

# Tenant Screening: Crime and Best Practices

A webinar by  *turbotenant*



# Key Takeaways

- 1 Creating a repeatable tenant screening process will save you time, stress, and litigation.
- 2 You can (and should!) set clear policies to address tricky situations, like an applicant's criminal history or lack of social security number.
- 3 The Department of Urban Housing and Development wants you to be able to explain the "why" behind your tenant screening process.



# Tenant Screening and Fair Housing



# A Snappy Fair Housing Overview

Seven protected classes nationally:

- Race
- Color
- Religion
- Sex (including gender identity and sexual orientation)
- Disability
- Familial status

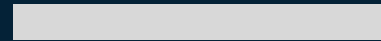
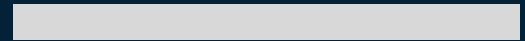
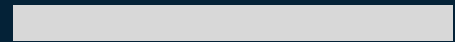
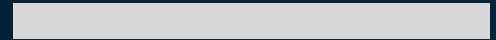


**Pro Tip:** Enroll in TurboTenant's Fair Housing for Landlords course to **avoid up to a \$16,000 fee** for your first violation. [Learn More >>](#)

# Why does setting criteria matter?

To align with fair housing laws, should be:

- A repeatable process
- The same for each renter
- Free from blanket judgments in *most* regards





**Poll:**

**Are you exempt from the FHA?**

# Fair Housing Act Exemptions: Crash Course

Per HUD:

- Owner-occupied buildings with no more than four units
- Single-family houses sold and rented by the owner without the use of an agent
- Housing operated by religious organizations and private clubs limiting occupancy to members

*may* be exempt from the FHA

# Tenant Screening Basics





# Start With Marketing

- Follow the Fair Housing Act
- Ensure key qualifiers are in your listing
- Specify what your screening process entails
- Use an automatic pre-screening tool

## AI-Generated Property Descriptions



Property Title




Property Description



# Pre-Screener Questions


- TurboTenant asks each lead for their:
  - Contact information
  - Employment situation
  - Monthly income
  - Desired move-in date
  - Number of co-habitants
  - Pet information
  - Smoking status
  - Questions re: the unit




**Pre-Screener Penny**

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DESIRED  
MOVE-IN  
11/11



MONTHLY  
INCOME  
\$3,650



PETS  
Yes



SMOKING  
No

Employment Status

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Contact Info

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INVITE TO APPLY



**Poll:**

**How confident are you in your ability  
to screen tenants?**

# The Components of Tenant Screening

- A criminal background check
- A credit check
- An eviction history report
- Income verification
- Interviews with former landlord(s)

The screenshot displays a web application for tenant screening. On the left, a list of applicants is shown with filters for 'Active' and 'Archived'. The main view shows the profile for Emily Kensington, who applied on 07/13/2020. The profile includes a 'Summary' section with the following details:

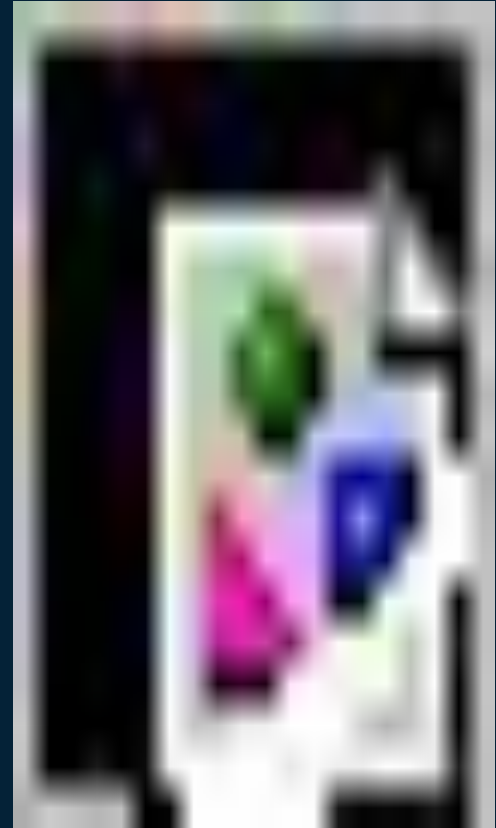
Category	Value
Desired Move-In	12/22/2018
Total Occupants	3
Monthly Income	\$2,950
Pets	Yes
Smoking	No

Below the summary, it indicates 'Applying with:' followed by a list of other applicants. On the right, a 'Screening Report' section is partially visible, showing a progress bar and a summary of screening results:

