

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051

<http://oversight.house.gov>

January 18, 2017

Timothy J. Mayopoulos
President and Chief Executive Officer
Fannie Mae
3900 Wisconsin Avenue, NW
Washington, DC 20016-2892

Dear Mr. Mayopoulos:

I write today to express my concern regarding properties purchased by Vision Property Management and its subsidiaries from Fannie Mae and offered through rent-to-own and other seller-financed transactions.

According to Vision's website, the company targets "individuals and families that may not currently qualify for conventional property purchases due to various employment, health, divorce or other financial reasons" for "Lease-to-Own property opportunities."¹ Recent media reports have detailed financial and physical harms that Vision's business model—which reportedly is structured to churn unsuspecting tenants through ever-deepening money pits—has inflicted on families with limited means.

According to the *New York Times*, Vision's rent-to-own contracts place substantial risks on tenants that traditional property rental or sales contracts do not. Vision offers each home on an "as is" basis. Under these contracts, Vision may not disclose the extensive repairs a property needs but will "require a tenant to pay for any repairs, no matter how big." If tenants fail to make the required repairs within a few months, they may be evicted—losing all expenditures they have already made on the home.²

¹ Vision Property Management, About Us (accessed Jan. 2, 2017) (online at vpm3.com/our-story).

² *Rent-to-Own Homes: A Win-Win for Landlords, a Risk for Struggling Tenants*, *New York Times* (Aug. 21, 2016) (online at www.nytimes.com/2016/08/22/business/dealbook/rent-to-own-homes-a-win-win-for-landlords-a-risk-for-struggling-tenants.html).

A report by the National Consumer Law Center indicates that contracts like those offered by Vision “are built to fail, as sellers make more money by finding a way to cancel the contract so as to churn many successive would-be homeowners through the property.”³

A separate *New York Times* report last month detailed that “Many of Vision’s homes were bought cheaply from Fannie Mae and had been empty for years.” That article detailed the experiences of Tiffany Bennett, who lives in my district in Baltimore, Maryland. According to the *Times*, “Two children, both younger than 6, for whom Ms. Bennett was guardian, were found to have dangerous levels of lead in their blood” as a result of the lead paint in the home she and her family occupied after they “entered into a rent-to-own contract with Vision Property Management.”⁴ According to the article:

Vision failed to register the property with Baltimore housing officials after buying it in 2014 from Fannie Mae, the government-controlled mortgage finance firm. It then ignored the city’s previous building code violation, according to public records reviewed by *The New York Times*.⁵

I would like to know what specific steps have been taken, or are planned, by Fannie Mae to ensure that the houses it obtains through foreclosure and re-sells will be safe for future residents, particularly children, and free from lead hazards and code violations.

I request a briefing with my staff on this matter by February 15, 2017. If you would like to discuss this request, please contact Lucinda Lessley on my staff at (202) 225-5051.

Sincerely,



Elijah E. Cummings
Ranking Member

cc: The Honorable Jason Chaffetz, Chairman
Committee on Oversight and Government Reform

³ National Consumer Law Center, *Toxic Transactions: How Land Installment Contracts Once Again Threaten Communities of Color* (July 2016) (online at www.nclc.org/images/pdf/pr-reports/report-land-contracts.pdf).

⁴ *Seller-Financed Deals Are Putting Poor People in Lead-Tainted Homes*, *New York Times* (Dec. 26, 2016) (online at www.nytimes.com/2016/12/26/business/dealbook/seller-financed-home-sales-poor-people-lead-paint.html).

⁵ *Id.*