

Federal Trade Commission

16 CFR Chapter I

RIN 3084-AB88

RULE ON UNFAIR OR DECEPTIVE RENTAL HOUSING FEE PRACTICES

AGENCY: Federal Trade Commission.

ACTION: Advance notice of proposed rulemaking; request for public comment.

SUMMARY: The Federal Trade Commission (“Commission”) proposes to commence a rulemaking proceeding to address unfair or deceptive acts or practices relating to advertised rent and other fees and charges in the rental housing industry. To assist the Commission in determining the existence and prevalence of any such potentially unfair or deceptive practices and exploring ways to address them, the Commission is soliciting written comment, including data and argument, concerning such fees and charges throughout a lease lifecycle, from application to move out. The Commission is soliciting such public comment to determine the need for a rule to prevent persons, entities, and organizations from engaging in unfair or deceptive practices in connection with rental housing fees and charges, such as advertising rent that fails to include all mandatory fees or charges, imposing fees and charges without express informed consent, and misleading consumers about the nature and purpose of fees or charges.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Members of the public may file a comment online or on paper by following the instructions in the Comment Submissions part of the SUPPLEMENTARY

INFORMATION section below. Write “Unfair or Deceptive Rental Housing Fee Practices ANPRM, Project No. R207011” on your comment and file your comment online at <https://www.regulations.gov>. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex R), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Annette Soberats, asoberats@ftc.gov, 202-326-2921; Karen Mandel, kmandel@ftc.gov, 202-326-2491; Edwin Rodriguez, erodriguez@ftc.gov, 202-326-3147, Attorneys, Division of Advertising Practices.

SUPPLEMENTARY INFORMATION:

I. General Background Information

The Commission publishes this advance notice of proposed rulemaking (“ANPRM”) pursuant to section 18 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. 57a, the provisions of part 1, subpart B, of the Commission’s Rules of Practice, 16 CFR 1.7–1.20, and 5 U.S.C. 553. This authority permits the Commission to promulgate, modify, and repeal rules that define with specificity acts or practices that are unfair or deceptive in or affecting commerce within the meaning of section 5(a)(1) of the FTC Act, 15 U.S.C. 45(a)(1).

II. Objectives the Commission Seeks to Achieve and Possible Regulatory Alternatives

A. Background

Consumers in the market today for rental housing, including renters and prospective renters, must navigate a wide array of hidden or misleading fees and charges

that can appear at every stage of the rental cycle—from application to move out. These fees and charges obscure the total rent, causing renters to pay well above what is advertised. For consumers of all ages—from young singles to families to older adults—the gap between the advertised rent and the true total rent, including all mandatory fees and charges, may be more than they can afford.¹ More than half of renters are “cost-burdened, spending at least 30% of their income on rent” and, as a result, struggle to afford other basic necessities.² In 2023, for example, consumers experienced “the largest annual real increase in rental costs since at least 2011.”³

¹ See Allaire Conte, *Rent Isn't What It Seems: The Hidden Fees Driving Up Housing Costs and the States Taking Action* (Sept. 23, 2025), <https://www.realtor.com/advice/rent/hidden-rental-fees-state-laws/>.

² See, e.g., E.O. 13878, 84 FR 30853 (June 25, 2019) (“In 2017, approximately 37 million renter and owner households spent more than 30 percent of their incomes on housing, with more than 18 million spending more than half of their incomes on housing. Between 2001 and 2017, the number of renter households allocating more than half of their incomes toward rent increased by nearly 45 percent. These rising costs are leaving families with fewer resources for necessities such as food, healthcare, clothing, education, and transportation, negatively impacting their quality of life and hindering their access to economic opportunity.”); Press Release, U.S. Census Bureau, *More Than 19 Million Renters Burdened by Housing Costs* (Dec. 8, 2022), <https://www.census.gov/newsroom/press-releases/2022/renters-burdened-by-housing-costs.html> (data from 2017-2021 period).

³ Chairman Andrew N. Ferguson, *Concurring Statement of Chairman Andrew N. Ferguson Regarding FTC v. Greystar Real Estate Partners* (Dec. 2, 2025) (quoting U.S. Census Bureau, *Cost of Rent and Utilities Rose Faster Than Home Values in 2023* (Sept. 12, 2024), <https://www.census.gov/library/stories/2024/09/acs-rent-burden.html>); see also Presidential Mem., *Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis* (Jan. 20, 2025) (“Hardworking families today are overwhelmed by the cost of fuel, food, housing, automobiles, medical care, utilities, and insurance.”), <https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/>.

Recent renter surveys and reports confirm the importance of price transparency to renters.⁴ Unfortunately, consumers nationwide who are searching for rental housing struggle to learn the true total rent of a property. Rental property owners, rental property managers, and third-party property management software providers, listing services, and online rental platforms (together, “rental housing providers”) often advertise rents that fail to include all mandatory fees and charges.

Consumers seek rental housing that is affordable and within their budget.⁵ The failure to advertise the true total rent and to clearly and conspicuously disclose fees or charges and their nature and purpose impairs consumers’ ability to comparison shop for rental housing and to make informed financial decisions, increasing search costs.⁶ These practices also may undermine competition in the rental housing market, specifically, adversely impacting the incentives of rental housing providers who do advertise the true

⁴ See, e.g., Zillow, Inc., *Zillow’s Commitment to Transparent Rental Pricing for Renters and Housing Providers* (Nov. 6, 2025), <https://www.zillowgroup.com/news/transparent-rental-pricing-for-renters-and-housing-providers/>; Zillow, Inc., *Renters: Results from the Zillow Consumer Housing Trends Report 2025* (Oct. 27, 2025), <https://www.zillow.com/research/renters-housing-trends-report-2025-35647/> (citing U.S. Census Bureau, *2023 American Community Survey*); Apartments.com, *2025 Data: Renters Want Transparent Pricing in Rental Listings* (Aug. 8, 2025), <https://www.apartments.com/rental-manager/resources/listing/transparent-pricing>; SatisFacts, *Biennial Online Renter Study* (Sept. 2025), <https://www.satisfacts.com/researchfindings/biennial-online-renter-study-september-2025-release/>.

⁵ Zillow, *Renters: Results from the Zillow Consumer Housing Trends Report 2025*, *supra* note 4 (finding that 94% of renters surveyed deemed staying within their budget “essential”).

