



How to Spot Hidden **Red Flags** on a Tenant's Credit Report

Speaker:

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Visit FrontLobby.com/tenant-screening/ to screen a tenant

Before We Begin

The information provided in this webinar is not legal advice.

I am providing this information for your consideration as best practices for housing providers and is for educational purposes only.

If you have questions about a specific resident or situation, talk to an attorney.

Follow your policies – if I say something that differs, only implement change upon approval.

Today's Agenda



- Credit report and identity fraud
- Credit score models
- Data missing from a credit report
- Late payments, charge-offs, foreclosures, and repossessions
- Rent debt and collections
- Bankruptcy
- Adverse Action
- Risk Mitigation
- Q&A

The image features two silver security cameras in the foreground, one on the left and one on the right, both pointing towards the center. They are mounted on metal brackets. The background is a blurred view of a building with large windows and a light-colored facade, under a blue sky with some clouds. A semi-transparent dark blue banner is at the bottom of the image.

Credit Report and Identity Fraud

Credit Report and Identity Fraud

SNEAKY TENANT TACTICS

- Disputing a rent-related collection —→ Require and call multiple references
- Providing a copy of a fake report —→ Trust data, not people
- Asking for only one tenant to get credit checked —→ Screen ALL tenants 18+
- Claiming they don't have credit history —→ Check their credit anyway

SMART LANDLORD TACTICS

Credit Report and Identity Fraud

SNEAKY TENANT TACTICS

- Fake or deceased SSN
- Alias names
- Incorrect DOB

SMART LANDLORD TACTICS

- ➡ Order SSN Fraud Report
- ➡ Order Previous Address History report
- ➡ Collect multiple forms of ID

Red Flag – Warnings or Mismatch Info

- No credit report could be a red flag. Ask for name variations, confirm SSN, ask if they have credit cards or loans in their name.
- However, a credit report returned does not always mean it's a green flag. As long as 80% of information entered matched the credit bureau's file, a report is produced.
- Look out for "AKAs" or "Other SSNs" in the personal information section.
- Order an SSN Verifier to make sure the SSN and name is correct.
- Check if the Previous Address History report is blank

WARNINGS

DESCRIPTION:
EXPERIAN MESSAGE: SSN MATCHES

Red Flag – No Previous Addresses

Previous Address History

[Important Disclaimer](#) (show)

There are no previous addresses associated with the name and social security number (SSN) you entered. This could be the social security number you entered is **incorrect** or the applicant is **too young** or **too new to the country** to have established any address history. Please check the spelling of the name and social security number that you entered under "Search Details" and call us if any Search Details need to be corrected.

- Ask the applicant if they have credit history
- Verify spelling of first name
- Verify you entered the SSN correctly

Verify ID

- Accept any type of government-issued ID
 - Driver's License
 - State ID
 - Passport
 - Social Security Card
 - Individual Taxpayer Identification # (ITIN)
- What do you do if the applicant does not have or does not want to provide an SSN?
 - Laws vary in some states, check if you can require it.
- Make sure name, addresses, and DOB match and if there is variation ask for explanation.



Verify ID and Income

- Bank statement from last 30-90 days
 - The amount and entity of direct deposits should match the pay stub details
 - The amount paid out for rent should match
 - Check for a healthy savings and checking balance
- Tax Returns: Consider requiring for self-employed applicants
- Pay Stubs (Last 2): Contact employer to confirm
- Social Security Benefits: Call 1-800-772-1213

Verify ID and Other Documents

- Proof of renter's insurance policy
- Utility bill with their name
- Letter of employment status if newly hired
- Personal reference letter or guarantor letter if first time renter



