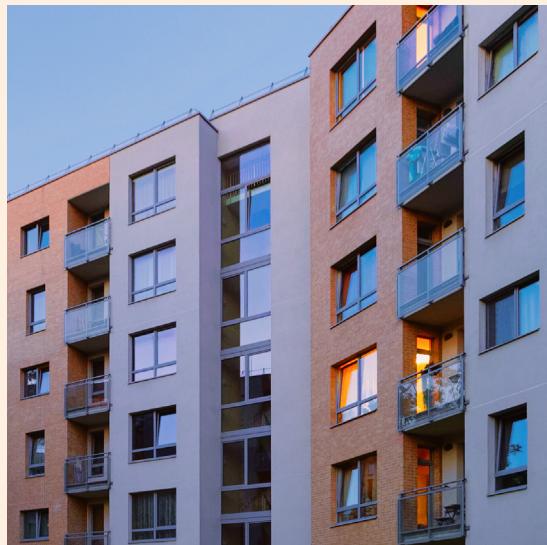


Rent Reporting Case Studies



Acknowledgments

Description

Credit Builders Alliance (CBA) has been actively involved in rent reporting as a credit building strategy since 2012. During that time, CBA has helped over 50 affordable housing providers implement rent reporting programs at their respective agencies. By collaborating with these partners, CBA has gathered best practices, lessons, and success stories from these providers—for which we are incredibly grateful. You will find insights from five of these housing providers in these case studies. Sharing their knowledge and experiences paves the way for additional affordable housing providers as they work to establish their rent reporting programs. These programs help residents with lower incomes build their credit to acquire assets, achieve financial goals, and participate in mainstream financial systems.

About Credit Builders Alliance

CBA is a DC-based national membership network comprised of over 600 asset building nonprofits across all 50 states, DC, and Puerto Rico. We serve as a bridge between the nonprofit sector and the credit industry, offering technical services such as access to credit reports and credit reporting, access to capital through our CDFI intermediary, CBA Fund, and capacity building for nonprofits and practitioners. We do this through our signature *Credit as an Asset* training, rent reporting technical assistance center, and credit building program design support at the organizational and municipal levels. We strive to cultivate communities of practice, connecting members supporting a variety of populations with credit building.

For more on CBA, go to creditbuildersalliance.org and rentreportingcenter.org. For more information, contact us at rentreporting@creditbuildersalliance.org.

Interviewees and Contributors

Our gratitude goes to the eight people who shared with us their rent reporting program experiences. Thank you **Alescia Blakely** (Home Forward), **Biljana Jesic** (Home Forward), **Chris Herrmann** (Enterprise Community Partners), **Fernando Cibrian** (Mutual Housing California), **George Xiong** (Mutual Housing California), **Kulbir Singh** (Mutual Housing California), **Mike Ziegler** (DeSales Community Development), and **Nathaniel Arias Velez** (Inquilinos Boricuas en Acción).

Consulting

CBA would also like to thank **Social Solutions Consulting** for their hard work collecting and synthesizing the information from the interviewees.

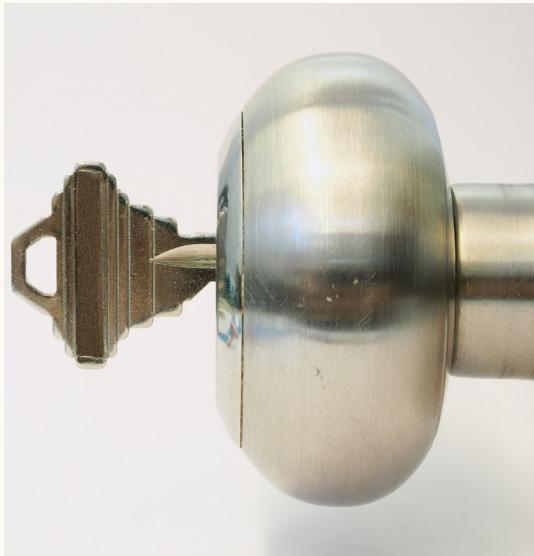


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DeSales Community Development

Leveraging Technology to Support Rent Reporting

Impact of Rent Reporting

Residents who participated in the rent reporting pilot program had an average score increase of 55 points. On average scores went from 602 to 657. The largest score improvement was 161 points.

