

CBA Community Webinar Series

Transcript

March 2024 Webinar: Rent Reporting Updates Part 1 (3/21/2024)

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it is not intended to be a full and exhaustive explanation of any credit product, service, or program.

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Welcome to the March 2024 Community Webinar. My name is Rachel and I'm Credit Builders Alliance's Housing Innovation Senior Specialist. Today we're going to discuss some updates on rent reporting policy in three different states.

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Thanks to generous support from JPMorgan Chase, we're able to bring you two back-to-back webinars that highlight important discussions around rent reporting. In addition, the views and opinions expressed in this webinar are those of the speakers and do not necessarily reflect the views and opinions of JPMorgan Chase Company or its affiliates.

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As mentioned, this is one of two webinars on rent reporting. Our April Community Webinar, Rent Reporting Implementation Successes and Best Practices is on April 18. We'll be talking more about the technical and logistical details about rent reporting. And you can find the registration link in the chat. Today we're talking about reporting policy in three different states. We'll start with Delaware State housing Authority's

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unique rent reporting pilot. This pilot was funded through the American Rescue Plan as opposed to any state legislation. Then we'll learn about Colorado State's legislative pilot through Colorado House Bill 21-1134. And then finally, we'll hear about the state of Washington's efforts to pass rent reporting legislation. After our three speakers, we will wrap up with the Q&A session.

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And as a reminder, please put questions in the Q&A box rather than the chat box. Before we begin, I just want to give a little more information about who Credit Builders Alliance or CBA is for those of you who are not members. CBA serves as a bridge between equity-focused nonprofits and the credit industry to unlock credit as an asset for all.

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We offer technical services such as access to credit reports and credit reporting, access to capital through our CDFI intermediary, CBA Fund, and capital capacity building for nonprofits and practitioners. This includes our Training Institute training series, webinars, and toolkits. All of our services are connected to our core philosophy that a good credit file is essential to achieving and maintaining financial stability.

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Ultimately, we believe that good credit is an asset, often the foundational asset necessary to get and stay ahead.

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Today, CBA has more than



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630 members across the country. Our credit building community is comprised of a variety of organizations, including CDFI loan funds, microenterprise development organizations, and Developmentally Multi-Service, and integrated service organizations such as Community Action Agencies, Affordable Housing Organizations, and LISC Financial Opportunity Centers.

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CBA has provided expertise on and support

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with rent reporting implementation to over 70 affordable housing providers across the country since it began its work in this field in 2012. This support includes up-to-date information about rent reporting, connection to service providers, and guidance on program design and implementation. You can visit our Rent Reporting Center website at www.rentreportingcenter.org for housing provider and renter resources, policy information, and research and impact news and frequently asked questions.

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If you are an affordable housing provider, please see the link in the chart for a current funding opportunity for rent reporting implementation, training, and technical assistance.

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Rent reporting is becoming a

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popular topic in the credit and financial capability world. We want to make sure everyone is on the same page about what it is. When we talk about rent reporting, we are talking about the regular monthly reporting of resident rent payments to at least one of the major consumer credit bureaus for inclusion on consumer credit reports. At CBA,

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we take it a step further. We talk about reporting for credit building, which is the pairing of rent reporting with credit or financial coaching and/or education, and asset-building programs to support residents in building credit to achieve their financial goals.

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I just want to introduce our great speakers before we get started. So Caitlin Del Collo currently serves as chief strategy advisor at Delaware State Housing Authority, or DSHA.

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Within that role, she works to advance strategic partnerships and initiatives that further DSHA's mission of directly providing and assisting others to provide quality, affordable housing to low and moderate income Delawareans. Caitlin has nine years of experience working for the legislative branch, including positions with the Delaware State Senate, where she most recently served as special projects director in the Colorado General Assembly.

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Caitlin received a Master of Arts degree in urban affairs and public policy from the University of Delaware. Karen Kallenberger serves as the executive director for the state organization of Habitat for Humanity in Colorado. This year, she celebrated 27 years working for Habitat for Humanity. Karen began her career with Habitat for Humanity International, where she developed programs for campus chapters, providing consultation, training, and support to affiliates across the country, and coordinated the 2003 Jimmy Carter Work Project. As executive director of Habitat for Humanity of Colorado, Karen provides leadership in the areas of advocacy, training, and resource development to help build the capacity of affiliates.

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Nicole (Nikki) Gomez brings a diverse background, meaning government, for-profit, and not-for-profit sectors. Nikki joined as a union lobbyist for AFSCME Council 28 Washington Federation of State Employees, or WFCE in August of 2023, representing over 47,000 members statewide. Since joining WFCE, Nikki has been appointed to the Advisory Committee on Health Care Innovation and Evaluation or Achieve, which aims to improve quality of health and return to work outcomes.

