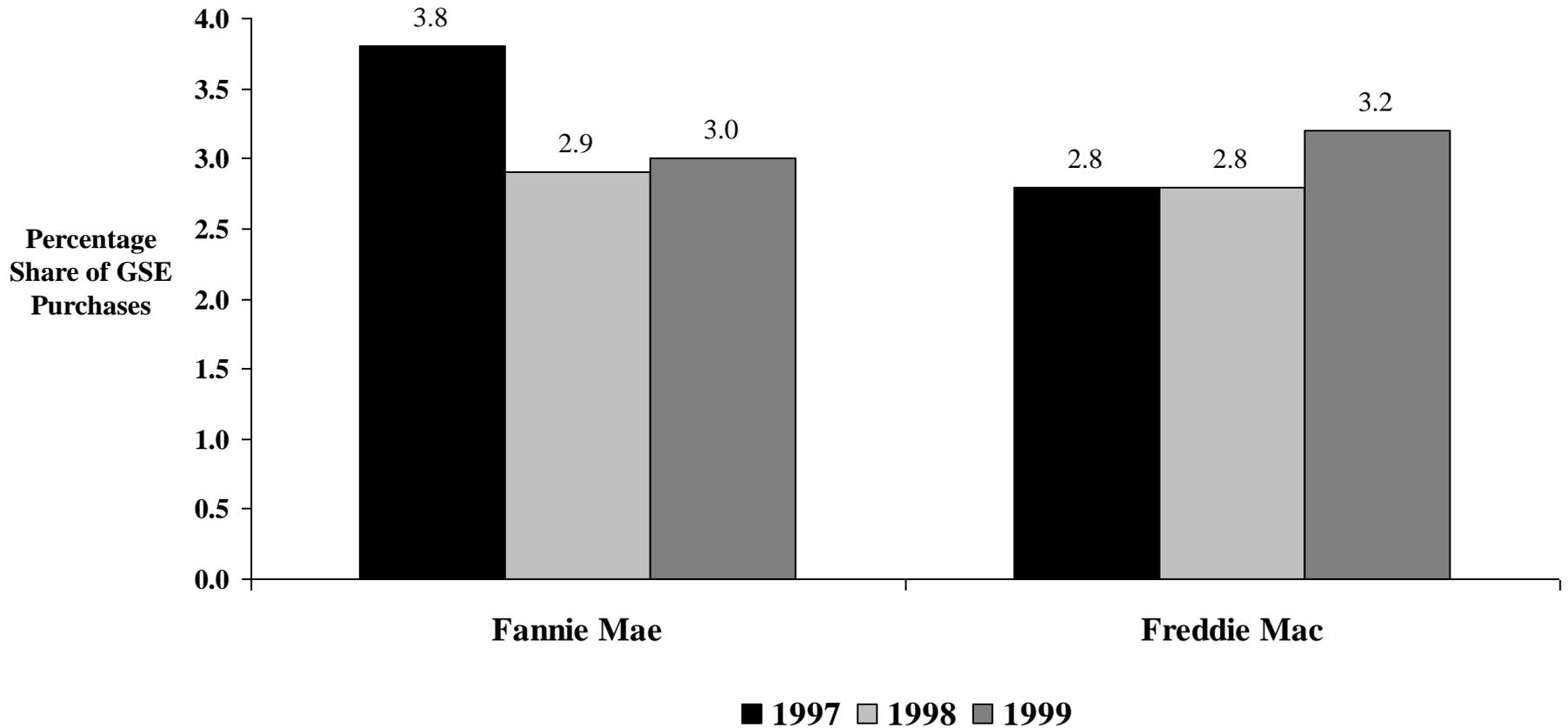


**Figure 1**  
**Trends in the Share of GSE Purchases of Mortgages for African-American Borrowers, 1997-1999**



Source: Tables 2a-2c

**Table 1**  
**Affordable Lending Shares for Major Sectors**  
**of the Home Purchase Mortgage Market in Metropolitan Areas, 1997-1999\***

