

CREDIT SEGREGATION:

Concentrations of predatory lenders in communities of color



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A report of

NATIONAL PEOPLE'S ACTION

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Report Summary

Three years into the massive financial crisis, the economic fallout has clearly not impacted all areas of the nation equally. As this report documents, sharp racial divides exist in terms of the prevalence of mainstream, wealth-building credit and the availability of high-priced, subprime loan products such as “payday” loans. This report examines the recent availability of consumer credit in African-American and Latino communities in five major Midwestern metropolitan areas: Chicago, IL, Detroit, MI, Kansas City, MO-KS, Peoria, IL, and St. Louis MO-IL. This report focuses on two consumer loan products at the opposite ends of the credit spectrum: home mortgage refinance loans and cash advance or payday loans. Together the disparate availability of these products paints a disturbing picture of consumer credit conditions in the areas where most African-Americans and Latinos live during this third year of financial crisis.

This report reveals that during the apparent depth of the financial crisis in 2009, many homeowners in predominately white neighborhoods showed a recovered ability to access real estate-secured bank credit. Communities of color meanwhile have suffered the greatest financial damage in the aftermath of the mortgage crisis and, as this report details, experienced greatest declines in access to mainstream credit. The mortgage banking industry sold costly home debt in record volumes prior to the mortgage market collapse in 2007 which now leaves many black and Latino homeowners unable to access affordable credit to refinance and better manage their debt levels.

Moreover this analysis shows that in African-American and Latino neighborhoods a particularly prevalent form of credit is not from the mainstream banking sector but rather from under-regulated payday lenders which advance paycheck income at triple digit interest rates. The wealth-stripping payday lending industry operates in the highest concentrations among communities of color -a discouraging sign for future prospects of wealth creation for the working poor and fixed-income residents among these communities. This report also shows a simple but meaningful fact: there is virtually no neighborhood with a large African-American or Latino population in the study area that displays stable levels of prime credit for homeowners and very few neighborhoods that do not have a proliferation of high-priced payday lenders.

Finally, this report points out that the dynamic that exists in minority communities of few quality credit products and a prevalence of predatory credit products is due in large part to the business practice of the nation's four very largest banks. Since the onset of the financial crisis, the leaders of the banking industry have in effect pulled back from lending in areas with major black and Latino populations. Having made record profits both before and after the mortgage market collapse, the major banks have done little to service the needs of the average black or Latino homeowner. On the other end of the consumer loan spectrum, the big banks do not offer affordable small dollar loan products.¹ Instead the banks have chosen to discretely fund payday loan companies who do service communities of color, albeit in the form of cash advance loans charging 400% APR.

1. Wells Fargo offers an in-house payday lending product to their account holders which charges interest rates up to 300%.

Main Research Findings

1) Bank lending to refinance homeowner mortgage debt occurred unevenly during the Great Recession with black and Latino homeowners falling far behind other racial groups. Between 2006 and 2009, white homeowners in the Chicago, St. Louis, Kansas City, Peoria, IL, and Detroit metro areas experienced a 8% *increase* in overall refinance loans. However, **African-American homeowners suffered an 86% decrease in overall home refinance loans in this time period.** Similarly, **Latino homeowners have witnessed a 76% overall decline in home loans to refinance mortgage** debt since 2006.

1-A) The country's largest mortgage lenders, including [Bank of America](#), [Wells Fargo](#), [Citibank](#) and [JPMorgan Chase](#) contributed significantly to the trend of declining mainstream credit issued to black and Latino homeowners during the crisis. Compared to 2006 levels, the country's major banks issued 38% more prime-rate refinance loans to white homeowners while they extended **63% fewer prime-rate refinance mortgages to African-American homeowners and 59% fewer to Latino homeowners.**

2) On the community level, we also find sharp differences in the refinance loan volume based on the study area's racial demographics. White areas with the smallest concentration of blacks and Latinos saw the greatest volumes of prime-rate refinance loans. In predominately white areas, refinance loan volume in 2009 was up to **12% of total homeowners while in the areas with the highest concentration of black and Latinos, only an estimated 1.6% of the area's homeowners** received a refinance loan.

2-A) The nation's leading banks exemplified the above trend of racial disparities in prime-rate home credit, **refinancing homeowners in predominately white areas at 6.5 times the rate as they did for homeowners in communities of color.**

3) In examining the prevalence of payday lending in the Midwest the report finds that black and Latino neighborhoods also have the highest concentration of payday lenders. In these communities of color payday lenders are three times as concentrated as compared to other neighborhoods. **Neighborhoods with a high population of African-Americans or Latinos have on average two payday lending locations within one mile, six payday lenders within two miles, and 12 payday lenders within 3 miles.** Predominately white areas, in comparison, had an average of two payday lenders within two miles, and about four payday lenders within three miles.

4) The nation's major banks, including [Wells Fargo](#), [Bank of America](#), and [US Bank](#) fund approximately 38% of the payday lending operations in the Midwest study area. Overall, the payday lending industry in the Midwest is led by the major corporate payday lending companies which are financed by the many of nation's largest banks.

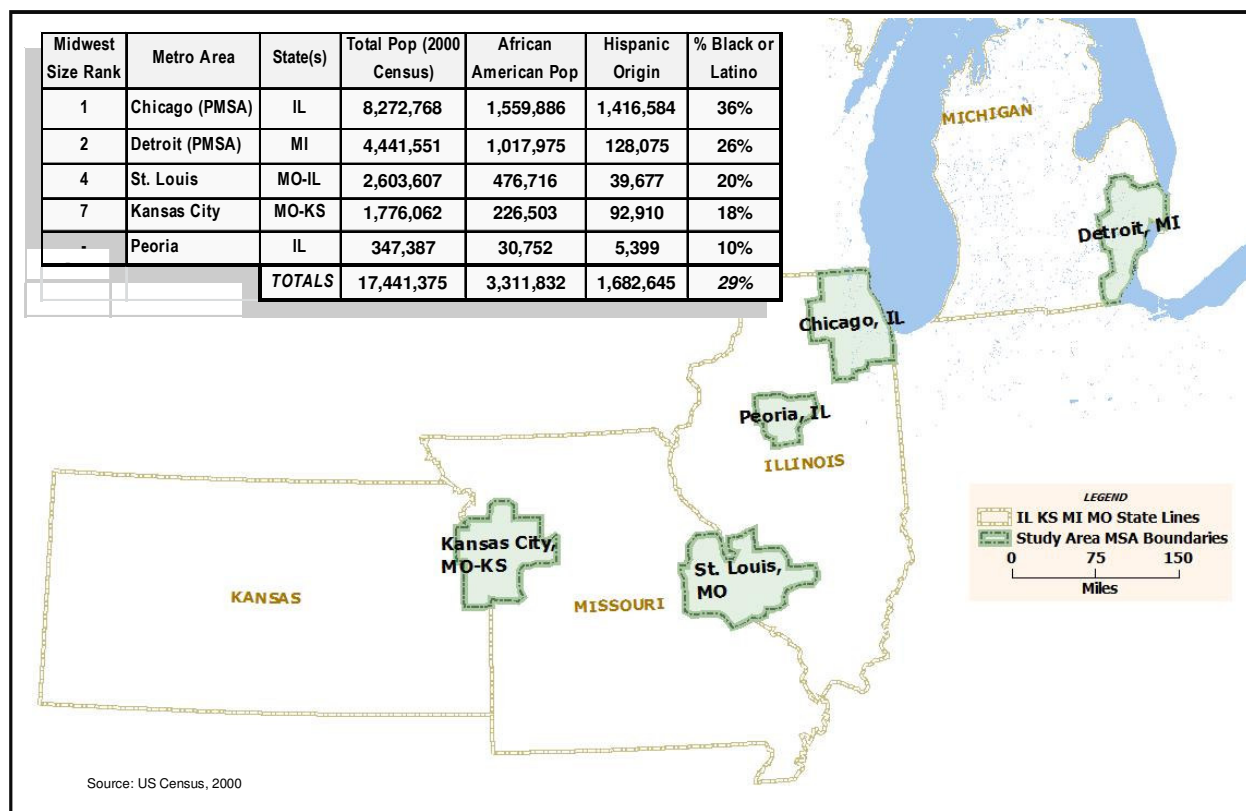
5) Advance America, the leader of the payday industry, operates over 350 stores or 13.5% of all payday lending operations in four states covered in this study. Advance America, whose high-cost lending is funded by Bank of America and Wells Fargo, operates one out of every eight payday shops in the Chicago, St. Louis, Kansas City, Detroit, and Peoria, IL metropolitan areas. **Advance America is also geographically concentrated nearby black and Latino neighborhoods at a density double that of predominately white areas.**

Report Methodology:

Study Area

This report examines five Metropolitan Statistical Areas (MSAs) in the Midwest: Chicago, IL, Detroit, MI, Kansas City, MO-KS, Peoria, IL, and St. Louis MO-IL. Together, these cities represent a population of 17.4 million² and comprise close to 5% (4.98%) of the nation's total mortgage lending market and an estimated 11% of the entire US payday lending industry. Approximately one out of every twenty new mortgage loans in the country and one out of every nine payday lending stores are located within the five city geography covered in this analysis. The nearly 5 million African-American and Latinos covered in the study area constitute approximately 29% of the study area's total population. This report focuses on four major Midwestern cities along with the Peoria-Pekin, IL MSA, included in the study as a sample of trends in a medium-sized (under 500,000 population) metropolitan area.

Study Area: Chicago, Detroit, St. Louis, Kansas City, and Peoria MSAs



Defining Communities of Color

To examine the availability of consumer credit products in the African-American and Latino communities, this analysis classifies the study area according to its racial composition. In this analysis we employ the use of population quintiles –five groups each with an equal number of census tracts or census block groups according the relative percentage of the population that identifies as African-American or of Hispanic origin in each of the five MSAs that comprise the study area. We order the quintile groups “low”, “medium low”, “medium”, “medium-high”, and “high” according to each MSA’s relative percentage of Black and Latino population. This approach accounts for varying demographic conditions among metro areas in the study area. For example, in the Peoria, IL MSA, which has a total African-American and Latino population of only about 10%, census block groups with an African-American and Latinos population of 16 percent fall in the top quintile of all Peoria, IL MSA census block groups and therefore are classified as a “high” concentration of Black and Latino population. In Chicago, which has a considerably higher minority population, a census block group with a Black or Latino population of 90.5 percent or more is classified as having a “high” concentration of Black and Latino population. In this report, we refer to quintiles with “high” Black or Latino concentration interchangeably with the term “communities of color”. See Appendix I for a complete breakdown of MSA population quintiles by population race.

This report, in analyzing of the availability of two credit products, home refinance mortgage loans and payday loans, recognizes that the loan products in large part serve two different customer bases. A lack in home mortgage refinance credit for a given customer *does not* necessarily imply the customer will have an increased demand for or use of a payday loan product. Rather, the two credit products are analyzed in this report to compare and contrast the availability of prime and high-cost, non-prime credit in communities of color. Also, this analysis of different credit products illustrates how the major bank holding companies, directly or indirectly, determine and influence the availability of mainstream, wealth-building credit sources along with high-cost, and frequently “predatory” credit sources.

Home Mortgage Refinance Lending

This report examines home mortgage refinance loans as an indicator of the financial health of homeowners and communities of homeowners in various urban areas and neighborhoods. Following the approach of previous studies on consumer financial issues and race,³ this research is based on the premise that for most homeowners, the ability to refinance mortgage debt at historically low interest rates since 2009 represents a positive financial action that likely reduces debt payments and provides a modest wealth-building opportunity.⁴ However since the onset of the crisis in order to qualify for a prime mortgage the average homeowner would need to have a relatively strong financial status and credit history. With bank underwriting standards tightened considerably since the onset of the crisis, a successful borrower of a conventional (non-FHA) loan would likely need a prime credit score (FICO above 720), a favorable borrower debt-to-income ratio, and a home loan-to-value ratio below 80%,⁵ –all the more difficult during a tumultuous economic time. We estimate racial groups' and geographic community's relative financial health by the volume of owner-occupied, conventional (Non-FHA) loans, refinance loans on residential properties four units or less as reported in the Home Mortgage Disclosure Act (HMDA) during the years 2006 and 2009. This analysis is performed on the census tract level following the availability of national mortgage data in HMDA. This report examines trends across the entire home mortgage lending industry as well as among the nation's largest mortgage lenders. Since 2009 the industry has consolidated to an unprecedented degree among the largest four banks. See Appendix III for more details on lenders covered.

Payday Lending

This report also examines the geographic location of registered payday lending stores provided from State business regulatory agencies. Payday lenders issue loans, typically up to \$500 for two week or one month terms, at rates over twenty times that of credit cards to borrowers with a documented income or government social security/disability check. The report follows the research approach of previous studies examining the geographic concentration of payday lending together with the racial demographics of nearby urban areas.⁶ This analysis assumes that the retail location of the payday lending industry in urban areas corresponds in general to a geographically close customer base and payday loan distribution. This approach is supported by the fact that the major multi-store payday loan companies do consider the surrounding area's demographics when choosing a store location and compete to offer the "convenience of high-density store locations" throughout the geographic area.⁷ Payday stores are both dispersed throughout the metropolitan area but also tend to concentrate in clusters in densely populated or high traffic areas. Payday loan underwriting does not typically require a credit check or a minimum FICO credit score. Therefore, due to the retail nature of the payday loan business and its lack of strict underwriting standards, we feel the use of payday loan store locations is a reasonable and the best-available estimate of loan availability and distribution on an urban level.

3. "Paying More for the American Dream IV: The decline in Prime Mortgage Lending in Communities of Color", The Woodstock Institute, 2010

4. We estimate a typical homeowner with a \$175,000 mortgage debt could save approximately \$2,000 in interest payments annually in refinancing a 2006 prime mortgage averaging 6.52% with a prime refinance mortgage averaging 5.05% in 2009, or \$59,000 over the full 30 year mortgage term.