DeSales is planning to seek out additional resident feedback. The staff is interested in learning more about residents' experiences in the program and non-credit score-related outcomes.

About DeSales Community Development

DeSales Community Development (DeSales) is a community-based nonprofit formed in 1976 to serve the Fox Park and Tower Grove East neighborhoods in St. Louis, Missouri. DeSales promotes ongoing growth of neighborhoods as healthy, diverse urban communities with quality housing and currently has 1,500 units.

Getting Started

DeSales has been offering rent reporting to residents since early 2021 after staff learned about it at a conference. They were interested in the opportunity because of DeSales' structure as both a nonprofit and a property management company.

DeSales worked with Esusu, a third-party rental service provider, to offer residents the opportunity to opt-in to rent reporting. Esusu offers a look-back period of 24 months, which enabled residents to have prior payments reported to the credit bureaus.

DeSales' community services coordination team led outreach to residents to encourage participation in the rent reporting program. DeSales already had a texting service set up to share information with residents, so was able to leverage this as well as a rent payment app to build the program.

Staff knew that residents might be concerned when they received text messages that mentioned information about increasing their credit score—that they might be worried it was a scam. To prevent these concerns, staff shared a variety of resources via text messages beforehand that included information on various social services and that rent reporting messages would be coming.

DeSales also established a rent reporting enrollment website that linked to their organization's website for residents to sign up for rent reporting. Using DeSales' existing website as a starting point helped ensure residents knew they were at the right website to sign up for the rent reporting program. In addition, because many residents already paid rent via a mobile app, DeSales added a pop-up message about the rent reporting program to the app. The pop-up then took residents to more detailed information. Recognizing that not all residents used the text messaging services or the mobile app, staff distributed flyers to all rental units.

Residents who enrolled in the rent reporting program were given information about four different agencies in the area that offer one-on-one financial coaching.

DeSales plans to offer peer-to-peer sessions for residents to connect with other residents with credit building goals when COVID-19 precautions allow for regular, safe, in-person sessions.



Mike Ziegler, Community Services Manager and coordinator of Rent Reporting Program at DeSales



Maintenance and Challenges

An initial challenge was the waiting period from when residents enrolled to when they were able to access their credit scores in a portal provided by Esusu. The delay in the third-party portal being set up led to a missed opportunity for engagement. This challenge has been resolved and residents who are enrolled in the next phase of the program will not face this delay.

Two additional challenges were both related to the COVID-19 pandemic. First, DeSales staff was unable to meet with residents in person to discuss any concerns and assure residents that rent reporting was not a scam. Despite this challenge, DeSales was still able to enroll just under one hundred individuals in their rent reporting pilot. The second challenge was related to COVID-19 rental assistance. The unprecedented amount of rent assistance that was often issued in lump sums meant the staff was unsure how these payments would be reported to the credit bureaus. DeSales is currently working to get clarity on lump sum payments and how they are reported.

Staff Capacity

DeSales was able to implement the rent reporting program with the time and talent of a social work practicum student. The student was able to connect DeSales to Credit Builders Alliance to help move the program forward. DeSales was also able to participate in a pilot program that provided some funding. Because of DeSales' thoughtfulness and intentionality in leveraging their technology, once the program is set up, only minimal support is needed from staff on an ongoing basis.

Lessons Learned and Moving Forward

DeSales is preparing to enroll additional residents in rent reporting. Staff plan to add more informational sessions, host virtual town halls and offer in-person credit fairs to offer additional support to residents who choose to participate.

DeSales is also interested in getting additional outcome data. This data will be used to apply for funding opportunities and build support for the program. DeSales is particularly interested in exploring if participation in rent reporting increases timely rent payments.

DeSales was able to leverage its organizational structure and access to texting to implement rent reporting without additional staff capacity. The rent reporting program has further demonstrated how social services can be integrated into property management.





Enterprise Community Partners

Using an Opt-Out Model to Reduce Barriers in Rent Reporting

Impact of Rent Reporting

There were several key outcomes for those that participated in the pilot. Over two-thirds of households experienced an improvement in their credit score. 15 households established a credit score for the first time, and the percentage of residents with a poor credit score declined by between 23-40% depending on the property. The average credit score increase since enrollment was 17 to 21 points.

