
Fair Housing Impediment Study

Lending Patterns in Genesee County

2010-2012



**Analysis of Lending Patterns as an
Impediment to Fair Housing in
Genesee County, Michigan, 2009**

**A Report Submitted to Genesee County
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Table of Contents

Chapter 1 DEMOGRAPHIC PROFILE	1
Introduction	1
Demographic Patterns	2
Chapter 2 LENDING PATTERNS IN GENESEE COUNTY	17
Home Mortgage Disclosure Act.....	17
Who Needs To Report?	21
HMDA Reporting Requirements.....	26
Racial Disparity in Lending.....	28
Chapter 3 REJECTION PATTERNS IN GENESEE COUNTY.....	45
Race, Income, and Neighborhood Composition	45
Reason for Denial.....	46
Rejection Rates by Race and Median Income.....	47
Racial Composition, Income Levels, and Rejection Rates.....	49
Chapter 4 ADVERTISING PATTERNS IN GENESEE COUNTY.....	55
Advertising Regulations.....	55
Web Based Advertising Practices	57
Lending Institution Site Locations in Genesee County.....	62
ADA Parking Regulations.....	69
Parking Standards	71
Chapter 5 SUMMARY AND RECOMMENDATIONS.....	82
Summary	82
Recommendations.....	88
Chapter 6 REFERENCES.....	90

Figures

Figure 1.1: Occupied Housing in Genesee County, 2010.....	7
Figure 1.2: Occupied Housing in City of Flint, 2010.....	7
Figure 2.1: Genesee County & National Percentage of Home Loan Origination in 2004-2010	42
Figure 2.2: Gender Lending Acceptance Rate, Genesee County, 2010	44

Maps

Map 1.1: Genesee County Jurisdiction, 2012.....	4
Map 1.2: City of Flint Census Tracts, 2000.....	5
Map 1.3: City of Flint Census Tracts, 2010.....	6
Map 1.4: African-American Population in the City of Flint, 2000	10
Map 1.5: African-American Population in Cities, Townships, and Villages in Genesee County, 2012.....	13

Tables

Table 1.1: Number and Percentage of Caucasian, African-American, Asian, Indian, and Other Races Residing in the Municipalities of Genesee County, 2010.....	8
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Table 1.2: Number and Percentage of Caucasian, African-American, Asian, Indian, and Other Races Residing in the City of Flint, 2010	11
Table 1.3: Total Population Changes in Genesee County and the City of Flint, 2000-2010	12
Table 1.4: Racial/Ethnic Composition Changes in Genesee County and the City of Flint, 2000-2010	16
Table 2.1: Number of Loans Inside/Outside Genesee County, 2010	29
Table 2.2: Lending Institutions with 25 or More and 24 or Less with a Branch Office in the MSA, 2010	30
Table 2.3: Applications Applied and Granted for Government, Conventional, Home Improvement and Refinance for African-Americans and Caucasians in Genesee County, 2010	33
Table 2.4: Applications Applied and Granted for Government, Conventional, Home Improvement and Refinance for Native Hawaiian/Other Pacific Islander and 2 or More Minority Races & Joint in Genesee County, 2010	34
Table 2.5: Applications Applied and Granted for Government, Conventional, Home Improvement and Refinance for American Indian/Alaskan Native and Asian in Genesee County, 2010 ...	35
Table 2.6: Applications Applied and Granted for Government, Conventional, Home Improvement and Refinance for Race Not Available and Hispanic	36
Table 2.7: Genesee County Race/Ethnic Home Loan Lending Rates, 2010	37
Table 2.8: National Race/Ethnic Home Loan Lending Rates, 2010	38
Table 2.9: Institutions with Greater than 16.9% Differential where Caucasians are Favored over African-Americans within Genesee County, 2010	40
Table 2.10: Number of Home Loan Applications for Genesee County, 2004-2010	41
Table 2.11: Percentage of Racial Population in Genesee County and Percentage of Loan Applications by Race, 2010	43
Table 3.1: Index of Dissimilarity for Caucasian vs. African-American and Caucasian vs. Hispanic for Reasons for Loan Denial in Genesee County, 2010	46
Table 3.2: Rejection Rates by Race and Median Income for Genesee County, 2010	48
Table 3.3: Rejection Rates by Race and Median Income for Genesee County, 2002, 2004, 2007, 2009, and 2010	49
Table 3.4: Racial Composition, Income Levels, and Rejection Rates for Genesee County, 2010	51
Table 3.5: Racial Composition, Income Levels, and Rejection Rates for Genesee County, 2002, 2004, 2007, 2009, and 2010	52
Table 3.6: Loan Outcome per Top Lenders in Genesee County, in the City of Flint, and Out-County, 2010	53
Table 3.7: Disposition of Loan Applications by Median Age of Homes in Genesee County	54
Table 4.1: Financial Institution's Web Based Advertising in Genesee County, Protected Classes, and Logotypes	60
Table 4.2: Locations of the Top Home Loan Financial Institutions, Census Tracts, Racial Composition, and Median Income in Genesee County, 2010	67-68
Table 4.3: Financial Institutions Locations within the MSA, 2012	69
Table 4.4: Minimum Number of Accessible Parking Spaces	71
Table 4.5: ADA Parking Regulations and Deficiencies for Lending Institutions in Genesee County, 2012	75-81

CHAPTER 1	DEMOGRAPHIC PROFILE
	An Analysis of Impediments to Fair Housing Choice

Introduction

The study, “Impediments to Fair Housing for the City of Flint and Genesee County, Michigan 2007,” (Baird Study) was conducted by Patricia A. Baird, Program Manager of the Fair Housing Center of Eastern Michigan. The study identifies a variety of barriers to fair housing and offers recommendations to reduce fair housing impediments in Genesee County. One such recommendation is to continue to conduct studies on fair housing related topics in an effort to discover any barriers to fair housing in Genesee County. Some examples of topics that are important to consider in fair housing studies include: lending practices, transportation patterns, and affordable housing availability for persons with disabilities. This study, funded by Genesee County, is an analysis of housing-related lending activities in Genesee County.

The focus of this study is an examination of residential lending patterns and practices in Genesee County. Primary resources used in this analysis include the 2010 U.S. Census Bureau data and the 2010 Home

Mortgage Disclosure Act (HMDA) data (most current data). The report contains:

- ❖ An examination of racial disparity in government-insured home mortgage loans, conventional home mortgage loans, home mortgage refinance loans, and home improvement loans. The study does not include commercial loans.
- ❖ An analysis of lenders' parking lots to ensure that lenders are in compliance with the Americans with Disability Act (ADA) parking regulations.
- ❖ An assessment of advertising practices to make certain that lenders are meeting the needs of the community and reaching a diverse population.

Demographic Patterns

Genesee County is one of eighty-three counties in the state of Michigan. It is the state's fifth most populous county. Genesee County is comprised of thirty-three local units of government consisting of cities, townships, and villages (Map 1.1). Twenty-four percent of the population residing in Genesee County resides in the City of Flint (Map 1.2 & Map 1.3), which is the County Seat. Genesee County is 636.98 square miles with 668.5 persons per square mile. The City of Flint is 33.42 square miles with 3,065.4 persons per square mile.

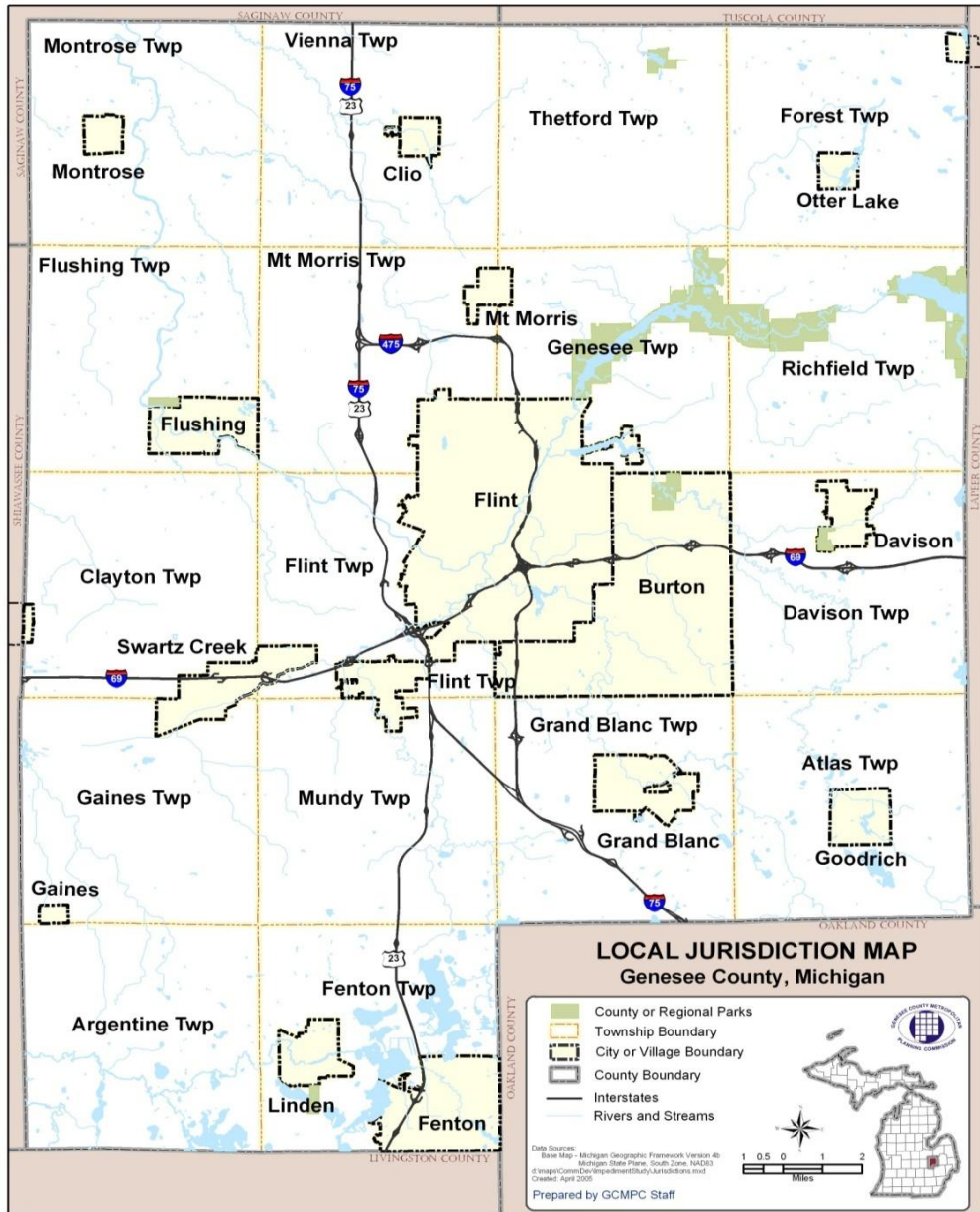
The release of the 2010 census data shows that the census tracts for the City of Flint have been redefined since the 2000 census. There are

no longer census tracts 21, 25, 39 or 41. These tracts have been changed to 9801, 136, 135, and 9800 respectively. The 2000 census tract number 25, which is now 136, is extended to border census tract 20, while decreasing the size of census tract 21.

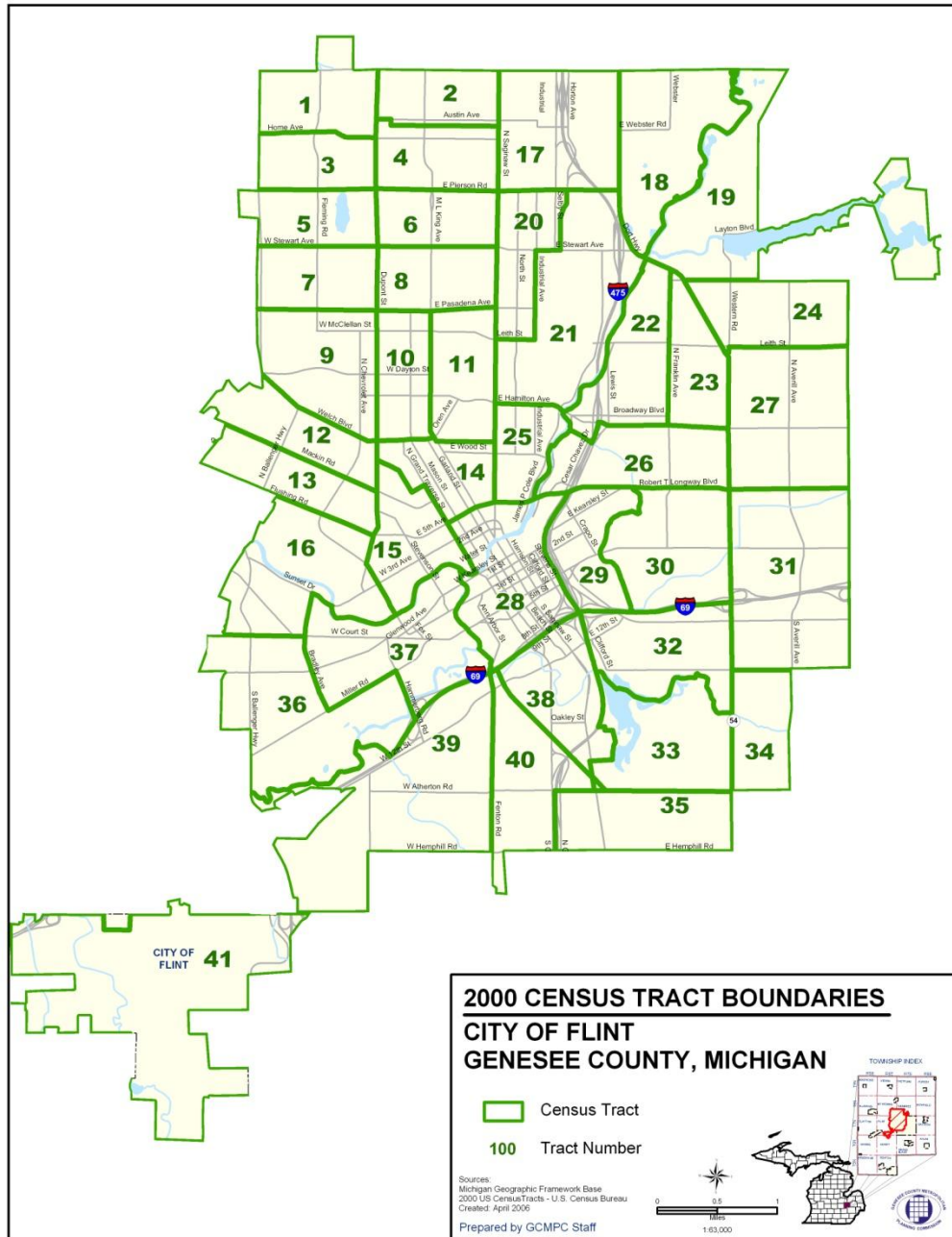
U.S. Census Bureau 2010 shows the median household income for Genesee County is \$43,483 and \$27,199 for the City of Flint. The total housing stock for Genesee County is 192,180; with 118,945 (62%) owner occupied, 50,257 (26%) renter occupied, and 22,978 (12%) vacant (Figure 1.1). The home ownership rate of occupied housing in Genesee County is 71.8% with a median housing value of \$118,000. The City of Flint has a total of housing units of 51,321 with 22,364 (44%) owner occupied, 18,108 (35%) renter occupied, and 10,849 (21%) vacant housing units (Figure 1.2). The home ownership rate of occupied housing in the City of Flint is 56.7% with a median housing value of \$61,200.

Two categories of identifiable barriers exist in Genesee County: exclusionary and segregative. First, exclusionary barriers exist when practices and/or policies exclude members of designated groups from living in a county, municipality, or census tract. For example, ten of the thirty-three municipalities in Genesee County have only one to twenty African-American residents (Table 1). Due to exclusionary barriers, representation of designated groups will be disproportionately low, compared to what would be expected, given its representation in the County as a whole.

Map 1.1: Genesee County Jurisdiction, 2012



Map 1.2: City of Flint Census Tracts, 2000



(http://en.wikipedia.org/wiki/Genesee_County,_Michigan).

(http://en.wikipedia.org/wiki/Flint,_Michigan).

