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SB 677: Human Relations - Discrimination in Housing - Income-Based Housing Subsidies

Hearing before the House Environment & Transportation Committee on February 18, 2025

Position: SUPPORT (FAV)

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. The PJC actively works towards instigating systemic changes to establish a society founded on justice. PJC seeks the Committee's **Favorable report on SB 677** as it is a critical measure to ensure the HOME Act, fulfills its intended purpose—preventing unjust discrimination of low-income families seeking stable housing.

Subsidized vouchers already provides rent reliability and the use of credit scores in tenant screening reports are an undue burden on someone who already has the financial security provide by subsidy. Public Housing Authorities (PHAs) and other housing assistance administrators conduct comprehensive income verification and affordability assessments for their programs. Recipients of housing subsidies are required to contribute no more than 30-40% of their income toward rent, ensuring their housing costs remain manageable. Additional credit and income screening by landlords is redundant and serves only to exclude qualified low-income renters from housing opportunities.

Additionally, the use of credit scores in tenant screening perpetuates racial and economic inequities by disproportionately harming Black, Latino, and low-income renters. A study by the Urban Institute found an 80-point difference in median credit scores between predominantly white and nonwhite areas. In Baltimore specifically, the median credit score is 671 in predominantly white areas and 576 in nonwhite areas.

Further, the Consumer Financial Protection Bureau reports that 15% of Black and Hispanic adults are credit invisible, compared to just 9% of white adults. Low-income individuals are twice as likely to be credit invisible, meaning they lack enough credit history to generate a score. These marginalized groups are also largely the families served by housing assistance, and by allowing landlords to rely on credit scores, current practices reinforce these systemic disparities and limit housing opportunities for historically marginalized communities. The use of credit scores and income testing as a tenant screening tool for housing assistance recipients is unnecessary and results in the unjust exclusion of assisted families from stable housing opportunities. **It also flies in the face of the legislative intent of the HOME ACT and the purpose of subsidized housing all together. Allowing landlords to consider credit scores for subsidized tenants creates a loop hole so wide that an overwhelming majority of subsidized Marylanders are locked out of the housing market.**

By passing **SB 677**, Maryland can align itself with states like Colorado and California, which have already taken steps to prohibit this discriminatory practice. **SB 677** is a practical, equitable, and effective policy that ensures Maryland's housing discrimination laws fulfill their intended purpose.

Public Justice Center is a member of the Renters United Maryland coalition. If you have any questions, please contact Albert Turner, Esq., turnera@publicjustice.org (410) 625-9409 Ext. 250.