LUNCH AND LEARN

Lender Backsliding: Increased Loan Disparities in 2020
Overview

• The Data
  • HMDA and CRA

• Fact Book 2020 Data Edition
  • Brief overview
  • Changes to 2020 Data Edition
  • 2020 Trends

• Online Data Portal
  • Brief overview
  • Demo example

• Where we go from here...
Where do the data come from?
HMDA and CRA

- Passed to help remedy the effects of redlining

- **Home Mortgage Disclosure Act** (1975)
  - Certain lenders must report lending data

- **Community Reinvestment Act** (1977)
  - Holds banks accountable through regulation
  - 1995 – small business reporting added
What’s in the Fact Book?
Demographics

- Population
- Homeownership Rate
- Tenure (Owner, Renter, Vacant)
- Units in Structure
- Income
- Gross Rent *new*
- Home Value *new*
Mortgage Lending

- Applications, Originations and Denials
- Total Loan Amount
- Loan Type
- Average Loan Amount
- Average Borrower Income
- Average Property Value
- LTV > 90
- DTI > 45
- Loan Costs > $5000
Top Lenders

- Applications and Originations
- Total Loan Amount
- Purchase and Refinance Originations
- Minority Originations
- LMI Originations
5-Year Trends

- Number of Originations
- Amount of Originations
- Owner-Occupied Home Purchase Lending
- Foreclosures
- Bank Branches *new*
Small Business Loans

- Active and Vacant Businesses Addresses
- Loans < $100,000
- Loans < $1 million
- Loans to Businesses with Gross Revenue < 1 million
Changes to 2020 Data Edition

• Location Map

• Gross Rent, Home Value, 5-Year Bank Branch Data

• Consolidated Small Business Table (end of Fact Book)
Key Takeaways from 2020 Data
2020 Trends

Increase in overall mortgage activity

• Applications and originations
  • Up over 50% and over 60% in 7-county region

• Explosion in refinance originations
  • Up 140% in 7-county region, 120% in Chicago
  • From 50% to 64% total origination $ amount in both 7-county region and Chicago (2019-2020)
Increase in mortgage lending disparities

- Average Loan Amount
  - North Side: up 47%
  - South Side: up 43%
  - West Side: up 30%
2020 Trends

Exacerbates already large differences...

- South Side: 31% (-1%) the average loan amount on the North Side
  - 35% total population, 15% total $ amount ($4.5 billion)
- West Side: 74% (-9%) the average loan amount on the North Side
  - 16% total population, 16% total $ amount ($4.9 billion)
- North Side
  - 49% total population, 68% total $ amount ($20.4 billion)

- Origination and Denial Rates continue to track poorer for Blacks and Latinos
  - Originations: 50/56% (Black/Latino) vs 65% (White)
  - Denials: 20/15% (Black/Latino) vs 9% (White)
What’s in the Data Portal?

Same data as Fact Book...

PLUS:

• User-friendly and visual
• Customizable geographies
• Accessibility!
• Ability to download and print data
How can I use the Data Portal?
Let’s take a look…

North Lawndale and Lincoln Park

• **What does the neighborhood look like?**
  - Neighborhood Overview
    - Race, Income, Occupancy, Units

• **What is HOUSING like?**
  - Home Value (Neighborhood Overview)
  - Foreclosures

• **What is LENDING like?**
  - Bank Branches
  - Top Lenders
  - Mortgage Lending
    - Average Loan Amount, Origination Rate
  - Small Business Lending
Where do we go from here?
This data is a starting point for deeper conversations, more collaboration, and action...
What is Woodstock doing?

• **Updating the data portal**
  • Maps
  • Timeline
  • Comparisons
  • More variables

• **Working with YOU**
  • Raising awareness of data portal and gathering feedback
  • Technical assistance

• **Policy and local-level work**
What do YOU think?
Thank you!