

## **FHFA Tenant Protections “Request For Input” Letter**

**The Federal Housing Finance Administration (FHFA) is charged with oversight of the two Government Sponsored Enterprises (known as GSEs). They are Fannie Mae (FNMA) and Freddie Mac (FHLMC).**

**This is important because FHFA is proposing a set of TENANT PROTECTIONS for residents of multifamily housing that is financed with FNMA or FHLMC loans, which is almost all of them.**

**If you own and rent just single family homes, or your rentals have no GSE backed financing, this proposal would not apply to you, at least for now.**

**It is the stated intention of the BIDEN administration to expand tenant protections to all rental housing in the US, and that would include national rent control. If you question that statement, please read carefully the White House Blueprint for a Renter’s Bill of Rights, which includes national rent control AND federally approved lease documents, among other so-called protections.**

**NOTE: It is critical that this letter be IN YOUR OWN WORDS or your input will be discarded. Federal agencies like FHFA receive thousands of FORM LETTERS from members of organizations, and each of these letters is exactly the same. They have software designed to determine whether or not the letter is unique or simply a copy of a form letter. Form letters are discarded.**

Instructions from FHFA:

Each responding entity (individual or organization) is requested to submit only one response. Responses may address one or more topics, as desired, from the enumerated list provided in this RFI. Responders should note the corresponding topic number(s) in their response. Submissions must not exceed 10 pages (exclusive of cover page and references) in

11-point or larger font. Responses should include the name of the person(s) or organization(s) filing the comment, as well as the respondent type (e.g., academic institution, advocacy group, professional society, community-based organization, industry, member of the public, government, other). Comments referencing materials that are not widely published should include copies or electronic links of the referenced materials. No business proprietary information, copyrighted information, or personally identifiable information (aside from that requested above) should be submitted in response to this RFI. *Comments submitted in response to this RFI may be posted online or otherwise released publicly.*

FHFA invites interested parties to provide written input, feedback, and information on all aspects of this RFI, no later than July 31, 2023. [Public input may be submitted electronically](#) using the response form at FHFA's website (**select "Tenant Protections" from the "Select a Topic" menu**) or via mail to the Federal Housing Finance Agency, Office of Multifamily Analytics and Policy, 400 7th Street SW, 9th Floor, Washington, D.C. 20219.

Below is the link to the FHFA WEBSITE where you may submit your comments: [CLICK HERE](#) or use the full link below:

<https://www.fhfa.gov/AboutUs/Contact/Pages/Request-for-Information-Form.aspx>

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**The Federal Housing Finance Agency (FHFA) has announced new tenant protections for renters in multifamily properties These protections might include:**

- 1. Giving tenants at least a 30-day notice to vacate;**
- 2. Not allowing late fees or penalties for nonpayment of rent;**

3. Requiring landlords to allowing tenants flexibility to repay back rent over time and not in a lump sum;
4. Preventing landlords from screening applicants based on “Source of income” such as section 8 vouchers;
5. Requiring landlords use an FHFA-approved “model rent agreement”;
6. possible requirements that could apply to:
  - Lease renewals,
  - Timing and amount of rent increases,
  - Upfront or ongoing fees,
  - Causes for eviction,
  - Notification of eviction actions,
  - Right to cure a cause for eviction,
  - Time to vacate following eviction,
  - Maintenance Procedures & Repair timelines, and
  - Mandatory Unit Inspections to meet certain standards

Since January, the Biden administration has been pushing for a program to establish a [renter bill of rights](#) “to increase fairness in the rental market and further principles of fair housing.”

Now the administration is moving forward through the Federal Housing Finance Agency, which issued a [request for input](#) regarding protections that Fannie Mae and Freddie Mac could require from companies seeking multifamily mortgages.

[Some of the proposals include](#) standardized rental leases; grace periods for late rents; a right to counsel for tenants facing eviction; the sealing of eviction records; and a federal campaign to end discrimination against affordable housing voucher holders based on the source of income.

The National Association of Home Builders said that it had been invited by the FHFA to an April 20, 2023 meeting “to discuss challenges and potential opportunities for new tenant protections for residents of multifamily properties with Fannie Mae and Freddie Mac mortgages.”

“At the April 20 meeting, several of NAHB’s multifamily housing providers urged FHFA to refrain from pressing Fannie Mae and Freddie Mac to add rent control in any form or to add source of income protections as a condition of their mortgages,” the organization said. “The members also discussed the importance of increasing the supply of housing, challenges of constructing and operating multifamily properties in an inflationary economic environment, the cost of regulations and other issues.”

