

2020 Mortgage Market Activity and Trends:

A Conversation about 2020 Mortgage Lending Data

Prepared for presentation to the Consumer Advisory Board | August 11, 2021



Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

Home Mortgage Disclosure Act (HMDA)

- HMDA is a data collection, reporting, and disclosure statute that was enacted in 1975.
- HMDA data are used to assist in:
 - determining whether financial institutions are serving the housing needs of their local communities;
 - facilitating public entities' distribution of funds to local communities to attract private investment; and
 - helping identify possible discriminatory lending patterns.
- Institutions covered by HMDA are required to annually collect and report specified information on each mortgage application acted upon and purchased during the prior calendar year.

Home Mortgage Disclosure Act (HMDA)

- The 2020 HMDA data are the third year of data that incorporate amendments made to HMDA by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA) and 2015 HMDA Rule.
- On June 17th, 2021, the Bureau published a static application-level 2020 HMDA data file that consolidates data from individual reporters. The data file is modified to protect applicant and borrower privacy.
- The Bureau will also provide an updated file separately to reflect any later resubmissions or late submissions.

Home Mortgage Disclosure Act (HMDA)

- The Dodd Frank Act (DFA) amended HMDA to require the reporting of 13 new data points.
- The 2015 HMDA Rule also:
 - amended Regulation C to include 14 additional data points pursuant to its discretionary authority under the DFA;
 - revised several preexisting data points; and
 - changed coverage requirements.
- Starting with the data collected in 2018 and reported in 2019, the HMDA data differ significantly from the data in previous years.

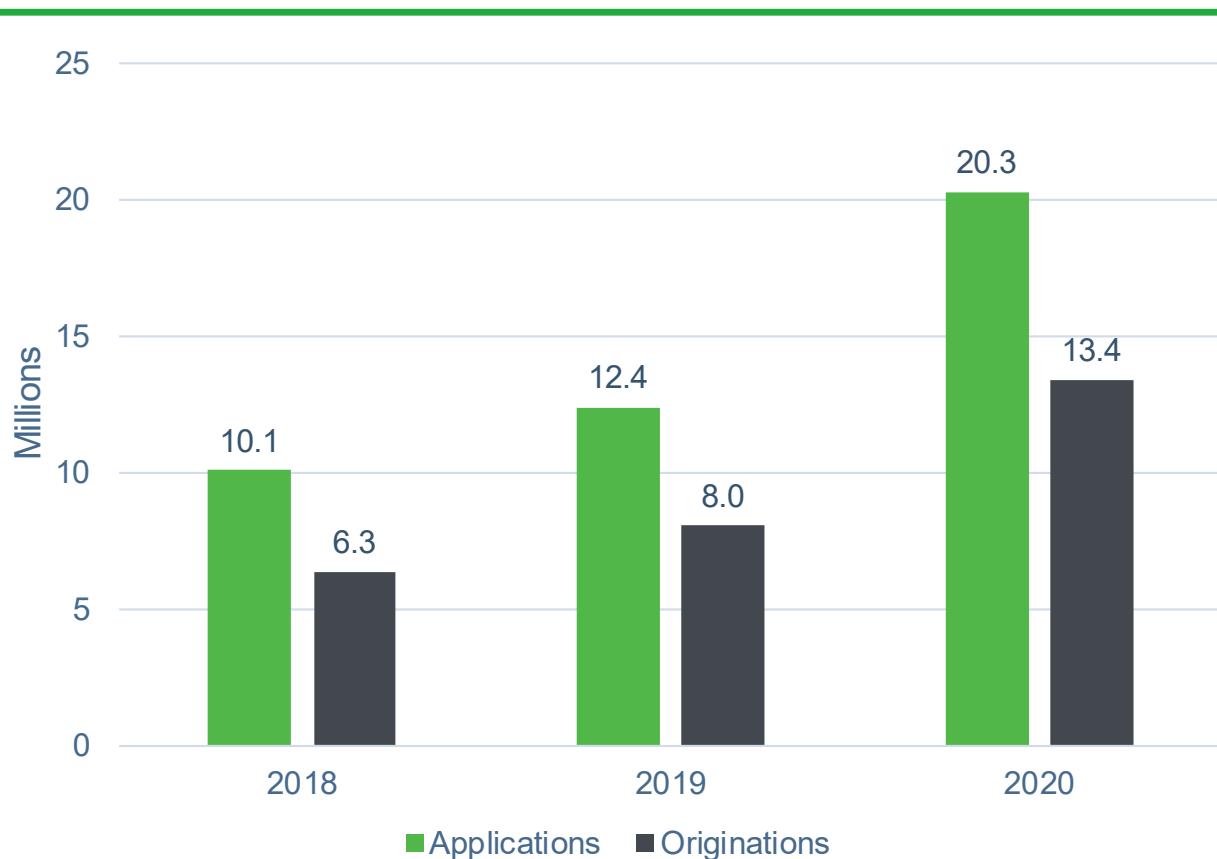
CFPB Reports Based on 2020 HMDA Data

- “Asian American and Pacific Islanders in the Mortgage Market”, July 2021.
- “2020 Mortgage Market Activity and Trends”, forthcoming.

of Reporters and Volumes

- 4,472 financial institutions reported at least one closed-end record in 2020, down by 18.6 percent from 5,505 financial institutions who reported in 2019.
- The number of closed-end originations (excluding reverse mortgages) in 2020 increased by 65.2 percent, from 8.3 million in 2019 to 13.6 million in 2020.
- Most of the increase was driven by an increase in the number of refinance loans.
 - The number of home refinance loans secured by site-built one-to-four-family properties increased by 149.1 percent from 3.4 million in 2019 to 8.4 million in 2020.

