

HOUSING The Portland Observer

B of A Increases Minority, Low Income Lending

Bank of America increased the number of loans it made to low-income and minority Californians in 1994 through its Neighborhood Advantage program, despite a drop of 11 percent in its overall home loan volume due to a general downturn in the residential real estate market.

According to data collected under the federal Home Mortgage Disclosure Act, Bank of America made a total of 15,797 home loans to minorities in California during 1994, representing nearly 23 percent of all home loans the bank made during that time period. It made 23,787 loans to low-income borrowers (those earning less than 100% of the median income of the area where they live), which represents 34.2 percent of all home loans BofA made during 1994.

"Our 1994 HMDA data confirms that we are successfully reaching out to minority and low-income borrowers through our Neighborhood Advantage program to provide them with the opportunity to buy their own

home and leverage it as a financial resource," said Executive Vice President Don Mullane, head of the bank's Corporate Community Development unit.

The bank also said its portfolio of Neighborhood Advantage loans, targeted at low- and moderate-income borrowers, is performing as well or better than its conventional home loan portfolio.

In a speech before a Dallas Federal Reserve conference today, Bank of America Chairman and CEO Richard M. Rosenberg said that on average, the 90-day delinquency rate of Neighborhood Advantage loans originated between 1989 and 1992 is 25 percent lower than the delinquency rate in the bank's portfolio of conventional home loans.

"We believe these performance measures argue strongly for the viability of carefully underwritten low-income mortgage programs," Rosenberg said. "They also suggest that low-income borrowers, given

the opportunity for home ownership with a product that fits their needs, can meet their financial obligations responsibly and consistently."

Under the Home Mortgage Disclosure Act, home loan providers may collect information on the race, ethnicity and gender of loan applicants to help determine how effectively they are meeting the needs of the community. HMDA data includes home purchase loans, refinancings, and products such as home equity and home improvement loans.

In addition to its internal analysis of 1994 HMDA data, which is reported annually to the Federal Reserve, BofA also contracted with an independent consultant and HMDA expert, John Lind of the Caniccor organization, to review its HMDA data during the last quarter of 1994 and the first quarter of 1995. Caniccor is an interfaith group of churches that monitors corporate social responsibility programs.

According to Lind's analysis,

"Bank of America has significantly increased its lending to lower-income categories of borrowers, resulting in performances well above the industry level in all but the upper-income category for both purchase loans and refinancings.

"This pattern of performance above the industry level applies not only to low-income borrowers as a whole, but also specifically to black and Hispanic borrowers.

Thus, the bank is performing very well in the most crucial portion of the market, the low-income minority borrower."

Overall, home loans to minorities increased 1.3 percent from 1993 to 1994, with loans to African Americans increasing 2.7 percent to 2,319, and loans to Latinos up 6.3 percent to 8,074. Loans to low-income applicants earning less than 80 percent of median income rose 0.5 percent, to 14,711, and loans to low-income minorities rose 15.8 percent, to 5,040.

In line with prevailing industry

conditions, which included several increases in interest rates, Bank of America's overall home loan volume dropped 11 percent to 69,416.

Loan applications from minority customers continued to be declined at a higher rate than loans from white customers. The 1994 decline ratio — the rate at which minority loan applications were declined divided by the rate of white loan declines — was 1.7 percent. That was up slightly from the decline ratio of 1.5 reported in 1993.

"As our marketing and advertising in low-income and minority communities has become more aggressive, we have attracted higher volumes of applications, including a larger number of marginal applications that do not meet our credit standards," Mullane said.

"We are continuing to refine our Neighborhood Advantage program to allow more minority and low-income borrowers to qualify while still maintaining a safe, sound, and prof-

itable portfolio," he said. "Our goal continues to be to steadily increase the number of loans we make to low-income and minority Californians."

Neighborhood Advantage is a special home loan program launched by BofA in 1990 that offers flexible, nontraditional underwriting criteria to make home loans more affordable. It now generates a significant portion of BofA's home loan business, and has been used as a model for affordable lending programs throughout the industry.

