

NTN Rental Screening Fact Sheet for Realtors and Landlords

To help you select a qualified renter, your Realtor uses a unique report provided by our screening partner, National Tenant Network (NTN), to help assess the potential risk of your applicant(s). NTN provides us with a unique report called **NTN DecisionPoint**, which analyzes the applicant's credit report, any confirmed landlord-tenant / housing court records, and converts that information into an easy to understand and safe rental risk score and rental recommendation. NTN's **rental scoring** system is like a credit score, but was built specifically for property managers and landlords to assess rental risk. Your Realtor may also be providing a Criminal Report on your applicant(s).

IMPORTANT: Before qualifying any applicant, we strongly recommend that you see or obtain copies of your applicants' driver's license, so that you can verify your applicant's identity and verify important details like name spelling, DOB, and address – especially if any of the applicant's Verification of Applicant Information comes back "Not Confirmed" or if the applicant has no credit history. If no credit history is found, also verify your applicant's SSN.

Q & A

What is a Rental Score?

Much like a credit score, a true rental score is driven by a mathematical algorithm. A rental score is industry specific. It identifies relevant credit items and patterns of credit behavior that specifically assess rental risk. NTN's rental score also factors in positive or negative tenant behavior by including confirmed eviction filings and tenant performance information in the scoring algorithm. Including these elements is one of the most important factors in weighing rental risk. NTN uses a logical, school-based scoring range of 0 to 100. Note, the overall qualification recommendation may be affected by the score, income to rent, length of residence and length of employment.

How does NTN DecisionPoint use the applicant's credit report?

NTN DecisionPoint analyzes the applicant's credit report and any confirmed landlord-tenant history and converts that information into an easy-to-understand rental score and recommendation.

Is employment or income verified as part of the NTN report?

Due to the fact that there is no national repository by which employment or income can be automatically verified, the rent to income assessment on the NTN DecisionPoint report (if provided) represents the applicant's **reported income only** and should be vetted before final income approval is given. Because many employers now decline to verify salary, NTN suggests that current employment and salary be verified via current paystubs, which can be requested from the applicant by the landlord and/or real estate agent.

Why can't I see the full credit report?

The full credit report is masked to limit liability and the risk of FCRA (Fair Credit Reporting Act) violation. Masking the credit report helps to ensure that legally protected information is not inadvertently provided to a landlord or any other third party that is not authorized to receive it. Credit reports are sensitive documents, and credit bureaus and regulators do not want unauthorized users to have access to specific credit information.

Can anyone see the full credit report?

Your broker generally will have access to the credit report for every NTN DecisionPoint report that you run, so if you have specific concerns about your applicant's credit report, we may be able to help answer specific questions. Again, credit bureau rules prevent us from disclosing specific credit information.

What about the credit bureau or FICO scores?

Credit bureau scores were developed by the banking industry to weigh loan risk. Although both loan and rental risk algorithms share some similarities, the emphasis is different. Credit scores, for example, heavily penalize individuals for relatively high credit utilization, even when payment history is positive. They also penalize for young or less-established credit. Relying on credit scores may disqualify applicants who do not pose a substantial rental risk.

Like the credit report, credit scores are protected under FCRA regulations and credit bureau rules and must be kept strictly confidential. Use of credit scores also imposes additional disclosure burdens under recently enacted Dodd-Frank regulations. Due to these requirements, some brokers do not provide credit scores. If your broker does disclose credit scores to you, they must be kept strictly confidential.

What is Dodd-Frank?

Dodd-Frank amendments to FCRA law became effective in July 2011. These amendments require anyone using a credit score to determine renter eligibility to make certain disclosures when adverse action is taken. Adverse action is defined as the rejection or conditional acceptance of an application (such as requiring a co-signor or requiring a higher security deposit). These disclosures include a) the **credit score** used in making the credit decision; b) the **range of possible scores** under the model used to generate the credit score; c) all of the **key factors** that adversely affected the credit score; d) the **date** on which the credit score was created; and e) the **name and contact information of the CRA** that provided the credit score (NTN).

The NTN DecisionPoint score is not considered a credit score under Dodd-Frank regulations because the credit bureau scores are not part of the rental scoring formula. Hence, the Dodd-Frank disclosure requirements do NOT affect landlords using only NTN DecisionPoint scoring. Again, if your broker does make the credit score available and that score is used as part of an adverse leasing decision, then the Dodd-Frank disclosure requirements above DO apply.

How does NTN DecisionPoint help with Fair Housing Compliance?

Fair Housing laws require landlords and property managers to evaluate all applicants **identically**. Interpreting credit reports can be risky because subjective reactions to an applicant's circumstances can occur inadvertently. NTN DecisionPoint removes the risk of subjective analysis and scores applicants based on consistent criteria. It also allows for customization of criteria so that credit exclusions (such as forgiveness of medical debt) can be codified and applied as objective business practices.

What information can be provided to the landlord?

It is a violation of FCRA and credit bureau regulations to disclose credit reports and details to any 3rd party – including the landlord. It is important to be mindful of credit bureau regulations and to adhere to them. With appropriate disclosure, the NTN DecisionPoint score is an easy and safe way to communicate rental risk to property owners without compromising security regulations.

If I received a criminal report and a record was found for my applicant, did that information affect the NTN DecisionPoint score or rental recommendation?

No, criminal information is provided via a separate report and has NO impact on the NTN DecisionPoint score or rental recommendation. Note also that NTN provides a **multistate** criminal search; there is NO report that covers the entire United States comprehensively. The multistate criminal search does include a nationwide sex offender search, and includes relatively comprehensive criminal records from MD, NJ (indictment records) and PA locally.

Rental Recommendation - Based on subscriber's employment, residency and applicant score acceptance criteria.			
Reject Group		Jonathan Consumer has negative tenant performance history Score - Accept with first and last month rent See rejection letter for details	
Analysis Results			
Total Income \$9,000.00 Rent:\$700.00			
Rent to Income Meets Requirement	Time at Residence N/A	Time at Employment N/A	Average Score 70
Score Ranges: Reject (00-59) Conditional (60-79) Acceptable 80-100			
Applicant Score based on analysis of tenant performance information, public records and credit report.			