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She holds degrees in political science and communications from the University of Washington and a master's in public administration from Seattle University. With that, I'm going to turn it over to Caitlin.

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Thank you so much, Rachel. Hi, everybody. Again, my name is Caitlin Del Callo and I am chief strategy advisor at Delaware State Housing Authority, or DSHA. Can we go to the next slide, please? So Delaware State Housing Authority provides rental and homeownership opportunities to low and



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moderate income Delawareans. And the way we do that is through our respective roles as a public housing authority or PHA, as our state's housing finance agency or HSA,

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and as a community development organization. We are one of five public housing authorities in the state of Delaware, and we cover Kent and Sussex counties. And so our rent reporting program serves our public housing and voucher clients, as well as public housing and voucher clients of the other PHAs in Delaware. Next slide, please. So our program is a partnership between, of course, DSHA and Neighborhood Partners, which is a local Delaware based nonprofit that develops affordable housing and provides housing counseling and financial coaching, and Self, Inc.

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As Rachel mentioned, our pilot is pretty unique in that it is funded via one-time ARPA dollars. And I'll I'll discuss in a minute how we kind of got there. And the the entire point of our pilot is to help up to 400 low income tenants build their credit by establishing on time rent and utility payment history. So I'll pause here and kind of take you through how we got to this pilot.

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Unlike many of the other pilots that are in existence, we did not go the legislative route, although the idea did start with our state legislature. So immediately prior to working for Delaware State Housing Authority, I worked for the Delaware State Senate as a policy analyst and one of our state senators was contacted by a constituent who wanted to know why

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it is that when you pay your rent, you're not benefiting from that payment history on your credit. But if you pay a mortgage, you do benefit from that payment history. So this state senator, Senator Kyle Gay, approached the policy team of which I was a member, and wanted us to look into it. And I had already had personal experience using rent reporting myself when I was a renter living in Colorado.

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So I was more than happy to do the research. And what we found was that there was a law passed in California that required affordable housing providers to at least offer rent reporting. And then we also became aware of the bill that passed in Colorado, which funded a pilot. And so after doing this research and meeting with landlords in Delaware to see if they were already offering rent reporting, we decided we wanted to try our own pilot and we had every intention of standing up this pilot through legislation.

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However, an opportunity opened up for us to apply to the State of Delaware to use ARPA money to fund it. And so we took a shot. We applied to the state of Delaware outlining what we thought would be a good program. And we were very surprised that they very quickly accepted our proposal and they allocated \$200,000 to DSHA to execute the pilot.

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And so once we had that funding, we didn't think it was necessary anymore to to pursue legislation. So at that point, I then left the Delaware State Senate and started working for DSHA to actually implement the Rent Reporting pilot

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program. And so of course, from there we put out out RFQs and RFPs, to

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see who who could help us deliver this program.

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And we ultimately, again, decided to partner with Neighborhood Partners and Self Inc. Next slide, please. Okay. So the program benefits that our participants can take advantage of include 12 months of free rent and utility reporting via Level Credit. Level Credit is a product owned by Self. I think they've recently rebranded their product as Self Rent Plus Bills. But at the time that we started the pilot, it went by Level Credit.

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So anybody who signs up gets that 12 months of free rent reporting, which goes to all three of the bureaus. And then utility payments are reported to TransUnion only. Additionally, our participants can take advantage of look back reporting so they can report up to 24 months of past rent and utility payments as available. And then they also get access to their credit score and credit insights, which are updated monthly, as well as credit alerts and ID theft insurance.

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And so all of those program benefits, again, are delivered via the Level Credit products. Additionally, all of our program participants are able to take advantage of free financial coaching, which is offered by neighborhood partners and many other nonprofit agencies in Delaware. Next slide, please.



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So there are two basic

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categories of renters that are eligible for this pilot. One is any tenant who has a housing voucher or lives in public housing.

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That is a client of one of the state's five public housing authorities. So you'll see here, you know, any client of DSHA, Dover Housing Authority, Newark Housing Authority, New Castle County Housing Authority, or Wilmington Housing Authority. All of those clients in all five of those are eligible to participate. Additionally, we opened up the program to tenants who are not affiliated with a public housing authority but whose household income is at or below 250% of the federal poverty level.

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And so that table just shows you the maximum income limit by family size. And the reason we settled on these two eligibility categories really goes back to our application to the state of Delaware to use ARPA funding. In order to get the funding, we had to demonstrate that the program was going to respond to the negative economic impacts of the pandemic.

