

Data Point: 2021 Mortgage Market Activity and Trends

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 CFPB'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]

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1. Introduction

This Data Point article provides an overview of residential mortgage lending in 2021 based on the 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. 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.²

The 2021 HMDA data³ are the fourth year of data that incorporate amendments made to HMDA by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA).⁴ Because of these significant changes starting with the 2018 HMDA data, the HMDA data since 2018 are not completely comparable to the HMDA data before 2018. To maintain the consistency for cross-year comparisons, this article uses only the HMDA data from 2018 to 2021 and focuses on

¹ For a brief history of HMDA, see Federal Financial Institutions Examination Council, "History of HMDA," available at www.ffiec.gov/hmda/history2.htm (last modified Sept. 06, 2018).

² See *Filing instructions guide for HMDA data collected in 2021* (November 2020), available at <https://s3.amazonaws.com/cfpb-hmda-public/prod/help/2021-hmda-fig.pdf> for a full list of items reported under HMDA for 2021.

³ The 2021 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 2021 and reported in 2022. Similarly, the 2018, 2019 and 2020 HMDA data refer to applications acted upon and mortgages purchased during the calendar years of 2018, 2019 and 2020 respectively.

⁴ Among the changes made by the DFA were new data points, revisions to certain existing data points, and authorizing the CFPB to require the collection and reporting of additional data points. The CFPB issued a final rule implementing these and other changes in October 2015 (2015 HMDA Rule). The 2015 HMDA rule made five primary changes to the data collected starting on January 1, 2018: (1) mandated reporting of open-end lines of credit (LOCs) by financial institutions with an annual LOC origination volume exceeding a coverage threshold of 100 LOCs in each of the two preceding years; (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; (4) required reporting of 27 new data points; and (5) established a uniform coverage threshold of 25 closed-end loan originations in each of the two preceding years for depository institutions (DIs) and non-depository institutions (non-DIs), with the closed-end threshold change for DIs taking effect on January 1, 2017 and the threshold change for non-DIs taking effect in 2018. This 25 loans coverage threshold was increased to 100 loans in May of 2020 by the 2020 HMDA rule, which became effective on July 1, 2020.

trends in mortgage applications and originations during these four years. In doing so, we have incorporated a number of new and revised data points that were not collected prior to the 2018 HMDA data. We have also incorporated analyses of lines of credit (LOCs) and other dwelling-secured transactions in the article. Readers who are interested in the historical trends of mortgage applications and activities prior to 2018 can refer to the CFPB's previous HMDA Data Point articles.⁵ Lastly, some estimates in this article are not completely consistent with those from the previous HMDA Data Point articles because some records were excluded in previous publications to make the post-2018 data consistent with the pre-2018 data.⁶

On June 16, 2022, the CFPB published a static application-level 2021 HMDA data file that consolidates data from individual reporters. The data file is modified to protect applicant and borrower privacy.⁷ The data file and the Data Point article reflect the data as of April 30, 2022. Though this static file will not change, the CFPB 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 CFPB expects them to be largely consistent.

The remainder of this article summarizes the 2021 HMDA data and recent trends in mortgage applications and originations. Some of the key findings are:⁸

- 4,332 financial institutions reported at least one closed-end record in 2021, down by 3.1 percent from 4,472 financial institutions who reported in 2020.
- In total, the number of closed-end originations (excluding reverse mortgages) in 2021 increased by 2.4 percent, from 13.4 million in 2020 to 13.7 million. This is in contrast from 2019 to 2020, where the number of originations increased by 66.8 percent and were largely driven by the refinance boom. In contrast, most of the increase from 2020

⁵ See “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 In the first two HMDA Data Point articles published after the 2018 HMDA rule change, the CFPB excluded all open-end LOCs, except those that are reverse mortgages, and applications for a loan purpose other than home purchase, home improvement, or refinance. These two publications include “Data Point: 2019 Mortgage Market Activity and Trends,” available at <https://www.consumerfinance.gov/data-research/research-reports/data-point-2019-mortgage-market-activity-and-trends/>, and “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/>.

⁷ For more information concerning these modifications and the CFPB's analyses under the balancing test it adopted to protect applicant and borrower privacy while also fulfilling HMDA's disclosure purposes, see Disclosure of Loan-Level HMDA Data 84 FR 649 (Jan. 31, 2019).

⁸ This Data Point article is based on the analysis of the static consolidated application-level 2018, 2019, 2020, and 2021 HMDA data files. Some data points used in this article were modified or withheld in the public HMDA data.

to 2021 was driven by an increase in the number of home purchase loans. The increase in home purchase loans was the most prominent among jumbo loans, likely reflecting rapidly rising house prices in 2021.

- The refinance boom, especially in non-cash-out refinance that dominated the mortgage market activities in 2019 and 2020, peaked in March 2021. The non-cash-out refinance volume decreased precipitously throughout the remaining months of 2021. The decrease coincided with the increase in market interest rates. On the other hand, the cash-out refinance volume continued to increase in 2021 relative to 2020, likely because consumers took advantage of rapid house price appreciation and converted rising home equity into cash or liquid assets.
- Continuing trends from 2020, in 2021, non-Hispanic White borrowers' share of home purchase loans decreased, while Asian, Black, and Hispanic White borrowers' share increased. The share of refinance loans declined the fastest for Asian borrowers in 2021, just as it increased the fastest in 2019 and 2020. Black and Hispanic White borrowers' share of refinance loans increased in 2021, accounting for 6.6 percent and 6.8 percent by the end of 2021.
- Black and Hispanic White borrowers continued to have lower median loan amounts, lower median credit scores, and higher denial rates, in addition to paying higher median interest rates and total loan costs compared to non-Hispanic White and Asian borrowers.⁹
- The top 25 closed-end lenders held a combined market share of 43.9 percent, rising yearly since 2018. The top 25 lenders were particularly prominent in the refinance market, accounting for 53.0 percent of refinance loans by all reporting institutions.

⁹ A recent CFPB publication shows that there is heterogeneity in mortgage characteristics across Asian American Pacific Islander subgroups. The report titled "Asian American and Pacific Islanders in the Mortgage Market," is available at <https://www.consumerfinance.gov/data-research/research-reports/asian-american-and-pacific-islanders-in-the-mortgage-market/>

2. Mortgage applications and originations

In 2021, a total of 4,338 financial institutions—banks, savings associations, credit unions, and non-depository mortgage lenders—reported data on approximately 23.3 million applications and 15.0 million originations under HMDA. In contrast, in 2020, 4,475 financial institutions reported data on 22.7 million applications and 14.5 million originations under HMDA.

Compared to 2020, the number of reporters decreased by 137, or about 3.1 percent. On the other hand, the total number of applications and originations increased slightly in 2021. The total number of reported applications increased by about 646,000 or 2.8 percent and the number of originations increased by 465,000 or 3.2 percent. This slight increase in originations and applications represents a departure from 2020, when applications increased by 50 percent and originations increased by 56 percent in one year.

The bottom rows of Table 1 present the total number of records, including total applications, originations, purchased loans, and requests for approvals reported each year from 2018 to 2021. The top panels of Table 1 break down the total records by types of transactions: closed-end excluding reverse mortgages, open-end lines of credit excluding reverse mortgages (HELOCs¹⁰), or reverse mortgages. Within closed-end transactions, we further divide by property types: a site-built one-to-four family unit, manufactured home, or multifamily transactions. We also categorize by loan purposes: home purchase, home improvement, refinance, and other purpose. The closed-end site-built one-to-four family originations are then disaggregated by lien status (e.g., first lien, junior lien) and occupancy types (e.g., principal residence, second residence, investment property). Then, the first-lien, principal-residence originations are further disaggregated by whether they are conventional loans or not. Within the conventional loan category, we disaggregate by whether the loan is conforming or jumbo. Within the non-conventional loan category, we disaggregate by loans insured or guaranteed by Federal Housing Administration (FHA), Department of Veterans Affairs (VA), or USDA Rural Housing Service or Farm Service Agency (RHS/FSA). For manufactured home originations, we disaggregate by

¹⁰ Open-end lines of credit secured by dwellings (excluding reverse mortgages) are commonly known as home equity lines of credit, or HELOCs. In the rest of the article, where it is applicable, we have used the term HELOC in lieu of open-ended lines of credit excluding reverse mortgage. Beginning with the data collected in 2018, the reporting of HELOCs became mandatory rather than optional.

whether manufactured home loans are secured by land (non-chattel loans) or not secured by land (chattel loans).¹¹

Lenders reported approximately 13.7 million closed-end site-built single-family originations in 2021, a 2.4 percent increase from 13.4 million originations in 2020.¹² In contrast, this figure increased 66.8 percent from 2019 to 2020. In addition, lenders reported around 20.7 million closed-end site-built single-family applications, which includes 4.4 million applications that the lenders closed as incomplete or the applicant withdrew before the lender made a decision.

In 2021, about 228,000 loans secured by manufactured homes were originated, compared to 197,000 such loans in 2020. About 148,000 manufactured home loans were taken out for home purchase, up from 137,000 in 2020. Among them, about 82,000 were secured by both home and land, while 59,000 were secured by a manufactured home but not land. Increases also occurred in refinance loans secured by manufactured homes. In 2021, about 75,000 manufactured home loans were taken for refinance purpose, up from 56,000 in 2020.

Unlike the previous three years, the total number of HELOCs reversed its downward trend and increased from 869,000 in 2020 to 962,000 in 2021, a 10.7 percent increase. This number of HELOC originations is still lower than the number of HELOC originations in 2018 and 2019. Similar trends applied to the HELOC applications. The total number of reverse mortgage originations also increased from 43,000 to 59,000 from 2020 to 2021, an increase of over 36 percent.

HMDA data also include information on loans purchased by reporting institutions during the reporting year, although the purchased loans may have been originated before 2021. Table 1 shows that financial institutions purchased 2.7 million loans from other institutions in 2021, a 2.8 percent decrease from 2020.

¹¹ 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. The rest of this article focuses almost entirely on site-built mortgage originations, which constitute most originations. For more information on manufactured housing, see “Manufactured Housing Finance: New insights from the Home Mortgage Disclosure Act,” available at <https://www.consumerfinance.gov/data-research/research-reports/manufactured-housing-finance-new-insights-hmda/>.

¹² Throughout the rest of the report, calculations in the text are based on precise data values. Using rounded numbers from the tables may lead to different values due to rounding errors.

TABLE 1: APPLICATIONS, ORIGINATIONS, PRE-APPROVALS, AND LOAN PURCHASES (IN THOUSANDS)

	Home Purchase				Refinance				Total ^(f)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Closed-end excluding reverse mortgage												
SITE BUILT 1-4 FAMILY												
Applications	5,652	5,837	6,453	6,977	3,708	5,803	13,216	13,097	10,060	12,373	20,262	20,700
Originations	4,136	4,307	4,693	5,127	1,880	3,381	8,423	8,280	6,349	8,023	13,380	13,696
First lien, principal residence	3,594	3,736	4,101	4,378	1,605	3,052	7,849	7,605	5,330	6,928	12,088	12,137
Conventional ⁽²⁾	2,410	2,489	2,755	3,097	1,245	2,292	6,416	6,309	3,774	4,907	9,303	9,553
Conventional conforming	2,222	2,311	2,591	2,846	1,180	2,144	6,227	6,066	3,514	4,575	8,942	9,048
Conventional jumbo	188	178	164	251	65	148	189	242	259	332	360	505
Nonconventional	1,184	1,247	1,346	1,281	359	760	1,433	1,297	1,556	2,021	2,785	2,584
FHA	712	752	796	754	188	343	485	514	909	1,106	1,286	1,272
VA	370	397	426	422	170	415	938	774	544	814	1,366	1,199
FSA/RHS	102	98	124	104	1	2	10	8	103	101	133	113
First lien, second residence	173	178	227	256	31	56	159	144	212	241	394	413
First lien, investment property	286	293	268	399	172	203	370	495	484	522	657	919
Junior lien, all occupancy types	83	100	98	94	72	69	45	36	323	332	240	228
MANUFACTURED HOMES												
Applications	415	445	505	542	75	77	107	140	504	536	622	694
Originations	125	128	137	148	34	38	56	75	165	173	197	228
Manufactured home loans secured by land	64	67	71	82	26	30	45	64	94	101	118	148
Manufactured home loans not secured by land	49	52	57	59	2	2	4	5	51	54	61	64
Land secured status unknown	12	10	9	8	6	7	7	7	20	18	18	16
MULTIFAMILY^(g)												
Applications	28	29	24	32	31	33	37	37	61	65	64	72
Originations	22	23	19	27	25	27	31	32	50	53	52	61
B. Open-end excluding reverse mortgage												
Applications	110	98	92	103	554	508	416	376	2,258	2,100	1,655	1,762
Originations	60	52	52	58	326	299	243	232	1,124	1,042	869	962
C. Reverse mortgage												
Applications	3	3	3	4	49	48	58	75	57	55	64	85
Originations	2	2	2	4	28	29	39	50	33	35	43	59
Total applications	6,208	6,412	7,077	7,659	4,418	6,469	13,834	13,725	12,940	15,129	22,667	23,313
Total originations	4,345	4,513	4,904	5,364	2,293	3,774	8,791	8,670	7,721	9,325	14,541	15,007

	Home Purchase				Refinance				Total ^(f)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Purchased loans	1,386	1,396	1,189	1,374	358	674	1,189	1,172	2,003	2,266	2,756	2,680
Requests for preapproval^(g)	467	445	366	406	<1	<1	<1	<1	467	445	366	406
Requests for preapproval that were approved but not acted on	75	74	71	96	<1	<1	<1	<1	75	74	71	96
Requests for preapproval that were denied	102	77	58	53	<1	<1	<1	<1	102	77	58	53

TABLE 1: APPLICATIONS, ORIGINATIONS, PRE-APPROVALS, AND LOAN PURCHASES (IN THOUSANDS) (continued)

	Home Improvement				Other Purpose				Total ^(f)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Closed-end excluding reverse mortgage												
SITE BUILT 1-4 FAMILY												
Applications	343	340	289	303	344	378	303	319	10,060	12,373	20,262	20,700
Originations	180	170	142	152	149	160	121	136	6,349	8,023	13,380	13,696
First lien, principal residence	70	66	72	77	61	70	66	77	5,330	6,928	12,088	12,137
Conventional ⁽²⁾	60	59	68	73	57	65	64	75	3,774	4,907	9,303	9,553
Conventional conforming	59	57	67	71	52	60	58	65	3,514	4,575	8,942	9,048
Conventional jumbo	2	1	1	2	5	5	6	10	259	332	360	505
Nonconventional	9	7	4	4	4	5	3	3	1,556	2,021	2,785	2,584
FHA	6	5	2	2	3	4	2	2	909	1,106	1,286	1,272
VA	3	2	2	2	<1	1	<1	1	544	814	1,366	1,199
FSA/RHS	<1	<1	<1	<1	<1	<1	<1	0	103	101	133	113
First lien, second residence	2	2	2	2	5	5	6	10	212	241	394	413
First lien, investment property	13	14	11	13	11	10	8	11	484	522	657	919
Junior lien, all occupancy types	95	88	57	60	73	75	41	39	323	332	240	228
MANUFACTURED HOMES												
Applications	6	6	5	5	7	8	6	6	504	536	622	694
Originations	3	3	2	2	3	3	2	3	165	173	197	228
Manufactured home loans secured by land	2	2	1	2	2	2	1	1	94	101	118	148
Manufactured home loans not secured by land	<1	<1	<1	<1	<1	<1	<1	<1	51	54	61	64
Land secured status unknown	1	1	1	1	1	1	1	1	20	18	18	16
MULTIFAMILY⁽³⁾												
Applications	2	2	1	2	1	1	1	1	61	65	64	72
Originations	2	2	1	1	<1	<1	1	<1	50	53	52	61
B. Open-end excluding reverse mortgage												
Applications	828	793	619	751	763	698	527	532	2,258	2,100	1,655	1,762
Originations	384	366	310	390	352	324	264	282	1,124	1,042	869	962
C. Reverse mortgage												
Applications	1	1	1	2	4	3	2	4	57	55	64	85
Originations	1	1	1	2	3	2	2	3	33	35	43	59
Total applications	1,181	1,143	915	1,063	1,120	1,088	839	861	12,940	15,129	22,667	23,313
Total originations	570	541	456	547	508	490	389	424	7,721	9,325	14,541	15,007

	Home Improvement				Other Purpose				Total ⁽⁷⁾			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Purchased loans	15	8	7	7	10	11	12	13	2,003	2,266	2,756	2,680
Requests for preapproval⁽⁴⁾	<1	<1	<1	<1	<1	<1	<1	<1	467	445	366	406
Requests for preapproval that were approved but not acted on	<1	<1	<1	<1	<1	<1	<1	<1	75	74	71	96
Requests for preapproval that were denied	<1	<1	<1	<1	<1	<1	<1	<1	102	77	58	53

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) The sum of Home Purchase, Refinance, Home Improvement, and Other Purpose columns may not sum to Total columns because a small number of records reported loan purpose as "NA". For instance, in 2021 HMDA data, a little over 1,500 originations had loan purpose reported as "NA", likely due to reporting errors. In addition, for purchased loans where the origination occurred before January 1, 2018, reporters are allowed to report the loan purpose data point as "NA". About 234,000, 177,000 and 358,000, 113,000 purchased loans had loan purpose reported as "NA" in 2018, 2019, 2020, and 2021 HMDA data respectively.

