Needs Analysis

This Needs Analysis prepared for Oregon Housing and Community Services outlines Oregon's homeowners and the current mortgage landscape to inform the Homeowner Assistance Fund (HAF) program. The needs analysis provides a statewide overview of current data relating to homeowner demographics, the mortgage landscape in Oregon, and housing cost burden for homeowners. The data present only tells a small part of the story of homeowners in Oregon and their needs as it relates to financial assistance and hardship due to the pandemic. While this data will be analyzed at the state level, the HAF program must be designed to reflect regional variation and aim to meet the unique needs of different geographies.

The data used to inform our needs analysis comes from the American Community Survey (ACS) 2015-2019 data, Corelogic Market Trends Data, the CHAS 2013-2017, Atlanta Fed, and other research reports done during the pandemic. The data can be disaggregated by county, race, income, and cost burden with one exception; Oregon mortgage data is not able to be disaggregated by race, income, or other factors of socially disadvantaged groups. OHCS disaggregates data based on race, ethnicity, gender, geography, education, and other factors when necessary, in order to demonstrate the needs of those groups that have been traditionally excluded from homeownership opportunities and wealth generation, particularly communities of color, LGTBQIA persons, and women. While this level of detail is not always available, it demonstrates that there is always a large gap in the data used to make decisions and additional, more inclusive methods of data collection, specifically qualitative data collection, should be incorporated into any further analysis.

Mortgage Landscape - Delinquencies, Forbearance and Foreclosure in Oregon
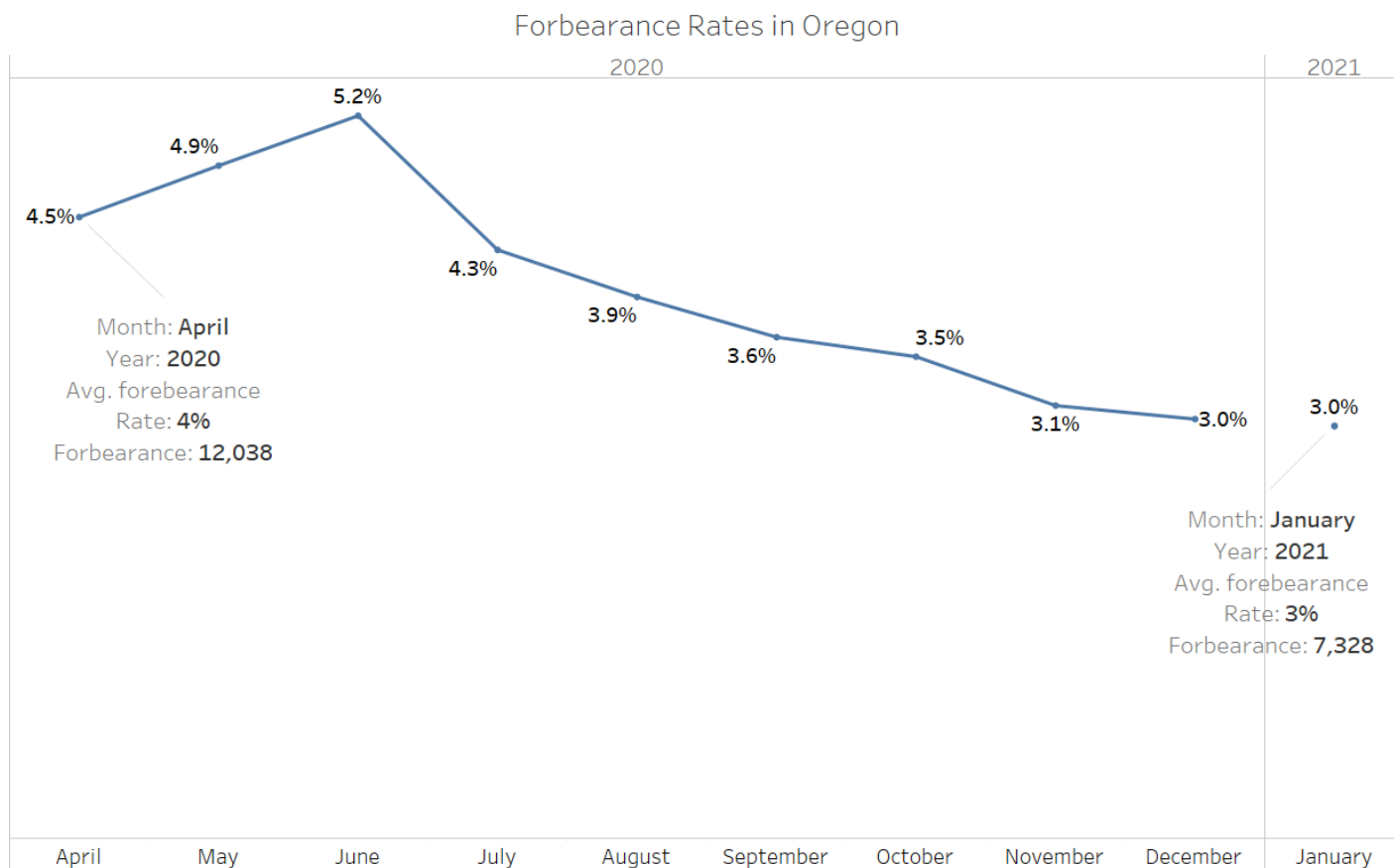
Delinquencies

Oregon has seen a rise in the rate of mortgage delinquencies, which rose from 0.84% to 2.65% over the course of the pandemic. This increase of 3,442 delinquencies represents a growth rate of 430% (Figure 1). The rate of delinquencies varies from county to county, but all counties saw an increase during the pandemic. While all counties saw an increase in mortgage delinquency, some counties experienced delinquencies at a higher rate than the state average: Multnomah, Lincoln, Yamhill, Umatilla, Sherman, Malheur, Lake, Klamath, Josephine, Columbia, Douglas, and Jackson. These counties cover urban, rural, coastal, Eastern, Southern, and Central Oregon, which show that homeowners across the state are struggling to pay their mortgage. The delinquency data clearly indicates the need for state-wide mortgage reinstatement.

