The Current Economic Status of Households - Owners, Renters and Workers

Special Report for Georgia and Atlanta

August 2020

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Summary

The Atlanta-Sandy Springs-Roswell area has suffered considerably since the start of the COVID-19 pandemic. As a result of the pandemic, we have been bombarded with messages about the economy “failing”. Based on our research, the area is experiencing an extremely troubling set of circumstances due to the composition of its employment and the housing/rental market.

In the Atlanta MSA, while we are seeing reports of the unemployment rate falling, it’s not clear that this is because workers are entering back into the labor market or if unemployed workers are removing themselves from the market entirely. In fact, the area’s labor force has decreased by almost 10% since the start of the pandemic, leaving the latest reported unemployment rate at approximately 12%.

In conjunction with that disturbing trend, between 16% and 20% of renters in Georgia, and between 6% and 8% of homeowners, are at least 30 days past due on their respective rent and mortgage payments at the time of this report. Renters are faced with the nearly immediate end to the US government’s moratorium on evictions, and pressure from landlords who require rent payments to fulfill mortgages. The mortgage forbearance portions of the CARES act is only applicable to mortgages owned by Government agencies (about 2/3 of mortgages on single-family residences), and we note that the major banks that are holding mortgages have put some mortgage forbearance programs in place. However, most of these programs offer 3 – 6 months of relief, and we are within a month of the 6-month limit offered by most of these banks.

The prices of homes for sale in Atlanta, GA, are relatively stable. The number of homes on the market is down from 2019, and it is taking about 10 more days to close on a deal compared to 2018 & 2019, despite historically low interest rates. However, fewer homes are taking price cuts and the price cuts are much smaller.

The upshot of this is that we anticipate that continued disruptions in the labor market will have cascading impacts on the Atlanta metro economy at large. As the labor market moves in a negative direction – more lay-offs and furloughs, a decrease in labor force participation, an increase in unemployment claims, and increases in unemployment rates – there are corresponding negative movements in family income. The increase in unemployment and decrease in family income will correlate to missed rent and mortgage payments, signaling an increase in evictions and foreclosures. If home owners start falling behind on the mortgages will they be able to sell their homes and downgrade? The home resale market is relatively illiquid with lower inventories and more days on the market. As a result, homeowners experiencing difficulties might not be able to downgrade with favorable results.

Will the Federal government (either through fiscal policy, or through direct policy with the Federal Reserve) provide a backstop in the rental and mortgage market? The types of policies that would need to be implemented – a new TARP-type of program, or direct purchase of distressed housing assets by the Federal Reserve – are not appealing. In the absence of a national policy, landlords and ultimately banks and financial intermediaries – will be responsible for the failing housing market, causing them to incur expenses as they did in 2009 and further impacting their respective positions.

1. Introduction

When the COVID-19 pandemic hit the US in early March 2020, it became clear that an economy-wide shutdown would be necessary to slow down the spread of the virus. When Governors issued shelter-in-place orders, there were clear delineations between essential and non-essential businesses. Governors allowed grocery stores, health care providers, banks, hardware stores, utilities, transportation providers, and gas stations to stay open. On the other hand, gyms, shopping malls, consumer-oriented goods and services (boutique stores and shops), theaters, and sporting or concert venues were shut down. In many locations, dine-in restaurants were allowed to remain open, but only for take-out or delivery[1].

An examination of the number of jobs in retail sales, restaurants and hospitality, gyms and personal fitness and consumer-oriented goods and services shows that Atlanta falls within the top-10 SMSAs for total number of jobs in these sectors.

Table 1 Employment in Sectors At Risk of Unemployment During COVID Pandemic (Top 10 SMSAs by Total Jobs)

	Employment in high risk industries, 2019		
Metro name	**Jobs**	**Share of all jobs**	**Share of metro jobs**
New York-Newark-Jersey City, NY-NJ-PA	1,359,872	6.5%	14.8%
Los Angeles-Long Beach-Anaheim, CA	1,113,172	5.3%	18.2%
Chicago-Naperville-Elgin, IL-IN-WI	826,968	3.9%	18.2%
Dallas-Fort Worth-Arlington, TX	647,188	3.1%	18.2%
Houston-The Woodlands-Sugar Land, TX	583,354	2.8%	19.4%
Atlanta-Sandy Springs-Roswell, GA	498,600	2.4%	18.8%
Miami-Fort Lauderdale-West Palm Beach, FL	482,165	2.3%	18.7%
Washington-Arlington-Alexandria, DC-VA-MD-WV	420,015	2.0%	13.3%
San Francisco-Oakland-Hayward, CA	386,170	1.8%	15.9%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	381,074	1.8%	13.6%

Source: https://www.brookings.edu/blog/the-avenue/2020/05/13/what-weekly-unemployment-claims-reveal-about-the-local-impacts-of-the-covid-19-recession/

2. Labor and Unemployment

Table 1 shows the number of jobs within SMSAs that are qualified as 'at risk' during the COVID-19 recession. The recession, which started in March 2020, has had a tight grip on parts of the economy; the

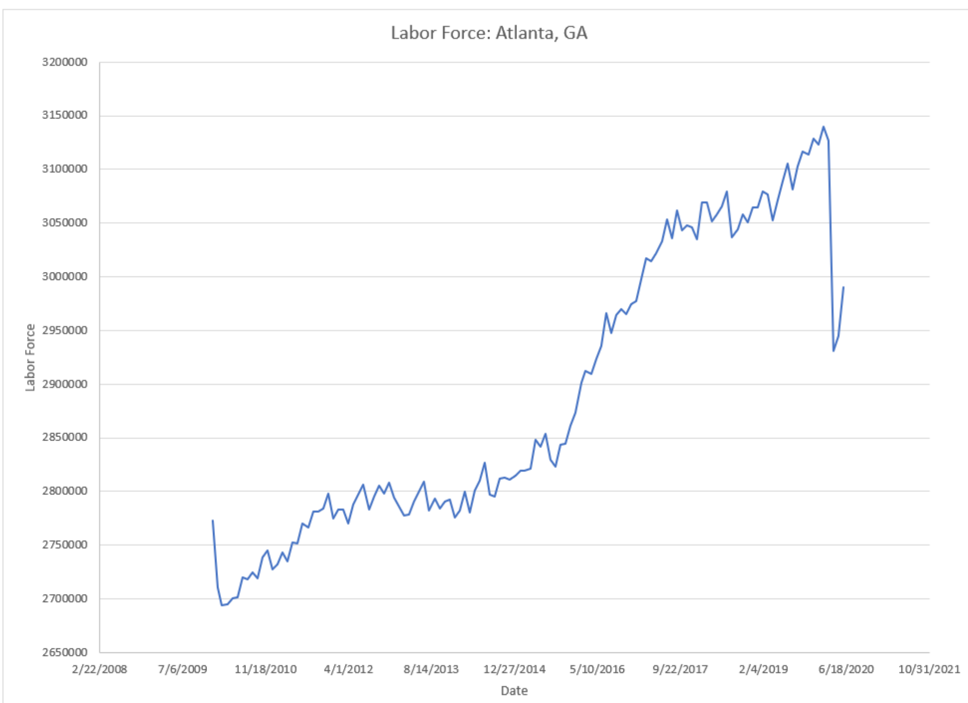
[1] For example, here is an article about New York's Shelter-in-Place order: https://ny.curbed.com/2020/3/20/21187022/coronavirus-new-york-shutdown-shelter-in-place

closure of non-essential businesses forced many firms into a situation where employees were fired or furloughed and forced many firms to shutter.