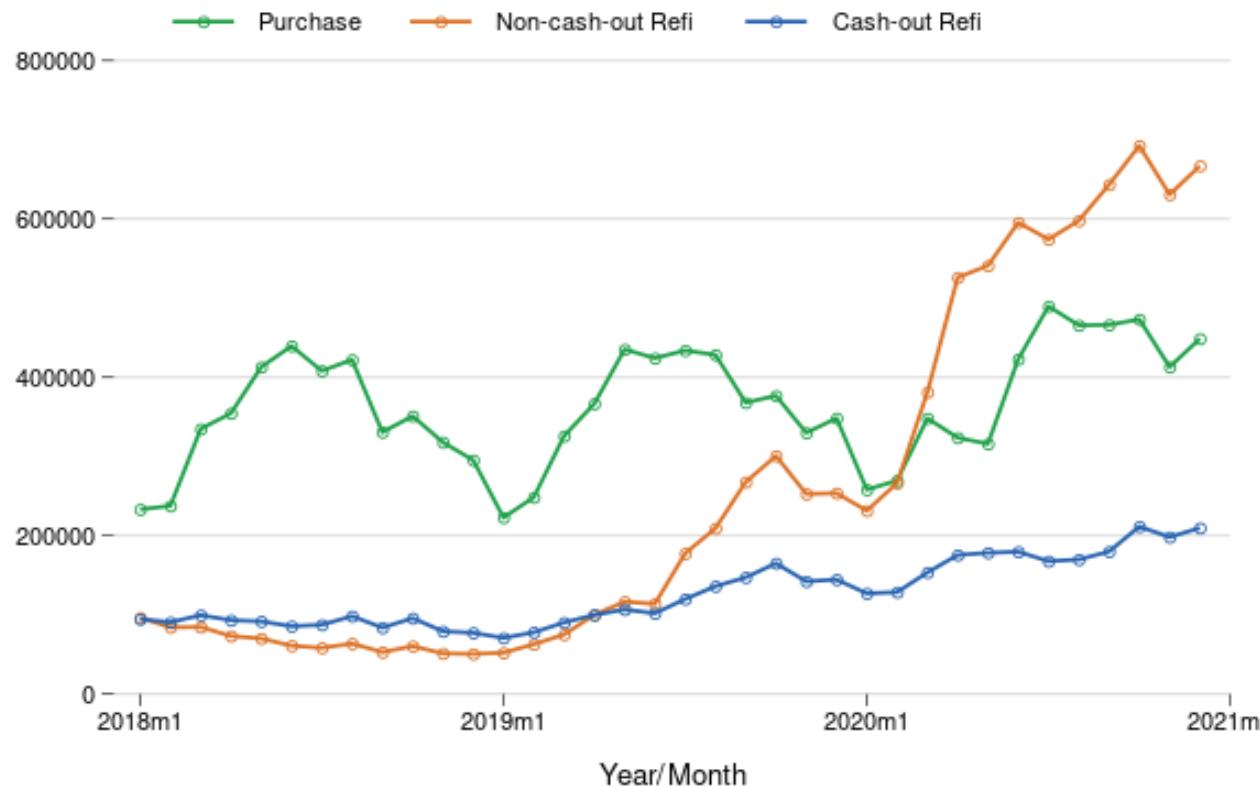
Closed-end Single-Family Volumes



Consumer Financial
Protection Bureau

Note: Single-family closed-end applications and originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

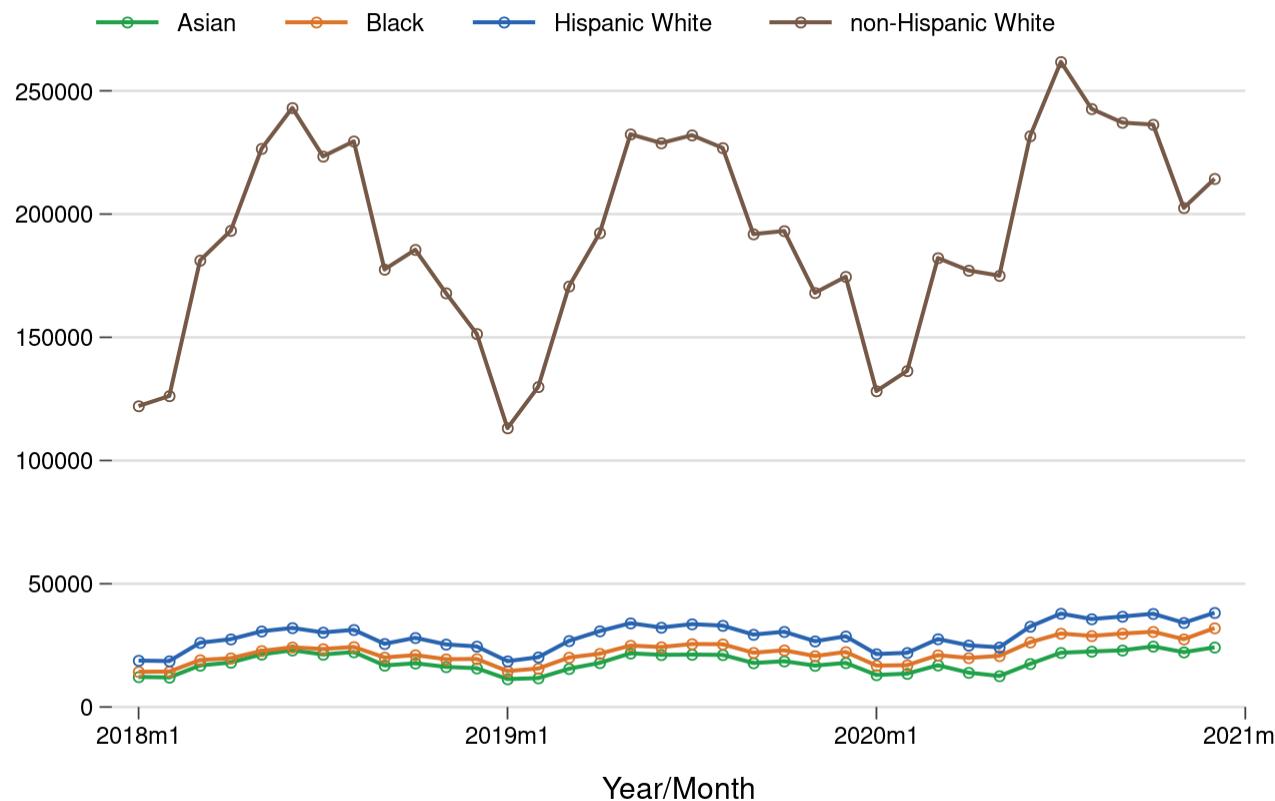
Monthly Trend (# of originations)



