

# Credit Building through Rent Reporting



## Help Your Renters, Improve Your Property Performance

We are working to make our industry more equitable for everyone. This includes establishing new ways to improve economic mobility and narrow the wealth gap many renters face today. There are 44+ million renter households in the U.S., but less than 10% of on-time rents are reported to credit bureaus. Overall, renters have much lower credit scores than homeowners and some renters have no score at all (i.e., “credit invisible”).

To address these disparities, Freddie Mac will incentivize borrowers to report on-time rents through credit reporting vendors participating in our program. Their platforms enable reporting on-time rent payments to the three major credit bureaus, helping to build renters’ credit scores.

### Benefits for Renters

- Renters who are currently “credit invisible” can establish credit scores and those with existing records can improve their scores.
- A stronger credit score may enable renters to access diverse financing, obtain financing with lower interest rates, avoid unbreakable debt traps and qualify for future mortgages.
- Only on-time rental payments are reported to the credit bureaus; renters are automatically unenrolled upon a late or missed payment.

### Benefits for Borrowers

- Improve property collections: rent reporting motivates resident to make on-time payments.
- Enhance marketability and reduce turnover: two out of three renters surveyed would favor a property that offers this service.
- Improve net operating income: more stable collections and lower turnover mean a better bottom line.

## How Rent Reporting Works

- **Comprehensive Reporting.** Participating vendors report on-time rent payments to all three major credit bureaus.
- **Immediate Impact.** Vendors can report up to 24 months of historical payments, which means some renters’ credit scores will increase immediately.
- **Ease of Reporting.** The vendor’s software links to existing property management software. This means no added work for borrowers or property managers to enroll renters in the credit building program.

For a limited time only, Freddie Mac is providing financial assistance in the form of payments made directly to vendors as a way of helping borrowers get started with our credit building through rent reporting program.

Properties with active Freddie Mac loans with at least one year remaining in the loan term are eligible for financial assistance equivalent to the cost of one year of service.

Borrowers can contact one of the participating credit building vendors directly to learn more details about how to get their properties enrolled.

Visit [mf.freddie.mac.com/equity](https://mf.freddie.mac.com/equity) for more information.

## Borrowers Who Want to Know More

Learn more about how to work with Freddie Mac or our Optigo lenders at [mf.freddie.mac.com/borrowers](https://mf.freddie.mac.com/borrowers).

View all multifamily finance products at [mf.freddie.mac.com/product](https://mf.freddie.mac.com/product).

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