This isn’t surprising given the pushback that the multifamily industry gave the White House in January. At the time, the National Apartment Association made the following short statement: “For months the National Apartment Association (NAA) worked with the White House in good faith. We stand by our commitment to promote industry resident services and practices. NAA also made clear the industry’s opposition to expanded federal involvement in the landlord/tenant relationship. Complex housing policy is a state and local issue and the best solutions utilize carrots over sticks.”

The National Multifamily Housing Council issued a longer statement that also emphasized working “in good faith with the Administration on its Resident-Centered Housing Challenge” but then added, “While the administration has so far rejected calls for failed policies such as national rent control, we are disappointed they are pursuing potentially duplicative and onerous regulations that are already appropriately addressed under state and local law. These efforts will do nothing to address the nation’s housing shortage and could discourage much-needed investments in housing.”

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**BELOW IS A LETTER I PLAN TO SUBMIT TO FHFA on MONDAY MORNING as my response to their REQUEST FOR INPUT:**

July 23, 2023

The Honorable Sandra Thompson  
Director  
Federal Housing Finance Agency  
400 7th Street, SW  
Washington, DC 20219

Dear Director Thompson:

My name is \_\_\_\_\_ **John Adams** \_\_\_\_\_ and I am a provider of low- to moderate-income rental housing in Georgia. This letter is in response to the FHFA's Request for Input on **TENANT PROTECTIONS FOR PROPERTIES USING FEDERALLY-BACKED FINANCING**.

I want to begin by saying that I believe in both the spirit and the letter of Fair Housing laws. We have never had a fair housing complaint, and I believe that is because we treat everyone exactly the same.

As a small rental housing provider, I am committed to complying with state and local tenant protection laws which are tailored to my individual state and county.

In my personal case, that means DeKalb County and the State of Georgia . For landlord-tenant law, the needs of one city or state may not apply to another; and imposing national requirements will result in complicated regulations that supersede existing regulations that each locality has judged to adequately protect local residents.

Therefore, there can be no “one-size-fits-all” approach to tenant protections in an industry that fundamentally operates at a local level. The needs of tenants in New York City are NOT the same as the needs of tenants in the city of \_\_\_\_\_ **Decatur, DeKalb County Georgia** \_\_\_\_\_.

The Founders recognized that fact when they included in the Bill of Rights the Tenth Amendment when they said *“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”* There is NO reference to renter protections in the Constitution.

We are a "mom and pop" landlording operation. We began investing in rental housing years ago as a means of supplementing our retirement. The fact is that almost all of the rental income we generate goes to paying for debt service, taxes, insurance, vacancy and maintenance. We can not afford professional management.

I am proud to say that my wife and I would gladly live in any of our little rental houses, and we keep them up as best we can.

But the recent and dramatic increase in costs and the increasingly complex web of municipal, county, state, and now federal regulations makes it almost impossible to keep everyone happy.

As you know, one of the biggest challenges we face as a nation is a critical shortage of clean, decent affordable rental housing. Adding federal tenant protections will encourage small landlords like us to sell our properties to the highest bidder, and put the money into a less intensively regulated investment such as precious metals or the stock market.

According to a recent report by JP Morgan Chase, there are 50 million residential rental units in the United States, and 41% of them belong to

mom-and-pop landlords like us. This is at a time when we need MORE rental housing, not LESS. This is the wrong time to introduce additional regulation of the real estate rental industry.

Fannie Mae- and Freddie Mac-backed financing is an important tool to keep housing costs affordable for low- and moderate-income renters and to operate in underserved markets. However, if accepting these loans would limit control of my operations, that would ultimately hurt my ability to make mortgage payments.

We would be forced to look to other means of financing in the future to maintain financial viability. Either way, any increases in the cost of providing housing contribute to the affordability crisis we see today.

Rather than impose tenant protection requirements on federally-backed properties, we urge FHFA to focus on policies that would increase the supply of affordable housing and expand investor access to Fannie Mae and Freddie Mac.

In addition, we would love to see the GSEs think of rental housing investors as "partners" rather than enemies. The GSEs should consider making funding available for acquisition and rehab of dilapidated properties that would automatically convert to permanent financing upon completion of the rehab. And remove the punitive "seasoning" requirement from cash-out refinancing loans. Steps such as these are a more logical and sustainable approach to solving the nations crisis of affordable housing.

Sincerely,

John Adams  
PO Box 98  
Decatur, Georgia 30030

678-235-4105

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