



# RESIDENTIAL MORTGAGE LOAN REPORT (HOLDEN ACT – SB 1556) CALENDAR YEAR 2013

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## **EXECUTIVE SUMMARY**

The California Housing Financial Discrimination Act of 1977 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 requires the Secretary of the Business, Consumer Services and Housing Agency (Agency) to annually report to the Legislature on the lending activities of specified mortgage lenders in California (California Health & Safety Code §§ 35800-35803).

The 2013 Residential Mortgage Loan Report reflects mortgage lending activity of specified mortgage lenders in California licensed by the California Department of Business Oversight (DBO) and the Department of Consumer Affairs' Bureau of Real Estate (CalBRE). The state reporting requirement applies to lenders that (1) do not report similar information to the federal government under the Home Mortgage Disclosure Act of 1975 (HMDA), (2) make loans that regularly fund real estate purchases or home improvements and (3) did not handle more than twelve transactions in the reporting year. 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% of their total origination volume.

DBO residential mortgage lenders made a total of 433,030 loans in 2013 with a total value of \$132.2 billion. DBO-licensed finance lenders made or refinanced a total of 116,150 loans for an aggregate amount of \$34.5 billion. Credit unions licensed by DBO made or refinanced 58,846 loans with a total value of \$9 billion. Eleven DBO lenders and one CalBRE lender filed 2013 report information. No data was reported from lenders operating under the Department of Insurance (DOI).

The number of DBO and CALBRE licensees that report activity continued to decrease in 2013. The 583 loans reported by 11 DBO licensees comprised just .10% of the overall number of loans made by all DBO licensees. The declining number of licensees who file the report is attributed to several factors: 1) An overall contraction of the industry due to the recent economic downturn, the amendments made to HMDA that increased the number of lenders reporting to federal agencies, and the enactment of the California Residential Mortgage Lending Act, which transferred Residential Mortgage Lenders (Mortgage Bankers) from CalBRE to DBO. Because of the very limited number of lenders that had reportable activity in 2013, meaningful conclusions about the lending activities of the industry as a whole are not possible.

To download the complete report, please go to [http://www.dbo.ca.gov/Publications/pdf/Holden\\_Act\\_Report\\_2013.pdf](http://www.dbo.ca.gov/Publications/pdf/Holden_Act_Report_2013.pdf). Interested persons also may contact the DBO at 916-332-7248 to request a copy of the report.

## INTRODUCTION

The California Housing Financial Discrimination Act of 1977 requires the Secretary of the Business, Consumer Services, and Housing Agency (Agency) to annually report to the Legislature on the lending activities of specified mortgage lenders in California (California, Health & Safety, Code §§ 35800-35803).

Specified lenders must submit annual reports of their mortgage lending activity to their respective regulatory agencies, which are CalBRE, DBO, and DOI. The Agency compiles the data in the Residential Mortgage Lending Report (RMLR). The state reporting requirement applies to lenders which do not report similar information to the federal government under the Home Mortgage Disclosure Act of 1975 (HMDA). Effective in 1992, HMDA reporting requirements were expanded to also include lenders who originate 100 or more home loans per year. In addition, effective with the 2009 calendar year, lenders whose home purchase loan originations exceed \$25 million or 10% of total origination volume also must file reports at the federal level.

Those lenders reporting to the State of California are entities whose assets total \$10 million or less, who regularly fund real estate purchase and/or home improvement loans, and who originate less than 100 home purchase loans per year. For reporting purposes, "regularly" has been defined to mean "12 or more transactions annually during the immediately 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% of the lender's total loan volume.

The loan activity information included in the RMLR 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 (FMHA), Veterans Administration (VA), conventional and home improvement.

The data reported covers only transactions in geographic areas designated as Metropolitan Statistical Areas (MSAs) and Metropolitan Divisions (MDs) where the lender is located. MSAs and MDs consist of specific areas (county or counties) and are designated by the U.S. Census Bureau based on population totals. The MSAs are further broken down into census tracts that represent neighborhoods within the 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:

- a) Census Tract Information - Loan activity in each MSA/MD reported by individual census tract.

- b) Loan Data by Income Categories - Loan activity in each MSA/MD reported by income levels per census tract: low and moderate, middle and upper.
- c) Loan Data by Racial Characteristics - Loan activity in each MSA/MD reported relative to the percentage of minority population in each census tract.
- d) Loan Data by Income Categories and Racial Characteristics - Loan activity in each MSA/MD reported relative to the percentage of minority population and income levels in each census tract.

Because central city data was not made available for 2013, the report for Loan Data by Geographic Categories was not produced for this RMLR. When included in the RMLR, the Loan Data by Geographic Categories report indicates loan activity based on the location of the census tracts: central city versus non-central city.

To download the complete report, please go to [http://www.dbo.ca.gov/Publications/pdf/Holden Act Report 2013.pdf](http://www.dbo.ca.gov/Publications/pdf/Holden_Act_Report_2013.pdf) . Interested persons also may contact the DBO at 916-332-7248 to request a copy of the report.

## AGENCY DATA

### Bureau of Real Estate (CalBRE)

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 RMLR information to CalBRE. Those real estate licensees who "arrange" or broker loans between borrowers and lenders are exempt from the reporting because they are not lenders.