⁶ See Howard Beales & Todd J. Zywicki, *Junkyard Dogs: The Law and Economics of “Junk” Fees* (May 11, 2023) at 3–5, CPI Antitrust Chronicle, April 2023, George Mason Law & Economics Research Paper No. 23-10, <https://ssrn.com/abstract=4446501>.

total rent, which may impede the market’s ability to operate as efficiently as it otherwise would.⁷

B. Description of the Area of Inquiry

According to the U.S. Census Bureau’s *2024 American Community Survey*, nearly 35% of households live in rented homes.⁸ Rental housing providers often advertise rents that fail to include all mandatory fees and charges. These mandatory fees and charges are proliferating and go by many different names—lifestyle fees, amenity fees, maintenance fees, common area maintenance fees, pest control fees, parking fees, technology fees, smart home fees, trash collection fees, repair fees, administrative fees, utilities-related fees, air filter delivery fees, move-in fees, community fees, renters’ insurance fees, payment processing fees, convenience fees, January fees, roommate fees, guest fees, high risk fees, mail sorting fees, fees to rent month-to-month instead of on an annual basis—to name just a few.⁹ Indeed, a 2025 report found that more than 70% of renters reported having to pay at least one mandatory fee or charge aside from the monthly rent.¹⁰

⁷ *Id.*

⁸ U.S. Census Bureau, *2024 American Community Survey*, Table DP04, <https://data.census.gov/table/ACSDP1Y2024.DP04?q=DP04> (indicating that more than one hundred million people live in forty-six million renter-occupied units; that the median rent paid for these units, when paid, is \$1,487; and that many renters pay a significant portion of their income on total rent, including mandatory fees and charges: 59% of renters pay more than 25% of their income on total rent and 39% of renters pay more than 35% of their income on total rent).

⁹ See, e.g., Susan Finch, *What are Hidden Costs to Watch for When Renting?* (July 9, 2025), <https://www.apartmentlist.com/renter-life/hidden-costs-of-renting>.

¹⁰ Zillow, *Renters: Results from the Zillow Consumer Housing Trends Report 2025*, *supra* note 4 (citing U.S. Census Bureau, *2023 American Community Survey*).

Furthermore, the nature and purpose of some fees, including processing, convenience, and administrative fees, are often undisclosed or unclear to consumers.¹¹

Often it is not until lease signing or the first bill that rental housing providers disclose additional mandatory one-time or recurring charges, further inflating the total cost of rental housing.¹² Yet by this time, consumers have likely already paid significant fees or charges during the application process and potentially incurred other unavoidable costs, such as investing significant time searching for rental properties, paying moving-related expenses and ending a prior lease. The overarching concern is that hidden and misleading fees provide no competitive benefits to the market or consumers but instead are designed to impede consumer choice and extract consumer surplus from renters who have invested time and energy into shopping for a rental property.¹³

Even before entering a lease, when applying for rental housing, consumers often have to pay significant mandatory, non-refundable, one-time fees and charges without a clear understanding of the true total rent of the unit or property for which they are

¹¹ See, e.g., *FTC and State of Colorado v. Greystar Real Estate Partners, LLC*, No. 25-cv-00165 (D. Colo. Stipulated Final Order entered Dec. 12, 2025) (requiring rental housing provider to clearly and conspicuously display total monthly rent and mandatory fees to resolve allegations that it misrepresented the true total rent by displaying a deceptively low rent that excluded several mandatory recurring fees); see generally Zillow, *Zillow's Commitment to Transparent Rental Pricing for Renters and Housing Providers*, *supra* note 4; Finch, *What are Hidden Costs to Watch for When Renting*, *supra* note 9.

¹² See, e.g., *Greystar Real Estate Partners*, No. 25-cv-00165; see generally Zillow, *Zillow's Commitment to Transparent Rental Pricing for Renters and Housing Providers*, *supra* note 4; Finch, *What are Hidden Costs to Watch for When Renting*, *supra* note 9.

¹³ See Beales & Zywicki, *supra* note [6], at 3 (“disclosing fees only on the back-end of a transaction or unnecessarily unbundling prices into multiple parts might provide no consumer benefit and instead might be designed to confuse consumers into paying a higher price, to raise search costs to finding the best deal, or to extract consumer surplus from consumers who have already made an investment of time or energy into shopping”).

applying.¹⁴ Indeed, multiple fees and charges—application fees, screening fees, approval fees, credit reporting fees, and reservation or holding fees—can apply. One source reports recent data indicating that the average renter submits two applications, with the median application fee being \$50 per application.¹⁵ Another source indicates that, typically, each renter older than 18 has to submit and pay a separate fee for their own application.¹⁶

In addition, security deposits are a significant charge many renters are required to pay at the start of a lease. According to one survey, 83% of renters pay a security deposit, with the median security deposit reaching \$795 in 2025.¹⁷ Yet, despite the substantial size of this charge, many consumers do not know, in advance, the circumstances in which their security deposits may not be refunded or what charges could offset full reimbursement.¹⁸

¹⁴ See, e.g., *Greystar Real Estate Partners*, No. 25-cv-00165.

¹⁵ Zillow, *Renters: Results from the Zillow Consumer Housing Trends Report 2025*, *supra* note 4 (citing U.S. Census Bureau, *2023 American Community Survey*).

¹⁶ See, e.g., Zillow, Inc., *How Much Are Application Fees* (Oct. 28, 2025), <https://www.zillow.com/learn/how-much-are-apartment-application-fees/>.

¹⁷ Zillow, *Renters: Results from the Zillow Consumer Housing Trends Report 2025*, *supra* note 4 (citing U.S. Census Bureau, *2023 American Community Survey*).

¹⁸ See, e.g., Zillow, Inc., *What Are Security Deposits for Apartments?* (July 30, 2025) (cautioning renters to ask about security deposit policies and confirm the details before signing a lease), <https://www.zillow.com/learn/what-are-security-deposits-for-apartments/>; Zillow, Inc., *How to Get Your Security Deposit Back* (June 12, 2025) (reporting that, “many renters anticipate getting their security deposit back” but “only about 40% of renters get their full deposit back, while nearly a quarter walk away empty-handed” and discussing myriad steps renters should take to ensure their deposit is returned), <https://www.zillow.com/learn/get-your-security-deposit-back/>.

The Commission has taken several actions to identify and address unfair or deceptive rental housing fee practices, including research,¹⁹ consumer education,²⁰ issuing warning letters,²¹ conducting investigations and bringing enforcement actions,²² and creating an intra-agency Rental Housing Working Group and engaging in public outreach on issues related to rental housing, including hidden and misleading fees and charges.²³

¹⁹ See, e.g., Joint FTC-CFPB Tenant Screening Request for Information, Docket ID FTC-2023-0024, <https://www.regulations.gov/docket/FTC-2023-0024> (publishing more than 600 comments received in response to a request for information on issues affecting renter background screening, including requests related to application fee costs and disclosures).

