

Focus Group Sessions, Fair Housing Index and Home Mortgage Disclosure Act Data (HMDA)

Introduction

This section is made up of three parts; a report of focus group sessions held in Manatee County and the City of Bradenton in January 2005, an analysis of a fair housing index created for this report, and an analysis of Home Mortgage Disclosure Act (HMDA) data for Manatee County and the City of Bradenton.

Four focus groups were held in Manatee County and the City of Bradenton, with invitations sent to residents and industry professionals. The four groups were comprised of municipal staff and leaders, community representatives, housing industry professionals, and non-profit organizations for the County and the City.

The fair housing index constructed for this study is an attempt to localize geographical areas of concern. Ten variables were standardized and studied to concentrate attention on those areas of Manatee County, including the City of Bradenton, that were most vulnerable to fair housing abuse.

Analysis of the HMDA data provides a glimpse into lending practices in the County and the City. The data examine federally-insured mortgage lending, conventional lending, refinancing, and home improvement loans. The data were analyzed by income class, geography, and racial group.

3.1. Focus Group Sessions

Focus group sessions were held in Manatee County and Bradenton, FL on January 19th and 20th of 2005. The focus group sessions had four different groups of participants, including one each with non-profit organizations, representatives of the local housing industry, individuals from the community, and staff from the City of Bradenton and Manatee County. Attendees were invited by the City and County based on their knowledge of the local housing environment. Prior to the focus group sessions, key person interviews were conducted to provide a preview of issues that might be broached in the focus groups and to get a better sense of the local housing market. A list of attendees and key interviews is included at the end of this section. It should be noted that the methodology employed in the focus group sessions was not designed to provide a statistically representative set of observations about the Manatee County and City of Bradenton housing markets. Conclusions drawn here are to be recognized as the observations of a select group of individuals, picked for their knowledge of the local market.

Findings

The affordability of housing generated the most discussion within the four focus groups. Participants felt that the rising costs of construction, land, impact fees, and skilled labor increased the overall costs of affordable housing in the City of Bradenton and Manatee County. The Manatee County Board of County Commissioners adopted a Resolution on February 24, 2004, establishing the Manatee County Affordable Housing Impact Fee Program to serve as a buffer to

the increase in impact fees for owners of affordable housing. The County will provide assistance to make up the difference between the current impact fee and the impact fee prior to June 19, 2004 when the fees were increased. Although, the County has this program in place there was lack of knowledge of this program; therefore participants perceived the increase of impact fees as a deterrent to developing affordable housing. The City of Bradenton has an expedited development review process for non-profit affordable housing developers, but the scarcity of land is becoming an increasing problem for the City.

It was felt that strong City and County institutional barriers, like public policies, zoning, regulatory issues, and political pressures were adding to the affordability problem of the City of Bradenton and Manatee County. The cost of land in Manatee County continues to increase rapidly, especially in the City of Bradenton, making housing less affordable for those below the median income. Although there have been some actions to provide affordable housing, some felt that this housing does not meet the majority of the need. Developers of affordable housing said that it is increasingly difficult for them to produce housing below 80 percent of the median family income without heavy assistance from the City of Bradenton and Manatee County due to land and material costs. Recently both the City and the County increased their subsidies for home purchase of affordable housing units.

Some in the community feel that the greater affordable housing need is at 30 to 50 percent of the median family income, particularly among migrant farm workers. There was also some concern that the current supply of affordable housing, particularly housing that many Section 8 voucher recipients and migrant farm workers inhabited, did not meet HUD's standard of safe and decent housing. It was also mentioned that the success of some non-profit organizations and developers to build affordable housing has inadvertently made the housing prices increase.

Also, participants mentioned, that the rising costs of homeowner's insurance is also making the overall costs of housing unaffordable. With the recent hurricanes homeowner insurance has risen across the board but low-income residents may be impacted more severely due to their limited income.

Another major concern of the focus group participants was the lack of affordable housing developers. Due to the rising costs of housing as stated above, many developers are increasingly feeling it is difficult to make a reasonable profit on affordable housing. There is a great demand for high-end homes in Manatee and Bradenton with the influx of residents migrating from the northern states. This demand for high-end homes with greater densities are much more profitable for developers. They see little potential in developing affordable housing due to lack of incentives.

A large percentage of participants voiced the opinion that cultural insensitivity and cultural differences has impeded fair housing choice within Bradenton and Manatee County. Manatee County had a Hispanic population of 24,450 or 9.26 percent of the total population according to the U.S. Census. The City of Bradenton has a Hispanic population of 5,574 residents. Approximately 8,000 county-wide residents are migrant farm workers and sub-standard housing was a concern for their target group. Participants felt that many migrant farm workers may be living in sub-standard housing owned by their employers. Fear of reprisals, lack of knowledge of fair housing laws and HUD's standards for decent and safe housing keep many migrant farm workers from coming forth with complaints concerning dilapidated housing and fair housing violations. Also, in some cases, newly arriving immigrants may not be aware of code enforcement procedures, occupancy standards, or the eviction process. Some said that the lack of documentation or fraudulent documentation of illegal immigrants prohibits them from receiving the benefits of affordable housing programs.

Lack of education about fair housing laws and rights was mentioned as a barrier. Not only is education an issue for citizens, but industry professionals also lack knowledge of the law. According to participants, when an incident occurs the system is difficult to navigate. Most feel that the City and County need to consolidate their efforts so there is consistency and no ambiguity regarding the fair housing complaint process. Participants stated those who do know how to file a complaint are not sure what is covered by the law or if their situation is a fair

housing violation. Fair Housing education is not adequate in the City and County. Although, the City of Bradenton has a HUD Fair Housing Assistance Program (FHAP) agency there still seems to be a disconnect in residents' knowledge of the fair housing laws. Participants also voiced an opinion that there was no cooperation or coordination between the Tenant Association and the Landlord Association.

Predatory lending practices were another of the major issues discussed in the focus group sessions. There has been rapid growth in businesses that provide individuals with loans, backed by the title to their car or house. These loans are reported to be at relatively high interest rates and the operators are quick to foreclose in the event the borrower misses a monthly payment. The minority, immigrant, and elderly communities are often the target for these high interest loans. The low-income population often falls prey to these sub prime loans because they may have a poor credit rating, no or limited credit history, or no social security number. Participants indicated that some borrowers do not read the contracts they sign or do not fully understand the implications of some of the provisions of the contract. It was also felt strongly that there was an overabundance of check cashing, cash advance, and payday loan businesses but few traditional lending institutions located in low-income neighborhoods.

Participants indicated that credit education is a major factor in many households' inability to borrow for home purchases. While the County offers financial literacy

education many of the local banks do not require attendance at the classes prior to loan origination. While these classes are helpful to the households looking to buy a home, there is a wider population that has a need for financial education, either to correct problems in their credit history or to provide a solid foundation that could prevent financial problems that they might otherwise encounter. Credit was seen as one barrier that limits the housing choices of citizens of Manatee County, including the City of Bradenton. Lenders and developers feel that they cannot find qualified buyers in the lower income groups. The best way to meet this need, as suggested by focus group participants, might be to develop a class or strengthen an existing curriculum in the public schools that provides students with the basics of consumer education and prepares them for life after graduation.

Lack of income was also thought of as a barrier to affordable housing. This was seen as a major reason why housing affordability needs are not being met in Manatee and Bradenton. Recently, the State of Florida increased its minimum wage to \$6.15 per hour from the federal minimum wage of \$5.15 per hour. Even with the increase in minimum wages, the current gross monthly income of a person who earned the minimum wage of \$6.15 per hour would be \$984 while the median contract rent in Manatee County is \$539 and the median contract rent for the City of Bradenton is \$562. For an individual earning \$984 in either the City or County not to be cost burdened, it would require the individual to pay more than 30 percent of income on housing. The monthly housing costs should

be no more than \$295.20 for the County and the City. It was stated that incomes, especially in the service industry, have not kept up with the increasing inflation of land values. There were strong opinions that the economics of the city needed to start with the business community. Housing will never be affordable if businesses are not involved in the solution. It was suggested that housing and employment should be thought of together instead as separate problems.

Another major issue that reoccurred in all four focus group was the need for a more efficient public transportation system. Although, participants said that transportation has improved because of the partnership between Manatee County and Sarasota County in their transit routes it was still not deemed convenient for employees who relied on the public transportation. The brevity of the schedule, ending at seven o'clock during the week and not running on Sundays was a major reason it was said to be inefficient and ineffective for workers whose schedule ran longer than seven in the evening. It was also mentioned that the central hub system was also inconvenient. A destination that was possibly one mile away could take an exorbitant amount of time to arrive at because riders are required to go to the central hub first, and then transfer to the appropriate outbound bus. The City uses the County public transit system.

Other issues that were mentioned by focus group participants included NIMBY (not-in-my-back-yard) issues, segregation of Hispanic families, sub-standard housing conditions of Section 8 voucher recipients and migrant farm workers,

disinvestment in low-income communities, lack of community based economic development, limited participation in the political process in low-income and minority communities, lack of job training for those who are unskilled, lack of affordable housing for elderly individuals on fixed incomes, government bureaucracy, lack of public-private partnerships, racial steering, affordable housing being bought by investors, and lack of education on what affordable housing is.

Solutions

Focus group participants suggested some solutions to problems discussed above. Education was a consistent theme among focus groups. Education on topics such as fair housing laws, the definition of affordable housing, and financial literacy were seen as solutions. Participants felt that many residents, especially those included within the protected classes, were unaware of their fair housing rights. This lack of awareness and education on fair housing translated to a continuation of acts of discrimination as some residents were fearful of possible retaliation from landlords or employers in the situation of some migrant farm workers.

Education was also the missing link with a number of other issues mentioned during the interviews and focus group sessions. Education on affordable housing could resolve many objections to developing affordable housing. Also, the need for an increased awareness of the special needs population, insurance

regulations, and available housing resources available to low-income residents were discussed. Many are not aware of the resources available to them. It was suggested that the City and County partner with community organizations and housing industry professionals in order to reach more citizens. Many felt that there was a lack of coordination between Bradenton and Manatee County that led to confusion as to what resources were available and where to go to get them. Another segment of the focus group participants felt that red tape and governmental bureaucracy impeded swift progress in affordable housing development while others said that many developers were not aware of or were not taking advantage of “fast track” affordable housing policy that reduced the length of time to develop an affordable housing unit from six or eight months to three months. Additional educational efforts were suggested to address the issue of predatory lending and predatory renting practices. Some participants felt that if the public had a wider understanding of loan for title contracts, fewer households would suffer undesirable consequences through foreclosure.

Alternative types of housing and density were suggested as a solution for the affordability problem. Non-profit organizations said that housing for the low-income elderly population was rapidly becoming the largest demand for assisted housing. The problem was that the elderly population needs a different affordable housing product than families with children. Single-room occupancy developments and “granny flats” were suggested as possible solutions. It was said that the County and the City should offer density incentives and zoning

variances in some of the low-income census tracts. This may help to bring affordability to areas where affordability seemed impossible. It was also said that perhaps amending the Manatee County Comprehensive Plan and the City of Bradenton Comprehensive Plan to make it more flexible and amenable to affordable housing would help to alleviate the current lack of affordable housing situation. Participants stated that there needed to be more creative housing solutions, overall, particularly for the migrant farm worker population.

Interviews

- Susie Dobbs- Manatee County Community Services Department
- Maria Matos- Latino Community Network
- Bob Bartz- Manatee County Chamber of Commerce
- Bill Gasparovic-Manatee Coalition for Affordable Housing
- William Gibson- CDC of Southwest Florida Community and Faith-Based Coalition, Inc.
- Dave English- Manatee Landlord Association
- Denise Thomas- Manatee County Community Services Department
- Diana Vennera- Manatee County Community Services Department
- Lisa Zingg- Manatee County Community Services Department
- Enid Rosario- Manatee County Community Services Department
- Timothy Parks- Manatee County Planning Department
- Nancy Ragland- Manatee County Community Services Department
- Lesa Ramos- City of Bradenton Division of Grants and Assistance
- Susie Copeland- City of Bradenton Division of Grants and Assistance
- Commissioner Gwendolyn Brown- Manatee County Board of County Commissioners
- Commissioner Patricia Glass- Manatee County Board of County Commissioners
- Ernie Padgett- Manatee County Administrator
- Peggie B. Wallace- Manatee County Planning Department
- Matt McLachlan- Director of City of Bradenton Development Department
- Ruth Seewer-City of Bradenton Development Department
- Cathy Pulber- Manatee County Board of Realtors, Rental Placement

Focus Group Attendees

- | | |
|---------------|--------------------|
| Joe Fenton | Jeana Winterbottom |
| Edwina Jones | Chris Maurer |
| Valerie Lee | Cheryl Little |
| Bambi Spahr | Rob Rogers |
| Lee Martin | Kristen Pate |
| Denise Thomas | Laura Boyce |

Lesla Ramos
Linda Landinez
Carol Ciariello
Susie Copeland
Rick Digiorgio
Dror Lewy
Marla Heise
Lois Congdon
Kim Ross
Mike Borgwardt
Volker Reiss
Raphael Allen
Myron Dennis
Danette Wortham-Coston
Melissa Larkin-Skinner
Rev. Donald Thompson
Tim Parks

Mary Lancaster
Debbie Deleon
Laurie Suess
Sheila Lawrence
Nancy Crawford
Jennifer Vogias
Sally Treasler
Jonathan Fowler
Berniece Scott
Michael Wood
Sarah Kinnett
Rosa Dennis
Dexter McDonald

2. Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. The map provides a general indication of geographic regions within Manatee County and the City of Bradenton where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing.

Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 1997 through 2003 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2000 U.S. Census of Population and Housing. Each variable contained data for every census tract in the County, including the City of Bradenton.

When the database was complete, Pearson correlation coefficients were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.9190.

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems in the area; therefore, the percent minority variable would be given a negative value. Conversely, one would think that in areas of high housing values, the current

residents are not having problems with fair housing choice. Median housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows extreme problem areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated problem areas. Scores between -0.99 and 0 are reported as below average and above 0 as above average. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property

values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Findings

Looking first at the correlation table (Table 2.1), several high correlations are worth noting. First, the loan origination/denial ratio has a high correlation to percent minority (0.8443). This means that in areas with high concentrations of minorities, the loan origination rate is very low.

Second, the correlation between percentage minority and percentage female-headed households with children is significantly high and positive (0.7409), meaning that the minority community has a higher rate of female-headed households with children than the non-minority community.

Not surprisingly, the percentage not graduating from high school has a moderately strong negative correlation to median household income (-0.6915) and median house value (-0.6722). Non-high school graduates are also highly correlated with percent minority (0.9064) and percent unemployed (0.6802).

As indicated on Map 2.1 and Map 2.1A, the census tracts designated as having extreme problems, problems, and below average are located northeast of the

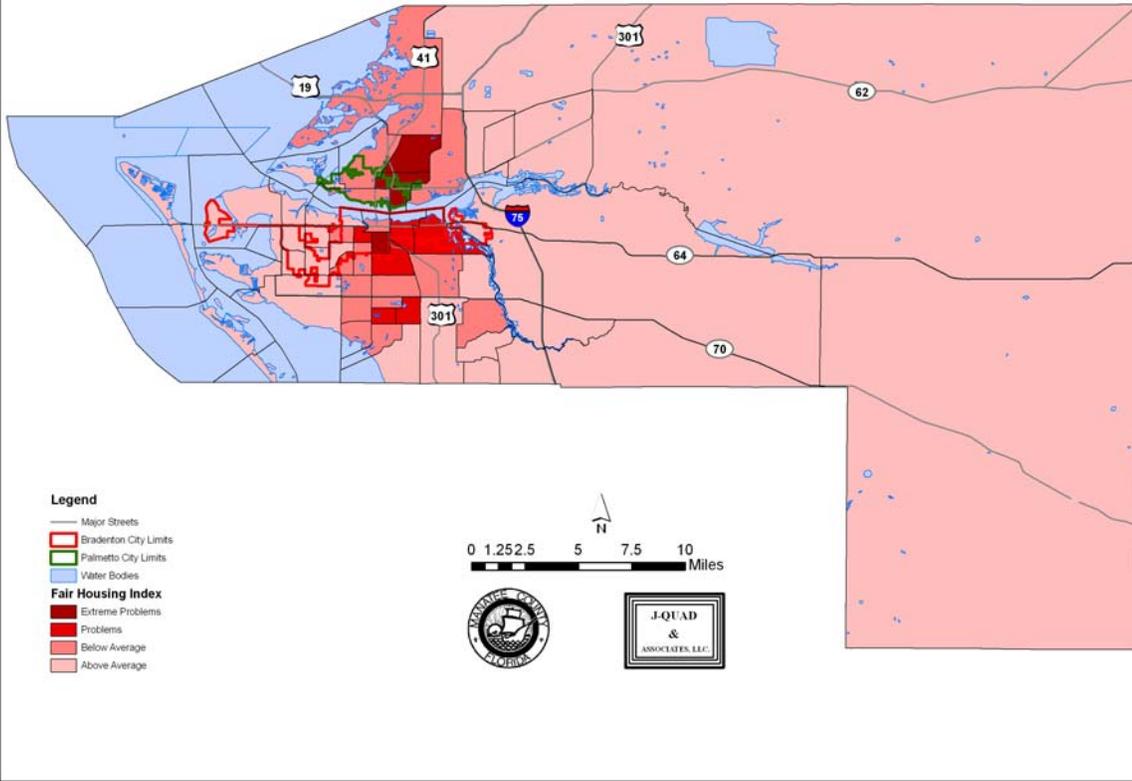
City of Palmetto in Manatee County and in the eastern portions of the City of Bradenton.

Overall, the model did an excellent job identifying those areas that fit the profile of concern. These areas of greatest concern contain the oldest housing stock (which is probably in poor condition), with low housing values and rents, and are primarily occupied by minority households (which are often headed by females with children). There is a higher than average unemployment rate and lower than average level of educational attainment.

Included following the maps is the correlation table (Table 2.1). MedValue is the median home value according to the 2000 census. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 1997 to 2003.

