# Perfect Tenant or Expensive Deadbeat? Turn the Odds in Your Favor with Background Screening…

Not long ago, I found myself attending a convention in Las Vegas. I’m not much of a gambler (I’m too cheap), but hesitantly agreed to play blackjack with a few of my colleagues on our last night in town. The first hand I was dealt contained an ace and a jack – a combination of “21” that paid me back one and a half times what I bid. It turned out this game was pretty easy!

You can probably guess what happened next. My second, third, and fourth hands didn’t yield the same kind of results. Over the next half hour or so, I won a few, but the trend was easy to spot: the longer I stayed at the table, the more I would eventually lose.

When we step into a casino, we know the odds aren’t in our favor. The big lights and strip aren’t shining brightly through the night because the proprietors are losing money; they are meant to attract us with glitz and glamour while distracting us from the common knowledge that the math is squarely on the side of the house. In other words, most of us gamble because we think it will be fun, not because we expect to get anything from it.

That’s the exact opposite approach we take as real estate investors, though. When we put our heart-earned money into a property, we want to see it grow without too much risk. We want to put the odds on our side. That’s why it surprises me, every single time, when I see landlords at eviction courts who have not performed proper background checks. They have stacked the odds against themselves, and seemed surprised that it eventually caught up with them.

Renting your properties without the right kind of screening is like playing blackjack – your first tenant might be a winner, but the longer you take risky chances, the more you’re going to lose.

So how do you put the odds of finding the right renter back in your favor? Here’s what you can start doing today:

## Make Sure You Know Who You’re Renting to

As unbelievable as it sounds, not all potential renters are going to tell you the truth. That’s why identity verification is a must before a background check has even been started. Look at multiple forms of identification, including Social Security numbers, to be sure that the person you’ve met is the same one they’re claiming to be (and the one whose background you’ll be checking).

## Use Live Investigators, Not Cheap Online Instant Screening

Computers are great at a lot of things — but doing real investigative work isn’t one of them. After 20 years spent in the field, I can tell you that so-called “instant” background checks are incredibly easy for criminals to fool. Make sure you have a live, trained person following up on the information you’re given.

## Check with Current and Prior Landlords

If you want to know what kind of tenant you’re getting, talk to someone who has already rented to them. Keep in mind that the current landlord might not be completely honest if they want to get a problem individual off of their property, but a prior landlord has nothing to hide.

## Get a Paycheck Stub

It’s important to be sure that your new renter can afford to live in your property. Legal considerations will keep a lot of companies from telling you anything about an employee except whether they work for the business or not, so getting a paycheck stub is your best bet. Compare the “year-to-date” income to make sure the numbers add up, and check to see how long the applicant has held their current job.

## Make Sure You’re Screening for Prior Evictions

Eviction records can be amongst the most difficult to find because civil court documents don’t usually have the appropriate identifiers (like date of birth and Social Security numbers). That means many eviction records are name-match only, and can be easy to miss without the help of a live investigator.

## Make Rental Decisions Fairly and Consistently

Treating everyone the same, and using consistent rental decision criteria, is the best way to stay on the right side of the Fair Housing Act and avoid trouble with the authorities.

The difference between investing and betting has to do with whether the odds are in your favor or not. Follow these tips to find great tenants and ensure that you keep winning in real estate for years to come.

**About the Author**

*David Pickron has been a licensed private investigator for over 20 years, specializing in tenant screening for real estate investment owners and property management companies. His company, Investigative Screening and Consulting (ISC) helps clients onboard tenants from the initial background check to leasing and payment collection. You can learn more by visiting* [*www.iscscreening.com*](http://www.iscscreening.com) *or calling 1-877-922-2547.*