

Banking and Credit Access in the Southern Region of the U.S.

Data Spotlight
Office of Consumer Populations

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Executive Summary

This Data Spotlight analyzes banking and credit access in the southern region of the U.S. It seeks to identify gaps, as well as opportunities to increase financial access in the region, particularly branch presence and bank account access, and capital access such as mortgage lending and small business lending. The analysis looks at trends in the region as a whole, and differences between rural and non-rural areas. The states covered in this report are: Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee.¹

The southern region of the United States is one of the most diverse regions in the country and home to a significant share of the rural population. Banking deserts are prevalent throughout the southern region, reflective of the absence of bank or credit union branches in local communities. This paucity has an impact on both individual consumers by limiting their ability to walk into a branch to open a bank account, as well as on a community level through limited opportunity for lending and investments under the Community Reinvestment Act.

In addition, some communities may also be credit deserts, where there may be a lower incidence of credit on fair and competitive terms, regardless of whether a branch is present. This does not mean, however, that these regions are void of financial activity. Rather, other institutions may be stepping in to cash checks, facilitate payments through mobile apps, or make loans, though often at higher costs or with less favorable terms than what would be otherwise available.

This spotlight shows that in several ways – from opening a bank account to getting a loan – there is uneven access, particularly for rural communities and communities of color.

- The southern region has a relatively low number of branches per person than elsewhere in the country (3.6 branches per 10,000 people compared to 5 branches per 10,000 people nationally).
- Though the rates have declined in recent years, the southern region also has higher rates of unbanked households than nationally. Two states in the region, Mississippi and Louisiana, have the highest unbanked rates in the country, at 11.1 percent and 8.1 percent respectively. The highest unbanked rates in the region are in rural communities and communities of color; for example, in Mississippi and Georgia, the rural unbanked rate is almost double the unbanked rate in metro areas. Arkansas is the only state in the region in which the rural unbanked rate is lower than the non-rural unbanked rate.

¹ For brevity, we refer to eight-states as the “southern region,” consumers who live here as “southerners” and those in rural counties in the region as “rural southerners.”

- Top barriers include minimum balance requirements, distrust of banks, high fees, and barriers to meeting identification requirements.²

In examining trends in mortgage lending, there is an indication of uneven access to the capital that people are seeking, particularly in rural communities and communities of color.

- Sixty-one percent of mortgage loans in the region, including in its rural areas (55 percent), are made by lenders other than banks and credit unions, and most loans (55 percent) in the region are made by just a few high-volume non-depository lenders.
- Even though rural southerners apply for home loans at the same rate as consumers nationally (19 per 1,000 residents) and at a slightly higher than rural consumers elsewhere, those applications are more likely to be denied in rural areas of the region than in the rest of the country (27 percent of mortgage applications are denied in rural southern counties compared to 11 percent nationally). For consumers in rural southern persistent poverty counties, the denial rate is 39 percent.
- Rural borrowers, minority borrowers, and low- and moderate-income neighborhoods in the southern region have a lower share of home purchase loans than their share of the population. For example, even though 23 percent of the population lives in a rural county, only 14 percent of home purchase loans in 2021 went to those areas. Between 2018 and 2021, only 9 percent of home purchase loans went to Black rural borrowers in the region, even though they represent 24 percent of the region's rural population. Across all lenders in the southern region, in 2021, 10 percent of home purchase loans in rural areas went to low- and- moderate-income neighborhoods, compared to 17 percent for comparable non-rural neighborhoods.
- Initial analysis shows credit scores alone do not explain these lower levels of lending. Even among high-credit score borrowers (680 or above) in both rural and non-rural areas, applicants of color experience higher denial rates than white applicants. For example, high-credit score Black applicants in rural areas experience a 17 percent denial rate, compared to 14 percent for those in non-rural areas. For high-credit score white borrowers, the denial rates are 9 percent in rural areas, compared to 7 percent in non-rural areas. For both low- and high-credit score borrowers, rural southerners overall are denied at higher rates. For example, low-credit score borrowers in rural areas experience a 29 percent denial rate, compared to 27 percent in non-rural areas. Among those with high-credit scores, this gap between rural and non-rural denial rates is greatest among

² Federal Deposit Insurance Corporation, Survey of Unbanked and Underbanked Households (2021), <https://www.fdic.gov/analysis/household-survey/>

Asian applicants (14% denial rate for high-credit score borrowers in rural areas compared to 10% for those in non-rural areas).

Small businesses employ nearly half of the region's workforce. Minority-owned businesses account for roughly one-third of all small businesses in the region, as do women- owned businesses. While the data is currently limited, there are indications that not all businesses are getting access to the capital they need.³

The CFPB will continue to monitor these trends in this region and utilize our tools and authorities to ensure fairness and transparency in the financial markets in the region. We will share these findings with federal and state regulators and policymakers, particularly those supporting mortgage and small business lending.

³ The CFPB recently finalized a Small Business Lending Rule, which implements a 2010 law requiring lenders to report information on their small business loan applications. When the rule goes into effect, it will provide visibility into small business lending.

1. Understanding the southern region

This Data Spotlight analyzes banking and credit access in the southern region of the United States. It seeks to identify gaps, as well as opportunities to increase financial access in the region, particularly branch presence and bank account access, and capital access such as mortgage lending and small business lending. It covers the following southern states: Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. These states are home to 48 million people, and share a number of similar demographic characteristics. The region is disproportionately rural, with 23 percent of people living in a rural county compared to 14 percent of people nationwide.

The region is rich in its diversity, across race, age, national origin, income, and other factors, across both rural and non-rural communities. Understanding the region's attributes, and how they compare to elsewhere, contributes to understanding different experiences people may have in accessing financial services.

- More than a third of residents in the region are people of color, comprising 39 percent of non-rural residents and 33 percent of rural residents. Unique to this region of the country, 70 percent of the United States' rural Black population resides in these states.
- While 25% of the is over the age of 60 or older, there is also sizable population of young people as well, 21% of rural residents are between 18 and 34 years old.
- Nearly half (48%) of the nation's persistent poverty counties – counties in which more than 20 percent of the population has been in poverty for at least 30 years – are in these states.⁴ More than 7 million people live in these southern persistent poverty counties . Following the national pattern, most southern persistent poverty counties are rural (187 out of 240), and these counties are home to roughly 4 million people.
- Income distributions vary by rural and non-rural. They also vary as along lines of race, ethnicity, and by gender, given wage disparities, historical patterns of discrimination, and other factors.⁵

⁴ CFPB, Consumer Finances in Rural Areas of the Southern Region (June 2023), Figure 1.

⁵ For example, in Arkansas, white households comprise the largest number of households earning less than \$15,000 – approximately 114,500, or 13 percent, of all white households – but a greater share of all Black households– 26 percent (45,059) – are in this category. United for ALICE, *Alice in Arkansas Report: A Financial Hardship Study*, 19 (2019), <https://aliceinar.org/reports/>.

- There is a sizeable immigrant population, accounting for 3 million people in the region. Nine percent (4.3 million) of the southern region's population have limited English proficiency.

Additional information on regional population characteristics can be found in Appendix A. The CFPB's report Consumer Finances in Rural Areas of the Southern Region provides detailed information on consumers' financial profiles for both rural and non-rural areas and the region as a whole.

2. Access to banking

Banking access is foundational to consumers' financial stability, ranging from being able open an account that fits their needs, to increasing access to opportunities for wealth-building in the future, such as getting a home loan or small business loan on fair terms. One possible indicator of consumers' access to banking services is the presence of brick-and-mortar branches in their communities. Generally, the presence of a bank branch may be associated with greater access to services, including credit.⁶ For certain populations such as older Americans, branches tend to play a significant role in their ability to access the services they need. Nationally, there has been a decline in bank branches, particularly in rural, low-income, and Black communities.⁷

In a recent listening session with stakeholders from the southern region, the CFPB heard a common refrain of concern about the ability to access basic services, such as opening an account, even when a branch is present. These challenges may also serve as a precursor to more substantial obstacles to developing relationships with a financial institution as well as other services, such as a mortgage or small business loan.

As we further explore in this section, presence alone may not be a sufficient indicator of access to these services.

2.1 Branch access

The southern region has fewer branches per resident than elsewhere in the country, with only 3.6 branches per 10,000 people in this region, compared to 5.0 nationally.⁸ This lack of branches alone may be a driving factor in limited access to financial services, particularly when combined with inaccessible online banking due to lack of quality broadband access in many areas. Only 69 percent of households in rural parts of the southern region have access to

⁶ Goodstein and Rhine, "The effects of bank and nonbank provider locations on household use of financial transaction service" (May 2017) available at <https://doi.org/10.1016/j.jbankfin.2017.01.016>. See also Nguyen "Are Credit Markets Still Local? Evidence from Bank Branch Closings" (January 2019) available at <https://doi.org/10.1257/app.20170543>

⁷ Federal Reserve, Perspectives from Main Street: Bank Branch Access in Rural Communities (Nov. 2019), <https://www.federalreserve.gov/publications/files/bank-branch-access-in-rural-communities.pdf>. See also, Brookings Institution, "An analysis of financial institutions in Black-majority communities: Black borrowers and depositors face considerable challenges in accessing banking services," (Nov. 2, 2021) <https://www.brookings.edu/research/an-analysis-of-financial-institutions-in-black-majority-communities-black-borrowers-and-depositors-face-considerable-challenges-in-accessing-banking-services/>

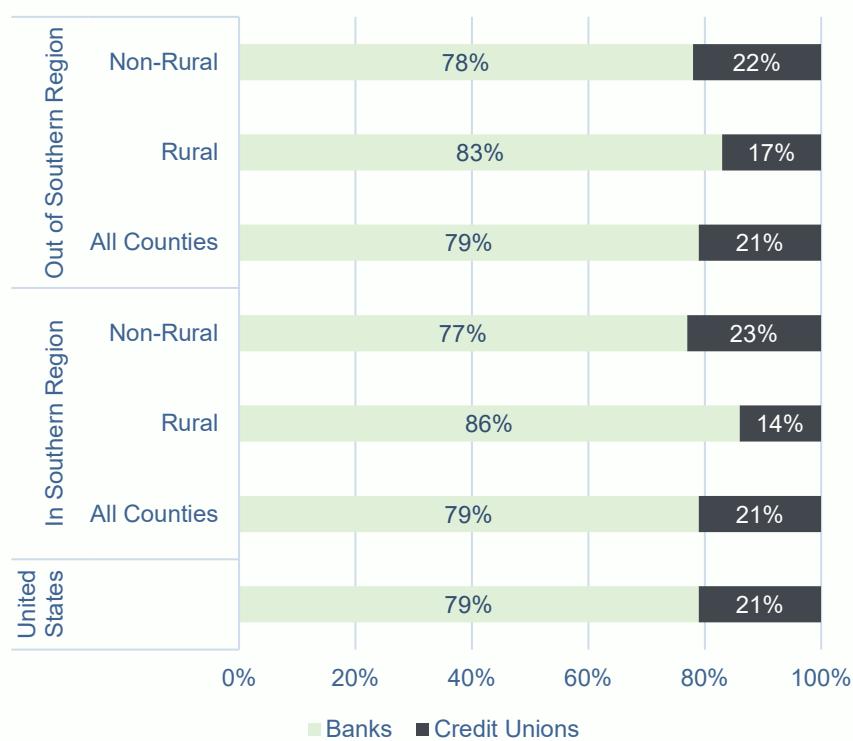
⁸ CFPB analysis of Federal Financial Institutions Examination Council, National Information Center (December 2021), National Credit Union Administration, Credit Union and Corporate Call Report Data, Quarterly Data (December 2021), and U.S. Census Bureau Annual Population Estimates (December 2020). The out-of-region comparison group excludes counties located in the territories of Guam, Puerto Rico, and the Virgin Islands.

broadband, compared to 83 percent of households nationally, based on the 2019 5-year American Community Survey.

