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*Florida Minority  
Home Lending Report*

A project of  
The FMCRC



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## Executive Summary

Florida's future is in front of us, literally and figuratively. This state will one day become a place where the minorities nationally, make up the majority of our population. There are four states, California, Hawaii, New Mexico and Texas, where this is already the case. We can see the transformation taking place throughout our state, but the impact is being felt the most in our largest cities and metropolitan areas. Due to migration, birth rates, and other factors, the demographic composition of the state of Florida is changing dramatically, as our population grows. The growth in our minority communities is outpacing that of non-Hispanic whites. In fact although the total numbers of non-Hispanic whites will keep growing, this portion of the population is expected to decline as a part of the state's population due to the tremendous growth of our Latin, African-American, Asian, and Native American populations. If we are to make sure that our state prospers in the future we must make sure that this younger and less financially savvy, Floridian of the future can start building their American Dream by purchasing the first building block of wealth, a home.

Statistics show that Latino and African-American communities are being left behind financially; which ultimately threatens the well being of our state. The lending industry must work together with Florida's minority grassroots organizations to ensure that the gap does not continue to widen between the *haves and have nots*, as our Florida minority communities continue to grow. Florida's lending institutions have a chance to be on the leading edge of a revolution. With a tremendous influx of youthful, energetic and ambitious people Florida banking institutions stand to have a very profitable future ahead if they embrace this inevitable change instead of turning away.

### **Summary of Findings**

The FMCRC compiled data from eleven institutions comprising the largest banks in Florida and many national banks. After studying the data a few patterns came into view. The following are comments summarizing observations that we will get into more detail about later on in the report.

#### ***Florida's Failure to Meet the Needs of African-Americans***

The Florida data submitted by participating banks and gathered from other sources shows that conventional home loan originations are far below where they need to be based on ideals of population equity. For a second consecutive year we see no visible change in the performance and behavior of Florida's lending institutions in addressing this very critical issue. The African-American community makes up 14.6% of the total population and so this should be reflected in the percentages of loans originated. For there to be parity in lending to African-Americans, banks would have to substantially increase the amount of loans originated in the year ahead.

### *There is evidence of a North/South divide in lending to Latinos*

It is obvious from the data that Tampa-St. Petersburg and Orlando, with their large Latino populations, need to be paid closer attention to by lenders. The Latino community in Tampa-St. Petersburg in particular is underserved by lenders as the data shows. Latinos would need to see an increase of 340% in conventional home loan originations to reach parity. This means that Tampa-St. Petersburg is 2395 loans short of what would be justified for a population of its size.

### *Even in Miami, & Fort Lauderdale Low Income Latinos Are Being Underserved*

Though lending in Miami is above parity levels for the Latino population at all income levels, low-income Latinos continue to be underserved. For Latinos earning less than \$23,175, the big four lenders all had origination levels below a disappointing 2% and three of the four were actually below 1%. The largest lender in the Miami MSA with 4789 total loans originated only gave .96% of its originations to Latinos earning 50% of median income.

### *Once again, in lending to African-Americans lenders miss parity across the board*

Lenders missed achieving parity in all MSA's for which data was compiled. In the Tampa-St. Petersburg MSA lenders will need to increase originations by 626% in order to reach parity, which means the divide is growing larger.

### *Denials; the Case for Financial Literacy*

Observing patterns in the denial data for different MSA's within the state we see that the biggest reason for denials among both Latinos and African-Americans is bad credit. This data underscores the need for financial literacy programs to be put into action by grass roots community organizations, and for there to be a rating system or benchmarking of the different lenders' programs so that we can assess and improve the programs that are already being implemented.

## **Recommendations**

When we examine the information in this report we see that each MSA has its own unique make up, problems, and opportunities. The Southern MSA's tend to have a heavy influx of immigrants from South America, Central America, and the Caribbean. The Northern MSA's have heavy immigration from other parts of our country as well as a large population of migrant agricultural workers. Central Florida and Tampa-St. Petersburg have a little of both, plus growing Asian populations lured here by the growing technology, space, and simulation industries. We find that our cities and regions greatly differ in their needs and they are also changing rapidly from year to year. Reflecting on this, it is the recommendation of the Florida Minority Community Reinvestment Coalition that the following be carried out:

1. A "Florida Minority Lending Report" should continue to be conducted on an annual basis.

2. That a fund be established by banking institutions to finance an annual needs assessment survey, to be composed with input from minority families throughout the state. We believe that this survey should include no less than 500 homeowner and non-homeowner minority families.
3. Furthermore that the FMCRC should work together with lenders in the State of Florida to assess participating lenders' existing programs for their efficacy in helping minority communities within the state to become participants and not onlookers in the wealth building process.

## **Introduction**

When compiling this 2<sup>nd</sup> annual 2005 Florida Home Lending Report, the FMCRC requested information from eleven institutions comprising the largest banks in Florida and many national banks. We requested 2003 HMDA Conventional Home Purchase Originations and Conventional Purchase Denials for the State of Florida and six key MSA's: Jacksonville, Miami, Tampa-St. Petersburg-Clearwater, Orlando, Ft. Lauderdale, and Tallahassee. Seven banks responded to our requests by sending complete information: Bank of America, J.P. Morgan Chase, Washington Mutual, SunTrust, Wachovia, Citibank, and 5/3 Bank. One bank, AmSouth, sent incomplete data choosing not to submit Conventional Purchase Denial information (see Appendix A- Lender Comments). We would like to thank the eight responding institutions for their participation in this process of analysis and improvement. Three banks, Wells Fargo, Colonial Bank, and Regions Bank failed to submit any data requested. This is noted on charts as "failed to comply". As a result we do not have as complete a picture as we would like of the dynamics at work statewide especially being that Wells Fargo is one of the largest lenders in the state. We regret that these institutions chose not to participate in this study and to partner with Florida's minority communities in working together to close the minority home ownership gap. We expect that these companies will choose to participate in future reports.

All data for individual MSA's was received from participants or taken from the FFIEC's Community Reinvestment Act website. All population data was gleaned from the U.S. Census Bureau's 2000 Census Data.

## Section I- Minority Home Lending in Florida

### Latino Home Lending in Florida

According to the Census Bureau, Florida's Latino population is increasing rapidly and is expected to account for 23 percent of the population in 2030. Its growth is outpacing the rest of the state's population. Florida had an estimated 17,019,068 inhabitants in 2003 of which 16.8% are Latinos. That would have placed Florida's Latino population at approximately 2,859,000 in 2003.

As we had mentioned in the 2004 report, the FMCRC prefers to look at the Latino data for Florida by subtracting the numbers for the Miami MSA. This we believe portrays a more accurate representation of what is happening statewide. The reasoning behind this is that within the Miami MSA Latinos make up the majority of the population, which skews the statistics for the rest of the state.

For Florida (Chart 1) we see that Washington Mutual has the best conventional home loan origination record with 14.11% of its 15,126 loans going to Latinos at all income levels. Citibank making 13.51% of its loan originations to Latinos at all incomes follows them closely behind, although this is out of a much smaller total of 2,798 loans. AmSouth and SunTrust had the worst records making only 4.02% and 4.37% of their respective loan originations to Latinos at all income levels. This info is all the more telling for SunTrust who was the 4<sup>th</sup> largest institution in the study in terms of number of loans originated for Florida at 15,660 loans.

**Chart 1- Percent Total Latino To Total Loans Minus Miami MSA**

Financial Institution	Total # Loans Made	Total Hispanic Loans	Percent of Totals
Bank of America	23,592	2034	8.62%
J.P. Morgan Chase	22,463	1870	8.32%
Washington Mutual	15,126	2134	14.11%
SunTrust	14,916	652	4.37%
Wachovia	9,842	714	7.25%
AmSouth	3983	160	4.02%
Citibank	2,798	378	13.51%
5/3 Bank	2,366	117	4.95%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

Surprisingly, the largest participating bank with 25,041 loans, Bank of America, came in a distant third with 8.62% of its Florida loan originations going to Latinos. Another interesting piece of information is that JP Morgan Chase the 2<sup>nd</sup> largest participant in the study in terms of number of loans made originates a whopping 14.14% of its loans to Latinos in the Miami MSA and only 8.32% (enough for 4<sup>th</sup> place) in the rest of Florida.

