Written by <u>Steve Byas</u> on February 8, 2023



Biden's Renters Bill of Rights Yet Another Unconstitutional Move

The recent announcement by the Biden White House proposing what they call a "<u>Blueprint for a Renters Bill of Rights</u>" is yet another example of an unconstitutional action — and another example of either ignorance of basic economics or just demagoguery.

The "plan," as it is termed, purports to promote rent affordability and provide "protection" for those Americans who rent. It is an expansion of the federal government far beyond the enumerated powers delegated by the Constitution, and is essentially a politically inspired document. Biden called on state and local governments to implement the policies, while federal agencies will gather data and information to shape those policies.



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In the statement from the White House, Biden (or whoever wrote this power-grabbing manifesto) asserts that it will further the "principles of fair housing" by strengthening "tenant protections" and encouraging "rental affordability."

The Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) will collect information to "identify practices that unfairly prevent applicants and tenants from accessing or staying in housing." Therefore, "the two agencies will seek information on a broad range of practices that affect the rental market, including the creation and use of tenant background checks, the use of algorithms in tenant screenings, the provision of adverse action notices by landlords and property management companies, and how an applicant's source of income factors into housing decisions."

The CFPB will work with the FTC "to hold background check companies accountable for having unreasonable procedures." While these are dubbed "independent agencies," they are all carrying out Biden's dictates in this matter.

Meanwhile, another "independent" agency, the Federal Housing Finance Agency (FHFA) will "examine proposed actions promoting renter protections and limits on egregious rent increases." Ominously, the U.S. Department of Justice — which can charge individual Americans with crimes or civil actions — will monitor "anti-competitive information sharing." And, the Biden administration will hold quarterly meetings with "tenants and tenant advocates to ensure they continue to have a seat at the table and can share ambitious ideas to strengthen tenant protections."

The so-called Blueprint for a Renters Bill of Rights listed "key protections every renter deserves":

• Safe, Quality, Accessible, and Affordable Housing: Renters should have access to housing that is safe, decent, and affordable.

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- Clear and Fair Leases: Renters should have a clear and fair lease that has defined rental terms, rights, and responsibilities.
- Education, Enforcement, and Enhancement of Renter Rights: Federal, state, and local governments should do all they can to ensure renters know their rights and to protect renters from unlawful discrimination and exclusion.
- The Right to Organize: Renters should have the freedom to organize without obstruction or harassment from their housing provider or property manager.
- Eviction Prevention, Diversion, and Relief: Renters should be able to access resources that help them avoid eviction, ensure the legal process during an eviction proceeding is fair, and avoid future housing instability.

The White House statement praises actions taken by agencies in Wisconsin and Pennsylvania that have "capped annual rental increases to 5 percent per year for federally or state subsidized affordable housing."

Not surprisingly, the Biden statement injects race into the issue, arguing that evictions "disproportionally" affect black women and their children. The statement adds that since the pandemic, some landlords have taken "advantage of market conditions to pursue egregious rent increases," and promises to hold "accountable" those who "exploit market realities at the cost of renters' housing access and stability." Put into plain English, landlords should charge rents *below* the market price.

Despite this massive expansion of federal involvement in the nation's rental market, and lack of respect for the property rights of those Americans who depend on rent money for their own livelihood, nearly 50 progressive members of Congress argue that Biden's actions do not go far enough. This is a typical pattern, of course, that has been going on for decades. The far Left proposes more government controls over the economy, and then when someone like Biden proposes something less, he and politicians like him can pose as "centrist" or "moderate." This way, policies keep moving leftward in incremental steps.

These proposals talk quite a bit about those renting, but very little about those who own the property that is being rented, except to denigrate them. Property owners are cast as villains, taking "advantage of market conditions to pursue egregious rent increases." The reality is that nearly half of the rental supply in America is owned by those who have only a few rental properties. As federal government-caused inflation of the money supply drives almost all prices higher, these small-business landlords are forced to pay more and more for repairs to their units, as well as for their own purchases of food, gasoline (which has gone up dramatically largely due to Biden's policies), and just about everything else. This demonization of small-time landlords is unjust.

If tenants will not — or cannot — make their rent payments, what are these landlords supposed to do to pay their own bills?

Bob Pinnegar, president and CEO of the National Apartment Association (NAA), responded to the Biden announcement: "NAA also made clear the industry's opposition to expanded federal involvement in the landlord/tenant relationship. Complex housing policy is a state and local issue and the best solutions utilize carrots over sticks."

One can search the U.S. Constitution and never find any shred of evidence that the federal government has any constitutional authority to delve into such issues. Such involvement not only is unconstitutional, it is demagoguery and counterproductive. Bullying property owners into not responding to changing market conditions that force rental prices upward only leads to shortages of rental property and even more upward pressure on rental prices. If government — at all levels — stayed out of the free market,



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then price increases would lead to an increase in supply, which would then lead to lower prices.

Certainly, local and state government should make sure that property owners follow rental contracts, do not defraud renters, and the like. But there is no role for the federal government in rental prices of houses and apartments in the towns and cities across the country.



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