

# Renter Counseling to Mitigate Evictions and Reduce Operational Costs

March 31, 2021

**Moderator:**

**Shekar Narasimhan**, Chairman of the Board, Virginia Housing

**Panelists:**

**Janneke Ratcliffe**, Associate Vice President for Housing Finance Policy, Urban Institute

**Mike Hawkins**, Managing Director of Community Outreach, Virginia Housing

**Monica L. Jefferson**, Vice President & COO, Housing Opportunities Made Equal of Virginia, Inc. (HOME)

**Amy Schaftelein**, Executive Director, United Housing, Memphis, TN

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## Moderator

**Shekar Narasimhan**



**Shekar Narasimhan**

Chairman of the Board  
Virginia Housing

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## Presenters



**Janneke Ratcliffe**  
Associate Vice President  
for Housing Finance Policy  
Urban Institute



**Michael Hawkins**  
Managing Director of  
Community Outreach  
Virginia Housing



**Monica L. Jefferson**  
Vice President and  
Chief Operations Officer  
Housing Opportunities  
Made Equal of Virginia, Inc.



**Amy Schaftlein**  
Executive Director  
United Housing,  
Memphis, TN

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## Presenter #1



**Janneke Ratcliffe**  
Associate Vice President  
for Housing Finance Policy  
Urban Institute

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## Urban hosts the *Renters and Rental Crisis Working Group*

Convening researchers, advocates, industry experts, policymakers, and philanthropic organizations to share data and policy ideas and develop collaborative solutions that will stabilize renters and multifamily owners during the response to and recovery from the COVID-19 crisis.

<https://www.urban.org/renters-and-rental-market-crisis-working-group>

### Quantifying the crisis:

**2.4 to 5 million** projected evictions

**\$6.1 - 65.0 billion** in estimated losses to landlords

**\$6.5 - 13.5 billion** in estimated cost to renters

Source: Short-term Costs of Projected COVID-19 Evictions and Homelessness, Batko, Samantha and Amy Rogin. Urban Institute, December 17, 2020

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## Exasperating existing tensions

- Pre-COVID, **46% or 20.2 million** rental households were rent burdened
- COVID-19 put **20 percent** of rental households at risk given rates of job loss by industry

### Gross Income Spent on Rent (Thousands)

	Count	Share
Less than 30.0 percent	21,227	46.7%
30.0 percent to 39.9 percent	10,512	23.1%
50.0 percent or more	10,454	23.0%
Total Rent Burdened *	20.2 Million	46.1%

Source: 2019 ACS

### Rental Properties At Risk

At Risk Rental Households (Millions)	8.9
Share of Rental Total Market	20%

Source: Urban Institute Brief [How Much Assistance Is Needed to Support Renters through the COVID-19 Crisis?](#)

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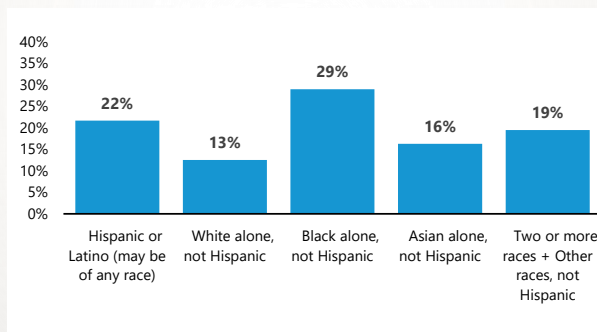


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- Under moratoria, 24 percent of renters have missed or made a partial rent payments
- 13 percent of white and 29 percent of Black rental households are currently behind on rent

**Census Pulse: Renter Currently Behind on Payments**

Survey week of 2/2 – 2/15/2021



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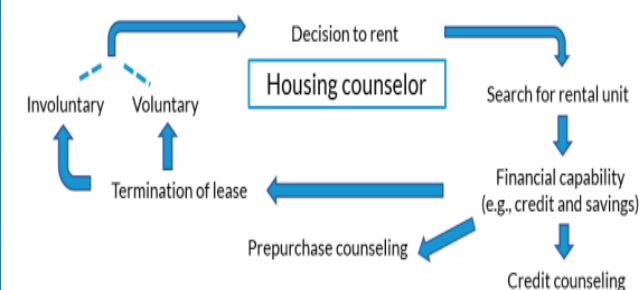
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## Defining Housing Counseling

HUD-Approved housing counselors must:

- ✓ Help families prepare household budget,
- ✓ Help families identify housing goals and barriers and develop action plan,
- ✓ Provide referrals.

