

The State of Housing and Fair Lending in Kent County

The Role of Mortgage Lenders in
Shaping Our Neighborhoods



2023



Fair Housing Center
of West Michigan

DISCLAIMERS

Fair Housing Center of West Michigan (FHCWM) values and operationalizes equity and inclusion. Language changes over time and we are still learning and improving in this capacity. We acknowledge that “labels” are a challenge related to race and ethnicity. Particularly, there are significant challenges in the broad or very specific ways that public data, in particular U.S. Census and Home Mortgage Disclosure Act (HMDA) data used in this report, is gathered and reported as it relates to race and ethnicity. When possible, we have tried to be inclusive while trying to be consistent with the data as reported to not confuse the public if they gather their own data.

For the purposes of this report, we use the [standards on race and ethnicity](#) set by the U.S. Office of Management and Budget (OMB) in 1997. The U.S. Census Bureau and HMDA follow these standards. For ethnicity, the OMB standards classify individuals in one of two categories: “Hispanic or Latino” or “Not Hispanic or Latino.” For race, the OMB standards classify individuals into five aggregate race categories: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; and White.

In this report, we have used the term “Black” to be broader than “African American.” Census and HMDA data use “Black or African American” interchangeably with “Black”. The Census and HMDA also use “Hispanic or Latino” interchangeably with “Hispanic”. Throughout this report, FHCWM combined Hispanic and Latino statistics under “Hispanic” and mean no disrespect in doing so. FHCWM acknowledges the significant cultural differences between those that identify as Hispanic and those that identify as Latino, as well as the preference by some of “Latinx.” Both the Census and HMDA use “Asian” instead of “Asian American” in referring to the broad demographics of that population. The Census and HMDA most often combine “Native Hawaiian and Pacific Islander” together. They also combine “American Indian or Alaskan Native” together as well. We again mean no disrespect in using these categories to match data. There is also debate about whether to capitalize “white” when referring to that population. We have chosen to not capitalize “white.” We also grouped white and white, non-Hispanic applicants together since not all white applicants indicated their ethnicity in the data reviewed. We have tended to use “neighborhoods of color,” “communities of color,” “people of color,” or specify the predominant race(s) or ethnicities rather than utilizing the term “minority.” We also use “disability” instead of “handicap” and err toward the use of people first language when appropriate.

The work that provided the basis for this publication was supported in part by funding under a grant/cooperative agreement with the U.S. Department of Housing & Urban Development. The substance and findings of this work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in the publication. Such interpretations do not necessarily reflect the views of the Federal Government.

Alternative formats for those with disabilities available upon request. This information is not itself legal advice; for legal advice about a particular situation, contact an attorney. This report is for informational purposes only.

Report date: May 31, 2023

Publisher’s note: FHCWM sincerely thanks the Fair Housing Center of Central Indiana for their expertise and assistance throughout all aspects of this report, including their help in obtaining, analyzing and synthesizing data; creating graphics and tables; and writing the report. Check out their website and reports at www.fhcci.org.



Fair Housing Center of West Michigan

20 Hall Street SE

Grand Rapids, MI 49507

616-451-2980

www.fhccm.org

Table of Contents

Executive Summary.....	1
Introduction.....	4
Our Approach to This Report	6
Homeownership Lowest in Cities of Grand Rapids and Kentwood.....	7
History of Redlining in Grand Rapids.....	9
The Mortgage Lending Landscape	10
Income Disparities a Symptom of Generational Housing Inequality.....	12
Some Neighborhoods Flooded with Higher Income Borrowers	13
Gentrification & Changing Demographics	14
Home Values Pushing Neighborhoods Out of Reach.....	16
Mortgage Lending Disparities	17
New Heights for Mortgage Lending, but Disparities Persist	17
Mortgage Lending Not Representative of the Area’s Demographics.....	18
Denied More, Pay More: Lending Disparities Persist	18
Neighborhoods of Color Treated Differently.....	19
Lenders Drive Lending Disparities	21
Applications	22
Black and Hispanic Residents Are Underrepresented in Mortgage Applications ...	22
Application Trends for Hispanic Applicants.....	24
Denial Rate for Black Applicants More than Double the Denial Rate for White Applicants	25
Denial Reason	26
Black Origination Rate Disparity Lingers, Hispanic Rates Improve.....	27
Black Borrowers Underrepresented for Every Lender in Top 25	28
Representation of Hispanic Borrowers	28
Interest Rate Disparities.....	29
Higher Income Black Borrowers Still Pay Twice as Much	30
Bank Branch Closings	30
Redlining Risk Factors	31
FHA Access Declining for Many Borrowers	32
Counteracting Lending Disparities.....	32
Key Action Steps to Address Lending Disparities.....	33
Conclusion.....	33
Appendix List.....	35

Executive Summary: The State of Housing and Fair Lending in the City of Grand Rapids and Kent County

The recent boom in our housing market has benefited some, but not all. This report sheds light on how housing inequality has grown in recent years – signaled by a widening homeownership gap between white and Black households, dwindling affordability in our most affordable neighborhoods, signs of gentrification and displacement and persistent lending disparities that provide households of color limited access to credit. While the numbers tell the story of historically underserved people and places that are being pushed further away, we dig further to understand one of the key drivers behind housing inequality – the lenders that make (or do not make) the mortgage loans. Below are the findings for the City of Grand Rapids (“the City”) and Kent County (“the County”).

Why does this matter?

There must be a starting point for eliminating the homeownership gap. This one issue is tied to so many other issues such as poverty, wealth, education, public health, and public safety. We turn to this issue of housing inequality because we can understand where to begin. We need to look at **opportunity**. For the purposes of this report, this means looking at who is, and who is not, buying a home. This also means analyzing how and why certain people are getting mortgage loans to purchase a home, and how and why others are not.

Home values rise, wealth is created and those that are denied access to homeownership are left out. This is the story that has played out for generations in Kent County. This report focuses on where homeownership is changing, how it is impacting our historically underserved neighborhoods and which lenders are still not making loans to the Black community.

Homeownership Gap Widens

- Since 1970, the gap between white, Non-Hispanic and Black homeownership in Kent County has more than doubled.
- In the past decade alone, homeownership rates have decreased by 12% in Kent County’s neighborhoods of color, compared to a 1.3% decline everywhere else.
- The City of Grand Rapids has lost more than 1,000 homeowners in the past decade with neighborhoods like Garfield Park and Cherry Run - Westside Connection accounting for more than 700 lost homeowners alone. This is in large part due to the growth of Grand Valley State University, including the construction of student housing and other commercial properties on the westside.
- Suburban areas of our community have mostly gained homeowners.

Kent County Mortgage Lending Strong, but Not for All

- From 2018 to 2021, Kent County, Michigan was the fourth largest county in the State of Michigan in terms of mortgage originations – originating more than 40,000 first-lien, home purchase loans.
- For the most part, Kent County has performed better in relation to most every other county in Michigan with higher origination rates, lower denial rates and lower interest rates.
- Since 2007, white, Non-Hispanic borrowers have had 20 to 30 times more mortgage originations compared to Black borrowers, and 10 to 25 times higher compared to Hispanic borrowers.

Executive Summary: The State of Housing and Fair Lending in the City of Grand Rapids and Kent County

- Despite representing 10.7% of the county's population, Black borrowers account for 4.4% of mortgage originations, and while Hispanic individuals represent 11.3% of the population, Hispanic borrowers account for 5.8% of mortgage loans.

Mortgage Boom Signals Progress? Not Really.

- From 2020 to 2021, the number of originations in low-to-moderate income neighborhoods increased by 7.1% while they remained level in high income neighborhoods. Likewise, lending in predominantly neighborhoods of color increased by 5.9% compared to 1.9% in predominantly white, Non-Hispanic neighborhoods.
- In 2021, nearly half of loan originations in Kent County's low-to-moderate neighborhoods were higher income borrowers. More than 80% of the higher-income buyers are white, Non-Hispanic.
- Fewer than 350 of 2,700 loans in 2021 in low-to-moderate income neighborhoods went to lower income households of color.

Low-to-Moderate Income Homebuyers Pushed Out Amid Declining Affordability

- Just a few short years ago, Baxter, John Ball Park, and South East Community had home values in the \$120,000 to \$180,000 range. Most recently, those values have increased to over \$180,000 to \$260,000.
- Neighborhoods like South East Community, Belknap Lookout, Baxter and Black Hills all had more than 70% of mortgage originations from higher income homebuyers.
- At the same time, denial rates for Black borrowers in Madison Area (4.5x higher), South East Community (2x), and Roosevelt Park (1.5x) were noticeably higher than denial rates for white borrowers in those neighborhoods.
- Over the past 4 years, there was around \$470 million in mortgage loans originated in neighborhoods of color compared to \$9 billion in mortgage loans originated in predominantly white, Non-Hispanic areas. Of the \$470 million in mortgage loans invested into neighborhoods of color, \$239 million went to white, Non-Hispanic borrowers while \$58 million went to Black borrowers, and \$57 million went to Hispanic borrowers.
- Historically Black neighborhoods like Baxter, Madison Area, Oakdale – Fuller Avenue and South East Community all had three to five times more lending value to white, Non-Hispanic borrowers compared to Black borrowers.

The City of Grand Rapids' White Population is Growing, Black Population is Declining

- In the past decade, the City of Grand Rapids' white, Non-Hispanic population increased by 3% while the Black population declined by 4.4%. Neighborhoods in the City of Grand Rapids such as South East Community (+61% white, Non-Hispanic population, -3% Black population), Madison Area (+82% white, Non-Hispanic population and -4% Black population) and Baxter (+93% white, Non-Hispanic population and -1% Black population) have had the most increases in the white population.

Homeownership Gains Reflect Hispanic Access to Mortgage Credit Outpacing Black Access

- Although the Black and Hispanic population each account for 11% of the County's total population, the Hispanic population generated 35% to 50% more loan applications and originations than Black homebuyers – a trend that we have seen in the county since 2008.

Executive Summary: The State of Housing and Fair Lending in the City of Grand Rapids and Kent County

- Hispanic homeownership has increased by 16% since 2010 while Black homeownership has declined by 12%.
- Although progress in the Hispanic homeownership rate has been made, it is still substantially worse than the overall homeownership rate. Within the Hispanic community there is a 51% homeownership rate compared to a 70% homeownership rate overall in the County.

Lenders Drive Lending Disparities

- While Black and Hispanic borrowers are already underrepresented in Kent County, some lenders still do far worse at serving households of color. Lenders with the lowest percentage of their applications from Black applicants are Old National Bank (2.1%) and Lake Michigan Credit Union (2.7%).
- Across the County, denial rates for Black loan applicants were 10.7%. For Hispanic applicants, the denial rate was 8.1% and for white, Non-Hispanic applicants, the denial rate was 4.1%. Still some lenders have much higher denial rates. Mercantile Bank of Michigan (31% Black applicant denial rate), Quicken Loans (20.5%), and JPMorgan Chase Bank (17.2%) had the highest denial rates of Black applicants.
- With more limited access to mortgage credit, borrowers of color still pay more as Black and Hispanic borrowers have mortgage interest rates nearly double the rates for white, Non-Hispanic borrowers.

Bank Branch Closures Further Hinder Access to Credit in Neighborhoods of Color

- The City's neighborhoods of color lost 78% of their bank branches since the year 2000, leaving just 2 bank branches in 2022 for those neighborhoods. This rate is far more dramatic than within the City of Grand Rapids as a whole, which lost 36% of the branches, and within suburban areas outside of the City that lost 6% of their bank branches.

Introduction

Homeownership is a key means to building stable and sustainable communities. Our nation's leaders and policies have long recognized both the importance of and barriers to homeownership. President George Bush's administration in his 2001 Homeownership Policy stated, "homeownership benefits individual families by helping them build economic security, and it fosters healthy, vibrant communities"¹. President Biden's administration in March 2023 recognized, "Achieving and maintaining homeownership is the primary way that American families build wealth and create economic security...But there is more work to do to make the dream of homeownership attainable for more Americans, particularly first-time and first-generation homebuyers who have been locked out of the generational wealth building that can come from homeownership"².

Mortgage lending practices play a key role in access to homeownership. Habitat for Humanity International demonstrates in their evidence brief, "How does homeownership contribute to wealth building?" that low-income households and households of color have limited access to homeownership because of barriers such as limited supply of affordable housing, restricted access to credit, and systemic inequities³. Thus, **access to fair and equitable mortgage lending is key to building homeownership.**

In the past decade, homeownership in Kent County has remained fairly level, declining slightly from 71.3% in 2010 to 70.4% in 2020. While this trend may be barely noticeable to some, some people and places have been impacted with substantially higher declines in homeownership. For instance, historically underserved neighborhoods of color and homeseekers of color have experienced far more housing difficulties, including more limits on mortgage lending access.

In the 50 years since the Fair Housing Act was passed, the homeownership gap between white, Non-Hispanic and Black households has grown significantly in Kent County. In 1970, the gap between white, Non-Hispanic homeownership (77%) and Black homeownership (50%) was 27%. Since then, the gap has widened as Black homeownership dropped to 36%, while white, Non-Hispanic homeownership has declined marginally to 75.4% (Chart 1). By comparison, in 2020 Black homeownership in Michigan and Wayne County (Detroit) was 44%, 49% in Saginaw County, and 47% in Genesee County (Flint). Kent County's homeownership gap is exceptionally worse.

¹ <https://georgewbush-whitehouse.archives.gov/infocus/homeownership/homeownership-policy-book-background.html>

² <https://www.whitehouse.gov/omb/briefing-room/2023/03/09/fact-sheet-president-bidens-budget-lowers-housing-costs-and-expands-access-to-affordable-rent-and-home-ownership/>

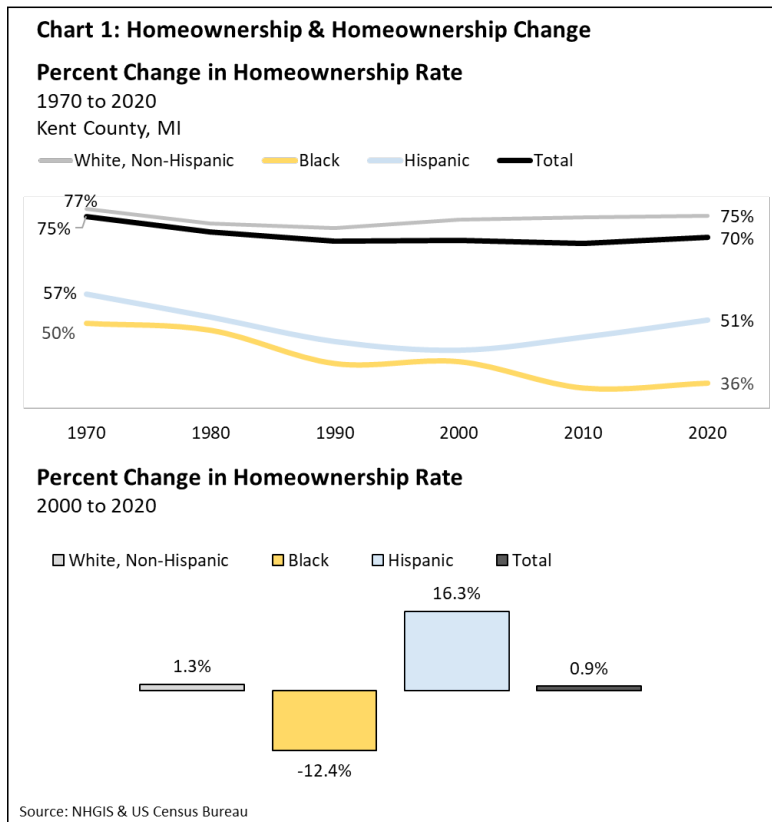
³ <https://www.habitat.org/our-work/impact/research-series-how-does-homeownership-contribute-to-wealth-building>

This report highlights the need for more equitable mortgage lending by offering insights into key issues surrounding eroding homeownership rates such as gentrification, the rise of investment properties, and housing affordability. According to a recent report by the Brookings Institute, lower Black homeownership and the racial wealth gap are byproducts of systemic racism, including the legacies of slavery, Jim Crow segregation, redlining, and other anti-Black policies that targeted Black people and predominately Black neighborhoods⁴. Access to affordable and sustainable mortgage credit is a cornerstone of the American dream. Unfortunately, that access is not equal.

From 2018 to 2021, Kent County was the fourth largest county in the state of Michigan in terms of mortgage originations – originating more than 40,000 first-lien, home purchase loans⁵. For the most part, Kent County has performed better in relation to most every other county in Michigan with higher origination rates, lower denial rates, and lower interest rates. However, Black, and Hispanic home-seekers have not had equal outcomes in mortgage lending, and neighborhoods of color in Kent County have had the largest declines in homeownership.

Despite representing 10.7% of the county’s population, Black borrowers only account for 4.4% of mortgage originations. And although Hispanic people represent 11.3% of the population, they account for 5.8% of mortgage loans. Since 2007, white, Non-Hispanic borrowers have had 20 to 30 times more mortgage originations compared to Black borrowers. The disparity is similar for Hispanic borrowers, where white, non-Hispanic borrowers had more than 10 to 25 times more loans than Hispanic borrowers. Although lending activity to Hispanic borrowers has been outpacing lending to Black borrowers despite similar population sizes in the county, an issue we will dive into later, the area’s Black and Hispanic households simply aren’t getting the access to credit needed to make meaningful gains on closing the homeownership gap.

Declining homeownership rates correlate to a variety of other factors, such as a decline in two-income households, decreases in the number of families, and shifting generational housing patterns. Aside from those, this report focuses on four factors that influence homeownership change while raising several fair housing concerns: mortgage lending, gentrification, affordability, and activity from outside investors.



⁴ <https://www.brookings.edu/essay/homeownership-racial-segregation-and-policies-for-racial-wealth-equity/>

⁵ All mortgage analyses include first-lien, home purchase mortgage loans for single family (1-4 units), site built properties unless otherwise stated

We look at these forces at the neighborhood level to identify which neighborhoods are getting mortgage loans and which are not, where signs of gentrification are evident, where investors are benefiting the most, and the impact on race and ethnicity in these neighborhoods, among other questions. We then turn to lender data to better understand the lenders whose lending activities and trends are driving the disparities in accessing mortgage credit.

Our Approach to This Report

To better understand the trends in Kent County, we analyzed the data by neighborhood and township. We summarized Census tract level data for 29 townships derived from county subdivisions including the City of Grand Rapids as well as defining Grand Rapids City by 27 neighborhood areas. We then used those township and neighborhood definitions to look at homeownership, affordability, demographic, and mortgage lending patterns to get a better sense of how people and places are being impacted differently.

For this report, Fair Housing Center of West Michigan (FHCWM) reviewed mortgage lending in Kent County using publicly available datasets. We drew upon 15 years of data (2007 through 2021) from the Home Mortgage Disclosure Act (HMDA) available from the Federal Financial Institutions Examination Council (FFIEC), as well as data from the U.S. Census Bureau and Zillow.

What is the Home Mortgage Disclosure Act (HMDA)? As defined by the Consumer Finance Protection Bureau (CFPB), HMDA requires many financial institutions to maintain, report, and publicly disclose loan-level information and data about mortgages. This data helps show whether lenders are serving the housing needs of their communities; it gives us information that helps understand our community and it sheds light on lending patterns that could be discriminatory.

HMDA data is modified to protect applicant and borrower privacy. The FFIEC requires that most mortgage lenders collect and report on around 100 datapoints from mortgage loan applications. The data is made available at the loan application level for more detailed analysis. Datapoints provided in HMDA data can be generally broken down into three categories:

1. Borrower specific characteristics such as race, ethnicity, income, age, and gender
2. Loan specific information such as loan amount, loan type, property type, interest rate, points and fees, and loan outcome
3. Neighborhood factors including population, housing, income, and other demographic characteristics of the census tract for the subject property of the mortgage.

For this report, FHCWM looked at mortgage lending disparities across various demographic groups in application volume, denial trends, origination rates, and interest rates for first-lien, home purchase loans in Kent County focusing on the “Top 25 Lenders.”

While the HMDA data is publicly available, it is not easy for the general consumer to access and understand. It can be incredibly overwhelming. We try to offer some clarity to the data through this report and make the information from the data more user friendly. Also, it must be noted, that the HMDA data provided to the public is not comprehensive on mortgage lending practices. The data exempts some lenders and lacks crucial information that would be helpful in uncovering housing discrimination, such as credit scores. In addition, as the lending industry has moved away from human underwriters to algorithms and programs, this information is also lacking. Finally, not all lenders are required to provide data in the

same way. It is very important to note that, even though we point out disparities, those do not always indicate there is actual discrimination. We are simply signaling areas that need more attention.

