



NLIHC State and Local Tenant Protection Series: A Primer on Renters' Rights

Junk Fees Toolkit

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Introduction: State and Local Innovation Tenant Protection Toolkit Series

Tenant protections, passed in the form of laws and policies, are critically important tools for protecting tenants against rising rental costs, discriminatory and arbitrary eviction practices, and other threats to housing stability. Tenant protections can help level the playing field between landlords and tenants, rectifying the longstanding power imbalance that impacts the lowest-income and most marginalized renters. Since January 2021, states and localities across the country have implemented [more than 300 new tenant protections](#).

This toolkit is one of a series of tenant protection toolkits released by the National Low Income Housing Coalition's (NLIHC) State and Local Innovation (SLI) initiative during the summer of 2024. The toolkits cover four tenant protections: just cause eviction standards, rent stabilization policies, laws that strengthen habitability standards and code enforcement procedures, and laws that limit excessive rental fees. Each of the four toolkits provides an overview of one major tenant protection, details the common components of the protection, lists information about state and local jurisdictions that have adopted the protection, suggests provisions that should be taken

into consideration when enacting the protection, and highlights complementary policies that can be passed alongside the protection to ensure it has the greatest impact possible. The toolkits are meant to provide foundational information about the core components of select policy interventions that can keep tenants stably housed – and free from the threat of eviction – and to help spark dialogue around the critical importance of state and local tenant protections. Alongside the toolkits, the SLI team is also releasing a series of tenant case studies and hosting a webinar series focused on building momentum for the passage of tenant protections at the state and local levels.

The toolkits were developed through analysis of the protections included in NLIHC's tenant protections database and discussion with state and local tenant advocates and housing-justice focused policy and advocacy organizations. The invaluable advice, research, and insights provided by our partners – including members of NLIHC's Collective, a cohort of tenant leaders working to uplift the voices of the most marginalized and lowest-income renters nationally – helped inform the material presented in the toolkits.

The successful passage, implementation, and enforcement of tenant protection policies would not be possible without the work of tenant leaders and advocates willing to share their lived experiences and dedication to housing justice. As such, lawmakers in state and local jurisdictions across the country should center the voices and unique perspectives of tenants in the process of crafting, advocating for, and enacting tenant protection policies. To learn more about NLIHC's work around tenant engagement, please visit: <https://www.nlihc.org/ideas>

NLIHC's SLI project was launched in April 2024 to support state and local partners in advancing, implementing, and enforcing tenant protections, creating and sustaining emergency rental assistance programs, preventing the criminalization of homelessness, and supporting the advancement of housing innovations that seek to keep eviction rates down and prevent homelessness. The initiative aims to empower a movement that will strengthen tenants' rights, prevent evictions, and promote housing stability for renter households with the lowest incomes.

For more information on NLIHC's SLI initiative, please visit: <https://nlihc.org/state-and-local-innovation>

Junk Fees Toolkit

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Introduction

For millions of renters today, the cost of housing has far outpaced wages, forcing tenants to spend greater and greater shares of their monthly income on rent and other rental expenses, including fees.¹ The resulting strain on household budgets puts renters at a greater risk of experiencing housing instability and can even lead to higher rates of eviction and homelessness, with Black, Indigenous, and other households of color at a far greater risk of being disproportionately impacted by rising rental costs.²

In addition to rents, landlords often charge fees related to the rental and occupancy of a unit, such as application fees, processing fees, pet fees, convenience fees, administrative fees, late fees, and other types of obligatory fees that can raise the total rental costs. Commonly referred to as 'junk fees', these fees can be undisclosed, unpredictable, and arbitrary and can quickly accumulate for tenants, putting safe and decent rental housing even more out of reach.³

