

RHR Information Services, Inc

SelectRent News

Editor's Note

As usual, we have quite a bit happening at the office in preparation for the summer rush of applications, and along with that we're pleased to announce another series of enhancements that we're placing into production to make the screening process more efficient than ever. Starting in early June we will begin attaching an electronic copy of the application and/or general consent form that you may have faxed to us for verification to the completed report that we provide you.

This will allow you to have both the application and report digi-

tally contained in one secure environment allowing you to go paperless with your screening process if you prefer. This combined with our new e-Signature technology will revolutionize the way in which background checks are performed. Thank you to Jane at Halverson & Blaiser for the great idea.

I'd also like to thank Tracy from Steven Scott for her input on the recent enhancements we've made to the demographic profile report and to Nikki at First Select Equities for your feedback and suggestions on improving the Exit Referral portion of our service.

We are extremely committed to customer service at RHR, and I can't express how much we appreciate the input of great customers like you. I've said it many times before, but can't stress enough that if you have an idea on how to improve our service, please don't hesitate to let me know. If it can be done, I assure you that we'll find a way to get the improvement implemented as soon as possible.

Thanks again, and we look forward to a great summer!

Tony Karels
Account Manager

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New Feature: Employment Database

Some of you may have noticed a new section to our reports. Reports that do not have Employment Verifications but are receiving SSN or credit products will get the new section, Employment Database on their reports, for free.

This database comes directly from Experian records and is similar to the address history portion of your report. Any time employer information is provided to Experian on a person they store it in their Employment Database. They also store the first reported date and last reported date.

While this product should not be used as a definite employment history it can be used as an application reconciliation tool to help spot inaccuracies or explain gaps on a resume. If you have any questions, please contact your RHR Information Services SelectRent contact.

10 Tips to Better Screening

1. Take your time.

It is a busy world out there with all you need to get done in a day but when screening to fill a vacancy, or a prospective tenant, take your time. Essential items to consider are the rental history, employment history, credit history, references, and a criminal background check. Take time to obtain all of the information you need, then take time to verify what needs verification, such as references. While it is true that you lose money every day the unit is vacant, you will lose more in the long run by taking a marginally qualified applicant who turns into a problem.

2. Set policies and standards in advance.

Policies and standards are nothing more than decisions that have been made before the need to implement them arises. In the tenant screening area policies and standards relate to the quality of tenant you desire, the type of rental arrangements you want to make, how you will go about finding and attracting such tenants, and so on. These policies and standards should be a realistic minimum that you are willing to accept in a long-term tenant. It is best to formulate these policies and standards when your units are all full and there is no pressure to fill a vacancy. Then the decisions you make are more likely to be sound because they will not be colored by emotions, such as pity or

fear, that may arise when you are confronted with a prospect's sob story or a negative cash flow due to a vacancy. All of the gimmicks in the world will not shield you as effectively against discrimination litigation as will rational policies rationally enforced.

Write down your policies and standards and have a lawyer review them before you apply them. Once they are given the seal of approval by the lawyer, follow them.

3. Read and analyze the material you accumulate on a prospect.

The object of tenant screening is not to fill out the forms. The object is to use the data in the forms to reach a rational decision on which prospect to accept. This means that you are going to have to actually read what is in all those boxes and analyze it. The information may look straightforward but many times a closer look will reveal interesting details.

4. Make your standards realistic.

It is unfortunate, but true, that there are very high-class neighborhoods, and not so high-class neighborhoods. Very high standards that make sense when renting Park Place might be completely unrealistic to expect of tenants interested in Baltic Avenue. Similarly, if you have a 20-unit building, you might be able to stand a va-

cancy or eviction more easily than if you have only a single-family dwelling. A rent default in the apartment house deprives you of 5% of your cash flow; a rent default in your single-family dwelling deprives you of 100% of it. Keep in mind that the market will determine the quality of prospect you can expect.

Regardless of the location of the property, do not make every blemish on a credit report ground for automatic disqualification. Analyze the information. Even large companies that extend credit on a regular basis are beginning to recognize that they are disqualifying, one by one, each and every person in the United States, and so are loosening their standards and taking a more flexible approach to analysis of credit history.

5. Learn the law.

As are most other aspects of our lives, tenant screening is regulated by the government. There are some things that you may consider when deciding to rent, and other things you have to pretend just aren't there. You need to learn the difference. Both the government and the private sector civil rights industry investigate these things and look for opportunities to initiate legal proceedings against transgressing landlords.