See: <http://www.mortgagecalculator.org/>

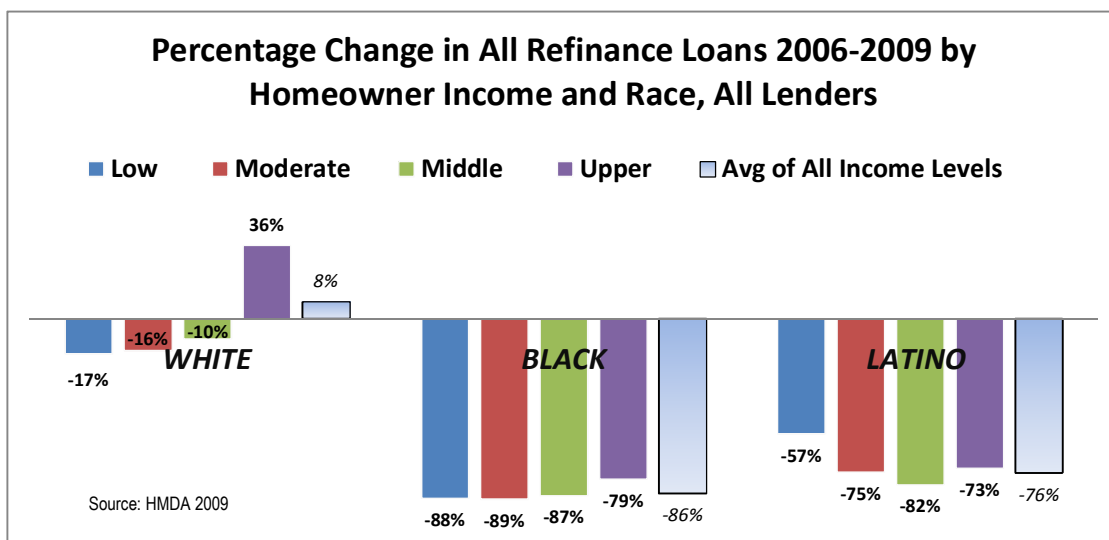
5. [www.bankrate.com](http://www.bankrate.com/finance/mortgages/4-steps-to-refinance-your-mortgage.aspx). See "Four Steps to Refinance your mortgage". May 2009. <http://www.bankrate.com/finance/mortgages/4-steps-to-refinance-your-mortgage.aspx>

6. Li, Parrish, et al., "Predatory Profiling: The Role of Race and Ethnicity in the Location of Payday Lenders in California", Center for Responsible Lending, 2009. And also: Graves, Steven M. Graves. "Landscapes of Predation, Landscapes of Neglect: A Location Analysis of Payday Lenders and Banks" Volume 55, Issue 3, pages 303–317, August 2003.

7. ACE Cash Express's 2006 10-K filing with the US Securities and Exchange Commission

Research Results: Home Refinance Lending

HMDA data shows that bank lending to refinance homeowner's mortgage debt occurred unevenly during the Great Recession with black and Latino homeowners falling far behind. Between 2006 and 2009, white homeowners in the five city study area experienced an 8% overall *increase* in the number of refinance loans.⁸ On the other end of the spectrum, African-American homeowners suffered on average an 86% *decrease* in home refinance loans in this time period. Similarly, Latino homeowners on average witnessed a 76% overall *decline* in home loans to refinance mortgage debt compared with 2006 levels.



Considering the borrower's income along with race and Hispanic origin, the data shows that low and moderate income white homeowners in the study area did experience an average decrease in total refinance mortgage lending between 2006 and 2009, although the decline was much less than that of Black and Latino homeowners of similar income levels. Low and moderate income Blacks and Latinos homeowners saw relative declines in all refinance mortgage lending between 3.5 to 5.5 times the rate of white borrowers of the same income level.⁹

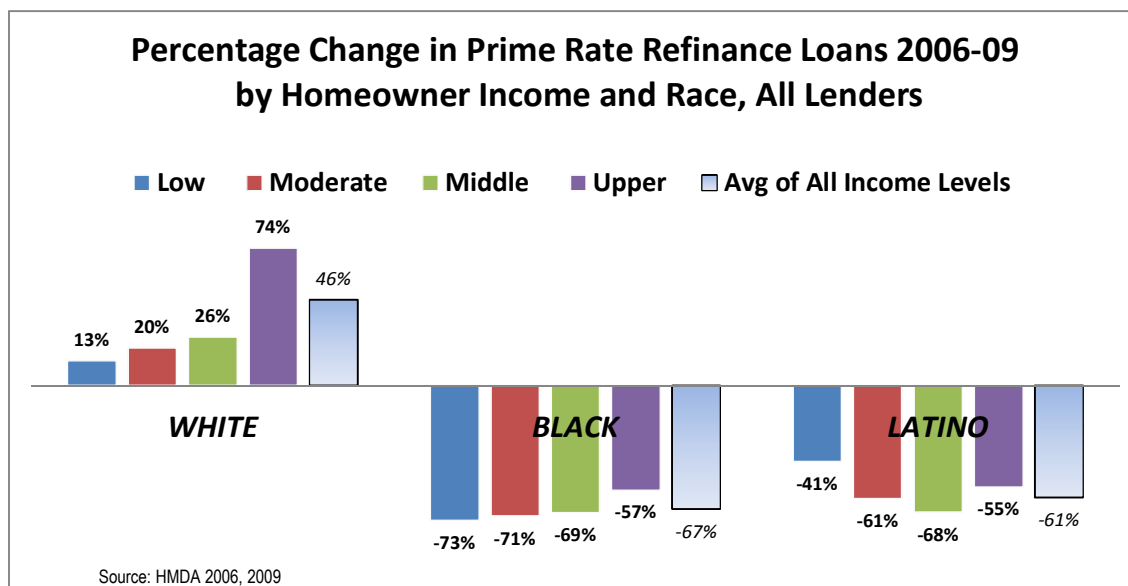
Prime-Rate Refinance Lending

Focusing the analysis on only prime-rate refinance loans,⁸ we find similarly pronounced differences in refinance volumes between homeowners of different race and ethnicity. Excluding the volume of reported high-interest rate refinance loans issued¹⁰ we find that number of prime-rate refinance loans to Black and Latino homeowners decreased by 67% and 61%, respectively. Meanwhile white homeowners at all income levels saw an overall increase in prime-rate refinance loans in 2009.

8. Includes all conventional Refinance and Home Improvement for owner-occupied 1-4 unit buildings.

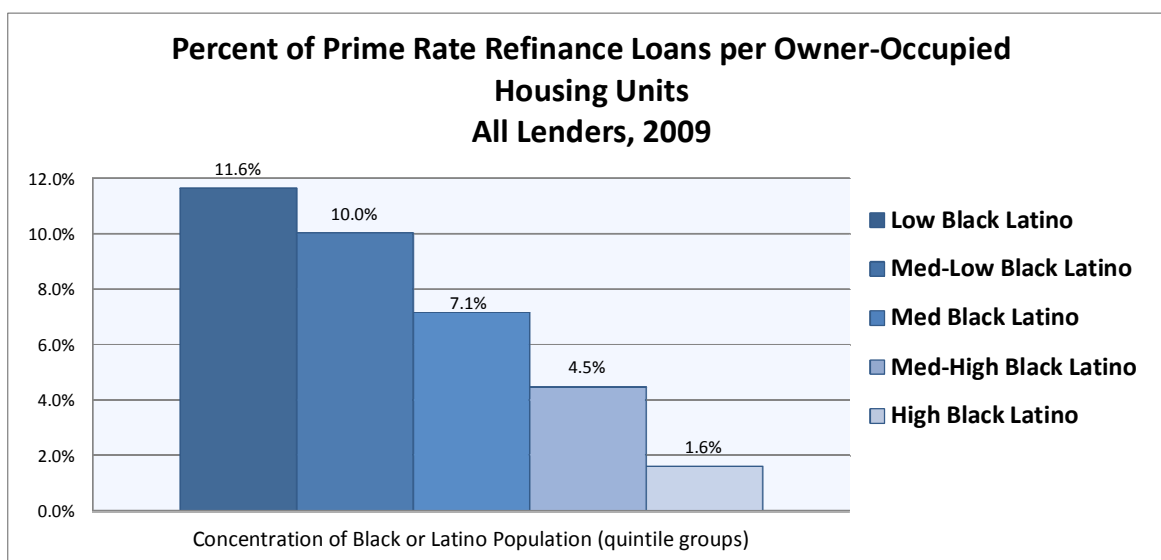
9. Refinance loans to low income Latinos declined at 3.4 times the rate of low income whites, whereas for moderate income African-American homeowners the decline in refinance loans declined by 5.5 times the rate of decline for White homeowners of the same *income level*.

10. High-interest rate refinance loans accounted for 33.5% all refinance originations in 2006 and 3.9% in 2009. HMDA



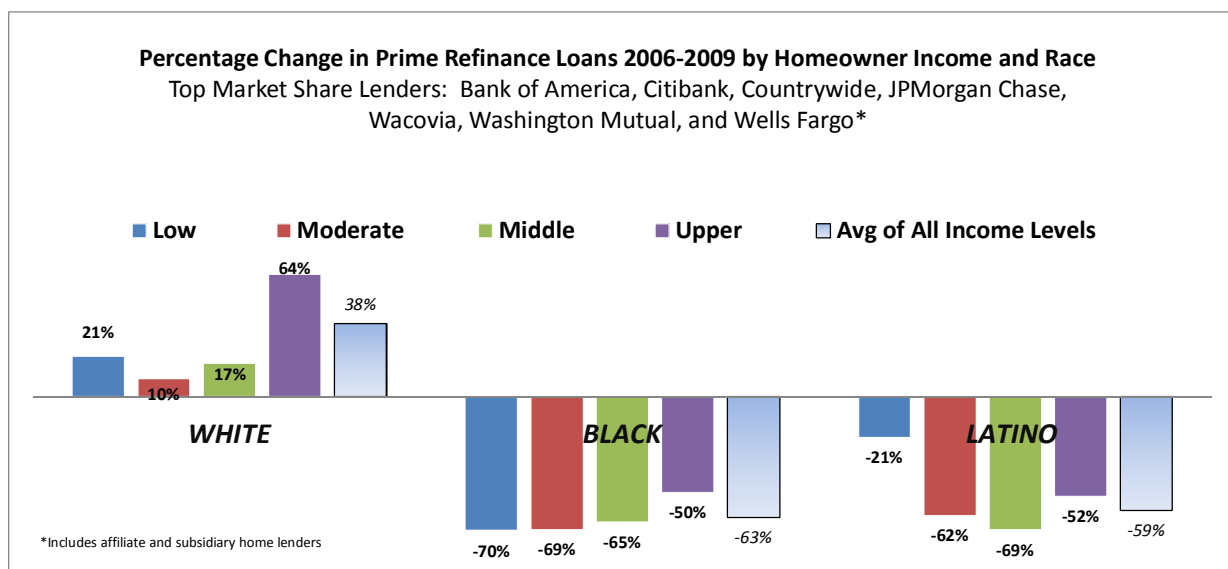
Prime-rate Refinance Lending in Communities of Color

A scarcity of prime-rate refinance home lending does not only impact individual homeowners. Black and Latino homeowners are *not* randomly dispersed throughout a metropolitan area, but rather they tend to be concentrated in certain geographic areas and neighborhoods. These communities with the highest relative concentrations of African-American and Latino residents showed the least access to prime credit channels during the recession. In communities with the highest Black and Latino populations, a prime rate refinance loan was issued for only 1.6% of all owner-occupied housing units in these geographies. In other words less than one out of fifty homeowners in communities of color were able to benefit from the historically low borrowing rates during the financial crisis. In contrast, areas with the smallest percentage of Black and Latino population received on average a prime-rate refinance loan on 11.6% of owner-occupied housing units, or roughly one prime refinance loan for every nine homeowners in these majority White areas.

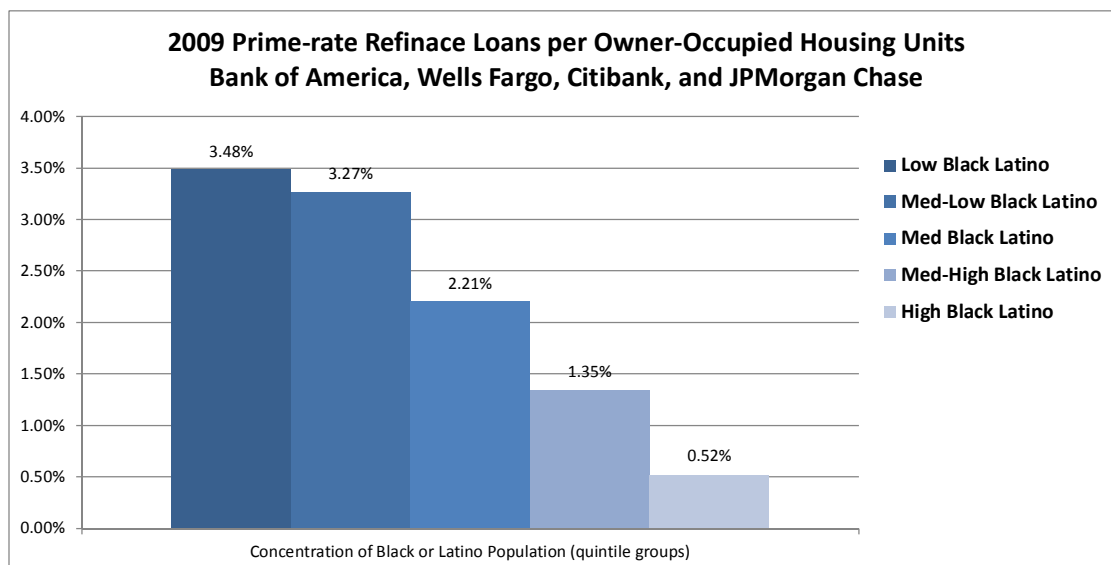


Refinance Lending and the Major National Banks

The nation's four largest banks: Bank of America, Wells Fargo, Citibank, and JPMorgan Chase, play a leading role in setting credit standards and availability for post-crisis home lending industry. Together these banks accounted for 31% of the 2009 refinance loan volume within the study area. This analysis shows that the nation's largest banks exhibited similar lending patterns with respect to communities of color as the mortgage banking industry as a whole. Since the onset of the financial crisis, the nation's major home lenders (including affiliates and subsidiaries) have significantly and disproportionately reduced prime refinance credit to Black and Latino homeowners. The industry's largest home lenders cut prime-rate refinance loan volumes by 63% and 59% to African-American and Latino homeowners respectively, while increasing prime refinance originations to White homeowners of all income levels in the study area by 38%.



