



February 18, 2025

Judicial Proceedings Committee
 Maryland Senate
 2 East Miller Senate Office Building
 Annapolis, Maryland 21401

Organizational Support for SB 677 – Human Relations – Discrimination in Housing – Income–Based Housing Subsidies

The undersigned organizations write to express our strong support for Senate Bill 677, which seeks to protect recipients of housing assistance from the impact of exclusionary rental screening practices, specifically the use of income and credit history as a barrier to accessing quality housing. This bill is essential to ensuring that Maryland’s source-of-income discrimination law, the HOME Act, fulfills its intended purpose—preventing unjust discrimination of low-income families seeking stable housing.

Housing Assistance Provides Rent Reliability

The widespread use of credit scores in tenant screening—employed by an estimated 90% of rental providers—creates an undue hardship for housing assistance recipients while failing to serve as a reliable proxy for measuring likelihood of paying rent. While credit scores are often used as a measure of financial reliability, they do not reflect the financial security provided by a housing 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.

The U.S. Department of Housing and Urban Development (HUD) has recognized the flaws in using credit scores as a rental screening tool, and further that there is good reason to avoid credit score screening for tenants in this specific situation. [HUD Guidance on Screening of Applicants for Rental Housing](#) states, “Limiting the use of credit scores when more relevant financial information is available may be a less discriminatory alternative to using credit scores

in all instances.” Additionally, the guidance affirms, “A government agency or other entity guaranteeing a significant portion of an applicant’s income should make it significantly more likely that the applicant’s rent will be paid on time notwithstanding any negative credit history.”

Disproportionate Racial and Economic Impact

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 HUD tenant screening guidance further acknowledges the lack of documented correlation between credit scores and rental success, stating, “HUD is unaware of any studies showing that credit reports and scores accurately predict a successful tenancy. Many households prioritize paying the rent over other debts during times of financial hardship, yet their choice to do so is generally not considered in their favor in the credit history analysis.”

Economic and Social Benefits

Beyond its discriminatory impact, restricting the use of credit scores in rental decisions benefits Maryland’s economy, housing market, and communities. Housing assistance provides landlords with a reliable rental income stream, reducing financial risk and turnover costs. At a time when Maryland faces a severe housing supply crisis, eliminating unnecessary rental barriers can increase housing access, stabilize communities, and foster economic mobility. Eliminating a practice that results in the disproportionate exclusion of housing assistance recipients from housing opportunities also aligns with Maryland’s mandate to [affirmatively further fair housing](#), which is defined in the code as “to take meaningful actions, in addition to actions aimed at combating discrimination, to; (1) overcome patterns of segregation and (2) foster inclusive communities free from barriers that restrict access to housing and opportunity based on protected characteristics.”

SB 677 is a Necessary Step Toward Fair and Equitable Housing Access

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. 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.

For these reasons, we, the undersigned organizations, urge the General Assembly to pass SB 677 and remove this unjust barrier to stable housing for low-income families across Maryland. Thank you for your time and consideration.

Sincerely,

Adria Crutchfield
Executive Director
Baltimore Regional Housing Partnership

Courtney Hall
CEO
Interfaith Works

Joanna Diamond
Director of Public Policy
Health Care for the Homeless

Matt Hill and Albert Turner
Attorneys
Public Justice Center

Leslie Dickinson
Managing Attorney
Disability Rights Maryland

Kate Scott
Executive Director
Equal Rights Center

Zoe Gallagher
Policy Associate
Economic Action Maryland Fund

Zafar Shah
Advocacy Director for Human Right to
Housing
Maryland Legal Aid