

TENANT SCREENING 101

A STEP BY STEP GUIDE

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AGENDA

1. Screening Basics
2. Discrimination Laws
3. My 1 Hour, 9 Step Process
4. Handling Less-Qualified Applicants
5. Bonus Resources
6. Q&A

Lucas Hall, PMP

Head of Industry Relations



Lucas Hall, PMP

- Landlord, 11+ yrs
- 5 Prop/3 Sta./17 Res.
- IT Consultant, DoD
- Founder, Landlordology



The Best Tools and Resources for Independent Landlords.



STATE LAWS & REGULATIONS

State-specific laws and regulations for independent landlords



SERVICES DIRECTORY

Our list of the best on and offline tools for independent landlords.



THE LANDLORD GUIDES

The definitive step-by-step guides for independent landlords.



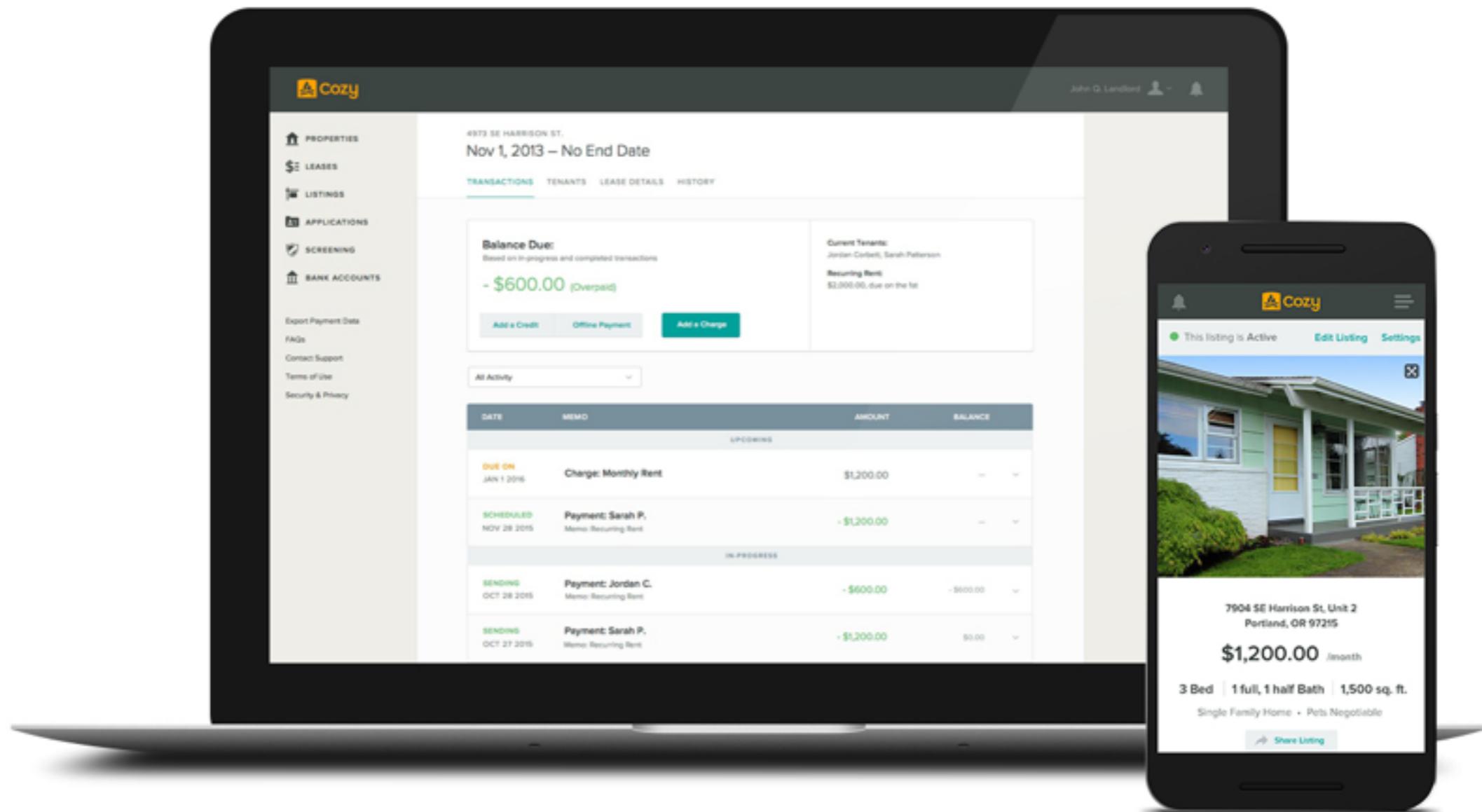
THE LANDLORD LIFECYCLE

The complete guide to the phases of renting a property and related resources

www.landlordology.com



Modern Property Management Software



www.cozy.co



100% Free



Marketing



Screening



Payments



Education

www.cozy.co





SCREENING BASICS

SCREENING BASICS

1. **Able and willing** to pay rent?
 - Income = 2-3x Monthly Rent
 - **Able** = Job / Income / Cash
 - **Willing** = A sense of moral and fiscal responsibility

SCREENING BASICS

2. Everything else can be, repaired, evicted, or mitigated
3. More info is not always better
4. Set approval criteria before you advertise

SCREENING BASICS

5. Automate your listings and applications
6. Check Government photo IDs
7. The type of debt matters

SCREENING BASICS

8. Top 5 red flags:
- “Can I pay in cash?”
 - Illegal drug use,
 - Violent crimes,
 - Fraudulent IDs
 - Filthy person or car



DISCRIMINATION

DISCRIMINATION

1. Set approval criteria and treat everyone equally
