

Kaden Felch

SB2236

Thank you, Chairman and members of the committee.

My name is Kaden Felch, and I am a Fair Housing Specialist of High Plains Fair Housing Center, a private nonprofit with the mission to strengthen communities and ensure equal access to housing across North Dakota. On behalf of High Plains Fair Housing Center and myself, I would like to thank for the opportunity to speak today in support of Senate Bill 2236.

An audit of leases within the High Plains Fair Housing Center database showed a great deal of discrepancies in the amount of the late fee per landlord. Late fees started as little as \$10 and went all the way up to a late fee of \$100 + \$100 per week thereafter. According to the North Dakota Housing Finance Agency, most recent "Current State of Housing in North Dakota", nearly 40% of renters are cost-burdened in housing, meaning that more than 30% of their income is going to their rent payment. This number is in stark contrast to the state's homeowners who have an active mortgage, who are only 17.5% cost burdened. Large and accumulating late fees can set renters back for months, lead to eviction, or lead to large bills that may stay with them for a long time and prevent renters from finding stable housing in the future. We feel that passing SB2236 will be a good step forward in protecting ND renters from high late fees that are nearly impossible to actually pay.

Senate Bill 2236 will help North Dakota have clearer rental policy for landlords and tenants alike. Late payment caps will help stabilize many North Dakotans' lives. There are many reasons for someone to be late on a payment (medical crises, surprise car issues, etc.) this cap will allow more flexibility for North Dakotans who may not have as much expendable income as others. In many cases, renters' main priority of their possible multiple payments each month is their rent. In the rare situations where a tenant may only be able to do a partial payment or cannot pay until a few days later, this cap would help to not severely punish working class people for possible uncontrollable circumstances.

Another reason for rental caps is to lower confusion across the board for landlords and tenants. This cap allows landlords to now have a policy to point to if someone questions their late payment policies, something they have not been able to do before. This cap of 8% is still high enough to deter people from paying rents late. No one likes paying extra fees, this Bill just normalizes what can be charged. This bill also recognizes the burden continual late receptions of payments can have on landlords. Setting the late fee at 8% allows landlords to collect enough money to make up for the burdens late payments may have caused while ensuring they are not excessively profiting off of people's misfortune.

We urge you to pass SB2236 as a way to both protect renters while still holding them accountable for their contractual obligation. Thank you for your time.