

# 2020 Mortgage Market Activity and Trends:

A Conversation about 2020 Mortgage Lending Data

Prepared for presentation to the Consumer Advisory Board | August 11, 2021



# Disclaimer

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This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

# Home Mortgage Disclosure Act (HMDA)

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- 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)

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- 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)

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- 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

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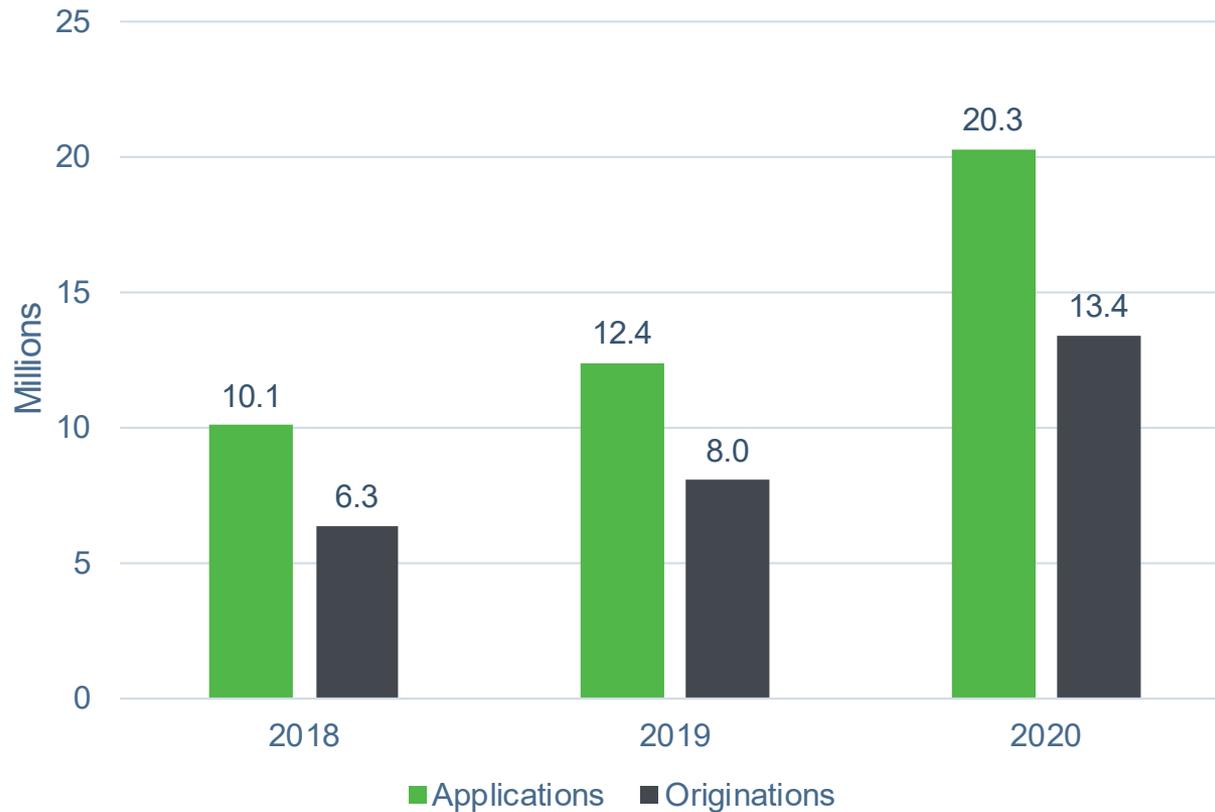
- “Asian American and Pacific Islanders in the Mortgage Market”, July 2021.
- “2020 Mortgage Market Activity and Trends”, forthcoming.

# # of Reporters and Volumes

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- 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



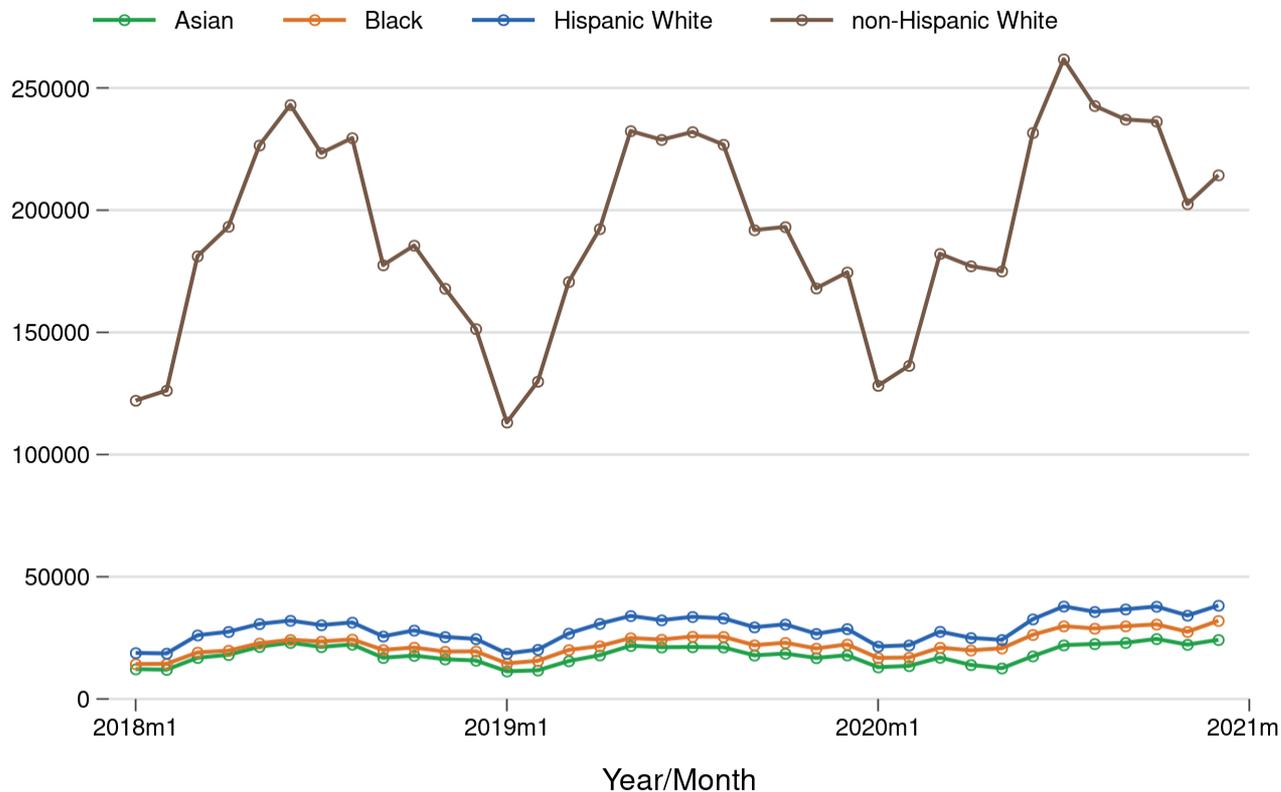
# Monthly Trend (# of originations)