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

of Home-purchase Loan Originations by Race and Ethnicity

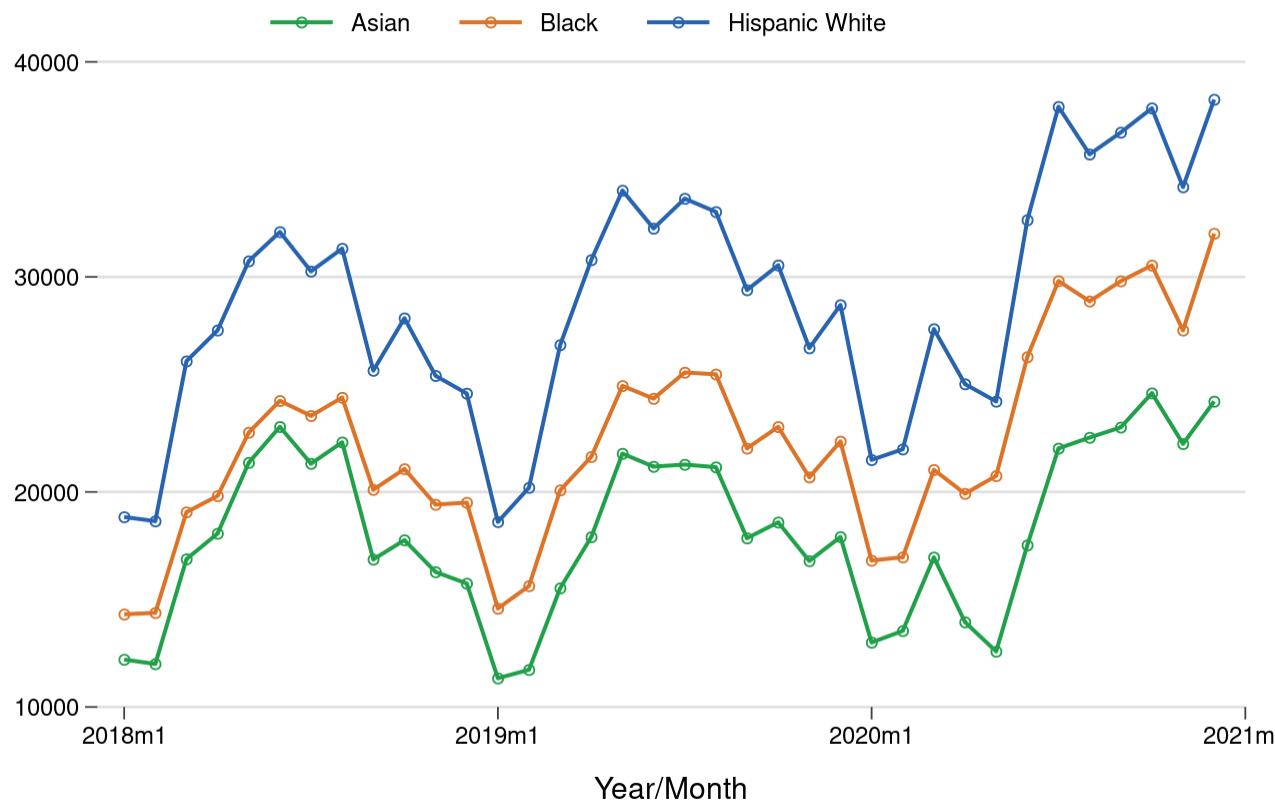


Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.

Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

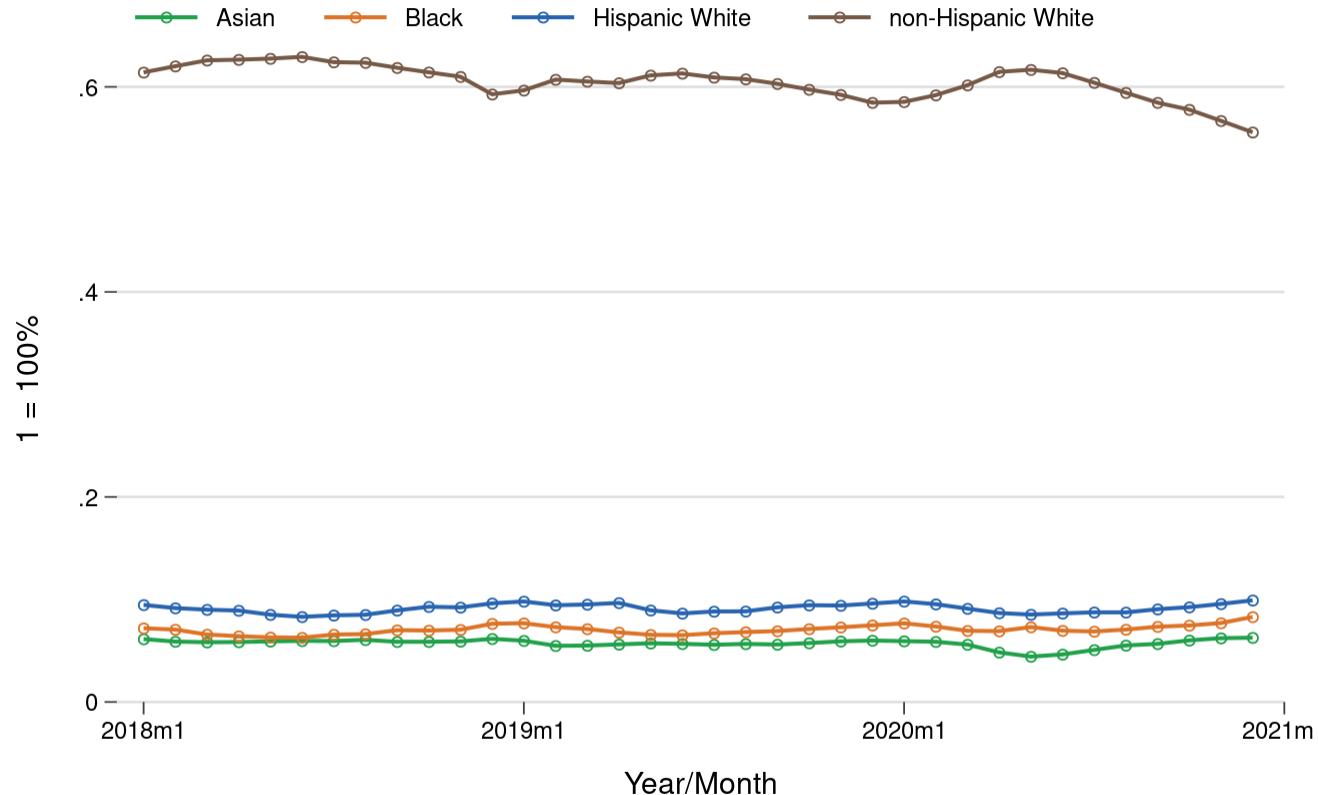
of Home-purchase Loan Originations (Minority Only)



