Helping HUD-assisted Residents Make the American Rescue Plan Work for Them

Economic Impact Payments, Resources, Scams and What it Means for HUD-assisted Families
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Engaging HUD-Assisted Residents in Financial Empowerment

Your Presenters:

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Norfolk Redevelopment and Housing Authority
The mission of the Office of Housing Counseling is to help families to obtain, sustain and retain their homes. We will accomplish this mission through a strong network of HUD-approved housing counseling agencies and counselors.”

- Network of approximately 1,640 housing counseling agencies.
- HUD monitors compliance, conflicts of interest, and the quality of housing counseling.
- HUD connects clients with participating housing counseling agencies through our website.
- HUD provides grant funding for qualified applicants.
What is Housing Counseling?

Housing Counselors provide independent, expert advice customized to the needs of the consumer to address the consumer’s housing barriers & to help achieve their housing goals.

Counseling must include the following elements:

- Intake
- Client Budget
- Financial & Housing Affordability Analysis
- Client Action Plan
- Follow-up with Client
HUD National Housing Counseling Activity FY 2020

- Total Counseling Activity: 957,588 consumers

- Group Education: 38%
- Homeless: 7%
- Rental: 4%
- Pre-purchase: 30%
- Post-purchase: 10%
- Reverse Mortgage: 10%
- Mortgage Delinquency: 1%
# National Impact of One-on-One Activity

**FY 2018 through FY 2020**

<table>
<thead>
<tr>
<th>1,080,494 Clients</th>
<th>Worked with a housing counselor to develop a sustainable household budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>918,449 Clients</td>
<td>Received fair housing information</td>
</tr>
<tr>
<td>470,467 Clients</td>
<td>Improved their financial capacity</td>
</tr>
<tr>
<td>463,682 Clients</td>
<td>Gained access to resources to help improve housing situation</td>
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</table>
Find a HUD-Approved Counseling Agency

By Phone
Contact counseling agencies by HUD’s interactive voice system by calling (800) 569-4287 to search by zip code

Online
www.hud.gov/findacounselor
THE AMERICAN RESCUE PLAN ACT

3rd Economic Impact Payment and expansion of the Child Tax Credit
3rd Economic Impact Payment
3\textsuperscript{rd} Economic Impact Payment

• Approximately 159 million payments have been disbursed so far, since these payments began rolling out to Americans in batches on March 12

• Ongoing payments will be sent to eligible individuals for whom the IRS previously did not have information to issue a payment but who recently filed a tax return

The third Economic Impact Payment amount is:

- $1,400 for an eligible individual with a valid Social Security number
  - ($2,800 for married couples filing a joint return if both spouses have a valid Social Security number or if one spouse has a valid Social Security number and one spouse was an active member of the U.S. Armed Forces at any time during the taxable year)
- $1,400 for each qualifying dependent with a valid Social Security number or Adoption Taxpayer Identification Number issued by the IRS

3rd Economic Impact Payment - Eligibility

Generally, someone is eligible for the full amount if they:

- are a U.S. citizen or U.S. resident alien (and their spouse if filing a joint return)
- are not a dependent of another taxpayer
- their adjusted gross income (AGI) is not more than:
  - $150,000 if married and filing a joint return or if filing as a qualifying widow or widower
  - $112,500 if filing as head of household or
  - $75,000 for eligible individuals using any other filing status

Payments will be phased out – or reduced -- above those AGI amounts. This means people will not receive a payment if their AGI is at least:

- $160,000 if married and filing a joint return or if filing as a qualifying widow or widower
- $120,000 if filing as head of household
- $80,000 for eligible individuals using any other filing status

3rd Economic Impact Payment – Eligibility (cont.)

Qualifying dependents expanded

• Unlike the first two payments, the third payment is not restricted to children under 17. Eligible individuals will get a payment based on all of their qualifying dependents claimed on their return, including older relatives like college students, adults with disabilities, parents and grandparents.
Household Pulse Survey Shows Stimulus Payments Have Eased Financial Hardship

• By late summer, 76.5 million adults reported that it was somewhat or very difficult to pay their usual expenses. That number rose to 89.7 million adults in December.

• Roughly 30% of adults reported using credit cards, taking out loans or borrowing from family and friends between June and December to pay for usual expenses such as food, housing and gas.

• In December 2020, 43.7 million adults were using debt but not income to pay their expenses.

U.S. Census Household Pulse Survey

• Only 15.7% of stimulus recipients reported using their first stimulus check to reduce debt but about half of all recipient adults used their second one to do that.

