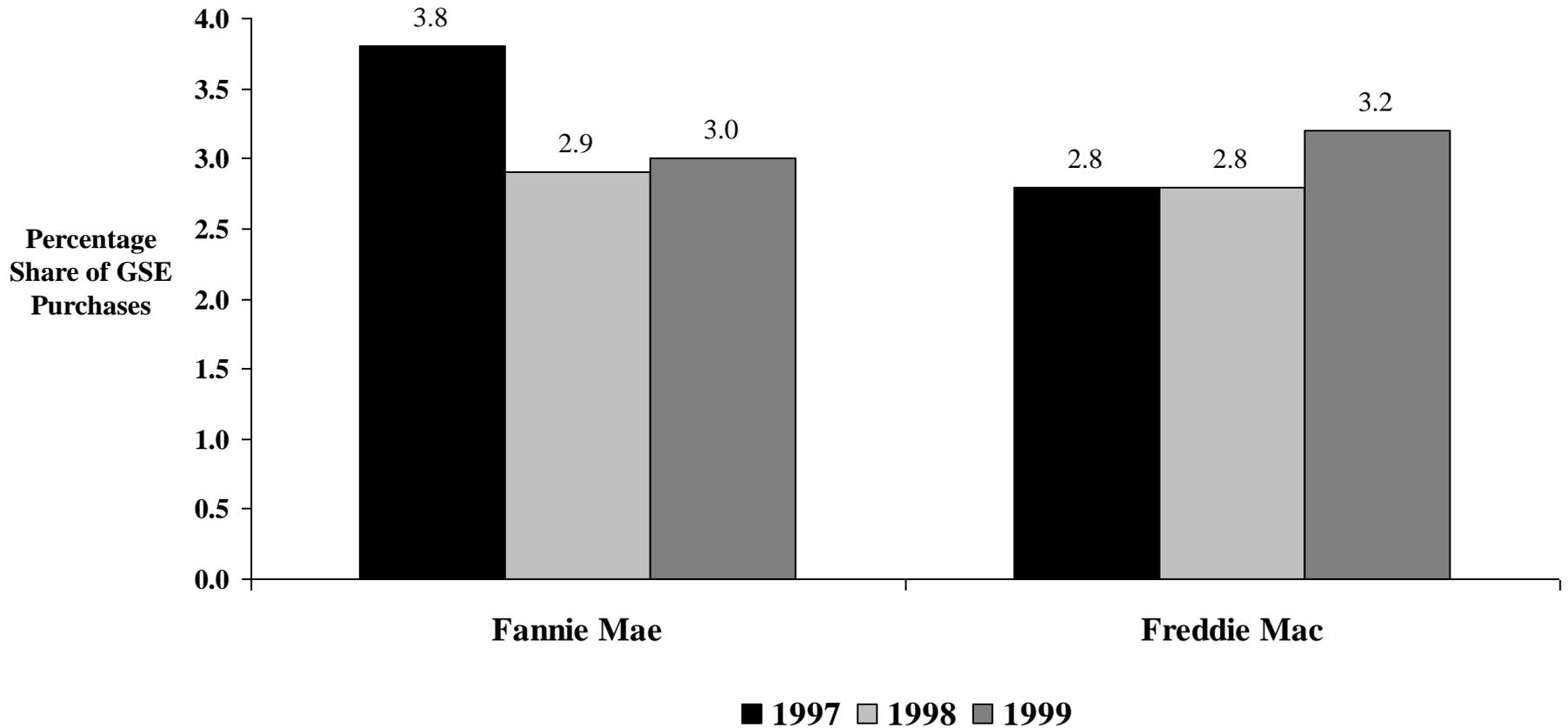


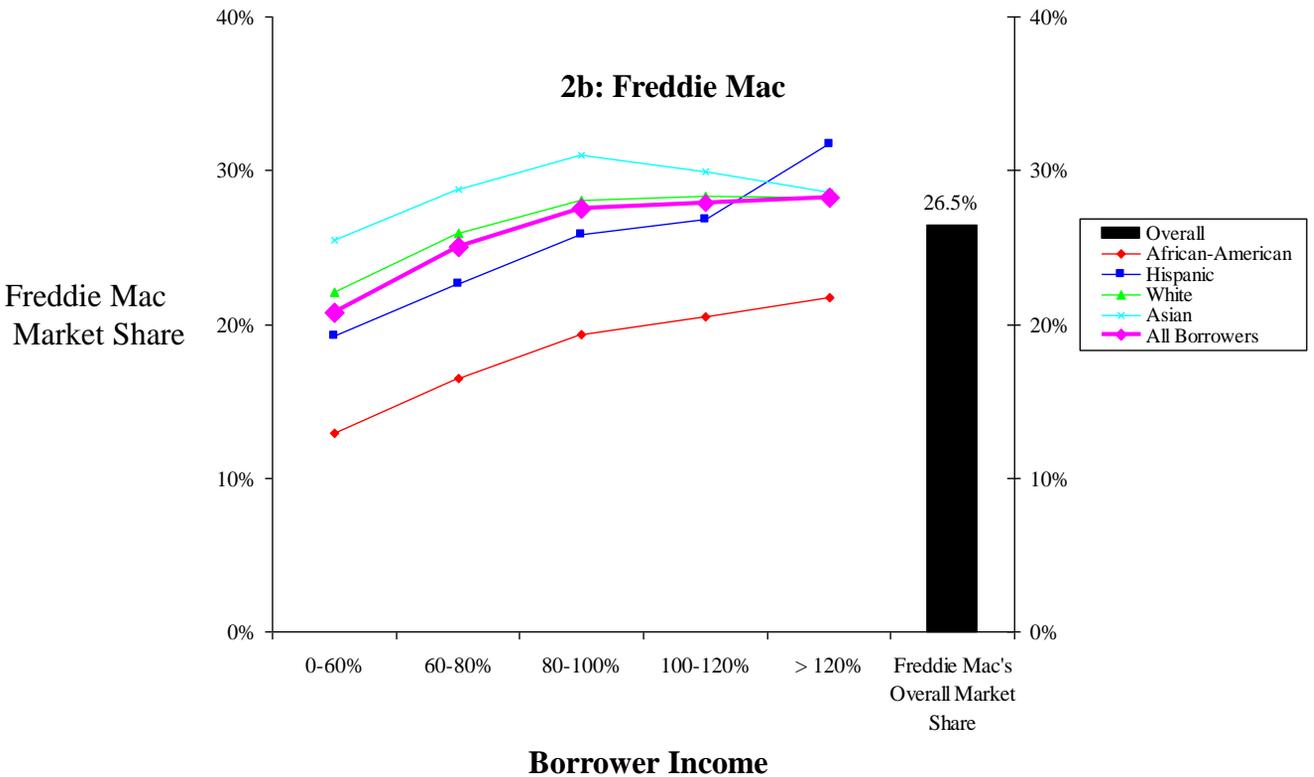
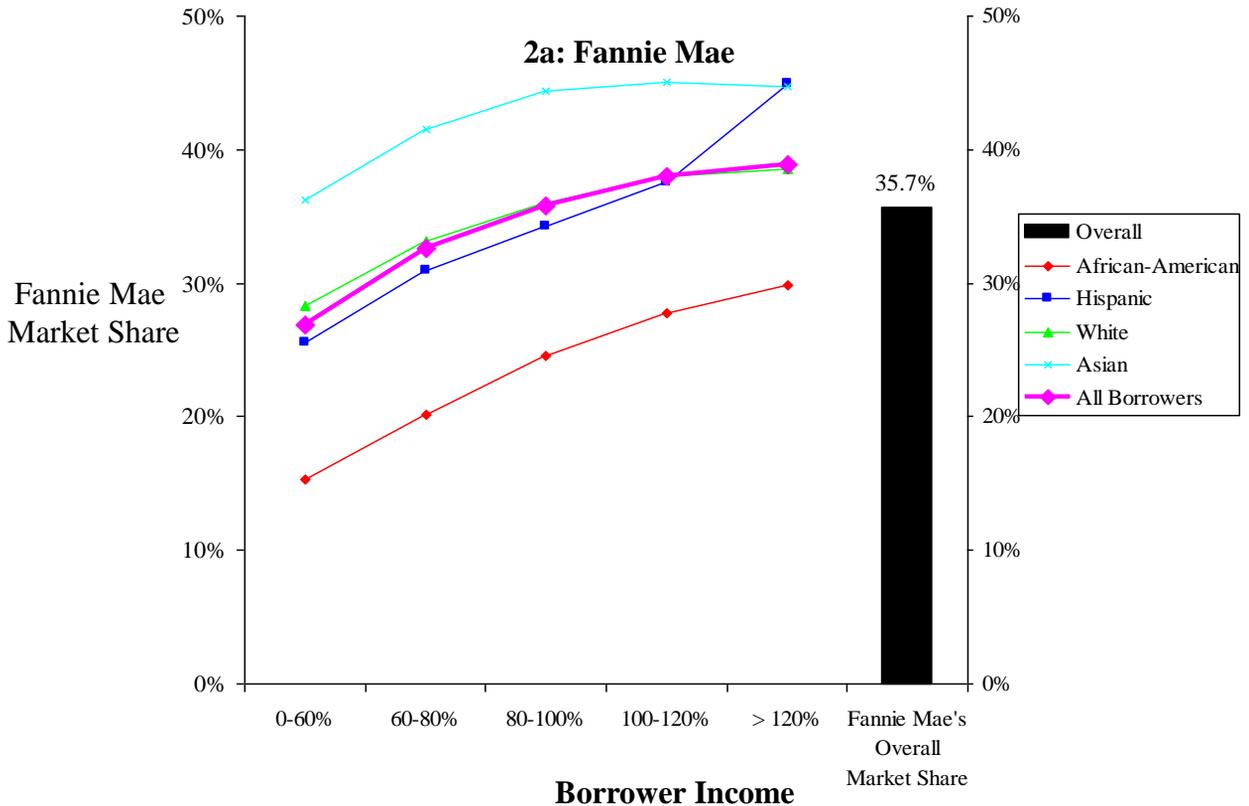
**Figure 1**  
**Trends in the Share of GSE Purchases of Mortgages for African-American Borrowers, 1997-1999**



