

SUPPORT FAIR HOUSING APPLICATION FEES HB 19-1106

Sponsored by Rep. Brianna Titone, Rep. Serena Gonzales-Gutierrez, & Sen. Brittany Pettersen

THE PROBLEM

~ For many of Colorado's most economically disadvantaged residents, one of the most difficult challenges in attaining housing often occurs at the onset of their search— when they must pay the non-refundable application fees often required just to submit a rental application.

~ Landlords collect rental application fees to recoup costs they incur to assess whether to rent to an applicant. These expenses can include credit checks, criminal record inquiries, and administrative fees for the time and effort required to conduct screening.

~ Under existing state law, there are no limits on what landlords can charge as a rental application fee and there are no safeguards to assure the fee aligns with the cost of screening.

~ The unregulated collection of rental application fees has been a significant factor in exacerbating Colorado's affordable housing crisis. In a 2016 survey conducted by 9to5 Colorado, more than half of all respondents stated that application fees posed a barrier to housing. Respondents also reported fees as high as \$145 per person or up to almost \$1,000 when landlords tacked on ambiguous "administration" or "initiation" fees.

~ For low-income families who are struggling to find housing, the relatively high cost of these non-refundable fees can quickly exhaust limited financial resources, which are also needed for a security deposit and the first month's rent.

THE SOLUTION

~ **HB19-1106** limits the fee a landlord may charge a prospective tenant to the landlord's actual costs for a personal reference check, consumer credit report or tenant screening report. It also requires the landlord to provide an itemized receipt of actual expenses incurred and return any unused portion of the fee. It also defines application fees to include any sum of money that is charged by a landlord in connection with a prospective tenant's submission of a rental application.

~ The bill additionally would limit landlords from going back in credit and rental history to 7 years and in the event an application is denied, the bill requires landlords to provide a written notice explaining exactly which criteria were not met by the applicant. It would also limit criminal background checks to 5 years for most types of convictions. Arrests without convictions could not be cause for denial of an application.

~ From the time an application is accepted, the landlord has 20 days to comply with these regulations or return the application fee before a tenant can take legal action. If a landlord violates the act, a tenant can receive up to 3 times the amount of the application, plus reasonable attorney and court fees.

ENDORSEMENTS

Colorado Homes For All
9to5 Colorado
Enterprise Community Partners
United for a New Economy
Colorado Coalition for the Homeless
Padres y Jóvenes Unidos
Mile High Connects
Our Home Our Right
Colorado Center on Law & Policy
Center for Health & Progress
Colorado Cross Disability Coalition
Denver Homeless Out Loud
Denver Artists for Rent Control
The Denver Foundation
The Interfaith Alliance
El Paso County Democratic Party
Center for Health Progress
B-Konnected
Together Colorado
Southwest Center for Independence
Westwood Unidos
Second Chance Center
Denver Indian Family Resource Center (DIFRC)
SafeHouse Denver
The Gathering Place
American Friends Service Committee (AFSC)
Denver Regional Council of Governments (DRCOG)

From: Kathy <kathl717@aol.com>
Sent: Sunday, June 10, 2018 4:11 PM
To: chris@kennedy4co.com
Subject: Rental application fee

Sent from my iPhone\

Begin forwarded message:

From: Michael West <denverrentit@yahoo.com>

Date: August 20, 2017 at 2:24:03 PM MDT

To: Kathy <kathl717@aol.com>

Subject: Re: Application for 21521 Main Avenue

Reply-To: Michael West <denverrentit@yahoo.com>

Great, do you have a Paypal account and if so do you know how to send money to family and friends or should I have my accountant send an invoice that you can pay with a credit card?

Gratefully,

Michael West

President and Owner

Denver Marketing

Phone: 303-219-3756

Denverrentit@gmail.com

Denverrentit@yahoo.com

From: Kathy <kathl717@aol.com>

To: Michael West <denverrentit@yahoo.com>

Sent: Sunday, August 20, 2017 4:05 PM

Subject: Re: Application for 21521 Main Avenue

Received! Thanks

Sent from my iPad

On Aug 20, 2017, at 1:34 PM, Michael West <denverrentit@yahoo.com> wrote:

Hi Kathryn, I'm glad that you've all decided to move forward. Per your request I'm attaching an application for you to complete and return via email with a copy of your driver's license. The lease will be from 9/1/2017 to 8/31/2018 for \$1400 per month plus \$100 per month for all utilities and a \$1400 refundable security deposit.

We charge an application fee of \$50, lease initiation fee of \$150 and admin fee of \$250, all are non refundable and need to be paid through Paypal. If you don't have a Paypal account, you can just pay with a credit card.

Please confirm receipt of this email and I'll have my accountant send the invoice for \$450. Once I receive that and the application I'll order the lease. Please take care of this asap so I can take the marketing down.

Gratefully

Michael West

President and Owner

Denver Marketing

Phone: 303-219-3756

Denverrentit@gmail.com

Denverrentit@yahoo.com