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And so Senator Gay and I theorized that, to the extent that we can increase credit scores among our existing voucher holders, our existing public housing clients, and folks who are otherwise low income and likely already on the waiting lists for public housing and vouchers... to the extent that we

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can help them improve their credit, we will hopefully see some of those folks move off of subsidies, which would then free up more vouchers and more public housing units for the folks that are on our waiting lists.

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And it's important to note that currently in Delaware, our waiting lists are closed. I think our combined waiting list is at about 20,000 people. So we really wanted this program to help sort of move that pipeline of folks so that, again, our voucher holders can increase their credit, hopefully move into homeownership or, you know, the unsubsidized private market and make space for for people on the waiting list to take advantage of those resources.

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Next slide. Okay. So we launched our program in January of 2023, and we're actually closing enrollment at the end of next week. So we don't have all of the program data yet. But here's a little snapshot of where we are. So currently we have 180 renters who have participated in the program, and 61% of these renters or 110 have had a score increase since enrolling with an average score increase of 45 points.

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The average score change across all participants is lower at nine points. And that is because there are some folks who have signed up for the program whose scores have gone down. We do not think that these score decreases are a result of rent reporting. Our partners at Self are able to to see limited credit data for each participant.

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And what they found is for the folks who scores have gone down, it's likely due to other credit behaviors that are happening, such as having too high of a debt to income ratio or having too many hard inquiries on your credit at one time. And that is one of the reasons why we felt it was really important to offer financial coaching as a supplement to the rent reporting.

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And again, that is made available through our other program partner, Neighbor Good Partners. But overall, the majority of our participants have had a score increase. And of those who've had that score increase, the average change is plus 45 points, which we think is really encouraging. Another data point that's pretty interesting is four of our participants started out essentially unscorable.

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They they didn't have a credit profile, so Self assigned them a starting score of 450. And of these four people that started out unscorable, the average score changed once they started rent reporting is plus 191 points and their average current credit score, again, just for these four folks is 641. So that data really indicates to us that this particular rent reporting tool is really helpful for folks that don't have any credit to begin with or have a very thin credit profile to start out.

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Next slide. Some of the challenges that we've encountered in the program include the fact that many of our public housing clients and other eligible renters pay their rent using money orders that they purchase with cash. Unfortunately, Level Credit can't capture payments that are made via cash. The way level credit works is it links to a person's bank account and

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automatically detects the rent and utility payments that are drawn from that account.

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So whether you're paying your landlord with a debit card tied to an account, direct deposit, or even an electronic payment such as Venmo or Zelle, as long as that payment source is tied back to a checking account, they can capture it. But of course, you know, they can't capture cash. So if you're purchasing a money order with cash and that's how you pay your landlord, that's the one scenario that just doesn't work for this program.

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Some of the other challenges that we've encountered are a lack of familiarity with mobile banking in general or just using apps. Again, Level Credit is something that links to your bank account and you have to go online and create an account and then link to your mobile banking website. And so for folks that are not familiar with that type of mobile banking, it can be a barrier to participation.

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Additionally, we've encountered some skepticism. Some folks hear the program benefits, you know, and of course, the program is free and they just think, wow, this is too good to be true. And so that has resulted in some folks not pursuing the program. And then lastly, not many participants have taken advantage of the free financial coaching. But again, you know, we're we're still having folks sign up through the next week.

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So we hope to have more data to show next year. Next slide, please. So as I mentioned before, participant enrollment closes next Friday and that then at that point we will have to wait 12 months so that the last folks who sign up get their full program benefits. And then at that point we'll be able to analyze the entire participant pool for score change and other program outcomes.

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And once we have that data, we'll be putting together a final report with recommendations for how to expand rent reporting in Delaware. And that report will be delivered to the General Assembly and the governor. So we anticipate that that final report will be published in May 2025. But even though we we have, you know, a year to go, I, I would say that so far it has been a successful program and has really made a difference to our public housing clients.

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And with that, I will pass the baton to Karen.

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Thank you, Caitlin. I'm Karen Kallenberger. I'm the executive director for Habitat for Humanity of Colorado. We're the state organization and we work to support 24 Habitat for Humanity affiliates across Colorado, building in 45 communities. And our primary mission is to work on providing affordable homeownership opportunities for households that are low to moderate income households. So we started down this path in 2021.

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And I'll talk a little bit about it in more detail of how we got there. A lot of what I'm going to concentrate on is the actual legislation in that process. But House Bill 21-1134 establishes a statewide pilot program enabling residents residing in properties selected to opt in to having their rent payments reported to consumer credit bureaus.

