



Final Transcript

HUD: Rental Counseling - External

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SPEAKERS

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Sarah Greenberg
Whitney Airgood-Obrycki
Vanessa Bullock
Julie

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by. Welcome to the Practice of Rental Counseling conference call. At this time, all participants are in a listen-only mode. [Operator instructions].

I would now like to turn the conference over to our host, Ben Yanetta.

Please go ahead.

Ben

Thank you very much. Hi, everyone, thank you for joining us today on the webinar on Rental Counseling. Before we begin the actual presentation, I'd just like to go over a few logistics. We can go to Slide 2.

As was mentioned, the webinar is being recorded. In about a week or so we'll upload a PDF of this presentation, along with the audio and a transcript, to our HUD Exchange page. We'll also update our Training Digest on HUD Exchange when it's posted. All registered participants today, for today's webinar, will have received an email this morning with the presentation attached so you can download it. You can download it by going over to the presentation interface and the documents panel, and you just click on it once and it'll download to your predetermined folder.

We can go to the next slide. We're using the GoToWebinar software today for all the questions that are going to be asked. There's a very large group on this call today, so opening the phone lines isn't really the best idea. So, you can type your question into the webinar's interface on the questions panel box, and the question will go into a queue that is being monitored by the presentation panelists. You may receive a response to your question verbally over the conference call, or a text response that'll appear in the questions panel as a response to the question you asked.

If you think of a question later, or need assistance on a more complex topic, you can email housing.counseling@hud.gov, and your question will be routed to someone in the Office of Housing Counseling to answer.

We're pretty good at getting responses out. I can't promise it, but for the most part, we get questions out by the next day.

For everyone that logged in today, all 430 or so of you, which is a big group for us, you'll receive an email with a Certificate of Training for you to print and save for your records.

Another way to get credit for the webinar is to go on to our HUD Exchange Webinar Archive. You'll need a user account, which is quick and easy to set up, if you haven't already done so. When you find the webinar on the archive page, you select it and click the Get Credit for this Webinar, and it will go on to a transcript of all the online training you've attended for the Office of Housing Counseling through the website.

The one thing I want to mention is the training digest that I mentioned earlier. This is a great resource for finding out about what upcoming training is available to you, both directly through HUD and through our

training partners. I know most of you guys get Jerry emails [ph] email list, but it's easy to miss something if you're not really paying close attention, so this is a really valuable resource. When you have the time, you can go check everything that's upcoming in the very near future related to training.

Speaking of Jerry Mayer, I'd now like to turn it over to him for an introduction to today's presentation.

Jerry, the floor is all yours.

Jerry

Well, thank you, Ben, and welcome to all our panelists and the housing counselors attending today's webinar. I also want to especially thank HUD's technical assistance provider ICF for their assistance in producing today's topic.

Tenants rely on housing counselors to help them understand their obligations and rights. Housing counselors also help tenants improve their housing situation with advice on household budgeting and financial literacy education. Counselors know the latest resources in their community, especially for those facing eviction.

During the COVID-19 national emergency, Housing Counseling agencies are playing a vital role in helping consumers with evictions. This webinar is the first in a series of four webinars on the important topic of rental counseling. We also have a new related rental counseling and eviction resources webpage on the HUD Exchange that has toolkits and best practices, guidance and resources for housing counselors that you'll be hearing more about as we go.

Now, today's rental webinar features some expert facilitators and panelists. Next slide, please.

Sarah Greenberg is a Senior Community Development Specialist, and she's based in Milwaukee, but works nationally as a consultant for affordable housing and community development projects. She has more than 18 years of experience working for local, regional, and national organization.

Shawna LaRue Moraille is based in Columbus, Ohio area, and she manages the Technical Assistance Grants with HUD's Housing

Counseling Program, and she has over 20 years of expertise in federal affordable housing and community development programs.

Now, on our panel, we have Whitney Airgood-Obrycki, and she is a Research Associate at the Joint Center for Housing Studies at Harvard University. She's working on research related to affordable rental housing. She is the lead author of America's Rental Housing, one of the signature JCHS reports. Whitney holds a PhD in city and regional planning from the Ohio State University, where she studied innovative development practices among public housing authorities.

Our other panelist is Vanessa Bullock. She is a Managing Attorney, and the Housing Counseling Project Director, and the Fair Housing Director for West Tennessee Legal Services, a HUD-approved national intermediary. She's worked with West Tennessee Legal Services for nearly seven years, advocating for tenants in a wide variety of forums. She has served as a Project Director since July of 2017.

And now, without any further ado, I'll turn the mic over to Shawna to start today's program.

Shawna

Thanks, Jerry. Again, this is Shawna LaRue Moraille, and we're very pleased to be with you. We're really excited about this webinar series. So, for our agenda today, we are going to talk to you about that webinar series. This is the first, as Jerry mentioned. There are several webinars in this series. We're also going to be looking for your feedback about topics to cover in the future.

We are so pleased to have Whitney joining us from the Joint Center. She's going to talk about the impact of COVID-19 on renters, so that you can get the latest information from her. And then we also have Vanessa, who is going to be talking—she's a HUD Intermediary, is going to talk specifically about the rental housing counseling that she delivers for West Tennessee, and how to help those who are facing eviction.

We will save questions until the end. So, you can certainly chat with us, as Ben said in the beginning, about anything that you need, but we will be opening up for questions in the questions box at the end. And then we do have some additional resources to touch on, including Rental Housing Counseling page, and also how to register for at least the next webinar in this series.

