

July 31, 2023

Sandra L. Thompson, Director
Federal Housing Finance Agency,
Office of Multifamily Analytics and Policy,
400 7th Street, S.W.,
Washington, D.C. 20219
Via fhfa.gov

Re: Request for Input (RFI) on tenant protections at multifamily properties with mortgages backed by Fannie Mae and Freddie Mac (the “Enterprises”)

Dear Director Thompson,

The Private Equity Stakeholder Project (PESP) is a financial watchdog organization that seeks to bring transparency and accountability to the private equity industry for the benefit of impacted communities and investors.

We appreciate this opportunity to comment upon the Federal Housing Finance Agency’s (FHFA) RFI on tenant protections at multifamily properties with mortgages backed by the Enterprises. The questions in the RFI solicit important feedback from tenants and other stakeholders regarding the present reality of renting a home in this country. Much reporting has covered the untenable rent hikes and life-shattering evictions that tenants are subjected to, often at the hands of corporate landlords.

Given the prevalence of the private equity industry in rental housing, and the related controversy, we would like to discuss the effect of private equity owned housing on tenants and what the FHFA might do to address it. According to a June 2022 report by Americans for Financial Reform, private equity owns more than 1 million apartment units across the country, which is roughly equivalent to 3.6% of the units nationwide.¹ The proliferation of private equity investment in multifamily homes should be of great concern to the Enterprises, especially since, according to a 2022 ProPublica article, large private equity firms accounted for 85% of Freddie Mac’s 20 biggest deals financing apartment complex purchases by a single borrower.²

¹ “Research Memo: New AFR Research Estimating Minimum Number of Private Equity-Owned Housing Units.” *Americans for Financial Reform*, 28 June 2022, ourfinancialsecurity.org/2022/06/letters-to-congress-new-afr-research-estimating-minimum-number-of-private-equity-owned-housing-units/. This number likely represents an undercount due to the lack of publicly available data on private equity-owned rental units.

² Vogell, Heather. “When Private Equity Becomes Your Landlord.” *ProPublica*, 7 Feb. 2022, www.propublica.org/article/when-private-equity-becomes-your-landlord.

Harmful practices associated with private equity landlords have been well documented as of late, and thus the growth of its investment footprint likely presents an increased risk of harm to tenants. After purchasing apartments, private equity landlords have been connected to steep rent increases, junk fees, inadequate maintenance, and problematic eviction filings. This is in line with private equity's business model, which requires high rates of return on short timelines, heavily incentivizing firms to prioritize cost cutting and revenue generation.

The following are notable examples of the risks to tenants associated with private equity homeownership:

The CIM Group

In 2020, the private equity firm CIM Group purchased Southern Towers, a five-building apartment complex of over 2,000 units in Northern Virginia. For decades, Southern Towers has been home to thousands of hardworking blue-collar families, many of whom are African immigrants. The CIM group purchased Southern Towers with the help of a \$346 million loan with a 2.2% interest rate from Freddie Mac.³

Tenants hoped that CIM would bring positive changes to the complex, but mold, pests and other maintenance issues continued to go unresolved. Additionally, CIM filed hundreds of eviction notices during a nationwide ban on evictions. In the first six months of owning Southern Towers, CIM filed over 500 eviction notices against 255 households during the federal eviction moratorium.⁴

Southern Towers tenants report that they feel that CIM wants to push them out in favor of the thousands of Amazon employees who will work at Amazon's second headquarters a few miles away, which just opened last month.⁵

In November 2022, tenant organizers with African Communities Together filed a complaint with the FHFA, which detailed CIM Group's predatory practices, including:⁶

- **Insufficient eviction notices:** The CARES Act requires that in the event of an eviction, landlords of buildings that received FHFA financing must provide tenants with a 30-day notice to vacate. However, the CIM Group's notices for nonpayment of rent to tenants of Southern Towers had a heading, "5-Day Notice to Pay Rent, or Alternatively, to Terminate Lease and Vacate Premises" [emphasis added]. The notice then said, "We intend to terminate your lease unless within five (5) days from the date of service of this notice you pay rent in the full amount as noted above."