Figure 1 shows the labor force in the Atlanta-Sandy Springs-Roswell MSA from March 2009 through June 2020. The huge decrease in labor force starting in March 2020 highlights the struggles that workers and establishments have faced during the "COVIDepression".

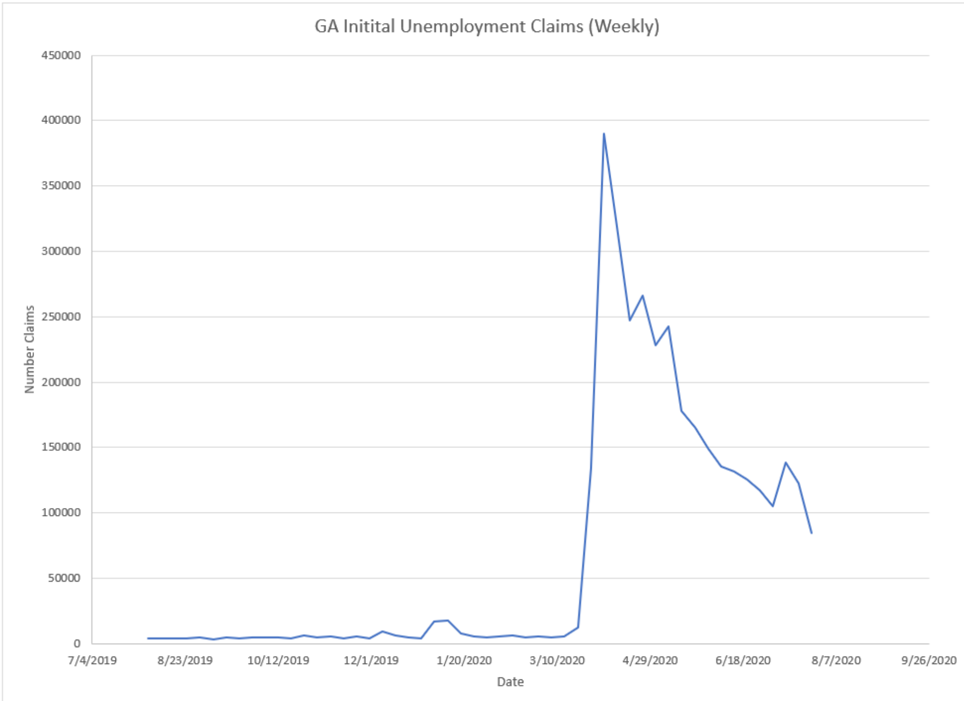
The Atlanta area, as with other MSAs, saw a spike in the number of initial unemployment claims starting the third week of March 2020. (See Figure 2.) Even though we've generally seen a decrease in the number of initial unemployment claims each week, the total number of unemployed workers is building. Figure 3 shows the continued number of unemployment in Georgia. After the initial spike in initial unemployment claims, the funds provided through the CARES Act likely created an incentive for businesses to re-employ some workers. The start-and-stop nature of the pandemic and business operations has created an unsettled labor market. Over the last two months, Georgia has seen between 650,000 and 750,000 workers on its unemployment rolls.

Figure 1 Labor Force: Atlanta-Sandy Springs-Marietta (GA)



Source: BLS.com; https://data.bls.gov/timeseries/LAUMT131206000000006?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

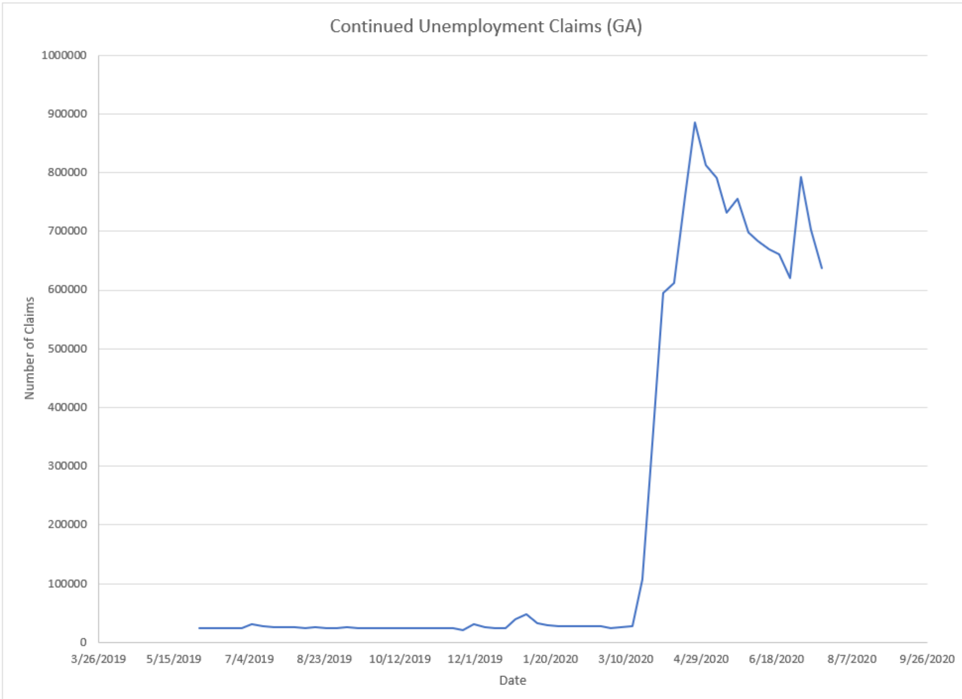
Figure 2 Initial Unemployment Claims by Week: GA



