



*Testimony of*  
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*before*  
The Joint Standing Committee on Labor and Housing

**In support of:**

**LD 1107: Resolve, to Establish a Pilot Project to Improve Access to Credit  
for Low-income Individuals**

March 28, 2023

Senator Tipping, Representative Roeder, and members of the Joint Committee on Labor and Housing, I am Erik Jorgensen Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony in strong support of Rep. Zager’s “Resolve, to Establish a Pilot Project to Improve Access to Credit for Low-income Individuals.”

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

When we heard about Representative Zager’s plans to submit this bill, we were enthusiastic. For most lower-income renters, their rent is the single largest bill they pay each month. Yet unlike paying against a mortgage, rent does not regularly get considered as a component of a person’s credit score. The concept of positive credit reporting is emerging as an important strategy to help

renters build credit and improve their financial health. We at MaineHousing have looked at some of the leading positive credit reporting platforms and we see value in this practice for both tenants and property owners. Features include tools to help tenants pay their rent on time and, in some cases, to assist them if they fall behind. That will help landlords. At the same time, there is abundant evidence that many tenants can, through this process, see their credit scores increase steadily and substantially. That will help tenants. This is a true win-win proposition.

MaineHousing, though it is neither a landlord nor an owner of rental properties, has an asset management portfolio totaling more than 20,000 units of rent-restricted affordable rental housing in Maine. Seeing more of those households move into homeownership or just seeing them qualify for better rates for car loans and other debt is an unequivocally good thing for them, and a good thing for us too. We believe that this will be of interest to the property owners with whom we work. In fact, if the experience is a positive one, we think there is a good chance that property owners will see enough value to continue the program themselves after a pilot period ends.

We have at our offices, been discussing this strategy and believe we could develop a robust pilot program, possibly for less funding than is called for in the bill. We are happy to work with the sponsor to answer any questions you might have, and urge your unanimous support of this modest measure that could truly help people help themselves.

I am sorry not to be with you in person today – this is a bill we are very interested in supporting, but the hearing coincides with work we are doing in Washington with our federal funders. I look forward, however, to attending the work session.

Thank you!