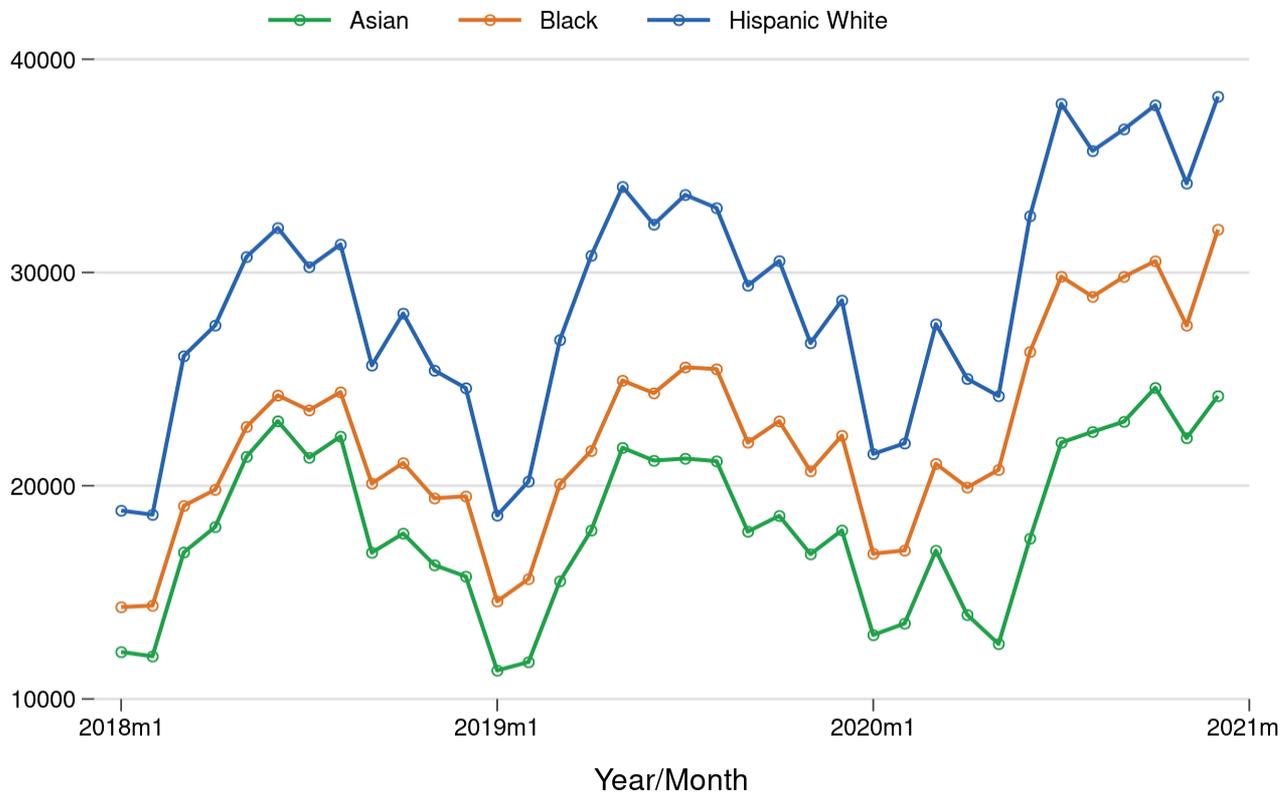
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Note: Single-family closed-end originations.  
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

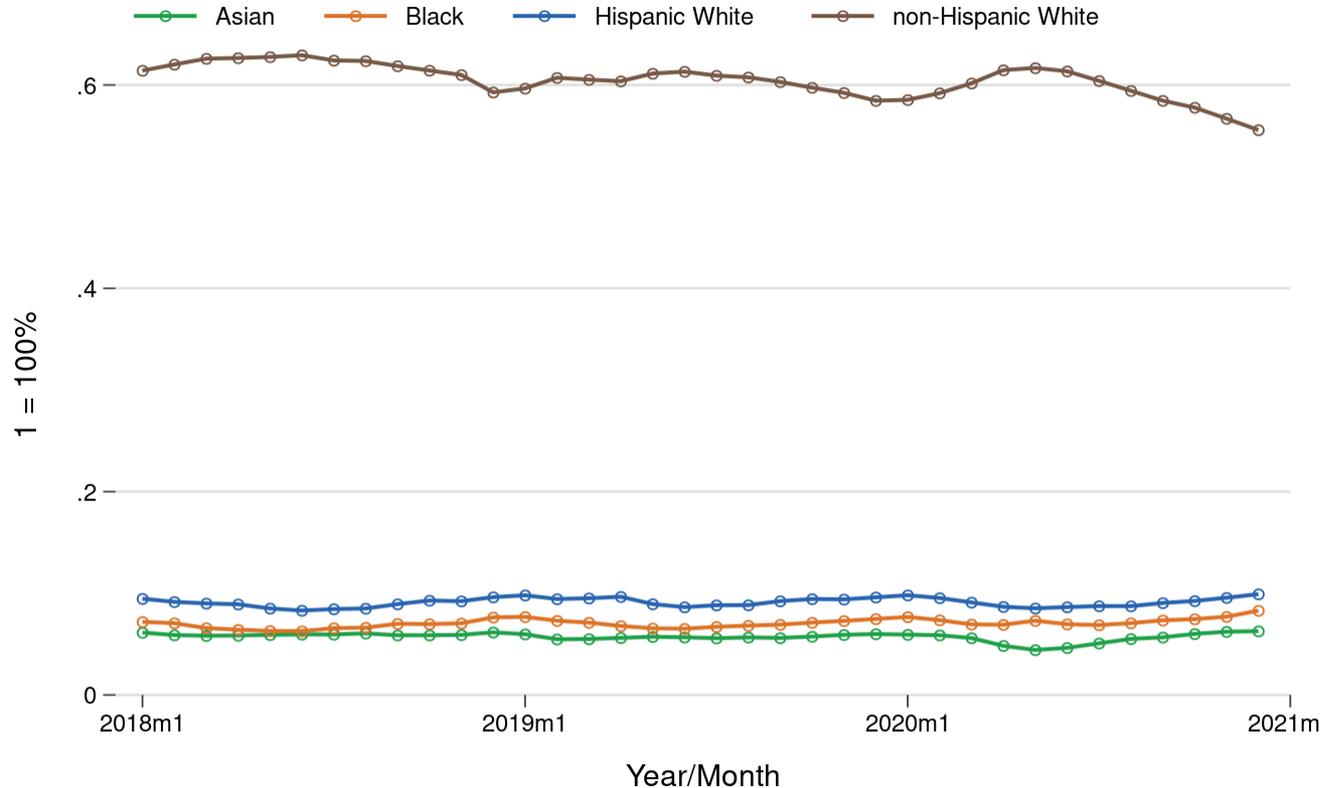
# # of Home-purchase Loan Originations by Race and Ethnicity