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

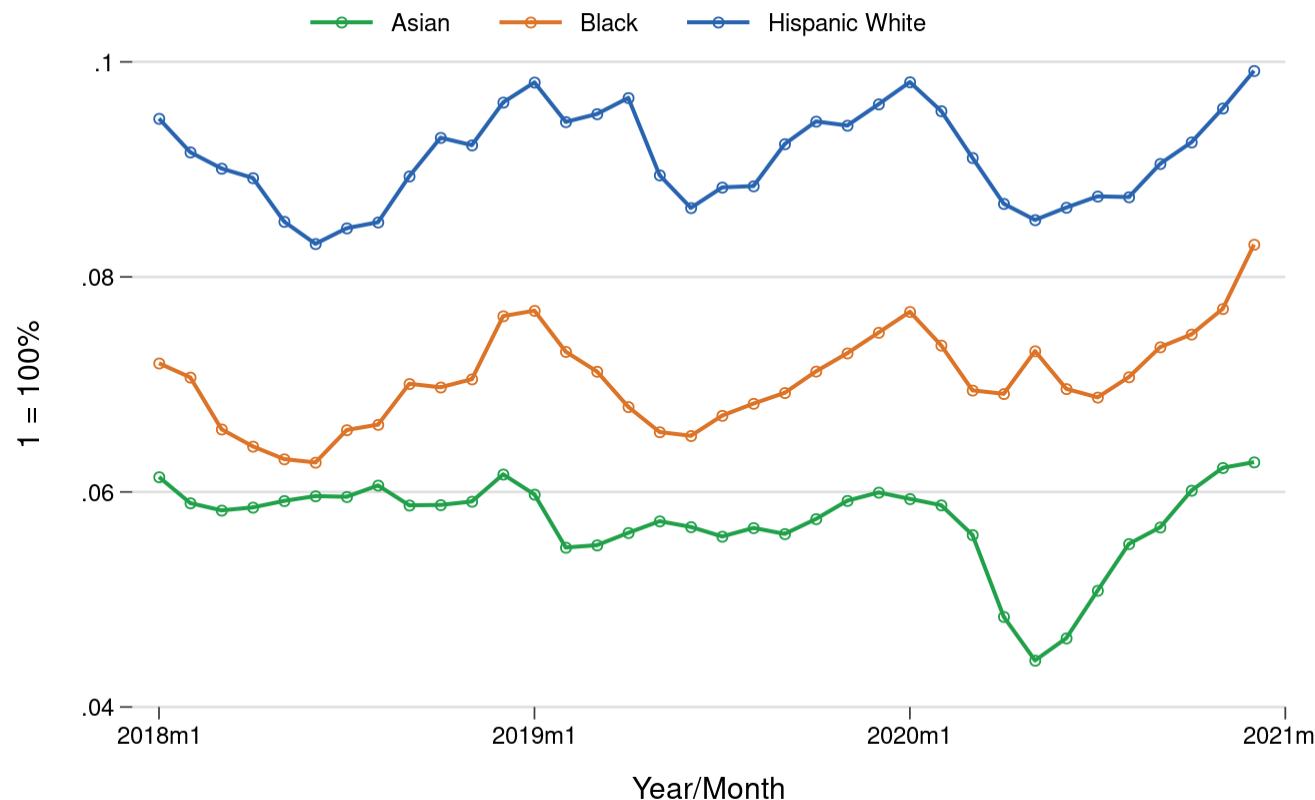
Shares of Home-purchase Loan Originations by Race and Ethnicity



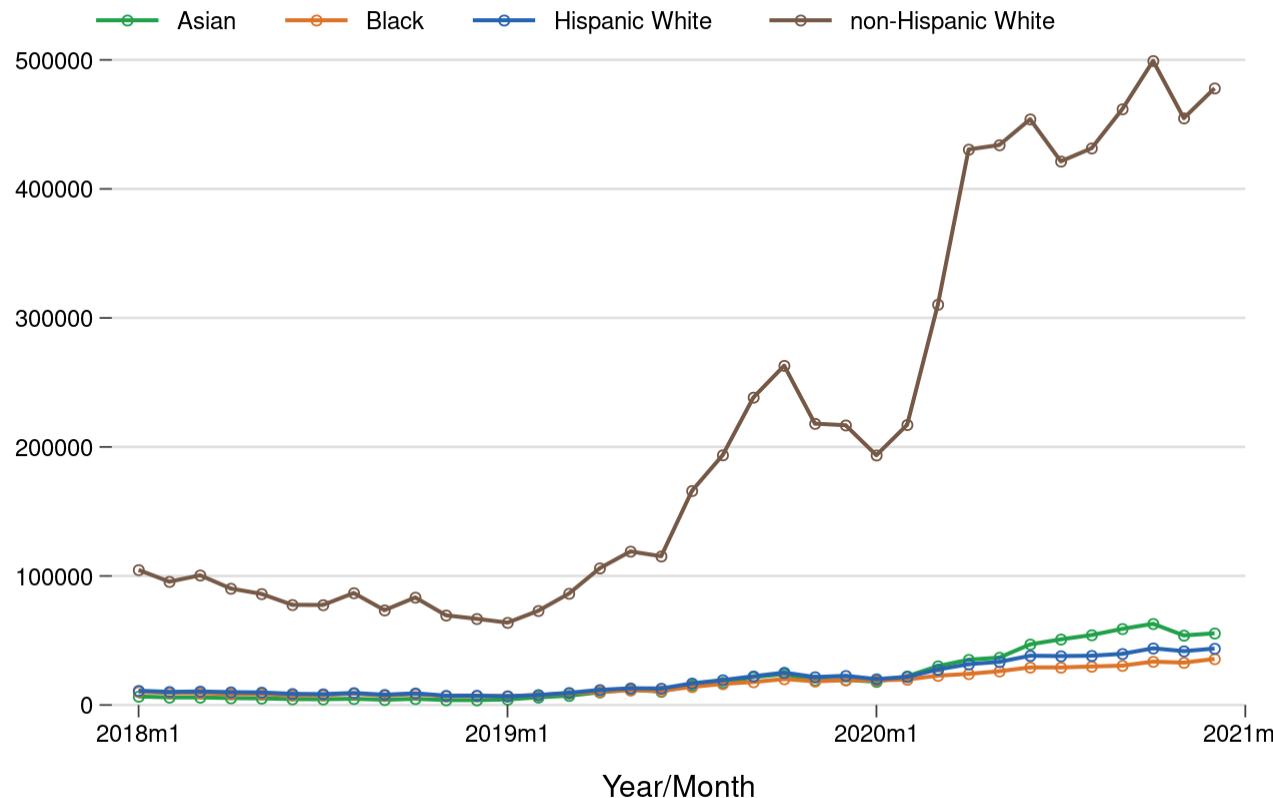
Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

Shares of Home-purchase Loan Originations (Minority Only)



