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### **Public Hearing before the House Housing Committee**

**February 2<sup>nd</sup>, 2022**

*In Support of HB 4125*

Chair Fahey, Vice-Chairs Campos and Morgan, and members of the committee:

On behalf of the Oregon Law Center, please accept this testimony in support of HB 4125, which proposes reasonable and narrow changes to current law to help renters and landlords navigate requirements for accepting application screening charges and returning the funds when the application isn't processed. Passage of the bill will increase transparency and fairness in the use of application screening charges, without creating undue burden. We greatly appreciate Representative Nathanson's commitment and leadership in addressing these issues.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. Helping families maintain safe, stable housing is a critical part of our work. Housing is about much more than a roof over one's head; it is about opportunity, stability, and health. Without stable housing, it is difficult or impossible for families to hold down a job, keep children in school, access neighborhood amenities, and stay healthy.

Oregon's rental housing market is exceptionally competitive, with very low vacancy rates and significant demand. Smaller and medium-sized cities and towns across the state are some of the most challenging markets for tenants. For example, the city of Eugene had the nation's most competitive market in the United States in 2021, according to [one study](#). Low-income tenants seeking housing in tight markets must often submit applications for multiple rental units in order to have a chance at consideration in time to be accepted.

Most landlords require screening of applicants, and charge the tenant to screen each adult who would be living in the household. Paying multiple screening charges in order to be considered at multiple units can impose a significant burden for many low-income tenants. Often, tenants tell us that they pay the charge without ever hearing back from the landlord, or ever knowing if their money was actually used to obtain a background check. While the current law provides that a landlord must return the screening charge to the applicant if the application was never processed, many tenants are unaware of this provision. Because the current law lacks clarity and specificity, it is vulnerable to abuse.

HB 4125 proposes narrow changes to current law, to better ensure transparency and fairness in the charging, use, and return of screening charges.

- Notice of rights: The bill requires landlords to provide notice to the applicant when imposing a screening charge of when and why the statute provides that the charge must be returned.
- Confirmation of screening: The bill provides that landlords must provide confirmation or a receipt to the applicant when a background check has been run, so that the tenant knows the check has been completed.
- Time period for return of funds: The bill provides clarity regarding the deadline for returning the screening charge. The current law says “within a reasonable amount of time” which is a vague standard that creates confusion. The bill changes this timeline to 14 days.
- Penalty: The bill increases the penalty for violating this section from \$150 to \$250.

HB 4125 is a reasonable approach to addressing a common problem that can be a barrier to access to housing. The bill is rooted in consumer protection principles and will benefit tenants by providing greater transparency and fairness. The bill will also benefit landlords by providing greater clarity about when their responsibilities apply. We appreciate the work of the sponsor on this bill and for the above reasons, we urge your support.

Thank you for your time and for your dedication to Oregonians.