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NLIHC's HoUSed Campaign for Long-Term Housing Solutions

December 5, 2022

Agenda

Welcome

- Sarah Saadian, NLIHC
- **Risks of Rent Reporting**
- Chi Chi Wu, National Consumer Law Center

ERASE Report: Serving Native American Households Using ERA

- Neetu Nair, NLIHC

Field Updates

- Andreanecia Morris, HousingNOLA & HousingLOUISIANA
- Julia Fowler, Pathways to Housing DC

Policy Updates

- Sarah Saadian, NLIHC

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Welcome

Sarah Saadian

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Field Organizing

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Risks of Rent Reporting

Chi Chi Wu

Staff Attorney

National Consumer Law Center

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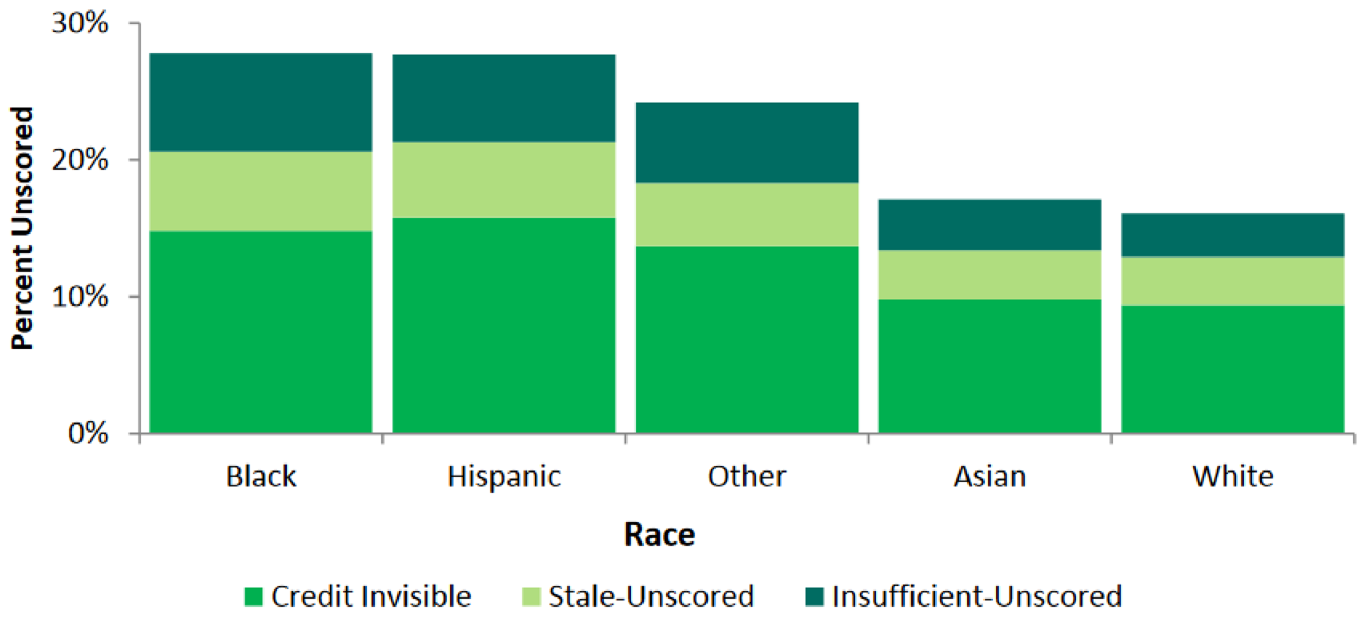
National Consumer Law Center

- Legal resource center on consumer law issues focusing on low-income consumers
- Resource materials

  Legal treatises, policy briefs, technical assistance
- Policy and advocacy
- Impact litigation
- Monthly call on credit reporting and tenant screening

Credit Invisibility

FIGURE 2: UNSCORED CONSUMERS BY RACE



- From: CFPB, [Who are the credit invisibles?] (Dec. 2016)

Studies showing racial disparities in credit scoring

Study	Conclusion
2016 Freddie Mac data as analyzed in Urban Institute report Explaining the Black-White Homeownership Gap	Over 50% of white households had FICO score above 700, compared with 20.6% of Black households
2012 Consumer Financial Protection Bureau	Median FICO score for majority minority areas was 34 vs. 52 for low minority areas
2010 Woodstock Institute	In zip codes over 80% African American, 54.2% had FICO score under 620. In mostly white zip codes, only 16.8% had scores under 620
2007 Federal Reserve Board	Mean score for African Americans was 25.6 versus 54.0 for whites – about half; Hispanics had mean of 38.2
2007 Federal Trade Commission	African Americans and Hispanics strongly over-represented in the lowest scoring categories

