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# **Tenant screening agencies in the Twin Cities: An overview of tenant screening practices and their impact on renters**

Prepared for the Minnesota Housing Finance Agency and the Fair Housing Implementation Council

Final report

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**HOUSINGLINK**

affordable rental housing information

## **Acknowledgements**

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## **Executive Summary**

### **Tenant screening agencies in the Twin Cities: An overview of tenant screening practices and their impact on renters**

In 2004, HousingLink was commissioned by the Fair Housing Implementation Council and its fiscal agent, the Minnesota Housing Finance Agency, to conduct a study of tenant screening practices in the Twin Cities. The purpose of this study was to provide a better understanding of the practices of local tenant screening companies, identify the impact of tenant screening practices on tenants and to make recommendations on how to ensure that tenant screening reports are as fair and accurate as possible.

#### **Introduction**

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The practice of screening potential rental housing applicants through the use of tenant screening agencies can offer benefits to renters and property managers. However, there is evidence that at least some prospective renters do not benefit from tenant screening practices. Concerns voiced by tenant advocates, and echoed in recent lawsuits throughout the United States, point to the presence of misleading or inaccurate information within tenant screening reports. This is a relevant concern, given that the information contained in tenant screening reports is likely an integral piece in the rental housing decision-making process. While lawsuits have brought the issue of inaccuracies to the forefront, little is known about the practices of tenant screening agencies and whether there are differences among agencies.

#### **Methodology and Limitations**

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The study used a mixed-method approach to gather data from three primary groups: 1) local and national tenant screening agencies, 2) professionals who work on behalf of tenants, and 3) property managers. Interviews were conducted with four of the seven local tenant screening agencies and with 10 housing, social service and legal professionals who work on behalf of low-income renters. A survey was also mailed to property managers in the Twin Cities metro area to gather feedback on their use of tenant screening services and their experiences with the accuracy of these services. Additional data was collected from fair housing organizations and gathered on topics related to tenant screening such as the Fair Credit Reporting Act and the use of public records for commercial purposes.

There are two primary limitations for this study. The first is that the study and its resulting recommendations are based on the input of tenant screening agency staff and housing professionals who were willing to participate in the study. The second limitation relates to the issue of determining the accuracy of tenant screening reports. Identifying the extent of inaccuracies among tenant screening reports or whether there are differences

in reporting accuracy between tenant screening agencies would require the use of controlled testing, which was beyond the scope of this study.

## **Findings**

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### **Tenant screening agencies**

#### **How tenant screening agencies work**

- Tenant screening agencies typically evaluate prospective renters using 1) financial information from one or more of the credit reporting agencies, 2) criminal and eviction information pulled from public records and 3) verification of personal information.
- While much of the information provided is similar among agencies, tenant screening agencies can differ by size of agency, geographic region served, how they package and distribute information and the ancillary services they provide.
- Tenant screening agencies must comply with the Fair Credit Reporting Act.

#### **Data collection and reporting**

- The standard tenant screening report package includes a credit report, a criminal background search and a search of court records.
- Tenant screening agencies use financial information from one of the three primary credit reporting agencies – Equifax, Experian, and TransUnion.
- Criminal records are obtained from multiple sources, though it appears that most screening agencies use the Minnesota Bureau of Criminal Apprehension database as at least one source of information.
- The agencies interviewed report all information that shows up from a criminal records search.
- Eviction records are gathered from individual counties.
- Agencies will report all eviction records that show up for an individual but some take additional steps to narrow down or verify records for applicants with common names.

#### **Accuracy of reports**

- The tenant screening agencies in the study expressed dissatisfaction over the quality and format of data from public records.
- Suggestions from the screening agencies for improving the accuracy of the reports focused on improving data sources, rather than internal systems.

### **Professionals who work on behalf of tenants**

#### **Errors and inaccurate information in tenant screening reports**

- Presence of errors was the most common problem cited in the interviews.
- Reports that contain information that doesn't belong to the tenant was the most frequently cited type of error. This type of error is a particular problem for people with common names.
- Outdated information and inaccurate credit reports were also cited as common problems.

- Errors can have a significant impact on an applicant's ability to obtain rental housing.

### **Difficulty in getting errors fixed**

- Those interviewed for this study described the process of getting errors fixed as complicated and time consuming.
- Several people felt that the tenant screening agencies were more responsive to their requests than the requests of their clients.
- Several people cited concerns over property managers' lack of awareness regarding their responsibilities under the Fair Credit Reporting Act. Property managers' failure to follow through with these responsibilities can make it difficult for clients to identify or follow up on errors in their tenant screening reports.

### **Property managers**

#### **Property managers' use of tenant screening agencies**

- 72% of the property managers who responded to the survey use tenant screening agencies.
- 28% of the property managers who responded do not use tenant screening agencies.
- Nearly 70% of respondents collect some type of screening information on their own, whether they use a screening agency or not.
- Almost two-thirds of the property managers who responded check rental references on their own.
- Over half of the respondents verify employment or income information on their own.
- Nearly all the property managers who indicated that they use tenant screening agencies said that they use the agencies for criminal background checks, credit reports and eviction records checks.
- Nearly two-thirds of the property managers who responded stated that the most important information that they are looking for is whether the applicant has a criminal history or any eviction records.

### **Conclusion: Issues resulting from the widespread use of tenant screening**

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#### **Role of the tenant in the screening process**

Under the current process, the prospective tenant pays for the tenant screening report through application fees, but is kept at a distance from the information. This process, whereby the applicant is "the last to know" represents one of the more disconcerting aspects of tenant screening services identified in this study.

Keeping the applicant at a distance from their information doesn't pose a problem, as long as the information reported is favorable enough to pass the property manager's rental screening criteria. However, if the information is not favorable, the prospective tenant will be able to obtain a copy of the report only after receiving an adverse action

letter, by which time it is likely too late to get the unit they applied for. Even then, the applicant must go through a process to request access to the information that they paid for through their application fee.

### **Creation of a new class of people who are unable to access rental housing**

The second issue, identified through a review of literature and demonstrated through this study, is that the increasingly popular use of tenant screening reports has resulted in a new class of people who are unable to access rental housing because of past credit problems, evictions, poor rental histories or criminal backgrounds. While tenant screening agencies are not responsible for this issue, it is a serious problem that must be addressed by those working with tenants, particularly those in need of affordable housing.