90+ Day Delniquency Rate over Time

Year / Month
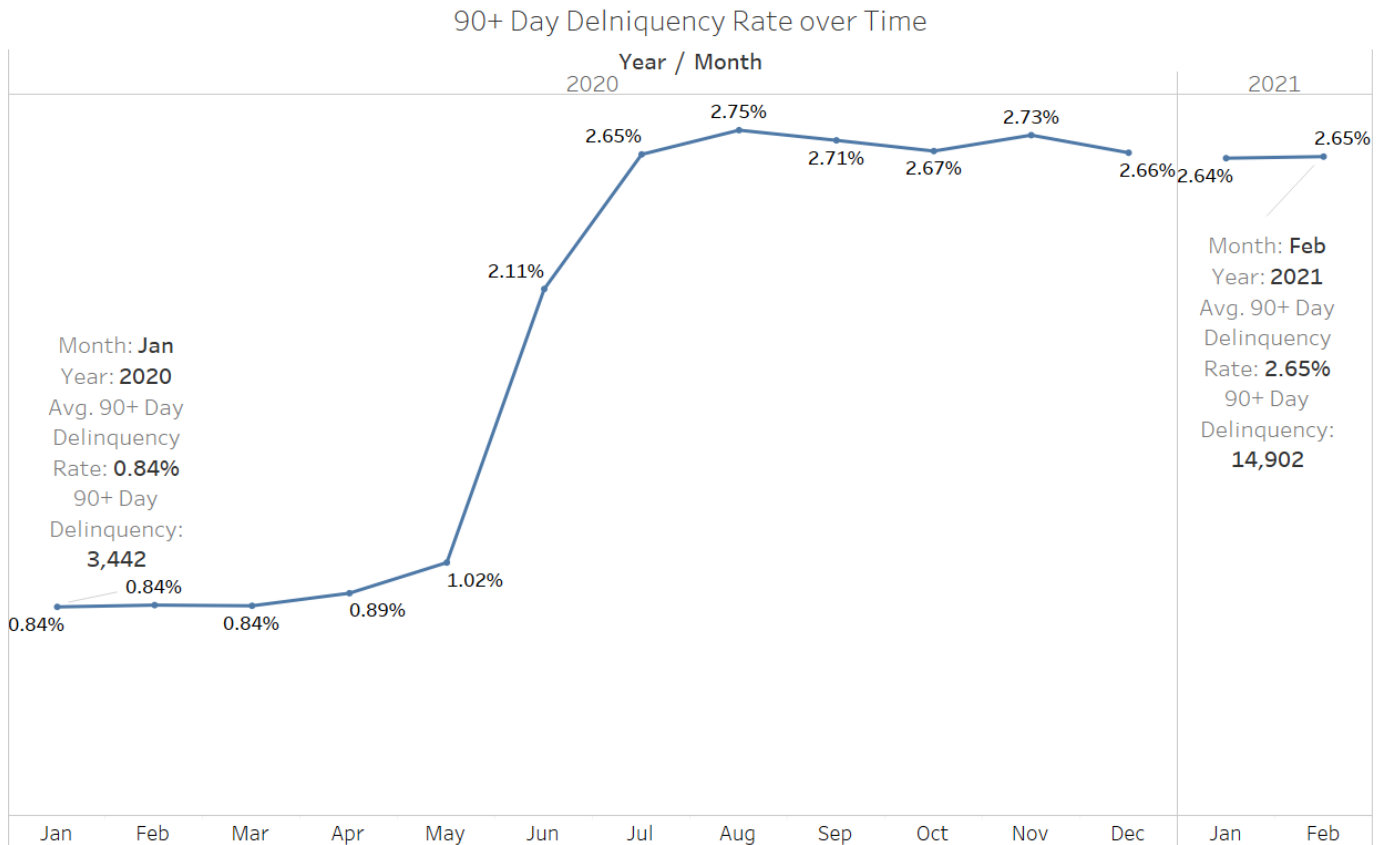
Figure 1. Average Rate of 90+ Day Delinquencies in Oregon from January 2020 – February 2021. Data shows the proportion of mortgages that have been delinquent for more than 90 days at the specific point in time at the state level. Mortgages that are delinquent carry over month to month. Data comes from Corelogic Market Trends dataset.
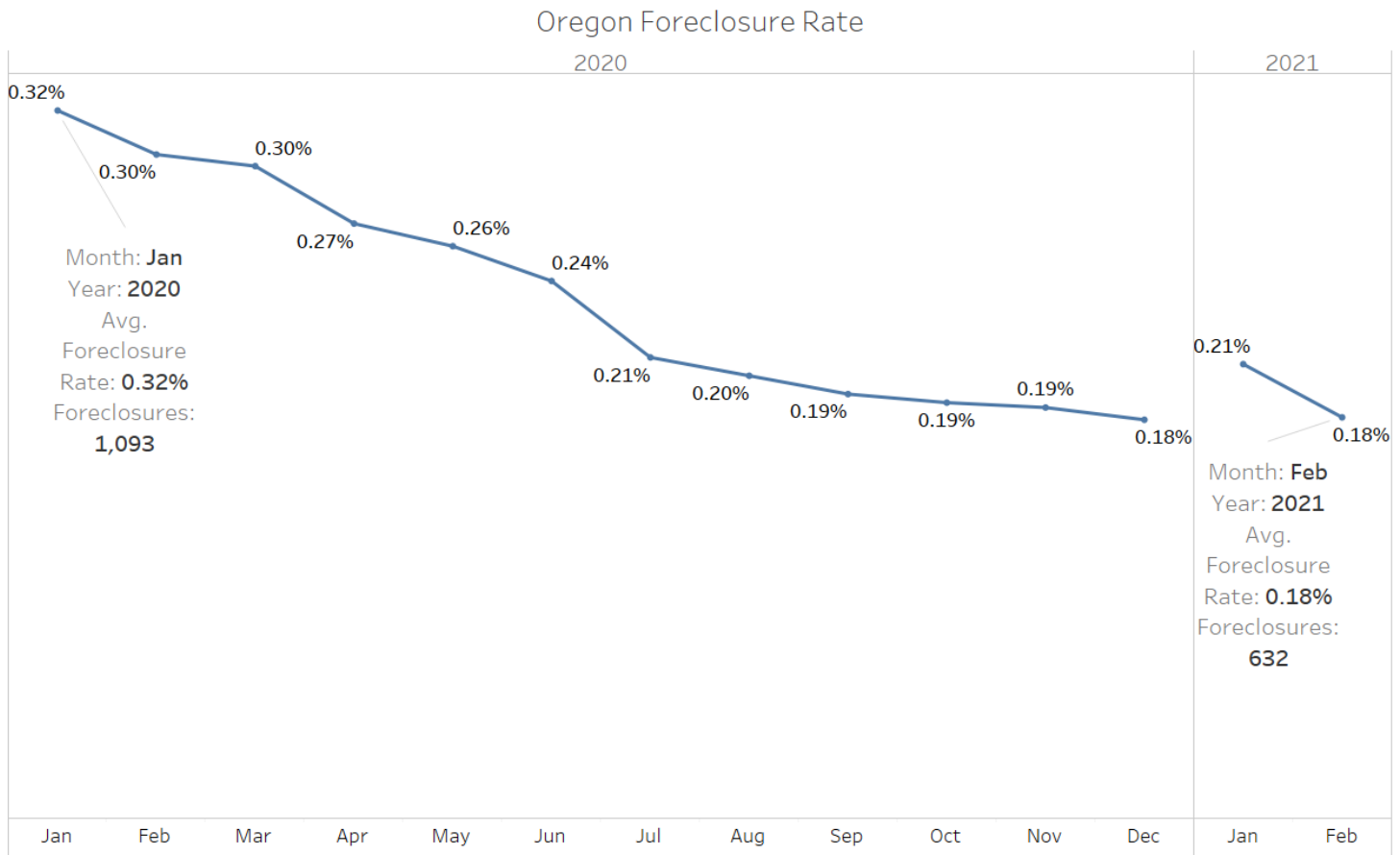
Forbearance

Many homeowners have entered forbearance plans or other loss mitigation strategies during the pandemic. Forbearance allows homeowners who are struggling to make mortgage payments a way to lower or defer payments while interest continues to accrue. While the rate of delinquencies increased during the pandemic, the average rate of forbearance peaked in June and has been on the decline (Figure 2). However, this is likely due to many mortgages exiting forbearance with payment plans, mortgages being brought current, or getting paid off (JCHS, 2021). Nationally, 2.4 million mortgages are in forbearance without payment, so we can infer that this may this case for mortgages in forbearance in Oregon (JCHS, 2021).

