



Gender, Age, and Race in Subprime America

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Philadelphiā, June 2009 (Elvin Wyly)

Beatrice
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Chicago, March 2006 (Elvin Wyly)



Detroit, July 2010 (Elvin Wyly)

“My typical client is an elderly African American widow.
... they have paid down their mortgages by living in their
homes a long time and they have retired, so they are cash-poor
and equity rich. They are prime targets”

William J. Brennan, Congressional testimony in May, 2000



Baltimore, April 2008 (Elvin Wyly)

A circumstantial case, blending HMDA and NMDR

9.05 million

HMDA, 2006: conventional single-family originations in continental U.S. and DC, excluding edit failures.

330,436 to sole female non-Hispanic Black

600

NMDR, 1994-2006: application, GFE, HUD1/1a, loan note

188 primary applicants female

72 of these identified as non-Hispanic Black



Philadelphia, June 2009 (Elvin Wyly)

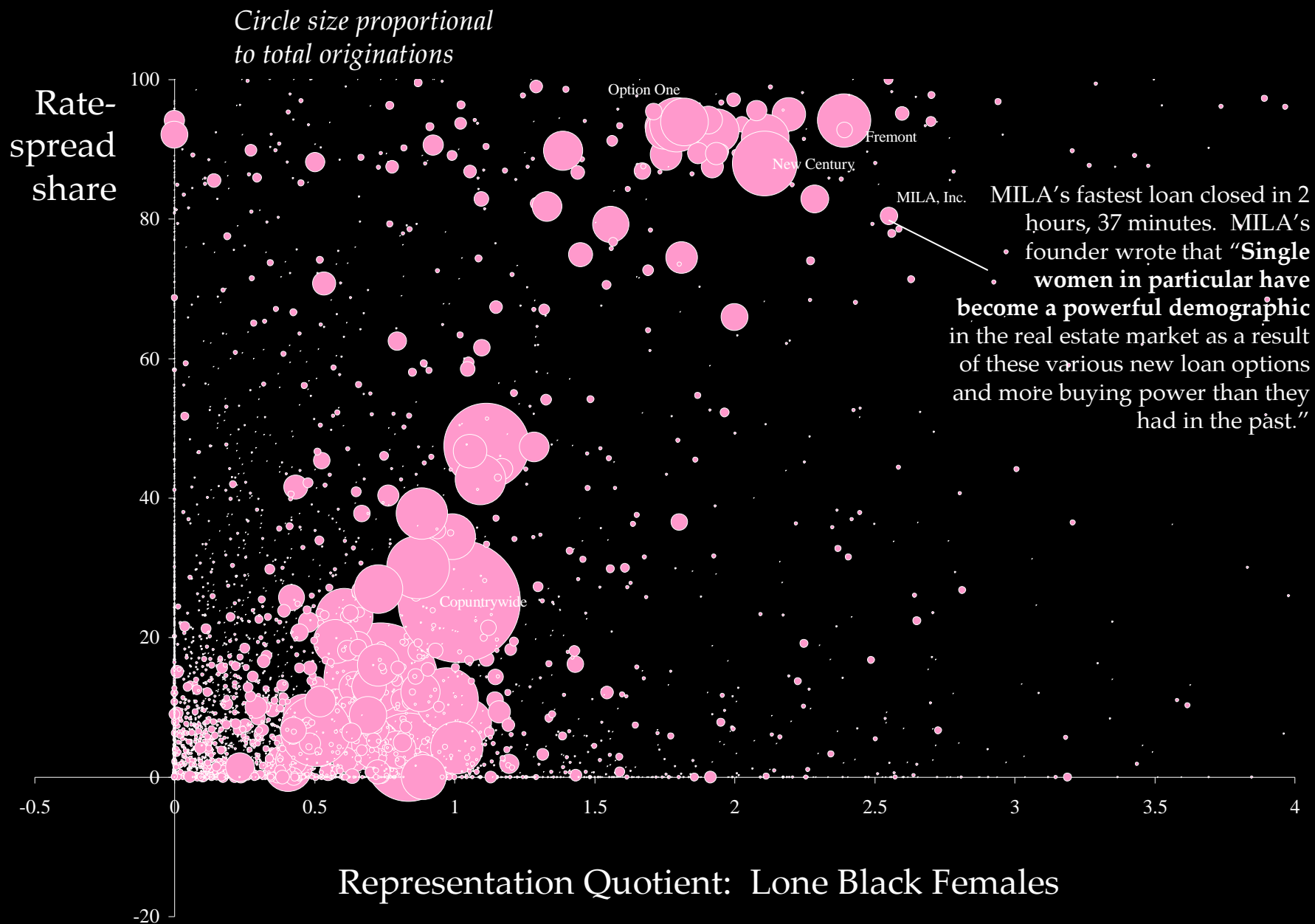


Table 3. Subprime Segmentation of African American Women.

