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*Margaret Salazar -
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*Sheila Stiley - NW
Coastal Housing*

February 16, 2025

Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and members of the committee,

Thank you for the opportunity to provide testimony today. My name is Kevin Cronin, and I serve as the Policy and Advocacy Director for Housing Oregon, a statewide association representing over 120 affordable housing developers, homeless service providers, and affordable homeownership advocates. I am here today to express our strong support for House Bill 2967, which would eliminate rental application fees.

Rental application fees create a serious financial barrier for people searching for housing, particularly those who are already struggling to make ends meet. Many of our member organizations provide homeless services, and their staff regularly see how these fees force people to spend money they can't afford just for the chance to apply for housing. For those who receive a Section 8 housing voucher, time is critical. Depending on the jurisdiction, they have only 120 days to secure a unit before losing their voucher. While the voucher ensures affordable rent, it does nothing to cover application fees and security deposits. This means people who have already spent years on a waitlist may lose their opportunity for stable housing because of costs that have nothing to do with their ability to pay rent.

The financial burden is substantial. Many Americans struggle to come up with \$500 for an emergency. For people without savings or stable housing, paying multiple application fees along with a security deposit is impossible. A household with two adults applying for just three rental units could pay \$240 or more in application fees alone. This is money that could be spent on food, transportation, or other basic needs.

Academic research has found that Black and Brown families pay more in application fees than White families. On average, they apply to more units before securing housing, increasing the financial burden.

Landlords have little reason to keep application fees low. These fees discourage lower-income people from applying, which effectively limits who gets to compete for housing. Landlords can charge applicants regardless of whether they rent to them. This creates an incentive to purchase expensive screening software and pass the cost onto renters, even those who will never live in their units.

Multifamily Northwest has testified that the goal should be to support both tenants and housing providers. Right now, the system forces tenants to absorb the cost while landlords face no restrictions. During the interim, we worked with Multifamily Northwest to find a compromise, including a proposal to cap application fees at \$10. Unfortunately, an agreement was not reached.

Another option we explored was a universal, transferable rental application. This would allow tenants to pay one fee no matter how many places they apply to. Landlords opposed the idea because it limited their ability to control the screening process. When Representative Gamba asked landlords whether they would prefer a universal application or a full ban on application fees, most preferred eliminating fees altogether. This shows that the simplest solution is often the best one.

House Bill 2967 is a clear, practical solution that will make it easier for people to secure stable housing. It removes an unnecessary financial burden on renters and helps ensure that housing vouchers can be used effectively. I urge you to support this bill.

Thank you for your time.

Sincerely,

Kevin Cronin
Director of Policy & Advocacy
Housing Oregon