

# 2020 Mortgage Market Activity and Trends:

A Conversation about 2020 Mortgage Lending Data

Prepared for presentation to the Community Bank Advisory Council & Credit Union  
Advisory Council | August 12, 2021



# Disclaimer

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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)

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- 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)

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- 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)

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- 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

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



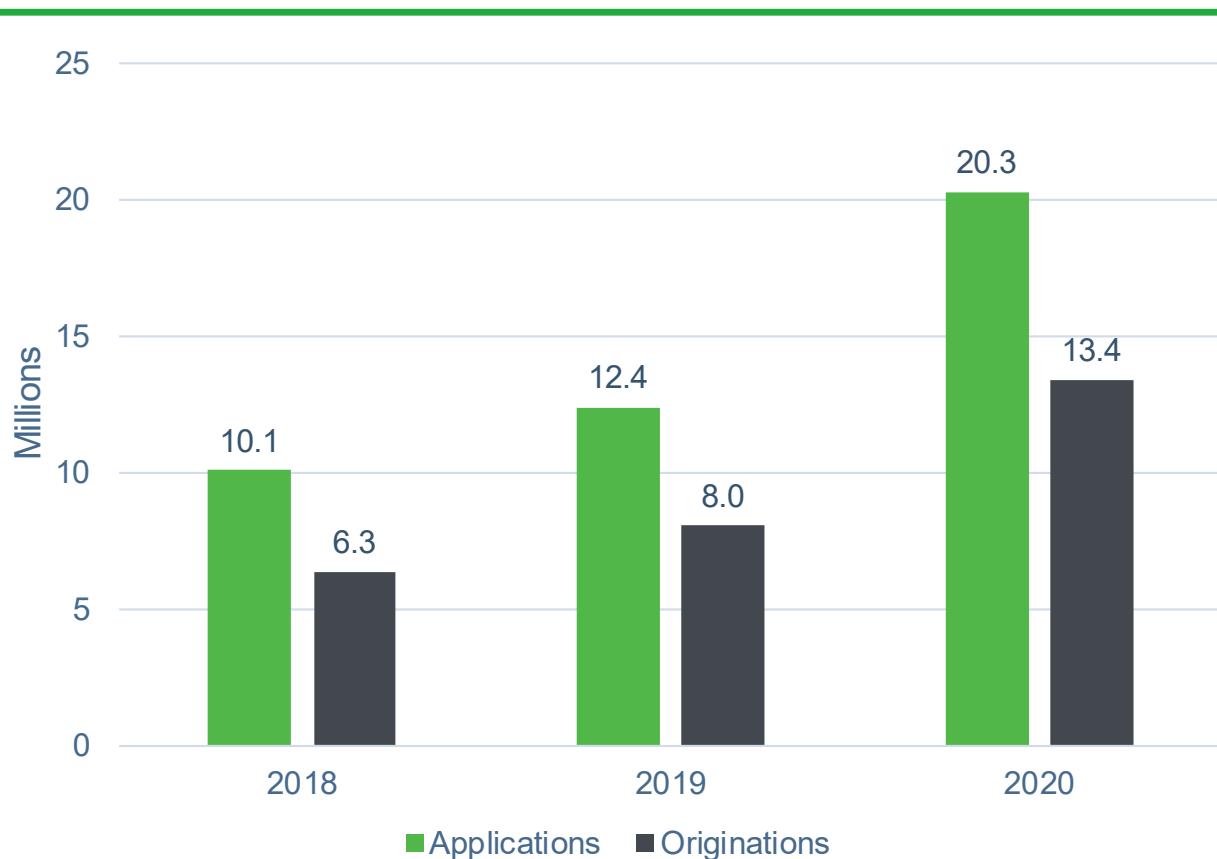
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# # of Reporters and Volumes

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- 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

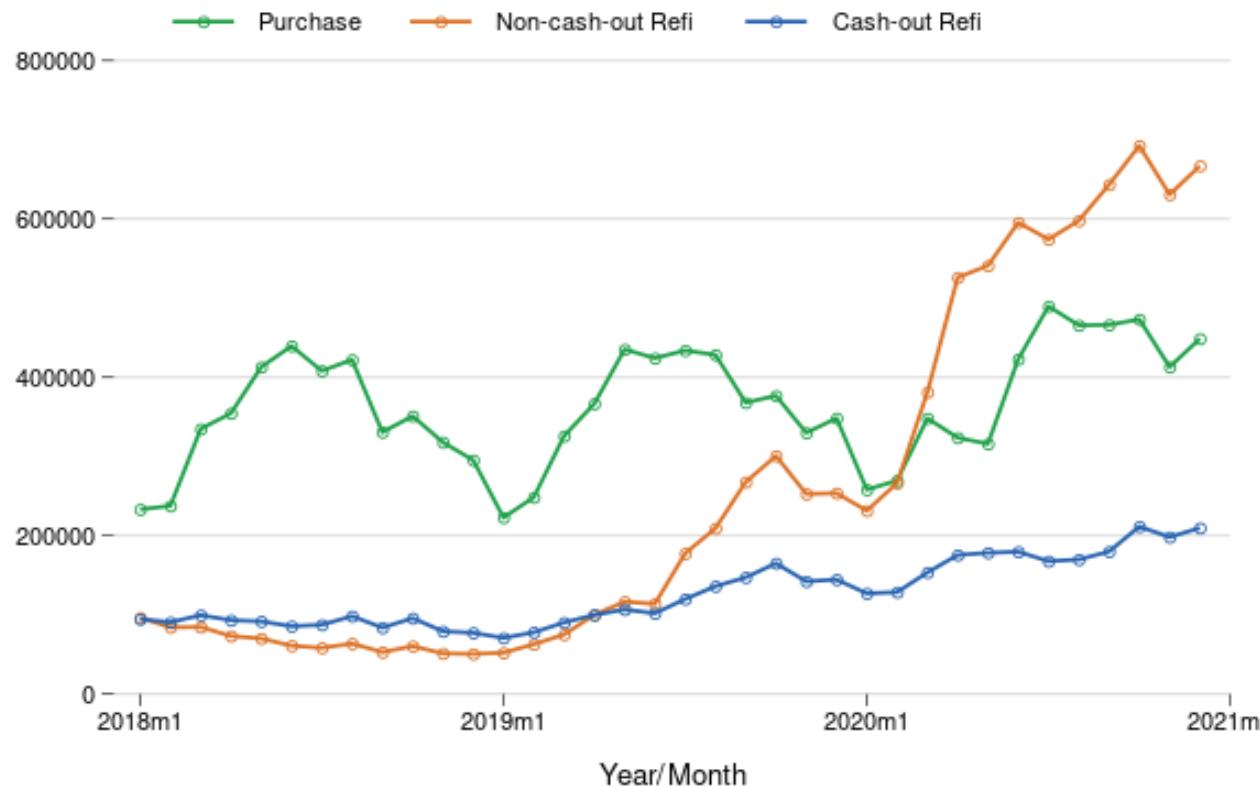


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Note: Single-family closed-end applications and originations.  
Source: "2020 Mortgage Market Activity and Trend," *forthcoming*.