About Enterprise Community Partners

Enterprise Community Partners (Enterprise) is a national nonprofit that exists to make a good home possible for the millions of families without one. Together with their partners, Enterprise focuses on the greatest need: the massive shortage of affordable rental homes.

Getting Started

In 2021, Enterprise's Real Estate Equity team began piloting rent reporting at two properties in its portfolio. Enterprise learned about Esusu through a monthly call they participate in with other housing providers. Enterprise partners can choose to work with Esusu or any other third-party company that will work for their needs.

Using an Opt-Out Model

Enterprise decided to use an opt-out model, as the pilot was implemented through the Real Estate Equity Team. This team invests in properties in a passive limited partner role. In this capacity, Enterprise does not manage properties or control the management companies.

Enterprise knew that they needed to have ease of execution for partners and property managers to support adoption. Opt-out was an option because the properties they enrolled do not receive federal funding. Enterprise knew that property managers were not going to have the staff capacity or funding mechanism to support an opt-in roll-out.

Residents received text messages about the program that were reviewed for clarity before being sent out. Enterprise prioritized making opting out as easy as possible for residents. To opt out, a resident simply had to reply to the text message. Multiple text messages were delivered to ensure residents had adequate notice and ease of opting out. This was important to Enterprise given that residents were automatically enrolled in the program.

In addition to text messages, flyers were posted throughout the properties and Enterprise also worked to ensure property management had the information they needed to respond to any questions from residents.

Maintenance, Challenges, and Staff Capacity

Enterprise was intentional about building their program in a way to prevent the need for extensive staff or partner capacity. The biggest obstacle Enterprise faced was completing the software integration. Because this was completed in the first month, there is very little property management staff time required in subsequent months to maintain the program.

While wrap-around services would be ideal, there are not currently robust resident services in place at these properties. Despite limited services, Enterprise felt that rent reporting itself is a valuable service for residents.

Lessons Learned and Moving Forward

A key to Enterprise's success was recognizing that there are many ways to implement rent reporting. There is no one right or wrong way. Enterprise recommends taking a few months to research options and plan for rent reporting implementation. Doing so allowed them to implement a low-touch model while still empowering renters and helping them build their credit.

Enterprise knows that rent reporting is positive for renters and provides information so that renters can make the best decision for their situation. Moving forward, Enterprise's Real Estate Equity team plans to require rent reporting for all new investments.





Home Forward

Offering Rent Reporting with a Resident-Centered Approach

Impact of Rent Reporting

In addition to credit score changes, Home Forward staff have found that residents are happy to share with others how rent reporting has changed their life. Residents are now talking freely about financial topics.

Even when residents still need to improve their credit history and scores, they now understand how credit works and what actions they can take to potentially improve their credit history.

Rent reporting has also brought people together in the community. The program has provided an opportunity for people to connect through deeper conversations.

About Home Forward

Home Forward is the largest provider of affordable housing in Oregon. Home Forward offers a variety of housing options to individuals and families with low incomes: more than 6,000 apartments to rent, including public housing units, and approximately 9,390 Housing Choice Vouchers (Section 8), which provide rent assistance. Home Forward partners with more than 100 community agencies to provide supportive services.

Getting Started

Home Forward began rent reporting in April 2014 with a pilot at one property: Stephens Creek Crossing. This was a unique opportunity because the property had been rehabilitated and Home Forward was in the process of leasing all the units. Having conversations with residents about Home Forward's Family Self-Sufficiency GOALS (Greater Opportunities to Advance, Learn, and Succeed) program and rent reporting pilot was a natural fit.

Home Forward partnered with a local nonprofit organization, that has since closed, to offer financial education classes and financial coaching to residents participating in the rent reporting program. Home Forward credits its success to this partnership and has built a new partnership to strengthen and continue the program. Residents can also choose to access credit reporting offered by a partner while simultaneously participating in rent reporting.

Home Forward offered translation and interpretation services to ensure that all interested residents could participate. It was essential for Home Forward staff that all residents could understand the program and choose to participate if they were interested.

Staff had many conversations with Home Forward's Information Technology (IT) department to coordinate sharing of information electronically. To ensure residents' privacy and confidentiality, Home Forward's IT department worked with the rent reporting bureau to remove any barriers. This included multiple meetings, conversations, and coordination.