In communities of color during 2009 the nation's big four banks issued prime refinance mortgages to approximately 0.5% of the area's total homeowners. These same banks extended prime-rate refinance mortgages to approximately 3.5% of homeowners in predominately White areas, a rate six and half times greater than the rate of refinance lending in communities of color in the study area.



The sharp drop in available refinance credit for some homeowners and communities represents another dimension of the on-going financial crisis. For African-American and Latino households the inability to access prime credit is not just a result of long standing historical conditions, such as lower levels of inherited wealth. The decline in prime credit also results from the recent practices of our nation's financial sector. African-American and Latino borrowers received the highest levels of high-cost mortgage debt of any borrower group during the subprime mortgage boom years.¹¹ When the mortgage bubble burst, not surprisingly, communities of color by and large suffered the highest rates of foreclosure. As foreclosure rates soar, homeowner equity and property values have declined in most areas of the country, however, communities of color have experienced the greatest relative financial losses.¹²

With high-densities of foreclosures in the neighborhood and a greater likelihood to have high debt burdens on existing mortgages, it may not be surprising that many African-American and Latino borrowers find it difficult to access prime credit sources. However, this finding is nevertheless important and deserves serious attention. The failure to secure affordable credit to reduce debt levels issued in the last decade puts even more homeowners at risk of default, foreclosure, and an even more widespread loss of homeowner equity. Secondly, the inability to access mainstream credit sources will turn many borrowers to other non-prime sources of consumer credit which typically have little or no consumer protections, much higher costs, and provide little to no opportunity to build wealth. The implications of this research is that a large number of African-American and Latino borrowers, having been briefly embraced by the mainstream banking industry as part of their massive originate-to-sell business plan, may now be relegated to second-class and substandard credit options for decades to come.

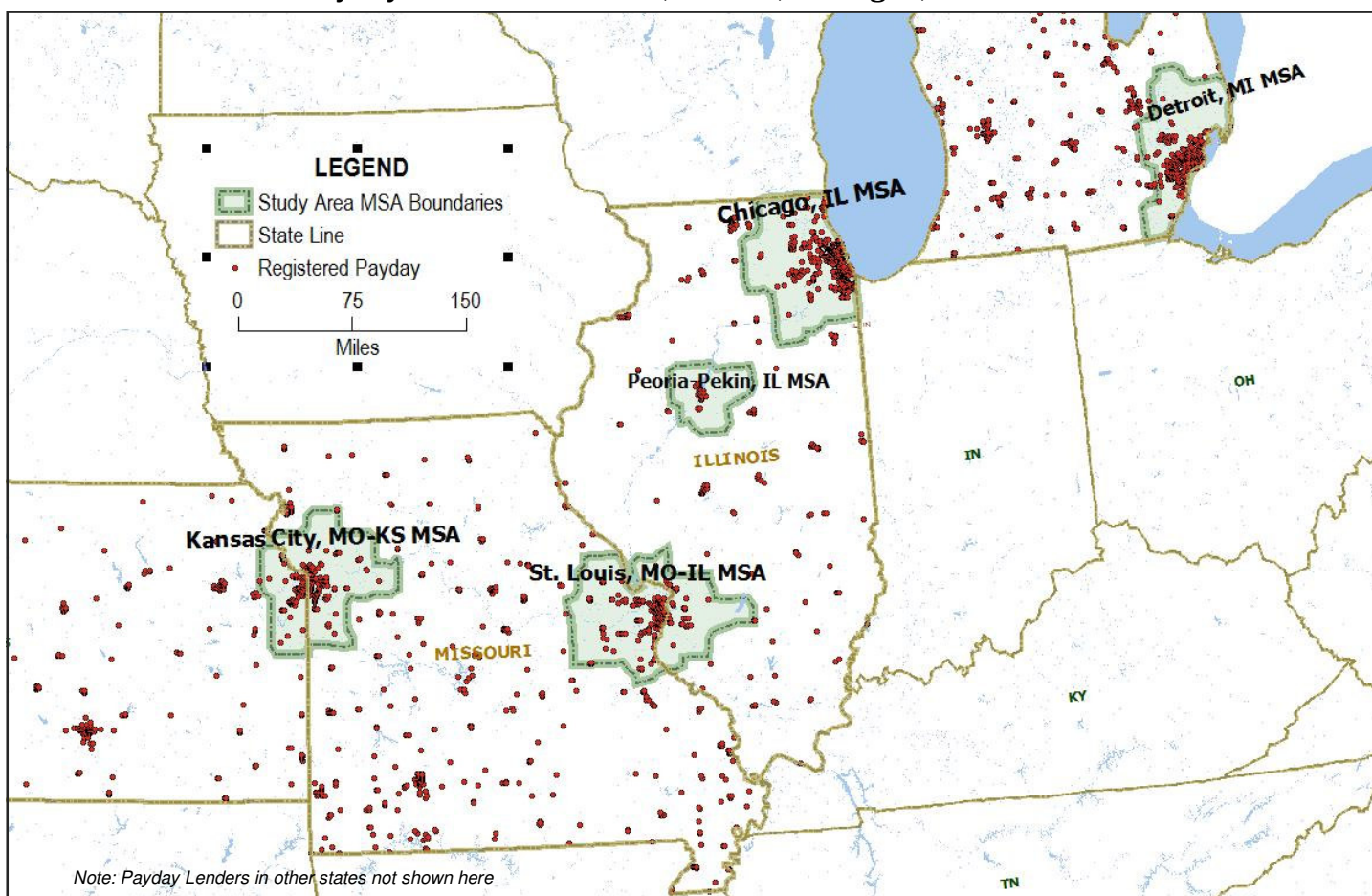
11. HMDA data shows that between 2004 and 2007 over 50% of all African-American and over 40% of Latino mortgage borrowers in Midwestern urban markets received high cost home loans, more than twice the rate of White borrowers of a similar income level.

12. In Chicago, the number of foreclosure filings and completed foreclosures during 2009 in minority census tracts (>80% non-white population) were three times as frequent as in majority white tracts. Similarly, home price declines from 2004-2009 were greatest in communities of color. See the "The Home Foreclosure Crisis in Chicago", National People's Action, 2010 http://showdowninamerica.org/files/images/NPA_2009_Chicago_Foreclosure_Report_0.pdf

Payday Lending in the Midwest:

Payday loans are a widely-available subprime source of small dollar consumer credit issued by non-bank lenders. The central United States is a major market for payday lending with 25% of all payday loan stores nationwide located in the 11 Midwestern states. The four states examined in this report: IL, KS, MI, and MO, together have an estimated 2,600 registered payday lending stores which represent about 11% of all payday loan store locations nationwide. The majority of payday lenders in these four states are located with the five MSA study area that is the focus of this report.

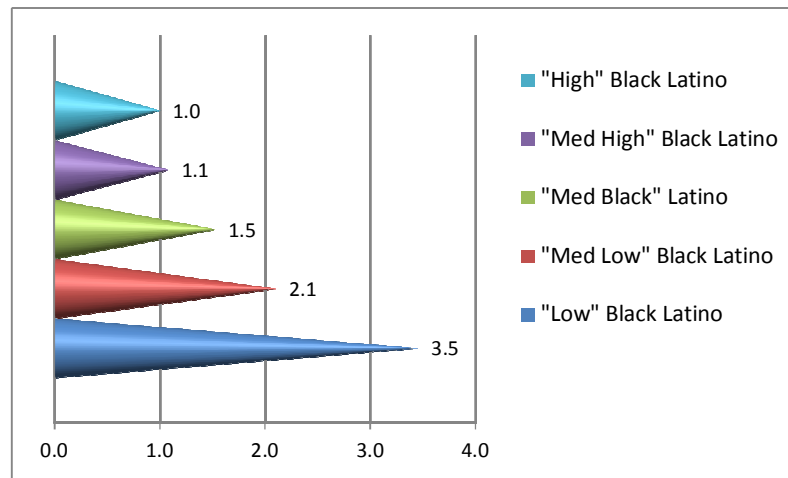
Payday Lenders in Illinois, Kansas, Michigan, and Missouri



Geographic Analysis of Payday Store Locations

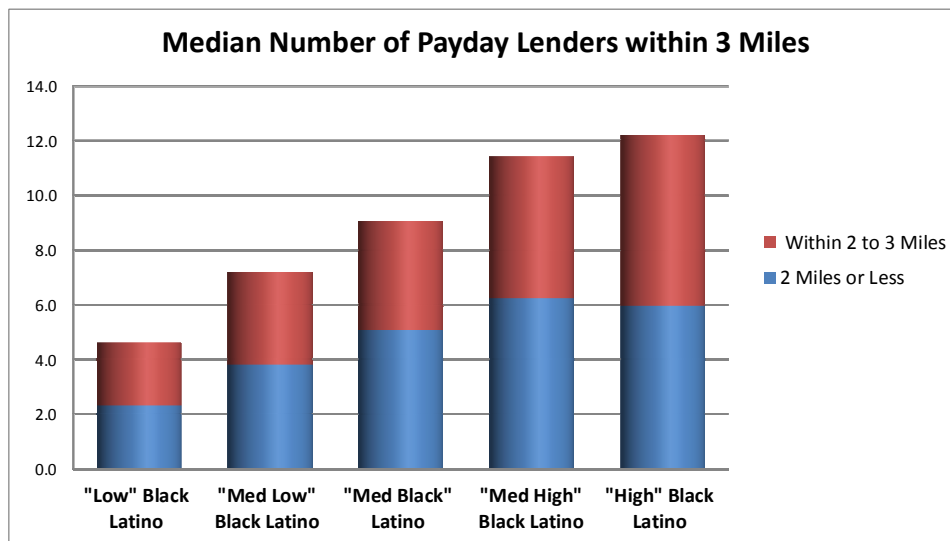
This analysis examines the location of payday loan stores by the racial make-up of the surrounding areas. Dividing each of the five MSAs in the study area into five equal groups (quintiles) according to relative size of the Black or Latino population, we then calculate distances to the nearest payday lender and the number of payday lenders within a one-mile, two-mile, and three mile radii. Our analysis finds that the location of payday lenders in the study areas is on average both nearest to high African-American and Latino populations, and the payday stores are most densely concentrated nearby these communities of color.

Average Distance to Nearest Payday Lender (miles)



Areas with the highest African-American and Latino populations had on average a payday lender within one mile. In contrast, the nearest payday lender to areas with the lowest Black and Latino population were on average three and half miles from these communities. Thus, payday lenders on average are located closest to communities of color in the study area.

Payday lenders are known to cluster stores around desirable, high-traffic locations.¹³ However, this geographic clustering of payday loan stores appears to also be greatest nearby communities of color.



Neighborhoods with high African-American and Latino concentration have on average over 12 payday lenders within a three mile radius of the community. As the Black or Latino population decreases in a community, so does the average density of nearby payday lenders. Areas with a "Low" Black Latino population averaged 4.6 stores within three miles of the census block group. Compared to the "Low" and "High" Black and Latino areas we find that payday lenders are about 2.6 times as concentrated nearby Black and Latino neighborhoods.¹⁴

13. Critics of the payday industry point out this encourages borrowers to conveniently and repeatedly extend debt at high costs which is a major source of income for payday lenders.

14. This analysis also reveals that the Kansas, MO-KS MSA had the highest concentration of payday lenders of any MSA in the study group. See Appendix section I. for Metro Area payday store data.

The payday lending industry, with its flashing neon lights enticing borrowers to sign away their next paycheck, can seem to be far removed from the country's established retail banking sector. However, there are financial ties between the two industries.¹⁴ Our analysis shows that the nation's major banks, including Wells Fargo, Bank of America, and US Bank fund approximately 38% of the payday lending operations in the Midwest study area. Overall, the payday lending industry in the Midwest is dominated by the major corporate payday lending companies, which are financed by many of the nation's largest banks. Major banks provide credit to the top four payday lenders and no fewer than six of the top ten payday lenders in the study area.

Top 10 Payday Lending Companies in IL, KS, MO, MI by Number of Store Locations

Rank	Payday Loan Company	Number of Stores in Study Area	Percent of Study Area total Stores	Major Bank Creditor?
1	Advance America	356	13.4%	Bank of America , Wells Fargo
2	Great Plains Specialty Finance Inc d/b/a Check n Go	234	8.8%	PNC
3	QC Financial Services Inc d/b/a Quik Cash	151	5.7%	US Bank
4	Check Into Cash	140	5.3%	Wells Fargo
5	BnT Loan LLC	116	4.4%	
6	Americash Loans LLC	79	3.0%	US Bank
7	Cottonwood Financial d/b/a The Cash Store	78	2.9%	
8	Instant Cash Advance Corp	51	1.9%	
9	The Payday Loan Store of Illinois Inc	46	1.7%	Banco Popular
10	Cash for Checks LLC	44	1.7%	

The largest payday lender in the study area as well as the nation is Advance America. Notably, Advance America operates over 13% of all registered payday stores, or approximately one out of seven stores in the five metropolitan area study sample. Examining the industry leader Advance America, we also find that this large corporate payday lender is also closest to and most densely concentrated near communities of color.

