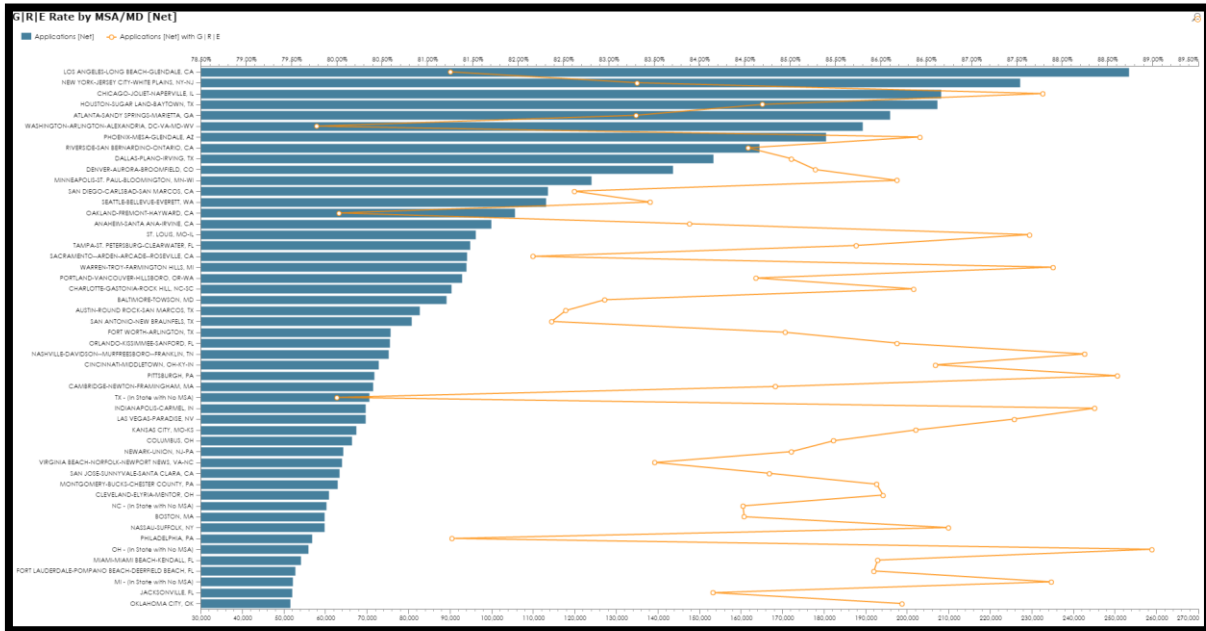


### Summary:

- Mortgage TrueView HMDA Insight Dashboards<sup>1</sup> show that the rate at which net adjusted applications<sup>2</sup> include applicant gender, race, and ethnicity rates vary in a given MSA compared to the overall rate of 85.60% (Chart 1)

Chart 1 | Gender, Race, and Ethnicity Rates by MSA/MD [ Net ] : Top 50 MSAs/MDs



- Gender, race, and ethnicity reporting rates and related variances show that it is essential to understand the MSA- and lender-specific gender, race, and ethnicity reporting rates to properly evaluate a lender's lending profile on a direct and comparative basis.

### Analysis:

Table 1 presents 2014 Action Taken and Aggregate gender, race and ethnicity data rates. These overall results indicate that:

- As expected, the gender, race, and ethnicity reporting rate is the highest for approved loans and the lowest for incomplete loans.
- The gender, race, and ethnicity reporting rates for denied and withdrawn rates are comparable, raising the issue of whether or not a written request for withdrawal was received before a credit decision was made.
- The gender, race, and ethnicity reporting rates for incomplete and withdrawn applications highlights the challenge in evaluating a lender's fair lending profile for these applications.