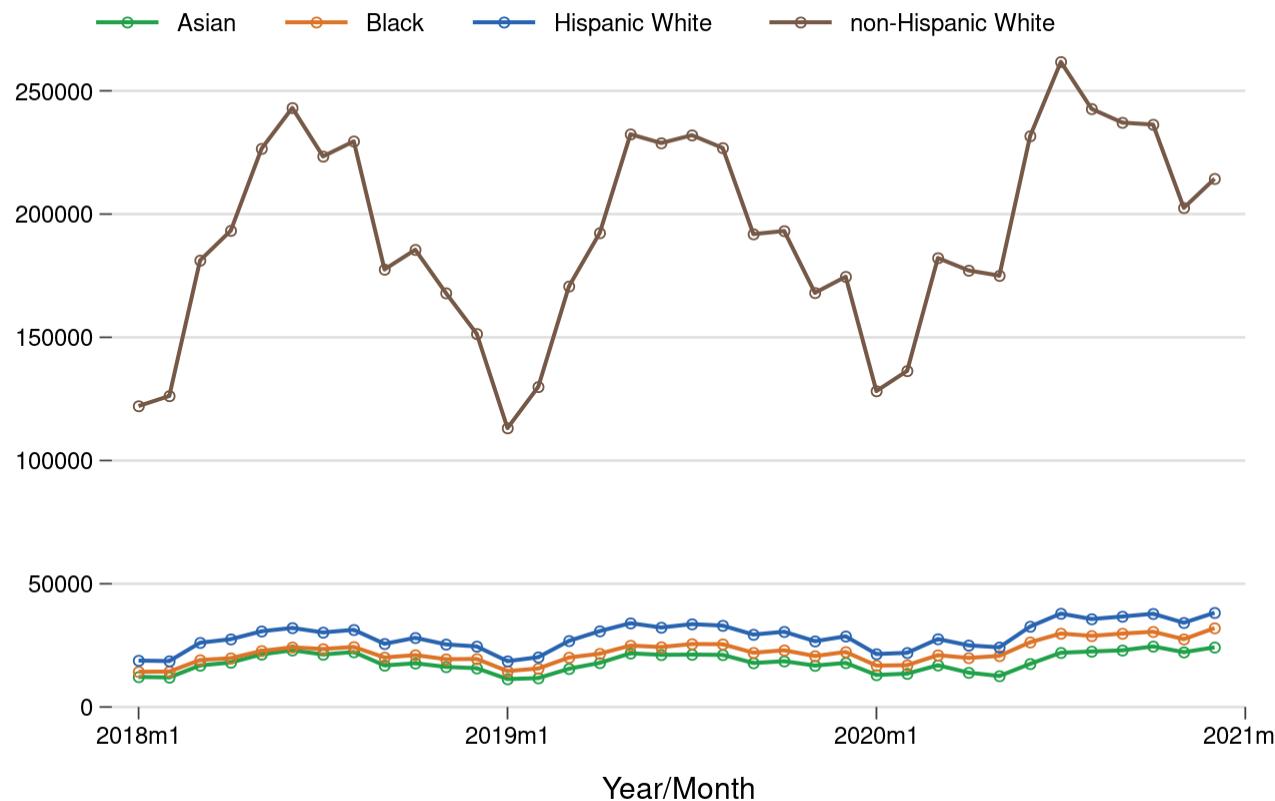
# Monthly Trend (# of originations)

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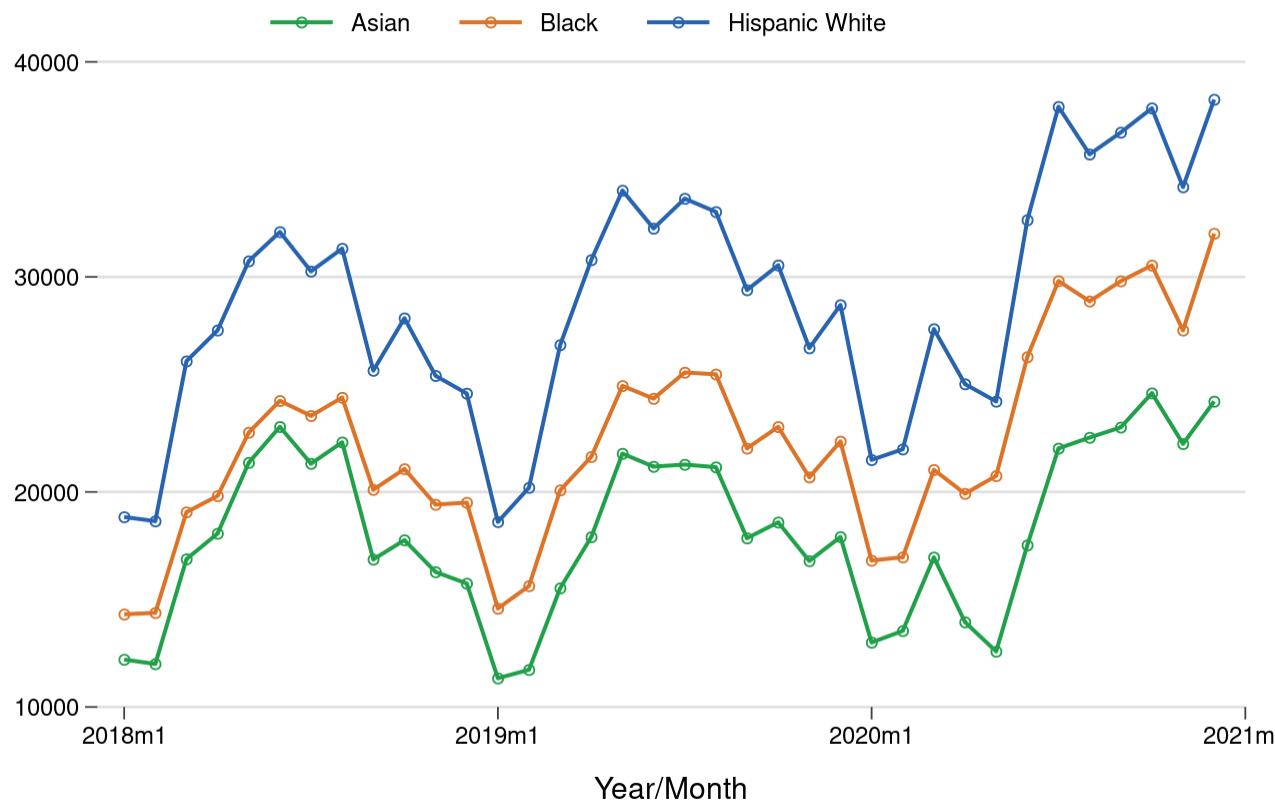


