

JAN 20 2023

A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that according to the
2 Urban Institute, homeownership is currently the single largest
3 source of wealth building. The legislature further finds that
4 for renters, rental payments are often their single largest
5 credit or contractual obligation. Reporting rental payments is
6 a method for individuals to generate and build credit without
7 taking on additional debt and allows renters to build credit in
8 much the same way that homeowners build credit through the
9 reporting of mortgage payments.

10 Therefore, the purpose of this Act is to establish a rent
11 reporting for credit pilot program within the Hawaii housing
12 finance and development corporation, through which participant
13 tenants may elect to have their rent payment information
14 reported by participant landlords to consumer reporting
15 agencies, thereby generating and building credit.



1 SECTION 2. (a) There is established within the Hawaii
2 housing finance and development corporation the rent reporting
3 for credit pilot program.

4 (b) The pilot program shall facilitate the reporting of
5 participant tenants' rent payment information to consumer
6 reporting agencies.

7 (c) On or before October 1, 2023, the corporation shall
8 contract with a third party to administer the pilot program.
9 The contractor shall administer the pilot program in accordance
10 with this Act and any rules adopted by the corporation pursuant
11 to chapter 91, Hawaii Revised Statutes.

12 (d) Effective October 15, 2023, the contractor, in
13 consultation with the corporation:

14 (1) Shall recruit no more than ten participant landlords;
15 and

16 (2) Shall attempt, to the greatest extent practicable, to
17 include a total of at least one hundred participant
18 tenants, with an emphasis on selecting:

19 (A) Participant tenants from populations who are
20 underserved and underrepresented in home
21 ownership; and



1 (B) per cent of participant tenants whose
2 incomes do not exceed sixty per cent of the area
3 median income of the applicable county, as
4 determined by the United States Department of
5 Housing and Urban Development.

6 (e) To the greatest extent practicable, the contractor
7 shall recruit participant landlords who offer:

8 (1) A variety of types of dwelling units for rent,
9 including dwelling units of various sizes; and

10 (2) At least five dwelling units for rent.

11 (f) To become a participant landlord, a landlord shall
12 agree in writing:

13 (1) To participate in the pilot program for at least
14 fourteen months; provided that the corporation shall
15 not require a landlord to report a participant
16 tenant's rent payment information under the pilot
17 program after April 1, 2026;

18 (2) Not to charge a participant tenant for participating
19 in the pilot program;



1 (3) To comply with this Act and any rules adopted by the
2 corporation pursuant to chapter 91, Hawaii Revised
3 Statutes; and

4 (4) To provide information, to the extent practicable, to
5 the corporation and the contractor concerning the
6 implementation of the pilot program, including for the
7 report required by subsection (m).

8 (g) The contractor may work with statewide or national
9 associations of landlords to identify potential participant
10 landlords.

11 (h) The contractor shall support and work with landlords
12 to recruit tenants to participate in the pilot program.

13 (i) A participant tenant shall:

14 (1) Agree in writing to participate in the pilot program
15 and complete a financial education course; and

16 (2) Provide evidence of completion of the financial
17 education course before the participant tenant may
18 request a participant landlord to report the
19 participant tenant's rent payment information.

20 (j) Effective October 15, 2023, the contractor shall:



- 1 (1) Provide education to participant landlords and
2 potential participant landlords concerning the
3 requirements of participation in the pilot program;
4 and
- 5 (2) Provide information to participant landlords to help
6 recruit participant tenants, including, at a minimum,
7 information concerning how to participate in the pilot
8 program and the list of approved financial education
9 courses established pursuant to rules adopted by the
10 corporation pursuant to chapter 91, Hawaii Revised
11 Statutes.
- 12 (k) Participant landlords who satisfy the requirements of
13 subsection (f) may be eligible to receive compensation for their
14 participation in the pilot program. Such compensation shall be
15 paid by the corporation in accordance with rules adopted by the
16 corporation pursuant to chapter 91, Hawaii Revised Statutes.
- 17 (1) On or before October 1, 2023, the corporation shall
18 adopt rules for the implementation of the pilot program. At a
19 minimum, the rules shall:
- 20 (1) Include a list of approved financial education courses
21 that tenants may complete in order to participate in



- 1 the pilot program, including online classes sorted by
2 location and, to the greatest extent practicable,
3 addresses, telephone numbers, websites, and other
4 contact information;
- 5 (2) Ensure that each participant landlord reports only
6 rent payment information concerning a participant
7 tenant's payment or nonpayment of rent after the date
8 upon which the participant tenant elected to
9 participate in the pilot program;
- 10 (3) Establish amounts, schedules, and other terms of
11 compensation for participant landlords pursuant to
12 subsection (k); and
- 13 (4) Establish a standard form for participant tenants to
14 use to elect to participate or cease participating in
15 the pilot program; provided that the standard form may
16 be in electronic format and shall include:
- 17 (A) A statement that the participant tenant's
18 participation in the pilot program is voluntary
19 and that a participant tenant may cease
20 participating in the pilot program at any time



