

HB1134_L.004

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB21-1134 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1. Legislative declaration.** (1) The general
4 assembly finds that:

5 (a) According to the Urban Institute, home ownership is currently
6 the largest single source of wealth building, but in Colorado, a significant
7 racial gap in home ownership rates exists;

8 (b) In 2018:

9 (I) Sixty-eight percent of White households were home owners,
10 compared to thirty-seven percent of Black households and fifty-two
11 percent of Latino households. This is especially problematic because
12 home ownership plays a bigger role in building wealth for communities
13 of color than it does for White households. According to a recent study,
14 home ownership amounts to fifty-three percent of wealth for Blacks and
15 thirty-nine percent of wealth for Whites.

16 (II) The national mortgage loan denial rate for Black applicants
17 was double that of White applicants, at eighteen percent versus nine
18 percent. Among Black and Latino households, the most common reason
19 for denial was debt-to-income ratios. The second most common reason
20 was credit history.

21 (c) Due to traditional credit scoring models, many communities
22 of color are credit invisible or unscorable. Roughly fifteen percent of
23 Blacks and Latinos are credit invisible compared to ten percent of Whites;
24 similarly, thirteen percent of Blacks and twelve percent of Latinos are
25 credit unscorable compared to seven percent of Whites. Credit invisibility
26 and unscorability are barriers to financial opportunity that have adverse
27 effects lasting generations.

28 (2) The general assembly also finds that:

29 (a) Communities of color find it difficult to gain access to credit,
30 especially when it comes to mortgages;

31 (b) For renters, the rental payment is often their single largest
32 credit or contractual obligation;

33 (c) Reporting rental payments is a way to even the playing field
34 and enable communities of color, lower-income households, and residents
35 of rural communities to generate and build credit without taking on
36 additional debt; and

37 (d) Reporting rental payments allows renters to build credit in
38 much the same way that home owners build credit through the reporting
39 of mortgage payments.

40 (3) Therefore, the general assembly declares that it is in the best

1 interests of the state to create a pilot program whereby participant tenants
2 may elect to have their rent payment information reported to consumer
3 reporting agencies and thereby build and improve their credit.

4 **SECTION 2.** In Colorado Revised Statutes, **add** 24-36-123 as
5 follows:

6 **24-36-123. Rent reporting for credit pilot program - Colorado**
7 **housing and finance authority - appropriations - repeal.** (1) ON OR
8 BEFORE OCTOBER 1, 2021, THE STATE TREASURER SHALL ISSUE A
9 WARRANT IN THE AMOUNT OF TWO HUNDRED FIVE THOUSAND DOLLARS
10 FROM THE TREASURY DEPARTMENT TO THE COLORADO HOUSING AND
11 FINANCE AUTHORITY CREATED IN SECTION 29-4-704 FOR THE
12 IMPLEMENTATION OF THE RENT REPORTING FOR CREDIT PILOT PROGRAM
13 CREATED IN SECTION 29-4-1003.

14 (2) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY TO THE
15 TREASURY DEPARTMENT FOR THE PURPOSES OF THIS SECTION AND PART 10
16 OF ARTICLE 4 OF TITLE 29.

17 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024.

18 **SECTION 3.** In Colorado Revised Statutes, **add** part 10 to article
19 4 of title 29 as follows:

20 **PART 10**

21 **RENT REPORTING FOR CREDIT PILOT PROGRAM**

22 **29-4-1001. Short title.** THE SHORT TITLE OF THIS PART 10 IS THE
23 "RENT REPORTING FOR CREDIT PILOT PROGRAM ACT".

24 **29-4-1002. Definitions.** AS USED IN THIS PART 10, UNLESS THE
25 CONTEXT OTHERWISE REQUIRES:

26 (1) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE
27 AUTHORITY CREATED IN SECTION 29-4-704.

