

# Tenant Screening

A Vital Step in the Tenant Selection Process



C.A.R.  
LEGAL  
TOOLS

# Why Screen Tenants?

- Third-party tenant screening services can assist housing providers to make an informed decision about prospective tenants:
  - Credit history
  - Credit scores
  - Rental history
  - Criminal history and
  - Character of prospective tenants



# Tenant Screening Limitations: Consent

- The prospective tenant must consent before the screening is performed
- Obtain consent using:
  - C.A.R. Form LRA (paragraph 9)
  - Electronic approval via tenant screening service (tenant receives an invitation from the service performing the screening, consents and often pays for the screening directly)

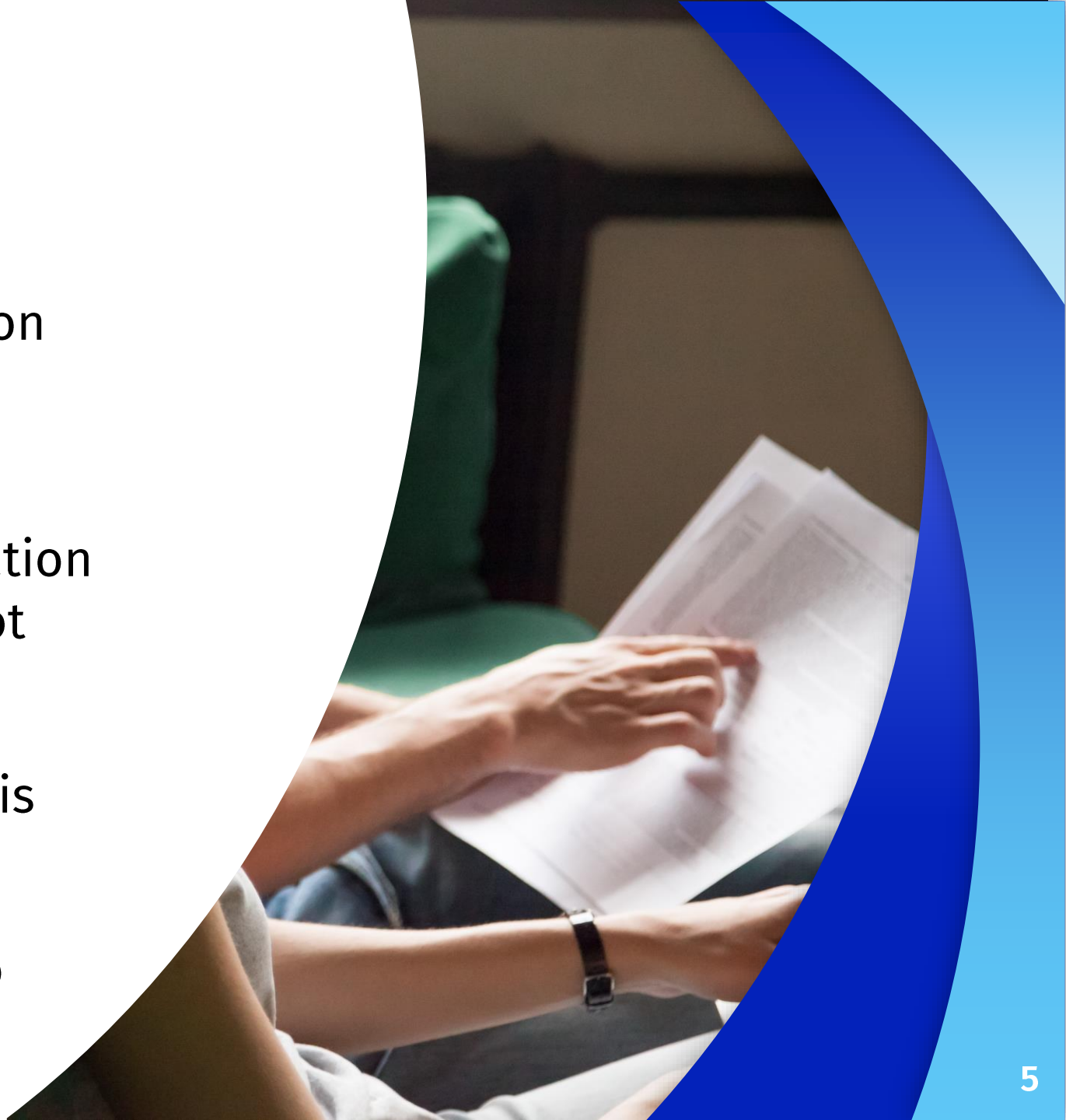


# Tenant Screening Limitations: Criminal History

- Blanket bans on renting to persons with a criminal record is unlawful
  - NOTE: Any blanket ban of a protected class is unlawful
- Specific rental-related criminal information may justify a refusal to rent if it:
  - Pertains to the safety of other residents, employees or the property AND
  - Is recent enough to be considered relevant (7 years is generally the maximum)
- Arrest without criminal conviction should not be considered
- Apply other screening criteria BEFORE considering criminal record

# Tenant Screening Notice Requirements

- Notice to applicant specifying reason for denial and right to contact reporting agency is required
- Notice required even if the information in the tenant screening report is not the sole reason for the denial
- C.A.R. Form DRA may be used for this purpose
- Tenant screening services may also make available this notice



# Notice Requirements: Minimum Credit Score

- Any minimum credit score requirement must be applied to all applicants
- If due to credit score applicant receives adverse action (e.g., denial of housing or higher rent, co-signer or greater deposit) then notice must include:
  - Credit score
  - Range of credit scores
  - Key factors adversely affecting applicant's credit score
  - Date score was created AND
  - Contact information for person/entity providing the score

# Notice Requirements: Failure Penalties

- Failure to provide requirement notice of adverse action may lead to:
  - Applicant award up to \$1,000 per violation (plus punitive damages and legal costs/fees if failure is intentional)—Federal law
  - Applicant award up to \$5,000 per intentional violation plus any other relief court deems appropriate—California law



# COVID Considerations

- COVID-19 rental debt may not be used as a negative factor for evaluating a prospective housing application or as a basis for refusing to rent





# Additional Resources

- Quick Guide - [The Seven C's of Tenant Screening](#)
- Legal Q&A - [Requirements when using consumer reports or credit scores to screen tenants](#)
- Legal QA - [Summary of Fair Housing laws](#)