

BRHP Advocacy Day: Supporting HB 896 / SB 677

Purpose of the Bill

HB 896 / SB 677 aims to prevent landlords from using credit scores as a reason to deny housing to voucher holders. This legislation is crucial for families, particularly those facing systemic barriers in the housing market. Many voucher holders have faced discrimination despite the guaranteed rent payments offered by vouchers, and this bill seeks to remove this unjust practice.

Why HB 896 / SB 677 Matters

1. Housing Discrimination and Its Impact:

- Families with medical debt, student loans, or past financial difficulties often face housing discrimination due to credit scores, even when they can afford the rent through their housing voucher.
- Many families with stable employment and steady incomes, who could afford their rent payments, are still denied housing because of factors outside of their control, such as past financial hardships.
- Voucher holders represent one of the most underrepresented groups in housing, and this practice serves as a loophole for landlords to deny housing to those who need it most.

2. Vouchers Guarantee Rent Payments:

- The voucher system ensures rent will be paid directly to landlords, yet landlords are still using credit scores as an excuse to reject voucher holders.
- This is a form of discrimination against individuals and families who are working toward a better life, simply because their credit score doesn't reflect their actual ability to pay rent.

3. The Importance of Stable Housing:

- Stable housing provides families with the foundation they need to thrive in other areas of life—such as employment, education, and childcare. Without a stable home, it becomes significantly more difficult to focus on improving one's circumstances.
- BRHP has created opportunities I otherwise would not have, helping me secure stable housing and a better future for my children.

Personal Testimony: Melody Mitchell

"Good Afternoon,

My name is Melody Mitchell, and I am a proud mother of three children, including a special needs child, and a participant in the Baltimore Regional Housing Partnership (BRHP) program. I am here today to advocate for HB 896 / SB 677 – a bill that would ensure families like mine are not discriminated against due to our credit scores.

Before BRHP, I faced constant struggles in securing housing for my family. High rent prices, unsafe living conditions, and a lack of affordable housing options left me feeling stuck. Even with a voucher, I couldn't find a landlord willing to accept me. The issue wasn't that I couldn't pay my portion of the rent; it was my credit score that became the deciding factor in being rejected for housing.

In my case, my credit score didn't accurately reflect my financial responsibility. Like many others, I've faced financial hardship in the past due to circumstances beyond my control. Medical debt, past student loans, and unavoidable financial setbacks are not reflective of my ability to make on-time rent payments now. These obstacles have held me back from the stability I need and deserve.

BRHP has been a lifeline for my family. While the program is not just about housing, it has provided me with resources, guidance, and a support system that I would not have had otherwise. I have been able to raise my children in a safer environment, access better educational opportunities, and receive the help I need to stay on track. BRHP has not just helped with housing—it has truly been a partner in helping my family build a better future. Without their support, I'm not sure where we would be today."

Key Statistics and Data

1. The Importance of Credit Scores:

- According to the Federal Reserve, nearly 30% of Americans have a credit score below 600. These individuals are often locked out of housing options because of arbitrary credit score cutoffs, even though they can consistently pay their rent.
- A 2021 report from the Urban Institute found that 40% of households with incomes below the median have credit scores below 700. This is a significant portion of the population affected by credit score-based housing discrimination.

2. Medical Debt and Credit Scores:

- The Consumer Financial Protection Bureau (CFPB) reports that medical debt is one of the leading causes of poor credit scores in the U.S. Millions of Americans with otherwise stable financial habits face challenges with their credit scores because of medical bills, which are often beyond their control.

3. Educational Debt:

- According to the National Student Loan Data System, over 44 million Americans hold student loan debt, which often impacts their credit scores. A large number of these individuals are working-class parents trying to provide better futures for their families, yet they are excluded from housing opportunities due to credit score discrimination.

4. The Global Perspective:

- Globally, only approximately 24% of the population has a credit score above 700, according to data from the World Bank. In many developing nations, access to financial services is limited, making credit scores an unreliable metric for evaluating an individual's ability to pay rent or mortgage. The same issue is prevalent in the U.S. where credit scores fail to reflect a person's true financial capacity.

Questions for Discussion/Consideration

1. Why are credit scores still being used as a determining factor for rental housing when vouchers guarantee payment?

- This is an outdated practice that unfairly discriminates against individuals and families who are working hard to improve their situation. It creates an unnecessary barrier for families that need stability and security.

2. What alternatives exist to measure the ability to pay rent that are more accurate than credit scores?

- Rent payment history, proof of consistent employment or income, and even reference letters from previous landlords could serve as better indicators of reliability. These methods are more reflective of the current financial situation of an individual or family.

3. How will supporting HB 896 / SB 677 help the community at large?

- This bill would ensure that families can access stable, affordable housing, which in turn would help them focus on other areas of life such as securing better jobs, improving educational outcomes, and contributing positively to society. It would lead to a stronger, more cohesive community.

4. What can state officials do to address the systemic issues in housing discrimination?

- Officials need to support policies like HB 896 / SB 677 that ensure equitable access to housing for all families, regardless of their credit scores. Further, implementing educational campaigns for landlords about fair housing practices could be a step toward eliminating biases that result in discrimination.

Conclusion

"I urge you to support HB 896 / SB 677, not just as a matter of policy but as a matter of fairness and justice. These programs have changed my life. BRHP has provided me with a sense of community, support, and the stability I need to thrive. No family should be denied housing simply because their credit score does not reflect their true ability to meet their rent obligations. Let's work together to create a fair and supportive housing market where all families, regardless of their financial history, can have the opportunity to thrive."