



# Portland Housing Bureau

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## Equity Barriers in Applicant Screening for Portland Rental Housing

Summary of key report findings

Screening Process Element	Equity Barriers	Relevant Local Screening Practices* (based on informal survey of 15 property managers)	Current Protections in Oregon	Suggested Practices** and Model Legislation
<b>Initial Application &amp; Screening Fees</b>	Potential for illegal discrimination through ignoring certain applications. Combined cost of individual fees for multiple applications. Automatic rejection of “incomplete” forms and forms with “falsified” information.	Screening fees range from \$35-50 per application, 7/9 charge \$42 or above. 14/15 do not consider applications with “incomplete” or “falsified” information. Of these 14, only 2 return incomplete applications for correction.	Screening fees limited to actual screening cost and must be refunded if no screen performed (ORS 90.295). Agent must respond to application “within a reasonable time” if charging fee.	Washington requires agents to give applicants with “incomplete” forms 72 hours’ notice before rejecting (RCW 59.18). Seattle has a “first in time” law requiring agents to time-stamp applications and process them in the order received (SMC 14.08).
<b>ID Requirements &amp; Credit Screening</b>	Automatic rejection of applicants with no credit score. Inaccurate credit reports leading to rejection of qualified applicants. Automatic rejection of applicants who do not provide government-issued photo ID and/or a Social Security Number (where only exception is proof of legal alien status).	7/15 require government-issued photo ID. 5/6 require or ask for driver’s license # and Social Security Number (or proof of legal alien status) in initial application. 6/15 require good credit and/or reject applicants with no credit rating (vs. 7/15 which reject only for negative credit). Only 4/15 make exceptions for medical or student loan debt or if the applicant is on a repayment plan.	Federal law requires agents provide applicants a copy of their credit report, with contact information for the credit screening company, if this is the reason for rejection. Rejection based purely on failure to provide driver’s license or Social Security Number often considered Fair Housing violation (though enforcement varies).	California bans housing discrimination based on immigration status and requires alternative credit ID consideration during existing tenant rescreening (Undocumented Immigrant Protection Act). FHCO advice: Accept “alternative ID” (school photo ID, foreign passport, financial records, etc.). Run credit checks using Individual Taxpayer Identification Numbers or allow applicant to prove financial soundness through income and bill payment records.
<b>Income Requirements</b>	Potential for illegal discrimination through selective information about requirements. Applicant inability to meet high income thresholds. Note: Income requirements often intended to avoid cost-burden.	9/11 require applicants make at least 3x monthly rent. Applicants below minimum income can often be accepted with co-signer or higher security deposit, though agent discretion varies widely.	Source-of-income discrimination illegal (ORS 659A). City-regulated properties require all incomes of 1.5x monthly rent to be considered.	FHCO Advice: Companies should set clear policies on allowing applicants who cannot meet income requirements to be accepted with a co-signer or higher security deposit, leaving minimum discretion to individual agents.

\*data should not be considered final

\*\*based on Fair Housing Council of Oregon suggested best practices

<b>Screening Process Element</b>	<b>Equity Barriers</b>	<b>Relevant Local Screening Practices*</b> (based on informal survey of 15 property managers)	<b>Current Protections in Oregon</b>	<b>Suggested Practices** and Model Legislation</b>
<b>Rental History Screening</b>	Rejection of applicants with no rental history or no past landlord reference. Automatic rejection based on past evictions or negative landlord references. Automatic rejection based on past noise or disturbance complaints.	7/13 require 1-2 yrs of verifiable rental or mortgage history, 2/13 require 3 yrs. 3/13 require at least two landlord references (regardless of total rental history length). 10/13 require 3-5 yrs eviction-free history, 3/13 require 7 yrs or longer. 10/13 reject based on past noise or disturbance complaints, only 3/10 limit this to cases “when the landlord would not re-rent” and only 3/10 ignore complaints over 1-2 yrs old. Only 1/13 considers excessive rent burden before rejecting for past evictions.	Eviction actions which were dismissed or are over 5 yrs old cannot be used as grounds for rejection (ORS 90.303). Rejection of domestic violence, stalking or sexual assault survivors based solely on past crimes, evictions or noise and disturbance complaints related to their trauma is illegal (ORS 90.449).	Minnesota has strict requirements on information rental history screening companies must include when reporting past evictions, and dismissed evictions can be expunged from public record (MS 484.014). California keeps eviction filings confidential unless the landlord receives a positive judgement and carries out the eviction (AB 2918). FHCO advice: Accept professional references if applicants cannot provide landlord references. Give applicants the opportunity to respond to negative references.
<b>Criminal Background Checks</b>	Potential for illegal discrimination through selective explanation of policies. Rejection based on past criminal record without consideration of extenuating circumstances. Use of “the box” to automatically reject applicants with criminal records without considering other qualifications.	4/5 ask whether applicants have been convicted of a crime (“using the box”) as part of their initial application. 2/14 automatically reject registered sex offenders regardless of how long ago their offense occurred, and 10/14 may do the same for some drug offenses.	HUD regulations consider blanket rejection based on past arrests or convictions discriminatory, agents required to consider individual circumstances (does not apply to registered sex offenders in public housing or to drug manufacturing & distribution). Rejection based on criminal charges resulting in acquittal or case dismissal is illegal (ORS 90.303).	Seattle bans rejections based on arrests which did not lead to a conviction, juvenile criminal records, expunged, vacated or sealed convictions, or convictions over 2 yrs old (SMC 14.09). FHCO advice: Screen for criminal background only after confirming applicant meets all other qualifications (“ban the box”). Consider past convictions only from within the past 3 or 5 yrs.
<b>Reasonable Accommodation and Rejection Appeals Processes</b>	Unclear appeals process means qualified applicants improperly rejected. Unclear reasonable accommodation process can create barriers for applicants with disabilities.	8/15 do not specify clear procedures for submitting reasonable accommodations requests. 5/15 do not specify clear procedures for appealing applications directly to the agent or the agent’s employer.	Reasonable accommodations protected under Fair Housing law. “Pet rent” or “pet deposit” for service or companion animals is illegal (ORS 90.300). Agents that charge screening fees must send written rejection notice & give reason upon request (ORS 90.304).	Minneapolis & Sacramento County incentivize or require landlord training courses. Washington requires rejection notice with specified format including appeal process (RCW 59.18.257). Minnesota requires rental history screening companies to notify agents when applicant information is corrected (MS 504B.173).

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