Source: Fred St. Louis

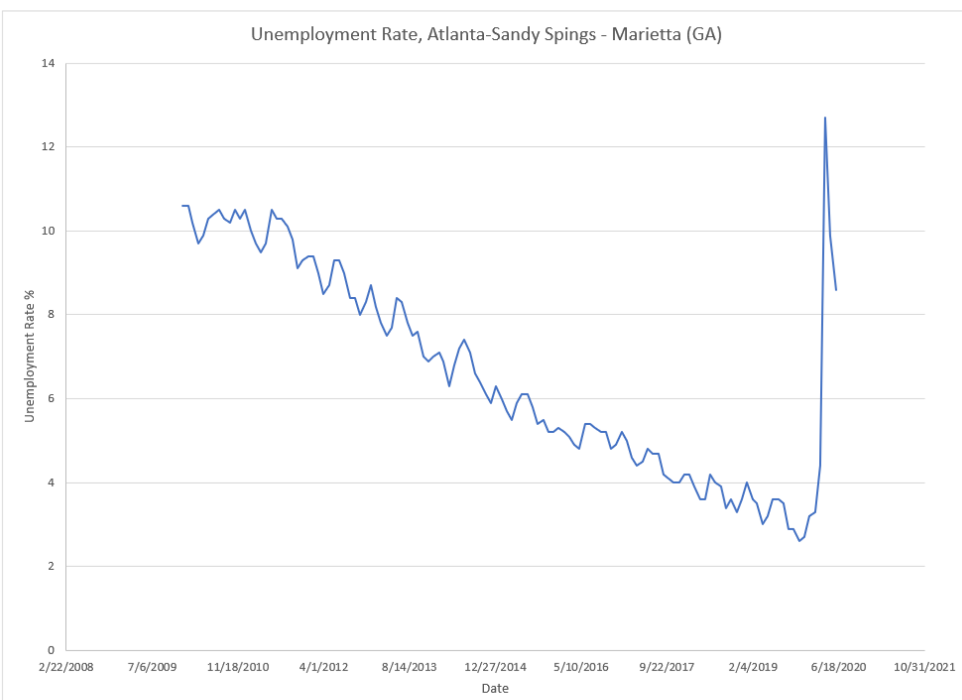
We are seeing the unemployment rate in Atlanta fall from its high point of 12.6% in April 2020. This is because (a) some workers are getting re-employed by their firms but also (as we see in Figure 1), but also (b) some workers are exiting the labor force and therefore are (definitionally) no longer unemployed.

Figure 3 Continued Unemployment: GA



Source: Fred St. Louis

Figure 4 Unemployment Rate: Atlanta-Sandy Springs-Marietta (GA)



Source: Fred St. Louis

The separation of workers from their firms is not hitting all sectors equally. Table 2 shows that the changes in employment in some sectors is relatively mild. The education and health care sectors, for example, have seen less than 1% change in employment over the last twelve months. The leisure and hospitality sectors, however, have seen a 19% decrease in employment since June 2019. Other sectors hit particularly hard during the COVID crisis are manufacturing (-6.9% change) and the information sector (-10.1%).

Table 2 Current Levels of Employment (1,000 of Persons) by Employment Category (Atlanta-Sandy Springs - Marietta MSA)

	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020	6/1/2020
Total Nonfarm	**2,862.60**	**2,866.10**	**2,855.40**	**2,547.50**	**2,600.30**	**2,688.10**
12-month % Change	*2.1*	*1.7*	*1*	*-9.9*	*-8.5*	*-5.5*
Mining and logging	1.5	1.5	1.6	1.5	1.6	1.5
12-month % Change	*0*	*0*	*6.7*	*-6.3*	*0*	*-6.3*
Construction	127.7	129.7	128.9	124	126.3	128.2
12-month % Change	*0.7*	*1.3*	*-0.1*	*-4*	*-3.4*	*-2.4*
Manufacturing	172.1	172.1	170.5	149.8	153.1	159.9
12-month % Change	*1.5*	*1.1*	*-0.1*	*-12.8*	*-10.9*	*-6.9*
Trade, Transportation, and Utilities	611	604.3	607.1	575	575	587.3
12-month % Change	*2.1*	*1.6*	*1.7*	*-3.5*	*-3.9*	*-2.1*
Information	100.4	101.3	101.9	94	90.3	91.2
12-month % Change	*1.4*	*-0.6*	*0.1*	*-6*	*-9.3*	*-10.1*
Financial Activities	177.6	178.6	179	167.6	172.5	173.4
12-month % Change	*2.1*	*2.2*	*2.1*	*-4.6*	*-2.4*	*-2.2*
Professional and Business Services	546.9	548.6	543.1	494.4	504.1	518.1
12-month % Change	*0.9*	*0.7*	*-0.1*	*-9*	*-7.6*	*-5.7*
Education and Health Services	382.9	384.9	385.6	353.3	357.3	361.7
12-month % Change	*4.7*	*4.3*	*4.5*	*-4*	*-3.1*	*-0.8*
Leisure and Hospitality	300.5	302.1	293.8	176.7	207.3	251.5
12-month % Change	*2.6*	*1.9*	*-2.3*	*-41.6*	*-33.1*	*-19.4*
Other Services	104.8	104.3	104.8	81.3	88	94.4
12-month % Change	*3*	*1.9*	*1.8*	*-21.9*	*-15.2*	*-9.9*
Government	337.2	338.7	339.1	329.9	324.8	320.9
12-month % Change	*1.4*	*1*	*0.8*	*-2*	*-3.5*	*-2.9*

Source: BLS.com current employment statistics

3. Real Estate

Sections 4022, 4023 and 4024 of the recent CARES Act[2] addresses mortgage forbearance for single-family and multi-family dwellings, foreclosure moratoriums and eviction moratoriums. The rules regarding mortgages and evictions, however, only apply to dwellings with loans backed by federal agencies.

Section 4022 provides for 180 days of mortgage forbearance (and an additional 180 with request) for properties with federally backed loans (Freddie Mac, Fannie May, VA loans, and FHA loans). The act also created a 60-day moratorium on foreclosures starting March 18, 2020.

Section 4023 provides for a 90-day forbearance on mortgages for multi-family dwellings backed by federal agencies. Those landlords who request and receive forbearances under this section are prohibited from initiating evictions until after the period of forbearance.

Section 4024 creates a 120-day moratorium on landlords for initiating an eviction on a property that has a loan held by a federal agency. Landlords are only allowed to issue 30-day notices to vacate after the 120 period. For all purposes, this section creates a 150-day moratorium on actual evictions. As it stands, August 25, 2020 is the first date that persons living in dwellings covered by Section 4024 may be evicted.

Some of the moratoriums on evictions and foreclosures are ending. The following are the dates when evictions and foreclosures (barring changes to the current CARES Act) would re-start:

July 25, 2020: evictions can restart for persons covered by Section 4023[3]

August 27, 2020: evictions can restart for persons covered by Section 4024[4]

March 22, 2021 – June 29, 2021: end of mortgage forbearances under Section 4022[5]

All of the element of the CARES Act explained above are for buildings with loans serviced by Government agencies; there is no eviction moratorium for renters in buildings with non-agency loans. In short, a series of mass-evictions is eminent. Some states have either enacted temporary legislation or had eviction moratoriums mandated by the state's Supreme Court. Table 2 shows the status of eviction moratoriums for the following states: AL, AK, FL, GA, LA, MS, TN and TX. Of these states, only Florida has extended the current moratorium on evictions.

