

Why We Need the Fair Chance in Housing Act (FCHA) to Keep Credit Reports Out of Housing Decisions Now

- Credit Reports Will Be Negatively Impacted by Ongoing Financial Stresses:** 14% of Bay Staters in white communities have a debt in collections—rising to [31% in communities of color](#). Ongoing inflationary pressures on basic family necessities like food and fuel have strained budgets all while Bay Staters pay rent in the [third most expensive state to rent](#) housing (after only CA and HI). This will inevitably lead to credit report blemishes, but no one in the Commonwealth should be denied housing simply because their credit report shows the financial hardship they have suffered.
- Credit Reports Don't Predict Current Ability to Pay:** Credit reports tell a story about *past* ability to pay in specific instances, not *current* ability to pay rent—and **rent is a high-priority bill [that families will pay before all others](#)**. Current ability to pay is shown by paystubs, tax returns, W-2s, and bank statements, which landlords would still be free to request.
- Credit Reports Are Riddled with Errors:** Even if credit reports *did* predict current ability to pay rent (which they don't) landlords shouldn't be allowed to rely on them because, as found in a Federal Trade Commission study, [20% of consumers had verified errors in their reports](#), with 5% having a error so serious that it would cause them to be denied credit or pay more for credit. Between October 2021 and September 2022, the CFPB received nearly half a million complaints against Equifax, Experian, or TransUnion for inaccurate information or inadequate investigations of disputes over inaccuracies.
- Credit Reports Perpetuate Historic Racial Inequities and Injustices:** The economic consequences of the nation's long history of racial discrimination—including in housing ([redlining](#)), [employment](#), and [debt collection](#)—are the foundation of the data in credit reports. As a result, credit scores are often [lower in communities of color](#)—in Boston, [91 points lower](#) in non-white areas than in white areas. Using credit data for rental housing [amplifies these inequities](#) and perpetuates them as applicants are denied housing and employment because their forebears were denied housing and employment explicitly based on race.

What the FCHA Does

The bill says that, barring a federal or state requirement that mandates otherwise, a landlord may not:

1. Use a consumer report in connection with or as a criterion for a tenant screening purpose;
2. Request or procure a consumer report for tenant screening purposes; or
3. Require an applicant or tenant to answer a question about the contents of a consumer report or the information contained in it regarding credit worthiness, credit standing, or credit capacity.

Building on Previous MA Reforms

Massachusetts has led the way in this area by being one of three states (CA, HI, MA) banning the use of credit scores in [auto insurance decisions or pricing](#). This act will continue our state's progress by preventing landlords from using credit reports in housing decisions.

Please Support the Common Sense Protections for MA Families in the FCHA!

Restricting the use of credit reports in housing decisions will reduce barriers to housing for the low-income and people of color most impacted by the COVID crisis and help build a strong and equitable economic recovery for all Bay Staters.