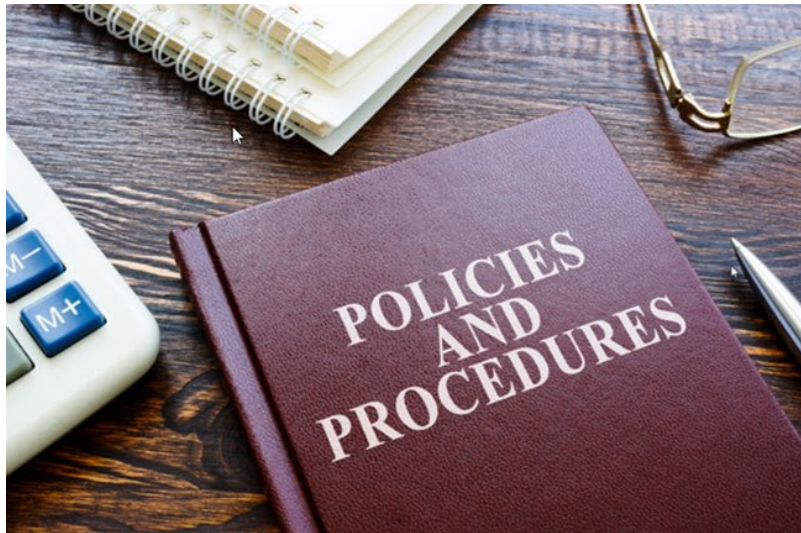




EMPLOYMENT AND TENANT BACKGROUND CHECKS

One Sure Way To Increase Tenant Selection Success Rates Part 4



By Rebekah Near

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Nationwide Tenant and Employment Screening Service

Here we are at article number four on creating a detailed Tenant Selection Policy (TSP). Now it is time for an example of a working policy described in my previous articles. Each management company and or property has their own unique details in a policy. Not one of our client policies are exactly alike! However, the format and certain required legal information would be included. Keep in mind, when it comes to legal wording, not all attorneys word things the same. I am providing an EXAMPLE of what we help our clients create. So far, they have been working like a charm! I have been working with clients on their policies since 1996. IF YOU CHANGE YOUR POLICY DUE TO MY SUGGESTIONS OR ANY OTHERS, A LANDLORD TENANT LAW ATTORNEY NEEDS TO APPROVE IT BEFORE BEING USED. IT IS ALSO IMPERATIVE YOU STAY ABREAST OF ANY CHANGES TO THE LAWS AND MAKE CHANGES TO YOUR POLICY ACCORDINGLY. Your Tenant Screening company is required to assist you in providing you with any new rules and regulations affecting Tenant Screening. It is also up to you to reach out to them periodically for such information. **This example policy is Washington State specific, however much applies to every State.**

Due to size of the file, this policy is only a partial example. This "example policy" will address numbers one and two of the four categories listed below.

There are at least four categories for Tenant Selection Policies. They are as follows:

The requirements to apply for the property – the Application Process
Rules of the Property
Potential Disqualifiers identified on the Background Screening
Report.
Disclosure documents explaining laws governing the application
process – Tenant Rights!

(YOUR LOGO, ADDRESS AND CONTACT INFORMATION WOULD BE AT TOP OF
THE PAGE)

RENTAL CRITERIA

WE DO NOT ACCEPT REUSABLE TENANT SCREENING REPORTS

Thank you for applying to rent from our company. This process should be completed within **72 hours** (excluding weekends and holidays). Want your screening report to come back to our office fast as possible? Then fill it out thoroughly, include all phone numbers, type or write legibly. We are happy to help you with any questions.

All rentals are on a “first come, first serve” basis. The only thing that will “hold” a rental for you is a completed application and a paid screening fee. ***Screening Fee is non-refundable.**

THE APPLICATION PROCESS

Each person who is 18 years and older must fill out a Rental Application. The following applies:

- a. Fully completed Rental Applications and \$___ non-refundable processing fee needs to accompany each tenant/Lease Holder(s) application.
 - b. Rental Applications submitted online are charged an additional \$3.00 processing fee.
 - c. The Tenant Screening process will include credit reports, rental references, court records and employment verification.
 - d. For screening services, ABC Management uses: **ORCA Information, Inc.**, 120 E George Hopper Rd, Suite 108, Burlington, WA 98233, 800-341-0022.
2. For each property ABC Management accepts and processes one set of Rental Applications (or co-tenant applications) at a time. The following documents are required upon submission of each application:

Copies of government photo ID and Equivalent proof of identity (Visa, Passport, etc.). See attached, *Suggested Alternative Documents for Screening Immigrant Populations.*
Documents proving income is 2.5 times the rent amount.
Signed document titled, WASHINGTON STATE FAIR TENANT SCREENING ACT OF 2012

3. **Commercial Rentals** – Complete a Commercial Rental Application. Application fee is \$_____.