³ Nicoll, Alex. "A Band of Immigrant Tenants Went to War with Their \$31 Billion Landlord. It's a Sneak Peek at What's to Come across America." *Business Insider*, 27 Dec. 2022, www.businessinsider.com/southern-towers-apartment-tenants-battle-investor-landlord-2022-11.

⁴ *Id.*

⁵ Barakat, Matthew. "Virginia Tenants Fear They'll Be Displaced by Amazon Workers." *AP News*, 24 Apr. 2021, apnews.com/article/health-coronavirus-virginia-77ef47d0b56beb224038527809950d5c.

⁶ Letter to FHFA from ACC "Request for Immediate Investigation into Predatory Practices of Federally-Funded Entity, the CIM Group," 8 Nov., 2022, <https://africans.us/sites/default/files/Formal%20Complaint%20Against%20CIM%20Group.pdf>.

[emphasis added]. The only mention of a 30-day notice comes up in a single sentence in the middle of the first paragraph, that reads, “However, if the premises is located on or within a “covered property” as that term is defined by section 4024(a) of the CARES Act, then in the event your lease is terminated you shall be required to vacate the premises 30 days from the effective date of service of this notice.”

- **Unaffordable rent increases:** CIM has increased rents to levels that are unaffordable for blue-collar tenants. While CIM maintains that their rent increases range between 2%-5%, tenants report increases closer to 9% and higher. One tenant recently received a lease renewal with a 14.8% rent increase.
- **Unreasonable pricing practices:** CIM has imposed additional costs on tenants on top of the unreasonable rent increases. Prior to CIM’s purchase of Southern Towers, utilities were included in tenants’ monthly rents. CIM is now charging tenants extra for utilities. CIM has also increased parking costs and is charging parking fees that are nearly double the parking costs of neighboring properties.
- **Unresolved maintenance:** CIM has failed to adequately and promptly correct leaks, mold, and other unsafe living conditions about which tenants have complained to CIM.

Tenants at other CIM properties that received FHFA financing have had similar complaints. A recent article discussed tenants at a CIM-owned building in Washington, DC, who were experiencing large rent hikes, as well as housing code violations, including mold, broken locks, peeling paint, non-functioning outdoor lighting, and water damage.⁷ These and other actions run contrary to Freddie Mac’s purpose of providing and preserving affordable workforce housing. Freddie Mac has taken no action against CIM, and CIM remains eligible to receive financing for future acquisitions.

CIM has used financing from Freddie Mac and Fannie Mae for at least ten properties.⁸

⁷ <https://www.washingtoninformer.com/tenants-and-landlords-clash-on-impending-rent-hike/>

⁸ The Paragon (1326 S. Michigan Avenue, Chicago, IL 60605), Chestnut Place (8 West Chestnut St., Chicago, IL 60610), the Marquis at West Village (3700 Cole Avenue, Dallas, TX 75204), 4121 Santa Monica (4121 Santa Monica Boulevard, Los Angeles, CA, 90029), Adams Morgan Argonne (1629 Columbia Road, Washington, DC 20009); Adams Morgan Harvard Village (1829 Summit Place, Washington, DC 20009), Adams Morgan Park East (1845 Summit Place NW, Washington, DC 20009), Ashlawn at Southern Towers (4921 Seminary Road, Alexandria, VA 22311), and Monticello at Southern Towers (5055 Seminary Road, Alexandria, VA 22311).