Map 2.1: Fair Housing Index

Manatee County, Florida



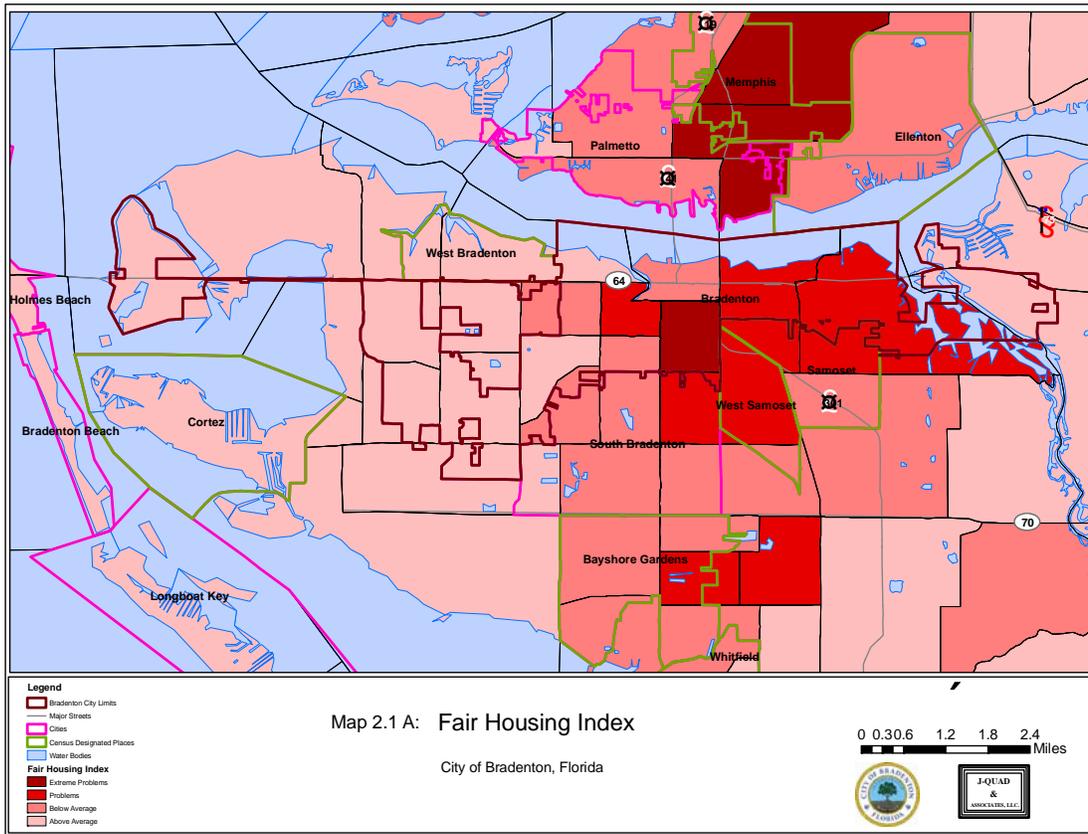


Table 2.1
Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue		
AllRat	1.0000									
XPubTrans	0.4511	1.0000								
XLessHS	0.9190	0.4799	1.0000							
XUnemp	0.6370	0.5992	0.6802	1.0000						
MedHHI	-0.7506	-0.4064	-0.6915	-0.6843	1.0000					
XPre60	0.4820	0.5001	0.3909	0.3765	-0.4100	1.0000				
MedRent	-0.5362	-0.1722	-0.5524	-0.3852	0.5924	-0.3782	1.0000			
MedValue	-0.7366	-0.4274	-0.6722	-0.5993	0.8670	-0.4356	0.4911	1.0000		
XMinority	0.8443	0.5263	0.9064	0.6209	-0.4829	0.3527	-0.4112	-0.5076		
XFemHH	0.6967	0.6101	0.7487	0.6607	-0.5911	0.4707	-0.3941	-0.6483		

Variable	Definition
XFemHH	% Female Headed Households, 2000
XMinority	% Minority, 2000
MedValue	Median Home Value, 2000
MedRent	Median Contract Rent, 2000
XPre60	% of Housing Built Prior to 1960, 2000
MedHHI	Median Household Income, 2000
XLessHS	% Less than High School Degree, 2000
XUnemp	% Unemployed, 2000
XPubTrans	% Taking Public Transportation to Work, 2000

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3.1. Home Mortgage Disclosure Act (HMDA) Data Analysis for Manatee County

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 1997 through 2003.

The data reported here are summarized by a variety of methods. Tables 3.1, Tables 3.2 and 3.4 provide information for the County. Tables 3.3, 3.5 and 3.6 present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tract for Manatee County, with an outline of Bradenton city limits provided for reference.

Analysis

Table 3.1 examines home loan activities in Manatee County. Data are presented by loan type, ethnicity, income group, and loan purpose. In the county, White applicants represented the largest number of loan applicants at 116,870. Origination rates (the percentage of applications that result in loans being made) for Whites exceeded 65 percent. Hispanics were the next largest applicant group

with 6,045 applications submitted and an origination rate of over 56 percent. African-Americans submitted over 5,600 applications and over 45 percent of the applications originated loans. Asian origination rates were almost 64 percent, but with only 1,297 applications reported. High-income applicants showed both the highest number of applications, at nearly 102,450, and the highest origination rate, at over 62 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with just over 19,890 applications from middle-income applicants and nearly 56 percent origination rate. Conventional loans account for the largest number of applications for loan type, over 167,880, and the lowest origination rate, at over 53 percent. Home purchase loans show over 80,340 loan applications, and the highest origination rate of over 62 percent. Home improvement loans had the lowest origination rate of about 40 percent. Refinance loans had the highest number of loan applications, nearly 10,680.

Table 3.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For instance, the first percentage in the “Percent” column indicates that 89.84 percent of originations in the county were for conventional loans. For comparison, ethnic percentages were included under the “Pop.” column to compare the percentage of originations by ethnic group to their percentage in the population.

For Loan Type, “Conventional” shows the highest percentages, nearly 90 percent of all originations. FHA loans, which are government insured and have more stringent lending criteria, were just over seven percent of the originations. Referring back to Table 3.1, government insured loans had higher origination rate than conventional, at about 55 percent for government insured versus over 54 percent for conventional.

For Ethnicity, “White” shows the highest percentage of origination of nearly 77 percent of the total. The percentage of Whites in the population was just over 80 percent. Hispanic applicants accounted for over three percent of all originations, with 9.26 percent of the total population. African-American applicants account for about three percent of originations, while their presence in the population exceeds eight percent of all residents. Asian applicants represent less than one percent (0.82%) of originations with about one percent of the total population. This is likely a reflection on the reality that Hispanics and African-Americans are more likely to fall within lower-income groups and, therefore, less likely to qualify for mortgage financing.

For Income, the highest income group (>120% median) displays the highest percentage of originations, at over 68 percent of all originations.

Loan Purpose data show that home purchase loans accounted for over 50 percent of the originations. Refinance loans were the second most frequent

purpose, nearly 45 percent. Home improvement loans accounted for just below five percent of all originations.

Table 3.3 examines the HMDA data more closely with respect to the possibility of redlining within the county. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area. Assuming that these negative characteristics can be represented by the lowest income census tracts (<51% median in the tables), a comparison of origination rates within these tracts to higher income tracts should shed some light on the probability of redlining. Origination rates for the county indicate that Very Low-Income applicants (<51% median) were successful 39.6 percent of the time, Low-Income applicants (51-80% median) 50.1 percent of the time, Moderate-Income applicants (81-95% median) 54.5 percent of the time, Middle-Income applicants (96-120% median) 55.7 percent of the time, and High-Income applicants (>120% median) 62.1 percent of the time. There are no Very Low-Income Tracts in the county and the city since 2000. In Low-Income tracts, Very Low-Income applicants were successful 34.9 percent of the time, a 4.7 percentage point decline from their overall success in the county. While it might be expected that very low-income applicants may have low success rates, higher-income applicants in low-income tracts experienced much lower rates, as well. High-Income applicants in low-income tracts had a 50.3 percent origination rate, nearly 12 percentage points lower than in the county overall.

Comparing Low-Income tracts to High-Income tracts, large differences are noted between origination and denial rates. Within High-Income tracts, Very Low-Income applicants were successful 51.4 percent of the time, 16.5 percentage points higher than Very Low-Income applicants in the Low-Income tracts. High-Income applicants were successful 66.5 percent of the time in High-Income tracts, over 16 percentage points higher than in Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 14.2 percentage points higher than in the Low-Income tracts. While this analysis does not provide conclusive proof that redlining exists, the expectation for higher-income applicants would be for relatively equal origination rates across all census tracts. The large differences in origination rates between Very Low- and High-Income tracts suggest that some redlining may be occurring.

Table 3.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were nearly 71 percent for Whites and just over 60 percent for minorities, a difference of 10.4 percentage points. White applicants for home improvement loans are successful over 18 percentage points more often than minorities. The rates for refinance loans show over 18 percentage point difference.

Looking at the income group comparison, minorities have origination rates 10.19 to 17.89 percentage points lower than Whites. In Very Low-Income group (<51% MFI), White origination rates were 17.89 percentage points higher. In the High-Income group (>120% MFI), White origination rates were 13.42 percentage points higher. With Middle-Income applicants (96-120% MFI), White origination rates were 13.45 percentage points higher than Minorities. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Tables 3.5 and 3.6 provide a detailed look at loan activity, by loan purpose, minority status, and year, for Low- and High-Income census tracts. Origination rates were low in nearly all cases, the sole exception being home improvement loans. Home improvement loan activity, while in fairly low numbers, showed relatively high origination rates for both Whites and Minorities.

Table 3.6 shows much higher origination rates for White applicants than Minorities in all years, for all loan purposes in the high-income tracts. High numbers for the Not Provided category reflect a change in reporting methodology that includes loan purchases as an application outcome. These records tend to not report ethnicity or income of the borrowers and account for the low origination rates for the Not Provided group, where Purchased is another option, as opposed to originated or declined.

Chart 3.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. As would be expected, government insured loans have higher origination rates in all income groups except High-Income groups. Conventional origination rates closed the gap as incomes rise.

Chart 3.2 shows origination rates by ethnicity and income of the census tract. In Moderate-Income tracts, White rates are exceeded only by Asians. While Asian rates are sometimes higher than White rates, these numbers are based on relatively low numbers of applications. African-American origination rates were exceeded by Hispanic rates in all categories of income tracts.

Chart 3.3 looks at origination rates by the income of the applicant and the income of census tracts. As would be expected, higher income applicants have higher origination rates. As suggested earlier, the suggestion of redlining can be seen in the much lower origination rates of similar income individuals in lower income tracts, where high-income applicants do not have as high an approval rate as lower income applicants in higher income tracts.

Chart 3.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, as do home purchase loans, exceeding 60 percent for the Middle- and High-Income tracts. Home improvement loans have the lowest

origination rates, overall, and were just over 30 percent in Low-Income tracts. In all income categories, home purchase loans show the highest origination rates.

Chart 3.5 examines the percentage of originations by ethnicity within tract income groups. In Low-Income tracts, African-American applicants received just less than 10 percent of the originations. In all income categories except Low-Income, Hispanic origination rates exceeded African-American rates. White applicants had the most originations of any ethnic group, with over 60 percent in the Low-, Moderate-, Middle-, and High-Income tracts.

Chart 3.6 looks at the percentage of originations by applicant income within tract income groups. In all tracts, High-Income applicants received the most loans reaching 80 percent of originations in the High-Income tracts. The percent of originations low-, moderate-, middle-, and high income groups were closer in Middle- and High- Income tracts.

Chart 3.7 shows the percentage of originations going to the various loan purposes within tract income groups. In all tract income groups, except High, home purchase loans account for the most loan activity. In all but the High-Income tracts, refinance loans provide the second most active loan purpose. In the High-Income tracts, refinance represents the most loan activity, with home purchase loans as the second most active.

Maps 3.1 and 3.3 through 3.7 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 100 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 75 and 100 applications are denied for every 100 applications originated. The mauve areas show 50 to 75 applications denied for every 100 applications originated. The pink areas show 0 to 50 applications denied for every 100 applications originated.

Map 3.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial showed that the majority related to the applicants' credit history or their debt-to-income ratio. Nearly 9,490 denials were related to the applicants' credit history in the seven years of the study. Nearly 4,250 denials were related to the applicants' debt-to-income ratio and over 3,290 denials were blamed on collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for downpayment and/or closing costs.

Conclusions

While the analysis offered here does not provide conclusive evidence of fair housing impediments, the data tend to suggest that redlining may be occurring in some of the low-income census tracts in the county. While it is expected that low-income applicants would not have a very high success rate in their loan applications, within the low-income census tracts even high-income applicants showed a poor success rate. It would appear that lenders might be reluctant to lend in those communities.

The least success in lending was found in the home improvement loan sector and the highest success was found in home purchase loan sector in Manatee County. Overall, the percentage of loans originated among Whites is much higher than minorities. The origination rates in Asians exceeded Hispanics and African-Americans. Hispanics accounted for the second highest number of applications after Whites in Manatee County. Very low origination rates were found in most areas and through most income groups. Overall, the mortgage markets seem to be growing vigorously, providing new opportunities for borrowers to buy housing or refinance existing higher interest loans. Lower interest rates appear to have had a big impact on lending activity in the county.

Table 3.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
Manatee County
1997 – 2003**

	Manatee County	
	Number	Origin.
Loan Type:		
Conventional	167,882	53.65%
FHA	13,708	54.65%
VA & Other	4,564	58.92%
Ethnicity:		
Native	468	54.06%
Asian	1,297	63.61%
African-American	5,608	45.47%
Hispanic	6,045	56.05%
White	116,870	65.70%
Other	1,999	41.27%
Not Provided	40,221	37.93%
Unknown	13,646	2.70%
Income:		
<51% median (very low)	5,893	39.59%
51-80% median (low)	18,640	50.11%
81-95% median (moderate)	12,772	54.52%
96-120% median (middle)	19,897	55.69%
>120% median (high)	102,449	62.14%
Median Household Income*	\$38,673	
Loan Purpose:		
Home Purchase	80,341	62.41%
Home Improvement	12,420	39.66%
Refinance	93,261	48.35%
Totals	186,154	53.86%

*Median Household Income for Manatee County is based on 2000 Census Data.

Table 3.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Manatee County
1997-2003**

	Origin.	Percent	Pop.
Loan Type:			
Conventional	90,073	89.84%	
FHA	7,492	7.47%	
VA & Other	2,689	2.68%	
Ethnicity:			
Native	253	0.25%	0.28%
Asian	825	0.82%	0.95%
African-American	2,550	2.54%	8.19%
Hispanic	3,388	3.38%	9.26%
White (non-Hispanic)	76,788	76.59%	80.55%
Other	825	0.82%	4.24%
Not Provided	15,256	15.22%	
Unknown	369	0.37%	
Income:			
<51% median	2,333	2.50%	
51-80% median	9,341	10.00%	
81-95% median	6,963	7.46%	
96-120% median	11,080	11.87%	
>120% median	63,662	68.18%	
Loan Purpose:			
Home Purchase	50,141	50.01%	
Home Improvement	4,926	4.91%	
Refinance	45,095	44.98%	
Totals	100,254		

Table 3.3

Analysis of Home Mortgage Disclosure Act Data, 1997-2003

Analysis of Redlining in Low-Income Census Tracts

	# of Apps.	% Orig.	% Denied
Low-Income Tracts			
<51% median	2,506	34.92%	38.27%
51-80% median	6,726	44.65%	29.62%
81-95% median	3,537	47.50%	25.56%
96-120% median	4,501	47.68%	24.99%
>120% median	12,277	50.29%	23.28%
Unknown	4,864	21.63%	15.05%
High-Income Tracts			
<51% median	494	51.42%	21.26%
51-80% median	1,801	58.02%	16.10%
81-95% median	1,511	58.17%	15.68%
96-120% median	2,663	61.89%	14.80%
>120% median	19,648	66.50%	10.09%
Unknown	4,042	29.61%	6.61%
Difference Between High and Low Tracts (percentage point difference)			
<51% median		16.50%	-17.01%
51-80% median		13.37%	-13.52%
81-95% median		10.67%	-9.88%
96-120% median		14.21%	-10.19%
>120% median		16.21%	-13.19%
Unknown		7.98%	-8.44%
Origination Rates for County			
<51% median		39.59	
51-80% median		50.11	
81-95% median		54.52	
96-120% median		55.69	
>120% median		62.14	

**Table 3.4
Analysis of Home Mortgage Disclosure Act Data**

HMDA Activity for Manatee County 1997-2003

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	7,110	8.85%	14.71%	60.56%
White	55,105	68.59%	8.97%	70.92%
Not Provided	18,126	22.56%	7.23%	37.27%
Home Improvement Loans				
Minorities	1,035	8.33%	44.83%	37.39%
White	6,483	52.20%	26.62%	55.42%
Not Provided	4,902	39.47%	47.53%	19.30%
Refinance Loans				
Minorities	7,270	7.80%	29.34%	43.29%
White	55,232	59.22%	15.08%	61.71%
Not Provided	30,759	32.98%	26.70%	25.58%
All Loan Purposes				
Minorities	15,417	8.28%	23.64%	50.86%
White	116,870	62.78%	12.84%	65.70%
Not Provided	53,867	28.94%	22.02%	29.01%
Income Groups				
<51% MFI				
Minorities	904	15.34%	42.59%	31.86%
White	3,447	58.49%	27.21%	49.75%
Not Provided	1,542	26.17%	43.45%	21.40%
51 to 80% MFI				
Minorities	2,756	14.79%	27.39%	48.00%
White	11,572	62.08%	19.13%	58.89%
Not Provided	4,312	23.13%	38.68%	27.90%
81 to 95% MFI				
Minorities	1,563	12.24%	22.65%	52.53%
White	8,371	65.54%	15.14%	62.72%
Not Provided	2,838	22.22%	32.59%	31.43%
96 to 120% MFI				
Minorities	2,136	10.74%	24.53%	50.61%
White	13,185	66.27%	14.84%	64.06%
Not Provided	4,576	23.00%	30.79%	33.94%
>120% MFI				
Minorities	6,773	6.61%	21.04%	55.40%
White	71,853	70.14%	10.93%	68.82%
Not Provided	23,823	23.25%	22.72%	43.91%
Not Provided				
Minorities	1,285	4.85%	15.64%	44.82%
White	8,442	31.85%	9.19%	60.57%
Not Provided	16,776	63.30%	10.60%	7.07%
Demographics				
	% Minority	% Owner Occ.	% Vacant	
Countywide	19.52%	73.75%	18.58%	

Table 3.5: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Manatee County -- Low Income Tracts, 1997 - 2003

		# Apps.	% of Year	%Denied	% Orig.
Home Purchase Loans					
Minorities					
	1997	297	17.84%	17.17%	53.87%
	1998	329	17.08%	19.45%	56.53%
	1999	435	22.75%	20.69%	52.18%
	2000	393	20.38%	21.63%	52.16%
	2001	343	16.76%	15.45%	63.56%
	2002	457	21.79%	18.16%	56.67%
	2003	512	20.72%	14.06%	54.10%
White					
	1997	1,079	64.80%	14.55%	59.87%
	1998	1,180	61.27%	14.66%	60.51%
	1999	1,137	59.47%	17.33%	60.51%
	2000	1,089	56.48%	18.92%	58.40%
	2001	1,168	57.09%	14.38%	64.38%
	2002	1,128	53.79%	11.97%	63.12%
	2003	1,437	58.15%	11.41%	64.37%
Not Provided					
	1997	289	17.36%	9.34%	31.14%
	1998	417	21.65%	15.83%	21.10%
	1999	340	17.78%	16.47%	25.29%
	2000	446	23.13%	19.73%	31.61%
	2001	535	26.15%	9.53%	32.52%
	2002	512	24.42%	9.57%	31.05%
	2003	522	21.13%	8.43%	19.54%
Home Improvement Loans					
Minorities					
	1997	107	17.77%	31.78%	57.94%
	1998	103	18.49%	30.10%	54.37%
	1999	83	18.95%	56.63%	27.71%
	2000	91	20.92%	50.55%	26.37%
	2001	62	15.42%	61.29%	27.42%
	2002	60	16.39%	61.67%	28.33%
	2003	49	18.08%	73.47%	14.29%
White					
	1997	243	40.37%	23.46%	56.38%
	1998	257	46.14%	29.18%	49.42%
	1999	148	33.79%	35.14%	51.35%
	2000	136	31.26%	34.56%	46.32%
	2001	140	34.83%	36.43%	50.71%
	2002	121	33.06%	39.67%	44.63%
	2003	177	65.31%	37.29%	46.33%
Not Provided					
	1997	252	41.86%	61.90%	15.87%
	1998	197	35.37%	65.48%	10.66%
	1999	207	47.26%	69.57%	7.25%
	2000	208	47.82%	50.00%	18.27%
	2001	200	49.75%	67.00%	11.50%
	2002	185	50.55%	51.35%	21.08%
	2003	45	16.61%	37.78%	15.56%