(2) The sum of conventional conforming and conventional jumbo rows may not sum to the conventional row because a small number of records had an unknown conforming loan status. The conventional conforming loan is a closed-end forward mortgage (i.e., excluding reverse mortgage) transaction whose loan type is reported as conventional and whose loan amount is below the conforming loan limit, making it eligible to be purchased by Fannie Mae or Freddie Mac (collectively known as Government Sponsored Enterprises, or GSEs). The conventional non-conforming or jumbo loan is a closed-end forward mortgage transaction with its loan type reported as conventional and a loan amount above the conforming loan limit, making it ineligible to be purchased by the GSEs.

(3) A multifamily property consists of site-built five or more units.

(4) 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).

In contrast to 2020 when the refinance loans in closed-end site-built single-family originations increased by 149.1 percent, refinance originations slightly decreased in 2021. Refinance originations fell from 8.4 million in 2020 to 8.3 million in 2021, which is approximately a 1.7 percent decrease. Refinance applications for site-built single-family properties also decreased from 13.2 million in 2020 to 13.1 million in 2021.

Refinance originations decreased for all types of loans¹³ except for conventional jumbo loans and FHA loans, which increased by 28.3 percent and 5.9 percent respectively in 2021. This is notable as these two sectors experienced some of the lowest refinance growth rates in 2020. Percentage wise, VA loans experienced the largest decrease in refinance activity in 2021, decreasing from 938,000 originations in 2020 to 774,000 originations in 2021, or a 17.5 percent decline. The previous year, the refinance volume of VA loans had increased by 126.2 percent. Given all these changes, generally, refinance origination numbers in 2021 are still notably higher than 2019 and 2018 volumes, but not as high as the peak in 2020.

The closed-end site-built single-family mortgage originations for home purchase rose by a similar rate in 2021 as 2020. In 2021, there were 5.1 million home purchase originations, as compared with nearly 4.7 million in 2020. This represents a 9.2 percent growth rate from 2020, while in 2020, the growth rate was 9.0 percent. When limited to the first-lien principal residence, the home purchase loan originations increased by 6.7 percent, from 4.1 million in 2020 to 4.4 million in 2021. Among them, both conventional conforming and jumbo loans increased while all nonconventional loan categories saw a decrease in volume. The conventional jumbo market saw the largest increase of 52.8 percent in 2021, while FSA/RHS loans saw the biggest decrease of 15.7 percent.

The change in market interest rates was likely the main driver behind the declines in refinance applications and loans. Figure 1 plots the monthly median interest rates for 30-year fixed-rate closed-end (excluding reverse mortgage) conventional conforming loans originated to the prime borrowers secured by first-lien principal residence.¹⁴ The median interest rate is computed from originated loans in the 2018-2021 HMDA data and the month is based on the month of the action taken date. As the figure shows, the mortgage interest rate declined substantively in 2019 and 2020, reaching historically low levels at the end of 2020. The rate began rising in 2021 but still remained low by historical standards. Moreover, the rise in interest rates during 2021 was smaller than the decline during 2020. Figure 1 generally aligns with Freddie Mac's Primary

¹³ Mortgages secured by closed-end site-built single-family first-lien principal residence.

¹⁴ The prime borrowers are defined as those with a credit score of at least 720 and CLTV of around 80 percent (79 percent \leq CLTV $<$ 80 percent).

Mortgage Market Survey, which covers first-lien prime conventional conforming home purchase mortgages with a loan-to-value of 80 percent.¹⁵

FIGURE 1: Monthly Median Interest Rate of 30-Year Fixed Rate Conventional Conforming Loans



NOTE: Monthly median interest rate of 30-year fixed-rate, conventional conforming, home purchase, closed-end loans secured by site-built single-family homes to prime borrowers between January 2018 and December 2021. Limited to borrowers with credit score ≥ 720 and $79\% \leq LTV \leq 80\%$, 1st lien, principal residence.

¹⁵ See <https://www.freddiemac.com/pmms>. According to the Primary Mortgage Market Survey (PMMS), the average rate on 30-year fixed-rate conventional conforming mortgage loans started at a historically low 2.65 percent at the beginning of 2021 and increased to 3.11 percent by the end of the year. In contrast, the interest rates decreased from 3.72 percent at the beginning of 2019 to 2.67 percent by the end of 2020. The reported interest rates in the HMDA data follow a consistent pattern as that observed in PMMS.

On the other hand, fast-rising house prices in 2021¹⁶ likely explain the increase in home purchase loan origination volume. In particular, the large increase of jumbo loan volume, for both home purchase and refinance loans, could be largely attributable to rising house prices. Similarly, as house values appreciated and existing homeowners' home equity increased, a higher share (about 35.0 percent) of closed-end site-built single-family refinance loans were cash-out refinances versus non-cash-out refinances. This is higher than 2020 when cash-out refinance loans accounted for 25.1 percent of all refinance loans.

¹⁶ See S&P CoreLogic Case-Shiller U.S. National Home Price Index for a commonly cited monthly measure of the value of single-family housing, available at <https://fred.stlouisfed.org/graph/?g=RtST>. According to the index, nationwide the house prices (not-seasonally adjusted) increased by 18.9 percent from December 2020 to December 2021.

3. Mortgage outcomes by demographic groups and loan types

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 4 provide information on loan shares, product usage, certain mortgage/borrower characteristics, pricing information, and denial rates by applicant income, neighborhood income, and applicant race and ethnicity. Tables 2 through 4 focus on closed-end first-lien home purchase and refinance loans secured by site-built one-to-four-family, principal residence properties, which accounted for approximately 80.0 percent of all HMDA originations excluding purchased loans in 2021.

3.1 Distribution of home loans

Table 2 presents different groups' shares of closed-end (excluding reverse mortgage) site-built one-to-four-family, first lien, principal residence home purchase and refinance loans and how these shares have changed since 2018. Continuing the trend, Black borrowers' share of home purchase loans increased from 6.8 percent in 2018 to 7.9 percent in 2021, whereas the share for Hispanic White borrowers was at 9.2 percent in 2021, holding at a steady level since 2019. For non-Hispanic White borrowers, their share of home purchase loans was 55.6 percent in 2021, down from 62.0 percent in 2018. On the other hand, Asian borrowers' share of home purchase loans increased from 5.5 percent in 2020 to 7.1 percent in 2021.

Non-Hispanic White borrowers accounted for about 58.3 percent of all refinance loans in 2021, down slightly from 61.0 percent in 2020. Asian borrowers still took up a larger share among refinance loans in 2021 at 6.0 percent compared to their shares in 2018 and 2019, but their share was down from a high of 6.7 percent in 2020. The shares of Black and Hispanic White borrowers refinance loans returned to 2019 levels after a low in 2020. The Black borrowers' share of refinance loans increased from 4.2 percent in 2020 to 5.4 percent in 2021, and the Hispanic White borrowers' share of refinance loans increased from 5.3 percent in 2020 to 6.1 percent in 2021.

We note that such observations are set against the backdrop in which origination volumes of refinance loans have slightly decreased from peak volumes after the refinance boom of 2019 and 2020.

The shares of home purchase and refinance loans exhibit opposite trends for low- or moderate-income (LMI) borrowers compared with high-income borrowers.¹⁷ The LMI borrower share of home purchase loans decreased from 30.4 percent in 2020 to 28.7 percent in 2021, whereas high-income borrowers' share increased from 41.2 percent to 43.2 percent. The LMI borrower share of refinance loans increased from 18.9 percent in 2020 to 23.9 in 2021, while high-income borrowers' share decreased from 45.1 percent to 42.0 percent. For both home purchase and refinance loans, these trends are the opposite of the ones seen from 2019 to 2020 and shares generally returned to 2019 levels during 2021.

Like 2020, the trends in shares of LMI and high-income neighborhoods mirror those of the borrowers for refinance loans but not for home purchase loans.¹⁸ The LMI neighborhoods' share of refinance loans increased, whereas high-income neighborhoods' share of refinance loans decreased. On the other hand, the share of home purchase loans in LMI neighborhoods increased slightly, while the share in high-income neighborhoods decreased slightly between 2020 and 2021.

The share of refinance loans for most racial/ethnic groups, LMI borrowers, and LMI neighborhoods has fluctuated in the past few years, while the number of refinance loans has increased for all groups between 2018 and 2021.¹⁹ For example, the share of refinance loans for Hispanic White borrowers decreased from 6.8 percent in 2018 to 6.1 percent in 2021 but the number increased by about 354,000. The increase in the *number* of refinance loans over the past few years is especially large for Asian borrowers, high-income borrowers, and high-income

¹⁷ In accordance with the definitions used by the federal banksupervisory 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 (2020), "FFIEC Median Family Income Report," available at <https://www.ffiec.gov/Medianincome.htm>. A very small percentage of records had income reported as zero or negative. They are included in the LMI group.

¹⁸ 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.

¹⁹ 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 2021 was approximately 312,000, calculated by multiplying 4.4 million loans by 7.1 percent.

neighborhoods. The same can be said of home purchase loans. The numbers of originations for home purchase loans were higher in 2021 than 2018 across all groups in Table 2.

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

	Home Purchase				Refinance			
	2018	2019	2020	2021	2018	2019	2020	2021
A. Borrower race and ethnicity⁽¹⁾								
Asian	5.9	5.7	5.5	7.1	3.7	5.5	6.7	6.0
Black or African American	6.8	7.0	7.3	7.9	6.2	5.3	4.2	5.4
Hispanic White	8.9	9.2	9.1	9.2	6.8	6.2	5.3	6.1
Non-Hispanic White	62.0	60.3	59.1	55.6	63.1	60.9	61.0	58.3
Other minority ⁽²⁾	0.8	0.8	0.9	1.0	0.9	0.8	0.7	0.8
Joint	3.6	3.7	3.9	4.1	2.9	3.3	3.5	3.4
Missing	12.0	13.3	14.1	15.1	16.3	18.0	18.5	19.9
All	100	100	100	100	100	100	100	100
B. Borrower income⁽³⁾								
Low or moderate	28.0	28.6	30.4	28.7	29.0	23.1	18.9	23.9
Middle	26.7	27.2	27.4	27.0	25.2	22.1	21.8	23.2
High	43.9	43.1	41.2	43.2	41.3	43.5	45.1	42.0
Income not used or not applicable	1.3	1.2	1.1	1.0	4.4	11.2	14.2	10.9
All	100	100	100	100	100	100	100	100
C. Neighborhood income⁽⁴⁾								
Low or moderate	16.5	16.5	16.1	17.1	16.3	14.0	11.7	13.6
Middle	44.2	44.3	44.3	44.3	45.6	43.0	41.1	42.8
High	38.8	38.9	39.3	38.4	37.7	42.7	47.0	43.5
All	100	100	100	100	100	100	100	100
Total (in thousands)	3,594	3,736	4,101	4,378	1,605	3,052	7,849	7,605

NOTE: Closed-end (excluding reverse mortgage), first-lien home purchase or refinance mortgages secured by site-built, one- to four-family homes used for a principal residence.

(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 published by FFIEC (available at <https://www.ffiec.gov/Medianincome.htm>), and the three categories have the same cutoffs as the borrower-income groups (see note 3).

3.2 Mortgage characteristics of home loans

The median characteristics of mortgage loans and borrowers may differ substantially by race and ethnicity, borrower income and neighborhoods, and loan types. Table 3A shows the median loan amount, credit scores of borrowers, interest rates, and total loan costs of home purchase loans for different racial/ethnic groups, borrower income, neighborhood income, and enhanced loan types over time.²⁰ The sample is limited to closed-end first-lien mortgages for site-built one-to-four-family, principal residences with loan purpose being home purchase. Table 3B presents similar information for refinance loans.

The median loan amounts for home purchase loans have risen consistently across all categories, likely reflecting the rise in home prices.²¹ Among different racial/ethnic groups, in 2021, Asian borrowers continued to take out home purchase loans with the largest median loan amount, with a median of about \$414,000, an increase from a median loan amount of \$362,000 in 2020. In contrast, Black borrowers continued to take out loans with the smallest median loan amount for home purchase, at approximately \$264,000, also an increase from 2020. The median loan amount of home purchase loans for Hispanic White borrowers was \$272,000 in 2021, while the median loan amount of home purchase loans for non-Hispanic White borrowers was \$274,000.

In 2021, the median loan amount of home purchase loans for high-income borrowers was \$394,000. As in 2020, high-income borrowers had a median loan amount which was almost twice that of LMI borrowers. Similarly, the median loan amount of home purchase loans secured by properties in high-income areas was \$355,000, compared to \$235,000 in LMI neighborhoods.

Loan amounts vary by loan type. The home purchase jumbo loans have a median loan amount of \$948,000 in 2021. In comparison, the median loan amounts of home purchase loans were \$172,000 for RHS/FSA loans and \$241,000 for FHA loans.

²⁰ We report the medians instead of averages in Tables 3A and 3B because medians are more stable and less subject to outliers than averages. In general, the patterns of averages looked similar to the patterns in medians. Combining the transaction types (closed-end, open-end, reverse mortgage), loan types reported under HMDA (conventional, FHA, VA, RHS/FSA), conforming loan status based on the loan amount reported and the conforming loan limits published by the Federal Housing Finance Agency (FHFA), all single family LARs can be grouped into seven categories: 1) Conventional Conforming; 2) Conventional Non-conforming or Jumbo; 3) FHA; 4) VA; 5) RHS/FSA; 6) HELOC; and 7) Reverse Mortgage. These categories are referred to as the “Enhanced Loan Types”.

²¹ All dollar amounts are reported in nominal terms.

Similar to the home purchase loans, in 2021, the median loan amount of refinance loans for Asian borrowers was also higher than other racial/ethnic groups, at approximately \$355,000 in 2021, compared to \$221,000 for Black borrowers, \$243,000 for Hispanic White borrowers, and \$232,000 for non-Hispanic White borrowers. For all racial/ethnic groups, the median refinance loan amount decreased from 2020 to 2021, just as the refinance loan origination volume decreased. This is in contrast with home purchase loans, where the median loan amount increased for all racial groups and origination volumes increased slightly.

Credit scores are widely used in mortgage underwriting and pricing. Where applicable, credit scores have been collected and reported in HMDA since 2018.²² Table 3A shows that the median credit scores for closed-end home purchase mortgage loans secured by first-lien principal-residence site-built single-family properties have been increasing from 2018 through 2021. But the variations of median credit scores among different groups remain. Black and Hispanic White borrowers continued to have lower median credit scores than other racial/ethnic groups. The median credit score of Black borrowers who took out home purchase loans was 691 in 2021, and the median credit score of Hispanic White home purchase loan borrowers was 716. In comparison, the median credit scores of non-Hispanic White and Asian home purchase loan borrowers in 2021 were 750 and 764, respectively.

High-income home purchase borrowers have higher median credit scores than middle and LMI borrowers, and borrowers taking out home purchase loans secured by properties in high-income neighborhoods have higher median credit scores than borrowers in middle and LMI neighborhoods as well. In terms of loan types, the median credit score for home purchase jumbo loan borrowers was 776 in 2021 and the median credit score of conventional conforming home purchase loan borrowers was 759, while the median credit score of FHA home purchase loan borrowers was 664.

The median credit scores of refinance loan borrowers are higher than those of home purchase loan borrowers, both overall and across most groups. The median credit score of Black borrowers who refinanced in 2020 was 719, and the median credit score of Hispanic White refinance borrowers was 737. In comparison, the median credit scores of non-Hispanic White and Asian borrowers who refinanced in 2021 were 763 and 776, respectively. The median credit score for refinance jumbo loan borrowers was 776 in 2021, the median credit score of conventional conforming refinance loan borrowers was 764, and the median credit score of FHA refinance loan borrowers was 706.

²² To protect applicant and borrower privacy, credit score is excluded from the application-level HMDA data made available to the public.

The mortgage interest rate increased during 2021 from its historical low at the end of 2020. However, the rate of increase during 2021 was slower than the rate of decrease during 2020 as illustrated in Figure 1. As a result, the median interest rate for home purchase loans secured by first-lien principal-residence site-built single-family properties was 3.000 in 2021, compared to 3.125 percent in 2020.

The variations in interest rates across different racial/ethnic groups and loan types still remained in 2021. At 3.125 percent, Black and Hispanic White borrowers continued to pay higher median interest rates than all other racial/ethnic groups for home purchase loans. The median interest rate for Asian borrowers was 2.875 percent and that for non-Hispanic White borrowers was 3.000 percent. For home purchase loans, FHA loans had higher median interest rates than any other enhanced loan types, at 3.125 percent. On the other hand, VA loans had the lowest median interest rate at 2.750 percent.