Advance American Store Locations by African-American and Latino Population

Area Concentration of African-American and Latinos	Number of Block Groups in Study Area	Median Distance to nearest Advance America store (Miles)	Median Advance America Stores within 2 Miles
Low	2684	5.51	0.34
Med Low	2678	3.90	0.48
Med	2686	3.57	0.51
Med High	2680	3.23	0.67
High	2684	3.57	0.65

The nearest Advance America store lies within three and a half miles (3.23-3.57) for areas with a "medium" or "high" concentration of African-Americans and Latinos, compared to 5.5 miles for predominately White areas. Similarly, Advance America stores are on average twice as concentrated within two miles of communities of color as they are to predominately White communities (a median of 0.65 stores compared with 0.34 stores within two miles).

14. Connor and Skomarovsky, "Predator's Creditors: How the Biggest Banks Bankroll the Payday Loan Industry", National People's Action

Report Conclusions

This report is a stark reminder of the very real differences in financial stability that exist between racial groups in the country. The analysis finds that at both ends of the spectrum of consumer credit in the Midwest, financial conditions are the most troubling in communities of color. The areas where the vast majority of the Midwest's African-American and Latino population resides show severe declines in mainstream credit -as evidenced by a sharp decline in refinance mortgage lending- and an abundance of high-priced, small dollar lending, documented by the geographic concentration of payday lending stores in communities of color. This analysis shows that many Black and Latino homeowners, having been recently burdened with the highest concentrations of costly debt during the mortgage bubble, are now being abandoned by mainstream credit markets. Furthermore the working poor and fixed-income residents in communities of color are at continued risk of predatory, wealth-stripping credit through under-regulated small dollar loan products .

Policy Recommendations

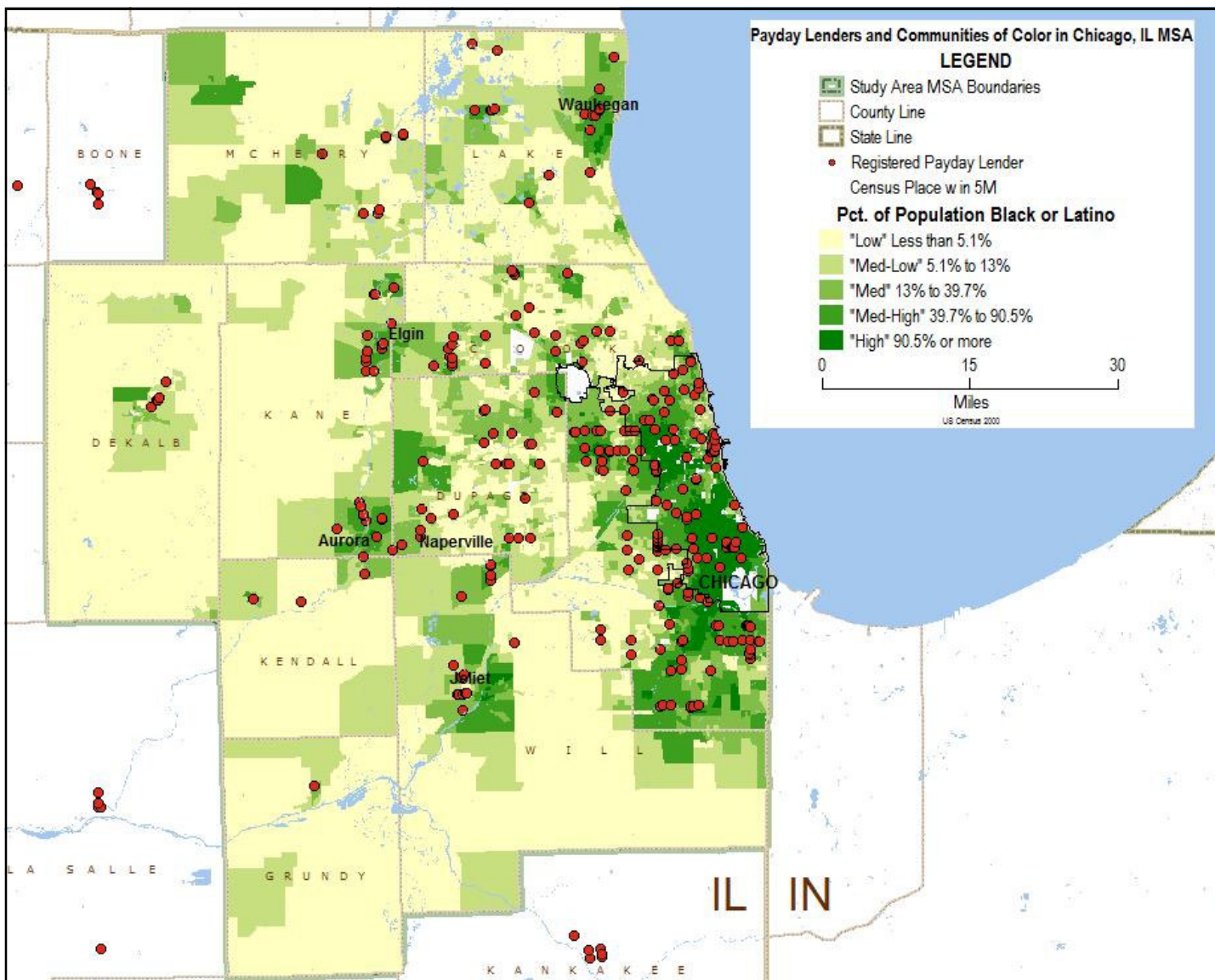
In response to this report and conclusions, National People's Action calls on:

- Congress to institute a nationwide cap on small dollar loan interest rates,
- State governments to effectively regulate the payday lending industry,
- The comprehensive regulation the payday lending industry through the Consumer Financial Protection Bureau,
- The major national banks to stop the financing of payday lending,
- The major national banks to get out of direct high-cost payday lending, and
- The nation's banking industry to implement alternative loan products that responsibly and affordably serve the real need for short-term smaller loans in communities across the country.

APPENDIX I: Metro Area Payday Lender Maps and Data

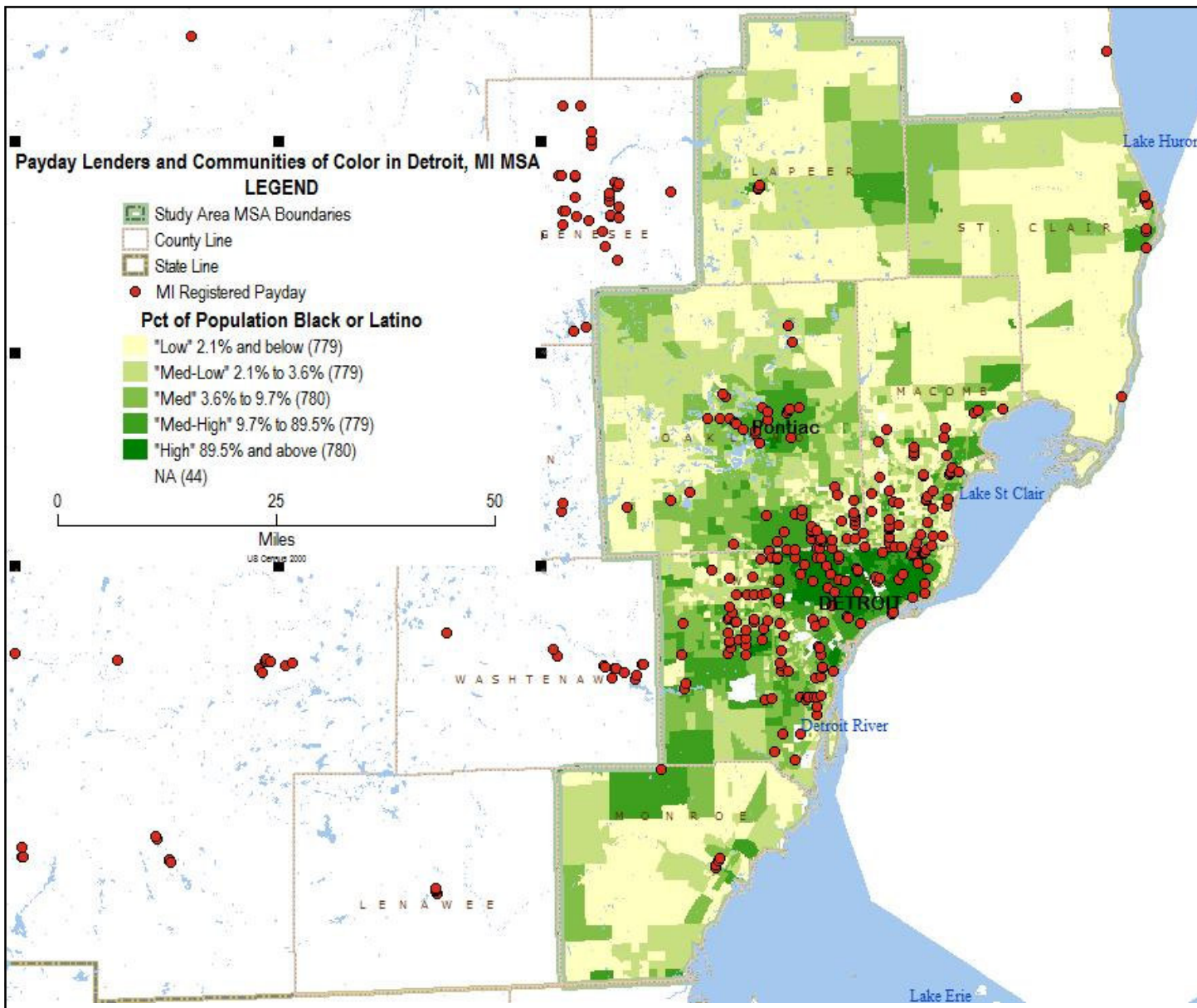
Registered payday lender addresses were collected from the respective state business regulatory agency: the Illinois Department of Financial and Professional Regulation; the Michigan Office of Financial and Insurance Regulation; the Missouri Department of Insurance, Financial Institutions, and Professional Regulation; and the Kansas Office of the State Bank Commissioner

I-A. Chicago, IL PMSA



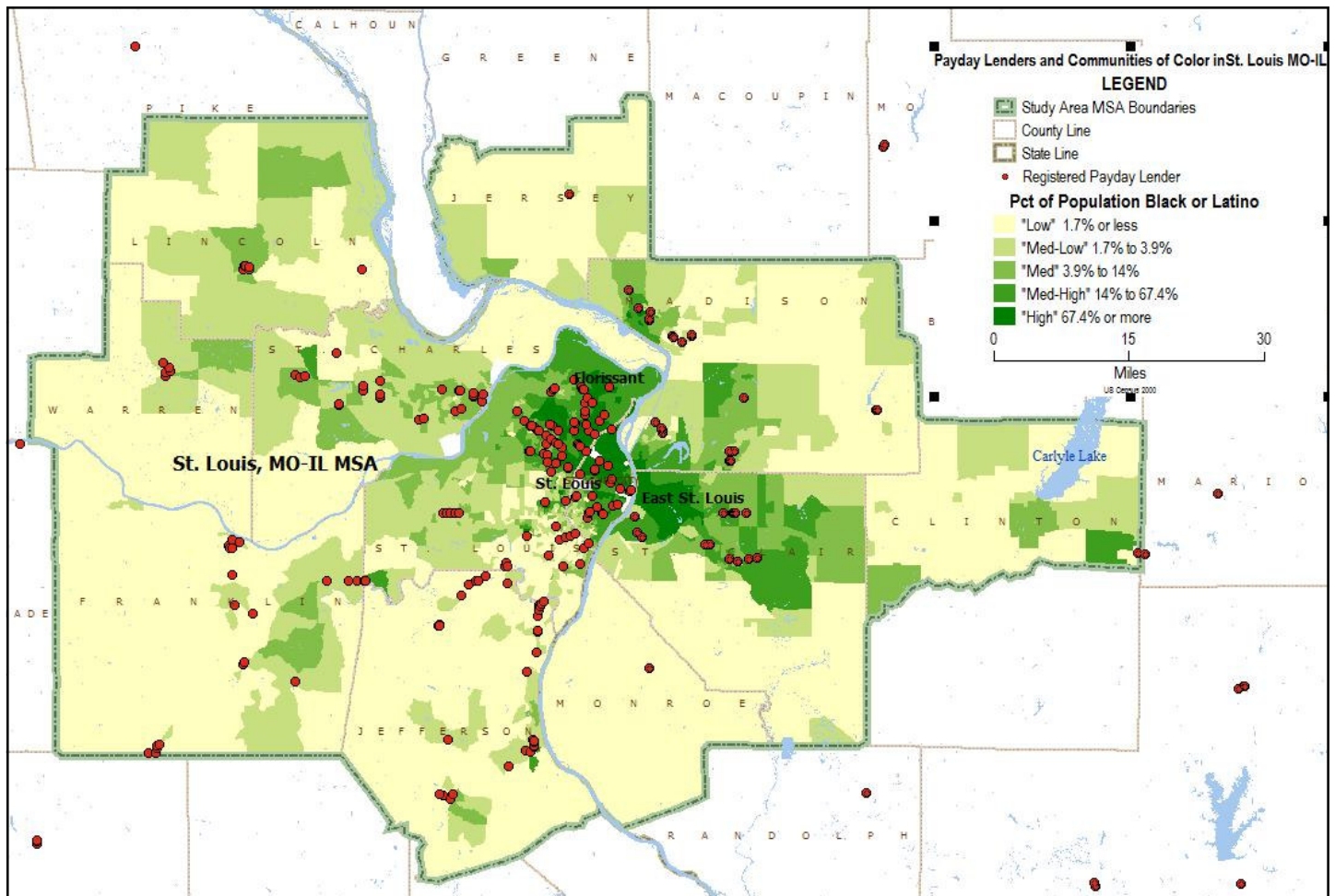
Chicago, IL PMSA								
Quintiles by % of Census Block Group Population African-American or Latino	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
Low <5.1	1176	1,736,083	21.0%	3.2	0.17	0.49	1.64	3.50
Medium Low <12.9%	1176	1,848,773	22.4%	1.8	0.48	1.14	3.23	6.44
Medium <39.6%	1176	1,679,398	20.3%	1.2	0.80	2.00	5.21	9.35
Medium High <90.5%	1176	1,729,774	20.9%	1.0	0.79	2.02	6.02	11.49
High >90.5	1176	1,277,571	15.4%	1.0	0.44	1.40	5.18	11.10