Forbearance Rates in Oregon

2020 | 2021

5.2%
4.9%
4.5%
4.3%
3.9%
3.6%
3.5%
3.1%
3.0%
3.0%

Month: **April**
Year: **2020**
Avg. forebearance
Rate: **4%**
Forbearance: **12,038**

Month: **January**
Year: **2021**
Avg. forebearance
Rate: **3%**
Forbearance: **7,328**

April May June July August September October November December January

Figure 2. Average Forbearance Rates in Oregon. Data shows the proportion of mortgages that are in forbearance during the pandemic at the state level. Data spans from April 2020 – Jan 2021. Data comes from the Atlanta Federal Reserve.

Foreclosures

Foreclosure is the final step in the process of losing one's home. During this step, the bank forces a sale of the home, judicially or non-judicially through a trustee's sale, to recoup the mortgage debt. The rate of foreclosures in Oregon has declined during the pandemic (Figure 3). This is likely due to the Federal Moratorium as well as Oregon's extension of its statewide foreclosure moratorium into September 2021. While the moratoriums have slowed the rate of foreclosures, there are still over 600 homeowners currently in the process (Figure 3) and once the moratoriums end, Oregon will likely experience an increase in the number of foreclosures. Due to the extension of Oregon's foreclosure moratorium to September 2021, Oregon's HAF program has the opportunity to provide aide before most homeowners reach foreclosure.

Oregon Foreclosure Rate

2020

0.32%
0.30%
0.30%
0.27%
0.26%
0.24%
0.21%
0.20%
0.19%
0.19%
0.19%
0.19%
0.18%

Month: **Jan**
Year: **2020**
Avg.
Foreclosure
Rate: **0.32%**
Foreclosures:
1,093

2021

0.21%
0.18%

Month: **Feb**
Year: **2021**
Avg.
Foreclosure
Rate: **0.18%**
Foreclosures:
632

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb

Figure 3. Average Foreclosure Rates during the Pandemic. Data shows the proportion of mortgages that have entered foreclosure over the pandemic at the state level. Data spans from January 2020- February 2021. Data comes from the Corelogic Market Trends dataset.

Demographics of Oregon Homeowners

Recently, Oregon completed a regional housing need analysis and discovered a lack of affordable and available housing as well as stark inequities in housing accessibility. There is not a large enough supply of low-income housing to meet the needs of its residents, which further highlights the need for programs focused on housing stability during the pandemic. The study shows that Non-Asian people of color are less likely to own homes in Oregon; only 59% American Indians or Alaska Natives, 39% of Black or African Americans, 29% of Pacific Islanders, 53% of other races are homeowners compared to the average homeownership rate of 66% for Asians and compared to the rate of 67% for white Oregonians (OHCS, 2021). Due to these large disparities in rates of homeownership, it is crucial that the HAF program serve Oregon's communities of color.

Table 1. Demographics of Oregon Homeowners. Data represents the proportion of homeowners who identify as a specific race. Data is at the state level. "Alone" indicates respondent selected "non-Hispanic" as their ethnicity. The data come from the American Community Survey 5-year estimates 2015-2019 table B25003A-I.

| Race		
American Indian or Alaska Native Alone	7,467	0.73%
Asian Alone	36,409	3.55%
Black or African American Alone	9,161	0.89%
Hispanic or Latino	59,229	5.78%
Native Hawaiian and Other Pacific Islander Alone	1,536	0.15%
Some Other Race Alone	14,010	1.37%
Two or More Races	25,078	2.45%
White Alone, Not Hispanic or Latino	871,303	85.07%

As the table above shows, 85% of homeowners in Oregon identify as White non-Hispanic. However, communities of color are more likely to have experienced hardship due to the pandemic (JHCS, 2021). HAF will aim to prioritize homeowners who are most in need, as opposed to those most traditionally represented in the data.

Geographic Distribution of Homeowners.

Table 2. Homeowner Demographics by County. Data represents the proportion of homeowners within a racial group that reside in a specific county ex: 0.98% of all Asian homeowners live in the Central Oregon region. "Alone" indicates respondent selected "non-Hispanic" as their ethnicity. The data come from the American Community Survey 5-year estimates 2015-2019 table B25003A-I.