The total data for Florida (Chart 2) shows that Latinos continue to suffer a shortfall in loans relative to their population size. To meet parity levels (receiving a proportion of loans comparable to the population) for Florida, the institutions in this report would need to originate an additional 800 loans, which is an improvement over last year's results.

**Chart 2- Percent Total Latino To Total Loans**

Financial Institution	Total # Loans Made	Total Hispanic Loans	Percent of Totals
Bank of America	25,041	3483	13.91%
J.P. Morgan Chase	22,463	5046	22.46%
Washington Mutual	19,121	4589	24.00%
SunTrust	15,660	1120	7.15%
Wachovia	10,475	1061	10.13%
AmSouth	3983	160	4.02%
Citibank	3,609	880	24.38%
5/3 Bank	2,371	118	4.98%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

## African-American Home Lending in Florida

U.S. Census data shows that in 2003, 14.6% out of 17,019,068 Floridians were African-Americans. This is higher than the national average of 12.3%. This means that Florida had an African-American population of approximately 2,484,783 in 2003. The African-American population is expected to continue growing at a much higher rate than the non-minority segment.

Unfortunately Florida lenders are missing a big opportunity to profit from this growth. They are just not addressing the needs of the African-American community on a statewide level. Only two lenders participating in the report (see Chart 3) originate more than 5% of their loans to African-Americans: Citibank (6.18%) and Washington Mutual (5.25%). 5/3 Bank has the worst record making a paltry 1.31% of its conventional home loan originations to African-Americans at all income levels, that's only 31 loans out of 2371. To achieve parity for the state, lenders must increase their originations by 318% for a total of 13,128 extra loans.

The data collected shows that whereas in the Latino communities' loan originations are headed towards parity, this is glaringly not the case for the African-American community. There is an urgent need for a change in mindset so that this does not continue. Comparing this year's numbers to last year's shows no noticeable improvement in loan originations to African-Americans in fact, as more banks participate it spotlights just how much more effort is needed to be put forth in this underserved area.

**Chart 3- Percent Total African-American to Total Loans**

Financial Institution	Total # Loans Made	Total African-American Loans	Percent of Totals
Bank of America	25,041	1065	4.25%
J.P. Morgan Chase	22,463	910	4.05%
Washington Mutual	19,121	1004	5.25%
SunTrust	15,660	430	2.75%
Wachovia	10,475	357	3.41%
AmSouth	3983	109	2.74%
Citibank	3,609	223	6.18%
5/3 Bank	2,371	31	1.31%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

## Section II- Minority Home Lending in Florida by Income

### Latino Home Lending by Income

In 2003 Florida lenders made on average 2.75% of their conventional home loan originations to Latinos earning \$46,884 or less. Consider that this is 1.5 times what an average teacher earns and 2.6 times what a Disney hourly employee makes. This is a foreshadowing of future problems in raising the home ownership levels for Florida's Latino population. Citibank (5.71%) and Washington Mutual (4.69%) led the way in this income group (Chart 4). The largest two lenders: Bank of America and JP Morgan Chase again fell somewhere in the middle with 2.99% and 3.34% of originations going to Latinos earning \$46,884/yr. or less. 5/3 Bank had the worst performance, making only .72 of a percent of its loans to Latinos earning 80% of median income.

**Chart 4- Conventional Home Loans to Latinos at 80% of Median Income and Under**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$46,884 or Under	Percent of Totals
Bank of America	25,041	749	2.99%
J.P. Morgan Chase	22,463	750	3.34%
Washington Mutual	19,121	897	4.69%
SunTrust	15,660	217	1.39%
Wachovia	10,475	244	2.33%
AmSouth	3983	34	0.85%
Citibank	3,609	206	5.71%
5/3 Bank	2,371	17	0.72%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

For Latinos earning under \$29,302 (Teachers earn \$31,700 and Disney hourly employees earn \$17,900) Citibank had the best showing for the second consecutive year. Once again originating over 2% of its loans (2.27%) to Latinos in this income bracket (Chart 5). 5/3 Bank had the worst record overall originating .30% of its loans to Latinos within this income bracket. Sun Trust had the worst record out of the large lenders for the second consecutive year. Sun Trust gave a miniscule .61% of its originations to the lowest income Latinos.

**Chart 5- Conventional Home Loans to Latinos at 50% of Median Income and Under**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$29,302 or Under	Percent of Totals
Bank of America	25,041	221	0.88%
J.P. Morgan Chase	22,463	211	0.94%
Washington Mutual	19,121	226	1.18%
SunTrust	15,660	96	0.61%
Wachovia	10,475	111	1.06%
AmSouth	3,983	16	0.40%
Citibank	3,609	82	2.27%
5/3 Bank	2,371	7	0.30%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

## African-American Home Lending by Income

Lending data for 2003 shows that similar to last year; lending rates for African-Americans at all income levels (and especially at the moderate and low-income levels) are abysmally low. All lenders surveyed originated less than 2% of their conventional home loans to African-Americans earning less than \$46,884. The low numbers of originations to African-Americans in this income bracket don't merit the naming of a best or worst performer (Chart 6). Citibank had the best performance within this group with a 1.80 percentage. Shockingly Washington Mutual was the only other bank that rose above 1%.

**Chart 6- Conventional Home Loans to African-Americans at 80% of Median Income and Under**

Financial Institution	Total # Loans Made	# of Loans to African-Americans Income \$46,884 or Under	Percent of Totals
Bank of America	25,041	232	0.93%
J.P. Morgan Chase	22,463	181	0.81%
Washington Mutual	19,121	272	1.42%
SunTrust	15,660	105	0.67%
Wachovia	10,475	70	0.67%
AmSouth	3,983	36	0.90%
Citibank	3,609	65	1.80%
5/3 Bank	2,371	3	0.13%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

Unfortunately, the numbers get even worse at the 50% of median income bracket (Chart 7). The percentages of loans originated to African-Americans earning less than \$29,302 per year are tiny. The results range from 0.08% to 0.89% for all participating banks. As we expressed in last year's report, there is a great opportunity within these lower-income categories to grow loan originations to levels that show population equity.

**Chart 7- Conventional Home Loans to African-Americans at 50% of Median Income and Under**

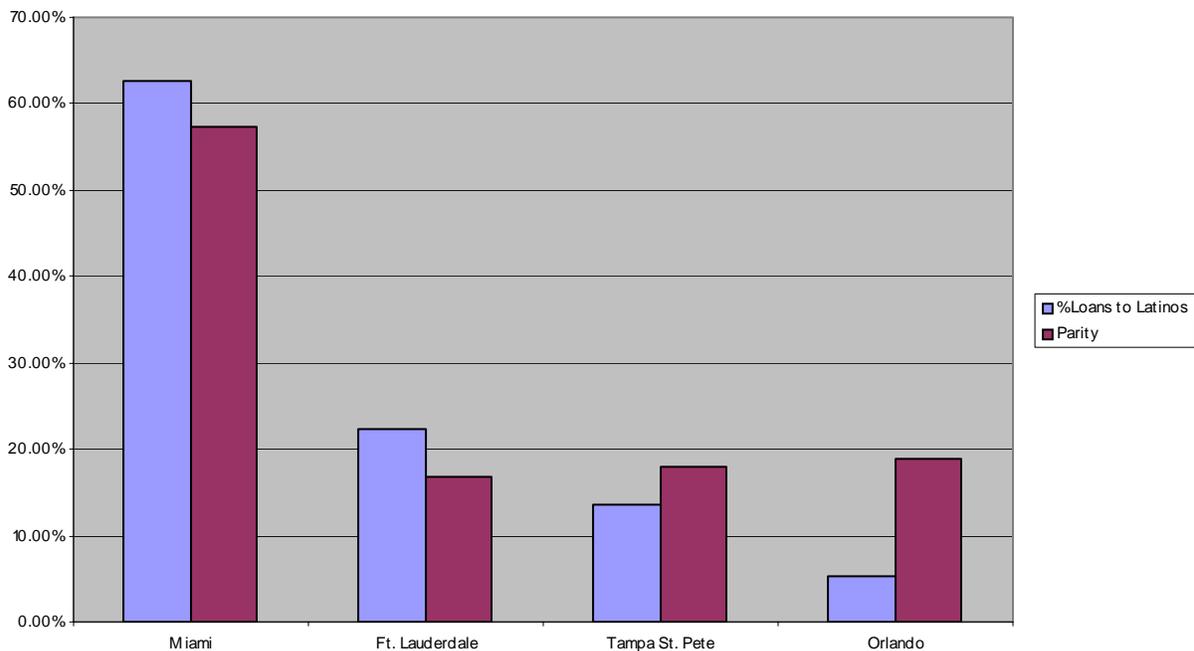
Financial Institution	Total # Loans Made	# of Loans to African-Americans Income \$29,302 or Under	Percent of Totals
Bank of America	25,041	79	0.32%
J.P. Morgan Chase	22,463	54	0.24%
Washington Mutual	19,121	102	0.53%
SunTrust	15,660	80	0.51%
Wachovia	10,475	37	0.35%
AmSouth	3,983	11	0.28%
Citibank	3,609	32	0.89%
5/3 Bank	2,371	2	0.08%
Colonial Bank	Failed to comply	Failed to comply	Failed to comply
Regions Bank	Failed to comply	Failed to comply	Failed to comply
Wells Fargo	Failed to comply	Failed to comply	Failed to comply