Source: Tables 2a-2c

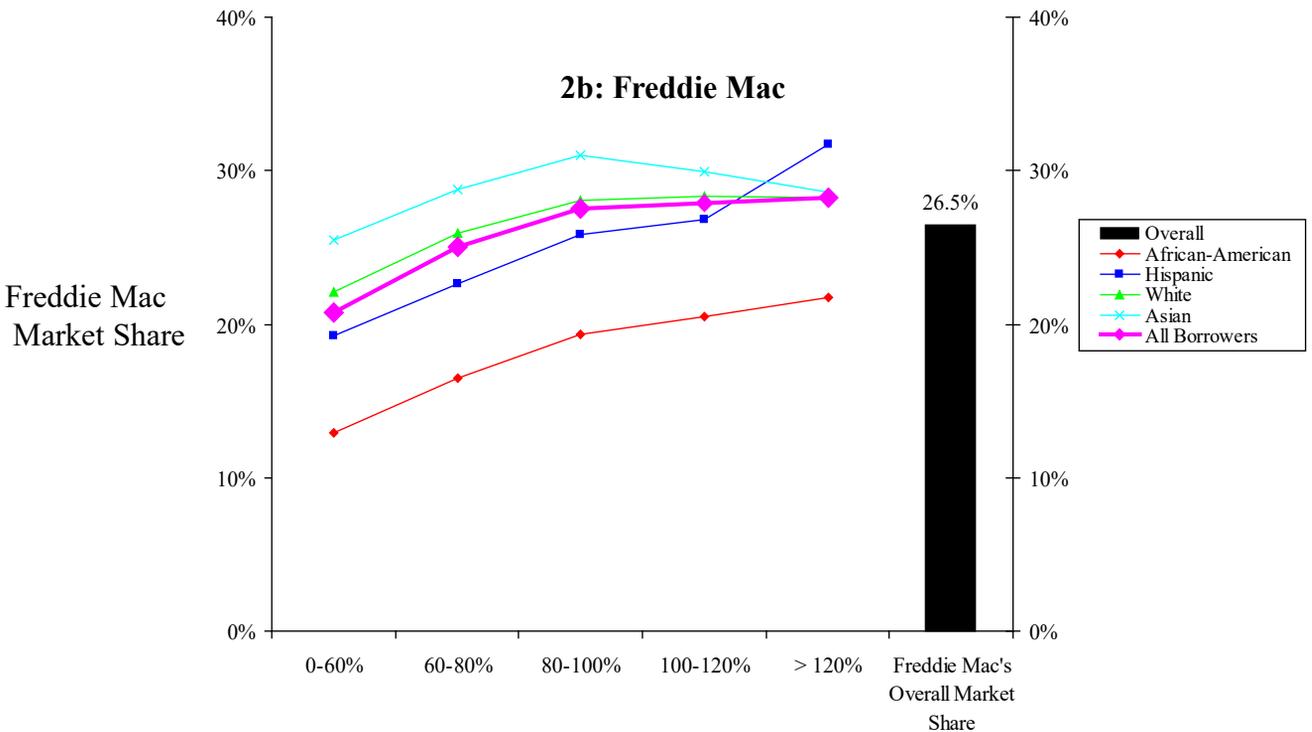
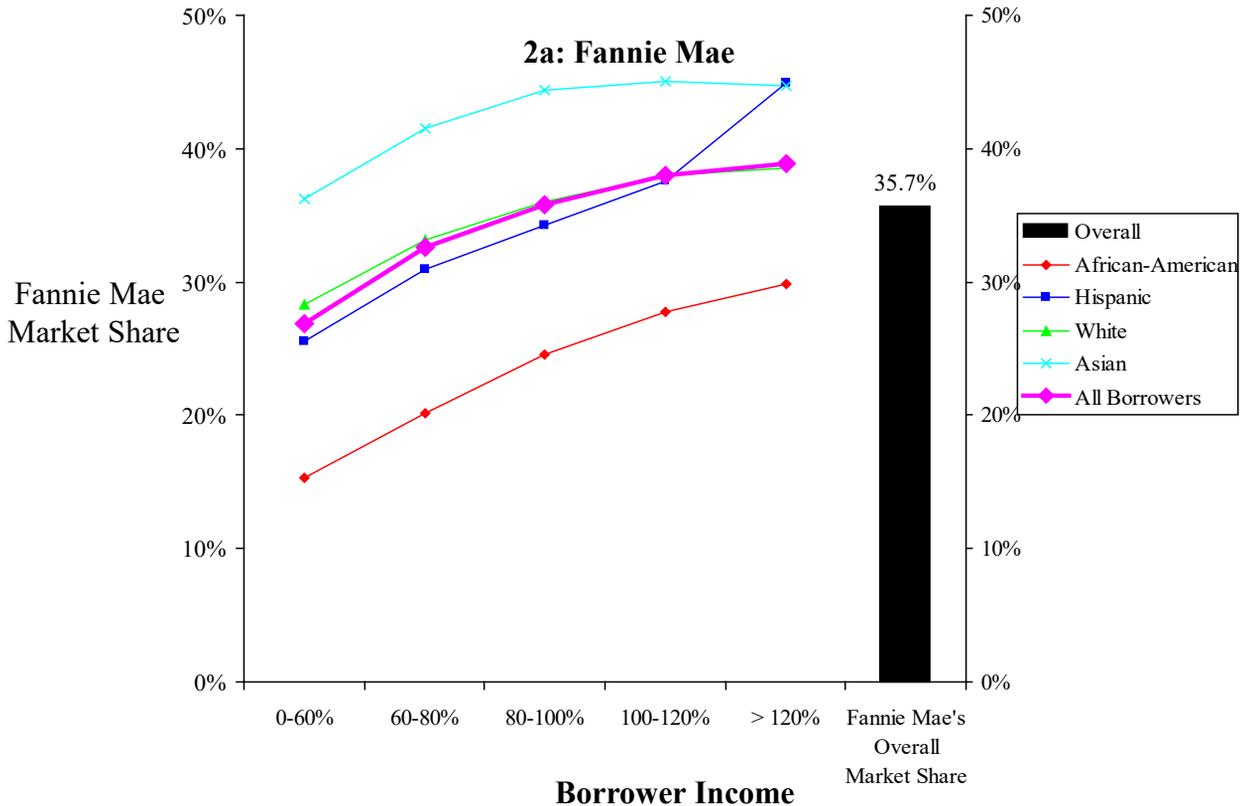
# Figure 2

