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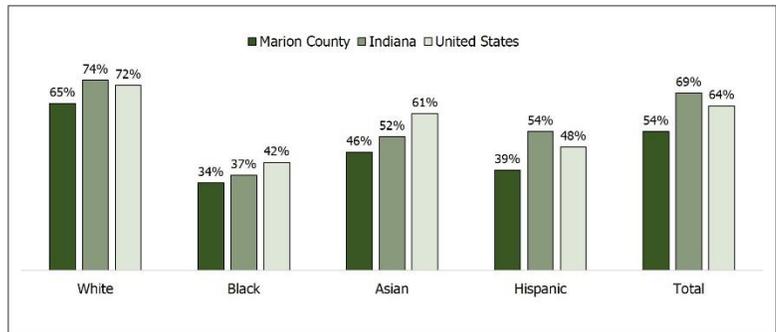
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FHCCI Releases Report on Mortgage Lending in Marion County

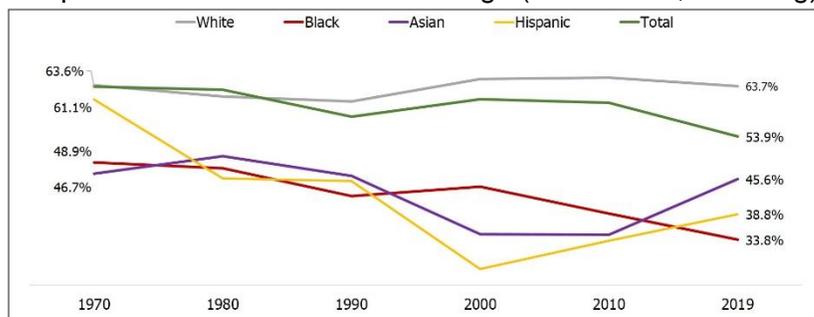
INDIANAPOLIS, IN – Today, the Fair Housing Center of Central Indiana (FHCCI) celebrates its 10th anniversary having originally opened its doors for operation on January 3, 2012. The FHCCI's anniversary celebrations will continue through Fair Housing Month (April) and involve the release of several outreach items for expansion of fair housing knowledge.

Today, we kick off our anniversary with the release of *The State of Fair Housing in Indiana Report – Mortgage Lending in Marion County 2018-2020*, to share key data and our analysis with the general public. Marion County is Indiana's highest population county. It is also a racially diverse county with significant populations of Blacks, Hispanics, and Asians.

However, since 2010, Marion County's homeownership rate has decreased by 8.5%, leading to 9,500 fewer owner-occupied households. Black homeowners have been especially hard hit with a decrease in the County's homeownership rate of nearly 20% over the past decade, losing nearly 2,500 owner-occupied households. At the same time, many persons of color and low-to-moderate income Marion County residents are being displaced due to high rent and rising home values.



While mortgage applications and originations in Marion County are at their highest levels since the Great Recession, dramatic lending disparities persist. Instead of maintaining (much less, building) homeownership and supporting communities, the current housing market is losing homeowners, pricing longtime residents out, and prolonging many of the generational disparities through inequitable mortgage lending. This report examines available data and trends to offer clarity on where



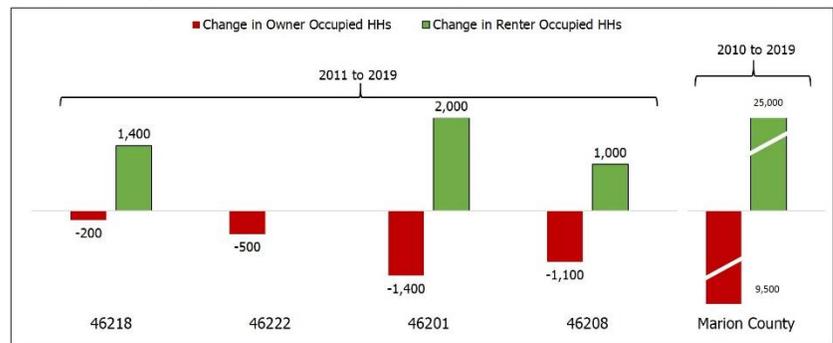
problems exist for government and community leadership action. Below are key findings for Marion County from data focusing on the years 2018 to 2020:

Top 50 Mortgage Lenders

- Despite there being more than 500 mortgage lenders active in Marion County over the past three years, most mortgage loans are accounted for by only 50 lenders. These “Top 50 Lenders” accounted for approximately three quarters of all applications and loan originations, and originated more than \$11 billion of the total \$15.5 billion of mortgages across all lenders in Marion County from 2018 to 2020.
- The Top 50 Lenders also had more than 107,000 loan applications in Marion County for 1-4 single family loans with more than 74,000 (68.8%) being originated or approved.