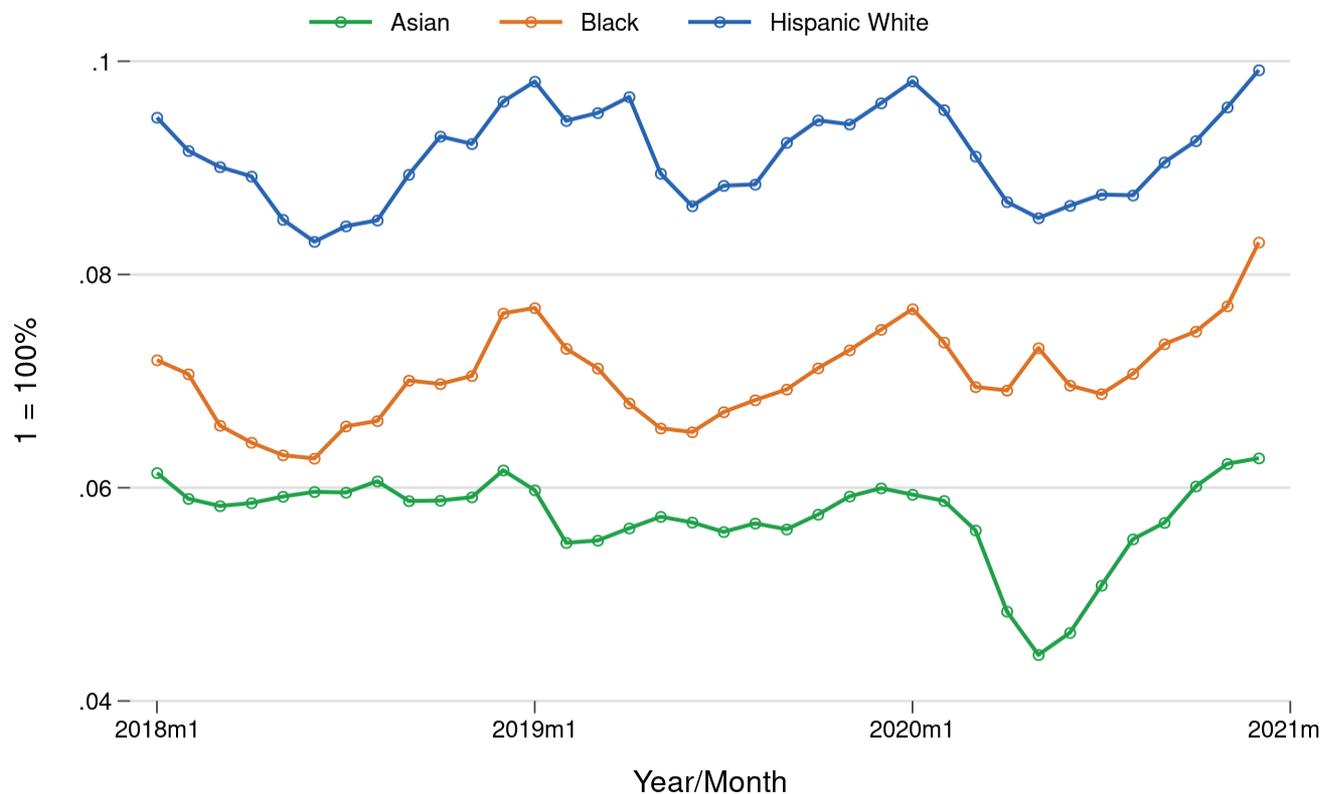
# # of Home-purchase Loan Originations (Minority Only)



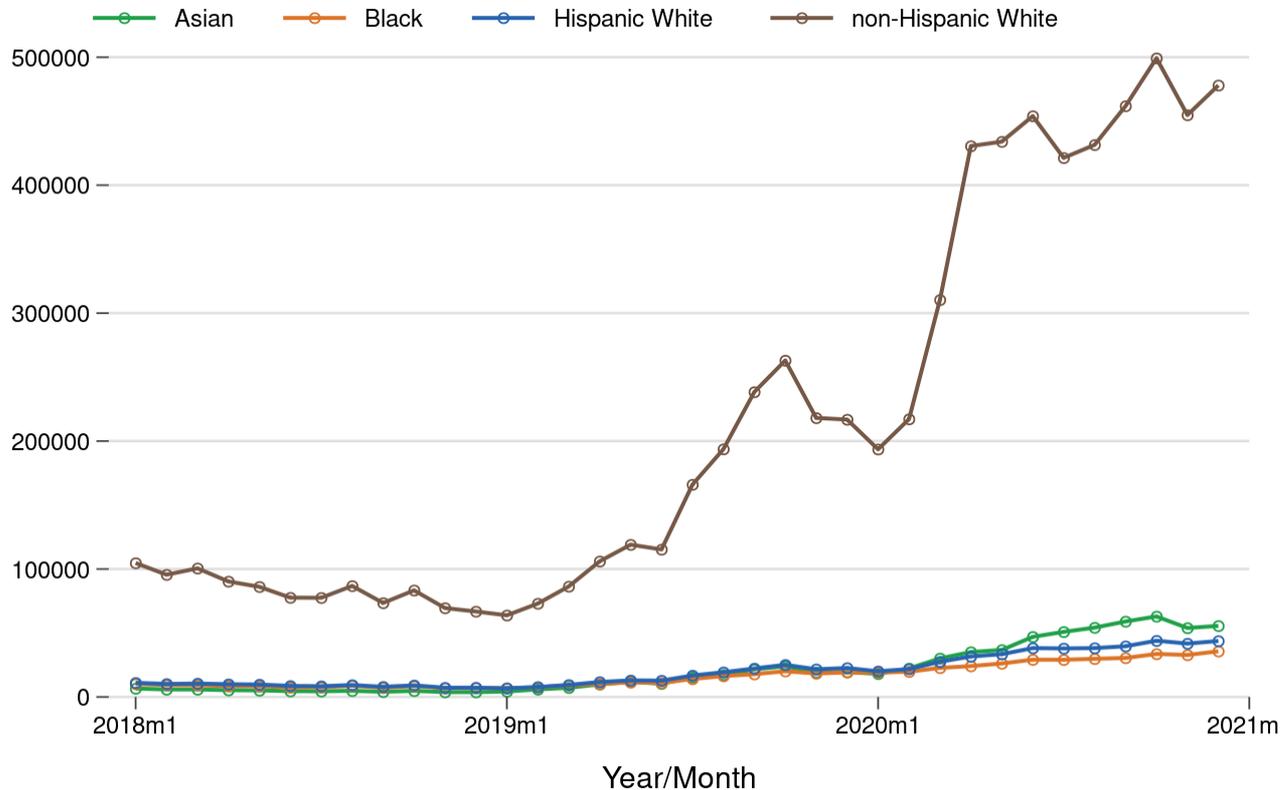
# Shares of Home-purchase Loan Originations by Race and Ethnicity



