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"The Color of Money" Revisited: Racial Lending Patterns in Atlanta's Neighborhoods

Elvin K. Wyly
Rutgers University

Steven R. Holloway
University of Georgia

Abstract

In 1988, the *Atlanta Journal-Constitution* published "The Color of Money," an influential series examining mortgage redlining in Atlanta. The articles documented wide lending disparities between white and black neighborhoods of similar income levels. Given sweeping changes in housing finance since 1988, we seek to determine whether Atlanta's racial geographic disparities in mortgage lending have changed.

Analysis of 1992 to 1996 Home Mortgage Disclosure Act data reveals slight improvement. Atlanta's depository lenders made 4.2 times as many conventional home purchase loans per owner-occupied unit to middle-income white neighborhoods as they did to middle-income black neighborhoods; a decade earlier, this ratio was 5.2. Nondepositories post lower ratios, particularly for Federal Housing Administration–insured loans, but this market segment raises concerns because of potential abuses. By the indicator of most enduring theoretical and policy interest—conventional home purchase lending by depositories—the patterns that aroused concern a decade ago are still evident today.

Keywords: Discrimination; Mortgages; Neighborhood

Introduction

"The Color of Money," a four-part series of articles, was published in the *Atlanta Journal-Constitution* in May 1988 (Dedman 1988). The series won a Pulitzer Prize for investigative reporting in 1989 and attracted widespread attention from the public, scholars, and policy makers. The study documented severe racial geographic disparities in mortgage lending in Atlanta. These disparities were widely interpreted as evidence of lender discrimination against African-American borrowers and neighborhoods. The study revealed that in 1982, Atlanta's lending institutions made more than twice as many home purchase loans per owner-occupied housing unit in predominantly white census tracts as in predominantly black

tracts.[1] The white/black lending ratio widened to 5.9 in 1983, narrowed slightly to 4.7 in 1984 and 1985, and jumped to 6.0 in 1986. Of the Atlanta region's 10 most active lenders, 9 made fewer than half as many loans per owner-occupied structure in predominantly black areas as in predominantly white neighborhoods.

Within weeks of the publication of "The Color of Money," a group of a dozen local lenders pledged a total of $65 million for below-market-rate mortgages in low- and moderate-income (LMI) and minority neighborhoods in Atlanta. The institutional framework through which these loans were made—the Atlanta Mortgage Consortium (AMC)—became a nationally recognized example of successful attempts to foster community reinvestment (Keating, Brazen, and Fitterman 1992). By 1997, AMC had originated 1,815 loans with a total value of nearly $95 million (Keating 1998, 12). Seventy percent of these loans were made to minority households earning less than 80 percent of the median household income for the metropolitan area (Keating 1998, 13).

In the years since the publication of "The Color of Money," sweeping changes in the mortgage finance industry have led to substantial reinvestment in many of America's urban neighborhoods, and hold significant potential to narrow racial disparities in access to homeownership. Nevertheless, many structural and institutional factors impede efforts to increase lending to underserved borrowers and neighborhoods. The purpose of this article is to determine whether and to what extent Atlanta's racial geographic patterns of mortgage lending have changed over the past decade. We draw on the most recently available data and undertake several methodological refinements to determine whether neighborhood change and shifts in housing finance have eliminated the patterns deemed problematic in the 1980s. This article is part of a broader study, and a forthcoming article will examine the interaction between individual- and neighborhood-level factors in lending decisions.

We begin with a brief overview of reasons to expect significant changes in lending patterns in the years since the original "Color of Money" study. Attention then turns to the data and methods used. Drawing on Home Mortgage Disclosure Act (HMDA) records, we

[1] This disparity was based on the total number of conventional and Federal Housing Administration (FHA)/Veterans Administration (VA) home purchase originations made by 88 institutions in metropolitan Atlanta, reporting under Home Mortgage Disclosure Act (HMDA) requirements in force at the time. The figures cited were restricted to comparisons between middle-income census tracts; predictably, the white/black lending ratio was wider when lower-income minority neighborhoods were compared with higher-income white areas.

replicate the original analysis of race- and place-based disparities in lending from 1992 to 1996, a period in which Atlanta's economy and housing markets enjoyed particularly vibrant activity. Atlanta is a particularly valuable case study of racial geographic lending patterns: An extremely polarized housing market and a stark division between native-born whites and blacks implies that the local lending industry may remain geared toward the traditional market of middle-income white home buyers (in contrast with lenders in polyethnic immigrant gateway cities), yet Atlanta's rapid growth represents a "best-case" scenario for expanding homeownership opportunities among underserved borrowers and neighborhoods. We find evidence of some improvement in overall access to mortgage capital among residents of black neighborhoods. Substantial disparities persist, however, and inequalities remain surprisingly stable among depository lending institutions.

Changes since "The Color of Money"

Barriers to fair lending

The past decade has brought sweeping changes to the mortgage lending industry. Many of these developments have heightened concerns about the persistence of barriers to minority homeownership. Even after considerable regulatory and market-driven intervention, quantitative and qualitative studies continue to reveal severe racial differences in access to mortgage finance (Holloway 1998; Hunter and Walker 1995; Munnell et al. 1996). With the consolidation and branch closings associated with recent waves of bank mergers and acquisitions, some observers foresee a broader retrenchment from low- and moderate-income urban neighborhoods and affirmative lending initiatives (see Goering and Wienk 1996; Schwartz 1998; Squires 1992). For some consumer advocates, the expansion of electronic commerce and other technology-driven changes signal a more turbulent financial sector that may prove less responsive to the needs of low- and moderate-income residents and neighborhoods.

Even such developments as automated credit scoring, initially viewed as a means of increasing both efficiency and objectivity in the underwriting process, have raised concerns among activists, regulators, and scholars. As Ladd (1998) notes, the proprietary nature of credit scoring systems removes them from public scrutiny, and they may incorporate criteria and definitions not demonstrably linked with repayment ability that disproportionately lower the apparent creditworthiness of minorities. Further research is needed to ensure that scores "are not simply substituting discrimination in the form of adverse impact for discrimination in the form of disparate treatment" (Ladd 1998, 60).

From "fair lending" to "underserved markets"

Still, many changes in the lending industry provide reason for considerable optimism. Regulatory and industry efforts to increase lending to borrowers traditionally excluded from mortgage credit have dramatically expanded and matured in recent years. "The Color of Money" was written at a time when HMDA- and Community Reinvestment Act (CRA)–related research and community activism had garnered few successes, and when regulators and lending institutions remained cautious and hesitant toward the fiduciary prudence of targeted lending initiatives. In the mid-1980s, community activists in Atlanta focused their efforts on Trust Company Bank, and the reluctant response of this institution impeded progress on affirmative lending for several years. Plans for a consortium of lenders languished until a concrete proposal in early 1987 envisioned a total commitment of $50 million by 10 area lenders. By the end of the year, however, these institutions had reduced the proposal to only $10 million (Keating, Brazen, and Fitterman 1992). Within two weeks of the high-profile coverage of "The Color of Money," lenders announced a commitment of $65 million.

Since the late 1980s, however, several broad trends have intersected to transform the nation's housing finance system. The federal government strengthened fair housing enforcement, expanded research on housing discrimination, augmented reporting requirements, and instituted performance-based assessments under the CRA of 1977 and other legislation (Vartanian et al. 1995). As part of the savings and loan legislation, Congress required the government-sponsored enterprises (GSEs)—Fannie Mae and Freddie Mac—to increase their acquisitions of primary-market loans to minority and LMI borrowers and neighborhoods, accelerating the long-term trend toward securitization of an ever-broader array of mortgages (Federal Housing Enterprises Financial Safety and Soundness Act, 1992 [U.S.C. 4543 and 4546]; U.S. Department of Housing and Urban Development 1995). Simultaneously, in a movement that increasingly has been regarded as a form of "regulation from below" (Fishbein 1992) compatible with the political realities of devolution and privatization, community-based organizations have negotiated more than 300 reinvestment agreements valued at more than $350 billion in the past 20 years (Schwartz 1998).

The lending industry itself played a prominent role in the transformation of the nation's housing finance system. During the past decade, the industry has made a subtle yet pronounced shift from the language of "fair lending requirements" toward widespread discussion of how to reach "untapped" or "underserved" markets. Lenders and others increasingly view mortgage lending as an arena in which the goals of public policy readily adapt to the imperatives of profitability in an intensely competitive industry. Most lenders, particularly those in the nation's polyethnic, high-immigration regions,

recognize that the traditional market of middle- and upper-income white families is shrinking in relative, if not absolute, terms. Future profit potential lies in the emergent middle classes of minorities and immigrants.

Together, these broad trends have produced a dizzying proliferation of CRA agreements, dedicated loan pools, and affordable mortgage products targeted to underserved borrowers and/or neighborhoods (Listokin and Wyly 1998; Schwartz 1998; Squires 1992). An aggressive and profit-driven culture continues to dominate the lending industry in the late 1990s. In many quarters, however, there is less suspicion about the prudence or profitability of affirmative lending, or over the conflicting interests of lenders vis-à-vis community groups and nonprofit institutions. A small but growing body of research confirms that affordable lending portfolios can be as safe as conventional lending (Mills and Lubuele 1994); many lenders perceive significant profit potential in the latent demand of LMI and minority markets (Listokin and Wyly 1998); and the growth of community development corporations (CDCs) and public-private partnerships has created a constituency for business development, housing provision, and investments in social capital in urban neighborhoods (Glickman and Servon 1997).

Updating "The Color of Money"

To update the original "Color of Money" we draw on the detailed methods reported by Stan Fitterman, who assisted on the *Atlanta Journal-Constitution* study and used the data in a graduate thesis in city planning at the Georgia Institute of Technology (Fitterman 1988; see also Keating, Brazen, and Fitterman 1992). As in the original study, our analysis focuses on the variation of simple indicators of primary mortgage market activity across different neighborhood types. Clearly, this approach does not control for variations in underlying demand for mortgage credit; rather, we seek to compare precisely the geographic distribution of aggregate capital flows in the 1990s with those observed in the mid-1980s. While the Atlanta metropolitan statistical area (MSA) has expanded to encompass 20 counties, we restrict our attention to the 7 counties immediately surrounding the city of Atlanta: Clayton, Cobb, DeKalb, Douglas, Fulton, Gwinnett, and Rockdale.[2] Narrowing the analysis to the most heavily urbanized portion of the region provides a conservative assessment of geographic disparities in lending by excluding virtually all of the all-white commuter exurbs and semirural ar-

[2] This study area accounts for three-quarters of the total 1997 population of the full 20-county MSA. The seven counties account for 69.1 percent of all non-Hispanic whites and 87.5 percent of all blacks in the MSA. Together, DeKalb and Fulton counties account for 70.3 percent of all blacks in the MSA. (See U.S. Bureau of the Census 1999.)

eas beyond the seven-county area that have high growth rates and likely experience high lending volumes.[3]

Fitterman's neighborhood classification

The centerpiece of the original "Color of Money" study was a neighborhood taxonomy that classified census tracts on the basis of income and racial composition (see table 1). First, tracts were classified as "predominantly black" if African Americans comprised more than four-fifths of all residents; "predominantly white" if whites made up more than four-fifths of the total population; and "integrated" if the proportion of blacks was between 20 and 80 percent. Second, tracts were separated into five categories on the basis of median household income in relation to the metropolitan level. The study's central conclusions and interpretations were based on three income categories with incomes between 70 and 122 percent of area median income (AMI). The "moderate" category, which included tracts with incomes between 70 and 86 percent of AMI, was defined by the estimated annual income required to qualify for an affordable single-family home under market conditions prevailing in the mid-1980s.[4] Finally, tracts were excluded if they exhibited rapid growth or absolute decline, or if they contained fewer than 500 owner-occupied housing units. The flow of mortgage funds into the excluded neighborhoods is sensitive to the effects of land use changes (conversion to commercial use, new housing developments) and high rates of residential turnover, and should be distinguished from analyses of credit supply to established urban neighborhoods (see Kaplan 1996). Taken together, these criteria yielded a total of 72 tracts grouped into nine categories (table 1).

