Minority Banks and Homeownership: Prospects for New York City’s Multi-Racial Immigrant Neighborhoods

Harvard Joint Center for Housing Studies Conference
A Shared Future:
Fostering Communities of Inclusion in an Era of Inequality

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Queens College and Graduate Center
City University of New York
Research Question and Findings

What is the role of Asian minority banks in facilitating home mortgage lending?

- Asian banks now comprise the largest share of minority banks.

- Between 2010 and 2015, the share of mortgage loans originated by Asian minority banks for Asian investor property purchases increased significantly relative to owner-occupant purchases.

## Minority Banks By Racial Group and Total Assets

<table>
<thead>
<tr>
<th>Minority Banks</th>
<th>Number</th>
<th>Percent</th>
<th>Total Assets July 13, 2016 (000s)</th>
<th>Average Assets (000s)</th>
<th>Community Banks</th>
<th>% Community Banks</th>
<th>NY-NJ HQs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>162</td>
<td>100%</td>
<td>$199,837,714</td>
<td>$1,233,566</td>
<td>146</td>
<td>90%</td>
<td>13</td>
</tr>
<tr>
<td>Asian</td>
<td>78</td>
<td>48%</td>
<td>$95,742,702</td>
<td>$1,227,471</td>
<td>69</td>
<td>88%</td>
<td>11</td>
</tr>
<tr>
<td>Latino</td>
<td>41</td>
<td>25%</td>
<td>$95,352,089</td>
<td>$2,325,661</td>
<td>34</td>
<td>83%</td>
<td>1</td>
</tr>
<tr>
<td>Black</td>
<td>24</td>
<td>15%</td>
<td>$5,997,961</td>
<td>$249,915</td>
<td>24</td>
<td>100%</td>
<td>1</td>
</tr>
<tr>
<td>Native American</td>
<td>18</td>
<td>11%</td>
<td>$2,674,390</td>
<td>$148,577</td>
<td>18</td>
<td>100%</td>
<td>0</td>
</tr>
<tr>
<td>Multi-Race</td>
<td>1</td>
<td>1%</td>
<td>$70,572</td>
<td>$70,572</td>
<td>1</td>
<td>100%</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: FDIC Minority Depository Institutions Program
Chinese Minority Banks in New York City
First American International Bank
Minority Bank and Community Development Financial Institution
Abacus Federal Savings Bank

“Abacus: Small Enough to Jail” by Tanya Lee and David Modick (Writing Credits) 

“A crackling family drama. This might make a great stage play someday.”

—Norman Wilner, NOW Toronto
Mortgage Originations for 1-4 Family Property Purchase in NYC Secured by 1st Lien

2010

- Non Hispanic White: 13,068
- Asian: 6,531
- Black: 3,010
- Latino: 2,266

2015

- Non Hispanic White: 14,812
- Asian: 7,880
- Black: 2,545
- Latino: 2,375

Legend:
- Non Hispanic White
- Asian
- Black
- Latino
Mortgage Originations for 1-4 Family Property Purchase for Investor Borrowers

- **2010**
  - Non Hispanic White: 1,046
  - Asian: 539
  - Black: 65
  - Latino: 5

- **2015**
  - Non Hispanic White: 1,682
  - Asian: 1,760
  - Black: 134
  - Latino: 87

The bar chart shows the distribution of mortgage originations between 2010 and 2015 for different racial/ethnic groups.
# Mortgage Originations by Lender Type to Asian Borrowers

<table>
<thead>
<tr>
<th></th>
<th>Owner Occupied</th>
<th></th>
<th>Investor</th>
<th></th>
<th>Change 2010-2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Mortgage Loans</td>
<td>5,989</td>
<td>100%</td>
<td>6,120</td>
<td>100%</td>
<td>539</td>
<td>100%</td>
</tr>
<tr>
<td>Asian Lenders</td>
<td>1,613</td>
<td>27%</td>
<td>910</td>
<td>15%</td>
<td>174</td>
<td>32%</td>
</tr>
<tr>
<td>Non-Asian Lenders</td>
<td>4,376</td>
<td>73%</td>
<td>5,210</td>
<td>85%</td>
<td>365</td>
<td>68%</td>
</tr>
</tbody>
</table>