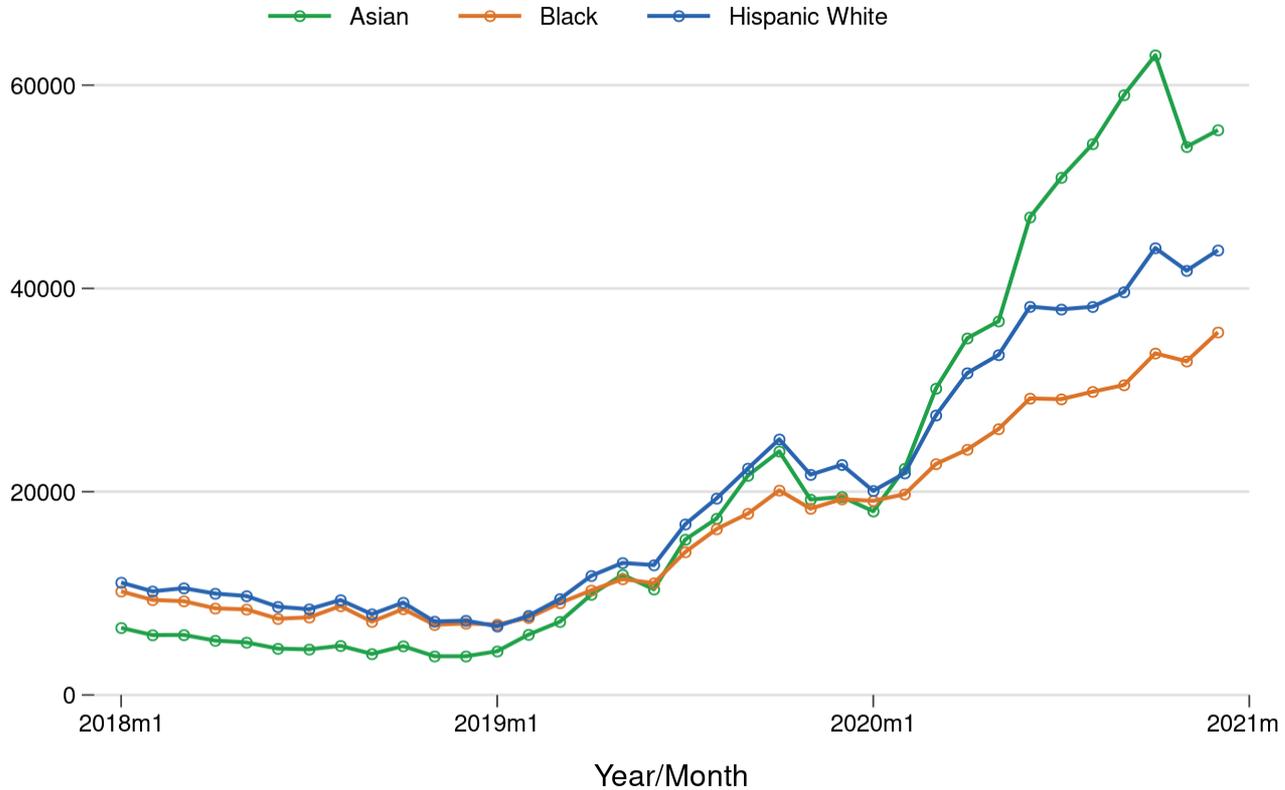
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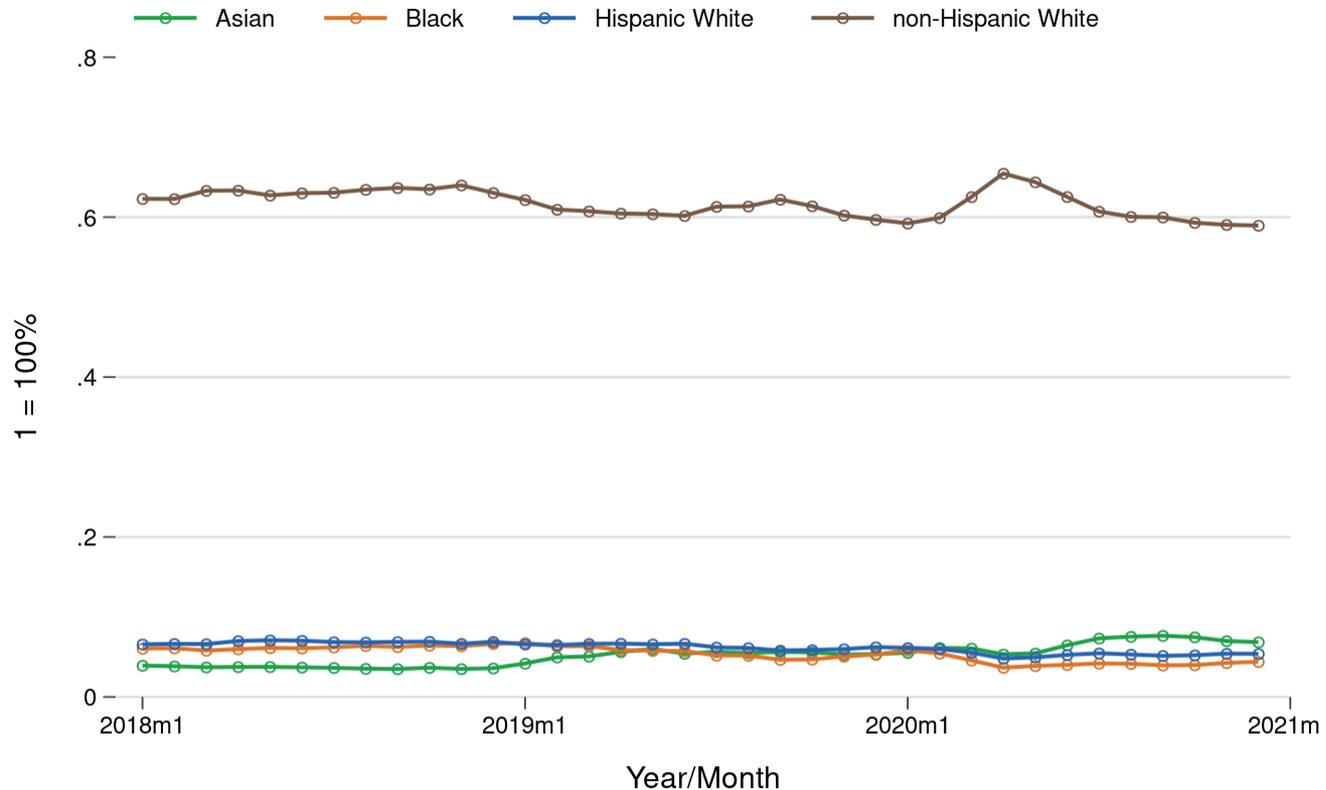
# # of Refinance Loan Originations by Race and Ethnicity



