

# COMPLIANCE SUPPORT FOR SINGLE- AND MULTIFAMILY LANDLORDS

Congress, the Consumer Finance Protection Bureau (CFPB), as well as state-level regulatory agencies and attorneys-general have put landlords on notice that increased consumer compliance enforcement actions are expected. Specifically, Sherrod Brown, the chairman of the Senate Banking Committee, prompted by consumer advocacy groups, has put a focus on racial equity by calling for a CFPB review of the tenant screening process and pressing single-family landlords for evictions filed during the pandemic.

The CFPB, whose authority to pursue landlords is under some debate, also has signaled a more aggressive approach based on:

- ✓ An October 2021 staff address by CFPB Director Rohit Chopra, in which he indicated that reducing evictions is at the top of his agenda.
- ✓ A December 20, 2021, CFPB release that strongly reiterated landlords' responsibilities under the CARES Act and the Servicemembers Civil Relief Act.
- ✓ A January 26, 2022, speech discussing "junk fees." Although CFPB scrutiny of junk fees has initially been directed at banks, it easily could be extended to landlords (*which is happening currently with state regulators*).

BRG professionals have done extensive compliance work for both single- and multifamily landlords and can assist them in navigating this new compliance paradigm. Our team of experienced subject-matter experts can assist rental companies with the following:

- ✓ Review past and current evictions/demand letter process(es) to ensure no violation with the Centers for Disease Control and Prevention and other municipal-level moratoria
- ✓ Perform diagnostic reviews of policies and procedures to ensure consistency of operations across various platforms and compliance with key legal requirements
- ✓ Evaluate operations to ensure activities are in line with established policies
- ✓ Analyze tenant complaints to ensure no underlying root cause issues and breaks in operations
- ✓ Test certain activities (*from application to eviction*) to assess whether certain racial groups are treated in a disparate manner (*fair rental reviews*)
- ✓ Conduct fee analyses to determine whether amounts charged to tenants are reasonable, consistent with other market participants, compliant with applicable regulatory restrictions, and reflective of economic cost

We would encourage landlords to conduct preemptive reviews to ensure that their house is in order prior to any scrutiny from consumer advocacy groups or external regulators.



## About BRG

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