Variable	Model 1: Compared with Non-Hispanic Traditional White Couples			Model 2: Compared with Non-Hispanic Traditional Black Couples			Model 3: Compared with Non-Hispanic Lone White Females		
	<i>Mean values</i>		Odds Ratio	<i>Mean values</i>		Odds Ratio	<i>Mean values</i>		Odds Ratio
	Rate-spread originations	All other originations		Rate-spread originations	All other originations		Rate-spread originations	All other originations	
Applicant income ^a	86,861	117,297	0.494	74,451	82,899	0.702	75,588	77,299	0.810
Income squared ^a			1.458			1.187			1.104
Income to loan amount ratio ^a	1.105	1.146	1.071	0.875	0.858	1.054	0.922	0.820	1.096
Pre-approval	0.014	0.044	0.360	0.013	0.047	0.258	0.017	0.049	0.343
Owner-occupied	0.883	0.900	0.575	0.881	0.897	0.696	0.886	0.919	0.620
Home improvement	0.074	0.090	0.998	0.057	0.080	0.779	0.056	0.075	0.839
Refinance	0.519	0.445	1.284	0.472	0.492	0.867	0.486	0.447	1.084
Loan sold to GSE	0.028	0.254	0.131	0.022	0.145	0.028	0.028	0.262	0.150
Loan sold to private investor	0.106	0.031	3.775	0.124	0.043	4.199	0.114	0.039	3.764
Loan sold to bank	0.050	0.052	1.267	0.053	0.038	2.145	0.053	0.047	1.616
Loan sold to finance company	0.195	0.090	2.431	0.209	0.099	3.156	0.212	0.097	2.913
Loan sold to affiliate institution	0.067	0.066	1.185	0.067	0.074	1.316	0.069	0.073	1.245
Loan sold to other type of purchaser	0.235	0.123	2.150	0.278	0.152	2.785	0.268	0.144	2.544
Lone Non-Hispanic Black Female	0.374	0.082	4.838	0.767	0.689	1.224	0.383	0.150	3.150
Number of observations	479,608	1,835,673	2,315,281	234,053	218,833	452,886	469,215	1,002,231	1,471,446
Max-rescaled Nagelkerke (1991) pseudo R ²			0.285			0.236			0.262
Percent concordant			79.2			73.3			76.2

^a Continuous variable. For continuous variables, odds ratios report the change in odds with a one standard deviation increase in the predictor.

Data Source: Federal Financial Institutions Examination Council (2007).



Philadelphia, June 2009 (Elvin Wyly)

A loan sold to a private investor or special-purpose vehicle is 1.8 times more likely to go to a single African American woman.

Chicago, July 2010 (Elvin Wyly)

Compared to borrowers
under 30, borrowers age 65 or
older are 15.5 times more
likely to be African American
women.

