

Tenant Selection Criteria

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Why you should care

- Repeat business from your owner
- Reputation to lease
- One time in, one time out
- Costs to owner for a bad tenant
- TAR Code of Ethics requires you to competently manage the property for your client

What is checked

- Credit
- Employment
- Rental History
- Criminal Behavior

What I have learned

- Read the application – look for red flags
- Legible print, SSN and date of birth
- All blanks filled in
- Review documentation for consistency – address, date of birth and rental history
- Applicant's answers on app match background check

Compliance/Confidentiality

- Processes in place to screen applicants
- Date stamp – everyone should have it
- Lock and Key
- Keeping and tracking past applicants
- Sharing information
- Fair Housing
- Record Keeping – accountability

Screening Tenants

- Using tools
- Consistently enforcing clear set of rules
- Consequences for tenant infractions
- Steps to follow for a legal, trouble fee eviction
- Follow up in writing

Verification

- Ability to Pay
- Rental History
- Criminal Background
- Credit History
- Reported Information

Review of Application

- Applicant did not provide prior addresses
- Applicant did not provide SSN
- Applicant did not provide previous/current employment
- Applicant did not clearly list all information to process app

The Credit Report

- Applicant requested report
- Written Authorization
- Can not be distributed to others
- Adverse action taken – notification process
- Allowing applicant to “explain”
- Defining “bad” credit for a tenant
- Requesting guarantor or higher deposit

Proof Of Income Three times the rent

- Pay stubs – list name, address, YTD earnings
- Bank statements – all pages, deposits vs. withdrawals
- Letters from employers

Picture of Payment History

- Past judgments of non-payment of rent
- Tax liens
- Default on Student Loans
- Repossessions of auto
- Foreclosure/Bankruptcy involving mortgage payment equal to or less than rent
- Credit Card Expenditures

Criminal Background

- Picture ID required for verification
- Sex offender registry
- Year of and type of offense
- Sharing information
- Liability for failure to perform criminal background checks

**Top 5 Mistakes or Why your owners
need a property manager**

- Rent too high for market
- Signing a generic rental agreement
- Failing to properly screen tenant
- Not paying attention to renters requests
- Not enforcing the rental agreement

Success for your owners

- Minimize risk of bad tenants
- Reduce risk for your owner
- Minimize cost for owners in re-letting
fees/property damage/non-payment of rent
- Build strong reputation for leasing and
appreciation for taking care of owners property