

Testimony of Chi Chi Wu  
National Consumer Law Center  
Before the Joint Committee on Housing  
in support of H.1483/S.995: An Act Relative to the Use of Credit Reporting  
for Rent-Subsidized Tenants  
November 19, 2025

Dear Chair Cyr, Chair Haggerty, and Honorable Members of the Joint Committee,

The National Consumer Law Center (NCLC)<sup>1</sup> thanks you for holding this hearing on the Fair Chance in Housing Act (FCHA). We also thank Senator Gomez and Representative Cruz for introducing these bills. NCLC offers this testimony in support of H.1483 and S.995.

For many years now, Massachusetts' renters have faced a well-documented crisis from the lack of safe and affordable housing for low and moderate-income families. One of the most significant barriers for obtaining housing is the use of credit reports and credit scores. By some estimates, 90% of landlords use credit reports and scores.<sup>2</sup>

We have seen too many instances of poor credit history resulting in homelessness. A recent book documenting the rise of homelessness among working families chronicles the story of Maurice and Natalia, who ended up unhoused despite working full time because of housing rejections due in part to low credit scores caused by student loans, credit card and medical debt.<sup>3</sup> An October 2023 New York Times article featured the story of Crystal Audet, who earned over \$72,000 a year as a social worker for Washington State "[b]ut a combination of bad luck, bad debt and a bad credit score priced her out of her apartment ..."<sup>4</sup> And another New York Times article described how poor credit history was one of the factors responsible for pushing low and moderate-income families into renting expensive extended stay motel rooms that are inadequate as permanent housing (for example, they lack kitchens).<sup>5</sup>

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<sup>1</sup> The National Consumer Law Center is a nonprofit organization specializing in consumer issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys, as well as community groups and organizations, from all states who represent low-income and elderly individuals on consumer issues. As a result of our daily contact with these advocates, we have seen many examples of the damage wrought by abuses from credit reporting agencies from every part of the nation. It is from this vantage point that we supply these comments. Fair Credit Reporting (10th ed. 2022) is one of the twenty-one practice treatises that NCLC publishes and annually supplements. This testimony was written by Chi Chi Wu, lead author of that treatise.

<sup>2</sup> Transunion SmartMove, TransUnion Independent Landlord Survey Insights, Aug. 7, 2017, <https://www.mysmartmove.com/SmartMove/blog/landlord-rental-market-survey-insights-infographic.page>.

<sup>3</sup> Brian Goldstone, There is No Place For Us: Working and Homeless in America (Crown 2025).

<sup>4</sup> Rukmini Callimachi, I Live in My Car, N.Y Times, Oct. 19, 2023, <https://www.nytimes.com/2023/10/17/realestate/car-homeless-rent-debt-mortgage.html?smid=li-share>

<sup>5</sup> Mya Frazier, When No Landlord Will Rent to You, Where Do You Go?, N.Y. Times, May 23, 2021, <https://www.nytimes.com/2021/05/20/magazine/extended-stay-hotels.html?referringSource=articleShare>

Massachusetts residents are likewise harmed by the use of credit information in tenant screening, particularly low-income tenants with government rent subsidies. In fact, NCLC was co-counsel for a Massachusetts-based class action lawsuit against SafeRent Solutions for its use of credit history in rejecting the rental housing applications of Black voucher holders, alleging that the practice violates the Fair Housing Act and Massachusetts law due to its disparate impact on tenants of color.<sup>6</sup>

Another example of impaired credit history shutting a Massachusetts subsidized tenant from rental housing is documented in an October 2023 email sent to NCLC from Greater Boston Legal Services:

A tenant won the lottery for an inclusionary zoning unit and provided extensive paperwork for the developer, looked at a unit and was ready to move in. The developer using RentGrow then rejected her application because she settled three credit cards for less than the full balance owed after she disputed the balance because her husband used the cards without permission shortly before they divorced. She had worked to ensure that all her accounts were in order and had many accounts that were in good standing but the three accounts that were paid for less than the full balance were enough to kill get application. Other than this there were no problems. The company told her that the only way she could appeal was to dispute the facts which were true. She had a perfect tenancy record and now has a voucher so her rent would be affordable but the landlord did not provide any real appeal process.<sup>7</sup>

This phenomenon affects subsidized tenants across the Commonwealth. A June 2021 email from a Barnstable resident describes how her mother was shut out of housing by a negative credit report:

My mother who is 71, a Gold-Star Wife and employed as a Psychotherapist on Cape Cod will soon be homeless. She is a vital part of the Cape Cod community working with a vulnerable population.