The region's overall lower number of branches also has implications for communities. The Community Reinvestment Act (CRA), in the 46 years of its existence, only creates duties for banks to invest based on where they are physically located. These implications may be more acute in rural communities which tend to have both fewer branches and small banks, with have less robust requirements than large banks. Thus, CRA investments may be bypassing the communities that need it the most.

In looking at rural areas in the region, 86 percent of branches are owned by banks and 14 percent are owned by credit unions. While the share of branches owned by credit unions in rural counties also varies significantly by state, as discussed further in this report, a larger share of their loan portfolios reaches low- to moderate-income communities and minority borrowers in rural areas compared to the share of loans by either small or large banks.

FIGURE 1: SHARE OF BRANCHES OWNED BY BANKS AND CREDIT UNIONS BY REGION AND RURAL STATUS, DECEMBER 2021



Sources: CFPB analysis of Federal Financial Institutions Examination Council, National Information Center (December 2021), National Credit Union Administration, Credit Union and Corporate Call Report Data, Quarterly Data (December 2021), and Census Bureau's Annual Population Estimates (December 2020).

For many in the region, a physical branch location is critical to accessing basic services. Among banked households, a larger share of households in rural areas of the region relied solely on a bank teller.⁹ Even in Mississippi’s metro areas, offline channels (bank teller, ATM, and telephone) are the most common methods of banking.¹⁰

Even when a branch is located in a community, there may be a range of barriers to accessing it. In rural counties, financial institutions may often be clustered in the central city or on a highway, which may require remote consumers to still travel significant distances. This geographic distance is compounded by lack of reliable or public transportation and fluctuations in gas prices, and quite simply, travel time. Other barriers may include a more limited range of services offered at the rural branches (including hours, lending services, ATMs), the reach of a financial institution’s relationships within the community, or certain policies or practices which may disproportionately exclude certain populations.

This limited access to financial services due to lack of branch presence or restricted branch services also impacts non-rural areas of the region. For example, the CFPB recently reached a legal settlement with a large regional bank, Trustmark, for its redlining practices in Memphis, Tennessee. The bank had branches in Black and Hispanic neighborhoods but did not have mortgage loan officers at those branches. The CFPB, along with the Department of Justice, is monitoring Trustmark’s commitment to increase lending in these communities.¹¹

⁹ Federal Deposit Insurance Corporation, Survey of Unbanked and Underbanked Households (2021), <https://www.fdic.gov/analysis/household-survey/>. This does not include data for South Carolina non-metro households, as that data is not reported by the FDIC. This share is reflective of the data for the 7 other states in the region.

¹⁰ Federal Deposit Insurance Corporation, Survey of Unbanked and Underbanked Households (2021), <https://www.fdic.gov/analysis/household-survey/>

¹¹ CFPB, DOJ and OCC Take Action Against Trustmark National Bank for Deliberate Discrimination Against Black and Hispanic Families (Oct. 22, 2021), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-and-occ-take-action-against-trustmark-national-bank-for-deliberate-discrimination-against-black-and-hispanic-families/>

2.2 Bank account access

The ability to open an account is generally a first step to someone's relationship with a financial institution. That relationship then sets the foundation for future steps, such as a home loan or small business loan. Barriers to the first may then lead to barriers for the second. While access to capital is discussed further in this report, this section examines some of the trends in the region's unbanked rates.

While the national unbanked rate is 4.5 percent, it is 5.6 percent for the region.¹² Two states in the region, Mississippi and Louisiana, have the highest unbanked rates in the country, at 11.1 percent and 8.1 percent respectively. In 2021, the most common reason for unbanked households in the South was not having enough money to meet minimum balance requirements.¹³ Other top barriers included lack of trust in banks, privacy concerns, and high bank account fees. Across the region, the highest unbanked rates are in rural communities and communities of color. There has also been progress in some southern states to expand bank account access, which shows it is not a permanent feature of the financial landscape.

Within the southern region, there are an estimated 944,000 people in rural households without bank accounts, even when not accounting for those in South Carolina, whose numbers are not reflected in FDIC data sets. The other seven states in this region make up nearly 34 percent of the national rural unbanked population, despite being only about 24 percent of the national rural population. In 2021, a quarter (25.3%) of rural unbanked households in the South reported minimum balance requirements as the primary barrier (for non-rural unbanked households it was 17.2%).

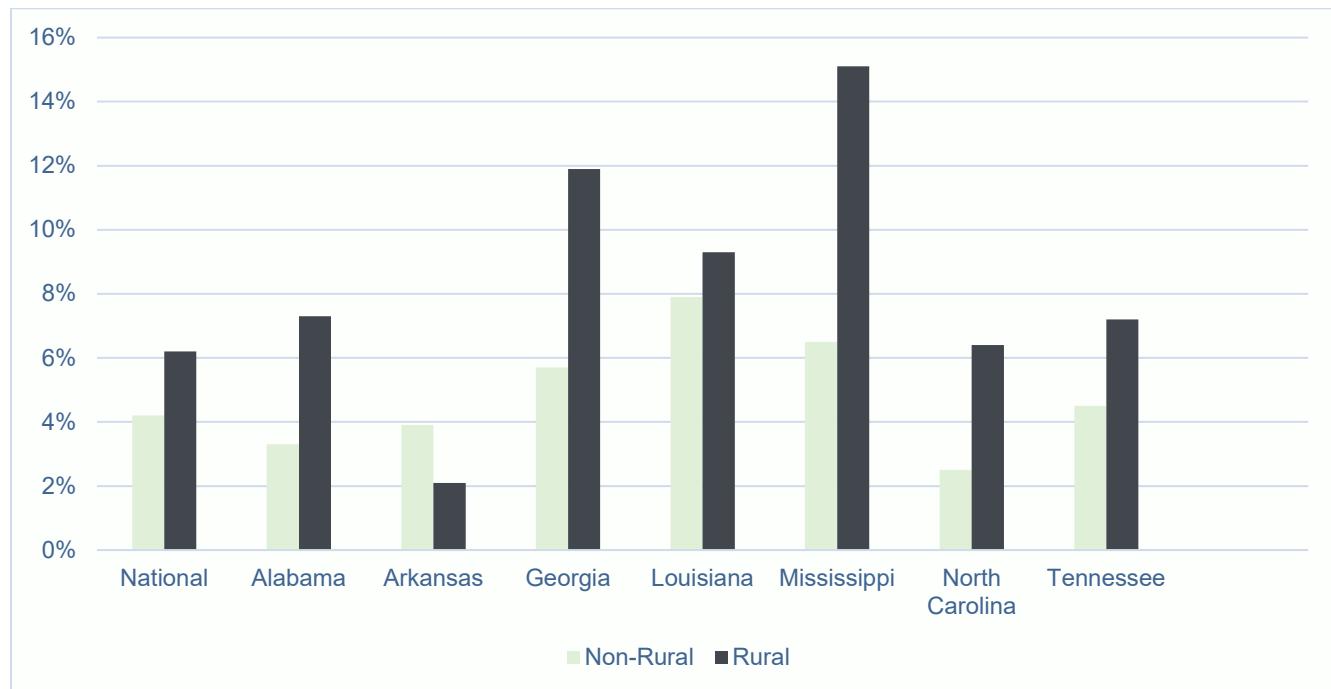
In 2021, with the exception of Arkansas, each state had an unbanked rate that was higher in rural than in its non-rural areas.¹⁴ For some states, this is extreme: in Mississippi and Georgia, the rural unbanked rates are essentially double the unbanked rates in metro areas. The rural demographics of these states are also distinct – minority residents make up 44 percent of the rural population in Mississippi, 35 percent of rural Georgia, and 23 percent of rural Arkansas.

¹² Federal Deposit Insurance Corporation, Survey of Unbanked and Underbanked Households (2021), <https://www.fdic.gov/analysis/household-survey/>

¹³ The FDIC surveys unbanked households for the reasons they lack access to a bank account. While survey responses are not available for these states individually, the FDIC does aggregate responses for the South, as defined by the Census (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Texas, Virginia, West Virginia) <https://www.census.gov/programs-surveys/popest/about/glossary/geo-terms.html>.

¹⁴ The definition of rural is in this section is what the FDIC refers to as "non-metro," and is defined as "all counties within a state that are not part of a metropolitan statistical area—counties that are either micropolitan or non-CBSA (neither metro nor micro)." This is a slightly different definition for rural than what it is used in this paper for the branch presence, HMDA analysis, and CCP analysis, all of which rely on the counties' RUCC code.

FIGURE 2: UNBANKED RATE, RURAL V. NON-RURAL HOUSEHOLDS, 2021



Source: FDIC, Survey of Unbanked and Underbanked Households (2021). South Carolina, as the FDIC does not report data for rural households in the state.

There are significantly higher unbanked rates for Black households than for white households. For example, the unbanked rate for Black households in Mississippi is 6.6 times the unbanked rate for white households, and it is 5.5 times in Louisiana. Mississippi and Louisiana are also the two states with the highest overall percentages of Black residents in the country, and the highest percentages of Black populations in rural areas. In looking at the South as a whole, minimum balance requirements were the top barrier for Black and Hispanic unbanked households, but not for white households.¹⁵ For Hispanic households, other top concerns include lack of trust in banks and not having the type of identification required by many financial institutions to open an account.¹⁶

Though not included in the FDIC survey, the CFPB's stakeholder listening sessions with community stakeholders in the region reflect concern about the barriers limiting justice-

¹⁵ White unbanked households selected “other reasons” besides the options provided in the FDIC survey. 2021 FDIC National Survey of Unbanked and Underbanked Households. Survey results by region available at <https://www.fdic.gov/analysis/household-survey/index.html>

¹⁶ Id.

involved individuals from obtaining bank account access.¹⁷ This has a particularly acute impact on the region because five of the top ten states with the highest incarceration rates are in the southern region, meaning that there is a large portion of the populations being impacted by the justice system.¹⁸ A recent CFPB report noted potential barriers to banking account access for justice-involved individuals, including things like identification requirements, proof of address, and financial institutions pulling consumer credit reports from third parties, such as Early Warning Systems (EWS) and ChexSystems.¹⁹ Credit reports containing negative or inaccurate information may be difficult to resolve during or following incarceration.²⁰

Even as gaps remain, there has been a decline in unbanked rates in certain states in the region over recent years, including for rural communities and communities of color. In 2017, 8.2 percent of households in the region were unbanked, and by 2021, this number had fallen to 5.6 percent. During this time, Arkansas and Alabama made significant gains. In Arkansas, the unbanked rate declined from 7.5 percent to 3.4 percent from 2017 to 2021. Its rural unbanked rate also declined from 9.7 percent to 2.1 percent. In Alabama, the unbanked rates mirror the national average, with 4.7 percent unbanked in 2021, which is down from 8.7 percent in 2017. While the unbanked rate for Black households in Alabama has also declined during this timeframe, from 18.8 to 9.7 percent, it remains over 5 times the current unbanked rate for white households in the state (1.8 percent).