²⁰ See, e.g., Fed. Trade Comm’n, Consumer Alert, *Moving This Summer? Watch for Rental Scams* (Aug. 18, 2025), <https://consumer.ftc.gov/consumer-alerts/2025/08/moving-summer-watch-rental-scams>; Larissa Bungo, Fed. Trade Comm’n, Consumer Alert, *FTC Says Invitation Homes Was Anything But Inviting* (Sept. 24, 2024), <https://consumer.ftc.gov/consumer-alerts/2024/09/ftc-says-invitation-homes-was-anything-inviting>; Anna Burns, Fed. Trade Comm’n, Consumer Alert, *What Issues Do Renters Face* (June 27, 2024), <https://consumer.ftc.gov/consumer-alerts/2024/06/what-issues-do-renters-face>.

²¹ Press Release, Fed. Trade Comm’n, *FTC Sends Warning Letters to 13 Property Management Software Providers Nationwide* (Dec. 9, 2025), https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-sends-warning-letters-13-property-management-software-providers-nationwide?utm_source=govdelivery.

²² See, e.g., *FTC v. Invitation Homes Inc.*, No. 24-cv-04280 (N.D. Ga. Stipulated Final Order entered Sept. 27, 2024); Press Release, Fed. Trade Comm’n, *FTC Takes Action Against Invitation Homes for Deceiving Renters* (Sept. 24, 2024), <https://www.ftc.gov/news-events/news/press-releases/2024/09/ftc-takes-action-against-invitation-homes-deceiving-renters-charging-junk-fees-withholding-security> (hereinafter, *Invitation Homes Press Release*); *Greystar Real Estate Partners*, No. 25-cv-00165; Press Release, Fed. Trade Comm’n, *Greystar Agrees to Pay \$24 Million and Stop Deceptive Advertising Practices as a Result of FTC and Colorado Lawsuit Alleging the Firm Deceived Consumers About Rent Prices* (Dec. 2, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/greystar-agrees-pay-24-million-stop-deceptive-advertising-practices-result-ftc-colorado-lawsuit> (hereinafter, *Greystar Press Release*).

²³ *Invitation Homes Press Release*, *supra* note 20 (“Earlier this year, the FTC formed an agency-wide Renters Working Group to examine unfair, deceptive, and anticompetitive practices affecting renters. The Commission is holding listening sessions to hear directly from renters. . . .”).

Unfair and deceptive rental housing fee practices violate Federal law. As discussed below, the Commission has filed cases against certain rental housing providers for unfair and deceptive fee practices under the Commission's general authority to take action against unfair or deceptive acts or practices in commerce under section 5 of the FTC Act, 15 U.S.C. 45(a), (n), as well as its more specific authority under the Gramm-Leach-Bliley Act, 15 U.S.C. 6821(a)(2), which makes it illegal to use false, fraudulent, or fictitious statements or representations to obtain, attempt to obtain, cause the disclosure of, or attempt to cause the disclosure of customer information of a financial institution. Violations of the FTC Act and the Gramm-Leach-Bliley Act may be subject to legal action and Federal district court injunctions. In addition, companies or individuals that violate the Gramm-Leach-Bliley Act may be subject to civil penalties of up to \$[53,088] per violation pursuant to section 5(m)(1)(A) of the FTC Act, 15 U.S.C. 45(m)(1)(A), and may be required to pay refunds to consumers or provide other relief pursuant to section 19(a)(1), 15 U.S.C. 57b(a)(1).

The Commission filed two cases in the past two years challenging unfair and deceptive fee practices by nationwide rental housing providers. In *FTC v. Invitation Homes Inc.*, No. 24-cv-04280 (N.D. Ga. Stipulated Final Order entered Sept. 27, 2024), the Commission alleged that Invitation Homes, the largest single family home rental housing provider in the country, violated section 5 of the FTC Act by, among other things, excluding mandatory monthly fees from the advertised rent, failing to disclose all mandatory monthly fees consumers must pay to rent a home, and misrepresenting and unfairly withholding deductions from security deposits. The Commission further alleged that Invitation Homes violated the Gramm-Leach-Bliley Act by falsely representing the

price of a rental home and thereby obtaining or attempting to obtain customer information of a financial institution. Invitation Homes was ordered to change its fee practices to advertise the total rent including all mandatory fees, clearly and conspicuously disclose certain information about all fees, stop unfairly withholding security deposit deductions, and pay \$48 million in consumer redress.

In *FTC and State of Colorado v. Greystar Real Estate Partners, LLC*, No. 25-cv-00165 (D. Colo. Stipulated Final Order entered Dec. 12, 2025), the Commission alleged that Greystar, the largest residential rental property owner and manager in the United States, violated section 5 of the FTC Act by misrepresenting the true cost of renting a property and by excluding mandatory, fixed fees from the advertised rent. The Commission further alleged that Greystar violated the Gramm-Leach-Bliley Act by using these false representations to induce consumers to provide their credit card or bank account information to pay nonrefundable application fees, thereby causing the disclosure of customer information of financial institutions. Co-plaintiff the State of Colorado made additional allegations under state law. Greystar was ordered to change its fee practices to most prominently advertise the total rent including all mandatory fees, clearly and conspicuously make certain disclosures about all fees, stop misrepresenting the rent and other fees, and pay \$23 million in consumer redress and \$1 million to the State of Colorado for costs and fees.

In addition, several states have passed laws and taken enforcement action to curb unfair or deceptive rental fee practices. For example, several states have enacted, or are in the process of enacting, statutes specifically to prohibit, to varying extents, practices such as advertising the price of a rental property without displaying most prominently a single

total rent or imposing certain mandatory, undisclosed, or deceptive rental fees; some also may require rental housing providers to provide certain disclosures about rental fees or charges.²⁴ In addition, some states have enacted, or are in the process of enacting, statutes that generally prohibit unfair or deceptive pricing practices, such as advertising a price for goods and services that does not include all mandatory fees and charges.²⁵ Such statutes could also be used to challenge unfair or deceptive rental fee practices. However, even those state laws that do exist only address some aspects of the many unfair or deceptive rental fee practices that harm renters across the country.