The Blackstone Group

The private equity firm The Blackstone Group is the largest landlord in the U.S., with more than 280,000 rental units.⁹ Blackstone has utilized billions of dollars in Fannie Mae and Freddie Mac-backed financing in its housing investments over the past several years.¹⁰

Blackstone has highlighted the existing housing shortage and the decline of new housing supply in the U.S. as a reason to invest in its real estate funds and touted double-digit annual investment returns.¹¹

Blackstone's real estate chief late last year pointed to the company's resumption of evictions as a reason to have "confidence in [the] cash flow growth" of its housing portfolio.¹² Blackstone has initiated a wave of evictions in a number of states and counties, and in some cases filed to evict tenants who owed just one month's rent.¹³

In May 2021, Blackstone acquired 5,800 rental units in the San Diego, CA area.¹⁴ In 2022, Blackstone representatives informed local elected officials about their plans to potentially evict tenants with outstanding rent balances.¹⁵ According to one local councilmember, Blackstone "informed me that over 100 tenants residing at their Escondido properties have delinquent accounts that may result in evictions."¹⁶

Blackstone has a strong financial incentive to evict existing tenants because California law limits how much a landlord can increase rents for current tenants, but the law does not apply to how much a landlord can

⁹ <https://www.breit.com/portfolio/>

¹⁰ Barbarino, Al. "Blackstone Closes \$2.7bn Fannie Mae Loan on 'Stuy Town.'" *Real Estate Capital Europe*, 8 Nov. 2017, www.recapitalnews.com/blackstone-signs-agreement-2-7bn-stuy-town-loan/; Olick, Diana. "Government's Fannie Mae Will Back PE Giant Blackstone's Rental Homes Debt." *CNBC*, 25 Jan. 2017, www.cnbc.com/2017/01/25/governments-fannie-mae-will-back-pe-giant-blackstones-rental-business-debt.html; Fisher, Mary Beth. "US Portfolio Strategy." *SanCap Portfolio Strategy*, 21 Oct. 2022, portfolio-strategy.apsec.com/2022/10/21/the-gses-provide-a-backstop-as-market-stress-rises/.

¹¹ <https://www.breit.com/>

¹² Vandeveld, Mark. "Blackstone Steps up Tenant Evictions in Us with Eye on Boosting Returns." *Financial Times*, 30 Jan. 2023, www.ft.com/content/5ac750a5-c454-485d-8974-17627c47ea20.

¹³ Ash, Jordan. Private Equity Stakeholder Project, 2023, *Blackstone Comes to Collect: How America's Largest Landlord and Wall Street's Highest Paid CEO Are Jacking Up Rents and Ramping Up Evictions*, https://pestakeholder.org/wp-content/uploads/2023/03/PESP_Report_Blackstone_March2023_v4.pdf.

¹⁴ Molnar, Phillip. "Blackstone Group to Buy 66 Apartment Complexes in San Diego for More than \$1 Billion." *Tribune*, 11 May 2021, www.sandiegouniontribune.com/business/story/2021-05-11/blackstone-group-to-buy-66-apartment-complexes-in-san-diego-for-more-than-1-billion.

¹⁵ Fry, Alejandro Lazo and Wendy. "Corporate Landlord's California Buying Spree Alarms Tenants: 'I Only Earn Enough to Pay the Rent.'" *Santa Maria Times*, 29 May 2023, santamariatimes.com/news/local/state-and-regional/corporate-landlord-s-california-buying-spree-alarms-tenants-i-only-earn-enough-to-pay-the/article_574854a5-463d-5b92-a353-ac583201ffe4.html.

