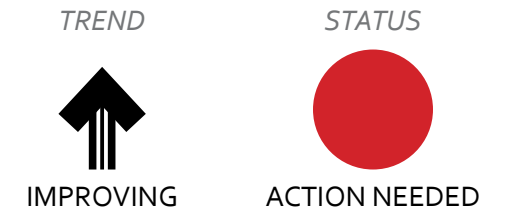


Social Equity

Home Loans



CURRENT STATE

Trends clearly show the recent housing bubble and suggest a significant disparity is being corrected rather than equity being achieved.

IDEAL STATE

All Central Texans have equal access to justice, education and economic advancement without regard to race or ethnicity.

CONTEXT

Few aspects of society have been more discussed during the production of this Report as the collapse of the housing finance market triggering a national recession. The "lowering of all boats" may provide an opportunity to reform the system and prevent a repeat home lending bubble.

ADDITIONAL MEASURES

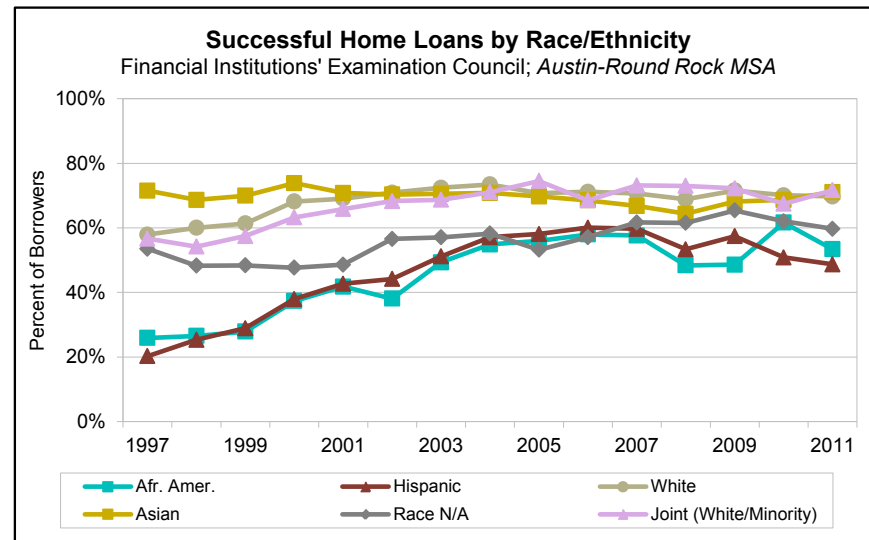
Small Business Loans Lenders by CRA Rating

