

March 12, 2025

**The Honorable Luke A. Evslin, Chair**

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

**RE: Senate Bill 942, SD1, Relating to Rental Applications**

**HEARING: Wednesday, March 12, 2025, at 9:00 a.m.**

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR provides **comments** on Senate Bill 942, SD1, which prohibits a landlord from rejecting a rental application solely due to an applicant's inability to provide a recent paycheck; provided that the landlord may require the applicant to provide evidence dated within thirty days of the application demonstrating the applicant has sufficient unearned income or liquid assets to cover the rental costs. Effective 7/1/2050.

HAR appreciates the amendments made in the Senate Draft 1, which clarify the requirements for providing evidence of various proofs of income. Given the diverse forms of income and liquid assets, it is beneficial for housing providers to consider multiple sources when verifying a prospective tenant's eligibility.

Mahalo for the opportunity to provide testimony on this measure.



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**The State Legislature  
House Committee on Housing  
Wednesday, March 12, 2025  
Conference Room 430, 9:00 a.m.**

TO: The Honorable Luke Evslin, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for S.B. 942, SD1 Relating to Rental Application

Aloha Chair Evslin and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports S.B. 942, Senate Draft 1, which seeks to modernize the rental application process by allowing prospective tenants to demonstrate financial stability through unearned income or liquid assets.

AARP's housing policy emphasizes the importance of secure, affordable, and accessible housing for people of all ages and abilities. This bill aligns with several key principles of AARP's housing policy:

**Secure Affordability:** SB 942, SD 1 promotes a fairer and more inclusive housing market by recognizing diverse income sources beyond traditional paystubs. This ensures that retirees, individuals with significant savings, and those with alternative income streams can access rental housing without discrimination.

**Ensure Equity:** By allowing evidence of unearned income or liquid assets, this bill addresses equity concerns in the rental market. It prevents discrimination against individuals whose financial stability does not fit into outdated norms, thereby promoting a more inclusive housing ecosystem.

**Promote Housing Stability:** Older adults and other community residents should have the ability to decide when and under what circumstances they move. SB 942, SD 1 supports this by

ensuring that financially capable individuals, regardless of their employment status, can secure rental housing.

SB 942, SD 1 is a critical step towards creating a more inclusive and equitable housing market in Hawaii. It aligns with AARP's vision of ensuring that all individuals, regardless of age or income source, have access to safe, decent, and affordable housing. We urge the committee to pass this bill and support the diverse housing needs of our community.

Thank you for the opportunity to testify in support of SB 942, SD 1.

House Committee on Housing  
March 12, 2025 9:00AM Room 430

Testimony **IN SUPPORT** of SB 942 SD1 Relating to Rental Applications  
(James Nelson)

Chair Evsling, Vice Chair Miyake, and members of the committee:

Thank you for hearing this measure.

The bill addresses an occasional practice of certain rental agencies and landlords to reject rental applications solely because of an inability by an applicant to produce recent monthly earned income evidence, e.g. images of paycheck stubs, without allowing the applicant to alternatively present evidence of sufficient liquid assets and/or income from other sources. The measure does not in any way prohibit a landlord from asking for or considering evidence of recently earned income as part of an application process. It merely requires landlords to seek additional evidence of sufficient income or assets if the applicant is not able, for whatever reason, to produce evidence of recent monthly earned income.

I encountered the practice prohibited by this measure more than once a few years back when, as a retiree, I was selling my mortgage-free condominium unit and planned to use the proceeds, among other non-monthly or unearned income sources such as stock dividends and Social Security payments, for a one-year rental unit. In one case, uploading paycheck evidence was apparently a "mandatory field" in an online application process. In another case, I stated in the application that I was unable to produce the required evidence of 3 months of recent earned income, each equal to 3 times the stated rental cost. The agent called me, heard my explanation, but reiterated it was her agency's "policy" and she declined to even show me the advertised rental unit. Eventually I learned to apply online strategically, e.g., explicitly noting early when possible that I was a "retired professional with substantial liquid assets." By producing a copy of the top page summary of my brokerage accounts, which clearly indicated more than enough cash to cover a year's rent plus many other easy-to-liquidate assets, I was able to connect with a landlord who understood that I was indeed a financially viable potential lessee.

Given that many, if not most, individual condo units are not suitable for reverse mortgages due to the FHA pre-approval process, I am not alone among seniors who have chosen to sell and then "rent for life." My own financial advisor at a major brokerage, and those of several retiree friends as well, often suggest that clients with free-and-clear ownership of a condo, who have no desire to bequeath it, should at least consider selling their units, renting a new residence, and investing the substantial remaining proceeds over time. This has proved successful in my case, but I did not anticipate the stumbling blocks in the rental application process for someone with adequate liquid assets but relatively low or no monthly earned income. As the preamble to this measure notes, many individuals also receive unearned income such as dividends or annuities, or are self-employed independent contractors, or maintain large amounts of easily liquidated stocks. Using monthly earned income statements as an exclusive gateway factor in a rental application could well preclude such otherwise qualified persons from finding a home.

Thank you for providing the opportunity to testify on this measure.  
James J. Nelson

**SB-942-SD-1**

Submitted on: 3/11/2025 2:00:45 AM

Testimony for HSG on 3/12/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

I support SB942.SD1. Many retirees don't have paychecks, but I would like to add that even having government subsidies like Section 8 is pretty much a guarantee of payment as I was explained by a local landlord. But government workers need to realize how late payments can ruin a person's life and even could push a person to end their life because they are losing their basic need of housing. Biases and retaliation efforts are not helpful if people are too afraid to fight back in fear of losing their means of survival to live in the homeland they were born in. When there is discrepancy with the government, which is explained by the resident, the property manager/landlord needs to realize that it is the government entity at fault and not the resident who has taken all necessary steps to reconcile the issues. If they are overcharging the government, they should also disregard late penalty fees that they are seeking.

Also, for a property to have a 50-page rental contract is also ridiculous, since most people will not read every page, thinking it covers everything, but really needs additional explanation especially to those that English is not their first language. Thus, difficulties arise between residents because others do not even comprehend simple signs placed at gateways. Management needs to provide alternative ways to communicate to everyone, not assume or laugh at the topic when it is brought up. Again discrimination is high at all levels in our communities because we live in a multicultural nation! Mahalo!