



AMERICA

Working Together for Strong Communities

Housing Instability in North Dakota

Michael Butchko,
NeighborWorks America
Corporate Strategy & Impact

July 2024

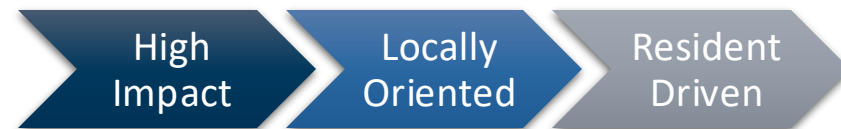
@NeighborWorks



About NeighborWorks America

Mission: Creates opportunities for people to live in affordable homes, improve their lives, and strengthen their communities.

- Recognized as a **national leader** in affordable housing and community development for 45 years.
- **Network of 246 of the nation's strongest community development organizations** located in all 50 states, the District of Columbia, Puerto Rico and on tribal lands.
- Provide network with flexible funding and capital, technical assistance and training, peer learning, data analysis and trends and organization health monitoring.
- Strong partner and **national delivery system to scale impact and leverage localized strategies.**
- Congressionally-chartered, led by board of federal financial institution and housing regulators, and tapped to administer two Congressionally appropriated national housing counseling programs.



Supporting Network Organizations

Sustained Enterprise-level Investments

Flexible grants and capital investments. Funding to test, learn, innovate, and scale. 89% of our grants are unrestricted. \$100 million+ awarded annually.

Relationship Management and Peer Learning

An organizational coach, advisor and connector; access to 246 peer organizations from across the country



Organizational Health Monitoring

Annual assessments and Organizational health ratings

Holistic Capacity Building, Business Strengthening & Data

Access to the most comprehensive set of capacity building resources and experiences; tailored business line support; on-demand analytics

NeighborWorks America Network: National Impact

FY 2020 through Q2 FY 2024

of Network Organizations
(as of June 2024)

246

of CDFIs in the Network
(as of June 2024)

80

of Real Estate Developers in
the Network *(as of June 2024)*

205

Total Homeowners Created
and Preserved

139,772

Total Financial Capability
Customers
(FY20-FY23)

43,814

Total Customers Counseled
and Educated
(FY22-FY24 Q2)

265,545

% of Low-to-Moderate Income Customers
(homeowners and counseling and education clients)

59%

Total Rental Portfolio
(FY 2024 Q2)

207,870

Total Rental Units
Developed

57,747

Total For-Sale Units
Developed

5,184

Residential Lending

Network

	1st Mtg	DPA	Rehab
# of Loans	6,968	13,237	7,516
Loan Amount	\$1.09B	\$0.23B	\$0.11B

CDFI

(FY20-FY24 Q2 lending by current CDFIs)

	1st Mtg	DPA	Rehab
# of Loans	6,599	10,124	6,841
Loan Amount	\$1.04B	\$0.19B	\$0.09B

Non-CDFI

	1st Mtg	DPA	Rehab
# of Loans	369	3,113	675
Loan Amount	\$0.05B	\$0.04B	\$0.01B

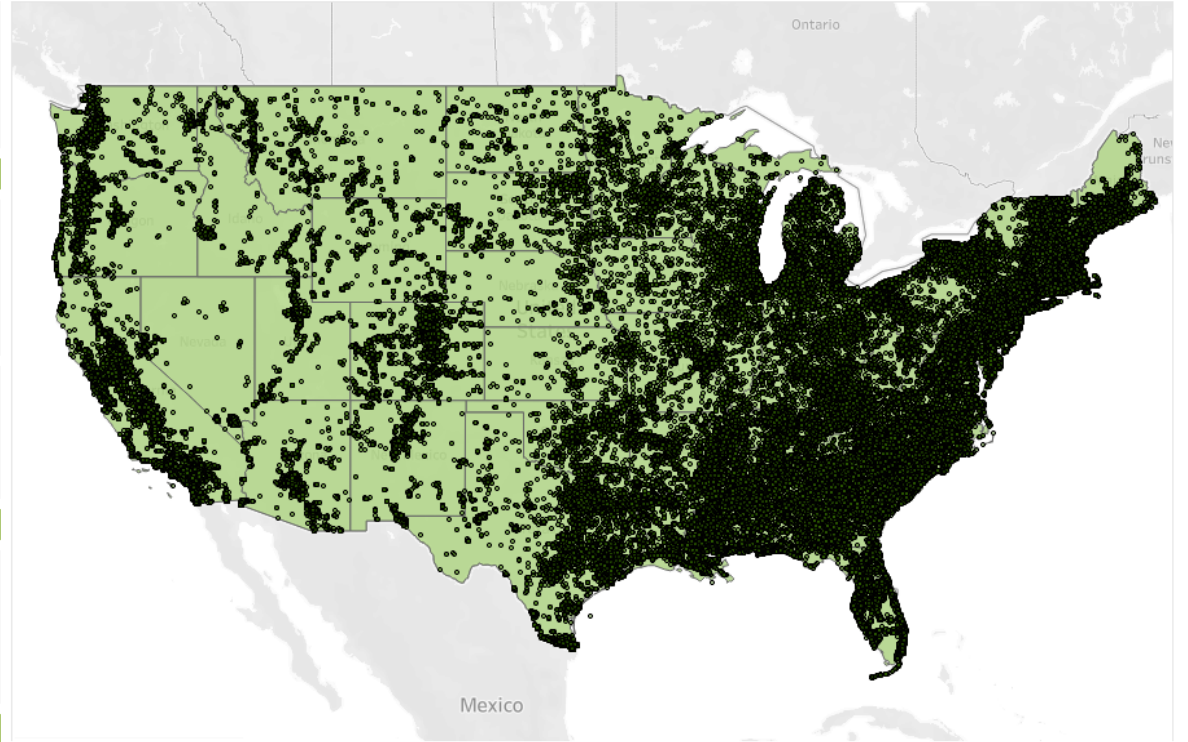
Consumer Lending

(FY23-FY24 Q2)