But wait, there's more

Other studies
2006 Brookings
2004 Federal Reserve researchers
2004 Harvard Joint Center for Housing Studies
2004 Texas Department of Insurance
1996 Freddie Mac study

Discussions of studies prior to 2016 and a complete list of citations is available in NCLC's Policy Brief: *Past Imperfect: How Credit Scores and Other Analytics 'Bake In' and Perpetuate Past Discrimination*

Rent Reporting

- Intuitive appeal
- Current state of rent reporting
  - Estimates of anywhere from 2-3% to 10% of renters have payments reported
  - Rent arrears are reported by debt collectors
- Can increase score, varying studies show 10, 23 and 60 points

Rent Reporting: Perils as well as Promises

Bottom Line: Only support if it is OPT-IN and POSITIVE ONLY

- Can harm renters who struggle; cause homelessness
- Feeds more data in the credit bureau oligopoly
- Only goes so far

- Fannie Mae & Freddie Mac dual models

Resources: **Even the Catch-22s Come With Catch-22s: Potential Harms & Drawbacks of Rent Reporting** (October 24, 2022)

No Silver Bullet: Using Alternative Data for Financial Inclusion and Racial Justice, Dec. 2021, updated Jun. 2022

The Nightmare Scenario: Rent Reporting Causing Homelessness

From a pro bono attorney at a homeless shelter in Alabama:

> "Of the 10 or so folks I've met with so far, at least 6 were living in the shelter solely because a rent-related credit reporting issue had shut them out of the housing market. These are folks with enough income to pay market, non-subsidized rent, but were nevertheless forced to move their families into a homeless shelter simply because their credit history disqualified them from renting. And, it's not a credit score problem. Folks with decent credit scores were automatically disqualified because of a past rent delinquency (even a single 30-day late)."
>
> Email from Ken Riemer to Chi Chi Wu, April 7, 2022.

ERASE Report: Serving Native American Households Using ERA

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Neetu Nair

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Serving Native American Households using ERA:

Learning from High Spending Programs

December 05, 2022

Neetu Nair (she/her)

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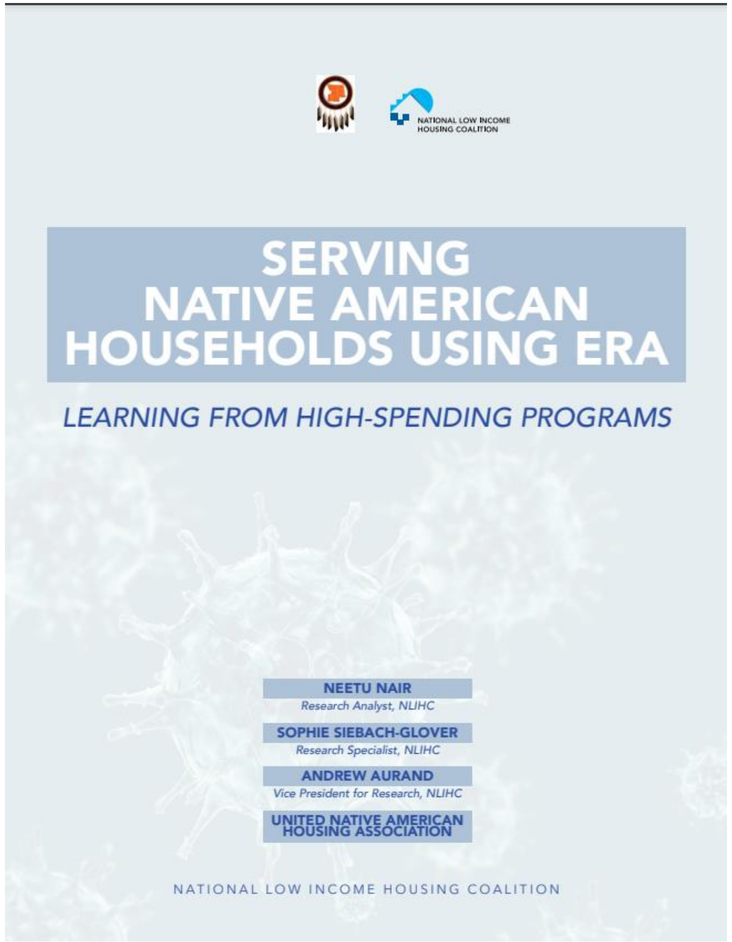
New Report!

NATIONAL LOW INCOME HOUSING COALITION

Study Sites

- **Montana:** Fort Belknap Housing Authority and Apsaalooke Nation (Crow) Tribal Housing Authority;
- **North Dakota:** Turtle Mountain Housing Authority;
- **Nebraska:** Northern Ponca Housing Authority;
- **South Dakota:** Sicangu Wicoti Awayankapi (SWA) Corporation, Oglala Lakota Housing Authority, and Cheyenne River Housing Authority.