For 2013 loan activity, one CalBRE licensee attained sufficient loan activity in its home purchase and/or home improvement lending to trigger submission of the required RMLR information. Five CalBRE licensees reported in 2012. In 1990, the number was 48. The number of CalBRE-licensed lenders submitting the lending information to the State of California for the RMLR 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 legislative session, SB 1978 (California Residential Mortgage Lending Act) was enacted and established a new category of licensee to be regulated by the Department of Business Oversight (DBO). Some of these licensees, known as Residential Mortgage Lenders (Mortgage Bankers), are former CalBRE licensees which now report to the DBO. The number of CalBRE-licensed lenders that reported has been further reduced by the 2007-09 economic downturn and the resulting contraction in the mortgage loan industry.

In California, 37 of the state's 58 counties have been assigned MSA/MD numbers by the U.S. Census Bureau, and lenders had to identify and itemize by census tract only loan transactions within these MSA/MD numbers. For the one CalBRE-licensed real estate lender, transactions were reported in only two of the 37 counties for 2013.

Those geographic areas consisted of the following counties and corresponding MSAs:

<u>County</u>	<u>MSA</u>
Los Angeles	31084
Orange	11244

For any counties which have been assigned the same MSA/MD number, all reported information has been combined and the counties will be represented as one entity.

No loan activity was reported by the CalBRE-licensed lender in the following counties with MSA/MD 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, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo and Yuba.

Activity for the following counties was not reportable because they did not have assigned MSA/MD 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 the CalBRE-licensed lender has been condensed into four summary graphs. The summary graphs, 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	Ttl Home Purch Apps	Ttl Home Purch Loans	% of Loans Funded	Home Imprv Apps	Home Imprv Loans Funded	% Home Imp Loans Funded	
11244	583	9	56%	84,900	9	7	78%	0	0	0%	
31084	2,346	51	72%	60,600	51	31	61%	0	0	0%	
<b>Total</b>	<b>2,929</b>	<b>60</b>	<b>N/A</b>	<b>N/A</b>	<b>60</b>	<b>38</b>	<b>63%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	

TABLE II - HOME LOAN DATA BY INCOME																					
MSA	Tracts Reprtd	Low and Moderate Income						Middle Income						Upper Income							
		Purchase loans			Home Improvement			Purchase loans			Home Improvement			Purchase loans			Home Improvement				
		Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%		
11244	0	0	0	0%	0	0	0%	5	5	5	100%	0	0	0%	3	3	2	67%	0	0	0%
31084	5	5	4	80%	0	0	0%	16	16	9	56%	0	0	0%	10	10	5	50%	0	0	0%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>80%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>21</b>	<b>21</b>	<b>14</b>	<b>67%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>13</b>	<b>13</b>	<b>7</b>	<b>54%</b>	<b>0</b>	<b>0</b>	<b>0%</b>

TABLE III HOME LOAN DATA BY RACIAL CHARACTERISTICS																						
MSA	# Tract Reprtd	Less Than 10 % Minority						10% to 15% Minority						16% to 39% Minority								
		Purchase Loans			Home Improvement			Purchase Loans			Home Improvement			Purchase Loans			Home Improvement					
		Apps	Loans	%	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%	2	2	2	100%	0	0	0%
31084	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%	10	10	6	60%	0	0	0%	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>12</b>	<b>12</b>	<b>8</b>	<b>67%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	

TABLE III HOME LOAN DATA BY RACIAL CHARACTERISTICS - CONTINUATION																					
MSA	# Tract Reprtd	40% to 59% Minority						60% to 79% Minority						80% to 100% Minority							
		Purchase Loans			Home Improvement			Purchase Loans			Home Improvement			Purchase Loans			Home Improvement				
		Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%	Apps	Loans	%		
11244	2	2	0	0%	0	0	0%	2	2	2	100%	0	0	0%	3	3	3	100%	0	0	0%
31084	5	5	3	60%	0	0	0%	3	3	3	100%	0	0	0%	32	32	18	56%	0	0	0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>43%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>35</b>	<b>35</b>	<b>21</b>	<b>60%</b>	<b>0</b>	<b>0</b>	<b>0%</b>

**TABLE IV - HOME LOAN DATA BY INCOME CATEGORIES AND RACIAL CHARACTERISTICS**

MSA		Low and Mod 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 Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	0	0	0	5
	Purchase Loan Apps	0	0	0	0	0	5
	Purchase Loan Funded	0	0	0	0	0	4
	% Funded	0%	0%	0%	0%	0%	80%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>No of Tracts</b>	0	0	0	0	0	5
	<b>Purchase Loan Apps</b>	0	0	0	0	0	5
	<b>Purchase Loan Funded</b>	0	0	0	0	0	4
	<b>% Funded</b>	0%	0%	0%	0%	0%	80%
	<b>Home Improve Loan Apps</b>	0	0	0	0	0	0
	<b>Home Improve Loan Funded</b>	0	0	0	0	0	0
	<b>% Funded</b>	0%	0%	0%	0%	0%	0%

TABLE IV - Page Two

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	0	1	3
	Purchase Loan Apps	0	0	1	0	1	3
	Purchase Loan Funded	0	0	1	0	1	3
	% Funded	0%	0%	100%	0%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	0	1	0	15
	Purchase Loan Apps	0	0	0	1	0	15
	Purchase Loan Funded	0	0	0	0	0	9
	% Funded	0%	0%	0%	0%	0%	60%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>No of Tracts</b>	0	0	1	1	1	18
	<b>Purchase Loan Apps</b>	0	0	1	1	1	18
	<b>Purchase Loan Funded</b>	0	0	1	0	1	12
	<b>% Funded</b>	0%	0%	100%	0%	100%	67%
	<b>Home Improve Loan Apps</b>	0	0	0	0	0	0
	<b>Home Improve Loan Funded</b>	0	0	0	0	0	0
	<b>% Funded</b>	0%	0%	0%	0%	0%	0%