The intersection of access to banking and access to credit

A look at a rural Delta county shows how minimum balance requirements, access to banking relationships, and access to credit may all intersect. Over 70 percent of the county's population is Black. The median family income for the county is \$62,300 for white families and \$24,900 for Black families. Two banks in the town have branches half-a-mile apart on the same street. Both banks are designated Community Development Financial Institutions (CDFIs). Here is how they differ in minimum balance requirements and home mortgage lending, using the Home Mortgage Disclosure Act (HMDA) data for analysis:

¹⁷ See also, Hope Policy Institute, *Report: Examining the Intersection Between Criminal Justice and Financial Services in the Deep South*, (Jan. 13, 2021), <http://hopepolicy.org/reports/report-examining-the-intersection-between-criminal-justice-and-financial-services-in-the-deep-south/>; overlap between high rates of incarceration and high rates of unbanked overlap; and Financial Health Network, *Supporting Returning Citizens' Financial Health* (January 2023), <https://finhealthnetwork.org/wp-content/uploads/2023/01/Supporting-Returning-Citizens-Financial-Health-2023.pdf>, lessons learned from a pilot initiative in Alabama to expand access to identification for justice-involved individuals in order to obtain bank accounts.

¹⁸ Prison Policy Initiative, *States of Incarceration: The Global Context 2021* (Sept. 2021), <https://www.prisonpolicy.org/global/2021.html>

¹⁹ CFPB, *Justice-Involved Individuals and the Consumer Financial Marketplace* (Jan. 2022), https://files.consumerfinance.gov/f/documents/cfpb_jic_report_2022-01.pdf.

²⁰ Id.

- One bank has a basic checking account with a \$5 fee if the balance falls below \$300. Another account option has a \$8 monthly fee, which can be waived if the balance stays at \$15,000 or more. From 2018 to 2021, over one-third of the bank's loans did not include race data. But, according to data that was reported, 12 percent of the bank's mortgage loans in this county went to Black borrowers and over half went to white borrowers.
- The other bank down the street has lower thresholds, lower fees, and a higher lending volume overall in the community, with higher shares going to Black borrowers. It has a basic checking account with no ongoing minimum balance requirements, but does have a \$2.95 monthly service fee, which can be waived if a consumer opts into receiving electronic statements. Another checking account option a \$7 monthly service fee, which can be waived if the balance stays above \$600. This bank made double the number of mortgage loans in the county made by the first bank in the same period of time 32 percent of which went to Black borrowers, 49 percent went to white borrowers, and 17 percent of the loans did not report race data.

3. Access to credit

This section further examines patterns in accessing credit, specifically mortgage loans and small business lending.

3.1 Mortgage lending

One of the uniquely defining characteristics of this region is the high rate of Black homeownership in comparison to the rest of the country. In Mississippi and Alabama, more than 50 percent of Black households are homeowners, compared to 41.7 percent nationally.²¹ However, significant gaps between Black and white homeownership remain, and Black homeownership rates in some parts of the region have been on a steady decline since 2008, when predatory lending practices, including refinancing of loans on homes people already owned, led to massive foreclosures and loss of wealth.²²

These declines do not seem to be due to a lack of demand. A report by the National Association of Real Estate Brokers found that in 2021, 64% of Black mortgage loan applications were for properties located in the South, and 40% of white applicants. For both groups, the South has the largest share of mortgage loan applications.²³ Rural consumers in the region apply for home-purchase mortgages at the same rate as consumers nationwide (19 per thousand residents) and at a slightly higher rate than rural consumers outside the region (16 per thousand residents).²⁴ However, those applications are less likely to be successfully originated in the rural areas of the region than in the rest of the country.²⁵

This section utilizes lender-reported data under HMDA to examine mortgage originations by lender type and size, borrower and neighborhood demographics, and other factors.²⁶ The states included are: Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. The analysis examines regional trends, and as compared to national

²¹ Joint Center for Housing Studies, *In nearly every state, people of color are less likely to own homes compared to white households*, (Feb. 2023), <https://www.jchs.harvard.edu/blog/nearly-every-state-people-color-are-less-likely-own-homes-compared-white-households>.

²² Hope Policy Institute, Mississippi Senate Housing Committee (Nov. 13, 2020), <http://hopepolicy.org/manage/wp-content/uploads/Senate-Housing-Committee-Testimony-Presentation-HOPE-11-13-2020.pdf>. Black homeownership rates in Mississippi in 2019 were at their lowest point since 2005.

²³ National Association of Real Estate Brokers, *2022 State of Housing in Black America* (Nov. 2022), Table 13, https://www.nareb.com/site-files/uploads/2022/11/2022-State-of-Housing-in-Black-America_V4.pdf

²⁴ CFPB, Consumer Finances in Rural Areas of the Southern Region (June 2023).

²⁵ Id.

²⁶ Analysis of closed-end first-lien mortgages for site-built, single-family, and principal-residence homes. The data here is derived from replications of Table 2 and 5a from the CFPB's 2021 Annual HMDA report but for just the states covered in this report.

lending patterns. It primarily draws on 2021 data, and in some places, it examines trends over a four-year time frame (2018 to 2021). For state-specific numbers, see state fact sheets in the Appendix.

Analysis of mortgage lending trends in the region

CFPB's analysis found that the majority of loans in the region are made by lenders other than banks or credit unions, known as "non-depositories," and most loans are concentrated among just a few lenders. In the rural areas of the region, there are also higher shares of government-backed loans than elsewhere in the region as well as nationally. Similar to national trends, these government-backed loans are made most often by non-depositories. Additionally, certain populations – such as minority borrowers, low-income neighborhoods, and rural borrowers – have a lower share of mortgage loans than other populations in the region.

This analysis shows that credit scores alone do not explain these lower levels of lending. Further, people in the region who did receive a mortgage loan tend to pay higher rates than consumers elsewhere. In 2021, the mean interest rate for a home purchase loan in rural southern persistent poverty counties was 3.942 percent, and 3.512 percent in the rural southern region, compared to 3.127 percent nationally.²⁷ As such, there may be unrealized opportunities to expand access to safe, affordable mortgage loans, particularly among small and large banks and credit unions.

All mortgage loan originations

The majority (61 percent) of mortgage loans in the region, both in rural and non-rural areas, are made by lenders other than banks and credit unions. It is slightly lower in rural areas (55 percent). By contrast, depositories (small banks, large banks, and credit unions) account for 71 percent of the mortgage lenders making loans in the region but originated only 35 percent of the loans in 2021. Large banks are the second largest lender, accounting for 26 percent of loan originations in rural areas and 22 percent in non-rural areas.

²⁷ CFPB, Consumer Finances in Rural Areas of the Southern Region (June 2023).

TABLE 1: MORTGAGE LENDERS SERVING THE SOUTHERN REGION, 2021

Area	Small Bank	Large Bank	Credit Union	Affiliated Mortgage Company	Non-Depository	All
Rural	26%	19%	22%	3%	30%	1,644
Non-Rural	28%	19%	23%	3%	27%	2,079
Southern Region	29%	19%	23%	3%	26%	3,723
National	30%	15%	31%	2%	22%	4,332

TABLE 2: MORTGAGE ORGINATIONS IN THE SOUTHERN REGION, 2021

Area	Small Bank	Large Bank	Credit Union	Affiliated Mortgage Company	Non-Depository	All
Rural	8%	26%	8%	3%	55%	290,366
Non-Rural	5%	22%	7%	4%	62%	1,698,599
Southern Region	5%	23%	7%	4%	61%	1,988,935
National	5%	22%	7%	3%	52%	13,986,000

The majority of loans are concentrated among just a few high-volume, non-depository lenders, meaning companies made more than 1,000 loans in a year. High-volume non-depositories account for 7 percent of all mortgage lenders in the region but are responsible for 55 percent of all loan originations. This is a slightly more concentrated market with fewer choices than other areas of the country. Nationally, high-volume non-depositories account for 12 percent of mortgage lenders, and 62 percent of all loan originations.

TABLE 3: SHARE OF MORTGAGE ORIGINATIONS BY HIGH-VOLUME NON-DEPOSITORIES

Area	Number of High-Volume Non-Depositories	% of All Lenders Serving Area	Number of Loans Made by High-Volume Non-Depositories	% of All Loans Originated in Area
Rural	30	2%	113,779	39%
Non-Rural	141	7%	985,074	58%
Southern Region	151	7%	1,491,470	55%
National	518	12%	8,693,000	62%

After non-depositories, large banks are the next largest share of high-volume lenders. Of the 314 large banks making mortgages in the region's rural areas, 20 made more than 1,000 loans in these communities in 2021. Looking at the next tier – large banks that make between 100 and 1,000 loans in rural areas – there are 66.

Home purchase loans

The following analysis and discussion focus specifically on home purchase loans for single-family, site-built homes in the southern region, thus excluding originations such as refinances which are included in the numbers above.

FIGURE 3: ANALYSIS OF HOME PURCHASE LOANS IN THE SOUTHERN REGION, BY RURAL AND NON-RURAL, IN 2021. STATE-SPECIFIC FACT SHEETS ARE AVAILABLE IN THE APPENDIX.

	Small Bank	Large Bank	Credit Union	Affiliated Mortgage Company	Non- Depository	All Lenders
Loans in Rural Counties	7,065	25,484	7,607	4,677	53,416	98,249
Government-Backed	33%	34%	12%	51%	60%	47%
LMI Borrowers	23%	21%	22%	20%	22%	22%
LMI Neighborhoods	12%	9%	13%	9%	10%	10%
Minority Borrowers	13%	12%	20%	15%	15%	15%
Loans in Non Rural Counties	29,885	138,511	33,525	36,084	369,910	607,915
Government-Backed	29%	21%	14%	39%	42%	35%
LMI Borrowers	27%	26%	29%	29%	31%	29%
LMI Neighborhoods	15%	15%	20%	15%	17%	17%
Minority Borrowers	18%	21%	27%	29%	27%	25%
Loans in Southern Region	36,950	163,995	41,132	40,761	423,326	706,164
Government-Backed	30%	23%	14%	41%	45%	37%
LMI Borrowers	26%	25%	27%	28%	30%	28%
LMI Neighborhoods	15%	14%	19%	15%	16%	16%
Minority Borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-Backed	21%	15%	11%	37%	36%	29%
LMI Borrowers	31%	25%	28%	29%	30%	29%
LMI Neighborhoods	15%	15%	16%	15%	18%	17%
Minority Borrowers	16%	22%	19%	27%	27%	25%

Note: Lender categories are consistent with those in the CFPB HMDA annual report. Small banks consist of those banks with assets (including the assets of all other banks in the same banking organization) of less than \$1 billion at the end of 2021. Affiliated mortgage companies are non-depository mortgage companies owned by or affiliated with a banking organization or credit union. Non-depositories are those other than banks or credit unions.

Government-backed loans

A government-backed loan is one that is insured by the Federal Housing Administration or backed by guarantees from the U.S. Department of Veterans Affairs, the Farm Service Agency, or the Rural Housing Service.²⁸ In the southern rural counties, nearly half of all home purchase loans (47 percent) are government-backed, as compared to 29 percent nationally.

