



## VIRGINIA HOUSING ALLIANCE

The Honorable Sandra Thompson  
Federal Housing Finance Agency  
Washington, D.C.

Director Thompson,

The Virginia Housing Alliance (VHA) thanks you for the opportunity to provide feedback on the Federal Housing Finance Agency (FHFA) Request for Information (RFI) about tenant protections in properties with federally backed mortgages. VHA is a nonprofit organization that advocates for the expansion of housing opportunities and ending homelessness in the Commonwealth of Virginia. VHA represents Virginia's nonprofit housing and homeless services sector, from affordable housing developers to support services providers.

We at VHA know that strong tenant protections make a difference. Many of the nonprofit housing providers that VHA represents have made it part of their mission to keep their renters housed. They already go above and beyond what's required to establish robust protections for their renters. As a result, these housing providers have positive and sustainable landlord-tenant relationships, and their renters experience all the benefits that come with housing stability, such as greater healthcare access, educational success, employment opportunities, and more. Furthermore, the whole community around them also benefits from this greater stability when evictions are reduced. Because we have seen the positive impact of renter protections through the work of our member organizations, we know that all housing providers, especially those with federally insured properties, should be required to do the same to keep their tenants housed.

VHA urges the FHFA to create strong, enforceable protections for households residing in rental properties with federal mortgages. Due to the large share of renters that would be impacted by these requirements, additional protections will push our state and federal rental markets to become more equitable, inclusive, and sustainable. Specifically, we recommend the following:

1. Source of income protections
2. "Just cause" eviction standards
3. Rent gouging protections
4. Housing quality and safety standards

### Source of Income (SOI) Protections

These protections prohibit landlords from discriminating against households based on their source of income. The most common form of SOI discrimination is towards families that receive housing assistance, such as Section 8 Housing Choice Vouchers, Supplemental Security Income (SSI), or local rental assistance. Without source of income protections, landlords can deny applicants with lower incomes that need this assistance to afford housing in the private



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market. Our nation's efforts to aid these households are greatly limited if the private market continuously denies them. Thus, we urge the FHFA to establish SOI protections in properties with federal mortgages to ensure that more families receiving assistance have greater choice about where to live.

Virginia established statewide source of income protections in 2020. Despite its great potential to protect tenants in the Commonwealth, the law remains difficult to enforce, largely due to misinformation about its requirements. To avoid this issue, it would be crucial for FHFA to include clear requirements and strong enforcement mechanisms in any proposed SOI policy. If implemented by the FHFA, this would not only expand SOI protection to communities across the country, but also give it more teeth in Virginia, enabling it to have a greater impact as intended.

### "Just Cause" Eviction/Non-renewal Standards

"Just cause" standards are necessary to protect tenants from arbitrary eviction or lease non-renewals when they are not at fault or in violation of any law. Unjust evictions or non-renewals can lead to housing instability and even homelessness for renters. We know that displacement harms families' health, education, and employment outcomes. Additionally, a rental history with an eviction greatly limits a tenant's ability to obtain safe, quality housing for many years to come. Creating "just cause" standards in properties with federally backed mortgages would prevent unwarranted displacement and promote stability and security for the families that live there. At the same time, these standards also empower tenants to hold landlords accountable for unlawful practices and poor housing conditions without fear of retaliation.

In Virginia, "just cause" eviction standards in properties with federally backed mortgages would have a far-reaching impact. The end of COVID-era legal protections and rental support for tenants has brought about an increasing rate of eviction across the Commonwealth. Evictions and eviction filings are now at their highest since the start of the pandemic. Establishing these standards would hopefully dampen this trend by preventing arbitrary and unwarranted evictions. Additionally, these standards would also promote healthier communities in Virginia by encouraging renters to advocate for the improved quality of their housing.

### Rent Gouging Protections

As rents rise across the U.S, rental housing is becoming increasingly unaffordable and inaccessible. Rent gouging, which occurs when the rent of a property is increased to an unreasonably high price, poses a significant threat to tenants and their ability to find and maintain housing. Implementing rent gouging protections in properties with federally backed mortgages would prevent landlords from pricing families out of their homes, beyond what is necessary or fair. We cannot depend on our private housing market to limit rent growth due to the high demand for and significantly low supply of affordable housing. Implementing



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reasonable rent increases is one step towards creating a more equitable and accessible rental market.

In Virginia, there is no legal limit on how high a landlord can increase the rent to live in their property. The average rent in Virginia increased by more than 10% in 2022 alone and more than double that in some areas. So far this year, over 60% of Virginian tenants have already experienced an increase in rent. Across the state, a third of all renter households are cost burdened, meaning they spend more than 30% of their income on housing costs. In the midst of a worsening affordable housing crisis in Virginia and across the nation, establishing rent gouging protections in properties with federally backed mortgages would help address this alarming trend.

### Housing Quality and Safety Requirements

All renters deserve housing that is safe, decent, accessible, and healthy. Creating robust housing quality standards in properties with federally backed mortgages would meaningfully address substandard living conditions and mitigate the health risks that they cause. Adopting these standards would greatly improve the short and long term health outcomes of tenants and their families. To ensure that property owners are following these habitability standards, the FHFA must also establish robust enforcement measures, such as regular inspections, adequate maintenance, and timely repairs.

In Virginia, the onus to ensure that rental housing remains healthy and habitable largely falls on tenants themselves. Renters must either sue their landlords directly or request that their locality send in code enforcement to address habitability concerns. Because enforcement is limited to these avenues alone, we don't often see meaningful improvements. Frequently, vulnerable tenants are unable to pursue such remediations and continue to reside in unlivable conditions. As a result, the housing quality standards in properties with federally backed mortgages must provide alternative enforcement mechanisms in order to foster healthier, safer communities.

In conclusion, these protections are essential to promote housing stability, empower tenants, and cultivate thriving communities. VHA urges FHFA to implement the robust tenant protections described above in buildings with federally backed mortgages. Thank you for considering the voices and needs of tenants in Virginia.

Sincerely,

Brian Koziol  
Executive Director of the Virginia Housing Alliance