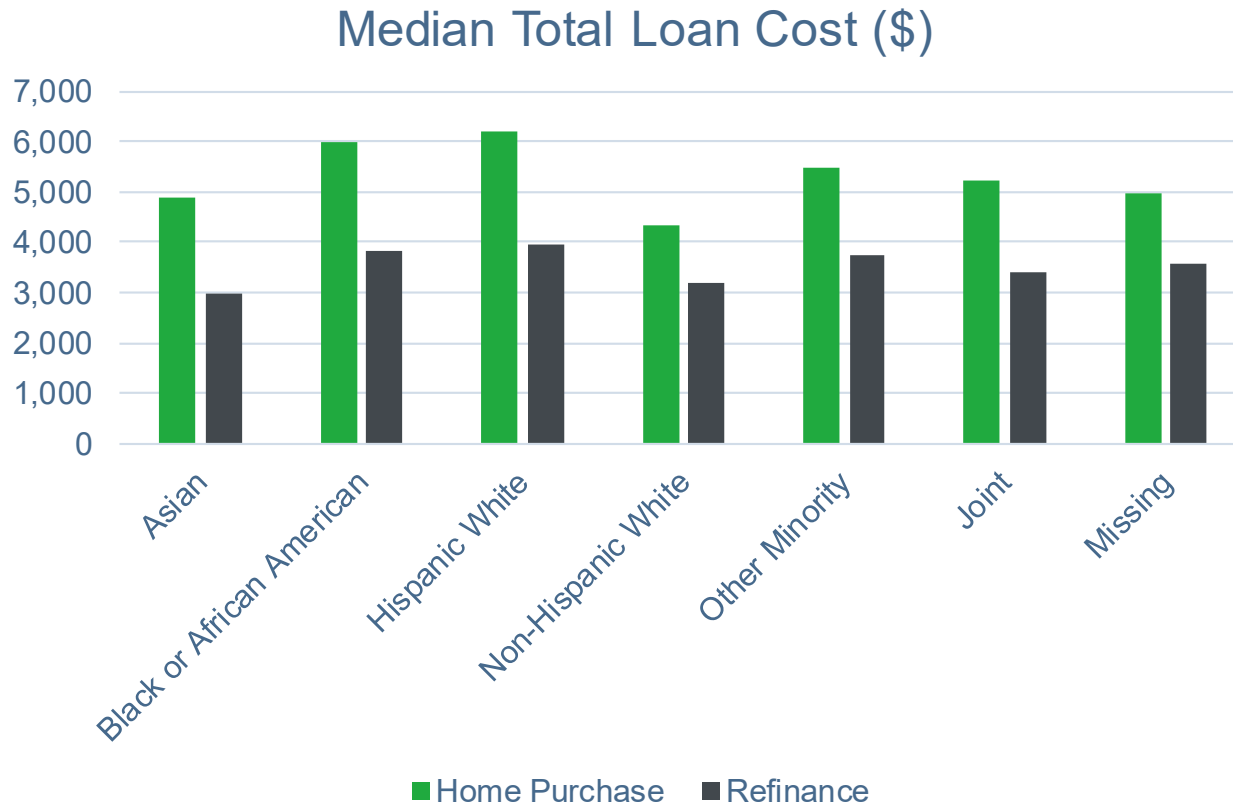
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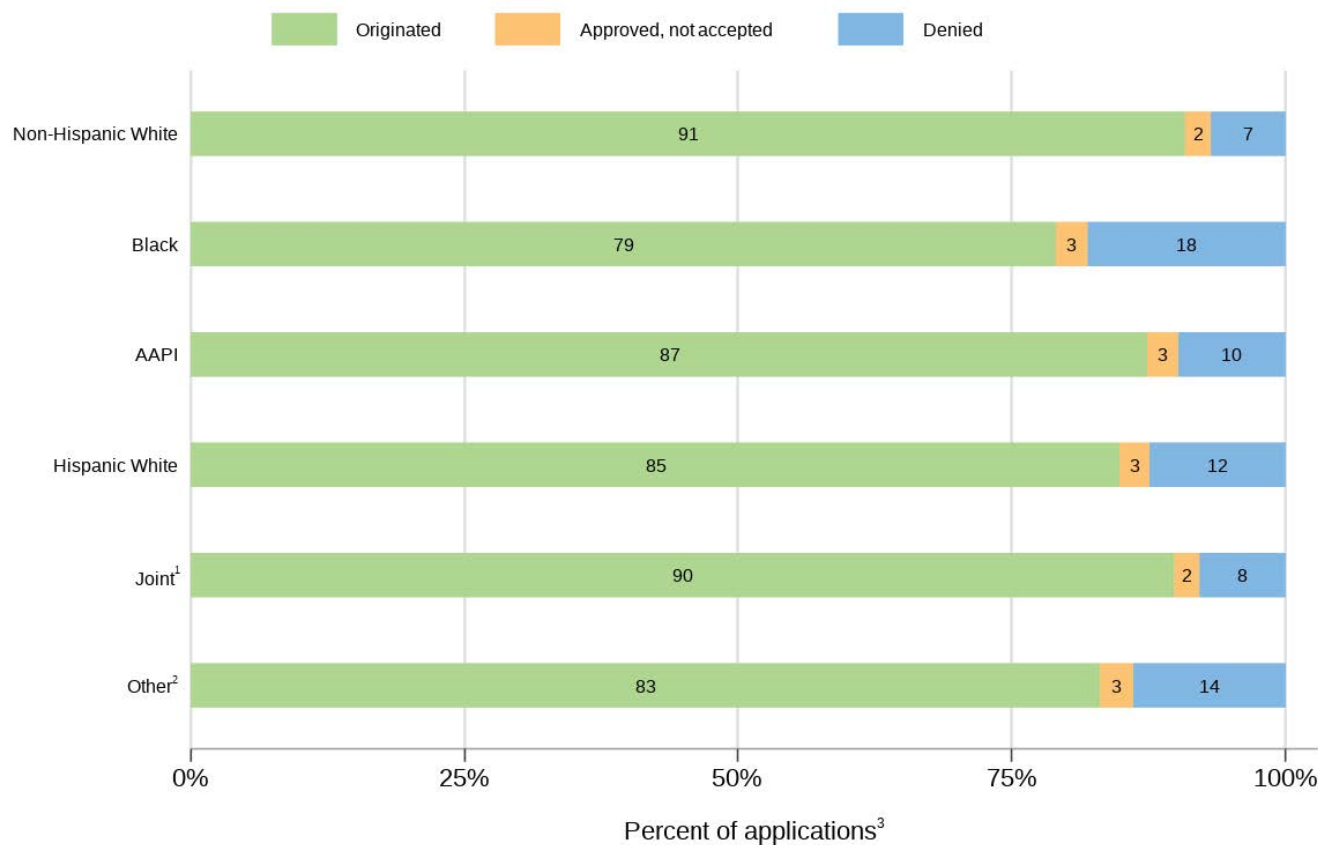


