

Fewer Applications, Falling Denial Rates

Identifying Home Loan Trends in Tennessee from Home Mortgage Disclosure Act (HMDA) Data

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INTRODUCTION

This report provides an overview of mortgage market activity and lending patterns in Tennessee using the Home Mortgage Disclosure Act (HMDA) data from 2005 until 2014 and compares different demographic groups and lender types. To determine if there are any particular trends in mortgage loan applications, originations and denials in Tennessee, ten years of HMDA data is included in the analysis. All the information provided in this report is related to the mortgage loan applications in Tennessee, unless noted. This is the second annual report utilizing HMDA for a Tennessee-specific examination.

1. What is HMDA?

The HMDA data are the most comprehensive source of publicly available information on the mortgage market. The HMDA data are useful in determining whether financial institutions are serving the housing needs in their communities and in identifying possible discriminatory lending patterns. HMDA data can be used in identifying overall market trends in residential financing even though it does not include all residential loan applications because some institutions are exempt from HMDA reporting requirements.

The HMDA requires many depository and non-depository lenders to collect and disclose information about housing-related loans (including home purchase, home improvement and refinancing) and applications for those loans in addition to applicants' and borrowers' income, race, ethnicity and gender. The law governing HMDA was enacted in 1975, initially falling within the regulatory authority of the Federal Reserve Board. In 2011, regulatory authority was transferred to the Consumer Financial Protection Bureau.¹ Whether an institution is required to report depends on its asset size, its location, and whether it is in the business of residential mortgage lending.²

In this report, we also looked at Tennessee Housing Development Agency's (THDA's) share in Tennessee home loans market in 2014. THDA does not report to HMDA because THDA is not the direct lender, but the lenders originating the loans for THDA borrowers report to HMDA. We compared the home purchase loans reported in HMDA data files in Tennessee in 2014 with the THDA loan portfolio.

2. Key Findings

- In 2014, 262,821 home purchase, refinancing and home improvement loan applications for one-to four-family dwellings were submitted to financial institutions in Tennessee. In 2014, both the loan applications and originations were lower than 2013. Both loan applications and loan originations were at their lowest levels in the 10-year study period. In fact, the loan originations

¹ History of HMDA, <http://www.ffiec.gov/hmda/history2.htm>

² Banks, credit unions or saving associations (institutions) that had a home or branch office in a Metropolitan Statistical Area (MSA); whose total assets exceeded the coverage threshold on the preceding December 31 and that originated at least one home purchase loan (excluding temporary financing such as a construction loan) or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling, in the preceding calendar year, must report. The exemption threshold of the HMDA data changed over the years. In December 2014, the CFPB increased the asset exemption threshold for depository institutions to \$44 million for data collection in 2015, and did not change the exemption thresholds for non-depository institutions. The institutions that are not federally insured or regulated are exempt from reporting. Also, the originated loans that are not insured, guaranteed or supplemented by a federal agency are not reported. For more information about HMDA data fields see: A Guide to HMDA Reporting: Getting it Right (Edition effective January, 1, 2013), *Federal Financial Institutions Examination Council*, at <http://www.ffiec.gov/hmda/pdf/2013guide.pdf>

in 2014 was 50 percent of the number of loans originated in Tennessee in 2005, which was the peak year of loan origination.

- Five large lenders, including Regions, Quicken Loans, Mortgage Investors Group (MIG), Wells Fargo and First Community Mortgage originated nearly one fifth of all the loans, in 2014.
- In 2014, 57 percent of all first-lien home purchase loans originated for one- to four-family owner-occupied homes were conventional, while 21 percent were Federal Housing Administration (FHA)-insured, 13 percent were insured by the Veterans Administration (VA) and 10 percent were Farm Services Agency (FSA)/Rural Housing Services (RHS)-insured. While the share of conventional loans and loans insured by VA and FSA/RHS increased compared to their level in 2013, the share of FHA-insured loans declined in 2014.
- Conventional home purchase loan originations, while increased from the lowest level of 41 percent in 2010, was still substantially lower than the peak level of 85 percent that was reached in 2005 and 2006.
- Minority and lower income borrowers used nonconventional government-insured (FHA, VA and/or FSA/RHS insured) loans more often than conventional loans. In 2014, 73 percent of all African-American/black borrowers and 61 percent of all Hispanic or Latino borrowers used nonconventional loans for home purchase, while in the same year, only 43 percent of all home purchase loans were nonconventional. Low-income borrowers also mostly used nonconventional loans in 2014.
- In 2014, the average loan amount for VA-insured loans was higher than the average conventional loan amount. The applicants who used VA insurance also had higher average incomes than borrowers with FHA-insured and FSA/RHS-insured loans.
- In 2014, the denial rate of all borrowers in different race categories (including conventional and nonconventional loans) who applied for a home purchase loan was 12.4 percent in Tennessee. With 20.6 percent, black or African American borrowers had the highest denial rate in 2014. Denial rates for all race categories were lower in 2014 compared to 2013. In fact, including conventional and nonconventional loans, the denial rates in 2014 were the lowest between 2005 and 2014, regardless of borrower's race.
- In 2014, THDA funded 15.5 percent of all comparable FHA-insured first lien home purchase loans in Tennessee, which was one percentage point lower than THDA's share in the FHA-insured mortgage loans market in 2013.

PART A. TENNESSEE HMDA DATA ANALYSIS

I. MORTGAGE APPLICATIONS AND ORIGINATIONS

In 2014, 1,032 institutions reported data on 262,821 home mortgage applications in Tennessee. These loan applications in 2014 led to 130,220 loan originations, a 56 percent approval rate³, in the amount of approximately \$22 billion. The number of both applications and originations in 2014 were lower than they were in 2013. In the nation, similar to Tennessee, the number of reporting institutions and the number of mortgage loans reported also declined in 2014 compared to 2013. Although both the number of reporting institutions and number of applications fluctuated widely, in 2014, the number of applications was at the lowest level in the 10-year period covered in this report. Except temporary peak levels created mostly by increased refinance activity through historically low interest rates and mortgage modification programs in 2009 and 2012, the mortgage loan applications in Tennessee were in a downward trend for this 10-year period. Regulatory changes such as the ability to pay rule and qualified mortgage rule and the significant changes to the Home Ownership and Equity Protection Act (HOEPA) were among the reasons for the decline in mortgage loan applications and originations despite the continued low interest rates (Bhutta, Popper, and Ringo, 2015). These new regulations resulted in greater scrutiny on a borrower's ability to pay debts secured by a dwelling or changed definitions around mortgages such that more mortgages would fall into the High Cost category and thus be viewed as greater risks. The sum result was a contracting of available mortgage lending.

Table 1. Number of Reporting Institutions, Total Number of Applications and Originations and Dollar Value of Loans Originated by Year, 2005-2014, Tennessee

| Activity Year | Number of Reporting Institutions | Number of Applications | Number of Loans Originated | Dollar Value⁴ of Loans Originated |
|----------------------|---|-------------------------------|-----------------------------------|---|
| 2005 | 1,198 | 637,308 | 259,778 | \$30,098,732 |
| 2006 | 1,299 | 608,566 | 252,001 | \$30,733,054 |
| 2007 | 1,268 | 512,117 | 217,392 | \$29,398,208 |
| 2008 | 1,185 | 365,839 | 163,188 | \$23,883,211 |
| 2009 | 1,126 | 406,028 | 187,776 | \$29,506,366 |
| 2010 | 1,034 | 335,917 | 153,282 | \$24,100,292 |
| 2011 | 983 | 304,377 | 137,943 | \$21,726,542 |
| 2012 | 1,012 | 373,362 | 180,686 | \$29,927,384 |
| 2013 | 1,053 | 358,454 | 172,612 | \$28,097,932 |
| 2014 | 1,032 | 262,821 | 130,220 | \$22,211,166 |

In reviewing the 10 years of data found in Table 1, 2014 saw a 25 percent decline in the number of loans originated from 2013. Similarly, the dollar value of loans originated declined by 21 percent compared to 2013. This is the lowest level of originations in the ten years covered in this report, down 50 percent from the 2005 peak.

³ Excluding the applications withdrawn by applicant and files closed for incompleteness.

⁴ Nominal dollar value.

In 2014, 15 institutions originated more than 36 percent of all the loans. The five lenders with the highest number of loan originations were Regions Bank, Quicken Loans, Mortgage Investors Group (MIG), Wells Fargo and First Community Mortgage, respectively. Of 1,032 institutions reporting to HMDA, 128 institutions did not have any loans originated.⁵ JP Morgan Chase had the fourth highest number of loans applications in 2014, but only 15 percent of those reported loans were originated in 2014. Wells Fargo has originated the highest number of mortgage loans in Tennessee since 2009, and even when it was not the institution with most loans, it was always among the first four institutions with the highest number of loan originations during the 10-year period. Mortgage Investors Group (MIG) was among the top 10 institutions with the highest number of loans originated in the 10-year period in Tennessee. MIG has been the top originating agent of Tennessee Housing Development Agency (THDA) loans for over 10 years.

II. HOME PURCHASE VERSUS REFINANCE⁶

According to HMDA data, in 2014, 245,935 home purchase, refinancing and home improvement loan applications for one- to four-family dwellings were submitted⁷ to financial institutions in Tennessee. In the same year, there were an additional 601 reported loan applications for multifamily dwellings and 16,285 applications for manufactured homes.

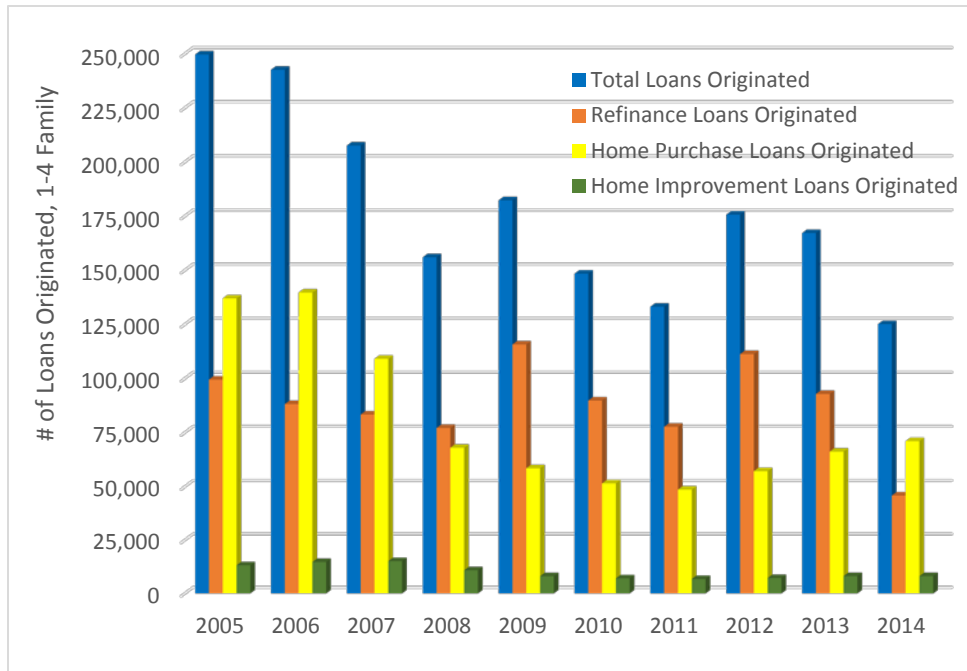
In 2014, similar to the previous year, the annual decline in loan applications and originations was mostly the result of the decline in refinancing activity. As Figure 1 displays, in 2013 and 2014, the number of refinance loans originated for 1 one- to four-family dwellings declined. Every year since the financial crisis in 2008, a relatively higher proportion of all loans originated for one- to four-family dwellings were for the purpose of refinance rather than home purchase until 2014. In the years following the financial crisis, declining interest rates encouraged the mortgage borrowers to refinance their previously high interest rate loans. During that period after the crisis, a majority of mortgage activity was for refinancing purposes rather than home purchasing. As the interest rates started increasing from their historically low levels, the refinance activity slowed down, and home purchase mortgages increased. In 2014, 57 percent of all loans originated by reporting lending institutions were for home purchase and 37 percent were for refinancing. In 2009, for example, 63 percent of all loans originated in Tennessee were for refinance purposes.

⁵ Institutions also report the loans that were originated before and they purchased from other institutions during the calendar year. It is also possible that some lenders had loan applications, but those were denied or withdrawn by the borrower and were not originated.

⁶ First lien owner-occupied, one- to four-family mortgage loans originated for home purchase and refinance purposes in 2013 and 2014 by county can be found in Appendix A.

⁷ That number also includes the loans originated in the previous years and purchased by the financial institutions during the year, and preapproval requests.

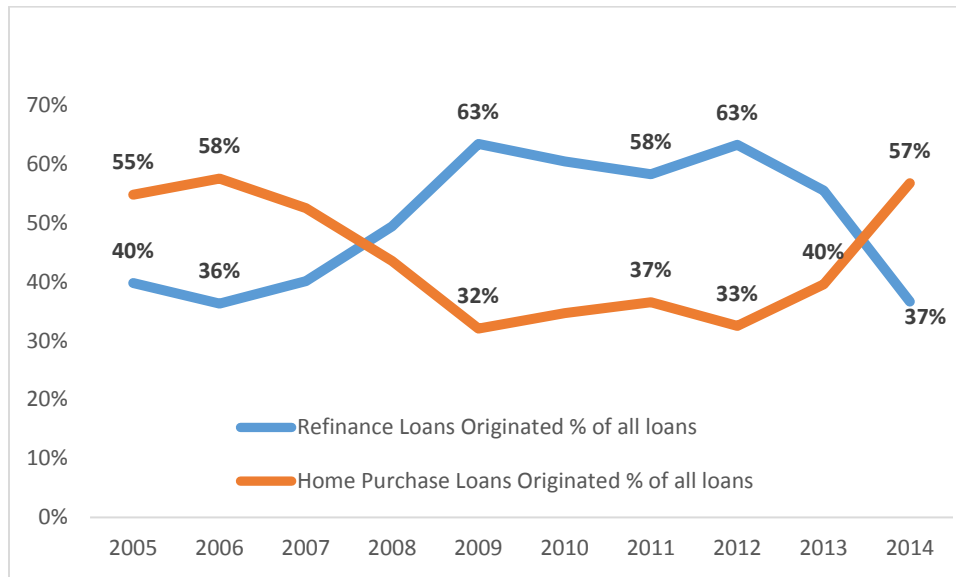
Figure 1. The Number of Mortgage Loans Originated, 1-4 Family Dwellings, 2005-2014, Tennessee



While overall originations are at their lowest in 10 years, home purchases are on the rise. In 2014, the applications for one- to four-family dwellings home purchase loans were two percent lower than previous year, but the originations were seven percent higher than 2013. This continues the upward trend in purchase originations occurring since 2011. Refinance mortgage loan originations for one- to four-family properties declined by 51 percent from 2013 to 2014, in Tennessee. This is consistent with the national trend where in 2014, the refinance mortgage loan originations for one- to four-family homes in the nation declined by 55 percent compared to 2013.⁸

⁸ Neil Bhutta, Jack Popper, and Daniel R. Ringo (2015), "The 2014 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, vol. 101 (November), http://www.federalreserve.gov/pubs/bulletin/2015/pdf/2014_HMDA.pdf

Figure 2. The Percent of Home Purchase and Refinance Mortgage Loan Originations in Total Loan Originations, 1-4 Family Dwellings, 2005–2014, Tennessee



Tennessee’s peak year for the refinancing loan origination was 2009. In that year, the refinancing of mortgages for one- to four-family homes increased by 50 percent annually. The Home Affordable Refinance Program (HARP) that started in March 2009 and historically low mortgage interest rates were possible reasons for this substantial increase. Another big jump in the refinancing loans happened in 2012 when the loans originated for refinance purpose increased by 43 percent annually with a volume almost matching that of 2009. However, both in 2013 and 2014, the refinance loan originations declined. In 2014, 37 percent of all loans originated were for refinance purposes, down from 56 percent in 2013 (see Figure 2).

In Table 2, the number of loans reported to HMDA and various types of action taken by the financial institutions are separated for one- to four-family, manufactured and multifamily dwellings, and the loans for one- to four-family dwellings are further separated based on the loan purpose (purchase, refinance and home improvement).

Table 2. The Number of Loans Reported and Action Taken by the Financial Institutions, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1-4 Family | | | | | | | | | | |
| <i>Home Purchase</i> | | | | | | | | | | |
| Reported* | 263,386 | 274,524 | 208,406 | 128,363 | 118,638 | 103,839 | 98,742 | 113,508 | 128,899 | 126,868 |
| Originated | 136,983 | 139,701 | 109,089 | 68,014 | 58,509 | 51,531 | 48,691 | 57,175 | 66,207 | 71,069 |
| Denied | 27,896 | 30,772 | 22,986 | 13,178 | 9,544 | 8,794 | 8,746 | 10,815 | 11,663 | 10,178 |
| Purchased** | 56,162 | 65,645 | 49,407 | 30,998 | 37,257 | 32,500 | 30,869 | 33,452 | 36,210 | 31,450 |
| Other*** | 42,345 | 38,406 | 26,924 | 16,173 | 13,328 | 11,014 | 10,436 | 12,066 | 14,819 | 14,171 |
| <i>Refinancing</i> | | | | | | | | | | |
| Reported | 304,721 | 271,172 | 241,947 | 194,989 | 259,264 | 204,643 | 174,109 | 226,436 | 194,628 | 101,059 |
| Originated | 99,488 | 88,152 | 83,347 | 77,133 | 115,722 | 89,818 | 77,683 | 111,247 | 92,850 | 45,902 |
| Denied | 82,274 | 72,496 | 71,222 | 53,211 | 40,090 | 34,880 | 30,917 | 35,426 | 36,566 | 24,410 |
| Purchased | 34,052 | 37,561 | 34,354 | 28,452 | 59,245 | 42,693 | 30,675 | 36,017 | 25,970 | 9,681 |
| Other | 88,907 | 72,963 | 53,024 | 36,193 | 44,207 | 37,252 | 34,834 | 43,746 | 39,242 | 21,066 |
| <i>Home Improvement</i> | | | | | | | | | | |
| Reported | 35,528 | 36,252 | 36,081 | 27,157 | 17,118 | 14,056 | 14,064 | 16,029 | 16,806 | 18,008 |
| Originated | 13,189 | 14,752 | 15,171 | 10,865 | 8,089 | 7,080 | 6,793 | 7,241 | 8,126 | 8,145 |
| Denied | 13,782 | 14,465 | 14,455 | 11,129 | 5,488 | 4,944 | 5,393 | 6,584 | 6,674 | 7,490 |
| Purchased | 804 | 1,398 | 1,106 | 1,458 | 1,084 | 685 | 600 | 720 | 547 | 465 |
| Other | 7,753 | 5,637 | 5,349 | 3,705 | 2,457 | 1,347 | 1,278 | 1,484 | 1,459 | 1,908 |
| Multifamily | | | | | | | | | | |
| Reported | 606 | 604 | 574 | 634 | 407 | 363 | 436 | 585 | 593 | 601 |
| Originated | 479 | 461 | 452 | 493 | 321 | 296 | 354 | 489 | 478 | 493 |
| Denied | 54 | 64 | 57 | 49 | 44 | 29 | 36 | 42 | 40 | 42 |
| Purchased | 34 | 29 | 15 | 59 | 13 | 9 | 13 | 7 | 9 | 3 |
| Other | 39 | 50 | 50 | 33 | 29 | 29 | 33 | 47 | 66 | 63 |
| Manufactured | | | | | | | | | | |
| Reported | 33,067 | 26,014 | 25,109 | 14,696 | 10,601 | 13,016 | 17,026 | 16,804 | 17,528 | 16,285 |
| Originated | 9,639 | 8,935 | 9,333 | 6,683 | 5,135 | 4,557 | 4,422 | 4,534 | 4,951 | 4,611 |
| Denied | 13,783 | 11,041 | 9,297 | 4,722 | 3,287 | 5,618 | 7,898 | 8,214 | 8,166 | 7,302 |
| Purchased | 2,906 | 925 | 2,421 | 1,115 | 583 | 272 | 252 | 211 | 224 | 286 |
| Other | 6,739 | 5,113 | 4,058 | 2,176 | 1,596 | 2,569 | 4,454 | 3,845 | 4,187 | 4,086 |

*Reported includes all the loans reported by the financial institutions to HMDA during the year regardless of the action taken.

**Purchased includes loans purchased by the financial institution during the year

***Other includes: Applications that were approved but not accepted by the applicant, applications withdrawn by the applicant, and files closed for incompleteness in addition to Preapproval Requests that were denied and Preapproval Requests that were approved but not accepted by the applicant.

In 2008, loans originated for multifamily home purchases were at the highest level of the 10-year period covered in this report. In 2009 and 2010, the number of multifamily loans originated declined, but since 2011, has increased. In 2014, the number of loans for multifamily homes reached its peak level in 2008.

In 2014, 14 percent of all first-lien home purchase loans on owner-occupied one- to four-family dwellings originated in the state were in Davidson County, followed by Shelby County with 10 percent and Rutherford County with seven percent. In 22 counties, home purchase loans for first lien owner occupied one- to four-family dwellings increased compared to 2013. Decatur and Hardeman Counties' home purchase loan originations remained unchanged from 2013 to 2014, while the balance, 71 counties saw a decline in origination. Hancock County experienced the largest annual percentage increase in 2014, but the total number of home purchase loans originated for first-lien, owner occupied one- to four-family dwellings increased from 11 to 26. The largest increase in home purchase loans among the counties with 1,000 and more originations in 2014 was in Maury County (17 percent). In contrast, the first-lien refinance loans on one- to four-family dwellings declined in all counties. See Appendix A for the home purchase and refinance loans originated in 2013 and 2014 by county.

Even with a six percent annual increase in 2014, the number of first-lien home purchase loans originated for one- to four-family owner occupied dwellings in Tennessee was not completely back to the level in 2007, just before the housing market crisis. In the state, home purchase loans originated in 2014 were 76 percent of the loans originated in 2007. Home purchase loan originations in the Nashville Metropolitan Statistical Area (MSA) in 2014 was 86 percent of the level in 2007. The following table provides the number of first-lien home purchase loans originated for owner-occupied one- to four-family dwellings by the MSAs between 2007 and 2014 and also shows how the loan origination in 2014 is compared to 2007.⁹

⁹ Office of Management and Budget (OMB) released the revised delineations of Metropolitan Statistical Areas in February 28, 2013, which affected the HMDA data collected on or after January 1, 2014. After the change in 2013, Maury County was added to the Nashville MSA; Stewart County was excluded from the Clarksville MSA; Campbell, Morgan and Roane Counties were added to the Knoxville MSA; Grainger County was removed from the Morristown MSA and added to the Knoxville MSA; and Crockett County was added to the Jackson MSA. To accurately compare the loan originations in 2014 to previous years, we used the 2013 MSA delineations for all years between 2007 and 2014. This way, the change between two different time periods will be the result of change in the mortgage activity rather than the change in geography.

Table 3. First-Lien Home Purchase Loans Originated for Owner-Occupied 1-4 Family Dwellings, 2007-2014, MSA and State

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2014 Originations as % of 2007 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------------------------|
| Chattanooga | 4,726 | 3,436 | 3,222 | 2,842 | 2,632 | 3,166 | 3,837 | 4,010 | 85% |
| Clarksville | 4,221 | 2,362 | 3,305 | 2,515 | 2,952 | 3,042 | 2,912 | 3,183 | 75% |
| Cleveland | 1,076 | 867 | 720 | 663 | 682 | 747 | 934 | 964 | 90% |
| Jackson | 1,494 | 1,113 | 1,008 | 811 | 782 | 836 | 982 | 934 | 63% |
| Johnson City | 2,220 | 1,646 | 1,397 | 1,271 | 1,246 | 1,417 | 1,503 | 1,538 | 69% |
| Kingsport-Bristol | 2,218 | 1,748 | 1,391 | 1,309 | 1,176 | 1,390 | 1,533 | 1,588 | 72% |
| Knoxville | 11,292 | 8,131 | 7,107 | 6,295 | 5,672 | 6,532 | 7,770 | 8,294 | 73% |
| Memphis | 12,916 | 8,042 | 7,686 | 6,687 | 5,745 | 6,463 | 6,999 | 7,124 | 55% |
| Morristown | 1,062 | 744 | 638 | 577 | 551 | 600 | 691 | 807 | 76% |
| Nashville | 29,168 | 20,613 | 18,137 | 16,237 | 15,462 | 19,243 | 23,333 | 25,228 | 86% |
| TENNESSEE | 81,647 | 56,122 | 51,377 | 45,433 | 42,716 | 50,279 | 58,613 | 61,998 | 76% |

According to the table, in the Nashville MSA, the number of first-lien home purchase loans for the owner-occupied one- to four-family dwellings declined annually between 2007 and 2011, and has increased in the last three years. In 2014, the home purchase loans originated in the Nashville MSA increased by eight percent compared to 2013. Forty-one percent of all home purchase loans originated in the state were in the Nashville MSA during 2014. Of all the MSAs, the Cleveland-Bradley County MSA is the closest to returning to its 2007 pre-recession level. The Memphis-Shelby MSA is the furthest from its 2007 level, reaching just 55 percent of pre-recession home purchase loans in 2014.