**Table 3.5 (cont'd): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Manatee County -- Low Income Tracts, 1997 - 2003**

		# Apps.	% of Year	%Denied	% Orig.
Refinance Loans					
Minorities					
	1997	251	19.75%	32.67%	35.46%
	1998	361	15.40%	29.92%	38.50%
	1999	434	18.73%	34.10%	35.71%
	2000	245	15.01%	40.00%	35.51%
	2001	332	13.96%	39.76%	34.64%
	2002	370	13.26%	32.43%	42.97%
	2003	988	21.92%	35.83%	41.60%
White					
	1997	635	49.96%	25.35%	48.35%
	1998	1,147	48.93%	19.70%	53.18%
	1999	1,027	44.32%	24.83%	46.54%
	2000	569	34.87%	28.30%	43.23%
	2001	909	38.21%	20.35%	57.10%
	2002	1,269	45.47%	18.05%	55.87%
	2003	2,393	53.10%	21.06%	54.41%
Not Provided					
	1997	385	30.29%	31.69%	17.40%
	1998	836	35.67%	39.11%	14.23%
	1999	856	36.94%	37.03%	14.95%
	2000	818	50.12%	42.05%	14.30%
	2001	1,138	47.84%	45.08%	16.17%
	2002	1,152	41.28%	30.82%	21.61%
	2003	1,126	24.98%	26.64%	22.82%
All Loan Purposes					
Minorities					
	1997	655	18.51%	25.50%	47.48%
	1998	793	16.43%	25.60%	48.05%
	1999	952	20.40%	29.94%	42.54%
	2000	729	18.25%	31.41%	43.35%
	2001	737	15.27%	30.26%	47.49%
	2002	888	16.88%	27.03%	49.10%
	2003	1,549	21.37%	29.83%	44.87%
White					
	1997	1,959	55.26%	19.14%	55.74%
	1998	2,590	53.55%	18.38%	56.18%
	1999	2,314	49.54%	21.78%	53.67%
	2000	1,795	44.82%	23.12%	52.65%
	2001	2,218	45.89%	18.21%	60.55%
	2002	2,521	47.91%	16.34%	58.63%
	2003	4,008	55.22%	18.31%	57.63%
Not Provided					
	1997	931	26.26%	32.87%	21.48%
	1998	1,454	30.06%	35.90%	15.82%
	1999	1,405	30.08%	36.80%	16.44%
	2000	1,481	36.98%	36.19%	20.59%
	2001	1,878	38.86%	37.17%	20.50%
	2002	1,853	35.21%	26.93%	24.28%
	2003	1,701	23.44%	21.34%	21.75%

Table 3.6: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Manatee County-High Income Tracts, 1997-2003

		# Apps.	% of Year	% Denied	% Orig.
Home Purchase Loans					
Minorities					
	1997	33	3.42%	12.12%	60.61%
	1998	51	3.93%	17.65%	60.78%
	1999	41	3.29%	9.76%	60.98%
	2000	53	4.30%	9.43%	64.15%
	2001	57	4.34%	14.04%	63.16%
	2002	59	4.44%	16.95%	61.02%
	2003	258	5.31%	9.69%	63.57%
White					
	1997	776	80.33%	6.44%	78.09%
	1998	914	70.42%	6.78%	78.45%
	1999	936	75.18%	6.73%	77.03%
	2000	885	71.83%	9.04%	73.90%
	2001	919	69.94%	7.51%	76.61%
	2002	895	67.29%	7.04%	72.51%
	2003	3579	73.60%	4.78%	69.10%
Not Provided					
	1997	157	16.25%	5.10%	21.66%
	1998	333	25.65%	5.71%	20.72%
	1999	268	21.53%	3.73%	35.45%
	2000	294	23.86%	5.78%	44.22%
	2001	338	25.72%	3.25%	52.07%
	2002	376	28.27%	5.32%	54.26%
	2003	1026	21.10%	3.70%	43.86%
Home Improvement Loans					
Minorities					
	1997	5	1.85%	0.00%	40.00%
	1998	7	2.76%	14.29%	71.43%
	1999	3	2.07%	0.00%	66.67%
	2000	3	1.63%	33.33%	33.33%
	2001	12	6.38%		75.00%
	2002	8	4.82%	62.50%	12.50%
	2003	21	6.86%	57.14%	19.05%
White					
	1997	189	69.74%	12.70%	75.66%
	1998	170	66.93%	15.29%	70.59%
	1999	79	54.48%	17.72%	67.09%
	2000	107	58.15%	22.43%	57.94%
	2001	113	60.11%	28.32%	62.83%
	2002	81	48.80%	20.99%	66.67%
	2003	215	70.26%	32.56%	46.51%
Not Provided					
	1997	77	28.41%	40.26%	18.18%
	1998	77	30.31%	40.26%	24.68%
	1999	63	43.45%	28.57%	30.16%

**Table 3.6 (cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Manatee County -- High Income Tracts, 1997- 2003**

		# Apps.	% of Year	% Denied	% Orig.
Home Improvement Loans					
Not Provided (cont.)					
	2000	74	40.22%	31.08%	24.32%
	2001	63	33.51%	38.10%	22.22%
	2002	77	46.39%	32.47%	32.47%
	2003	70	22.88%	40.00%	20.00%
Refinance Loans					
Minorities					
	1997	20	3.21%	20.00%	35.00%
	1998	53	3.40%	26.42%	47.17%
	1999	38	3.30%	21.05%	44.74%
	2000	28	4.02%	21.43%	42.86%
	2001	58	3.20%	20.69%	58.62%
	2002	82	3.39%	15.85%	58.54%
	2003	480	5.91%	22.08%	50.21%
Not Provided					
	1997	161	25.84%	21.12%	27.33%
	1998	410	26.32%	16.10%	27.07%
	1999	381	33.10%	24.15%	22.31%
	2000	298	42.82%	33.56%	18.79%
	2001	681	37.58%	19.24%	36.71%
	2002	854	35.30%	15.46%	37.47%
	2003	1,908	23.47%	13.21%	34.07%
All Loan Purposes					
Minorities					
	1997	58	3.12%	13.79%	50.00%
	1998	111	3.57%	21.62%	54.95%
	1999	82	3.23%	14.63%	53.66%
	2000	84	3.98%	14.29%	55.95%
	2001	127	3.83%	15.75%	62.20%
	2002	149	3.81%	18.79%	57.05%
	2003	759	5.71%	18.84%	53.89%
White					
	1997	1,407	75.65%	9.31%	74.13%
	1998	2,182	70.09%	9.40%	75.53%
	1999	1,747	68.75%	9.44%	69.61%
	2000	1,363	64.51%	12.99%	66.03%
	2001	2,105	63.52%	11.45%	70.74%
	2002	2,459	62.81%	9.88%	69.78%
	2003	9,535	71.69%	7.94%	68.40%
Not Provided					
	1997	396	21.28%	18.43%	23.23%
	1998	820	26.37%	14.15%	24.27%

**Table 3.6 (cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Manatee County -- High Income Tracts, 1997– 2003**

	# Apps.	% of Year	% Denied	% Orig.
Not Provided (cont.)				
1999	712	28.02%	16.85%	27.95%
2000	666	31.53%	21.02%	30.63%
2001	1083	32.67%	15.33%	40.72%
2002	1307	33.38%	13.54%	42.00%
2003	3007	22.61%	10.58%	37.15%