FIGURE 3

**Rental Housing Counseling Services**


Source: *Increasing Rental Counseling Capacity and Awareness as a Prescription for COVID-19*; Walsh, John, Gideon Berger, Janneke Ratcliffe and Sarah Gerecke. December 18, 2020

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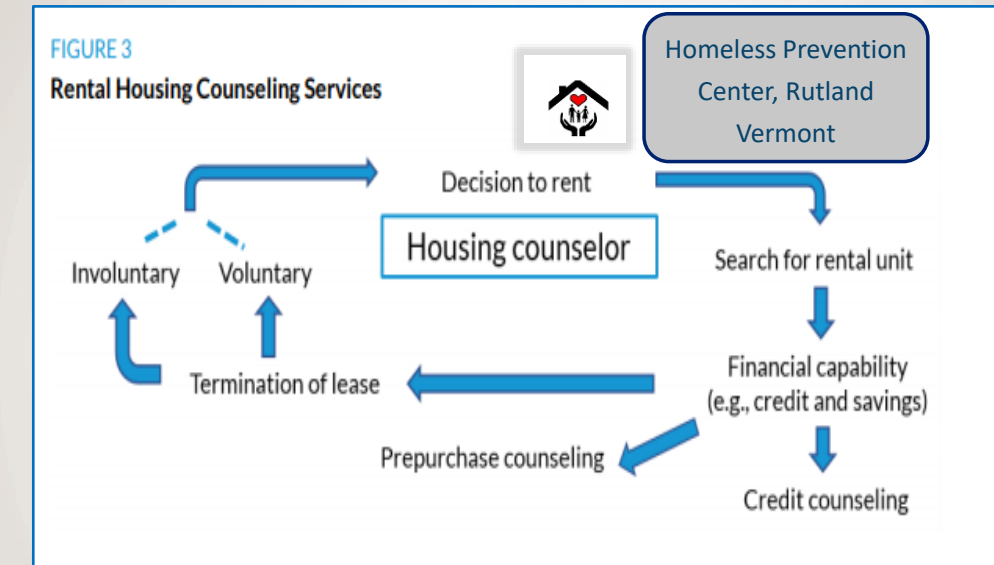
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FIGURE 3

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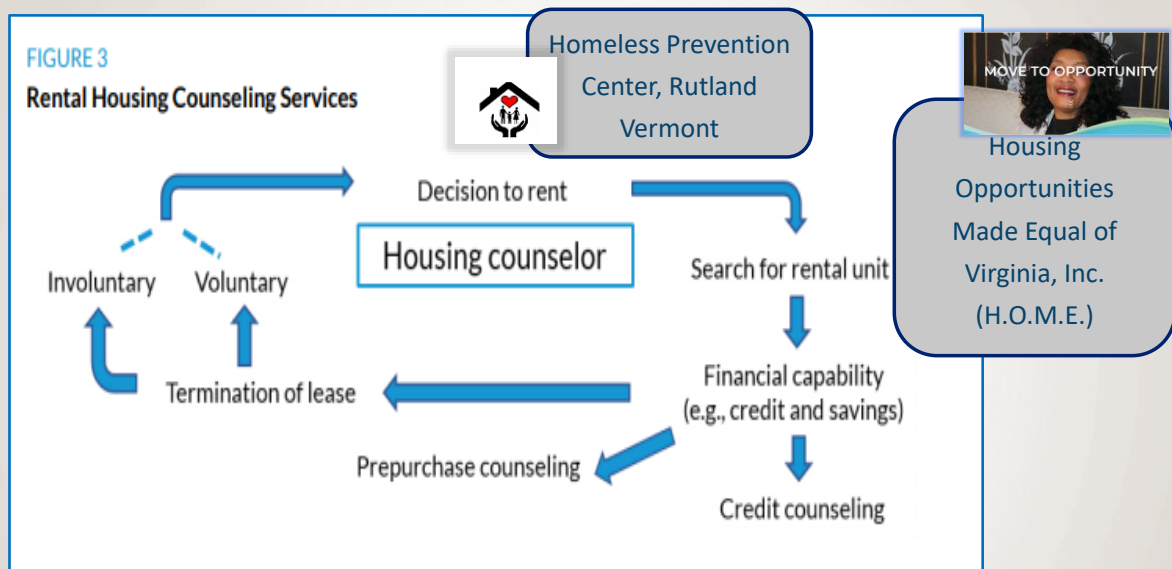
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FIGURE 3