A National Consumer Law Center (NCLC) study found that landlords often charge rental fees as a means to circumvent existing rent stabilization and anti-gouging laws, underscoring the need for laws to be passed that target both rental increases and junk fees in the private rental market.⁴ Using insights from legal aid service providers in California (which instituted rent stabilization laws in 2019 through "[Assembly Bill 1482](#)"),

the study found that the passage of rent stabilization laws had led landlords and property owners to identify alternative ways to increase rental payments, such as by charging application fees, late fees, utilities-related fees, convenience fees, and other junk fees.⁵ The study also found that corporate and larger landlords are more likely to impose rental fees on tenants than smaller landlords, with fees sometimes totaling hundreds of dollars on top of a tenant's base rent.⁶

Junk fees can appear during all phases of the rental process. For example, during the housing search process, prospective tenants often have to pay an application fee to apply for a unit, with no guarantee that they will even be offered a lease. As recently as 2022, 59% of prospective renters were reported to have submitted two or more rental applications during their search for housing.⁷ Submitting a high number of rental applications can lead to hundreds and even thousands of dollars in application fees, which can create cost burdens for renters with the lowest incomes while not guaranteeing that prospective renters will secure housing.

During tenancy, a landlord may also charge fees in the form of amenity fees, pet fees, and parking fees, all of which increase overall monthly payments above what some households can afford. Even if a tenant falls behind on rent or is in the eviction process, late fees can continue to accrue due to nonpayment of past due rent or can be charged in the form of notice fees, court fees, and other legal fees

associated with an eviction case, adding to potential rental debt.

Fortunately, lawmakers at all levels of government are moving to address junk fees through administrative or legislative action. While no federal protections are currently in place to limit the fees that a tenant can be charged, the Biden-Harris administration [issued a fact sheet in 2023](#) detailing ways the administration is cracking down on rental junk fees, including by promoting research on policy innovations to address rental fees and seeking commitments from rental housing search platforms to provide transparency about fees.

At the state and local levels, a growing number of legislatures have passed laws limiting junk fees at various stages in the housing process. Since 2019, [14 states and eight localities](#) have passed laws regulating fees, including

security deposit fees, late fees, and application and screening fees. Such laws seek to provide renters with transparency, afford greater choice when it comes to housing, and lower housing cost burdens.

Rental Junk Fees

A 2022 survey of legal services and nonprofit attorneys conducted by National Consumer Law Center (NCLC) identified more than 27 different types of fees they had seen assessed in the rental housing market.⁸ These fees can show up in all stages of the rental process and be undisclosed in rental listings, forcing prospective renters to navigate the rental market uninformed of the full costs of submitting applications and of the total monthly costs associated with a potential lease. Undisclosed fees prevent renters from accurately compar-

“These fees can show up in all stages of the rental process and be undisclosed in rental listings, forcing prospective renters to navigate the rental market uninformed of the full costs of submitting applications and of the total monthly costs associated with potential lease. Undisclosed fees prevent renters from accurately comparing market rental prices, making informed choices about housing, and creating accurate and manageable household budgets, leading to increased chances of housing instability.”

Types of Fees Charged during Different Stages of the Rental Housing Process

FEES RELATED TO THE HOUSING SEARCH AND APPLICATION PROCESS	FEES THAT CAN APPEAR DURING TENANCY	FEES THAT CAN APPEAR POST TENANCY OR DURING THE EVICTION PROCESS
<ul style="list-style-type: none"> • Application Processing Fees • Inspection Fees • Administrative Fees • ‘Holding’ Fees • Fees to Report Payment Information to Credit Bureaus • Security Deposits or Charges in Lieu of Security Deposits 	<ul style="list-style-type: none"> • Late Fees • Utility-Related Fees • Convenience Fees • Insurance Fees • Fees Charged by New Corporate Landlords • High-Risk Fees • Check Cashing Fees • Pet Fees • Trash Fees • Pest Control Fees • Technology/Internet Related Fees • Fees to Rent as a Month to Month Tenant • Common Area and Amenity Fees • Roommate and Guest Fees • Cleaning and Repair Fees • Maintenance Fees • Mail Fees 	<ul style="list-style-type: none"> • Notice Fees • Court Fees • Attorney Fees

ing market rental prices, making informed choices about housing, and creating accurate and manageable household budgets, leading to increased chances of housing instability.⁹