### Section III- Minority Home Lending Spotlight

#### **Latino Home Lending- The North/South Divide**

If we look at the demographic information of the 6 Florida MSA's studied we see that the Latino population is decidedly more densely populated in South Florida, then gets smaller the further North you go. We also observe a pattern where the South Florida cities (Miami & Ft. Lauderdale) are also better serviced by the banking community. Ft. Lauderdale and Miami are both above parity numbers (Chart 8), getting 871 and 848 loans above population equity levels. If we observe the total Latino loans in Tampa and Orlando (Chart 8) we see that Orlando would need to receive another 597 loans or an increase of 137% to reach parity and Tampa would need to increase by 2395 loans or 340%.

**Chart 8- Parity Comparison for Miami, Ft. Lauderdale, Tampa-St. Petersburg & Orlando**



#### ***Focus on Tampa-St. Petersburg-Clearwater MSA-***

Orlando and Tampa-St. Petersburg, connected by the I-4 corridor, have similar percentages of Latinos. Orlando has 18.8% and Tampa with 18%. Although they are both below parity numbers, Tampa is noticeably lower.

#### ***Across all incomes-***

In 2003, the best performer out of the Tampa lenders featured in this report was Colonial Bank (Chart 9). They originated 10.29% of their conventional home loans to Latinos at all income levels, though this was out of a very small total of 136 loans originated. Out of the largest

lenders (100 or more loans) JP Morgan Chase had the best numbers with 6.54% of its loans originated to Latinos. Unfortunately this is nowhere near the parity level expected. The worst percentage of originations to Latinos was by 5/3 Bank with .57%. Although Tampa-St. Petersburg is seriously underserved at all income levels there is a slight upward movement in total loans seen year over year.

80% of median income-

Within this income grouping no lender broke the 2% threshold (Chart 9). The best origination percentage amongst the large lenders was by Bank of America with 1.54% of loans going to Latinos earning \$41,720 or less. Three banks, 5/3 Bank, Colonial Bank and Regions Bank originated no loans to Latinos in the 80% of median income bracket.

50% of median income-

The data for Latinos making \$26,075 or less per year shows some forbidding facts for low-income home ownership. Less than 1 in 100 Latinos at this income level were able to purchase a home in the Tampa-St. Petersburg- Clearwater MSA, according to the data for the Banks in the study. Regions Bank gave no loans to Latinos in the 50% of median income group.

**Chart 9- Tampa-St. Petersburg- Total Conventional Home Loans to Latinos**

Financial Institution	Total # Loans Made	Total Hispanic Loans	Percent of Totals
Wells Fargo	4792	261	5.45%
Bank of America	4,162	252	6.05%
J.P. Morgan Chase	2798	183	6.54%
SunTrust	2,028	82	4.04%
Wachovia	1,521	58	3.81%
Washington Mutual	1496	67	4.48%
AmSouth	1251	50	4.00%
Citibank	411	29	7.06%
5/3 Bank	175	1	0.57%
Colonial Bank	136	14	10.29%
Regions Bank	78	1	1.28%

**Chart 10- Tampa-St. Petersburg- 80% of Median and Below**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$41,720 or Under	Percent of Totals
Wells Fargo	4792	65	1.36%
Bank of America	4,162	64	1.54%
J.P. Morgan Chase	2798	26	0.93%
SunTrust	2,028	15	0.74%
Wachovia	1,521	19	1.25%
Washington Mutual	1496	21	1.40%
AmSouth	1251	16	1.28%
Citibank	411	7	1.70%
5/3 Bank	175	0	0.00%
Colonial Bank	136	0	0.00%
Regions Bank	78	0	0.00%

**Chart 11- Tampa-St. Petersburg- 50% of Median and Below**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$26,075 or Under	Percent of Totals
Wells Fargo	4792	20	0.42%
Bank of America	4,162	27	0.65%
J.P. Morgan Chase	2798	13	0.46%
SunTrust	2,028	10	0.49%
Wachovia	1,521	8	0.53%
Washington Mutual	1496	6	0.40%
AmSouth	1251	4	0.32%
Citibank	411	2	0.49%
5/3 Bank	175	1	0.57%
Colonial Bank	136	1	0.74%
Regions Bank	78	0	0.00%

*Orlando MSA- Closer look reveals that loans are hard to get for those earning 44,080 or less* Orlando, though underserved, is in better shape than its I-4 neighbor Tampa-St. Petersburg. At all income levels Orlando lenders were closer to parity than in Tampa-St. Petersburg. Regions Bank with 31.48% of its 54 loans originated going to Latinos was the clear winner in terms of percentage (Chart 10). Out of the large banks, Washington Mutual made 20.37% of its conventional home loan originations to Latinos at all incomes. The lowest percentage of loans given to Latinos was by Colonial Bank with 4.23%.

Loans are not reaching the lower income levels-

When we look more closely at Orlando's 2003 HMDA data we see that although the amount of loans originated have increased at the Median and 80% of median levels, the loans are still not reaching the people earning \$27,550 or less such as an hourly Disney worker making \$17,900 per year.

80% of median income-

Within the 80% of median bracket, Regions Bank had the best record with 16.67% of its loans originated with Latinos. Second place Wells Fargo was much further down with 4.36%. The lowest percentage of loans to Latinos earning less than \$44,080 was by 5/3 Bank with 1.08%.

50% of median income-

For Orlando Latinos earning \$27,550 or lower all lending institutions studied gave loans to less than 2% of Latinos at this income level. Bank of America was the best performer giving 1.89% of loans to Latinos at 50% of median income.

**Chart 12- Orlando- Total Conventional Home Loans to Latinos**

Financial Institution	Total # Loans Made	Total Hispanic Loans	Percent of Totals
Wells Fargo	2658	399	15.01%
SunTrust	2,095	161	7.68%
J.P. Morgan Chase	2,044	307	15.02%
Bank of America	1,909	280	14.67%
Washington Mutual	1,124	229	20.37%
Wachovia	883	113	12.80%
AmSouth	328	31	9.45%
Citibank	271	35	12.92%
Colonial Bank	142	6	4.23%
5/3 Bank	93	6	6.45%
Regions Bank	54	17	31.48%

**Chart 13- Orlando- 80% of Median and Below**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$44,080 or Under	Percent of Totals
Wells Fargo	2658	116	4.36%
SunTrust	2,095	44	2.10%
J.P. Morgan Chase	2,044	80	3.91%
Bank of America	1,909	68	3.56%
Washington Mutual	1,124	65	5.78%
Wachovia	883	33	3.74%
AmSouth	328	6	1.83%
Citibank	271	10	3.69%
Colonial Bank	142	2	1.41%
5/3 Bank	93	1	1.08%
Regions Bank	54	9	16.67%