• About 60% of adults in households that experienced a loss in employment income during the pandemic used their second stimulus check to pay down debt.

Adults in Households That Struggled to Pay Expenses in the Past Week

In millions

<table>
<thead>
<tr>
<th>Date</th>
<th>Number (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late AUG 2020</td>
<td>76.5</td>
</tr>
<tr>
<td>Early SEP</td>
<td>76.5</td>
</tr>
<tr>
<td>Late SEP</td>
<td>76.5</td>
</tr>
<tr>
<td>Early OCT</td>
<td>79.5</td>
</tr>
<tr>
<td>Late OCT</td>
<td>79.5</td>
</tr>
<tr>
<td>Early NOV</td>
<td>82.5</td>
</tr>
<tr>
<td>Late NOV</td>
<td>82.5</td>
</tr>
<tr>
<td>Early DEC</td>
<td>89.8</td>
</tr>
<tr>
<td>Late DEC</td>
<td>89.8</td>
</tr>
<tr>
<td>Early JAN 2021</td>
<td>80.5</td>
</tr>
</tbody>
</table>

SOURCE: Question 19a “In the last 7 days, how difficult has it been for your household to pay for usual household expenses, including but not limited to food, rent or mortgage, car payments, medical expenses, student loans, and so on?” U.S. Census Bureau, Household Pulse Survey, (Weeks 13-22).
CHILD TAX CREDIT EXPANSION
2021 CHILD TAX CREDIT EXPANSION

1. The amount has increased from $2,000 to $3,600 for each child under age 6, and $3,000 for each child under age 18.

2. The credit’s scope has been expanded to children 17 years old and younger, as opposed to 16 years old and younger.

3. Credit amounts will be made through advance payments during 2021. $300 a month for children under 6, and $250 a month for children over 6.

4. The credit is now fully refundable.

5. The credit is now extended to Puerto Rico and the U.S. Territories.

2021 CHILD TAX CREDIT EXPANSION (CONT.)

• Income eligibility
  • Individuals making $75,000
  • Single parents filing as heads of households making up to $112,500
  • Married couples filing jointly making up to $150,000

2021 CHILD TAX CREDIT EXPANSION (CONT.)

• An online portal will be launched for individuals to update if there is a change in circumstance, such as a birth of a child in 2021
  • Anticipated launch date: July 1, 2021

• Non-filers will need to file a 2020 tax return to get the credit, even if they don't usually submit tax returns. This will let the IRS know who is eligible.
  • Deadline to file 2020 tax return: May 17, 2021
Other Resources

• U.S. Treasury American Rescue Plan Fact Sheet
• IRS Coronavirus Tax Relief
• 2020 Recovery Rebate Credit and Economic Impact Payments: Partner and Promotional Materials
• Housing Counseling Webinar Archives - HUD Exchange
• COVID-19 Response Funding Chart
Office of Housing Counseling

• Find us at: www.hudexchange.info/counseling

• Email us at: Housing.counseling@hud.gov
The Financial Empowerment Center of Prince William County was initially sponsored by the SunTrust Foundation and still partners with United Way, Virginia Career works, SkillSource Group and Virginia Cooperative Extension of Prince William County.
Financial Empowerment

Providing people with the knowledge, training, skills and tools to overcome their adversities and empowering them to create their own solutions.
Why Empower People?

- People who feel empowered in their financial lives experience more joy, peace, satisfaction, and pride concerning their finances.

- The impact that financial empowerment had on a person’s emotional well-being remained significant even when we controlled for age, income, education, and gender.

https://www.morningstar.com/insights/2020/02/13/financial-empowerment
People who feel empowered had mostly positive experiences with their finances, even in the lowest income ranges.

“A sense of personal power—not money itself—may be the key to emotional well-being in our financial lives.”
Financial Empowerment Center Services

- Research-based Financial Education programs
- Individualized Financial Coaching
- HUD-Certified Housing Counseling
- Community Outreach
Financial Empowerment Series

4 Part Series
• Spending Plans
• Borrowing and Managing Debt
• Understand Credit, Reports and Scores
• Protection from Online Fraud, Scams, and Identity Theft
Setting Up For Success

• Clarify values
• Set goals
• Organize
• Decide
• Implement
• Control
• Evaluate
• Monitor, review, revise
Spending Plans

• Not a budget
• Work on mindset
• Values and goals
• Review previous months spending
• Set plan for next month
• Review, revise
Borrowing and Managing Debt