Link: https://nlihc.org/sites/default/files/Serving-Native-American-Households-Using-ERA.pdf


NATIONAL LOW INCOME HOUSING COALITION

SERVING NATIVE AMERICAN HOUSEHOLDS USING ERA

LEARNING FROM HIGH-SPENDING PROGRAMS

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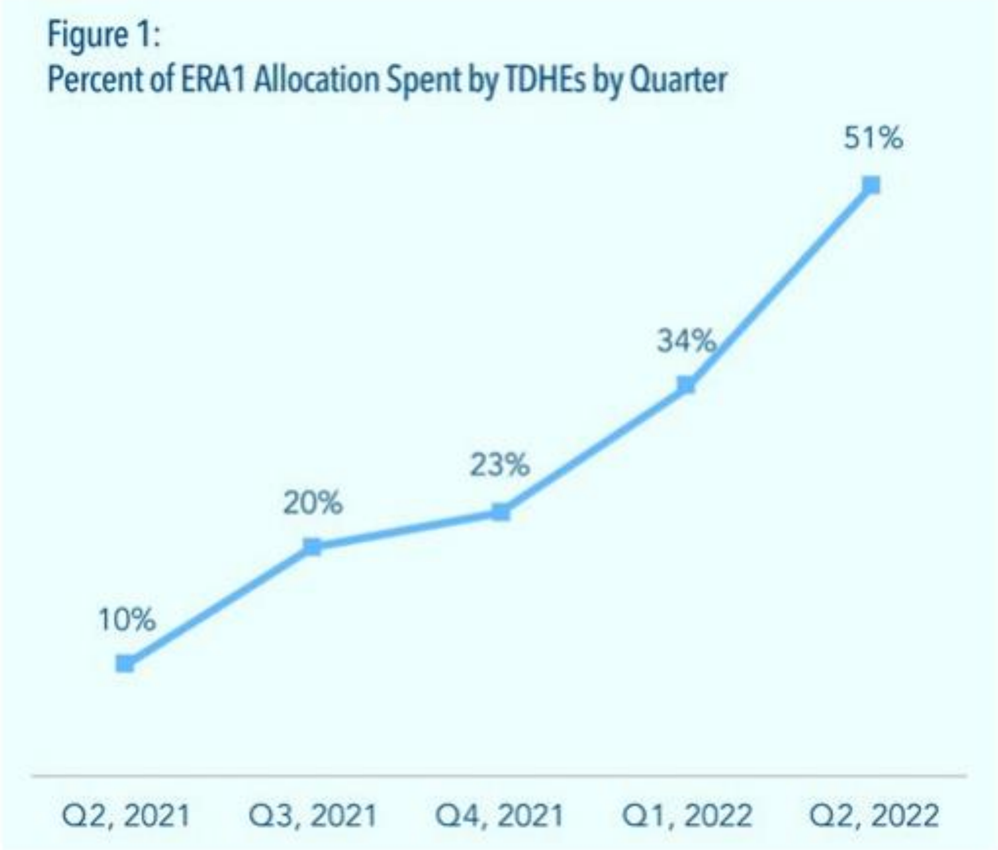
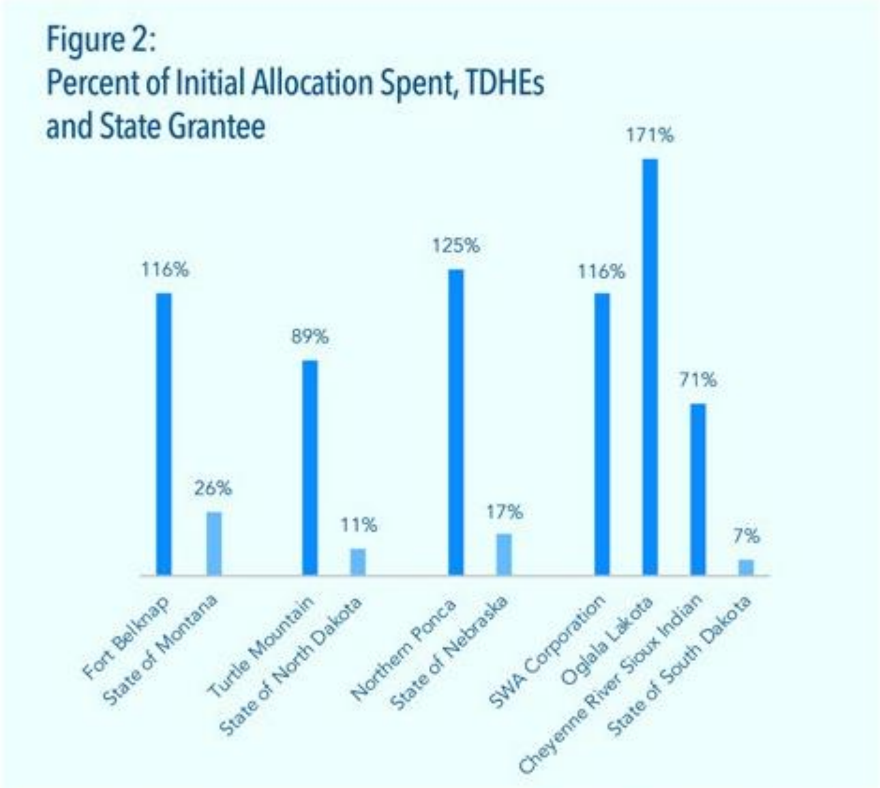
UNITED NATIVE AMERICAN HOUSING ASSOCIATION