**Chart 14- Orlando- 50% of Median and Below**

Financial Institution	Total # Loans Made	# of Loans to Latinos Income \$27,550 or Under	Percent of Totals
Wells Fargo	2658	35	1.32%
SunTrust	2,095	17	0.81%
J.P. Morgan Chase	2,044	33	1.61%
Bank of America	1,909	36	1.89%
Washington Mutual	1,124	15	1.33%
Wachovia	883	13	1.47%
AmSouth	328	1	0.30%
Citibank	271	4	1.48%
Colonial Bank	142	0	0.00%
5/3 Bank	93	0	0.00%
Regions Bank	54	1	1.85%

## African-American Home Lending- Miami Still A Problem The Status Quo Still Prevails

### Across all incomes-

In the 2004 report we forecasted a bleak future for African-Americans in Florida based on Miami's conventional home loan origination statistics. We see that nothing has changed in the past year. African-Americans make up 20.3% of the population in Miami and are its largest minority group, since Latinos are the majority, yet the statistics show that lenders are disregarding the community. Citibank had the best performance originating 84 out of 811 loans to African-Americans across all income levels accounting for 10.36% of its loans. Out of the largest four banks, Wells Fargo had the best record with 5.97% of its originations going to African-Americans at all income levels. JP Morgan Chase, the largest lender in the Miami MSA, fared the worst with 3.74% of loans going to African-Americans. Colonial Bank and 5/3 Bank originated no loans to African-Americans at all incomes. These numbers show a lack of responsiveness by lenders to the population make up of the Miami MSA. Lenders in Miami would have to raise their conventional home lending levels to African-Americans by 2422 loans, which translates to a 409% increase over current rates, to reach population equity.

**Chart 15- Miami Total African-American Loans**

Financial Institution	Total # Loans Made	Total African-American Loans	Percent of Totals
J.P. Morgan Chase	4789	179	3.74%
Washington Mutual	3,995	237	5.93%
Wells Fargo	2,478	148	5.97%
Bank of America	2232	102	4.57%
Citibank	811	84	10.36%
SunTrust	744	13	1.75%
Wachovia	633	21	3.32%
Colonial Bank	107	0	0.00%
5/3 Bank	5	0	0.00%
AmSouth	N/A	N/A	N/A
Regions Bank	N/A	N/A	N/A

80% of Median Income-

Sadly, for Miami African-Americans earning 37,080 or less, such as teachers, most lenders made insignificant percentages of conventional home loan originations. Usually these amounted to less than 1%. Citibank had the highest percentage of loans at 3.08%. Two other banks Washington Mutual (1.53%) and Wells Fargo (1.37%) had percentages over 1%.

**Chart 16- Miami 80% of Median and below**

Financial Institution	Total # Loans Made	# Of Loans to African-Americans Income \$37,080 or Under	Percent of Totals
J.P. Morgan Chase	4789	30	0.63%
Washington Mutual	3,995	61	1.53%
Wells Fargo	2,478	34	1.37%
Bank of America	2232	17	0.76%
Citibank	811	25	3.08%
SunTrust	744	3	0.40%
Wachovia	633	2	0.32%
Colonial Bank	107	0	0.00%
5/3 Bank	5	0	0.00%
AmSouth	N/A	N/A	N/A
Regions Bank	N/A	N/A	N/A

50% of Median Income-

In the low-income category only one bank broke the 1% barrier. Citibank had the best performance with 1.85% of its conventional home loan originations being made to African-Americans earning \$23,175 or less per year. For the most part less than 1 in 200 African-Americans earning \$23,175 or less was able to get a loan to buy a home of their own. Lending to African-Americans making 50% of median income was virtually non-existent.

**Chart 17- Miami 50% of Median and Below**

Financial Institution	Total # Loans Made	# of Loans to African-Americans Income \$23,175 or Under	Percent of Totals
J.P. Morgan Chase	4789	3	0.06%
Washington Mutual	3,995	14	0.35%
Wells Fargo	2,478	4	0.16%
Bank of America	2232	2	0.09%
Citibank	811	15	1.85%
SunTrust	744	1	0.13%
Wachovia	633	1	0.16%
Colonial Bank	107	0	0.00%
5/3 Bank	5	0	0.00%
AmSouth	N/A	N/A	N/A
Regions Bank	N/A	N/A	N/A

## Section IV- Minority Home Lending by Income and City (MSA)

### **Latino Home Lending by Income and City (MSA)**

#### Fort Lauderdale MSA- Banks lose significant ground from 2002 at the 50% of median income level

In 2003 the Latino population within the Fort Lauderdale MSA represented 16.7% of all area inhabitants. The majority of banks originating conventional home loans within the Fort Lauderdale MSA are in line with percentages expected across all income levels. One lender, 5/3 Bank, was the worst performer originating no loans. The largest three banks (J.P. Morgan Chase, Washington Mutual, and Bank of America with 3000+ originations) are clearly above parity levels in total loans.

For Latinos earning \$46,480 or less, Colonial Bank led the way with an outstanding 17.39% rate of originations within this grouping. Out of the largest 3 lenders Bank of America did the best originating 6.29% of loans to Latinos within the 80% of median income level.

At 50% of median income levels, Citibank made 4.10% of its loan originations to Latinos with Wachovia in second at 2.01%. The statistics this year were not as impressive as last year when the top 2 banks in this bracket made 10.34% and 9.18% of their loans. Colonial Bank and 5/3 Bank had the poorest records making 0 loans to Latinos earning \$29,050 or less.

#### Jacksonville MSA- Half of the lenders in the study issued no loans to Latinos earning \$27,800 or less

In 2003 lenders in Jacksonville would have needed to increase the amount of originations to Latinos by 270% to reach parity levels of 4.1% as population equity would demand.

For Latinos earning \$46,160 or less, such as an electrician in Duval County, only 30 loans were given out by lenders out of 7,221. AmSouth, Colonial Bank and 5/3 Bank made no loans to Latinos within the 80% of median income bracket.

At the 50% of median income level, which includes anyone making \$27,800 or less per year, half of the lenders in the study did not issue any loans to Latinos.

#### Miami MSA- There is a clear inability for Latinos at the 50% of median income to secure loans

Miami is a city where Latino loan statistics at all income levels are above parity. Colonial Bank had the best performance in 2003, originating 74.77% of conventional home loans to Latinos. Every lender except 5/3 Bank were at parity or very close. 5/3 Bank only made 20% of its loans to Latinos.

Within the Latino population earning 80% or less of median income you start to see problems for Latino home ownership. For Miami Latinos earning \$37,080 or less, Bank of America was the clear leader out of the large lenders with an 11.22% rate of originations. 5/3 Bank made no loans to Latinos at this level.

As we get into the lowest income bracket we once again see, as in 2002, that the lower income Latinos in Miami is being forgotten. Citibank was the frontrunner with 3.82% of its

loans made to Latinos earning \$23,175 per year or less. 5/3 Bank gave no loans to this group and the other lenders were in the range from .52% to 1.87%. There is a definite need in Miami to address the growing inability of Latinos at this level of income to secure conventional home purchase loans.

*Tallahassee MSA- Only one loan was originated to Latinos making \$45,760 or less*

The Latino population in Tallahassee was the smallest of Florida's biggest cities representing 3.5% in 2003. Three lenders in the Tallahassee MSA were clearly above parity levels: Washington Mutual (11.11%), JP Morgan Chase (6.67%) and Bank of America (6.36%). Amsouth, Citibank, and 5/3 Bank did not originate any loans to Latinos.

Tallahassee lenders completely neglected the 80% of median income bracket. Lenders originated only 8 loans for Latinos making \$45,040 or less. Two out of the largest four lenders (Wells Fargo & Wachovia) did not make any loans to Latinos in this group.

In the low-income group comprised of Latinos earning \$28,150 things get much worse for Latinos. Only two banks, Wells Fargo and Bank of America made any loans at all to Latinos.

## **African-American Home Lending by Income and City (MSA)**

### *Fort Lauderdale MSA- To reach parity lenders must make twice as many loans*

Lenders have not done enough in the Fort Lauderdale MSA to achieve population equity in lending for conventional home loan originations. Lenders must originate an additional 1644 loans to reach parity across all incomes. The large four lenders have the best records for the MSA. Bank of America is the leader, originating 10.87% of its loans to African-Americans at all incomes. Colonial Bank had the lowest amount of lending, originating 1 loan which accounted for 4.35% of its lending to African-Americans in Ft. Lauderdale.

