

Congress of the United States

Washington, DC 20515

October 16, 2024

The Honorable Joseph R. Biden
President of the United States of America
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden,

We write today to thank you for your historic work to expand tenant protections and lower the cost of housing and to encourage you to take further action before your term ends.¹ Under your leadership, the Biden-Harris Administration has taken important steps to protect renters from predatory corporate landlords and to make home purchases and refinancing more affordable.² But there is even more that can be done using executive agencies' existing statutory authority. We offer the following recommendations to address the high cost of housing felt by millions of Americans.

The United States is facing a severe affordable housing crisis, with an estimated gap of 7.3 million housing units affordable and available to the lowest-income households.³ Currently, there are fewer than four affordable rental homes for every ten extremely low-income renters.⁴ Housing costs continue to be the largest budget item for many American households each month, burdening renters and making homeownership unaffordable for too many.⁵

¹ White House, "FACT SHEET: Biden-Harris Administration Announces Actions to Lower Housing Costs and Boost Supply," July 27, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/27/biden-harris-administration-announces-actions-to-lower-housing-costs-and-boost-supply/>; White House, "FACT SHEET: President Biden Announces Plan to Lower Housing Costs for Working Families," March 7, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/07/fact-sheet-president-biden-announces-plan-to-lower-housing-costs-for-working-families/>; White House, "FACT SHEET: President Biden Announces Major New Actions to Lower Housing Costs by Limiting Rent Increases and Building More Homes," July 16, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/07/16/fact-sheet-president-biden-announces-major-new-actions-to-lower-housing-costs-by-limiting-rent-increases-and-building-more-homes/>; White House, "FACT SHEET: Biden-Harris Administration Takes New Actions to Lower Housing Costs by Cutting Red Tape to Build More Housing," August 13, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/08/13/fact-sheet-biden-harris-administration-takes-new-actions-to-lower-housing-costs-by-cutting-red-tape-to-build-more-housing/>.

² *Id.*

³ National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Homes," <https://nlihc.org/gap>.

⁴ National Low Income Housing Coalition, "The National Need for Affordable Housing," Andrew Aurand, Mackenzie Pish, p. 1, https://nlihc.org/sites/default/files/AG-2024/1-4_The-National-Need-for-Affordable-Housing.pdf.

⁵ U.S. Bureau of Labor Statistics, "Economic News Release: Consumer Expenditures – 2023," <https://www.bls.gov/news.release/cesan.nr0.htm>.

We applaud the Biden-Harris Administration’s bold steps to protect tenants from predatory corporate landlords including the Blueprint for a Renters Bill of Rights, rent-hike protections in Low-Income Housing Tax Credit properties, and support for anti-price-gouging measures in properties owned by corporate landlords.⁶

The Administration and independent agencies have also taken significant strides toward increasing housing supply and lowering housing costs for all Americans. We support the Federal Housing Finance Agency’s (FHFA) pilot program to waive title insurance on certain refinances, which could save thousands of homeowners up to \$1,500, lower upfront fees, and make refinancing more accessible.⁷ We also appreciate the Administration’s robust support for the Pathways to Removing Obstacles to Housing program and the PRICE Program, important grant programs to incentivize the production of affordable housing in communities across the country.⁸

In the remaining months of your Administration, we urge you to take additional actions, including in the four areas outlined below, to reduce housing costs for American families.

Price Gouging Protections

According to the Bureau of Labor Statistics, rents have risen 26 percent nationally since early 2020.⁹ A limited patchwork of tenants’ rights at the local, state, and federal levels leaves tenants with very few protections in the face of rising rents, while corporate landlords have been caught hiking rents well beyond the pace of inflation.¹⁰

While you have called for anti-price-gouging measures for corporate landlords,¹¹ there are additional steps FHFA can take to tackle rent hikes. FHFA has the authority to condition all

⁶ The White House, “FACT SHEET: Biden-Harris Administration Takes Action to Protect Renters,” July 27, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/27/fact-sheet-biden-harris-administration-takes-action-to-protect-renters/>; The White House, “FACT SHEET: President Biden Announces Major New Actions to Lower Housing Costs by Limiting Rent Increases and Building More Homes,” July 16, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/07/16/fact-sheet-president-biden-announces-major-new-actions-to-lower-housing-costs-by-limiting-rent-increases-and-building-more-homes/>.

⁷ White House, “FACT SHEET: President Biden Announces Plan to Lower Housing Costs for Working Families,” March 7, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/03/07/fact-sheet-president-biden-announces-plan-to-lower-housing-costs-for-working-families/>.

