

Dear Oregon Legislators,

I OPPOSE HB 3974. Please VOTE NO on this misguided bill. (I hope I am not too late; it said something about send comments within 48 hours of meeting date)

I appreciate that you will take the time to read this honest, boots on the ground perspective. I know you are busy, as am I, but I believe this is important.

How much more difficult is the state going to make it landlords, particularly for small mom and pop landlords? It is bad enough, landlords sometimes get bad tenants as it is despite doing proper screening, and now the legislature wants landlords to rely on some 3rd party who may not have the same thorough screening process with some providing only a rental score their agency assigns..... and/or data provided by the tenant only....?

Then, the legislature wants to limit reimbursement for the screening fees, to essentially \$20? Why is it that landlords are asked to eat the costs if it is a state initiative? Please consider some alternate ideas on this:

- A) what if the legislature has the 3 credit agencies allow landlords to do FREE screening; and, ask the counties to provide FREE or reduced cost criminal reports, etc. OR,
- B) have the state reimburse the LANDLORDS for this loss of money on screening costs since it is their directive.

Many of the items in this bill are already landlord tenant law in ORS 90.300 . Have the existing ORS's been carefully compared to items in this bill? **By restating some of these ORS rules in this new bill a conflict in language and thus interpretation may happen and then there will be more uncertainty.** IF something is truly not addressed in ORS already, it would be better to consider AMENDING the current ORS to clarify that statute than it is to introduce a new bill that may have conflicts with the existing ORS's. And, having to cross reference different ORS's etc. against each other will just make it more confusing for everyone, including tenants, property managers, landlords, judges and attorneys. Let's have rules that are clear and concise i.e. simple.

- page 1, section 1, lines 24-29 and page 2, section 1, lines 1-10 approximately - it sounds like the bill is allowing tenants to bring in their own credit and other verification reports on an application. While tenants are always free to do this, such information needs to be "independently verified" through a real third party.
 - I have received ADP payroll stubs digitally forged by about \$60,000 and upon verifying the salary independently with the employer, this forgery was uncovered.

- property managers should be able to report such abuses/irregularities etc in a statewide and/or national database
- page 2 line 13, landlords are already required to provide their screening criteria per ORS on the application (if this is not clear in the ORS, amend the existing ORS section)
- page 2 line 17 adopting screening criteria is already required (if not, add it to the appropriate existing ORS section)
- page 2 lines 18-19 - there is no way to provide the actual cost ahead of time because running reports has different charges (see below for more on this); further, having a standard application fee of \$75-\$95 dollars, for example, AND then PROVIDING the applicant a RECEIPT breaking down the actual cost of reports and time, which will generally provide a negative receipt (ie. shows the landlord lost money on this flat fee) seems reasonable. At least it is reimbursing most of the cost at least.
 - Landlords do not want to make the application fee too high either because we want applicants to apply.
 - Lowering the application fee to \$20 essentially, will cause more work for landlords to screen MORE applications, thus losing even more time and money for the expensive Experian, Trans Union etc. reports. More processing, more prone to error. This should be a quality process.
 - If it takes longer for property managers to screen larger quantities of applications, it may take longer for a tenant to get into a unit. Then, while 1 lucky applicant gets the unit, many others are on hold to hear back if they got it or not and it creates a back log.
 - Many screening agencies charge \$100-150 per application processed. Which would mostly get absorbed by the landlord if capped at \$20.
 - Having a middle of the road flat application fee, in today's dollars approximately \$75-\$95, will at least skew the process to provide more serious applicants, thus screening out applications that may not pass screening to begin with or those who are not truly interested in your location and may not even realize it is a 1 bedroom and they need 3 bedrooms for example because they were hasty in applying to get better odds.
- page 2 line 22 - the screening process is already required to be disclosed on the application (again, if not, add it to the main ORS on this)
- page 2 line 25 - the right to dispute a credit report is already on the application per ORS
- page 2 line 28 - non discriminatory notices are already on the applications and laws; if it is not overtly in the ORS, please add this to the ORS language not a new bill.
- page 2 line 32 (G) -rent and deposit amount is already on the ad and application; often a deposit is increased for minor items based on the credit report, etc. however, because the legislature has previously limited deposits to only 1 months rent - barely enough to