Analyze Credit Report



Credit Score Models

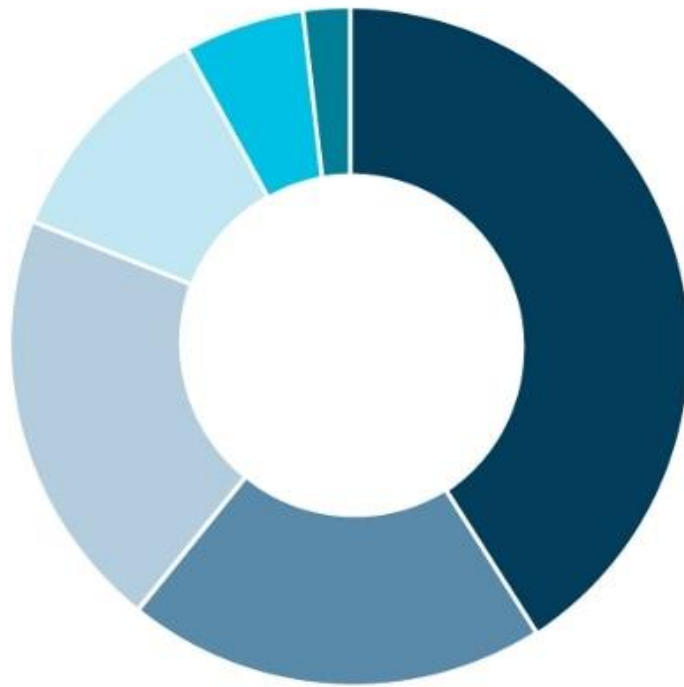
- There are multiple score models
 - Some are unique to a specific credit bureau and others are the same across all 3 credit bureaus
 - Score models score ranges may vary and are calculated differently
 - Credit scores within a model may vary at different times of the month
- Compare apples to apples
- FrontLobby uses TransUnion VantageScore 4.0

Credit Score Models

➤ VantageScore 4.0

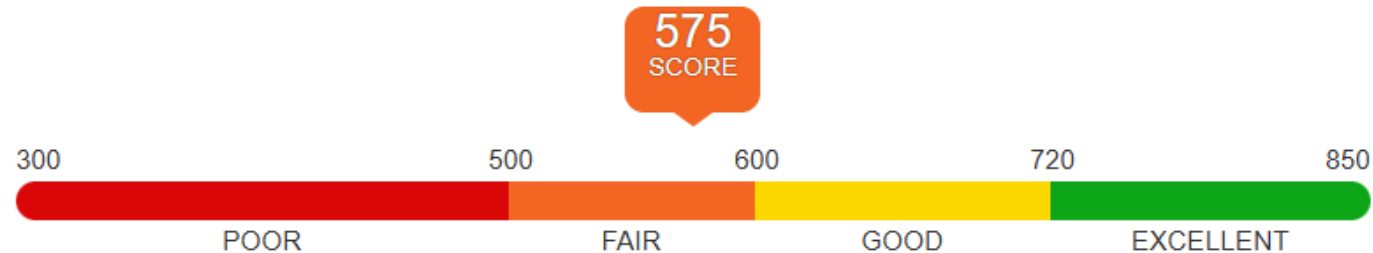
- Scores more applicants – 94%
- Reflects credit behaviors over time, rather than relying (as other models do) on static, credit-history records which reflect only one point-in-time.
- Starting in 2025 used for Fannie Mae and Freddie Mac mortgages.
- Learn more here:
https://cdn.vantagescore.com/uploads/2022/09/VantageScore-4.0-UserGuide_abr_Sep22.pdf

VantageScore 4.0 credit score factors



- **Payment history:** 41%
- **Age and mix of credit:** 20%
- **Credit utilization ratio:** 20%
- **New credit:** 11%
- **Credit balance:** 6%
- **Available credit:** 2%

CREDIT SCORE BY EXPERIAN/VANTAGESCORE 4.0



Data Missing from a Credit Report

	Is it on a credit report?
Income	NEVER
Employer	SOMETIMES
Utilities	RARELY
Monthly rent	RARELY
Evictions	NEVER
Civil judgments	NEVER
Tax liens	NEVER
Medical debt	SOMETIMES

Data Missing from a Credit Report

	Is it on a credit report?
Recurring debt	ALWAYS
Collections	ALWAYS
Bankruptcies	USUALLY
Late payments	ALWAYS
Installment debt	ALWAYS
Credit score	USUALLY
Check writing history	NEVER
Checking/Savings	NEVER

Data Missing from a Credit Report

What has changed:

- State and federal tax liens and civil judgments (including evictions) were removed in 2017.
- Paid medical debts, medical debts less than a year old, and medical debt under \$500 were removed in 2022.
- Education Loan Deferments ended September 2024, however those on the SAVE plan are still deferred.
- The DOE has resumed student loan collections on defaulted loans May 5, 2025.

