



July 31, 2023

The Honorable Sandra Thompson  
Federal Housing Finance Agency  
Washington, DC

**RE: Federal Housing Finance Agency's Request for Input on Multifamily Tenant Protections**

Dear Director Thompson:

Thank you for the opportunity to respond to the Federal Housing Finance Agency's Request for Input on Multifamily Tenant Protections. My name is Sabrina Wear, and I am the Deputy Director for Advocacy with Legal Services of Northern Virginia headquartered in Fairfax, VA. Our mission is to provide access to justice for disadvantaged individuals and communities.

Since 1980, Legal Services of Northern Virginia has provided services in a number of civil legal areas including housing law. Our organization assisted in 1,500 housing cases in FY 2022. As an organization, we have become familiar with the landlord-tenant laws in Virginia, the challenges of enforcement, and the need for a minimum federal floor on tenant protections.

In 2022, the Virginia Department of Housing & Community Development (DHCD) released a statewide housing study that found population growth in Northern Virginia, increased diversification by race and ethnicity, and a dramatic rise in the older adult population (that will continue to grow exponentially).<sup>1</sup> The report also highlighted a black-white homeownership gap, a rising number of cost-burdened households, increasing housing insecurity and poor housing conditions, and inadequate affordable housing supply—challenges that disproportionately impact black, brown, and senior households.

**Tenant protections align with FHFA's statutory mandate** to ensure that the government-sponsored enterprises fulfill their mission by operating in a safe and sound manner and to serve as a reliable source of liquidity and funding for the housing finance market.<sup>2</sup> FHFA's strategic goals are to (1) secure the regulated entities' safety and soundness, and (2) foster housing finance markets that promote equitable access to affordable and sustainable housing.<sup>3</sup>

A federal minimum floor of tenant protections is necessary with the growing number of properties in our jurisdiction with corporate landlords with multi-state portfolios. This has resulted in unprecedented rent increases, higher fees for moving mid-lease, and an increased number of evictions.<sup>4</sup> Ensuring that tenants in properties with federally-backed mortgages have equitable access to affordable and sustainable housing fits squarely within FHFA's statutory

<sup>1</sup> <https://dmz1.dhcd.virginia.gov/HB854/index.html>

<sup>2</sup> 12 U.S.C. § 4513 (a)(1)

<sup>3</sup> <https://www.fhfa.gov/AboutUs>

<sup>4</sup> <https://www.ffxnow.com/2023/04/19/new-report-shows-population-growth-has-stagnated-in-fairfax-county/>

mandate and strategic goals, and we applaud the FHFA for undertaking the RFI process to learn more about the challenges that tenants face and to consider the role of FHFA and the GSEs in addressing these challenges.

## 1. Leases and Lease Terms

Based on our experience helping tenants to enforce leases, a model lease agreement should exclude the following unreasonable terms: requiring a tenant to pay two months' of rent to break a lease early, inclusion of attorneys' fees in judgments for unpaid rent, clauses for automatic rent increases, and added fees for having a month-to-month agreement on top of rent payments. Blanket terms requiring two months' rent to terminate a lease early fail to consider the circumstances that have caused the tenant to need to take such action. In the case where tenants provide ample notice of intent to terminate a lease, they should only be required to pay rent for the last month that they lived in the home and nothing more. In addition, there is a growing concern among legal aid practitioners, social services organizations, and policy makers regarding the granting of attorney fee awards in unlawful detainer cases without requiring any supporting evidence or considering factors of reasonableness. This leads to unjust outcomes and disproportionate financial burdens on our low-income neighbors and other vulnerable individuals throughout the country. Additionally, clauses to automatically increase the rent before each lease renewal is predatory and unnecessary. Part of the FHFA's mandate is to ensure that there is suitable affordable housing which cannot be done if lease agreements mandate that rent increases each year without cause (such as renovations, increased amenities, etc.). Finally, if a landlord and tenant agree to a month-to-month lease, that tenant should not be charged an additional fee on top of the monthly rent to maintain this agreement.