Recruiting Additional Residents and Opportunities for Financial Coaching

Since the pilot, Home Forward has moved on to offer rent reporting at additional properties. Before enrolling residents at a property, Home Forward developed flyers to post at the site and sent a mailer to all residents at the property. The opportunity to participate started with an open house followed by a series of financial education workshops. The open house allowed Home Forward to gauge interest in the program and for clients to get their initial questions answered. Following the open house, Home Forward surveyed residents when scheduling the workshops to ensure the workshop times worked well for residents. Home Forward also highlighted that the workshops were an opportunity to meet like-minded residents interested in building their credit.

Home Forward used a texting service to send reminders about the workshops, which received a good response from residents. Snacks were also provided during sessions and all attendees received a small incentive.

Throughout the process, Home Forward surveyed residents to get their feedback on the program. Home Forward also shared materials with property management to ensure property staff knew what was being shared in the workshops.



A participant in Home Forward's rent reporting program.

Maintenance and Challenges

Home Forward learned that while recruiting residents during their lease signing was the easiest and an effective way to build on excitement, staff needed to follow up 30 to 45 days later. Following up with the resident became a best practice to make sure the resident understood the rent reporting program.

While Home Forward saw success in promoting rent reporting to new residents during the lease signing process, recruiting current residents has been more challenging because of privacy concerns. Since the Housing Authority is the landlord, residents expressed concerns about participation in rent reporting impacting their housing subsidy.

Staff turnover has also been a challenge. Home Forward now trains all new staff and all property management staff on the rent reporting program.

Staff Capacity

Partnering with an organization to provide financial education is key to minimizing additional staff time requirements. Home Forward staff typically spend about eight hours per month setting up rent reporting at a property.

After rent reporting is set up at a property little staff time is required. Residents requested “Coffee and Conversations” meetings to discuss the rent reporting program at one of the properties. Resident Services staff set up those meetings and provided the space.

In addition to facilitating peer connections, staff needs time for reporting, partially because of the size of Home Forward’s rental portfolio. Each month a report is sent to the third-party rent reporting platform, Esusu. It is easy to pull the report, but staff must compare the information with the resident log to ensure all moves and other resident changes are reported correctly.

Lessons Learned and Moving Forward

Home Forward learned how to manage situations when a resident moved to a property without a rent reporting program. There must be open conversations between residents and property management to ensure that departing residents exit the program successfully, when necessary, because of a move.

Home Forward also learned how essential cross-training is. The partner agency provided training to members of the resident services team. When their partner agency closed, Home Forward was still able to use the materials created by the partner agency to share financial education information with residents.



Participants in Home Forward's rent reporting program.



Inquilinos Boricuas en Acción

A Holistic, Culturally Responsive Approach to Rent Reporting

Impact of Rent Reporting

IBA's initial average starting credit score was 701. This is high because of an outlier. After participation in the rent reporting program, the average score increased to 728. The maximum score increase was 95 points.

Beyond credit score increases, IBA has noticed changes in culture around money. IBA observes residents have less anxiety about money and more open to be transparent about their money management. Money is no longer a taboo topic. As residents began to trust the program, they reached out increasingly to discuss their questions, without the fear that the amount of rent they pay would change.

IBA has seen an intergenerational impact. One resident was able to help her adult child when she had a financial emergency. It was the first time the resident was able to support her daughter in this way.

Another resident participating in the rent reporting program had their teenage child get involved with both the Youth Development Program (YDP) and Financial Empowerment Program (FEP). The teen was able to earn money through YDP's pay model and access a safe, affordable bank account through the support of the FEP—a testament to IBA's cross collaboration amongst its programs.

A recent resident surveyed showed an interest in estate planning because they wanted to make sure their children do not have a debt burden when they pass away. For IBA, this is a sign that the community members participating in FEP are thinking of ways to ensure finances for coming generations are better positioned than their own.

While there are current increases in credit scores to celebrate, the rent reporting program is also laying the foundation for long-term, intergenerational financial success.

About Inquilinos Boricuas en Acción

Inquilinos Boricuas en Acción (IBA) is a non-profit organization and community development corporation that was created in 1968 as the Puerto Rican community in the South End of Boston organized to stop the displacement they were facing. IBA offers affordable housing and supportive programming to increase social and economic mobility for the families they serve.

