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April 2, 2012

The Honorable Tony Cárdenas, Chairman, and Members
City Council Committee on Housing, Community & Economic Development
City of Los Angeles
City Hall, Room 1010
200 N Spring St., Los Angeles, CA 90012

SUBJECT: Council File 12-0381, Alternative Means of Paying Rent

Dear Chairman Cárdenas and Members;

I would like to request that the Motion filed by City Councilors Krekorian and Zine be expanded so as to assure that landlords who do implement electronic payment systems do so in a manner that protects the privacy and financial security of tenants who choose to utilize electronic payments.

I am a renter in the Westchester community of Los Angeles. My financial institutions provide me with the ability, at no cost to me (and some savings to both me and them) to pay my bills with electronic transfers. I can do this utilizing their World Wide Web system, or using their "Touchtone Teller" telephone system, or through interaction with a teller at a branch location.

My landlord permits tenants to pay rent via electronic transfer, but they require that the tenant enter into an automatic payment system which forces the tenant to provide the landlord with the tenant's account information and authorize electronic transfers in advance.

I refuse to participate in such a system. My refusal is not based upon distrust of the landlord, although I can imagine that some tenants might be reluctant to give their landlords access to such private financial information. **My refusal is based on the knowledge that most private businesses, large and small, have grossly inadequate security in place to protect such private financial data.**

I refuse to provide my financial information to anyone who cannot assure its security, and between the high turnover of property management staff, relative lack of screening of those personnel, and complete lack of knowledge about what electronic security measures the landlord may take, I have no assurance that my financial data might not become public and subject to abuse. As recent accounts in the media instruct us, even the seemingly most secure businesses are seeing their security breached. At least in those cases, the financial institution is liable for losses. Property management companies and landlords would not be subject to the same regulations or mandated to make the tenant whole after a data breach.

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Since the owner of my apartment does not provide me with a way to electronically transfer funds to their account electronically, I have my rent payments mailed to my landlord. From my end, it is an electronic transfer, but a check is still generated and the landlord must still process it to receive payment, defeating the purpose. In addition, my landlord has "lost" my rent payment within the Manager's Inbox on occasion.

If my landlord would do as most other businesses do, and provide me with the necessary information, I could have the funds electronically transferred, securely and without the possibility of the check being "lost in the mail." This is how I currently pay credit card companies, the Auto Club, credit cards, and most other accounts. I have the choice to originate each payment online via the World Wide Web, using my telephone, or in person at a branch office. The choice is be mine, and my financial information remains secure.

As you review the Motion under consideration in Council File 12-0381, please expand upon the original concept to assure that if landlords provide the option of electronic payment, which has many advantages to both the tenant and the owner, they do so in a manner that protects the tenant's personal, private financial information, instead of requiring that the tenant surrender control over their personal private financial information to unknown and perhaps insecure personnel and data systems.

Thank you for your consideration.

Sincerely,



Tim O'Connell

cc: City Councilor Paul Krekorian
City Councilor Dennis Zine