MaineHousing
MAINE STATE HOUSING AUTHORITY

TO: Housing and Economic Development Committee

DATE: June 30 2026

FROM: MaineHousing

RE: Report Pursuant to LD 733

"Resolve, to Require the Maine State Housing Authority to Submit a Report on the Pilot Project to Improve Access to Credit for Low-income Individuals"

INTRODUCTION

This is a progress report on the current status of a pilot program to provide positive rent reporting to the credit bureaus in order to help Maine renters improve their credit score. When the program was first authorized. MaineHousing had anticipated that this pilot program would have been complete before now, but program uptake with property managers took an extraordinary amount of time, and ultimately resulted in only one housing project choosing to enroll. The first cohort of households to enter the program started last year (2025). Because the credit reporting started only a year ago, we do not yet have enough elapsed time to determine whether the credit reporting initiative has positively affected those residents' credit scores. This was intended as a two-year pilot, and we will continue the program with the currently enrolled cohort. We hope to learn within the next year whether this intervention has been successful.

BACKGROUND

LD 733 is a legislative resolve from the 132nd legislature that followed LD 1107, which was introduced in the 131st legislature. The initial bill directed the Maine State Housing Authority to "develop and administer through a contract with an appropriate vendor, a 2-year pilot project to facilitate rent payment history reporting to credit reporting agencies for purposes of establishing or improving the credit ratings of low-income residential tenants through voluntary participation of residential landlords and tenants in the State in submitting rent payment histories of tenants.

The Maine State Housing Authority shall seek to enroll as many residential tenants as possible who are persons of low income in the State and who broadly represent the various regions of the State, including urban, suburban and rural areas."

The theory behind positive rent reporting is that is that the process of reporting a tenant's on-time rent payments to at least one of the three major consumer credit bureaus for inclusion in their consumer credit report can help a tenant establish credit history, and it can help build that resident's credit.

This is a proven theory – Fannie Mae points out that as of May, 2026, more than 21,000 single-family mortgage applications had been improved thanks to participation in positive credit reporting programs.[1] They note that this practice can reduce mortgage costs for homebuyers, improve mortgage eligibility for homebuyers, and also provide an additional incentive for renters to pay their rent on-time. That also accrues benefit to property managers and landlords. These potential benefits to both renters and owners led MaineHousing to support passage of LD 1107, which came at a moment when positive credit reporting programs were starting to receive national attention.

In the time since then, the concept has become better known and is now more widely used. Even the federal Department of Housing and Urban Development has weighed in on the subject, noting that positive credit reporting from rent payment "might help a substantial proportion of households to establish or slightly improve a credit score".[2] In the same document, however, HUD underscored the necessity of obtaining renter permission and noted the potential pitfalls of sharing credit information for renters under in the context of their own program privacy standards.

THE MAINE PROGRAM

LD 1107 initially called for a General Fund appropriation of $250,000 to fund a pilot program. This was not available through the General Fund, but the program was funded at this level by the Attorney General's office, using proceeds from the Standard and Poor's multi-state credit settlement.

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1 https://www.fanniemae.com/about-us/what-we-do/positive-rent-payment-reporting

2 [Frequently Asked Questions (FAQ) Positive Rent Reporting and HUD-Assisted Housing]

MaineHousing issued a request for proposals seeking a program administrator in November 2003. The RFP was posted to various outlets according to MaineHousing's procurement policy, and the deadline for submission of proposals was December 15, 2023. By deadline we had received a single proposal, from Circa Labs Inc. Circa is a firm based in Brunswick, Maine that provides platform-based services to landlords, including (but not limited to) positive credit reporting. Circa offered a budget of $161,000 of itemized fixed costs, plus variable costs of $2 per unit per month. Assuming a 24-month pilot period, this would provide funding for 1,875 units to participate for 24 months.

CIRCA BECOMES STAKE

Another development in the Pilot project occurred in June of 2024 when Circa announced that their company had been acquired by another company, called Stake. Stake is a larger company with different services, including a more developed credit reporting program. Stake's core business focuses on services for renters, including housing searches, insurance, and a cash-back program to incentivize on-time rent payment. Credit reporting is an important part of their work, but Stake's services are broader than Circa's. There were no changes to the Maine Credit Reporting program pilot when this buy-out occurred, though readers of this report should recognize that both names may appear in this report.