On the other hand, a model lease agreement<sup>5</sup> should include the following elements: definitions of all legal terms, mandatory disclosure of all estimated one-time and recurring fees (similar to what is required for certain consumer transactions under the Truth in Lending Act<sup>6</sup>), and a standardized explanation of tenants' rights and responsibilities. Many tenants cannot understand the nuanced legal language included in a complicated lease agreement. Model leases should provide the definitions of any legal terms included so that individuals can understand their contracts. Additionally, we've seen many tenants sign lease agreements only to later discover there are hundreds of dollars of additional hidden fees (such as for utilities, sewer, and trash) that were not clearly disclosed within the lease agreement. Leases should provide a financial summary page which outlines the estimated one-time and recurring fees so tenants have a clear picture of the total financial expectation before signing the lease. Finally, Virginia has a state-wide Statement of Tenants Rights and Responsibilities which makes it clear to tenants and landlords what is expected of both parties.<sup>7</sup> FHFA should disseminate information regarding the rights of tenants of federally-backed properties to all landlords and tenants and should coordinate with the Department of Housing and Urban Development, legal aid organizations, or other qualified housing organizations to offer annual trainings to landlords so they are clear on the expectations and requirements for them to maintain their mortgages.

---

<sup>5</sup> Please see the Appendix for a sample model lease which includes these elements

<sup>6</sup> <https://www.ftc.gov/legal-library/browse/statutes/truth-lending-act>

<sup>7</sup> <https://www.dhcd.virginia.gov/sites/default/files/Docx/landlord-tenant/statement-of-tenant-rights-and-responsibilities-english.pdf>

## 2. Evictions

To minimize evictions in multifamily properties, particularly for low-income tenants, we propose the following recommendations:

**For timing and amount of rent increases**, we recommend requiring landlords to submit documentation justifying any rent increases greater than 1% or the percentage increase in the Area Median Income (AMI), whichever is lower. In addition, landlords should limit rent increases to every two years and be required to provide sufficient advance notice for lease renewal rent increases. While landlords may argue that rent increases are due to costs outside of their control, we are concerned by the rise of landlords' usage of algorithms which have been known to inflate costs and generate proposed rent fees that are beyond changes in inflation.<sup>8</sup> By requiring landlords to provide specific justifications for their increases beyond changes in AMI (such as increased amenities or renovations), FHFA can stop this trend of depreciating access to affordable housing. This also means rent increases should not occur on a frequent basis. If a landlord is not making warranted enhancements to the property every month, rent should not increase every month either. Finally, Virginia currently requires landlords to provide 60 days' notice of a rent increase if the lease is to be renewed.<sup>9</sup> We believe this standard should be replicated federally so tenants have enough time to determine whether they want to remain at the property or relocate to housing elsewhere.

The benefits of requiring these policies include: fewer evictions due to drastic and frequent increases in rent causing tenants to be displaced due to lack of affordability, and transparency between parties regarding the reason for rent increases. The cost of requiring these policies include setting up a form for landlords to use for submissions and reviewing the information, but this cost is outweighed by the benefits to tenants.

**For lease renewal and cause for eviction**, we recommend requiring good cause for lease termination or refusal to renew a lease similar to what is required with the Low-Income Housing Tax Credit program under the Internal Revenue Code<sup>10</sup>. The benefits of requiring such policies include: minimizing evictions based on discrimination and personal motives, and stability and reliability for all parties. Housing instability is recognized as a social determinant of health, especially in certain populations such as children<sup>11</sup>.

**For notice of evictions**, we recommend landlords be required to serve notice by First Class and Certified Mail and by e-mail (if the tenant consents to electronic notice on the lease agreement). Notice by posting is ineffective as any tenant or visitor can remove the notice and notice posted on an external door may be damaged by exposure to the elements. Furthermore, posting of notices can be used to publicly shame tenants. Establishing minimum notice requirements would benefit landlords by minimizing concerns about lack of proper service in legal proceedings.

