A credit score affects virtually every aspect of a person’s financial life—from buying a home or starting a business to the interest rate on credit cards. Credit checks are also used to screen applicants for rental housing, bank accounts, and jobs. Yet roughly 40 million people have either no credit files or “thin” files that make them “unscoreable,” and approximately 45 million more have low scores.* People with good credit ratings pay about $250,000 less in interest throughout their lives than those with poor ratings—savings that could go toward building assets.

Nonprofits, such as micro-enterprise development and first-time homebuyer organizations, offer loans to low-income, poor-, thin-, or no-credit-file consumers, to help these consumers build credit and assets. However, many nonprofits and other small lenders cannot report their loan repayment data to the three major credit bureaus—Experian, TransUnion, and Equifax—because they face barriers such as small portfolio sizes or the high cost of credit reporting (i.e., technology, compliance, know-how).

CBA Reporter

Created by Credit Builders Alliance to solve this problem, CBA Reporter batches data from nonprofit lenders, allowing them to report repayment data to the credit bureaus in a way that is mutually cost-effective and efficient.

Lending organizations can join CBA to report data regardless of their portfolio size. The streamlined credentialing process is designed to assure credit bureaus that organizations are sustainable, reputable, and solvent. CBA Reporter members report that more than 75 percent of their clients are of low to moderate income.

CBA helps member organizations acquire software, set up loans for reporting, inform borrowers that repayment information will be reported, and furnish data to CBA electronically every month. CBA then provides members with unlimited ongoing technical assistance to help with monthly uploads and consumer disputes.


The number of loans CBA reports to credit bureaus has grown steadily.
**Successes**

- **Nonprofit members:** CBA has more than 100 members, including nonprofit loan funds, community credit unions, and local city and government lenders.

- **Loans reported:** In December 2007, CBA helped 15 nonprofits report approximately 2,500 loans each month to the credit bureaus. By August 2009, CBA helped more than 60 nonprofits report more than 8,000 loans.

- **Outreach to credit bureaus:** CBA began reporting to Experian in June 2007 and TransUnion in April 2008, and is still working to partner with Equifax.

- **Customer service:** CBA continues to expand and improve its services to help nonprofits build client credit. CBA can now help members begin reporting in as little as four weeks.

- **Education:** CBA offers an online credit builders toolkit, bimonthly membership calls, quarterly e-newsletter, and training workshops to help nonprofits build strong credit in their communities.

- **Measuring impact:** It can be difficult to collect client-level data nationally on whether borrowers of CBA Reporter members improve their credit scores. To make it easier, CBA developed a Credit Outcome Measurement Tool that outlines how to systematically track outcomes and demonstrate impact using credit scores and the information in credit reports. Combined with CBA Access, which offers nonprofits the opportunity to purchase credit reports with a FICO score for credit education and data tracking purposes, CBA is helping nonprofit lenders better evaluate the effectiveness of their programs and services.

**Challenges**

- **Building membership:** Nonprofits can be slow to take on reporting because of customer questions and limited staff and funding. CBA is realizing the need to offer more training to nonprofit staffers so they better understand the importance of credit and credit reporting.

- **Technology:** CBA created its current upload technology in 2007. As membership expands, enhancements are needed to minimize manual processing and save time and resources.

**Looking Ahead**

- **Business reporting:** CBA is working with Experian on a way to report small business loans to both their consumer and business databases so that the entrepreneur and the enterprise build credit.

- **Expansion:** CBA aims to have 200 Reporter members by 2011.

**For More Information**

Contact the Credit Builders Alliance at 202.730.9390, or visit www.creditbuildersalliance.org.

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“Enabling CBA’s clients to report data to us expands the credit system to many individuals who have not had the benefits of an established credit history in the past.”

— Zaydoon H. Munir, Senior Vice President, Experian

“The service provided by CBA truly allows us to achieve our larger objective of long-term impact on the financial well-being of our clients.”