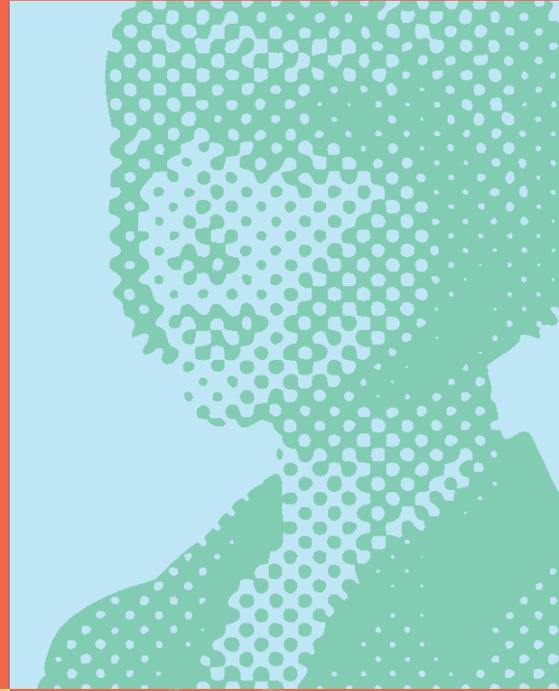


Tenant Screening Best Practices



**Mitigate Risk
with Confidence**



It's only natural to want first-rate renters for your rental properties.

That's why tenant screening practices are so crucial when it comes to mitigating potential risk and securing the best possible fit. For many property managers, tenant screening is something that is a lot easier said than done.

Is your tenant screening process up to snuff?

Consider these three areas of importance when implementing a foolproof screening process.



set guidelines

All property managers should come up with a list of **guidelines that renters are expected to follow**. To properly curate this list, we strongly suggest you outline all rules and regulations that you want enforced on your property.



Next, consider fine-tuning this list of guidelines and perhaps even condensing them so you can give applicants a concrete, comprehensive overview of what you'll require of them, if they were to live on your property. These guidelines will **help weed out the good from the bad** when it comes to renters.



Be sure to double check with a legal professional to ensure you're not violating any laws with your list.

What You Should Know Before Moving In

- Rent is due at the first of every month
- Quiet hours are between 11:00 PM and 8:00 AM
- No pets permitted
- Pool Hours are between 9:00 AM and 9:00 PM
- No smoking on the property
- All guests must be accompanied by residents at the pool
- 2 spaces per resident in designated areas only
- Reserved parking



be consistent

Once your tenant screening process is in place, keep it consistent for all applicants.

It's natural for applicants with a criminal history, poor credit score, or those who don't meet the minimum financial obligations that you've set to **attempt to sway you with a "handshake agreement"** that they're good to make rent. It can also be common for renters to **write a letter outlining the hardships they've faced as a means of pulling on your heart strings** to accept them on your property. Finally, another common ploy is for applicants who don't meet the minimum qualifications to **tell you how they'll meet the qualifications in the near future.**



It's not easy to tell people "no," especially if they seem sincere and good-natured, but it's important to stay consistent and forgo any special exceptions. **It could wind up costing you thousands** of dollars in unpaid rent.



Don't let your emotions or human error impact your judgment, especially when it comes to accepting a tenant who has some obvious red flags.



avoid risk

Tenant screening can be tedious and cumbersome, but it's worth the extra effort to avoid permitting an at-risk renter to move into your property and cause long-lasting consequences.

How best to mitigate risk? Here are some suggestions to incorporate into your practice:

