July 28, 2026

Via rules.cityofnewyork.us
New York City Department of Consumer and Worker Protection
42 Broadway
New York, NY 10004

Re: Proposed Rule Prohibiting Charging Consumers Hidden "Junk Fees" – Comments Concerning Rental Housing Junk Fees

The National Consumer Law Center (NCLC)[1] is pleased to submit these comments in response to the New York City Department of Consumer and Worker Protection's (DCWP or Department) proposed rule to prohibit charging consumers hidden "junk fees."[2] We thank the Department for proposing an industry-neutral rule that would apply to rental housing. If finalized, these regulations would be a significant step toward protecting New York City renters and rental housing applicants from pervasive and egregious junk fees-related practices.

NCLC has written two reports about rental housing junk fees and submitted comments to the Federal Trade Commission (FTC) that discussed these fees and evaluated the agency's initial all-in pricing proposal (which was similar to the proposal here):

Reports:

- NCLC Report: "What the Heck, Dude!": How States Can Fight Rental Housing Junk Fees (updated 2025)
- NCLC Report: Too Damn High: How Junk Fees Add to Skyrocketing Rents (2023)

FTC Comments:

- NCLC and Other Groups' Comments re: the FTC's Unfair or Deceptive Rental Housing Fee Practices Advance Notice of Proposed Rulemaking (2026)
- NCLC Comments re: the FTC's Unfair or Deceptive Fees Notice of Proposed Rulemaking (2024)

In addition to highlighting these rental housing junk fees resources, these comments provide an overview of the array of junk fees renters must pay to secure and maintain rental housing and

[1] NCLC is a nonprofit organization specializing in consumer protection issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys, as well as community groups and organizations, from all 50 states who represent low-income and elderly individuals on consumer issues. NCLC also publishes and annually supplements twenty-one consumer law practice treatises. It is from this vantage point—and from years of observing and analyzing issues at the intersection of consumer law and rental housing, including rental housing junk fees, rental debt, and tenant screening—that NCLC offers these comments.
[2] NYC Dep't of Consumer and Worker Prot., Notice of Public Hearing and Opportunity to Comment on Proposed Rules (Proposed June 16, 2026), https://www.nyc.gov/assets/dca/downloads/pdf/about/DCWP-NOH-Rules-Relating-to-Junk-Fees.pdf.

how these fees contribute to housing unaffordability and precarity. These comments also provide recommendations about what the final rules should contain.

I. Pervasive Junk Fees Render Rental Housing Even More Unaffordable and Precarious and Also Jeopardize Access to Future Housing

Renters across the country, including in New York City, face an affordable housing shortage.[3] A dizzying array of fees to secure and maintain rental housing contributes to high rent prices and housing instability. Renters often must pay these unavoidable junk fees:

- During their search for housing (such as application fees, administrative fees, and "holding" fees),
- Throughout the duration of their lease (such as pest control fees, valet trash fees, utility-related fees, technology package fees, pay-to-pay fees, late fees, and court costs/legal fees), and
- At the end of their lease (such as move-out fees).

These fees can cost hundreds of dollars per month, compounding the already heavy burden placed on rental households, which make up over 67% of New York City residents.[4] And over half of renter households are rent burdened, meaning they spend 30% or more of their income on rent.[5]

Landlords frequently do not disclose up front the avalanche of mandatory fees renters must pay. A renter may be able to manage and plan for a higher rent payment if they know about it in advance, but an unexpected laundry list of steep junk fees can push them over their budget.

Landlords also may fail to accurately and adequately explain the nature and purpose of certain fees.[6] Throughout the course of their lease, renters may be forced to pay:

- Fees for services ultimately not provided,
- Fees for services that the landlord is legally obligated to provide as part of renting a habitable premises,
- Fees significantly greater than the cost to the landlord of a service, or
- Fees prohibited by state or local law.

[3] Patrick Spauster, *Record-High Street Homeless Count a Sign of City's Growing Housing Crisis*, CityLimits (July 6, 2026), https://citylimits.org/record-high-street-homeless-count-a-sign-of-citys-growing-housing-crisis/.
[4] NYU Furman Ctr., State of Renters and Their Homes (Updated Feb. 2026), https://www.furmancenter.org/soc-report/state-of-new-york-citys-housing-and-neighborhoods-in-2023/state-of-renters-and-their-homes-2023/.
[5] *Id.*
[6] *See, e.g.*, Ariel Nelson, April Kuehnhoff, Chi Chi Wu, & Steve Sharpe, Nat'l Consumer L. Ctr., Too Damn High: How Junk Fees Add to Skyrocketing Rents 16 (2023), https://www.nclc.org/resources/too-damn-high-howjunk-fees-add-to-skyrocketing-rentins/.

Surprise junk fees that renters cannot afford also jeopardize access to future housing and financial stability. Junk fees can become alleged rental debts that lead to dunning by debt collectors and negative marks on credit reports that lead to automatic rejections by future landlords.