We will be using a polling software program called Mentimeter. We've used Mentimeter for, I don't know, the last couple of years for Housing Counseling webinars. When you get a chance, open up a new browser or a smart device of whatever flavor, and go ahead and type in Menti.com, and then I'm going to flip to the Mentimeter. When you're in Menti.com, it's going to have a nice screen there for you, and it's going to ask you for a code. The code is right here at the top of my screen. It's 183456. That way we can record. These are all anonymous, but it's very helpful for us to receive your feedback. And this will also keep you all engaged over the next hour.

We have some participation lower right-hand corner. As soon as you get in, I want you to click on that thumbs-up, so that we know the number of folks that are in here. If you could do that, that would be great. Okay, great. Looks like many of you are getting in. Again, this is all anonymous, but it keeps everyone going throughout the presentation.

I'll go to the next slide, and you can give us your feedback about this question. As HUD was designing this webinar series, we were really looking for those of you who might be currently delivering housing counseling. If you could answer this question, are you currently

delivering housing counseling? Maybe some of you aren't, so you might say no, but you're thinking of adding this service over the next year. Or it's possibly there's some of you that answer no, and that you have no plans to add this service, but it might be that you have a lot of rental housing counseling that's going on in your area that maybe other agencies provide, and that you just like to get the latest information from HUD and from the experts on our panel today.

There's just a couple hundred of you who have already voted. And so, it looks like the majority of you are providing rental housing counseling. So, you're in the right place for this. Looks like a good third of you are thinking about adding this service over the next year. And then we have a few others who are listening in and can't wait to get the information. Maybe you'll add this at some point in your future.

It's a lot of you. I just want to give you an opportunity to record your answers here. I'm going to leave this open so you have it on your screen. And I'm going to go ahead and go back to our slide presentation. And I'm going to turn it over to Sarah Greenberg, who joined ICF recently, and we're so excited that she's here to share her expertise.

Sarah.

Sarah

Thank you, Shawna, and thank you all for joining us today. We know how hard you're all working to support clients through the COVID-19 pandemic.

We want to just start with a brief overview of this webinar series on readying your organization for rental housing counseling. In addition to the first session today, the second session will be about data and tools that can support your rental housing counseling efforts. The third webinar will be about partnering with homeless services and other programs to prevent evictions in your service area. And the final webinar will be about the impacts of rental housing counseling, and how agencies are using it to support stable housing in their communities.

On this slide, you'll see the link to the series on the HUD Exchange, where you can find out more and register for future sessions.

The goals of today's session are to raise awareness of the impacts of COVID-19 on rental housing, and understand the national trends that are emerging from the eviction data. We'll also hear from a HUD Housing

Counseling agency that is working to prevent eviction, and we'll share some best practices for rental counseling. And we'll provide information that can help your agency implement rental counseling services.

We wanted to start with a definition of rental housing counseling. HUD defines it as counseling that is related to the rental of a residential property. This can include counseling about future home ownership opportunities when it's provided in connection with other HUD programs. There's a link on this slide to HUD's definition and requirements for your reference. Rental housing counseling can also include helping clients with the decision to rent, the responsibilities of being a tenant, evaluating rental affordability, and preventing eviction.

While housing counseling agencies do provide a variety of services under the umbrella of rental housing counseling, in this webinar series we'll be focused on those services most likely to prevent eviction. Keep in mind that those services that help clients prevent eviction can also apply when you're responding to other disaster situations. It's also important to remember that providing rental housing counseling is not the same as providing legal advice. Housing counselors should be aware of when a

client needs to consult with a licensed attorney. And we'll hear more about this distinction from our second panelist today.

I'm going to turn it over to Whitney Airgood-Obrycki from the Joint Center, who will talk more about the impact of COVID-19 on renters and rental markets.

Whitney.

Whitney

Thanks, Sarah. Welcome, everybody, good afternoon. Today I'm going to talk a little bit about where we were before the pandemic, and then share four big findings about the impact of COVID-19 on renters and rental markets that we're seeing from national data. At the end, I'm just going to share briefly where rental markets seem to be headed and some of the things we're watching.

The pandemic and resulting recession have meant, of course, that a lot of people have lost income, and that's certainly raising concerns about the ability of households to be able to continue to afford rent. But this crisis is really piling on top of an existing affordability crisis, that I'm sure you're

all aware of, and that context is just really important. I want to first briefly talk about what that crisis looks like.

And the first bit of information is that there's been a decline in low-rent units that rent for less than \$600, in every year since 2011, which you can see on the blue bars, that downward trend. That trend has really accelerated since 2014 especially. We've seen a decrease of 2.7 million units just since then.

There are a few reasons why we've seen this decline, including the fast growth in higher income renters, who are putting pressure on the market, the limited housing supply overall, and then new construction that's also increasingly expensive and aimed at the top of the market. Ultimately, what this means, though, is that lower income households are competing for a shrinking number of affordable options.

In part due to rising rents overall, we then have this gap between what households can afford and what they're actually paying. This is a chart of cost burdens, which represent households spending more than 30% of their incomes on rent and utilities, with the blue bars at the bottom

representing severe cost burdens. Those are the households spending more than half of their incomes on housing costs.

The most recent data we have is from 2019, when there were 20.4 million renter households who were cost burdened, and that included 10.5 million with severe burdens. You can see from the bars that we're still really close to the peak we hit after the last recession. The orange line, which is a share is going down slightly, but going into the pandemic, the burden rate still stood at 46%, with about one in four renter households spending more than half of their incomes on housing costs.

That was the situation going into the crisis. Let's now look at what's happened since the pandemic started. The first big finding is that renters have been harder hit by the economic effects of COVID-19. Employment loss was fast and widespread as the pandemic took hold, and renter households were hit harder than homeowners. This chart is showing survey data from the Census Bureau's Household Pulse Survey, and this particular data goes through about mid to late September.

