



THE LANDLORD ACADEMY

Finding the “Blue Chip Tenant” and Putting a Stop to the Majority of Landlord Tenant Problems

By Bryan M. Chavis, CPMS, CPL, CAM

It never fails that when the Academy holds a free roundtable discussion for landlords some of the most frequent complaints are:

“My tenant never pays on time.”

“ My tenant never follows the rules.”

Or “my tenant treats my rental like it’s a barn, night club, or some hole-in-the-wall tavern.”

Some of the more serious problems associated with not properly screening your tenants.

So many landlords fall short in conducting proper criminal background checks on prospective tenants. Many landlords unknowingly move tenants into their rental units that have criminal records or are sexual predators. In 1996, Congress directed the Department of Justice to maintain a database of sex offenders. It also required the states to enact public notification laws. **REMEMBER IT IS CRUCIAL THAT YOU CONDUCT A COMPREHENSIVE SCREENING OF YOUR TENANT THAT INCLUDES A CRIMINAL BACKGROUND CHECK AND SEXUAL PREDATOR CHECK.** This allows you, as a landlord, to screen your prospective tenant to see if they are in one of these sexual predator databases. By getting the right tenant into your rental in the first place, you may decrease criminal activity you are experiencing on your property two-fold.

What should a landlord check in a prospective tenant’s background?

Thorough tenant screening includes checking all prospect tenants’ credit history. By law, prospects must be made aware that a consumer report will be requested. The tenant must sign a form giving the landlord permission to perform the credit search. The tenant screening should be performed after you have shown the rental unit to the prospect tenant and the prospect determines that he or she is ready to move forward. The prospect should complete an application that states they give permission for you to pull their credit report and perform a background check. A good tip to keep in mind is while going through the application process make small talk with the prospect. Does the prospect find trouble answering simple questions or misrepresent very easy facts? Make sure your application contains a provision stating that an applicant will be rejected or tenancy terminated if the information presented is falsified. This gives you a valid way out if the prospect lied on their application.

Here are some other key items that should be checked when renting to a prospect tenant:

1. Retail Credit file
2. Statewide eviction search
3. Statewide criminal check
4. Rental collection search
5. Employment Verification

A quick and easy way to help weed out undesirable and dishonest tenants.

Have a written rental criteria, or “Qualifying Criteria” that lists your approval criteria. For example, it may say that you require a tenant to have two times the monthly rent in income and that you do not allow anyone with a felony criminal record to rent from you. Be careful that your criteria does not violate any Fair Housing Laws. Post this criteria where it can be seen while you show the rental unit. This will help deter undesirable or dishonest tenants. Many will see your criteria and know that when you perform your tenant screening they will not be approved. They will not waste your time or their money running an application. We recommend that you go over the Qualifying Criteria on the telephone briefly when you schedule showing appointments so you do not waste your time meeting an unqualified prospect.

Your criteria can include:

1. A completed application

www.TheLandlordAcademy.com

(813) 569-5376

2. Upfront security deposit payment
3. Verifiable employment history
4. Verifiable income
5. At least two pieces of identification, including one government issued photo I.D.

Also it is a good idea to post reasons for denial.

1. Poor credit history
2. Falsified information given
3. Poor employment history
4. Poor rental history which may include reports of disturbances, damages, failure to give proper vacating notice, failure to pay rent timely, or illegal activity.
5. Criminal history that would be considered a very serious threat to the landlord's property or the current tenants or neighbors.
6. Failure to meet income requirements.

Making sure you comply with Fair Housing Law.

Whatever screening procedures you use, be sure to use them the same way for each and every prospect to avoid charges of discrimination. Use a fair process and apply it consistently and equally to all prospects.

Making sure you comply with the Fair Credit Reporting Act.

By law you must also provide your prospect with an Adverse Action Letter if you deny their application. This is a letter stating what credit agency you used to access their credit report and information on how they can obtain a copy of their credit report.

It only takes a few minutes and it won't cost the landlord a thing!

These days, with technology, performing a tenant screening only takes a few minutes when using a reputable tenant screening company. In our area, the average application fee that landlords charge a prospective tenant is about \$50.00 per application. REMEMBER, THE PROSPECT PAYS FOR THE APPLICATION, so it doesn't cost the landlord anything! So there is NO excuse for not performing a proper tenant screening.

Where do you find a tenant screening company?

Fortunately for all the landlords and property managers out there, we at THE LANDLORD ACADEMY™ have a full service tenant-screening program for you. Our tenant screening is one of the most comprehensive and reputable service available and has been providing tenant screening for over a decade. Just visit our website home page www.landlording101.com to get started. Also, take advantage of the free demo that explains the whole applicant screening process in detail for you.