Landlord Criteria
Considerations

MyScreeningReport.com recommends that landlords establish and consistently follow formal rental criteria when evaluating prospective residents. Doing so helps ensure fairness and avoid fair housing claims.

Rental criteria establishes specific thresholds for approval, conditional approval and denial of tenancy. Common decisions include:

- **Approved** - used when applicant meets or exceeds thresholds in all areas
- **Approved with Increased Deposit** - used when rental history, credit history and/or length of employment fall below established thresholds
- **Approved with Qualified Cosigner** - typically used when income falls below the income threshold
- **Denied** - used when there are one or more deniable factors

Objective thresholds are established for rental history, credit history, criminal and eviction history, length of employment and income.

- **Rental History**
  - Considerations:
    - Length of valid rental history (written contract vs. verbal agreement)
    - Treatment of international students
    - Treatment of military housing
    - Late payments
    - NSF checks
    - Noise Complaints
    - Property damage
    - Unfulfilled lease obligations
    - Balance owing landlord (unpaid rent, damages, etc.)
    - Evictions (unpaid vs. paid)

- **Credit History**
  - Considerations:
    - Number of established accounts (trade lines)
    - Length of time accounts established
    - Derogatory credit history threshold (total of collections, charge off accounts, unpaid tax liens/judgments, etc.)
    - Treatment of medical collections
    - Treatment of student loan collections
    - Rental collections or judgments
    - Discharged bankruptcies
    - Open bankruptcies
    - Past due mortgages
    - Foreclosed mortgages

- **Employment History**
  - Considerations:
    - Length of employment (continuous or within the same field)
    - Employment verification
    - Treatment of international students (in lieu of employment)
    - Treatment of military employment
    - Treatment of retired persons

- **Income Requirement**
  - Considerations:
    - Income threshold (e.g. 3 times the rental amount to qualify for approval)
    - Treatment of non-garnishable income (state law may apply)
    - Income verification (paystubs, tax returns, W2, L.E.S., etc.)

- **Public Records - Criminal & Eviction History**
  - Considerations:
    - Criminal convictions for crimes considered harmful to people or property
    - Unpaid evictions
    - Treatment of paid evictions
    - Treatment of non-disclosure

**Cosigners** should at least meet applicant requirements. Higher credit & income thresholds may be appropriate.

MyScreeningReport.com recommends committing your criteria to writing and sharing with applicants up front - prior to taking an application or screening fee. Sample criteria and criteria worksheet follow.

**Disclaimer:** This document does not constitute legal advice. You may wish to review criteria with a qualified real estate attorney.
Positive Identification:

- Requirement: Valid government issued photo identification is required of all applicants.

Rental History Criteria Example:

- Requirement: 12 months valid, verifiable rental (mortgage or military housing) history
  - Valid rental history is a written lease or month-to-month agreement.
  - If rental history is less than 12 months then an increased deposit or cosigner will be required. However, military housing is considered valid rental history.
  - Paid (disclosed) eviction will result in Increased Deposit or Cosigner requirement.
  - Final decision is also dependant on credit history, income and length of employment.

Deniable Factors:
- 3 or more late payments, NSF checks and/or noise complaints within a 12 month rental period.
- Unfulfilled lease obligations.
- Balance owing to a landlord (for rent or damages).
- Unpaid (and/or non disclosed) eviction.
- Falsification of the rental application.

Credit History Criteria Example:

- Requirement: At least 2 accounts established for 1 year and in good standing
  - Derogatory credit history (past due accounts, collections, judgments, tax liens, charge off - excluding medical debt) in excess of $500 will result in an increased deposit or cosigner requirement.
  - Past due or foreclosed mortgage will result in an increased deposit or cosigner requirement.
  - Discharged bankruptcy will result in an increased deposit or cosigner requirement.
  - Paid rental collection and/or judgment will result in increased deposit or cosigner requirement.
  - Final recommendation will also be dependant on income, rental & employment history.

Deniable Factors:
- Open Bankruptcy.
- Unverifiable (and/or falsified) social security number.
- Unpaid rental collection or judgment.

Employment History Criteria Example:

- Requirement: 6 months of employment with current employer or in same field of work
  - Employment that is less than 6 months will require an increased deposit or cosigner.
  - Employment requirements will be waived for retired and self employment applicants. However, most recent tax returns will be required for verification of income.
  - Military personnel will be required to provide L.E.S. for proof employment.
  - Final recommendation will also be dependant on rental, credit history and income.

Income Requirement Criteria Example:

- Requirement: Verifiable monthly (gamishable and non gamishable) income equal to or greater than 3 times the rental amount.
  - Income that is 2.5 – 2.99 times the rental amount will require an increased deposit
  - Income that is less than 2.5 times the rental amount will require a cosigner.
  - Proof of income required prior to move in. Valid proof includes but is not limited to current paystubs, tax returns, W2's, I20's (International Students), Leave and Earning Statements (military) or bank statements.