Chart 3.1
Origination Rates by Loan Type by Income of Tracts

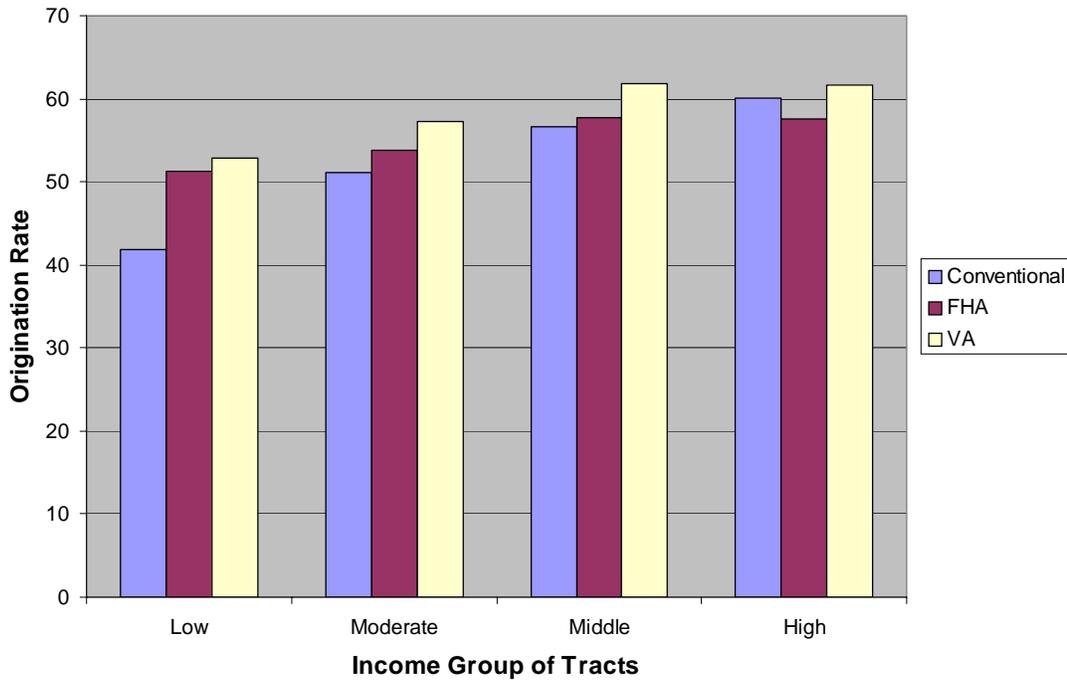


Chart 3.2
Origination Rates by Ethnicity by Income of Census Tract

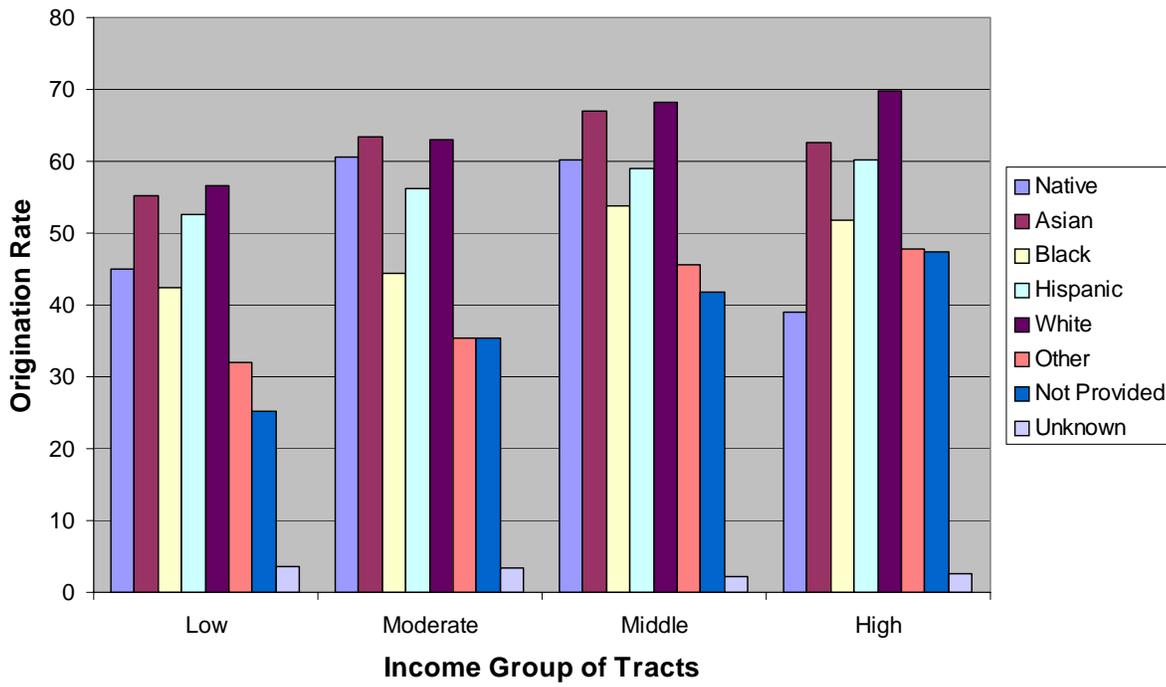


Chart 3.3
Origination Rates by Applicant Income by Income of Census Tract

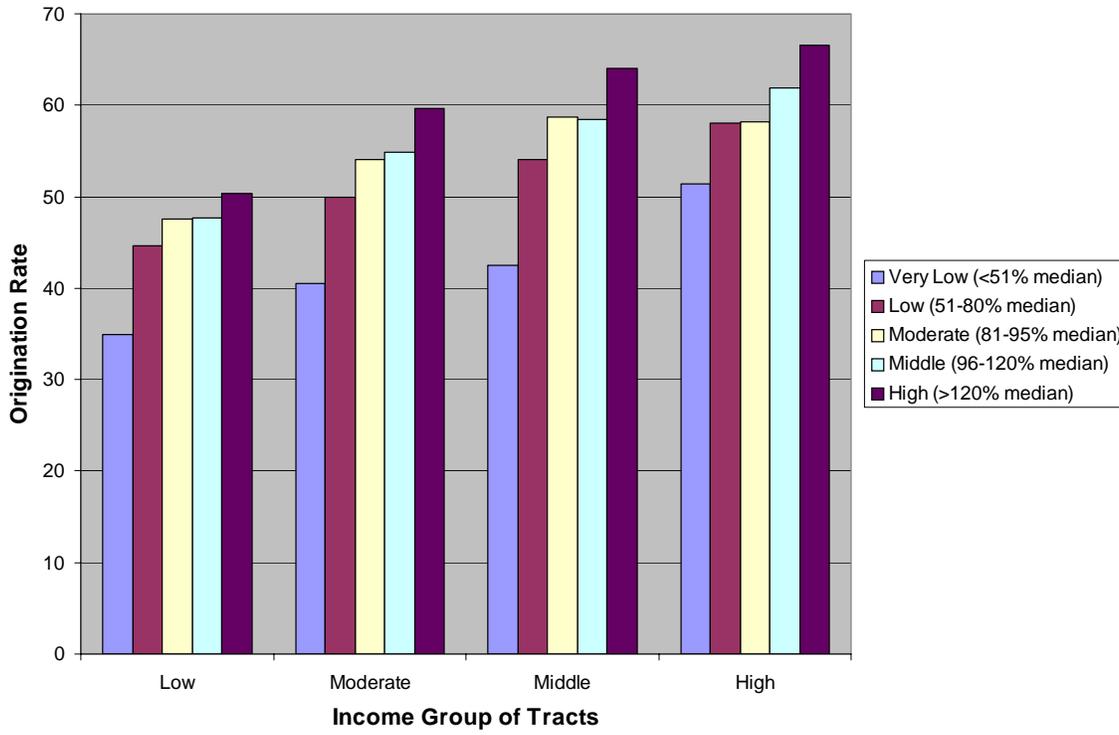


Chart 3.4
Origination Rates by Loan Purpose by Income of Census Tract

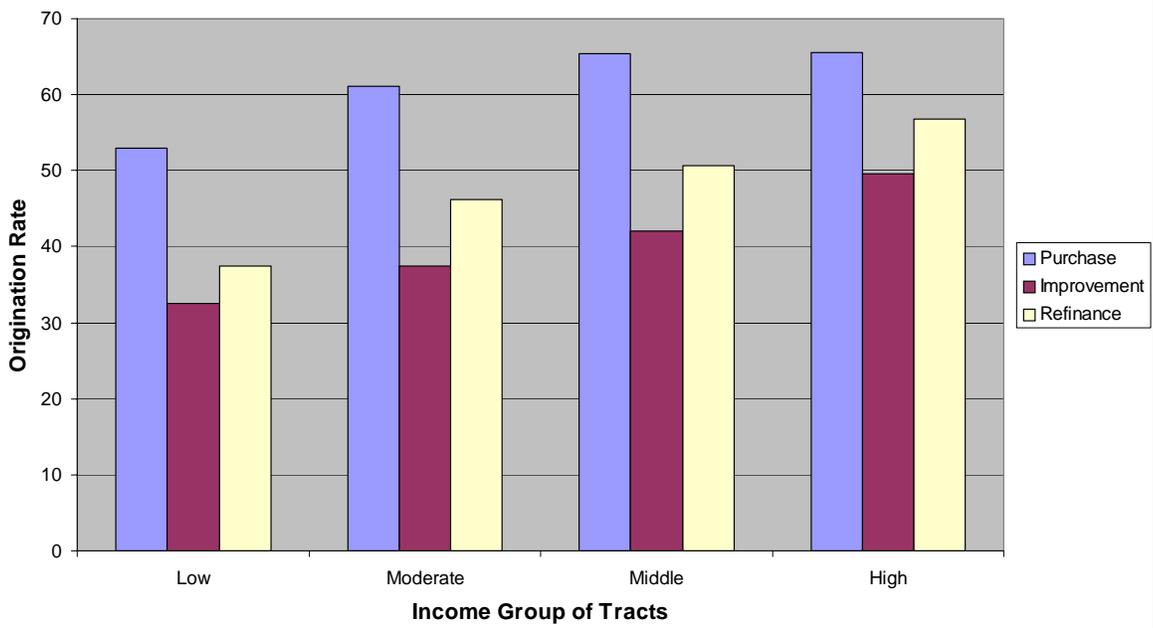


Chart 3.5
Percentage of Originations by Ethnicity with Income Groups

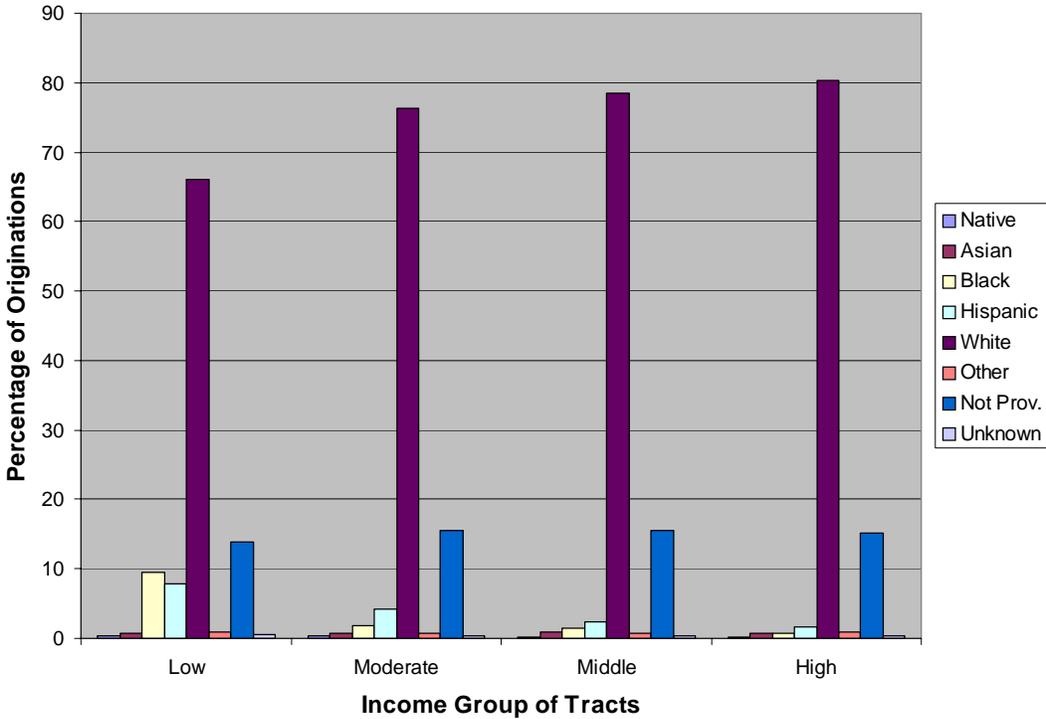


Chart 3.6
Percentage Originations by Applicant Income within Tract Income Groups

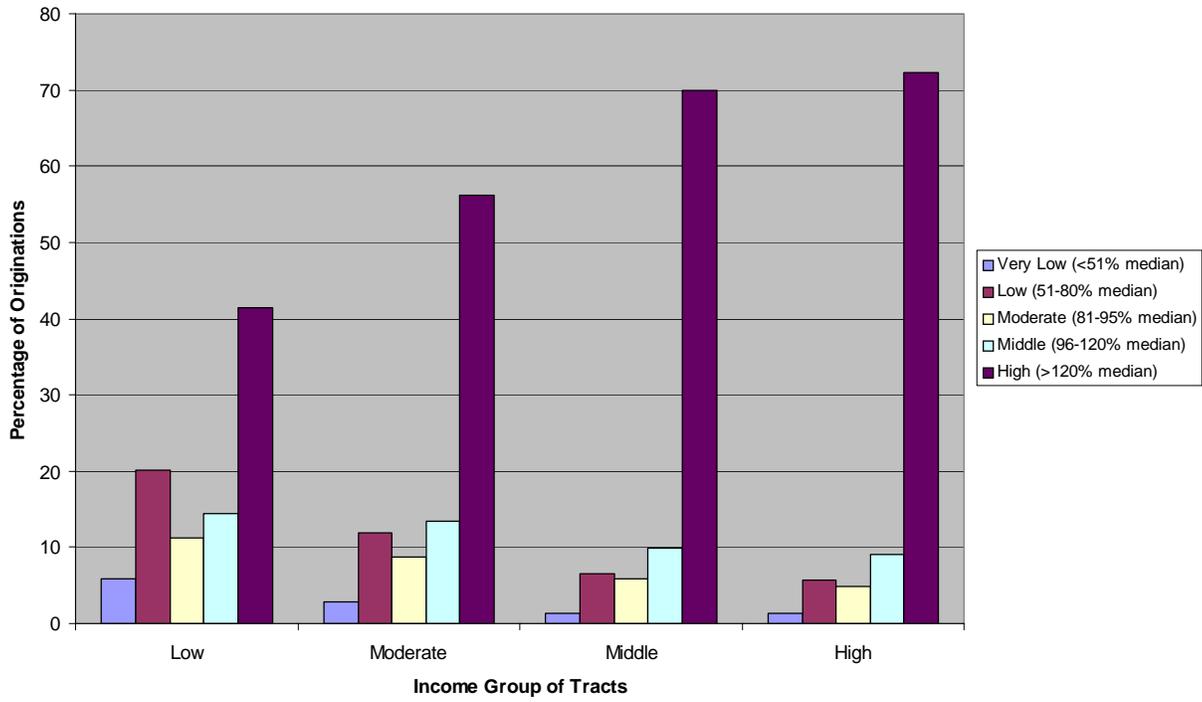
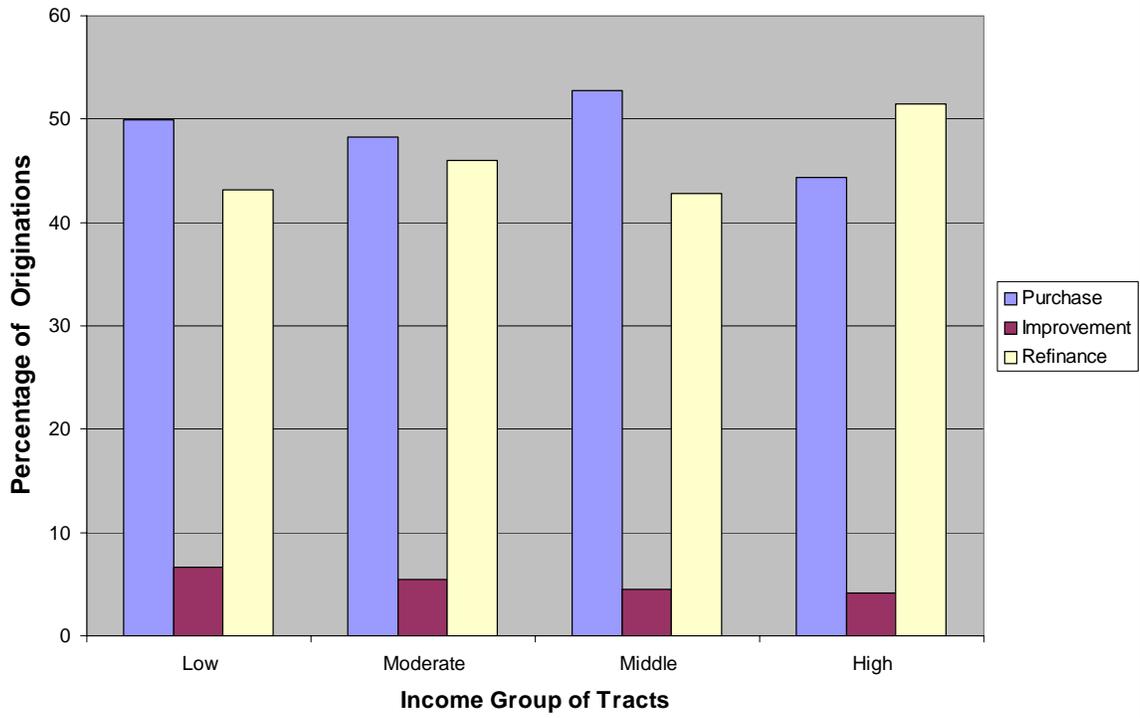
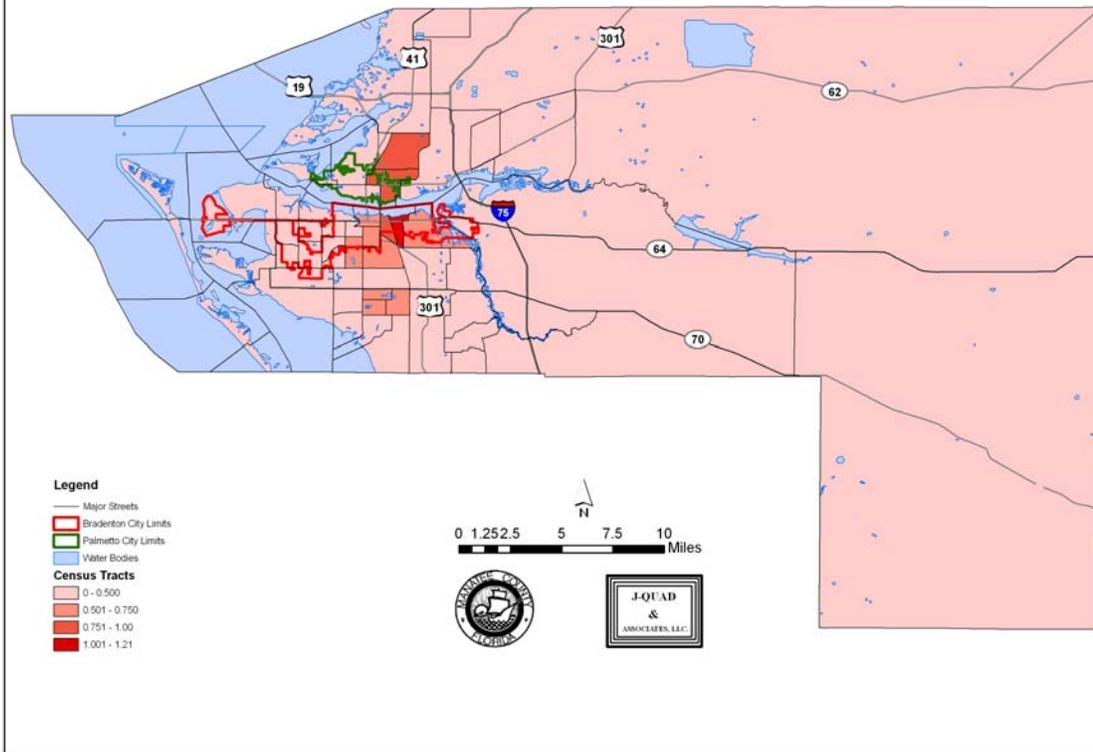


Chart 3.7
Percentage of Originations by Loan Purpose within Tract Income Groups



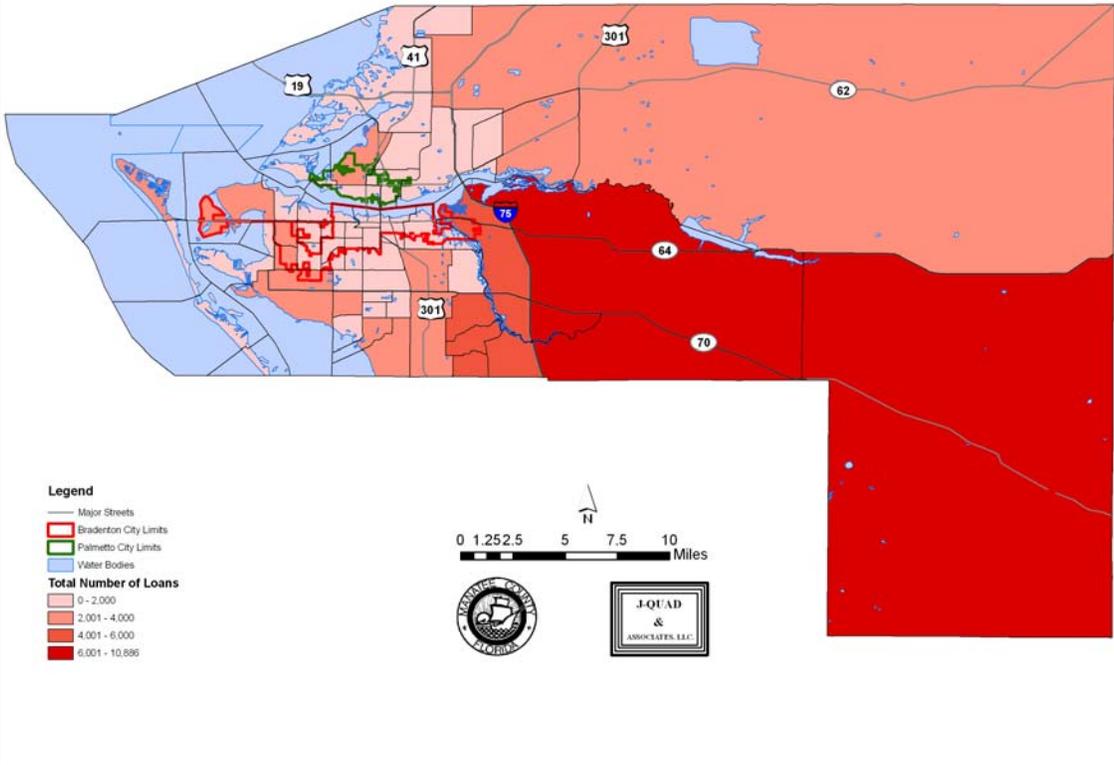
Map 3.1: Ratio of All Loan Types
Denials to Originations, 1997-2003

Manatee County, Florida

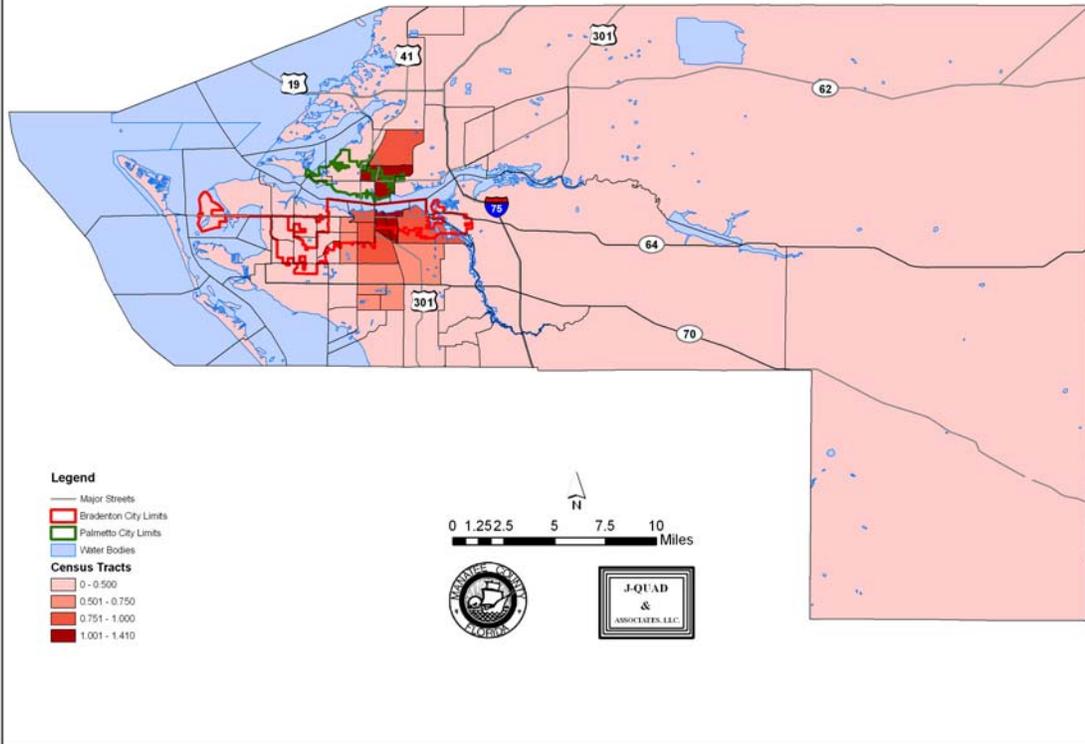


Map 3.2: Total Number of Loan Applications, 1997-2003

Manatee County, Florida

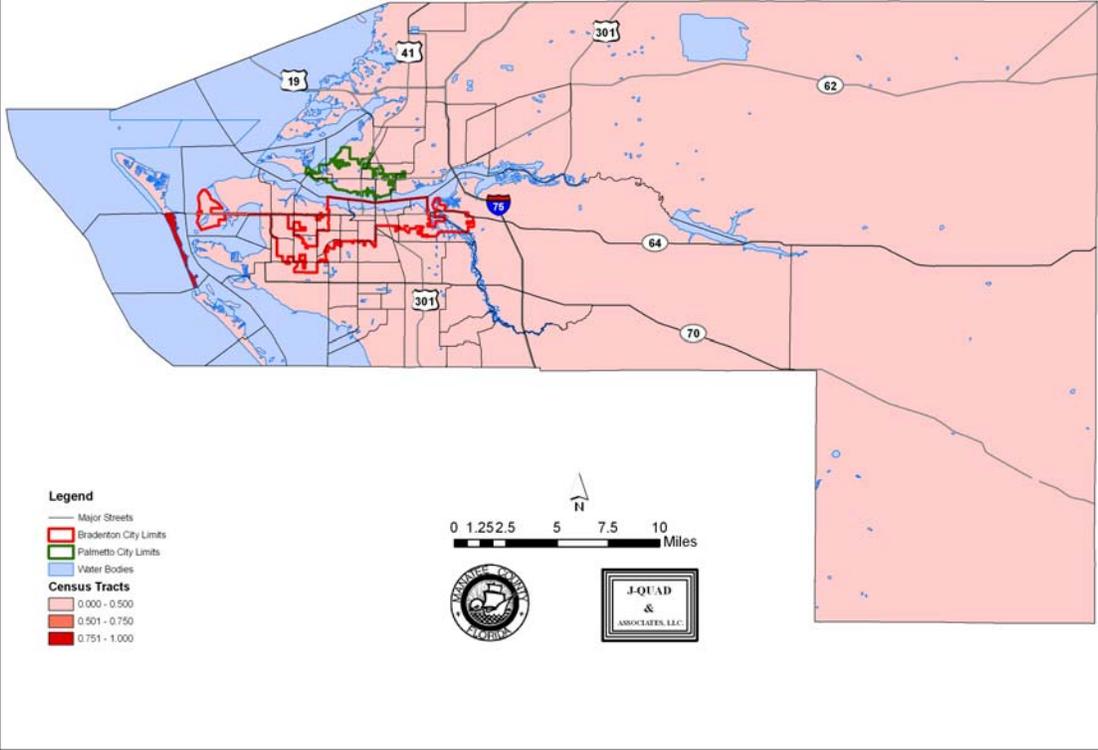


Map 3.3: Ratio of Conventional Loan
Denials to Originations, 1997-2003
Manatee County, Florida

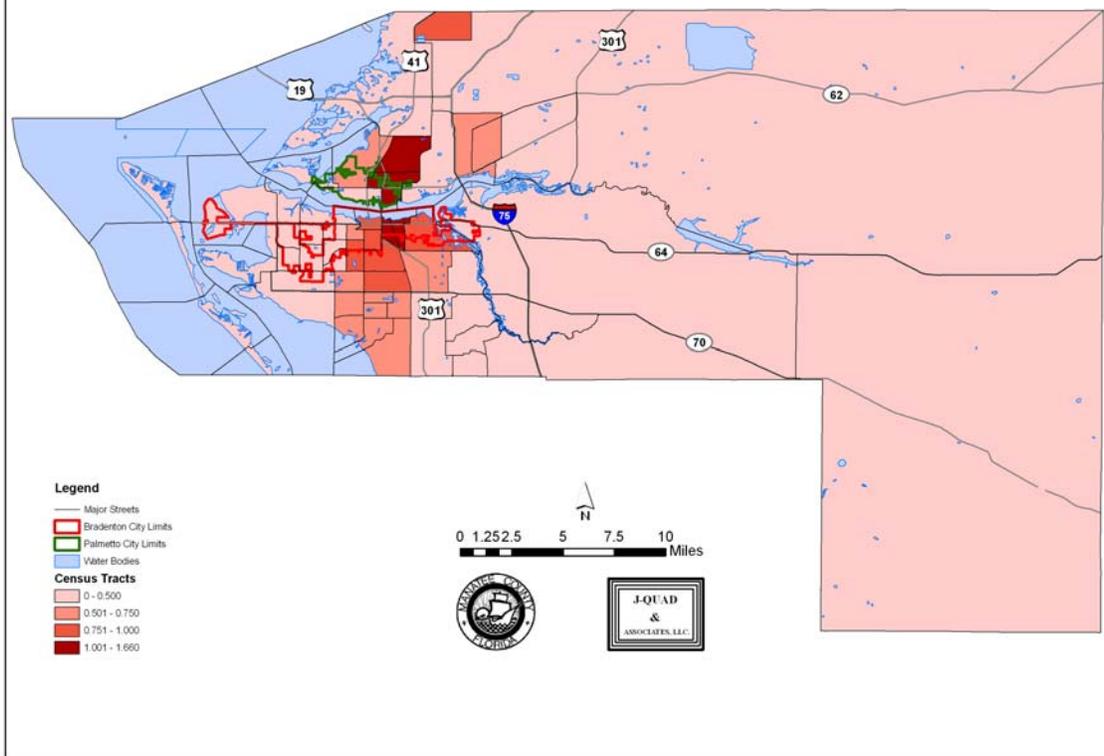


Map 3.4: Ratio of Government Backed Loan
Denials to Originations, 1997-2003

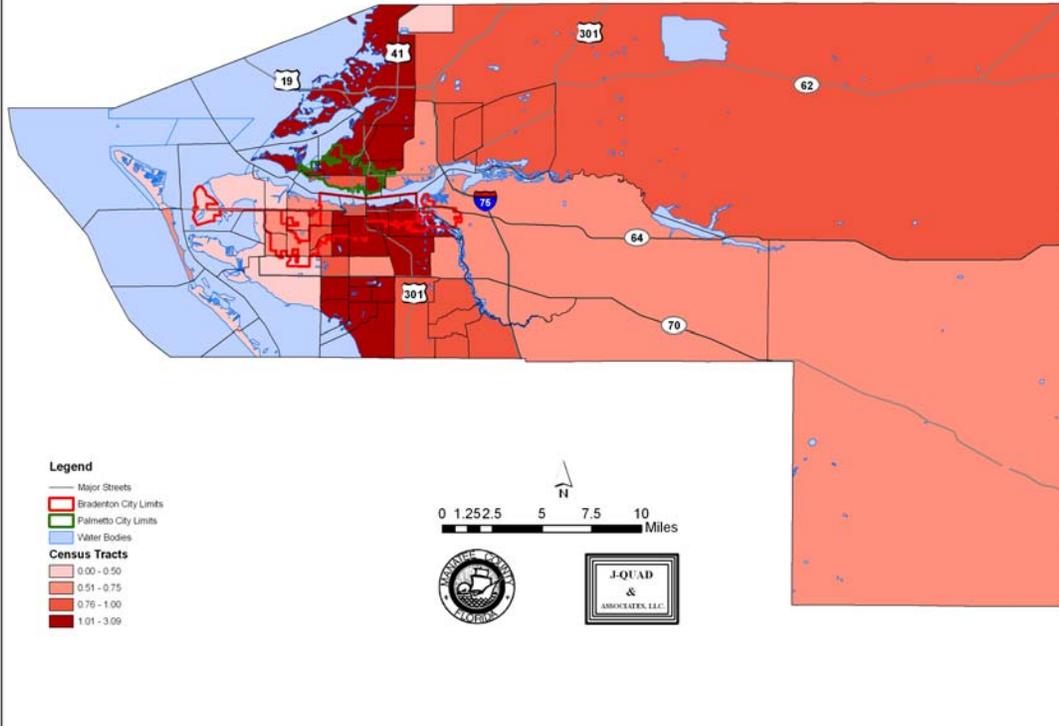
Manatee County, Florida



Map 3.5: Ratio of Refinance Loan
Denials to Originations, 1997-2003
Manatee County, Florida

