

Race, Geography Affect Mortgage Lending in Cleveland High-Cost Loans Target African Americans, Eastside Residents

African Americans and eastside residents are more likely to obtain home mortgage loans with high interest rates compared to whites and westside residents, according to a report analyzing mortgage lending in 36 Cleveland neighborhoods released by the Housing Research & Advocacy Center. The report, entitled “City of Cleveland Community Lending Factbook,” found that in the City of Cleveland African Americans obtained high-cost mortgage loans 59.88% of the time, compared to 34.63% for whites. On the eastside of Cleveland, 60.13% of all single-family mortgage loans were high-cost, compared to only 34.17% in westside neighborhoods.

The neighborhoods with the greatest concentration of high-cost lending were Kinsman (76.54% of all originations), North Broadway (76.36%) and St. Clair Superior (72.14%). High-cost lending was least common Downtown (2.33%), in Kamms Corner (15.12%), and in the Central neighborhood (25.32%).

The overall rate in Cleveland for these loans, which carry interest rates at least 3% above comparable prime rates, was 47.74%, and the rate in Cuyahoga County was 31.45%.

The report, based on 2005 mortgage lending data (the most recent available) also found:

- The greatest incidence of high-cost lending for African Americans occurred in the Goodrich-Kirtland Park neighborhood, where 88.89%

West Boulevard (29.41%).

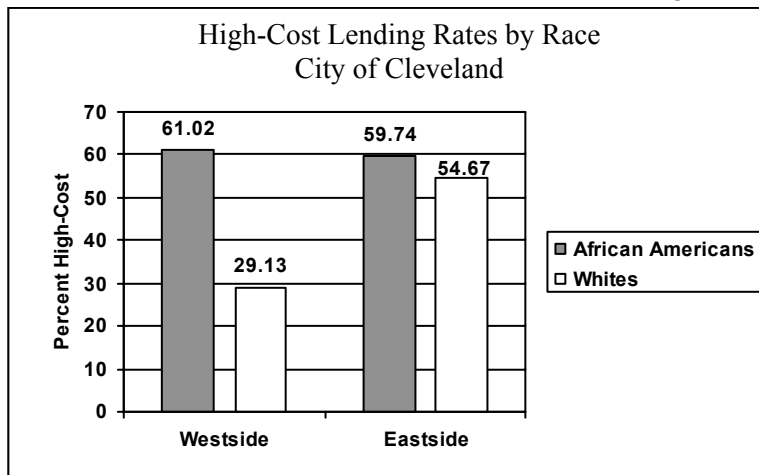
- Two subprime lenders—Argent Mortgage Company, and its sister company Ameriquest Mortgage – received more refinance loan applications than any other lenders, with a combined market share of 22.65% of all applications in the City of Cleveland.

In Cuyahoga County, African Americans were two and one-half times more likely to obtain a high-cost loan than whites (55.28% of the time compared to 21.39%).

The Housing Center’s report, the “City of Cleveland Community Lending Factbook,” provides basic information on home mortgage lending in each of the City’s 36 statistical planning areas. The report complements the Housing Center’s “Cuyahoga County Community Lending

Factbook,” which provides similar data for the County and each of its 58 cities and villages.

Copies of the reports are available on the our website: www.thehousingcenter.org.



of all loans obtained were high-cost. For whites, the highest rate was in Woodland Hills (92.59%), for Hispanics/Latinos, the highest rate was in St. Clair Superior (60.00%), and for Asians, the highest rate was in

Housing Center Staff Attend the NFHA Conference in New Orleans:

The National Fair Housing Alliance held their annual conference in New Orleans, LA this year. The conference focused on fair housing issues post hurricane Katrina. Conference highlights included presentations by James Carr, from NCRC, on the value of homeownership and the problems of predatory lending; Professor John Hoal, from Washington University-St. Louis, on how to rebuild New Orleans with fair housing and environmental safety as key goals; and Professor Melissa Harris-Lacewell, from Princeton University, on the key factors of

why the 9th Ward should be rebuilt including; preserving culture, identity, and family wealth, since the 9th Ward had over 50% home ownership pre-hurricane Katrina.

Attendees also were able to take a tour of New Orleans, including the 9th Ward, to see the devastation first-hand and how the area has not been rebuilt. All the participants left with a renewed desire and commitment toward furthering the goals of fair housing.

The entire Housing Center Staff was able to attend the conference thanks to a generous grant from

the U.S. Department of Housing and Urban Development.



One of the many still uninhabitable homes in the 9th Ward

Supreme Court School Decision Highlights Importance of Addressing Housing Discrimination & Segregation

In June, by a vote of 5-4, the Supreme Court limited the use of race as a criteria for public school assignments. However, by addressing the root causes of school segregation, namely residential segregation and discrimination, it is possible both to achieve increased school integration on the basis of race, ethnicity, class and other dimensions, as well as to strengthen our communities as a whole.

Housing patterns affect not only where one lives but, in many respects, one's life chances through access to quality schools, transportation, jobs, and a healthy (and safe) environment.

