



RESIDENTIAL MORTGAGE LOAN REPORT (HOLDEN ACT – SB 1556) CALENDAR YEAR 2018

Alexis Podesta

Secretary

Business, Consumer Services and Housing Agency



Manuel P. Alvarez

Commissioner

Department of Business Oversight

EXECUTIVE SUMMARY

The California Housing Financial Discrimination Act of 1977 (Act) prohibits discrimination based on defined characteristics. The Act governs the provision of loans to purchase, construct, rehabilitate or refinance one- to four-unit residences occupied by the owner and to make home improvements to any one- to four-unit family residence.

The Act, at Health and Safety Code section 35815, subdivision (b), requires the Secretary of the Business, Consumer Services and Housing Agency (Agency) to report annually to the Legislature on the compliance activities of “the appropriate regulatory agencies and departments.”

The 2018 Residential Mortgage Loan Report reflects lending activity of specified mortgage lenders in California licensed by the California Department of Business Oversight (DBO) and the California Department of Real Estate (CalDRE). The state reporting requirement applies to lenders that do not report similar information to the federal government under the Home Mortgage Disclosure Act of 1975 (HMDA). HMDA requirements apply to lenders who originate 100 or more home loans per year, and lenders whose home purchase loan originations exceed \$25 million or 10 percent of their total origination volume.

In California, 37 of the state's 58 counties have been assigned Metropolitan Statistical Area/Metropolitan Division numbers by the U.S. Census Bureau. Lenders had to identify and itemize by census tract loan transactions within only those 37 counties.

One CalDRE-licensed lender (same in 2017) and 13 DBO-licensed lenders (down from 18 in 2017) filed 2018 report information.

The 13 DBO-licensed lenders covered in this report made a total of 368 loans in 2018 – 268 home purchase and 100 home improvement loans. By contrast, the DBO licensed a total of 1,575 residential mortgage lenders that made 515,474 loans in 2018. Therefore, the loans covered in this report represent 0.07 percent of the aggregate total for all DBO licensees. Because of the extremely limited number of lenders that filed reports in 2018, no conclusions can be drawn from the data.

To review the complete 2018 Residential Mortgage Loan Report, go to www.bcsb.ca.gov/holden2018.pdf. You also may contact the DBO at 916-332-7248 to request a copy of the report.

INTRODUCTION

The Housing Financial Discrimination Act of 1977 (Act), at Health and Safety Code section 35815(b), requires the Secretary of the Business, Consumer Services and Housing Agency to report annually to the Legislature on certain compliance activities of the California Department of Business Oversight (DBO) and the California Department of Real Estate (CalDRE).

Specifically, licensed lenders must submit annual reports of their mortgage lending activity to the DBO and CalDRE. The Agency compiles the data in a Residential Mortgage Loan Report. The state reporting requirement applies to lenders that do not report similar information to the federal government under the HMDA. HMDA reporting requirements cover lenders who originate 100 or more home loans per year. In addition, lenders whose home purchase loan originations exceed \$25 million or 10 percent of total origination volume must file reports at the federal level.

Therefore, the mortgage lenders reporting to the DBO and CalDRE are entities that have assets totaling \$10 million or less, regularly fund real estate purchase and/or home improvement loans and originate less than 100 home purchase loans per year. For reporting purposes, "regularly" is defined to mean 12 or more transactions during the preceding calendar year that in aggregate total more than \$500,000 in value and are for the purpose of home purchase and/or home improvement. In addition, the state reporting requirement is limited to loans secured by one- to four-unit family dwellings. These qualified loans also must total at least 10 percent of the lender's total loan volume.

The loan activity information included in the Residential Mortgage Loan Report is substantially consistent with the federal requirements under the HMDA. The reported information includes the number of applications received, the number of loans funded, and the dollar amount of loans funded for the following loan types: Federal Housing Administration (FHA), Farmers Home Administration, and Veterans Administration (VA).

The data reported covers only transactions in geographic areas designated as Metropolitan Statistical Areas and Metropolitan Divisions where the lender is located. Metropolitan Statistical Areas and Metropolitan Divisions consist of specific areas and are designated by the U.S. Census Bureau based on population totals. The Metropolitan Statistical Areas are further broken down into census tracts that represent neighborhoods within counties and provide a source of statistical information related to ethnicity and income as reported by residents.

All information reported and submitted by the various lenders through their respective regulatory agencies has been gathered and combined with various demographic/socio-economic data from the 2010 Census of Population and Housing to produce four reports:

- Census Tract Information – Loan activity in each Metropolitan Statistical Area/Metropolitan Division reported by individual census tract.
- Loan Data by Income Categories – Loan activity in each Metropolitan Statistical Area/Metropolitan Division reported by income levels per census tract: low and moderate, middle and upper.

- Loan Data by Racial Characteristics – Loan activity in each Metropolitan Statistical Area/Metropolitan Division reported relative to the minority population percentage in each census tract.
- Loan Data by Income Categories and Racial Characteristics – Loan activity in each Metropolitan Statistical Area/Metropolitan Division reported relative to the minority population percentage and income levels in each census tract.

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The following represent the separate Department of Business Oversight and Department of Real Estate analyses of the information presented in these four data tables.

Department of Business Oversight

Residential Mortgage Loan Report information must be submitted to the DBO by licensees that regularly fund home purchase loans and/or home improvement loans and are not required to submit a HMDA report to federal regulators. The DBO licensees that participate in this type of loan activity include finance lenders, residential mortgage lenders and state-chartered credit unions. In 2018, the DBO had 7,262 California finance lender licensees (including branches), 127 licensed credit unions and 5,916 licensed residential mortgage lender (mortgage banker) locations. The aggregate number of DBO lender locations in 2018 totaled 13,305. DBO licensees that "arrange" or broker loans between borrowers and lenders are exempt from the reporting requirements of the Holden Act because they are not lenders.

In 2018, 13 of the 13,305 DBO-licensed lenders attained enough loan activity related to home purchase and/or home improvement loan requests to trigger the requirement to submit the relevant Residential Mortgage Loan Report information. That total included nine California finance lender licensees, and four state-chartered credit unions, but no California residential mortgage lender licensees. The 13 is a sharp decline from the 31 licensees that reported in 2017 and represented 0.07 percent of all DBO-licensed lenders.

The 13 lenders reported loan activity in 18 of California’s Metropolitan Statistical Area/ Metropolitan Divisions. The 18 Metropolitan Statistical Areas/Metropolitan Divisions covered 24 counties.

