NATIONAL COMMUNITY REINVESTMENT COALITION NCRC www.ncrc.org

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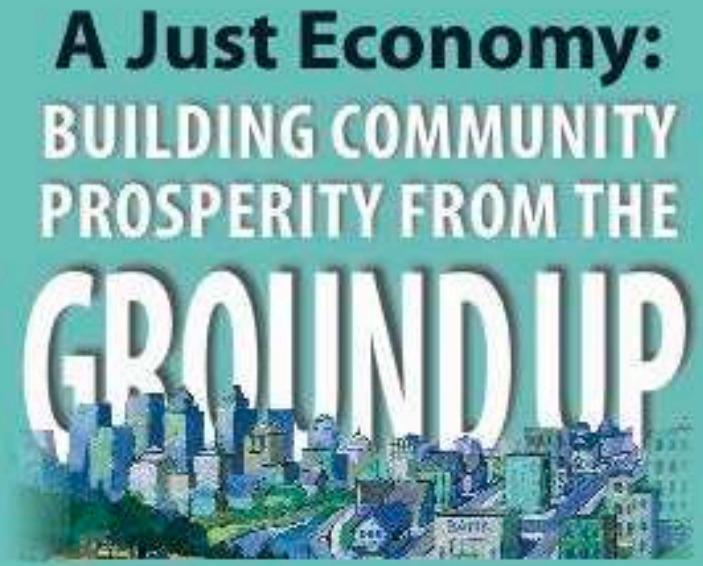
Data Drives the Movement for Economic Justice

Archana Pradhan, Senior Research Analyst, NCRC

March 20, 2013



Why data?

- To uncover the trend
  - Who is lending in your community?
  - Are they equitably originating mortgages throughout your community?
  - Is the institution's mortgage pricing non-discriminatory?

- Affecting Policies & Procedures
  - Commenting on CRA exams and merger applications
  - Increase lending to minorities, women, and low- and moderate-income borrowers
  - Help lenders identify emerging markets and reduce lending disparities

Publically available data

- HMDA data
- Small Business data
- Bank Branch data

HMDA data

The Home Mortgage Disclosure Act (HMDA) was passed by Congress in 1975 and the rule-writing authority was transferred to the Consumer Financial Protection Bureau (CFPB) in 2011. This regulation has three purposes:

1) Help determine whether financial institutions are serving the housing needs of their communities

2) Assist public officials in distributing public-sector investment so as to attract private sector investment to areas where it is needed

3) To assist in identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

What is in the HMDA Data?

- Loan Information
  - What action was taken on the loan application
  - Info on pre-approval and denial
  - Dollar amount of loan
  - Loan type
  - Purpose of loan
  - Pricing data for high-cost loans
  - Lien status is indicated
  - Purchasers of loans
  - Reporting if loans are covered by HOEPA
  - Reporting institution

HMDA Data-After Dodd-Frank bill

- Age of borrower
- Credit score
- Property value
- Total points and fees paid at origination
- ARM- by term in months for any introductory period after which rate changes
- Negative amortization - Any terms allowing borrower to make payments that are not fully amortizing
- Channel through which application was made, including retail, broker, and other categories
- And more….

How to get HMDA Data?

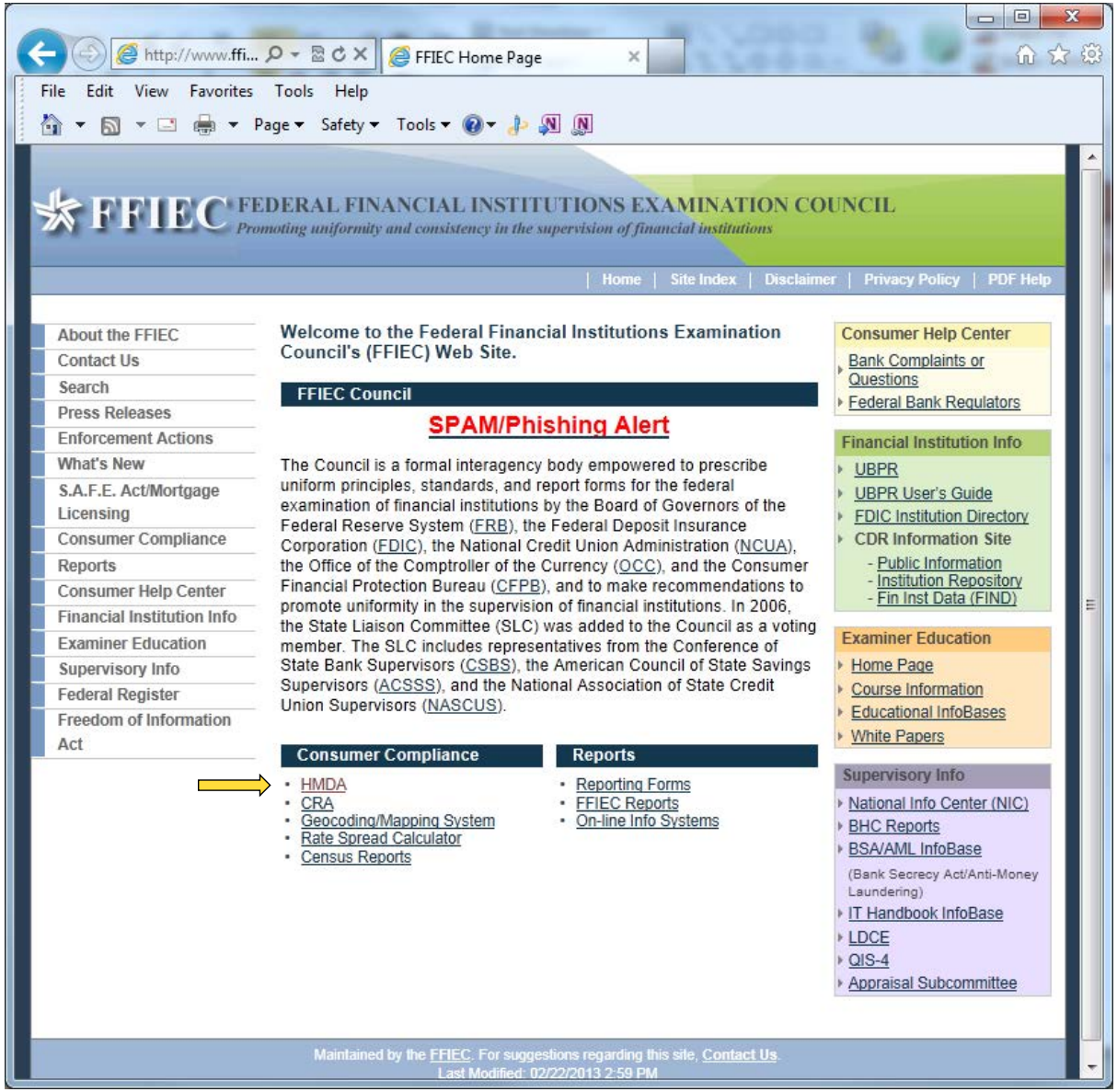
- HMDA data (for calendar years 1999-2011) available on the Federal Financial Institutions Examination Council (FFIEC) web page

- HMDA data can be pulled in 3 ways:

1) All Lenders Aggregates by MSA
2) Individual Lender Disclosures by MSA
3) All Lenders National Aggregates

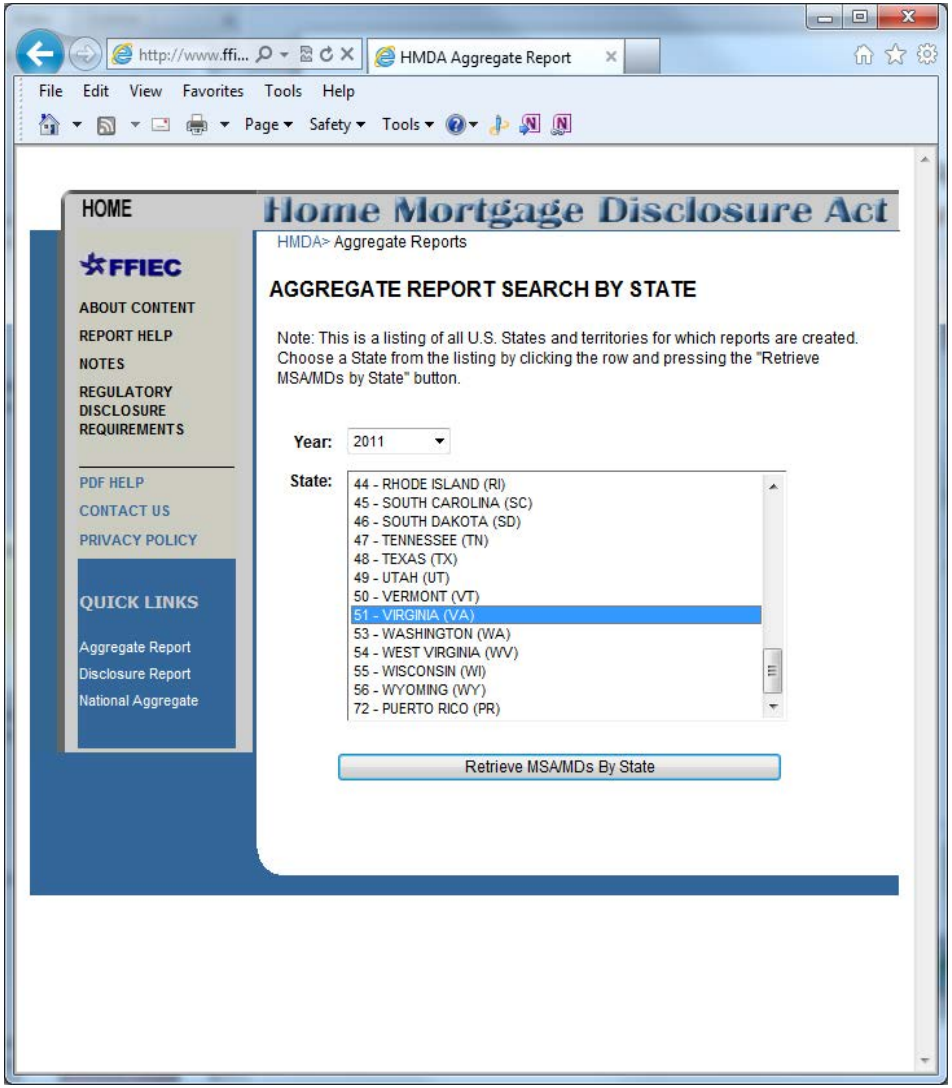
Where to Get HMDA

➢Step 1: Go to the FFIEC website: www.ffiec.gov

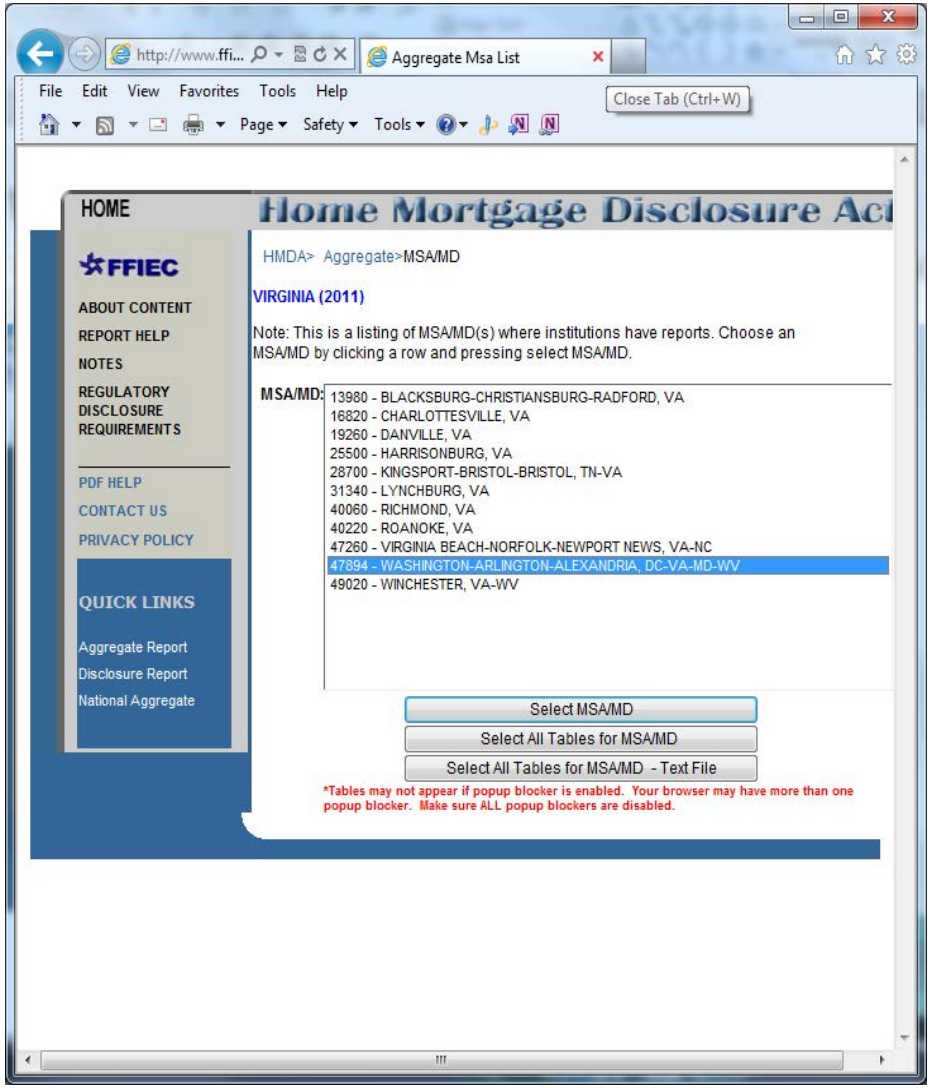


➢Step 2: Click on *HMDA*, then on *Aggregate Report* (left hand side menu)

