



Know Your Rights: New York State's Credit Policy for Applicants to State-Funded Housing

A housing provider/landlord cannot automatically deny your application to state-funded rental housing based solely on your credit score or history. **If you have a low credit score or negative credit history, you must be provided with the opportunity to present additional information to explain or refute the findings.**

What is the policy?

- You **CAN** avoid a credit check by evidencing that you paid your rent in full and on time during the last 12 months or the 12 months prior to the COVID-19 pandemic (March 1, 2019 – March 1, 2020).
- You **CANNOT** be rejected because of your credit score or credit history if:
 - Your FICO credit score is 580 or above (or 500 if you are homeless),
 - You have limited or nonexistent credit history,
 - Rent subsidies pay your entire rent,
 - Your credit score or credit history is a direct result of a Violence Against Women Act (VAWA)-covered crime (like domestic violence, stalking or harassment), or
 - You have a history of bankruptcy or outstanding debt but present evidence of on-time rental payments over the past 12 months or the 12 months prior to the COVID-19 Pandemic (March 1, 2019 – March 1, 2020).
- You **CANNOT** be rejected based on:
 - Medical debt or student loan debt.
 - Bankruptcies that occurred over 1 year ago.
 - Limited or no rent or credit history.
 - Bankruptcies related to, or debt accrued during the New York State COVID-19 State of Emergency (March 7, 2020 – June 23, 2021) and due to financial hardship caused by the COVID-19 Pandemic.
 - Unpaid debt that is less than \$5,000.
 - A past eviction or housing court history.

What are my rights?

- Housing providers must accept evidence that you paid your rent in full and on time over the preceding 12 months, or the 12 months prior to the COVID-19 Pandemic (March 1, 2019 – March 1, 2020) instead of requiring a credit check.
- Housing providers may only reach out to your current or previous landlord without your permission to obtain information on major lease violations. If a current or previous landlord presents evidence of a major lease violation, you must be given the opportunity to present evidence of mitigating factors (for example, financial hardship due to the COVID-19 pandemic).
- Housing providers are limited in the fees that they can charge you:
 - A housing provider cannot charge you a credit or background check fee if you provide one to them that was run within the last 30 days.
 - A housing provider may not charge you more than \$20 or the actual cost (whichever is less), to run both a credit check and a background check.
- *Before* rejecting your application based on your credit report, you must be given 14 days to present evidence of circumstances that explain negative credit findings such as errors in the credit report and short-term periods of unemployment/illness.
- If you are denied, you must be told why, and you must be provided with a copy of your credit report and background check.

Find more information about your rights when applying to state-funded housing, including if you have a criminal convictions, here: <https://hcr.ny.gov/marketing-plans-policies#credit-and-justice-involvement--assessment-policies>