

Federal Housing Finance Agency
400 7th St SW, Washington, D.C. 20024

July 31, 2023

Re: Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input
From: South Carolina Housing Justice Network

Thank you to the Federal Housing Finance Agency (FHFA) and Director Thompson for issuing a [Request for Information](#) (RFI) on tenant protections in properties with federally-backed mortgages.

We are writing on behalf of South Carolina Housing Justice Network. SCHJN is a multi-racial, working-class organization dedicated to building tenant power by organizing campaigns that pressure bad landlords to meet our tenant's demands as well as pushing for legislation that prioritizes tenants and housing rights in an area of the country that has allowed folks to fall through the cracks for decades.

Housing costs are American households' single biggest monthly expense, and the rental crisis is threatening people's ability to live safely. Our current housing market fails on every level to meet the affordability needs of many Americans. In 2023, the [average hourly wage](#) needed to afford a one-bedroom apartment in the US was \$23.67. In South Carolina, the minimum wage, which sets the standard wage for all jobs in the state, is still the national minimum, \$7.25. There has been a clear priority to providing "luxury" housing in downtown, tourist-heavy areas such as Charleston, Myrtle Beach and Hilton Head for higher income transplants with developers getting deals from our governments every step of the way instead of investing in existing housing and keeping rent affordable for the working class folks who keep these economically important cities running. Meanwhile, the housing market is more consolidated than ever before, with corporate landlords such as Greystar, who have their headquarters in our state, left unregulated and allowed to continue to operate in the city with the highest eviction rate in the entire United States, [North Charleston](#). The federal government has failed to protect Southern tenants and pass meaningful housing legislation in years and now is the time to step in.

Our organizers have heard and seen first-hand horror stories of what the living conditions are like in SC. Mold due to neglect in upkeep, pests, water damage, retaliation by landlords and sky high rents with no improvements made to the apartments are the most common stories we hear from community members. In addition to this, SC is the second cheapest state to file an eviction in with the fee being only \$40. This means a lot of the serial evictions that occur here are due to non-payment and not the tenant egregiously breaching terms of their lease. Because of a lack of rent control and good cause eviction here, our housing courts in Charleston and Columbia, SC's two biggest cities, are completely overrun with people fighting to stay in their housing. Our housing crisis has gotten to the point that we need the federal government to step in and do something as soon as possible to keep working class folks in safe, stable and affordable housing.

Government Sponsored Enterprises like Fannie Mae and Freddie Mac work with banks to offer \$150 billion to landlords in financing every year, without any strings attached. Their portfolios

encompass over half of the rental market. As the regulator of these agencies, the FHFA should intervene to protect tenants and condition federal financing on a basic set of protections. With that in mind, we recommend that FHFA make the following policy changes as a result of this rulemaking process:

- **Rent regulations:** Protect tenants from and limit egregious rent hikes. The FHFA should limit annual rent hikes to 1.5 times the Consumer Price Index or 3%, whichever is lower, in Enterprise-backed properties. These rent increase limits should be applied universally and as a requirement. Limits on rent increases will protect tenants from eviction and/or homelessness by creating a schedule for reasonable and gradual rent increases.
- **Good cause eviction:** Prohibit evictions without good cause, ensuring every tenant has the right to a lease renewal. Good cause is defined as serious and repeated lease violations provable in a court of law.
- **Ban source of income discrimination:** Prohibit landlords from discriminating against tenants based on their source of income including federal housing assistance (i.e., vouchers).
- **Freedom from discrimination:** Enforce existing laws that prohibit landlords from denying a tenant rental housing based on race, physical or mental ability, and family make-up, and expand protections to prohibit discrimination based on sexual orientation, gender expression or identity, immigration status, conviction and/or arrest history, bankruptcy history, eviction history, or credit score.
- **Safe, quality, accessible housing standards:** Require all landlords to keep their properties in good condition, and to ensure homes are accessible for people with disabilities. No renter should have to live in an inaccessible home or in housing conditions that put their health and safety at risk.
- **Landlord registry:** Tenants should have access to information about their landlord including their name and phone number.
- **Tenant right to organize:** Tenants have the right to form tenants' unions or resident councils free from fear of retaliation from the landlord or managing agent. Ownership and management representatives must not interfere with the creation or actions of tenant organizations.
- **Fair leases:** Landlords must use standardized and clearly defined leases free of abusive terms.
- **Office of Tenant Protections:** A team charged with protecting tenants and enforcing their rights in properties with federally backed mortgages.

In addition, we encourage the FHFA to prioritize the needs of tenants in any subsequent rulemaking process, and to co-develop any policy resulting from this process alongside those most impacted by the housing crisis. This will help ensure that the impact is most effective and equitable.

Again, thank you for your attention to this matter. If you have any questions or would like to follow up, you can reach us at info@schjn.com.

Sincerely,

SC Housing Justice Network organizers and tenant leaders