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WHITES

Mortgage applications are denied at the lowest rate in the past 20 years, yet a stark divide remains between potential homebuyers of different racial groups.

Apr. 23, 2018

Mortgage applications are denied at the lowest rate in the past 20 years, yet a stark divide remains between potential homebuyers of different racial groups.

Nationally, the share of applicants who are [denied for conventional mortgages](#) has fallen to 9.8 percent, according to data from the Home Mortgage Disclosure Act (HMDA), down from 18.1 percent in 2007.

Even though a smaller share of loan applicants overall are denied, white or Asian borrowers are more likely to be approved for a mortgage than black or Hispanic borrowers. In 2016, 8.1 percent of white applicants were denied for a conventional loan, as were 10.4 percent of Asian applicants. By comparison, 20.9 percent of black borrowers and 15.5 percent of Hispanic borrowers were turned down for a loan.

For all groups, denial rates are down sharply from 2007. In 2007, 34.3 percent of black applicants and 30 percent of Hispanic applicants were denied for mortgages. White and Asian borrowers were denied 12.7 percent and 16.2 percent of the time, respectively.

The persistent disparity among races also is evident in homeownership. The gap between black and white homeownership rates was slightly wider in 2016 than it was in 1900ⁱ. Black homebuyers had the least purchasing power last year – they could afford 55 percent of homes for sale, while white homebuyers could buy about 78 percent of listed homesⁱⁱ. And while coming up with a down payment is the biggest hurdle to homeownership for all potential buyers, black Americans were more likely than those of other races to say qualifying for a mortgage was a barrierⁱⁱⁱ.

“Mortgage approval data point to both progress and stubborn inequities in the

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being approved for a mortgage – 8.4 percent of suburban homebuyers were denied for a loan, while 10 percent of urban borrowers and 11.5 percent of rural borrowers were turned down.

Metro	Denial Rate for All Conventional Applications	Denial Rate for Conventional Loans for Asian Borrowers	Denial Rate for Conventional Loans for Black Borrowers	Denial Rate for Conventional Loans for Hispanic Borrowers	Denial Rate for Conventional Loans for White Borrowers
United States	9.8%	10.4%	20.9%	15.5%	8.1%
New York, NY	11.4%	11.9%	22.2%	17.1%	8.8%
Los Angeles, CA	10.8%	11.0%	15.0%	12.5%	9.6%
Chicago, IL	9.1%	9.6%	19.9%	16.4%	7.1%
Dallas, TX	7.5%	8.2%	13.8%	10.5%	5.7%
Philadelphia, PA	7.9%	9.9%	20.5%	15.1%	5.9%
Houston, TX	9.6%	10.3%	16.9%	13.5%	6.8%
Washington, DC	7.7%	9.1%	16.1%	11.7%	5.2%
Miami, FL	17.0%	18.0%	25.0%	18.2%	13.3%
Atlanta, GA	9.6%	9.3%	19.2%	14.4%	6.6%
Boston, MA	6.7%	7.1%	15.6%	11.6%	5.8%

San Francisco, CA	8.8%	10.2%	14.5%	11.0%	6.9%

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Minneapolis, MN	5.8%	8.5%	12.8%	8.8%	4.5%
San Diego, CA	9.1%	9.9%	14.4%	11.4%	8.4%
Saint Louis, MO	7.4%	8.6%	23.9%	10.9%	6.3%
Tampa, FL	13.1%	12.6%	21.7%	16.4%	11.5%
Baltimore, MD	8.3%	11.6%	17.0%	14.6%	5.9%
Denver, CO	6.6%	8.9%	12.0%	9.2%	5.8%
Pittsburgh, PA	6.8%	8.5%	18.5%	9.4%	6.2%
Portland, OR	6.5%	8.6%	8.3%	13.3%	5.7%
Charlotte, NC	8.8%	9.2%	16.3%	14.5%	6.9%
Sacramento, CA	9.5%	12.7%	10.2%	12.4%	7.8%
San Antonio, TX	11.6%	11.2%	14.4%	15.9%	8.2%
Orlando, FL	13.3%	16.3%	23.0%	18.4%	10.2%
Cincinnati, OH	7.7%	8.2%	17.1%	11.0%	6.9%
Cleveland, OH	6.9%	10.7%	19.9%	12.0%	5.7%
Kansas City, MO	5.6%	7.6%	15.6%	13.6%	4.6%
Las Vegas, NV	11.8%	13.6%	17.5%	12.3%	10.1%
Columbus, OH	8.5%	10.0%	19.6%	22.2%	7.4%

Indianapolis, IN	7.4%	9.0%	17.8%	15.4%	6.4%
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