Renters and Rental Market Crisis Working Group

Note to participants:
Please keep your camera turned off until the facilitated discussion
Renters and Rental Market Crisis Working Group
U.S. Census Bureau Pulse Survey

- Experimental data product meant to provide quick, timely information about the crisis
- Surveys individuals about experiences during COVID-19, including housing (tenure, ability to pay now and next month)
- Data collection began in late April; weekly updates for 90 days
- 74,500 respondents in first week (4/23 – 5/5), 42,000 in second (5/7 – 5/12), and 133,000 (5/14 – 5/19)

Source: U.S. Census Bureau, Household Pulse Survey
U.S. Census Bureau Pulse Survey

- Metro-level data:
  - Atlanta
  - Boston
  - Chicago
  - Dallas
  - Detroit
  - Houston
  - Los Angeles
  - Miami
  - New York
  - Philadelphia
  - Phoenix
  - Riverside
  - San Francisco
  - Seattle
  - Washington D.C.

Source: U.S. Census Bureau, Household Pulse Survey
Household Pulse Survey
Total US

Source: U.S. Census Bureau, Household Pulse Survey
25 States with highest reported housing insecurity (May 14-19)

Source: U.S. Census Bureau, Household Pulse Survey
Ability to pay rent this month varied by race and income ...
As did confidence in paying rent next month

Confidence in Paying Next Month's Rent, By Race

- Two or more races + Other races
- Asian alone, not Hispanic
- Black alone, not Hispanic
- White alone, not Hispanic
- Hispanic or Latino (may be of any race)

Confidence in Paying Next Month's Rent, by Income

- $200,000 and above
- $150,000 - $199,999
- $100,000 - $149,999
- $75,000 - $99,999
- $50,000 - $74,999
- $35,000 - $49,999
- $25,000 - $34,999
- Less than $25,000

Source: U.S. Census Bureau, Household Pulse Survey
Many U.S. households have small or no savings and those with less savings are more likely to miss housing payments.

<table>
<thead>
<tr>
<th>Savings</th>
<th>Missed housing payment</th>
<th>Missed utility payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,000+</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>$5,000–$19,999</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>$2,000–$4,999</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>$750–$1,999</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>$250–$749</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>$1–$249</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>$0</td>
<td>20%</td>
<td>25%</td>
</tr>
</tbody>
</table>


Notes: Values are in 2015 dollars. In this chart, differences between $1–$249 in savings and $250+ in savings are statistically significant at the 5% level. See the brief for eviction findings and additional data and definitions details.
Renters and Rental Market Crisis Working Group
Renter Assistance Models

Renters and Rental Market Crisis Working Group Presentation

May 27, 2020
About the NFCC: Who We Are

**Industry Leadership**
Founded in 1951, the National Foundation for Credit Counseling (NFCC) is the nation’s first and largest nonprofit dedicated to improving people’s financial well-being.

**National Service Provider**
With nearly 400 member offices serving 50 states, DC & Puerto Rico, NFCC Certified Credit Counselors are financial advocates, empowering millions of consumers to take charge of their finances and their futures.

**Consumer Reach, Breadth & Depth of Expertise**
With 58 members agencies, and over 1,100 certified counselors, the NFCC has served over 7.2 million clients in the last 5 years.

**We help people solve their financial challenges**
- low and middle income consumers
- minority communities
- breadwinner moms
- small business owners
- military families and veterans
- student loan borrowers
Problem Statement – Rental Assistance

- Millions of renters are missing payments and landlords need to cover expenses.
- Relief funds for renters and landlords are limited, and need to be directed to those with greatest need.
- While there are robust systems in place to provide assistance to homeowners, delivering assistance to renters at scale is more challenging:
  - Distributed nature of landlord-tenant relationship and wide variations of legal protections across cities and states makes delivering national and consistent programs a challenge.
  - Challenges for landlords in equitably and impactfully administering non-governmental rental assistance.
  - Insufficient legal assistance available to help renters negotiate and/or avoid evictions when possible.
- Need to develop consistent, equitable and practical approaches to any workout of back rent payment.
Credit Counseling Model to Support – Missed Rent Payments

• **ESTABLISHED SCALE**
  > Non-profit Credit Counseling Agencies (CCAs) provide comprehensive financial counseling and Debt Management Plans (DMPs). Most CCAs also provide HUD Housing Counseling Services.

• **ESTABLISHED REPAY PROGRAM TYPES (WATERFALL OF REPAYMENT OPTIONS)**
  > DMPs allow consumers to repay credit card debt on a fixed schedule (60 mo.) with reduced interest and fees. Waterfall of repayment plans offers higher relief to consumers with higher hardship levels.
  > CCAs have client trust accounts, accounting systems in place to receive and disburse funds to creditors on behalf of clients.
  > MasterCard payments backbone — flow to banks/creditors (privacy/security)

Can we use existing credit counseling approaches to deliver renter assistance?

• Verify Renter Hardship: **CASHFLOW MEANS TESTING MODEL**
  > Counselors can document renter hardship
  > Relief can be targeted to those with verified hardships

• Finance Missed Rent payments through comprehensive plan: **EXTENDED TERM**
• Allows tracking of successful payments to qualify for relief:
  > Back rent forgiveness when 50% repaid?
  > Matching back rent payments?
  > Other benefit designs?
Renters and Rental Market Crisis Working Group
How can we quickly scale up counseling services for renters?
Housing Counseling Assistance Proposed in HEROES Act

- $100m for contracts, grants and other assistance
- Funds to remain available until Sept 30, 2022
- “…for providing counseling and advice to tenants and homeowners…; for program administration; and for housing counselor training.” Allows for purchase of equipment and technology to deliver virtually.
National Foreclosure Mitigation Counseling Program, 2008-2018

- One of several fed actions to reduce/mitigate foreclosures
- $853.1m over 10 years to NeighborWorks® America, served 2.14m homeowners in “areas of greatest needs”
- Awarded $130m in first 60 days
Key lessons for reaching renters quickly

1. Collaborate now

2. Set clear, simple goals, structure & funding criteria

3. Leverage existing counseling infrastructure

4. Build capacity of field to serve renters through trainings & standards

Full report at: https://neighborworks.org/NFMCCapstoneReport
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