Numerous states have also filed legal actions challenging rental fee practices under state law.²⁶ In some instances, renters have also sought to challenge unfair or

²⁴ H.B. 25-1090, 2025 Reg. Sess. (Colo. 2025); S.B. No. 3, Pub. Act No. 25-44 (Conn. 2025); S.B. 251, 2025–2026 Reg. Sess. (Ga. 2025); S.B. 1039, 67th Leg., 1st Reg. Sess. (Idaho 2023), Idaho Codes and Stat. sec. 55-314 (2024); S.B. 1964, 104th Gen. Assemb. (Ill. 2025); L.D. 1490, 131st Leg. (Me. 2024), Me. Rev. Stat. sec. 6030-J (2024); H.B. 1257, 2025 Leg., Reg. Sess. (Md. 2025) (engrossed); S.B. 984, 194th Gen. Ct. (Mass. 2025); S.B. 375, 103rd Leg., Reg. Sess. (Mich. 2025); Minn. Stat. sec. 504B.120 (2025); L.B. 17, 109th Leg., 1st Sess. (Neb. 2025); A.B. 121, 83rd Leg. (Nev. 2025); H.B. 283, 2024 Reg. Sess. (N.H. 2024); S.B. 267, 2025 Reg. Sess. (N.M. 2025); S.B. 430, 2025 Reg. Sess. (Or. 2025); S.B. 2643, 2024 Reg. Sess. (R.I. 2024); H.B. 4305, 89th Leg. (Tex. 2025–2026); H.B. 68, 2021 Gen. Sess. (Utah 2021); S.B. 91, 2025–2026 Reg. Sess. (Vt. 2025); H.B. 2430, 2025 Reg. Sess. (Va. 2025).

²⁵ See, e.g., S.B. 180, 33rd Leg., Reg. Sess. (Alaska 2023–2024); S.B. 478, 2023 Reg. Sess. (Cal. 2023), Cal. Civ. Code sec. 1770(a); 940 C.M.R. sec. 38.00 (Mass. Att’y Gen. Off.); H.F. 3438, 93rd Leg., Reg. Sess. (Minn. 2024), Minn. Stat. sec. 325D.44 (2025); S.B. 363, 2025–2026 Gen. Assemb. (N.Y. 2025); S.B. 986, 2025 Reg. Sess. (Okla. 2025) (in committee); S.B. 430, 2025 Reg. Sess. (Or. 2025).

²⁶ See, e.g., *Commonwealth v. Creshem Valley Realty Co.*, No. 230701198 (Pa. Com. Pl., Compl. filed July 13, 2023), <https://www.attorneygeneral.gov/wp-content/uploads/2023/07/230713-SBG-CIE-packet.pdf>; *State v. Populum Real Estate Holdings, LLC*, No. 2024CV30023 (Colo. Dist. Ct., Stip. Final Consent J. filed Jan. 8, 2024), <https://coag.gov/app/uploads/2024/01/2024-01-08-16-17-07-Four-Star-Final-Consent-Judgment.pdf>; *Office of the Attorney General v. 786 Property Management, Inc.* (Assurance of Discontinuance announced Aug. 31, 2023), <https://oag.maryland.gov/News/Documents/2023/083123a.pdf>; *State v. Berrada Props.*

deceptive rental fee practices through private legal actions.²⁷ Similar to the State laws addressed above, however, such legal actions only address some aspects of the harmful fee practices in the rental industry.

In addition, commenters to the Commission's earlier Unfair or Deceptive Fees Rulemaking described the prevalence of many potentially unfair or deceptive rental housing fee practices. Individuals, national and local consumer interest groups, legal services entities, and elected officials highlighted the prevalence of hidden and misleading rental fees that inflate the cost of rental housing beyond what is advertised and problematic practices concerning fees imposed during the application process and throughout the term of a lease.²⁸

Mgmt. Inc., No. 2023AP1031-LV (Consent J. entered Dec. 18, 2024), https://www.wisdoj.gov/PressReleases/2.20.25_Berrada_Update.pdf; *City of Cincinnati v. VineBrook Homes, LLC*, (Compl. filed Jan. 18, 2023), <https://www.scribd.com/document/620563275/Cincinnati-vs-VineBrook-Complaint>).

²⁷ See, e.g., *Horton v. Bernstein Mgmt. Corp.*, No. 2025-CAB-004502 (D.C. Super. Ct. filed July 11, 2025) (challenging under District of Columbia law the advertising of total applicable rent that did not include a mandatory air conditioning fee); *Valencia Rios v. Belvedere NRDE, LLC*, No. 25-cv-474 (E.D. Va. filed June 23, 2025) (challenging under state law the imposition of mandatory pest and common area fees on renters for maintenance that is the legal responsibility of the rental housing providers); *Hall vs. Camden Development, Inc.*, No. 16-cv-24-005335 (Prince George's Cty. Md. Cir. Ct. filed Nov. 11, 2024, removed Feb. 5, 2025 to D. Md., No. 25-cv-366, remanded Oct. 17, 2025 to Prince George's Cty. Md. Cir. Ct.) (challenging under state law the imposition of undisclosed or misleading mandatory community, technology, and online service fees plus use of a ratio utility billing system).

²⁸ Publicly posted comments are available to view through Regulations.gov under Docket ID FTC-2022-0069 at <https://www.regulations.gov/docket/FTC-2022-0069/comments> (hereinafter, *Fees Rule Comments*); see also, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR 2066, 2074–2076, 2087–2088, 2102–2103 (Jan. 10, 2025), <https://www.federalregister.gov/documents/2025/01/10/2024-30293/trade-regulation-rule-on-unfair-or-deceptive-fees>.

Concerns raised by commenters include: (a) the lack of pricing transparency; (b) fees and charges that may exceed the cost of a good or service to the rental housing provider, pay for goods or services not ultimately provided, or represent charges for goods or services that the rental housing provider already is legally obligated to provide (e.g., pest fees, fees to maintain the furnace to provide heat, security deposit deductions for normal wear and tear or preexisting damage) or that consumers would expect to be included in the rent; and (c) fee practices that inhibit consumer choice by requiring renters to use a certain service provider.²⁹

Rental housing providers and their representatives, including local and national housing groups and associations, commented that advertised rents are often only “base” rents to which other fees and charges are later added, because many rental fees are conditional or usage-based and, therefore, are unknown upfront.³⁰ They observed that the rental relationship is ongoing and that fees are disclosed in the rental lease and throughout the lifecycle of the lease term as new circumstances arise.³¹ They also argued that regulation at the Federal level is unnecessary given existing State and local laws.³²

In the Unfair or Deceptive Fees Rulemaking, the Commission determined, in its discretion, to proceed incrementally and not include rental housing as part of that

²⁹ *Fees Rule Comments*; see also, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR at 2074–2076, 2087–2088, 2102–2103.

³⁰ *Fees Rule Comments*; see also, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR at 2070–2071.

³¹ *Fees Rule Comments*; see also, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR at 2093.

