

Mortgages plunge by 50% in some Brooklyn minority communities

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When it comes to real estate, Brooklyn is a tale of two boroughs.

Houses for sale along Dean Street in Brownsville.

The number of mortgages issued boroughwide dropped 18% in 2007 - consistent with citywide trends.

But in predominantly minority neighborhoods such as Brownsville and East New York, the number of mortgages issued plummeted by more than half.

Some higher-income neighborhoods seemed immune to the mortgage crisis, as the number of loans continued to go up.

"It really looks like a tale of two cities, in Brooklyn in particular," said Ingrid Ellen, co-director of the Furman Institute, which released the numbers. "You have some neighborhoods where the patterns look like Manhattan, and on the other hand, there are some neighborhoods that look a lot more like . . . the Bronx."

The number of mortgages issued fell by 60% in Brownsville, 58% in Bushwick, 57% in East New York and 45% in East Flatbush.

Experts say the declines are due to a combination of the drying up of the subprime market and lending discrimination by banks reluctant to make loans - even to qualified buyers - in those neighborhoods.

Bucking the downward trend, mortgages were up 48% in Brooklyn Heights and Fort Greene and 11% in Williamsburg and Greenpoint, and were virtually unchanged in Park Slope.

Ellen said the neighborhoods with the biggest declines were the same areas that saw the highest number of foreclosures.

"Markets tend to overcorrect," she said. "Lending institutions are wary of lending in areas where they're already seeing a lot of foreclosure activity."

"Lenders are redlining these neighborhoods, are depriving [them] of affordable and fairly priced credit," said Josh Zinner, co-director of the Neighborhood Economic Development Advocacy Project.



Rosier/News Houses for sale along Dean Street in Brownsville



Josh Zinner of the Neighborhood Economic Development Advocacy project said lenders are redlining some neighborhoods.

"There are many homeowners in these neighborhoods that should qualify" for prime loans.

"People ... are afraid to step out into the market now," said Trisha Ocona, a real estate broker in Bedford Stuyvesant who also heads the E. 56th Street Block Association in East Flatbush. "They fear failing."

"The banks are not really listening to you unless you can put down 20%," she added.

Areas like Brooklyn Heights and Williamsburg, where the market continues to thrive, Ellen said, "are neighborhoods that were sort of bypassed by the subprime lending phenomenon."

Loan numbers also increased by 37% in Sunset Park and 12% in Bensonhurst, driven in part by an influx of Asian homebuyers into the borough. The number of mortgages issued to Asians went up 27% in Brooklyn, compared to 6% citywide.

Across Brooklyn, mortgages were down 1.5% among whites, 49% among blacks and 45% among Hispanics.

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