## GSEs' Market Shares by Race/Ethnicity and Income of Borrower, 1999



Notes: Source is Table 8a. 35.7% and 26.5% represent the overall market share for Fannie Mae and Freddie Mac, respectively. Borrower income is expressed relative to area median income (AMI).

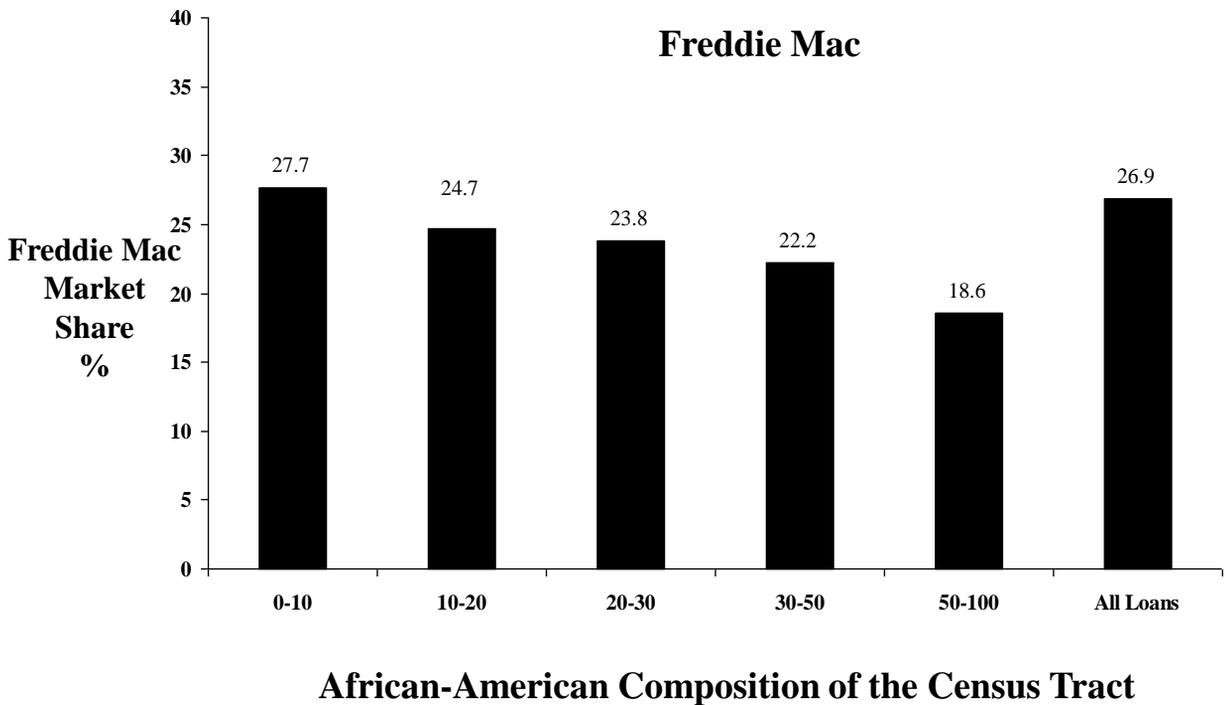
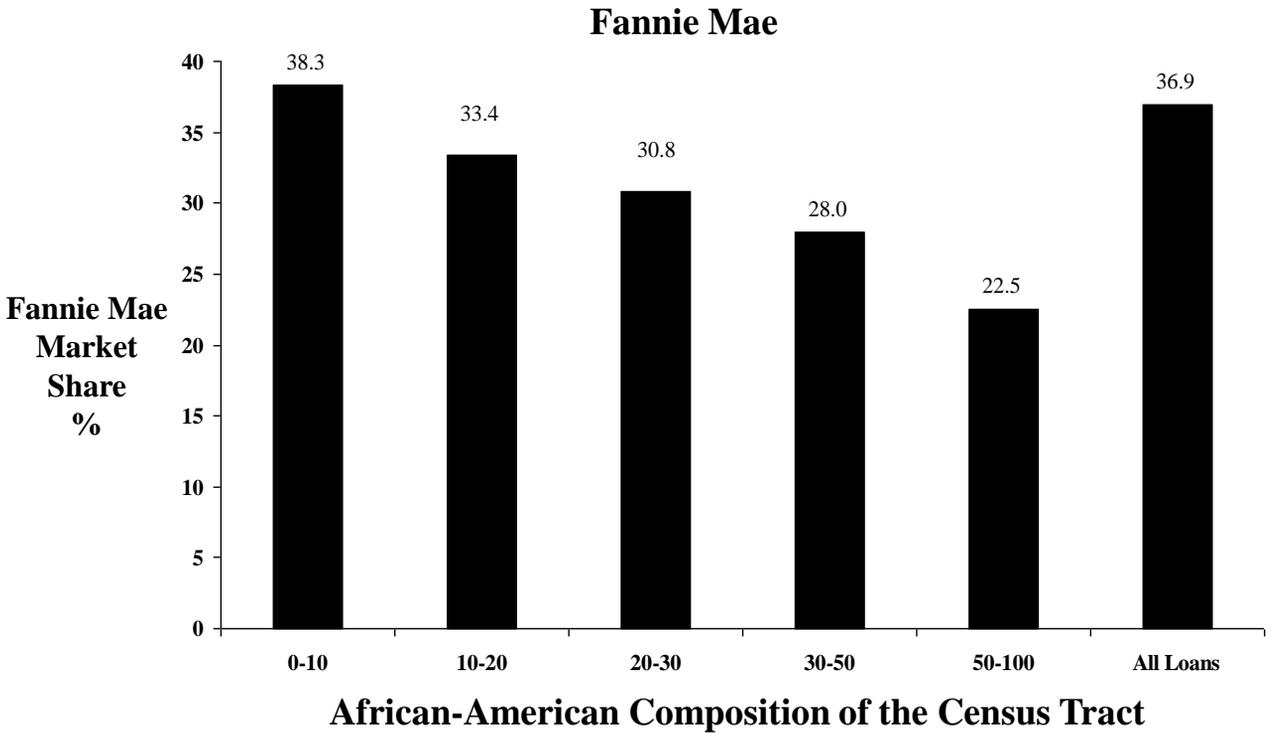
**Figure 2**  
**GSEs' Market Shares by Race/Ethnicity and**  
**Income of Borrower, 1999**