The geographic areas in which loan activity occurred and was reported included the following counties:

County Name	Metropolitan Statistical Area/Metropolitan Division Number
Orange County	11244
Kern County	12540
Butte County	17020
Fresno County	23420
Los Angeles County	31084
Madera County	31460
Merced County	32900
Stanislaus County	33700
Alameda County - Contra Costa	36084
Ventura County	31700

County Name	Metropolitan Statistical Area/Metropolitan Division Number
Riverside County - San Bernardino County	40140
El Dorado County - Placer County - Sacramento County - Yolo County	40900
San Diego County	41740
San Francisco County - San Mateo County	41884
San Benito County - Santa Clara County	41940
San Joaquin County	44700
Solano County	46700
Tulare County	47300

No loan activity was reported by DBO-licensed lenders in Imperial, Kings, Marin, Napa, San Luis Obispo, Santa Barbara and Santa Cruz counties which have a Metropolitan Statistical Area/Metropolitan Division number.

Activity in the following counties was not reportable because they do not have Metropolitan Statistical Area/Metropolitan Division numbers: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

Loan activity information submitted by DBO-licensed lenders has been condensed into the four following summary tables:

TABLE I - CENSUS TRACT AGGREGATION/MSA SUMMARY (SUMMARY REPORT)

MSA Number	Total Tracts	Tracts Reported	% Minority Population	MSA Median Income	Total Home Purchase Apps	Ttl Home Purchase Loans	% of Home Purchase Loans Funded	Total Home Improvement Apps	Total Home Improvement Loans	% of Home Improvement Loans Funded
11244	583	24	58%	97,900	28	24	86%	1	1	100%
12540	151	6	64%	57,900	6	6	100%	0	0	0%
17020	51	2	27%	66,500	1	1	100%	1	1	100%
23420	199	2	69%	57,300	3	2	67%	0	0	0%
31084	2,346	60	74%	73,100	38	36	95%	30	29	97%
31460	23	1	64%	59,100	1	1	100%	0	0	0%
32900	49	7	71%	55,500	10	10	100%	1	1	100%
33700	94	19	56%	64,500	35	34	97%	1	1	100%
36084	568	11	62%	111,700	4	4	100%	10	10	100%
37100	174	2	53%	97,800	2	2	100%	0	0	0%
40140	821	32	66%	69,700	34	28	82%	5	5	100%
40900	485	32	46%	84,000	28	27	96%	6	6	100%
41740	628	63	53%	86,300	81	80	99%	2	2	100%
41884	354	23	59%	133,800	3	2	67%	24	24	100%
41940	383	14	67%	129,900	1	1	100%	15	14	93%
44700	139	11	66%	71,400	9	8	89%	4	4	100%
46700	96	3	61%	85,700	1	1	100%	2	2	100%
47300	78	1	70%	50,900	1	1	100%	0	0	0%
TOTAL	7222	313	N/A	N/A	286	268	94%	102	100	98%

TABLE II - HOME LOANS DATA BY INCOME

MSA	Low and Mod Income									Middle Income						Upper Income					
	Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement		
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%
11244	8	7	7	100%	1	1	100%	8	11	8	73%	0	0	0%	8	10	9	90%	0	0	0%
12540	1	1	1	100%	0	0	0%	2	2	2	100%	0	0	0%	3	3	3	100%	0	0	0%
17020	1	0	0	0%	1	1	100%	1	1	1	100%	0	0	0%	0	0	0	0%	0	0	0%
23420	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	3	2	67%	0	0	0%
31084	7	5	5	100%	2	2	100%	14	5	5	100%	10	10	100%	39	28	26	93%	18	17	94%
31460	1	1	1	100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
32900	2	2	2	100%	0	0	0%	4	5	5	100%	1	1	100%	1	3	3	100%	0	0	0%
33700	5	5	5	100%	0	0	0%	7	16	15	94%	0	0	0%	7	14	14	100%	1	1	100%
36084	3	0	0	0%	3	3	100%	4	2	2	100%	3	3	100%	4	2	2	100%	4	4	100%
37100	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%
40140	5	5	5	100%	0	0	0%	19	22	17	77%	3	3	100%	8	7	6	86%	2	2	100%
40900	13	12	12	100%	1	1	100%	14	9	9	100%	5	5	100%	5	7	6	86%	0	0	0%
41740	16	19	18	95%	1	1	100%	30	38	38	100%	0	0	0%	17	24	24	100%	1	1	100%
41884	3	0	0	0%	4	4	100%	13	2	1	50%	14	14	100%	7	1	1	100%	6	6	100%
41940	6	0	0	0%	6	6	100%	5	0	0	0%	5	5	100%	3	1	1	100%	4	3	75%
44700	4	3	3	100%	1	1	100%	5	4	3	75%	2	2	100%	2	2	2	100%	1	1	100%
46700	1	0	0	0%	1	1	100%	2	1	1	100%	1	1	100%	0	0	0	0%	0	0	0%
47300	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%
Total	76	60	59	98%	21	21	100%	128	118	107	91%	44	44	100%	109	108	102	94%	37	35	95%

TABLE III - HOME LOANS DATA BY RACIAL CHARACTERISTICS																					
MSA	Less than 10% Minority							10% to 15% Minority							16% to 39% Minority						
	Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement		
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%
11244	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%	6	8	7	88%	0	0	0%
12540	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	3	3	3	100%	0	0	0%
17020	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	1	1	100%	1	1	100%
23420	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	3	2	67%	0	0	0%
31084	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	12	5	5	100%	8	8	100%
31460	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
32900	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	3	3	100%	0	0	0%
33700	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	6	13	13	100%	1	1	100%
36084	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%
37100	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%
40140	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	7	9	7	78%	0	0	0%
40900	1	0	0	0%	1	1	100%	1	1	1	100%	0	0	0%	15	13	12	92%	4	4	100%
41740	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%	15	18	18	100%	0	0	0%
41884	0	0	0	0%	0	0	0%	1	0	0	0%	1	1	100%	4	1	1	100%	4	4	100%
41940	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	0	0	0%	4	3	75%
44700	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	2	2	2	100%	1	1	100%
46700	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
47300	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%
Total	1	0	0	0%	1	1	100%	5	4	4	100%	1	1	100%	81	83	78	94%	23	22	96%