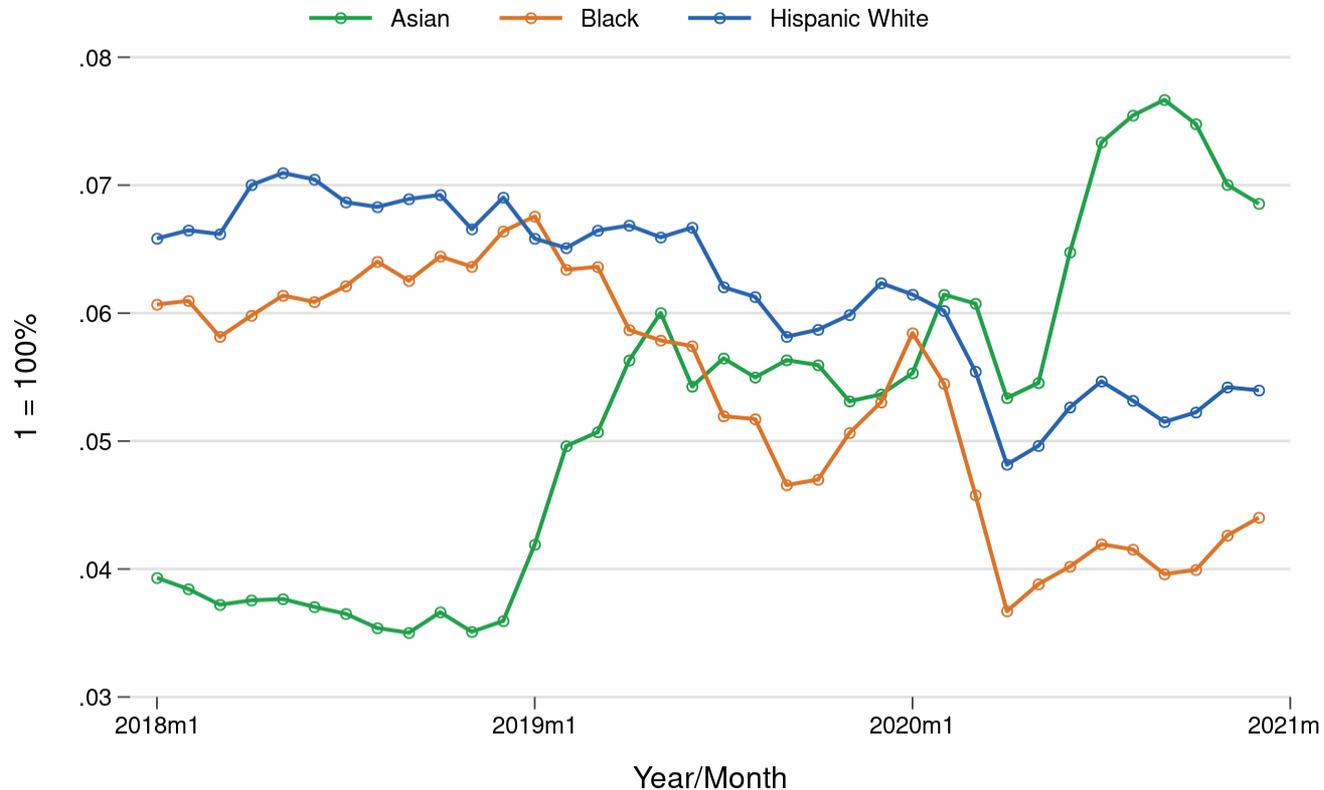
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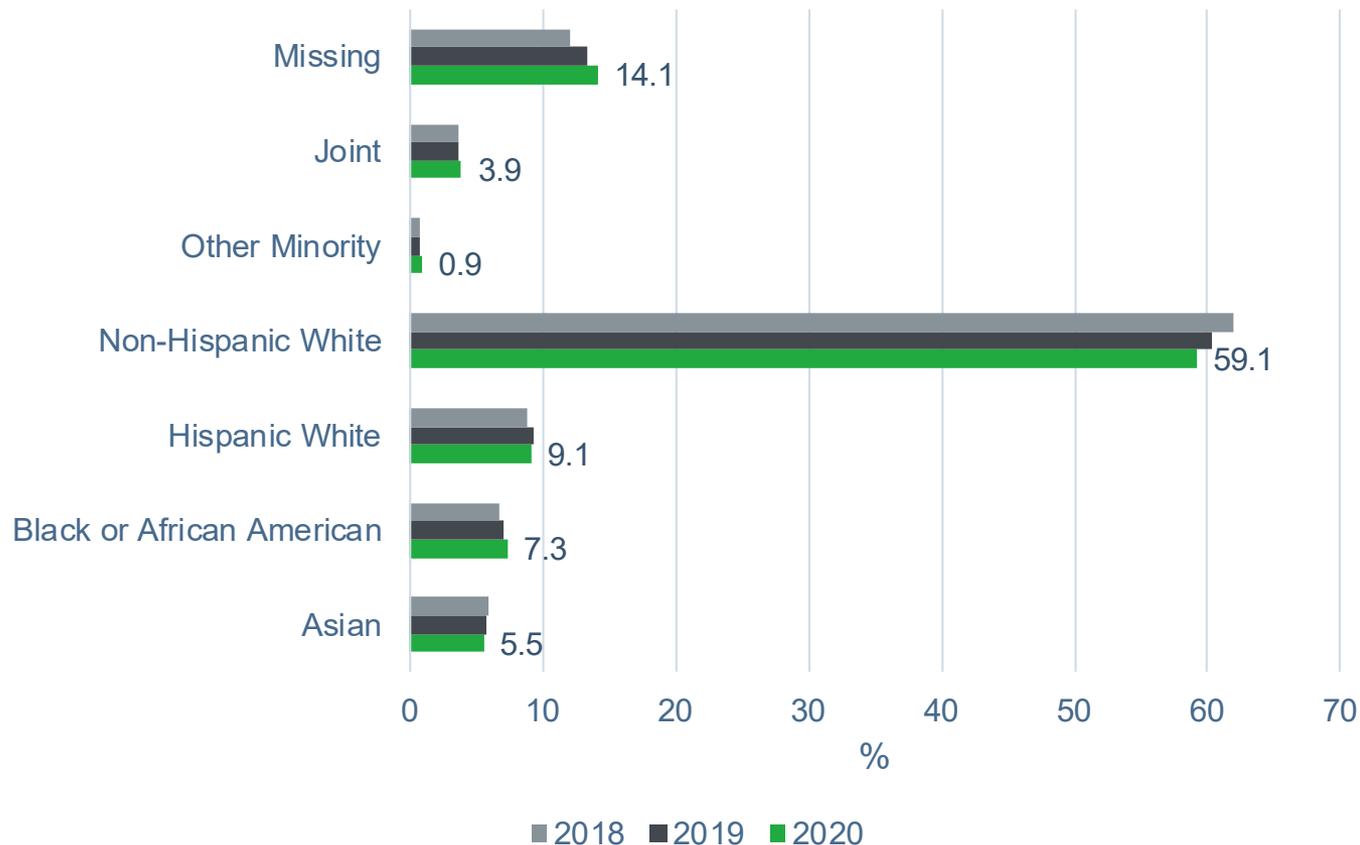
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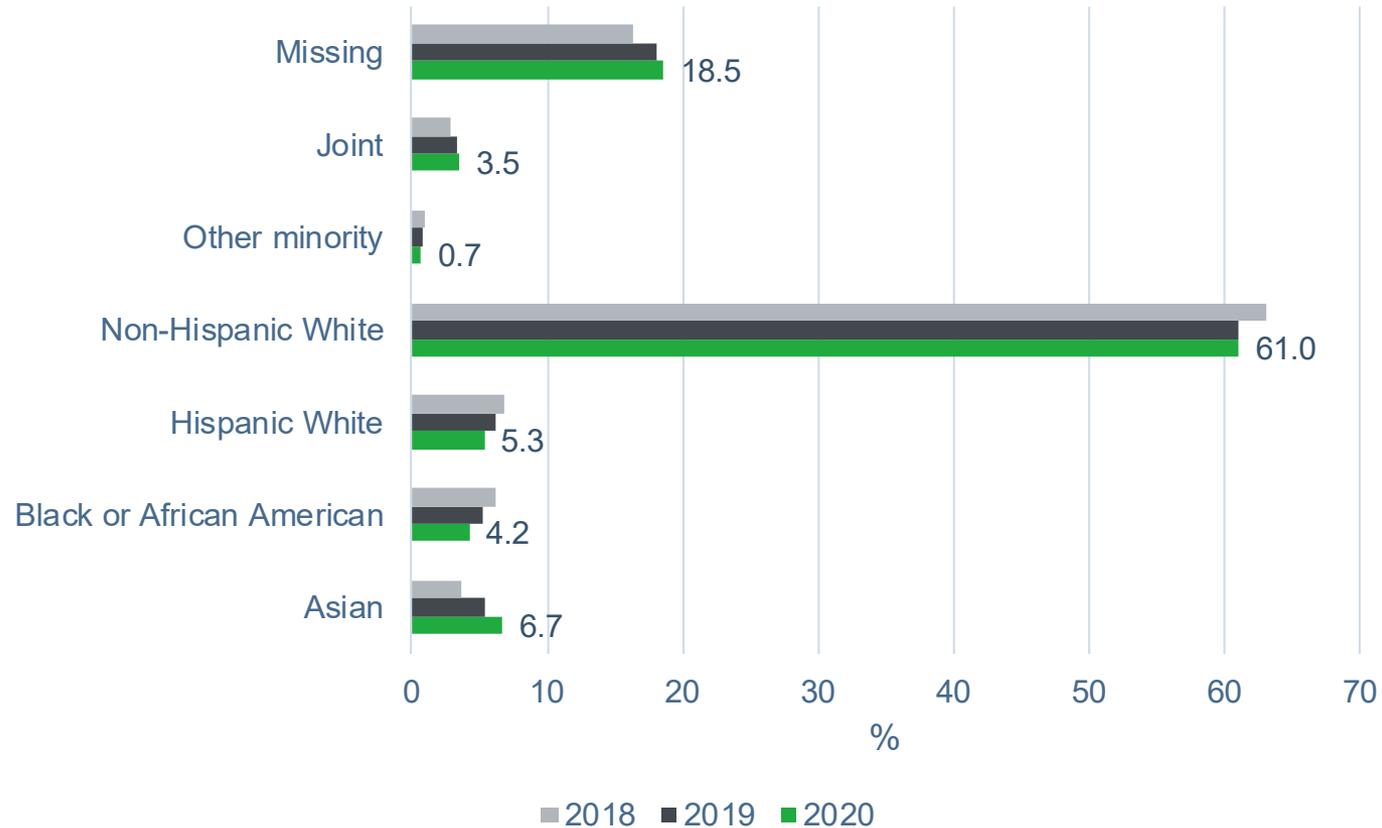
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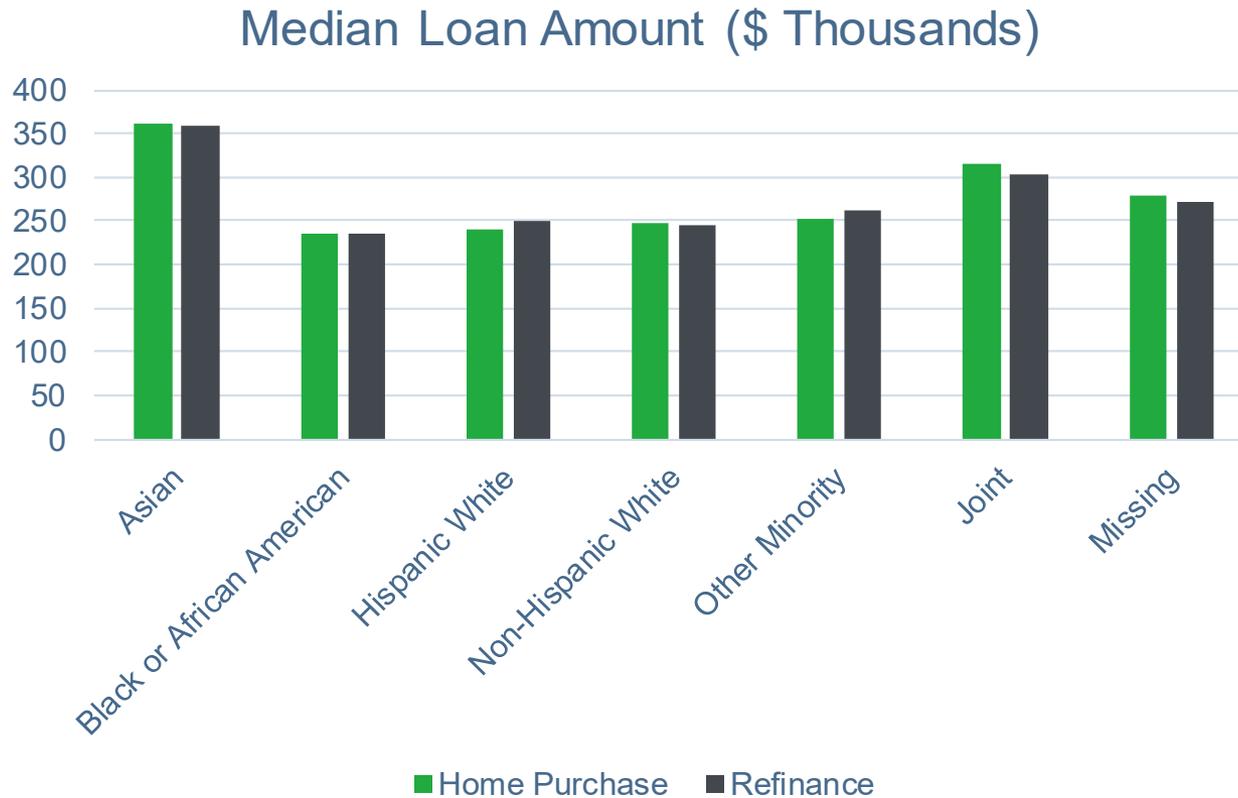
# Share of Home-Purchase Loans by Race and Ethnicity