Total loan costs, a data point collected and reported under HMDA since 2018, represent the sum of origination fees that the lender charges, charges for the services that borrowers cannot shop for (e.g., appraisal fees or credit report fees), and charges for services borrowers can shop for such as settlement agent or title insurance fees.²³

The median total loan costs for home purchase loans in 2021 was \$4,889, up by 3.2 percent from \$4,736 in 2020. Hispanic White borrowers for home purchase loans paid \$6,282 in median total loan costs, the highest among all racial/ethnic groups. The next highest was Black borrowers. The median total loan costs for Black home purchase loan borrowers were \$6,186, up from \$5,980 in 2020. In comparison, the median total loan costs of home purchase loans were \$4,462 for non-Hispanic White borrowers and \$5,095 for Asian borrowers.

The median total loan costs of home purchase loans were higher for high-income borrowers (\$5,148) and middle-income borrowers (\$4,980) than LMI borrowers (\$4,425)²⁴. On the other hand, the median total loan costs of home purchase loans were \$4,952 for loans secured by properties in LMI neighborhoods, \$4,767 for loans in middle-income neighborhood and \$4,995 for loans in high-income neighborhoods.

²³ The total loan costs collected under HMDA only applies to originated loans that are subject to specified requirements in Regulation Z. It is limited to “buyer-paid” portions of the total loan costs on the TILA-RESPA Integrated Disclosure Rule (TRID) Closing Disclosure of applicable loans. In other words, under the HMDA reporting requirements, it includes the charges by the lenders as well as the charges by the third party service providers in connection with obtaining the loan to the extent those are paid by a consumer rather than by a seller or other third party.

²⁴ Just as other statistics presented in this table, the discussion here does not control for differences in loan amount that may vary across income groups.

Among various enhanced loan types for home purchase loans, FHA loans had the highest median total loan costs, at \$8,427, likely reflecting the required upfront mortgage insurance premium which could be a significant part of the total loan costs of FHA loans²⁵. The median total loan costs were \$6,830 for VA home purchase loans. To the extent that Black and Hispanic White borrowers are more likely to take out FHA loans than Asian and non-Hispanic White borrowers, the high total loan costs of FHA loans could contribute to higher median total loan costs for Black and Hispanic White borrowers as observed above.

The median total loan costs for refinance loans in 2021 was \$3,336, which is lower than that for home purchase loans, and only up very slightly from \$3,310 in 2020. The Hispanic White borrowers who refinanced in 2021 paid \$3,879 in median total loan costs, also the highest among all racial/ethnic groups for refinance loans. The next highest was Black borrowers. The median total loan costs for Black refinance loan borrowers were \$3,857. The median total loan costs of refinance loans were \$3,214 for non-Hispanic White borrowers and \$3,030 for Asian borrowers.

The median total loan costs of refinance loans were slightly lower for low-income (\$3,286) and middle-income borrowers (\$3,313) in comparison with high-income borrowers (\$3,387). Conversely, the median total loan costs of refinance loans were higher for loans secured by properties in LMI neighborhoods (\$3,454) than those in middle-income (\$3,337) or high-income neighborhoods (\$3,299). The pattern of median total loan costs for refinance loans by enhanced loan types was consistent with the pattern for home purchase loans, with FHA refinance loans having the highest loan costs and VA refinance loans having the lowest.

²⁵ In the time period examined in this report, FHA charged an upfront mortgage insurance premium of 175 Basis Points (bps) (1.75%) of base loan amounts with the exception of a few limited programs and products, such as Hawaiian Home Lands and Indian Lands Programs. (See FHA Single Family Housing Policy Handbook 4000.1 for more details.) Such upfront mortgage insurance premium is included in the Closing Disclosure as one of the services that borrowers cannot shop for. By definition, if the upfront mortgage insurance premium is “borrower-paid”, it should be included as part of the Total Loan Costs that institutions report to HMDA.

TABLE 3A: MEDIAN LOAN AMOUNTS, CREDIT SCORES, INTEREST RATES, AND TOTAL LOAN COSTS OF HOME PURCHASE LOANS, BY BORROWER AND NEIGHBORHOOD CHARACTERISTICS AND ENHANCED LOAN TYPE

	Median Loan Amount (Thousands of Dollars)				Median Credit Score				Median Interest Rate (Percent)				Median Total Loan Cost (Dollars)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Borrower race and ethnicity⁽¹⁾																
Asian	333	340	362	414	755	757	761	764	4.500	3.886	3.000	2.875	4,638	4,702	4,892	5,095
Black or African American	204	217	236	264	682	683	690	691	4.875	4.250	3.250	3.125	5,235	5,457	5,980	6,186
Hispanic White	209	221	241	272	703	705	712	716	4.875	4.250	3.250	3.125	5,564	5,765	6,208	6,282
Non-Hispanic White	216	227	247	274	741	744	748	750	4.625	4.125	3.125	3.000	4,010	4,122	4,344	4,462
Other minority ⁽²⁾	224	234	254	278	711	712	717	718	4.750	4.125	3.125	3.000	4,842	5,085	5,468	5,485
Joint	278	291	315	353	726	727	735	738	4.625	4.125	3.125	3.000	4,918	5,015	5,238	5,331
Missing	253	262	280	313	739	740	743	744	4.625	4.000	3.125	2.990	4,548	4,738	4,975	5,151
B. Borrower income⁽³⁾																
Low or moderate	150	161	180	195	718	721	727	727	4.750	4.250	3.125	3.000	3,879	4,051	4,376	4,425
Middle	212	225	248	276	724	725	732	733	4.750	4.125	3.125	3.000	4,407	4,598	4,901	4,980
High	309	321	350	394	749	751	755	756	4.625	4.000	3.125	2.990	4,619	4,716	4,916	5,148
Income not used or not applicable	238	261	276	319	748	755	754	756	4.500	3.990	3.000	2.990	3,418	3,565	3,569	4,047
C. Neighborhood income⁽⁴⁾																
Low or moderate	178	189	208	235	713	715	722	724	4.750	4.250	3.250	3.125	4,336	4,526	4,859	4,952
Middle	201	213	232	260	726	727	733	735	4.750	4.125	3.125	3.000	4,212	4,370	4,637	4,767
High	283	294	314	355	751	752	755	757	4.625	4.000	3.125	2.990	4,463	4,565	4,790	4,995
D. Enhanced Loan Type⁽⁵⁾																
Conventional conforming	228	239	261	290	754	757	760	759	4.750	4.125	3.125	3.000	3,607	3,717	3,920	4,096
Jumbo	745	785	891	948	774	775	779	776	4.350	3.875	3.125	2.875	5,718	5,781	6,232	6,992
FHA	191	206	221	241	664	663	669	664	4.875	4.250	3.250	3.125	6,963	7,336	8,052	8,427
VA	246	258	285	316	710	712	720	719	4.500	3.990	3.000	2.750	5,352	5,332	6,233	6,830
FSA/RHS	137	145	162	172	692	691	693	689	4.750	4.125	3.125	3.000	4,348	4,551	4,989	5,183
Total	225	237	256	289	734	736	741	743	4.750	4.125	3.125	3.000	4,332	4,475	4,736	4,889

NOTE: Closed-end (excluding reverse mortgage) home purchase first-lien mortgages secured by site-built one-to-four-family, principal-residence properties.

(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) The conventional conforming loan is a closed-end forward mortgage (*i.e.*, excluding reverse mortgage) transaction whose loan type is reported as conventional and whose loan amount is below the conforming loan limit, making it eligible to be purchased by Fannie Mae or Freddie Mac (collectively known as Government Sponsored Enterprises, or GSEs). The conventional non-conforming, or jumbo loan is a closed-end forward mortgage transaction with its loan type reported as conventional and a loan amount above the conforming loan limit, making it ineligible to be purchased by the GSEs. The FHA, VA, and RHS/FSA loans follow the definition of loan types under HMDA and are restricted to closed-end loans excluding reverse mortgages.

TABLE 3B: MEDIAN LOAN AMOUNTS, CREDIT SCORES, INTEREST RATES, AND TOTAL LOAN COSTS OF REFINANCE LOANS, BY BORROWER AND NEIGHBORHOOD CHARACTERISTICS AND ENHANCED LOAN TYPE

	Median Loan Amount (Thousands of Dollars)				Median Credit Score				Median Interest Rate (Percent)				Median Total Loan Cost (Dollars)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Borrower race and ethnicity⁽¹⁾																
Asian	317	387	359	355	744	763	779	776	4.375	3.750	2.875	2.625	3,478	3,176	2,992	3,030
Black or African American	177	222	235	221	690	698	726	719	4.625	3.990	3.000	2.875	4,323	4,224	3,836	3,857
Hispanic White	196	244	250	243	707	719	744	737	4.750	3.990	3.000	2.875	3,974	4,125	3,932	3,879
Non-Hispanic White	187	239	246	232	730	749	769	763	4.625	3.875	3.000	2.875	3,444	3,378	3,204	3,214
Other minority ⁽²⁾	202	250	261	245	707	720	749	739	4.625	3.900	2.999	2.875	4,196	4,098	3,722	3,735
Joint	246	304	303	294	716	740	763	756	4.500	3.875	2.990	2.750	3,918	3,609	3,419	3,428
Missing	206	263	272	259	720	740	765	757	4.500	3.875	2.990	2.750	4,175	4,080	3,554	3,525
B. Borrower income⁽³⁾																
Low or moderate	136	170	180	174	718	730	763	756	4.625	4.000	3.125	2.875	3,551	3,671	3,306	3,286
Middle	186	224	235	229	720	742	766	757	4.625	3.990	3.000	2.875	3,726	3,621	3,278	3,313
High	271	328	319	319	732	754	771	765	4.500	3.875	2.999	2.750	3,743	3,525	3,316	3,387
Income not used or not applicable	183	257	252	235	702	704	731	724	4.250	3.625	2.875	2.500	3,275	3,305	3,357	3,286
C. Neighborhood income⁽⁴⁾																
Low or moderate	154	200	212	199	710	726	754	745	4.625	3.990	3.000	2.875	3,741	3,737	3,443	3,454
Middle	174	220	227	217	720	737	761	753	4.625	3.875	3.000	2.875	3,643	3,593	3,319	3,337
High	251	307	302	297	735	754	773	768	4.500	3.875	2.990	2.750	3,662	3,474	3,272	3,299
D. Enhanced Loan Type⁽⁵⁾																
Conventional conforming	184	240	256	240	736	755	771	764	4.625	3.875	3.000	2.875	3,192	3,231	3,184	3,181
Jumbo	760	840	882	937	761	772	778	776	4.250	3.625	3.125	2.875	4,257	3,809	4,110	4,566
FHA	182	219	218	208	659	663	669	661	4.625	3.990	3.134	2.875	6,573	6,712	5,716	5,589
VA	228	269	271	261	692	706	736	730	4.375	3.625	2.750	2.375	5,937	3,528	3,114	3,168
FSA/RHS	128	174	167	159	696	701	714	706	3.880	3.625	3.000	2.750	4,055	4,399	4,440	4,544
Total	196	250	259	245	724	744	766	759	4.625	3.875	3.000	2.875	3,664	3,556	3,310	3,336

NOTE: Closed-end (excluding reverse mortgage) refinance first-lien mortgages secured by site-built one-to-four-family, principal-residence properties.

(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) See table 3A, note 5.

3.3 Denial rates

The overall denial rate for home purchase applications for all applicants was 8.3 percent in 2021, lower than that in 2020 (9.3 percent) and in 2019 (8.9 percent).²⁶ About 12.4 percent of FHA applications (excluding withdrawn or incomplete applications) for home purchase loans were denied in 2021, followed by applications for FSA/RHS loans which had a denial rate of 10.0 percent. The conventional conforming home purchase applications had a denial rate of 7.1 percent in 2021, the lowest among all enhanced loan types.

The denial rates for refinance applications were higher than those for home purchase loans. The overall denial rate on applications for refinance loans was 14.2 percent in 2021, up from 13.2 percent in 2020, but still much lower than the denial rate in 2018 (29.1 percent) and 2019 (19.2 percent). Consistent with home purchase applications, applications for FHA refinance loans were more likely to be denied (23.6 percent) than all other enhanced loan types, while applications for conventional conforming refinance loans were the least likely to be denied (13.0 percent).

As in past years, Black and Hispanic White borrowers had notably higher denial rates in 2021 than non-Hispanic White and Asian borrowers. Among home purchase applications, the denial rates were 15.3 percent for Black applicants and 10.6 percent for Hispanic White applicants in 2021, both of which were lower than 2020 denial rates. In contrast, the denial rates of home purchase applications were 7.9 percent for Asian applicants and 6.3 percent for non-Hispanic White applicants.

Within each enhanced loan type except FHA and FSA/RHS loans, Black and Hispanic White applicants for home purchase loans had higher denial rates than non-Hispanic White or Asian applicants. For example, the denial rate of home purchase loan applications for conventional conforming loans was 15.7 percent for Black applicants and 9.7 percent for Hispanic White applicants. In contrast, the denial rate of home purchase loan applications for conventional conforming loans was 5.4 percent for non-Hispanic White applicants. On the other hand, for FHA home purchase applications, the denial rate of Asian applicants was higher than that of Hispanic White applicants but lower than that of Black applicants.

²⁶ 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 denials for home purchase loans, Black and Hispanic White applicants were also more likely to be denied for refinance applications, with denial rates almost twice as high for Black applicants as compared with non-Hispanic White applicants. In 2021, about 23.6 percent of Black applicants and 17.6 percent of Hispanic White applicants applying for refinance loans were denied, compared to denial rates of 12.3 percent and 11.8 percent for Asian and non-Hispanic White loan applicants, respectively. The disparities in refinance denial rate were smaller among FHA and VA loan applications compared with conventional conforming and jumbo loan applications. For example, the denial rates for conventional conforming refinance applications stood at 23.9 percent, 17.1 percent, 11.9 percent, and 10.5 percent for Black, Hispanic White, Asian, and non-Hispanic White applicants in 2021, respectively. In contrast, the denial rates for FHA refinance applications were 25.3 percent, 21.9 percent, 23.8 percent, and 21.9 percent for Black, Hispanic White, Asian, and non-Hispanic White applicants, respectively.

TABLE 4: HOME PURCHASE AND REFINANCE LOAN DENIAL RATES, BY ENHANCED LOAN TYPES AND APPLICANT'S RACE AND ETHNICITY (PERCENT)

	All				Conventional							
					Conforming				Jumbo			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Home Purchase												
All applicants	9.8	8.9	9.3	8.3	8.2	7.4	7.6	7.1	11.0	10.5	11.0	8.2
Asian	10.2	9.1	9.7	7.9	9.1	8.1	8.7	7.4	12.4	11.8	11.3	8.1
Black or African American	17.4	15.9	18.1	15.3	16.9	15.9	17.0	15.7	19.0	19.1	21.1	16.8
Hispanic White	13.1	11.6	12.5	10.6	11.9	10.6	11.0	9.7	17.2	16.9	18.1	12.7
Non-Hispanic White	7.9	7.0	6.9	6.3	6.5	5.8	5.8	5.4	9.9	9.5	10.1	7.4
Other minority ⁽²⁾	14.3	13.0	13.7	12.4	13.4	12.8	12.6	12.1	13.1	16.5	18.3	13.9
Joint	8.4	7.5	7.9	6.5	7.0	6.4	6.2	5.5	9.0	8.3	8.4	6.4
Missing	12.4	11.1	11.5	10.4	10.8	9.3	9.7	9.1	11.7	11.2	11.9	9.3
B. Refinance												
All applicants	29.1	19.2	13.2	14.2	24.7	16.5	12.0	13.0	27.6	18.8	18.5	13.6
Asian	28.0	16.0	12.1	12.3	25.1	14.5	11.5	11.9	27.8	16.2	17.3	11.5
Black or African American	44.3	32.9	23.2	23.6	39.8	33.5	25.4	23.9	41.3	35.1	30.2	22.7
Hispanic White	32.1	23.0	17.6	17.6	30.0	22.5	17.2	17.1	36.4	28.4	29.2	19.3
Non-Hispanic White	25.1	16.4	11.0	11.8	20.9	13.8	9.9	10.5	25.9	18.2	17.7	12.7
Other minority	42.2	30.4	21.2	22.0	37.0	28.4	20.9	21.4	41.2	31.7	27.8	21.9
Joint	25.5	15.7	11.0	11.0	21.3	13.5	9.9	9.9	23.7	15.9	15.7	11.1
Missing	34.3	22.7	16.3	17.8	30.3	19.7	15.2	16.6	31.1	20.7	20.1	16.6

TABLE 4: HOME PURCHASE AND REFINANCE LOAN DENIAL RATES, BY ENHANCED LOAN TYPES AND APPLICANT'S RACE AND ETHNICITY (PERCENT) (continued)

	Nonconventional ⁽¹⁾											
	FHA				VA				FSA/RHS			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
A. Home Purchase												
All applicants	13.9	12.4	14.1	12.4	9.8	8.7	8.6	7.9	14.1	12.6	10.3	10.0
Asian	15.8	14.7	16.3	14.2	9.4	8.5	8.6	8.4	17.9	14.4	13.0	13.7
Black or African American	18.6	16.8	20.7	16.1	14.8	13.3	13.9	12.0	21.1	19.8	16.7	14.8
Hispanic White	14.4	12.6	14.4	11.9	11.7	10.3	10.0	8.9	18.9	16.6	13.9	13.1
Non-Hispanic White	11.3	9.8	10.1	9.8	8.4	7.3	7.0	6.4	12.3	11.0	8.6	8.5
Other minority ⁽²⁾	16.6	13.8	16.6	14.4	12.8	11.5	11.3	9.8	16.3	16.1	12.6	10.6
Joint	11.6	9.8	12.6	9.9	8.1	7.3	7.7	6.5	15.8	14.2	12.3	10.8
Missing	17.7	16.4	17.4	15.6	11.3	9.9	9.5	9.1	21.4	17.5	14.7	14.1
B. Refinance												
All applicants	43.8	30.2	22.2	23.6	36.4	21.8	13.9	16.7	39.7	27.7	18.6	16.8
Asian	48.4	30.2	23.7	23.8	36.4	22.4	13.2	14.6	63.6	33.3	23.0	25.5
Black or African American	52.6	35.5	24.4	25.3	46.0	29.3	17.8	21.4	41.8	36.0	25.8	23.0
Hispanic White	39.0	25.5	21.6	21.9	34.8	20.4	13.6	15.7	36.8	25.0	18.7	16.9
Non-Hispanic White	40.3	27.9	20.2	21.9	33.8	19.8	12.6	15.0	37.5	25.9	16.9	15.9
Other minority	52.5	36.0	25.7	25.5	48.8	31.2	18.9	22.0	35.5	28.2	22.4	22.3
Joint	36.8	21.9	17.4	17.2	32.0	18.7	12.0	13.3	38.8	27.2	17.4	17.8
Missing	48.5	35.2	25.8	26.9	36.9	22.7	15.6	18.6	56.4	38.0	27.0	17.8

NOTE: Closed-end (excluding reverse mortgage) home purchase or refinance first-lien mortgages secured by site-built single-family, principal-residence properties. 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 1.