# of Loans	21,294
Loan Amount	\$41M

Commercial Lending

# of Loans	12,098
Loan Amount	\$5.7B



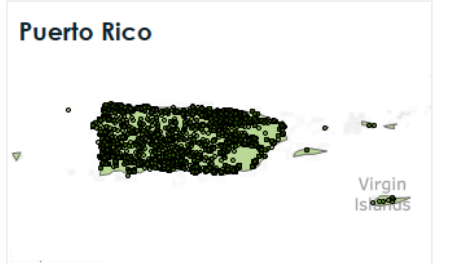
Alaska



Hawaii



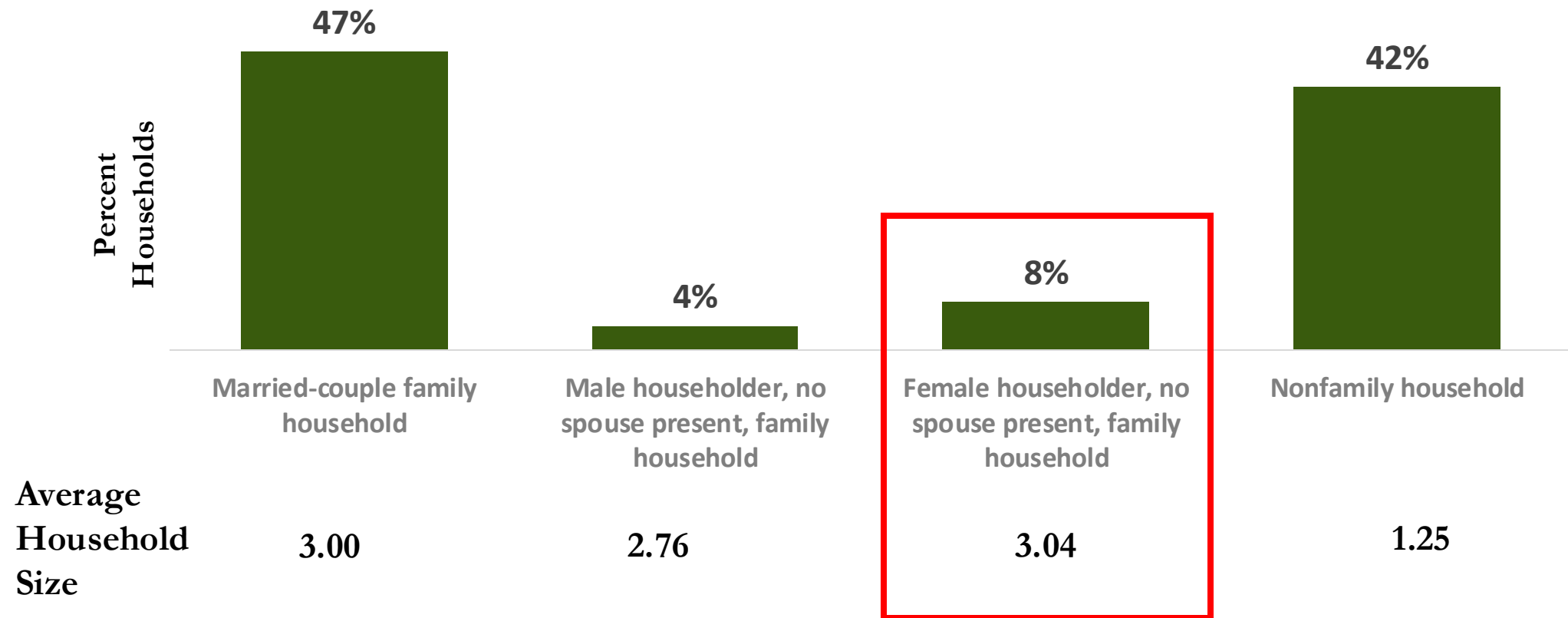
Puerto Rico



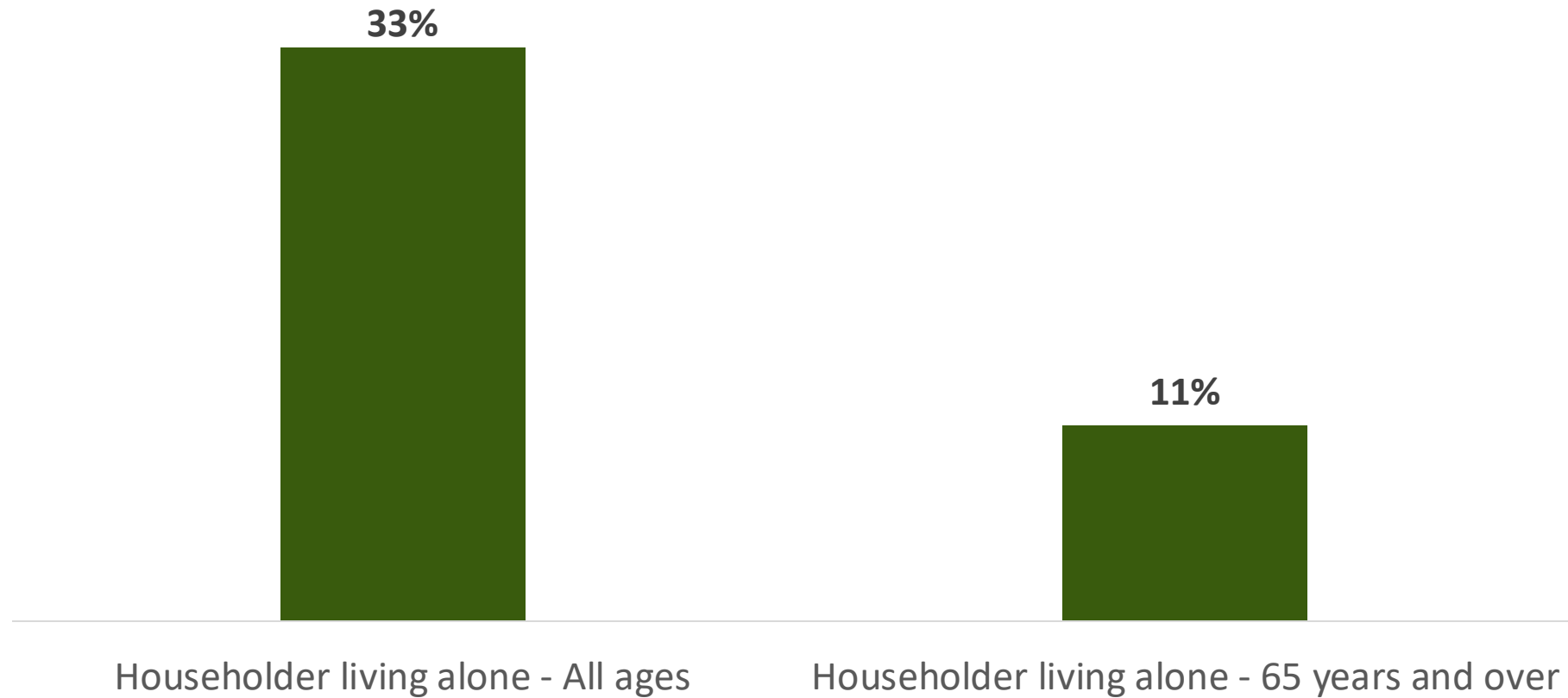
Dots on map represent all reported addresses for counseling and education services, homeownership creation and preservation, financial capability, rental and for sale units developed, rental portfolio owned and/or managed, shared equity portfolio, commercial portfolio, consumer loans, commercial loans, residential loans, financial assistance and supportive services and special projects.

North Dakota Households and Population Trends

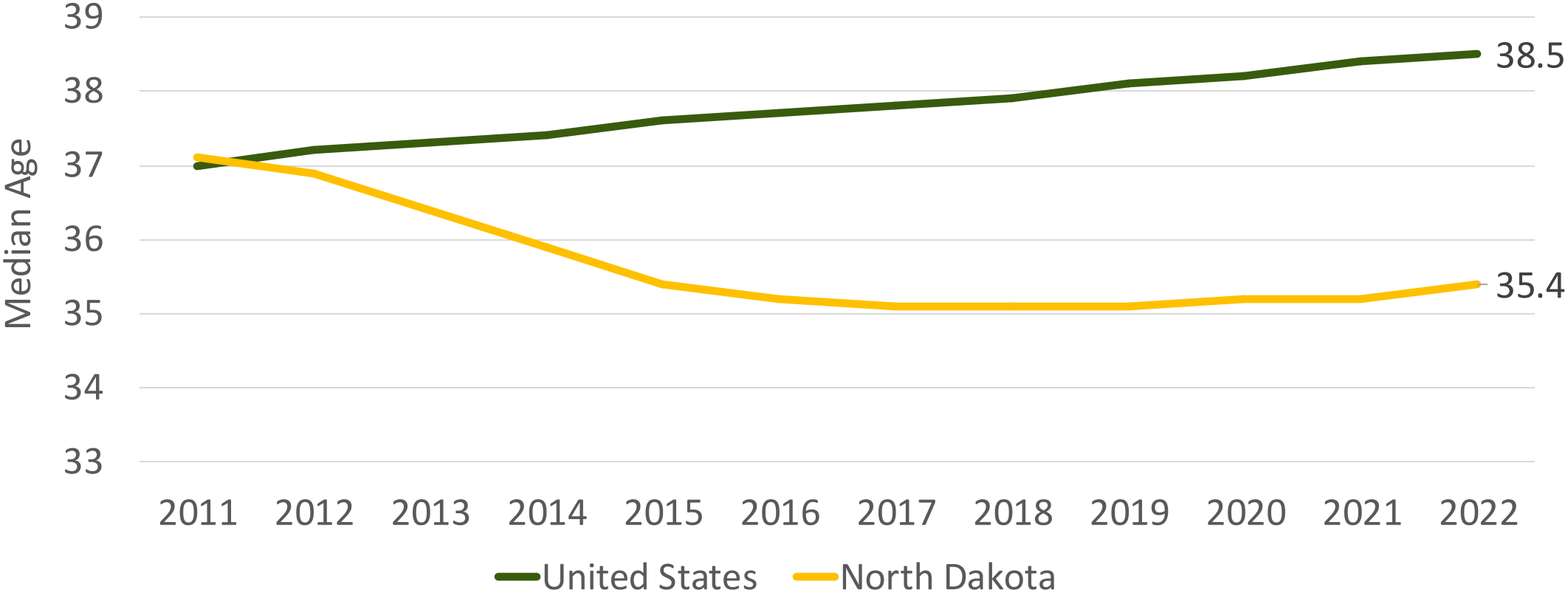
Most households in North Dakota are not a married-couple family household



