

Zillow empowers renters with credit-building payment reporting

2024-01-17

Innovative new feature helps renters build a credit history at no cost to them or their landlord

SEATTLE, Jan. 17, 2024 /PRNewswire/ -- Zillow is introducing a new feature that allows renters who pay their rent on Zillow to have their on-time payments reported to a major national credit bureau at no cost to them. This is a first for any online rental marketplace, offering a unique opportunity for renters to build credit through regular rent payments at no additional cost.

Zillow's rent reporting program is rooted in the recognition of a significant gap in credit reporting. Despite renters in the U.S. spending hundreds of billions of dollars annually on rent, these substantial payments often aren't reported. Concurrently, [Consumer Financial Protection Bureau data](#) indicates that approximately 26 million Americans are "credit invisible," meaning they lack a history with major credit bureaus.

[Recent research](#) by Zillow highlights the importance of this issue, particularly in Black communities, where residents often pay more in rent than they would toward a mortgage. This is due, at least in part, to limited credit access — a remnant of historic redlining. For example, in New Orleans, the median renter in a credit-insecure area spends 77.5% of their income on rent, compared to 28.6% for a typical mortgage.

Reporting on-time rent payments can help renters build or enhance their credit history, an important step in accessing broader financial opportunities. Higher credit scores can potentially lead to easier loan approvals as well as better rates for home purchases, credit cards, future rentals and more, with the impact varying based on the credit scoring model that lenders use.

"Every on-time rent payment is a testament to a renter's reliability, yet it's often overlooked in credit reports, and

we want to change that," said Michael Sherman, vice president of Zillow Rentals. "This new program is all about acknowledging and supporting consistent financial habits. It ensures renters' largest expense can now work in their favor and potentially help them on their path to finding and securing a place they can call home."

All renters who use Zillow to pay their rent can opt in to this feature for free. Once a renter decides to opt in, Zillow will report on-time rent payments to Experian, a major credit bureau.

How rent reporting on Zillow works

Zillow's rent reporting feature is designed for ease and efficiency, providing renters with a straightforward, secure path to building credit. Here's an overview of the process:

Opt In: Renters already utilizing Zillow for rent payments can enable rent reporting via their Renter Payments Dashboard on Zillow. New renters will be asked if they'd like to opt in when they enroll in the service.

Payment Tracking: Once a renter opts in to this service, Zillow identifies on-time rent payments, defined as payments made within 30 days of their due date.

Credit Reporting: These on-time payments are then reported to Experian on a monthly basis. Late payments, defined as those more than 30 days past due, are not reported by Zillow.

After the user's enrollment, the process is automatic. Zillow continues to report the renter's on-time monthly rent payments without requiring further action from the renter. Renters may opt out of rent reporting at any time. Zillow is committed to broadening this service while consistently offering valuable solutions that benefit renters.

This launch is part of Zillow's commitment to creating tools to empower individuals in their housing journey. It complements Zillow's comprehensive marketplace for buying, selling and renting properties, showcasing our dedication to streamlining the process to get more people home.

About Zillow Group

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