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[3] Fitterman's study area was defined in a different fashion: He included all tracts in Fulton and DeKalb counties, and a random sample of tracts from the remaining counties in the MSA (which at that time included a total of 18 counties). All of the neighborhoods with heavy concentrations of minorities, however, remain confined to Fulton and DeKalb counties; thus our use of a broader study area does not affect the results for lending to minority neighborhoods.

[4] Fitterman estimated that an annual income of $11,563 (63 percent of the 1980 metropolitan AMI) was required to qualify for a moderately priced home. This estimate was based on a home price of approximately $35,000 in Atlanta's low- and moderate-income neighborhoods, a 20-percent down payment, an interest rate of 9.5 percent for a 30-year fixed-rate mortgage, and a reduction of the income figure by 12 percent for taxes. Fitterman increased the moderate-income threshold from 63 to 70 percent "to give greater benefit of the doubt to the lenders involved" (Fitterman 1988, 15). Clearly, all the elements of Fitterman's calculations (particularly interest rates and down payment requirements) have changed considerably since the late 1980s (Listokin and Wyly 1998). Moreover, Fitterman's income thresholds were based on interest rates in 1988, but were applied to the MSA median income as reported in the 1980 census.

Table 1. **Fitterman's Census Tract Classification**

Category Name	Income (Median Household Income as Percent of MSA Median)	Racial Composition (Minorities as Percent of Total)	Number of Tracts[a]
1 Moderate-income black	70–86	80–100	10
2 Middle-income black	87–102	80–100	2
3 Higher-income black	103–122	80–100	2
4 Moderate-income white	70–86	0–20	9
5 Middle-income white	87–102	0–20	19
6 Higher-income white	103–122	0–20	19
7 Moderate-income integrated	70–86	20–80	4
8 Middle-income integrated	87–102	20–80	4
9 Higher-income integrated	103–122	20–80	3
Categories Excluded from Analysis			
10 Low-income black	<70	80–100	55
11 Low-income white	<70	0–20	8
12 Low-income integrated	<70	20–80	13
13 Highest-income black	>122	80–100	0
14 Highest-income white	>122	0–20	50
15 Highest-income integrated	>122	20–80	3
16 Rental/nonresidential (fewer than 500 owner-occupied housing units)			20
17 Rapid growth (growth rate of more than 10 percent in single-family/duplex units, 1980–87)			69
18 Housing loss (absolute decline in number of single-family/duplex units, 1980–87)			6
19 Outside seven-county study area.[b]			33

Source: Fitterman (1988, 16–17).
Note: Analysis included all tracts in Fulton and DeKalb counties and a random sample from Clayton, Cobb, Douglas, Gwinnett, and Rockdale counties.
[a] Number of tracts used in Fitterman's (1988) analysis.
[b] Excluded from Fitterman's aggregate analysis; a random sample of these tracts was included in tabulations for a set of 17 individual lending institutions. See Fitterman (1988, 22).

It is important to recognize the geographical implications of these decisions. By excluding high-growth neighborhoods, Fitterman sought to offer a cautious interpretation of observed differences in mortgage lending. Yet eliminating rapidly growing areas excludes most of the suburban ring from the analysis, and captures only a narrow slice of a dynamic metropolitan housing market during a period of unparalleled growth and capital investment. We constructed a series of tract-level maps of Fitterman's thresholds applied to 1996 race and income data; these figures reveal the extremely partial and limited view of the metropolitan fabric gained by excluding high-growth tracts.[5] Moreover, all of the two dozen

[5] These maps are available on request from the authors.

predominantly black tracts meeting the specified thresholds are located in Fulton and DeKalb counties.

Our approach

Replicating the original analysis of mortgage flows is complicated by two factors. First, changes in reporting requirements brought a broader spectrum of lending institutions under the purview of HMDA, such that a simple tabulation of lending totals cannot be compared directly with the original figures. At the time of the original study, HMDA required the disclosure of summary totals for loans approved and originated, and only covered federally chartered or insured depository institutions with assets of at least $10 million. Since the late 1980s, however, amendments and procedural changes have altered HMDA coverage in several important ways. In response to the problems documented by "The Color of Money," the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 amended HMDA to require the disclosure of individual-level data on the race, gender, and income characteristics of all individuals applying for mortgages with covered institutions. FIRREA also expanded HMDA reporting requirements to nondepository lenders that were not subject to oversight by the five banking regulatory agencies,[6] and required these mortgage companies to report to the U.S. Department of Housing and Urban Development (HUD). In 1991, Congress subsequently directed the Federal Reserve Board to work in consultation with HUD to develop exemption standards that were comparable to those in place for depository lenders; the effect was to expand further the reporting coverage of independent mortgage companies beginning in 1993. (For further background on changes in data collection and reporting requirements, see Federal Financial Institutions Examination Council 1999; Fishbein 1992; Vartanian et al. 1995, 7-3–7-33.)

The second factor complicating a replication of the original study is the more favorable economic environment of home mortgage lending, which has altered the income thresholds on which the study's neighborhood classification was based. Since the mid-1980s, conventional interest rates have continued their long-term decline, remaining well below 10 percent since 1990. The growth of secondary market capital flows, along with a sustained economic expansion, has propelled a dramatic increase in total mortgage debt outstanding (from less than $1.5 trillion in 1985 to $3.6 trillion a decade later) (Simmons 1997). Moreover, primary-market lenders and the GSEs have introduced an increasing number of flexible and afford-

[6] The five U.S. banking regulatory agencies are the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration.

able conventional loan products. The net effect of these changes has been to broaden access to mortgage credit across the board, reducing the income required to qualify for conventional financing. This, in turn, implies that the income figures incorporated into the original neighborhood taxonomy may not be appropriate for analyzing lending patterns in the 1990s.

To control for these confounding factors, we develop a set of complementary neighborhood taxonomies (see table 2). First, we identify the same census tracts used in the original study, as a means of providing a precise baseline comparison of current lending patterns with capital flows documented in the 1980s. Next, we develop two revised taxonomies to classify tracts according to income and racial composition. One replicates the original race and income thresholds, using updated population, racial composition, and income estimates for 1996. A second retains the race thresholds, but alters the income criteria in order to capture changes in interest rates, underwriting requirements, and housing costs. We estimate that an annual gross income of $41,540 (103 percent of the estimated MSA median in 1995) is required to qualify for conventional market-rate financing for the median-priced existing home on the market in 1995; an income of $20,710 (51 percent of the MSA median) is required for a home priced at half the median.[7] We use these esti-

Table 2. **Neighborhood Taxonomies Used in Analysis**

	Identical Census Tracts	Fitterman's Thresholds Applied to 1996 Data	Updated Thresholds Applied to 1996 Data
Depository institutions	1	2	3
Independent mortgage companies	4	5	6

Note: See Table 1 for Fitterman's thresholds. Updated income thresholds are <51 percent for low-income areas; 51 to 77 percent (moderate); 78 to 103 percent (middle); 104 to 129 percent (higher); and 130 percent or more (highest).

[7] These thresholds are based on detailed estimates for separate components of the housing budget. We assume a conventional, fixed-rate 30-year conforming mortgage at 7.93 percent (the prevailing regional average for 1995) with a 95 percent loan-to-value (LTV) ratio with mortgage insurance. These terms correspond to a standard product salable to the GSEs (see Listokin and Wyly 1998). We assume an effective property tax rate of 2.00 percent (the product of a nominal tax burden of 4.99 percent and a 40 percent assessment level for the city of Atlanta; see District of Columbia 1996); an annual mortgage insurance premium of 0.67 percent of the outstanding balance for loans with LTVs between 90 and 95 percent (see Bunce et al. 1996, 8–9); and a homeowner's insurance policy with an annual premium costing 0.50 percent of the replacement value of the house. These assumptions yield an

mates to define revised categories for moderate-income (51 to 77 percent of MSA median) and middle-income (78 to 103 percent of MSA median) neighborhoods (see table 2).

For each of these classifications, we include two separate tabulations for the years between 1992 and 1996. One analyzes lending patterns for all reporting depository institutions; a second focuses solely on independent mortgage companies. Taken together, these classifications provide complementary insights into the relative effects of economic conditions, reporting requirements, and lender specialization on observed lending disparities. Analyzing the same tracts as those used in the original study allows a strict comparison of how lending disparities have changed in particular places over the past decade.[8] The revised and updated taxonomies, however, distinguish mortgage lending in stable middle-class neighborhoods from the expansion of poverty areas or new growth corridors on the urban fringe since the mid-1980s.

Our research explores four central questions. First, how have lending patterns changed in the neighborhoods highlighted in "The Color of Money"? Second, are geographical variations in lending reduced when the neighborhood taxonomy incorporates the relaxed borrowing constraints prevalent in the 1990s? Third, how do lending disparities differ between depositories and independent mortgage companies? Finally, how sensitive are lending inequalities to annual fluctuations in housing and mortgage market activity?

Results

In the early 1980s, the combination of economic stagnation and high interest rates suppressed housing market activity across the nation. Atlanta proved no exception. In 1982, origination activity remained low across all Atlanta neighborhoods, regardless of racial composition or income level. Nevertheless, pronounced racial disparities were apparent even under these circumstances. Considering the moderate-, middle-, and higher-income categories together, the number of loans per owner-occupied housing unit in predominantly white tracts was 2.2 times that observed in predominantly

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estimated annual payment, interest, taxes, and insurance (PITI) cost of $11,631 for a home priced at the median sales price of existing homes in the Atlanta MSA in 1995 ($97,500; U.S. Bureau of the Census 1996, 717). For a house priced at half the median, the annual PITI cost is $5,799. Underwriting criteria on a GSE standard mortgage stipulate a front-end debt ratio of 28 percent, yielding respective gross incomes of $41,540 and $20,710.

[8] It is important to note, however, that many of these tracts no longer fall into the same racial and income categories that they did at the time of the original study.

black tracts. The ratio widened between 1982 and 1986 because of increased lending in white areas as the local housing market revived and interest rates stabilized. Yet lending activity showed only negligible gains in black areas. By 1986, the white/black ratio had widened to a staggering 6.0 (see Fitterman 1988, appendix).