% of Total Estimate 0.00%   82.41%

Region	American Indian or Alaska Native Alone	Asian Alone	Black or African American Alone	Hispanic or Latino	Native Hawaiian and Other Pacific Islander Alone	Some Other Race Alone	Two or More Races	White Alone, Not Hispanic or Latino
Central Oregon	11.32%	0.98%	0.86%	4.15%	3.32%	4.35%	4.81%	6.58%
East-Central	5.45%	0.40%	0.38%	6.12%	0.39%	5.18%	2.21%	1.96%
Eastern Oregon	0.96%	0.34%	0.08%	2.31%	0.00%	0.86%	1.10%	1.02%
Metro	30.45%	82.41%	79.77%	39.84%	55.01%	41.69%	42.96%	40.37%
Mid-Willamette Valley	10.81%	4.33%	5.55%	21.24%	19.27%	25.12%	11.30%	11.40%
North Coast	1.66%	0.71%	0.88%	1.45%	1.82%	0.96%	3.37%	3.44%
North-Central	2.57%	0.35%	0.33%	2.05%	0.72%	2.01%	0.85%	1.26%
Northeast	1.22%	0.13%	0.43%	0.64%	0.85%	0.58%	0.67%	1.53%
South Coast	9.25%	1.19%	1.22%	2.83%	2.41%	1.25%	7.57%	5.93%
South Willamette Valley	13.82%	7.04%	8.23%	8.91%	9.51%	12.28%	16.53%	16.18%
South-Central	5.57%	0.44%	0.34%	2.16%	0.52%	1.70%	2.09%	2.05%
Southern Oregon	6.91%	1.68%	1.93%	8.31%	6.18%	4.03%	6.55%	8.27%
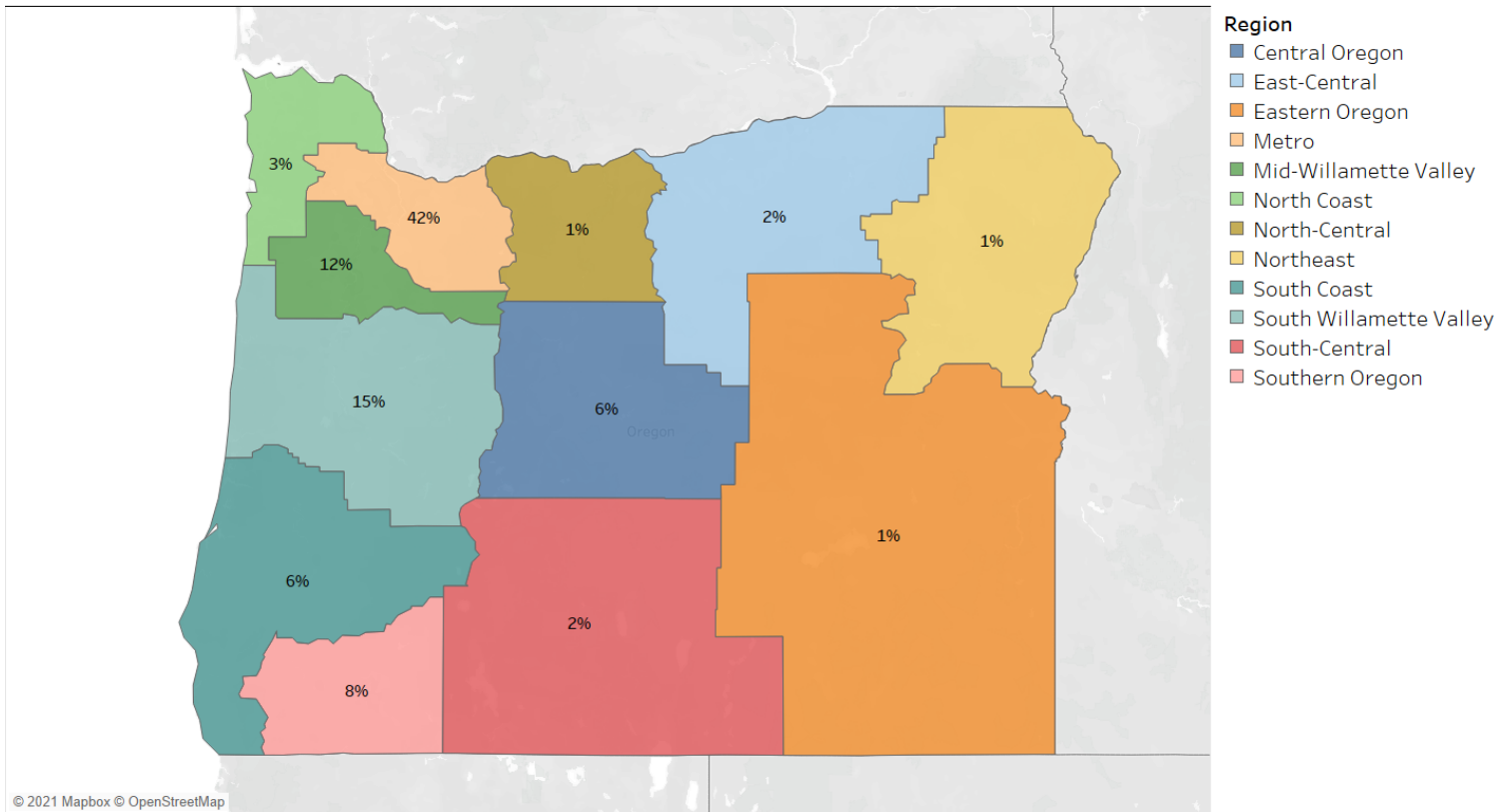
Figure 4. Map of the Distribution of Homeowners across Oregon Regions. This map represents the proportion of total homeowners that live in a specific region ex: 2% of all homeowners live in the South-Central region. The data come from the American Community Survey 5-year estimates 2015-2019 table B25003A-I.

This section describes the distribution of homeowners of different racial backgrounds across the state. The state is divided into 12 regions: Metro, North Coast, Mid-Willamette Valley, South Willamette Valley, South Coast, Southern Oregon, North Central Oregon, Central Oregon, South Central Oregon, East Central, Northeast, and Eastern Oregon. The following highlights the proportion of homeowners of a given racial group that live within the region.

The Portland Metro region (Multnomah, Clackamas, and Washington counties) represents 42% of the homeowner population (Figure 4). It has the highest density of non-White homeowners: ~ 30% of all American Indian or Alaska Native homeowners, ~ 82% of all Asian homeowners, ~80% of all Black or African American homeowners, ~ 40% of all Latino/a/x homeowners, 55% of all Pacific Islander homeowners, ~ 42% of all homeowners who identified as a race other than those listed, and ~ 43% of all homeowners belonging to more than one racial group live in this region (Table 2).

The North Coast region (Clatsop, Columbia, and Tillamook counties) is a rural region that represents 3% of the homeowner population (Figure 4). It has a some of the smallest populations of non-White homeowners: 1.66% of all American Indian or Alaska Native homeowners, 0.71% of all Asian homeowners, 0.88% of all Black or African American homeowners, 1.45% of all Latino/a/x homeowners, 1.82% of all Pacific Islander homeowners, 0.96% of all homeowners who identified as a race other than those listed, and 3.37% of all homeowners belonging to more than one racial group live in this region (Table 2).

The Mid-Willamette Valley region (Marion, Yamhill, and Polk counties) represents 12% of the homeowner population (Figure 4). This region has the second largest population of non-White homeowners: 10.81% of all American Indian or Alaska Native homeowners, 4.33% of all Asian homeowners, 5.55% of all Black or African American homeowners, 21.24% of all Latino/a/x homeowners, 19.27% of all Pacific Islander homeowners, 25.12% of all homeowners who identified as a race other than those listed, and 11.30% of all homeowners belonging to more than one racial group live in the area (Table 2).

The South Willamette Valley region (Lincoln, Benton, Linn, and Lane counties) represents 15% of the homeowner population (Figure 4). This is another county with a large population of non-White homeowners: 13.82% of all American Indian or Alaska Native Homeowners, 7.04% of all Asian homeowners, 8.23% of all Black or African American homeowners, 8.91% of all Latino/a/x homeowners, 9.51% of all Pacific Islander homeowners, 12.28% of all homeowners who identified as a race other than those listed, and 16.53% of all homeowners belonging to more than one racial group live in this region (Table 2).

The South Coast region (Douglas, Coos, and Curry counties) represents 6% of the homeowner population (Figure 4). The region is considered rural and has a smaller population of non-White homeowners with American Indian or Alaska Natives as the largest: 9.25% of all American Indian or Alaska Native homeowners, 1.19% of all Asian Homeowners, 1.22% of all Black or African American homeowners, 2.83% of all Latino/a/x homeowners, 2.41% of all Pacific Islander homeowners, 1.25% of all homeowners who identified as a race other than those listed, and 7.57% of all homeowners belonging to more than one racial group live in this region (Table 2).