TABLE III - HOME LOANS DATA BY RACIAL CHARACTERISTICS																					
MSA	40% to 59% Minority							60% to 79% Minority							80% to 100% Minority						
	Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Home Improvement		
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%
11244	7	10	7	70%	0	0	0%	4	3	3	100%	1	1	100%	6	6	6	100%	0	0	0%
12540	1	1	1	100%	0	0	0%	1	1	1	100%	0	0	0%	1	1	1	100%	0	0	0%
17020	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
23420	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
31084	11	8	6	75%	8	7	88%	16	8	8	100%	9	9	100%	21	17	17	100%	5	5	100%
31460	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%
32900	0	0	0	0%	0	0	0%	4	4	4	100%	0	0	0%	2	3	3	100%	1	1	100%
33700	5	10	10	100%	0	0	0%	7	11	10	91%	0	0	0%	1	1	1	100%	0	0	0%
36084	1	1	1	100%	0	0	0%	5	2	2	100%	3	3	100%	4	0	0	0%	7	7	100%
37100	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
40140	6	5	4	80%	2	2	100%	12	15	12	80%	0	0	0%	7	5	5	100%	3	3	100%
40900	6	6	6	100%	0	0	0%	6	5	5	100%	1	1	100%	3	3	3	100%	0	0	0%
41740	19	20	20	100%	1	1	100%	12	14	14	100%	0	0	0%	15	27	26	96%	1	1	100%
41884	5	0	0	0%	5	5	100%	10	2	1	50%	10	10	100%	3	0	0	0%	4	4	100%
41940	3	0	0	0%	3	3	100%	1	0	0	0%	1	1	100%	8	1	1	100%	7	7	100%
44700	0	0	0	0%	0	0	0%	5	2	2	100%	3	3	100%	4	5	4	80%	0	0	0%
46700	0	0	0	0%	0	0	0%	1	0	0	0%	1	1	100%	2	1	1	100%	1	1	100%
47300	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%
Total	64	61	55	90%	19	18	95%	84	67	62	93%	29	29	100%	78	71	69	97%	29	29	100%

TABLE IV - HOME LOANS DATA BY INCOME CATEGORIES AND RACIAL CHARACTERISTICS

MSA		Low and Moderate Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	0	0	1	2	5
	Purchase Loan Apps	0	0	0	1	1	5
	Purchase Loans Funded	0	0	0	1	1	5
	% Funded	0%	0%	0%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	0	1	0
	Home Improve Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	100%	0%
12540	No of Tracts	0	0	0	0	0	1
	Purchase Loan Apps	0	0	0	0	0	1
	Purchase Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
17020	No of Tracts	0	0	1	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	1	0	0	0
	Home Improve Loans Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
23420	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	0	0	1	6
	Purchase Loan Apps	0	0	0	0	0	5
	Purchase Loans Funded	0	0	0	0	0	5
	% Funded	0%	0%	0%	0%	0%	100%
	Home Improve Loan Apps	0	0	0	0	1	1
	Home Improve Loans Funded	0	0	0	0	1	1
	% Funded	0%	0%	0%	0%	100%	100%
31460	No of Tracts	0	0	0	0	0	1
	Purchase Loan Apps	0	0	0	0	0	1
	Purchase Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
32900	No of Tracts	0	0	0	0	2	0
	Purchase Loan Apps	0	0	0	0	2	0
	Purchase Loans Funded	0	0	0	0	2	0
	% Funded	0%	0%	0%	0%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%

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MSA		Low and Moderate Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
33700	No of Tracts	0	0	0	0	4	1
	Purchase Loan Apps	0	0	0	0	4	1
	Purchase Loans Funded	0	0	0	0	4	1
	% Funded	0%	0%	0%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
36084	No of Tracts	0	0	0	0	1	2
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	1	2
	Home Improve Loans Funded	0	0	0	0	1	2
	% Funded	0%	0%	0%	0%	100%	100%
37100	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40140	No of Tracts	0	0	1	0	3	1
	Purchase Loan Apps	0	0	1	0	3	1
	Purchase Loans Funded	0	0	1	0	3	1
	% Funded	0%	0%	100%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40900	No of Tracts	0	0	2	4	4	3
	Purchase Loan Apps	0	0	2	4	3	3
	Purchase Loans Funded	0	0	2	4	3	3
	% Funded	0%	0%	100%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	0	1	0
	Home Improve Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	100%	0%
41740	No of Tracts	0	0	2	5	4	5
	Purchase Loan Apps	0	0	3	5	4	7
	Purchase Loans Funded	0	0	3	5	4	6
	% Funded	0%	0%	100%	100%	100%	86%
	Home Improve Loan Apps	0	0	0	0	0	1
	Home Improve Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
41884	No of Tracts	0	0	0	0	2	1
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	3	1
	Home Improve Loans Funded	0	0	0	0	3	1
	% Funded	0%	0%	0%	0%	100%	100%

TABLE IV -PAGE 3

MSA		Low and Moderate Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
41940	No of Tracts	0	0	0	0	1	5
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	1	5
	Home Improve Loans Funded	0	0	0	0	1	5
	% Funded	0%	0%	0%	0%	100%	100%
44700	No of Tracts	0	0	0	0	2	2
	Purchase Loan Apps	0	0	0	0	1	2
	Purchase Loans Funded	0	0	0	0	1	2
	% Funded	0%	0%	0%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	1	0
	Home Improve Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	100%	0%
46700	No of Tracts	0	0	0	0	0	1
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	1
	Home Improve Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
47300	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
Total	No of Tracts	0	0	6	10	26	34
	Purchase Loan Apps	0	0	6	10	18	26
	Purchase Loans Funded	0	0	6	10	18	25
	% Funded	0%	0%	100%	100%	100%	96%
	Home Improve Loan Apps	0	0	1	0	9	11
	Home Improve Loans Funded	0	0	1	0	9	11
	% Funded	0%	0%	100%	0%	100%	100%

TABLE IV - PAGE 4

MSA		Middle Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	0	1	4	2	1
	Purchase Loan Apps	0	0	1	7	2	1
	Purchase Loans Funded	0	0	1	4	2	1
	% Funded	0%	0%	100%	57%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
12540	No of Tracts	0	0	0	1	1	0
	Purchase Loan Apps	0	0	0	1	1	0
	Purchase Loans Funded	0	0	0	1	1	0
	% Funded	0%	0%	0%	100%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
17020	No of Tracts	0	0	1	0	0	0
	Purchase Loan Apps	0	0	1	0	0	0
	Purchase Loans Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
23420	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	1	2	5	6
	Purchase Loan Apps	0	0	0	1	0	4
	Purchase Loans Funded	0	0	0	1	0	4
	% Funded	0%	0%	0%	100%	0%	100%
	Home Improve Loan Apps	0	0	1	1	5	3
	Home Improve Loans Funded	0	0	1	1	5	3
	% Funded	0%	0%	100%	100%	100%	100%
31460	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
32900	No of Tracts	0	0	0	0	2	2
	Purchase Loan Apps	0	0	0	0	2	3
	Purchase Loans Funded	0	0	0	0	2	3
	% Funded	0%	0%	0%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	1
	Home Improve Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%

