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Renters and Rental Market Crisis Working Group

Note to participants:

Please keep your camera turned off until the facilitated discussion



Wednesday, May 27, 2020

Renters and Rental Market Crisis Working Group

U.S. Census Bureau Pulse Survey

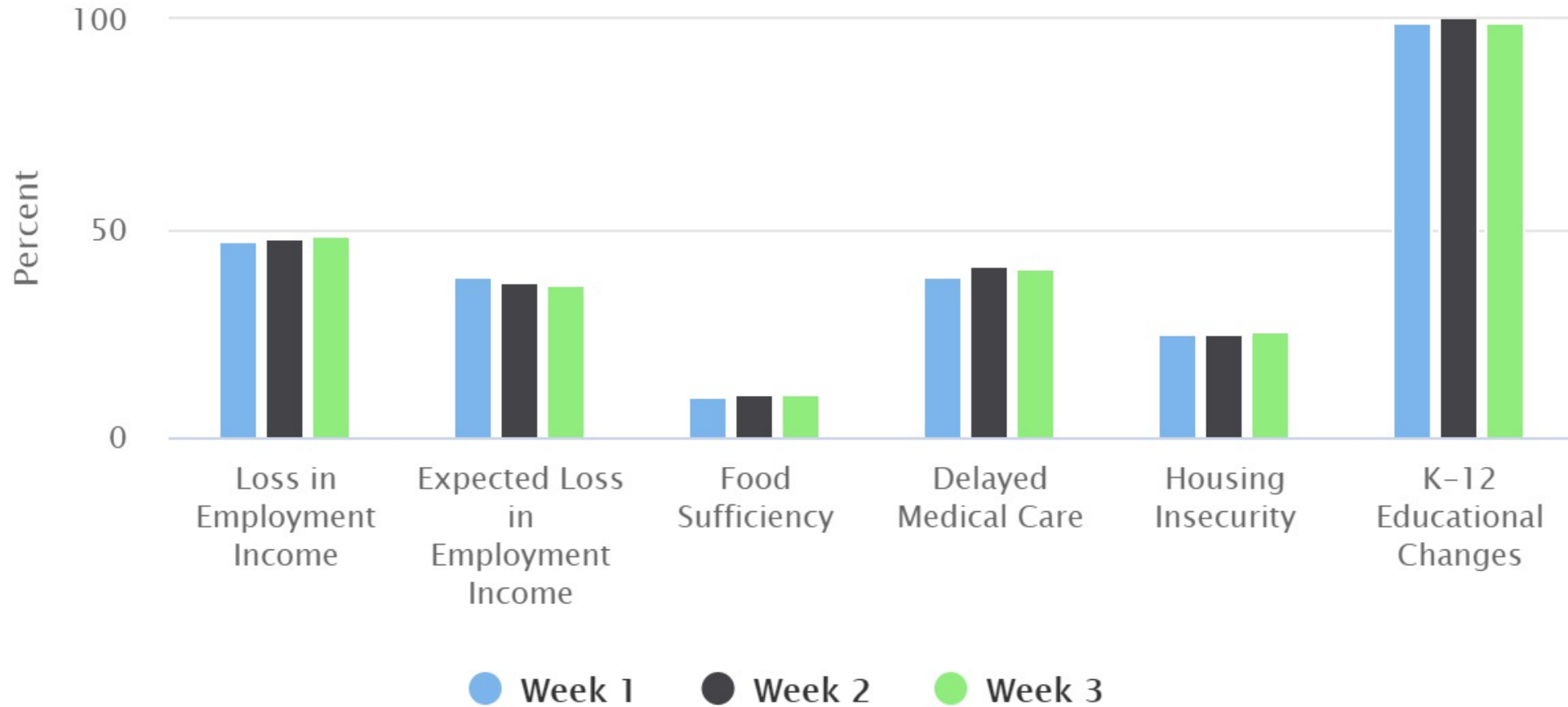
- Experimental data product meant to provide quick, timely information about the crisis
- Surveys individuals about experiences during COVID-19, including housing (tenure, ability to pay now and next month)
- Data collection began in late April; weekly updates for 90 days
- 74,500 respondents in first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

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.

