

## Checklist for Screening Residential Tenants

- 1. Use a Rental Application.** A written rental application often is not required, but it will help protect you in any disputes with prospective tenants. You probably will not be able to justify turning down applicants if you rely on oral agreements. That can be particularly important if an applicant sues you for not allowing him to move into your property. In such cases, a written application would contain information to help you outline why you rejected the prospective tenant to protect your property.
- 2. Credit and Background Checks.** It is especially important to check into an applicant's credit history at the start of the screening process. A credit report will reveal whether a person has a history of making late payments for rent or other bills. It also will show whether a person has recently been evicted, gone through a home foreclosure or filed for bankruptcy. The major credit bureaus are Equifax, Experian and TransUnion. The business sections of their websites provide information on how you can obtain credit reports on prospective tenants. Some companies specialize in screening tenants. For a fee, they will deliver reports on your applicants that may include a public records search for lawsuits filed against them as well as any criminal convictions. You can find these companies through an online search for tenant-screening services.
- 3. Employment.** It is also important to verify an applicants' employment and salary to make sure they can afford to pay the rent. An article posted online by the "Realty Times" recommends that a prospective tenant's household income be at least three times the monthly rental rate. It's also important to check phone listings to verify the number provided for an applicant's place of employment is accurate. This helps ensure that you were not given a phony employment reference by the applicant.
- 4. Landlord References.** A credit report can reveal whether an applicant made late rental payments, but it will not reveal other important information about his rental history. That's why it's important to require landlord references in your screening process. Contact those references, and try to find out if the applicant kept other rented properties clean and whether he followed rules as required by other landlords.
- 5. Social Security Number.** Verify the Social Security numbers of all tenants. The Social Security Administration can give you the name associated with the number, as well as the date and place of issuance. A valid Social Security number allows an accurate and complete job history check, as well as a good credit and criminal background check.
- 6. Evictions and Landlords.** Use an online evictions database to check for prior evictions. The database searches county court records for past eviction actions, in the state of your choice or nationwide. If you find a match, verify the information with the tenant and ask for an explanation before taking any action. Call his/her current landlord and ask about the reason for the termination of the lease.

**7. Civil Judgments.** Use an online database to search for past bankruptcies, tax liens, lawsuits and civil judgments entered against the prospective tenants, either in your state or nationwide. Different states have different reporting guidelines. Make sure that the information is accurate by searching by full name and date of birth, as well as verifying the information with the tenant.

**8. Criminal History.** Use a multi-jurisdictional database to check for arrest warrants and any criminal process against the tenants. These sites search available online court records; however, many jurisdictions restrict access to this information and will not release it to private parties. Your local police department has access to the National Criminal Information Center, operated by the FBI, and you may be able to arrange a more accurate and throughout criminal background check with their assistance. Each state also has a sex offender registry that you may be able to search online.

**9. Credit.** With a valid Social Security number, you will be able to purchase a credit check from one of the three major credit-reporting agencies. These reports show Fair Isaac Corporation or FICO credit scores, as well as current information on credit accounts, installment loans, and any bankruptcies filed within the last 10 years. The agencies have restricted the information they release to private parties, however, and you may have to go through a tenant-screening agency to get the full report.

**10. Employment History.** Verify the employment history given to you by the prospects by calling the employers listed and making sure that your future tenants have current, permanent, gainful employment. Call past employers and inquire about the reason for the job termination.