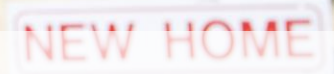


September 2022

Keys Unlock Dreams: Baltimore

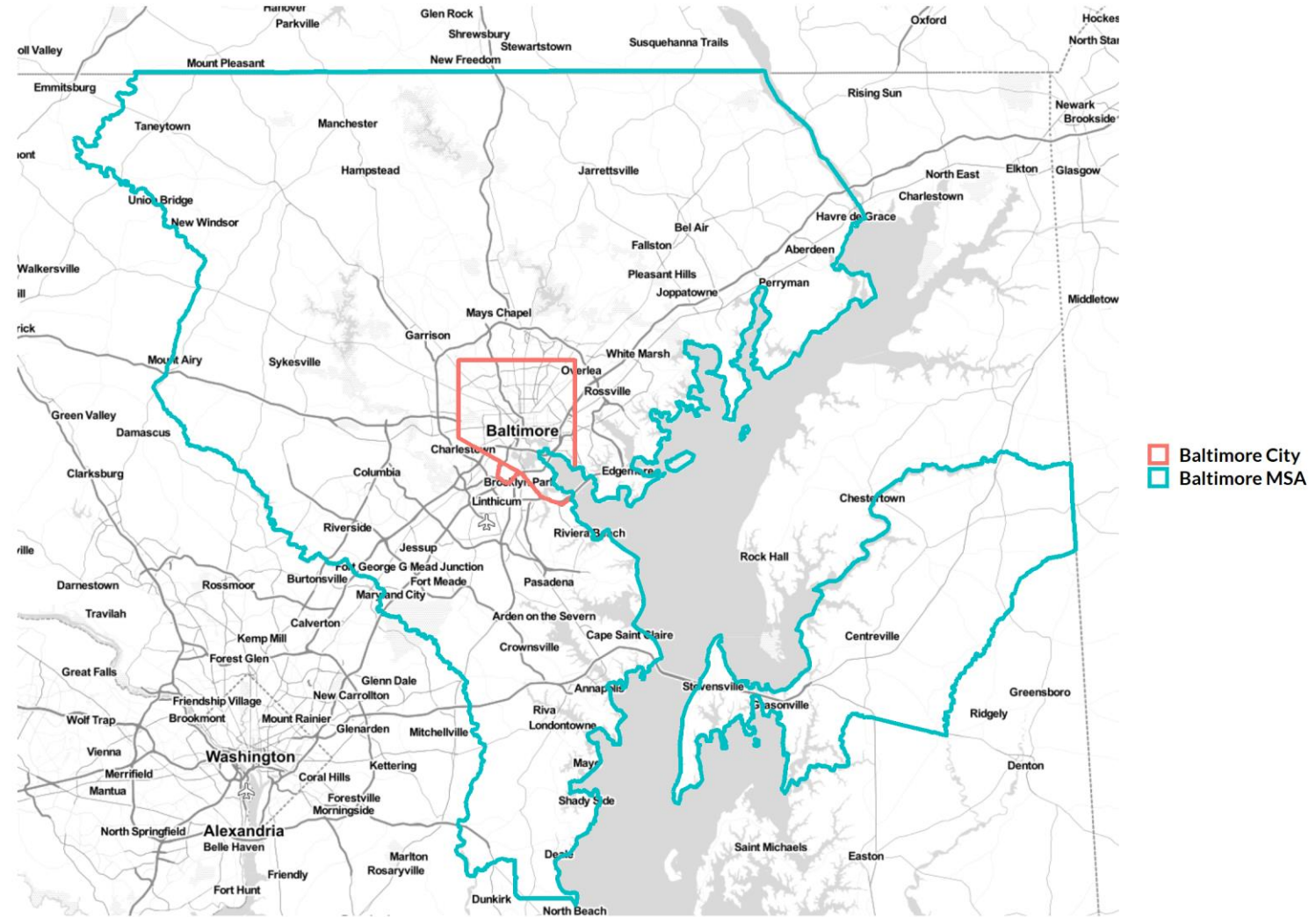
Housing Finance Policy Center

A white rectangular sign with the words "NEW HOME" in red, capital letters, mounted on a post in front of a house.

About Baltimore

- City of Baltimore
 - Population: 585,708
 - Household: 254,370
- Baltimore MSA
 - Population: 2,838,327
 - Household: 1,117,510

Map of Baltimore



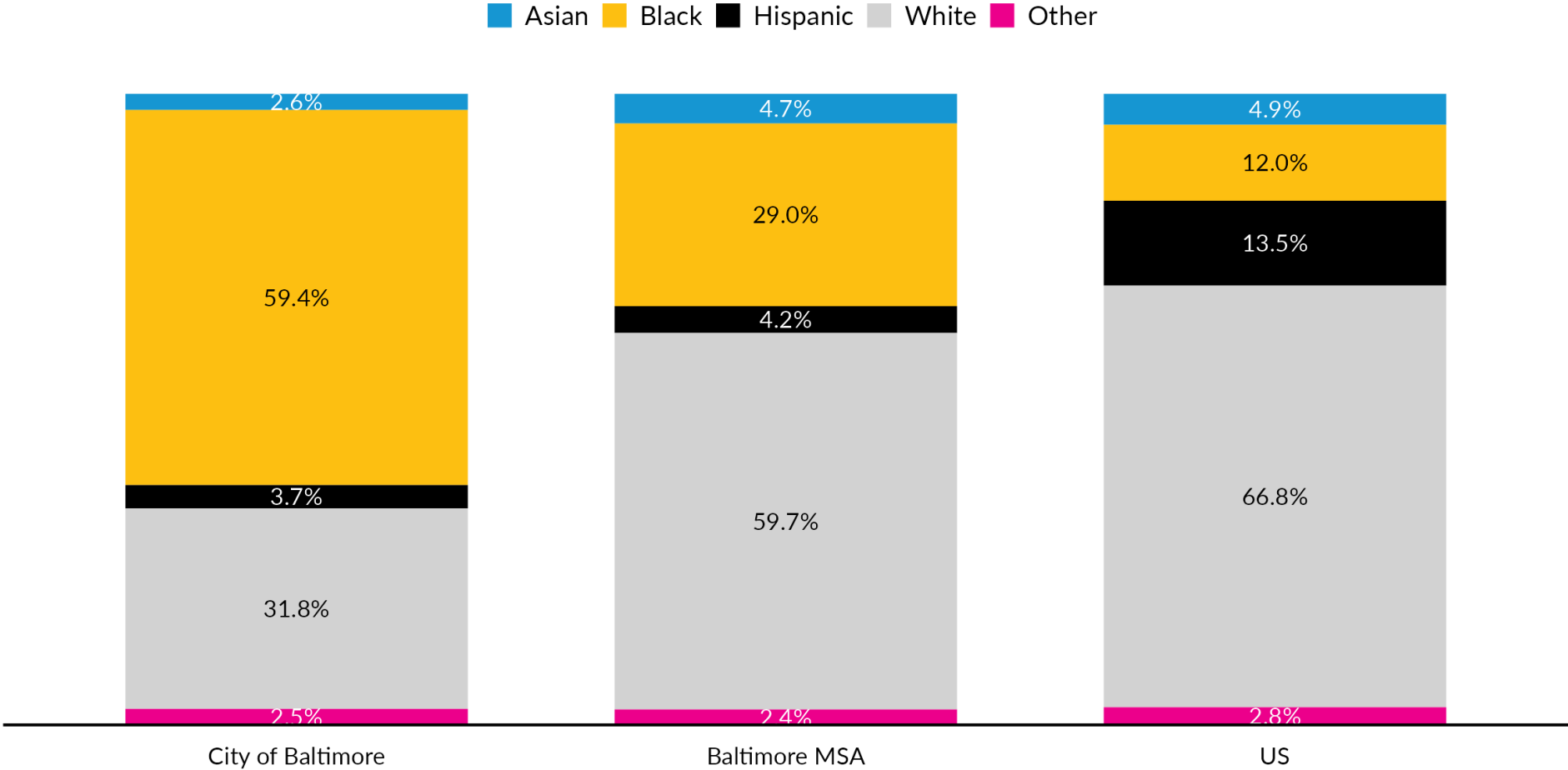
Sources: US Census Bureau and Stamen Map.
Note: MSA = metropolitan statistical area.

