

Tenant Screening

Best Practices - Income Verification

Purpose: Income verification is intended to establish two things.

- The applicant is generating income to pay the rent regularly and on-time
- To demonstrate that income and employment are stable

Verification:

- Validate the place of employment, by calling information or doing an online search to ensure that it is a legitimate place of business, and not a personal friend happy to provide a glowing reference.
- Once a business number has been established, call the main number, request the department, and allow them to redirect you to someone able to verify employment.
- Confirm current self-employment with tax returns for the last two years, and potentially by evaluating their credit report. Any negative information may indicate a current downward trend in their business, which may not be reflected in the previous years' taxes.
- Ensure that if pay stubs are provided, that they are calculated correctly, depending on when the applicant is paid. For example, if they are paid weekly, it should be calculated as \$500 x 4.3 weeks, instead of simply 4 weeks.
- If applicant is claiming child support or alimony as a source of income, request documentation to confirm.

Contact Employer:

- Call employers listed on rental application by phone – Application should contain current and previous employer.
- Contact previous employers in writing requesting income verification. Some employers are hesitant to release information by phone.

Considerations:

- If applicants' income is not able to be verified, it does not have to be included when determining minimum income requirements.

Recommendation:

- Cross check sources to provide the most complete picture when establishing income. When a pay stub is received, contact the business; verify the validity of the check and the applicant's employment status. Ensure their last pay stub is not actually their final pay check, with that company.