Once again the statistics deteriorate as we get to the income levels below median income. At 80% of median income all but one lender was below 3%. Wells Fargo had the best performance making 3.44% of conventional home loans to African-Americans earning incomes of \$48,160 or less. Colonial Bank and 5/3 Bank made no loans to African-Americans in this income bracket.

For African-Americans earning less than 50% of median income the data shows that all the lenders performed below the 1.5% level. Bank of America was the largest lender and had the best percentage of loans (1.42%) to African-Americans earning incomes of \$29,050 or lower.

### *Jacksonville MSA- Lenders need to increase loans by 546% to reach parity*

Across all income levels, lending to African-Americans in Jacksonville is found to be lacking. African-Americans made up 27.8% of Jacksonville's population and yet Washington Mutual with only 7.46% of its originations going to African-Americans at all incomes is the best performer. This shows a huge need for improvement on the part of the lenders. Colonial Bank and 5/3 Bank originated no loans to African-Americans in Jacksonville.

For African-Americans earning \$46,160 or less the banks in the study originated only 110 loans out of 7221. AmSouth had the best performance with 3.11%, and Citibank, Colonial Bank, and 5/3 Bank made no loans to African-Americans at 80% of median income.

Washington Mutual had the best record at the 50% of median income level giving 2.22% of loans to African-Americans. Colonial and 5/3 Bank made no conventional home loans to those making \$28,850 or less.

### *Orlando MSA- African-Americans form 18.2% of the population but receive only 3.6% of loans*

If you looked at the numbers for Orlando in 2003 you would think that African-Americans make up a lot less of the population than they really do. African-Americans actually make up 18.2% of the population yet as seen in the statistics compiled; they only receive 3.6% of the loans on average, across all income levels. Wells Fargo is clearly the largest originator of loans to African-Americans in Orlando, making 103 in the 2003-year. The best performer amongst the bigger banks is actually Wachovia, originating 5.10% of loans to African-Americans at all incomes. Colonial Bank had the worst record making 1.41% of its loans to African-Americans at any income.

For African-Americans earning \$44,080 or less, Citibank (2.21%) performed best and was the only lender above the 2% threshold. Colonial Bank and 5/3 Bank did not issue any loans to African-Americans at the 80% of median income level.

The lowest bracket, comprised of African-Americans earning \$27,550 or less per year, was similarly ignored. Only 21 loans were made overall in the 50% of median income group. AmSouth, Colonial Bank and Regions Bank made no loans to African-Americans in this bracket.

*Tampa- St. Petersburg MSA- To reach parity lenders would have to increase originations by 626%*

In 2003 once again, as in 2002 the African-American community in Tampa-St. Petersburg was seriously underserved. African-Americans made up 15% of the population, yet lenders within this study made less than 2.39% of their originations to African-Americans at all income levels. There were seven banks with over 1000 conventional home loans within this MSA. All of them were below 4%. In order to reach parity lenders would have to increase originations by 627% and make an added 2376 originations.

For African-Americans earning less than \$41,720 lending was shockingly low. Out of the large seven banks, AmSouth led the way with 1.20% of loans originated at this moderate-income level. 5/3 Bank, Regions Bank, and Colonial Bank gave no loans to African-Americans earning \$41,720 or less.

Banks gave a miniscule amount of loans to African-Americans earning under \$26,075 within the Tampa-St. Petersburg MSA. For a second consecutive year no bank made over 1% of originations within this income group. Wells Fargo the largest lender in the MSA made 0.13% of its conventional home loan originations to African-Americans taking home less than \$26,075. 5/3 Bank and Regions Bank gave no loans out.

*Tallahassee MSA- Lenders made 11.3% of loans. Yet African-Americans make up 29.1% of population.*

African-Americans made up 29.1% of Tallahassee's population in 2003, yet lenders only originated 11.3% of all loans to them at all income levels. Washington Mutual had the best record making 25% of its conventional home loan originations to African-Americans at all incomes. 5/3 Bank originated no loans to African-Americans in 2003 within the Tallahassee MSA. In order to reach parity levels banks would have to increase lending within this MSA by 133%.

Just 17 loans were made to African-Americans earning \$45,040 or less and only 12 loans were originated to those making \$28,150 and under.

## Section V- Minority Loan Denials by City (MSA)

Below are the charts showing Latino and African-American conventional home loan denials for the six MSA's for the 2002 and 2003 years. We see that, not only did the number of denials increase year over year, but also that the largest reason for those denials continues to be credit history. In all but one of the MSA's listed<sup>1</sup> for 2003, the main reason for denials was bad credit history. This obvious fact underlines the need for financial literacy and credit counseling programs within the Latino and African-American communities. The FMCRC believes that the best way to set up these programs is as partnerships funded by the institutions and implemented by grassroots community organizations that are better able to interact with the communities they are a part of. We also believe that by establishing yearly evaluation and improvement catalysts such as this report, there can be an ongoing exchange of ideas which will allow better financial literacy programs to be put in place which will allow more minorities to buy their first home.

### Latino Loan Denials by City (MSA) 2003

MSA	Total # of Denied Loans	Total # of Loans Denied to Latinos	% of Total Loans Denied	% Latino Population	Largest % of Denials because of:
Miami	12,736	7,736	60.74%	57.30%	23% Other
Jacksonville	5,579	250	4.48%	4.10%	29% Credit History
Orlando	8,887	2,313	26.03%	18.80%	27% Credit History
Tampa-St. Pete	11,443	1,476	12.90%	11.30%	28% Credit History
Tallahassee	1,075	39	3.63%	3.50%	36% Credit History
Ft. Lauderdale	11,037	2,852	25.84%	16.70%	24% Credit History
<b>Total</b>	<b>50,757</b>	<b>14,666</b>	<b>28.89%</b>		

### Latino Loan Denials by City (MSA) 2002

MSA	Total # of Denied Loans	Total # of Loans Denied to Latinos	% of Total Loans Denied	% Latino Population	Largest % of Denials because of:
Miami	9,989	6,121	61.28%	57.30%	29% Credit History
Jacksonville	3,991	97	2.43%	4.10%	35% Other
Orlando	7,218	1,544	21.39%	18.80%	32% Credit History
Tampa-St. Pete	10,346	1,034	9.99%	11.30%	36% Credit History
Tallahassee	870	28	3.22%	3.50%	32% Other
Ft. Lauderdale	8,882	2,156	24.27%	16.70%	29% Credit History
<b>Total</b>	<b>41,296</b>	<b>10,980</b>	<b>26.59%</b>		

<sup>1</sup> Miami

### African-American Loan Denials by City (MSA) 2003

MSA	Total # of Denied Loans	Total # of Loans Denied to African-Americans	% of Total Loans Denied	% African-American Population	Largest % of Denials because of:
Miami	12,736	1,340	10.52%	20.30%	25% Credit History
Jacksonville	5,579	915	16.40%	27.80%	30% Credit History
Orlando	8,887	857	9.64%	18.20%	27% Credit History
Tampa-St. Pete	11,443	627	5.48%	12.00%	32% Credit History
Tallahassee	1,075	397	36.93%	29.10%	40% Credit History
Ft. Lauderdale	11,037	2,223	20.14%	20.50%	TIE 25% Credit History 25% Other
<b>Total</b>	<b>50,757</b>	<b>6,359</b>	<b>12.53%</b>		

### African-American Loan Denials by City (MSA) 2002

MSA	Total # of Denied Loans	Total # of Loans Denied to African-Americans	% of Total Loans Denied	% African-American Population	Largest % of Denials because of:
Miami	9,989	1,020	10.21%	20.30%	29% Credit History
Jacksonville	3,991	550	13.78%	27.80%	31% Credit History
Orlando	7,218	576	7.98%	18.20%	32% Credit History
Tampa-St. Pete	10,346	484	4.68%	12.00%	33% Credit History
Tallahassee	870	283	32.53%	29.10%	40% Credit History
Ft. Lauderdale	8,882	1,654	18.62%	20.50%	31% Credit History
<b>Total</b>	<b>41,296</b>	<b>4,567</b>	<b>11.06%</b>		

## **Appendix A- Lender Comments**

All of the major banks and leading sub-prime lenders were invited to respond to The FMCRC's report in advance of its publication. The banks included on the following pages accepted this invitation. None of the statements were edited by the FMCRC and similarly, none of the statements necessarily reflect the FMCRC's position.