What is the new “color of money”?

Industrywide changes and a decade of urban development have dramatically altered the context of mortgage lending in Atlanta and across the nation. The net effect of these contextual changes on the racial disparities in lending is unclear. Whereas affirmative lending, community activism, and regulatory scrutiny might have *reduced* lending disparities between black and white neighborhoods, urban restructuring and industry consolidation might have *magnified* disparities.

At first glance, our results suggest that these countervailing forces have been a wash: Lending to the original neighborhoods documented in “The Color of Money” is virtually unchanged, despite a decade of macroeconomic and neighborhood restructuring. Consider first a baseline comparison of conventional home purchase lending from 1982 to 1986 and 1992 to 1996; here we exclude independent mortgage companies in an effort to maintain comparability with HMDA reporting requirements in the 1980s, and we examine the identical census tracts used in Fitterman’s study (see table 3). Between 1982 and 1986, the number of conventional home purchase originations was equivalent to only 2.3 percent of all owner-occupied homes in predominantly black tracts. This figure increased during the 1992–96 period (to 3.1 percent), but lending to the tracts classified in the original study as predominantly white also posted substantial growth (from 12.1 percent of all owner-occupied units to 14.6 percent). Thus, if we can assume that the tracts in the original study remained in the same income and race categories, the white/black ratio dropped only slightly. During the vigorous housing boom of the 1990s, the white middle-class neighborhoods identified in “The Color of Money” received 4.7 times as many conventional loans as comparable black areas. This ratio stood at 5.2 a decade earlier. When measured by dollar volume, lending patterns are even more stable, with the white/black ratio remaining at 7.6.

It is impossible to disentangle the complex interactions between demand- and supply-side processes responsible for these findings. Yet the stability of observed lending patterns is remarkable. When measured in terms of the crucial indicator of conventional home purchase loans by depositories, race-based geographic disparities have declined by less than 10 percent. Inequalities have not

Table 3. **Comparison of Conventional Home-Purchase Lending, 1982 to 1986 and 1992 to 1996**

	Predominantly Black Tracts									
	1982–86					1992–96, Identical Tracts[b]				
Tract Income Class[a]	Number of Originations	Dollar Volume	Number of OOHUs	Originations per 100 OOHUs	Dollar Volume per OOHU	Number of Originations	Dollar Volume	Number of OOHUs	Originations per 100 OOHUs	Dollar Volume per OOHU
Moderate	312	13,419	13,549	2.30	990.41	462	31,151	13,436	3.44	2,318.47
Middle	48	2,102	2,770	1.73	758.84	72	4,720	2,875	2.50	1,641.74
Higher	96	5,317	3,207	2.99	1,657.94	84	7,858	3,392	2.48	2,316.63
Totals	456	20,838	19,526	2.34	1,067.19	618	43,729	19,703	3.14	2,219.41
	Predominantly White Tracts									
	1982–86					1992–96, Identical Tracts[b]				
	Number of Originations	Dollar Volume	Number of OOHUs	Originations per 100 OOHUs	Dollar Volume per OOHU	Number of Originations	Dollar Volume	Number of OOHUs	Originations per 100 OOHUs	Dollar Volume per OOHU
Moderate	1,095	63,639	10,511	10.42	6,054.51	1,753	205,593	15,083	11.62	13,630.78
Middle	2,737	182,418	23,880	11.46	7,638.94	3,966	430,894	25,311	15.67	17,023.98
Higher	2,340	168,652	16,682	14.03	10,109.82	3,140	382,315	20,104	15.62	19,016.86
Totals	6,172	414,709	51,073	12.08	8,119.93	8,859	1,018,802	60,498	14.64	16,840.26

Source: Fitterman (1988); HMDA data (1993, 1994, 1995, 1996, 1997).
Note: All figures for 1992 to 1996 exclude independent mortgage companies in order to achieve comparability with HMDA coverage prior to 1990. OOHU = owner-occupied housing unit.
[a] Income thresholds as defined in Fitterman (1988, 16). Tracts with median household income between 70 and 86 percent of MSA median are designated moderate income; between 87 and 102 percent, middle income; and between 103 and 122 percent, higher income.
[b] Analysis includes same tracts as those used in Fitterman (1988), and assumes that they are in the same race and income categories as in the original study.

declined by any significant margin when measured in terms of loan amount.

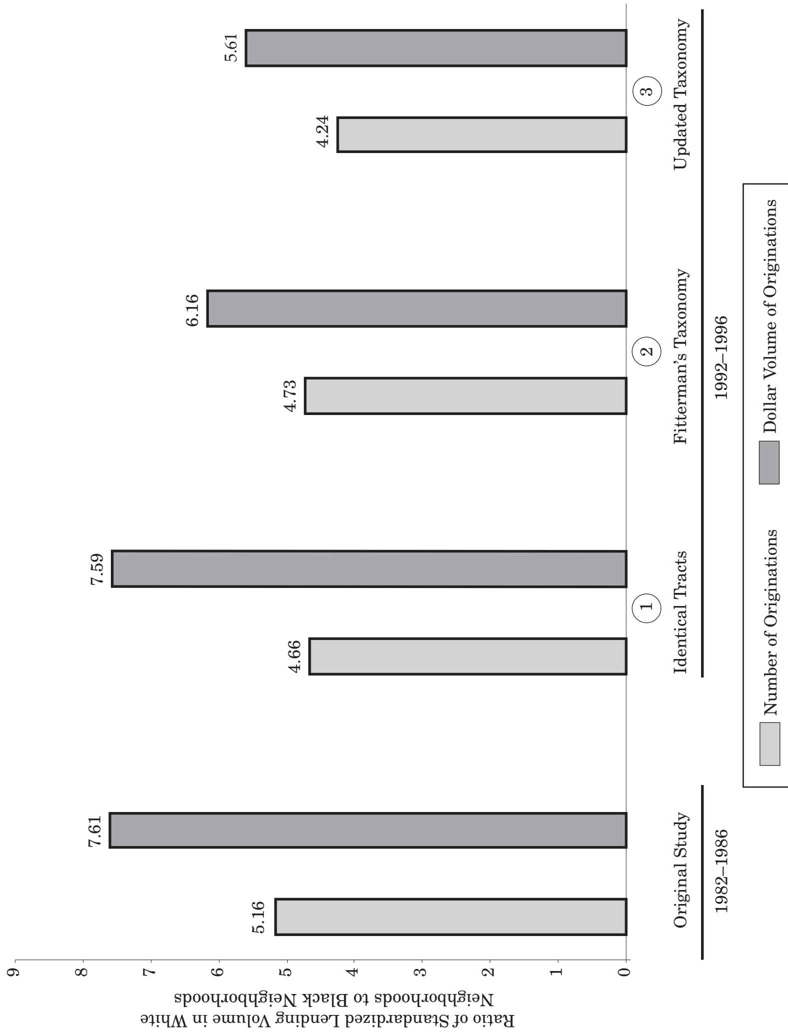
These results are disappointing in light of the sweeping changes that have taken place in the national housing finance system over the past decade. It is entirely possible, however, that the relative stability of lending patterns is nothing more than an artifact of the methodology used. The results may be sensitive to changes in the racial compositions or incomes of the census tracts examined in the original study, the income thresholds used to classify neighborhoods, the types of loans or institutions examined, and the years chosen for analysis. To address each of these issues in turn, we constructed separate cross-tabulations by lender type, loan type and purpose, and year. We also use updated population, racial composition, and income estimates for all census tracts included in the analysis. Comprehensive tables are included in the appendix. To simplify the presentation of key findings, in the following sections we summarize our results in figures showing the contrasts in lending to white and black neighborhoods in the moderate-, middle-, and higher-income categories.

The effect of alternative taxonomies

Neighborhoods change as new households move in while others leave, and as the circumstances of long-term residents change. Thus it is necessary to look beyond the identical census tracts included in Fitterman's analysis, and to evaluate the effects of current neighborhood racial and income characteristics and different income thresholds on the classification of neighborhoods. For example, it is possible that the reduced income required to qualify for conventional financing has disproportionately benefited moderate-income minority neighborhoods. Indeed, one rationale for relaxed underwriting standards is that rigid financial criteria often induce disproportionate rejection rates among minority applicants (Galster 1992; Ladd 1998). If the income required to qualify for conventional financing has declined over the past decade, then the response of mortgage credit flows to latent demand should disproportionately benefit minority neighborhoods.

To evaluate this argument, we aggregated conventional home purchase loans made by depositories between 1992 and 1996, comparing the results obtained under Fitterman's original thresholds (applied to 1996 race and income data) with those incorporating the updated cutoffs (see figure 1). We find some evidence that using updated income thresholds and census tract race and income estimates affects the results, but the changes are not sufficient to alter the fundamental pattern. Between 1982 and 1986, the number of

Figure 1. **Conventional Home Purchase Lending by Depositories, 1982 to 1986 and 1992 to 1996**



Note: Analysis is restricted to moderate-, middle-, and higher-income categories; see tables 1 and 2. Numbered labels refer to taxonomy categories in table 2.

conventional home purchase loans made by depositories was equivalent to 12.1 percent of all owner-occupied units in white neighborhoods, compared with only 2.3 percent in black neighborhoods. The resulting white/black ratio (5.2) drops only slightly in the same neighborhoods a decade later (4.7) or when Fitterman's thresholds are applied to updated tract race and income estimates (4.7). When the moderate-, middle-, and higher-income categories are redefined according to contemporary mortgage market conditions, however, the ratio drops to 4.2.[9] Measuring the pattern in terms of loan amount per owner-occupied housing unit reveals even greater improvement. The standardized white/black ratio remains unchanged in the same census tracts used in Fitterman's study (7.6), but drops to 6.2 when the same cutoffs are applied to 1996 race and income estimates, and drops further to 5.6 when the income thresholds are revised.

These findings suggest some improvement in racial disparities in lending by depository institutions. Nevertheless, substantial racial geographic disparities persist. In the 1990s economic expansion, the amount of conventional home purchase capital channeled by depository lenders into white neighborhoods was equivalent to more than $14,100 for every owner-occupied housing unit; comparable black areas attracted just over one-sixth of this amount.

The role of product and lender specialization

Independent mortgage companies account for a large share of residential lending.[10] In comparison with depositories and subsidiary

[9] The use of contemporary mortgage qualification criteria substantially extends the lower end of the moderate-income category. In the original study, the moderate-, middle-, and higher-income categories ranged from 70 to 122 percent of metropolitan area median household income. When the thresholds are redefined to reflect contemporary mortgage market conditions, these income categories range from 51 to 129 percent of the metropolitan median household income. Nevertheless, the effects of these categories differ for black and white neighborhoods. Under the revised taxonomy, 7 of the 14 black tracts in the 3 middle-income ranges fall into the "moderate" category, compared with only 1 of the 24 white tracts (see appendix table A.1).

