

Renters' credit could get a boost

Initiative to consider on-time payments

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Some Rochester renters will be able to establish or improve their credit scores by making on-time payments under an initiative announced Monday.

Mayor Malik Evans partnered with Credit Builders Alliance, a national network of nonprofits helping individuals build and gain access to credit, to announce the positive-only rent reporting pilot program. It is funded through grants from Living Cities and the ESL Foundation.

Participating affordable housing providers will report the on-time rent payments to credit bureaus. Late payments will not affect credit.

The program is meant to address a pressing challenge revealed by the Federal Reserve Bank of New York, which reported that 1 in 5 Rochester residents lack a credit history, a rate significantly higher than the national average of 1 in 10.

“This program is especially important in our communities, for individuals who have been shut out of financial systems for far too long,” Evans said. “Positive-only rent reporting is about providing opportunities, particularly for Black and brown residents, to participate in the mainstream financial system by building credit.”

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Mayor Malik Evans explains homeownership is the focus of the city's quality housing task force. CHRISTINA CHKARBOUL/DEMOCRAT AND CHRONICLE

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The three affordable housing providers participating in this program are Rochester Housing Authority, Hart Homes and Rosey Property Management, which represent 4,100 renters in Rochester.

This pilot program will last for six months. By its end, each organization will receive a \$6,000 incentive to pay for the service provider to submit on-time rent payments to credit bureaus.

How is positive-only rent reporting beneficial?

According to Credit Builders Alliance and the Colorado Housing Finance Authority, positive-only rent reporting increases:

- **Credit visibility:** 100 percent of

previously credit-invisible participants established a credit score.

- **Improved credit scores:** almost 80 percent of renters saw an increase in their credit score, with an average rise of 62 points.

- **Tenant engagement:** 97 percent of residents viewed rent reporting as a valuable tool for building credit.

- **On-time rental payments:** 73 percent of renters reported being more likely to pay rent on time when it was reported to credit bureaus.

“Positive-only rent reporting is a safe, accessible and affordable way for renters to build credit. Having a good credit score allows us to access a variety of things we need to build financial stability and to build wealth,” said Rachel Levy-Culler, housing innovations senior specialist at Credit Builders Alliance.

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