Executive Summary

- City of Baltimore has a homeownership rate of **17 percentage points below** the national average while the Baltimore MSA homeownership rate sits just above the national average.
 - Homeownership rates among Black and white residents have decreased in Baltimore over the last decade while Hispanic and Asian homeownership rates have increased in both the city and MSA.
- City population is nearly **70 percent nonwhite**, while the MSA population is around **40 percent nonwhite**
 - Black people compose the largest nonwhite share accounting for nearly 60 percent of the total population in the city and 29 percent in the MSA
- Home prices and income levels have recovered since the recession, but racial disparities have persisted, especially among Black and Hispanic households in the Baltimore MSA
 - Black homeowners have the lowest median property values, followed by Hispanic homeowners in both the city and the MSA.
- Black households in the city and MSA had the highest mortgage denial rates among all racial groups
- The share of cash buyers in Baltimore MSA jumped significantly at the start of the pandemic and but has since returned to a typical level.
- As of September 2021, there were close to 340,000 mortgage-ready customers, including **69,100 Black consumers** in Baltimore MSA
- Black and Hispanic consumers have less favorable credit characteristics compared to whites, with 36 percent of Black consumers and 26.2 percent of Hispanic consumers having credit scores below 600 compared to only 11.7 percent for whites

Racial Distribution & Segregation

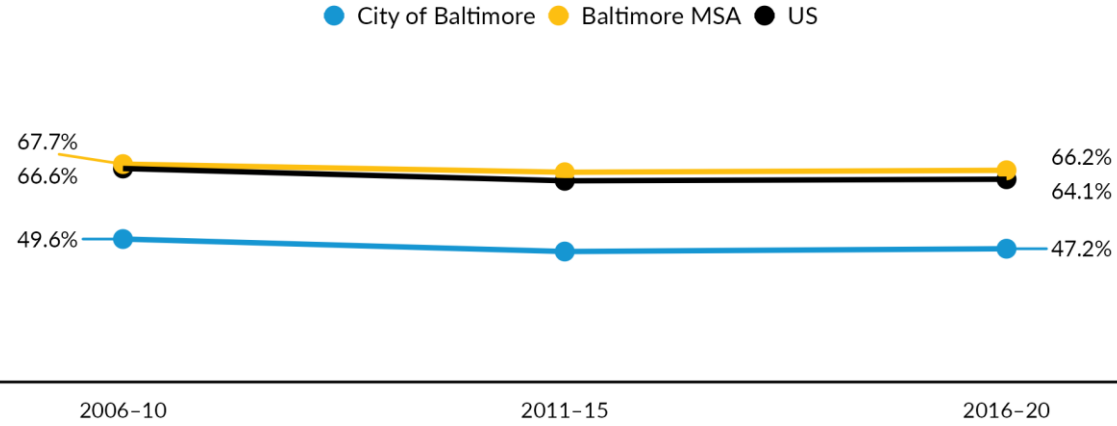
Racial and Ethnic Composition Comparison



Source: American Community Survey.
Note: MSA = metropolitan statistical area.

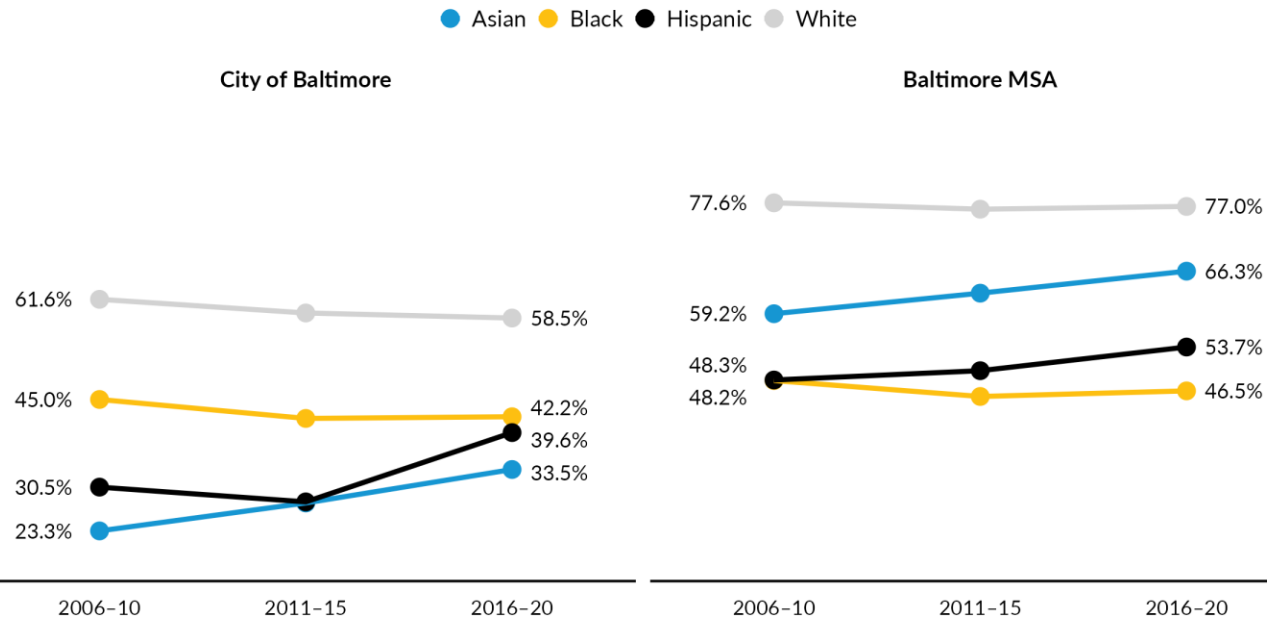
Home-ownership Rate

Homeownership Rate Comparison



Source: American Community Survey.
Notes: MSA = metropolitan statistical area. Values calculated using allocation factors provided by the Missouri Census Data Center.

Homeownership Rates, by Race or Ethnicity



Source: American Community Survey.
Notes: MSA = metropolitan statistical area. Values calculated using allocation factors provided by the Missouri Census Data Center.

Homeownership Goals

- # of Owner and Renter HHs in the City of Baltimore by Race and Ethnicity

	Black	Hispanic	Asian	White	Other	Total
Owner HHs	62794	4882	1918	48205	53655	123249
Renter HHs	84081	4820	4918	30411	37302	131121
Total HHs	146875	9702	6836	78616	90957	254370

Source: 2021 American Community Survey

- Homeownership Rate Comparison: City of Baltimore vs. US

	Black	Hispanic	Asian	White	Other	Total
Baltimore	42.8%	50.3%	28.1%	61.3%	59.0%	48.5%
US	44.0%	50.6%	60.6%	73.3%	61.2%	65.4%

Source: 2021 American Community Survey

Homeownership Goals (Cont.)

- # Homeowners Needed to be Added in the City of Baltimore to Reach US Numbers for Each Race and Ethnicity

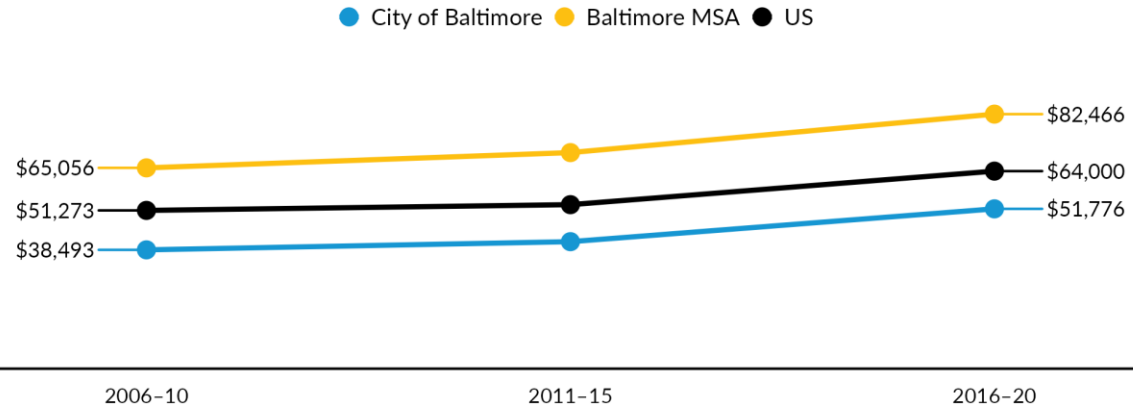
Black	Hispanic	Asian	White	Other	Total
1811	29	2224	9420	2006	43075

- # of Homeowners Needed to be Added For Each Race and Ethnic Groups in the City of Baltimore to Reach White Homeownership Rate in the City