# # of Home-purchase Loan Originations by Race and Ethnicity

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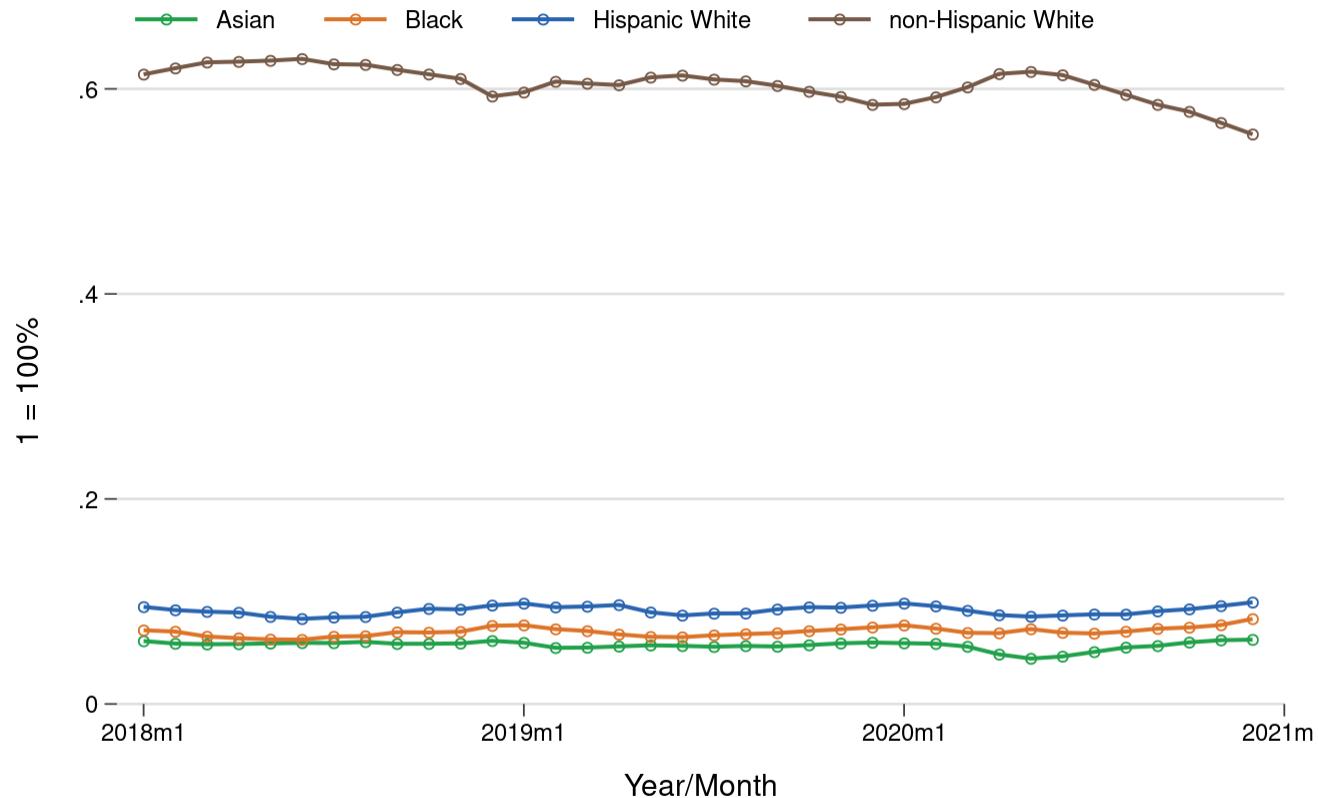
# # of Home-purchase Loan Originations (Minority Only)



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

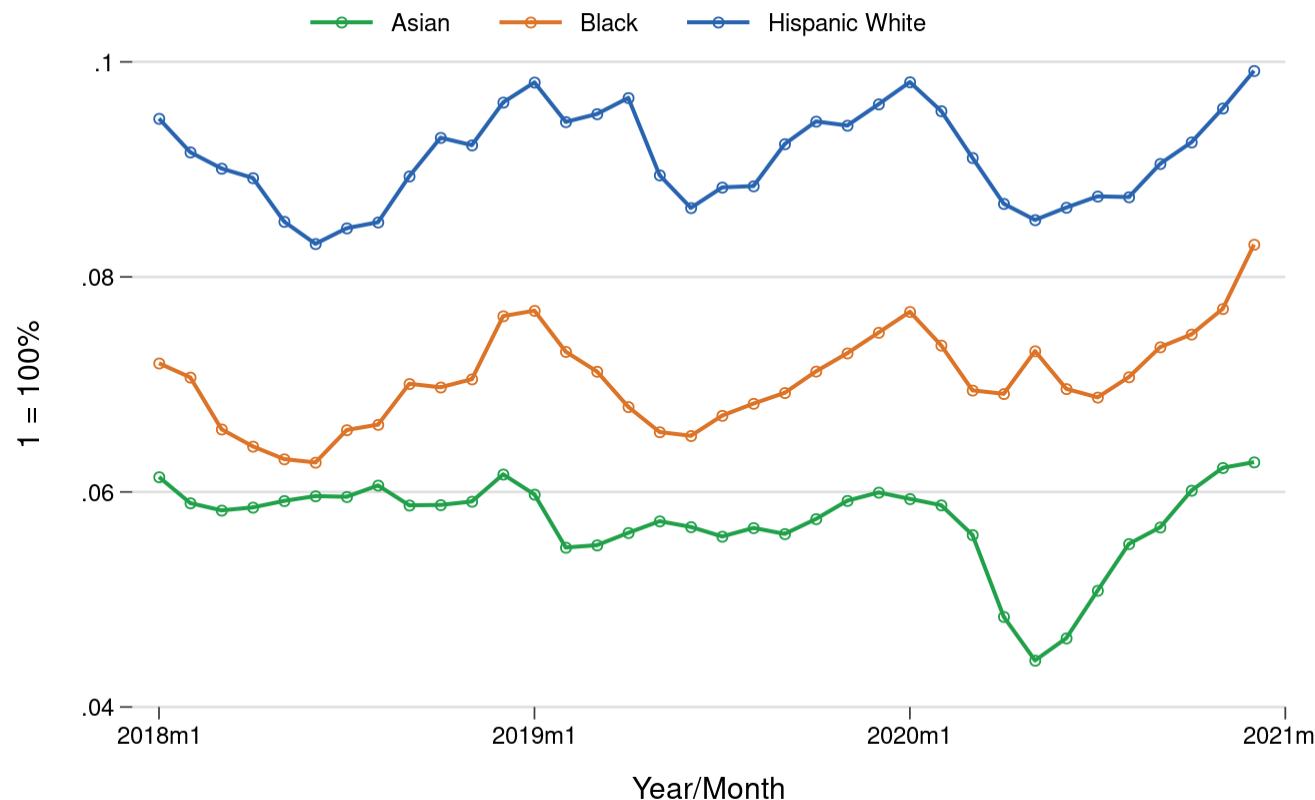
# Shares of Home-purchase Loan Originations by Race and Ethnicity