At the outset of a tenant's housing search, it is common for prospective renters to be required to submit a nonrefundable fee to pay for the processing and/or screening of their rental application. This fee can cover administrative costs, credit checks, and other costs related to the application process. Today, no state in America has enough affordable housing to meet the needs of all low-income renters. NLIHC's most recent *The Gap: A Shortage of Affordable Homes* report found a shortage of 7.3 million homes for renters with extremely low incomes nationwide.¹⁰ Given the scarcity in the rental market, households often apply and compete for multiple units at the same time, leading many applicants to have to pay many different application fees in order to secure housing.¹¹ As a result, many households pay application fees for units they never even end up leasing.

Application fees are often used by landlords to conduct third-party background or credit checks to screen potential tenants.¹² These inquiries can generate reports with inaccurate, misleading, or incomplete information, and the reports generally cannot be applied to more than one rental application, resulting in households needing to pay additional fees to correct errors or submit reports for different housing applications.¹³ Estimates of the cost of application fees used for a single

credit screening report range from approximately \$40 to \$59 on average, with some renters paying as much as \$100.¹⁴

Once a tenant has secured housing, fees can be levied for necessary items or services, including trash fees, pest control fees, processing fees, amenity fees, cleaning fees, repair fees, and pet fees. Sometimes, surprise fees are imposed for services with little or no value to tenants, such as corporate landlord fees, convenience fees, and high-risk fees. Such fees can add up quickly, rendering advertised rental prices inaccurate and sometimes forcing tenants to spend hundreds of dollars each month on top of rents.¹⁵

Finally, fees can be attached to late rent payments, passed on to tenants when landlords file for eviction, or charged in the form of court or legal fees. A late fee can be imposed according to a flat rate, a daily or monthly rate, or a percentage of the overall rent. Many tenants who accrue late fees are already experiencing financial hardship, so the accumulation of such fees only adds to their rental debt, placing them at even greater risk of housing loss and displacement and threatening to make it more difficult for them to secure housing in the future.

Impacts of Excessive and Unreasonable Fees on Renters

Junk fees create barriers in applying for rental housing, make rental housing even more unaffordable, jeopardize tenants' future housing and financial stability, and impact renter households disproportionately. Application fees in particular create major barriers for renters with criminal histories, past evictions, past rental debt, or other significant admission barriers while often steering these already marginalized populations toward lower-quality housing that may seem more accessible.¹⁶

When rental fees are not advertised as part of the monthly rental rate, tenants are unable to predict the total cost of their rent. Using interviews conducted with legal services and nonprofit attorneys, NCLC found that the nondisclosure of certain rental fees up front can lead tenants to spend hundreds of dollars more per month in rental fees in excess of their anticipated monthly budgets.¹⁷ The lack of transparency can lead to cost burdens for renter households, meaning such households

must spend over 30% of their monthly income on rent and utility costs.¹⁸ Across the country today, 21.6 million renter households are cost burdened, and 11.7 million renter households are severely cost burdened – or paying more than half their income on rent and utilities.¹⁹ The resulting strain on a household's budget can increase the likelihood that the household accrues rental debt, placing it at heightened risk of eviction.²⁰

Unpaid rental debt can also impede access to future housing. For example, when a tenant applies for new housing, the tenant's credit report may list rental debts, which can trigger an automatic denial during the background screening process.²¹ Moreover, the accrual of rental debt can lead to eviction, with landlords using the eviction process as a debt collection tool.²² Research from 2024 found that tenants with rental arrears can be subject to serial eviction filings as well, meaning a landlord may repeatedly file for eviction against the same renter household as a means to collect past due rents.²³

Renters of color are most likely to experience the burdens created by junk fees. In particular, renters of color are more likely to pay application fees than white renters, and renters of

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color also pay a higher median application fee than white renters. Meanwhile, renters of color are more likely to submit five or more rental applications.²⁴ According to the National Equity Atlas, the accrual of rental arrears has the greatest impact on renters of color, with 65% of renters of color having rental debts.²⁵