Black	Hispanic	Asian	Other	Non-White
27265	1067	2274	2117	32723

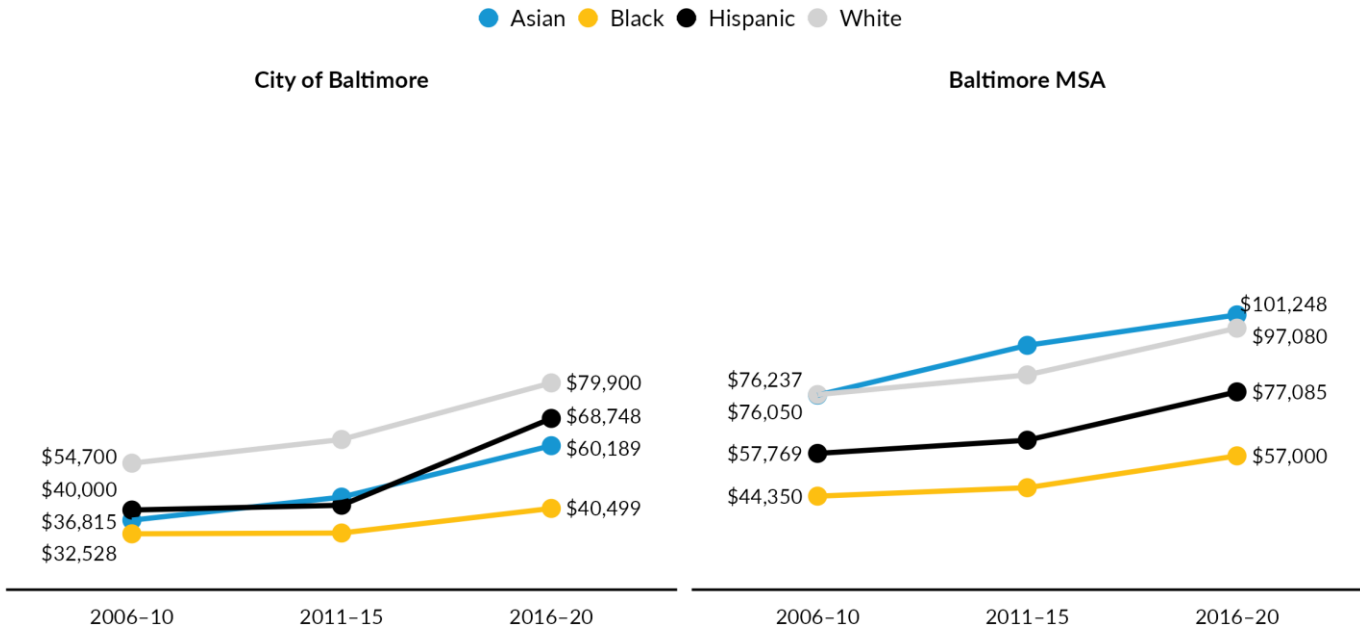
Household Income

Median Household Income Comparison



Source: American Community Survey.
 Notes: MSA = metropolitan statistical area. Values are in 2019 inflation-adjusted dollars and calculated using allocation factors provided by the Missouri Census Data Center.

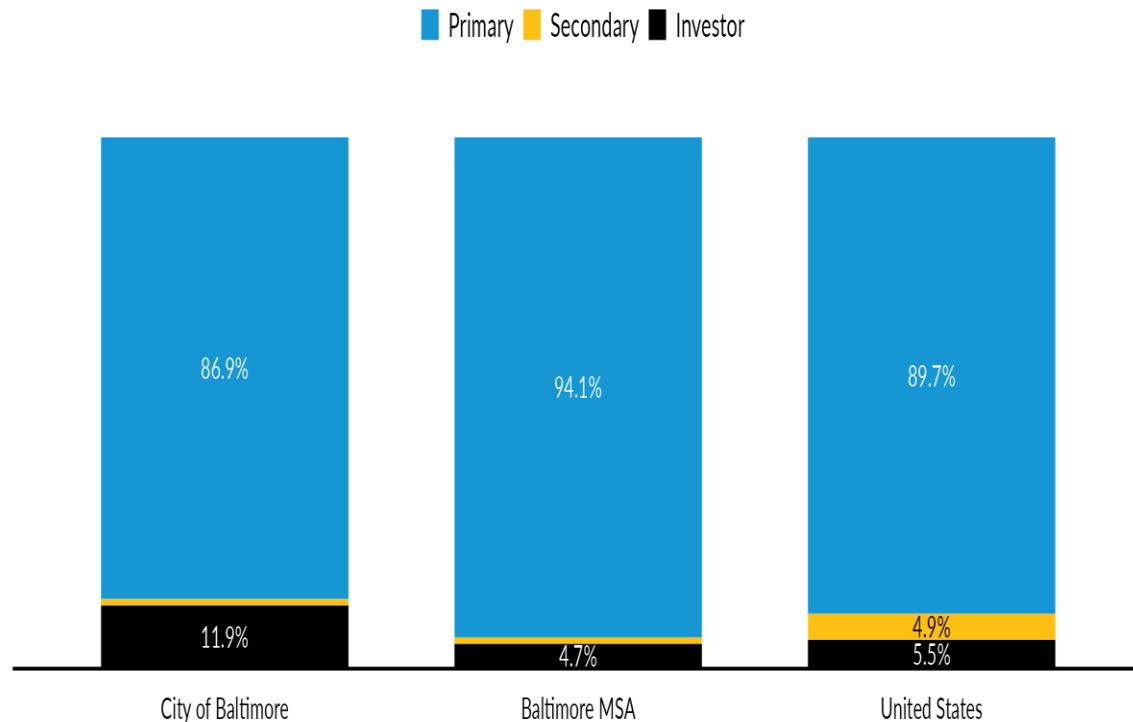
Median Household Income, by Race or Ethnicity



Source: American Community Survey.
 Notes: MSA = metropolitan statistical area. Values are in 2019 inflation-adjusted dollars and calculated using allocation factors provided by the Missouri Census Data Center.

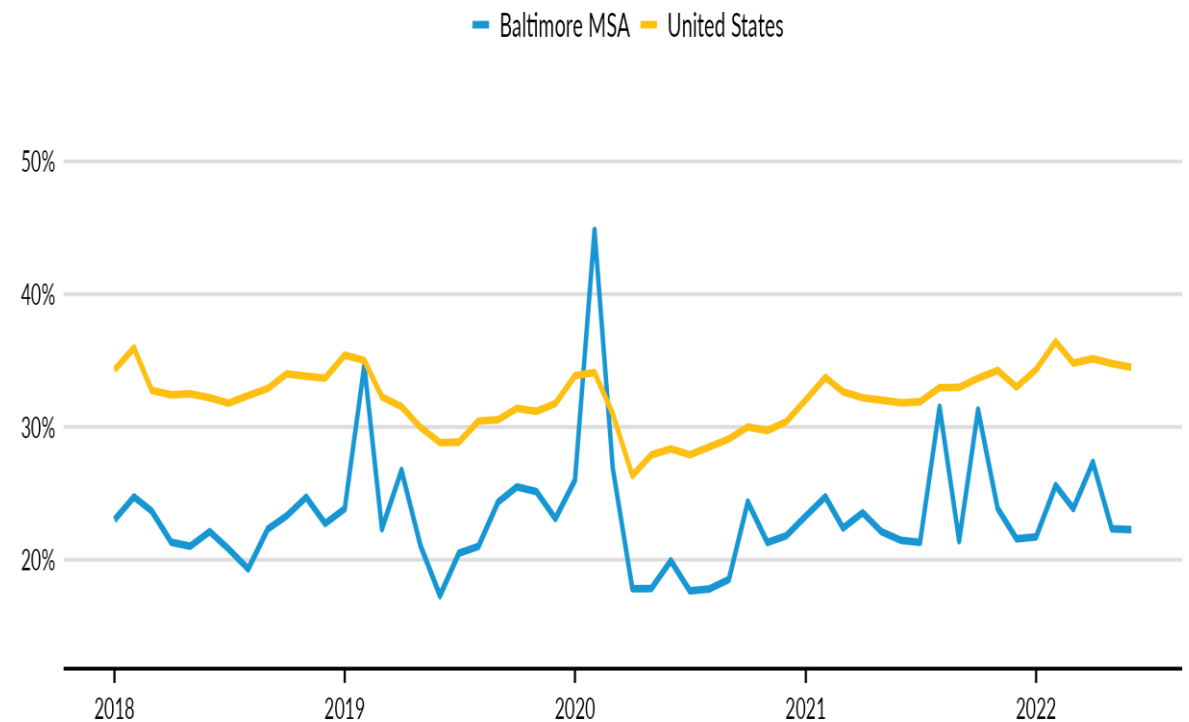
Cash Buyer and Investor Share

Property Purchase Types Comparison



Source: 2020 Home Mortgage Disclosure Act data.
Notes: MSA = metropolitan statistical area. All-cash investors are not included in the data.

