

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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January 18, 2017

Alex Szkaradek
Chief Executive Officer
Vision Property Management
16 Berryhill Rd
Columbia, SC 29210

Dear Mr. Szkaradek:

I write today to seek details about the properties offered through rent-to-own and other seller-financed transactions by Vision Property Management and its subsidiaries.

According to Vision's website, your 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 your business model—which reportedly is structured to churn unsuspecting tenants through ever-deepening money pits—has inflicted on families with limited means.

According to a *New York Times* article, 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—forfeiting all expenditures they have already made on the home.²

According to a report by the National Consumer Law Center, contracts like those offered by Vision "are built to fail, as sellers make more money by finding a way to cancel the contract

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).

so as to churn many successive would-be homeowners through the property.”³

A separate *New York Times* report last month 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 am concerned by these reports and I request that you provide the following information regarding properties purchased by Vision or any subsidiary from Fannie Mae, Freddie Mac, or the Department of Housing and Urban Development (HUD) over the past five years:

1. For homes that Vision and its subsidiaries have offered on rent-to-own contracts or any other type of seller-financed contracts in Baltimore, Maryland:
 - a. the address of the property;
 - b. the date and purchase price at which Vision or its subsidiaries acquired the property;
 - c. the date on which ownership of the property by Vision or its subsidiary was registered with Baltimore officials;
 - d. whether lead hazards or code violations were present at the time Vision or its subsidiaries acquired the property and the dates on which Vision or its subsidiaries mitigated these hazards or code violations, if mitigation occurred;
 - e. any citations issued to Vision or its subsidiary by the City of Baltimore and the amount of the citations;

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.*

- f. the dates on which Vision or its subsidiaries concluded rent-to-own or any other type of seller-financed transaction for the property;
 - g. whether the transaction is still in effect or the property has entered default, and for each instance of default, the date of default, the cause of the default, and the amount of money the tenant who defaulted had paid to rent and repair the home;
 - h. all Home Mortgage Disclosure Act data collected by Vision on each tenant who entered into a rent-to-own or any other type of seller-financed agreement for each property;
- 2. the total number of homes Vision and its subsidiaries have acquired from Fannie Mae, Freddie Mac, or HUD in each state, and the total sales prices paid by Vision and its subsidiaries for each of these homes.
 - 3. the total number of rent-to-own or other seller-financed sales agreement transactions that Vision and its subsidiaries have concluded for these homes by state.
 - 4. the total number of homes offered by Vision or its subsidiaries in rent-to-own or other seller-financed agreement that had lead hazards or code violations at the time the rent-town-own or other type of seller-financed agreement came into effect by state.
 - 5. the total number of rent-to-own or other seller-financed sales agreement transactions that have resulted in default for these homes by state; and
 - 6. the total amount of money that Vision and its subsidiaries have been paid for these homes by tenants under rent-to-own agreements or any other type of seller-financed agreements, by state.

Please provide the requested information and a briefing 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