Figure 1.1: Occupied Housing in Genesee County, 2010

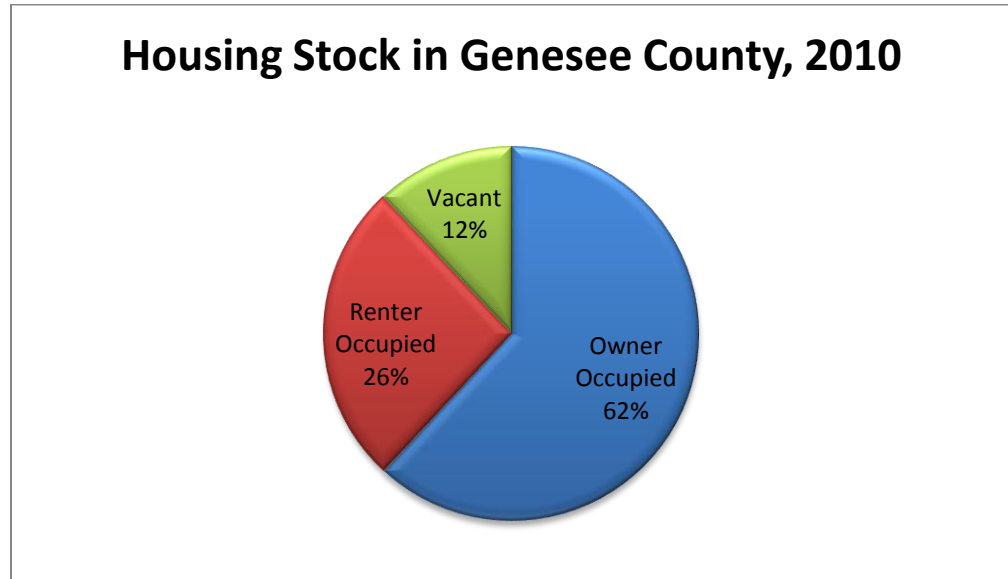


Figure 1.2: Occupied Housing in City of Flint, 2010

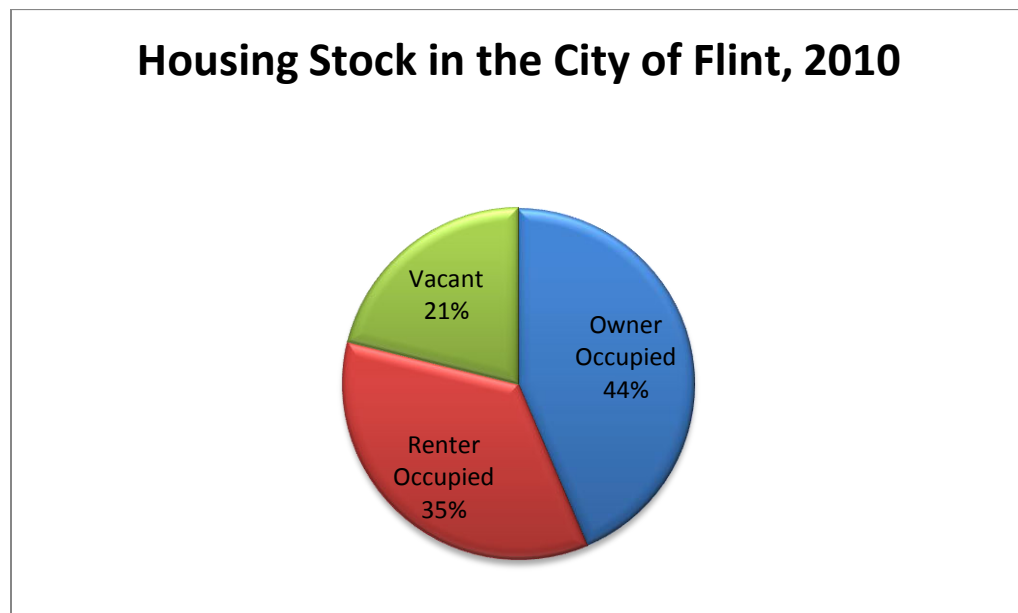


Table 1:1 Number and Percentage of Caucasian, African-American, Asian, Indian, and Other Races Residing in the Municipalities of Genesee County, 2010

Municipality	Total	White	Ratio	Black	Ratio	Asian	Ratio	Indian*	Ratio	Other**	Ratio	Hispanic	Ratio
Argentine Township	6,913	6,756	97.7%	19	0.3%	9	0.1%	24	0.3%	105	2.0%	95	1.4%
Atlas Township	7,993	7,760	97.1%	53	0.7%	59	0.7%	17	0.2%	209	3.0%	166	2.1%
Burton City	29,999	26,442	88.1%	2,203	7.3%	177	0.6%	192	0.6%	985	4.0%	930	3.1%
Clayton Township	7,581	7,068	93.2%	244	3.2%	52	0.2%	39	0.5%	422	5.5%	215	2.8%
Clio City	2,646	2,519	95.2%	28	1.1%	5	0.2%	16	0.6%	7	1.0%	84	3.2%
Davison City	5,173	4,907	94.9%	92	1.8%	17	0.3%	17	0.3%	140	3.0%	151	2.9%
Davison Township	19,575	18,256	93.3%	562	2.9%	151	0.8%	119	0.6%	487	3.0%	628	3.2%
Fenton City	11,746	11,172	95.1%	151	1.3%	88	0.7%	40	0.3%	295	3.0%	293	2.5%
Fenton Township	15,552	15,007	96.5%	68	0.4%	149	1.0%	59	0.4%	269	18.0%	285	1.8%
Flint City	102,434	38,328	37.4%	57,939	56.6%	464	0.5%	550	0.5%	5,153	5.0%	3,976	3.9%
Flint Township	31,929	21,700	68.0%	8,209	25.7%	604	1.9%	175	0.5%	1,241	4.0%	927	2.9%
Flushing City	8,389	7,956	94.8%	198	2.4%	37	0.4%	31	0.4%	167	2.0%	181	2.2%
Flushing Township	10,640	10,045	94.4%	227	2.1%	3	0.0%	68	0.6%	384	4.0%	255	2.4%
Forest Township	4,702	4,593	97.7%	21	0.4%	4	0.1%	23	0.5%	61	2.0%	77	1.6%
Gaines Township	6,820	6,610	96.9%	58	0.9%	12	0.2%	40	0.6%	100	2.0%	166	2.4%
Genesee Township	21,581	18,826	87.2%	1,851	8.6%	49	0.1%	181	0.8%	674	4.0%	810	3.8%
Grand Blanc City	8,276	6,826	82.5%	918	11.1%	228	2.8%	29	0.4%	275	4.0%	216	2.6%
Grand Blanc Township	37,508	30,981	82.6%	4,009	10.7%	1,270	3.4%	162	0.4%	1,086	3.0%	1,149	3.1%
Linden City	3,991	3,863	96.8%	18	0.5%	17	0.4%	18	0.5%	75	2.0%	79	0.2%
Montrose City	1,657	1,604	96.8%	12	0.7%	4	0.2%	12	0.7%	25	2.0%	39	2.4%
Montrose Township	6,224	5,939	95.4%	105	1.7%	8	0.1%	37	0.6%	135	3.0%	158	2.5%
Mount Morris City	3,086	2,471	80.1%	413	13.4%	15	0.5%	17	0.6%	170	5.5%	137	4.4%
Mount Morris Township	21,501	11,112	51.7%	9,212	42.8%	69	0.3%	154	0.7%	954	5.0%	711	3.3%
Mundy Township	15,082	13,887	92.1%	655	4.3%	153	1.0%	45	0.3%	342	3.0%	360	2.4%
Richfield Township	8,730	8,261	94.6%	196	2.1%	40	0.5%	42	0.5%	201	3.0%	208	2.4%
Swartz Creek City	5,758	5,277	91.6%	292	5.1%	46	0.8%	12	0.2%	131	3.0%	130	2.3%
Thetford Township	7,049	6,672	94.7%	147	2.1%	22	0.3%	52	0.7%	156	3.0%	183	2.6%
Vienna Township	13,255	12,555	94.7%	237	1.8%	47	0.4%	81	0.6%	335	3.0%	351	2.6%
Village of Gaines	380	366	96.1%	1	0.3%	-	0.0%	2	0.5%	12	3.1%	9	1.8%
Village of Goodrich	1,860	1,789	96.2%	17	0.9%	4	0.2%	4	0.2%	46	2.5%	41	2.2%
Village of Lennon	511	472	92.4%	2	0.4%	5	1.0%	8	1.6%	24	4.6%	18	3.5%
Village of Otisville	864	839	97.1%	4	0.5%	1	0.1%	2	0.2%	18	2.1%	10	1.2%
Village of Otter Lake	437	411	94.1%	1	0.3%	1	0.3%	4	1.0%	19	4.3%	8	1.8%
Genesee County	425,790	317,393	74.5%	88,127	20.7%	3,879	0.9%	2,252	0.5%	14,139	4.0%	12,983	3.0%

The second category of barriers to fair housing is segregation. Here, members of a designated group are not excluded from residing in the entire county, municipality, or census tract. Rather, designated groups living within these areas are disproportionately restricted through practices and/or policies, to residing within specific geographical areas, such as the north side, east side, etc.. Segregative barriers may be represented by distribution patterns of designated groups that are not evenly distributed throughout the county, municipality, or census tract.

Both the City of Flint and Genesee County have high segregation rates. In fact, according to CensusScope (www.censusscope.org), the City of Flint is the most segregated city in Michigan. In addition, the Research Report by William H. Frey and Dowell Myers, *Racial Segregation in U.S. Metropolitan Areas and Cities, 1990-2000: Patterns, Trends, and Explanations*, April 2005, concludes Flint is the eighteenth most segregated city in the United States.

The high segregation rate is reflected in demographic patterns within the City of Flint. The City of Flint has forty-one census tracts that range from 0.5% to 96% African-American population (Table 1.2). The residential composition in thirteen census tracts consists of 90 to 96% African-Americans. Furthermore, sixteen of the forty-one census tracts have fewer than 10% Caucasians residences. Sixty-two percent of all African-Americans residing in the City of Flint live in sixteen adjoining census tracts (Map 1.4). The high concentration of African-Americans in

adjoining census tracts also contributes to the high segregation rate for the City of Flint.

Map 1.4: African-American Population in the City of Flint, 2000

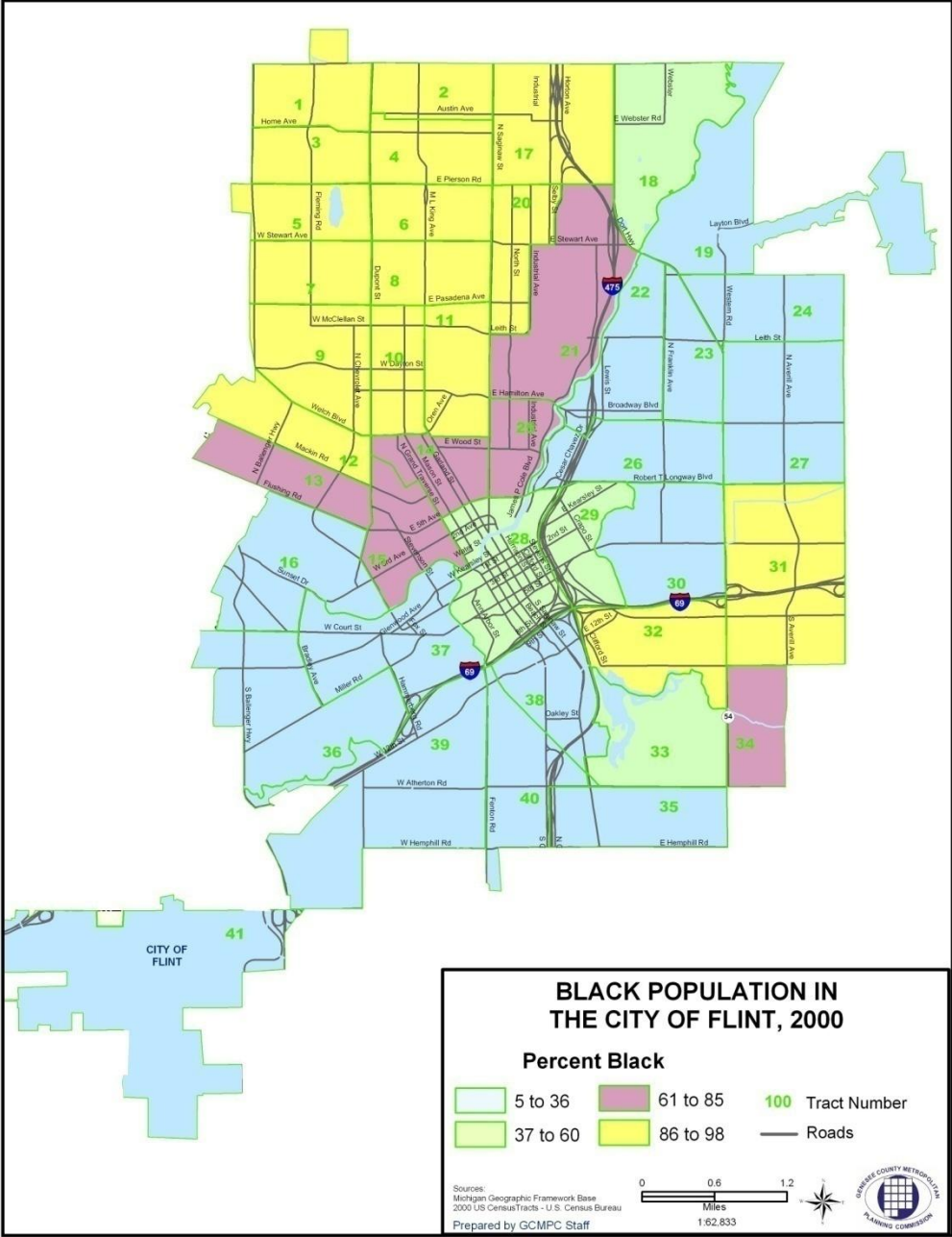


Table 1.2: Number and Percentage of Caucasian, African-American, Asian, Indian, and Other Races Residing in the City of Flint, 2010

Census Tract	Total	White	Ratio	Black	Ratio	Indian	Ratio	Asian	Ratio	Other	Ratio	Hispanic	Ratio
1	2,799	55	2	2,674	96	6	1	1	0	47	2	16	1
2	1,863	79	5	1,668	90	1	0	1	0	70	4	44	3
3	2,830	51	2	2,708	96	5	1	0	0	41	2	25	1
4	1,855	63	4	1,711	93	5	1	1	0	33	2	42	3
5	2,108	67	4	1,930	92	2	0	0	0	51	3	58	3
6	2,691	70	3	2,495	93	21	1	0	0	55	2	50	2
7	2,997	77	3	2,833	95	1	0	3	1	65	3	18	1
8	1,316	25	2	1,248	95	1	0	0	0	31	3	11	1
9	3,885	258	7	3,463	90	6	1	4	1	102	3	52	2
10	2,583	88	4	2,356	92	7	1	1	0	86	4	35	2
11	2,512	55	3	2,343	94	1	0	1	0	58	3	54	3
12	3,350	210	7	3,003	90	6	1	5	1	95	3	31	1
13	3,126	439	14	2,506	81	22	1	4	1	120	4	35	2
14	1,388	208	15	1,061	77	3	1	3	1	30	3	83	6
15	1,566	446	29	975	63	5	1	16	1	67	5	57	4
16	4,670	2,417	52	1,815	39	21	1	43	1	185	4	189	4
17	1,836	88	5	1,665	91	9	1	1	0	42	3	31	2
18	1,913	394	21	1,388	73	5	1	0	0	73	4	53	3
19	2,524	1,418	57	808	32	18	1	14	1	91	4	175	7
20	1,279	92	8	1,126	88	4	1	0	0	25	2	32	3
22	2,926	1,822	63	538	19	26	1	20	1	141	5	379	13
23	2,323	1,490	65	375	17	25	1	2	0	149	7	282	13
24	2,640	1,970	75	415	16	11	1	6	1	89	4	149	6
26	3,189	2,207	70	468	15	21	1	16	1	154	5	323	11
27	3,599	2,747	77	367	11	28	1	20	1	133	4	304	9
28	2,784	1,220	44	1,335	48	15	1	29	1	106	4	79	3
29	2,034	674	34	1,155	57	16	1	46	3	90	5	53	3
30	3,410	2,183	64	929	28	10	1	27	1	115	4	146	5
31	2,305	187	9	2,000	87	4	1	18	1	75	4	21	1
32	2,476	125	5	2,209	90	7	1	4	1	112	5	19	1
33	1,820	673	37	990	55	2	1	13	1	84	5	58	4
34	2,152	334	16	1,599	75	7	1	1	0	120	6	91	5
35	2,938	2,189	75	467	16	21	1	19	1	101	4	141	5
36	4,766	3,598	76	730	16	31	1	50	1	173	4	184	4
37	2,651	1,833	70	505	19	20	1	32	2	110	5	151	6
38	1,353	845	63	347	26	3	1	5	1	70	6	83	7
40	3,516	2,755	79	385	11	33	1	12	1	151	5	180	6
135	4,860	2,846	59	1,573	33	21	1	21	1	191	4	208	5
136	1,562	203	13	1,287	83	3	1	1	0	34	3	34	3
9800	39	36	203	1	0	2	1	0	0	0	0	0	0
9801	0	0	0	0	0	0	0	0	0	0	0	0	0

A similar pattern exists for the entire County as well. According to a report by Frey and Myers, Genesee County is the seventh most segregated Metropolitan Statistical Area (MSA) in the United States. Eighty-six percent of all African-Americans residing in Genesee County reside within three adjoining municipalities of the thirty-three municipalities: the City of Flint (66%), Flint Township (9.4%), and Mt. Morris Township (10.5%) (Map 4).

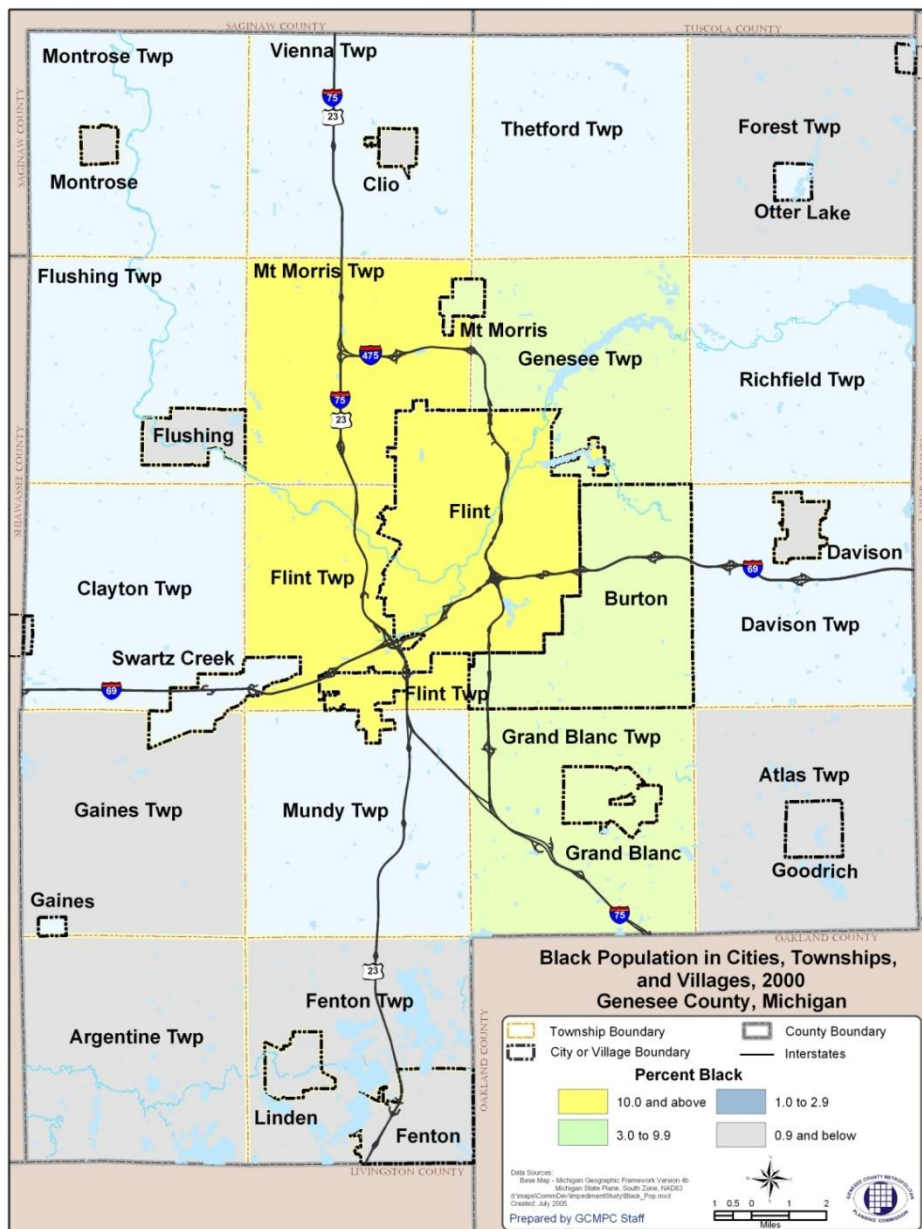
According to the U.S. Census Bureau, between 1990 and 2000, there has been a population increase of 763 in Genesee County and a population decline of 3,314 in the City of Flint. However, from 2000 to 2010 there has been a significant decrease in both the County and City populations. The County population decreased 10,351 while the City declined 22,509.