Red Flag – Types of Late Payments

- 1) 30 Day Past Due
- 2) 60 Day Past Due
- 3) 90 Day Past Due
- 4) COLLECTIONS
- 5) PROFIT AND LOSS WRITEOFF/CHARGE OFF
- 6) REPOSESSION/FORECLOSURE
- 7) BANKRUPTCY

Red Flag – Negative Trends

CREDIT ACCOUNTS

#1 SANTANDER CONSUMER USA

Account #

Recent Balance: \$22,100

Monthly Payment: \$590

Terms: 72 months

Credit Limit:

High Credit: 23621

Account Type: IA / AUTO

Remark:

Opened: 8/05/2023

Last Reported: 202503

Date Last Past Due: 03/01/25

Past Due Amount: \$1,115

30 / 60 / 90: 3 / 3 / 1

Account Status: 40 / DELINQ 60

Payment History:



Red Flag – Profit and Loss/Charge Off

#3 UPGRADE INC

Account #:	Opened: 10/22/2020
Recent Balance: \$3,923	Last Reported: 202208
Monthly Payment: \$3,923	Date Last Past Due: 11/01/22
Terms: 1 months	Past Due Amount: \$3,923
Credit Limit:	30 / 60 / 90: 1 / 1 / 1
High Credit: 6401	Account Status: 90 / CHARGE OFF
Account Type: RO / OPEN	
Remark: CHECK CREDIT OR LINE OF CREDIT	

Payment History:

2022											2021					
DEC	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP	AUG
UKN	90	60	30	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

2020							
JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC
OK	OK	OK	OK	OK	OK	OK	OK

Red Flag – Profit and Loss/Charge Off

#4 CAPITAL ONE

Account #:
Recent Balance: \$2,225
Monthly Payment: \$0
Terms:
Credit Limit: 1800
High Credit: 1800
Account Type: RR / REV
Remark: ACCOUNT CLOSED AT
CREDIT GRANTOR'S
REQUEST

Opened: 9/19/2019
Last Reported: 202407
Date Last Past Due:
Past Due Amount: \$2,225
30 / 60 / 90: 1 / 1 / 3
Account Status: 90 / CHARGE OFF

Payment History:

2025				2024												2023			
MAR	FEB	JAN	DEC	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV			
UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN			
				OCT	SEP	AUG	JUL	JUN	MAY	APR	MAR								
				UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN								

Red Flag – Repossession/Reaffirmatin

	Creditor: HERTG ACCPT	Date Opened: 12/04/2014
	Subscriber #: <input type="text"/>	Date Reported: 1/18/2021
	Phone: 800-233-9598	History Start Date:
	Account #: <input type="text"/>	Last Activity: 202011
# 1	Terms: 48	Date Last Past Due:
	Credit Limit:	Past Due Amount: 4870
	High Credit: 14593	Late Dates:
	Recent Balance: 4870	30 / 60 / 90: //
	Monthly Payment: 453	Trade Type Code / Text: IA / AUTO
	Months 00	Account Status Code / Text: 80 / REPOSESS
	Reviewed:	
	Remark: REAFFIRMATION OF DEBT	

Payment History:

2021
FEB
UKN

Red Flag – Foreclosure

#2 WESTGATE RESORTS LTD

Account #: 	Opened: 3/26/2021
Recent Balance: \$20,200	Last Reported: 202207
Monthly Payment: \$0	Date Last Past Due: 11/01/23
Terms: 120 months	Past Due Amount: \$9,715
Credit Limit:	30 / 60 / 90: 1 / 1 / 13
High Credit: 21209	Account Status: 82 / FORECLOS
Account Type: IM / MTG	
Remark: FORECLOSURE STARTED	