cover rent if a tenant starts not paying rent, let alone any damages - the landlord will already be in the hole, I suspect most property managers will now just reject applicants for any variances from the stated criteria. since increasing the deposit cannot be done as most are probably already charging the 1 months deposit. I would strongly recommend allowing the deposit to be 2x the rent for this reason. No human is perfect and by limiting it to 1 months rent the legislature is making it difficult to find qualified tenants. Either forcing the tenant to lie, hoping not to get caught or having the landlord not enforce their own application guidelines or forcing the property manager to take a huge risk/gamble on the tenant.

- page 2 line 25 (H) - renters insurance is already addressed on applications and in ORS; and, btw, this bill does not even mention that if an applicant makes less than 50% of the median HUD income for the area, legally, renters insurance cannot be required in Oregon. Note, in California, this is not the case and a landlord can always require Renters Insurance which is better for the tenant because it will be the tenant who loses if they do not have renters insurance, should there be a reason for a tenant to vacate or have personal property damage due to fire, flood, etc. Renters insurance is very low cost - less than \$100/year - I've seen policies as low as \$50. Consider changing this to require all to have renters insurance.
- page 2 and 3 section I, refunding of an unprocessed application fee is already required. And, I believe it is within 10 days, not the 30 days in this bill. So, a conflict of terms. 30 days would be more appropriate.

Landlords have a hard enough time recouping for damage when a tenant creates damage - for example, a tenant can destroy the floor and cause water damage through careless acts on their part damaging the floor, subfloor and baseboards. Even for DAMAGE - which, should be charged to the tenants at 100% because a floor would never have to be replaced if it were not for the damage, but, unfairly, the landlords are still required to DEPRECIATE this floor - thus, subsidizing the tenants damage. CONSIDER CHANGING THIS DEPRECIATION POLICY FOR DAMAGE.

The small mom and pop landlords invest in our communities by purchasing land which they generally take good care of because they have pride of ownership. Some of the rentals may often be homes that at one point parents lived in and the home is taken care of. Go after the large property managers 20+ doors who often circumvent the rules, cheat their tenants by not providing correct deposit accountings, often taking advantage of vulnerable college students who do not know any better, often renting a unit with multiple individuals making any challenges difficult with getting everyone on board, etc.

Rental property is an investment and instead of investing in the market we are investing in people and the community. It is a hard job with lots of risk. The return is generally not as much as in the market, and often negative as capital improvements and repairs/replacements done which often are not recoverable in house value as value is capped by comps of similar homes in area. AND, the labor is mostly donated by landlords - they WORK MOSTLY FOR FREE - they should be allowed to get reimbursed for all their time too. For example, in this credit screening - the fees for the reports, which have increased significantly over the years btw, is just ONE aspect in screening. Standard credit and criminal reports alone can cost between \$80-100 today and this bill would 'limit' us to the lesser of various options, including \$20 thus limiting landlords to \$20 since any average or actual cost is far greater.

Application fees do not even begin to account for all the TIME that is put in by the landlords calling on all the references, etc. which often takes multiple follow up calls.

Then, there are companies like Walmart who charge to verify employment - why doesn't the legislature make companies like this who use these "the work number" type services charging something like \$50-60+ for employment verification alone, why not make them provide employment verification for FREE like most companies still do.

It seems everyone can charge increased fees EXCEPT the landlords/property managers whose small legitimate fees keep getting taken away, one by one by one. Lowering fees to tenants, will not make it easier for tenants to find housing - if anything, it will create more hardships for tenants who did not have proper screening done and then get evicted soon after entering a contract due to contract violations etc. They will bounce around from rental to rental. Making tenants more responsible for their actions would be a better approach.

All these stringent laws being put in place and/or considered are simply disincentivizing small mom and pop landlords from renting out single family homes and selling them to individuals THUS REDUCING THE NUMBER OF RENTALS ON AVAILABLE ON THE MARKET. Is this really the goal - less housing....?