2. Memorize the “Federal 7” and your State/Local protected classes
3. When in doubt, consult an attorney

PROTECTED CLASSES*

1. Race
2. Color
3. Religion
4. Sex
5. Familial status, incl. children or pregnancy
6. National Origin, or
7. a Mental or Physical Disability

* Fair Housing Act, 1968,
Most states have extra classes

IOWA'S EXTRA CLASSES

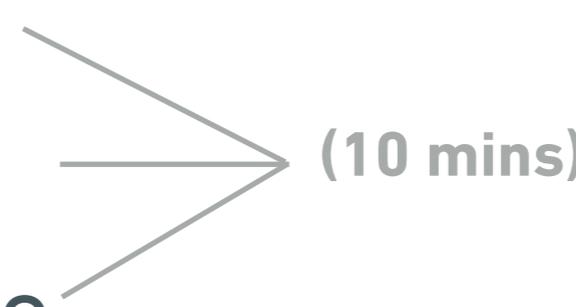
1. Creed (statement of faith)
2. Sexual orientation
3. Sexual identity
4. age (with visitors only)



SCREENING PROCESS

9 STEP PROCESS

1. Pre-screen Inquiries (10 mins)
 2. Property Tours (30 mins)

 3. Applications & ID Verification (15 mins)
 4. Proof of Income/Employment (10 mins)
 5. Landlord References (15 mins)
 6. Credit Report/Score
 7. Background Check
 8. Sex Offender Database
 9. Consider the Entirety of All Applicants (10 mins)
- 

STEP 1 (10 mins)

INQUIRIES

1. Pre-screen with a quick phone call
2. Phone calls avoid discrimination
3. Ask about income, savings, debt, credit, pets, hobbies
4. Let them talk and ramble

STEP 2 (30 mins)

PROPERTY TOURS

1. Host a “Landlord’s Open House”
2. Did they arrive on time?
3. Ask open-ended questions
 - Why are you interested in this place?
 - Why are you moving?
 - Can you describe your ideal lease agreement?
 - Can you describe your current job?
- Check out their backseat (Trunk Junk Test)

STEP 3 (15 mins)

APPLICATIONS & ID VERIFICATION

1. Use online applications
2. Collect applications from all adult occupants / co-signers
3. Check ID, and verify through credit
4. Use Social Media and Google

STEP 4 (10 mins)

INCOME / EMPLOYMENT

1. Proof of Pay stub

- Applicant Name
- Current Address
- Monthly Income
- Employer's Name
- Year-to-Date Earnings
- Garnishments and Child Support

2. Bank Statement

STEP 5 (15 mins)

