

Rent Reporting as a Pathway to Credit Building



Housekeeping

- The event is being recorded, and the recording will be posted online afterward.
- Speaker biographies and related materials are available online.
- All participants are muted but you can type your questions or comments into the Q&A box at any time.
- Engage with us online using #LiveAtUrban



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Rental Impact Analysis

Data Performance

February 2025

Subprime consumers with open rental trades gain an average of 20 points more on their VantageScore 3.0

Unscoreable and Subprime consumers represent 41.7% of the rental tradeline population scored

Score band Based on w/o Rental Trades	Consumers	% of Total	Average Score without Rental Trades	Average Score with Rental Trades	Average Score Change	Average Score Change (Open Only)	Average Score Change (Open & Closed)
Unscoreable*	1,063,280	11.5%	0	661	661	667	687
Subprime	2,794,167	30.2%	542	554	13	20	18
Near Prime	1,645,817	17.8%	632	635	4	6	6
Low Prime	1,370,216	14.8%	688	690	2	3	3
High Prime	1,554,486	16.8%	750	750	0	1	1
Super Prime	835,947	9.0%	803	803	0	1	1

Based on VantageScore 3.0, 82.3% of the targeted population remain within the same score tier while 16.4% move to a better tier

VantageScore 3.0		With Rental Trades					
		Unscoreable	Subprime	Near Prime	Low Prime	High Prime	Super Prime
Without Rental	Unscoreable	0.2%	0.7%	3.1%	7.5%	0.1%	
	Subprime		27.6%	2.3%	0.2%		
	Near Prime		0.2%	16.2%	1.2%	0.1%	
	Low Prime			0.5%	13.4%	0.8%	
	High Prime				0.3%	16.0%	0.3%
	Super Prime					0.2%	8.8%

Unscoreable and Subprime consumers experienced the largest score gains

- Notes:
- Data as of December 2024
 - Open only population: 4MM; Open and closed population 703K
 - *Based on population that became scored. 23K(0.3%) 'Unscoreable' remain unscored





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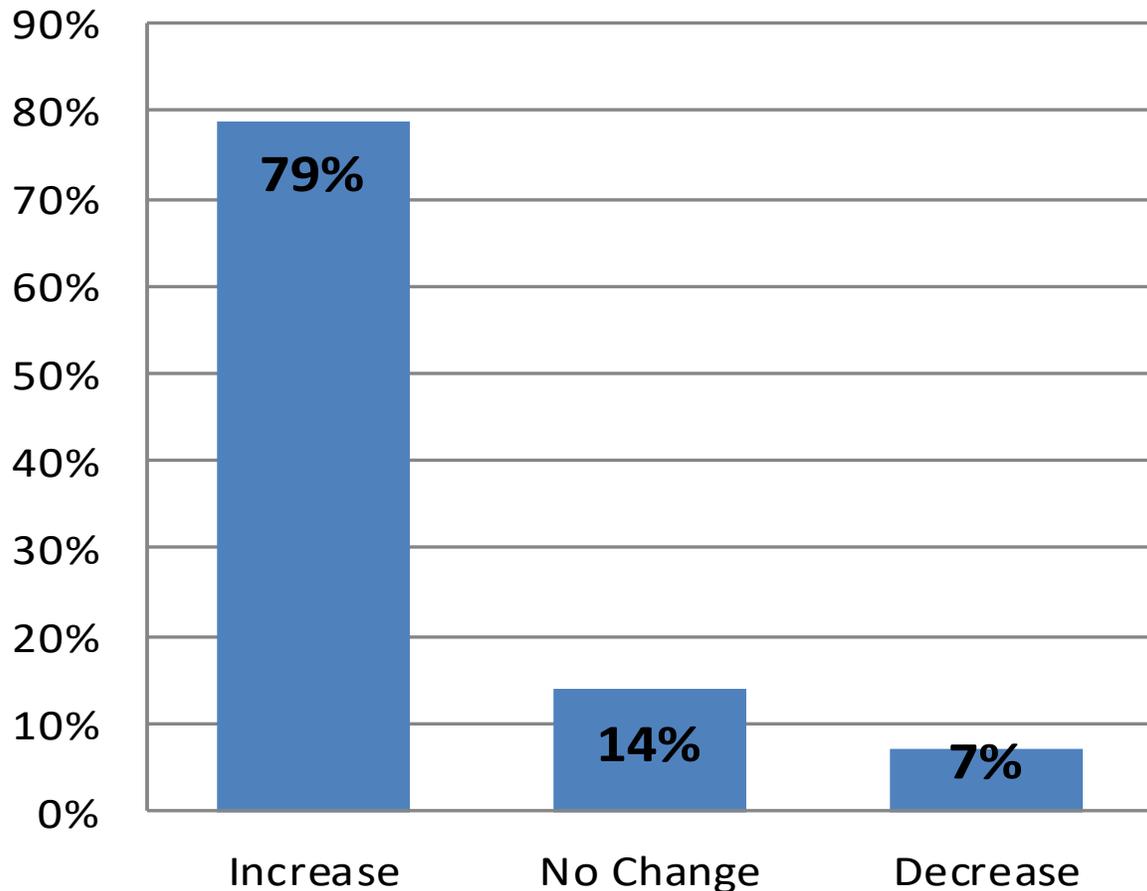