You can see from the light green bar on the far left series of renters, that almost 50% of renters reported losing at least some employment income

since mid-March. And that's compared to just 36% of homeowners, which is the green bar in the middle series. The purple bar clear at the left, you can see Hispanic renters were most likely to lose employment income, with nearly 60% reporting some lost wages since the pandemic began.

The survey also asks whether the respondent is caught up on their rent or mortgage payments, and that would be the next slide. This just indicates that they've missed some portion of their payment at the time that they were surveyed. And again, renters are more likely to be struggling, and that's as compared to homeowners, who have a mortgage. Again, that light green bar on the left series, shows that 15% of renters are behind on rent at the time that they were surveyed. You can, again, see the significant racial disparity, even among renters. So, the first three bars clear to the left show that about a fifth of Hispanic, black, or Asian renters reported being behind on rent at this point in mid to late September.

So, the second big finding then is that even if 15% of renters are reporting that they're behind on rent, most of them are still making payments. We see this reflected, too, in rent payment trackers that go through September, and even through October. This chart is showing data from the National Multifamily Housing Council's rent payment tracker. They've been

tracking payments in professionally-managed apartments with at least five units. The charts then show rent payments that are made cumulatively over the course of the month. You see the share increases for those who have paid going up as the month goes on. And within each chart, it's comparing 2020, which is the orange bars, to 2019, which is the blue bars.

The left chart is the data from April, when the shutdowns first took hold, and when rent payments were farthest off of the previous year. Even with the three-percentage point gap between 2019 and 2020, though, 95% of renters were still making payments. The chart on the right then is from September, and it's closer to the trend we've seen in subsequent months, and that we saw in October, when collections were typically off by just about one-percentage point to two-percentage points.

So, you might have seen these trackers used in media and articles as an indication that rental markets and renter households are doing just fine. But how do we reconcile this lower rate of missed payments with what we're seeing in the survey data, and where might we see cracks starting to form?

This is showing a similar comparison of last year's payment rate with this year's by property class. You can think of Class A properties as being new, really high-end, top-quality properties that tend to be the most expensive, while Class COVID are older, tend to be less well-maintained, even though they are still professionally managed, and they're lower quality units, that tend to also have lower rents than other property classes and tenants with lower incomes.

So, if you look across property classes, they're all tracking pretty close to the year before. There is a slightly larger gap for Class COVID, where we're starting to see collections fail a little bit. And while Class A and B collections are about even, at about 93% to 94%, the payment rate is just 87% in Class COVID, which is much closer to the rate that we're seeing in that national survey data.

The tenants of professionally-managed apartments overall, though, tend to have higher incomes, and it's the lower income households where we're seeing the most trouble right now. As you can see from the left panel of this chart, just over a fifth of renters making less than \$25,000 a year, were behind on rent in September, as compared to about 7% of higher income

renters, who are making at least \$75,000. And those are more likely to be the tenants of these professionally-managed apartments.

Renters who are struggling are also more concentrated in smaller rental buildings. And we see on the right panel that a higher share of tenants are behind on rent, especially in single-family, and then also in these smaller multifamily rentals that aren't covered in that professionally-managed payment tracker. And they tend to be owned by smaller investors.

There's a concern about these landlords, because they tend to have fewer cash reserves to weather long periods of missed rent payments.

Before I move on to the next big finding, I also just want to note that payment rates may be high because many renter households have borrowed money from friends and family, used their stimulus checks, or put unemployment benefits toward meeting basic needs, including rent.

Many renters also reported that they were dipping into their savings, which tend to be very meager to start with. And all these funding sources are just short-term solutions, so we might see a decreased ability to pay rent in coming months, as renters start to run out of those financial resources.

In the long run then, widespread unemployment loss among renters could significantly increase housing cost burdens, and worsen the existing affordability crisis. For this analysis, we used March employment projections that suggested we would see job losses in several industries, including service, retail, recreation, transportation and travel, and oil extraction. We used that to calculate projected cost burdens, assuming that people in these industries would lose their wages, and they'd be at risk.

So, it's very likely that the pandemic is going to significantly worsen the affordability crisis. We found that about 12.1 million renter households have at least some at-risk wages, which amounts to about a quarter of all renter households.

On this chart on the left-hand bar, you can see the stacked bar. We estimated that about 4 million households would be newly cost burdened. And you can see from the income distribution, that most of these would be middle to higher income households, who tend to not be burdened to start with.

Additionally then, on the right stacked bar, you can see that housing cost burdens would become more severe for about 5.3 million households, and that would be concentrated among lower income households who already have very high-burden rates.

The newly cost-burdened households then would push the overall renter cost burn rate to 57%, which is shown in that hatched bar clear to the left. You can see that's about ten-percentage points higher than the current rate. Households in the middle income bank would see the largest increase, at about 18-percentage points. And, of course, if you look at the bars clear to the left, the lowest income households would see only slight increases to what are already very high cost burdens. But notably, the cost-burdened rate for very low-income households would rise to over 80%.

So, the fourth big finding then is that employment uncertainty underscores this need for rental assistance, as well as housing counseling.

Employment really hasn't bounced back all that much. Rent is still due every single month though, so renters are in a really tough spot. We've had state and federal eviction moratoriums, including the federal moratorium that's currently in place. And these are, of course, important steps for keeping people in their homes, but they do not forgive rent, they

do not help struggling property owners, and they are not a long-term solution for preventing evictions in the absence of additional support.