Among states in the region, the share of government-backed loans in rural communities ranges from a high of 60 percent in North Carolina to 45 percent in Louisiana. Among mortgage lenders making loans in rural areas of the region, non-depositories have the highest percentage of government-backed loans – accounting for nearly 60 percent of their loans. This is higher than in non-rural areas (42 percent).

Credit unions make the largest share of their rural loans to minority-borrowers and low-to-moderate income neighborhoods, and just 12 percent of their rural home purchase loans in the region are government-backed. Even with these unique characteristics, credit unions sell the fewest share of their rural loans (20 percent), to the secondary market compared to other lenders serving these same areas, and a lower share than their credit union counterparts in non-rural areas (27 percent) and nationally (46 percent). The next smallest is small banks, which sell 67 percent of their loans.

Loans to low- and moderate-income borrowers and neighborhoods

There is consistently a lower share of loans to low- and -moderate-income borrowers and neighborhoods in the rural counties than non-rural areas in this region and nationally. This trend was consistent across all home purchase loans and lender types from 2018 to 2021. In total, during this time period, 21 percent of home purchase loans in rural areas have gone to low- and moderate-income borrowers in rural areas, and just 12 percent to low- and moderate-income neighborhoods.

In 2021 alone, 22 percent of home purchase loans in southern rural counties were made to low- and moderate-income borrowers. In comparison, roughly one-third of home purchase loans in non-rural areas of the region and nationally in 2021 were to these borrowers.²⁹ Small banks had

²⁸ Government-backed loan as used here is the equivalent of the “nonconventional loan” in the CFPB Annual HMDA Reports and does not include loans backed by Fannie Mae or Freddie Mac.

²⁹ In accordance with the definitions used by the federal bank supervisory agencies to enforce the Community Reinvestment Act, low- and moderate-income (LMI) borrowers are defined as those with incomes less than 80 percent of the estimated current area median family income (AMFI). The area median family income from FFIEC used in income level grouping of borrowers and census tracts differ by metropolitan statistical area status. For borrowers in metropolitan statistical areas (MSAs), their income and tract median income are compared to median family income of the MSA or metropolitan statistical division (MSD). For borrowers outside of a MSA, their income and tract median income are compared to median family income of non-metropolitan areas of that state.

the greatest share (23 percent) of their loans to low- and moderate-income borrowers in rural areas, accounting for 1,630 loans to this group of borrowers. In a state-by-state analysis, loans to rural low- and moderate-income borrowers were highest in Arkansas at 30 percent and least in Georgia at 18 percent.

Also in 2021, 10 percent of loans in rural areas went to low- to- moderate-income neighborhoods, compared to 17 percent for comparable non-rural neighborhoods in the region and nationally. Loans to these neighborhoods in southern rural areas are lowest in Alabama at just 7 percent and highest in Louisiana at 18 percent.

Loans to minority borrowers

The share of home purchase loans to minority borrowers in the southern region is consistently lower than their share of the population, both in rural and non-rural areas. Minority residents are 38 percent of the population, yet they received only 25 percent of the home purchase loans in 2021.

This trend was consistent across the four years analyzed for this report—2018 to 2021. On a disaggregated basis, across all four years, 14 percent of loans in the region went to Black borrowers, even though they represent 26 percent of the population. Rural areas show the greatest gap between share of loans to Black borrowers and their share of the population.

TABLE 4: SHARE OF LOANS TO BLACK BORROWERS IN RURAL AND NON-RURAL AREAS IN THE SOUTHERN REGION, COMPARED TO SHARE OF POPULATION, 2018 TO 2021.

Area	% of Loans to Black Borrowers	% of Area's Population that is Black	Difference Between Population Share and Loan Origination Share
Rural	9%	24%	15%
Non-Rural	15%	26%	11%
Southern Region	14%	25%	11%
National	7%	14%	7%

Across the region in 2021, affiliated mortgage companies, credit unions, and non-depositories each had just over 25 percent of their loans reaching minority borrowers, whereas small banks and large banks have 20 percent or less. For all lenders, the shares of loans to minority borrowers are lower in rural areas, though credit unions have the highest share (20 percent) of their home purchase loans reaching rural minority borrowers. For small banks and large banks, 13 percent and 12 percent of their home purchase loans, respectively, went to rural minority borrowers in 2021.

The lower share of home purchase loans to minority borrowers, however, is not due to credit scores alone. Even though the denial rates in total look relatively the same between rural and

non-rural applicants, there are important differences by race and ethnicity. Across both rural and non-rural and across credit scores, borrowers of color experience higher denial rates than their white counterparts. For high credit score applicants, Asian applicants experience the highest disparity in denial rates based on rural versus non-rural. For those with low credit scores, the largest rural/non-rural disparity in denial rates is among Black applicants.

FIGURE 4: HOME PURCHASE LOAN APPLICATION DENIAL RATES IN THE SOUTHERN REGION, BY RURAL, RACE, AND CREDIT SCORE, 2018-2021. STATE-SPECIFIC FACT SHEETS IN THE APPENDIX.

Credit Score	Race/Ethnicity	Rural	Non-Rural
Below 680	White	25%	22%
	Black	36%	31%
	Asian	32%	29%
	Hispanic	25%	23%
	Missing	36%	32%
	Total	29%	27%
680 or Above	White	9%	7%
	Black	17%	14%
	Asian	14%	10%
	Hispanic	12%	10%
	Missing	15%	12%
	Total	10%	9%

Note: "Missing" refers to applications in which the race of the applicant(s) has not been reported or is not applicable or the application is categorized as White, but ethnicity has not been reported.

Relatedly, consumers in rural southern persistent poverty counties are nearly four times more likely to have their application denied than the national average (39 percent compared to 11 percent.)³⁰ Across of all of the rural areas in the southern regions, 27 percent of mortgage applications are denied by the lender.³¹

Refinances

There are also gaps in refinancing rates for minority borrowers in the region. From 2018 to 2021, the percentage of refinances for non-Hispanic white borrowers exceeded the rates of loan originations for this demographic, but for minority borrowers, it was lower. This was

³⁰ CFPB, Consumer Finances in Rural Areas of the Southern Region (June 2023). Table 7.

³¹ Id.

particularly pronounced for Black and Hispanic borrowers in 2020, when interest rates reached historic lows and the number of refinances more than doubled the amount of the previous year.

In 2020, 75 percent of all loans and 76.4 percent of all refinances in the rural South were to non-Hispanic white borrowers. By comparison, 8.4 percent of all loans and just 5.4 percent of all refinances – down from 8.9 percent in 2018 – in the rural South were to Black borrowers. Hispanic borrowers in rural areas received 2.8 percent of home purchase loans, and just 1.1 percent of refinances. Similar trends persist in non-rural areas of the region as well.

TABLE 5: SHARE OF REFINANCES IN THE REGION COMPARED TO SHARE OF HOME PURCHASE LOANS IN 2020, BY BORROWER RACE AND ETHNICITY

Race/Ethnicity	Rural Home Purchase Loans	Rural Refinances	Non-Rural Home Purchase Loans	Non-Rural Refinances
Asian	0.9%	0.5%	3.4%	3.8%
Black or African American	8.4%	5.4%	15.0%	9.9%
Hispanic white	2.8%	1.1%	4.3%	1.9%
Other minority	0.8%	0.6%	0.6%	0.5%
Joint	2.0%	1.5%	2.5%	2.1%
Total Minority	14.9%	9.1%	25.9%	18.1%
Non-Hispanic white	75.3%	76.4%	61.5%	64.7%
Missing	9.9%	14.5%	12.6%	17.2%
Total Originations (in thousands)	87.4	108.4	585.2	834.4

Note: "Missing" refers to applications in which the race of the applicant(s) has not been reported or is not applicable or the application is categorized as White, but ethnicity has not been reported.

These refinance gaps may be related to the origination channel. As earlier discussed, the largest number and share of loans to minority borrowers are from non-depository lenders, which ultimately sell over 90 percent of their loans after origination. As such, if a borrower is seeking to refinance, they may not know who to approach, and the lender may be doing little to proactively build relationships. For example, a lender may work harder to build a relationship if the borrower banks at the institution that originally made the loan. Other factors may be lower home values and smaller original mortgage loan sizes. These factors and others became a perfect

storm of barriers to accessing lower interest rates, which could have provided significant savings over the life of the loan.

Consistent with national trends, the frequency of missing race and ethnicity data in the region has increased over the last few years. This trend is seen in both in the region's rural and non-rural areas as well as for home purchase originations and refinances.

Implications of mortgage lending analysis

These initial findings have several implications. Given the high-levels of non-depository mortgage lending in the region, further analysis may be needed to better understand the terms of the loans, which is beyond the scope of this initial analysis. Similarly, the low lending levels by depository institutions, particularly those with lower levels of lending to protected classes, deserve further exploration. Additionally, this data highlights the important role of the federal housing finance infrastructure in meeting the needs of this region through government-backed lending programs and the secondary market. Finally, it is worth exploring whether increased use of Special Purpose Credit Programs, which enable the development of directed lending programs to reach historically underserved populations, would impact lending in this region.³²

While not reflected in the HMDA data, there are generally other compounding factors in the mortgage lending market, which may have a pronounced presence in the region. These include things such as challenges in obtaining adequate appraisals in rural areas and racially discriminatory appraisals practices, both of which lead to undervaluing a home, which in turn reduces the amount of credit a borrower may qualify for. Additionally, this region is not immune from the influx of private investors in purchasing affordable housing stock that may otherwise be available to low-income or first-time homebuyers. Finally, an important source of housing in the region, particularly for rural areas, is manufactured housing. The CFPB's report, Consumer Finances in Rural Areas of the Southern Region, notes that some manufactured home loans secured by land (sometimes called 'chattel' loans) are much more common in the rural south 7% percent versus 3 percent in other rural areas versus 1 percent nationally.³³ Manufactured housing is an ongoing area of interest to the CFPB.³⁴

³² CFPB, Blog, Using Special Purpose Credit Programs to meet unmet needs (July 19 2022), <http://www.consumerfinance.gov/about-us/blog/using-special-purpose-credit-programs-to-serve-unmet-credit-needs/>

³³ CFPB, Consumer Finances in Rural Areas of the Southern Region, (June 2023)

³⁴ See e.g., CFPB, Manufactured Housing Finance: New Insights from the Home Mortgage Disclosure Act, (May 7, 2021), <https://www.consumerfinance.gov/data-research/research-reports/manufactured-housing-finance-new-insights-hmda/>

3.2 Small business lending

Small businesses play critical roles in the southern region's economy and within local communities. A small business's ability to access capital can be a determining factor in its ongoing survival and future growth, which then results in more jobs and economic activity. As in other areas described in this paper, this access to capital may not be even across all small businesses, which may unnecessarily hamper economic opportunities for the region.

CFPB's stakeholder listening sessions with community stakeholders in the region revealed a number of concerns with access to small business capital, including for small farms and agricultural businesses. One was the challenges in establishing a banking relationship in the first place, either due to living in a banking desert or being able to be served by the bank in their community. Stakeholders shared how Black women-owned businesses and farmers in the region face challenges in accessing the credit they need to start-up businesses, even when they have been provided all the necessary technical assistance. Other barriers in overcoming perceived risk by lenders include challenges with personal credit history, collateral gaps, and specific challenges for justice-involved individuals. Finally, stakeholders expressed concern with, and examples of how online predatory lenders are stepping into these gaps, putting the future financial stability of businesses at risk.

