



August 16, 2022

The Honorable Janet Yellen  
Secretary  
U.S. Department of the Treasury  
Washington, DC

The Honorable Marcia Fudge  
Secretary  
U.S. Department of Housing and Urban Development  
Washington, DC

The Honorable Susan Rice  
Director  
Domestic Policy Council  
Washington, DC

The Honorable Sandra L. Thompson  
Director  
Federal Housing Finance Agency  
Washington, DC

The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency  
Washington, DC

Mr. Gene Sperling  
American Rescue Plan Coordinator &  
Senior Advisor to the President  
Washington, D.C.

To Secretary Yellen, Secretary Fudge, Director Rice, Director Thompson, Administrator Criswell, and Senior Advisor Sperling:

Renters across the nation are in crisis: growing inflation and skyrocketing rents are putting more of America's lowest-income and most marginalized renters at risk of losing their homes and, in worst cases, becoming homeless. The average monthly asking rent surpassed \$2,000 for the first time in May, with rent hikes impacting communities across the country.<sup>1,2</sup> Between the first quarter of 2021 and the first quarter of 2022, landlords raised median rents for two-bedroom apartments in metropolitan counties by 15% or \$179 – more than four and a half times greater than the increases of the previous four years.<sup>3</sup> In some cities, landlords have raised rents by as much as 40%. Eviction filing rates are now reaching or surpassing pre-pandemic averages,<sup>4</sup> and in many communities, homelessness is increasing, with more people living in tents, in cars, or in shelters. This crisis demands urgent action, and the Biden-Harris administration must use every tool available to reduce rent inflation and provide housing stability.

Skyrocketing rent increases are driven by several factors, including a growing demand for rental housing, limited supply, and high inflation. Rent increases are also attributed to a largely unregulated rental market that permits landlords to raise rents as high as the market will allow,

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<sup>1</sup> Ellis, T. (2022, June 9). Rental market tracker: Typical US asking rent surpassed \$2,000 for first time in May. Redfin. Retrieved from: <https://www.redfin.com/news/redfin-rental-report-may-2022/>

<sup>2</sup> Bhattari, A., Alcantara, C., & Van Dam, A. (2022, April 21). Rents are rising everywhere. See how much prices are up in your area. Washington Post. Retrieved from: <https://www.washingtonpost.com/business/interactive/2022/rising-rent-prices/>

<sup>3</sup> Apartment List. (2022). County-level historic estimates (2017-present) [Data set]. Retrieved from: Apartment List Blog - Data & Rent Estimates

<sup>4</sup> Eviction Lab. (2022). Eviction tracking system. Retrieved on July 26, 2022, from: <https://evictionlab.org/eviction-tracking/>

without regard to its impact on tenants with low incomes. Real estate investors have been purchasing low-cost homes at an increasing rate, leading to further increases in rental prices and putting low-income renters at greater risk of eviction.<sup>5</sup> Limited federal funding allows only 1 in every 4 eligible households in need to receive housing assistance.

During the COVID-19 pandemic, the Biden-Harris administration and Congress took historic action to provide unprecedented resources and protections that helped millions of renters remain in their homes and avoid evictions and homelessness. However, as emergency rental assistance programs run out of funding, the last eviction protections expire, and rents skyrocket across the country, these same households are again facing urgent challenges. Rising rental prices will lead to increased homelessness. The U.S. Government Accountability Office found that a \$100 increase in median rent is associated with a 9% increase in the estimated homelessness rate.<sup>6</sup>

Today, the President will sign the Inflation Reduction Act, which contains important policy and funding measures. However, the bill does nothing to address skyrocketing rents and dwindling housing supply. Without federal action, housing will be a persistent driver of inflation and rising rents will hit the lowest income Americans the hardest. For this reason, it is even more important for the administration to take immediate action to keep families stably housed. A failure to do so would exacerbate homelessness, poverty, and racial inequality.

Outlined below are immediate steps the administration should take to protect the lowest-income and most marginalized renters from the harmful impacts of inflation and rising rents, high rates of eviction filings, and increasing homelessness. We also urge the administration to also consider additional actions, such as those recommended by the Homes Guarantee campaign.