4. Monthly mortgage trends and activities

The discussion and tables in previous chapters provide historical comparisons on an annual basis. In this chapter, we show the monthly trends of mortgage activities from 2018 to 2021. In doing so, we rely on the action taken date that was collected and reported under HMDA. We note that the action taken date is a data field not available in the publicly released version of the modified HMDA data.

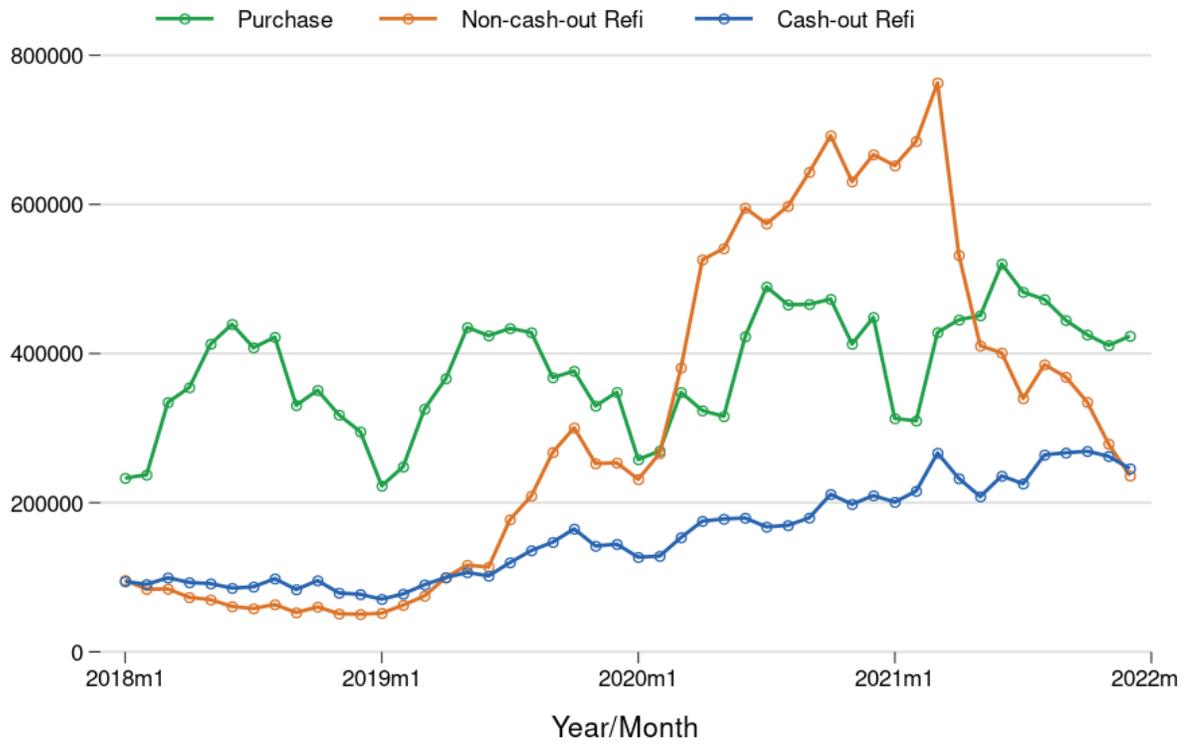
Figure 2 plots the number of originations for closed-end mortgage loans secured by site-built single-family homes in each month between January 2018 and December 2021, separated by three loan purposes: home purchase, cash-out refinance, and non-cash-out refinance. The home purchase origination volume clearly displays a strong seasonal pattern, as home sales typically fluctuate as the numbers of home sellers and buyers entering the market change with the seasons. Figure 2A plots the year-over-year change in closed-end loan origination volumes by loan purpose between January 2018 and December 2021. The home purchase loan origination volume rose year-over-year starting in the second half of 2019 until April 2020 when the pandemic and nationwide shutdown hit. Then starting in July 2020, the home purchase volume recovered and increased significantly despite the typical low-home-sale seasons near the end of the year. The year-over-year rise of home purchase loan volume continued well into the first half of 2021, reaching 520,000 originations in June 2021. Then it mostly plateaued or dipped into negative territories in terms of year-over-year change.

On the other hand, the refinance volume, especially in non-cash-out refinance that dominated the mortgage market activities in 2019 and 2020, clearly peaked in March 2021, as shown in Figure 2. Then the non-cash-out refinance volume dropped precipitously through the rest of 2021. At its peak, over 763,000 non-cash-out loans were originated in a month. By December 2021, the monthly non-cash-out refinance volume fell to 236,000, below the volume of cash-out refinance for the first time since April of 2019. This coincided with the increase in market interest rates, as noted in Figure 1. For most of 2021, the cash-out refinance volume continued to grow, staying above 200,00 originations per month, likely because consumers took advantage of rapid house price appreciation and converted some of their rising home equity into cash or liquid assets.

Figure 2A plots the year-over-year change in closed-end loan origination volumes by loan purpose between January 2018 and December 2021. The home purchase loan origination volume rose year-over-year starting in the second half of 2019 until April 2020 when the

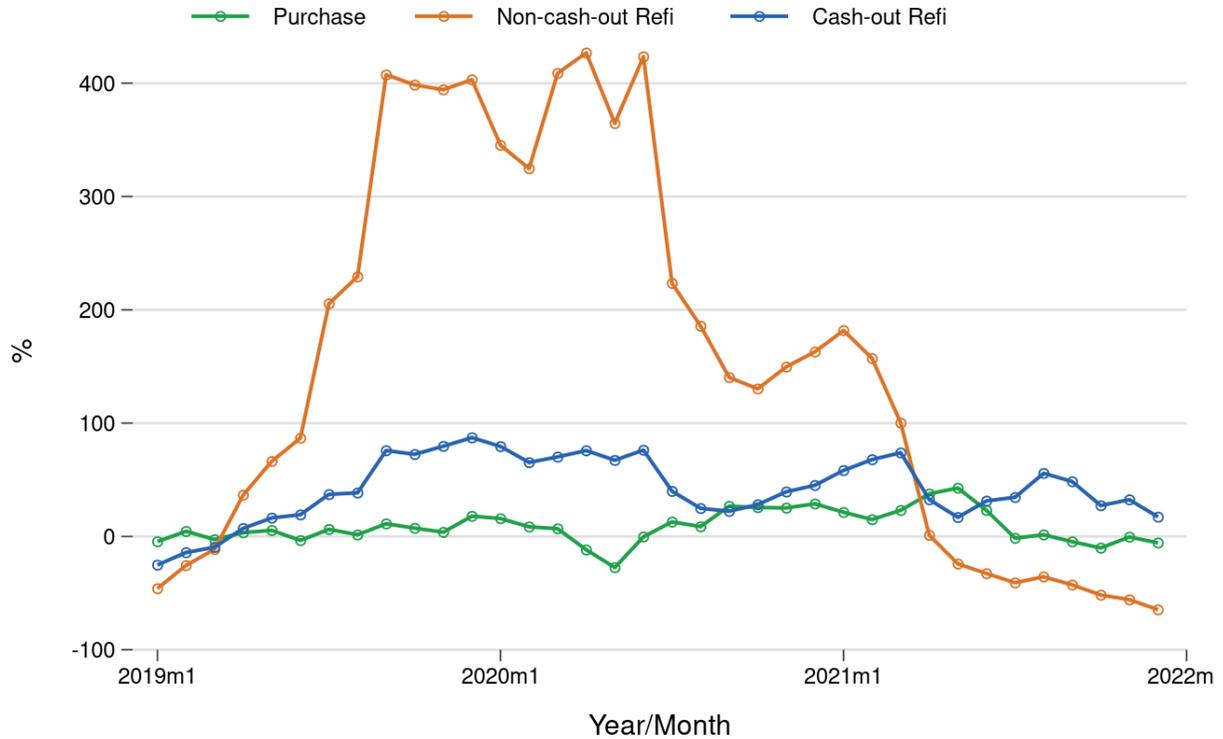
pandemic and nationwide shutdown hit. Then starting in July 2020, the home purchase volume recovered and increased significantly despite the typical low-home-sale seasons near the end of the year. The year-over-year rise of home purchase loan volume continued well into the first half of 2021, reaching 520,000 originations in June 2021. Then it mostly plateaued or dipped into negative territories in terms of year-over-year change.

FIGURE 2: Number of Closed-end Mortgage Originations by Loan Purpose



NOTE: Monthly originations of closed-end loans secured by site-built single-family homes between January 2018 and December 2021.

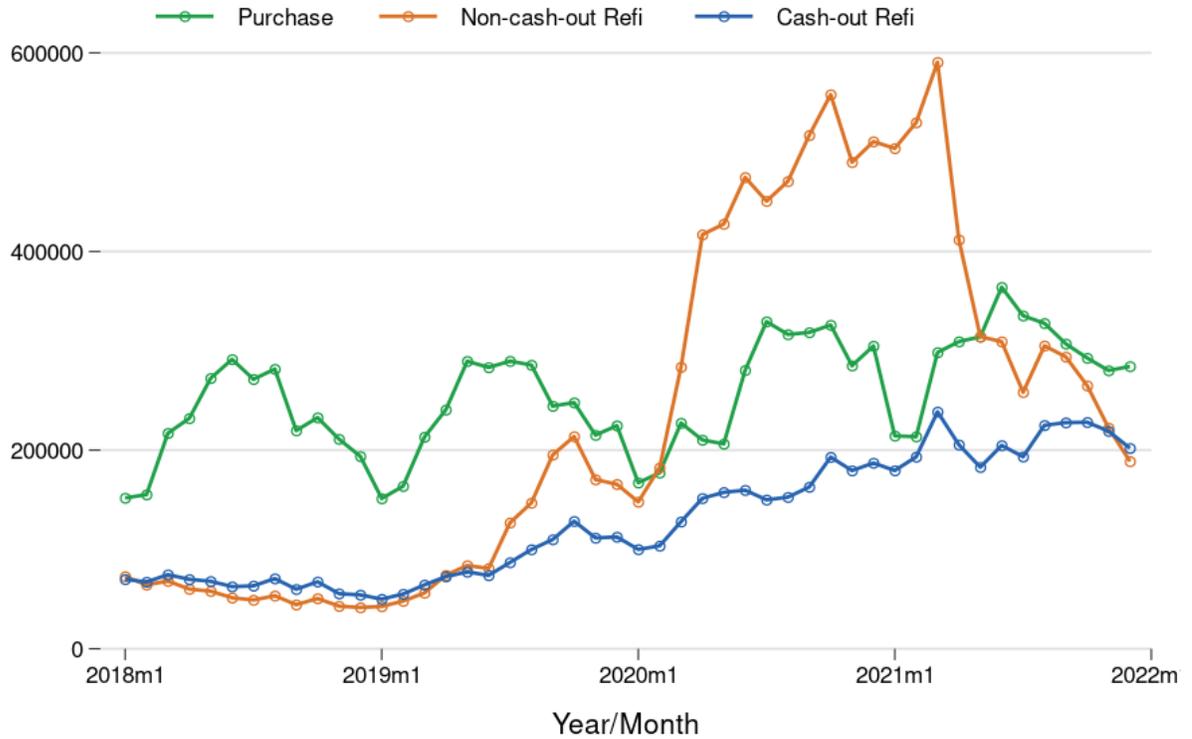
FIGURE 2A: Year-over-Year Percentage Change of Number of Closed-end Mortgage Originations by Loan Purpose



NOTE: Year-over-year percentage changes of monthly originations of closed-end loans secured by site-built single-family homes between January 2019 and December 2021.

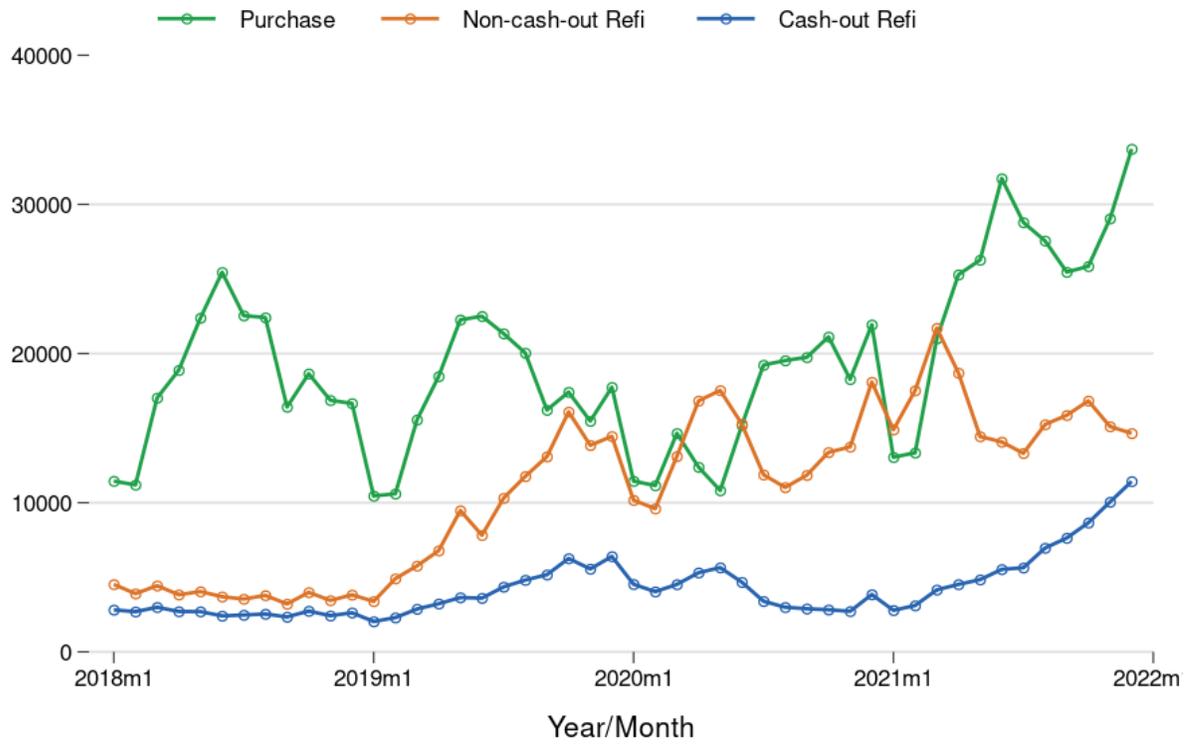
Figures 3 to 7 show the monthly loan origination volume of home purchase, cash-out refinance, and non-cash-out refinance loans by enhanced loan types. The trends in the conventional conforming market (Figure 3) were largely similar to the overall trends of the entire mortgage market presented in Figure 2, as conventional conforming loans are the most common enhanced loan type. The rise of home purchase loans in 2021 was the most prominent among jumbo loans (Figure 4), with monthly origination volume of jumbo loans substantively higher than the previous three years and reaching 33,700 originations in a month by the end of 2021. This partly reflected rapidly rising house prices in 2021.