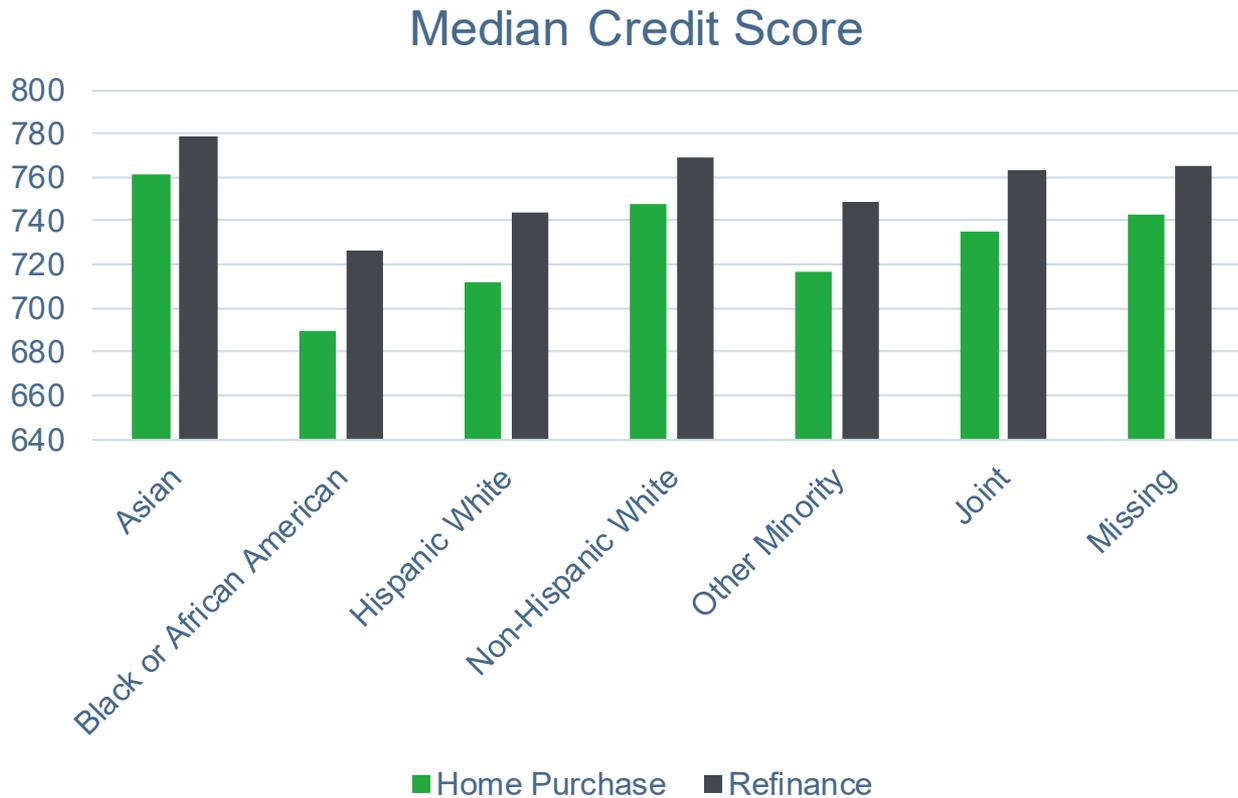
# Share of Refinance Loans by Race and Ethnicity