³² *Fees Rule Comments*; see also, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR at 2106.

rulemaking.³³ Based on the relevant information discussed above, the Commission's current view is that unfair and deceptive rental fee practices like those challenged in *Invitation Homes* and *Greystar*, those that have been the subject of State legislation and law enforcement and individual lawsuits, and others identified by commenters to the Unfair or Deceptive Fees Rulemaking and in recent renter surveys and reports, appear to be prevalent and may require additional Commission action. As Chairman Ferguson underscored in his *Concurring Statement* regarding *Greystar*: "the Commission's work on this case has revealed that the problem involving misleading pricing representations in America's rental markets is not limited to Greystar, and today's order will not fully resolve this problem."³⁴

C. Objectives and Regulatory Alternatives

The Commission believes a rule addressing unfair or deceptive rental housing fee practices could help reduce the level of unlawful activity in this area, serving as a deterrent against these practices because such a rule would allow for civil penalties to be sought against violators.³⁵ It also would enable the Commission to more readily obtain redress for consumers through section 19(a)(1) of the FTC Act, 15 U.S.C. 57b(a)(1).

Although the Commission has brought cases that challenge rental housing fee practices under section 5 of the FTC Act, 15 U.S.C. 45, and other statutes, its current remedial authority is limited. The U.S. Supreme Court held equitable monetary relief,

³³ See, e.g., Statement of Basis and Purpose, Rule on Unfair or Deceptive Fees, 90 FR at 2089, 2119.

³⁴ See *Concurring Statement of Chairman Andrew N. Ferguson Regarding FTC v. Greystar Real Estate Partners*, *supra* note 3.

³⁵ See 15 U.S.C. 45(m)(1)(A).

including consumer redress, is unavailable under section 13(b) of the FTC Act.³⁶

Consumer redress under section 19(a)(2), 15 U.S.C. 57b(a)(2), is limited and challenging to obtain, significantly diminishing the Commission's ability to provide timely relief to injured consumers in this critical area. Moreover, to the extent that these practices are prevalent, unlawful pricing practices and an unfair playing field persist despite the Commission's actions to date—case-by-case enforcement, warning letters, public outreach, and consumer education.

The Commission requests input on whether and how it should use its authority under section 18 of the FTC Act, 15 U.S.C. 57a, to address unfair or deceptive acts or practices involving rental housing fees and charges. Specifically, to assist the Commission in deciding whether it should engage in rulemaking and what the coverage of any such rule should be, the Commission seeks public comment about the rental housing fee practices discussed in Section II.B and any other potentially unfair or deceptive rental fee practices. These practices include: (a) failing to disclose clearly and conspicuously or misrepresenting the total rent for a unit or property, the existence of any fees or charges that are mandatory or not reasonably avoidable for a unit or property, or the nature and purpose of any fee or charge, including that the amount exceeds the cost of a good or service or pays for services not ultimately provided; (b) failing to disclose clearly and conspicuously or misrepresenting whether fees, charges, goods, or services

³⁶ See *AMG Cap. Mgmt., LLC v. FTC*, 141 S. Ct. 1341, 1352 (2021). See generally Fed. Trade Comm'n, Notice of Proposed Rulemaking: Trade Regulation Rule on Impersonation of Government and Businesses, 87 FR 62741 (Oct. 17, 2022) (describing in greater detail the Commission's perspective that promulgating new rules can be worth the cost because of the benefit in providing consumer redress when lawbreakers violate not only section 5 of the FTC Act but also a specific rule promulgated under section 18 or treated as such).

are mandatory or optional, or any material restriction, limitation, or condition that may result in a mandatory fee or charge or that may diminish a consumer's use of a rental unit or property; (c) misrepresenting that a consumer owes payments for any fees or charges that a consumer did not agree to incur; (d) billing consumers fees or charges, or for goods or services, without express, informed consent, or that rental housing providers are legally obligated to provide, or that consumers would reasonably believe to be included in the total rent; and (e) inhibiting consumer choice including by requiring renters and prospective renters to use a certain service provider.

The Commission seeks comment on, among other things, the prevalence of each of the above practices, the costs and benefits of a rule that would require the clear and conspicuous disclosure of the total rent including all mandatory fees and charges whenever consumers are quoted a price for a rental unit or property, and other potential rule requirements to curtail unfair or deceptive rental housing fee practices. The Commission also seeks comment on alternatives to or additional actions to supplement such a rulemaking, such as publishing additional consumer and business education materials and hosting public workshops. In their replies, commenters should provide any available evidence and data that support their position, such as empirical data, consumer-perception studies, and consumer complaints.

D. The Rulemaking Process

The Commission seeks the broadest participation from the public in response to this ANPRM. The Commission encourages all members of the public to submit written comments. After reviewing responsive comments, the Commission may proceed with

further steps outlined in section 18 of the FTC Act and Part 1, Subpart B, of the Commission's Rules of Practice.

III. Request for Comments

Members of the public are invited to comment on any issues or concerns they believe are relevant to the Commission's consideration of the proposed rulemaking. In addition to the issues raised above, the Commission solicits public comment on the specific questions identified below. These questions are designed to assist the public and should not be construed as a limitation on the issues on which public comment may be submitted. For all questions, the Commission seeks commenters' views, arguments, experiences, and the qualitative and quantitative data, evidence, and analyses that support or inform their answers.³⁷ The Commission requests that commenters be specific, explain their reasoning, and submit all factual data, evidence, and analyses such as the empirical data upon which the comments are based. For questions that ask about potential rule requirements (for example, Questions 55–74), the Commission requests that commenters discuss how any such changes differ from current practices, how such requirements would benefit consumers, including data, evidence, and analyses on both monetary and non-monetary benefits, and what such requirements would cost rental housing providers, including data, evidence, and analyses on capital and labor costs, and how such costs

³⁷ See Fed. Trade Comm'n, Public Participation in the Rulemaking Process, <https://www.ftc.gov/enforcement/rulemaking/public-participation-rulemaking-process>. Commenters who filed comments on other rulemaking dockets that address related issues, such as the notice of proposed rulemaking concerning a Trade Regulation Rule on Unfair or Deceptive Fees, 88 FR 77420 (Nov. 9, 2023), and who want to ensure their comments are considered in response to this ANPRM should update them, as commenters think appropriate, and re-file them on this rulemaking docket on www.regulations.gov.

vary with the size and type of the property owners. The Commission must receive comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Questions about the Rental Housing Industry and Rental Fees and Charges

1. What is the type and role of each person, entity, or organization involved in advertising and providing rental housing, billing and collecting rent, and imposing any other fee or charge on renters and prospective renters, including, but not limited to, rental housing providers (previously defined in Section II.A as rental property owners, rental property managers, and third-party property management software providers, listing services, and online rental platforms)?
2. How do rental housing providers determine the advertised rent? What is included in, and excluded from, the advertised rent?
3. What is a “base” rent? What is included in, and excluded from, a “base” rent?
4. What percentage of the rental housing market advertises a monthly rent versus rent based on another time period?
 - a. What other time periods are advertised?
5. What percentage of the rental housing market advertises a rent that does not include all mandatory fees and charges?
 - a. What factors contribute to the use of such advertised rents?
 - b. What rental housing property types most often use such advertised rents?
6. What percentage of the rental housing market advertises a total rent that includes all mandatory fees and charges?