Table 4. First-Lien Refinance Loans Originated for Owner-Occupied 1-4 Family Dwellings, 2007-2014, MSA and State

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2014 Originations as % of 2007 |
|-------------------|--------|--------|---------|--------|--------|--------|--------|--------|--------------------------------------|
| Chattanooga | 4,332 | 3,559 | 5,844 | 4,548 | 3,948 | 5,841 | 4,936 | 2,425 | 56% |
| Clarksville | 1,584 | 1,499 | 2,713 | 2,134 | 2,493 | 3,727 | 2,580 | 1,371 | 87% |
| Cleveland | 1,366 | 1,087 | 1,755 | 1,549 | 1,239 | 1,733 | 1,310 | 663 | 49% |
| Jackson MSA | 1,086 | 1,075 | 1,528 | 1,341 | 1,032 | 1,549 | 1,359 | 674 | 62% |
| Johnson City | 1,842 | 2,000 | 3,101 | 2,304 | 1,971 | 2,646 | 2,146 | 940 | 51% |
| Kingsport-Bristol | 2,023 | 2,113 | 3,385 | 2,284 | 1,953 | 2,574 | 2,089 | 1,048 | 52% |
| Knoxville | 9,722 | 9,833 | 17,962 | 13,201 | 10,271 | 14,940 | 11,763 | 5,398 | 56% |
| Memphis | 8,870 | 7,068 | 11,963 | 10,326 | 8,256 | 13,151 | 10,633 | 4,891 | 55% |
| Morristown | 1,197 | 1,219 | 1,769 | 1,302 | 1,076 | 1,404 | 1,216 | 660 | 55% |
| Nashville | 20,524 | 21,050 | 36,832 | 29,531 | 24,996 | 35,387 | 29,281 | 14,094 | 69% |
| TENNESSEE | 65,456 | 63,839 | 105,611 | 80,768 | 68,283 | 98,720 | 79,463 | 37,793 | 58% |

The distance is further away for all MSAs' refinance loan levels when comparing 2007 to 2014. For the refinance loans, we also compared the number of loans originated in 2014 to the number of loans

originated in 2007, the onset of the housing crisis, however; unlike home purchase loans, which were declining in the state and all the MSAs between 2007 and 2011, and started to increase after 2011, the refinance loan originations had two previous peaks in 2009 and 2012. The number of first-lien refinance loans for the owner-occupied one- to four-family dwellings in 2014 was 58 percent of the refinance loans originated in 2007. Even though the number of mortgages for refinance purpose declined by 47 percent in 2014 compared to 2013, the Clarksville MSA was the closest to the level of refinancing activity before the housing market crash. When 2014 refinance loan origination is compared to the peak levels of 2009 and 2012, the slowdown in 2014 refinance loan originations is even more visible. The refinance mortgage volume in 2014 was only 36 percent of the highest level¹⁰ of 2009 and 38 percent of the second highest level of 2013. A seventy percent decline from the 2009 peak in Knoxville and Johnson City MSAs was the largest decline among the MSAs in 2014.

III. CONVENTIONAL VERSUS GOVERNMENT-INSURED LOANS¹¹

Table X further breaks down the first-lien loans originated for owner-occupied one- to four-family dwellings by loan type. In 2014, 57 percent of all first-lien home purchase loans originated for one- to four-family owner-occupied homes were conventional, while 21 percent were Federal Housing Administration (FHA)-insured, 13 percent were insured by the Veterans Administration (VA) and 10 percent were Farm Services Agency (FSA)/Rural Housing Services (RHS)-insured. While the share of loans insured by FHA declined in 2014 compared to 2013, the gap was filled by conventional loans and loans insured by VA and FSA/RHS.

Table 5. First-Lien Loans Originated for Owner-Occupied 1-4 Family Dwellings, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| Home Purchase Loans | | | | | | | | | | |
| Total # of Loans Originated | 98,307 | 95,477 | 81,647 | 56,122 | 51,377 | 45,433 | 42,716 | 50,279 | 58,613 | 61,998 |
| Conventional | 85.2% | 85.4% | 83.3% | 58.3% | 41.0% | 41.3% | 44.2% | 49.1% | 54.7% | 56.8% |
| FHA | 9.7% | 9.4% | 9.8% | 30.9% | 41.8% | 41.8% | 34.1% | 30.0% | 24.3% | 20.5% |
| VA | 4.2% | 4.3% | 5.4% | 6.6% | 9.9% | 9.9% | 12.4% | 11.5% | 11.7% | 12.6% |
| FSA/RHS | 1.0% | 0.9% | 1.5% | 4.1% | 7.3% | 7.0% | 9.3% | 9.4% | 9.3% | 10.2% |
| Refinance Loans | | | | | | | | | | |
| Total # of Loans Originated | 80,420 | 66,105 | 65,456 | 63,839 | 105,611 | 80,768 | 68,283 | 98,720 | 79,463 | 37,793 |
| Conventional | 95.2% | 95.3% | 90.7% | 75.3% | 73.7% | 78.2% | 77.9% | 75.5% | 75.9% | 73.7% |
| FHA | 3.6% | 4.0% | 8.3% | 23.2% | 22.6% | 17.9% | 14.1% | 14.9% | 15.1% | 12.8% |
| VA | 1.3% | 0.6% | 1.0% | 1.5% | 3.6% | 3.8% | 7.9% | 9.2% | 8.5% | 13.4% |
| FSA/RHS | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.2% | 0.4% | 0.4% | 0.1% |

In 2014, 57 percent of home purchase loans and 74 percent of refinance loans were conventional (see Figure 3). In any given year from 2005 until 2014, a higher percentage of refinance loans than home purchase loans were conventional. Until 2008, 80 percent or more of all first-lien loans originated for

¹⁰ For the 10-year period that is considered in this study. We do not have state level HMDA data before 2004.

¹¹ First lien, owner-occupied, home purchase loans for one- to four-family dwellings separated by insurer (conventional, FHA-, VA- and FSA/RHS-insured) and by county can be found at Appendix B.

the purchase of owner-occupied one- to four-family dwellings were conventional loans in Tennessee. This declined to 58 percent in 2008, and it hit the bottom with 41 percent in 2009. It is gradually increasing since 2010, but has not returned to the level witnessed before the housing crisis.

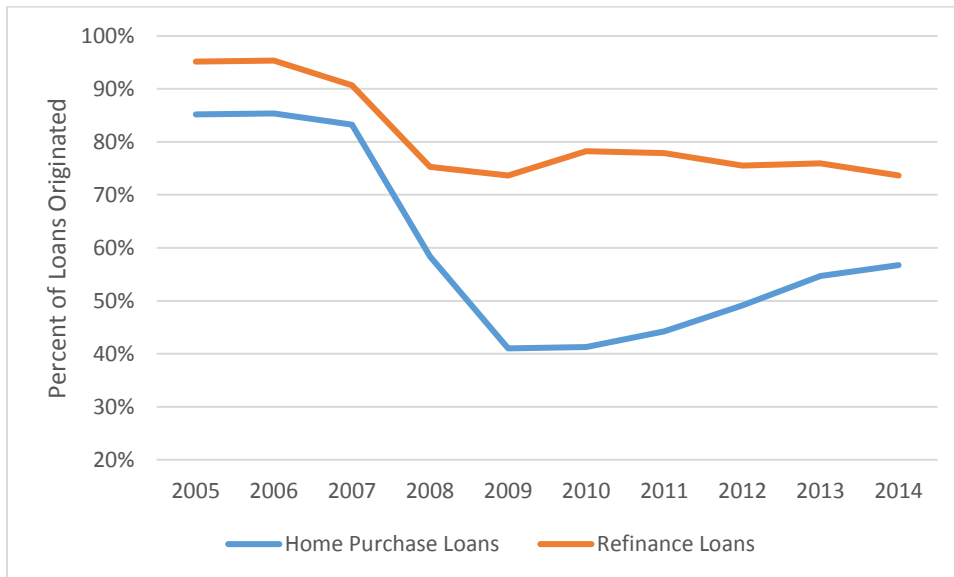
The decline in conventional loans for home purchases in 2008 and 2009 was related to the decline in the availability of conventional loan options in the Tennessee housing market.¹² For many Tennesseans who wanted to obtain a home purchase loan during that time period, the FHA was the only option available. Immergluck (2011) argues that FHA played a crucial part as lender of last resort for many homebuyers when FHA lending surged in the late 2008, after conventional lenders, the Government Sponsored Enterprises (GSEs) and private mortgage insurers pulled back from the mortgage markets and became more conservative.

In recent years, the Federal Housing Administration has increased the mortgage insurance premiums (MIP) and up front mortgage insurance payments several times and required MIP for the life of the loan unless borrowers refinance the loan. These changes increased the cost of purchasing a home using FHA-insured mortgage loans. According to Zandi and deRitis (2015), FHA mortgage insurance premiums that increased even more than the Fannie and Freddie guarantee fees compared to the recession made FHA loans only a better deal for mortgage borrowers with a credit score of less than 680 who put five percent or less down. They also argue that without a reduction in its mortgage insurance premiums, FHA's share of lending will fall even more as the GSEs' loan program of three percent down takes off. After the expiration of the provisions of the Economic Stimulus Act of 2008, at the end of 2013, the FHA reduced the loan limits for its single family insurance program in 652 counties, while increasing them in 89 counties.¹³ Goodman, Seidman and Zhu (2014) predicted that mortgage markets in some communities would be harmed by the declining FHA loan limits even if it was modest overall. For these reasons, FHA-insured loans are declining compared to conventional loans and other government insurers.

¹² For example, in their analysis of 2008 HMDA data, Avery et al. argue that declining home prices and weak economy made difficult for private lending institutions to offer any mortgage loan without a government guarantee. Additionally after Private Mortgage Insurance (PMI) companies tightened their credit standards, for many individuals without adequate funds for downpayment government-insured loans were the available options. The fact that Economic Stimulus Act of 2008 raised the conforming limits for loans insured by FHA and VA in addition to the loans purchased by Fannie Mae and Freddie Mac.

¹³ Goodman, Laurie, Ellen Seidman and Jun Zhu. "FHA Loan Limits: What Areas Are the Most Affected?" Urban Institute. January 15, 2014.

Figure 3. Share of Conventional Loans in Home Purchase and Refinance Loans Originated, 2005-2014, Tennessee



Refinance loans were almost exclusively conventional before the housing market crisis (higher than 90 percent). When the housing market crisis began, this share declined, but still more than 70 percent of all refinance loans originated were conventional.

Among the non-conventional government-insured loans (both the home purchase and refinance), the majority of the originated loans were FHA-insured. The share of FHA-insured loans in the total nonconventional loans originated for home purchase declined from 2004 until 2007, but when the housing crisis started in 2008, increased from 59 percent to 74 percent. During that time, the majority of nonconventional loans were insured by FHA. However, especially since 2010, the percent of FHA-insured home loans originated declined, while VA and FSA/RHS shares slightly increased. Increases in the mortgage insurance premiums (MIP) for the FHA insurance and the extended period required to pay the insurance were likely factors that caused a decline in the FHA share of the nonconventional loan market.

Table 6. Non-Conventional, Government Insured First-Lien Loans Originated for Owner-Occupied 1-4 Family Dwellings by Insurer, 2005-2014, Tennessee

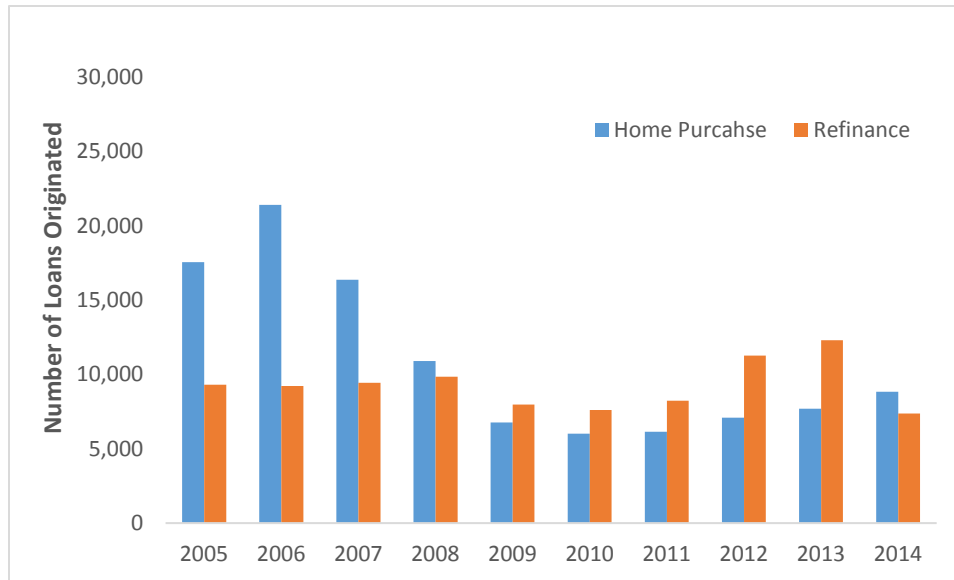
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| Home Purchase Loans | | | | | | | | | | |
| Total # of Loans Originated | 98,307 | 95,477 | 81,647 | 56,122 | 51,377 | 45,433 | 42,716 | 50,279 | 58,613 | 61,998 |
| Conventional | 85.2% | 85.4% | 83.3% | 58.3% | 41.0% | 41.3% | 44.2% | 49.1% | 54.7% | 56.8% |
| FHA | 9.7% | 9.4% | 9.8% | 30.9% | 41.8% | 41.8% | 34.1% | 30.0% | 24.3% | 20.5% |
| VA | 4.2% | 4.3% | 5.4% | 6.6% | 9.9% | 9.9% | 12.4% | 11.5% | 11.7% | 12.6% |
| FSA/RHS | 1.0% | 0.9% | 1.5% | 4.1% | 7.3% | 7.0% | 9.3% | 9.4% | 9.3% | 10.2% |
| Refinance Loans | | | | | | | | | | |
| Total # of Loans Originated | 80,420 | 66,105 | 65,456 | 63,839 | 105,611 | 80,768 | 68,283 | 98,720 | 79,463 | 37,793 |
| Conventional | 95.2% | 95.3% | 90.7% | 75.3% | 73.7% | 78.2% | 77.9% | 75.5% | 75.9% | 73.7% |
| FHA | 3.6% | 4.0% | 8.3% | 23.2% | 22.6% | 17.9% | 14.1% | 14.9% | 15.1% | 12.8% |
| VA | 1.3% | 0.6% | 1.0% | 1.5% | 3.6% | 3.8% | 7.9% | 9.2% | 8.5% | 13.4% |
| FSA/RHS | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% | 0.2% | 0.4% | 0.4% | 0.1% |

IV. MORTGAGE LOANS FOR NON-OWNER-OCCUPIED HOMES

Financial institutions also report the loan applications and originations for non-owner-occupied homes: rental properties, second homes and/or vacation homes. As Figure 4 shows, the number of first-lien mortgage loans originated for non-owner-occupied home purchases was highest in 2006, and substantially declined in subsequent years. Refinance loans for non-owner-occupied homes fluctuated year over year. Both home purchase and refinance loans for the non-owner-occupied homes started increasing in 2011, but the increase in refinance loans was more evident. It is possible that HMDA underestimates non-owner occupied home purchase loan originations because of high number of cash only purchases by investors.

Between 2004 and 2008, there were more home purchase loans originated for non-owner-occupied than for refinance loans. After 2008, refinance loans started to dominate the second home mortgage loan originations. First-lien loans for non-owner-occupied home purchases increased in 2004 and 2005 and reached the 10-year peak in 2006. Between 2006 and 2011, home purchase loans declined. In 2014, home purchase loans for the non-owner-occupied homes increased from the previous year by 15 percent, but they were still just 41 percent of the highest level in 2006. In the meantime, the refinance loans declined by 40 percent and reached a level even lower than the lowest level during the housing market crisis.

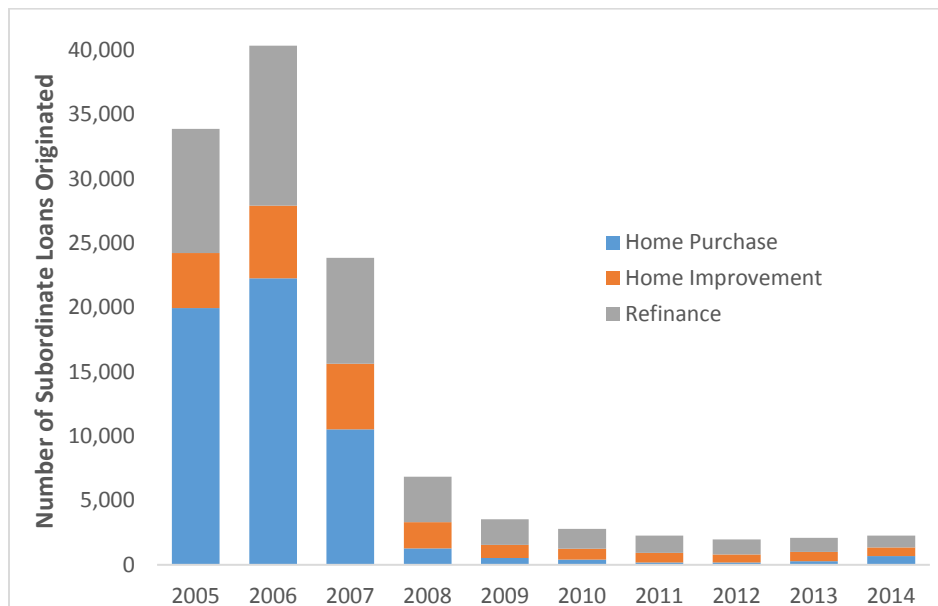
Figure 4. First-Lien Mortgages Originated for Non-Owner-Occupied Homes, 2005-2014, Tennessee



V. SUBORDINATE (JUNIOR) LIEN LOANS

One option for borrowers who apply for home purchase loans when they have less than 20 percent of the purchase price as downpayment is to acquire junior lien loans. Borrowers may also use subordinate lien loans for refinancing their previous mortgage loans or for home improvement. During the years before the housing market crisis, there was a high volume of subordinate lien loan applications and a high volume of them were originated. Since the housing crisis in 2008, the subordinate lien loan applications and originations declined substantially. The following figure displays the trend in subordinate loans originated for one- to four-family owner-occupied home mortgage loans between 2005 and 2014 separated by the loan purpose.

Figure 5. Subordinate Lien Mortgages Originated for 1-4 Family Owner-Occupied Homes by Loan Purpose, 2005-2014, Tennessee



The subordinate lien loan originations peaked in 2006 and substantially declined in the following years. The rate of decline slowed in recent years, but still junior lien loan originations are not anywhere close to their level before the housing crisis. For example, in 2006, almost 41,000 subordinate lien loans were originated in Tennessee. In 2007, junior lien loan originations declined by 41 percent to approximately 24,000. In 2008, the annual decline rate was 71 percent and the number of loans originated dropped to less than 7,000. The decline in the junior lien loans coincided with the increase in nonconventional loan originations. It is possible that applicants who do not have enough money for downpayment and closing costs and who cannot obtain junior lien loans are relying more on government backed mortgages. In 2014, subordinate lien loans originated increased by nine percent annually.

VI. APPLICANT INCOMES AND LOAN AMOUNTS

Financial institutions reporting to HMDA report the loan amounts requested and the applicant income that is considered in making the underwriting decision. The income information is not always required.¹⁴ For example, the income was not provided for approximately 17 percent of the reported loan applications in 2014. The following table compares the average and median income levels (for those

¹⁴ In some occasions financial institutions reporting HMDA data may mark the “applicant’s income” field as “not applicable (NA).” Some of these reasons: the institution does not take the applicant’s income into account when making underwriting decisions, the loan or application is for a multifamily dwelling, the transaction is a loan purchase and the institution chooses not to collect the information, the transaction is a loan to an employee of the institution and the institution seeks to protect the employee’s privacy, even though institution relied on his or her income, or the borrower or applicant is a corporation, partnership, or other entity that is not a natural person. For more information about HMDA data fields see: A Guide to HMDA Reporting: Getting it Right (Edition effective January, 1, 2013), Federal Financial Institutions Examination Council, at <http://www.ffiec.gov/hmda/pdf/2013guide.pdf>

with non-missing income information) and average and median loan amounts for conventional and nonconventional loans separated by years.

Table 7. Average and Median Income and Loan Amounts¹⁵, in Thousand \$, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Conventional | | | | | | | | | | |
| Average Income | \$81 | \$80 | \$82 | \$79 | \$98 | \$102 | \$99 | \$99 | \$94 | \$93 |
| Median Income | \$60 | \$60 | \$61 | \$59 | \$73 | \$75 | \$73 | \$73 | \$68 | \$67 |
| Average Loan Amount | \$155 | \$162 | \$171 | \$160 | \$190 | \$190 | \$185 | \$183 | \$175 | \$181 |
| Median Loan Amount | \$128 | \$132 | \$139 | \$130 | \$157 | \$154 | \$147 | \$148 | \$139 | \$144 |
| FHA | | | | | | | | | | |
| Average Income | \$55 | \$58 | \$60 | \$57 | \$63 | \$63 | \$63 | \$62 | \$60 | \$58 |
| Median Income | \$48 | \$52 | \$54 | \$50 | \$54 | \$54 | \$53 | \$53 | \$51 | \$49 |
| Average Loan Amount | \$131 | \$152 | \$144 | \$140 | \$159 | \$156 | \$151 | \$150 | \$148 | \$143 |
| Median Loan Amount | \$127 | \$139 | \$141 | \$131 | \$147 | \$143 | \$138 | \$138 | \$135 | \$131 |
| VA | | | | | | | | | | |
| Average Income | \$69 | \$69 | \$68 | \$65 | \$73 | \$74 | \$76 | \$79 | \$75 | \$73 |
| Median Income | \$62 | \$61 | \$61 | \$57 | \$63 | \$64 | \$66 | \$67 | \$64 | \$62 |
| Average Loan Amount | \$172 | \$179 | \$180 | \$168 | \$189 | \$190 | \$183 | \$187 | \$188 | \$187 |
| Median Loan Amount | \$163 | \$165 | \$164 | \$154 | \$171 | \$171 | \$165 | \$167 | \$168 | \$166 |
| FSA/RHS | | | | | | | | | | |
| Average Income | \$44 | \$44 | \$43 | \$38 | \$43 | \$43 | \$42 | \$42 | \$43 | \$44 |
| Median Income | \$41 | \$43 | \$40 | \$37 | \$41 | \$40 | \$39 | \$39 | \$40 | \$40 |
| Average Loan Amount | \$114 | \$115 | \$114 | \$103 | \$123 | \$124 | \$124 | \$125 | \$124 | \$126 |
| Median Loan Amount | \$107 | \$109 | \$108 | \$96 | \$119 | \$119 | \$120 | \$121 | \$120 | \$121 |
| ALL LOANS | | | | | | | | | | |
| Average Income | \$80 | \$79 | \$80 | \$73 | \$86 | \$89 | \$87 | \$88 | \$85 | \$82 |
| Median Income | \$59 | \$59 | \$60 | \$55 | \$65 | \$66 | \$65 | \$66 | \$62 | \$60 |
| Average Loan Amount | \$154 | \$162 | \$169 | \$155 | \$180 | \$179 | \$175 | \$175 | \$169 | \$172 |
| Median Loan Amount | \$128 | \$133 | \$140 | \$130 | \$152 | \$150 | \$144 | \$145 | \$139 | \$141 |

NOTE: The applications in the table include first-lien mortgage loans for owner-occupied one-to four-family dwellings.

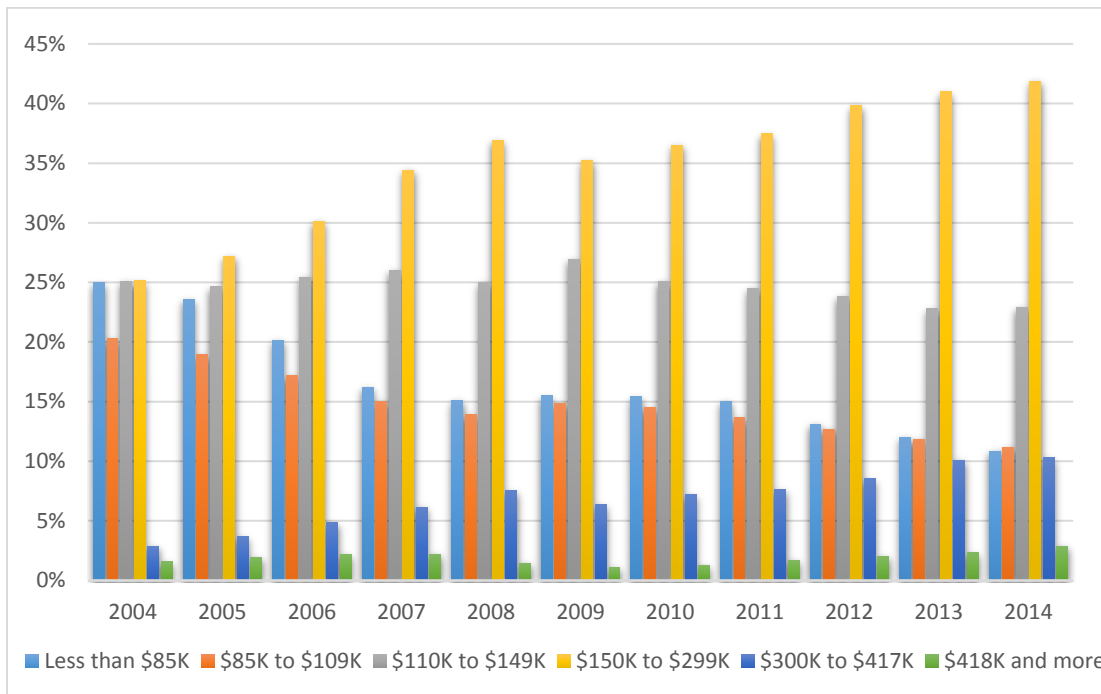
An average borrower who applied for a conventional loan had a higher income than FHA and FSA/RHS nonconventional loan applicants in every year between 2005 and 2014. Borrowers who applied for loans insured by FSA/RHS had the lowest average and median income. In 2014, borrowers who applied for conventional loans had \$93,000 while borrowers who used FSA/RHS insured loans had \$44,000 average annual income and borrowers with FHA-insured loans had \$58,000 of average annual income. Over the years, especially for borrowers with conventional loans, the average incomes were relatively higher than the median incomes, which might be an indication of some outliers on the high end of income spectrum (some borrowers had relatively much higher income than the average borrower). For example in 2014, an average borrower with a conventionally insured loan had \$93,000 while the median income of all the conventional loan borrowers was \$67,000.