1 in 10 Households are People 65 or Older who Live Alone

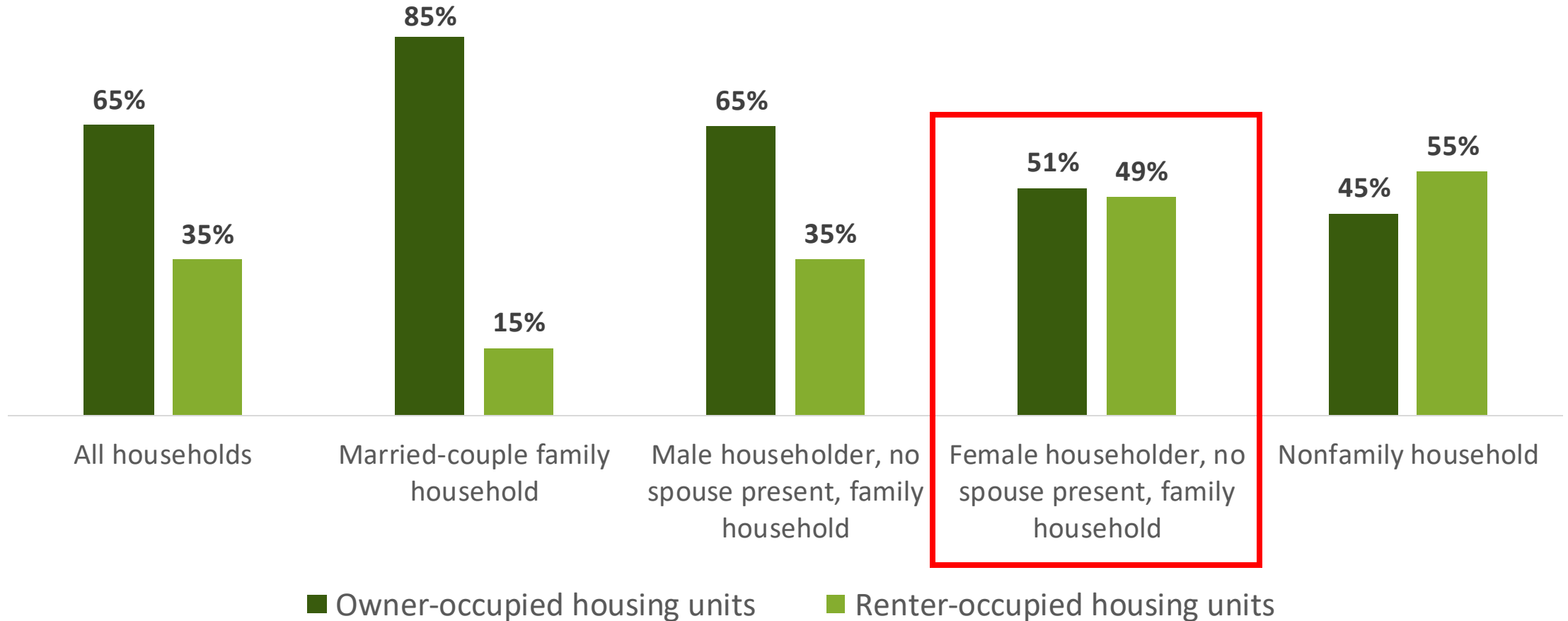


North Dakota's Population is Younger

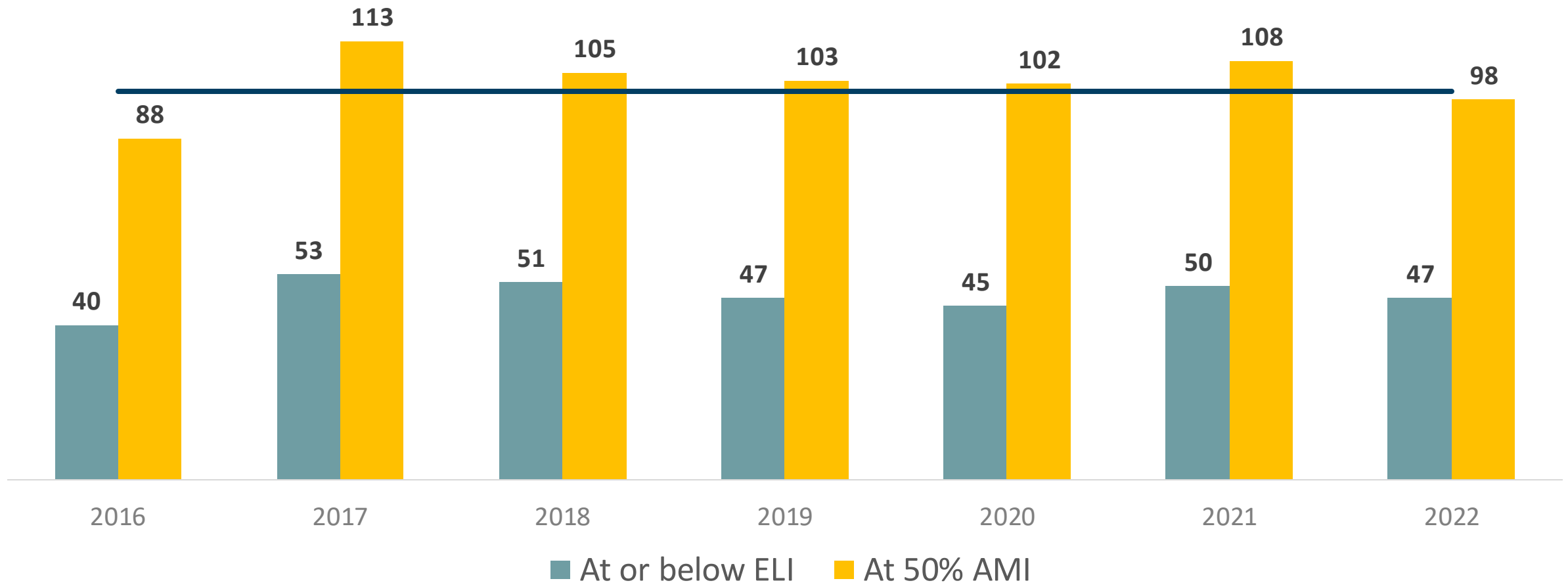


Renters in North Dakota

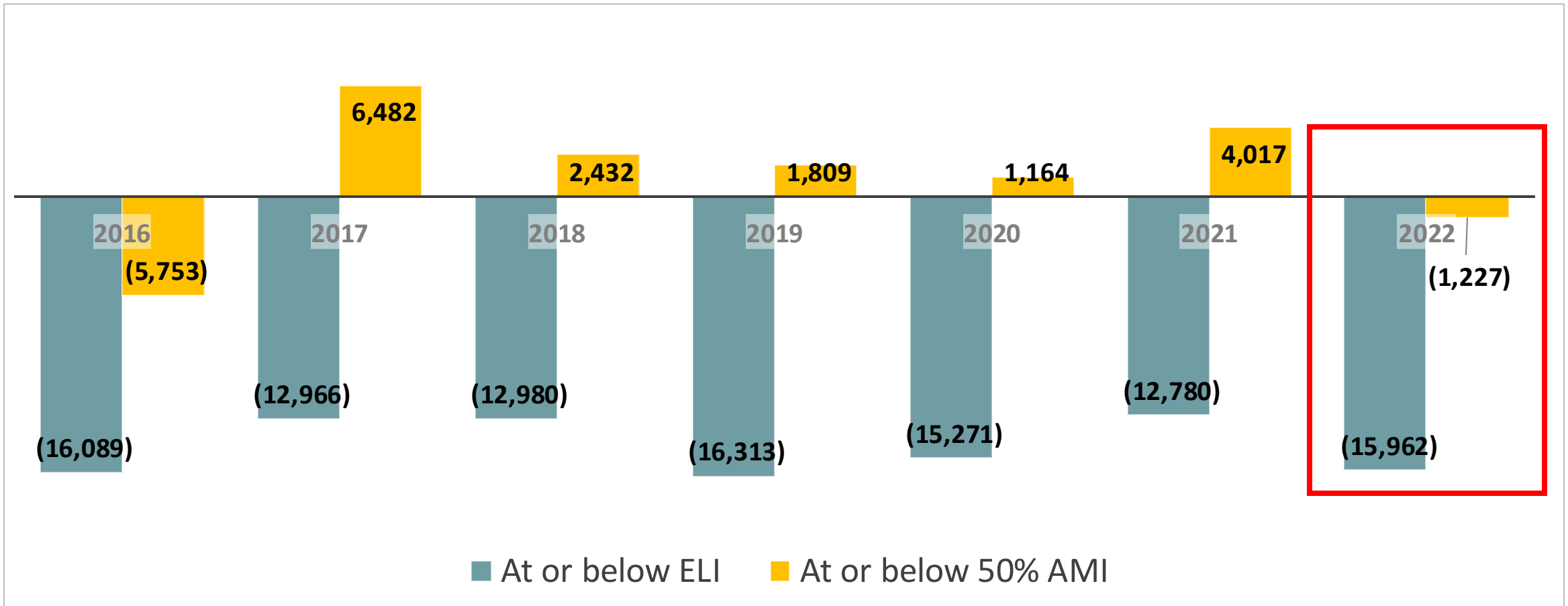
One-third of households in North Dakota are renters



