

FHFA Listening Session: PSPA Impact on Enterprise Housing Goals

Housing Finance Policy Center

FICO Scores, DTI Ratios, and CLTV Ratios, by Race or Ethnicity

2019 Originations

| Borrower race or ethnicity | Median FICO score | Median CLTV ratio for purchase mortgages | Median CLTV ratio for refinance mortgages | Median DTI ratio |
|----------------------------|-------------------|--|---|------------------|
| Non-Hispanic white | 752 | 90.0% | 74.0% | 36% |
| Hispanic | 714 | 96.5% | 74.2% | 41% |
| Black | 694 | 96.5% | 79.6% | 41% |
| Asian | 763 | 80.0% | 70.0% | 38% |
| Other | 723 | 96.5% | 75.0% | 40% |
| Total | 746 | 90.0% | 74.0% | 37% |

Source: Feng Liu, Young Jo, Akaki Skhirtladze, and Laura Barriere, [An Updated Review of the New and Revised Data Points in HMDA: Further Observations Using the 2019 HMDA Data](#) (Washington, DC: Consumer Financial Protection Bureau, 2020).

Note: CLTV = combined loan-to-value; DTI = debt-to-income.

PSPA restrictions impact a larger share of Black and Hispanic borrowers

Mortgage Extensions and Denials for Borrowers Violating the Debt-to-Income and Loan-to-Value Restrictions, by Race or Ethnicity

| Borrower race or ethnicity | Share of purchase originations | Share of refinance originations | Share of purchase denials | Share of refinance denials |
|----------------------------|--------------------------------|---------------------------------|---------------------------|----------------------------|
| Non-Hispanic white | 4.07% | 0.37% | 8.0% | 2.3% |
| Hispanic | 8.75% | 0.65% | 18.1% | 3.1% |
| Black | 8.74% | 0.71% | 27.4% | 4.5% |
| Asian | 3.78% | 0.43% | 5.3% | 1.9% |
| Other | 6.02% | 0.55% | 13.9% | 2.7% |

Source: Urban Institute calculations based on 2019 HMDA data.

Notes: HMDA = Home Mortgage Disclosure Act. Because of technicalities in HMDA reporting, denial shares are based on all conventional loans while origination shares describe only loans purchased by the government-sponsored enterprises.