TABLE IV - Page Three

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	1	2	1	0
	Purchase Loan Apps	0	0	1	2	1	0
	Purchase Loan Funded	0	0	1	0	1	0
	% Funded	0%	0%	100%	0%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	1	10	4	3	12
	Purchase Loan Apps	0	1	10	4	3	12
	Purchase Loan Funded	0	1	6	3	3	5
	% Funded	0%	100%	60%	75%	100%	42%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>No of Tracts</b>	0	1	11	6	4	12
	<b>Purchase Loan Apps</b>	0	1	11	6	4	12
	<b>Purchase Loan Funded</b>	0	1	7	3	4	5
	<b>% Funded</b>	0%	100%	64%	50%	100%	42%
	<b>Home Improve Loan Apps</b>	0	0	0	0	0	0
	<b>Home Improve Loan Funded</b>	0	0	0	0	0	0
	<b>% Funded</b>	0%	0%	0%	0%	0%	0%

<b>CaIBRE TABLE IV - DATA SUMMARY</b>						
	Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
<b>Low and Moderate Income</b>						
# of Tracts	0	0	0	0	0	5
Purchase Loan Apps	0	0	0	0	0	5
Home Pur Loans Approved	0	0	0	0	0	4
% Approved	0%	0%	0%	0%	0%	80%
Home Improve Apps	0	0	0	0	0	0
Home Imprv Loan Approved	0	0	0	0	0	0
% Approved	0%	0%	0%	0%	0%	0%
<b>Middle Income</b>						
# of Tracts	0	0	1	1	1	18
Purchase Loan Apps	0	0	1	1	1	18
Home Pur Loans Approved	0	0	1	0	1	12
% Approved	0%	0%	100%	0%	100%	67%
Home Improve Apps	0	0	0	0	0	0
Home Imprv Loan Approved	0	0	0	0	0	0
% Approved	0%	0%	0%	0%	0%	0%
<b>Upper Income</b>						
# of Tracts	0	1	11	6	4	12
Purchase Loan Apps	0	1	11	6	4	12
Home Pur Loans Approved	0	1	7	3	4	5
% Approved	0%	100%	64%	50%	100%	42%
Home Improve Apps	0	0	0	0	0	0
Home Imprv Loan Approved	0	0	0	0	0	0
% Approved	0%	0%	0%	0%	0%	0%

Data Table Summaries:

One CalBRE-licensed lender submitted report information covering loan transactions in two of California's 28 MSA/MD numbers. The two MSA/MD numbers have been further divided into 2,929 individual census tracts, or specific neighborhood/geographic areas. Loan activity was reported in 60 census tracts, or about 2.0 % of the total tracts.

The following discussion presents a review of the loan information submitted by the CalBRE-licensed lender within these MSA/MD numbers and neighborhood areas. 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 RMLR analysis of the loan data. Typically, the 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 decreased from 210 in 2012 to 60 in 2013, and the share that were funded decreased from 74% in 2012 to 63% in 2013. A comparison of 2012 versus 2013 follows:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Home Purchase Loan Applications	210	60	-150
Home Purchase Loans Funded	156	38	-118
Percentage of Loans Funded	74%	63%	-11 percentage points
Home Improvement Loan Applications	121	0	-121
Home Improvement Loans Funded	93	0	-93
Percentage of Loans Funded	77%	0	N/A

On an aggregate basis, the 2013 report represent a total of approximately six home purchase loans for every ten applications received. Home purchase funding rates were 61% in Los Angeles County and 78% in Orange County.

Data Table II - Home Loan Data

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

- Low and Moderate - Those census tracts where the median family income is less than 80 percent of the MSA/MD median family income.
- Middle - Those census tracts where the median family income is between 80 and 120 percent of the MSA/MD median family income.
- Upper - Those census tracts where the median family income is greater than 120 percent of the MSA/MD median family income.

The reported information suggests that the highest rate of funded home purchase loans was in the low and moderate income group, followed by the middle income group and then the upper income group. For home purchase loans, funding totals based on income levels were as follows:

<u>Low and Moderate Income</u>		<u>Middle Income</u>		<u>Upper Income</u>	
No. of Apps	5	No. of Apps.	21	No. of Apps	34
No. of Loans	4	No. of Loans	14	No. of Loans	20
% Loans Funded	80%	% Loans Funded	67%	% Loans Funded	59%

When compared to 2012 funding percentages, the upper income group decreased from 74% to 59%, the middle income group increased from 65% to 67%, and the low and moderate income group increased from 56% to 80%.

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

Data Table III - Home Loan Data by Racial Characteristics

Table III data reports MSA/MD 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:

	No. of <u>Tracts</u>	Purchase Loans		
		<u>Apps</u>	<u>Loans</u>	<u>Fund Rate</u>
Less than 10% minority	0	0	0	N/A
10% to 15% minority	1	1	1	100%
16% to 39% minority	12	12	8	67%
40% to 59% minority	7	7	3	43%
60% to 79% minority	5	5	5	100%
80% to 100% minority	35	35	21	60%

This information indicates home purchase loan funding rates ranged from 43% in the 40% to 59% group to 100% in the 60% to 79% minority group. No home improvement loans were funded since no applications were received.