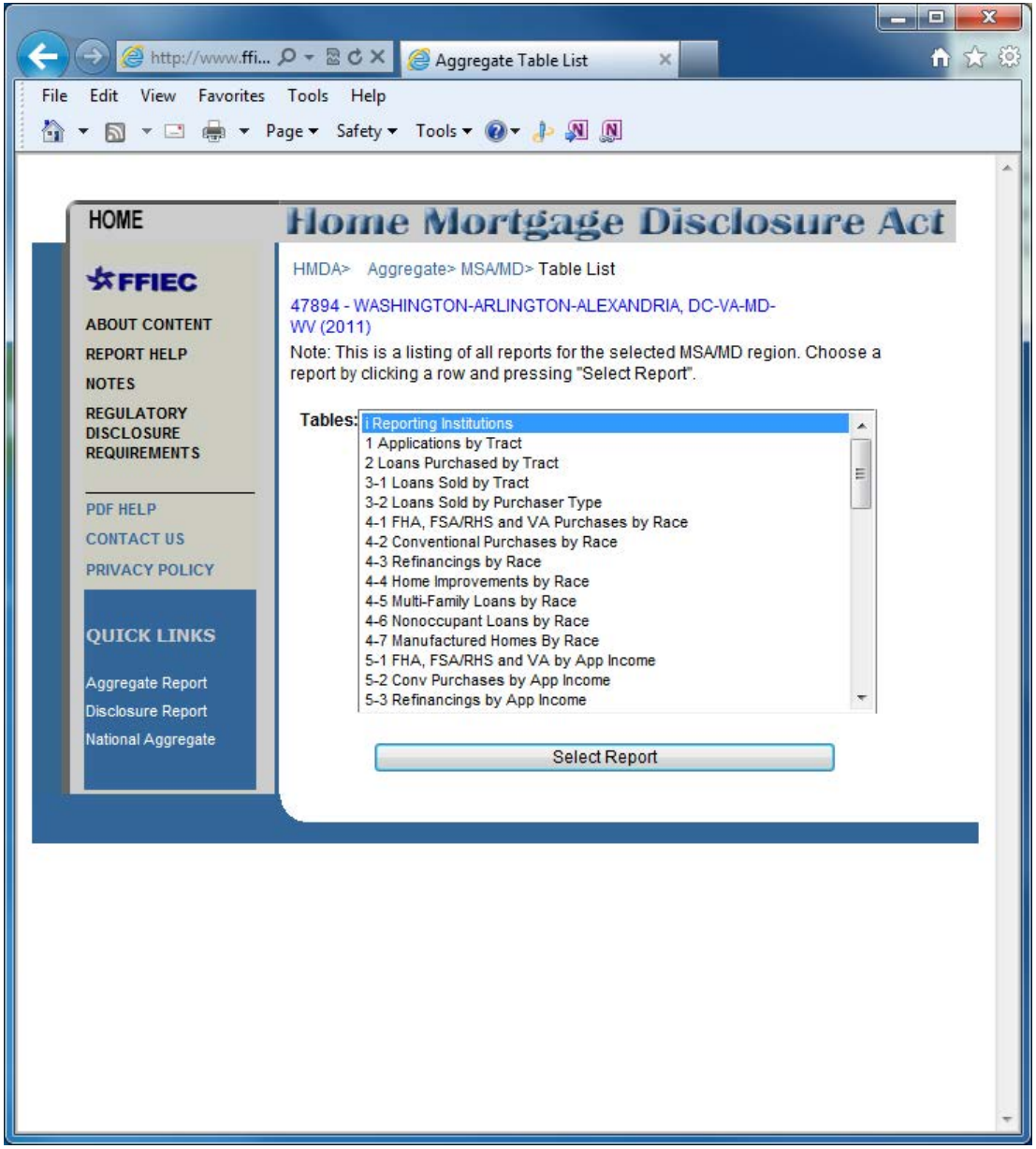
➢Step 3: From the scroll-down menu, select a state: e.g., "Virginia (VA)"



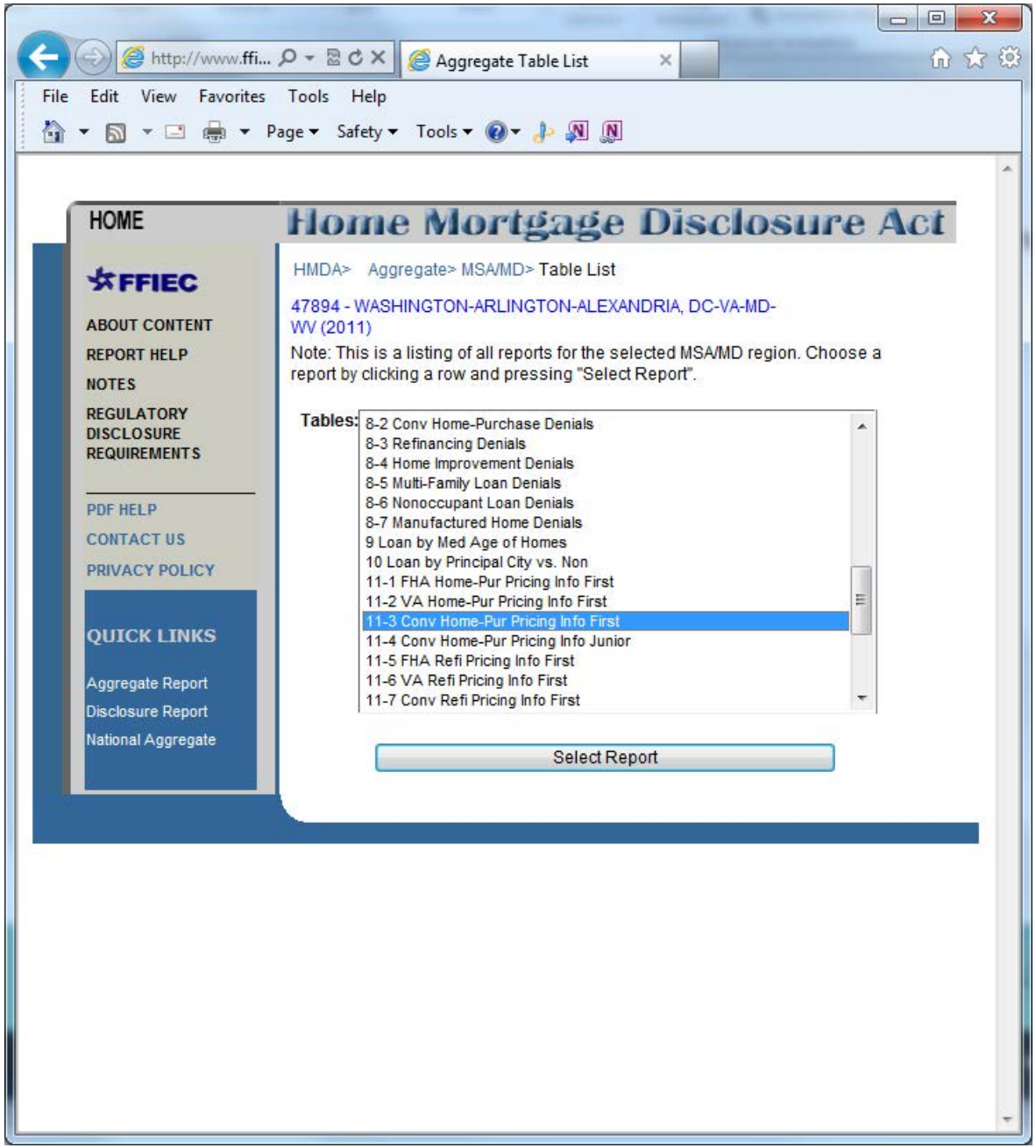
➢Step 4: From the scroll-down menu, select a MSA: e.g., "Washington-Arlington-Alexandria"



➢Step 5: Click on *Select MSA* button to retrieve tables



➢Step 6: Choose type of report: e.g., "Conventional Home-Purchase Pricing Info First"



➢Example: Table 11-3. Home Purchase Lending in Washington-Arlington-Alexandria MSA

http://www.ffiec.gov/hmdaadwebreport/pdf/2011/Hmda/temp/2011HA11-3_____47894.PDF - Windows Internet Explorer

http://www.ffiec.gov/hmdaadwebreport/pdf/2011/Hmda/temp/2011HA11-3_____47894.PDF

AGGREGATE TABLE 11 - 3: PRICING INFORMATION FOR CONVENTIONAL HOME-PURCHASE LOANS, FIRST LIEN, 1- TO 4-FAMILY OWNER-OCCUPIED DWELLING (EXCLUDES MANUFACTURED HOMES), BY BORROWER OR CENSUS TRACT CHARACTERISTICS, 2011