⁸ Department of Housing and Urban Development, “HUD Announces New Actions to Support Affordability and Communities as Part of the Biden-Harris Administration’s Housing Supply Action Plan,” press release, February 29, 2024, https://www.hud.gov/press/press_releases_media_advisories/hud_no_24_041; Department of Housing and Urban Development, “Biden-Harris Administration Announces Funding for Communities to Build More Affordable Homes and Lower Housing Costs,” press release, August 13, 2024, https://www.hud.gov/press/press_releases_media_advisories/hud_no_24_205.

⁹ Joint Center for Housing Studies of Harvard University, “New Report Shows Housing Costs Strain Owners and Renters Alike; Millions Priced out of Homeownership,” press release, June 20, 2024, <https://www.jchs.harvard.edu/press-releases/new-report-shows-housing-costs-strain-owners-and-renters-alike-millions-priced-out>.

¹⁰ Pew Research Center, “10 facts about U.S. renters during the U.S. pandemic,” Rebecca Leppert, December 19, 2022, <https://www.pewresearch.org/short-reads/2022/12/19/10-facts-about-u-s-renters-during-the-pandemic/>; Los Angeles Times, “Nation’s largest single-family home landlord to pay \$3.7 million in California rent-gouging case.” Liam Dillon, January 8, 2024, <https://www.latimes.com/homeless-housing/story/2024-01-08/invitation-homes-tenant-rent-gouging-settlement>.

Fannie Mae and Freddie Mac multifamily loans on a set of price gouging protections, source of income protections, anti-eviction regulations, and habitability and accessibility improvements.¹² Senate and House leaders – including Senate Majority Leader Schumer, Senator Brown, and Representative Waters – have called on FHFA to protect renters, and these policy ideas have been further endorsed by economists, local elected officials, policy experts, labor unions and civil rights advocates.¹³

Tackling Junk Fees

Hidden junk fees can create thousands of dollars in additional costs for renters and homeowners, adding significant stress to households.¹⁴ Junk fees can increase a tenant’s risk of eviction for nonpayment of rent and the likelihood that tenants accumulate rental debt, hindering their ability to obtain housing in the future.¹⁵

The Federal Trade Commission (FTC) should finalize its proposed rule to ban junk fees and continue to investigate unfair and deceptive practices by corporate landlords.¹⁶ This work would build upon the FTC’s recent efforts to fight algorithmic price fixing and collusion by landlords in the rental market.¹⁷ In particular, the FTC should include rental housing businesses in the

¹¹ The White House, “FACT SHEET: President Biden Announces Major New Actions to Lower Housing Costs by Limiting Rent Increases and Building More Homes,” July 16, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/07/16/fact-sheet-president-biden-announces-major-new-actions-to-lower-housing-costs-by-limiting-rent-increases-and-building-more-homes/>.

¹² Letter from Senator Brown and colleagues to Director Thompson, July 31, 2023, <https://static.politico.com/6f/de/3713f9814041ab2bf60cd225899c/7-31-dems-fhfa-rfi.pdf?source=email>.

¹³ VICE, “Economists Support Nationwide Rent Control in Letter to Biden Admin” Roshan Abraham, August 3, 2023, <https://www.vice.com/en/article/economists-support-national-rent-control-in-letter-to-biden-admin/>; Letter from Local Elected Officials and Local Progress Housing Steering Committee to FHFA, July 31, 2023, <https://localprogress.org/wp-content/uploads/2023/07/7.31.23-LP-Housing-Steering-Committee-FHFA-Request-for-Input-on-Multifamily-Tenant-Protections-1.pdf>; Letter from Senator Brown and colleagues to Director Thompson, July 31, 2023, <https://static.politico.com/6f/de/3713f9814041ab2bf60cd225899c/7-31-dems-fhfa-rfi.pdf?source=email>; U.S. House Committee on Financial Services, “Ranking Member Waters, Committee Democrats Urge FHFA to Provide Robust Protections for Renters Living in Enterprise-Backed Multifamily Homes,” press release, August 23, 2023, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=410771>; Letter from Senator Schumer to Director Thompson, August 2, 2023, <https://files.constantcontact.com/f10f35b7601/80c40bc7-41c0-45e8-a5c4-11a8fe394aa9.pdf?rdr=true>.

