

Background on Ameriquest Mortgage Activity in Milwaukee County: 2003-2005

by John Pawasarat, Employment and Training Institute, University of Wisconsin-Milwaukee, July 2007

The analysis of mortgage lending practices, evictions and foreclosures in Milwaukee County conducted for Legal Action of Wisconsin showed Ameriquest Mortgage Company as one of the major subprime lenders operating in Milwaukee County. As part of an agreement signed with 49 states, including Wisconsin, Ameriquest is providing settlement payments for many of those who borrowed from the company from 1999 through 2005.

1. Ameriquest had the largest volume of loan applications and second largest volume of approved loans, of the 92 subprime lenders issuing mortgages in Milwaukee County from 2003 through 2005. In those three years, Ameriquest recorded **over \$2.2 billion loan applications** for housing in Milwaukee County and issued \$350,419,000 in loans. (See the newly released publication, *Legal Action of Wisconsin Report on Mortgage Lending Practices in Milwaukee County: Part Two*, posted at www.eti.uwm.edu.)
2. A total of **3,069 loans were issued** in Milwaukee County by Ameriquest in 2003 to 2005, according to data records filed by the company under the Home Mortgage Disclosure Act (HMDA). These included 1,015 loans for \$93 million made for innercity properties (in 9 central city Milwaukee ZIP codes targeted by the Community Development Block Grant program), 1,171 loans for \$129 million made for properties in other neighborhoods within the City of Milwaukee, and 883 loans for \$133 million made to suburban residents of Milwaukee County.
3. Nearly all loans issued by Ameriquest were for **refinancing** rather than new home purchases. In all, 97% (N=2,975) of the loans issued by Ameriquest for refinancing loans for existing homeowners, while only 21 loans (0.7%) were for new home purchases and 73 loans (2.4%) were for home repair loans.
4. The volume of refinancing loans totaled \$344 million. Loans for new purchases totaled \$1.7 million, and loans for home repairs totaled \$8.3 million.
5. A majority (76%) of the money loaned by Ameriquest in Milwaukee County was reported for **high interest rate loans**, that is, mortgages which were more than 3 points above Treasury rates for first liens and more than 5 points for second liens.
6. Almost half (48%) of the loans were made to households with reported income below \$50,000, and 11% (354 loans) were made to households with reported household income of less than \$30,000.
7. A majority of the loans (56%) were for \$100,000 or more, and 18% were for \$150,000 or above.
8. Loans were made by Ameriquest all over Milwaukee County, as seen in the map below.

Mortgage Loans Issued by Ameriquest in Milwaukee County: 2003-2005



In the 3 years (from 2003-2005) Ameriquest recorded \$2.2 billion in loan applications for houses in Milwaukee County and issued \$350 million in loans.

Of 3,069 loans issued, 97% were refinancing loans to existing home owners. Only 21 of the loans issued by Ameriquest in Milwaukee County were for new home purchases.

Loans are reported by census tract. Each dot represents 1 loan issued.

Source: Legal Action of Wisconsin Housing Study, based on Home Mortgage Disclosure Act data.

For more information, contact John Pawasarat, Director, Employment and Training Institute, University of Wisconsin-Milwaukee, 161 W. Wisconsin Avenue, Suite 6000, Milwaukee, WI 53203, 414-227-3380, email eti@uwm.edu, website www.eti.uwm.edu.

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