

## FOREWORD

When the Office of Policy Development and Research began its Women and Mortgage Credit Project, we were motivated by our awareness that, in the past, mortgage lenders had discriminated against women. Indeed, lenders themselves have acknowledged their past practice of discounting wives' incomes.

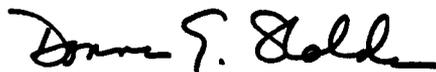
In addition, research on homeownership had also indicated that women were much less likely to purchase homes than men with similar incomes. Was this because women were being discriminated against?

Until recently, it was impossible to test directly for discrimination in the mortgage market because we did not have the necessary data. Then several states -- among them, California and New York -- began to require state-regulated lending institutions to maintain data, including rejected applications, that would permit monitoring of lending practices on the basis of both sex and race. (This happened even before the implementation of the reporting requirements of the Equal Credit Opportunity Act.) So while continuing to urge women and minorities to enter the mortgage market, we decided, as part of the research component of the Women and Mortgage Credit Project, to examine the newly available data.

Note that only two states are involved. Note also that the study cannot tell us whether there is discrimination at the pre-application stage, with lenders discouraging women and minorities from even applying for a mortgage. But with these cautions observed, the study reveals little evidence of discrimination against women in the mortgage market or of the discounting of wives' incomes.

On the other hand, the study shows continued widespread discrimination against minorities and, to our surprise, some evidence of discrimination against "male-only" applicants.

This two-volume report also puts the lie to another assumption -- that social science research only tells you what you already know. It does not. Read on.



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