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So next slide. I want to just highlight a little bit of how we got to the process of running this legislation. We really were looking at what was happening in terms of racial inequality across the country and in Colorado. We looked at the wealth gap. I've updated my numbers to 2023 numbers. But when you look at wealth of African-Americans, it amounts to \$44,900 or 15.8% of the median wealth of white households, which is at \$285,000.

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In comparison with median Latino Hispanic household, they have about \$61,000 in wealth, and that's about 21%, 21.6% of median wealth for white households. So really looking at this inequality and this wealth gap and what was, you know, was our responsibility as an organization to be able to help with that as a homeownership organization. You know, we recognize and others recognize a quote from the Urban Institute.

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Homeownership is currently the largest single source of wealth building. So next came for us to really drill down on barriers to homeownership. And what are those barriers and what we were trying to figure out from those and I'll talk a little bit about them later on. But just to highlight, you know, first is debt to income ratio and second is credit.

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And again, similar to what Caitlin was talking about, about credit invisibility, it wasn't necessarily bad credit, which I think people jumped to. It was credit invisibility or not having established credit. And we see that in a lot of individuals representing communities of color, as well as in rural communities that are underserved in terms of banking and credit options.

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So looking at this in terms of what are the barriers and are there policy solutions? And there were already some legislation that we were able to research and look at, including a bill out of California that looked at requiring all subsidized multifamily residential properties to report rent. In D.C., there was local legislation doing a credit building pilot for the Housing Authority, and in Massachusetts, there was one as well.

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And so really trying to look at what they were doing to try to help us develop, you know, what were the options here in Colorado. So next slide.

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So what our legislation did - and I will tell you, we started from a place where we were all in. Those of you that work in the policy space probably understand all too well that sometimes you have an idea, next you need to find a legislator that is willing to support the idea, and then come to the compromise.

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So originally, the original idea, because we had seen both from CBA, which was a great partner in terms of pilot programs that they worked with, and



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this is their area of expertise. We worked a lot with them. We looked at other pilot programs and research. We saw the connection. We saw that from everything we were reading that rent reporting was going to positively influence credit as well as establish credit.

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And that reporting really is the only way without taking on debt to be able to do that. So from our opinion, the the research, the examples were already there. So we were all in. Of course, again, as I mentioned with legislation, you always have to compromise and to also add to the stage, we were in the throes of COVID where there was a lot of concerns just about people making house payments in general, be it your mortgage or rental.

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So the compromise was to really look at establishing another pilot program. And what distinguished us from what was happening in California is that we didn't limit it to subsidized properties. We were a first in the nation in terms of trying to engage all landlords and get representation from across the state. So we partnered with our housing and finance authority that the legislation was going to have them serve as the host organization, and they would then contract with a third party administrator.

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Like what Caitlin was saying in Delaware, the Housing and Finance Authority used Self, Inc. as that third party administrator. The goal was to recruit at least 10... 10 landlords and at least 100 tenants. Again, as I already mentioned, it looked at fair market as well as affordable rentals. And then another another key piece that isn't up here which should be up here because I think it is really a linchpin to why we were successful is that we required mandatory education.



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So any tenant that opted in to get rent reporting provided for free, they were required to go through an educational training about credit and the importance of credit and what it means. And I think that was one reason why we have been so successful. Finally, there is an evaluation piece which will be coming out this June in terms how it impacts landlords and to provide better information than what we have now on that.

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So I think back in 2021 when we were first looking at this, a lot of research and a lot of positive outcomes in terms of seeing the impact on the individual renters. But the data that was missing was around what was the impact on landlords, How difficult was this? How much time did this take? What did that look like?

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What was the commitment to try to recruit? So we really wanted an aspect of the information that we could bring back to our legislators was around what was what is the impact on landlords. I will say we had a fiscal note of \$205,000, which both provided incentives to landlords, that provided for the third party administrator, covered the reporting and provided funding for that education as well.

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Next slide. And, you know, just going back to to the why of this in terms of this is from the CFPB and this looks at reasons for denial. And you can see again, debt to income, reasons for denial, for mortgages, for mortgage

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lending and home ownership. So debt to income ratio is definitely the main reason. Credit history is the second.

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And so, you know, when we look at a credit history, it's a key element to evaluating a borrowers ability to make a mortgage payment. But fewer than 5% of renters today have their rent payments reported to a credit bureau. And this is coming from Fannie Mae, which is the largest mortgage lender. But they are estimating that at least 20% of the US population has little established credit.

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Also, they've looked at some data in terms of that lenders factoring in first time homebuyers history of consistent rent payments is one significant difference between applicants qualifying and not qualifying for a mortgage. In fact, they estimate that there would have been about 17% of individuals applying for mortgages would have been approved had they had their rental history considered.