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[2] See the text of the CARES Act here: https://www.govtrack.us/congress/bills/116/hr748/text. The proceeding paragraphs are in specific reference to the CARES Act.

[3] https://expressrpm.com/cares-act-section-4023/#:~:text=The%20time%20period%20you%20can,this%20program%20at%20any%20time.

[4] https://expressrpm.com/cares-act-section-4024/

[5] https://www.ballardspahr.com/alertspublications/legalalerts/2020-03-27-federal-stimulus-legislation-requires-residential-mortgage-forbearance-relief#:~:text=Section%204022%20of%20the%20CARES,of%20the%20COVID%2D19%20national

Table 3 State Level Eviction Moratorium (AL, AK, FL, GA, LA, MS, TN, TX)

State	Eviction Moratorium?	Moratorium End Date
Alabama	Finished	6/1/2020
Arkansas	Supreme Court Issued Finished	7/25/2020
Florida	Extended (4th extension)	9/1/2020
Georgia	Supreme Court Issued Finished	7/14/2020
Louisiana	Finished	7/6/2020
Mississippi	Finished	6/1/2020
Tennessee	Finished	5/31/2020
Texas	Finished	5/19/2020

Source: https://content.next.westlaw.com/Document/I50fd3ae86ac711eaadfea82903531a62/View/FullText.html

The eviction and foreclosure moratoriums only cover buildings with loans serviced by government agencies. **Error! Reference source not found.** examines the number of single-family and multifamily buildings covered by the CARES Act.

Table 4 Total Rental Units SMSAs and Units Covered by CARES

	Total rental units	Single-family and multifamily units in federally financed properties	Share covered by the CARES Act
Single-family properties:	**22,326,507**	**2,767,433**	**12.4%**
1 unit, attached and detached	14,710,848	1,502,740	10.2%
2 unit	3,175,988	708,341	22.3%
3 or 4 units	4,439,671	556,352	12.5%
Multifamily properties:	**19,547,439**	**9,560,503**	**48.9%**
5 to 9 units	5,068,624	–	–
10–19 units	4,805,393	–	–
20–49 units	3,868,131	–	–
50+ units	5,805,291	–	–
Other	1,937,840	–	–
Total	**43,811,786**	**12,327,936**	**28.1%**

Source: https://www.urban.org/urban-wire/cares-act-eviction-moratorium-covers-all-federally-financed-rentals-thats-one-four-us-rental-units

Approximately 15% of single-family properties are covered by the CARES Act and 49% of multifamily units are covered by the legislation. Overall, 28.1% of all properties – single-family and multifamily units in the US – are covered by the legislation. This means that 7 of 10 units are not covered by the CARES

Act. This **does not mean** that 70% of units are at imminent danger of foreclosure or eviction. There are some demographic differences between families that have fallen behind on their mortgages or rent payments.

3.1. Rental Units and Renters

Table 5 shows the numbers and percentage of renters in Georgia who have paid rent, who have not paid rent, or had their rent deferred. As one would expect, renters with lower incomes are much more likely to miss payments to landlords. Table 6 shows the number and percentage of renters in Georgia who have missed payments relative to their family income level. Renters with incomes below $50,000 are between 2 and 4 times more likely to miss rent payments relative to renters with income levels above $50,000.

Table 5 Renters: Number & Percentage of Georgia Renters by Payment Status (Paid, Not Paid, and Deferred)

	Total Renters	Paid	Did not Pay	Deferred	% Not Paid	% Deferred
5/5/2020	2,300,189	1,787,576	402,572	20,530	17.50%	0.89%
5/12/2020	2,258,934	1,799,727	304,999	17,421	13.50%	0.77%
5/19/2020	2,280,517	1,680,496	441,206	29,888	19.35%	1.31%
5/26/2020	2,493,856	1,802,737	455,400	22,349	18.26%	0.90%
6/2/2020	1,879,727	1,395,140	347,723	23,495	18.50%	1.25%
6/9/2020	1,999,098	1,478,852	357,370	53,659	17.88%	2.68%
6/16/2020	2,139,182	1,736,428	298,225	44,302	13.94%	2.07%
6/23/2020	2,732,730	2,121,595	459,349	18,062	16.81%	0.66%
6/30/2020	2,428,588	1,761,375	533,148	33,591	21.95%	1.38%
7/7/2020	2,275,501	1,519,607	500,014	58,928	21.97%	2.59%
7/14/2020	2,134,204	1,606,669	322,391	30,650	15.11%	1.44%
Average	**2,265,684**	**1,699,109**	**402,036**	**32,080**	**17.71%**	**1.45%**

Source: https://www.census.gov/programs-surveys/household-pulse-survey/data.html

Table 6 Renters Payment Status (Paid, and Not Paid) by Income Level (Georgia)

	Total Renters Income <$50k	Total Renters Income > $50k	Total Renters Income < $50k NOT paid	Total Renters Income > $50k NOT Paid	% Renters Income < $50k NOT Paid	% Renters Income > $50k NOT Paid
5/5/2020	1,487,088	789,817	274,401	128,172	18.45%	16.2%
5/12/2020	1,572,952	684,069	289,526	15,472	18.41%	2.3%
5/19/2020	1,452,364	779,455	370,752	70,453	25.53%	9.0%
5/26/2020	1,617,987	857,597	385,798	69,601	23.84%	8.1%
6/2/2020	1,211,056	582,998	268,541	79,183	22.17%	13.6%
6/9/2020	1,235,299	670,201	296,316	61,055	23.99%	9.1%
6/16/2020	1,260,178	690,249	260,002	38,223	20.63%	5.5%
6/23/2020	2,008,286	646,664	413,356	45,994	20.58%	7.1%
6/30/2020	1,877,603	519,376	448,932	84,217	23.91%	16.2%
7/7/2020	1,767,287	438,181	439,286	60,728	24.86%	13.9%
7/14/2020	1,528,429	547,882	275,537	46,855	18.03%	8.6%
7/21/2020	1,728,589	619,118	426,583	38,664	24.68%	6.2%

Source: https://www.census.gov/programs-surveys/household-pulse-survey/data.html

Table 7 Percentage of Family and Non-Family Households by Income Level (Atlanta – Sandy Springs – Marietta MSA)

