

Table B.2 aggregates the data in Table B.1 into six minority and income combinations that exhibit very different credit flows. The low-minority (less than 30 percent minority), high-income (over 120 percent of area median) group had a denial rate of 8.4 percent and an origination rate of 18.0. The high-minority (over 50 percent), low-income (under 80 percent of area median) group has a denial rate of 26.6 percent and an origination rate of only 4.7. The other groupings fall between these two extremes.

The advantages of HUD's underserved area definition can be seen by examining the minority-income combinations highlighted in Table B.2. The sharp differences in denial rates and origination rates between the underserved and remaining served categories illustrate that HUD's definition delineates areas that have significantly less success in receiving mortgage credit. Underserved areas have almost twice the average denial rate of served areas (22.0 percent versus 11.9 percent) and half the average origination rate

(7.0 versus 14.1). HUD's definition does not include high-income (over 120 percent of area median) census tracts even if they meet the minority threshold. The mortgage origination rate (14.2) for high-income tracts with a minority share of population over 30 percent is slightly above the average (14.1) for all served areas.

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