1 and for any reason by providing written notice to
2 the participant tenant's participant landlord;

3 (B) A statement that all of the participant tenant's
4 rent payments may be reported, regardless of
5 whether the payments are timely, late, or missed,
6 and that reporting may commence within thirty
7 days after the participant tenant elects to
8 participate in the pilot program;

9 (C) A statement that if the participant tenant elects
10 to cease participating in the pilot program, the
11 participant tenant may not resume participating
12 in the pilot program at a later date;

13 (D) Instructions describing how a participant tenant
14 can elect to cease participating in the pilot
15 program; and

16 (E) A signature block where the participant tenant
17 may sign and date the form.

18 (m) At least twenty days prior to the convening of the
19 regular session of 2028, the corporation, in consultation with
20 the contractor, shall submit to the governor and legislature a
21 report concerning the pilot program.



1 The report shall include, at a minimum:

2 (1) The number of participant landlords, including an
3 indication as to whether more than ten landlords
4 expressed an interest in participating in the pilot
5 program;

6 (2) The number of participant tenants, including the
7 number of participant tenants who ceased participating
8 in the pilot program;

9 (3) The demographic information of participant tenants,
10 including their race, ethnicity, gender, income, and
11 age, as may be voluntarily provided by participant
12 tenants;

13 (4) The cost of administering the pilot program;

14 (5) The number of residential properties offered by each
15 landlord;

16 (6) For each participant landlord:

17 (A) The nature of the reporting mechanism used to
18 report participant tenants' rent payment
19 information to consumer reporting agencies; and

20 (B) The county in which each property offered by the
21 participant landlord is located;



1 (7) Any challenges faced by participant landlords and
2 participant tenants during the pilot program;

3 (8) A brief assessment of how the pilot program, in
4 aggregate, positively or negatively affected
5 participating tenants' credit; and

6 (9) Any recommendations of the corporation concerning the
7 continuation or repeal of the pilot program.

8 The corporation shall make the report publicly available on
9 its website.

10 (n) As used in this Act:

11 "Consumer reporting agency" has the same meaning as in
12 title 15 United States Code section 1681a(f).

13 "Contractor" means the contractor with which the
14 corporation contracts to administer the pilot program.

15 "Corporation" means the Hawaii housing finance and
16 development corporation.

17 "Dwelling unit" means a building or portion thereof
18 designed or used exclusively for residential occupancy and
19 having all necessary facilities for permanent residency such as
20 living, sleeping, cooking, eating, and sanitation.



1 "Financial education course" means an educational course
2 that provides information about the importance of building and
3 maintaining good credit, including a course offered by or
4 through a financial institution, a nonprofit organization, the
5 corporation, a state agency, a county agency, or third party
6 under contract with any such entity.

7 "Landlord" means the owner, lessor, sublessor, assigns, or
8 successors in interest of the dwelling unit or the building of
9 which it is a part. "Landlord" includes any agent of the
10 landlord.

11 "Participant landlord" means a landlord who has agreed in
12 writing to participate in the pilot program and has satisfied
13 the requirements of subsection (f).

14 "Participant tenant" means a tenant who has elected to
15 participate in the pilot program and satisfied the requirements
16 of subsection (i) and whose landlord is a participant landlord.

17 "Pilot program" means the rent reporting for credit pilot
18 program.

19 "Rent payment information" means information concerning a
20 tenant's timely payment of rent, untimely payment of rent, or
21 nonpayment of rent. "Rent payment information" does not include



1 information concerning a tenant's payment or nonpayment of any
2 fees.

3 "Tenant" means any person who occupies a dwelling unit for
4 dwelling purposes under a rental agreement.

5 (o) The pilot program shall cease to exist on June 30,
6 2027.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2023-2024 and
10 the same sum or so much thereof as may be necessary for fiscal
11 year 2024-2025 for the rent reporting for credit pilot program
12 established pursuant to section 2 of this Act.

13 The sums appropriated shall be expended by the Hawaii
14 housing finance and development corporation for the purposes of
15 this Act.

16 SECTION 4. This Act shall take effect on July 1, 2023.
17

INTRODUCED BY: 



S.B. NO. 363

Report Title:

Rent Reporting for Credit Pilot Program; Hawaii Housing Finance and Development Corporation; Rent Payment Information; Landlords; Tenants; Appropriation

Description:

Establishes the rent reporting for credit pilot program within the Hawaii housing finance and development corporation, whereby which participant tenants may elect to have their rent payment information reported by participant landlords to consumer reporting agencies to generate and build credit. Requires a report to governor and legislature. Appropriates funds. Sunsets 6/30/2027.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