SOURCES

Page 114

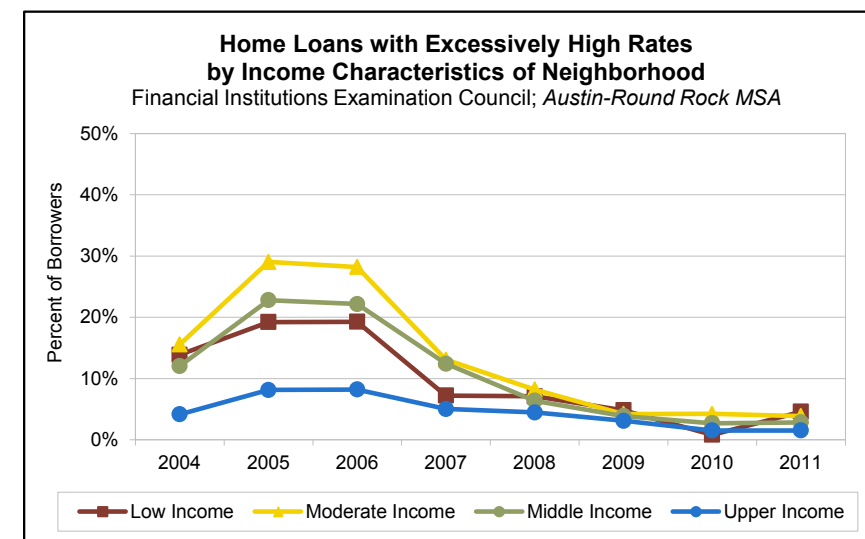
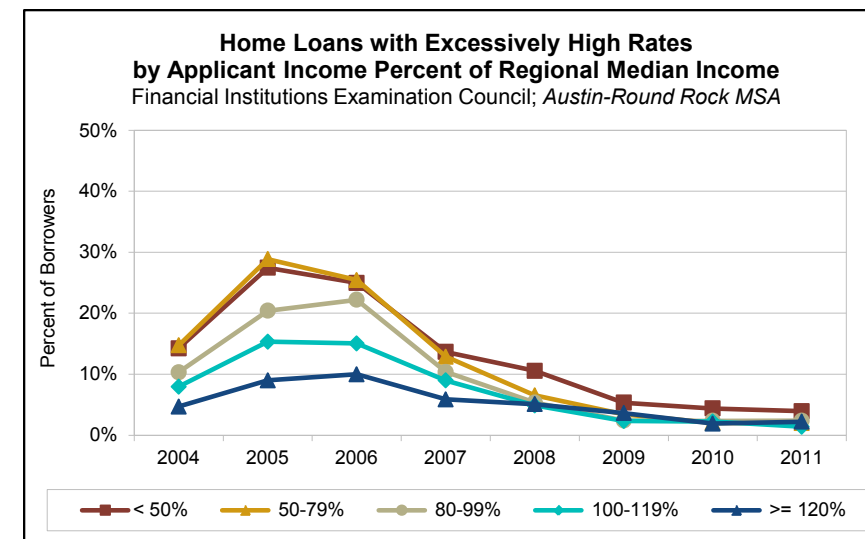
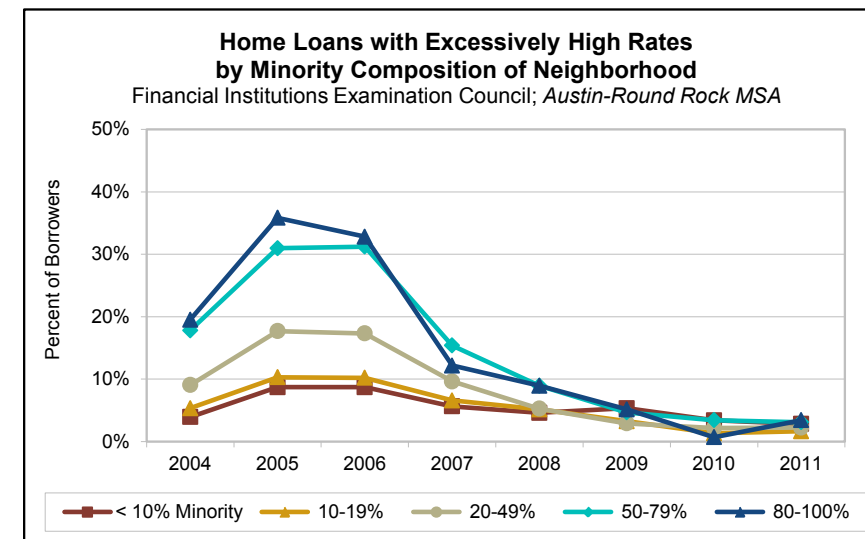
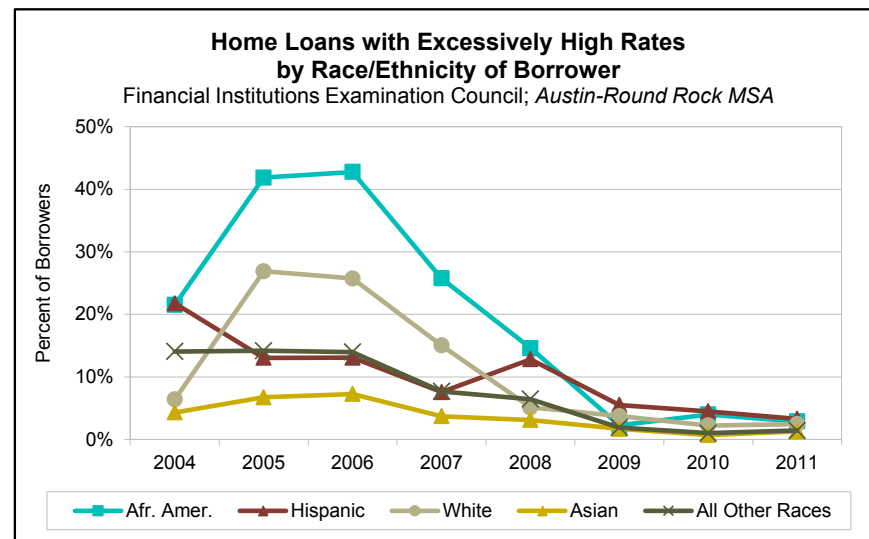
Home Loans by Race/Ethnicity

- The last decade reveals stability in successful home loan applications for all race/ethnicity groups. Hispanic and African-American loan success rates have shown the greatest improvement, each increasing by almost 40%.
- The housing crisis appears to have affected success rates of African Americans and Hispanic more than other groups.



Home Loans with High Rates by Race/Ethnicity

- From 2005 to 2007, significantly more African-American borrowers faced excessively high annual percentage rates of interest on their home loans (defined as 3 or more points higher than the rate set by the U.S. Treasury).
- Since 2007, the percentage of African-American borrowers facing these high rates has decreased to more equitable levels.



Home Loans with High Rates by Minority Neighborhood

- In 2005 and 2006, one-third of the home loans made in Central Texas neighborhoods with at least 50% non-white population (minority-majority neighborhoods) had excessively high percentage rates of interest (1,039 loans in 2005).
- From 2007 to 2011 the percentage of borrowers seeing high rates decreased in all neighborhoods.
- In 2011, only 28 total loans with excessively high rates were made in minority-majority neighborhoods.

Home Loans with High Rates by Borrower Income

- Before improving in 2007, a larger proportion of the loans made to Central Texas borrowers with lower incomes had excessively high percentage rates of interest, compared to loans to borrowers with higher incomes.
- This can be attributed to a number of factors, such as poor credit, tightened lending policies, decline of flexible mortgages, and some home buyers' general lack of awareness of the mortgage process.

Home Loans with High Rates by Neighborhood Income

- Before improving in 2007, almost one-third of the home loans made in moderate income (lower middle class) neighborhoods had excessively high percentage rates of interest.
- In 2005, 697 of the 2,400 total home loans in moderate income neighborhoods had excessively high rates.
- In 2011, only 4% of home loans in moderate income neighborhoods had excessively high rates, representing only 32 loans.