

Research Updates

New paper accepted for publication

14 July 2014 · Rubén Hernández-Murillo ·

Our paper, (Ghent, Hernández-Murillo, and Owyang 2014), was just accepted for publication in RSUE.

References

1. **2014**
“Differences in Subprime Loan Pricing Across Races And Neighborhoods .” Ghent, Andra C., Rubén Hernández-Murillo, and Michael T. Owyang. 2014. *Regional Science And Urban Economics* . doi:10.1016/j.regsciurbeco.2014.07.006.

Abstract:

We investigate whether race and ethnicity influenced subprime loan pricing during 2005, the peak of the subprime mortgage expansion. We combine loan-level data on the performance of non-prime securitized mortgages with individual- and neighborhood-level data on racial and ethnic characteristics for metropolitan areas in California and Florida. Using a model of rate determination that accounts for predicted loan performance, we evaluate the differences in subprime mortgage rates in terms of racial and ethnic groups and neighborhood characteristics. We find evidence of adverse pricing for blacks and Hispanics. The evidence of adverse pricing is strongest for purchase mortgages and mortgages originated by non-depository institutions.

BibTeX entry:

```
1. @article{rsue2014,
2.   author = {Ghent, Andra C. and Hern{\`a}ndez-Murillo, Rub{\`e}n and Owyang, Michael T
3.   .},
4.   title = {Differences in Subprime Loan Pricing Across Races and Neighborhoods },
5.   journal = {Regional Science and Urban Economics },
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7.   pages = {},
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9.   doi = {10.1016/j.regsciurbeco.2014.07.006},
10.  issn = {0166-0462},
11.  keywords = {Fair Housing Act},
12.  url = {http://research.stlouisfed.org/wp/2011/2011-033.pdf},
13.  pdf = {http://research.stlouisfed.org/wp/2011/2011-033.pdf},
14.  pubtype = {Journal}
14. }
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- journal website (doi) (<http://dx.doi.org/10.1016/j.regsciurbeco.2014.07.006>)
 - working paper (pdf) (<http://research.stlouisfed.org/wp/2011/2011-033.pdf>)
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