### **Establish Renter Protections**

The Biden administration should establish critical renter protections to help keep renters stably housed. Just as several states have in place laws to prevent price or rent gouging after natural disasters, the Biden administration should implement anti-rent gouging measures to prevent landlords from imposing exorbitant rent increases on tenants in the wake of a global pandemic. There is clear precedent and need to use federal price controls to stem unreasonable rent increases.<sup>7,8</sup>

The Biden administration should also expand renter protections, such as source-of-income protections, just-cause eviction standards, anti-price gouging protections, and habitability standards, to those living in properties with federally backed mortgages. As the regulatory and conservator of Fannie Mae and Freddie Mac (GSEs), the Federal Housing Finance Agency (FHFA) should identify ways to add these renter protections to existing mortgages backed by the GSEs.

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<sup>5</sup> Anderson, D., & Bokhari, S. (2022). Real estate investors are buying a record share of U.S. homes. Redfin News. Retrieved from: <https://www.redfin.com/news/investor-home-purchases-q4-2021/>

<sup>6</sup> U.S. Government Accountability Office. (2020). Better HUD oversight of data collection could improve estimates of homeless population. GAO-20-433. Retrieved from: <https://www.gao.gov/products/gao-20-433>

<sup>7</sup> Executive Order 8734 Establishing the Office of Price Administration and Civilian Supply. Retrieved from: <https://www.presidency.ucsb.edu/documents/executive-order-8734-establishing-the-office-price-administration-and-civilian-supply>

<sup>8</sup> Busch, C. (2020). There's a World War II-era blueprint for the looming eviction crisis. *The Week*. Retrieved from: <https://theweek.com/articles/937573/theres-world-war-ii-era-blueprint-looming-eviction-crisis>

FHFA should also require the GSEs to impose these renter protections as a condition of guaranteeing new mortgages. FHFA should require review of a property owner's past practices and refuse to provide loan guarantees to any entity with a history of rent- or fee-gouging, high rates of eviction filings, discrimination, and other unlawful or abusive practices. FHFA should work with state attorney generals, renters, and others to identify landlords who have engaged in such harmful practices.

There is recent precedent for tying renter protections to federally backed loans and other assistance. During the pandemic, FHFA required property owners receiving forbearance to suspend evictions for nonpayment of rent, and the agency prohibited these property owners from charging late fees or penalties or requiring tenants to pay past due rent in a lump sum. At the time, FHFA [made clear](#) that any property owners who failed to comply with these renter protections or federal eviction moratorium issued by the U.S. Centers for Disease Control and Prevention would be subject to remedies under their loan documents, which could include moving the loan into a technical default and revocation of the forbearance.

To prevent future abusive landlord practices, FHFA must enforce these standards and make public any steps it takes to hold landlords accountable. In July 2022, the House Select Subcommittee on the Coronavirus Crisis released [findings](#) from a year-long investigation into the eviction practices of four large corporate landlords during the first 16 months of the coronavirus pandemic. The investigation found that Pretium Partners (through its companies Progress Residential and Front Yard Residential, Invitation Homes, Ventron Management, and The Siegel Group) engaged in abusive tactics to remove tenants from their homes during the pandemic. The landlords engaged in such activity, despite evidence of financial stability, including earning record profits, making large investments in expansion, or obtaining their own significant government support through the Paycheck Protection Program. Moreover, these abusive practices occurred despite the CDC eviction moratorium and the availability of emergency rental assistance. FHFA should hold these landlords accountable by subjecting them to remedies under the loan documents, including moving the loans into technical default, and barring them from any future federally backed mortgage. By making public such enforcement actions, FHFA can help discourage other bad actors from engaging in abusive practices.

### **Activate Emergency Resources**

The Biden administration should take action to address the housing needs of those experiencing or at risk of homelessness by activating the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program and the Disaster Housing Assistance Program (DHAP) to help move individuals experiencing homelessness out of shelters and encampments and into hotels and permanent housing.<sup>9</sup> During the pandemic, President Biden took bold action to protect people experiencing homelessness by directing FEMA to provide 100% reimbursement for eligible non-congregate sheltering costs, as recommended by NLIHC and the NLIHC-led Disaster Housing Recovery Coalition (DHRC).<sup>10</sup> This action allowed states and communities to rapidly move unsheltered individuals to hotels and other non-congregate shelters. The DHAP program has similarly been used to help keep households stably housed after disasters by providing long-term rental assistance to households with the greatest needs and those most at risk of homelessness. Given the rise in homelessness, the Biden

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<sup>9</sup> National Low Income Housing Coalition. (2017). Disaster Housing Assistance Program. Retrieved from: <https://nlihc.org/sites/default/files/DAHP-Program.pdf>

<sup>10</sup> Saadian, S., Patton, N., & Calabro, A. (2021). FEMA non-congregate sheltering during the COVID-19 pandemic: Policy changes and new opportunities to address the needs of people experiencing homelessness. Retrieved from: <https://nlihc.org/sites/default/files/FEMA-Non-Congregate-Sheltering-During-the-COVID-19-Pandemic.pdf>

administration should make these resources available once again to move individuals into stable, safer alternative housing.