Household Pulse Survey Total US

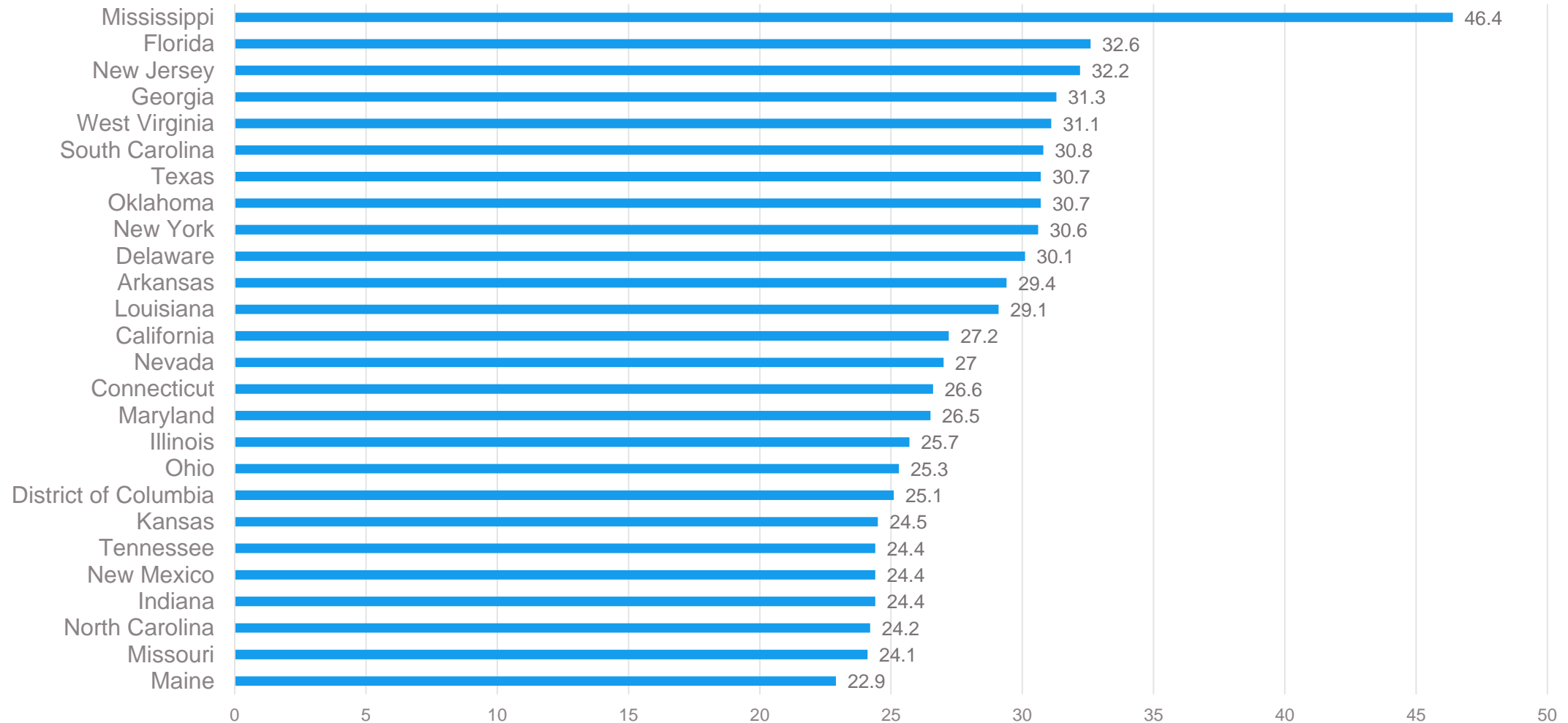


U.S. Census Bureau

Source: U.S. Census Bureau, [Household Pulse Survey](#)

