



## **PINE TREE LEGAL ASSISTANCE, INC.**

P.O. Box 2429  
Augusta, ME 04338-2429  
(207) 400-3261  
<https://ptla.org>

In support of LD 1710 “An Act to Establish the Maine Rental Assistance and Guarantee Program and Amend the Laws Regarding Tenants”  
May 11, 2023

Good afternoon, Senator Pierce, Representative Gere and distinguished members of the Joint Select Committee on Housing. My name is Katy Childs. I am the Managing Attorney of the Augusta Office of Pine Tree Legal Assistance. I grew up in Windsor, Maine, where I currently live with my family. I have been at Pine Tree for eight years and I have represented tenants across the state.

Pine Tree Legal provides free civil legal services to low-income Mainers. We opened our doors in the summer of 1967 and have been overwhelmed with people in need of our services ever since. We have six offices throughout the state, from Presque Isle to Portland, and our staff handle cases in all 29 district courts.

In 2022, Pine Tree Legal Assistance worked on 7,582 cases, providing direct legal assistance on a wide range of legal issues. We are seeing a significant demand for services. In 2022, we handled 12% more cases than the previous year. In 2022, our statewide Call Center received a total of 10,328 intake calls from people seeking representation – an increase of 180% compared to 2019.

### **Rental Assistance**

Almost every day, Pine Tree attorneys are in courts across the state defending evictions and working with clients who have faced, are facing, or are about to experience homelessness. Whether we are taking live calls during our hotline hours, meeting clients at court, or helping them navigate any of the number of issues they may be coming to us with – we meet and work with hundreds of people each month who do not have affordable, safe housing. The rental assistance program that is proposed by LD 1710 could help to mitigate this reality of an often impossibly challenging rental housing market and providing low-income Mainers with another fighting chance to obtain affordable housing in their communities.

### **Consumer Protections for Tenants**

The consumer protection aspect of this bill is also a crucial component to ensure that Maine families are not saddled by the stigma of poor credit due to the rental market conditions outside of their control. Credit reporting of rent arrearages has consequences above and beyond the impacts it has on their rental prospects. It affects whether they can take out an auto



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loan they may desperately need, especially in rural parts of the state. It means higher interest rates. It impacts the most important parts of someone's financial life and financial prospects.

From 2019 to 2022, we have seen a 400% increase in the number of calls from tenants about rent increases. Unaffordable rent is impacting Maine renters of all demographics and renters of all income levels. We are seeing rent increases for families living in decent, safe apartments and also rent increases in substandard housing. Landlords frequently refer unpaid rent to collection agencies and many debt collectors report debts to the nationwide CRAs. A debt collection item is considered a very negative entry on a credit report and it can remain for up to seven years. It can significantly lower a renter's credit score and borrowing power.

Because most landlords use tenant screening reports that include credit information, a damaged credit report will seriously hinder a renter's ability to secure new housing. Landlords often automatically reject applications from potential tenants who are alleged to owe money to former landlords. This could force the renter to turn to landlords who charge above-market rates for low-quality housing or even lead to homelessness.

### **Conclusion**

Low-income Mainers are the most vulnerable in the current rental housing market. The rental assistance component of this bill is a step toward helping to keep Maine families from being pushed further and further into poverty. It could offer new hope for low-income families to have a fighting chance to obtain decent, safe housing that they can afford.

Tenants with alleged rental debts face a host of long-term consequences, including the inability to secure safe and affordable new housing, as well as the ability to obtain auto loans, pass background checks for certain jobs, or one day move toward home ownership.

Thank you for the opportunity to provide comments today. I hope you will vote *ought to pass*.