Table B1.1

Table B1.1 shows the relationship between the distribution by race/ethnicity of population and of the originations. This relationship is captured in the disparity ratio. A disparity ratio of 100% indicates that the distribution of the population and originations are equal. For example, in 2011 and 2015 Hispanics received 40% and 44%, respectively, - less than half - of the originations for home purchases and renovations that would have been expected based on the distribution in the population of Hispanics in the Hartford MSA. For home purchases alone, that percentage improved and rose to 65% and 57%, for 2011 and 2015, respectively.

In 2011 Blacks received only 38% of the originations for home purchases and renovations that would have been expected based on the population of Blacks in the Hartford MSA. That percentage rose above half, to 54%, in 2015. For home purchases alone, that percentage rose to 57% and 64%, for 2011 and 2015, respectively.

In 2011 Whites received 112% of the originations for home purchases and renovations that would be expected based on the distribution of the population of whites in the Hartford MSA. That number remained above 100% for both years, and for home purchases alone. The disparity ratio was even higher for Asians reaching almost 200%, twice as many originations proportionately, in 2011 for home purchases.

Hartford MSA Summary
Hispanics and Blacks both in 2011 and 2015 received proportionately fewer originations (for both home purchases and renovations) than would be expected based on the distribution of their population in the Hartford MSA.

Both Whites and Asians in 2011 and 2015 received proportionately more originations (for both home purchases and renovations) than expected based on the distribution of their population in the Hartford MSA.

* We are making the assumption here that those making the loan applications for homes and renovations in Hartford are Hartford residents.

Table B1.2

There may be a variety of reasons for the disparity ratios, as seen in Table B1.1, to be greater or less than 100%. It may be that lenders are not racially blind. It may be that whites have greater assets and/or income and therefore would have a greater proportion of loans approved than would be indicated based on their distribution in the population. But the differences in the disparity ratios across race/ethnicity are very large especially considering that those completing applications most likely are aware of income and asset requirements. Perhaps some of the differences are due to who submits applications. In other words, it may be useful to examine disparity ratios based on the distribution of applications submitted by race/ethnicity rather than

by the distribution of population. When calculated in this manner, a disparity ratio of less than 100% would mean that originations for a race/ethnicity is less than in proportion to the distribution of applications submitted.

Hartford MSA Summary
While both Hispanics and Blacks in 2011 and 2015 received proportionately fewer approvals than expected based on the distribution of the applications submitted across race/ethnicity in the Hartford MSA, the disparity ratio was significantly closer to 100% - ranging from 77%-92%. The disparity ratio for Whites fell, but remained above 100%.

Table B1.3

In light of the results in Table B1.2, it appears as though the results in Table B1.1 - the very unequal disparity ratios based on the population distribution - may be due in large part to differences in the distribution of applications across race/ethnicity. So, how unequal is the distribution of applications? Table B1.3 shows the disparity ratio for applications based on the population. These numbers are very similar to those in Table B1.1, both for the Hartford MSA and for Hartford alone.   Therefore, one should not be surprised when the origination based on population are so disproportionate because the applications based on population are similarly disproportionate.

The source of the disproportionately low applications of Hispanics and Blacks may be due to a variety of reasons: self-selection based on knowledge of income/asset requirements, self-selection based on misinformation, lack of access to banks, lack of familiarity of borrowing practices, active discouraging by bankers, etc. While, as seen in Table B1.2, there are still significant differences in originations based on applications the reason for which needs to be explored, increasing the number of applications by Hispanics and Black should result in less unequal origination disparity ratios.