

New Credentialing Changes

The existing federal Fair Credit Reporting Act (FCRA) has always required tenant screening companies to perform due diligence in verifying that customers who wish to procure retail credit report data have a legitimate purpose for doing so. Both the credit bureaus and companies who are resellers of the bureaus' data are responsible for the FCRA compliances. However, the nation's three major retail credit bureaus, Experian, TransUnion and Equifax, have more recently established more rigorous requirements with regard to qualifying members who wish to receive retail credit reports through tenant screening companies and other data resellers. Although the specific requirements for each bureau varies to some degree, there are two main requirements and they are discussed below. We have also provided below an alternative to this issue.

On-Site Inspections

Real estate owners, investors and property managers who wish to continue to receive detailed credit report data must undergo an on-site inspection of the location where reports are accessed and stored. The credit bureaus require an independent third party conduct these on-site inspections. To pass inspection, members must have a secured area where retail credit reports are accessed and stored, for instance a locked filing cabinet to safeguard the reports or a password protected computer to view them, and a shredder to destroy reports when no longer needed. Home-based businesses are required to have a separate work space designated and it will also be verified that subscribers are not involved in any side businesses that may not be approved for the handling of credit reports (e.g., internet locator services, bail bond companies, credit repair agencies or credit clinics).

Business Entity Verification

The qualifying process also includes verifying that credit reports are only being used by companies, which includes obtaining a copy of a business license, federal tax identification number, articles of incorporation, etc. It may also include a credit background check of the sole owner or individual partners and verification of a business telephone listing.

Current and new members who wish to receive or continue to receive detailed credit reports on their rental applicants will be required to submit credentialing paperwork (copy of business license or documents verifying business entity).

Alternative

Please Note: In an effort to serve our members, Call Eleanore Screening Services offers a Credit Report Decision Model result, which is an alternative to receiving the detailed credit report data and thus avoiding the credentialing requirements and on-site inspection noted above. The Credit Report Decision Model will thoroughly review an applicant's detailed credit report and produce a pass-fail decision using an industry standard set of criteria (see our Credit Report Decision Model Criteria below). Using this decision model, the actual detailed credit report information is suppressed and is replaced with an Approved, Approved with Conditions or Declined result instead. You can rest assured that the Credit Report Decision Model set of criteria is a thorough industry standard and will thoroughly review credit information in a precise and consistent manner.

The issue discussed above is with regard to detailed credit data only – **all other aspects of a screening report remain unaffected** – you may continue to order any other aspect of the screening report modules, including criminal background search, eviction search, sex offender registry search, rental references and employment verification information. The price of report packages currently remain the same, whether a detailed credit report is obtained or a credit report decision model result is obtained.

CREDIT REPORT PASS / FAIL CRITERIA

(Declined / Approved with Conditions / Approved)

Rules and Criteria	Declined	Conditions	Approved
	(Number of Instances or Occurrences)		
30-59 DAYS PAST DUE *	4 or more	3	2 or less
60-89 DAYS PAST DUE *	3 or more	2	1 or less
90-119 DAYS PAST DUE *	3 or more	2	0
# OF TRADES PAST DUE **	4 or more	3	2 or less
# OF TRADES 60+ PAST DUE **	3 or more	2	1 or less
# OF TRADES 90-180 PAST DUE **	3 or more	2	0
COLLECTIONS	3 or more	2	1 or less
TAX LIENS	3 or more	2	1 or less
(SNCL) Skip Cannot Locate	3 or more	2	1 or less
JUDGMENTS ***	3 or more	2	1 or less
CHARGE OFF ***	3 or more	2	1 or less
FORECLOSURE ***	1 or more	0	0
REPOSSESSION ***	1 or more	0	0
GARNISHMENTS ***	1 or more	0	0
BANKRUPTCY ***	1 or more	0	0

* Within the past 12 months

** Within the past month

*** Within the past 48 months

Applicants who do not have at least one trade will be declined.

Applicants who do not have a credit file listed with the credit bureau, or Social Security Number does not verify, or Social Security Number was issued before they were born, or Social Security Number used in death benefits, No Hit, etc. will be declined.