Laws Limiting Junk Fees

Lawmakers at the federal, state, and local levels have taken steps against junk fees and have sought to address their negative impacts on renter households. In July 2023, the Biden-Harris administration released a [fact sheet](#) detailing its intentions to crack down on junk fees in the private rental market. Specifically, the administration called upon federal agencies, lawmakers in Congress, and stakeholders in the private market to uncover and eliminate hidden, exorbitant, and surprise fees to ensure that renters have a clearer understanding of their total monthly costs. The U.S. Department of Housing and Urban Development (HUD) released actionable steps for addressing rental housing junk fees at the state and local levels, including:

- ◆ Instituting caps on or eliminating rental application fees.
- ◆ Allowing prospective renters to provide their own portable screening reports.
- ◆ Allowing for portable application fees that can be used to cover multiple applications.

- ◆ Limiting the fees that can be charged at move-in, including how much can be charged for security deposits.
- ◆ Requiring that landlords clearly state the amount in fees that will be charged to a tenant at move-in and for the duration of their lease agreement (on top of their monthly rent).²⁶

At the state and local levels, NLIHC has tracked the passage of more than [31 active pieces of legislation](#) that address junk fees in 14 states – Arizona, California, Colorado, Connecticut, Georgia, Idaho, Illinois, Maine, Maryland, Minnesota, Nevada, Rhode Island, Utah, and Virginia – and eight localities. Colorado was the first state to set forth guidelines on allowable rental fees, passing “[House Bill 19-1106](#)” in 2019, with the remaining 13 states having all passed protections for renters in subsequent years, with the majority passing such protections between 2021 and 2024.

The table below presents examples of policies that have been passed at the state and local levels, including the types of fees addressed by enacted laws. The examples included in the table are meant to highlight the range of fees targeted by lawmakers and illustrate how rental fee policies can be specific as well as broad in nature. For a more comprehensive overview of existing laws addressing rental fees, please visit: <https://nlihc.org/tenant-protections>

Examples of Rental Fee Legislation Passed at the State and Local Levels

JURISDICTION	BILL NUMBER	LEGISLATION HIGHLIGHTS
ARIZONA	House Bill No. 2484	Addresses fees related to the eviction process, in particular fees associated with filing an eviction or “unlawful detainer” with the court system.
CALIFORNIA	Assembly Bill No. 12	States that a landlord or property owner cannot charge a security deposit in excess of one month’s rent, in addition to any rent for the first month. Property owners can charge security deposits equaling the value of up to two months of rent if they are a “natural person” and own four or fewer units.
COLORADO	House Bill 19-1106	Prevents a landlord from charging a prospective tenant an application fee unless the entire amount of the fee goes towards processing the application. Also limits the number of years into the past a landlord can review a prospective tenant’s criminal and rental history.
COLORADO	Senate Bill No. 21-173	Prevents a landlord from charging a late fee unless the rent payment is late by at least seven calendar days and the fee is disclosed in the rental agreement. The fee cannot be more than \$50 or 5% of the total amount due in rental arrears.
IDAHO	Senate Bill No. 1039	Requires that all fees be “reasonable,” meaning landlords or property owners cannot charge a tenant fees that are higher than what was agreed upon in the lease, or any fees of which the tenant was not made aware. To charge fees not mentioned in the lease agreement, a landlord or property owner is required to give a tenant 30-days’ notice, making them aware of any fee changes.