¹⁵ The dollar amounts are inflation adjusted for 2016.

Average loan amounts for VA-insured loans were as high as, in fact some years even higher than, average conventional loan amounts. The applicants who used VA insurance also had higher average incomes than borrowers in other nonconventional loan categories. In 2014, average loan amount decreased from 2013 for the loans insured by FHA and VA and increased for conventional loans and the loans insured by FSA/RHS. Borrowers who used FSA/RHS-insured loans, on average, had lower income and borrowed less than the borrowers who used other loan types.

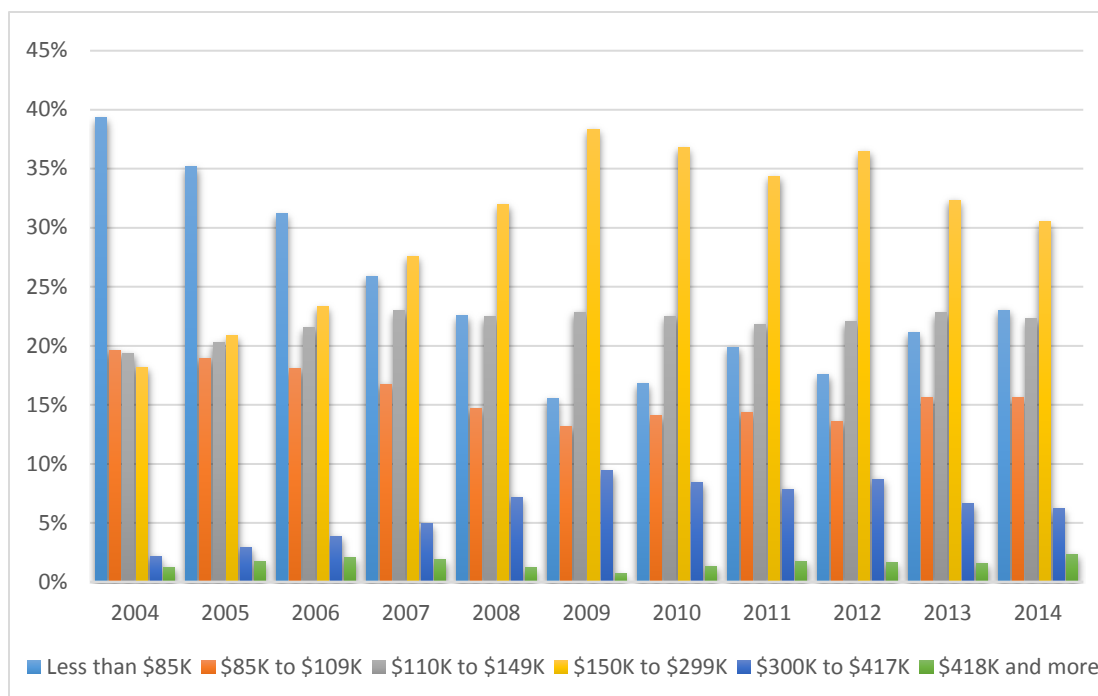
In the following figures, we looked at the distribution of home purchase and refinance loans that were originated between 2005 and 2014 in terms of the ranges of loan amount. During this period, the proportion of loans originated with loan amounts more than the national conforming loan limit of \$417,000 was no more than three percent for both home purchase and refinance loans. In 2014, for example, only three percent of home purchase loans and two percent of refinance loans that were originated had loan amounts higher than this limit. For home purchase loans, between 2004 and 2008, the ratio of loans between \$150,000 and \$300,000 increased, while the home purchase loans that were less than \$85,000 declined. The ratio of loans with relatively higher loan amounts dipped in 2008 and 2009, with increases in each subsequent year. In 2014, 42 percent of all borrowers who had home purchase loans had loan amounts between \$150,000 and \$300,000. This price range is becoming increasingly common, in fact in 2014, the median price of homes sold in Tennessee¹⁶ was \$166,000 and the average price was \$207,816. Declining shares of lower priced home purchases in the total home purchase loan origination is another sign of eroding affordability in the housing markets.

Figure 6. Home Purchase Loans Originated, Loan Amount, 2005-2014



¹⁶ THDA tabulations of data obtained from the Property Assessment Division, Comptroller’s Office. The median and average prices of homes sold in Tennessee and counties can be found at <https://thda.org/research-planning/home-sales-price-by-county>

Figure 7. Refinance Loans Originated, Loan Amount, 2005-2014



From 2004 to 2009, the percentage of refinance loans originated for loan amounts less than \$85,000 declined and loans for loan amounts between \$150,000 and \$300,000 and loan amounts between \$300,000 and \$417,000 increased, which means borrowers started refinancing larger loan amounts.

VII. ANALYSIS BY DEMOGRAPHIC GROUPS AND INCOME LEVELS¹⁷

In this section of the report, we look at loan applications, originations and denials based on race, ethnicity and income levels of the applicants. HMDA data report race, ethnicity and gender for both applicant and co-applicant, if available.¹⁸ Each applicant can report belonging to up to five racial groups. In this report, we defined combined race categories. The methodology for determining and defining those combined race categories is explained in Appendix C.

We also looked at the applicants' income compared to the estimated area median family income¹⁹ (AMFI) of the census tract where they reported. The purpose was to identify the percent of loan applications, originations and denials for low-income applicants, and determine if there was any differential treatment of loan applicants based on the income levels. A low-income applicant is defined as someone who earns less than 80 percent of area median family income. The middle-income borrowers earn more than 80 percent but less than 120 percent of the estimated AMFI. If the

¹⁷ For the analysis from this point on, we will consider first-lien loans for owner-occupied one to four family dwellings.

¹⁸ For the loans that are purchased, the institutions do not have to collect or report race. If the borrower or applicant is not an actual person (for example, a corporation or a partnership), race will be "not applicable."

¹⁹ The MFI reported in HMDA data files and used in these calculations is the estimated Tract MFI, which is the census tract's estimated MFI for each year, based on the HUD estimate for the Metropolitan Statistical Area (MSA)/Metro Division (MD) or non-MSA/MD area where the tract is located. For tracts located outside of an MSA/MD, the MFI is the statewide non-MSA/MD MFI.

borrower's income is more than 120 percent of the estimated AMFI, then the borrower is labeled as a high-income borrower.²⁰

The following table looks at the originated first-lien loans for one- to four-family owner-occupied dwellings based on the borrower characteristics separated by loan purpose, i.e. for home purchase or refinance. According to the table, in recent years, the share of both home purchase and refinance loans originated for black or African American borrowers declined in the total loans originated. In 2005 and 2006, 12 percent of home purchase loans were made to black or African American borrowers, while the same ratio declined to six percent in 2013. In 2014, the home purchase loans made to the African American borrowers slightly increased to 6.4 percent. Both the home purchase and refinance loans to Hispanic or Latino borrowers were slightly higher in 2014 compared to 2013. Home purchase loans to low-income borrowers slightly declined in 2014, while refinance loans increased.²¹

²⁰ This definition of borrower income categories is consistent with Bhutta, Popper and Ringo's analysis of 2013 HMDA data. For more information see Neil Bhutta, Jack Popper and Daniel R. Ringo (2015), "The 2014 Home Mortgage Disclosure Act Data," *Federal Reserve Bulletin*, vol. 101 (November), http://www.federalreserve.gov/pubs/bulletin/2014/pdf/2013_HMDA.pdf

²¹ First-lien, owner-occupied, 1-4 family, home purchase and refinance loan originations by race and by county in 2014 can be found at Appendices D and E.

Table 8. Borrower Characteristics and Purpose of the Loan, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| <i>I. Home Purchase Loans</i> | | | | | | | | | | |
| Borrower Race | | | | | | | | | | |
| Asian | 1.5% | 1.4% | 1.6% | 1.3% | 1.6% | 1.4% | 1.5% | 1.6% | 1.7% | 1.7% |
| Black or African American | 12.0% | 11.9% | 10.1% | 8.0% | 7.9% | 8.6% | 7.3% | 7.1% | 6.1% | 6.4% |
| White | 76.1% | 77.3% | 79.0% | 81.9% | 82.5% | 82.9% | 83.7% | 83.9% | 84.7% | 84.5% |
| Other Minority | 0.4% | 0.4% | 0.4% | 0.3% | 0.5% | 0.6% | 0.6% | 0.4% | 0.4% | 0.5% |
| Multi-Racial | 1.0% | 0.9% | 1.0% | 1.0% | 1.0% | 0.9% | 1.1% | 1.1% | 1.2% | 1.3% |
| Missing | 9.1% | 8.0% | 8.0% | 7.5% | 6.5% | 5.6% | 5.8% | 5.8% | 5.8% | 5.6% |
| Borrower Ethnicity | | | | | | | | | | |
| Hispanic or Latino | 3.2% | 3.5% | 3.3% | 2.7% | 2.4% | 2.5% | 2.7% | 2.7% | 3.0% | 3.2% |
| Not Hispanic or Latino | 87.3% | 88.9% | 89.2% | 90.2% | 90.9% | 91.7% | 91.3% | 91.3% | 91.1% | 91.2% |
| Missing and/or NA | 9.5% | 7.5% | 7.5% | 7.0% | 6.6% | 5.8% | 5.9% | 6.0% | 5.9% | 5.6% |
| Borrower Income | | | | | | | | | | |
| Low to Moderate Income | 32.5% | 31.0% | 30.9% | 31.2% | 40.1% | 38.4% | 35.7% | 34.8% | 30.2% | 30.0% |
| Middle Income | 27.6% | 26.9% | 26.5% | 26.8% | 26.1% | 25.3% | 25.5% | 25.5% | 25.8% | 26.4% |
| High Income | 35.7% | 38.4% | 40.4% | 40.3% | 32.5% | 35.2% | 37.8% | 38.7% | 43.0% | 42.9% |
| Missing | 4.3% | 3.8% | 2.3% | 1.6% | 1.3% | 1.0% | 1.0% | 0.9% | 1.1% | 0.7% |
| <i>II. Refinance Loans</i> | | | | | | | | | | |
| Borrower Race | | | | | | | | | | |
| Asian | 0.6% | 0.5% | 0.6% | 0.7% | 1.0% | 1.0% | 1.2% | 1.1% | 1.1% | 0.9% |
| Black or African American | 11.7% | 12.6% | 10.9% | 7.5% | 4.6% | 4.3% | 4.7% | 5.3% | 6.8% | 8.0% |
| White | 76.8% | 76.3% | 77.7% | 81.9% | 84.6% | 85.5% | 85.1% | 84.8% | 82.9% | 80.4% |
| Other Minority | 0.3% | 0.2% | 0.3% | 0.2% | 0.3% | 0.3% | 0.4% | 0.3% | 0.4% | 0.5% |
| Multi-Racial | 0.8% | 0.7% | 0.9% | 0.9% | 1.0% | 0.9% | 1.0% | 1.1% | 1.2% | 1.6% |
| Missing | 9.8% | 9.6% | 9.6% | 8.8% | 8.5% | 8.0% | 7.7% | 7.4% | 7.6% | 8.7% |
| Borrower Ethnicity | | | | | | | | | | |
| Hispanic or Latino | 1.4% | 1.9% | 1.8% | 1.7% | 1.6% | 1.6% | 1.8% | 1.8% | 2.1% | 2.3% |
| Not Hispanic or Latino | 87.9% | 88.6% | 89.2% | 90.4% | 90.0% | 90.3% | 90.6% | 90.7% | 90.1% | 89.1% |
| Missing and/or NA | 10.8% | 9.4% | 9.0% | 7.9% | 8.4% | 8.1% | 7.6% | 7.5% | 7.8% | 8.6% |
| Borrower Income | | | | | | | | | | |
| Low to Moderate Income | 29.9% | 30.7% | 28.2% | 26.5% | 21.9% | 21.7% | 21.3% | 20.7% | 21.2% | 24.7% |
| Middle Income | 26.0% | 27.4% | 27.2% | 25.7% | 22.1% | 22.5% | 21.7% | 20.9% | 21.4% | 21.9% |
| High Income | 34.9% | 36.8% | 40.1% | 41.6% | 42.5% | 46.7% | 44.5% | 44.5% | 43.0% | 39.6% |
| Missing | 9.2% | 5.2% | 4.6% | 6.2% | 13.5% | 9.1% | 12.5% | 13.8% | 14.3% | 13.8% |
| Number of Home Purchase Loans | 98,307 | 95,477 | 81,647 | 56,122 | 51,377 | 45,433 | 42,716 | 50,279 | 58,613 | 61,998 |
| Number of Refinance Loans | 80,420 | 66,105 | 65,456 | 63,839 | 105,611 | 80,768 | 68,283 | 98,720 | 79,463 | 37,793 |

NOTE: First lien mortgage loans originated for one-to-four family owner-occupied homes.

Figure 8. Home Purchase Loans Originated, Borrower Income, 2005-2014

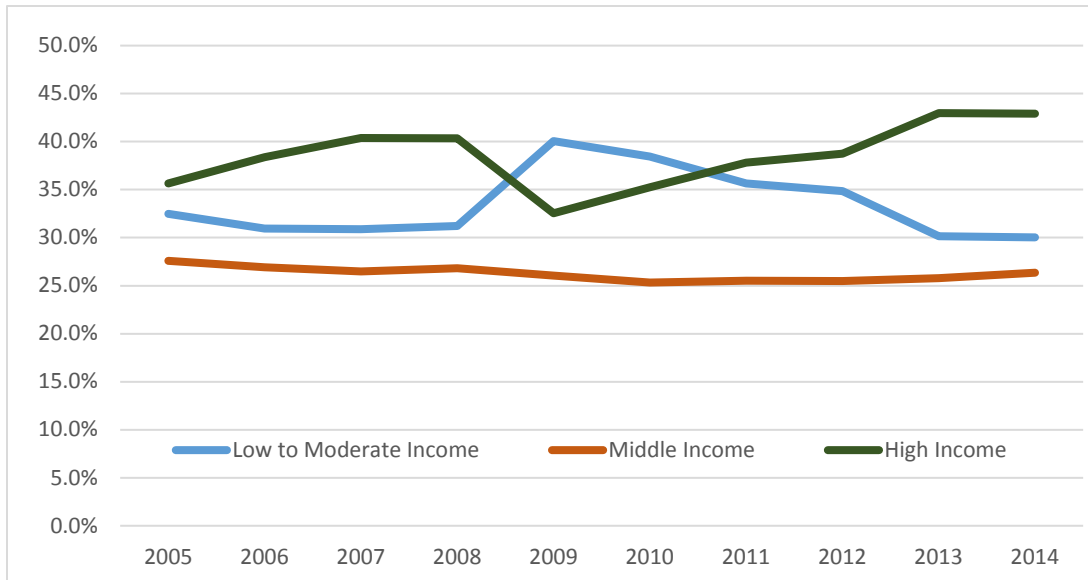
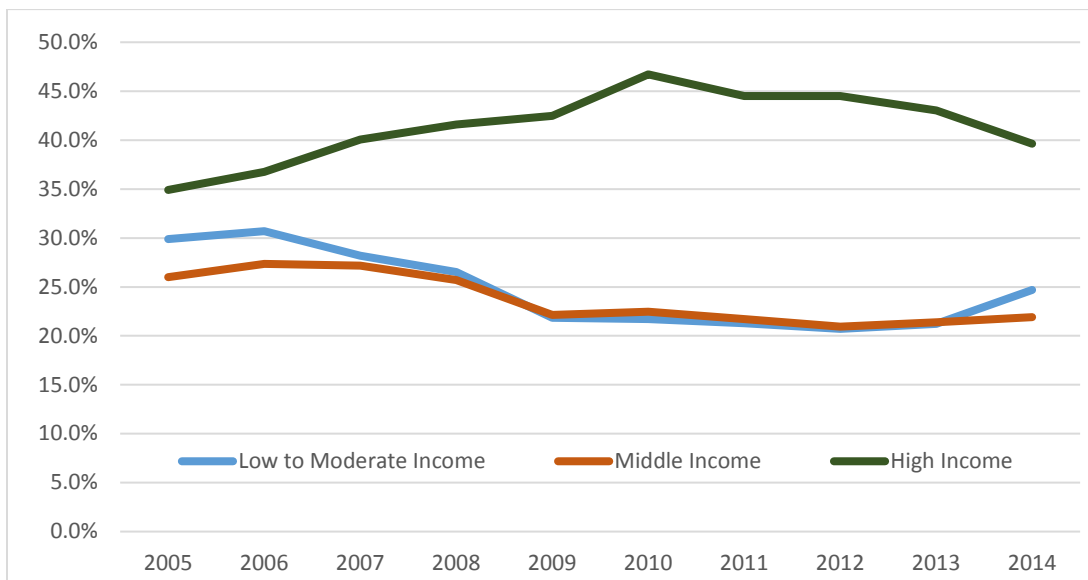


Figure 9. Refinance Loans Originate, Borrower Income, 2005-2014



As the preceding figures²² show, in the study period, high-income borrowers always received higher percentage of refinance loans originated than other income categories. The difference between the percent of refinance loans originated for high-income borrowers and the percent of low-income and middle income borrowers widened in the years leading to the housing market crash, but after 2010, the percentage of high-income borrowers who refinanced mortgages declined, and in the recent years this difference is closing. The picture is quite different for the home purchase loans originated. Before the

²² Not included in the figures is the borrowers whose income information that was not provided. Especially for the refinance loan originations, the borrowers without income information is a relatively higher portion of all refinance loan borrowers. For example in the last three years of this study (2012-2014), 14 percent of all refinance loan borrowers did not have race information.

housing market crash, the percentage of high-income borrowers with a home purchase loan was higher than low-income and middle-income borrowers and it continued increasing until 2008. In 2009, 33 percent of all home purchase loans originated were for higher-income borrowers. In the meantime, more loans were originated for lower-income borrowers after 2008. In 2009, low- to moderate-income borrowers received 40 percent of all home purchase loans originated during the year. Low-income borrowers were aided by recovery programs that sought to get them out of high cost lending products. The percent of loans originated for middle-income borrowers was steady over the years, but always lower than the low- and high-income borrowers.

It is interesting to see if there is any difference in the loan originations for different borrower characteristics depending on whether or not the loan is a conventional or government insured loan. The following table displays the nonconventional, first-lien mortgage loans originated for one- to four-family owner-occupied homes separated by borrower characteristics and loan purpose. The percentages given in the table represent percent of nonconventional loans made to black borrowers, for example, as percent of all loans made to black borrowers (including conventional and nonconventional loans).

The number of first-lien home purchase and refinance loans originated for owner-occupied, one- to four-family dwellings separated by race and county is provided in Appendices D and E.

Table 9. Borrower Characteristics and Purpose of the Loan, Nonconventional Loans, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>I. Home Purchase Loans</i> | | | | | | | | | | |
| Borrower Race | | | | | | | | | | |
| Asian | 10.9% | 8.9% | 8.5% | 20.2% | 35.4% | 35.1% | 37.9% | 33.4% | 22.3% | 23.5% |
| Black or African American | 18.5% | 17.5% | 25.4% | 69.2% | 86.3% | 87.6% | 83.3% | 81.3% | 76.5% | 73.4% |
| White | 15.0% | 14.8% | 16.0% | 39.8% | 57.3% | 56.6% | 54.1% | 49.2% | 44.0% | 41.6% |
| Other Minority | 18.1% | 15.3% | 18.2% | 34.9% | 38.6% | 31.1% | 35.5% | 34.8% | 34.1% | 29.9% |
| Multi-Racial | 23.0% | 24.2% | 26.0% | 48.1% | 60.3% | 60.5% | 64.2% | 56.5% | 54.1% | 54.3% |
| Missing | 8.1% | 8.6% | 12.7% | 36.1% | 54.3% | 54.5% | 50.7% | 43.1% | 37.4% | 38.4% |
| Borrower Ethnicity | | | | | | | | | | |
| Hispanic or Latino | 25.6% | 19.9% | 21.6% | 55.1% | 75.2% | 75.1% | 72.6% | 65.5% | 61.5% | 60.8% |
| Not Hispanic or Latino | 15.2% | 14.9% | 16.9% | 41.8% | 59.1% | 58.8% | 55.9% | 51.2% | 45.5% | 43.0% |
| Missing and/or NA | 7.7% | 8.7% | 11.8% | 34.5% | 51.3% | 50.1% | 45.4% | 39.3% | 35.2% | 36.7% |
| Borrower Income | | | | | | | | | | |
| Low to Moderate Income | 20.9% | 19.5% | 20.1% | 52.8% | 71.6% | 73.0% | 70.0% | 65.8% | 60.9% | 58.2% |
| Middle Income | 17.7% | 19.3% | 22.8% | 50.8% | 65.5% | 65.2% | 64.2% | 58.3% | 55.1% | 53.4% |
| High Income | 8.0% | 8.5% | 10.7% | 27.6% | 39.3% | 39.4% | 37.5% | 33.2% | 29.2% | 26.9% |
| <i>All Borrowers</i> | <i>14.8%</i> | <i>14.6%</i> | <i>16.7%</i> | <i>41.7%</i> | <i>59.0%</i> | <i>58.7%</i> | <i>55.8%</i> | <i>50.9%</i> | <i>45.3%</i> | <i>43.2%</i> |
| <i>II. Refinance Loans</i> | | | | | | | | | | |
| Borrower Race | | | | | | | | | | |
| Asian | 5.1% | 6.6% | 6.9% | 17.4% | 12.4% | 11.8% | 11.0% | 12.2% | 12.7% | 12.8% |
| Black or African American | 9.6% | 7.0% | 16.3% | 44.8% | 58.5% | 48.4% | 50.7% | 48.9% | 45.9% | 47.5% |
| White | 4.2% | 4.4% | 8.4% | 22.3% | 24.4% | 20.5% | 20.6% | 22.7% | 22.0% | 23.0% |
| Other Minority | 5.8% | 5.6% | 9.5% | 34.3% | 18.3% | 14.1% | 19.4% | 25.5% | 24.6% | 22.0% |
| Multi-Racial | 11.9% | 8.8% | 14.9% | 32.5% | 32.8% | 27.7% | 29.5% | 35.3% | 33.6% | 57.5% |
| Missing | 3.9% | 3.3% | 8.7% | 30.3% | 29.3% | 22.1% | 23.2% | 27.0% | 27.3% | 33.9% |
| Borrower Ethnicity | | | | | | | | | | |
| Hispanic or Latino | 15.0% | 5.2% | 13.4% | 34.6% | 39.4% | 29.8% | 33.6% | 36.5% | 36.5% | 35.0% |
| Not Hispanic or Latino | 4.8% | 4.8% | 9.4% | 24.4% | 25.9% | 21.7% | 21.9% | 24.3% | 23.6% | 25.4% |
| Missing and/or NA | 3.7% | 3.3% | 8.1% | 26.9% | 28.5% | 20.5% | 21.8% | 23.8% | 25.4% | 33.4% |
| Borrower Income | | | | | | | | | | |
| Low to Moderate Income | 2.1% | 4.2% | 9.3% | 26.2% | 27.0% | 24.4% | 20.6% | 18.4% | 15.0% | 17.0% |
| Middle Income | 2.1% | 4.8% | 10.9% | 29.4% | 23.4% | 22.1% | 20.9% | 17.6% | 15.6% | 19.4% |
| High Income | 1.0% | 2.3% | 5.7% | 16.6% | 12.3% | 12.1% | 11.8% | 10.0% | 9.6% | 12.2% |
| <i>All Borrowers</i> | <i>4.8%</i> | <i>4.7%</i> | <i>9.3%</i> | <i>24.7%</i> | <i>26.3%</i> | <i>21.8%</i> | <i>22.1%</i> | <i>24.5%</i> | <i>24.1%</i> | <i>26.3%</i> |

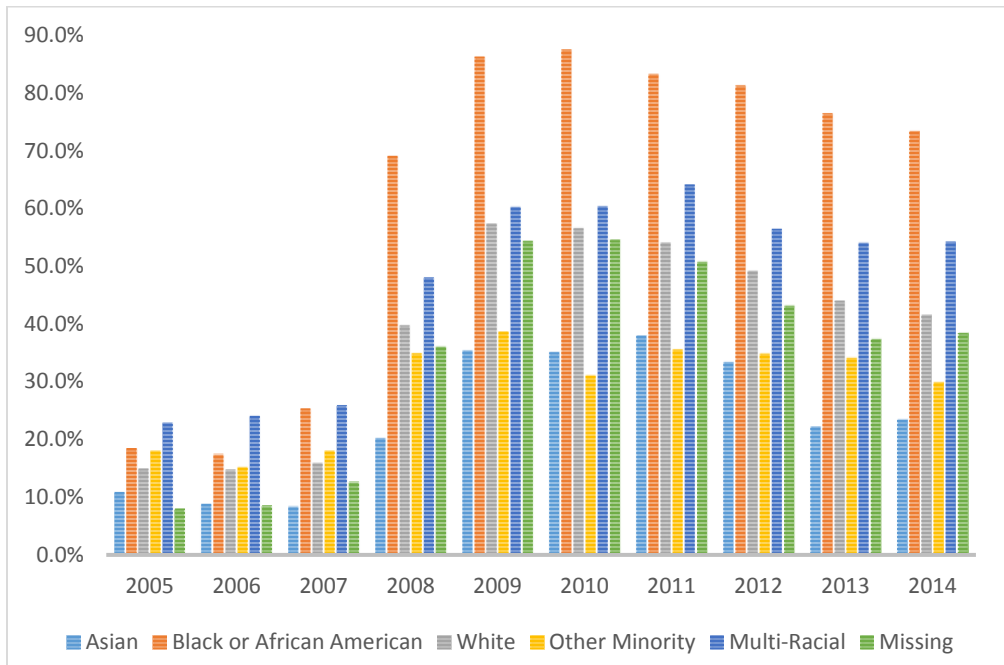
NOTE: Nonconventional, first lien mortgage loans originated for one-to-four family owner-occupied homes.