## **Recommendations**

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### **Provide consumers with access to their tenant screening reports**

Look for opportunities to affect systems-level change that would result in tenants being able to see their tenant screening reports prior to renting. This would help to improve the overall accuracy and give tenants the chance to correct or explain inaccuracies before their application is denied.

### **Conduct a study to quantify the error rate in tenant screening reports**

Commission a study to identify the type and extent of inaccuracies in tenant screening reports. This would determine if changes are needed, and if so, where to focus efforts on improving the accuracy of tenant screening reports. The issue of tenant screening inaccuracies is a concern throughout the United States. Therefore, it is likely that a study of this nature would have value beyond the Twin Cities.

### **Look for ways to improve accuracy of public records**

Improvements to the data sources will become increasingly important as the trend in tenant screening moves toward national, internet-based agencies. Consider standardizing what and how information is reported for eviction records, as well as criminal records, which would likely decrease the errors in reports.

### **Educate property managers on their responsibilities under the Fair Credit Reporting Act**

Property managers who use tenant screening reports to make leasing decisions should be educated about their responsibilities outlined in the Fair Credit Reporting Act, particularly requirements regarding adverse action notices. Adverse action notices provide the first step in helping tenants identify issues relative to their tenant screening report.

### **Educate consumers on the information that is available to property managers**

Several of the people interviewed for the study said that they feel tenants are not aware of the information that is available or what information is considered public. For example, people are often surprised to learn that criminal records are public records. Some property managers say that they would be willing to rent to people with blemished backgrounds,

but perceive failure to disclose such information as lying. Educating tenants on the information that is included in a tenant screening report and the importance of identifying any potential barriers could help to improve communication between property managers and prospective tenants and may increase a tenant's chances of obtaining rental housing.

**Develop new strategies for consumers to overcome and correct barriers to rental housing**

Encourage the development of new strategies that will help people who have been “screened out” of rental housing. One promising strategy is the Rental Housing Pilot Program, a collaborative effort led by the University of Minnesota Extension Service. The Rental Housing Pilot Program is a replicable tenant training and certification program designed to assist people in developing the skills needed to pass rental screening tests and maintain stable housing. Another potential strategy is the E-Rent program currently under development in Anoka County. E-Rent is a program that is designed to help renters pay their rent in full and on time through the use of a service that collects rents electronically from established bank accounts. Strategies such as the Rental Housing Pilot Program and E-Rent allow people to overcome blemishes in their rental histories by demonstrating that they are both working on correcting past problems and preventing future problems.



## **Background**

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### **Overview of tenant screening**

The widespread use of tenant screening services by property managers is a relatively recent occurrence. Tenant screening agencies, or private agencies that sell information about prospective tenants to property managers, first began operating in any number in the United States in the 1970's. At that time, advances in technology made it relatively inexpensive to collect, maintain and organize large quantities of data. Since the 1970's, rapid progress in technology, including the arrival of the internet, made it possible to manage information in ways that were previously neither possible nor profitable (Stauffer, 1987). These technological advances gave rise to the tenant screening industry, revolutionizing the largely manual business of gathering public and financial records into one that is now primarily automated. Tenant screening services are now able to collect information from county and state databases of public records and the three major credit reporting agencies, store it in their own databases, and then distribute it to their clients quickly via fax or the internet.

Property managers can collect much of the information used in tenant screening, including public records, rental references and employment verification. However, the relatively low cost of commercial screening reports, which are typically paid for through application fees, and quick access to large amounts of data has led to widespread use of tenant screening agencies in the rental housing industry.

Today, tenant screening is a common practice and tenant screening companies can be found nationwide. The practice of screening prospective tenants is designed to help rental property owners mitigate risk and liabilities by evaluating all prospective residents

(Duell, 2004). The risk and liabilities for rental property owners includes a financial component, whether the tenant is willing and able to pay rent in a timely manner, as well as a social component, including past criminal behavior that could create liabilities for the property owners or put current residents at risk (Duell, 2004). Drawing on a variety of data sources, tenant screening allows property managers to evaluate potential clients before making rental leasing decisions.

### **Factors contributing to the increased use of tenant screening services**

There are several possible reasons for the increased use of tenant screening agencies. Tenant screening agencies are able to provide information that helps property managers minimize liabilities at a relatively low cost. However, local rental licensing ordinances and community incentives to property managers who maintain “crime free” housing are also likely contributing to the use of tenant screening services. Currently, several Twin Cities communities have rental licensing ordinances. These ordinances may also include mandatory tenant screening procedures that require a statewide criminal history check. The ordinances also hold the property manager accountable for any disorderly actions by tenants, creating an additional incentive to evaluate prospective tenants through the tenant screening process (D. Moran, Minnesota Multi Housing Association, personal communication, July, 2004).

### **Benefits of tenant screening**

Tenant screening services provide benefits to both property owners and tenants. One of the primary benefits for property owners is that they offer a cost-effective approach to limiting financial liability. In his defense of tenant screening services, Stauffer (1987) cites the financial protection of property owners as one of the

contributions that tenant screening agencies bring to the rental housing industry. He states,

Leasing an apartment involves a risk similar to the extension of credit. Landlords cannot have first-hand knowledge of the reliability of their applications, and yet they should not be expected to lease an apartment without some kind of assurance that the tenant will be responsible for future rent payments (p. 269).

The cost of a non-paying tenant can be significant. In addition to lost rent, eviction actions cost property owners money in attorney's fees, court expenses and filing fees. Given that most rental property owners are in the business to make a profit, these costs will likely be recouped through higher rental rates for new tenants (D'Urso, 1997).

Tenant screening can also benefit renters by screening out potentially harmful or disruptive tenants. D'Urso (1997) describes how tenant screening can provide for a more enjoyable living environment.

When the landlord is forewarned of a prospective lessee's prior bad habits, he is able to deny that person an apartment. Consequently, a complex's present occupants will not suffer from being neighbors to abusive coinhabitants. They will not endure tenant-damaged common areas or to be subjected to harassing behavior. The lawful occupants will not have their right to quiet enjoyment infringed by other unlawful tenants. (p. 57).

The increased information available through tenant screening could also have the added effect of causing tenants to be more responsible in general, as there is an incentive to improve or maintain a solid credit and rental history to be competitive in the rental market (Stauffer, 1987).

### **Concerns over the impact of tenant screening**

As use of tenant screening agencies becomes more common, so do concerns over the impact of tenant screening reports on prospective tenants' ability to access housing.

Concerns include the type and accuracy of the information reported and the inability of some people to obtain housing due to poor credit histories, eviction actions, or criminal records.