For notice of evictions, we also recommend that landlords be required to use clear language in the notice regarding the timing for reconciliation or legal action. In Virginia there are few requirements related to the language used in notices regarding material lease violations. Even when notices are legally compliant, they are typically vague, confusing, and unhelpful. For

<sup>8</sup> <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>

<sup>9</sup> Va. Code Ann. § 55.1-1204(K)

<sup>10</sup> <https://www.nhlp.org/wp-content/uploads/2018/04/IRS-Good-Cause-Revenue-Ruling.pdf>

<sup>11</sup> <https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/housing-instability> | health.gov

example, late payment notices state tenants only have 5 days to pay all amounts due or their lease will be terminated. A separate part of the notice will often state the tenant may have 30 days to pay if the property is covered by the CARES Act but gives the tenant no way of knowing if the CARES Act applies. Similarly, notices of remediable breaches will tell tenants they have 21 days to remediate a breach or 30 days to leave, without explaining what would qualify as a sufficient remedy.

Lack of clarity in notices harms tenants by confusing them as to their rights and how soon they may be evicted from their homes. If owners of federally-backed properties had clear guidance regarding notice requirements, both parties would benefit by understanding the timelines and requirements to redeem or cure breaches. Ultimately, this would reduce and prevent unnecessary eviction filings.

**For time to vacate following an eviction**, we recommend tenants be given one calendar week to vacate a property after being served with a writ of eviction. In our jurisdiction, the existing policy is that the landlord must wait at least 72 hours after a tenant has been served with the writ of eviction before removing the tenant. The exact date and time are contingent upon coordination between the landlord and local sheriff's office. However, only providing 72 hours after notice does not give tenants sufficient time to vacate and relocate to new housing, thus increasing involuntary displacement and homelessness. By providing tenants with one calendar week to vacate, tenants will be better equipped to plan for where they will be living next. This would also likely decrease the amount of abandoned belongings that the landlord must remove from a property as the tenant will have more time to pack and move.

### ***Programs and policies***

Aside from the categories described above, in Virginia, we have the following eviction prevention programs and policies that have improved the housing stability of multifamily tenants: county emergency rental assistance and the Virginia Eviction Reduction Pilot (VERP).<sup>12</sup>

While VERP is still in its early stages and has yet to release any data on its success, one common denominator in Virginia-based programs is funding for rental assistance. Currently, emergency rental assistance is voluntary in Virginia and counties can determine whether and how much to designate in the budget for an assistance program. We have seen counties such as Arlington, which set aside a larger budget for emergency assistance (covering rent, mortgage, or utilities), report fewer eviction filings.<sup>13</sup> We have also seen counties such as Alexandria, which has a smaller budget for emergency assistance, report higher eviction filings.<sup>14</sup> The FHFA should facilitate access to emergency assistance through referrals and information to tenants. Emergency assistance decreases the frequency of evictions as tenants are able to get financial help earlier in times when it is necessary. This would also benefit landlords by ensuring timely payments of rent.

Additionally, the Enterprises should be required to maintain a publicly available bank of policies for each of the federally-backed properties such as their Admissions Policies & Criteria and their Language Access Policy. Too often, these documents are not easily available for tenants or posted in a conspicuous manner. The inaccessibility of this information is harmful for tenants who are not given the opportunity to review policies ahead of applying for or signing a lease.

---

<sup>12</sup> <https://www.dhcd.virginia.gov/verp>

<sup>13</sup> <https://civilcourtdata.lsc.gov/data/eviction/virginia>

<sup>14</sup> Ibid

Owners should also be required to undergo regular audits for compliance to ensure they are in accordance with federal law and local codes.

Finally, in our jurisdiction, tenants have an extended right to redemption. This has benefited tenants by giving them more time to pay all amounts they owe their landlord and remain in their current housing. This saves tenants moving costs and saves landlords costs associated with eviction and reletting a unit.

