

# SafeRent Solution Accused of Illegally Discriminating Against Black and Hispanic Rental Applicants

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*Federal Lawsuit Alleges SafeRent Solutions Violated the Fair Housing Act, State Law by Discriminating Against Black and Hispanic Voucher Holders in Tenant Screenings*

*SafeRent Employs Algorithm That Assigns Disproportionately Lower “SafeRent Scores” to Black and Hispanic Applicants*

BOSTON- A **lawsuit filed today** in U.S. District Court for the District of Massachusetts against SafeRent Solutions, LLC alleges that the national tenant screening provider has been violating the Fair Housing Act and related state laws for years. SafeRent, formerly known as CoreLogic Rental Property Solutions, provides tenant screening services that disproportionately give low scores to Black and Hispanic rental applicants who use federally funded housing vouchers to pay the vast majority of their rent, causing them to be denied housing. The lawsuit alleges that SafeRent’s algorithm has a disparate impact based on race and source of income, in violation of federal and state laws.

“As stated in the complaint, while SafeRent considers applicants’ credit history, including credit-related information, including non-tenancy debts, and eviction history in calculating SafeRent Scores,” **said Todd Kaplan, Senior Attorney at Greater Boston Legal Services.** “SafeRent’s algorithm does not consider the financial benefits of housing vouchers in assigning SafeRent Scores. On average over 73% of the monthly rental payment is paid through these vouchers.”

SafeRent assigns disproportionately lower SafeRent Scores to Black and Hispanic rental applicants compared to white rental applicants, which is due in part to SafeRent’s use of credit history, which includes non-tenancy debts. SafeRent Scores are designed, marketed, and used to screen prospective tenants for rental housing. These Scores cause Black and Hispanic rental applicants to be disproportionately denied housing. These Scores cannot be justified as a necessary business practice for evaluating applicants with housing assistance vouchers, since a tenant’s voucher ensures the rent is affordable and uniquely protects their housing provider’s receipt of monthly rent.

“Credit scores and conventional credit history are not accurate predictors of a successful tenancy. However, reliance on such data in scoring potential tenants has a disproportionately adverse impact on Black and Hispanic tenants, and those who use housing vouchers,” **said Christine E. Webber, Co-Chair of Cohen Milstein’s Civil Rights & Employment practice.** “Moreover, as cited in the complaint, SafeRent Score algorithm does not disclose all of the data it considers, or how this data is weighted in score modeling, thereby keeping its inner workings hidden. This means that housing providers cannot exercise any independent judgment as to the merits of housing applicants and can only accept SafeRent calculations.”

As a tenant screening provider, SafeRent provides landlords and property owners a SafeRent Score. The Score cannot be adjusted by the landlord nor can a variable like a housing voucher be weighted in the Score, yet the Score is used to decide if an applicant will be accepted. SafeRent’s algorithm does not consider the financial benefits of housing vouchers in assigning Scores. Specifically, when a

housing voucher is used, on average over 73% of the monthly rental payment is paid by public housing authorities directly to housing providers.

According to a 2022 study conducted by the Urban Institute, as of October 2021, Black consumers have a median credit score of 612 and Hispanic consumers have a median credit score of 661, as compared to white consumers' median credit score of 725, leading to unfair bias in accepting an applicant's lease application.

"Racial disparities in credit history and credit scores not only *reflect* historical racial disparities in wealth, but also *perpetuate* wealth inequalities through reduced financial opportunities and fewer financial safety nets, which hinder a consumer's ability to accumulate present or intergenerational wealth through homeownership or other financial investments," **said Ariel Nelson, staff attorney at the National Consumer Law Center.**

For example, in May 2021, Plaintiff Mary Louis, a 54-year-old Black woman who resides in Malden, Mass., applied for an apartment at Granada Highlands (recently renamed "Altitude Apartments") and was denied solely because of her SafeRent Score, which was calculated using her non-tenancy related debt and did not take into account her housing voucher which would have covered nearly 70% of her rent.

"As a nonprofit that works directly with lower income renters who have housing vouchers, we help locate, apply for, and secure appropriate homes for hundreds of families a year," **said David Gibbs, Executive Director of the Community Action Agency of Somerville.** "We are bringing these claims against SafeRent because its actions interfere with our ability to stabilize low-income families in housing with their vouchers. The tenant screening software makes it almost impossible for us to place families in many developments because these otherwise qualifying applicants often have non-tenant consumer debt. This is especially frustrating because our clients always prioritize paying their rent to keep a roof over their heads."

Plaintiffs Mary Louis, Monica Douglas, and Community Action Agency of Somerville, Inc., are represented by Greater Boston Legal Services, Cohen Milstein Sellers & Toll PLLC, and the National Consumer Law Center.

This is the second AI-racial discrimination lawsuit Cohen Milstein has brought against SafeRent Solutions, which previously operated as CoreLogic Rental Property Solutions. Cohen Milstein is currently litigating, as a bench trial, *Connecticut Fair Housing Center, et al. v. CoreLogic Rental Property Solutions*, Case No. 3:18-cv-00705 (D. Conn.), in partnership with Connecticut Fair Housing Center and the National Housing Law Project.