Evaluating Rent Reporting as a Pathway to Credit Building

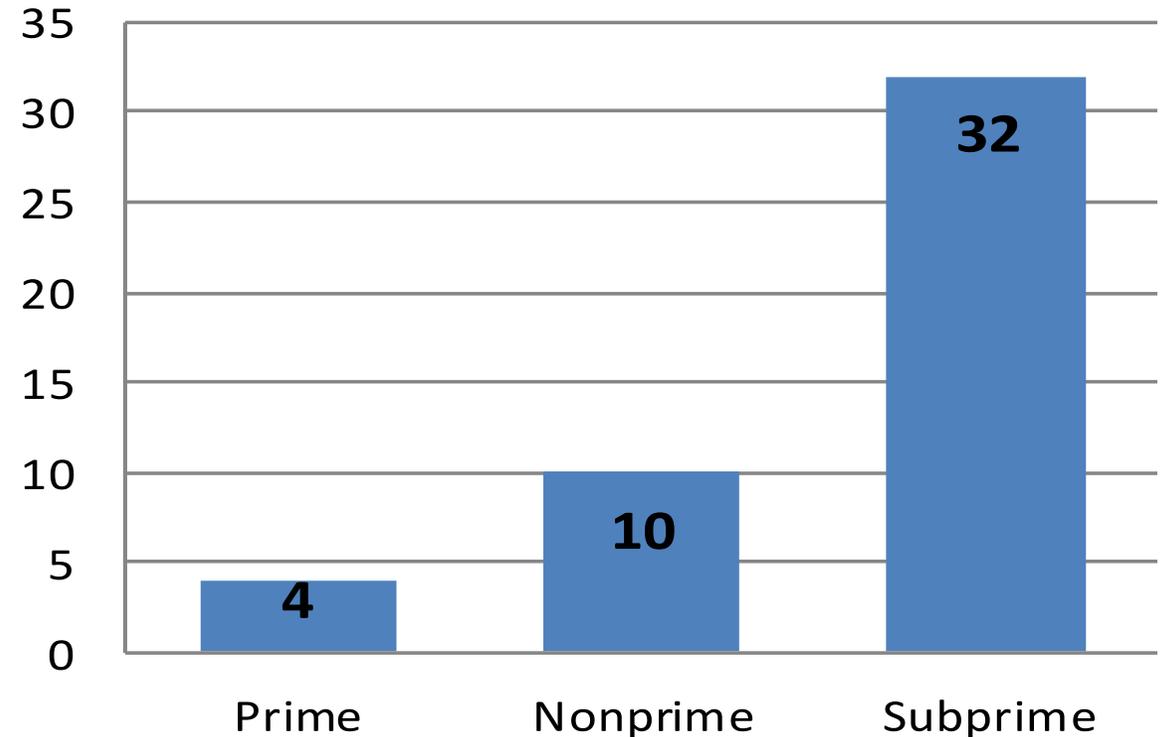


Pre-post Field Study: Credit Builders Alliance's 2015 Pilot

Change in Participant Credit Score



Average Participant Credit Score Increase by Baseline Score Tier (in points)



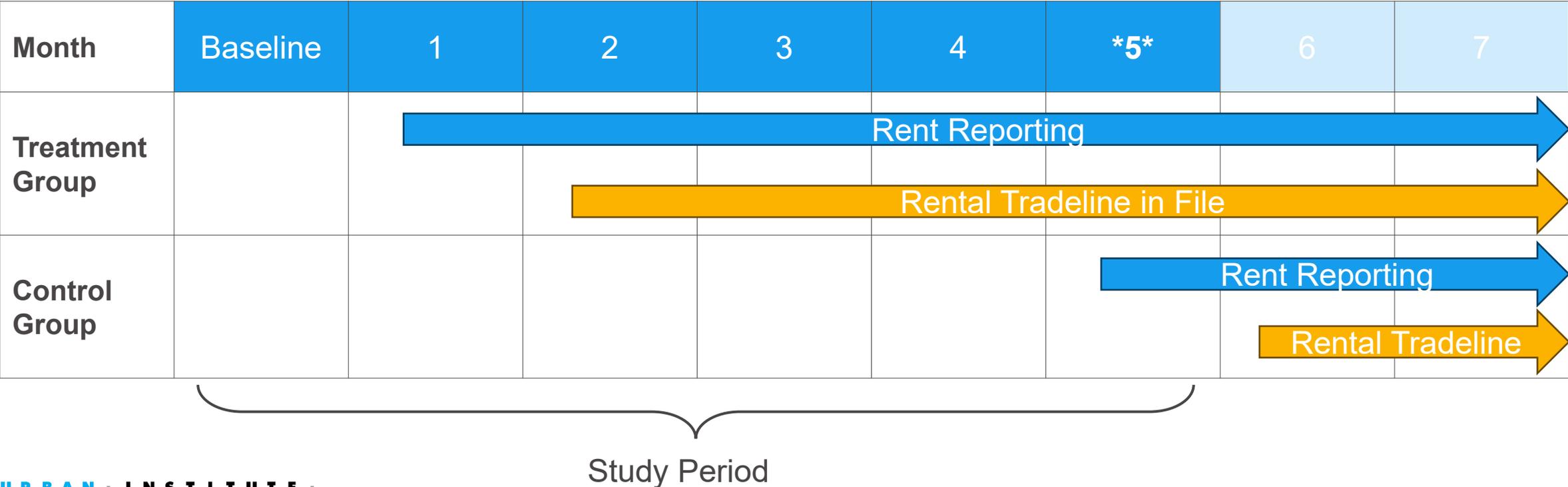
Study Design, Enrollment, and Randomization

Research Questions

- What is the impact of *opt-in, positive-only* rent reporting on tenants' credit score?
 - Do participants have a credit score?
 - How much do scores change on average?
 - Do people move across risk tiers (score above 600 or above 660)?
- In the full report, we also explored short-term impacts on:
 - Credit access—including opening new accounts and breadth of account types
 - Debt levels and utilization rates
 - Loan performance

Rent Reporting Randomized Control Trial

- Randomized Control Trial
 - Enrolled 269 tenants via 6 housing providers in 2 waves (2021 and 2022)
 - Randomized Waitlist Design



Partners and Data

- Credit Builders Alliance – Identified housing providers and supported enrollment
- Housing providers – Educated tenants about rent reporting and the study, and enrolled interested tenants in both
- Esusu* – Reporting intermediary, data provider and intermediary, supported enrollment
- TransUnion* –Credit data provider
- Urban – Completed randomization and subsequent analysis

*Urban was not provided personally identifiable data by Esusu or TransUnion.