IBA and Rent Reporting

IBA uses a holistic, culturally responsive approach to build and maintain its rent reporting program. IBA engaged other programs at their agency and shared culturally relevant messages when recruiting residents to their rent reporting program. IBA found success by building trust with residents.

Getting Started

IBA became involved in rent reporting in September of 2018 as an opportunity and tool to build wealth in their community. They recognized the effect credit has on an individual's life and rent reporting seemed like a program they could implement.

Recruiting Residents

IBA recognized that messaging and trust would be essential as they recruited residents to participate in their rent reporting program.

The Resident Services Program (RSP), and property management partnered to provide a newsletter each month. The newsletter regularly featured information about the rent reporting program. At the time the program was launched, there were also TVs in the laundry room that would feature information on the program.

In addition to marketing, IBA's Resident Services team also did individual outreach with residents at events or by calling to ask if they were signed up for rent reporting. If the resident were not yet signed up and interested in learning more, they would be referred to staff on the Financial Empowerment team.

Because IBA chose to use a property management software add-on called Zego, residents that chose to participate in rent reporting were required to be able to pay their rent online. So, in individual conversations, Financial Empowerment staff highlighted that residents could pay their rent conveniently and from anywhere while building their credit. Many IBA residents responded to this messaging because they travel to see family. IBA staff also highlighted that by using this option, they could save money and time on getting money orders.

Staff also spoke about how rent reporting is tied to equity. Staff shared messages about how rent reporting gives renters the credit that they deserve for being responsible and paying their rent on time, just as homeowners can build credit with their mortgage.

IBA customizes individualized messages based on the interests and goals of the resident. For younger residents, IBA found success in sharing how rent reporting could help them prepare for near-term goals, like buying a car or qualifying for a credit card.

Options for Resident Engagement

Residents were able to participate in rent reporting as a standalone service, but many residents also chose to participate in a financial coaching services. This typically happened in two ways.

One was in response to an emergency need. Property management would share with the Financial Empowerment Program when a resident was having difficulty making rental payments. Financial Empowerment staff would then reach out to the resident making it clear that they were not from property management or in any way involved in the eviction process. Knowing that they had someone who wanted to help, who was not from part of those systems was often a surprise to residents and tended to be well-received.

In the Financial Empowerment Program, staff would work with residents to set up different bank accounts for their needs. After rent was paid on time, a resident could consider participating in the rent reporting program if they were interested. In one case, a resident was several months behind on rent. The resident was able to access financial assistance and work on their budget to get current. They became a rent reporting participant, and their rent has always been on time.

IBA has found that residents who are current on their rent and are interested in pursuing homeownership are often interested in participating in rent reporting. Access to a credit building option has been very appealing for these residents. Financial Empowerment staff have also spent time on education related to asset limits and other common misconceptions about saving for homeownership while being an IBA resident.

Maintenance and Challenges

IBA has between 80-90 individuals participating in the rent reporting program each month. Recruiting residents for participation has required little ongoing effort because most referrals are now from other residents through word of mouth in the community.

There were some initial challenges as well as additional challenges as the program grew. IBA started its program with a third-party company but had to switch after a transition within that company. IBA currently uses Zego to track rent payments and submit information to the credit bureaus and has found the system is minimal maintenance for the IBA team and residents. However, during the transition, there was an issue with one resident's account that was used as an opportunity to connect with the resident, correct the system error, and take them on as coaching

clients. When there have been issues it has been essential to work quickly with Zego to identify a solution to maintain the trust that IBA has built with residents. IBA does not want to be another financial system that residents lose trust in.

Another challenge that IBA had to navigate was creating a system to check a list of residents who are no longer in the program. This information is not shared with IBA unless they run a report, or the resident reaches out. Reviewing a list of those no longer in the program has helped IBA reach out promptly to residents who may be struggling or experiencing a technology problem.

The last challenge that IBA has faced is organizing and collecting data. IBA tracks credit scores and net worth, but it is difficult to track and analyze data over 650 units. IBA is using Credit Karma for initial scores and annualcreditreport.com for detailed credit reports. IBA enters that information into a database. They are continuing their work to refine their data collection and analysis but want to share this information with residents to help them feel the results of their credit building work.