## Comments Regarding Fifth Third Bank 2003 Lending Numbers for Florida

Fifth Third's main presence in Florida has traditionally been in the Naples and Fort Myers markets. The percentage of overall minority population is low in these markets as compared to the rest of the state of Florida. In the Naples and Fort Myers MSA's the percentage of the population that is minority is 20.99% (5.6% for Black/African-Americans) while the percentage of minority population for the state of Florida as a whole is 34.56% (14.17% Black/African-American). Fifth Third Bank is in the process of expanding to many additional markets throughout the state. As the bank expands, we expect our number and percentage of loans to minority borrowers in the state of Florida to also grow. Already from 2003 to 2004, the number of purchase loans approved to minority borrowers has increased approximately 60% and the number of approvals to black/African-American borrowers in particular has more than doubled (in addition the denial rate for black/African-American applications declined by over 80%).

Also, to expand lending to "lower" income borrowers, the bank offers special products (Good Neighbor loans) to borrowers in low and moderate income census tracts and/or to borrowers whose income is less than or equal to 80% of the median income in their MSA.

Additionally, in 2004 and 2005, Fifth Third partnered with Freddie Mac and the Community College Foundation to provide an unprecedented outreach initiative targeting minority borrowers to help close the homeownership gap and dismantle barriers regarding homeownership through a unique mobile classroom on wheels, Fifth Third Homeownership Mobile (eBus). This is a fully outfitted bus with Internet connectivity used to provide mortgage loan information and take mortgage loan applications from prospective borrowers. The eBus particularly focuses on urban areas to provide easy access to loan originators and information regarding home purchases, credit counseling, and other financial services. The eBus toured the various Florida markets from November 2004 to March 2005.

Finally beginning in 2004, Florida became one of the pilot affiliates used to execute the Fifth Third Immigrant Lending Program (ITIN). The vision of this program is to facilitate homeownership opportunities for immigrants with an innovative non-traditional mortgage-lending program and reach the "unbanked" immigrant community with flexible underwriting guidelines to those who represent good financial risk.

**AmSouth Bank**  
P.O. Box 12790  
Pensacola, Florida 32575



August 11, 2005

Gerard Martinez  
Florida Minority Community Reinvestment Coalition  
3308 Paxton Avenue  
Tampa, Florida 33611

Dear Gerard,

Enclosed is the information regarding AmSouth's "HMDA Conventional Home Purchase Originations" for 2003 in the format you requested. Please note that information has not been provided for Miami and Ft. Lauderdale, as these are not markets in which AmSouth has a presence. In addition, AmSouth chooses not to provide reasons for denial in our HMDA submittal. Also enclosed are comments on our home lending activity for 2003.

Thank you.

Janice Boone  
Vice President  
Regional Community Development Manager

## AmSouth Bank

AmSouth Bank is a mortgage lender in Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee. As such, AmSouth offers a wide range of Affordable Housing Products designed to allow low and moderate income borrowers access to the housing market.

In 2003, AmSouth originated over 32,000 HMDA loans, representing over 4.5 billion dollars, in its bank wide assessment areas. Loans to low and moderate income individuals represented 22% of this total, or over 7000 loans. This was comparable to peer banks in our assessment areas.

In the State of Florida, AmSouth originated over 10,000 HMDA loans in 2003, representing almost 2 billion dollars. Loans to low and moderate income individuals represented 21.4% of this total, which was comparable to peer banks.

In 2003, AmSouth originated 3,983 conventional mortgage loans for home purchase in the State of Florida. Loans to low and moderate income individuals represented 19.7% of this total, which was comparable to peer banks.

AmSouth Bank is committed to meeting the credit needs of low and moderate income individuals in all of our markets. In fact, we have received two consecutive Outstanding CRA Ratings from the Federal Reserve Bank of Atlanta. AmSouth continues to strive to provide credit products for our entire community.

## Bank of America Florida 2003 HMDA Conventional Home Purchase

Bank of America is committed to providing affordable financial solutions for all consumers and embraces fair lending principles in all activities. Bank of America delivers its mortgage products through several channels, including an extensive retail network of banking centers; mortgage account executives, telephone and online access. In addition, Bank of America serves customers through a wholesale mortgage network.

Bank of America has created special mortgage products designed to help first time homebuyers and those who may need additional assistance. These products feature one or more of the following: below market rate offers; 100% financing; products with low down payment requirements; and flexible underwriting criteria, including consideration of non-traditional credit. Bank of America also works closely with over 90 downpayment/closing cost assistance providers throughout Florida to expand affordable homeownership access to a greater number of Florida citizens. .

Partnerships with key organizations help us better understand the needs of borrowers and to reach those borrowers with educational information and affordable mortgage products. Key partnerships include the NAACP, National Council of LaRaza, ACORN, Urban League, NeighborWorks and others.

Home Mortgage Disclosure Act (HMDA) data presents a partial picture of a particular lender's performance. There are other factors in the credit and loan pricing decision that are not captured in HMDA reporting, including credit status of the borrower and property value. Furthermore, Bank of America does not operate within the subprime market, which may skew our performance in comparison to other lenders.

Market forces in Florida are hampering the pursuit of affordable housing. The rapidly rising cost of construction, existing home prices, land and insurance in Florida combined with a reduction in available land for traditional residential development, points the way to the inevitability of public private partnerships in order to achieve sustainable affordable homeownership opportunities. Bank of America is proud of its progress and we continue to be diligent in our efforts to meet the needs of homebuyers.

## Citigroup 2003 Lending Performance

Nationwide and in Florida, our conventional home purchase lending, is above the 2003 market aggregate for lending to both Hispanics and to African-Americans. If we include purchased and government loans, which is how we and our regulators typically analyze our lending, we find again that we are ahead of the market for African-Americans and Hispanics both nationwide and in Florida. We believe that it is important to include purchases, as they provide much-needed liquidity for the LMI and underserved loan market, and we recognize that government loans also serve an important role in providing underserved populations much needed lending options.

Citigroup has a retail presence in only three MSAs in Florida – Miami, Fort Lauderdale and West Palm Beach. As a result, our lending is relatively small in Florida generally, and in several of the MSAs profiled in this study, in particular (i.e., Jacksonville, Tampa, Orlando, and Tallahassee). Despite our small size, we are above the market for total home purchase originations and purchases to African-Americans in two MSAs, Miami and Tallahassee, and we are above the market for home purchase originations and purchases to Hispanics in two MSAs, Miami and Fort Lauderdale. We are also above the market for conventional home purchase originations to African-Americans in two MSAs, Miami and Orlando, and to Hispanics in one MSA, Orlando.

We offer a selection of affordable mortgages that meet almost every combination of needs, including those of first time homebuyers, underserved populations and borrowers with low- to moderate-incomes. However, we recognize that in order to use these products wisely, customers must obtain the proper education first. As a result, we offer a series of first time homebuyer seminars through our financial centers and our non-profit partners.

To further underscore our commitment to affordable mortgage lending, in July 2003 we announced an unprecedented commitment, through Citigroup's mortgage subsidiary, CitiMortgage, to provide \$200 billion nationwide in mortgage lending to LMI, minority, and other underserved families through 2010. This program, which has the potential to place as many as two million families into new homes, is another powerful indication of the company's commitment to building partnerships in LMI communities. Through the second quarter of 2005, we have extended approximately \$89.9 billion in lending. At this rate, we expect to achieve and exceed our goal by 2010.



Dear Mr. Martinez:

This letter responds to your request for information pertaining to JPMorgan Chase's 2003 mortgage lending in of Florida. The attached spreadsheet provides the race by income data as in the templates which you provided. Rather than guess at a format in which to provide the denial related data, we have provided a table of raw loan application register (LAR) data which you query to suit your needs. The attached LAR includes records for all loan applications for conventional home purchase mortgages made during 2003 in Florida.