In May 2001, Legal Services Advocacy Project published an analysis of impediments for the Twin Cities metropolitan area. The report evaluates housing and housing-related policies or practices in the Twin Cities metropolitan area that inadvertently or deliberately keep people from living where they choose. Identified in the report are 36 policies or practices from the public sector, homeownership and private rental markets that serve as barriers to fair housing choice. Among the impediments identified for the private rental market is the use of tenant screening services by rental property owners. The report cites three primary concerns related to property owners use of tenant screening reports:

1. Tenant screening creates a situation in which one prior eviction proceeding on a tenant's screening report will exclude that tenant from being considered for a rental unit – even when the tenant prevailed in court action.
2. Tenants, apprehensive about the negative impact of an eviction on the ability to gain future rental housing, may be less likely to enforce their rights out of concern that an owner will file an eviction proceeding.
3. Tenant screening reports may include incomplete, misleading or subjective information (Wagner and O'Connell, 2001).

An extremely tight rental market in the Twin Cities exacerbated the issues cited in the analysis of impediments. Though the vacancy rates have eased in the Twin Cities, the issues cited in the report continue to be a concern for tenants and tenant advocates.

Concerns over the impact of tenant screening are not limited to the Twin Cities. In recent years, several lawsuits against tenant screening agencies have popped up around the country. In California this past spring, tenants sought class-action status in a complaint filed against U.D. Registry, a large tenant screening company that operates in California as well as and six other states. The plaintiffs stated that the screening company provided incomplete and inaccurate information, a violation of California law (Rich, 2004). A similar lawsuit was filed in New York against First American Registry, another large tenant-screening company, after Adam White, a young lawyer, was turned down for an apartment because his tenant screening report contained inaccurate information. The AARP decided to join in White's lawsuit, claiming that improper tenant screening of tenants in New York and around the country could be particularly harmful to older tenants, who rely on rental affordable housing to live independently (Barbanel, 2004).

The practice of screening potential applicants through the use of tenant screening agencies can offer benefits to renters and property managers. However, there is evidence that at least some prospective renters do not benefit from tenant screening practices. Concerns voiced by tenant advocates, and echoed in several recent lawsuits, point to the presence of misleading or inaccurate information within tenant screening reports. This is a relevant concern, given that the information contained in tenant screening reports is likely an integral piece in the rental housing decision-making process. While lawsuits have brought the issue of inaccuracies to the forefront, little is know about the practices of tenant screening agencies and whether there are differences among agencies. Studying the practices of local and national tenant screening agencies, as well as how property

managers use the tenant screening reports, will provide a clearer understanding of the role tenant screening agencies play in the decision-making process and what, if any, tenant screening activities limit fair housing choice.

## **Methodology**

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### **Purpose of the study**

The purpose of this study is to:

- better understand the practices of local tenant screening companies;
- identify best practices in tenant screening;
- identify the impact of tenant screening practices on tenants, particularly members of protected classes;
- make recommendations on how to ensure that tenant screening reports are as fair and accurate as possible.

In addition to these objectives, the study will look at tenant screening practices from the broader lens of affordable housing to identify the issues brought forth by the widespread use of tenant screening.

### **Data collection**

The study focused on gathering data from three primary groups: 1) local and national tenant screening agencies, 2) professionals who work on behalf of tenants 3) and property managers. Representatives from fair housing organizations were also contacted for this study. Additionally, HousingLink staff gathered information on topics related to tenant screening such as the Fair Credit Reporting Act and the use of public records for commercial purposes.

### Tenant screening agencies

An overview of services offered by the seven local tenant screening agencies was developed using marketing brochures and information on company websites. Then, each was contacted for an interview. Of the seven agencies contacted, four agreed to an interview. These four agencies include Landlord Protection Agency, Rental History Reports, Inc., Rental Research Services, Inc. and Renters Acceptance. A representative from a fifth agency agreed to a phone interview but was not available at the time the interview was scheduled and then failed to return subsequent calls. The remaining agencies refused to take part in the study.

The interview questions covered four topics, including services and information sources, accuracy and corrections, reporting of evictions and criminal activity, and trends and attributes of the tenant screening industry. While most of the tenant screening representatives cooperated with the interview questions, gathering specific information on the data sources and gathering methods presented a challenge as this is proprietary information for tenant screening agencies.

Information on tenant screening agencies from other regions was obtained through internet and database searches.

### Professionals who work on behalf of tenants

Interviews were conducted with housing, social service and legal professionals who work on behalf of low-income renters. The purpose of these interviews was to gather information about their experiences working with tenant screening reports of their low-income clients who are applying for rental housing. Eighteen people were contacted for interviews. Eight of the people contacted either 1) did not respond to multiple

requests for an interview or 2) when contacted, indicated that they did not have any experience with tenant screening reports. Overall, ten interviews were completed with housing, social service and legal professionals who work on behalf of low-income tenants and had experience working with tenant screening reports. Two additional interviews were conducted with representatives from the Minneapolis Department of Civil Rights and the Minneapolis Department of Human Rights about the role of tenant screening reports and fair housing.

### Property managers

A survey was developed and sent to property managers in the Twin Cities metro area to gather feedback on their use of tenant screening services and their experiences with the accuracy of these services. The survey was mailed to a random sample of 318 property managers who had previously listed a rental vacancy with HousingLink's vacancy listing service. Of the 318 surveys that were mailed, 10 were returned due to incorrect addresses and 114 were completed and returned. Therefore, the eligible sample size was 308 and the response rate for this sample was 37%. The majority of the respondents (42%) are responsible for managing 10 or fewer rental units, 26% are responsible for 11 to 50 rental units and 28% of the respondents are responsible for renting over 50 units.

### **Limitations of this study**

There are two primary limitations for this study. The first is that the study and its resulting recommendations are based on the input of tenant screening agency staff and housing professionals who were willing to participate in the study. Obtaining interviews with the local screening agencies was challenging. While some agencies were willing to



talk about their business and readily agreed to the interview, others expressed skepticism of the study's intent. Others agreed to the interview but required more information about the purpose of the study. Ultimately, three of the seven tenant local screening agencies were unwilling to participate in the study. While the professionals working on behalf of tenants were more receptive to interview requests, there were several contacts who did not respond to requests for an interview.