Table 1 | 2014 Gender, Race & Ethnicity Summary

Action Taken	G	G R	G R E
Approved	93.17%	88.93%	87.80%
Denied	90.62%	84.46%	82.36%
Incomplete	85.35%	77.33%	75.92%
Withdrawn	89.58%	82.45%	81.18%
Aggregate	92.01%	86.95%	85.60%

<sup>1</sup> Mortgage TrueView dashboards can be accessed by 2015 HMDA Survey participants using their complementary access credentials. Non-participants may obtain credentials by sending a request to [hmda@mortgagetrueview.com](mailto:hmda@mortgagetrueview.com).

<sup>2</sup> Net adjusted applications exclude Loans Purchased and the reclassification of loans with Denial Reason Code 7 as Incomplete Action Taken.

Table 2 highlights gender, race, and ethnicity reporting rates, exclusive of Puerto Rican<sup>3</sup> MSAs, for the indicated Action Taken categories.

Table 2 | Gender, Race, and Ethnicity Reporting Rates for Selected Segments [2014]

Action Taken Category	Segment	Rank	MSA	Total Applications	G R E Rate
Approved	Top 20 MSA	Highest	ST. LOUIS, MO-IL	65,242	89.57%
Approved	Top 20 MSA	Lowest	WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV	122,094	80.32%
Approved	All (Excluding Puerto Rico)	Highest	LOGAN, UT-ID	2,739	95.25%
Approved	All (Excluding Puerto Rico)	Lowest	MORGANTOWN, WV	2,608	80.14%
Denied	Top 20 MSA	Highest	CHICAGO-JOLIET-NAPERVILLE, IL	41,081	85.47%
Denied	Top 20 MSA	Lowest	SAN ANTONIO-NEW BRAUNFELS, TX	17,934	76.30%
Denied	All (Excluding Puerto Rico)	Highest	TERRE HAUTE, IN	1,282	91.58%
Denied	All (Excluding Puerto Rico)	Lowest	GREENVILLE, NC	1,045	69.57%
Incomplete	Top 20 MSA	Highest	CHICAGO-JOLIET-NAPERVILLE, IL	7,981	81.87%
Incomplete	Top 20 MSA	Lowest	SACRAMENTO-ARDEN-ARCADE-ROSEVILLE, CA	5,061	66.27%
Incomplete	All (Excluding Puerto Rico)	Highest	POCATELLO, ID	54	96.30%
Incomplete	All (Excluding Puerto Rico)	Lowest	VISALIA-PORTERVILLE, CA	483	64.39%
Withdrawn	Top 20 MSA	Highest	MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI	12,969	85.94%
Withdrawn	Top 20 MSA	Lowest	OAKLAND-FREMONT-HAYWARD, CA	12,814	75.36%
Withdrawn	All (Excluding Puerto Rico)	Highest	KOKOMO, IN	267	95.13%
Withdrawn	All (Excluding Puerto Rico)	Lowest	OAKLAND-FREMONT-HAYWARD, CA	12,814	75.36%

This table demonstrates a number of key issues including:

- The evaluation of a lender’s fair lending profile is more problematic – and perhaps impossible – in MSAs/MDs where the overall rate of gender, race, and ethnicity reporting is below a standard threshold.
- Lenders with gender, race, and ethnicity reporting rates below the average for an MSA are likely to attract the attention of regulators. Perhaps more important, lenders lack relevant demographic information to grow their business.
- Lenders with gender, race, and ethnicity reporting rates above the average for an MSA face a risk/reward paradox – higher gender, race, and ethnicity reporting rates result in greater scrutiny of their lending while the lending profile for lenders with lower gender, race, and ethnicity reporting rates is less certain therefore lowering the likelihood that the heightened scrutiny will yield a favorable reaction from regulators and other stakeholders.

\* \* \* \* \*

Our next HMDA Insight will provide further insight in gender, race, and ethnicity reporting by presenting instances of data issues not detected through HMDA validity and quality edit checks performed by the Federal Financial Institutions Examination Council at the time lenders submit their data.

*“It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts.”* – The Adventures of Sherlock Holmes, A Scandal in Bohemia

<sup>3</sup> Gender, race, and ethnicity reporting rates for Puerto Rican MSAs range from 95% to 99%.