In our analysis, we focused on first-lien, home purchase loans and excluded loan applications involving a loan that was purchased by another lender. We also excluded data when the race and ethnicity of the applicant or borrower was not known in most cases.

For housing prices, we examined how home prices (using the Zillow Home Value Index or “ZHVI”) have changed from January 2020 to December 2022. The housing market across the United States has surged during this time and Kent County’s housing costs have surged higher than national averages. Housing cost increases have impacted every part of the County with several areas feeling the effects even more.

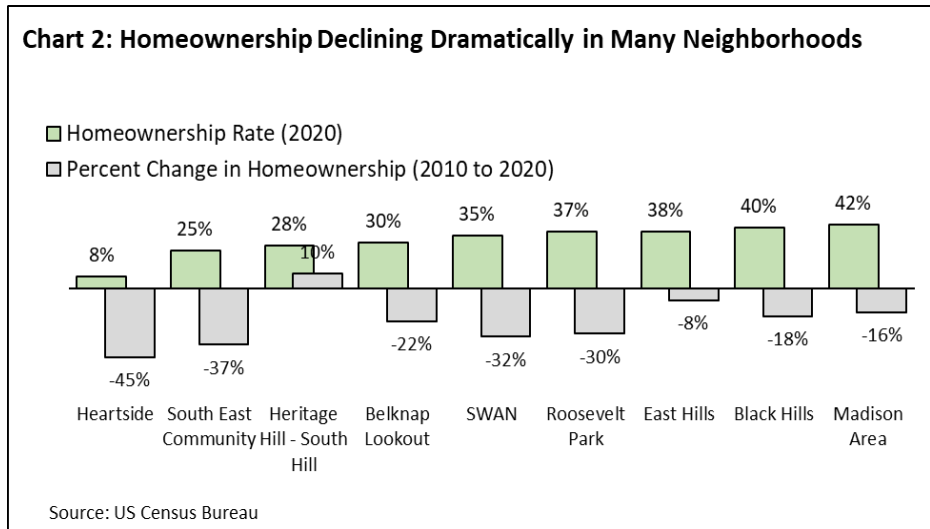
We used demographic data from the U.S. Census Bureau (2010, 2020) to gain insights into population, homeownership, household income, and other neighborhood trends. We also used the National Historic GIS (NHGIS) platform to retrieve and analyze historical census data from 1970 to 2000.

There are many lending reports issued each year. However, they are mainly for the lending industry. It was important to the FHCWM that this report be for the community at large and provide data in a way that was easy for the community to review. We believe that this report offers important insights into how our community is growing and who is being left behind due to the persistence of mortgage lending inequality.

Homeownership Lowest in Cities of Grand Rapids and Kentwood

Homeownership is not consistent across Kent County, with the City of Grand Rapids and Kentwood having the lowest homeownership rates of 56.4% and 54.2%, respectively, compared to the other 29 cities and townships. On the other end, townships like Ada township, Cannon township and Solon township have homeownership rates exceeding 95%, meaning that more than 9 out of every 10 households is owner occupied.

Within the City of Grand Rapids, homeownership is also unevenly distributed with neighborhoods like Alger Heights, Cherry Run - Westside Connection and South East End having homeownership rates above 75% and neighborhoods like Belknap Lookout, Heritage Hill - South Hill and SWAN having homeownership rates below 40% (Chart 2).



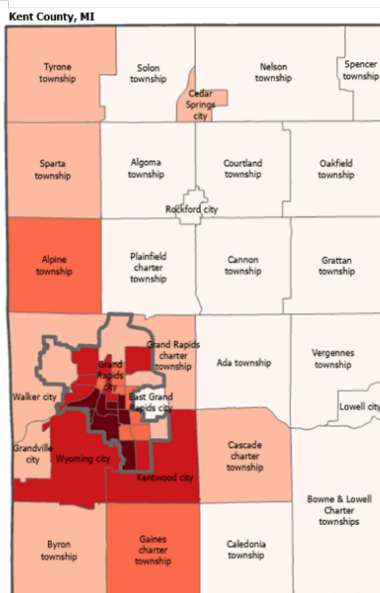
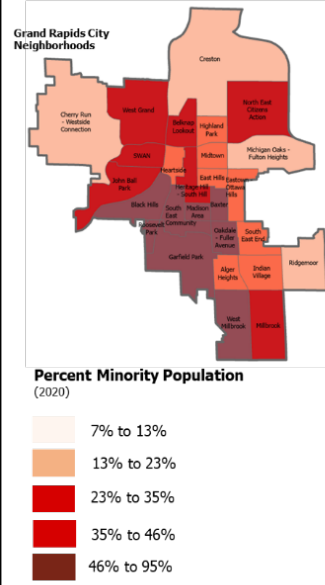
Homeownership is declining dramatically in many of those neighborhoods that already have amongst the lowest homeownership rates in the county. Most of those are historically underserved neighborhoods,

where most of the residents are currently people of color. Fair lending, as we will discuss, plays a key role in homeownership rates and gaps.

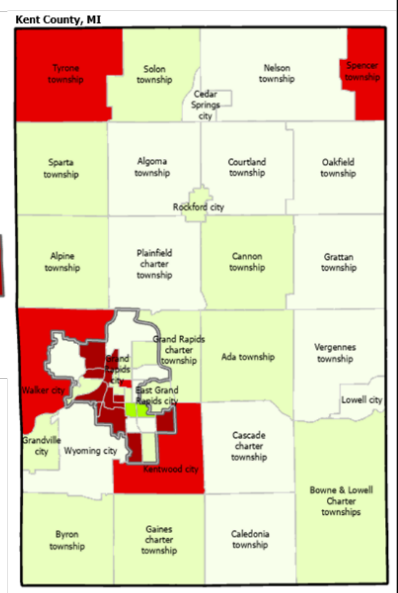
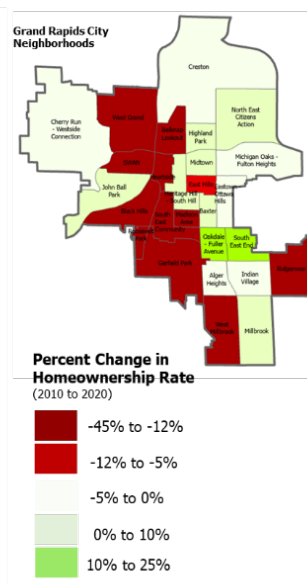
Panel 1 shows where neighborhoods of color are located alongside homeownership rate changes by neighborhood and township. These stark differences in homeownership – a key means to build and sustain wealth – are not only impacted by current lending practices, but also housing policies that redlined Kent County’s neighborhoods more than 80 years ago. The impact of those practices is still being felt today.

Panel 1: Homeownership rates have decreased the most in Kent County’s minority neighborhoods – declining by 12% from 2010 to 2020 in neighborhoods with greater than 50% minority population, compared to a 1.3% in predominantly White, Non-Hispanic neighborhoods.

Percent Minority Population
2020



Percent Change in Homeownership Rate by Neighborhood
2010 to 2020



Source: US Census Bureau

Source: US Census Bureau

History of Redlining in Grand Rapids

These homeownership disparities are largely the result of generations of intentional, discriminatory housing practices that denied mortgage loans to Americans due to their race, color, ethnicity, and sometimes religion. The disparity also results from the steering of people of color into less desirable neighborhoods, concentrated poverty from the creation of project-based public housing, and, more recently, the flooding of neighborhoods of color with toxic, unsustainable subprime mortgages which often resulted in foreclosures—setting back advancements in homeownership rates. We have never truly counteracted these previous discriminatory practices. In fact, modern day redlining continues to exist.

HOLC Maps

In Grand Rapids, redlining was deliberate. Research done by Michigan State University Extension, Redlining in Michigan Project, highlights some of the language used to restrict lending based on race & ethnicity.

Redlined neighborhoods

Government appraisers redlined the southern neighborhoods because Black or African American people and “foreign-born” Dutch people lived there, noting that the neighborhoods were otherwise desirable, and central neighborhoods because the types of inhabitants included Black people and “Foreign-born” Italians.

Government appraisers redlined the neighborhoods now known as South Hills and Baxter because of the “types of inhabitants,” despite “Negroes in area [being] of better type.”

Yellow-graded neighborhoods

Government appraisers gave downtown neighborhoods a yellow grade because there were near redlined neighborhoods and outer neighborhoods in areas like Grandville, Wyoming Township, Paris Township, and North Park because future development was uncertain.

Blue-graded neighborhoods

Northern neighborhoods were graded as blue because although the schools were segregated and the residents were rich (both “favorable influences”), the distance to redlined neighborhoods in the city center was not far enough.

Government appraisers graded some Wyoming Township neighborhoods blue because their schools and population were well-segregated.

Green-graded neighborhoods

Government appraisers gave East Grand Rapids neighborhoods a green grade because they were sufficiently segregated from redlined neighborhoods and wealthy white people lived there.

Source: Michigan State University, Redlining in Michigan
<https://www.canr.msu.edu/redlining/grand-rapids>

Like most every other major metropolitan area in the United States, Grand Rapids was subject to mortgage lending redlining that began in the first half of the 20th century. Redlining was a federally created and backed discriminatory practice which allowed race, national origin, and religion to be factors in who received or did not receive government backed mortgage loans. The discrimination was enforced by appraisal maps produced by the Federal Homeowners Loan Corporation (HOLC) in the 1930s for most major cities.

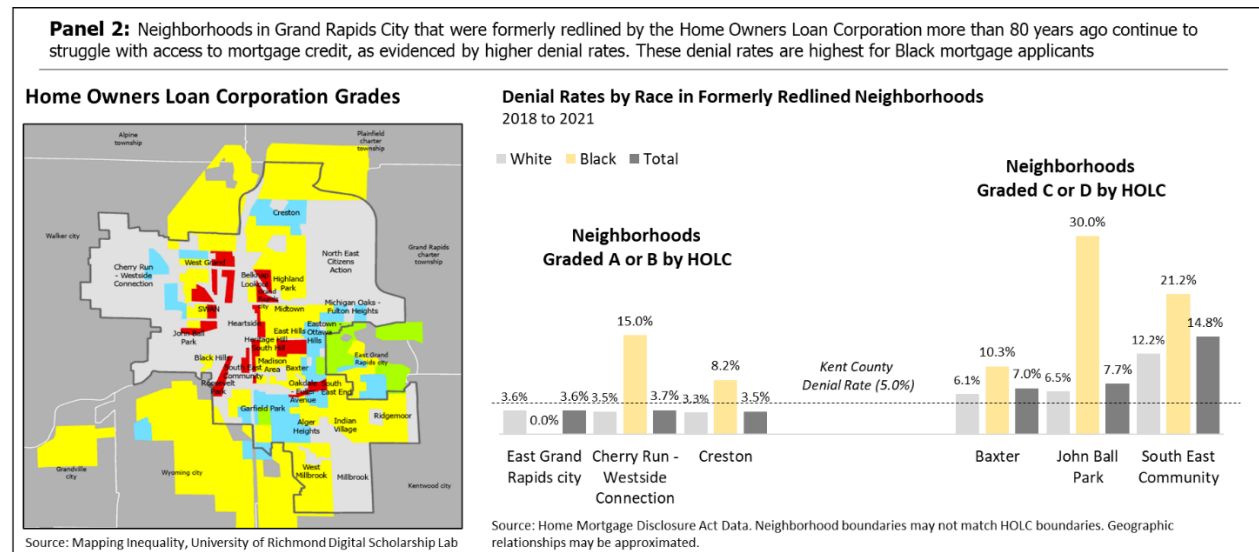
On the HOLC maps (Panel 2), urban areas with high populations of low-income and non-white residents were shaded in red and/or yellow. The maps served to guide institutions on where not to approve mortgages or offer other financial services because those areas were perceived as being too risky, merely because of their demographic compositions.

Thus, many people of color and those of lower incomes were left behind in neighborhoods where they could not secure investment, while wealthier white residents fled to other neighborhoods and eventually to city suburbs where homeownership opportunities were both abundant and accessible to them. Additionally, as redlining created barriers to homeownership, it locked out people of

color from establishing a legacy of wealth that they could pass down to later generations, as white people have been able to do for several generations.

Years of redlining and other discriminatory practices polarized the County’s neighborhoods along racial and ethnic lines. Panels 2 and 3 illustrate how Black communities continue to be denied access to opportunity to this day, often mirroring the same areas blocked from investment in the HOLC map.

Although the denial rate in Kent County is 5.0% for all borrowers, it is noticeably higher at 5.4% in the City of Grand Rapids – driven by high denial in neighborhoods redlined by the HOLC such as South East Community, Black Hills and Madison Area, neighborhoods that have two to three times that rate. Other neighborhoods that were historically graded as green or blue such as East Grand Rapids City (4.1% denial rate), Creston (3.5%), and Cherry Run - Westside Connection (4.3%) had much lower denial rates. Further out from the city, Byron (3.2%), Cannon (3.1%) and Grand Rapids Charter (3.1%) townships all have even lower denial rates.

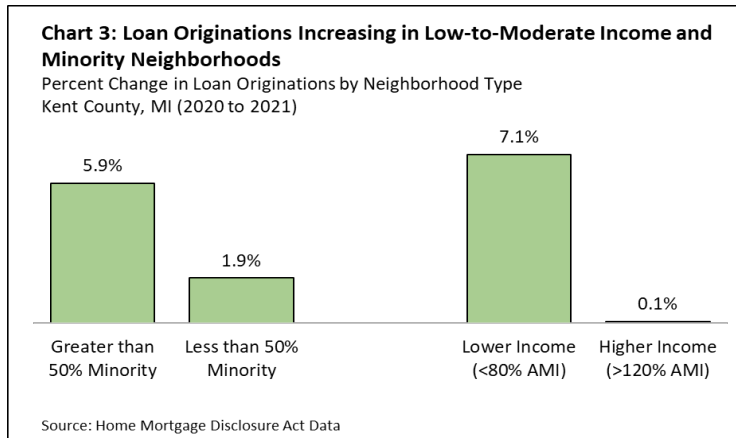


These disparities in denial rates are in part due to the continued impact of redlining, which continues to affect home values and generational wealth many decades later. Despite the mortgage and homeownership landscape in Kent County appearing healthy at a high level, it is not benefiting all people and places equally.

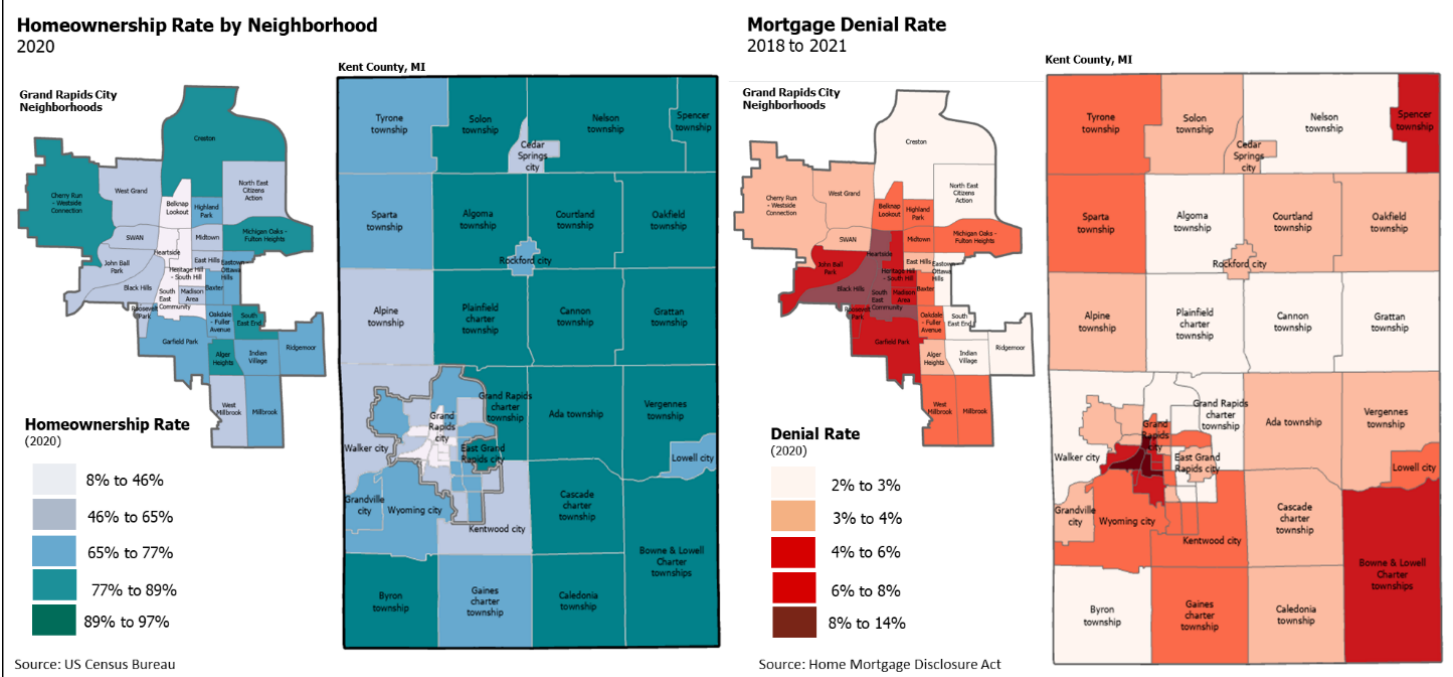
The Mortgage Lending Landscape

Mortgage data provides a key indicator of which direction homeownership rates are headed and which groups will benefit. This ties back to changes in homeownership. Despite the lending disparities, there has been an increase in lending in many of our underserved communities. Yet, that progress isn’t benefiting its underserved residents. Instead, many are being pushed out.

From 2020 to 2021, the number of mortgage loan originations in low-to-moderate income neighborhoods increased by 7.1% while they remained level (+0.1%) in high income neighborhoods. Likewise, lending in neighborhoods of color increased by 5.9% compared to 1.9% in predominantly white, Non-Hispanic neighborhoods (Chart 3). However, much of this growth in lending is due to more affluent, white home-seekers coming into those historically underserved communities⁶.



Panel 3: Homeownership rates remain lowest in Grand Rapids City in part due to higher mortgage denial rates in the city.



While these trends reveal increases in homeownership opportunities, most of the increase in lending in low-to-moderate income and neighborhoods of color comes from the entrance of higher income, white, Non-Hispanic borrowers. Since 2018, higher income borrowers have increased by 14% in low-to-moderate income neighborhoods, while borrowers with income less than 80% of neighborhood median income grew by only 1%. This trend is most apparent in the neighborhoods surrounding downtown as shown in Panel 4 in the next section. For more data, Appendix 5 summarizes this data by neighborhood and township.

⁶ In this report we define higher income homebuyers as those with incomes 120% or greater than the neighborhood's median income. This is based on the income reported by the applicant available in HMDA data.

Even with the increases for those lower income and neighborhoods of color (and despite that the growth in lending not benefiting the historically underserved) overall lending volume remains low in those neighborhoods. From 2018 to 2021, there were 25% more loan originations per capita in higher income neighborhoods. The disparities by race are even more profound with 5.9 originations per 100 population in tracts with predominantly Black or Hispanic residents, compared to 8.5 in tracts with predominantly white residents – 44% more.

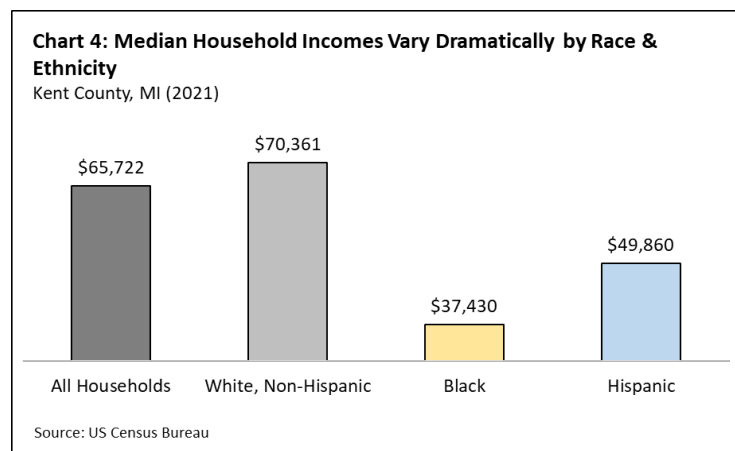
Progress, in other words, is not really progress for all. Mortgage outcomes vary dramatically by people and place in Kent County with Black and Hispanic borrowers and neighborhoods of color having much higher denial rates and higher interest rates.