I am writing because we need help in navigating a request for reconsideration from a denial for senior housing at Everleigh Cape Cod on May 19, 2021. She was denied solely based on her credit score in the 650 range. She had claimed Bankruptcy, which was discharged over three years ago. In large part this credit score is due to an errors [sic] on her credit report that shows a student loan delinquency. This is inaccurate. We have filed a formal complaint with the Massachusetts Attorney General: student loans division. Who stated when we spoke with them prior to filing “this happens all the time.” We have also been in the process of working with the credit reporting agencies to fix the errors. We did explain this to Everleigh.

My mother can afford these apartments, deserves a decent place to live and was given a straight denial based solely on the credit report from Resident Verify.<sup>8</sup>

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<sup>6</sup> *Louis v. Saferent Sols., LLC*, 685 F. Supp. 3d 19 (D. Mass. 2023).

<sup>7</sup> Email from Todd Kaplan, Greater Boston Legal Services, to Ariel Nelson, NCLC, Nov. 20, 2023, on file with author.

<sup>8</sup> Email from Barnstable Resident to Bill Keating, June 2, 2021, on file with author.

We support H.1483 and S.995 because they will ensure that negative credit reporting or a low credit score alone will not bar Massachusetts families with a government rent subsidy from obtaining decent rental housing. It would prevent landlords from considering a potential subsidized tenant's credit report or score in making a rental housing decision unless a federal or state requirement mandates otherwise. This bill is necessary for a number of reasons.

## **1. Credit Reports Don't Predict Current Ability to Pay and Are Especially Unnecessary with a Government Rent Subsidy**

Credit reports and scores are not intended to gauge whether someone will be a good tenant. Credit scores are designed to predict the likelihood that a borrower will become 90 days late on a loan<sup>9</sup> —not rent, which is a different sort of obligation. What's more, credit reports tell a story about past ability to pay in particular instances, not current ability to pay rent, which is a high-priority bill that families pay before all others – a common refrain is that for LMI families “the rent eats first.”<sup>10</sup>

Credit scores and reports are an especially illogical factor for tenants with a rent subsidy, where the government pays the bulk of the rent. Government subsidies such as housing choice vouchers are by nature intended for low-income renters, who have likely face significant financial struggles that are reflected in their credit histories. Yet as the examples above from Massachusetts show, it is not uncommon for landlords to reject tenants with a government subsidy, such as a housing choice voucher, based on low credit scores or impaired credit, even though the subsidy means the government is guaranteeing most of the rent payment.

Even worse, some landlords appear to be deliberately using credit checks as a proxy in order to screen out voucher holders, despite the Massachusetts prohibition against source of income discrimination under M.G.L. ch. 151B, § 4. A December 2022 piece by WBUR recounts how:

Skip Schloming, a landlord based in Cambridge who ran the Small Property Owners Associations for decades, notes the state already legally allows people to reject applicants because of past evictions, poor credit scores and other factors. So he says it's easy enough for landlords who don't want Section 8 tenants to find some other legal excuse to turn them away.

"You don't have to discriminate on the basis of source-of-income per se," he said. Just "go make sure you're checking on the background very well."<sup>11</sup>

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<sup>9</sup> CFPB, Data Point: Credit Invisibles 7, May 2015, [http://files.consumerfinance.gov/f/201505\\_cfpb\\_data-point-credit-invisibles.pdf](http://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf) (most credit scoring models built to predict likelihood relative to other borrowers that consumer will become 90 or more days past due in the following two years).

<sup>10</sup> Matthew Desmond, The Rent Eats First, Even During a Pandemic, N.Y. Times, Aug. 29, 2020, [www.nytimes.com/2020/08/29/opinion/sunday/coronavirus-evictions-superspreader.html](https://www.nytimes.com/2020/08/29/opinion/sunday/coronavirus-evictions-superspreader.html).

<sup>11</sup> Simon Rios, As housing bias in Mass. persists, advocates want tougher penalties for landlords, agents, WBUR.org, Dec. 21, 2022, <https://www.wbur.org/news/2022/12/21/housing-discrimination-agents-brokers-testing-massachusetts>.

