

8 February 2023

*Via regulations.gov*  
Federal Trade Commission  
Office of the Secretary  
600 Pennsylvania Avenue NW, Suite CC-5610 (Annex B)  
Washington, DC 20580

**Re: Unfair or Deceptive Fees ANPR, R207011**

Dear Mr. King,

The Private Equity Stakeholder Project (PESP) is a financial watchdog organization that researches and reports on private equity investments and their impacts on various communities.

We appreciate this opportunity to comment on the Federal Trade Commission's (FTC) proposed rulemaking (the "Proposal") that would require upfront inclusion of any mandatory fees whenever consumers are quoted a price for a good or service, thereby making it harder for vendors to saddle consumers with "junk fees." We agree that enhanced fee disclosure requirements would be a step in the right direction, however we encourage the FTC to identify and promulgate an explicit list of fees that are invalid *per se*,<sup>1</sup> with the goal of eliminating junk fees altogether through strong enforcement action.

One area where the Proposal would benefit consumers is in the rental home industry, a sector that has been recently subject to predation by Wall Street investors (e.g., private equity firms ("PE"), real estate investment trusts ("REITs")). PE and REIT-owned real estate companies are notorious for imposing junk fees on tenants. For instance, one lease from Progress Residential

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<sup>1</sup> Including, but not limited to, fees that (1) are excessive in amount or greater than the cost to the landlord of a service, (2) pay for services not ultimately provided (e.g., valet trash), (3) charge for services that the landlord is legally obligated to provide as part of renting a habitable premises (e.g., pest fees, fees to maintain the furnace to provide heat, etc.), (4) prevent competition, such as requiring use of a certain insurer or cable/internet provider, (5) violate the common law doctrine against liquidated damages (e.g., penalty fees, lease termination fees that do not consider whether a landlord was able to mitigate by re-renting to a new tenant), (6) charge tenants extra for signing a month-to-month lease (also known as "month-to-month fees" and (7) are prohibited by state or local law. *National Consumer Law Center*, Comment Letter to FTC Re: Unfair or Deceptive Fees ANPR, R207011.

# PRIVATE EQUITY STAKEHOLDER PROJECT

(owned by PE firm Pretium Partners), the largest single family rental company in the United States, with over 90,000 homes, includes:<sup>2</sup>

- A \$125 late fee if rent is paid after the third of the month. If a resident pays late two or more times, Progress has the right to increase the amount of the late fee;
- A \$40 late fee if Progress posts a notice to pay rent;
- A nonrefundable fee of \$125 for lease administration;
- An eviction administration fee of \$200 for preparation of documents for an eviction proceeding;
- A \$75 trip fee to have Progress send a maintenance person to the home to make repairs;
- A \$25 account set-up fee, and a \$9.99 monthly service fee, for the mandatory use of the Conservice utility billing program; and
- An initial nonrefundable pet fee of \$300 (per pet), plus \$35 monthly per pet.

As you can see from that single lease, junk fees can potentially ruin the financial prospects of tenants already struggling with outrageous rent increases over the past few years.<sup>3</sup> Creating an explicit list of junk fees that are considered unfair and deceptive *per se*, with the additional opportunity for review and disposition (creating administrative precedent) of cases of first impression, would go a long way in protecting tenants from predatory Wall Street firms and their corporate real estate operations.

Thank you again for the opportunity to comment on the Proposal. Requiring upfront disclosure of the costs of goods and services is common sense rulemaking that protects consumers and the financial health of the economy at large. Additionally, given the economic crisis affecting tenants right now, the FTC should pay special attention to eliminating the junk fees that landlords are charging them.

If you have any questions, please contact Senior Policy Coordinator, Chris Noble, at [chris.noble@pestakeholder.org](mailto:chris.noble@pestakeholder.org).

Best,



Jim Baker,  
Executive Director



Chris Noble,  
Senior Policy Coordinator

<sup>2</sup> Progress Residential eviction filing, case # 2020-022982-CC-26, filed 12/4/20 in Miami Dade County, FL.

<sup>3</sup> <https://www.creditkarma.com/insights/i/average-rent-increase>