Cash Buyer Share Comparison

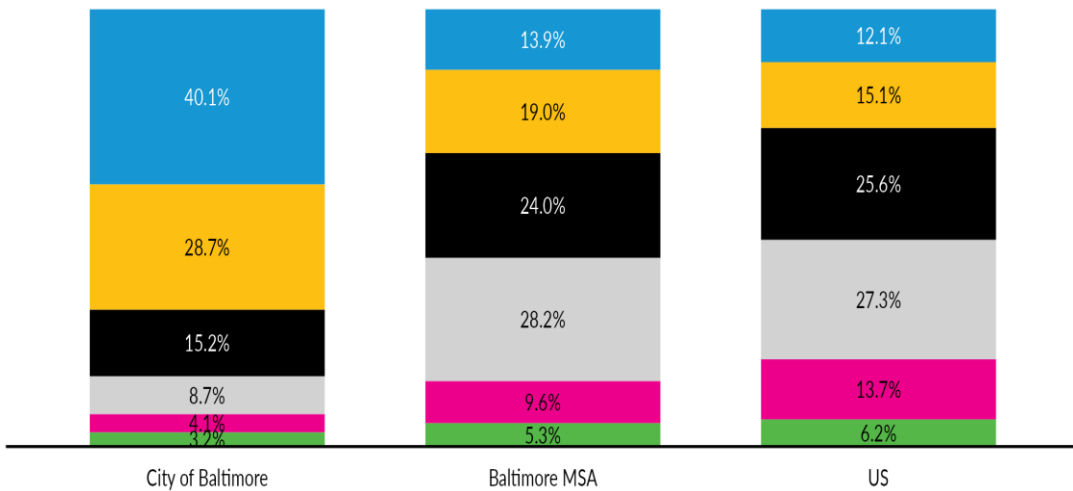


Source: Realtor.com
Note: MSA = metropolitan statistical area.

Age of Housing

Year Built Comparison

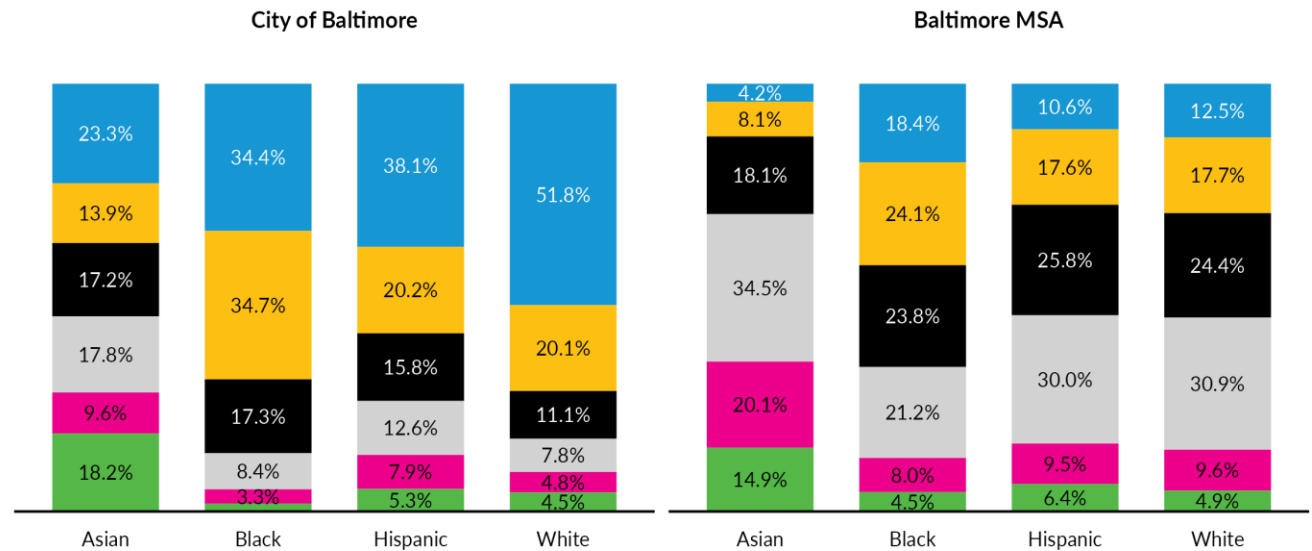
■ Before 1940 ■ 1960-1979 ■ 2000-2009
■ 1940-1959 ■ 1980-1999 ■ Since 2010



Source: 2016-20 American Community Survey.
Note: MSA = metropolitan statistical area.

Year Built Comparison, by Race or Ethnicity

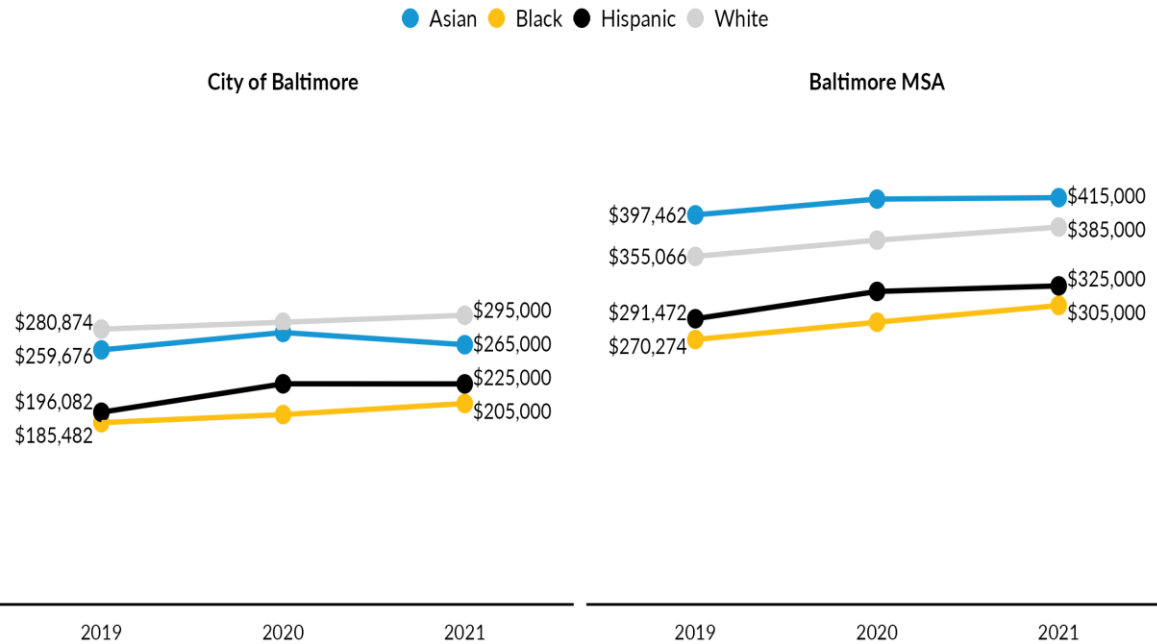
■ Before 1940 ■ 1960-1979 ■ 2000-2009
■ 1940-1959 ■ 1980-1999 ■ Since 2010



Source: 2016-20 American Community Survey.
Notes: MSA = metropolitan statistical area. Values calculated using allocation factors provided by the Missouri Census Data Center.

House Value by Race/Ethnicity

Median Property Values for New Purchases, by Race or Ethnicity



Source: 2019–2021 Home Mortgage Disclosure Act data.
 Notes: MSA = metropolitan statistical area. Values are in 2021 inflation-adjusted dollars. Original, unadjusted reported values rounded to the midpoint of the nearest \$10,000 interval.

