

# Credit Credentialing

Edward F. Byczynski  
General Counsel  
NTN, Inc.

---

Designed by NTN to solve the need to safeguard sensitive consumer data, NTN DecisionPoint serves the interests of subscribers from Enterprise level managers to small subscribers. For the Enterprise level manager, NTN DecisionPoint delivers all the same analyses and benefits to our subscribers as DecisionPoint Plus, with the exception of the applicants credit report. The applicants credit report is retained in the NTN national system for administrators eyes only. For the small subscriber who does not qualify to receive credit reports under the new bureau rules, NTN DecisionPoint provides all the information you need to make a sound rental decision.

---

The existing federal **Fair Credit Reporting Act (FCRA)** has always required both credit-reporting agencies, and tenant-screening companies, to make every responsible effort to verify that customers (or subscribers) who wish to purchase and/or receive retail credit reports, do indeed have a legitimate and lawful purpose for doing so. The FCRA specifically refers to this as establishing "permissible purpose." [15 U.S.C. § 1681b] Both the credit bureaus themselves and companies who are "resellers" of the bureaus' data are responsible for compliance with the law.

Recently, however, the nation's three major retail credit bureaus (Experian, TransUnion and Equifax) have, independently of each other, instituted **THEIR OWN** new and more stringent regulations with regard to the process of qualifying customers who specifically wish to purchase and/or receive retail credit reports, or information directly from these reports, from tenant-screening companies and other data resellers. The new requirements are intended to help combat credit fraud and identity theft. Identity theft is now the fastest-growing crime in the United States. Last year alone, more than 9.9 million Americans were victims of identity theft - a crime that cost them approximately \$5 billion.

The entire tenant screening industry is responsible for enforcing these new rules. Consequently, all companies who sell retail credit reports are now contractually required to qualify customers who seek access to these reports in new, and very explicit ways. The consequences for any company not in compliance with the newly established rules will include denial of access to retail credit reports altogether.

Fortunately, these rules **DO NOT RESTRICT AUTOMATICALLY** credit report access to any specific real estate owner, investor or manager, nor do they govern access to anything other than **RETAIL CREDIT REPORTS**. All other types of screening reports will remain available to customers without interruption. Screening companies may also continue to resell credit reports, and credit-report-based information, but only to those qualified under the new bureau regulations.

All three bureaus have certain requirements for qualification in common, and while the specific requirements of each bureau do vary (further complicating this issue), two main similarities may be summarized as follows: (For details on qualifying under the rules of a specific bureau, customers should contact their screening service.)

## **ON-SITE INSPECTIONS**

Real estate owners, investors and managers who wish to continue to receive an applicant's credit report must undergo a physical, on-site inspection of the location where the reports are accessed and stored. Experian, TransUnion and Equifax all require that an independent inspection company, approved by the bureau, conduct the inspection. The screening company is responsible for arranging this inspection. For subscribers that operate their businesses out of a separate, identifiable business location, the inspection is required once. For subscribers who operate out of a home office, the inspection may be required annually. In either case, there is an inspection fee. This fee is **NOT** charged by the screening agency; rather, it is paid directly to the inspection company. In order to pass the inspection, subscribers must have a locked door for the premises where retail credit reports are accessed and stored, a locked filing cabinet to safeguard the reports, and a shredder to destroy the reports once they are no longer needed. The retail credit bureaus also require assurance that subscribers (termed "end users") 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, credit clinics, etc.).

Note that as part of NTN's effort to provide convenient, quality service to its subscribers, NTN procedures have been established which would qualify subscribers to receive credit reports from all three bureaus, for a single, one-time fee.

### **ADDITIONAL PAPERWORK**

The qualifying process also includes the “**CREDENTIALING**” of all new **AND** current subscribers. This process involves, among other things, confirming the identity of the subscriber. The standard methods for this include obtaining a copy of an individual subscriber's driver's license, or a copy of a business subscriber's business license. Proof of ownership of rental property must also be verified. For incorporated businesses, articles of incorporation may be required. For sole proprietors or partnerships, an assumed business name filing, or individual retail report may be required. A subscriber's status as a real estate owner or manager may also be verified by examining a reputable directory, such as the telephone book, rental association listing, or website. Currently, the credentialing process is required to be performed only once for each subscriber.

As a subscriber to a resident-screening service, if you do not qualify under the credit bureaus' new rules, which include submitting to, and passing the on-site inspection(s), OR, if you simply choose not to undergo the required on-site inspection(s), you will **NO LONGER BE ALLOWED** to receive the retail credit report of ANY applicant. Again, your screening agency can review the specific rules of each bureau with you.

### **THE NTN SOLUTION**

Although all subscribers who wish to continue to receive any retail-credit-based information about their applicants will still be required to submit certain paperwork in order to do so, National Tenant Network, in an effort to improve our services, provide our subscribers with maximum choice, and minimize the inconvenience they face in adjusting to the new regulations, has created a **NEW** report - **NTN DecisionPoint** - specifically designed to help subscribers who either do not pass, or who choose not to undergo, the on-site inspection.

## **NTN *DecisionPoint***

### ***resident screening - redefined***

NTN DecisionPoint reviews an applicants background and produces an overall score, much like a credit score, along with a corresponding rental recommendation – both of which are based on a **thorough and objective** analysis of both the applicant's credit record, and his or her **history of eviction(s) and/or lease violation(s)**. NTN DecisionPoint also takes into account longevity of employment, and longevity of residence, thereby ensuring a higher probability of overall resident retention. In addition, the NTN DecisionPoint report is accompanied by a comprehensive NTN tenant-performance profile, a detailed eviction and lease violation history, a SSN check, landlord identification and terrorist search.

NTN DecisionPoint provides **YOU**, the subscriber, with:

- verification of the information provided on the rental application;
- proprietary NTN default standards, built into the programming, to fully evaluate the applicant and produce a fair and meaningful score;
- the ability to customize certain credit and tenant-performance settings in accordance with your own acceptance criteria;
- a rental recommendation, which you are free to override;
- a rejection letter, fully compliant with the FCRA laws, if applicable;
- **Alerts** which emphasize areas of possible concern, including the existence of public records;
- and, a “messages” section to assist you in understanding the report's results.

### **What you get:**

> All of the information you need to make a sound rental decision - presented in a clear and easy-to-understand format – comprehensive – objective – and in plain English.

### **What you avoid:**

- > The bureau-required on-site inspection(s) and fee(s);
- > The potential for inconsistent decision making, which may lead to claims under federal fair housing laws;
- > The task of reading and understanding complex credit reports;
- > The potential for sensitive consumer data falling into the wrong hands.

NTN subscribers who do not meet the criteria set forth under the bureaus' new rules, and who also decide against the use of **NTN DecisionPoint** may, as always, continue to order and receive ALL OTHER types of NTN reports, including criminal background checks.

## **NTN DecisionPoint PLUS**

For those who have submitted all required paperwork, and passed the on-site inspection, please ask your local NTN office about the **NTN DecisionPoint PLUS** report. It provides all the benefits of NTN DecisionPoint **AND** a copy of your applicants retail credit report for your review.

Subscribers who use NTNonline.com will find a copy of the NTN DecisionPoint report in the "Training Guides" section after logging in. In-office customers and non-subscribers – please contact your local NTN office to review the report and subscribe, with code name Landlord.com.

National Tenant Network, Inc.  
National Headquarters

---

1-800-228-0989

1-800-340-1116

[www.ntnonline.com/qform.html](http://www.ntnonline.com/qform.html)