TABLE IV - PAGE 5

MSA		Middle Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
33700	No of Tracts	0	0	1	3	3	0
	Purchase Loan Apps	0	0	3	6	7	0
	Purchase Loans Funded	0	0	3	6	6	0
	% Funded	0%	0%	100%	100%	86%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
36084	No of Tracts	0	0	0	1	2	1
	Purchase Loan Apps	0	0	0	1	1	0
	Purchase Loans Funded	0	0	0	1	1	0
	% Funded	0%	0%	0%	100%	100%	0%
	Home Improve Loan Apps	0	0	0	0	1	2
	Home Improve Loans Funded	0	0	0	0	1	2
	% Funded	0%	0%	0%	0%	100%	100%
37100	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40140	No of Tracts	0	0	6	2	5	6
	Purchase Loan Apps	0	0	8	2	8	4
	Purchase Loans Funded	0	0	6	2	5	4
	% Funded	0%	0%	75%	100%	63%	100%
	Home Improve Loan Apps	0	0	0	0	0	3
	Home Improve Loans Funded	0	0	0	0	0	3
	% Funded	0%	0%	0%	0%	0%	100%
40900	No of Tracts	1	1	8	2	2	0
	Purchase Loan Apps	0	1	4	2	2	0
	Purchase Loans Funded	0	1	4	2	2	0
	% Funded	0%	100%	100%	100%	100%	0%
	Home Improve Loan Apps	1	0	4	0	0	0
	Home Improve Loans Funded	1	0	4	0	0	0
	% Funded	100%	0%	100%	0%	0%	0%
41740	No of Tracts	0	1	9	6	6	8
	Purchase Loan Apps	0	1	10	6	8	13
	Purchase Loans Funded	0	1	10	6	8	13
	% Funded	0%	100%	100%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
41884	No of Tracts	0	0	2	2	7	2
	Purchase Loan Apps	0	0	0	0	2	0
	Purchase Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	50%	0%
	Home Improve Loan Apps	0	0	3	2	6	3
	Home Improve Loans Funded	0	0	3	2	6	3
	% Funded	0%	0%	100%	100%	100%	100%

TABLE IV - PAGE 6

MSA		Middle Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
41940	No of Tracts	0	0	0	3	0	2
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	3	0	2
	Home Improve Loans Funded	0	0	0	3	0	2
	% Funded	0%	0%	0%	100%	0%	100%
44700	No of Tracts	0	0	1	0	2	2
	Purchase Loan Apps	0	0	0	0	1	3
	Purchase Loans Funded	0	0	0	0	1	2
	% Funded	0%	0%	0%	0%	100%	67%
	Home Improve Loan Apps	0	0	1	0	1	0
	Home Improve Loans Funded	0	0	1	0	1	0
	% Funded	0%	0%	100%	0%	100%	0%
46700	No of Tracts	0	0	0	0	1	1
	Purchase Loan Apps	0	0	0	0	0	1
	Purchase Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
	Home Improve Loan Apps	0	0	0	0	1	0
	Home Improve Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	100%	0%
47300	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
Total	No of Tracts	1	2	30	26	38	31
	Purchase Loan Apps	0	2	27	26	34	29
	Purchase Loans Funded	0	2	25	23	29	28
	% Funded	0%	100%	93%	88%	85%	97%
	Home Improve Loan Apps	1	0	9	6	14	14
	Home Improve Loans Funded	1	0	9	6	14	14
	% Funded	100%	0%	100%	100%	100%	100%

TABLE IV - PAGE 7

MSA		Upper Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	1	5	2	0	0
	Purchase Loan Apps	0	1	7	2	0	0
	Purchase Loans Funded	0	1	6	2	0	0
	% Funded	0%	100%	86%	100%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
12540	No of Tracts	0	0	3	0	0	0
	Purchase Loan Apps	0	0	3	0	0	0
	Purchase Loans Funded	0	0	3	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
17020	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
23420	No of Tracts	0	0	2	0	0	0
	Purchase Loan Apps	0	0	3	0	0	0
	Purchase Loans Funded	0	0	2	0	0	0
	% Funded	0%	0%	67%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	11	9	10	9
	Purchase Loan Apps	0	0	5	7	8	8
	Purchase Loans Funded	0	0	5	5	8	8
	% Funded	0%	0%	100%	71%	100%	100%
	Home Improve Loan Apps	0	0	7	7	3	1
	Home Improve Loans Funded	0	0	7	6	3	1
	% Funded	0%	0%	100%	86%	100%	100%
31460	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
32900	No of Tracts	0	0	1	0	0	0
	Purchase Loan Apps	0	0	3	0	0	0
	Purchase Loans Funded	0	0	3	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%

TABLE IV - PAGE 8

MSA		Upper Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
33700	No of Tracts	0	0	5	2	0	0
	Purchase Loan Apps	0	0	10	4	0	0
	Purchase Loans Funded	0	0	10	4	0	0
	% Funded	0%	0%	100%	100%	0%	0%
	Home Improve Loan Apps	0	0	1	0	0	0
	Home Improve Loans Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
36084	No of Tracts	0	0	1	0	2	1
	Purchase Loan Apps	0	0	1	0	1	0
	Purchase Loans Funded	0	0	1	0	1	0
	% Funded	0%	0%	100%	0%	100%	0%
	Home Improve Loan Apps	0	0	0	0	1	3
	Home Improve Loans Funded	0	0	0	0	1	3
	% Funded	0%	0%	0%	0%	100%	100%
37100	No of Tracts	0	0	2	0	0	0
	Purchase Loan Apps	0	0	2	0	0	0
	Purchase Loans Funded	0	0	2	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40140	No of Tracts	0	0	0	4	4	0
	Purchase Loan Apps	0	0	0	3	4	0
	Purchase Loans Funded	0	0	0	2	4	0
	% Funded	0%	0%	0%	67%	100%	0%
	Home Improve Loan Apps	0	0	0	2	0	0
	Home Improve Loans Funded	0	0	0	2	0	0
	% Funded	0%	0%	0%	100%	0%	0%
40900	No of Tracts	0	0	5	0	0	0
	Purchase Loan Apps	0	0	7	0	0	0
	Purchase Loans Funded	0	0	6	0	0	0
	% Funded	0%	0%	86%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
41740	No of Tracts	0	1	4	8	2	2
	Purchase Loan Apps	0	1	5	9	2	7
	Purchase Loans Funded	0	1	5	9	2	7
	% Funded	0%	100%	100%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	1	0	0
	Home Improve Loans Funded	0	0	0	1	0	0
	% Funded	0%	0%	0%	100%	0%	0%
41884	No of Tracts	0	1	2	3	1	0
	Purchase Loan Apps	0	0	1	0	0	0
	Purchase Loans Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	1	1	3	1	0
	Home Improve Loans Funded	0	1	1	3	1	0
	% Funded	0%	100%	100%	100%	100%	0%