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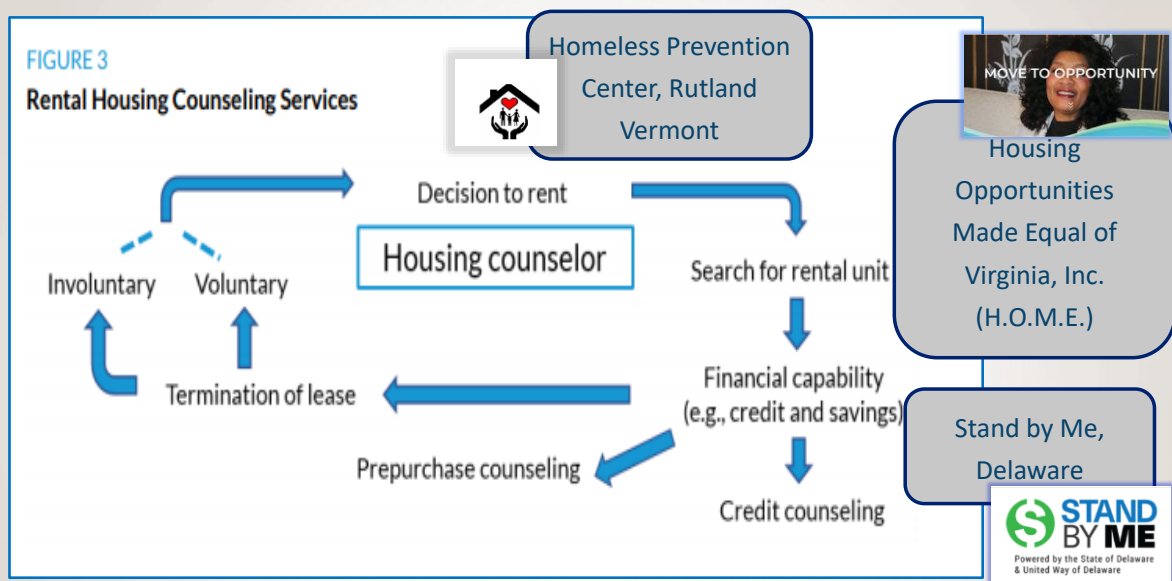
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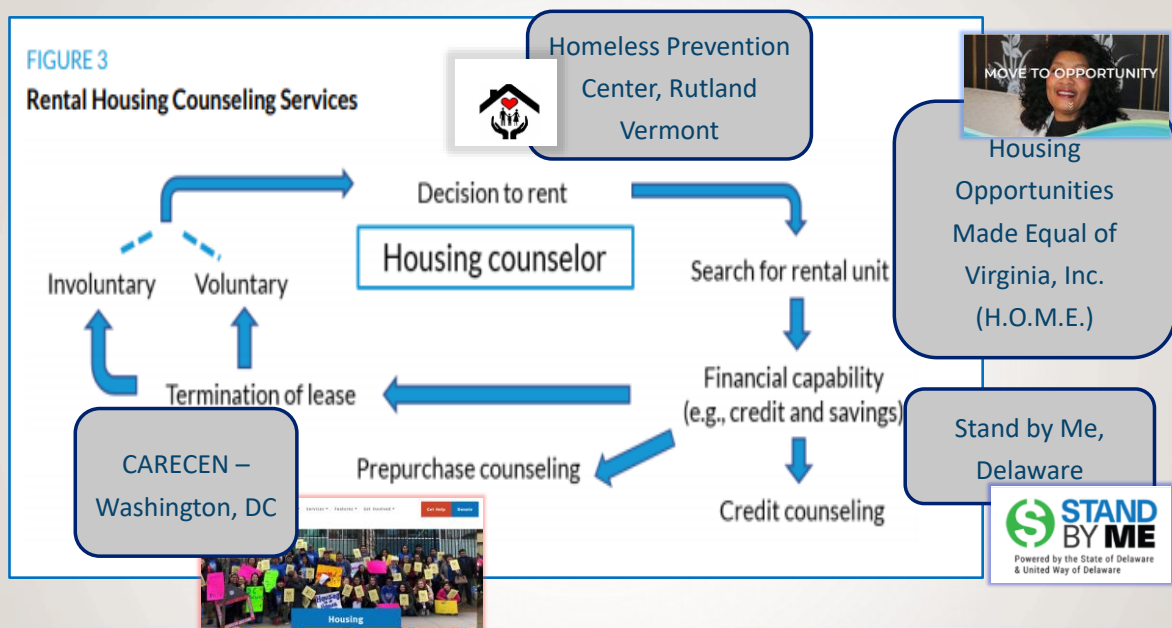