The second limitation relates to the issue of determining the accuracy of tenant screening reports. The purpose of the study was to better understand tenant screening practices and identify any practices that may impact fair housing choice. One of the primary concerns raised by tenant advocates is that the reports contain inaccuracies that prevent people from fairly competing in the rental market. Identifying the extent of inaccuracies among tenant screening reports or whether there are differences in reporting accuracy between tenant screening agencies would require the use of controlled testing which was beyond the scope of this study.

## **Results**

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### **Tenant screening agencies**

#### How tenant screening agencies work

Tenant screening agencies typically evaluate prospective renters using three types of data, including: 1) financial information pulled from one or more of the three primary credit reporting agencies, 2) information pulled from public records, including criminal data and court records and 3) verification of personal information including social security numbers, employment and address histories. In addition to the three categories

of information described above, many of the local and national screening agencies also use statistical scoring models which predict future financial risk based upon characteristics of their past behavior. Screening agencies may also offer collections or other complementary services in addition to tenant screening reports. Many also provide similar services for employment background checks.

Tenant screening agencies can be differentiated by the size of the agency and geographic regions served, ranging from smaller agencies that serve a particular state or region to large online agencies that operate nationwide. In addition to locally-based tenant screening companies, there is a growing trend towards large, national screening agencies that offer services online. These agencies work exclusively through the internet, are owned by large corporations and do not have a local presence. The National Association of Screening Agencies was contacted for further information on trends in and differences among tenant screening agencies across the country, however they did not respond to the request.

Seven locally-based tenant screening agencies currently operate in the Twin Cities. Of these seven agencies, four are located and serve clients in Minnesota and three are based in Minnesota but serve multiple states. In general, the tenant screening agencies in Minnesota look like agencies throughout the country – offering similar packages of information that are distributed through fax or the internet. However, there is considerable differentiation among the seven local agencies which range from a larger agency that provides services for most of the United States, to a small agency that does not use computerized databases. These seven agencies include:

- Apartment Services Plus/ASP Screening
- Landlord Protection Agency

- Multi-Housing Credit Control
- Rental History Reports, Inc.
- Rental Research Services, Inc.
- Renters Acceptance
- Tenant Check

Multi-Housing Credit Control, Rental History Reports, Inc. and Rental Research Services, Inc. are considered the larger agencies in the Twin Cities. These agencies have sophisticated marketing materials, a strong presence on the web and offer a variety of screening products and services in several states. Rental Research Services, Inc. is the largest of the locally-based companies, serving most of the United States. Apartment Services Plus/ASP Screening falls in the middle of the continuum, offering online services, but not having the presence in the market of the larger agencies.

The smaller agencies in the Twin Cities include Landlord Protection Agency, Renters Acceptance and Tenant Check. These agencies offer specialized services but do not offer any services online. Renters Acceptance, unique among the agencies in this study, does not use databases to store and retrieve information in-house.

#### Data collection and reporting

The standard information reported by all tenant screening agencies is a credit report, a criminal background check and a court eviction search. While the data collected by each agency is similar, there are differences in the way the information is packaged and distributed and in the ancillary services that are provided. Most agencies combine this information into two or three different package levels, along with a variety of additional services such as risk prediction scoring, social security number verification or some type of exclusive information such as a search of collections records. The basic package will usually include a credit report, a statewide criminal check and a court

eviction search covering all or some of the counties in Minnesota. The enhanced package typically includes the information from the basic package plus some type of “direct-to source” information such as county-level criminal and court searches, employment and rental verifications. Most agencies also offer ancillary services such as risk prediction scoring, sex offender searches, or with one agency – the ability to report and receive information on problem renters through an in-house database.

The four agencies interviewed for the survey pull credit report information from one or more of the three main credit reporting agencies, Equifax, Experian and TransUnion. Rental Research Services, Inc. also reformats the credit report information by organizing the information by type of account and eliminating the use of codes so that it is easier for their clients to understand.

Information on criminal data sources was less clear, with many potential sources and means of collecting data. While several of the agencies would not disclose their specific sources for criminal data, it appears that the majority, if not all of the local tenant screening companies use records obtained from the state Bureau of Criminal Apprehension (BCA). The Minnesota BCA database contains information on all arrests and convictions. State statutes require all law enforcement agencies in the state to report the following to the Minnesota BCA:

- Juvenile felony and gross misdemeanor arrests
- Adult felony, gross misdemeanor, enhanced gross misdemeanor and targeted misdemeanor arrests (Minnesota Bureau of Criminal Apprehension, 2004).

Tenant screening agencies supplement the Minnesota BCA information with county and federal records. The staff person from Landlord Protection Agency stated that they gather criminal information from their own sources and that it can be obtained from many sources. Rental Research Services, Inc. said that they do a multi-level criminal record search, searching three states and using a combination of BCA and statewide reports. Renters Acceptance uses a national company to augment their criminal records searches.

The agencies interviewed report all of the information that shows up from a search of criminal records. Because streamlining is necessary, they report whatever they get from the database. One agency representative said that while they report anything they find, the vast majority of their clients are interested in finding out if an applicant has any felonies or gross misdemeanor on record. The reporting of all records cannot be completed attributed to automation. Renter's Acceptance, which does not use databases in-house, also reports all public records that show up for an applicant, including parking tickets unless the client states they are only interested in specific types of criminal records.

The data sources for eviction records are more limited than for criminal data, however there is greater variation among agencies in what and how information is reported. Eviction records are gathered from the individual counties. Most agencies then store this information in their own databases. Agencies differ in their reporting of eviction records and the steps they take to narrow down eviction records of people with similar names. Rental Research, Inc., the largest agency in the study, uses eviction data from 45 states and provides a list of all of the names that come up during a search. They

provide a disclaimer that it is a name match only. For an additional amount, their website states that they will verify possible evictions identified in the screening report.

Rental History Reports, Inc. examines court evictions from “every appropriate jurisdiction” and provides information on the property manager/apartment complex involved, the plea, amount owing and final disposition. The agency will narrow down the evictions found under common names by using a process of elimination, such as the age of applicant and address matching, and by calling the property manager for further verification.

Landlord Protection Agency collects eviction records for 87 Minnesota counties and three counties which border the state. Landlord Protection Agency will not issue a copy of an eviction action unless they can verify that it is a match to the applicant. They will issue a “caution” if there is a potential match, but they need to be fairly certain. In the case of a common name, such as Barb Anderson, Landlord Protection Agency staff will match records directly before passing the information on to the client. If they are unable to match directly, they do not list eviction records, rather they indicate on the report that the applicant has a common name and therefore is not verifiable.

