



Housing Research & Advocacy Center
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Read the report: <http://www.thehousingcenter.org/Publications/Research-Reports.html>

Medina County Mortgage Lending Shows Racial & Ethnic Disparities: African Americans Denied Loans and Obtain Subprime Loans More Often than Whites

African Americans in Medina County are denied mortgage loans more often than whites and, when they obtain loans, are more likely to receive high-cost subprime loans than whites, a new study of mortgage lending reveals. The study also found that Hispanics are also denied mortgage loans more often than whites.

The study, conducted by the Cleveland-based Housing Research & Advocacy Center, found that in Medina County, African Americans were denied single-family mortgage loans 48.65%, compared to 28.56% of the time for non-Hispanic whites and 32.63% for Hispanics. High-cost subprime loan rates also revealed racial disparities. African Americans in Medina County were more than one and three-quarters times as likely to obtain a high-cost loan as non-Hispanic whites (22.00% of the time compared to 12.42%).

Samantha Hoover, lead author of the study, stated, “These lending disparities found throughout the County threaten and limit the access of minorities to fair and equal housing opportunities.”

The Housing Center’s report, the “Medina County Community Lending Factbook,” provides detailed information on home mortgage lending in Medina County and 18 of its major geographic subdivisions.

The report, based on 2007 mortgage lending data also found:

- Native Americans were denied loans at the highest rate, 64.00% of the time, though as a group, had significantly less applications than all other groups
- In Medina County, Countrywide Home Loans had the greatest market share of applications for both home purchase lending (481 applications, or 9.90%) and refinance lending (482 applications, or 7.40%).
- Countrywide Home Loans had only a 29.31% origination rate for home purchase loans and a 20.54% origination rate for refinance loans. Third Federal Savings and Loan, by contrast, originated 413 home purchase loans from its 463 applications, for an 89.20% origination rate and originated 189 refinance loans of its 316 applications, for a 59.81% origination rate.

Carrie Pleasants, Associate Director of the Housing Research & Advocacy Center, noted that under federal, state, and local fair housing laws, mortgage lenders have an obligation to provide access to credit in a non-discriminatory manner. “This research raises strong questions about whether all mortgage lenders are meeting their obligations under federal law to provide access to credit on a fair basis,” Pleasants stated.

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The Housing Research & Advocacy Center is a nonprofit fair housing organization whose mission is to eliminate housing discrimination and assure choice in northeast Ohio by providing those at risk with effective information, intervention and advocacy.

Copies of the reports are available on the Housing Center's website: www.thehousingcenter.org or by contacting the Housing Center at (216) 361-9240.

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