28 (2) "CONSUMER REPORTING AGENCY" HAS THE MEANING SET
29 FORTH IN 15 U.S.C. SEC. 1681a (f).

30 (3) "CONTRACTOR" MEANS THE CONTRACTOR WITH WHICH THE
31 AUTHORITY CONTRACTS TO ADMINISTER THE PILOT PROGRAM PURSUANT
32 TO SECTION 29-4-1003 (2).

33 (4) "DWELLING UNIT" HAS THE MEANING SET FORTH IN SECTION
34 38-12-502 (3).

35 (5) "FINANCIAL EDUCATION COURSE" MEANS AN EDUCATIONAL
36 COURSE THAT PROVIDES INFORMATION ABOUT THE IMPORTANCE OF
37 BUILDING AND MAINTAINING GOOD CREDIT, INCLUDING A FINANCIAL
38 EDUCATION COURSE OFFERED BY OR THROUGH A LOCAL BANK, A
39 NONPROFIT ORGANIZATION, THE AUTHORITY, A HOUSING AUTHORITY, A
40 STATE GOVERNMENT AGENCY, A LOCAL GOVERNMENT AGENCY, OR ANY
41 THIRD PARTY UNDER CONTRACT WITH ANY SUCH ENTITY.

42 (6) "LANDLORD" HAS THE MEANING SET FORTH IN SECTION
43 38-12-502 (5).

1 (7) "PARTICIPANT LANDLORD" MEANS A LANDLORD THAT HAS
2 AGREED IN WRITING TO PARTICIPATE IN THE PILOT PROGRAM AND HAS
3 SATISFIED THE REQUIREMENTS DESCRIBED IN SECTION 29-4-1003 (3)(b).
4 A PARTICIPANT LANDLORD MAY BE A PERSON, A PUBLIC HOUSING
5 AUTHORITY, OR A NONPROFIT ORGANIZATION THAT IS A LANDLORD.

6 (8) "PARTICIPANT TENANT" MEANS A TENANT THAT HAS ELECTED
7 TO PARTICIPATE IN THE PILOT PROGRAM AND WHOSE LANDLORD IS A
8 PARTICIPANT LANDLORD.

9 (9) "PILOT PROGRAM" MEANS THE RENT REPORTING FOR CREDIT
10 PILOT PROGRAM CREATED IN SECTION 29-4-1003.

11 (10) "RENT PAYMENT INFORMATION" MEANS INFORMATION
12 CONCERNING A TENANT'S TIMELY PAYMENT OF RENT, UNTIMELY PAYMENT
13 OF RENT, OR NONPAYMENT OF RENT. "RENT PAYMENT INFORMATION" DOES
14 NOT INCLUDE INFORMATION CONCERNING A TENANT'S PAYMENT OR
15 NONPAYMENT OF ANY FEES.

16 (11) "TENANT" HAS THE MEANING SET FORTH IN SECTION
17 38-12-502 (9).

18 **29-4-1003. Rent reporting for credit pilot program - created**
19 **- third-party contractor - participant landlords and participant**
20 **tenants - financial education courses required - compensation for**
21 **participant landlords.** (1) THE RENT REPORTING FOR CREDIT PILOT
22 PROGRAM IS CREATED TO FACILITATE THE REPORTING OF PARTICIPANT
23 TENANTS' RENT PAYMENT INFORMATION TO CONSUMER REPORTING
24 AGENCIES.

25 (2) ON OR BEFORE OCTOBER 1, 2021, THE CONTRACTOR SHALL
26 CONTRACT WITH A THIRD PARTY TO ADMINISTER THE PILOT PROGRAM. THE
27 CONTRACTOR SHALL ADMINISTER THE PILOT PROGRAM IN ACCORDANCE
28 WITH THIS PART 10 AND RULES PROMULGATED BY THE AUTHORITY
29 PURSUANT TO SECTION 29-4-1004.