**Borrower Income**

Notes: Source is Table 8a. 35.7% and 26.5% represent the overall market share for Fannie Mae and Freddie Mac, respectively. Borrower income is expressed relative to area median income (AMI).

**Figure 3**  
**GSE Share of Mortgage Market in**  
**African-American Census Tracts in**  
**Metropolitan Areas, 1999\***



\* Conventional conforming market does not include estimated B&C loans. See Table 9b.

**Table 2a**

**GSEs' Purchases of Single-Family Owner-Occupied 1-Unit Mortgages  
by Race and Ethnicity of the Borrower, 1999**

<b>Race/Ethnicity</b>	<b>Fannie Mae Purchases</b>		<b>Freddie Mac Purchases</b>		<b>GSE Purchases</b>	
American Indian/ Alaskan Native	7,920	0.4%	5,884	0.4%	13,804	0.4%
Asian/ Pacific Islander	81,938	3.9%	58,722	3.5%	140,660	3.8%
African American	63,016	3.0%	53,491	3.2%	116,507	3.1%
Hispanic	103,213	5.0%	80,837	4.9%	184,050	4.9%
Other	46,038	2.2%	19,073	1.1%	65,111	1.7%
<b>Minority Total</b>	<b>302,125</b>	<b>14.6%</b>	<b>218,007</b>	<b>13.1%</b>	<b>520,132</b>	<b>13.9%</b>
White	1,772,478	85.4%	1,440,960	86.9%	3,213,438	86.1%
Not Available/Missing	371,515		286,556		658,071	
<b>Total</b>	<b>2,446,118</b>	<b>100.0%</b>	<b>1,945,523</b>	<b>100.0%</b>	<b>4,391,641</b>	<b>100.0%</b>

Notes: GSE loan-level data include both home purchase and refinance loans on owner-occupied one-unit properties. GSE purchases of FHA-insured mortgages are excluded. The race/ethnicity classification is based on the race/ethnicity of the primary borrower. Percentages exclude Not Available/Missing data.