¹⁶ Martinez, Councilmember Consuelo. "RE: Blackstone Properties in District One ." Received by ACCE San Diego, City of Escondido, 1 Sept. 2022, https://drive.google.com/file/d/1dL8RcosaP2dkxTMMzvRmnmaRSD0K_8a1/view?pli=1.

charge a new tenant. The Tenant Protection Act of 2019 sets a maximum cap of 10% for annual rent hikes. However, Blackstone can charge much higher rents to new tenants.¹⁷

For instance, at the Fashion Hills apartment complex in San Diego, the average rent as of September 2021 was \$1,641/mo.¹⁸ Under California law, the maximum cap of 10% for an annual rent hike would mean an increase to an average of \$1,805. Yet, in March 2023, Blackstone was listing 1 bedroom units starting at \$2,354/mo (43% higher than the previous average) and 2 bedrooms starting at \$2,690/mo (64% higher than the previous average).¹⁹

Progress Residential/ Front Yard Residential

Progress Residential is the largest single-family rental (SFR) home company in the U.S., with over 90,000 homes under management. It is owned by the private equity firm Pretium Partners. In January 2021, Pretium and another private equity firm Ares Management purchased the SFR company Front Yard Residential, which owned more than 14,500 rental homes, and merged it with Progress.²⁰

In 2018, Front Yard Residential received a \$508.7 million loan that was backed by Freddie Mac, during the FHFA's two year single family rental pilot program. This loan included 264 properties in Hennepin County, Minnesota, where Minneapolis is located and which accounted for \$33 million of the total loan.²¹

Numerous news stories over recent years have detailed Progress and Front Yard's serious neglect of maintenance and repairs, resulting in hazardous, unsanitary, and unsafe conditions for tenants. The company's neglect of maintenance has been especially evident in Minnesota.

- Earlier this year, the City of Minneapolis required Front Yard Residential to comply with additional regulations in order to maintain its license to operate in the city. The city had conducted portfolio-wide inspections of Front Yard Residential properties and found violations more than half the time. According to the *Star Tribune*, the city had to take the company to court nine times for violations that had not been fixed between June 2021 and September 2022. The City of Minneapolis stated that "Property management for these rental properties has not consistently met minimal housing standards."²²

¹⁷ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482

¹⁸ Morningstar, 2021, Presale Report BX Trust 2021-SDMF, <https://assets.ctfassets.net/dqx4ywg83raq/3K0fZPG9HRlc3RGPfS6DQa/8295e9221d6b373a6b4d1501bac3165b/384344.pdf>. Accessed 25 July 2023.

¹⁹ Apartments for Rent in San Diego, CA | Hills at Fashion Valley Apartments - Home, www.thehillsatfashionvalley.com/#. Accessed 25 July 2023.

²⁰ Kalinoski, Gail. "Pretium, Ares Close \$2.5B Acquisition of Front Yard Residential." Multi-Housing News, 13 Jan. 2021, www.multipropertynews.com/pretium-ares-close-2-5b-acquisition-of-front-yard-residential/.

²¹ Freddie Mac Loan Number 505039591, 505039605, 505039613

²² "Rental License Conditions and Stipulated Agreement In the matter of the Rental Properties In Minneapolis, MN Owned by FYR SFR Borrower LLC," City of Minneapolis Department of Regulatory Services, 1 Dec. 2022, <https://www.documentcloud.org/documents/23571449-fyrsfrconditionssettlementagreement>.

- Last year, the Minnesota Attorney General filed a lawsuit against Front Yard, and it contained very serious allegations that the company "failed to repair and maintain rental homes that lacked heat, had backed up sewers, doors and windows that would not close, mold, even wild animals." The Attorney General stated, Front Yard's "strategy of extracting profit from their tenants by claiming to provide them with prompt, high-quality maintenance and repair but actually leaving them in uninhabitable homes isn't just shameful, it's deceptive, fraudulent and violates Minnesota law."²³
- Also last year, the City of Columbia Heights, a suburb of Minneapolis, revoked the rental license of Front Yard Residential and notified tenants that they needed to vacate their homes within 45 days due to the company's failure to resolve maintenance issues at multiple properties.²⁴ The violations included missing carbon monoxide and smoke detectors, mold, and incorrectly installed or poorly maintained electrical wiring. The city stated that the violations "put residents' lives at risk and shall not be tolerated by the City of Columbia Heights."²⁵