Digging in deeper into what is driving some of the variations in lending patterns by neighborhood and township, we look at variations by race and ethnicity. Across the county, denial rates for Black loan applicants were 10.7% - meaning that one in every ten loan applications for Black borrowers was denied by the lender. For Hispanic applicants, the denial rate was 8.1% and for white, Non-Hispanic applicants, the denial rate was the lowest of all racial and ethnic groups defined by HMDA at 4.1%.

Where is it higher? Within neighborhoods of color, white, Non-Hispanic applicants had a 5.8% denial rate compared to Black (12.0%) and Hispanic (11.0%) that had nearly double the rate of denial. Instead of improving access to credit for many, the lending in historically underserved neighborhoods is characterized by high numbers of higher income homebuyers taking stake in neighborhoods that have lower housing costs, subsequently increasing home values and pushing many of those existing residents out – allowing income and wealth inequality to grow and further widening the homeownership gap.

Income Disparities a Symptom of Generational Housing Inequality

Median income not only gives us insight into who has been historically restricted by access to income, wealth, and opportunity, it helps us understand the extent to which certain groups will be most impacted by increases in housing costs. With Black households having a median income of just over \$37,000, white, Non-Hispanic households have a median income nearly twice that of just over \$70,000. Hispanic median income is at \$50,000. In the past decade, Black median household income has increased by 57% while Hispanic (+45%) and white, Non-Hispanic (+38%) have increased at lower rates. These increases have not done enough to offset the affordability and access to mortgage lending challenges faced by households of color. Chart 4 shows the differences in median household income by race and ethnicity.



Non-Hispanic households have a median income nearly twice that of just over \$70,000. Hispanic median income is at \$50,000. In the past decade, Black median household income has increased by 57% while Hispanic (+45%) and white, Non-Hispanic (+38%) have increased at lower rates. These increases have not done enough to offset the affordability and access to mortgage lending challenges faced by households of color. Chart 4 shows the differences in median household income by race and ethnicity.

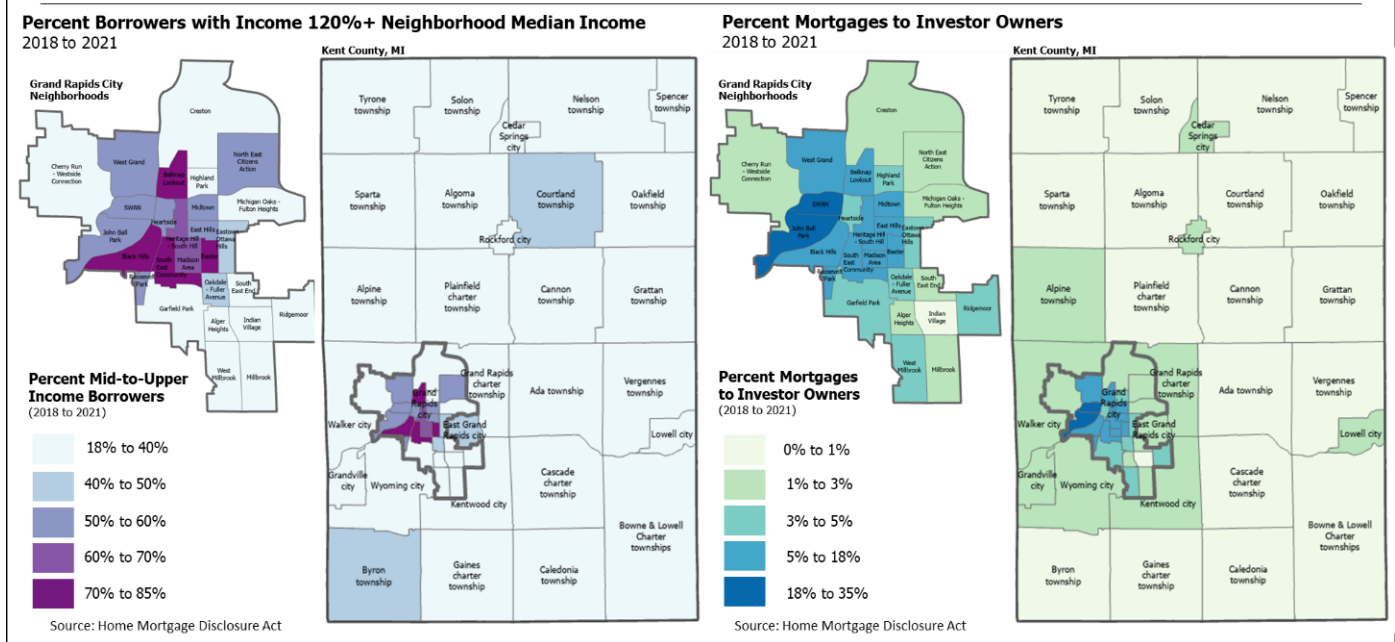
While this doesn't give us a totally clear picture of how affordability can disparately impact communities of color, it is at least a starting point. In Kent County, instead of affordable housing options going to lower-income households, they are going to higher income, frequently white, Non-Hispanic households, increasing home prices along the way. Mortgage lending data offers more insight into who is buying homes and where.

Some Neighborhoods Flooded with Higher Income Borrowers

Across the country, historically underserved neighborhoods of color have become popular destinations for higher income homebuyers. This further widens the homeownership gap by leading to displacement, which allows affordability to decline and restricts access to mortgage credit.

As home values (and more recently, mortgage interest rates) rise, fewer upper income homebuyers are purchasing homes in higher priced neighborhoods, possibly because they themselves have been priced out. As a popular, lower cost option, low-to-moderate income neighborhoods – often neighborhoods of color – are targeted by those higher income households. Lower income households are being pushed out of the homeownership race.

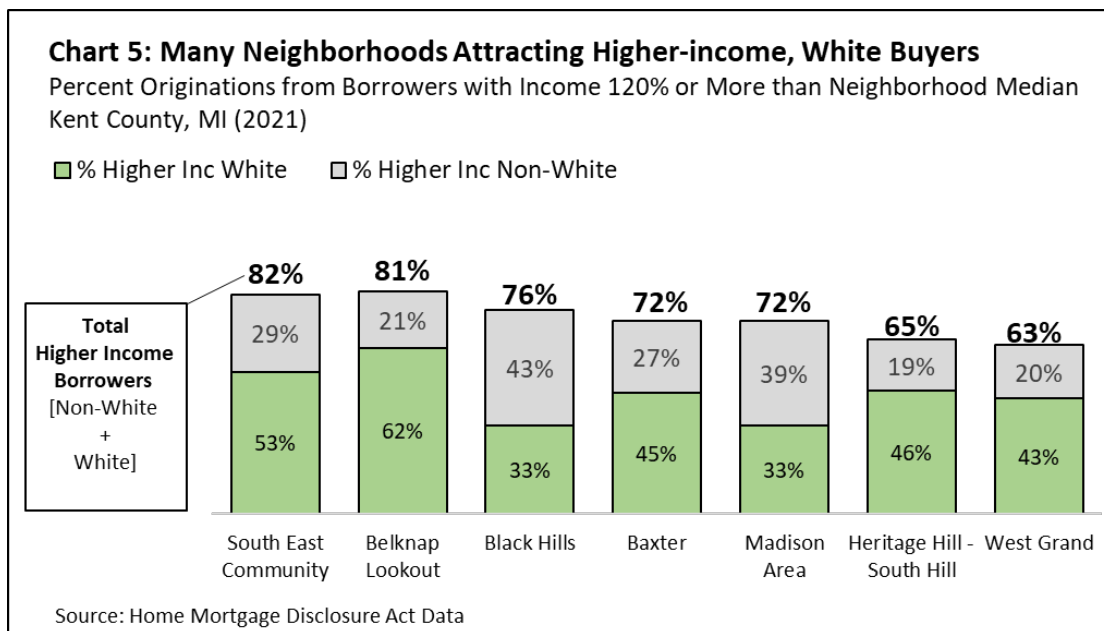
Panel 4: Grand Rapids City neighborhoods like Black Hills and South East Community are showing familiar signs of gentrification as higher income home seekers and investment properties are on the rise.



This process of more affluent, predominantly white homebuyers moving into historically underserved neighborhoods can lead to gentrification⁷ – several neighborhoods across the City of Grand Rapids are showing signs of this occurring. Gentrifying neighborhoods offer many of the amenities sought by higher income households; they are closer to downtowns, are relatively cheap in comparison to other neighborhoods (and have more room to increase in value), they are in closer proximity to jobs, restaurants, and entertainment, and even because those neighborhoods are perceived as gentrifying, and therefore, now desirable to the new buyer. Panel 4 shows how this phenomenon is playing out in Kent County, with the left map showing that areas of the city are attracting more upper income borrowers while the right map shows that outside investors are also making moves to buy more city properties in the city.

⁷ Gentrification: a process in which a poor area (as of a city) experiences an influx of middle-class or wealthy people who renovate and rebuild homes and businesses and which often results in an increase in property values and the displacement of earlier, usually poorer residents. <https://www.merriam-webster.com/dictionary/gentrification>

Based on recent mortgage lending data, growth in lending opportunities in some neighborhoods of color comes from the entrance of higher income, predominantly white, Non-Hispanic borrowers. In fact, in 2021, nearly half of loan originations in Kent County’s low-to-moderate neighborhoods were higher income borrowers. More than 80% of those higher-income buyers are white, Non-Hispanic⁸. Fewer than 350 of 2,700 loans in 2021 in low-to-moderate income neighborhoods went to lower income, households of color. Chart 5 shows that many neighborhoods are flooded with upper income, predominantly white homebuyers.



Neighborhoods like South East Community, Belknap Lookout, Baxter and Black Hills all had more than 70% of mortgage originations from homebuyers with incomes greater than 120% of the neighborhood's median income levels, with many of those from upper income, white, Non-Hispanic borrowers.

These trends are changing the race and ethnicity of our neighborhoods. The next section looks at the area’s changing demographics and signs of gentrification. Comparing the change in race and ethnicity across the City of Grand Rapids’ neighborhoods to outlying townships, specifically those in northern and southern portions of the County highlights two contrasting trends of neighborhood change - gentrification and displacement. Changes to the historic race and ethnicity of neighborhoods indicate that some neighborhoods surrounding downtown like Baxter and Heritage Hill – South Hill have made gains in homeownership for new, primarily white, and affluent residents, at the cost of the displacement of lower-income, often Black residents, who have called these neighborhoods home for generations.

Gentrification & Changing Demographics

The story of gentrification is playing out in many historically underserved neighborhoods across the nation including Grand Rapids. Fair lending and mortgage disparities play a critical role. In neighborhoods of surrounding downtown that historically had predominantly Black residents, the influx of upper-income, mostly white homebuyers, increasing investor purchases, and skyrocketing home prices point to gentrification. Gentrification may give the impression that a neighborhood is improving – but not for

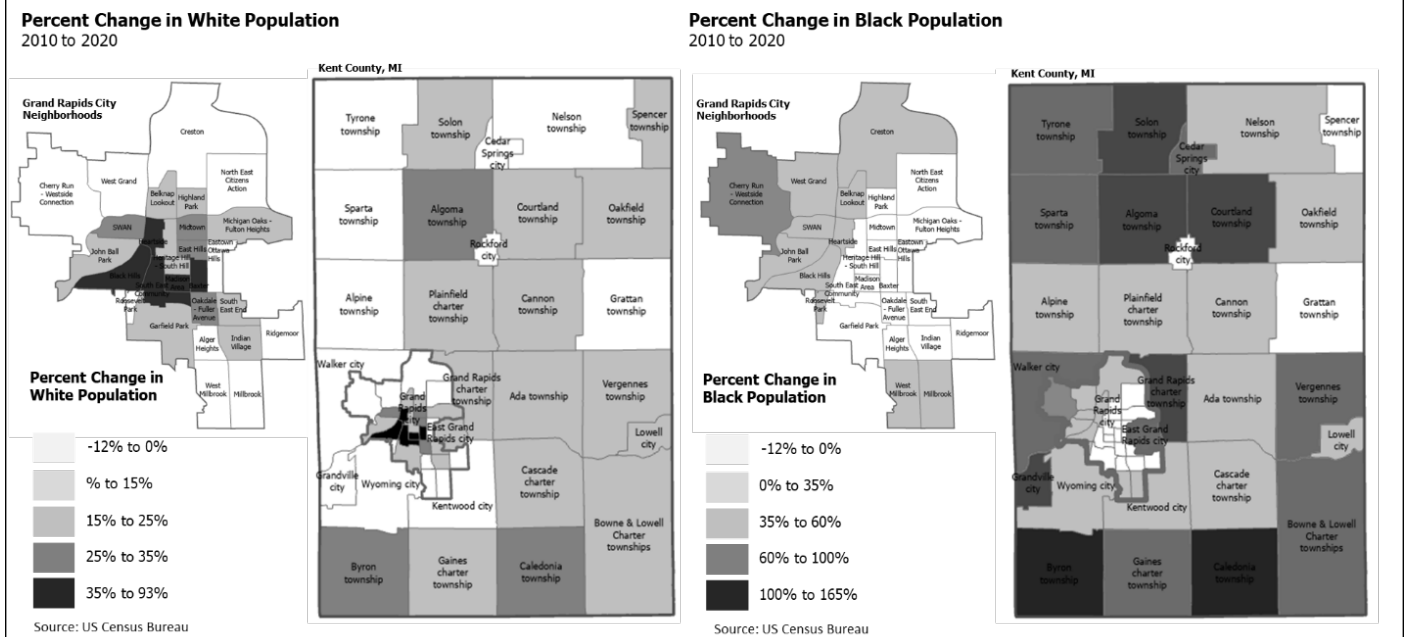
⁸ Excluding applications where race & ethnicity is unknown.

historically underrepresented groups who are often displaced. Mortgage data points to this and is backed up with data from the Census Bureau.

From these datasets, we see the extent to which the population of Black residents in the City of Grand Rapids is decreasing, as the white, Non-Hispanic population increases. Meanwhile, the population of Black residents in the County's outermost townships is increasing the most. Highlighted by the maps in Panel 5, many neighborhoods in the City of Grand Rapids such as South East Community (+61% white, Non-Hispanic population, -3% Black population), Madison Area (+82% and -4%) and Baxter (+93% and -1%) have had the most increase in white population over the past decade while the city's Black population has largely declined in most neighborhoods.

Townships in the southern portion of the county like Byron (+19% white, Non-Hispanic population, +168% Black population) and Caledonia (+21% and +162%) have had the highest increases in Black population while townships in the northern County like Algoma (+20% and +73%), Courtland (+12% and +65%) and Solon (+4% and +62%) have had dramatic increases, as well. This data is available in Appendix 2.

Panel 5: Many neighborhoods in Grand Rapids City such as South East Community, Madison and Baxter have had the most increase in White population over the past decade while the city's Black population has largely declined in most neighborhoods.



The population of Hispanic residents has grown the fastest in the Courtland (+144%), Byron (+114%) and Grand Rapids Charter Townships (+123%) – all with increases of 110% or more from 2010 to 2020. The areas with the largest Hispanic population are Alpine Township (14.5% Hispanic), the City of Grand Rapids (16.7%), the City of Kentwood (10.8%), Tyrone Township (12.3%) and the City of Wyoming (25.4%). Within the City of Grand Rapids, Black Hills (63.6%), Garfield Park (47.8%) and Roosevelt Park (73.7%) have the highest populations of Hispanic residents.

Given the existing disparities in income by race and ethnicity, the influx of higher income residents typically means that there will be an increase in the more affluent, white, Non-Hispanic population (shown in Chart 3) moving in. In this way, the benefits of increasing homeownership in gentrifying neighborhoods

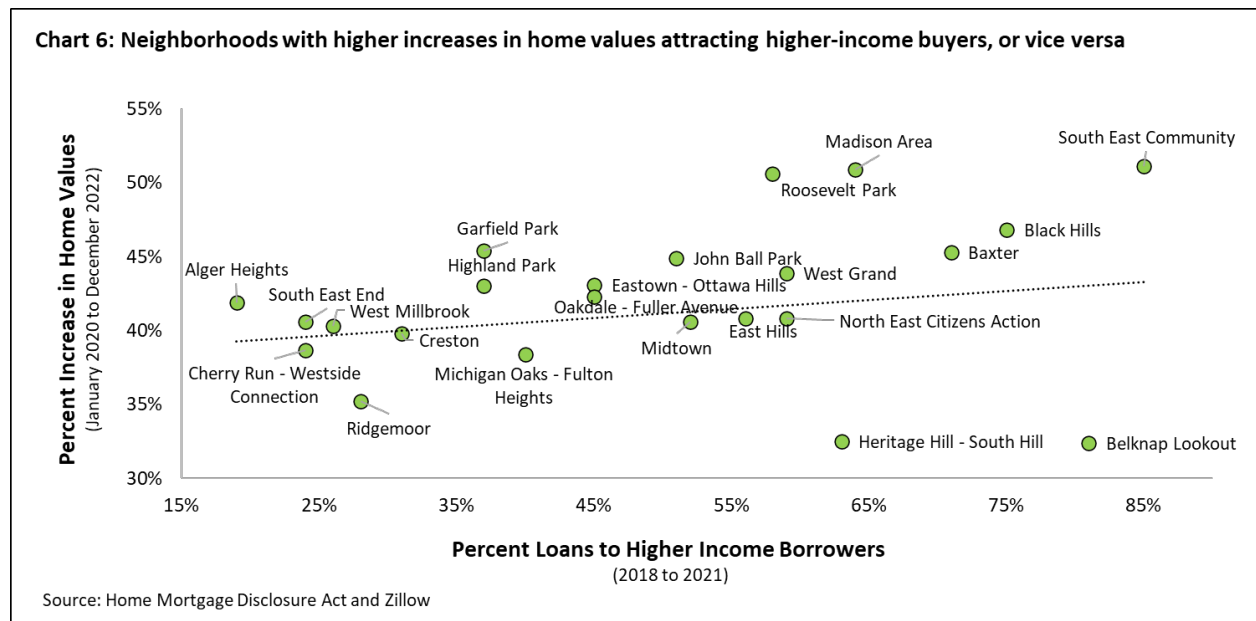
do not go to long-time low-to-moderate income residents of color, who have suffered the effects of historic disinvestment, but rather to new more affluent, often white, Non-Hispanic residents.

Another indicator of neighborhoods that are receiving more interest from non-residents is the percentage of mortgages from investor borrowers. The map on the right side of Panel 4 tells us that neighborhoods in the City of Grand Rapids are becoming attractive targets for investment properties. From 2018 to 2021, neighborhoods like John Ball Park (35% of mortgages to investor borrowers), South East Community (22%) and Black Hills (16%) had a significant portion of mortgage loans originated to investors. These numbers do not include purchases of properties from cash buyers. Many of these investor-purchased homes will be put up for rent and taken away as options for future a homeownership opportunity.

As more neighborhoods become more popular with higher income households and outside investors, affordability takes a hit.

Home Values Pushing Neighborhoods Out of Reach

Along with the increase in loan originations and more affluent homebuyers pouring into more affordable neighborhoods, the corresponding rise in home prices is another sign that these neighborhoods are moving out of reach of low-to-moderate income residents of color.



From January 2020 to December 2022, home values in Kent County increased by 40% from \$217,000 to just over \$300,000. Over the course of three years, some of the area’s most affordable neighborhoods have seen their home values skyrocket given their historically low home values and the higher-income demographics that have moved in and driven those home values up (Chart 6).

Just a few short years ago, Baxter, John Ball Park, and South East Community had home values in the \$120,000 to \$180,000 range. Most recently, those values have increased to over \$180,000 to \$260,000. Overall, lower income, neighborhoods of color had much higher increases in housing costs. The estimated average increase in home values in Grand Rapids City’s eight predominantly neighborhoods of color was

47% from January 2020 to December 2022 while the increase in predominantly white neighborhoods was 36%.

At the same time, denial rates for Black borrowers in Madison Area (4.5x higher), South East Community (2x), and Roosevelt Park (1.5x) were noticeably higher than denial rates for white, Non-Hispanic borrowers in those neighborhoods. Some neighborhoods like John Ball Park and Baxter simply had so few applications from borrowers of color which may indicate that Black borrowers are not being marketed to for mortgage products or potentially even being steered away before an application can be submitted. This poses more barriers to accessing increases in home values or becoming homeowners. Higher home values are not only keeping out potential homebuyers of color, they are also raising rents and costs for the longtime residents of color in the neighborhood, leading to their displacement.