I-B. Detroit, MI PMSA



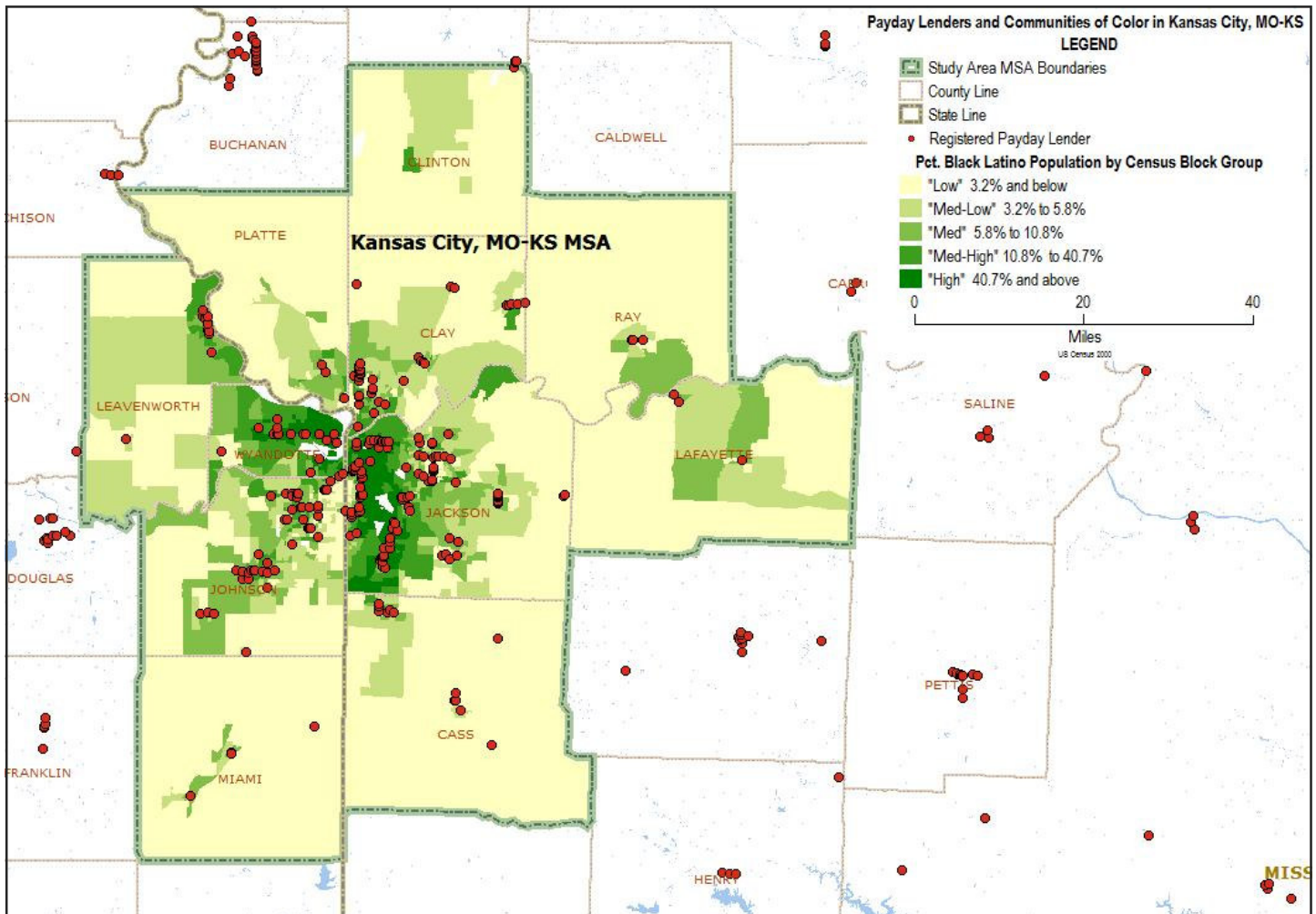
Detroit, MI PMSA								
Quintiles by % of Census Block Group Population African-American or Latino	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
Low <2.1	779	904867	25.7%	3.1	0.29	0.80	2.70	5.80
Medium Low <3.6%	779	934147	26.5%	2.3	0.54	1.34	3.95	7.73
Medium 9.7%	780	1004524	28.5%	1.8	0.65	1.55	4.21	8.03
Medium High <89.5%	779	907757	25.8%	1.2	0.86	1.97	5.35	10.03
High >89.5	780	678174	19.2%	0.9	0.51	1.58	5.74	12.22

I-C. St. Louis, MO-IL MSA



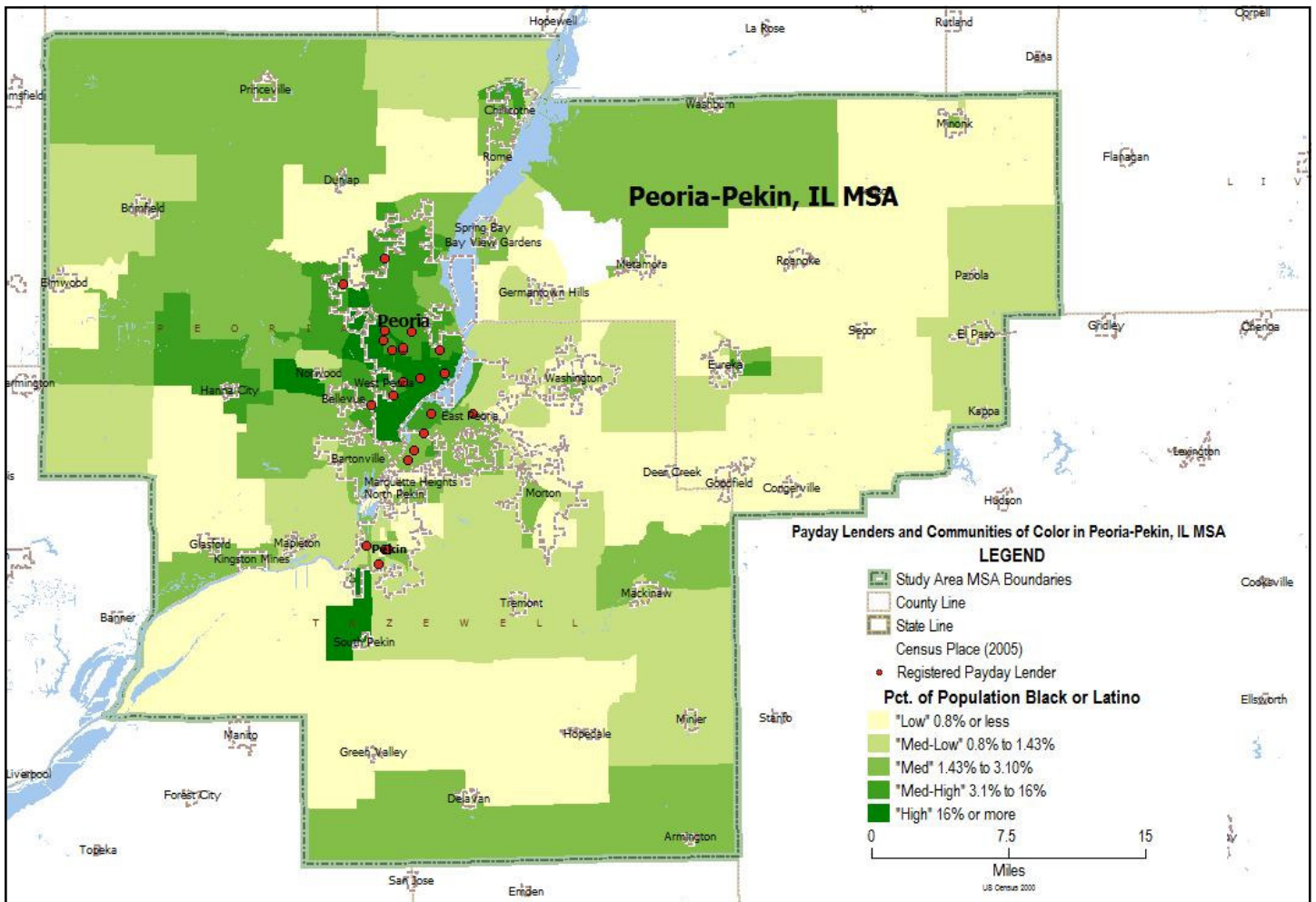
St. Louis MO-IL MSA								
Quintiles by % of Census Block Group Population African-American or Latino	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
Low <1.7%	390	573536	22.0%	4.0	0.64	1.23	2.61	4.26
Medium Low <3.9%	384	655010	25.2%	2.4	0.72	1.48	3.76	6.35
Medium <14%	388	562911	21.6%	1.7	0.98	2.05	4.85	8.37
Medium High <67.4%	387	478689	18.4%	1.1	1.13	2.51	6.51	11.90
High >67.4%	388	332527	12.8%	1.3	0.73	1.89	5.88	11.60

I-D. Kansas City, MO-KS MSA



Kansas City, MO-KS MSA								
% of Population African-American or Latino (Quintile Groups)	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
Low <3.173	286	359769	25.5%	3.8	0.65	1.53	3.91	7.05
Medium Low <3.173%	285	432678	30.6%	1.6	1.09	2.51	6.35	11.01
Medium <10.8%	289	372865	26.4%	1.3	1.38	3.15	7.64	12.62
Medium High <40.674%	285	331783	23.5%	1.0	1.84	4.09	9.37	14.87
High >40.7%	287	274922	19.5%	0.9	1.51	3.80	9.75	17.57

I-E. Peoria, IL MSA



Peoria, IL MSA Quintiles by % of Census Block Group Population African-American or Latino	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
Low <0.8%	53	58350	16.8%	9.7	0.15	0.40	0.89	1.23
Medium Low <1.43%	54	74219	21.4%	6.6	0.39	0.81	1.46	2.04
Medium <3.1%	53	75825	21.8%	5.4	0.55	1.11	1.89	3.42
Medium High <16%	53	72173	20.8%	2.0	1.00	1.89	4.92	8.43
High >16%	53	66816	19.2%	0.9	0.94	2.55	6.57	10.83

II-F. Mean Distance to Payday Lenders, All MSAs

Averages for All MSAs								
% of Population African-American or Latino (Quintile Groups)	Number of Census Block Groups	Total Population (2000)	Pct of Total Population	Avg Distance to Nearest Payday Lender (Mi)	Avg Num of Payday Lenders in Block Group or within 0.5 miles	Avg Num of Payday Lenders in Block Group or within 1 mile	Avg Num of Payday Lenders in Block Group or within 2 miles	Avg Num of Payday Lenders in Block Group or within 3 miles
"Low" Black Latino	2,684	3,632,605	20.8%	3.5	0.3	0.8	2.3	4.6
"Med Low" Black Latino	2,678	3,944,827	22.6%	2.1	0.6	1.4	3.8	7.2
"Med Black" Latino	2,686	3,695,523	21.2%	1.5	0.8	2.0	5.1	9.1
"Med High" Black Latino	2,680	3,520,176	20.2%	1.1	1.0	2.3	6.2	11.4
"High" Black Latino	2,684	2,630,010	15.1%	1.0	0.6	1.8	6.0	12.2