NEVADA	Senate Bill No. 381	States that a landlord or property owner is prohibited from charging a tenant any fees related to the maintenance or upkeep of the tenant’s rental unit in situations where it is the landlord’s responsibility to ensure the premises is in habitable condition. Under the law, which was passed to strengthen the state’s code enforcement and habitability laws, it is a landlord’s or property owner’s duty to ensure the premises are safe and habitable.
PALO ALTO, CALIFORNIA	Just Cause and Security Deposit Ordinance	Makes it unlawful to charge a tenant a security deposit that is in excess of 150% of monthly rent, making the law more prohibitive than state law, which caps security deposit limits at 200% of a tenant’s monthly rent.
EUGENE, OREGON	Ordinance No. 20670	States that a landlord or property owner cannot collect a security deposit from a tenant that is in excess of two months’ rent.
SEATTLE, WASHINGTON	City Council Bill No. 120541	Caps late fees for nonpayment of rent at \$10/month and prohibits landlords from charging a fee for the services of any notice required under state law.
SHORELINE, WASHINGTON	Ordinance No. 996	Caps late fees for nonpayment of rent at no more than 1.5% of the tenant’s monthly rent while also prohibiting security deposit fees and move-in fees from being more than one months’ rent.

Structure of Laws Limiting Junk Fees

Tenant protections addressing rental fees differ widely across states and localities depending upon factors such as the specific fees that lawmakers seek to address, the political climate of the jurisdiction, and, in the case of localities, what is allowed by state statute. However, all laws aim to limit rental fees and improve housing affordability for tenants. To understand the common components of laws limiting rental fees, NLIHC reviewed recently passed legislation regulating such fees and engaged members of our Tenant Leader Collective to identify important components of rental fee protections and make recommendations about what to include in rental fee legislation. Our analysis highlights several common components that are important to include in laws limiting junk fees, including:

- ◆ Explicit identification of the fees addressed by the legislation.
- ◆ Limits on maximum allowable fees and/or fee limits, especially in cases where the law does not prohibit fees altogether.
- ◆ Notice requirements to disclose fees in rental agreements.
- ◆ Enforcement mechanisms.

Additionally, tenant advocates recommend that lawmakers can better promote fairness in the rental market by creating laws ensuring that (1) rental fees are transparent; and (2) landlords are held accountable.

EXPLICIT IDENTIFICATION OF FEES ADDRESSED BY THE LEGISLATION

Laws and policies regulating rental junk fees must define the specific fees they seek to address. Analysis of existing legislation shows that laws commonly target fees such

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as security deposits, late fees, application and screening fees, other costs associated with processing new tenants, pet fees, court fees, and additional fees that are added on to a tenant's base rent, like convenience fees.

The table below documents fees commonly included in rental fee legislation, as suggested by analysis of existing legislation targeting junk fees included in [NLIHC's State and Local Tenant Protections Database](#) (as of June 2024). Four states and one locality have addressed security deposit fees; five states and two localities have addressed screening or application fees; five states and five localities have addressed late fees; two states have addressed court fees; one state has addressed maintenance fees; one state and one locality have addressed all fees charged to tenants; and four states have addressed fees other than those listed above. It is important to note that several states have passed multiple pieces of legislation to strengthen existing state laws targeting different types of rental fees, as shown in the table.²⁷

LIMITS ON MAXIMUM ALLOWABLE FEES AND/OR FEE LIMITS

Analysis of existing legislation highlights the wide array of legislation targeting rental junk fees in the private rental market. At the state level, California and Georgia provide examples of jurisdictions that have passed legislation limiting the amount a landlord can charge a tenant for a security deposit. California law, passed through "[Assembly Bill 12,](#)" lowers this amount from two months' rent to one month's rent. It also circumscribes

the purposes for which a security deposit can be imposed by defining a security deposit as "any payment, fee, deposit, or charge, including, but not limited to, any payment, fee, deposit, or charge... that is imposed at the beginning of the tenancy to be used to reimburse the landlord for costs associated with processing a new tenant or that is imposed as an advance payment of rent, used or to be used for any purpose."²⁸ Georgia's law, passed through "[House Bill 404,](#)" was enacted to establish a minimum set of habitability standards, or an "implied warranty of habitability" for residents, but also includes limits on security deposits, capping them at no more than two months' rent.

Laws passed in Nevada and Colorado focus specifically on late fees. Nevada's "[Assembly Bill 308](#)" prevents a landlord from charging a late fee if rent is paid within three days of being due, with the late fee amount not to exceed 5% of the rent due. Colorado's "[Senate Bill 21-173](#)" limits the amount of late fees charged to residential tenants while also establishing that tenants may pay rental arrears at any time during the eviction process until the time of judgment (known as a "pay to stay" provision).