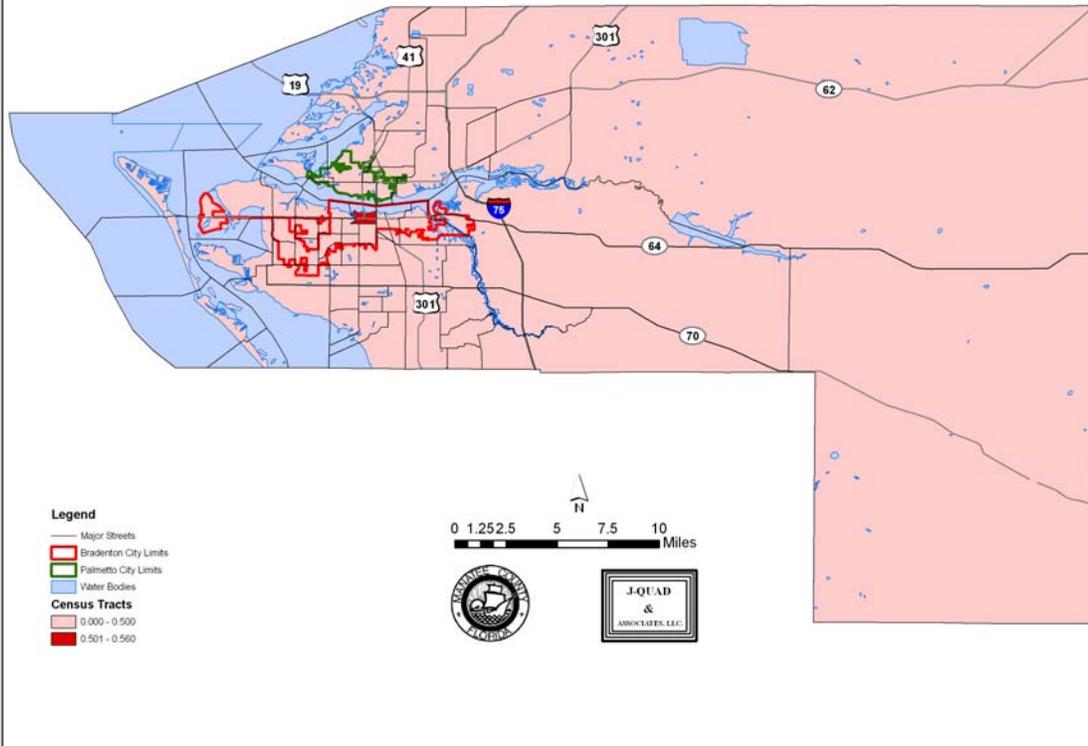


Map 3.6: Ratio of Home Improvement Loan Denials to Originations, 1997-2003
Manatee County, Florida



Map 3.7: Ratio of Home Purchase Loan
Denials to Originations, 1997-2003

Manatee County, Florida



3.2. Home Mortgage Disclosure Act (HMDA) Data Analysis for the City of Bradenton

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 1997 through 2003.

The data reported here are summarized by a variety of methods. Tables 3.1, 3.2, and 3.3 provide information for the City of Bradenton. Tables 3.4 and 3.5 present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tract for City of Bradenton, with an outline of Bradenton city limits provided for reference. Please note that the Bradenton city limits do not match exactly with the boundaries of the census tracts, and the census tracts along the city limits extend beyond the city limits in some cases. Hence the quantitative facts and estimates for the City of Bradenton in HMDA data, which were gathered by census tract, represent more than the actual magnitudes.

Analysis

Table 3.1 examines home loan activities in the City of Bradenton. Data are presented by loan type, ethnicity, income group, and loan purpose. In the city, White applicants represented the largest number of loan applicants at 16,739. Origination rates (the percentage of applications that result in loans being made) for Whites were nearly 64 percent. African-Americans were the next largest applicant group with 1,301 applications submitted and an origination rate of about 43 percent. Hispanics submitted over 1,060 applications and over 52 percent of the applications originated loans. Asian origination rates were almost 67 percent, but with only 109 applications reported. High-income applicants showed both the highest number of applications, at nearly 13,790, and the highest origination rate, at over 58 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with just over 3,550 applications from middle-income applicants and nearly 53 percent origination rate.

Conventional loans account for the largest number of applications for loan type, over 24,596, and the lowest origination rate, about 48 percent. Home purchase loans show over 11,290 loan applications, and the highest origination rate of about 60 percent. Home improvement loans had the lowest origination rate of about 39 percent. Refinance loans had the highest number of loan applications, nearly 14,690.

Table 3.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications

that result in loan originations. For instance, the first percentage in the “Percent” column indicates that 82.71 percent of originations in the city were for conventional loans. For comparison, ethnic percentages were included under the “Pop.” column to compare the percentage of originations by ethnic group to their percentage in the population.

For Loan Type, “Conventional” shows the highest percentages, nearly 83 percent of all originations. FHA loans, which are government insured and have more stringent lending criteria, were just over 14 percent of the originations. Referring back to Table 3.1, government insured loans had higher origination rate than conventional, at about 57 percent for government insured versus over 48 percent for conventional.

For Ethnicity, “White” shows the highest percentage of origination of nearly 75 percent of the total. The percentage of Whites in the population was just over 78 percent. Hispanic applicants accounted for about four percent of all originations, with 11.26 percent of the total population. African-American applicants account for about four percent of originations, while their presence in the population exceeds 15 percent of all residents. Asian applicants represent less than one percent (0.51%) of originations with about one percent of the total population. This is likely a reflection on the reality that Hispanics and African-Americans are more likely to fall within lower-income groups and, therefore, less likely to qualify for mortgage financing.

For Income, the highest income group (>120% median) displays the highest percentage of originations, at over 60 percent of all originations.

Loan Purpose data show that home purchase loans accounted for over 47 percent of the originations. Refinance loans were the second most frequent purpose, nearly 45 percent. Home improvement loans accounted for just below eight percent of all originations.

Table 3.3 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were nearly 70 percent for Whites and about 60 percent for minorities. White applicants for home improvement loans are successful over 10 percentage points more often than minorities. The rates for refinance loans show over 18 percentage point difference.

In Very Low-Income group (<51% MFI), White origination rates were 19.87 percentage points higher. In the High-Income group (>120% MFI), White origination rates were 13.42 percentage points higher. With Middle-Income applicants (96-120% MFI), White origination rates were 15.74 percentage points higher than Minorities. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Tables 3.4 and 3.5 provide a detailed look at loan activity, by loan purpose, minority status, and year, for Low- and High-Income census tracts. Origination rates were low in nearly all cases in Minorities.

The City of Bradenton does not have Very Low and Moderate-Income Tracts.

Chart 3.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. As would be expected, government insured loans have higher origination rates in all income groups. Conventional origination rates closed the gap as incomes rise.

Chart 3.2 shows origination rates by ethnicity and income of the census tract. In Middle and High-Income tracts, White rates are exceeded only by Asians. While Asian rates are sometimes higher than White rates, these numbers are based on relatively low numbers of applications. African-American origination rates were exceeded by Hispanic rates in all categories of income tracts.

Chart 3.3 looks at origination rates by the income of the applicant and the income of census tracts. As would be expected, higher income applicants have higher origination rates. As suggested earlier, the suggestion of redlining can be seen in the much lower origination rates of similar income individuals in low-income tracts, where high-income applicants do not have as high an approval rate as low-income applicants in higher income tracts.

Chart 3.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, as do home purchase loans, exceeding 60 percent for the Middle- and High-Income tracts. Home improvement loans have the lowest origination rates, overall, and were just over 30 percent in Low-Income tracts. In all income categories, home purchase loans show the highest origination rates.

Chart 3.5 examines the percentage of originations by ethnicity within tract income groups. In Low-Income tracts, African-American applicants received just less than 10 percent of the originations. In all income categories except Low-Income, Hispanic origination rates exceeded African-American rates. White applicants had the most originations of any ethnic group, with over 80 percent in the Middle- and High-Income tracts.

Chart 3.6 looks at the percentage of originations by applicant income within tract income groups. In all tracts, High-Income applicants received the most loans reaching 70 percent of originations in the High-Income tracts.

Chart 3.7 shows the percentage of originations going to the various loan purposes within tract income groups. In low income tracts, home purchase loans account for the most loan activity. In all but the Low-Income tracts, refinance loans provide the highest active loan purpose.

Maps 3.1 A and 3.3A through 3.7A look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 100 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 75 and 100 applications are denied for every 100 applications originated. The mauve areas show 50 to 75 applications denied for every 100 applications originated. The pink areas show 0 to 50 applications denied for every 100 applications originated.

Map 3.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial showed that the majority related to the applicants' credit history or their debt-to-income ratio. Nearly 1,581 denials were related to the applicants' credit history in the seven years of the study. Nearly 708 denials were related to the applicants' debt-to-income ratio and over 548 denials were blamed on collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for downpayment and/or closing costs.

Conclusions

While the analysis offered here does not provide conclusive evidence of fair housing impediments, the data tend to suggest that redlining may be occurring in some of the low-income census tracts in the city. While it is expected that low-income applicants would not have a very high success rate in their loan applications, within the low-income census tracts even high-income applicants showed a poor success rate. It would appear that lenders might be reluctant to lend in those communities.

The least success in lending was found in the home improvement loan sector and the highest success was found in home purchase loan sector in the City of Bradenton. Overall, the percentage of loans originated among Whites is much higher than minorities. The origination rates in Asians exceeded Hispanics and African-Americans. Hispanics accounted for the second highest number of applications after Whites in the City of Bradenton. Very low origination rates were found in most areas and through most income groups. Overall, the mortgage markets seem to be growing vigorously, providing new opportunities for borrowers to buy housing or refinance existing higher interest loans. Lower interest rates appear to have had a big impact on lending activity in the city.

Table 3.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
Bradenton City
1997 – 2003**

	Bradenton City	
	Number	Origin.
Loan Type:		
Conventional	24,596	47.91%
FHA	3,564	56.82%
VA & Other	735	59.73%
Ethnicity:		
Native	73	46.58%
Asian	109	66.97%
African-American	1,301	42.89%
Hispanic	1,062	52.17%
White	16,739	63.89%
Other	240	47.08%
Not Provided	7,135	30.36%
Unknown	2,236	2.46%
Income:		
<51% median (very low)	1,000	35.80%
51-80% median (low)	3,798	48.58%
81-95% median (moderate)	2,464	49.72%
96-120% median (middle)	3,551	52.89%
>120% median (high)	13,786	58.01%
Median Household Income*	\$34,902	
Loan Purpose:		
Home Purchase	11,295	59.88%
Home Improvement	2,879	38.56%
Refinance	14,689	43.24%
Totals	28,895	49.31%

*Median Household Income for the City of Bradenton and City of Bradenton based on 2000 Census Data.

Table 3.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Bradenton City
1997-2003**

	Origin.	Percent	Pop.
Loan Type:			
Conventional	11,783	82.71%	
FHA	2,025	14.21%	
VA & Other	439	3.08%	
Ethnicity:			
Native	34	0.24%	0.29%
Asian	73	0.51%	0.84%
African-American	558	3.92%	15.11%
Hispanic	554	3.89%	11.26%
White (non-Hispanic)	10,694	75.06%	78.14%
Other	113	0.79%	5.62%
Not Provided	2,166	15.20%	
Unknown	55	0.39%	
Income:			
<51% median	358	2.69%	
51-80% median	1,845	13.87%	
81-95% median	1,225	9.21%	
96-120% median	1,878	14.12%	
>120% median	7,997	60.11%	
Loan Purpose:			
Home Purchase	6,763	47.47%	
Home Improvement	1,110	7.79%	
Refinance	6,351	44.58%	
Totals	14,247		

Table 3.3
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for Bradenton 1997-2003

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	1,305	11.55%	16.32%	56.93%
White	7,516	66.54%	9.91%	69.57%
Not Provided	2,474	21.90%	8.45%	31.97%
Home Improvement Loans				
Minorities	260	9.03%	46.54%	38.46%
White	1,344	46.68%	24.70%	58.48%
Not Provided	1,275	44.29%	52.08%	17.57%
Refinance Loans				
Minorities	1,218	8.29%	31.28%	40.07%
White	7,864	53.54%	16.19%	59.37%
Not Provided	5,607	38.17%	31.30%	21.29%
All Loan Purposes				
Minorities	2,785	9.64%	25.71%	47.83%
White	16,739	57.93%	14.06%	63.89%
Not Provided	9,371	32.43%	28.04%	23.70%
Income Groups				
<51% MFI				
Minorities	169	16.90%	40.83%	27.81%
White	539	53.90%	28.01%	47.68%
Not Provided	292	29.20%	51.71%	18.49%
51 to 80% MFI				
Minorities	631	16.61%	26.62%	48.34%
White	2,186	57.56%	18.25%	59.79%
Not Provided	981	25.83%	46.38%	23.75%
81 to 95% MFI				
Minorities	364	14.77%	25.82%	51.65%
White	1,470	59.66%	16.46%	58.84%
Not Provided	630	25.57%	38.89%	27.30%
96 to 120% MFI				
Minorities	422	11.88%	26.07%	46.92%
White	2,182	61.45%	14.48%	64.34%
Not Provided	947	26.67%	34.11%	29.14%
>120% MFI				
Minorities	1,015	7.36%	24.33%	50.94%
White	9,248	67.08%	12.32%	66.68%
Not Provided	3,523	25.55%	28.87%	37.27%
Not Provided				
Minorities	184	4.28%	15.22%	41.85%
White	1,114	25.93%	9.52%	62.30%
Not Provided	2,998	69.79%	14.58%	5.77%

Table 3.4: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Bradenton City -- Low Income Tracts, 1997 - 2003

		# Apps.	% of Year	%Denied	% Orig.
Home Purchase Loans					
Minorities					
	1997	297	17.84%	17.17%	53.87%
	1998	329	17.08%	19.45%	56.53%
	1999	435	22.75%	20.69%	52.18%
	2000	393	20.38%	21.63%	52.16%
	2001	343	16.76%	15.45%	63.56%
	2002	457	21.79%	18.16%	56.67%
	2003	512	20.72%	14.06%	54.10%
White					
	1997	1,079	64.80%	14.55%	59.87%
	1998	1,180	61.27%	14.66%	60.51%
	1999	1,137	59.47%	17.33%	60.51%
	2000	1,089	56.48%	18.92%	58.40%
	2001	1,168	57.09%	14.38%	64.38%
	2002	1,128	53.79%	11.97%	63.12%
	2003	1,437	58.15%	11.41%	64.37%
Not Provided					
	1997	289	17.36%	9.34%	31.14%
	1998	417	21.65%	15.83%	21.10%
	1999	340	17.78%	16.47%	25.29%
	2000	446	23.13%	19.73%	31.61%
	2001	535	26.15%	9.53%	32.52%
	2002	512	24.42%	9.57%	31.05%
	2003	522	21.13%	8.43%	19.54%
Home Improvement Loans					
Minorities					
	1997	107	17.77%	31.78%	57.94%
	1998	103	18.49%	30.10%	54.37%
	1999	83	18.95%	56.63%	27.71%
	2000	91	20.92%	50.55%	26.37%
	2001	62	15.42%	61.29%	27.42%
	2002	60	16.39%	61.67%	28.33%
	2003	49	18.08%	73.47%	14.29%
White					
	1997	243	40.37%	23.46%	56.38%
	1998	257	46.14%	29.18%	49.42%
	1999	148	33.79%	35.14%	51.35%
	2000	136	31.26%	34.56%	46.32%
	2001	140	34.83%	36.43%	50.71%
	2002	121	33.06%	39.67%	44.63%
	2003	177	65.31%	37.29%	46.33%
Not Provided					
	1997	252	41.86%	61.90%	15.87%
	1998	197	35.37%	65.48%	10.66%
	1999	207	47.26%	69.57%	7.25%
	2000	208	47.82%	50.00%	18.27%
	2001	200	49.75%	67.00%	11.50%
	2002	185	50.55%	51.35%	21.08%
	2003	45	16.61%	37.78%	15.56%

**Table 3.4 (cont'd): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Bradenton City -- Low Income Tracts, 1997 - 2003**