BofA complements the Neighborhood Advantage program with special homebuyer seminars that educate potential borrowers about the application process.

Individuals who complete the seminars qualify for special features of the Neighborhood Advantage program, such as down payments as low as 5 percent. In the first quarter of 1995, BofA hosted approximately 120 homebuyer seminars throughout California.

Out Of State Homebuyers

Absentee Washington Homebuyers

State	Average Number Sold	Purchase Price
California	572	\$158,383
Oregon	393	\$129,678
Hawaii	60	\$154,758
Florida	53	\$128,148
Alaska	51	\$175,404
Texas	47	\$176,861
Arizona	39	\$117,500
New York	35	\$206,606
Michigan	34	\$147,283
Colorado	28	\$142,508

While more than half of Washington state's out-of-state homebuyers live in California and Oregon, the third most common state of residence is Hawaii, a real estate information service reports.

A total of 572 California residents bought a house or condo in

Washington state during the 12-month period ending in July. That accounts for 33.7 percent of the 1,699 homes bought by out-of-state residents during the period, according to DataQuick Information Systems.

Oregon residents bought 393 Washington homes, followed by

Hawaii, Florida and Texas (see chart).

California residents paid an average of \$158,383 for their homes while Arizona residents paid an average \$117,500, the company reported.

DataQuick monitors real estate purchasing, financing and foreclosure activity nationwide. The company, which has an office in Bellevue, provides information to consumers, lending institutions, title companies and industry analysts. Out-of-state absentee ownership is assumed when bills for property taxes are sent out-of-state.

By city, the highest number of out-of-state homebuyers live in Portland, followed by San Jose, Honolulu, Anchorage and Beaverton.

It Is Now Fifth Avenue Suites

After the month-long "Name a Piece of Portland" contest, an announcement was made on July 26, 1995 dubbing Kimpton Group's newest hotel Pioneer Place Suites.

Since then, Kimpton Group discovered that ownership of Pioneer Place shopping center prefers the name Pioneer Place suites not be used.

In the spirit of positive business relations, Kimpton Group respects their request and instead names it

Fifth Avenue Suites. This name was the first-runner up in the contest.

Judith K. Feinstein, who has lived in Portland since she was 3-years-old, submitted the name Fifth Avenue Suites. She wins a weekend at the Hotel Monaco in San Francisco, dinner for two at its restaurant Grand Cafe and a weekend and dinner for two at Fifth Avenue Suites. In addition, a suite at the hotel will be dedicated to Ms. Feinstein.

Despite the renaming, Grant Brakett, author of the name Pioneer Place Suites, still receives the prizes awarded to him.

Fifth Avenue Suites is scheduled to open in the Spring of 1996.

The hotel features 160 suites, 60 deluxe guest rooms and four grand suites; approximately 6,000 square feet of meeting and catering space accommodates 10 to 200 people. A signature Kimpton restaurant is adjacent.

Energy Facts

Natural gas energy heats 57 percent of the nation's homes and serves more than 174 million American consumers.

Ninety-nine percent of the natural gas consumed in the United States comes from North America, with 90 percent coming from the lower-48 states.



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All Furnaces Need Check-ups

All heating systems should be serviced periodically by a qualified contractor to ensure top performance, according to the American Gas Association. Such maintenance will ensure safe and efficient operation.

Heating contractors should follow the manufacturer's maintenance guidelines for each unit in accordance with local building codes and regulations, A.G.A. says.

The check-up should include:

- inspection of the furnace vent system;
- removal of any leaves, nests or

- other obstructions from inside the chimney;
- replacement or cleaning of the air filter;
- lubrication of the blower motor;
- replacement of blower belts, if needed;
- cleaning of pilots and burner chamber;
- removal of dust and lint from furnace vents, registers and baseboard heaters; and
- cleaning and adjusting of thermostats.

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