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So again, going back to our thought process of how are we trying to, from a homeownership perspective, provide more opportunities for people to move into and have that economic mobility of homeownership. Next slide, please. So keys to success. We have a strong advocacy committee within Habitat for Humanity. Our national office also was really invested in access to credit for lower income populations and so we had resources with them.

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We created some great partnerships. Again, CBA was wonderful in terms of their expertise and helping us review and craft legislation. I think one of the things that was really successful for us is that we partnered with our Colorado Association of Realtors, and I think that really helped to be able to move this legislation forward as well as with our Colorado housing and finance authority to be able to promote the legislation and the idea and ultimately administer it.

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Engaging stakeholders...we engaged stakeholders along the way, especially worked with a lot of renter rights advocates to try to develop legislation that we were all comfortable with. And again, going to that pilot program and really before mandating something, really trying to get a better understanding of the impact on individual landlords and then just research there. It's amazing what you can learn about credit in other pilot programs, and it's exciting to see that there are even more that have come online since we started looking at this in 2021.

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And I mentioned some of the legislation again that we looked at, which was in California and Massachusetts as well as in D.C. So how is it going is the next slide. Again, our Colorado Housing and Finance Authority manages this program. They contract it out with Self, Inc. We originally had a goal of ten or excuse me, 100 tenants participating.

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And you can see here we've had 362 sign up and total properties of 32. Credit score impact - and this is when we were looking at both positive and negative credit scoring. And they really... part of our program was really focusing on that positive credit score. But the average score has increased



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by at least 37 points. What I'm excited about most is that when you start looking at when your credit starts to make a difference, it's that 620 mark.

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And so you can see the average score is now over 620 and our max score increase has been 285 points. Again, I want to just mention the importance of education and the fact that we made it mandatory and that was really came from our legislator, Representative Nikita Ricks, who ran this with us. And really she comes from a mortgage lending background and really wanting to have the addition of the education piece.

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Final slide for me is just what's next. We...our final report to the legislators is due June 2024. I am also sitting on pins and needles to see that, especially because we have the numbers related to the impact for the renters. But we're really, as I said, interested in terms of the landlords. We had a review of our legislation by the Urban Institute and there is a link there.

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Or you can go to Urban Institute and google Habitat for Humanity, and it talks about overall the impact of what can be possible and some ideas for next steps. And I think that's where we are now in terms of our next steps. And I think just understanding the dynamics of rent reporting now, I think it has gained so much momentum both as a tool for renters as well as a tool for assessing mortgages. In 2021,

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in September, so post when we approved our bill, Fannie Mae enabled single family mortgage lenders to incorporate a history of timely rent payment as an eligibility factor. So there's definitely movement in being able to use this towards what one of our goals was for homeownership. Again, since 2021, there have been different providers that have come online and offered different levels of rent reporting, some even for free access.

00:37:07:21 - 00:37:30:22

Unknown

So I think for us, again, in terms of what's next in our legislation, we're still trying to figure that out. We have the momentum of several legislators. But is it, you know, running something that makes it mandatory to do this or is it an education campaign to allow renters to know that this is available and the impact of it?

00:37:30:22 - 00:37:48:04

Unknown

And I think those are some of the conversations we'll be having when we see the results in June 2024. That is my presentation and I am now going to turn it over to Nikki.

00:37:48:06 - 00:38:22:16

Unknown

Hello, everyone. I'm Nicole - Nikki - Gomez. I am with the AFSCME Council 28, which is the Washington Federation of State Employees, otherwise lovingly referred to as woofsy. We were founded in 1943 and started by a small group of workers from welfare, welfare workers from Tacoma, and it's now turned into a movement that's over 48,000 or close to 48,000 members. Now we represent over 40 state agencies.

00:38:22:18 - 00:38:58:00

Unknown

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I actually started with WFSE in August of 2023. I had been doing health care policy before that, and so everything was kind of a little new to me. My portfolio includes behavioral health, developmental disabilities, juvenile rehabilitation, health care, pensions, workers comp, natural resources, the environment, and now housing. So the Washington state legislature, we meet every biennium and we have a long session in the even years, and those are 105 days.

00:38:58:06 - 00:39:26:19

Unknown

And then in our short session, we have, we meet and those are the odd years and those are 60 days. And so this year was a short session. So we crammed in 60 days worth of work and then we just finished on March 7th. So I'm still writing reports about that. So the ones we have about 40, we have 49 legislative districts in Washington, there's 49 senators, 98 representatives.

00:39:26:22 - 00:39:52:01

Unknown

And currently the Democrats have a trifecta, meaning that the Democratic Party controls the office of the governor and both chambers of the legislature. So how we even got into this in the first place or what we represent or our members are really interested in things that protect their pocketbook and help to give them a leg up in Washington State.