REQUIREMENTS

A rental applicants gross monthly income must equal at least 2.5 times the rent. Income must be lawful and verifiable. **Documents proving earnings need to be submitted to the office BEFORE THE SCREENING PROCESS WILL BEGIN.**

Proof of Adequate Income – Example:

Most recent check stub with year-to-date earnings
Self Employed – Tax Returns for last two years
Retired – Copies of Deposit slips, Investment Earnings and/or Social Security Earnings Documents, Bank Deposit History

Additional Sources of Income – Ex: Child Support, Bank Deposit History, etc.

POTENTIAL DISQUALIFIERS (Overview)

The following are issues that may cause a denial of your application:

Credit score below 600
Unpaid Collections
Bankruptcy within past two years
Less than two years of positive credit history.
Unlawful Detainer (Eviction)
Negative/Incomplete rental reference
Court Records – History of criminal activity on the part of any proposed occupant and which presents a danger to persons and/or property, or the peace and enjoyment of the others in the apartment/community could negatively impact your application.
Example: drugs, sex offense, robbery, assault, etc.

Determinations as to criminal screening will be made on a case-by-case basis and based on several factors and information. There will be no automatic denials for arrests or criminal convictions.

False information and/or omission of material fact on Rental Application
Lack of information provided on Rental Application
Lack of proper documentation of earnings – 2.5 times rent amount
Lack of 24 months positive, consecutive, objective rental references.

Exceptions to Standards – “Adverse Action Options”

Due to extenuating circumstances – exceptions to one of the above standards may be considered. A qualified co-signer or additional deposit may be required.

CONSUMER RIGHTS INFORMATION

Consumer Information is kept confidential.
A credit report is considered a “hard hit” by all three major credit bureaus.
In the event of Adverse Action (denial of tenancy, cosigner or increased deposit required) you have the right to a FREE copy of the background check we reviewed and processed by Orca Information, Inc. You also have the right to dispute the accuracy of any information therein.
Per FCRA, the company, Orca Information, Inc. provided all, or part of the information included in the background check. However, Orca Information did not make the decision to take Adverse Action. Decision to rent is made solely by ABC Management.
You have the right to obtain a FREE copy of your credit report each year from every credit bureau. For a FREE copy log onto: www.annualcreditreport.com.
Orca Information obtains credit reports from Trans Union.

CO-SIGNER

If applicant does not meet the minimum requirements a co-signer may be required. Required qualifications are the following:

Proper documentation of earnings/income
Proof of Adequate Income – Example:
Most recent check stub with year-to-date earnings
Self Employed – Tax Returns for last two years
Retired – Copies of Deposit slips, Investment Earnings and/or Social Security Earnings Documents, Bank Deposit History
Earn 5 times the rent amount

PET POLICY

A \$250.00 pet deposit is required for each pet. There is a \$50.00 non-refundable fee retained to probe the carpet for pet urine upon vacating the property. If there is no pet damage, deposit will be refunded, less the probe fee.
Additional monthly pet rent is charged in the amount of \$25.00.

ASSISTANCE ANIMALS

Assistance animals accepted with written verification of a disability related need.

MOVE – IN PROCESS

A \$_____ Nonrefundable Administrative Fee must be paid within 24 hours of approval notification.

The move-in costs are divided into three parts:

A \$_____ Nonrefundable Administrative Fee
The Security Deposit
The Rent.

CHECK-IN: An appointment will be scheduled at our office when the property is ready for occupancy. The deposit needs to be paid. The lease and all rental documents will be reviewed and signed.

3. **RENT:** Pro-rated rent will be charged from the date the property is “rent ready” and be paid on the date the lease is signed.

4. **UTILITIES:** Local utilities must be established in the tenant’s name by the tenant before the check-in. The utility company will require a deposit.

OFFICE USE ONLY – SUBMISSION CHECKLIST

___ Completed application(s) with signature

___ Documents proving 2.5 X's Rent

___ WA State FTSA signature page

___ Screening fee payment

___ Gov’t issued photo ID

The above example policy helps clarify how to make a Tenant Selection Policy more clear and concise for both applicant and management company staff. There are many more documents included in my client Tenant Selection Policies but time and space will not allow all of them to be published here. My objective in this series of articles is to address the different ways to keep the policy clear and easy to understand to applicants and staff. The above example policy covers only the following:

The requirements to apply for the property – the Application Process
Rules of the Property

Next article will describe – specifically the reasons a landlord might take adverse action against an applicant. It is laid out in a special, easy to read form. It applies ONLY to the information provided on a tenant screening report – credit, court, reference, etc

The above is not legal advice. Rebekah Near is not an attorney. Questions may be directed to Rebekah Near at the following email address: Rebekahn@orcainfo-com.com For training videos on this subject and others, log on to, <http://www.Orcainfo-com.com> At the top of page is a menu. Click on Education. One of your choices will be our educational and training videos.

Part 1: One Sure Way To Increase Tenant Selection Success Rates

One Sure Way To Increase Tenant Selection Success Rates Part 2

One Sure Way To Increase Tenant Selection Success Rates Part 3