Borrower Characteristics	Total Market	Conventional Conforming Market					Total Conforming Market	
		FHA	Freddie Mac	Fannie Mae	Both GSEs	Depositories		
Low-Income: 1997	32.0 %	47.5 % <sup>1</sup>	19.2 %	22.6 %	21.2 %	29.4 %	27.3	(27.3) %**
1998	32.3	49.1	22.3	25.0	23.9	29.9	27.8	(27.6)
1999	34.3	49.5	24.5	24.3	24.4	28.5	30.1	(29.8)
African American: 1997	7.8	14.4	3.2	4.5	4.0	4.7	5.1	(4.9)
1998	7.4	14.2	3.2	3.8	3.6	4.8	4.9	(4.6)
1999	7.9	14.6	3.5	3.4	3.4	4.7	5.4	(5.0)
Hispanic: 1997	8.7	17.8	5.1	6.3	5.8	5.1	5.9	(5.8)
1998	8.6	18.6	4.7	6.0	5.5	5.5	6.1	(5.9)
1999	9.7	19.3	5.5	6.0	5.8	6.6	7.1	(6.9)
Minority: 1997	21.4	35.8	14.0	17.7	16.2	14.6	16.5	(16.3)
1998	21.0	36.5	13.1	16.3	15.0	15.2	16.6	(16.1)
1999	23.4	37.7	14.9	17.3	16.3	17.3	19.0	(18.4)
<b>Neighborhood Characteristics</b>								
Low-Income Tract: 1997	12.8 %	19.1 %	7.9 %	9.5 %	8.9 %	12.0 %	10.9	(10.8) %
1998	12.3	18.7	7.9	9.4	8.8	12.1	10.7	(10.4)
1999	12.7	18.2	8.4	8.1	8.2	11.6	11.3	(10.9)
High-Minority Tract: 1997	17.3	27.1	11.4	15.3	13.8	12.2	14.1	(13.9)
1998	16.9	27.0	10.8	14.0	12.7	12.6	14.1	(13.6)
1999	17.5	26.0	12.3	12.7	12.5	13.5	15.1	(14.6)
High African-American Tract: 1997	5.8	9.6	3.0	4.8	4.1	4.7	4.6	(4.5)
1998	5.5	9.2	3.2	3.8	3.6	4.7	4.5	(4.3)
1999	5.7	8.9	3.4	3.0	3.2	4.4	4.8	(4.4)
Underserved Areas: 1997	29.1	41.3	19.9	23.5	22.1	26.3	25.2	(24.9)
1998	28.2	41.2	20.0	22.5	21.7	26.1	24.6	(24.2)
1999	29.1	40.5	21.2	20.6	20.9	25.6	25.8	(25.2)

Notes: All the data are for home purchase mortgages. The FHA, depositories, and the two market percentages are derived from 1997, 1998 and 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 home loans purchased during 1997, 1998, and 1999; thus, these data include their purchases of seasoned loans (i.e., mortgages originated prior to 1997 or 1998 or 1999) as well as their purchases of mortgages originated during 1997, 1998, and 1999. 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 "Depositories" data refer to new originations that are not sold by banks and thrift institutions during 1997-1999 and thus are retained in depository portfolios. The HMDA data for low-income borrowers exclude mortgages with a loan-to-borrower-income ratio greater than six.

<sup>1</sup> Each percentage represents the share of a sector's portfolio accounted for by the borrower or neighborhood characteristic. For example, 47.5 percent of FHA-insured home loans were loans for low-income borrowers.

\*\* The percentages in parenthesis are HMDA-based market shares that have been adjusted to exclude the B&C portion of the subprime market. 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.

