



The Housing Assistance Council (HAC)

is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides loans, grants, training, technical assistance, and research and information services. HAC is an equal opportunity lender.

For more information about rural housing, visit HAC online.

www.ruralhome.org

Housing in the Mississippi Delta

The Mississippi Delta faces numerous development challenges that trace their way from slavery's legacy to the displacement of thousands of residents caused by Hurricane Katrina. Efforts to address the housing needs of this region will require multi-level approaches that address the social, political, and economic infrastructure of the region.

GEOGRAPHY

The Mississippi Delta region is defined as 252 counties and parishes in portions of Alabama, Arkansas, Louisiana, Mississippi, Missouri, Illinois, Tennessee, and Kentucky. This broad area covers more than 90,000 miles of rivers and streams and more than 3 million acres of land.

POPULATION

Nearly 10 million people live in the Delta. Between 2000 and 2010 population growth in the region was fairly stagnant with only a 1.3 percent increase in the Delta population during this time, compared to 9.7 percent increase for the nation as a whole. Population actually declined in many Delta counties.

Non-Hispanic whites make up 62 percent of the region's population and African Americans make up 32 percent of the region's population, much greater than the national rate of 12 percent African American. Other racial and

ethnic groups are found only in very small numbers.

Poverty is high across the region with extremely high rates among the region's African American population. Twenty percent of the Delta population overall lives in poverty, compared to more than one-third of the region's African-American residents. Additionally, one quarter of the Delta's Hispanic population lives in poverty, compared to a 22 percent rate nationally.

HOMEOWNERSHIP

Homeownership is at 52 percent among African Americans in the Delta, a rate significantly lower than the overall 68 percent average in the region. The average of median home values across Delta counties is \$81,389.

Homeownership, housing value, and asset retention are heavily dependent on access to mortgage financing. Rural areas generally have fewer conventional banks and financial institutions than urban centers. This is a major factor in the proliferation of subprime lending, particularly in rural areas with high minority populations. Subprime lenders are more active in low-income and minority communities. According to 2010 Home



Mortgage Disclosure Act data, 11 percent of reported home purchase loans in Mississippi Delta counties were high cost loans, compared to less than 5 percent of home purchase loans nationally. High cost loans are those with interest rates 3 percent above a comparable Treasury yield. While not all high cost loans are predatory in nature, higher fees and aggressive lending practices and terms, in general, can rob an owner of equity and reduce the benefits of owning one's home.

HOME AFFORDABILITY

Affordability has become the most prevalent housing concern in rural America and this is particularly true for African Americans in the Delta, where incomes are low. African American renters in the area have extremely high rates of housing cost burden- with cost burden defined as paying greater than 30 percent of monthly income for shelter costs. Across the Delta overall, nearly one-third of housing units are cost burdened.

HOUSING QUALITY

As is the case in the nation as a whole, the level of inadequate housing in the Mississippi Delta declined significantly in the past few decades. Among all Delta housing units, one percent currently lack complete plumbing. Another one percent lack complete kitchens, and six percent of Delta homes are without telephone service.

CROWDING

Crowding is defined as having more than one person per room within a housing unit. Crowding is significantly more problematic for renters and minorities. In the Mississippi Delta, nearly 90,000 housing units are crowded.

DEVELOPMENT CHALLENGES

The Delta has an overwhelming need for the development of decent affordable housing and related infrastructure. Housing conditions are inextricably linked to economic conditions for Delta residents. Persistent poverty, racism, and a lack of resources make it difficult to create positive changes in the region.

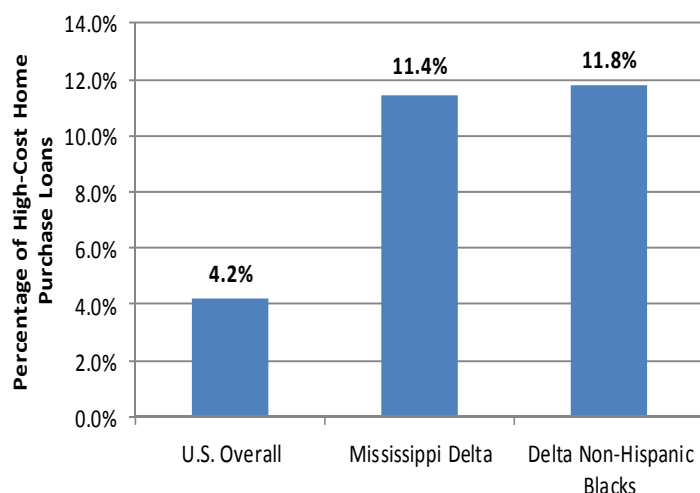
For those areas hit by Hurricane Katrina, these issues have only been compounded since the storm. On August 29th, 2005, Hurricane Katrina hit the gulf coasts of Mississippi and Louisiana causing catastrophic damage. In Louisiana more than 425,000 residences were damaged and over a quarter million destroyed. In Mississippi more than 230,000 were damaged with over 65,000 destroyed (FMS 2006).

Much of the affordable housing stock and other residences kept by low-income households were in poor condition prior to the storm and located in flood-prone areas. Renters in particular face further obstacles in higher rents, fewer affordable units, and less recovery assistance (FMS 2006). In addition to low-income persons, middle-income households are at risk of becoming the "new poor" as they continue to owe on mortgages for homes that have lost most or all of their value.

The Delta will be feeling the effects of the hurricane for years to come, with many residents still displaced several years after the storm and reconstruction efforts far from finished.

Information about housing and Hurricane Katrina comes from: Foundation for the Mid South. (2006). The Bridge Special Edition: Hurricanes Katrina and Rita One-Year Anniversaries. Other information within the fact sheet derives from Census 2010, 2005-09 American Community Survey, and 2010 Home Mortgage Disclosure Act data.

High Cost Lending in the Delta



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