30 (3) (a) ON AND AFTER OCTOBER 15, 2021, THE CONTRACTOR, IN
31 CONSULTATION WITH THE AUTHORITY, SHALL RECRUIT NO MORE THAN TEN
32 PARTICIPANT LANDLORDS AND, TO THE EXTENT PRACTICABLE, SHALL
33 ATTEMPT TO INCLUDE A TOTAL OF AT LEAST ONE HUNDRED PARTICIPANT
34 TENANTS, WITH AN EMPHASIS ON SELECTING PARTICIPANT TENANTS FROM
35 POPULATIONS THAT ARE UNDER-SERVED AND UNDER-REPRESENTED IN
36 HOME OWNERSHIP. TO THE EXTENT PRACTICABLE, THE CONTRACTOR
37 SHALL RECRUIT PARTICIPANT LANDLORDS WHO OFFER:

38 (I) A VARIETY OF TYPES OF DWELLING UNITS FOR RENT, INCLUDING
39 DWELLING UNITS OF VARIOUS SIZES;

40 (II) DWELLING UNITS FOR RENT THAT ARE LOCATED IN DIVERSE
41 AREAS OF THE STATE; AND

42 (III) AT LEAST FIVE DWELLING UNITS FOR RENT.

43 (b) IN ORDER TO BECOME A PARTICIPANT LANDLORD, A LANDLORD

1 MUST AGREE IN WRITING:
2 (I) TO PARTICIPATE IN THE PILOT PROGRAM FOR AT LEAST
3 FOURTEEN MONTHS, BUT THE AUTHORITY SHALL NOT REQUIRE THE
4 LANDLORD TO PARTICIPATE AFTER APRIL 1, 2024;
5 (II) NOT TO CHARGE A PARTICIPANT TENANT FOR PARTICIPATION
6 IN THE PILOT PROGRAM;
7 (III) TO COMPLY WITH RULES PROMULGATED BY THE AUTHORITY
8 PURSUANT TO SECTION 29-4-1004; AND
9 (IV) TO PROVIDE INFORMATION, TO THE EXTENT PRACTICABLE, TO
10 THE AUTHORITY AND THE CONSULTANT CONCERNING THE EXECUTION OF
11 THE PROGRAM FOR THE PURPOSE OF INFORMING THE REPORT DESCRIBED
12 IN SECTION 29-4-1005.
13 (c) THE CONTRACTOR MAY WORK WITH STATEWIDE OR NATIONAL
14 ASSOCIATIONS OF LANDLORDS TO IDENTIFY POTENTIAL PARTICIPANT
15 LANDLORDS.
16 (d) THE CONTRACTOR SHALL SUPPORT AND WORK WITH
17 LANDLORDS TO RECRUIT TENANTS TO PARTICIPATE IN THE PILOT PROGRAM.
18 (4) A TENANT MAY PARTICIPATE IN THE PILOT PROGRAM ONLY IF
19 THE TENANT AGREES TO PARTICIPATE AND COMPLETES A FINANCIAL
20 EDUCATION COURSE. A PARTICIPANT TENANT MUST DEMONSTRATE THAT
21 THE PARTICIPANT TENANT HAS COMPLETED A FINANCIAL EDUCATION
22 COURSE BEFORE THE PARTICIPANT TENANT MAY HAVE A PARTICIPANT
23 LANDLORD REPORT THE PARTICIPANT TENANT'S RENT PAYMENT
24 INFORMATION.
25 (5) ON AND AFTER OCTOBER 15, 2021, THE CONTRACTOR SHALL:
26 (a) PROVIDE EDUCATION TO PARTICIPANT LANDLORDS AND
27 POTENTIAL PARTICIPANT LANDLORDS CONCERNING THE REQUIREMENTS OF
28 PARTICIPATION IN THE PILOT PROGRAM; AND
29 (b) PROVIDE INFORMATION TO PARTICIPANT LANDLORDS TO HELP
30 RECRUIT PARTICIPANT TENANTS, INCLUDING, AT A MINIMUM,
31 INFORMATION CONCERNING HOW TO PARTICIPATE IN THE PILOT PROGRAM
32 AND THE LIST OF FINANCIAL EDUCATION COURSES ESTABLISHED PURSUANT
33 TO RULES PROMULGATED BY THE AUTHORITY PURSUANT TO SECTION
34 29-4-1004.
35 (6) PARTICIPANT LANDLORDS THAT SATISFY THE REQUIREMENTS
36 DESCRIBED IN SUBSECTION (3)(b) OF THIS SECTION MAY RECEIVE
37 COMPENSATION FOR THEIR PARTICIPATION IN THE PILOT PROGRAM. SUCH
38 COMPENSATION:
39 (a) SHALL BE PAID FROM MONEY RECEIVED BY THE AUTHORITY
40 FROM THE STATE TREASURER PURSUANT TO SECTION 24-36-123; AND
41 (b) SHALL BE PAID TO PARTICIPANT LANDLORDS IN ACCORDANCE
42 WITH RULES ESTABLISHED BY THE AUTHORITY PURSUANT TO SECTION
43 29-4-1004.