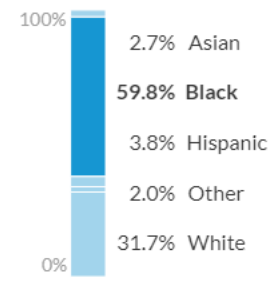
SHOW ME Black households IN Baltimore, MD

COMPARED WITH Search for a city

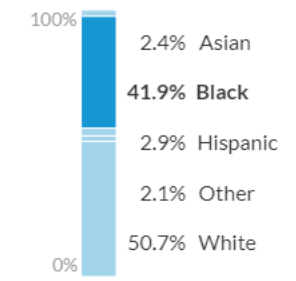
In many large cities, households of color overall own a disproportionately small share of the primary-residence housing wealth. How does Baltimore stack up?

SEE TOTALS OFF

Distribution of household population



Distribution of primary-residence wealth

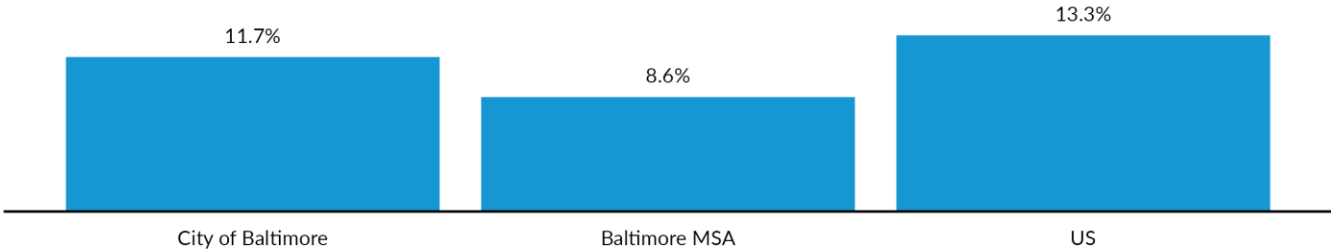


In Baltimore, MD, Black households make up 59.8 percent of the city's total households but own 41.9 percent of the housing wealth.

Share   

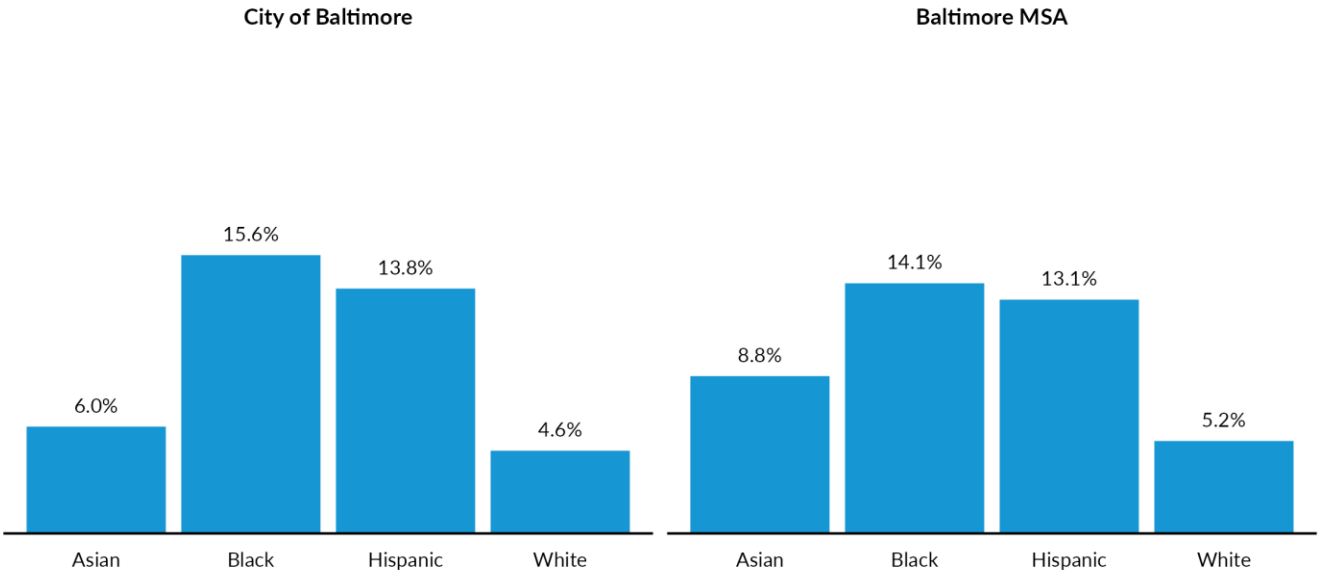
Denial rates – Purchase Mortgages

Denial Rate Comparison



Source: 2020 Home Mortgage Disclosure Act data.
Notes: MSA = metropolitan statistical area. Data are for purchase loans only.

Denial Rates, by Race or Ethnicity



Source: 2020 Home Mortgage Disclosure Act data.
Notes: MSA = metropolitan statistical area. Data are for purchase loans only.

Reason for denial – by race/ethnicity

Reason for Denial

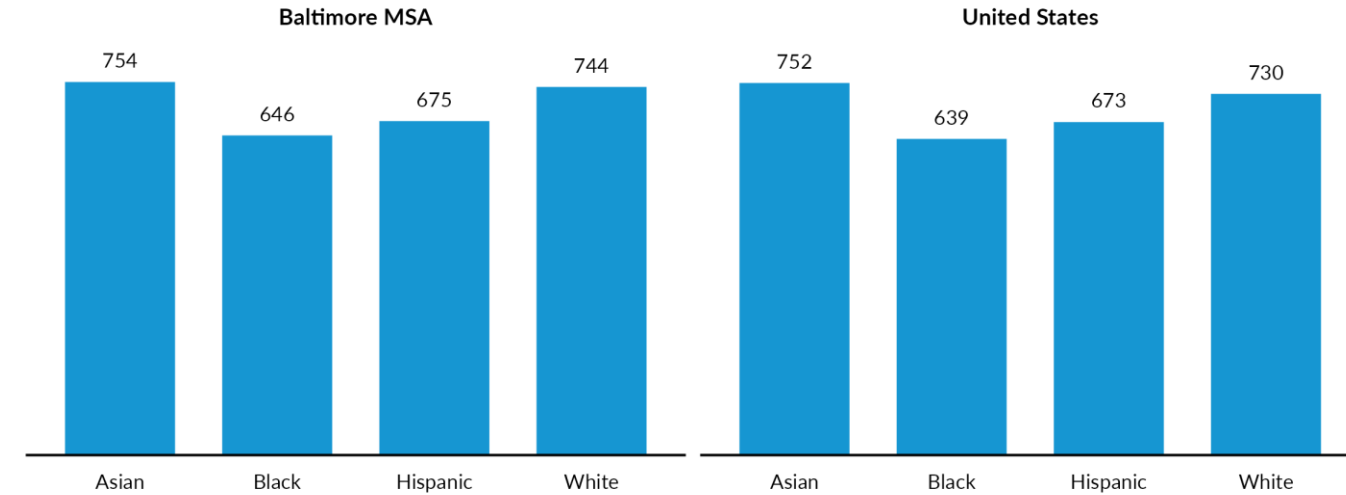
Reason	City of Baltimore				Baltimore MSA			
	Asian	Black	Hispanic	White	Asian	Black	Hispanic	White
DTI Ratio	22.2%	31.2%	35.8%	27.1%	39.5%	32.8%	31.3%	27.3%
Credit History	16.7%	21.1%	17.9%	7.0%	9.2%	25.6%	26.2%	22.1%
Collateral	5.6%	14.5%	7.5%	19.4%	7.7%	11.8%	7.1%	13.2%
Credit Application Incomplete	16.7%	4.4%	9.0%	12.4%	13.7%	5.9%	7.6%	12.1%

Source: 2021 Home Mortgage Disclosure Act data.

Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

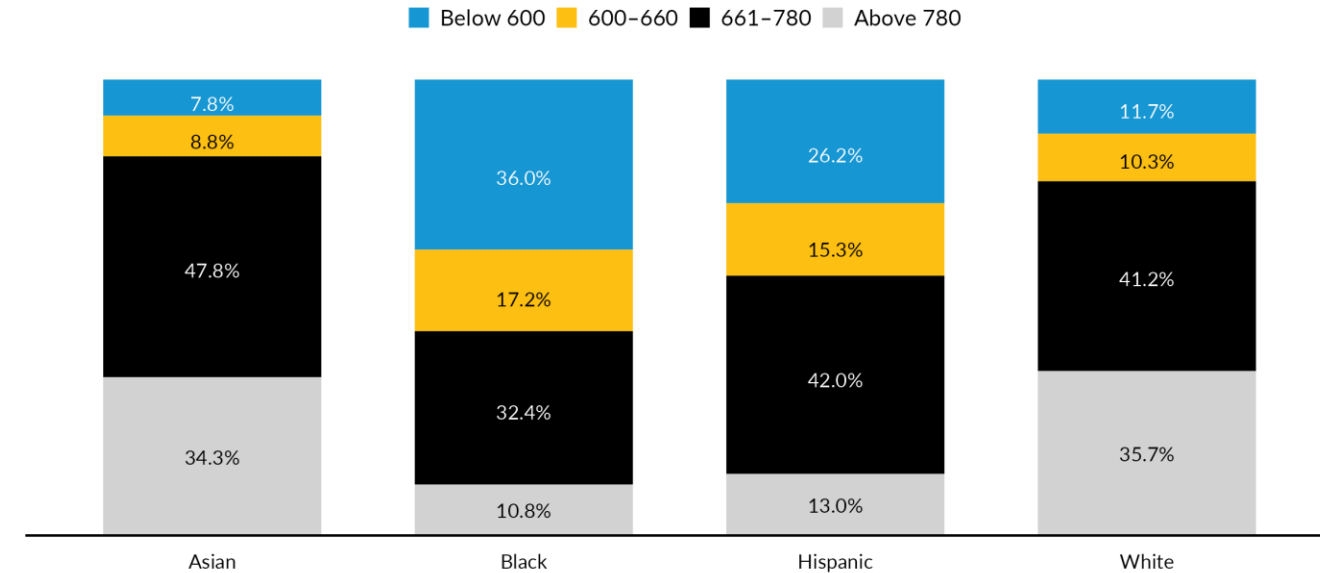
Credit Scores

Credit Score Comparison



Source: 2021 Freddie Mac data.
Note: MSA = metropolitan statistical area.

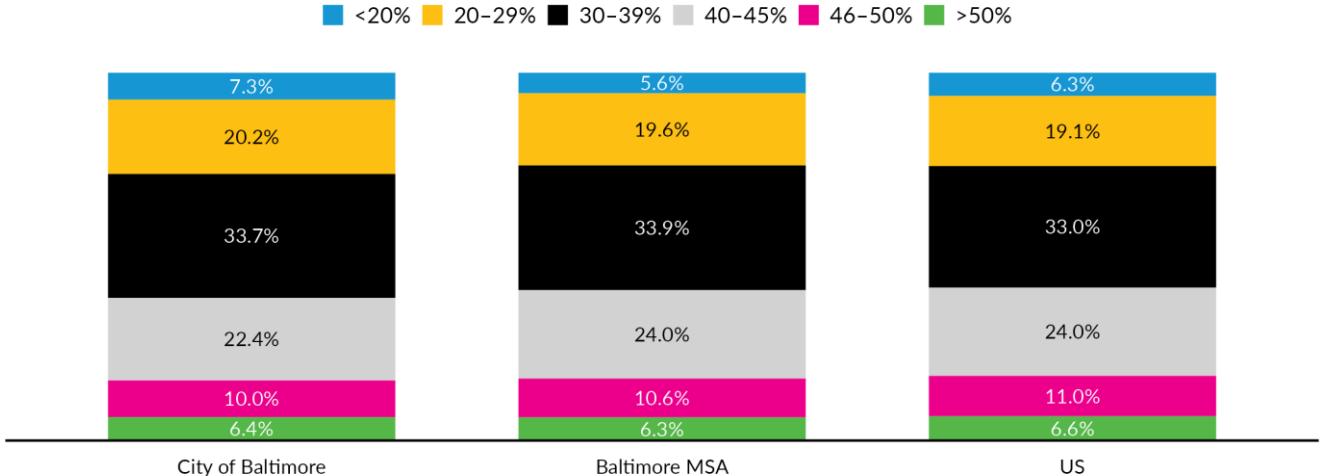
Credit Scores, by Race or Ethnicity, in the Baltimore Metropolitan Statistical Area



Source: 2021 Freddie Mac data.

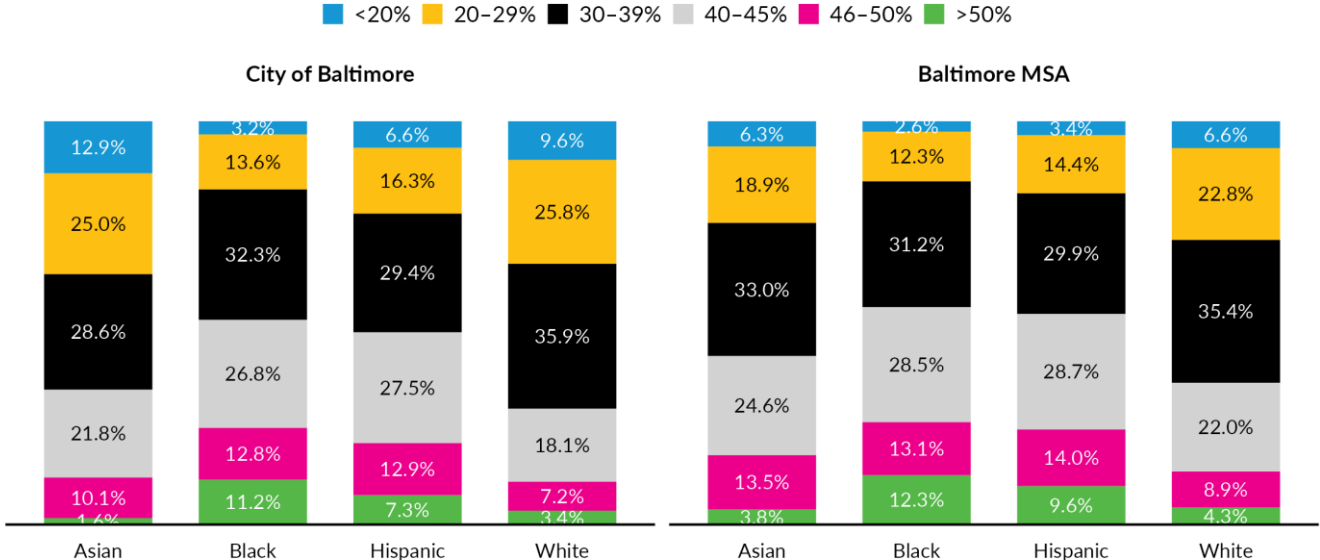
DTI Ratios

DTI Ratio Distribution Comparison



Source: 2020 Home Mortgage Disclosure Act data.
 Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

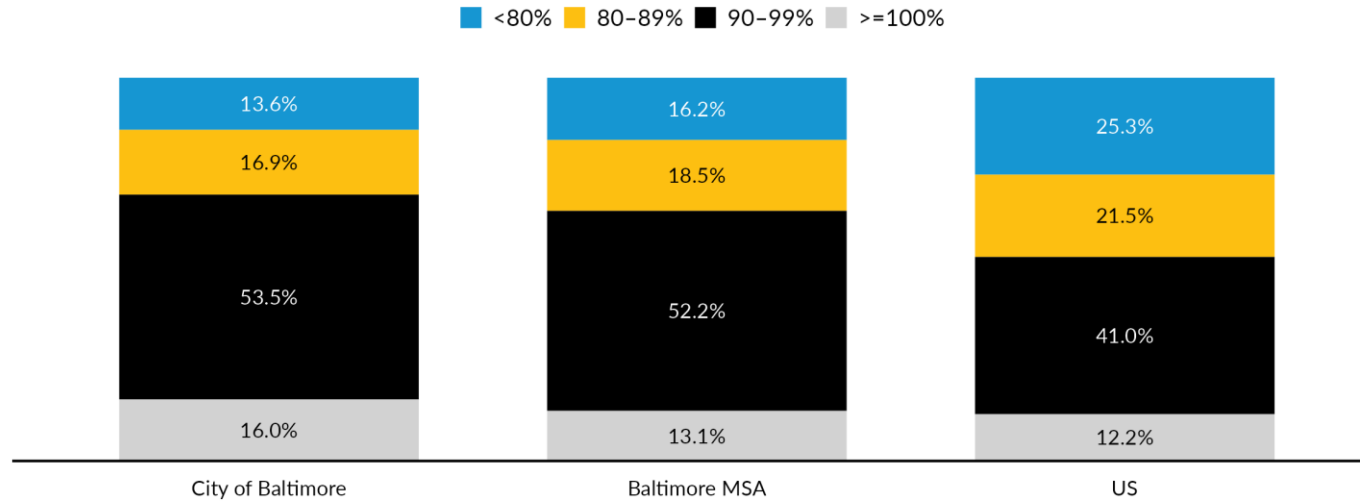
DTI Ratio Distribution, by Race or Ethnicity



Source: 2020 Home Mortgage Disclosure Act data.
 Notes: DTI = debt-to-income; MSA = metropolitan statistical area. Data are for purchase loans only.