Study Context

- Participants are residents in affordable or assisted housing developments
- Housing providers are mission-based nonprofits
- Missed payments are not reported
- Esusu is the intermediary and is paid by the housing provider (initial costs may be defrayed with a grant from Credit Builders Alliance)
- Renters are not paying for rent reporting
- Renters are enrolled through an *opt-in* process that includes consent to participate in the RCT
- Most enrollment occurred May-July 2021 and May-July of 2022
 - COVID-related policies may affect outcomes

Enrollment, Reporting Rates, and Crossover



Enrollment

Housing Provider	Year	Locations	Sign-Ups	Included
A	2021	Missouri	96	82
B	2021	DC, LA, MA, NY	115	78
C	2022	California	73	35
D	2022	Mass.	36	36
E	2022	Mass.	21	21
F	2022	Mass.	25	17
Total			366	269

Note: Red line indicates stage at which Esusu checked eligibility



Reporting of Rent

Outcome	Before Reporting		End of Study Period		Number of Tenants
	Initial Treatment	Control	Initial Treatment	Control	
Has an open rent tradeline	0%	2%	70%	4%	269
Rent ever reported	0%	2%	72%	5%	269

Impact Results

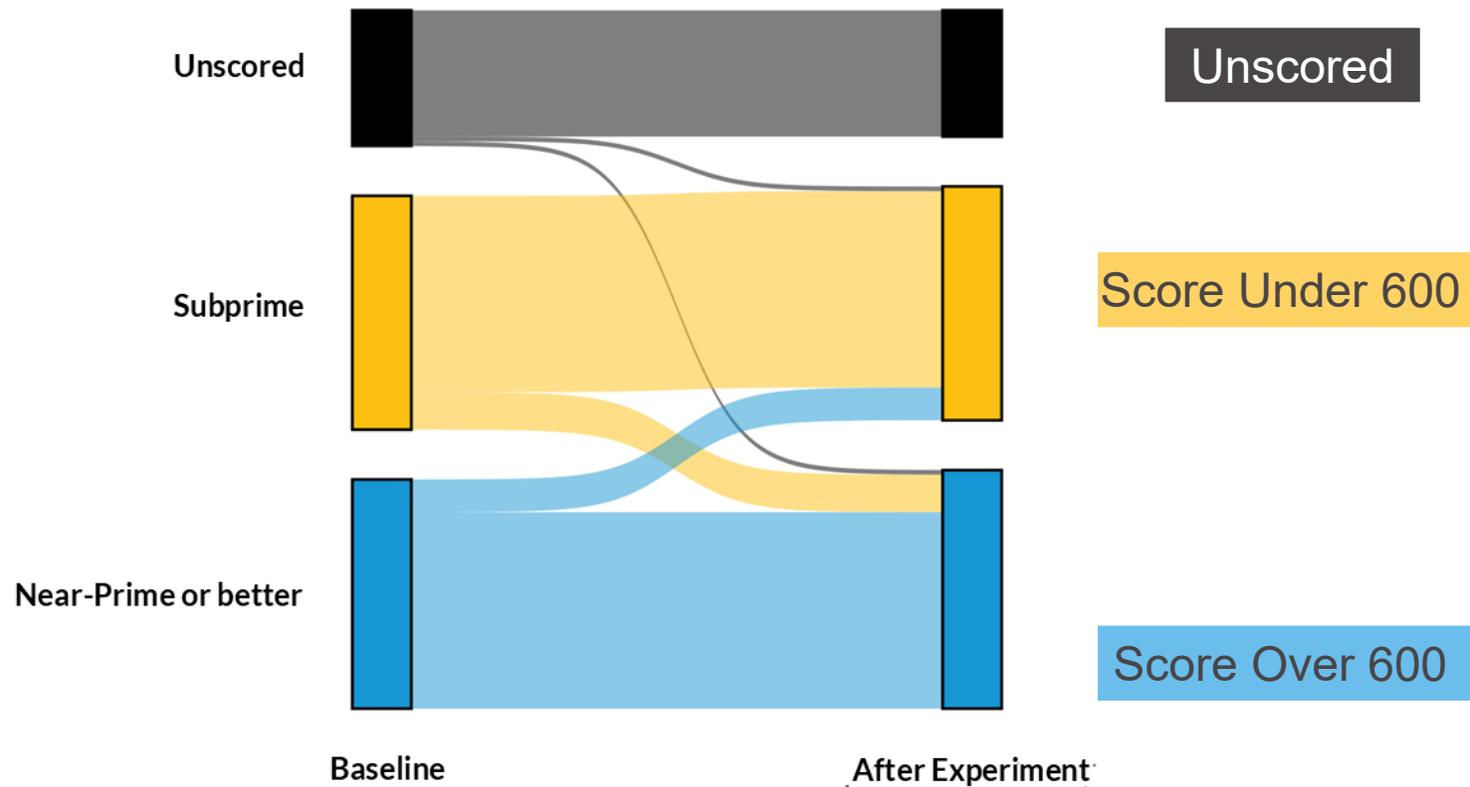
Credit Scores

Outcome	Average Before Reporting		Change (Post – Pre)		Estimated Impact (TOT)
	Initial Treatment	Initial Control	Initial Treatment	Initial Control	
Has a Vantage Score	84%	77%	8%	2%	12% (0.00)
Credit Score (average)	619	606	11	3	10 (0.24)
Credit Score at least 600	40%	38%	17%	2%	25% (0.00)
Credit Score at least 660	26%	18%	3%	1%	5% (0.37)

P-values in parentheses

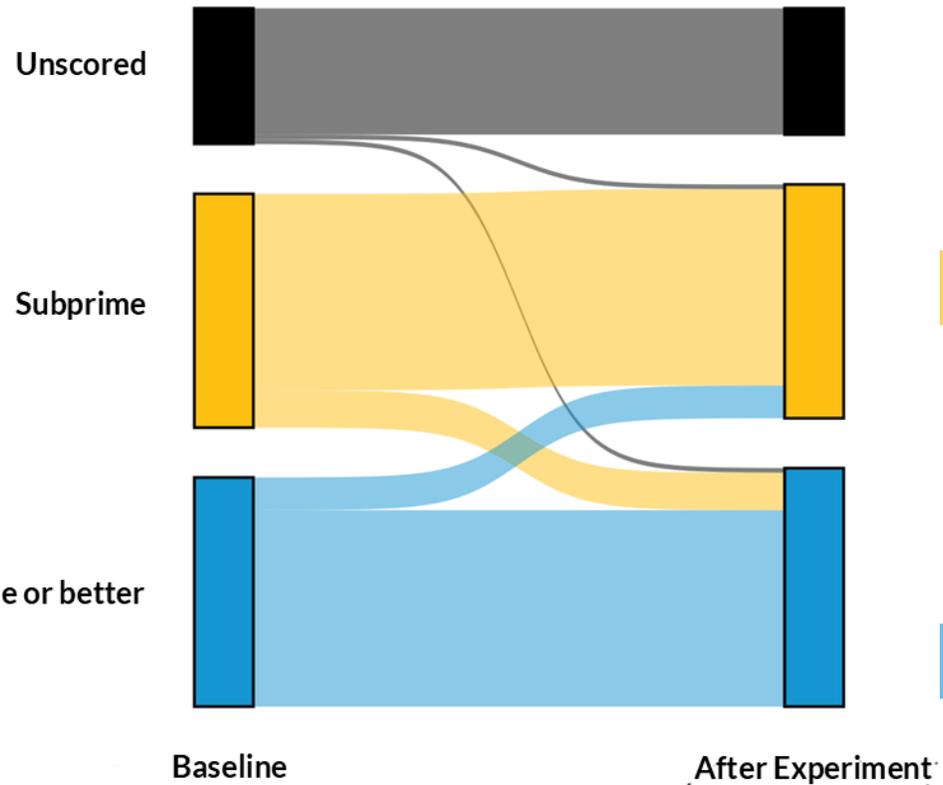
Changes within ...