Renters Acceptance gathers eviction data from eight metro area counties and does not report possible evictions. If, after a thorough check, they still cannot identify a person, they will stamp “No verifiable UD’s” (rather than “No UD’s”) on the report. They use a “No UDs” stamp if nothing comes up or they are able to completely rule out all records for an applicant. The Renter’s Acceptance representative interviewed stated they need to have a substantial case before they will put “No verifiable UDs” on a report.

The interviews with representatives from the four tenant screening agencies in the study show that they are likely drawing from similar data sources. The methods of reporting the data are also similar. The standard procedure is to report all criminal records and eviction records that turn up from a search. However agencies may take additional steps to verify eviction records when the applicant has a common name. It may be that in reporting all records, tenant screening agencies are leaving the decision about what information is relevant to their property manager clients.

#### Accuracy of reports

The tenant screening agencies interviewed for this study are very confident about the overall accuracy of the information in their reports. One agency representative stated that the ease of both acquiring and delivering data has changed over the past decade and that the accuracy of reporting is getting better. Overall, the agencies interviewed felt that they are very select about what they report and that their reports are accurate. At the same time, though, they expressed dissatisfaction with the quality and format of data from public records. One agency representative stated that he feels most of the weaknesses in tenant screening come from the data and that they are only as good as the data they receive. Two of the people interviewed referred to BCA data as “low-quality” and “a poor information source.” Another mentioned that the data would be improved if law enforcement would provide more timely information to the BCA.

Suggestions for improving the accuracy of tenant screening reports included improving the quality of court information by maintaining criminal and eviction records in a more timely and orderly manner. Currently, no two sources of information are the same, with each county maintaining their own format. There is also variation in the ease

of access and comprehensiveness. According to the agencies interviewed, Hennepin and Ramsey counties have the most robust databases, with more data that is easier to access. Smaller counties tend to have less data that is archived more frequently, which requires more work to access the data.

Another suggestion would be to require additional “identifiers” with criminal and eviction records. Personal data is categorized using several personal identifiers including full name, date of birth, current address and social security number. The more identifiers that are attached to a record, the easier it is for tenant screening agencies to access the information and provide accurate information on an applicant. Eviction actions can be filed by first and last name only, making it more difficult in some cases to accurately connect eviction actions to individuals consistently with a high degree of accuracy.

However, inaccuracies in the data were not the only concern cited by the tenant screening representatives interviewed. Because the tenant screening agencies never come into physical contact with the applicant, they must rely on the information that is given to them. This makes the screening agencies vulnerable because they are relying on their property manager clients to get a valid social security number and photo identification. Some feel that the accuracy could be improved if property managers used identification scanners. Identification scanners increase the accuracy of applicant information by gathering data from the magnetic strip on the back of a driver’s license or state identification card. The scanners are affordable and would ensure that the screening agencies receive the applicant’s full legal name, driver identification number, date of birth and current address. Educating property managers on the value of getting and verifying information was cited as another way in which accuracy could be improved.



Overall, the agencies that were interviewed for this study felt that Minnesota has a number of well-run screening companies. All seven of the local agencies are members of the Minnesota Multi Housing Association (MHA) and several of the people interviewed are active in the community, speaking at tenant education classes and property manager workshops. Some feel that national internet-based companies are not connected to the community in the same way and that their increasing presence in the market may bring down the overall level of tenant screening services.

#### Tenant screening and the Fair Credit Reporting Act

Tenant screening reports are considered “consumer reports” and are therefore covered under the Fair Credit Reporting Act (FCRA). The FCRA “is designed to protect the privacy of consumer report information and to guarantee that the information supplied by consumer reporting agencies (CRAs) is as accurate as possible” (Federal Trade Commission, 2001). The FCRA dictates that the following information cannot be included in a tenant screening report:

- bankruptcies after 10 years;
- civil suits, civil judgements, and records of arrest after seven years from date of entry;
- paid tax liens, after seven years;
- collection accounts, after seven years;
- other adverse information, other than records of criminal convictions, after seven years (Fair Credit Reporting Act, 2002).

The FCRA also outlines the procedures for disputed accuracy, and the duties of those who use consumer reports and then take adverse actions based on the information contained in the reports (Federal Trade Commission, 2001).

In December 2003, President George W. Bush signed into law the Fair and Accurate Credit Transactions Act (FACT), amending the Fair Credit Reporting Act. The FACT Act was designed to “enhance the ability of consumers to combat identity theft, to increase the accuracy of consumer reports, and to allow consumers to exercise greater control regarding the type and amount of marketing solicitations they receive” (Federal Reserve Board, 2003). One of the provisions of the FACT Act is that consumers have the right to obtain their credit report free of charge every year. This provision does not cover the information reported by tenant screening agencies beyond the credit report.

Information verified directly by a property owner or manager is not covered under the Fair Credit Reporting Act (FCRA). This includes the verification by the property owner or manager of application information, including employment and rental references (Federal Trade Commission, 2001).

### **Professionals who work on behalf of tenants**

The findings from the interviews of professionals who work on behalf of tenants fell into two distinct experiences with tenant screening services – those experiences being either very positive or very negative. Four of the ten people interviewed had not experienced any problems with tenant screening reports. A representative from a local CAP agency, said that they use a local tenant screening agency for one of their programs and that they have not had any problems with the reports. Another person interviewed

said that he couldn't say enough good things about the tenant screening company that they use.

While nearly half of those interviewed had positive or neutral experiences, the other six people interviewed articulated a pattern of negative experiences. The problems cited by this group fell into two primary categories: 1) the reports they have seen contain errors and inaccurate information and 2) once identified, it is difficult to get errors fixed.

#### Concerns about the type of information reported

Tenant advocates related two areas of concern regarding the use of public records – the type of criminal records reported and reporting of evictions records. Criminal activities or alleged criminal activities that result in convictions, arrests, dropped charges and police calls all generate some type of record that is available to the public through a variety of sources. Some of the tenant advocates interviewed questioned the screening companies' ability to differentiate whether the tenant was the victim or perpetrator when police calls are reported.

The second area of concern regarding the use of public records in tenant screening is the reporting of eviction records. Two issues stem from the reporting of eviction records, also referred to as Unlawful Detainers or UD's. The first issue, covered previously in this report, is the reporting of "possible" eviction records among tenants with common names. The second is the reporting of all eviction records, regardless of the court outcome.