		# Apps.	% of Year	%Denied	% Orig.
Refinance Loans					
Minorities					
	1997	251	19.75%	32.67%	35.46%
	1998	361	15.40%	29.92%	38.50%
	1999	434	18.73%	34.10%	35.71%
	2000	245	15.01%	40.00%	35.51%
	2001	332	13.96%	39.76%	34.64%
	2002	370	13.26%	32.43%	42.97%
	2003	988	21.92%	35.83%	41.60%
White					
	1997	635	49.96%	25.35%	48.35%
	1998	1,147	48.93%	19.70%	53.18%
	1999	1,027	44.32%	24.83%	46.54%
	2000	569	34.87%	28.30%	43.23%
	2001	909	38.21%	20.35%	57.10%
	2002	1,269	45.47%	18.05%	55.87%
	2003	2,393	53.10%	21.06%	54.41%
Not Provided					
	1997	385	30.29%	31.69%	17.40%
	1998	836	35.67%	39.11%	14.23%
	1999	856	36.94%	37.03%	14.95%
	2000	818	50.12%	42.05%	14.30%
	2001	1,138	47.84%	45.08%	16.17%
	2002	1,152	41.28%	30.82%	21.61%
	2003	1,126	24.98%	26.64%	22.82%
All Loan Purposes					
Minorities					
	1997	655	18.51%	25.50%	47.48%
	1998	793	16.43%	25.60%	48.05%
	1999	952	20.40%	29.94%	42.54%
	2000	729	18.25%	31.41%	43.35%
	2001	737	15.27%	30.26%	47.49%
	2002	888	16.88%	27.03%	49.10%
	2003	1,549	21.37%	29.83%	44.87%
White					
	1997	1,959	55.26%	19.14%	55.74%
	1998	2,590	53.55%	18.38%	56.18%
	1999	2,314	49.54%	21.78%	53.67%
	2000	1,795	44.82%	23.12%	52.65%
	2001	2,218	45.89%	18.21%	60.55%
	2002	2,521	47.91%	16.34%	58.63%
	2003	4,008	55.22%	18.31%	57.63%
Not Provided					
	1997	931	26.26%	32.87%	21.48%
	1998	1,454	30.06%	35.90%	15.82%
	1999	1,405	30.08%	36.80%	16.44%
	2000	1,481	36.98%	36.19%	20.59%
	2001	1,878	38.86%	37.17%	20.50%
	2002	1,853	35.21%	26.93%	24.28%
	2003	1,701	23.44%	21.34%	21.75%

Table 3.5: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Bradenton City-High Income Tracts, 1997-2003

		# Apps.	% of Year	% Denied	% Orig.
Home Purchase Loans					
Minorities					
	1997	13	3.38%	7.69%	69.23%
	1998	20	3.73%	25.00%	55.00%
	1999	17	3.47%	11.76%	64.71%
	2000	17	3.24%	5.88%	70.59%
	2001	13	2.77%	15.38%	69.23%
	2002	15	3.08%	6.67%	53.33%
	2003	15	3.04%	5.18%	70.29%
White					
	1997	310	80.52%	6.45%	78.06%
	1998	380	70.90%	4.21%	80.26%
	1999	376	76.73%	7.45%	75.53%
	2000	388	74.05%	8.25%	75.26%
	2001	338	71.91%	7.99%	76.63%
	2002	324	66.53%	5.86%	76.54%
	2003	310	80.52%	6.45%	78.06%
Not Provided					
	1997	62	16.10%	8.06%	25.81%
	1998	136	25.37%	0.74%	14.71%
	1999	97	19.80%	4.12%	30.93%
	2000	119	22.71%	4.20%	41.18%
	2001	119	25.32%	0.84%	56.30%
	2002	148	30.39%	4.73%	52.70%
	2003	129	22.32%	0.84%	53.30%
Home Improvement Loans					
Minorities					
	1997	2	1.23%	38.33%	50.00%
	1998	3	2.31%	33.33%	66.67%
	1999	7	3.24%	5.88%	70.59%
	2000	3	2.67%	15.38%	69.23%
	2001	5	3.28%	6.67%	53.33%
	2002	6	2.31%	33.13%	66.67%
	2003	8	3.14%	5.88%	70.59%
White					
	1997	3	80.52%	6.45%	78.06%
	1998	4	70.90%	4.21%	80.26%
	1999	3	76.73%	7.45%	75.53%
	2000	5	76.73%	7.45%	75.53%
	2001	5	74.05%	8.25%	75.26%
	2002	4	71.91%	7.99%	76.63%
	2003	5	66.53%	5.86%	76.54%
Not Provided					
	1997	13	26.37%	0.74%	54.71%
	1998	9	19.80%	3.12%	60.93%
	1999	11	23.71%	4.20%	51.18%

**Table 3.5 (cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Bradenton City -- High Income Tracts, 1997- 2003**

		# Apps.	% of Year	% Denied	% Orig.
Home Improvement Loans					
Not Provided (cont.)					
	2000	11	23.32%	0.54%	66.30%
	2001	14	30.39%	3.73%	52.70%
	2002	12	22.32%	1.84%	63.30%
	2003	13	28.37%	1.74%	52.71%
Refinance Loans					
Minorities					
	1997	9	2.98%	11.11%	33.33%
	1998	25	3.39%	20.00%	52.00%
	1999	13	2.31%	15.38%	53.85%
	2000	15	4.82%	20.00%	40.00%
	2001	24	2.90%	12.50%	75.00%
	2002	35	3.19%	17.14%	54.29%
	2003	9	2.98%	11.11%	33.33%
Whites					
	1997	216	71.52%	13.43%	66.67%
	1998	531	72.05%	10.17%	71.94%
	1999	363	64.48%	12.40%	58.95%
	2000	161	51.77%	15.53%	55.90%
	2001	498	60.07%	11.85%	66.27%
	2002	668	60.84%	9.88%	70.36%
	2003	216	71.52%	13.43%	66.67%
All Loan Purposes					
Minorities					
	1997	24	2.83%	8.33%	54.17%
	1998	48	3.42%	22.92%	54.17%
	1999	31	2.80%	12.90%	61.29%
	2000	35	3.70%	14.29%	54.29%
	2001	42	3.00%	11.90%	71.43%
	2002	54	3.23%	18.52%	51.85%
	2003	24	2.83%	8.33%	54.17%
White					
	1997	634	74.68%	9.94%	73.34%
	1998	996	70.94%	8.23%	74.80%
	1999	763	68.80%	10.35%	67.50%
	2000	621	65.64%	11.76%	68.60%
	2001	897	64.07%	11.59%	69.90%
	2002	1030	61.53%	9.03%	72.23%
	2003	634	74.68%	9.94%	73.34%
Not Provided					
	1997	191	22.50%	23.04%	20.94%
	1998	360	25.66%	14.44%	24.72%

**Table 3.5 (cont.): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Bradenton City -- High Income Tracts, 1997– 2003**

		# Apps.	% of Year	% Denied	% Orig.
Not Provided (cont.)					
	1999	315	28.40%	20.63%	23.81%
	2000	290	30.69%	21.03%	26.21%
	2001	461	32.93%	15.40%	39.70%
	2002	590	35.24%	12.71%	39.32%
	2003	660	35.66%	24.44%	34.72%

