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## How to Keep Deadbeats Out of Your Rental Unit

By **PATRICK BARTA**

Special to RealEstateJournal.com

**Question:** My husband and I would like to purchase our first rental property. When screening renters, where do you go to get their credit histories pulled? Or do you think that is necessary?

-- Jennifer, no location provided

**Jennifer:** Not all landlords run credit checks on their renters. But it's still a good idea to do it.

Why? Consider the case of William Bronchick, an attorney in Denver and co-author of the book "Flipping Properties" (Dearborn Trade Publishing, 2001). Recently, he decided to rent out his former residence, an upscale townhouse in the city. The prospective tenant, who claimed to own his own business, seemed to be a good match: He was well-dressed and drove a Cadillac.

But when Mr. Bronchick ran a credit check, he learned something odd: The man had virtually no credit history, other than a cell-phone account. That lack of a credit record was an easy tip-off to Mr. Bronchick that the man had had his past credit history quashed, most likely illegally, to hide prior credit problems. Or, he was lying about his background. Either way, "I just smelled something wrong," says Mr. Bronchick, who moved on to other prospective renters.

The moral to the story is that you never know what you'll find when you pull a credit report. It's also not hard to do. There are numerous companies that have set up shop on the Internet that can provide the service for a relatively small fee, in some cases less than \$15 per applicant. Often, these companies can provide a wealth of other services, including criminal-background checks, as well as information about the applicant's rental history and past evictions. All of this information can help you make a more informed decision when weighing a prospective tenant.

Some of these companies include: SafeRent ([www.saferent.com](http://www.saferent.com)), Credit Retriever ([www.creditretriever.com](http://www.creditretriever.com)), Resident Data ([www.residentdata.com](http://www.residentdata.com)), RentGrow ([www.rentgrow.com](http://www.rentgrow.com)), and National Tenant Network ([www.ntenet.com](http://www.ntenet.com)).

Of course, you'll have to get a renter's explicit permission to pull his or her credit report. And there are other ways to do homework on your potential tenants.

For example, property owners should always ask tenants for employment references as well as current and previous landlords. Don't be lazy -- you should call all of them.

Meanwhile, Russ Whitney, author of "Millionaire Real Estate Mentor" (Dearborn Trade Publishing, 2003), suggests an even more aggressive idea: Ask to visit the tenant's current residence. "If you walk in and it's a pig pen, you don't want that person," he says. "You can get a pretty good judgment on someone's lifestyle and character based on how someone lives."

Before you do all of this, however, you should get in touch with your local apartment-owner's association. (Local offices can be located by contacting the National Apartment Association, whose website is [www.naahq.org](http://www.naahq.org).) These groups can provide a lot more information about selecting tenants, as well as sample leases. They might also be able to fill you in on any laws that will govern your choice of a tenant, as well as statutes designed to prevent discrimination.

But no matter what you do, make sure you do your homework. If you don't, you could wind up with a deadbeat.

-- Mr. Barta is a staff reporter for The Wall Street Journal. His "House Talk" column appears every Friday exclusively on RealEstateJournal.com. [Click here](#) to e-mail him your questions about the residential real-estate market. Please include your first name and city and state. If your question is answered and posted, we will show your first name and city.

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