



Shelby County Government

LEE HARRIS
MAYOR

July 31, 2023

Sandra L Thompson
Federal Housing Finance Agency
400 7th Street SW
Washington, D.C. 20219

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

Dear Director Thompson,

Thank you for issuing this Request for Information (“RFI”) for submission regarding how the Federal Housing Finance Agency (“FHFA”) can implement tenant protections for properties with Fannie Mae and Freddie Mac loans sold to an Enterprise based on The Enterprise’s multifamily housing experience and numerous other factors. My comments speak to Questions A-1, C-1, D-5, and D-6 of the RFI.

Our community has affordable housing, though the number of affordable homes appears to be decreasing. However, what is truly questionable is the quality of the housing stock. FHFA and The Enterprises can protect tenants in multifamily rental housing by ensuring tenants have safe and habitable places to live.

First, FHFA should adopt a definition of “safe” and “habitable” as set by each property’s local or state jurisdiction. That way, FHFA and The Enterprises can incorporate local and state orders and judgements in housing proceedings into their own respective analysis of these mortgage loans.

Second, FHFA should require a landlord, as the borrower of Enterprise-backed multifamily loans, to conduct comprehensive inspections and assessments of its current housing stock to identify substandard properties and areas in need of improvement. These findings should

be included in an annual report to The Enterprises and FHFA and scored according to the FHFA in its analysis of these mortgages.

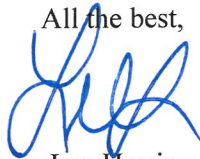
Third, FHFA should create financial incentives for regulatory enforcement. Strong state and local building codes, zoning regulations, and housing standards already exist, but are not being met, especially in our community's rental sector. The Enterprises and FHFA could provide financial incentives to landlords and developers to invest in property upgrades and renovations by requiring building inspections upon entering a lease or renewing a lease.

Fourth, the tenant should be more informed not just about the property, but also about the landlord of the property. The FHFA and The Enterprises should require the landlord to provide potential and current tenants with all open code enforcement proceedings naming the landlord as a party.

Lastly, The FHFA should provide resources to tenants to report substandard living conditions in an Enterprise-backed property directly to the FHFA, thus providing a more comprehensive database of current conditions for the FHFA to include in its analysis of the loans.

By improving the housing stock of these investments, you are improving the liquidity of the mortgages in that quality housing stock, which is in demand. The development of underwriting guidelines that incorporate these recommendations will also ensure quality housing stock is available in the affordable housing market.

All the best,



Lee Harris
Mayor

LH/esw

cc: Shirley Bondon, Black Clergy of Memphis Executive Director
Jamie M. Johnson, Memphis Public Interest Law Center Executive Director