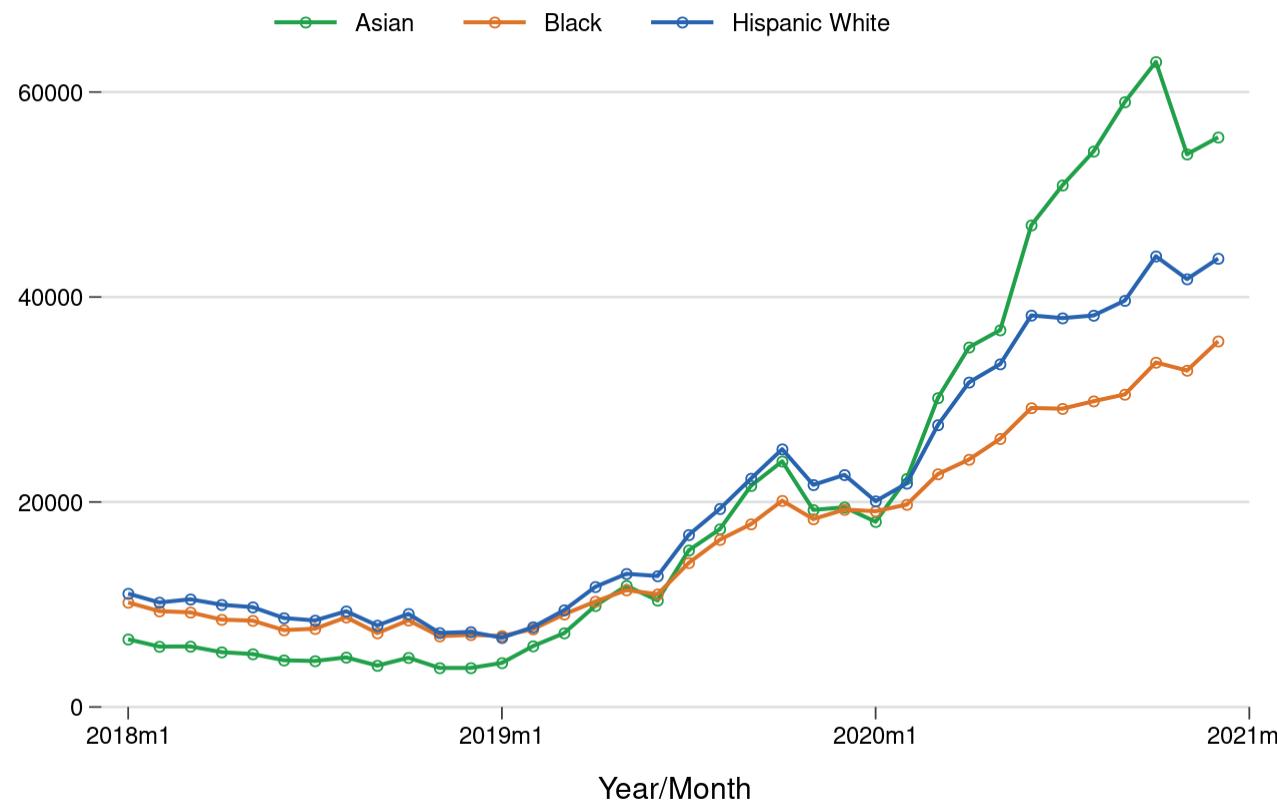
of Refinance Loan Originations by Race and Ethnicity



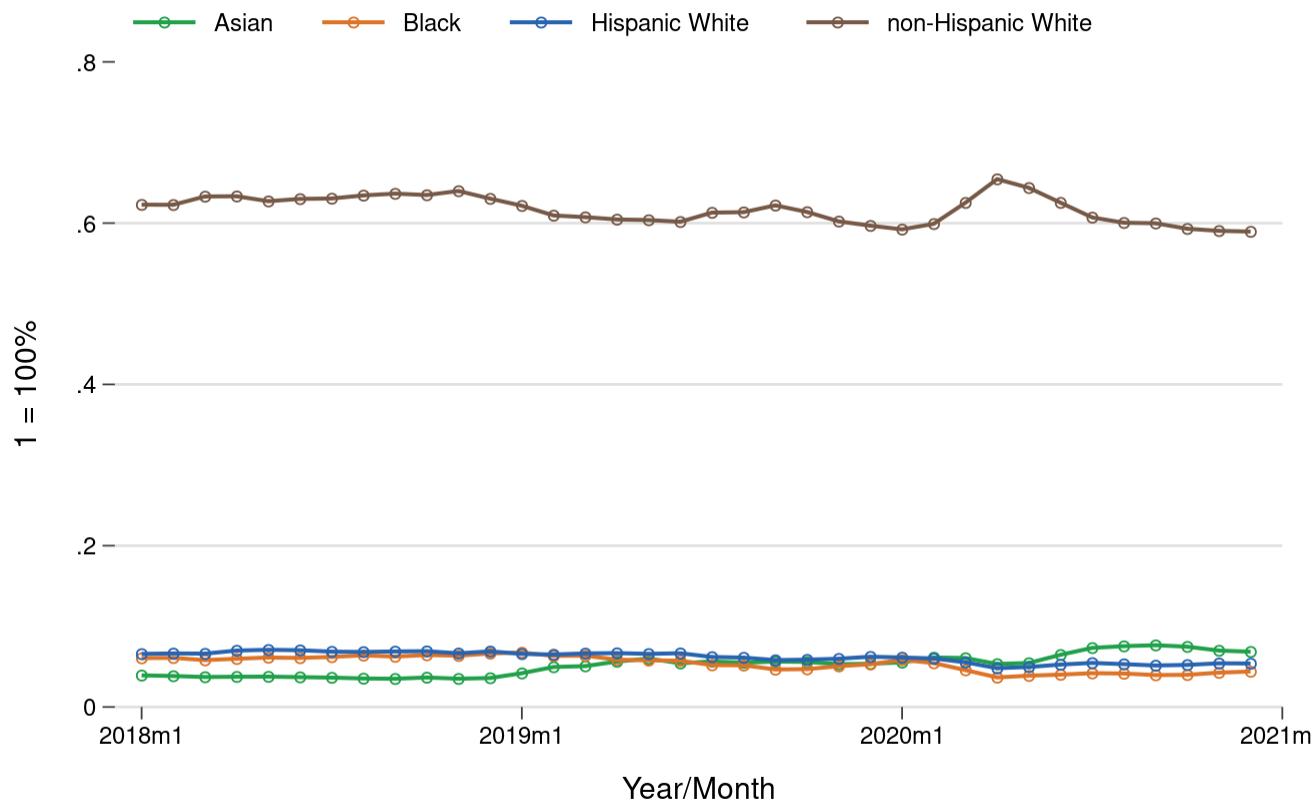
Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

