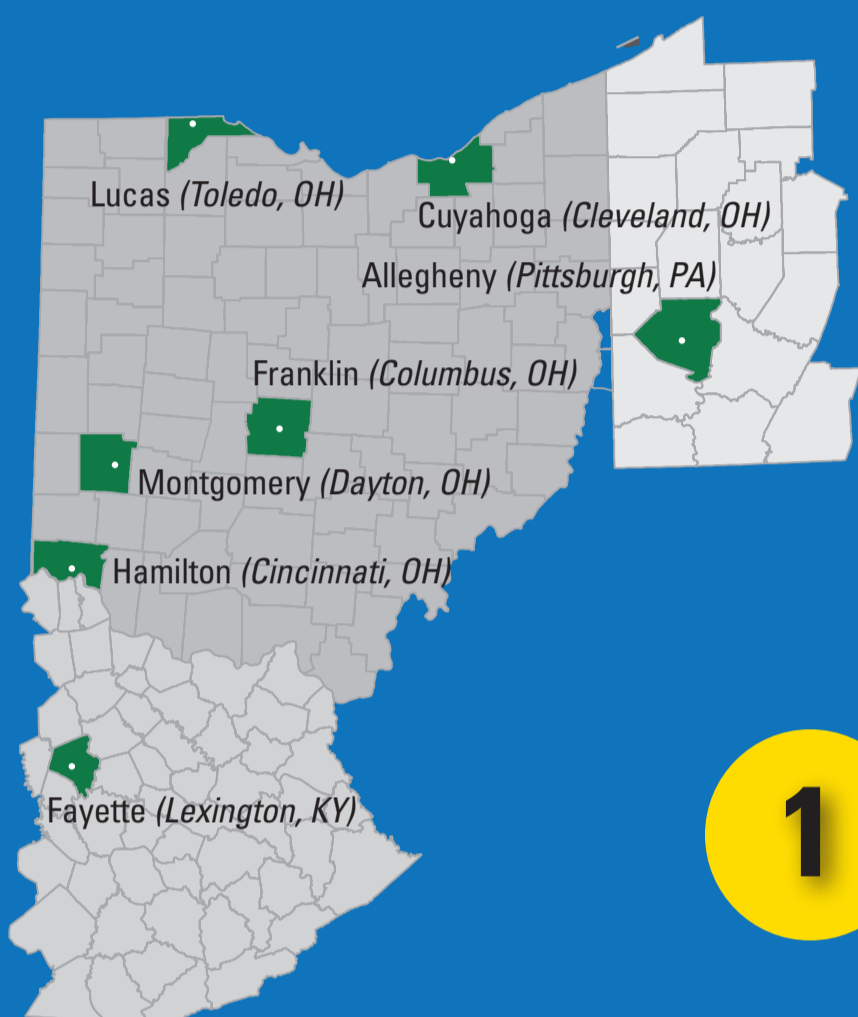


Home Lending by Income and Race before and after the Great Recession

Home loan activity in low- and moderate-income communities in Ohio, Pennsylvania, and Kentucky isn't what it used to be before the Great Recession of 2007–2009. Here's what the data tell us.

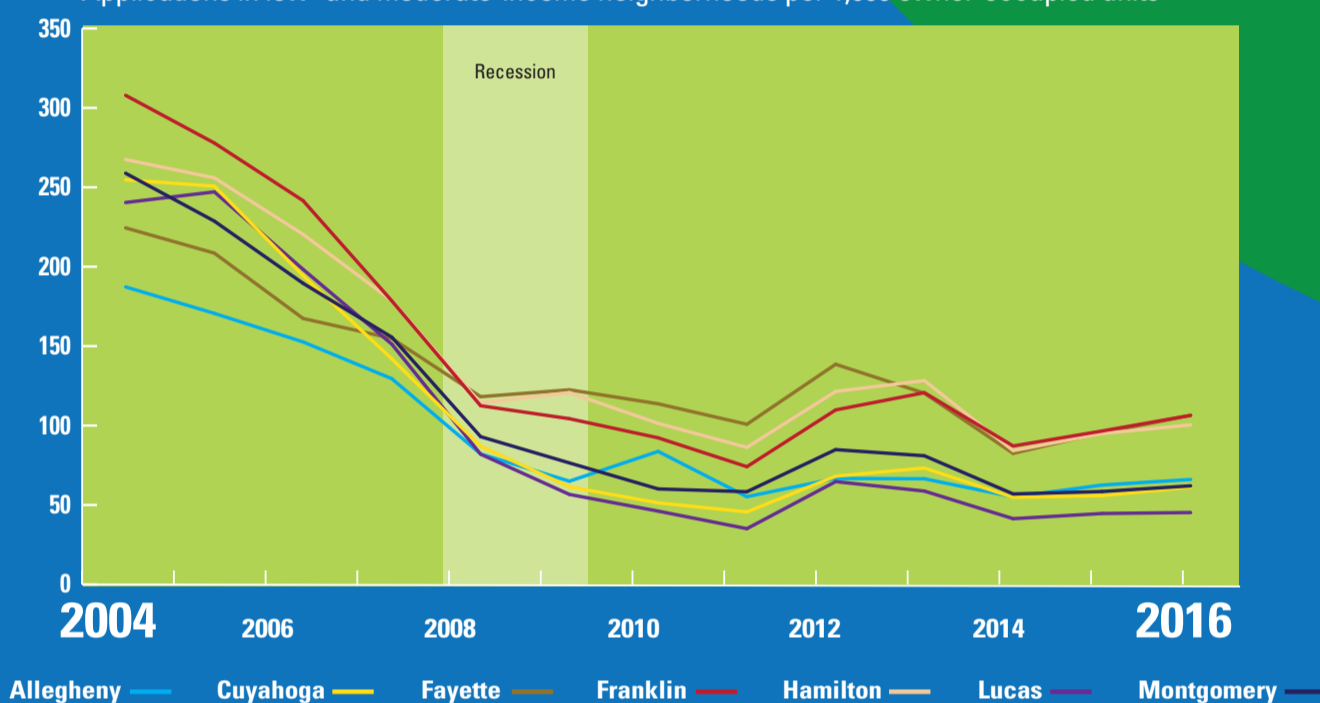
Using Home Mortgage Disclosure Act data, we explored home lending in 7 counties across 3 states. We found 3 consistent trends in every county.