Behind the disparities by neighborhood, race, and ethnicity are the lenders that make the decisions on whether borrowers have access to the credit needed to build generational wealth through homeownership. As gentrification takes hold, affordability takes a hit, and people are pushed out, we must rely on our mortgage lending community to provide equitable lending opportunities for historically underserved neighborhoods.

Mortgage Lending Disparities

Mortgage lending data can tell us how different groups are being treated in a particular housing market. It can tell us who has access to the credit necessary to purchase a home, and who does not. Given the disparities by race and ethnicity persisting in mortgage lending, it is likely that disparities in homeownership will get wider until we are able to create a more equitable housing market in Kent County. While policies such as the Community Reinvestment Act and the Fair Housing Act give us a means to further the principles of fair lending, we can see, through reports such as this, that those impacts are limited and the need for more intervention is growing.

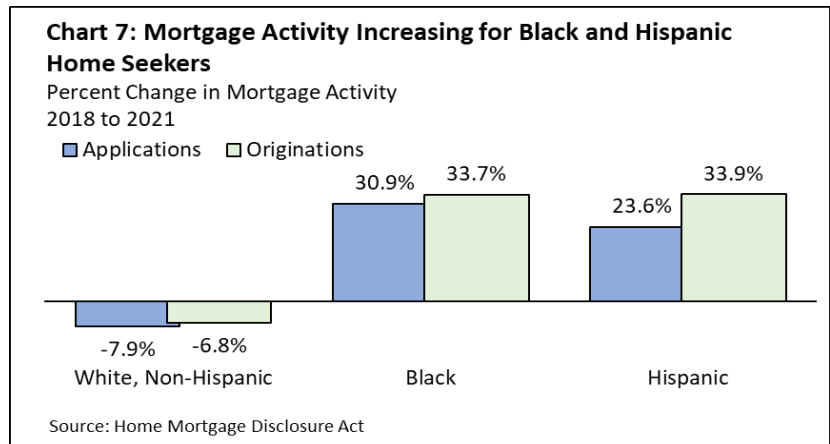
As outlined by the Office of the Comptroller of the Currency (OCC), the “Community Reinvestment Act (CRA) was enacted in 1977 to prevent redlining and to encourage banks and savings associations (collectively, banks) to help meet the credit needs of all segments of their communities, including low- and moderate-income neighborhoods and individuals. The CRA extended and clarified the long-standing expectation that banks will serve the convenience and needs of their local communities.”

Along with CRA, we have the Fair Housing Act to address housing inequality. Addressing housing inequality in Kent County requires us to investigate applications, denials, and originations for certain groups that are protected under the federal Fair Housing Act. A disparity by race or ethnicity alone may not conclude that there are fair lending violations. However, it gives us some direction into where we may need to further examine lending activity by any lender. Fair housing organizations and government regulators often review specific HMDA data sets to determine if any disparities rise to fair lending concerns. We start with applications and originations, two key data points in determining CRA (and Fair Housing) compliance and possible lending discrimination.

New Heights for Mortgage Lending, but Disparities Persist

Gentrification is pushing many low-income and households of color out of their historic communities. However, there are signs of increasing access to mortgage lending for impacted households as mortgage applications and originations have increased for Black and Hispanic home-seekers.

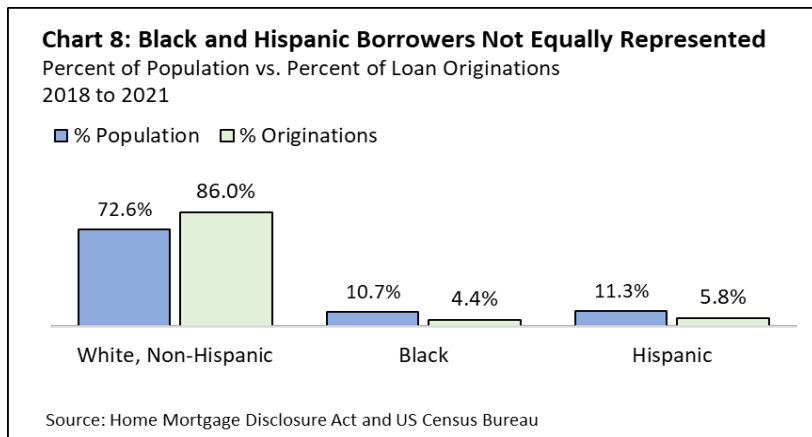
Chart 7 shows the increase in loan applications and originations from 2018 to 2021 by race and ethnicity. The growth in lending to Black and Hispanic borrowers is not from the 25 largest lenders, it is from the smaller lenders. While applications from white, Non-Hispanic borrowers have declined in the past few years, applications from Black home-seekers increased more than 30% total (+12% for the top 25 lenders and by +75% for all other lenders). There has been a similar trend for Hispanic home-seekers.



This is promising, yet the dramatic disparities persist, and the homeownership gap is growing wider, especially for Black households. There is still much to do to eliminate disparities in mortgage lending and close the homeownership gap. Equal representation in the mortgage and homeownership still seriously lags for Black and Hispanic households.

Mortgage Lending Not Representative of the Area’s Demographics

With mortgage lending being necessary for homeownership, Kent County’s Black and Hispanic communities have substantially less lending activity. Chart 8 shows how the County’s Black households are particularly impacted with a much lower percentage of loans going to Black borrowers when compared to the overall percent of the population in the area that are Black.



Despite representing 11% of the County’s population, Black borrowers only account for 4% of mortgage originations. And although Hispanic people represent 11% of the population, they account for less than 6% of mortgage loans. On the other end, white, Non-Hispanic people account for 73% of the area’s population and 86% of the mortgage loans originated. Note that these numbers do not include loans where the race and ethnicity were unknown.

Denied More, Pay More: Lending Disparities Persist

Despite record-setting increases in mortgage lending in the past four years, many residents and neighborhoods are being left behind, unable to gain access to the credit needed to become homeowners.

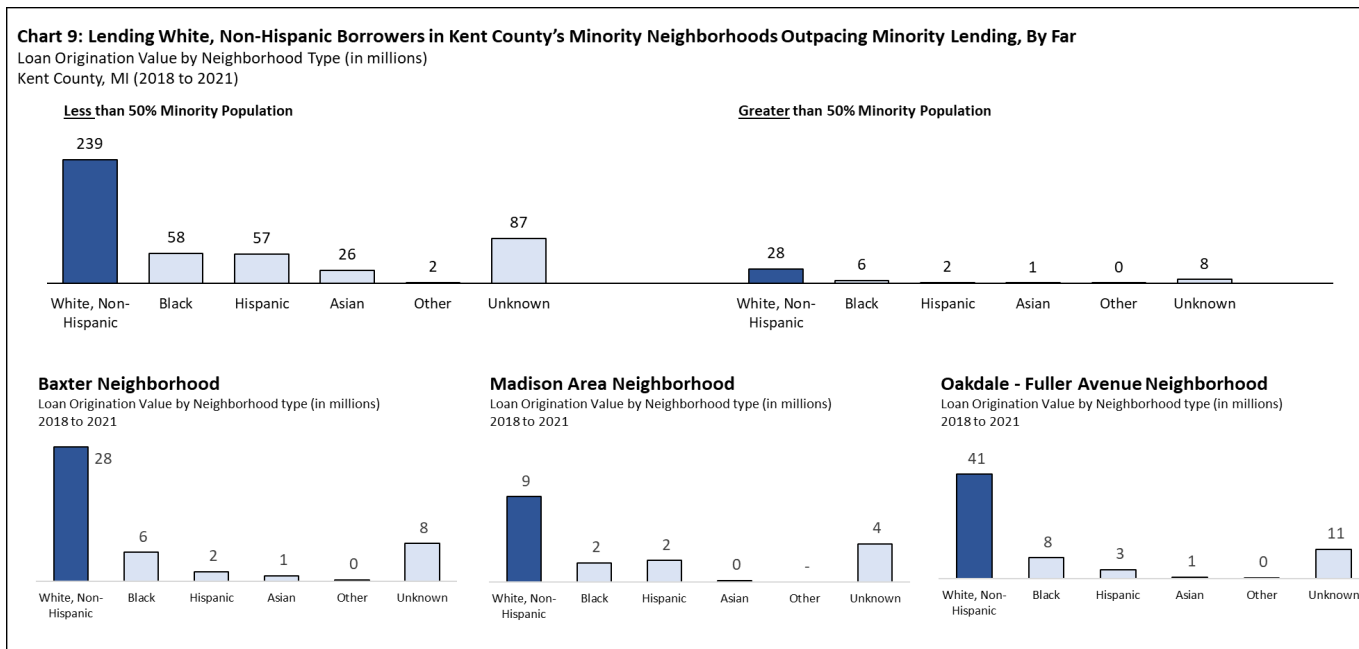
Some of the gains in neighborhoods of color are positive, but insufficient. Representation by households of color in the Kent County mortgage market is low. Denial rates remain twice as high for Black and Hispanic homeseekers and for those that do get loans, they are paying more, with average interest rates nearly double for Black and Hispanic households.

More needs to be done to improve lending opportunities for borrowers of color. We need to close the denial gap so we can eliminate the homeownership gap. Namely, 75% of white households in Kent County are homeowners compared to just 36% of Black and 51% of Hispanic households.

It starts with lending decisions and the next section looks at the lenders behind the disparities by neighborhood and borrowers. Even in neighborhoods of color like Baxter, South East Community or John Ball Park denial rates for Black and Hispanic borrowers are much higher than the denial rate for white, Non-Hispanic borrowers. And in terms of loan value, white, Non-Hispanic borrowers drive the vast majority of loan origination amount.

Neighborhoods of Color Treated Differently

Neighborhoods of color received a significantly lower amount (in \$) of loans originated as the vast majority of lending in those neighborhoods goes to white, Non-Hispanic borrowers. Overall, less than \$470 million in mortgage loans originated in predominant neighborhoods of color compared to \$9 billion in



predominantly white, Non-Hispanic areas. Of the \$470 million in lending to neighborhoods of color, \$239 million went to white, Non-Hispanic borrowers while \$58 million went to Black borrowers, \$57 million went to Hispanic borrowers, \$25 million went to Asian borrowers, and \$90 million went to borrowers whose race or ethnicity was unknown (Chart 9).

Historic neighborhoods of color like Baxter, Madison Area, Oakdale – Fuller Avenue and South East Community all had three to five times more lending activity to white, Non-Hispanic borrowers compared to Black borrowers. Other neighborhoods with large Hispanic populations like Black Hills and Roosevelt

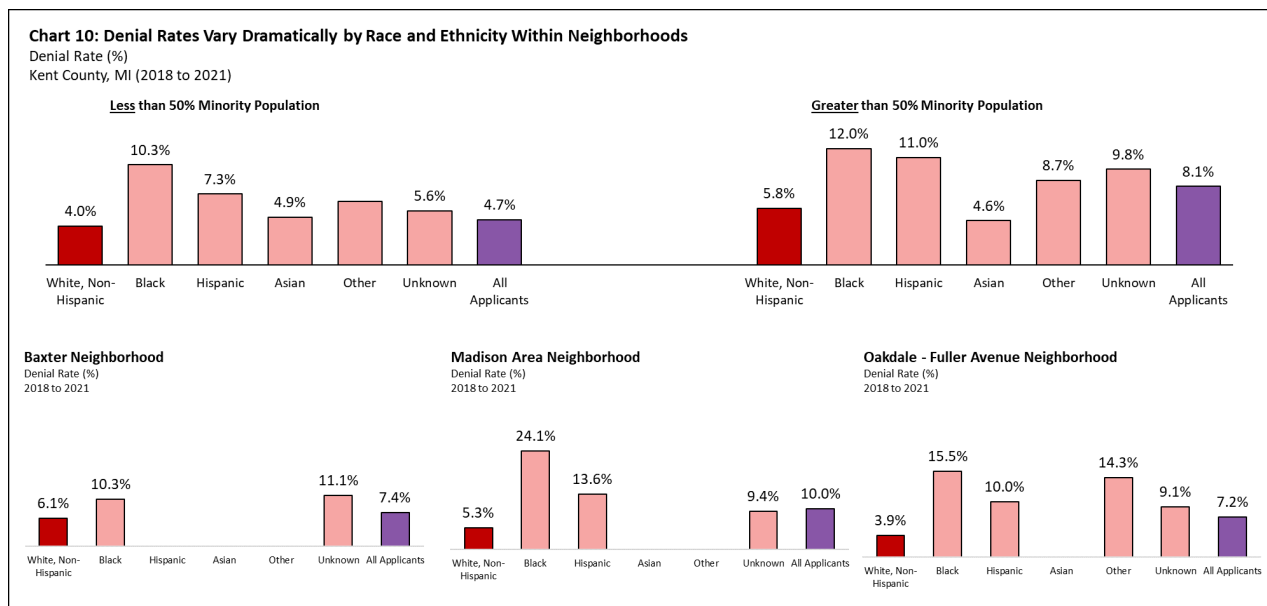
Park each had around \$9 million in lending activity over the past four years, with less than a third going to Hispanic borrowers, despite representing more than 65% of the population.

Why does more mortgage value go to white, Non-Hispanic borrowers? Part of it is because denial rates are significantly higher for borrowers of color. Neighborhoods of color also have noticeably higher denial rates compared to neighborhoods with predominantly white residents. In predominantly white, Non-Hispanic neighborhoods, the denial rate was 4.7% over the past four years while the denial rate in neighborhoods with predominantly Black or Hispanic residents was 8.1%.

Even within neighborhoods of color, Black and Hispanic borrowers are nearly twice as likely as white, Non-Hispanic borrowers to be denied. Denial rates (Chart 10) are much higher for Black or Hispanic applicants in predominantly white, Non-Hispanic neighborhoods with white, non-Hispanic applicants being denied 5.8% of the time while the denial rate for Black and Hispanic applicants was more twice that rate ranging from 11% to 12%.

Looking at this in neighborhoods with predominantly Black residents, Oakdale – Fuller had a 3.9% white, Non-Hispanic denial rate while Black applicants were denied at nearly four times that rate (15.5%). Madison Area neighborhood had an even more dramatic trend of 5.3% for white, Non-Hispanic and 24.1% for Black applicants. Baxter had a similar trend between Black and white, Non-Hispanic home-seekers.

The next sections summarize application, denial rate, origination rate and interest rate trends by race and ethnicity with more detail on disparities on a lender-by-lender basis for the top 25 lenders in Kent County.



Lenders Drive Lending Disparities

At the heart of these disparities are the lenders that make the decisions on where they will market their products, which applications they will process and where they will underwrite loans. While there have been nearly 500 mortgage lenders active in Kent County over the past four years, more than three-quarters of loan originations are accounted for by the top 25 lenders. These “Top 25 Lenders” are a mix of national, regional, and local lenders that together originated more than \$7.3 Billion of the total \$9.7 Billion in mortgage originations in

Despite the Disparity, Progress

Although the Black and Hispanic population each account for 11% of the County’s population, the Hispanic population generated 35% to 50% more loan applications and originations than Black home-seekers – a trend that we have seen in the county since 2008. This is key to helping us understand the increase in Hispanic homeownership from 2000 to 2020 relative to a dramatically declining Black homeownership rate during that time (Chart 1). However, although progress in the Hispanic homeownership rate has been made, it is still substantially lower than the overall homeownership rate (51% compared to 70% overall).

Table 1: Top 25 Lenders in Kent County, Michigan

Ranked by Total Amount of Originated Mortgages 2018 to 2021

First Lien, Home Purchase loans. Approvals includes originations and approved loans. All numbers exclude purchased loans.

Source: Home Mortgage Disclosure Act.

Lender	Loan Applications	Loans Originated	Origination Rate	Total Amount of Originated Loans	Average Loan Origination Amount
Lake Michigan Credit Union	10,652	9,024	84.7%	2,225,760,000	246,649
Neighborhood Loans	3,464	2,866	82.7%	629,800,000	219,749
Independent Bank	1,888	1,548	82.0%	409,120,000	264,289
Finance of America Mortgage LLC	1,604	1,345	83.9%	275,885,000	205,119
AmeriFirst Home Mortgage	1,445	1,250	86.5%	227,780,000	182,224
Huntington National Bank	1,465	1,168	79.7%	273,500,000	234,161
Mortgage 1 Incorporated	1,350	1,165	86.3%	219,055,000	188,030
Fifth Third Bank, National Association	1,579	1,154	73.1%	265,830,000	230,355
Mercantile Bank of Michigan	1,389	1,077	77.5%	293,405,000	272,428
United Wholesale Mortgage	1,209	1,068	88.3%	246,730,000	231,021
Northern Mortgage Services, LLC	1,105	965	87.3%	205,305,000	212,751
Quicken Loans	1,199	923	77.0%	203,745,000	220,742
Ark-La-Tex Financial Services LLC	975	846	86.8%	183,080,000	216,407
Old National Bank	985	839	85.2%	238,445,000	284,201
Churchill Mortgage Corporation	910	768	84.4%	147,980,000	192,682
Consumers Credit Union	996	762	76.5%	180,000,000	236,220
Northpointe Bank	943	723	76.7%	174,065,000	240,754
Inlanta Mortgage Inc.	826	722	87.4%	152,580,000	211,330
VanDyk Mortgage Corporation	888	708	79.7%	131,670,000	185,975
JPMorgan Chase Bank, NA	915	690	75.4%	165,860,000	240,377
Success Mortgage Partners Inc.	801	686	85.6%	126,170,000	183,921
Union Home Mortgage Company	700	599	85.6%	118,395,000	197,654
Flagstar Bank	685	506	73.9%	94,240,000	186,245
CHEMECAL BANK	521	431	82.7%	114,005,000	264,513
PRIMELENDING	466	406	87.1%	91,650,000	225,739
Top25	38,960	32,239	82.7%	7,394,055,000	229,351
All Other	13,477	10,249	76.0%	2,293,485,000	223,776
Total for Kent County	52,437	42,488	81.0%	9,687,540,000	228,006

Kent County from 2018 to 2021. These 25 lenders had nearly 40,000 loan applications and 32,000 originations. More lender level detail is available in Appendix 6 and 7 at the end of this report.

Lake Michigan Credit Union was, by far, the largest lender with more than 9,000 loans originated, valuing more than \$2.2 billion. Neighborhood Loans had the next highest number of loans originated with 2,866 and Independent Bank had just over 1,500 loans originated from 2018 to 2021. Together, those three lenders account for a third of mortgage originations with Lake Michigan Credit Union accounting for nearly a quarter of all loans in Kent County.

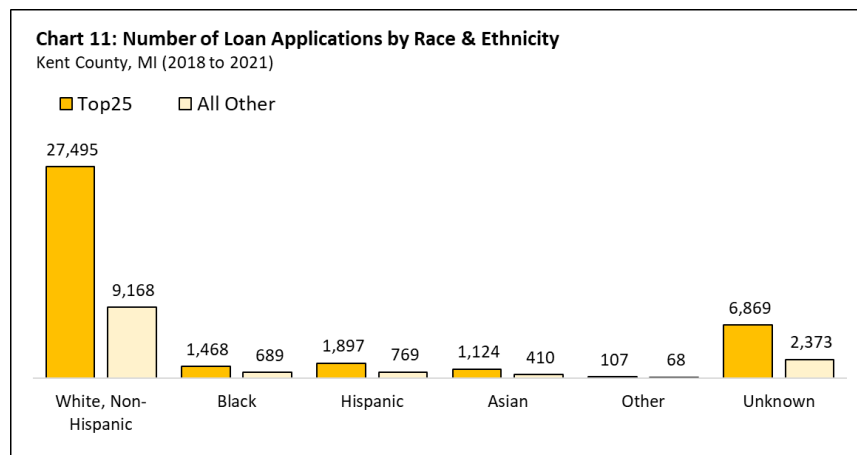
Not only are application amounts by race and ethnicity not representative of the County’s population – with Black and Hispanic borrowers far underrepresented, but denial rates are also higher. Within the top 25, disparities by race and ethnicity thrive with white, Non-Hispanic borrowers having a 3.7% denial rate, compared to a 10% denial rate for Black applicants. Here is a summary of which lenders are serving the historically underserved parts of our County and which ones are not.

Applications

To become a homeowner, access to credit is key. Loan applications help us understand who is applying for a mortgage to become a homeowner. Reaching borrowers of color and other underserved demographics early in the mortgage process is one of the first steps in building homeownership. While some lenders are receiving significant portions of their applications from Black and Hispanic applicants, some lenders have very few applicants of color. This can be influenced by various factors such as overall lending strategy, marketing efforts, and even bias by a loan officer. A key driver of this is where bank branches are located. Since 2000, 7 of 9 bank branches in our historically Black neighborhoods have closed. Loan application disparities, as you will see, reflect this. We will dig further into that trend later.