**Table 2**

**FHA-Insured Loans and GSE Purchases As Shares of  
Home Purchase Mortgages Originated  
in Metropolitan Areas During 1999**

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	<u>FHA-Insured</u>	<u>GSE Purchases</u>
Low-Income Borrowers	30-31% <sup>1</sup>	29%
African-American and Hispanic Borrowers	41-42%	20-22%
Low-Income Tracts	29-30%	27%
High Minority Tracts	30-31%	30%
Underserved Areas <sup>2</sup>	28-29%	30%
All Home Purchase Loans	21%	41%

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Source: 1999 HMDA data and 1999 GSE data.

Notes: The FHA figures (first column) refer to percentages of all newly-mortgaged home purchase mortgage loans (except jumbo loans above the conforming loan limit of \$240,000) in metropolitan areas that were FHA insured during 1999, as reported by HMDA. The GSE figures (second column) are defined differently-- they include GSE purchases in metropolitan areas during 1999 of both 1999 and prior-year conventional mortgage originations. (About 28% of the GSEs' 1999 purchases were mortgages originated prior to 1999.) The first FHA (second GSE) figure for the borrower and race variables are calculated by reallocating missing GSE and conventional market data for these variables. FHA data had only a few missing cases. As with the FHA data, the GSE purchases are expressed as a percentage of the total market in metropolitan areas. In this table, the "total market" includes all (government and conventional) home purchase mortgages originated in metropolitan areas during 1999 that were below the conforming loan limit of \$240,000. The FHA and market data assume that HMDA covers 85 percent of the metropolitan mortgage market. A lower coverage assumption would increase the FHA and market totals and thus reduce the GSE market share.

<sup>1</sup> That is, it is estimated that FHA insured 30-31 percent of all home purchase loans that were originated for low-income borrowers in metropolitan areas during 1999.

<sup>2</sup> Metropolitan census tracts with (1) median income less than or equal to 90 percent of AMI or (2) minority concentration greater than or equal to 30 percent and tract median income less than or equal to 120 percent of AMI.

Table 3

**GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase Mortgages, 1993-1998**

Borrower and Tract Characteristics	Fannie Mae	Freddie Mac	Depository Portfolio	Conforming Market	
				Total	W/O Mfg Homes
<u>Very Low-Income</u>					
1993-1999	9.5 %	8.2 %	14.5 %	12.9%	11.1 %
1993-1995	8.1	6.6	14.5	11.6	10.3
1996-1999	10.3	9.1	14.4	13.6 (13.4)	11.6
<u>Special Affordable</u>					
1993-1999	11.2 %	9.6 %	16.9 %	15.1%	13.2 %
1993-1995	9.9	7.9	17.1	13.8	12.3
1996-1999	12.1	10.6	16.8	15.9 (15.6)	13.6
<u>Less than Area Median Income</u>					
1993-1999	37.8 %	34.9 %	43.4 %	42.4%	40.0 %
1993-1995	36.3	32.4	44.1	40.8	39.0
1996-1999	38.7	36.3	43.0	43.4 (43.0)	40.6
<u>Underserved Areas</u>					
1993-1999	22.5 %	19.9 %	26.2	24.8%	23.2 %
1993-1995	22.9	19.4	26.8	24.0	23.0
1996-1999	22.3	20.2	25.7	25.2 (24.4)	23.4

Source: The Fannie Mae and Freddie Mac data include information on all their purchases of home loans and are from the loan-level data that they provide to HUD. All mortgages are conventional conforming mortgages. The Depository Portfolio and Conforming Market data are from HMDA; loans with a loan-to-income ratio greater than six are excluded from the borrower income calculations. The numbers in parenthesis for the 1996-99 "Total Conforming Market" are the average market percentages after deducting loans originated by subprime lenders (see text for explanation). The "Conforming Market W/O Mfg Homes" data for borrower income exclude loans less than \$15,000 and loans from lenders that primarily originate manufactured housing loans. Special affordable includes very low-income borrowers and low-income borrowers in low-income census tracts. Data with missing values are excluded.