Category	Count
Evictions	0
Collections	1
Public Records	1

# The Tenant Credit Check

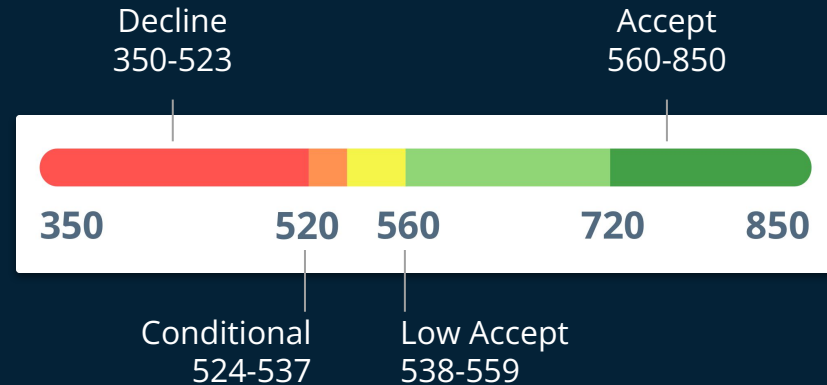
- Shows you applicants' financial history and current financial health
- *Includes:*
  - Credit bureau score
  - SSN verification
  - Employment history
  - Fraud indicators
  - Address history
  - Payment history
  - Collection accounts
  - Civil records



# Setting Financial Criteria

General rules of thumb:

- Credit score: 560-850
  - If you reject an applicant based on credit score, *you must send an adverse action letter*
- Rent-to-income ratio: ~30% of gross income
- Old/no collections



*Did You Know?* [TurboTenant's free rent-to-income calculator](#) makes this step easy.

# Tenant Screening Report Example

## Screening Report [PRINT](#) [GET HELP READING A REPORT](#)



**Criminal History**  
1 RECORDS FOUND

**Evictions**  
1 RECORDS FOUND

**Collections**  
1 ACCOUNTS

**Public Records**  
1 RECORDS FOUND

### Score Factors

- Serious delinquency and derogatory public record or collection on file
- Lack of recent rental account information
- Proportion of late payments to loan accounts is too high
- Too many inquiries last 12 months

⚠ SSN provided by the applicant does not match the SSN TransUnion has on file - please verify their SSN.

## Eviction Records

COLORADO

### Alexander Knight

ACTION DATE: 5/12/2015  
PLAINTIFF: Aune Corp. LLC  
7205 Lindee St. Fort Collins, CO 95525

Larimer County 28th District-Civil (J1317/8141)  
FILE NUMBER: 13-1230-3907\*



## Criminal History

TEXAS COURT - TX05205000

**2981-DUI/DRIVING UNDER THE INFLUENCE, .09, 2ND OFFENSE**

CASE NUMBER: 107549131  
CHARGE FILED: 12/22/12/10/13

Middleman-Claire R - P-3 GL, 11\*



## Fraud Indicators

### Current address mismatch - Input does not match file.

Input address is a hotel/motel or temporary residence.

## Credit Report Summary

Here is a breakdown of their total debt balance and total monthly payments.

### Total Debt Balance

LOAN TYPES

- Automobile
- Charge Account
- Student Loan
- Appliance/Furniture
- Child Support



### Total Monthly Payments

LOAN TYPES

- Automobile
- Charge Account
- Student Loan
- Appliance/Furniture
- Child Support



Total Tradelines **6**

Total Past Due **\$323**

## Tradelines

These are "accounts" or lines of credit such as student loans, credit cards, car loans, etc..

### Automobile - Banks

#### USAA F58 [Open](#)

Individual Account  
Accountment 6/7 Monthly

30 Day Late Payments (1)

**\$104** Past Due  
**\$240** Payment  
**\$8,250** Balance

### Charge Account - Jewelry, cameras, computers

#### CB/KAY [Open](#)

Individual Account

**\$0** Past Due  
**\$0** Payment  
**\$1,500** Credit Limit  
**\$0** Balance

## Collections

These are "accounts" that have been sent to collection by the original creditor, usually because of lack of payment.

COLLECTION AGENCY  
**WAKEFIELD** [Open](#)  
Individual Account

ORIGINAL CREDITOR  
**EXCEL ENERGY**

**\$205**  
Original Balance

**\$212**  
Current Balance



## Public Records

This will display any judgements or bankruptcies that have been out towards the renter by a court.