In these eight states, there are more than 4.7 million small businesses, defined as businesses with 500 or fewer employees. They employ nearly half (45.6 percent) of the region's workforce. In 2020, the most recent year available from the Small Business Administration, banks in the region that are required to report lending volume under the Community Reinvestment Act made \$17.7 billion in loans to businesses with revenues of \$1 million or less. There has been a steady decline down from approximately \$24.4 billion in loans for 2005.

Similar to national trends, nearly one-third (27 percent) of small businesses in the region are minority-owned, and 38 percent are owned by women, thus signifying their critical role in the overall economic landscape. However, there are some disparities:

- 16 percent of white-owned businesses have employees, compared to 3 percent of Black-owned businesses and 7 percent for Hispanic-owned businesses.
- 17 percent of businesses owned by men have employees, compared to 7 percent for women-owned businesses.

For all of these groups, the share of businesses in the region with employees is lower than the share nationally. Minority- and women-owned businesses typically have fewer numbers of

employees than white-owned-businesses.³⁵ Given the importance of capital in fueling business expansion, these disparities may be a signal uneven access to the capital they need.

Survey data from the Federal Reserve show that nationally, the number of businesses that applied for financing but did not receive any has steadily increased from 2016 to 2021.³⁶ The data show that this inability to get the full financing sought was particularly acute among minority-owned businesses and businesses with fewer employees, and these numbers increased dramatically between 2019 and 2021.³⁷ Relatedly, white-owned businesses are twice as likely to have their funding needs met than Asian-Americans and Hispanic-owned firms, and three times as likely than Black-owned businesses.³⁸

There are a number of tools to support the increase and transparency of small business lending in the region. First, the CFPB recently finalized a Small Business Lending Rule, which implements a 2010 law requiring lenders to report information on their small business loan applications. When the rule goes into effect, it will provide visibility into small business lending.³⁹ Additionally, lenders have the ability to create Special Purpose Credit Programs, which enable the development of directed lending programs to reach historically underserved populations.⁴⁰ Finally, the Community Reinvestment Act can be a vehicle for banks and regulators to ensure lending capital is reaching small businesses in the communities they serve.

³⁵ Small Business Administration Office of Advocacy, *2018 Small Business Profile*, <https://cdn.advocacy.sba.gov/wp-content/uploads/2018/11/23101710/2018-Small-Business-Profiles-US.pdf>. Minority-owned employer firms had 8 employees on average, compared to 11 for non-minority owned firms, and that women-owned firms had just over 8 employees compared to 11 employees at firms owned by men.

³⁶ Federal Reserve, Small Business Credit Survey, 23 (2022), <https://www.fedsmallbusiness.org/survey/2022/report-on-employer-firms>

³⁷ For example, for businesses with 1 to 4 employees in 2019, 55 percent received less than the full financing sought, and by 2021, this number climbed to 77 percent. For businesses with more employees, they were more likely to report receiving the full amount of funding requested.

³⁸ Federal Reserve, *2022 Report on Firms Owned by People of Color*, 17, (2022), <https://www.fedsmallbusiness.org/survey/2022/2022-report-on-firms-owned-by-people-of-color>.

³⁹ CFPB, “CFPB Finalizes Rule to Create a New Data Set on Small Business Lending in America, March 30, 2023, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-create-a-new-data-set-on-small-business-lending-in-america/> <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-create-a-new-data-set-on-small-business-lending-in-america/>

⁴⁰ CFPB, *Using Special Purpose Credit Programs to meet unmet needs* (July 19 2022), <http://www.consumerfinance.gov/about-us/blog/using-special-purpose-credit-programs-to-serve-unmet-credit-needs/>

4. Conclusion

While access to banking or credit may be limited due to many parts of the southern region being considered a banking desert, there may also be limited access to banking services and capital even when bank branches are present.

- The southern region has a relatively low number of branches per person than elsewhere in the country, and higher rates of unbanked households.
- Opportunities to close the gaps may exist in addressing barriers to bank account access for households in rural communities and communities of color.
- Top barriers include minimum balance requirements, distrust of banks, high fees, and barriers to meeting identification requirements.

In examining trends in mortgage lending, there is an indication of uneven access to the capital that people are seeking, particularly in rural communities and communities of color.

- The majority of mortgage loans in the region, including in its rural areas, are made by non-depositories, and most loans are made by just a few high-volume lenders.
- Mortgage interest rates in the region's rural areas are higher, on average, than mortgage interest rates nationally.
- Even though rural southerners apply for home loans at the same rate as consumers nationally and at a slightly higher than rural consumers elsewhere, those applications are more likely to be denied in the rural areas of the region than in the rest of the country.
- Minority borrowers, low-income neighborhoods, and rural borrowers in the southern region have a lower share of home purchase loans than their share of the population.
- Initial analysis shows credit scores alone do not explain these lower levels of lending.

The CFPB will continue to monitor these trends in this region and utilize our tools and authorities to ensure fairness and transparency in the financial markets in the region. We will also share these findings from this report and the Consumer Finances in Rural Areas of the Southern Region with federal and state regulators and policymakers, particularly those supporting mortgage and small business lending

Appendix

Regional Characteristics

	Rural PPCs in southern region	Rural southern region	Non- southern region rural	Non- rural southern region	Southern region	Nationwide
Median household income	\$36,827	\$42,021	\$52,028	\$58,200	\$54,527	\$65,770
Percent age 18-34	22	21	21	24	23	23
Percent age 60+	24	25	26	21	22	22
High school graduation rate (percent)	82	83	88	89	88	90
Percent with at least some college	44	47	52	61	58	62
Percent with a post-secondary degree	22	24	29	37	34	39
Percent Black	41	24	3	26	3	12
Percent Hispanic	4	5	10	8	10	18
Percent White	52	67	81	61	81	61
Percent Asian	1	1	1	3	1	5
Percent American Indian or Alaska Native	2	1	2	0	2	1
Percent foreign-born	2	3	4	8	7	14
Percent speaking a language other than English at home	5	5	10	11	9	22
Percent of households with broadband access	64	69	76	81	78	83
Bank/CU branches per 10,000 residents	4.3	4.0	6.3	3.0	3.6	5.0
Percent of owner-occupied housing	67	70	73	67	67	66
Number of counties	187	399	1,576	289	688	3,142

Source: CFPB, Consumer Finances in Rural Areas of the Southern Region, June 2023.

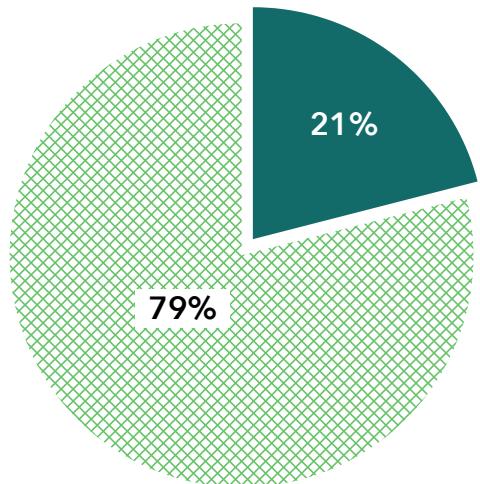
ALABAMA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Alabama demographics (thousands).

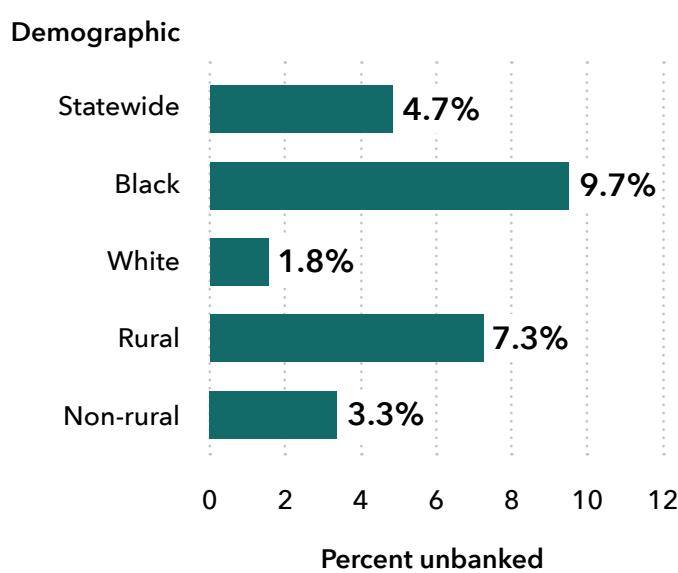
Demographic	Rural	Non-rural	Total
Non-Hispanic White	783	2,412	3,195
Black	272	1,020	1,292
Asian	6	59	65
Hispanic White	34	91	125
Other minority	29	85	114
Two or more races	18	65	83
60 and older	290	831	1,121
Household income less than \$40,000	214	552	765
Household income between \$40,000 and \$99,999	159	547	705
Household income over \$100,000	63	335	397
Alabama population	1,143	3,734	4,876
Alabama households	435	1,433	1,868
Number of county observations	38	29	67

Share of branches.



Banks
 Credit unions

Unbanked rates, 2021.



ALABAMA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mortgage lenders serving Alabama, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	16%	20%	17%	3%	43%	574
Non-rural	22%	23%	18%	3%	34%	929
Alabama - total	22%	23%	19%	3%	34%	329
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	26%	23%
	Black	39%	32%
	Asian	31%	30%
	Hispanic	26%	24%
	Missing	38%	34%
	Total	30%	27%
680 or above	White	9%	7%
	Black	19%	14%
	Asian	14%	10%
	Hispanic	13%	11%
	Missing	17%	12%
	Total	11%	8%



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ALABAMA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Home purchase loan originations in Alabama, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	718	2,445	454	279	5,841	9,737
Government-backed	34%	41%	16%	60%	65%	54%
LMI borrowers	25%	24%	21%	27%	24%	24%
LMI neighborhoods	6%	7%	5%	8%	7%	7%
Minority borrowers	14%	13%	13%	11%	15%	14%
Loans in non-rural counties	4,136	19,298	2,843	2,960	31,341	60,578
Government-backed	36%	27%	17%	50%	50%	40%
LMI borrowers	32%	33%	30%	31%	32%	32%
LMI neighborhoods	13%	13%	15%	8%	13%	13%
Minority borrowers	19%	22%	23%	24%	22%	22%
Alabama - total	4,854	21,743	3,297	3,239	37,182	70,315
Government-backed	36%	29%	17%	50%	50%	40%
LMI borrowers	31%	32%	29%	30%	31%	31%
LMI neighborhoods	12%	13%	14%	5%	12%	12%
Minority borrowers	18%	21%	22%	23%	20%	21%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Among all lenders, 9,737 home purchase loans were made in rural Alabama. Of those, 54% were government-backed, 24% were to LMI borrowers, 7% were to LMI neighborhoods, and 14% were to minority borrowers.