So, pairing tenant protections with rental assistance, and housing counseling as well, would help stabilize these renter households, but it would also help stabilize property owners through this period of economic uncertainty.

Just to underscore what's at stake here, and especially for these renter households, this is showing a subset of those who reported that they are behind on rent. So, this is a share of those households that said eviction was either extremely or very likely in the next two months. And just to remind you, 15% of renters reported being behind on rent, and then this is showing that of those, 45% think eviction is pretty likely.

So, if we do the math then, the national eviction rate would be at about 7% overall. And we've seen like historically, and in the last few years, it's been about 2%. So, would be a significant increase in evictions. But helping these households with rent would eliminate one reason for eviction, and then providing counseling on top of it could help mitigate the trauma if eviction does have to happen.

One of the questions that we were asking early on then is, what it would take to help stabilize these households who have at-risk wages. The next slide, please.

We, again, use those at-risk industries to estimate how much rental assistance would be needed under three scenarios. These are conservative estimates that basically seek to get households back to where they were before the pandemic, but don't address the underlying affordability crisis. We're basically in the second scenario on the middle stacked bar, and that's where the \$600 per week federal employment insurance has expired. We've seen some replacement of that, but it's not as widely available as the previous benefit, so must be relying on state benefits alone. We estimate that under this circumstance, about \$3.5 billion would be needed each month, just to help fill that gap between lost income and rent.

And in most states, unemployment benefits are going to expire at the end of the year. And if there still hasn't been significant jobs recovery, the cost would then rise to what you're seeing on the right stacked bar, which would be \$7.5 billion per month.

So, one of the things that we're thinking about for sure is, what does the pandemic mean for rental markets more broadly, and where are things headed? There are some signals we're already seeing, some things that we think are likely to see in the coming months, and then I have some things that are just big question marks remaining.

So, aside from likely seeing a worsening of affordability, we might see some cooling demand, which does have a potential to take some pressure off of the rental markets. Cooling demand would come due to households doubling up or moving in with roommates, to make up for lost employment income; younger households continuing to live with parents or roommates; and then also, transitions to homeownership among higher income households.

We have already seen cooling demand, and it's happening most in really expensive, dense, urban markets in particular. It's also possible that we'll see diverging trends within market segments. We are seeing less demand for the highest quality, most expensive apartments. In part because some households have lost income, while others have bought homes. High-end properties have also been offering concessions for new units. Vacancies are increasing, and rents are actually declining among the highest quality

units. But this probably won't translate to a lot of relief for lower quality and less expensive units, as we're likely going to see increased demand for, and just as much competition for that limited supply of lower rent units.

We're seeing rent growth slow slightly in lower-class properties, but it is still increasing, and that's compared to that absolute decline in rent that's happening among the highest quality properties. We're already seeing increased operating expenses for property owners who have implemented new cleaning and safety protocols, and we've also seen that accompanied by large drops in net operating incomes for housing providers.

We're likely to see more pressure on smaller landlords going forward, especially if renters increasingly have difficulty making payments. And in turn, if these small landlords have difficulty staying afloat, there could be shifts in the stock, either to homeownership or to larger investors.

Because these landlords are a huge source of the affordable stock, we have a definite concern about whether we would see further losses of the low-rent stock going forward.

Multifamily construction did rebound pretty quickly following spring shutdowns. It's since settled down at lower levels. We'll probably have some lengthened construction timelines due to COVID disruption, so we might see a bit of a supply constraint that would put more pressure on the market then.

The biggest uncertainty is, of course, the virus; the economic recovery, what it's going to look like, whether it will be even, when it will happen. But a few other key uncertainties include the effect of reduced unemployment insurance, because there was a sense that the \$600 supplement was keeping a lot of households afloat, and has been helping them make rent payments. A lot of people expected to see a big drop-off when those expired, but we really haven't seen that happen. So, it may be that a lot of those benefits gave households a cushion that they're now working through, and we'll see cracks starting to form. But we are wondering when that effect is going to hit.

It also seems that we're headed for an eviction crisis, and with the patchwork eviction protection and lack of rent relief throughout the pandemic, a continuing question is how big the eviction crisis will be, when we'll see the surge of it, and how much this will increase the number

of people experiencing homelessness, which was already rising before the pandemic started.

Final uncertainties then are just about how households and landlords are actually faring. We have some data on renter households through the Pulse Survey, and through other studies that have really used unique data sources, but it's hard to get information on a big scale at the national level about what tradeoffs households are making to be able to pay their rent, what resources they have access to, and when their financial resources are going to run out.

We similarly don't have a lot of concrete data on small landlords in general, except for some smaller-scale surveys. So, we don't know much about how these property owners are faring, and how much longer they can keep operating, and what that's going to mean for households if they have to go out of business.

So, I'm happy to answer any questions that I can, that we have time for, or by email afterwards, but I also want to direct you to some of our resources that we have available. We are currently working on the State of the Nation's Housing Report. It's going to be released next Thursday, and the

link there is for our event that you can sign up for. It's going to be all online, a webinar panel. We talk about COVID impacts throughout the whole thing. And notably, there are interactive tools and appendix tables that we're going to post online with the report. So, if you want to see how some of those themes play out in your metro area or your state, there might be data available on that.

The America's Rental Housing Report also came out in January of this year. So, if you want to know about rental trends before COVID, that's a great resource. We are, again, including our active tools and appendix tables. They're available on our website, if you want to see what's going on in your area.

And then finally, you can check out or subscribe to our blog. We did a whole series on COVID impacts over the summer, and we also just fill you in on our research and events that are going on. It's a good resource to just keep track of what we're up to.

With that, I'd like to thank you all for your attention, and turn it over to Shawna.