6. Join organizations.

You are in the property man-

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10 Tips to Better Screening (Continued)

agement business. You need to associate with other property managers . By such associations you will benefit from the experience and knowledge of others in your own area.

7. Talk to prospects.

You should take a half-hour or so to meet your prospect and talk over the application. The importance of this step is in inverse proportion to how many properties you own. You are, after all, going to put this person in control of a major slice of your worldly assets. The less real estate you own, the larger the proportion of your assets he will control.

8. Use a professional.

A professional screener offers their services, often over the Internet, not only to provide background and reference information on prospects but leaving the final decision and the close to you. Such services can be very useful if you do not want to take the time to do a lot of fact checking, but want to have more control over the outcome than a turnkey operation provides.

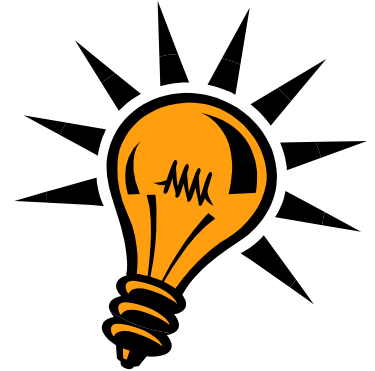
9. Always run credit.

You need to run, and read a credit report or credit related product even if financial worthiness is not a consideration for the vacant unit. Credit

bureaus track other important information including name changes and accurate address histories that are important to verify.

10. Write everything down.

If it is not written down, it was never said and it never happened. That is a good rule of thumb. There are lots of reasons you need a reliable record, made at or about the time events occurred, of your screening efforts for each prospect who gets to the screening stage. You should also have a log of incoming phone calls made in response



10 Indicators of an unsafe screening company

Finding a company to trust with your applicants' personal information can be hard. A faceless company on the internet could become a nightmare. The following 10 signs will indicate that a company may not be trustworthy.

#1 They don't mention the Fair Credit Reporting Act on their website or in any of their materials.

#2 They promise to find out anything you want to know.

#3 They don't have a physical office or the address isn't listed on their website.

#4 They state that they receive special data from law enforcement contacts.

#5 They don't have a service department or anyone to answer your day-to-day questions.

#6 They hold no state license and don't belong to any business groups.

#7 They offer "National Wants and Warrants" from FBI files for sale.

#8 They offer a "National Criminal Index Search" from FBI files for sale.

#9 They don't have a privacy

policy in written literature or online.

#10 There are no applicant releases or user agreements that you or the applicant must sign prior to doing any screens.

When you are ready to look at providers of background checks make sure to review their website and literature carefully. These indicators are red flags that the company you are looking at may not be the company you want to trust. You can rest assured that RHR Information is a safe screening agency abiding all the rules and regulations governing our industry.

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The Right Path to the Right People

Disclaimer: This newsletter has been developed for informational purposes only for use by the customers of RHR Information Services, Inc., and should not be relied upon as definitively accurate. Due to the complex nature of your business, we strongly suggest that you work closely with legal council when making business related decisions.

US Department of Justice Criminal Statistics

The US Department of Justice released these Criminal Statistics:

- In 2001, an estimated 2.7% of adults in the U.S. had served time in prison, up from 1.8% in 1991 and 1.3% in 1974.
- Nearly two-thirds of the 3.8 million increase in the number of adults ever incarcerated between 1974 and 2001 occurred as a result of an increase in first incarceration rates; one-third occurred as a result of an increase in the number of residents age 18 and older.
- If recent incarceration rates remain unchanged, an estimated 1 of every 15 persons (6.6%) will serve time in prison during their lifetime.
- Lifetime chances of a person going to prison are higher for men (11.3%) than for women (1.8%).
- An estimated 57% of inmates were under the age of 35 in 2001.
- Among the State prison inmates in 2000, nearly half were sentenced for a violent crime (49%), one-fifth were sentenced for a property crime (20%) and one-fifth were sentenced for a drug crime (21%).
- Jail inmates were older on average in 2002 than 1996: 38% were age 35 or older, up from 32 % in 1996.
- 53 % of jail inmates were on probation, parole or pretrial release at the time of arrest.
- Violent offenders accounted for 53 % of the growth in State prisons between 1990 and 2000, drug offenders accounted for 59 % of the growth in Federal prisons.