**Table 4**

**Annual Trends in GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase Mortgages, 1992-1999**

<u>Very Low-Income</u>	<u>Fannie Mae</u>	<u>Freddie Mac</u>	Ratio of	<u>Conforming Market</u>	Ratio of GSE to Market	
			<u>Fannie Mae to Freddie Mac</u>		<u>Fannie Mae</u>	<u>Freddie Mac</u>
1992	5.2 %	5.3 %	0.98	8.7 %	0.60	0.61
1993	6.7	6.0	1.12	10.8	0.62	0.56
1994	8.7	6.7	1.30	11.9	0.73	0.56
1995	9.3	7.0	1.33	12.0	0.78	0.58
1996	8.5	7.4	1.15	12.7	0.67	0.58
1997	9.9	7.6	1.30	13.0	0.76	0.58
1998	11.4	9.9	1.15	13.3	0.86	0.74
1999	10.8	11.0	0.98	15.0	0.72	0.73
<u>Special Affordable</u>						
1992	6.3	6.5	0.97	10.4	0.61	0.63
1993	8.1	7.2	1.13	12.6	0.64	0.57
1994	10.6	8.0	1.33	14.1	0.75	0.57
1995	11.2	8.3	1.35	14.4	0.78	0.58
1996	10.3	8.7	1.18	15.0	0.69	0.58
1997	11.7	9.0	1.30	15.3	0.76	0.59
1998	13.2	11.3	1.17	15.6	0.85	0.72
1999	12.3	12.5	0.98	17.3	0.71	0.72
<u>Less Than Area Median Income</u>						
1992	29.2	28.7	1.02	34.4	0.85	0.83
1993	33.2	31.6	1.05	38.9	0.85	0.81
1994	38.3	33.2	1.15	41.8	0.92	0.79
1995	37.8	32.4	1.17	41.4	0.91	0.78
1996	36.5	33.2	1.10	42.2	0.86	0.79
1997	37.6	34.1	1.10	42.5	0.88	0.80
1998	40.4	36.9	1.09	43.0	0.94	0.86
1999	39.3	40.0	0.98	45.2	0.87	0.88
<u>Underserved Areas</u>						
1992	18.3	18.6	0.98	22.2	0.82	0.84
1993	20.3	18.4	1.10	21.9	0.93	0.84
1994	24.3	19.7	1.23	24.4	1.00	0.81
1995	24.7	20.1	1.23	25.5	0.97	0.79
1996	22.3	19.7	1.13	25.0	0.89	0.79
1997	23.5	19.9	1.18	25.2	0.93	0.79
1998	22.9	20.0	1.15	24.6	0.93	0.81
1999	20.6	21.2	0.97	25.8	0.80	0.82

Source: The Fannie Mae and Freddie Mac percentages for 1993 to 1999 are from the loan-level mortgage purchase data that they provide to HUD; the 1992 GSE data are from HMDA. All mortgages are conventional conforming home purchase mortgages. The Conforming Market mortgages data are from HMDA; loans with a loan-to-income-ratio greater than six are excluded from the borrower income calculations. Special affordable includes very low-income borrowers and low-income borrowers living in low-income census tracts. Data with missing values are excluded.

Table 5

**Annual Trends in GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase Mortgages, 1992-1999  
Various Market Definitions**

