

Submitter: Charles Rorive

On Behalf Of:

Committee: House Committee On Rules

Measure, Appointment or Topic: HB3974

Dear House Committee on Rules,

I am submitting this testimony in opposition to HB 3974 as written.

I am a Principal Broker in Grants Pass who performs property management on a daily basis. I do understand that a lot of property management companies charge anywhere from \$35.00 to \$50.00 for tenant screening fees when applicants turn in an application, which I agree can be expensive for tenants who apply to multiple potential rentals. The costs of screening applicants is not inexpensive and it is time consuming if we want to ensure quality tenants for the landlords we represent. Currently, I am charged \$22.00 for a simple credit/ background check on applicants. The \$22.00 I am charged only provides me with the applicants credit history, eviction check, and criminal checks. This fee does not cover the verification of references, employment/ sources of income or rental history verification, which I must perform at my own costs.

The philosophy that I have adopted for applicants that come to my property management company is the following:

- 1) Anyone is welcome to fill out and submit a rental application at any time at no charge.
- 2) All applications are processed one at a time on a first-come-first-served basis in the order they are received.
- 3) It is only when I am actually trying to place a particular applicant in a unit that I charge the credit/ background check fee.

The actual costs of credit/background check fees is not something that we property managers can set ourselves. Most of us do not have the ability to search the relevant data bases to obtain an applicant's credit report, their criminal history and their eviction history on our own. Unfortunately, we must rely on third party vendors for this. I have shopped around extensively for quality/ reputable third party vendors that provide accurate information and have found that \$22.00 per screening is the least expensive I am able to find.

If you pass HB 3974 as written, I will be in deficit every time I run a credit/ background check to try and place a tenant. I will only have two choices: absorb the extra cost myself every time I run a credit/ background check or pass the cost on to the landlord/ property owner. They in turn will have a similar choice to make: absorb the costs themselves, or find some way to pass the costs on to the tenants in the

form of higher rents or some other fees.

I really do understand that in the current rental economy, finding a quality place to live is not cheap. It is rather expensive when having to apply at multiple places. However, I do not believe that limiting the credit/ background check fees that landlords/ property managers can charge to \$20.00 is the correct answer to the problem.

Respectfully submitted,

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