FIGURE 3: Number of Closed-end Conventional Conforming Originations by Loan Purpose



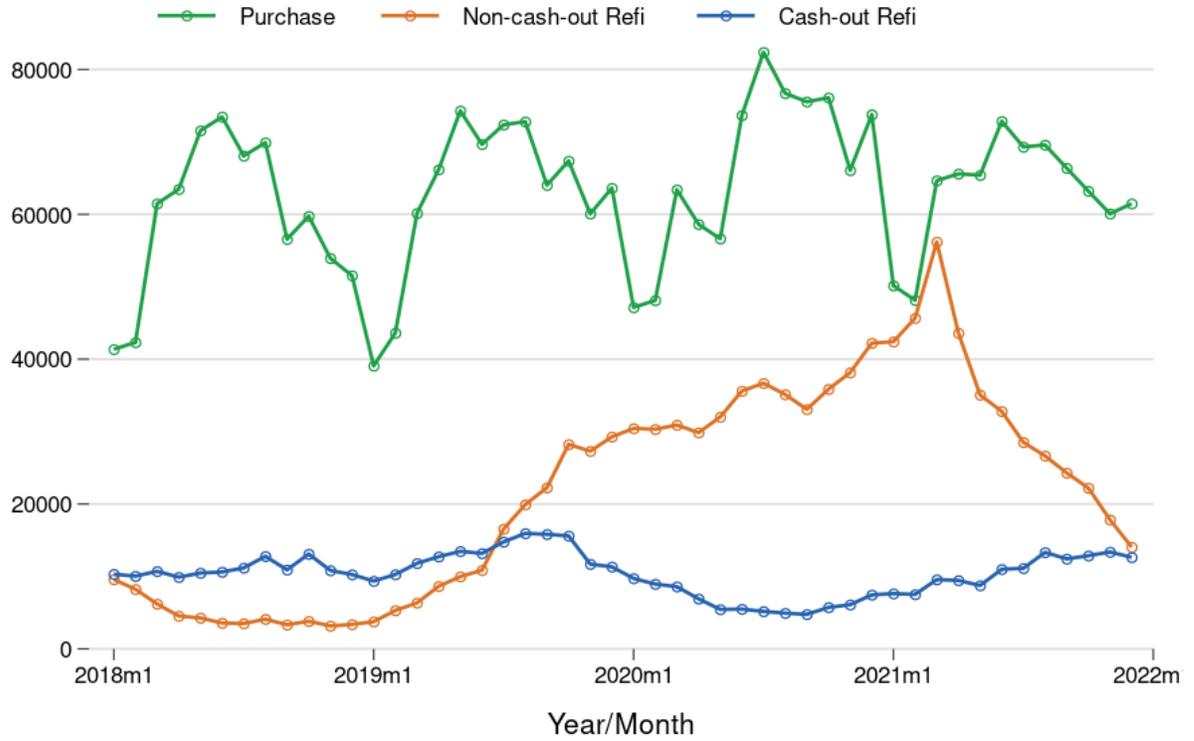
NOTE: Monthly originations of closed-end conventional conforming loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 4: Number of Closed-end Jumbo Originations by Loan Purpose



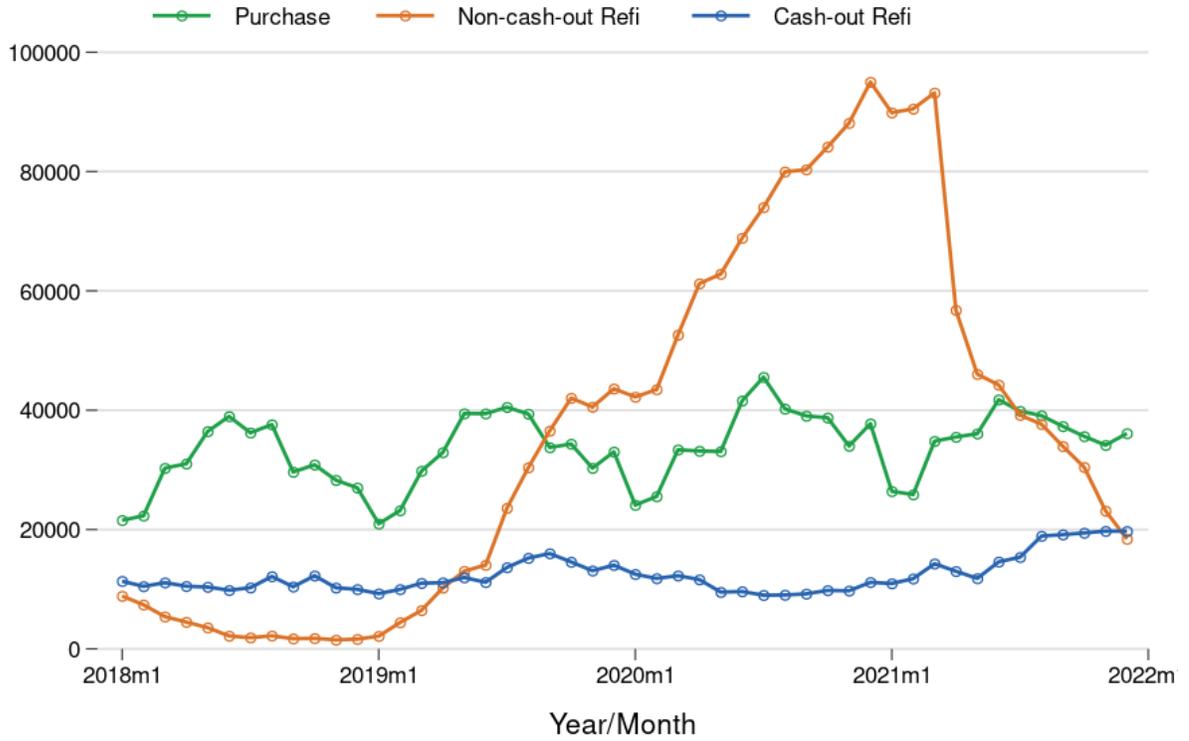
NOTE: Monthly originations of closed-end jumbo loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 5: Number of Closed-end FHA Originations by Loan Purpose



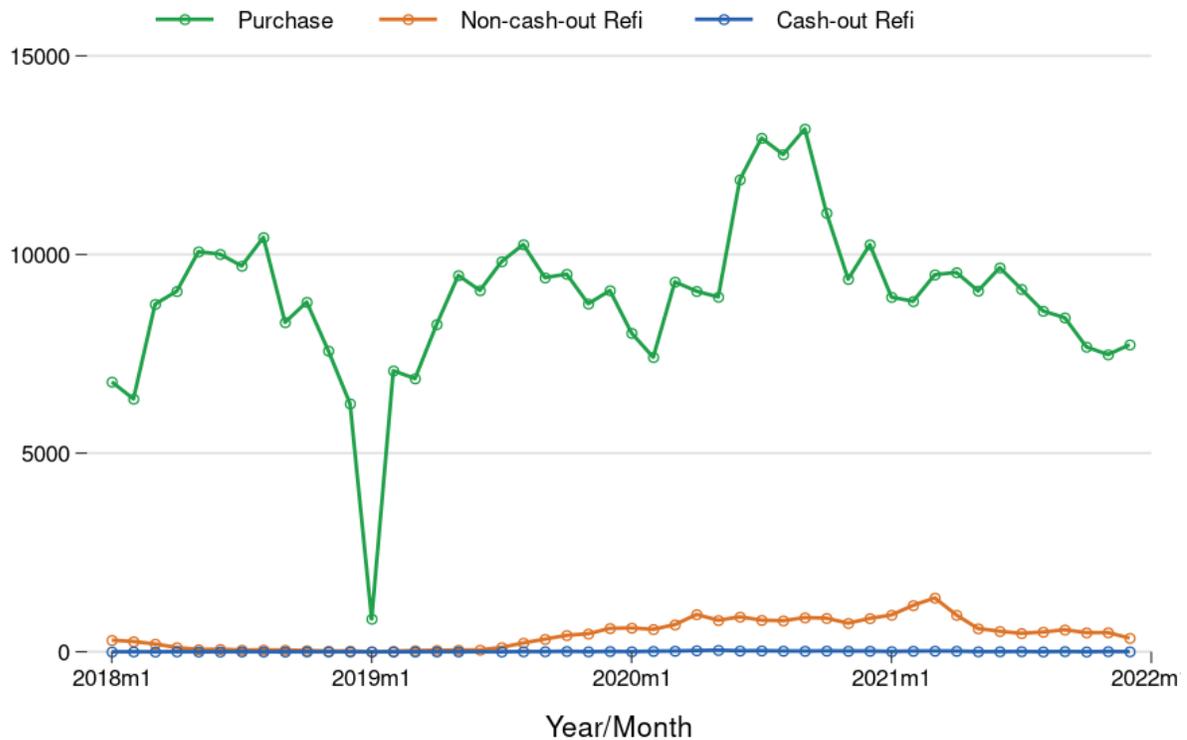
NOTE: Monthly originations of closed-end FHA loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 6: Number of Closed-end VA Originations by Loan Purpose



NOTE: Monthly originations of closed-end VA loans secured by site-built single-family homes between January 2018 and December 2021.

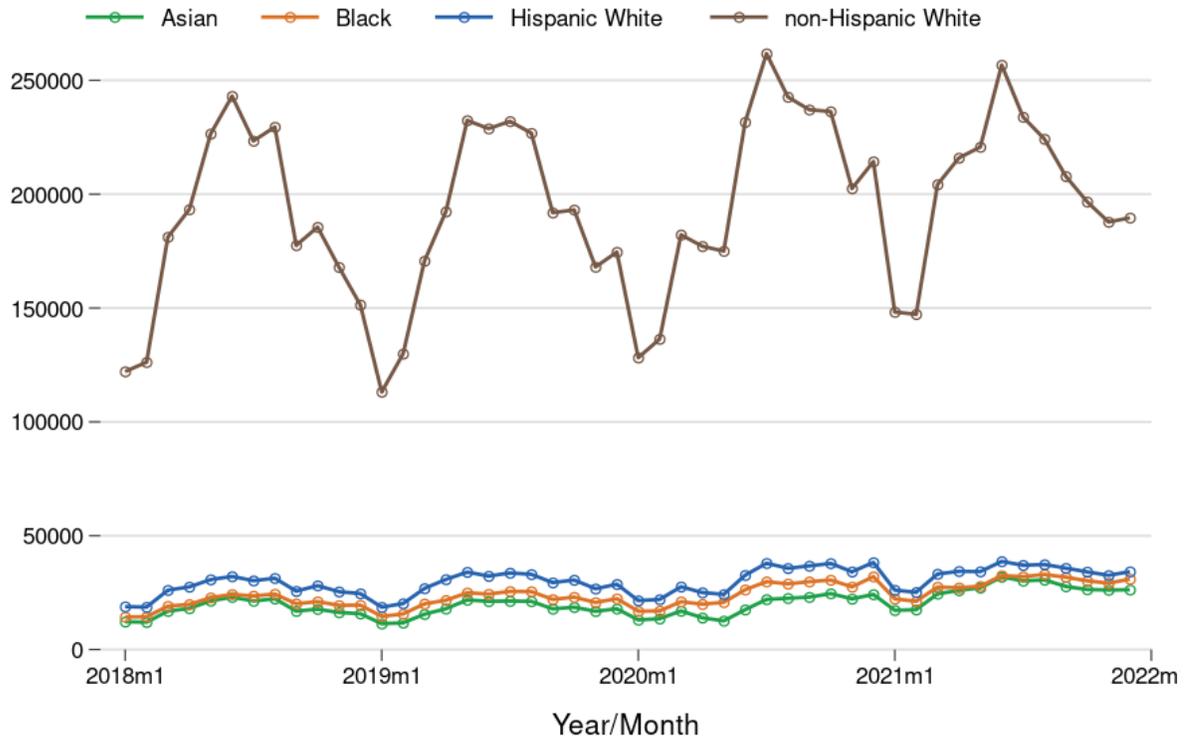
FIGURE 7: Number of Closed-end RHS/FSA Originations by Loan Purpose



NOTE: Monthly originations of closed-end RHS/FSA loans secured by site-built single-family homes between January 2018 and December 2021.

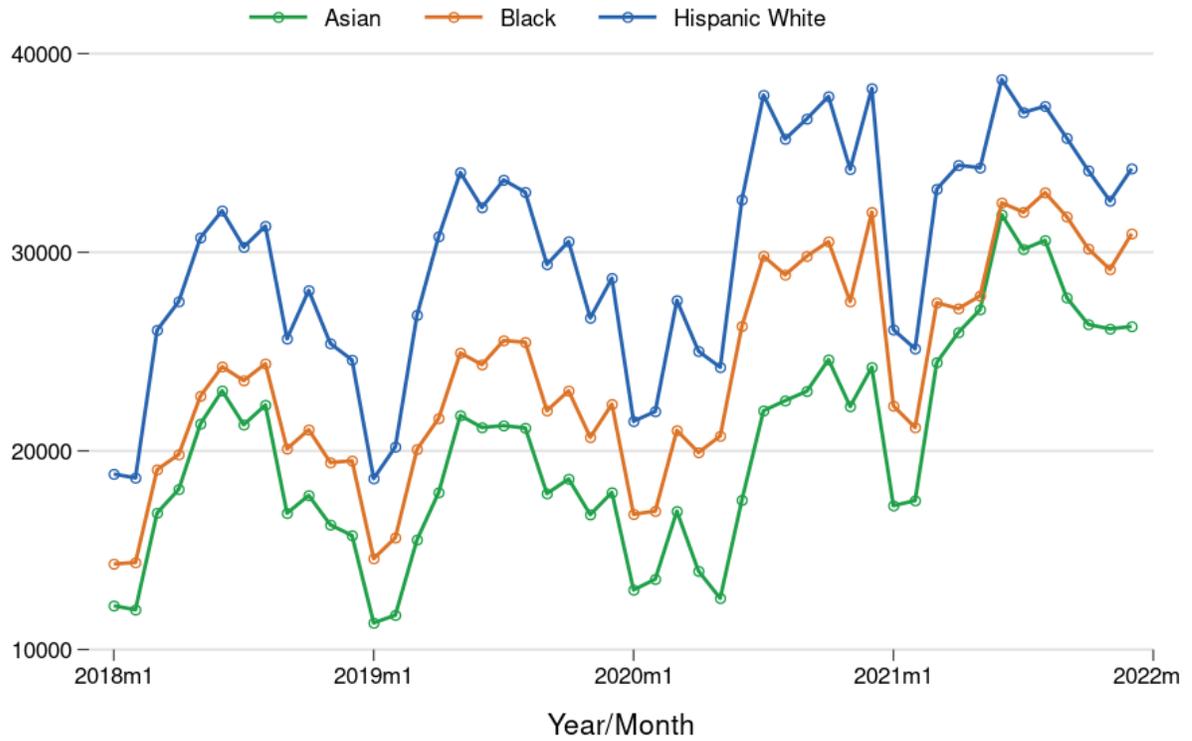
Figure 8 shows the monthly origination volume of closed-end home purchase loans broken down by race/ethnicity. Compared to the same period in 2020, Asian, Black, Hispanic White, and non-Hispanic White borrowers all saw a significant increase in home purchase origination volumes in the second half of 2021. Because the share of non-Hispanic White borrowers far exceeds the shares of Asian, Black, and Hispanic White borrowers, to aid the visual comparison of the lending volumes and shares of minority borrowers over time, we included Figures 8A, 9A, 10A, and 11A where non-Hispanic White borrowers are excluded, and the vertical axis is rescaled accordingly. Figure 9 and 9A show the relative shares of monthly home purchase originations by racial/ethnic group. In 2021, non-Hispanic White borrowers' share among home purchase loans continued a downward trend that began in 2020 (Figure 9). Meanwhile, the share of home purchase originations for Asian borrowers rose sharply beginning in May 2020. In addition, the share of home purchase originations for Black borrowers increased in 2021 compared to the previous years (Figure 9A).