JPMorgan Chase<sup>2</sup> is proud of its efforts to serve all of its markets with a wide array of mortgage lending programs, aggressive outreach and partnerships with community organizations. JPMorgan Chase continuously seeks new and better ways to serve local communities and works closely with community organizations to provide mortgage counseling and outreach to LMI and minority homebuyers.

In 2003, JPMC made 105,566 mortgage loans totaling more than \$15.5 billion in the state of Florida. Of these, 22,455 totaling \$3.8 billion fell within the scope of FMCRC's review (conventional originations for home purchase). Within this narrower category, JPMC's rate of total lending to Hispanic and black borrowers in Florida exceeded the industry average. Within Florida, 28.9% of JPMC's mortgages were to Hispanic or Black borrowers, as compared to an industry average of 24.4%. JPMC made approximately the same proportion of its loans to low-and moderate-income (LMI) borrowers as the industry. JPMC's LMI penetration rate was 18.2%, compared to the industry's 21.5%.

While Federal supervisory and enforcement agencies and statistical experts have almost universally agreed that HMDA data generally, and denial rate disparity ratios in particular provide an incomplete measure of an institution's lending in its community, JPMC 2003 denial rates in Florida for Hispanics and Blacks were in fact, below the industry average. For example, Hispanic denial rates were 14% vs. an industry average

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<sup>2</sup> In this analysis, "JPMorgan Chase" refers to all JPMorgan Chase & Co. mortgage lenders, including Chase Manhattan Mortgage Company and Bank One

of 16%, and black denial rates were 20% vs. an industry average of 21%. Denial rates and denial disparity ratios, however, offer little, if any, indication of a lender's performance. The critical fair lending issue is whether JPMC denies applications from qualified minority mortgage applicants. JPMC, under the aegis of a special purpose credit program, has had a process in place for several years to ensure that mortgage applications from minorities and from LMI census tracts, which would otherwise have been declined, receive further review. The review confirms whether the original underwriting denial decision is appropriate and, if it is, then these applications are considered for inclusion in a special purpose pool. The underwriting criteria for the special purpose pool loans are more flexible than for other mortgage loans.

In addition, JPMC conducts broad-based comparative file reviews that cover virtually all product offerings. An independent review team, under the direction of the Corporate Fair Lending Unit, reviews these applications and reports the results at quarterly fair lending meetings. If inappropriately decisioned applications are discovered during this review, JPMC takes prompt corrective action, including sending offers of credit to applicants who were erroneously declined. Finally, JPMC bank affiliates receive regulatory scrutiny from federal and state banking regulators, including comparative file reviews of hundreds of mortgage applications from all types of borrowers to ensure that loan applications have been properly decisioned.

JPMC is fully committed to serving its LMI and minority borrowers and communities by working with its local community partners to provide homeowner opportunities. JPMC appreciates the Florida Minority Community Reinvestment Coalition's efforts to help close the minority homeownership gap and looks forward to reviewing its report on mortgage lending to minorities.

Sincerely,

Lela Wingard Hughes  
Vice President  
Community Development Group



August 5, 2005

Mr. Gerard Martinez  
Florida Minority Community Reinvestment Coalition

Dear Mr. Martinez:

Attached please find the HMDA 2003 Home Originations of Conventional Mortgages for Home Purchase and 2003 Denials for Conventional Home Purchase Loans, in the format you requested. This HMDA information is available directly at [www.FFIEC.com](http://www.FFIEC.com), if you would like to review our entire HMDA report.

During 2003, SunTrust experienced a large volume increase of refinance applications, which seems to have caused a step back in overall home purchase applications for 2003. However, the percentage of HMDA originations to low and moderate income borrowers increased during 2003.

SunTrust partners with over 500 community and non-profit organizations in Florida to reach out to LMI and minority families. The success of these partnerships is reflected in SunTrust's lending results. In 2002 and 2003, minority borrowers represented approximately 14% of SunTrust's HMDA home purchase loans within its assessment areas in Florida. We continued to see this trend upward in 2004. African-American home purchase loans increased from 405 loans in 2002, to 430 loans in 2003, and to 539 loans in 2004.

Similar growth was noted in lending to Hispanics, with total home purchase loans at 1,023 loans in 2002 and increasing to 1,120 loans in 2003. Hispanic/Latino Ethnicity reflects 1396 loans in 2004.

SunTrust's efforts to help meet the housing needs of minority families are not limited to its mortgage lending business. Through its SunTrust Community Development Corporation subsidiary, SunTrust has invested hundreds of millions of dollars to finance affordable rental housing across the Southeastern U.S., with many in Florida serving minority families.

As part of SunTrust's commitment to CRA, there are eight managers dedicated specifically to community development, located throughout Florida. While SunTrust is committed to minority lending and has successfully implemented a number of measures to more effectively market its mortgage loan products to minority borrowers, we recognized that we could always do better. We look forward to meeting with the leaders of FMCRC on August 26 to explore additional opportunities.

I hope this information is helpful for your reporting purposes. If you have questions, please do not hesitate to contact me.

Sincerely,

Deana L. Lewis

## Wachovia Bank

In 2003, Wachovia reported strong lending results in Florida. Specifically, we originated 29,223 mortgage loans for \$4 billion; 37% of mortgage lending was provided to lower-income families or in lower-income neighborhoods.

Notwithstanding the lack of affordable housing and the decline in mortgage subsidy programs, the three primary barriers to homeownership are lack of down payment funds, poor credit history and high debt to income ratios. Wachovia has taken a multi-layered approach in response to these obstacles, beginning with a \$6 million commitment to a down payment assistance program for lower-income borrowers, offering a 3-to-1 match up to \$3,000.

In addition, Wachovia has developed a wide array of innovative home purchase mortgages designed to specifically meet the needs of individuals living on low- to moderate-incomes. Today, our product line includes 100% financing, discounted rates, waived private mortgage insurance requirements, higher debt-to-income ratios and homebuyer education. We offer over 50 such products with these variable features.

Wachovia also realizes that financial literacy plays an increasingly important role in accessing credit and building wealth. To address these needs, Wachovia has developed a wide array of innovative and useful financial education tools to increase understanding of financial products and services as well as use of alternative, low cost channels such as ATMs. We also sponsor home ownership counseling through many venues and small business seminars.

Wachovia delivers financial literacy training through 11 community partners in Florida. Two of these partners provide unique college-based financial education programs: Miami Dade College and Tallahassee Community College.

The program at Miami Dade College is currently operating at one campus under the guidance of three faculty members from the School of Business and ESL departments (English as Second Language). These instructors incorporate the Money Smart curriculum into their class learning objectives. Miami Dade College Accounting students facilitate the individual modules and a representative from Wachovia addresses questions during each session. The classes are open to the general public but are primarily marketed to Miami Dade College students. Miami Dade is currently looking to expand this program to some of their other campuses.

The program in Tallahassee is a creative partnership between Wachovia, the Emergency Care Help Organization (ECHO) and Tallahassee Community College. Through the collaboration of these organizations, non-profits have access to training facilities and Money Smart participants receive transportation and childcare as needed. Participants complete a 10-week program in which Wachovia Financial Center employees teach all modules from the Money Smart curriculum. This program is open to anyone within the community who has a need to acquire or enhance their basic money management skills.

Wachovia is committed to providing resources that sustain neighborhoods, support small businesses and expand affordable housing opportunities. To that end, we work with community organizations, governmental agencies and other leaders to develop innovative products and provide creative solutions to meet community needs. These relationships demonstrate that the combination of financial resources and local ideas result in stronger communities throughout the state.

