

White House urged to cap rent at Fannie, Freddie-backed properties

BY KATY O'DONNELL | 11/04/2022 01:25 PM EDT

A coalition of tenant organizers and housing lawyers is pushing the White House to issue an executive order that would limit rent increases for millions of homes with mortgages backed by the federal government, framing it as a new tool to fight inflation.

The White House declined to comment but a spokesperson said it is reviewing [the proposed executive order](#). Seventeen policy groups and 54 tenant organizations signed off on the proposal, which was drafted by the progressive advocacy group People's Action.

The activists are urging the administration to cap annual rent increases at 3 percent or 1.5 times the rate of inflation, whichever is lower, according to a draft of the order sent to the White House on Thursday morning. The proposal would target properties with mortgages backed by the government, including those guaranteed by Fannie Mae and Freddie Mac. About 12 million of the roughly 44 million rental units in the country are federally financed, according to the Urban Institute.

Such a move could become a target for a legal challenge, after landlords successfully sued to block the government's pandemic-era eviction ban last year.

Administration officials have invited housing advocates and tenant organizers, including some of the people behind the executive order draft, to the White House for a meeting Nov. 14 to discuss “tenant protections and issues related to rental affordability,” according to a copy of the invitation seen by POLITICO. The White House confirmed the meeting.

“As of now, the Biden administration is dangerously silent on the single biggest line item in Americans’ budgets: their rent,” said Tara Raghuveer, director of the Homes Guarantee Campaign at People’s Action. “Signing this executive order is the clearest way that the president can fight inflation and take on the corporate landlords who are rent-gouging poor and middle-income families.”

While rents have started to cool down — falling over the past two months — the national median rent is still up 5.7 percent from a year ago, [according to Apartment List’s November rent report](#). The national median rent rose by 17.6 percent in 2021. The White House wants to build more units to ease price pressures more broadly over the coming years; tenant organizers say that won’t help the people feeling the pinch today.

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