Due to the limited amount of loan activity by the one CalBRE-reporting lender, no valid conclusions can be drawn from the information reported in the Home Loan Data by Racial Characteristics category.

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 CalBRE licensee funded loan requests. The following summarizes the information reported:

*Low and moderate income category* – 80% of home purchase loan applications were funded in areas with 80% to 100% minority populations. No home purchase loan applications were reported in the other income categories. No home improvement loan applications were reported.

*Middle income category* – The home purchase loan funding rates were: 100% in the 16% to 39% minority group; 100% in the 60% to 79% minority group; and 67% in the 80% to 100% minority group. No home purchase loan applications were reported in the less than 10%, 10% to 15%, and 40% to 59% minority categories. No home improvement loans were reported.

*Upper income category* – The home purchase loan funding rates were: 100% in the 10% to 15% minority group; 64% in the 16% to 39% minority group; 50% in the 40% to 59% minority group; 100% in the 60% to 79% minority group; and 42% in the 80% to 100% minority group. No home purchase loans were reported in the less than 10% minority group. No home improvement loans were reported.

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

### **CalBRE Conclusions**

Because only one lender filed information and reported on a limited number of loan applications, no valid conclusions can be drawn from the data submitted.

The number of CalBRE-licensed lenders submitting RMLR information decreased from five in 2012 to one in 2013. Those numbers compare to 9 in 2007, 16 lenders in 1993 and 48 in 1990. The decrease of CalBRE-licensed lenders required to submit the lending information is likely the result of contraction in the industry due to the economy.

### **Department of Business Oversight (DBO)**

The RMLR information must be submitted to the DBO Commissioner by licensees that regularly fund home purchase loans and/or home improvement loans and that are not required to submit a HMDA report to federal regulators. Those DBO licensees that participate in this type of loan activity include finance lenders, residential mortgage lenders and state-chartered credit unions. For 2013, nine California finance lender licensees and two state-chartered credit unions submitted reports. The DBO had 4,776 California finance lender licensees (including branches) in 2013, compared to 4,385 in 2012, and 245 licensed credit unions in 2013. The DBO in 2013 also licensed 4,337 residential mortgage lender (mortgage bankers) locations, compared to 3,594 in 2012. The aggregate number of DBO lender locations in 2013 totaled 9,358. DBO licensees which "arrange" or broker loans between borrowers and lenders are exempt from the reporting requirements of the Holden Act because they are not lenders.

In 2013, 11 of the 9,358 DBO lenders attained sufficient loan activity related to home purchase and/or home improvement loan requests to trigger submission of the required RMLR information. That was two fewer than the 13 that reported in 2012. The 11 reporting lenders represents one tenth of 1% of all DBO-licensed lenders.

The reduction in the number of reporting DBO-licensed lenders was caused by the same factors that reduced filings among CalBRE licensees.

The 11 lenders reported loan activity in nine of California's MSA/MDs. The nine MSAs/MDs covered 19 counties.

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

<u>County/Cities</u>	<u>MSA/MD Number</u>
Anaheim-Santa Ana-Irvine	11244
Los Angeles	31084
Modesto	33700
Oakland-Hayward-Berkeley	36084
Riverside	40140
Sacramento	40900
Yolo	40900
San Diego	41740
San Francisco	41884
San Mateo	41884
Santa Clara	41940
Orange	42044

No loan activity was reported by the DBO-licensed lenders in the following counties with MSA/MD numbers: Alameda, Butte, Contra Costa, El Dorado, Fresno, Imperial, Kern, Kings, Madera, Marin, Merced, Monterey, Napa, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tulare, Ventura, Yolo and Yuba.

Activity for the following counties was not reportable because they do not have MSA/MD 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 the DBO-licensed lenders has been condensed into the four following summary graphs:

<b>TABLE I - CENSUS TRACT AGGREGATION/MSA SUMMARY (SUMMARY REPORT)</b>										
<b>MSA Number</b>	<b>Total Tracts</b>	<b>Tracts Reported</b>	<b>% Minority Population</b>	<b>MSA Median Income</b>	<b>Ttl Home Purch Apps</b>	<b>Ttl Home Purch Loans</b>	<b>% of Loans Funded</b>	<b>Home Imprv Apps</b>	<b>Home Imprv Loans Funded</b>	<b>% Home Imp Loans Funded</b>
11244	583	54	56%	84,900	33	22	67%	25	14	56%
31084	2,346	42	72%	60,600	0	0	0%	43	39	91%
33700	94	34	53%	52,700	57	57	100%	0	0	0%
40140	821	4	63%	60,700	4	4	100%	0	0	0%
40900	485	3	44%	68,000	66	30	45%	0	0	0%
41740	628	48	52%	72,700	17	17	100%	33	33	100%
36084	568	39	60%	88,500	21	12	57%	28	8	29%
41884	354	15	58%	94,800	16	16	100%	0	0	0%
41940	383	191	65%	101,900	51	42	82%	305	289	95%
<b>Total</b>	<b>6,262</b>	<b>430</b>	<b>N/A</b>	<b>N/A</b>	<b>265</b>	<b>200</b>	<b>75%</b>	<b>434</b>	<b>383</b>	<b>88%</b>

