



The Honorable Roger Williams  
Chairman  
House Committee on Small Business  
2361 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Member Nydia M. Velázquez  
Ranking Member  
House Committee on Small Business  
2069 Rayburn House Office Building  
Washington, D.C. 20515

Date: December 2, 2025

## **Comment on the “Main Street Under Attack: The Cost of Crime on Small Businesses” Hearing**

Dear Chairman Williams and Ranking Member Velázquez;

We are writing on behalf of the members of the National Apartment Association (NAA), the National Multifamily Housing Council (NMHC), and the Real Estate Technology and Transformation Center (RETTCC), who represent the \$3.9 trillion apartment industry and its more than 40 million residents. We appreciate the opportunity to share our thoughts on the House Committee on Small Businesses’ hearing titled “Main Street Under Attack: The Cost of Crime on Small Businesses.” Housing providers are flooded with fraudulent rental applications, often including falsified personal information and documentation whose authenticity cannot easily be verified with the naked eye. Providers rely on technology to help bridge this gap and mitigate risks to their residents, employees, and rental communities. As the Committee considers risks to small businesses, we urge you to recognize the impacts of fraud on rental housing, which are acutely felt by small housing providers and their residents. More than half of the nation’s housing is owned and operated by small portfolios and independent rental owners, making this a significant issue for the industry.<sup>1</sup>

### **Fraud in Rental Housing**

NAA and NMHC surveys<sup>2</sup> and reports<sup>3</sup> have found staggering increases in synthetic identity fraud in applications, in which prospective residents utilize fabricated identities or stolen information from real people to gain access to rental communities. Housing providers have observed an increase in fabricated documentation, often generated using publicly available and easily accessible tools. The falsified materials consist of modified identification documents, fabricated credit profiles, fake employment records, and, according to (62.9%) respondents, the use of fraudulent checks or payment methods. A vast majority of respondents (93.3%) experienced fraud in the past twelve months, and most also (70.7%) reported experiencing an increase in fraudulent applications and

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<sup>1</sup> National Association of Realtors, “Mom and Pop Business Owners’ Day: Landlords of Small Rental Properties”, [Mom and Pop Business Owners’ Day: Landlords of Small Rental Properties](#)

<sup>2</sup> National Multifamily Housing Council, “NMHC Pulse Survey: Analyzing the Operational Impact of Rental Application Fraud and Bad Debt,” <https://www.nmhc.org/research-insight/research-report/nmhc-pulsesurvey-analyzing-the-operational-impact-of-rental-application-fraud-and-bad-debt>.

<sup>3</sup> National Apartment Association, “Synthetic Fraud: How to Identify, Respond To & Prevent It,” <https://www.naahq.org/synthetic-fraud>.

payments. Individuals who submit fraudulent applications and subsequently fail to pay rent account for roughly 1 in 4 (23.8%) of eviction filings, driving up housing costs for renters collectively and elevating risks to rental communities.

### **The Role of Screening in Combating Fraud**

Resident screening is a critical part of property management and operations that allow housing providers to evaluate whether a potential resident is likely to fully comply with the terms of their lease, namely the potential resident's ability to pay rent timely and consistently. Screening laws enable providers to identify and mitigate against foreseeable risks to their residents, employees, and rental communities. These are necessary, long-standing industry practices that support equal opportunity in housing and consistent decision-making.

As AI technologies are increasingly used to propel fraud become more widely available, AI-informed screening tools become increasingly critical. Housing providers strive to follow fair housing standards by using consistent, non-discriminatory criteria when screening applicants. We urge lawmakers to preserve these important risk mitigation tools and encourage innovation in this space, recognizing the growing complexity of fraudulent applications and the significant risks they present.

### **Conclusion**

We thank the Committee for its dedication to fostering thriving markets for small businesses. We urge the Committee to maintain its bipartisan effort to develop policies that safeguard small businesses and consumers. As AI and related technologies are increasingly exploited to drive criminal activity in rental housing, maintaining effective resident screening practices are essential for housing providers to combat this. NAA, NMHC and RETTC stand ready to work with the Committee to promote responsible innovation that enhances efficiency, resilience, and affordability in rental housing.

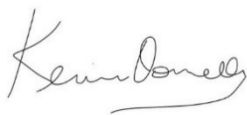
Sincerely,



Bob Pinnegar  
President and Chief Executive Officer  
National Apartment Association



Sharon Wilson Géno  
President  
National Multifamily Housing Council



Kevin Donnelly  
Executive Director and Chief Advocacy Officer  
Real Estate Technology & Transformation Center