



Housing Opportunities Made Equal of Virginia, Inc.

Contact:

Mike Burnette, Housing Opportunities Made Equal of Virginia, Inc. (HOME)
(804) 354-0641 x118, mburnette@HOMEofVA.org

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Mortgages to Minorities Limited in the City of Richmond

HOME study shows disparities in lending by the five largest mortgage lenders in the city

RICHMOND –Housing Opportunities Made Equal of Virginia, Inc. (HOME) has released a report called [*Mortgage Lending in the City of Richmond: An Analysis of the City's Lending Institutions*](#) which outlines some clear differences in loan approval between white and minority borrowers in the City of Richmond.

The report, commissioned by the City of Richmond, shows significant disparities in the origination and denial rates of loans based on the race/ethnicity of the applicant and the minority composition of the neighborhood. Black applicants, **regardless of income**, were less likely to receive a home purchase loan or refinance loan. In fact, the disparity between black and white loan outcomes increased according to income.

The report, limited in scope to the City of Richmond only, evaluates lending patterns of the five largest lenders in the city in aggregate, meaning the report did not single out individual companies' disparity in lending.

Between 2010 and 2013, white borrowers received 1,243 home loans, black borrowers received 112, and Hispanic borrowers received just 24. In refinanced loans, white borrowers received 2,720 home loans, black borrowers received 382, and Hispanic borrowers received 46.

The city's lending institutions have a responsibility to meet the credit needs of the community. The disparity in the number of loans made to white borrowers compared to black and Hispanic borrowers is of grave concern. White borrowers accounted for 90 percent of home purchase loan origination and 86 percent of refinance loan originations. The current demographic composition of the city is 48 percent black, 40 percent white, and 6 percent Hispanic, clearly shows how under-represented black and Hispanic borrowers are in the mortgage market.

The report outlines several strategies that the City and lenders can undertake together to increase lending to low-income and minority residents.

You can read the [full report here](#).

Housing Opportunities Made Equal of Virginia, Inc. (HOME), founded in 1971, is a statewide housing counseling and fair housing non-profit. HOME's mission is to ensure equal access to housing for all people. Learn more about HOME and all of its services at www.HOMEofVA.org.