The Southern Oregon region (Jackson and Josephine counties) represents 8% of the homeowner population (Figure 4). This region contains a smaller population of non-White homeowner with American Indian or Alaska Native, Latino/a/x and Pacific Islander homeowners being the largest non-White groups: 6.91% of all American Indian or Alaska Native homeowners, 1.68% of all Asian Homeowners, 1.93% of all Black or African American homeowners, 8.31% of all Latino/a/x homeowners, 6.18% of all Pacific Islander homeowners, 4.03% of all homeowners who identified as a race other than those listed, and 6.55% of all homeowners belonging to more than one racial group live in this region (Table 2).

The North-Central Region (Hood River, Wasco, and Sherman counties) is a rural region along the Columbia River. This region represents 1% of the homeowner population (Figure 4). It has small populations of non-White homeowners with Native American or Alaska Native being the largest non-white group due to the Warm Springs Indian Reservation being located in this region: 2.57% of all American Indian or Alaska Native homeowners, 0.35% of all Asian Homeowners, 0.33% of all Black or African American homeowners, 2.05% of all Latino/a/x homeowners, 0.72% of all Pacific Islander homeowners, 2.01% of all homeowners who identified as a race other than those listed, and 0.85% of all homeowners belonging to more than one racial group live in this region (Table 2).

The Central Oregon region (Jefferson, Crook, and Deschutes counties) is made up of rural counties with the center of population being in Bend, Oregon. This region represents 6% of the homeowner population (Figure 4). This region is also home to the Warm Springs Indian Reservation, so the region has a larger population of American Indian or Alaska Native homeowners. While there is a large population of Indigenous homeowners, the overall region has very small proportion of non-White

homeowners: 11.32% of all American Indian or Alaska Native homeowners, 0.98% of all Asian Homeowners, 0.86% of all Black or African American homeowners, 4.15% of all Latino/a/x homeowners, 3.32% of all Pacific Islander homeowners, 4.35% of all homeowners who identified as a race other than those listed, and 4.81% of all homeowners belonging to more than one racial group live in this region(Table 2).

The South-Central Region (Klamath and Lake counties) is a rural region that represents 2% of the homeowner population (Figure 4). The Indigenous population is the largest non-White population, but overall this region does not contain many non-White homeowners: 5.57% of all American Indian or Alaska Native homeowners, 0.44% of all Asian Homeowners, 0.34% of all Black or African American homeowners, 2.16% of all Latino/a/x homeowners, 0.52% of all Pacific Islander homeowners, 1.70% of all homeowners who identified as a race other than those listed, and 2.09% of all homeowners belonging to more than one racial group live in this region (Table 2).

The East-Central region (Morrow, Gilliam, Umatilla, and Wheeler counties) is a rural region with two of the smallest population counties (Gilliam and Wheeler). This region represents 2% of the homeowner population (Figure 4) and has very small populations of non-White homeowners: 5.57% of all American Indian or Alaska Native homeowners, 0.40% of all Asian Homeowners, 0.38% of all Black or African American homeowners, 6.12% of all Latino/a/x homeowners, 0.39% of all Pacific Islander homeowners, 5.18% of all homeowners who identified as a race other than those listed, and 2.21% of all homeowners belonging to more than one racial group live in this region (Table 2).

The Northeast region (Wallowa, Baker, Union counties) is another low population rural area. It represents 1% of the homeowner population (Figure 4). This region has one of the least diverse homeowner population: 1.22% of all American Indian or Alaska Native homeowners, 0.13% of all Asian Homeowners, 0.43% of all Black or African American homeowners, 0.64% of all Latino/a/x homeowners, 0.85% of all Pacific Islander homeowners, 0.58% of all homeowners who identified as a race other than those listed, and 0.67% of all homeowners belonging to more than one racial group live in this region (Table 2).
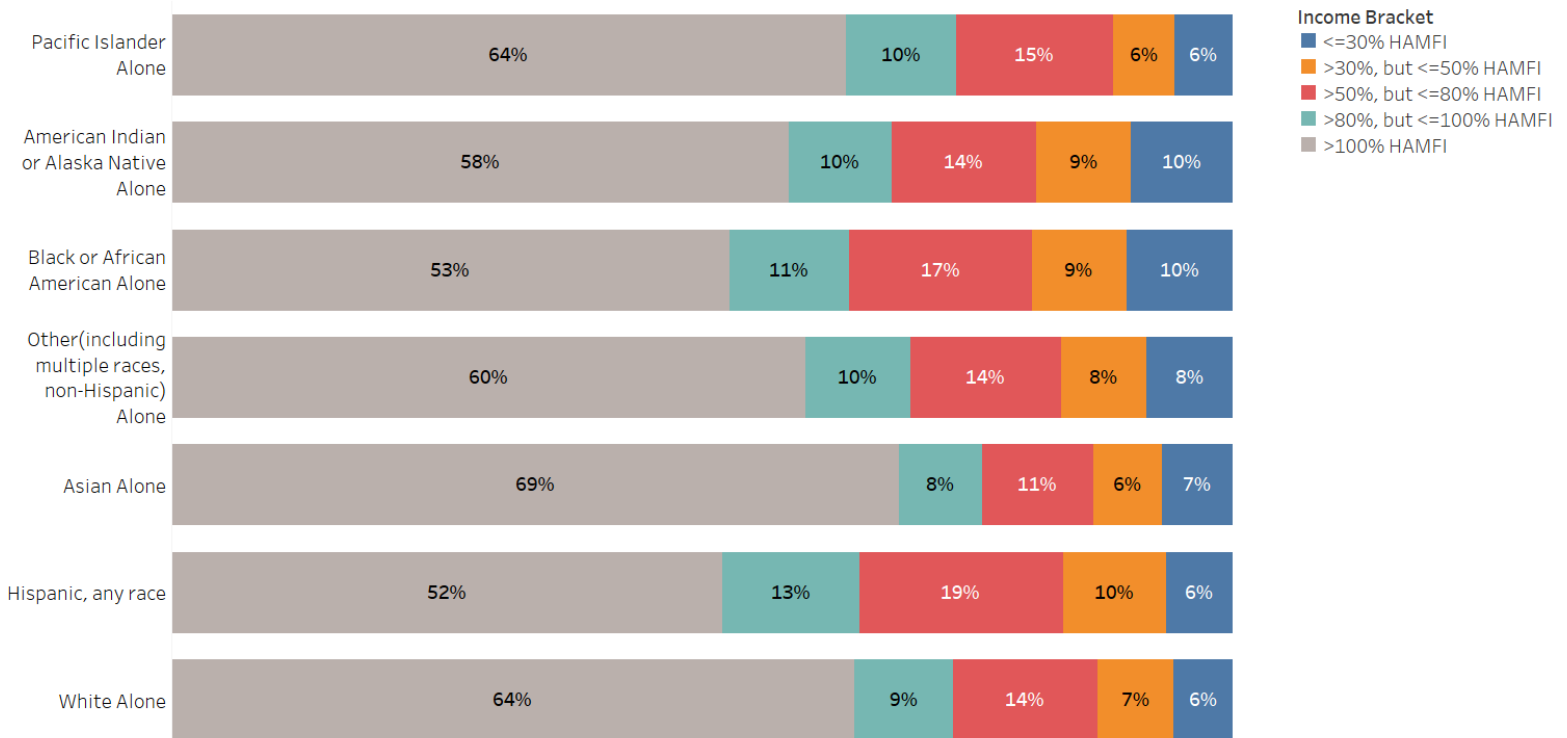
The Eastern Oregon region (Grant, Harney, and Malheur counties) is similar to the Northeast region. It is also a low population rural area that represents 1% of the homeownership population (Figure 4). This region is also one of the least diverse in the state: 0.96% of all American Indian or Alaska Native homeowners, 0.34% of all Asian Homeowners, 0.08% of all Black or African American homeowners, 2.31% of all Latino/a/x homeowners, 0% of all Pacific Islander homeowners, 0.86% of all homeowners who identified as a race other than those listed, and 1.10% of all homeowners belonging to more than one racial group live in this region (Table 2).