00:39:52:03 - 00:40:27:00

Unknown

Public employees traditionally get paid about 20 to 40% less than their for-profit counterparts for the same job positions. So we're we're starting from a point of like, there from that that frame point. We were talking as an office and my boss was telling me about a story about his daughter. He said, you know, she's she's 27. She really wants to buy a house someday, but she has no credit.

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00:40:27:03 - 00:41:05:16

Unknown

You know, it's really hard for her to obtain that loan. Like, I wish there was a way and he was like, wouldn't that be helpful for everyone? And so he asked me to look into it. I mean, I was brand new to the job. And so that's where I started from. I initially reached out to some folks that I knew who work for the low income housing group, nonprofits, and and then also to individuals who work for like poverty related nonprofit organizations that really handle all of Washington state.

00:41:05:18 - 00:41:32:25

Unknown

They seemed intrigued with the idea, but were worried about potentially it negatively impacting low income individuals. So with that in mind, you know, just kind of making sure that I was thinking about that I was as I was going through the process because because we do have that Democratic trifecta, I knew that it would be tough to get past legislators if we went any other routes.

00:41:32:25 - 00:42:03:05

Unknown

And also we wanted to benefit our workers. And so that's also something else that I wanted to keep in mind. So that was kind of my first, like hesitation with moving forward with this. So then I reached out to the Credit, uh CBA, and, and Rachel was really helpful and connected me with individuals who also had continued to kind of work through this particular type of legislation.

00:42:03:07 - 00:42:32:15

Unknown

I reached out to the Oregon State Realtors to kind of see what happened with their bill. It did not pass the legislature, but they were able to kind of



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get into some of the problems that they experienced. It sounds like in Oregon, which has a very similar population as Washington, it sounded like their their problem was that they were the ones who ran the bill.

00:42:32:18 - 00:42:59:10

Unknown

There's a distrust of the Realtors association there. And so with that information, I was able to kind of like, okay, well, then maybe I'm on the right track in Washington. I also reached out to Self, Inc. because I had done some research on all the different bills, and I saw that Delaware and Colorado had both worked with them. And so I'm like, well, they can't be all that bad.

00:42:59:13 - 00:43:39:00

Unknown

So I reached out and there were quite lovely individuals who were super helpful with kind of going through the process. They did strongly advise me to consider not moving forward in the way of legislation, but we wanted to make sure that people not only knew about the program, but also that they were kind of being protected. So one of the interesting things about Washington State is that we don't have a housing authority.

00:43:39:00 - 00:44:06:15

Unknown

So as I was doing my research through this, I was I was noticing that all the states that have, you know, experimented with the idea of credit reporting how their pilots or other through a housing authority of some sort, a state housing authority. Washington state does not have one. We have county housing authorities, but nothing at the state level.

00:44:06:18 - 00:44:48:27

Unknown

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So when I approached who I had kind of figured might be a decent bill's sponsor, that was something that I brought up that very first meeting with him. But I'll get to that in a couple of seconds. So I think those were those were some some big things. So initially I had started I read California's legislation and it seemed like it was really not what Washington would go for in terms of letting individuals like really picking and choosing how they did things, opt-in, opt-out.

00:44:49:00 - 00:45:22:07

Unknown

A variety of different pieces in there, like were not it wasn't something that we wanted mess with because it seemed like it needed more structure. So I actually kind of went with Colorado as being my my template there, which, which is actually kind of funny because that report that was just talked about by Karen that was that report was what was I was hoping to wait.

00:45:22:09 - 00:45:47:08

Unknown

I didn't think that the bill was ready to go for last this past session. I was going to wait until 2025 and the next session to move forward because I wanted to see that that report that's going to be due out in June to learn a little bit more. And here's you know, here's why I was hesitant, because we don't have a housing authority.

00:45:47:10 - 00:46:11:27

Unknown

At that point, I was like, well, which agency would this even go through? You know, the Department of Financial Institutions, I talked to them. They didn't really have a capability to run a program. That's not really what they'd do. And so they referred me over to the Department of Commerce, which is kind of these days, a really large catchall for things that don't really have a home.

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Unknown

And so the Department of Commerce, however, has a ton of programs, and they are very busy. And it would take a while for them to get something set up. And so, you know, as I was talking through our bill sponsor, I started with with on the House side. I reached out to Representative Strom Peterson, who is actually the chair of the Housing committee, and he wasn't even sure if this should be housing bill or if we should kick it over and put it in like a consumer protection kind of realm.

