

# Does Your Landlord Report to the Credit Bureaus?

Saturday, July 6, 2013 - [Joy's Personal Protection Financial Management Tips](#) by [Joy Mali](#)

<http://communities.washingtontimes.com/neighborhood/joys-personal-protection-financial-management-tips/2013/jul/6/does-your-landlord-report-credit-bureaus/>

**WASHINGTON**, July 6, 2013 – In today's economy, it's a universal truth: a good consumer credit score is one thing that most if not all people consider to be of great importance. Or if they don't, they certainly should. That's because our individual credit scores can have an effect on numerous significant aspects of our lives including our finances, our jobs and even the homes in which we will live, either by renting or making mortgage payments.

Speaking of renting, did you ever consider the relationship between your landlord and credit bureaus? Did you know that they can both actually have an effect on your credit score?

It is true that [landlords can make reports to the credit bureaus](#). In 2011, one of the major credit reporting agencies in the country started including residential rental payment data in credit reports. This paved the way for millions of consumers to improve their credit with regular timely rental payments.

In response to this, months later, a number of websites started offering related services to assist consumers wishing to take advantage of their rental payments to help increase their credit scores.

This is quite significant because the [U.S. Census Bureau estimates](#) that there are about 100 million renters in the country, approximately one-third of the total population of the United States. So it is becoming obvious that there is a real need to help show the true potential credit rating of people who pay their rent on time.

## **Pay your rent, help boost your credit score**

There are several ways by which your regular and on-time rental payments can help improve your credit. For example, RentBureau, under the credit reporting agency Experian, uses rental payment data to help people who are not credit users to increase their credit score.

Similarly, information from PRBC (formerly Payment Reporting Builds Credit Consumer Reports), such as bill payment data on rent, cable, insurance and even daycare provider payments, is being included in credit scores.

These kinds of services [aim to help consumers](#) who were previously neglected but creditworthy, but did not have the usual forms of credit, like bank credit cards, personal loans or mortgages.

## **The importance of credit monitoring**

If you are among the estimated 100 million renters in the country, it would probably make sense to perform regular credit monitoring. Why? Well, the [landlords may also be checking your credit report](#) as they generally want to know your credit scores too.

According to [Kathy Braddock](#), co-founder of independent real estate firm Rutenberg Realty in New York, it is “perfectly normal” for landlords to request a credit report from prospective renters, so they “can see where their standing is in the financial community.”

With this in mind then, it would be quite helpful if consumers made checking their credit scores a regular habit.

## **On credit reports and credit scores**

If you’re looking for other reasons to check your credit report, consider this: Millions of other people do it, so you most probably should too. In fact, the Consumer Financial Protection Bureau, a watchdog agency formed in July 2012 under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, [reports](#) that credit reporting companies issue over “3 billion consumer reports a year and maintain files on more than 200 million Americans.”

Credit reporting companies perform a number of tasks, such as monitoring the number and types of credit accounts consumers use, how long these have been open, and whether or not consumers have made timely bill payments. They can also create reports that show your credit history, unpaid balances and other things that potential landlords (and lenders) may want to know.

[Checking your credit report regularly](#) will also be useful because if you detect any errors in it, you can report them and have them corrected immediately. This is important. Many times, errors in credit reports can also mean you have become a victim of identity theft or credit scams, which can lead to a world of other problems.

## **Other ways to help improve your credit score**

Aside from paying your rent on time and regularly checking your credit reports, here are other things you can do that may help raise your credit score:

- If you are a credit card holder, maintain a low credit balance. Do not use up all your available credit.
- Try to avoid having too many new credit applications, because these can negatively affect your credit score, especially when you are looking to apply for a car loan or mortgage. This applies even to applications for department store cards.
- Pay off your debts little by little, even if you can only afford to pay just a little more than the minimum amount due.
- Pay your bills on time.
- Check your old accounts, including those you have not used for a while, as these may help boost your score.

- Do your best not to combine your balances or move your debt around so that payments can be easier, because this may have a negative effect on your credit score.
- If you are applying for a loan, ask your lender what scoring model they use. Sometimes, a number score by itself won't tell you your true credit standing.
- If credit counselling that shows up on your credit report is considered a negative factor, you must be aware that this should not be the case. It should actually be considered a positive factor.

In the end, whether you are renting or not, it pays to monitor your credit and do all you can to help raise your credit score.