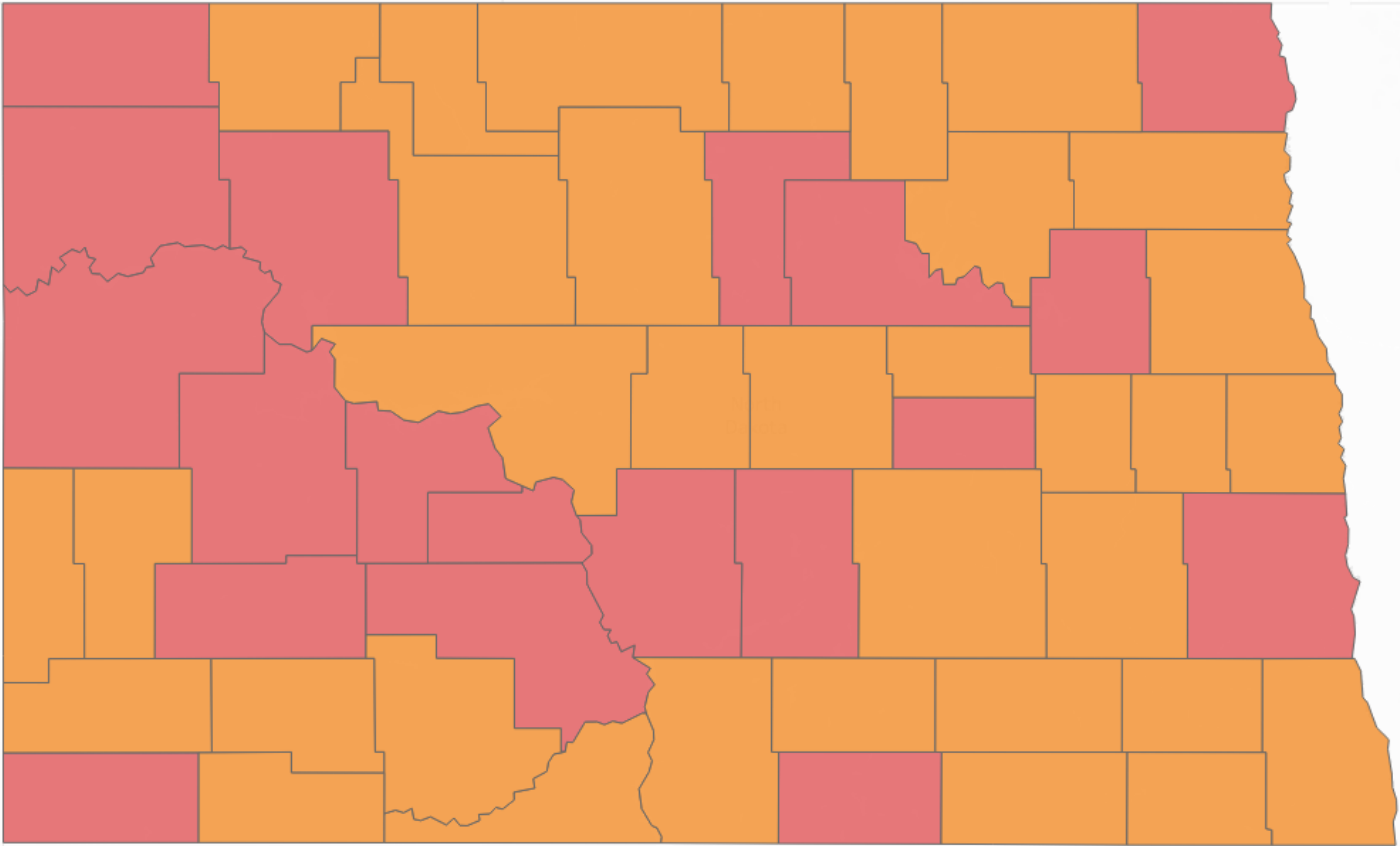
Most recent data shows a deficit of affordable and available housing units for North Dakotans at or below ELI and at or below 50% AMI (Affordable Units per 100 renters)



Most recent data shows a deficit of affordable and available housing units for North Dakotans at or below ELI and at or below 50% AMI (Total Rental Units)

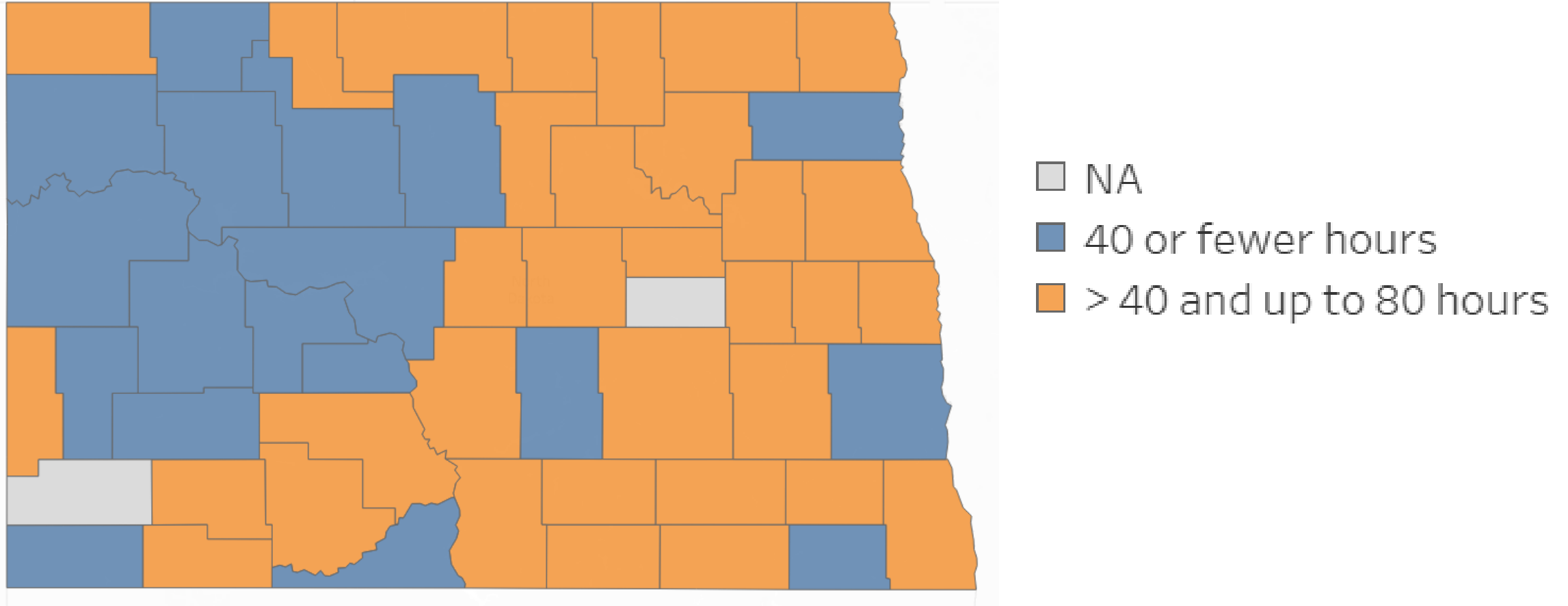


1-bedroom apartments are out of reach for minimum wage earners (\$7.5/hour) in every North Dakota county.



- Between 1 and 2 Min. Wages
- > 2 and up to 3 Min. Wages

2-bedroom units are out of reach for renters earning the mean renter wage (\$20/hour) in most North Dakota counties.