Chart 3.1
Origination Rates by Loan Type by Income of Tracts

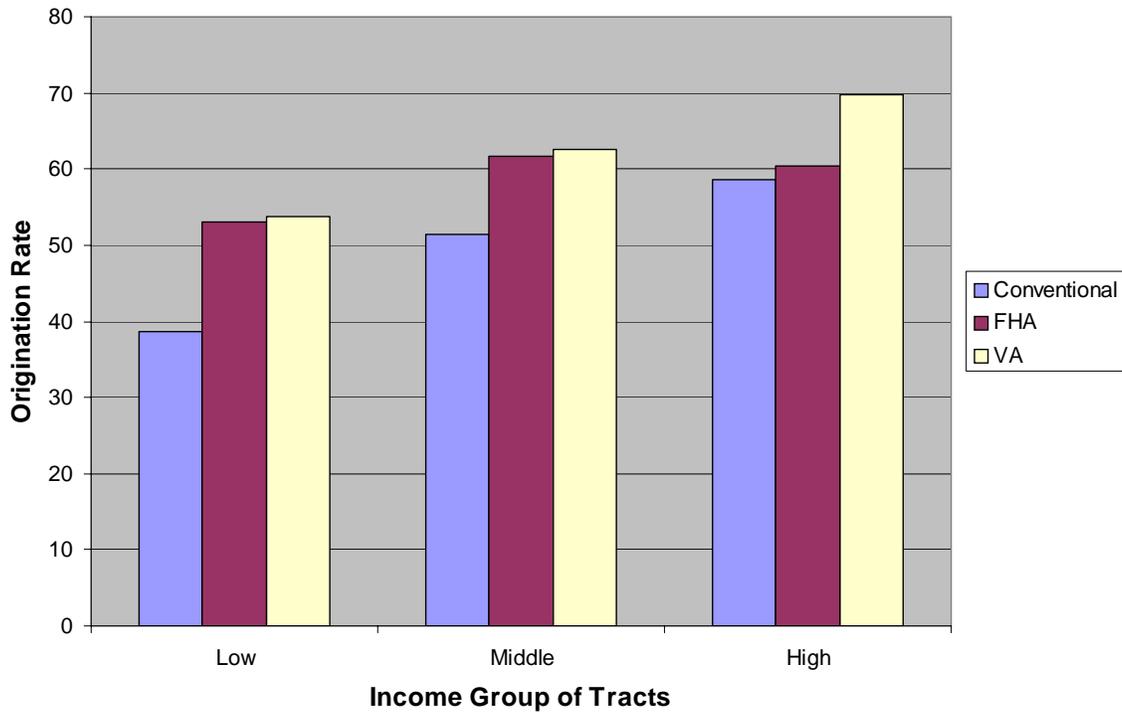


Chart 3.2
Origination Rates by Ethnicity by Income of Census Tract

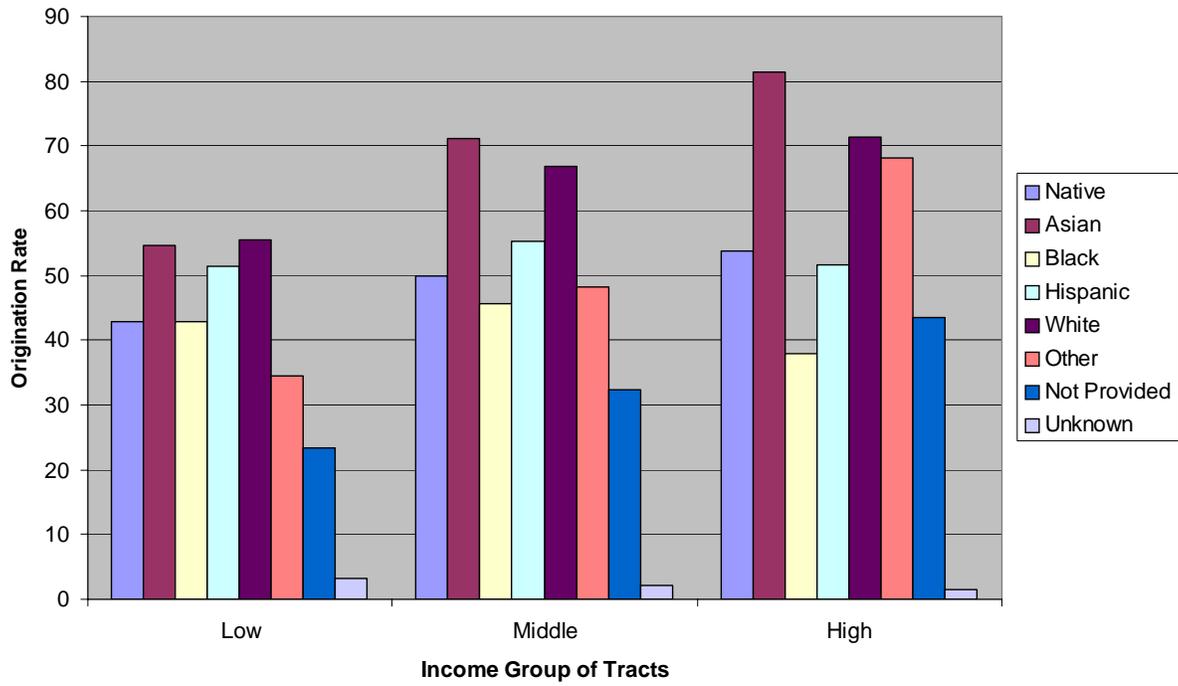


Chart 3.3
Origination Rates by Applicant Income by Income of Census Tract

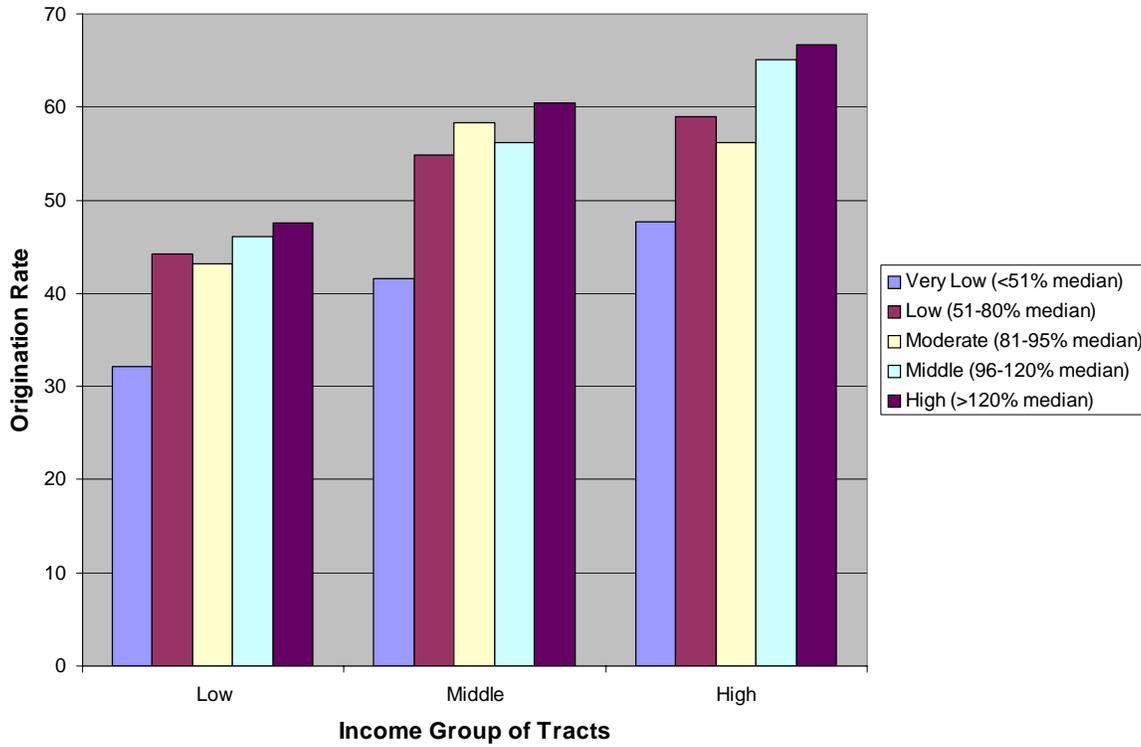


Chart 3.4
Origination Rates by Loan Purpose by Income of Census Tract

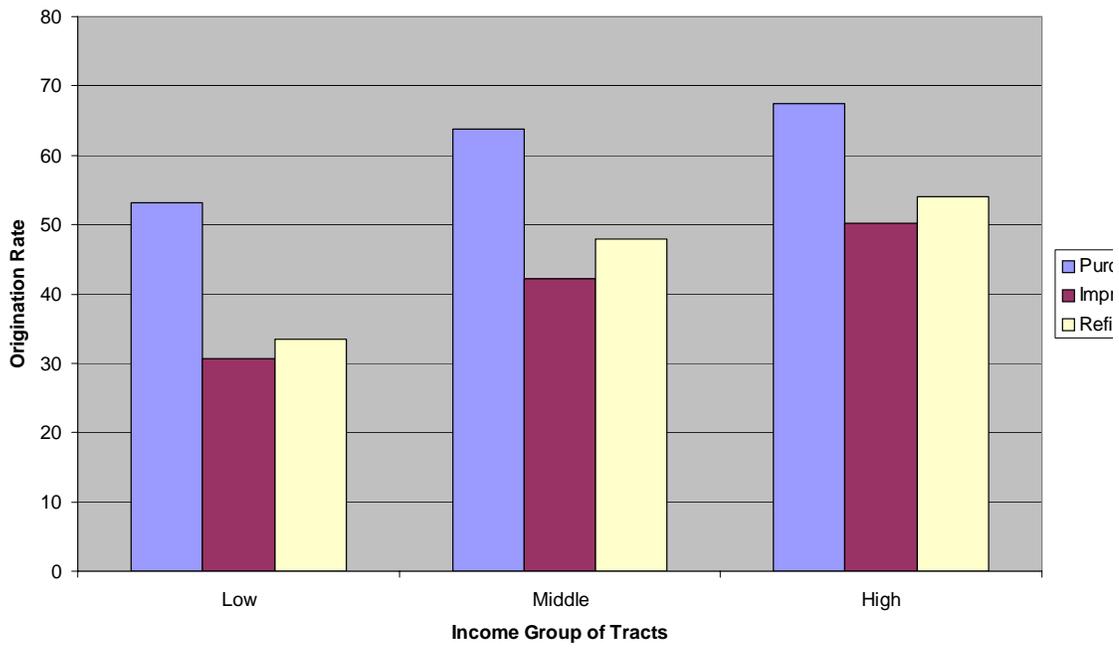


Chart 3.5
Percentage of Originations by Ethnicity with Income Groups

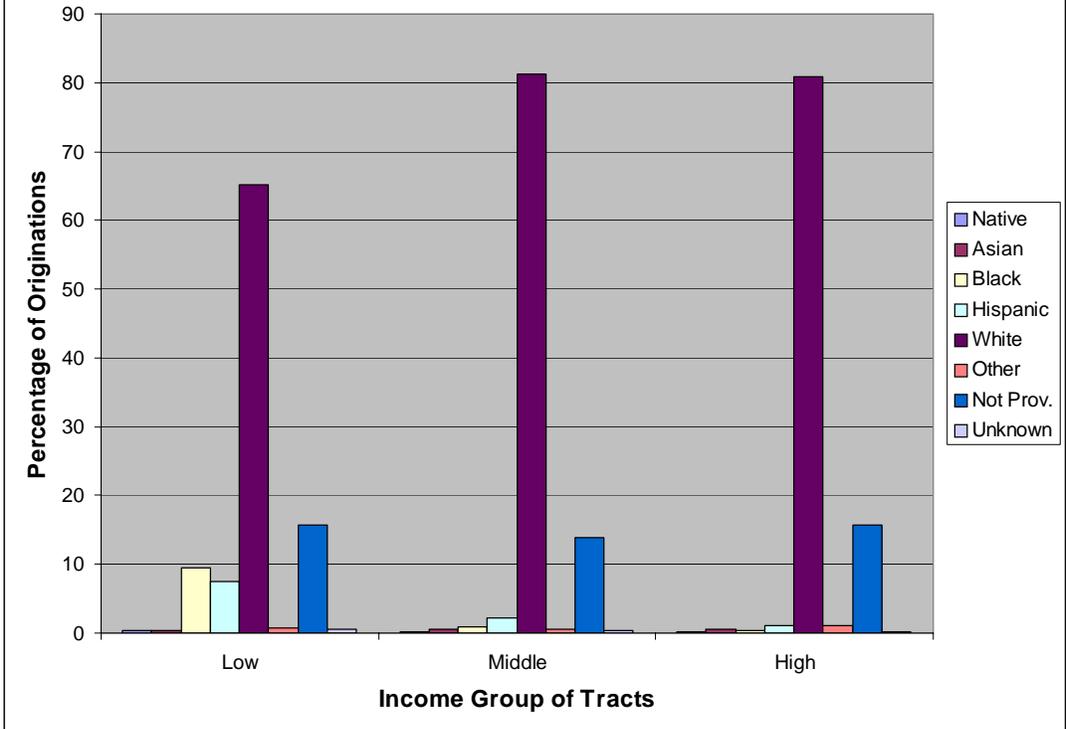


Chart 3.6
Percentage Originations by Applicant Income within Tract Income Groups

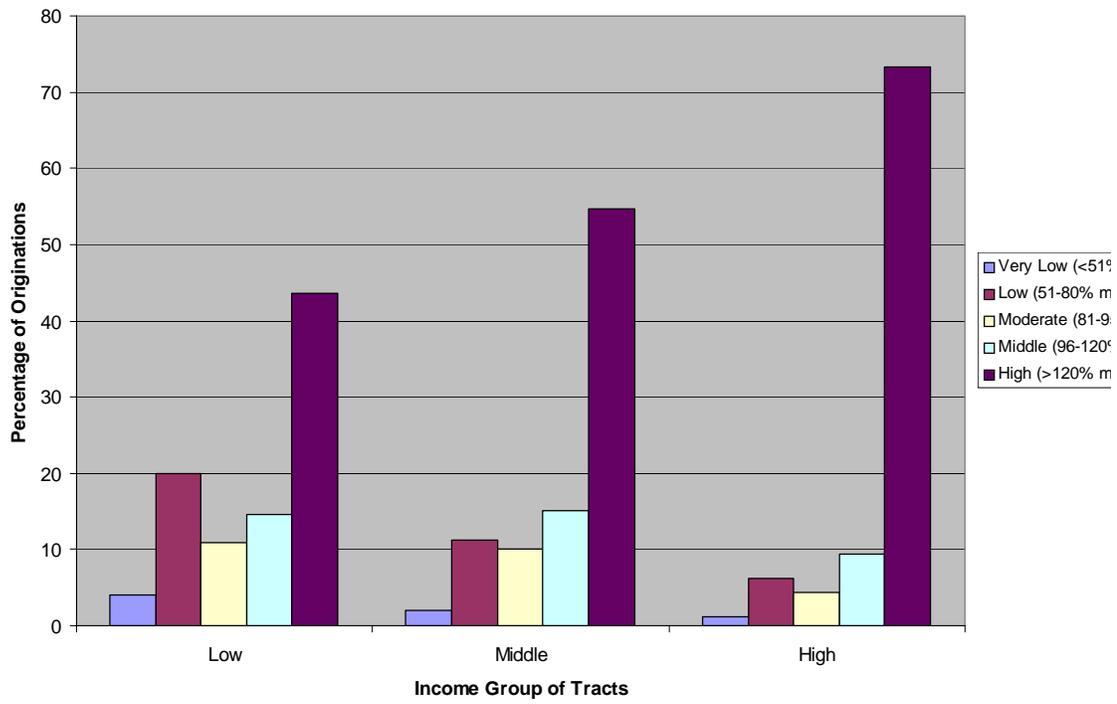
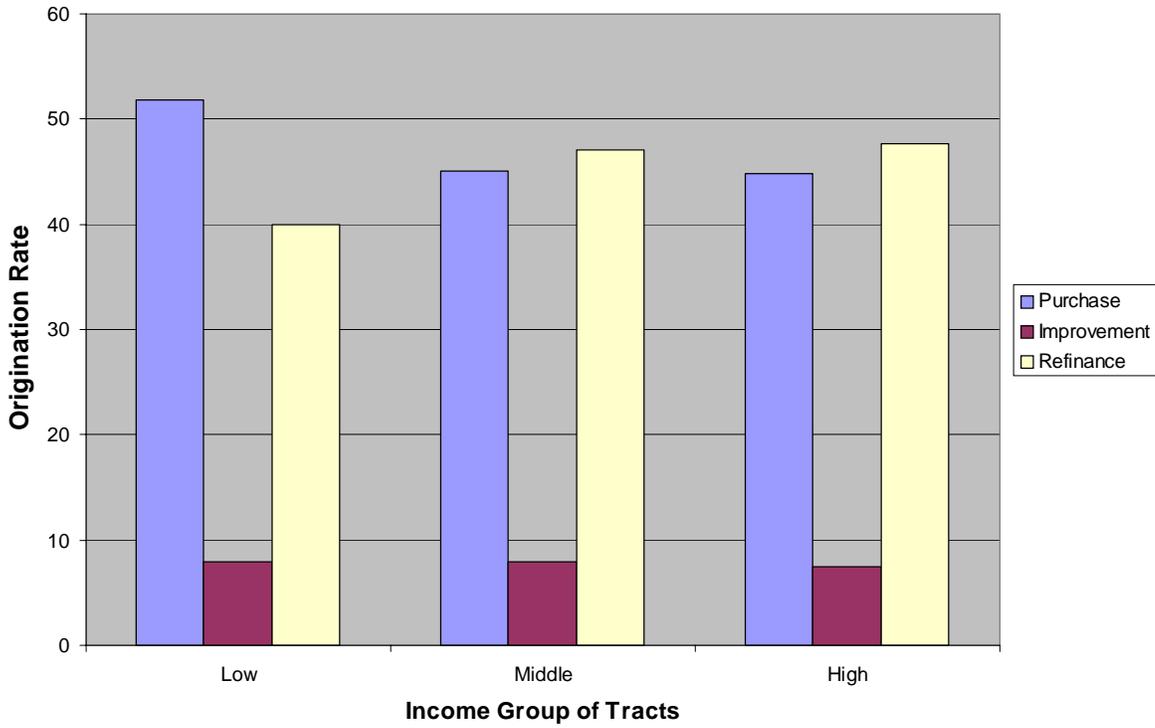
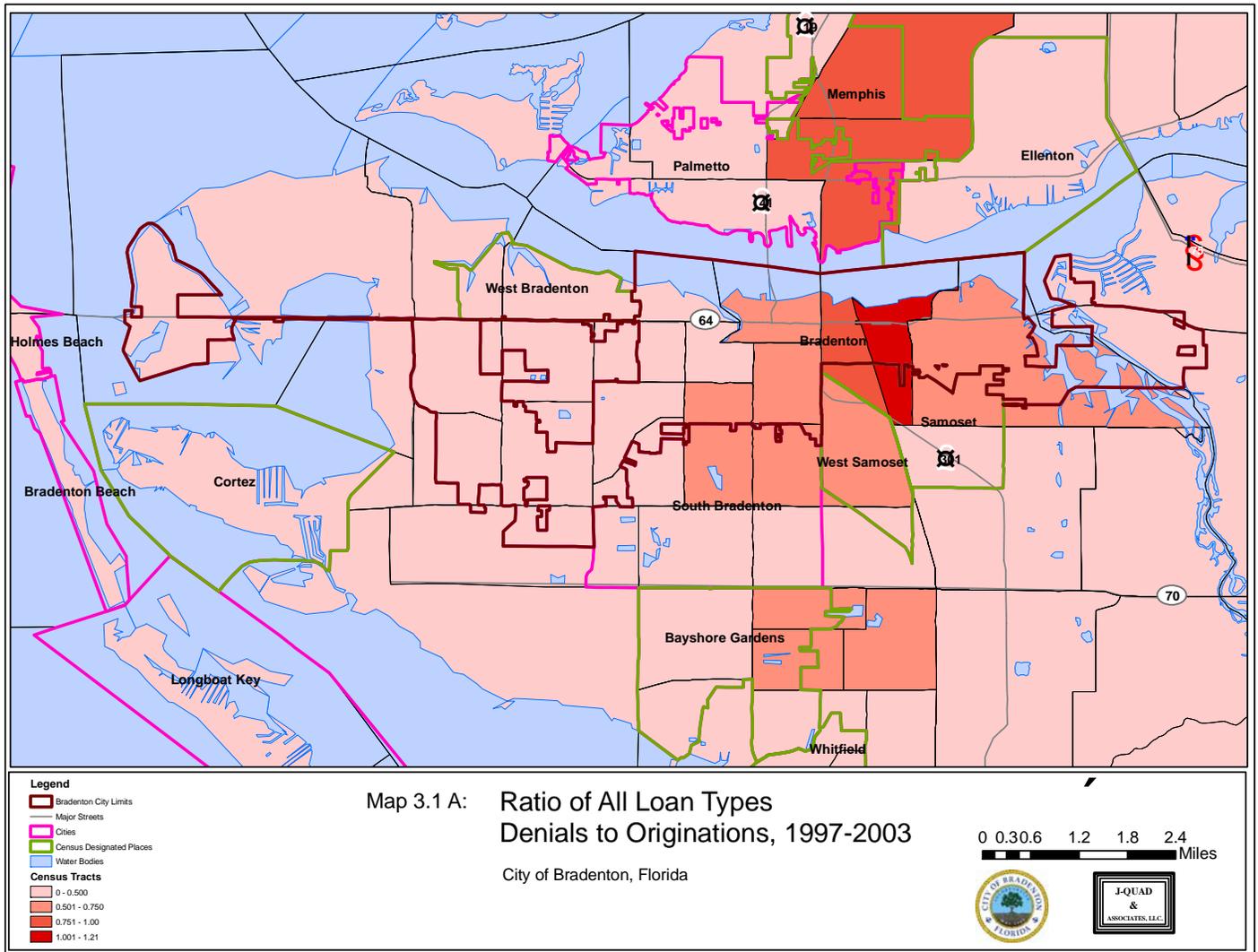
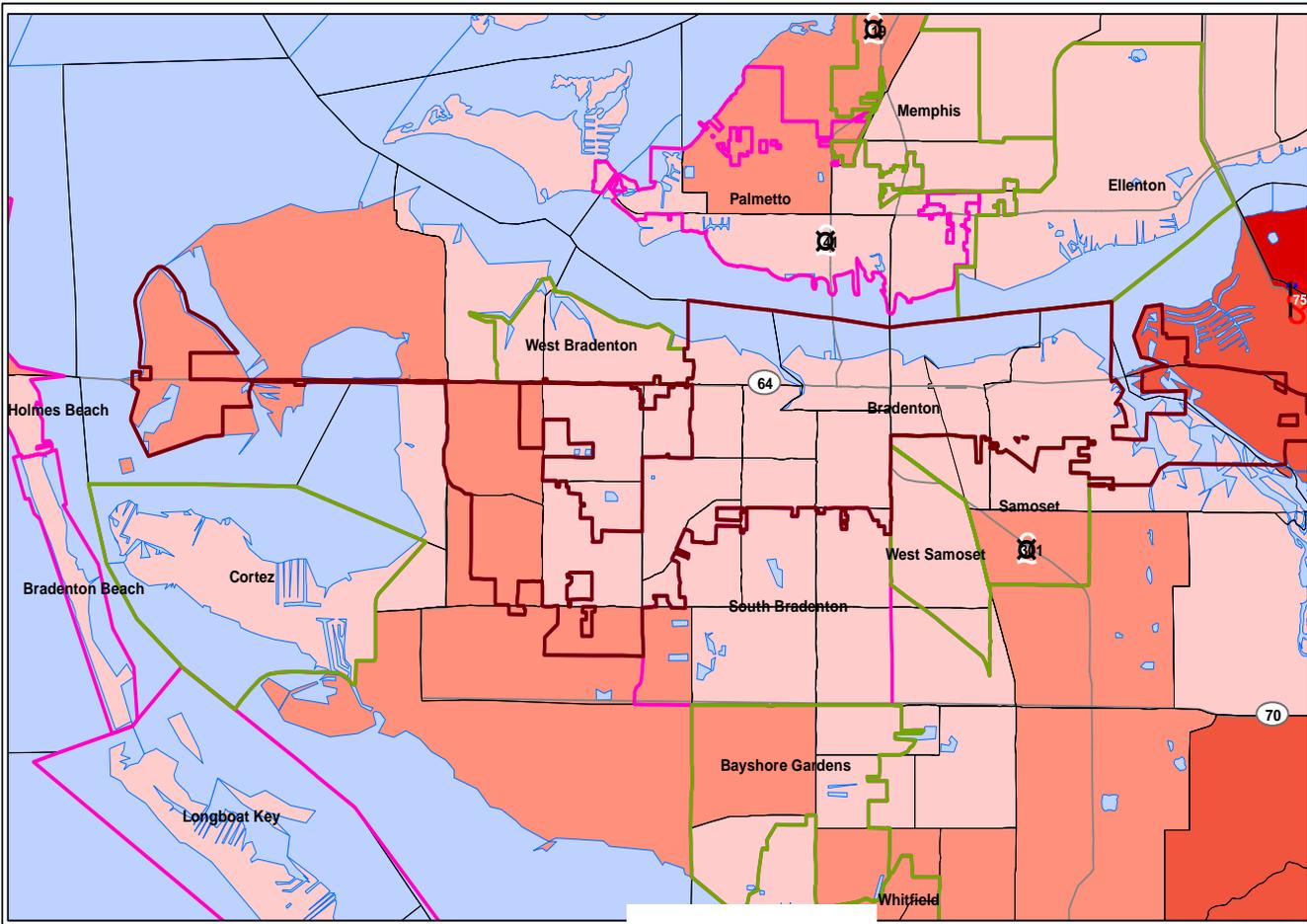


Chart 3.7
Percent of Originations by Loan Purpose within Tract Income Groups





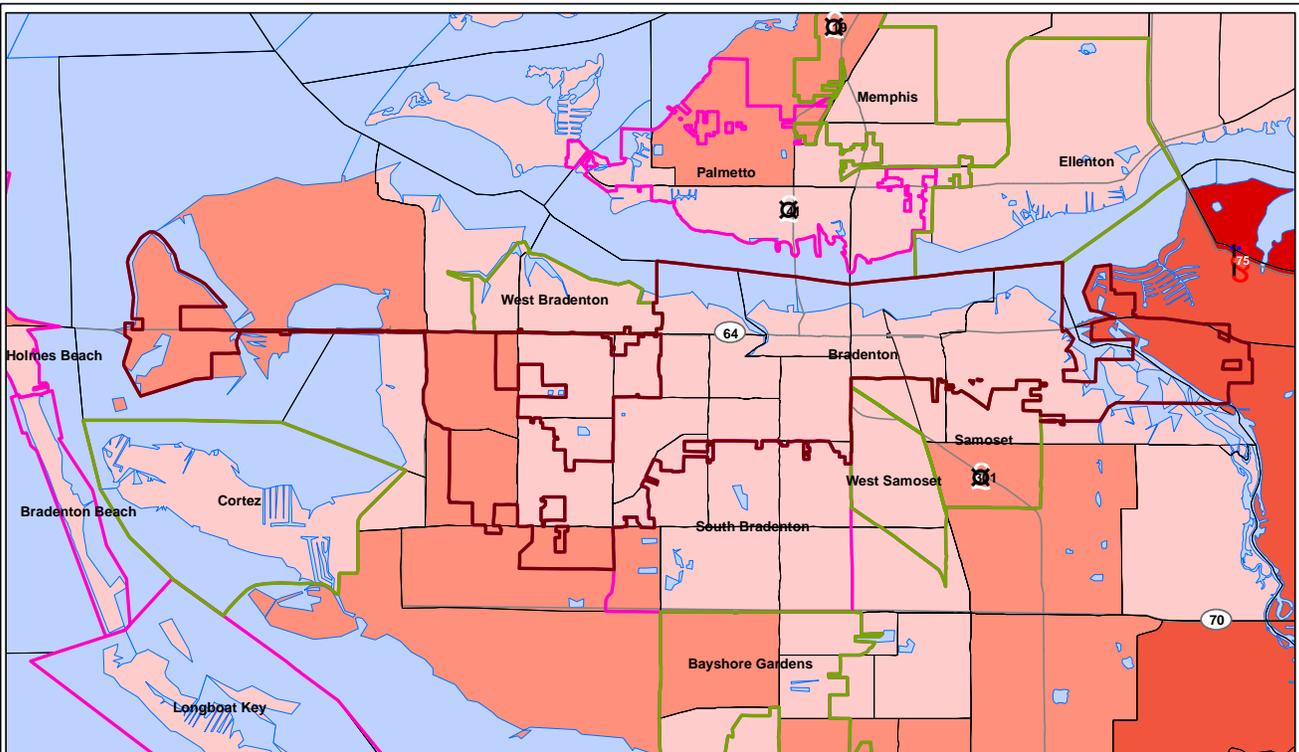
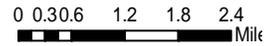


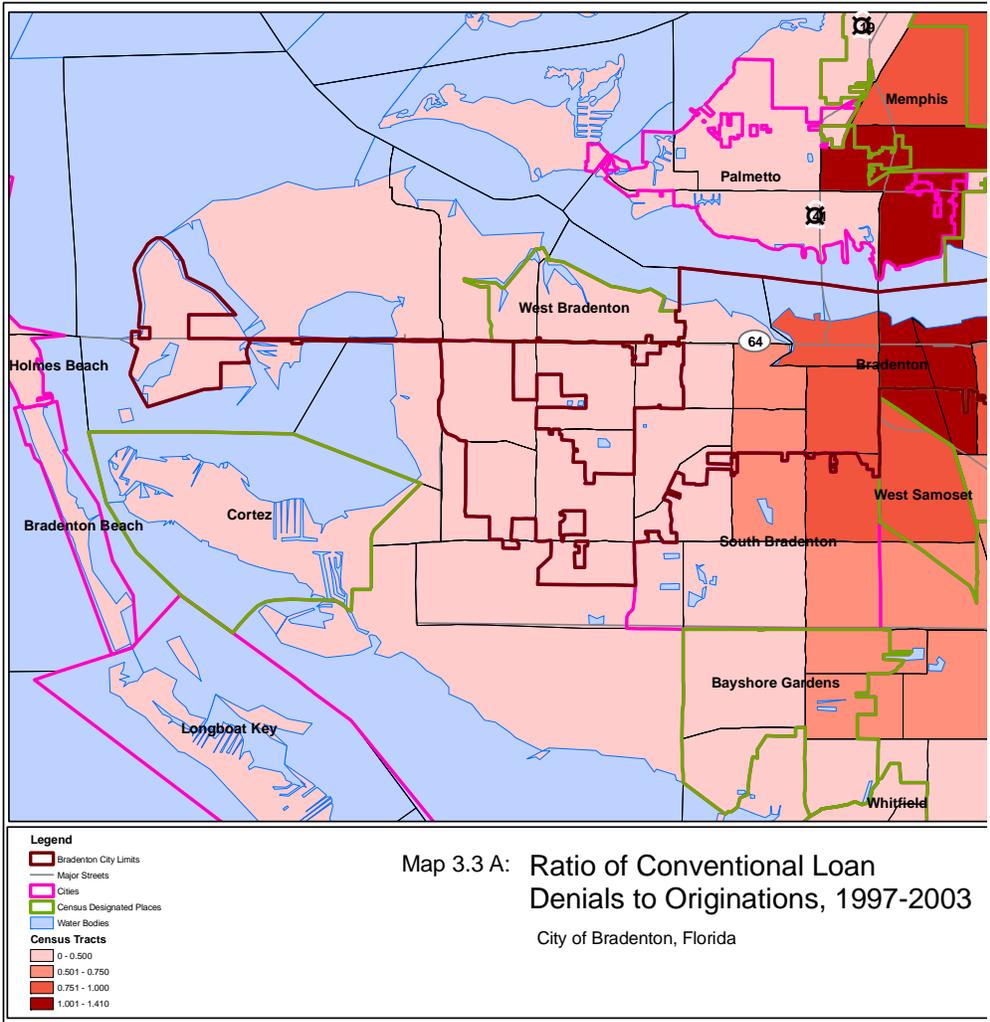
- Legend**
- Bradenton City Limits
 - Major Streets
 - Cities
 - Census Designated Places
 - Water Bodies
- Total Number of Loans**
- 0 - 2,000
 - 2,001 - 4,000
 - 4,001 - 6,000
 - 6,001 - 10,886