### **Protect Tenants from Predatory Investors**

Corporate landlords are raising rents at a faster rate than private owners. Increased institutional investor ownership in the rental market has been associated with increased fees, lack of upkeep, higher rates of eviction, and worsening displacement, particularly within Black neighborhoods.<sup>11</sup> The Biden administration should take steps to ensure that federal agencies disposing of properties prioritize nonprofit, public sector, and tenant buyers. Additionally, the Consumer Financial Protection Bureau, Federal Trade Commission, and the Federal Housing Finance Agency have existing legal tools to protect tenants from the actions of predatory owners.

### **Encourage States and Communities to Address Urgent Needs**

The Biden administration should continue to encourage states and communities to use State and Local Fiscal Recovery Funds (SLFRFs) provided through the American Rescue Plan Act to keep families housed during this period of instability, tackle the growing homelessness crisis, and develop affordable housing to address the root causes of housing instability and homelessness. NLIHC [tracks](#) SLFRF housing investments in the 50 states, the District of Columbia, and Puerto Rico, as well as in 60 localities, and we estimate that these jurisdictions are already using a combined total of [\\$13.77 billion](#) to prevent homelessness and provide affordable housing. However, more can still be accomplished with SLFRF funds.

The Biden administration should urge more communities to set aside more SLFRF resources to respond to the immediate threat of skyrocketing rents and inflation and to address homelessness, prevent evictions, and increase the supply of affordable housing for people with the lowest incomes. The U.S. Department of the Treasury should encourage grantees to use a data-driven and community-informed approach to target resources to the lowest-income and most impacted communities and advance racial and economic equity. Treasury should encourage jurisdictions using SLFRFs to address homelessness to prioritize the Housing First model and support unhoused individuals from marginalized communities. For those communities using SLFRFs to address evictions, Treasury should encourage them to maintain and expand the eviction prevention infrastructure built during the pandemic and fund right-to-counsel and other eviction diversion programs. Treasury should encourage states and communities using SLFRF resources used to address housing supply to prioritize homes affordable to those with the lowest incomes, support long-term affordability, prioritize projects led by nonprofit and mission-driven owners, and ensure any developments affirmatively further fair housing.

### **Prioritize Long-Term Solutions**

Rent inflation and housing instability are in part the result of longstanding public policies that have underinvested in affordable homes and leave renters without adequate protections against landlords. To address these challenges, the Biden-Harris administration must prioritize long-term solutions to America's housing crisis and work with Congress to make rental assistance universally available to everyone in need, preserve and expand the supply of homes affordable

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<sup>11</sup> Vogell, H. (2022). When private equity becomes your landlord. ProPublica. Retrieved from: <https://www.propublica.org/article/when-private-equity-becomes-your-landlord>

to people with the lowest incomes, prevent evictions and homelessness, and strengthen and enforce renter protections. These solutions must be paired with reforms to provide greater access to critical resources and address racial disparities.

As Congress works towards long-term solutions, the Biden administration must take immediate action to protect tenants from exorbitant rent hikes and, in worst cases, homelessness. The rising cost of housing is a crisis for renters and a core driver of overall inflation. High housing costs and the lack of an adequate housing safety net create broader societal challenges including homelessness, poor educational outcomes, and high healthcare costs. Excessive housing costs also reduce economic mobility and hurt the productivity of the country.

We urge the Biden administration to take immediate action to reduce housing inflation and provide stability to families. We further request a meeting to discuss these and other needed actions.

Sincerely,



Diane Yentel  
President and CEO  
National Low Income Housing Coalition



Shamus Roller  
Executive Director  
National Housing Law Project

cc:

Erika Poethig, *Special Assistant to the President for Housing and Urban Policy at the White House Domestic Policy Council*

Jenn Jones, *Chief of Staff, U.S. Department of Housing and Urban Development*

Clinton Jones, *General Counsel, Federal Housing Finance Agency*