Table 1.3: Total Population Changes in Genesee County and the City of Flint, 2000-2010

Total Population			
	2000	2010	Change
Genesee County	436,141	425,790	-10,351
City of Flint	124,943	102,434	-22,509

U.S. Census Bureau, 2005-2010

Map 1.5: African-American Population in Cities, Townships, and Villages in Genesee County, 2012



Census 2010 figures (Table 1.4) show a population increase within Genesee County for African-Americans, Asian, Native Hawaiian/Other Pacific Islanders, Hispanics, and Two or More Races, and a decrease for Caucasian, American Indian/Alaskan Native, and Some Other Race. Furthermore, the City of Flint experienced an increase in African-Americans, Native Hawaiian/Other Pacific Islanders, Some Other Races, and the Hispanic populations. The categories of decline included Caucasian, American Indian/Alaskan Native, Asian, and Two or More Races. At the same time, the percentage of African-Americans increased in the City of Flint from 53.3% in 2000 to 56.6% in 2010, creating an even greater concentration of African-Americans within the City of Flint.

[Note: Many detailed tables included in this report have detached rows, separate from the race categories, which include information on the Hispanic population. Therefore, a clarification is necessary to clear any confusion as to why the Hispanic numbers are not included in the race section. The federal government considers Hispanic origin and race as separate distinctions. Each person has two attributes, their race (or races) and whether or not they are Hispanic. People who are Hispanic may be of any race. For example, Black Hispanics (Hispanic and Black) are included in both the number of Blacks and in the number of Hispanics.]

Although both Caucasian and African-American populations decreased in the City of Flint between 2000 and 2010, an important fact to consider is the demographic profile within the City of Flint during that same time period. In 2000, the population of the City of Flint comprised of 41.4% Caucasian and 53.3% African-American. In comparison, in 2010,

the percentage of the Caucasian population is 37.4% (a 4% decrease from 2000), while 56.6% of the persons residing in the City of Flint are African-American (a 3.3% increase from 2000). Therefore, although there was a substantial decrease in the population for the City of Flint by 22,509, the racial disparity within the City shows a significant increase.

According to the 2006 Study, a similar pattern existed in the City of Flint between 1990 and 2000. Both the number of Caucasians and African-Americans decreased in the City of Flint during that time period, however, the percentage rate for the African-American population increased by 5.4% while the percentage of the Caucasian population decreased 8.2%. The shift was so great that two census tracts, predominantly Caucasian, changed to predominantly African-American between 1990 and 2000.

Table 1.4: Racial/Ethnic Composition Changes in Genesee County and the City of Flint, 2000-2010

	2000		2010		Change
	Total	Percent	Total	Percent	
Caucasians					
Genesee County	328,350	75.30%	317,393	74.50%	-10,957
City of Flint	51,710	41.40%	38,328	37.40%	-13,382
African American					
Genesee County	88,843	20.40%	88,127	20.70%	716
City of Flint	66,560	53.30%	57,939	56.60%	-8,621
American Indian/Alaskan Native					
Genesee County	2,414	0.60%	2,252	0.50%	-162
City of Flint	798	0.60%	500	0.50%	-248
Asian					
Genesee County	3,515	0.80%	3,879	0.90%	364
City of Flint	547	0.40%	464	0.50%	-83
Native Hawaiian/Other Pacific Islanders					
Genesee County	92	0%	79	0%	13
City of Flint	19	0%	16	0%	3
Some Other Race					
Genesee County	3,408	0.80%	3,044	0.70%	-364
City of Flint	1,384	1.10%	1,169	1.10%	215
Two or More Races					
Genesee County	9,519	2.20%	9,541	2.20%	22
City of Flint	3,925	3.10%	3,405	3%	-520
Hispanic					
Genesee County	10,152	2.30%	12,983	3%	2,831
City of Flint	3,742	3%	3,976	3.90%	234

U.S. Census Bureau, 2010

**CHAPTER
2**

**LENDING PATTERNS IN
GENESEE COUNTY**

**An Analysis of Impediments to
Fair Housing Choice**

Home Mortgage Disclosure Act

The Federal Financial Institutions Examination Council (FFIEC) was established on March 10, 1979, pursuant to Title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978, Public Law 95-630. The Council is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions and to make recommendations that promote uniformity in supervision of financial institutions. This regulation provides the public loan data that can be used to assist:

- In determining whether financial institutions are serving the housing needs of their communities;
- Public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and
- In identifying possible discriminatory lending patterns.

FFIEC was given additional statutory responsibilities by Section 340 of the Housing and Community Development Act of 1980. Its role is to facilitate public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act (HMDA) of 1975 and aggregation

of annual HMDA data, by census tract, for each Metropolitan Statistical Area (MSA).

HMDA does not require lenders to make any particular type of loan or make loans in any specific geographic location. HMDA data does reveal the volume of a lender's home loan activity to particular racial groups, or in a particular type of neighborhood, and allows for comparison of one lender to others in terms of loan disparity rates (Federal Reserve, 1991:860).

Originally, lenders offered consumers a relatively limited array of products at prices that varied according to the characteristics of the loan and property, but not according to creditworthiness of the borrower. Effectively, borrowers either did or did not meet the underwriting criteria for a particular product, and those who met the criteria paid about the same price (Avery p. 349). With the enactment of HMDA there has been a change toward risk-based pricing of credit. Now creditworthiness can lead to different prices for the same product. People with less than perfect credit, in a traditional type of loan, in the past would have been turned down for a loan, now can get a loan, but at a higher price.

HMDA became law in 1975 to ensure fair and equal access to credit in the housing market. The law was originally used as a measure to stop redlining in specific areas. Redlining is the practice of intentionally denying or limiting financial services to specific neighborhoods where the residents are minorities or low income. As a result, to monitor for redlining, HMDA requires lenders to disclose where they are making loans.

HMDA has a history of continually revising the reporting requirements to meet the needs of home loan applicants. In the late 1970's there were concerns that lending institutions were discriminating against borrowers based on their race and income. As a result, in 1980 HMDA began to require that lenders collect each loan applicant's income and race. In 1988, HMDA expanded, requiring mortgage-lending subsidiaries of bank holding companies to report the data as well. In 1989, HMDA was revised again. It required that data be collected on all loan applications, not just those that were approved or originated. This allowed for comparison of denial rates by race, income, and gender.

HMDA was updated again in 2002 with changes regarding the price of the loan. The changes in the lending market have led to the changes in what data lending institutions need to report. The changes are designed to monitor the growing subprime market and to ensure fair lending practices. The following are the changes that became effective January 1, 2004.

- ❖ Revisions were made regarding the Metropolitan Statistical Areas and Metropolitan Divisions (MSA/MD). These revisions caused a nine percent increase in the number of institutions that are required to report HMDA data.
- ❖ Lenders now have to report the spread of each originated high-cost loan. This is calculated by taking the difference between the Annual Percentage Rate (APR) on the loan and the yield on a U.S. Treasury security of the same maturity. For first lien mortgage

loans, lenders must report if the difference is three percentage points or more. For subordinate lien loans the cut off is five percentage points. Reporting the spread helps to test for possible discrimination by different pricing methods.

❖ Lenders also have to report Home Ownership and Equity Protection Act (HOEPA) status. The new requirement asks lenders to flag a first lien loan where the spread is larger than eight percentage points, a junior lien loan that exceeds ten percentage points, and all loans with points or certain fees more than \$510 or eight percent of the loan, whichever is greater. HOEPA is in place to protect borrowers from predatory and unfair home-lending practices.

❖ Lien status must be reported on all loan applications and originations, except purchased loans. Lien status is important because loans secured by a first lien are less likely to default than those secured by a subordinate lien; therefore, first lien loans have a lower interest rate. This information is necessary for interpreting loan pricing information and for researching fair lending practices. It also allows a more accurate measurement of the size of the home-loan market and certain segments of the market.

❖ Pre-approval requests must be reported if they ultimately end up in an application for a specific property or if the request is denied. Lenders have the option of reporting requests that were

granted but not acted on by the consumer. Pre-approval information is designed to give an even more complete picture of lending practices and to ensure fair lending.

❖ Lenders have to state if an application or loan involves a manufactured home. Loans for manufactured homes generally have a higher credit risk than loans for other single-family homes. Manufactured home information allows regulators to monitor this market separately and more accurately (Crahmda p. 2, Afshar p. 19-22, and Avery p. 345-351).

Pricing discrimination, the act of illegally charging minority customers more for loans than similarly qualified Caucasians, is a serious problem. According to *The New York Times*, September 7, 2011, “Studies by consumer advocates found that large numbers of minority borrowers who were eligible for affordable, traditional loans were routinely steered toward ruinously priced subprime loans that they would never be able to repay.” The Obama Justice Department, in 2010, created a fair lending unit to work with the Federal Trade Commission, the Department of Housing and Urban Development, and bank regulators to investigate and process lending complaints.

Who Needs to Report?

FFIEC developed criteria to determine which lending institutions must report. The 2005 reporting criteria for depository institutions are based on the preceding December 31 data. If a depository institution

responds “Yes” to numbers one through four in the following list, and to at least one question within number five, then HMDA applies to the institution’s loan origination, purchases, and applications in the current calendar year. A negative response to any one of the first four questions or to all questions in number five, would exempt the institution from filing HMDA.

1. Is the depository institution a bank, credit union, or savings association?
2. Did the assets of the institution total more than \$34 million on the preceding December 31?
3. Did the institution have a home or branch office in a Metropolitan Statistical Area or Metropolitan Division (MSA/MD) on the preceding December 31?
4. In the preceding calendar year, did the institution originate at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one-to-four family dwelling?
5. Is the institution federally insured or regulated; was the mortgage loan insured, guaranteed, supplemented by a federal agency; or was the loan intended for sale to the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)?

The 2005 reporting criteria for non-depository institutions are based on the preceding December 31 data. If a non-depository institution responds 'Yes' to question one and 'Yes' to at least one question in two, one question in three, and one question in four, then HMDA applies to the institution's loan originations, purchases, and applications in the current calendar year. A negative response to question one, or to all the questions in two, three, or four exempts the institution from filing HMDA data for the current calendar year.

1. Is the non-depository institution a for-profit lender?
2. In the preceding calendar year, did the institution's home purchase loan originations (including refinancing of home purchase loans) equal or exceed ten percent of its total loan originations or equal \$25 million or more?
3. Did the non-depository institution; (a) have a home or branch office in a MSA/MD on the preceding December 31, or (b) receive applications for, originate, or purchase five or more home purchase or home improvement loans on property located in a MSA/MD in the preceding calendar year?
4. Did the non-depository institution either; (a) have assets (when combined with the assets of any parent corporation) exceeding \$10 million on the preceding December 31, or (b) originate 100 or more home purchase loans (including refinancing of home purchase loans) in the preceding calendar year?

The reporting lending institutions, both depository and non-depository, include subprime lenders. According to Glenn B. Canner & Wayne Passmore, *The Role of Specialized Lenders in Extending Mortgages to Lower-Income and Minority Homebuyers*, 85 FED. RES. BULL. 709, 715-716 (1999), subprime lenders specialize in making higher priced loans to borrowers with less than “A” rated credit. Although the subprime market serves an important role by providing loans to people with imperfect credit scores, it can also be subject to abusive lending practices, such as high interest rates, negative amortization, hidden fees and penalties, and balloon payments.

Subprime lenders are not regulated and are non-conforming lenders, which provide loans that are outside of traditional bank lending criteria. That is not to say that all subprime lenders are participating in predatory practices. Large portions of real-estate loans are qualified as non-conforming because either the borrower’s financial status or the property type does not meet bank guidelines.

In recent years, the subprime market has had huge growth. “One industry source estimates that over the period 1994-2004, the annual dollar volume of subprime home loans increased from about \$35 billion to more than \$530 billion” (Avery p. 349). The Center for Responsible Lending stated the following in a document entitled, *A Snapshot of the Subprime Market*:

- The number of subprime mortgages made in 2005-2006 projected to end in foreclosure was one in five.
- Proportion of 2006 home loans to African-American families that were subprime was 52.44%.
- Proportion of 2006 home loans to Hispanic and Latino families that were subprime was 40.66%.
- Proportion of 2006 home loans to white non-Hispanic families that were subprime was 22.20%.
- Subprime share of all mortgage origination in 2006 was 28%
- Subprime share of all mortgage origination in 2003 was 8%.

There appears to be a significant correlation on the drastic increase of subprime lenders and the extreme increase in the number of foreclosures. Foreclosures nationwide were up 47% in March 2007, from the year before, and up 7% from the last month alone, according to Realty Trac. (Melinda Fulmer, Foreclosure rates across the U.S.) Five states: California, Florida, Texas, Michigan, and Ohio, are suffering more than other states; together accounting for 50% of the nation's total foreclosures in March 2007.

According to the Detroit News, the number of homes under foreclosure in Michigan doubled from 2004 to 2006 to a rate that was two and a half times the national average. In fact, the national average is 1 foreclosure per 775 households compared to Michigan's rate of 1

foreclosure per 490 households. Michigan had an 11.4% increase in the number of foreclosures from 2006 to 2007.

A study conducted by Realty Trac (www.realtytrac.com), *U.S. Foreclosure Market Report*, shows that Michigan is ranked as the eighth state for the greatest number of foreclosures with a total of 37,026 in the third quarter of 2009. This includes: 11,454 with a Notice of Default, 10,575 with a Notice of Foreclosure Sale, and 14,997 that are Real Estate Owned (that have been foreclosed on and repurchased by a bank).

There may be a correlation between the high rate of foreclosures and the increased number of subprime lenders. According to Freddie Mac, 60 percent of all the foreclosures have subprime lenders (Michelle Martin, National Public Radio, Tell Me More, June 20, 2007).

Foreclosures have an impact not only on the individual family but also on entire communities. For example, millions of homes not facing foreclosure will decline in value as subprime foreclosures lower the prices of surrounding homes. In addition, property devaluations caused by subprime foreclosures will decrease the tax bases for that community. Therefore, additional research is needed to gauge the impact of subprime lending and foreclosures on fair housing.

HMDA Reporting Requirements

Each lending institution is required to report: (1) the number of applications received; (2) the race, income, and gender of each applicant; (3) the census tract of the property to be purchased; and (4) the

disposition of each application originated, denied, approved but the applicant turned down, (5) application withdrawn, or (6) closed for incompleteness. The following terms and their definitions are used in this report:

- *Home Improvement Loan*: a loan that will be used for repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located.
- *Home Purchase Loan*: any loan secured by and made for purchasing a dwelling.
- *Refinancing*: a loan transaction in which the existing obligation, involving either a home purchase or a home improvement loan, is satisfied and replaced by a new obligation (HMDA Glossary, 5-18-05).
- *Loan Originated*: applicant accepts offer (includes one resulting from a counteroffer).
- *Application Approved but Not Accepted*: an application is approved but the applicant (or loan broker/correspondent) fails to respond to the notification of approval or the commitment letter within the specified time.
- *Application Denied*: an application is denied; includes when an applicant turns down or fails to respond to a counter offer.
- *Application Withdrawn*: when the applicant expressly withdraws an application before a credit decision is made.
- *File Closed for Incompleteness*: if applicant was sent a written notice of incompleteness and the applicant failed to respond to the request for

additional information within the period specified in the notice (Guide to HMDA Reporting, “Getting it Right” FFIEC Edition 2003).

- *First Lien/Junior Lien:* “A lien gives a lender ownership rights to an asset in case of default, and home loans secured by a lien generally have lower interest rates. Moreover, first lien loans tend to have lower rates than subordinate lien loans, as the first lien lender has the initial rights to the asset, while the lender of a subordinate lien loan has rights only to what is not claimed by the first lien” (Afshar).
- *Pre-Approval:* Pre-approvals “provide qualified prospective home buyers with a binding written commitment to finance their purchase, subject to certain conditions related primarily to the property to be purchased and any changes in their financial circumstances.”

Racial Disparity in Lending

This section of the study examines residential real estate related lending patterns within MSA 2640-Flint, MI (which is inclusive of all Genesee County). Government insured home mortgage loans, conventional home mortgage loans, home mortgage refinance loans, and home improvement loans are examined. The study does not include commercial loans. The report provides useful information for lenders, government officials, borrowers, and community organizations. The data can be used to assist in policy development, to enhance programs, and to establish strategies to ensure home mortgages are available to targeted populations within low-income neighborhoods.

According to HMDA 2010, there were 242 lending institutions receiving home loan applications that reported HMDA data to the FFIEC for the Flint-MSA with 10,956 total applications (Table 2.1). Of that number, 82 (34%) reporting institutions have a branch office located within the MSA comprising of 9,057 (82.6%) of all home loan applications. The remaining 160 (65%) reporting lenders with no branch office within the MSA had 1,899 (17.3%) home loan applications for the MSA. Although there were a greater number of lenders without a branch office in the MSA, they only comprised of 17.3% of the total number of loan applications within the MSA (Table 2.1).

Table 2.1: Number of Loans Inside/Outside Genesee County, 2010

Location	Number Of Lending Institutions	Total Number of Loan Application in MSA	Percentage of Loan Applications in MSA
Branch in MSA	82	9,057	82.6%
Branch Outside MSA	160	1,899	17.3%

This study examines only those lending institutions receiving 25 or more home loan applications with a branch office located within the MSA. The total number of home loan applicants for lenders with 25 or more home loan applications within the MSA is 94.1% (8,533) of all the applicants for the MSA with a branch office in Genesee County. Lenders with 24 or less applications comprise of 5.8% (530) of all the applicants for the MSA with a branch office in Genesee County (Table 2.2).

Table 2.2: Lending Institutions with 25 or More and 24 or Less with a Branch Office in the MSA, 2010

Location	Total Loan Applicants in MSA	Percentage of Total Loan Applications in MSA
Branch in MSA (25+)	8,533	94.1%
Branch in MSA (24-)	530	5.8%

Tables 2.3-2.6 show the lending institutions in Genesee County that have a branch office and receive 25 or more home loan applications. Of the 40 lending institutions examined: 30 provide government loans, 38 conventional loans, 38 refinance loans, 17 home improvements loans, and 12 lenders provide all four types of home loans.