Shawna

Okay, great. Thank you so much, Whitney. That was really helpful. I know that our attendees got a lot out of your statements.

I want to go back to Mentimeter, and just grab some feedback in terms of the greatest rental housing counseling needs that you're seeing in your service area. You have four possible choices here, and it could be more than one. Tenant education on rights and responsibilities; tenant-landlord communication; resources available to help a client pay for rent; or other. If you do choose other, we will have an open text field on the next question to provide other.

Overwhelmingly, I'm seeing a lot of folks need additional resources to help their client pay for rent. That's the highest category. Second is about tenant education on rights and responsibilities, and third is tenant-landlord and communication. Just give it another second, make sure that we get a good number here in terms of your responses.

And again, this really helps us in terms of the content and your feedback to use during the webinar series, and also for the Rental Housing Counseling page that was just launched on the HUD Exchange. Give Todd [ph] a really good idea of what you need.

The balls are continuing to fly in, so just another second. For those of you that answered other, I'm going to take us to the next slide.

We would really like to know, other than the three possibilities on the prior slide, please write in the greatest rental housing counseling need in your service area. It would be really helpful to see what that would be. I'm going to leave this up since there are so many of you, and this will be open and available for you to write in.

But at this point, I'm going to go ahead and turn it over to Vanessa at West Tennessee Legal Services, so she can talk about all the great work that she's doing in that state.

Vanessa.

Vanessa

Yes, hello, everybody. I'm Vanessa Bullock, and I'm with West Tennessee Legal Services. On this first slide you'll see my contact information. I do want to invite any of you who have any questions, or want to follow up after this presentation, to feel free to use that number,

and/or email, although I will say email is the easiest way to reach me these days with our new COVID protocols. So, next slide.

West Tennessee Legal Services is a legal service corporation that provides a variety of civil services from low to moderate income families. And in that we do some domestic violence work, some family law, and some benefits work, and we also have a dedicated housing department, which is what I manage.

And as part of that housing department, we are a housing counseling agency and an intermediary. And we provide housing counseling on a variety of subjects. We cover all of the topics that you can cover with housing counseling in our agency. But the majority of our work is probably rental, followed closely by modification work and assisting people with obtaining modifications. Both of those areas have grown exponentially with this COVID crisis.

In addition to the housing counseling work we do, we are also part of the Fair Housing Initiatives Program. So, we do for housing representation, [indiscernible]. The majority of my work is with the Fair Housing work,

but our Housing counselors do a lot of the housing counseling work and I oversee that.

Next slide. What I've been asked to talk about today is the distinction between legal services and housing counseling services, because it can be a fine line sometimes, and there is a lot that housing counselors can do, that while not legal work, can sometimes feel legal in nature. And so, it's something that some people really have a hard time with, and really want to err on the side of caution, which is as we should.

So, what legal services does that housing counseling cannot do is, providing things like representation in court proceedings. Of course, the housing counselor, who's not an attorney, cannot go into court and represent somebody. And even if you are a housing counselor and an attorney like I am, I do go into court, I cannot bill that to housing counseling. You cannot provide representation in court, where legal services can. Legal services is also able to provide legal analysis of the law and regulations to see how they will apply to someone, and advising somebody on the ability to appeal or take a certain legal action in their situation. So, basically, giving that legal advice, or providing that legal representation, is what legal services can do that housing counseling can't.

So, there's a whole lot of work that housing counseling can provide, and stuff that honestly is what a lot of tenants need more so than even legal representation. We have a lot of clients who come in, and because our agency is set up the way it is, we're lucky to be able to give them a holistic service, but if we did not have our housing counselors, our clients would leave with less than what they want and less than what they need.

So, housing counselors can provide things like assistance with locating new housing. That is a big thing. When people are making that transition, sometimes they're having to make it quickly, and knowing who the local landlords are, and where their housing is available, is a really big deal, especially in our service area, which is mostly small towns. We cover 17 counties, and only 1 county is the metro area. The rest is very, very rural.

So, assistance with locating new housing, assistance with the lease paperwork and explaining what it means, and what the rights and responsibilities are under that paperwork. Explaining the rights and responsibilities of each party, even absent a lease, because in Tennessee, we don't have to lease agreements, and many landlords don't do that. But explaining what the general rules of being a good tenant are, and what you

should look for in a good landlord is important information. There are so many, especially young renters nowadays, who are leaving their home for the first time and have never rented before. And they'll get themselves into situations that, as an older person with a little bit more experience, you would know to avoid, because the red flags are all going up, but they don't recognize those. So, meeting with those tenants and explaining what they should and should not be looking for, and what should give them pause, is very important.

And information on the applicable [indiscernible] laws and regulations. That's something that housing counseling can do. That is not legal services. You can provide information on the law. You cannot analyze how the law's going to apply to somebody or to somebody's situation. That's the big distinction.

And the other thing you can do is assist with communications with the landlord. Sometimes there's not actually a problem at the end of the day. It's just gotten to the point where two people can't talk and understand each other, and being able to be a third party to just figure out what the real issue is, and if it has something that can be fixed, or if it's something

that's not going to be fixed, and the person needs to move on is very important for our clientele. We do a lot of that kind of work.

So, those are the big distinctions. Again, it just goes down to, you cannot provide legal analysis, or you cannot provide legal representation. Those are the big cannots under the Housing Counseling Grants. And needing to be careful to steer away from that.

So, moving on to the next slide. The important skills that you need to be a successful rental housing counselor are a little bit different than some of the skills that you have in the other areas of housing counseling. The biggest difference is, most rental issues that come in are very time-sensitive and very stressful for the client. It's not a situation like pre-purchase, where you have somebody coming in and they're excited because they're getting a new house, or they're working towards that.

