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# PRESS RELEASE

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## Attorney General Brown Seeks Regulatory Reforms to Protect Residential Tenants During Screening Processes

**BALTIMORE, MD (May 31, 2023)** – In a response to a request for public comment on background screening issues affecting individuals who seek rental housing, Maryland Attorney General Anthony G. Brown today joined a multistate coalition submitting a [letter](#) to the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC).

In the letter, Attorney General Brown urges reasonable regulatory reforms to ensure that housing applicants are not charged exorbitant application fees and will have access to the information used to make determinations of their tenant “worthiness.” In addition, Attorney General Brown and the coalition are seeking meaningful enforcement that ensures that tenant screening companies (TSCs) aren’t relying on biased algorithms or inaccurate data that improperly deny access to housing for residents in vulnerable and underserved communities.

“I am committed to fighting for every Marylander’s right to affordable, quality housing. Unjust practices, such as biased screening algorithms, not only violate civil rights and perpetuate homelessness, but also shatter the dreams of individuals and families by locking them out of a stable future,” **said Attorney General Brown**. “I urge federal regulators to act by increasing transparency, accountability, and dismantling barriers that deny people housing opportunities.”

The current high demand for housing across the United States means a highly competitive market that is favorable to landlords, increasing the use of TSCs. Landlords often charge “application fees” or “administrative processing fees” that are meant to cover the cost of obtaining the TSC reports, but which often far exceed the actual average cost of the report, including fees for review, whether or not a review even occurs. Inflated application fees serve as barriers to safe and affordable housing. Additionally, the use of inaccurate or inequitable tenant-screening data contributes to homelessness by excluding potential tenants from housing opportunities, impacting their physical and emotional well-being, and disrupting their ability to build generational wealth.

Attorney General Brown and the coalition offered the following recommendations to the CFPB and FTC to promote fairness and accessibility in the rental application process:

- Require landlords and their agents to disclose all of their rental criteria, including application fees and how they are used;
- Require landlords and their agents who use TSC reports to disclose the names and addresses of the screening companies and the information that will be used to

produce the report; include information on the applicants' right to obtain a free copy of the report in the event of denial or other adverse action; and to dispute the accuracy of the TSC with the landlord;

- Where fees are not already capped or prohibited by law, encourage states to cap application fees at the actual cost of the screening report or a certain dollar amount, whichever is lower; and
- In jurisdictions where application fees are not prohibited by law, encourage states to allow tenants to provide (at their option), and require landlords to accept, an applicant's own TSC report if it is less than 30 days old, to avoid one or more application fees.

In addition, the coalition recommended that the CFPB and FTC adopt further reforms that promote greater compliance with the federal Fair Credit Reporting Act and transparency in the tenant screening process.

<https://www.marylandattorneygeneral.gov/press/2023/053123a.pdf>