



MILWAUKEE OFFICE

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May 21, 2020

Division of Trade and Consumer Protection
Department of Agriculture, Trade, and Consumer Protection
PO Box 8911
Madison, WI 53708
via email to davida.woldseth@wisconsin.gov

Re: Comments on Emergency Rule Prohibiting Late Fees on Rentals

To Whom It May Concern:

I am writing on behalf of Legal Action of Wisconsin, Inc., to provide comments on the emergency DATCP rule to prevent landlords from charging late fees or penalties for missed or late rent payments during the public health emergency and for 90 days afterward, Wis. Admin. Code Ch. ATCP 134. Legal Action is grateful for the opportunity to provide comments on this rule because it is of critical importance to the many low-income individuals and families that Legal Action represents.

Established in 1968, Legal Action of Wisconsin is the largest provider of free, high-quality, civil legal aid to low-income individuals in Wisconsin. With offices in six cities, Legal Action represents families, the elderly, persons with disabilities, veterans, crime victims, and domestic violence survivors in 39 southern Wisconsin counties. Since the beginning of the pandemic, our housing law unit has been hearing from clients in dire straits, including, for example, one elderly client with COPD who—prior to the eviction moratorium—received an eviction notice while she was self-quarantining, and another elderly client taking immunosuppressant medication who was told that she had to move out at the end of her lease in the beginning of May.

As DATCP understands, Wisconsin renters face an unprecedented threat to their health, safety, and economic stability. It is widely understood that having stable, quality, and affordable housing is necessary for a family's long-term mental, emotional, and physical health.¹ Housing insecurity “can contribute to chronic stress, which is associated in turn with chronic medical conditions such as heart disease, diabetes, and cancer.”² These health conditions are frightening enough on their own, but they also are underlying conditions that leave one more vulnerable to serious health complications from COVID-19. In fact, a recent report from researchers at the University of Pennsylvania, University of California—Los Angeles, and Boston University projected impacts of the coronavirus outbreak on people experiencing homelessness

¹ Community Advocates Public Policy Institute Healthy Housing Initiative, *Housing Insecurity During COVID-19*, May 11, 2020, https://ppi.communityadvocates.net/file_download/inline/117ca6cf-29f2-41b6-834c-92492f3968ce.

² *id.*

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and found that homeless individuals infected by COVID-19 would be twice as likely to be hospitalized, two to four times as likely to require critical care, and two to three times as likely to die than the general population.³ Thus it would be life-threatening for Legal Action's clients to face homelessness because they could not afford the fees or penalties associated with late rent.

Prohibiting late fees on rent gives hard-hit Wisconsinites the opportunity to catch up on their rent once they can, without spiraling deeper into debt as fees or penalties pile up. Many of Legal Action's clients lived paycheck-to-paycheck *before* the economic upheaval of the pandemic, but managed to pay their rent on time for years. COVID-related pay cuts and job losses have exacerbated poverty for many of these client-renters, making it difficult or impossible to keep up with rent. The pandemic has pushed many families into crisis. The 90-day grace period following the public health emergency further gives individuals and families the chance to earn a paycheck or finally receive their unemployment compensation or other public benefits, so that they can pay landlords the rent, and our clients can continue to stay in their homes.

DATCP's emergency rule prohibiting late fees will improve housing security—and thus health—for Wisconsin's low-income families. The unprecedented number of unemployment insurance claims filed since the end of March indicates that these families will not have enough income to pay their rent, cover medical bills, buy groceries, and manage all the other costs that could arise during the global disaster or even daily life. Late fees racking up from landlords will only cause more strain and deplete the already limited resources of struggling families. For these reasons, at least seven states and Washington D.C., in addition to Wisconsin, have prohibited landlords from charging late fees at this time.⁴ This is a sensible approach that balances landlords' interest in continuing to receive rent without adding unnecessary and additional financial burdens onto Legal Action's low-income clients.

Thank you for your consideration. Please do not hesitate to reach out with any questions.

Very sincerely,
electronically signed by Chris Donahoe
Chris Donahoe
Housing Priority Coordinator
Legal Action of Wisconsin

³ Dennis Culhane, Dan Treglia, and Ken Steif, *Estimated Emergency and Observational/Quarantine Capacity Need for the US Homeless Population Related to COVID-19 Exposure by County; Projected Hospitalizations, Intensive Care Units and Mortality*, March 24, 2020, https://www.bu.edu/ssw/files/2020/03/COVID-paper_0325_1127am.pdf.

⁴ Eviction Lab, COVID-19 HOUSING POLICY SCORECARD, <https://evictionlab.org/covid-policy-scorecard/>.

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