

# Fine Tuning

Advanced automation, intelligence and customization can yield more accurate, consistent and compliant resident screening.

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Property management companies today are operating in a more challenging economic environment. Recent increases in foreclosures and unemployment are changing the financial profiles of resident and applicant populations.

How can property managers navigate and stay ahead of the curve in this sea of economic uncertainty? Despite endless prognostication, no one can predict when the macro economic picture will turn around. Property management companies must look inward and focus on operating more efficiently and effectively. The questions companies must ask are: How can I maintain strong occupancy rates while balancing risk? How can I reduce costs? How can I ensure sound, swift decision-making in the leasing office?

For central offices, control and consistency are critical to ensure compliance. At the same time, on-site staff need clarity and confidence that the screening results will be expedient, easy to interpret and accurate.

Technology continues to play a central and enabling role in maximizing your rental screening returns. Here are seven technology best practices for more effective resident screening.

## 1. Pick the Appropriate Screening Data Sources for Your Business

Many components can be tied into a screening platform – credit reports, criminal reports, eviction reports, rental history records and more – and it's important that you take the time to understand what you are getting with your screening service. Within each of the categories mentioned, the databases that are being searched can differ depending on your screening provider. It's important to ask: What do I need? What exactly am I getting?

## 2. Incorporate New Data Sources

You should make sure your screening process is constantly incorporating the latest and best applicant data. In today's market you need the right tools to help you identify and attract the best applicants, while at the same time avoiding skips and evictions. One data source that is gaining more recent attention is rental payment history.

Thanks to technology advances, rental payment history data is now being monitored and collected in a streamlined fashion, making it easier to access and use than ever before. Screening companies are now integrating with

databases such as the National Rental Data Exchange created by RentBureau, a consumer reporting agency dedicated to collecting rental payment histories and real-time apartment collections activity. You should speak with your screening provider and see what is available with regards to past rental payment history data.

### 3. Automate the Screening Workflow

Once you have chosen the components of your screening process, configure your screening system to run the reports in an optimal workflow. For example, depending on what type of property you operate and what your priorities are, you may want to run the credit check before the criminal check or vice versa. If an applicant passes the first step, your screening system should automatically trigger the remaining steps. However, if the applicant fails the first step, the screening process should automatically stop, eliminating additional costs for running unnecessary reports.

Eliminate unnecessary steps and make sure the ordering of the workflow is logical and efficient. A good Web-based screening platform will allow you to program customized workflow management rules, saving you time and money while maintaining consistency.

### 4. Integrate Systems

Historically, each piece of the resident lifecycle was its own contained process with its own tool or system. Although each piece of the resident lifecycle is still distinct in many respects, technology has evolved, and now different tools can be tied together to make processes more efficient. For example, many of the leading screening systems now integrate with various property management software systems, as well as other multifamily technologies such as online applications, surety bond forms, etc.

A management company can pick its favorite providers in each category and integrate them. This reduces data entry, saves time and reduces errors in the leasing office. Speak with your screening provider and property management software provider and make sure you are aware of all the potential integrations they can offer.

### 5. Teach Best Practices for Security

Since resident screening involves the evaluation of personal information, such as credit reports, it's important that employees understand how to protect applicants' privacy and

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sensitive information. Your staff should also be well versed on safe computing and security practices. For example, every employee should have his or her own password (which should be supplied by the screening company). Then, make sure employees not only keep those passwords private, but also change their passwords every 90 days (a credit bureau requirement).

Finally, train your team to follow appropriate policies when disposing of consumer files – both virtual and hard copies. Posting these policies in an area where staff members congregate is one way to ensure awareness of proper disposal policies.

**6. Evaluate Your Criteria**

Now is the time to review your occupancy rates and bad debt to determine if you might need to adjust your customized screening criteria. In many regions of the country today, slower household formation is impacting demand, more applicants have experienced foreclosures or other financial challenges, and the employment market is less stable. Make sure your standards are appropriately calibrated with current market forces in your area, your property's traffic flow, occupancy and bad debt.

**7. Don't Forget: Train and Retrain**

From properly training new staff members to providing refresher "courses" for veteran employees, it's important to conduct regular and accessible training. Keep in mind that training isn't "one size fits all." There are many facets of the screening process, and some are going to be more relevant to your particular situation than others. Make sure your screening partner is aware of your specific needs.

These technology tips and best practices can get and keep you on the right track, particularly in today's economic climate. Exceptional automation, intelligence and customization capabilities significantly improve consistency, accuracy and Fair Housing compliance in the screening process. Property managers are empowered with the competitive advantage to maximize rental revenue in any economic climate or region – while dramatically lowering risk and increasing numbers of acceptable applicants. 🏠



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