

HB223 HD2

Measure Title: RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE.

Report Title: Residential Landlord-Tenant Code; Application Screening Fee; Tenant Report; Credit Report

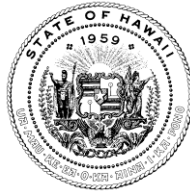
Description: Allows a landlord or landlord's agent to charge an application screening fee as part of the applicant screening process for renting residential property. Sets limits on the amount of the application screening fee and requires the landlord or agent to return any unauthorized fee amounts to the applicant. (HB223 HD1)

Companion: [sb130](#)

Package: None

Current Referral: CPH

Introducer(s): TAKUMI



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION**
**TO THE SENATE COMMITTEE ON COMMERCE,
CONSUMER PROTECTION, AND HEALTH**
**THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017**

Wednesday, April 5, 2017
9:00 a.m.
Conference Room 229

TESTIMONY ON H.B. 223, H.D. 2, RELATING TO THE RESIDENTIAL LANDLORD-
TENANT CODE.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND TO THE HONORABLE CLARENCE K. NISHIHARA, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs, Office of Consumer Protection (“OCP”) appreciates the opportunity to provide testimony on H.B. 223, H.D. 2, Relating to the Residential Landlord-Tenant Code. My name is Stephen Levins and I am the Executive Director of the OCP. The OCP supports Section 1 of this measure that authorizes a landlord to charge up to \$25.00 for an application screening fee and requires a refund of any unused amount that is not used for that specific purpose. However, the OCP opposes Section 2 of this measure that requires the Department of

Commerce and Consumer Affairs (“DCCA”) to submit a report to the Legislature on the application screening fees charged by a landlord or landlord’s agent.

The application screening fee provisions in Section 1 of H.B. 223, H.D. 2 are necessary because current law does not specifically regulate the nature and amount of application fees that landlords may charge prospective tenants. Over the years the OCP has received allegations from prospective tenants claiming that the cost of their application fee does not correlate with the cost of background checks. The most troubling reports involve claims from prospective tenants that they have been asked to pay \$50 to \$100 for an application screening fee that actually costs \$10 to \$25.

Excessive application fees are particularly egregious in those circumstances when a landlord or their agent receive scores of applications for one apartment, most of which are not even seriously considered. Instead of engaging in a valid tenant screening process, the landlord or agent may be using their bargaining position to create a supplemental source of income. This measure would deter such conduct by addressing this practice head-on. If adopted, a landlord would be allowed to charge a prospective tenant no more than \$25.00 for screening or consumer credit reporting service and refund unspent monies. Landlords would still be compensated for the expense associated with credit checks and tenants would not be forced to pay for unnecessary screening fees.

As noted, the OCP opposes the requirement in Section 2 of this bill that the DCCA report to the Legislature on the application screening fees charged by landlords and their agents because it is unnecessary. The OCP has surveyed tenant screening services

online that include a credit check and criminal background history and it appears that these services cost \$25.00 or less. Therefore, the landlord's or their agent's cost would be covered by this measure while preventing excessive application fees to be charged to applicants.

Thank you for the opportunity to offer comments supporting Section 1 and opposing Section 2 of H.B. 223, H.D. 2. I would be happy to answer any questions members of the Committee may have.



HB223 HD2
RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE
Senate Committee on Commerce, Consumer Protection, and Health

April 5, 2017

9:00 a.m.

Room 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB223 HD2, which provides much-needed consumer protection against the financial exploitation of those seeking rental housing.

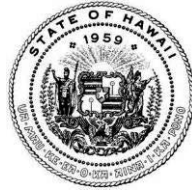
OHA's strategic priorities include Ho'okahua Waiwai, or increasing the economic self-sufficiency of Native Hawaiians. This includes supporting greater stability in housing for our low-income beneficiaries and their families.

OHA notes that Native Hawaiian families are in particular need of relief targeted to low-income renters. Native Hawaiians, whose homeownership rate is significantly lower than the state average, must rely substantially on the rental housing market.¹ More than half of Native Hawaiian renters, many of whom already live in overcrowded situations, also live in homes they are struggling to afford. Unfortunately, single-family rental units needed by such households are in short supply. **Accordingly, consumer protection mechanisms are necessary to prevent the undue exploitation of low-income Native Hawaiian and other families competing for what little housing opportunities may be available to them.**

This measure helps to prevent such exploitation, by prohibiting landlords from charging unreasonable fees to rental applicants, and ensuring that tenants are only charged if they are actually screened. Landlords would also be held accountable in actually carrying out any screenings they may charge for, by providing tenants with copies of reports obtained during the screening process. **This bill therefore helps to ensure that low-income individuals are not forced to use important financial resources simply searching for rental housing opportunities, and offers all renters important consumer protection during times of increased competition for units.**

OHA therefore urges the Committee to **PASS** HB223 HD2. Mahalo nui for the opportunity to testify on this measure.