¹⁴ Consumer Financial Protection Bureau, “CFPB Launches Inquiry into Junk Fees in Mortgage Closing Costs,” press release, May 30, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-launches-inquiry-into-junk-fees-in-mortgage-closing-costs/>; White House, “FACT SHEET: Biden-Harris Administration Takes on Junk Fees in Rental Housing to Lower Costs for Renters,” July 19, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/19/fact-sheet-biden-harris-administration-takes-on-junk-fees-in-rental-housing-to-lower-costs-for-renters/>.

¹⁵ Consumer Financial Protection Bureau, “CFPB Report Highlights Consumer Protection Issues in Medical and Rental Debt Collection,” September 5, 2024, press release, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-highlights-consumer-protection-issues-in-medical-and-rental-debt-collection/>; Letter from National Housing Law Project to Federal Trade Commission, April 10, 2024, https://www.ftc.gov/system/files/ftc_gov/pdf/r207011nhlpsubmission04102024.pdf.

¹⁶ 16 CFR Part 464.

¹⁷ Federal Trade Commission, “Price fixing by algorithm is still price fixing,” blog post, Hannah Garden-Monheit and Ken Merber, March 1, 2024, <https://www.ftc.gov/business-guidance/blog/2024/03/price-fixing-algorithm-still-price-fixing>.

definition of “business” as part of its junk fees rule so that renters are protected from the rental housing junk fees that landlords arbitrarily impose.¹⁸

The Consumer Financial Protection Bureau (CFPB) should also continue its work to tackle junk fees in the housing market.¹⁹ Already, the CFPB has taken an important step forward by launching an inquiry into junk fees that are increasing mortgage closing costs.²⁰ A CFPB analysis found that median total loan closing costs for home mortgages increased by over 36% between 2021 and 2023.²¹ Upon the conclusion of its inquiry, the CFPB should pursue rulemaking based on its findings to address anticompetitive closing costs and junk fees, lowering closing costs for home mortgages and making homeownership more accessible.

Lowering Credit Report Costs

When someone in America wants to buy a home, a mortgage lender must purchase a credit score to evaluate the consumer’s creditworthiness.²² When renters apply for housing, landlords use credit scores to evaluate whether to extend a lease to the household.²³ Today, there is one company that enjoys a near monopoly in the credit scoring market: the Fair Isaac Corporation (FICO).²⁴ Since 2022, the cost to obtain a score from FICO has increased by as much as 400%, a cost that is often passed on to consumers.²⁵

The Department of Justice (DOJ) and CFPB should address anti-competitive behavior in the credit scoring market that jacks up prices for consumers. The DOJ should investigate whether FICO and others are engaging in behavior that violates federal antitrust law. And the CFPB should explore potential remedies to exploding credit reporting costs, including a cap on fees that credit reporting agencies can charge and interoperability requirements that would allow consumers to move their credit scores without new fees. FHFA has already taken action to promote competition among the credit bureaus and increase accuracy in credit scoring by transitioning to a “bi-merge” system that requires two, instead of three, credit reports from the nationwide credit reporting agencies.²⁶ But the Administration can and should do more to lower credit reporting costs for everyday Americans.

¹⁸ Letter from National Housing Law Project to Federal Trade Commission, April 10, 2024, https://www.ftc.gov/system/files/ftc_gov/pdf/r207011nhlsubmission04102024.pdf.

¹⁹ Consumer Financial Protection Bureau, “CFPB Launches Inquiry into Junk Fees in Mortgage Closing Costs,” press release, May 30, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-launches-inquiry-into-junk-fees-in-mortgage-closing-costs/>.

²⁰ *Id.*

²¹ *Id.*

²² Consumer Financial Protection Bureau, “Buying a home? The first step is to check your credit,” Erica Kritt, January 9, 2017, <https://www.consumerfinance.gov/about-us/blog/buying-home-first-step-check-your-credit/>.

²³ *Id.*

²⁴ *Id.*

²⁵ Consumer Financial Protection Bureau, “Prepared Remarks of CFPB Director Rohit Chopra at the Mortgage Bankers Association,” May 20, 2024, <https://www.consumerfinance.gov/about-us/newsroom/prepared-remarks-of-cfpb-director-rohit-chopra-at-the-mortgage-bankers-association/>.

²⁶ Federal Housing Finance Agency, “FHFA Announces Key Updates for Implementation of Enterprise Credit Score Requirements,” February 29, 2024, <https://www.fhfa.gov/news/news-release/fhfa-announces-key-updates-for-implementation-of-enterprise-credit-score-requirements>.

