



Who We Are



What We Do



News & Resources ▶

Search Ford Foundation ▼

Newsroom

Annual Report

Ford Reports

Speeches

Featured Publications

eLibrary

Sign up for eUpdates

[Printer-Friendly Version](#)

[E-Mail This Page](#)



## Building Assets: Making Rent Count

by Elena Cabral

Summer 2004

For the 35 million Americans who rent, making a monthly payment to a landlord is regarded as money lost. Pay Rent, Build Credit is a new credit bureau in Annapolis, Md., that is working to turn rent and other bill payments into the building blocks of a sound credit history. Michael Nathans, a senior manager at Price-Waterhouse Coopers who launched the bureau in 2003, says, "There are lots of bills people pay that aren't considered debt and show they are creditworthy. Rent is one of those. And it's the biggest one." In a system in which only late payments typically get reported to creditors, many families get stuck with low credit scores and high interest rates. Pay Rent, Build Credit gives the reporting control to the renter.

Marc Pokempner



Users of the free service at [www.payrentbuildcredit.com](http://www.payrentbuildcredit.com) create their own credit files and manage three years' worth of information on rent, utilities, cable bills, insurance and the like. They can then take proof of those payments to an independent verifier, such as a bank or accountant.

Pay Rent, Build Credit, a for-profit company regulated by the Fair Credit Reporting Act, makes money by selling the resulting reports, with permission, to banks and other lenders. Before signing on as a subscriber to the bureau's database, Citimortgage gathered information about rental payments through a time-consuming paper trail of letters from landlords and cancelled checks.

"Pay Rent, Build Credit solves our business problem and helps the borrowers because they'll have an easier time qualifying for a mortgage," says Jeffery Polkinghorne, Citimortgage's chief credit officer.

A \$250,000 recoverable grant from the Ford Foundation is helping the bureau to establish partnerships with community groups to help low-income and minority renters participate. To date, the venture has enrolled consumers in 45 states. Over the next five years, Nathans hopes to sign up one-third of the renters in America—some 11 million people.