

Renting and your credit

Get credit for paying your rent on time



Answers to common questions about rental payments on your credit report

Why is my lease/rent now showing up on my credit report?

On June 24, 2010, Experian® acquired RentBureau®; the most widely used credit bureau for the multifamily industry. RentBureau has the most comprehensive rental payment database, receiving rental payment histories every 24 hours from its national network of apartment owners and managers.

As of Dec. 15, 2010, Experian began loading rental payment histories into consumers' credit reports, creating an opportunity for underbanked consumers — which can include everyone from college students and recent graduates to immigrants — to establish a positive credit history with continuous on-time rental payments.

What's in it for me?

By incorporating only positive rent payment data within the Experian credit report, Experian is providing a unique opportunity to consumers to establish or rebuild credit through timely rent payment. This includes homeowners now renting after a foreclosure or a short sale, as well as non-credit-active and cash-based consumers. Better credit means qualifying for credit products that you deserve.

What should I do if I find an error or encounter a problem with my credit report?

All disputes are processed by Experian's National Consumer Assistance Center. If you have a dispute or a concern, you can call Experian toll-free at 1 888 EXPERIAN (1 888 397 3742), or you can access a dispute form online at www.experian.com/disputes/main.html

Request a copy of your personal report directly from Experian and review it carefully. If you find an error, simply dispute the information immediately online, or call or write Experian following the instructions provided with your report.

Upon receiving your dispute, Experian's National Consumer Assistance Center will investigate, either resolve or affirm the dispute, and send you the results of the reinvestigation. This dispute process can take up to 30 days from the date the dispute is received.

Why do my rental payments only show up on my Experian credit report?

Experian is the first and only major credit reporting company to incorporate positive rental payment into consumers' credit reports.

What type of information about my lease will show up on my credit report?

Only positive rental history has been added to your Experian credit report. If available, Experian will display the 25 most recent months of rental payment history information. Experian RentBureau will not add derogatory information because any negative rental information, such as a collection account, is already reported to credit reporting companies through collection agencies.

How will lenders use this new information?

Lenders may use your rental obligation as an input in determining your ability to pay any new debt. Because your rental tradeline is now part of the standard credit report, your rental payment history may also be incorporated into credit scores used by lenders to make credit-granting decisions.

There are many kinds of credit scores and many different underwriting practices that are used by lenders for various types of lending, such as auto loans, mortgages, credit cards, etc. Each credit grantor decides what standards you must meet for it to grant you credit.

Will this new information affect my credit score?

Your rental payment information will be included in your credit report as a standard credit tradeline. A "tradeline" is specific information about an account, such as the date opened, credit limit or loan amount, balance, etc. Because your rental tradeline is now part of your standard credit report, your rental payment history may be incorporated into certain credit scores, such as VantageScore^{®1} and Experian's PLUS Score[®].

A consumer's VantageScore credit score is derived from a mathematical formula that evaluates a multitude of credit-related characteristics. Among these characteristics are payment history, depth of credit history, recent credit, available credit, balances, and utilization.

¹ VantageScore[®] is owned by VantageScore Solutions, LLC.

We have conducted extensive analysis into the impact of rental data on VantageScore and have found that a majority of individuals will show an improvement in their credit score from the addition of this positive data. Many others will become scoreable for the first time and will begin building and rebuilding credit through the responsible payment of rent.

For more information on VantageScore, please visit: www.experian.com/getyourvantagescore

Why aren't my rental payments showing up?

In order for your rental payment history to show up on your credit report, your property management company must be a data furnisher to Experian RentBureau. We would be happy to speak with your property manager regarding integrating your rental payment data into your credit report. Please refer your property management office to Experian RentBureau at www.experian.com/rentbureau/rental-history.html.

Can I self-report my own rental payments?

No, you cannot report your own rental payment history to Experian RentBureau. Only property management companies can report rental payment data to Experian at this time.

Why is my rent appearing as an installment loan?

The rental tradeline is intended to be similar to an auto lease, which is considered installment credit. Installment credit consists of paying regular installments of a fixed amount over a set period of time, usually measured in months or years. An installment loan does not imply that loan proceeds were received by the consumer as part of the transaction.

My credit report shows a credit limit for my apartment lease but it is not a line of credit. Why is this?

Experian calculates an "original loan amount" which represents the sum of the total payments over the entire period of the lease agreement. For example, a 12-month lease with a \$1,000 monthly rent payment would add up to \$12,000 (12 months x \$1,000). We are aware that some credit report systems display this amount as credit limit. Note: This does not imply that the consumer received loan proceeds in the amount of \$12,000 or have revolving debt of that amount.

My credit report shows an outstanding balance for my apartment lease but I don't owe any money. Why is this?

An outstanding balance or "current balance" amount on your rental tradeline represents the sum of all rental payments left on the lease. The balance denotes the total amount for which the consumer will be responsible over the remainder of the lease. As you pay your rent each month, the outstanding balance will continue to decrease.

Will my name get on a marketing list?

Under legally specified conditions, credit reporting companies (including Experian) provide lists of creditworthy consumers to lenders who extend firm offers of credit. These are called prescreened lists and are governed by the Fair Credit Reporting Act. If you receive a preselected credit offer, you will be instructed in the offer on how you can contact the lender to accept the firm offer of credit.

How can I remove my name on prescreened offers and marketing lists?

If you would like to remove yourself from receiving these types of offers, you can remove your name for prescreened credit offers by calling 1 888 5 OPT OUT (1 888 567 8688).

Credit report and credit score basics

For additional information about your credit report, including how to obtain a copy of your credit report and how to manage your credit scores, please visit Experian's credit education page at www.experian.com/crediteducation.

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10 Recent balance — Represents the sum of all rental payments left on the lease. The balance denotes the total amount for which the consumer will be responsible over the remainder of the lease. In the example above, this amount is expected to be paid in monthly installments of \$1,115.

11 Recent payment — Dollar amount represents the monthly rent amount the consumer paid during the scheduled period.

12 Responsibility — Describe consumer's association to the account per the Equal Credit Opportunity Act.

13 Status — Comments reflect the payment history of the account as of the balance date.