Northeast Ohio faces extremely high rates of segregation and other forms of racial disparities in housing markets. The Cleveland metropolitan area is the sixth-most segregated area in the country for African Americans and the eleventh-most segregated

for Hispanic/Latinos.

While housing discrimination is not as blatant as it once was, research by the Housing Center has shown continuing racial disparities in the rental and sale of housing as well as in mortgage lending. For example, the most recent mortgage lending data released by the federal government found that in the Cleveland metropolitan area, *upper* income African Americans were more likely to be denied loans than *low* income whites. Of those who actually obtained loans, *upper* income African Americans were again more likely to wind up in high-cost subprime loans than *low* income whites.

With a few exceptions, one can name any city in Cuyahoga County (or, in Cleveland, the "eastside" or "westside") and know with a relatively high degree of certainty the race/ethnicity of most of the residents of that community.

Housing discrimination and segregation won't end themselves because we didn't get to where we are by accident: the level of housing discrimination and segregation we face today is a result of decades of official policies of governments at all levels, of private businesses and associations, and of individual actions by homeowners, rental agents, and others.

Ending such discrimination will take efforts from federal, state and local governments, as well as neighborhood and community activists who are committed to building strong, diverse communities that are welcoming of people, regardless of race, national origin, income, disability, and other dimensions of inequality.

Until we address housing discrimination in all of its manifestations, discrimination and segregation in schools, employment, and other areas will remain difficult to address.

The Housing Center

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Mission:

To eliminate housing discrimination and assure choice in Northeast Ohio by providing those at risk with effective information, intervention and advocacy.

Spotlight on The Board: Claudia Coulton

Claudia Coulton is the Lillian F. Harris Professor of Urban Social Research in the Mandel School of Applied Social Sciences at Case Western Reserve University. As co-director of the Center on Urban Poverty and Social Change, she is engaged in research, evaluation and policy analysis related to urban poverty and community development. The Center serves as the data intermediary for the Northeast Ohio Region and operates NEOCANDO (Northeast Ohio Community And Neighborhood Data for Organizing), a web portal/data warehouse for neighborhood indicators and property information. She also serves as an evaluation advisor to a number of community initiatives, including the Annie E. Casey Foundation's Making Connections program and Aspen Institute's Roundtable on Comprehensive Community Initiatives. She



is a founding member of the National Neighborhood Indicators Partnership.

Dr. Coulton received her B.A. in Sociology from Ohio Wesleyan University, her MSW from Ohio State University and her Ph.D. in Social Welfare from Case Western Reserve University.

Dr. Coulton is the author of numerous publications on neighborhoods and social policy.

Housing Center Staff News

The Housing Center staff and Board would like to thank our interns, David M. Brown and Jessica Agus for all their hard work. Their service was invaluable and they will be greatly missed.

Dave was a year long intern from Cleveland State University's Maxine Levin College of Urban Affairs. During his time at the Housing Center, Dave co-authored three lending reports including the "Cuyahoga County Community Lending Factbook", the "City of Cleveland Community Lending Factbook" and "Racial and Ethnic Disparities in Ohio Mortgage Lending" report,

and has helped with a number of other research projects, as well as education and outreach efforts. Dave will start the Masters of Urban Planning program at the University of Cincinnati this fall.

Jessica has been an invaluable summer intern who helped with occupancy code and payday lending research. In late August, Jessica will start her last year at Case Western Reserve University, where she is majoring in History.

COMMUNITY
 SHARES

Campaign 2007 Kick-off Cleveland City Hall Rotunda

September 6, 11:00 AM

Join in the Celebration of our
 Extraordinary Donors
 & Member Organizations

We encourage every Shares Member and Friend to bring a Crowd!
 We want our voices heard and our presence felt.

Together we Shape Change

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 In
PARTICIPATION

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3631 Perkins Avenue
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Cleveland OH 44114

Phone: 216-361-9240
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Upcoming Events

The Housing Research & Advocacy Center, the Western Reserve Area Agency on Aging and the Cuyahoga County Bar Association Present:

Fair Housing Law: Current Issues Affecting the Elderly and People with Disabilities

A conference for social workers, lawyers, and others interested in fair housing issues for the disabled.

**August 23, 2007—9:00a.m. to 1:00p.m.
At the Visiting Nurses Association
2500 E. 22nd Street
Cleveland, Ohio**

Sponsored by U.S. Department of Housing and Urban Development

For more information, or to download a copy of the Conference brochure, see the Housing Center's website, www.thehousingcenter.org and go to Events.

Shaker Heights Landlord Training Program

Presented by:
The Housing Center, Cleveland Tenants Organization and Heights Community Congress

**Saturday September 29, 2007
9:00 a.m.—4:00 p.m.**

Shaker Community Building
3450 Lee Road
Shaker Heights, Ohio

\$50 for Shaker property owners
\$60 for non-Shaker property owners
(cost includes all materials and lunch)

More information is available on our website at www.thehousingcenter.org, or contact Hope Farmby at 216-361-9240 or hfarmby@thehousingcenter.org