TABLE IV - PAGE 9

MSA		Upper Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
41940	No of Tracts	0	0	2	0	0	1
	Purchase Loan Apps	0	0	0	0	0	1
	Purchase Loans Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
	Home Improve Loan Apps	0	0	4	0	0	0
	Home Improve Loans Funded	0	0	3	0	0	0
	% Funded	0%	0%	75%	0%	0%	0%
44700	No of Tracts	0	0	1	0	1	0
	Purchase Loan Apps	0	0	2	0	0	0
	Purchase Loans Funded	0	0	2	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	1	0
	Home Improve Loans Funded	0	0	0	0	1	0
	% Funded	0%	0%	0%	0%	100%	0%
46700	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
47300	No of Tracts	0	0	1	0	0	0
	Purchase Loan Apps	0	0	1	0	0	0
	Purchase Loans Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
Total	No of Tracts	0	3	45	28	20	13
	Purchase Loan Apps	0	2	50	25	15	16
	Purchase Loans Funded	0	2	47	22	15	16
	% Funded	0%	100%	94%	88%	100%	100%
	Home Improve Loan Apps	0	1	13	13	6	4
	Home Improve Loans Funded	0	1	12	12	6	4
	% Funded	0%	100%	92%	92%	100%	100%

TABLE IV - DATA SUMMARY						
	Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
Low and Moderate Income						
No of Tracts	0	0	6	10	26	34
Purchase Loan Apps	0	0	6	10	18	26
Purchase Loans Funded	0	0	6	10	18	25
% Funded	0%	0%	100%	100%	100%	96%
Home Improve Loan Apps	0	0	1	0	9	11
Home Improve Loans Funded	0	0	1	0	9	11
% Funded	0%	0%	100%	0%	100%	100%
Middle Income						
No of Tracts	1	2	30	26	38	31
Purchase Loan Apps	0	2	27	26	34	29
Purchase Loans Funded	0	2	25	23	29	28
% Funded	0%	100%	93%	88%	85%	97%
Home Improve Loan Apps	1	0	9	6	14	14
Home Improve Loans Funded	1	0	9	6	14	14
% Funded	100%	0%	100%	100%	100%	100%
Upper Income						
No of Tracts	0	3	45	28	20	13
Purchase Loan Apps	0	2	50	25	15	16
Purchase Loans Funded	0	2	47	22	15	16
% Funded	0%	100%	94%	88%	100%	100%
Home Improve Loan Apps	0	1	13	13	6	4
Home Improve Loans Funded	0	1	12	12	6	4
% Funded	0%	100%	92%	92%	100%	100%

Data Table Summaries:

The 13 DBO-licensed lenders submitted report information covering 18 of California's 28 Metropolitan Statistical Areas/Metropolitan Divisions, and 32 of California's 37 counties with assigned Metropolitan Statistical Area/Metropolitan Division numbers. The 18 Metropolitan Statistical Area/Metropolitan Division numbers have been further segregated into 7,222 individual census tracts, or specific neighborhood/geographic areas. Lenders reported loan activity in 313 of the census tracts, or approximately 4.3 percent of the total.

Combined home purchase and home improvements loans funded in 2018 totaled 368. The total funded loans reported by DBO-licensed lenders in this year's Residential Mortgage Loan Report was minuscule compared to the 515,474 such loans made by all DBO lenders.

Data Table I - Census Tract Aggregation

	<u>2017</u>	<u>2018</u>	<u>Change</u>
Home Purchase Loan Applications	1,003	286	-717
Home Purchase Loans Funded	811	268	-543
Percentage of Loans Funded	81%	94%	+13 percentage points
Home Improvement Loan Applications	254	102	-152
Home Improvement Loans Funded	248	100	-148
Percentage of Loans Funded	98%	98%	no change

Table I shows 286 applications for home purchase loans and 102 applications for home improvement loans were submitted to the reporting DBO-licensed lenders in 2018. These totals represented a decrease in home purchase loan applications from 2017, and a decrease in home improvement loan applications. In comparing loan funding rates, 94 percent of all home purchase loan applications received funding in 2018, and 98 percent of all home improvement loan applications were funded. This represented an increase from 2017 in the funding rate for both home purchase loans and home improvement loans.

Due to the limited amount of loan activity reported by the 13 DBO-licensed lenders, no conclusions can be drawn from the information in Table I.

Data Table II - Home Loan Data by Income

Table II reveals that the highest funded rate for home purchase loans came at the low- and moderate-income level followed by the upper-income level, then the middle-income level.

Upper Income

Home Purchase Loans		Home Improvement Loans	
No. of Apps	108	No. of Apps	37
No. of Loans	102	No. of Loans	35
% Loans Funded	94%	% Loans Funded	95%

Middle Income

Home Purchase Loans		Home Improvement Loans	
No. of Apps	118	No. of Apps	44
No. of Loans	107	No. of Loans	44
% Loans Funded	91%	% Loans Funded	100%

Low and Moderate Income

Purchase Loans		Home Improvement Loans	
No. of Apps	60	No. of Apps	21
No. of Loans	59	No. of Loans	21
% Loans Funded	98%	% Loans Funded	100%

Due to the limited amount of loan activity reported by the 13 DBO-licensed lenders, no conclusions can be drawn from the information in Table II.

Data Table III - Home Loan Data by Racial Characteristics

Table III reports Metropolitan Statistical Area/Metropolitan Division and census tract loan activity based on the racial characteristics of the areas. Loan activity relevant to racial characteristics shows the following:

	No. of Tracts	Home Purchase Loans			Home Improvement Loans		
		Apps	Loans	Fund Rate	Apps	Loans	Fund Rate
Less than 10% minority	1	0	0	0%	1	1	100%
10% to 15% minority	5	4	4	100%	1	1	100%
16% to 39% minority	81	83	78	94%	23	22	96%
40% to 59% minority	64	61	55	90%	19	18	95%
60% to 79% minority	84	67	62	93%	29	29	100%
80% to 100% minority	78	71	69	97%	29	29	100%

Due to the limited amount of loan activity reported by the 13 DBO-licensed lenders, no conclusions can be drawn from the information in Table III.

