

[HB1134 – Report Tenant Rent Payment Information Credit Agencies](#)

Thursday, March 18 2021

Business Affairs & Labor

Kelly Brough, President and CEO, Denver Metro Chamber of Commerce

I'd like to start by thanking the chair and committee members for your consideration of this testimony. My name is Kelly Brough and I submit this testimony on behalf of the Denver Metro Chamber of Commerce in support of HB 1134.

In 2019 we launched Prosper Colorado with the goal of making Colorado the best place to live and work, no matter your race, ethnicity or gender. We know that while our economy is among the strongest in the country, we have serious disparities. So this work is focused on understanding what's driving the disparities we see and identifying and breaking down the barriers to opportunity.

Housing and credit are two places we see disparities and barriers. Fewer than ½ of Black Coloradans and 54% of Hispanics or Latinx Coloradans own their homes, compared with nearly ¾ of white Coloradans. Nationally, lenders deny mortgages for Black applicants at a rate 80% higher than that of white applicants. People and communities of color have been disproportionately targeted for high-cost, predatory loans. These intrinsically risky financial products predictably lead to higher delinquency and default rates than non-predatory loans. Consequently, Black and Latinx Americans are more likely than their white counterparts to have damaged credit. And, according to the New York Federal Reserve, as many as 60 million Americans have a hard time qualifying for credit cards and other loans, making it more difficult for them to recover from financial setbacks. Previous studies analyzing access to credit have focused on the roughly 26.5 million adults in the United States who cannot qualify for conventional loans because they do not have credit reports or credit scores.

Being challenged to build credit has sweeping impacts on a person. It impacts their buying power and their ability access loans to do things like buy houses or start businesses – two key strategies for building wealth in this country.

The pilot program in HB 1134 is a creative approach that aims to help Coloradans build credit and in doing so, ultimately build wealth. It can help unlock car ownership, making it easier to access work, school and health care. It can make it easier to buy a house, increasing stability for the entire family. It can aid in a critical step on the path to owning a business – securing a small business loan. Success in this regard can help alleviate the barriers that credit presents for so many Colorado families in so many ways.

We support the intent of this bill and believe it can set Colorado apart in a positive way.

Please join us in supporting HB 1134.

# WARREN VILLAGE

Transforming Parents' Lives. Improving Children's Futures.

04/01/21

"Mr. Chairperson, members of the committee, thank you for the opportunity to present written testimony to you today.

My name is Lynn Halfmann representing both myself and Warren Village.

I am here to support HB21-1134 and amendment L004 because I feel that Reporting Tenant Rent Payment Information to Credit Agencies will help bridge the gap for low income individuals and families that don't have the requisite income, financial literacy, or access to traditional means of credit building that middle and high income earners have.

Warren Village is a 2-3 year transitional housing and self-sufficiency program serving single parent families. We have a total of 103 subsidized rental units. The majority of our tenants are families of color and are very low income.

In 2020 we partnered with Credit Builder's Alliance and ESUSU Financial Inc. to run a one year pilot program to provide voluntary rent reporting for 12 families. I can provide the following outcomes to illustrate the positive effects of rent reporting for our families.

Of the 12 families:

- 9 participants saw a credit score increase.
- 3 saw a credit score decrease due to debt factors not related to rental payments.
- Of those with a positive gain, the average increase was 134 points.
- One participant went from no score to a 718.
- The largest increase with someone with existing credit was 137 points.
  
- Therefore, the average credit score change of all participants was a 90 point increase.
- 100% of participants paid rent on time which is a huge benefit to landlords.

For these reasons, I feel this statewide Rent Reporting Pilot is a great strategy to working towards equitable credit building strategies for low-income individuals and in bridging the racial wealth gap.

In addition, it will help reduce barriers to housing for families as a good credit score is required for many permeant affordable rentals, fair market properties, and home ownership opportunities.

Thank you for allowing me the opportunity to testify in support of this bill. I'd be happy to answer any questions.

Thank you,  
Lynn Halfmann, LCSW



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