APPENDIX II. Home Mortgage Data for Metro Area- All Lenders, 2006 and 2009

MSA Name	MSA_MD	Borrower Race	Refi Loans 2006	Refi Loans Amount 2006 (\$ 000s)	Refi Loans 2009	Refi Loans Amount 2009 (\$ 000s)	% Change '06-'09 Loan Volume	% Change '06- '09 \$ Amnt
Chicago MSA	16974	1White	75347	16825097	117137	28592537	55.5%	69.9%
Chicago MSA	16974	2Black	9816	1560107	3447	625798	-64.9%	-59.9%
Chicago MSA	16974	3Latino	16498	3072489	6348	1171425	-61.5%	-61.9%
Chicago MSA	16974	4OtherRace	6734	1643923	11960	3073734	77.6%	87.0%
Chicago MSA	16974	5Mixed	2300	479462	3525	899451	53.3%	87.6%
Chicago MSA	16974	6Unreported	9328	1695283	12080	3018718	29.5%	78.1%
Detroit MSA	19804	1White	13846	1714299	6242	1058144	-54.9%	-38.3%
Detroit MSA	19804	2Black	2984	279029	235	29261	-92.1%	-89.5%
Detroit MSA	19804	3Latino	382	35199	63	9095	-83.5%	-74.2%
Detroit MSA	19804	4OtherRace	556	112645	690	160571	24.1%	42.5%
Detroit MSA	19804	5Mixed	237	27771	121	22333	-48.9%	-19.6%
Detroit MSA	19804	6Unreported	1859	194562	716	121697	-61.5%	-37.5%
Kansas City, MO-KS	28140	1White	17626	2441129	29457	5443862	67.1%	123.0%
Kansas City, MO-KS	28140	2Black	883	102759	516	78410	-41.6%	-23.7%
Kansas City, MO-KS	28140	3Latino	470	50564	371	55275	-21.1%	9.3%
Kansas City, MO-KS	28140	4OtherRace	299	47643	742	144467	148.2%	203.2%
Kansas City, MO-KS	28140	5Mixed	410	54458	730	136410	78.0%	150.5%
Kansas City, MO-KS	28140	6Unreported	2226	279215	3211	609629	44.2%	118.3%
Peoria, IL MSA	37900	1White	2760	282819	7862	1100187	184.9%	289.0%
Peoria, IL MSA	37900	2Black	61	5159	76	10538	24.6%	104.3%
Peoria, IL MSA	37900	3Latino	16	1180	35	3503	118.8%	196.9%
Peoria, IL MSA	37900	4OtherRace	39	6132	211	39441	441.0%	543.2%
Peoria, IL MSA	37900	5Mixed	25	2391	91	14455	264.0%	504.6%
Peoria, IL MSA	37900	6Unreported	159	14447	284	45858	78.6%	217.4%
St. Louis, MO-IL MSA	41180	1White	30576	4441324	58044	10580713	89.8%	138.2%
St. Louis, MO-IL MSA	41180	2Black	2222	256828	1090	161692	-50.9%	-37.0%
St. Louis, MO-IL MSA	41180	3Latino	248	32723	360	62156	45.2%	89.9%
St. Louis, MO-IL MSA	41180	4OtherRace	517	94060	1436	321578	177.8%	241.9%
St. Louis, MO-IL MSA	41180	5Mixed	486	70104	839	156301	72.6%	123.0%
St. Louis, MO-IL MSA	41180	6Unreported	3411	464909	4981	967390	46.0%	108.1%
		Totals	202,321	36,287,710	272,900	58,714,629	34.9%	61.8%

Home Mortgage Data for Combined Metro Area- All Lenders, 2006 and 2009

Prime-rate Home Refinance Mortgages by Borrower Race/ Hispanic ethnicity

Borrower Race	Refi Loans 2006	Refi Loans \$ Amount 2006 (000s)	Refi Loans 2009	Refi Loans \$ Amount 2009 (000s)	% Change 06 to 09 Loan Volume	% Change 06 to 09 in \$ Amnt
1White	140155	25704668	218742	46775443	56.1%	82.0%
2Black	15966	2203882	5364	905699	-66.4%	-58.9%
3Latino	17614	3192155	7177	1301454	-59.3%	-59.2%
4OtherRace	8145	1904403	15039	3739791	84.6%	96.4%
5Mixed	3458	634186	5306	1228950	53.4%	93.8%
6Unreported	16983	2648416	21272	4763292	25.3%	79.9%
totals	202321	36287710	272900	58714629	34.9%	61.8%

APPENDIX II-B. 2009 Home Mortgage Data for Metro Area- All Lenders

								ALL LENDERS						
						Avg Pct Black Latino					Prime Rate Loans 09 / Owner Occupied			Prime Rate Refi Loans 09 / Owner Occupied
MSA Name	MSA Code	Census Tract Race (quintile groups)	Number of Tracts	Total Pop 2000	Avg Pct Minority	2000	Owner Occ Units	All 09 Home Loans	Loan Amnt (\$000s)	Prime Rate Loans 09	Housing Units	Loans Amnt	Prime Refi 09	Housing Units
Chicago MSA	16974	1 Low <.062	302	1569805	9.29	3.81%	491600	73707	19370193	72609	0.1477	19107027	63347	0.1289
Chicago MSA	16974	2 Med Low <.16	349	1888767	18.94	10.24%	522222	64990	14826339	63817	0.1222	14623555	54618	0.1046
Chicago MSA	16974	3 Med <.46	341	1581093	37.76	28.88%	350433	34330	7959051	33465	0.0955	7822741	27357	0.0781
Chicago MSA	16974	4 Med High <.93	337	1477535	74.62	70.65%	244936	14785	3116467	14154	0.0578	3040373	10978	0.0448
Chicago MSA	16974	5 High >.93	333	1035597	98.62	98.07%	121603	3320	518242	2933	0.0241	478140	2343	0.0193
Detroit MSA	19804	1 Low <.023	39	145841	4.70	1.86%	50853	3609	751167	3543	0.0697	742325	2835	0.0557
Detroit MSA	19804	2 Med Low <.0384	74	255406	6.78	3.16%	79934	2310	314844	2207	0.0276	307402	1721	0.0215
Detroit MSA	19804	3 Med <.0864	107	413329	11.27	5.73%	120082	3544	476151	3390	0.0282	465027	2586	0.0215
Detroit MSA	19804	4 Med High <.82	123	428841	46.17	39.33%	70972	1891	251976	1790	0.0252	245843	1297	0.0183
Detroit MSA	19804	5 High >.82	170	584124	95.80	94.13%	50345	556	24325	467	0.0093	20221	400	0.0079
Kansas City MSA	28140	1 Low <.0391	110	440985	4.39	2.27%	136771	19862	4151167	18952	0.1386	4030099	15388	0.1125
Kansas City MSA	28140	2 Med Low <.0661	101	497674	8.72	5.28%	143817	15807	2614042	15289	0.1063	2559909	12227	0.0850
Kansas City MSA	28140	3 Med <.143	101	393349	13.73	9.37%	103103	9454	1470295	9132	0.0886	1438832	7150	0.0693
Kansas City MSA	28140	4 Med High <.5	90	272158	35.87	30.75%	58812	2528	297530	2368	0.0403	285055	1738	0.0296
Kansas City MSA	28140	5 High >.5	88	209181	80.24	76.89%	28831	526	40052	434	0.0151	34769	335	0.0116
Peoria, IL MSA	37900	1 Low <.0093	18	62096	1.58	0.62%	19253	2889	422321	2736	0.1421	408641	2221	0.1154
Peoria, IL MSA	37900	2 Med Low <.014	22	89224	2.34	1.11%	26114	3455	474002	3239	0.1240	453050	2618	0.1003
Peoria, IL MSA	37900	3 Med <.05	20	80890	4.14	2.28%	24432	2803	383078	2641	0.1081	370592	2142	0.0877
Peoria, IL MSA	37900	4 Med High <.2	19	81939	14.41	10.44%	22890	2485	325377	2348	0.1026	313473	1777	0.0776
Peoria, IL MSA	37900	5 High >.2	16	51289	55.87	52.43%	7481	351	26797	312	0.0417	25197	219	0.0293
St. Louis MSA	41180	1 Low <.0196	127	675509	2.52	1.19%	208222	25923	4409734	24757	0.1189	4278933	21727	0.1043
St. Louis MSA	41180	2 Med Low <.04	107	606765	5.87	3.01%	187375	29640	5902919	29017	0.1549	5816816	24976	0.1333
St. Louis MSA	41180	3 Med <.13	107	520542	10.57	7.03%	147310	17178	2769924	16594	0.1126	2703936	14024	0.0952
St. Louis MSA	41180	4 Med High <.55	103	506779	31.71	27.58%	124882	9671	1609527	9267	0.0742	1570096	7562	0.0606
St. Louis MSA	41180	5 High >.55	88	346932	86.97	85.27%	60738	1569	183250	1448	0.0238	176057	1097	0.0181

2009 Home Mortgage Refinance Loans - Five MSA Totals by African-American and Latino Concentra-

						All Lenders						
Ranking of Black or Latino Population (quintile groups)	Number of Tracts	TOTAL_POP 2000	Avg Pct Minority	Blk Ltn 2000	Owner Occ Units	All 09 Home Loans	All 09 Home Loan Amnt (\$000s)	Prime Rate Loans 09	Prime Rate Loans Amnt	Prime Refi 09	Refinance Loans / Owner-Occupied Housing Units	Prime Refi Amnt
Low Black Latino	585	2894235	6.53	0.0280	906699	125917	29095561	122544	28559506	105470	11.6%	24297499
Med-Low Black Latino	652	3337776	13.17	0.0717	959462	116187	24127525	113554	23756111	96151	10.0%	20013711
Med Black Latino	676	2989203	24.68	0.1806	745360	67309	13058499	65222	12801128	53259	7.1%	10405865
Med-High Black Latino	668	2767054	55.83	0.5115	522487	31250	5570231	29818	5424498	23268	4.5%	4234178
High Black Latino	690	2226977	93.21	0.9182	268983	6198	758180	5473	700280	4300	1.6%	541727

APPENDIX III-A. Mortgage Lenders covered in Metro Area Home Refinance Mortgage Analysis

The banks and mortgage lenders examined in this study together account for a majority (51%) of all home lending nationwide before and after the mortgage crisis. The 2006 HMDA data is analyzed to represent the market conditions of the home mortgage industry leading up to the mortgage crisis. For 2006, this report examines the nation's top seven mortgage lenders by loan origination volume and their subsidiaries and affiliates as identified in HMDA data.

2006 Residential Lending Volume

<i>Rank (2006)</i>	<i>Company</i>	<i>06 Total Loan Volume (\$ Millions)</i>	<i>06 Market Share</i>
1	Countrywide	\$462,501	14.2%
2	Wells Fargo & Company	\$397,640	12.2%
3	Washington Mutual Inc.	\$196,181	6.0%
4	Chase Home Finance	\$172,900	5.3%
5	CitiMortgage, Inc.	\$169,219	5.2%
6	Bank of America	\$166,494	5.1%
7	Wachovia Bank	\$104,471	3.2%
Total Marketshare:			51.1%

Source Media, 2009

For the 2009 this report analyzes the HMDA data for the mortgage lenders with approximately 51% of total market share, which due to business failure and consolidation, are represented by the four major banks: Wells Fargo (having acquired Wachovia), Citibank, JPMorgan Chase (having acquired Washington Mutual), and Bank of America (purchased Countrywide).

2009 Residential Lending Volume

<i>Rank (2009)</i>	<i>Company</i>	<i>09 Total Loan Volume (\$ Millions)</i>	<i>09 Market Share</i>
1	Wells Fargo & Company	\$427,211	20.7%
2	Bank of America	\$391,318	19.0%
3	Chase	\$155,771	7.6%
5	CitiMortgage, Inc.	\$81,253	3.9%

Total Marketshare: 51.2%

Source Media, 2009

APPENDIX III-B. Metro Area Home Refinance Mortgage Data - List of “Major” Banks

2006 and 2009 Bank of America, Wells Fargo, Citibank, and JPMorgan Chase affiliate and subsidiary mortgage lenders