	Fannie Mae Purchases	Freddie Mac Purchases	Conventional Conforming Market Originations					
			Total Market	W/O Mfg Loans Only	W/O Loans Less Than \$15K	W/O Mfg and Less Than \$15K Loans	W/O Subprime Loans	W/O Subprime and Less Than \$15K Loans
<u>Very Low-Income</u>								
1992	5.2 %	5.3 %	8.7 %	8.3 %	7.9 %	7.6 %	8.7 %	7.9 %
1993	6.7	6.0	10.8	10.2	10.0	9.6	10.8%	10.0
1994	8.7	6.7	11.9	11.3	11.2	10.7	11.9%	11.2
1995	9.3	7.0	12.0	11.1	11.3	10.5	12.0%	11.2
1996	8.5	7.4	12.7	11.5	12.0	10.8	12.7%	12.0
1997	9.9	7.6	13.0	11.7	12.4	11.0	13.0%	12.3
1998	11.4	9.9	13.3	11.7	12.8	11.4	13.2%	12.6
1999	10.8	11.0	15.0	13.1	14.5	12.9	14.5%	14.1
<u>Special Affordable</u>								
1992	6.3	6.5	10.4	10.0	9.5	9.3	10.4	9.5
1993	8.1	7.2	12.6	11.9	11.8	11.3	12.6	11.8
1994	10.6	8.0	14.1	13.4	13.4	12.8	14.1	13.3
1995	11.2	8.3	14.4	13.3	13.6	12.7	14.4	13.6
1996	10.3	8.7	15.0	13.5	14.2	12.8	15.0	14.2
1997	11.7	9.0	15.3	13.6	14.6	13.0	15.3	14.5
1998	13.2	11.3	15.6	13.7	15.0	13.4	15.2	14.7
1999	12.3	12.5	17.3	15.3	16.8	15.0	16.7	16.2
<u>Less Than Area Median Income</u>								
1992	29.2	28.7	34.4	33.8	33.4	33.0	34.4	33.4
1993	33.2	31.6	38.9	38.0	38.1	37.4	38.9	38.0
1994	38.3	33.2	41.8	40.9	41.1	40.3	41.8	41.1
1995	37.8	32.4	41.4	39.9	40.5	39.2	41.3	40.3
1996	36.5	33.2	42.2	40.3	41.1	39.4	42.2	41.4
1997	37.6	34.1	42.5	40.4	41.8	39.6	42.4	41.6
1998	40.4	36.9	43.0	40.7	42.5	40.4	42.7	42.0
1999	39.3	40.0	45.2	42.9	44.7	42.5	44.4	43.9
<u>Underserved Areas</u>								
1992	18.3	18.6	22.2	21.9	21.7	21.5	22.1	21.6
1993	20.3	18.4	21.9	21.5	21.5	21.1	21.8	21.3
1994	24.3	19.7	24.4	23.9	24.0	23.5	24.3	23.8
1995	24.7	20.1	25.5	24.7	25.0	24.2	25.3	24.9
1996	22.3	19.7	25.0	23.8	24.5	23.1	24.8	24.4
1997	23.5	19.9	25.2	24.0	24.8	23.3	24.7	24.3
1998	22.9	20.0	24.6	23.1	24.3	22.8	23.6	23.3
1999	20.6	21.2	25.8	24.4	25.5	24.1	24.6	24.3

Source: The Fannie Mae and Freddie Mac percentages for 1993 to 1999 are based on the loan-level mortgage purchase data that they provide to HUD; the 1992 GSE data are from HMDA. All mortgages are conventional conforming home purchase mortgages. The Conforming Market data are from HMDA; loans with a loan-to-income-ratio greater than six are excluded from all borrower income calculations. See the text for an explanation of the adjustments for manufactured housing (mfg) and subprime loans. Given that there is little differential between the "Total Market" and "W/O Subprime Loans" columns, an intermediate column adjusting for B&C loans is not included in the table (see text). Special affordable includes very low-income borrowers and low-income borrowers living in low-income census tracts. Data with missing values are excluded.