Black and Hispanic Residents Are Underrepresented in Mortgage Applications

From 2018 to 2021, the top 25 lenders in Kent County received more than 38,000 loan applications out of a total 52,000 for all lenders. Of those applications from top 25 lenders, only about 1,500 are from Black applicants, 2,000 from Hispanic applicants and 1,100 from Asian applicants (Chart 11). The race and ethnicity of around 9,000 applicants was unknown.



Collectively amongst the top 25, 86% of applications are from white, Non-Hispanic home-seekers with another 4.5% (Black) and 5.9% (Hispanic) from households of color, despite those groups each representing 11% of the County’s population, as mentioned earlier.

Table 2: Top 5 Lenders for Black Applications

Lenders with Highest % of Their Applications from Black Home Seekers

	White, Non-Hispanic		Black	
	#	%	#	%
VanDyk Mortgage Corporation	490	58.4%	89	10.6%
Northpointe Bank	680	82.9%	80	9.8%
Finance of America Mortgage LLC	1,054	77.2%	122	8.9%
Success Mortgage Partners Inc.	400	83.0%	37	7.7%
Flagstar Bank	482	81.8%	43	7.3%

Table 3: Bottom 5 Lenders for Black Applications

Lenders with Lowest % of Their Applications from Black Home Seekers

	White, Non-Hispanic		Black	
	#	%	#	%
Old National Bank	866	92.6%	20	2.1%
Lake Michigan Credit Union	6,858	90.1%	206	2.7%
Consumers Credit Union	750	84.7%	24	2.7%
Northern Mortgage Services, LLC	982	90.5%	33	3.0%
Independent Bank	1,623	90.9%	58	3.2%

Even with these dramatic lending disparities by race and ethnicity, some lenders do a far better job at serving Kent County's Black and Hispanic communities while some do a worse job. For instance, lenders with the highest percentage of their applications from Black applicants (Table 2) include VanDyk Mortgage Corporation (10.6%), Northpointe Bank (9.8%) and Finance of America Mortgage (8.9%). Lenders with the lowest percentage of their applications from Black applicants (Table 3) were Old National Bank (2.1%), Lake Michigan Credit Union (2.7%), Consumers Credit Union (2.7%), Northern Mortgage Services (3.0%) and Independent Bank (3.2%).

Application Trends for Hispanic Applicants

Over the past four years, Hispanic applicants have accounted for close to 6% of all applications. Although that representation is still much lower than their 11% share of the County’s population, it is still much higher than the volume of applications from Black home-seekers. Since 2008, there have been approximately 30% to 70% more applications from Hispanic home-seekers annually compared to Black applicants. Access to mortgage credit is key to building homeownership. These numbers help piece together an understanding of why Hispanic homeownership has increased by more than 15% since 2000 while Black homeownership in the county has declined by 12% (Chart 1).

Table 4: Top 5 Lenders for Hispanic Applications				
Lenders with Highest % of Their Applications from Hispanic Home Seekers				
	White, Non-Hispanic		Hispanic	
	#	%	#	%
VanDyk Mortgage Corporation	490	58.4%	239	28.5%
Fifth Third Bank, National Association	904	63.1%	177	12.4%
Finance of America Mortgage LLC	1,054	77.2%	150	11.0%
Union Home Mortgage Company	562	83.9%	63	9.4%
Consumers Credit Union	750	84.7%	82	9.3%

Table 5: Bottom 5 Lenders for Hispanic Applications				
Lenders with Lowest % of Their Applications from Hispanic Home Seekers				
	White, Non-Hispanic		Hispanic	
	#	%	#	%
Old National Bank	866	92.6%	15	1.6%
Churchill Mortgage Corporation	781	91.0%	18	2.1%
Independent Bank	1,623	90.9%	65	3.6%
Neighborhood Loans	2,407	89.2%	101	3.7%
Lake Michigan Credit Union	6,858	90.1%	289	3.8%

Lenders that serve the Hispanic community (Table 4) as evidenced by a higher percent of their applications coming from Hispanic home-seekers include VanDyk Mortgage Corporation (28.5%), Fifth Third Bank (12.4%), and Finance of America Mortgage (11%).

Lenders with the lowest percentage (Table 5) of their applications from Hispanic applicants was Old National Bank (1.6%), Churchill Mortgage Corporation (2.1%), and Independent Bank (3.6%).

Denial Rate for Black Applicants More than Double the Denial Rate for White Applicants

Lenders have all of these applications, now they have to decide whether or not to give the applicant a loan. While Black and Hispanic home-seekers are underrepresented in Kent County’s mortgage market through number of applications (Chart 8 and 11), denial rate disparities further inhibit households and neighborhoods of color from becoming homeowners. Amongst the top 25 lenders in Kent County, the denial rate for all applicants was 5.0% and was more than double that rate for Black applicants at 10.7%. white, Non-Hispanic applicants had the lowest denial rate of all groups of 4.1%.

Table 6: Top 5 Lenders for Black Denial Rate		
Lenders with Highest Denial Rate for Black Home Seekers		
	White, Non-Black	Black
	Denial Rate	Denial Rate
Ark-La-Tex Financial Services LLC	2.9%	0.0%
Success Mortgage Partners Inc.	2.5%	0.0%
United Wholesale Mortgage	4.4%	0.0%
Churchill Mortgage Corporation	1.0%	3.1%
Mortgage 1 Incorporated	0.9%	3.4%

Table 7: Bottom 5 Lenders for Black Denial Rate		
Lenders with Lowest Denial Rate for Black Home Seekers		
	White, Non-Black	Black
	Denial Rate	Denial Rate
Mercantile Bank of Michigan	6.7%	31.1%
Quicken Loans	11.2%	20.5%
JPMorgan Chase Bank, NA	6.1%	17.2%
Flagstar Bank	16.8%	16.3%
CHEMECAL BANK	3.5%	15.8%

Amongst the top 25 lenders in Kent County, Ark-La-Tex Financial Services, Success Mortgage Partners, and United Wholesale Mortgage each had a zero percent denial rate with each lender having 30 to 50 Black borrower originations apiece (Table 6). Mercantile Bank of Michigan (31% Black applicant denial rate), Quicken Loans (20.5%), and JPMorgan Chase Bank (17.2%) had the highest Black denial rates (Table 7).

Amongst the top 25 lenders in Kent County, Churchill Mortgage Corporation and Mortgage 1 Incorporated each had a zero percent denial rate (Table 8). Chemical Bank (28% Hispanic applicant denial rate), Quicken Loans (21%), and JPMorgan Chase Bank (13%) had the highest Hispanic denial rates (Table 9).

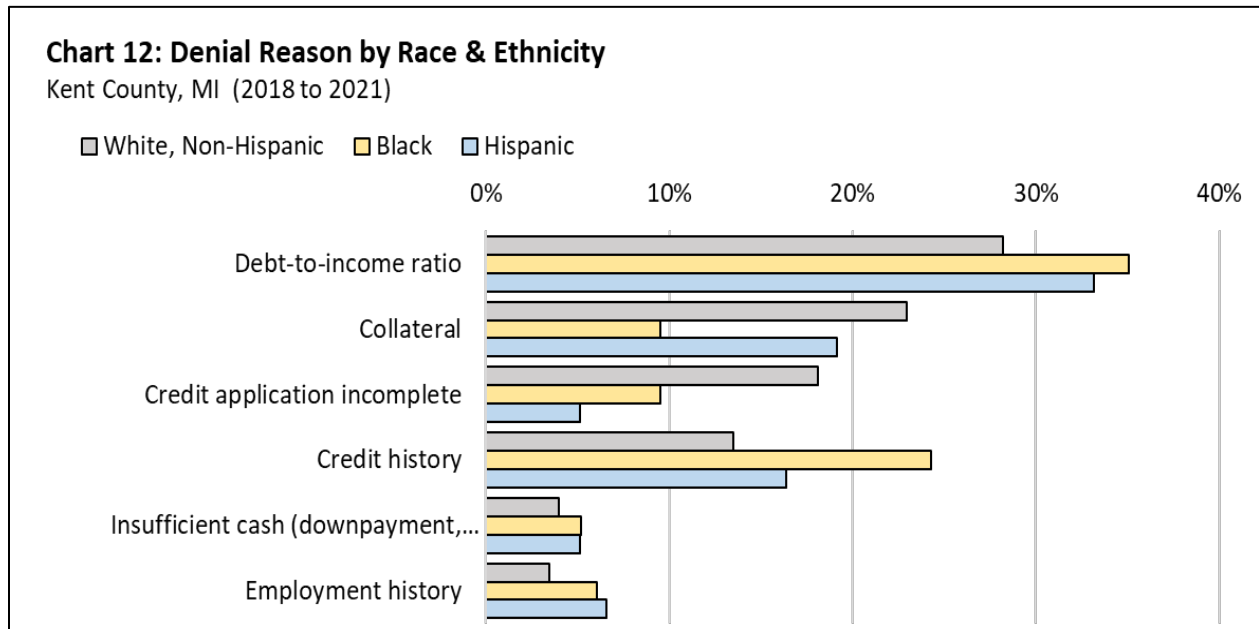
Table 8: Top 5 Lenders for Hispanic Denial Rate		
Lenders with Highest Denial Rate for Hispanic Home Seekers		
	White, Non-Hispanic	Hispanic
	Denial Rate	Denial Rate
Mortgage 1 Incorporated	0.9%	0.0%
Churchill Mortgage Corporation	1.0%	0.0%
United Wholesale Mortgage	4.4%	1.6%
Mercantile Bank of Michigan	6.7%	1.7%
Northern Mortgage Services, LLC	1.2%	2.3%

Table 9: Bottom 5 Lenders for Hispanic Denial Rate		
Lenders with Lowest Denial Rate for Hispanic Home Seekers		
	White, Non-Hispanic	Hispanic
	Denial Rate	Denial Rate
CHEMECAL BANK	3.5%	27.8%
Quicken Loans	11.2%	21.4%
JPMorgan Chase Bank, NA	6.1%	12.9%
PRIMELENDING	1.7%	12.5%
Lake Michigan Credit Union	2.9%	12.1%

Denial Reason

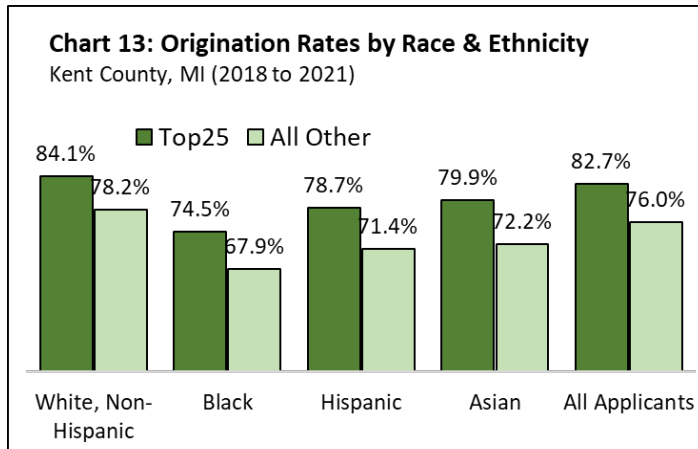
HMDA data also gives us insight into the reasons mortgage applications were denied. The most cited reasons for a mortgage loan denial in Kent County were Debt-to-income ratio (30% of denials listed this reason), Collateral (21%), Credit application incomplete (16%), and Credit history (15%) (Chart 12).

However, within those reasons given are wide variations by race and ethnicity. For instance, 24% of Black applicants were denied based on credit history while 14% of white, Non-Hispanic and 16% of Hispanic applicants were denied for that reason. Employment history is a reason often cited for Black applicants (6% of denials listed this reason) and Hispanic applicants (7%), but not as common for white applicants (3%).

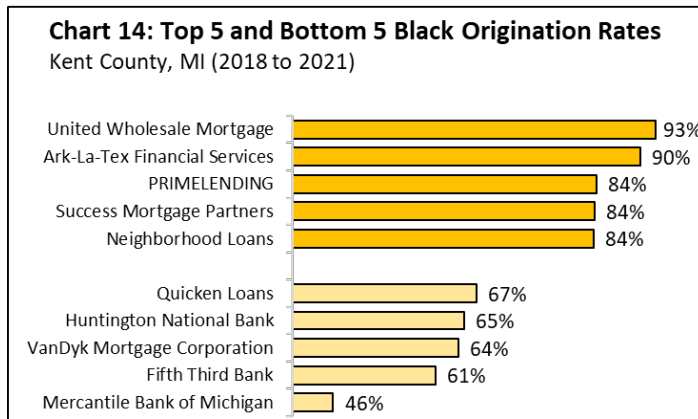


Black Origination Rate Disparity Lingers, Hispanic Rates Improve

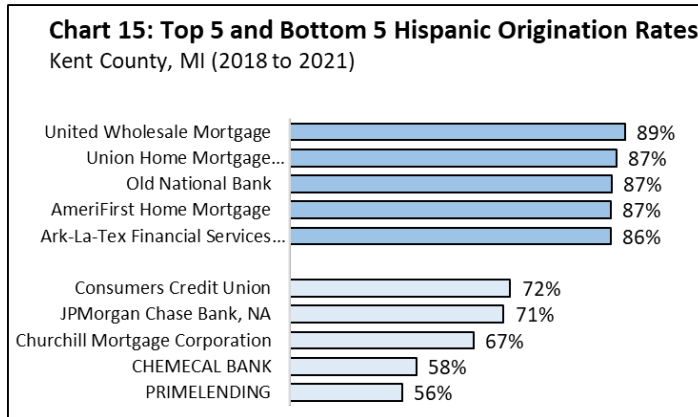
Again, the top lenders in Kent County that originated the most loans were Lake Michigan Credit Union (9,024 originations), Neighborhood Loans (2,866), Independent Bank (1,548), Finance of America



Mortgage (1,345) and AmeriFirst Home Mortgage (1,250). Of those 25 Top lenders, the average origination rate was 83%. This means that they originated 83 out of every 100 loan applications they received⁹. Origination rates are important because they tell us who became a homeowner¹⁰. Across the top 25, origination rates for all applicants ranged from 88% (United Wholesale Mortgage) to a low of 73% (Fifth Third Bank). These trends vary significantly by race and ethnicity (Chart 13).



For Black applicants, United Wholesale Mortgage also had the highest origination rate at 93% while Fifth Third Bank (61%) and Mercantile Bank of Michigan (46%) had the lowest Black applicant origination rates in Kent County (Chart 14).



For Hispanic applicants, Primelending (56.3%) and Chemecal Bank (58.3%) both had origination rates lower than 60% while United Wholesale Mortgage and Union Home Mortgage Company had the highest Hispanic origination rates (Chart 15).

Since 2018, origination rates, much like denial rates, have remained significantly lower for Black borrowers – at 71% in 2018 and increasing slightly to 73% in 2021. However, increasing origination rates for Hispanic borrowers in Kent County further explain the increases in homeownership since 2000 (Chart 1). Since 2018, origination rates for Hispanic applicants increased from a low of 73% in 2018 to 79% in 2021. Although lending activity for Hispanic

⁹ Excluding purchased loans.

¹⁰ Origination rate is calculated as percent of applications where action type equals '1 - Loan originated' or '2 - Application approved but not accepted'. However, there are some caveats to this datapoint, such as if a lender is steering home-seekers from completing an application, their numbers will be skewed.

borrowers is still not representative of the county’s Hispanic population, signs of improving mortgage conditions for Hispanic households appear to be improving the Hispanic homeownership rate.

Two neighborhoods adjacent to the southern border of the Cities of Grand Rapids, Wyoming and Kentwood, have had the most Hispanic home-seekers. The City of Wyoming has had the most with more than one-third of Hispanic homebuyers (743 of 2,041 Hispanic mortgages) being originated in the area since 2018, followed by the City of Kentwood with 213 Hispanic homebuyers over the last four years.

Black Borrowers Underrepresented for Every Lender in Top 25

As shown earlier (Chart 8), Black and Hispanic borrowers are underrepresented in relation to their percentage of the County’s population. No lender amongst Kent County’s top 25 lenders originated anywhere close to 11% of their loans to Black borrowers. The lenders with the highest percentage of originations from Black borrowers were Northpointe Bank (8.7% of originations were to Black borrowers), Finance of America Mortgage (8.6%) and VanDyk Mortgage Corporation (8.5%). Lake Michigan Credit Union (2.4%) and Old National Bank (2.0%) had the lowest percentage of their loan originations to Black borrowers (Table 10 and Table 11).

Table 10: Top 5 Lenders for Black Originations
Lenders with Highest % of Their Originations from Black Home Seekers

	White, Non-Hispanic		Black	
	#	%	#	%
Northpointe Bank	530	84.0%	55	8.7%
Finance of America Mortgage LLC	902	78.1%	99	8.6%
VanDyk Mortgage Corporation	402	59.8%	57	8.5%
Success Mortgage Partners Inc.	347	84.0%	31	7.5%
Flagstar Bank	366	81.0%	32	7.1%

Table 11: Bottom 5 Lenders for Black Originations
Lenders with Lowest % of Their Originations from Black Home Seekers

	White, Non-Hispanic		Black	
	#	%	#	%
Old National Bank	736	92.7%	16	2.0%
Lake Michigan Credit Union	5,883	90.8%	153	2.4%
Consumers Credit Union	603	86.0%	18	2.6%
Northern Mortgage Services, LLC	860	90.9%	26	2.7%
Mercantile Bank of Michigan	840	89.2%	28	3.0%

Representation of Hispanic Borrowers

As mentioned earlier, lending activity for Hispanic borrowers has been between 30% to 70% higher than lending activity for Black borrowers since 2008. In more recent years, origination rates for Hispanic applicants have increased significantly – reaching 79% in 2021. Still, only two lenders including VanDyk Mortgage Corporation (29% of originations were from Hispanic borrowers) and Fifth Third Bank (13%) had a higher than 11% of their originations from Hispanic borrowers (Table 12). Old National Bank (1.6%), Churchill Mortgage Corporation (1.7%), Primelending (3.0%), Independent Bank (3.3%) and Lake Michigan Credit Union (3.3%) had the lowest representation of Hispanic borrowers (Table 13).

Table 12: Top 5 Lenders for Hispanic Originations
Lenders with Highest % of Their Originations from Hispanic Home Seekers

	White, Non-Hispanic		Hispanic	
	%	#	%	#
VanDyk Mortgage Corporation	59.8%	195	29.0%	
Fifth Third Bank, National Association	64.4%	137	13.0%	
Finance of America Mortgage LLC	78.1%	118	10.2%	
Union Home Mortgage Company	84.0%	55	9.6%	
Consumers Credit Union	86.0%	59	8.4%	

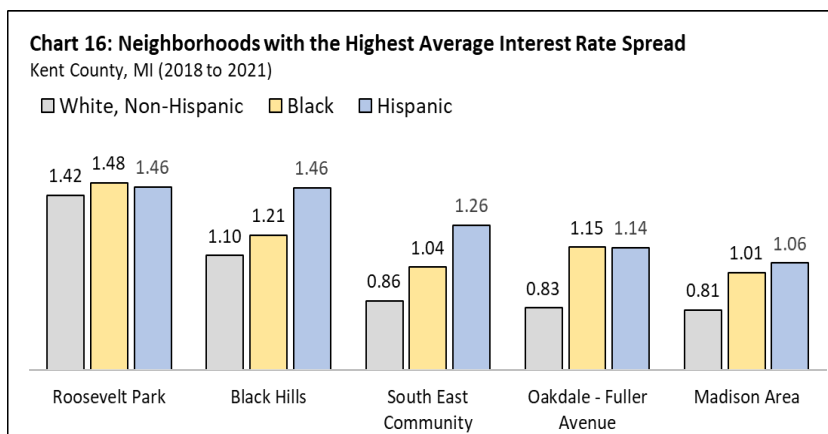
Table 13: Bottom 5 Lenders for Hispanic Originations
Lenders with Lowest % of Their Originations from Hispanic Home Seekers

	White, Non-Hispanic		Hispanic	
	#	%	#	%
Old National Bank	736	92.7%	13	1.6%
Churchill Mortgage Corporation	662	91.6%	12	1.7%
PRIMELENDING	269	88.2%	9	3.0%
Independent Bank	1,342	91.6%	48	3.3%
Lake Michigan Credit Union	5,883	90.8%	215	3.3%

Interest Rate Disparities

The data also shows that many of the loans that are going to borrowers of color are at a higher cost. Chart 16 highlights the neighborhoods and townships in Kent County with the highest average interest rate. Not surprisingly, neighborhoods with predominantly Hispanic residents like in Roosevelt Park and Black Hills and historic neighborhoods of color like South East Community, Oakdale – Fuller Avenue and Madison Area have the highest average interest rate spreads – meaning that borrowers of color are paying more.

