To Chair Fahey and Members of the Committee,

My name is Sarat Fegurgur. I am a lifelong resident of Oregon (currently Hillsboro) and have been in the tenant screening industry since February of 2013. Prior to my current employment I worked in the retail sector as a banker, computer parts salesman, and gas station cashier/pumper. I have experienced a diverse range of economic situations from being a minimum wage, low-income renter to now being the sole earner in a 5 person household in which I am the homeowner. I believe my experiences have allowed me to have a unique perspective upon the legislative proposal of HB2427.

I am not a college graduate, nor do I come from a family of influence or established means. My parents are both immigrants, one of whom came to this country as a refugee. When I see the current challenges faced by renters in trying to secure affordable and safe housing, I see the exact same challenges I faced as a young adult. The greatest barriers I faced were misinformation, lack of transparency, and the inability of landlords and management companies to properly acquire and convey the necessary facts that will facilitate acceptance into a rental property.

To clarify, when I see the suggestion of a standardized rental application, I can see how this may help many people who aren't as aware of the required information they need to produce in order to qualify. By keeping it simple, you can possible reduce the occurrence of errors. However, my experience in the tenant screening industry has shown that there are other factors (factors which are easily rectified on the tenant/prospective applicant side) that play a bigger role into preventing the acquisition of rental housing. By far, the most common issue I have encountered is accuracy. Too often, an applicant may claim current employment, when they have not actually worked for several months. Many times, I see claims of "no debts, all paid up" only to find several utilities in collection or worse, landlord/property collections. The most disturbing instances are when an applicant will claim no legal issues in their history, only to discover an outstanding arrest warrant.

These situations are not to paint applicants as inherently dishonest. Quite the contrary, I believe most people are simply putting down "what they think will get them in", rather than expressing the most accurate facts possible. However, it has become the case of "my turkey is an emotional support animal" in which it is impossible for landlords or property managers to determine at face value which applicants are being intentionally misleading and which are not, necessitating summary dismissal of all applications with inaccurate information.

Another area I fail to see where a standardized application and screening report will increase housing acceptance is with regard to established disqualifying factors. An unfortunate byproduct of recent economic instability, as well as previous troubles, is that many persons have information that regardless of whether the application was filled out perfectly, they simply <u>do not qualify as is.</u> One may even omit factoring in the economic collapse due to the public health crisis, instead taking into considerations conditions prior to 2020 in this regard. Taking the F.A.I.R. act passed by the Portland City Council as an example, we were recently asked whether we had seen a reduction in disqualified applications. Our peers and I both emphatically answered in the negative. A person with disqualifying

information 2 years ago still has the disqualifying information now. I am not advocating for new statutes to dictate to landlords on what factors they may or may not consider unless it pertains strictly to the immutable characteristics of a person as protected by their rights under Fair Housing Laws, however it would greatly help prospective tenants if housing advocacy organizations and/or housing authority officials could take a more proactive role in preparing people to overcome the challenges that their individual histories would present. This would be a far more effective change to securing housing for demographics of limited means than standardizing tenant screening, tenant screening reports, and rental applications. Too often I am presented with a phone call from a housing advocate wondering why their client did not qualify for a unit, only to inform them that recent criminal convictions or an existing landlord debt prevented qualification. This should never be a conversation I have to have. These organizations and their personnel need to be completely informed on their clients' information and be prepared to seek out potential sites for housing acceptance, assisting their client in preparing any necessary documentation possible to facilitate acceptance, instead of blindly applying and using reactive means to try to overcome a denial. As it stands, it seems like a waste of time and the applicant's money which I can easily see how they would be discouraged to engage in the process any further.

On the issue of transparency, one of the biggest questions I receive from landlords is "what is my criteria?" My answer is always, of course, "whatever **you** have established." What this tells me is that often, many landlords are unsure of what criteria they can use and even more unclear on how to apply it. I fully agree and applaud the statute that requires landlords to publish their criteria. I also believe landlords need to be reassured that so long as their criteria does not violate Fair Housing statutes, that they should feel confident enough in what they have established that they can communicate it on-demand without fear of reprisal. Often, I hear the phrase "am I allowed to say this?", when not only are they allowed to say it, but they should be communicating it more often. This variance in criteria also raises another concern I have with the standardized reports proposed by HB2427: How can we guarantee that they will meet the needs of every landlord?

A standard criticism regarding current tenant screening is time. It takes too long, and is too costly. Personally, I agree with this sentiment. My company takes pride in our ability to produce a full tenant report in two business days. We are committed to making sure our clients have the ability to make an educated assessment using the most accurate information available. However, our biggest barrier here is the industry itself. The rental housing industry thrives on the ability to easily convey information from one entity to the next, allowing us to establish who would constitute considerable financial risk and who would be a low-risk tenant. The processes we rely on to accomplish this function are lacking in contrast to available technology. The most basic building block of a useful tenant report, the Rental Reference is critical in establishing the ability to qualify for a unit, but in some cases may take upwards of 3 calendar days (or worse, depending on the organization structure of the landlord from whom the information is requested). I have observed that the delay is usually caused by inadequate record-keeping practices. Personally, I was under the impression that tenant records must be accessible for at least seven years at any given moment. Unfortunately, the reality is far from this perception. With constant management changes, ownership transitions, and other managerial upheavals, I find that records retention and access is an area in grave need of examination if we are to

facilitate the process of timely application processing. In addition, the most egregious area of information acquisition is by far criminal and civil eviction records. Each state and locality maintains its own guidelines, procedures, and regulations regarding timeliness and availability of records at varying levels of cost. These variances not only increase the time required to process applications, but monumentally increase the cost which ultimately must be passed along to the landlord which in turn ultimately falls upon the tenant. I understand the need for agencies to be protective of their criminal records, however their draconian policies also hurt the tenants not just in regards to the screening process in time and money wasted, but with the very real possibility that incomplete information may be passed along to the landlord which may result in a high-risk individual being placed into a community that is unprepared for their presence. If we are to truly enhance the methods in which we obtain a decision on whether or not an applicant qualifies for a rental unit in a timely and efficient manner then these areas of information transmission must be addressed as soon as possible.

I completely understand and empathize with the committee's goal of finding a solution to streamlining the application process in order to reduce the time and money wasted by prospective tenants. However, there are too many underlying issues that first must be resolved before the solution proposed in HB2427 will make any meaningful effect. Encourage landlords to adopt clear and non-discriminatory criteria, while offering protection against frivolous litigation. Establish clear guidelines for records retention and transmission, again while offering protection from frivolous litigation due to potentially negative information. Allow tenant screening companies increased access to the resources they rely upon to complete their tasks in a timely and accurate manner. Encourage housing advocacy organizations to obtain full profiles of their clients and compare those profiles to available units, preparing supporting documentation to overcome identifiable barriers before they risk their client's time and finances. These are just a few examples of how the process could be improved to the benefit of prospective tenants. If queried, I'm confident my peers could offer even more suggestions on how the system could be improved beyond a costly state-sponsored venture that has little-to-no data on how effective it would be if implemented. There are many questions arising from the legislative text as-written, and I am sure my contemporaries in the industry will raise their own objections regarding the clauses found therein. In closing, I believe there are less-costly options that should be explored before enacting a state-mandated process, and because I believe there are other avenues that should be explored I am firmly opposed to HB2427 and urge you to reconsider its passage.