This section shows that most of the diversity of our state is in its urban centers and, where Socially Disadvantaged Individuals are prioritized pursuant to US Treasury guidance, Oregon will need to prioritize diverse populations in urban counties. This is not to say that the rural parts of the state will be ignored. Oregon's HAF needs to aid homeowners in a way reflective of the state population, including rural populations and diverse homeowners in rural areas. Otherwise, the many rural regions in the state might be overwhelmed by the higher volumes of homeowners in the Metro and Willamette Valley regions. The HAF program will need to ensure Oregon homeowners, regardless of racial identity, are not left behind.

Economic Hardships in Oregon

Statewide Income by Race and Ethnicity

Income Bracket
- <=30% HAMFI
- >30%, but <=50% HAMFI
- >50%, but <=80% HAMFI
- >80%, but <=100% HAMFI
- >100% HAMFI

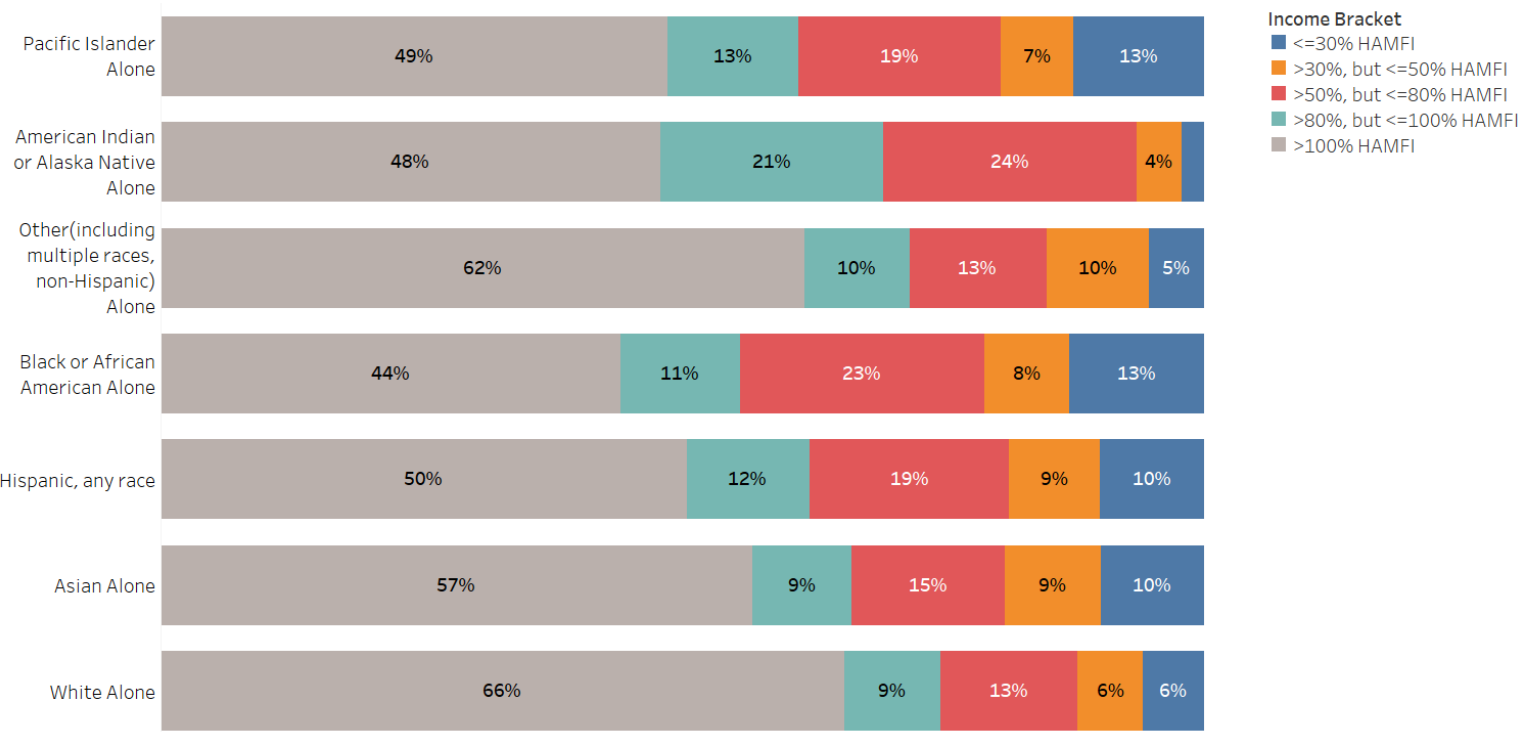| Race/Ethnicity	>100% HAMFI	>80, <=100%	>50, <=80%	>30, <=50%	<=30%
Pacific Islander Alone	64%	10%	15%	6%	6%
American Indian or Alaska Native Alone	58%	10%	14%	9%	10%
Black or African American Alone	53%	11%	17%	9%	10%
Other(including multiple races, non-Hispanic) Alone	60%	10%	14%	8%	8%
Asian Alone	69%	8%	11%	6%	7%
Hispanic, any race	52%	13%	19%	10%	6%
White Alone	64%	9%	14%	7%	6%

Figure 5. Statewide breakdown of income by race and ethnicity for Oregon homeowners. Graph represents average proportion of racial population at specific HUD Area Median Family Income. "Alone" indicates respondent selected "non-Hispanic" as their ethnicity. Data comes from CHAS13-17 dataset Table 1.