Data Table IV - Home Loan Data by Income Categories and Racial Characteristics

Table IV shows aggregate loan funding information based on the income and the racial composition of areas in which DBO licensees funded loan requests.

Low- and moderate-income category – The home purchase funding rates were: 100 percent of loans in the 16 percent to 39 percent minority category; 100 percent in the 40 percent to 59 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 96 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the less than 10 percent minority category or the 10 percent to 15 percent minority category. Six applications were reported in the 16 percent to 39 percent minority category; 10 in the 40 percent to 59 percent minority category; 18 in the 60 percent to 79 percent minority category; and 26 in the 80 percent to 100 percent minority category. No applications were reported in the less than 10 percent minority and 10 percent to 15 percent minority categories.

The home improvement loan funding rates were: 100 percent in the 16 percent to 39 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 100 percent in the 80 percent to 100 percent minority category. No home improvement loans were reported in the less than 10 percent minority, 10 percent to 15 percent minority, and 40 percent to 59 percent minority categories. One application

was reported in the 16 percent to 39 percent minority; nine in the 60 percent to 79 percent minority; and 11 in the 80 percent to 100 percent minority categories. No applications were reported in the less than 10 percent minority, 10 percent to 15 percent minority, and the 40 percent to 59 percent categories.

Middle-income category – The home purchase funding rates were: 100 percent of loans in the 10 percent to 15 percent minority category; 93 percent in the 16 percent to 39 percent minority category; 88 percent in the 40 percent to 59 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 96 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the less than 10 percent minority category. Two applications were reported in the 10 percent to 15 percent minority category; 27 in the 16 percent to 39 percent minority category; 26 in the 40 percent to 59 percent minority category; 34 in the 60 percent to 79 percent minority category; and 29 in the 80 percent to 100 percent minority category. No applications were reported in the less than 10 percent minority category.

The home improvement loan funding rates were: 100 percent in the less than 10 percent minority category; 100 percent in the 16 percent to 39 percent minority category; 100 percent in the 40 percent to 59 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 100 percent in the 80 percent to 100 percent minority category. No home improvement loans were reported in the 10 percent to 15 percent minority category. One application was reported in the less than 10 percent minority category; nine in the 16 percent to 39 percent minority category; six in the 40 percent to 59 percent minority category; 14 in the 60 percent to 79 percent minority category; and 14 in the 80 percent to 100 percent minority category. No home improvement applications were reported in the 10 percent to 15 percent minority category.

Upper-income category –The home purchase funding rates were: 100 percent of loans in the 10 percent to 15 percent minority category; 94 percent in the 16 percent to 39 percent minority category; 88 percent in the 40 percent to 59 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 100 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the less than 10 percent minority category. Two applications were reported in the 10 percent to 15 percent minority category; 50 in the 16 percent to 39 percent minority category; 25 in the 40 percent to 59 percent minority category; 15 in the 60 percent to 79 percent minority category; and 16 in the 80 percent to 100 percent minority category. No applications were reported in the less than 10 percent minority category.

The home improvement loan funding rates were: 100 percent of loans in the 10 percent to 15 percent minority category; 92 percent in the 16 percent to 39 percent minority category; 92 percent in the 40 percent to 59 percent minority category; 100 percent in the 60 percent to 79 percent minority category; and 100 percent in the 80 percent to 100 percent minority category. One application was reported in the 10 percent to 15 percent minority category; 13 in the 16 percent to 39 percent minority category; 13 in the 40 percent to 59 percent minority category; 6 in the 60 percent to 79 percent minority category; and 4 in the 80 percent to 100 percent minority category. No applications were reported in the less than 10 percent minority category.

Due to the limited amount of loan activity reported by the 13 DBO-licensed lenders, no conclusions can be drawn from the Table IV information.

Department of Business Oversight Conclusions:

Due to the extremely limited number of DBO licensed lenders (13) that filed reports, no conclusions can be drawn from the data.

All DBO-licensed mortgage lenders made a total of 362,578 loans in 2018 with a total value of \$131.3 billion. DBO-licensed finance lenders made or refinanced a total of 65,872 loans for an aggregate amount of \$23.9 billion. Credit unions licensed by the DBO made or refinanced 87,024 loans with a total value of \$11.1 billion. The 368 loans reported in the Residential Mortgage Loan Report – 268 home purchase loans and 100 home improvement loans – comprised just 0.07 percent of the overall number of loans made by all DBO licensees. Additionally, the reported information does not reflect the impact of specific credit criteria. The information reported by DBO-licensed lenders does not show any violations of the Holden Act.

California Department of Real Estate

Real estate licensees who regularly fund home purchase and/or home improvement loans and are not required to submit a federal HMDA report, must submit Residential Mortgage Loan Report information to CalDRE. Real estate licensees who "arrange" or broker loans between borrowers and lenders are exempt from the reporting requirement because they are not lenders.

For 2018 loan activity, one CalDRE licensee attained sufficient lending activity to trigger the requirement to submit Residential Mortgage Loan Report information. Four CalDRE licensees reported in 2016.

In 1990, the number of reporting licensees was 48. The number of CalDRE-licensed lenders submitting the lending information for the Residential Mortgage Loan Report continues to be affected by the federal government's amendments to HMDA, which increased the number of lenders reporting to federal agencies. In addition, during the 1993-94 California legislative session, SB 1978 (California Residential Mortgage Lending Act) was enacted and established a new category of licensee to be regulated by the DBO. Some of these licensees, known as Residential Mortgage Lenders (mortgage bankers), are former CalDRE licensees which now report to the DBO. The number of CalDRE-licensed lenders that reported was further reduced by the 2007-09 economic downturns and resulting contraction in the mortgage loan industry.

In California, 37 of the state's 58 counties have been assigned Metropolitan Statistical Area/Metropolitan Division numbers by the U.S. Census Bureau. Lenders had to identify and itemize by census tract loan transactions within only those 37 counties.

The one CalDRE-licensed real estate lender covered in the tables below reported transactions in only two of the 37 counties for 2018.

That geographic area consisted of the following counties and corresponding Metropolitan Statistical Areas/Metropolitan Division:

<u>County</u>	<u>Metropolitan Statistical Areas</u>
Los Angeles	31084
Orange	11244

No loan activity was reported by the CalDRE-licensed lenders in the following counties with Metropolitan Statistical Area/Metropolitan Division numbers: Alameda, Butte, Contra Costa, El Dorado, Fresno, Imperial, Kern, Kings, Madera, Marin, Merced, Monterey, Napa, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, Santa Clara, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo and Yuba.