Staff Capacity

IBA has not experienced concerns related to staff capacity because the Zego portal is easy for both residents and staff. The Financial Empowerment Program is made up of two staff, and they receive additional support from the Resident Services Program and property management on outreach. The Financial Empowerment Program is formalizing its program and policies and procedures to make sure new staff could assist with the program as they onboard the team, or when there is staff turnover in the future.

Lessons Learned and Moving Forward

A key to IBA's success has been learning about rent reporting on a deep level. Once IBA had product knowledge they were able to reach out to residents and speak to them on an individual level to encourage their participation.

Focusing on interpersonal connections and building rapport with residents helped residents feel confident in the program. IBA encouraged residents to reflect on potential participation in the program and did not pressure them to sign up.

While building trust with residents took time, the numbers have followed and now community referrals are sustaining the program.

IBA would encourage other programs to learn about rent reporting and then develop a plan to get started in their work with residents.



Mutual Housing California

Using Rent Reporting to Improve Residents' Credit

Impact of Rent Reporting

In 2017, Mutual Housing California launched an opt-in pilot rent reporting program at three locations in Sacramento and Yolo County. By the end of the year, 72 residents from the 147 households in the three communities were participating in the pilot. In 2021, following California legislation that mandated offering residents the ability to participate in rent reporting, the program was opened to all Mutual Housing communities, reaching over 1,200 households. Currently, 167 residents have opted into rent reporting and are participating in the program. Mutual Housing found that participant credit scores have increased by an average of 33 points.

About Mutual Housing

Mutual Housing California has been building housing for over 30 years. Mutual Housing owns and operates more than 1,200 homes, housing over 3,300 residents. To support residents, Mutual Housing develops programs relevant to its residents.

Getting Started

Mutual Housing California began exploring rent reporting in 2015. They started Maximizing Your Credit as a pilot rent reporting program in 2017. Mutual Housing California chose to work with a third-party data furnisher, RentPlus, to report rental payments to the credit bureaus. Mutual Housing was the first affordable housing provider in RentPlus' portfolio, which allowed both organizations to learn together.

Recruiting Residents

An essential component of recruiting residents was dispelling myths about and distaste for the credit system. Staff created flyers and held information sessions to help residents better understand credit and how rent reporting could benefit them. Staff tracked interest using a simple online tracker, which allowed them to follow up with residents who were considering enrolling in the program to answer any questions or complete their enrollment.

Using Financial Education to Support Rent Reporting

Mutual Housing California focused on resident outcomes and long-term goals, such as homeownership and asset-building opportunities. Because of this focus, they designed the program with financial education and individual check-ins as critical components.

Initially, Mutual Housing California partnered with Citibank and Wells Fargo to offer financial education to residents. Later, Mutual Housing California decided to provide financial education to better tailor the training to the interests of the residents.

During the COVID-19 pandemic, staff learned through a resident feedback survey that virtual events could help deliver financial education. So, the Financial Literacy Program Coordinator created YouTube content on various financial topics and then texted the links to the stream to residents to view at their pace. This made engagement much more accessible because most residents were already familiar with using YouTube on their phones for entertainment.

Besides group-based and remote financial education, residents also had individual check-ins with Mutual Housing California staff. The check-ins included opportunities to set financial goals and chances for referrals to local partners when residents needed a deeper level of support.



Maintenance and Challenges

SB 1157, The California Rent Reporting Bill, went into effect in 2021 and mandated that landlords who manage more than 15 units of housing that receive governmental assistance must offer a service to tenants to report rental payments to a national credit bureau. SB 1157 also made landlords provide tenants report complete payment history data to the credit bureaus for those participating, not only positive payment history. Before SB 1157, the Maximizing your Credit Program only reported positive payments. As a result, Mutual Housing had to update marketing materials and communicate with renters and current participants about the change. Mutual Housing took the extraordinary step of holding a town hall meeting to ensure residents understood the difference. Participants who attended the town hall meeting were given an immediate option to opt out of the program, but all residents in attendance chose to continue participating.

Mutual Housing California also began to work more with property management to promote the Maximizing Your Credit Program at recertification. Also, property management staff took over enrollments to streamline the process because they were already providing the rent reporting data.



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