One-bedroom apartments not affordable to a childcare worker earning median wage

Occupation	Median Wage
Childcare Workers	\$14.39
Cashiers	\$14.50
Waiters and Waitresses	\$14.55
Maids and Housekeeping Cleaners	\$14.74
One-bedroom Housing Wage	\$15.14
Retail Salespersons	\$17.14
Cooks, Restaurant	\$17.40
Home Health and Personal Care Aides	\$18.33
Two-bedroom Housing Wage	\$18.38
Customer Service Representatives	\$19.43
Nursing Assistants	\$20.02
All Occupations	\$24.04

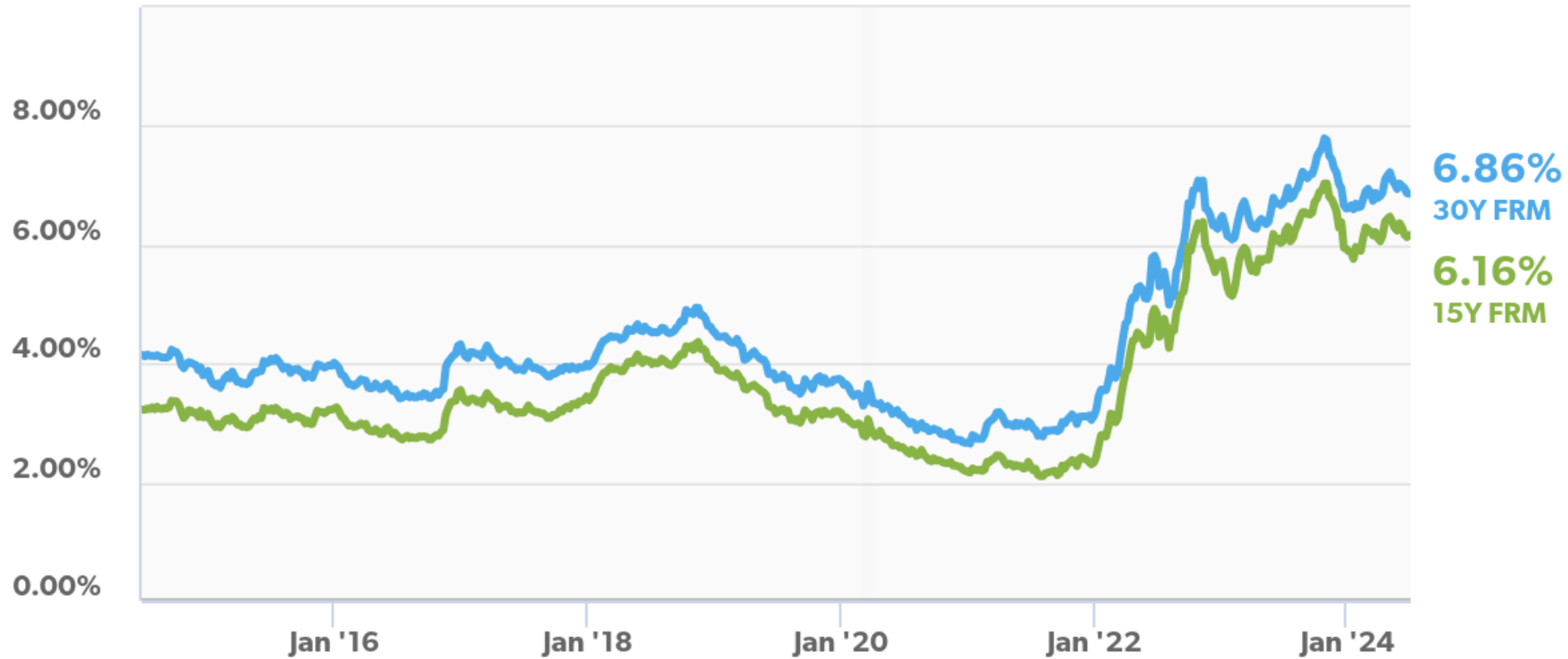
Homeownership in North Dakota

Mortgage Rates Have Increased Dramatically

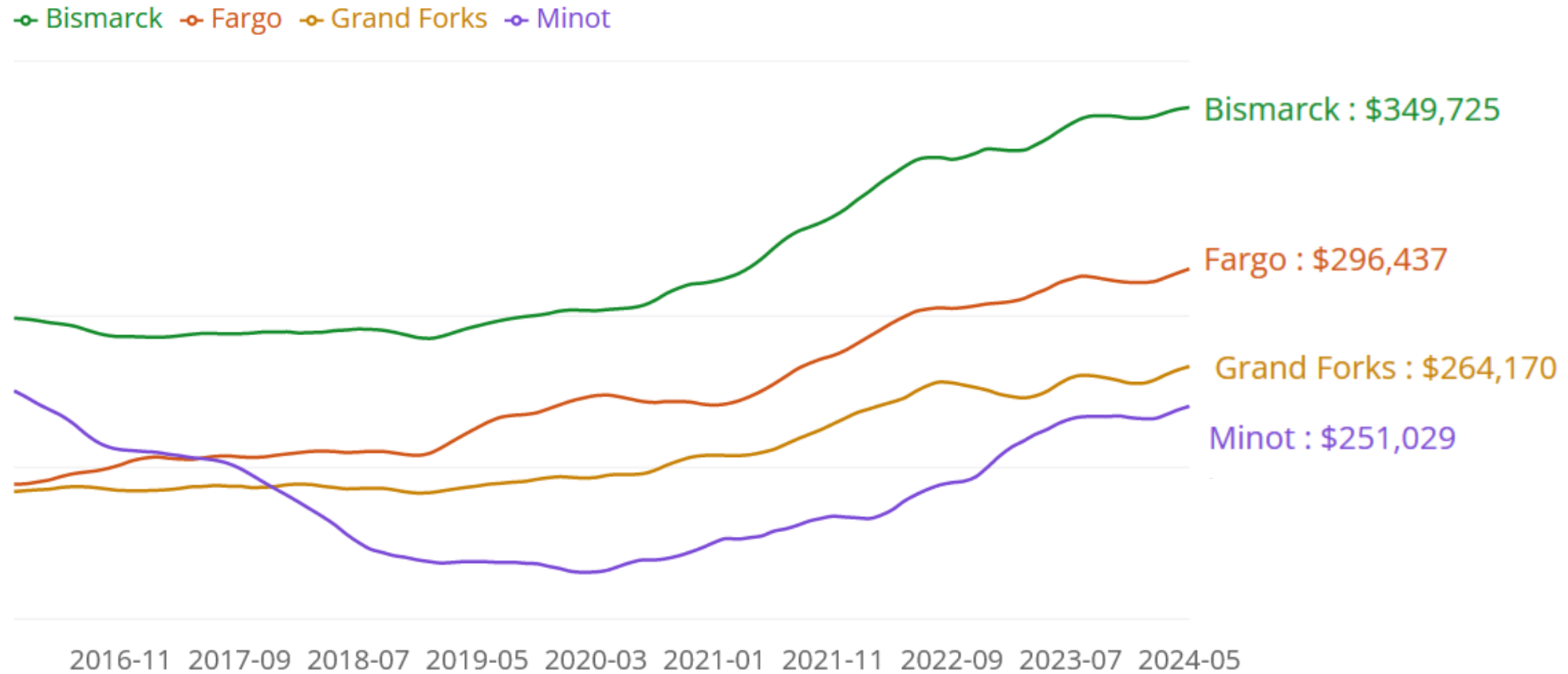


Primary Mortgage Market Survey[®]

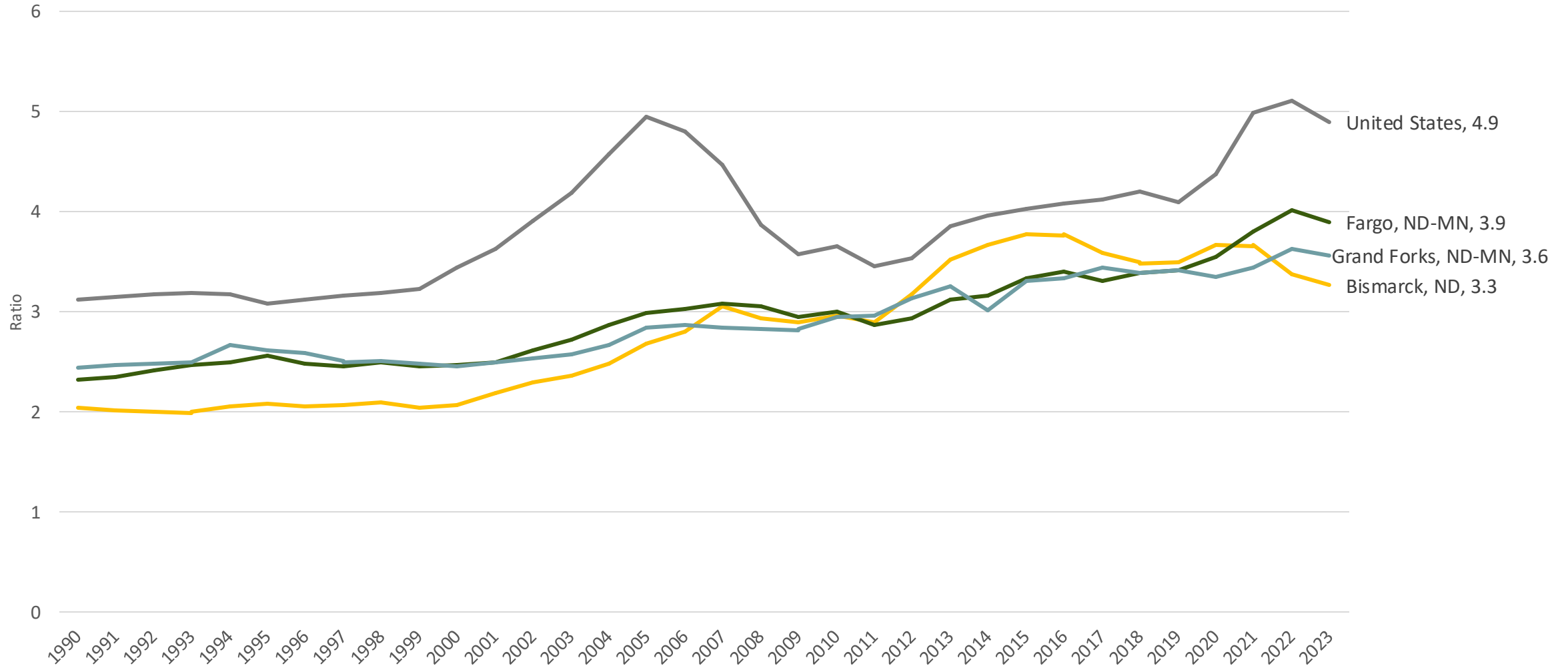
U.S. weekly average mortgage rates as of 06/27/2024