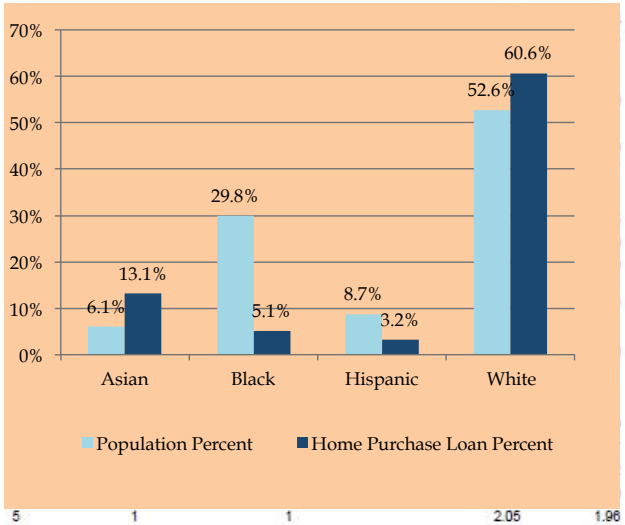
Page 1 of 2

MSA/MD: 47894 - WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV

BORROWER OR CENSUS TRACT CHARACTERISTICS	15/ NO REPORTED PRICING DATA #	REPORTED PRICING DATA #	PERCENTAGE POINTS ABOVE AVERAGE PRIME OFFER RATE: ONLY INCLUDES LOANS WITH APR ABOVE THE THRESHOLD 16/ 1.50 - 1.99 #	2.00 - 2.49 #	2.50 - 2.99 #	3.00 - 3.99 #	4.00 - 4.99 #	5 OR MORE #	MEAN	MEDIAN
BORROWER CHARACTERISTICS										
RACE 5/										
AMERICAN INDIAN/ALASKA NATIVE	33									
ASIAN	2690	10	5	3						
BLACK OR AFRICAN AMERICAN	1041	7	3	4						
NATIVE HAWAIIAN/OTHER PACIFIC ISLND	52									
WHITE	12404	80	34	37						
2 OR MORE MINORITY RACES	11									
JOINT (WHITE/MINORITY RACE)	482	1	1							
RACE NOT AVAILABLE 6/	3748	19	16	3						
ETHNICITY 7/										
HISPANIC OR LATINO	656	3	1	2						
NOT HISPANIC OR LATINO	15849	92	40	42						
JOINT (HISPANIC OR LATINO/ NOT HISPANIC OR LATINO)	303	2	2							
ETHNICITY NOT AVAILABLE 6/	3653	20	16	3						
MINORITY STATUS 8/										
WHITE NON-HISPANIC	11328	74	31	35						
OTHERS, INCLUDING HISPANIC	5196	23	12	9						
INCOME 9/										
LESS THAN 50% OF MSA/MD MEDIAN	1729	12	5	6						
50-79% OF MSA/MD MEDIAN	3675	19	12	6						
80-99% OF MSA/MD MEDIAN	2780	14	6	6						
100-119% OF MSA/MD MEDIAN	2592	13	6	7						
120% OR MORE OF MSA/MD MEDIAN	9555	59	30	22	5	1	1		2.05	1.96
INCOME NOT AVAILABLE 6/	130									
GENDER 19/										
MALE	5750	37	20	14	2	1			1.97	1.85
FEMALE	4407	25	11	11	2	1			2.12	2.16
JOINT (MALE/FEMALE)	8380	43	19	19	3		1	1	2.17	2.11
GENDER NOT AVAILABLE 6/	1924	12	9	3					1.80	1.71
CENSUS TRACT CHARACTERISTICS 10/										
RACIAL/ETHNIC COMPOSITION 11/										
LESS THAN 10% MINORITY	1718	9	3	6					2.07	2.03
10-19% MINORITY	5341	35	15	15	4	1			2.10	2.11
20-49% MINORITY	9330	58	30	23	3		1	1	2.08	1.94
50-79% MINORITY	2235	11	9	1		1			1.86	1.64
80-100% MINORITY	1837	4	2	2					1.90	1.88
INCOME CHARACTERISTICS 12/ 13/										
LOW INCOME	664	2	1	1					1.84	1.84
MODERATE INCOME	2581	30	17	10	3				2.02	1.86
MIDDLE INCOME	6333	45	22	20	1	1		1	2.07	2.00
UPPER INCOME	10875	40	19	16	3	1	1		2.10	2.01