Oregon homeowners, on average, are more likely to have an income above 100% of area median income. However, non-White, non-Asian/Pacific Islander homeowners are more likely to be low income. Only 53%, 58%, and 52% of Black or African American, American Indian or Alaska Native, and Latino/a/x homeowners, respectively, are above 100% area median income. Black, Indigenous and Latino/a/x Homeowners are more likely than any other race or ethnicity to have incomes below 80% of area median income (Figure 5). In some counties there are even wider disparities among racial groups. For example, in Multnomah County, the county with highest concentration of homeowners, there are clear inequities in income. Figure 6 shows that high earning homeowners are more likely to be White. Black homeowners are the most likely to earn less than 80% of area median income (44% of all Black Homeowners). All racial groups except "Other" races have incomes in Multnomah County lower than the statewide average while White homeowners have slight improvements in income (Figure 6).

These data highlight the need of non-White homeowners in Oregon especially in counties like Multnomah since they are likely to have lower incomes. Due to these lower incomes, they may be more likely to be in arrears and have less resources to pay off those arrears. While Oregon's HAF program will prioritize low-income homeowners, there is a larger population of low-income homeowners of who may need assistance.
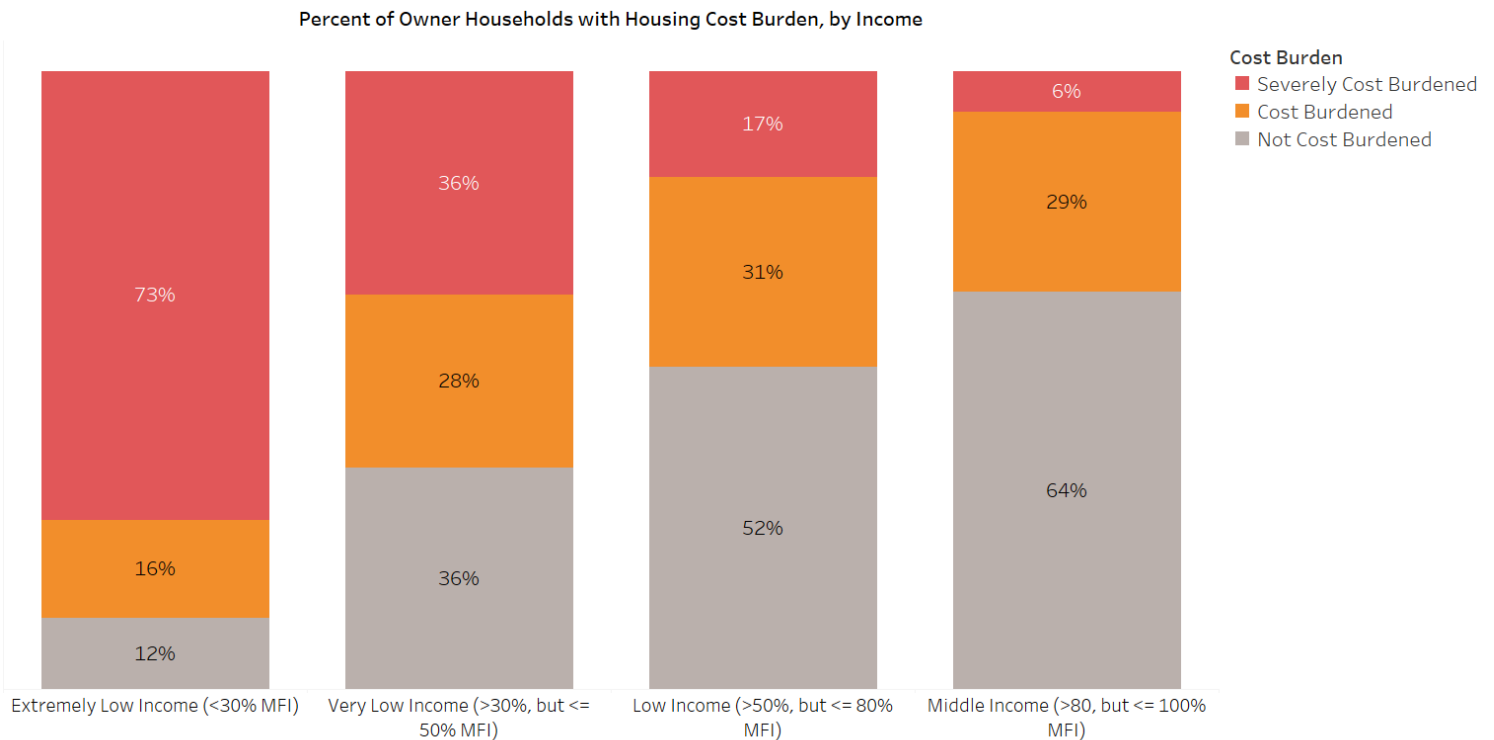
Multnomah County - Income by Race and Ethnicity

Race/Ethnicity	>100% HAMFI	>80%, but <=100% HAMFI	>50%, but <=80% HAMFI	>30%, but <=50% HAMFI	<=30% HAMFI
Pacific Islander Alone	49%	13%	19%	7%	13%
American Indian or Alaska Native Alone	48%	21%	24%	4%	
Other(including multiple races, non-Hispanic) Alone	62%	10%	13%	10%	5%
Black or African American Alone	44%	11%	23%	8%	13%
Hispanic, any race	50%	12%	19%	9%	10%
Asian Alone	57%	9%	15%	9%	10%
White Alone	66%	9%	13%	6%	6%

Income Bracket
- <=30% HAMFI
- >30%, but <=50% HAMFI
- >50%, but <=80% HAMFI
- >80%, but <=100% HAMFI
- >100% HAMFI

Figure 6. Multnomah County breakdown of income by race and ethnicity for Oregon homeowners. Graph represents average proportion of racial population at specific HUD Area Median Family Income. "Alone" indicates respondent selected "non-Hispanic" as their ethnicity. Data comes from CHAS13-17 dataset Table 1.

Cost Burden

Cost burden is an important variable within the HAF needs analysis. Cost burden is traditionally defined by paying more than 30% of one's income toward housing. Cost burden is divided into severely cost burdened (> 50 % of income goes toward housing) and moderately cost burdened (greater than 30%, but less than 50% of income goes toward housing) We looked at cost burden based on income and race/ethnicity. The below section will highlight the key groups that will likely need assistance from the HAF program.

Percent of Owner Households with Housing Cost Burden, by Income

Cost Burden
- Severely Cost Burdened
- Cost Burdened
- Not Cost Burdened

Extremely Low Income (<30% MFI): 73%, 16%, 12%

Very Low Income (>30%, but <= 50% MFI): 36%, 28%, 36%

Low Income (>50%, but <= 80% MFI): 17%, 31%, 52%

Middle Income (>80, but <= 100% MFI): 6%, 29%, 64%

Figure 7. Proportion of Homeowners with Cost Burden by Income. Data represents statewide averages. Income groups are broken down into Extremely Low Income (<30% of HAMFI), Very Low Income (>30%, but <= 50%), Low Income (>50%, but <=80% HAMFI), and Middle Income (>80%, but <=100% HAMFI). Income is represented as HUD Area Median Family Income or HAMFI. Data comes from the CHAS 13-17 dataset Table 8.