Racial disparities are the basis for examining lending patterns in Genesee County. The differences in lending rates for African-American, Hispanic, Asian, American Indian/Alaskan Native, Caucasian, Two or More Races, Joint, and Race not Available populations for the 55 lending institutions studied are revealed in Tables 2.3-2.6. There were 9,177 applications made by Caucasians. Of that number, 5,483 loans originated

for an acceptance rate of 59.7%. African-Americans made 856 applications, but only 367 were approved, with an acceptance rate of 42.8%. The difference shows that the Caucasian population had a 16.9% greater loan origination rate than African-Americans. Hispanics made 129 applications and 67 (51.9%) were granted. The Caucasian population had a 7.8% greater loan origination rate than Hispanics.

Other racial populations have similar variance patterns. For example, the American Indian/Alaskan Native populations had 41 loan applications with 10 (24.4%) granted; the Caucasian population has a 35.3% greater acceptance rate. The Asian population had 101 applications with 60 (59.4%) loans granted, with Caucasians having a 0.3% greater rate than Asians. Native Hawaiian and other Pacific Islanders made 12 home loan applications with seven (58.3%) being granted. The acceptance rate for Caucasians is 1.4% more than for Native Hawaiian and other Pacific Islanders. Two or More Minority Races & Joint had five applications with two (40.0%) loans granted, while Caucasians had a 19.7% greater loan approval rate. The Race not Available category had 703 applicants with 291 (41.3%) loans originating, while Caucasian applicants had a 18.4% greater origination rate (Table 2.7).

Although the above numbers include loan applications and originations for manufactured homes, there are similar lending disparities with the manufactured homes as a single entity. There were only 324

home loan applications submitted for manufactured homes in 2010. This was 2.9% of the total home loan applications within the MSA. Evidence shows that in Genesee County, lending patterns for manufactured homes mirror the racial disparity for traditional home loans. Of the 324 applications, 295 were from Caucasians, with an origination rate of 111 (37.6%). Minorities (all non-white) comprised of 29 applications with nine (31.0%) originated, for a variance of 6.6% favoring Caucasians over Minorities.

In 2010, home loan origination rate for Genesee County (57.0%) was less than the National (60.6%) loan origination rate. Yet the denial rates are more in Genesee County (24.9%) compared to the National rate of 19.7% (Tables 2.7 and 2.8).

Table 2.3: Applications Applied and Granted for Government, Conventional, Home Improvement, and Refinance for African-Americans and Caucasians in Genesee County, 2010

Site Name	Loan Types				Total Applications	Caucasian			African-American			Variance Caucasian over Minority
	Government	Conventional	Refinance	Home Improvement		Applied	Granted	% Approval Rate	Applied	Granted	% Approval Rate	
21 Mortgage		X	X		89	80	28	35	6	1	16.6	18.4
Amerihome Mortgage Corporation	X	X	X		92	88	67	76.1	4	1	25	51.1
Amerisave Mortgage Corporation	X	X	X		31	20	2	0.1	1	0	0	0.1
Arbor Mortgage	X	X	X		29	25	19	76	3	2	66.6	9.4
Bank of America, N.A	X	X	X		707	559	327	58.4	58	22	37.9	20.5
Chemical Bank	X	X	X		43	36	20	55.5	3	0	0	55.5
Citifinancial, Inc.			X	X	82	50	0	0	24	0	0	-
Citmortgage, Inc	X	X	X	X	189	154	69	44.8	13	5	38.4	6.4
Citizens Republic Bancorp. Inc	X	X	X	X	647	477	275	57.6	76	29	38.1	19.5
Dort Federal Credit Union	X	X	X	X	647	532	313	58.8	82	41	50	8.8
Elga Credit Union		X	X	X	163	146	95	65	16	7	43.7	21.3
Fentura Mortgage Corp		X	X		47	44	23	52.2	0	-	-	52.2
Fifth Third Bank		X	X	X	234	198	68	34.3	9	2	22.2	12.1
Fifth Third Mortgage Company	X	X	X		44	32	17	53.1	3	1	33.3	19.8
Fifth Third Mortgage, MI LLC Citizens Bank	X	X	X		381	319	172	53.9	29	18	62	8.1
Financial Plus Federal Credit		X	X	X	435	387	211	54.5	35	12	34.2	20.3
First Place Bank	X	X	X	X	419	374	268	71.6	24	12	50	21.6
Flagstar Bank	X	X	X	X	188	173	110	63.5	5	3	60	3.5
Flint Area School Employees CR	X	X	X		34	29	22	75.8	4	3	75	0.8
Franklin American Mortgage Co			X	X	35	33	20	60.6	1	1	100	39.4
Guardian Mortgage Company, Inc	X	X	X		732	676	603	89.2	30	27	90	0.8
Independent Mortgage Co	x	x	x	x	56	51	26	50.9	0	-	-	50.9
J Virgil, Inc	x	x	X		204	181	138	76.2	19	14	73.6	2.6
JPMorgan Chase Bank, NA	x	x	x	X	1,138	978	622	63.5	82	33	40.2	23.3
Mac-Clair Mortgage Corporation	x	x	x		194	170	139	81.7	23	17	73.9	7.8
Member First Mortgage LLC	x	x	x		61	52	14	26.9	3	3	100	73.1
Michigan Mutual, Inc. D/B/A FI	x	x	x		63	53	12	22.6	2	3	0	22.6
Mortgage 1, Incorporated	x	x			38	35	29	82.8	3	0	66.6	16.2
Mortgage Services III, L.L.C.	x	x	x		90	79	61	77.2	7	2	100	22.8
Nationstar Mortgage LLC	x	x	x		35	16	7	43.7	2	7	50	6.3
Neighborhood Mortgage Solution	x	x	x		79	72	23	31.9	9	1	11.1	20.8
Origen Financial Services LLC		x			134	119	42	35.2	10	1	40	4.8
PNC Bank N.A.	X	X	X	X	91	76	31	40.7	6	0	0	40.7
Polaris Home Funding Corp.	X	X	X	X	79	68	0	0	6	0	0	-
Quicken Loans	X	X	X		272	216	130	60.1	11	4	36.3	23.8
Ross Mortgage Corporation	X	X	X		347	317	203	64	29	13	44.8	19.2
Sagelink Credit Union		X	X		41	38	27	71	0	-	0	71
Security Credit Union		X	X	X	192	132	81	61.3	49	22	44.8	16.5
Shore Mortgage	X	X	X	X	36	36	18	50	0	-	0	50
The State Bank	X	X	X	X	115	102	69	67.6	0	-	0	67.6
Total	30	38	38	17	8,533	7,223	4,401	60.9	687	305	44.3	16.6

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Table 2.4: Applications Applied and Granted for Government, Conventional, Home Improvement, and Refinance for Native Hawaiian/Other Pacific Islander and 2 or More Minority Races & Joint in Genesee County, 2010

Site Name	Loan Types				Total Applications	Caucasian Approval Rate	Native Hawaiian/Other Pacific Islander				2 or More Minority Races & Joint			
	Government	Conventional	Refinance	Home Improvement			Applied	Granted	Approval Rate	Variance for Caucasians	Applied	Granted	Approval Rate	Variance for Caucasians
21 Mortgage		X	X		89	35	0	-	-	35	0	-	-	35
Amerihome Mortgage Corporation	X	X	X		92	76.1	0	-	-	76.1	0	-	-	76.1
Amerisave Mortgage Corporation	X	X	X		31	0.1	0	-	-	0.1	1	0	0	0.1
Arbor Mortgage	X	X	X		29	76	0	-	-	76	0	-	-	76
Bank of America, N.A	X	X	X	X	707	58.4	1	1	100	41.6	4	1	25	33.4
Chemical Bank	X	X	X	X	43	55.5	1	1	100	44.5	0	-	-	55.5
Citifinancial, Inc.			X	X	82	0	0	-	-	0	0	-	-	0
Citmortgage, Inc	X	X	X	X	189	44.8	0	-	-	44.8	1	1	100	55.2
Citizens Republic Bancorp. Inc	X	X	X	X	647	57.6	0	-	-	57.6	6	2	33.3	24.3
Dort Federal Credit Union	X	X	X	X	647	58.8	0	-	-	58.8	8	6	75	16.2
Elga Credit Union		X	X	X	163	65	0	-	-	65	1	0	0	65
Fentura Mortgage Corp			X	X	47	52.2	0	-	-	52.2	0	-	-	52.2
Fifth Third Bank		X	X	X	234	34.3	2	2	100	65.7	1	0	0	34.3
Fifth Third Mortgage Company	X	X	X		44	53.1	0	-	-	53.1	0	-	-	53.1
Fifth Third Mortgage, MI LLC														
Citizens Bank	X	X	X		381	53.9	0	-	-	53.9	4	3	75	21.1
Financial Plus Federal Credit		X	X	X	435	54.5	0	-	-	54.5	3	1	66.6	12.1
First Place Bank	X	X	X	X	419	71.6	0	-	-	71.6	4	4	100	28.4
Flagstar Bank	X	X	X	X	188	63.5	0	-	-	63.5	1	1	100	36.5
Flint Area School Employees CR			X	X	34	75.8	0	-	-	75.8	1	1	100	24.2
Franklin American Mortgage Co	X	X	X		35	60.6	0	-	-	60.6	0	-	-	60.6
Guardian Mortgage Company, Inc	X	X	X		732	89.2	0	-	-	89.2	7	6	85.7	3.5
Independent Mortgage Co	X	X	X	X	56	50.9	0	-	-	50.9	0	-	-	50.9
J Virgil, Inc	X	X	X		204	76.2	1	1	100	23.8	1	1	100	23.8
JPMorgan Chase Bank, NA	X	X	X	X	1,138	63.5	4	0	0	63.5	6	2	33.3	30.2
Mac-Clair Mortgage Corporation	X	X	X		194	81.7	0	-	-	81.7	0	-	-	81.7
Member First Mortgage LLC	X	X	X		61	26.9	0	-	-	26.9	0	-	-	26.9
Michigan Mutual, Inc. D/B/A FI	X	X	X		63	22.6	0	-	-	22.6	0	-	-	22.6
Mortgage 1, Incorporated	X	X	X		38	82.8	0	-	-	82.8		-	-	82.8
Mortgage Services III, L.L.C.	X	X	X		90	77.2	0	-	-	77.2	2	1	50	22.2
Nationstar Mortgage LLC	X	X	X		35	43.7	0	-	-	43.7	0	-	-	43.7
Neighborhood Mortgage Solution	X	X	X		79	31.9	0	-	-	31.9	0	-	-	31.9
Origen Financial Services LLC		X			134	35.2	1	0	0	35.2	2	0	0	35.2
PNC Bank N.A.	X	X	X	X	9	40.7	1	1	100	59.3	0	-	-	40.7
Polaris Home Funding Corp.	X	X	X	X	79	0	0	-	-	0	0	-	-	0
Quicken Loans	X	X	X		272	60.1	0	-	-	60.1	3	2	66.6	6.5
Ross Mortgage Corporation	X	X	X		347	64	0	-	-	64	0	-	-	64
Sagelink Credit Union		X	X		41	71	0	-	-	71	0	-	-	71
Security Credit Union		X	X	X	192	61.3	0	-	-	61.3	1	1	100	38.7
Shore Mortgage	X	X	X		36	50	0	-	-	50	0	-	-	50
The State Bank	X	X	X	X	115	67.6	0	-	-	67.6	0	-	-	67.6
Total	30	38	38	17	8,533	60.9	11	6	45.5	6.4	48	33	68.7	8.1

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Table 2.5: Applications Applied and Granted for Government, Conventional, Home Improvement, and Refinance for American Indian/Alaskan Native and Asian in Genesee County, 2010

Site Name	Loan Types				Total Applications	Caucasian Approval Rate	American Indian/Alaskan Native				Asian			
	Government	Conventional	Refinance	Home Improvement			Applied	Granted	Approval Rate	Variance for Caucasian	Applied	Granted	Approval Rate	Variance for Caucasian
21 Mortgage		X	X		89	35	0	-	-	35	1	1	100	65
Amerihome Mortgage Corporation	X	X	X		92	76.1	0	-	-	76.1	0	-	-	76.1
Amerisave Mortgage Corporation	X	X	X		31	0.1	0	-	-	0.1	0	-	-	0.1
Arbor Mortgage	X	X	X		29	76	0	-	-	76	0	-	-	76
Bank of America, N.A	X	X	X	X	707	58.4	2	1	50	8.4	10	6	60	1.6
Chemical Bank	X	X	X	X	43	55.5	0	-	-	55.5	1	0	0	55.5
Citifinancial, Inc.			X	X	82	0	0	-	-	0	0	-	-	0
Citmortgage, Inc	X	X	X	X	189	44.8	4	0	0	44.8	0	-	-	44.8
Citizens Republic Bancorp. Inc	X	X	X	X	647	57.6	1	1	100	42.4	5	3	60	2.4
Dort Federal Credit Union	X	X	X	X	647	58.8	2	2	100	41.2	4	4	100	
Elga Credit Union		X	X	X	163	65	0	-	-	65	0	-	-	65
Fentura Mortgage Corp			X	X	47	52.2	0	-	-	52.2	0	-	-	52.2
Fifth Third Bank		X	X	X	234	34.3	4	0	0	34.3	0	-	-	34.3
Fifth Third Mortgage Company	X	X	X		44	53.1	0	-	-	53.1	1	0	0	53.1
Fifth Third Mortgage, MI LLC	X	X	X		381	53.9	0	-	-	53.9	6	1	16.6	37.3
Citizens Bank														
Financial Plus Federal Credit		X	X	X	435	54.5	2	0	-	54.5	0	-	-	54.5
First Place Bank	X	X	X	X	419	71.6	1	1	100	28.4	10	9	90	14.2
Flagstar Bank	X	X	X	X	188	63.5	1	0	0	63.5	2	0	0	63.5
Flint Area School Employees CR			X	X	34	75.8	0	-	-	75.8	0	-	-	75.8
Franklin American Mortgage Co	X	X	X		35	60.6	0	-	-	60.6	0	-	-	60.6
Guardian Mortgage Company, Inc	X	X	X		732	89.2	0	-	-	89.2	17	16	94.1	4.9
Independent Mortgage Co	X	X	X	X	56	50.9	1	1	100	49.1	0	-	-	50.9
J Virgil, Inc	X	X	X		204	76.2	0	-	-	76.2	0	-	-	76.2
JPMorgan Chase Bank, NA	X	X	X	X	1,138	63.5	1	0	0	63.5	15	11	73.3	9.8
Mac-Clair Mortgage Corporation	X	X	X		194	81.7	0	-	-	81.7	1	1	100	18.3
Member First Mortgage LLC	X	X	X		61	26.9	0	-	-	26.9	1	1	100	73.1
Michigan Mutual, Inc. D/B/A FI	X	X	X		63	22.6	0	-	-	22.6	2	0	0	22.6
Mortgage 1, Incorporated	X	X			38	82.8	0	-	-	82.8	0	-	-	82.8
Mortgage Services III, L.L.C.	X	X	X		90	77.2	0	-	-	77.2	2	2	100	22.8
Nationstar Mortgage LLC	X	X	X		35	43.7	6	0	0	43.7	1	0	0	43.7
Neighborhood Mortgage Solution	X	X	X		79	31.9	0	-	-	31.9	0	-	-	31.9
Origen Financial Services LLC		X			134	35.2	0	-	-	35.2	1	0	0	35.2
PNC Bank N.A.	X	X	X	X	91	40.7	0	-	-	40.7	0	-	-	40.7
Polaris Home Funding Corp.	X	X	X	X	79	0	0	-	-	0	1	0	0	0
Quicken Loans	X	X	X		272	60.1	0	-	-	60.1	0	-	-	60.1
Ross Mortgage Corporation	X	X	X		347	64	1	1	100	36	0	-	-	64
Sagelink Credit Union		X	X		41	71	2	1	50	21	0	-	-	71
Security Credit Union		X	X	X	192	61.3	1	1	100	38.7	1	1	100	38.7
Shore Mortgage	X	X	X	X	36	50	0	-	-	50	0	-	-	50
The State Bank	X	X	X	X	115	67.6	1	0	0	67.6	0	-	-	67.6
Total	30	38	38	17	8,533	60.9	30	9	30	30.9	82	56	68.2	8.2

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Table 2.6 Applications Applied and Granted for Government, Conventional, Home Improvement, and Refinance for Race Not Available and Hispanic in Genesee County, 2010