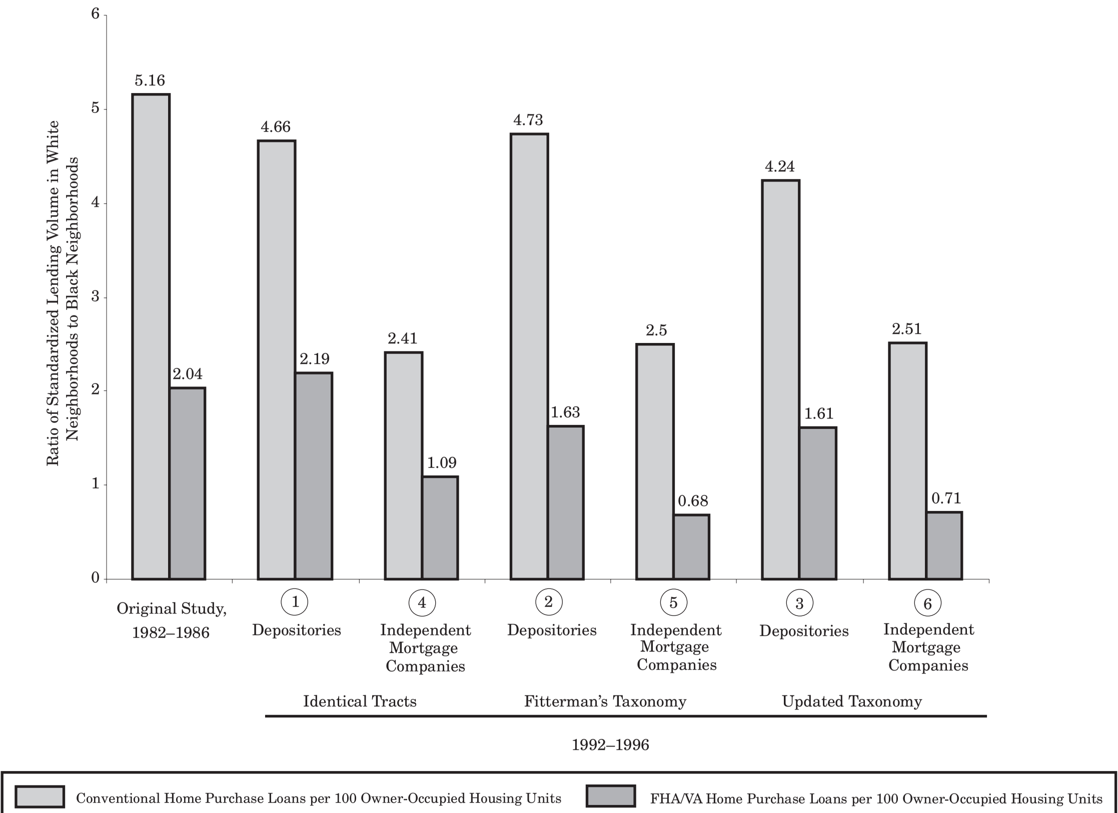
[10] Mortgage companies account for 46 percent of total originations in Atlanta in 1996. Measured by dollar volume, these lenders account for only 36.7 percent of all lending on one- to four-family dwellings, substantially below the national figure of 56.9 percent (see Simmons 1997, 238–9). The market share of independent mortgage companies varies widely by loan type and purpose, however. Mortgage companies account for only 34 percent of conventional home purchase loans and 37 percent of conventional refinancings in Atlanta, but they garner the majority of government-backed purchase loans (53 percent) and FHA/VA refinancing (66 percent). Fewer than 900 government-insured loans were originated for home improvement in 1996, but mortgage companies accounted for nearly all of them (98 percent).

mortgage banks, these firms typically operate with lower overhead costs and do not hold loans in portfolio. They also usually target particular segments of the mortgage market—defined either in terms of the products offered (such as jumbo loans, mobile home loans, or adjustable-rate products) or in terms of the types of borrowers served (first-time buyers, applicants with poor or nontraditional credit histories) (see Canner, Passmore, and Surette 1996). Many of these lenders also specialize heavily in loans insured by the Federal Housing Administration (FHA). These products allow smaller down payments and higher housing expense-to-income ratios than most conventional loans, in keeping with the FHA's stated mission of providing mortgage credit to low-income borrowers who are excluded from the conventional market (Bunce et al. 1996; Canner, Passmore, and Surette 1996). To the degree that the reduced income and wealth of minority borrowers and neighborhoods excludes them from conventional lending, the market specialization of independent mortgage companies may help to narrow racial disparities in loan origination. To test this argument, we constructed separate tabulations of single-family lending between 1992 and 1996 for depositories and independent mortgage companies, with separate totals for conventional and FHA/Department of Veterans' Affairs (VA) products (see figure 2; tables A.4, A.5, and A.6 provide further detail for loans made in 1996).[11]

In comparison with other lenders, independent mortgage companies devote a far higher share of their lending to predominantly black neighborhoods (figure 2). Between 1992 and 1996, depositories made more than four times as many conventional home purchase loans per owner-occupied housing unit to white neighborhoods as they did to black neighborhoods; the comparable ratio for independent mortgage companies falls to 2.4 or 2.5, depending on the neighborhood taxonomy used. Similar contrasts are apparent for government-backed loans, although these mortgages are split more

[11] Several methodological details should be noted at this point. Different segments of the lending industry are most easily identified in HMDA records according to the regulatory agency to which they report. The loan application/register includes codes for six separate regulatory bodies. National banks and their subsidiaries report to the Office of the Comptroller of the Currency; state member banks of the Federal Reserve system, their subsidiaries, and subsidiaries of bank holding companies report to the Federal Reserve Board; banks and certain other depositories that are not members of the Reserve report to the Federal Deposit Insurance Corporation; savings banks and their subsidiaries report to the Office of Thrift Supervision; credit unions report to the National Credit Union Administration; and, finally, all other mortgage lending institutions subject to disclosure requirements—primarily nondepository mortgage companies that are not subsidiaries of banks—report to HUD. Our tabulations distinguish between institutions reporting to HUD and all other reporting lenders; thus our figures for "depositories" also include loans made by nondepository mortgage banks that are affiliates or subsidiaries of covered depositories.

Figure 2. **Home Purchase Lending by Depositories and Independent Mortgage Companies 1982 to 1986 and 1992 to 1996**



Note: Analysis is restricted to moderate-, middle-, and higher-income categories; see tables 1 and 2. Numbered labels refer to taxonomy categories in table 2.

evenly between white and black neighborhoods regardless of the type of lending institution. In the census tracts included in the original study, independent mortgage companies made almost as many FHA/VA loans to predominantly black neighborhoods (4.7 loans per 100 owner-occupied unit) as to predominantly white neighborhoods (5.2). Under the revised and updated neighborhood classifications, racial differences in loan origination actually reverse, with black neighborhoods receiving disproportionate flows of government-backed loans.[12]

These results suggest that racial disparities in lending would have been less severe in the 1980s if independent mortgage companies had reported under the same disclosure requirements as depository institutions. In the 1990s, lending by independent mortgage companies posted white/black ratios only about half as high as those of depositories.[13] It is possible to draw further historical comparisons for government-backed lending by depositories. Fitterman's analysis revealed that racial disparities were dramatically reduced by FHA lending, which posted a white/black ratio of only 2.0 versus 5.2 for conventional loans. The effect of the conventional/FHA split on neighborhood lending patterns has persisted among depositories in the 1990s, with government-backed loans posting a white/black ratio of 2.2.

The market specialization of independent mortgage companies helps to narrow differences in lending between white and minority neighborhoods, particularly in government-backed products. Yet these findings cannot be regarded as evidence of improvement, just as the higher ratios of depositories cannot be interpreted simply as evidence of discrimination. For three decades, controversy has raged over the question of whether the FHA encourages unsound lending practices and accelerates neighborhood decline by inducing high rates of default, foreclosure, and abandonment (e.g., Bradford 1979, 1998; Bradford and Rubinowitz 1975; Bunce et al. 1996; Rosenthal, Duca, and Gabriel 1991). This debate stems from the fact that the FHA provisions most important for expanding access to homeownership are precisely the same features that might encourage a risky, short-term view on the part of lending institutions, par-

[12] We obtained similar results when analyzing other loan purposes for a single year (1996). Considering the moderate-, middle-, and higher-income categories together, independent mortgage companies accounted for 53 percent of conventional refinancing activity in predominantly black neighborhoods, compared with 64 percent of FHA refinancing. Independent mortgage companies accounted for all of the $1.7 million of FHA home-improvement lending to predominantly black neighborhoods. See tables A.4, A.5, and A.6.

[13] Compare the second and third pair of columns in figure 2. Depositories posted a conventional white/black ratio of 4.7, versus only 2.4 for independent mortgage companies; comparable figures for FHA loans are 2.2 and 1.1.

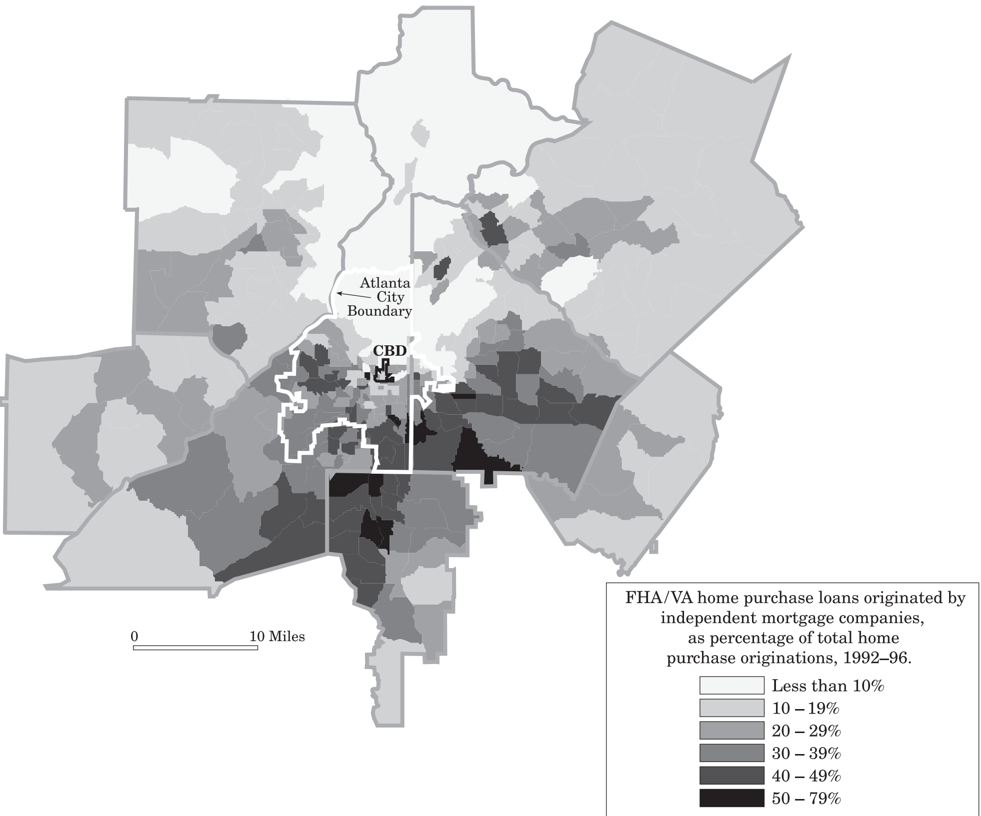
ticularly in minority or racially changing neighborhoods. Low down payments and high permissible debt ratios allow more borrowers to qualify for homeownership, but these features also encourage lenders to make loans to borrowers who may not be prepared for ownership. Provisions such as high servicing fees and full insurance against loss remove incentives for institutions to monitor the soundness of their lending, while other features allow lenders to issue mortgages in which the borrower starts out with negative equity on a house that is unlikely to appreciate in value.

