

THE OPPORTUNITY PROJECT

2021 PROBLEM STATEMENT

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Preventing Crisis for Low-Income Renters & Small Landlords

THE CHALLENGE – Develop innovative digital tools to prevent financial hardship and housing insecurity by raising awareness of housing assistance resources and connecting at-risk households with housing assistance.

EXECUTIVE CHAMPION – Dave Uejio, Acting Director, CFPB

THE PROBLEM – Housing insecurity, or access to affordable housing for lower income households, is not a new challenge facing our country, but it has been exacerbated by the COVID-19 pandemic. In 2020, those who fell behind at least three months on their mortgage **increased 250 percent to over 2 million households**. Collectively, these households are estimated to **owe almost \$90 billion in deferred principal, interest, taxes and insurance payments**. Similarly, **over 8 million rental households are behind in their rent**. Now, as the economy recovers from the impacts of the pandemic, eviction moratoriums established to help vulnerable renters will sunset. As these protections end, many households that faced housing insecurity prior to and during the pandemic will have increased challenges resuming rent or being able to cover back payments, potentially leading to households being displaced and/or individuals becoming homeless.

Displaced households will be impacted by other factors straining the supply of affordable housing, placing displaced households at even higher risk for homelessness or unstable housing. One of these factors is the strain of the pandemic on small landlords. Small landlords – defined as those with 10 or fewer units – account for [nearly half of all rental units](#) and represent an important source of affordable housing in many areas. Yet many are not prepared to weather significant financial hardships such as missed tenant rent payments, and therefore may instead decide to sell off their rental properties or find other tenants. These landlords may feel further discouraged to continue renting or retaining tenants in need of assistance because, in many instances, landlords and tenants must coordinate to capitalize on rental assistance programs. As time passes, landlords may face the tough decision to evict renters in order to retain their properties if assistance is not swiftly provided, despite being otherwise willing to help their tenants. The importance of identifying these renters and landlords and connecting them with aid will only grow as we face the long term economic impacts of the pandemic.

THE OPPORTUNITY – Federal, state, and local governments, nonprofits, and consumer advocates have developed programs to help both housing insecure families, and small landlords, but people are not always aware of these resources. Such programs include: [emergency rental assistance](#), access to [free legal aid](#) when consumer protections are violated, access to [housing counselors](#), and [educational materials](#) about available resources. Households in need of these resources may not have accessed them in large numbers for reasons such as:

→ Belief that the programs are too difficult or inconvenient to access or navigate,

- Actual accessibility/user experience challenges for those who do try,
- Administration of programs at the local level by organizations under-resourced to distribute funding efficiently or adequately raise awareness,
- Local variation in program rules and user experience making it very hard for federal agencies like CFPB to provide consistent help from a central source and for tenants to learn from each other across jurisdictional,
- Limited English proficiency or inability to access information in a desired language,
- Lack of broadband and lack of mobile-first resources.

Digital tools are needed to help increase utilization of these critical relief opportunities. Federal agencies can do some marketing, but renters and landlords often rely on trusted advisors to help them navigate the resources, engagement processes, or systems required to access assistance. Additionally, nonprofits seeking to provide vital support may struggle with identifying those at-risk or navigating numerous, continually evolving support programs.

VISION FOR SPRINT OUTCOMES – Digital tools use open data to identify the most vulnerable renters; identify affordable housing landlords who are considering or in need of selling rental units; increase awareness of the resources and programs for these communities; and/or help connect these renters and landlords to aid programs.

TARGET END USERS

- ↳ **Primary audience:** small landlords, at-risk renters, and nonprofits or legal organizations serving vulnerable renters and/or those at risk for homelessness
- ↳ **Secondary audiences or stakeholders:** trade associations or other entities seeking to help small landlords retain their properties, financial services providers, and state, local, and tribal governments.

RELATED DATA SETS

- ↳ [Broadband Access](#), Federal Communications Commission (FCC)
- ↳ [Housing Assistance Resources](#), Department of Housing and Urban Development (HUD)
- ↳ [Consumer Complaint Data](#), Consumer Finance Protection Bureau
- ↳ [List of Municipal, State, and Federal Rental and Mortgage Assistance Programs](#), National Low Income Housing Coalition
- ↳ [Low Income Home Energy Assistance Program](#), Department of Health & Human Services
- ↳ [COVID-19 Resources for Lenders, Services, Landlords, and Others in the Housing Industry](#), Federal Housing Finance Agency
- ↳ [Interpretive Services](#), Federal Housing Finance Agency
- ↳ Nonprofit and academic datasets ([Urban Institute Rental Survey Data](#), Princeton [Eviction Lab Data](#), etc.)
- ↳ *Pending availability, industry data to help identify landlords most likely to default on mortgages post-forbearance, and consumer use of things like eviction exceptions, renegotiated rental agreements or mortgage terms, etc during the pandemic.*

LEAD POINT OF CONTACT

- ↳ Nathaniel Weber, Tech Sprint Program Manager, Office of Innovation, CFPB