Site Name	Loan Types				Total Applications	Caucasian Approval Rate	Race Not Available				Hispanic			
	Government	Conventional	Refinance	Home Improvement			Applied	Granted	Approval Rate	Variance for Caucasian	Applied	Granted	Approval Rate	Variance for Caucasian
21 Mortgage		X	X		89	35	2	0	0	35	0	-	-	35
Amerihome Mortgage Corporation	X	X	X		92	76.1	0	-	-	76.1	0	-	-	76.1
Amerisave Mortgage Corporation	X	X	X		31	0.1	9	1	11.1	11	1	0	0	0.1
Arbor Mortgage	X	X	X		29	76	1	1	100	24	0	-	-	76
Bank of America, N.A	X	X	X	X	707	58.4	73	37	50.6	7.8	9	5	55.5	2.9
Chemical Bank	X	X	X	X	43	55.5	2	1	50	5.5	0	-	-	55.5
Citifinancial, Inc.			X	X	82	0	8	0	0	0	3	0	0	0
Citmortgage, Inc	X	X	X	X	189	44.8	22	5	22.7	22.1	3	1	33.3	11.5
Citizens Republic Bancorp. Inc	X	X	X	X	647	57.6	82	45	54.8	2.8	9	6	66.6	9
Dort Federal Credit Union	X	X	X	X	647	58.8	19	4	21	37.8	7	3	42.8	16
Elga Credit Union		X	X	X	163	65	0	-	-	65	1	1	100	35
Fentura Mortgage Corp		X	X		47	52.2	3	1	33.3	18.9	0	-	-	52.2
Fifth Third Bank		X	X	X	234	34.3	20	1	5	29.3	1	0	0	34.3
Fifth Third Mortgage Company	X	X	X		44	53.1	2	1	50	3.1	0	-	-	53.1
Fifth Third Mortgage, MI LLC														
Citizens Bank	X	X	X		381	53.9	23	11	47.8	6.1	2	1	50	3.9
Financial Plus Federal Credit		X	X	X	435	54.5	8	1	12.5	42	6	1	16.6	37.9
First Place Bank	X	X	X	X	419	71.6	6	3	50	21.6	3	3	100	28.4
Flagstar Bank	X	X	X	X	188	63.5	6	2	33.3	30.2	2	2	100	36.5
Flint Area School Employees CR			X	X	34	75.8	0	-	-	75.8	0	-	-	75.8
Franklin American Mortgage Co	X	X	X		35	60.6	1	0	0	60.6	0	-	-	60.6
Guardian Mortgage Company, Inc	X	X	X		732	89.2	2	0	0	89.2	1	0	0	89.2
Independent Mortgage Co	X	X	X	X	56	50.9	4	2	50	0.9	1	1	100	49.1
J Virgil, Inc	X	X	X	X	204	76.2	2	2	100	8.9	9	5	55.5	20.7
JPMorgan Chase Bank, NA	X	X	X		1,138	63.5	51	28	54.9	8.6	11	7	63.6	0.1
Mac-Clair Mortgage Corporation	X	X	X	X	194	81.7	0	-	-	81.7	3	2	66.6	15.1
Member First Mortgage LLC	X	X	X		61	26.9	5	1	20	6.9	1	0	0	26.9
Michigan Mutual, Inc. D/B/A FI	X	X	X		63	22.6	6	1	16.6	6	1	0	0	22.6
Mortgage 1, Incorporated	X	X			38	82.8	0	-	-	82.8	1	1	100	17.2
Mortgage Services III, L.L.C.	X	X	X		90	77.2	0	-	-	77.2	1	1	100	22.8
Nationstar Mortgage LLC	X	X	X		35	43.7	9	3	33.3	10.4	2	0	0	43.7
Neighborhood Mortgage Solution	X	X	X		79	31.9	0	-	-	31.9	1	0	0	31.9
Origen Financial Services LLC		X			134	35.2	1	0	0	35.2	4	2	50	14.8
PNC Bank N.A.	X	X	X	X	91	40.7	8	2	25	15.7	0	-	-	40.7
Polaris Home Funding Corp.	X	X	X	X	79	0	4	0	0	0	0	-	-	0
Quicken Loans	X	X	X		272	60.1	42	24	57.1	3	4	3	75	14.9
Ross Mortgage Corporation	X	X	X		347	64	0	-	-	64	5	3	60	4
Sagelink Credit Union		X	X		41	71	1	0	0	71	2	1	50	21
Security Credit Union		X	X	X	192	61.3	8	0	0	61.3	2	2	100	38.7
Shore Mortgage	X	X	X		36	50	0	-	-	50	0	-	-	50
The State Bank	X	X	X	X	115	67.6	12	7	58.3	9.3	1	0	0	67.6
Total	30	38	38	17	8,533	60.9	478	184	38.4	22.5	97	51	52.5	8.4

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Table 2.7: Genesee County Race/Ethnic Home Loan Lending Rates, 2010

Race/Ethnicity	Total Applications	Loans Originated	Percent of Loans Originated	Applications Denied	Percent of Loans Denied	Origination Variance from Caucasian	Denial Variance from Caucasian
American Indian/Alaska Native	41	10	24.40%	18	43.90%	33.90%	20.90%
Asian	101	60	59.40%	21	20.70%	1.10%	2.30%
African American	856	367	42.80%	339	39.60%	16.90%	16.60%
Native Hawaiian/Other Pacific Islander	12	7	58.30%	3	25.00%	1.40%	2.00%
Caucasian	9,177	5,483	59.70%	2,114	23.00%	NA	NA
Two or More Minority Races/Joint	5	2	40.00%	2	40.00%	19.70%	17.00%
Race not Available	703	291	41.30%	224	31.80%	18.40%	8.80%
Total	10,895	6,220	57.00%	2,721	24.90%	2.70%	1.90%
Hispanic	129	67	51.90%	30	23.20%	7.80%	0.20%

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Table 2.8: National Race/Ethnic Home Loan Lending Rates, 2010

Race/Ethnicity	Total Applications	Loans Originated	Percent of Loans Originated	Applications Denied	Percent of Loans Denied	Origination Variance from Caucasian	Denial Variance from Caucasian
American Indian/Alaska Native	61,443	26,990	43.90%	18,904	30.70%	9.20%	12.40%
Asian	631,020	398,614	63.10%	107,314	17.00%	0.40%	1.30%
African American	662,517	303,942	45.80%	219,172	33.00%	17.70%	14.70%
Native Hawaiian/Other Pacific Islander	38,044	20,220	53.10%	9,759	25.60%	10.40%	7.30%
Caucasian	9,707,368	6,172,284	63.50%	1,779,126	18.30%	NA	NA
Two or More Minority Races/Joint	183,563	117,161	63.80%	32,477	17.60%	30.00%	0.70%
Race not Available	1,645,436	804,994	48.90%	386,570	23.40%	15%	5.10%
Total	12,929,391	7,844,124	61%	2,553,322	20%	2.90%	1.40%
Hispanic	788,271	406,247	51.50%	215,506	27.30%	12.00%	9.00%

Home Mortgage Disclosure Act, 2010 Tables 4-1, 4-2, 4-3, 4-4, 4-7

Racial disparities in lending rates varied between institutions.

Table 2.9 shows the pattern of lending rates by institutions with greater than the County average of 16.9% racial disparity where Caucasians are favored over African-Americans. It is important to focus only on those institutions with sufficient African-American applicants. Therefore, only lending institution with ten or more applications by African-Americans are included in the following table. Of the 40 lending institutions analyzed, 17 received ten or more home loan applications. Citifinancial, Inc. is the only lending institutions with ten or more loan applications that show no difference in the lending rates between African-Americans and Caucasians. There was a zero approval rate for both groups.

There are a number of lending institutions that have a much greater disparity rate than the County rate of 16.9% for Caucasians over African-Americans. These institutions include Bank of America, N.A. at 20.5% variance rate, Citizens Republic Bancorp. Inc. at 19.5%, Elga Credit Union 21.3%, Financial Plus Federal Credit 20.3%, First Place Bank 21.6%, JPMorgan Chase Bank, NA 23.3%, Quicken Loans 23.8% and Ross Mortgage Corporation 19.2%.

Table 2.9: Institutions with Greater than 16.9% Differential where Caucasians are Favored over African-Americans within Genesee County, 2010

Institutions	Racial Difference (%)
Bank of America, N.A.	20.5
Citizens Republic Bancorp. Inc.	19.5
Elga Credit Union	21.3
Financial Plus Federal Credit	20.3
First Place Bank	21.6
JPMorgan Chase Bank, NA	23.3
Quicken Loans	23.8
Ross Mortgage corporation	19.2

HMDA, 2010

There was a disparity in the lending rates for Caucasians and Hispanics in lending institutions with eight or greater home loan applications in 2010. There were 129 loan applications by Hispanics with 67 approvals for a 51.9% approval rate, a difference of 7.8% when compared to the Caucasian approval rate of 59.7%. Thus, the disparity (7.8%) between Caucasians and Hispanics is less than the disparity between Caucasians and African-Americans. J Virgil, Inc has a much greater variance rate of 20.7%, favoring Caucasians over Hispanics. The remaining number of applications per lender is too low to analyze with any statistical significant.

There is a National and County trend, whereby lending origination rates from 2004 to 2007 declined (Figure 2.1). For example, the lending origination rates for the African-American population in Genesee County

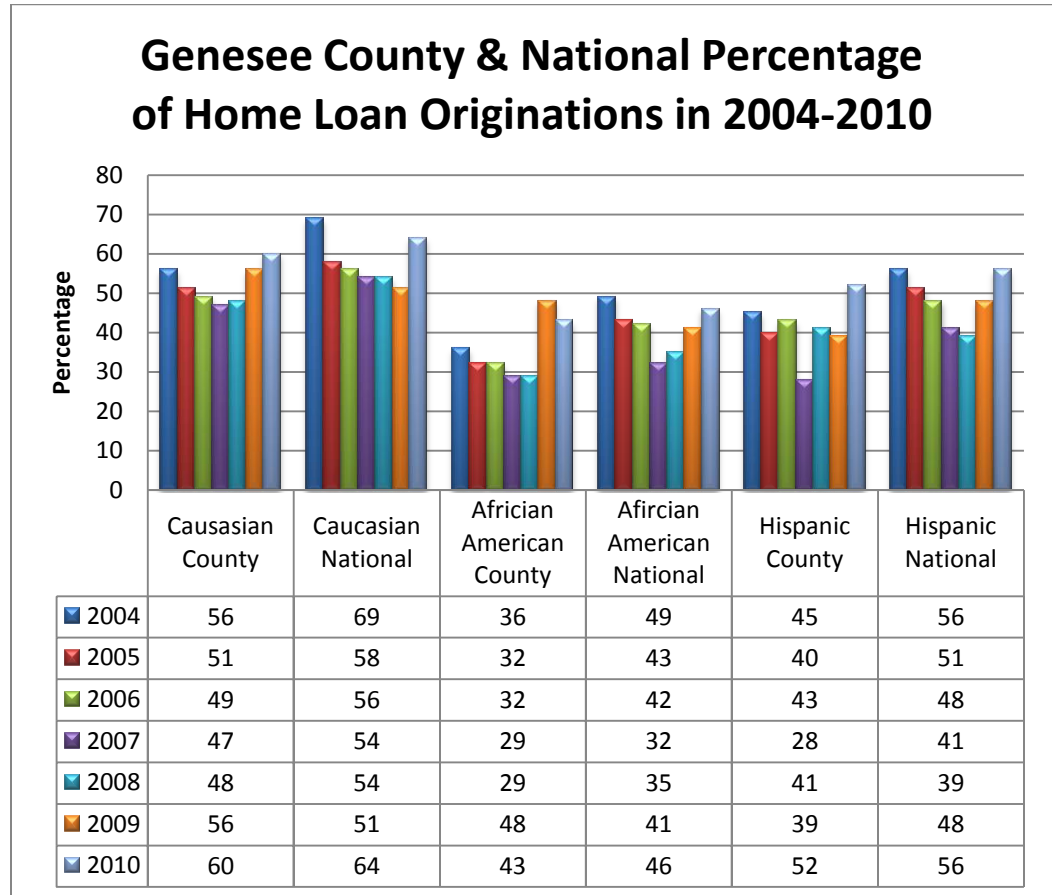
decreased progressively: in 2004, the origination rate was 36%, in 2002 48%, 2003 44%, 2004 36%, 2005 32%, and in 2007 29%. However, in 2009, the origination rate for African-Americans increased to 40% as well as 42.8% in 2010.

The number of home loan applications has substantially declined for all populations nationally and locally since 2004 (Table 2.10). The number of home loan applications for Caucasians in 2004 was 33,780 and in 2010, the numbers declined to 9,177. Hispanics application rate declined from 643 in 2004 to 129 in 2010. African-Americans also show a drastic decrease in the number of home loan applications with 7,531 in 2004 to 856 in 2010.

Table 2.10 Number of Home Loan Applications for Genesee County, 2004-2010

Year	Caucasian	African-American	Hispanic
2004	33,780	7,531	643
2005	34,199	8,164	647
2006	28,534	7,012	581
2007	20,851	4,790	371
2008	12,669	2,369	222
2009	11,106	1,295	151
2010	9,177	856	129

Figure 2.1: Genesee County & National Percentage of Home Loan Origination in 2004-2010



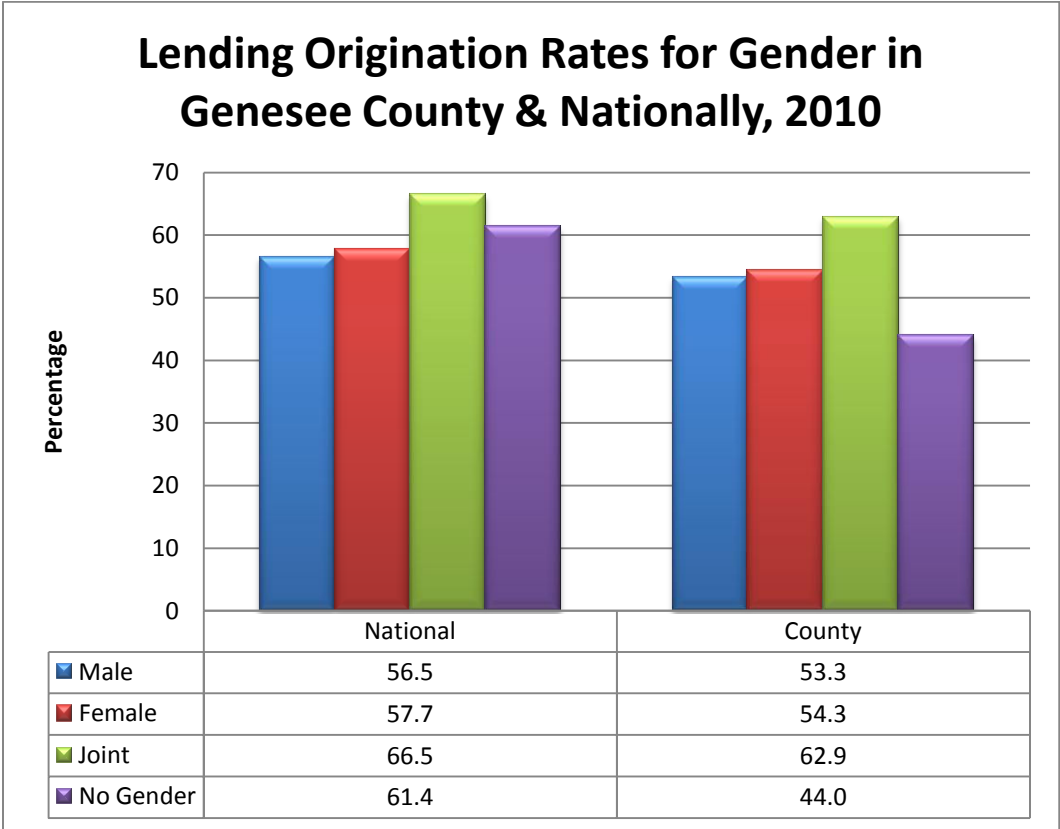
In addition to the difference in the origination rates, there is racial disparity in the number of home loan applications. The racial and ethnical composition in Genesee County is 74.5% Caucasian, 20.7% African-American, 3.0% Hispanic, 0.9% Asian, and 0.5% American Indian/Alaskan Native. The percentage of the total home loan applications within the MSA consisted of 83.7% Caucasian, 7.8% African-American, 1.1% Hispanic, 0.9% Asian, and 0.3% for American Indian/Alaskan Natives (Table 2.11). The African-American population consists of 20.8% of the population in Genesee County, yet only 9.4% of all the home loan applications are by African-Americans. The same pattern exists for the Hispanic population, which comprise of 3% of the population having only 1.1% of all home loan applications. This could be a barrier to fair housing if the disparity is due to lack of advertising to all communities, locations of lenders, and/or pre-application discriminatory lending practices.

Table 2.11: Percentage of Racial Population in Genesee County and Percentage of Loan Applications by Race, 2010

	% of the Population	% of the Total Home Loans
Caucasian	74.5	83.7
African-American	20.7	7.8
Hispanic	3.0	1.1
Asian	0.9	0.9
American Indian /Alaskan Native	0.5	0.3

Gender as well appears to make a difference in the origination rates for home loans. Nationally males have a 56.5% origination rate, females 57.7%, joint applications 66.5% origination rate, and no gender reported 48.5%. In Genesee County, the male origination rate is 53.3%, female 54.3%, joint 62.9%, and where no gender was reported 44.0% (Figure 2.2). All three groups origination rates are much lower in Genesee County compared to the National rates.

Figure 2.2: Gender Lending Acceptance Rate, Genesee County, 2010



CHAPTER 3	REJECTION PATTERNS IN GENESEE COUNTY
	An Analysis of Impediments to Fair Housing Choice

Race, Income, and Neighborhood Composition

Reason for Denial

HMDA provides data on reasons for home loan denials. Table 3.1 shows the differences in reasons for denial of home loans for African-Americans, Caucasians, and Hispanics in Genesee County in 2010. Of the nine categories listed as options for denials, credit history was the most common denial reason for African-Americans (24.6%) and Hispanics (34.6%). The second most common reason for denial for African-Americans (22.3%) and Hispanics (19.2%) is Collateral. Caucasians' primary reason for denial was collateral at 30.4% followed by credit history at 17.9%.

An index of dissimilarity is calculated to assess the differences for loan denials between Caucasians and African-Americans, and Caucasians and Hispanics (Table 3.1). An ideal dissimilarity index is zero. At zero, there are no differences in lending patterns; therefore, it is vital to strive to a score of zero. The cumulative index of dissimilarity between Caucasians and African-Americans in 2010 was 20.2. The index of

dissimilarity for Hispanics and Caucasians was 24.7, a greater index than African-Americans and Caucasians.

Table 3.1: Index of Dissimilarity for Caucasian vs. African-American and Caucasian vs. Hispanic for Reasons for Loan Denial in Genesee County, 2010

Reason	CAUCASIAN	AFRICIAN-AMERICAN		HISPANIC	
	Percent	Percent	$\frac{1}{2}(X_i - Y_i)$	Percent	$\frac{1}{2}(X_i - Z_i)$
Debt to Income Ratio	16.1	15.1	0.5	15.3	0.4
Employment History	1.9	13.2	5.7	0	1.0
Credit History	17.9	24.6	3.4	34.6	8.8
Collateral	30.4	22.3	4.1	19.2	5.6
Insufficient Cash	3.1	5.0	1.0	0	1.6
Unverifiable Information	3.4	2.8	0.3	0	1.7
Application Incomplete	10.7	3.1	3.8	7.6	3.5
Mortgage Insurance Denied	0.6	0	0.3	0	0.3
Other*	15.6	13.5	1.1	19.2	1.8
Index of Dissimilarity (D)			20.2		24.7

X_i is the percentage of Caucasians that were denied loans due to reason i .

Y_i is the percentage of African-Americans that were denied loans due to reason i

Z_i is the percentage of Hispanics who were denied loans due to reason i .

Therefore, for African-Americans $D = 100 (1/2 \sum [X_i - Y_i]) = 20.2$ and for Hispanics

$D = 100 (1/2 \sum [X_i - Z_i]) = 24.7$

Source: HMDA 2007 *Refers to any reasons not listed above. According to Regulation C of the Home Mortgage Act 12 CFR 203, amended May 1995, Appendix A and B, lenders are not required to enter the reasons for the denial of an application. But if they choose to do so, they may enter up to three reasons from those listed above.

