

## **Consumer-Initiated Tenant Screening Reports**

Current economic conditions place a great deal of strain on consumers and increase credit risk for landlords. Private landlords (independent rental owners) are especially vulnerable, given the challenge they face gaining access to quality tenant screening products. Consumer-initiated tenant screening products address this problem.

Traditionally, landlords (end-users as described by the Fair Credit Reporting Act) undergo an extensive certification process prior to being authorized to order and receive tenant screening reports. The cost and inconvenience associated with the certification process make it difficult for screening companies to serve this large and growing segment of the rental housing market. Private landlords are often left with two bad choices – use of marginal products or not screening at all.

On October 1, a Seattle-based consumer reporting agency introduced the industry's first direct-to-consumer (DTC) comprehensive tenant screening product. It was developed in response to:

- The need for a quality tenant screening product for independent rental owners;
- Low-income housing advocate desire for a “portable” screening product - to reduce the financial burden (on low-income people) associated with paying multiple screening fees before finding landlords who will work with them; and
- The need for greater transparency in consumer reporting.

### Landlord Benefits

Under the DTC model, consumers order reports on themselves. There is no need for landlord certification - membership fees, paperwork, site inspections, etc. The DTC model expedites the leasing process by making it possible for landlords to review reports when first meeting with applicants. Applicants pay screening fees directly to the consumer reporting agency. Denials are less awkward since they occur prior to the applicant paying an application fee or holding deposit. Applicants authorize secure access to the report via the consumer reporting agency to ensure authenticity.

### Consumer Benefits

The DTC model puts consumers in control of their own information. Applicants know what is in their report before they apply. They have the opportunity to dispute information they feel is reported in error before it impacts their search for housing. They review their report with landlords up front to determine whether they qualify - before paying an application fee or holding deposit. They avoid paying multiple screening fees before finding a landlord who will accept them.

Consumer initiated credit inquiries are "soft" inquiries. They do not impact credit score - an added benefit associated with the DTC model.

There is growing discomfort among the general public and in state legislatures regarding the impact of consumer reporting on those seeking rental housing. A common perception

is that consumers are unfairly affected by unauthorized access or inaccurate information. The perception is, to a large extent, driven by the lack of transparency inherent in the traditional model - notwithstanding protections contained in state and federal consumer reporting law. The DTC model addresses this by educating consumers as to what is in their reports and, ultimately, holding consumer reporting agencies accountable for the accuracy of their products.

For additional information or details on this new consumer-initiated tenant screening resource, please contact [info@MyScreeningReport.com](mailto:info@MyScreeningReport.com) or visit the website at [www.MyScreeningReport.com](http://www.MyScreeningReport.com).

MyScreeningReport.com is a service of Moco, Inc. Moco was founded in 1989 to provide owners and managers of apartments communities with custom residential screening services.