1 **29-4-1004. Rent reporting for credit pilot program - rules.**

2 (1) ON OR BEFORE OCTOBER 1, 2021, THE AUTHORITY SHALL ESTABLISH
3 RULES FOR THE ADMINISTRATION OF THE PILOT PROGRAM. AT A MINIMUM,
4 THE RULES MUST:

5 (a) INCLUDE A LIST OF FINANCIAL EDUCATION COURSES THAT
6 TENANTS MAY COMPLETE IN ORDER TO PARTICIPATE IN THE PILOT
7 PROGRAM, INCLUDING ONLINE CLASSES SORTED BY LOCATION AND, TO THE
8 EXTENT PRACTICABLE, ADDRESSES, PHONE NUMBERS, WEBSITES, AND
9 OTHER CONTACT INFORMATION;

10 (b) ENSURE THAT EACH PARTICIPANT LANDLORD REPORTS ONLY
11 RENT PAYMENT INFORMATION CONCERNING A PARTICIPANT TENANT'S
12 PAYMENT OR NONPAYMENT OF RENT AFTER THE DATE UPON WHICH THE
13 PARTICIPANT TENANT ELECTED TO PARTICIPATE IN THE PILOT PROGRAM;

14 (c) ESTABLISH AMOUNTS, SCHEDULES, AND OTHER TERMS OF
15 COMPENSATION FOR PARTICIPANT LANDLORDS PURSUANT TO SECTION
16 29-4-1003 (6); AND

17 (d) ESTABLISH A STANDARD FORM FOR PARTICIPANT TENANTS TO
18 USE TO ELECT TO PARTICIPATE OR CEASE PARTICIPATING IN THE PILOT
19 PROGRAM, WHICH STANDARD FORM MAY BE ELECTRONIC AND MUST
20 INCLUDE:

21 (I) A STATEMENT THAT THE PARTICIPANT TENANT'S PARTICIPATION
22 IN THE PILOT PROGRAM IS VOLUNTARY AND THAT A PARTICIPANT TENANT
23 MAY CEASE PARTICIPATING IN THE PILOT PROGRAM AT ANY TIME AND FOR
24 ANY REASON BY PROVIDING NOTICE TO THE PARTICIPANT TENANT'S
25 PARTICIPANT LANDLORD;

26 (II) A STATEMENT THAT ALL OF THE PARTICIPANT TENANT'S RENT
27 PAYMENTS MAY BE REPORTED, REGARDLESS OF WHETHER THE PAYMENTS
28 ARE TIMELY, LATE, OR MISSED, AND THAT REPORTING MAY COMMENCE
29 WITHIN THIRTY DAYS AFTER THE PARTICIPANT TENANT ELECTS TO
30 PARTICIPATE IN THE PILOT PROGRAM;

