Standard Operating Procedure: Tenant Screening and Application Processing

This SOP details the process of **tenant screening and application processing**, covering application submission, background and credit checks, verification of employment and rental history, compliance with fair housing laws, approval criteria, communication with applicants, and documentation requirements. The goal is to ensure a consistent, fair, and thorough evaluation of prospective tenants to select reliable renters and minimize risks for property owners and managers.

1. Application Submission

1. Provide prospective tenants with rental applications (online or physical forms).
2. Ensure all required fields are completed, including authorization for background and credit checks.
3. Collect application fees (if applicable), ensuring compliance with local regulations.

2. Background and Credit Checks

1. Obtain written consent from applicants for background and credit screening.
2. Use a reputable third-party screening service to conduct:
   - Credit report and score assessment
   - Criminal background check (as permitted by law)
   - Eviction history check
3. Review results according to established criteria.

3. Verification Procedures

1. Employment Verification:
   - Contact employer or request recent pay stubs, offer letters, or tax returns.
   - Ensure that reported income meets minimum requirements (typically 2.5-3x monthly rent).
2. Rental History Verification:
   - Contact previous landlords for references using a standard questionnaire.
   - Document any reports of late payments, lease violations, or complaints.

4. Compliance with Fair Housing Laws

- Ensure all screening practices comply with federal, state, and local Fair Housing Laws.
- Apply identical criteria to all applicants to avoid discrimination.
- Maintain records to demonstrate consistent processes.

5. Approval and Denial Criteria

Criteria	Minimum Requirements	Automatic Denials
Credit Score	Minimum 600 (example)	Below minimum threshold
Income	2.5-3x monthly rent	Insufficient income
Rental History	No major lease violations or evictions	Recent evictions or serious violations
Criminal Background	No convictions for violent or property-related crimes	Violent felony convictions (within last 5 years)

- Document all criteria and ensure transparency to applicants.
- Offer applicants the opportunity to address discrepancies or provide explanations for negative findings.

6. Communication with Applicants

1. Notify applicants in writing of approval or denial within a reasonable timeframe (e.g., 3-5 business days).

2. If denied, provide required adverse action notices including the reason for denial and contact details for the screening provider (as required by the Fair Credit Reporting Act).

3. For approved applicants, provide next steps for lease signing, deposit payment, and move-in procedures.

7. Documentation and Recordkeeping

- Maintain complete records for each applicant, including:
  - Completed application forms
  - Screening reports
  - Verification documentation
  - Correspondence with applicants
- Store records securely and retain for the period required by local regulations (typically 1-3 years).

8. Review and Updates

- Review and update this SOP annually or as required by changes in applicable laws.
- Train staff on SOP updates and document completion of training.

Effective Date: _____

Approved By: _____