FIGURE 8: Number of Closed-end Home purchase Loan Originations by Race and Ethnicity



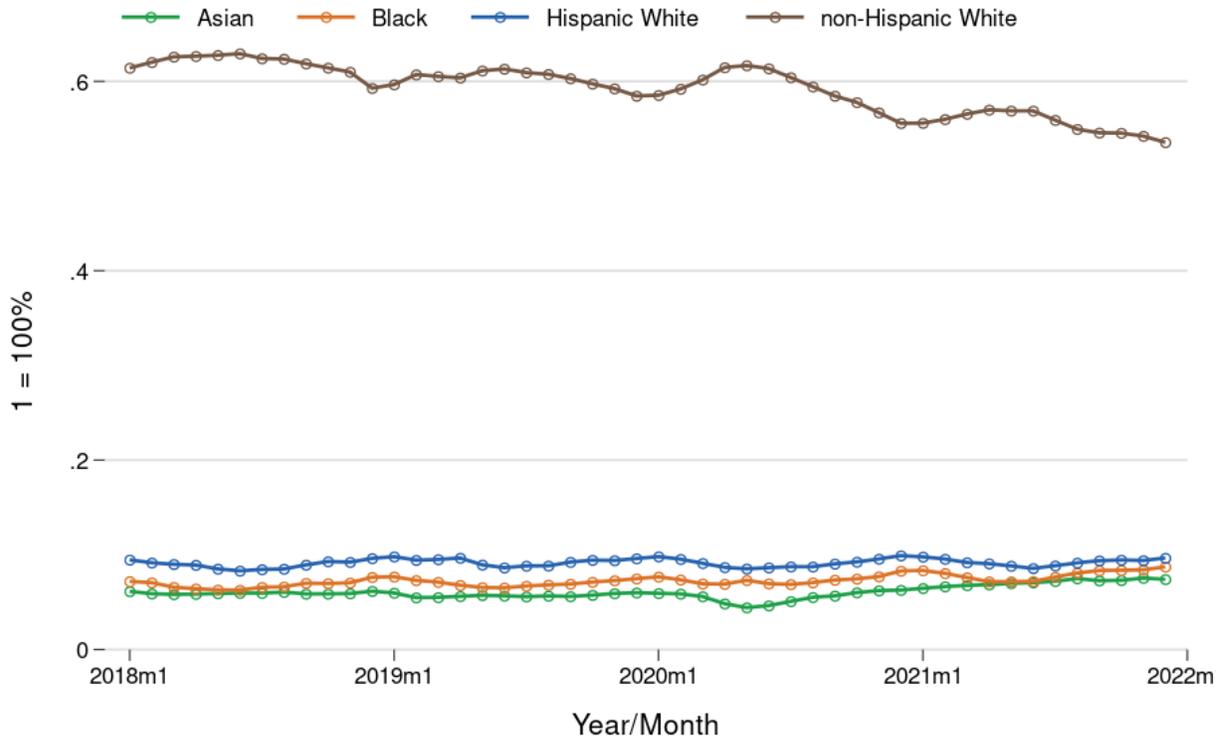
NOTE: Monthly originations of closed-end home purchase loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 8A: Number of Closed-end Home purchase Loan Originations by Race and Ethnicity (Minorities Only)



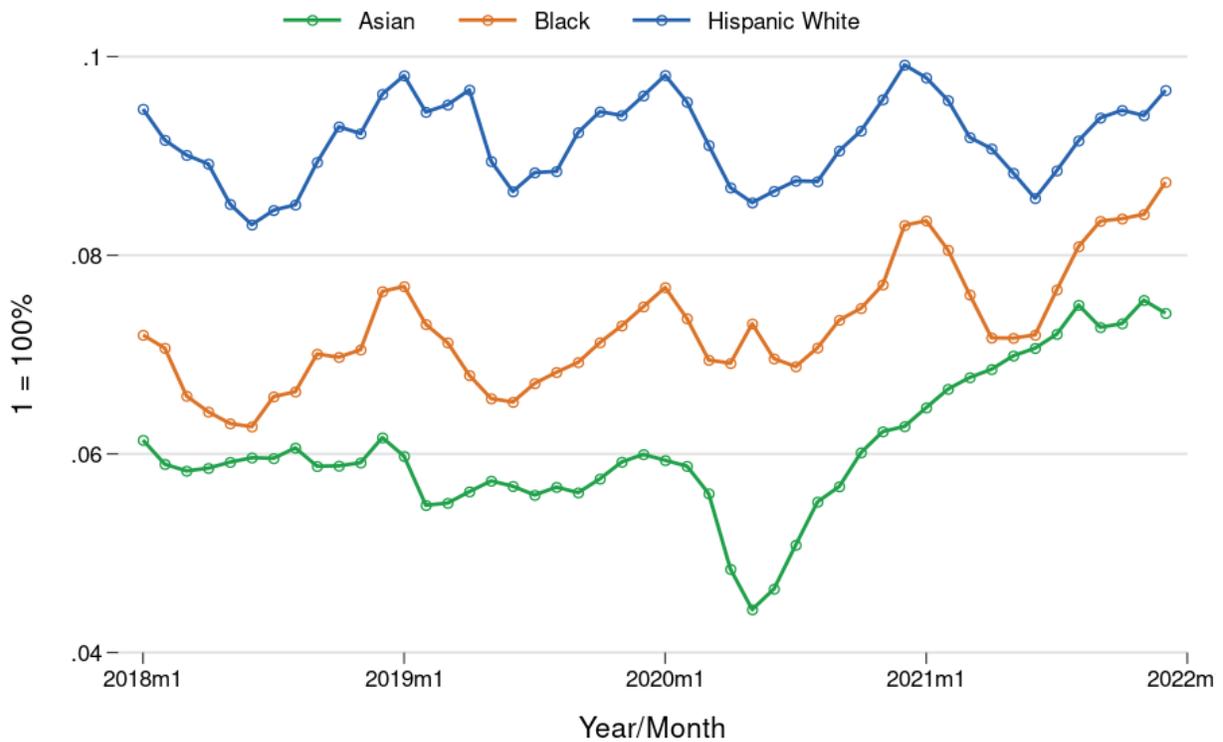
NOTE: Monthly originations of closed-end home purchase loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 9: Share of Closed-end Home purchase Loan Originations by Race and Ethnicity



NOTE: Monthly originations of closed-end home purchase loans secured by site-built single-family homes between January 2018 and December 2021.

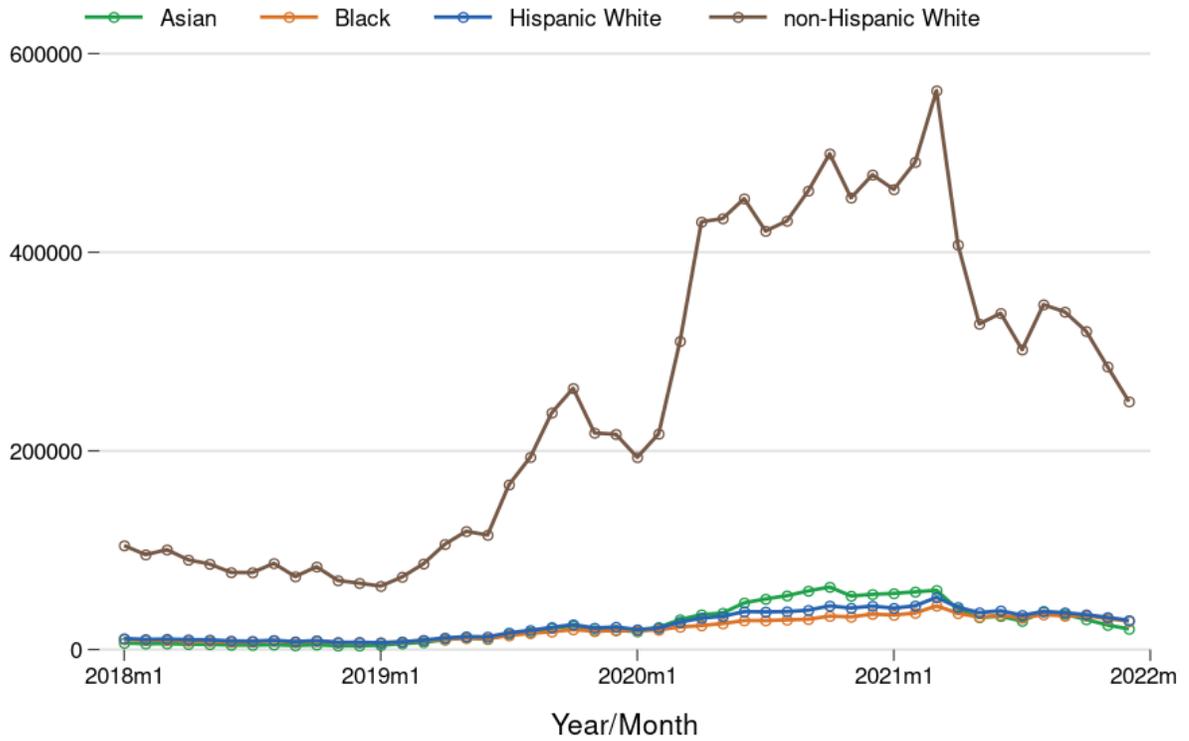
FIGURE 9A: Share of Closed-end Home purchase Loan Originations by Race and Ethnicity (Minority Only)



NOTE: Monthly originations of closed-end home purchase loans secured by site-built single-family homes between January 2018 and December 2021.

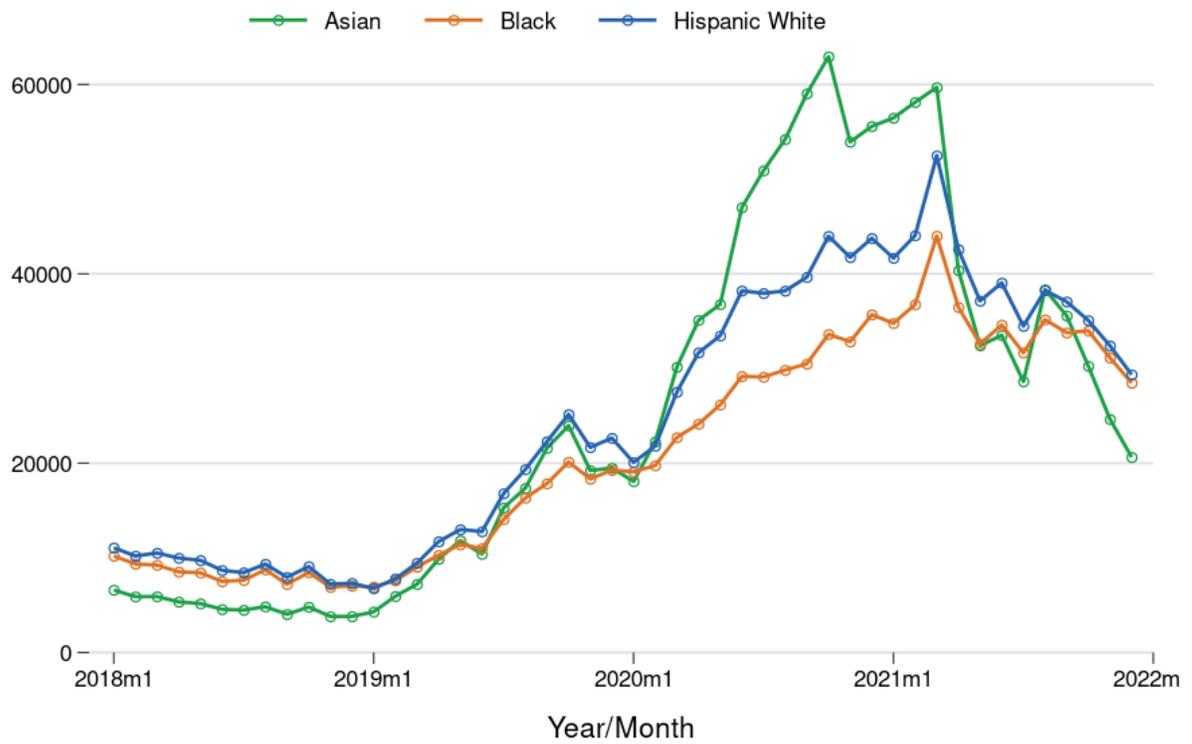
Plotting the monthly origination volume of closed-end refinance loans broken down by race/ethnicity, Figure 10 shows the refinance boom during 2019 and 2020 largely ended in 2021. The refinance volume increased for Asian, Black, Hispanic White, and non-Hispanic White borrowers during 2019 and 2020. Figure 10A shows that just as the refinance volume increased the fastest for Asian borrowers in 2019 and 2020, it also declined the fastest in 2021. Figure 11 and 11A show the relative shares of monthly refinance originations by racial/ethnic group. Figure 11A shows a significant decline in Asian borrowers' share of refinance loans in 2021. At its peak, Asian borrowers accounted for close to 7.7 percent of all refinance loans in September 2021, far exceeding the shares of Black and Hispanic White borrowers. By the end of 2021, the share of refinance loans by Asian borrowers dropped to about 4.8 percent, dipping below the shares of Black and Hispanic White borrowers. In comparison, the Black and Hispanic White borrowers' shares have steadily increased in 2021, accounting for about 6.6 and 6.8 percent of refinance loans by the end of 2021.

FIGURE 10: Number of Closed-end Refinance Loan Originations by Race and Ethnicity



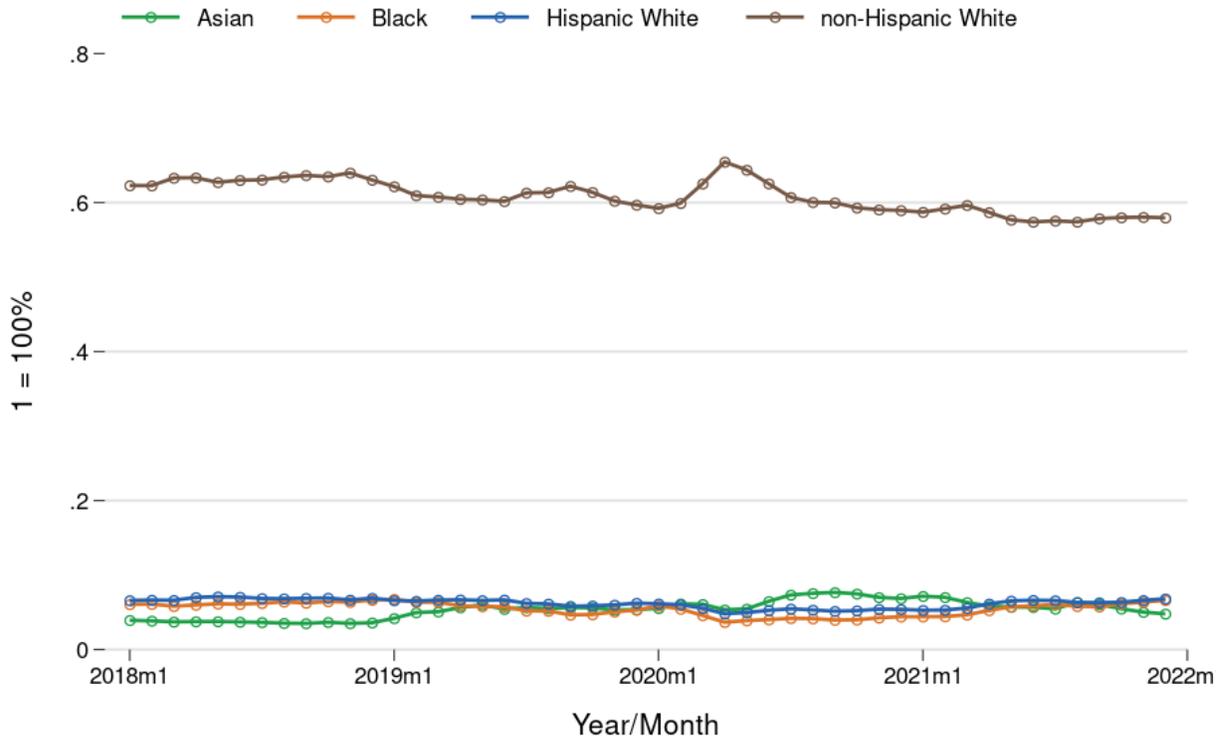
NOTE: Monthly originations of closed-end refinance loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 10A: Number of Closed-end Refinance Loan Originations by Race and Ethnicity (Minority Only)



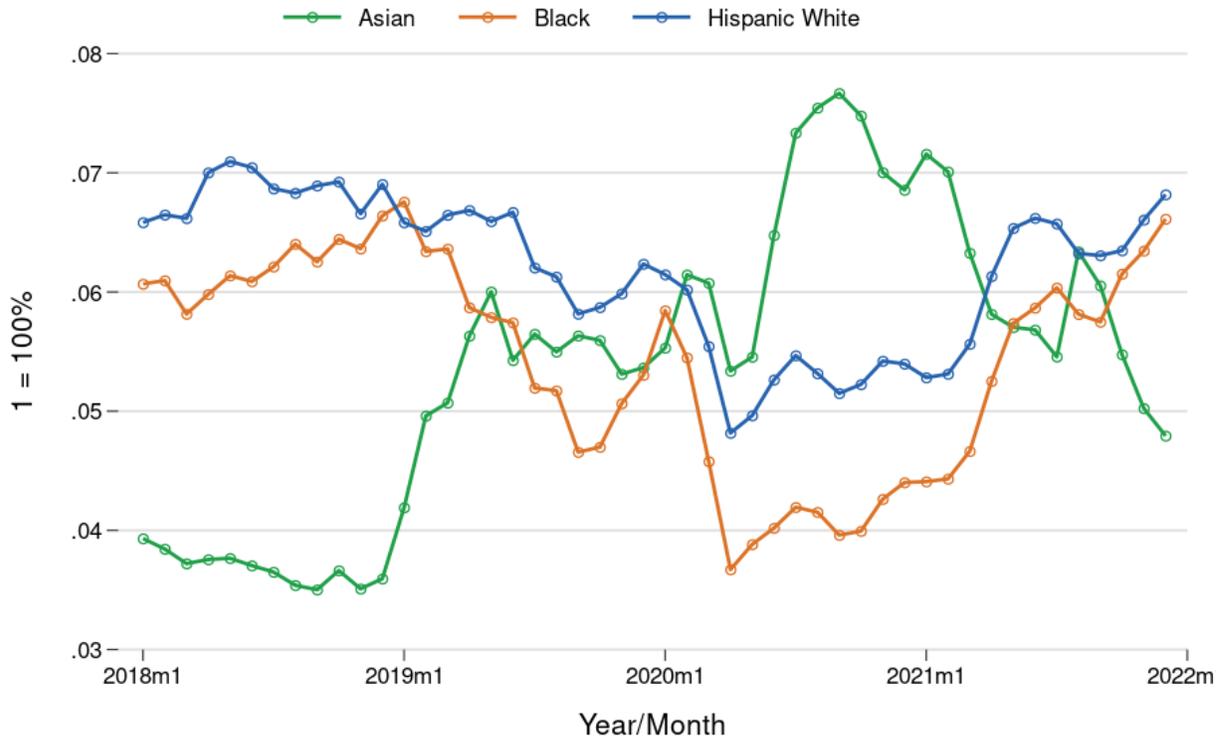
NOTE: Monthly originations of closed-end refinance loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 11: Share of Closed-end Refinance Loan Originations by Race and Ethnicity



NOTE: Monthly originations of closed-end refinance loans secured by site-built single-family homes between January 2018 and December 2021.