- a. What factors contribute to the use of such total rent in advertising?
 - b. What rental housing property types most often advertise a total rent?
- 7. Historically, what changes have occurred with respect to including or excluding different types of mandatory fees and charges from advertised rents?
 - a. When did advertised rents start to itemize or unbundle each different type of mandatory fee or charge?
- 8. How widespread is the practice of failing to disclose clearly and conspicuously in any offer, display, or advertisement for rental housing the total rent including all mandatory fees and charges?
 - a. How widespread is the practice of failing to include mandatory recurring fees and charges in advertised rent?
 - b. How widespread is the practice of failing to include mandatory one-time fees and charges in advertised rent?
- 9. How common is it for rental housing providers to advertise the total rent including all mandatory fees and charges more prominently than any other pricing information?
- 10. How widespread is the practice of failing to disclose clearly and conspicuously fees and charges that have been excluded from advertised rent before renters or prospective renters consent to pay for rental housing?
 - a. How widespread is the practice of failing to disclose the nature, purpose, and amount of any such fee or charge?

- b. How widespread is the practice of failing to disclose the identity of the good or service for which such fee or charge is imposed?
- 11. How widespread is the practice of misrepresenting in any offer, display, or advertisement for rental housing any fee or charge, including: the nature, purpose, amount, or refundability of any fee or charge; and the identity of the good or service for which the fee or charge is imposed?
- 12. How widespread is the practice of misrepresenting mandatory fees or charges as optional and vice versa?
 - a. How widespread is the practice of misrepresenting that fees or charges are imposed by a government entity?
- 13. What mandatory fees or charges do renters or prospective renters incur?
 - a. What percentage of total rent do these fees or charges reflect?
- 14. What optional fees or charges do renters or prospective renters incur?
 - a. What percentage of total rent do these fees or charges reflect?
- 15. In addition to a rental housing unit or property, what goods or services do rental housing providers provide to renters or prospective renters?
 - a. For which of these goods or services do rental housing providers impose a mandatory fee or charge as a condition for obtaining or occupying rental housing?
- 16. In addition to a rental housing unit or property, what goods or services do third parties provide to renters or prospective renters and do rental housing providers collect payment for these goods and services?

- a. For which of these goods or services do rental housing providers impose a mandatory fee or charge as a condition for obtaining or occupying rental housing?

17. For what durations of time do renters occupy units and what fees do they end up paying for the duration of their residency? Please provide any data at a detailed level, such as a residential unit or property, including renter tenure and rent and any other fee payments. For example, this could include evidence, data, or analyses related to:

- a. Lease term duration (for example, 12 months), advertised rent, and payments.
- b. List of all recurring fees that are excluded from advertised rent, their nature, purpose, amount, refundability, and when and how such fees are disclosed, and actual payments received and refunds issued.
- c. List of all one-time fees or charges that are excluded from advertised rent, when they are imposed (for example, before or after move-in, during or at the beginning or end of a lease term, or at or after move-out), their nature, purpose, amount, refundability, and when and how such fees are disclosed, and actual payments received and refunds issued.
- d. Lease renewals, early terminations, evictions, and lease-breaking penalties.

18. How widespread is the practice of imposing fees or charges for goods or services that consumers would reasonably believe to be included in the advertised rent?
- a. What fees and charges would consumers reasonably believe are included in the advertised rent?
19. Is there any material difference between the terms “mandatory,” “required,” “unavoidable,” and “not reasonably avoidable” as used in the rental housing industry?
- a. Are there any other terms used in the rental housing industry that convey that a fee, charge, good, or service is mandatory or otherwise unavoidable?
20. How widespread is the practice of advertising a rent and failing to disclose clearly and conspicuously or misrepresenting any material restriction, limitation, or condition that may prevent renters from obtaining housing at the advertised rent?
- a. How and to what extent are such material restrictions, limitations, or conditions undisclosed or misrepresented?
21. What impediments, if any, exist that impact the ability of rental housing property owners and managers to advertise the total rent in their own advertising and in advertising involving third-party service providers, such as property management software providers, listing services, and online rental platforms?

22. What roles do third-party service providers, such as property management software providers, listing services, and online rental platforms, play in the advertising of rental housing pricing information, including total rent?
- a. How common is it for rental housing property owners and managers to use each such third-party service provider?
 - b. How do rental housing property owners and managers use each such third-party service provider?
 - c. How do rental housing property owners and managers transmit rental pricing information to each such third-party service provider?
 - d. How and to what extent does the technology used by such third-party service providers limit the ability of rental property owners and managers to accurately advertise total rent or other pricing information, including all fees and charges?
 - e. How common is it for such third-party service providers to limit the ability of rental property owners and managers to accurately advertise the total rent and other rental pricing information, including all fees and charges?
23. What is the state of the technology to facilitate advertising that lists the total rent including all mandatory fees and charges?
- a. What technological changes could be made to facilitate or automate advertising total rent?
 - b. What challenges, obstacles, or technological barriers do third-party service providers, such as property management software providers,

listing services, and online rental platforms, face in obtaining and displaying pricing information from property owners or managers, including the total rent and all mandatory and optional fees or charges and their nature and purpose?

c. What is the state of the technology in allowing consumers to search for and sort rental housing by total rent?

24. What mandatory fees or charges imposed by rental housing providers are contingent on renter choice, behavior, or circumstances and which are tied to the property and not to renter choice, behavior, or circumstances?

25. What mandatory fees or charges imposed by rental housing providers truly cannot be known, calculated, or estimated at the time that rental housing is advertised or at the entry of a lease?

26. What mandatory fees or charges imposed by rental housing providers can be calculated or estimated using historical data such as annual budget reconciliations, from objective measures such as a pro-rata share, or otherwise calculated or estimated for planning purposes?

27. For rental housing providers that charge or collect payment for utilities, is it feasible to include actual or estimated utility expenses in the total rent, including where utilities are subject to a ratio utility billing system (“RUBS”)?

28. How do rental housing providers calculate monthly utility charges, including where utilities are subject to a RUBS?

29. How common is it for rental housing providers to impose a fee or charge on renters for preparing, providing, or processing utility bills?