It's usually a situation where somebody is in crisis mode, and you have to be able to handle that, and deal with the stress that comes with dealing with people in crisis. It's nice when the renters come before a big problem has emerged, but often they don't. So, you have to be able to deal with that type of clientele, which is a little bit different.

The next big thing is just really knowing your local resources, having housing counselors that live in those areas and work in those areas, and have done so for many years. It's so important. I actually have a disadvantage here, because I live in the Memphis area, but work in the West Tennessee area, that covers everything except for the Memphis area. I'm not very keyed in on all the local resources all the time, but I have housing counselors who have been there for decades, and they're doing this work for decades. And I dread the day they leave, because losing that knowledge and those connections is going to be very detrimental to our clients. So, having those counselors with those kind of connections and knowledge is vital.

Having some negotiation and communication skills is very important. You won't do formal negotiations like you would if you were a lawyer going into court and trying to reach an agreed settlement, or anything like that, but you will be doing a lot of communication between the tenant and the landlord, to try to figure out what the actual issue is, and if there is a resolution that can be found or not. So, you do have to be able to communicate and do that, and do that with a little bit of ease and comfort, and that's not something everybody is comfortable doing.

And then just kind of piggybacking on the knowledge element, you also have to have a lot of involvement in your community. Your community has to know who you are, what your agency does, and what services you can provide the people that are in their communities, because you're going to get a lot of referrals from other places. You get a lot of referrals from local churches, who the tenant doesn't know about West Tennessee Legal Services, but they know they're in the crisis, and they know they can talk with their preacher or their pastor, or whoever, and get some counsel. And having those type of agencies and entities know about your agency and what you can do is so important, because you need that referral in order to provide that assistance.

And then, you really need to have a familiarity with the rental assistance programs that are available in your area. A lot of times a lot of our tenants are on those programs, and they just don't understand how the program works. It's something that simple as you have to turn this paperwork in, and if you don't, you might lose your voucher. And while that seems simple, if you've never lived in that type of setting, that's not something you'd always know. So, having that kind of familiarity is really important, and being able to explain in plain language what the letters and

different types of notices from those entities might mean is really important, because our clients can't always do that for themselves. And it's pretty simple, easy to do once you've done it for a little while and you have that knowledge, but you have to have somebody with that knowledge or somebody who's going to develop that knowledge.

And then finally, the most important thing for those that won't be working within a legal service corporation is knowing when that referral to legal aid is necessary, and having a good relationship with your legal aid, and knowing what they are or are not doing, and what their priorities are, because every legal aid is a little bit different. Most of them are funded on a variety of grants, and with different grants come different priorities. So, it's really important to know what they can and cannot do.

The other reason why it's important to know that recognition and when that referral is necessary is it helps you build a relationship with that legal aid organization, which will only benefit you in the future.

That brings me to the next slide, which is just knowing that if you want to create a rental counseling agency and be successful, connections are key. It's so vital that you have connections, and that you know the people in

your community who will have the knowledge that your clients need. You can't have it all, and the reality is, it changes a lot. What resources are available changes a lot, depending on what has the federal funding or state funding that's coming down at a particular moment. Especially with COVID, that has taught us that things change very, very quickly and overnight sometimes. Our agency had a system in place, and then all of a sudden with like four days' notice, the CDC moratorium came down and we had to completely realign. I'm sure others have experienced that. And you will experience that if you do this type of work. So, knowing who has the knowledge of the most relevant things and the newest things is so important.

And the big connections that I can see that would be important are working with your local housing authorities and voucher administrators, who know when they're going to have openings; when their waiting list is full, when it's not; knowing who to contact if you have a client come in who has a question that you can't answer, but they just can't figure out the right person to ask. Sometimes that's all it takes is saying, oh, well, you've been talking to the secretary, that's not who you need to talk to. You need to ask to talk to your case manager, and your case manager's going to be this person, so that's who you need to ask to speak with. It's

simple things like that, but that our clients just really need, and that you can't have unless you have those connections.

And then, having connections with your private landlords and apartment managers is important, too, because when you're trying to help somebody find housing, a lot of times you're on a very short deadline. And being able to pick up the phone to the people that you know tend to have vacancies, that are in the rental range that person's looking for, in the area that they're looking for is important. We have a housing counselor, that's what he does a lot of his time, a lot of his days are spent doing that. I have somebody who's looking for something for \$500 in this area of Jackson, I'm going to call these landlords because I know they're there. And I know they'll tell me if they have something or not, and they'll work with us. And that's really important to have.

And then knowing what agencies provide rental and/or utility assistance in your service area, and connecting your clients to those. And going back to the previous presenter, there's a big need for additional rental and utility assistance, and hopefully some of that comes down, but again, you have to know where it's going. Knowing that it came down, but not knowing how

to get to it is the big roadblock for so many tenants. So, being that agency that provides that connection is vital.

And finally, knowing the staff at your local housing apartments, at your local legal aid, working with them. You can get a lot of information from them to provide to your clients. All legal aid organizations, just like many nonprofits, have brochures that give information on key elements that they deal with. We have plenty of housing legal information brochures that we hand out to different agencies. And as a housing counseling agency, you're going to want to have access to those resources to be able to provide them.

And next slide is just the key takeaways. Rental housing counseling can encompass a lot of work, and it can be very daunting to be on the side of, we don't do this right now, but we want to, how do we start. I would just say, be aware that every agency's going to look a little different, and you don't have to do everything all at once. You can start small and build on what you start. If all your agency wants to do today is provide those connections to the different agencies that have rental assistance, start there, and then see where it goes. Those skills that you need, you may not

have those all in-house right now. You may have to develop those skills in-house, or hire some people to come in from the outside.