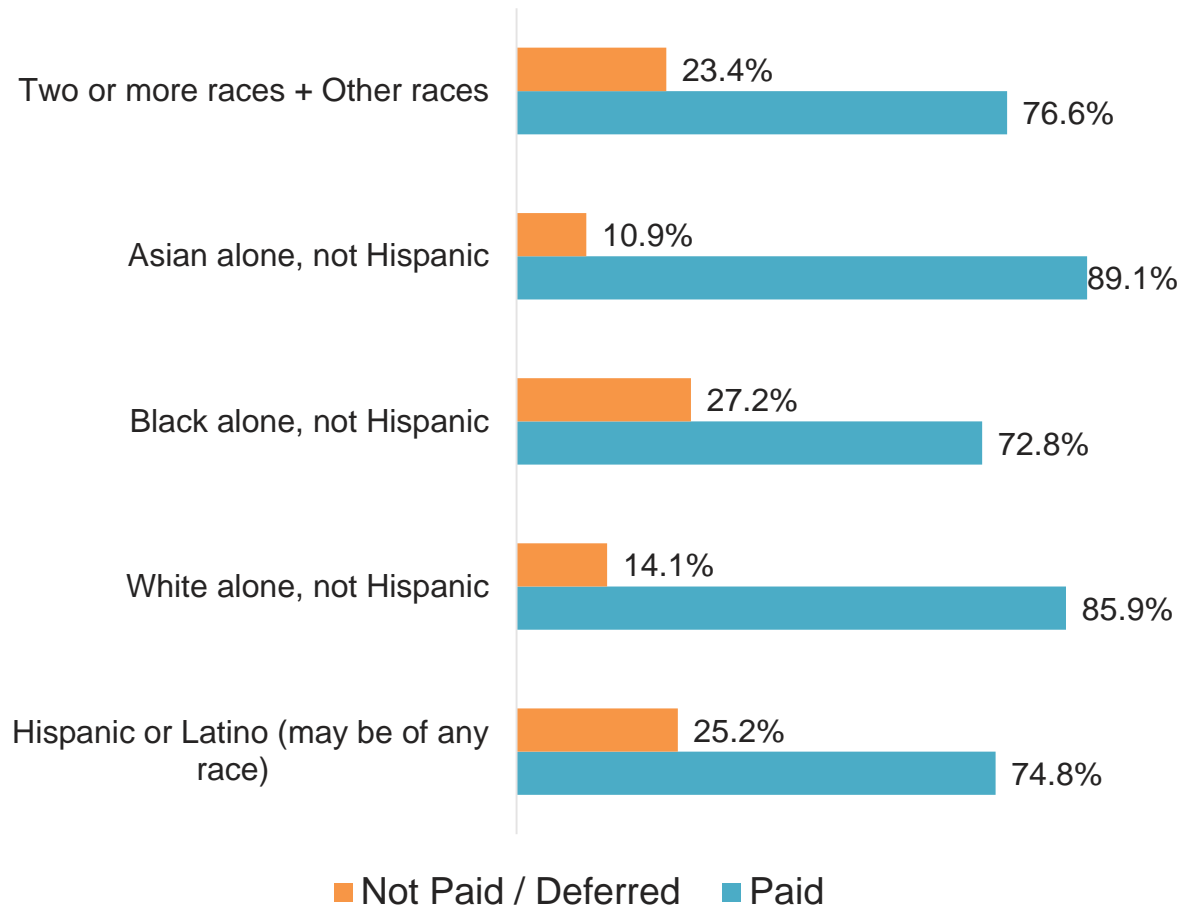
25 States with highest reported housing insecurity (May 14-19)

