

SUPPORT HB1093

HELP TENANTS STAY HOUSED BY LIMITING UNJUST FEES REQUIRED TO CATCH UP ON RENT

SUPPORT HB1093 to reign in unjust fees that prevent residential tenants from catching up on rent before an eviction court date.

- Most residential leases in Virginia shift the landlord's attorney fees to the tenant for breaches like failure to pay rent. When landlords have their attorneys file eviction cases, they charge the tenant the fees.
- The Virginia Residential Landlord Tenant Act (VRLTA) allows a tenant who falls behind on rent to pay what they owe the landlord, including the attorney fees, before the first eviction court date and have the case dismissed. This is called redeeming the tenancy. When a tenant redeems before court, their case requires only minutes of attorney time.
- But many leases set the amount of attorney fees due as a percentage of the total rent and damages sued for—often 25% but sometimes more. Redeeming tenants often have to pay several hundred dollars or more for tiny amounts of the attorney's time.
 - For example, for a lease that sets the landlord's attorney fees at 25% of the amount due, a tenant owing \$4000 in rent and \$400 in late fees (\$4400 total) would have to pay an additional \$1100 in attorney fees to redeem before court.
- Large attorney fees charged for redeemed cases that take almost no legal work can push families into homelessness. Too often, rental assistance programs that could help pay a family's back rent and damages must deny all financial help because the extra fees exceed their program limits.

HB1093 limits the amount of attorney fees a residential tenant can be required to pay to redeem before the initial court date to \$50.

- By limiting to \$50 the attorney fees a residential tenant must pay to redeem before the initial court date, HB1093 will encourage and enable tenants to pay their debt to their landlord sooner, lower eviction rates, and still give fair compensation for the minimal legal work involved.
- HB1093 will also allow tenants to redeem by paying all rent they owe a landlord by the date of payment rather than the amount owed on the court date, eliminating the current barrier of requiring payment of the next month's rent in advance if the court date falls after the next month's rent is due.