REFERENCES

Call the past two+ landlords

- What were the start and end dates of the lease?
- Were there any late or partial payments?
- Were there any noise violations or disturbances?
- In what condition did they leave the property?
- Did they try to sue you?
- *****Would you rent to them again?*****

STEP 6 (10 mins)

CREDIT REPORT / SCORE

1. SSN#, not required - soft inquiry
2. All three credit bureaus provide services for landlords
3. Score = 700+ is best.
Experian = 330-830, TransUnion = 300-850, Equifax = 280-850
4. Don't accept paper credit reports

Credit Report for James Hacquer

As of August 27, 2013

Provided by  Experian

CREDIT SCORE

744

Calculated with VantageScore 3.0 that has a range of 300-850.

300



850

This score is **Great**
Ranks higher than 71% of U.S. Consumers

CREDIT SUMMARY

Credit Used

47%

Total Monthly Payments

\$5,035

Summary of monthly payments and amounts.



 Conventional Real Estate Loan, Including Purchase Money First	\$2,659
 Lease	\$722
 Credit Line Secured	\$699
 Auto Loan	\$436

STEP 7 (10 mins)

BACKGROUND CHECK

BACKGROUND CHECKS INCLUDE:

Addresses	✓
Sex Offender Search	✓
Terrorist Watchlist Search	✓
National Criminal Search	✓
County Criminal Search	✓
Eviction History	✓

MY STANDARDS

1. Income = 2-3x rent
2. No evictions, ever
3. No convictions last 2 years
4. No violent / armed crimes, ever
5. No or low credit card debt

Report for Buster Bluth

[Clear](#)

Personal Information

First Name Buster
Middle Name -
Last Name Bluth
Date of Birth -
Social Security # xxx-xx-0909
Zipcode 94290
Driver License -
Prior Driver License -
Email buster@bluthco.com
Phone 801-555-0909

Report Information

Package tenant-basic
Created at Feb 25, 2015, 6:58:53 PM
Completed at Feb 25, 2015, 6:59:30 PM
Turnaround Time a few seconds

California Applicants/Employees Only: The report does not guarantee the accuracy or truthfulness of the information as to the subject of the investigation, but only that it is accurately copied from public records, and information generated as a result of identity theft, including evidence of criminal activity, may be inaccurately associated with the consumer who is the subject of the report. An investigative consumer reporting agency shall provide a consumer seeking to obtain a copy of a report or making a request to review a file, a written notice in simple, plain English and Spanish setting forth the terms and conditions of his or her right to receive all disclosures, as provided in Section 1786.26.

Sólo para los Solicitantes/Empleados de California: En el informe no se garantiza la exactitud o veracidad de la información en cuanto al tema de la investigación, sino sólo que se ha copiado exactamente de los registros públicos, y la información generada como resultado del robo de identidad, incluyendo las pruebas de una actividad delictiva, podrá estar incorrectamente asociada con el consumidor que sea el sujeto del informe. Una agencia investigadora de informes de crédito deberá suministrarle a un consumidor que trate de obtener una copia de un informe o solicite revisar un archivo una notificación por escrito en inglés y español lisos y llanos, en la que se establezcan los términos y las condiciones de su derecho a recibir toda la información, como se dispone en la Sección 1786.26.

Addresses

45 E SUDDEN VALLEY RD, RANCHO SANTA MARGARTIA, CA
County: ORANGE COUNTY From Sept. 2007 to Feb 2015

[SSN Verification](#)[Clear](#)[Eviction Search](#)[Clear](#)[Sex Offender Search](#)[Clear](#)[Terrorist Watchlist Search](#)[Clear](#)[National Criminal Search](#)[Clear](#)[County Criminal Search](#)[Clear](#)

Report for George Michael Bluth

[Consider](#)

Personal Information

First Name George
Middle Name Michael
Last Name Bluth
Date of Birth -
Social Security # xxx-xx-0909
Zipcode 94210
Driver License -
Prior Driver License -
Email gm@bluthco.com
Phone 801-555-0909