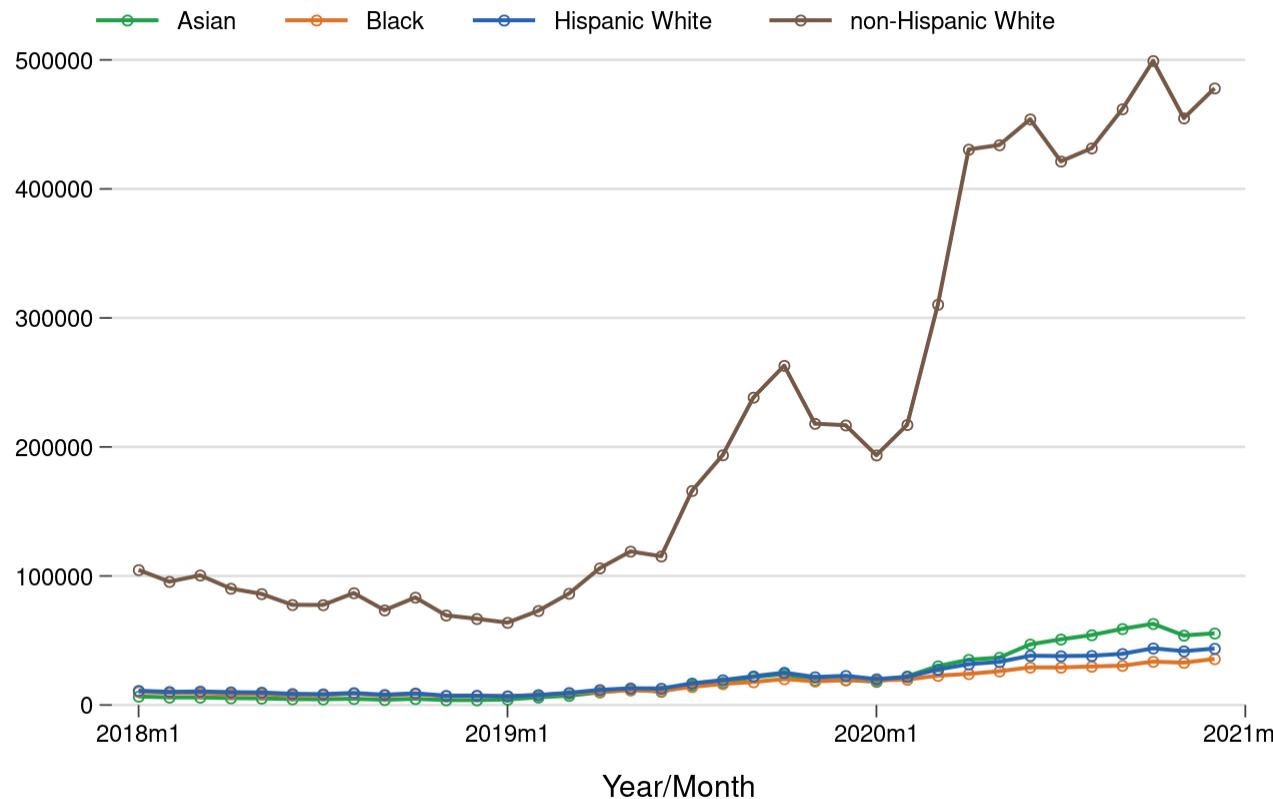
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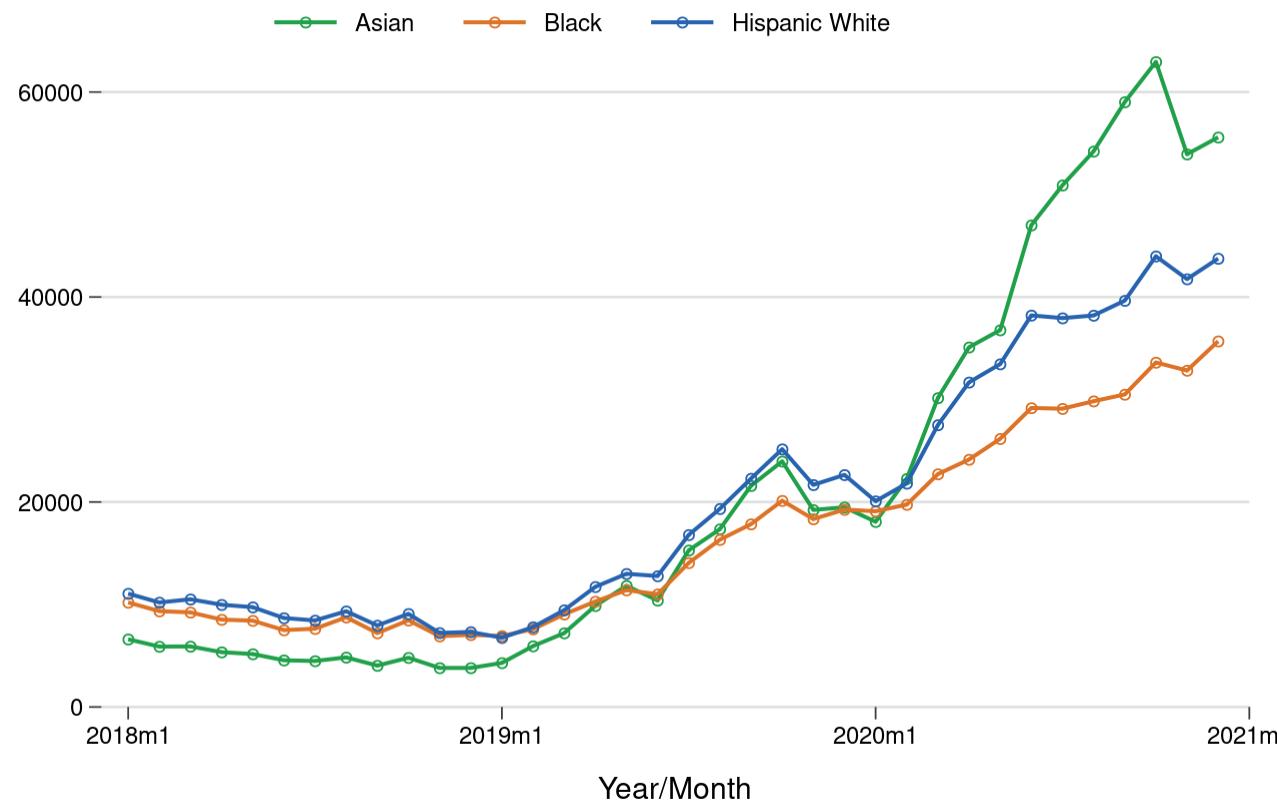
# # of Refinance Loan Originations by Race and Ethnicity