TABLE II - HOME LOAN DATA BY INCOME																								
MSA	Low and Moderate 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	1	0	0	0%	1	0	0%	24	15	8	53%	10	5	50%	18	13	11	85%	7	5	71%			
31084	1	0	0	0%	1	1	100%	8	0	0	0%	8	7	88%	11	0	0	0%	12	9	75%			
33700	1	1	1	100%	0	0	0%	5	5	5	100%	0	0	0%	15	24	24	100%	0	0	0%			
36084	0	0	0	0%	0	0	0%	5	3	2	67%	2	1	50%	13	8	4	50%	8	3	38%			
40140	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	1	1	1	100%	0	0	0%			
40900	1	35	16	46%	0	0	0%	2	31	14	45%	0	0	0%	0	0	0	0%	0	0	0%			
41740	4	2	2	100%	2	2	100%	8	1	1	100%	7	7	100%	19	6	6	100%	14	14	100%			
41884	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%	8	8	8	100%	0	0	0%			
41940	8	3	2	67%	6	6	100%	41	17	15	88%	42	40	95%	73	28	23	82%	122	115	94%			
<b>Total</b>	<b>16</b>	<b>41</b>	<b>21</b>	<b>51%</b>	<b>10</b>	<b>9</b>	<b>90%</b>	<b>95</b>	<b>74</b>	<b>47</b>	<b>64%</b>	<b>69</b>	<b>60</b>	<b>87%</b>	<b>158</b>	<b>88</b>	<b>77</b>	<b>88%</b>	<b>163</b>	<b>146</b>	<b>90%</b>			

TABLE III HOME LOAN DATA BY RACIAL CHARACTERISTICS																								
MSA	Less Than 10% Minority								10% to 15% Minority								16% to 39% Minority							
	# Tract Reprtd	Purchase Loans			Home Improvement			# Tract Reprtd	Purchase Loans			Home Improvement			# Tract 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%	2	1	1	100%	1	0	0%	16	11	9	82%	7	5	71%			
31084	0	0	0	0%	0	0	0%	1	0	0	0%	1	1	100%	18	0	0	0%	19	18	95%			
33700	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	12	20	20	100%	0	0	0%			
36084	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	14	8	5	63%	12	2	17%			
40140	1	1	1	100%	0	0	0%	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%			
40900	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%			
41740	0	0	0	0%	0	0	0%	2	2	2	100%	0	0	0%	19	9	9	100%	11	11	100%			
41884	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	5	6	6	100%	0	0	0%			
41940	0	0	0	0%	0	0	0%	1	0	0	0%	1	1	100%	33	1	1	100%	58	55	95%			
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>2</b>	<b>67%</b>	<b>119</b>	<b>57</b>	<b>52</b>	<b>91%</b>	<b>107</b>	<b>91</b>	<b>85%</b>			

TABLE III HOME LOAN DATA BY RACIAL CHARACTERISTICS																								
MSA	40% to 59% Minority								60% to 79% Minority								80% to 100% Minority							
	# Tract Reprtd	Purchase Loans			Home Improvement			# Tract Reprtd	Purchase Loans			Home Improvement			# Tract Reprtd	Purchase Loans			Home Improvement					
		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%		Apps	Loans	%	Apps	Loans	%			
11244	10	6	6	100%	4	3	75%	15	9	2	22%	8	5	63%	11	6	4	67%	5	1	20%			
31084	3	0	0	0%	3	2	67%	6	0	0	0%	6	6	100%	14	0	0	0%	14	12	86%			
33700	15	30	30	100%	0	0	0%	6	6	6	100%	0	0	0%	1	1	1	100%	0	0	0%			
36084	8	3	3	100%	5	2	40%	13	10	4	40%	7	2	29%	4	0	0	0%	4	2	50%			
40140	1	1	1	100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%			
40900	3	66	30	45%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%			
41740	9	3	3	100%	6	6	100%	8	3	3	100%	6	6	100%	10	0	0	0%	10	10	100%			
41884	5	5	5	100%	0	0	0%	4	4	4	100%	0	0	0%	1	1	1	100%	0	0	0%			
41940	65	8	7	88%	144	135	94%	45	24	21	88%	52	49	94%	47	18	13	72%	50	49	98%			
<b>Total</b>	<b>119</b>	<b>122</b>	<b>85</b>	<b>70%</b>	<b>162</b>	<b>148</b>	<b>91%</b>	<b>97</b>	<b>56</b>	<b>40</b>	<b>71%</b>	<b>79</b>	<b>68</b>	<b>86%</b>	<b>88</b>	<b>26</b>	<b>19</b>	<b>73%</b>	<b>83</b>	<b>74</b>	<b>89%</b>			

**TABLE IV - HOME LOAN DATA BY INCOME CATEGORIES AND RACIAL CHARACTERISTICS**

MSA		Low and Mod 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	1
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
31084	No of Tracts	0	0	0	0	0	1
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	1
	% Funded	0%	0%	0%	0%	0%	100%
33700	No of Tracts	0	0	0	1	0	0
	Purchase Loan Apps	0	0	0	1	0	0
	Purchase Loan Funded	0	0	0	1	0	0
	% Funded	0%	0%	0%	100%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
36084	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40140	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40900	No of Tracts	0	0	0	1	0	0
	Purchase Loan Apps	0	0	0	35	0	0
	Purchase Loan Funded	0	0	0	16	0	0
	% Funded	0%	0%	0%	46%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%

