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MONTHLY CIRCULATION TO MORE THAN 5,000 APARTMENT OWNERS, PROPERTY MANAGERS, ON-SITE & MAINTENANCE PERSONNEL

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## HUD Awards \$11.4 Million To 19 Oregon Public Housing Authorities To Improve, Preserve Public Housing Across The States

U.S. Housing and Urban Development Secretary Shaun Donovan recently awarded \$11,450,323 to 18 public housing authorities in Oregon. The funds will allow these agencies to make major capital improvements to their public housing units. This funding is part of \$2.3 billion HUD awarded recently to 3,131 agencies across the U.S., the District of Columbia, Puerto Rico and the U.S. Virgin Islands. To view the full list of grantees, visit HUD's website.

"Housing authorities will add this funding to the \$4 billion from the American Recovery and Reinvestment Act of 2009 they received last year to continue addressing long-standing capital improvements that public housing

communities need," said Donovan. "This funding will also stimulate the economy and create jobs in these communities."

The funding announced recently is allocated through HUD's Capital Fund Program that provides annual funding to public housing authorities to develop, finance, and/or modernize the public housing in their communities. This funding can be used to make large-scale improvements such as new roofs and to make energy-efficient upgrades to replace old plumbing and electrical systems.

While these grants have provided important funding to housing authorities for the past 75 years, HUD is proposing in its 2011 budget a new initiative - Preservation, Enhancement and Transforming

Rental Assistance (PETRA) - that, will offer housing authorities options to enable them to leverage public and private financing to address capital needs and make public housing units affordable for the long term. HUD estimates that unfunded capital needs of the nation's 1.2 million public housing units range from \$20 to \$30 billion.

PETRA would enable federal housing programs to leverage \$7 billion in other capital in the first year - and as much as \$25 billion in the years to come - giving owners of affordable housing access to the resources they need to preserve this housing into the future. In its 2011 budget proposal before Congress,

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## Hud Announces New Civil Rights Protections

By Jo Becker, Education/Outreach Specialist, Fair Housing Council of Oregon

In June 2010, the Dept. of Housing and Urban Development (HUD) announced two new civil rights requirements that will be placed on recipients of HUD grant funds in the 2010 grant cycle. The Dept. first declared that programs that receive HUD funds must comply with state and local laws that prohibit discrimination against lesbian / gay / bisexual / transgendered (LGBT) individuals ; a week later HUD added that such programs must also comply with local anti-discrimination laws that protect legal sources of income .

Traditionally, HUD has required recipients to comply with all applicable federal fair housing and civil rights requirements including those in the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act. Now HUD further stipulates that all who receive HUD funds must also comply with any state or local laws that proscribe housing discrimination based on LGBT or legal sources of income.

In Oregon, sexual orientation, including gender identity, has been protected statewide since January 2008. In addition, Oregon passed legislation protecting legal sources of income from discrimination in housing many years ago.

Washington state, too, has already protected sexual orientation and gender identity for quite some time. While legislation has been put before the state to protect source of income in the past, such efforts have failed. With the absence of such protection, HUD's announcements should have little effect on in Washington either (note that some Washington jurisdictions have added Section 8 voucher recipients as protected classes, however, to date this does not effect our service area of Vancouver, Clark County).

These announcements signal an increased risk to an individual or organization charged with a discrimination complaint in one of these two areas. Recipients of HUD funds found to have illegally discriminated against either of these protected classes may

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## Trend Watch: Current Applicant Credit Profiles

By Mike Lapsley, President and CEO, RentGrow, Inc.

With almost all property management companies reviewing credit as part of their screening process, resident screening providers get a first-hand look at important credit trends affecting our industry. Through ongoing analysis of applicant profiles and property performance our team has uncovered some interesting credit trends in the

current renter applicant pool. Your understanding of these trends will allow you to consider how your property management company can best maneuver in current market conditions.

### Bankruptcies on the Rise

The trend is clear: bankruptcies are on the rise while foreclosures

remain flat. Since the collapse of the housing market, the nation, and property management companies in particular, have been keenly focused on the growing number of foreclosures in the US. Interestingly, the foreclosure rate observed on apartment applicant credit reports remains relatively unchanged since 2009, while the number of renter applications with recent bankruptcies on their credit reports has increased by 9%, compared to this time a year ago.

Have you reviewed the way you evaluate applicants with bankruptcies on their credit report? Work with your screening provider to understand how these applicants are performing, and whether you think you need to make a change to your screening criteria.

### More Applicants with Thin Credit Files

In the past few years, credit has become harder to obtain for consumers, and now properties are

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## HUD Awards \$11.4 Million *...continued from front page*

HUD is requesting \$350 million to fund the first phase of the PETRA initiative, which will preserve 300,000 units of public and assisted housing; streamline and increase program administrative efficiency; and enhance housing choice for residents.

HUD Assistant Secretary Sandra Henriquez said, "This funding is a great resource for housing authorities, but we believe this new approach will give housing authorities a better way to address their capital needs over the long haul."

