National Association of Residential Property Managers

July 31, 2026

Ethan Fallang
Deputy Assistant Secretary for Capital Markets
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Regulatory Guidance on Property Management Agreements and the Definition of Control under the 21st Century ROAD to Housing Act (H.R. 6644)

Dear Deputy Assistant Secretary Fallang,

On behalf of the National Association of Residential Property Managers (NARPM®) and the professional property managers we represent nationwide, we appreciate the opportunity to provide input as the Department of the Treasury works to implement the *21st Century ROAD to Housing Act* (H.R. 6644). While the Act takes important steps toward expanding housing availability and addressing affordability, clear regulatory guidance is essential to avoid unintended harm to the small business ecosystem that maintains and operates America's rental housing.

Specifically, we write to request that:

- Forthcoming regulations explicitly clarify that executing or operating under a Property Management Agreement (PMA) does not constitute direct or indirect control of single-family housing for the purpose of defining or scoping an "institutional investor"; and
- Treasury issue public guidance or a preliminary rule confirming this interpretation as soon as practical.

Preventing Market Disruptions and Protecting Housing Operations

Professional property managers act strictly as third-party service providers on behalf of property owners. They do not own the real estate, hold equity, or make ultimate investment or disposition decisions. Conflating a contractual agency relationship—such as a property management agreement—with ownership or operational control would mistakenly draw professional property management companies into regulatory frameworks designed solely for institutional capital owners.

Uncertainty around this definition risks severe disruption across the residential management sector. If property managers are inadvertently classified as institutional investors simply by virtue of managing multiple single-family properties across disparate clients, property management firms may be forced to turn away small property owners, curtail services, or exit markets.

Under Section 1001(b)(4)(A)(i) of the statute, Treasury is granted specific authority to issue regulations to *"minimize market disruptions upon identifying a risk of material negative impact on the housing market, including an impact on the ability of market participants to dispose of single-family homes in an orderly fashion."* Clarifying the distinction between property ownership and third-party fee management falls squarely within this statutory authority and is vital to maintaining operational stability in the rental housing market.

Statutory Alignment and Legislative Intent

Excluding third-party property management agreements from the definition of control aligns directly with both the statutory text and congressional intent:

1. Third-Party Agency vs. Ownership Control: A property management agreement is a service contract under which a property manager handles day-to-day operations—such as maintenance, tenant communications, and rent collection—for a fee. The property manager does not exercise "direct or indirect control" over the asset itself, as ultimate legal and financial control, risk of loss, and disposition authority remain entirely with the property owner.
2. Preserving Small Business Operations: Classifying third-party management as "control" would aggregate independent properties managed by a single firm, effectively treating small-scale, individual mom-and-pop housing providers as part of a single institutional portfolio simply because they hire the same professional manager. This would undermine the bill’s explicit objective to support Main Street housing options and individual homeownership without adding unnecessary friction to the existing rental supply.
3. Clarifying Rule of Construction: Under Section 1001(b)(4)(B), issuing clear regulatory criteria that exclude ~~standard~~ third-party management contracts alters neither the core scope of the statutory ban on institutional purchases nor its intended policy targets. Instead, it ensures that professional management remains available to keep single-family rental housing safe, habitable, and well-maintained.

Conclusion

To prevent market confusion, protect small business property managers, and ensure property owners retain access to professional management services, we urge Treasury to confirm explicitly in forthcoming regulations that entering into or executing a property management agreement does not constitute direct or indirect control of real property for institutional investor thresholds.

NARPM® and its members stand ready to serve as a resource to your team as Treasury drafts these critical regulations. To that end, we are available at your convenience to meet with you and your team to provide further information regarding this issue.

Thank you for your consideration of this urgent matter.

With kind regards, I am

Sincerely,

Blake Hegeman

Blake Hegeman
Acting NARPM® CEO