Eviction actions can result in a number of outcomes, including judgments for the property manager or tenant, settlement by the court or between parties, mediation or dismissal. In some cases a tenant can request that their eviction record be expunged,

particularly if the tenant prevailed, the case was dismissed or deemed a misunderstanding (LawHelpMN.org, 2004). Many eviction cases are dismissed or resolved, however will still appear in public records.

### Errors and inaccurate information

The most common problem cited in the interviews was the presence of errors in the tenant screening reports. The most frequent category of errors cited are reports that contain information that doesn't pertain to the tenant, particularly when the tenant has a common name. One person interviewed stated:

*Having information in your tenant screening report pertaining to another person with the same or similar name is a major concern in terms of having the biggest impact and also being the most common type of error.*

Reports that contain information that does not belong to the applicant can have a significant impact on the applicant's ability to obtain rental housing, particularly if the error includes misplaced criminal or eviction records. With errors in criminal histories, the renter applicant has not committed a crime but has a similar name to someone who does have a criminal record. One tenant advocate told the story of a client who experienced this problem:

*I had a client who kept getting turned down (for housing.) A lot of people don't know you can get a copy of the report. I got a copy of her report and it showed she had been in and out of prison. I checked out the problem. The client had a common name and the person that the report was on was in jail. It took 6 months to get her name cleared. Reporting of UDs is a problem for people with common names.*

While the experience above involves the appearance of criminal records, a similar situation can also happen with eviction records appearing on a screening report for an applicant with no history of evictions.

Two of the people interviewed felt that African Americans seemed to experience greater problems, particularly with the common name issue.

*The common name problem seems to affect minorities more, specifically African Americans with common names like Johnson, Wilson, and Jefferson.*

However, another person interviewed said that her agency served 53 households who are people of color and that they do not seem to experience any greater difficulty than others in their programs.

Errors on tenant screening reports are not limited to people with common names. Outdated information and inaccurate credit reports are also common problems. Several people interviewed said they are seeing more clients who are victims of identify theft.

The tenant advocates interviewed expressed concern over the subjective content of rental references and the potential for decisions to be made based on inaccurate information. One advocate interviewed stated that clients are automatically denied when the previous property manager states that he or she would not rent to the tenant again and that rental references can be a problem even for people with good credit. Several of the people interviewed wondered if property managers verify the information that is given to them from another property manager or what types of questions are asked in rental references.

#### Difficulty in getting errors fixed

Several of the tenant advocates interviewed described the process of helping clients get errors fixed as complicated and time consuming. One person recalled her experiences in helping clients get errors fixed.

*The first step was to get the report and then write a letter disputing the error. I recall sometimes needing to contact the screening agency directly on behalf of the tenant to further move the process along. Overall, the process was complex, time consuming,*

*and confusing. Sometimes screening agency staff were disrespectful to renters who called to dispute something or to get information.*

Several of those interviewed felt that the screening agencies were more responsive to their requests than the requests that came directly from their clients. One housing professional provided the following scenario.

*If a person is denied, I ask them for the name of the screening agency. Then I call the agency. The agency says they have to mail the information and I say I need it right away. Clients get faster results when agencies call. When clients call, they get much slower results.*

A lawyer for a local tenant advocacy organization, provided a similar account.

*I work with tenant screening agencies regularly and feel that they are pretty responsive to my questions but I think that it may be difficult for people who aren't lawyers to get the same response.*

He also feels that the tenant screening agencies can make it more difficult than they need to for tenants to make changes. For example, screening companies are reluctant to release information quickly and conveniently, especially via fax.

### **Fair housing organizations**

The representatives from the Minnesota Department of Human Rights and the Minneapolis Department of Civil Rights both said they have not had any cases of people rejected for housing based on screening reports and that this is not surprising because people do not always know that they are being discriminated against. The representative from the Minneapolis Department of Civil Rights added that she feels that tenant screening has the potential to screen people out, especially in a neutral application. She added that using a rental history as a criterion impacts certain populations, particularly

immigrants and that the use of credit and criminal data is likely to impact those most in need of housing.

## **Property managers**

### Use of tenant screening services

The results of the property manager survey helped to identify property managers' use of tenant screening services, what information they are looking for when making a rental decision and what, if any, information they collect on their own.

Overall, 72% of the respondents stated that they use a tenant screening agency to screen potential renters. The 28% who responded that they do not use tenant screening services were more likely to be property managers who own or manage 10 units or less. However, there were some property managers in all portfolio categories who indicated they do not use a tenant screening agency.

When asked what factors are most important to property managers when choosing a tenant screening agency, several factors stood out as important (respondents could choose more than one factor). Accuracy of information was most frequently cited, with 87% of the property managers who use tenant screening services listing this as an important factor. Timeliness and cost also ranked among the most important factors cited by property managers, with 69% indicating timeliness in getting information was most important and 56% citing cost.

Nearly all of the property managers who use screening agencies use them for criminal background checks (95%), credit reports (94%), and eviction records checks (92%). Nearly two-thirds of the property managers using screening agency services said

that the most important information that they are looking for is whether the applicant has a criminal history or any eviction records.

Nearly 70% of respondents collect some type of screening information on their own, whether they use a screening agency or not. Almost two-thirds of all respondents check rental references on their own and over half verify employment or income information on their own. About 25% of respondents stated that they check criminal records on their own and 18% check for eviction records on their own.

## **Analysis**

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Tenant screening agencies share some basic characteristics. Regardless of service area, use of technology or services offered, all of the agencies studied use a similar process. Tenant screening agencies serve as a data intermediary, compiling information that is used for decision-making and passing this information on to property managers. In this process, the property manager serves as the primary client and there is little to no interaction with the prospective tenant unless there is a problem with the report. The types of data used are also similar, with some differentiation in how eviction information is reported. There may be differences in accuracy that stem from the data sources, the screening agency, or both. However, identifying these differences would require controlled testing by agency and/or data source.

One of the original goals of this study was to research tenant screening practices throughout the United States to identify best practices. However, a review of tenant screening practices nationwide did not uncover any agency or region that stands apart from the others in its process or practices. Tenant screening agencies can differ in many



ways, including the ways in which they use technology, the services they offer and the geographic region they serve. However, there is little variation in the way in which agencies work and the type of information reported.

It is possible that data sources in other states or communities may offer a higher level of accuracy. The local tenant screening agencies interviewed for this study said that tenant screening differs across the county in the access to information, which varies from state to state and the different types of agencies – including the growth of nationwide screening agencies. However, none of the people interviewed identified specific places in which this is the case.