### Civil Judgement

PLAINTIFF: J. SLICK-HS. IRWIN  
DATE REPORTED: 12/27/2018

DATE SETTLED: 12/27/2018

**\$20,212**  
Liability Amount



## Addresses on File

CURRENT ADDRESS

**156 Main Street**  
Fort Collins, CO 80525

Reported on 8/21/2017



PAST ADDRESS

**491 Magnolia Road**  
Colorado Springs, CO 80152

Reported on 8/22/2015



## Employment on File

EMPLOYER

**Freedom Burgers**



## Inquiries

See who has requested this renter's credit report. Lots of inquiries means they could be opening lots of accounts.

10/05/2016

COAP

Finance, personal

1/18/2016

CHASE AUTO

Finance, personal

# Tricky Tenant Screening Situations





# What if...

- The applicant has no credit history at all?
- Their credit score is too low, but their other financials are good?
- Consider requiring a co-signer/guarantor + higher deposit




# Evictions Crash Course

- Black renters equal ~19% of America's renter population
  - And ~43% of those evicted nationally
- Black women with children are the most vulnerable

*Evictions stay on your public record for up to seven years, according to [Experian](#).*

# How to Handle Evictions

- *One previous eviction listed?*
  - Discuss with the applicant
  - Get in touch with former landlord(s)\*
  - Require a co-signer +/- or increased security deposit\*

 **Landlord Reference**  

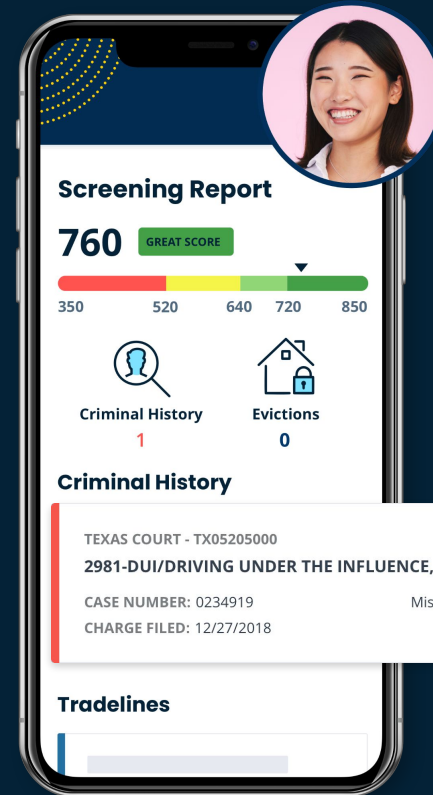
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**Eviction Record**  
Action Date: 9/12/201  **Larimer County 28th District-Civil (CO12789)**  
Plaintiff: Acme Corp, LLC **File Number: KN129N9XOP1**  
71 Main St. Fort Collins, CO 80525

# Criminal Background Criteria

- **HUD advises landlords to:**
  - Remember that some protected classes are disproportionately arrested
- Look at every case closely
  - Determine if there was:
    - A conviction
      - The age of the conviction
    - Evidence of rehabilitation
  - Consider the applicant's history since that point



# Isn't any felony conviction proof of a threat?

No

- HUD cites University of Minnesota 1960's study re: crime recidivism
  - *Findings:*
    - No additional crimes within seven years of original crime?
    - Same risk level as someone without criminal history



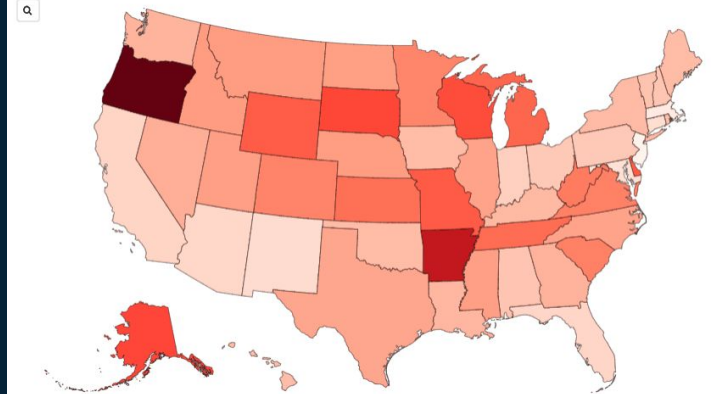
# So, I can't blanket-ban felons?

No

- Investigate the circumstances of each criminal history report
  - *Does the applicant pose a current threat?*
- Refuse applicants whose presence would endanger yourself, other tenants, neighbors, etc.

