

# How Tenant Background Checks Can Save You Money

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Performing background checks can help you find tenants that are reliable, responsible, and upstanding, which can help you save money in the long run. Tenants who are reliable are more likely to pay their rent on time and a background check can provide you with information about a potential tenant to help you make the best choice for your property. Before establishing a rental agreement with a potential tenant, invest in tenant background checks to help you save time, money, and energy in the process.

When renters are looking for a place to live, there are many aspects of the search that affect their choices, including monthly rental prices and location relative to work, family, and friends. Most of the time, renters want to find a place that feels like home, and you as a landlord want them to treat their home with respect. Similarly, you as a landlord have certain qualifications in mind for the type of renter you want to trust on your property. A thorough rental application should include a tenant background check that allows you to pre-screen candidates and collect additional information that helps you make the best decision.

Tenant background checks provide you with the following information so you can make an informed decision.

## Employment History

Perhaps the most important factor in selecting a prospective tenant is whether or not they will be able to make their rent payments. A tenant background check provides landlords with the employment history, which can help inform you of whether or not this person has a reliable and consistent income. An appealing prospective tenant may not have significant gaps of time without employment or a history of frequent job loss. It helps to get a picture of a prospective tenant's current and past employment for a more comprehensive understanding of their financial reliability and responsibility.

## Criminal History

A criminal past doesn't need to automatically disqualify someone from a rental agreement, though a tenant background check will provide you with more context so a discussion can be had about any criminal history. There are certain red flags you want to look out for, though, when it comes to criminal record history, especially those that involve money. A criminal history of fraud or tax evasion can be a red flag that this person may not be a reliable tenant or they may not demonstrate the level of fiscal responsibility you are looking for in a future tenant.

## Rental History

One of the most helpful ways to find out whether a potential tenant will be a reliable and trustworthy renter is their rental history. A tenant background check will provide you with a detailed rental history, which will show their history of rental agreements, as well as any history of eviction or other red flags that might make you wary, like

frequent moves or large gaps in reported residence. A potential tenant who has lived under one rental agreement for a long period of time can be a positive sign that they are able to maintain the requirements of a responsible tenant.