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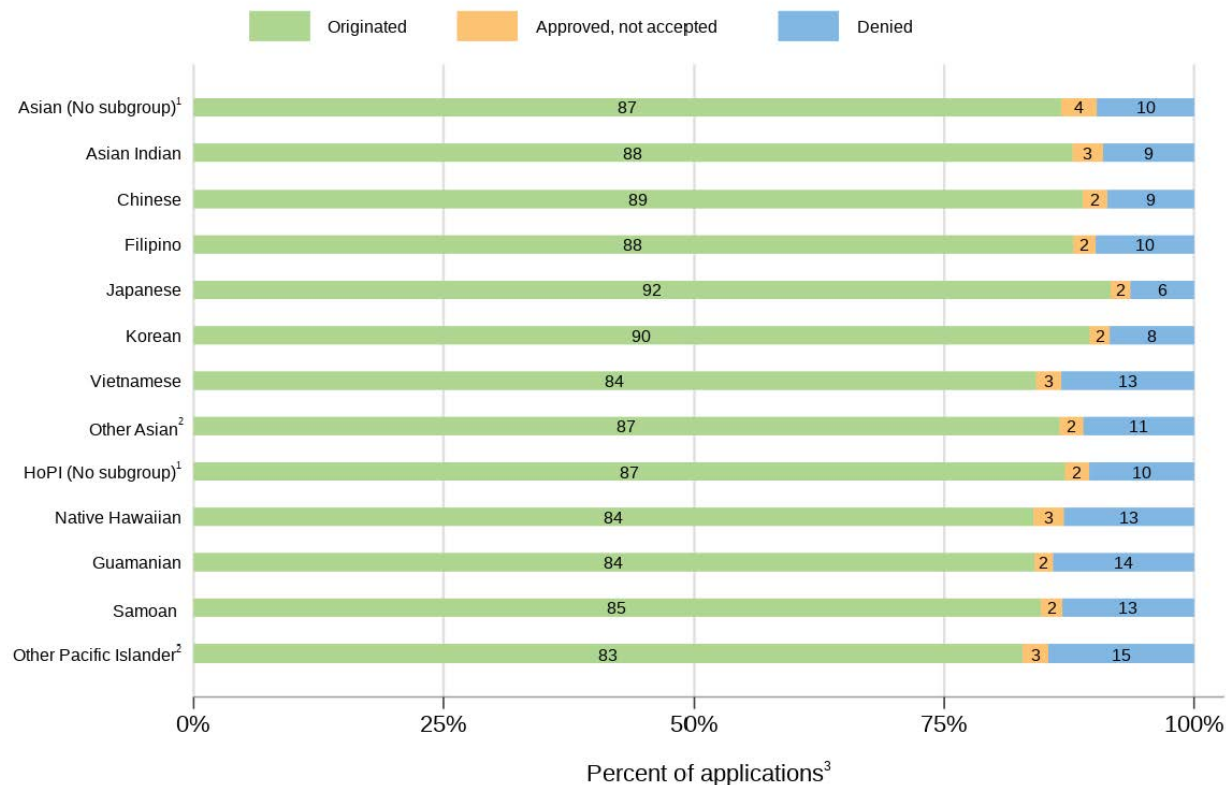
Denial Rates by Race and Ethnicity

