

**Ask Dr. Cash Flow; Should I Run Credit Checks on Every Tenant?  
By Nick Sidoti, R.A.M.**

**Q.** Does it make sense to do a credit check on people on public assistance who have no credit established? Are there other things I should be doing to screen these tenants?

*AR. Albuquerque, NM*

**A.** Yes, it does make sense to do a credit check. Here is the reason why. Credit reporting agencies such as TRW, Equifax and TransUnion also record judgment claims. Many times utility companies, phone companies, furniture rental companies, finance companies, and rental agencies will report non-payments and judgments. You also will find the occasional tenant who has decided not to tell you about the bankruptcy or other bad credit they do have. Therefore, credit checks are an important part of the screening process, even for low income applicants.

Follow the rest of your rental screening procedures to see if these folks are clean, responsible tenants. But, perhaps the most important part of the screening process with low income tenants is checking the person's rental history. You can do this by calling previous landlords, and checking to see if there is a history of evictions. By checking eviction records, you will be able to find the names of previous landlords that the tenant may have omitted from their application. These landlords are a source of valuable information (the understatement of the century).

AOA members can run "instant" credit and eviction reports and they are only \$5.00 each when you request both reports together.

**Remember in the tenant screening process, the old statement - "An ounce of prevention is worth a pound of cure." is particularly appropriate.**

**Q.** Dear Nick: I rented to a single man who passed my screening process with flying colors. After about four months I noticed that someone else was living there. When I checked it out I found that he had given the keys to another person who had "taken over the lease," This new person has a bunch of unsavory friends and I would like to get him out. My lease does not allow subletting without my permission. These folks didn't even ask. How should I go about getting them out? Ben R., Des Plaines, IL

**A.** Dear Ben: There is no simple answer to your question because every state has different laws regarding subletting. In some states tenants may freely sublet, in others it is not allowed at all, and in others tenants may sublet with the landlord's permission. Here are a few general ideas that may help you solve your problem.

First, you must give them notice to cease their behavior - (Three-Day Notice to Cure the Violation or Move Out). This notice should be addressed to the original tenant and all occupants. If the behavior does not stop, file an eviction naming the original tenant and all other occupants. ***Editor's Note: DO NOT ACCEPT RENT from any one except the original tenant on your lease.***

Your second choice is to pull up the original tenant's rental application. Hopefully it is very thorough. You should find a whole list of people to contact including the tenant's relatives, friends, employers, etc. Try to contact the original tenant, and inform him that he is going to be named in a lawsuit. Have him deal with his subletter.

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