In many ways, the tenant screening in the Twin Cities has advantages that are not present in other parts of the country. The Twin Cities has several locally-based agencies that are involved with a highly organized and active state multi-housing association and in some cases, involved in the community. This allows for better communication between tenant screening agencies and property owners and managers and may mean that both groups are more informed on fair housing and affordable housing issues. While tenant screening is not problem-free under these conditions, the industry may be more informed and more connected to the communities they serve than in other parts of the country.

### **Information reported in tenant screening reports**

The tenant advocates interviewed for this study expressed concern over both the content of tenant screening reports, as well as their accuracy. The results show that the primary areas of concern relate to the reporting of criminal and eviction records, though

issues with the access to civil records was also cited as a concern in the Analysis of Impediments report.

The results from the property manager survey suggest that a prospective tenant's criminal history is a primary factor in the decision-making process. According to the tenant screening agencies interviewed, most property managers are interested in learning if an applicant has any felony convictions. Property managers may decline the rental application for a person whose criminal records indicate that they would be a direct threat to the health and safety of other or whose tenant would possibly result in substantial physical damage to the property or others. However, under these guidelines, the criminal records that can be used to decline residency are limited, with most misdemeanor crimes falling outside of the guidelines (Balaschak, 2004).

The perception of fairness regarding the use of eviction records, regardless of the outcome, varies depending on whether you are a tenant advocate or property manager. Information from eviction records that is considered misleading by tenant advocates is considered both fair and valuable to property managers. An example of this is the reporting of eviction actions where the case was dismissed. The most common reason for filing an eviction action is due to non-payment of rent. In 2003, there were 8290 eviction actions filed for non-payment of rent in Hennepin County, which represents 92% of all the eviction cases filed in the county (Hennepin County Housing Court, 2003). Cases are often dismissed when the tenant pays the rent after the eviction is filed. A tenant advocate views a dismissed case as something that should not count against tenants as it is an outcome that should be considered neutral, if not positive. From the property manager's perspective, an eviction action for non-payment of rent that is dismissed still provides

information about an applicant's rental payment. For a property manager, dismissed cases may also represent instances where another property manager chose to settle rather than commit additional time and energy. In the two lawsuits cited earlier in this report, both stemmed from tenant screening reports that contained eviction information that was true in part, but misleading enough to result in the plaintiffs' inability to obtain housing.

While the local tenant screening agencies focus their collection of public records on criminal and eviction records, there is some concern about use of other public records. The *Regional Analysis of Impediments Report* (Wagner et. al, 2001) contains an example of how tenant screening reports have the potential to contain information on civil commitment proceedings. The report cites that advocates working with people with mental disabilities "discovered that screening reports may include information civil commitment proceedings" (p. 152), which is an attempt to commit someone to an institution on the basis of mental illness. It is not clear from the report if there has been a documented instance of a screening report including this information or if it is mentioned as a possibility because the records are available to the public. This issue did not come up in any of the interviews or background research. However, it is worth noting as a potential issue as the inclusion of this information could potentially be used to refuse housing to a person with a mental disability.

### **Accuracy of reports**

The most prominent issue to arise in this study is the presence of inaccurate information in tenant screening reports. About half of the people interviewed who work with tenants and tenant screening reports on a regular basis, did not identify errors as a significant problem in their work. At the same time, the information gathered from

interviews with people who had experienced problems suggests that significant errors do exist for some people, and that those errors make it difficult to access rental housing. The extent of errors in tenant screening reports for the general population, or for sub-populations, is not known and would be difficult to assess without a systematic testing effort.

While no research has been conducted regarding the accuracy of tenant screening reports, studies on the data issues within the credit reporting system indicate that credit reports contain errors for at least some consumers. A study conducted on the credit reporting system by the Federal Reserve Board found that credit reporting data contains incomplete information, may contain duplications, and at times contains ambiguities about the credit histories of at least some consumers (Avery, Calem, and Canner, 2003).

Concerns regarding the quality of the data were also expressed by the tenant screening agency representatives. However, suggestions for improving the accuracy of the reports focused on improving data sources, rather than internal systems. Yet, it is likely that errors occur in both places. It is difficult to assess how data management practices within the screening agencies could be improved, since limited information was obtained on how records are stored and maintained and little is known about the rate of inaccuracies in tenant screening reports. However, the risk of error exists whenever methods of gathering information rely on large, computerized databases, where the most common errors tend to be those relating to the identification of individuals (Stauffer, 1987).

Rental references are another component of the tenant screening process in which the information conveyed has the potential to be inaccurate or misleading. A negative

rental reference can present the same barriers to accessing housing as a poor credit history or presence of eviction actions. Though this is an important tenant screening issue, it is important to note that the tenant screening agencies do not control much of this information. Rental references are frequently collected by the property managers themselves.

### **Correcting report inaccuracies**

Several of the people interviewed expressed frustration over the process of getting errors on reports corrected, stating that it was confusing and time consuming. The frustration over the *process* of fixing errors may be due to the requirements of tenant screening agencies as determined by the Fair Credit Reporting Act. Tenant screening agencies are subject to the rules and regulations of the FCRA and are required to take certain actions when a consumer reports an error or requests a copy of their report after receiving an adverse action letter. In most cases, tenant screening agencies respond to requests for copies of reports by mailing reports or allowing tenants to pick them up. Agencies will not fax copies of the report to clients because they cannot be certain of the destination, something that could compromise data privacy. However, staff at the agencies in the study said they are willing to make exceptions in cases where a tenant is working with a non-profit agency.

It is worth noting that the responsibilities of property managers under the FCRA came up as a concern during the interviews for this study. One of the housing professionals interviewed stated that, in her experience, property managers were often unaware of their responsibilities regarding disclosure to applicants. Property managers

are responsible for notifying an applicant when any of the following actions are taken based on the information obtained in a tenant screening report:

- an application is denied
- a co-signer is required on the lease
- a deposit required that would not be required for another applicant
- a larger deposit is required that might be required for another applicant
- raising the rent to a higher amount than for another applicant (Federal Trade Commission, 2001).

This concern over adverse action notices was echoed by Jordana Beebe from the Privacy Rights Clearinghouse, a national privacy rights organization which takes consumer questions and complaints over data privacy issues. In an interview for this study, Ms. Beebe cited concerns over property managers who are not issuing adverse action letters under the conditions outlined in the FCRA (J. Beebe, personal communication, June 16, 2004). Without an adverse action letter, it is difficult for applicants to follow up with the tenant screening agency who provided the report.