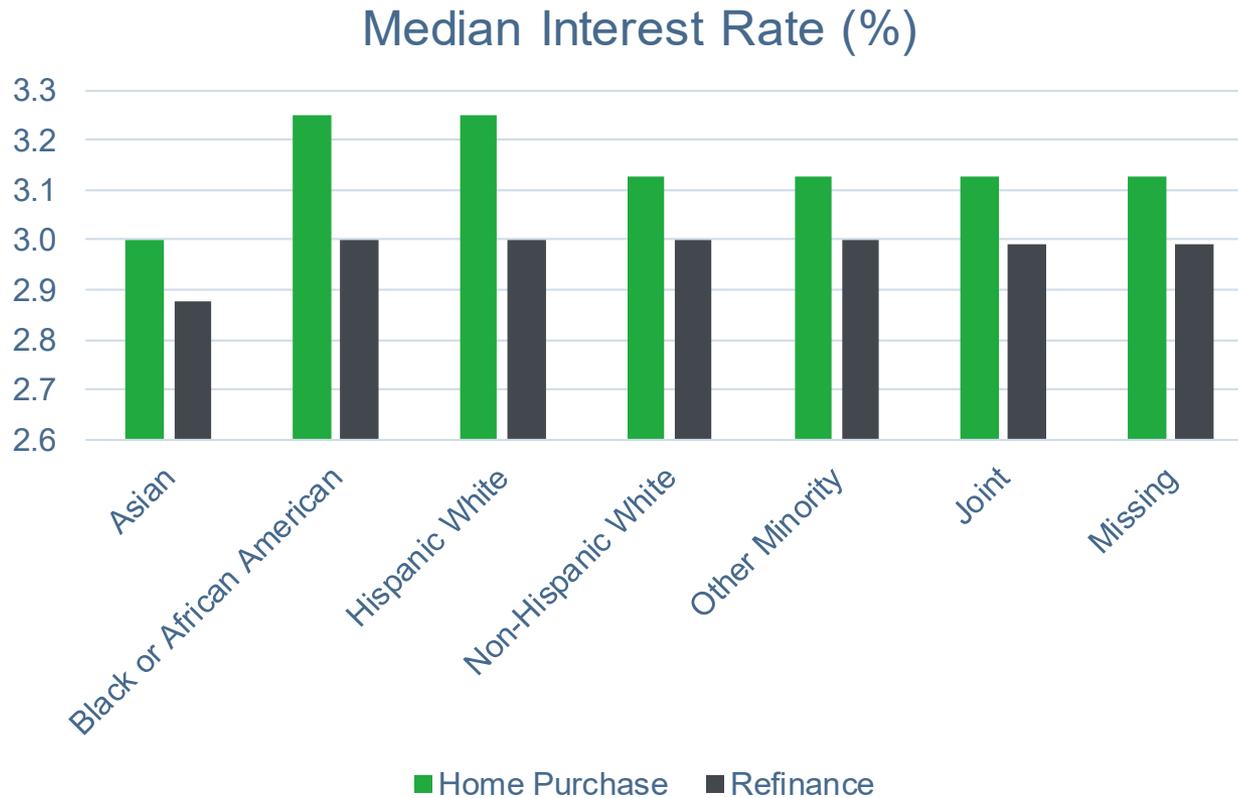
# Characteristics of Loans by Race and Ethnicity



