



April 13, 2026

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW,
Mail Stop H-144 (Annex R)
Washington, DC 20580

Re: Unfair or Deceptive Rental Housing Fee Practices ANPRM, Project No. R207011

Dear Secretary Tabor:

Over one-third of American households rent, and over 20 million U.S. households live in apartment homes (buildings with five or more units).¹ The undersigned national real estate organizations represent a broad coalition of housing providers and stakeholders that are committed to finding solutions to America’s housing challenges. The firms in our memberships are engaged in all aspects of the rental housing landscape and represent small, medium and large for-profit and non-profit owners, operators, builders, developers, property managers and service providers involved in the provision of rental housing, across all market segments, including conventional, affordable, military, student and seniors. We submit these comments in response to the Federal Trade Commission’s (“Commission”) Advance Notice of Proposed Rulemaking on Unfair or Deceptive Rental Housing Fee Practices, Project No. R207011 (“ANPRM”).

Our members seek to create thriving communities for the Nation’s renters and we are committed to growing trusted relationships with our residents. We are acutely aware of the cost pressures renters face and strive for maximum transparency on expected housing expenses in rental housing transactions and throughout the lifecycle of tenancy. Therefore, we appreciate the Commission’s

¹ U.S. Census Bureau, American Community Survey, 1-Year Estimates, “Tenure by Units in Structure” (2024).

work to better understand rental housing transactions and thoroughly consider alternatives before advancing any particular regulatory framework.

Transparency is a Fundamental Part of Housing Providers' Business Models

Our members strongly support efforts to improve housing access, affordability and the experience of applicants and residents. Rental housing is a business built around people – not just buildings, and transparency is fundamental to every aspect of our business model, from leasing to maintenance and resident services. Housing providers are continuously refining and modernizing the rental experience - including how pricing is structured and communicated. We believe transparency is a pragmatic, pro-consumer practice that strengthens trust, supports affordability and promotes long-term market stability, while meeting the expectations of today's renters. The rental housing industry shares the goal of the Commission to guard against unfair or deceptive practices and promote transparency to ensure rental housing consumers fully understand their housing costs.

Done right, new policy efforts can complement and support the ongoing work of rental housing providers in enabling greater price transparency for renters. However, regulatory requirements that do not account for the realities of rental housing operations could introduce unintended complexity, potentially increasing costs that may ultimately be borne by renters and diverting attention from property improvements and resident-facing services.

In particular, we encourage the Commission to maintain focus on “hidden or misleading fees” and clearly distinguish these from necessary, routine and well-articulated fees or charges in any regulatory action. We also urge the Commission to ensure rental housing pricing models and practices can continue to serve our customers by maintaining flexibility and preserving our ability to offer residents a high-quality, customized experience. At the same time, operational and business practices vary between housing providers. The Commission should recognize the diverse size and structure of rental housing providers nationwide, including a large portion of small owners and operators, which impacts the implementation of new regulation or requirements. Therefore, we appreciate the opportunity to share our perspective on the impact of the ANPRM on our members' efforts to create and maintain successful communities for the nation's renters.

Rental Housing Transactions are Distinct and Structurally Differ from Single-Point Transactions

Before the Commission moves forward with any regulatory actions on price disclosure and fee transparency, it should recognize the unique nature of rental housing operations compared to other consumer transactions. Rather than a simple, single-point sale, transactions for residency in rental properties are underpinned by lease agreements establishing the contractual relationship between

housing providers and residents. The rental leasing process is a multifaceted activity that relies on an interactive dialogue with prospective residents and ongoing communication to identify the parameters applicable to that specific tenancy including duration, unit location and features and individual needs and preferences for services and/or amenities.

The cadence of the leasing process is measured, predictable and by its nature promotes transparency, while allowing for a steady flow of information between all parties. Through this engagement, rental housing providers work with applicants to customize the lease terms and conditions that ultimately dictate the price a particular resident pays for their housing. These expected rental housing costs, including all fees and charges, are then well-documented in the lease materials that govern rental housing tenancies.

Residential lease transactions also usually involve the development of long-term contractual agreements and prospective residents are afforded ample opportunity to examine the agreement and consider alternatives. Although prospective residents may face timing considerations related to housing availability, the lease process typically does not require immediate or significantly time-pressured acceptance of the transaction. Typical leasing practices that are central to rental housing transactions therefore make the experience materially different from many consumer purchases and do not suffer from the harms frequently cited as the foundation for fee transparency or total cost requirements.

