TENANT SCREENING

TIPS FOR CHOOSING GREAT RENTERS
Why Do I Need to Screen an Application?

• It will make everyone’s life easier--yours and the renter’s
• You will be more likely to keep your current renters
  o No one wants to live next door to a problem property
• To avoid becoming a nuisance property
Three Things You are Looking for in a Renter

- Someone who can afford to pay the rent
- Will they take good care of your property?
- A good neighbor to other tenants
Pre-Set Your Criteria

• Provide written criteria to the applicant
  o Stable verifiable source of monthly household income equal to three to four times the amount of rent
  o Credit check
  o References from previous landlords
  o Background check
The Application

• Use a written application
• Every adult completes an application
• Get a copy of their photo ID
• Process the application quickly
Processing the Application

- Household gross income should be at least 3 - 4 times the amount of rent in a month.
- Example $700 rent needs:
  - $2100 - $2800 gross per month
  - $525 - $700 / week,
  - $12 - $17.50 / hour full time
  - $25,000 - $36,000 per year.
- VERIFY EVERYTHING by calling the employer directly, ask for paycheck stubs, tax returns, written statements from the Social Security office, child support documents, etc.
- Credit Report: look at previous addresses, previous names, items in collection, mortgage payments, large balances owed on credit cards, etc.
- Call ALL previous landlords after verifying they really own the address
- Iowa Courts Online for Iowa renters, background checks now available through SAFE-CR
- Check the Iowa Sex Offender Registry and any national sex offender registry
- Personal References?
- Google, Facebook, Twitter, etc.
Decision Time

- Look at the whole picture
- Everyone is “nice”
- Some have sad stories and need help
- Rent to family / friends?
- Use your head not your heart
Know and Understand Fair Housing Laws

- Iowa Protected Classes: Race, Color, Creed, Religion, National Origin, Handicap, Familial Status (presence of children), Sex, Gender Identity.
- Cedar Rapids has added: Age, Sexual Orientation, and Marital Status
Turning Your Applicant Down

• Decline the PAPERWORK, not the PERSON.
• You do not have to give a specific reason
• Letter required if the decision is based on credit report
In Conclusion

• Verifying application = an hour or two over 48 hours
• Evicting a bad renter = weeks of time, lost rent, damages, headaches