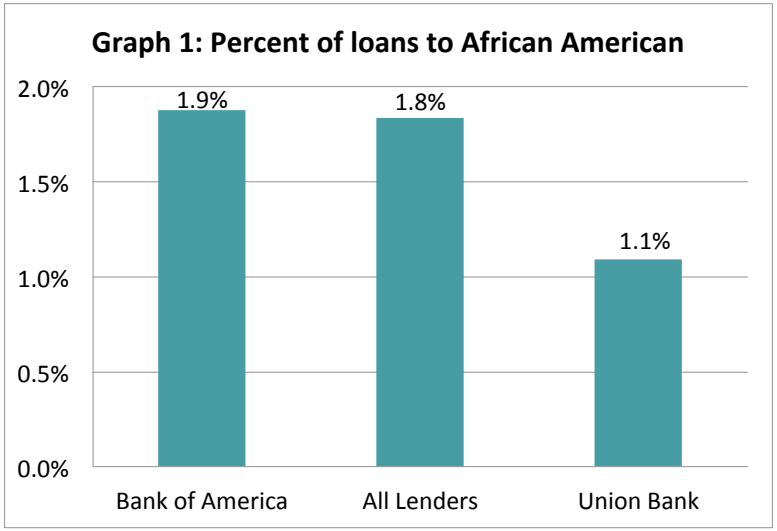
1041

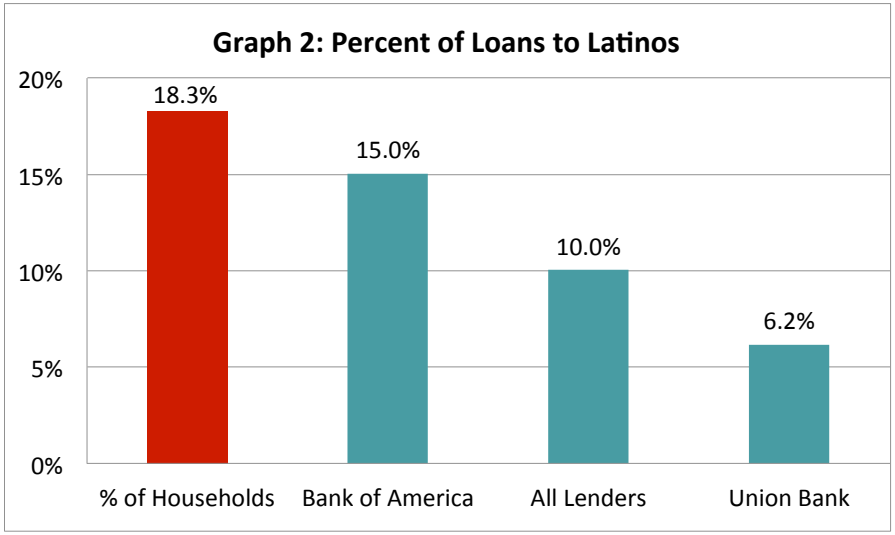
12404

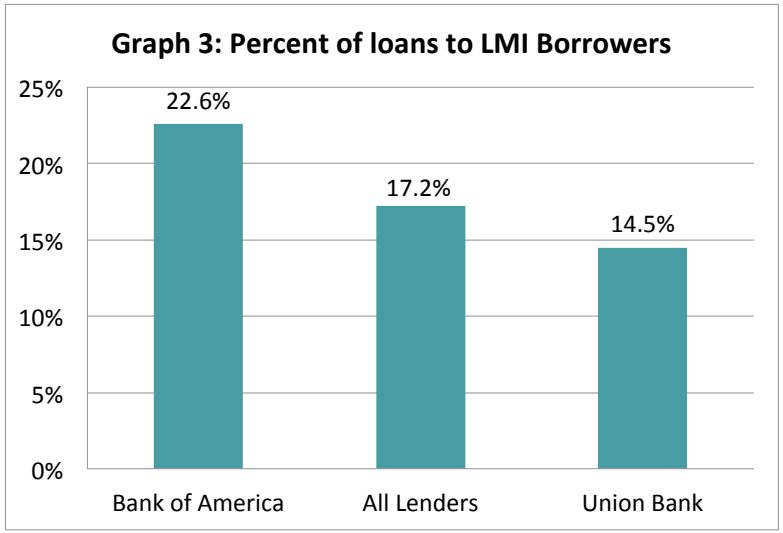


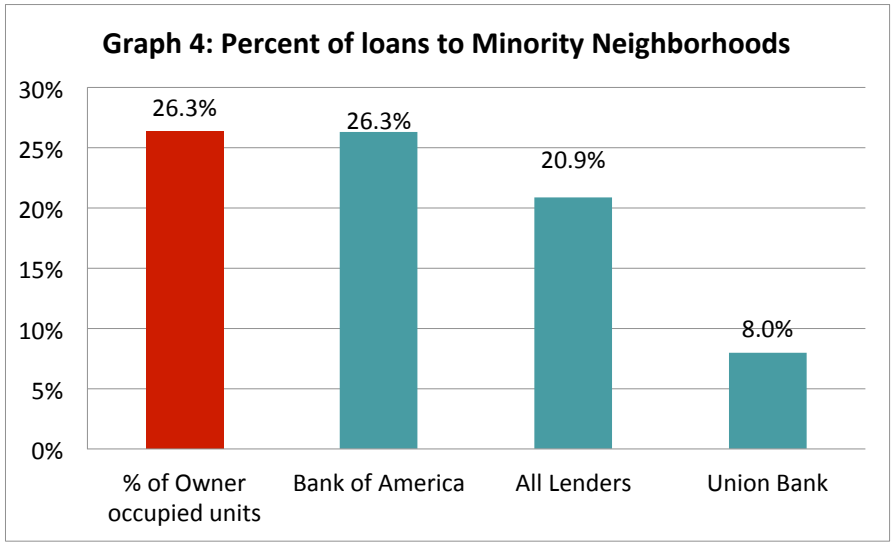
Report Date: 06/04/2012

Application of HMDA Data:
San Diego MSA, CA, 2011

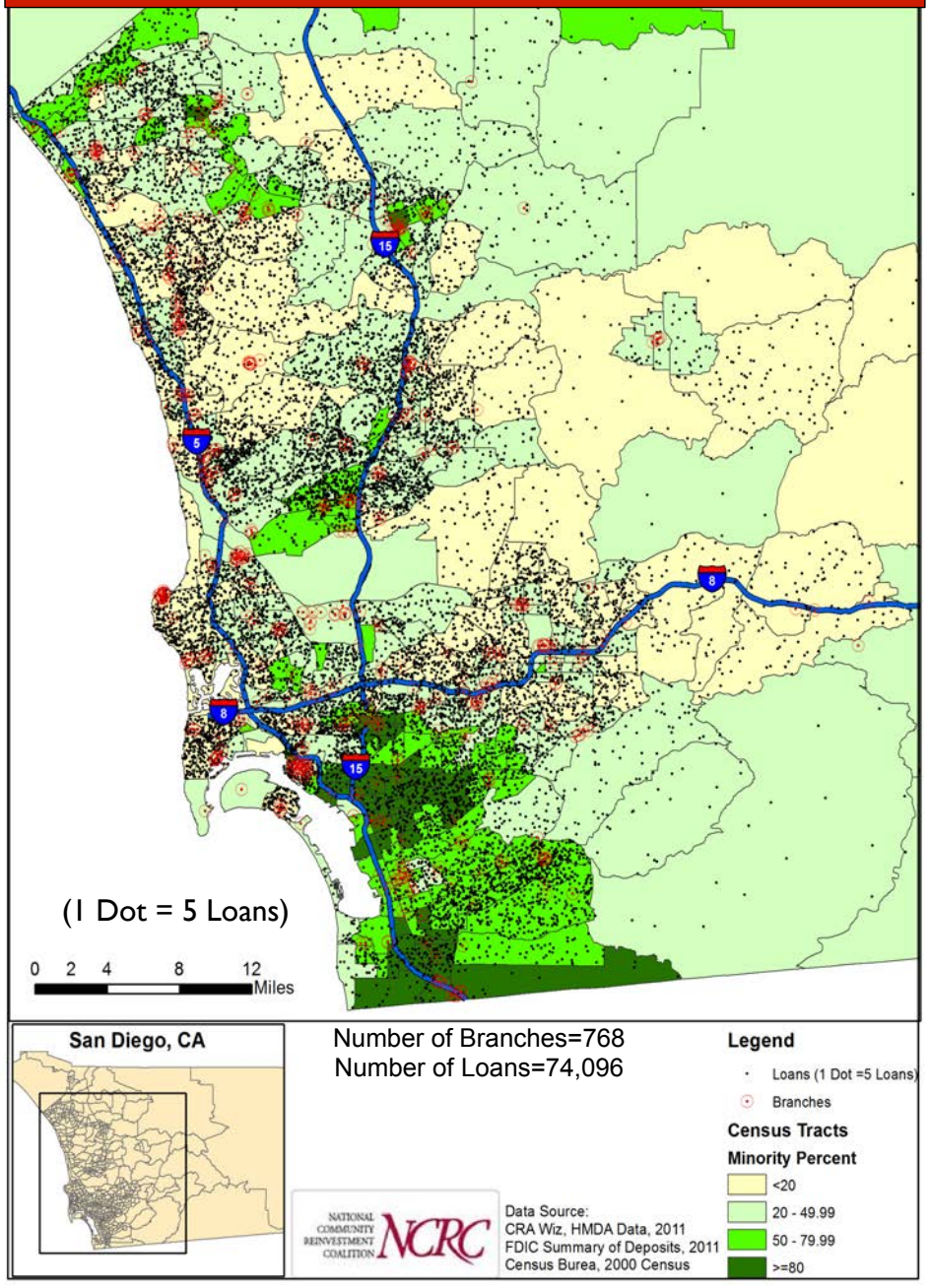




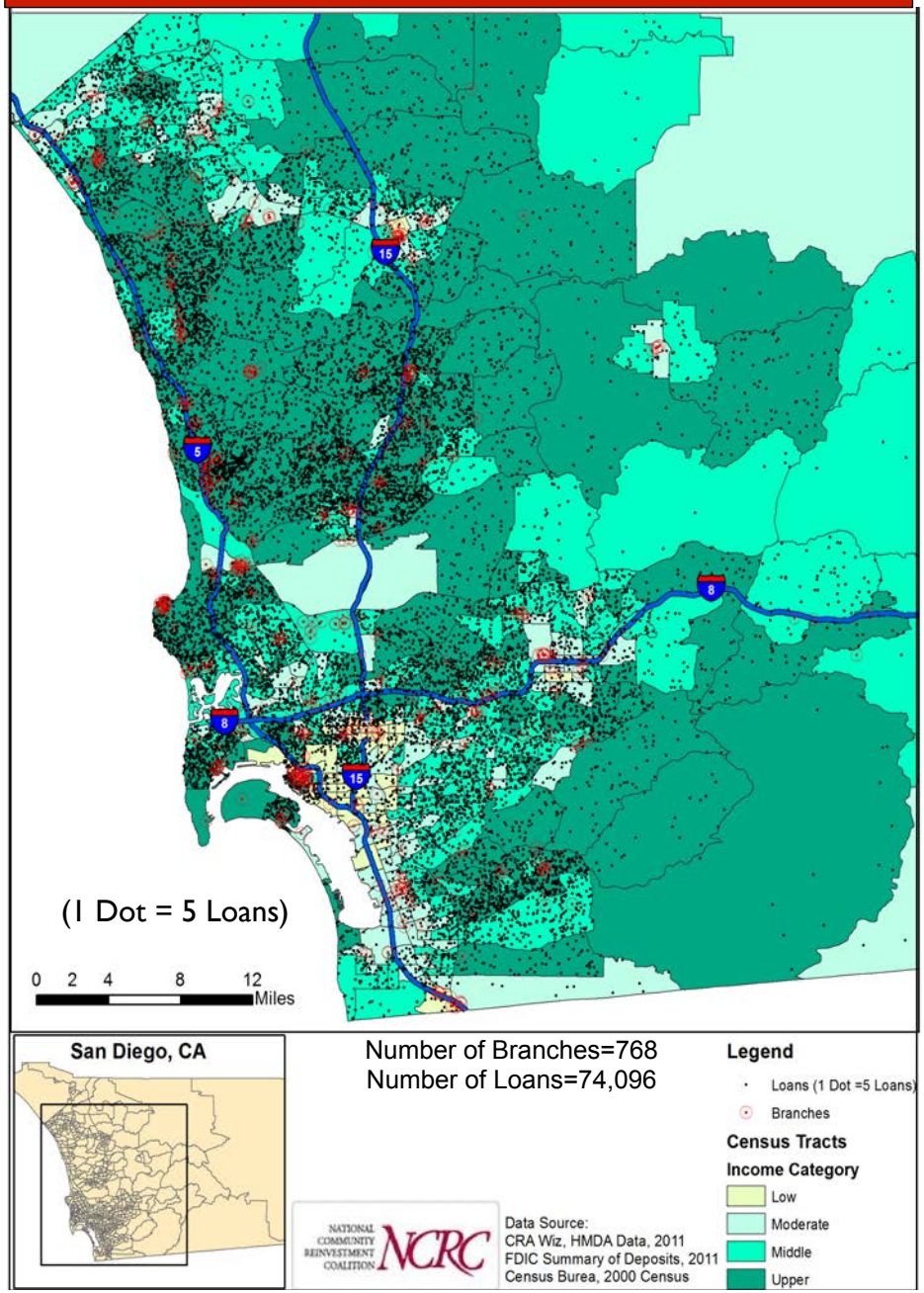




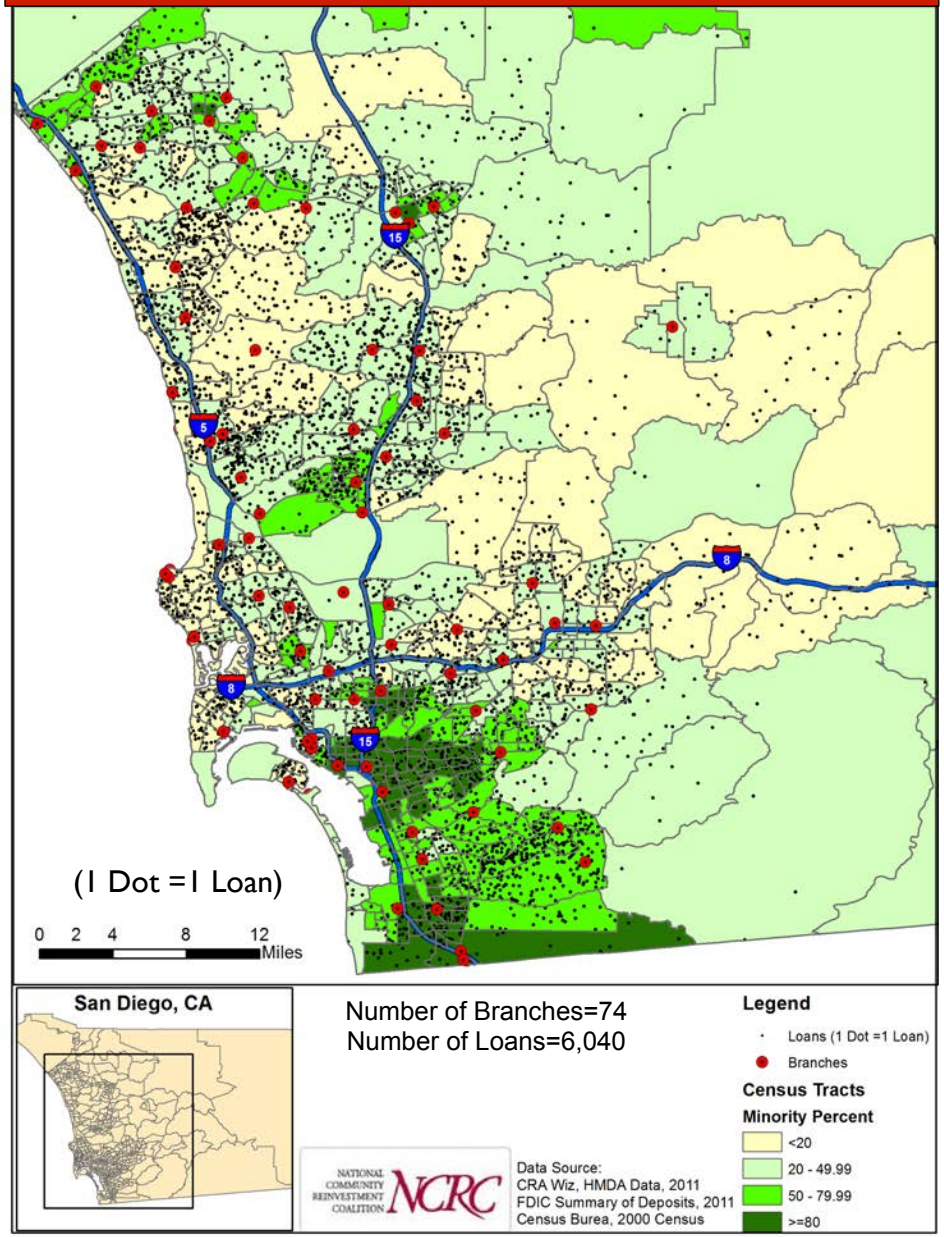
Distribution of All Branches and Prime Loans, by Census Tract Minority Percent, San Diego, CA, 2011



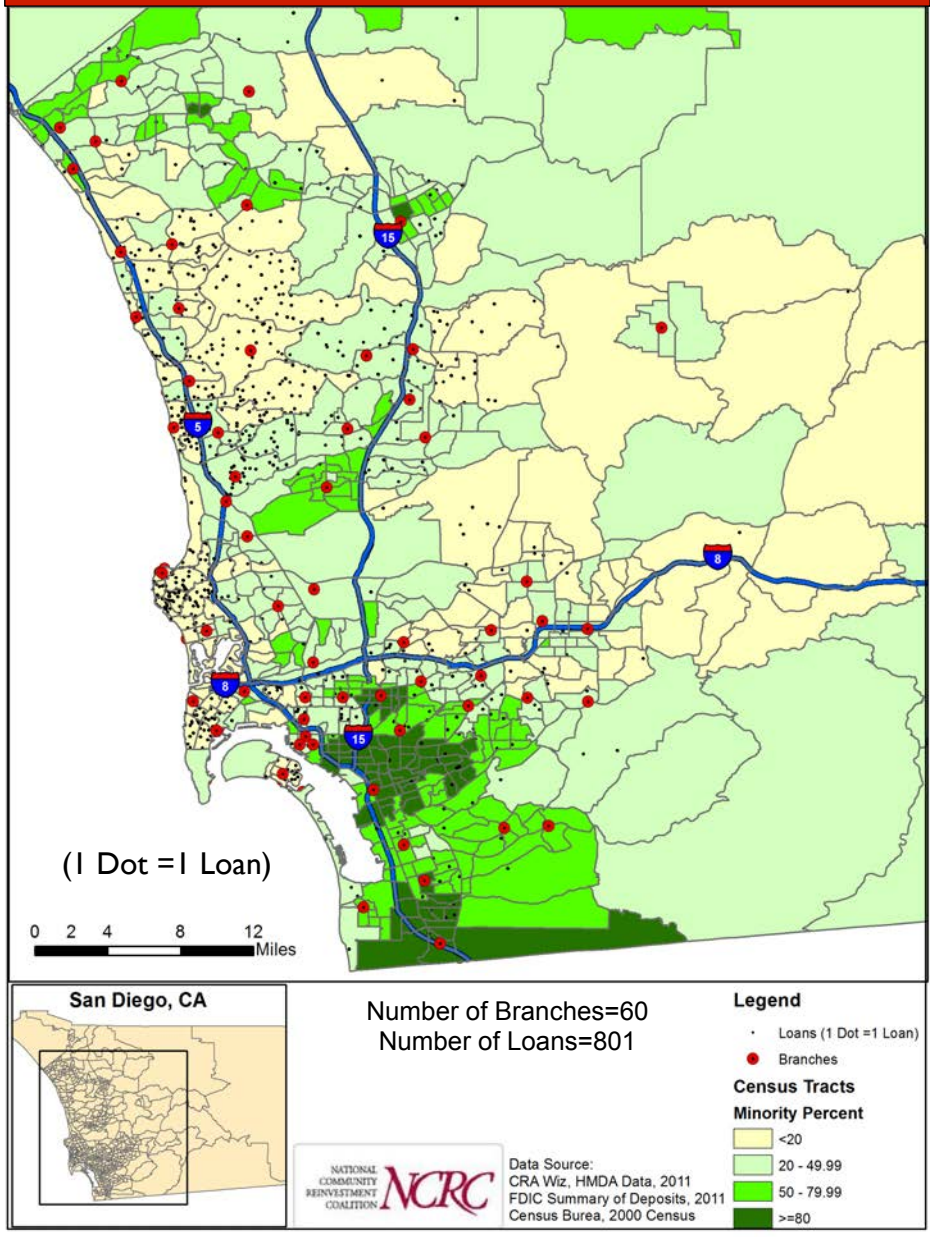
Distribution of All Branches and Prime Loans, by Census Tract Income Category, San Diego, CA, 2011