## **Conclusion**

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The influence of tenant screening reports on property managers' leasing decisions should not be underestimated. The use of tenant screening services makes it possible for property managers to evaluate a prospective tenant's risk based on large amounts of data not readily available in previous decades. Though tenant screening agencies serve as a data intermediary, the reports they provide to property managers have a significant impact on the rental decision-making process. Property managers use the reports to

identify whether an applicant's criminal, rental, and credit histories match their rental selection criteria and then use this information to either accept or deny an applicant. This process works well and can allow for sound and consistent decision-making as long as the information reported is accurate.

### **Role of the tenant in the screening process**

The information gathered for this study points to two primary issues resulting from the widespread use of tenant screening services. The first issue concerns the role of the tenant in the screening process. It is clear from the study that at least some prospective tenants are experiencing problems accessing housing due to incorrect information in their tenant screening reports. However, these inaccuracies are not usually discovered until after an applicant is denied a rental unit. This process, whereby the applicant is "the last to know" represents one of the more disconcerting aspects of tenant screening services identified in this study. Under the current process, the prospective tenant pays for the tenant screening report through application fees, but is kept at a distance from the information. Stauffer (1987) offers a similar observation on the use of personal data files for decision-making.

An increasing number of decisions are made on the basis of information which is inaccessible to the person about whom the decisions are made, with the result that the person has less ability to control or affect decisions which have significant impact on his or her life... 'the net effect of computerization is that it is becoming much easier for record-keeping systems to affect people than for people to affect record-keeping systems' (p. 259).

This doesn't pose a problem, as long as the information reported is favorable enough to pass the property manager's rental screening criteria. However, if the information is not favorable, the prospective tenant will be able to obtain a copy of the

report only after receiving an adverse action letter, by which time it is likely too late to get the unit they applied for. Even then, the applicant must go through a process to request access to the information that they paid for through their application fee. While this seems to be one of the fundamental problems with the tenant screening process, it also holds the key to more accurate services and stronger communication between tenants, tenant screening agencies, property managers and tenant advocates.

### **New class of people who are unable to access rental housing**

The second issue, identified in this study through interviews and background research (D'Urso, 1997; Rich, 2004; Stauffer, 1987), is that the increasingly popular use of tenant screening reports has resulted in a new class of people who are unable to access rental housing because of past credit problems, evictions, poor rental histories or criminal backgrounds. While tenant screening agencies are not responsible for this issue, it is a serious problem that must be addressed by those working with tenants, particularly those in need of affordable housing.

The increased access to financial and public records by the majority of housing providers, including public housing authorities, creates a situation in which prospective renters with poor credit histories, eviction actions or other rental history issues, or criminal records face significant barriers in obtaining rental housing. This likely has a disproportionate effect on people of color and people with lower incomes. Numerous studies have shown that those who are evicted are typically poor, women and minorities (Hartman and Robinson, 2003). With the exception of reports with inaccurate information, the actions of tenant screening agencies are not the cause of this situation.



## **Recommendations**

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### **Provide consumers with access to their tenant screening reports**

The Fair Housing Implementation Council or others could look for opportunities to affect systems-level change that would result in tenants being able to see their tenant screening reports prior to renting. This would help to improve the overall accuracy and give tenants the chance to correct or explain inaccuracies before their application is denied. Efforts to affect change at this level are more likely to meet with success if they include representatives from tenant screening agencies, property managers, professionals who work on behalf of tenants and legal professionals familiar with the Fair Credit Reporting Act.

### **Conduct a study to quantify the error rate in tenant screening reports**

Commission a study to identify the type and extent of inaccuracies in tenant screening reports. This would determine if changes are needed, and if so, where to focus efforts on improving the accuracy of tenant screening reports. The issue of tenant screening inaccuracies is a concern throughout the United States. Therefore, it is likely that a study of this nature would have value beyond the Twin Cities. The implementation of this recommendation requires a skilled researcher to design and implement a controlled study. The Fair Housing Implementation Council should consider the cost of implementing this recommendation relative to the benefits gained by having information on the extent of inaccuracies in tenant screening reports.

### **Look for ways to improve accuracy of public records**

Improvements to the data sources will become increasingly important as the trend in tenant screening moves toward national, internet-based agencies. Consider standardizing what and how information is reported for eviction records, as well as criminal records, which would likely decrease the errors in reports. The Fair Housing Implementation Council could gather input from representatives from county and state government, tenant screening agencies, the Minnesota Multi Housing Association (MHA) and Legal Aid to better understand the feasibility and impact of improving data sources and to work towards solutions that can be supported by all stakeholders.

### **Educate property managers on their responsibilities under the Fair Credit Reporting Act**

Property managers who use tenant screening reports to make leasing decisions should be educated about their responsibilities outlined in the Fair Credit Reporting Act, particularly requirements regarding adverse action notices. Adverse action notices provide the first step in helping tenants identify issues relative to their tenant screening report. Support and encourage local agencies that may be well-positioned to assist with this effort, including MHA, Legal Aid and other legal professions familiar with Fair Credit Reporting Act.

### **Educate consumers on the information that is available to property managers**

Several of the people interviewed for the study said that they feel tenants are not aware of the information that is available or what information is considered public. For example, people are often surprised to learn that criminal records are public records. Some property managers say that they would be willing to rent to people with blemished backgrounds, but perceive failure to disclose such information as lying. Educating

tenants on the information that is included in a tenant screening report and the importance of identifying any or all potential barriers could help to improve communication between property managers and prospective tenants and may increase a tenant's chances of obtaining rental housing. Review tenant education materials and develop best practices around consumer education, taking into consideration the experience and input of housing advocates, Legal Aid, property managers, and government representatives.

**Develop new strategies for consumers to overcome and correct barriers to rental housing**

Encourage the development of new strategies that will help people who have been “screened out” of rental housing. One promising strategy is the Rental Housing Pilot Program, a collaborative effort led by the University of Minnesota Extension Service. The Rental Housing Pilot Program is a replicable tenant training and certification program designed to assist people in developing the skills needed to pass rental screening tests and maintain stable housing. Another potential strategy is the E-Rent program currently under development in Anoka County. E-Rent is a program that is designed to help renters pay their rent in full and on time through the use of a service that collects rents electronically from established bank accounts. Strategies such as the Rental Housing Pilot Program and E-Rent allow people to overcome blemishes in their rental histories by demonstrating that they are both working on correcting past problems and preventing future problems.

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