Percent of Respondents with Housing Insecurity

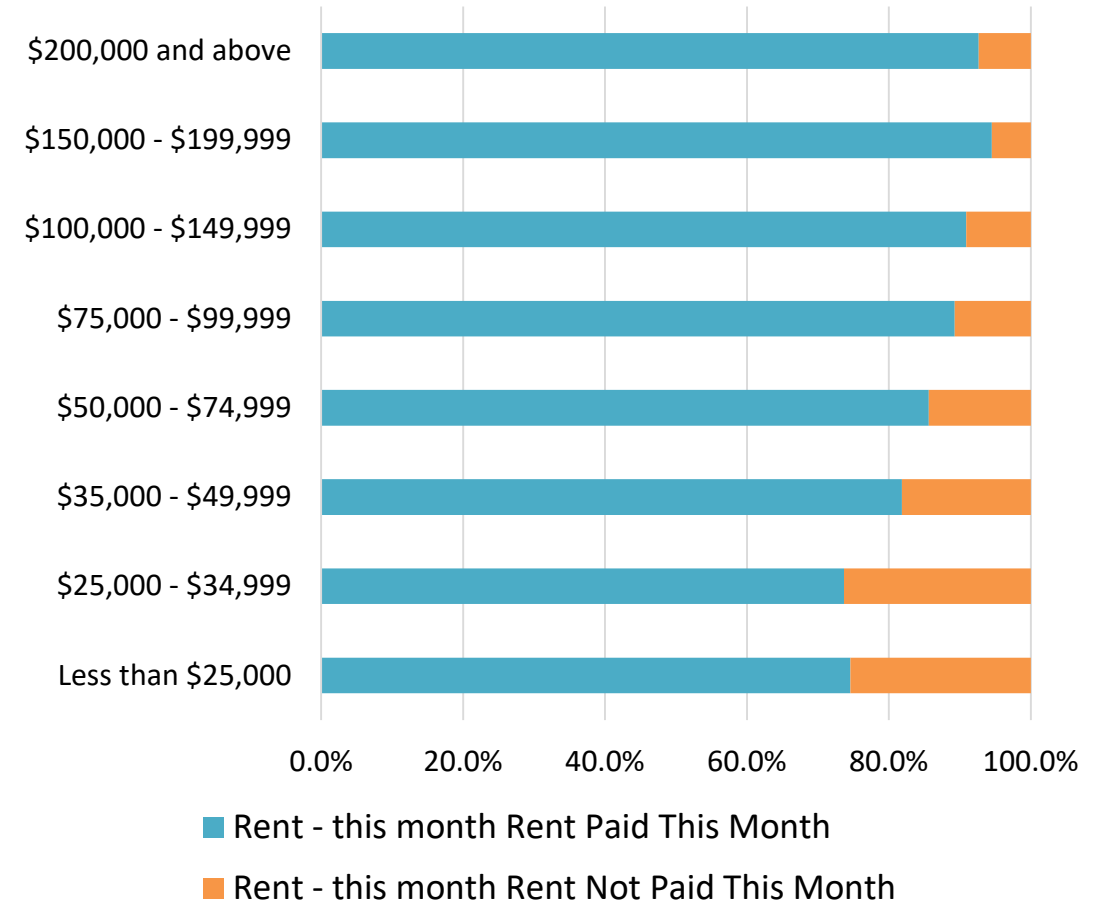


Ability to pay rent this month varied by race and income ...

