

I vehemently oppose HB 3974. I have been a professional property manager for over twenty years, and I represent independent property owners in the city of Portland. Most of my owners have one or two properties. Many are retired living on a fixed income and depend on their rental income to cover their monthly expenses.

Screening fees are currently a pass through expense and should absolutely remain that way. Housing providers are only permitted to charge prospective tenants the amount that the screening services charges to screen the file. This is typically \$50. Property owners are also required to accept applications first come, first serve. **We depend on professional screening to protect our tenants and our property. I relied on tenant screening to deny a lease to an adult convicted of sexually abusing a minor. The home was near a playground. Housing providers depend on screening applicants to protect their tenants, the community, their vendors, and themselves.**

It will be a devastating expense to housing providers to assume these fees, especially since they are required to accept applications first come first serve. Obligating housing providers to cover the screening fees for applicants who have no chance of being approved adds substantial costs to housing providers and delays getting properties rented. It typically takes screening services four days to run the reports. That mean that the unit is off the market for at least four days, and the owner of the unit is paying two thirds of the cost for a report on behalf of a tenant who has no chance of qualifying for the residence. I can assure you from direct experience that I have had **many** parties tour units they have no chance of qualifying for, and **the only reason** they do not submit an application is because they do not want to cover the screening fee.

This very flawed and dangerous proposal would cause significant hardship to independent housing providers. Applicants are screened to determine if they can meet the financial criteria for the rental unit, and if they present any dangers to other tenants of the property as well as owners and vendors. It is unconscionable to expect housing providers to cover the cost of screening tenant files, especially when housing providers are required to process applications first come first serve with no exceptions. Prospective tenants could apply repeatedly for units that they have no possibility of being approved for while housing providers foot the bill. And if housing providers cannot afford to cover these costs, they may end up

renting units to individuals who not only cannot afford the rent and will ultimately face eviction but can be a danger to other members of the community as well as vendors. Housing providers depend on screening applicants to protect their tenants, the community, their vendors, and themselves. It is the responsibility of the prospective tenant to qualify for the unit and the means for doing so, professional screening, is their responsibility.

Furthermore, there has been endless discussion about the importance of providing more housing in the City of Portland in particular and in Oregon in general. Bills like this one which make it harder and more expensive to manage rentals are not the way to encourage housing. Every year more and more of my owners are selling their rental properties to owner occupied buyers and permanently exiting the market. Every year my investors are telling me that they don't want to own rental property in the Oregon and particularly in the City of Portland. If you want people to offer a service as important as providing housing, you need to allow them to run their process for supporting that service. When you apply for a mortgage, you are required to cover the cost of your credit report. The lender does not absorb that cost. **When you apply for rental housing, you need to cover the cost of documenting your ability to meet the standards the State has determined, not the property owner, for qualifying for the unit.** Let me put this bluntly. The state of Oregon must stop persecuting property owners for the very action of providing housing. It costs money to provide housing . We have roofs to replace, furnaces service, appliances to repair on an ongoing basis. We also have an obligation to ensure the safety and well being of our tenants, vendors, and our neighborhoods. We cannot rent property without tenants to occupy them. Tenants cannot rent property without housing providers. This is a symbiotic relationship. One cannot survive without the other.

The state of Oregon has decisively upset this relationship by systematically depriving property owners of their property rights and making it more and more difficult to operate. **No one is saying that renters should not have rights. What we are saying is housing providers should have rights too.** If you want independent owners to provide housing, you need to allow them the tools and procedures they need to do so safely, and screening potential tenants is essential for this. The screening reports belong to the tenants. They can request copies and take them to other housing providers. It is the responsibility of the

prospective tenant to qualify for the unit, and it is outrageous and misguided to expect the property owner to pay for the screening fee in any way.

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