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Screening Criteria Policy Proposal

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Wednesday, May 2, 2018
AHFE Coordinating Board

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Screening Criteria Purpose

Create clear channels to access housing of choice for all renters regardless of background that is consistent, fair, and equitable and maintains dignity and humanity for the renter.

We do that by....

- Create individualized, holistic assessment of eligibility
- Prevent 1-2 issues from denying eligibility
- Increase housing access to more applicants
- Objective, a la carte framework
- Provide clarity and consistency

Ultimately, we are creating an objective measurement of true "high risk" applicants

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Key Takeaways-Overall

- Designed to partner with a Security Deposit policy
- Uses “best practices” of individualized assessments to measure common equity barriers
- Is scaleable and (hopefully) easy to understand
- Is NOT required if a landlord intends to approve applicant
- Incentivizes tenants to build positive histories.
- Incentivizes landlords to think broader about tenancy and housing

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Key Takeaways-Fundamentals

Application:

- Reduces discriminatory practices
- Changes the format requirements
- First-come, first-served has equity and legal challenges

Identification:

- Increases access for new Portlanders

Income:

- Increases access for low-income applicants
- Requires assessment of “household” income

QUESTIONS:

1. Is there an alternative to first-come, first-served?
1. Is the income requirement set at the right level?
1. Is there a way to require only tenant portion of income when they receiving a subsidy?

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Key Takeaways- Eligibility and Assessment

- Requires landlords who **INTEND TO DENY HOUSING ONLY** to plot the applicant on an individualized assessment scale based on the criteria they use to deny housing.
- Each scale is a weighted number system that assesses an individual's risks compared to their positive offsets
- Housing **CANNOT BE DENIED** to applicants who fall in the top 50% of the scale.

CREDIT HISTORY - 10		
Negative Offsets	circle	ranking
Low credit score	-5	
No credit history	-8	
Property debt	-2	
Bankruptcy within 1yr	-3	
Bankruptcy within 2-5yrs	-2	
Bankruptcy over 5yrs	-1	
Adverse accounts = 3-5	-1	
Adverse accounts > 5	-1.5	
Positive Offsets		
Good credit score	0	
Payment toward debt	1	
Rent Well	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
Completion of credit counseling	2	
Currently in credit counseling	1	
Working to clear past collections	1	
Explanation of no credit history-FH	6	
TOTAL RANKING		

RENTAL AND EVICTION HISTORY - 10		
Negative Offsets	circle	ranking
FED judgement within past 1 yr	-6	
FED judgement within past 2-5yrs	-3	
FED judgment older than 5yrs	0	
No previous rental history	-2	
Inconsistent rental payments	-2	
Previous damaged conditions	-2	
Outstanding debt to landlord	-3	
Positive Offsets		
Rent Well	1	
Domestic violence victim	1	
Current payments to previous debt	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
TOTAL RANKING		

**WORKS DIFFERENTLY
IGNORE FOR NOW**

CRIMINAL HISTORY -10		
Positive Offsets	circle	ranking
Completion drug/alcohol tx	2	
Current drug/alcohol tx	1	
Completion of counseling	2	
Current counseling	1	
Completion of education/training	2	
Current education/training	1	
Current case management/support	2	
Probation/parole oversight	.5	
TOTAL RANKING		5



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Key Takeaways- Credit History

- Medical or secondary education debt excluded
- Landlords determine "low credit"
- Credit scale weighted to demonstrate little connection between credit history and "high risk"

CREDIT HISTORY - 10		
Negative Offsets	circle	ranking
Low credit score	-5	
No credit history	-8	
Property debt	-2	
Bankruptcy within 1yr	-3	
Bankruptcy within 2-5yrs	-2	
Bankruptcy over 5yrs	-1	
Adverse accounts = 3-5	-1	
Adverse accounts > 5	-1.5	
Positive Offsets		
Good credit score	0	
Payment toward debt	1	
Rent Well	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
Completion of credit counseling	2	
Currently in credit counseling	1	
Working to clear past collections	1	
Explanation of no credit history-FH	6	
TOTAL RANKING		

QUESTIONS:

- Is this the right way to address "no credit history"?
- Are we missing any risks?
- Are we missing any positive offsets?