TABLE IV - Page 2

MSA		Low and Mod 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
41740	No of Tracts	0	0	0	1	1	2
	Purchase Loan Apps	0	0	0	1	1	0
	Purchase Loan Funded	0	0	0	1	1	0
	% Funded	0%	0%	0%	100%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	2
	Home Improve Loan Funded	0	0	0	0	0	2
	% Funded	0%	0%	0%	0%	0%	100%
41884	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
41940	No of Tracts	0	0	0	0	1	7
	Purchase Loan Apps	0	0	0	0	1	2
	Purchase Loan Funded	0	0	0	0	1	1
	% Funded	0%	0%	0%	0%	100%	50%
	Home Improve Loan Apps	0	0	0	0	0	6
	Home Improve Loan Funded	0	0	0	0	0	6
	% Funded	0%	0%	0%	0%	0%	100%
<b>Total</b>	<b>No of Tracts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>11</b>
	<b>Purchase Loan Apps</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>2</b>	<b>2</b>
	<b>Purchase Loan Funded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>2</b>	<b>1</b>
	<b>% Funded</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>49%</b>	<b>100%</b>	<b>50%</b>
	<b>Home Improve Loan Apps</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
	<b>Home Improve Loan Funded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
	<b>% Funded</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>90%</b>

TABLE IV - Page Three

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	2	12	9
	Purchase Loan Apps	0	0	1	1	8	5
	Purchase Loan Funded	0	0	1	1	2	4
	% Funded	0%	0%	100%	100%	25%	80%
	Home Improve Loan Apps	0	0	0	1	5	4
	Home Improve Loan Funded	0	0	0	0	4	1
	% Funded	0%	0%	0%	0%	80%	25%
31084	No of Tracts	0	0	2	0	3	3
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	0	2	0	3	3
	Home Improve Loan Funded	0	0	1	0	3	3
	% Funded	0%	0%	50%	0%	100%	100%
33700	No of Tracts	0	0	0	2	2	1
	Purchase Loan Apps	0	0	0	2	2	1
	Purchase Loan Funded	0	0	0	2	2	1
	% Funded	0%	0%	0%	100%	100%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
36084	No of Tracts	0	0	0	2	2	1
	Purchase Loan Apps	0	0	0	1	2	0
	Purchase Loan Funded	0	0	0	1	1	0
	% Funded	0%	0%	0%	100%	50%	0%
	Home Improve Loan Apps	0	0	0	1	0	1
	Home Improve Loan Funded	0	0	0	1	0	0
	% Funded	0%	0%	0%	100%	0%	0%
40140	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40900	No of Tracts	0	0	0	2	0	0
	Purchase Loan Apps	0	0	0	31	0	0
	Purchase Loan Funded	0	0	0	14	0	0
	% Funded	0%	0%	0%	45%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%

TABLE IV - Page Four

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
41740	No of Tracts	0	0	1	1	1	5
	Purchase Loan Apps	0	0	1	0	0	0
	Purchase Loan Funded	0	0	1	0	0	0
	% Funded	0%	0%	100%	0%	0%	0%
	Home Improve Loan Apps	0	0	0	1	1	5
	Home Improve Loan Funded	0	0	0	1	1	5
	% Funded	0%	0%	0%	100%	100%	100%
41884	No of Tracts	0	0	0	1	0	1
	Purchase Loan Apps	0	0	0	1	0	1
	Purchase Loan Funded	0	0	0	1	0	1
	% Funded	0%	0%	0%	100%	0%	100%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
41940	No of Tracts	0	0	0	5	16	20
	Purchase Loan Apps	0	0	0	0	4	13
	Purchase Loan Funded	0	0	0	0	4	11
	% Funded	0%	0%	0%	0%	100%	85%
	Home Improve Loan Apps	0	0	0	7	22	13
	Home Improve Loan Funded	0	0	0	6	21	13
	% Funded	0%	0%	0%	86%	95%	100%
<b>Total</b>	<b>No of Tracts</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>15</b>	<b>36</b>	<b>40</b>
	<b>Purchase Loan Apps</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>36</b>	<b>16</b>	<b>20</b>
	<b>Purchase Loan Funded</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>19</b>	<b>9</b>	<b>17</b>
	<b>% Funded</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>53%</b>	<b>56%</b>	<b>85%</b>
	<b>Home Improve Loan Apps</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>31</b>	<b>26</b>
	<b>Home Improve Loan Funded</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>29</b>	<b>22</b>
	<b>% Funded</b>	<b>0%</b>	<b>0%</b>	<b>50%</b>	<b>80%</b>	<b>94%</b>	<b>85%</b>

TABLE IV - Page Five

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	2	15	8	3	1
	Purchase Loan Apps	0	1	10	5	1	1
	Purchase Loan Funded	0	1	8	5	0	0
	% Funded	0%	100%	80%	100%	0%	0%
	Home Improve Loan Apps	0	1	7	3	3	0
	Home Improve Loan Funded	0	0	5	3	1	0
	% Funded	0%	0%	71%	100%	33%	0%
31084	No of Tracts	0	1	16	3	3	10
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
	Home Improve Loan Apps	0	1	17	3	3	10
	Home Improve Loan Funded	0	1	17	2	3	8
	% Funded	0%	100%	100%	67%	100%	80%
33700	No of Tracts	0	0	12	12	4	0
	Purchase Loan Apps	0	0	20	27	4	0
	Purchase Loan Funded	0	0	20	27	4	0
	% Funded	0%	0%	100%	100%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
36084	No of Tracts	0	0	14	6	11	3
	Purchase Loan Apps	0	0	8	2	8	0
	Purchase Loan Funded	0	0	5	2	3	0
	% Funded	0%	0%	63%	100%	38%	0%
	Home Improve Loan Apps	0	0	12	4	7	3
	Home Improve Loan Funded	0	0	2	1	2	2
	% Funded	0%	0%	17%	25%	29%	67%
40140	No of Tracts	1	0	2	1	0	0
	Purchase Loan Apps	1	0	2	1	0	0
	Purchase Loan Funded	1	0	2	1	0	0
	% Funded	100%	0%	100%	100%	0%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
40900	No of Tracts	0	0	0	0	0	0
	Purchase Loan Apps	0	0	0	0	0	0
	Purchase Loan 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 Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%

