

High Minority Population Increases the Odds of Mortgage Approval for Couples of Color

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Background

- The Fair Housing Act (1968) prohibits housing discrimination by race, but discrimination may persist.
- We test if same race couples of color (i.e., more prototypical) are judged more favorably when applying for housing in high minority population areas compared to interracial couples of color (i.e., less prototypical).

Materials & Procedure

- Multi-year mortgage data from the Home Mortgage Disclosure Act (2018-2020).
 - 10,689,999 applications.
- Key definitions:
 - *Couples of color*: same race & interracial.
 - *Same race*: two same race POC applicants.
 - *Interracial*: one POC and one White applicant.
- Methods: logistic regression & Wald's chi-squared

References

Cashin, S. (2004). The failures of integration: How race and class are undermining the American dream (Vol. 3, No. 24, p. 04). New York: PublicAffairs.

Tuner, M. A., & Green, S. (2022). Causes and consequences of separate and unequal neighborhoods. Urban Institute.

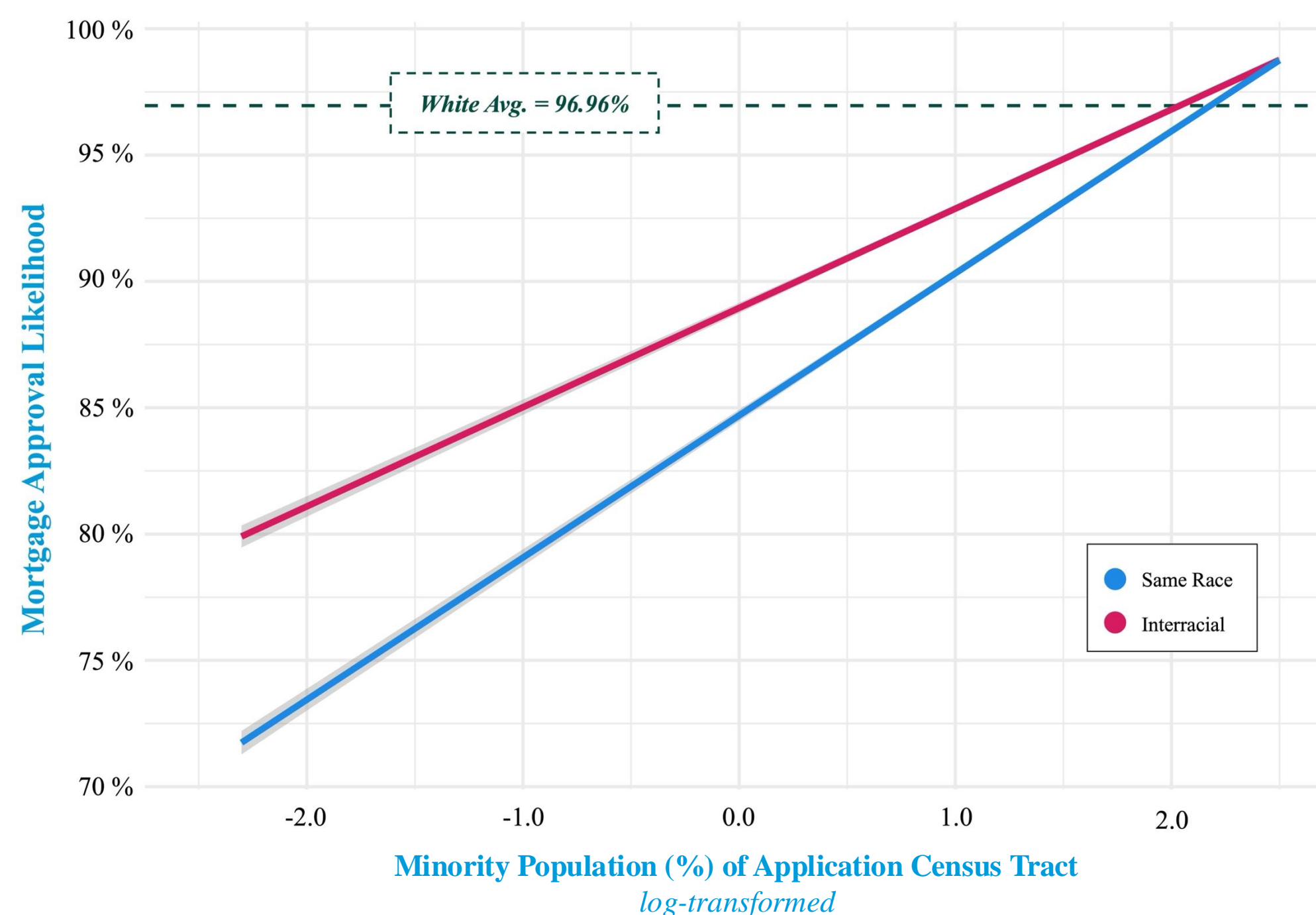
Livingston, G., & Brown, A. (2017). Trends and patterns in intermarriage. Pew Research Center.

Hypotheses

- H1:** Couples of color have higher odds of mortgage approval when applying for housing in high minority population (%) areas.
- H2:** Same race (vs. interracial) couples of color see a greater increase in odds of mortgage approval when applying for housing in high minority population (%) areas.

Figure 1

Couples of color have higher odds of mortgage approval when applying for housing in high minority population (%) areas.



Results

H1: ✓

- Same race: odds of approval rise as minority population increases, $b = .110$, $OR = 1.117$, $se = .010$, $p < .001$.
- Interracial: odds of approval rise as minority population increases, $b = .035$, $OR = 1.036$, $se = .012$, $p = .002$.

H2: ✓

- Same race (vs. interracial) couples of color see a greater increase in odds of mortgage approval as minority population increases, $X^2(1, 10689999) = 27.526$, $p < .001$.

Discussion

- Couples of color have lower odds of mortgage approval compared to White couples on average.
- Prototypical couples have highest odds of mortgage approval when applying for housing in high minority population areas.
- Our research calls attention to persisting forms of structural discrimination.

Future research should explore:

1. The psychological processes that underly application judgments
2. The role of other social identities in the judgment of applications.
3. The impact of income on mortgage approval for couples of color.