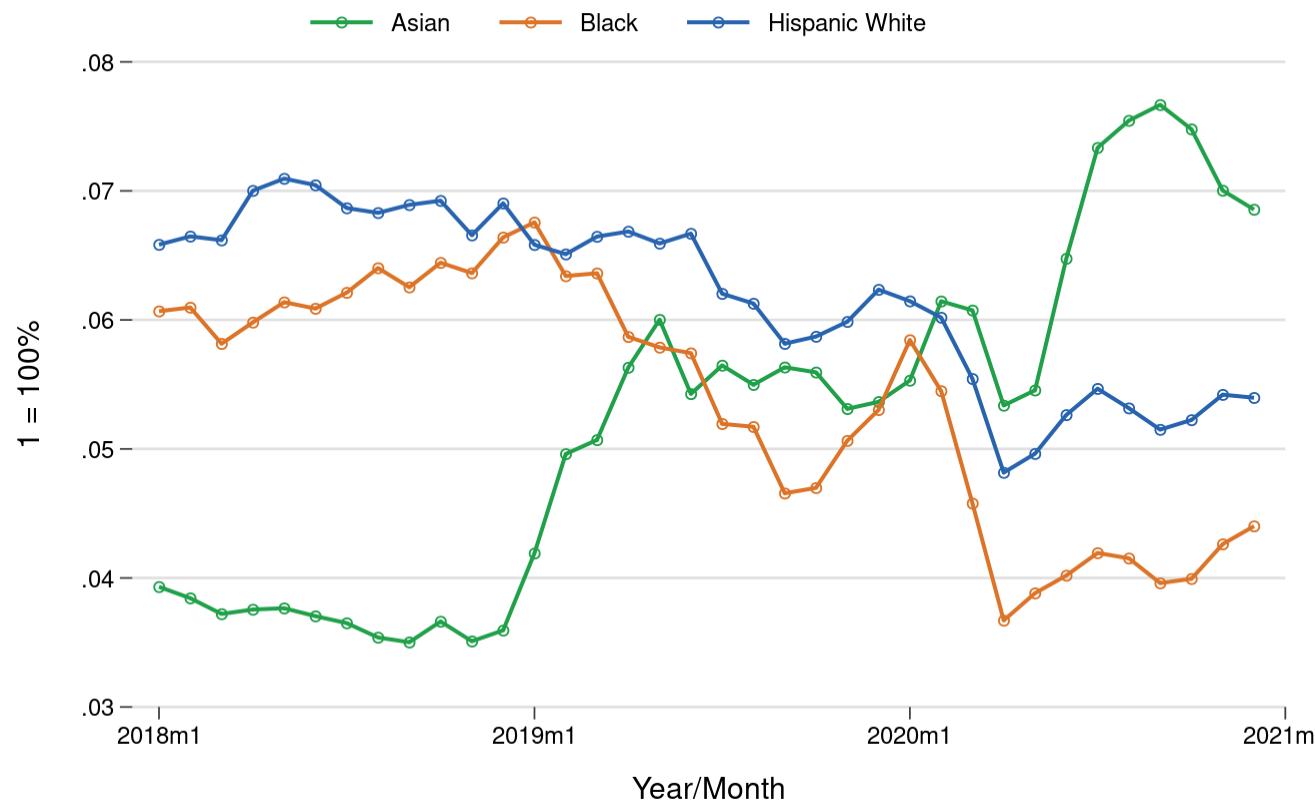
of Refinance Loan Originations (Minority Only)



Shares of Refinance Loan Originations



Shares of Refinance Loan Originations (Minority Only)



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

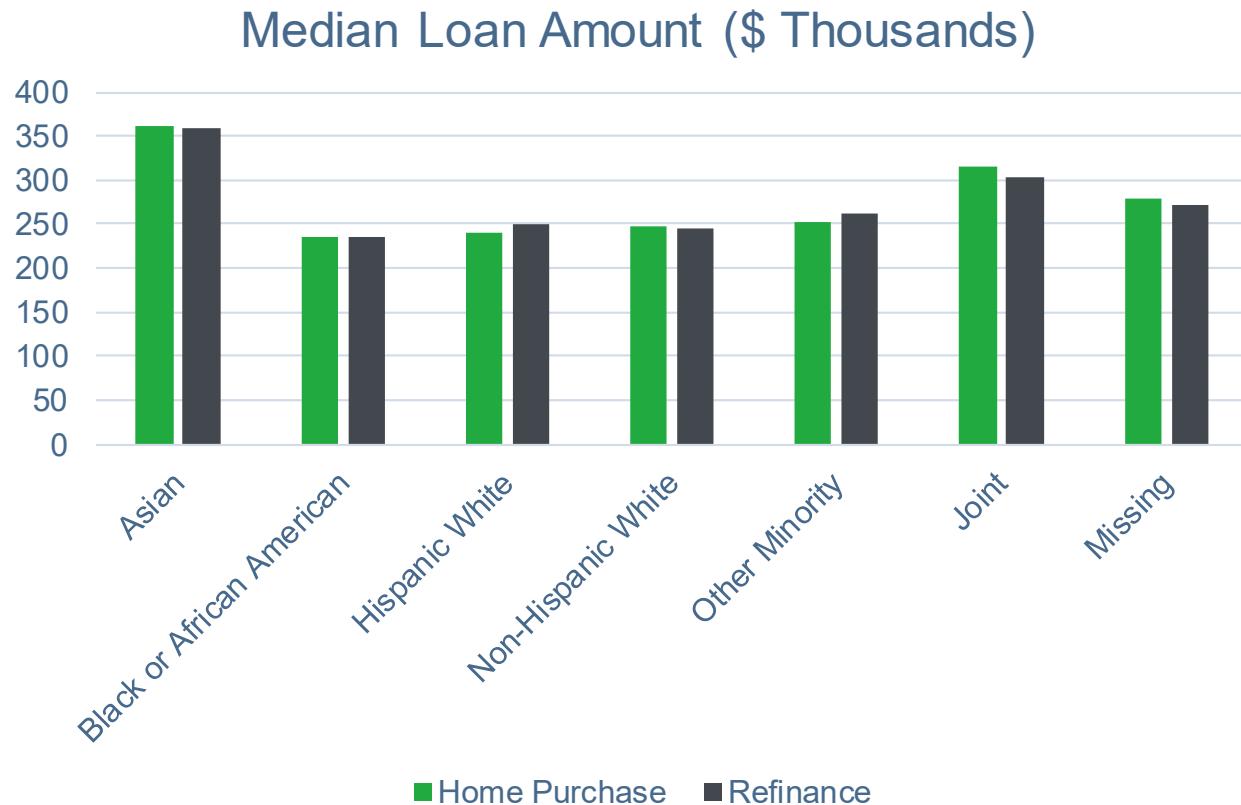
Share of Home-Purchase Loans by Race and Ethnicity