2024 Sex Offender Registry Rates by State

Number of offenders per 100,000 50 790



Source: State sex offender registries (collected August 2024), U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates • \*New Jersey figures from 2023

SafeHome.org

Registered sex offender status may not show up on the criminal background check, but the registry is a public database. Check your local laws for specific statutes - you may need to cite them in your lease!

# Screening International Applicants

- Asking about a lead's immigration status or citizenship + requiring proof of legal residency is illegal in some states
- There are many valid reasons for a lead to be in the U.S.
  - And you can still screen them!



# International Leads: What to Evaluate

Some/all of the following:

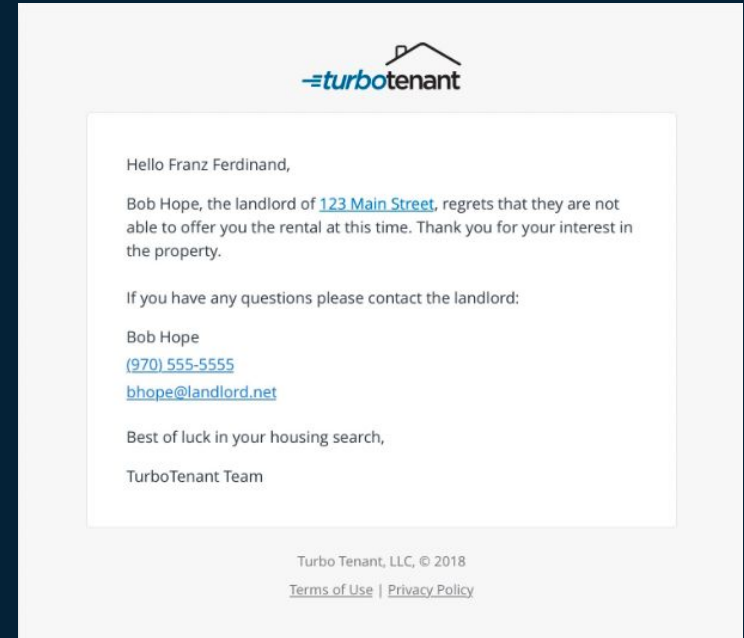
- A copy of their passport and visa (as applicable)
- A letter of reference from their previous landlord
- A letter from the lead's employer verifying their income
- Two months of pay stubs
- A credit reference letter
- A monthly billing statement





# Rejecting an Applicant

- Remember that you **cannot deny an applicant based on their:**
  - Gender
  - Age
  - Race
  - Ethnicity
  - Sexuality
  - Or any other protected class
- Send an email stating you won't be offering them a lease



**Pro Tip:** Wait to reject other applicants who passed your criteria until you have a signed lease.

# Rejection After Screening Report Example



Hello Franz Ferdinand,

Bob Hope, the landlord of [123 Main Street](#), regrets that they are not able to offer you the rental at this time.

This decision was based in whole, or in part, on the information in your Screening Report provided by TransUnion, the Credit Reporting Agency.

The Credit Reporting Agency plays no part in the decision to take any action on your rental application and is unable to provide you with specific reason(s) for this adverse action.

You have the right under the Fair Credit Reporting Act to obtain a free copy of your consumer report from the above Credit Reporting Agency. You must request a copy of your consumer report in writing within 60 days from the receipt of this notice.

You also have a right to dispute the accuracy or completeness of any information the Credit Reporting Agency reported. You must file a written request with the Credit Reporting Agency that your consumer report contains one or more inaccuracy or is incomplete or contains errors of fact.

errors of fact.

If you would like to request a copy of your consumer report or have a question on the completeness or accuracy of the information used to create the consumer report, please contact the Credit Reporting Agency listed below:

Mailing Address:

TransUnion Rental Screening Solutions  
Attention: Consumer Disputes  
PO Box 800  
Woodlyn, PA 19094

Email: [TURSSDispute@transunion.com](mailto:TURSSDispute@transunion.com)  
Phone: [1-866-775-0961](tel:1-866-775-0961)

If you have any questions please contact the landlord:

Bob Hope  
[\(970\) 555-5555](tel:970-555-5555)  
[bhope@landlord.net](mailto:bhope@landlord.net)

Best of luck in your housing search,

TurboTenant Team

# Q & A



Landlord from everywhere  
life takes you with  
[TurboTenant's mobile app](#)



- Review pre-screening questionnaires on the go
- Send tenant screening requests from anywhere
- Find your new renter faster

Streamline every part of  
rental property management  
by going **Premium**



- Unlock Income Insights from TransUnion
- Cut your applicant's fee by \$10
- Enjoy phone support from our Colorado-based team