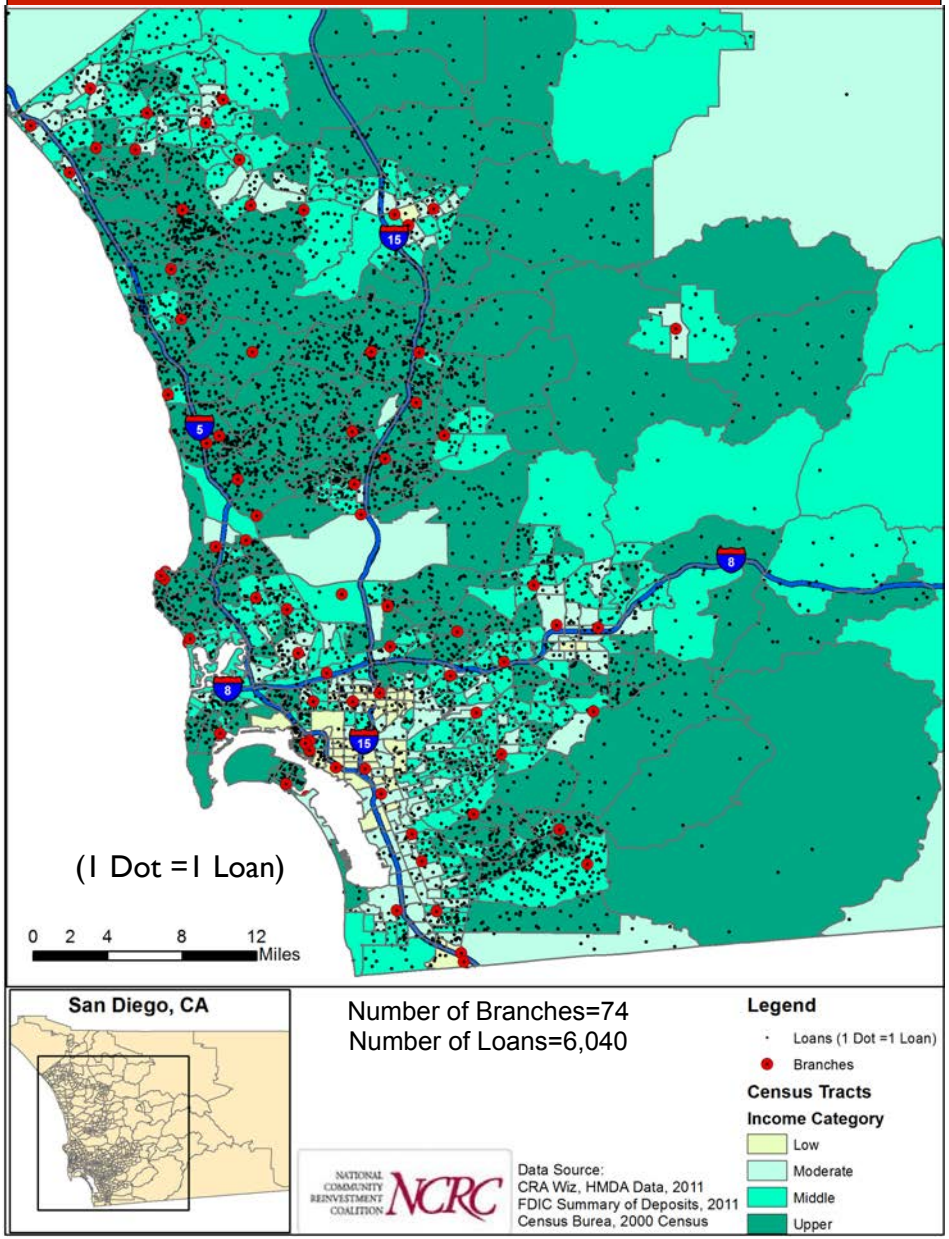
Distribution of Bank of America Branches and Prime Loans, by Census Tract Minority Percent, San Diego, CA, 2011



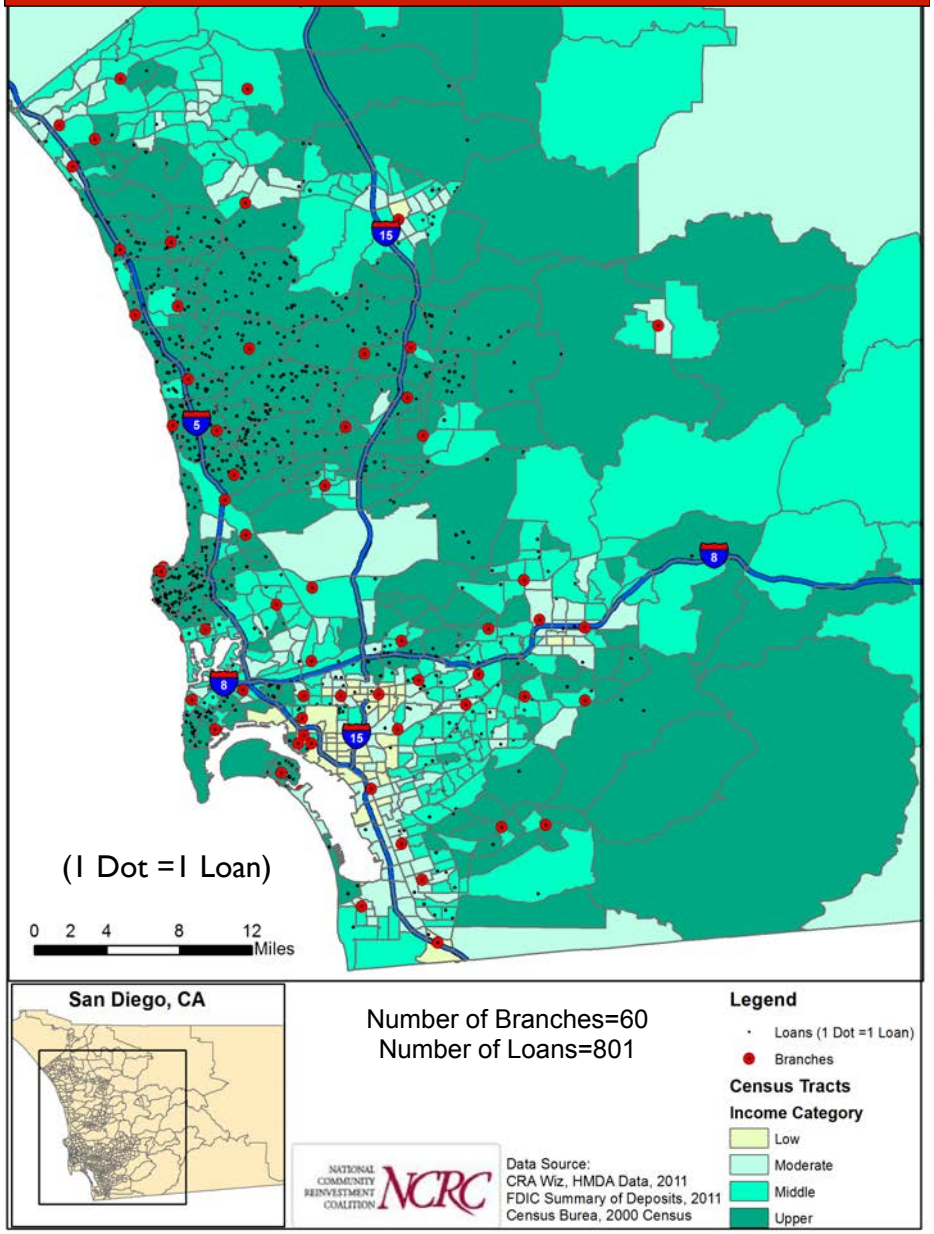
Distribution of Union Bank Branches and Prime Loans, by Census Tract Minority Percent, San Diego, CA, 2011



Distribution of Bank of America Branches and Prime Loans, by Census Tract Income Category, San Diego, CA, 2011



Distribution of Union Bank Branches and Prime Loans, by Census Tract Income Category, San Diego, CA, 2011



Small Business Lending Data

About Small Business Data

- Data disclosure required by the CRA regulation
  - The Community Reinvestment Act (CRA) requires certain lending institutions to make annual public disclosures of their small business, small farm, and community development lending
- Before 2005, all banks with more than $250 million in assets required to report
- After 2005, the threshold was moved up to $1 billion in assets

About Small Business Data

Data exist:

- On a county level for individual lender by census tracts combined into income groups
  - Example: Bank A issued X number of loans in all LMI census tracts combined in B county

- On a census tract & county level for all lenders as a group
  - Example: All lenders combined issued X number of loans in a ABC census tract

What Is In the Small Business Data

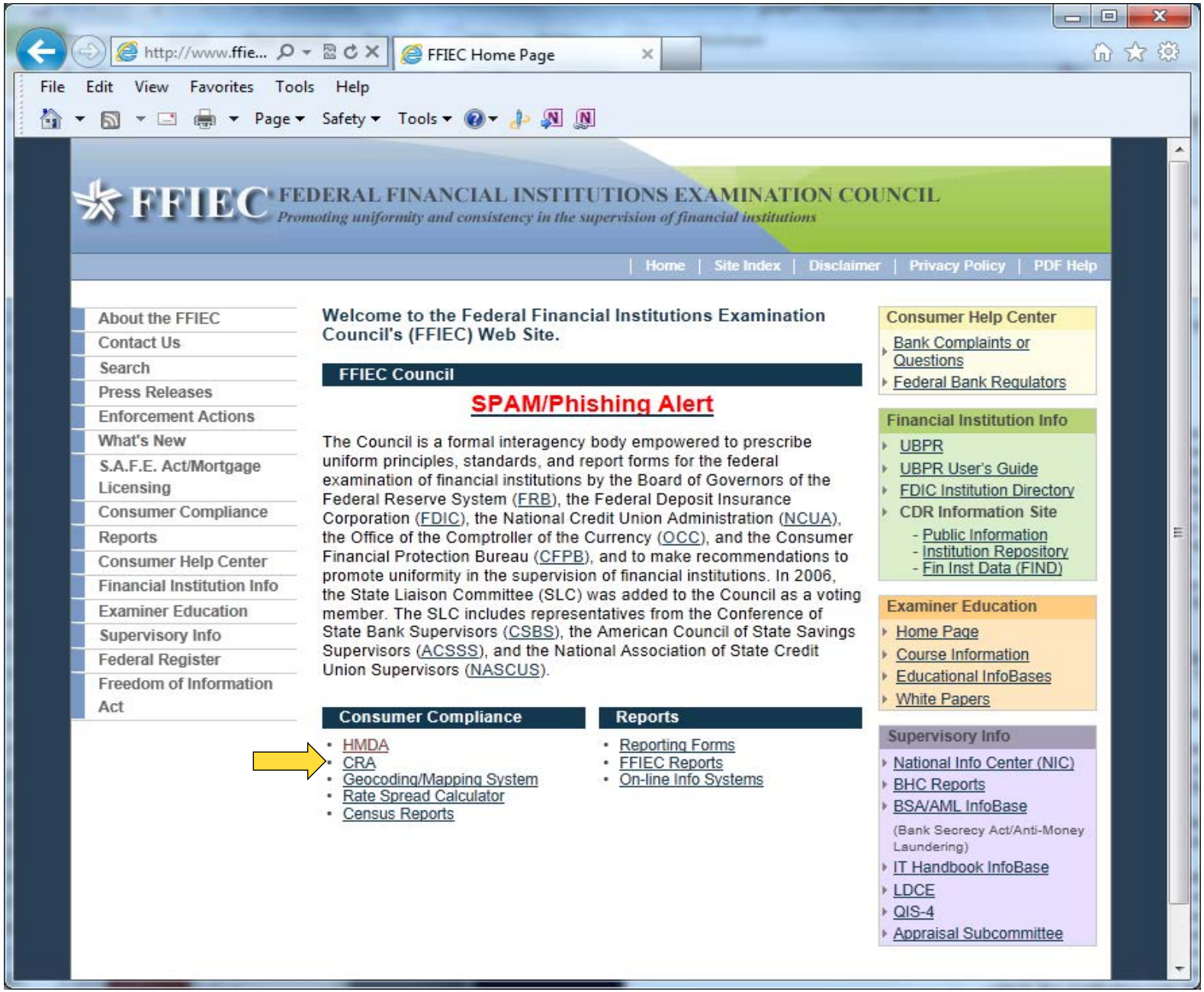
- # and $ of loans to small businesses:
  - By revenue size of the business
  - By the size of the loan
  - By the purpose of the loan – origination (primary market) vs. purchase (secondary market)
  - To farms vs. non-farm small businesses
  - *By the ownership status of the business (from NCRC)*
  - *By sector (from NCRC)*
  - *By size (number of employees) (from NCRC)*

