

July 20, 2023

The Federal Housing Finance Agency  
Office of Multifamily Analytics and Policy  
400 7th Street, S.W.  
Washington, D.C. 20219

To Whom it May Concern in the Office of Multifamily Analytics and Policy:

Our company, Camden Property Trust, is a publicly owned developer, owner, and manager of multifamily apartment communities. Headquartered in Houston, Texas, we currently own and operate 172 properties containing 58,961 apartment homes in 15 markets across the US.

We take our responsibility to our residents seriously and strive to create thriving communities and successful resident experiences. As such, we appreciate the importance of federal, state, and local laws and regulations already in place that create rights and responsibilities for rental housing residents and providers.

Exceptional customer service is an integral part of our business. Camden encourages resident feedback and engages with our residents on social media. We also utilize our resident portal to engage with our residents and inform them of activities taking place within the community, neighborhood, and city. We listen to our customers and make every effort to respond to all posted ratings and reviews. Residents enjoy the convenience of around-the-clock support from our Contact Center, where Camden team members are ready to answer questions and resolve resident concerns. Resident engagement is an important element of customer service, which is why we survey residents each month through our Customer Living Excellence index (CLEi) survey. The survey is a pulse check of the community and asks residents about their interactions with staff and overall living experience at our communities. This feedback gives us an opportunity to address any issues, read positive team praise, and find out how we can better provide Living Excellence. We also utilize a Customer Sentiment dashboard which reflects each of our communities' customer sentiment scores, enabling all team members to view real-time customer ratings and take actions accordingly.

As a multifamily housing provider, resident rights are a critical part of the rental housing system and we are committed to providing safe, quality housing at a fair price for renters in all of our communities. As such, we caution against any FHFA efforts that could increase the risks associated with using Enterprise programs or limit broader housing availability and affordability goals, especially at this time of market uncertainty.

It is vital that FHFA remain focused on the Enterprises stated mission which is, "to serve as a reliable source of liquidity and funding for housing finance and community investment."<sup>1</sup>

### **Importance of Enterprise Capital Availability**

Many factors influence the ability of the multifamily housing industry to meet the nation's growing demand for rental housing, but the availability of consistently reliable and competitively priced capital is the most essential.

The Enterprises' multifamily programs serve a critical public policy role and ensure that multifamily capital is available in all markets at all times, so that multifamily housing providers, like us, can address the broad range of America's housing needs from coast to coast and everywhere in between.

We have seen evidence of the negative impact of current market conditions on multifamily housing finance and development—causing many in our industry to cut back significantly on new apartment construction. The actions contemplated in this RFI would impose confusion in the market and increase market uncertainty. This in turn would deter much-needed investment in housing supply and increase costs for housing providers and residents alike.

### **Rental Housing is Largely a State and Local Issue**

The relationships between multifamily housing providers and residents, the communities we serve, and the broader housing market are governed by layers of federal, state, and local statutes, case law, regulations, and private contractual agreements—all providing specific rights and responsibilities. This includes building codes, contractual notices and disclosures, fair housing, eviction processes, consumer reporting and debt collection laws; and enforcement provisions to guard against fraud and abuse. Lease agreements outline the rights and responsibilities between residents and housing providers and are enforced by state and local courts.

Given that our policies and operations are largely governed by state and local laws and regulations based on local real estate market conditions, anyone-size-fits-all new "protections" will undoubtedly lead to misaligned requirements that do not account for the unique housing needs of each of the communities we serve, nor other communities in dire need of affordable housing opportunities.

### **Rent Control and Other Price Control Measures Have Been Repeatedly Proven to Limit the Supply of Rental Housing and Increase Costs**

America's renters and multifamily housing providers share the larger goal of addressing housing needs nationwide. Rent control research, however, has proven repeatedly that rent control is a failed policy that does nothing to get at the root of the challenge—our nation's lack of supply. In

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<sup>1</sup> About FHFA | Federal Housing Finance Agency "Mission", available at <https://www.fhfa.gov/AboutUs>.

fact, while rent control and rent stabilization laws purport to improve housing affordability, they often have exactly the opposite outcome and lead to increased costs and a reduction in the available supply of rental housing.

Layered on top of the aforementioned concerns are the many complexities that would result if a federal agency attempted to make broad assessments about rent at the federal level without input from local or state officials per applicable jurisdiction. FHFA should avoid any type of rent regulations, including rent control, rent stabilization or pricing policies as they would harm national affordability goals by deterring investment in much needed housing production, including the Enterprises' backed secondary mortgage market.

