



KNOW YOUR RIGHTS:

What Housing Provider Need to Know About AI & Tenant Screening

PHRA & AI

The **Pennsylvania Human Relations Act** (PHRA) prohibits discrimination based on race, color, sex, religion, disability, familial status, national origin, ancestry, and age (40+).

The PHRA applies to AI-based tenant screening tools. Legal responsibility remains with the housing provider, and not solely with the software vendor.

Housing providers use tenant screenings to select reliable tenants who can pay their rent and abide by lease provisions. In the past, many landlords did this work themselves, there has been an increase in use of screening services provided by third-party vendors. Most recently, Artificial Intelligence (AI) algorithms have been used as a way to assess potential tenants.

Housing providers should use caution when choosing tenant selection products to ensure they are in compliance with federal and state fair housing laws.

Practical Checklist

- ✓ Confirm your AI screening tool does not auto-deny applicants without review by a member of your staff.
- ✓ Ensure criteria like credit score thresholds or criminal history checks are well justified, objective, and current.
- ✓ Provide clear Adverse Action Notices, linking required elements under Fair Credit Reporting Act and Fair Housing laws.
- ✓ Maintain clear records of actions taken (human-reviewed decisions, vendor communications, performance audits). Complete documentation is a helpful tool for housing providers facing fair housing complaints.
- ✓ Train staff on Fair Housing laws' application to AI use.

Risks of Algorithmic Screening

Disparate Impact Liability: Even if an AI tool is facially neutral, it may disproportionately deny tenants from protected classes.

Explain-ability: AI systems often function as "black boxes," making it hard to justify rejections in compliance with legal standards. Just because the data is historically accurate doesn't mean it is not biased.

Faulty Data Use: Algorithms incorporating arrest records (not convictions), eviction filings (especially dismissed ones), or credit scores possess weak predictive value and can be biased.

Example

In 2024, The U.S. Department of Justice reached a \$2.28M housing discrimination settlement with SafeRent, a tenant screening service, finding that the company's algorithm had a "significant disparate impact" on Black and Hispanic applicants who used federal housing vouchers.

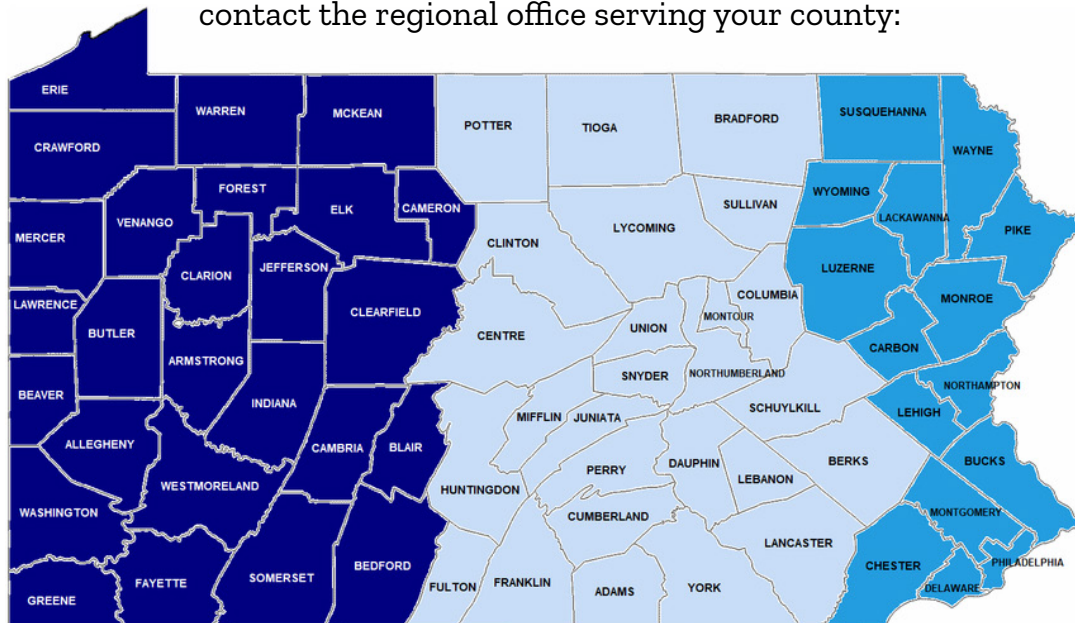


Best Practices

- **Keep a human in the loop:** AI tools can help gather data or highlight issues, but final decisions must be made and documented by humans.
- **Use narrowly tailored criteria:** Only screen for data directly relevant to tenancy, do not screen for zip codes or broad eviction filings.
- **Allow corrections & disputes:** Notify applicants of adverse actions, give them access to their screening reports, and allow them to dispute or correct errors.
- **Regularly audit outcomes:** Monitor data to check for disparate impact. If adverse effects are found, either justify their necessity or remove that criterion.
- **Engage vendors carefully:** Review vendor practices for Fair Housing compliance, transparency, dispute processes, and biases; don't rely on their assurances alone.

Pennsylvania Human Relations Commission Offices

To file a discrimination complaint, or ask questions about your situation, contact the regional office serving your county:



Counties served by Pittsburgh Regional Office

301 5th Avenue, Suite 390, Piatt Place
Pittsburgh, PA 15222
412-545-5395 | 412-565-5711 (TTY)

Counties served by Philadelphia Regional Office

110 N. 8th Street, Suite 501
Philadelphia, PA 19107
215-560-2496 | 215-560-3599 (TTY)

Counties served by Harrisburg Regional Office

555 Walnut Street, Suite 808
Harrisburg, PA 17101
717-787-9780 | 717-787-7279 (TTY)

Executive Offices

555 Walnut Street, Suite 808
Harrisburg, PA 17101
717-787-4410 | 717-787-7279 (TTY) phrc@pa.gov
(general inquiries, training requests)

PA Fair Housing Line
toll-free 855-866-5718



Pennsylvania
Human Relations Commission
www.pa.gov/PHRC