Activity for the following counties was not reportable because they do not have assigned Metropolitan Statistical Area/Metropolitan Division numbers: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

Please note: For any counties assigned the same Metropolitan Statistical Area/Metropolitan Division number, all reported information has been combined and the counties will be represented as one entity.

Loan activity information submitted by the CalDRE-licensed lender has been condensed into four summary tables. The tables, as well as a review of the information presented, follow:

TABLE I - CENSUS TRACT AGGREGATION/MSA SUMMARY (SUMMARY REPORT)

MSA Number	Total Tracts	Tracts Reported	% Minority Population	MSA Median Income	Total Home Purchase Apps	Ttl Home Purchase Loans	% of Home Purchase Loans Funded	Total Home Improvement Apps	Total Home Improvement Loans	% of Home Improvement Loans Funded
11244	583	1	58%	97,900	1	1	100%	1	1	100%
31084	2,346	30	74%	73,100	49	40	82%	49	40	82%
TOTAL	2929	31	N/A	N/A	50	41	82%	50	41	82%

TABLE II - HOME LOANS DATA BY INCOME

MSA	Low and Mod Income								Middle Income						Upper Income							
	Tracts Reprtd	Purchase Loans			Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Improvement			
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%				
31084	15	28	21	75%	28	21	75%	4	4	4	100%	4	4	4	100%	10	14	13	93%	14	13	93%
11244	0	0	0	0%	0	0	0%	1	1	1	100%	1	1	1	100%	0	0	0	0%	0	0	0%
Total	15	28	21	75%	28	21	75%	5	5	5	100%	5	5	5	100%	10	14	13	93%	14	13	93%

One loan reported for Census Tract 31084 had no reported income category. Loans with unreported income category were not included in the data reported in Table II.

TABLE III - HOME LOANS DATA BY RACIAL CHARACTERISTICS

MSA	Less than 10% Minority							10% to 15% Minority							16% to 39% Minority							
	Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%				
11244	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0%
31084	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0%	1	1	1	100%	1	1	100%
Total	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0%	1	1	1	100%	1	1	100%

TABLE III - HOME LOANS DATA BY RACIAL CHARACTERISTICS

MSA	40% to 59% Minority							60% to 79% Minority							80% to 100% Minority							
	Tracts Reprtd	Purchase Loans			Home Improvement			Tracts Reprtd	Purchase Loans			Improvement			Tracts Reprtd	Purchase Loans			Home Improvement			
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%				
11244	1	1	1	100%	1	1	100%	0	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0%
31084	3	4	4	100%	4	4	100%	5	6	5	83%	6	5	83%	21	38	30	79%	38	30	79%	
Total	4	5	5	100%	5	5	100%	5	6	5	83%	6	5	83%	21	38	30	79%	38	30	79%	

TABLE IV - HOME LOANS DATA BY INCOME CATEGORIES AND RACIAL CHARACTERISTICS							
MSA		Low and Moderate Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	0	0	0	15
	Purchase Loan Apps	0	0	0	0	0	28
	Purchase Loans Funded	0	0	0	0	0	21
	% Funded	0%	0%	0%	0%	0%	75%
	Home Improve Loan Apps	0	0	0	0	0	28
	Home Improve Loans Funded	0	0	0	0	0	21
	% Funded	0%	0%	0%	0%	0%	75%
Total	No of Tracts	0	0	0	0	0	15
	Purchase Loan Apps	0	0	0	0	0	28
	Purchase Loans Funded	0	0	0	0	0	21
	% Funded	0%	0%	0%	0%	0%	75%
	Home Improve Loan Apps	0	0	0	0	0	28
	Home Improve Loans Funded	0	0	0	0	0	21
	% Funded	0%	0%	0%	0%	0%	75%

TABLE IV -PAGE 2							
MSA		Middle Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	0	0	1	0	0
	Purchase Loan Apps	0	0	0	1	0	0
	Purchase Loans Funded	0	0	0	1	0	0
	% Funded	0%	0%	0%	100%	0%	0%
	Home Improve Loan Apps	0	0	0	1	0	0
	Home Improve Loans Funded	0	0	0	1	0	0
	% Funded	0%	0%	0%	100%	0%	0%
31084	No of Tracts	0	0	0	0	1	3
	Purchase Loan Apps	0	0	0	0	1	3
	Purchase Loans Funded	0	0	0	0	1	3
	% Funded	0%	0%	0%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	1	3
	Home Improve Loans Funded	0	0	0	0	1	3
	% Funded	0%	0%	0%	0%	100%	100%
Total	No of Tracts	0	0	0	1	1	3
	Purchase Loan Apps	0	0	0	1	1	3
	Purchase Loans Funded	0	0	0	1	1	3
	% Funded	0%	0%	0%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	1	1	3
	Home Improve Loans Funded	0	0	0	1	1	3
	% Funded	0%	0%	0%	100%	100%	100%

TABLE IV - PAGE 3

MSA		Upper Income					
		Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
11244	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loans Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	1	3	4	2
	Purchase Loan Apps	0	0	1	4	5	4
	Purchase Loans Funded	0	0	1	4	4	4
	% Funded	0%	0%	100%	100%	80%	100%
	Home Improve Loan Apps	0	0	1	4	5	4
	Home Improve Loans Funded	0	0	1	4	4	4
	% Funded	0%	0%	100%	100%	80%	100%
Total	No of Tracts	0	0	1	3	4	2
	Purchase Loan Apps	0	0	1	4	5	4
	Purchase Loans Funded	0	0	1	4	4	4
	% Funded	0%	0%	100%	100%	80%	100%
	Home Improve Loan Apps	0	0	1	4	5	4
	Home Improve Loans Funded	0	0	1	4	4	4
	% Funded	0%	0%	100%	100%	80%	100%

TABLE IV - DATA SUMMARY						
	Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
Low and Moderate Income						
No of Tracts	0	0	0	0	0	15
Purchase Loan Apps	0	0	0	0	0	28
Purchase Loans Funded	0	0	0	0	0	21
% Funded	0%	0%	0%	0%	0%	75%
Home Improve Loan Apps	0	0	0	0	0	28
Home Improve Loans Funded	0	0	0	0	0	21
% Funded	0%	0%	0%	0%	0%	75%
Middle Income						
No of Tracts	0	0	0	1	1	3
Purchase Loan Apps	0	0	0	1	1	3
Purchase Loans Funded	0	0	0	1	1	3
% Funded	0%	0%	0%	100%	100%	100%
Home Improve Loan Apps	0	0	0	1	1	3
Home Improve Loans Funded	0	0	0	1	1	3
% Funded	0%	0%	0%	100%	100%	100%
Upper Income						
No of Tracts	0	0	1	3	4	2
Purchase Loan Apps	0	0	1	4	5	4
Purchase Loans Funded	0	0	1	4	4	4
% Funded	0%	0%	100%	100%	80%	100%
Home Improve Loan Apps	0	0	1	4	5	4
Home Improve Loans Funded	0	0	1	4	4	4
% Funded	0%	0%	100%	100%	80%	100%

Data Table Summaries

One CalDRE-licensed lender submitted report information covering loan transactions in two of California's 37 Metropolitan Statistical Area/Metropolitan Divisions. The two Metropolitan Statistical Area/Metropolitan Divisions have been further divided into 2,929 individual census tracts, or specific neighborhood/geographic areas. Loan activity was reported in 31 census tracts, or about 0.68 percent of the total tracts.

