

Rental Application Screening Process

How to perform the end-to-end tenant screening

1. Show-stoppers
2. Rental History
3. Income
4. Credit & Background



In an ideal world, your rental properties should not cause you stress. Properties should provide you with a better lifestyle and greater opportunities. In reality, you will find this statement to be far from the truth.

We're about to take you through a step-by-step process on how to minimize risk by properly screening your tenants. The most costly expense is a bad tenant.

Part I: Show Stoppers

☐ **Confirm there is nothing in their application that prevents you from renting or from putting another applicant before them during the consideration process.**

Some examples include:

- (1) You have requested not pets, and the prospective tenants have a dog. Be careful with this one, since service and companion animals are not considered pets, and it is illegal to discriminate on this basis.
- (2) You live in a community that requires someone to be over 55 years of age, but none of the prospective tenants are over 55 years of age.
- (3) The prospective tenants has a move date that is too far in the future (and you have other prospective tenants in the pipeline who are ready to move sooner).

Part II: Verify Rental History

Process

Verify the past 2 places of residence. The current place of residence will most likely not be able to answer questions regarding the deposit withholdings, move-out condition, or subsequent lawsuits.

☐ **Verify property owner in the public records**

If you can, try to verify who is the owner or property manager. You can find owner records through: [Public Records by county](#), [HomeInfoMax](#), [Property Shark](#).

☐ **Contact the property owner or manager, asking:**

1. Can you please confirm when he/she lives or lived there? *Helps confirm this is not a friend*
2. Did you have to take any steps towards eviction? *If yes, then you can just hang up the phone after this conversation.*

3. Were there any partial or late payments? *Confirms timely payments. More than one late payment is a red flag.*
4. Were there any lease violations or neighbor complaints?
5. Did the tenant leave the property in the same condition as when he/she started the lease (excl. normal wear and tear)?
6. Can you confirm the tenant did not try to sue you? *Confirms tenants amiability. Tenants sometimes feel entitled to get a full deposit back and may threaten to take you to court over it.*

Part III: Verify Employment

Process

This may be slightly more difficult than the rental history verification. While the rental verification can be a nuisance (requiring you to fax authorization — who still uses a fax machine?), employers are very hesitant to offer up income verification over the phone. And, larger corporations may have an entire process and system registration for you. Every situation will be different, but do as much verification as possible.

□ Verify in the application process

You should be requesting pay stubs or W2s to confirm earnings.

□ Use social

Check to see if the tenant is on LinkedIn or another social channel with their employer listed. You can also validate that they have connections within that organization. (But don't contact these connections unless you have permission ... that's just creepy.)

Someone once tried to convince me that a resume was better than a LinkedIn profile — but their logic is completely flawed. We would take what is written for the public to see over someone's embellished personal copy of their resume. A LinkedIn profile is shared with your boss and a paper resume is not.

□ Call the employer and/or manager

I ask for dates of employment (to confirm it's truly their manager), type of employment, and current income.

Part IV: Credit and Background Check

□ **Credit**

Every property will have slightly different criteria, but most properties (with the exception of Class C and below) will require credit over 650.

□ **Background**

Based on new HUD rules, you must to be slightly cautious about how you use the background check. You cannot "blanket discriminate" against someone with a criminal record. For example, a misdemeanor from twenty years ago may not be just cause to reject the prospective tenant. However, an eviction from last year would be a reason to reject the prospect.