### ***Actions that owners and managers can take to reduce evictions***

Owners and managers of multifamily properties can reduce evictions and improve housing stability of tenants by, first and foremost, recognizing the trauma that evictions inflict onto families and treating evictions as a last resort rather than a tool for tenant compliance or rent collection. Specifically, owners and managers should take the following actions: offering reasonable payment plans, refraining from automatic eviction filings for late payments, and working with tenants to obtain emergency rental assistance.

## **3. Barriers to Multifamily Housing**

Tenants experience multiple barriers to access housing such as: lack of language access, unreasonable screening criteria, income discrimination and costs outstripping increases in income.

To reduce these barriers, the FHFA should require owners of federally-backed mortgages to: maintain translations of lease agreements in at least the five most common foreign languages spoken in their area, waive consideration of evictions which occurred more than one year ago, and publicly report the number of applications denied for applicants with a Housing Choice Voucher, including a reason for that denial. The FHFA should also eliminate or place limits on application fees and security deposits.

FHFA must take affirmative steps to ensure that owners are not allowing language barrier to discriminate by national origin and are not using mechanisms such as screenings and fees to discriminate by income. By sharing public information of applicants denied while using a voucher, tenants can protect themselves when researching properties.

## **4. Habitability**

A definition of “habitability” should include: central air or air conditioning unit and no presence of mold or mildew. For housing to be habitable, air circulation is a necessity. Without some form of air-cooling system, moisture will build in the home which can cause damage to the home itself (such as mold and mildew) and can also be a serious health issue for tenants, including respiratory illness in children. Although the Virginia Residential Code requires homes to be free of mold, local code compliance offices do not consistently conduct mold testing or inspections. This disregard for the tenants’ health and safety must be addressed on a federal level to ensure federally-backed properties are not putting tenants’ health at risk.

In our jurisdiction, tenants have the ability to cancel their leases if units are uninhabitable at the time of move in. This protects tenants by providing them with the right to ensure the unit they move into is as it was represented before signing the lease. The right to cancel a lease within five days of move in is a new law in Virginia that should be studied to determine how it could be applied to properties with Enterprise-backed mortgages in the future.

Owners should be mandated to replace carpet and flooring and renew wall painting after a specified period based on tax depreciation and the typically accepted life of that item. In Virginia, we see too many instances where landlords withhold tenant security deposits to account for regular maintenance that is required (ordinary “wear and tear”) rather than actual tenant damages. Landlords should not be able to pass the cost of doing business and property upkeep onto prior tenants through the taking of security deposits.

Finally, owners should be required to provide suitable temporary housing for tenants during maintenance, and any displacement lasting more than 45 days should result in fines to the owner in addition to withholding of rent. In Virginia, landlords are required to provide temporary housing when a unit has mold and they are required to correct the issue within 30 days.<sup>15</sup> However, other maintenance issues are not given the same treatment despite causing risks to tenant health and safety.

**In conclusion**, FHFA has an important opportunity to help set the foundation for a minimum federal floor of tenant protections, and we urge FHFA to act boldly. Many states, like Virginia, provide few protections for tenants and the FHFA can help address these gaps by ensuring that tenants in properties with federally-backed mortgages have equitable access to affordable and sustainable housing. We applaud the FHFA for undertaking the RFI process to learn more about the challenges that these tenants face and to consider the role of FHFA and the GSEs in addressing these challenges. We hope to see more concrete tenant protections at the federal level to standardize lease agreements, minimize evictions, and create more habitable housing for low-income individuals.

Sincerely,

Sabrina Wear, Esq.  
Deputy Director for Advocacy  
Legal Services of Northern Virginia

---

<sup>15</sup> <https://law.lis.virginia.gov/vacode/title55.1/chapter12/section55.1-1231/>

# MORGAN PROPERTIES

## SUMMARY OF FEES AND CHARGES

The following is a summary of charges that, if applicable, you will be expected to pay during the term of your tenancy at Stoneridge. In addition, this summary also includes possible charges that you may incur as a result of default. This is only a summary of certain terms of your lease. It is meant to help you understand and ask any questions regarding the fees and charges. We have tried to accurately summarize the terms of the lease, but in the event of any accidental inconsistencies between this summary and the actual lease, the terms of the actual lease will prevail in all respects.