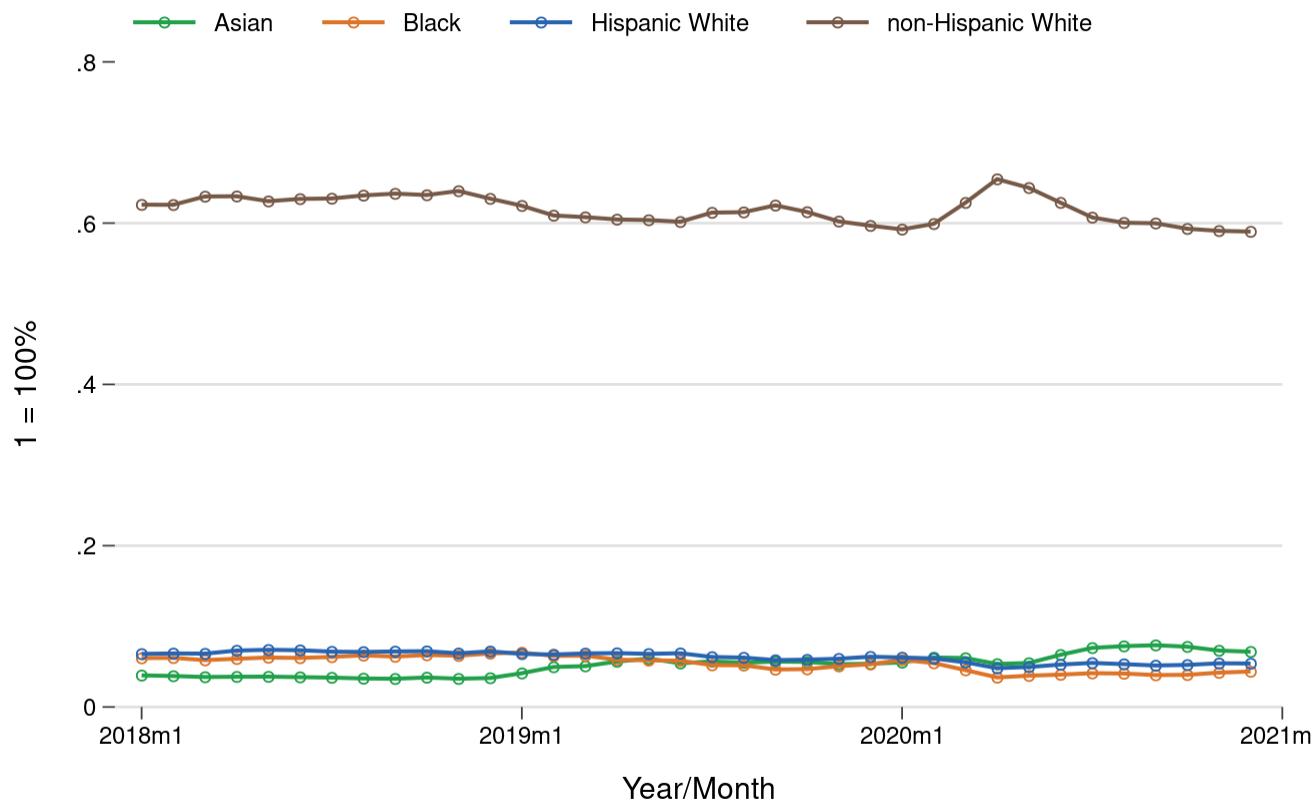
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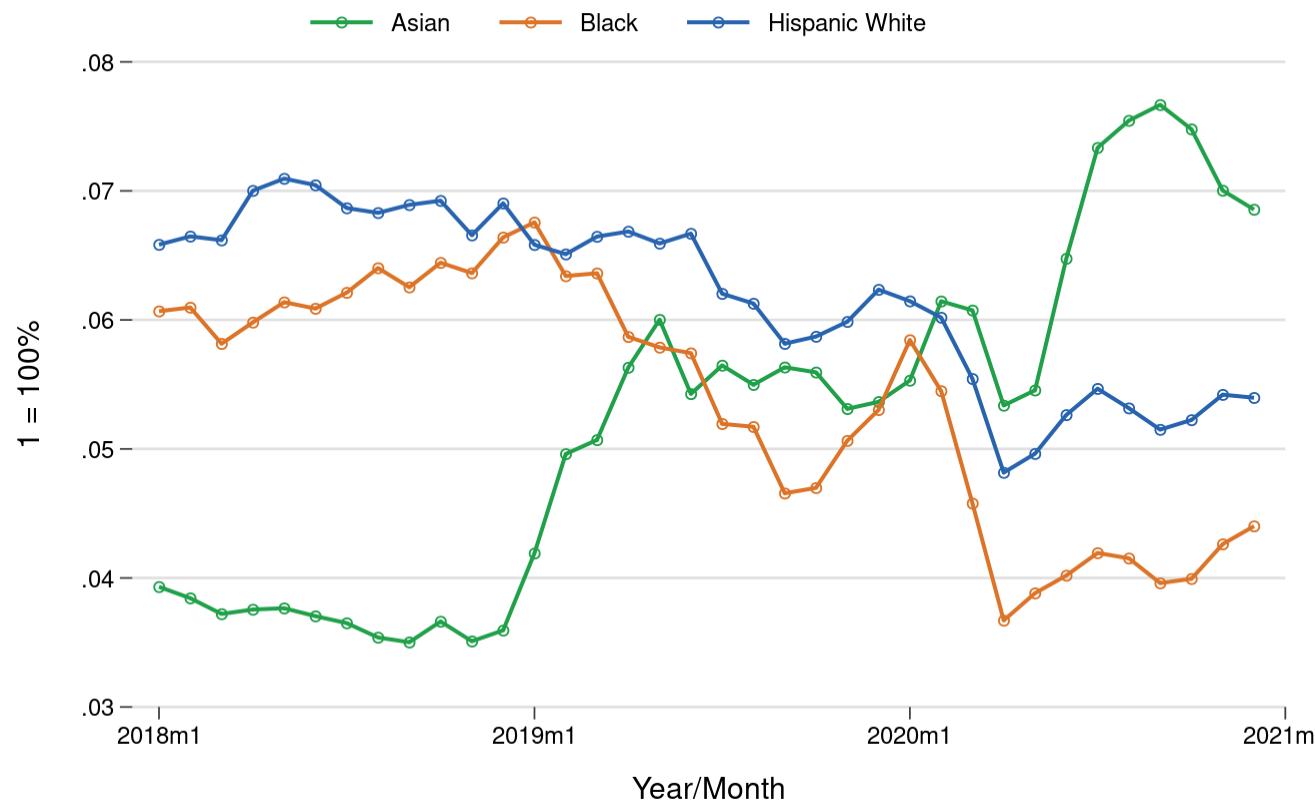
# # of Refinance Loan Originations (Minority Only)



