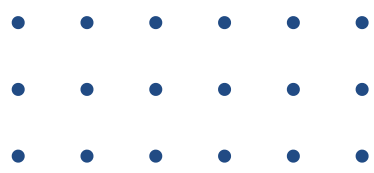# 5

TIPS TO FRAUD-PROOF YOUR TENANT SCREENING PROCESS

SUNROOM

Catch Fraud Before it Costs You

It's likely you've experienced fraud from your rental applicants, even if you did not realize it. 97% of property managers have experienced fraud with 80% experiencing it 20 times, according to TransUnion. Many times, these scammers do not even intend to pay rent at all and you may not catch it until it's too late. Unfortunately, choosing the wrong tenants can have lasting implications for your business, including damaging your reputation with your clients, causing you to work much harder to fill vacancies, and costing your company a lot of money.

A thorough and efficient tenant screening process will save you from the headache of dealing with fraudsters. By catching potential issues early, you can be confident you are choosing tenants that will take care of their rental homes and pay on time. The tenant screening process is also one of your first opportunities to make a great impression on your tenants, making them more likely to renew. The best part is that it's possible to give your potential renters a great experience while also getting all of the documents and information you need to approve them and stop fraud.
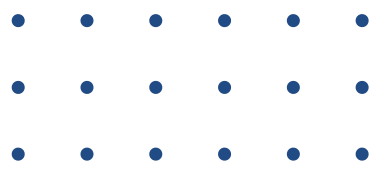
Common Types of Renter Fraud

Rental Application Fraud

When candidates lie on a rental application. This can be providing false income or employment data or submitting altered photos.

Synthetic Fraud

Where an applicant combines real and false info to create a fake identity, such as a social security number and an address.
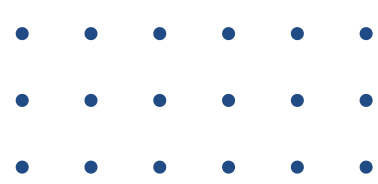
First-party Fraud

The most common type to affect property management companies; when an applicant falsifies or misrepresents info, like bank statements or pay stubs.

Third-party Fraud

When one person uses another's identity to get approved for a rental property by using their social security number, name, and date of birth.

1. Leverage technology for enhanced identity authentication

According to Zillow, 59% of renters prefer online applications. Digitizing the process definitely helps streamline the process, but you may not always meet the tenant in person. A helpful practice is to have the applicant send a photo of themselves along with a photo of their government-issued ID. Facial recognition can scan the person's face as well as the ID, along with several other factors, to determine if there is a match.

Sunroom uses advanced facial matching and motion observation as well as examines the data on the applicant's government issued ID, such as date of birth and full legal name, to verify an identity.
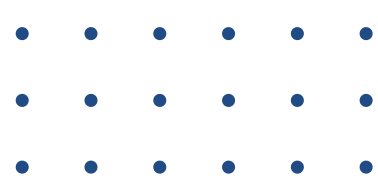
2. Conduct your own credit and background check

Some applicants may try to supply their own copy of their credit report since they are able to pull them for free. Unfortunately, it's hard to tell if the document was altered. For background checks, don't rely on the renter telling the truth on the application. To know if they committed a crime or had a past eviction that would prevent them from renting one of your properties, you need to conduct your own check into a national criminal database.

Conduct credit and background checks on every applicant within a household. Sunroom's tenant screening service will handle credit, criminal background, terrorism sex offender registry, and eviction checks.

Your Credit Score

890

Excellent

CARD NUMBER
1234 5678 XXXX XXXX
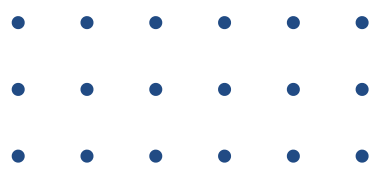
3.

Verify income directly from the bank

Collecting and reviewing paystubs, bank statements, and tax documents is tedious and time consuming. Plus, these documents are getting easier to forge as editing software is more widely available. Instead, make it easy for applicants to securely connect to their bank accounts and provide instant income verification.

Sunroom makes this easy by connecting with 99% of financial institutions to accurately and quickly calculate the income of each applicant. An added bonus is that it works the same for self-employed individuals, who sometimes struggle through the rental process as they don't have all of the required documents such as six months of paystubs. This opens up your application pool to more potential tenants.
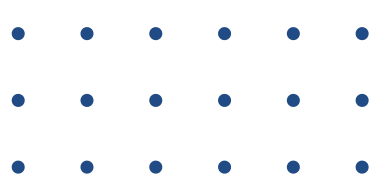
4. Go the extra mile on tenant reference checks

Some property managers are satisfied with calling the most recent employer or current landlord. Still, there is a possibility that the current landlord could provide false information as a means to get the tenant out of their property and avoid having to evict them. Going a step further and calling a previous landlord can give you a more complete picture of your prospective tenants.

Reference checks will also give you information you wouldn't catch on a simple rental history report. You can ask questions about how well they took care of the property, or if they were good neighbors, for example. Make sure to research the people or companies given for references to make sure they aren't fakes. Sunroom has a full support team that reviews each application and conducts reference checks.
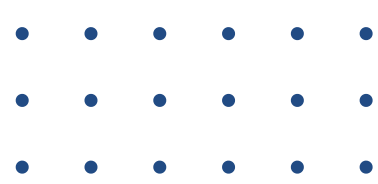
5. Use a state-of-the-art PropTech solution

Tenant screening is a painstakingly arduous process that can take property managers a lot of time to complete. This time spent on screening is taking away from revenue-generating activities like building out your portfolio or boosting tenant retention. A great PropTech solution can help you speed up this process while simultaneously bringing more accuracy.

A great PropTech solution will also seamlessly integrate into your existing leasing process, and will be easy to set up. Sunroom handles your entire tenant screening process with surgical precision and only takes you a few minutes to set up. By providing a frictionless experience to you and your prospective tenants, the leasing process is simplified and you can be confident you are approving great tenants.

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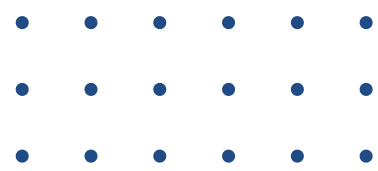
Contact Us

Screening tenants while looking out for fraud sounds like a lot, because it is. Let Sunroom take care of it for you so you can focus on other areas of your business. To learn more about Sunroom's tenant screening service, **request a demo today**!

www.sunroomleasing.com/get-started