And so, it's just really important to take it one step at a time, realize it's all going to look a little different, you don't have to do it all. And if you take the time to build that strong foundation with those connections, and building those skills and that knowledge base that you need, you're going to be more successful.

And finally, there's just such a need and such value that housing counseling and rental counseling can provide. There's so many tenants who come, maybe we can't really fix their problem at the end of the day, but having someone to sit down and talk with them about their problem and walk them through it step by step, explain something that seems pretty basic, like what your rights are as a renter, but taking the time to explain that to some young kid who's never had to think about that before, it just adds such a valuable service.

And we have seen many clients who started out as our rental clients, and they've aged, they've grown up, now they're ready to buy a house. They

know who our agency is. They come to us for help on that. It just is so important, and it kind of provides a good basis for all the work that we do.

And again, I welcome any questions. And if you have questions after this, or think of something after this you want to ask, please feel free to reach out to me.

With that, I'll turn it back to Shawna.

Shawna

Thanks so much, Vanessa. You had so many wonderful, helpful nuggets in your presentation. And thanks for teasing out the differences between legal services and rental housing counseling.

I know that Julie and Ben are kind of queuing up folks to submit questions. I'm going to pause here for a second and see if we have questions for Whitney, or if you'd like a couple more minutes, folks.

Ben

[Overlapping voices]. Oh, I'm sorry, Julie.

Julie

Go ahead.

Ben I just wanted to say that, yes, we do have some questions in the queue, and we'll do our best to get to all of them. If you do have a question right now, you can type it in to the webinar's interface. Just remember that there are about 400 of you on the line right now, so if we get bombarded with questions, we will do our best to answer them over the phone right now, but we may have to wait and get your response a little bit later.

Now I'm going to turn it back over to Julie to read some of the questions that we have.

Julie Thank you, Ben, and I apologize for talking over the top of you. I wasn't sure if I was ready to ask questions.

The first question we have is for Whitney. In terms of the data that you talked about, where the number of renters were actually making payments on their rent, does the data reflect rent that's being paid by a third party, such as Homeless Prevention or CARES Act programs?

Whitney That's a great question. The survey is fairly opaque, so it's a little difficult to know how people are interpreting it. Supposedly, they're supposed to answer, if they're behind on rent that should cover whether it's coming

from any type of source. There's a survey question from the Pulse data is just, are you currently behind on rent at the time of being surveyed. And so, there's a little bit of interpretation that goes into how people answer that, but if they've missed a payment, if they've missed part of a payment, then they should be answering that they're behind on rent.

The formal rent trackers are capturing both partial and full rent payments as well. So, it's a similar kind of metric.

Julie Okay, thank you. This next question is also for Whitney. You spoke about not having more information on small business landlords. Is anyone doing anything to figure out how to gather information on how much more of this burden that small landlords can handle?

Whitney There are a couple efforts underway. One is, there's a company called Avail that's based in Chicago, and they work with what they call DIY landlords that tend to be some of these smaller investors. As part of what they've done in the COVID era is they are surveying people who use their platform and people who have interacted with their platform. So, we're getting some information from them about what landlords are tapping into, what kinds of services they're offering, or payment plans they're offering

to tenants. There was just a report that they worked on with the Urban Institute that came out today, a short blog on how many think they're going to have to sell their properties by income of the landlord. There's some information coming from them that's useful. [Indiscernible] know is that knowing that this is a big gap where we need information now, there are a few research efforts underway, in part, through a collaboration that the Joint Center is doing with the [indiscernible] at NYU, and the Urban Institute as well.

And this is a survey in process trying to get at this question of how smaller landlords are faring. So, there are a few efforts. They're a little diffuse. It's hard to get really good national level data to understand, is this a big trend that we're going to see things switch all at once, and when is that going to happen.

Julie Thank you for that. And then one more question for Whitney. Any data regarding mixed or undocumented household and the rise in homelessness for this particular population?

Whitney Oh, that's a great question. Those are two populations we don't have great data on. So, unfortunately, I don't know of a good source. The

homeless data we rely on is from HUD, to get through accounts of people experiencing homelessness. The undocumented pieces is really tough as well. A big thing that we're trying to understand with rental assistance and with targeting, and I'm sure for counseling as well, is trying to see who would be falling through the cracks in the system, who wouldn't be having the same access to unemployment insurance or to resources. And that's just the population it's really hard to get data on.

Yes, so a very unsatisfying answer, but we don't have a lot on it.

Julie

Great, thank you. And this next question is for Vanessa. The rental assistance is only paying for one month of rent. How can we help renters understand they need to make plans to pay their rent, or move out if they can no longer afford the unit?

Vanessa

That is a very good question and a very difficult thing. Some clients will accept that and make plans. Other clients will continue to live in their world, where they can stay there until there's a court order, which will negatively impact them moving forward. And that is something that we face quite a bit, and it's really hard, and you have to have counselors who are comfortable having what, in my office we call [indiscernible]. Maybe

there's a more PC term for that, but having those hard conversations with tenants that are very realistic with them about, this is what will happen if you do not make plans to move. I can help you try to find someplace to move, but if not, there's nothing further I can do, and you're going to end up on the street. Like I said, some clients will take that and help you help them, but some clients will not, and that's very difficult.

Julie

Okay, thank you, Vanessa. I have another question for you. This is a case study question somebody's asking about. Curious to know how you would handle a tenant-landlord issue where the tenant has a rent-to-own lease, is behind \$13,000 in rent, mortgage is \$20,000 in default. The property belongs to an LLC. Excuse me, I lost my place here.