¹ Out of 71,006 Native Hawaiian households, 37,562 households are owner-occupied. This figure is commonly used by most governmental agencies to represent the homeownership rate. Therefore, the homeownership rate for Native Hawaiians is 52.9% compared to the statewide average of 56.7% of households. See OFFICE OF HAWAIIAN AFFAIRS, OHA DATA BOOK HOUSING TENURE BY RACE-ETHNICITY IN HAWAII 2014, available at <http://www.ohadatabook.com/T02-131-15u.pdf>. This figure includes 8,329 DHHL residential lease "owner-occupied" property units. DHHL ANNUAL REPORT 2014, p. 48, available at <http://dhhl.hawaii.gov/wp-content/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 5, 2017

TO: The Honorable Senator Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection, and Health

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: HB 223 HD2 – RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE

Hearing: Wednesday, April 5, 2017, 9:00 a.m.
Conference Room 229, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, as it addresses potential barriers to permanent housing for persons experiencing homelessness, and offers the following comments. The Coordinator defers to the Office of Consumer Protection in regard to current regulations and statutory processes.

PURPOSE: The purpose of the bill is to allow a landlord or landlord's agent to charge an application screening fee as part of the applicant screening process for renting residential property. The bill sets limits on the amount of the application screening fee and requires the landlord or agent to return any unauthorized fees to the applicant.

The Coordinator notes that application screening fees may sometimes serve as a barrier to housing for low-income homeless individuals and families. Anecdotally, it has been reported that homeless individuals seeking housing often pay multiple application fees for potential units, with application screening fees ranging from \$15 to \$50. In addition, while some landlords charge a single screening fee per household, others may charge a fee per adult member of the household who will be added to the rental agreement.

On its surface, a \$25 fee may seem small, but this can be a large amount to an individual who is low-income and homeless, and these fees can add up substantially over time. By setting limits on the application screening fee, and by requiring the landlord to return unauthorized or

unused fees, this bill increases the level of protection for homeless individuals seeking housing and ensures they will receive their money back if a credit or other background check is not conducted.

Thank you for the opportunity to testify on this bill.

Young Hawaii Homes, Inc.

2131 S. Beretania Street, # 204 • Honolulu, Hawaii 96826-1405

Phone: (808) 941-4016 • Fax: 942-7146 • Cellular: 754-3635 • email: info@younghawaiihomes.com
www.younghawaiihomes.com

April 3, 2017

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce, Consumer Protection, and Health
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: H.B. 223, H.D.2, Relating to the Residential Landlord-Tenant Code

HEARING: Wednesday, April 5, 2017, at 9:00 a.m.

Aloha Chair Baker, Vice Chair Nishihara and Members of the Committee:

I am Laurene H. Young of Young Hawaii Homes, Inc. Our firm manages about 140 units on Oahu. I **oppose** H.B. 223, H.D.2 which allows a landlord or landlord's agent to charge an application screening fee of no more than \$25 as part of the applicant screening process for renting residential property and requires the landlord or agent to return any unauthorized fee amounts to the applicant. It allows the landlord or agent to charge an applicant an administrative fee and postage based on the actual expenses incurred in providing a copy of a report to the applicant. It also requires that the landlord, upon request, provide a copy of the report to the applicant.

Our company requires credit checks of every applicant over the age of 18. We use Yardi Resident Screening. The fee charged by Yardi is a little lower than the \$25 that we charge (\$20.15), but can be higher than \$25 (\$26.15), depending on whether or not the applicant has lived in certain states which adds another criminal background check element.

Our staff is not paid hourly so I do not yet know how to estimate the costs for our labor, including copying, making calls, research and going to the post office. We do call previous landlords, check references and state websites, etc. If we have to reimburse a portion of the screening fee to the applicant, it will require more work to keep track of the time spent on each application and apply some formula to that time, write a letter to the applicant and write a check.