Control Group

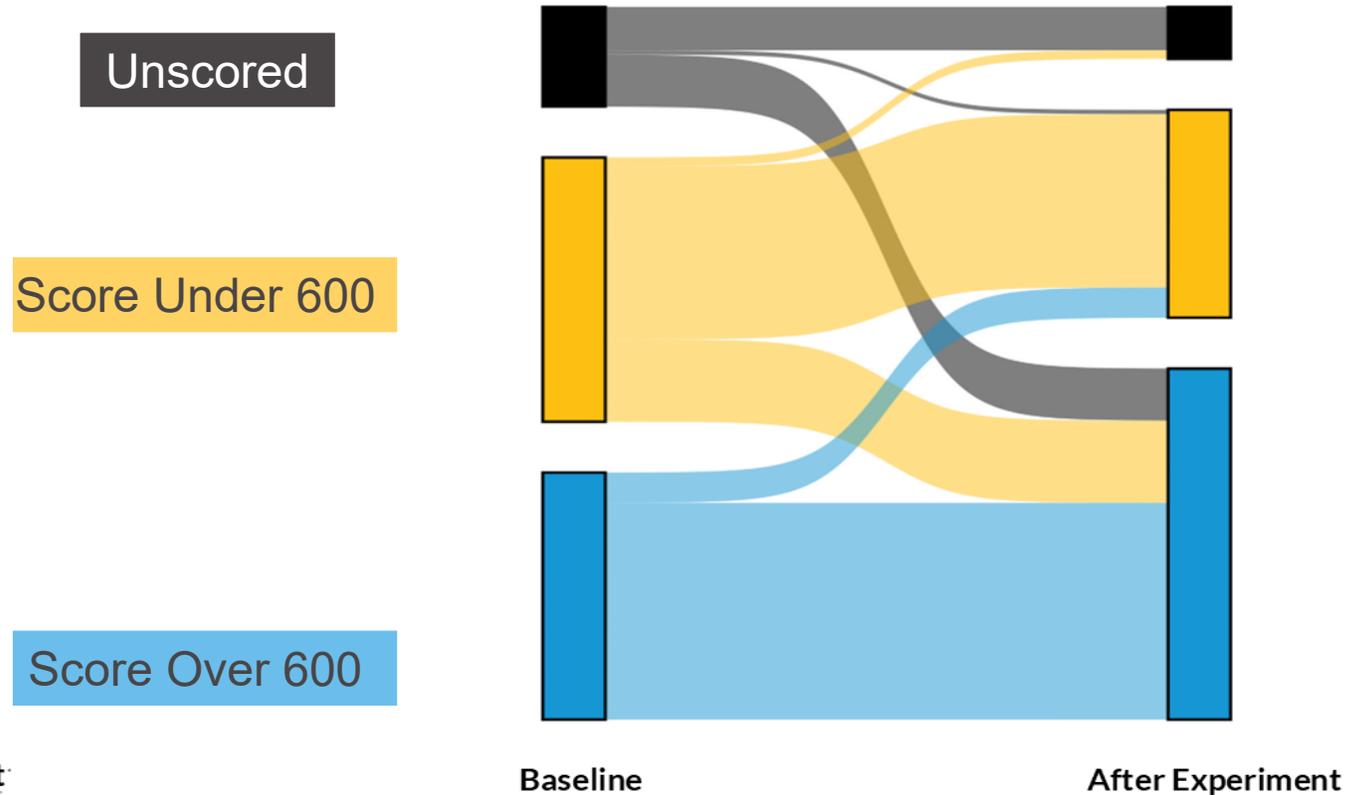


Changes within ...

