

# HUD Moving to Work Expansion Training

Asset Building Cohort –  
Credit Building – Designing and Researching a Rent Reporting Initiative  
February 15, 2023



# Welcome!



- Introduction from PD&R and MTW
  - Elizabeth Rudd (PD&R) and Alison Christensen (MTW)
- Introduction to the MEF and Abt team
  - Sam Elkin (MEF) and Stephen Nunez (MEF)

# Overview



- Background
- Selection Notice Requirements
- Follow up on questions from previous session
- Recommendations for Implementing your Rent Reporting Program
- Recommendations for Outreach and Engagement
- Open Discussion

# Background

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# The Need for Rent Reporting



- Public housing residents may be more likely to have no credit score or a subprime score than the general population.
- Since credit reports include past credit usage, not current ability to pay (i.e. income), it is hard to get credit without already having had credit.
- Credit reports include extremely late rent payments that have been reported to collections but do not typically include on-time rent payments.

# Importance of Having Good Credit



- Financial inclusion: Access to safe, lower-cost credit
- Overall financial wellbeing
- Credit is increasingly important in all areas of life
  - Risk-based pricing
  - Rentals
  - Jobs

# Selection Notice Requirements

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# Program Operations



- PHAs regularly report rent payments for participating public housing households to 1+ credit bureau(s)
  - Can report either all payments or on-time payments only
- Enrollment in program requires informed consent
  - Note: separate from informed consent for the study
  - The program must run for 24+ months
  - Individual households can disenroll at any time
- All public housing households eligible, including those headed by elderly or disabled persons
- Offer to at least 25 public housing households and up to 50%

# Current Recommendations on Enrollment & Informed Consent



**MEF and Abt have recommended the following procedure to PD&R:**

- Recruitment for the program and study takes place during 3-month period, starting October 2023
- PHA staff administer the study informed consent and a short questionnaire at enrollment
  - Evaluators provide training and support to PHA staff on this
- At the end of 3-months, evaluators randomly assign study participants to the program or control group
- Evaluators let PHA staff know the assignments; PHAs inform program group and begin rent reporting.

# Questions

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# Recommendations for Implementing Your Rent Reporting Program

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# Full File Versus Positive Only Reporting



- **Full file:** All information reported
  - \* Reported late payments could show up in screening by future landlords
- **Positive-only:** Only payments made on-time and in full are reported
  - Credit bureaus consider payments on-time if paid within 30 days of the due date
- **Considerations:**
  - Available rent reporting methods/services
  - How long you expect residents to be in program

# Different Methods of Rent Reporting



1. Use third-party reporting service *or*
2. Become credentialed to report directly to bureaus *or*
3. Use rent reporting functionality in property management or payment processing platform *or*
4. For voucher holders (PHA-designed option only): Tenant reports using third-party platform

# Maximize the Impact of Rent Reporting



- Report past payments to extent allowed by credit agency
- Follow consumer-friendly best practices like not reporting small unpaid balances (<\$100)
- Develop procedures for suspending rent reporting when residents are legally withholding rent or rent can no longer be legally collected due to eviction proceedings
- Provide complete data whenever available

# Coupling Rent Reporting with Financial Empowerment Services can Benefit Residents

Financial  
Coaching

Credit  
Counseling

# Discussion

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# Outreach & Engagement

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# *Whom should you recruit?*



- **Likely to benefit the most:**
    - Those with little or no credit history
    - Those with low credit score
    - Those with an established history of on-time payments
  - **Likely to see fewer benefits:**
    - Those who already have established, high credit scores
- \*Even those with some history of late payments could benefit from rent reporting.

# Best Practices for Outreach



- Focus messaging on larger goal of financial inclusion
  - Learn how credit is relevant in your residents' lives
- Address data security and privacy concerns
- Use existing touchpoints with residents
- Leverage residents' social networks

# Discussion

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# Upcoming Asset Building Cohort Onboarding Webinars



The MTW Supplement to the PHA Plan and the Public Process	February 22, 2023	2:30 - 4:30 PM EST
The MTW Supplement – Tips for Success	March 15, 2023	2:30 - 4:30 PM EDT
HUD – 50058 MTW Expansion Form Changes	April 5, 2023	2:30 - 4:30 PM EDT
Office Hours	April 26, 2023	2:30 - 4:30 PM EDT

# Thank you!

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