



August 10, 2023

The Honorable Sandra L. Thompson  
Director  
Federal Housing Finance Agency  
400 7th Street, S.W.  
Washington, D.C. 20219

Dear Director Thompson:

The undersigned national real estate associations represent a broad coalition of housing providers and lenders that are committed to working together with the Federal Housing Finance Agency (FHFA) and the Enterprises to address America's housing affordability crisis. Unfortunately, we face serious obstacles in addressing rising housing costs and delivering much-needed supply. As you consider changes for Enterprise-backed multifamily properties, we write to share our strong concern that rent control and rent stabilization policies that have been proposed have proven time and time again to increase rents, reduce the capital needed to boost the supply of housing, and ultimately hurt renters today and in the future. We ask that you reject imposing rent regulation as a condition of Enterprise-backed financing and instead create additional voluntary incentives within the GSE programs to expand the supply of needed affordable housing.

Research has proven repeatedly that rent control is a failed policy which does nothing to alleviate the root causes of housing affordability issues—namely the fact that our nation's housing supply has not kept pace with the needs of our growing population. Rent control disincentivizes housing investments across markets, particularly in communities that already often have few affordable options. Moreover, rent regulation is not equitable as it does not target low- and moderate-income renters that are most in need of support and stability. Instead, it incentivizes current renters to remain in place for longer periods of time and disincentivizes additional investments in housing, thereby limiting opportunities for others who do not have access to the rental housing market in favor of those that already do. This inequitable approach most impacts people of color who already have limited access to many housing markets, especially those with good schools, access to transportation and amenities. This is contrary to the Enterprise's goal of creating more affordable housing opportunities for low- and moderate-income residents. In fact, a February 2022 study indicated that only 27% of firms surveyed said that they would be willing to keep their current investments, or add new ones, in rent-controlled markets.<sup>1</sup>

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<sup>1</sup> <https://www.nmhc.org/news/nmhc-news/2022/nmhc-rent-control-update-multifamily-firms-reconsider-investments-in-rent-control-markets/>.

FHFA and the Enterprises should consider that rent control is nothing more than a politically expedient response to the increased cost of housing and other essential goods and services, and it results in a reduction of the available supply of rental housing and increases costs especially for those most in need. In a San Francisco case study, for example, the National Bureau of Economic Research (NBER) found that rent control “reduced rental housing supply by 15%, causing a 5.1% city-wide rent increase.”<sup>2</sup>

We share the FHFA’s commitment to addressing the affordable housing crisis in our nation. Our organizations have long been strong supporters of voluntary programs supported by the Federal government, including the Low-Income Housing Tax Credit (LIHTC), expansion of the Section 8 programs, and the Enterprises programs that provide the financial resources necessary for developers to create more affordable units. Unfortunately, only 1 in 4 Americans that need housing subsidy receive it, as not nearly enough resources have been invested in these voluntary efforts over time, resulting in a particularly severe shortage of affordable housing. We call on Congress, FHFA, and the Enterprises to dedicate more funding and resources for programs that provide assistance to those families in need and in programs that have the potential to increase development and preservation opportunities for low-and moderate-income households who need it the most.

Implementing failed policies such as mandatory rent control will create instability in an already challenged market and undermine the important goals of fostering a healthy and equitable housing market, increasing supply, and creating successful communities where people of all backgrounds can build their lives. As such, we respectfully encourage FHFA to refrain from implementing policies like rent control on private rental housing providers and instead focus on leveraging federal resources in the form of incentives to bolster new affordable housing.

Sincerely,

American Seniors Housing Association  
Council for Affordable and Rural Housing  
Commercial Real Estate Finance Council  
Institute of Real Estate Management  
Leading Builders of America  
Manufactured Housing Institute  
Mortgage Bankers Association  
NAIOP, the Commercial Real Estate  
Development Association  
National Apartment Association  
National Association of Home Builders

Nareit  
National Association of REALTORS®  
National Association of Residential Property  
Managers  
National Housing Conference  
National Housing & Rehabilitation  
Association  
National Leased Housing Association  
National Multifamily Housing Council  
The Real Estate Roundtable

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<sup>2</sup> [https://www.nber.org/system/files/working\\_papers/w24181/w24181.pdf](https://www.nber.org/system/files/working_papers/w24181/w24181.pdf).