# Shares of Refinance Loan Originations



# Shares of Refinance Loan Originations (Minority Only)



# Share of Home-Purchase Loans by Race and Ethnicity

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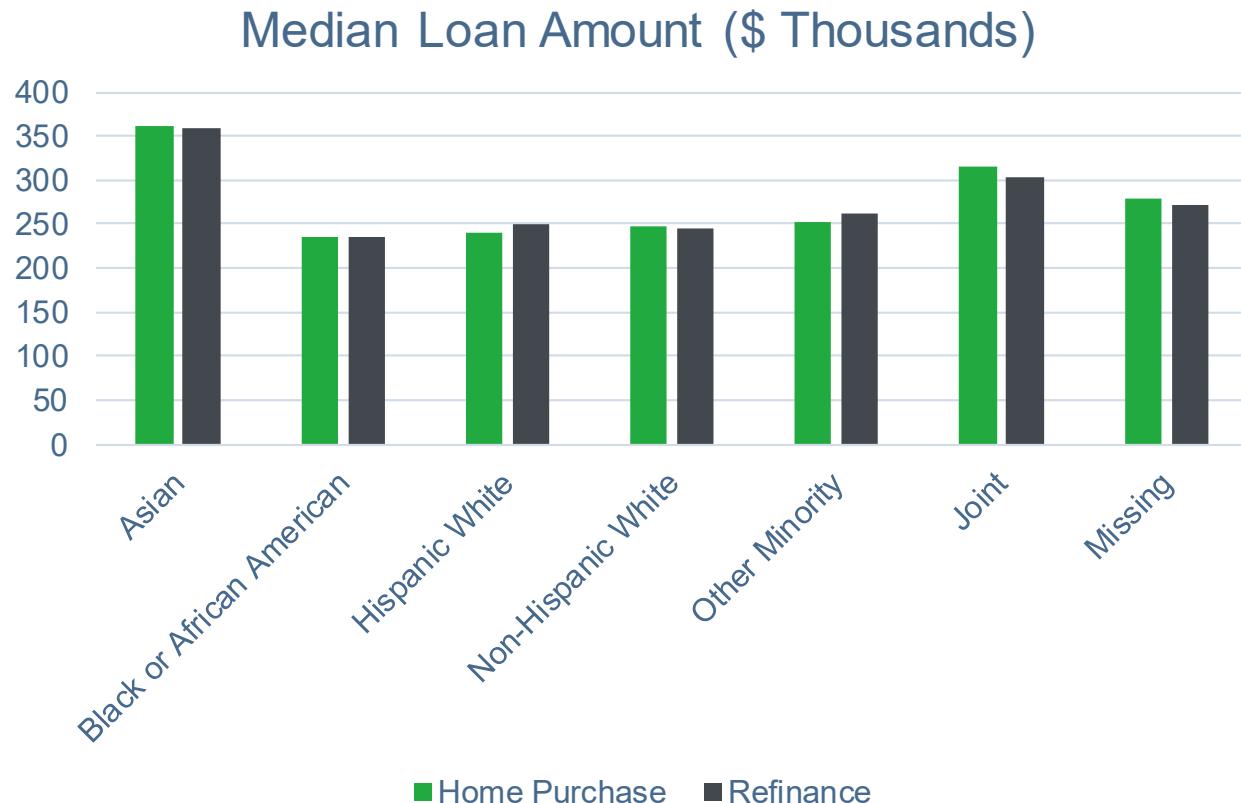