TABLE IV - Page Six

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
41740	No of Tracts	0	2	18	7	6	3
	Purchase Loan Apps	0	2	8	2	2	0
	Purchase Loan Funded	0	2	8	2	2	0
	% Funded	0%	100%	100%	100%	100%	0%
	Home Improve Loan Apps	0	0	11	5	5	3
	Home Improve Loan Funded	0	0	11	5	5	3
	% Funded	0%	0%	100%	100%	100%	100%
41884	No of Tracts	0	0	5	4	4	0
	Purchase Loan Apps	0	0	6	4	4	0
	Purchase Loan Funded	0	0	6	4	4	0
	% Funded	0%	0%	100%	100%	100%	0%
	Home Improve Loan Apps	0	0	0	0	0	0
	Home Improve Loan Funded	0	0	0	0	0	0
	% Funded	0%	0%	0%	0%	0%	0%
41940	No of Tracts	0	1	33	60	28	20
	Purchase Loan Apps	0	0	1	8	19	3
	Purchase Loan Funded	0	0	1	7	16	1
	% Funded	0%	0%	100%	88%	84%	33%
	Home Improve Loan Apps	0	1	58	137	30	31
	Home Improve Loan Funded	0	1	55	129	28	30
	% Funded	0%	100%	95%	94%	93%	97%
<b>Total</b>	<b>No of Tracts</b>	<b>1</b>	<b>6</b>	<b>115</b>	<b>101</b>	<b>59</b>	<b>37</b>
	<b>Purchase Loan Apps</b>	<b>1</b>	<b>3</b>	<b>55</b>	<b>49</b>	<b>38</b>	<b>4</b>
	<b>Purchase Loan Funded</b>	<b>1</b>	<b>3</b>	<b>50</b>	<b>48</b>	<b>29</b>	<b>1</b>
	<b>% Funded</b>	<b>100%</b>	<b>100%</b>	<b>91%</b>	<b>98%</b>	<b>76%</b>	<b>25%</b>
	<b>Home Improve Loan Apps</b>	<b>0</b>	<b>3</b>	<b>105</b>	<b>152</b>	<b>48</b>	<b>47</b>
	<b>Home Improve Loan Funded</b>	<b>0</b>	<b>2</b>	<b>90</b>	<b>140</b>	<b>39</b>	<b>43</b>
	<b>% Funded</b>	<b>0%</b>	<b>67%</b>	<b>86%</b>	<b>92%</b>	<b>81%</b>	<b>91%</b>

<b>DBO TABLE IV - DATA SUMMARY</b>						
	Less Than 10% Minority	10% to 15% Minority	16% to 39% Minority	40% to 59% Minority	60% to 79% Minority	80% to 100% Minority
<b>Low and Moderate Income</b>						
# of Tracts	0	0	0	3	2	11
Purchase Loan Apps	0	0	0	37	2	2
Home Pur Loans Approved	0	0	0	18	2	1
% Approved	0%	0%	0%	49%	100%	50%
Home Improve Apps	0	0	0	0	0	10
Home Imprv Loan Approved	0	0	0	0	0	9
% Approved	0%	0%	0%	0%	0%	90%
<b>Middle Income</b>						
# of Tracts	0	0	4	15	36	40
Purchase Loan Apps	0	0	2	36	16	20
Home Pur Loans Approved	0	0	2	19	9	17
% Approved	0%	0%	100%	53%	56%	85%
Home Improve Apps	0	0	2	10	31	26
Home Imprv Loan Approved	0	0	1	8	29	22
% Approved	0%	0%	50%	80%	94%	85%
<b>Upper Income</b>						
# of Tracts	1	6	115	101	59	37
Purchase Loan Apps	1	3	55	49	38	4
Home Pur Loans Approved	1	3	50	48	29	1
% Approved	100%	100%	91%	98%	76%	25%
Home Improve Apps	0	3	105	152	48	47
Home Imprv Loan Approved	0	2	90	140	39	43
% Approved	0%	67%	86%	92%	81%	91%

Data Table Summaries:

The 11 DBO-licensed lenders submitted report information covering loan applications and loans funded within nine of California's 28 MSA/MDs, covering 12 of California's 37 counties with assigned MSA/MD numbers. The nine MSA/MD numbers have been further segregated into 6,262 individual census tracts, or specific neighborhood/geographic areas. Lenders reported loan activity in 430 of the available census tracts, or approximately 6.9% of the total. Combined home purchase and home improvements loans reported in 2013 totaled 583. As in previous years, the number of home purchase loans reported by DBO lenders in this year's RMLR – 200 – is minimal compared to the overall number of such loans made by all DBO lenders. DBO residential mortgage lenders made a total of 433,030 loans in 2013 with a total value of \$132.2 billion.