**Table 2b**

**GSEs' Purchases of Single-Family Owner-Occupied 1-Unit Mortgages  
by Race and Ethnicity of the Borrower, 1998**

<u>Race/Ethnicity</u>	<u>Fannie Mae Purchases</u>		<u>Freddie Mac Purchases</u>		<u>GSE Purchases</u>	
American Indian/ Alaskan Native	10,415	0.4%	6,852	0.3%	17,267	0.4%
Asian/ Pacific Islander	100,471	3.7%	62,033	2.9%	162,504	3.4%
African American	77,919	2.9%	58,325	2.8%	136,244	2.8%
Hispanic	114,830	4.3%	79,907	3.8%	194,737	4.1%
Other	31,128	1.2%	20,098	1.0%	51,226	1.1%
<b>Minority Total</b>	<b>334,763</b>	<b>12.4%</b>	<b>227,215</b>	<b>10.8%</b>	<b>561,978</b>	<b>11.7%</b>
White	2,355,625	87.6%	1,878,543	89.2%	4,234,168	88.3%
Not Available/Missing	327,757		231,468		559,225	
<b>Total</b>	<b>3,018,145</b>	<b>100.0%</b>	<b>2,337,226</b>	<b>100.0%</b>	<b>5,355,371</b>	<b>100.0%</b>

Notes: GSE loan-level data include both home purchase and refinance loans on owner-occupied one-unit properties. GSE purchases of FHA-insured mortgages are excluded. The race/ethnicity classification is based on the race/ethnicity of the primary borrower. Percentages exclude Not Available/Missing data.

**Table 2c**

**GSEs' Purchases of Single-Family Owner-Occupied 1-Unit Mortgages  
by Race and Ethnicity of the Borrower, 1997**

<b>Race/Ethnicity</b>	<b>Fannie Mae Purchases</b>		<b>Freddie Mac Purchases</b>		<b>GSE Purchases</b>	
American Indian/ Alaskan Native	4,925	0.4%	3,121	0.3%	8,046	0.4%
Asian/ Pacific Islander	51,426	4.0%	27,826	3.0%	79,252	3.6%
African American	48,623	3.8%	25,665	2.8%	74,288	3.3%
Hispanic	66,138	5.1%	37,490	4.0%	103,628	4.7%
Other	17,056	1.3%	10,607	1.1%	27,663	1.2%
<b>Minority Total</b>	<b>188,168</b>	<b>14.5%</b>	<b>104,709</b>	<b>11.3%</b>	<b>292,877</b>	<b>13.2%</b>
White	1,105,160	85.5%	822,389	88.7%	1,927,549	86.8%
Not Available/Missing	172,590		102,962		275,552	
<b>Total</b>	<b>1,465,918</b>	<b>100.0%</b>	<b>1,030,060</b>	<b>100.0%</b>	<b>2,495,978</b>	<b>100.0%</b>

Notes: GSE loan-level data include both home purchase and refinance loans on owner-occupied one-unit properties. GSE purchases of FHA-insured mortgages are excluded. The race/ethnicity classification is based on the race/ethnicity of the primary borrower. Percentages exclude Not Available/Missing data.

Table 5a

**Minority Lending Shares for Major Sectors  
of the Home Purchase Mortgage Market in Metropolitan Areas, 1995-1999**

Borrower Characteristics	Conventional Conforming Market						Conforming Market
	Total Market	FHA	Freddie Mac	Fannie Mae	Both GSEs	Conforming Market	W/O B&C Loans
African American: 1995	8.2 %	15.1 % <sup>1</sup>	3.8 %	5.2 %	4.6 %	5.6 %	5.5 %
1996	7.5	14.1	3.5	4.2	3.9	5.0	4.9
1997	7.8	14.4	3.2	4.5	4.0	5.1	4.9
1998	7.4	14.2	3.2	3.8	3.6	4.9	4.6
1999	7.9	14.6	3.5	3.4	3.4	5.4	5.0
Hispanic: 1995	8.1	15.0	5.5	7.6	6.7	6.5	6.5
1996	8.4	16.7	4.9	6.9	6.1	6.1	6.1
1997	8.7	17.8	5.1	6.3	5.8	5.9	5.8
1998	8.6	18.6	4.7	6.0	5.5	6.1	5.9
1999	9.7	19.3	5.5	6.0	5.8	7.1	6.9
Minority: 1995	20.8	33.3	15.1	19.2	17.5	17.1	17.0
1996	20.5	34.2	13.8	17.7	16.1	16.2	16.1
1997	21.4	35.8	14.0	17.7	16.2	16.5	16.3
1998	21.0	36.5	13.1	16.3	15.0	16.6	16.1
1999	23.4	37.7	14.9	17.3	16.3	19.0	18.4
<b>Neighborhood Characteristics</b>							
High Minority Tract: 1995 <sup>2</sup>	17.4	26.4	11.7	16.9	14.8	14.6	14.5
1996	16.8	26.5	11.5	14.7	13.3	13.8	13.7
1997	17.3	27.1	11.4	15.3	13.8	14.1	13.9
1998	16.9	27.0	10.8	14.0	12.7	14.1	13.7
1999	17.5	26.0	12.3	12.7	12.5	15.1	14.6
High African-American Tract: 1995 <sup>2</sup>	6.2	10.6	3.0	4.5	3.9	4.9	4.9
1996	5.8	9.8	3.4	3.6	3.5	4.6	4.5
1997	5.8	9.6	3.0	4.8	4.1	4.6	4.5
1998	5.5	9.2	3.2	3.8	3.6	4.5	4.3
1999	5.7	8.9	3.4	3.0	3.2	4.8	4.4