Landlords need more protections from tenants who break the rules, not less. Allowing us to SCREEN PROPERLY at the beginning is a good first step, however, why don't you allow us better rights to enforce rules they break in the unit, such as smoking and illegal pets by giving us better rights to enforce this.... much of this is REALLY hard to prove to begin with and it DAMAGES THE UNIT (ie. smoke gets into the blinds - it is not cleanable because the blinds manufacturers invalidate their warranty if you soak the blinds, not that you could even get the smell out of all surfaces because one cannot reach all the surfaces inside the head rail, for example, which

would need some scrubbing to fully remove tobacco or other substances from the surfaces which water alone would not even remove - however, again, that would invalidate any manufacturer's warranty if blinds are submersed in water. Bottom line - blinds ruined. Walls - paint - ruined as it soaks into the walls, it soaks into wood or flooring - anywhere where there is a crack or porous surface.

Even if a tenant is nice, careless actions of just one tenant could cost a landlord up to \$20k in damages alone (i.e. flooring, sheetrock, cleaning, paint, blinds, etc.). Not to mention time, stress, etc. Time getting bids for damage or repairs should be allowed to be charged to the Tenant. Just because they do not own the property, they should still be responsible for the results of their actions. Maybe, just maybe, if tenants felt a little pressure that they may get actually get charged for their bad actions that violate the rental contract, perhaps, there might be less damage and better rental situations. Just think about that. Landlords are held to higher standards than tenants. Start with allowing Landlords to more easily get reimbursed for such damage and NOT have to depreciate it for damage. This is JUST ONE EXAMPLE OF MANY.

Landlords should be able to have a database of tenants that allows other landlords and prospective employers to see how often a tenant was late in rent, how much damage they caused, how much of their deposit accounting was left unpaid if the damages exceeded the deposit on move out and how many and what type of violation notices they received, etc. Not many applicants actually have eviction or other records because they are generally settled prior to any judgement being issued, so this metric alone is not very accurate in assessing an applicant.

Third party screening agencies are not as invested in your property as you are and may not have the same high standards of screening applicants. Screening agencies are not allowed by law to provide you with their actual results - ie. the TransUnion etc. credit reports cannot be given to the landlords - we have to "TRUST" whatever rating system this agency has. Landlords should continue to have the RIGHT to do their own thorough screening.

Please REthink how the legislature looks at Landlord Tenant laws. If the legislature wants to implement more stringent rules, some rules may make more sense for large 20+ door property owners, but NOT for mom and pop landlords. Maybe audit some of the larger outfits that impact more tenancies.

I am OK with only charging ONE SCREENING FEE every 30 days per property manager/owner. But, 60 days, as proposed is too long, because a lot can change in 60 days. Employment, etc.

I am also OK with providing the applicant a receipt for the screening charges, including at least 1 hour to process an application by a landlord. However, I am NOT ok with making a landlord track the "AVERAGE" cost of screening. This is an undue time and accounting burdon, on the landlord - average over what period - in a year? what if some years you do not have open rentals, how far back do you go, what if it's 3-4 years because you do have good tenants - so, average of what exactly? This is unreasonable. Also, you may run different reports for different applicants, different counties charge different fees for criminal etc. reports, different states charge different fees, etc.

Please VOTE NO on this misguided bill.

I would be happy to work with you to come up with common sense, FAIR rules. This bill is not that. Landlords should not have to continue to subsidize the housing industry.

Why doesn't the state pass a bill that allows landlords to charge time on their taxes for anything that is not reimbursed by the tenant, like home improvements the landlord does themselves, including the time to shop/source for items - this can take time, for repairs made by the landlord that are not reimbursed by the tenant, time screening beyond what can reasonably be charged. Time showing a property to an applicant, including travel time and costs. Time preparing notices, etc. If you had a job, you would be paid for the time you work. So, that at least there is some remuneration for the landlord on this. Even if it is only on their taxes. but, every little bit helps.

Thank you for your consideration of these points on this bill. I am also trying to make you aware how difficult it is to be a landlord, especially a small landlord. Landlords need the legislatures help. Tenants have many programs, and, mostly free, from private companies, state, federal and non-profit sectors to help them. Landlords are not afforded these same opportunities.

Again, thank you for your time and consideration of these points.

Johanna