There is a question as to who the parties are in the LLC. Would you assist to clear rental arrears as a housing agency, or refer this client to legal services?

Vanessa

I would certainly make a referral to legal services. Any type of rent-to-own is usually not ideal and is usually predatory. Not always, but usually. And they really do need some legal assistance understanding the legal impact of what they've done.

That being said, and this is going to be kind of an agency-by-agency thing, if the legal services handling the legal aspect, that's not to say the housing counseling aspect ends. And so, if your goal is to help keep them housed there for a little while until they can find something else, you might keep your housing counseling case open and work it on [audio muffled]. But you really want to be careful, and you want to make that distinction about what you can't handle in-house and what you can, and make that referral.

I hope that answers the questions. It was a bit lengthy, but I think I got it.

Julie

Okay, thank you. One more question here, and I think this is for Whitney, but it could also apply to Vanessa as well. Any advice on how to build those key relationships with other agencies, especially in rural areas where a single agency may have huge demographics and may not be close to our office for in-person visits? Does the Joint Housing data on partial rent include the amount that the tenant actually paid? For example, are there statistics to show how many renters paid \$25 out of \$1,700 in rent, or did they pay \$1,500?

Whitney I think Vanessa's probably better for the first half of that. The payment data, the survey data is basically just asking if people are behind on rent, but we don't know the amount.

Vanessa Addressing that first part, the connections are really important, and it is hard to build them. But I would start small and start with what you have in-house and who those connections might be. So, for example, in our agency, we have different departments, and our agency, our housing counseling portion of our agency always makes sure we know who has started in these other departments and what their connections may be. And just an example of how we've been able to expand our outreach and our connections with the community by doing that, we had a lady start as our front desk secretary back in November of last year I think. And in talking with her, we learned her mother is involved at the local historical [indiscernible] in our town, and worked with their remote students, the ones who don't live on campus and who commute in or out.

And so, by knowing that our new staff member had a connection there, we were able to have her connect us to her mother to have a conversation about what we could provide to any of her students that she was dealing with who were having issues with their remote housing and impacting

their colleges. And that's turned into an outreach opportunity, where we come and we meet with those individuals at different outreach events, and we also now provide education materials to the college, for them to give to all of their remote students in their orientation packet.

So, it's just about starting small, identifying where you can make those connections. And then, after you do that, you also take every opportunity you're given to participate in community roundtables. We participate in a community nonprofit roundtable monthly, and we get to meet all the nonprofits in our community. That has helped. We also have some statewide initiatives through our legal service corporation that try to connect the faith-based community with our agency, and our housing counseling staff has benefited from that.

So, it's really about starting small, identifying where you can make those connections, and then taking every opportunity that you can find to make even more connections, and make sure your name is known and out there, and your face is known and out there as somebody who's willing to help people with these types of issues.

Ben Thank you very much for answering all those questions. I know that we're running a little bit past, so unfortunately, the remainder of the questions, we will follow up with you directly. We have your email addresses. We'll get you a response. But we're, unfortunately, just not able to run any longer than past our scheduled stop time.

I'd like to turn it over to—unfortunately, I'm not sure who the next presenter is to talk about what's next.

Shawna Thanks, Ben. I think a couple of these slides are self-explanatory. I know we're just a couple minutes over, but we just wanted you to make sure that you have a couple of takeaway resources here.

Obviously, you might want to explore adding rental housing counseling if you haven't. You have a lot of great resources here, and as a part of the series. Here's a link to the series. Our very next webinar is December 8th from two to three Eastern. We will be launching Communities of Practice for housing counseling agencies that do a lot of rental housing counseling. So, let us know if you're interested. And we have some resources here as well, including the Rental Housing Counseling page. We created How to Identify Tenant Right Issues, and How to Make Legal Referrals. A little

checklist for yourself. There's also a great resource from Virginia Housing on there I wanted to point to your attention. We have the link to the Joint Center, and also, the CFPB Protections for Renters, which is an amazing site that helps with all the moratoria that's out there for you to work with your clients.

And then, I also wanted to take a moment to say there was a CDBG, the Community Development Block Grant Program. There is COVID funds that were provided, and there was a webinar that was done last week, and there will be materials available in the future and a recording. But it really unpacks that resource, and also the Emergency Solutions Grant COVID funds as well, and what might be helpful to many of your tenants that you're working with. And we also have a link here to the work plan training and toolkit. We'll talk more about the agency work plan in our next webinar in this series.

I think, at this point, I am going to turn it over to Ben to close us out, and I will launch a final Mentimeter poll at the end.

Ben.

Ben

Great. Thank you very much. Well, everybody, I hope you enjoyed the presentation today and you learned some stuff. This slide that's up here right now has most of the HUD resources that you're going to want to have, if you do not already have them bookmarked. Please remember you can reach out to us at housing.counseling@hud.gov if you have any other questions. And also, if you're already a HUD-approved housing counseling agency, you can talk to your point of contact. And if you don't know who your point of contact is, that's worth an email to housing.counseling@hud.gov as well. You just ask them and they'll connect you with the right person.

Finally, I'd like to say that the webinar today had a very high attendance, and we are very thankful for that. We'll definitely look forward to the future presentations and all the responses that we hear from you, and hopefully to answer your questions.

Thank you very much, and you can disconnect now. But please take a moment to fill out the Mentimeter poll that's up the last time, and we'll use that information for future presentations as well. Thank you very much. Have a good day.

Moderator

Ladies and gentlemen, that does conclude our conference for today.

Thank you for your participation, and for using AT&T Executive

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