Notes: All the data are for home purchase mortgages for single-family owner-occupied properties in metropolitan areas. The FHA and market percentages are derived from 1995-1999 HMDA data. The GSE percentages are derived from the loan-level data that Fannie Mae and Freddie Mac provide to HUD. The GSE data include conventional loans purchased during 1995-1999; these data include their purchases of seasoned loans (e.g., in the case of 1995, their purchases of mortgages originated prior to 1995 as well as their purchases of mortgages originated during 1995). The "Total Market" combines the government sector (FHA and VA loans) and the conventional conforming market. Thus, it includes all loans except "jumbo" loans above the conforming loan limit, which was \$240,000 in 1999. The percentages in the last column are HMDA-based market shares that have been adjusted to exclude the B&C portion of the subprime market (see text). It should be recognized that there exists some uncertainty regarding the number of B&C loans in the HMDA data. The adjustment assumes that the B&C loans represent one-half of the subprime market. The adjustment for home purchase loans is small because subprime (B&C) loans are mainly refinance loans.

<sup>1</sup> Each percentage represents the share of a sector's portfolio accounted for by the borrower or neighborhood category. For example, 15.1 percent of FHA-insured home loans in 1995 were loans for African-American borrowers.

<sup>2</sup> High-Minority (High African-American) Tract is a census tract where minorities (African-Americans) comprise 30 percent or more of the population.

**Table 5b**  
**Minority Lending Shares for Major Sectors**  
**of the Home Purchase and Refinance Mortgage Market in Metropolitan Areas, 1997-1999**

Borrower Characteristics	Total Market	Conventional Conforming Market					Conforming Market	Conforming Market W/O B&C Loans
		FHA	Freddie Mac	Fannie Mae	Both GSEs	Conforming Market		
African American: 1995	8.0 %	14.8 % <sup>1</sup>	3.7 %	4.8 %	4.4 %	6.1 %	5.8 %	
1996	7.4	13.9	3.4	4.0	3.7	5.6	5.3	
1997	8.0	14.2	3.2	4.1	3.7	6.3	5.6	
1998	6.5	13.7	3.0	3.1	3.0	5.0	4.3	
1999	8.0	14.8	3.7	3.4	3.5	6.5	5.7	
Hispanic: 1995	7.4	14.9	5.4	6.8	6.2	6.1	6.1	
1996	7.1	16.3	4.6	6.1	5.5	5.5	5.4	
1997	7.4	17.8	4.8	5.7	5.3	5.4	5.3	
1998	6.7	17.2	4.4	4.8	4.6	5.2	5.0	
1998	8.6	18.7	5.6	5.6	5.6	6.8	6.7	
Minority: 1995	19.8	33.1	14.6	17.7	16.4	17.0	16.6	
1996	18.8	33.6	12.8	16.3	14.8	15.7	15.2	
1997	20.1	35.6	13.1	16.2	14.9	16.7	16.0	
1998	18.0	34.8	12.2	13.8	13.1	15.3	14.5	
1999	21.8	37.3	15.1	16.3	15.8	19.0	18.0	
<b>Neighborhood Characteristics</b>								
High Minority Tract: 1995 <sup>2</sup>	17.9	26.5	12.7	16.9	15.2	15.9	15.5	
1996	17.0	26.8	11.7	14.8	13.5	15.0	14.4	
1997	17.8	27.5	11.8	14.9	13.7	15.9	14.9	
1998	16.2	27.2	11.5	12.9	12.3	14.5	13.6	
1999	18.3	26.6	14.2	13.6	13.8	17.0	15.9	
High African-American Tract: 1995 <sup>2</sup>	6.9	10.7	3.3	4.5	4.0	6.0	5.7	
1996	6.6	9.9	3.6	3.8	3.7	5.9	5.5	
1997	7.1	9.7	3.5	4.5	4.1	6.6	5.9	
1998	5.8	9.1	3.6	3.3	3.4	5.3	4.6	
1999	6.9	9.3	4.0	3.5	3.7	6.6	5.7	

Notes: All the data are for home purchase mortgages for single-family owner-occupied properties in metropolitan areas. The FHA and market percentages are derived from 1995-1999 HMDA data. The GSE percentages are derived from the loan-level data that Fannie Mae and Freddie Mac provide to HUD. The GSE data include conventional loans purchased during 1995-1999; these data include their purchases of seasoned loans (e.g., in the case of 1995, their purchases of mortgages originated prior to 1995 as well as their purchases of mortgages originated during 1995). The "Total Market" combines the government sector (FHA and VA loans) and the conventional conforming market. Thus, it includes all loans except "jumbo" loans above the conforming loan limit, which was \$240,000 in 1999. The percentages in the last column are HMDA-based market shares that have been adjusted to exclude the B&C portion of the subprime market (see text). It should be recognized that there exists some uncertainty regarding the number of B&C loans in the HMDA data. The adjustment assumes that the B&C loans represent one-half of the subprime market.