Income Level	Family Households	Non-Family Households
Total	2,137,280	695,421
Less than $10,000	5.30%	10.10%
$10,000 to $14,999	2.90%	5.20%
$15,000 to $24,999	7.60%	12.50%
$25,000 to $34,999	7.80%	11.20%
$35,000 to $49,999	12.20%	15.50%
$50,000 to $74,999	17.90%	19.30%
$75,000 to $99,999	13.10%	10.30%
$100,000 to $149,999	16.50%	9.30%
$150,000 to $199,999	7.50%	3.30%
$200,000 or more	9.10%	3.30%
Median income (dollars)	69,464	45,068
Mean income (dollars)	95,476	61,348
Weighted Median Income	$63,474.84	

Source: https://data.census.gov/

Per Table 7, the average income for family households in the Atlanta-Sandy Springs-Marietta MSA is $69,464, and the average income for non-family households is $45,068. The weighted average income for households in the Atlanta MSA is $63,474. In Table 5, we saw that the percentage of renters not paying rent is hovering around 18% while nearly 1.5% of renters are having rent deferred; this is not to say that we expect that 18% of renters in the Atlanta area will default on their rent given that the average income in Atlanta is slightly higher than $50,000. However, it is very possible that the Atlanta MSA may experience renter delinquency rates between 12% and 15%.

3.2. Mortgaged Property Owners

Table 8 shows the percentage of owners that are delinquent (i.e., 30, 60, or 90+ days past due, or "dpd") on their mortgages in the Atlanta-Sandy Springs-Marietta MSA, and Table 9 shows the percentage of owners that are delinquent on mortgages in Georgia. Approximately 5% of single-family home owners are 30 days past due or more in Atlanta; the percentage of delinquent home owners in Georgia is between 6% and 8%. In Georgia, we are seeing another 2 – 5% of owners with deferred mortgages.

Table 8 Mortgage Payment Status June 2020 - Atlanta-Sandy Springs-Marietta SMA

Dwelling	Number	Current	30 dpd	60 dpd	90+ dpd	30+ dpd	% 30+ dpd
Single Residency	141702	134581	3293	3285	543	7121	5.03%
Condo	521	478	21	20	2	43	8.25%
Multi-Unit	219	199	12	6	2	20	9.13%
TOTAL	**142442**	**135258**	**3326**	**3311**	**547**	**7184**	**5.04%**

Source: Freddie Mac STACR Data

Table 9 Mortgage Payment Status: Number Paid, Not Paid and Deferred (Georgia)

	Total Owners	Payed	Did not Pay	Deferred	% Not Paid	% Deferred
5/5/2020	4,652,822	2,949,721	289,047	132,355	6.21%	2.84%
5/12/2020	4,994,299	2,920,320	292,375	138,007	5.85%	2.76%
5/19/2020	4,861,080	2,825,077	450,784	167,483	9.27%	3.45%
5/26/2020	4,120,242	2,352,789	251,827	228,939	6.11%	5.56%
6/2/2020	4,871,368	2,965,937	304,388	138,575	6.25%	2.84%
6/9/2020	4,992,093	2,855,651	457,727	348,721	9.17%	6.99%
6/16/2020	5,121,327	3,232,960	267,333	138,737	5.22%	2.71%
6/23/2020	4,686,484	2,590,271	326,212	203,683	6.96%	4.35%
6/30/2020	4,625,458	2,527,435	413,034	296,827	8.93%	6.42%
7/7/2020	4,807,556	2,760,228	429,620	320,645	8.94%	6.67%
7/14/2020	4,867,935	2,965,528	280,820	101,618	5.77%	2.09%

Source: https://www.census.gov/programs-surveys/household-pulse-survey/data.html

Given that a significant percentage of homes loans are held by private financial institutions, and because there is no Federal legislation mandating the mortgage forbearance, financial institutions have proactively implemented a variety of approaches and deadlines. Table 10 (below) lists the largest banks that operate in the Atlanta MSA, and how they are handling mortgage forbearance. Most of these banks have extended forbearance by 3 – 6 months and are trying to identify ways to re-consolidate the interest by either adding additional payments to the end of the mortgage terms or by renegotiating the entirety of the loan (essentially a mortgage refinance). If we assume that many home owners approached their banks in early March or April 2020, most of these forbearance programs will end within the next two months (August or September 2020).

Table 10 COVID-19 Mortgage Forbearance Programs by Bank

Bank	Mortgage Forbearance Details	Plan Length
Fifth/Third Bank	**Mortgage**: Up to 180-day payment forbearance which may be extended up to an additional 180 days at the borrower's request. In addition, the forbearance can be shortened at the borrower's request. **During the forbearance period:** -We won't charge late fees -Interest will accrue on your loan. -We will report your loan as current with a notation that the loan is in forbearance and we won't report missed payments to the consumer reporting agencies during the forbearance period. -We won't refer the loan to foreclosure. **You may select one of four options at the end of the forbearance period:** -Be evaluated for a loan modification to move missed payments to the back of loan, extending the loan term. -Add the missed payments to the end of the loan as a lump sum payment. Due and payable upon maturity, payoff or finance. -Agree to a repayment plan with our hardship team. -Make a lump sum payment after the forbearance period expires. **Foreclosures**: Suspension of all foreclosure activity on homes through August 31, 2020.	Up to 180 days, with additional 180 days by request
PNC	**FORBEARANCE PLAN**: Make reduced mortgage payments or no mortgage payments for a specific period of time. -Allows you time to improve your financial situation and get back on your feet; however, the missed payments are not forgiven and must be repaid after the forbearance plan ends. *Must apply for Mortgage Hardship Assistance*	90 days, with additional options after the 90 day period
Bank of America	If you are experiencing financial hardship associated with the coronavirus, we can provide payment deferrals or payment forbearances (also referred to as a payment postponement) for up to three months or longer. **Both a payment deferral and a payment forbearance are similar in these ways:** -Your payment due dates are delayed. -Your payments aren't forgiven or erased, although we'll work with you on repayment options. -There won't be any late charges.	Up to three months or longer
Chase	Monthly payment: Reduced or stopped temporarily Interest rate: No change Loan term (length): The forbearance does not increase the length of the loan term although subsequent loan-term options may. Life of loan cost: No change	90 days, but may request additional time

