

Submitter: Scott Cantonwine  
On Behalf Of:  
Committee: Senate Committee On Housing and Development  
Measure, Appointment or Topic: SB158

Dear Committee Members:

CWC Investment Company is a small, family-owned real estate investment company in Salem, Oregon, with a portfolio including approximately 100 dwelling units in Western Oregon.

Landlords assume significant risk when leasing their dwelling units to tenants. As you know, security deposits mitigate some of that risk by providing a source of funds that can be turned to when repairing tenant-caused damage to dwelling units. We also understand that, for some prospective renters, security deposits increase the total move-in cost and may pose a financial burden.

To that end, we support SB 158 as a creative measure that may allow, for example, splitting that security deposit over the course of the lease term. Using a \$2,000 security deposit as an illustration, it may be far more feasible for a tenant to split that into twelve payments of \$166 over a twelve-month lease than it would be to pay \$2,000 at lease inception. This benefits the tenant in the form of consumer flexibility, while retaining an important risk management and mitigation tool for landlords.

Directly addressing other testimony that raised concerns that landlords may not use recurring collections to pay for insurance, or may select more expensive insurance because somebody else is paying for it (this Legislature is no stranger to the "other people's money" concept), it is worth noting that the proposed legislation reads, "[...] (a) MAY be used to purchase insurance coverage [...]" (emphasis added). Returning to the illustration of using this proposed bill to enable a shift in deposit collection from upfront to over the course of the lease, it seems that would be well within (a) the rights of the landlord; and (b) the spirit of the legislation in aiding the mitigation of a financial burden to renting.

We encourage your support and passage of this legislation, which is a common-sense legislative update that allows creative addressing of risk management by landlords while providing the benefits of consumer flexibility and reduced financial barriers to rental housing.

Respectfully,  
Scott Cantonwine  
CWC Investment Company  
Salem, Oregon