Table 9 reveals that minority and lower income borrowers used nonconventional government-insured (FHA, VA and/or FSA/RHS insured) loans more often than conventional loans. In 2014, for example, 73 percent of all African-American borrowers and 61 percent of all Hispanic or Latino borrowers used nonconventional loans for home purchase, while in the same year, only 43 percent of all home purchase loans were nonconventional. Low-income borrowers also mostly utilized nonconventional loan products in 2014. The data also show that, in all race, ethnicity and income categories, the share of nonconventional loans substantially increased in 2008. For example, in 2007, 25 percent of African-

American home buyers selected nonconventional loans while that percentage increased to 69 percent in 2008 and to 88 percent in 2010. Similar trends are visible in other race categories. In 2014, in *almost* all race categories and for all borrowers, the share of nonconventional loans were lower than in 2013. This is a sign that conventional loan products are returning to the market.

The following figure displays that non-white borrowers are more likely to use nonconventional loans than conventional loans.

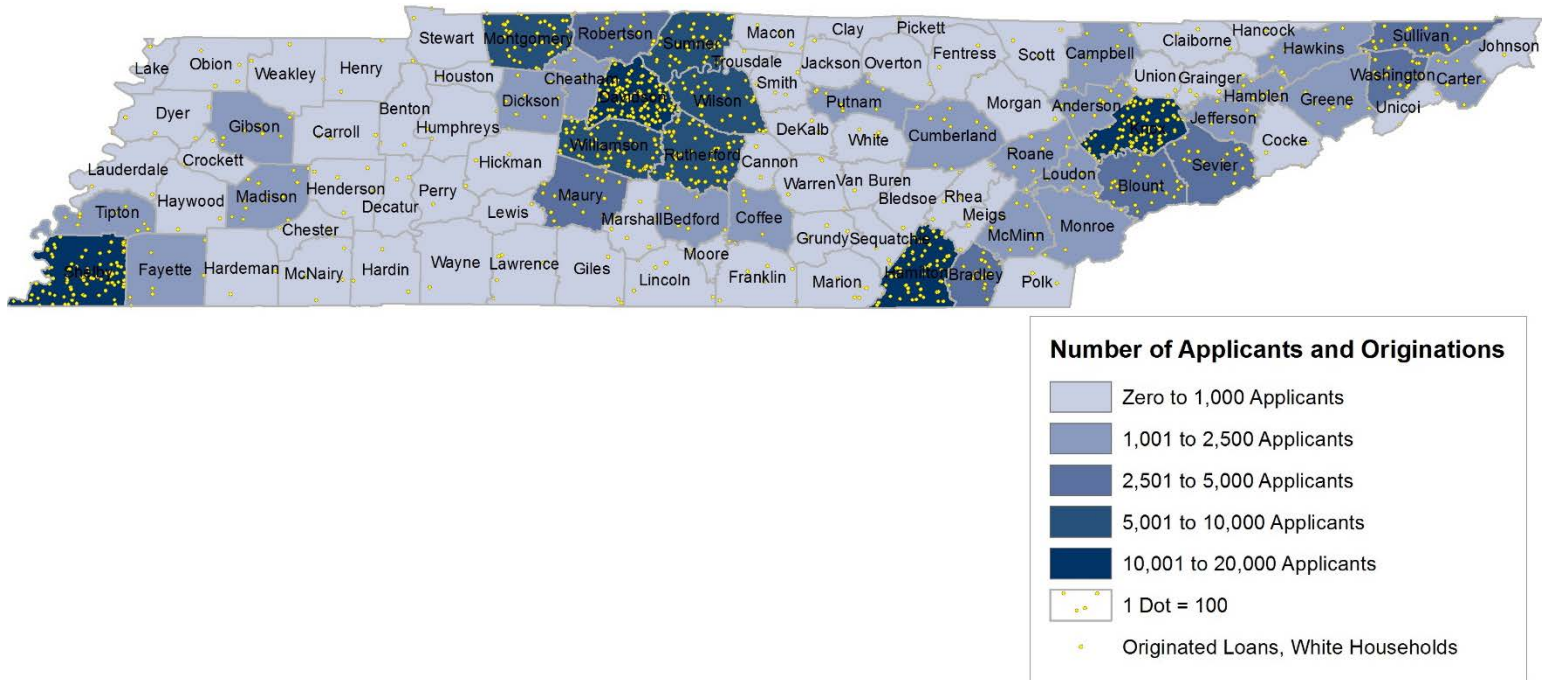
Figure 10. Non-Conventional Share of Home Purchase Loans, by Race, 2005-2014



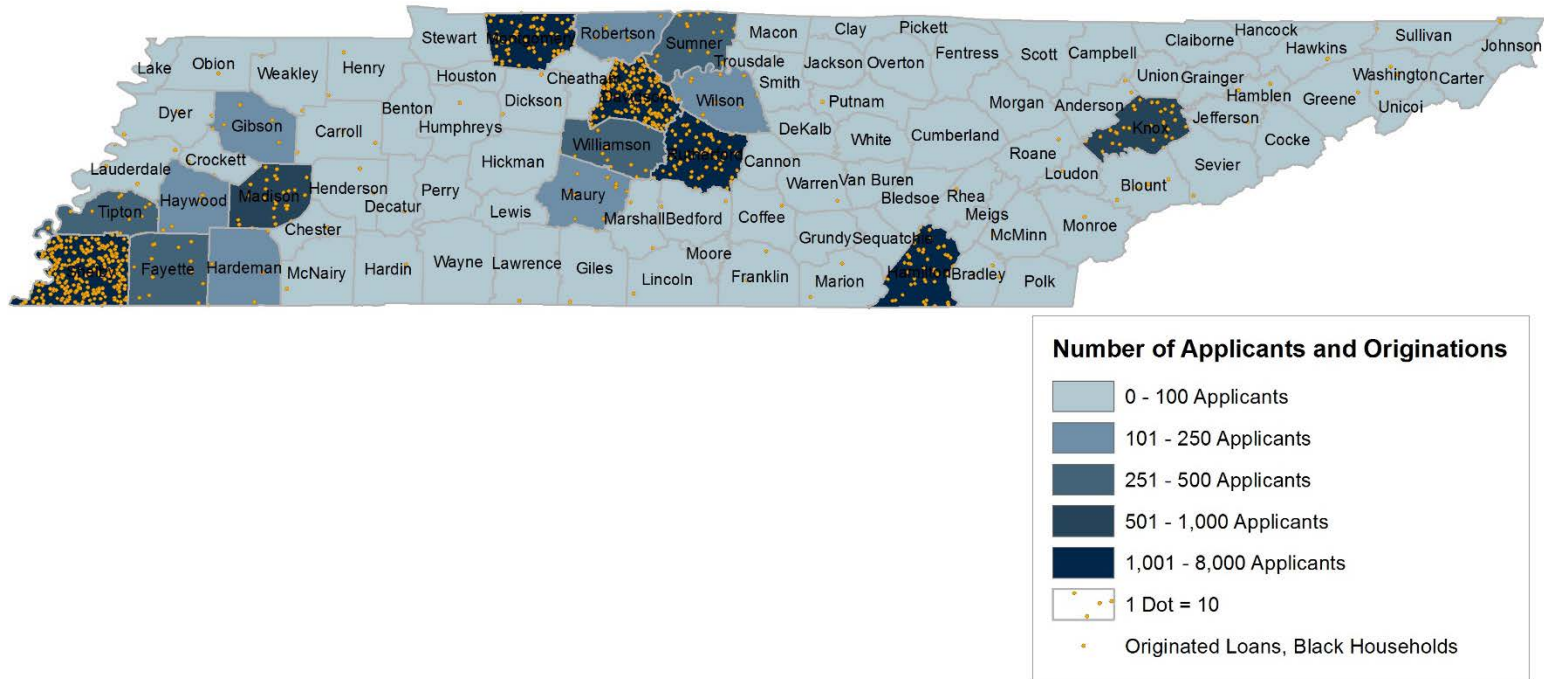
A comparison of borrowers who received nonconventional (FHA, VA or FSA/RHS insured) first lien home purchase loans for owner-occupied one- to four-family dwellings with race and county loan totals is given in Appendix F.

The following maps display the number of loan applications and originations for white and African American borrowers in 2014:

Map 1: Total Loan Applications and Originations, White Applicants, 2014



Map 2: Total Loan Applications and Originations, African American Applicants, 2014



VIII. DENIAL RATES AND DENIAL REASONS

Consistent with Bhutta, Popper and Ringo’s analysis of 2014 HMDA data (2015), we calculated the denial rates by dividing the number of loans denied by the financial institution by the total number of loan applications, which excludes the number of applications withdrawn and the applications closed for incompleteness.

In the following table, denial rates are presented as separated by race and loan type, i.e. conventional versus nonconventional. The table shows variations in denial rates across different race categories. *However, the denial rates data in the absence of other important borrower and loan characteristics such as the applicants’ credit scores and loan to value (LTV) ratios, should be considered carefully.*

Table 10. Denial Rates, Conventional and Nonconventional Home Purchase Loans, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>I. Home Purchase Loans</i> | | | | | | | | | | |
| Conventional and Nonconventional | | | | | | | | | | |
| All Applicants | 15.5% | 16.8% | 16.4% | 15.5% | 13.5% | 14.0% | 14.7% | 15.6% | 14.6% | 12.4% |
| Race | | | | | | | | | | |
| Asian | 13.5% | 12.8% | 12.5% | 16.7% | 13.4% | 15.4% | 16.8% | 16.4% | 16.3% | 13.3% |
| Black or African American | 26.3% | 30.7% | 31.8% | 30.2% | 21.0% | 21.2% | 22.6% | 24.7% | 24.6% | 20.6% |
| White | 12.8% | 12.7% | 12.9% | 13.1% | 12.3% | 12.7% | 13.3% | 14.4% | 13.3% | 11.2% |
| Other Minority | 21.7% | 20.6% | 22.6% | 23.7% | 14.1% | 16.0% | 12.7% | 17.6% | 20.7% | 14.0% |
| Multi-Racial | 13.9% | 14.5% | 14.9% | 17.2% | 14.3% | 16.0% | 14.4% | 17.0% | 17.9% | 12.1% |
| Missing | 19.2% | 25.8% | 24.1% | 20.1% | 17.4% | 19.6% | 21.0% | 20.0% | 19.3% | 19.1% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 18.9% | 17.7% | 18.6% | 19.5% | 16.5% | 17.0% | 16.1% | 19.0% | 19.6% | 17.1% |
| Not Hispanic | 14.9% | 15.9% | 15.6% | 14.9% | 13.0% | 13.5% | 14.0% | 15.1% | 14.1% | 11.8% |
| Conventional Only | | | | | | | | | | |
| All Applicants | 16.2% | 17.7% | 16.9% | 15.8% | 15.4% | 15.1% | 15.6% | 15.5% | 13.0% | 10.9% |
| Race | | | | | | | | | | |
| Asian | 13.9% | 13.1% | 12.8% | 16.8% | 13.1% | 13.5% | 17.0% | 16.0% | 13.9% | 13.2% |
| Black or African American | 28.1% | 33.0% | 34.5% | 39.0% | 37.1% | 35.3% | 31.6% | 31.9% | 27.7% | 22.5% |
| White | 13.2% | 13.2% | 13.1% | 13.4% | 14.2% | 14.0% | 14.5% | 14.6% | 11.9% | 9.8% |
| Other Minority | 24.1% | 22.4% | 24.1% | 27.2% | 16.3% | 15.3% | 14.2% | 18.1% | 20.6% | 11.2% |
| Multi-Racial | 14.6% | 16.1% | 15.3% | 18.0% | 17.7% | 20.4% | 14.3% | 17.3% | 17.0% | 11.6% |
| Missing | 19.5% | 26.6% | 24.8% | 20.0% | 18.3% | 19.6% | 21.3% | 17.4% | 17.5% | 16.9% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 20.0% | 18.7% | 19.3% | 21.8% | 21.7% | 20.9% | 18.8% | 20.6% | 17.3% | 17.4% |
| Not Hispanic | 15.6% | 16.8% | 16.1% | 15.2% | 15.0% | 14.6% | 14.7% | 14.9% | 12.4% | 10.2% |

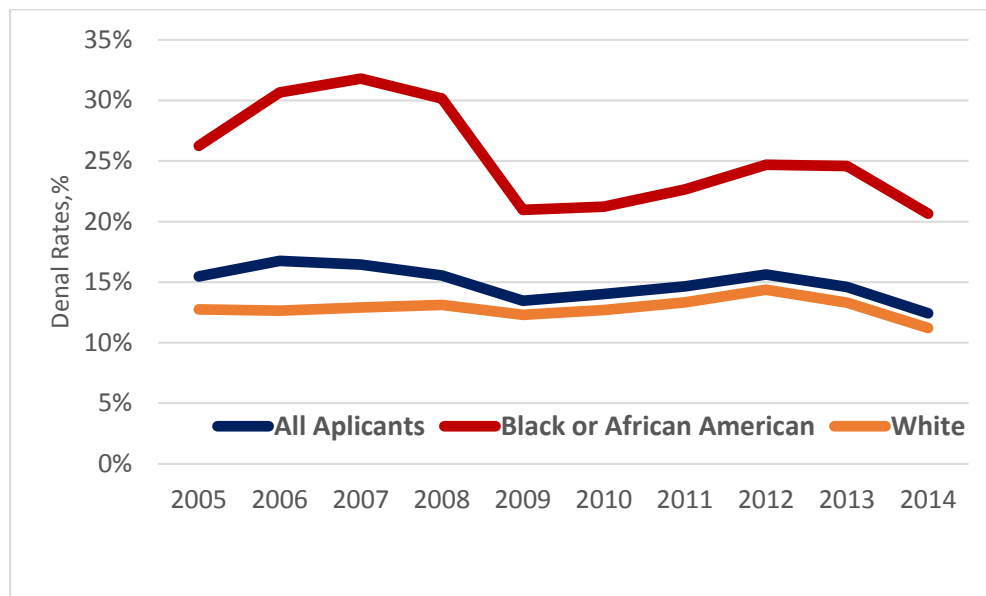
NOTE: First lien mortgage home purchase loans for one-to-four family owner-occupied homes.

In Tennessee, in 2014, the denial rate of all borrowers in different race categories (including conventional and nonconventional loans) who applied for a home purchase loan declined to 12.4 percent from 14.6 percent in 2013. In fact, for all race categories, except Asian applicants, the denial rates in 2014 were the lowest among the years covered in this report (2005 to 2014). With 20.6 percent, black or African American applicants had the highest denial rate in 2014, followed by the applicants whose race information was not provided. Among the nonwhite race categories multiracial applicants had the lowest denial rates. Borrowers who applied for conventional home purchase loans had higher

denial rates than nonconventional applicants in almost all race categories for all years in the 10-year period. Hispanic borrowers also had higher denial rates than the white borrowers and all borrowers who applied for a home purchase loan. The difference between denial rates of whites and other races was even more noticeable for conventional loans. In 2014, 10 percent of white applicants who applied for a conventional home purchase loan were denied, while almost 23 percent of African American applicants were denied for a conventional home purchase loan.

The following figure compares the denial rates of home purchase loans for all applicants, and white and African American applicants.

Figure 11. Denial Rates, Conventional and Non-Conventional First Lien, Owner Occupied, 1-4 Family Home Purchase Loans; All, African American and White Applicant, 2005-2014



African American applicants were consistently denied more often than white and all other applicants. The difference was even higher before the housing market crash, declined to the lowest level in 2009 and then increased again until 2012.

Denial rates for refinance loans, in general, were higher than home purchase loans. While the denial rates for home purchase loans declined in 2014 compared to 2013 for almost all race categories, denial rates for refinance loans in 2014 increased. Regardless of race, 34 percent of all borrowers who applied for either conventional or nonconventional refinance loans were denied in 2014 compared to 27 percent denial rate in 2013. In the refinance category, African American and Hispanic borrowers had higher denial rates than white applicants. Borrowers who applied for conventional refinance loans also were denied more in 2014 compared to 2013.

The following table displays the denial rates for refinance loans separated by loan type and applicants' race.

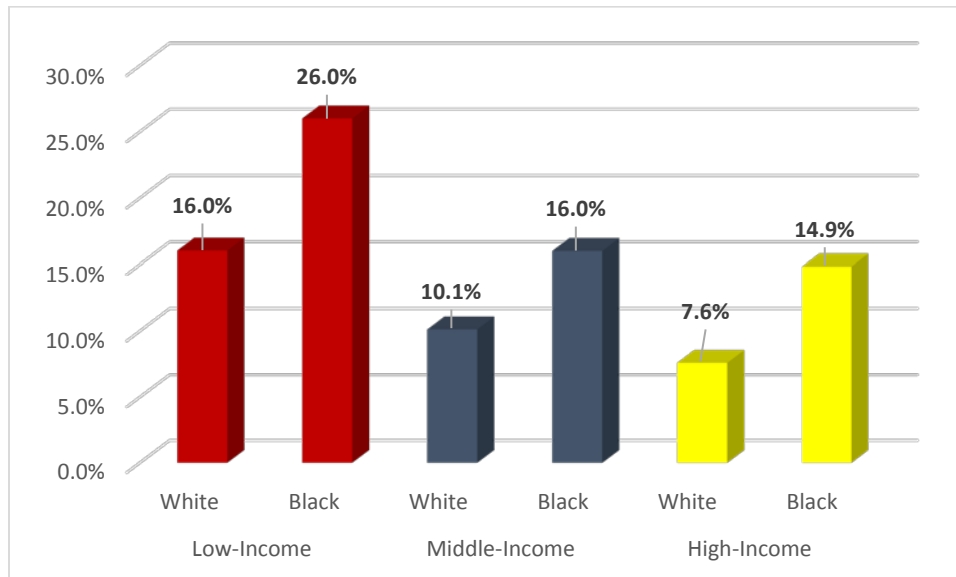
Table 11. Denial Rates, Conventional and Nonconventional Refinance Loans, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>II. Refinance Loans</i> | | | | | | | | | | |
| Conventional and Nonconventional | | | | | | | | | | |
| All Applicants | 42.7% | 43.3% | 44.2% | 39.7% | 24.3% | 26.4% | 26.8% | 22.6% | 26.8% | 34.2% |
| Race | | | | | | | | | | |
| Asian | 37.1% | 38.9% | 40.2% | 35.6% | 26.0% | 26.4% | 25.9% | 27.1% | 30.2% | 41.6% |
| Black or African American | 52.8% | 53.4% | 60.1% | 61.5% | 44.6% | 45.6% | 43.1% | 34.7% | 39.0% | 48.7% |
| White | 34.6% | 36.7% | 37.4% | 34.7% | 21.0% | 23.1% | 23.7% | 20.3% | 23.7% | 30.4% |
| Other Minority | 51.8% | 51.8% | 47.4% | 61.1% | 29.3% | 37.4% | 28.3% | 31.1% | 32.6% | 42.2% |
| Multi-Racial | 43.0% | 46.4% | 51.5% | 48.1% | 26.1% | 29.4% | 26.8% | 23.9% | 26.3% | 30.7% |
| Missing | 63.3% | 59.6% | 57.5% | 47.7% | 35.6% | 39.6% | 41.5% | 34.2% | 40.3% | 45.6% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 44.4% | 38.8% | 45.6% | 47.5% | 30.9% | 31.9% | 31.7% | 28.8% | 31.7% | 40.9% |
| Not Hispanic | 37.6% | 40.5% | 42.0% | 38.5% | 22.9% | 24.8% | 25.1% | 21.4% | 25.5% | 33.0% |
| Conventional Only | | | | | | | | | | |
| All Applicants | 43.5% | 44.0% | 45.1% | 39.4% | 21.8% | 22.9% | 24.7% | 22.3% | 26.4% | 32.8% |
| Race | | | | | | | | | | |
| Asian | 37.9% | 39.7% | 40.3% | 36.0% | 24.1% | 23.9% | 24.4% | 26.9% | 30.8% | 40.0% |
| Black or African American | 54.4% | 54.5% | 62.5% | 67.4% | 51.7% | 44.1% | 45.0% | 37.7% | 43.2% | 51.9% |
| White | 35.2% | 37.3% | 38.2% | 34.2% | 19.3% | 20.7% | 22.2% | 20.2% | 23.4% | 29.0% |
| Other Minority | 52.8% | 52.2% | 48.3% | 65.3% | 26.9% | 35.0% | 27.1% | 34.5% | 32.9% | 39.5% |
| Multi-Racial | 45.0% | 47.7% | 53.7% | 50.1% | 25.0% | 24.7% | 23.9% | 24.0% | 25.9% | 38.5% |
| Missing | 64.0% | 60.2% | 58.3% | 45.0% | 28.3% | 32.4% | 36.9% | 32.9% | 39.5% | 44.4% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 47.4% | 39.1% | 47.3% | 49.2% | 31.8% | 30.1% | 31.8% | 30.1% | 34.6% | 43.1% |
| Not Hispanic | 38.3% | 41.2% | 43.0% | 38.5% | 21.0% | 21.9% | 23.3% | 21.1% | 25.1% | 31.5% |

NOTE: First lien mortgage refinance loans for one-to-four family owner-occupied homes.

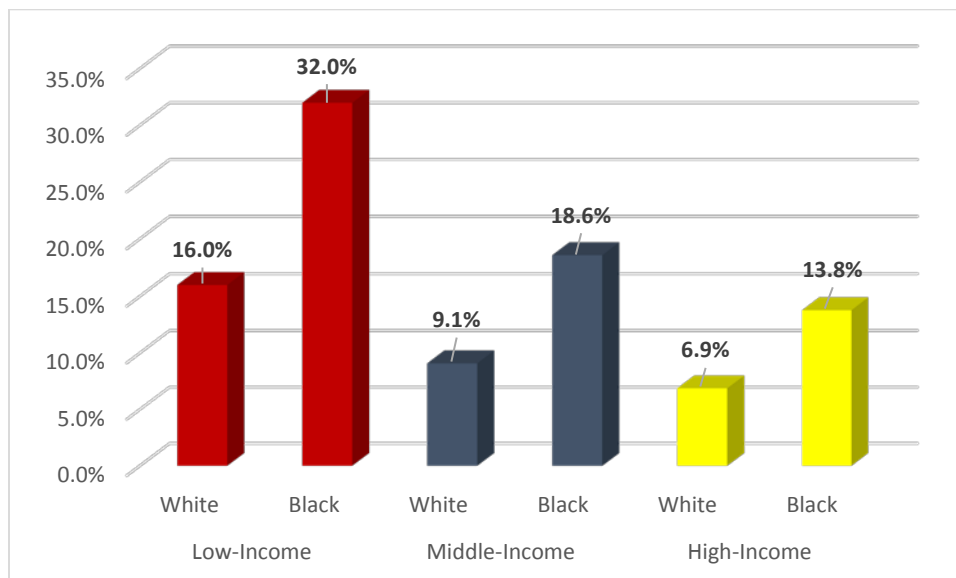
In the absence of other important loan and borrower characteristics, the denial rates should be treated cautiously. However, even after controlling for income levels, denial rates between white and African American applicants varied substantially. In 2014, less than eight percent of high-income white applicants were denied for a home purchase loan, while nearly 15 percent of African American applicants were denied for a mortgage in the same year. The following figure shows the denial rates of white and African American applicants separated by their income level.

Figure 12. Denial Rates by Race and Income of Applicant, Conventional and Nonconventional Home Purchase Loans, 2014



The difference between the denial rates of African American and white applicants separated by race is even more noticeable when only the conventional home purchase loan applications are included. In 2014, 16 percent of low-income white applicants were denied for a conventional home purchase loan while 32 percent of low-income African American borrowers were denied. This is consistent with the trend of relatively higher portion of nonwhite applicants receiving nonconventional loans.

Figure 13. Denial Rates by Race and Income of Applicant, Conventional Home Purchase Loans, 2014



The denial rates for home purchase loans and refinance loans in 2014 separated by county and race are provided in Appendices G and H.

Financial institutions reporting to HMDA can report²³ up to three reasons for denial by choosing among nine²⁴ possible reasons when they deny an applicant. In 2014, among the applications for first-lien one-to four-family owner occupied home purchase loans, financial institutions did not give any reason for 35 percent of applicants they denied. Credit history and debt-to-income (DTI) ratio were the most cited reasons for denials followed by collateral among the denied applications.

The following table represents the denial reasons provided by race categories for the applicants of first-lien home purchase loans for owner occupied one- to four-family dwellings in 2014. Compared to other race categories, a higher percent of other minority and African American applicants were denied without a denial reason. High debt to income ratio was reported more often as a denial reason for other minority and Asian applicants who were denied for a home purchase loan.