# Share of Refinance Loans by Race and Ethnicity



# Characteristics of Loans by Race and Ethnicity

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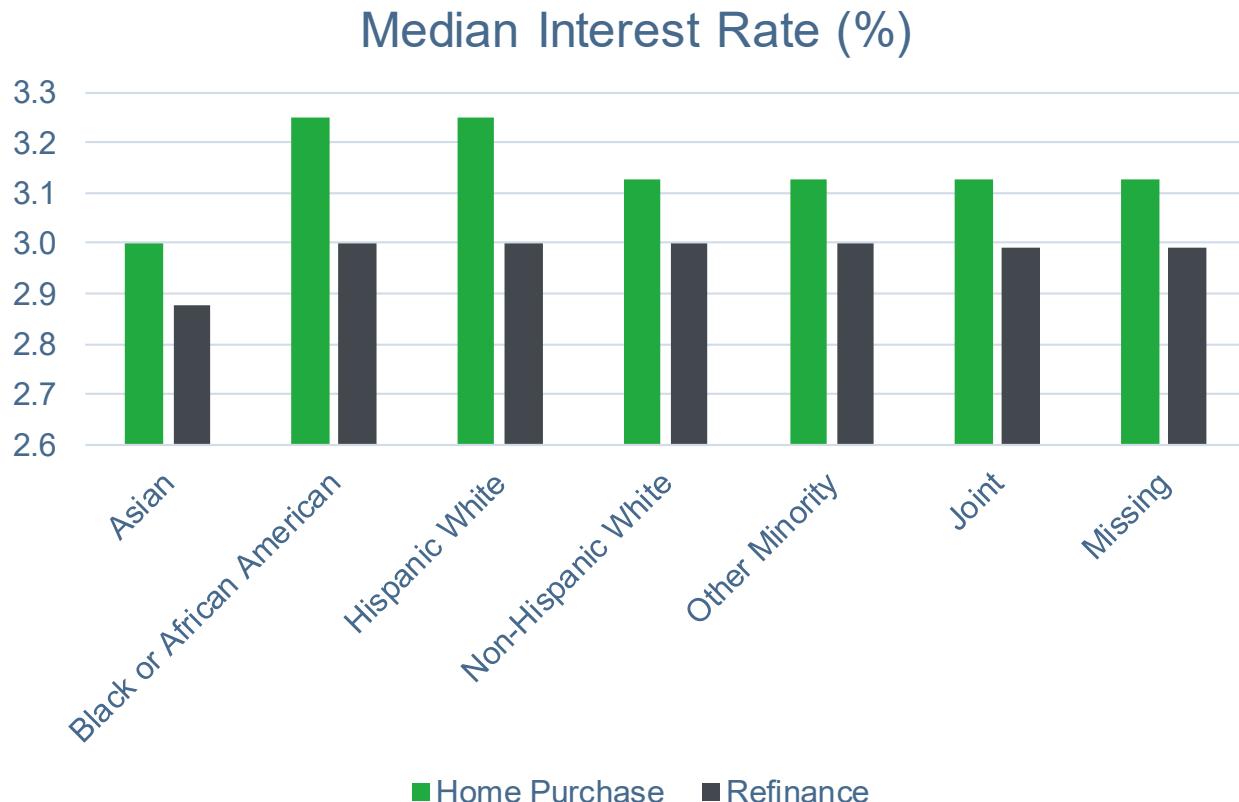
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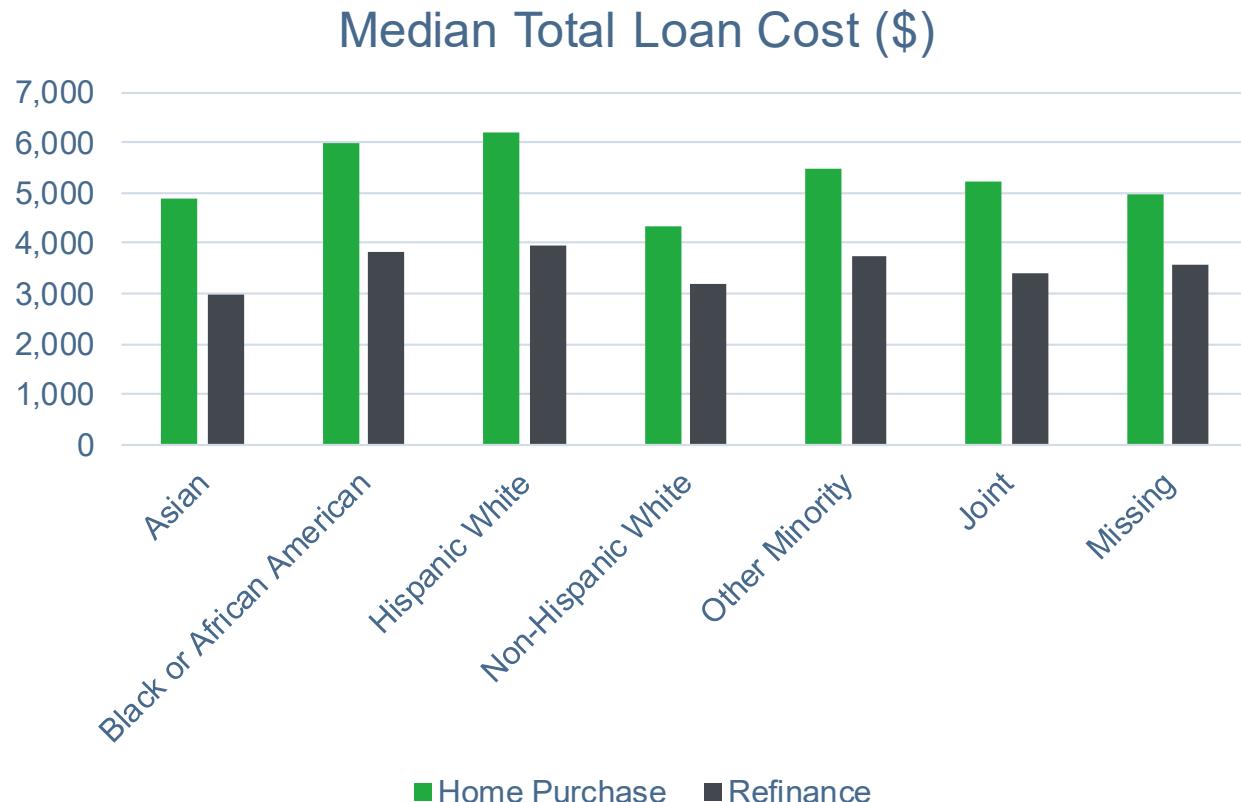
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# Characteristics of Loans by Race and Ethnicity

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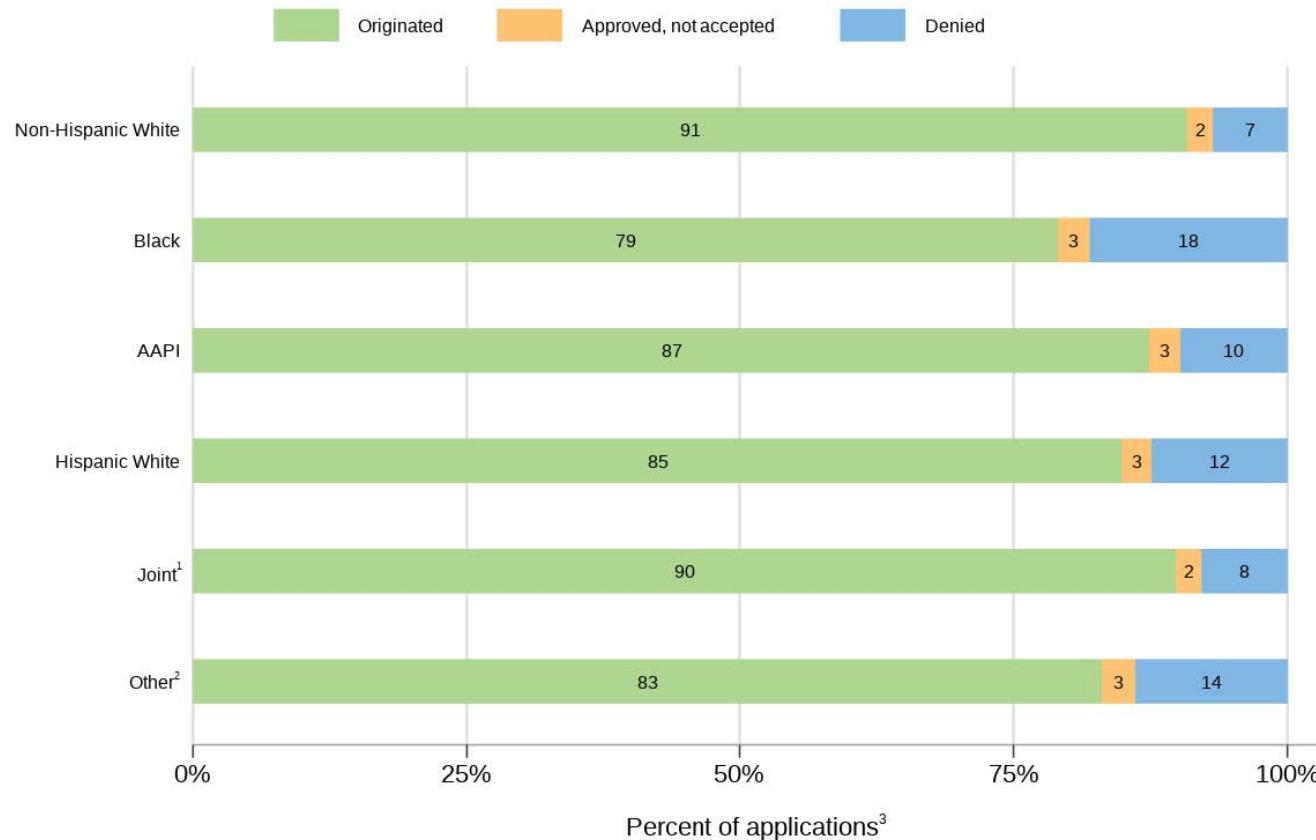
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Note: Single-family closed-end originations.