On average, low-income homeowners are more likely to be cost burdened. Homeowners who are extremely low income (<30% MFI) are much more likely to be severely cost burdened (73% of severely low-income homeowners) (Figure 7). Since most Extremely Low-Income homeowners are severely cost burdened, it is likely they have experienced financial hardship during the pandemic and are least equipped to deal with financial instability. Looking at the other income categories, approximately, a third of Very Low Income, Low Income, and Middle-Income homeowners experience at least moderate housing cost burden (Figure 7). Those homeowners experiencing any form of cost burden are likely to have less funds available to handle a financial crisis such as those caused by the pandemic. Even Middle-Income homeowners, who we traditionally view as safe from financial stress, are cost burdened at a high rate in Oregon, 35% of Middle-Income homeowners experience some form of housing cost burden (Figure 7). Oregon's HAF program will need to prioritize all income below 100% MFI, but especially those who make below 30% of the MFI.

When looking at cost burden and race, all racial groups appear similarly cost burdened except for Black and Latino/a/x homeowners. Black homeowners in Oregon are most likely to be cost burdened with 41% of Black homeowners in Oregon spending >30% of their income on housing (Figure 8). In addition to being cost burdened, Black Homeowners are also more likely to have income below 80% MFI. On average, 36% of Black homeowners make less than 80% of MFI in Oregon (Figure 5). Latino/a/x are the second most cost- burdened group (30% of Latino/a/x homeowners pay more than 30% of income on

housing) (Figure 8). This group of homeowners is also making less income on average, 36% of Latino/a/x homeowners make below 80% MFI (Figure 5).

Percent of Owner Households with Housing Cost Burden, by Race and Ethnicity
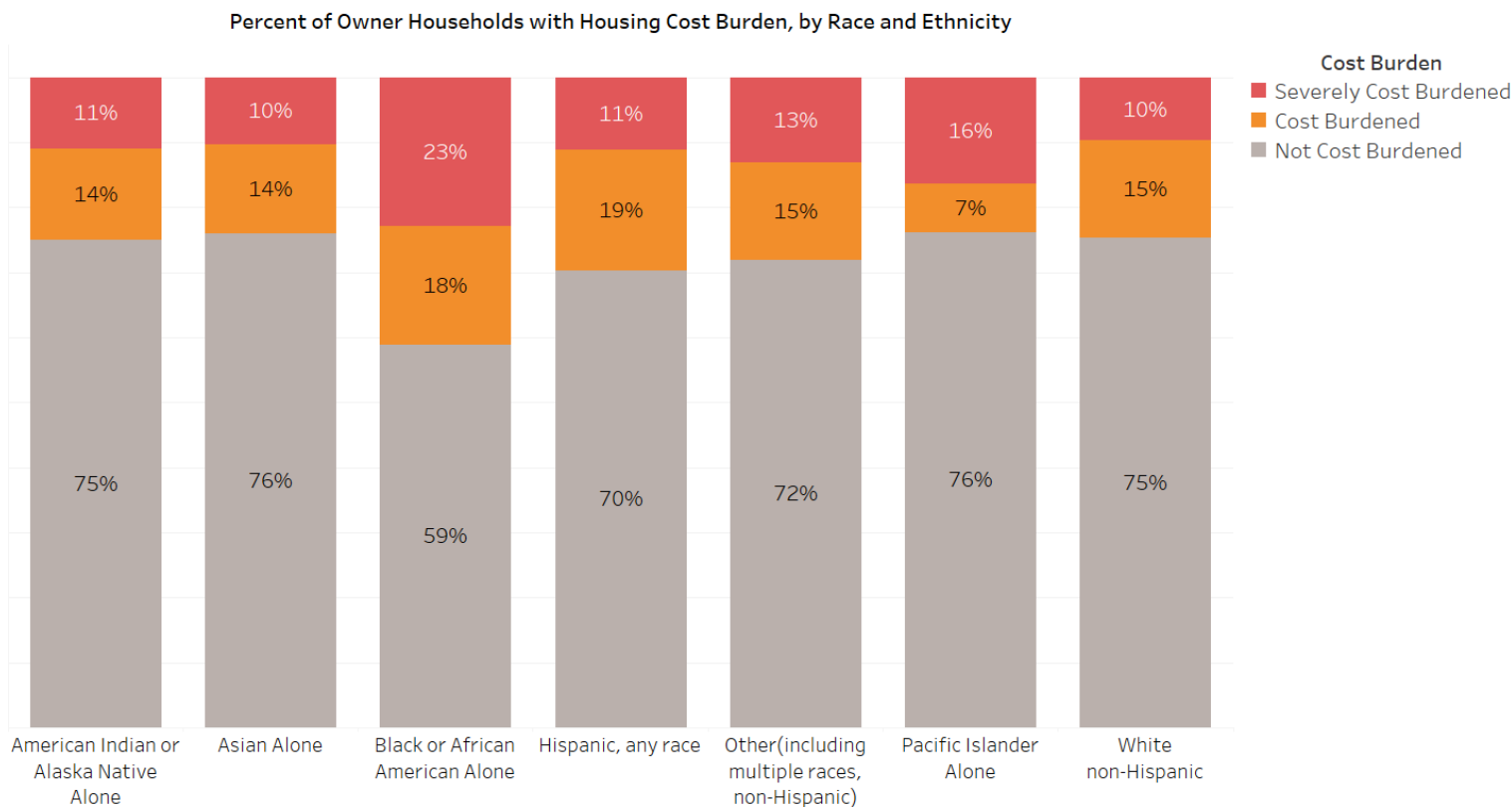
Figure 8. Proportion of Homeowners with Housing Cost Burden by Race and Ethnicity. Data represents statewide averages. Income is represented as HUD Area Median Family Income or HAMFI. Data comes from the CHAS 13-17 dataset Table 9.

These data highlight the need for assistance to be prioritized for historically and current marginalized communities. Special attention should be paid to supporting Oregon's Black homeowners, since the data demonstrate that this group is at highest risk for the loss of their home or leaving homeownership. Given Oregon's history of Black exclusion laws and discriminatory housing policies, it is crucial that the HAF program prioritize high-risk non-White homeowners to ensure they can build intergenerational wealth through homeownership. Oregon's HAF program will prioritize these high-risk non-White homeowners to ensure that they are able to continue to remain homeowners and can continue to build wealth.

Based on Oregon's needs analysis, and the US Treasury's priorities and guidance, Oregon Housing and Community Services is committed to prioritize the following groups of homeowners:

1. Households with 100% AMI or below based upon household size.

2. Socially Disadvantaged households, as that is defined by the US Treasury, including any households that meet the criteria beyond the presumptive populations.

3. Homeowners in rural areas.

4. Homeowners most at risk of foreclosure.

References

The Joint Centers for Housing Studies. (2021). *The State of the Nation's Housing*.

Oregon Housing and Community Services. (2021). *Implementing a Regional Housing Analysis Methodology: Approach, Results, and Initial Recommendations*. EcoNorthwest.