30. What one-time fees or charges must renters and prospective renters pay to obtain rental housing?
- a. How widespread is the practice of imposing these one-time charges?
31. How widespread is the practice of imposing application, holding, and reservation fees or charges to obtain rental housing?
32. What are the average amounts of application, holding, and reservation fees or charges?
33. What are the costs of evaluating applications and how much do they vary across rental housing providers?
34. Are application, holding, and reservation fees or charges most commonly refundable, non-refundable, or credited to rent?
35. Are application, holding, and reservation fees or charges charged to all prospective renters or only those who have a viable chance of securing the unit or property in question?
- a. How common is it for rental housing providers to impose such fees or charges and not fully process applications?
 - b. How common is it for rental housing providers to impose such fees or charges for a unit or property that already has been reserved by another renter?
 - c. How common is it for rental housing providers to impose such fees or charges on multiple prospective renters at the same time for the same unit or property?

36. What criteria do rental housing providers use to determine the refundability of a security deposit?

- a. When and how are such criteria communicated to renters and prospective renters?

37. What happens to one-time fees and charges such as application fees and security deposits when renters' or prospective renters' applications are accepted or rejected? Please provide any data at a detailed level, such as a residential unit or property, including tenant application behavior, or any analysis of such data. For example, this could include evidence, data, or analyses related to:

- a. Renters or prospective renters who paid an application fee, signed a lease, had their application denied, or did not ultimately rent the unit, including the number and amount of these payments.
- b. Renters or prospective renters who paid a holding fee or deposit, the amount, and whether it was refunded or applied to rent, to a security deposit, or to another fee or charge, including the number and amount of these payments.
- c. Renters or prospective renters who paid an application fee and holding fee or deposit, but the unit was unavailable, including the number and amount of these payments.
- d. Renters or prospective renters who received a refund of any fees paid, including the number of renters or prospective renters and amount of the refund.

38. How widespread is the practice of failing to disclose clearly and conspicuously or misrepresenting fees or charges imposed in connection with terminating a rental housing lease or contract?
- a. How and to what extent are those fees or charges undisclosed or misrepresented?
39. Under what circumstances or criteria are fees or charges refundable to renters and potential renters?
40. When and how do rental housing providers disclose mandatory fees or charges (including application, holding, and reservation fees, and security deposits) and their nature and purpose, to renters and prospective renters?
- a. When and how do renters and prospective renters expect rental housing providers to disclose these fees and charges?
41. When and how do rental housing providers disclose government fees or charges, including taxes, that they pass through to renters and prospective renters?
42. When and how do rental housing providers disclose penalties or other fees or charges imposed on renters for late payment or for terminating a lease early?
43. How common is it for rental housing providers to use a cover sheet or the first page of the application or lease to list all fees and charges applicable to the renter (including mandatory, optional, variable, contingent fees or charges, and their nature, purpose, amount, and refundability), the total rent, and the total move-in cost?

- a. How common is it for rental housing providers to use addenda to disclose such fees and charges, including their nature, purpose, amount, and refundability?
44. What requirements do rental housing providers impose on renters relating to payment method?
- a. How common is it for rental housing providers to require renters to use a specific payment method or platform that incurs a mandatory fee?
 - b. How common is it for rental housing providers to provide free payment alternatives and what challenges, obstacles, or technological barriers may renters face in using them?
45. How common is it for rental housing providers to initially make a fee or charge optional (including whether the fee or charge is opt in or opt out), and later make it mandatory?
- a. When and how is such a change disclosed to renters?
 - b. How quickly does the change take effect?
 - c. Is the change imposed on renters in the middle of a lease cycle or when a lease renews?
46. How common is it for rental housing providers to impose mandatory fees or charges after a renter enters a lease?
- a. When and how are these changes disclosed to renters?
 - b. How quickly do such changes take effect?
 - c. Are these changes imposed on renters in the middle of lease cycles or when a lease renews?

47. How widespread is the practice of imposing fees or charges or billing for goods or services without the renter's express, informed consent?
- a. To what extent are third parties engaging in such practices?
48. How widespread is the practice of requiring renters to use service providers (e.g., cable/internet, plumbers, technicians) designated by the rental housing providers? How does this practice impact consumers' ability to receive such services at competitive rates and how does this practice impact competition among service providers?
49. How widespread is the practice of requiring renters to pay for services they do not use (e.g., requiring renters to pay for a cable TV package)?
50. For each of the potentially unfair or deceptive practices described in Section II, does the practice harm consumers or competition?
- a. If so, how does the practice harm consumers or competition?
51. For each of the potentially unfair or deceptive practices described in Section II, are there circumstances in which such practices would not be unfair or deceptive?
- a. If so, what are those circumstances?
52. How widespread are the potentially unfair or deceptive practices described in Section II within geographic markets?
- a. Are there competition effects such that the use of such practices by one or more rental housing providers leads to the proliferation of such practices by other rental housing providers?

- b. Are rental housing providers using such practices as a way to appear cheaper relative to competitors?

53. How has the Commission's Rule on Unfair or Deceptive Fees³⁸ (16 C.F.R. Part 464) impacted the markets for live-event ticketing and short-term lodging, including, but not limited to:

- a. What benefits and costs have arisen?
- b. Has consumer search time changed?
- c. Have market prices and quantities shifted as a result of total price disclosures?
- d. What costs have firms borne to satisfy the rule's disclosure requirements?

Please provide evidence, data, and analyses on both monetary and non-monetary benefits and costs.

54. How would the Commission's earlier proposal of an economy-wide rule on unfair and deceptive fees³⁹ have impacted relevant markets, including, but not limited to:

- a. Have benefit-cost analyses been performed on the proposed total price disclosures either across the economy or with a specific focus on the rental housing market?
- b. Would consumer search time change?

³⁸ 90 FR 2066.

³⁹ See Notice of Proposed Rulemaking, Trade Regulation Rule on Unfair or Deceptive Fees, 88 FR 77420 (Nov. 9, 2023), <https://www.federalregister.gov/documents/2023/11/09/2023-24234/trade-regulation-rule-on-unfair-or-deceptive-fees>.

- c. Would market prices and quantities shift as a result of the proposed total price disclosures?
- d. What costs would firms bear to satisfy the proposed disclosure requirements?

Please provide evidence, data, and analyses on both monetary and non-monetary benefits and costs.