NATIONAL LOW INCOME HOUSING COALITION

ERA1 Spending among TDHEs



Source: NLIHC tabulation of U.S. Department of the Treasury Monthly Compliance Reports January 2021- June 2022



Source: UNAHA survey data, January, 2021-October, 2022, and NLIHC Emergency Rental Assistance Spending Tracker
Note: Data unavailable for Apsaalooke Nation (Crow) Tribal Housing Authority

Findings

NATIONAL LOW INCOME HOUSING COALITION

1. TDHEs took advantage of ERA resources and guidance to serve all households on native lands and tribal members outside of native lands.

2. TDHEs used ERA to temporarily address overcrowding.

3. TDHEs fostered external partnerships.

4. TDHEs used Treasury ERA flexibilities and best practices to improve accessibility, reduce administrative burden, and promote spending.

Findings

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Challenges and Future Programs

NATIONAL LOW INCOME HOUSING COALITION

Administrators highlighted the need for:

1. Adequate federal guidance early in the implementation process.
2. A higher administrative cap to build up infrastructure and capacity.
3. Longer spending timeline.
4. Streamlined reporting requirements.
5. Sustained funding for emergency rental assistance in the longer term.

Read the report here:
http://bit.ly/3VAxIMM

For questions regarding this research, email **nnair@nlihc.org**.

Field Updates

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Policy Updates & Next Steps

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Capitol Hill Update

December 2022

Ensure the Highest Funding Possible for Affordable Housing Programs

NATIONAL LOW INCOME HOUSING COALITION

Congress is negotiating a final FY23 spending bill, and key decisions are being made now about how much funding should go to housing and homelessness programs.

There's a lot at stake!

- The Senate bill provides $3 billion in less funding than the House bill!
- While the House bill would expand rental assistance to 140,000 more households, the Senate bill would expand assistance to fewer than 5,000 households.

Sign onto a National Letter to Support Higher Funding!

NATIONAL LOW INCOME HOUSING COALITION

Reform and Expand the Low Income Housing Tax Credit

NATIONAL LOW INCOME HOUSING COALITION

LIHTC is the primary source of financing for the construction and preservation of affordable housing. While it is an important resource, LIHTC, on its own, rarely builds or preserves homes affordable to households with the lowest incomes, those with the greatest and clearest needs. Moreover, LIHTC tenants and applicants have few protections to ensure they are treated fairly.

Any expansion of LIHTC in a tax extenders package must be paired with key reforms to ensure that the program better serves people experiencing or at risk of homelessness.

Deeper Income Targeting

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Congress must include in any tax extenders package:

- **A 50% basis boost** for housing developments where at least 20% of units set aside for households with extremely low incomes, as proposed in the Build Back Better Act.
- **An 8% set-aside** of tax credits to help offset the costs to build these homes, as proposed in the Build Back Better Act.

Rural and Tribal Needs

NATIONAL LOW INCOME HOUSING COALITION

In any tax extenders package, Congress should:

- **Designate rural and tribal communities as "Difficult To Develop Areas (DDAs),"** as proposed in the Build Back Better Act. This would make housing developments in rural and tribal communities automatically eligible for a 30% basis boost.

Take Action

NATIONAL LOW INCOME HOUSING COALITION

Take Action

NATIONAL LOW INCOME HOUSING COALITION

Engage your members of Congress using:

- Advocacy Toolkit
- Factsheet: Urgently Needed LIHTC Reforms
- Factsheet: Why LIHTC Expansion Must Serve Households with the Greatest Needs
- Budget chart and analysis
- State Housing Profiles

Resources

NLIHC's HoUSed Campaign (nlihc.org/housed): Campaign Updates