**FIGURE 3**  
**Rental Housing Counseling Services**

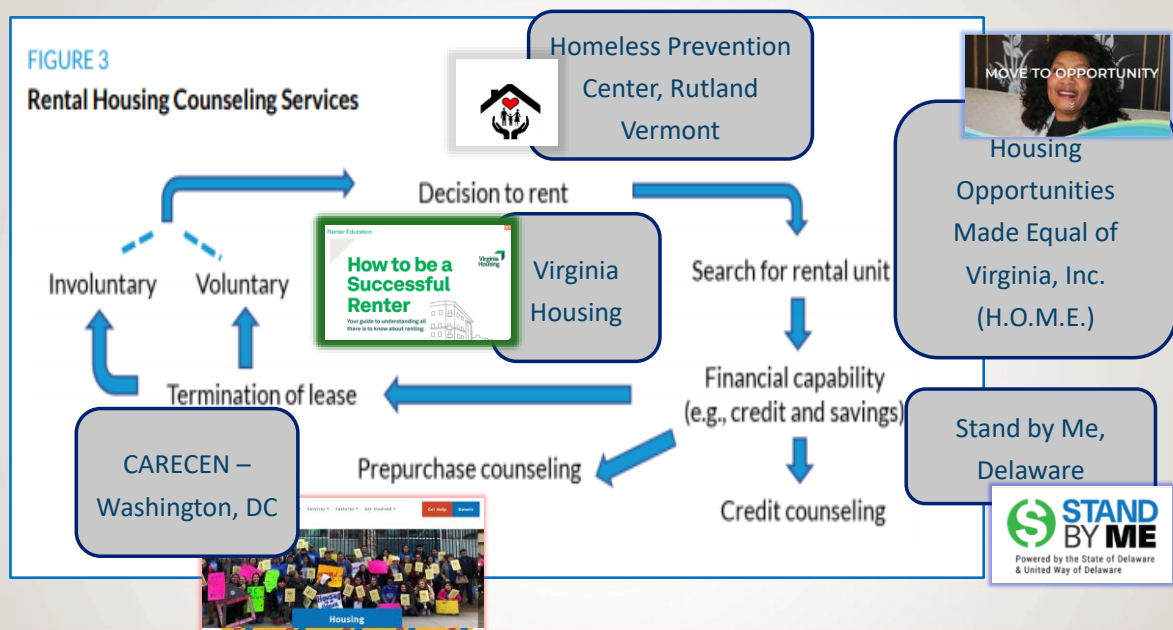


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**FIGURE 3**  
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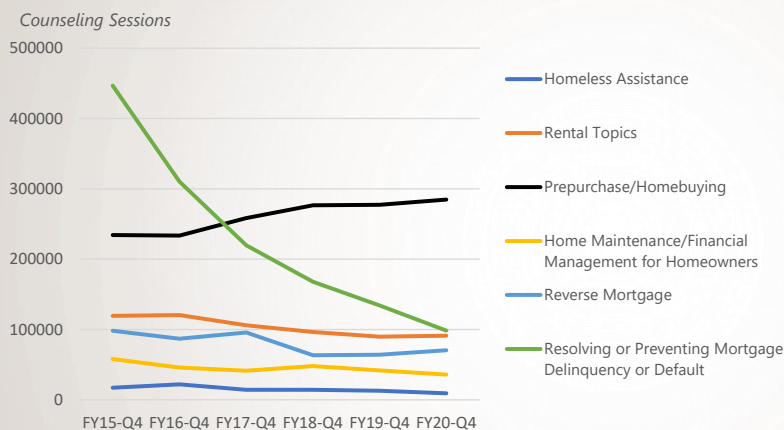
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### HUD counseling for renters has been in decline:



Source: Increasing Rental Counseling Capacity and Awareness as a Prescription for COVID-19; Walsh, John, Gideon Berger, Janneke Ratcliffe and Sarah Gerecke. December 18, 2020

As of Q4 2020

- 91,180 renter households counseled
- 16,526 avoided evictions
- 22,303 improved living conditions

2008 reports suggest positive outcomes for rental counseling. (Herbert, Turnham and Rodger)

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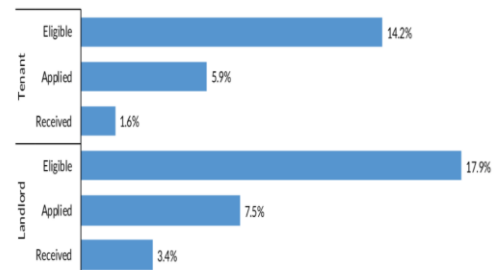
## Tenants and Landlords lack awareness of COVID relief and emergency funds

Share of Landlords and Tenants Aware of Government-Funded Rental Assistance



Source: Avail February 2021 Landlord and Tenant Survey.

Share of Landlords and Tenants Who Are Eligible for, Applied for, and Received Rental Assistance



Source: Avail February 2021 Landlord and Tenant Survey.

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## From the field

- Tenant's lack of awareness
- COVID-related needs differ from holistic rental counseling:

*“Renters are in Crisis. Their immediate need is for emergency funds for rent or eviction prevention assistance. HUD should consider relaxing its requirements for a budget and an action plan when a rental client is facing a COVID-related crisis.”*

– Meaghan McCarthy, HPN

- Local housing non-profits are responding with innovative but piecemeal strategies
- Dire need for dedicated funding
- Don't forget landlords