## 2. Credit Reports Are Riddled with Errors

Credit reports are riddled with errors, which makes them an unreliable tool for tenant screening. As found in the landmark 2012 Federal Trade Commission study, 20% of consumers had verified errors in their reports, with 5% having an error so serious that it would cause them to be denied credit or pay more for credit.<sup>12</sup> The Consumer Financial Protection Bureau (CFPB) reported that in 2024, it received a whopping **2.5 million complaints** against Equifax, Experian, or TransUnion, nearly 70% of which alleged inaccurate information or inadequate investigations for disputes over inaccuracies.<sup>13</sup> Credit reporting complaints comprised more than 85% of all complaints received by the CFPB in 2024.<sup>14</sup>

## 3. The Use of Credit Reports and Scores Perpetuates Racial and Economic Inequality

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. Nationally, an Urban Institute report found that in 2021, the median credit score for Black consumers was 621, while for white consumers it was over 100 points higher at 726.<sup>15</sup> There have been numerous older studies with similar results.<sup>16</sup>

These racial disparities are likely due to the racial wealth gap and the effects of historical and present-day discrimination.<sup>17</sup> Using credit data in rental housing decisions perpetuates these racial inequities, amplifying and entrenching them as applicants are denied housing because their forebears were denied housing and employment explicitly based on race.

The use of credit reports and scores also perpetuates economic inequality, as there are also disparities in credit scores by income. A 2012 CFPB report found that the median FICO score in low and moderate-income (LMI) areas was in the 34th percentile while the median FICO score in non-LMI areas was 52th percentile, similar to the disparities by race.<sup>18</sup> A 2007 study by the Federal Reserve found that the mean score of a low-income Census tract was 32.5 out of 100, and that it was 57.9 for a high-income Census tract, a difference of 25.4 points.<sup>19</sup>

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<sup>12</sup> CFPB, Analysis of Differences Between Consumer- and Creditor-Purchased Credit Scores, at 18, Sept. 2012, [https://files.consumerfinance.gov/f/201209\\_Analysis\\_Differences\\_Consumer\\_Credit.pdf](https://files.consumerfinance.gov/f/201209_Analysis_Differences_Consumer_Credit.pdf).

<sup>13</sup> CFPB, Consumer Response Annual Report January 1-December 31, 2024, at 20-21 (May 2025), available at [https://files.consumerfinance.gov/f/documents/cfpb\\_cr-annual-report\\_2025-05.pdf](https://files.consumerfinance.gov/f/documents/cfpb_cr-annual-report_2025-05.pdf)

<sup>14</sup> *Id.* at 3.

<sup>15</sup> Aniket Mehrotra, et al., Urban Institute, Evidence of Disparities in Access to Mortgage Credit, at 19, March 2024, [https://www.urban.org/sites/default/files/2024-03/Evidence\\_of\\_Disparities\\_in\\_Access\\_to\\_Mortgage\\_Credit.pdf](https://www.urban.org/sites/default/files/2024-03/Evidence_of_Disparities_in_Access_to_Mortgage_Credit.pdf).

<sup>16</sup> Chi Chi Wu, NCLC, Past Imperfect: How Credit Scores and Other Analytics “Bake In” and Perpetuate Past Discrimination (February 2024), <https://www.nclc.org/resources/past-imperfect-how-credit-scores-and-other-analyticsbake-in-and-perpetuate-past-discrimination/>.

<sup>17</sup> *Id.* Current discriminatory practices also lead to income gaps between different races. *Id.*

<sup>18</sup> CFPB, Analysis of Differences Between Consumer- and Creditor-Purchased Credit Scores, at 18, Sept. 2012, [https://files.consumerfinance.gov/f/201209\\_Analysis\\_Differences\\_Consumer\\_Credit.pdf](https://files.consumerfinance.gov/f/201209_Analysis_Differences_Consumer_Credit.pdf).

<sup>19</sup> FRB, Report to Congress on Credit Scoring and Its Effects on the Availability and Affordability of Credit 80-81 (Aug. 2007), [www.federalreserve.gov/boarddocs/rptcongress/creditscore/creditscore.pdf](http://www.federalreserve.gov/boarddocs/rptcongress/creditscore/creditscore.pdf).

## **Conclusion**

Eliminating the use of credit reports and scores in rental housing decisions for subsidized tenants will reduce barriers to housing for them. In a time when the lack of affordable housing has reached a crisis especially for low- and moderate-income tenants, we need H.1483/S.995 to ensure that at least one unfair and illogical barrier to decent housing is eliminated.