Home Values Have Increased in all of North Dakota's Metro Areas



Median Home Price is Over 3 Times the Median Income in North Dakota's Metro Areas



Cost of Buying a Home in Bismarck, ND

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Listed on June 2024 for: **\$349.9K**
Estimated for Feb 2020: **\$237.6K**

3
beds

3
baths

2,190
sqft

Cost of Buying a 3-Bedroom Home in Bismarck – Feb 2020

Home Price: \$237,600

**Mortgage Rate: 3.49%
(February 2020)**

Mortgage Term: 30 years

- Downpayment: \$24,000
- Closing Costs: \$8,500
- **Principal and Interest: \$958**
- Property taxes \$242
- Homeowners Insurance: \$233
- HOA: \$0
- Private Mortgage Insurance \$89

Total Monthly: \$1,522

Cost of Buying a 3-Bedroom Home in Bismarck – June 2024

Home Price: \$349,900

**Mortgage Rate: 6.86%
(June 2024)**

Mortgage Term: 30 years

- Downpayment: \$35,000
- Closing Costs: \$12,500
- **Principal and Interest: \$2,066**
- Property taxes \$355
- Homeowners Insurance: \$233
- HOA: \$0
- Private Mortgage Insurance \$131
- **Total Monthly: \$2,786**

Exact same home costs about \$1,250 more per month in June 2024 vs. February 2020

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Listed in June 2024 for \$349.9K

6.86% Rate

Est. Monthly Payment:

\$2,786

Estimated for Feb 2020 \$237.6K

3.49% Rate

Est. Monthly Payment:

\$1,522

3

beds

3

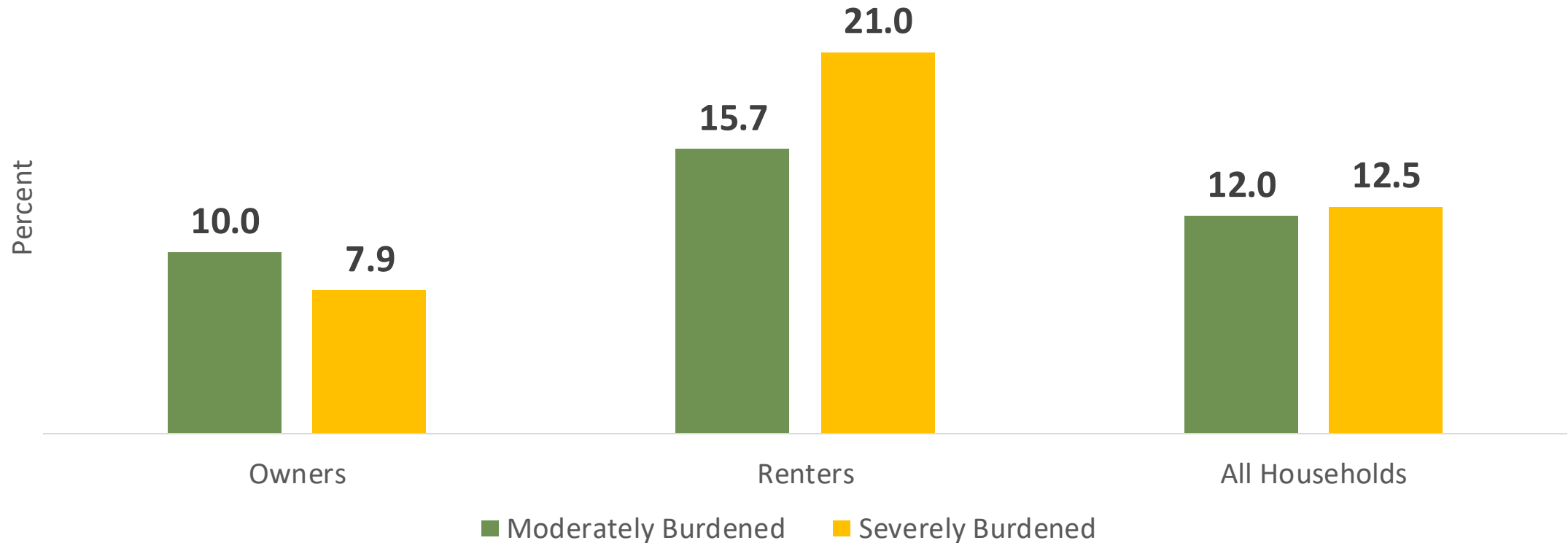
baths

2,190

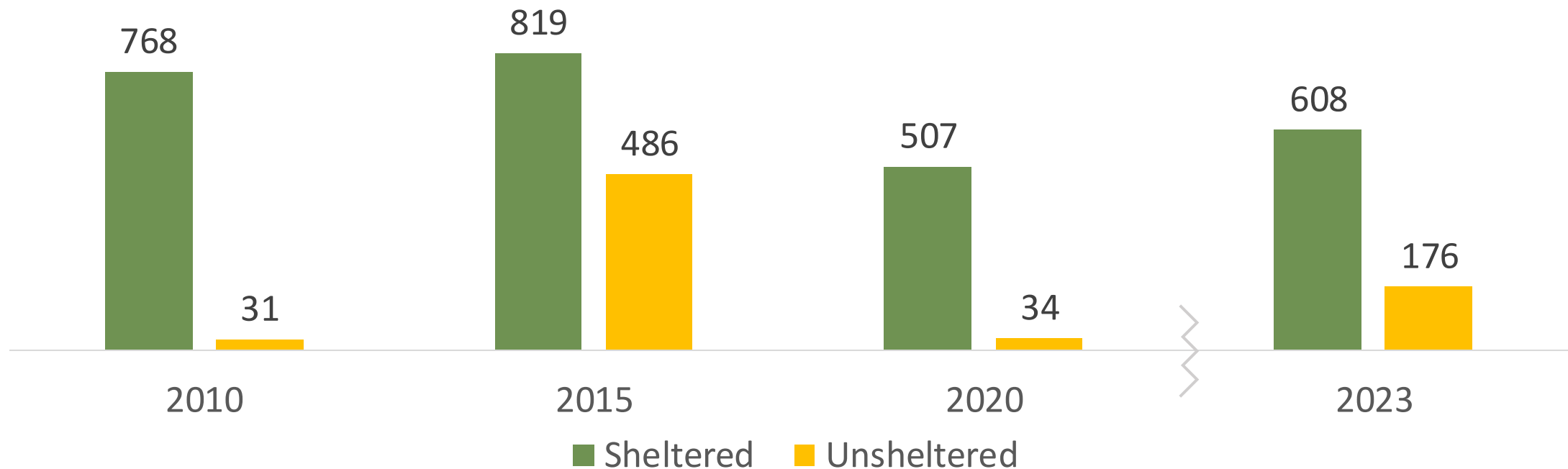
sqft

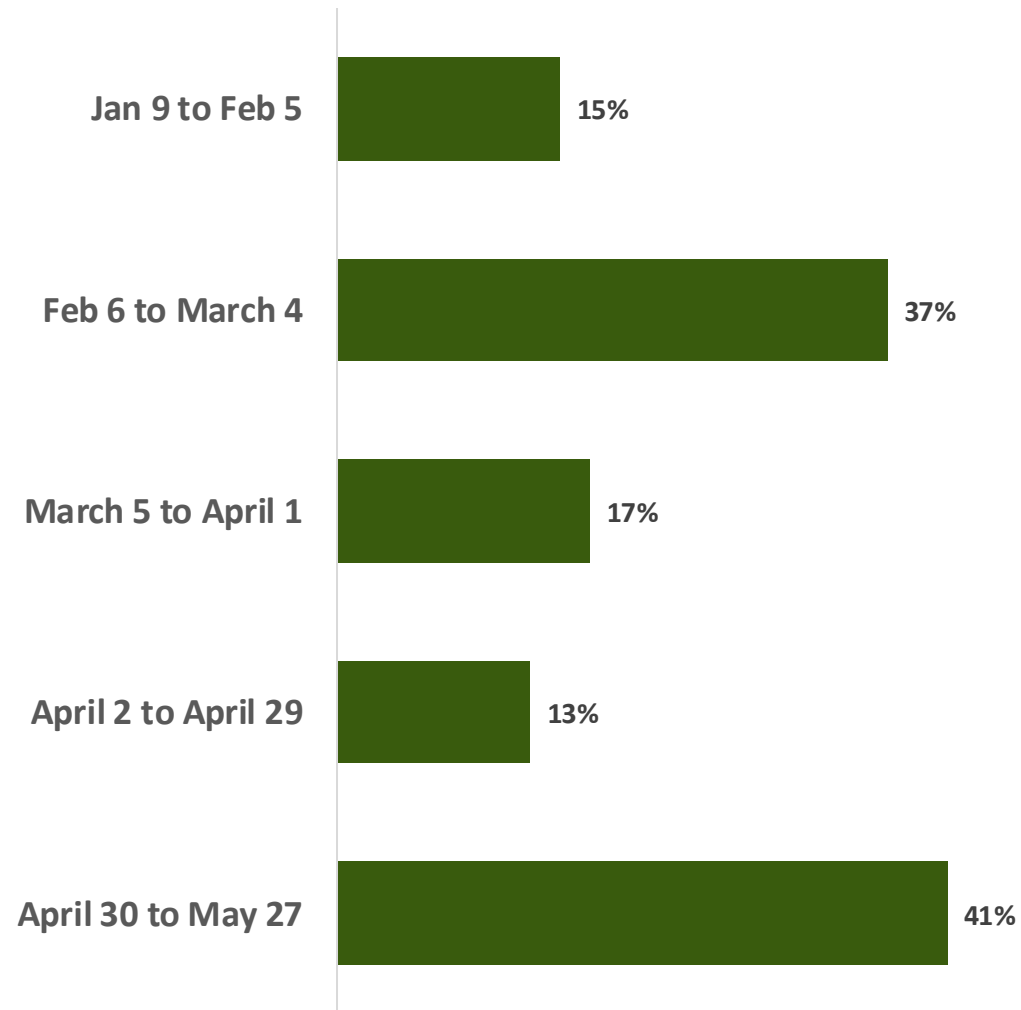
Housing Affordability and Community Specific Challenges

37% of Renter Households and 18% of Owners in North Dakota Experienced Cost Burdens in 2022



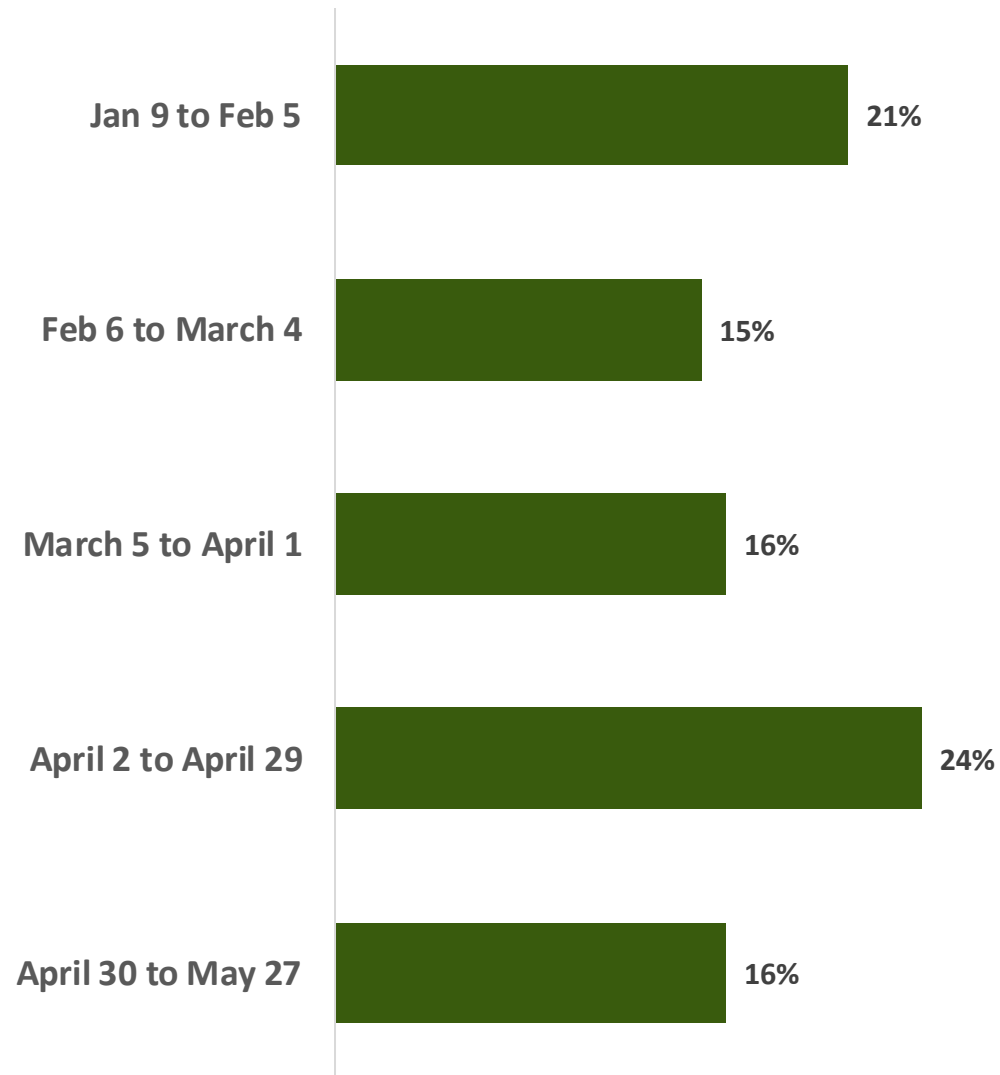
Homelessness in North Dakota has Increased Since the Pandemic



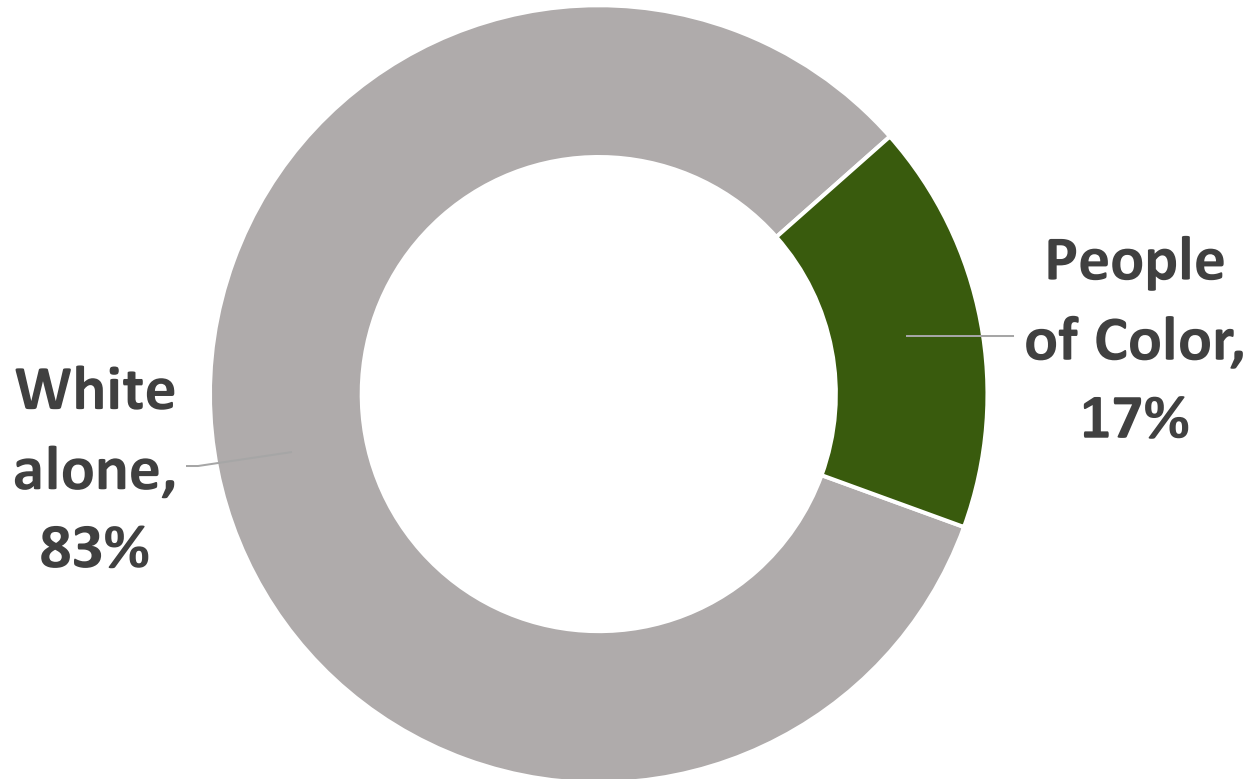


In 2024, between 15% and 41% of households not current on rent or mortgage have reported eviction was likely in the next two months