Homeownership Rates and Loss of Owner-Occupied Units

- The overall homeownership rate for Marion County is 54%. This homeownership rate is substantially lower than statewide (69%) and national (64%) homeownership rates.
- In Marion County, homeownership rates are 65% for whites, while only 34% for Blacks, 39% for Hispanics, and 46% for Asians. These rates are also significantly lower than state and federal homeownership rates.
- Since 1970, white homeownership rates in Marion County have remained fairly level, decreasing by 0.3% from 1970 to 2019. The largest disparity has Marion County’s Black homeownership rate decreasing by 30.8% during that same time.
- Despite there being an overall increase in housing units in the County from 2010 to 2019, there are nearly 10,000 fewer owner-occupied housing units. Overall, Zip Codes 46218 (-1,428) and 46222 (-1,103) were especially hard hit in loss of owner-occupied units. There was an overall loss to Marion County of more than 9,500 occupied housing units.
- In the past decade alone, the homeownership rate in Marion County has declined by 11.0% largely due to the decrease in homeownership in the County’s Black neighborhoods. Hispanic homeowners have also seen a substantial drop since 1970, decreasing from 61.1% to 38.8%. The Asian homeownership rate has remained relatively unchanged; although, there were significant dips over the years.



Rising Housing Prices and Costs

- In Marion County, home prices have increased more than 60% in some neighborhoods in the past two years. Overall, the County’s home values have increased 26% to 28%, resulting in an average home price of \$188,960 (Marion County, Zillow Home Value Index for July 2021).
- While Marion County’s home prices have increased at a rate marginally higher than the national average in the past 24 months (U.S. +22%), these prices have been felt more harshly by some.
- Rental prices in the Indianapolis MSA (Metropolitan Statistical Area) have increased at a rate more than double the national rate since July 2019 (+9.9% U.S.; +17.1% Indy MSA). However, several Marion County Zip Codes had rental index increases twice the national rate (+22% in

46201; +20% in 46208; +19% in 46222; +21% in 46218) in the past 24 months.

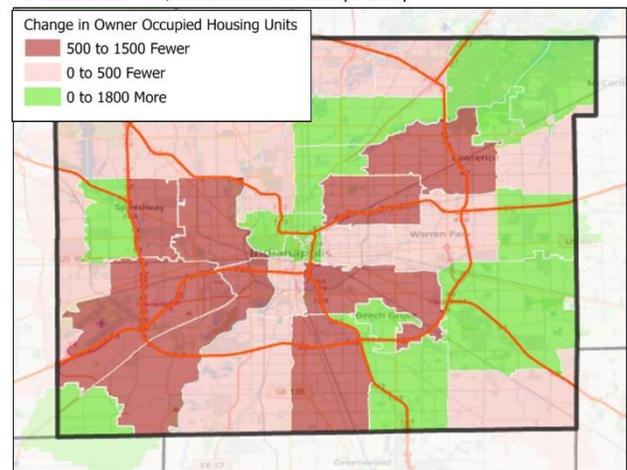
Bank Branch Closings

- Bank branches have decreased by nearly 23% in Indiana in the past decade. By comparison, the national bank-branch-closure rate in the United States was 16%, demonstrating that access to credit for Hoosiers is trending worse than the national benchmark.
- In Marion County, the bank closure rate from 2011 to 2021 (-29%) was nearly twice the national bank closure rate and higher than the Indiana rate.

Mortgage Loan Applications, Denials, Originations

- Mortgage applications in Marion County increased by 45% from 2019 to 2020 with applications from Black (+34%) and Hispanic (+24%) applications increasing at a noticeably lower rate. From 2018 to 2020, the Top 50 Lenders received more than 93,000 applications where the applicant's race was identified. Of those, 73% (68,596) were from white applicants while 15% (14,029) were from Blacks. Overall, the Top 50 Lenders received 4,966 applications from Marion County Hispanics, an overall average rate of 5.3%. The Top 50 Lenders averaged 6% of their applications coming from Asians despite a population in the county of just over 3%.
- The Top 50 Lenders denied over 13,000 applications where race or ethnicity was available. These same lenders received over 93,000 applications where race or ethnicity was available, an overall denial rate of 14.2%. Black home seekers in Marion County had 14,029 applications, of which, 3,105 were denied; a rate of 22.1%. Similarly, Marion County Hispanics encountered a denial rate similar to Blacks of 21.2% while whites (12.2%) and Asians (12.4%) had almost half those rates.
- Mortgage origination rates are at their highest point in over a decade, increasing from 46.3% in 2011 to 55.0% most recently in Marion County. Overall, of total loan originations by the Top 50 Lenders, three quarters of the originations were to Marion County white applicants while 12.7% were to Blacks. The Top 50 Lenders had less than 5% of their originations going to Marion County Hispanics. These lenders averaged 5.9% of loan originations and approvals to Asians despite a much smaller overall population.

Change in Owner Occupied Housing Units (2011 to 2019)
US Census Bureau, American Community Survey



Taking all of this information together, we find that while this may be a new decade, the same people and places that have been underserved for generations are the same ones losing the most ground in the current housing market. Fixing the current disparities in the housing market will require that we fully confront historic lending disparities and combat current ones, particularly those related to race and ethnicity.

To download the full report or to follow other 10th Anniversary information sharing, visit the [FHCCI's News Page](#) or our [Reports Page](#).

The Fair Housing Center of Central Indiana (FHCCI) is a private, non-profit fair housing organization in Indianapolis, Indiana. Its mission is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education, and outreach. For more information, visit: www.fhcci.org

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