Table 12. Denial Reasons 1 by Race, 2014

| | White | Black | Asian | Other Minority | Multi- Racial | Missing | Total |
|-------------------------------|-------|-------|-------|-------------------|------------------|---------|-------|
| Credit History | 17.5% | 18.6% | 12.5% | 10.0% | 16.2% | 19.7% | 17.7% |
| Debt-to-Income Ratio | 16.8% | 18.9% | 23.8% | 22.0% | 18.8% | 18.6% | 17.4% |
| Collateral | 11.6% | 5.8% | 8.3% | 10.0% | 12.0% | 10.9% | 10.8% |
| Other | 5.8% | 5.4% | 4.8% | 2.0% | 6.0% | 8.0% | 5.9% |
| Credit Application Incomplete | 4.7% | 4.1% | 7.1% | 0.0% | 3.4% | 8.8% | 5.0% |
| Unverifiable Information | 2.8% | 2.3% | 3.6% | 6.0% | 2.6% | 2.8% | 2.8% |
| Insufficient Cash* | 2.6% | 2.9% | 4.8% | 0.0% | 2.6% | 3.1% | 2.7% |
| Employment History | 2.7% | 1.7% | 4.8% | 2.0% | 2.6% | 1.6% | 2.5% |
| Mortgage Insurance Denied | 0.1% | 0.1% | 0.0% | 0.0% | 0.9% | 0.7% | 0.2% |
| No Reason provided | 35.4% | 40.4% | 30.4% | 48.0% | 35.0% | 25.8% | 35.0% |
| All Denied (# of Applicants) | 6,864 | 1,083 | 168 | 50 | 117 | 862 | 9,144 |

*Insufficient cash for downpayment and closing costs

IX. HIGH COST LOANS

Institutions are also required to report the spread between the annual percentage rate (APR) and the average prime offer rate for a comparable transaction if the spread is equal to or greater than 1.5 percentage points for first-lien loans or 3.5 percentage points for subordinate-lien loans for a home-purchase loan, a refinancing, or a dwelling-secured home improvement loan originated.²⁵

²³ They are not required to report because it is optional except for institutions that are subject to Office of the Comptroller of the Currency (OCC) regulations or Federal Deposit Insurance Corporation (FDIC) regulations

²⁴ Possible denial reasons include: Debt-to-income ratio, Employment history, Credit history, Collateral, Insufficient cash (downpayment, closing costs), Unverifiable information, Credit application incomplete, Mortgage insurance denied, and Other

²⁵ To determine whether the rate spread meets this threshold, institutions use the average prime offer rate (APOR) in effect for the type of transaction as of the date the interest rate was set, and use the APR for the loan, as calculated and disclosed to the consumer. An application that is identified as “not applicable (NA)” could have a difference between the APR and the average prime offer rate that is less than 1.5 percentage points for a first-lien loan and less than 3.5 percentage points for a subordinate-lien loan, it could be an application that did not result in origination, the loan is not subject to Regulation Z, the loan is a home improvement loan that is not dwelling-secured, or the loan is purchased by the financial institution.

The following table compares the occurrence of high cost loans for the first-lien home purchase loans for one- to four-family owner occupied homes by race and ethnicity of the applicants. According to the table, in 2014, the proportion of all home purchase loans (conventional and nonconventional) with interest rates above the high cost threshold increased from the previous year for all race groups, except for the borrowers whose race information was not provided. In 2014, nearly 10 percent of all borrowers received high cost loans. Twenty-two percent of African American borrowers received high cost loans, which was the highest among all racial categories.

In 2005 and 2006, a proportion of borrowers in every race category received high cost loans, but this proportion declined in the subsequent years. All borrowers in different race categories experienced a decline, but the largest decline was among the African American borrowers. In 2007, 34 percent of all African American borrowers received high cost loans, which was 19 percentage points lower than the previous year when more than half of all African American borrowers received high cost loans. In 2011, the percent of borrowers who received high cost loans began increasing again across all racial groups, though the trend is more evident among non-white borrowers.

Almost every year in the 10-year period for all race groups, the borrowers who used conventional home purchase loans had a higher proportion of loans with interest rates higher than the spread threshold. However, in 2013, the proportion of high cost loans for conventional and nonconventional loans was completely reversed. In 2013, borrowers in all race categories who purchased a home using nonconventional loans (including FHA, VA and FSA/RHS insured loans) had a higher occurrence of loans with interest rates above the spread reporting threshold. The same trend continued in 2014. More than 27 percent of African American borrowers received high cost loans.

Table 13. High Cost Loans, Conventional and Nonconventional Home Purchase Loans, 2005-2014, Tennessee

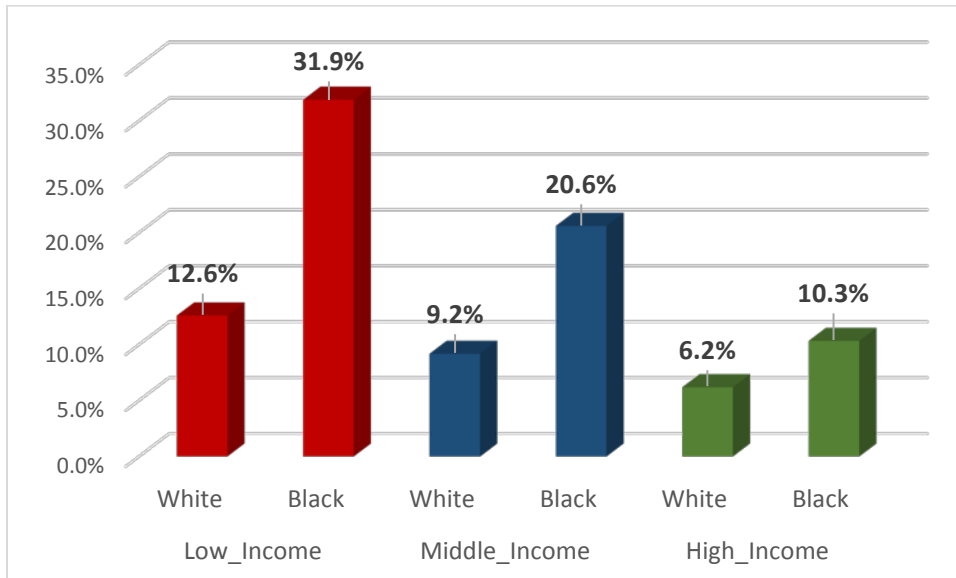
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>I. Home Purchase Loans</i> | | | | | | | | | | |
| Conventional and Nonconventional | | | | | | | | | | |
| All Applicants | 25.0% | 23.9% | 14.3% | 9.4% | 6.0% | 3.8% | 5.2% | 6.8% | 8.9% | 9.7% |
| Race | | | | | | | | | | |
| Asian | 15.3% | 13.0% | 7.3% | 5.0% | 3.6% | 2.3% | 3.7% | 4.2% | 5.8% | 7.4% |
| Black or African American | 54.8% | 52.6% | 33.5% | 17.1% | 5.9% | 3.6% | 9.1% | 11.5% | 17.7% | 22.4% |
| White | 19.3% | 19.5% | 11.8% | 9.0% | 6.3% | 4.0% | 5.0% | 6.6% | 8.5% | 9.0% |
| Other Minority | 37.5% | 29.8% | 24.7% | 12.2% | 4.5% | 3.2% | 5.1% | 4.5% | 10.7% | 15.1% |
| Multi-Racial | 22.4% | 19.9% | 8.8% | 6.9% | 4.0% | 3.0% | 4.3% | 6.1% | 8.9% | 9.9% |
| Missing | 34.4% | 26.6% | 15.6% | 7.0% | 3.1% | 1.5% | 3.3% | 5.3% | 6.4% | 6.0% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 26.0% | 31.0% | 20.2% | 12.1% | 6.1% | 3.4% | 6.3% | 7.8% | 11.4% | 12.6% |
| Not Hispanic | 23.7% | 23.5% | 14.0% | 9.5% | 6.2% | 3.9% | 5.3% | 6.9% | 8.9% | 9.8% |
| Conventional Only | | | | | | | | | | |
| All Applicants | 29.3% | 27.9% | 16.6% | 10.8% | 10.1% | 8.1% | 7.3% | 7.7% | 7.1% | 5.7% |
| Race | | | | | | | | | | |
| Asian | 17.1% | 14.0% | 7.8% | 5.2% | 4.3% | 3.1% | 3.3% | 3.7% | 3.5% | 3.5% |
| Black or African American | 67.2% | 63.3% | 42.8% | 25.4% | 12.1% | 16.3% | 14.8% | 8.1% | 10.7% | 8.8% |
| White | 22.7% | 22.7% | 13.8% | 10.6% | 10.9% | 8.4% | 7.7% | 8.2% | 7.5% | 5.8% |
| Other Minority | 45.5% | 35.1% | 29.7% | 17.0% | 4.3% | 4.6% | 4.5% | 5.5% | 10.8% | 12.9% |
| Multi-Racial | 29.0% | 26.2% | 11.5% | 9.8% | 5.3% | 7.0% | 4.8% | 6.4% | 6.0% | 5.3% |
| Missing | 37.4% | 29.0% | 17.0% | 6.3% | 3.1% | 1.8% | 1.6% | 2.7% | 2.2% | 1.8% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 34.8% | 38.5% | 25.3% | 18.2% | 17.7% | 12.4% | 9.8% | 11.7% | 11.2% | 8.9% |
| Not Hispanic | 27.9% | 27.5% | 16.3% | 10.9% | 10.6% | 8.4% | 7.6% | 7.9% | 7.3% | 5.8% |
| Nonconventional Only | | | | | | | | | | |
| All Applicants | 0.3% | 0.9% | 2.6% | 7.5% | 3.1% | 0.8% | 3.5% | 6.0% | 11.1% | 15.0% |
| Race | | | | | | | | | | |
| Asian | 0.6% | 2.4% | 2.8% | 4.0% | 2.4% | 0.9% | 4.2% | 5.2% | 13.7% | 20.0% |
| Black or African American | 0.3% | 2.0% | 5.9% | 13.4% | 4.9% | 1.8% | 7.9% | 12.2% | 19.9% | 27.3% |
| White | 0.2% | 0.7% | 1.7% | 6.5% | 2.9% | 0.6% | 2.8% | 5.0% | 9.8% | 13.4% |
| Other Minority | 1.3% | 0.0% | 1.9% | 3.3% | 4.9% | 0.0% | 6.2% | 2.6% | 10.5% | 20.2% |
| Multi-Racial | 0.5% | 0.0% | 0.9% | 3.8% | 3.2% | 0.4% | 4.0% | 5.9% | 11.5% | 13.8% |
| Missing | 1.0% | 0.6% | 6.1% | 8.3% | 3.2% | 1.2% | 4.9% | 8.6% | 13.4% | 12.7% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 0.4% | 0.7% | 1.7% | 7.2% | 2.2% | 0.5% | 5.0% | 5.8% | 11.5% | 15.0% |
| Not Hispanic | 0.3% | 0.9% | 2.4% | 7.5% | 3.2% | 0.8% | 3.4% | 6.0% | 11.0% | 15.1% |

NOTE: First lien home purchase loans originated for owner occupied one-to-four family dwellings.

The fraction of African American borrowers who received high cost loans was higher than the white borrowers who received high cost loans even in the same income groups. The difference between white and African American borrowers with high cost loans was even more noticeable among the low-income borrowers. Nearly 32 percent of African American borrowers paid interest rates higher than the

threshold level in 2014, while only 13 percent of white borrowers' home purchase loans were considered as high cost.

Figure 14. Percent of White and Black Borrowers with High Cost Loans by Income Level, 2014



These patterns also differed by the type of nonconventional loan. Among nonconventional loans, while the borrowers who used VA or FSA/RHS insured loans received comparably less high cost loans, more borrowers with FHA-insured loans had high cost loans and this proportion increased substantially in recent years. For example in 2004, less than one percent of applicants in all nonconventional loan categories had higher-priced loans, in 2013, 20 percent of all borrowers with FHA-insured loans and a negligible proportions of borrowers with VA and FSA/RHS insured loans had higher-priced loans. This proportion of high cost FHA-insured loans increased to 31 percent in 2014. Increasing mortgage insurance premiums (MIP) on FHA insurance is one of the reasons that led to increase in higher-priced loans in recent years. FHA decreased the MIP in January 2015, and it is likely to impact the high cost loans count next year.

Table 14. High Cost Loans, Nonconventional Home Purchase Loans, by Insurer, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------|------|------|-------|-------|------|------|-------|-------|-------|-------|
| <i>I. Home Purchase Loans</i> | | | | | | | | | | |
| FHA-Insured | | | | | | | | | | |
| All Applicants | 0.4% | 1.3% | 4.2% | 9.6% | 4.1% | 1.0% | 5.6% | 10.2% | 20.1% | 30.8% |
| Race | | | | | | | | | | |
| Asian | 0.8% | 3.0% | 3.4% | 4.5% | 2.4% | 1.0% | 4.9% | 6.2% | 16.1% | 26.6% |
| Black or African American | 0.4% | 2.7% | 8.7% | 15.7% | 5.9% | 2.2% | 10.8% | 16.9% | 27.2% | 41.2% |
| White | 0.3% | 1.0% | 2.8% | 8.4% | 3.8% | 0.8% | 4.6% | 8.8% | 18.6% | 29.0% |
| Other Minority | 0.0% | 0.0% | 6.3% | 5.9% | 7.1% | 0.0% | 11.5% | 5.1% | 21.1% | 37.0% |
| Multi-Racial | 0.9% | 0.0% | 1.8% | 5.4% | 4.8% | 0.7% | 8.4% | 12.5% | 28.3% | 36.4% |
| Missing | 1.1% | 0.9% | 10.0% | 10.4% | 4.3% | 1.7% | 7.9% | 13.3% | 22.6% | 25.9% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 0.6% | 1.3% | 3.0% | 9.4% | 3.2% | 0.7% | 8.0% | 9.7% | 20.2% | 28.4% |
| Not Hispanic | 0.4% | 1.3% | 4.0% | 9.6% | 4.1% | 1.0% | 5.5% | 10.1% | 19.9% | 31.2% |
| VA-Insured | | | | | | | | | | |
| All Applicants | 0.1% | 0.1% | 0.1% | 1.0% | 0.8% | 0.1% | 0.1% | 0.1% | 0.1% | 0.2% |
| Race | | | | | | | | | | |
| Asian | 0.0% | 0.0% | 0.0% | 0.0% | 2.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Black or African American | 0.0% | 0.2% | 0.6% | 3.2% | 1.6% | 0.2% | 0.5% | 0.2% | 0.2% | 0.3% |
| White | 0.1% | 0.1% | 0.1% | 0.8% | 0.8% | 0.1% | 0.0% | 0.1% | 0.1% | 0.2% |
| Other Minority | 2.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Multi-Racial | 0.0% | 0.0% | 0.0% | 1.1% | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.9% |
| Missing | 0.5% | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 0.0% | 0.0% | 0.4% | 0.0% | 0.4% | 0.0% | 0.4% | 0.0% | 0.0% | 0.0% |
| Not Hispanic | 0.1% | 0.1% | 0.1% | 1.1% | 0.9% | 0.1% | 0.0% | 0.1% | 0.1% | 0.3% |
| FSA/RHS-Insured | | | | | | | | | | |
| All Applicants | 0.0% | 0.4% | 0.5% | 2.3% | 0.8% | 0.2% | 0.1% | 0.1% | 1.5% | 1.2% |
| Race | | | | | | | | | | |
| Asian | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Black or African American | 0.0% | 2.8% | 2.1% | 2.9% | 0.0% | 0.0% | 0.0% | 0.0% | 2.5% | 1.4% |
| White | 0.0% | 0.3% | 0.4% | 2.4% | 0.9% | 0.2% | 0.1% | 0.1% | 1.4% | 1.2% |
| Other Minority | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 12.5% | 14.3% |
| Multi-Racial | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.9% |
| Missing | 0.0% | 0.0% | 0.0% | 1.5% | 0.0% | 0.0% | 0.0% | 0.0% | 5.6% | 0.7% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 0.0% | 0.0% | 0.0% | 2.4% | 0.0% | 0.0% | 0.0% | 0.0% | 2.3% | 1.3% |
| Not Hispanic | 0.0% | 0.4% | 0.5% | 2.4% | 0.8% | 0.2% | 0.1% | 0.1% | 1.4% | 1.2% |

NOTE: First lien home purchase loans originated for owner occupied one-to-four family dwellings.

The following table provides the proportion of high cost refinance loans. The proportion of higher-priced refinance loans also increased in 2014, but the magnitude of the increase was not comparable to the increase in the proportion of high cost home purchase loans during the same period.

Table 15. High Cost Loans, Conventional and Nonconventional Refinance Loans, 2005-2014, Tennessee

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------------------|-------|-------|-------|-------|-------|------|------|------|------|------|
| <i>II. Refinance Loans</i> | | | | | | | | | | |
| Conventional and Nonconventional | | | | | | | | | | |
| All Applicants | 33.2% | 39.8% | 29.1% | 18.8% | 7.3% | 4.2% | 4.6% | 3.6% | 4.4% | 6.8% |
| Race | | | | | | | | | | |
| Asian | 22.2% | 27.9% | 17.7% | 6.1% | 2.3% | 1.0% | 0.9% | 1.2% | 1.9% | 3.0% |
| Black or African American | 57.4% | 64.7% | 48.4% | 32.3% | 13.1% | 8.3% | 7.3% | 4.9% | 4.8% | 6.6% |
| White | 28.3% | 34.8% | 26.2% | 18.2% | 7.4% | 4.2% | 4.8% | 3.8% | 4.6% | 7.4% |
| Other Minority | 38.1% | 43.8% | 37.3% | 13.9% | 5.2% | 4.3% | 4.9% | 2.6% | 5.2% | 8.2% |
| Multi-Racial | 31.3% | 39.1% | 29.7% | 12.7% | 5.0% | 2.2% | 2.9% | 2.0% | 3.6% | 2.7% |
| Missing | 43.3% | 47.0% | 30.7% | 15.0% | 4.4% | 2.0% | 1.7% | 1.0% | 1.8% | 2.7% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 26.7% | 48.2% | 28.3% | 16.0% | 6.5% | 3.8% | 3.2% | 2.6% | 3.9% | 2.7% |
| Not Hispanic | 32.0% | 38.9% | 29.0% | 19.2% | 7.6% | 4.3% | 4.9% | 3.8% | 4.6% | 6.8% |
| Conventional Only | | | | | | | | | | |
| All Applicants | 34.8% | 41.6% | 31.3% | 19.7% | 7.6% | 4.1% | 4.4% | 3.5% | 4.3% | 6.4% |
| Race | | | | | | | | | | |
| Asian | 23.4% | 29.6% | 19.0% | 6.6% | 2.2% | 1.0% | 0.8% | 1.4% | 1.8% | 1.7% |
| Black or African American | 63.4% | 69.5% | 56.2% | 43.1% | 19.1% | 7.8% | 7.3% | 4.8% | 4.8% | 5.4% |
| White | 29.5% | 36.4% | 28.1% | 19.2% | 7.8% | 4.3% | 4.7% | 3.8% | 4.6% | 7.0% |
| Other Minority | 40.4% | 46.3% | 39.9% | 14.4% | 5.2% | 4.1% | 4.0% | 2.6% | 4.8% | 7.0% |
| Multi-Racial | 35.5% | 42.4% | 33.7% | 12.2% | 4.2% | 2.2% | 2.3% | 1.5% | 2.9% | 2.3% |
| Missing | 45.0% | 48.5% | 32.4% | 11.5% | 2.4% | 1.0% | 0.9% | 1.0% | 1.8% | 2.0% |
| Ethnicity | | | | | | | | | | |
| Hispanic | 31.4% | 50.9% | 32.0% | 16.7% | 7.3% | 3.7% | 2.6% | 2.6% | 4.1% | 4.2% |
| Not Hispanic | 33.6% | 40.8% | 31.4% | 20.5% | 8.0% | 4.3% | 4.7% | 3.7% | 4.5% | 7.1% |

NOTE: First lien refinance loans originated for owner occupied one-to-four family dwellings.

PART B. HOME PURCHASE LOAN MARKET SHARE OF THDA

I. Home Loan Market Share of THDA

In this report, we also measured THDA's share in the home loan market. Market share refers to the proportion of loans funded by THDA to all home purchase loans originated by financial institutions and reported in Tennessee. Knowing THDA's share in the home loan market is important to determine how competitive THDA loan products are compared to the other similar loan products available in the market. Knowledge of where THDA's business is relative to the market is also useful when making decisions around marketing and planning.

Using HMDA data to measure THDA's share in the home loan market presents some limitations because of the nature of the HMDA data and THDA's loan program eligibility requirements. As explained previously, HMDA does not require all lenders to report mortgage information, so the data may not represent a complete inventory of loans made, especially in small rural counties.

THDA loan eligibility is subject to income and purchase price limits. Additionally, in approximately a third of the state's counties, loan eligibility is limited to first time homebuyers. To compare like loan products between THDA and those within the HMDA data set, we limited the HMDA loans to those with borrowers meeting the income limits ... and the purchase price limits using the following assumptions... Additionally, because HMDA has loan rather than purchase price, the purchase price from the loan price by assuming a four percent downpayment. There is not a first time homebuyer indicator in HMDA so that limitation is not reflected. All told, this means that the loan counts used is likely to under/overestimate THDA's participation in the market. However, this is a useful comparison to examine our loan market participation, while keeping the limitations in mind.

THDA loans are for low- to moderate-income Tennesseans. To be eligible for a THDA loan, borrowers need to meet income limit requirements for the county where they are purchasing a home. THDA income limits also depend on the family size. Borrowers with three or more people in the household are allowed to have higher incomes and still be eligible for THDA loans. However, HMDA data do not provide any information about the number of people in the household. Therefore, it limits our ability to measure THDA's market share in the home loan market accurately.

THDA's loan programs are meant for modest homes, therefore maximum purchase price limits are in place and vary by county. Financial institutions report the loan amounts²⁶ rather than the purchase price of the homes. Therefore, even if a record of home purchase is within THDA's purchase price range based on the loan amount, depending on the downpayment amount, it might exceed THDA's eligible purchase price limit.

THDA home loan products are designed for the first-time homebuyers unless borrower is buying a home in a federally targeted area or borrower is a veteran. HMDA data does not provide any information on whether borrowers who were reported in the database were first-time homebuyers. Therefore, some of the reported borrowers might not be eligible for a THDA loan even if they met income and purchase price eligibility requirements. However, in the absence of the first-time homebuyer status reporting, first-time homebuyers cannot be estimated.

²⁶ We estimated the purchase price from the loan amounts. This estimation methodology is explained in Appendix I.

Keeping these limitations in mind, THDA's market share for 2014 was estimated. Because majority of THDA loans are FHA-insured therefore, comparing THDA mortgage loans to FHA-insured loans in the market provides a more accurate estimate of THDA's share in the home mortgage loan market.

We applied the before mentioned criteria to determine the loans to borrowers who would be eligible to receive a THDA loan. Only the FHA-insured loans to the borrowers who would be eligible to receive an FHA-insured THDA loan based on income, which was less than or equal to the income limit of the county they purchased their homes, and purchased homes that are less than or equal to THDA's purchase price limit are included. To determine the eligibility based on the income limits, THDA's income limits for a large family (households with three or more people) were used.

In 2014, there were 9,921 FHA-insured first lien home purchase loans reported for owner-occupied one-to four-family dwellings that met THDA's purchase price and income limit requirements, and THDA funded 1,535 FHA-insured loans. Therefore, THDA was able to serve 15.5 percent of potential homebuyers in the market compared to 16.4 percent of homebuyers who received FHA-insured loans in 2013. The reason for the declining THDA share in 2014 in the FHA-insured home purchase loan market is the declining number of THDA borrowers in 2014. THDA funded FHA-insured loans declined by 17 percent in 2014 compared to 2013.

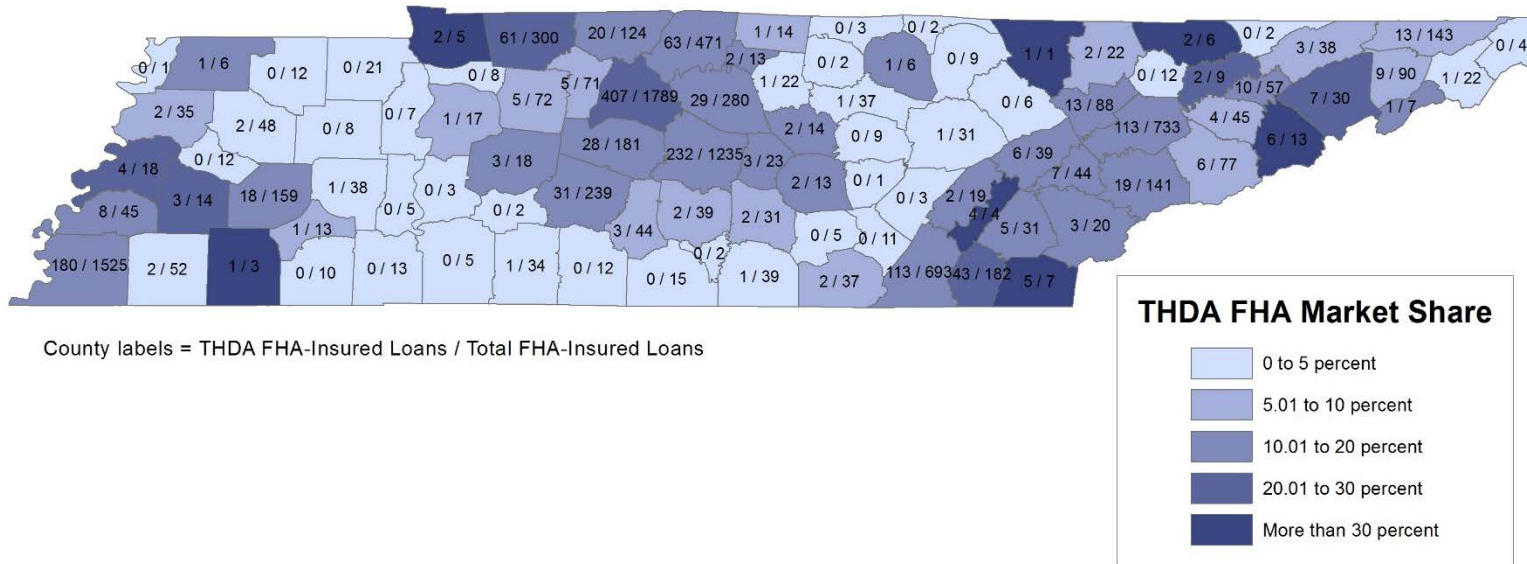
In 2014, THDA's market share varied by county from zero percent in the counties where THDA did not fund any loans to 100 percent in Meigs County where THDA funded four loans. THDA was able to attract 15 percent or more of the potential FHA borrowers in each of Davidson, Hamilton, Knox, Montgomery Rutherford and Williamson Counties, while THDA's market share was relatively low in Shelby County. THDA funded FHA-insured loans were approximately 19 percent of comparable FHA-insured loans reported in Rutherford County and 23 percent in Davidson County. THDA's market share in Rutherford County declined from 22 percent in 2013. In Meigs County, there were four FHA-insured loans originated for the homebuyers meeting THDA's income and purchase price requirement who would be potential THDA borrowers and they used THDA mortgage products.

