Rent Reporting for Credit Building
Helping organizations move people from poverty to prosperity through credit building.

**Good Credit is an Asset**

Mission driven nonprofits and other entities are uniquely positioned to help the households they serve build credit *as an asset* – often the FOUNDATIONAL asset.
What is rent reporting?

• **Rent reporting** is gular monthly reporting of tenant rent payments to at least one of the major consumer credit bureaus for inclusion on consumer credit reports.

• **Rent reporting for credit building** is the pairing of rent reporting with credit/financial coaching and/or education and asset building programs to support residents in building credit to achieve financial goals.
Residents gain the opportunity to build credit without assuming additional debt through the establishment of a new, positive, active trade line on their traditional consumer credit report.

Property Managers gain the opportunity to a positive incentive for on-time rent payment and a competitive advantage in recruiting new residents.

Resident Service Providers gain access to a credit building product/tool which they can wrap coaching and education around and directly provide residents with means to measurably improve their credit profile.
Pilot Overview

EPIC Property Management

East Bay Asian Local Development Corporation

Marquette Management

CHN Housing Partners

Commonwealth Land Trust

Affordable Housing, Education and Development

Covenant Community Capital

AHC Greater Baltimore
100% of residents with no trades transitioned to the thin-file category and are now **SCOREABLE** by VantageScore 3.0.

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Percentage of Unscoreable Population</th>
<th>Average VantageScore 3.0 before</th>
<th>Average VantageScore 3.0 after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime</td>
<td>72%</td>
<td>N/A</td>
<td>688</td>
</tr>
<tr>
<td>Nonprime</td>
<td>28%</td>
<td>N/A</td>
<td>646</td>
</tr>
<tr>
<td>Subprime</td>
<td>0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>N/A</strong></td>
<td><strong>676</strong></td>
</tr>
</tbody>
</table>
Pilot Results

Change in Participant Credit Score

- Increase: 79%
- No Change: 14%
- Decrease: 7%

Average Participant Credit Score Increase by Baseline Score Tier (in points)

- Prime: 4
- Nonprime: 10
- Subprime: 32
How Rent Reporting Works

1. Housing Provider chooses reporting mechanism
2. Technical Configuration
3. Outreach to residents
4. Enroll residents
5. Report rental payments on a monthly basis
6. Support residents in achieving financial goals
Is your organization ready to implement?

✓ Are necessary stakeholders on-board?
  ✓ Including: organizational leaders, property management staff, and other staff that provide direct assistance to residents.

✓ Do you have staff capacity?
  ✓ a champion who can dedicate time to manage the initial set up process and provide cross departmental coordination
  ✓ someone with technical expertise in your property management software who can extract the required resident rental data
  ✓ an organizational leader who can review and sign legal agreements
  ✓ staff trusted by residents with ongoing capacity to outreach to and enroll residents in rent reporting

✓ Do you have financial resources to offer rent reporting on an ongoing basis?