The practice of steering borrowers who are Black or Hispanic into riskier loans leading up to the Great Recession has been widely discussed. Despite qualifying for lower cost loans that suit their credit history and income, many borrowers of color received higher cost, riskier loans. We see some similar patterns through an analysis of recent lending data in Kent County.



The interest rate given to borrowers helps shed some important insight into the current housing market and where high-cost lending may be occurring. HMDA reports interest rates in two ways. First, it gives the interest rate for the covered loan charged to the borrower. The data also gives the interest rate charged relative to what it costs to loan the money (think prime interest rate).

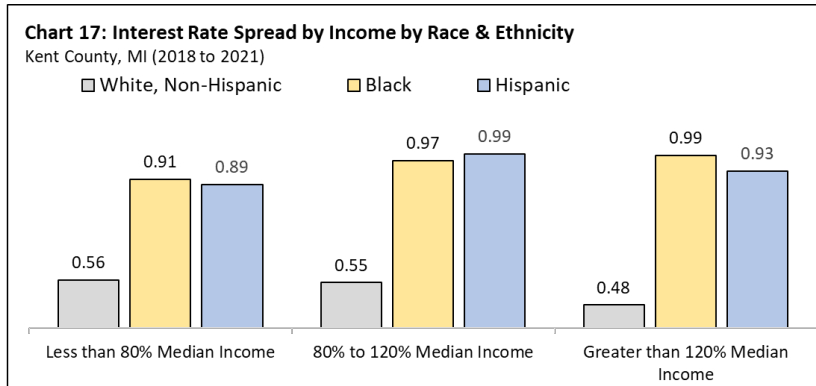
The prime rate is set by the Federal Reserve and is typically the rate which banks lend to borrowers which represents the lowest risk level. Based on mortgage repayment risk, credit worthiness or other risk factors, the rate given to borrowers may be expressed as a percentage above or below prime rate. Since the 'prime' interest fluctuates (most notably when the Federal Reserve adjusts the rate up 0.0125% or down 0.0125%, or by whatever they deem appropriate), we look at each borrower's interest rate relative to this prime value. This is known as the interest rate spread.

Despite interest rates being at record lows nationally and locally from 2018 to 2021, the average interest rate spread for Black borrowers in Kent County was 0.95 percentage points above prime rate compared to 0.53 points above prime rate for white, Non-Hispanic borrowers. Hispanic borrowers had a similarly high average interest rate spread of 0.93. Black and Hispanic borrowers pay nearly twice as much in interest costs.

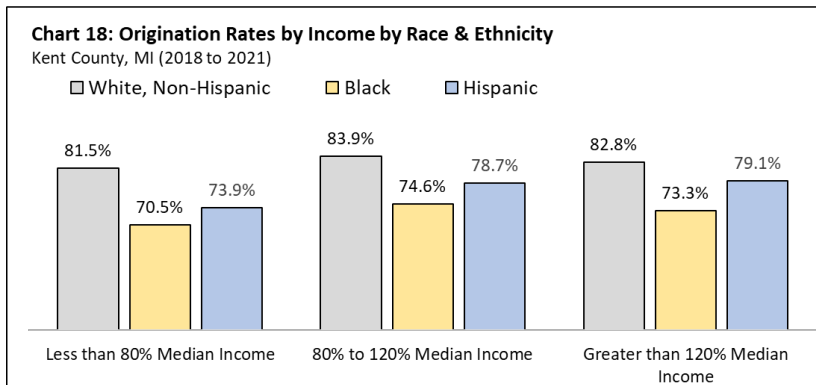
As an example, a Black borrower would, on average, get a mortgage with a 3.95% interest rate if the prime interest rate was 3.0%. Meanwhile, the typical white, Non-Hispanic borrowers would receive an interest rate of 3.53%. Is this just a symptom of income disparities? Doesn't income level the playing field? Not exactly. The average interest rate spreads are still higher for Black and Hispanic borrowers even when considering income, which we briefly explore in the next section. While we can't control for the credit score of applicants given that is not a data point included in HMDA data, we can look at interest rates by income of borrower.

Higher Income Black Borrowers Still Pay Twice as Much

While some may argue that lending disparities are reflective of income and wealth disparities, we see similar racial disparities in lending trends for higher income applicants the same as with lower income applicants. As noted earlier, the median income for Black households in Kent County was \$37,000 and \$54,000 for Hispanic households as of 2020. The white, Non-Hispanic household median income was just over \$70,000. However, when we look at interest rate spreads by income group, Black and Hispanic borrowers still receive higher interest rates compared to white, Non-Hispanic borrowers (Chart 17). In fact, the rate spreads were more than twice as high.



The average interest rate for higher income Black borrowers (0.99) was more than two times higher compared to higher income white, Non-Hispanic borrowers (0.48). In fact, as the income level for Black borrowers in Kent County increased, so did the average interest rate.



Higher income Black and Hispanic borrowers also have significantly lower origination rates compared to white, Non-Hispanic borrowers (chart 18). For instance, higher income Black applicants had an origination rate of 73% while the rate for higher income white, Non-Hispanic borrowers in Kent County was 83%.

Bank Branch Closings

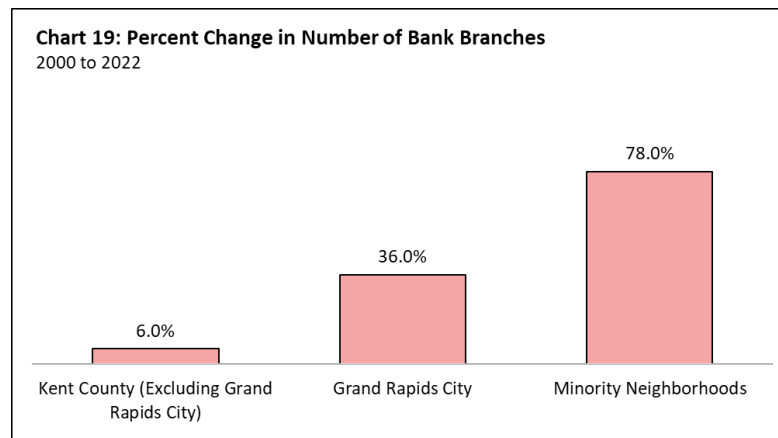
Neighborhood bank branches are important in helping banks meet the financial needs of their customers. Interacting with clients face-to-face is key to helping build trust with their clients and to help banks build loyalty, grow deposits, and generate revenue. Bank branches are noticeably absent from many neighborhoods of color.

Mobile and internet banking are also often cited as the key drivers of bank branch closures. However, in 2019, the Federal Deposit Insurance Corporation (FDIC) found that despite the growing use of those amenities, 87% of banking consumers had still visited a branch in the past year¹¹. In places where few branches existed to begin with, closures create financial deserts and force consumers and small

¹¹ Bank Branch Closure Update (2017-2020), NCRC, <https://ncrc.org/research-brief-bank-branch-closure-update-2017-2020/>

businesses to seek alternative financial providers which are very often high-cost and predatory financing options.

Comprehensive data in this area is difficult to locate and analyze. What we do know from data from the FDIC¹², the number of bank branches reported for 2000 and 2022 has decreased by nearly 32% in Michigan in the past twenty years. The townships and suburban areas surrounding Grand Rapids City were less severely impacted in the past two decades, losing 6% of their branches (124 in 2000 and 116 in 2022). However, the City of Grand Rapids lost 36% of their bank branches during that time (61 in 2000 and 39 in 2022).



The hardest hit was the City's predominant neighborhoods of color which lost 78% of their bank branches during this time (9 in 2000 and 2 in 2022). This is shown in Chart 19. To add some context to this staggering trend, bank mergers and acquisitions have significantly cut competition between lenders. For instance, Fifth Third's acquisition of Old Kent Bank in 2001¹³ had a significant impact on our historically Black neighborhoods.

As a result, six Old Kent Bank branches were shuttered, and operations were consolidated into a single location in the Madison Area neighborhood at 754 Franklin Street SE. Garfield Park and West Millbrook also each lost two bank branches while South East Community and Roosevelt Park neighborhoods each lost one branch. Today, there are only two bank branches serving the entirety of the City's neighborhoods with predominantly Black or Hispanic residents.

Redlining Risk Factors

Lending Patterns, a software that provides advanced statistical analyses of mortgage lending data, offers some deeper insights into the issue of redlining for Kent County. They provide a redlining risk factor¹⁴ to help understand whether a particular lender treats two groups differently (i.e., applications to Black versus white home-seekers). Based on this risk factor, there are statistically significant differences between the loan application activity between Black and white, Non-Hispanic borrowers in Kent County. The same applies for denial rates. Furthermore, of the top 25 lenders, 17 showed a redlining risk factor for application trends while 8 showed it for application denial trends from 2018 to 2021 aggregated data. These are issues that fair lending examiners would flag for further investigation.

¹² Federal Deposit Insurance Corporation (FDIC): <https://www7.fdic.gov/sod/sodInstBranch.asp?barItem=1>

¹³ Fifth Third Bank completes acquisition of Old Kent. https://www.heraldpalladium.com/fifth-third-bank-completes-acquisition-of-old-kent/article_8709b2cd-d345-5b2b-a6e5-578bbedb6e56.html

¹⁴ Redlining risk factor uses a z-score test for two population proportions

FHA Access Declining for Many Borrowers

For low-to-moderate income borrowers, credit has become more difficult to obtain. The Federal Housing Administration (FHA) loan programs are designed to assist such home-seekers to become homeowners. However, access to the FHA program, designed to help these potential borrowers, is declining for many. In hot sales markets, it also means those home-seekers without access to cash for a down payment are being shut out of the market. In Kent County, looking at FHA loans as a percentage of all loan types, FHA lending has declined in recent years. In 2018 and 2019, FHA lending accounted for around 13% of lending, whereas in 2021, FHA accounted for 10.7%.

The FHA was established in 1934 with the intent to increase access to homeownership for low-to-moderate income borrowers by providing mortgages with lower down payment requirements to first time homebuyers and other borrowers with subpar or less mature credit history. For generations, the FHA program has helped strengthen communities through affordable mortgage options for historically underserved households. It allows low-to-moderate income borrowers to become homeowners with less cash down for a down payment, good interest rates, strong fair lending protections, and certainty of a habitable home. The downside is additional costs related to FHA insurance requirements.

However, in recent years, access to FHA loans have become scarcer, with less affordable, more restrictive conventional mortgage loans taking the place of FHA lending. Conventional mortgages may not have the FHA insurance requirements and have slightly better interest rates but often require significant cash down payments. For borrowers of color, who have been systematically excluded from homeownership through previous redlining for generations, cash down payments are often an insurmountable hurdle to homeownership due to the lack of generational wealth. Wealth that is not available to them because of historic discrimination in lending practices.

FHA provides an affordable mortgage option for many of our historically underserved neighborhoods. From 2018 to 2021, neighborhoods like Roosevelt Park (48% of loans were FHA), Black Hills (33%), South East Community (29%), Madison Area (29%), Oakdale - Fuller Avenue (26%), and Garfield Park (23%) all had more than one in five of first lien, home purchase loans backed by the FHA.

Counteracting Lending Disparities

Opportunities may be present for many in Kent County, but they remain unequal. Mortgage credit is flowing, and home values are at or near record highs. However, many households are struggling to gain access to mortgage lending and are being shut out of homeownership, largely due to historic inequities. Lending disparities persist due to race and ethnicity and only exacerbate an already difficult situation.

To correct course, we need to address the disparities in mortgage lending that have plagued our neighborhoods for generations. To do that, we must look at each lender to determine where the opportunity for improvement lies. This requires each lender to meet their requirements under fair lending laws. It also means making sure that the public has access to information to make their lending decisions.

Opportunities for home buyer education and resources are needed at much higher levels. There also needs to be changes to ensure that programs like FHA can be most effective. Consideration of the creation of special purpose loan programs to address inequities is also needed. Without changes to allow those shut out of the home buying process to have these opportunities, advancements will come far too slowly

to address the vast racial and ethnic home buyer gaps we currently see in Kent County and across our nation.

We need federal regulators to do their part to ensure fair lending practices and hold lenders accountable. These regulators have access to far more powerful tools than the FHCWM does. Decreasing disparities in mortgage lending and increasing homeownership opportunities for historically underserved communities does more than help close the wealth gap in households of color. It is also good for the local economy.

Key action steps to address lending disparities

- Increase awareness of fair lending rights and how to avoid predatory practices
- Ensure enforcement of and compliance with fair lending laws
- Increase effectiveness of FHA loan program
- Increase access to homebuyer education and resources
- Implement and expand Down Payment Assistance Programs for first-time and first-generation homeowners
- Create and implement Special Purpose Credit Programs to increase homeownership
- Increase opportunities for affordable homeownership (i.e. Community Land Trusts)
- Increase Black and Hispanic homeownership
- Ensure equitable access to affordable, sustainable mortgage products
- Design and implement targeted, equity-based policies and programs
- Ensure equitable access to foreclosure prevention and financial counseling
- Intentional decision-making by lenders to expand access to homeownership in their branch locations, marketing, and other access points for mortgage services
- Mobilize public and private investment to build and rehabilitate homes for lower- and middle-income homeowners, mostly in neighborhoods of color.

Conclusion

While the data may be bleak, our community can come together to address these disparities and ensure that Kent County is a vibrant, inclusive, welcoming community where all can have equitable access to homeownership. FHCWM cannot confront these lending disparities alone. Throughout this report the FHCWM has highlighted key demographics and data as it relates to housing costs, homeownership, and mortgage lending in Kent County. We wanted housing consumers, local governments, housing providers, advocates, non-profit organization and the community at large to have access to key public data. This report is not all inclusive. There is much, much more which can be shared or areas which require additional review.

The Fair Housing Center of West Michigan stands as an advocate in the fight to advance the home buyer process for so many who have been shut out. If you feel you may have experienced discrimination in lending, please contact our office at (616) 451-2980. You can also follow us on social media, join our monthly e-newsletter, consider becoming a fair housing tester, or support our work through a donation. Join the fight at www.FHCWM.org.

APPENDICES

Appendix List

Appendix 1: Homeownership Trends

- a. Grand Rapids Neighborhoods
- b. Kent County Townships and Cities Outside of Grand Rapids

Appendix 2: Change in Population by Race & Ethnicity

- a. Grand Rapids Neighborhoods
- b. Kent County Townships and Cities Outside of Grand Rapids

Appendix 3: Mortgage Origination Trends by Race & Ethnicity

- a. Grand Rapids Neighborhoods
- b. Kent County Townships and Cities Outside of Grand Rapids

Appendix 4: Mortgage Application Count and Denial Rate by Race & Ethnicity

- a. Grand Rapids Neighborhoods
- b. Kent County Townships and Cities Outside of Grand Rapids

Appendix 5: Other Mortgage Indicators

- a. Grand Rapids Neighborhoods
- b. Kent County Townships and Cities Outside of Grand Rapids

Appendix 6: Mortgage Origination Trends by Race & Ethnicity

- a. Top 25 Lenders

Appendix 7: Mortgage Application Count and Denial Rate by Race & Ethnicity

- a. Top 25 Lenders

Appendix 1a:

Homeownership Trends

Data from US Census Bureau, 2010 to 2020

[Grand Rapids City Neighborhoods](#)

Boundaries from 2022 Zillow Neighborhood Shapefile

Neighborhood	Homeownership							
	2010			2020			10 - 20 Owner HH Chng	10 - 20 HO Rate Pct Change
	Owner HHs	Renter HHs	Homeownership Rate	Owner HHs	Renter HHs	Homeownership Rate		
Alger Heights	1,288	361	78.1%	1,363	409	76.9%	75	-1.5%
Baxter	817	732	52.7%	1,040	749	58.1%	223	10.2%
Belknap Lookout	946	1,509	38.5%	725	1,673	30.2%	(221)	-21.5%
Black Hills	444	456	49.3%	409	608	40.2%	(35)	-18.5%
Cherry Run - Westside Connection	5,213	1,285	80.2%	4,884	1,432	77.3%	(329)	-3.6%
Creston	7,446	2,308	76.3%	7,591	2,792	73.1%	145	-4.2%
East Hills	837	1,211	40.9%	853	1,417	37.6%	16	-8.1%
Easttown - Ottawa Hills	1,586	744	68.1%	1,497	751	66.6%	(89)	-2.2%
Garfield Park	3,860	1,518	71.8%	3,287	2,100	61.0%	(573)	-15.0%
Heartside	171	1,021	14.3%	121	1,423	7.8%	(50)	-45.4%
Heritage Hill - South Hill	725	2,116	25.5%	951	2,442	28.0%	226	9.8%
Highland Park	948	494	65.7%	851	436	66.1%	(97)	0.6%
Indian Village	1,166	497	70.1%	1,164	574	67.0%	(2)	-4.5%
John Ball Park	643	833	43.6%	556	652	46.0%	(87)	5.7%
Madison Area	497	502	49.7%	466	644	42.0%	(31)	-15.6%
Michigan Oaks - Fulton Heights	1,299	346	79.0%	1,209	365	76.8%	(90)	-2.7%
Midtown	917	1,099	45.5%	1,028	1,105	48.2%	111	6.0%
Millbrook	1,926	1,115	63.3%	1,965	1,057	65.0%	39	2.7%
North East Citizens Action	1,945	1,996	49.4%	2,024	1,954	50.9%	79	3.1%
Oakdale - Fuller Avenue	1,154	1,063	52.1%	1,398	746	65.2%	244	25.3%
Ridgemoor	1,651	815	67.0%	1,390	1,010	57.9%	(261)	-13.5%
Roosevelt Park	422	377	52.8%	480	815	37.1%	58	-29.8%
South East Community	426	657	39.3%	343	1,046	24.7%	(83)	-37.2%
South East End	1,419	678	67.7%	1,752	495	78.0%	333	15.2%
SWAN	966	938	50.7%	810	1,531	34.6%	(156)	-31.8%
West Grand	3,143	2,803	52.9%	2,925	3,382	46.4%	(218)	-12.3%
West Millbrook	1,297	977	57.0%	1,046	1,133	48.0%	(251)	-15.8%

Appendix 1b:

Homeownership Trends

Data from US Census Bureau, 2010 to 2020

[Kent County Townships and Cities Outside of Grand Rapids City](#)

Boundaries from US Census Subdivisions for Kent County, MI

Township / City	Homeownership							
	2010			2020			10 - 20 Owner HH Chng	10 - 20 HO Rate Pct Change
	Owner HHs	Renter HHs	Homeownership Rate	Owner HHs	Renter HHs	Homeownership Rate		
Ada township	3,951	166	96.0%	4,791	164	96.7%	840	0.8%
Algoma township	3,253	139	95.9%	4,429	317	93.3%	1,176	-2.7%
Alpine township	3,088	2,410	56.2%	3,220	2,128	60.2%	132	7.2%
Bowne & Lowell Charter townships	1,900	202	90.4%	2,223	126	94.6%	323	4.7%
Byron township	6,056	1,428	80.9%	7,158	1,447	83.2%	1,102	2.8%
Caledonia township	3,865	350	91.7%	4,384	585	88.2%	519	-3.8%
Cannon township	4,272	273	94.0%	5,003	166	96.8%	731	3.0%
Cascade charter township	5,684	496	92.0%	6,443	824	88.7%	759	-3.6%
Cedar Springs city	924	564	62.1%	1,120	717	61.0%	196	-1.8%
Courtland township	2,332	172	93.1%	2,725	259	91.3%	393	-1.9%
East Grand Rapids city	3,740	282	93.0%	4,122	226	94.8%	382	2.0%
Gaines charter township	6,577	2,359	73.6%	7,351	2,331	75.9%	774	3.2%
Grand Rapids charter township	4,642	868	84.2%	5,461	966	85.0%	819	0.9%
Grand Rapids city	43,152	28,451	60.3%	42,128	32,741	56.3%	(1,024)	-6.6%
Grandville city	4,417	1,636	73.0%	4,929	1,483	76.9%	512	5.3%
Grattan township	1,276	125	91.1%	1,372	175	88.7%	96	-2.6%
Kentwood city	12,308	8,688	58.6%	11,721	9,900	54.2%	(587)	-7.5%
Lowell city	1,324	568	70.0%	1,345	580	69.9%	21	-0.2%
Nelson township	1,873	175	91.5%	2,050	228	90.0%	177	-1.6%
Oakfield township	1,900	134	93.4%	2,130	148	93.5%	230	0.1%
Plainfield charter township	10,108	1,672	85.8%	11,628	1,864	86.2%	1,520	0.4%
Rockford city	1,558	632	71.1%	1,719	627	73.3%	161	3.0%
Solon township	1,769	61	96.7%	2,468	64	97.5%	699	0.8%
Sparta township	2,531	811	75.7%	2,717	672	80.2%	186	5.9%
Spencer township	918	74	92.5%	854	164	83.9%	(64)	-9.3%
Tyrone township	1,545	238	86.7%	1,367	372	78.6%	(178)	-9.3%
Vergennes township	1,817	190	90.5%	2,375	316	88.3%	558	-2.5%
Walker city	6,544	3,613	64.4%	6,244	3,925	61.4%	(300)	-4.7%
Wyoming city	18,623	8,453	68.8%	18,745	9,058	67.4%	122	-2.0%