Source: *Increasing Rental Counseling Capacity and Awareness as a Prescription for COVID-19*; Walsh, John, Gideon Berger, Janneke Ratcliffe and Sarah Gerecke. December 18, 2020

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## We know what works

- Mortgage foreclosure prevention counseling
  - \$853 million invested; 1700 agencies served more than 2 million people
  - Mobilization for rapid deployment
  - Saved \$920 Million through reduced foreclosure costs, reduced redefaults and increased cures. NFMC clients nearly 3x more likely to receive a loan modification. (Mayer et al. 2011)
- Financial capability counseling and coaching
  - Positive *causal* effects of financial education on behaviors (Kaiser et al. 2020, meta-analysis of 76 RCT studies)
  - Financial fitness course by HUD-approved agency improved finances (Collins et al. 2010)
- Credit Counseling (Moulton and Roll 2016)
  - Clients receiving credit counseling reduced debt
  - Credit counseling agencies can be another doorway to assistance

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## Lessons learned from the 2008 crisis:

- New laws and programs for loss mitigation and foreclosure prevention required counseling to effectively execute.
- Trusted advisors to navigate distress are critical. There was a lot of mistrust of servicers and banks. Consumers need an independent, trusted third party.
- Prioritizing and funding housing counseling as part of relief made a difference.
- Congress appropriated ~\$40 million/yr for housing counseling pre-crisis, and over \$200 million in the two years immediately following the crisis.
- Consumers need someone who has to act in the consumer's best interest, CFPB was an outgrowth of last crisis.
- Housing Counseling works. Foreclosure mitigation counseling and prevention was effective in keeping people in their homes.