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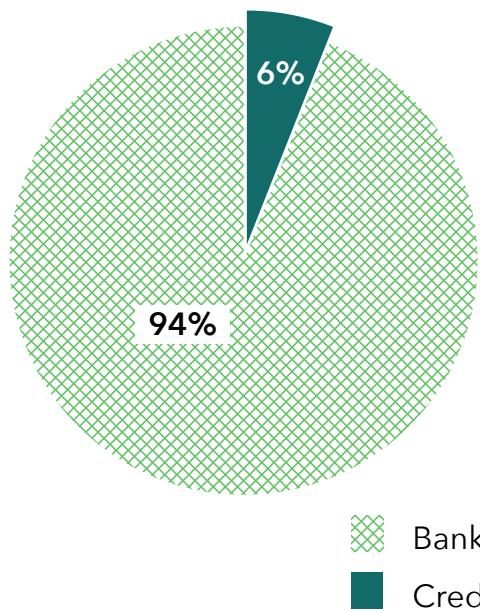
ARKANSAS

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

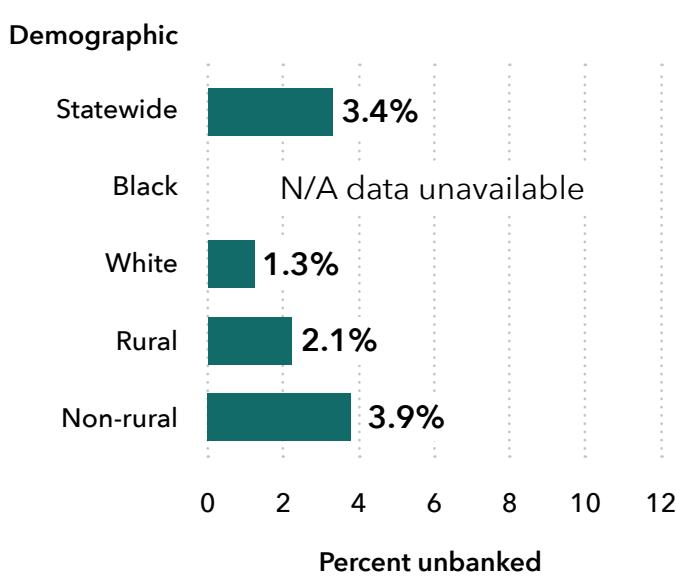
Arkansas demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	877	1,295	2,172
Black	158	299	457
Asian	6	39	45
Hispanic White	35	94	129
Other minority	33	85	118
Two or more races	22	48	70
60 and older	299	385	684
Household income less than \$40,000	216	280	496
Household income between \$40,000 and \$99,999	167	280	447
Household income over \$100,000	60	156	215
Arkansas population	1,133	1,867	2,999
Arkansas households	442	716	1,158
Number of county observations	55	20	75

Share of branches.



Unbanked rates, 2021.



ARKANSAS

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mortgage lenders serving Arkansas, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	23%	24%	14%	2%	36%	526
Non-rural	22%	25%	15%	3%	36%	688
Arkansas - total	24%	24%	16%	3%	33%	760
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural Arkansas, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	26%	22%
	Black	39%	31%
	Asian	24%	29%
	Hispanic	27%	25%
	Missing	39%	33%
	Total	29%	25%
680 or above	White	9%	7%
	Black	18%	13%
	Asian	11%	9%
	Hispanic	12%	11%
	Missing	17%	12%
	Total	11%	8%



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ARKANSAS

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Home purchase loan originations in Arkansas, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	1,359	3,405	170	220	4,690	9,842
Government-backed	40%	38%	18%	59%	70%	54%
LMI borrowers	30%	29%	12%	32%	31%	30%
LMI neighborhoods	7%	10%	5%	10%	10%	9%
Minority borrowers	11%	11%	10%	7%	10%	10%
Loans in non-rural counties	4,553	10,377	941	985	11,516	28,372
Government-backed	37%	28%	22%	30%	55%	40%
LMI borrowers	29%	30%	26%	25%	34%	31%
LMI neighborhoods	11%	13%	10%	9%	12%	12%
Minority borrowers	18%	19%	15%	14%	20%	19%
Arkansas - total	5,912	13,782	1,111	1,205	16,204	38,214
Government-backed	37%	30%	21%	35%	60%	44%
LMI borrowers	29%	30%	24%	27%	33%	31%
LMI neighborhoods	10%	12%	9%	9%	11%	11%
Minority borrowers	16%	17%	14%	12%	17%	17%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Across all lenders, 9,842 home purchase loans were made in rural Arkansas. Of those, 54% were government-backed, 30% were to LMI borrowers, 9% were to LMI neighborhoods, and 10% were to minority borrowers.



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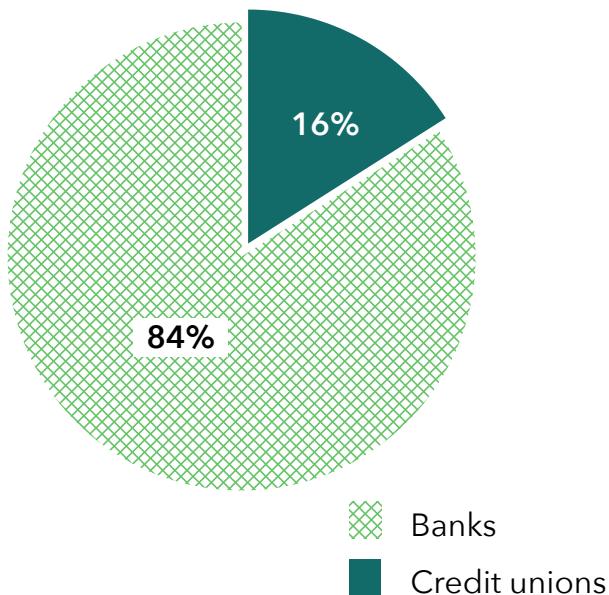
GEORGIA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

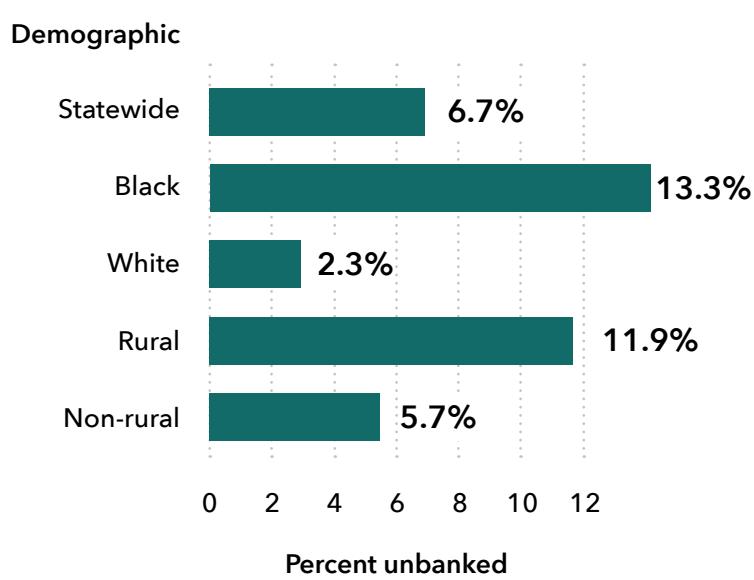
Georgia demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	1,162	4,324	5,486
Black	455	2,789	3,244
Asian	15	395	411
Hispanic White	66	547	613
Other minority	62	369	432
Two or more races	24	189	213
60 and older	424	1,575	1,999
Household income less than \$40,000	308	995	1,304
Household income between \$40,000 and \$99,999	244	1,215	1,459
Household income over \$100,000	101	895	997
Georgia population	1,786	8,618	10,404
Georgia households	653	3,105	3,759
Number of county observations	85	74	159

Share of branches.



Unbanked rates, 2021.



Mortgage lenders serving Georgia, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	16%	19%	17%	3%	44%	756
Non-rural	19%	21%	21%	3%	36%	1,149
Georgia - total	19%	21%	21%	3%	35%	1,187
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	25%	23%
	Black	36%	31%
	Asian	30%	29%
	Hispanic	22%	20%
	Missing	33%	31%
	Total	28%	28%
680 or above	White	9%	7%
	Black	18%	15%
	Asian	15%	10%
	Hispanic	12%	10%
	Missing	14%	13%
	Total	10%	10%

Home purchase loan originations in Georgia, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	816	3,754	599	1,066	11,308	17,543
Government-backed	31%	33%	27%	46%	56%	48%
LMI borrowers	18%	17%	15%	12%	19%	18%
LMI neighborhoods	9%	8%	9%	8%	8%	8%
Minority borrowers	13%	13%	16%	20%	17%	16%
Loans in non-rural counties	2,786	29,408	4,604	11,055	95,581	143,434
Government-backed	27%	19%	22%	37%	41%	36%
LMI borrowers	28%	24%	25%	29%	33%	31%
LMI neighborhoods	21%	18%	20%	19%	20%	20%
Minority borrowers	22%	28%	35%	37%	39%	36%
Georgia - total	3,602	33,162	5,203	12,121	106,889	160,977
Government-backed	28%	21%	23%	38%	43%	37%
LMI borrowers	26%	23%	24%	27%	32%	29%
LMI neighborhoods	18%	17%	18%	18%	19%	19%
Minority borrowers	20%	27%	33%	36%	36%	34%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Across all lenders, 17,543 home purchase loans were made in rural Georgia. Of those, 48% were government-backed, 18% were to LMI borrowers, 8% were to LMI neighborhoods, and 16% were to minority borrowers.

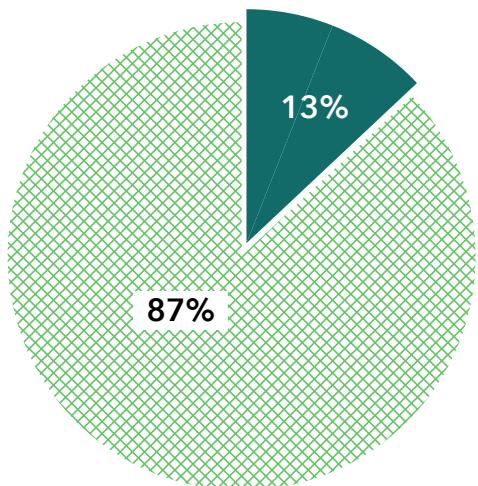
LOUISIANA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Louisiana demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	469	2,267	2,736
Black	236	1,257	1,492
Asian	4	76	80
Hispanic White	14	143	156
Other minority	18	98	116
Two or more races	13	69	82
60 and older	170	822	993
Household income less than \$40,000	145	591	737
Household income between \$40,000 and \$99,999	91	524	615
Household income over \$100,000	41	346	388
Louisiana population	754	3,910	4,664
Louisiana households	278	1,461	1,739
Number of county observations	29	35	64

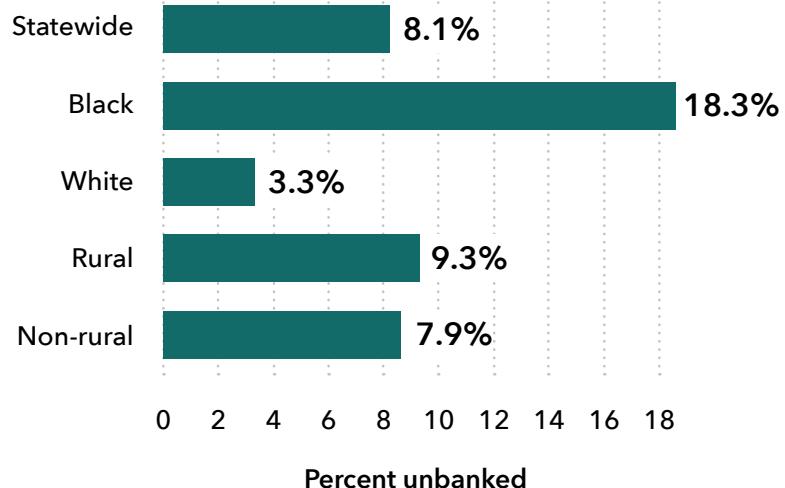
Share of branches.