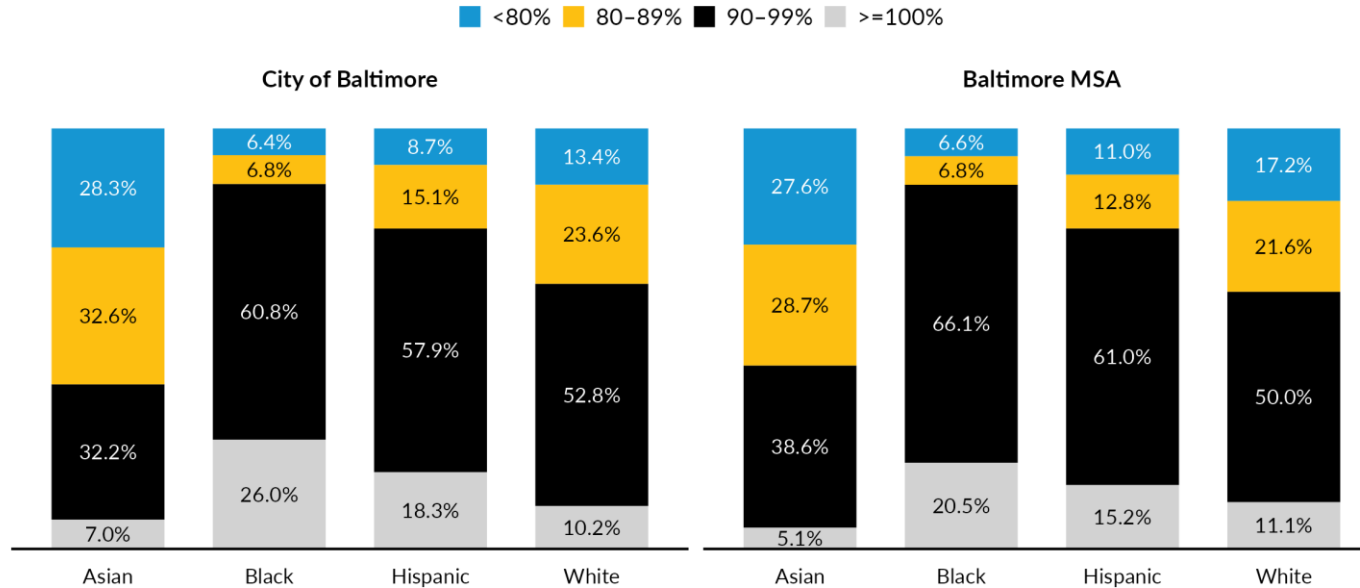
CLTV Ratios

CLTV Ratio Distribution Comparison



Source: 2020 Home Mortgage Disclosure Act data.
Notes: CLTV = Combined loan-to-value; MSA = metropolitan statistical area. Data are for purchase loans only.

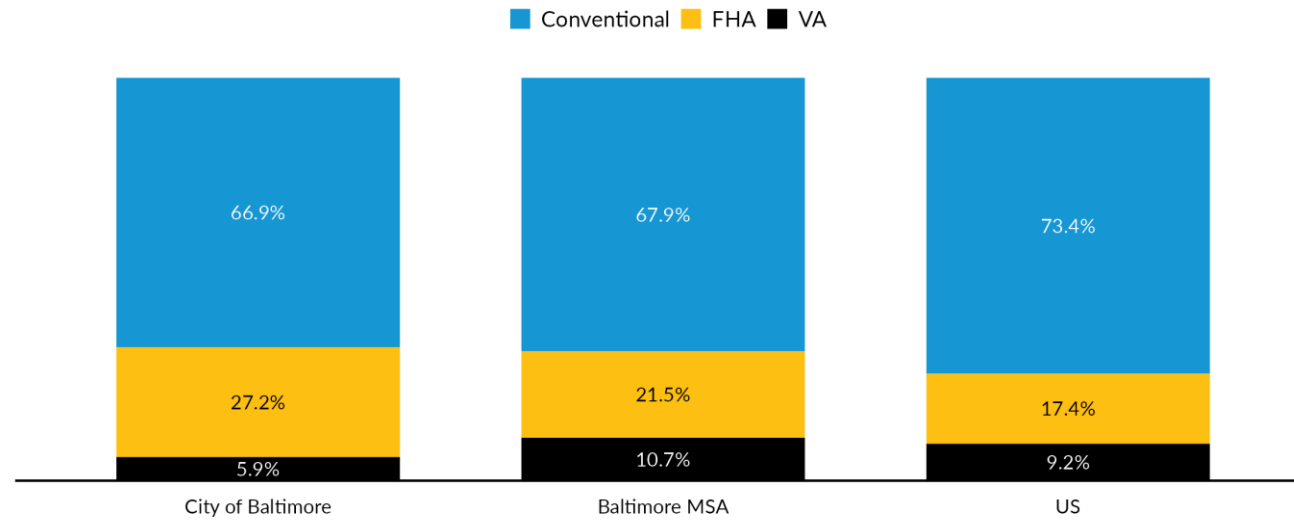
CLTV Ratio Distribution, by Race or Ethnicity



Source: 2020 Home Mortgage Disclosure Act data.
Notes: LTV = Combined loan-to-value; MSA = metropolitan statistical area. Data are for purchase loans only.

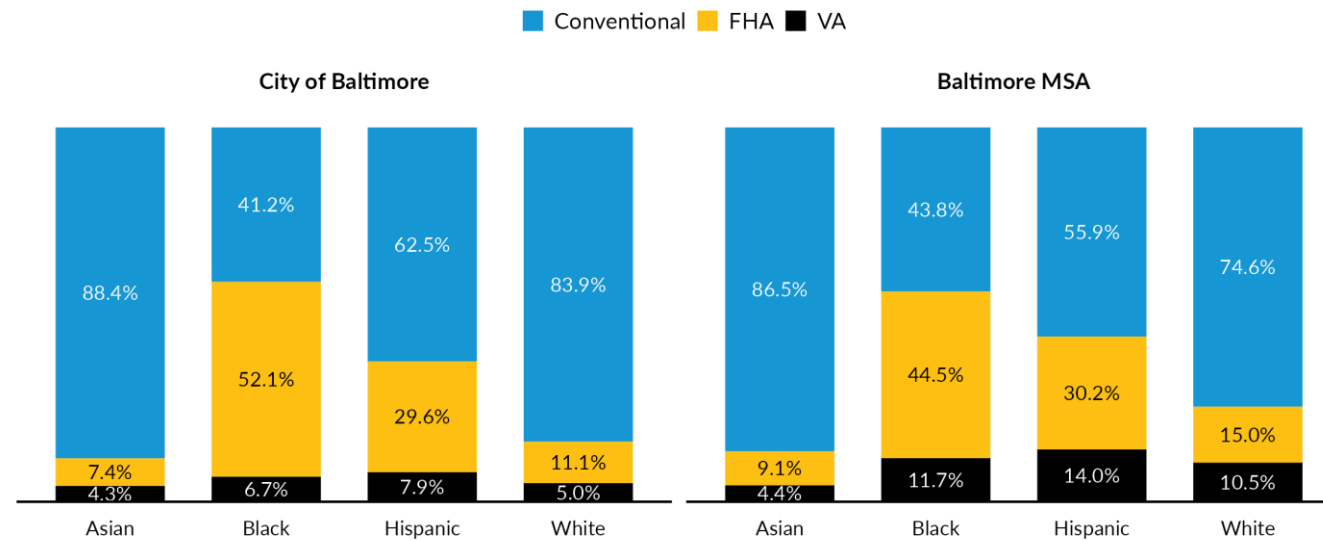
Loan Channel

Loan Channel Comparison



Source: 2020 Home Mortgage Disclosure Act data.
 Notes: FHA = Federal Housing Administration; MSA = metropolitan statistical area; VA = US Department of Veterans Affairs. Data are for purchase loans only.

Loan Channel, by Race or Ethnicity



Source: 2020 Home Mortgage Disclosure Act data.
 Notes: FHA = Federal Housing Administration; MSA = metropolitan statistical area; VA = US Department of Veterans Affairs. Data are for purchase loans only.