Share of Refinance Loans by Race and Ethnicity



Characteristics of Loans by Race and Ethnicity



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

Characteristics of Loans by Race and Ethnicity

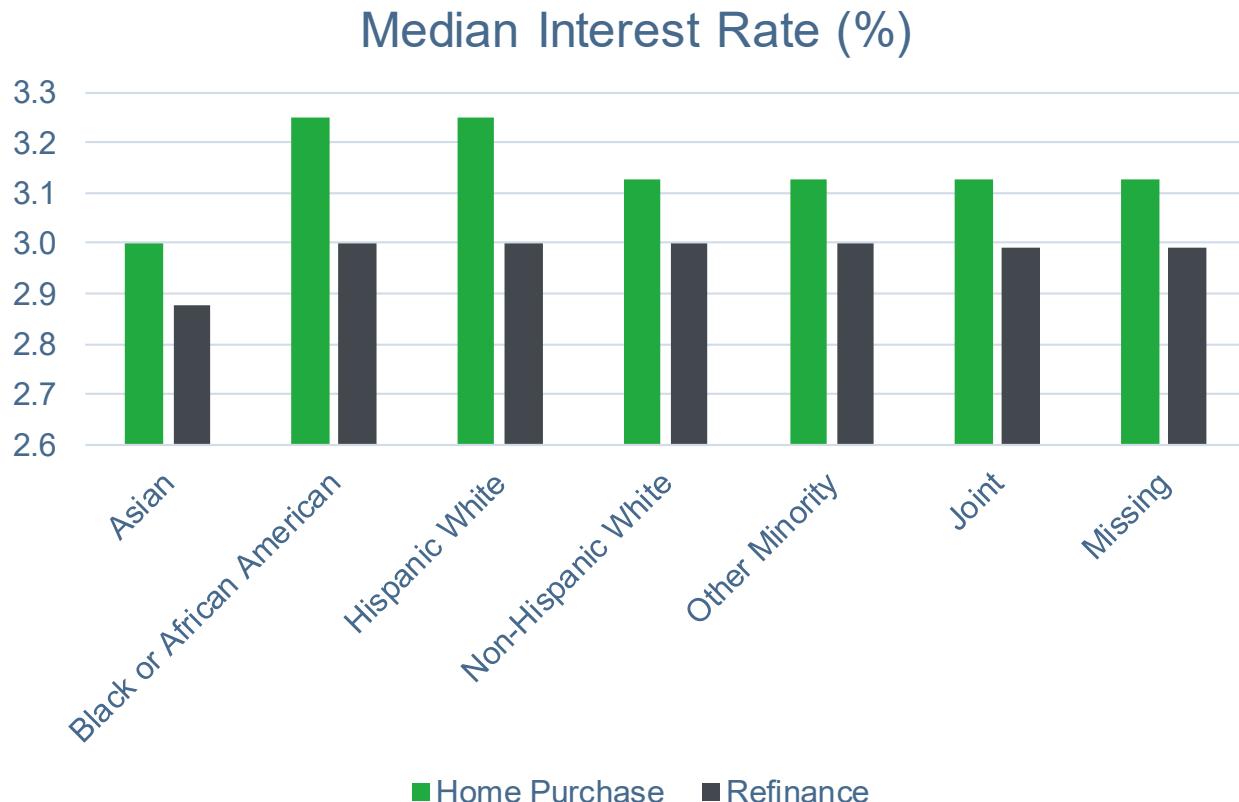


Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.

Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

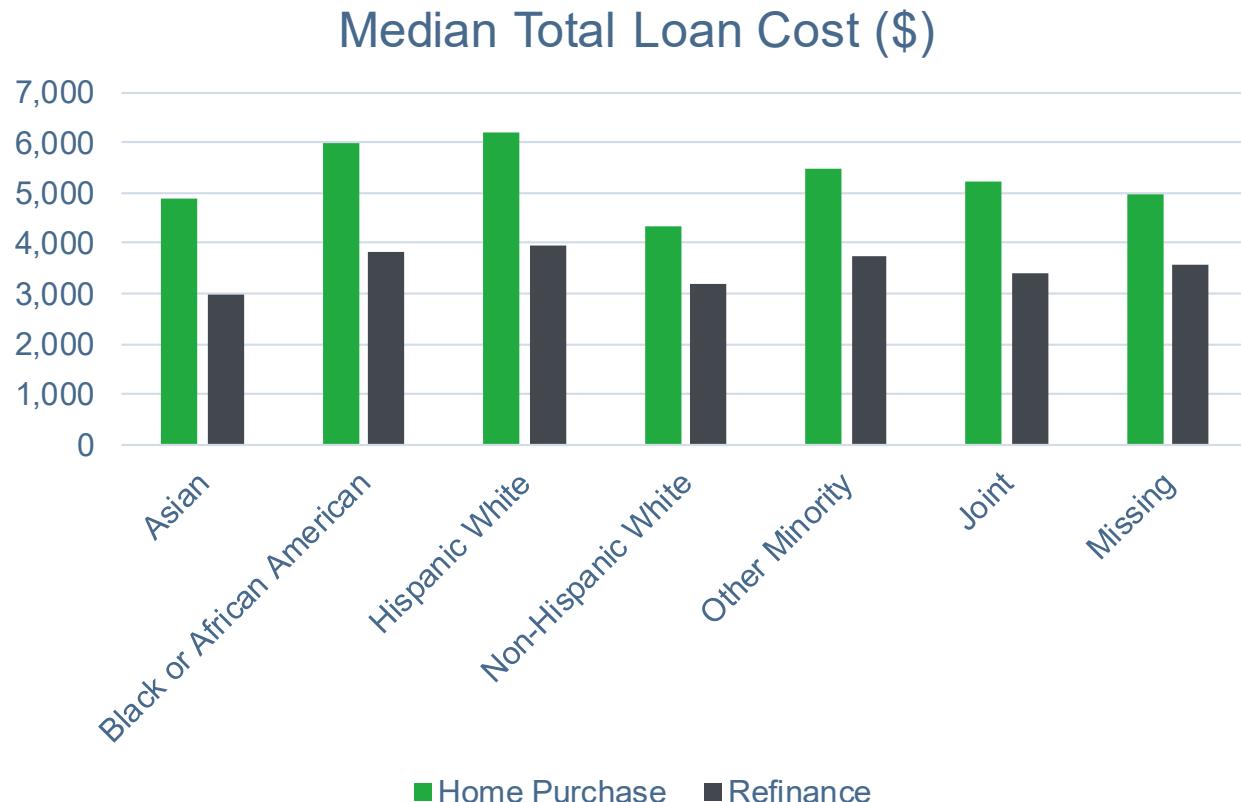
Characteristics of Loans by Race and Ethnicity



Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

Characteristics of Loans by Race and Ethnicity



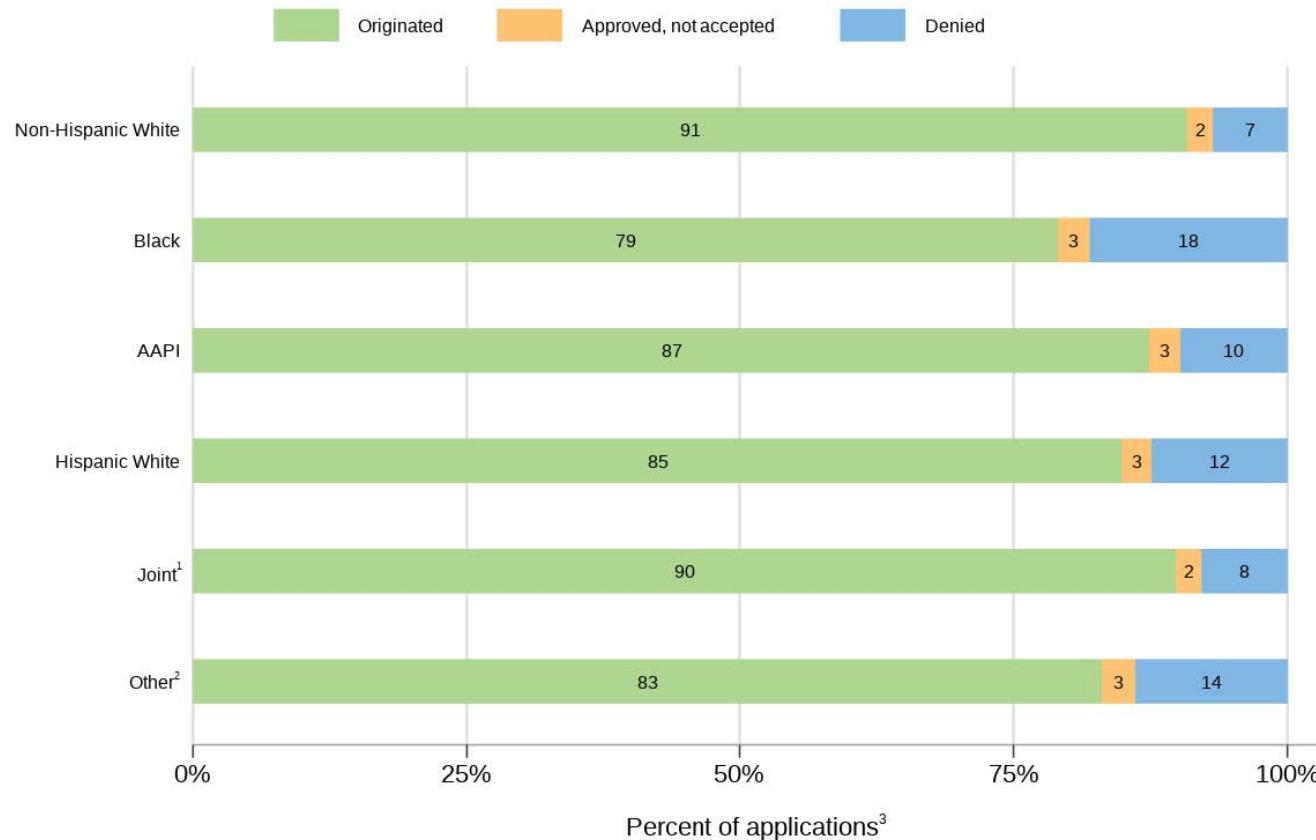
Consumer Financial
Protection Bureau

Note: Single-family closed-end originations.

Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

Denial Rates by Race and Ethnicity

FIGURE 7: APPLICATION OUTCOMES BY RACE AND ETHNICITY

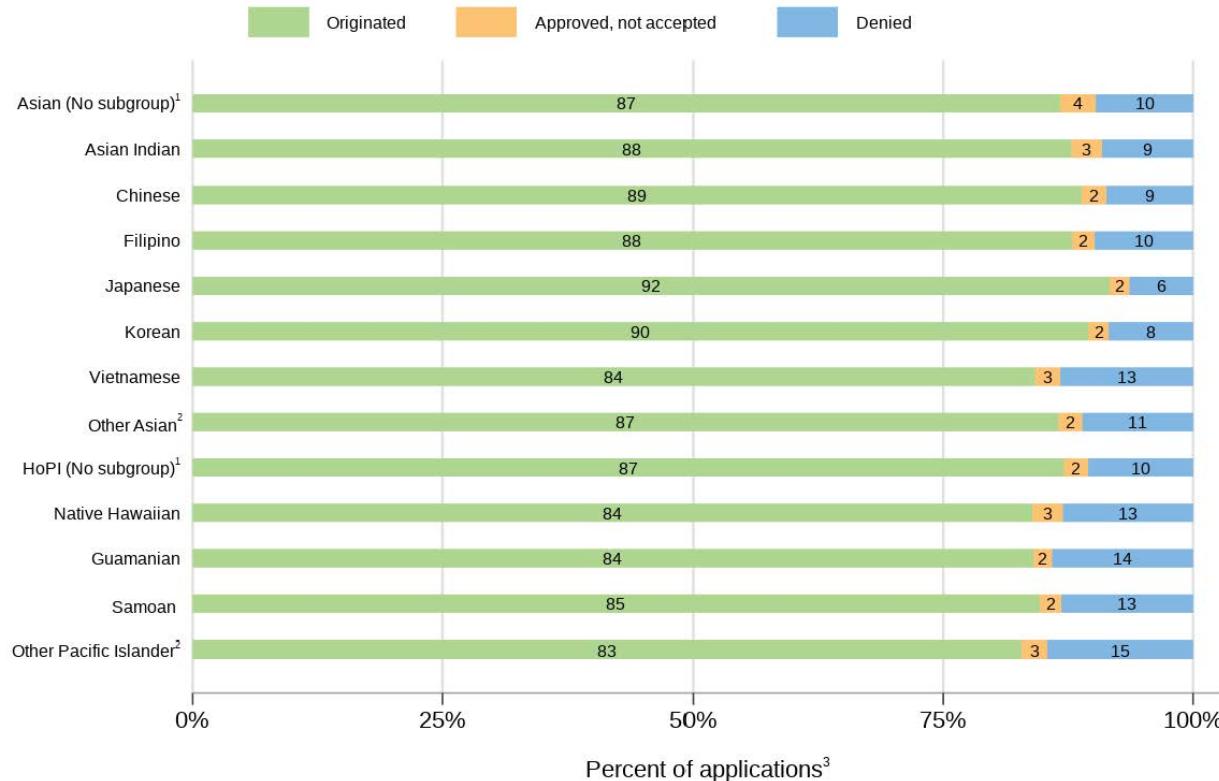


Consumer Financial
Protection Bureau

Source: "AAPIs in the Mortgage Market," available at
<https://www.consumerfinance.gov/data-research/research-reports/asian-american-and-pacific-islanders-in-the-mortgage-market/>.

Denial Rates across AAPI Subgroups

FIGURE 8: APPLICATION OUTCOMES BY AAPI SUBGROUPS



Consumer Financial
Protection Bureau

Source: "AAPIs in the Mortgage Market," available at
<https://www.consumerfinance.gov/data-research/research-reports/asian-american-and-pacific-islanders-in-the-mortgage-market/>.