

A1: Variable Definitions

Variable Definitions	
Dependent variable	
Denial	Whether the most recent loan application was denied
Interest rate	The interest rate charged on the most recent loan if the application was approved
Credit history	
Business delinquency	Whether the firm had delinquent business obligations in the past three years
Personal delinquency	Whether the firm owner had delinquent personal obligations in the past three years
Credit rating	
	Whether credit risk ranges from least risky (1) to most risky (5) according to the Dunn & Bradstreet credit score.
Firm Characteristics	
Equity	Total amount of the firm's equity. We divide equity by a million and take the log.
Organization type	Whether the firm was sole proprietorship/ partnership/c-corporation/s-corporation. The omitted category is partnership
Regional Market	
	Whether the firm's sales market was local, regional, national or international. The omitted category international.
Industry fixed effects	
	Whether the firm's industry was mining, construction, administration, manufacturing, transportation, wholesale, retail, finance, insurance or real estate (FIRE) and service. The omitted category is mining, construction and administration
Owner Characteristics	
Education fixed effects	Whether the owner's education level was high school, college (including some college) or post college.
Housing wealth	The approximate equity in owner's home or primary residence minus primary and secondary mortgages, as well as other home equity loans (variable is divided by 10 million)
Non-housing wealth	Total net worth of all assets minus debt of principal owner excluding value of home and firm
Loan Characteristics	
Small (medium, large) loan	Whether the amount of loan requested was less than \$10,000 (between \$10,000 and \$150,000 or greater than \$150,000). Omitted category is large loan
Purpose of loan	Whether the most recent loan approved was a new line of credit, capital lease, mortgage for business purpose, vehicle loan, equipment loan, some other type of loan or line of credit renewal. Omitted category is line of credit renewal
Fixed interest rate loan	Whether the interest rate was fixed (for approved loans)
Collateral required	Whether inventory or accounts receivable/business securities or deposits/business real estate/personal real estate/other personal assets/other assets were used as collaterals
Guarantor required	Whether a guarantor was required to co-sign on the loan (for approved loans only)
Points paid at closing	The points (in interest percentage terms) paid at closing (for approved loans only)
Year applied	The year that the firm made its most recent request for a loan/line of credit that was approved.
Lender characteristics	
Type of lender	Whether the lender was commercial bank, savings bank, savings and loans association or a credit union. The omitted category is commercial bank
Length of relation	Whether the lender had a relation with the borrower for less than 3 months (short), between 3 months to 3 years (medium) or more than 3 year (long). The omitted category is long (greater than 3 years)
Geographic variables	
Region fixed effects	Whether the firm was located in New England, Mid Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain region or Pacific region. The omitted variable is Pacific region

A4: Estimates of interest rate charged on approved loans, 2003

VARIABLES	(1) No controls	(2) Region Fixed Effects	(3) Owner's Credit & Wealth	(4) Firm's Credit & Wealth	(5) Other Firm X'tics	(6) Loan X'tics	(7) Lender X'tics	(8) Year Applied
African American	3.216* (0.090)	2.951* (0.077)	2.951* (0.078)	2.733* (0.098)	2.277 (0.163)	1.037 (0.474)	1.000 (0.456)	1.055 (0.465)
Hispanic	2.573** (0.047)	2.557** (0.037)	2.554** (0.038)	2.488** (0.040)	2.759** (0.027)	2.452** (0.029)	2.458** (0.028)	2.447** (0.028)
Asian, Native American and Pacific Islander	0.007 (0.993)	-0.184 (0.828)	-0.190 (0.823)	-0.170 (0.839)	-0.172 (0.834)	-0.580 (0.350)	-0.376 (0.544)	-0.279 (0.654)
White Female	1.154* (0.053)	1.109** (0.036)	1.114** (0.034)	1.003* (0.056)	0.822* (0.091)	0.611 (0.156)	0.578 (0.170)	0.552 (0.181)
Constant	6.037*** (0.000)	6.965*** (0.000)	6.960*** (0.000)	6.707*** (0.000)	6.177*** (0.000)	5.400*** (0.000)	5.610*** (0.000)	6.767*** (0.000)
Observations	873	873	873	873	873	873	873	873
R-squared	0.056	0.103	0.105	0.114	0.149	0.274	0.286	0.298

A5: Estimates of interest rate charged on approved loans, 1998

VARIABLES	(1) No controls	(2) Region Fixed Effects	(3) Owner's Credit & Wealth	(4) Firm's Credit & Wealth	(5) Other Firm X'tics	(6) Loan X'tics	(7) Lender X'tics	(8) Year Applied
African American	0.892** (0.389)	0.564 (0.533)	0.496 (0.524)	-1.051 (1.615)	-1.254 (1.644)	-0.549 (1.690)	-0.026 (1.627)	0.002 (1.653)
Hispanic	0.633* (0.358)	0.625 (0.443)	0.643 (0.448)	0.624 (0.451)	0.596 (0.466)	0.495 (0.417)	0.233 (0.406)	0.228 (0.400)
Asian, Native American and Pacific Islander	0.657* (0.351)	0.750 (0.653)	0.749 (0.645)	0.752 (0.643)	0.878 (0.644)	0.911 (0.609)	0.840 (0.588)	0.881 (0.597)
White Female	-0.197 (0.239)	-0.430 (0.338)	-0.462 (0.335)	-0.456 (0.334)	-0.490 (0.317)	-0.692** (0.308)	-0.769** (0.308)	-0.707** (0.310)
Constant	8.880*** (0.098)	9.443*** (0.358)	9.448*** (0.359)	9.454*** (0.358)	9.013*** (0.533)	8.619*** (0.629)	8.267*** (0.668)	8.756*** (0.766)
Observations	764	764	764	764	764	764	764	764
R-squared	0.017	0.040	0.053	0.055	0.079	0.151	0.180	0.186

