

February 5, 2026

HB 313 – Landlord and Tenant – Residential Housing – Rental Applications and Tenant Screening

Written Testimony of Mary Miguez-Jordan, Managing Attorney Civil Justice, Inc. to the House Economic Matters Committee

Position: FAVORABLE

Dear Chair Valderrama, Vice Chair Charkoudian, and Members of the Committee:

On behalf of Civil Justice, Inc., a nonprofit legal services organization, and a member of Renters United Maryland, we respectfully urge a **favorable report on HB 313**.

Civil Justice serves low- and moderate-income Marylanders statewide, with a focus on housing stability and economic justice. Through our Economic Justice Program, we represent tenants facing eviction-related debt, credit reporting and tenant screening errors, and illegal debt collection practices. For our clients, tenant rights are not abstract: Housing stability underpins economic stability. When renters are denied housing based on inaccurate or undisclosed screening information, the consequences are immediate and severe: lost application fees, prolonged housing searches, damaged credit, and increased risk of homelessness.

HB 313 addresses a growing and costly barrier to housing access. For tenants, today's rental application process is opaque, expensive, and unpredictable. Many landlords rely heavily on tenant screening reports, yet applicants are often required to pay application fees without knowing what information will be reviewed, how it will be evaluated, or whether it is even accurate. HB 313 corrects this imbalance by requiring landlords, before collecting an application fee, to disclose in writing what information will be accessed. If an applicant is denied or conditionally accepted, the landlord must explain the reason in writing and provide a copy of the report used to support the decision. The bill also rightly prohibits the use of shielded, sealed, or suppressed eviction records as a basis for denial.

These protections are urgently needed. Tenant screening reports frequently include credit data, eviction filings, employment verification, criminal history, rental history, and automated risk scores. The Consumer Financial Protection Bureau [CFPB] has received thousands of complaints about rental background check companies, many involving inaccurate or incomplete information that led directly to housing denials.

According to the Consumer Financial Protection Bureau’s analysis of complaints received between January 2019 and September 2022, the Bureau identified more than 24,000 complaints concerning tenant screening reports. Of these, approximately 17,200 complaints alleged that inaccurate information was included in prospective renters’ reports. An additional roughly 5,000 complaints involved deficiencies in tenant screening companies’ investigations of disputed information. The third most frequently reported issue, comprising more than 3,200 complaints, concerned the improper use of tenant screening reports.¹ When these reports are wrong, Maryland families pay the price.

Civil Justice regularly handles cases in which a qualified renter is denied housing based on erroneous information that they were never shown and never had a fair opportunity to dispute. In one such case, a young adult with a steady income and no eviction or criminal history was denied housing due to a delinquent rental debt incorrectly attributed to him. His name had never been added to the lease in question. Despite repeated disputes with the landlord, property manager, and credit bureaus, the error persisted. He was denied housing and ultimately secured an apartment only when it was rented in someone else’s name. He was forced to retain legal counsel simply to correct the record. This was not an anomaly. It reflects a systemic failure.

The tenant screening industry has grown into a multi-billion-dollar sector with limited oversight. Research shows these reports often rely on inaccurate eviction filings, outdated credit information, or unverified records, and their use disproportionately harms renters of color. The CFPB analyzed millions of eviction records and found 22 percent of state eviction cases were ambiguous or false, and tenant screening data often lacks the quality needed for accurate matches.² Moreover, the CFPB’s snapshot of tenant-screening complaints shows that eviction records are often reported without context or accuracy. Renters indicated that eviction data, even when incorrect, frequently led to denials of rental housing, highlighting how these records directly impact housing access.³

The Urban Institute found that eviction filings in screening datasets often lack unique identifiers, leading to false matches and ambiguous results that reduce affected individuals’ access to housing.⁴ The Urban Institute research also notes that people of color are overrepresented in eviction and criminal records, which increases the likelihood that screening tools will flag these records. Automated or poorly verified screening tools can compound structural disparities in housing access.⁵ Applicants are frequently denied housing without explanation, transparency, or a meaningful opportunity to correct mistakes, and they lose nonrefundable application fees along the way.

¹ Consumer Financial Protection Bureau. *Consumer Snapshot, Tenant Background Checks*. November 2022. https://files.consumerfinance.gov/f/documents/cfpb_consumer-snapshot_tenant-background-checks_2022-11.pdf

² Consumer Financial Protection Bureau. *Tenant Background Checks Market*. November 2022. https://files.consumerfinance.gov/f/documents/cfpb_tenant-background-checks-market_report_2022-11.pdf

³ Id.

⁴ Judah Axelrod et al., *Opening the “Black Box” of Tenant Screening, Analyzing Data Matches in Court Data* (Urban Institute, Mar. 25, 2025), <https://www.urban.org/research/publication/opening-black-box-tenant-screening>

⁵ Id.

The National Consumer Law Center found extensive errors in the reporting of evictions and criminal records. Survey respondents reported that eviction records were often included when the tenant prevailed, that sealed or dismissed records appeared in reports, and that these practices create barriers to housing for low-income renters.⁶

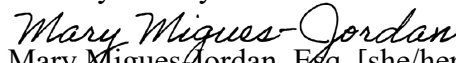
HB 313 establishes fairness and predictability. It does not prohibit landlords from using tenant screening reports. Rather, it ensures transparency, accuracy, and communication. Prospective renters will know what standards they are being judged against before they pay, and they will receive the information necessary to dispute errors or improve future applications. This approach aligns with federal adverse action notice requirements and mirrors laws already in effect in states such as Illinois, Colorado, Washington, D.C., and Pennsylvania.⁷

By way of example, Illinois tenant screening laws require written consent before accessing a background check and adverse action notices when applicants are denied based on report findings.⁸ Colorado law mandates written adverse action notices that explain the reasons for denial and inform applicants of their rights after screening-based decisions.⁹ Washington, D.C. law requires written adverse action notices that include specific grounds and dispute rights.¹⁰ Pennsylvania law follows federal adverse action notice obligations when rental decisions are based on consumer report data.¹¹ Based on available research and government sources, these jurisdictions have not seen disruption to their rental markets.¹²

In a historic shortage of affordable rental housing, Maryland cannot afford systems that arbitrarily lock qualified renters out of homes. HB 313 promotes efficiency, fairness, and trust in the rental market. It protects renters from preventable harm while preserving landlords' ability to screen applicants.

For these reasons, we strongly urge the Committee to issue a **favorable report** on HB 313.

Thank you for your consideration.


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⁶ National Consumer Law Center, *Broken Records Redux* (2019), <https://www.nclc.org/resources/broken-records-redux>

⁷ Fair Credit Reporting Act, 15 U.S.C. § 1681m (requiring adverse action notices when housing decisions are based on consumer reports).

⁸ 765 Ill. Comp. Stat. 710/10 and 710/15 (Illinois Rental Application and Screening Disclosure requirements, including notice obligations when using consumer reports).

⁹ Colo. Rev. Stat. § 38-12-904(1)–(3) (requiring disclosure of rental application criteria and written notice of denial based on screening information).

¹⁰ D.C. Code § 42-3505.10 (mandating advance disclosure of screening criteria and written adverse action notices to rental applicants).

¹¹ See 15 U.S.C. § 1681m; see also Pa. Human Relations Commission, *Fair Housing Law Guidance*.

¹² See, for example, National Housing Law Project, *State and Local Tenant Screening Protections* (updated periodically) (summarizing tenant screening transparency and adverse action laws in Illinois, Colorado, Washington, D.C., and other jurisdictions, with no findings of reduced rental supply or market destabilization).