31 (III) A STATEMENT THAT IF THE PARTICIPANT TENANT ELECTS TO
32 CEASE PARTICIPATING IN THE PILOT PROGRAM, THE PARTICIPANT TENANT
33 MAY NOT RESUME PARTICIPATING IN THE PILOT PROGRAM;

34 (IV) INSTRUCTIONS DESCRIBING HOW TO ELECT TO CEASE
35 PARTICIPATING IN THE PILOT PROGRAM; AND

36 (V) A SIGNATURE BLOCK WHERE THE PARTICIPANT TENANT MAY
37 SIGN AND DATE THE FORM.

38 **29-4-1005. Rent reporting for credit pilot program - report.**

39 (1) ON OR BEFORE JUNE 1, 2024, THE AUTHORITY, IN CONSULTATION WITH
40 THE CONTRACTOR, SHALL SUBMIT TO THE GOVERNOR AND THE GENERAL
41 ASSEMBLY A REPORT CONCERNING THE PILOT PROGRAM. AT A MINIMUM,
42 THE REPORT MUST INDICATE:

43 (a) THE NUMBER OF PARTICIPANT LANDLORDS, INCLUDING AN

1 INDICATION AS TO WHETHER MORE THAN TEN LANDLORDS EXPRESSED AN
2 INTEREST IN PARTICIPATING;
3 (b) THE NUMBER OF PARTICIPANT TENANTS, INCLUDING THE
4 NUMBER OF PARTICIPANT TENANTS WHO CEASED PARTICIPATING IN THE
5 PILOT PROGRAM;
6 (c) THE DEMOGRAPHICS OF PARTICIPANT TENANTS, INCLUDING
7 RACE, ETHNICITY, GENDER, INCOME, AND AGE, AS MAY BE VOLUNTARILY
8 PROVIDED BY PARTICIPANT TENANTS;
9 (d) THE COST OF ADMINISTERING THE PILOT PROGRAM;
10 (e) THE NUMBER OF RESIDENTIAL PROPERTIES OFFERED BY EACH
11 LANDLORD;
12 (f) FOR EACH PARTICIPANT LANDLORD:
13 (I) THE NATURE OF THE REPORTING MECHANISM USED TO REPORT
14 PARTICIPANT TENANTS' RENT PAYMENT INFORMATION TO CONSUMER
15 REPORTING AGENCIES; AND
16 (II) THE LOCATION OF EACH PROPERTY OFFERED BY THE
17 PARTICIPANT LANDLORD;
18 (g) A SHORT NARRATIVE OF CHALLENGES FACED BY PARTICIPANT
19 LANDLORDS AND PARTICIPANT TENANTS DURING THE PILOT PROGRAM;
20 AND
21 (h) A SIMPLE ASSESSMENT OF HOW THE PILOT PROGRAM, IN
22 AGGREGATE, POSITIVELY OR NEGATIVELY AFFECTED PARTICIPATING
23 TENANTS' CREDIT.
24 (2) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION
25 (1) OF THIS SECTION, THE REPORT MAY INCLUDE ANY RECOMMENDATIONS
26 OF THE AUTHORITY CONCERNING THE CONTINUATION OR REPEAL OF THE
27 PILOT PROGRAM.
28 (3) THE AUTHORITY SHALL MAKE THE REPORT DESCRIBED IN
29 SUBSECTION (1) OF THIS SECTION AVAILABLE ON ITS PUBLIC WEBSITE.
30 **29-4-1006. Repeal of part.** THIS PART 10 IS REPEALED, EFFECTIVE
31 SEPTEMBER 1, 2024.
32 **SECTION 4. Safety clause.** The general assembly hereby finds,
33 determines, and declares that this act is necessary for the immediate
34 preservation of the public peace, health, or safety."

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