

Low-Barrier Screening and Eviction Prevention Requirements and Resources

RHTC Properties Committed to Reducing the Impact of Eviction
February 1, 2022

AGENDA

- I. Review of Commitment to Reducing the Impact of Eviction (QAP)
- II. Low-Barrier Tenant Screening
- III. Eviction Prevention Topics
- IV. Next Steps – Deliverables and Monitoring Requirements

Special Characteristic Commitment

QUALIFIED ALLOCATION PLAN: REVIEW

OVERVIEW OF COMMITMENT

Commitment to Reducing the Impact of Eviction (Maximum of 3 Points)

Applicants that commit to implementing strategies that reduce the impact of eviction on low-income households will receive points as follows, for a maximum of three points:

- Two points will be awarded if the Applicant commits to creating an **Eviction Prevention Plan** for the property. A qualifying Eviction Prevention Plan must be drafted prior to initial lease-up and submitted to IHCD for review and approval. The plan must address how the property will implement management practices that utilize eviction only as a last resort and must describe strategies that will be taken with tenants on an individualized basis to attempt to prevent evictions when issues arise. The plan will be reviewed as part of IHCD ongoing compliance monitoring to ensure it remains in place. In addition, the Applicant must agree to submit data on evictions as part of the Annual Owner Certification of Compliance reporting.
- One point will be awarded if the Applicant commits to implementing **low-barrier tenant screening** in order to minimize the impact of previous evictions on a household's ability to secure future housing. The applicant must agree to create a Tenant Selection Plan that meets the following requirement:
 - The plan will not screen out applicants for evictions that occurred more than 12 months prior to the date the household applies for a unit.

A qualifying Tenant Selection Plan must be drafted prior to initial lease-up and submitted to IHCD for review and approval. The plan will be reviewed as part of IHCD ongoing compliance monitoring to ensure this requirement remains in place.

LOW-BARRIER TENANT SCREENING

LOW-BARRIER TENANT SCREENING

Low-barrier tenant screening involves the adoption of practices that “screen in” rather than “screen out” prospective tenants:

- Create a straightforward and easily accessible application process
- Review screening criteria to ensure that they match the characteristics of the target population
- Avoid employing third-party screening tools and methods which conduct “blanket internet sweeps” and don’t align with low-barrier screening criteria
- If applicants are rejected, provide them with an explanation for the denial

At minimum, applicants may not be screened out for evictions that occurred more than 12 months prior to the date the household applies for a unit.

LOW-BARRIER TENANT SCREENING

Screening Criteria	Standard	Low-Barrier
Income Level	Income = 2.5 or 3x rent	Income = 1.5-2x rent or a history of successful rent payment with an income of less than 2x rent. Income is not considered if tenant is receiving rental assistance.
Rental History	2-3 years of positive rental history, often including receiving a neutral/positive reference. An eviction within the last 5-10 years can be disqualifying.	Evictions are not considered if 12 months have passed since the eviction. More recent evictions may be disregarded if the tenant can demonstrate that they have remedied or taken steps to address the issue leading to the eviction (e.g., repayment of debt, engagement with community supports, etc.). References are not required. Lack of rental history is not assumed to be poor rental history.
Credit History	Varies – while some properties require a credit score above a certain threshold, other properties are no longer using credit history as an indicator of a prospective tenant's ability to pay rent.	Score of >500, or lack of housing-related debts listed on the credit report. If a tenant has a score <500, but has no relevant debt (e.g., past-due rental/utilities), then the tenant may be considered eligible in this category. Credit history would not be considered if tenant is receiving rental assistance.
Criminal History	Lookback periods or automatic denial for specific felony and misdemeanor classes of criminal convictions, although this is typically considered discriminatory by HUD.	Applicants are not rejected for misdemeanors older than 2 years old and felonies older than 5 years. Individual or mitigating circumstances are considered for more recent convictions, particularly if unrelated to tenancy. Non-convictions/arrests, diversions/deferrals, dismissals and expungements, and juvenile crimes are not considered.

