



1700 G Street NW, Washington, D.C. 20552

December 17, 2024

National Consumer Law Center

RE: Petition for Rulemaking Requesting Enhanced Consumer Financial Protection for Renters under the Equal Credit Opportunity Act (Docket No. CFPB-2024-0038)

Dear National Consumer Law Center,

Thank you for filing a petition for rulemaking requesting that the Consumer Financial Protection Bureau (CFPB) initiate a rulemaking to define residential real estate leases as “credit” and landlords as “creditors” for certain limited purposes under the Equal Credit Opportunity Act (ECOA)¹ and the CFPB’s proposed updates to Regulation V, implementing the Fair Credit Reporting Act (FCRA).² On August 12, 2024, the CFPB posted your petition on Regulations.gov with a 60-day comment period. The comment period ended on October 11, 2024, during which 12 comments were received, all in support of the petition.³

The CFPB has considered your petition and the comments received. The petition identifies harms that renters face due to undisclosed tenant screening results and proposes that the CFPB ameliorate these harms by issuing a rule defining residential real estate leases as “credit” and landlords as “creditors” for the purpose of the adverse action requirement under section 1691(d) of the ECOA. Such a rule would require landlords to provide applicants specific reasons for denying their rental applications. The petition claims there is a widespread practice of providing little to no useful information to applicants about why their rental applications are denied, and that, as a result, applicants are not able to identify errors in their tenant screening reports or

¹ 15 U.S.C. § 1691 *et seq.*

² Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), 89 Fed. Reg. 51,682 (proposed June 18, 2024).

³ Petition for Rulemaking Requesting Enhanced Consumer Financial Protection for Renters under the Equal Credit Opportunity Act, <https://www.regulations.gov/docket/CFPB-2024-0038/document>

address weaknesses ahead of time that might better the chance of their rental application being approved.

The petition also praises CFPB's recent proposed rule to ban medical debt on credit reports used by creditors and asks that CFPB go further and extend this ban to credit reports for tenant screening. According to the petition, this will, among other things, help to eliminate disparities in housing based on race and disability status, because minorities and disabled individuals are disproportionately saddled with medical debts. The petition argues that medical debt is not predictive of whether someone will be a good tenant and, therefore, should not be considered.

As the petition acknowledges, the CFPB has taken several impactful steps this year that could benefit renters, including by issuing an Advisory Opinion on Fair Credit Reporting; Background Screening⁴ and by proposing a rule to prohibit consumer reporting agencies from including medical debt information in consumer reports to creditors making credit determinations.⁵ While we appreciate the concerns you have raised, given the CFPB's full rulemaking agenda and limited resources, we unfortunately will not initiate the specific rulemaking you are requesting at this time. This decision, of course, has no implications as to the veracity of the underlying claim.

Thank you again for submitting this petition.

Sincerely,

Seth Frotman

Seth Frotman
General Counsel

⁴ Fair Credit Reporting; Background Screening, 89 Fed. Reg. 4171 (Jan. 23, 2024).

⁵ Note 2, *supra*.