

House Bill 1223 Landlord and Tenant – Screening of Tenants and Renewal of Tenancy – Standards

Before the Environment and Transportation Committee March 2, 2021

Position: FAVORABLE

Renters United Maryland (RUM) is a statewide coalition of independent non-profit, legal services, and community-based organizations. We stand on the principle that housing is a human right that is critical to an individual's quality of life, the health of families, and the prosperity of communities.

HB 1223 will create standards around tenant screening, admission, and renewal of residential leases. Implementation of these standards will lead to transparency from landlords in the leasing process and implementation of nondiscrimination policies based on a potential or current tenant's status as a victim of crime or domestic violence. Additionally, it will prevent landlords from considering information irrelevant to the leasing process and will allow tenants to present relevant information about potentially insufficient credit history.

RUM supports HB 1223 because it will lower barriers to housing for vulnerable tenants and protect those tenants who need it most from being denied and terminated from safe, stable housing.

Establishing Standards Related to Credit History and a Prospective Tenant's Status as a Crime Victim in Screening Lowers Barriers to Housing Access

HB 1223 will lower barriers to housing access for those tenants who are victims of crime or domestic violence, who have insufficient rental or credit history, or who have reported events on their credit history that are more than seven years old. Tenants also may not be denied based on information that is reasonably related to a sealed court record.

For tenants who may have insufficient credit or rental history, HB 1223 provides that a landlord can request an explanation why that tenant lacks such a history. Allowing for such an interactive process is vital to a tenant who has insufficient rental or credit history due to no fault of their own. For example, a tenant who is a survivor of domestic violence may not have a significant credit or rental history due to having a financially controlling partner who did not allow them to put assets in their name or take out lines of credit on their own. These tenants currently would have no opportunity to explain this to a prospective landlord and would likely be outright denied a unit instead, leaving them without an opportunity to escape an abusive situation.

Preventing a landlord from using such information, which is irrelevant to a prospective tenant's current ability to pay rent, will help to lower barriers to housing access for tenants who may have been previously denied housing opportunities.

Requiring a Written Rental Admissions Policy will Improve Transparency and Accountability Between Landlords and Prospective Tenants

Currently, a landlord is not required to create a standard rental admissions policy for the properties they own or manage. Additionally, even if the landlord does have such a policy, they are not legally required to share it with tenants during the application process. This lack of transparency places tenants in a position where they may apply for a unit that is not a good fit for them or their family and waste precious financial resources on application fees. Tenants are also often left confused as to why their housing was denied because landlords are not required to explain the reason.

HB 1223 will require landlords both to create a written rental admissions policy and to provide that criteria to a tenant upon their request or to maintain it on their website. Additionally, the landlord must furnish a copy to the tenant once a rental application has been submitted. If a landlord denies a tenant's application for housing, the landlord must furnish a detailed document, either written or electronic, that informs the tenant why their application was denied. This means that the tenant can be fully informed about the landlord's rental criteria from the beginning of the application process to the end.

Similar policies already exist for properties that receive federal rent subsidies. The requirement to furnish these documents means that prospective tenants who have been improperly denied housing the opportunity to engage in a process with the landlord and reach more equitable resolutions.

Additionally, HB 1223 will establish a remedy for tenants to file suit against a landlord who has denied an application for reasons outside their rental policy or failed to provide documentation under the law. This allows tenants to hold landlords accountable for failing to engage in a transparent, open leasing process.

<u>Establishing Nondiscrimination Policies in Lease Renewal for Victims of Domestic Violence and Crime will Protect Victims and Reduce Homelessness</u>

Under current law, there is no safeguard that prevents a landlord from not renewing the lease of a tenant who has been the victim of a crime or domestic violence. While the law currently provides a defense based on a tenant's status as a victim of domestic violence to a breach of lease matter, no such defense exists for nonrenewal of that tenant's lease. This means that a landlord could simply opt to not renew a tenant's lease where the tenant is not to blame for the violence that was perpetrated against them by another person. And since 73.5% of all domestic incidents occur at or near the victim's home, according to the United States Department of Justice¹, the likelihood of this incident happening on site at a tenant's residence is high.

HB 1223 will change this by prohibiting a landlord from refusing to renew a tenant's lease due to their status as a victim of domestic violence and crime. If a landlord does attempt to do so, a

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¹ United States Department of Justice Bureau of Justice Statistics, "Family Violence Statistics, Including Statistics on Strangers and Acquaintances" (2005), *available at* https://www.bjs.gov/content/pub/pdf/fvs02.pdf.

tenant can bring a civil action against the landlord for damages related to said discrimination. Preventing unnecessary evictions based on a tenant's status as a victim of a crime that was not caused by them is commonsense and vital protection.

The undersigned members of Renters United Maryland urge a favorable report on SB 691.

Homeless Persons Representation Project
Public Justice Center
Our Revolution Maryland
Maryland Legislative Coalition
University of Baltimore Civil Advocacy Clinic
Chesapeake Physicians for Social Responsibility
Healthcare for the Homeless
Maryland Consumer Rights Coalition
Maryland Center on Economic Policy
Montgomery County Renters Alliance