In August 2022, the U.S. House Select Subcommittee on the Coronavirus Crisis released a staff report investigating the eviction practices of Progress, Front Yard, and three other large corporate landlords during the first 16 months of the coronavirus pandemic.²⁶ Despite the federal eviction moratorium, the committee found that Progress and Front Yard filed a total of more than 6,000 evictions during this time and engaged in abusive tactics to remove tenants from their homes, such as:

- Placing tenants into the eviction filing process after they fell as little as \$500 to \$1,000 behind on rent. Related policies resulted in evictions being filed on tenants who were only a single month behind on rent.
- Directing employees only to hold off filing eviction cases on tenants behind on their rent when they had "Applied for rental assistance within the last 30 days," even as many tenants experienced months- long delays in receiving assistance from newly established state programs.

The above examples demonstrate how some of the largest private equity landlords have mismanaged their investments in rental housing. Therefore, PESP supports the Homes Guarantee Campaign comment letter submitted on July 31, 2023. We would also like to highlight the following issues as they specifically pertain to private equity:

²³"Attorney General Ellison Sues Havenbrook Homes, One of the Largest Landlords in Minnesota, for Failing to Repair Rental Homes, Violating Law." February 10, 2022 Press Release, www.ag.state.mn.us/Office/Communications/2022/02/10_HavenBrookHomes.asp. Accessed 25 July 2023.

²⁴Harlow, Tim, and Star Tribune. "Columbia Heights Revokes Licenses of Corporate Landlord, Evicting Renters of 21 Properties." *Star Tribune*, 24 Jan. 2022, www.startribune.com/columbia-heights-revokes-licenses-of-corporate-landlord-evicting-renters-of-21-properties/600139143/.

²⁵"City Statement Regarding Havenbrook Rental License Revocation." Welcome to City of Columbia Heights, MN, 20 Jan. 2022, www.columbiaheightsmn.gov/news_detail_T17_R581.php.

²⁶United States, Congress, Select Subcommittee on the Coronavirus Crisis. *Examining Pandemic Evictions: A Report on Abuses by Four Corporate Landlords during the Coronavirus Crisis*, July 2022. <https://permanent.fdlp.gov/gpo190651/20220728SSCCStaffReportExaminingPandemicEvictions.pdf>.

1. Lack of Ownership Transparency; Rental Registry

Although the harms associated with corporate landlords are demonstrable, information about the ultimate private ownership is difficult to find.²⁷ Private equity firms often create complex structures of property ownership to disaggregate much of the liability from their platform investments.²⁸ A common corporate structure for this type of private equity investment is known as a real estate investment trust (REIT), which allows shareholders to invest in a firm's real estate portfolio while maintaining liquidity.²⁹

Such portfolios consist of properties owned and operated by many different LLCs that are ultimately controlled by the same entity, making it hard for the public to discern ultimate responsibility for harmful ownership trends.³⁰ As part of its mandate to provide and preserve affordable workforce housing, the FHFA must be able to track the ownership of Enterprise subsidized corporate landlords to hold them accountable to the FHFA's mission.

Therefore, it is important that the FHFA require all recipients of Enterprise-backed mortgages to be listed in a rental registry that is publicly searchable and accessible.³¹ Information included in the registry should include the identity of each property's owner and their contact information.³² Due to the maze of LLCs often associated with corporate landlords,³³ the registry should list this information for each property's beneficial owner or owners. When tenants do not know who owns their home, it becomes that much more difficult to hold problem landlords accountable.³⁴ Furthermore, without a strong understanding of who owns what, it is nearly impossible to properly review a landlord's track record when considering future loan requests.

2. Enhancing Conditions for Enterprise-backed Mortgages

One important tenant protection tool that the FHFA has at its disposal is the power to place certain conditions on the financing that it provides to prospective corporate multi-family home investors. Important conditions that would prove effective against some of the greatest risks posed by private equity homeownership include, but are not limited to:

²⁷ Brian Mykulyyn & Elora Raymond, When Landlords Hide Behind LLCs, Shelterforce (Aug. 23, 2022), <https://shelterforce.org/2022/08/23/when-landlords-hide-behind-llcs/>.