Given the unique nature of the residential leasing process, past regulatory actions by the Commission may not provide the best framework for the rental housing sector. We urge the Commission to be mindful of how any federal efforts would impact the various stages of rental housing transactions and throughout the lifecycle of tenancy. Importantly, a successful regulatory framework would recognize the diverse breath of terms and language used in lease transactions and take care to avoid requirements that conflict with jurisdictional practices, landlord-tenant or other law.

The Essential Role of Fees in Rental Housing Operations

Rental housing providers utilize fees to facilitate core business functions and provide residents with individualized services throughout the lease lifecycle. The fee structures used in rental housing are designed to give residents flexibility and control over their housing costs, while providing the freedom to choose the services and amenities that matter most to them. By separating certain services and amenities from base rent, residents can choose the options that best fit their needs and budgets, rather than paying for a one-size-fits-all package. These fees can cover a broad spectrum of amenities, services and operational activities. While our industry fully supports fee transparency, we caution against policies that would limit or prohibit the recovery of legitimate business expenses. Restrictions on reasonable fees create practical barriers, inflate base housing costs, and reduce access to valued resident services.

Nationally, 89 cents of every dollar of rent goes towards necessary operational expenses.² As expenses exceed rental income, housing providers must make difficult decisions to ensure that they can continue to provide the rental experience that their residents expect. Fees and charges are a necessary part of pricing structures that keep rental housing communities financially stable for the residents our members serve.

Risk Management and Resident Screening

Before entering into a lease agreement, housing providers routinely rely on application fees and related resident screening fees to make informed resident selection decisions and foster stable, successful communities. Resident screening is a critical risk management tool used to:

- *Assess Financial Reliability:* Credit and rental histories indicate whether an applicant can meet financial obligations or present an elevated eviction risk;
- *Identify Risks:* Assessing relevant background history provides insight on an applicant's ability to be a responsible resident and good neighbor; and
- *Prevent Fraud:* Identity and income verification ensure applicants provide truthful information, protecting the integrity of the transaction.

In particular, rental housing fraud is a widespread and growing operational challenge that imposes real financial harm on housing providers and, ultimately, on the residents they serve. A recent industry report found that 41% of survey respondents identified fraud and bad debt as highly significant challenges to their business operations.³ Some housing providers estimate that between 40% and 50% of applications submitted to their communities contain fake or inaccurate documents, including fabricated income statements, falsified bank records and fraudulent government-issued identification. The problem is getting harder to manage as AI tools make these forgeries increasingly difficult to detect without robust verification systems. Screening fees fund the very tools and processes that allow housing providers to catch fraud before a bad-faith applicant is placed in a unit. Restricting or limiting those fees would weaken the screening process, expose communities to greater financial risk and create conditions that drive up costs for the other residents.

Conducting these verifications through nondiscriminatory, transparent and uniform practices supports better outcomes for residents and is consistent with fair housing requirements. These processes are already subject to extensive federal, state and local regulation, including the Fair Housing Act, the Fair Credit Reporting Act and state consumer protection laws that govern permissible screening criteria and fee amounts. Ultimately, fees play a critical role in supporting

² <https://naahq.org/research/dollar-rent-tool>.

³ National Apartment Association, "Navigating Challenges in the Apartment Industry" (<https://naahq.org/navigating-challenges-apartment-industry>).

these screening efforts, which help establish sustainable resident relationships and maintain the financial stability of rental communities.

Based on information gathered throughout the application process, housing providers determine whether an individual meets the criteria necessary to move forward with the lease process. In some cases, additional steps must be taken to mitigate against anticipated financial risks. An applicant may receive a conditional acceptance due to poor creditworthiness or other financial characteristics. In accordance with applicable law and as permitted, housing providers may address these conditions through the use of a security deposit or other means that may impact the amount due to execute a lease. In addition, housing providers may impose various fees to defray the costs of resident turnover like move-in fees, amenity fees or unit hold fees.