CRA Small Business Data Limitations

No data available on:

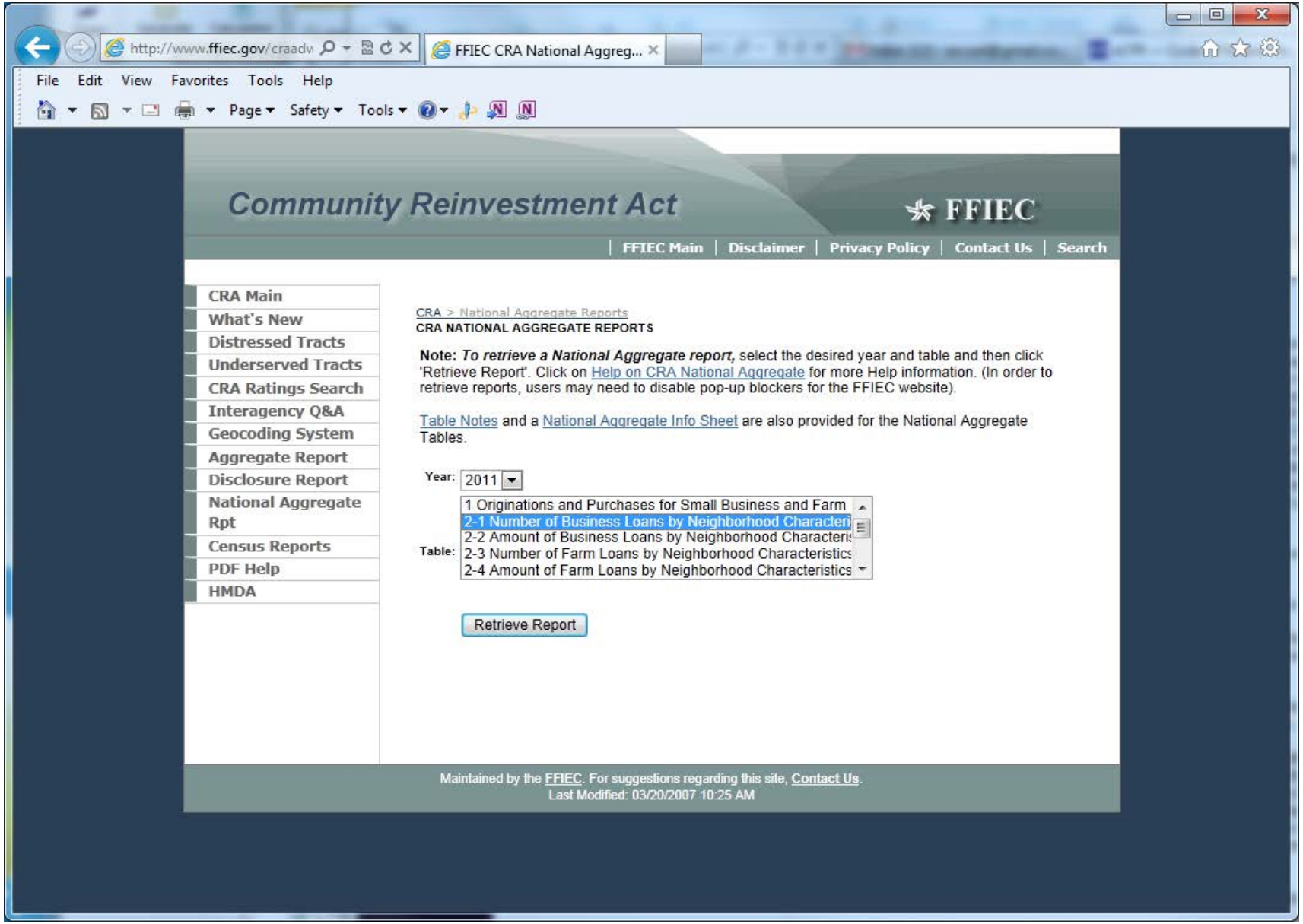
- an individual census tract level for individual banks
  - *Example:* you cannot get a number of loans issued by Bank *A* in *XYZ* census tract
- on minority or gender of small business owner
  - *Example:* you cannot get a number of loans issued to female-owned businesses or businesses owned by African-Americans or Hispanics

- Step 1: Got to www.ffiec.gov

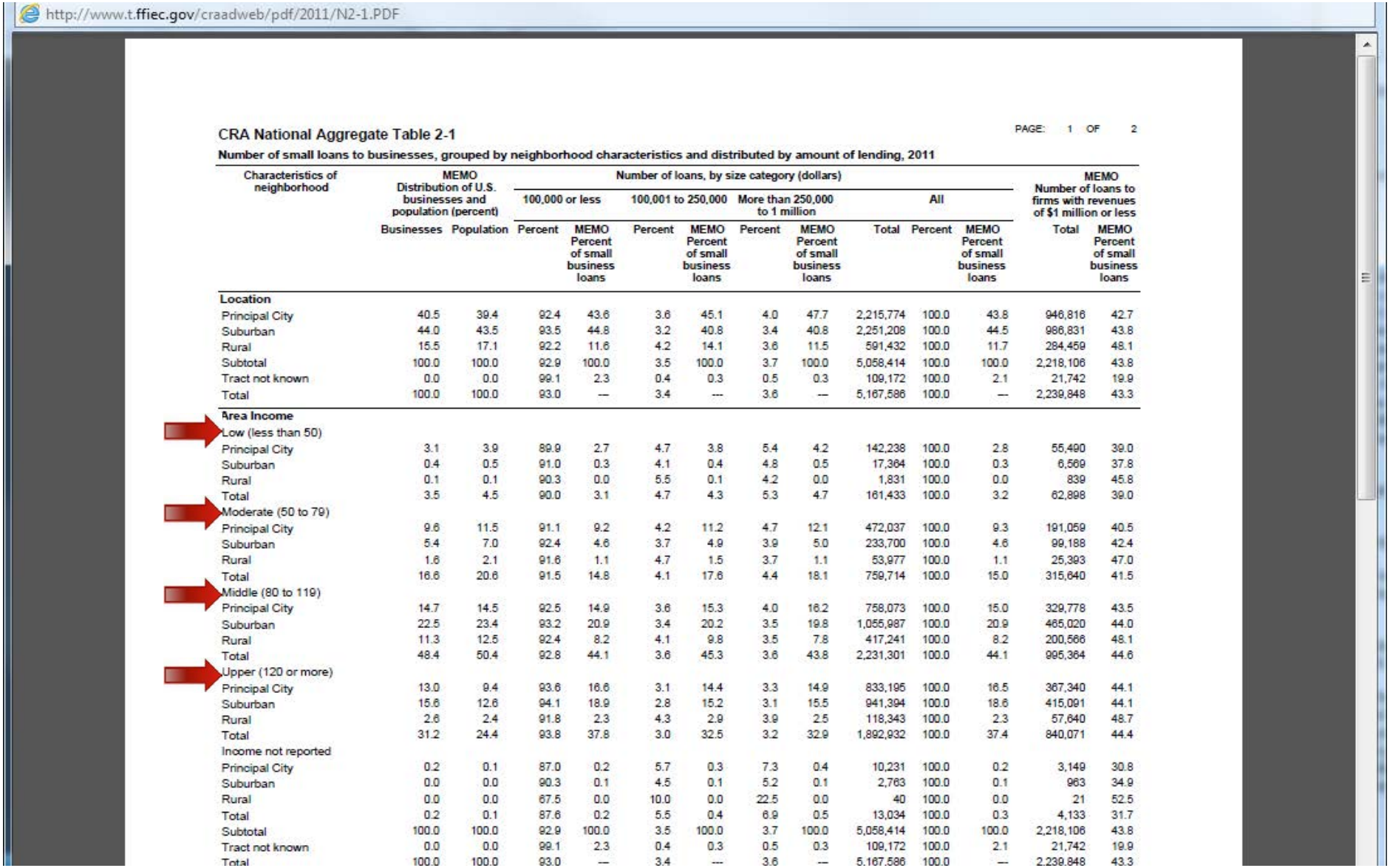


➢Step 2: Click on *CRA*, then *National Aggregate Report*

➢Step 3: Choose type of report: e.g., “Number of Business Loans by Neighborhood Characteristics”



Example: Table 2-1. Small Business Lending by Income Level of Tract (National)



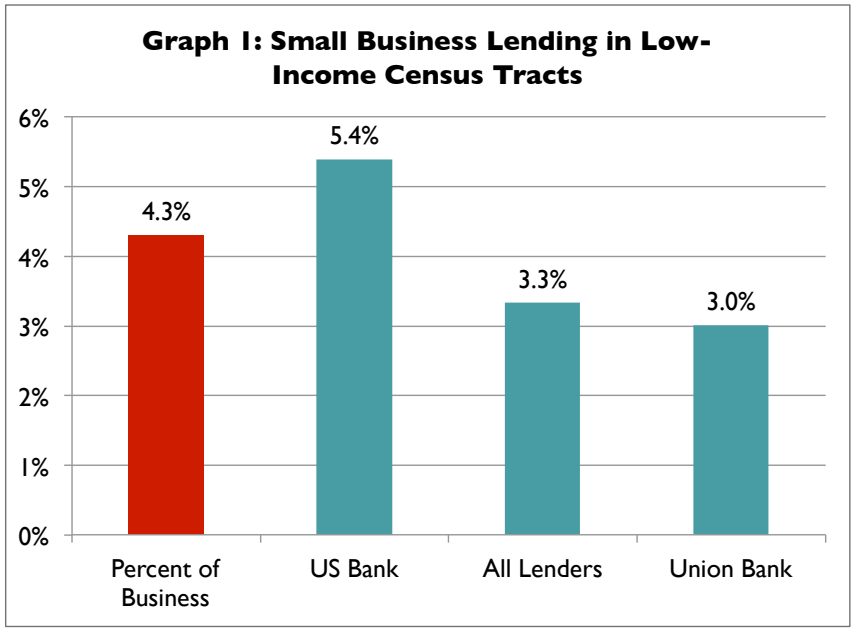
http://www.t.ffiec.gov/craadweb/pdf/2011/N2-1.PDF

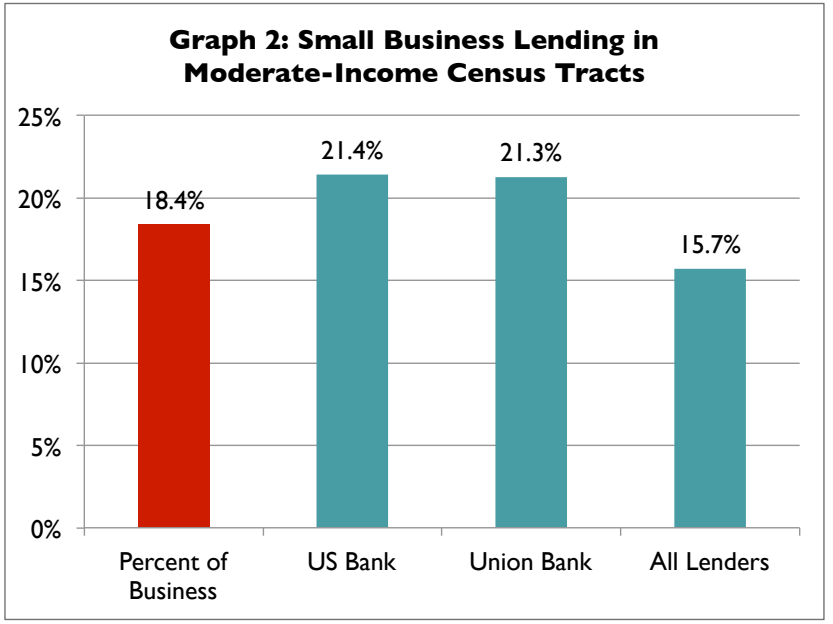
CRA National Aggregate Table 2-1

Number of small loans to businesses, grouped by neighborhood characteristics and distributed by amount of lending, 2011