• Understanding
  o Loans
  o Debt
  o Fees and interest

• Managing Debt
  o Making payments
  o Dealing with Delinquency v Default
Credit: Understanding Reports & Scores

- What is credit?
- Why is it important?
- What is on a report?
- What’s in a score?
- How to request and manage your report and score
Fraud, Scams and more online

• Protection online
• New FinTech
  o Navigating the new industry
  o Protecting yourself
• What to do if your information has been compromised
Financial Counseling

Follow HUD guidelines and National Industry Standards

- Budget Analysis
- Complimentary Credit reports
- Debt analysis
- Goal Setting
- Action Plan

Follow up 30, 60 and 90 days

Short or Long Term Counseling
Additional Housing Education

- Protect Your Home
- Ready to Rent
- Ready to Buy
- Understanding Financing
- Avoid Foreclosure or Eviction
Other Counseling Services

- **Rental Education**
  - Affordability
  - Avoiding eviction
  - Getting security deposits back

- **Pre and Post Purchase**
  - Partner with PWC and Virginia Housing
  - Determine eligibility for programs
  - Affordability

- **Foreclosure Avoidance**
  - Forbearance options to remain in home
  - Legal process to relinquish home

- **Reverse Mortgage**
  - HUD requirement
  - Application assistance
Financial Empowerment Series

Summary

1. Encourage spending and savings plans
2. Manage debt properly
3. Maintain and monitor your credit report and score
4. Protect yourself online
Financial empowerment is about setting oneself on a path to financial wellness.

It’s a feeling of readiness for life’s unplanned events and being resourceful enough to bear the fiscal challenges of life.
VCE offers classes that focus on improving your financial health. Check out our calendar of classes and register at www.ext.vt.edu/calendar or www.pwcgov.org/money.

Housing Counseling Pre or Post purchase contact us at housingcounseling@pwcgov.org.

Financial Counseling or Coaching one-on-one by appointment call 703-792-6287 or email to smartmoney@pwcgov.org.

Follow us on Twitter
  – @FinEdPWC_VCE

Facebook
  – www.facebook.com/VCEPWFInEd

Sign up for our newsletter, here.
Financial Education Workshops
Thursday, November 12 – Thursday, December 10

Norfolk Redevelopment and Housing Authority’s Client Services is partnering with the Federal Deposit Insurance Corporation and Calvert Square Envision Center to bring financial virtual training sessions to our youth and adult residents. In addition to walking away from each session with great information, you'll get prizes. Plus, residents attending all trainings will receive a free tablet. You don’t want to miss this!

Your Money Values and Influencers
Thursday, November 12, 6 pm
Learn about how your values and other things that influence you, consciously or not, affect your spending.

You Can Bank on It
Monday, November 16, 6 pm
Learn about different banking institutions, how to open an account of your own and how to protect the money in your account.

Your Spending and Savings Plan
Thursday, November 19, 6 pm
Create your own plans on spending money and on saving money for your future.

Paying for College and Cars
Monday, November 23, 6 pm
Gain information on where to get money for college and how to buy a used car.

Pay Yourself First
Monday, November 30, 6 pm
Learn the tried and true way of becoming an investor and ultimately a millionaire.

Borrowing Basics
Thursday, December 3, 6 pm
Learn when you should borrow and when you should not.

Credit Repair and Scores
Thursday, December 10, 6 pm
Learn how easy and important it is to have and maintain outstanding credit.
Attendance

NRHA Current Programs

• Family Self-Sufficiency Program
• Out of School Youth Program
• ROSS Workforce Development Program

Resident Advisory Councils
ConnectHomeUSA is an unfunded public-private partnership led by the national nonprofit, EveryoneOn in collaboration with the Department of Housing and Urban Development. The initiative began in 2015 with 27 cities and one tribal nation raising their hand to close the homework gap in their public housing communities.

- Affordable High Speed Internet to connect low-income families at home
- Low-cost computing devices - such as laptops, tablets, or desktop computers – to enable households to use their high speed Internet connections
- Digital literacy trainings to ensure that families can make the most of their devices by safely and effectively accessing the Internet
MISSION: EnVision Centers are centralized hubs that provide people with resources and support needed to excel.
27 Residents Attended
• 70% attended five or more workshops
• 37% attended all seven workshops
• Increased Program Enrollment
  • 4 referred to HomeNet
  • 5 residents enrolled in FSS Program
  • 9 residents enrolled in ROSS for employment
For More Information Contact our Presenters

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Thank you!

All materials will be posted on the [HUD Strong Families](#) website when available.