These issues have sustained a long-standing debate that is bound up with broader concerns over discrimination throughout other stages of the housing search and homeownership process. For our purposes, this debate simply provides a reminder that the market specialization of independent mortgage companies can be interpreted in radically different ways. While this segment of the market is crucial for providing access to homeownership among LMI and minority borrowers, it is also true that many lenders face powerful incentives to engage in lending practices that reduce the practical benefits of ownership for households and undermine community stability.

Nevertheless, while the interpretation of FHA lending by nondepositories may be ambiguous, we cannot ignore this market segment's crucial role in shaping the geography of Atlanta's housing landscape. Between 1992 and 1996, government-backed mortgages accounted for just over 28 percent of 218,952 single-family home purchase loan originations. Independent mortgage companies accounted for 57 percent of these government-backed loans, meaning that in the expansion of the 1990s, approximately one-sixth of all mortgage borrowers received an FHA loan from a nondepository mortgage company. Yet this average conceals enormous variation across different neighborhoods (see figure 3). In the minority neighborhoods of south Atlanta and inner-ring suburbs in southern Fulton and DeKalb counties, FHA lending by independent mortgage companies accounts for 30 percent or more of total lending. In several neighborhoods, this niche accounts for an absolute majority of home purchase loans.

The picture is radically different in the predominantly white corridor stretching north from downtown Atlanta, where housing and labor market trends inscribe a textbook example of sectoral urban development (Adams 1991; Hoyt 1939). In the past two decades, this area has enjoyed Atlanta's most rapid employment growth and suburban office development, as well as a disproportionate share of investment in roads, sewers, and other public infrastructure. Affluent households in this area compete in a booming housing market with strong house price appreciation. Mortgage lending is dominated by

Figure 3. **Institutional and Product Segmentation in Home Purchase Lending, 1992 to 1996**



Source: HMDA data (1992–96).
Note: Totals for MSA, 1992–96: 218,952 home purchase originations, 62,086 FHA/VA originations, and 35,536 FHA/VA originations by independent mortgage companies (16.2 percent of total home purchase originations).

conventional products (many of them jumbo loans, thanks to an overheated real estate market) by depository lending institutions. In the northern corridor, FHA lending by nondepositories accounts for fewer than one-tenth of all home purchase loans. Again, we emphasize that this kind of geographic partitioning is at least partially explained by variations in demand and applicant characteristics, and may not reflect any supply-side culpability at all. Our point is that instead of controlling for these demand- and supply-side factors, we should regard them as part of the story. The color of money is not simply a problem of access to mortgage credit, but also an issue of what kind of credit is offered, and on what terms, to different borrowers in different neighborhoods.

These issues must be considered when we evaluate the results of regulatory intervention in housing and mortgage markets over the past decade, which have opened homeownership opportunities to minorities on an unprecedented scale. In his influential *Edge City*, Garreau (1991) included a chapter titled "Atlanta: The Color of Money," and argued that "a black suburban middle class is booming . . . and it is emerging at the same time *and in the same places* as Edge Cities" (Garreau 1991, 144, emphasis added). While the present analysis does not examine the geographical distribution of middle-class black home buyers on an individual level, the close spatial correlation between the lending pattern shown in figure 3 and neighborhood racial composition stands in stark contrast to Garreau's observation. The segment of the lending industry that achieves the "best" ratios does so by providing a majority of the mortgage credit originated to minority neighborhoods in central-city and inner-suburban areas on Atlanta's south side, far from the region's growth areas. Similarly, recent research by Immergluck (1998) in Chicago finds that the share of black home buyers moving into neighborhoods with 75 percent or more black buyers increased from 27 percent in 1990 to 1991 to 45 percent in 1995 to 1996. These findings suggest that recent increases in minority homeownership opportunities may reinforce metropolitan segregation patterns. And as metropolitan areas continue to expand outward at ever lower densities, there is a growing tension between efforts to increase lending in underserved neighborhoods and attempts to open opportunities to the employment and housing appreciation of (mostly white) suburban growth corridors.

Annual fluctuations in mortgage activity

Regional and local housing market dynamics often induce wide swings in mortgage market activity. The highly leveraged position of middle-class residents attempting to move up the housing ladder, for example, means that mortgage borrowing in middle- and upper-

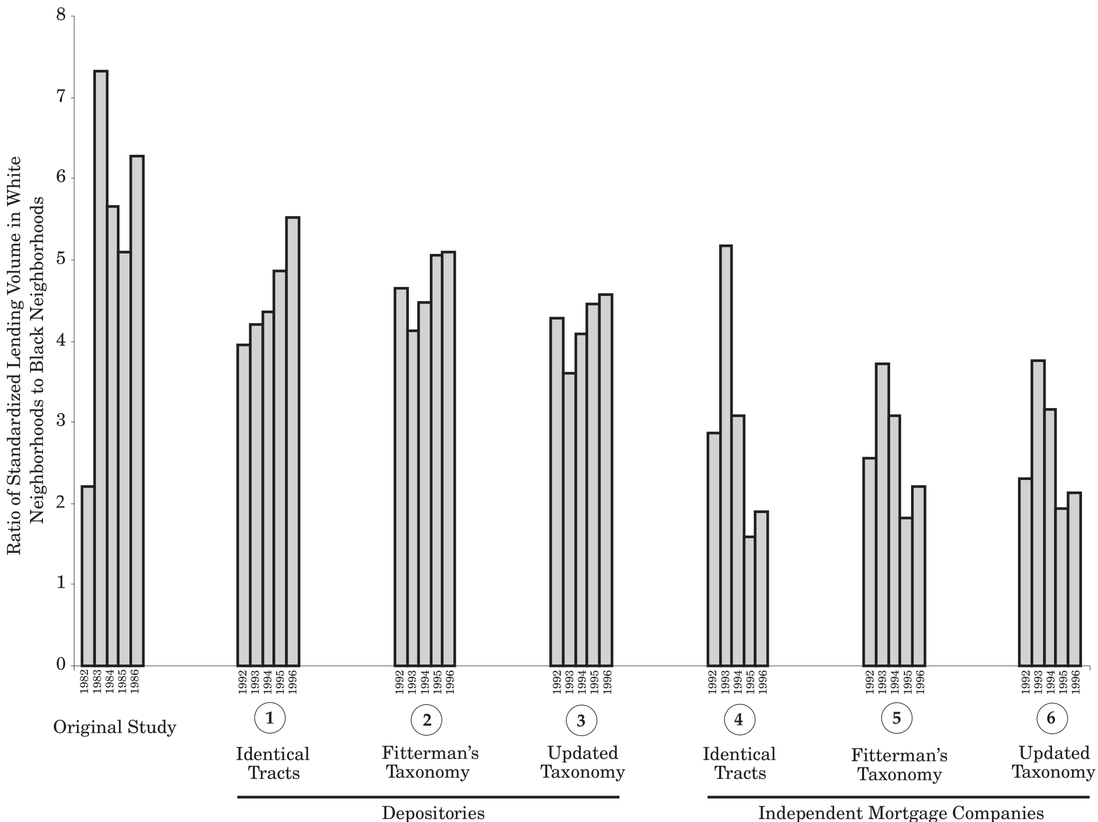
income white areas will be extremely sensitive to interest rates and other borrowing constraints (Adams 1987; Badcock 1994; Linneman and Wachter 1989). Distinctive cyclical fluctuations in the local economy and housing market may affect the demand for mortgages in a geographically uneven manner. For example, the interest rate drop in 1993 may have stimulated mortgage borrowing in white areas more than in black ones, resulting in a temporary increase in racial geographic lending disparities. Temporal fluctuations are more likely to be problematic in aggregate analyses that fail to distinguish between purchase and refinance loans. In short, it is possible that each year changes the hue of the color of money.

We evaluate annual fluctuations in mortgage activity by calculating white/black standardized lending volume ratios for moderate-, middle-, and higher-income tracts separately for each year (figure 4). These ratios are based on conventional home purchase originations. We calculate these ratios separately for depositories and independent mortgage companies, and present the same ratios for 1982 to 1986 for comparative purposes. Three findings immediately stand out. First, annual fluctuations were more substantial in the early 1980s than in the early 1990s. Fitterman's data reveal a white/black conventional depository ratio that varies from a low of 2.2 in 1982 to a high of 7.3 in 1983. Second, independent mortgage companies exhibit greater annual fluctuations than depositories. Moreover, the interest rate decline of 1993 had the expected effect of increasing the white/black inequality ratio for independent mortgage companies, primarily because lending volumes increased in white, but not black, neighborhoods. As interest rates increased through 1995 and dipped again in 1996, apparent racial geographic inequalities in lending volume by independent lenders first declined and then increased slightly. Third, depository institutions did not exhibit the same degree of annual fluctuation in inequality ratios, and exhibited a different temporal pattern. The general trend for depositories was not toward racial geographic balance in lending volumes. Indeed, depending on the tract classification scheme used, inequalities widened somewhat during this period, despite interest rate increases in 1994 and 1995 and the policy efforts to reach underserved markets that gathered momentum in the mid-1990s.

Discussion

"The Color of Money" made an important contribution to a broader literature that drew widespread public attention and regulatory scrutiny to the problems of racial discrimination and redlining in metropolitan mortgage markets. The study attracted national press attention, prompted similar studies in other cities, and triggered a landmark U.S. Justice Department investigation and consent

Figure 4. **Annual Fluctuations in Conventional Home Purchase Lending by Depositories and Independent Mortgage Companies, 1982 to 1986 and 1992 to 1996**



Note: Analysis is restricted to moderate-, middle-, and higher-income categories; see tables 1 and 2. Numbered labels refer to taxonomy categories in table 2.

agreement with a suburban Atlanta lender (Decatur Savings and Loan Association) (Vartanian et al. 1995, 1-10 and 1-27). A decade later, our analysis of mortgage market disparities reveals a mixed picture, with modest evidence of progress as well as troubling signs of persistent racial geographic disparities. To summarize our findings, we focus our discussion around two critical questions.

Do mortgage lenders in Atlanta still redline?

Our first question is narrow and specific. What, if anything, has really changed in the aftermath of the studies by Fitterman and the *Atlanta Journal-Constitution*? Before we address this question, note that even the form of our question (in its use of the word "still") embodies assumptions. As we mentioned earlier, the failure of the original study and our replication to account for geographic variations in mortgage demand diminish our ability to make definite conclusions about redlining or discrimination. We recognize that neither study provides a final answer for this ongoing debate. Still, despite its limitations, the original study was highly influential. Moreover, the limitations that led critics to charge that this method cannot be used to infer lender redlining or discrimination also prevent us from interpreting HMDA tabulations as evidence of improvement. A truly definitive analysis of mortgage lending requires more detailed information than is currently available on the creditworthiness of borrowers; it also requires information about the terms on which credit is offered. To the degree that analysts reject charges of discrimination or redlining by invoking omitted-variable bias, they also must consider institutional and loan characteristics (interest rate, points, fees, and closing costs) that may suggest predatory lending practices.