Customization and Individual Preferences

As an applicant moves through the leasing process, housing providers work with customers to customize the resident experience and identify the options available to them based on economic considerations, their individual preferences and unique requirements. This individualized approach drives variation in final pricing through selections such as:

- *Unit Specifics*: Including location, floor plan configuration and lease duration;
- *Services and Amenities*: Including parking preferences, pet-related services and storage options; and
- *Turnover Costs*: One-time charges such as move-in or amenity fees that defray the costs of preparing a unit for a new resident.

Conditional and Behavior-Driven Charges

Beyond costs or fees based on the leasing process or individual preferences, housing providers also rely on conditional or variable fees to address individual resident behaviors and become payable only under specific, defined circumstances. Such fees include penalties for lease violations, payment processing fees, bad check or insufficient funds fees, late fees and property damage. Any regulatory framework on fee transparency should clarify how such fees should be disclosed, including in lease documentation and during the application process, while recognizing that their applicability depends on future events.

Third-Party Services and Utility Management

Modern rental housing tenancies may also involve usage-based or pass-through fees for property services and amenities provided by third-parties such as electricity, water, sewer, trash and

telecommunications. The Commission should consider that utility fees or charges range from fixed, usage-based or formulated in accordance with utility billing laws, offering unique benefits for renters and rental communities. Usage-based or metered utility billing offers significant consumer benefits, as residents' costs can be tailored to their actual utility consumption, allowing for greater control over individual expenses. This pricing model has also been driven by public policy considerations to promote efficiency and good resource management. Residents who receive transparent information about the costs and use of their utilities can make better decisions about their consumption and spending.

Similarly, the Commission has asked about bulk billing practices, which address an important consumer priority in rental housing. Reliable, high-quality internet access is essential to residents' daily lives and is a critical amenity in today's rental housing market. Housing providers therefore prioritize investments in connectivity and increasingly rely on tools such as bulk billing and managed Wi-Fi to maximize service quality, reduce costs and enhance the resident experience. These solutions ensure residents have immediate access to internet service upon move-in and through negotiated agreements with internet service providers ("ISPs"), housing providers can tailor connectivity solutions to the specific needs of their communities.

Rental housing residents may face additional fees for technology-related services, but bulk internet agreements deliver broadband service to entire rental communities at a lower per-unit cost than individual subscriptions, expanding access - particularly for low-income, senior, student, and veteran households. By eliminating credit checks, deposits and equipment rental fees, and often enabling service upgrades, bulk billing reduces barriers to adoption and delivers meaningful cost savings for renters.

Key Considerations for Addressing Fee Transparency Regulation in Rental Transactions

As the Commission explores efforts to promote transparency in rental transaction pricing, we offer important considerations to help expand consumer benefits without unduly disrupting the leasing process or ongoing operational practices. Today, housing providers commonly advertise rental units by referencing a base rent (or range of base rent) plus other fees or charges. Current advertising practices commonly reflect:

- **Base Rent Cost Disclosure:** Advertisements reference the anticipated monthly base rent by a consumer. Many rental housing providers and their technology partners use the term total monthly leasing price ("TMLP") to express the comprehensive, recurring cost of a rental. This measure combines the base rent with all mandatory monthly fees, excluding optional fees, non-reoccurring mandatory fees and variable fees;
- **Variable Pricing:** Advertised pricing may reflect the lowest or mean amount of monthly available rent for a specific unit type available at the property (*i.e.* "rentals starting at [an advertised price]") or advertise a monthly rent range that fluctuates based on lease duration, move in date, specific unit location or features like a balcony or high floor and

other details; and

- **Fee Disclosure:** Advertisements clearly communicate when the quoted rent may not include all costs associated with the tenancy such as utilities, telecommunications costs or other fees.

Based on this illustration, a potential disclosure framework should recognize that an expansion of rent ranges to reflect all possible permutations of fees or cost variabilities could be difficult to execute and potentially confusing for consumers. Further, the rental housing marketplace utilizes a variety of fees and charges throughout the lifecycle of tenancy that convey unique purposes and benefits. Any regulatory actions offered by the Commission should address this differentiation and clarify how potential requirements apply across fee categories.

These diverse fee types enable housing providers to better tailor the rental experience to meet individual needs and preferences compared to historic, static pricing models. However, the complexity of contemporary rental housing transactions presents certain challenges that should be considered to develop a workable regulatory framework for advertising and pricing.