## 2003 Community Points of Pride: Florida

- Helped an average of **89** lower-income families buy a home each week.
- Helped **20,665** entrepreneurs expand their own businesses.
  - Provided financial education and counseling to **3,409** low- to moderate-income seminar attendees.
  - Supported employees that gave **38,151** hours in volunteer activities to their communities.
  - Provided **\$729,109** in community development grants and in-kind donations.
  - Invested **\$71million** in equity to create 2,502 affordable rental housing units.
- Contributed **\$2.9 million** to charitable organizations.
- Provided **\$248 million** in community loans and investments to support various projects, such as:
  - Lead lender providing **\$27.6 million** to fund the acquisition and construction of 199 condominium units in historic downtown Miami within a federally-designated Empowerment Zone.
  - A low-income housing tax credit investment of **\$7.6 million** to build 336 apartment units in Jacksonville.
  - A **\$12.8 million** construction loan to build a 360-unit multi-family housing facility targeted to low- and moderate-income families and individuals in Jacksonville.
  - Two loans totaling **\$2.35 million** to a nonprofit organization for the construction of 39 for-sale homes to migrant farm workers and other lower-income families that comprise an underserved market in South Florida.
  - A **\$1.3 million** bridge loan and **\$470,000** in working capital to one of the oldest historically African-American colleges in Florida to renovate buildings and complete other campus improvements.

In addition to our community involvement, in 2003 Wachovia was also recognized as:

- One of the Top 50 Places for Latinas to Work, *Latina Style* magazine – fourth consecutive year.
- One of the Outstanding Companies for Black Women to Work, *ESSENCE* magazine.
- One of the Top 50 Companies for Diversity, *DiversityInc* magazine.
- Best in the financial industry, NAACP's annual Economic Reciprocity Initiative.

## Washington Mutual

Dear Mr. Martinez,

In response to your July 26, 2005 email, I am enclosing the data you requested. This data focuses on conventional home purchases originated by Washington Mutual for 2003 and is being provided for the following Metropolitan Statistical Areas (MSAs): Miami, Fort Lauderdale, Orlando, Tampa-St. Petersburg-Clearwater, Tallahassee, and Jacksonville. We hope that it is useful to your organization's needs.

Please note that our reports have been generated using EXCEL spreadsheets. In each category, our percentages are based on the number of total applications for which Race information is available and exclude those for which no information is available.

In addition, it is important to note, when analyzing our data, that both Tallahassee and Jacksonville are not assessment areas for Washington Mutual and that we expanded our branching network in the Tampa-St. Petersburg-Clearwater MSA only in 2004.

We have enclosed the following 2003 conventional home loan information for the Coalition's information, using the following breakdowns:

- Originations by number and percent by race
- By the income levels you requested, excepting at the below 100% of area median income category
- By income and race

We are also providing the "reason for denial" data that you have requested.

We consider Washington Mutual to be an involved corporate citizen and participant in our communities, particularly those that are of concern and focus to your organization. Let me give you some illustrative examples of our outreach efforts.

- In 2003, Washington Mutual embarked on a partnership with Earvin "Magic" Johnson and the Johnson Development Corporation (JDC) to create opportunities in the nation's underserved communities by helping individuals and households to, among other goals, realize their dream of homeownership. We recognize that our nation's ethnic and racially diverse markets are growing and have been underserved, and our JDC Initiative has been developed to successfully outreach to Washington Mutual's African-American, Latino, and Asian-American communities.

I am pleased to report that, nationally, for the two-year period 2003-2004, more than 1-in-2 JDC borrowers were African-American. In Florida, we have opened a JDC home loan center in Miami and will soon have a media launch regarding our efforts. Please feel free to contact me if you would like to attend this ceremony and I will try to be helpful in arranging an invitation for you.

- In late 2001, we announced our national, 10-year \$375 billion lending and investment Commitment to traditionally underserved communities, including low-to-moderate income (LMI) borrowers, those who reside in LMI census tracts, and racial and ethnic minority borrowers. To date, we have been successful in achieving our goals and look forward to the accomplishment of our 10-year plan. Nationally, through December 31, 2004, Washington Mutual accomplished 56% (\$208.6 billion) of its 10-year plan, though only 30% of the time period had passed. And Florida has been a beneficiary of our achievement, in 2004 ranking second (nearly \$4 billion) in lending and investments made to our underserved communities.
- In 2002, we launched the Washington Mutual Community Access™ Home Loans Program. Community Access represents our proprietary suite of affordable home loan products and is intended to effectively increase our residential lending performance in traditionally underserved communities. In 2004 our lending under the program totaled \$86.6 million in Florida, with the state ranking fourth nationally in terms of number of loans and total dollar amount, as it was in 2003.

Before ending this letter, I would like to inform you that Claire Raley has been appointed to the position of Regional President for the Southeast for the Community & External Affairs Division, which includes the State of Florida. As a result, I would like to suggest that you direct future Coalition communications to her. Claire will coordinate our responses and can be reached at (305) 350-2181.

Washington Mutual looks forward to a positive and productive dialogue with the Florida Minority Community Reinvestment Coalition for the betterment of our communities.

Sincerely,

Susan James  
Senior Vice President and Manager,  
Community Performance Resources



David K. Elam  
Southeastern Regional Office  
950 East Paces Ferry Road  
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Atlanta, GA 30326-1161  
404 398 6077

August 5, 2005

Gerard Martinez, FMCRC Fellow

Dear Gerard,

Thank you for the opportunity to address homeownership issues in the Florida Minority Community Reinvestment Coalition's annual minority conventional home lending purchase report for Florida. Our organizations share many of the same priorities with the ultimate goal of helping more families achieve the American Dream of homeownership.

In the enclosed response, I have addressed the minority homeownership rate gap, Florida homeownership challenges and examples of how Fannie Mae is working with partners both nationally and locally to help close the homeownership gap and improve housing affordability.

I hope you will find this information useful.

Best regards,

David K. Elam

## **Florida Minority Community Reinvestment Coalition (FMCRC) annual minority conventional home lending purchase report for Florida**

**Question 1: We would like Fannie Mae to address how it plans to reverse the poor home lending rates to minority families in Florida.**

While the national homeownership rates remain high at about 68 percent, there is a persistent homeownership gap for many minority families. The national homeownership rate for white Americans is 76 percent, but only 50 percent of minorities own their own homes. The same homeownership gap exists in Florida, where the homeownership rate of white residents (76 percent), outpaces that of the minority community (53 percent).

Nationally, Fannie Mae is working with our housing partners, policymakers, advocates and the industry to close the minority homeownership gap and tackle the problem of housing affordability, which disproportionately impacts minorities. Among numerous initiatives underway:

- In 2004, Fannie Mae expanded the goals of its *American Dream Commitment* to focus on three broad objectives, including: 1) Expanding access to homeownership for millions of first-time homebuyers, 2) Making homeownership a success for millions of families who are at risk of losing their homes, and 3) Expanding the supply of housing where it is needed most.
- In Florida, Fannie Mae created “Extended Family Together,” an innovative mortgage pilot that addresses the unique housing needs of Florida’s growing multigenerational families. To provide homeownership opportunities for the local workforce, Fannie Mae worked with the City of Orlando to develop an Employer Assisted Housing benefit that offers \$7,500 in down payment and closing cost assistance, as well as home buying seminars to eligible city employees to help them buy homes within Orlando city limits.

Fannie Mae’s goals are aligned with many of FMCRC’s overall strategies for Florida’s minority communities and families including access to homeownership, community reinvestment, consumer protection and homeownership education.

**Question 2: We request that Fannie Mae address the lack of affordable housing in Florida and any insights or recommendations regarding that subject matter.**

Florida has its own unique housing challenges and Fannie Mae is working with local city governments, lenders, developers, real estate professionals, nonprofits and other key partners to revitalize communities in need and create more affordable housing across the state.

For example, we are supporting infill housing development to help provide more affordable housing stock and help stabilize neighborhoods. We are working toward developing special lending programs for hurricane victims that leverage government funds to rebuild and replace homes for low- and moderate-income families. We are working with community land trusts to provide and preserve long-term affordable housing for lower-wage working families. We are also working with partners to revitalize blighted neighborhoods and provide a range of housing opportunities close to centers of employment. And we are expanding efforts to combat predatory lending practices that prey on the lack of accurate consumer information in minority communities.

Everyone has a stake in closing the homeownership gap and improving housing affordability in Florida and across the country. The social and economic benefits of homeownership have a positive impact on families, neighborhoods, communities and society as a whole. Fannie Mae and its local Florida offices look forward to working with stakeholders in Florida to address these important challenges.

## Appendix B- Florida Lending Data

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### Miami

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### Denials

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**Florida Minority Community Reinvestment Coalition**

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