Data Table I - Census Tract Aggregation

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Home Purchase Loan Applications	515	265	-250
Home Purchase Loans Funded	448	200	-228
Percentage of Loans Funded	87%	75%	-12 percentage points
Home Improvement Loan Applications	72	434	+362
Home Improvement Loans Funded	55	383	+328
Percentage of Loans Funded	76%	88%	12 percentage points

Table I shows 265 applications for home purchase loans and 434 applications for home improvement loans were submitted to DBO-licensed lenders in 2013. These totals represent a decrease in home purchase loan applications from 2012 and an increase in home improvement loan applications. In comparing loan funding rates, 75% of all home purchase loan applications received funding in 2013, and 88% of all home improvement loan applications were funded. This represented a decrease in the funding rate for home purchase loans, but an increase in the funding rate for home improvement loans.

No conclusions can be drawn from the data.

Data Table II - Home Loan Data by Income

Table II reveals that a majority of the home purchase loan requests were generated at the upper income level followed by the middle income level, and then the low and moderate income level.

Upper Income

Purchase Loans		Home Improvement Loans	
No. of Apps	88	No. of Apps	163
No. of Loans	77	No. of Loans	146
% Loans Funded	88%	% Loans Funded	90%

Middle Income

Purchase Loans		Home Improvement Loans	
No. of Apps	74	No. of Apps	69
No. of Loans	47	No. of Loans	60
% Loans Funded	64%	% Loans Funded	87%

Low and Moderate Income

Purchase Loans		Home Improvement Loans	
No. of Apps	41	No. of Apps	10
No. of Loans	21	No. of Loans	9
% Loans Funded	51%	% Loans Funded	90%

Table II shows the funded rate for home purchase loan applications declined as the income level dropped: 88% for the upper income group, 64% for the middle income group, and 51% for the low and moderate income group.

Due to the limited amount of loan activity by the 11 DBO-reporting lenders, no conclusions can be drawn from the information in Table II.

Data Table III - Home Loan Data by Racial Characteristics

Table III reports MSA/MD 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	Purchase Loans			Home Improvement		
		Apps	Loans	Fund Rate	Apps	Loans	Fund Rate
Less than 10% minority	1	1	1	100%	0	0	N/A
10% to 15% minority	5	3	5	100%	3	2	67%
16% to 39% minority	87	57	52	91%	107	91	85%
40% to 59% minority	62	122	85	70%	162	148	91%
60% to 79% minority	61	56	40	71%	79	68	86%
80% to 100% minority	57	26	19	73%	83	7	89%

The information indicates the home purchase loan funded rate was much lower in areas with higher shares of minority residents than areas with lower minority population percentages. For example, 70 percent of such loan applications were funded in areas with 40% to 59% minority populations, compared to 91 percent in areas where the minority population totaled 16% to 39%.

Due to the limited amount of loan activity reported by the 11 DBO-licensed lenders, no conclusions can be drawn from the information reported in the Home Loan Data by Racial Characteristics category.

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

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

*Low and moderate income category* – No loans were funded in the following minority population categories: less than 10%, 10% to 15%, and 16% to 39%. 49% of loans were funded in the 40% to 59% minority group, and 100% in the 60% to 79% minority group. 50% of loans

funded in the 80% to 100% minority group. The home improvement loan information reflects that 10 applications were taken in the 80% to 100% minority group, and 90% were funded.

*Middle income category* – Home purchase loan funding rates varied: 100% were funded in the 16% to 39% minority group; 53% in the 40% to 59% minority group; 56% in the 60% to 79% minority group; and 85% in the 80% to 100% minority group. No home purchase loans were funded in the less than 10% and 10% to 15% minority groups. 50% of home improvement loans were funded in the 16% to 39% minority group, 80% in the 40% to 59% minority group, 94% in the 60% to 79% minority group, and 85% in the 80% to 100% minority group. No home improvement loans were funded in the less than 10% and 10% to 15% minority groups.

*Upper income category* – As in the middle income category, home purchase loan funded rates varied: 100% funded in the less than 10% and 10% to 15% minority groups; 91% were funded in the 16% to 39% minority group; 98% were funded in the 40% to 59% minority group; 76% were funded in the 60% to 79% minority group; and only 25% were funded in the 80% to 100% minority group. The home improvement loan funding rates were: 67% in the 10% to 15% minority group; 86% in the 16% to 39% minority group; 92% in the 40% to 59% minority group; 81% in the 60% to 79% minority group; and 91% in the 80% to 100% minority group. No home improvement loans were reported in the less than 10% minority group.

Due to the limited amount of loan activity reported by the 11 DBO-licensed lenders, no conclusions can be drawn from the Table IV information.

### **DBO Conclusions:**

Due to the very limited number of DBO lenders (11) that filed reports, no conclusions can be drawn from the data.

According to the DBO, all residential mortgage lenders made a total of 433,030 loans in 2013 with a total value of \$132.2 billion. DBO-licensed finance lenders made or refinanced a total of 116,150 loans for an aggregate amount of \$34.5 billion. Credit unions licensed by DBO made or refinanced 58,846 loans with a total value of \$9 billion. The 583 loans reported in the RMLR – 200 home purchase loans and 383 home improvement loans – comprises just .10% 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 identify any specific violations of the Holden Act.

### **Department of Insurance (DOI)**

The DOI regulates insurance companies in California, including life and disability, fraternal, property and casualty, title and home insurance companies. For 2013, these companies did not submit RMLR information associated with home purchase and/or home improvement loan applications for one- to four-unit family dwellings because the companies submitted HMDA reports to federal regulators.