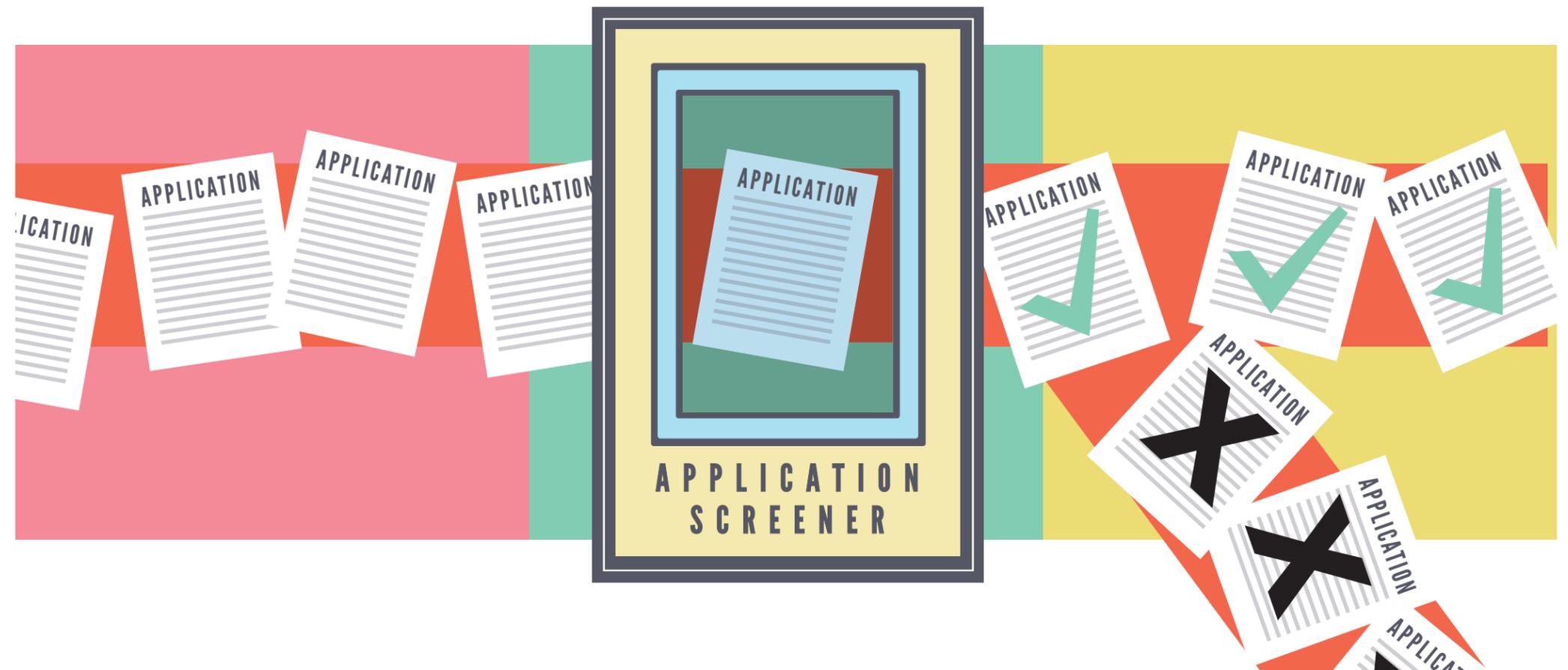
Basic background checks: A basic background check should be the staple of any screening process. Background checks show you things like past living arrangements, eviction history, criminal history, employment history, and more.

Credit checks: Just as an auto insurance company will analyze a consumer's driving history prior to deciding to insure them, you should be running a detailed credit check to see whether an applicant is likely to be a reliable tenant. Late payments, bankruptcies, foreclosures, and the all-important three-digit credit score can shed significant light on the applicant's financial history.

Stolen identity checks: Basic background checks only link names and birth dates to consumer behavior. If an individual has stolen the identity of someone else, it's possible for them to fraudulently present themselves as another person. On a basic background test, that could slip through the cracks. We recommend running a more advanced background check that cross-references various applicant data points.

Automation: Many property managers are already aware of screening best practices but need help in applying the consistently and without bias. Adopting property management software that includes the automation of your tenant screening means that you can be confident that any tenant you consider falls well within your standards.

Removing this bias—and the option to approve or deny a tenant based on your own judgment—is the best way to keep your property safe and exempt you from any gray areas of compliance.



Remember, adopting a good screening process isn't just paramount for getting the best renters to rent your property, it can potentially save you thousands in lost revenue, property damage, and bad publicity.

Make the effort today to invest in a quality screening process that you can trust—and then be sure to follow it!

For more information on how to update your leasing process with built-in tenant screening services, visit www.appfolio.com.

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