Payment History:

2024						2023										
JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP	AUG	JUL	JUN	MAY	APR	MAR
UKN	UKN	UKN	UKN	UKN	UKN	UKN	UKN	180	180	180	180	180	180	180	180	180

2022							
FEB	JAN	DEC	NOV	OCT	SEP	AUG	JUL
180	150	120	90	60	30	OK	OK

Red Flag – Unpaid Rent

#21 PREFERRED LEASE

Account #: 638442

Recent Balance:

Monthly Payment: \$0

Terms: 18 months

Credit Limit:

High Credit: 969

Account Type: RO / OPEN

Remark: RESIDENTIAL RENTAL

Opened: 2/22/2020

Last Reported: 202108

Date Last Past Due:

Past Due Amount: \$0

30 / 60 / 90: 0 / 0 / 0

Account Status: 20 / AS AGREED

Payment History:

2021

2020

AUG

JUL

JUN

MAY

APR

MAR

FEB

JAN

DEC

NOV

OCT

SEP

AUG

JUL

JUN

UKN

OK

OK

OK

OK

OK

OK

OK

OK

OK

OK

OK

UKN

OK

OK

Red Flag – High Debt

- Just because someone has an okay credit score does not necessarily mean they can afford to pay the rent you are charging.
- Use the credit summary to find out how much debt they have.
- Total Revolving + Total Installment =
 - Total Account Balance
- Total Monthly Payment = how much they must pay every month to not be past due.



Red Flag – High Debt

CREDIT SUMMARY

Past Due

Delinquent Accts.:0
Accts w/Late Pays:2
Amount: \$419
30 Days:1
60 Days:0
90 Days:1

Collections

Collections:1
Currently Owed:\$419
Charge Offs:4

Bankruptcies

Bankruptcies:0

Debt

Total Debt: \$518
Payment/Mo:\$38
Mortgage: \$0
Revolving:\$518
Installment:\$0
Debt Ratio: 0%
Available:0%

Other

Total Accts.:10
Inquiries:0
High Credit: \$1,051
Credit Limit: \$2,551
Oldest Acct.:12/01/15

Red Flag - Collections

COLLECTIONS

#1 Collection Agency: MIDLAND CRED

Current Balance: \$419

Original Balance: \$419

Account Number: 3188183

Assigned to Collections: 10/24/22

Reported to Bureaus: 08/31/24

Collection Agency #: Y 036ET0

Remark: PLACED FOR COLLECTION; ORIGINAL CREDITOR: 01 COMENITY BANK

1. Type?

2. Amount?

3. Date?

4. Paid/Unpaid?

Red Flag - Bankruptcy

BANKRUPTCIES

#1

Court Name: US BKPT CT AL BIRMINGH

Court #: 1001010

Reference #: 1901857DSC

Plaintiff:


Remark:

Reported to Bureaus: 05/01/19

Liability: UNKNOWN

Status: DISCHARGED

Status Date: 09/04/19

	Chapter 7	Chapter 11	Chapter 13
Who is qualified:	Individuals and businesses	Corporations and partnerships; some individuals can apply	Individuals only
Asset liquidation or repayment plan:	Asset liquidation	Both	Repayment plan
Time on credit report:	10 years	10 years	7 years (discharged); 10 years (not discharged)

Self

Adverse Action/Declination



Adverse Action/Declination

- HUD Guidelines: “Past actions unrelated to tenancy and past incidents unlikely to recur (e.g., eviction due to job loss) should not be the basis for denials.”
- If you have set criteria, make sure to apply it to all tenants consistently.
- If they don't meet your criteria serve an adverse action letter/declination letter
- Tenants have the right to request the report from the tenant screening provider within 60 days and can dispute anything that is inaccurate.
- If you are taking adverse action due to a criminal record, contact your screening provider and attorney first.
- Check additional adverse action laws in your state.