Characteristics of neighborhood	MEMO Distribution of U.S. businesses and population (percent)		Number of loans, by size category (dollars)									MEMO Number of loans to firms with revenues of $1 million or less	
			100,000 or less		100,001 to 250,000		More than 250,000 to 1 million		All				
	Businesses	Population	Percent	MEMO Percent of small business loans	Percent	MEMO Percent of small business loans	Percent	MEMO Percent of small business loans	Total	Percent	MEMO Percent of small business loans	Total	MEMO Percent of small business loans
Location													
Principal City	40.5	39.4	92.4	43.6	3.6	45.1	4.0	47.7	2,215,774	100.0	43.8	946,816	42.7
Suburban	44.0	43.5	93.5	44.8	3.2	40.8	3.4	40.8	2,251,208	100.0	44.5	986,831	43.8
Rural	15.5	17.1	92.2	11.6	4.2	14.1	3.6	11.5	591,432	100.0	11.7	284,459	48.1
Subtotal	100.0	100.0	92.9	100.0	3.5	100.0	3.7	100.0	5,058,414	100.0	100.0	2,218,106	43.8
Tract not known	0.0	0.0	99.1	2.3	0.4	0.3	0.5	0.3	109,172	100.0	2.1	21,742	19.9
Total	100.0	100.0	93.0	---	3.4	---	3.6	---	5,167,586	100.0	---	2,239,848	43.3
Area Income													
Low (less than 50)													
Principal City	3.1	3.9	89.9	2.7	4.7	3.8	5.4	4.2	142,238	100.0	2.8	55,490	39.0
Suburban	0.4	0.5	91.0	0.3	4.1	0.4	4.8	0.5	17,364	100.0	0.3	6,569	37.8
Rural	0.1	0.1	90.3	0.0	5.5	0.1	4.2	0.0	1,831	100.0	0.0	839	45.8
Total	3.5	4.5	90.0	3.1	4.7	4.3	5.3	4.7	161,433	100.0	3.2	62,898	39.0
Moderate (50 to 79)													
Principal City	9.6	11.5	91.1	9.2	4.2	11.2	4.7	12.1	472,037	100.0	9.3	191,059	40.5
Suburban	5.4	7.0	92.4	4.6	3.7	4.9	3.9	5.0	233,700	100.0	4.6	99,188	42.4
Rural	1.6	2.1	91.6	1.1	4.7	1.5	3.7	1.1	53,977	100.0	1.1	25,393	47.0
Total	16.6	20.6	91.5	14.8	4.1	17.6	4.4	18.1	759,714	100.0	15.0	315,640	41.5
Middle (80 to 119)													
Principal City	14.7	14.5	92.5	14.9	3.6	15.3	4.0	16.2	758,073	100.0	15.0	329,778	43.5
Suburban	22.5	23.4	93.2	20.9	3.4	20.2	3.5	19.8	1,055,987	100.0	20.9	465,020	44.0
Rural	11.3	12.5	92.4	8.2	4.1	9.8	3.5	7.8	417,241	100.0	8.2	200,566	48.1
Total	48.4	50.4	92.8	44.1	3.6	45.3	3.6	43.8	2,231,301	100.0	44.1	995,364	44.6
Upper (120 or more)													
Principal City	13.0	9.4	93.6	16.6	3.1	14.4	3.3	14.9	833,195	100.0	16.5	367,340	44.1
Suburban	15.6	12.6	94.1	18.9	2.8	15.2	3.1	15.5	941,394	100.0	18.6	415,091	44.1
Rural	2.6	2.4	91.8	2.3	4.3	2.9	3.9	2.5	118,343	100.0	2.3	57,640	48.7
Total	31.2	24.4	93.8	37.8	3.0	32.5	3.2	32.9	1,892,932	100.0	37.4	840,071	44.4
Income not reported													
Principal City	0.2	0.1	87.0	0.2	5.7	0.3	7.3	0.4	10,231	100.0	0.2	3,149	30.8
Suburban	0.0	0.0	90.3	0.1	4.5	0.1	5.2	0.1	2,763	100.0	0.1	963	34.9
Rural	0.0	0.0	67.5	0.0	10.0	0.0	22.5	0.0	40	100.0	0.0	21	52.5
Total	0.2	0.1	87.6	0.2	5.5	0.4	6.9	0.5	13,034	100.0	0.3	4,133	31.7
Subtotal	100.0	100.0	92.9	100.0	3.5	100.0	3.7	100.0	5,058,414	100.0	100.0	2,218,106	43.8
Tract not known	0.0	0.0	99.1	2.3	0.4	0.3	0.5	0.3	109,172	100.0	2.1	21,742	19.9
Total	100.0	100.0	93.0	---	3.4	---	3.6	---	5,167,586	100.0	---	2,239,848	43.3

Application of Small Business Data:
San Diego MSA, CA, 2011





Data on Bank Branches

Data on Bank Branches:

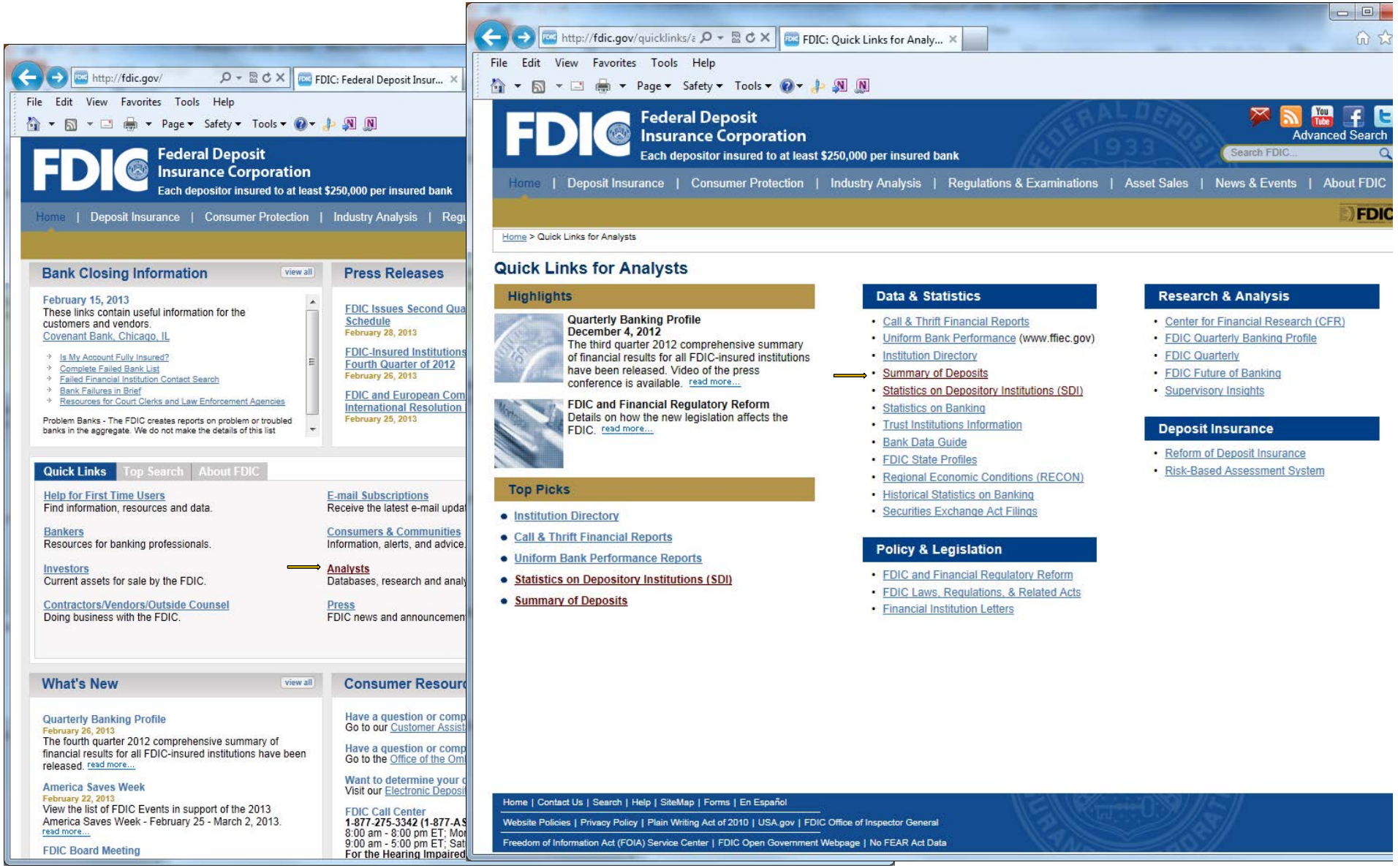
How is Bank Branch Data Useful

- Determine if branches are located in low-income and minority neighborhoods
- Examine trend data
- Leverage during bank mergers
- Leverage during CRA Exam of banks
- Fringe Banking (Check Cashers, Payday Lenders, Pawnshops, etc) exists in the absence of banks