Wells Fargo	During payment suspension: -We won't charge late fees. -If your loan was current when you requested payment suspension: -We won't report missed payments to the consumer reporting agencies. -We will report you as current with a comment that the loan is in short-term payment suspension (forbearance). -If your loan was past-due when you requested payment suspension: -We will not report any additional missed payments to the consumer reporting agencies during the payment suspension period. -We won't refer the loan to foreclosure at this time.	An initial short-term payment suspension temporarily pauses your obligation to make monthly payments for up to 6 months. We will make this available in 3-month increments, checking in with you during your initial 3 months, to understand if you continue to experience financial hardship. At the end of the initial 6 months, if your mortgage is covered by the CARES Act, you may request an additional 6 months of payment suspension for a total of 12 months in accordance with the CARES Act. We will continue to check in with you every 3 months to understand your needs.
Sun Trust	This option lets you make a partial payment—or no payment whatsoever—for a specified period of time (typically 3-6 months). That way, you could prolong foreclosure or even place the foreclosure process on hold, giving you more time to resolve a temporary financial hardship. *Must Request Payment Relief Assistance*	3-6 months
Citibank	Mortgage: Citi's mortgage sub-servicer Cenlar FSB is offering 90-day forbearance for Citi's mortgage loans where the borrower is experiencing hardship. In addition, foreclosures and evictions have been paused for 60 days. For questions, customers should contact Cenlar directly at 1-855-839-6253.	90 days
Regions	If you have a Federally-backed mortgage and are experiencing financial hardship due to the COVID-19 emergency, you may be entitled to 180-day forbearance, which may be extended for another 180 days in certain circumstances. If your mortgage is not Federally-backed but Regions is the lender or servicer, Regions may agree to a 90-day forbearance, which may be extended for another 90 days in certain circumstances. Although interest will continue to accrue during the forbearance period, you will not be charged fees related to the scheduled non-payment. Your credit will be reported based on the status of your loan when you requested forbearance. When the forbearance period ends, Regions will work with you to find a repayment option, such as an extended repayment plan or loan modification.	180 days, with additional 180 days upon request

TD	A Forbearance Plan is an agreement that allows a borrower facing temporary hardship to make no mortgage payment during the Forbearance Plan's term. We will not pursue foreclosure during the Forbearance Plan term. If you have a home equity line of credit (HELOC), you may not be able to draw funds from the line of credit during the Forbearance Plan. You will receive a separate notice about this change.	Does not clarify

3.3. Real Estate Inventories, Mortgage Payments and Home Owners

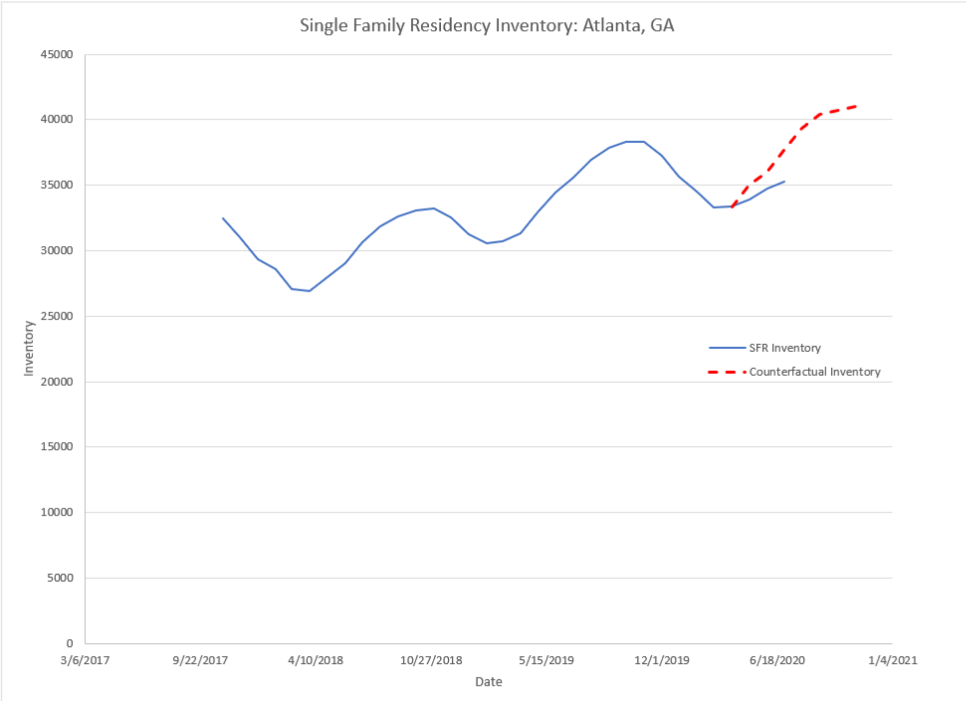
The housing market has undergone a small transformation since the first national lockdown in mid-March 2020. Figure 5 shows that the inventory – which shows seasonal increases and decreases – has had significantly smaller increases this past Spring and Summer relative to other years. The red line shows the counter-factual (forecasted/anticipated) inventory based on previous years while the blue line shows the current and past trend. Currently, the market in Atlanta, GA, has about 10% fewer homes in inventory relative to the same period the last three years. At the same time, the depletion of inventory has not been as quick as we've seen in previous years (**Error! Reference source not found.**). In other words, the market did not see the same sell-off of inventory in Spring 2020, and subsequent build-up of inventory in late Spring and early Summer 2020, as in 2019.

As part of this movement, it is taking buyers and sellers a little longer to close on a deal. The average days until pending contract has remained high since the start of the COVID-19 pandemic in the US. The current average days until pending contract is between 10 and 12 more days relative to the same season from the last two years (Figure 7). In spite of this, there has been a smaller percentage of homes with price-cuts (Figure 8) and the average price of homes (accounting for inflation) has been remarkably stable (Figure 9).

To recap the state of housing in Atlanta, GA, since the stay-at-home orders in March 2020:

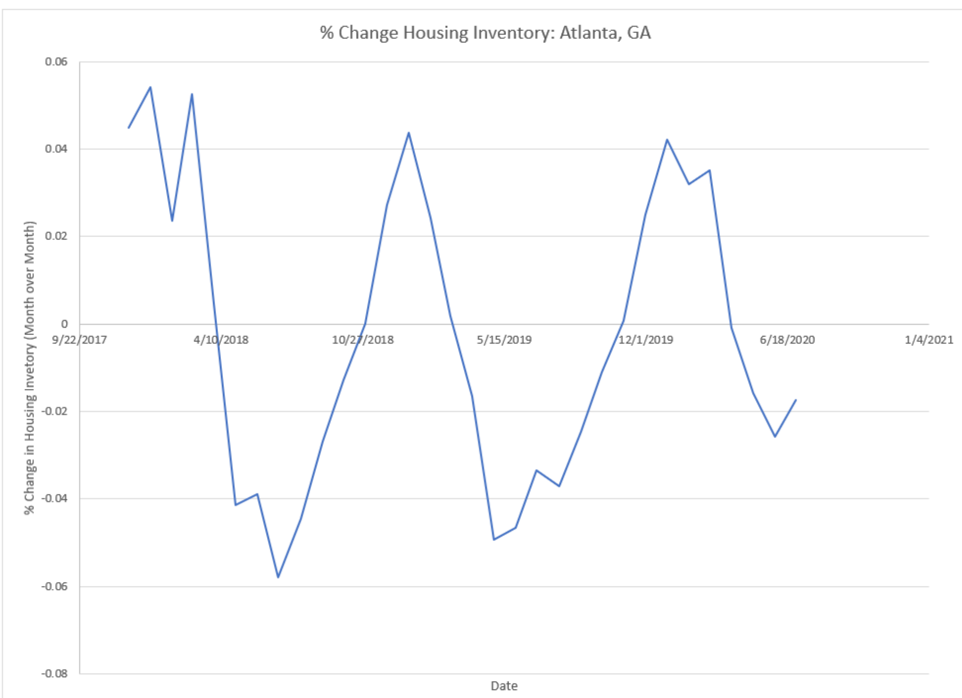
- Fewer homes in inventory;
- Average days to pending contract are 10 – 12 days longer than previous year's Spring/Summer;
- Fewer price cuts; and
- Stable prices.