FIGURE 7: APPLICATION OUTCOMES BY RACE AND ETHNICITY



Denial Rates across AAPI Subgroups

FIGURE 8: APPLICATION OUTCOMES BY AAPI SUBGROUPS



Lending Institutions, Closed End

	Type of institution					
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	All
Number of institutions	1,366	658	1,403	77	962	4,466
Applications (thousands)	972	4,763	1,795	776	12,642	20,948
Originations (thousands)	744	3,059	1,082	518	8,226	13,629
Purchases (thousands)	9	1,389	27	243	1,067	2,735
SIZE DISTRIBUTION						
Institutions with originations < 25						
Number of institutions	29	3	96	5	66	199
Originations (thousands)	<1	<1	1.3	<1	<1	2.2
Institutions with 25 ≤ originations < 100						
Number of institutions	188	33	315	1	56	593
Originations (thousands)	13	2	19	<1	3	37
Institutions with 100 ≤ originations < 1000						
Number of institutions	1,024	289	750	24	311	2,398
Originations (thousands)	347	145	269	11	141	913
Institutions with 1000 ≤ originations						
Number of institutions	125	333	242	47	529	1,276
Originations (thousands)	383	2,912	793	506	8,082	12,676

Lending Institutions, Open End

	Type of institution					All
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	
Number of institutions	44	224	524	10	136	938
Applications (thousands)	2	1,175	440	<1	38	1,655
Originations (thousands)	1	575	274	<1	19	869
Purchases (thousands)	<1	4	3	<1	<1	7
SIZE DISTRIBUTION						
Institutions with originations < 100						
Number of institutions	39	22	236	9	127	433
Originations (thousands)	<1	<1	4	<1	<1	5
Institutions with 100 ≤ originations < 500						
Number of institutions	5	25	97	1	3	131
Originations (thousands)	<1	6	16	<1	<1	23
Institutions with 500 ≤ originations						
Number of institutions	<1	177	191	<1	6	374
Originations (thousands)	<1	569	254	<1	18	841