Risk Mitigation Tips

Overdue payment reminder / Warning

Client number 1654-A-91

Dear customer,

Our records indicate that payment on your account is overdue in 10 days.
Please make your payment within the next 10 days.



Reduce Risk – Tenant Screening

FrontLobby Tenant Screening:

- Long-form Credit Report and Score
- Criminal Background Check
- Tenant Eviction Record

Pricing for FrontLobby Members:

- Free for landlords. Tenants pay \$19.99 for a credit report or \$39.99 for a credit, criminal, and eviction report bundle.
- Visit <https://frontlobby.com/tenant-screening/>



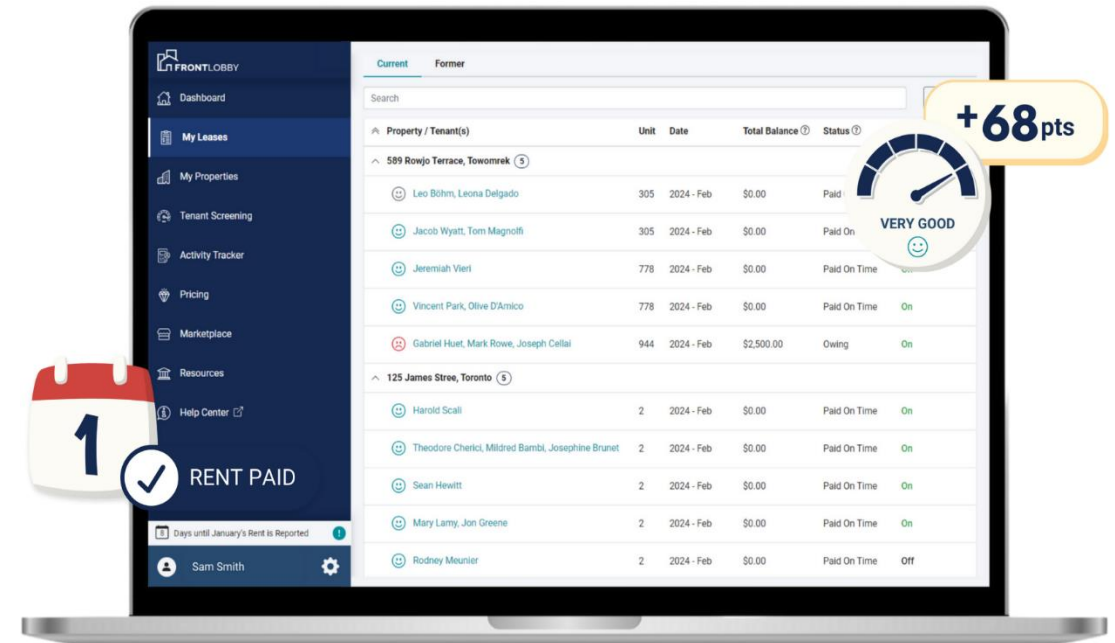
Reduce Risk – Renters Insurance

- Not just for tenant's benefit
- Keeps you out of it
- Dog bites
- Guest slip and fall
- Theft
- Natural disasters



Reduce Risk – Rent and Debt Reporting

- Report rent payments positive and negative to all 3 credit bureaus.
- When tenants know their rent and debt will be reported, they are more likely to pay.
- 96% of reported tenants on FrontLobby pay rent on time.
- Now required to offer in CA (AB 2747)



Reduce Risk - Cosigner

- More responsible parties = more likely to get paid.
- Screen cosigners (credit check at least)
- List cosigners on the lease and any notices
- In some states you can go directly to the cosigner without dipping into the tenant's security deposit.
- Make sure cosigner signs any renewals or revised leases.

“Cosigner appoints Tenant as his or her agent for service of process in the event of any lawsuit arising out of this agreement.”



More Questions?

Book a call with our team to learn more about Rent Reporting, Debt Recovery, and Tenant Screening.



SCAN HERE