

Testimony Submitted by
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Oregon Consumer Justice
To the House Committee on Housing

February 2, 2022

Regarding: Support for HB 4125

Chair Fahey, Vice-Chair Morgan, Vice-Chair Campos, and Members of the Committee,

I appreciate the opportunity to testify today and am pleased to submit this testimony on behalf of Oregon Consumer Justice. Launched in 2020, [Oregon Consumer Justice](#) (OCJ) is a nonprofit organization committed to ensuring that all people in Oregon experience a safe and fair marketplace, free from predatory and exploitative practices. We are especially focused on those communities that have been historically and systematically excluded or harmed by unfair practices.

Our priorities are guided by community voices, and we strategically focus on opportunities to:

- balance and re-imagine systems by advocating for laws that protect consumers and systems to ensure those laws are effective,
- communicate to shift the narrative about consumer justice and achieve equitable outcomes, and
- build and strengthen consumer access to justice.

Renters are consumers in the housing marketplace, and because of the current low vacancy rates and rapidly rising rents they have less ability and leverage to negotiate and less power as consumers. People needing to move often complete rental applications with multiple landlords as they search for a new home. The Oregon legislature should address this power dynamic and provide some protections for consumers in this space. HB 4125 will provide some additional consumer protections to these families.

Prospective tenants frequently pay fees without ever hearing about the status of their application or whether their background check was run. Many applicants are also unaware of their right to have the fee returned if the application was never processed or if the unit is filled before their application is considered. These application fees represent a financial burden to tenants, and tenants need tools to reduce this burden.

This bill identifies narrow changes to applicant screening law to help renters and landlords navigate requirements for accepting application fees and for returning them when the application isn't processed.

The bill has four components:

- *Notice of rights*: requires landlords to provide notice to the applicant when charging an application fee stating when and under what circumstances it should be returned.
- *Confirmation of screening*: requires that landlords provide confirmation or a receipt to the applicant when a background check has been run.
- *Fee return*: changes the requirement for returning the application fee from "within a reasonable amount of time" to 14 days, if the unit is filled before the applicant is screened or if the applicant asks for the fee back in writing and the landlord has not done the screening yet.
- *Penalty*: increases the penalty for violating this section from \$150 to \$250.

The common-sense consumer protections included in HB 4215 will help ensure a fair marketplace in which potential renters have the information they need and landlords will return fees quickly if the applicant is not screened. These changes also mean that if the applicant is selected for a rental and still has applications out to other units, they can recover any fees paid to other rental listings if the screening has not been done yet.

We urge your support of HB 4215.

Thank you for your consideration, and for your service to Oregon communities.