Rental payment, by Race

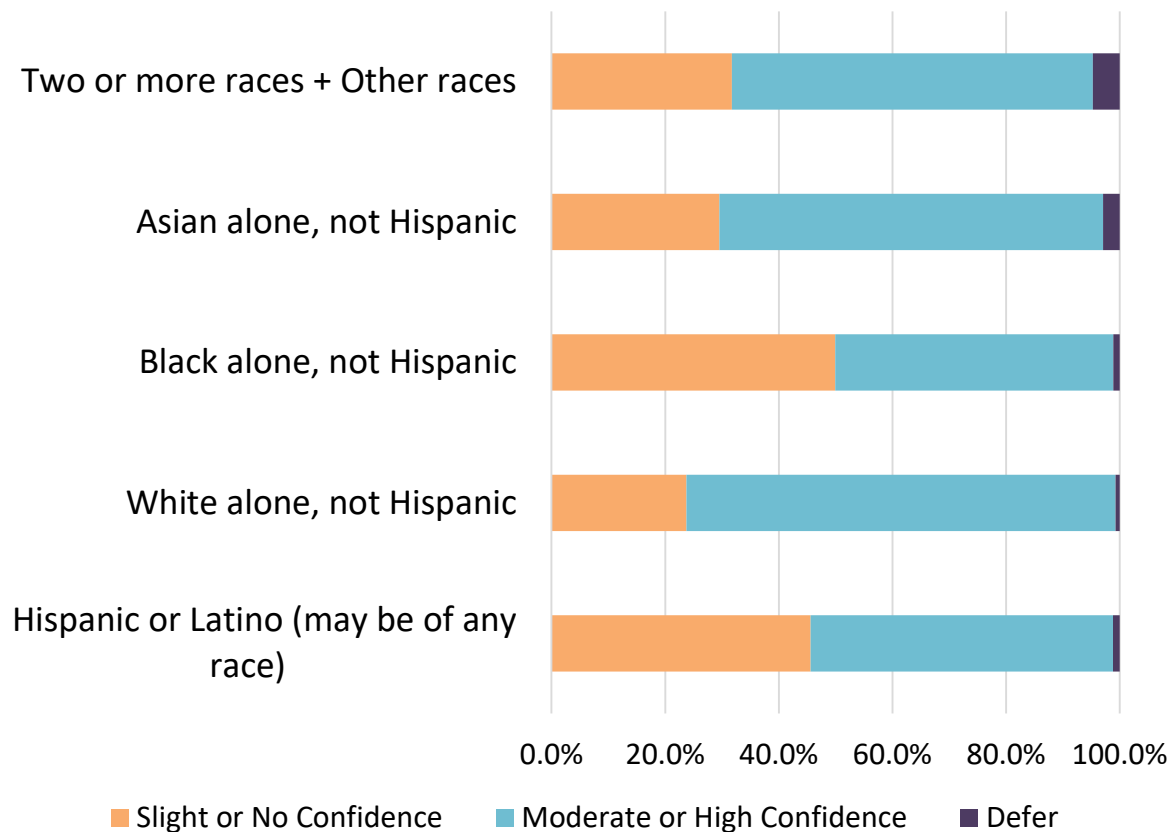


Rental payment, by Income

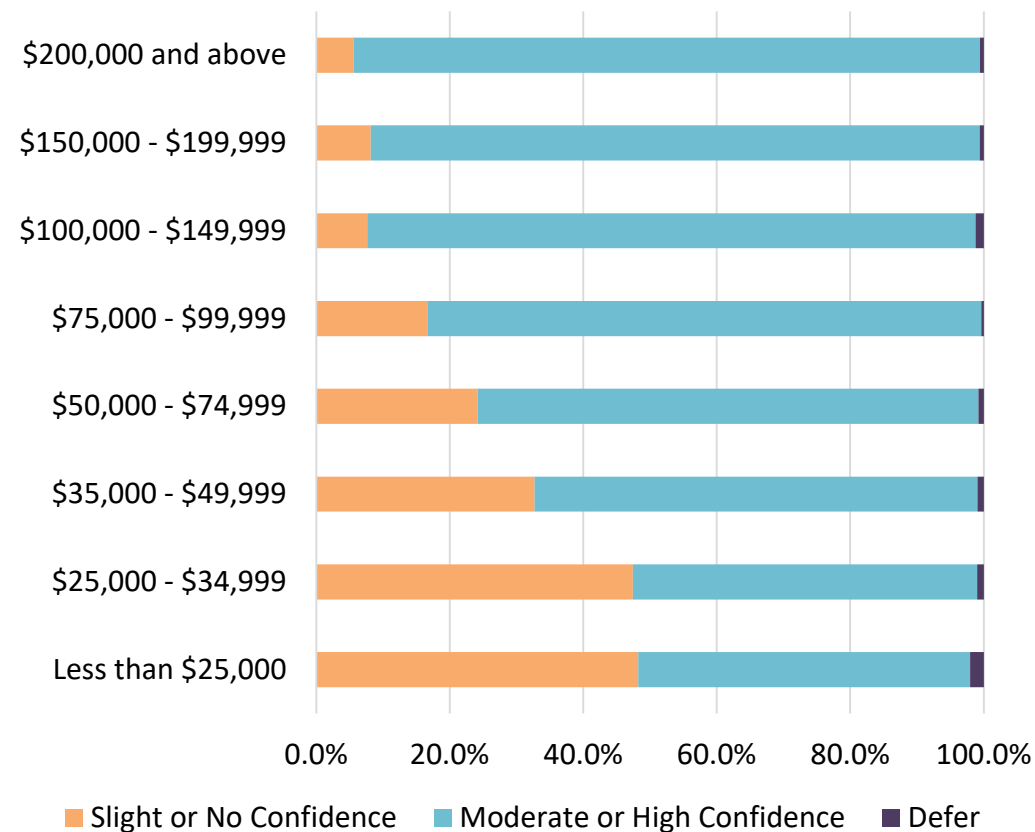


As did confidence in paying rent next month

Confidence in Paying Next Month's Rent, By Race

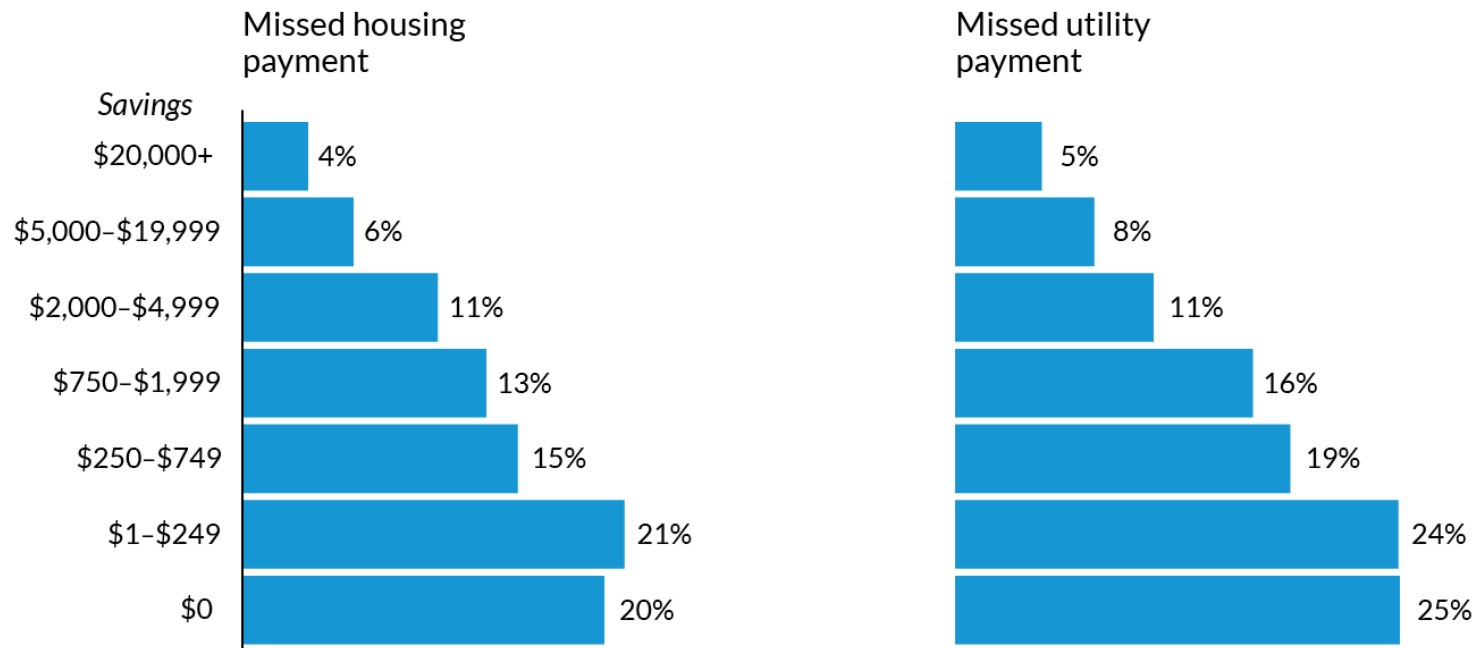


Confidence in Paying Next Month's Rent, by Income



Many U.S. households have small or no savings and those with less savings are more likely to miss housing payments

Hardships Decline with Increased Liquid Savings



Sources: McKernan, Ratcliffe, Braga, and Kalish, 2016, "Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities." Calculations of the 2008 Survey of Income and Program Participation, waves 4-12 (September 2009-August 2012).

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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.



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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?



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**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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