THDA's market share in the FHA-insured loans market declined in 32 counties and increased in 37 counties, while rest of the counties did not experience any change. THDA gained the largest increases in market share from 2013 to 2014 especially in small rural counties with relatively small mortgage loan markets. In Davidson County, THDA increased its market share by one percentage point in 2014 compared to 2013, while in other large counties of Nashville MSA THDA's reach to the potential mortgage loan borrowers declined. For example, in Rutherford County, both the number of THDA eligible FHA-insured loans and the actual THDA funded FHA-insured declined in 2014 compared to 2013, 13 percent and 27 percent respectively. That resulted in a, nearly, four percentage point decline in THDA's market share in Rutherford County. Similarly in Williamson, Sumner, Wilson and Maury Counties, THDA's market share declined by anywhere from five percentage points to one percentage point. In the Memphis MSA, Shelby County experienced an annual decline of four percentage points in the market share. Although both the number of FHA-insured THDA funded loans and the number of potential THDA borrowers decreased, 35 percent decline in the THDA funded loans outweighed the 15 percent decline in THDA-eligible FHA-insured loan borrowers. In 2014, THDA's market share in majority of West Tennessee counties declined or remained unchanged, especially in the counties without a THDA-funded loan either in 2013 or 2014.

THDA's market shares in FHA-insured mortgage loans market in 2013 and 2014 by county can be found in Appendix J.

Following map displays THDA's share in the FHA-insured loans market in 2014.

Map 3: THDA's Share in FHA-Insured Home Loans Market, 2014²⁷



²⁷ The FHA-insured home loan market refers to the first-lien home purchase loans for owner occupied 1-4 family dwellings that are originated in 2014 by financial institutions and reported in HMDA data. Only the FHA-insured loans to the borrowers who would be eligible to receive FHA-insured THDA loans based on their income, which was less than or equal to the large family (households with three or more people) income limit of the county they purchased their homes, and purchased homes that are less than or equal to THDA's purchase price limit (estimated by adding a four percent downpayment amount to the loan amount) are included.

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APPENDIX

APPENDIX A

First Lien, Owner-Occupied, 1-4 Family Loans Originated

| | Home Purchase | | Refinance | |
|------------|---------------|-------|-----------|-------|
| | 2014 | 2013 | 2014 | 2013 |
| Anderson | 578 | 506 | 445 | 919 |
| Bedford | 375 | 310 | 221 | 401 |
| Benton | 90 | 86 | 82 | 164 |
| Bledsoe | 36 | 38 | 71 | 121 |
| Blount | 1,288 | 1,137 | 917 | 1,948 |
| Bradley | 894 | 869 | 583 | 1,163 |
| Campbell | 222 | 183 | 225 | 344 |
| Cannon | 110 | 92 | 71 | 143 |
| Carroll | 109 | 127 | 89 | 233 |
| Carter | 297 | 282 | 261 | 507 |
| Cheatham | 446 | 412 | 308 | 655 |
| Chester | 123 | 99 | 98 | 174 |
| Claiborne | 144 | 135 | 135 | 242 |
| Clay | 21 | 19 | 25 | 50 |
| Cocke | 108 | 96 | 101 | 211 |
| Coffee | 345 | 360 | 268 | 494 |
| Crockett | 76 | 75 | 69 | 97 |
| Cumberland | 354 | 312 | 298 | 589 |
| Davidson | 8,512 | 7,895 | 4,324 | 9,657 |
| Decatur | 40 | 40 | 64 | 89 |
| DeKalb | 130 | 93 | 104 | 179 |
| Dickson | 526 | 420 | 312 | 607 |
| Dyer | 259 | 271 | 174 | 348 |
| Fayette | 451 | 444 | 300 | 598 |
| Fentress | 66 | 65 | 88 | 106 |
| Franklin | 263 | 199 | 210 | 400 |
| Gibson | 351 | 330 | 233 | 473 |
| Giles | 159 | 146 | 125 | 276 |
| Grainger | 89 | 99 | 121 | 175 |
| Greene | 359 | 373 | 358 | 679 |
| Grundy | 50 | 60 | 69 | 136 |
| Hamblen | 442 | 361 | 366 | 716 |
| Hamilton | 3,773 | 3,619 | 2,101 | 4,436 |
| Hancock | 26 | 11 | 31 | 34 |
| Hardeman | 78 | 78 | 93 | 155 |
| Hardin | 126 | 144 | 150 | 190 |
| Hawkins | 354 | 332 | 257 | 536 |

First Lien, Owner-Occupied, 1-4 Family Loans Originated

| | Home Purchase | | Refinance | |
|------------|---------------|-------|-----------|-------|
| | 2014 | 2013 | 2014 | 2013 |
| Haywood | 52 | 76 | 75 | 107 |
| Henderson | 155 | 146 | 139 | 261 |
| Henry | 170 | 159 | 131 | 264 |
| Hickman | 130 | 106 | 98 | 193 |
| Houston | 44 | 41 | 55 | 67 |
| Humphreys | 131 | 97 | 106 | 169 |
| Jackson | 29 | 41 | 61 | 82 |
| Jefferson | 365 | 330 | 294 | 500 |
| Johnson | 54 | 46 | 56 | 95 |
| Knox | 5,070 | 4,877 | 2,838 | 6,572 |
| Lake | 12 | 11 | 23 | 41 |
| Lauderdale | 101 | 110 | 74 | 121 |
| Lawrence | 241 | 213 | 192 | 338 |
| Lewis | 45 | 43 | 62 | 104 |
| Lincoln | 199 | 186 | 189 | 350 |
| Loudon | 514 | 478 | 329 | 848 |
| Macon | 159 | 126 | 136 | 221 |
| Madison | 735 | 808 | 507 | 1,088 |
| Marion | 159 | 136 | 213 | 322 |
| Marshall | 279 | 251 | 164 | 326 |
| Maury | 1,155 | 991 | 611 | 1,146 |
| McMinn | 333 | 306 | 246 | 490 |
| McNairy | 138 | 119 | 147 | 217 |
| Meigs | 58 | 42 | 42 | 90 |
| Monroe | 257 | 239 | 213 | 436 |
| Montgomery | 3,183 | 2,912 | 1,371 | 2,580 |
| Moore | 32 | 40 | 20 | 71 |
| Morgan | 70 | 61 | 111 | 128 |
| Obion | 131 | 137 | 137 | 276 |
| Overton | 69 | 70 | 79 | 115 |
| Perry | 19 | 10 | 21 | 40 |
| Pickett | 14 | 11 | 8 | 32 |
| Polk | 70 | 65 | 80 | 147 |
| Putnam | 436 | 468 | 347 | 759 |
| Rhea | 172 | 165 | 137 | 288 |
| Roane | 341 | 318 | 319 | 662 |
| Robertson | 767 | 742 | 524 | 969 |
| Rutherford | 4,433 | 4,095 | 2,030 | 4,537 |
| Scott | 59 | 40 | 95 | 107 |

First Lien, Owner-Occupied, 1-4 Family Loans Originated

| | <u>Home Purchase</u> | | <u>Refinance</u> | |
|------------|----------------------|--------|------------------|--------|
| | 2014 | 2013 | 2014 | 2013 |
| Sequatchie | 78 | 82 | 111 | 178 |
| Sevier | 737 | 657 | 485 | 1,064 |
| Shelby | 6,228 | 6,155 | 4,143 | 9,217 |
| Smith | 137 | 134 | 108 | 184 |
| Stewart | 81 | 89 | 79 | 160 |
| Sullivan | 1,234 | 1,201 | 791 | 1,553 |
| Sumner | 2,567 | 2,430 | 1,326 | 2,936 |
| Tipton | 445 | 400 | 448 | 818 |
| Trousdale | 57 | 53 | 44 | 66 |
| Unicoi | 95 | 85 | 70 | 145 |
| Union | 122 | 111 | 93 | 167 |
| Van Buren | 30 | 16 | 27 | 72 |
| Warren | 176 | 188 | 149 | 266 |
| Washington | 1,146 | 1,136 | 609 | 1,494 |
| Wayne | 29 | 34 | 43 | 75 |
| Weakley | 156 | 182 | 147 | 304 |
| White | 149 | 152 | 108 | 231 |
| Williamson | 4,312 | 4,288 | 1,969 | 4,858 |
| Wilson | 2,096 | 1,917 | 992 | 2,233 |
| TENNESSEE | 61,998 | 58,613 | 37,793 | 79,463 |

APPENDIX B

First Lien, Owner-Occupied, Home Purchase Loans for 1-4 Family Dwellings

| COUNTY | Conventional | FHA | VA | FSA/RHS | ALL |
|---------------|---------------------|------------|-----------|----------------|------------|
| Anderson | 320 | 103 | 71 | 84 | 578 |
| Bedford | 120 | 56 | 40 | 159 | 375 |
| Benton | 48 | 10 | 12 | 20 | 90 |
| Bledsoe | 22 | 4 | 2 | 8 | 36 |
| Blount | 643 | 213 | 173 | 259 | 1,288 |
| Bradley | 429 | 243 | 87 | 135 | 894 |
| Campbell | 109 | 26 | 20 | 67 | 222 |
| Cannon | 48 | 25 | 5 | 32 | 110 |
| Carroll | 56 | 8 | 6 | 39 | 109 |
| Carter | 164 | 27 | 33 | 73 | 297 |
| Cheatham | 189 | 86 | 51 | 120 | 446 |
| Chester | 51 | 16 | 12 | 44 | 123 |
| Claiborne | 92 | 9 | 8 | 35 | 144 |
| Clay | 15 | 3 | 3 | 0 | 21 |
| Cocke | 55 | 15 | 15 | 23 | 108 |
| Coffee | 150 | 45 | 49 | 101 | 345 |
| Crockett | 29 | 13 | 4 | 30 | 76 |
| Cumberland | 183 | 42 | 65 | 64 | 354 |
| Davidson | 5,938 | 2,109 | 453 | 12 | 8,512 |
| Decatur | 20 | 9 | 2 | 9 | 40 |
| DeKalb | 56 | 15 | 14 | 45 | 130 |
| Dickson | 244 | 84 | 57 | 141 | 526 |
| Dyer | 108 | 45 | 27 | 79 | 259 |
| Fayette | 251 | 72 | 51 | 77 | 451 |
| Fentress | 37 | 10 | 5 | 14 | 66 |
| Franklin | 108 | 45 | 35 | 75 | 263 |
| Gibson | 142 | 58 | 35 | 116 | 351 |
| Giles | 64 | 20 | 21 | 54 | 159 |
| Grainger | 45 | 11 | 10 | 23 | 89 |
| Greene | 199 | 38 | 36 | 86 | 359 |
| Grundy | 30 | 5 | 3 | 12 | 50 |
| Hamblen | 189 | 83 | 52 | 118 | 442 |
| Hamilton | 2,338 | 890 | 337 | 208 | 3,773 |
| Hancock | 14 | 2 | 2 | 8 | 26 |
| Hardeman | 40 | 5 | 6 | 27 | 78 |
| Hardin | 41 | 15 | 22 | 48 | 126 |
| Hawkins | 186 | 48 | 43 | 77 | 354 |
| Haywood | 24 | 14 | 2 | 12 | 52 |

First Lien, Owner-Occupied, Home Purchase Loans for 1-4 Family Dwellings

| COUNTY | Conventional | FHA | VA | FSA/RHS | ALL |
|---------------|---------------------|------------|-----------|----------------|------------|
| Henderson | 75 | 40 | 10 | 30 | 155 |
| Henry | 87 | 26 | 29 | 28 | 170 |
| Hickman | 62 | 22 | 12 | 34 | 130 |
| Houston | 22 | 8 | 7 | 7 | 44 |
| Humphreys | 60 | 20 | 20 | 31 | 131 |
| Jackson | 17 | 2 | 4 | 6 | 29 |
| Jefferson | 176 | 55 | 40 | 94 | 365 |
| Johnson | 28 | 5 | 13 | 8 | 54 |
| Knox | 3,340 | 960 | 455 | 315 | 5,070 |
| Lake | 3 | 2 | 1 | 6 | 12 |
| Lauderdale | 32 | 22 | 15 | 32 | 101 |
| Lawrence | 128 | 41 | 18 | 54 | 241 |
| Lewis | 25 | 5 | 4 | 11 | 45 |
| Lincoln | 82 | 22 | 26 | 69 | 199 |
| Loudon | 316 | 55 | 54 | 89 | 514 |
| Macon | 66 | 18 | 9 | 66 | 159 |
| Madison | 393 | 183 | 65 | 94 | 735 |
| Marion | 84 | 40 | 11 | 24 | 159 |
| Marshall | 102 | 53 | 32 | 92 | 279 |
| Maury | 628 | 306 | 127 | 94 | 1,155 |
| McMinn | 163 | 44 | 22 | 104 | 333 |
| McNairy | 53 | 21 | 10 | 54 | 138 |
| Meigs | 31 | 8 | 7 | 12 | 58 |
| Monroe | 112 | 33 | 33 | 79 | 257 |
| Montgomery | 510 | 362 | 2,255 | 56 | 3,183 |
| Moore | 15 | 4 | 4 | 9 | 32 |
| Morgan | 31 | 8 | 7 | 24 | 70 |
| Obion | 70 | 7 | 8 | 46 | 131 |
| Overton | 37 | 9 | 8 | 15 | 69 |
| Perry | 13 | 3 | 2 | 1 | 19 |
| Pickett | 7 | 2 | 3 | 2 | 14 |
| Polk | 38 | 9 | 6 | 17 | 70 |
| Putnam | 258 | 63 | 48 | 67 | 436 |
| Rhea | 86 | 21 | 16 | 49 | 172 |
| Roane | 180 | 46 | 55 | 60 | 341 |
| Robertson | 295 | 157 | 100 | 215 | 767 |
| Rutherford | 2,107 | 1,449 | 528 | 349 | 4,433 |
| Scott | 36 | 3 | 3 | 17 | 59 |
| Sequatchie | 32 | 13 | 8 | 25 | 78 |
| Sevier | 362 | 105 | 79 | 191 | 737 |

First Lien, Owner-Occupied, Home Purchase Loans for 1-4 Family Dwellings

| COUNTY | Conventional | FHA | VA | FSA/RHS | ALL |
|------------------|---------------------|---------------|--------------|----------------|---------------|
| Shelby | 3,554 | 1,997 | 603 | 74 | 6,228 |
| Smith | 71 | 27 | 7 | 32 | 137 |
| Stewart | 26 | 6 | 35 | 14 | 81 |
| Sullivan | 910 | 181 | 97 | 46 | 1,234 |
| Sumner | 1,403 | 612 | 247 | 305 | 2,567 |
| Tipton | 134 | 72 | 123 | 116 | 445 |
| Trousdale | 26 | 13 | 5 | 13 | 57 |
| Unicoi | 54 | 10 | 11 | 20 | 95 |
| Union | 60 | 14 | 8 | 40 | 122 |
| Van Buren | 21 | 1 | 3 | 5 | 30 |
| Warren | 83 | 18 | 13 | 62 | 176 |
| Washington | 795 | 123 | 136 | 92 | 1,146 |
| Wayne | 15 | 8 | 4 | 2 | 29 |
| Weakley | 69 | 22 | 15 | 50 | 156 |
| White | 77 | 11 | 17 | 44 | 149 |
| Williamson | 3,587 | 439 | 208 | 78 | 4,312 |
| Wilson | 1,277 | 393 | 226 | 200 | 2,096 |
| NA | 69 | 1 | 1 | 1 | 72 |
| TENNESSEE | 35,190 | 12,722 | 7,782 | 6,304 | 61,998 |

APPENDIX C

Methodology for Determining Combined Race Categories

In this report, we identified and defined the racial groups in the following way (these are combined race categories considering both applicant and co-applicant, if any, and all the racial groups, up to five, reported):

- White – Both applicant and co-applicant are white and no other race reported, or the applicant is white and there is no co-applicant
- Black – Both applicant and co-applicant are black and no other race reported, or the applicant is black and there is no co-applicant
- Asian – Both applicant and co-applicant are Asian and no other race reported, or the applicant is Asian and there is no co-applicant
- Multiracial – Both applicant and co-applicant are of different races or either applicant or co-applicant are multiracial, meaning at least one applicant reports more than one race
- Other minority – Both the applicant and co-applicant are American Indian or Alaska Native, Native Hawaiian or other Pacific Islander and no other race reported or the applicant is American Indian or Alaska Native, Native Hawaiian or other Pacific Islander and there is no co-applicant
- Missing – Race information for both applicant and co-applicant, if any, is reported as either “information not provided” or “not applicable.”

We treated the borrower’s ethnicity separately rather than combining as “race and ethnicity.” According to our classification, a borrower is Hispanic or Latino if the applicant or co applicant is identified as Hispanic or Latino. If neither the applicant nor the co-applicant is Hispanic or Latino, then the borrower is categorized as not Hispanic or Latino. The information is missing if ethnicity is not provided or not applicable for both applicant and co-applicant, if there is any.

APPENDIX D

First-lien, Owner-Occupied, 1-4 Family, Home Purchase Loan Originations by Race, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|------------|-------|-------|-------|-------|--------------|---------|-------|
| Anderson | 530 | 7 | 5 | 2 | 4 | 30 | 578 |
| Bedford | 337 | 14 | 2 | 1 | 7 | 14 | 375 |
| Benton | 84 | 1 | 1 | 0 | 1 | 3 | 90 |
| Bledsoe | 35 | 0 | 0 | 0 | 0 | 1 | 36 |
| Blount | 1,162 | 23 | 2 | 2 | 10 | 89 | 1,288 |
| Bradley | 841 | 13 | 3 | 6 | 7 | 24 | 894 |
| Campbell | 212 | 2 | 0 | 0 | 1 | 7 | 222 |
| Cannon | 103 | 0 | 1 | 3 | 0 | 3 | 110 |
| Carroll | 97 | 6 | 0 | 1 | 1 | 4 | 109 |
| Carter | 286 | 0 | 1 | 3 | 2 | 5 | 297 |
| Cheatham | 413 | 4 | 1 | 0 | 4 | 24 | 446 |
| Chester | 111 | 5 | 4 | 1 | 0 | 2 | 123 |
| Claiborne | 141 | 1 | 0 | 0 | 1 | 1 | 144 |
| Clay | 17 | 0 | 0 | 1 | 0 | 3 | 21 |
| Cocke | 106 | 0 | 0 | 0 | 0 | 2 | 108 |
| Coffee | 311 | 4 | 2 | 5 | 5 | 18 | 345 |
| Crockett | 69 | 4 | 0 | 1 | 0 | 2 | 76 |
| Cumberland | 327 | 1 | 1 | 1 | 6 | 18 | 354 |
| Davidson | 6,754 | 743 | 208 | 25 | 124 | 658 | 8,512 |
| Decatur | 38 | 2 | 0 | 0 | 0 | 0 | 40 |
| DeKalb | 126 | 0 | 0 | 1 | 0 | 3 | 130 |
| Dickson | 489 | 7 | 4 | 3 | 2 | 21 | 526 |
| Dyer | 232 | 14 | 2 | 1 | 5 | 5 | 259 |
| Fayette | 376 | 49 | 4 | 2 | 4 | 16 | 451 |
| Fentress | 60 | 0 | 0 | 1 | 0 | 5 | 66 |
| Franklin | 248 | 6 | 0 | 0 | 3 | 6 | 263 |
| Gibson | 312 | 24 | 2 | 3 | 1 | 9 | 351 |
| Giles | 148 | 2 | 2 | 0 | 2 | 5 | 159 |
| Grainger | 81 | 0 | 1 | 0 | 0 | 7 | 89 |
| Greene | 327 | 4 | 0 | 10 | 2 | 16 | 359 |
| Grundy | 47 | 0 | 1 | 0 | 0 | 2 | 50 |
| Hamblen | 400 | 7 | 4 | 2 | 4 | 25 | 442 |
| Hamilton | 3,284 | 217 | 60 | 7 | 38 | 167 | 3,773 |
| Hancock | 24 | 0 | 0 | 1 | 0 | 1 | 26 |
| Hardeman | 64 | 12 | 1 | 0 | 0 | 1 | 78 |
| Hardin | 111 | 3 | 1 | 2 | 0 | 9 | 126 |
| Hawkins | 333 | 1 | 1 | 3 | 4 | 12 | 354 |
| Haywood | 40 | 8 | 0 | 1 | 1 | 2 | 52 |

First-lien, Owner-Occupied, 1-4 Family, Home Purchase Loan Originations by Race, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|--------------|---------------------|----------------|--------------|
| Henderson | 143 | 7 | 1 | 0 | 1 | 3 | 155 |
| Henry | 157 | 4 | 0 | 2 | 0 | 7 | 170 |
| Hickman | 126 | 0 | 0 | 1 | 2 | 1 | 130 |
| Houston | 41 | 0 | 0 | 0 | 1 | 2 | 44 |
| Humphreys | 125 | 1 | 0 | 0 | 1 | 4 | 131 |
| Jackson | 26 | 0 | 0 | 0 | 1 | 2 | 29 |
| Jefferson | 332 | 4 | 1 | 0 | 4 | 24 | 365 |
| Johnson | 48 | 0 | 0 | 1 | 1 | 4 | 54 |
| Knox | 4,428 | 142 | 60 | 13 | 59 | 368 | 5,070 |
| Lake | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| Lauderdale | 82 | 16 | 0 | 1 | 1 | 1 | 101 |
| Lawrence | 221 | 4 | 0 | 7 | 2 | 7 | 241 |
| Lewis | 43 | 0 | 0 | 0 | 0 | 2 | 45 |
| Lincoln | 190 | 2 | 0 | 1 | 1 | 5 | 199 |
| Loudon | 479 | 1 | 2 | 1 | 6 | 25 | 514 |
| Macon | 155 | 0 | 0 | 1 | 0 | 3 | 159 |
| Madison | 586 | 111 | 3 | 2 | 9 | 24 | 735 |
| Marion | 149 | 6 | 0 | 0 | 1 | 3 | 159 |
| Marshall | 252 | 7 | 0 | 2 | 5 | 13 | 279 |
| Maury | 1,010 | 34 | 4 | 9 | 16 | 82 | 1,155 |
| McMinn | 312 | 8 | 1 | 3 | 2 | 7 | 333 |
| McNairy | 130 | 3 | 0 | 0 | 0 | 5 | 138 |
| Meigs | 51 | 1 | 0 | 4 | 0 | 2 | 58 |
| Monroe | 237 | 1 | 0 | 1 | 2 | 16 | 257 |
| Montgomery | 2,418 | 329 | 43 | 24 | 122 | 247 | 3,183 |
| Moore | 26 | 0 | 0 | 1 | 1 | 4 | 32 |
| Morgan | 62 | 0 | 0 | 1 | 1 | 6 | 70 |
| Obion | 122 | 3 | 1 | 0 | 0 | 5 | 131 |
| Overton | 65 | 0 | 0 | 3 | 0 | 1 | 69 |
| Perry | 16 | 0 | 0 | 1 | 0 | 2 | 19 |
| Pickett | 12 | 0 | 0 | 1 | 0 | 1 | 14 |
| Polk | 68 | 0 | 0 | 0 | 0 | 2 | 70 |
| Putnam | 413 | 1 | 4 | 1 | 3 | 14 | 436 |
| Rhea | 166 | 0 | 1 | 2 | 0 | 3 | 172 |
| Roane | 324 | 3 | 1 | 1 | 2 | 10 | 341 |
| Robertson | 701 | 12 | 4 | 4 | 12 | 34 | 767 |
| Rutherford | 3,671 | 385 | 99 | 18 | 68 | 192 | 4,433 |
| Scott | 56 | 0 | 0 | 0 | 1 | 2 | 59 |
| Sequatchie | 73 | 0 | 0 | 0 | 0 | 5 | 78 |
| Sevier | 693 | 2 | 6 | 5 | 5 | 26 | 737 |
| Shelby | 4,146 | 1,417 | 241 | 25 | 123 | 276 | 6,228 |

First-lien, Owner-Occupied, 1-4 Family, Home Purchase Loan Originations by Race, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|------------------|---------------|--------------|--------------|--------------|---------------------|----------------|---------------|
| Smith | 130 | 0 | 0 | 4 | 0 | 3 | 137 |
| Stewart | 71 | 0 | 0 | 0 | 1 | 9 | 81 |
| Sullivan | 1,139 | 5 | 10 | 3 | 15 | 62 | 1,234 |
| Sumner | 2,302 | 82 | 27 | 8 | 21 | 127 | 2,567 |
| Tipton | 390 | 33 | 3 | 1 | 8 | 10 | 445 |
| Trousdale | 51 | 2 | 0 | 1 | 2 | 1 | 57 |
| Unicoi | 90 | 0 | 0 | 0 | 0 | 5 | 95 |
| Union | 111 | 0 | 0 | 1 | 1 | 9 | 122 |
| Van Buren | 27 | 0 | 0 | 2 | 1 | 0 | 30 |
| Warren | 158 | 4 | 0 | 6 | 3 | 5 | 176 |
| Washington | 1,046 | 16 | 20 | 7 | 15 | 42 | 1,146 |
| Wayne | 21 | 0 | 0 | 5 | 0 | 3 | 29 |
| Weakley | 148 | 2 | 0 | 1 | 0 | 5 | 156 |
| White | 134 | 0 | 0 | 2 | 0 | 13 | 149 |
| Williamson | 3,641 | 68 | 153 | 12 | 46 | 392 | 4,312 |
| Wilson | 1,856 | 60 | 44 | 4 | 22 | 110 | 2,096 |
| NA | 46 | 1 | 1 | 16 | 0 | 8 | 72 |
| TENNESSEE | 52,403 | 3,962 | 1,044 | 298 | 827 | 3,464 | 61,998 |

