

Hidden Fees Exacerbate Eviction Crisis



Unexpected fees place an onerous burden on those seeking to house their families in safe, habitable housing.



by Patricia Dougan, staff attorney

In a [March 7, 2023 letter to those in the housing industry](#), Marcia Fudge, Secretary of the U.S. Department of Housing and Urban Development said this: “I believe that every renter should know the true costs of finding and staying in their home, and any fees charged to renters should be fair and transparent.” At a time when potential renters are facing an affordable housing shortage and high rents, unexpected fees place an onerous burden on those seeking to house their families in safe, habitable housing.

One fee, the application fee, is transparent but problematic when the home seeker must apply for and pay application fees to several housing providers, an average of \$50 or more per application. Application fees are blatantly unfair when the charge exceeds the cost of checking on the applicant or when the landlord knows at the

outset that they will not rent to an applicant- for example, those with criminal records or low credit scores. Why charge a fee when you know you won't accept the applicant? These fees can add up to hundreds of dollars and are generally not applied to any of the costs assessed upon approval such as security deposits or the last month's rent, both of which are often required in addition to the first month's rent.

Other fees, not so obvious, are those tacked on in the lease or an addendum and regarded as rent:

- the fee for setting up your account, \$10.00
- the fee for preparing and sending out your bill, \$5.00 monthly
- extermination fees, \$5.00 monthly (even though the law states the landlord is responsible for extermination)
- convenience fees for online payments (where the landlord will accept no other kind of payment), \$4.00 - \$20.00 monthly
- the cost of heating, cooling and lighting the common areas, unknown and monthly,
- liability insurance to cover the landlord, \$15.00 - \$20.00 monthly
- renter's insurance to cover the tenant's possessions whether they want it or not and,
- an additional \$100.00 per month fee for a month-to-month lease rather than an annual lease

These fees can add upwards of \$100 per month to a tenant's rent and in many cases, the amount changes from month to month making it difficult for tenants to plan a budget. These costs are labeled as rent in the lease or addendum but not advertised as rent in any ads.

On top of all that, there is RUBS. Ratio Utility Billing. Ratio Utility Billing is being seen more and more in apartment complexes, especially those managed by large or nationwide corporate property managers. RUBS allocates the cost of utility services - water, sewage, gas, electric, and trash - to residents based upon either the size of their unit or the number of tenants in the unit. There are no individual meters or sub-meters showing actual usage for any one unit. With RUBS, there is no set amount built into the monthly rent so that tenants know up front what their monthly expenses are. Granted, those who have separate billing do not know what that bill is every month, but they know what they pay on average, or they can get budget

billing. And it is their usage. [Think Utility Services](#), posted this online:

“For water, the fairest ratio is using the number of occupants, but I usually recommend using a combination of unit square footage and occupancy. This tends to heighten the lowest charges, and reduce the charges for higher occupancy units, which reduces resident complaints.” (Emphasis added.)

“The fairest ...but....” These fees may or may not reflect the actual utility usage of the resident. In addition, some landlords bill the tenants for the cost of heating, cooling and lighting common areas such as the hallways and parking lots, an expense that used to be the responsibility of the landlord is now passed on as an additional rental expense.

Until junk fees and practices that increase the cost of renting are eliminated or otherwise accounted for, tenants will be subject to monthly expenses and costs for which they cannot adequately plan. Without the ability to plan and budget, both the risk of default and the risk of eviction increase.

Youngstown and Warren are among the top 100 mid-sized cities with the highest eviction rates. This housing instability crisis impacts not only the individuals involved but the community as a whole. Families lose their possessions when they are placed at the curb and up for grabs by the neighborhood. Because they now have an eviction record, they are forced to settle for less in housing. Adults who are evicted often experience job loss, health problems and an inability to build wealth and stability for their families. Children in those households experience physical and emotional health problems and their education suffers when they are forced to change schools. The cost of services to these individuals and families are borne by the community, straining homeless shelters, health care systems and other forms of support.

As Secretary Fudge stated, “ [E]very renter should know the true costs of finding and staying in their home, and any fees charged to renters should be fair and transparent. ” Only then will tenants be able to budget, plan and avoid eviction court.

This article is part of Legal Aid’s [“Big Ideas” series](#).

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