**These fees represent reimbursement of our internal and third-party expenses and capital investments.  
Some of these fees or charges may include a profit to landlord, when permitted by law.**

### Rent and Amenity Charges:

Name of Charge	Amount	Frequency	Type of Charge
Base Monthly Rent	As set forth in lease	Monthly, payable on first calendar day of month	Rent.
Amenity Fee	\$350.00, \$200.00	at move in, at renewal	Mandatory fee for community amenities.

### Parking Charges:

Name of Charge	Amount	Frequency	Type of Charge
Parking/Garage Fee	\$0.00	N/A	Mandatory fee for parking in community.
Reserved Parking/Garage Fee	N/A	Monthly, payable on first calendar day of month	Optional fee for reserved parking.

### Pet Charges:

Name of Charge	Amount	Frequency	Type of Charge
Monthly Pet Fee	\$40.00	Monthly, payable on first calendar day of month	Non-refundable fee for keeping a pet.
Initial Pet Fee	\$350.00	One-time	Non-refundable fee for keeping a pet.
Pet Deposit	N/A	One-time	Refundable. Held by landlord to cover cost of any potential pet damage.

### Utilities, Trash, Pest Control, and Similar Charges:

Name of Charge	Amount
May include Electricity, Gas, Hot Water, Water, Sewer, Trash Removal, Pest Control, and/or a Service Fee	As set forth in Utility Addendum, payable monthly on first calendar day of month.

### Other:

Name of Charge	Amount	Type of Charge
Lost Key/Key Fob Charge	\$25.00, per occurrence	Fee for replacement of key/key fob.
Lost/Unreturned Parking Pass	\$50.00, per occurrence	Fee for replacement of parking pass.
Lock Change Charge	\$50.00, per occurrence	Fee for replacement of lockset on apartment entrance door. This DOES NOT apply to "Smart Lock" technology.
Mailbox Key Change Charge	\$25.00, per occurrence	Fee for replacement of mailbox lockset, where mailbox is managed by the Landlord.
Early Lease Buyout Agreement Option	The amount agreed to in Early Lease Buyout Agreement.	Optional, mutually agreed upon charge to release you from your lease obligations before the end of your lease term.
In-House Transfer or Smooth Move Fee	\$500.00, one-time	Fee for transferring to another apartment within a community, or transferring to another Morgan Property Community. Does not include application

		or other charges.
Resident Add-On or Release Administrative Fee	\$100, per occurrence	Fee for adding or removing a Resident from a lease.
Pool Guest Pass Fee	\$5.00, per pass, per day	Mandatory fee for guests of Residents using the pool.
Monthly Storage Fee	N/A, monthly, payable on first calendar day of month	Optional fee for additional storage space outside of Apartment.

**Fees Payable due to Resident Defaults:**

Name of Charge	Amount	Type of Charge
Late Fee	equal to lesser of 10% of base rent or 10% of outstanding bal. due	Fee for late payment of rent or other monthly charges.
Returned Payment	\$25.00	Fee for your payment being rejected by the bank, credit card company, or other financial institution.
Lease Violations	\$100.00 per offense	Fee for your failure to properly pick up after your pet or properly dispose of regular household garbage.
Legal Expenses (including Attorney Fees and Expenses, Court Fees, and Court Agency Fees)	Variable, as permitted by law	Reimbursement to landlord for the expenses of filing and continuing an eviction lawsuit against you.
Damage to Apartment	Variable	Reimbursement of cost of restoring damage.
Early Lease Termination – No Buyout Agreement	The amount of all rent and other charges due until the earlier of (a) the end of the lease term or (b) the apartment is re-rented, plus landlord's costs of marketing and turning over the apartment, plus any differential in rent (if lower for replacement tenant), to expiration of vacating tenant's lease term.	Reimbursement for damages caused by your early lease termination.

