



Credit Builders Alliance, Giv Development and Goldman Sachs Find Rent Reporting Can Help Establish Credit History and Combat Economic Inequality

Reporting rent payments to credit bureaus increased credit scores by average of 42 points for residents of affordable housing.

SALT LAKE CITY, UT – June 26, 2019 – Today, Credit Builders Alliance (CBA), Giv Development and Goldman Sachs Bank USA (Goldman Sachs) reveal the results of a recent pilot aimed to increase the credit scores of Utah residents living in affordable housing. The participants experienced an average credit score increase of 42 points after having their rent reported to the credit bureaus for an average of four months, suggesting rent reporting can be an innovative solution to help lower income consumers increase their credit scores and qualify for more affordable rates. Among those reporting, the average starting credit score was 615, which is often viewed as sub-prime by lenders. After four months, the average score rose to 657, a score viewed as less risky.

The rent reporting pilot program benefited residents of Project Open, a new and innovative affordable housing building in Salt Lake City's Guadalupe neighborhood, who wish to build credit by having their rental payments reported to the major credit bureaus. Over half of Salt Lake City's residents are renters. Renters are seven times more likely than homeowners to have a minimal credit history that is deemed unscorable by the credit bureaus. Many renters have limited opportunities to build credit history which directly impacts their ability to attain housing and stay ahead in today's economy. Renters are also more likely to have lower incomes and lower wealth than homeowners.

"Unlike homeowners, renters historically have not gotten 'credit' on their credit reports for making their monthly housing payments. We see rent reporting as a safe, viable opportunity for tenants living in affordable housing to build credit as a financial asset without taking on additional debt," said Sarah Chenven, Chief Operating and Strategy Officer at CBA. "Partners like Goldman Sachs and Giv Development, who are committed to investing in and implementing rent reporting, are trailblazers in the affordable space."

"We consistently see residents paying their rent, and utilities, while avoiding debt to then be told they don't qualify for a house or car loan because none of those payments mattered. That needs to change," said Chris Parker, Executive Director of Giv Development. "Credit building and reporting is one of the important pilots Project Open is facilitating, and we hope it creates critical financial opportunities for our residents"

"Goldman Sachs is excited about the potential for rent reporting to improve the financial health of the residents of the affordable housing we finance. We're delighted be partnering with Giv Development and CBA on this important innovation," says John Olson, Vice President in the Urban Investment Group and Community Reinvestment Act Officer for Goldman Sachs Bank USA.

Goldman Sachs is committed to finding innovative commercial solutions that address social and civic challenges in communities across the United States. Through its Urban Investment Group, Goldman Sachs, along with partners from the public and private sectors, has committed over \$950 million in Utah since 2009. The Urban Investment Group is also responsible for fulfilling Goldman Sachs Bank USA's obligations under the Community Reinvestment Act of 1977.

“At CBA, we see rent reporting as a key way to open doors for low-income residents and help more individuals become economically mobile. We are committed to working towards a day in which everyone living in affordable housing may choose to build credit by paying rent. With support from Goldman Sachs we have just rolled out our CBA-Esusu Rent Reporter service to make this goal a reality,” says Chenven.

To learn more about the power of rent reporting visit [CBA's website](#) on rent reporting.

About Credit Builders Alliance

Credit Builders Alliance serves as a unique and vital bridge between our nonprofit members and the major credit reporting agencies (CRAs). Through this support, CBA helps people who are outside the financial mainstream build credit to achieve their goals and enjoy financial security for themselves and their families. Our core services, CBA Reporter and CBA Access, provide nonprofits with both the ability and critical technical assistance to report loan data to the CRAs and to pull low-cost client credit reports for the purposes of financial education, outcome tracking and underwriting. For more information visit: <https://www.creditbuildersalliance.org/>

About Giv Development

Giv Development exists to help blighted and transitional communities grow via place. Every project it undertakes serves as a testing ground for the company, and often the area, in new and emerging community design and building techniques. Through it all, Giv looks to catalyze sustainable, vibrant, and lasting communities in the places, and for the people, that need it most. For more information visit: <http://www.givdevelopment.com/>

About Goldman Sachs

The Goldman Sachs Urban Investment Group (“UIG”) is a domestic, multi-asset class investing and lending business that provides capital primarily to public-private real estate developments. UIG deploys Goldman Sachs’ capital by making investments and loans that benefit urban communities. Through its comprehensive community development platform, UIG has committed over \$7.8 billion since it was founded in 2001, which has facilitated the creation and preservation of more than 31,000 housing units – the majority of which are affordable to low, moderate and middle-income families – as well as more than 2,200,000 square feet of community facility space and more than 9,600,000 square feet of commercial, retail, and industrial space. For more information visit: <https://www.goldmansachs.com/what-we-do/investing-and-lending/impact-investing/>

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