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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 PART I

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

11 Therefore, the purpose of this Act is to:

12 (1) Establish and appropriate funds for a temporary rent  
13 reporting for credit pilot program within the Hawaii  
14 housing finance and development corporation, whereby  
15 participant tenants may elect to have their rent  
16 payment information reported by participant landlords



1 to consumer reporting agencies, to generate and build  
2 credit; and

3 (2) Require the Hawaii housing finance and development  
4 corporation to develop a series of state-sponsored  
5 public service announcements to increase tenant  
6 awareness of the existing opportunities within the  
7 credit reporting industry.

8 PART II

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

12 (b) The pilot program shall facilitate the reporting of  
13 participant tenants' rent payment information to consumer  
14 reporting agencies.

15 (c) On or before April 1, 2025, the corporation shall  
16 contract with a third party to administer the pilot program.  
17 The contractor shall administer the pilot program in accordance  
18 with this Act and any rules adopted by the corporation pursuant  
19 to chapter 91, Hawaii Revised Statutes.

20 (d) Effective April 15, 2023, the contractor, in  
21 consultation with the corporation:



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

3 (2) Shall attempt, to the greatest extent practicable, to  
4 include a total of at least one hundred participant  
5 tenants, with an emphasis on selecting participant  
6 tenants from populations who are underserved and  
7 underrepresented in home ownership.

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

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

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

13 (f) To become a participant landlord, a landlord shall  
14 agree in writing:

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

20 (2) Not to charge a participant tenant for participating  
21 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; provided that the  
15 compensation shall be paid by the corporation in accordance with  
16 rules adopted by the corporation pursuant to chapter 91, Hawaii  
17 Revised Statutes.

18 (l) On or before October 1, 2023, the corporation shall  
19 adopt rules for the implementation of the pilot program. At a  
20 minimum, the rules shall:



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



1 participating in the pilot program at any time  
2 and for any reason by providing written notice to  
3 the participant tenant's participant landlord;

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

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

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

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

19 (m) At least twenty days prior to the convening of the  
20 regular session of 2028, the corporation, in consultation with



1 the contractor, shall submit to the governor and legislature a  
2 report concerning the pilot program.

3 The report shall include, at a minimum:

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

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

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

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

16 (5) The number of residential properties offered by each  
17 landlord;

18 (6) For each participant landlord:

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



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

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

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

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

10 The corporation shall make the report publicly available on  
11 its website.

12 (n) As used in this Act:

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

15 "Contractor" means the contractor with which the  
16 corporation contracts to administer the pilot program.

17 "Corporation" means the Hawaii housing finance and  
18 development corporation.

19 "Dwelling unit" means a building or portion thereof  
20 designed or used exclusively for residential occupancy and



1 having all necessary facilities for permanent residency such as  
2 living, sleeping, cooking, eating, and sanitation.

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

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

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

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

19 "Pilot program" means the rent reporting for credit pilot  
20 program.



1 "Rent payment information" means information concerning a  
2 tenant's timely payment of rent, untimely payment of rent, or  
3 nonpayment of rent. "Rent payment information" does not include  
4 information concerning a tenant's payment or nonpayment of any  
5 fees.

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

8 (o) The pilot program shall cease to exist on June 30,  
9 2027.

10 SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$150,000 or so much  
12 thereof as may be necessary for fiscal year 2023-2024 and the  
13 same sum or so much thereof as may be necessary for fiscal year  
14 2024-2025 for one full-time equivalent (1.0 FTE) position within  
15 the Hawaii housing finance and development corporation to  
16 support the rent reporting for credit pilot program established  
17 pursuant to section 2 of this Act.

18 The sums appropriated shall be expended by the Hawaii  
19 housing finance and development corporation for the purposes of  
20 this Act.

21 PART III



1 SECTION 4. The Hawaii housing finance and development  
2 corporation shall develop a series of state-sponsored public  
3 service announcements to increase tenant awareness of the  
4 existing opportunities within the credit reporting industry for  
5 tenants directly connect with credit reporting agencies to  
6 include rent payments to boost credit scores.

7 PART IV

8 SECTION 5. This Act shall take effect on July 1, 2023.

9



**Report Title:**

Rent Reporting for Credit Pilot Program; Hawaii Housing Finance and Development Corporation; Rent Payment Information; Landlords; Tenants; Report; Public Service Announcements; Position; Appropriation

**Description:**

Establishes the Rent Reporting for Credit Pilot Program within the Hawaii Housing Finance and Development Corporation (HHFDC) that sunsets on 6/30/2027. Requires a report to the governor and legislature. Requires HHFDC to develop a series of state-sponsored public service announcements to increase tenant awareness of the existing opportunities within the credit reporting industry to report rent payments to boost credit scores. Appropriates funds for one full-time equivalent (1.0 FTE) position to support the pilot program. (SD1)

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

