

Chair and Members of the Committee,

My name is Amy Bertrand, and I am the Leadership Executive at Bemrose Consulting, a local tenant screening company operating out of Portland Oregon. I appreciate the opportunity to provide testimony regarding HB 2967, which seeks to prohibit residential landlords from charging applicant screening fees. While the bill's intention to ease financial burdens on renters is commendable, I must strongly oppose it due to the negative implications it would have on landlords, property managers, and ultimately, tenants themselves.

It is important to note that landlords do not profit from applicant screening fees. These fees are simply a mechanism to cover the actual costs of background checks, credit reports, and other screening processes that landlords must conduct to evaluate potential tenants. The idea that landlords are making money off these fees is a misconception. In fact, existing laws [ORS 90.295(2)] already ensure that screening fees cannot exceed the actual cost of the screening process, ensuring fairness for tenants.

To better understand the reality of applicant screening costs, let me provide a breakdown of typical fees:

Estimated Cost Breakdown Per Applicant Screening Report	
Description	Cost
Credit Check without FICO Score	\$3.50
Credit Check with FICO Score	\$5.50
Oregon Criminal Records Search (per name)	\$1.25
Washington Criminal Records Search (per name)	\$1.25
Criminal Records Search in many counties (per name)	\$1-5
Criminal Records Search in Texas (per name)	\$3.25
Criminal Records Search Alabama (per name)	\$9.99
Criminal Records Search in Colorado (per name)	\$10
Criminal Records Search in Michigan (per name)	\$10
Criminal Records Search in Massachusetts (per name)	\$25
Criminal Records Search in Tennessee (per name)	\$65
Labor Cost	\$15.95* - \$50+
Additional Costs: Software, Equipment, Training, Facilities, Admin	\$+
Total Cost	\$21.95 - 155.50+

*\$15.95 is the minimum wage in Portland; however, please note that at our company we pay our team members more than minimum wage.

Thus, the total Cost per application is between \$21.95 - \$155.50+, depending on the provider and the scope of the checks

While the intention behind HB 2967 is to reduce upfront costs for tenants, the unintended consequence will be higher rents across board. To absorb the costs of screening, landlords will increase monthly rental rates to make up for the loss of screening charges. This will ultimately lead to higher overall housing costs for tenants, especially those in the lower-income brackets that the bill seeks to protect.

Lastly, one of the most concerning implications of this bill is the potential negative impact on community safety. Applicant screening is crucial for ensuring that landlords are renting to responsible tenants who do not pose a risk to the safety of the property or the neighborhood. Without the ability to charge screening fees, many landlords may be less inclined to conduct thorough background checks or may cut back on their screening processes. This could result in more individuals with criminal history, including violent or property-related offenses, being approved for tenancy. The increased presence of individuals with criminal backgrounds can elevate the risks of property damage, theft, and even violent incidents in communities, making it harder for residents to feel safe in their homes.

In conclusion, while I understand the goal of reducing tenant costs, I urge the committee to reconsider HB 2967. The bill creates a financial burden for landlords, which will lead to higher rents for tenants, and will reduce the availability of housing options. Additionally, creating additional hurdles for housing providers will exacerbate the trend of investors moving out of the local market. A more balanced approach is necessary to achieve the goal of affordable housing without unintended negative consequences.

Thank you for your time and consideration.

Sincerely,
Amy Bertrand