In 2024 between 15% and 24% of households reported being unable to pay an energy bill in full in the past 12 months



17% of People in North Dakota are People of Color



Including:

Native - 4.4%

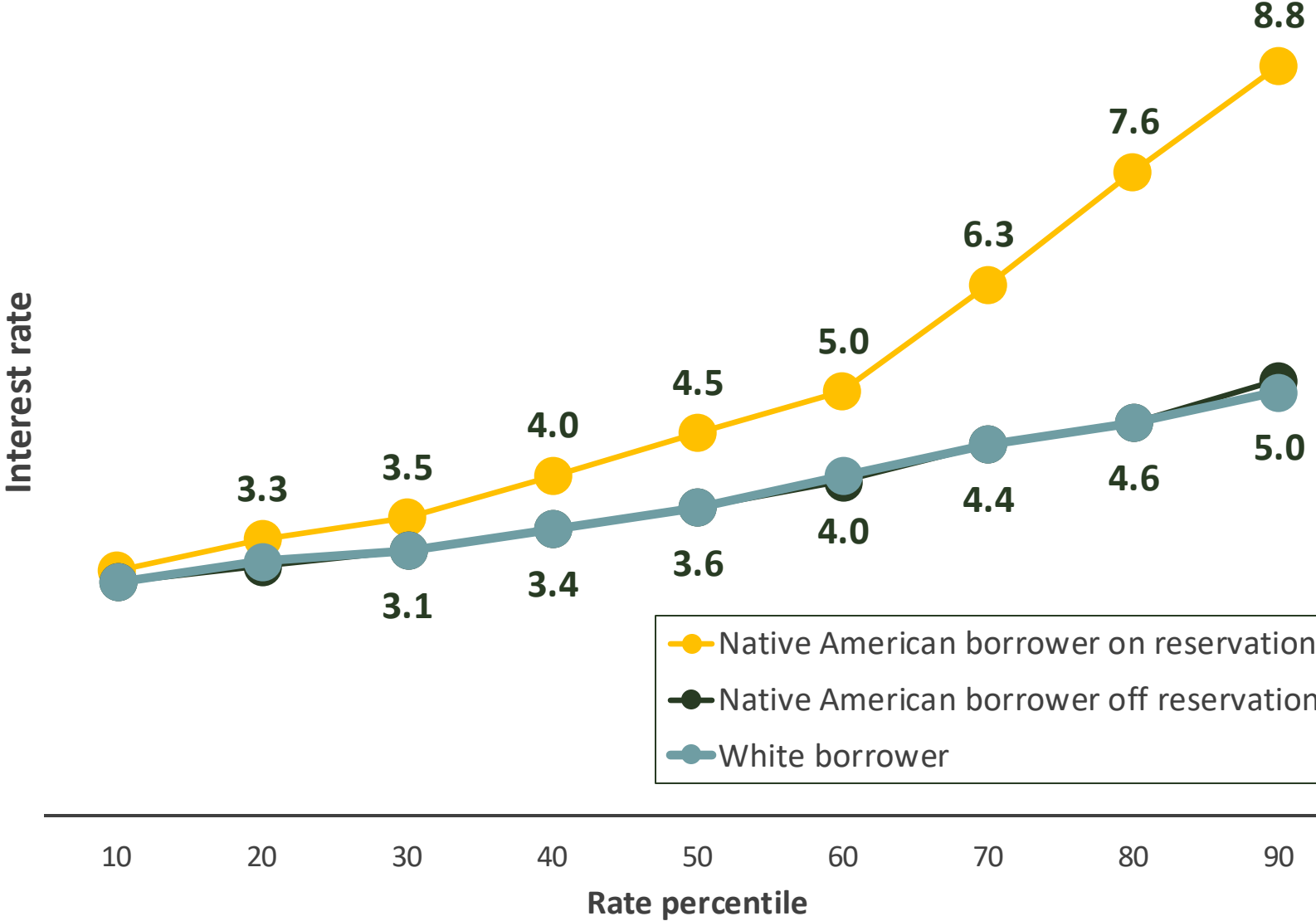
Hispanic (any race) - 4.3%

Black - 3.2%

Two or More Races - 3.2%

Asian - 1.6%

Native Americans pay more to finance home purchases than White borrowers



NeighborWorks data shows Native communities have worse access to homeownership assistance than other demographic groups, despite similar interest



40%

of Native respondents rated their access to organizations offering down payment assistance as “fair” or “poor”, the worse rating of any demographic group.

Housing Stability: NeighborWorks' Experience and Lessons Learned

National Foreclosure Mitigation Counseling Program

NFMC PROGRAM FACTS

Program years: 2008–17 (grantmaking);
2017–18 (wind down)

Funding: \$853.1 million for program administration and 10 rounds of grants, plus an additional \$4 million in wind-down funds

Precipitating crisis: Increased delinquency on home mortgages as households fell behind on their payments and a significant increase in the number of households losing their homes through foreclosure

Statutory objective: To help homeowners “prevent foreclosures and result in the long-term affordability of the mortgage . . . or another positive outcome for the homeowner” by increasing the volume of foreclosure

mitigation counseling services provided to homeowners in owner-occupied one- to four-unit homes struggling to make mortgage payments

Targeted areas: Geographic areas exhibiting “greatest needs” based on calculated levels of certain types of higher-risk loans and loans already in foreclosure

Funded activities: Fee-for-service model used to pay housing counseling organizations for counseling provided to homeowners; also covered national program administration, monitoring and compliance activities, and training and technical assistance and a small set-aside early in the program for legal assistance

Clients served: 2.14 million homeowners

National Foreclosure Mitigation Counseling Program

NFMC CLIENT AND LOAN CHARACTERISTICS AT PROGRAM INTAKE, AND COUNSELING CHARACTERISTICS, BY HOUSING MARKET PHASE

	Rounds 1–2 (sharp price declines)	Rounds 3–5 (home price gradual recovery)	Rounds 6–10 (home price growth)
Client characteristics			
Average age	46	49	51
Female (%)	52	49	55
Median income (2017 dollars)	42,894	39,883	35,180
Race and ethnicity (%)			
White	43	47	44
Black	26	23	29
Hispanic	20	19	17
Asian	3	3	3
Others	8	7	7
Loan characteristics			
Average credit score	540	536	532
Average annual PITI (2017 dollars)	18,392	14,725	9,795
Adjustable rate mortgage (%)	29	18	10

NeighborWorks Housing Stability Counseling

The program supports people who are facing foreclosure, eviction or homelessness because of pandemic-related economic fallout.

As of June 2024, the Housing Stability Counseling program has served 92,321 clients:

- **50% were homeowners**
- **50% were renters**
- **81% were low income**

Most clients served listed loss of income as a primary reason for housing instability. Other reasons included default, eviction, foreclosure and homelessness.

Client outcomes include

- Gaining access to non-housing resources, including social or legal services
- Currently in negotiation with servicer to prevent foreclosure
- Counseled on debt management
- Receiving emergency rental assistance
- Avoiding a legal eviction

Summary

- The cost of housing is greater than it has been in our lifetimes
- Housing opportunities are out of reach for many, while others can barely afford their current housing situation.
- Housing instability can be aggravated by many factors such as income loss, emergency expenses, health crisis
- Consumer education and preparation are key to avoiding housing instability, as are organizations who can assist consumers to help them avoid a housing crisis