



WYL (WhoseYourLandlord, Inc.)

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July 28, 2023

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, S.W.
Washington, D.C. 20219

RE: Tenant Protections for Enterprise-Backed Multifamily Properties - Request for Input (RFI)

Dear Director Thompson:

WYL appreciates the opportunity to share our perspective on the evolution of enhanced tenant protections at multifamily properties backed by Fannie Mae and Freddie Mac. WYL supports the FHFA's vision that every renter deserves a safe, equitable, and affordable place to live. Our company was founded on the same principles.

In 2012, I had the honor of serving as Temple University's Vice President of the Student Body. As part of my role, I interviewed hundreds of students about their biggest concerns and issues as a student. I expected to hear worries around graduation requirements, grades, or financial aid. However, the number one issue that concerned Temple students was housing. After doing a deeper dive into these concerns, I realized that this wasn't only a Temple University problem. This was a national issue that affected many people, not just students. I started WYL to solve this.

WYL, which stands for WhoseYourLandlord, turns resident feedback into operational insights for owners and operators. Our mission today is still the same as it was 11 years ago when we started as a small, college resident review platform, which is to lead a movement that centers humanity at the heart of housing, forever changing the relationship between tenants and landlords. Since its inception, WYL has empowered 2M+ residents to share reviews across thousands of multifamily properties in the United States and is regarded as the most trusted resource for verified resident feedback, according to [Apartment Therapy](#). Our work in creating a more transparent housing industry led WYL to receive the 2018 Innovators and Disruptors Award, presented by NBCUniversal and America on Tech, and as CEO of WYL, Ofo Ezeugwu was named to the Forbes 30 Under 30, 2022: Social Impact list.



Access to Information - Response to Questions C-1 and C-4

As the CEO of WYL, I've read thousands of resident reviews across cities (~500) all over the United States. The overall resident sentiment towards landlords is distrust. For some properties, this distrust is valid. There are unfortunately a lot of really bad landlords out there. For others, this distrust is simply due to a lack of communication and information. **It is my firm belief that the reckoning we are seeing in the housing industry right now is due to lack of transparency and trust between tenants and landlords.** Adding new regulations isn't going to improve the lives of residents if the relationship is fundamentally broken. You don't fix a broken relationship by attempting to force a participating party to change. You fix *any* relationship by getting to the root of the problem with effective communication and listening, which leads to empathy. Effectuating change across the housing industry is no different. I believe housing providers and property management companies need to do a better job of creating thoughtful content to help shift the perspectives and behaviors of tenants.

A client of WYL recently increased the rent prices at their different properties. Unsurprisingly, their residents became very upset. Our clients then took the time to send their residents an email that included a breakdown of their capital stack, operational costs, and expenses, and the recent increases in these costs that led to their decision to increase rent. The email made it very clear that the rent increase was necessary to maintain the quality of the property, its management team, services, and amenities to the standard that the residents were used to. This email shattered the residents' perception that the rent increase was just some way to increase profits and salaries. Following this correspondence, our client was inundated with positive feedback from residents who appreciated the transparency and honesty. Some residents even went as far to say "I had no idea" how expensive it was to maintain operations.

The key learning in this example is that this housing provider took the time to educate residents on the reasoning behind their specific action, in this case, rent increase. It's not enough to say "our operation costs have gone up." Being intentional means including the breakdown of those costs and highlighting how they impact the resident directly.

It's important to note that residents have different preferences when it comes to receiving information. In our work at WYL, we've learned that it takes 7-10 touchpoints before a resident will take any sort of action, whether that's clicking a link or providing their feedback on an experience. As such, we've created a system to engage and communicate with residents through 7-10 different ways over a course of 12 months (ie. length of a standard lease). This



includes emails, mailers, text messages, signage around the property, window decals, in-person resident events, and other strategies that have proven to be highly effective.