Report Information

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Orange County, CA

ARSON (FELONY) 2000-10-20

Case Number 09939092920920
County ORANGE COUNTY
Court Jurisdiction County
DOB 1985-02-07
File Date 2000-10-20
Full Name GEORGE MICHAEL BLUTH
State CA
Charge Arson
Charge Type Felony
Disposition Guilty
Offense Date 2000-10-20
Sentence 30 DAYS JAIL, 16 DAYS CREDIT TIME SERVED

STEP 8 (10 mins)

SEX OFFENDER DATABASE

Sex Offender is not a protected class; www.nsopw.gov

The screenshot displays the homepage of the National Sex Offender Public Website (NSOPW). The header features the U.S. Department of Justice logo and the acronym 'NSOPW'. To the right, it identifies the 'SMART' (Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking) program. A navigation menu includes links for HOME, ABOUT, SEARCH, EDUCATION & PREVENTION, REGISTRY SITES, and FAQ. The main content area is split: on the left, a banner image of a residential street with a white picket fence and a dark overlay containing the text 'WELCOME TO THE Dru Sjodin National Sex Offender Public Website'; on the right, a 'National Sex Offender Quick Search' form. The search form includes instructions to 'Enter a first name and last name; then press Search.', input fields for 'FIRST:' and 'LAST:', a red 'SEARCH >' button, and a link for 'OR search by location'. A footnote at the bottom states: '* Registries for all 50 states, the District of Columbia, U.S. territories, and Indian Country.'

STEP 9 (10 mins)

THE BIG PICTURE

1. Consider the entirety of all applicants
2. Other considerations:
Lease duration, Cars, Pets, Hypochondriacs,
Hoarders, Complainers, Hobbies
3. It's a business decision
4. First qualified applicant
recommended but not required

LESS QUALIFIED APPLICANTS

1. Require a larger deposit
2. Require rent to be paid online, and automatically
3. Require a co-signer
4. Require a lump sum payment
5. Check your state laws for limits



RESOURCES

The Best Tools and Resources for Independent Landlords.



STATE LAWS & REGULATIONS

State-specific laws and regulations for independent landlords



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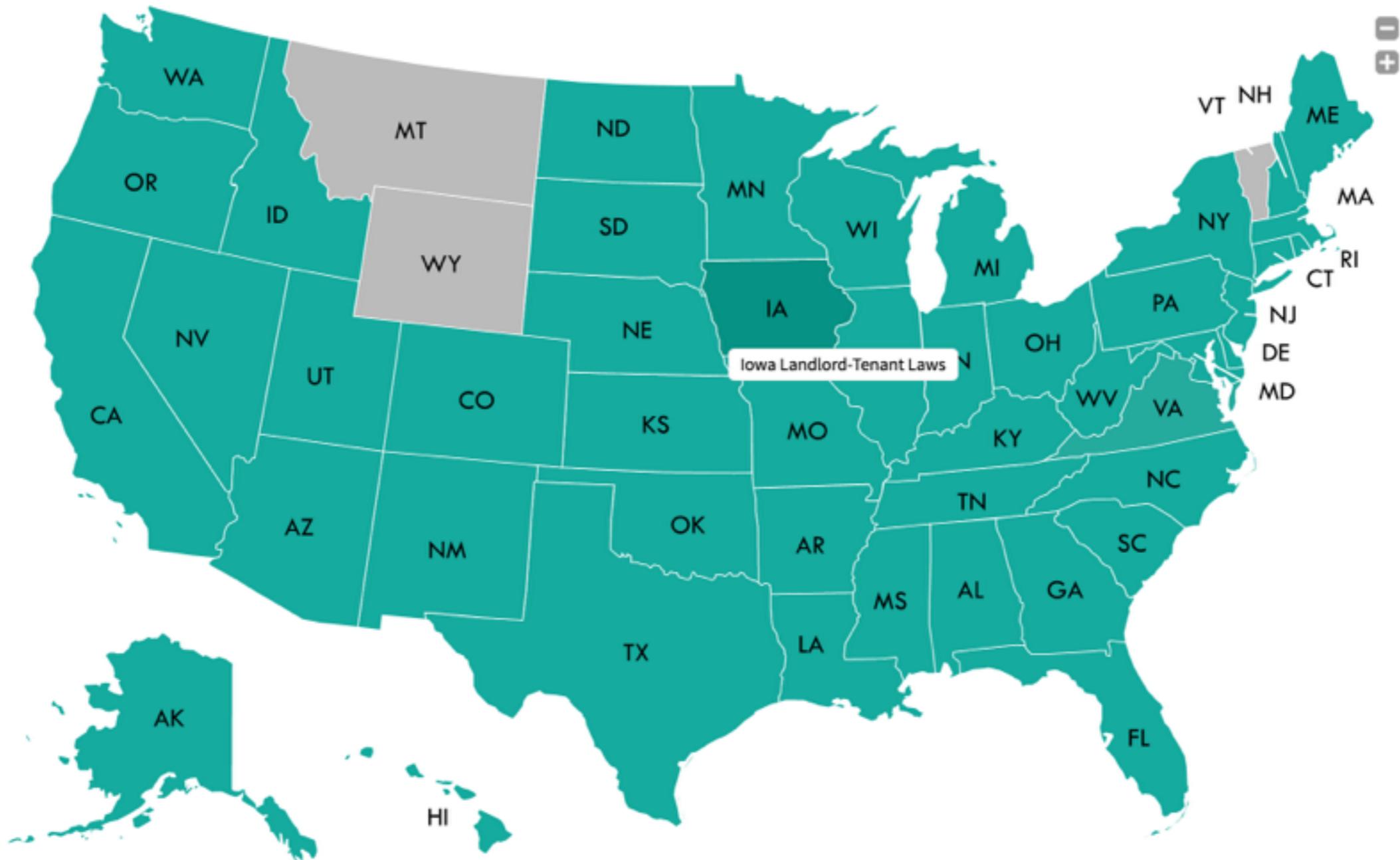
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The complete guide to the phases of renting a property and related resources