For example, any transparency and pricing requirements should distinguish between universally applied fees and optional⁴ or situation-based fees and charges⁵ that vary based on individual resident preferences or behaviors. This distinction directly benefits consumers, as optional and situational fees empower residents to customize their living experience, paying only for services they actually want or use. Rather than bundling all possible charges into a single inflated price, this approach gives consumers meaningful choices and can result in lower overall costs for many renters. Since these fees will not attach to every tenancy, if at all, inclusion in a total advertised price could lead to consumer confusion or signal an artificially inflated cost for a particular resident.

While the potentiality of these fees occurring can be, and is, disclosed during the lease process, they arise only after a lease term begins, and the exact number of occurrences or total costs would not be predictable at the time of advertising or lease execution. In addition, certain optional fees may change over the course of a lease as resident needs evolve, such as decisions to add or remove parking or to acquire a pet. If resident preferences or conditions do change, housing providers should not be penalized or prohibited from assessing such fees later during the lease term.

Therefore, it seems impracticable to require rental housing providers to furnish prospective customers - before consenting to a lease - with a TMLP that includes optional, conditional or variable fees. Nevertheless, any regulatory framework proposed by the Commission should

⁴ Opt-in fees may cover benefits or amenities like reserved parking, bike or personal property storage, pets or other concierge-type services.

⁵ Such fees include penalties for lease violations, payment processing fees, bad check or insufficient funds fees and late fees.

clearly delineate which categories of fees and charges are captured by potential total price disclosure requirements.

We urge the Commission to recognize that a static pricing model is insufficient for the diverse needs of today’s renters. A flexible disclosure framework will better serve consumers while maintaining operational feasibility for housing providers.

Compliance and Legal Considerations

Rental housing transactions are largely regulated by landlord-tenant and other consumer protection law at the state and local level. Every state and the District of Columbia have landlord-tenant laws to protect all parties in rental agreements. In addition, some jurisdictions have established laws that address specific elements in the landlord-tenant relationship, such as what constitutes “rent”; security deposit and fee regulations; and required lease disclosures including in the event of lease modifications. These requirements have developed over time to balance the needs of renters, housing providers and local markets. Roughly 16 states, the District of Columbia and three localities now impose various rental price transparency requirements.

As the Commission considers an additional layer of fee and pricing regulation at the federal level, we urge it to explore pathways to expand consumer protections without undue interference or conflict with state and local law. In addition, any regulatory efforts should be well tailored to address specific, documented practices of concern and be mindful of exceeding the appropriate scope and scale within the Commission’s authority. We recognize the importance of building a strong evidentiary record to support any rulemaking. Our members are well-positioned to provide industry-specific insights that can help the Commission identify practices that would warrant attention and distinguish them from those that serve important consumer interests. We appreciate the Commission's efforts to engage stakeholders in this process and stand ready to share information that can inform its analysis.

Enable Continued Industry Innovation

Industry innovation can also support clear and upfront pricing. We urge the Commission to collaborate with industry stakeholders to foster voluntary best practices to achieve its fee transparency goals.

For example, some rental housing providers have invested years of work and significant resources to create a model for clearer, simpler and more transparent solutions to better explain rental housing fee structures, including by developing the Multifamily Information Technology Standards (“MITS”). MITS is an evolving, voluntary effort to provide a common data language and fee classifications in rental housing that allow for the clear display of housing costs to

consumers. This proposal for standardized treatment of fee and housing cost classifications, like rent and application data benefits consumers and housing providers alike.

To truly improve affordability and supply, policymakers seeking price transparency should support the efforts of the rental housing community to develop and implement innovative tools, like MITS.

CONCLUSION

We appreciate the Commission's efforts to seek a better understanding of industry practices as it looks to expand price transparency in rental housing transactions. Any actions by the Commission to regulate pricing in rental housing should consider the unique foundation of leases in rental housing transactions, recognize the broad purposes of fees and pricing structures and address the diversity of rental housing providers to avoid unintended costs and disruptions to consumers.

Thank you for the opportunity to comment on these efforts and for your consideration. We welcome any questions and look forward to serving as a resource as the Commission explores the housing landscape.

Sincerely,

Council for Affordable and Rural Housing
Institute of Real Estate Management
Manufactured Housing Institute
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders
National Association of Real Estate Investment Trusts
National Association of Realtors
National Leased Housing Association
National Multifamily Housing Council
The Real Estate Roundtable
Real Estate Technology & Transformation Center