

Support HB 5394: End Credit Score Discrimination Against Voucher Holders



Olickal

The Problem

The **Illinois Human Rights Act** prohibits housing discrimination based on source of income including Housing Choice Vouchers, Permanent Supportive Housing, Rapid Rehousing, and other subsidies.

Yet, many landlords continue to use arbitrary credit score minimums and other screening practices to exclude these applicants even though their rent is guaranteed through government programs.

HUD- and state-funded subsidies are meant to prevent homelessness and promote housing stability.

So when landlords side-step source of income protections and deny subsidy holders, it:

- Prolongs housing instability
- Leads to or extends homelessness
- Causes families and individuals to lose time-limited vouchers
- Increases emergency shelter use and public costs
- Wastes public dollars

Denials based on credit scores operate as a form of proxy discrimination against subsidy holders.

When rent is guaranteed, credit score should not be used to deny access to housing.

The Solution

HB 5394 amends the Real Estate Transactions Article of the Illinois Human Rights Act to explicitly prohibit the use of credit scores or credit history to deny housing to applicants who rely on a rental subsidy or other guaranteed source of income.

The proposal targets a specific, documented problem:

1. It does **not** eliminate credit scores in rental screening. It only restricts their use when a tenant has a guaranteed housing subsidy; landlords may still use credit scores for applicants without a subsidy.
2. It ensures that credit history cannot be used to deny applicants when rent is guaranteed and the landlord's financial risk is effectively eliminated, but it does not prevent landlords from using credit history in other rental screening situations.

The Pros

By closing this loophole, HB 5394 will:

- Support existing source-of-income protections
- Prevent discriminatory screening practices
- Ensure housing subsidies can be fully utilized
- Promote fair, transparent, and effective rental screening