Credit Building Through Rent Reporting

Tuesday, April 2, 2019
2-3:30 pm EST
Welcome

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Senior Manager for Learning, Field Engagement
Prosperity Now
Housekeeping

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- All webinar attendees are muted to ensure sound quality.
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Trouble dialing in?
Just listen through your computer with speakers or headphones!
Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
Today’s Moderator

Pamela Agava
Program Manager, Affordable Homeownership
Prosperity Now
Today’s Speakers

Talia Kahn-Kravis
Manager of Innovations and Business Development
Credit Builders Alliance

Allison Pendell Jones
Independent Contractor, Resident Services & Financial Capability
AHC Greater Baltimore

Jemila Hart
Resident Services -- Human Service Coordinator
Housing Authority of Clackamas County

Jacqueline Huel
Resident, MonteVerde Apartments
AHC Greater Baltimore
Basics of Rent Reporting

Talia Kahn-Kravis
Manager of Innovations & Business Development
Credit Builders Alliance
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 regular 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.
How Rent Reporting Works

1. Housing Provider chooses reporting mechanism
2. Technical Configuration
3. Outreach to residents

- Enroll residents
- Report rental payments on a monthly basis
- Support residents in achieving financial goals
Why Rent Reporting?

**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 Results

Change in Participant Credit Score

- Increase: 79%
- No Change: 23%
- Decrease: 7%

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

- Prime: 4 points
- Nonprime: 10 points
- Subprime: 32 points

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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?**
MonteVerde Apartments
Baltimore, MD
Housing Provider Experiences

Allison Pendell Jones
Independent Contractor
Resident Services and Financial Capability
AHC Greater Baltimore

- Quality affordable housing provider
- Subsidiary of AHC, Inc., based in Virginia
- Developed 8 properties in the Baltimore region, with more than 1,200 affordable apartments.
Housing Provider Experiences

Jemila Hart
Human Service Coordinator, Resident Services
Housing Authority of Clackamas County
The Housing Authority provides affordable, safe, and sanitary housing opportunities for Clackamas County residents. HACC provides opportunities for people facing challenges to finding stable housing because of income, disability or special needs.
Why Rent Reporting

- Lack of access to affordable credit
- Residents are impacted daily as a result of low/no credit
- Higher fees or deposits for insurance, cell phones and utilities
- Opportunity for residents to build credit without taking on additional debt
- Encourage on-time rent payments
How Did You Know You Were Ready?

- CBA Rent Reporting Pilot
- Indirect Rent Reporting through rental payment processing service
- Now, with support from NeighborWorks able to offer Direct Reporting
- Organizational and resident readiness still key
How Did You Engage Residents?

- Determining Resident Readiness
- Developing an opt-in and enrollment process and tracking
- Promoting through flyers, move in packets and through one-on-one financial coaching
- Incentives for enrolling
- Important to have opt-in process and connect to financial education
How Did Integrating Financial Capability Impact your program?

- An incentive to participate in financial capability program
- Key credit building product, supports long term financial goals—mutually beneficial
- Connect to other products and services (i.e. Rent Café and Financial Coaching)
What were the Challenges for the Organization?

- Initially—no option for direct reporting
- Creating buy-in and support as a priority for staff time and budget support
- Connecting management and resident services staff
- Accessing credit scores for outcome tracking
What were the Challenges for the Residents?

- Understanding the importance of credit and how rent reporting can help
- Unintended impacts of improved credit (i.e. credit card offers)
What are the Biggest Outcomes...

▪ ...For the organization?
▪ ...For residents?
Q & A

Please submit your questions in the chat box!
Thank You to Today’s Speakers

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Thank You!

Please complete our survey!