With the above caveats in mind, our answer to the first question is that the aggregate patterns documented in "The Color of Money" are still evident today. To the extent that research and policy communities concluded that Atlanta lenders redlined during the mid-1980s, we suggest that similar problems affect the region at least through the mid-1990s. The aggregate patterns are remarkably stable, despite the very visible efforts to rectify discriminatory practices and expand access to mortgage credit, and despite considerable changes in the lending market.

Furthermore, our study, like the original, was designed to be very conservative by excluding rapidly growing or declining neighborhoods and focusing on those where the main difference was racial composition. For the original study, as well as for our analysis, the focus thus is on neighborhoods where we are *least likely to observe differences related to racial composition*. That we find such differ-

ences suggests that, were we to look more widely at the Atlanta metropolitan area, we would find even greater disparities between predominantly white and predominantly black neighborhoods.

Less pessimistic interpretations of our results are also possible. Some indications of progress in Atlanta's lending market are evident. First, even though neighborhood lending patterns were remarkably stable, there were minor changes in the right direction: Most of the white/black standardized lending ratios declined in magnitude for depository institutions. Second, independent mortgage companies, not included in the original study because of data limitations, exhibit less difference in lending between black and white neighborhoods than depository institutions. If independent mortgage companies have increased their presence in the mortgage market, then their more equitable lending records may have increased the overall supply of mortgage capital to black neighborhoods over the past decade. Third, our data show that all institutions, independent and depository, lend more FHA/VA capital to black neighborhoods. Indeed, when we look at FHA/VA lending by independent mortgage companies, black neighborhoods appear to enjoy a very slight numerical advantage over white ones. The stable neighborhood lending patterns we observe for depository institutions may fail to capture more positive trends in Atlanta's lending market that might be evident if all institutions were covered in both time periods. We also may be observing relatively unchanged neighborhood lending patterns for different reasons—that is, even if lenders did discriminate in the 1980s, the patterns we now observe may have emerged for different reasons. For example, we might indeed see similar geographic patterns of lending generated by the combination of reduced black demand for mortgages in traditionally black neighborhoods along with lower rejection rates for blacks who do apply.[14] Thus, our finding of stable patterns should not necessarily lead to a pessimistic interpretation.

Is there a new "color of money"?

Our second question raises broader issues of lending, geography, and progress. We would very much like to conclude from our study that the lending market has changed significantly for the better, and that the problems that beset minority buyers in the 1980s have lessened over the last decade. We cannot reach such a conclusion without viewing our findings in the context of broader changes in housing and lending markets over the last decade. To begin with, the fact that FHA/VA lending results in geographic patterns less suggestive of redlining might not be cause for optimism.

[14] We thank an anonymous reviewer for this point.

Government-backed lending is often an option for those unable to obtain mortgages under more favorable terms in the conventional market. While this program undoubtedly allows many to purchase housing who would not otherwise be able to, credible evidence exists that minorities applying for loans in minority neighborhoods are steered to FHA products even when they may not need them (Bradford 1979, 1998; Bradford and Rubinowitz 1975; Canner, Gabriel, and Woolley 1991; ICF 1994; MacRae, Turner, and Yezer 1981). FHA lending provides 100 percent insurance for lenders, which may prompt them to make fundamentally unsound loans. Moreover, the FHA requires higher mortgage insurance premiums, even as the outstanding loan balance is paid down (see Bunce et al. 1996, 8-8–8-10). Thus, while some minority borrowers may be given a chance at homeownership, they also may be drawn unwittingly into financial responsibilities that they are not able to meet. The result can be negative for the individual buyers, as well as for the neighborhoods in which they live. These issues amplify Hughes's (1996, 320) warning that "research is needed to evaluate the downside of a public policy commitment to minority homeownership programs (e.g., fostering household investment in geographic areas with little chance of house value appreciation)."

The increased importance of independent mortgage companies, of course, also can be a double-edged sword. These firms have a demonstrated record of more equitable lending to minority neighborhoods than depositories, even in terms of conventional lending products. Yet depositories maintain stronger connections to the local community. Thus, segmenting minority lending primarily into the independent mortgage-banking sector, rather than continuing efforts to increase sound minority lending by depositories, is not necessarily a good long-term strategy. Our broader concerns, however, revolve around the larger role of race in determining housing market outcomes and, conversely, the role of housing market processes in perpetuating racial inequality. Mortgage lending is only part of a complex web of housing market transactions between agents, institutions, and prospective home buyers. As Yinger (1995, 1998) effectively demonstrates, race matters in every part of the housing market. Moreover, the impacts of race in all aspects of the housing market are interactive and cumulative. Even if we were to conclude that the lending market has improved in Atlanta (which we cannot), unless conditions improved in *all* aspects of the housing market, the overall picture may not be any better. For example, if real estate agents still steer black purchasers toward minority and transitional neighborhoods and white purchasers toward stable white neighborhoods, improvements in lending may not matter in the bigger picture.

Of even greater concern is that the very nature of urban development in Atlanta reflects and reinforces race. Using the conservative criteria that were necessary to ensure comparability meant that we did not consider a majority of the most attractive and rapidly growing neighborhoods in Atlanta and, thus, that we did not consider a majority of mortgage market activity in the 1990s. Our analysis of white/black lending ratios in middle-income neighborhoods encompassed only 45 out of 379 census tracts in the seven-county study area, capturing only 5.4 percent of the total dollar volume of conventional originations between 1992 and 1996.[15] This point has more than simple empirical implications. Most of Atlanta's growth and house price appreciation simply bypass minority neighborhoods. In other words, the original "Color of Money" describes a very small segment of the housing market. While traditional redlining research and policy focus on the fate of central-city minority and racially transitional neighborhoods, the outward expansion of suburban development frontiers renders these places increasingly irrelevant to broader housing and land development markets. Ultimately, the "new" "Color of Money" describes the increasing social and spatial distances between suburban growth frontiers and minority homeownership opportunities, as well as the long-standing contrasts between established neighborhoods.

[15] These figures are based on the updated tract taxonomy. See table A.1, bottom panel.

Appendix

Table A.1. **Home Purchase Lending, 1992 to 1996, All HMDA Reporters**

		Fitterman Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	9	642	40,816	63.6	7.66	$4,868	512	39,172	76.5	6.11	$4,672
Moderate	7	728	51,230	70.4	7.69	$5,409	561	46,096	82.2	5.92	$4,867
Middle	6	895	62,201	69.5	8.78	$6,104	623	46,447	74.6	6.11	$4,558
Higher	1	264	18,764	71.1	9.37	$6,659	140	9,105	65.0	4.97	$3,231
Highest	1	47	4,419	94.0	3.02	$2,844	122	13,122	107.6	7.85	$8,444
White											
Low-income	0										
Moderate	1	50	4,633	92.7	4.57	$4,235	380	41,218	108.5	34.73	$37,676
Middle	8	1,100	89,505	81.4	9.13	$7,425	2,732	266,769	97.6	22.66	$22,131
Higher	7	1,159	96,256	83.1	7.68	$6,378	2,986	323,506	108.3	19.78	$21,434
Highest	39	3,525	319,774	90.7	4.58	$4,158	20,564	3,276,490	159.3	26.74	$42,599
Integrated											
Low-income	6	554	42,012	75.8	10.25	$7,774	749	66,274	88.5	13.86	$12,264
Moderate	21	2,849	211,061	74.1	12.15	$9,001	4,253	390,938	91.9	18.14	$16,672
Middle	22	4,076	312,386	76.6	12.60	$9,658	7,276	759,989	104.5	22.49	$23,496
Higher	14	3,393	272,022	80.2	12.05	$9,659	5,483	639,005	116.5	19.47	$22,690
Highest	17	2,772	232,272	83.8	9.35	$7,837	6,677	998,429	149.5	22.53	$33,690
Rental/nonresidential	80	2,541	207,885	81.8	13.08	$10,701	5,041	566,255	112.3	25.95	$29,148
High growth	111	35,259	3,238,482	91.8	10.72	$9,845	96,563	12,672,325	131.2	29.35	$38,522
Housing loss	29	2,063	122,820	59.5	8.26	$4,919	1,868	123,380	66.0	7.48	$4,941
Totals	379	61,917	5,326,538	86.0	9.83	$8,456	156,530	20,278,520	129.6	24.85	$32,192

Table A.1. **Home Purchase Lending, 1992 to 1996, All HMDA Reporters** *(continued)*

		Updated Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	2	65	4,240	65.2	4.35	$2,836	38	3,007	79.1	2.54	$2,011
Moderate	9	706	45,876	65.0	7.53	$4,894	584	46,107	79.0	6.23	$4,919
Middle	11	1,494	104,131	69.7	8.70	$6,062	1,074	82,601	76.9	6.25	$4,809
Higher	1	264	18,764	71.1	9.37	$6,659	140	9,105	65.0	4.97	$3,231
Highest	1	47	4,419	94.0	3.02	$2,844	122	13,122	107.6	7.85	$8,444
White											
Low-income	0										
Moderate	1	50	4,633	92.7	4.57	$4,235	380	41,218	108.5	34.73	$37,676
Middle	8	1,100	89,505	81.4	9.13	$7,425	2,732	266,769	97.6	22.66	$22,131
Higher	15	2,564	216,282	84.4	8.22	$6,937	6,203	650,163	104.8	19.90	$20,853
Highest	31	2,120	199,748	94.2	3.49	$3,284	17,347	2,949,833	170.0	28.52	$48,495
Integrated											
Low-income	2	118	7,809	66.2	7.88	$5,216	132	11,662	88.3	8.82	$7,790
Moderate	9	1,268	91,835	72.4	12.74	$9,230	1,151	88,952	77.3	11.57	$8,940
Middle	40	6,554	505,932	77.2	11.86	$9,156	11,892	1,247,136	104.9	21.52	$22,570
Higher	21	3,707	301,333	81.3	10.32	$8,389	8,189	1,023,176	124.9	22.80	$28,486
Highest	8	1,997	162,844	81.5	12.19	$9,943	3,074	483,709	157.4	18.77	$29,536
Rental/nonresidential	80	2,541	207,885	81.8	13.08	$10,701	5,041	566,255	112.3	25.95	$29,148
High growth	111	35,259	3,238,482	91.8	10.72	$9,845	96,563	12,672,325	131.2	29.35	$38,522
Housing loss	29	2,063	122,820	59.5	8.26	$4,919	1,868	123,380	66.0	7.48	$4,941
Totals	379	61,917	5,326,538	86.0	9.83	$8,456	156,530	20,278,520	129.6	24.85	$32,192

Source: HMDA data (1993, 1994, 1995, 1996, 1997).
Note: See tables 1 and 2 for the race and income thresholds used in the Fitterman and updated taxonomies.

