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NEWS RELEASE

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LENDERS SHARPLY CUT PRIME MORTGAGE LENDING IN NYC NEIGHBORHOODS OF COLOR

Report Shows Glaring Racial Disparities in Lending By Largest U.S. Banks

Lenders sharply cut prime mortgage lending in communities of color in recent years – for both home purchases and refinancing of existing mortgages. Although mortgage lending has decreased across the board since the financial meltdown, prime lending in communities of color has dropped more than twice as much as in predominantly white neighborhoods.

According to a report released today by NEDAP and six other groups across the country, systematic redlining of communities of color has worsened since the onset of the financial crisis.

The report examines overall mortgage lending patterns between 2006 and 2008, in seven metropolitan areas in the United States, with separate analysis for the nation's four largest financial institutions – Bank of America, Citigroup, JPMorgan Chase, and Wells Fargo. The four banks, all TARP recipients, significantly decreased access to prime refinance loans in communities of color, at the same time they increased prime refinance lending in predominantly white communities.

“The largest banks, which took billions in bailout dollars, continue to harm communities of color through ongoing discriminatory practices,” said Alexis Iwanisziw of NEDAP, who co-authored the report. “To address these glaring disparities, Congress must enact meaningful financial reform and regulators must start to hold banks accountable.”

Key findings include:

- Lenders decreased prime home purchase and refinance lending by 60.3% in neighborhoods of color, compared to 28.4% in predominantly white neighborhoods.
- Bank of America, Citigroup, JPMorgan Chase, and Wells Fargo collectively increased their prime refinance lending in predominantly white communities by 32%, but decreased it in communities of color by 33%.
- Lenders overall decreased their prime refinance lending by 66.4% in communities of color, compared to 13.9% in predominantly white communities. In New York City, overall prime refinance lending declined by 68.8% in neighborhoods of color, compared to 39.5% in predominantly white areas.

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The full report, *Paying More for the American Dream IV: The Decline of Prime Mortgage Lending in Communities of Color*, is available at: www.nedap.org. The *Paying More for the American Dream* series is a collaborative effort by the California Reinvestment Coalition, Community Reinvestment Association of North Carolina, Empire Justice Center, Massachusetts Affordable Housing Alliance, NEDAP, Ohio Fair Lending Coalition, and Woodstock Institute. This is the collaboration's fourth annual report examining systematic inequalities in the housing finance system and the impact on lower-income neighborhoods and communities of color. Previous reports are available at: www.nedap.org/resources/reports.html.

examines the mortgage lending patterns of banks, including the nation's four largest financial institutions, in seven metropolitan areas in the United States: Boston, Charlotte, Chicago, Cleveland, Los Angeles, New York City, and Rochester, NY.