THE PROGRAM LAUNCHES

The assessment team discussed Circa's proposed approach and worked with them on a number of topics including procedure for developing customers, considerations for privacy and management of Personally Identifiable Information, relationships with the credit bureaus, advertising, and participant recruitment. Stake normally uses an "opt-out" approach when signing up new members from apartment complexes to use their credit reporting product. MaineHousing's legal department expressed some concerns about potential risk of such an approach (the danger of mistakenly sharing personal credit information belonging to a person who did not agree to participate) and so Circa moved to provide a modified "opt in" approach, though noted that the program might not garner as many participants.

This warning proved prophetic, as participation in the program has been its most serious and persistent problem. From the beginning, MaineHousing worked with MREMA, the Maine Real Estate Management Association, to generate interest in the program. MREMA is the professional association of Real estate managers, and their members oversee around 20,000 units across Maine, including most of the larger affordable housing management agencies. While the MREMA program committee remained very interested in the program, no property managers initially enrolled in it, despite meetings with personnel from Stake. Our interpretation of this situation focused on a small number issues:

(1) The real estate management industry in Maine has been heavily affected by staff shortages, and has indicated very little capacity or budget to take on new commitments in any form. Even though the benefits of the Stake program do flow to the property owners as well as the residents, setting the program up and getting it to work with their existing computer and management systems was a project that managers did not have time to do. Credit reporting would have required an extra reporting step each month for the property managers.

(2) The nature of this program, being a pilot, meant that the modest cost of the service would transition to the property at the end of the pilot period. This was also noted as a potential barrier in some cases, as most affordable housing properties have extremely tight cash flow.

(3) The "opt-in" approach for tenants to the program was noted as an additional area of concern by managers, one that would potentially necessitate additional staff time. If a complex adopted an "opt out" approach, whereby all tenants were automatically enrolled in credit reporting unless they specifically chose not to participate, it would be easier to recruit participants and maintain participation. There is always a risk of identifying a tenant as the recipient of federal programs, which would constitute a significant violation of privacy rules – and this risk did cause concern from managers.

(4) The nature of Maine's rental landscape, comprised mostly of small landlords and property managers, does not provide the economy of scale needed to most effectively use this service. Typically, Stake's clientele are much larger property managers than any that currently exist in Maine. With a larger operation the substantial "hands-on" nature of this pilot could be avoided. This factor might also be mitigated in the future, as

positive credit reporting for renters has become a far more commonly offered product with many property management software platforms. While these are still focused mostly on collection and management of rent, more of them are now offering credit reporting services as part of their packages. One example is Yardi, which is a rental management platform used by many Maine properties[3]. By having positive rental reporting embedded into an existing platform, reports to the credit bureaus would be automated and property managers would be spared the work of preparing monthly reports.

ORCHARD PARK

Ultimately, a subsidized housing property in Hallowell, Orchard Park, opted to join the program. Orchard Park is a 48-unit complex of 1, 2 and 3-bedroom subsidized apartments. In order to recruit as many households into the program as possible, representatives from Stake visited the site and conducted an extensive and personalized sign-up process, resulting in participation of nearly all the residents. Positive credit reporting for the participating households, began in July of 2025 and has continued since.

PROGRAM TRAJECTORY

Because the Orchard Park program did not begin to report positive credit payments until summer of 2025, we were unable to meet the initial timeline of the project. We want to give the project the opportunity to run the full intended course of the pilot program – two years. We expect, therefore to be able to provide a final report on the project sometime in the fall of 2027. Because participation in the program is much smaller than originally anticipated, we anticipate returning any remaining funds to the Attorney General's office. Another important note is that with the smaller sample size of one rental complex as the only participant in the pilot program, it may be hard to draw firm conclusions from the results. When a renter participates in positive credit reporting and pays their rent on time, there IS a positive effect on a credit score. However, that same tenant may have other unrelated credit problems that could offset any gains. The small sample size may make it difficult to see the full benefit of positive credit reporting across the population of participants.

[3] Yardi and Experian Help Consumers Build Credit History Through On-time Rental Payments - Yardi