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### Policy Recommendations

- Restore and Expand Public and Private Support for Rental Counseling; sustained and predictable funding sources for rental counseling
- Expand Capacity for Effective Counseling from Reputable Agencies to support tenant and landlords
- Develop and Provide Standard Trainings, Protocols, and Support for Housing Counselors, Real Estate Professionals, and Landlords on COVID-19-Related Issues and Specialized Rental Counseling Needs
- Research the Effectiveness of Rental Housing Counseling

*Source: Increasing Rental Counseling Capacity and Awareness as a Prescription for COVID-19; Walsh, John, Gideon Berger, Janneke Ratcliffe and Sarah Gerecke. December 18, 2020*

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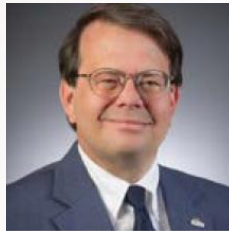
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## Polling Question

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**Presenter #2****Michael Hawkins**

Managing Director of  
Community Outreach  
Virginia Housing

*Building the Foundation for Renter  
Education and Counseling:  
The Virginia Experience*



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**Renter Education**

- VH developed a renter education curriculum based on identified need and the success of homeownership education program
- Curriculum resulted from consultation with an array of industry partners through a series of convened forums
- Initially provided as free downloadable e-book followed by free on-line program
- The curriculum covers a variety of relevant topics including:
  - Are You Financially Ready to Rent?
  - The Ins & Outs of Credit
  - How to Find the Right Place
  - Handling the Application Process
  - Life as a Renter: Rights & Responsibilities

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## VH Rental Housing Symposium – Making Housing Stability Our Priority

- Two Day Workshop Model
- Array of Speakers
- Topics
  - The Rental Housing Market
  - Virginia Residential Landlord Tenant Act
  - Fair Housing Laws
  - HUD's Rental Counseling & Eviction Focus
  - Renter Insurance
  - Eviction Diversion & Counseling Programs

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## Housing Counseling

- HUD Housing Counseling Network includes 31 agencies in VA
- Typically non-profits or publicly affiliated organizations
- Services include:
  - Homeownership/Renter education
  - Eviction counseling
  - Foreclosure mitigation counseling
  - Linkage to credit counseling

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## Renter Education & Counseling Grant Opportunity

The intent of the Housing Counseling and Education (HCE) Rental Education Focus Grant is to support the education and training of tenants in order to increase the number of successful renters:

- Funding Available FY22
- Support partnership between HUD Housing Counseling Agencies and affordable rental properties
- Provide tenants housing counseling and education to improve on time payments and lease compliance

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## State Housing Finance Agencies play Key Role in Advancing Housing Counseling & Education

- May serve as the intermediaries for HUD funding which supports housing counseling agencies within the state
- Typically bring perspectives encompassing a continuum of housing opportunities from rental to ownership
- Operate as public-private partnerships with relationships spanning the for-profit, non-profit, and public arenas
- Because of these attributes have unique ability to serve as a convening entity to advance this important work

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## Polling Question



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### Presenter #3



**Monica L. Jefferson**  
Vice President and  
Chief Operations Officer  
Housing Opportunities  
Made Equal of Virginia, Inc.

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## City of Richmond Eviction Diversion Program (EDP)

### RENTAL COUNSELING SOLUTIONS TO ADDRESS RICHMOND'S EVICTION CRISIS



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## City of Richmond Eviction Diversion Program (EDP)

Richmond's Eviction Diversion Program (EDP) to work with tenants who have received a pay or quit notice for nonpayment of rent, an unlawful detainer for nonpayment of rent, or a judgement for nonpayment of rent. The Eviction Diversion Program is a collaborative public-private partnership systems model that provides:

- Rental Housing Counseling
- Pro Bono Attorney Mediation (Voluntary Conciliators)
- Financial Assistance
- Housing Stabilization Resources



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## EDP Guidelines

- The tenant and the landlord can agree on the amount of money owed.
- The money owed is the only issue of dispute between the tenant and the landlord.
- The tenant has not received assistance from another program in the last 6-12 months(waived due to COVID-19).
- Household income does not exceed 80% of the Richmond median household income.
- Tenant must reside in the City of the Richmond.