The actual hard costs that would affect us, besides the costs of the credit report, would be copy and mailing costs. At present, we do not provide applicants with copies of their credit reports but they are given the name and contact information of the credit reporting bureau where they can request the information. However, if this bill passes and an applicant requests a copy of their credit report, we would send it via certified mail, with a required signature. This is, after all, confidential and sensitive information that we wouldn't want to get into the wrong hands.



That current cost would be at least \$6.59, depending on weight. We would have to send each credit check separately; even married couples reports cannot be in the same envelope to provide privacy to each party. Additionally, a wife would not be able to sign for or pick up a credit report sent to her husband, and vice versa. This could lead to additional costs and work when the mail is returned to us and the applicant asked for it to be mailed to another address, even if they knew of the policy beforehand.

Of course, costs for credit checks, mailing, and labor can only go up. The cap of \$25 is unrealistic and hurts small businesses. We can absorb these costs if every applicant becomes a tenant. However, the reality is that we might get one or two or even more rejections before we find a qualified applicant.

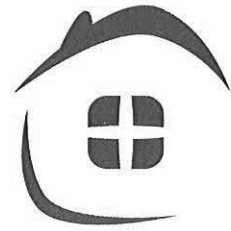
Mahalo for the opportunity to testify in opposition to this measure.

Sincerely,

A handwritten signature in cursive script that reads "Laurene H. Young". The signature is written in black ink and is positioned above the printed name.

Laurene H. Young, (B)
Young Hawaii Homes, Inc.

CORNERSTONE PROPERTIES



April 5, 2017

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce, Consumer Protection, and Health
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: H.B. 223, H.D.2, Relating to the Residential Landlord-Tenant Code

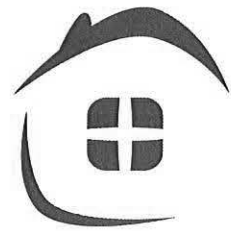
HEARING: Wednesday, April 5, 2017, at 9:00 a.m.

Aloha Chair Baker, Vice Chair Nishihara and Members of the Committee:

Aloha. I am, Carl L. Frazier, R, RMP, Past President of the Oahu Chapter of the National Association of Residential Property Managers, Owner and Broker of Cornerstone Properties, here to testify on behalf of my company and my owners. We **oppose** H.B. 223, H.D.2 which allows a landlord or landlord's agent to charge an application screening fee of no more than \$25 as part of the applicant screening process for renting residential property and requires the landlord or agent to return any unauthorized fee amounts to the applicant. It allows the landlord or agent to charge an applicant an administrative fee and postage based on the actual expenses incurred in providing a copy of a report to the applicant.

To screen a tenant takes a lot of hard work and is very time consuming. We use a third-party company to run credit reports on our tenants. We already charge \$25. The bulk of that is taken up with the actual cost of the report. If we run a criminal background check it doesn't even cover that, much less the time it takes my staff to make all the various calls to verify employment, past rental history, etc.

CORNERSTONE PROPERTIES



We are a larger company so we can absorb a lot of the costs but the limit of \$25 would hurt small companies. If you assume the application fee is needed to cover not only the cost of various reports, but the other functions such as landlord and employment verifications, the limited fee would adversely affect smaller management companies. If you add the cost of mailing and making copies of the credit reports, documenting who received a copy and when, or certified mailing, the smaller companies would go further into the negative in processing applications. The added regulations are just not needed. It's going to drive up the cost of rentals.

Please, do not pass this bill

Mahalo for the opportunity to testify in opposition to this measure.

Carl L, Frazier, R, RMP, Member and current Ambassador for the National Association of Residential Property Managers.

April 4, 2017

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce, Consumer Protection, and Health
State Capitol, Room 229
Honolulu, HI 96813

RE: H.B. 223, H.D.2, Relating to the Residential Landlord-Tenant Code

HEARING: Wednesday, April 5, 2017 at 9:00 a.m.

Dear Chair Baker, Vice Chair Nishihara and Members of the Committee:

My name is Tracy Leverone, and I am a residential property manager for Clark Realty Corporation on the island of Hawaii. Clark Realty Corporation manages approximately 600 doors island wide, and I personally manage about 100.

I *oppose* H.B. 223, H.D.2, which proposes that a landlord or landlord's agent may not charge an application screening fee of more than \$25 as part of the applicant screening process for renting residential property and requires the landlord or agent to charge an applicant an administrative fee and postage based on the actual expenses incurred in providing a copy of a report to the applicant.