Table A.2. **Home Improvement Lending, 1992 to 1996, All HMDA Reporters**

		Fitterman Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	9	152	1,874	12.3	1.81	$224	356	4,747	13.3	4.25	$566
Moderate	7	129	1,662	12.9	1.36	$175	430	6,269	14.6	4.54	$662
Middle	6	154	1,853	12.0	1.51	$182	460	6,540	14.2	4.51	$642
Higher	1	63	714	11.3	2.24	$253	108	1,823	16.9	3.83	$647
Highest	1	7	74	10.6	0.45	$48	74	886	12.0	4.76	$570
White											
Low-income	0										
Moderate	1	3	27	9.0	0.27	$25	53	1,454	27.4	4.84	$1,329
Middle	8	33	412	12.5	0.27	$34	377	7,428	19.7	3.13	$616
Higher	7	45	638	14.2	0.30	$42	516	13,063	25.3	3.42	$866
Highest	39	140	2,372	16.9	0.18	$31	2,373	93,828	39.5	3.09	$1,220
Integrated											
Low-income	6	39	639	16.4	0.72	$118	222	3,288	14.8	4.11	$608
Moderate	21	116	1,633	14.1	0.49	$70	804	15,220	18.9	3.43	$649
Middle	22	184	2,771	15.1	0.57	$86	1,166	25,369	21.8	3.60	$784
Higher	14	119	1,695	14.2	0.42	$60	984	20,626	21.0	3.49	$732
Highest	17	146	2,615	17.9	0.49	$88	901	30,903	34.3	3.04	$1,043
Rental/nonresidential	80	203	2,908	14.3	1.04	$150	869	18,892	21.7	4.47	$972
High growth	111	1,226	20,085	16.4	0.37	$61	11,023	291,537	26.4	3.35	$886
Housing loss	29	304	4,089	13.5	1.22	$164	1,148	14,330	12.5	4.60	$574
Totals	379	3,063	46,061	15.0	0.49	$73	21,864	556,203	25.4	3.47	$883

Table A.2. **Home Improvement Lending, 1992 to 1996, All HMDA Reporters** *(continued)*

		Updated Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	2	14	140	10.0	0.94	$94	56	655	11.7	3.75	$438
Moderate	9	161	2,107	13.1	1.72	$225	425	6,171	14.5	4.53	$658
Middle	11	260	3,142	12.1	1.51	$183	765	10,730	14.0	4.45	$625
Higher	1	63	714	11.3	2.24	$253	108	1,823	16.9	3.83	$647
Highest	1	7	74	10.6	0.45	$48	74	886	12.0	4.76	$570
White											
Low-income	0										
Moderate	1	3	27	9.0	0.27	$25	53	1,454	27.4	4.84	$1,329
Middle	8	33	412	12.5	0.27	$34	377	7,428	19.7	3.13	$616
Higher	15	84	1,291	15.4	0.27	$41	1,041	26,142	25.1	3.34	$838
Highest	31	101	1,719	17.0	0.17	$28	1,848	80,749	43.7	3.04	$1,327
Integrated											
Low-income	2	21	289	13.8	1.40	$193	57	831	14.6	3.81	$555
Moderate	9	58	932	16.1	0.58	$94	356	4,980	14.0	3.58	$501
Middle	40	276	3,999	14.5	0.50	$72	1,969	42,451	21.6	3.56	$768
Higher	21	137	2,164	15.8	0.38	$60	1,192	31,071	26.1	3.32	$865
Highest	8	112	1,969	17.6	0.68	$120	503	16,073	32.0	3.07	$981
Rental/nonresidential	80	203	2,908	14.3	1.04	$150	869	18,892	21.7	4.47	$972
High growth	111	1,226	20,085	16.4	0.37	$61	11,023	291,537	26.4	3.35	$886
Housing loss	29	304	4,089	13.5	1.22	$164	1,148	14,330	12.5	4.60	$574
Totals	379	3,063	46,061	15.0	0.49	$73	21,864	556,203	25.4	3.47	$883

Source: HMDA data (1993, 1994, 1995, 1996, 1997).
Note: See tables 1 and 2 for the race and income thresholds used in the Fitterman and updated taxonomies.

Table A.3. **Refinance Lending, 1992 to 1996, All HMDA Reporters**

		Fitterman Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	9	180	10,909	60.6	2.15	$1,301	1,043	58,697	56.3	12.44	$7,001
Moderate	7	317	20,633	65.1	3.35	$2,178	1,130	62,326	55.2	11.93	$6,580
Middle	6	460	30,682	66.7	4.51	$3,011	1,302	75,090	57.7	12.78	$7,369
Higher	1	141	8,777	62.2	5.00	$3,115	353	19,641	55.6	12.53	$6,970
Highest	1	19	1,642	86.4	1.22	$1,057	248	19,571	78.9	15.96	$12,594
White											
Low-income	0										
Moderate	1	42	3,836	91.3	3.84	$3,506	354	39,243	110.9	32.36	$35,871
Middle	8	536	40,527	75.6	4.45	$3,362	2,277	179,276	78.7	18.89	$14,873
Higher	7	531	39,912	75.2	3.52	$2,644	3,260	309,387	94.9	21.60	$20,499
Highest	39	1,943	160,171	82.4	2.53	$2,082	24,780	3,660,732	147.7	32.22	$47,595
Integrated											
Low-Income	6	176	11,935	67.8	3.26	$2,209	815	65,382	80.2	15.08	$12,099
Moderate	21	1,175	82,104	69.9	5.01	$3,501	3,633	303,000	83.4	15.49	$12,922
Middle	22	1,945	136,333	70.1	6.01	$4,215	6,012	563,576	93.7	18.59	$17,423
Higher	14	1,559	112,041	71.9	5.54	$3,978	5,523	597,547	108.2	19.61	$21,217
Highest	17	1,457	113,662	78.0	4.92	$3,835	7,643	1,140,764	149.3	25.79	$38,493
Rental/nonresidential	80	979	74,511	76.1	5.04	$3,835	4,454	415,471	93.3	22.93	$21,386
High growth	111	17,245	1,431,184	83.0	5.24	$4,351	80,217	8,923,850	111.2	24.38	$27,127
Housing loss	29	688	40,786	59.3	2.76	$1,633	2,831	146,446	51.7	11.34	$5,865
Totals	379	29,393	2,319,645	78.9	4.67	$3,682	145,875	16,579,999	113.7	23.16	$26,320

Table A.3. **Refinance Lending, 1992 to 1996, All HMDA Reporters** *(continued)*

		Updated Taxonomy									
		FHA/VA					Conventional				
	Number of Tracts in Category	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit	Number	Amount ($000s)	Average Loan ($000s)	Percent of Housing Units Receiving Loans	Amount per Housing Unit
Black											
Low-income	2	10	627	62.7	0.67	$419	121	5,590	46.2	8.09	$3,739
Moderate	9	233	14,729	63.2	2.49	$1,571	1,211	69,867	57.7	12.92	$7,454
Middle	11	714	46,868	65.6	4.16	$2,729	2,143	120,656	56.3	12.48	$7,024
Higher	1	141	8,777	62.2	5.00	$3,115	353	19,641	55.6	12.53	$6,970
Highest	1	19	1,642	86.4	1.22	$1,057	248	19,571	78.9	15.96	$12,594
White											
Low-income	0										
Moderate	1	42	3,836	91.3	3.84	$3,506	354	39,243	110.9	32.36	$35,871
Middle	8	536	40,527	75.6	4.45	$3,362	2,277	179,276	78.7	18.89	$14,873
Higher	15	1,255	94,823	75.6	4.03	$3,041	6,782	613,489	90.5	21.75	$19,677
Highest	31	1,219	105,260	86.3	2.00	$1,730	21,258	3,356,630	157.9	34.95	$55,182
Integrated											
Low-income	2	43	2,625	61.0	2.87	$1,754	172	13,519	78.6	11.49	$9,031
Moderate	9	453	30,749	67.9	4.55	$3,090	1,275	87,726	68.8	12.81	$8,817
Middle	40	3,013	211,329	70.1	5.45	$3,824	10,061	961,520	95.6	18.21	$17,401
Higher	21	1,734	129,881	74.9	4.83	$3,616	8,093	929,639	114.9	22.53	$25,882
Highest	8	1,069	81,491	76.2	6.53	$4,976	4,025	677,865	168.4	24.58	$41,391
Rental/nonresidential	80	979	74,511	76.1	5.04	$3,835	4,454	415,471	93.3	22.93	$21,386
High growth	111	17,245	1,431,184	83.0	5.24	$4,351	80,217	8,923,850	111.2	24.38	$27,127
Housing loss	29	688	40,786	59.3	2.76	$1,633	2,831	146,446	51.7	11.34	$5,865
Totals	379	29,393	2,319,645	78.9	4.67	$3,682	145,875	16,579,999	113.7	23.16	$26,320

Source: HMDA data (1993, 1994, 1995, 1996, 1997).
Note: See tables 1 and 2 for the race and income thresholds used in the Fitterman and updated taxonomies.

Table A.4. **Single-Family Lending in 1996, Updated Taxonomy, All HMDA Reporters**

		Home Purchase					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	19	1,030	54.2	9	463	51.4
Moderate	9	185	12,542	67.8	175	12,532	71.6
Middle	11	381	27,731	72.8	290	23,966	82.6
Higher	1	58	4,345	74.9	33	2,185	66.2
Highest	1	11	1,004	91.3	28	3,244	115.9
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	13	1,075	82.7	93	9,654	103.8
Middle	8	217	18,401	84.8	756	75,597	100.0
Higher	15	626	56,493	90.2	1,690	176,696	104.6
Highest	31	448	43,914	98.0	4,390	773,253	176.1
Integrated							
Low-income	2	39	2,459	63.1	24	2,262	94.3
Moderate	9	271	19,803	73.1	314	22,910	73.0
Middle	40	1,604	128,038	79.8	3,395	359,621	105.9
Higher	21	952	79,593	83.6	2,236	286,139	128.0
Highest	8	524	45,107	86.1	855	137,731	161.1
Rental/nonresidential	80	610	53,652	88.0	1,486	165,967	111.7
High growth	111	8,180	789,140	96.5	26,270	3,547,358	135.0
Housing loss	29	592	37,492	63.3	616	38,045	61.8
Totals	379	14,730	1,321,819	89.7	42,660	5,637,623	132.2

Table A.4. **Single-Family Lending in 1996, Updated Taxonomy, All HMDA Reporters** *(continued)*

		Home Improvement					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	2	15	7.5	21	226	10.8
Moderate	9	33	460	13.9	105	1,556	14.8
Middle	11	76	1,112	14.6	221	3,236	14.6
Higher	1	9	131	14.6	47	925	19.7
Highest	1	0	0	—	19	298	15.7
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	0	0	—	13	438	33.7
Middle	8	15	245	16.3	91	1,362	15.0
Higher	15	17	300	17.6	248	5,204	21.0
Highest	31	28	593	21.2	374	15,360	41.1
Integrated							
Low-income	2	4	24	6.0	20	451	22.6
Moderate	9	15	246	16.4	87	1,683	19.3
Middle	40	85	1,633	19.2	530	10,257	19.4
Higher	21	31	495	16.0	281	6,988	24.9
Highest	8	49	986	20.1	138	2,951	21.4
Rental/nonresidential	80	46	800	17.4	233	4,699	20.2
High growth	111	388	7,707	19.9	3,114	70,275	22.6
Housing loss	29	88	1,260	14.3	359	5,363	14.9
Totals	379	886	16,007	18.1	5,901	131,272	22.2