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## Program Implementation Activities

- Deliver prevention and diversion strategies to provide financial assistance, housing counseling, education workshops, landlord /tenant mediation, and referral resources to low income households.
- Create a local/regional coordinated systems approach to effectively prevent evictions.
- Conduct outreach to the community with marketing, partners, landlords, and other stakeholders.
- Support local efforts to meet the specific needs of households that are experiencing housing instability and are at risk of being evicted.



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## EDP Short Term & Long Term Outcomes

1. Increased understanding of immediate actions that must be taken to avoid eviction.
2. Maintained use of money management tools.
3. Increased ability to obtain rental housing in the future.
4. Mitigate factors that lead to homelessness.
5. Increased financial resources to prevent an eviction.



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## Rental Housing Counseling Services



- Financial analysis and budget
- Housing analysis action plan
- Negotiate with landlord to create a payment solution
- Determine need for financial assistance
- Post-Program counseling
- Referrals to other community resources

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## Housing Stability Educational Workshops

HOME facilitates group education that aid financial sufficiency and maintaining housing sustainability. Our primary goals include:

- 1.) Providing financial literacy educational resources to divert evictions annually to manage spending.
- 2.) Identifying tools to minimize the impact of financial obstacles.
- 3.) Aiding in personal credit and debt management goals.



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## EDP Funding Sources

FY21 - 2.5 Million Dollars

- City of Richmond
- Treasury Funds
- State Funding
- Financial Institutions
- Local & National Foundations
- Private Donors
- CDBG, ESG



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## EDP Data Sets

### First Year Highlights

**1,295**

 inquiries received through  
phone calls & online forms

**\$322,294.78**

 disbursed to landlords to bring  
rental accounts current

**\$19,532**

average annual income

**413**

evictions diverted

**\$780.37**

average payment disbursed

**400**

 clients completed housing  
stability education classes

**264**

 YTD disbursed payments for  
City of Richmond residents

**Over 32**

 landlords worked with EDP to  
stabilize housing for residents

**329**

 clients referred to other social  
service & housing agencies

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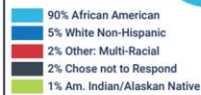
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## EDP Client Profiles

### Program Data Sets

#### Race



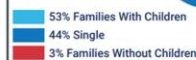
#### Income Levels



#### Gender



#### Household Size



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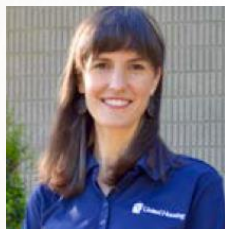
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## Polling Question



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### Presenter #4



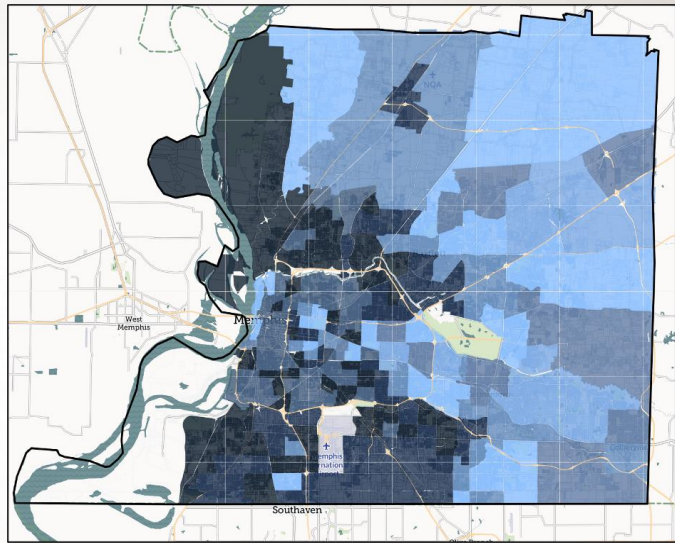
**Amy Schaftlein**  
Executive Director  
United Housing,  
Memphis, TN

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**United Housing  
traditionally focused  
on homeownership  
counseling.**