At the local level, Seattle's legislature passed "[Council Bill 120541](#)" in 2023 to limit late fees that accrue due to the nonpayment of rent to no more than \$10 per month and to prohibit notice fees. The ordinance defines a late fee as "any fee for late payment of rent" and notice fees as "fees associated with the issuance of a notice to a tenant, including but not limited to a fee for preparing and

Types of Fees Charged during Different Stages of the Rental Housing Process

Information collected from the [NLIHC State and Local Tenant Protections Database](#) and accurate as of June 2024

TYPE OF FEE ADDRESSED	STATE WITH LEGISLATION	LOCALITY WITH LEGISLATION
Security Deposits	California, Colorado, Georgia, Maryland	Eugene, Oregon
Screening or Application Fees	Connecticut, Colorado, Illinois, Maine, Rhode Island	Eugene, Oregon; Shoreline, Washington
Late Fees	Colorado, Minnesota, Nevada, Utah, Virginia	Montgomery County, Maryland; Akron, Ohio; Seattle, Washington; Shoreline, Washington; Spokane, Washington
Court Fees	Arizona, Maryland	-
Maintenance Fees	Nevada	-
All Fees	Idaho	Olympia, Washington
Disclosure of Fees	California, Idaho, Minnesota, Rhode Island, Utah	-
Other Fees	Colorado, Minnesota, Rhode Island	-

delivering a notice regarding late payment of rent, a notice to pay or vacate, or a notice of noncompliance with a rental agreement.”²⁹

Similarly, Colorado (through “[House Bill 23-1099](#)”) and Maine (through “[Legislative Document 691](#)”) have implemented limits on screening fees. Colorado’s legislation states that a landlord or property owner cannot charge a tenant more than \$50 for a tenant screening report, while Maine prohibits a landlord from charging a tenant a rental processing fee that exceeds the cost for processing a tenant’s background screening report. The law also prohibits a landlord from charging a tenant more than one tenant screening fee over a 12-month period.

Several cities and states have prohibited some rental fees altogether. Local laws passed by Shoreline and Seattle in Washington prevent landlords from charging fees associated with the issuance of notices to tenants. Both laws – passed through “[Ordinance No. 996](#)” and “[Council Bill 120541](#),” respectively – prohibit charging fees for preparing and delivering a notice regarding late payment of rent, a notice to pay or vacate, or a notice of non-compliance with a rental agreement.

At the state level, Connecticut, Maine, and Rhode Island have all passed laws to prohibit landlords from charging certain rental application fees. Connecticut’s “[Senate Bill 998](#)” mandates that a landlord cannot charge any fee to a tenant other than a security deposit fee, a tenant screening report fee, and a fee to obtain a key to a unit. Maine’s “[Legislative Document 691](#)” prohibits land-

lords from requiring applicants to pay a fee to submit a rental application or for the landlord to review or approve a rental application. In connection with an application to enter into a rental agreement, a landlord may require an applicant to pay a fee for a background check, a credit check, or another screening process not listed in the law. Rhode Island’s “[House Bill 6087](#),” passed in 2023, prohibits landlords from charging rental application fees. The law also mandates that landlords cannot charge tenants fees to obtain criminal background reports or credit screening reports if tenants provide their own within 90 days of the application for the rental unit. In 2024, Rhode Island lawmakers renewed their efforts to target junk fees, passing “[House Bill 7647](#)” to prohibit landlords from charging convenience fees to process rental payments.

NOTICE REQUIREMENTS TO DISCLOSE FEES IN RENTAL AGREEMENTS

Tenants are better positioned to address rental fees that threaten their housing stability when such fees must be disclosed up front, giving tenants forewarning of the fee types, and amounts, which will be charged throughout their lease term. Idaho, Utah, and Virginia have all mandated that fees be disclosed to tenants either prior to the start of a lease or in the written lease agreement.