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

# Denial Rates by Race and Ethnicity

FIGURE 7: APPLICATION OUTCOMES BY RACE AND ETHNICITY

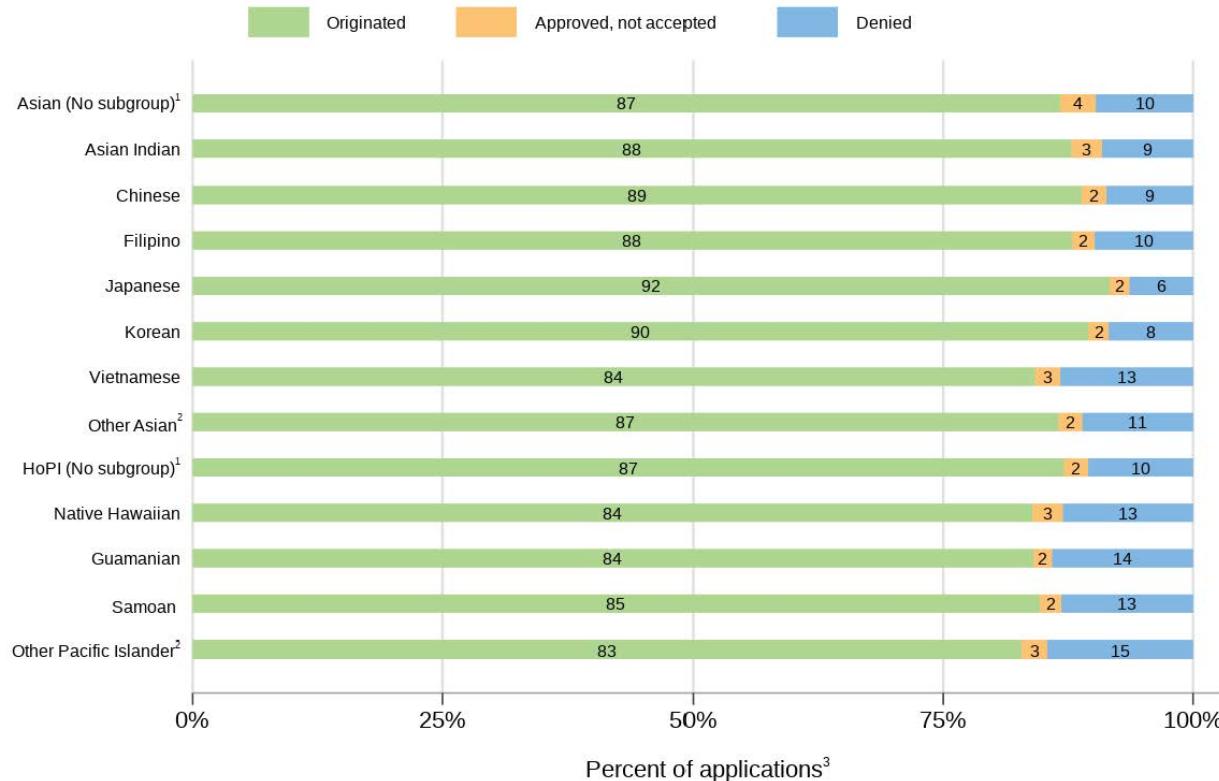


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Source: "AAPIs in the Mortgage Market," available at  
<https://www.consumerfinance.gov/data-research/research-reports/asian-american-and-pacific-islanders-in-the-mortgage-market/>.

# Denial Rates across AAPI Subgroups

FIGURE 8: APPLICATION OUTCOMES BY AAPI SUBGROUPS



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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/>.

# Lending Institutions, Closed End

	Type of institution					
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	All
<b>Number of institutions</b>	1,366	658	1,403	77	962	4,466
<b>Applications (thousands)</b>	972	4,763	1,795	776	12,642	20,948
<b>Originations (thousands)</b>	744	3,059	1,082	518	8,226	13,629
<b>Purchases (thousands)</b>	9	1,389	27	243	1,067	2,735
<b>SIZE DISTRIBUTION</b>						
<b>Institutions with originations &lt;25</b>						
<b>Number of institutions</b>	29	3	96	5	66	199
<b>Originations (thousands)</b>	<1	<1	1.3	<1	<1	2.2
<b>Institutions with 25 ≤ originations &lt; 100</b>						
<b>Number of institutions</b>	188	33	315	1	56	593
<b>Originations (thousands)</b>	13	2	19	<1	3	37
<b>Institutions with 100 ≤ originations &lt; 1000</b>						
<b>Number of institutions</b>	1,024	289	750	24	311	2,398
<b>Originations (thousands)</b>	347	145	269	11	141	913
<b>Institutions with 1000 ≤ originations</b>						
<b>Number of institutions</b>	125	333	242	47	529	1,276
<b>Originations (thousands)</b>	383	2,912	793	506	8,082	12,676



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

# Lending Institutions, Open End

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	Type of institution					
	Small bank	Large bank	Credit union	Affiliated mortgage company	Independent mortgage company	All
<b>Number of institutions</b>	44	224	524	10	136	938
<b>Applications (thousands)</b>	2	1,175	440	<1	38	1,655
<b>Originations (thousands)</b>	1	575	274	<1	19	869
<b>Purchases (thousands)</b>	<1	4	3	<1	<1	7
<b>SIZE DISTRIBUTION</b>						
<b>Institutions with originations &lt; 100</b>						
<b>Number of institutions</b>	39	22	236	9	127	433
<b>Originations (thousands)</b>	<1	<1	4	<1	<1	5
<b>Institutions with 100 ≤ originations &lt; 500</b>						
<b>Number of institutions</b>	5	25	97	1	3	131
<b>Originations (thousands)</b>	<1	6	16	<1	<1	23
<b>Institutions with 500 ≤ originations</b>						
<b>Number of institutions</b>	<1	177	191	<1	6	374
<b>Originations (thousands)</b>	<1	569	254	<1	18	841



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