Camden analyzes the impact of current and proposed rent control or rent stabilization measures in each of our markets. That is an important factor in evaluating whether we invest in markets subject to such regulations or explore disposition of our assets in those markets.

### **Federal Policies Should Target the Root Causes of Eviction, As It Is Almost Always a Last Resort**

Evictions are a troubling experience for all parties involved, thus it is a last resort for us as housing providers. Private, public, and non-profit rental housing providers engage in the eviction process as their only legal remedy to remove a resident who has breached the lease. While most evictions are premised on non-payment of rent, other causes include lease violations, fraud during the application process and other criminal activities.

We seek to mitigate evictions, most often by working with affected residents on payment plans and connecting them with social services.

*At the beginning of COVID, Camden's leadership met to determine what we could do to help our residents financially impacted by COVID.* We wanted to come up with a plan to keep our residents in their homes in a way that aligned with our company's legal and financial objectives. First, Camden distributed \$10.4 million to residents in need without requiring repayment. We made this disbursement before any PPP loans or other government funds were available. Next, we froze rents on renewals, halted evictions, and began working on payment plans. But beyond that, residents were struggling to pay large outstanding balances incurred during the pandemic, along with current rent. We asked ourselves, "can we figure out a way to modify our residents' heavy and immediate debt load and make it more manageable?" We knew there had to be some "out of the box" solutions we could try to offer.

*To support residents during a time of financial need, Camden began offering microloans.* Residents apply directly to [Esusu](#), a savings and credit building platform that Camden partnered with in 2020, and which continues today. Under the program, residents share their reason for financial distress. If the resident qualifies, Esusu covers between 1 and 3 months' rent, paying Camden directly. Esusu offers a three month grace period, allowing residents ample time before

they begin repayment. Esusu covers all fees and interest through philanthropic funding, which enables them to provide funds immediately for residents who meet their criteria. Since inception of the program, \$682,665 of rent relief was deployed for Camden residents, with an average distribution of \$1,979 per resident.

*This led Camden to adopt a rent reporting program as well, to help residents build credit.* Many Camden residents do not have credit, often because they have moved from another country where credit scores are not commonly used. Camden managers would frequently provide residents with letters confirming that they pay rent on time, in order to establish credit history. Esusu reports on-time rental payments to credit companies to build credit scores. Esusu also only reports positive history, gives 30-day leeway to any missed payments, and contacts people if they are behind to suggest they opt out of the program before they see a reduction in their credit score. Camden also partnered with Bilt, a loyalty program that provides renters with the ability to earn rewards when paying their rent. Residents may pay their rent through Bilt Alliance or with their Bilt Mastercard® with no additional credit card fees. Bilt also offers complimentary rent reporting for their members. As of July 2023, these two programs have 13,029 residents enrolled in rent reporting with an average 57% improvement in credit scores.

By helping our residents in time of need with microloans, and helping residents establish credit through rental payments, Camden has found these programs make our communities even more attractive to prospective residents.

#### **Key Lessons from Camden's Rent Repayment program:**

- **Internally, it made a difference that senior leadership set the tone of lending a hand.** This rippled out and became a mindset for all employees: "How do we help the residents? How do we find solutions?"
- **In seeking out partners, relationships, and shared values matter.** Camden works hard to find companies that have the same goals and supports emerging minority-owned businesses.
- **Doing the right thing has the highest returns.** Camden employees asked themselves, "What do we want to be known for?" Being guided by this question, rather than guided by a goal of increased returns, led to decisions that increased resident stability and decreased turnover, reduced delinquency, and increased employees' sense of fulfillment and loyalty to Camden.
- **"It's about looking outside the box, and doing that with compassion,"** as said by Camden VP, Linda Willey. Camden's goal was to keep residents in their homes if they could. Because of this, Camden was able to find partners and solutions that would enable them to meet their financial requirements while also staying committed to helping residents.

## Conclusion


We share the Administration's commitment to addressing the affordable housing crisis in our nation. However, imposing additional obligations for Enterprise multifamily borrowers will create instability in an already challenged market and undermine the important goals of fostering a healthy housing market, increasing supply and creating successful apartment communities. Inherent in ensuring stability for our nation's renters, is maintaining the current and future viability of the rental housing supply in this country. As such, respectfully, FHFA should refrain from placing new or expanded federal obligations on private rental housing providers and instead focus on leveraging federal resources in the form of incentives to bolster new affordable housing supply.

Sincerely,

  
Ric Campo

  
Keith Oden

  
Laurie Baker

  
Alex Jessett