Idaho’s “[Senate Bill 1039](#),” for example, requires any residential rental fees that are imposed upon prospective tenants to be reasonable and transparent, including by listing any applicable fees in the tenant’s

lease agreement and mandating that tenants be given 30 days' notice for any rental fees to be charged. Even so, Idaho's law is vague, requiring that landlords set "reasonable" limits on fees but not specifying what that means within the context of the law.

Utah's "[Fit Premises Act](#)" of 2021 requires fees to be disclosed to prospective tenants before a lease agreement is certified by both parties. Under the law, a landlord must disclose to a tenant the rent amount and any non-rent expense to be charged as part of the rental agreement, including the type of fee to be charged. The fees must be

disclosed to a tenant, in writing, before an application fee is to be received from the prospective renter.

Similarly, Virginia requires fees to be disclosed to tenants up front. In 2023, lawmakers in Virginia passed "[House Bill 1702](#)" to target late fees. Under the law, late fees are capped at 10% of the periodic rent owed, or 10% of the remaining rental balance owed by the tenant, whichever is less. Moreover, such charges cannot be levied against a tenant unless they are explicitly mentioned in the tenant's written rental agreement.

Recommendation from Tenant Advocates

Ensure rental fees are transparent by requiring that:

- All rental application fees be listed clearly in rental listings posted online.
- All fees be included in a tenant's rental payment schedule as a single price and that all fees be noted in a tenant's lease agreement. This requirement would help ensure that tenants are not caught off guard by surprise fees and better ensure tenants are aware of how much they owe each month.
- "Non-optional" fees be defined in lease agreements, meaning that any fees explicitly noted in a lease as required are fees that must be paid by the tenant every month.
- Any tenant money not used to pay a rental fee or found to be more than what is owed be refunded to the tenant. To ensure that tenant money is properly used, landlords should be required to provide tenants with receipts detailing any expense amount and purpose.
- Tenants denied housing opportunities after applying for a unit be provided by a landlord or property owner with the reason(s) for which the denial was issued against them in writing.

ENFORCEMENT MECHANISMS

To achieve the desired effect, laws regulating rental junk fees include mechanisms to hold landlords accountable for noncompliance.

California and Colorado impose financial penalties to enforce their respective rental junk fee laws. California's "[Assembly Bill 12](#)," which addresses security deposit fees specifically, includes guidelines to which landlords and tenants must adhere when requesting and paying security deposits. However, the law also requires the return of a tenant's security deposit at the end of a lease, with noncompliance resulting in financial penalties that can be levied against a landlord and the landlord's successors in interest. Landlords who do not comply with the law are liable for repayment of the security deposit, including any damages, which can be up to twice the amount of the security deposit. Colorado's "[Senate Bill 21-173](#)," meanwhile, requires a landlord to pay a tenant a \$50 penalty for each violation they commit related to the tenant's rental agreement, including violations related to late fees. If the landlord or property owner does not remedy a violation within seven days of receiving a notice of violation, a tenant may bring a civil action against the landlord in court seeking damages for injuries or losses suffered.

At the local level, Eugene, Oregon, has implemented enforcement mechanisms that include a complaint system administered by Eugene's City Manager's office. "[Ordinance No. 20694](#)" establishes a cap on security deposit fees of not more than two months' rent; however, a higher fee can be charged if the terms have been agreed upon by both the landlord and tenant. Under the ordinance, a tenant can submit a complaint to the city manager's office by phone or email or in person about a landlord who is not in compliance with the law. If the city manager's office finds that a violation has occurred, the city manager may issue an administrative civil penalty or escalate the case to a prosecution in municipal court, or both; and they may attempt to recover all costs associated with processing the complaint, investigation, and resolution of the case. Meanwhile, landlords may appeal any notice issued by the city manager.

Recommendation from Tenant Advocates

Promote accountability by including enforcement mechanisms in rental fee laws that:

- Cap the number of rental applications that can be collected in order to ensure that a landlord or property owner has a genuine intent of considering the tenant applicant for a lease.
- Ensure that processes are in place for enforcing the law in regard to rental fees, such as by creating a single department or agency to oversee the implementation of the law and giving tenants the ability to assert an affirmative legal defense against unreasonable fees.