00:46:47:24 - 00:47:13:19

Unknown

And so I was telling him about how DFI and the Department of Commerce really didn't feel right. And so we started talking around the idea of making it as part of the landlord tenant agreement, including the mobile home landlord tenant agreement as well. And so that's kind of how it ended up in the housing committee. He's really excited about it.

00:47:13:19 - 00:47:43:03

Unknown

I explained to him how a lot of the other states had already gone through as a pilot program and and he asked if there is any real benefit to that. And, you know, in Washington State, we typically try to do things in a bigger...in a big way and just decided to go for it. So it's their first introduction of the bill or a bill like it.

00:47:43:03 - 00:48:20:14

Unknown

There hasn't really been anything with with credit reporting at all in Washington. And so we wanted to really just kind of get that idea out there. So we made it part of the bill. We...our bill is written quite differently. There's still some pieces from other individuals who like... from other states. But really, we wanted it to be an opt-in situation at the point of when a contract is signed with a landlord.



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00:48:20:14 - 00:49:05:27

Unknown

So there to be a question that would say, do you want to be participating in credit reporting? And you would check a box and said, Yes, I would be. And it was. That's kind of the idea that whenever we were moving forward with, I knew that adding to the landlord tenant contract would be a beast. Right? It is a really tough thing, especially because in talking to the low income individuals or the organization that work with low income individuals and low income housing, a lot of them were like, well, the cost is going to be passed on to them or to the tenants, and we can't have that.

00:49:05:29 - 00:49:31:22

Unknown

So I, the representative and I decided that that was going to be our we were going to make it mandatory and that it would be at no cost to the tenant. And I knew that was the part that was going to eventually undo the bill. The landlords did not want any additional fees. There was the small mom and pop arguments.

00:49:31:22 - 00:49:56:00

Unknown

There were problem... property management companies saying like, Well, I don't know that my my computer system will work with the like, how does this get accomplished? There were there were a lot of arguments like that. So I will tell you, in Washington, there were six initiatives filed at the beginning of session by a wealthy hedge fund dude from California.

00:49:56:03 - 00:50:29:10

Unknown

And he moved to Washington recently and decided that he didn't like six pieces of legislation. And so did those initiatives to the legislature, two or three of which are now headed to the ballot this year, and two of which will

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severely impact our state budget by about 1.7 billion if they get repealed. These are pieces of legislation that were passed by the legislature over the past couple of years, Capital Gains and Climate Commitment Act, and those would be a huge deficit to our state.

00:50:29:10 - 00:50:54:14

Unknown

So kind of like with that framework in mind, we're also working on housing bills. So there's a lot of like budget concerns. So this one really needed to be a budget neutral bill. It also with with those other pieces that are hanging out there, we had a rent stabilization bill that was also simultaneously running along side this bill.

00:50:54:16 - 00:51:23:10

Unknown

I had a Senate companion. At any rate, altogether, these two bills were headed to the floor. They they they managed to pass out of both policy committees. And we're headed to the floor for a vote. And the legislature... legislators were interested in having them pulled to the floor for a vote. They were they were already on second reading.

00:51:23:13 - 00:51:54:15

Unknown

I what I what I will say about that. I stopped it because there were so many changes that the landlords that I was working with. There were quite a few landlords that I was working with. The changes were so broad and so big and we were really concerned about that cost being passed on. So we, we, I, I opted to put the bills on pause and work it on over this interim.

00:51:54:17 - 00:52:24:21

Unknown

So that's, that's really what, you know, I think our lessons learned and I'm literally just only a couple weeks out of session. This bill has been out of my

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mind for the past couple of weeks. But I will say that, you know, in the Senate, my sponsor, Sharon Schumer, Senator Schumer, what as she's an economist and she really enjoys this bill, really liked it.

00:52:24:23 - 00:53:03:01

Unknown

Again, that piece of how do how are landlords going to be able to pay for this service and not seriously impacting them, something that I'm still exploring. It's also something that I didn't have a ton of time to address and research before session started. Like I said, this bill was something that we wanted to just make sure that the idea got out there and it quite frankly, was one of our most popular bills this session.

00:53:03:03 - 00:53:28:21

Unknown

We had a lot of our members really excited about it. I still get asked about it by people who are like, What happened to our bill? That was so cool. It would help me so much. Single moms like those individuals really see it as a positive thing if they can be that on time. Rent reporting, a true form and not broken apart.

00:53:28:24 - 00:54:02:02

Unknown

So throughout the process, I'll tell you some of the arguments that we had. We had arguments about fairness. So like, why should renters get this? They don't own anything. That was always a fun one. You know, the again, with the cost could be passed on to tenants, the credit scoring itself could be used against tenants there. So there was a provision in here that if somebody was late in their payments, they would get unenrolled from the program for six months and then they had the option to reenroll.