Figure 5 Inventory: Single Family Residences Atlanta, GA



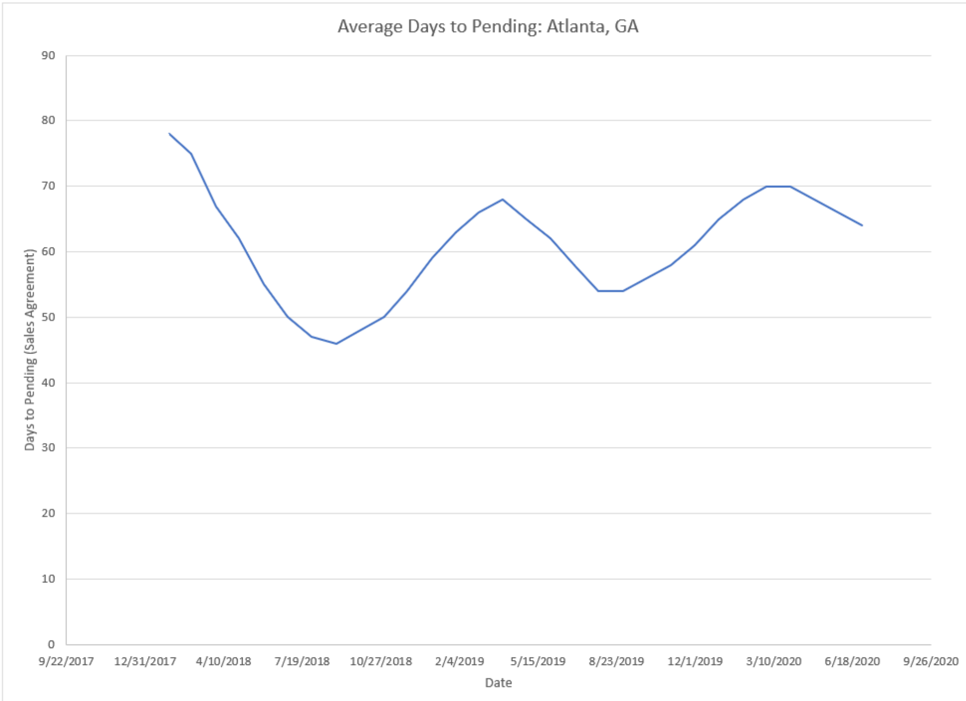
Source: https://www.zillow.com/research/data/

Figure 6 Percentage Change in Housing (Single Family Residences): Atlanta, GA



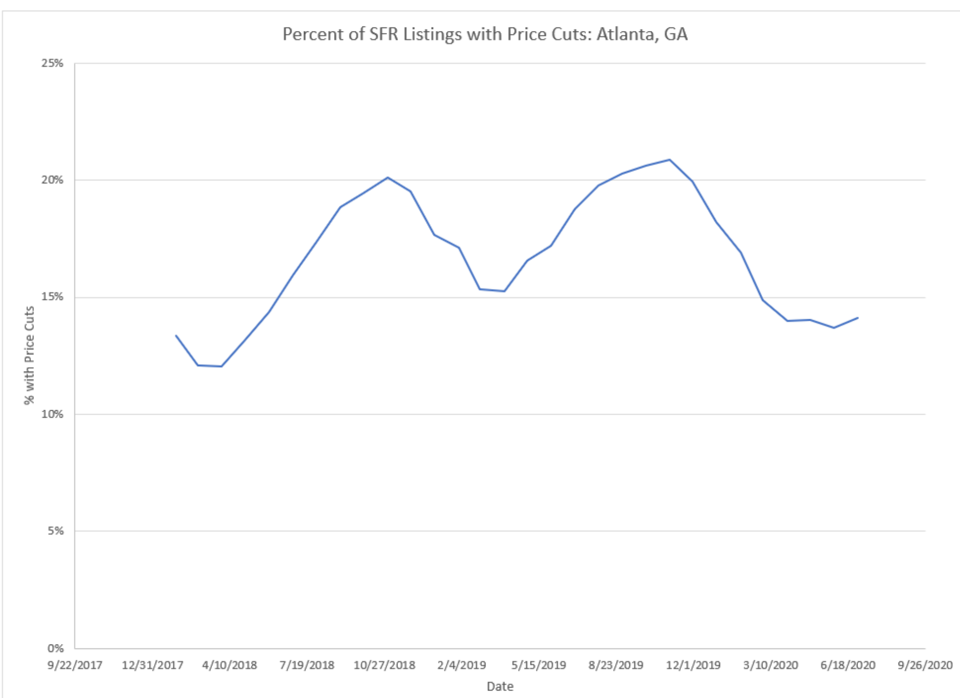
Source: https://www.zillow.com/research/data/

Figure 7 Average Days to Pending Contract (Single Family Residences): Atlanta, GA



