

LEGAL AID SOCIETY OF HAWAII

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January 30, 2008

The Honorable Maile Shimabukuro, Chair
House of Representatives Committee on Human Services and Housing
Twenty-fourth State Legislature
Regular Session of 2008
State of Hawai'i

LATE TESTIMONY

Re: HB 2657, Relating to Tenant Screening Agencies

Dear Chair Shimabukuro and Committee Members:

The Legal Aid Society of Hawai'i provides legal representation to low-income families and individuals residing in both private and subsidized housing. Legal Aid supports HB 2657, which will regulate the collection, dissemination, and use of tenant screening information.

Tenant screening reports are used by landlords and property managers to determine which applicants to rent to. In Hawai'i's tight housing market, an adverse tenant screening report can prevent a tenant from being able to find a rental. Currently, these reports and the agencies that compile them are completely unregulated. As a result, tenants have no way of knowing if they are being rejected because of information contained in a tenant screening report. Nor do they have the right to know what information is contained in the report or the right to dispute its accuracy.

To ensure that tenant screening reports are reliable and fairly used, HB 2657 proposes to do the following:

- Limit the distribution of tenant screening reports.
- Prohibit reporting information that is more than seven years old.
- Require tenant screening agencies to disclose to tenants upon request: (1) information the agency has about the tenant; (2) the sources of the information; (3) who information about the tenant has been released to.
- Provide a method for tenants to dispute information on their report.
- Require notice to the tenant if a tenants' rental application is rejected because of information contained in a tenant screening report.

These requirements mirror those of the federal Fair Credit Reporting Act (FCRA), which recognizes the necessity of ensuring accuracy in credit reporting and providing consumers with

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the right to dispute false information. Blemishes on a consumer's credit report, accurate or not, can prevent a consumer from being able to obtain a car loan or credit card. The need for FCRA-like protections is even greater for tenant screening reports, which are directly related to a family's ability to obtain housing.

It is crucial that applicants know about and are able to dispute potentially inaccurate information that may prevent them from finding housing, especially in Hawai`i's tight housing market. HB 2657 will guarantee that right.

Sincerely,

/s/ Gavin Thornton
Housing Unit Head