Questions about Potential Rule Provisions and Other Potential Commission Action

55. Is there a need for new rule provisions to prevent the potentially unfair or deceptive practices described in Section II?
- a. If so, should the Commission issue a new rule and add a new part to 16 CFR chapter 1, subchapter D, or should the Commission amend the Rule on Unfair or Deceptive Fees (16 CFR part 464)?
 - b. How should each provision of the Rule on Unfair or Deceptive Fees (16 CFR part 464) be amended, if necessary, to apply to rental housing fees and charges?
56. How should such a rule be crafted to maximize the benefits to consumers and to minimize the costs to businesses, including small businesses?
57. What terms would such a rule need to define (for example, rental housing or rental housing providers) and how should such a rule define those terms?
58. Should such a rule prohibit rental housing providers from offering, displaying, or advertising any price of rental housing without clearly and conspicuously disclosing total rent that includes all mandatory fees and charges?

- a. Should such a rule require total rent to include all mandatory recurring fees and charges (for example, mandatory administration fees, common area maintenance fees, estimated utilities, or parking)?
- b. Should such a rule require total rent to include all mandatory one-time fees and charges (for example, mandatory application, holding, reservation, and administration fees, move-in costs, and security deposits)?
 - i. If so, how could total rent be calculated to include all mandatory one-time fees and charges—could it be by amortizing, prorating, or another method?
 - ii. If not, should such a rule require such mandatory one-time fees and charges be calculated and disclosed in advertising as a total first month's rent or total move-in cost, or should another term be used?

59. Should such a rule require rental housing providers, in any offer, display, or advertisement that represents any price of rental housing, to disclose the total rent including all mandatory fees and charges more prominently than any other pricing information?

60. Should such a rule prohibit rental housing providers from failing to disclose clearly and conspicuously, before consumers consent to pay for rental housing, the nature, purpose, and amount of any fee or charge that they have excluded from advertised rent and the identity of the good or service for which the fee or charge is imposed?

61. Should such a rule prohibit rental housing providers, in any offer, display, or advertisement for rental housing, from misrepresenting any fee or charge, including: the nature, purpose, amount, or refundability of any fee or charge; and the identity of the good or service for which the fee or charge is imposed?
62. Should such a rule require total rent to include government-imposed fees and charges, including taxes?
63. Should such a rule require rental housing providers to calculate or estimate contingent or variable fees or charges?
- a. Should such a rule require rental housing providers to include such fees and charges in total rent?
 - i. If not, should such a rule require rental housing providers to disclose such fees or charges in advertising or before a renter or prospective renter consents to pay any fee or charge, including an application, holding, or reservation fee?
 - b. Should such a rule require rental housing providers to disclose contingent or variable fees or charges imposed by third parties for which rental housing providers collect payment?
 - i. When and how should such fees and charges be disclosed?
64. Should such a rule require rental housing providers to itemize all fees and charges?
- a. When and how should a rule require such itemizations?
 - b. In such itemizations, should such a rule require rental housing providers to explain the nature and purpose of each fee or charge?

65. Should such a rule require fees or charges to accurately reflect the actual cost?
66. Should such a rule require all mandatory fees, charges, goods, and services for rental housing to be disclosed before any application and holding or reservation fees or charges are imposed?
- a. When and how should they be disclosed?
67. Should such a rule require all applicable fees, charges, goods, and services to be disclosed in the lease?
- a. When and how should they be disclosed?
68. Should such a rule prohibit rental housing providers from withholding security deposit money for damages that are part of normal wear and tear or not related to damage caused by the renter (for example, to fix issues that were present before the renter moved in, or to cover the cost of maintenance, repairs, capital improvements)?
- a. How would such a prohibition impact current practices and what costs would it impose on rental housing providers?
 - b. Should such a rule require that any security deposit money paid by renters and prospective renters be used only for unpaid rent or to repair or correct damage in excess of normal wear and tear caused by the renter for which it was withheld?
 - c. Should such a rule require rental housing providers to have adequate documentation to support that the damage was caused by the renter, the amounts charged to the renter, and the actual costs incurred by the rental housing provider to repair the damage?

69. Should such a rule require that the amount withheld from the return of a security deposit reasonably reflect the amount a rental housing provider incurs to repair or correct the damage for which it is withheld?
70. Should such a rule exempt or exclude any type of rental housing providers (for example, small businesses, providers of single- or two-family homes, units in owner-occupied buildings with four or fewer units, or third-party service providers, such as property management software providers, listing services, and online rental platforms) from compliance with the rule, in whole or in part?
- a. If so, please identify such providers, provide a justification for exempting or excluding them and specify the type or types of potential requirements from which they would be exempted or excluded.
71. How would such a rule intersect with existing rental housing practices, norms, rules, laws, or regulations?
- a. Are there any existing rental housing laws or regulations, including State or local tenant protection laws relating to fees, that would affect or interfere with the implementation of such a rule?
72. Should the Commission consider publishing additional consumer and business education materials or hosting public workshops to reduce consumer injury or harm associated with the potentially unfair and deceptive practices described in Section II?

- a. If so, what should such education materials and workshops include, and how should the Commission communicate that information to consumers and businesses?

73. How would a rule requiring the disclosure of mandatory fees and charges before the consumer consents to pay affect advertising?

- a. How would advertising costs be impacted?
- b. What would it cost third-party service providers, such as property management software providers, listing services, and online rental platforms to ensure compliance with such a rule?

74. How would a rule requiring the disclosure of total rent including all mandatory fees and charges affect advertising?

- a. How would advertising costs be impacted?
- b. What would it cost third-party service providers, such as property management software providers, listing services, and online rental platforms to ensure compliance with such a rule?

IV. Comment Submissions

The public is invited to submit comments on this document. The Commission will consider all timely and responsive comments it receives on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Because of the agency's heightened security screening, postal mail addressed to the Commission will be delayed. We strongly encourage you to submit your comments online through the <https://www.regulations.gov> website. If you prefer to file your comments on paper, write "Unfair or Deceptive Rental Housing Fee Practices ANPRM, Project No. R207011" on

your comment and on the envelope, and mail your comment by overnight service to:
Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail
Stop H-144 (Annex R), Washington, DC 20580.

For comments submitted online through the <https://www.regulations.gov> website, you are solely responsible for making sure your comment does not include any sensitive personally identifiable or health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential”—as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Your comment—including your name and your State—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website. Once your comment has been posted there—as legally required by FTC Rule 4.9(b) —we cannot redact or remove your comment from that website unless you submit a written confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request. Such requests must be clearly labeled “Confidential,” must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c).

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. For

information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, *see* <https://www.ftc.gov/site-information/privacy-policy>.

V. Regulatory Review

E.O. 14215 requires all executive branch departments and agencies to submit all their proposed and final significant regulatory actions to the Office of Budget and Management (OMB) for review. E.O. 12866 says that agencies should assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and distributive impacts).

By direction of the Commission.

April J. Tabor,

Secretary.