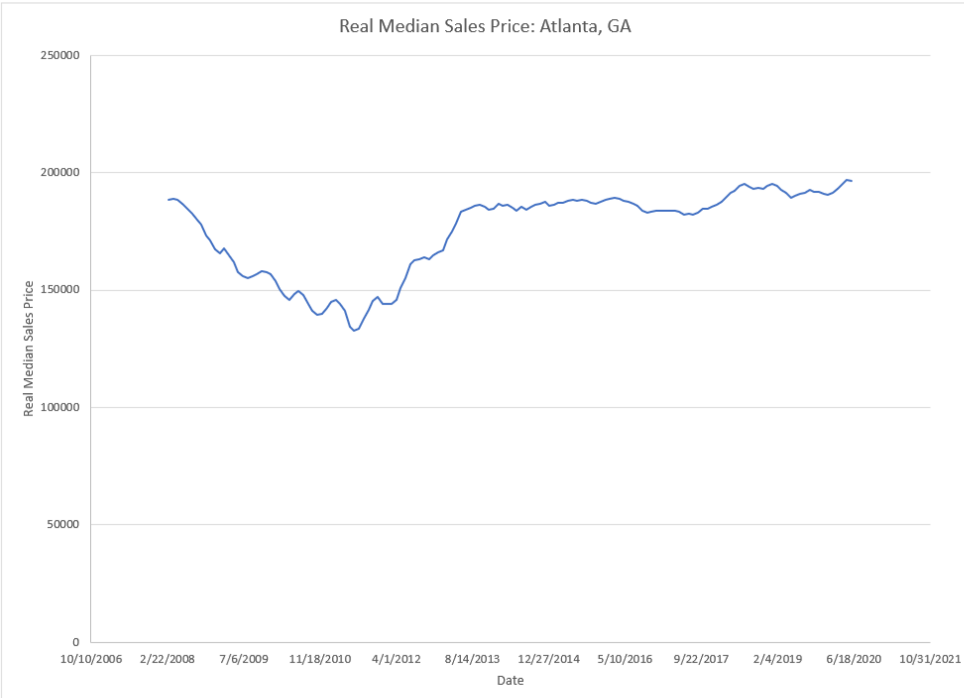
Source: https://www.zillow.com/research/data/

Figure 8 Percentage of Single Family Residences with Price Cuts: Atlanta, GA



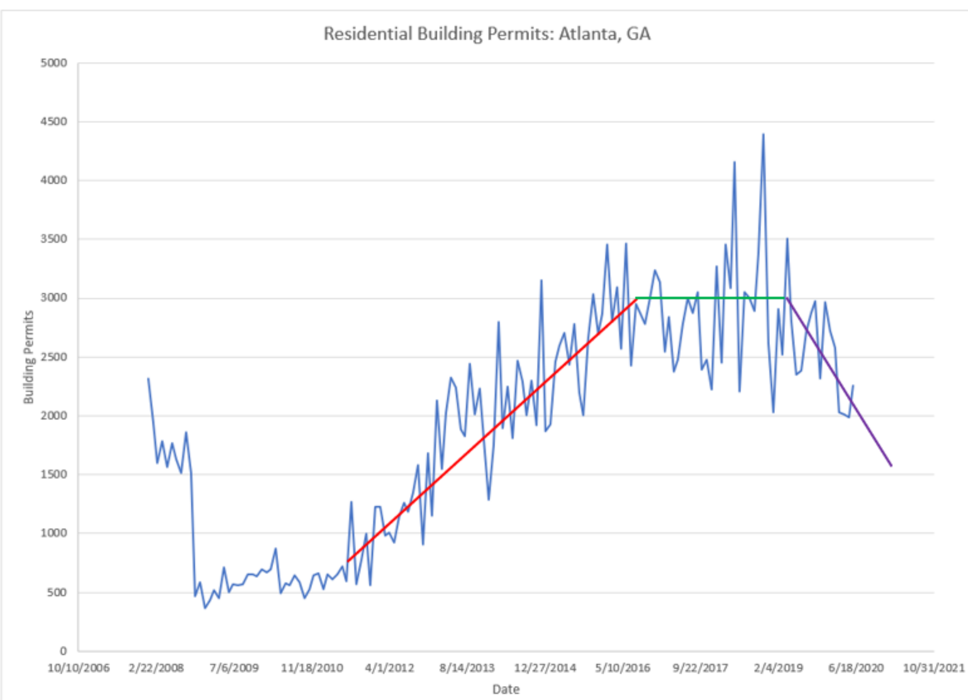
Source: https://www.zillow.com/research/data/

Figure 9 Real Average Price of Homes (Single Family Residences): Atlanta, GA



Source: https://www.zillow.com/research/data/; https://fred.stlouisfed.org/series/CUURA319SEHC

Figure 10 Residential Building Permits (Single Family): Atlanta, GA



Source: Fred St Louis

While the re-sale market for homes has undergone some changes, we are also seeing a decline in the number of single-family residential building permits. The number of permits had been relatively stable between May 2016 and May 2019 (although there had been large variances during winter 2018 and early Spring 2019). Since May 2019, there has been a down-ward trend in the number of building permits per month. The trend since the start of the lock-down in Atlanta, GA (March 2020) has been a continuation of a much longer trend starting in Spring 2019.

4. Recap

Atlanta, GA, has suffered considerably since the start of the COVID-19 pandemic. One of the more urgent concerns is the impact of the end of the eviction moratorium. Although there is still a chance that the US House and Senate will put together a comprehensive fiscal stimulus package, there are no guarantees that a set of laws will be enacted quickly enough to stave-off massive trend in evictions. Between 16% and 20% of renters in Georgia are at least 30 days past due on their rental payments. Families with incomes below $50,000 annually are between 2 and 4 times more likely to be behind on their rent payments. Although the median income in Atlanta is approximately $64,000, there is still a sizeable number of families in the Atlanta-Sandy Springs- Marietta MSA at or below the $50,000 income level. Without a continuation of the eviction moratorium there might be a surge in evictions.

Home owners in Atlanta, GA, haven't fared much better. Between 6% and 8% of home owners are at least 30 days past due in their mortgage payments. The mortgage forbearance in the CARES act is only applicable to mortgages owned by Government agencies (about 2/3 of all mortgages). The major banks have put some mortgage forbearance programs in place. However, most of these programs offer 3 – 6 months of relief and we are within a month of the 6-month limit offered by most of these banks.

The prices of homes for sale in Atlanta, GA, are relatively stable. The number of homes (inventory) is down and it is taking about 10 more days to close on a deal relative to the last two years. However, fewer homes are taking price cuts and the price cuts are much smaller.

The Atlanta, GA, unemployment numbers are also troubling. The labor force has decreased by almost 10% since the start of the pandemic. Initial unemployment claims each week are quite high. The unemployment rate is falling, but it's not clear that this is because workers are entering back into the labor market or if unemployed workers are removing themselves from the market entirely.

Resources

https://www.urban.org/urban-wire/cares-act-eviction-moratorium-covers-all-federally-financed-rentals-thats-one-four-us-rental-units

https://www.census.gov/programs-surveys/household-pulse-survey/data.html

https://www.cbpp.org/research/housing/extend-cares-act-eviction-moratorium-combine-with-rental-assistance-to-promote

https://www.brookings.edu/blog/the-avenue/2020/05/13/what-weekly-unemployment-claims-reveal-about-the-local-impacts-of-the-covid-19-recession/

https://www.justia.com/covid-19/business-assistance-during-the-coronavirus-pandemic/essential-vs-nonessential-businesses/

https://ny.curbed.com/2020/3/20/21187022/coronavirus-new-york-shutdown-shelter-in-place

https://crsreports.congress.gov/product/pdf/IN/IN11320