INCOME LEVEL

The expectation that applicants will have access to an income stream 2.5-3x the amount of rent no longer fits the Indiana renter market:

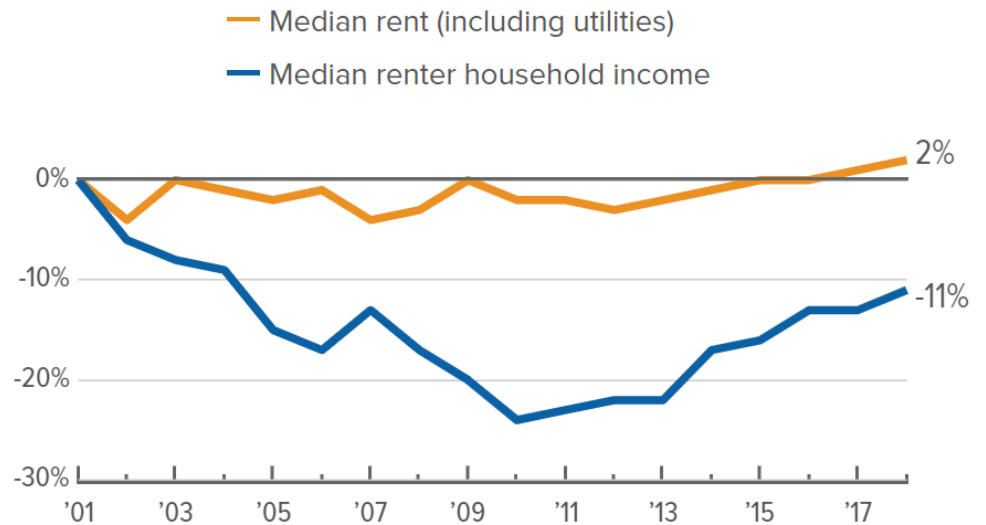
- Wages are not rising at the same pace as rent
- 45.5% of Indiana renters spend >30% of their income on rent (e.g., “rent burdened”)

The median annual income of LIHTC renter households in Indiana in 2019 was \$16,713.

Sources: Center on Budget and Policy Priorities, 2019; American Community Survey, 2019; HUD.

Change in Indiana Median Rents and Incomes Since 2001

adjusted for inflation



Source: CBPP tabulations of the Census Bureau's American Community Survey

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

RENTAL HISTORY

“ [A previous eviction] hangs over your head. It labels you, and that is not who you are,’ said Ms. Nelson, who has three children and works for an insurance brokerage. ‘People change. The whole process really feels criminal.’”

- *“The Stigma of a Scarlet E” by Matthew Goldstein*

- Eviction records, even when accurate, can be misleading:
 - <10% of tenants have representation compared to 80-90% of landlords; Many tenants lose their eviction lawsuits by default because they cannot attend the court date
- Many prospective renters have histories of making on-time monthly payments through informal rental agreements, or on leases where they were not named tenants
- Per The Appeal, “certain populations are disproportionately likely to face eviction”, and “also more likely to be judged harshly for carrying the eviction marker.” These populations are already more likely to face bias when seeking housing. (Sabbeth, 2021)

Employing low-barrier screening criteria to ultimately approve a household for an affordable unit can break a cycle of housing instability.

Sources: Goldstein, 2021; Sabbeth, 2021

CREDIT HISTORY

Credit reports are often inaccurate, have a disparate impact on communities of color, and aren't predictive of whether an applicant will pay their rent:

- An FTC study found that 1 in 4 consumers identified inaccuracies in their credit reports
- Per a 2021 report: “Many factors used in determining credit scores do not assess the risk of the borrower as much as they assess the riskiness of the environment in which the consumer is seeking credit...”
 - People of color are disproportionately steered to subprime loans and targeted by fringe lenders, and have restricted access to credit
- As few as 17% of property managers may report (regular) rental payments to the credit bureaus, and as few as 1% of credit reports may contain rental payment data

Sources: FTC, 2017; Family Housing Fund and Housing Justice Center, 2021; Continental Finance Blog & TransUnion, 2019 & RentPrep, 2018

CRIMINAL HISTORY

From HUD's "Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate Related Transactions" (2016):