**Due to pandemic  
expanded counseling  
services to focus on  
renters.**



*COVID Neighborhood Vulnerability Map*

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### **United Housing COVID-19 Housing Assistance Program (CHAP)**

- \$1.1 M CDBG-CV City of Memphis
- Up to six-months arrears
- 80% AMI; COVID Hardship
- Sub-contracted with HUD-approved housing counselors
- Cooperated with Eviction Settlement Program and Shelby County CSA
- Utilized USDR team for online application intake

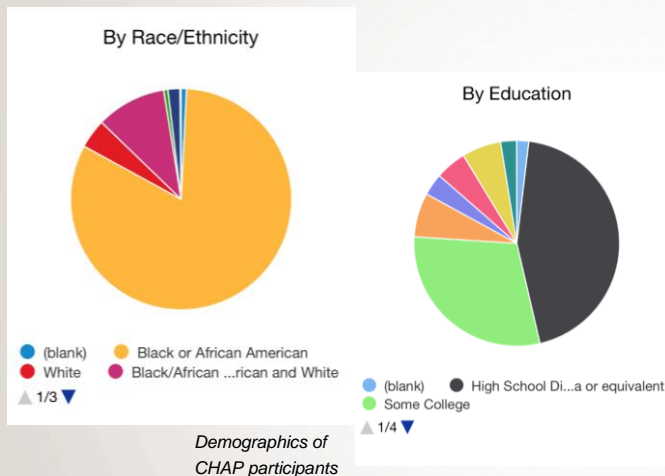
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## CHAP Continued



- 260 Renters and Homeowners helped since December.
- \$606,000 deployed
- \$134,000 in counseling fees raised across 4 agencies

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## Moving Forward: Mortgage Relief

Expanded qualifications to include Memphis Metro residents, 120% AMI, eligible costs.

**FREE COVID-19 MORTGAGE RELIEF WORKSHOP**

MARCH 11TH, 5:30-6:30PM  
VIA ZOOM

UNITED HOUSING  
25 YEARS OF SERVICE

Application Open March 15

ARE YOU BEHIND ON MORTGAGE DUE TO THE PANDEMIC?

**COVID-19 MORTGAGE RELIEF PROGRAM**

UNITED HOUSING'S NEW COVID-19 MORTGAGE RELIEF PROGRAM CAN HELP YOU GET BACK ON TRACK WITH YOUR MORTGAGE PAYMENTS.

ASSISTANCE UP TO 6 MONTHS WORTH OF MORTGAGE PAYMENTS.

TO QUALIFY, MUST HAVE A COVID-19 RELATED INCOME LOSS

TO LEARN MORE AT UHINC.ORG

United Housing, Inc.  
2750 Colony Park Dr, Memphis, TN, 38118  
Call us at 901-272-1122

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## Emergency Rental Assistance (ERA) \$28 M in Memphis:

- Weighted Equitable Selection Process
  - Prioritizing 60% AMI & below,
  - active evictions,
  - elderly,
  - individuals with disabilities
- Up to 12 months, no max
- 3,000 applied
- \$100K+ in one bulk settlement so far
- Rental counseling part of the program



Home901.org

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## ERA Continued

### EMERGENCY RENTAL RELIEF

Rental counseling workshops cover:

- Landlord-tenant law
- Crisis budgeting
- Money management
- Credit
- Housing options



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## NeighborWorks Network Impact in Southeast

- Southern District Region has 50 organizations
- Assisted over **13,000 renters**
- Deployed **\$12.1 million** in assistance
- Provided:
  - Eviction prevention
  - Individual counseling
  - Provided workout plans between resident & landlord



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## United Housing Next Rental Counseling Workshop

### FREE RENTER COUNSELING WORKSHOP

APRIL 8TH | 11:30AM-12:30PM

REGISTER AT  
UHINC.ORG

- TALK WITH AN ATTORNEY
- LEARN YOUR RIGHTS AS A TENANT
- GET FINANCIAL TOOLS TO AVOID EVICTION



United Housing, Inc.  
2750 Colony Park Dr  
Memphis, TN 38118  
901-272-1122 | uhinc.org

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**Questions?**



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**Thank you!**



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