

**SENATE . . . . . No. 798**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***James B. Eldridge***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to credit building.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>2/7/2019</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>2/14/2019</i>

**SENATE . . . . . No. 798**

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 798) of James B. Eldridge, Jason M. Lewis and Tram T. Nguyen for legislation relative to credit building. Housing.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 718 OF 2017-2018.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
\_\_\_\_\_

An Act relative to credit building.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1.

2 XXXX-XXXX For the implementation of the rent reporting demonstration program  
3 established in section 2 ..... \$500,000

4 SECTION 2. The office of housing and economic development shall establish a rent  
5 reporting demonstration program for eligible organizations, including local housing authorities,  
6 affordable housing property management companies and community development corporations,  
7 to implement a credit-building program that uses regular monthly reporting of tenant rent  
8 payments to consumer reporting agencies as a mechanism to help these tenants build credit  
9 profiles. Program initiatives may include, but are not limited to, the following:

10 (1) furnish rental payment data on behalf of residents at a selected development or  
11 developments;

12 (2) identify opportunities to engage tenants to educate them about rent reporting as a  
13 credit building tool and to enroll them in the program. Protections under the Privacy Act of 1974  
14 may require program participants to secure written consent from tenants to report data to the  
15 credit bureaus;

16 (3) offer individualized credit coaching and educational support to tenants whose rent is  
17 reported, or identify third party providers that can provide such services if an eligible  
18 organization is not able to do so;

19 (4) assess the impact of rent reporting on participating tenants' credit outcomes, including  
20 changes in credit score and establishing a credit history or credit score and other measures of  
21 tenants' financial capability, which may include but is not limited to, on-time rent payment rates,  
22 debt levels and access to affordable credit; and

23 (6) include Credit Builders Alliance and similar nonprofit intermediary resources that  
24 provide credit building and financial capability resources geared for low income communities to  
25 provide technical assistance to program participants to implement the program.

26 (b) Eligible organizations will participate in a 3- year pilot program, which will record  
27 and report tenants' timely rent payments to consumer reporting agencies.

28 (c) Eligible organizations or an identified third party shall provide training and support to  
29 the eligible organizations' staff and tenants regarding the pilot as feasible. Organization staff or  
30 an identified third party shall conduct educational briefings for tenants to learn about the

31 program and the benefits of participation. In addition, organizations will provide ongoing  
32 financial education and coaching either directly or through a third party.

33 (d) The program shall collect the following data points and make them available to  
34 organization staff and tenants in an aggregated and anonymized format: (1) rates of on-time rent  
35 payment of tenants; (2) credit score tiers of tenants; (3) average credit score point fluctuations;  
36 (4) tenant attendance at trainings, coaching sessions and informational briefings; and (5) tenant  
37 dropout and enrollment rate in program.

38 The office of housing and economic development shall evaluate the collected data and  
39 file a report with the clerks of the senate and house of representatives, the chairs of the joint  
40 committee on financial services and the chairs not later than 6 months after the conclusion of the  
41 demonstration program.

42 (e) The department shall establish an advisory committee with the following members:  
43 the secretary of the executive office housing and economic development or a designee; the  
44 undersecretary of the department of housing and community development or a designee; 6  
45 representatives appointed by the governor, 3 of whom shall be representatives from a community  
46 development corporation, and 3 of whom shall be representatives from a public housing tenant  
47 organization; 1 member selected by the joint committee on economic development; 1 member  
48 selected by the joint committee on housing; and 1 member selected by the joint committee on  
49 financial services. The advisory committee shall provide assistance and track the implementation  
50 of the pilot program; provided, further, that the advisory committee shall study the report  
51 referenced in subsection (d) and recommend expansion of the pilot to other eligible  
52 organizations.