Although these fees harm all renters, they are particularly harmful to certain groups, including renters of color. According to Zillow, renters of color, particularly Asian American/Pacific Islander and Hispanic renters, are more likely to report paying at least one recurring fee compared to white renters. Additionally, larger portions of Black (84%), Asian American/Pacific Islander (80%), and Hispanic (78%) recent renters reported paying an application fee than white recent renters (67%). Recent renters of color also reported paying higher total amounts in application fees. Black and Hispanic renters were also about twice as likely as non-Hispanic white renters to submit five applications or more.[7]

Local governments can protect vulnerable renters from widespread and abusive junk fees practices by prohibiting and otherwise regulating these fees and through enforcement of junk fees-specific and other existing laws. Indeed, over 20 states and a growing number of local governments have passed laws regulating these fees.[8]

II. Recommendations

We support the Department's overall approach to regulating junk fees, including the industry-neutral, all-in pricing requirement and the prohibition on businesses misrepresenting the nature, purpose, amount, or refundability of any fees or charges, or the identity of the good or service for which the charge of fee is imposed. We also support the recordkeeping requirement, which would facilitate critical enforcement efforts and thereby help ensure the effectiveness of any final rules.

We urge the Department to promulgate strong final rules that:

- Include rental housing junk fees.
- Apply to anyone advertising in New York City and to New York City's consumers. This should include landlords, property management companies, rental listing platforms, and any third parties charging or conveying information about rent and/or fees related to rental housing.
- Prohibit hidden, misleading, and excessive fees.

[7] Manny Garcia, Renters: Results from the Zillow Consumer Housing Trends Report 2025 (2025), https://www.zillow.com/research/renters-housing-trends-report-2025-35647/.
[8] Ariel Nelson, Steve Sharpe, April Kuehnhoff, & Chi Chi Wu, Nat'l Consumer L. Ctr., "What the Heck, Dude!": How States Can Fight Rental Housing Junk Fees 22 (Updated 2025), https://www.nclc.org/resources/what-the-heck-dude-how-states-can-fight-rental-housing-junk-fees/.

- Clarify, either in the text of the rules or in guidance, that the "final amount the consumer must pay for the transaction" includes the total price as well as any other fees (e.g., "optional add-ons").

- Clearly prohibit all fees—whether they are included in the total price or are other fees that constitute part of the "final amount the consumer must pay for the transaction"—that:

    - Are excessive in amount or greater than the cost of a service.[9]
    - Provide little or no value to the consumer in exchange for the charge.
    - Pay for services the person is required to provide.
    - Pay for services not ultimately provided.
    - Prevent competition.
    - Violate the common-law doctrine against liquidated damages
    - Are prohibited by state or local law.
    - Are contrary to public policy.

- Clarify, either in the text of the rules or in guidance, that vague descriptions of fees—both fees included in the total price and fees included in the final amount the consumer must pay for the transaction—that a reasonable consumer would not understand violate the rules.

- Require disclosure of how the consumer can cancel or opt out of any non-mandatory goods or services for which a person charges fees. This requirement should be in addition to requiring disclosure of the nature, purpose, and amount of any fee or charge excluded from the advertised total price, and the identity of the good or service for which the fee will be imposed.

- State that, where any fees or costs excluded from the total price are variable (e.g., utility costs), the business must disclose the existence of such costs, an estimate of the costs, and any formula or method for their calculation.[10]

---

[9] The Statement of Basis and Purpose of the Proposed Rule suggests that the proposed rule may prohibit charging fees that are greater than the cost of a service under some circumstances. NYC Dep't of Consumer and Worker Prot., Notice of Public Hearing and Opportunity to Comment on Proposed Rules (proposed June 16, 2026), https://www.nyc.gov/assets/dca/downloads/pdf/about/DCWP-NOH-Rules-Relating-to-Junk-Fees.pdf (recordkeeping requirements "will help ensure business cannot, for example, deceptively charge . . . a "processing fee" unrelated to the costs of processing transactions"); *id.* ("[I]f the Department alleges a violation based on the exclusion of an excessively high shopping fee from the total price, the absence of records demonstrating that the fee is based on actual shipping costs, will create a presumption that the fee is not based on actual shipping costs."). We urge the Department to clarify this in the text of the rule or, at minimum, in guidance.

[10] Proposed rental housing junk fees legislation in Seattle includes language on disclosure of estimated variable fees. Seattle City Council, Housing, Arts, and Civil Rights Committee, Agenda Packet 12–13 (July 8, 2026), https://seattle.legistar.com/View.ashx?M=PA&ID=1427265&GUID=CECF5E7D-64B4-424F-B8F9-0282301D999A ("For variable fees, a landlord shall disclose the average monthly amount over the previous 12 months. For newly constructed buildings or other circumstances where such

In addition to finalizing rules, we also urge the Department to commit to:

- Issuing guidance and FAQs to address any need for subsequent clarification.[11]

- Bringing enforcement actions against actors who violate the rule.

Thank you for your consideration. If you have any questions about these comments, please contact Ariel Nelson at anelson@nclc.org or 617-542-8010.

---

information is unavailable, a landlord shall provide an estimate of variable fees and clearly indicate that the amount of variable fees is an estimate. A landlord shall also provide a monthly statement with the amount of each variable fee to the tenant delivered in a clear and conspicuous manner.").

[11] Massachusetts has issued guidance on its junk fees regulations to "facilitate compliance with the regulations and answer expected questions from the public." Off. of the Att'y Gen., Guidance with Respect to Unfair and Deceptive Fees (940 CMR 38.00), https://www.mass.gov/doc/guidance-with-respect-to-unfair-and-deceptive-fees-2026123/download; *see also* Off. of the Att'y Gen., Junk Fees Regulations, https://www.mass.gov/info-details/junk-fee-regulations (last visited July 27, 2026) (website with junk fees guidance, including industry-specific guidance).