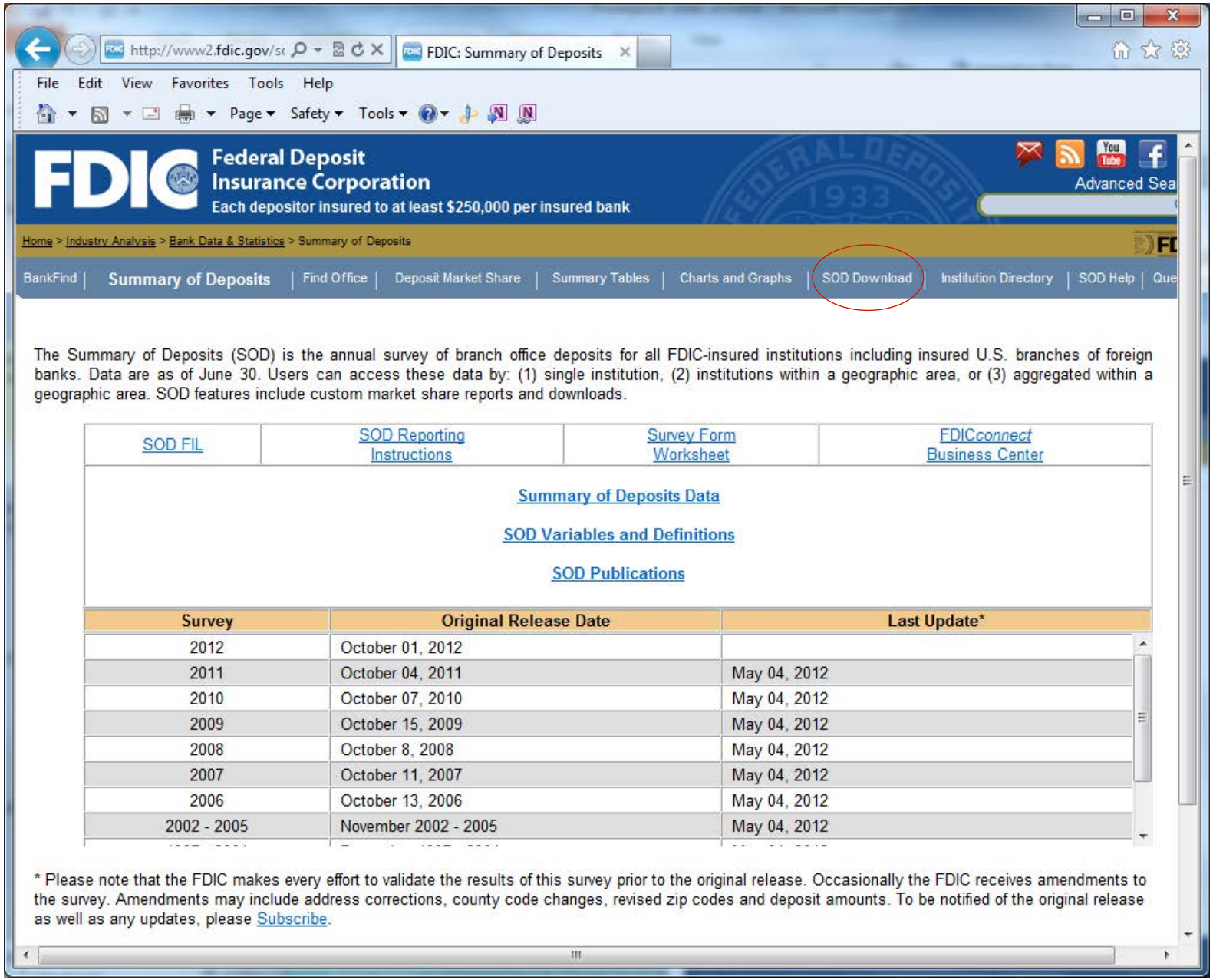
Where to Get Branch Data

Step 1: www.fdic.gov, click on Analysts

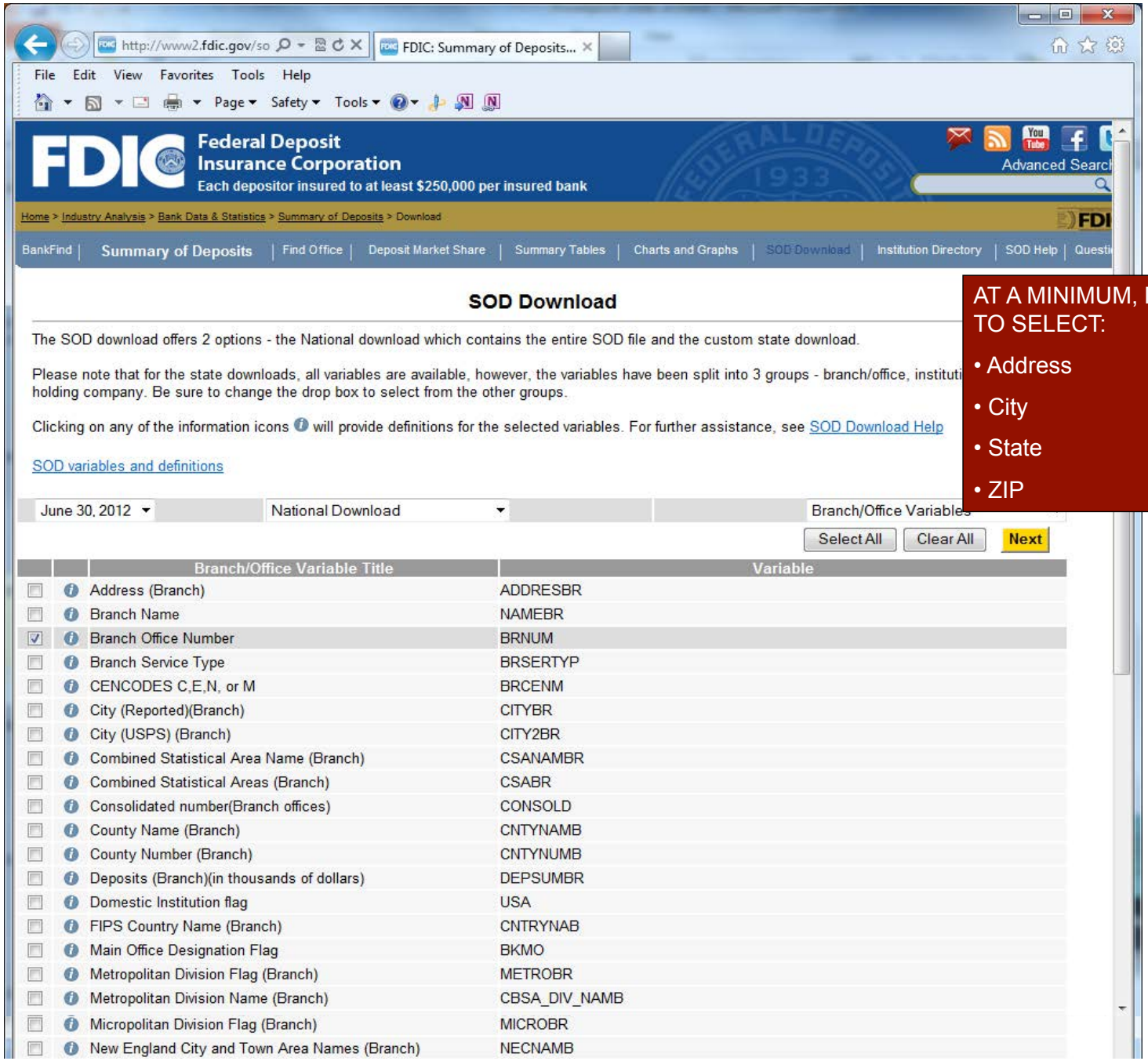
Step 2: Click on Summary of Deposits



Step 3: Click on *SOD Download*



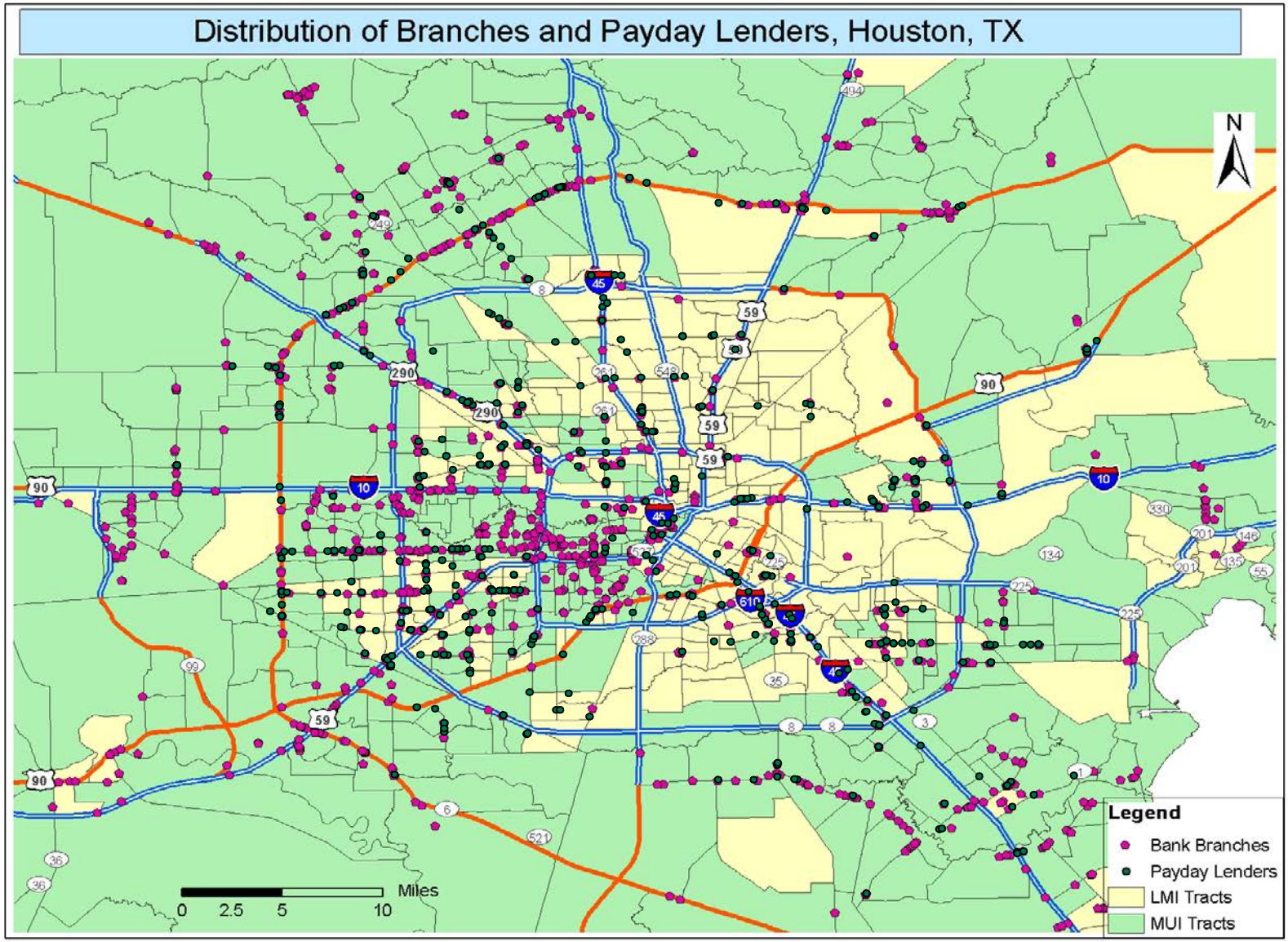
Obtaining Branch Data



AT A MINIMUM, MAKE SURE TO SELECT:

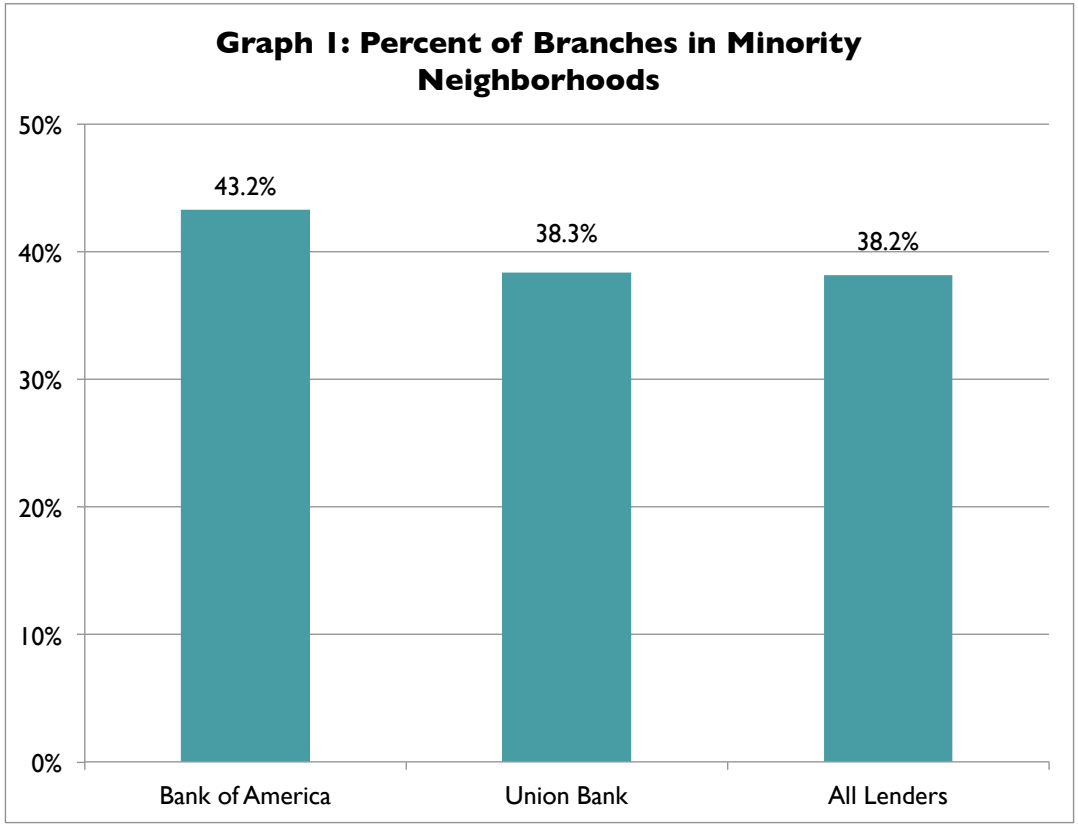
- Address
- City
- State
- ZIP

Step 3: Click on *Download*



Application of Branch Data

San Diego MSA, CA, 2011



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BUILDING COMMUNITY PROSPERITY FROM THE GROUND UP
2013 NCRC ANNUAL CONFERENCE • MARCH 20-23, 2013
NATIONAL COMMUNITY REINVESTMENT COALITION NCRC
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NCRC Analysis vs. FFIEC Analysis

NCRC* (using CRA Wiz*)

- NCRC staff assists you. Typically 1-2 week turnaround.
- We can pull home lending, small business lending & branching data
- We can pull data by nation, state, county, MSA or census tract
- We can provide spreadsheets, write ups, charts & maps using the data

FFIEC

- Do it yourself. You can pull the data up in minutes!
- You can pull home lending & small business lending
- You can pull home lending data by nation or MSA, or by county for small business data
- You can create spreadsheets & write ups using the data
- Customization of data is limited

To follow up with the speaker:

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www.ncrc.org

Presentations will be available at www.ncrc.org/conference/ by March 29, 2013