

TABLE 11.2 Mortgage Denial Regressions Using the Boston HMDA DataDependent variable: *deny* = 1 if mortgage application is denied, = 0 if accepted; 2380 observations.

| Regression Model Regressor | LPM (1) | Logit (2) | Probit (3) | Probit (4) | Probit (5) | Probit (6) |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| <i>black</i> | 0.084** (0.023) | 0.688** (0.182) | 0.389** (0.098) | 0.371** (0.099) | 0.363** (0.100) | 0.246 (0.448) |
| <i>P/I ratio</i> | 0.449** (0.114) | 4.76** (1.33) | 2.44** (0.61) | 2.46** (0.60) | 2.62** (0.61) | 2.57** (0.66) |
| <i>housing expense-to-income ratio</i> | -0.048 (.110) | -0.11 (1.29) | -0.18 (0.68) | -0.30 (0.68) | -0.50 (0.70) | -0.54 (0.74) |
| <i>medium loan-to-value ratio</i> ($0.80 \leq \text{loan-value ratio} \leq 0.95$) | 0.031* (0.013) | 0.46** (0.16) | 0.21** (0.08) | 0.22** (0.08) | 0.22** (0.08) | 0.22** (0.08) |
| <i>high loan-to-value ratio</i> ($\text{loan-value ratio} \geq 0.95$) | 0.189** (0.050) | 1.49** (0.32) | 0.79** (0.18) | 0.79** (0.18) | 0.84** (0.18) | 0.79** (0.18) |
| <i>consumer credit score</i> | 0.031** (0.005) | 0.29** (0.04) | 0.15** (0.02) | 0.16** (0.02) | 0.34** (0.11) | 0.16** (0.02) |
| <i>mortgage credit score</i> | 0.021 (0.011) | 0.28* (0.14) | 0.15* (0.07) | 0.11 (0.08) | 0.16 (0.10) | 0.11 (0.08) |
| <i>public bad credit record</i> | 0.197** (0.035) | 1.23** (0.20) | 0.70** (0.12) | 0.70** (0.12) | 0.72** (0.12) | 0.70** (0.12) |
| <i>denied mortgage insurance</i> | 0.702** (0.045) | 4.55** (0.57) | 2.56** (0.30) | 2.59** (0.29) | 2.59** (0.30) | 2.59** (0.29) |