FIGURE 11A: Share of Closed-end Refinance Loan Originations by Race and Ethnicity (Minorities Only)



NOTE: Monthly originations of closed-end refinance loans secured by site-built single-family homes between January 2018 and December 2021.

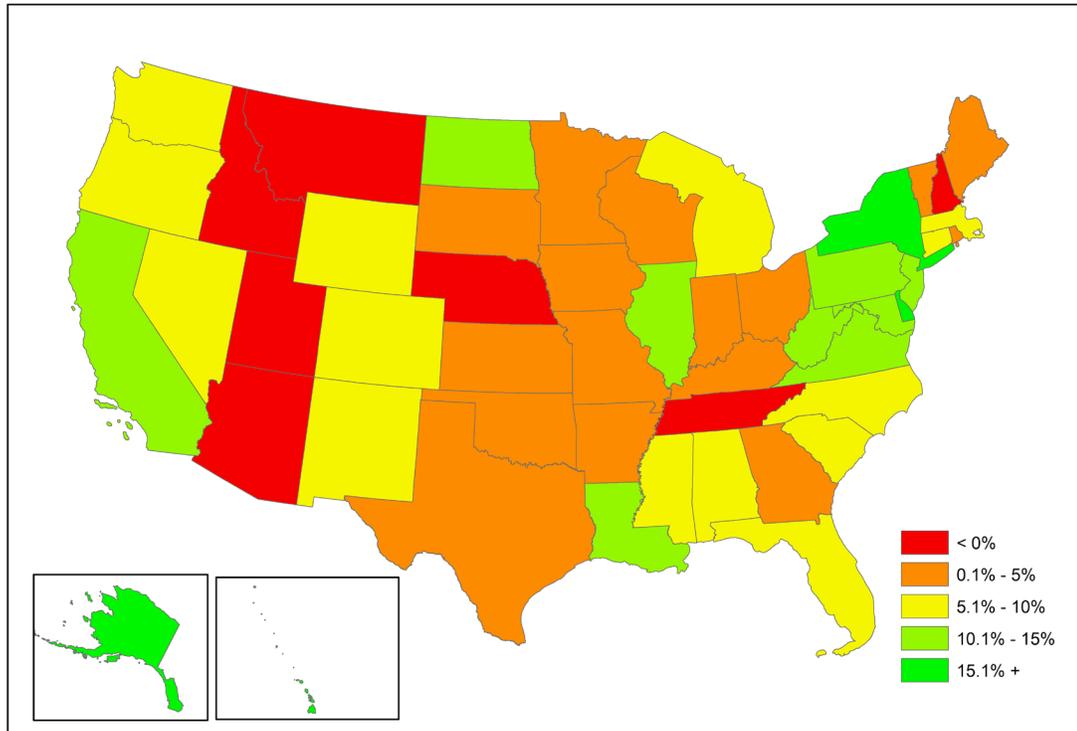
5. Mortgage trends and activities by states

The mortgage activities not only changed across time, but they also varied across geography. In this chapter, we show an annual growth rate of home purchase and refinance loans from 2020 to 2021 by state. All figures in this chapter are restricted to closed-end originations secured by site-built single-family first-lien principal residences, excluding reverse mortgages.

As Figure 12 illustrates, seven states (Idaho, Utah, Arizona, Montana, New Hampshire, Nebraska, and Tennessee) had a negative annual growth rate in home purchase originations. The home purchase originations increased by less than five percent in sixteen states (South Dakota, Texas, Oklahoma, Minnesota, Wisconsin, Georgia, Indiana, Vermont, Missouri, Rhode Island, Kansas, Maine, Ohio, Arkansas, Iowa, and Kentucky). In contrast to year 2020 when 29 states experienced an annual growth rate of over 10 percent, only 13 states experienced an annual growth rate over 10 percent in 2021.²⁷

²⁷ While not shown on the map, the annual growth rates of home purchase loans for Puerto Rico and Washington DC from 2020 to 2021 were about 35.9 percent and 11.5 percent, respectively.

FIGURE 12: Annual Growth Rate of Closed-end Home purchase Loan Originations by State

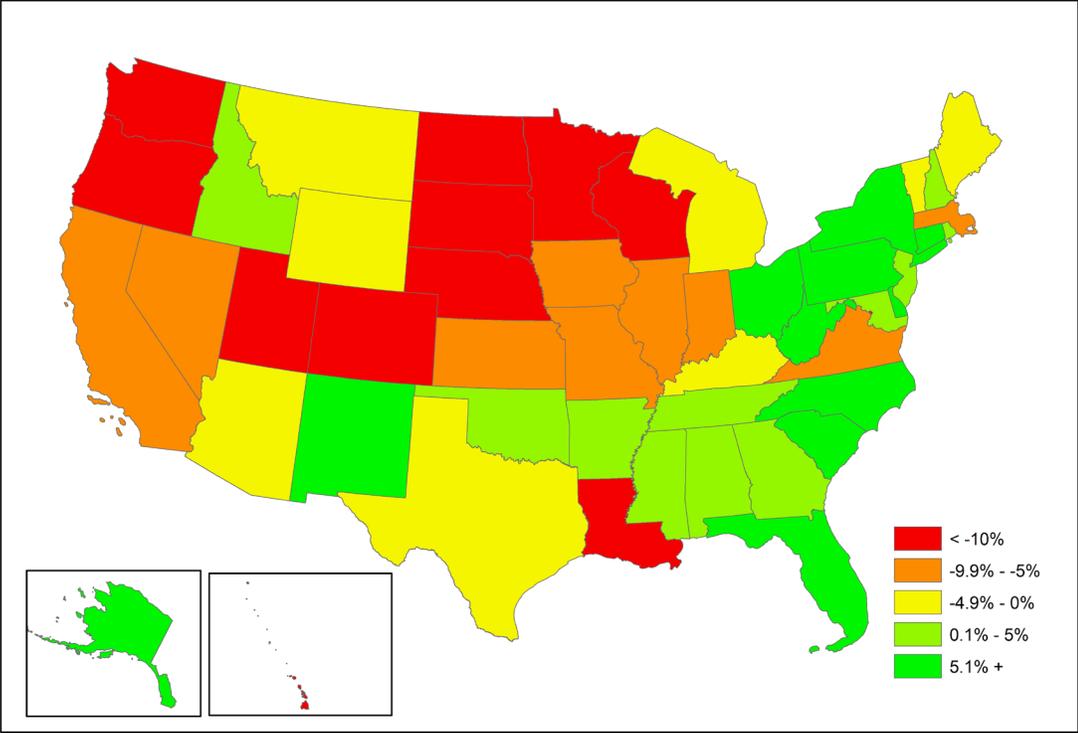


NOTE: Annual growth rate of closed-end home purchase originations secured by site-built single-family homes from 2020 to 2021.

For refinance loans, twenty-eight states saw a decline in 2021 compared to 2020, as shown in Figure 13.²⁸ Eleven of them - South Dakota, Utah, Colorado, North Dakota, Washington, Nebraska, Hawaii, Louisiana, Minnesota, Wisconsin, and Oregon – experienced an annual decline of over 10 percent. This is in sharp contrast with 2020 when all states experienced a yearly growth rate of over 100 percent.

²⁸ While not shown on the map, the annual growth rates of refinance loans for Puerto Rico and Washington DC from 2020 to 2021 were about - 12.8 percent and 39.8 percent, respectively.

FIGURE 13: Annual Growth Rate of Closed-end Refinance Loan Originations by State



NOTE: Annual growth rate of closed-end refinance originations secured by site-built single-family homes from 2020 to 2021.

6. Lending institutions

In 2021, 4,332 financial institutions reported closed-end applications and originations excluding reverse mortgages²⁹, down from 4,472 in 2020. This represents a continuation of the downward trend of institutions reporting closed-end applications and originations from 2019, where there were 5,500 institutions. Some of the decrease in the number of institutions reporting closed-end transactions is likely driven by the increased reporting threshold that took effect in July 2020 due to the 2020 HMDA rule. As discussed in Section 2, the overall market volume of closed-end transactions excluding reverse mortgages, however, has continued to increase over the past few years, from 13.0 million applications in 2019 to 20.9 million in 2020 and 21.5 million in 2021.

The financial institutions are broadly categorized into depository institutions (DIs) and non-depository institutions (non-DIs). Table 5A shows the number of DIs and non-DIs among the closed-end reporting institutions in 2021. DIs included 1,937 banks and thrifts (hereafter, banks) of which 1,299 were small (assets less than \$1 billion), and 1,355 credit unions. Non-DIs included 68 mortgage companies affiliated with DIs and 972 independent mortgage companies.³⁰

Among DIs, banks collectively originated most of the reported closed-end loans, whereas, among non-DIs, independent mortgage companies originated significantly more loans than mortgage companies affiliated with DIs. For example, banks collectively originated 3.7 million loans, accounting for 26.3 percent of all reported closed-end originations in 2021. Credit unions originated 1.0 million loans, accounting for only 7.5 percent. Independent mortgage companies originated 8.9 million loans, accounting for 63.3 percent of all reported loans, whereas affiliates of DIs originated only 400,000 loans or 2.9 percent.

In 2021, independent mortgage companies originated 64.1 percent of all closed-end (excluding reverse mortgage) first-lien, owner-occupied, site built, one-to-four-family, home purchase loans, which compares to 60.7 percent in 2020. They also originated 65.8 of all closed-end,

²⁹ Reverse mortgages can be structured as either closed- or open-end transactions. Tables 5a and 5b exclude reverse mortgages. There is no separate reporting threshold for reverse mortgages.

³⁰ 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. Fed. Fin. Inst. Examination Council, *HMDA Data Publication*, <https://ffiec.cfpb.gov/data-publication/> (data from the HMDA Reporter Panel can be used to help identify the various types of institutions).

first-lien, owner-occupied, one-to-four family site-built refinance loans, which compares to 63.1 percent in 2020.³¹

Only a small percentage of institutions (15.1 percent, 652 out of 4,332) reported fewer than 100 closed-end originations in 2021, accounting for about 35,000 total originations or about 0.2 percent of all originations. About 3 percent of institutions (140 out of 4,332), originated fewer than 25 loans, totaling just over 1,000 originations.³²

A number of differences exist between DIs and non-DIs with respect to the closed-end activity reported in 2021. First, DIs originated a significantly higher percentage of conventional home purchase loans than non-DIs. Second, overall, smaller shares of loans originated by DIs went 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.³³ Table 5A shows that non-DIs, particularly affiliated mortgage companies, sold almost all of their loans in the same calendar year that they originated them.

A distinct pattern emerges within a specific institution type. For example, among DIs, credit unions were the least likely to sell originated loans compared to banks. Small banks and large banks sold 81.1 percent and 73.8 percent, respectively, of their refinance loans within the same calendar year of the originations. In contrast, credit unions sold 40.3 percent of their refinance loans during the same period.

³¹ See “2020 Mortgage Market Activity and Trends,” available at <https://www.consumerfinance.gov/data-research/research-reports/2020-mortgage-market-activity-and-trends/>.

³² These results include all originated dwelling-secured, closed-end loans, excluding reverse mortgage for all reporters. Effective July 1, 2020, the reporting threshold of 100 closed-end originations applies to originations in each of the previous two years.

³³ 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.

TABLE 5A: LENDING ACTIVITIES BY INSTITUTION TYPES: CLOSED-END EXCLUDING REVERSE MORTGAGES

	Type of Institution					All
	Small Bank	Large Bank	Credit Union	Affiliated Mortgage Company	Independent Mortgage Company	
Number of institutions	1,299	638	1,355	68	972	4,332
Applications (thousands)	867	4,512	1,655	565	13,867	21,465
Originations (thousands)	652	3,032	1,042	400	8,859	13,986
Purchases (thousands)	8	1,100	25	7	1,520	2,660
SIZE DISTRIBUTION						
Institutions with originations <25						
Number of institutions	9	2	74	3	52	140
Originations (thousands)	<1	<1	1	<1	<1	1
Institutions with >= 25 originations < 100						
Number of institutions	137	22	302	<1	51	512
Originations (thousands)	10	2	19	<1	3	33
Institutions with >= 100 originations < 1000						
Number of institutions	1,068	307	762	21	351	2,509
Originations (thousands)	340	151	270	10	163	933
Institutions with >= 1000 originations						
Number of institutions	85	307	217	44	518	1,171
Originations (thousands)	303	2,879	753	391	8,693	13,018
Home purchase loans (thousands)						
Conventional (percent)	78.7	85.2	88.9	63.5	64.4	70.7
LMI borrower (percent)	31.1	25.1	28.4	29.4	29.7	28.7
LMI neighborhood (percent)	14.9	14.6	16.3	15.2	18.3	17.1
Non-Hispanic White (percent)	70.7	60.6	61.5	53.5	52.5	55.6
Minority borrower (percent)	16.2	21.8	19.0	27.1	27.3	25.2
Sold (percent)	77.7	67.3	45.5	99.2	93.9	85.0
Refinance loans (thousands)						
Conventional (percent)	89.7	95.9	94.7	91.7	76.8	83.0
LMI borrower (percent)	23.5	22.3	26.0	27.9	24.1	23.9
LMI neighborhood (percent)	10.3	11.2	14.0	12.9	14.5	13.6
Non-Hispanic White (percent)	74.9	67.1	63.9	66.5	53.7	58.3
Minority borrower (percent)	10.0	15.9	15.8	14.5	20.0	18.4
Sold (percent)	81.1	73.8	40.3	99.5	95.7	86.6

(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 2021. Affiliated mortgage companies are nondepository mortgage companies owned by or affiliated with a banking organization or credit union.

(2) Closed-end first-lien mortgages for site-built single-family, principal-residence homes.

(3) See table 2, note 3.

(4) See table 2, note 4.

(5) See table 2, note 1. "Minority borrower" refers to non-White borrowers (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>).

In 2021, 936 financial institutions reported open-end applications and originations excluding reverse mortgages (Table 5B), very similar to the number of institutions reporting in 2020 and 2019 (938 and 936 respectively). As discussed in Section 2, the overall market volume of open-end transactions excluding reverse mortgages increased slightly from approximately 1.7 million applications in 2020 to 1.8 million in 2021.

HELOCs are dominated by DIs. In 2021, 809 DIs, including 271 banks, of which 44 were small (assets less than \$1 billion), and 538 credit unions, originated, in total, 934,000 HELOCs reported under HMDA, accounting for 97.1 percent of all HELOC originations reported. Only 127 non-DIs, including 2 mortgage companies affiliated with DIs and 125 independent mortgage companies reported HELOC originations, accounting for 2.9 percent of the market. Only a very small percentage (3.3 percent) of HELOCs were sold to other institutions.

TABLE 5B: LENDING ACTIVITIES BY INSTITUTION TYPES: OPEN-END EXCLUDING REVERSE MORTGAGES

	Type of Institution					
	Small Bank	Large Bank	Credit Union	Affiliated Mortgage Company	Independent Mortgage Company	All
Number of institutions	44	227	538	2	125	936
Applications (thousands)	2	1132	566	<1	62	1762
Originations (thousands)	1	572	360	<1	28	962
Purchases (thousands)	<1	1	3	<1	<1	5
SIZE DISTRIBUTION						
Institutions with originations <100						
Number of institutions	37	25	226	1	114	403
Originations (thousands)	<1	<1	4	<1	1	5
Institutions with >= 100 originations < 100						
Number of institutions	7	31	102	1	3	144
Originations (thousands)	1	8	18	<1	1	27
Institutions with >= 500 originations						
Number of institutions	<1	171	210	<1	8	389
Originations (thousands)	<1	565	338	<1	27	929
LMI borrower (percent)						
	19.9	19.2	18.3	10.8	15.7	18.8
LMI neighborhood (percent)						
	10.9	10.5	12.5	17.5	16.1	11.4
Minority borrower (percent)						
	80.3	70.2	67.3	62.5	54.7	68.7
Non-Hispanic White (percent)						
	6.7	11.9	13.5	12.5	19.6	12.7
Sold (percent)						
	0.8	0.3	3.7	69.2	60.4	3.3

- (1) See table 5A, note 1.
- (2) See table 2, note 3.
- (3) See table 2, note 4.
- (4) See table 5A, note 5.
- (5) See table 5A, note 6.