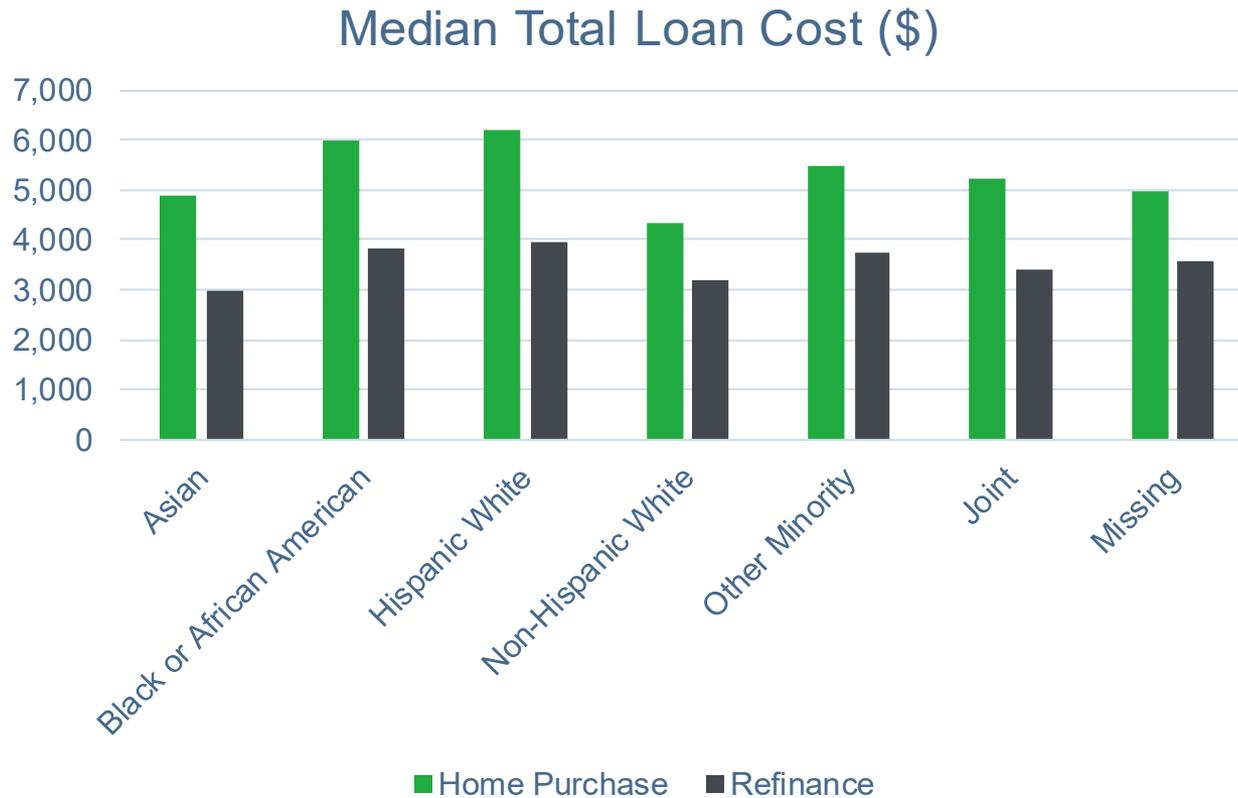
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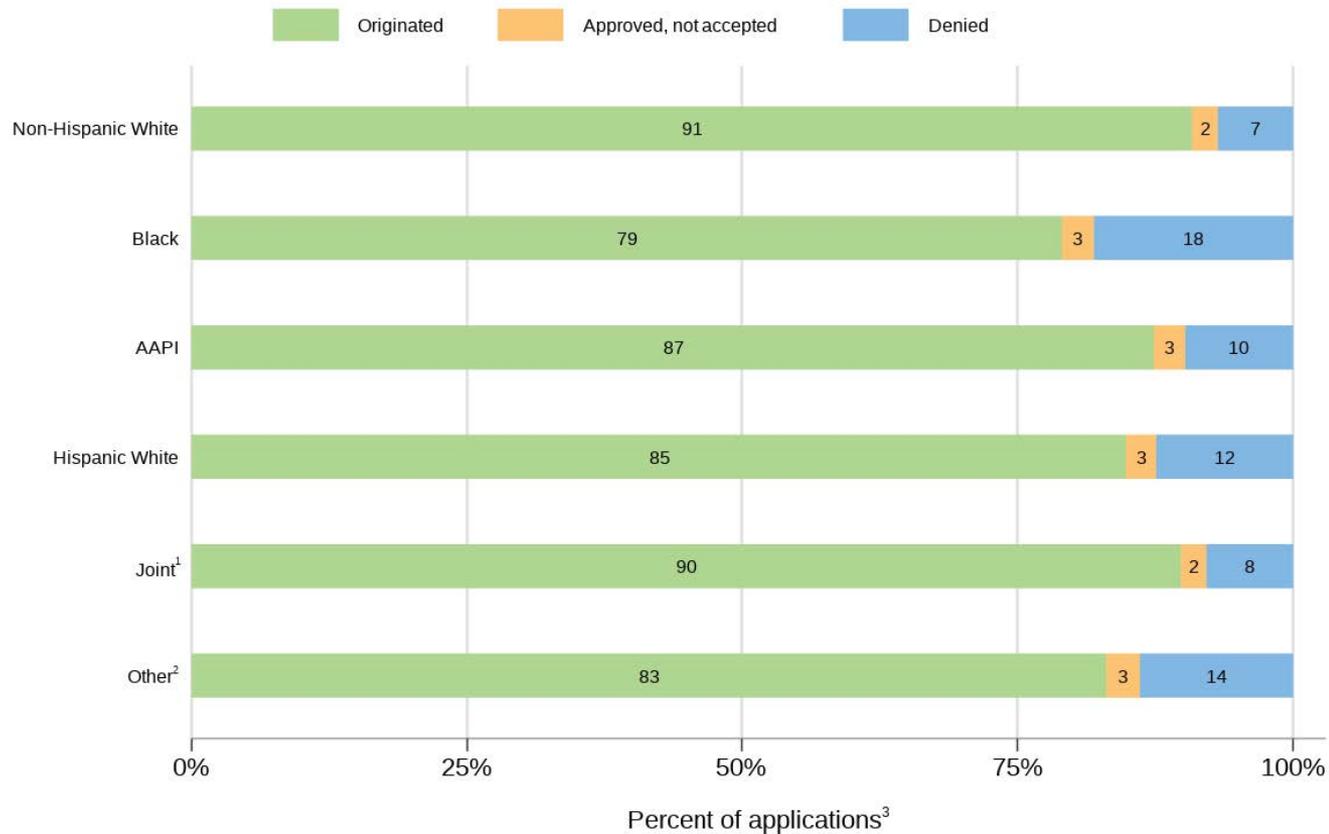


# Characteristics of Loans by Race and Ethnicity



# 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