Deniable Factors:
- Lack of proof of income (or falsification of income information).

Public Records Criteria Example:

- Requirement: Eviction and criminal records searches will be conducted.
  - Criminal search includes felony and misdemeanor offenses.

Deniable Factors:
- Verified (unpaid) eviction.
- Failure to disclose eviction or criminal records.
- Verified name and date of birth match on criminal conviction for the following offenses (disclosed or not):
  - Murder (1st and 2nd degree)
  - Manslaughter (1st degree)
  - Assault 1st, 2nd & 3rd degree
  - Robbery (1st & 2nd degree)
  - Rape (All counts)
  - Child molestation (All counts)
  - Possession with intent to Deliver (All counts)
  - Kidnapping (All counts)
  - Theft (1st & 2nd degree)
  - Burglary (1st, 2nd degree & vehicle prowling 1st degree)
  - Malicious Mischief (1st degree)
  - Arson (1st, 2nd degree & Reckless Burning 1st degree)
  - Delivery or Sale (All counts)

Cosigner Criteria Example:

- Rental History: Same as applicant.

- Credit: At least 4 accounts established for 1 year and in good standing.

Deniable Factors:
- Derogatory credit history is in excess of $100.
- Open or discharged bankruptcy.

- Employment History: Same as applicant.

- Income: Verifiable monthly income equal to or greater than 4 times the rental amount.

Deniable Factors:
- Monthly income less than 4 times the rental amount.

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### Criteria Worksheet

Formal criteria establishes what decision applies based on where the applicant falls against the various thresholds.

#### Rental History Requirements:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months of valid, favorable third party rental history or verifiable home ownership</td>
<td>(Example: Approved)</td>
</tr>
<tr>
<td>Military shall be considered to have favorable rental history</td>
<td>Yes</td>
</tr>
<tr>
<td>Waive rental requirement for international students</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### Credit History Requirements:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more trade accounts established for at least 5 years</td>
<td>(Example: Approved)</td>
</tr>
<tr>
<td>Disregard medical collections</td>
<td>Yes</td>
</tr>
<tr>
<td>Disregard student loan collections</td>
<td>Yes</td>
</tr>
<tr>
<td>Waive credit requirement for international students</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### Employment Requirements:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 6 months with current employer or 1 year in similar job</td>
<td>(Example: Approved)</td>
</tr>
<tr>
<td>Waive employment requirement for international students</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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* Qualified Cosigner recommendation generally applies if applicant does not meet the income threshold.

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"Derogatory credit" includes past due accounts, collections, charge off accounts, tax liens, judgments in excess of $100 and/or bankruptcy (discharged or not).
Income Requirements:

Gross monthly income (including spouse & roommates) of at least ______ times monthly rent to qualify for an approval.

Include non-garnishable income for qualification ____Yes ____No

Monthly income range of _________ to _________ will result in an Increased Deposit or Last Month's Rent (whichever is applicable).

Self-employed applicants will be required to provide current tax returns for verification of income. International students are required to provide proof of income source. If employer will not verify income, current pay stubs will be required.

Definition: Non-garnishable income includes tips, babysitting earnings, DSHS payments, child support, trust funds, student loan proceeds, and disability income)

Decision

Meets or exceeds required income ____________________________

Monthly income of _________

(Example: Approved)

Monthly income of _________ (optional)

(Example: Cosigner)

(Example: Denial)

Deny for:

Criminal:

____Murder, 1st & 2nd Degree
____Manslaughter, 1st Degree
____Assault, 1st, 2nd and 3rd Degree
____Robbery, 1st & 2nd Degree
____Rape, all counts
____Rape of Child, all counts
____Child Molestation, all counts
____Kidnapping, all counts
____Theft, 1st & 2nd Degree
____Burglary, 1st & 2nd Degree
____Residential Burglary
____Vehicle Prowling, 1st Degree
____Malicious Mischief, 1st Degree
____Arson, 1st & 2nd Degree
____Reckless Burning, 1st Degree
____Possession Controlled Substance - Intent to Deliver, all counts
____Delivery or Sale of Controlled Substance, all counts

Other:

____Falsification of rental application
____Unverifiable social security number
____Unpaid rental collection/judgment on credit report or verified unpaid eviction
____Any unpaid balance reported by an apartment community
____If any roommate does not meet approval criteria, all roommates are denied

Cosigner Requirements:

Gross monthly income of at least ______ times monthly rent to qualify for an approval.

Include non-garnishable income for qualification ____Yes ____No

______ Months of valid, favorable (no late payments, NSF’s or complaints) third party rental history or verifiable home ownership.

______ or more trade accounts established for at least ______ years.

At least ______ months with current employer or ______ years in similar job

Discharged bankruptcy will result in _______________. Open Bankruptcy will result in _________________.

More than $________ derogatory credit will result in denial of cosigner

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