²⁸ *Id.*

²⁹ Chen, James. "Real Estate Investment Trust (REIT): How They Work and How to Invest." *Investopedia*, 24 May 2023, www.investopedia.com/terms/r/reit.asp.

³⁰ Brian Mykulyyn & Elora Raymond, When Landlords Hide Behind LLCs, Shelterforce (Aug. 23, 2022), <https://shelterforce.org/2022/08/23/when-landlords-hide-behind-llcs/>.

³¹ See Fay Walker & Owen Noble, Understanding Who Owns Rental Stock Can Ensure Tenants and Small Landlords Get the Support They Need, UrbanWire (Mar. 23, 2022), <https://www.urban.org/urban-wire/understanding-who-owns-rental-stock-can-ensure-tenants-and-small-landlords-get-support>.

³² See Minneapolis, Minn., Code of Ordinances art. 16, §§ 244.1800-2060.

³³ Brian Mykulyyn & Elora Raymond, When Landlords Hide Behind LLCs, Shelterforce (Aug. 23, 2022), <https://shelterforce.org/2022/08/23/when-landlords-hide-behind-llcs/>.

³⁴ James Horner, Note, Code Dodgers: Landlord Use of LLCs and Housing Code Enforcement, 37 Yale L. & Pol'y R. 647 (2019).

a. Rent Regulation

Rent regulations protect tenants from excessive rent increases by creating a path for reasonable and gradual rent increases while ensuring a fair return on investment for landlords. Rent regulation can immediately stabilize prices, halt rent gouging, and reduce the risk of displacement and homelessness while increasing housing security and affordability over the long term.³⁵ This is especially important given the financial stress placed on tenants due to the economic fallout associated with the Covid-19 pandemic, as rents are still up 25 percent when compared to where they were in 2019.³⁶

Given the untenable rental costs that tenants already face, we implore the FHFA to prohibit landlords with Enterprise-backed mortgages from imposing rent increases of more than 3% with respect to any unit over the course of any 12-month period. Rent regulation has a track record of reducing costs for tenants, preventing evictions, and stabilizing communities,³⁷ and is a necessary policy in our current economic environment.

b. Safety and Quality Standards

Lack of repairs and habitability are known consequences of cost cutting by corporate landlords. To curb this practice, the FHFA should articulate a clear set of habitability standards, modeled off the standards of the U.S. Department of Housing and Urban Development's Housing Quality Standards for the Housing Choice Voucher program,³⁸ with which borrowers seeking Enterprise-backed mortgages must comply. Additionally, the FHFA should specifically identify the presence of unhealthy levels of mold³⁹ and the lack of air conditioning⁴⁰ as conditions that would cause a unit to fail inspection. The FHFA should also work with the Enterprises, state and local code officials, and tenants to enforce such standards.

³⁵ Chew, A., Treuhaft, S. (2019). "Our Homes, Our Future: How Rent Control Can Build Stable, Healthy Communities." Right to the City Alliance, PolicyLink, The Center for Popular Democracy. <https://www.policylink.org/resources-tools/our-homes-our-future>.

³⁶ "Realtor.Com® May Rental Report: Rent Prices Dip; Declines Expected to Continue." *Yahoo! Finance*, finance.yahoo.com/news/realtor-com-may-rental-report-100000242.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAA-DACtglyoSjEzoyWV24eVcYsLyl3ahLIVvAEIBafcdHddF2K2Xlm-XVGWCnfFYUhDqnJtp-Kp18cikQF9ZB-ntsuEGiw1ddOxJlfdsRPjWvOYeW7sYgejH-8ZVAssk820wY7oLysh-GT6doXzT3nC6dcojry3snaE-5pVt6i3q5. Accessed 25 July 2023.