The application fee covers the cost of credit reports as well as administrative labor-intensive tasks to process the application, which include reviewing credit reports, multiple interactions with landlords, employers via calls, emails and fax. The business completing this process determines the value of their time and effort for this process. The Legislature should not be allowed to dictate what a business may charge for their services, as it goes against Free Enterprise.

H.B. 223, H.D.2 also proposes that the landlord or landlord's agent must provide a copy of the credit report to the applicant upon request. The credit reporting agencies that provide us with credit reports do not allow us to provide a copy of the report to anyone, including potential tenants. Instead, we provide declined applicants the necessary information to reach out to the credit reporting agency for their own free copy of the credit report for their own records.

Thank you for your consideration.

Yours truly,



Tracy Leverone, REALTOR®
Clark Realty Corporation
Property Management Division – Kona
Hawaii Real Estate License RS-72247

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, April 4, 2017 8:55 AM
To: CPH Testimony
Cc: dabitbol@chowproject.org
Subject: Submitted testimony for HB223 on Apr 5, 2017 09:00AM

HB223

Submitted on: 4/4/2017

Testimony for CPH on Apr 5, 2017 09:00AM in Conference Room 229

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Heather Lusk | The Community Health Outreach Work to Prevent AIDS Project (CHOW Project) | Support | No |


Comments: Thank you for the opportunity to provide testimony in support of HB 223 HD1, which allows a landlord/agent to charge an application screening fee as part of the screening process for renting a residential unit. We support this bill because it provides guidelines for when and how much a landlord can charge a screening fee. Collecting this fee at the actual time of screening is also appropriate since the landlord could then confirm that the applicant still needs a unit before processing them. We know we have a housing crisis. We need reasonable ways for struggling families, seniors, young workers, etc. to apply for rental units in our over-heated rental market. We urge you to support this bill and remove a significant barrier for many to finding housing.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



**Hawaii
Association of
REALTORS®**

 | 808-733-7060

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1259 A'ala Street, Suite 300
Honolulu, HI 96817

April 5, 2017

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce, Consumer Protection, and Health
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: H.B. 223, H.D.2, Relating to the Residential Landlord-Tenant Code

HEARING: Wednesday, April 5, 2017, at 9:00 a.m.

Aloha Chair Baker, Vice Chair Nishihara and Members of the Committee:

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai‘i, and its 9,000 members. HAR **opposes** H.B. 223, H.D.2 which allows a landlord or landlord's agent to charge an application screening fee of no more than \$25 as part of the applicant screening process for renting residential property and requires the landlord or agent to return any unauthorized fee amounts to the applicant.

The tenant screening process typically begins when the prospective tenant completes a rental application and pays an application fee. Property managers typically order credit reports or rely on a tenant screening company to produce a tenant screening report. However, the reports are **NOT ONLY** credit reports but also criminal background checks, eviction history, employment verification and public records to properly vet a tenant.

While some property management companies **FULLY** absorbs these costs through internal administrative staff and internal labor that carries legitimate costs, smaller staffed brokerages cannot absorb these hard costs let alone complete the full screening checks under the amount proposed by this measure. These calls, e-mails, and fax exchanges do have a time cost involved with them, and this bill doesn't allow us to quantify that, and limits us only to hard costs incurred.

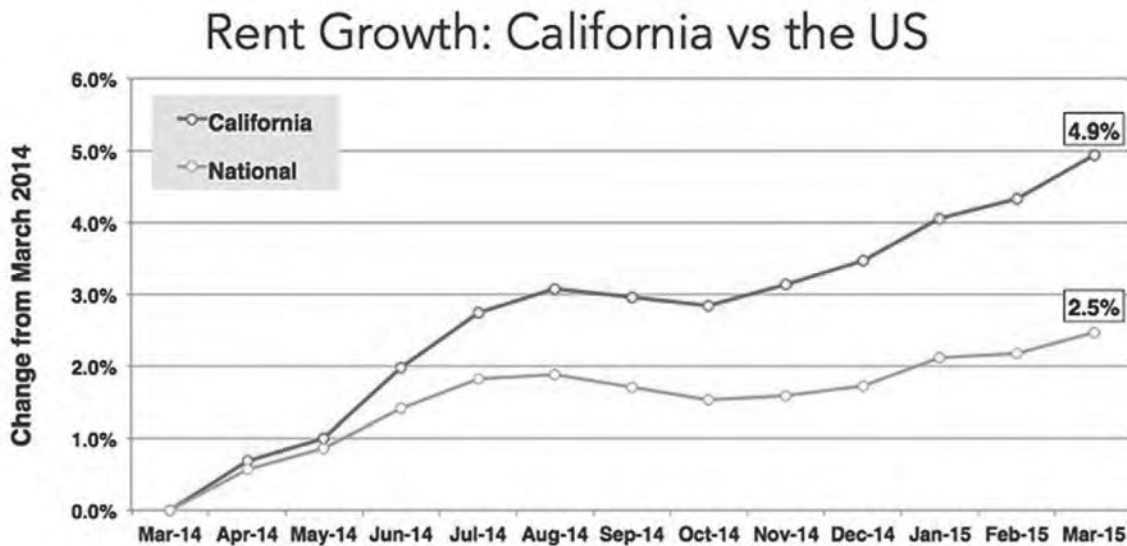
If you assume the application fee is needed to cover not only the cost of various reports, but the other functions such as landlord and employment verifications, the limited fee would adversely affect smaller management companies. If you add the cost of mailing and making copies of the credit reports, documenting who received a copy and when, or