00:54:02:05 - 00:54:25:29

Unknown



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So people were saying that that would negatively impact the credit score and property managers would use that against tenants. There is also the argument that it well, if, if, if, if they can't qualify for a house already, then they aren't creditworthy. And then there's the positive arguments, right? Like, wow, I've been paying on rent for a really long time.

00:54:25:29 - 00:54:56:00

Unknown

It would be nice to have it count. You know there are a lot of questions about the big three credit agencies. You know, they there's I think that overall like just this interim we're going to be exploring more and seeing how we can kind of move through some of those arguments with our particularly our property managers. They're the ones who spent the most time on on fighting this bill.

00:54:56:00 - 00:55:13:04

Unknown

So they're the ones that are had to really work with a little bit more. And then with with everyone else as well. So that is it. Thank you.

00:55:13:07 - 00:55:35:06

Unknown

Great. Thank you all so much. That was great. Really appreciate hearing so many different states' information. We had a lot of great questions come in. I know we don't have a lot of time, so I probably won't get to answer a lot. So if you do have additional questions, we're going to put a couple of email addresses up for us that you can reach out to.

00:55:35:08 - 00:56:03:20

Unknown

I think I'll just ask this one question that we got pre-registration. For any of you, you know, what would you do differently and reprioritize if you had to restart your rent reporting program from scratch? Ooh, I have an answer for

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that. I if I could do it again, I would make the financial coaching or financial literacy piece mandatory.

00:56:03:22 - 00:56:32:02

Unknown

We were aware when we were researching that Colorado did make it mandatory. We were afraid that by making it mandatory, we would have fewer people participating. And so it was sort of a tradeoff to do we want to have more participation or or, you know, pair these two services. But just seeing the comparison of our numbers and Colorado's numbers, you know, theirs are higher on average.

00:56:32:05 - 00:57:27:21

Unknown

And I think that could be a function of them requiring the financial literacy. Another thing that I not necessarily something that I would do differently, but I would caution other organizations that are looking into this to be mindful about what type of organization are you right? DSH is a public housing authority and going forward, it would be really great if we could provide rent reporting through the other product that Self uses, which I believe is what Colorado uses for their pilot, where Self's software talks to the property management software and that is how the payment data is captured and then reported that method of rent reporting totally bypasses the issue of folks paying their landlord

00:57:27:21 - 00:57:59:27

Unknown

using a money order purchased with cash. So if you're a property manager or a PHA and your goal is I want to deliver rent reporting to my clients and I know that a lot of them pay with cash, using a rent reporting mechanism that links to your property management software is probably the best way to go. But because our target population was broader than just public housing

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clients, we decided to go the other route, which is where it links to your bank account.

00:57:59:28 - 00:58:23:24

Unknown

So just be mindful of like, you know, what is your role? Are you a nonprofit that provides financial coaching? Great. Maybe the Level Credit route is a good tool for your clients, but if you're a property manager that that other mechanism might be more appropriate. Thank you. Thank you so much. And hopefully the questions that you had coming in, you saw the answers to.

00:58:23:24 - 00:58:46:02

Unknown

I am going to this up here just so we have a few more slides to get through. Don't forget to check out the CBA Training Institute. This serves as our hub for credit building training and educational materials, including past webinars, e courses, tipsheets, tool kits and more. If you don't have an account, you can register for a free one today, even if you're not a member.

00:58:46:04 - 00:59:11:24

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00:59:11:26 - 00:59:33:12

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credit. Registration is now live and CBA members receive a discount. There's an additional early registration discount through March 29th. We've put the link in the chart for you to learn more and register. If you're looking to build your general credit knowledge,

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our signature course, Credit as an Asset, is available on demand on our Training Institute. This course is normally \$250, but again, thanks to some generous support from JPMorgan Chase and Company, we currently have a limited number of free access codes for this course available on a first come, first served basis for CBA members. If you'd like one of these codes, please email webinars@CreditBuildersAlliance.org.

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There are only a small number of codes available, so please act now if you're interested. Thank you so much for joining us. When we end the webinar, you'll be prompted to fill out a survey. Please fill it out to help us determine future programming and if you do have questions about our webinars, you can reach us at Webinars@CreditBuildersAlliance.org.

01:00:17:13 - 01:00:26:23

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You can also email rentreporting@CreditBuildersAlliance.org for rent reporting-specific questions. Thank you to all our speakers again and thank you all. Have a great day.

01:00:26:23 - 01:00:55:13

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01:00:55:16 - 01:01:08:16

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