The Oregon housing authorities awarded grants recently are:

- Oregon Central Oregon Regional Housing Authority Redmond - \$81,630.00
- Coos-Curry Housing Authority North Bend - \$100,074.00
- Housing And Urban Renewal Agency of Polk County Dallas - \$606,958.00
- Housing Authority & Comm Svcs of Lane Co Eugene \$1,256,208.00
- Housing Authority of Clackamas County Oregon City - \$1,183,320.00
- Housing Authority of

- Douglas County Roseburg - \$242,539.00
- Housing Authority of Jackson County Medford - \$218,883.00
- Housing Authority of Lincoln County Newport - \$201,934.00
- Housing Authority of Malheur County Ontario \$77,257.00
- Housing Authority of Portland Portland - \$5,132,893.00
- Housing Authority of the City of Salem Salem - \$767,777.00
- Housing Authority of the County of Umatilla Hermiston - \$177,628.00
- Housing Authority of Washington County Hillsboro - \$678,979.00
- Housing Authority of Yamhill County McMinnville - \$119,869.00
- Klamath Housing Authority Klamath Falls - \$109,645.00
- Marion County Housing Authority Salem - \$77,902.00
- North Bend Housing Authority North Bend - \$171,547.00
- Northeast Oregon Housing Authority La Grande - \$245,280.00

*Oregon Total \$11,450,323.00*

HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development ad enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov).



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## Trend Watch: *...continued from front page*

receiving more rental applications from prospects with thin credit files. In Q1 2010, over 32% of apartment applicants had thin or no credit history - almost 1/3 of the renter applicant population!

Based on historical data, applicants with thin credit files could be considered high risk. In terms of lease performance, these applicants perform similarly to applicants with moderate credit risk profiles. If you haven't already, you may want to make sure you are adequately gauging and managing the risk associated with applicants in this category. Work with your screening company to understand how these applicants are performing, and whether you think you need to make an adjustment, such as modifying deposit levels or conditional acceptance policies.

### Applicants with Medical Debt

Property management companies are processing more applicants with unpaid medical debt than ever before. Many people are stretched financially and often defer medical payments due to higher priority living expenses, such as housing and transportation. Rental applicants with recent medical debt are up 5% from last year, impacting almost 37% of applicants nationally. Since most property management

companies overlook medical debts in their screening criteria, this trend tends to have a lesser impact on a property's applicant quality and acceptance rate. Ensure that your management company doesn't miss out on this enormous group of, in many cases, otherwise qualified applicants by taking advantage of medical debt filters in your screening process. Consult your screening company to determine if you currently score medical debts and whether it's advantageous to make this adjustment.

### Conclusion

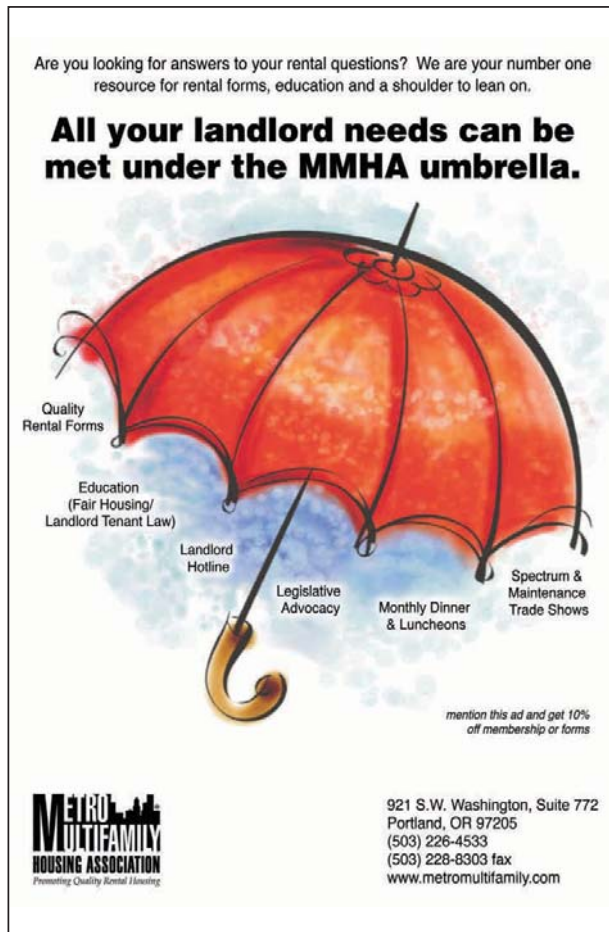
By understanding these credit trends, you can better evaluate the renter applicant pool and adjust screening criteria to increase occupancy. Although the trends outlined above may not be visibly impacting your business at the moment, they may in the near future. As always, RentGrow will continue to monitor these and other trends to educate ourselves, our clients and the industry.

*Mike Lapsley is president and CEO of RentGrow, Inc., the resident screening experts ([www.rentgrow.com](http://www.rentgrow.com)). He can be reached at [lapsley@rentgrow.com](mailto:lapsley@rentgrow.com).*



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