Table A.4. **Single-Family Lending in 1996, Updated Taxonomy, All HMDA Reporters** *(continued)*

		Refinancing						
		FHA/VA			Conventional			
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)	Total Originations
Black								
Low-income	2	0	0	—	47	2,055	43.7	216
Moderate	9	27	1,826	67.6	352	19,240	54.7	2,003
Middle	11	78	5,229	67.0	655	35,307	53.9	3,830
Higher	1	18	1,191	66.2	91	4,751	52.2	573
Highest	1	2	167	83.5	64	4,780	74.7	292
White								
Low-income	0	—	—	—	—	—	—	—
Moderate	1	8	693	86.6	37	5,427	146.7	239
Middle	8	41	3,226	78.7	342	24,948	72.9	2,190
Higher	15	130	10,536	81.0	994	83,988	84.5	5,709
Highest	31	96	8,653	90.1	2,439	409,996	168.1	11,165
Integrated								
Low-income	2	3	138	46.0	38	2,624	69.1	276
Moderate	9	50	3,610	72.2	239	14,851	62.1	1,956
Middle	40	306	21,503	70.3	1,733	151,697	87.5	12,782
Higher	21	144	10,926	75.9	1,070	114,745	107.2	7,418
Highest	8	109	8,630	79.2	488	80,502	165.0	3,638
Rental/nonresidential	80	91	7,304	80.3	923	69,677	75.5	6,178
High growth	111	1,754	153,921	87.8	12,068	1,263,428	104.7	78,383
Housing loss	29	80	4,693	58.7	873	40,751	46.7	5,603
Totals	379	2,937	242,246	82.5	22,453	2,328,767	103.7	142,451

Source: HMDA data (1997).
Note: See table 1 for racial composition thresholds and table 2 for income thresholds.

Table A.5. **Single-Family Lending in 1996, Updated Taxonomy Excluding Independent Mortgage Companies**

		Home Purchase					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	8	384	48.0	4	233	58.3
Moderate	9	71	4,907	69.1	96	7,049	73.4
Middle	11	137	9,686	70.7	140	13,241	94.6
Higher	1	30	2,283	76.1	17	1,132	66.6
Highest	1	5	485	97.0	13	1,369	105.3
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	8	654	81.8	70	7,393	105.6
Middle	8	125	10,486	83.9	534	54,280	101.6
Higher	15	311	27,671	89.0	1,145	121,108	105.8
Highest	31	232	23,205	100.0	3,111	562,949	181.0
Integrated							
Low-income	2	16	1,023	63.9	11	1,116	101.5
Moderate	9	117	8,306	71.0	186	12,585	67.7
Middle	40	768	60,912	79.3	2,271	243,885	107.4
Higher	21	402	32,967	82.0	1,492	197,022	132.1
Highest	8	211	18,092	85.7	537	93,519	174.2
Rental/nonresidential	80	193	15,846	82.1	753	82,859	110.0
High growth	111	4,064	389,115	95.7	17,506	2,402,600	137.2
Housing loss	29	228	14,253	62.5	287	18,072	63.0
Totals	379	6,926	620,275	89.6	28,173	3,820,412	135.6

Table A.5. **Single-Family Lending in 1996, Updated Taxonomy Excluding Independent Mortgage Companies** *(continued)*

		Home Improvement					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	0	0	—	13	127	9.8
Moderate	9	0	0	—	48	669	13.9
Middle	11	0	0	—	95	942	9.9
Higher	1	0	0	—	16	261	16.3
Highest	1	0	0	—	12	163	13.6
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	0	0	—	11	279	25.4
Middle	8	0	0	—	74	986	13.3
Higher	15	1	60	60.0	167	3,323	19.9
Highest	31	2	63	31.5	293	12,825	43.8
Integrated							
Low-income	2	0	0	—	13	263	20.2
Moderate	9	0	0	—	47	795	16.9
Middle	40	2	137	68.5	283	4,695	16.6
Higher	21	0	0	—	163	4,213	25.8
Highest	8	0	0	—	64	1,251	19.5
Rental/nonresidential	80	1	63	63.0	140	2,747	19.6
High growth	111	7	468	66.9	1,870	38,912	20.8
Housing loss	29	0	0	—	153	1,588	10.4
Totals	379	13	791	60.8	3,462	74,039	21.4

Table A.5. **Single-Family Lending in 1996, Updated Taxonomy Excluding Independent Mortgage Companies** *(continued)*

		Refinancing						
		FHA/VA			Conventional			
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)	Total Originations
Black								
Low-income	2	0	0	—	15	678	45.2	80
Moderate	9	11	782	71.1	150	8,303	55.4	809
Middle	11	26	1,730	66.5	323	17,044	52.8	1,560
Higher	1	7	483	69.0	45	2,248	50.0	236
Highest	1	1	91	91.0	30	2,210	73.7	130
White								
Low-income	0	—	—	—	—	—	—	—
Moderate	1	3	278	92.7	28	4,584	163.7	164
Middle	8	15	1,119	74.6	234	16,748	71.6	1,318
Higher	15	50	4,037	80.7	639	52,624	82.4	3,231
Highest	31	29	2,618	90.3	1,693	295,059	174.3	6,908
Integrated								
Low-income	2	2	95	47.5	21	1,509	71.9	130
Moderate	9	12	801	66.8	126	7,628	60.5	900
Middle	40	100	7,412	74.1	1,108	100,310	90.5	6,877
Higher	21	56	4,101	73.2	692	76,502	110.6	4,056
Highest	8	18	1,458	81.0	327	58,867	180.0	1,764
Rental/nonresidential	80	20	1,730	86.5	433	36,397	84.1	2,570
High growth	111	620	54,339	87.6	7,832	832,606	106.3	43,978
Housing loss	29	21	1,252	59.6	379	17,445	46.0	2,209
Totals	379	991	82,326	83.1	14,075	1,530,762	108.8	76,920

Source: HMDA data (1997).
Note: See table 1 for racial composition thresholds and table 2 for income thresholds.

Table A.6. **Single-Family Lending in 1996, Updated Taxonomy, Independent Mortgage Companies**

		Home Purchase					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	11	646	58.7	5	230	46.0
Moderate	9	114	7,635	67.0	79	5,483	69.4
Middle	11	244	18,045	74.0	150	10,725	71.5
Higher	1	28	2,062	73.6	16	1,053	65.8
Highest	1	6	519	86.5	15	1,875	125.0
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	5	421	84.2	23	2,261	98.3
Middle	8	92	7,915	86.0	222	21,317	96.0
Higher	15	315	28,822	91.5	545	55,588	102.0
Highest	31	216	20,709	95.9	1,279	210,304	164.4
Integrated							
Low-income	2	23	1,436	62.4	13	1,146	88.2
Moderate	9	154	11,497	74.7	128	10,325	80.7
Middle	40	836	67,126	80.3	1,124	115,736	103.0
Higher	21	550	46,626	84.8	744	89,117	119.8
Highest	8	313	27,015	86.3	318	44,212	139.0
Rental/nonresidential	80	417	37,806	90.7	733	83,108	113.4
High growth	111	4,116	400,025	97.2	8,764	1,144,758	130.6
Housing loss	29	364	23,239	63.8	329	19,973	60.7
Totals	379	7,804	701,544	89.9	14,487	1,817,211	125.4

Table A.6. **Single-Family Lending in 1996, Updated Taxonomy, Independent Mortgage Companies** *(continued)*

		Home Improvement					
		FHA/VA			Conventional		
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)
Black							
Low-income	2	2	15	7.5	8	99	12.4
Moderate	9	33	460	13.9	57	887	15.6
Middle	11	76	1,112	14.6	126	2,294	18.2
Higher	1	9	131	14.6	31	664	21.4
Highest	1	0	0	—	7	135	19.3
White							
Low-income	0	—	—	—	—	—	—
Moderate	1	0	0	—	2	159	79.5
Middle	8	15	245	16.3	17	376	22.1
Higher	15	16	240	15.0	81	1,881	23.2
Highest	31	26	530	20.4	81	2,535	31.3
Integrated							
Low-income	2	4	24	6.0	7	188	26.9
Moderate	9	15	246	16.4	40	888	22.2
Middle	40	83	1,496	18.0	247	5,562	22.5
Higher	21	31	495	16.0	118	2,775	23.5
Highest	8	49	986	20.1	74	1,700	23.0
Rental/nonresidential	80	45	737	16.4	93	1,952	21.0
High growth	111	381	7,239	19.0	1,244	31,363	25.2
Housing loss	29	88	1,260	14.3	206	3,775	18.3
Totals	379	873	15,216	17.4	2,439	57,233	23.5

Table A.6. **Single-Family Lending in 1996, Updated Taxonomy, Independent Mortgage Companies** *(continued)*

		Refinancing						
		FHA/VA			Conventional			
	Number of Tracts in Category	Number	Dollar Amount ($000s)	Average Loan ($000s)	Number	Dollar Amount ($000s)	Average Loan ($000s)	Total Originations
Black								
Low-income	2	0	0	—	32	1,377	43.0	136
Moderate	9	16	1,044	65.3	202	10,937	54.1	1,194
Middle	11	52	3,499	67.3	332	18,263	55.0	2,270
Higher	1	11	708	64.4	46	2,503	54.4	337
Highest	1	1	76	76.0	34	2,570	75.6	162
White								
Low-income	0	—	—	—	—	—	—	—
Moderate	1	5	415	83.0	9	843	93.7	75
Middle	8	26	2,107	81.0	108	8,200	75.9	872
Higher	15	80	6,499	81.2	355	31,364	88.3	2,478
Highest	31	67	6,035	90.1	746	114,937	154.1	4,257
Integrated								
Low-income	2	1	43	43.0	17	1,115	65.6	146
Moderate	9	38	2,809	73.9	113	7,223	63.9	1,056
Middle	40	206	14,091	68.4	625	51,387	82.2	5,905
Higher	21	88	6,825	77.6	378	38,243	101.2	3,362
Highest	8	91	7,172	78.8	161	21,635	134.4	1,874
Rental/nonresidential	80	71	5,574	78.5	490	33,280	67.9	3,608
High growth	111	1,134	99,582	87.8	4,236	430,822	101.7	34,405
Housing loss	29	59	3,441	58.3	494	23,306	47.2	3,394
Totals	379	1,946	159,920	82.2	8,378	798,005	95.3	65,531

Source: HMDA data (1997).
Note: See table 1 for racial composition thresholds and table 2 for income thresholds.

Authors

Elvin K. Wyly is Assistant Professor in the Department of Geography and the Center for Urban Policy Research at Rutgers University and Steven R. Holloway is Assistant Professor of Geography at the University of Georgia.

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