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To Whom It May Concern:

Texas Housers calls on the Federal Housing Finance Agency (FHFA) to follow through on the White House's charge to take strong and decisive action to improve conditions and legal protections for renters at multifamily properties backed by Fannie Mae and Freddie Mac (the Enterprises), who represent a large share of renters in the country. Bold action by FHFA on this issue would meaningfully improve the power dynamic for many low-income renters in Texas and throughout the country, which has been tilted toward landlords at the expense of tenants for far too long and lead to increased housing instability. These changes would have a direct effect on renters at Enterprise-backed multifamily rental properties. It also has the potential to set a new standard for renter-protections broadly.

For 35 years, Texas Housers' mission has been to ensure that low-income households in Texas are able to access safe, decent, affordable, and stable housing in a neighborhood of their choice. But low-income renters in our state struggle greatly under compounding burdens: The state lacks enough available and affordable housing to meet the housing needs of low-income Texans, especially households making 50% area median income and below.<sup>1</sup> The housing that is available for low-income households is often in very poor condition and is unhealthy and unsafe to the tenants who live there. Lastly, the landlord-tenant legal regime in Texas is one of the most unfriendly to renters in the entire country.<sup>2</sup> This leaves low-income renters with shockingly little protection or recourse from, for example, stratospheric rent increases or deplorable conditions at their property.

We urge FHFA to improve housing stability for low-income renters by making the following requirements of multifamily rental properties backed by the Enterprises:

**Ban discrimination based on source of income and require coordination with public housing authorities for affirmative marketing to Housing Choice Voucher holders.** Housing Choice Vouchers are one of the most important tools for achieving housing stability for low-income people. However, in states like Texas, the lack of a law banning landlords from discriminating based on source of income keeps this

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<sup>1</sup> The Gap Report, National Low-Income Housing Coalition, 2023. <https://nlihc.org/gap/state/tx>

<sup>2</sup> "Ten Essential Tenants Rights," the Texas Tenant Advisor. <https://www.texastenant.org/housing-advocacy>

tool from being able to help low-income people access decent housing in a quality neighborhood. Source of income protection can help ensure voucher holders' ability to access decent housing in a neighborhood of their choice. FHFA should ban landlords at Enterprise-backed multifamily properties from denying prospective tenants on the basis of their source of income, including federal benefits like HCV vouchers and Social Security. Furthermore, FHFA should require landlords to work proactively and collaboratively with their local public housing authority to affirmatively market units to voucher holders. Short of a full ban against landlord voucher discrimination, FHFA must lead the Enterprises in developing and/or expanding high-impact programs to incentivize landlords to accept vouchers.

**Require Just Cause eviction protection.** Limit landlords at multifamily rental properties backed by the Enterprises from terminating a tenancy or refusing to renew the lease of a tenant unless the tenant has made serious or repeated violations of the terms and conditions of the lease agreement. A tenant who has followed the terms of the lease should not be subject to the uncertainty and instability of not knowing whether they will be able to keep their family housed in the same location from year to year or month to month.

**Ban rent gouging.** Renters in Texas have no protection at all against extreme rent hikes. Given that over 40% of renters in Texas are already housing cost burdened<sup>3</sup> (paying more than 30% of their income toward rent), many households have no wiggle room to absorb the extreme rent increases that have become common in our state's major housing markets in the post-pandemic recovery period. Renters are forced to respond to extreme rent increases by becoming even more cost burdened (leaving even less funds leftover for other necessities like groceries and transportation), moving into overcrowded conditions to afford the rent, or losing stable housing altogether. FHFA should hold Enterprise-backed multifamily properties to reasonable maximum percent annual rent increases that are predictable and manageable for tenants.

**Require landlords to uphold minimum health and safety standards,** and establish reliable mechanisms for enforcement and accountability when these standards are not upheld. Require landlords to allow tenants to withhold rent if a landlord ignores repair requests until repairs are made, without fear of reprisal.

**Require landlords to implement enhanced eviction prevention measures.** Renters in Texas face a crisis of evictions. There were at least 270,000 evictions filed in the state of Texas in 2022. This is the highest annual number ever recorded.<sup>4</sup> In Harris County, the third highest population county in the U.S., monthly eviction filings are regularly over 50% higher than the historic average.<sup>5</sup> Evictions lead to increased housing instability and homelessness, and a host of negative outcomes for individuals, families (especially with children), and entire communities.<sup>6</sup> Require landlords to give tenants an "opportunity to

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<sup>3</sup> HUD CHAS 2015-2019

<sup>4</sup> Texas Housers analysis of Landlord-Tenant Dispute case filings, 2016-2022, Texas Office of Court Administration.

<sup>5</sup> EvictionLab Eviction Tracker. <https://evictionlab.org/eviction-tracking/houston-tx/>

<sup>6</sup> Evictions negatively impact employment, financial stability, future housing stability, and increase the risk of homelessness. Collinson, R., & Reed, D. (2018). The Effects of Evictions on Low-Income Households. NYU Law.

cure” of at least 10 days, giving tenants a realistic window of time to get caught up on rent before they can formally begin the eviction process. Require landlords to dismiss an eviction case prior to judgment if a tenant becomes current on rent. Require landlords to apply any payments made by a tenant first toward rent owed in order to reduce the risk of eviction. Develop incentive programs or funds to provide additional eviction diversion, mediation, and rental assistance to help avoid harmful evictions.

**Give tenants the right to organize** at all multifamily rental properties backed by the Enterprises. Tenant organizing gives renters the ability to collectively influence relations and decision making, where a single tenant might be otherwise dismissed. Ban landlords from retaliating against tenants who organize.

**Require additional renter protections.** Ban lockouts. Require landlords to cap late fees at a reasonable rate. Require landlords to provide reasonable notice prior to entry in a rental unit of at least 48 hours in advance.

By implementing the new requirements and protections listed above, FHFA will dramatically increase the decency of residential tenancy in states like Texas for a large share of tenants. This will have an outsized positive impact on housing conditions and outcomes for low-income people, Black/African American and Hispanic households that have faced historic discrimination, people with disabilities, low-income seniors, and other demographics that have historically been denied access to decent, affordable housing. We urge FHFA to take these steps now to correct the gross imbalance in the law between landlords and renters.

Sincerely,

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[https://www.law.nyu.edu/sites/default/files/upload\\_documents/evictions\\_collinson\\_reed.pdf](https://www.law.nyu.edu/sites/default/files/upload_documents/evictions_collinson_reed.pdf); Evictions are associated with negative health and behavioral outcomes, including mental illness, substance use, suicide, high blood pressure, and child maltreatment. Vásquez-Vera, H., Palència, L., Magna, I., Mena, C., Neira, J., & Borrell, C. (2017). The threat of home eviction and its effects on health through the equity lens: A systematic review. *Social Science & Medicine*, 175, 199–208. <https://doi.org/10.1016/j.socscimed.2017.01.010>; Evictions strain households' finances, raising monthly housing costs by 20%, on average. Leung, L., Hepburn, P., & Desmond, M. (2021). Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement. *Social Forces*, 100(1), 316–344. <https://doi.org/10.1093/sf/soaa089>; Mothers and children who experience eviction are at elevated risk of material hardship, depression, and poor health outcomes. Desmond, M., & Kimbro, R. T. (2015). Eviction's Fallout: Housing, Hardship, and Health. *Social Forces*, 94(1), 295–324. <https://doi.org/10.1093/sf/sov044>