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Key Takeaways-Rental and Eviction History

- Creates rules about what can be asked or shared in rental history inquiry
- Weighted more heavily as there is a more direct connection to “high risk”

RENTAL AND EVICTION HISTORY - 10		
Negative Offsets	circle	ranking
FED judgement within past 1 yr	-6	
FED judgement within past 2-5yrs	-3	
FED judgment older than 5yrs	0	
No previous rental history	-2	
Inconsistent rental payments	-2	
Previous damaged conditions	-2	
Outstanding debt to landlord	-3	
Positive Offsets		
Rent Well	1	
Domestic violence victim	1	
Current payments to previous debt	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
TOTAL RANKING		

QUESTIONS:

1. Is it weighted properly?
1. What risks are we missing?
1. What positive offsets are we missing?

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Key Takeaways- Criminal History

- Works the OPPOSITE of the other scales
- Subjective assessment occurs first
- Assumption of starting at zero after subjective assessment
- THIS SCALE NEEDS TO MOST WORK

CRIMINAL HISTORY -10		
Positive Offsets	circle	ranking
Completion drug/alcohol tx	2	
Current drug/alcohol tx	1	
Completion of counseling	2	
Current counseling	1	
Completion of education/training	2	
Current education/training	1	
Current case management/support	2	
Probation/parole oversight	.5	
TOTAL RANKING		

QUESTIONS:

1. How do we make this scale simple and easy to follow?
2. How do we balance a landlord’s right to protect their property and residents while also providing more housing access to people with criminal histories?
3. What is missing from the positive offsets?

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Key Takeaways- Fees and Appeals

Application Denial and Fees

- Disincentivizes landlords taking multiple fees and applications at the same time
- Reduces the overall cost to the tenant

Reasonable Accommodations Appeal

- Has not yet been vetted by the community
- Intended to give more clarity to fair housing law

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Scenario A

Applicants: 2 parents, 2 children, 2 grandparents from Vietnam.

Monthly Income: \$4,500.

Identification: Birth certificates, secondary education IDs, consulate IDs.

Credit History: None.

Landlords: Older couple with a second home.

Available Unit: 1 single family home, 3 bedroom, \$1,800 rent.

Landlord Requirements: 600 credit score, 3x income ratio, government issued ID.



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Scenario A - Current Disqualifiers

Primary:

- Income ratio: **X**
- Government issued photo identification: **X**
- Social Security numbers: **X**

Secondary:

- Credit history: **X**
- Rental history (complaints): **X**
- Debt owed previous landlord: **X**



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Scenario A - Eligibility Changes

New Applicant Qualifiers.

Primary:

- Income ratio: **✓**
- Identification establishing photograph & date of birth: **✓**
- No credit history: **✓**

Positive Offsets:

- Completed Rent Well program: **✓**
- 2 year positive rental payment history: **✓**
- Payment plan toward landlord debt: **✓**



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Scenario A - Worksheet

SCREENING CRITERIA INDIVIDUAL ASSESSMENT WORKSHEET: EXAMPLE

Name of applicant: Mr. Nguyen Date of application: _____ Building/Unit: _____

CREDIT HISTORY - 10		
Negative Offsets	circle	ranking
No credit history	-8	2
Low credit score	-5	
Property debt	-2	
Bankruptcy within 1yr	-3	
Bankruptcy within 2-5yrs	-2	
Bankruptcy over 5yrs	-1	
Adverse accounts = 3-5	-1	
Adverse accounts > 5	-1.5	
Positive Offsets		
Good credit score	0	
Payment toward debt	1	
Rent Well	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
Completion of credit counseling	2	
Currently in credit counseling	1	
Working to clear past collections	1	
Explanation of no credit history-FH	6	8
TOTAL RANKING		8

RENTAL AND EVICTION HISTORY - 10		
Negative Offsets	circle	ranking
FED judgement within past 1 yr	-6	
FED judgement within past 2-5yrs	-3	
FED judgment older than 5yrs	0	
No previous rental history	-2	
Inconsistent rental payments	-2	
Previous damaged conditions	-2	8
Outstanding debt to landlord	-3	5
Positive Offsets		
Rent Well	1	
Domestic violence victim	1	
Current payments to previous debt	1	
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
TOTAL RANKING		5

