

I am writing to offer support for HB 1440. North Dakota currently does not have many protections in place for renters, and this is a good first step. By applying payments first to rent, renters are able to stay current on their rental bill and continue to reside in housing. The current system is set up such that if an individual falls behind, even once, and ends up incurring a late fee and doesn't have the money to pay that late fee right away, they are set up to continue to incur late fees and get farther and farther behind. As an example, if someone's rent is \$500 and they pay late and get a \$50 fine but don't pay the fine, the next month when they pay the \$500, \$50 of it will go toward the late fee, thus meaning they did not submit "payment in full" and thus they will get another late fee. The next month, the system will repeat itself only now, \$50 of their \$500 payment will go toward the "past due" \$50 of the previous month, another \$50 will go toward the "late fee" and they will now be \$100 behind for the next month. At some point in the cycle, the individual will likely receive an eviction notice for being past due for several months, all because the person was late on their rent ONCE and didn't have the income to pay the extra fee. Another situation in which this may happen is when a tenant is charged a maintenance fee for a maintenance call that they were unaware of until they started getting notices that their rent is past due, since a portion of their rent payment has been applied to the unknown charge. Some may argue that the current system is needed to recover costs for landlords – I would disagree. I believe that most security deposits would be sufficient to recover unpaid late fees or maintenance bills and the like. Also, landlords have the right to take legal action to recover unpaid fees as well. The current system of applying payments feels sneaky and doesn't have tenants' best interests at heart. As North Dakotans, we need to take care of our residents and ensure they stay safely housed. HB 1440 is a great first step to that goal.