



CELEBRATING
55 YEARS

nerej

Get upfront information with background screening on prospective tenants

September 06, 2012 - Owners Developers & Managers

Call it a sign of the times, a cautious call to action or just plain common sense, but conducting background screenings on prospective tenants is no longer an afterthought for property owners and managers but an upfront necessity.

Under federal law, a landlord or property owner can perform a full background check prior to giving the keys to a potential tenant. That said; the federal Fair Housing Act and state laws do not allow landlords to discriminate on the basis of race, religion, sexual orientation or disability when conducting background screenings. So what specifically can you look for when performing a check? Both credit and criminal searches are permissible, for obvious reasons. You want prospective property owners/tenants with solid credit histories who can and will meet their lease/mortgage obligations on time...but you will likely want to shy away from those with unsavory or questionable backgrounds. There's no denying that the best predictor of future behavior is past behavior.

Credit reports, as confusing as they can be, are probably the easiest to interpret, especially if the focus is on the credit score. But if you choose the self-service approach to credit investigation, you might find yourself in violation of the Fair Credit Reporting Act (FCRA). It pays to work with a background search firm that will ensure all T's are crossed and I's dotted throughout the entire process.

As far as criminal history searches...well, here's where the complications commence.

Considerable differences exist between a national database search, a real-time county level search and a state repository investigation. Each has its advantages and disadvantages as well as significant cost differences - here again is where it pays to have a professional help guide you through this often complex course of action.

Let's cut to the chase; the best place to search for a criminal record is at the original source - the courthouse where the record originated. That could be county or federal court, so it's wise to work with an organization with an established national network of professional court researchers. In this way, a property owner's or manager's request can be sent automatically to a local researcher who knows how to navigate the court system in that particular jurisdiction.

A county or federal district court search yields the most accurate and up-to-date criminal record information available and should always be used to verify results from the quicker but often less reliable database searches especially if a record possibly matching a potential tenant shows up.

The reviews are mixed in terms of statewide repositories; while one search covering an entire state may sound cost-effective, not all statewide repositories are updated regularly, leaving the door open to missed records...another compelling reason to work with a screening company that knows the ropes.

And it's essential to note that background checks are not a "pick and choose" option; should you

conduct a search on one potential tenant, the protocol must be applied to all.

Ultimately, you not only have the right, but an obligation to conduct background checks on all prospective tenants - safekeeping your property and neighbors from undesirable individuals should be a high priority of every property owner/manager.

David Sawyer is president of Safer Places, Inc., Middleboro, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540