Table A.1

Annual Trends in GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase Mortgages, 1992-1999

	Fannie Mae Data			HMDA Data for Fannie Mae	Freddie Mac Data			HMDA Data for Freddie Mac	Conforming Market	
	Prior Year	Current Year	All		Prior Year	Current Year	All		All	W/O Mfg and LT \$15K Loans
<u>Very Low-Income</u>										
1992				5.2 %				5.3 %	8.7 %	7.6 %
1993	6.5 %	6.7 %	6.7 %	7.4	4.2 %	6.2 %	6.0 %	6.6	10.8	9.6
1994	7.9	8.9	8.7	9.4	6.4	6.8	6.7	7.8	11.9	10.7
1995	11.2	8.9	9.3	8.5	7.7	6.8	7.0	7.5	12.0	10.5
1996	8.8	8.4	8.5	8.7	7.2	7.4	7.4	8.0	12.7	10.8
1997	13.4	8.7	9.9	8.8	7.5	7.6	7.6	8.0	13.0	11.0
1998	15.1	10.5	11.4	9.2	10.1	9.8	9.9	8.4	13.3	11.4
1999	10.4	10.9	10.8	10.9	11.3	10.9	11.0	11.2	15.0	12.9
<u>Special Affordable</u>										
1992				6.3				6.5	10.4	9.3
1993	8.2	8.1	8.1	8.8	5.1	7.4	7.2	7.8	12.6	11.3
1994	9.5	10.8	10.6	11.4	7.6	8.1	8.0	9.2	14.1	12.8
1995	13.2	10.8	11.2	10.5	9.1	8.2	8.3	8.9	14.4	12.7
1996	10.6	10.2	10.3	10.5	8.4	8.7	8.7	9.4	15.0	12.8
1997	16.0	10.2	11.7	10.5	9.2	9.0	9.0	9.4	15.3	13.0
1998	17.9	12.1	13.2	10.7	11.8	11.2	11.3	9.7	15.6	13.4
1999	12.1	12.4	12.3	12.5	12.9	12.5	12.5	12.6	17.3	15.0
<u>Less Than Area Median Income</u>										
1992				29.2				28.7	34.4	33.0
1993	30.4	33.5	33.2	35.0	24.9	32.1	31.6	32.3	38.9	37.4
1994	35.6	38.9	38.3	40.1	31.5	33.6	33.2	35.6	41.8	40.3
1995	38.6	37.7	37.8	37.1	33.6	32.1	32.4	33.9	41.4	39.2
1996	35.5	36.8	36.5	37.7	31.8	33.5	33.2	35.3	42.2	39.4
1997	41.1	36.4	37.6	37.5	33.7	34.2	34.1	35.4	42.5	39.6
1998	45.3	39.2	40.4	38.1	36.1	37.0	36.9	36.2	43.0	40.4
1999	37.5	39.9	39.3	40.2	38.7	40.3	40.0	41.0	45.2	42.5
<u>Underserved Areas</u>										
1992				18.3				18.6	22.2	21.5
1993	23.8	19.4	20.3	18.2	19.5	18.2	18.4	17.6	21.9	21.1
1994	26.6	23.6	24.3	22.5	21.0	19.4	19.7	19.2	24.4	23.5
1995	27.4	23.9	24.7	22.8	22.6	19.4	20.1	19.1	25.5	24.2
1996	23.4	21.9	22.3	21.6	22.3	19.1	19.7	19.0	25.0	23.1
1997	30.1	20.8	23.5	21.0	22.2	19.3	19.9	18.6	25.2	23.3
1998	28.4	21.0	22.9	19.6	22.0	19.5	20.0	17.4	24.6	22.8
1999	22.0	20.2	20.6	20.3	23.4	20.6	21.2	19.3	25.8	24.1

Source: The Fannie Mae and Freddie Mac data for their purchases of "Prior Year" mortgages, "Current Year" mortgages, and "All" mortgages are from the loan-level data that they provide to HUD. All mortgages are conventional conforming home purchase mortgages. The "HMDA Data for (GSE)" are those mortgages that HMDA identifies as being sold to the GSEs. The Conforming Market data are from HMDA; loans with a loan-to-income-ratio greater than six are excluded from the borrower income calculations. The "Conforming Market W/O Mfg Homes" data exclude loans less than \$15,000 and loans from lenders that primarily originate manufactured housing loans. Special affordable includes very low-income borrowers and low-income borrowers living in low-income census tracts. Data with missing values are excluded.