www.landlordology.com

STATE LAWS

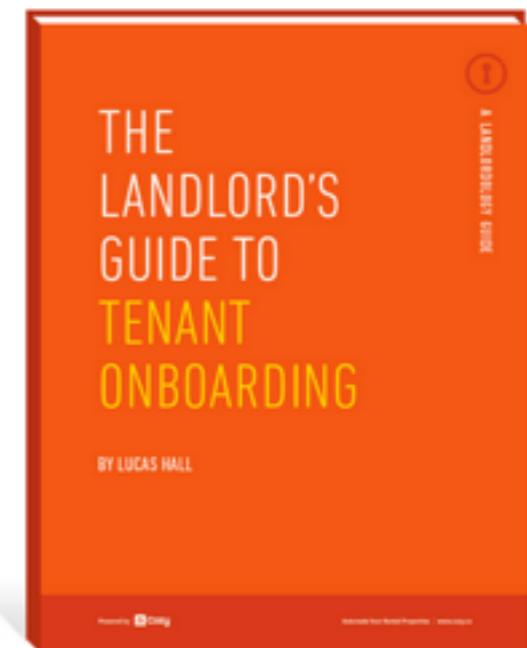
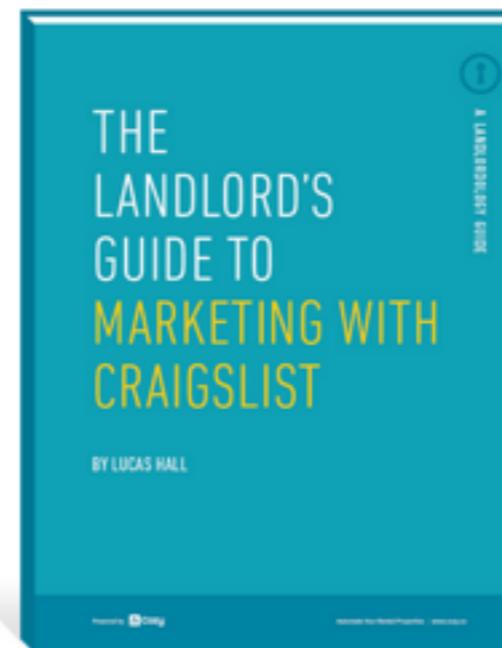
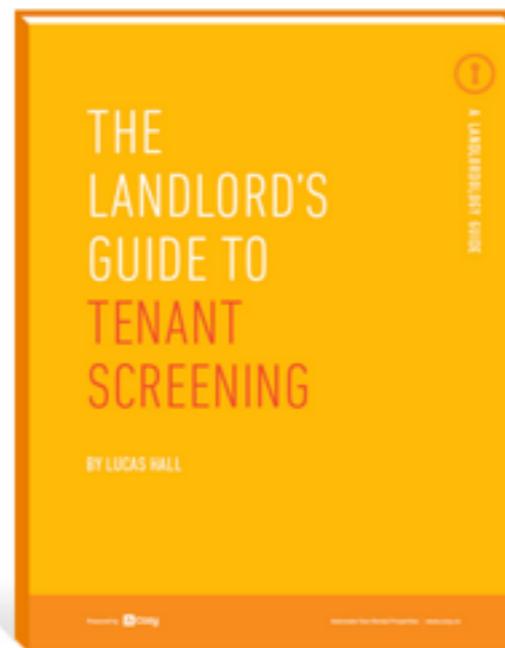
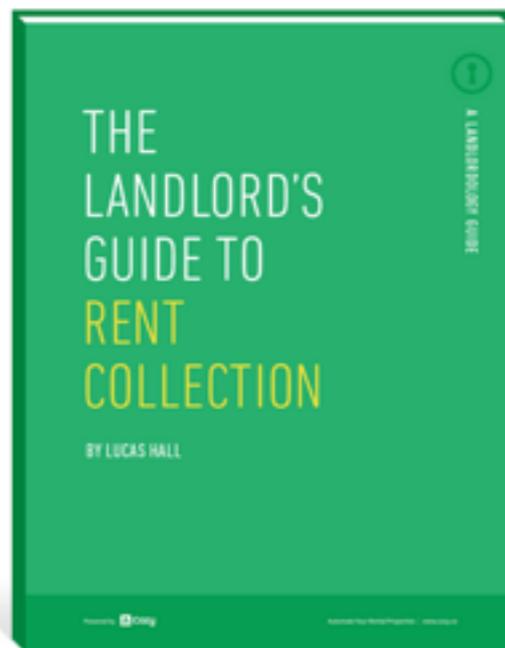
landlordology.com/state-laws