Table 6A lists the top 25 closed-end reporting institutions by the total number of closed-end originations and their lending characteristics³⁴, limited to first-lien mortgages for site-built single-family, principal-residence homes excluding reverse mortgages. Together the top 25 closed-end lenders originated 6.1 million loans in 2021, accounting for 43.9 percent of the national market, the highest share of the national market in the last four years. Since 2018, the top 25 closed-end lenders have increased their share of total origination volume each year, from 33.8 percent in 2018, to 37.2 percent in 2019, to 38.9 percent of all closed-end originations in 2020.³⁵ The top 25 lenders were particularly prominent in the refinance space. In 2021, they originated 4.0 million refinance loans, accounting for 53.0 percent of refinance loans by all reporting institutions. The top 25 lenders originated 1.5 million home purchase loans, or 34.4 percent of home purchase loans.

With about 1.2 million originated loans, Rocket Mortgage (formerly known as Quicken Loans) continued to be the highest volume closed-end lender, with a market share of about 8.8 percent.³⁶ Nineteen of the 25 top financial institutions were independent mortgage companies, 5 were large banks, and 1 was a credit union. Two institutions, Better Mortgage Corporation and Navy Federal Credit Union, were new to the list of top 25 closed-end reporting institutions in 2021. Both institutions had a market share of 1.0 percent or less. Two institutions, Finance of America Mortgage and Primelending, A PlainsCapital Company fell off the list.

Table 6B lists the top 25 HELOC reporting institutions by origination volume in 2021. In total, the top 25 HELOC reporters accounted for 423,607 HELOC originations or 44.0 percent, of all

³⁴ Some institutions may be part of a larger organization; however, the data in Tables 6A and 6B are at the reporter level. Because affiliate activity has declined markedly since the housing boom in the mid-2000s, a top 25 list at the organization level is not likely to be significantly different from Tables 6A and 6B.

³⁵ For the top 25 closed-end lenders over the past four years, see “2020 Mortgage Market Activity and Trends,” available at <https://www.consumerfinance.gov/data-research/research-reports/2020-mortgage-market-activity-and-trends/>, “Data Point: 2019 Mortgage Market Activity and Trends,” available at <https://www.consumerfinance.gov/data-research/research-reports/data-point-2019-mortgage-market-activity-and-trends/>, and “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/>.

³⁶ 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 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, 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 Inside Mortgage Finance considers many of these purchased loans to be originations.

HELOC originations reported under HMDA in 2021. All but one of the top 25 HELOC lenders were DIs and none of the DIs were small banks. The two largest HELOC reporters in 2021 were Citizens Bank and PNC Bank, accounting for 5.1 and 4.2 percent of all HELOC originations reported in 2021. Last year, Bank of America had the highest market share of HELOC origination at 5.6 percent, while this year the institution was the fifth largest with a market share of 3.3 percent.

Table 6C lists the top 10 reverse mortgage lenders by origination volume in 2021.³⁷ In total, the top 10 reverse mortgage lenders accounted for a little under 55,000 reverse mortgage originations, or approximately 93.1 percent, of all reverse mortgage originations reported under HMDA in 2021. American Advisors Group continued to be the largest reverse mortgage lender that reported HMDA data in 2021, accounting for approximately 31.3 percent of all reverse mortgage originations reported. It was followed by Finance of America Reverse LLC with an annual market share of 18.0 percent.

³⁷ Applicants generally do not need to provide income information when applying for reverse mortgage loans. Therefore, the values for applicant income of reverse mortgages in the HMDA data are mostly “Not Applicable” and we excluded the LMI borrower column in Table 6C.

TABLE 6A: TOP 25 CLOSED-END RESPONDENTS BY TOTAL ORIGINATIONS (PERCENT EXCEPT AS NOTED)

	Institution Type	Total Originations (thousands)			Home purchase loans							Refinance loans						
					Market Share (percent)	Total Purchases (thousands)	Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)	Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)
Rocket Mortgage, LLC	Independent Mortgage Company	1,236	8.8	15	171	71.5	27.6	17.3	47.9	22.9	99.8	979	81.1	27.4	14.9	47.8	17.6	100.0
UNITED SHORE FINANCIAL SERVICES, LLC	Independent Mortgage Company	654	4.7	<1	196	78.4	28.6	18.9	49.1	31.8	99.8	377	90.7	24.6	14.8	53.3	24.2	99.9
Loandepot.Com, LLC	Independent Mortgage Company	390	2.8	<1	89	67.8	23.9	17.9	40.7	34.3	86.2	260	88.2	21.2	12.7	39.1	18.7	90.1
Wells Fargo Bank, National Association	Large Bank	376	2.7	249	81	94.1	16.8	11.5	55.0	25.5	71.6	252	96.1	22.7	12.0	62.8	19.2	91.7
FREEDOM MORTGAGE CORPORATION	Independent Mortgage Company	361	2.6	73	21	31.7	32.1	19.4	45.7	29.8	99.5	329	23.4	6.9	15.7	55.7	22.7	99.9
JPMorgan Chase Bank, National Association	Large Bank	274	2.0	175	59	97.8	19.6	13.5	55.6	31.5	76.9	184	99.7	23.7	11.7	64.3	24.6	87.9
Fairway Independent Mortgage Corporation	Independent Mortgage Company	236	1.7	<1	124	65.6	31.2	18.7	57.6	20.9	99.8	78	91.8	22.9	12.9	66.3	13.7	99.9
Caliber Home Loans, Inc.	Independent Mortgage Company	232	1.7	38	91	61.6	31.9	20.2	51.6	28.9	94.4	117	71.0	21.4	15.5	53.8	18.7	94.5
HOME POINT FINANCIAL CORPORATION	Independent Mortgage Company	209	1.5	71	53	73.1	30.3	16.9	54.9	27.9	99.8	129	85.2	23.3	12.4	54.2	24.0	99.9

	Institution Type	Total Originations (thousands)	Market Share (percent)	Total Purchases (thousands)	Home purchase loans							Refinance loans						
					Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)	Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)
PENNYMAC LOAN SERVICES, LLC	Independent Mortgage Company	209	1.5	232	18	73.2	20.3	13.9	53.2	24.2	99.0	177	52.7	12.4	14.9	55.9	25.1	99.8
GUARANTEED RATE, INC.	Independent Mortgage Company	195	1.4	27	77	75.9	25.7	16.1	54.7	21.0	97.7	96	94.3	16.6	11.3	53.8	17.4	99.2
Nationstar Mortgage LLC	Independent Mortgage Company	180	1.3	137	4	73.5	19.9	12.8	56.5	18.4	99.1	166	72.1	23.3	17.3	51.4	20.1	100.0
CROSSCOUNTRY MORTGAGE, INC.	Independent Mortgage Company	156	1.1	<1	79	63.7	31.7	20.0	56.0	26.1	99.6	57	84.5	23.6	14.1	64.0	17.9	100.0
U.S. Bank National Association	Large Bank	154	1.1	175	42	91.7	21.5	12.4	60.1	22.6	66.3	90	99.1	25.8	13.2	67.8	15.3	70.3
Bank of America, National Association	Large Bank	141	1.0	13	40	95.7	29.5	23.2	46.8	38.8	22.6	84	99.9	16.7	11.6	57.6	26.2	4.2
NEWREZ LLC	Independent Mortgage Company	137	1.0	184	14	67.4	27.6	17.6	52.7	28.1	99.3	111	81.2	24.7	15.6	55.1	16.3	100.0
BETTER MORTGAGE CORPORATION	Independent Mortgage Company	133	1.0	<1	21	98.9	12.0	13.1	47.2	29.0	99.6	102	100.0	10.7	9.9	53.1	21.8	99.7
AmeriSave Mortgage Corporation	Independent Mortgage Company	128	0.9	<1	8	74.3	22.7	15.8	37.0	16.8	98.4	113	92.2	24.5	12.9	38.2	12.6	99.3
GUILD MORTGAGE COMPANY	Independent Mortgage Company	118	0.8	3	50	60.0	31.2	19.0	51.7	19.2	92.7	51	81.0	26.3	17.4	56.8	15.8	95.1
MOVEMENT MORTGAGE, LLC	Independent Mortgage Company	111	0.8	<1	62	60.6	31.6	18.9	61.2	23.6	41.9	33	86.1	31.3	13.9	70.8	15.9	51.1
Flagstar Bank, FSB	Large Bank	108	0.8	52	30	74.0	28.9	16.8	58.3	22.1	94.0	61	94.1	23.1	12.3	59.3	16.2	95.5

	Institution Type	Total Originations (thousands)	Market Share (percent)	Total Purchases (thousands)	Home purchase loans						Refinance loans							
					Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)	Number (thousands)	Conventional (percent)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)
Mortgage Research Center, LLC	Independent Mortgage Company	108	0.8	<1	77	4.7	29.4	16.6	52.0	22.1	100.0	29	4.1	8.1	13.4	56.7	18.0	100.0
Cardinal Financial Company, Limited Partnership	Independent Mortgage Company	106	0.8	<1	33	54.3	33.4	20.2	51.5	31.8	99.8	59	87.9	25.5	13.7	55.6	19.4	100.0
Broker Solutions, Inc.	Independent Mortgage Company	104	0.7	<1	36	57.3	33.1	21.0	46.4	30.6	93.2	53	84.2	24.7	15.8	51.8	21.3	97.7
Navy Federal Credit Union	Credit Union	81	0.6	2	33	50.4	21.6	15.4	49.6	28.2	49.2	41	50.9	12.4	12.7	50.8	26.6	44.6
Top 25 institutions		6,136		1,446	1,507	68.9	27.5	17.6	51.9	26.6	89.0	4,027	79.4	21.8	14.1	53.2	19.9	94.5
All institutions		13,986		2,660	4,378	70.7	28.7	17.1	55.6	25.2	85.0	7,605	83.0	23.9	13.6	58.3	18.4	86.6

(1) See table 5A, note 1.

(2) Closed-end (excluding reverse mortgage) first-lien mortgages for site-built single-family, principal-residence homes.

(3) See table 2, note 3.

(4) See table 2, note 4.

(5) See table 5A, note 5.

(6) See table 5A, note 6.

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

TABLE 6B: TOP 25 OPEN-END RESPONDENTS BY TOTAL ORIGINATIONS (PERCENT EXCEPT AS NOTED)

	Institution Type	Total Originations (count)	Market Share (percent)	Total Purchases (count)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)
Citizens Bank, National Association	Large Bank	48,992	5.1	<1	29.7	12.2	65.1	11.6	0.0
PNC Bank, National Association	Large Bank	40,566	4.2	<1	22.0	10.3	72.9	10.9	0.0
Truist Bank	Large Bank	40,088	4.2	<1	21.3	12.4	72.5	14.0	0.0
U.S. Bank National Association	Large Bank	34,470	3.6	<1	12.9	9.0	67.9	13.4	0.0
Bank of America, National Association	Large Bank	31,375	3.3	9	16.3	10.3	61.8	20.0	0.0
The Huntington National Bank	Large Bank	27,783	2.9	<1	25.7	10.1	76.5	5.0	0.0
Third Federal Savings and Loan Association of Cleveland	Large Bank	16,449	1.7	<1	11.3	6.2	62.3	14.1	0.0
Figure Lending LLC	Independent Mortgage Company	14,726	1.5	146	18.0	16.6	58.9	22.7	91.3
Regions Bank	Large Bank	13,266	1.4	<1	24.2	11.9	81.4	13.7	0.0
Boeing Employees Credit Union	Credit Union	13,202	1.4	<1	17.7	16.1	62.6	16.9	0.0
MOUNTAIN AMERICA	Credit Union	12,241	1.3	<1	19.3	10.6	79.2	10.5	0.0
Zions Bancorporation, N.A.	Large Bank	11,127	1.2	<1	11.3	10.4	77.2	15.1	0.0
STATE EMPLOYEES'	Credit Union	11,053	1.1	<1	18.6	18.4	71.0	17.7	0.0
PENTAGON FEDERAL CREDIT UNION	Credit Union	10,362	1.1	166	9.9	12.6	35.9	18.1	0.0
KeyBank National Association	Large Bank	10,238	1.1	35	23.6	10.3	82.4	8.5	3.3
Fifth Third Bank, National Association	Large Bank	10,194	1.1	<1	31.5	9.9	89.4	8.2	0.0

	Institution Type	Total Originations (count)	Market Share (percent)	Total Purchases (count)	LMI borrower (percent)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)
TD Bank, National Association	Large Bank	9,536	1.0	<1	13.1	10.0	70.0	13.5	0.0
First-Citizens Bank & Trust Company	Large Bank	9,518	1.0	<1	9.2	10.3	63.8	5.0	0.0
Manufacturers and Traders Trust Company	Large Bank	9,287	1.0	<1	31.2	11.8	80.6	10.7	0.0
AMERICA FIRST	Credit Union	9,065	0.9	<1	14.2	10.8	73.5	11.3	0.0
BMO Harris Bank National Association	Large Bank	8,870	0.9	<1	30.6	10.0	79.8	10.2	0.0
Bank of the West	Large Bank	8,395	0.9	<1	10.5	17.1	42.8	19.2	0.0
ALLIANT CREDIT UNION	Credit Union	7,992	0.8	1,007	3.2	7.7	52.0	22.1	72.3
IDAHO CENTRAL	Credit Union	7,413	0.8	<1	13.6	14.6	74.2	6.6	0.0
Ent Credit Union	Credit Union	7,399	0.8	<1	17.2	17.3	68.4	11.6	0.0
Top 25 institutions		423,607		1,363	19.7	11.5	69.0	13.1	4.9
All institutions		961,661		4,918	18.8	11.4	68.7	12.7	4.5

(1) See table 5A, note 1.

(2) See table 2, note 3.

(3) See table 2, note 4.

(4) See table 5A, note 5.

(5) See table 5A, note 6.

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

TABLE 6C: TOP 10 REVERSE MORTGAGE RESPONDENTS BY TOTAL ORIGINATIONS (PERCENT EXCEPT AS NOTED)

	Institution Type	Total Originations (count)	Market Share (percent)	Total Purchases (count)	LMI neighborhood (percent)	Non-Hispanic White (percent)	Minority borrower (percent)	Sold (percent)
AMERICAN ADVISORS GROUP	Independent Mortgage Company	18,407	31.3	831	18.9	66.4	10.2	99.9
FINANCE OF AMERICA REVERSE LLC	Independent Mortgage Company	10,575	18.0	2,804	15.9	65.3	13.7	99.4
REVERSE MORTGAGE FUNDING LLC	Independent Mortgage Company	6,177	10.5	2,099	15.0	77.6	11.8	92.9
PHH Mortgage Corporation	Independent Mortgage Company	4,319	7.3	2,520	22.3	74.0	14.5	100.0
Mutual of Omaha Mortgage, Inc	Affiliated Mortgage Company	4,101	7.0	15	16.3	78.5	10.0	100.0
LONGBRIDGE FINANCIAL, LLC	Independent Mortgage Company	3,636	6.2	5,624	15.1	83.3	12.3	100.0
Cornerstone First Mortgage, Inc	Independent Mortgage Company	3,296	5.6	<1	19.6	21.2	24.9	99.4
OPEN MORTGAGE, LLC	Independent Mortgage Company	2,444	4.2	1	27.6	61.0	23.5	85.7
HighTechLending Inc	Independent Mortgage Company	1,144	1.9	<1	18.5	68.1	21.9	98.9
NATIONWIDE EQUITIES CORPORATION	Independent Mortgage Company	705	1.2	<1	19.4	62.3	29.2	24.9
Top 10 institutions		54,804		13,894	18.1	67.1	13.5	97.4
All institutions		58,884		15,050	18.1	68.0	13.3	97.1

(1) See table 5A, note 1.

(2) See table 2, note 4.

(3) See table 5A, note 5.

(4) See table 5A, note 6.

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

7. Conclusion

The 2021 HMDA data are the fourth year of data that reflect changes implemented by the 2015 HMDA rule. The 2015 HMDA rule made changes to the institution and transaction reporting criteria and revised the data points that institutions covered under HMDA must report.

The number of closed-end originations (excluding reverse mortgages) increased modestly from 13.4 million in 2020 to 13.7 million in 2021 or by 2.4 percent. Most of the increase was driven by an increase in the number of home purchase loans. The increase in home purchase loans was the most prominent among jumbo loans, likely reflecting rapidly rising house prices. In 2021, the share of home purchase loans by non-Hispanic White borrowers continued a downward trend while the share by Black borrowers continued an upward trend that began in 2018. The share of home purchase loans by Asian borrowers rose in 2021 after being relatively stable in the past three years.

The number of refinance loans decreased year-over-year by 1.7 percent. The refinance boom, especially in non-cash-out refinance that dominated mortgage market activities in 2019 and 2020, peaked in March 2021. The non-cash-out refinance volume dropped precipitously throughout the remainder of 2021. The downward trend coincided with the increase in market interest rates.

Black and Hispanic White borrowers continued to have lower median loan amounts, lower median credit scores, paid higher median interest rates and total loan costs, and were more likely to be denied than non-Hispanic White and Asian borrowers. The market was more concentrated among the largest lenders in 2021, with the top 25 closed-end lenders accounting for 43.9 percent of the national market and 53.0 percent of all refinance loans.