**Table A**

**Annual Trends in GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase Mortgages 1992 and 1997-1999**

Goals-Qualifying Category	Fannie Mae Purchases	Freddie Mac Purchases	Ratio of Fannie Mae to Freddie Mac	Conventional Conforming Market Originations	Ratio of GSE to Market	
					Fannie Mae	Freddie Mac
<u>Special Affordable Borrower</u>						
1992	6.3 %*	6.5 %	0.97	10.4 %	0.61	0.63
1997	11.7	9.0	1.30	15.3	0.76	0.59
1998	13.2	11.3	1.17	15.6	0.85	0.72
1999	12.3	12.5	0.98	17.3	0.71	0.72
<u>Less Than Area Median Income Borrower</u>						
1992	29.2	28.7	1.02	34.4	0.85	0.83
1997	37.6	34.1	1.10	42.5	0.88	0.80
1998	40.4	36.9	1.09	43.0	0.94	0.86
1999	39.3	40.0	0.98	45.2	0.87	0.88
<u>Underserved Areas</u>						
1992	18.3	18.6	0.98	22.2	0.82	0.84
1997	23.5	19.9	1.18	25.2	0.93	0.79
1998	22.9	20.0	1.15	24.6	0.93	0.81
1999	20.6	21.2	0.97	25.8	0.80	0.82

Source: See Table 4 in text. Special affordable includes very low-income borrowers and low-income borrowers living in low-income census tracts. Very low-income (low-income) is defined as income less than or equal to 60 (80) percent of area median income. An underserved area is defined as a census tract with median income at or below 90 percent of the area median income; or a census tract with median income at or below 120 percent of the median income areas and a minority population of 30 percent or greater. Data with missing values are excluded.

\* Interpreted as follows: in 1992, 6.3 percent of loans purchased by Fannie Mae were special affordable loans (as defined above).

**Table B.1**  
**Affordable 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					Total Conforming Market	
		FHA	Freddie Mac	Fannie Mae	Both GSEs	Depositories		
Low-Income: 1997	31.1 %	47.1 % <sup>1</sup>	20.5 %	22.3 %	21.6 %	28.0 %	28.1	(27.4) %**
1998	28.0	48.2	21.6	22.2	21.9	26.2	25.7	(24.8)
1999	33.2	49.0	25.2	23.9	24.4	28.1	30.9	(29.8)
African American: 1997	8.0	14.2	3.2	4.1	3.7	4.8	6.3	(5.6)
1998	6.5	13.7	3.0	3.1	3.0	4.4	5.0	(4.3)
1999	8.0	14.8	3.7	3.4	3.5	5.1	6.5	(5.7)
Hispanic: 1997	7.4	17.8	4.8	5.7	5.3	4.6	5.4	(5.3)
1998	6.7	17.2	4.4	4.8	4.6	4.5	5.2	(5.0)
1999	8.6	18.7	5.6	5.6	5.6	6.1	6.8	(6.7)
Minority: 1997	20.1	35.6	13.1	16.2	14.9	13.4	16.7	(16.0)
1998	18.0	34.8	12.2	13.8	13.1	13.1	15.3	(14.5)
1999	21.8	37.3	15.1	16.3	15.8	16.1	19.0	(18.0)
<b>Neighborhood Characteristics</b>								
Low-Income Tract: 1997	13.6 %	18.9 %	8.6 %	9.5 %	9.1 %	11.9 %	12.7	(11.9) %
1998	11.5	17.4	8.1	8.2	8.1	10.9	10.7	(10.0)
1999	13.4	17.9	9.2	8.5	8.8	12.0	12.8	(11.9)
High-Minority Tract: 1997	17.8	27.5	11.8	14.9	13.7	12.2	15.9	(14.9)
1998	16.2	27.2	11.5	12.9	12.3	12.2	14.5	(13.6)
1999	18.3	26.6	14.2	13.6	13.8	13.8	17.0	(15.9)
High African-American Tract: 1997	7.1	9.7	3.5	4.5	4.1	5.1	6.6	(5.9)
1998	5.8	9.1	3.6	3.3	3.4	4.7	5.3	(4.6)
1999	6.9	9.3	4.0	3.5	3.7	5.1	6.6	(5.7)
Underserved Areas: 1997	30.0	41.1	21.5	23.6	22.8	26.5	27.8	(26.7)
1998	26.8	39.9	20.9	21.2	21.1	25.0	24.8	(23.7)
1999	30.0	40.4	23.5	21.8	22.5	26.6	28.2	(26.9)

