



CBA Rent Reporting Impact Analyses

Multiple studies demonstrate the positive impact and benefits of Rent Reporting for Credit Building. Below are SIX key findings associated with rent reporting:

1. Rent reporting provides a low risk opportunity, one of few out there, for low-income renters to establish or improve their credit.

Once the opportunity is presented, rent reporting is typically seen by residents as a good opportunity to build credit. This is especially important for those living in federally subsidized or public housing, because they often must choose to opt in to benefit from the opportunity.

From CBA's Rent Reporting Pilot

Ninety-seven percent of residents participating in [CBA's Rent Reporting Pilot](#) said paying rent on time is a good way for them to build their credit.

2. It Works! Studies of multiple rent reporting programs have shown that rent reporting on average increases credit scores, particularly for those individuals with no or low credit scores or those with thin credit files.

Results from [CBA's Rent Reporting Pilot](#) showed that after isolating the impact of a rental tradeline on participants' credit reports:

- All residents participating in the pilot who initially had no credit score had either a high non-prime or prime score with the inclusion of their rental payment history.
- A large majority (79 percent) of participants experienced an increase in credit score, with an average increase of 23 points.

Results from a [2019 study](#) released by the U.S. Department of Housing and Urban Development found similar results for residents of three public housing authorities:

- The rate of residents with no credit score fell from 49 percent to 7 percent using one score model and from 11 percent to 0 percent using another score model, nearly eliminating unscorability with the addition of the rental tradeline.
- The share of renters with a score above 620 increased by 65 percent after adding the rental tradeline. (A score of 620 or more will generally qualify consumers for most financial products including conventional mortgages.)



3. Results can be quick!

In a study conducted by TransUnion, approximately 80 % of subprime consumers experienced an increase in their score one month into their new apartment lease. Nearly 41% of subprime consumers saw their VantageScore increase by 10 points or more after one month.

In addition, most rent reporting mechanisms can report back 24 months of rental payment history. This allows renters the potential to increase their length of credit history, a key factor impacting a credit score, virtually overnight.

4. Rent reporting enhances participation in other financial capability programs, connecting renters with valuable products and services, such as electronic rent payment.

Rent reporting is a promising strategy for affordable housing providers seeking to increase resident participation and success in financial coaching and asset building programs.

5. When combining financial coaching with rent reporting, the impact is shown to be even greater and increase residents' connection to credit and its importance.

Rent reporting is seen by renters as a great opportunity for credit building and paired with credit education, is a powerful financial capability strategy for public housing authorities seeking to help their residents achieve financial stability.

Quick Improvements:

In one pilot, 100 residents enrolled in rent reporting using RentTrack—a third party rent servicer. Of the residents whose rents were reported for at least two months:

- The average credit score increase ranged by property between 31-45 points
- The largest score increase was 215 points.

“In addition to working on correcting my credit, I recently opened a bank account and secured a full-time job.” - Resident of Home Forward (housing authority of Portland, OR)

NALCAB Cohort Financial Capability Findings

The National Association of Latino Community Asset Builders (NALCAB) and CBA worked with four affordable housing providers serving Lantinx renters. All four housing providers reported that rent reporting created the opportunity to:

- Strengthen relationships with tenants to better understand their needs and how to support them
- Help residents identify their credit building goals and create a plan to achieve their goals
- Assist residents in reviewing, understanding, and addressing items on their credit report
- Refer residents to local financial institutions, community organizations, asset building opportunities, computer literacy classes and more!



6. Rent reporting is an additional incentive for residents to pay their rent on time, which benefits both the property and the individual renter.

Rent reporting can incentivize residents to pay rent on time. A [study by Transunion](#) found that seven in 10 renters (73%) would be more likely to make on-time rent payments if property managers reported rent payments to a credit bureau. In addition, the Urban Institute simulated the predictiveness of rental payment on mortgage payments and found that it is likely a strong indicator of mortgage performance.

Cleveland Housing Network

Comparing the year before implementing rent reporting with the first year of implementation, Cleveland Housing Network saw a 25% increase in on-time rent payments among residents participating in rent reporting.

Sources & Resources:

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