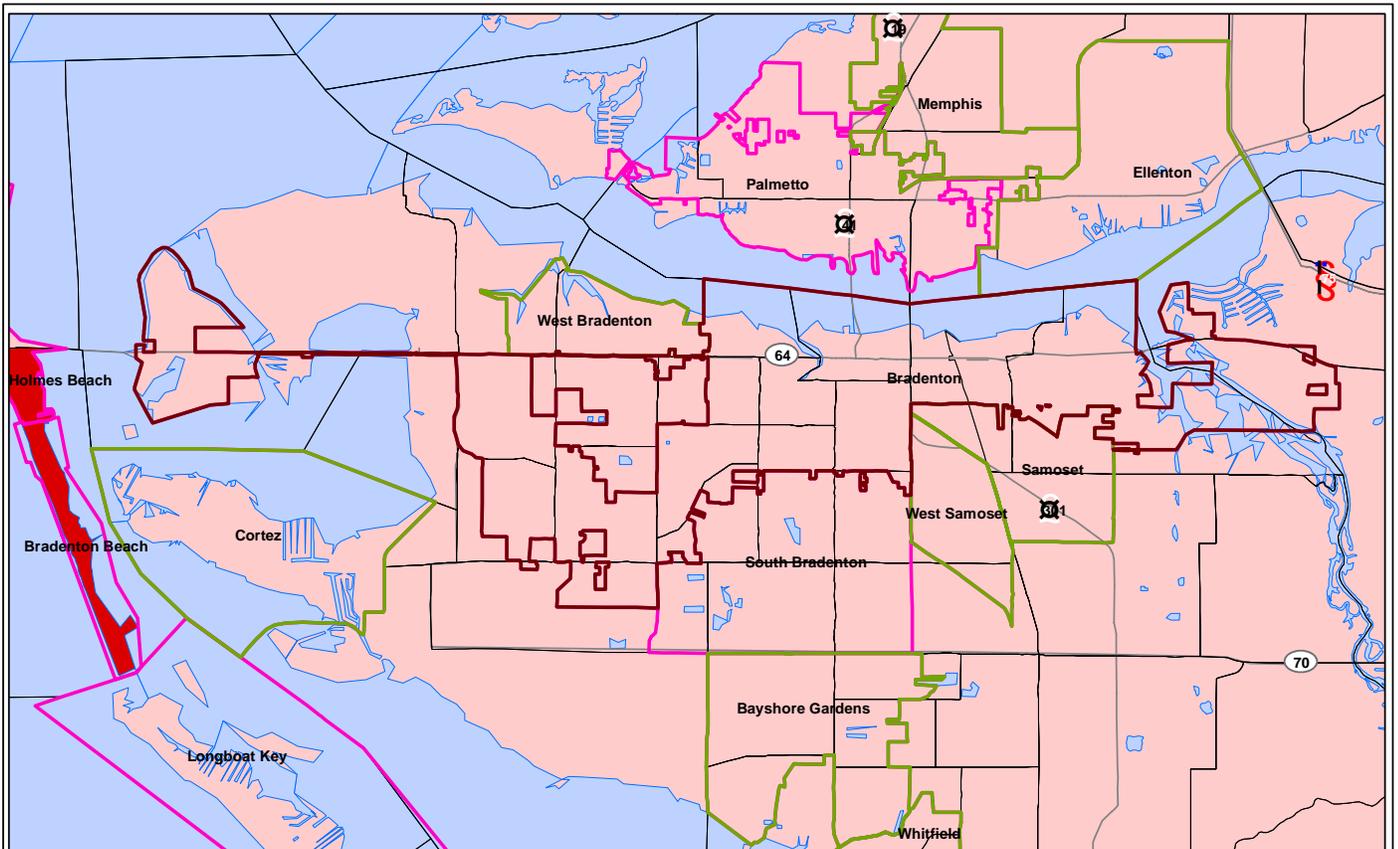
Map 3.2 A: Total Number of Loan Applications, 1997-2003

City of Bradenton, Florida

Source: U.S. Census 2000





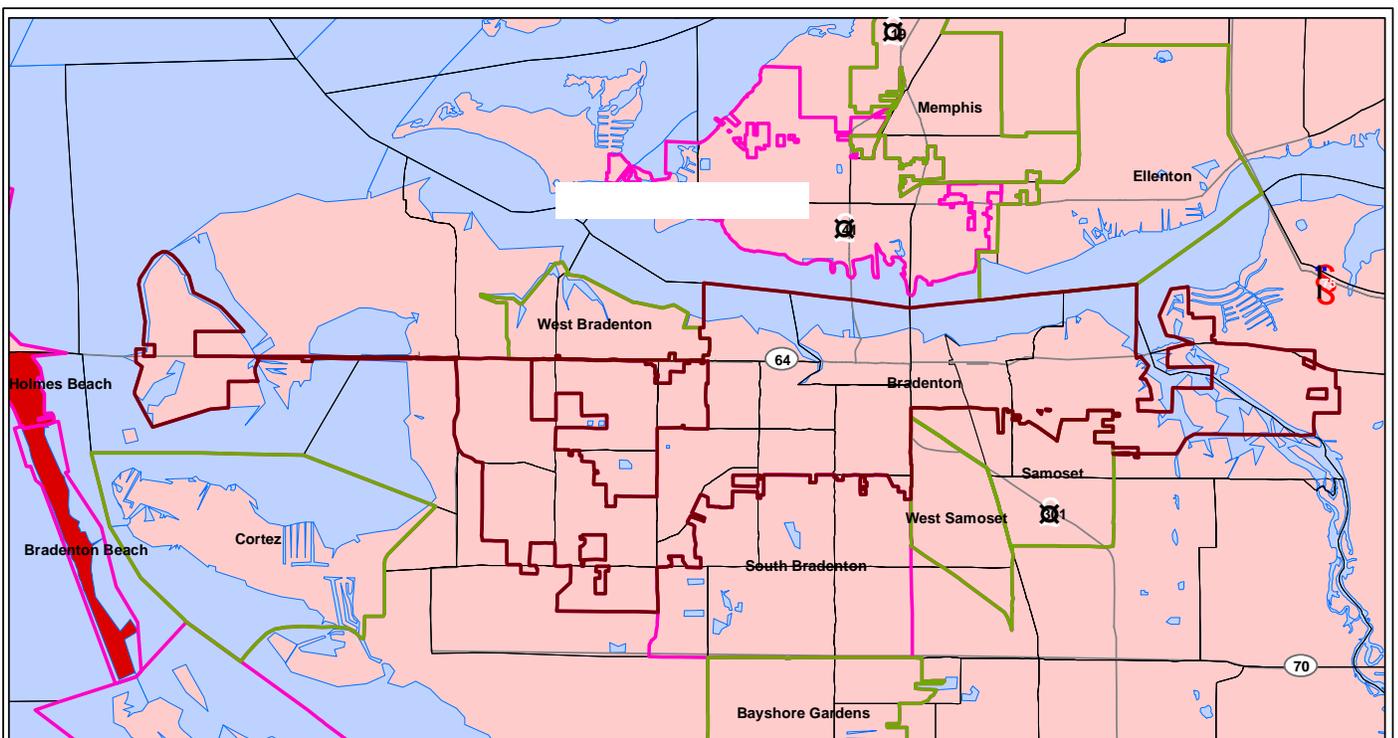
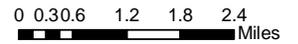


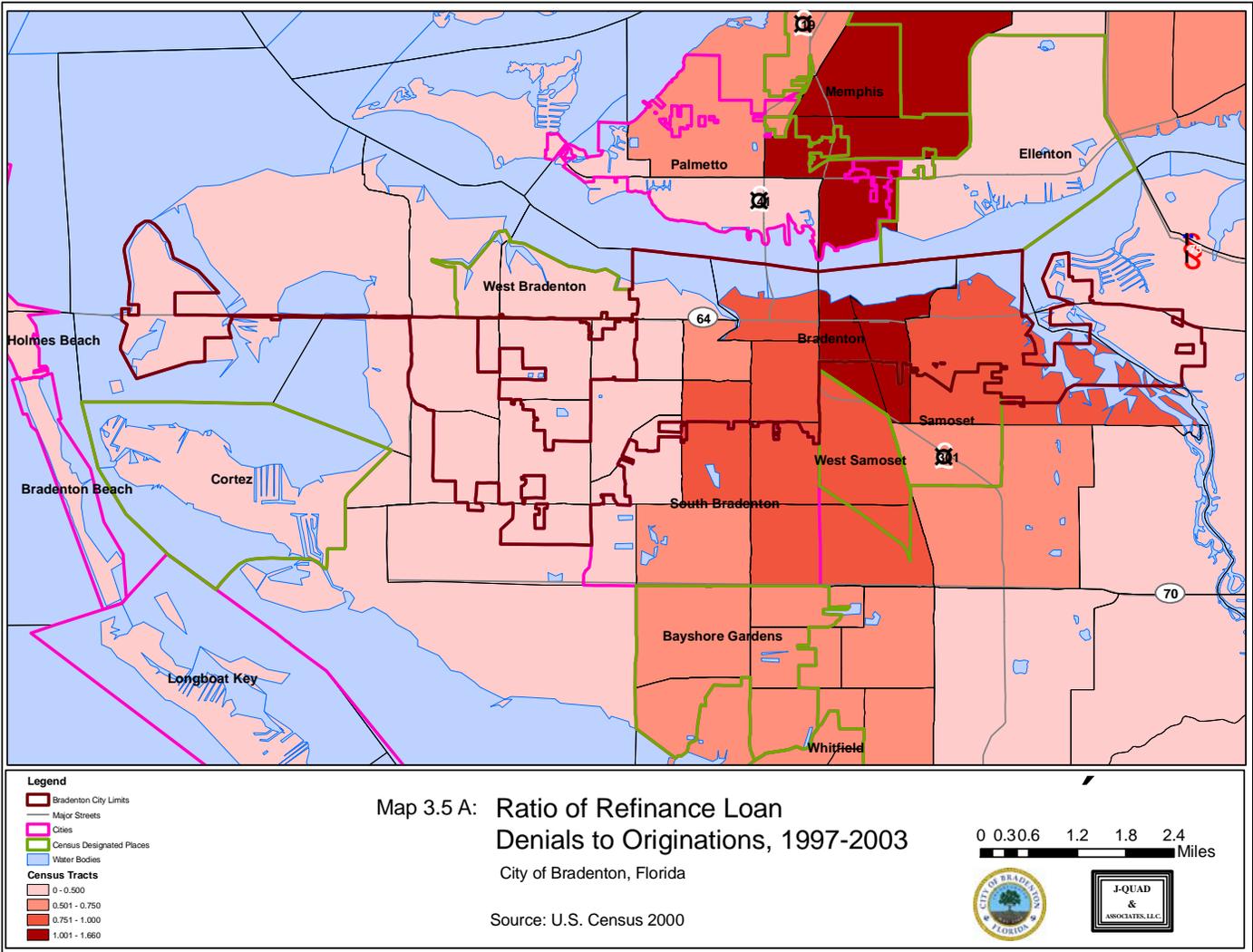
- Legend**
- Bradenton City Limits
 - Major Streets
 - Cities
 - Census Designated Places
 - Water Bodies
- Census Tracts**
- 0.000 - 0.500
 - 0.501 - 0.750
 - 0.751 - 1.000

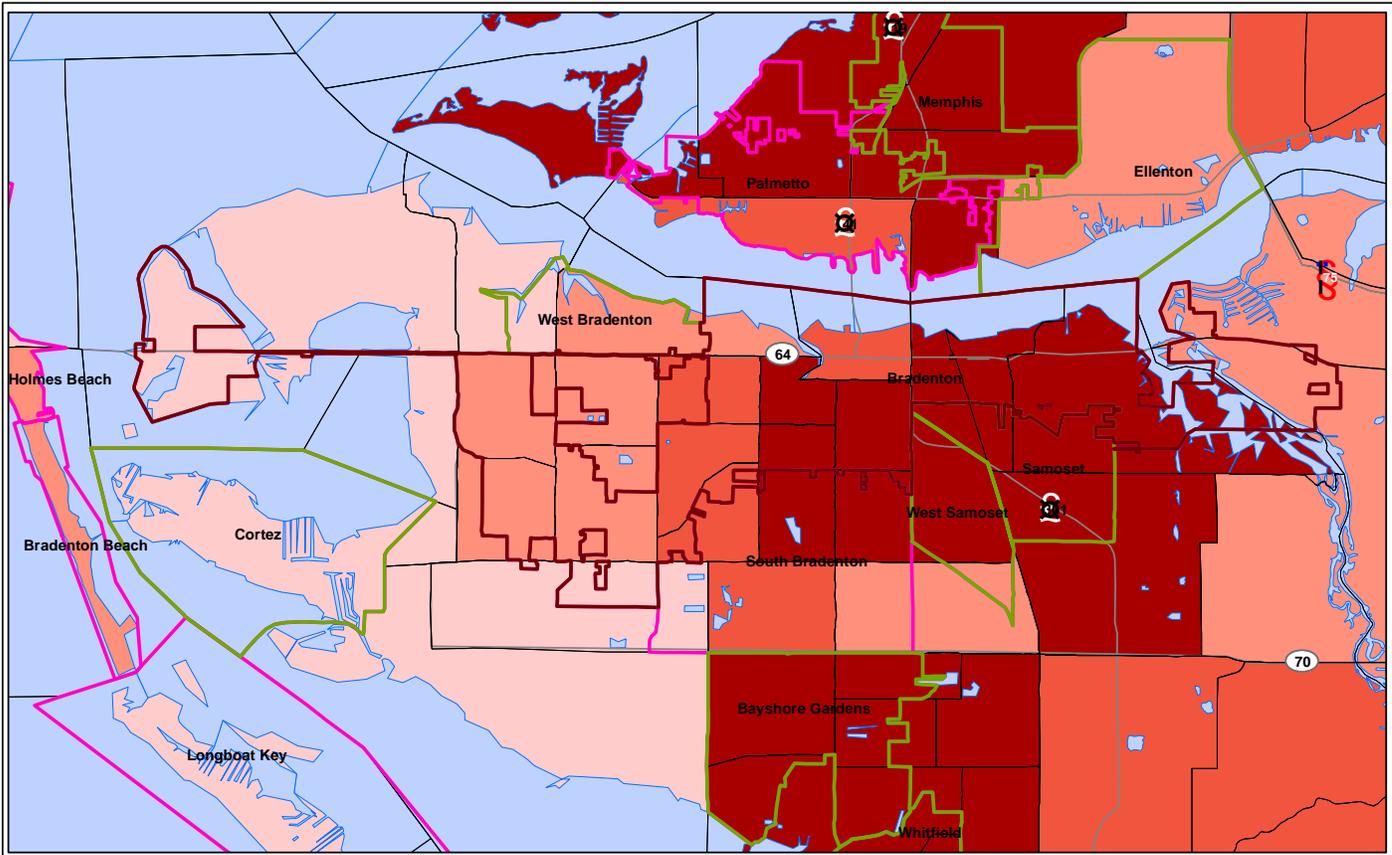
Map 3.4 A: Ratio of Government Backed Loan Denials to Originations, 1997-2003

City of Bradenton, Florida

Source: U.S. Census 2000



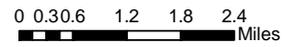


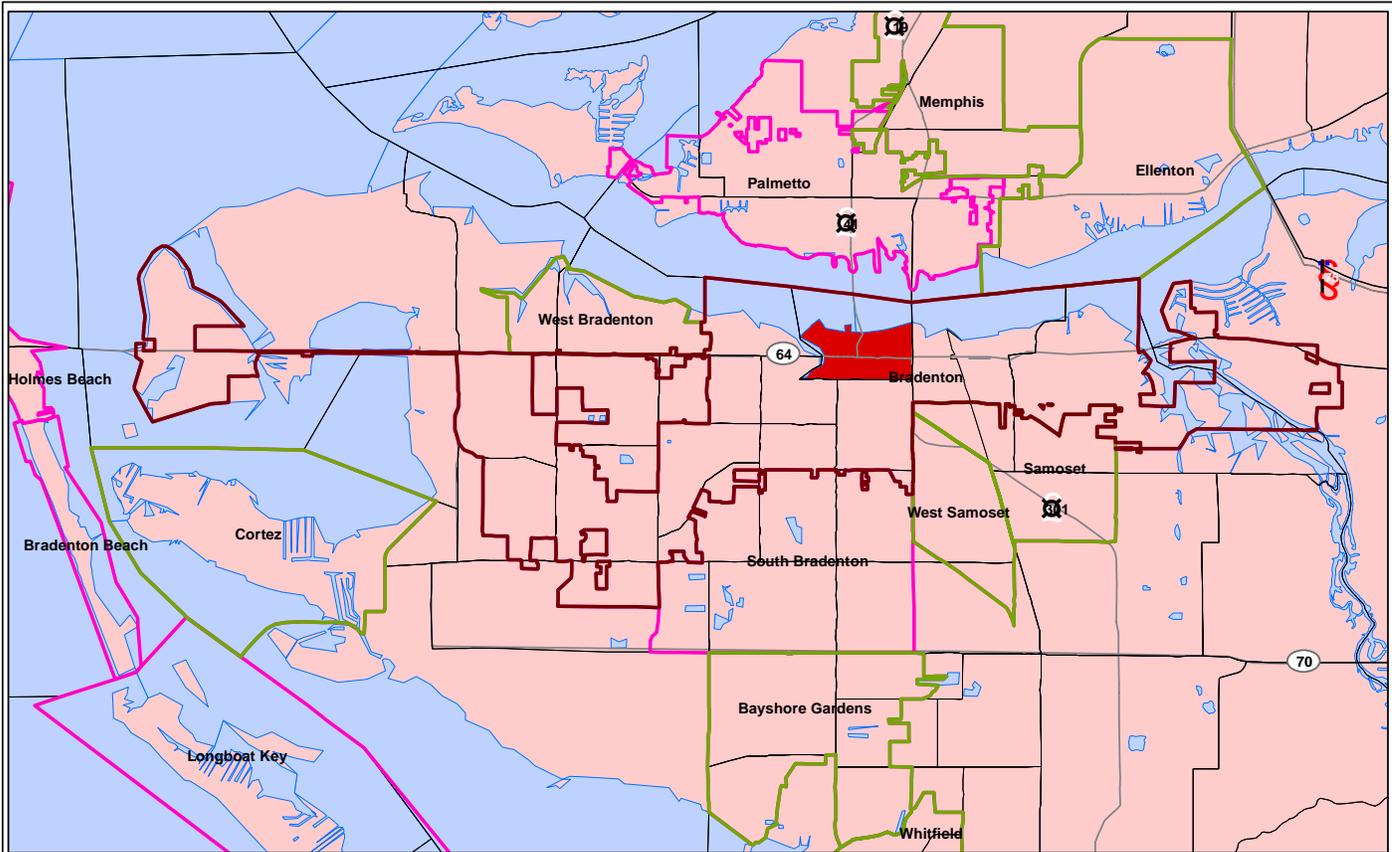


Map 3.6 A: Ratio of Home Improvement Loan Denials to Originations, 1997-2003

City of Bradenton, Florida

Source: U.S. Census 2000





- Legend**
- Bradenton City Limits
 - Major Streets
 - Cities
 - Census Designated Places
 - Water Bodies
- Census Tracts**
- 0.000 - 0.500
 - 0.501 - 0.560

Map 3.7 A: Ratio of Home Purchase Loan Denials to Originations, 1997-2003

City of Bradenton, Florida

Source: U.S. Ce

