

## HB 313 - Landlord and Tenant - Residential Housing - Rental Applications and Tenant Screening

### Position: FAVORABLE

My Name is Ray Nosbaum, and I am a member of the Long Branch Housing Action Team (LBHAT). Our organization is a member of Renters United Maryland, and I ask for a favorable report on HB 313

Finding a new rental home has become expensive, arbitrary, and unpredictable. HB 313 is a step forward to addressing this issue. HB 313 requires landlords, before accepting a rental application fee, to explain to tenants in writing what information will be accessed in a tenant screening report. If a tenant is denied or offered conditional acceptance, the landlord must explain to the rental applicant in writing why they were denied and must include a copy of the report used to make the determination or information on how to obtain the report. In addition, HB 313 also prohibits the landlord's knowing use of most shielded, sealed, or suppressed eviction records as a reason for denial of tenancy.

This is important because Long Branch is a working class, mostly immigrant community. Immigrants are taken advantage of in so many ways. HB 313 would prevent one more way that many landlords take advantage of A.I. and other tools to hide information and deny fair and equitable leases

The tenant screening service industry has ballooned into a billion-dollar industry in the past few decades, in no small part due to the rise of A.I., and with little oversight under the Trump Administration. This dynamic has led landlords to lean on tenant screening reports that are filled with errors and exacerbate racial disparities.<sup>1</sup> **Research has found that many of these screening reports use inaccurate eviction filings, criminal records, and credit history data to deny an otherwise qualified renter.<sup>2</sup> Landlords blindly use this inaccurate data to deny qualified renters, leaving the unsuspecting renter less an application fee and without a home.** Further, these reports generally do not allow applicants to correct mistakes or provide context for information in the report, with many landlords failing to inform applicants of their right to dispute this information.<sup>3</sup>

HB 313 would ensure that a prospective renter will know before they pay an application fee exactly what the landlord will use to qualify them for tenancy and will ensure that the landlord is using accurate information when evaluating the renter. HB 313 also aligns with existing federal adverse action notice requirements and with similar laws that have been passed in Illinois, Colorado, Washington D.C., and Pennsylvania; these laws have not disrupted rental markets.

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<sup>1</sup> The Discriminatory Impacts of AI-Powered Tenant Screening Programs, <https://www.law.georgetown.edu/poverty-journal/blog/the-discriminatory-impacts-of-ai-powered-tenant-screening-programs/>

<sup>2</sup> Digital Denials: How Abuse, Bias, and Lack of Transparency in Tenant Screening Harm Renters, <https://www.nclc.org/resources/digital-denials-how-abuse-bias-and-lack-of-transparency-in-tenant-screening-harm-renters/>

<sup>3</sup> CFPB Reports Highlight Problems with Tenant Background Checks, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-reports-highlight-problems-with-tenant-background-checks/>

Further, HB 313 does NOT prohibit landlords from continuing to use tenant screening reports from screening companies. Instead, it ensures that applicants receive copies of these existing reports so they can identify any errors that need to be corrected or understand which aspects of their application need improvement before unnecessarily applying to another rental property. HB 313, gives prospective tenants the transparency and predictability they deserve in a rental application process increasingly dictated by black-box algorithms with no backstop to inaccurate reporting.

Tenants have a right to transparency, communication, and predictability in the rental application process. This can only come from accurate reporting and knowledge about the contents of screening reports. HB 313 enables this.

I urge a **favorable report on HB 313.**

Thank you,  
Ray Nosbaum