The examination of the index of dissimilarity has shown an increase in the index scores for Genesee County since 2002. The index of dissimilarity for African-Americans in 2002 was 14.2, in 2004 12.8, in 2007 10.3, in 2009 21.0 and for 2010 20.2. In addition, the index of dissimilarity also demonstrated an eventual increase for Hispanics with 12.8 in 2002, 12.7 in 2004, 9.9 in 2007, 15.6 for 2009, and 24.7 for 2010. Therefore, there was a vast increase in the dissimilarity index between 2007 and 2010 for both the African-American and Hispanic populations, showing a greater difference between Caucasians being favored over African-American and Hispanic populations.

Rejection Rates by Race and Median Income

HMDA data makes it possible to compare lending rates between race and median income levels. Table 3.2 shows the racial disparity in these rates in for Genesee County in 2010. Median income ranges from less than 50% of the County's median income, to 120% and greater for Caucasian, African-American, and Hispanic populations.

General patterns show when median income rises, rejection rates lower. However, the table also illustrates that although African-Americans have the same median income as Caucasians at each level, they had significantly greater rejection rates. Table 3.3 demonstrates this has been an ongoing pattern, reflected by 2002 and 2004 having similarities to 2010. An additional factor to consider is that the rejection rates for all races and median income levels have significantly escalated over the past five years.

Table 3.2: Rejection Rates by Race and Median Income for Genesee County, 2010

LESS THAN 50% OF MSA MEDIAN INCOME	APPLIED	GRANTED	%RATE	DENIED	%RATE
Caucasian	1,240	632	50.9	408	32.9
African-American	478	55	30.8	97	54.4
Hispanic	28	15	53.5	8	28.5
50-79% OF MSA MEDIAN INCOME	APPLIED	GRANTED	%RATE	DENIED	%RATE
Caucasian	2,083	1,223	58.7	516	24.7
African-American	265	110	41.5	135	50.9
Hispanic	274	124	45.2	116	42.3
80-99% OF MSA MEDIAN INCOME	APPLIED	GRANTED	%RATE	DENIED	%RATE
Caucasian	1,153	712	61.7	256	22.2
African-American	105	43	40.9	59	56.1
Hispanic	18	6	33.3	7	38.8
100-119% OF MSA MEDIAN INCOME	APPLIED	GRANTED	%RATE	DENIED	%RATE
Caucasian	1,038	625	54.6	234	22.5
African-American	75	41	60.2	20	26.6
Hispanic	93	48	51.6	31	33.3
120% OR MORE OF MSA MEDIAN INCOME	APPLIED	GRANTED	%RATE	DENIED	%RATE
Caucasian	3,262	2,044	62.6	641	19.6
African-American	185	95	51.3	60	32.4
Hispanic	39	27	69.2	3	7.6

HMDA Aggregate Table 5-1, 5-2, 5-3, & 5-4 for 2010

Table 3.3: Rejection Rates by Race and Median Income for Genesee County, 2002, 2004, 2007, 2009, and 2010

LESS THAN 50% OF MSA MEDIAN INCOME	2002%	2004%	2007%	2009%	2010%
Caucasian	22	32	42	31	33
African-American	43	45	57	57	54
Hispanic	31	35	59	29	29
50-79% OF MSA MEDIAN INCOME	2002%	2004%	2007%	2009%	2010%
Caucasian	17	24	34	25	25
African-American	35	40	52	36	51
Hispanic	19	35	40	38	42
80-99% OF MSA MEDIAN INCOME	2002%	2004%	2007%	2009%	2010%
Caucasian	17	20	32	23	22
African-American	25	34	49	38	56
Hispanic	11	29	45	14	39
100-119% OF MSA MEDIAN INCOME	2002%	2004%	2007%	2009%	2010%
Caucasian	11	19	30	23	23
African-American	26	31	51	41	27
Hispanic	17	17	24	36	33
120% OR MORE OF MSA MEDIAN INCOME	2002%	2004%	2007%	2009%	2010%
Caucasian	9	16	30	23	20
African-American	23	32	46	35	32
Hispanic	17	28	44	27	8

HMDA Tables 5-1 to 5-4 years 2002, 2004, 2007, 2009, & 2010

Racial Composition, Income Levels, and Rejection Rates

HMDA data also provides information categorized by racial composition and income levels on lending patterns across communities — low, moderate, middle, and upper income with minority levels ranging from less than 10% to 80-100% minority. Table 3.4 demonstrates that as the minority population increases, the rejection rates in Genesee County. This is consistent at each income level. For example, a less than 10% minority community at a moderate-income level has a 34% rejection rate,

yet a racial composition of 80-100% at the same income level has a 51% rejection rate. The same pattern exists in the upper income level with a 21% rejection rate for less than 10% minority up to 26% with a 20-49% minority rate. An identical pattern exists for years 2002 through 2009 (Table 3.5).

The number of home loan applications in the Principal City, Flint, is 834 with 37% origination and 45% denial rates (Table 3.6). Yet, the number of Outside the Principal City loans consisted of 10,129 total applications with 59% origination and 23% denial rates. Therefore, the denial rate for Flint is 45% compared to only 23% in the remaining Genesee County.

The top lenders, defined by the number of applications received, are accountable for 63% of all the home loan applications in the MSA (Table 3.6). These lenders show a similar denial rate in contrast to the County rate of 26%. The denial rate for the City of Flint is 45%. Two lenders had a much greater denial rate for the City; Citizens Republic Bancorp. Inc 52% and Fifth Third Bank 84%. Outside the City of Flint, there was a 23% denial rate. Four lenders had significantly greater denial rate: Citizens Republic Bancorp. Inc 32%, Fifth Third Bank 34%, JPMorgan Chase Bank, NA 33%, and Quicken Loans 36%.

Table 3.4: Racial Composition, Income Levels, and Rejection Rates for Genesee County, 2010

Low Income			
RACIAL COMPOSITION	APPLIED	DENIED	REJECTION RATE
Less than 10% Minority	0	-	-
10-19% Minority	0	-	-
20-49% Minority	34	10	29
50-79% Minority	51	32	63
80-100% Minority	106	61	58
Moderate Income			
RACIAL COMPOSITION	APPLIED	DENIED	REJECTION RATE
Less than 10% Minority	106	36	34
10-19% Minority	195	74	38
20-49% Minority	75	39	52
50-79% Minority	27	15	56
80-100% Minority	177	92	51
Middle Income			
RACIAL COMPOSITION	APPLIED	DENIED	REJECTION RATE
Less than 10% Minority	2,970	728	25
10-19% Minority	721	209	29
20-49% Minority	489	155	32
50-79% Minority	7	2	29
80-100% Minority	34	17	50
Upper Income			
RACIAL COMPOSITION	APPLIED	DENIED	REJECTION RATE
Less than 10% Minority	5,220	1,101	21
10-19% Minority	463	86	19
20-49% Minority	288	76	26
50-79% Minority	0	-	-
80-100% Minority	0	-	-

HMDA Tables 7-1 to 7-4, 2010

**Table 3.5: Racial Composition, Income Levels, and Rejection Rates for
Genesee County, 2002, 2004, 2007, 2009, and 2010**

Low Income					
RACIAL COMPOSITION	2002%	2004%	2007%	2009%	2010%
Less than 10% Minority	-	-	-	-	-
10-19% Minority	39	-	-	50	-
20-49% Minority	41	39	52	34	29
50-79% Minority	36	42	57	56	63
80-100% Minority	47	47	58	53	58
Moderate Income					
RACIAL COMPOSITION	2002%	2004%	2007%	2009%	2010%
Less than 10% Minority	27	30	42	22	34
10-19% Minority	23	32	45	22	38
20-49% Minority	32	31	47	26	52
50-79% Minority	45	41	58	24	56
80-100% Minority	36	39	54	48	51
Middle Income					
RACIAL COMPOSITION	2002%	2004%	2007%	2009%	2010%
Less than 10% Minority	19	24	35	25	25
10-19% Minority	20	26	39	26	29
20-49% Minority	32	28	40	34	32
50-79% Minority	36	30	46	38	29
80-100% Minority	38	37	47	48	50
Upper Income Rejection Rates					
RACIAL COMPOSITION	2002%	2004%	2007%	2009%	2010%
Less than 10% Minority	12	19	29	21	21
10-19% Minority	18	15	28	20	19
20-49% Minority	-	23	40	24	26
50-79% Minority	-	31	-	-	-
80-100% Minority	-	-	-	-	-

HMDA Tables 7-1 to 7-4 years 2002, 2004, 2007, 2009, & 2010

Table 3.6: Loan Outcome per Top Lenders in Genesee County, in the City of Flint, and Out-County, 2010

	City	Outside City	Census Tracts				
Total	834	10,129	<i>Loans granted in all census tracts except 18, 20, 21, 22</i>				
Originated	37%	59%					
Denied	45%	23%					
Bank of America				First Place Bank			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	61	646	Loans Granted in 5, 13, 16, 19, 24, 25, 27, 30, 33, 35, 36, 37, 39, 40	Total	17	856	Loans Granted in 27, 28, 30, 33, 36, 39
Originated	43%	30%	-14	Originated	47%	72%	-6
Denied	48%	7%		Denied	35%	10%	
Citizens Republic Bancorp, Inc				Guardian Mortgage Company, Inc			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	97	704	Loans Granted in 1, 2, 7, 9, 12, 14, 15, 24, 25, 27, 28, 30, 32, 35, 36, 39, 40	Total	23	709	Loans Granted in 24, 25, 27, 30, 36, 37, 39, 40
Originated	35%	55%	-17	Originated	96%	89%	-8
Denied	52%	32%		Denied	4%	6.60%	
Dort Federal Credit Union				JPMorgan Chase Bank, NA			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	99	548	Loans Granted in 1, 2, 7, 9, 12, 13, 14, 16, 17, 19, 24, 26, 27, 30, 31, 32, 35, 37, 39	Total	70	1,068	Loans Granted in 16, 19, 24, 27, 33, 35, 36, 37, 39
Originated	41%	60%	-19	Originated	24%	63%	-9
Denied	38%	18.20%		Denied	61%	33%	
Fifth Third Bank				J Virgil Inc			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	19	350	Loans Granted in	Total	9	195	Loans Granted in 24, 31, 33, 36, 39
Originated	0%	21%	0	Originated	44%	78%	-5
Denied	84%	34%		Denied	22%	11%	
Fifth Third Mortgage, MI LLC				Quicken Loans			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	24	357	Loans Granted in 7, 12, 16, 25, 30, 31, 32, 33, 39	Total	12	260	Loans Granted in 16
Originated	50%	54%	-9	Originated	8%	61%	
Denied	29%	21%		Denied	92%	36%	-1
Financial Plus Federal Credit				Ross Mortgage Corporation			
	City	Outside City	Census Tracts		City	Outside City	Census Tracts
Total	40	395	Loans Granted in 12, 13, 16, 19, 24, 27, 33	Total	23	324	Loans Granted in 23, 30, 33, 35, 36, 37, 39
Originated	20%	55%	-7	Originated	30%	65%	-7
Denied	30%	15%		Denied	13%	13%	

An additional variable that influenced the denial rate was the age of the home. The older the home the greater the denial rate (Table 3.7).

Table 3.7: Disposition of Loan Applications by Median Age of Homes in Genesee County

Year Built	Total Applications	Originated	Denied
1990-March 2000	611	59%	21%
1980-1989	880	55%	23%
1970-1979	7,436	56%	22%
1960-1969	3,021	52%	27%
1959 or Earlier	1,878	41%	38%

**CHAPTER
4**

**ADVERTISING PATTERNS IN
GENESEE COUNTY**

**An Analysis of Impediments to
Fair Housing Choice**

Advertising Regulations

The provisions of the Fair Housing Act (42 U.S.C. 3600, *et seq.*) make it unlawful to discriminate in the sale, rental, and financing of housing, and in the provision of brokerage and appraisal services, because of race, color, religion, sex, handicap, familial status, or national origin. Section 804c of the Fair Housing Act, 42 U.S.C. 3604c, as amended, “makes it unlawful to make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement, with respect to the sale or rental of a dwelling, that indicates any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination” (Appendix I to part 109 – Fair Housing Advertising of 54 FR 3308, Jan. 23, 1989).

Advertising practices can send a negative or positive message to prospective homebuyers that may influence their perception of how they may be treated as an applicant. For example, if the lenders’ print and web based advertising includes only Caucasian, middle aged models with no

children, it may produce a less than positive comfort level for minorities, seniors, persons with disabilities, and families with children; discouraging them from applying. Good advertising practices should include diverse populations that are protected under federal, state, and local fair housing laws.

The location of lending institutions throughout a community is also a means of advertising. Exposure and availability of lending institutions located within neighborhood creates a sense of trust and easy access to members of the community. If all the branches of a particular lending institution are located outside of the City of Flint, for example, this may be perceived as targeting a certain population or making it difficult for some populations to apply. Furthermore, this may be a fair housing impediment or a barrier in the home loan application process.

Lending institutions that provide home loan services are required by law to meet parking accessibility standards mandated by the Americans with Disabilities Act (ADA) – Standards for Accessible Design. Parking lots that meet the legal requirements are designed to safely accommodate potential homebuyers with disabilities, offering a message that persons with disabilities are welcome to do business with the lending institution. Failure to meet the legal requirements contributes impediments to fair housing. This study examines all three types of advertising practices: web sites, site location, and parking accessibility.

Web Based Advertising Practices

This study includes an analysis of web-based advertising for the top lending institutions in Genesee County. The financial institutions examined are Bank of America, N.A., Citizens Republic Bancorp, Inc, Dort Federal Credit Union, Fifth Third Bank, Fifth Third Mortgage, MI LLC, Financial Plus FCU, First Place Bank, Guardian Mortgage Company, Inc., JPMorgan Chase Bank, NA, J Virgil Inc, Quicken Loans, and Ross Mortgage Corporation. The analysis includes a review of lenders' web sites to discover the diversity of human models and the size and location of the Equal Housing Opportunity logo.

Human models in photographs, drawings, or other graphic displays may not be used to indicate exclusiveness because of race, color, religion, sex, handicap, familial status, or national origin. Therefore, selectively using models of a particular race, national origin, gender, or displaying only adults in advertising campaigns may violate fair housing laws. Advertising should be designed to include a broad range of people by using: both male and female models, representatives from both majority and minority groups, including persons with disabilities, and when applicable, families with children.

U. S. Department of Housing and Urban Development (HUD) regulations emphasize that the use of human models in advertising should reflect the make-up of the greater metropolitan area in which the ads are published and not the individual community. For example, if a lending

institution chooses to advertise in a predominately white suburb using only white human models, this is in violation of fair housing laws. Such advertising would merely reinforce patterns of residential segregation, which is contrary to the purpose of the Fair Housing Act.

The first analysis of the web sites consisted of a focus on the use of human models. Questions to be answered included:

- Are models clearly definable as reasonably representing majority and minority groups (African-Americans, Hispanics, Asians) in the metropolitan area?
- Are seniors included in the advertising?
- Are both sexes included in the advertising?
- Are children included in the advertising?
- Does the advertising include models with disabilities?

Each web site was reviewed to discover the protected classes included such as: children, seniors, gender, race, national origin, and disability (Table 4.1). The results include the following:

- No Models – Three lenders did not use models to advertise: Fifth Third Mortgage, MI LLC, Guardian Mortgage Company, Inc., and J Virgil Inc.
- Included only one model: Bank of America, N.A. had only the hand of an adult Caucasian. The web page did not include children, seniors, gender, race, national origin, or disability.

- No Seniors: Only four lenders had senior models: Citizens Republic Bancorp, Inc., JPMorgan Chase Bank, NA, Quicken Loans, and Ross Mortgage Corporation.
- Asian Population and/or Hispanic Populations: Four lenders had models, which are Asian and/or Hispanic. These lenders include Citizens Republic Bancorp, Inc., Dort Federal Credit Union, Quicken Loans, and Ross Mortgage Corporation.
- African-American Population: Citizens Republic Bancorp, Inc., Dort Federal Credit Union, Financial Plus FCU, First Place Bank, and Quicken Loans had African-American models.
- Most Diverse Web Pages: Citizens Republic Bancorp, Inc., Quicken Loans, and Ross Mortgage Corporation.
- No Disability Populations: ***None of the top lending institutions had human models with disabilities.***

Table 4.1: Financial Institution's Web Based Advertising in Genesee County, Protected Classes, and Logotypes

Site	Children	Seniors	Gender	Race	National Origin	Disability	Hispanic	Logo
Bank of America, N.A.	No	No	No	No	No	No	No	Small
Citizens Republic Bancorp, Inc	Yes	Yes	Yes	Yes	Yes	No	Yes	Small
Dort Federal Credit Union	Yes	No	Yes	Yes	Yes	No	Yes	Medium
Fifth Third Bank	No	No	No	Only White	No	No	No	Small
Fifth Third Mortgage, MI LLC	No	No	No	No	No	No	No	Small
Financial Plus FCU	Yes	No	Yes	Yes	No	No	No	Medium
First Place Bank	Yes	No	Yes	Yes	No	No	No	Medium
Guardian Mortgage Company, Inc.	No	No	No	No	No	No	No	Medium
JPMorgan Chase Bank, NA	Yes	Yes	Yes	No	No	No	No	Medium
J Virgil Inc	No	No	No	No	No	No	No	None
Quicken Loans	Yes	Yes	Yes	Yes	Yes	No	No	Medium
Ross Mortgage Corporation	Yes	Yes	Yes	No	Yes	No	Yes	Medium

The second analysis is a review of the size and location of the Equal Opportunity logotype within the web site. All advertising of residential real estate for sale, rent, or financing should contain an equal housing opportunity logotype, statement, or slogan as a means of educating the home-seeking public that the property is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin.

Advertisers concerned with potential legal liability should adopt and follow the HUD standards concerning the Equal Housing Opportunity (EHO) logo and/or statement. The following are standards set by HUD:

1. The EHO logotype should be included in all advertising.
2. The logotype should be a bold display and be a clearly visible part of the advertisement.
3. The symbol and print should be a comparable size with other symbols used in the advertisement. Alternatively, when no other logotypes are used, three to five percent of an advertisement may be devoted to an equal opportunity logo.

The EHO logotypes for Bank of America, N.A., Citizens Republic Bancorp, Inc., Fifth Third Bank, and Fifth Third Mortgage Company, Inc. are small and are located on the bottom of the web pages. Seven lenders have a medium size fair housing symbol, all located on the bottom of the web page. J Virgil Inc. has no EHO logotype. In addition, none of the lenders have logotypes that are a comparable size with other symbols

used in the advertising. All of the EHO logotypes should be increased in size and be located in a more visible part of the advertisement.

Lending Institution Site Locations in Genesee County

HUD regulations caution against the strategic placement of advertising materials in only certain geographic areas. Examples include practices such as the display of billboards or the distribution of brochures by mail or by hand, to certain neighborhoods predominately inhabited by a particular race or ethnic group. In addition, when banks are not located in minority neighborhoods there is a disparate impact on the ability of families in these neighborhoods to build assets and/or to climb out of poverty. This report examines the locations of the top lending institutions in Genesee County (Table 4.2 & 4.3).