LANDLORD GUIDES

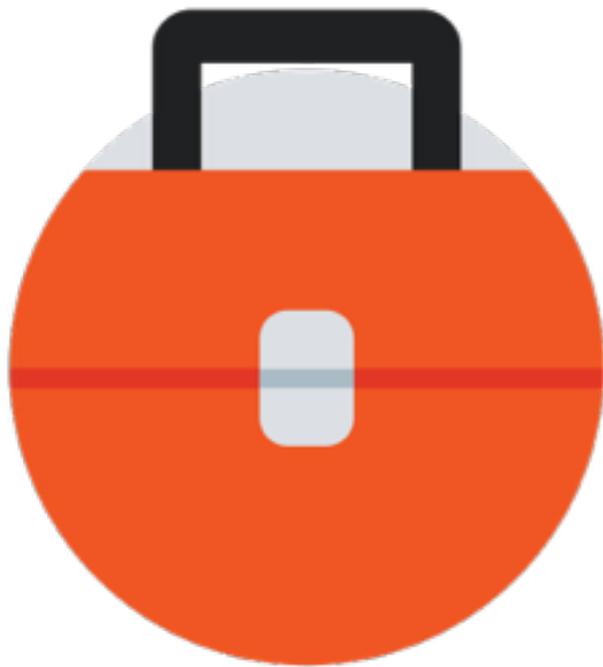
landlordology.com/guides

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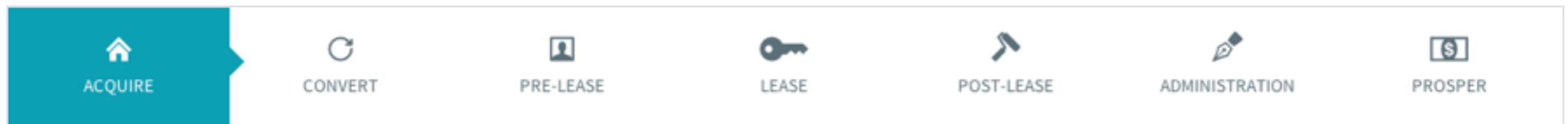
LIFECYCLE