Tenant Protections - Response to A-5 and A-6

In my opinion, the biggest gap in data and public information relating to multifamily rental properties is the lack of an industry-wide, standardized scoring system to measure the resident experience. Most owners and operators already implement some form of resident feedback tool within their property management systems. The problem is that this data is usually kept internally and not shared with residents unless it's positive - leading to skewed accolades focused on the cosmetic entrapments of reputation management versus eliciting the intrinsic, and much needed, desire to improve the quality of life for residents. The other problem with the current system is that every housing provider is asking a different set of questions so there's no way to know whether anyone is really meeting a standard of housing service that the collective industry has agreed to provide.

The best way to implement a standardized scoring system is to publish the scores online where residents, prospective residents, lenders, and government agencies can easily access it. This would allow residents to make a more informed decision about where to live, lenders to better assess risks of a borrower, and government agencies to quickly identify emerging issues before they become a housing crisis. This would also incentivize housing providers to maintain a certain standard of housing and have consistent operational oversight across their portfolio.

For an industry-wide standard scoring system to serve both residents and housing providers equally, the following guidelines should be adhered to:

1. Low scoring housing providers *shouldn't* be penalized for low scores as long as they show they are actively working to resolve issues identified by residents in a timely manner
2. Reviews should be done by a third party and anonymized so that housing providers do not know who provided the review for safety purposes; this third party can also verify that the reviews were provided by actual residents
3. Consistently high scoring housing providers should be rewarded for their commitment to providing quality homes and resident experiences; this should come in meaningful ways such as the form of tax credits, lower closing costs on loans, preferential rates on future funding, and other financial incentives



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Conclusion

We deeply understand the Administration's reasoning for implementing tenant protections at scale. As a platform for anonymous residents reviews since 2012, we've seen thousands of reviews of horrific landlords. However, we do not believe new federal regulations and obligations will change the behavior of bad landlords unless you create more trust and transparency in the housing industry first, and give credit to the landlords that have been doing an excellent job all along. We know this works because we've been doing it for the last 11 years, and have seen the impact of how an increase in trust and transparency changes the behavior of both residents and housing providers. WYL's data and insights have been used by residents to find quality housing, avoid bad landlords, and raise awareness about issues that may impact other residents. On the landlord side, WYL's insights have helped owners make CapEx decisions, better allocate their resources, prioritize issues that have the greatest positive impact to the resident experience, and increase the value of their overall portfolio. Self-regulation works if there's a framework and system in place to do it effectively. Respectfully, FHFA should refrain from placing new or expanded federal obligations on private rental housing providers and instead focus on creating more trust and transparency in the housing industry first. You may find that by improving trust and transparency between tenants and landlords, the need for new federal regulations subsides.

Sincerely,

Ofo Ezeugwu
CEO and Founder
WYL

Elisa Davidson
COO and Chief Brand Officer
WYL

James Norman
Board of Directors (and Managing Partner, Black Operator Ventures)
WYL



WYL's Resident Engagement Metrics

Industry leading engagement metrics:

- **5x.** On average, WYL garners a 35%+ resident response rate on feedback and review inquiries versus the 0% - 7% engagement provided by the “leading” survey platforms on the market.
- **61%.** WYL's resident email open rate is 61% and text message open rate is 90%.
- **1:17 min.** Attention spans have decreased significantly in the last 5 years. In alignment with that, WYL's benchmarking survey takes only 1:17 to fill out. 95% of residents who start the survey complete it.

Current Case Study

We are working with NMHC Top 50 Developers and Berkadia, the third largest lender in the US, to accomplish the following:

- Provide owners and operators of multifamily properties with insights into the resident experience they currently do not have access to and help them better understand the needs of their resident community. WYL's insights help owners and operators:
 - Determine what improvements would have the biggest impact on the resident experience
 - Create more transparency about the resident experience to better inform prospective residents
 - Identify areas of opportunity to improve the lives of residents
- Understand how employee views on demographic differences (race, gender, age) consciously and/or subconsciously influence the way in which diverse residents are treated: primarily in Affordable Housing
- Determine incentive structures that promote broader adoption of human centered, high quality landlord and property managing practices