³⁷Nicole Montojo, Stephen Barton, and Eli Moore, "Opening the Door for Rent Control: Toward a Comprehensive Approach to Protecting California's Renters," (Haas Institute for a Fair and Inclusive Society, 2018), http://haasinstitute.berkeley.edu/sites/default/files/haasinstitute_rentcontrol.pdf.

³⁸ 24 C.F.R. § 982.401.

³⁹ National Center for Healthy Housing, Mold, NCHH.org (last visited July 8, 2023), <https://nchh.org/information-and-evidence/learn-about-healthy-housing/health-hazards-prevention-and-solutions/mold/>.

⁴⁰ Sam Whillans, Toward a Renter's Right to Heat-Safe Housing, Expert Blog (June 9, 2022), <https://www.nrdc.org/bio/sam-whillans/toward-renters-right-heat-safe-housing>.

c. Tenants' Rights

The main thrust of why tenants need protection is due to the power imbalance between them and their landlords. This imbalance is even more pronounced if the landlord happens to be a large corporation with deep pockets and market experience. Therefore, like the Revised 2022 guidance⁴¹ that Freddie Mac provided to borrowers investing in manufactured homes, we strongly encourage the FHFA to promulgate a set of rights for tenants that will give them a fighting chance at preserving their homes and standard of living. These rights should include, but not be limited to:

- **Tenant Organizing:** The right to organize and/or join a formal or informal tenant organization, advocate for the advancement of the tenants' interests, inform fellow tenants about issues of common concern, and to grant access to the property to grassroots organizers who may not be tenants at the property, all free of retaliation and other interference.⁴²
- **Just-Cause Eviction:** Establishing that tenants of Enterprise-financed rental properties may only be evicted for "just-cause." In general, just-cause for an eviction will only exist if a tenant has engaged in serious breach of material lease terms and has failed to cure their breach when given notice of their breach. The right to just-cause eviction would prohibit harmful *de facto* eviction practices by corporate landlords, such as choosing not to renew a lease because tenants have a right to lease renewal.
- **Fair Lease Agreement Template:** Promulgating a model fair lease agreement or set of principles by which landlords must comply. These standardized fair leases or principles should clearly communicate material lease terms and obligations to tenants and should not contain any unfair, deceptive, and abusive terms, including terms that violate state or federal law.
- **Office of Tenant Protections:** Creating an Office of Tenant Protections that is responsible for ensuring that borrowers comply with required tenant protections. The Office of Tenant Protections should have the capacity to receive complaints of violations of tenant protections from tenants, tenant unions, and community groups, investigate those complaints, and compel corrective action.

Conclusion

The rental housing crisis did not start with the pandemic, but the last few years have presented an extraordinary financial hardship for tenants. It is imperative that the FHFA remain vigilant of the practices of Enterprise-supported corporate landlords to ensure that public money is being used to further its mission to provide and preserve affordable housing. Given the proliferation of private equity investment in this space, the FHFA should implement policies, such as those contained in this letter, that directly address and curtail predatory behavior by private equity real estate investors.

⁴¹ "Update to MHC Tenant Protections." *Freddie Mac*, 25 Apr. 2022, mf.freddiemac.com/news/2022/20220425-update-mhc-tenant-protections.

⁴² Heather Way & Kelly Hogue, *Six Steps to Ensuring a Strong Right to Organize for Tenants*, Shelterforce (May 4, 2023).

PRIVATE EQUITY
STAKEHOLDER
PROJECT

If you have any questions, please contact Senior Policy Coordinator, Chris Noble, at chris.noble@pestakeholder.org.

Best,

A handwritten signature in black ink, appearing to read 'C. Noble', with a period at the end of the first name.

Chris Noble, Esq.
Senior Policy Coordinator
Private Equity Stakeholder Project