

## Blacks find mortgages harder to get

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*Washington Bureau of The Sun*

Washington—Maryland National Bank rejected black applicants for home mortgages 1 through November 30, 1974, last year at a rate nearly 12 times that for whites—by far the widest black-white disparity of any major lending institution in Baltimore, records here show.

The rejection rate at the nine city banks and savings and loan associations receiving 125 or more applications from June 1 through November 30, 1974, was 3.6 times higher on the average for blacks than for whites seeking mortgages.

In addition to Maryland National, the only other major lender to exceed the city aver-

age was Mercantile Safe Deposit and Trust which turned blacks away at a rate 5.1 times as high as for whites.

Union Trust Company of Maryland had the third largest disparity, 3.4 times the rejection rate for blacks compared to whites, although it fell slightly below the city average.

The specific figures for the

three banks with the highest black-white disparity are:

- Maryland National received applications from 101 whites and rejected 2, or 2 per cent; it received applications from 26 blacks and rejected six or 23.1 per cent.

- 188 whites sought mort-

gages from Mercantile and 8, or 4.3 per cent, were rejected; 19 blacks applied and 4, or 21.9 per cent, were rejected.

At Union Trust, 463 whites applied and 38, or 8.2 per cent, were turned down; 85 blacks applied, of whom 24, or 28.2 per cent, were rejected.

Commercial banks which have traditionally shied away from the long-term loan market, have recently increased their participation in the mortgage area.

Rudimentary statistics on mortgages approvals and rejections were compiled by the Federal Reserve Board and have been forwarded to the Senate Banking, Housing and Urban Affairs Committee for a study of discrimination.

The committee is using these statistics and information from other cities in a study of the extent of various discriminatory practices by lending institutions, including reluctance to lend money to blacks and the practice of "redlining"—refus-

ing mortgages in older urban areas or in black areas.

The committee is considering legislation which would require institutions making mortgage loans to maintain public records available in every branch of the amount of money loaned to urban and suburban areas according to census tract.

The Baltimore statistics were broken down by *The Sun* to determine rejection rates by race by the individual city lending institutions receiving the largest number of mortgage applications during the period studied by the Federal Reserve.

Jeffery Springer, senior vice president in charge of mortgage lending for Maryland National, suggested in an interview that the bank's proportionally high rejection rate for blacks may have resulted from the institution's effort to expand inner city lending.

He said Maryland National has actively sought out black customers and has not filtered out during preliminary interviews those blacks who would

probably not qualify as it does with whites.

"There is no prescreening for a black applicant," he said.

Consequently, he argued, "we might have gotten an influx of poor applicants" who have to be turned away.

A similar argument was made by Thomas Scott, who holds the parallel position at Union Trust. A spokesman for Mercantile refused to comment, saying that the issue is "a touchy subject" and the bank would need time to examine the statistics.

The contention that an effort to actively seek out black applicants results in an increase of applicants who do not qualify appeared to be disputed by the statistics for Baltimore Federal Savings and Loan Association.

Of Baltimore's major mortgage lenders, Baltimore Federal is considered to be among the most active, if not the most active, in lending money within the city.

Just over 8 per cent of the whites seeking mortgages at Baltimore Federal were reject-

ed while 6 per cent of the blacks were turned away.

Baltimore, according to statistics compiled by the Federal Reserve, had a higher turn-down rate for blacks seeking mortgages than five other urban areas, including some in the Deep South: Tampa-St. Petersburg, Fla.; Jackson, Miss.; Vallejo-Fairfield-Napa, Calif.; Jersey City, N.J., and Galveston-Texas City, Texas.

The statistical breakdown by *The Sun* on the figures developed by the Federal Reserve for the lending institutions not detailed above are as follows:

American National Building and Loan Association rejected blacks at a rate 3.2 times as high as for whites; 3.9 per cent, or 5 out of 128 whites, were turned down, while 4 of 32, or 12.5 per cent, of the blacks were rejected.

First National Bank of Maryland turned down blacks at a rate 2.9 times as high as that for whites; 16.7 per cent, or 57 out of 342 whites, were rejected, while 26 of 53 blacks, or 19.1 per cent, were turned down.

Provident Savings Bank of Baltimore rejected 172 out of 1,468 whites, or 11.7 per cent, while 71 of 272 blacks, or 26.1 per cent, were turned down. The rejection rate was 2.3 times higher for blacks than whites.

Equitable Trust Company turned away 182 of 1,092 whites, or 16.7 per cent, while 5 of 240 blacks, or 35.4 per cent, were rejected. The rejection rate was twice as high for blacks as for whites.

Loyola Federal Savings and Loan turned down 74 of 533 whites, or 13.9 per cent, while 2 of 152 blacks, or 27.6 per cent, were rejected. The rejection rate for blacks was 1.9 times higher than for whites.

Baltimore Federal Saving and Loan Association turned down 70 of 846 whites, or 8.3 per cent, while 14 of 233 blacks, or 6 per cent, were rejected. Whites were rejected at a rate 1.4 times as high as that for blacks.