



**Quality background checks are a  
must in today's rental market**

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Let's face it; our country was forever changed after the terrorist attack of 9/11/01. Like it or not it served as a wake-up call for everyone that we need to know more about the people working and living around us.

In addition, this single event essentially launched an entire industry of background data providers virtually overnight. Although background screening agencies existed prior to 9/11, the number of companies - large and small that actively screen prospective renters prior to leasing has grown exponentially in the aftermath.

But the threat of leasing to a potential terrorist is really only a fraction of the reason most companies have adopted a background screening policy.

» **There are vast arrays of reasons why background checks are necessary. Consider the statistics:**

- 44.2% of applicants have a criminal record at a level of misdemeanor or higher.
- The US Bureau of Citizenship and Immigration estimates that there are more than 7 million illegal aliens living and working in the United States today.
- 1 out of 3 applicants provides false, inaccurate, misleading or incomplete information on their application.

These are just a tiny sampling of the statistics that confirm that businesses have a need to fully know who they are renting to. Moreover, the statistics above don't even begin to cover the most significant and crippling blow a business can suffer if they fail to properly screen new renters.

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In today's ever increasingly litigious society, more and more businesses are being held accountable for the behavior of their renters. If a tenant is convicted of harassment or other serious crimes against another tenant; often the management company and/or owner is brought in on civil and/or criminal charges for creating a hostile or unsafe living environment.

These lawsuits regularly seek damages in excess of a million dollars.

If these aren't reasons enough, there are a rapidly increasing number of Federal and State laws that have been passed in the last few years that mandate background checks are performed on potential renters in a growing number of cities across the country.

**>> Perhaps the broadest law covering all U.S. businesses is Executive Order 13224 and the prohibited parties list of the Office of Foreign Assets Control (OFAC).**

Executive Order 13224 is part of the USA PATRIOT Act of 2001 that requires every U.S. business regardless of size to perform a search of the Specially Designated Nationals (SDN) list that the OFAC maintains prior to executing a commercial or residential lease with an applicant.

Failure to comply with this law carries a civil penalty of up to \$275,000 and a criminal penalty of up to 10 years imprisonment. This is just one example of a number of laws that have been passed that mandate certain background checks are performed by all companies.

Today, the trend is definitely to create smart leasing criteria and expand the scope of the background check. Companies continue to develop more comprehensive programs each year and the role of the partner screening agency continues to evolve at the same time.

Background screening provides benefits to the prospective renter as well. The applicant can be assured that they are looking for housing with a company that takes tenant safety very seriously. Furthermore, screening may uncover cases of identity theft that the applicant may not be aware of.

Taking time to locate the right agency will keep your organization fully informed and at a minimum level of risk.

**>> If you're organization doesn't currently have a background screening policy in place, now is the time to seriously consider getting started.**

Finding an agency is as simple as opening the phone book or jumping on the internet. However, keep a few things in mind when considering a partner:

- Is the company a member of the NAPBS (National Association of Professional Background Screeners)?
- Will the company share the sources of data that are used in compiling the background report?
- Does the company charge any annual, monthly or other fees beyond the costs of the reports?
- Can the company provide references for you to contact to better evaluate their services?
- Does the company have a program in place to protect the privacy of consumer information and reduce the risk of identity theft?
- Does the company have on staff individuals specifically designated to handle questions that arise from your applicants to ensure that any disputes are handled in a timely and customer friendly manner?
- Can the company provide manual verifications including references, income and employment verifications, etc. in addition to data verifications?
- Does the company offer real time access to reports online, with pertinent information available within seconds?
- Does the company provide application forms, pre-adverse and adverse action letters, and other complementary resources on-line?

These are just a few of the questions to keep in mind when deciding on a screening partner. Taking time to locate the right agency will keep your organization fully informed and at a minimum level of risk.

RHR is constantly researching and developing new technologies that further separates our service from the rest

- » Rental History Reports is an expert resident screening company operating for over 15 years. RHR is unique in the sense that we combine the fast, internet-driven technical capabilities of the large national suppliers with the exceptional personal service of a small, local company.

**Working with us offers the best of both worlds.**

In addition, RHR is constantly researching and developing new technologies that further separate our service from the rest of the traditional screening agencies of today, while also allowing us the flexibility and customization to fit virtually any unique need suggested by our clients.

**Dare to compare RHR against your current screening partner and you will see that we truly provide the right path to the right people!**

For further information about Rental History Reports full array of screening services please contact Tony Karels directly at 952.259.3022 or [TonyK@RentalHistoryReports.com](mailto:TonyK@RentalHistoryReports.com).