Notes: This table corresponds to Table 1 in the text except that both home purchase and refinance mortgages are considered. The FHA, depositories, and the two market percentages are derived from 1997, 1998 and 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 1997, 1998, and 1999; thus, these data include their purchases of seasoned loans (i.e., mortgages originated prior to 1997 or 1998 or 1999) as well as their purchases of mortgages originated during 1997, 1998, and 1999. 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 "Depositories" data refer to new originations that are not sold by banks and thrift institutions during 1997-1999 and thus are retained in depository portfolios. The HMDA data for low-income borrowers exclude mortgages with a loan-to-borrower-income ratio greater than six.

<sup>1</sup> Each percentage represents the share of a sector's portfolio accounted for by the borrower or neighborhood characteristic. For example, 47.1 percent of FHA-insured home loans were loans for low-income 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.

\*\* The percentages in parenthesis are HMDA-based market shares that have been adjusted to exclude the B&C portion of the subprime market. 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.

**Table B.2**

**Annual Trends in GSE Purchases and Single-Family Lending in Metropolitan Areas  
Goal-Qualifying Home Purchase and Refinance Mortgages, 1996-1999  
Various Market Definitions**

	Fannie Mae Purchases	Freddie Mac Purchases	Ratio of Fannie Mae to Freddie Mac	Market Originations				Ratio of GSE to Market (W/O B&C)	
				Total Market	W/O Mfg and Less Than \$15K Loans	W/O Subprime Loans	W/O B&C Loans	Fannie Mae Ratio	Freddie Mac Ratio
<u>Special Affordable</u>									
1996	10.4	9.3	1.12	15.3	13.7	14.4	14.8	0.70	0.63
1997	11.5	9.9	1.16	16.4	14.9	14.8	15.6	0.74	0.63
1998	11.1	10.9	1.02	14.2	13.3	12.6	13.5	0.82	0.81
1999	12.3	13.3	0.93	18.3	17.0	16.1	17.3	0.71	0.77
<u>Less Than Area Median Income</u>									
1996	36.6	34.5	1.06	42.4	40.5	41.4	41.9	0.87	0.82
1997	33.2	35.7	1.06	43.7	41.8	41.9	42.9	0.77	0.83
1998	37.1	36.4	1.02	40.9	39.7	38.9	39.9	0.93	0.91
1999	38.8	40.7	0.95	46.3	44.7	43.7	45.1	0.86	0.90
<u>Underserved Areas</u>									
1996	23.0	20.9	1.10	26.7	25.3	25.3	26.0	0.88	0.80
1997	23.6	21.5	1.10	27.8	26.6	25.5	26.7	0.89	0.81
1998	21.2	20.9	1.01	24.8	23.9	22.4	23.6	0.90	0.89
1999	21.8	23.5	0.93	28.2	27.3	25.4	26.9	0.81	0.87

Source: The Fannie Mae and Freddie Mac percentages are based on the loan-level data that they provide to HUD. All mortgages are conventional conforming home purchase and refinance mortgages. The Conforming Market data are from HMDA; loans with a loan-to-income-ratio greater than six are excluded from all borrower income calculations. See the text for an explanation of the adjustments for manufactured housing (Mfg), subprime, and B&C loans. Special affordable includes very low-income borrowers and low-income borrowers living in low-income census tracts. Data with missing values are excluded.