



To: Senate Housing and Urban Affairs Committee

Re: Senate Bill 934 - Creditworthiness Determinations Concerning Affordable Housing Programs

Thank you for the opportunity to testify today on Senate Bill 934, a bill that establishing guidelines for creditworthiness determinations concerning affordable housing programs. Since its inception, Fair Share Housing Center has advocated for the construction and accessibility of affordable housing. For the creation of affordable housing to be effective, it must be tied to equitable access. Ethel Lawrence, the Black woman in Burlington County responsible for the Mount Laurel Doctrine, was not in need of a new home—instead, she sought continued access to the home she already had. Exclusionary and inclusionary zoning ordinances, sources of lawful income, criminal background checks, eviction filings, and credit scores serve as systemic barriers to housing.

Last year, this Committee heard from passionate advocates across New Jersey who urged the State to remove the criminal background check question from initial housing applications. That bill became a framework for how we can address systemic barriers to affordable housing. Senate Bill 934 can serve in the same capacity. Screening agency algorithms fail to incorporate real-life factors that can cause negative credit scores. If passed, this legislation will require landlords and developers to make an individualized assessment of prospective tenants, where they can explain factors that contributed to their lower credit score. It is these types of real-life factors that must be taken into consideration, instead of reducing people to just a number.

The population whom this bill seeks to assist are the very people looking to improve their credit through affordable housing opportunities. Applicants who have stellar credit on average are not in need of affordable housing. Heightened scrutiny on those who look to improve their credit places them in a helpless situation. Communities of color are disproportionately impacted by barriers to housing. Black and Brown communities also have less access to credit and capital, which leads to higher rates of housing insecurity and causes other detrimental societal determinants.

Tenant screening policies, like creditworthiness, create insurmountable barriers to housing, particularly for low-income families and people of color. Reducing barriers to housing must be prioritized by this Committee. We urge the Committee to post Senate Bill 934 for a vote and support the passage of the bill through the Legislature.

Respectfully,

James Williams  
Director of Racial Justice Policy  
Fair Share Housing Center