Lender Name	Lender ID	Agency Code	Lender Parent Name	Lender Name	Lender ID	Agency Code	Lender Parent Name
1ST CAPITAL MORTGAGE, LLC	20-0617801	1	WELLS FARGO BANK, N.A.	HREG MORTGAGE SERVICES, LLC	26-1319419	1	WELLS FARGO BANK, N.A.
ACCENT MORTGAGE, LLC	26-1602421	1	JPMORGAN CHASE BANK, NA	ILLUSTRATED PROPERTIES MTG CO	36-4486508	1	WELLS FARGO BANK, N.A.
ADVANCE MORTGAGE	52-1996388	1	WELLS FARGO BANK, N.A.	INTEGRITY HOME FUNDING, LLC	20-3576214	1	WELLS FARGO BANK, N.A.
ADVANTAGE MTGE PARTNERS, LLC	74-3110518	1	WELLS FARGO BANK, N.A.	ILH MORTGAGE	26-1549274	1	BANK OF AMERICA NA
ALASKA BEST MORTGAGE, LLC	20-4072771	1	WELLS FARGO BANK, N.A.	JOHN LAING MORTGAGE, LP	33-0697309	1	WELLS FARGO BANK, N.A.
ALLIANCE GROUP LENDING, LLC	65-1113234	1	WELLS FARGO BANK, N.A.	JONES & MINEAR FINL SERV, LLC	20-4554037	1	WELLS FARGO BANK, N.A.
ALLIANCE HOME MORTGAGE, LLC	20-3075822	1	WELLS FARGO BANK, N.A.	JP MORTGAGE, LLC	36-4524112	1	JPMORGAN CHASE BANK, NA
AMERICAN ACCESS MORTGAGE, LLC	25-1834994	1	JPMORGAN CHASE BANK, NA	JPMORGAN CHASE BANK, NA	0000000008	1	
AMERICAN PRIORITY MORTGAGE LLC	72-1459489	1	WELLS FARGO BANK, N.A.	KB HOME MORTGAGE, LLC	20-2241771	1	BANK OF AMERICA NA
AMERICAN SOUTHERN MORTGAGE SRV	20-1401376	1	WELLS FARGO BANK, N.A.	KELLER MORTGAGE, LLC	20-2232700	1	WELLS FARGO BANK, N.A.
AMERICANMTGNETWORK DBA VERTICE	33-0970030	1	WELLS FARGO BK NA	LEGACY MORTGAGE	31-1406492	1	WELLS FARGO BANK, N.A.
APM MORTGAGE, LLC	20-1379530	1	WELLS FARGO BANK, N.A.	LINEAR FINANCIAL, LP	33-0875305	1	WELLS FARGO BANK, N.A.
ASCENT FINANCIAL SERVICES, LLC	26-1480741	1	WELLS FARGO BANK, N.A.	MANHATTAN HOME FINANCE, LLC	26-1602363	1	JPMORGAN CHASE BANK, NA
ASHTON WOODS MORTGAGE, LLC	58-2539277	1	WELLS FARGO BANK, N.A.	MARBEN MORTGAGE, LLC	20-2953610	1	WELLS FARGO BANK, N.A.
BAILEY MORTGAGE, LLC	05-0541360	1	JPMORGAN CHASE BANK, NA	MARTHA TURNER MORTGAGE, LLC	26-0832315	1	WELLS FARGO BANK, N.A.
BANK OF AMERICA, N.A.	0000013044	1	BANK OF AMERICA CORPORATION	MAX MORTGAGE, LLC	36-4477404	1	WELLS FARGO BANK, N.A.
BANKERS FUNDING COMPANY, LLC	41-2258563	1	WELLS FARGO BANK, N.A.	MC OF AMERICA, LLC	20-0482176	1	WELLS FARGO BANK, N.A.
BELGRAVIA MORTGAGE GROUP, LLC	20-1401154	1	WELLS FARGO BANK, N.A.	MCMLIN HOME MORTGAGE, LLC	26-2931538	1	WELLS FARGO BANK, N.A.
BENEFIT MORTGAGE, LLC	80-0066631	1	WELLS FARGO BANK, N.A.	MERRILL LYNCH BANK & TRUST FSB	0000014640	1	BANK OF AMERICA CORPORATION
BERKS MORTGAGE SERVICES, LLC	20-3871295	1	WELLS FARGO BANK, N.A.	MERRILL LYNCH CREDIT CORP	13-3098068	1	BANK OF AMERICA NA
BEST MORTGAGE RESOURCE	26-1546756	1	BANK OF AMERICA NA	MORGANTON FEDERAL S & L	0000005332	4	
BHS HOME LOANS, LLC	20-1671472	1	WELLS FARGO BANK, N.A.	MORTGAGE 100, LLC	16-1661962	1	WELLS FARGO BANK, N.A.
BIRCHFIELD HOME MORTGAGE	27-0347793	1	BANK OF AMERICA NA	MORTGAGE ONE	34-1842620	1	WELLS FARGO BANK, N.A.
BUCKS COUNTY LENDING GROUP, LLC	31-1805337	1	JPMORGAN CHASE BANK, NA	MORTGAGES ON-SITE, LLC	04-3721145	1	WELLS FARGO BANK, N.A.
CALIFORNIA PREMIERE LENDING	26-2143790	1	JPMORGAN CHASE BANK, NA	MORTGAGES UNLIMITED, LLC	47-0896939	1	WELLS FARGO BANK, N.A.
CAMBRIDGE MORTGAGE SERVICES	22-3566214	1	JPMORGAN CHASE BANK, NA	MOUNTAIN SUMMIT MORTGAGE, LLC	26-3886705	1	WELLS FARGO BANK, N.A.
CAPSTONE HOME MORTGAGE, LLC	20-3371374	1	WELLS FARGO BANK, N.A.	MSC MORTGAGE, LLC	65-0904482	1	WELLS FARGO BANK, N.A.
CAROLINA MORTGAGE/CDJ, LLC	20-0011823	1	WELLS FARGO BANK, N.A.	MUTUAL SERVICE MORTGAGE, LLC	30-0073253	1	WELLS FARGO BANK, N.A.
CBH HOME LOANS	26-1547152	1	BANK OF AMERICA NA	NEW MORTGAGE ADVISORS	26-1549445	1	BANK OF AMERICA NA
CENTENNIAL HOME MORTGAGE, LLC	20-4648575	1	WELLS FARGO BANK, N.A.	NUCOMPASS MORTGAGE SERVICES LL	20-0790865	1	WELLS FARGO BANK, N.A.
CENTRAL FEDERAL MORTGAGE CO	52-1993435	1	WELLS FARGO BANK, N.A.	OCEAN CREST LENDING LLC	20-8609407	1	JPMORGAN CHASE BANK, NA
CHESCO FINANCIAL SERVICES, LLC	20-1961099	1	JPMORGAN CHASE BANK, NA	ONE HOME MORTGAGE, LLC	26-1777273	1	JPMORGAN CHASE BANK, NA
CHOICE MORTGAGE SERVICING, LLC	20-2368435	1	WELLS FARGO BANK, N.A.	PACIFIC LIFESTYLE MORTGAGE LLC	26-1319303	1	WELLS FARGO BANK, N.A.
CITIBANK, N.A.	0000001461	1	CITIGROUP INC.	PCM MORTGAGE, LLC	20-0233909	1	WELLS FARGO BANK, N.A.
CITICORP TRUST BANK FSB	0000014470	4	CITICORP TRUST BANK, FSB	PEACHTREE RESIDENTIAL MORTGAGE	26-0274548	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL CORPO	0003106181	2	CITIFINANCIAL CREDIT COMPANY	PERSONAL MORTGAGE GROUP, LLC	36-4483896	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL COMPANY(DE)	0002752321	2	CITIFINANCIAL CREDIT COMPANY	PHMCWF, LLC	26-2074895	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL CORPORATION	0002752684	2	CITIFINANCIAL CREDIT COMPANY	PHX MORTGAGE ADVISORS, LLC	26-4276702	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL EQUITY SERVI	0002751995	2	CITIFINANCIAL CREDIT COMPANY	PINNACLE MORTGAGE OF NEVADA	88-0419519	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0000902270	2	CITICORP HOME EQUITY, INC.	PLATINUM RESIDENTIAL MORTGAGE	20-4318400	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002750242	2	CITIFINANCIAL CREDIT COMPANY	PNC MORTGAGE, LLC	20-3207833	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002751801	2	CITIFINANCIAL CREDIT COMPANY	PREMIA MORTGAGE, LLC	26-3780954	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002751810	2	CITIFINANCIAL CREDIT COMPANY	PRIMA HOME FINANCE, LLC	20-5424817	1	JPMORGAN CHASE BANK, NA
CITIFINANCIAL SERVICES, INC.	0002751847	2	CITIFINANCIAL CREDIT COMPANY	PRIME ONE MORTGAGE, LLC	23-3042457	1	JPMORGAN CHASE BANK, NA
CITIFINANCIAL SERVICES, INC.	0002751922	2	CITIFINANCIAL CREDIT COMPANY	PRIME SELECT MORTGAGE, LLC	20-3539651	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002752013	2	CITIFINANCIAL CREDIT COMPANY	PRIORITY MORTGAGE COMPANY, LLC	26-3299781	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002752077	2	CITIFINANCIAL CREDIT COMPANY	PRIVATE MORTGAGE ADVISORS, LLC	20-0013136	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL SERVICES, INC.	0002861595	2	CITIFINANCIAL CREDIT COMPANY	PROFESSIONAL MORTGAGE ASSOC LL	26-4531878	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0000523965	2	CITIFINANCIAL CREDIT COMPANY	PROFESSL FINL SERV OF ARIZONA	20-0479222	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0000860473	2	CITIFINANCIAL CREDIT COMPANY	PROPERTYMORTGAGE.COM	26-1549732	1	BANK OF AMERICA NA
CITIFINANCIAL, INC.	0002750532	2	CITIFINANCIAL CREDIT COMPANY	PROSPERITY MORTGAGE COMPANY	54-1685390	7	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0002751762	2	CITIFINANCIAL CREDIT COMPANY	RA MORTGAGE, LLC	26-2931598	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0002751968	2	CITIFINANCIAL CREDIT COMPANY	RAINIER MORTGAGE, LLC	20-8501612	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0002751986	2	CITIFINANCIAL CREDIT COMPANY	REAL ESTATE LENDERS	95-4833804	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0002752022	2	CITIFINANCIAL CREDIT COMPANY	REAL LIVING MORTGAGE, LLC A	04-3385891	1	WELLS FARGO BANK, N.A.
CITIFINANCIAL, INC.	0002817118	2	CITICORP HOME EQUITY, INC.	REAL LIVING MORTGAGE, LLC B	26-4276901	1	WELLS FARGO BANK, N.A.
CITIMORTGAGE, INC	13-3225278	1	CITIGROUP INC.	REALTY HOME MORTGAGE, LLC	04-3594252	1	WELLS FARGO BANK, N.A.
CITYLIFE LENDING GROUP, LLC	20-4221925	1	WELLS FARGO BANK, N.A.	RELIABLE FINANCIAL SERVICES	000252533	2	WELLS FARGO & CO
CMV HOME LOANS	26-1547341	1	BANK OF AMERICA NA	RESIDENTIAL HOME DIVISION, LLC	26-2644756	1	WELLS FARGO BANK, N.A.
COLORADO CAPITAL MTGE CO, LLC	26-0423947	1	WELLS FARGO BANK, N.A.	RESIDENTIAL MORTGAGE DIVISION	20-5832291	1	WELLS FARGO BANK, N.A.
COLORADO MORTGAGE ALLIANCE LLC	84-1542642	1	WELLS FARGO BANK, N.A.	RESIDENTIAL MORTGAGE GROUP	20-2356201	1	JPMORGAN CHASE BANK, NA
COLORADO PROFESSIONALS MORTGAG	27-0032837	1	WELLS FARGO BANK, N.A.	RESIDENTIAL MORTGAGE SERVICES	26-3205612	1	WELLS FARGO BANK, N.A.
COMMUNITY LIFE MORTGAGE, LLC	20-5251727	1	JPMORGAN CHASE BANK, NA	RESORTQUEST MORTGAGE, LLC	20-0011291	1	WELLS FARGO BANK, N.A.
CONWAY HOME MORTGAGE, LLC	20-0315363	1	WELLS FARGO BANK, N.A.	RIVERSIDE HOME LOANS, LLC	20-2594480	1	WELLS FARGO BANK, N.A.
COUNTRYWIDE BANK FSB	0000018039	4	BANK OF AMERICA CORPORATION	RUSS LYON MORTGAGE, LLC	72-1604171	1	WELLS FARGO BANK, N.A.
DE CAPITAL MORTGAGE, LLC	26-1319234	1	WELLS FARGO BANK, N.A.	RWF MORTGAGE, LLC	20-3207725	1	WELLS FARGO BANK, N.A.
DH FINANCIAL, LLC	01-0595955	1	WELLS FARGO BANK, N.A.	SANTA FE MORTGAGE, LLC	74-2949159	1	WELLS FARGO BANK, N.A.
EDWARD JONES MORTGAGE, LLC	42-1472314	1	WELLS FARGO BANK, N.A.	SECURITY FIRST FINL GROUP, LLC	80-0066627	1	WELLS FARGO BANK, N.A.
ELITE HOME MORTGAGE, LLC	20-5522367	1	WELLS FARGO BANK, N.A.	SELECT HOME MORTGAGE, LLC	26-3401287	1	WELLS FARGO BANK, N.A.
ENNIS HOME MORTGAGE, LP	41-2064761	1	WELLS FARGO BANK, N.A.	SELECT LENDING SERVICES, LLC	20-8912215	1	WELLS FARGO BANK, N.A.
EXPRESS FIN'L & MORTGAGE SERVC	20-0830196	1	WELLS FARGO BANK, N.A.	SIGNATURE HOME MORTGAGE, LLC	20-8912169	1	WELLS FARGO BANK, N.A.
FIRST ASSOCIATES MORTGAGE, LCC	20-2067993	1	WELLS FARGO BANK, N.A.	SKOGMAN MORTGAGE COMPANY	39-1871324	1	WELLS FARGO BANK, N.A.
FIRST COMMONWEALTH HOME MTGE	20-4436381	1	WELLS FARGO BANK, N.A.	SKYLINE HOME MORTGAGE, LLC	20-4936805	1	WELLS FARGO BANK, N.A.
FIRST FREEDOM MORTGAGE	26-1547638	1	BANK OF AMERICA NA	SOUTH CENTRAL MORTGAGE, LLC	20-2433622	1	JPMORGAN CHASE BANK, NA
FIRST MORTGAGE CONSULTANTS LLC	20-0749218	1	WELLS FARGO BANK, N.A.	SOUTHEAST HOME MORTGAGE, LLC	75-3011794	1	WELLS FARGO BANK, N.A.
FIRST PENINSULA MORTGAGE, LLC	26-2939907	1	WELLS FARGO BANK, N.A.	SOUTHEAST MINNESOTA MORTGAGE	20-3981881	1	WELLS FARGO BANK, N.A.
FIRST RATE HOME MORTGAGE, LLC	20-1526290	1	WELLS FARGO BANK, N.A.	SOUTHERN OHIO MORTGAGE, LLC	02-0647942	1	WELLS FARGO BANK, N.A.
FIVE STAR LENDING, LLC	20-4795415	1	WELLS FARGO BANK, N.A.	SPH MORTGAGE, LLC	58-2531174	1	WELLS FARGO BANK, N.A.
FLORIDA HOME FINANCE GROUP, LLC	20-5284590	1	WELLS FARGO BANK, N.A.	SRC MORTGAGE	26-1549792	1	BANK OF AMERICA NA
FNBR MORTGAGE	26-1548573	1	BANK OF AMERICA NA	STIRLING MORTGAGE SERVICES LLC	26-1319379	1	WELLS FARGO BANK, N.A.
FOUNDATION MORTGAGE SERVICES	82-0564743	1	WELLS FARGO BANK, N.A.	STOCK FINANCIAL SERVICES, LLC	42-1570515	1	WELLS FARGO BANK, N.A.
FULTON HOME MORTGAGE, LLC	20-2784791	1	WELLS FARGO BANK, N.A.	SUMMIT NATIONAL MORTGAGE, LLC	20-1671394	1	WELLS FARGO BANK, N.A.
GENESIS MORTGAGE, LLC	20-0749370	1	WELLS FARGO BANK, N.A.	THE GROUP GUARANTEED MORTGAGE	26-1549867	1	BANK OF AMERICA NA
GIBRALTAR MORTGAGE SERVICES LL	61-1552666	1	WELLS FARGO BANK, N.A.	THOROUGHbred MORTGAGE, LLC	26-1227062	1	WELLS FARGO BANK, N.A.
GIBRALTAR MORTGAGE, LLC	90-0342039	1	WELLS FARGO BANK, N.A.	TOWN & COUNTRY MORTGAGE GROUP	20-0617912	1	WELLS FARGO BANK, N.A.
GREAT EAST MORTGAGE, LLC	20-1401247	1	WELLS FARGO BANK, N.A.	TOWN AND COUNTRY MORTGAGE, LLC	52-2335728	1	JPMORGAN CHASE BANK, NA
GREATER ATLANTA FINANCIAL SERV	20-4436455	1	WELLS FARGO BANK, N.A.	TPG FUNDING, LLC	27-0629132	1	WELLS FARGO BANK, N.A.
GREENPATH FUNDING, LLC	20-0479324	1	WELLS FARGO BANK, N.A.	TRADEMARK MORTGAGE, LLC	20-2070075	1	WELLS FARGO BANK, N.A.
GREENRIDGE MORTGAGE SERVICES	03-0419145	1	WELLS FARGO BANK, N.A.	URBAN HOME MORTGAGE, LLC	20-4651133	1	JPMORGAN CHASE BANK, NA
GUARANTEE PACIFIC MORTGAGE LLC	32-0095778	1	WELLS FARGO BANK, N.A.	VALUE MORTGAGE, LLC	20-0258466	1	JPMORGAN CHASE BANK, NA
HALLMARK MORTGAGE GROUP, LLC	75-3011781	1	WELLS FARGO BANK, N.A.	VILLAGE COMMUNITIES FINANCIAL	20-5124553	1	WELLS FARGO BANK, N.A.
HANSEN AND HORN FINANCIAL, LLC	26-1668430	1	WELLS FARGO BANK, N.A.	WACHOVIA BANK NA	0000000001	1	WELLS FARGO & COMPANY
HEARTLAND SECURITY LENDING LLC	26-3088341	1	WELLS FARGO BANK, N.A.	WACHOVIA BANK OF DELAWARE	0000022559	1	WELLS FARGO & COMPANY
HENDRICKS MORTGAGE, LLC	02-0638418	1	WELLS FARGO BANK, N.A.	WACHOVIA FINANCIAL SERVICES	13-2647352	1	WELLS FARGO BANK NA
HERITAGE HOME MORTGAGE GROUP	20-4361491	1	WELLS FARGO BANK, N.A.	WACHOVIA MORTGAGE FSB	0000012642	4	WELLS FARGO & COMPANY
HIGHLAND LOANSOURCE	26-1548895	1	BANK OF AMERICA NA	WELLS FARGO BANK, NA	0000001741	1	WELLS FARGO & CO
HILLSBOROUGH LENDING, LLC	26-1917078	1	WELLS FARGO BANK, N.A.	WELLS FARGO FUNDING, INC	41-1704421	1	WELLS FARGO BK NA
HOME MORTGAGE SPECIALISTS, LLC	20-8613267	1	WELLS FARGO BANK, N.A.	WELLS FARGO HOME MORTG HAWAII	99-0323905	1	WELLS FARGO BANK, N.A.
HOMELIFE FINANCIAL, LLC	20-4225224	1	WELLS FARGO BANK, N.A.	WESTERN MUTUAL HOME LOANS	26-1550068	1	BANK OF AMERICA CORPORATION
HOMESERVICES LENDING, LLC	41-1914032	1	WELLS FARGO BANK, N.A.	WESTERN PARADISE FINANCIAL	26-1550102	1	BANK OF AMERICA NA
				WFS MORTGAGE, LLC	26-3574004	1	WELLS FARGO BANK, N.A.
				WILLIAM PITT MORTGAGE, LLC	26-0424388	1	WELLS FARGO BANK, N.A.
				WINMARK FINANCIAL, LLC	20-4361405	1	WELLS FARGO BANK, N.A.