CRIMINAL HISTORY - 10		
Positive Offsets	circle	ranking
Completion drug/alcohol tx	2	
Current drug/alcohol tx	1	
Completion of counseling	2	
Current counseling	1	
Completion of education/training	2	
Current education/training	1	
Current case management/support	2	
Probation/parole oversight	.5	
TOTAL RANKING		10

ADDITIONAL POSITIVE OFFSETS	
Job stability 1-2yrs	2
Job stability >2yrs	3
Voluntary community service 20hrs	2
Voluntary community service >20hrs	3
TOTAL ADDITIONAL POINTS	

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Scenario B

Applicant: Single man currently living in a shelter.

Monthly Income: \$1,900.

Credit History: Poor: bankruptcy in 2015.

Housing History: Eviction in 2016 for non-payment of rent.

Criminal History: Conviction for criminal trespass in 2014.

Landlord: A female 4-plex owner with 1-2 bedroom units.

Available Unit: 1 bedroom for \$950 a month.

Landlord Requirements: Good credit, no evictions, & a criminal background check.



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Scenario B- Current Disqualifiers

Primary:

- Income ratio: **X**

Secondary:

- Credit: **X**
- Housing eviction: **X**
- Criminal Conviction: **X**



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Scenario B - Eligibility Changes

New Applicant Qualifiers.

Primary:

- Income ratio accepted! ✓

Positive Offsets:

- Completed Rent Well program: ✓
- Completion of credit counseling: ✓
- Current case management: ✓
- Current addiction treatment: ✓
- Payment plan toward landlord debt: ✓



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Scenario B - Worksheet

SCREENING CRITERIA INDIVIDUAL ASSESSMENT WORKSHEET: EXAMPLE

Name of applicant: Joe Smith Date of application: _____ Building/Unit: _____

CREDIT HISTORY - 10		
Negative Offsets	circle	ranking
Low credit score	<u>-5</u>	9.5
No credit history	-8	
Property debt	<u>-2</u>	7.5
Bankruptcy within 1yr	-3	
Bankruptcy within 2-5yrs	<u>-2</u>	5.5
Bankruptcy over 5yrs	-1	
Adverse accounts = 3-5	-1	
Adverse accounts > 5	-1.5	
Positive Offsets		
Good credit score	0	
Payment toward debt	1	
Rent Well	<u>1</u>	6.5
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
Completion of credit counseling	<u>2</u>	8.5
Currently in credit counseling	1	
Working to clear past collections	1	
Explanation of no credit history-FH	8	
TOTAL RANKING		8.5

RENTAL AND EVICTION HISTORY - 10		
Negative Offsets	circle	ranking
FED judgement within past 1 yr	-6	
FED judgement within past 2-5yrs	<u>-3</u>	7
FED judgment older than 5yrs	0	
No previous rental history	-2	
Inconsistent rental payments	<u>-2</u>	5
Previous damaged conditions	-2	
Outstanding debt to landlord	<u>-3</u>	2
Positive Offsets		
Rent Well	<u>1</u>	3
Domestic violence victim	1	
Current payments to previous debt	<u>1</u>	4
6mo rental payments (1yr period)	.5	
12mo rental payments (2yr period)	1	
12mo rental payments (1yr period)	2	
TOTAL RANKING		4

CRIMINAL HISTORY -10		
Positive Offsets	circle	ranking
Completion drug/alcohol tx	2	
Current drug/alcohol tx	<u>1</u>	1
Completion of counseling	2	
Current counseling	1	
Completion of education/training	2	
Current education/training	1	
Current case management/support	<u>2</u>	2
Probation/parole oversight	.5	
TOTAL RANKING		3

ADDITIONAL POSITIVE OFFSETS	
Job stability 1-2yrs	2
Job stability >2yrs	3
Voluntary community service 20hrs	2
Voluntary community service >20hrs	3
TOTAL ADDITIONAL POINTS	

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THANK YOU!

QUESTIONS?

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