Control Group

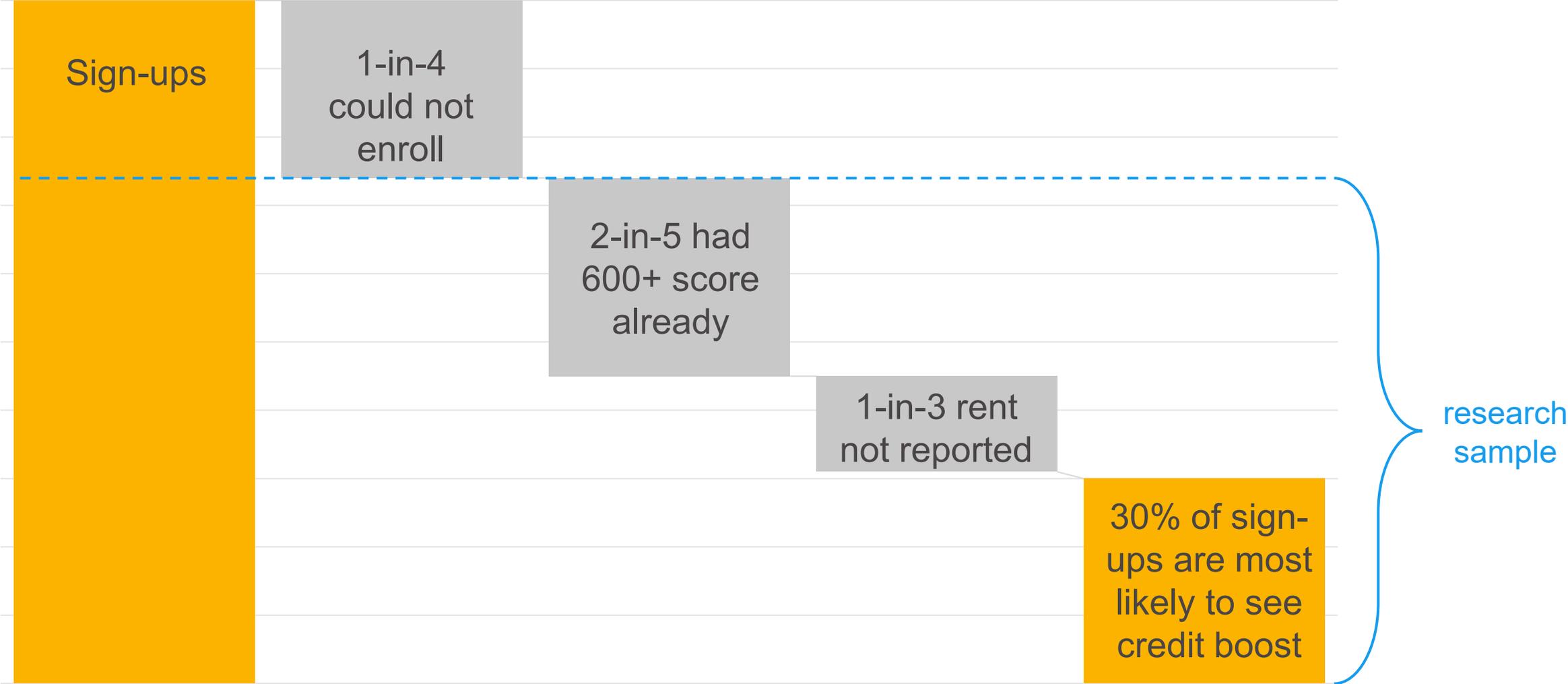


Treatment Group



Limitations of rent reporting in practice

Of those who signed up for rent reporting....



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