certified mailing, the smaller companies would go further into the negative in processing applications.

While we understand the purpose and that this measure proposes to model after California, we note that rent in California has increased for a number of reasons but we also note that there is also a correlation with their undue regulation, lack of rentals, and lack of inventory in relation to their current rent prices.



If the Committee is included to pass this measure, HAR respectfully requests an effective date of November 1, 2017.

Mahalo for the opportunity to testify in opposition to this measure.

SanHi Government Strategies

a limited liability law partnership

Gary M. Slovin
Mihoko E. Ito
R. Brian Tsujimura

c/o Ashford & Wriston • 999 Bishop Street, Suite 1400
Honolulu, Hawaii 96813
(808) 539-0400
governmentaffairs@awlaw.com

gslovin@awlaw.com
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rtsujimura@awlaw.com

DATE: April 4, 2017

TO: Senator Rosalyn Baker
Chair, Committee on Commerce, Consumer Protection, and Health
Submitted Via Capitol Website

RE: **HB 223, H.D. 2 Relating to Residential Landlord-Tenant Code**
Hearing Date: April 5, 2017 at 9:00 a.m.
Conference Room: 229

Dear Chair Baker and Members of the Committee on Commerce, Consumer Protection, and Health:

We offer this testimony on behalf of the Consumer Data Industry Association (CDIA). Founded in 1906, CDIA is the international trade association that represents more than 200 data companies. CDIA members represent the nation's leading institutions in credit reporting, mortgage reporting, fraud prevention, risk management, employment reporting, tenant screening and collection services.

We submit this testimony with **comments** to H.B. 223, H.D. 2, which allows landlords to collect the actual cost of an application screening fee from prospective tenants, requires them to refund the screening fees if no report is obtained, and requires the landlord to provide copies of reports to applicants. The bill also was amended in the HD1 to allow landlords to charge an applicant an administrative fee and postage based on the actual expenses incurred in providing the report.

Credit screening reports are specifically geared towards providing landlords information to ensure that tenants are financially capable of renting property. Allowing a consumer to receive a copy of his or her own credit report does not seem necessary because, under the Fair Credit Reporting Act, consumers can already obtain a free credit report each year. Providing tenant screening reports seems unwarranted because it would unnecessarily add a cost to the screening process for

Gary M. Slovin
Mihoko I. Ito
R. Brian Tsujimura
C. Mike Kido
Tiffany N. Yajima
Matthew W. Tsujimura

something that is readily available at no cost. Thank you for the opportunity to testify on this measure.



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Phone: (808) 696-0774 Fax: (808) 696-8706 www.foster-realty.com

April 4, 2017

The Honorable Rosalyn H. Baker, Chair

Senate Committee on Commerce, Consumer Protection, and Health
State Capitol, Room 229
Honolulu, Hawaii 96813

Re: H.B. 223, H.D.2, Relating to the Residential Landlord-Tenant Code

HEARING: Wednesday, April 5, 2017, at 9:00 a.m.

Aloha Chair Baker, Vice Chair Nishihara and Members of the Committee:

I am the President and Principal Broker at Foster Realty, Inc. and I am opposed to H.B. 223, H.D.2. Foster Realty manages over 300 residential properties in Leeward Oahu and due to cost increases in all areas of business, we were recently forced to raise our application fees from \$15.00 to \$20.00 for each applicant over the age of 18.