Source: 2010, 2015 HMDA
# Average 2015 Sales Prices and 2010-2015 Price Differentials for Select Asian Investor Neighborhoods

Data Sources: HMDA and NYC DOF

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>2015 Asian 1-4 Family</th>
<th>1 Family House</th>
<th>2 Family House</th>
<th>3 Family House</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Asian Investor Loans</td>
<td>10-15 Differential (000s)</td>
<td>Avg. Sales Price 2015 (000s)</td>
<td>10-15 Differential (000s)</td>
</tr>
<tr>
<td>Integrated White-Asian</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bensonhurst, Brooklyn</td>
<td>82</td>
<td>30</td>
<td>37%</td>
<td>201</td>
</tr>
<tr>
<td>Bayside, Queens</td>
<td>54</td>
<td>18</td>
<td>33%</td>
<td>137</td>
</tr>
<tr>
<td>College Point, Queens</td>
<td>64</td>
<td>17</td>
<td>27%</td>
<td>159</td>
</tr>
<tr>
<td>Dyker Heights, Brooklyn</td>
<td>44</td>
<td>13</td>
<td>30%</td>
<td>224</td>
</tr>
<tr>
<td>Integrated Asian-White</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flushing, Queens</td>
<td>94</td>
<td>32</td>
<td>34%</td>
<td>170</td>
</tr>
<tr>
<td>Integrated Latino-Asian</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunset Park, Brooklyn</td>
<td>62</td>
<td>32</td>
<td>52%</td>
<td>561</td>
</tr>
<tr>
<td>Corona, Queens*</td>
<td>75</td>
<td>24</td>
<td>32%</td>
<td>151</td>
</tr>
<tr>
<td>Elmhurst, Queens</td>
<td>66</td>
<td>20</td>
<td>30%</td>
<td>151</td>
</tr>
<tr>
<td>Woodhaven, Queens</td>
<td>44</td>
<td>14</td>
<td>32%</td>
<td>86</td>
</tr>
</tbody>
</table>

*Includes North Corona
Examples of Recent and Planned Residential Developments in Flushing

Source: Crain’s New York Business, Real Deal, and YIMBY

**F and T Group**
- Flushing Commons (former Muni Lot #1)
- One Fulton Square (133-27 39 Avenue)
- Two Fulton Square (37-19 College Point Blvd)
- 37-12 Prince Street

**Xin Development Group International**
- RKO Theater – 135-35 Northern Blvd

**Triple Star Realty and Tian Run**
- 131-01 39 Ave (former Assi Plaza site)

**Chris and George Xu, Century Development**
- 134-37 35th Avenue
- 134-03 35th Avenue
- 41-42 College Point Blvd
- 144-51 Northern Blvd

**Crown Mansion LLC**
- 134-53 Maple Avenue
NEIGHBORHOOD CHANGING DEVELOPMENTS

End-to-end, forward thinking developers are seizing the opportunity to develop along the 7-train in Queens.

From sky-scrapping condominium towers and large scale office buildings to more modest contextual rental buildings, more than 20 new development projects are underway that will surely change the look and feel of many of these neighborhoods. The majority of larger projects are taking place in and around the first and last Queens neighborhoods on the line, Long Island City and Flushing, but there is still plenty of new activity for the remaining neighborhoods to enjoy. A noticeable gap seems to exist in Elmhurst and Corona where an opportunity may lie for developers to begin projects without much competition on the supply side.
Postings on Informal Housing and Employment
Illegal Conversions and Affordable Housing
“The character of the community needs to be preserved. No one should have to leave this community that they love due to this problem.”

Brooklyn Community Board 10
March 16, 2015 Meeting Minutes