Promoting Housing Development on Federal Property

Title V of the McKinney-Vento Homeless Assistance program was designed to direct surplus federal property to affordable housing providers serving people experiencing homelessness.²⁷ Yet, between 2016 and 2023, only 11 properties were leased to nonprofits under this authority, and two in three applications were denied by the federal government.²⁸

To address these problems, the General Services Administration, Department of Housing and Urban Development, and Department of Health and Human Services should finalize proposed reforms to Title V without delay. In particular, we recommend that the agencies end the practice of requiring an affordable housing provider demonstrate full funding for a project before a Title V lease can be approved.²⁹ Because the Low-Income Housing Tax Credit (LIHTC) requires applicants to prove they have site control before approving funding, affordable housing providers reliant on LIHTC are often functionally excluded from Title V leases.³⁰ To help Title V achieve its full potential, we urge the agencies to abandon the full-funding requirement for Title V leases and permit letters of intent or financing commitments as sufficient evidence of an applicant's ability to obtain financing if applying under a program such as LIHTC.

* * *

We strongly encourage you to cement your legacy by addressing one of the most pressing economic issues of our time and take swift action to create more housing and lower housing costs for Americans everywhere.

We thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator




Jamaal Bowman, Ed.D.
Member of Congress

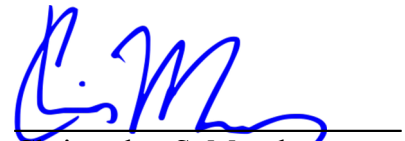
²⁷ Department of Housing and Urban Development, "Title V – Federal Surplus Property for Use to Assist the Homeless," https://www.hud.gov/program_offices/comm_planning/titlev#:~:text=Title%20V%20of%20the%20McKinney,to%20assist%20persons%20experiencing%20homelessness.&text=Need%20Housing%20Assistance%3F.


²⁸ Guardian, "The U.S. has empty buildings it could use to tackle homelessness. Why is it selling them off?," Thacher Schmid and Alvin Chang, October 30, 2023, <https://www.theguardian.com/us-news/2023/oct/30/title-v-affordable-housing-developers>.


²⁹ Public Comment letter from National Homelessness Law Center to the Department of Health and Human Services, the General Services Administration, and the Department of Housing and Urban Development, May 19, 2023, https://www.ncsha.org/wp-content/uploads/NHLC_Public-Comment_Title-V_RIN-0991-AC14-RIN-2506-AC49.pdf.

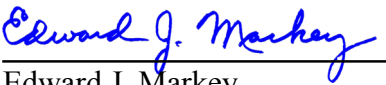
³⁰ *Id.*



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United States Senator


Christopher S. Murphy
United States Senator

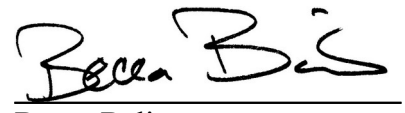

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Bernard Sanders
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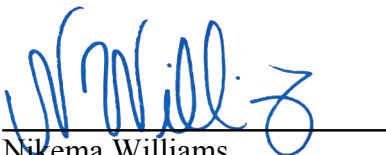

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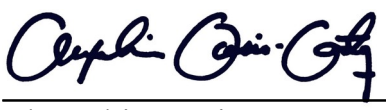

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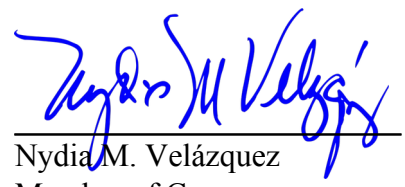

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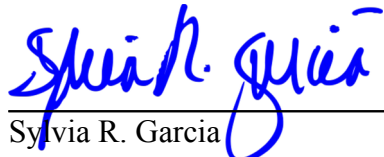

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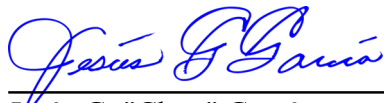
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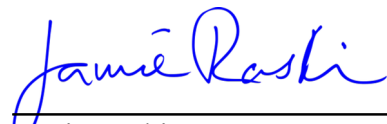
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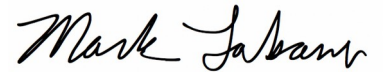
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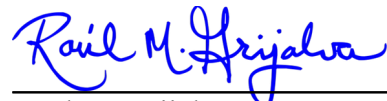
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CC: The Honorable Sandra Thompson, Director, Federal Housing Finance Agency