

LeaseRunner Highlights Growing Burden of Rental Application Fees on Low-Income Renters as Federal Regulation Advances

As federal regulators move to crack down on excessive rental fees, new research reveals how a simple step has quietly turned into a financial burden.

DENVER, CO, UNITED STATES, June 9, 2026 /EINPresswire.com/ -- As the U.S. rental market grows more competitive, millions of renters are spending hundreds of dollars in application fees before they ever sign a lease. Federal research and new legislation are now drawing attention to a system that has quietly shifted from a standard administrative step into a significant financial burden, one that falls hardest on those with the fewest options. The real question is no longer whether the system is broken, but who it was designed to benefit.



As federal regulators move to crack down on excessive rental fees, new research reveals how a simple step in the housing search has quietly turned into a financial burden. This costs vulnerable renters hundreds of dollars and reduces their housing options

Application Fees Exceed Actual Costs

Rental application fees were originally designed to cover legitimate costs: background checks, credit reports, and employment verification, typically \$15 to \$40 per applicant. Yet renters across the country are regularly charged \$75 to \$100 or more per application.

So why are renters often paying two to four times that amount?

The Federal Trade Commission (FTC) raised this issue in its 2024 review of unfair rental fees. The FTC found that in many markets, application fees have grown well beyond their original purpose, becoming 'junk fees', charges that don't match the actual service cost.

[The End Junk Fees for Renters Act](#), introduced in Congress, now formally defines 'junk fees' as any charge that exceeds the actual cost of the service. Under this definition, much of what renters pay today qualifies as such.

In a tight market, the problem compounds quickly: renters rarely have the luxury of applying to just one unit. Every additional application means another fee, often non-refundable.



Affordable, transparent, data-driven tenant screening that helps landlords make smarter decisions and gives applicants a fairer process.”

Joseph Buczkowski

The financial impact is not distributed evenly. A 2023 Zillow survey found that Black and Latinx renters submitted five or more applications at twice the rate of white renters, and paid correspondingly higher cumulative fees. A family applying to four properties at \$75 per adult can spend hundreds of dollars before receiving a single approval. A 2023 Georgetown Law analysis highlighted a further layer of harm: renters with prior eviction records, medical debt, or criminal justice involvement face the steepest

barriers. They are most likely to apply to multiple units, least likely to be approved, and most likely to lose non-refundable fees in the process. High application costs don't just inconvenience these renters; they reduce their realistic housing options at the start.

A peer-reviewed study analyzing over 1.3 million rental listings on Craigslist found that landlords frequently use upfront financial requirements, application fees, large deposits, and move-in costs to screen applicants by financial capacity before formal screening begins. The listing itself functions as a filter. Renters who cannot absorb repeated non-refundable charges are effectively screened out before their qualifications are ever reviewed.

The FTC's 2026 proposed rule on rental housing fee practices would require landlords to disclose all mandatory fees upfront and prohibit advertising prices that exclude those charges. In Congress, the End Junk Fees for Renters Act goes further, banning landlords from reporting unpaid junk fees to credit bureaus, shielding tenants from credit damage caused by disputed charges.

At the state level, seven states- Colorado, California, Illinois, Maryland, New York, Rhode Island, and Washington- have introduced laws supporting the [Portable Tenant Screening Report](#) (PTSR), a practical solution to the problem. Where PTSRs are standard, the per-application fee issue is significantly reduced.

Legislative change takes time. For renters navigating the market today, the PTSR model offers immediate relief.

As the rental landscape shifts toward greater transparency and tenant protection, LeaseRunner's Portable Tenant Screening Report offers a direct answer to the application fee problem: a single, verified screening report that renters pay for once and share across multiple applications.

About LeaseRunner

Founded in Denver, Colorado, with over 15 years of experience, LeaseRunner is a property management platform in all 50 states. LeaseRunner provides end-to-end rental solutions, including tenant screening, lease agreements, rent collection, and income verification.

For more information, visit leaserunner.com.

Joseph Buczkowski

LeaseRunner

+1 303-325-3665

help@leaserunner.com

Visit us on social media:

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/916478274>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.