Appendix 2a:

Change in Population by Race & Ethnicity

Data from US Census Bureau, 2010 to 2020

Grand Rapids City Neighborhoods

Boundaries from 2022 Zillow Neighborhood Shapefile

Neighborhood	Population (2020)						Population (Percent Change)					
	Total	White	Black	Hispanic	Asian	Other	Total Population (Pct Chng)	White (Pct Chng)	Black (Pct Chng)	Hispanic (Pct Chng)	Asian (Pct Chng)	Other (Pct Chng)
Alger Heights	3,877	65.1%	21.2%	8.3%	2.7%	2.8%	0.2%	-1.3%	-15.4%	33.2%	47.9%	248.4%
Baxter	5,180	20.4%	64.0%	12.2%	0.5%	2.9%	16.7%	93.2%	-1.0%	22.2%	100.0%	1069.2%
Belknap Lookout	6,249	58.2%	24.7%	11.5%	2.0%	3.7%	3.6%	6.6%	1.7%	-20.6%	26.8%	130.0%
Black Hills	4,047	16.4%	17.4%	63.6%	1.0%	1.6%	9.9%	35.7%	4.4%	4.4%	263.6%	58.5%
Cherry Run - Westside Connection	15,473	86.2%	3.1%	5.7%	1.8%	3.2%	5.8%	0.2%	45.0%	46.0%	26.6%	221.6%
Creston	23,931	77.8%	9.0%	7.0%	2.9%	3.2%	1.3%	-4.5%	3.8%	35.7%	26.8%	193.8%
East Hills	4,843	73.3%	11.6%	9.5%	2.7%	3.0%	8.5%	16.5%	-28.5%	-5.4%	67.5%	110.1%
Easttown - Ottawa Hills	6,587	74.2%	14.9%	5.2%	2.7%	3.1%	-5.1%	-0.4%	-39.7%	39.4%	48.3%	322.9%
Garfield Park	17,945	26.4%	22.1%	47.8%	1.2%	2.6%	9.6%	2.2%	-5.3%	18.4%	16.3%	233.8%
Heartside	3,211	64.6%	19.2%	9.2%	3.4%	3.6%	48.2%	48.8%	20.5%	73.5%	140.0%	160.0%
Heritage Hill - South Hill	6,327	61.7%	22.0%	10.2%	2.8%	3.3%	9.3%	10.1%	-12.4%	36.1%	84.2%	157.5%
Highland Park	3,272	72.5%	11.9%	9.3%	3.1%	3.2%	-2.9%	4.6%	-39.4%	-3.5%	4.2%	138.6%
Indian Village	3,888	71.7%	17.2%	6.2%	2.8%	2.1%	7.1%	5.0%	-8.1%	57.9%	48.6%	272.7%
John Ball Park	3,999	61.6%	13.8%	18.7%	1.7%	4.3%	3.1%	8.3%	13.3%	-25.7%	120.0%	115.0%
Madison Area	3,579	12.9%	61.8%	21.6%	0.9%	2.7%	9.9%	82.3%	-4.2%	17.5%	240.0%	295.8%
Michigan Oaks - Fulton Heights	4,106	85.3%	5.3%	4.9%	1.9%	2.6%	4.7%	3.1%	-0.5%	0.0%	-3.7%	350.0%
Midtown	5,368	70.1%	12.3%	11.4%	2.1%	4.2%	19.6%	23.4%	-14.4%	17.5%	56.9%	180.0%
Millbrook	8,071	55.1%	27.5%	8.3%	6.5%	2.6%	5.6%	-1.1%	7.3%	36.4%	-4.7%	462.2%
North East Citizens Action	10,037	59.4%	28.8%	6.5%	2.7%	2.7%	-2.7%	-2.6%	-10.5%	3.7%	11.3%	170.6%
Oakdale - Fuller Avenue	5,489	32.5%	50.1%	12.1%	2.0%	3.3%	5.6%	19.2%	-11.1%	34.8%	72.3%	233.3%
Ridgemoor	7,491	77.1%	11.0%	4.5%	5.1%	2.3%	-0.8%	-4.1%	-15.3%	39.7%	36.9%	357.9%
Roosevelt Park	3,376	9.4%	14.1%	73.7%	0.8%	2.0%	5.9%	-12.1%	30.8%	2.2%	285.7%	266.7%
South East Community	4,378	14.0%	50.1%	32.6%	0.6%	2.6%	13.0%	60.6%	-3.1%	20.0%	200.0%	289.7%
South East End	5,126	70.4%	16.4%	6.6%	3.6%	3.0%	3.4%	4.0%	-23.3%	44.1%	52.9%	325.0%
SWAN	5,682	62.0%	12.5%	19.1%	2.4%	4.0%	13.2%	19.3%	26.7%	-18.8%	64.6%	154.4%
West Grand	15,992	56.1%	14.0%	24.4%	1.2%	4.3%	2.2%	-6.5%	27.8%	2.4%	21.9%	112.5%
West Millbrook	6,098	32.1%	39.6%	12.0%	13.5%	2.8%	8.3%	-7.9%	4.1%	19.8%	58.2%	229.4%

Appendix 2b:

Change in Population by Race & Ethnicity

Data from US Census Bureau, 2010 to 2020

[Kent County Townships and Cities Outside of Grand Rapids City](#)

Boundaries from US Census Subdivisions for Kent County, MI

Township or City	Population (2020)						Population (Percent Change)					
	Total	White	Black	Hispanic	Asian	Other	Total Population (Pct Chng)	White (Pct Chng)	Black (Pct Chng)	Hispanic (Pct Chng)	Asian (Pct Chng)	Other (Pct Chng)
Ada township	14,388	86.6%	1.7%	2.9%	6.0%	2.8%	9.5%	3.1%	34.4%	84.4%	52.8%	420.8%
Algoma township	12,934	90.4%	1.0%	3.4%	1.9%	3.3%	25.9%	19.6%	73.1%	100.0%	127.5%	368.9%
Alpine township	14,079	71.6%	8.7%	14.5%	1.6%	3.6%	5.8%	-2.0%	24.8%	17.8%	28.9%	271.3%
Bowne & Lowell Charter townships	6,387	91.1%	1.1%	3.3%	1.4%	3.1%	4.7%	0.7%	38.5%	31.3%	50.0%	317.0%
Byron township	26,896	81.5%	4.6%	6.7%	4.1%	3.2%	32.7%	19.3%	168.3%	114.1%	176.0%	321.9%
Caledonia township	15,811	88.2%	3.3%	3.7%	2.2%	2.7%	28.2%	20.8%	162.2%	108.6%	82.4%	258.1%
Cannon township	14,342	90.9%	1.5%	2.9%	1.9%	2.8%	7.9%	3.4%	29.7%	68.3%	58.0%	345.1%
Cascade charter township	19,667	86.4%	2.1%	2.8%	6.1%	2.6%	14.8%	7.6%	34.7%	67.9%	94.8%	453.3%
Cedar Springs city	4,334	85.3%	2.7%	5.5%	1.4%	5.1%	4.8%	-3.0%	50.6%	43.6%	100.0%	328.8%
Courtland township	8,984	91.1%	0.9%	3.4%	1.3%	3.3%	17.4%	11.8%	65.3%	144.4%	23.2%	382.3%
East Grand Rapids city	12,274	89.7%	1.7%	2.8%	3.4%	2.5%	7.3%	1.9%	36.2%	98.9%	73.1%	319.4%
Gaines charter township	28,812	69.5%	12.5%	7.3%	7.8%	2.9%	14.6%	2.7%	40.4%	36.4%	77.8%	201.1%
Grand Rapids charter township	18,566	82.3%	3.6%	3.9%	7.9%	2.3%	16.0%	5.4%	64.1%	123.2%	117.4%	322.8%
Grand Rapids city	193,622	57.5%	20.0%	16.7%	2.7%	3.1%	5.5%	2.8%	-4.2%	11.7%	35.4%	194.8%
Grandville city	16,083	81.5%	4.9%	7.6%	2.9%	3.0%	4.6%	-3.4%	76.3%	27.9%	64.8%	356.6%
Grattan township	3,846	91.4%	0.9%	2.6%	1.1%	4.0%	4.8%	0.2%	-10.0%	28.6%	59.3%	755.6%
Kentwood city	58,824	53.7%	20.9%	10.8%	11.9%	2.7%	12.8%	-6.7%	29.3%	42.2%	84.4%	191.6%
Lowell city	4,985	88.5%	1.6%	4.3%	1.6%	4.0%	9.2%	3.5%	1.3%	64.1%	66.0%	376.2%
Nelson township	6,027	90.8%	1.0%	3.0%	0.7%	4.5%	2.7%	-2.3%	29.2%	21.1%	33.3%	530.2%
Oakfield township	6,123	90.9%	1.1%	3.3%	1.2%	3.6%	5.4%	0.9%	20.4%	36.0%	97.2%	291.1%
Plainfield charter township	33,746	87.8%	3.1%	4.1%	2.0%	3.1%	8.3%	3.2%	15.2%	69.8%	39.7%	288.8%
Rockford city	5,268	89.3%	1.3%	4.1%	1.9%	3.4%	-2.1%	-5.5%	-23.0%	10.7%	41.4%	258.0%
Solon township	5,924	90.9%	1.4%	3.3%	0.7%	3.7%	9.2%	4.4%	61.5%	53.5%	-8.5%	404.7%
Sparta township	9,395	86.3%	1.6%	8.4%	0.6%	3.1%	3.1%	-3.2%	44.3%	63.1%	-11.5%	259.3%
Spencer township	2,516	93.4%	0.9%	2.1%	0.8%	2.7%	4.2%	2.3%	-30.3%	-1.8%	122.2%	257.9%
Tyrone township	5,401	83.9%	0.8%	12.3%	0.4%	2.6%	6.2%	-0.6%	46.7%	54.1%	33.3%	167.3%
Vergennes township	7,076	90.8%	1.6%	3.2%	1.5%	2.9%	11.6%	7.1%	40.0%	54.5%	116.0%	201.5%
Walker city	25,132	82.9%	4.6%	6.2%	3.4%	3.0%	3.6%	-3.9%	37.8%	57.8%	60.6%	198.4%
Wyoming city	76,532	58.1%	10.0%	25.4%	3.7%	2.8%	6.1%	-9.8%	31.5%	38.7%	24.6%	167.9%

Appendix 3a:

Mortgage Origination Trends by Race & Ethnicity

Data from HMIDA, 2018 to 2021

[Grand Rapids City Neighborhoods](#)

Boundaries from 2022 Zillow Neighborhood Shapefile

Percent of originations by race & ethnicity excludes applicants where race / ethnicity is unknown

Neighborhood	White		Black		Hispanic		Asian		Other		Unknown		All Applicants	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Alger Heights	334	86.1%	33	8.5%	15	3.9%	4	1.0%	2	0.5%	81	0.5%	469	
Baxter	205	74.0%	45	16.2%	15	5.4%	10	3.6%	2	0.7%	62	0.7%	339	
Belknap Lookout	339	89.9%	14	3.7%	12	3.2%	10	2.7%	2	0.5%	101	0.5%	478	
Black Hills	40	59.7%	6	9.0%	20	29.9%	1	1.5%		0.0%	13	0.0%	80	
Cherry Run - Westside Connection	1,030	94.2%	15	1.4%	35	3.2%	9	0.8%	4	0.4%	199	0.4%	1,292	
Creston	1,601	91.9%	57	3.3%	47	2.7%	30	1.7%	8	0.5%	300	0.5%	2,043	
East Hills	233	91.7%	7	2.8%	7	2.8%	7	2.8%		0.0%	46	0.0%	300	
Eastown - Ottawa Hills	294	95.1%	4	1.3%	6	1.9%	4	1.3%	1	0.3%	71	0.3%	380	
Garfield Park	547	67.8%	95	11.8%	144	17.8%	15	1.9%	6	0.7%	183	0.7%	990	
Heartside	61	96.8%	1	1.6%	1	1.6%		0.0%		0.0%	9	0.0%	72	
Heritage Hill - South Hill	220	90.5%	7	2.9%	11	4.5%	4	1.6%	1	0.4%	55	0.4%	298	
Highland Park	215	91.5%	7	3.0%	8	3.4%	3	1.3%	2	0.9%	44	0.9%	279	
Indian Village	195	89.0%	15	6.8%	9	4.1%		0.0%		0.0%	45	0.0%	264	
John Ball Park	157	89.2%	3	1.7%	12	6.8%	3	1.7%	1	0.6%	40	0.6%	216	
Madison Area	75	66.4%	19	16.8%	17	15.0%	2	1.8%		0.0%	38	0.0%	151	
Michigan Oaks - Fulton Heights	267	96.0%	3	1.1%	4	1.4%	4	1.4%		0.0%	69	0.0%	347	
Midtown	283	92.8%	6	2.0%	10	3.3%	5	1.6%	1	0.3%	62	0.3%	367	
Millbrook	220	64.7%	75	22.1%	22	6.5%	21	6.2%	2	0.6%	77	0.6%	417	
North East Citizens Action	374	88.0%	19	4.5%	20	4.7%	9	2.1%	3	0.7%	65	0.7%	490	
Oakdale - Fuller Avenue	289	75.5%	61	15.9%	26	6.8%	5	1.3%	2	0.5%	83	0.5%	466	
Ridgemoor	224	90.7%	14	5.7%	2	0.8%	7	2.8%		0.0%	61	0.0%	308	
Roosevelt Park	24	43.6%	8	14.5%	22	40.0%	1	1.8%		0.0%	22	0.0%	77	
South East Community	58	54.7%	23	21.7%	19	17.9%	5	4.7%	1	0.9%	24	0.9%	130	
South East End	372	89.4%	17	4.1%	17	4.1%	7	1.7%	3	0.7%	74	0.7%	490	
SWAN	214	90.7%	4	1.7%	11	4.7%	5	2.1%	2	0.8%	63	0.8%	299	
West Grand	916	87.0%	34	3.2%	80	7.6%	17	1.6%	6	0.6%	192	0.6%	1,245	
West Millbrook	150	62.8%	43	18.0%	20	8.4%	22	9.2%	4	1.7%	63	1.7%	302	

Appendix 3b:

Mortgage Origination Trends by Race & Ethnicity

Data from HMDA, 2018 to 2021

[Kent County Townships and Cities Outside of Grand Rapids City](#)

Boundaries from US Census Subdivisions for Kent County, MI

Percent of originations by race & ethnicity excludes applicants where race / ethnicity is unknown

Township or City	White		Black		Hispanic		Asian		Other		Unknown		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Ada township	707	95.2%	5	0.7%	7	0.9%	24	3.2%	2	0.3%	169	0.0%	912	
Algoma township	763	96.7%	13	0.0%	13	1.6%	11	1.4%	2	0.3%	162	0.3%	951	
Alpine township	397	90.6%	13	3.0%	22	5.0%	4	0.9%	2	0.5%	77	0.5%	515	
Bowne & Lowell Charter townships	319	96.1%	3	0.9%	7	2.1%	3	0.9%		0.0%	58	0.0%	390	
Byron township	1,452	90.2%	37	2.3%	59	3.7%	57	3.5%	4	0.2%	356	0.2%	1,965	
Caledonia township	858	93.2%	16	1.7%	21	2.3%	24	2.6%	2	0.2%	202	0.2%	1,123	
Cannon township	995	95.9%	9	0.9%	14	1.4%	16	1.5%	3	0.3%	254	0.3%	1,291	
Cascade charter township	992	93.2%	11	1.0%	25	2.3%	34	3.2%	2	0.2%	258	0.2%	1,322	
Cedar Springs city	240	96.4%		0.0%	6	2.4%	2	0.8%	1	0.4%	30	0.4%	279	
Courtland township	513	97.5%	2	0.4%	6	1.1%	3	0.6%	2	0.4%	111	0.4%	637	
East Grand Rapids city	824	95.9%	4	0.5%	11	1.3%	18	2.1%	2	0.2%	199	0.2%	1,058	
Gaines charter township	1,031	80.4%	72	5.6%	56	4.4%	117	9.1%	6	0.5%	320	0.5%	1,602	
Grand Rapids charter township	834	87.1%	14	1.5%	30	3.1%	77	8.0%	2	0.2%	241	0.2%	1,198	
Grand Rapids city	8,937	85.5%	635	6.1%	612	5.9%	210	2.0%	53	0.5%	2,142	0.5%	12,589	
Grandville city	763	89.4%	32	3.8%	46	5.4%	8	0.9%	4	0.5%	165	0.5%	1,018	
Grattan township	210	98.6%	1	0.5%	1	0.5%	1	0.5%		0.0%	36	0.0%	249	
Kentwood city	1,634	61.8%	349	13.2%	213	8.1%	436	16.5%	12	0.5%	553	0.5%	3,197	
Lowell city	341	96.3%	3	0.8%	6	1.7%	3	0.8%	1	0.3%	68	0.3%	422	
Nelson township	303	96.2%	3	1.0%	8	2.5%	1	0.3%		0.0%	57	0.0%	372	
Oakfield township	384	98.0%		0.0%	6	1.5%	1	0.3%	1	0.3%	65	0.3%	457	
Plainfield charter township	1,754	95.3%	23	1.3%	40	2.2%	16	0.9%	7	0.4%	386	0.4%	2,226	
Rockford city	329	95.6%	2	0.6%	9	2.6%	3	0.9%	1	0.3%	62	0.3%	406	
Solon township	348	98.0%	4	1.1%	2	0.6%		0.0%	1	0.3%	54	0.3%	409	
Sparta township	533	95.7%	1	0.2%	20	3.6%	2	0.4%	1	0.2%	78	0.2%	635	
Spencer township	134	97.8%	1	0.7%	12	4.0%	2	1.5%	1	0.0%	18	0.0%	155	
Tyrone township	286	95.0%	2	0.7%	12	4.0%		0.0%	1	0.3%	54	0.3%	355	
Vergennes township	415	96.7%	2	0.5%	10	2.3%	2	0.5%		0.0%	80	0.0%	509	
Walker city	1,010	93.7%	15	1.4%	36	3.3%	13	1.2%	4	0.4%	206	0.4%	1,284	
Wyoming city	3,003	71.9%	303	7.3%	743	17.8%	106	2.5%	22	0.5%	798	0.5%	4,975	

Appendix 4a:

Mortgage Application Count and Denial Rate by Race & Ethnicity

Data from HMDA, 2018 to 2021

Grand Rapids City Neighborhoods

Boundaries from 2022 Zillow Neighborhood Shapefile

Denial rate is calculated by dividing number of applicants denied by number of applications, excluding purchased loans.