landlordology.com/lifecycle



The Landlord Lifecycle

A comprehensive checklist of phases when renting a property



NEWSLETTER

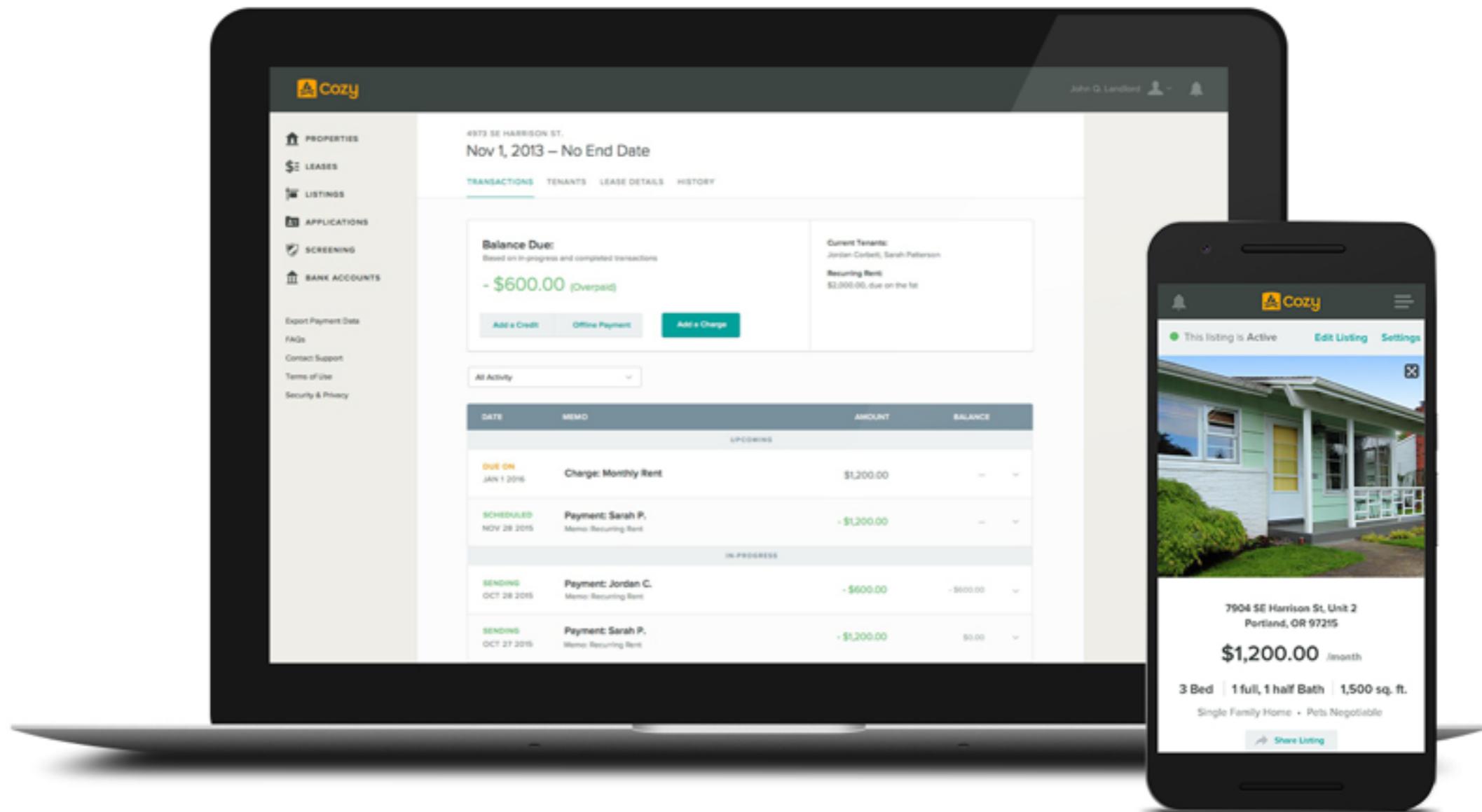
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QUESTIONS?

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