

AN OWNER'S GUIDE TO THE APPLICATION PROCESS

By screening rental applicants carefully landlords can often avoid problem tenants and save themselves considerable trouble.

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Screening of Applicants

- By screening rental applicants carefully landlords can often avoid problem tenants and save themselves considerable trouble. It is important for a landlord to gather sufficient data from any prospective tenant to make an objective decision about whether to accept him. The landlord should do the following three things:
 - Review the applicant's record as a renter,
 - Verify income, and
 - Make a general credit check.

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Through rental reference checks a prospective landlord can learn not only whether a tenant paid the rent promptly, but also whether there were other problems, such as noise complaints or damage to the unit. It is often most useful to call previous landlords, who may be more forthright than a current landlord anxious to lose a problem tenant. Income can be verified by calling an employer, reviewing pay records or looking at the tax returns of self-employed applicants. An owner not belonging to a commercial credit checking agency can ask applicants to apply for their own credit reports, as the law allows, and then supply them as supplements to their application.

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A landlord should screen applicants, but may not use the process to evade the fair housing laws, which in Arlington County prohibit discrimination based on race, color, national origin, sexual orientation, religion, sex, marital status, handicap, or familial status (i.e., presence of children). If a landlord formulates fair policies about potentially sensitive matters (such as the number of persons to be permitted in a rental house or the income requirements for unrelated singles) and makes the policies clear to all applicants, misunderstandings can usually be avoided.

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Application Fees

- When the landlord accepts an application fee from a prospective tenant, he should tell the applicant that payment of the fee removes the rental unit from consideration by others, and that the landlord can use the fee to defray costs if the prospect subsequently withdraws the application.
- If a landlord does not require an application fee but instead collects data from several applicants, thereby establishing a pool of potential tenants from which to choose, he should be certain applicants understand they will be compared with others. To guard against illegal discrimination the landlord should decide in advance the criteria he will stress in his selection process (e.g., a small number of occupants, higher income, stability of employment, absence of pets) and give each applicant a written list of them. This might prevent a situation in which any unsuccessful applicant feels he was subject to unlawful discrimination.

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Clear Rental Standards

- The law requires that the income of a working wife must be counted along with the husband's in determining their joint eligibility for a rental unit. The law also prevents discrimination because of familial status. This means that an owner must have the same occupancy standards (i.e., maximum number of persons per unit) applicable to all persons, whether they are adults or children. For example, if an owner accepts a married couple in a one-bedroom unit, he must also accept a single parent and a child in a unit of that size. **To prevent misunderstanding, a landlord should put all occupancy standards and other important requirements (e.g., minimum income, rules about pets) in writing and make them available to every applicant.**

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While housing discrimination against groups of singles is not permitted, the law does not specify how their income eligibility should be established. Since increasing numbers of singles groups are in the rental market, particularly for houses, landlords should formulate fair income requirements for such groups and be sure all applicants are aware of them. For example, it might be reasonable for a landlord to require that each member of a singles' rental group should have some income, and that any two members have combined incomes sufficient to meet whatever standard the landlord would impose on a married couple (usually monthly combined income three to four times the rent and estimated utility costs).

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Use and Retention of Application Forms

- Every landlord should develop an application form that not only collects the information necessary for checking prospective tenants but also makes clear any special requirements (e.g., policy about pets, responsibility for utility payments, parking restrictions). The tenant-landlord staff in the Arlington County Housing Services Section (703.228.3765) can provide a sample application form.
- It is good business practice to retain for two years all rental applications and notes about all contacts with rental, credit or employment references. This applies even to applications which do not culminate in signed leases.