

Responsible Applicant Screening and “Innocent Bystanders”

In the rental application process, it is vital to meticulously scrutinize all of the information an applicant provides you on the rental application. Or, as is usually the case, if they don't provide you with the information, don't rent to them!

At the end of this article, there is a form that you should use every time you screen a prospective resident. You will reduce substantially the number of evictions and collections that you are accustomed to.

In light of the events of September 11, ask yourself how you would feel if a similar tragedy strikes again and the FBI tracks a suspect to an apartment community in your area. And then ask yourself how you would feel if, upon investigation, the FBI announces that they have no information on the suspect because someone made the decision to rent to people based only on whether they had a positive credit report. Sound far-fetched? Take a look around. Pick up a copy of the free rental magazines and you will see companies extolling the virtues of “immediate approval!”

Not only is that bad business, it's wrong. Nothing more, nothing less. But like most shortcuts in life, it's usually the innocent parties who end up being the ones in harms way. Before September 11, 2001, the business term, “innocent parties” usually referred to the individual or employee who inherited someone else's myopic business strategies. Are profits so important that we cut every corner? At what expense? I can only hope and pray that I never see the day when a parent or sibling asks the question of a property management executive. “Was it worth it? They were innocent bystanders.”

Applicant Verification Form

APPLICANT INFORMATION MATCHES CREDIT REPORT

Applicant Name Yes No

Applicant Social Security Number Yes No

Applicant Date of Birth Yes No

Current Address Yes No

Previous Address Yes No

Driver's License Verified Number & Photo Yes No

Address on License Matches Application Yes No

EVICTION CHECK

Date Received

Were Any Records Found? Yes No

If Yes, Basis of Match

Address on Eviction Appears on Credit or Application

Verified With Rental Reference

Name & Zip Code Match Only

RESIDENCY HISTORY

Date Verified

CURRENT RESIDENCY

Renting from (Please check one):

Apartment Complex Renting Other

Living With Friends Living With Family or Relatives

Landlord or Contact Name

Landlord or Contact Phone Number

Dates of Residency

Did Resident Pay Rent on Time? Yes No If No, Explain:

Were There Any Documented Damages? Yes No If Yes, Explain:

Were There Any Documented Complaints? Yes No If Yes, Explain:

Did Resident Give 30-Day Notice? Yes No If No, Explain:

Would They Re-Rent to This Resident? Yes No If No, Explain:

Verified Ownership? Yes No If No, Explain:

PREVIOUS RESIDENCY Date Verified:

Renting from (Please check one):

Apartment Complex

Renting Other

Living With Friends

Living With Family or Relatives

Landlord or Contact Name

Landlord or Contact Phone Number

Dates of Residency

Did Resident Pay Rent on Time? Yes No If No, Explain:

Were There Any Documented Damages? Yes No If Yes, Explain:

Were There Any Documented Complaints? Yes No If Yes, Explain:

Did Resident Give 30-Day Notice? Yes No If No, Explain:

Would They Re-Rent to This Resident? Yes No If No, Explain:

Verified Ownership? Yes No If No, Explain:

EMPLOYMENT & INCOME VERIFICATION

Date Verified:

Current Employer Yes No

Stated Income Yes No

Position Yes No

Dates of Employment Yes No

Hours Yes No

Verified By Position

Explain Any Discrepancies

Other Source of Income Amount Yes No

Military Amount PCS/LES Yes No

APPLICATION REVIEW

Do Any Phone Numbers For Rental or Employment Reference Appear Anywhere Else on the Application? Yes No If Yes, Explain:

If Other Addresses Appeared on Credit Have They Been Verified? Yes No

Explain Findings:

Could You Verify All References? Yes No If No, Explain:

RECOMMENDATION BASED ON RENTAL CRITERIA

Approved Additional Security Recommended Co-Signer Denied

Basis of Recommendation

Negative or Adverse Credit Explain:

Negative or Adverse Rental History Explain:

Insufficient Income Explain:

Public Records Explain:

Discrepancy in Information Provided Explain:

Incomplete Application Explain:

Unable to Verify Information Explain:

Verified By

Date of Recommendation

Date Applicant Notified

Date Adverse Action Notice Sent, if Needed

To help you stay current in your chosen business of owning and managing rental property, the Apartment Owners Association exists to provide you with the "best practice" information and encouragement. Please contact your local Apartment Owners Association office at 1128 Lincoln Avenue, Alameda, CA 94501, Tel: (510) 769-7521 or (800) 851-2213, or email us at www.info@aoausa.com.