Neighborhood	All Applicants		White		Black		Hispanic		Asian		Other		Unknown	
	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate
Alger Heights	541	4.3%	376	3.5%	39	10.3%	21	4.8%	6	0.0%	3	0.0%	96	5.2%
Baxter	448	7.4%	262	6.1%	68	10.3%	15	0.0%	11	0.0%	2	0.0%	90	11.1%
Belknap Lookout	609	5.4%	424	3.8%	22	13.6%	15	0.0%	17	17.6%	2	0.0%	129	8.5%
Black Hills	109	12.8%	53	9.4%	8	0.0%	25	16.0%	2	50.0%	21	19.0%	21	19.0%
Cherry Run - Westside Connection	1,547	4.3%	1,202	3.5%	20	15.0%	52	13.5%	14	7.1%	4	0.0%	255	5.5%
Creston	2,418	3.5%	1,871	3.3%	73	8.2%	59	5.1%	39	2.6%	9	0.0%	367	3.5%
East Hills	392	4.6%	301	3.7%	7	0.0%	9	22.2%	10	0.0%	1	0.0%	65	7.7%
Easttown - Ottawa Hills	484	3.5%	366	3.0%	6	16.7%	9	0.0%	4	0.0%	1	0.0%	98	5.1%
Garfield Park	1,280	7.9%	674	4.6%	132	12.1%	199	14.6%	18	0.0%	6	0.0%	251	10.0%
Heartside	100	15.0%	82	11.0%	1	0.0%	2	50.0%	1	100.0%	6	0.0%	14	28.6%
Heritage Hill - South Hill	426	8.7%	300	6.7%	14	21.4%	12	8.3%	9	11.1%	1	0.0%	90	13.3%
Highland Park	350	5.4%	264	5.7%	9	0.0%	11	0.0%	3	0.0%	2	0.0%	61	6.6%
Indian Village	302	3.0%	223	3.6%	18	0.0%	11	0.0%	2	50.0%	2	0.0%	48	0.0%
John Ball Park	289	8.3%	199	6.5%	10	30.0%	21	19.0%	4	25.0%	1	0.0%	54	5.6%
Madison Area	201	10.0%	95	5.3%	29	24.1%	22	13.6%	2	0.0%	2	0.0%	53	9.4%
Michigan Oaks - Fulton Heights	439	6.4%	328	4.9%	3	0.0%	5	0.0%	4	0.0%	4	0.0%	99	12.1%
Midtown	471	5.3%	361	4.4%	10	40.0%	14	14.3%	9	11.1%	1	0.0%	76	2.6%
Millbrook	545	6.2%	274	3.6%	104	11.5%	30	0.0%	31	3.2%	2	0.0%	104	10.6%
North East Citizens Action	563	2.8%	421	2.6%	20	0.0%	21	0.0%	11	0.0%	3	0.0%	87	5.7%
Oakdale - Fuller Avenue	624	7.2%	358	3.9%	103	15.5%	40	10.0%	6	0.0%	7	14.3%	110	9.1%
Ridgemoor	369	3.8%	269	3.7%	19	0.0%	2	0.0%	10	20.0%	2	0.0%	69	2.9%
Roosevelt Park	112	8.0%	36	8.3%	15	13.3%	30	3.3%	2	0.0%	2	0.0%	29	10.3%
South East Community	185	13.5%	82	12.2%	33	21.2%	24	16.7%	6	0.0%	2	0.0%	38	10.5%
South East End	587	2.9%	438	2.5%	24	12.5%	19	0.0%	8	0.0%	3	0.0%	95	3.2%
SWAN	391	5.1%	287	5.2%	6	16.7%	14	7.1%	6	16.7%	2	0.0%	76	2.6%
West Grand	1,558	5.1%	1,121	3.9%	46	8.7%	106	10.4%	22	0.0%	9	0.0%	254	8.3%
West Millbrook	380	6.3%	179	5.6%	55	5.5%	28	7.1%	32	9.4%	6	16.7%	80	6.3%

Appendix 4b:

Mortgage Application Count and Denial Rate by Race & Ethnicity

Data from HMDA, 2018 to 2021

[Kent County Townships and Cities Outside of Grand Rapids City](#)

Boundaries from US Census Subdivisions for Kent County, MI

Denial rate is calculated by dividing number of applications denied by number of total applications, excluding purchased loans.

Township or City	All Applicants		White		Black		Hispanic		Asian		Other		Unknown	
	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate
Ada township	1,130	4.2%	865	4.5%	8	25.0%	9	0.0%	30	3.3%	1	0.0%	217	2.3%
Albion township	1,152	3.6%	927	4.1%	1	0.0%	15	6.7%	12	8.3%	3	0.0%	194	0.5%
Alpine township	640	5.2%	481	3.3%	21	23.8%	36	13.9%	4	0.0%	2	0.0%	96	7.3%
Bowne & Lowell Charter townships	505	8.7%	406	7.9%	4	25.0%	7	0.0%	4	0.0%			84	13.1%
Byron township	2,330	3.2%	1,694	2.8%	50	6.0%	69	2.9%	84	7.1%	7	14.3%	426	3.5%
Caledonia township	1,390	4.5%	1,047	3.7%	22	9.1%	26	0.0%	29	10.3%	2	0.0%	264	7.2%
Cannon township	1,542	3.1%	1,176	3.1%	12	16.7%	21	4.8%	17	5.9%	4	25.0%	312	2.2%
Cascade charter township	1,660	4.0%	1,216	4.2%	22	13.6%	27	0.0%	52	3.8%	4	0.0%	339	3.2%
Cedar Springs city	357	5.3%	300	4.7%	1	0.0%	12	8.3%	3	0.0%	2	50.0%	39	7.7%
Courtland township	793	4.9%	634	4.6%	2	0.0%	7	14.3%	3	0.0%	2	0.0%	145	6.2%
East Grand Rapids city	1,321	4.1%	1,014	3.6%	4	0.0%	13	0.0%	24	0.0%	2	0.0%	264	6.4%
Gaines charter township	2,008	5.6%	1,264	4.8%	99	12.1%	76	6.6%	154	6.5%	10	0.0%	405	6.2%
Grand Rapids charter township	1,461	3.1%	1,011	2.8%	19	10.5%	35	5.7%	89	3.4%	4	0.0%	303	3.3%
Grand Rapids city	15,720	5.4%	10,846	4.1%	894	11.7%	816	9.8%	289	6.2%	66	3.0%	2,809	7.1%
Grandville city	1,242	4.6%	917	4.8%	45	6.7%	61	4.9%	11	0.0%	4	0.0%	204	3.4%
Grattan township	321	3.1%	274	3.3%	1	0.0%	1	0.0%	1	0.0%	1	0.0%	43	2.3%
Kentwood city	3,952	6.0%	1,943	4.2%	470	9.1%	268	7.5%	538	3.9%	13	7.7%	720	9.9%
Lowell city	549	6.2%	434	5.8%	5	0.0%	9	11.1%	4	0.0%	1	0.0%	96	8.3%
Nelson township	454	3.7%	368	3.3%	3	0.0%	10	0.0%	1	0.0%			72	6.9%
Oakfield township	560	4.8%	468	4.5%	1	100.0%	10	10.0%	1	0.0%	1	0.0%	79	5.1%
Plainfield charter township	2,636	3.3%	2,068	3.2%	30	10.0%	51	5.9%	19	0.0%	8	12.5%	460	2.8%
Rockford city	495	4.2%	402	4.5%	2	0.0%	11	18.2%	3	0.0%	1	0.0%	76	1.3%
Solon township	492	4.5%	416	4.1%	5	0.0%	3	0.0%			1	0.0%	67	7.5%
Sparta township	806	5.8%	668	5.4%	2	0.0%	31	3.2%	3	0.0%	1	0.0%	101	9.9%
Spencer township	206	8.7%	180	8.9%	1	0.0%	1	100.0%	3	0.0%			21	4.8%
Tyrone township	459	6.5%	374	6.4%	3	0.0%	18	11.1%			1	0.0%	63	6.3%
Vergennes township	617	4.7%	503	4.4%	3	0.0%	13	0.0%	4	25.0%			94	6.4%
Walker city	1,533	3.4%	1,197	3.0%	24	12.5%	51	9.8%	14	0.0%	5	0.0%	242	3.3%
Wyoming city	6,108	6.0%	3,575	4.7%	404	10.1%	957	8.3%	138	5.8%	29	17.2%	1,005	6.5%

Appendix 5a:

Other Mortgage Indicators

Data from HMDA, 2018 to 2021

Grand Rapids City Neighborhoods

Boundaries from 2022 Zillow Neighborhood Shapefile

Investor mortgages defined as those where occupancy type = investment property

Higher income defined as borrowers with income 120% of neighborhood median income

Neighborhood	% Investor Mortgages	% Higher Income Borrowers	% FHA Loans
Alger Heights	3.9%	18.6%	16.6%
Baxter	15.4%	70.5%	21.7%
Belknap Lookout	17.2%	81.2%	11.8%
Black Hills	11.9%	75.0%	32.1%
Cherry Run - Westside Connection	2.7%	24.3%	9.8%
Creston	4.6%	31.0%	12.4%
East Hills	15.1%	56.3%	6.4%
Easttown - Ottawa Hills	8.5%	45.3%	6.6%
Garfield Park	7.2%	37.0%	25.5%
Heartside	5.0%	54.2%	1.0%
Heritage Hill - South Hill	15.3%	63.4%	7.0%
Highland Park	9.4%	37.3%	13.7%
Indian Village	2.0%	18.2%	10.9%
John Ball Park	26.0%	50.9%	15.6%
Madison Area	18.9%	63.6%	31.3%
Michigan Oaks - Fulton Heights	3.6%	39.8%	5.9%
Midtown	15.5%	52.3%	10.4%
Millbrook	2.8%	34.5%	19.3%
North East Citizens Action	4.6%	59.2%	11.2%
Oakdale - Fuller Avenue	6.9%	44.8%	28.7%
Ridgemoor	7.6%	28.2%	4.9%
Roosevelt Park	10.7%	58.4%	46.4%
South East Community	15.7%	84.6%	33.0%
South East End	2.9%	24.1%	9.4%
SWAN	23.3%	58.5%	6.4%
West Grand	14.1%	59.2%	14.5%
West Millbrook	8.4%	26.5%	21.1%

Appendix 5b:

Other Mortgage Indicators

Data from HMDA, 2018 to 2021

[Kent County Townships and Cities Outside of Grand Rapids City](#)

Boundaries from US Census Subdivisions for Kent County, MI

Investor mortgages defined as those where occupancy type = investment property

Higher income defined as borrowers with income 120% of neighborhood median income

Township or City	% Investor Mortgages	% Higher Income Borrowers	% FHA Loans
Ada township	1.2%	39.0%	2.6%
Algoma township	0.4%	36.9%	7.0%
Alpine township	2.5%	36.7%	12.5%
Bowne & Lowell Charter townships	0.8%	30.3%	8.5%
Byron township	1.2%	44.8%	5.4%
Caledonia township	1.4%	35.0%	4.5%
Cannon township	1.6%	36.7%	3.9%
Cascade charter township	1.3%	36.4%	3.1%
Cedar Springs city	2.0%	32.6%	21.0%
Courtland township	1.4%	40.8%	7.6%
East Grand Rapids city	2.9%	48.0%	1.1%
Gaines charter township	1.6%	35.0%	9.3%
Grand Rapids charter township	2.3%	39.5%	4.0%
Grand Rapids city	8.8%	42.4%	14.5%
Grandville city	3.1%	17.6%	12.9%
Grattan township	1.2%	39.8%	6.5%
Kentwood city	2.6%	27.5%	17.5%
Lowell city	3.3%	32.7%	15.7%
Nelson township	0.7%	28.0%	13.2%
Oakfield township	1.3%	36.1%	7.7%
Plainfield charter township	1.7%	34.2%	9.5%
Rockford city	4.0%	30.5%	8.7%
Solon township	0.2%	29.1%	16.7%
Sparta township	1.6%	31.2%	16.3%
Spencer township	1.0%	37.4%	17.5%
Tyrone township	0.2%	39.4%	14.8%
Vergennes township	0.2%	37.7%	8.8%
Walker city	2.5%	34.3%	10.2%
Wyoming city	3.3%	24.0%	25.7%

Appendix 6:

Mortgage Origination Trends by Race & Ethnicity

Data from HMDA, 2018 to 2021

Top 25 Lenders

Percent of originations by race & ethnicity excludes applicants where race / ethnicity is unknown

Lender	White		Black		Hispanic		Asian		Other		Unknown		All Applicants #
	#	%	#	%	#	%	#	%	#	%	#	%	
AmeriFirst Home Mortgage	962	90.1%	42	3.9%	45	4.2%	17	1.6%	2	0.2%	182	0.2%	1,250
Ark-La-Tex Financial Services LLC	721	91.0%	28	3.5%	32	4.0%	8	1.0%	3	0.4%	54	0.4%	846
CHEMECAL BANK	348	88.8%	13	3.3%	21	5.4%	10	2.6%		0.0%	39	0.0%	431
Churchill Mortgage Corporation	662	91.6%	25	3.5%	12	1.7%	21	2.9%	3	0.4%	45	0.4%	768
Consumers Credit Union	603	86.0%	18	2.6%	59	8.4%	17	2.4%	4	0.6%	61	0.6%	762
Fifth Third Bank, National Association	679	64.4%	51	4.8%	137	13.0%	185	17.6%	2	0.2%	100	0.2%	1,154
Finance of America Mortgage LLC	902	78.1%	99	8.6%	118	10.2%	29	2.5%	7	0.6%	190	0.6%	1,345
Flagstar Bank	366	81.0%	32	7.1%	28	6.2%	24	5.3%	2	0.4%	54	0.4%	506
Huntington National Bank	818	86.8%	35	3.7%	49	5.2%	36	3.8%	4	0.4%	226	0.4%	1,168
Independent Bank	1,342	91.6%	44	3.0%	48	3.3%	27	1.8%	4	0.3%	83	0.3%	1,548
Inlanta Mortgage Inc.	622	88.5%	36	5.1%	28	4.0%	17	2.4%		0.0%	19	0.0%	722
JPMorgan Chase Bank, NA	544	84.0%	20	3.1%	44	6.8%	39	6.0%	1	0.2%	42	0.2%	690
Lake Michigan Credit Union	5,883	90.8%	153	2.4%	215	3.3%	214	3.3%	14	0.2%	2,545	0.2%	9,024
Mercantile Bank of Michigan	840	89.2%	28	3.0%	51	5.4%	20	2.1%	3	0.3%	135	0.3%	1,077
Mortgage 1 Incorporated	925	86.1%	72	6.7%	60	5.6%	11	1.0%	6	0.6%	91	0.6%	1,165
Neighborhood Loans	2,037	89.5%	97	4.3%	83	3.6%	52	2.3%	7	0.3%	590	0.3%	2,866
Northern Mortgage Services, LLC	860	90.9%	26	2.7%	38	4.0%	16	1.7%	6	0.6%	19	0.6%	965
Northpointe Bank	530	84.0%	55	8.7%	25	4.0%	20	3.2%	1	0.2%	92	0.2%	723
Old National Bank	736	92.7%	16	2.0%	13	1.6%	25	3.1%	4	0.5%	45	0.5%	839
PRIMELENDING	269	88.2%	21	6.9%	9	3.0%	3	1.0%	3	1.0%	101	1.0%	406
Quicken Loans	549	83.8%	26	4.0%	41	6.3%	36	5.5%	3	0.5%	268	0.5%	923
Success Mortgage Partners Inc.	347	84.0%	31	7.5%	32	7.7%	3	0.7%		0.0%	273	0.0%	686
Union Home Mortgage Company	483	84.0%	18	3.1%	55	9.6%	18	3.1%	1	0.2%	24	0.2%	599
United Wholesale Mortgage	697	82.7%	50	5.9%	54	6.4%	38	4.5%	4	0.5%	225	0.5%	1,068
VanDyk Mortgage Corporation	402	59.8%	57	8.5%	195	29.0%	12	1.8%	6	0.9%	36	0.9%	708

Appendix 7:

Mortgage Application Count and Denial Rate by Race & Ethnicity

Data from HMDA, 2018 to 2021

Top 25 Lenders

Denial rate is calculated by dividing number of applicants denied by number of applications, excluding purchased loans.

Lender	All Applicants		White		Black		Hispanic		Asian		Other		Unknown	
	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate	Apps (#)	Denial Rate
AmeriFirst Home Mortgage	1,445	1.2%	1,108	0.6%	51	3.9%	52	3.8%	18	0.0%	2	0.0%	214	3.3%
Ark-La-Tex Financial Services LLC	975	3.0%	825	2.9%	31	0.0%	37	2.7%	10	0.0%	3	0.0%	69	5.8%
CHEMECAL BANK	521	6.9%	399	3.5%	19	15.8%	36	27.8%	15	20.0%			52	11.5%
Churchill Mortgage Corporation	910	1.0%	781	1.0%	32	3.1%	18	0.0%	24	0.0%	3	0.0%	52	0.0%
Consumers Credit Union	996	1.2%	750	0.7%	24	8.3%	82	2.4%	24	0.0%	5	0.0%	111	2.7%
Fifth Third Bank, National Associatic	1,579	5.4%	904	4.4%	84	15.5%	177	6.2%	265	6.0%	3	0.0%	146	4.1%
Finance of America Mortgage LLC	1,604	3.2%	1,054	1.8%	122	6.6%	150	8.0%	33	3.0%	7	0.0%	238	5.0%
Flagstar Bank	685	17.7%	482	16.8%	43	16.3%	35	11.4%	27	7.4%	2	0.0%	96	28.1%
Huntington National Bank	1,465	6.6%	1,012	6.3%	54	13.0%	61	9.8%	49	8.2%	6	16.7%	283	4.9%
Independent Bank	1,888	4.4%	1,623	3.9%	58	10.3%	65	10.8%	35	5.7%	4	0.0%	103	4.9%
Inlanta Mortgage Inc.	826	2.8%	698	2.0%	50	8.0%	36	8.3%	19	0.0%			23	8.7%
JPMorgan Chase Bank, NA	915	6.9%	704	6.1%	29	17.2%	62	12.9%	56	8.9%	2	0.0%	62	3.2%
Lake Michigan Credit Union	10,652	3.2%	6,858	2.9%	206	8.7%	289	12.1%	243	1.6%	19	10.5%	3,037	2.8%
Mercantile Bank of Michigan	1,389	8.0%	1,054	6.7%	61	31.1%	59	1.7%	26	11.5%	3	0.0%	186	9.1%
Mortgage 1 Incorporated	1,350	1.0%	1,062	0.9%	87	3.4%	71	0.0%	13	0.0%	6	0.0%	111	0.0%
Neighborhood Loans	3,464	9.5%	2,407	7.8%	116	12.1%	101	10.9%	65	10.8%	8	12.5%	767	14.2%
Northern Mortgage Services, LLC	1,105	1.4%	982	1.2%	33	6.1%	44	2.3%	19	0.0%	7	0.0%	20	0.0%
Northpointe Bank	943	3.7%	680	2.4%	80	12.5%	32	3.1%	27	11.1%	1	0.0%	123	4.1%
Old National Bank	985	2.6%	866	2.7%	20	10.0%	15	6.7%	30	0.0%	4	0.0%	50	0.0%
PRIMELENDING	466	3.2%	299	1.7%	25	12.0%	16	12.5%	3	0.0%	4	0.0%	119	4.2%
Quicken Loans	1,199	11.7%	704	11.2%	39	20.5%	56	21.4%	41	4.9%	6	0.0%	353	11.0%
Success Mortgage Partners Inc.	801	2.9%	400	2.5%	37	0.0%	40	7.5%	5	0.0%			319	3.1%
Union Home Mortgage Company	700	1.6%	562	1.2%	24	8.3%	63	3.2%	20	0.0%	1	0.0%	30	0.0%
United Wholesale Mortgage	1,209	4.0%	791	4.4%	54	0.0%	61	1.6%	42	4.8%	5	0.0%	256	3.9%
VanDyk Mortgage Corporation	888	4.8%	490	3.5%	89	11.2%	239	5.0%	15	13.3%	6	0.0%	49	4.1%

Homeownership can build wealth for generations to come.



Don't let housing discrimination stop you.

For too long, many people have been denied access to home ownership simply because of their race or national origin. This has hurt family after family, for generations. Discrimination because of one's race, color, or national origin is against the law. If you believe you have experienced a violation of your fair housing rights, please contact the Fair Housing Center of West Michigan. Act today – your future generations will thank you.

Know your rights:

www.fhccwm.org/whatisfairhousing

Call 616-451-2980



Everyone has a right to fair housing.

A public service message from the U.S. Department of Housing and Urban Development in cooperation with the National Fair Housing Alliance. The federal Fair Housing Act prohibits discrimination because of race, color, religion, national origin, sex (including gender identity and sexual orientation), familial status or disability.



Opening Doors to Housing Choice



Fair Housing Center
of West Michigan

The mission of the Fair Housing Center of West Michigan is to prevent and eliminate illegal housing discrimination, to ensure equal housing opportunity, and to promote inclusive communities.

Fair Housing Center of West Michigan

20 Hall Street SE • Grand Rapids, MI 49507

Phone: (616) 451-2980 • Fax: (616) 451-2657

E-mail: contact-us@fhcwm.org • Website: www.fhcwm.org