I/We have read this summary in detail, and have been given the opportunity to ask any questions prior to signing the following lease documents. I/We understand that I/we may exit this lease signing at any time to ask any questions regarding this Summary of Fees and Charges.

By signing below, I/we acknowledge that I/we understand this summary, and will be proceeding with signing the following lease.

Stoneridge Apartments Mark Center Owner LLC



Landlord

Date

Resident

Date



**VIRGINIA  
RESIDENTIAL LEASE AGREEMENT  
KEY LEASE TERMS**

<b>Date of Lease:</b>	
<b>Landlord:</b>	Stoneridge Apartments Mark Center Owner LLC
<b>Landlord's Address:</b>	5797 A Rayburn Ave Alexandria, VA 22311
<b>Apartment Address:</b>	[REDACTED]
<b>Resident(s):</b>	[REDACTED]
<b>Occupant(s):</b>	
<b>Co-signer/Guarantor:</b>	
<b>Lease Start Date:</b>	<u>July 30, 2021</u>
<b>Lease End Date:</b>	<u>June 29, 2022</u>
<b>Total Rent for Lease Term:</b>	<u>\$ 19,525.00</u>
<b>Base Monthly Rent:</b>	<u>\$ 1,775.00</u>
<b>Security Deposit:</b>	<u>\$ 99.00</u>
<b>Amenity Fee:</b>	<u>\$ \$350 at move in/\$200 at renewal</u>

The Landlord and the Resident(s) agree to lease the Apartment for the terms set forth herein. For the purposes of this Lease Agreement, the term "**Apartment**" refers to the rental unit at the address set forth above, regardless of whether the unit is an apartment, condominium, townhouse, or other type of residential dwelling. The term "**Lease**" includes this document and all addenda thereto. The term "**Community**" means the entire apartment complex. The terms "**Landlord**" or "**we**," "**us**," or "**our**" refers to the Landlord, its affiliates and its agents and employees. The terms "**Resident**" or "**you**" or "**your**" includes all residents named herein. The Key Lease Terms above are material terms of this Lease and have the meanings set forth above. All adults age 18 and over who will live in the Apartment must each sign this Lease. If an occupant becomes 18 during the lease term, it will be a condition of renewal that he or she must sign the lease at the next renewal.

**TABLE OF CONTENTS**

1. Term; Renewal Options	15. Additional Terms	29. Indemnification
2. Rent	16. No Alterations	30. Subordination
3. Utilities	17. Pets	31. Lease Changes
4. Late Fees & Insufficient Funds	18. Access	32. Mold
5. Additional Rent	19. End of Lease	33. Satellite Dish and Antenna
6. Security Deposit	20. Your Breaking of Lease	34. Severability
7. Possession	21. Landlord's Right of Re-Entry	35. No Waiver
8. Use and Occupancy	22. Your Required Insurance	36. No Personal Liability
9. Multiple Residents	23. Crime Insurance	37. Notices
10. No Assignment or Subletting	24. Incorrect Information	38. Lead Based Paint
11. Condition of Apartment	25. Legal Fees	39. Consent to Electronic Notices
12. Your Responsibility	26. Eminent Domain	40. Fair Housing Requests
13. Prohibited Conduct	27. Fire or Other Casualty	
14. Illegal Activity	28. Release of Landlord	

1) **TERM; RENEWAL OPTIONS.** The Lease begins on the Lease Start Date and ends on the Lease End Date (which for all purposes in this Lease shall either be the Lease End Date set forth above or the last day of any renewal term, if this Lease was previously renewed).

Prior to any Lease End Date, if your lease has not been previously terminated, we may offer the option to extend the Lease, as follows:

- (a) At least seventy-five (75) days before the Lease End Date, we may send you a Lease renewal notice. Such renewal notice may offer an extension of the Lease End Date and may propose a new Monthly Rent