APPENDIX III-B. 2009 Home Mortgage Data for Metro Area– Major Banks Only

PRIME CONVENTIONAL Owner Occupied Refinance LOANS								
MSA NAME	MSA MD	Borrower Race	Refi Loans 2006	Refi Loans \$ Amount 2006 (000s)	Refi Loans 2009	Refi Loans \$ Amount 2009 (000s)	% Change 06 to 09 Loan Volume	% Change 06 to 09 in total \$ Amnt
Chicago MSA	16974	1White	24418	5880667	40072	9639179	64.1%	63.9%
Chicago MSA	16974	2Black	3814	610174	1742	318554	-54.3%	-47.8%
Chicago MSA	16974	3Latino	6115	1221931	2642	495467	-56.8%	-59.5%
Chicago MSA	16974	4OtherRace	2420	636216	5682	1415815	134.8%	122.5%
Chicago MSA	16974	5Mixed	746	166488	1433	346652	92.1%	108.2%
Chicago MSA	16974	6Unreported	3309	643698	6281	1584997	89.8%	146.2%
Detroit MSA	19804	1White	2817	371886	1973	339603	-30.0%	-8.7%
Detroit MSA	19804	2Black	780	74511	88	11425	-88.7%	-84.7%
Detroit MSA	19804	3Latino	117	9835	25	4077	-78.6%	-58.5%
Detroit MSA	19804	4OtherRace	147	29400	170	40240	15.6%	36.9%
Detroit MSA	19804	5Mixed	48	5325	46	8404	-4.2%	57.8%
Detroit MSA	19804	6Unreported	459	52502	228	41919	-50.3%	-20.2%
Kansas City, MO-KS	28140	1White	5081	680257	8806	1584412	73.3%	132.9%
Kansas City, MO-KS	28140	2Black	291	32885	177	27753	-39.2%	-15.6%
Kansas City, MO-KS	28140	3Latino	204	21854	148	21956	-27.5%	0.5%
Kansas City, MO-KS	28140	4OtherRace	107	15542	258	49320	141.1%	217.3%
Kansas City, MO-KS	28140	5Mixed	133	17884	279	50111	109.8%	180.2%
Kansas City, MO-KS	28140	6Unreported	730	90167	1139	224174	56.0%	148.6%
Peoria, IL MSA	37900	1White	405	40881	631	102137	55.8%	149.8%
Peoria, IL MSA	37900	2Black	20	1514	9	1232	-55.0%	-18.6%
Peoria, IL MSA	37900	3Latino	2	233	3	386	50.0%	65.7%
Peoria, IL MSA	37900	4OtherRace	6	819	28	5806	366.7%	608.9%
Peoria, IL MSA	37900	5Mixed	5	513	10	1567	100.0%	205.5%
Peoria, IL MSA	37900	6Unreported	42	5237	97	16954	131.0%	223.7%
St. Louis, MO-IL MSA	41180	1White	8203	1164868	11180	1987741	36.3%	70.6%
St. Louis, MO-IL MSA	41180	2Black	822	93337	388	53408	-52.8%	-42.8%
St. Louis, MO-IL MSA	41180	3Latino	98	13754	99	16692	1.0%	21.4%
St. Louis, MO-IL MSA	41180	4OtherRace	158	30966	314	68465	98.7%	121.1%
St. Louis, MO-IL MSA	41180	5Mixed	157	19284	263	49605	67.5%	157.2%
St. Louis, MO-IL MSA	41180	6Unreported	1106	149161	1701	346867	53.8%	132.5%
totals			62760	12081789	85912	18854918	36.9%	56.1%

Major Bank Lenders - Prime Rate Refinance Loans

Borrower Race	Borrower Income	Refi Loans 2006	Refi Loans \$ Amount 2006 (000s)	Refi Loans 2009	Refi Loans \$ Amount 2009 (000s)	% Change 06 to 09 Loan Volume	% Change 06 to 09 in \$ Amnt
White	Low	2,352	200,635	2,850	330,768	21.2%	64.9%
White	Moderate	8,077	934,094	8,849	1,256,510	9.6%	34.5%
White	Middle	12,759	1,855,413	14,991	2,730,424	17.5%	47.2%
White	Upper	20,726	5,423,124	33,894	8,927,343	63.5%	64.6%
All White		43,914	8,413,266	60,584	13,245,045	38.0%	57.4%
Black	Low	909	78,256	275	28,441	-69.7%	-63.7%
Black	Moderate	1,830	197,485	565	70,968	-69.1%	-64.1%
Black	Middle	1,899	250,876	663	104,039	-65.1%	-58.5%
Black	Upper	1,605	310,108	805	191,000	-49.8%	-38.4%
All Blacks		6,243	836,725	2,308	394,448	-63.0%	-52.9%
Latino	Low	534	59,424	420	55,472	-21.3%	-6.7%
Latino	Moderate	2,080	311,805	796	117,443	-61.7%	-62.3%
Latino	Middle	2,781	526,849	852	156,757	-69.4%	-70.2%
Latino	Upper	1,646	402,087	793	195,572	-51.8%	-51.4%
All Latinos		7,041	1,300,165	2,861	525,244	-59.4%	-59.6%

						Bank of America, Wells Faro, Citibank, JPMorgan Chase (including affiliates and subsidiaries)						
											2009 Prime Refi Loans / Owner- Occupied Housing Units	Prime Refi Amnt
Ranking of Black or Latino Population (quintile groups)	Number of Tracts	TOTAL_POP 2000	Avg Pct Minority	Avg Pct Blk Ltn 2000	Owner Occ Units	All 09 Home Loans	All 09 Home Loan Amnt (\$000s)	Prime Rate Loans 09	Prime Rate Loans Amnt	Prime Refi 09		
Low Black Latino	585	2894235	6.53	0.0280	906699	36228	8861963	35786	8782827	31589	3.5%	7618596
Med-Low Black Latino	652	3337776	13.17	0.0717	959462	36247	7777436	35757	7702122	31337	3.3%	6680698
Med Black Latino	676	2989203	24.68	0.1806	745360	19721	4006966	19329	3958239	16439	2.2%	3343525
Med-High Black Latino	668	2767054	55.83	0.5115	522487	8809	1679331	8535	1650020	7030	1.3%	1344708
High Black Latino	690	2226977	93.21	0.9182	268983	1801	259199	1635	245175	1407	0.5%	208021

APPENDIX IV: Report Definitions and Notes of Report

Census Tract Income Level Definitions:

All income classifications are based on Estimated Median Family Income for 2006 and 2009 according to the following guidelines:

Low-income: up to 50% of MSA Median Family Income (HUD, 2009)

Moderate-income: between 50% and 80% of MSA Median Family Income

Middle-income: between 80% and 120% of MSA Median Family Income

Upper-income: more than 120% of MSA Median Family Income

Prime-Rate Home Loan

In this report a “prime rate” loan refers to a fixed-rate conventional loan with an interest rate 3% points less than a comparable treasury security. As treasury and interest rates can vary monthly, the interest rate at which a loan is classified as a high-cost loan will also vary. A “Prime-rate” loan on a first lien mortgage are those charge an initial APR less than three percentage points above the interest rate on a U.S. Treasury security of comparable maturity.

Predatory Lending:

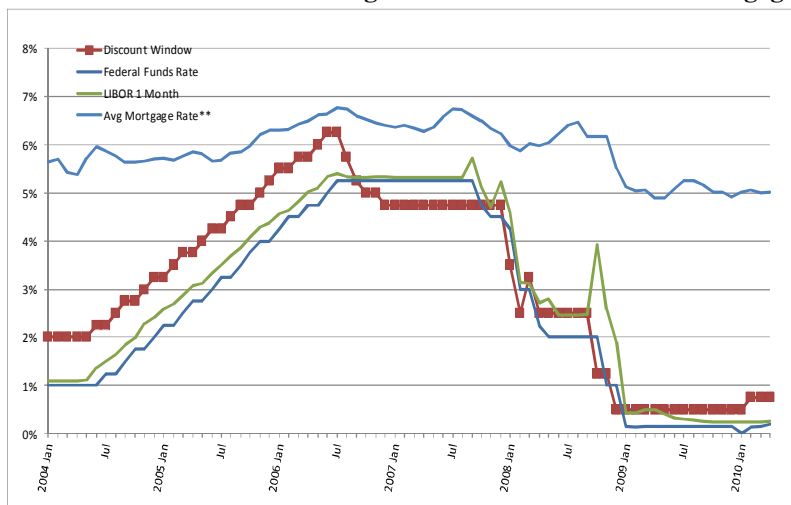
Predatory lending is defined as the origination of a loan with unfair, deceptive, or fraudulent practices and which incurs undue expenses of the borrowing party. Typically, a predatory loan is made and is often promoted through aggressive and/or misleading sales practices. Many but not all subprime loans may be predatory loans. Common predatory home lending practices include:

- Excessive and/or duplicate fees financed throughout the life of the loan
- “Flipping” or repeatedly refinancing debt without a tangible benefit to the borrower or without consideration of a borrower’s ability to repay.
- Deceptive terms where a lender initially offers a “teaser” rate which is then increased at the time of closing.

Home Mortgage Rates:

By the Spring of 2009 (the most recent year for which complete mortgage data is publically available) prime mortgage interest rates had slipped below 5% APR – a modern day low for prime mortgage rates. The drop in mortgage rates was largely a result of the Federal Reserve’s response to the financial crisis by providing cheap and abundant credit to banks in the form of borrowing windows with interest rates hovering just above zero percent. The borrowing rates from the Federal Reserve did lower the cost of borrowing for consumers but at the same time contractions in the credit markets accompanied by stricter underwriting standards cut-off many borrowers from the marketplace. These developments are the direct result of the mortgage lending industry’s historically high lending volumes driven by an originate-to-sell business model which encouraged predatory lending and succeeded in making recording-breaking profits for the financial sector.

Common Short Term Bank Borrowing Rates versus Prime Home Mortgage Rates



Source: Freddie Mac, Federal Reserve Board