Complementary Policies

Laws limiting junk fees are more successful when they are passed in tandem with certain other policies, including anti-rent gouging measures, laws requiring clear-language lease agreements, right to counsel ordinances, and caps on the number of applications that can be collected for a given rental unit.

ANTI-RENT GOUGING LAWS

Laws that limit excessive rental fees should be combined with laws to limit rent increases to keep rents from drastically increasing from year to year and to ensure that tenants are not evicted due to rental costs that price them out of their homes. "Rent stabilization" and "anti-rent gouging" policies seek to prohibit the speed – and amount – by which

a tenant's rent can be increased. Laws regulate rental increases should include language that limits full rental costs, including rent as well as mandatory and non-mandatory fees, and provisions that ensure rental increases are not passed on to tenants in the form of fees and other costs. Laws that limit junk fees and laws that stabilize rents help fight tenant displacement by ensuring that a tenant is not priced out of their home due to an excessive rental increase. Due to the regulatory nature of both rent stabilization laws and laws that limit fees, such laws can work together to increase transparency in the rental market, ensuring that tenants are aware of an impending rental increase and the amount by which rent will be increased.

LAWS REQUIRING CLEAR-LANGUAGE LEASE AGREEMENTS

Not only should all tenants have a written lease agreement, but lease agreements should also clearly articulate tenant and landlord rights and responsibilities in plain language and be available in multiple languages and in a manner accessible to people with disabilities.

In July 2024, NLIHC and our national partners released the [National Tenants Bill of Rights](#), a comprehensive policy agenda to strengthen and enforce the rights of renters. The National Tenants Bill of Rights underscores that leases should include complete and accurate information about rent and all other fees and charges related to the tenancy, including mandatory fees, which should be limited to the costs of necessary services, and non-mandatory fees, which cover non-essential services that a tenant can choose to opt out of.³⁰ Renters would have more agency in finding affordable and available housing if leases were required to list mandatory and non-mandatory fees and landlords were required to notify tenants of updates to lease agreements.

RIGHT TO COUNSEL

Rental fee laws should also be paired with right to counsel measures. A civil right to legal counsel ensures that all tenants, and particularly the lowest-income tenants who may not be able to afford a lawyer, have access to legal representation in court and throughout the eviction and/or mediation process. Right to counsel protections not only ensure that tenants are better positioned to fight back against excessive rental costs or fees without fear of retaliation but also rectify existing power imbalances that have resulted in 83% of landlords having legal representation when they appear in court for eviction cases and only 4% of tenants having legal representation.³¹

CAP THE NUMBER OF RENTAL APPLICATIONS LANDLORDS CAN COLLECT FOR VACANT UNITS

Landlords should be limited in the number of rental applications and related fees they can collect from potential tenants when trying to fill vacant units. Placing caps on rental applications ensures that tenants are applying and paying application fees for units that are currently available and that they have a realistic chance of being considered for a lease.

Conclusion

Renters across the nation continue to contend with a lack of affordable housing and high rental costs, made worse by hidden and frequently arbitrary rental fees. To help stabilize rental prices and promote housing stability, lawmakers in state and local jurisdictions nationwide should pass legislation to crack down on such rental fees. In particular, laws that limit or prohibit excessive rental fees are an important tool for creating transparency and accountability in the rental market and giving tenants a sense of security as they plan their monthly budgets.

Lawmakers looking to implement laws addressing rental fees in their jurisdictions should consider the recommendations made by this toolkit, especially those concerning the types of permissible fees, the imposition of fee ceilings, the importance of promoting transparency about fees, and the need for enforcement mechanisms. When passed with stronger notice requirements and other tenant protections, laws addressing rental fees can help ensure that the lowest-income and most marginalized renters are able to access safe, stable, and affordable homes free from the threat of eviction.

Endnotes

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