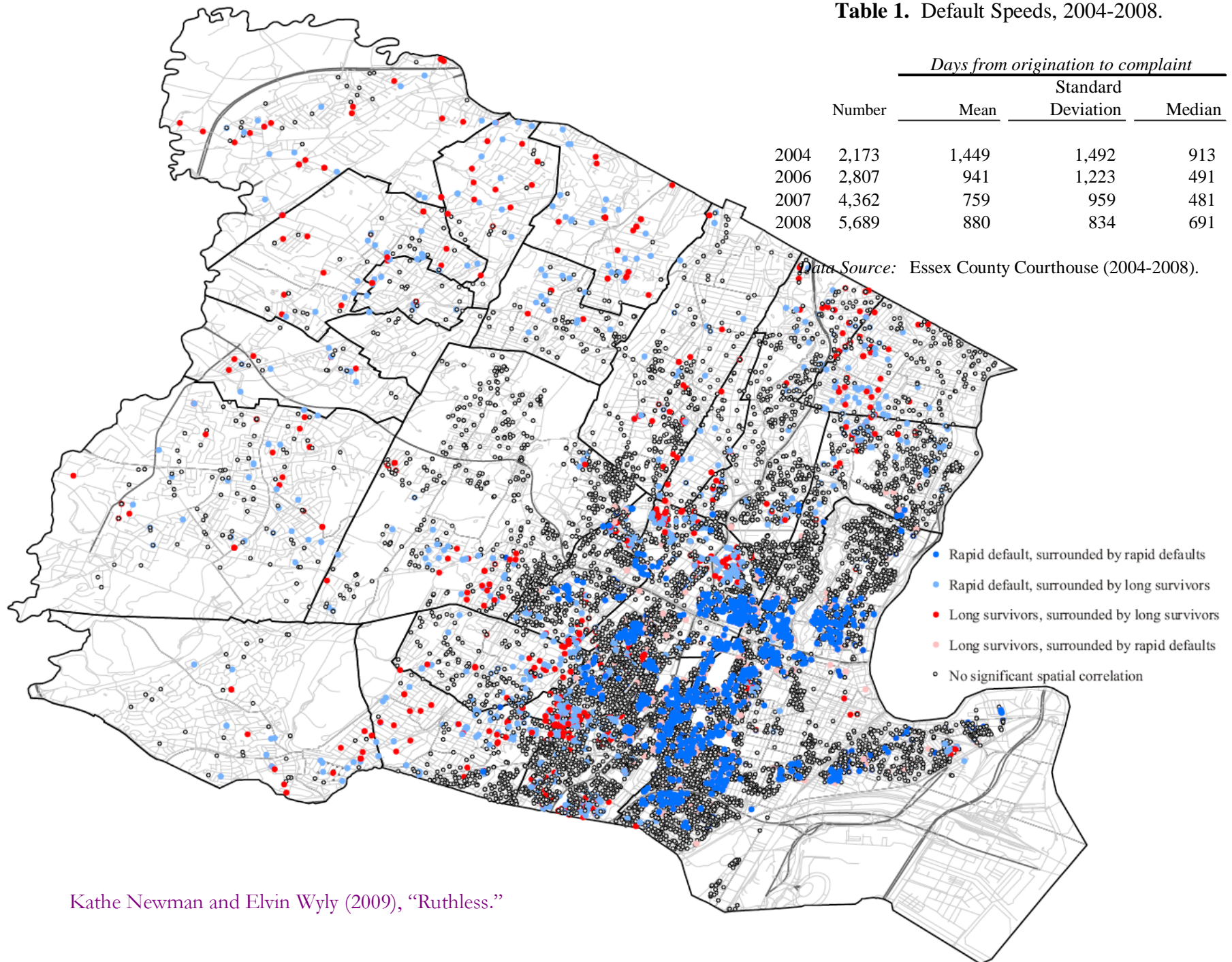


Newark, June 2009 (Elvin Wyly)

Table 1. Default Speeds, 2004-2008.

	Number	<i>Days from origination to complaint</i>		
		Mean	Standard Deviation	Median
2004	2,173	1,449	1,492	913
2006	2,807	941	1,223	491
2007	4,362	759	959	481
2008	5,689	880	834	691

Data Source: Essex County Courthouse (2004-2008).



Kathe Newman and Elvin Wyly (2009), "Ruthless."

Odds ratios comparing
African American women
to *all others*:

15.5 over age 65

0.08 married

6.22 primary residence

5.67 fixed-rate application,
ARM loan note

2.60 face-to-face application

3.43 multiple applications

2.84 multiple GFEs

2.33 total fees > 5%



East St. Louis, July 2007 (Elvin Wyly)



“An ample reservoir of stoicism is needed to get through the great newspaper of record each morning, given the likelihood of seeing photographs that could make you cry.” Sontag, *Regarding the Pain of Others* (2003).

[Image removed to avoid angering Corporate Copyright Thugs.® The image shows a sheriff's deputy, with gun drawn, sweeping through an empty, foreclosed home in Cleveland searching for signs of squatters or other threats. The image, by Anthony Suau, won the World Press Photograph of the Year for 2008.

“...there is no definition of predatory lending. I don’t know how we can hope to address the problem before we have decided what it is.”

Phil Gramm, August, 2000

[Image removed to avoid angering Corporate Copyright Thugs.® The image shows Phill Gramm, Republican Chair of the Senate Banking committee, next to Wayne LaPierre, Executive Director of the National Rifle Association.]

“Racial equality cannot be gained at the expense of gender equality. Reallocation of power is what including African American women in the confrontation with racism is all about.”
Anita Hill (1995).



Chicago, July 2010 (Elvin Wyly)