Banks
 Credit unions

Unbanked rates, 2021.

Demographic



Mortgage lenders serving Louisiana, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	20%	20%	13%	3%	45%	403
Non-rural	19%	23%	17%	3%	37%	717
Louisiana - total	19%	23%	17%	3%	37%	731
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	27%	22%
	Black	36%	30%
	Asian	53%	30%
	Hispanic	35%	24%
	Missing	42%	36%
	Total	32%	27%
680 or above	White	9%	7%
	Black	18%	15%
	Asian	13%	13%
	Hispanic	15%	11%
	Missing	20%	15%
	Total	11%	9%

Home purchase loan originations in Louisiana, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	695	715	158	107	2,621	4,296
Government-backed	26%	35%	27%	36%	70%	55%
LMI borrowers	18%	14%	13%	8%	21%	19%
LMI neighborhoods	19%	16%	18%	7%	19%	18%
Minority borrowers	11%	11%	25%	17%	24%	20%
Loans in non-rural counties	4,974	8,940	1,216	2,088	32,445	49,663
Government-backed	35%	25%	18%	57%	55%	47%
LMI borrowers	26%	25%	20%	30%	34%	31%
LMI neighborhoods	16%	16%	15%	10%	15%	15%
Minority borrowers	20%	23%	29%	46%	28%	27%
Louisiana - total	5,669	9,655	1,374	2,195	35,066	53,959
Government-backed	34%	26%	19%	56%	56%	48%
LMI borrowers	25%	24%	19%	29%	33%	30%
LMI neighborhoods	16%	16%	15%	10%	15%	15%
Minority borrowers	19%	22%	28%	44%	28%	26%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Across all lenders, 17,543 home purchase loans were made in rural Georgia. Of those, 48% were government-backed, 18% were to LMI borrowers, 8% were to LMI neighborhoods, and 16% were to minority borrowers.

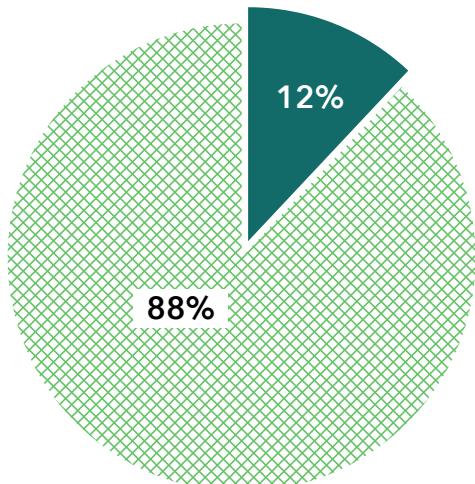
MISSISSIPPI

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mississippi demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	900	790	1,690
Black	624	497	1,122
Asian	9	20	29
Hispanic White	22	31	53
Other minority	30	25	55
Two or more races	15	20	35
60 and older	366	281	647
Household income less than \$40,000	303	196	499
Household income between \$40,000 and \$99,999	209	204	413
Household income over \$100,000	83	109	192
Mississippi population	1,600	1,384	2,984
Mississippi households	594	510	1,104
Number of county observations	65	17	82

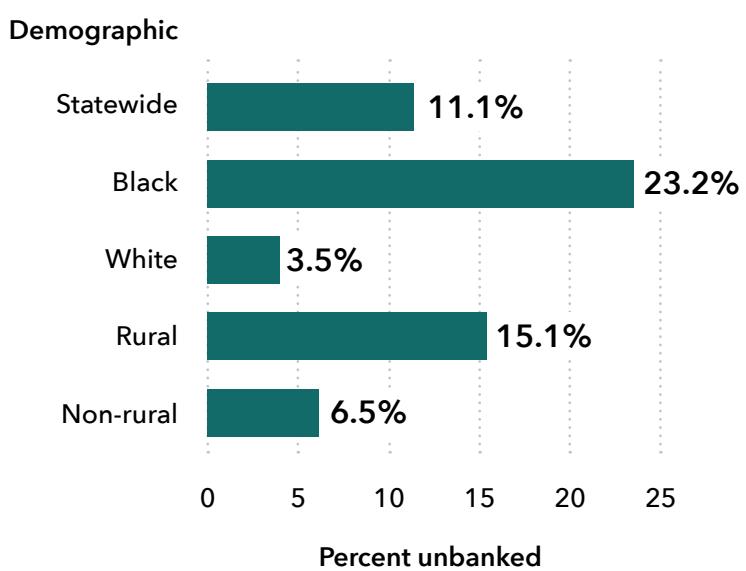
Share of branches.



Banks

Credit unions

Unbanked rates, 2021.



0 5 10 15 20 25

Percent unbanked

MISSISSIPPI

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mortgage lenders serving Mississippi, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	19%	23%	17%	3%	39%	521
Non-rural	19%	22%	14%	3%	41%	559
Mississippi - total	20%	22%	17%	3%	38%	644
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	24%	24%
	Black	37%	32%
	Asian	34%	29%
	Hispanic	31%	20%
	Missing	40%	35%
	Total	30%	28%
680 or above	White	8%	8%
	Black	17%	15%
	Asian	16%	16%
	Hispanic	12%	10%
	Missing	17%	15%
	Total	11%	10%



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MISSISSIPPI

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Home purchase loan originations in Mississippi, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	812	5,604	231	326	3,816	10,789
Government-backed	45%	42%	28%	53%	68%	52%
LMI borrowers	23%	23%	20%	14%	22%	21%
LMI neighborhoods	16%	10%	13%	10%	13%	11%
Minority borrowers	20%	19%	26%	19%	23%	21%
Loans in non-rural counties	1,579	7,092	804	941	8,569	18,965
Government-backed	34%	39%	34%	62%	64%	49%
LMI borrowers	22%	22%	27%	20%	17%	25%
LMI neighborhoods	10%	7%	8%	4%	9%	8%
Minority borrowers	19%	28%	23%	40%	27%	27%
Mississippi - total	2,391	12,696	1,035	1,267	12,385	29,774
Government-backed	38%	40%	32%	60%	65%	51%
LMI borrowers	22%	24%	19%	18%	25%	24%
LMI neighborhoods	12%	8%	9%	5%	10%	9%
Minority borrowers	19%	24%	24%	34%	26%	25%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Among all lenders, 10,789 home purchase loans were made in rural Mississippi. Of those, 52% were government-backed, 21% were to LMI borrowers, 11% were to LMI neighborhoods, and 21% were to minority borrowers.



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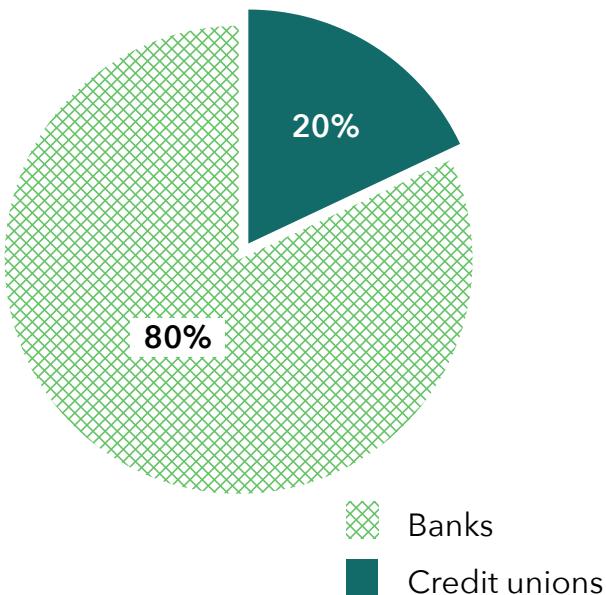
NORTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

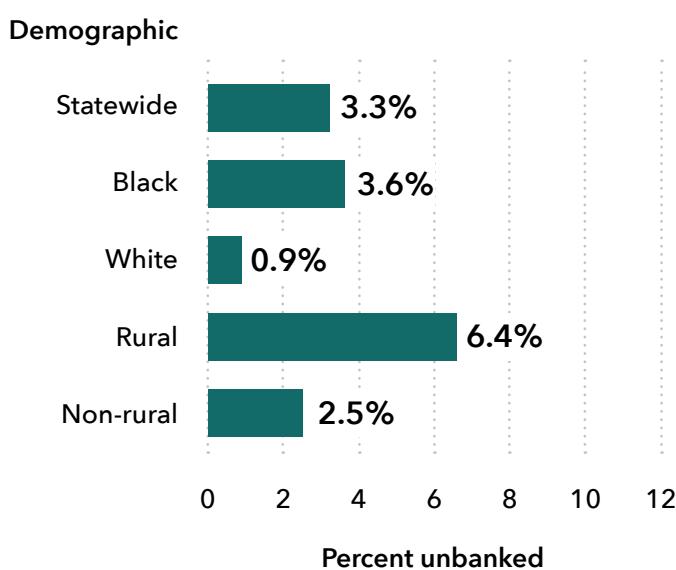
North Carolina demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	1,425	5,050	6,475
Black	473	1,692	2,165
Asian	17	274	291
Hispanic White	104	471	575
Other minority	150	373	523
Two or more races	39	192	231
60 and older	591	1,672	2,263
Household income less than \$40,000	393	1,070	1,462
Household income between \$40,000 and \$99,999	336	1,229	1,565
Household income over \$100,000	136	803	938
North Carolina population	2,209	8,056	10,265
North Carolina households	864	3,101	3,965
Number of county observations	54	46	100

Share of branches.



Unbanked rates, 2021.



NORTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mortgage lenders serving North Carolina, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	15%	22%	18%	4%	40%	914
Non-rural	17%	23%	22%	3%	35%	1,155
North Carolina - total	19%	23%	22%	3%	33%	1,248
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	24%	22%
	Black	34%	29%
	Asian	32%	27%
	Hispanic	22%	22%
	Missing	34%	30%
	Total	28%	25%
680 or above	White	9%	6%
	Black	15%	11%
	Asian	12%	9%
	Hispanic	12%	10%
	Missing	14%	10%
	Total	10%	8%



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NORTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Home purchase loan originations in North Carolina, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	763	4,204	4,634	1,075	13,484	24,160
Government-backed	43%	22%	6%	50%	56%	40%
LMI borrowers	23%	17%	24%	19%	20%	20%
LMI neighborhoods	14%	8%	16%	9%	9%	11%
Minority borrowers	15%	11%	23%	17%	17%	17%
Loans in non-rural counties	2,742	25,499	14,835	5,818	89,783	138,627
Government-backed	26%	13%	9%	36%	34%	27%
LMI borrowers	30%	22%	32%	25%	27%	27%
LMI neighborhoods	22%	16%	24%	18%	18%	18%
Minority borrowers	20%	19%	34%	28%	25%	25%
North Carolina - total	3,505	29,703	19,496	6,893	103,267	162,787
Government-backed	30%	14%	8%	38%	37%	29%
LMI borrowers	29%	22%	30%	24%	26%	26%
LMI neighborhoods	20%	15%	22%	17%	17%	17%
Minority borrowers	19%	18%	31%	27%	24%	24%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Among all lenders, 24,160 home purchase loans were made in rural North Carolina. Of those, 40% were government-backed, 20% were to LMI borrowers, 11% were to LMI neighborhoods, and 17% were to minority borrowers.