<sup>1</sup> Each percentage represents the share of a sector's portfolio accounted for by the borrower or neighborhood category. For example, 14.8 percent of FHA-insured loans in 1995 were loans for African-American borrowers. It should be noted that due to FHA's streamline refinance program, borrower income data were not available for almost 70 percent of FHA's refinance loans.

<sup>2</sup> High-Minority (High African-American) Tract is a census tract where minorities (African-Americans) comprise 30 percent or more of the population.

**Table 6****Loans for African-American Borrowers Purchased by  
the GSEs and Insured by FHA, 1997-99**

Owner-Occupied (Joint Race Def.)	Fannie Mae	Freddie Mac	Both GSEs	FHA-Insured
<u>Home Purchase</u>				
1997	33,291	15,212	48,503	91,977
1998	34,652	21,915	56,567	101,369
1999	28,061	19,924	47,985	NA
<u>Total</u>				
1997	47,867	25,085	72,952	104,190
1998	70,075	54,429	124,504	139,575
1999	60,823	46,594	107,417	NA
Owner-Occupied 1-Unit Total Loans (Primary Borrower Def.)				
1997	48,623	25,665	74,288	101,266
1997 Adjusted	55,704	28,841	84,545	
1998	77,919	58,325	136,244	137,620
1998 Adjusted	87,526	65,442	152,968	
1999	63,016	53,491	116,507	NA
1999 Adjusted	73,383	62,256	135,639	

Notes: The "Adjusted" numbers for the GSEs assume that missing race and ethnicity data are distributed across the various racial and ethnic groups in the same manner as the non-missing data. The missing cases for FHA were so few that no adjustment was necessary.

**Table 1**

**Counts of GSE Purchases of Single-Family Loans by Borrower Race and Ethnicity  
Across Different GSE Data Bases, 1999**

<u>Race/Ethnicity of Borrower</u>	(1) Loan-Level Data: Owner-Occupied 1-Unit Properties (Primary Borrower Definition)	(2) National File A: Owner-Occupied 1-Unit Properties (Joint Race Definition)	(3) National File B: Owner-Occupied Properties (Joint Race Definition)	(4) Census Tract File: All Single-Family (Owner and Investor) Properties (Primary Borrower Definition)
<u>1. Minority</u>				
a. African-Americans	116,507	104,154	107,417	136,657
b. Other Minority	403,625	352,179	365,721	452,931
c. Different Race	NA	84,194	85,145	NA
d. Total Minority	520,132	540,527	558,283	589,588
<u>2. White</u>	3,213,438	3,143,279	3,158,489	3,445,912
<u>3. Missing</u>	658,071	756,702	749,433	761,838
<u>4. Total Loans</u>	4,391,641	4,440,508	4,466,205	4,797,338

Notes: Columns (1)-(3) exclude the GSE purchases of FHA loans, while column (4) includes them. Columns (1) and (3) include home purchase and refinance loans while columns (2) and (4) also include second mortgages. "Other Minority" (1.b) includes American Indian/Alaskan Native, Asian/Pacific Islander, Hispanic, and an "other race" category. "Different Race" includes any situation where the primary borrower and co-borrower are of different race or ethnicity.

**Table 10a**

**Distribution of GSE Purchases and Market Originations by African-American  
Composition of Census Tract, 1997-1999**

	African-American Percent of Tract Population					All Tracts
	0-10%	10-20%	20-30%	30-50%	50-100%	
<u>Fannie Mae</u>						
1997	85.2 % <sup>1</sup>	7.1 %	2.6 %	2.3 %	2.9 %	100.0 %
1998	87.6	6.4	2.2	1.7	2.0	100.0
1999	86.9	6.7	2.3	1.8	2.3	100.0
<u>Freddie Mac</u>						
1997	87.4	6.5	2.2	1.8	2.1	100.0
1998	87.5	6.4	2.2	1.7	2.1	100.0
1999	86.2	6.8	2.4	2.0	2.6	100.0
<u>Both GSEs</u>						
1997	86.0	6.8	2.5	2.1	2.6	100.0
1998	87.6	6.4	2.2	1.7	2.1	100.0
1999	86.6	6.7	2.3	1.9	2.5	100.0
<u>Conforming Market</u>						
1997	82.8	7.3	2.8	2.6	4.4	100.0
1998	85.0	6.8	2.5	2.2	3.6	100.0
1999	82.6	7.5	2.8	2.5	4.6	100.0
<u>Conforming Market (W/O B&amp;C Loans)</u>						
1997	83.7	7.3	2.7	2.4	3.8	100.0
1998	86.0	6.7	2.4	2.0	2.9	100.0
1999	83.7	7.4	2.7	2.4	3.8	100.0

Notes: This table reports the percentage distribution of the GSEs' single-family purchases and conventional conforming single-family originations by the African-American composition of the census tract. All data are for metropolitan areas. See explanatory notes to Table 9a.

<sup>1</sup> Interpreted as follows: In 1997, 85.2 percent of Fannie Mae's purchases of single-family mortgages (both seasoned mortgages and newly-originated mortgages) were for properties located in census tracts where African-Americans comprise 10 percent or less of the tract population.