Mortgage readiness (Age 45 or Younger)

Mortgage-Ready Count, by Race or Ethnicity

	Asian	Black	Hispanic	White	Other	Total
Baltimore MSA	42,400	69,100	36,000	186,600	5,000	338,900
United States	4,861,000	3,476,000	8,334,000	22,536,000	678,000	39,885,000

Source: 2021 Freddie Mac data.

Notes: MSA = metropolitan statistical area. Data are for purchase loans only. The mortgage-ready population, calculated by Freddie Mac, includes borrowers ages 45 and younger who do not have a mortgage but have the credit characteristics to qualify for one.

Mortgage Readiness, by Race or Ethnicity

Race or ethnicity	Mortgage-Ready Share		Mortgage Affordability at 5.2% Interest		Years to Save a 3% Down Payment	
	United States	Baltimore MSA	United States	Baltimore MSA	United States	Baltimore MSA
Asian	58.9%	57.1%	14.0%	20.2%	4.3	3.1
Black	22.9%	23.8%	21.0%	19.4%	3.2	3.1
Hispanic	35.1%	37.6%	11.0%	13.0%	4.4	3.6
White	37.0%	38.9%	28.0%	24.9%	2.9	3.1

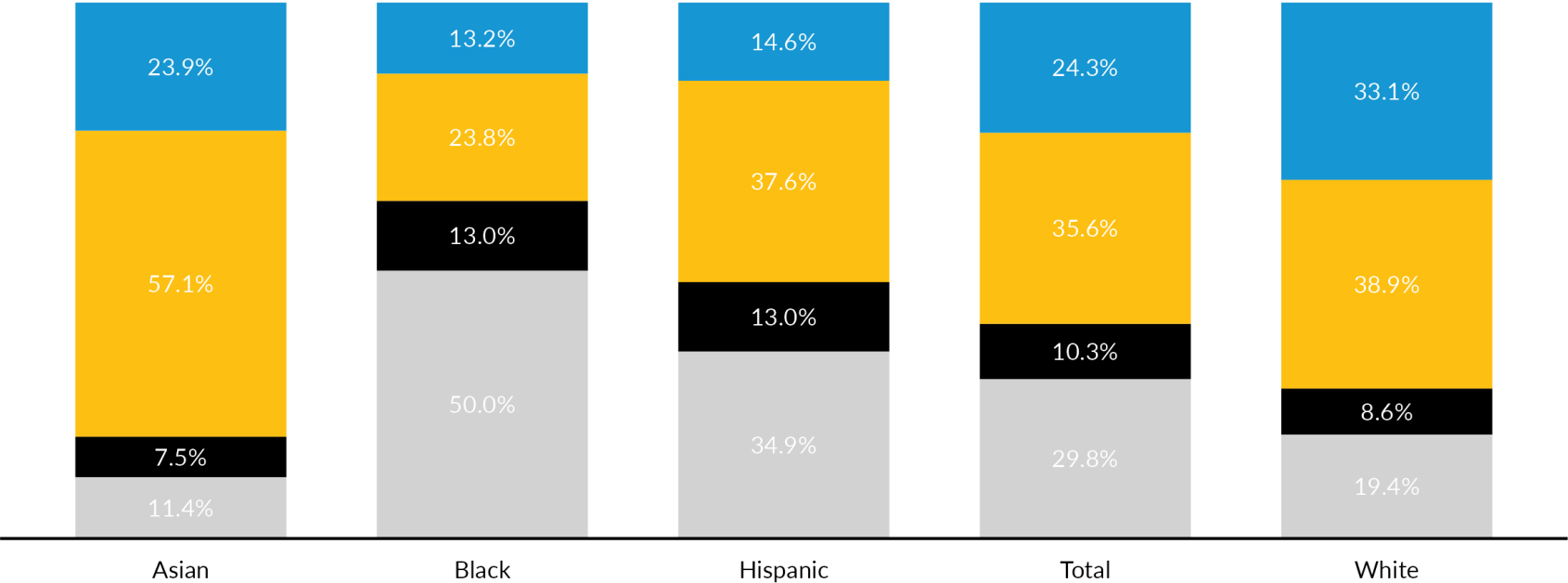
Source: 2021 Freddie Mac data.

Notes: MSA = metropolitan statistical area. Data are for purchase loans only. The mortgage-ready population, calculated by Freddie Mac, includes borrowers ages 45 and younger who do not have a mortgage but have the credit characteristics to qualify for one. Mortgage affordability is calculated using the 5.2 percent interest rate.

Mortgage readiness (Age 45 or Younger)

Mortgage Readiness, by Race or Ethnicity, in the Baltimore Metropolitan Statistical Area

■ Mortgage owner
 ■ Mortgage ready
 ■ Near mortgage ready
 ■ Not currently mortgage ready



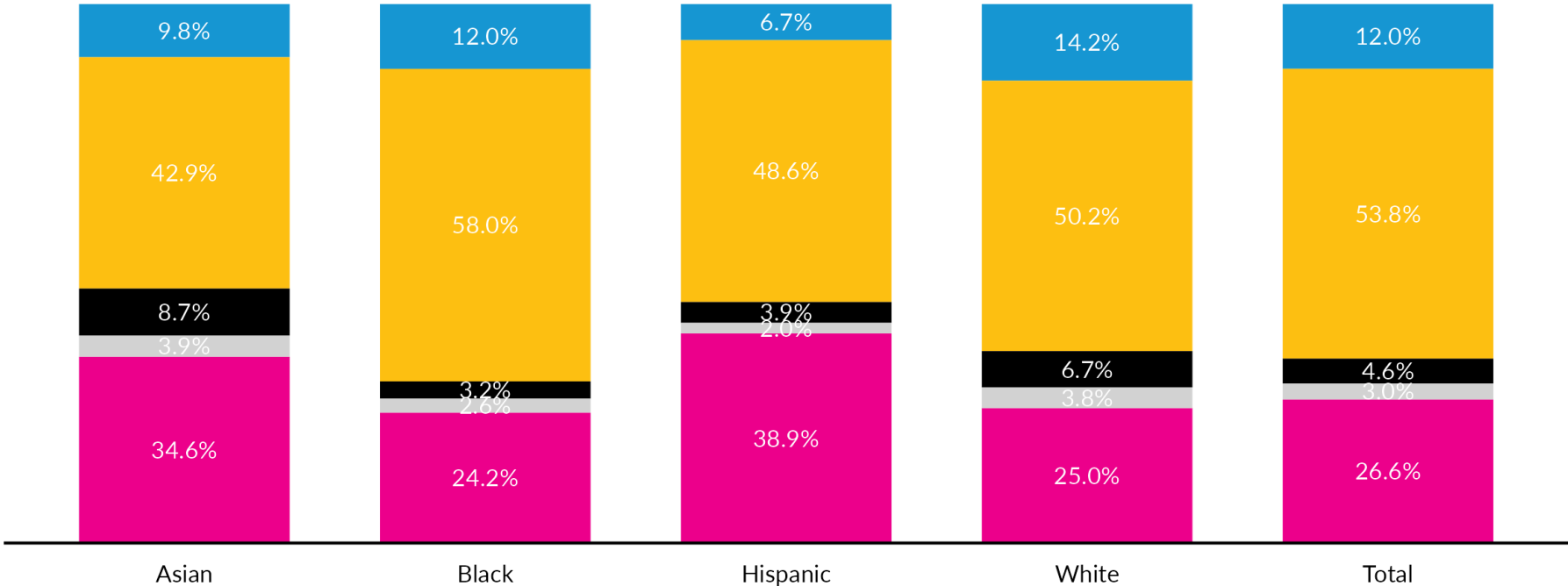
Source: 2021 Freddie Mac data.

Note: The mortgage-ready population, calculated by Freddie Mac, includes borrowers ages 45 and younger who do not have a mortgage but have the credit characteristics to qualify.

Reason for “weak” credit designation (Age 45 or Younger)

Reason for Weak Credit Designation, by Race or Ethnicity, in the Baltimore Metropolitan Statistical Area

■ Severe delinquency ■ D90/60 in last 12 months ■ DTI > 25 ■ No/Low Credit Score ■ Thin credit file



Source: 2021 Freddie Mac data.

Notes: The severe delinquency category includes borrowers who are bankrupt, are in foreclosure, or have been 120 to 180 days delinquent. Thin credit file includes borrowers with zero, one, or two lines of credit.