The following discussion presents a review of the loan information submitted by the CalDRE-licensed lender within this Metropolitan Statistical Area/Metropolitan Divisions and neighborhood area. It should be noted the loan information presented in this report and review does not account for the impact of specific credit criteria relevant to any individual loan decision. Lenders do not have to submit information on the criteria they use to approve or decline home loan requests, so such factors are not included in the Residential Mortgage Loan Report analysis of the loan data. Typically, credit criteria include:

- 1) Employment and income continuity
- 2) Down payment and/or equity requirements
- 3) Credit background and history
- 4) Specific ratios related to mortgage debt, total debt and loan to value

Data Table I - Census Tract Aggregation

The number of home purchase loan applications increased from 21 in 2017 to 50 in 2018. The share that was funded decreased from 90 percent in 2017 to 82 percent in 2018. A comparison of 2017 versus 2018 follows:

	<u>2017</u>	<u>2018</u>	<u>Change</u>
Home Purchase Loan Applications	21	50	+29
Home Purchase Loans Funded	19	41	+22
Percentage of Loans Funded	90%	82%	-8 percentage points
Home Improvement Loan Applications	27	50	+23
Home Improvement Loans Funded	24	41	+17
Percentage of Loans Funded	89%	82%	-7 percentage points

Due to the limited amount of loan activity by the one CalDRE-reporting lender, no conclusions can be drawn from the information in Table I.

Data Table II - Home Loan Data by Income

Table II compares the number of home purchase loans funded according to census tract income level. The three income levels are:

- Low and Moderate - Median family income is less than 80 percent of the Metropolitan Statistical Area/Metropolitan Division median family income.
- Middle - Median family income is between 80 percent and 120 percent of the Metropolitan Statistical Area/Metropolitan Division median family income.
- Upper - Median family income is greater than 120 percent of the Metropolitan Statistical Area/Metropolitan Division median family income.

The one lender reported 28 loan applications in a low-and-moderate-income area, and 21 loans were funded. There were five applications reported in the middle-income range, and those loans were funded. There were 14 applications reported in the upper-income category, and 13 loans were funded. Reported information suggests that the highest rate of funded home purchase loans was in the middle-income group, followed by the middle-income and the upper-income groups. For home purchase loans, funding rates based on income levels were as follows:

	<u>Low and Moderate Income</u>	<u>Middle Income</u>	<u>Upper Income</u>
No. of Apps.	28	No. of Apps. 5	No. of Apps. 14
No. of Loans	21	No. of Loans 5	No. of Loans 13
% Loans Funded	75	% Loans Funded 100	% Loans Funded 93

The lender reported 28 home improvement loan applications in low-and-moderate-income areas, five in middle-income areas and 14 in upper-income areas. Twenty-six of the 39 applications were approved.

Due to the limited amount of loan activity by the one CalDRE-reporting lender, no conclusions can be drawn from the information in Table II.

Data Table III - Home Loan Data by Racial Characteristics

Table III data reports Metropolitan Statistical Area/Metropolitan Division and census tract loan activity based on the racial characteristics of the areas. In determining minority population, the sum of all non-white races equals the census tract minority population. Loan activity relevant to racial characteristics shows the following:

	<u>Home Purchase Loans</u>			
	No. of			
	<u>Tracts</u>	<u>Apps</u>	<u>Loans</u>	<u>Fund Rate</u>
Less than 10% minority	0	0	0	0%
10% to 15% minority	0	0	0	0%
16% to 39% minority	1	1	1	100%
40% to 59% minority	4	5	5	100%
60% to 79% minority	5	6	5	83%
80% to 100% minority	21	38	30	79%

	<u>Home Improvement Loans</u>			
	No. of			
	<u>Tracts</u>	<u>Apps</u>	<u>Loans</u>	<u>Fund Rate</u>
Less than 10% minority	0	0	0	0%
10% to 15% minority	0	0	0	0%
16% to 39% minority	1	1	1	100%
40% to 59% minority	4	5	5	100%
60% to 79% minority	5	6	5	83%
80% to 100% minority	21	38	30	79%

Due to the limited amount of loan activity by the one CalDRE-reporting lender, no conclusions can be drawn from the information in Table III.

Data Table IV - Home Loan Data by Income Categories and Racial Characteristics

Table IV data reflects the cumulative loan funding information based on the income and racial composition of areas in which the reporting CalDRE licensee funded loan requests. The following summarizes the information reported:

Low- and moderate-income category – The home purchase loan funding rate was 75 percent of loans in in the 80 percent to 100 percent minority category. No purchase loans were reported in the other minority percentage categories. The home improvement funding rate was 75 percent of loans in the 80 percent to 100 percent minority category. No home improvement loans were reported in the other minority percentage categories.

Middle-income category – The home purchase loan funding rates were 100 percent in the 40 percent to 59 percent minority category, 100 percent in the 60 percent to 79 percent minority category, and 100 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the other minority percentage categories. Home improvement funding rates were 100 percent in the 40 percent to 59 percent and 60 percent to 79 percent minority categories. No home improvement loans were reported in the other categories.

Upper-income category – The home purchase loan funding rates were 100 percent in the 16 percent to 39 percent and 40 percent to 59 percent minority categories, 80 percent in the 60 percent to 79 percent minority category, and 100 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the other minority categories. Home improvement funding rates were 100 percent in the 16 percent to 39 percent minority categories and 40 percent to 59 percent minority categories, 80 percent in the 60 percent to 79 percent minority category and 100 percent in the 80 percent to 100 percent minority category. No home purchase loans were reported in the other percent minority categories.

Due to the limited amount of loan activity reported by the one CalDRE-licensed lender, no conclusions can be drawn from the Table IV information.

Department of Real Estate Conclusions

Due to the small sample size of information obtained in this report, no conclusions can be drawn from the data about home purchases or home improvement loans in California. Only one CalDRE-licensed lender reported loan activity for 2018.