APPENDIX E

First-lien, Owner-Occupied, 1-4 Family, *Refinance* Loan Originations, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|------------|-------|-------|-------|-------|--------------|---------|-------|
| Anderson | 373 | 11 | 2 | 1 | 4 | 54 | 445 |
| Bedford | 196 | 6 | 0 | 2 | 2 | 15 | 221 |
| Benton | 78 | 2 | 0 | 0 | 0 | 2 | 82 |
| Bledsoe | 65 | 0 | 0 | 0 | 0 | 6 | 71 |
| Blount | 800 | 18 | 1 | 4 | 12 | 82 | 917 |
| Bradley | 527 | 12 | 3 | 1 | 3 | 37 | 583 |
| Campbell | 215 | 0 | 0 | 0 | 0 | 10 | 225 |
| Cannon | 65 | 1 | 0 | 2 | 1 | 2 | 71 |
| Carroll | 81 | 5 | 0 | 0 | 1 | 2 | 89 |
| Carter | 235 | 2 | 1 | 1 | 3 | 19 | 261 |
| Cheatham | 282 | 3 | 1 | 1 | 6 | 15 | 308 |
| Chester | 86 | 1 | 0 | 1 | 4 | 6 | 98 |
| Claiborne | 120 | 0 | 1 | 1 | 1 | 12 | 135 |
| Clay | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| Cocke | 90 | 0 | 0 | 2 | 1 | 8 | 101 |
| Coffee | 238 | 4 | 1 | 4 | 3 | 18 | 268 |
| Crockett | 58 | 5 | 0 | 1 | 0 | 5 | 69 |
| Cumberland | 263 | 3 | 1 | 0 | 4 | 27 | 298 |
| Davidson | 3,060 | 645 | 70 | 20 | 76 | 453 | 4,324 |
| Decatur | 57 | 2 | 0 | 0 | 0 | 5 | 64 |
| DeKalb | 97 | 0 | 0 | 1 | 0 | 6 | 104 |
| Dickson | 277 | 11 | 1 | 1 | 3 | 19 | 312 |
| Dyer | 155 | 5 | 1 | 2 | 4 | 7 | 174 |
| Fayette | 236 | 35 | 0 | 2 | 4 | 23 | 300 |
| Fentress | 84 | 0 | 0 | 0 | 0 | 4 | 88 |
| Franklin | 181 | 5 | 0 | 1 | 2 | 21 | 210 |
| Gibson | 196 | 13 | 0 | 4 | 2 | 18 | 233 |
| Giles | 109 | 3 | 1 | 2 | 2 | 8 | 125 |
| Grainger | 112 | 0 | 0 | 0 | 2 | 7 | 121 |
| Greene | 330 | 1 | 1 | 3 | 3 | 20 | 358 |
| Grundy | 63 | 0 | 0 | 0 | 0 | 6 | 69 |
| Hamblen | 330 | 7 | 1 | 1 | 6 | 21 | 366 |
| Hamilton | 1,708 | 180 | 17 | 3 | 37 | 156 | 2,101 |
| Hancock | 29 | 0 | 0 | 0 | 0 | 2 | 31 |
| Hardeman | 66 | 18 | 1 | 3 | 0 | 5 | 93 |
| Hardin | 114 | 2 | 1 | 0 | 1 | 32 | 150 |
| Hawkins | 233 | 3 | 3 | 2 | 1 | 15 | 257 |
| Haywood | 48 | 21 | 0 | 1 | 0 | 5 | 75 |

First-lien, Owner-Occupied, 1-4 Family, Refinance Loan Originations, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|--------------|---------------------|----------------|--------------|
| Henderson | 121 | 4 | 0 | 1 | 1 | 12 | 139 |
| Henry | 110 | 6 | 0 | 1 | 1 | 13 | 131 |
| Hickman | 90 | 0 | 0 | 2 | 0 | 6 | 98 |
| Houston | 46 | 0 | 0 | 0 | 1 | 8 | 55 |
| Humphreys | 98 | 1 | 0 | 1 | 3 | 3 | 106 |
| Jackson | 56 | 0 | 0 | 1 | 0 | 4 | 61 |
| Jefferson | 273 | 0 | 0 | 0 | 2 | 19 | 294 |
| Johnson | 50 | 0 | 0 | 2 | 1 | 3 | 56 |
| Knox | 2,348 | 110 | 25 | 7 | 37 | 311 | 2,838 |
| Lake | 22 | 0 | 0 | 0 | 0 | 1 | 23 |
| Lauderdale | 61 | 9 | 0 | 0 | 1 | 3 | 74 |
| Lawrence | 178 | 2 | 0 | 0 | 3 | 9 | 192 |
| Lewis | 52 | 0 | 0 | 0 | 1 | 9 | 62 |
| Lincoln | 158 | 4 | 1 | 3 | 1 | 22 | 189 |
| Loudon | 290 | 3 | 1 | 0 | 5 | 30 | 329 |
| Macon | 128 | 0 | 0 | 1 | 2 | 5 | 136 |
| Madison | 369 | 94 | 4 | 1 | 6 | 33 | 507 |
| Marion | 188 | 8 | 2 | 0 | 0 | 15 | 213 |
| Marshall | 142 | 7 | 0 | 0 | 3 | 12 | 164 |
| Maury | 492 | 38 | 2 | 5 | 10 | 64 | 611 |
| McMinn | 215 | 4 | 0 | 2 | 3 | 22 | 246 |
| McNairy | 126 | 3 | 1 | 4 | 1 | 12 | 147 |
| Meigs | 40 | 0 | 0 | 0 | 0 | 2 | 42 |
| Monroe | 182 | 7 | 2 | 1 | 3 | 18 | 213 |
| Montgomery | 897 | 229 | 8 | 10 | 81 | 146 | 1,371 |
| Moore | 18 | 0 | 0 | 0 | 1 | 1 | 20 |
| Morgan | 98 | 0 | 0 | 2 | 0 | 11 | 111 |
| Obion | 127 | 6 | 0 | 0 | 1 | 3 | 137 |
| Overton | 72 | 0 | 0 | 0 | 1 | 6 | 79 |
| Perry | 18 | 0 | 0 | 0 | 0 | 3 | 21 |
| Pickett | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| Polk | 71 | 0 | 1 | 1 | 0 | 7 | 80 |
| Putnam | 316 | 6 | 1 | 4 | 3 | 17 | 347 |
| Rhea | 131 | 1 | 0 | 1 | 1 | 3 | 137 |
| Roane | 277 | 8 | 0 | 0 | 2 | 32 | 319 |
| Robertson | 455 | 19 | 0 | 2 | 5 | 43 | 524 |
| Rutherford | 1,605 | 175 | 32 | 4 | 42 | 172 | 2,030 |
| Scott | 90 | 0 | 0 | 0 | 0 | 5 | 95 |
| Sequatchie | 104 | 1 | 0 | 0 | 0 | 6 | 111 |
| Sevier | 430 | 2 | 2 | 1 | 11 | 39 | 485 |
| Shelby | 2,562 | 1,015 | 74 | 19 | 76 | 397 | 4,143 |

First-lien, Owner-Occupied, 1-4 Family, Refinance Loan Originations, 2014

| County | White | Black | Asian | Other | Multi-Racial | Missing | TOTAL |
|------------------|---------------|--------------|--------------|--------------|---------------------|----------------|---------------|
| Smith | 103 | 1 | 0 | 1 | 1 | 2 | 108 |
| Stewart | 64 | 0 | 0 | 0 | 3 | 12 | 79 |
| Sullivan | 697 | 11 | 3 | 5 | 16 | 59 | 791 |
| Sumner | 1,133 | 56 | 10 | 8 | 14 | 105 | 1,326 |
| Tipton | 350 | 52 | 0 | 3 | 7 | 36 | 448 |
| Trousdale | 40 | 1 | 0 | 0 | 0 | 3 | 44 |
| Unicoi | 67 | 0 | 0 | 0 | 1 | 2 | 70 |
| Union | 79 | 1 | 0 | 0 | 2 | 11 | 93 |
| Van Buren | 27 | 0 | 0 | 0 | 0 | 0 | 27 |
| Warren | 125 | 4 | 1 | 0 | 1 | 18 | 149 |
| Washington | 518 | 15 | 2 | 2 | 16 | 56 | 609 |
| Wayne | 37 | 0 | 0 | 0 | 1 | 5 | 43 |
| Weakley | 138 | 4 | 0 | 1 | 1 | 3 | 147 |
| White | 99 | 1 | 0 | 2 | 1 | 5 | 108 |
| Williamson | 1,653 | 50 | 47 | 9 | 23 | 187 | 1,969 |
| Wilson | 848 | 28 | 10 | 4 | 19 | 83 | 992 |
| NA | 12 | 2 | 0 | 4 | 0 | 6 | 24 |
| TENNESSEE | 30,386 | 3,012 | 337 | 182 | 603 | 3,273 | 37,793 |

APPENDIX F

Ratio Of Non-Conventional Loan Borrowers To Total Borrowers, by Race, 2014

| COUNTY | Asian | Black | White | Other Minority | Multi-Racial | Missing | ALL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|------------|
| Anderson | 20.0% | 71.4% | 44.5% | 0.0% | 50.0% | 46.7% | 44.6% |
| Bedford | 50.0% | 71.4% | 67.7% | 0.0% | 71.4% | 78.6% | 68.0% |
| Benton | 100.0% | 100.0% | 46.4% | NA | 0.0% | 33.3% | 46.7% |
| Bledsoe | NA | NA | 40.0% | NA | NA | 0.0% | 38.9% |
| Blount | 50.0% | 56.5% | 49.4% | 0.0% | 60.0% | 57.3% | 50.1% |
| Bradley | 33.3% | 69.2% | 52.2% | 16.7% | 71.4% | 41.7% | 52.0% |
| Campbell | NA | 100.0% | 49.5% | NA | 100.0% | 71.4% | 50.9% |
| Cannon | 100.0% | NA | 56.3% | 0.0% | NA | 100.0% | 56.4% |
| Carroll | NA | 66.7% | 48.5% | 0.0% | 100.0% | 25.0% | 48.6% |
| Carter | 0.0% | NA | 45.1% | 0.0% | 100.0% | 40.0% | 44.8% |
| Cheatham | 100.0% | 50.0% | 58.1% | NA | 50.0% | 50.0% | 57.6% |
| Chester | 50.0% | 60.0% | 59.5% | 0.0% | NA | 50.0% | 58.5% |
| Claiborne | NA | 100.0% | 36.2% | NA | 0.0% | 0.0% | 36.1% |
| Clay | NA | NA | 29.4% | 0.0% | NA | 33.3% | 28.6% |
| Cocke | NA | NA | 50.0% | NA | NA | 0.0% | 49.1% |
| Coffee | 50.0% | 75.0% | 55.9% | 60.0% | 60.0% | 61.1% | 56.5% |
| Crockett | NA | 100.0% | 62.3% | 0.0% | NA | 0.0% | 61.8% |
| Cumberland | 0.0% | 100.0% | 48.9% | 0.0% | 33.3% | 44.4% | 48.3% |
| Davidson | 28.4% | 67.7% | 26.7% | 56.0% | 37.9% | 22.5% | 30.2% |
| Decatur | NA | 100.0% | 47.4% | NA | NA | NA | 50.0% |
| DeKalb | NA | NA | 57.1% | 0.0% | NA | 66.7% | 56.9% |
| Dickson | 0.0% | 42.9% | 54.6% | 0.0% | 50.0% | 52.4% | 53.6% |
| Dyer | 0.0% | 92.9% | 55.6% | 0.0% | 100.0% | 80.0% | 58.3% |
| Fayette | 25.0% | 77.6% | 40.2% | 50.0% | 50.0% | 43.8% | 44.3% |
| Fentress | NA | NA | 43.3% | 0.0% | NA | 60.0% | 43.9% |
| Franklin | NA | 83.3% | 58.9% | NA | 33.3% | 50.0% | 58.9% |
| Gibson | 0.0% | 79.2% | 58.7% | 33.3% | 0.0% | 66.7% | 59.5% |
| Giles | 50.0% | 100.0% | 58.8% | NA | 50.0% | 80.0% | 59.7% |
| Grainger | 100.0% | NA | 49.4% | NA | NA | 42.9% | 49.4% |
| Greene | NA | 100.0% | 45.0% | 0.0% | 50.0% | 50.0% | 44.6% |
| Grundy | 0.0% | NA | 42.6% | NA | NA | 0.0% | 40.0% |
| Hamblen | 25.0% | 71.4% | 56.8% | 100.0% | 100.0% | 56.0% | 57.2% |
| Hamilton | 16.7% | 71.4% | 36.5% | 14.3% | 36.8% | 32.9% | 38.0% |
| Hancock | NA | NA | 45.8% | 0.0% | NA | 100.0% | 46.2% |
| Hardeman | 100.0% | 66.7% | 43.8% | NA | NA | 100.0% | 48.7% |
| Hardin | 0.0% | 66.7% | 72.1% | 0.0% | NA | 33.3% | 67.5% |
| Hawkins | 0.0% | 100.0% | 47.7% | 0.0% | 100.0% | 33.3% | 47.5% |
| Haywood | NA | 100.0% | 45.0% | 0.0% | 100.0% | 50.0% | 53.8% |

Ratio Of Non-Conventional Loan Borrowers To Total Borrowers, by Race, 2014

| COUNTY | Asian | Black | White | Other Minority | Multi-Racial | Missing | ALL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|------------|
| Henderson | 0.0% | 85.7% | 49.7% | NA | 100.0% | 66.7% | 51.6% |
| Henry | NA | 100.0% | 47.1% | 50.0% | NA | 57.1% | 48.8% |
| Hickman | NA | NA | 52.4% | 0.0% | 100.0% | 0.0% | 52.3% |
| Houston | NA | NA | 48.8% | NA | 100.0% | 50.0% | 50.0% |
| Humphreys | NA | 100.0% | 53.6% | NA | 100.0% | 50.0% | 54.2% |
| Jackson | NA | NA | 42.3% | NA | 0.0% | 50.0% | 41.4% |
| Jefferson | 0.0% | 75.0% | 52.1% | NA | 50.0% | 45.8% | 51.8% |
| Johnson | NA | NA | 45.8% | 0.0% | 100.0% | 75.0% | 48.1% |
| Knox | 16.7% | 60.6% | 33.0% | 30.8% | 32.2% | 40.2% | 34.1% |
| Lake | NA | 100.0% | 72.7% | NA | NA | NA | 75.0% |
| Lauderdale | NA | 75.0% | 67.1% | 0.0% | 100.0% | 100.0% | 68.3% |
| Lawrence | NA | 50.0% | 48.4% | 0.0% | 50.0% | 42.9% | 46.9% |
| Lewis | NA | NA | 46.5% | NA | NA | 0.0% | 44.4% |
| Lincoln | NA | 100.0% | 59.5% | 0.0% | 100.0% | 20.0% | 58.8% |
| Loudon | 0.0% | 100.0% | 39.7% | 0.0% | 0.0% | 28.0% | 38.5% |
| Macon | NA | NA | 59.4% | 0.0% | NA | 33.3% | 58.5% |
| Madison | 0.0% | 73.9% | 41.1% | 50.0% | 88.9% | 41.7% | 46.5% |
| Marion | NA | 50.0% | 47.0% | NA | 100.0% | 33.3% | 47.2% |
| Marshall | NA | 57.1% | 63.9% | 0.0% | 100.0% | 53.8% | 63.4% |
| Maury | 25.0% | 82.4% | 44.6% | 22.2% | 43.8% | 47.6% | 45.6% |
| McMinn | 0.0% | 100.0% | 51.0% | 0.0% | 50.0% | 28.6% | 51.1% |
| McNairy | NA | 66.7% | 63.1% | NA | NA | 20.0% | 61.6% |
| Meigs | NA | 100.0% | 49.0% | 0.0% | NA | 50.0% | 46.6% |
| Monroe | NA | 100.0% | 57.0% | 0.0% | 0.0% | 56.3% | 56.4% |
| Montgomery | 55.8% | 93.0% | 83.3% | 91.7% | 88.5% | 80.6% | 84.0% |
| Moore | NA | NA | 57.7% | 0.0% | 100.0% | 25.0% | 53.1% |
| Morgan | NA | NA | 58.1% | 0.0% | 100.0% | 33.3% | 55.7% |
| Obion | 0.0% | 33.3% | 48.4% | NA | NA | 20.0% | 46.6% |
| Overton | NA | NA | 47.7% | 33.3% | NA | 0.0% | 46.4% |
| Perry | NA | NA | 31.3% | 0.0% | NA | 50.0% | 31.6% |
| Pickett | NA | NA | 58.3% | 0.0% | NA | 0.0% | 50.0% |
| Polk | NA | NA | 47.1% | NA | NA | 0.0% | 45.7% |
| Putnam | 0.0% | 100.0% | 41.4% | 0.0% | 66.7% | 28.6% | 40.8% |
| Rhea | 0.0% | NA | 50.0% | 100.0% | NA | 33.3% | 50.0% |
| Roane | 0.0% | 66.7% | 47.2% | 0.0% | 0.0% | 60.0% | 47.2% |
| Robertson | 50.0% | 75.0% | 61.2% | 50.0% | 83.3% | 58.8% | 61.5% |
| Rutherford | 54.5% | 76.9% | 49.6% | 55.6% | 57.4% | 56.3% | 52.5% |
| Scott | NA | NA | 39.3% | NA | 0.0% | 50.0% | 39.0% |
| Sequatchie | NA | NA | 58.9% | NA | NA | 60.0% | 59.0% |
| Sevier | 50.0% | 100.0% | 50.6% | 60.0% | 40.0% | 53.8% | 50.9% |
| Shelby | 17.8% | 74.8% | 33.4% | 44.0% | 57.7% | 37.7% | 42.9% |

Ratio Of Non-Conventional Loan Borrowers To Total Borrowers, by Race, 2014

| COUNTY | Asian | Black | White | Other Minority | Multi-Racial | Missing | ALL |
|------------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Smith | NA | NA | 50.0% | 0.0% | NA | 33.3% | 48.2% |
| Stewart | NA | NA | 70.4% | NA | 100.0% | 44.4% | 67.9% |
| Sullivan | 0.0% | 80.0% | 26.3% | 33.3% | 46.7% | 21.0% | 26.3% |
| Sumner | 14.8% | 68.3% | 45.4% | 50.0% | 33.3% | 38.6% | 45.3% |
| Tipton | 66.7% | 78.8% | 67.9% | 0.0% | 100.0% | 100.0% | 69.9% |
| Trousdale | NA | 50.0% | 54.9% | 100.0% | 50.0% | 0.0% | 54.4% |
| Unicoi | NA | NA | 44.4% | NA | NA | 20.0% | 43.2% |
| Union | NA | NA | 49.5% | 0.0% | 100.0% | 66.7% | 50.8% |
| Van Buren | NA | NA | 33.3% | 0.0% | 0.0% | NA | 30.0% |
| Warren | NA | 75.0% | 53.8% | 0.0% | 33.3% | 80.0% | 52.8% |
| Washington | 10.0% | 68.8% | 30.5% | 0.0% | 33.3% | 33.3% | 30.6% |
| Wayne | NA | NA | 61.9% | 0.0% | NA | 33.3% | 48.3% |
| Weakley | NA | 50.0% | 55.4% | 0.0% | NA | 80.0% | 55.8% |
| White | NA | NA | 49.3% | 0.0% | NA | 46.2% | 48.3% |
| Williamson | 3.3% | 36.8% | 17.2% | 0.0% | 23.9% | 14.3% | 16.8% |
| Wilson | 22.7% | 53.3% | 39.4% | 25.0% | 50.0% | 30.0% | 39.1% |
| NA | 100.0% | 100.0% | 2.2% | 0.0% | NA | 0.0% | 4.2% |
| TENNESSEE | 23.5% | 73.4% | 41.6% | 29.9% | 54.3% | 38.4% | 43.2% |

APPENDIX G

Home Purchase Loans Denial Rates* by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Anderson | 11.1% | 12.5% | 0.0% | 0.0% | 42.9% | 16.7% | 11.7% |
| Bedford | 11.2% | 6.3% | 33.3% | 50.0% | 0.0% | 12.5% | 11.2% |
| Benton | 11.3% | 0.0% | 0.0% | 0.0% | 0.0% | 33.3% | 12.3% |
| Bledsoe | 29.1% | 0.0% | 0.0% | 100.0% | 0.0% | 50.0% | 31.0% |
| Blount | 11.3% | 16.7% | 0.0% | 33.3% | 0.0% | 16.7% | 11.8% |
| Bradley | 13.5% | 12.5% | 40.0% | 0.0% | 11.1% | 37.2% | 14.5% |
| Campbell | 19.7% | 0.0% | 0.0% | 0.0% | 66.7% | 61.1% | 22.4% |
| Cannon | 14.5% | NA | 0.0% | 25.0% | NA | 57.1% | 16.9% |
| Carroll | 13.9% | 0.0% | 0.0% | 50.0% | 0.0% | 33.3% | 14.6% |
| Carter | 12.2% | 0.0% | 50.0% | 25.0% | 0.0% | 14.3% | 12.5% |
| Cheatham | 12.4% | 0.0% | 0.0% | 0.0% | 0.0% | 25.0% | 12.9% |
| Chester | 16.2% | 0.0% | 20.0% | 0.0% | 100.0% | 50.0% | 17.5% |
| Claiborne | 28.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 28.0% |
| Clay | 21.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 18.5% |
| Cocke | 23.8% | 0.0% | 0.0% | 0.0% | 0.0% | 50.0% | 24.5% |
| Coffee | 12.9% | 20.0% | 0.0% | 0.0% | 0.0% | 18.2% | 12.9% |
| Crockett | 13.4% | 42.9% | 0.0% | 0.0% | 0.0% | 0.0% | 15.2% |
| Cumberland | 9.3% | 0.0% | 50.0% | 0.0% | 0.0% | 24.0% | 10.2% |
| Davidson | 9.9% | 22.3% | 13.6% | 20.0% | 7.6% | 15.0% | 11.6% |
| Decatur | 23.1% | 0.0% | 0.0% | 100.0% | 0.0% | NA | 23.6% |
| DeKalb | 17.3% | 0.0% | 0.0% | 50.0% | 0.0% | 40.0% | 18.3% |
| Dickson | 12.4% | 12.5% | 20.0% | 40.0% | 0.0% | 16.0% | 12.8% |
| Dyer | 14.0% | 30.0% | 0.0% | 0.0% | 0.0% | 33.3% | 15.2% |
| Fayette | 9.4% | 19.7% | 0.0% | 0.0% | 0.0% | 22.7% | 11.0% |
| Fentress | 20.7% | 0.0% | 0.0% | 0.0% | 0.0% | 44.4% | 22.8% |
| Franklin | 10.6% | 0.0% | 0.0% | 100.0% | 0.0% | 45.5% | 11.8% |
| Gibson | 12.5% | 32.4% | 0.0% | 25.0% | 0.0% | 40.0% | 15.1% |
| Giles | 16.7% | 60.0% | 0.0% | 0.0% | 0.0% | 37.5% | 18.2% |
| Grainger | 21.6% | 0.0% | 0.0% | 0.0% | 0.0% | 27.3% | 21.9% |
| Greene | 15.8% | 20.0% | 100.0% | 9.1% | 33.3% | 37.0% | 17.5% |
| Grundy | 24.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 23.4% |
| Hamblen | 16.8% | 20.0% | 0.0% | 33.3% | 0.0% | 18.2% | 16.8% |
| Hamilton | 10.1% | 27.2% | 13.9% | 12.5% | 18.8% | 16.8% | 11.8% |
| Hancock | 10.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 9.4% |
| Hardeman | 14.7% | 22.2% | 66.7% | 0.0% | 0.0% | 60.0% | 19.6% |
| Hardin | 15.3% | 0.0% | 0.0% | 0.0% | 0.0% | 9.1% | 14.2% |
| Hawkins | 18.9% | 0.0% | 0.0% | 0.0% | 20.0% | 38.1% | 19.5% |
| Haywood | 21.8% | 33.3% | 0.0% | 50.0% | 0.0% | 0.0% | 24.0% |

