

Sandra L. Thompson  
Director  
The Federal Housing Finance Administration

Date: July 26, 2023

Re: Tenant Protections

Dear Director Thompson,

Thank you for the opportunity to submit this response to the Request for Input on attaching tenant protections to the Federal Housing Finance Administration (FHFA) in multifamily homes that receive financing from Fannie Mae and Freddie Mac. PA Stands Up strongly supports attaching tenant protections, including rent regulation, a good cause standard for evictions and more to these mortgages backed by the federal government.

Pennsylvania Stands Up is a statewide organization made up of dues-paying members dedicated to winning a Pennsylvania that works for all of us.

The U.S. is experiencing an unprecedented housing crisis with unprecedented housing unaffordability, evictions, and homelessness. Simply put, the rent is too damn high. In 2021, the number of tenants with unaffordable rents reached an all-time high, with 49% of US renters paying more than a third of their income on the rent.<sup>1</sup> In February 2022, year-over-year growth in rental prices reached a record peak of 17.2% across the U.S. as demand increased for an already limited number of rental units.<sup>2</sup> According to [Zillow.com](https://www.zillow.com), the median rent for all bedrooms and property types in PA is \$1,513 with minimum wage at \$7.25, the same for the last 14 years.<sup>3</sup>

Over the last few years, corporate landlords raked in record-breaking profits—even using algorithms to set high rents and evict tenants.<sup>4</sup> This has led median rents across the U.S. to surpass \$2,000 for the first time, and there is no longer a single state or county where a worker earning a full-time minimum wage salary can afford a modest two-bedroom apartment. In fact, to afford a two-bedroom apartment, a minimum wage worker would need to work four jobs or have three roommates.<sup>5</sup>

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<sup>1</sup> Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2023*, Harvard University, accessed June 13, 2023, [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2023.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2023.pdf)

<sup>2</sup> Zillow, *Two-year Rent Growth Streak Ends in Small Step Toward Normalcy*, (Nov. 15, 2022) (<https://www.zillow.com/research/zillow-rent-report-october-2022-31676/>)

<sup>3</sup> Zillow, *Two-year Rent Growth Streak Ends in Small Step Toward Normalcy*, (Nov. 15, 2022) (<https://www.zillow.com/research/zillow-rent-report-october-2022-31676/>)

<sup>4</sup> Heather Vogell, *Rent Going Up? One Company's Algorithm Could be Why*, ProPublica, (Oct. 15, 2022) (<https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>)

<sup>5</sup> National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Rental Homes*, (March 2023) (<https://nlihc.org/gap>)

Fannie Mae and Freddie Mac, also known as the “Government Sponsored Enterprises,” work with banks to offer \$150 billion to landlords in financing every year, without any strings attached. Conditioning government-backed loans on a set of tenant protections, including a prohibition on excessive rent hikes (more than 3%) requiring good or just cause eviction, housing safety requirements and a ban on discrimination could benefit over 12.4 million rental homes across the country. It would also set a bold precedent that federal programs must benefit the low-income tenants that they purport to exist for.

Housing justice and racial justice are inextricably linked, with today’s housing crisis disproportionately harming Black people, indigenous people and people of color. As a result of decades of discrimination and disinvestment, most deeply poor renters who pay more than half of their income for rent and utilities are people of color. Often communities of color and protected classes have limited access to safe and stable housing, public transportation, grocery stores, parks and green spaces, and financial institutions. These determinants of health contribute to adverse health outcomes and poor quality of life.

We propose the following tenant protections:

- **Rent regulations:** Protect tenants from and limit egregious rent hikes.
- **Good cause eviction:** Prohibit evictions without good cause, ensuring every tenant has the right to a lease renewal. Good cause is defined as serious and repeated lease violations provable in a court of law.
- **Ban source of income discrimination:** Prohibit landlords from discriminating against tenants based on their source of income including federal housing assistance (i.e., vouchers).
- **Freedom from discrimination:** Enforce existing laws that prohibit landlords from denying a tenant rental housing based on race, physical or mental ability, and family make-up, and expand protections to prohibit discrimination based on sexual orientation, gender expression or identity, immigration status, conviction and/or arrest history, bankruptcy history, eviction history, or credit score.
- **Safe, quality, accessible housing standards:** Require all landlords to keep their properties in good condition, and to ensure homes are accessible for people with disabilities. No renter should have to live in an inaccessible home or in housing conditions that put their health and safety at risk.
- **Landlord registry:** Tenants should have access to information about their landlord including their name and phone number.
- **Tenant right to organize:** Tenants have the right to form tenants’ unions or resident councils free from fear of retaliation from the landlord or managing agent. Ownership and management representatives must not interfere with the creation or actions of tenant organizations.
- **Fair leases:** Landlords must use standardized and clearly defined leases free of abusive terms.

- **Office of Tenant Protections:** A team charged with protecting tenants and enforcing their rights in properties with federally backed mortgages.

Please contact Maria Andrews, Movement Politics Director [maria@pastandsup.org](mailto:maria@pastandsup.org) with any questions.

Sincerely,

Carrie Santoro  
Executive Director