

Renting Rule Number One: Verify, Verify, Verify! **by Robert L. Cain**

If every applicant were a good tenant and if every applicant told the complete truth on his or her rental application, we would have no need to check references. But, there are bad tenants skulking in the shadows and behind the shrubbery. And some bad tenants are accomplished liars and con artists.

Paul W. Barada writes in his book Reference Checking for Everyone, “The difference between success and failure, profit and loss, peace of mind and constant worry depends on minimizing the unknowns.” What we don’t know in the rental property business will come up to bite us in the bank account.

Real estate investors wouldn’t dream of buying a rental property without complete due diligence including a property inspection, auditing the books and a thorough title search. Yet, too often, these same people won’t take the time to even verify that what the prospective tenant has written on his rental application is in the same solar system as the truth.

Verify everything! The rental application you receive should provide a wealth of opportunities to discover if your applicant has been less than completely truthful with you. The process begins when you receive the rental application and continues with making sure every entry is factual.

Step One: Is the application completely filled out?

The application must be filled out to your satisfaction, not the prospective tenant’s. You are in charge here, not your applicant. Look at the application when he or she hands it to you to see if there are any blank spaces. If there are, hand the application back to the applicant and ask him or her to complete it. **[Editor’s Note: Make sure the applicant has also signed the application giving you permission to do background checking.]**

Step Two: Does the previous landlord exist?

Some previous landlord exists, but is that the one who is listed on the rental application? Most counties have their property records online. That means you can find out the real owner of 1234 Main St. simply by checking the records at the assessor’s office. Is the listed owner the same name as the one on the rental application? If so, is the phone number on the application the same as the one that matches the address of the one listed in the tax records?

Now, how about landlords before the most recent one? Too often, bad tenants have friends play previous landlord for prospective landlords calling for references. Imagine that, lying to a landlord!

Step Three: Is the employment information accurate?

Does this person really work where he said he did? How long? Part of full time? They won't tell you his or her salary, but that doesn't matter – you can require a recent pay stub from the applicant. But they will verify employment as to length of time and hours.

Step Four: What do the references say?

Sure, they are all friends of this applicant and are all cued up to say nice things about him or her. But would they rent to him or her? Would they want this person as a neighbor? How are you acquainted with this person? Are you aware of any personal problems that might interfere with him or her being a good tenant?

Finally, make sure the following or similar language appears on your rental application: Applicant represents that all of the above statements are true and complete and hereby authorizes verification of the above information, references, criminal and credit records. Applicant acknowledges that false information contained herein constitutes grounds for rejection of this applicant if discovered before move-in.

It is a privilege to live in our properties. Be sure it remains that way with meticulous verification of all information on the rental application.

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