Home Purchase Loans Denial Rates* by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Henderson | 11.7% | 12.5% | 0.0% | 0.0% | 0.0% | 40.0% | 12.4% |
| Henry | 16.0% | 33.3% | 0.0% | 0.0% | 100.0% | 11.1% | 16.5% |
| Hickman | 20.5% | 100.0% | 0.0% | 0.0% | 0.0% | 80.0% | 22.3% |
| Houston | 20.7% | 0.0% | 0.0% | 0.0% | 0.0% | 33.3% | 21.0% |
| Humphreys | 11.1% | 0.0% | NA | 0.0% | 0.0% | 0.0% | 10.7% |
| Jackson | 25.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 23.1% |
| Jefferson | 18.0% | 0.0% | 0.0% | NA | 0.0% | 34.1% | 19.0% |
| Johnson | 15.9% | 0.0% | 0.0% | 0.0% | 0.0% | 20.0% | 15.7% |
| Knox | 9.2% | 17.9% | 20.7% | 0.0% | 3.2% | 19.3% | 10.4% |
| Lake | 13.3% | 0.0% | 0.0% | 0.0% | 0.0% | NA | 12.5% |
| Lauderdale | 15.0% | 15.8% | 0.0% | 50.0% | 50.0% | 50.0% | 16.8% |
| Lawrence | 14.5% | 0.0% | 0.0% | 0.0% | 0.0% | 41.7% | 15.0% |
| Lewis | 22.8% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 23.3% |
| Lincoln | 11.9% | 25.0% | 0.0% | 0.0% | 66.7% | 16.7% | 12.9% |
| Loudon | 12.4% | 0.0% | 0.0% | 0.0% | 0.0% | 31.0% | 13.4% |
| Macon | 12.9% | 0.0% | 100.0% | 0.0% | 0.0% | 40.0% | 13.9% |
| Madison | 8.5% | 20.7% | 20.0% | 50.0% | 0.0% | 29.7% | 11.6% |
| Marion | 16.9% | 14.3% | NA | 0.0% | 50.0% | 40.0% | 17.7% |
| Marshall | 14.8% | 22.2% | 0.0% | 0.0% | 16.7% | 0.0% | 14.3% |
| Maury | 11.3% | 10.3% | 0.0% | 0.0% | 22.7% | 12.6% | 11.4% |
| McMinn | 17.3% | 18.2% | 0.0% | 25.0% | 0.0% | 23.1% | 17.5% |
| McNairy | 17.9% | 50.0% | 0.0% | 0.0% | 0.0% | 45.5% | 20.5% |
| Meigs | 17.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 15.5% |
| Monroe | 19.0% | 50.0% | 0.0% | 0.0% | 50.0% | 33.3% | 20.5% |
| Montgomery | 8.6% | 12.3% | 18.5% | 17.2% | 5.4% | 14.0% | 9.5% |
| Moore | 13.3% | 0.0% | 0.0% | 0.0% | 0.0% | 20.0% | 13.5% |
| Morgan | 22.7% | 0.0% | 0.0% | 0.0% | 0.0% | 14.3% | 21.6% |
| Obion | 21.6% | 0.0% | 66.7% | NA | 100.0% | 54.5% | 24.3% |
| Overton | 11.8% | 0.0% | 0.0% | 0.0% | 0.0% | 75.0% | 14.5% |
| Perry | 22.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 20.0% |
| Pickett | 7.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 6.7% |
| Polk | 30.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 30.0% |
| Putnam | 15.0% | 50.0% | 20.0% | 0.0% | 25.0% | 17.6% | 15.3% |
| Rhea | 19.2% | 0.0% | 0.0% | 0.0% | 0.0% | 25.0% | 19.0% |
| Roane | 14.0% | 0.0% | 50.0% | 0.0% | 60.0% | 25.0% | 15.1% |
| Robertson | 10.9% | 31.6% | 20.0% | 20.0% | 0.0% | 22.2% | 11.8% |
| Rutherford | 9.0% | 15.8% | 11.4% | 9.5% | 13.8% | 22.5% | 10.4% |
| Scott | 37.4% | 0.0% | 0.0% | 0.0% | 0.0% | 50.0% | 37.5% |
| Sequatchie | 20.6% | 0.0% | NA | NA | 0.0% | 16.7% | 20.4% |
| Sevier | 16.5% | 0.0% | 14.3% | 16.7% | 16.7% | 35.7% | 17.3% |
| Shelby | 6.6% | 21.2% | 9.2% | 15.6% | 10.8% | 22.8% | 11.5% |

Home Purchase Loans Denial Rates* by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Smith | 14.8% | 0.0% | 0.0% | 0.0% | 0.0% | 50.0% | 15.7% |
| Stewart | 16.9% | 50.0% | 0.0% | 0.0% | 0.0% | 21.4% | 17.9% |
| Sullivan | 13.3% | 54.5% | 8.3% | 33.3% | 16.7% | 16.0% | 13.8% |
| Sumner | 10.5% | 23.7% | 12.9% | 11.1% | 21.4% | 11.5% | 11.2% |
| Tipton | 10.2% | 16.7% | 0.0% | 0.0% | 0.0% | 42.9% | 11.8% |
| Trousdale | 11.1% | 33.3% | 0.0% | 0.0% | 50.0% | 66.7% | 16.2% |
| Unicoi | 13.9% | 0.0% | 0.0% | 0.0% | 0.0% | 16.7% | 14.0% |
| Union | 21.9% | 0.0% | 0.0% | 0.0% | 0.0% | 21.4% | 21.6% |
| Van Buren | 22.2% | 0.0% | 0.0% | 0.0% | 0.0% | NA | 20.5% |
| Warren | 19.7% | 42.9% | 0.0% | 0.0% | 25.0% | 25.0% | 20.2% |
| Washington | 10.5% | 5.9% | 20.0% | 0.0% | 28.6% | 18.9% | 11.2% |
| Wayne | 30.3% | 0.0% | 0.0% | 0.0% | 100.0% | 25.0% | 27.9% |
| Weakley | 17.7% | 33.3% | 0.0% | 0.0% | 0.0% | 0.0% | 17.4% |
| White | 20.3% | 0.0% | 0.0% | 0.0% | 100.0% | 12.5% | 19.9% |
| Williamson | 7.8% | 20.0% | 10.1% | 14.3% | 5.9% | 9.8% | 8.3% |
| Wilson | 8.9% | 23.5% | 12.3% | 0.0% | 25.0% | 12.5% | 9.9% |
| NA | 67.3% | 86.7% | 66.7% | 20.0% | 100.0% | 58.3% | 63.7% |
| TOTAL | 11.2% | 20.6% | 13.3% | 14.0% | 12.1% | 19.1% | 12.4% |

**First-lien, Owner-Occupied, 1-4 Family Home Purchase Loans*

APPENDIX H

Refinance Loans Denial Rates, by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|------------|-------|--------|--------|----------------|--------------|---------|-------|
| Anderson | 31.5% | 25.0% | 33.3% | 50.0% | 42.9% | 42.2% | 33.1% |
| Bedford | 35.4% | 57.9% | 0.0% | 33.3% | 60.0% | 55.3% | 38.7% |
| Benton | 33.3% | 50.0% | 0.0% | 0.0% | 0.0% | 77.8% | 36.7% |
| Bledsoe | 35.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 33.6% |
| Blount | 30.4% | 35.5% | 50.0% | 37.5% | 22.2% | 43.9% | 31.9% |
| Bradley | 31.2% | 41.7% | 40.0% | 75.0% | 75.0% | 47.1% | 33.4% |
| Campbell | 32.5% | 100.0% | 100.0% | 100.0% | 100.0% | 65.6% | 36.3% |
| Cannon | 30.8% | 50.0% | 0.0% | 0.0% | 0.0% | 75.0% | 33.1% |
| Carroll | 32.6% | 70.6% | 0.0% | 0.0% | 0.0% | 83.3% | 40.0% |
| Carter | 26.8% | 50.0% | 0.0% | 0.0% | 57.1% | 45.7% | 29.1% |
| Cheatham | 29.8% | 40.0% | 0.0% | 0.0% | 14.3% | 51.3% | 31.3% |
| Chester | 33.1% | 0.0% | 0.0% | 0.0% | 33.3% | 47.4% | 34.1% |
| Claiborne | 34.2% | 100.0% | 50.0% | 0.0% | 50.0% | 44.4% | 36.6% |
| Clay | 23.1% | 0.0% | 0.0% | 0.0% | 50.0% | 75.0% | 28.9% |
| Cocke | 42.6% | NA | 0.0% | 33.3% | 75.0% | 60.9% | 45.1% |
| Coffee | 32.9% | 55.6% | 66.7% | 0.0% | 50.0% | 45.7% | 34.6% |
| Crockett | 33.7% | 30.0% | 0.0% | 0.0% | 0.0% | 44.4% | 33.9% |
| Cumberland | 31.2% | 50.0% | 0.0% | 100.0% | 42.9% | 38.8% | 32.4% |
| Davidson | 28.6% | 43.5% | 44.2% | 51.1% | 35.7% | 42.3% | 33.6% |
| Decatur | 20.5% | 33.3% | 0.0% | 100.0% | 0.0% | 16.7% | 21.6% |
| DeKalb | 36.6% | NA | 0.0% | 0.0% | 100.0% | 61.1% | 39.1% |
| Dickson | 27.3% | 7.7% | 0.0% | 0.0% | 40.0% | 44.4% | 28.1% |
| Dyer | 30.9% | 61.1% | 0.0% | 0.0% | 20.0% | 69.6% | 35.4% |
| Fayette | 27.5% | 56.2% | 100.0% | 33.3% | 20.0% | 54.2% | 35.7% |
| Fentress | 33.6% | 0.0% | 0.0% | 100.0% | 100.0% | 71.4% | 37.7% |
| Franklin | 36.5% | 37.5% | 0.0% | 0.0% | 25.0% | 29.0% | 35.7% |
| Gibson | 32.5% | 55.3% | NA | 33.3% | 0.0% | 55.0% | 36.6% |
| Giles | 38.5% | 62.5% | 50.0% | 33.3% | 0.0% | 57.1% | 40.7% |
| Grainger | 28.5% | 0.0% | 100.0% | 0.0% | 0.0% | 56.3% | 31.0% |
| Greene | 36.3% | 71.4% | 0.0% | 20.0% | 40.0% | 60.4% | 38.6% |
| Grundy | 30.2% | NA | 0.0% | 0.0% | NA | 33.3% | 30.2% |
| Hamblen | 32.0% | 58.8% | 75.0% | 75.0% | 22.2% | 52.2% | 34.7% |
| Hamilton | 29.1% | 50.5% | 50.0% | 60.0% | 22.4% | 46.4% | 33.6% |
| Hancock | 28.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 27.1% |
| Hardeman | 34.0% | 53.8% | 0.0% | 25.0% | 100.0% | 44.4% | 40.5% |
| Hardin | 34.6% | 0.0% | 0.0% | 0.0% | 0.0% | 26.1% | 32.3% |
| Hawkins | 42.2% | 20.0% | 0.0% | 33.3% | 33.3% | 50.0% | 42.1% |
| Haywood | 43.1% | 38.6% | 100.0% | 0.0% | 0.0% | 53.8% | 42.6% |

Refinance Loans Denial Rates, by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Henderson | 27.7% | 42.9% | 0.0% | 50.0% | 0.0% | 38.1% | 29.3% |
| Henry | 38.2% | 45.5% | 0.0% | 0.0% | 66.7% | 48.1% | 39.7% |
| Hickman | 28.9% | 100.0% | 0.0% | 33.3% | 0.0% | 38.5% | 31.4% |
| Houston | 33.3% | 0.0% | 0.0% | 0.0% | 0.0% | 33.3% | 33.0% |
| Humphreys | 35.3% | 50.0% | 0.0% | 0.0% | 25.0% | 69.2% | 37.2% |
| Jackson | 32.0% | 0.0% | 0.0% | 0.0% | 0.0% | 33.3% | 31.7% |
| Jefferson | 32.8% | 100.0% | 0.0% | 100.0% | 0.0% | 58.8% | 35.8% |
| Johnson | 41.3% | 0.0% | 0.0% | 33.3% | 66.7% | 71.4% | 45.5% |
| Knox | 28.7% | 44.6% | 39.6% | 46.7% | 18.0% | 37.6% | 30.7% |
| Lake | 35.0% | 0.0% | 0.0% | 0.0% | 0.0% | 50.0% | 35.7% |
| Lauderdale | 34.0% | 54.5% | 0.0% | 0.0% | 50.0% | 54.5% | 39.1% |
| Lawrence | 31.8% | 0.0% | 0.0% | 0.0% | 0.0% | 47.1% | 32.2% |
| Lewis | 35.9% | 0.0% | 0.0% | 0.0% | 0.0% | 40.0% | 36.1% |
| Lincoln | 30.7% | 50.0% | 66.7% | 0.0% | 75.0% | 43.9% | 33.8% |
| Loudon | 31.4% | 57.1% | 0.0% | 100.0% | 37.5% | 39.0% | 33.2% |
| Macon | 25.3% | 100.0% | 0.0% | 50.0% | 33.3% | 53.8% | 27.9% |
| Madison | 30.2% | 53.4% | 33.3% | 71.4% | 46.2% | 55.1% | 39.2% |
| Marion | 30.1% | 25.0% | 50.0% | 0.0% | 100.0% | 44.8% | 31.5% |
| Marshall | 33.6% | 50.0% | 0.0% | 0.0% | 20.0% | 50.0% | 35.8% |
| Maury | 29.7% | 52.7% | 25.0% | 16.7% | 14.3% | 41.1% | 32.8% |
| McMinn | 35.5% | 60.0% | NA | 50.0% | 25.0% | 56.9% | 38.6% |
| McNairy | 36.7% | 72.7% | 66.7% | 20.0% | 0.0% | 48.0% | 39.1% |
| Meigs | 41.8% | 100.0% | 0.0% | 0.0% | 0.0% | 50.0% | 42.9% |
| Monroe | 37.8% | 30.0% | 0.0% | 0.0% | 50.0% | 44.7% | 38.2% |
| Montgomery | 31.7% | 41.3% | 46.7% | 53.8% | 22.5% | 45.6% | 35.1% |
| Moore | 50.0% | 0.0% | 0.0% | 0.0% | 50.0% | 50.0% | 50.0% |
| Morgan | 36.7% | 0.0% | 0.0% | 0.0% | 0.0% | 14.3% | 34.6% |
| Obion | 36.1% | 35.7% | 0.0% | 100.0% | 50.0% | 77.8% | 39.4% |
| Overton | 31.5% | 0.0% | 0.0% | NA | 66.7% | 25.0% | 32.0% |
| Perry | 35.5% | 100.0% | 0.0% | 0.0% | 0.0% | 66.7% | 43.9% |
| Pickett | 52.9% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 55.6% |
| Polk | 35.9% | NA | 0.0% | 0.0% | NA | 52.9% | 37.5% |
| Putnam | 32.2% | 14.3% | 33.3% | 50.0% | 42.9% | 44.7% | 33.2% |
| Rhea | 34.9% | 66.7% | 0.0% | 0.0% | 66.7% | 80.0% | 38.3% |
| Roane | 30.8% | 57.9% | 75.0% | 100.0% | 50.0% | 44.6% | 34.1% |
| Robertson | 27.5% | 61.2% | 66.7% | 33.3% | 50.0% | 42.9% | 31.6% |
| Rutherford | 27.6% | 40.2% | 36.5% | 69.2% | 22.6% | 43.3% | 30.8% |
| Scott | 30.2% | 0.0% | 0.0% | 0.0% | 0.0% | 37.5% | 30.6% |
| Sequatchie | 32.1% | 0.0% | 0.0% | 0.0% | 100.0% | 60.0% | 34.7% |
| Sevier | 37.2% | 33.3% | 33.3% | 0.0% | 14.3% | 48.8% | 37.9% |
| Shelby | 27.7% | 54.0% | 44.7% | 46.5% | 31.9% | 51.5% | 39.9% |

Refinance Loans Denial Rates, by Race, 2014

| County | White | Black | Asian | Other Minority | Multi-Racial | Missing | TOTAL |
|---------------|--------------|--------------|--------------|-----------------------|---------------------|----------------|--------------|
| Smith | 27.7% | 85.7% | 0.0% | 0.0% | 50.0% | 83.3% | 33.7% |
| Stewart | 42.9% | 100.0% | 0.0% | 100.0% | 40.0% | 29.4% | 42.4% |
| Sullivan | 35.1% | 31.8% | 20.0% | 0.0% | 29.2% | 44.0% | 35.5% |
| Sumner | 29.4% | 36.9% | 42.1% | 40.0% | 28.0% | 47.0% | 31.7% |
| Tipton | 29.6% | 39.8% | 66.7% | 0.0% | 53.3% | 42.9% | 32.6% |
| Trousdale | 36.4% | 50.0% | 0.0% | 0.0% | 0.0% | 62.5% | 39.0% |
| Unicoi | 33.0% | 0.0% | 0.0% | 100.0% | 66.7% | 71.4% | 36.6% |
| Union | 32.8% | 0.0% | 0.0% | 0.0% | 33.3% | 63.6% | 38.7% |
| Van Buren | 36.2% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 40.0% |
| Warren | 35.7% | 50.0% | 50.0% | 50.0% | 50.0% | 48.6% | 38.4% |
| Washington | 35.4% | 36.0% | 60.0% | 50.0% | 10.5% | 45.9% | 36.2% |
| Wayne | 36.5% | 0.0% | 0.0% | 0.0% | 0.0% | 61.5% | 40.3% |
| Weakley | 36.4% | 60.0% | NA | 0.0% | 50.0% | 72.7% | 38.9% |
| White | 42.6% | 50.0% | 0.0% | 60.0% | 50.0% | 72.2% | 45.5% |
| Williamson | 21.3% | 39.1% | 30.7% | 16.7% | 27.5% | 25.2% | 22.6% |
| Wilson | 27.3% | 53.0% | 35.3% | 25.0% | 24.0% | 46.2% | 30.7% |
| NA | 55.9% | 40.0% | 0.0% | 20.0% | 0.0% | 22.2% | 45.3% |
| TOTAL | 30.4% | 48.7% | 41.6% | 42.2% | 30.7% | 45.6% | 34.2% |

First-lien, Owner-Occupied, 1-4 Family, Refinance Loans

APPENDIX I

Methodology for Estimating Purchase Price Using Loan Amount

In the HMDA data, institutions report the loan amounts rather than the purchase prices. This complicates determining the mortgage borrowers who could be eligible for THDA loans. Therefore, in this version, the purchase price of the homes was estimated by assuming that borrowers paid four percent of the reported loan amount as downpayment. A four percent downpayment may be considered low, especially for conventional loans, but considering there are zero or low downpayment loan products such as FSA/RHS and FHA insured loans and borrowers may use private mortgage insurance (PMI) and pay less than 20 percent downpayment, four percent is a good average for an estimated downpayment. To determine the eligibility based on the income limits, THDA's income limits for a large family (households with three or more people) were used.

APPENDIX J

| | ALL FHA-Insured Loans | | FHA-Insured THDA Funded Loans | | THDA FHA Market Share | |
|------------|--------------------------|------|----------------------------------|------|--------------------------|-------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Anderson | 88 | 91 | 13 | 16 | 14.8% | 17.6% |
| Bedford | 39 | 28 | 2 | 2 | 5.1% | 7.1% |
| Benton | 7 | 10 | 0 | 0 | 0.0% | 0.0% |
| Bledsoe | 3 | 6 | 0 | 0 | 0.0% | 0.0% |
| Blount | 141 | 180 | 19 | 32 | 13.5% | 17.8% |
| Bradley | 182 | 211 | 43 | 42 | 23.6% | 19.9% |
| Campbell | 22 | 21 | 2 | 0 | 9.1% | 0.0% |
| Cannon | 23 | 9 | 3 | 0 | 13.0% | 0.0% |
| Carroll | 8 | 14 | 0 | 0 | 0.0% | 0.0% |
| Carter | 22 | 36 | 1 | 4 | 4.5% | 11.1% |
| Cheatham | 71 | 63 | 5 | 9 | 7.0% | 14.3% |
| Chester | 13 | 16 | 1 | 1 | 7.7% | 6.3% |
| Claiborne | 6 | 5 | 2 | 1 | 33.3% | 20.0% |
| Clay | 3 | 2 | 0 | 0 | 0.0% | 0.0% |
| Cocke | 13 | 8 | 6 | 3 | 46.2% | 37.5% |
| Coffee | 31 | 26 | 2 | 0 | 6.5% | 0.0% |
| Crockett | 12 | 8 | 0 | 3 | 0.0% | 37.5% |
| Cumberland | 31 | 31 | 1 | 1 | 3.2% | 3.2% |
| Davidson | 1,789 | 2065 | 407 | 448 | 22.8% | 21.7% |
| Decatur | 5 | 4 | 0 | 1 | 0.0% | 25.0% |
| DeKalb | 14 | 14 | 2 | 2 | 14.3% | 14.3% |
| Dickson | 72 | 64 | 5 | 6 | 6.9% | 9.4% |
| Dyer | 35 | 21 | 2 | 1 | 5.7% | 4.8% |
| Fayette | 52 | 64 | 2 | 3 | 3.8% | 4.7% |
| Fentress | 9 | 7 | 0 | 0 | 0.0% | 0.0% |
| Franklin | 39 | 14 | 1 | 1 | 2.6% | 7.1% |
| Gibson | 48 | 30 | 2 | 4 | 4.2% | 13.3% |
| Giles | 12 | 19 | 0 | 1 | 0.0% | 5.3% |
| Grainger | 9 | 11 | 2 | 2 | 22.2% | 18.2% |
| Greene | 30 | 29 | 7 | 4 | 23.3% | 13.8% |
| Grundy | 5 | 6 | 0 | 0 | 0.0% | 0.0% |
| Hamblen | 57 | 79 | 10 | 15 | 17.5% | 19.0% |
| Hamilton | 693 | 795 | 113 | 125 | 16.3% | 15.7% |
| Hancock | 2 | 2 | 0 | 0 | 0.0% | 0.0% |
| Hardeman | 3 | 5 | 1 | 0 | 33.3% | 0.0% |
| Hardin | 13 | 15 | 0 | 1 | 0.0% | 6.7% |
| Hawkins | 38 | 44 | 3 | 1 | 7.9% | 2.3% |
| Haywood | 14 | 11 | 3 | 1 | 21.4% | 9.1% |

| | ALL FHA-Insured Loans | | FHA-Insured THDA Funded Loans | | THDA FHA Market Share | |
|------------|--------------------------|------|----------------------------------|------|--------------------------|-------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Henderson | 38 | 26 | 1 | 3 | 2.6% | 11.5% |
| Henry | 21 | 23 | 0 | 0 | 0.0% | 0.0% |
| Hickman | 18 | 11 | 3 | 3 | 16.7% | 27.3% |
| Houston | 8 | 7 | 0 | 0 | 0.0% | 0.0% |
| Humphreys | 17 | 18 | 1 | 1 | 5.9% | 5.6% |
| Jackson | 2 | 3 | 0 | 0 | 0.0% | 0.0% |
| Jefferson | 45 | 35 | 4 | 3 | 8.9% | 8.6% |
| Johnson | 4 | 4 | 0 | 0 | 0.0% | 0.0% |
| Knox | 733 | 858 | 113 | 113 | 15.4% | 13.2% |
| Lake | 1 | 2 | 0 | 0 | 0.0% | 0.0% |
| Lauderdale | 18 | 13 | 4 | 3 | 22.2% | 23.1% |
| Lawrence | 34 | 16 | 1 | 1 | 2.9% | 6.3% |
| Lewis | 2 | 2 | 0 | 0 | 0.0% | 0.0% |
| Lincoln | 15 | 20 | 0 | 0 | 0.0% | 0.0% |
| Loudon | 44 | 48 | 7 | 10 | 15.9% | 20.8% |
| Macon | 14 | 8 | 1 | 0 | 7.1% | 0.0% |
| Madison | 159 | 193 | 18 | 9 | 11.3% | 4.7% |
| Marion | 37 | 26 | 2 | 1 | 5.4% | 3.8% |
| Marshall | 44 | 36 | 3 | 2 | 6.8% | 5.6% |
| Maury | 239 | 293 | 31 | 42 | 13.0% | 14.3% |
| McMinn | 31 | 28 | 5 | 1 | 16.1% | 3.6% |
| McNairy | 10 | 12 | 0 | 0 | 0.0% | 0.0% |
| Meigs | 4 | 10 | 4 | 2 | 100.0% | 20.0% |
| Monroe | 20 | 23 | 3 | 5 | 15.0% | 21.7% |
| Montgomery | 300 | 315 | 61 | 61 | 20.3% | 19.4% |
| Moore | 2 | 3 | 0 | 0 | 0.0% | 0.0% |
| Morgan | 6 | 10 | 0 | 1 | 0.0% | 10.0% |
| Obion | 6 | 15 | 1 | 0 | 16.7% | 0.0% |
| Overton | 6 | 4 | 1 | 0 | 16.7% | 0.0% |
| Perry | 3 | 1 | 0 | 0 | 0.0% | 0.0% |
| Pickett | 2 | 1 | 0 | 0 | 0.0% | 0.0% |
| Polk | 7 | 11 | 5 | 1 | 71.4% | 9.1% |
| Putnam | 37 | 63 | 1 | 9 | 2.7% | 14.3% |
| Rhea | 19 | 28 | 2 | 1 | 10.5% | 3.6% |
| Roane | 39 | 30 | 6 | 4 | 15.4% | 13.3% |
| Robertson | 124 | 133 | 20 | 20 | 16.1% | 15.0% |
| Rutherford | 1,235 | 1419 | 232 | 317 | 18.8% | 22.3% |
| Scott | 1 | 6 | 1 | 1 | 100.0% | 16.7% |
| Sequatchie | 11 | 8 | 0 | 2 | 0.0% | 25.0% |
| Sevier | 77 | 84 | 6 | 5 | 7.8% | 6.0% |

| | ALL FHA-Insured Loans | | FHA-Insured THDA Funded Loans | | THDA FHA Market Share | |
|------------------|--------------------------|--------------|----------------------------------|--------------|--------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Shelby | 1,525 | 1794 | 180 | 276 | 11.8% | 15.4% |
| Smith | 22 | 18 | 1 | 0 | 4.5% | 0.0% |
| Stewart | 5 | 5 | 2 | 1 | 40.0% | 20.0% |
| Sullivan | 143 | 170 | 13 | 12 | 9.1% | 7.1% |
| Sumner | 471 | 563 | 63 | 96 | 13.4% | 17.1% |
| Tipton | 45 | 67 | 8 | 6 | 17.8% | 9.0% |
| Trousdale | 13 | 6 | 2 | 0 | 15.4% | 0.0% |
| Unicoi | 7 | 6 | 1 | 0 | 14.3% | 0.0% |
| Union | 12 | 15 | 0 | 2 | 0.0% | 13.3% |
| Van Buren | 1 | 1 | 0 | 0 | 0.0% | 0.0% |
| Warren | 13 | 15 | 2 | 0 | 15.4% | 0.0% |
| Washington | 90 | 123 | 9 | 15 | 10.0% | 12.2% |
| Wayne | 5 | 6 | 0 | 0 | 0.0% | 0.0% |
| Weakley | 12 | 6 | 0 | 1 | 0.0% | 16.7% |
| White | 9 | 12 | 0 | 0 | 0.0% | 0.0% |
| Williamson | 181 | 252 | 28 | 51 | 15.5% | 20.2% |
| Wilson | 280 | 377 | 29 | 46 | 10.4% | 12.2% |
| TENNESSEE | 9,921 | 11346 | 1,535 | 1,857 | 15.5% | 16.4% |