

[Banking and Finance Law Daily Wrap Up, FINANCIAL STABILITY—CFPB reports on pandemic housing insecurity; warns of eviction, foreclosure risks, \(Mar. 2, 2021\)](#)

Banking and Finance Law Daily Wrap Up

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Nearly 10 percent of U.S. households are at risk of eviction and foreclosure, according to a CFPB report on the effect of the COVID-19 pandemic on housing.

The Consumer Financial Protection Bureau has released its first analysis of the impacts of the COVID-19 pandemic on housing. The report, [Housing insecurity and the COVID-19 pandemic](#), warns of widespread evictions and foreclosures once federal, state, and local pandemic protections come to an end, without additional public and private action. "As legal protections expire in the months ahead, over 11 million families—nearly 10 percent of U.S. households—are at risk of eviction and foreclosure," stated Acting Director Dave Uejio in a [blog post](#). According to the report, 2.1 million families are behind at least three months on mortgage payments, while 8.8 million are behind on rent. The aggregated metrics are based on housing data available in December 2020.

Housing insecurity is when families do not have access to safe, affordable, and stable housing. Homeowners are estimated to owe almost \$90 billion in missed payments. The number of homeowners behind on their mortgage has doubled since the beginning of the pandemic, with 6 percent of mortgages delinquent as of December 2020. Those who have fallen behind at least three months on their mortgage increased to over 2 million households, five times the number of families that were more than 90 days behind on their mortgage before the pandemic began. [According](#) to the Bureau, the last time this many families were behind on their mortgages was at the height of the recession in 2010. Additionally, Black and Hispanic families are more than twice as likely to report being behind on their housing payments than white families. The report also noted that, in the midst of a pandemic, housing insecurity can make it difficult for households to comply with public health measures such as quarantining or restricting their number of close contacts.

Historically, housing insecurity has disproportionately affected communities of color, which has held true in the effect of the pandemic. The report describes how communities of color have disproportionately suffered the health and economic impacts of the COVID-19 pandemic, including increased levels of housing insecurity.

According to Uejio, it is "common sense that safe, affordable, and stable housing provides the foundation for people's well-being, financial and otherwise. Stable homes mean stable neighborhoods and communities." He stated that even the threat of losing a family's home can "force tough financial decisions, including skipping payments on food, medicine, and heat to keep a roof over their head."

The Bureau is working hard to help homeowners and renters, said Uejio. "We know small landlords are struggling, too, with many dipping into savings or using credit cards to make it through the pandemic. We want everyone—homeowners and renters, landlords, and mortgage servicers—to have the tools they need now to avoid unnecessary evictions and foreclosures."

The report noted that data on renters and evictions remains limited. There exists no data source that provides timely, nationwide data on evictions, which would help to understand the true extent of the eviction crisis. There is also no formal tracking of renters who are evicted without a formal filing or whose leases are not renewed at the end of the term.

RegulatoryActivity: CFPB CommunityDevelopment Covid19 FinancialStability Loans Mortgages