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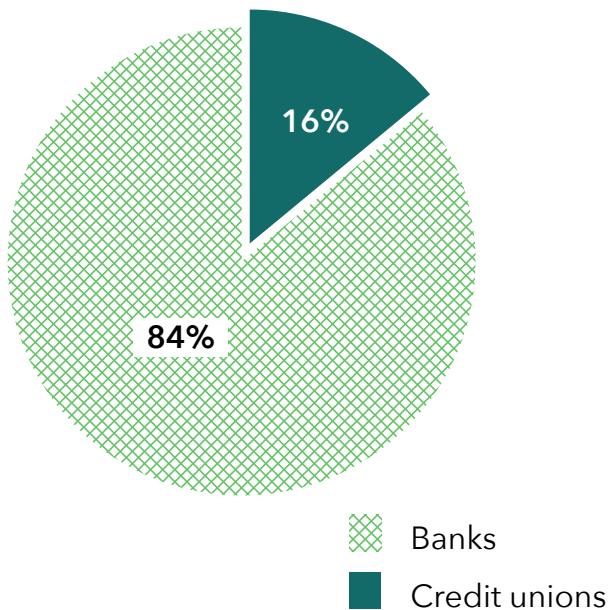
SOUTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

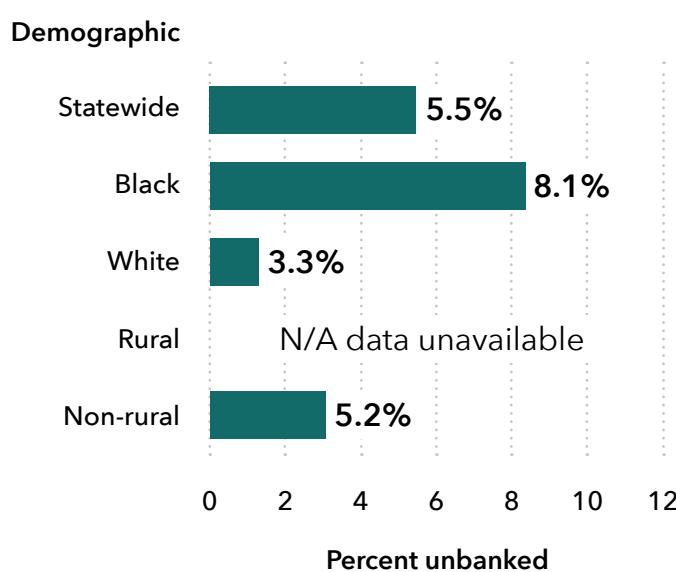
South Carolina demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	406	2,791	3,196
Black	292	1,042	1,334
Asian	4	74	78
Hispanic White	15	161	176
Other minority	17	116	134
Two or more races	12	87	99
60 and older	203	988	1,190
Household income less than \$40,000	146	588	734
Household income between \$40,000 and \$99,999	104	659	763
Household income over \$100,000	39	386	425
South Carolina population	746	4,275	5,021
South Carolina households	289	1,633	1,922
Number of county observations	20	26	46

Share of branches.



Unbanked rates, 2021.



SOUTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Mortgage lenders serving South Carolina, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	12%	22%	15%	4%	47%	597
Non-rural	18%	23%	20%	3%	36%	1,096
South Carolina - total	19%	23%	20%	3%	35%	1,117
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	27%	23%
	Black	38%	30%
	Asian	23%	32%
	Hispanic	22%	24%
	Missing	39%	29%
	Total	32%	26%
680 or above	White	9%	7%
	Black	18%	13%
	Asian	14%	11%
	Hispanic	14%	11%
	Missing	14%	11%
	Total	11%	8%



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SOUTH CAROLINA

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

Home purchase loan originations in South Carolina, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	489	1,350	304	300	3,511	5,954
Government-backed	16%	21%	11%	39%	55%	41%
LMI borrowers	16%	16%	20%	19%	26%	22%
LMI neighborhoods	9%	8%	13%	7%	12%	11%
Minority borrowers	9%	12%	24%	18%	20%	17%
Loans in non-rural counties	3,687	17,400	3,295	7,045	52,701	84,128
Government-backed	17%	19%	18%	37%	43%	35%
LMI borrowers	26%	25%	26%	32%	33%	31%
LMI neighborhoods	15%	15%	19%	15%	16%	16%
Minority borrowers	10%	14%	22%	21%	22%	20%
South Carolina - total	4,176	18,750	3,599	7,345	56,212	90,082
Government-backed	16%	19%	17%	37%	44%	36%
LMI borrowers	24%	25%	26%	31%	33%	30%
LMI neighborhoods	14%	14%	18%	14%	16%	15%
Minority borrowers	10%	14%	22%	21%	22%	19%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Among all lenders, 5,954 home purchase loans were made in rural South Carolina. Of those, 41% were government-backed, 22% were to LMI borrowers, 11% were to LMI neighborhoods, and 17% were to minority borrowers.



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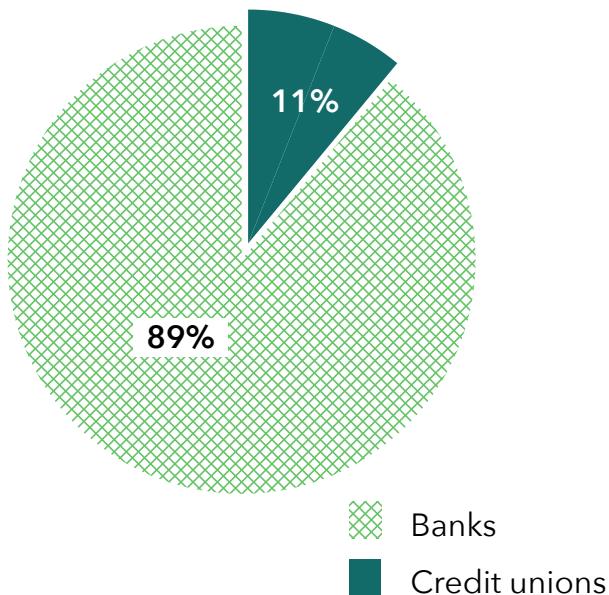
TENNESSEE

BANKING AND CREDIT ACCESS IN THE SOUTHERN REGION

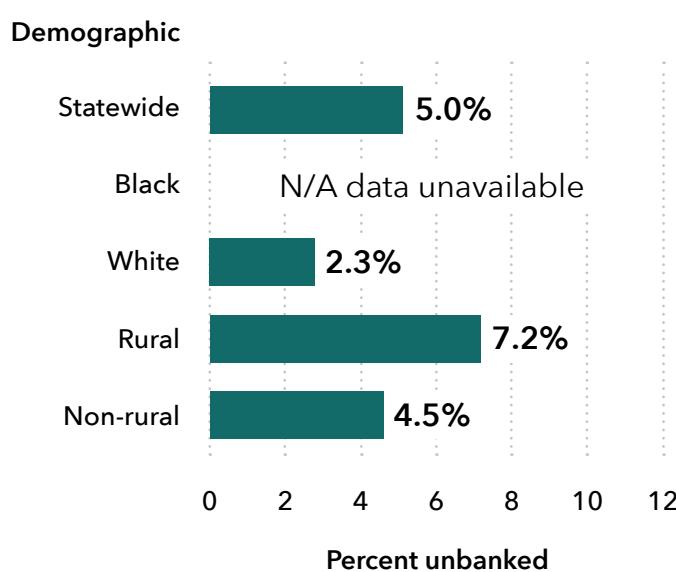
Tennessee demographics (thousands).

Demographic	Rural	Non-rural	Total
Non-Hispanic White	1,318	3,634	4,952
Black	92	1,022	1,114
Asian	8	109	117
Hispanic White	41	213	254
Other minority	23	115	138
Two or more races	27	106	132
60 and older	397	1,103	1,499
Household income less than \$40,000	273	714	987
Household income between \$40,000 and \$99,999	235	799	1,034
Household income over \$100,000	83	495	577
Tennessee population	1,508	5,201	6,709
Tennessee households	590	2,007	2,597
Number of county observations	53	42	95

Share of branches.



Unbanked rates, 2021.



TENNESSEE

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Mortgage lenders serving Tennessee, 2021.

Area	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Rural	19%	22%	16%	3%	39%	881
Non-rural	22%	23%	18%	3%	35%	1,200
Tennessee - total	23%	22%	19%	3%	33%	1,274
Southern region - total	29%	19%	23%	2%	26%	2,155
National	30%	15%	31%	2%	22%	4,332

Home purchase loan application denial rates, by credit score, race/ethnicity, rural, 2018 - 2021.

Credit Score	Race/ethnicity	Rural	Non-rural
Below 680	White	26%	23%
	Black	39%	32%
	Asian	31%	30%
	Hispanic	26%	24%
	Missing	38%	34%
	Total	30%	27%
680 or above	White	9%	7%
	Black	19%	14%
	Asian	14%	10%
	Hispanic	13%	11%
	Missing	17%	12%
	Total	11%	8%



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Home purchase loan originations in Tennessee, 2021.

Loan originations	Small bank	Large bank	Credit union	Affiliated mortgage company	Non-depository	All
Loans in rural counties	1,413	4,007	1,057	1,304	8,147	15,928
Government-backed	25%	35%	20%	56%	55%	45%
LMI borrowers	24%	24%	20%	26%	24%	24%
LMI neighborhoods	14%	11%	10%	12%	12%	12%
Minority borrowers	10%	6%	6%	9%	6%	7%
Loans in non-rural counties	5,428	20,547	4,987	5,192	47,974	84,128
Government-backed	21%	17%	12%	36%	38%	30%
LMI borrowers	24%	24%	27%	31%	29%	27%
LMI neighborhoods	14%	11%	10%	12%	12%	12%
Minority borrowers	16%	15%	16%	15%	17%	16%
Tennessee - total	6,841	24,554	6,044	6,496	56,121	100,056
Government-backed	22%	20%	13%	40%	41%	33%
LMI borrowers	24%	24%	26%	30%	28%	27%
LMI neighborhoods	16%	15%	16%	15%	17%	16%
Minority borrowers	15%	14%	10%	20%	15%	15%
Southern region - total	36,950	163,995	41,132	40,761	423,326	706,164
Government-backed	30%	23%	14%	41%	45%	37%
LMI borrowers	26%	25%	27%	28%	30%	28%
LMI neighborhoods	15%	14%	19%	15%	16%	16%
Minority borrowers	17%	20%	26%	28%	25%	24%
National	207,000	906,000	252,000	205,000	2,808,000	4,378,000
Government-backed	21%	15%	11%	37%	36%	29%
LMI borrowers	31%	25%	28%	29%	30%	29%
LMI neighborhoods	15%	15%	16%	15%	18%	17%
Minority borrowers	16%	22%	19%	27%	27%	25%

Note: The percentages in this table are cell percentages, not row or column percentages. Ex. Among all lenders, 15,928 home purchase loans were made in rural Tennessee. Of those, 45% were government-backed, 24% were to LMI borrowers, 12% were to LMI neighborhoods, and 7% were to minority borrowers.



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