Citizens Republic Bancorp. Inc. branches are located within fourteen of the thirty-three municipalities. Eleven of the twenty locations are located within census tracts which resides 90% or greater Caucasian population; five are located in census tracts which are 80-89% Caucasian; and only two locations within a midrange or more diversely populated areas (one in the City of Flint and one in Flint Township). Two of the locations are 90% or greater Minority population and eleven census tracts with less than 10% Minority. The result is that 55% of Citizens Bank locations are within census tracts with an extremely high Caucasian rate (90% or greater) while only two census tracts groups have high Minority

rates. There are six branches within the City of Flint: three located in predominately Caucasian areas, two in predominately Minority areas, and one branch within a more equally diverse area.

JPMorgan Chase Bank has a similar site pattern as Citizens Republic Bancorp, Inc. There are thirty locations with a branch in fifteen municipalities. Eighteen of the thirty sites are located in a census tract with 90% or greater Caucasian rates and eight additional with an 80-89% Caucasian rate. There are five locations with a 90% or greater Minority rate and thirteen of the thirty sites are located in census tracts with 10% or less Minority rates. There are ten Chase Bank branches within the City of Flint; three are within predominately Caucasian census tracts, five in predominately Minority areas, and two midrange.

Three of the lending institutions have only one location in Genesee County. Guardian Mortgage Company is located in Grand Blanc Township in a census tract that is 90.2% Caucasian. J Virgil is located in the City of Flint in a census tract with 88.4% Caucasian population. In addition, Ross Mortgage Corporation is located in the City of Grand Blanc in a census tract consisting of 87.2% Caucasian.

Bank of America has eight lending institutions located in six of the thirty-three municipalities in Genesee County. Three of the eight branches are situated in census tracts, where 90% or more residents are Caucasians, three of eight are located in census tracts with 80-89% Caucasians, and only one site's location is considered a midrange

minority community (located in the City of Flint). One location has a 90% minority population and four branches are in census tracts with less than 10% minority.

Dort Federal has six lending institutions located in six municipalities. Four of the six locations are in census tracts with 90% or greater Caucasian population, while the other two locations are in census tracts of 80-89% Caucasian. No locations are in predominately African-American populated census tracts. This includes one census tract in the City of Flint with only a 13.5% African-American population, while the City of Flint has a 52.5% African-American population. Four of the six census tracts have 10% or less of African-Americans.

First Place Bank has eight lending institutions located within six of the thirty-three municipalities in Genesee County. Seven of the eight locations are in census tracts with 90%, or more Caucasians; the remaining location consists of 87.1% Caucasians. Seven of the eight census tracts have less than a 10% Minority rate. No branches are located in the City of Flint.

Three of the thirty-three municipalities in Genesee County, City of Flint, Flint Township, and Mt. Morris Township, have 83.9% of the total African-American population, yet only four (5%) lending institutions of eighty are located in Mt. Morris Township and six (7%) are located in Flint Township. However, there are twenty-one (26.2%) of the top lending institutions that are located in the City of Flint.

When examining home loan lending institution locations, median income for the census tract should also be considered (Table 4.2). The top lending institutions comprise of ten lenders located in Genesee County, with twenty-three located in the City of Flint and sixty-four located outside the City of Flint. The median family income for Genesee County is \$44,376. Citizens Republic Bancorp, Inc. has five (25%) branches located in census tracts at or below the median income for Genesee County. The remaining census tracts' median family income for Citizens Bank ranges from \$47,672 to \$106,862. JPMorgan Chase Bank has ten (33%) of thirty lending institutions located in median family income census tracts at or below the County average. The exceeding median income census tracts range from \$45,051 to \$96,496.

Two lending institutions have only one location in census tracts below the County average. Bank of America, N.A. has eight locations with one located in a median family income census tract of \$24,617, leaving seven locations ranging from \$45,051 to \$67,293. Dort Federal CU has one location in the City of Flint with a median family income of \$42,102; five locations range from \$57,576 to \$98,970.

Five of the top ten lenders have no lending institutions in census tracts below the County family median income. Guardian Mortgage Company has a single location in Grand Blanc Township with a \$68,970 median family income. Ross Mortgage Corporation is located in the City of Grand Blanc where the median family income is \$106,862. Although

First Place Bank has eight locations, none are located in the City of Flint and the census tracts' median family income range from \$55,710 to \$106,862. The same pattern exists for Financial Plus Federal CU, which has five locations with median income ranging from \$56,125 to \$98,970.

One lender, Fifth Third Bank, has the majority of branches located in census tracts at or below the County family median income. Although Fifth Third Bank has seven branches, five (83.3%) are at or below the County rate. The median family income ranges from \$16,678 to \$42,656 and one location is \$45,875.

Table 4.2: Locations of the Top Home Loan Financial Institutions, Census Tracts, Racial Composition, and Median Income in Genesee County, 2010

Address	Census Tract	Municipality	Total Pop	White	% White	Minority Pop	% Minority	Median 2010 Fam. Inc
Bank of America, N.A.								
503 Saginaw	28	City of Flint	2,595	1,208	46%	1,387	53%	\$24,617
G-1160 N. Ballenger	12	City of Flint	4,108	405	9%	3,703	90%	46,116
1318 E. Bristol Rd.	113.01	Burton	5,978	5,043	84%	935	15%	45,051
4280 E. Court St.	115.05	Burton	2,566	2,288	89%	278	10%	62,788
G-4584 Miller Rd.	109.12	Flint Township	3,255	2,941	90%	314	9%	59,413
12890 S. Saginaw Rd.	112.1	Grand Blanc City	1,892	1,716	86%	176	8%	65,795
11258 Clio Rd.	101.13	Vienna Twp.	2,245	2,094	93%	151	6%	47,672
19025 Silver Parkway	132.04	Fenton City	4,996	4,790	95%	206	4%	67,293
Citizens Bank								
4813 Clio Rd.	5	City of Flint	2,752	107	3.9	2,645	96.1	42,155
3023 Miller Rd.	36	City of Flint	5,123	4,530	88.4	593	11.6	49,380
905 S. Dort Highway	31	City of Flint	2,477	230	9.3	2,247	90.7	54,411
328 S. Saginaw St.	28	City of Flint	2,595	1,208	46.6	1,387	53.5	24,617
4129 S. Saginaw St.	35	City of Flint	3,109	2,580	83	529	17	51,556
2161 W. Vienna Rd.	101.13	Vienna Twp.	2,245	2,094	93.3	151	6.7	47,672
6452 W. Pierson Rd.	106.04	City Flushing	2,705	2,576	95.3	129	4.7	80,707
5510 Richfield Rd.	120.08	Genesee Twp.	3,122	2,917	93.4	205	6.6	71,241
11425 S. Saginaw St.	112.09	City Grand Blanc	6,558	5,717	87.2	841	12.8	106,862
1027 W. Hill Rd.	129.05	Mundy Twp.	3,068	2,823	92	245	8	63,092
770 E. Mt. Morris St.	123.1	City Mt. Morris	3,194	2,936	91.9	258	8.1	42,494
3289 Beecher Rd.	109.11	Flint Twp.	4,314	2,525	58.5	1,789	41.5	52,164
7384 Davison Rd.	117.14	Davison Twp.	2,975	2,806	94.3	169	5.7	78,911
1373 S. Linden Rd.	109.1	Flint Twp.	3,258	2,928	89.9	330	10.1	41,822
1101 Longway Blvd.	26	City of Flint	3,758	3,122	83	636	16.9	30,853
154 Main St.	124.01	Village Otisville	2,416	2,324	96.2	92	3.8	65,321
12770 S. Saginaw St.	112.1	City Grand Blanc	1,892	1,716	90.7	176	9.3	65,795
11293 Torrey Road	133.01	Fenton Twp.	5,339	5,132	96.1	207	3.9	96,496
226 W. Caroline	132.04	City Fenton	4,996	4,790	95.9	206	4.1	67,293
8017 Silver Lake	130.02	Argentine Twp.	4,174	4,031	96.5	143	3.4	76,278
JPMorgan Chase Bank								
111 E. Court St.	28	City of Flint	2,595	1,208	46.6	1,387	53.5	24,617
3301 Corunna Rd.	36	City of Flint	5,123	4,530	88.4	593	11.6	49,380
1320 Atherton Rd.	35	City of Flint	3,109	2,580	83	529	17	51,556
G-3402 Flushing Rd.	12	City of Flint	4,108	405	9.9	3,703	90.1	46,116
4622 N. Saginaw St.	20	City of Flint	2,072	51	2.5	2,021	97.5	20,153
4841 Fenton Rd.	40	City of Flint	3,892	3,466	89.1	426	11	39,505
G-5491 N. Saginaw	103.04	Mt. Morris Twp	4,950	1,679	33.9	3,271	66.1	28,677
6481 Pierson Rd.	105.02	Mt. Morris Twp.	3,112	2,552	82	560	17.9	57,576
G-4085 S. Saginaw	113.01	Burton	5,978	5,043	84.3	935	15.6	45,051
210 West First St.	28	City of Flint	2,595	1,238	47.7	1,357	52.3	24,617
4934 Clio Rd.	5	City of Flint	2,752	107	3.8	2,645	96.1	35,750
G-5668 S. Saginaw	103.04	Mt. Morris Twp.	4,950	1,679	33.9	3,271	66	28,677
124 S. Cherry St.	106.03	City Flushing	5,643	5,440	96.4	203	3.6	74,166
4130 W. Vienna Rd.	101.11	Vienna Twp.	1,546	1,455	94.1	91	5.9	66,596
4154 Davison Rd.	115.05	Burton	2,566	2,288	89.2	278	10.8	62,788
1232 S. Belsay Rd.	115.02	Burton	3,438	3,204	93.2	234	6.8	66,959
5312 Corunna Rd.	108.13	Flint Twp.	4,876	4,093	83.9	783	16.1	58,541
2411 W. Hill Rd.	129.04	Mundy Twp.	5,804	5,549	95.6	255	4.4	76,313
5090 E. Hill Rd.	112.13	Grand Blanc Twp.	5,281	4,788	90.7	493	9.3	83,023

Address	Census Tract	Municipality	Total Pop	White	% White	Minority Pop	% Minority	Median 2010 Fam. Inc
JPMorgan Chase Bank (cont.)								
8238 S. Saginaw St.	111.01	Grand Blanc Twp	6,096	5,500	90.2	596	9.9	98,970
7218 N. Genesee Rd.	121	Genesee Twp	3,008	2,650	88.1	358	11.9	53,522
4459 Fortino Dr.	127.02	City Swartz Creek	5,109	4,818	94.3	291	5.7	60,893
1121 S. State St.	117.12	Davison Twp.	2,802	2,617	93.4	185	6.6	51,819
203 N. Main St.	117.1	City Davison	2,698	2,553	94.6	145	5.4	60,986
7301 State Rd.	134.02	Village of Goodrich	1,349	1,319	97.8	30	2.2	86,118
14206 Fenton Rd.	133.01	Fenton Twp.	5,339	5,132	96.1	207	3.9	96,496
15000 Silver Parkway	130.02	Argentine Twp.	4,174	4,031	96.5	143	3.4	76,278
8089 Lapeer Rd.	116.1	Davison	5,784	5,340	92.3	444	7.6	70,218
4934 Clio Rd.	5	City of Flint	2,752	107	3.9	2,645	96.1	42,155
5668 S. Saginaw	17	City of Flint	2,104	134	6.3	1,970	93.6	25,851
J Virgil Inc.								
3404 Miller Road	36	City of Flint	5,123	4,530	88	593	11.6	49,380
Dort Federal CU								
2845 Davison Road	27	City of Flint	3,757	3,249	86.5	508	13.5	42,102
1441 S. State Road	116.01	Davison Twp	3,056	2,923	95.7	133	4.6	77,823
1091 W. Hill Road	129.05	Mundy	3,068	2,823	92	245	7.9	63,092
5091 W. Pierson Rd.	105.02	Mt. Morris Twp.	3,112	2,552	82	560	18	57,576
9050 Holly Road	111.01	Grand Blanc Twp.	6,096	5,500	90.2	596	9.8	98,970
14265 Fenton Road	133.01	Fenton Twp.	5,339	5,132	96.1	207	3.9	96,496
Guardian Mortgage Co								
8283 Office Park Dr.	111.01	Grand Blanc Twp.	6,096	5,500	90.2	596	9.8	68,970
Financial Plus Federal CU								
G-3381 Van Slyke Road	39	City of Flint	5,242	3,961	75.6	1,281	24	56,125
G-5256 Corunna Road	108.13	Flint Twp.	4,876	4,093	83.9	783	16.1	58,541
G-7048 Miller Road	127.02	City Swartz Creek	5,109	4,818	94.3	291	5.7	60,893
15125 Silver Parkway	132.04	Fenton City	4,996	4,790	95.8	206	4.1	67,293
8250 S. Saginaw	111.01	Grand Blanc Twp.	6,096	5,500	90.2	596	9.8	98,970
Ross Mortgage Corp								
12809 S. Saginaw St.	112.09	City Grand Blanc	6,558	5,717	87.2	841	12.8	106,862
First Place Bank								
4409 Miller Road	129.05	Mundy Twp.	3,068	2,823	92	245	7.9	63,092
3213 North Genesee Rd.	120.06	Genesee Twp.	2,773	2,620	94.4	153	5.5	55,710
4409 Miller Road	109.12	Flint Twp.	3,255	2,941	90.3	314	9.6	59,413
727 South State Road	117.1	Davison City	2,698	2,553	94.6	145	5.3	60,986
6120 Fenton Rd.	129.05	Mundy Twp.	3,068	2,823	92	245	7.9	63,092
4409 Miller Rd.	109.12	Flint Twp.	3,255	2,941	90.3	314	9.6	59,413
220 East Main St.	106.03	Flushing City	5,643	5,440	96.4	203	3.5	74,166
8195 South Saginaw St.	112.09	Grand Blanc City	6,558	5,717	87.1	841	12.8	106,862
Fifth Third Bank & Mortgage								
4512 Saginaw St.	20	City of Flint	1,279	92	7.1	1,187	92.9	16,678
700 S Ballenger	16	City of Flint	4,670	2,714	58.1	1,956	41.9	38,229
2315 S. Center Rd.	115.08	Burton	2,995	1,970	65.7	1,025	34.3	34,915
5232 Miller Rd.	109.12	Flint Twp.	3,123	2,115	67.7	1,008	32.2	38,566
6530 W. Pierson Rd.	105.02	Mt. Morris Twp.	3,581	1,931	53.9	1,650	46.1	43,656
12900 S. Saginaw St.	112.1	Grand Blanc	1,953	1,189	60.8	764	39.2	42,656
1231 Leroy St.	132.02	Fenton City	5,763	4,043	70.2	1,720	29.8	45,875

Table 4.3: Financial Institutions Locations within the MSA, 2012

Financial Institution	Total Locations	Total Municipalities	Total in City of Flint
Bank of America, N.A.	8	6	2
Citizens Republic Bancorp, Inc	20	14	6
Dort Federal Credit Union	6	6	1
Fifth Third Bank	7	6	2
Financial Plus FCU	5	5	1
First Place Bank	8	6	0
Guardian Mortgage Company, Inc.	1	1	0
JPMorgan Chase Bank, NA	30	15	10
J Virgil Inc	1	1	1
Ross Mortgage Corporation	1	1	0
Total	87	61	23

ADA Parking Regulations

Lack of accessible parking or spaces that do not meet the requirements of the Fair Housing Act, Section 504, and/or Americans with Disabilities Act create additional barriers to fair housing for people with disabilities. The Fair Housing Act, as amended in 1988, prohibits housing discrimination based on race, color, religion, sex, disability, familial status, and national origin. Its coverage includes private housing, housing that receives Federal financial assistance, and State and local government housing. It is unlawful to discriminate in any aspect of selling or renting housing or to deny a dwelling to a buyer or renter because of the disability

of that individual, an individual associated with the buyer or renter, or an individual who intends to live in the residence. This includes accessible parking.

According to ADA Business Brief, published by the U. S. Department of Justice, when a business restripes a parking lot, it must provide accessible parking spaces as required by the ADA Standards for Accessible Design. In addition, businesses or privately owned facilities that provide goods or services to the public have a continuing ADA obligation to remove barriers to access existing parking lots when it is readily achievable to do so. The ADA does not have a provision to “grandfather” a facility. Because striping is relatively inexpensive, it is readily achievable in most cases.

The ADA - Standards for Accessible Design, mandates parking accessibility standards. The Standards were published in Appendix A to the Department of Justice’s Title III regulations, 28 CFR Part 36, *Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities*. Regulations were amended on September 15, 2011, and effective March 15, 2012. This Assessment’s focus includes the number of accessible spaces, parking space size, signage, access aisles, curb cuts, and miscellaneous infractions.

Parking Standards

The Fair Housing Center of Eastern Michigan recently conducted an accessible parking audit of the top financial institutions in Genesee County. Of the seventy audits, only four (5.7%) were in compliance; leaving 66 (94.3%) not in compliance with ADA regulations.

Accessible Spaces

Section 4.1.2 (5) of the ADA Standards specifies the minimum number of accessible parking spaces to be provided, including van-accessible parking spaces (Table 4.4). One out of every six accessible spaces provided must be a van accessible space. When only one accessible parking space is required, the space provided must be a van accessible parking space. For example, if the parking lot has fifty-three parking spaces, there should be a minimum of three accessible parking spaces and one has to be van accessible. Van accessible spaces can serve vans and cars because they are not designated for vans only.

Table 4.4: Minimum Number of Accessible Parking Spaces

Lot Total	Standard Spaces	Van Spaces	Total Accessible
1 - 25	0	1	1
26 - 50	1	1	2
51 - 75	2	1	3
76 - 100	3	1	4
101 - 150	4	1	5
151 - 200	5	1	6
201 - 300	5	2	7
301 - 400	6	2	8
401 - 500	7	2	9
501 - 550	9	2	11
551 - 600	10	2	12
601 - 650	10	3	13
651 - 700	11	3	14

ADA Standards, 2009

Parking Space Size

An accessible parking space for a car each measures 96 inches with a 60 inches access aisle. A van requires a space measuring 96 inches with a 96-inch access aisle **OR** a 132 inch parking space with a 60-inch access aisle. Parking spaces are measured on the stripes midline to midline. The stripes are generally blue in color; however, they do not have to be blue. Furthermore, there may be local jurisdictions regulations regarding color. All striping is to be well defined.