1

The rate of households applying for a loan—whether to refinance or purchase a home—in low- and moderate-income neighborhoods¹ plummeted before and during the recession. Though the rate has climbed in recent years, no county's home loan application rate has returned to its prerecession level.

Applications in low- and moderate-income neighborhoods per 1,000 owner-occupied units



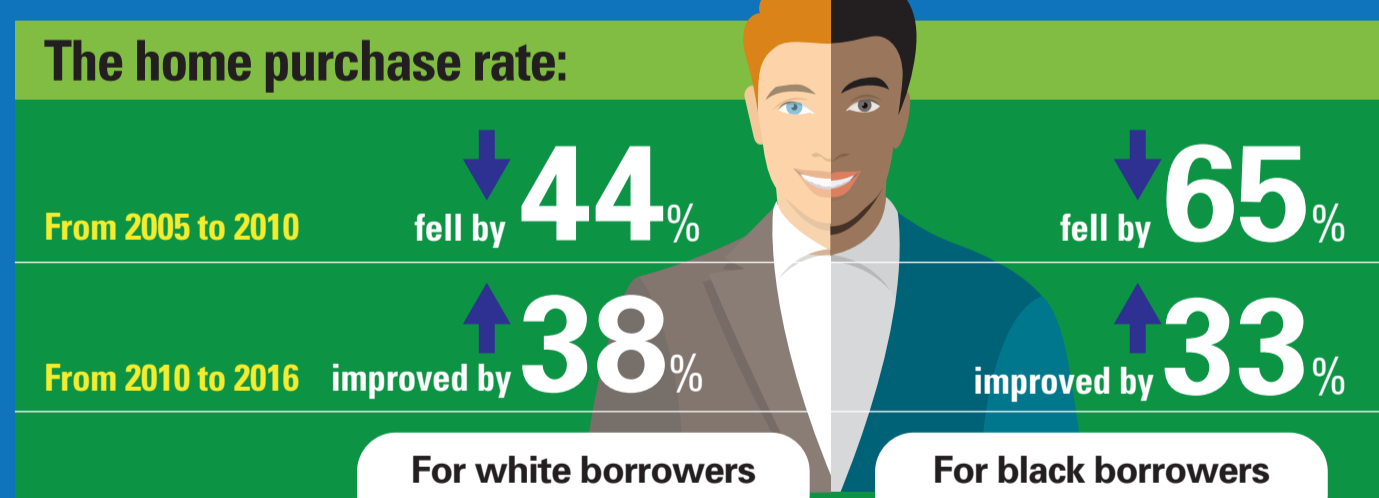
2

More of the people who do apply for home loans in low- and moderate-income neighborhoods are getting them, and they're getting them at rates exceeding those seen prerecession. This may be because those applying for loans post-crisis have better credit.



3

Home purchases by low- and moderate-income black borrowers declined more and recovered more slowly than those of low- and moderate-income white borrowers.



Though this disparity exists in every county and year examined, the available data can't explain why.



Importantly, each household needs to evaluate whether they are better off renting or buying, but all households should have equal access to home loans. It is our intent to highlight mortgage patterns in the District's major counties so that policymakers and regulators are aware of home lending disparities and may use the data when examining the effects of the Great Recession.

Read the summary report www.clevelandfed.org/homelendingsummary

Dig deeper county by county: www.clevelandfed.org/homelendingbycounty

See our comparison of the first 2 reports' findings: www.clevelandfed.org/AlleghenyandCuyahoga

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¹Low income: Median family income for a census tract or borrower income is less than 50% of an MSA's median family income.
Moderate income: Median family income for a census tract or borrower income is greater than or equal to 50% but less than 80% of an MSA's median family income.