

## Rejecting Tenant Applications

By Kate Kemp

You've done the background check on your new tenant and you see it's a no-go. As long as the reason isn't discriminatory (rejecting a tenant due to their race, religion, national origin, ancestry, age, sexual preference, sex or disability) you'll be okay, right? Not necessarily.

Patty Lang, an Associate Broker/Property Manager for Ambrose & Shoemaker Rental & Property Management Services in Corning, NY gives landlords a few pointers. "In order to stay out of trouble with Fair Housing, it is important to set standards for evaluating applications. The standards must be legal and they must be applied to all applications. One of the biggest things we are judged on is that our standards are uniformly applied and that the unit is rented to the 'First Qualified Applicant.' The important thing is that people must keep good records of how they apply the rules to all potential tenants equally."

If you simply tell a tenant "Your application has been rejected." With nothing to back up the reasons for your decision, the tenant could then draw a number of conclusions:

It's because of my race.

It's because of my sexual preference.

It's because I have kids. Etc.

This might not be what your intended at all... but unless you have proof to back you up otherwise, your rejected applicant may be able to make it seem that way.

To avoid any sticky situations with false accusations, Ms. Lang advises you accompany each applicant with a cover letter explaining to the tenant how you will evaluate their application. The following is the letter she created for her tenants:

Welcome to Ambrose & Shoemaker Rental & Property Management Services

We hope that you will find a property that meets all your needs. For your convenience, the following is a brief overview of the general guidelines used to process an application.

**A completed application form - in order to tell us about yourself.** Each adult wishing to live in one of our properties must fill out an application and be approved. All sections of each application must be complete and accurate.

**Employment** - in order to verify that there is adequate income to make rental payments. In general, we expect applicant to have been in current employment for at least six (6) months, and that income is equal to three to four times the monthly rental amount.

**Rental History** - in order to verify that the prospective tenant has demonstrated a desire to meet lease obligations.

In general, we want to verify the amount of current rental and that the rental was paid in a timely manner; that the property was kept in good condition; that there is no history of complaints from other tenants; that all lease obligations have been met; and, that the tenancy has been a positive experience.

**Credit History** - in order to verify that the prospective tenant has demonstrated fiscal responsibility. In general we look for payments that are made on time, that there are no judgment or bankruptcy records, and that credit responsibilities are in line with income.

**Vehicle information** - including make, model, color & year of any vehicle to be kept at the rental property.

**A valid photo I.D.-** so that we can assure the property owner that the person applying for the property is indeed the person moving in and ... **authorization for us to verify information given on the application and to order a credit check.**

No person shall be denied the right to rent one of our properties based on applicant's race, color, religion, national origin, sex, age, disability, marital status or familial status.

By providing tenants with the above information before they even fill out the application, they will know exactly what you're looking for, and what possible reasons their application may have been rejected. In the event that you do choose to reject an application, you should be prepared to provide the applicant with a written documentation about the reasons why!

*[Editor's Note: AOA's "Notice to Rental Applicant" form should be completed and given to all rejected applicants. Be sure to keep a copy for your records.]*

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