

# RURAL POLICY NOTE

February 27, 2013

## THE HOUSING ASSISTANCE COUNCIL

The Housing Assistance Council (HAC) is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, and research and information services. HAC is an equal opportunity lender.



## HUD REPORT FINDS CONTINUED INCREASE IN WORST CASE HOUSING NEEDS

Nearly 8.5 million low-income families experience worst case needs and risk losing their homes due to struggles to pay rent or substandard conditions according to a new Housing and Urban Development (HUD) report to Congress this month. HUD determines worst case housing needs by the total number of very low-income households<sup>1</sup> that pay more than half of their income in rent or reside in substandard or inadequate housing conditions.

Worst case housing needs have increased dramatically in recent years. Since 2009, the number of very low-income households that struggle with affordability or substandard housing increased by 1.4 million. HUD's report indicates that 43.9 percent of very-low income renters now have worst case needs. Most worst case housing need is attributable to severe rent burden. Part of the increase in the number of worst case housing needs since 2009 was a result of an increase in the number of families renting. Demand for rental housing has increased as families faced foreclosure, unemployment, and as new families formed. Falling incomes, shortage of housing assistance, and limited affordable housing stock also contribute to the increase.

### Worst case needs increase across the board

Demographic groups and regions across the country are impacted by the increasing crisis in affordable quality rental housing. Rural communities, cities, and suburbs are all seeing this increase. HUD's full report on worst case housing is forthcoming, but research from the Housing Assistance Council has noted the high prevalence of cost burden and poor housing conditions in rural areas. HAC's publication [\*Taking Stock: Rural People, Poverty and Housing in the 21<sup>st</sup> Century\*](#) notes 47 percent of rural renters are cost burdened, and nearly half of them are paying more than 50 percent of their monthly incomes towards housing. In addition, over half of rural and small town households with multiple problems of cost, quality, or crowding are renters.

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<sup>1</sup> With incomes below 50% of area median income and who are not receiving government housing assistance

## Contact Us

### HOUSING ASSISTANCE COUNCIL

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## FOR MORE INFORMATION ON WORST CASE HOUSING

[Worst Case Housing Needs 2011 Report to Congress: Summary, February, 2013.](#)

[Press Release: HUD Reports Continued Increase in “Worst Case Needs” in 2011](#)

[Affordable Housing/Worst Case Needs Reports to Congress](#)

## FOR MORE INFORMATION ON RURAL HOUSING ISSUES

[Housing in Rural America](#), Taking Stock: Rural People, Poverty and Housing in the 21<sup>st</sup> Century. 2012.

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