



Senate Bill 677– Human Relations – Discrimination in Housing – Income-Based Housing Subsidies

Position: Unfavorable

Maryland REALTORS® oppose SB 677 which prohibits credit checks on housing voucher tenants.

When “source of income” was initially passed by the Legislature, one of the important provisions in the legislation was preserving a landlord’s ability to verify the tenant’s “amount of income or creditworthiness.” Credit checks are an important tool for landlords to gauge the ability of a tenant to afford to live in their rental property. It not only is a measure of whether a tenant can afford the rent payment but whether the tenant can afford other costs (like telephone, utilities, etc.) which can impact occupancy.

Even in instances where voucher payments include some consideration for utility costs, those costs are determined in large part on “typical” costs paid based on “normal patterns of consumption.” The Public Housing Agency (PHA) sets an area-wide utility allowance schedule which may not cover all utility costs faced by the tenant in their particular unit.

Many REALTORS® are property managers for mostly single-family rentals. In that job, they are responsible for the finding the “best tenant” for the owner of the rental property not just “a tenant.” Given the tight supply of housing, many properties will have multiple tenants apply for a unit. Credit checks can be one of the important tools that property managers use to determine which tenant is best for the unit.

For these reasons, the Maryland REALTORS® recommend an unfavorable report.

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