

Observations from the 2018 Home Mortgage Disclosure Act Data

Hispanic* Americans represent a growing and influential population in the housing market and in the broader United States economy. Hispanics are projected to make up 21% of the nation's population and 37% of new households by 2030, making them a central segment of the economy.¹

The Latino homeownership rate has been on the rise, reaching 46.9% by the end of the last quarter of 2018.² Yet, this is still lower than the pre-2008 peak of nearly 50%.³

Since 2008, growth in Latino homeownership has accounted for 62% of the total homeownership growth in the United States, and Latinos are expected to compose half of new homeowners in the coming decade.⁴ But many Hispanic households still struggle to access home loans on affordable terms.

Using home loan data from the 2018 Home Mortgage Disclosure Act (HMDA), UnidosUS identified key indicators that illustrate how Latinos fared in the mortgage market, in particular their access to a mortgage for a home purchase.⁵ Examining Latino homeownership across these indicators can help policymakers ensure that more American families, including Latinos, have access to affordable homeownership opportunities.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. This document may also refer to this population as "Latinx" to represent the diversity of gender identities and expressions that are present in the community.

Snapshot of 2018 Home Mortgage Disclosure Act Data of Originated Home Purchase Loans

	All Applicants	White Applicants	Latino Applicants
Home Purchase Loans*	4,342,624	704,210	420,488
Non-Conventional Loans (FHA, VA, RHS)	28%	32.1%	42.8%
Conventional Loans	57.3%	67.8%	57.1%
Average Debt-to-Income Ratio (DTI)†	42.5%	42.5%	43.0%
Incidence of Higher-Priced Lending	10.6%	8.2%	23.7%
Average Interest Rate†	5.1%	4.9%	5.0%
Loans Originated with Balloon or Interest-Only Payments†	6.9%	3.2%	2.1%
Average Loan-to-Value Ratio†	86.4%	87.5%	103.0%
Average Loan Amount	\$270,107	\$259,424	\$223,183

* Home purchase loans include mortgages for single-family, 1-4 housing units, site-built and manufactured units.

† Home Mortgage Disclosure Act data collected and reported for the first time in 2018.

2018 Home Mortgage Disclosure Act Data of Home Purchase Loan Denials

	All Applicants	White Applicants	Latino Applicants
Denial Rate (Overall)	9.8%	7.9%	13.6%
Denial Rate: Non-Conventional	12.7%	9.2%	11.0%
Denial Rate: Conventional	8.4%	9.1%	15.3%
Top Denial Reason	DTI (32.6%)	DTI (30.4%)	DTI (31.9%)

Trends

- **More New Latino Homeowners:** In 2018, more than 420,000 Latinos received loans to buy a home. This number grew from 2017, when about 380,000 Latinos became homeowners.⁶ While this growth in new homeowners is among the largest since 2012, the Latino homeownership rate fell from 47.2% in 2017 to 46.9% in 2018.⁷
- **Latino Denial Rates Declined:** The denial rate for Latinos applying for a loan to buy a home has declined steadily since 2008, when the rate was 31%.⁸ Between 2017 and 2018, this trend continued with 13.6% of Latinos being denied a loan in 2018, compared with 14.1% in 2017.⁹
- **Debt-To-Income (DTI) Denials Rising:** In 2018, for the fourth consecutive year, Latinos were denied a home loan most often because of their DTI ratios. The percentage of denials because of DTI rose about two percentage points from 29.5% in 2017 to 31.9% in 2018.¹⁰

Conclusion

HMDA data is an important tool used by communities, lenders, regulators, and policymakers to understand how well home lenders are serving the credit needs of American households, and to identify home mortgage lending gaps. With Latinos expected to become the largest segment of homeowners in the next 10 years, the future of the housing market will depend on the ability of Latinos to obtain an affordable mortgage. As policymakers consider making changes to the housing finance system, there is great opportunity to do so in a way that increases access to safe and affordable mortgage products and closes existing homeownership gaps.

About Us

UnidosUS, previously known as NCLR (National Council of La Raza), is the nation's largest Hispanic civil rights and advocacy organization. Through its unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers that affect Latinos at the national and local levels.

For more than 50 years, UnidosUS has united communities and different groups seeking common ground through collaboration, and that share a desire to make our country stronger. For more information on UnidosUS, visit www.unidosus.org or follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

Endnotes

- 1 U.S. Census Bureau. "Hispanic Population to Reach 111 Million by 2060." October 9, 2018. <https://www.census.gov/library/visualizations/2018/comm/hispanic-projected-pop.html>. Accessed October 3, 2019; and Daniel McCue. "Updated Household Growth Projections: 2018-2028 and 2028-2038." December 2018. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_McCue_Household_Projections_Rev010319.pdf. Accessed October 3, 2019.
- 2 U.S. Census Bureau. "Homeownership Rates by Race and Ethnicity of Householder: 1994 to Present." <https://www.census.gov/housing/hvs/data/histtabs.html>. Accessed October 17, 2019.
- 3 UnidosUS, "Latino Homeownership 2007-2017: A Decade of Decline." June 2019. http://publications.unidosus.org/bitstream/handle/123456789/1963/latinohomeownership_statsbrief_62119.pdf?sequence=1&isAllowed=y. Accessed October 7, 2019.
- 4 Marisa Calderon, "State of Hispanic Homeownership Report." April 9, 2019. <https://nahrep.org/downloads/2018-state-of-hispanic-homeownership-report.pdf>. Accessed October 3, 2019; and L. Goodman, R. Pendall, and J. Zhu, "Headship and Homeownership: What Does the Future Hold?" June 2015. <https://www.urban.org/sites/default/files/2000257-headship-and-homeownership-what-does-the-future-hold.pdf>. Accessed October 3, 2019.
- 5 UnidosUS Calculations from the Consumer Financial Bureau and the Federal Financial Institutions Examination Council Home Mortgage Disclosure Act data, 2019.
- 6 UnidosUS, *ibid.*
- 7 *Ibid.*
- 8 *Ibid.*
- 9 *Ibid.*
- 10 *Ibid.*