Signage

Signs with the international symbol of accessibility must be mounted high enough so they can be seen while a vehicle is parked in the space. The recommended height is 60 inches from the ground to the bottom of the sign. The access symbol can also be mounted on walls, posts, or from garage ceilings so that vehicles parked in the space do not obscure it.

Each parking space should have its own sign. ADA specifies the sign content and symbol/field contrast (light-on-dark or dark-on-light), but not the color or size, which may be addressed by local jurisdictions.

Therefore, signage does not have to be the traditional blue with white print as long as it is as large as the traditional signage and is easy to read.

Parking spaces for vans are required to have an additional sign that identifies the parking spaces as "Van-Accessible." The "Van-Accessible" designation is meant to be informative, not restrictive, in the use of van

spaces. Additional signage can clarify this, which may be important in lots with only one accessible space since that space must be a van space.

Access Aisles

Accessible parking spaces for cars have at least a 60-inch wide access aisle located adjacent to the designated parking space. The access aisle is measured on the outside of the striping. The access aisle is just wide enough to permit a person using a wheelchair to enter or exit the car.

Van-accessible parking spaces are the same as accessible parking spaces for cars except they have a wider access aisle; ninety-six inches, to accommodate a wheelchair lift. Two van accessible parking spaces may share an access aisle.

The parking space for the vehicle and the entire access aisle must be level (a maximum slope of 1:50 in all directions), with a firm, stable, and non-slip surface. The access aisle must also be part of an accessible route to a facility or building entrance. There must be an access aisle, where a parking space is located adjacent to a sidewalk; the sidewalk is not considered an access aisle. The boundary of the access aisle must be marked. In addition, the access aisle must have well defined diagonal stripes or some type of filler to indicate it is an access aisle.

Curb Cuts

Objects, including vehicles that may extend into the accessible route, a curb, outdoor furniture, or shrubbery, must not obstruct the accessible route. Accessible parking spaces must be located on the

shortest route of travel to an accessible facility entrance. If an accessible route crosses a curb, a curb ramp must be used. However, the built-up curb ramp may not project into the minimum required space for the access aisle or the accessible parking space.

ADA Parking Report Card

The following information provides a summary of the findings for the seventy lending institutions that were audited.

- Need additional designated parking spaces 4 (5%)
- Need van accessible spaces 56 (71%)
- Parking spaces too narrow 4 (5%)
- Need additional international symbol signage 19 (24%)
- Signage too low 7 (9%)
- Need additional access aisles 11 (14%)
- Access aisles too narrow 8 (10%)
- Did not meet the ADA requirements for curb cuts 6 (8%)
- Faded paint 10 (13%)
- Signage in wrong place (one on the ground) 3 (4%)
- Not located near an entrance 1 (1%)
- Uphill grade too steep 1 (1%)

Only 12 (15%) of the sites assessed comply with ADA laws

Table 4.5: ADA Parking Regulations and Deficiencies for Lending Institutions in Genesee County, 2012

Bank of America, N.A.									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
City of Flint	29	1	0	0	1	1	0	1	Need van, access aisle too narrow
City of Flint	NA	NA	NA	NA	NA	NA	NA	NA	Downtown parking in compliance
Burton	39	1	1	0	1	1	0	0	Car space too narrow, access aisle too narrow
Burton	28	3	0	0	1	1	0	1	Need van, car space too narrow, all access aisles too narrow
Flint Township	29	2	0	0	1	1	0	1	Need van, need sign, access aisle too narrow
Grand Blanc City	19	1	0	0	0	1	0	1	Need van, space too narrow
Vienna Township	12	1	0	1	0	1	0	1	Need van, need access aisle
Fenton City	23	1	1	0	0	1	0	0	Car space too narrow, access aisle too narrow

Table 4.5: (cont.)

Citizens Republic Bancorp, Inc									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
City of Flint	NA	NA	NA	NA	NA	NA	NA	NA	Downtown parking in compliance
City of Flint	14-28	0	0	All	0	0	1	1	Need paint, need 1 car & 1 van, need signs, need access aisles
City of Flint	42	2	0	0	1	1	0	1	Need van
City of Flint	52	2	0	0	2	1	0	1	Need van, spaces & access aisles too narrow
City of Flint	29	2	0	0	1	1	0	1	Need van
City of Flint	32	3	0	0	1	1	0	1	Need van, faded paint, need sign, sign too low
Argentine Twp.	15	1	0	0	0	1	0	1	Need van, space & access aisle too narrow
Vienna Twp.	NA	NA	NA	NA	NA	NA	NA	NA	In plaza parking lot – in compliance
City of Flushing	45	2	0	0	1	1	0	1	Need van, sign too low
Genesee Twp.	63	3	0	1	2	1	0	1	Need van, need access aisle, access aisle too narrow
City of Grand Blanc	15	1	1	0	0	1	0	0	Space too narrow
City of Grand Blanc	31	2	0	0	1	1	0	1	Need van, spaces too narrow, signs too low

Table 4.5: (cont.)

Citizens Republic Bancorp, Inc									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
Mundy Twp.	57	2	0	0	2	1	1	1	Need van, spaces too narrow, signs too low
Grand Blanc Twp.	57	2	0	0	2	1	1	1	Need van, spaces too narrow, signs too low
City of Flushing	48	2	0	0	1	1	0	1	Need van, access aisle too narrow
Cit of Mt. Morris	32	2	0	0	1	1	0	1	Need van, sign too low, access aisle too narrow
Flint Twp.	NA	NA	NA	NA	NA	NA	NA	NA	IN COMPLIANCE
Fenton Twp.	25	2	0	0	0	1	0	1	Need van, need sign, faded paint, access aisle too narrow for van
City of Flint	24	1	0	0	0	1	0	1	Need van, access aisle too narrow, access aisle located in drive through, signs too low
Davison Twp.	63	3	0	0	2	1	0	1	Need van, two access aisles too narrow

Table 4.5: (cont.)

JPMorgan Chase Bank									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
City of Flint	41	1	0	0	1	1	0	1	Need van, need sign, space too narrow
City of Flint	26	2	0	0	1	1	0	1	Need van, space & access aisle too narrow
City of Flint	49	3	0	0	1	1	0	1	Need van, space narrow
City of Flint	38	2	0	0	1	1	0	1	Need van, space too narrow
City of Flint	35	2	0	0	1	1	0	1	Need van, sign too low
City of Flint	31	3	0	1	1	1	0	1	Need van, spaces & access aisles too narrow
City of Flint	47	3	0	0	1	1	0	1	Need van, access aisle too narrow, signs too low
Grand Blanc Twp.	63	2	1	1	2	1	0	0	Spaces & access aisles too narrow, need access aisle, sign too low
City of Flint	50	3	0	0	1	1	0	1	Need van, sign too low
Burton	67	3	1	0	2	1	0	0	Spaces too narrow, signs too low
Burton	69	1	1	0	2	1	1	0	Need 1 car, access aisle too narrow, signs too low
City of Flushing	10	1	0	0	0	1	0	1	Need van, sign too low

Table 4.5: (cont.)

JPMorgan Chase Bank									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
Vienna Twp.	48	1	1	0	1	1	0	0	Access aisle too narrow, signs too low
Flint Twp.	64	2	1	0	2	1	0	0	In COMPLIANCE
Grand Blanc Twp.	20	1	1	0	0	1	0	0	Access aisle too narrow
Grand Blanc Twp.	72	3	1	0	3	1	0	0	Two spaces & all access aisles too narrow, signs too low
Genesee Twp.	35	0	1	0	1	1	1	0	Need car space, access aisle too narrow, sign too low
Swartz Creek	64	2	1	0	2	1	0	0	Spaces too narrow, van access aisle too narrow, signs too low
Davison Twp.	67	1	1	0	2	1	1	0	Sign too low, need a sign
Village of Goodrich	33	2	1	0	1	1	0	1	Need van space too narrow
Fenton Twp.	46	1	1	0	1	1	0	0	IN COMPLIANCE
Argentine Twp.	21	2	0	0	0	1	0	1	Need van, spaces & access aisles too narrow
City of Davison	8	1	0	0	0	1	0	1	Need van, space too narrow, sign too low

Table 4.5: (cont.)

Dort Federal CU									
Municipality	Total Spaces	Currently Have			Municipality Total Spaces		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
City of Flint	72	4	0	0	2	1	0	1	Need van, two spaces too narrow
Davison Twp.	75	3	1	0	2	1	0	0	Signs too low
Grand Blanc Twp.	75	4	0	0	2	1	0	1	Need van, all spaces too narrow, sign too low
Mt. Morris Twp.	48	1	1	0	1	1	0	0	Signs too low
Grand Blanc Twp.	41	1	1	0	1	1	0	0	Signs too low, access aisle too narrow
Fenton Twp.	60	1	1	0	2	1	1	0	Need car, sign too low
Guardian Mortgage Company									
Grand Blanc Twp.	25	2	0	1	0	1	0	1	Need van, need access aisle, access aisle too narrow
J Virgil Inc									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
Flint Twp.	69	2	0	0	2	1	0	1	Need van, curb cut, need sign

Table 4.5: (cont.)

Financial Plus Federal CU									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
City of Flint	200	6	1	0	5	1	0	0	Five spaces too narrow
Swartz Creek	22	1	0	0	0	1	0	1	Need van, space & access aisle too narrow
Flint Twp.	63	2	0	0	2	1	0	1	Need van, need signs
Flint Twp.	NA	NA	NA	NA	NA	NA	NA	NA	IN COMPLIANCE
Grand Blanc Twp.	NA	NA	NA	NA	NA	NA	NA	NA	IN COMPLIANCE
First Place Bank									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
Munday Twp.	16	1	0	1	0	1	0	1	Need van, need access aisle, located too far from the entrance
Genesee Twp.	25	2	0	0	0	1	0	1	Need van, need sign, access aisle too narrow
First Place Bank									
Municipality	Total Spaces	Currently Have			Required		Needed		Comments
		Car	Van	# Without Access Aisle	Car	Van	Car	Van	
Davison Twp.	26	1	0	0	1	1	0	1	Need van
Grand Blanc Twp.	20	2	0	2	0	1	0	1	Need access aisle, located too far for the entrance
Flushing City	14	2	0	0	0	1	0	1	Need van, access aisle too narrow, need signs
Grand Blanc City	25	2	0	0	0	1	0	1	Need van, need sign, sign too low

CHAPTER 5	SUMMARY AND RECOMMENDATIONS
	An Analysis of Impediments to Fair Housing Choice

Summary

This report, “Fair Housing Impediment Study – Lending Patters in Genesee County 2010-2012” was the result of recommendations set forth in “Impediments to Fair Housing for the City of Flint and Genesee County, Michigan 2007”. The analysis of residential lending patterns and practices in Genesee County was facilitated with the use of the 2010 U. S. Census Bureau data and the 2010 Home Mortgage Disclosure Act (HMDA) data (most current). This report was funded by Genesee County.

Both the City of Flint and Genesee County have high segregation rates. In fact, according to CensusScope (www.censuscope.org), the City of Flint is the most segregated city in Michigan. In addition, the research report by William H. Frey and Dowell Myers, *Racial Segregation in U.S. Metropolitan Areas and Cities, 1990-2000: Patterns, Trends, and Explanations*, April 2005, concluded Flint is the eighteenth most segregated city in the United States. Furthermore, CensusScope reports that Genesee County is the seventh most segregated Metropolitan Statistical Area (MSA) in the Nation. The high segregation rates are

analyzed through the examination of exclusionary and segregation barriers throughout Genesee County.

Exclusionary barriers exist when practices and/or policies exclude members of designated groups from living in an area, such as a municipality. In Genesee County, 8 of the 33 municipalities have fewer than 20 African-American residents.

Residential segregation persists when members of a designated group are excluded from residing in an entire municipality and instead are disproportionately restricted through practices and/or policies to specific geographical areas, such as the north side, east side, etc. Eighty-six percent of all African-Americans residing in Genesee County dwell in three adjoining municipalities, City of Flint, Mt. Morris Township, and Flint Township. Sixty-six percent of all African-Americans reside in the City of Flint, one of the 33 municipalities. Furthermore, fifty-two percent of African-Americans residing in the City of Flint live in 16 adjoining census tracts; there are forty-one census tracts within the City of Flint.

The FFIEC's role is to facilitate public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act of 1975, and the aggregation of annual HMDA data by census tract for each MSA. Lenders must report: the number of applications received; race; income; gender; the census tract of the property to be purchased; and the disposition of each application (originated, denied, approved but applicant turned down, applications withdrawn, and application closed for

incompleteness). Residential loans include conventional, government, home improvement, and refinancing.

There were 247 lending institutions that received home loan applications and reported HMDA data to the FFIEC in Genesee County. Of that number, 82 lenders had a branch office within the MSA, while 160 lenders did not. Although there are more lenders with no branch office in the MSA, they only comprise 1,899 of the 10,959 loan applications in Genesee County. This report examines only those lending institutions receiving 25 or more home loan applications with a branch office within the MSA, for 8,533 loan applications.

This study illustrated patterns of lending disparities in Genesee County. The loan origination rate for Caucasians is 59.7% compared to 42.8% for African-Americans, 51.9% for Hispanics, 12.4% for American Indian/Alaskan Natives, and 25% for Native Hawaiian and other Pacific Islanders; clearly favoring Caucasians over minorities. However, the Asian population had a 69.4% home loan acceptance rate, which is greater than the Caucasian rate.

Racial disparities in lending rates varied between institutions. The County differential rate was 16.3%, favoring Caucasians over African-Americans. Eight lending institutions rated above or well above the racial disparity rate of Caucasians favored over African-Americans. These lending institutions included: Bank of America, N.A. at 20.5% variance rate, Citizens Republic Bancorp. Inc. at 19.5%, Elga Credit Union at

21.3%, Financial Plus Federal Credit Union at 20.3%, First Place Bank at 21.6%, JPMorgan Chase Bank, N.A. at 23.3%, Quicken Loans at 23.8%, and Ross Mortgage Corporation at 19.2%.

HMDA data also makes it possible to compare lending rates between race and median income levels. General lending patterns show when median income rises, rejection rates lower. However, when African-Americans and Hispanics have the same median income as Caucasians, they have significantly greater rejection rates. For example, residents with 120% or greater MSA median income show a rejection rate of 19.6% for Caucasians and 32.4% for African-Americans.

HMDA data also makes available information categorized by neighborhood racial composition and income level. An analysis of this information reveals that as the neighborhood minority population increases, so do rejection rates in Genesee County. This is consistent at each income level. As an illustration, residents categorized as middle income residing in neighborhoods with a 20-49% minority rate have a 32% rejection rate; in neighborhoods where racial composition is 80-100% minority with middle income, the rejection rate is 50%.

The Fair Housing Act “makes it unlawful to make, print, or publish or cause to be made, printed or published, any notice, statement, or advertisement, with respect to the sale or rental of a dwelling, that indicates any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or an

intention to make any such preference, limitation, or discrimination.” The variety of methods lenders may choose could be considered advertising. For the purpose of this study, web sites, lender locations, and parking accessibility were examined.

The top lenders’ (those receiving the most applications) web sites were examined to analyze the use of human models, and the size and the location of the Equal Housing Opportunity logo. Human models may not be used to indicate exclusiveness because of race, color, religion, sex, handicap, familial status, or national origin. Advertising should include a broad range of people such as male and female, representative from both majority and minority populations, persons with disabilities, and families with children.

HUD regulations stress the use of human models in advertising should reflect the greater metropolitan area, not the individual community. Therefore, in a predominately white suburb, using only white models is in violation of the fair housing laws. This type of advertising reinforces patterns of residential segregation.

The analysis of web site advertising was to discover the diversity of human models: children, seniors, persons with disabilities, genders, races, national origins, and Hispanic populations. No lender included all protected classes. In fact, all lenders excluded persons with disabilities as part of the web based advertising. Four lenders had no human models. One lender had a Caucasian’s hand on the web site with no other models.

Citizens Republic Bancorp, Inc. had the most inclusive web page, omitting only a person with a disability.

The second analysis included a reviewed of the size and location of the Equal Housing Opportunity logo on the web sites. All advertising of residential real estate for sale, rent, or financing should contain the logo. The logo should be boldly displayed, be clearly visible, and have a symbol/print that is comparable in size to other symbols used in the advertisement. Seven of the lenders' logotypes were of medium size and bold. Four of lenders had logos that were not clearly visible and small. One lender had no Equal Housing Opportunity logotype on its web site.

The location of lending institutions can also send a message of targeting a particular population, while avoiding another. In addition, when banks are not located in minority neighborhoods, there is a disparate impact on the ability of families in these neighborhoods to build assets and/or climb out of poverty. JPMorgan Bank and Citizens Republic Bancorp, Inc. both have branches throughout the Genesee County, including the City of Flint. Three lenders have no branches in the City of Flint; including First Place Bank, which has eight locations.

Lack of handicapped accessible parking creates additional barriers to fair housing for persons with disabilities. It is unlawful to discriminate in any aspect of selling or renting housing or to deny a dwelling to a buyer or renter because of the disability of that individual, an individual associated

with the buyer or renter, or an individual who intends to live in the residence.

Only 12 (15%) of the 70 branches audited complied with the Department of Justice's Americans with Disabilities Act regulations. The primary infraction was not including enough van accessible spaces, followed by the need for additional international symbol signage and access aisles. Other infractions included: low signage, lack of handicapped spaces, spaces and access aisles too narrow, lack of curb cuts, faded paint, signage location, and an access in the drive through lane.

Recommendations

The following are recommended actions to remove the barriers to fair housing identified in the area of residential lending in Bay City.

1. Further investigation is necessary for lending institutions with high differential acceptance rates between Caucasians and minorities. This includes paired testing by the Fair Housing Center of Eastern Michigan, to discover any discriminatory lending patterns such as difference in quality of service and information provided. The testing program should target those institutions where the African-American and Caucasian disparity is above the County average.
2. Conduct paired testing of lending institutions not located in minority neighborhoods with a focus on race, assigning Caucasian and African-American testers.
3. Conduct paired testing on lending institutions with a low number of minority applicants.
4. Contact lending institutions regarding parking lots not in compliance with ADA regulations. The Fair Housing Center of Eastern

Michigan should act as a consultant concerning parking standards. Review parking lots in one year to assess compliance.

5. Contact lending institutions regarding their web-based advertising, recommending advertising to include all protected classes. Review web-based advertising six months after lender notification.
6. Contact lending institutions with a recommendation to advertise in all neighborhoods.
7. Review HMDA in two years for lenders receiving the most applications to discover on-going patterns of discrimination.

CHAPTER 6	REFERENCES
	An Analysis of Impediments to Fair Housing Choice

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