Our basic procedure, which involves a minimum of two staff members, is as follows:

1. Explain the application fee procedure to the prospective tenant.
2. Receive and provide a receipt for the application fee.
3. Ensure that the application is filled out completely with all necessary information.
4. Order and pay for a credit report (using a system with anti-virus software required by our supplier).
5. Email or fax current and previous landlords.
6. Email or fax current employer.

7. Contact Section 8 or any third party, if applicable, for confirmation of eligibility.
8. Review public records.
9. Process Pet Application if necessary.
10. Submit all documents to Property Manager for review and response.
11. Contact tenant, previous landlords, and employer again if necessary for further information or clarification.
12. If denied, prepare denial letter with additional required documentation including "Summary of your Rights".
13. Copy and send denial letter to applicant.
14. Store all processed applications in a secure, locked location as required by our credit report supplier.

This is our basic procedure and there may be more involved depending on the situation. There is no possible way for us to determine a "reasonable" cost for our administrative fees.

We have consistently done our best to keep costs down, especially because we realize that we serve a community with lower income residents. To limit what we can do to properly vet prospective tenants could negatively affect property owners and our business as a whole.

The denial letter provided by our supplier provides the prospective tenant the information they need to obtain their credit report. It would create another large expense for us to provide copies to each prospect.

Most importantly, many times a prospective tenant is denied due to reports from a previous landlord. Should we be required to share this information, previous landlords will be less likely to share their true experience with the applicant which could result in huge financial losses to the new landlord.

While I can understand the thought process of protecting the consumer, I would think that the landlord or agent attempting to charge the consumer an exorbitant fee would only be causing the consumer to go elsewhere. The fees charged by the different landlords and agents create a competition that may in fact be keeping the fees lower.

Senate Committee on Commerce, Consumer Protection, and Health
April 4, 2017
Page three

It is also noted that the maximum fee is \$35.00 in California and any cap should be at least that amount in Hawaii.

Mahalo for this opportunity to provide this information to you.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Sylvia E. Foster, President
REALTOR, CRB, CRS, GRI
License No. RB-15721



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 223 HD2: RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE

TO: Senator Rosalyn Baker, Chair, Senator Clarence Nishihara, Vice Chair, and Members, Committee on Commerce, Consumer Protection and Health
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Wednesday, April 5, 2017, 9:00 AM; CR 229**

Chair Baker, Vice Chair Nishihara, and Members, Committee on Commerce, Consumer Protection and Health:

Thank you for the opportunity to provide testimony **in support** of HB 223 HD2, which allows a landlord/agent to charge an application screening fee as part of the screening process for renting a residential unit. I am Terry Walsh, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. This bill impacts many who face homelessness.

Catholic Charities Hawai'i daily serves clients who are homeless or are on the brink of homelessness. The rental application fees charged by some landlords are a severe burden on many of our most desperate clients: the elderly, families with kids, and chronic homeless. Our seniors who live on SSI income (under \$800/month) need to apply to as many housing units as possible in order to have a chance to find ONE. However, they may be severely burdened by the rental application fee, when it is charged at the time of application, vs. when they are actually being screened for a unit. In this tight rental market, a landlord offering an affordable rent may receive multiple applications for a unit. They usually choose 1-3 top applicants to actually process. Other agents may be putting applicants on a waitlist for openings. We do not object if landlords charge a screening fee to the applicant at the time they are being offered a possible unit. At that time the senior or family could gather resources for a \$25 or \$50 screening fee. However, a family with 2 adults who are struggling to pay living expenses cannot afford to pay \$100 or \$200 for fees and never hear from the landlord again. They end up not being among the "top 2". Currently, this fee is a significant barrier for many clients.

We support this bill since it provides guidelines for when and how much a landlord can charge a screening fee. Collecting this fee at the actual time of screening is also appropriate since the landlord could then confirm that the applicant still needs a unit before processing them.

We know we have a housing crisis. We need reasonable ways for struggling families, seniors, young workers, etc. to apply for rental units in our over-heated rental market.

We urge you to support this bill and remove a significant barrier for many to finding housing. Please contact our Legislative Liaison, Betty Lou Larson, at 373-0356, or at bettylou.larson@catholiccharitieshawaii.org, if you have any questions.



From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 3, 2017 6:26 PM
To: CPH Testimony
Cc: KarinNomura1@gmail.com
Subject: Submitted testimony for HB223 on Apr 5, 2017 09:00AM

HB223

Submitted on: 4/3/2017

Testimony for CPH on Apr 5, 2017 09:00AM in Conference Room 229

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Karin Nomura | Individual | Comments Only | No |

Comments: There are landlords who practice this already...

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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