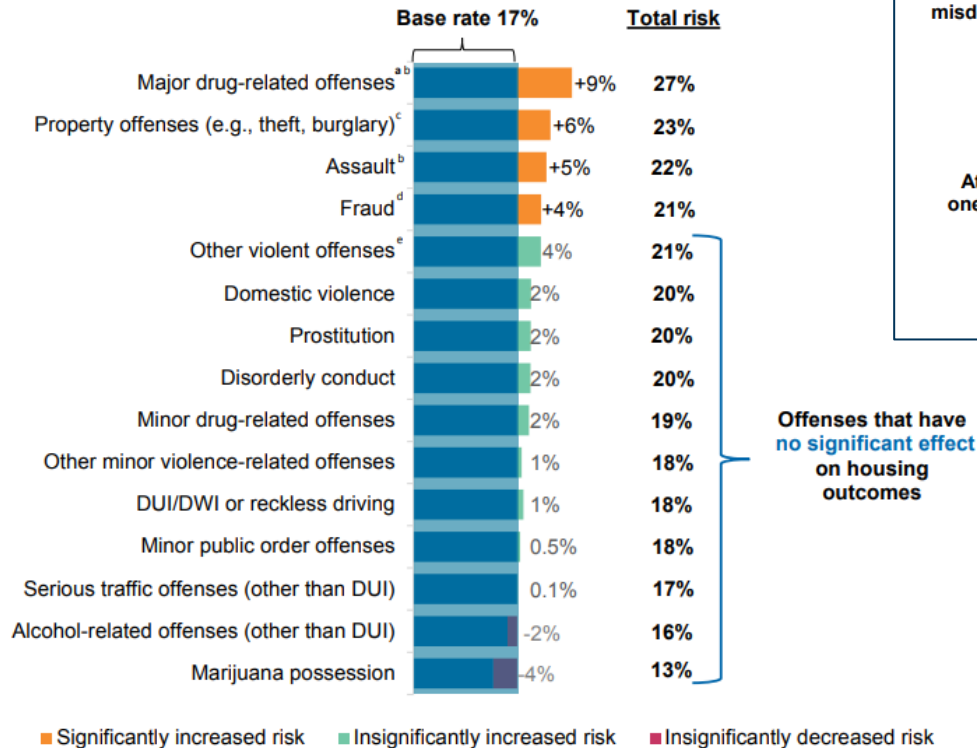
- Nearly one in three Americans has a criminal record
- Criminal records-based barriers to housing are likely to have a disproportionate impact on minority home seekers, and so many criminal history screens may have disparate impact on renters of color
- Policies must consider the type of conviction and the amount of time that has passed since the conviction. If a policy excludes individuals with specific types of convictions, the housing provider must prove that the policy is necessary to serve a "substantial, legitimate, nondiscriminatory interest"

Best practice: Develop evidence-based policy given the data re: correlation between criminal history and housing outcomes, and generally consider individual and mitigating circumstances

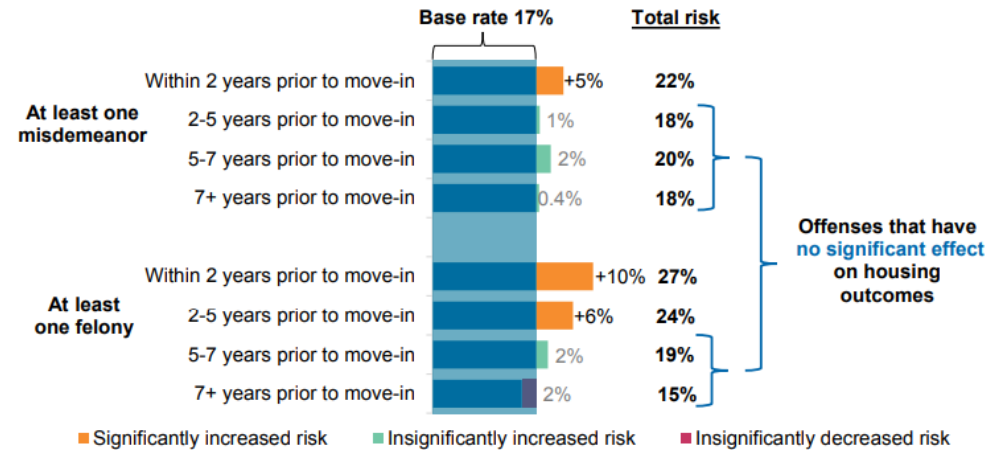
CRIMINAL HISTORY

Findings from a 2019 study of 10,500+ households leasing from four properties:

Most types of criminal background do not significantly increase the likelihood of negative housing outcomes.



9. The impact of criminal background on housing outcomes fades over time.



LOW-BARRIER SCREENING RESOURCES

General Tenant Screening and Selection:

- Screened out: How tenant screening reports deprive tenants of equal access to housing. (Pasley, Oostrom-Shah, Sirota, January 2020). [Access here](#).
- Access denied: Faulty automated background checks freeze out renters. (The Markup – Kirchner and Goldstein, May 2020.) [Access here](#).
- Opening the door. Tenant screening and selection: How it works in the Twin Cities Metro Area and opportunities for improvement. (Family Housing Fund and Housing Justice Center, March 2021). [Access here](#).

Rental History:

- Erasing the “Scarlet E” of Eviction Records. (Sabbeth, 2021). [Access here](#).
- The Stigma of a Scarlet E. (Goldstein, 2021). [Access here](#).
- Eviction Right to Counsel. (Stout). [Access here](#).

LOW-BARRIER SCREENING RESOURCES

Income Level:

- Out of Reach 2021: Indiana. (National Low Income Housing Coalition, 2021). [Access here](#).
- Rents have rise more than incomes in nearly every state since 2001. (Center on Budget and Policy Priorities, 2019). [Access here](#).
- Low-Income Housing Tax Credit (LIHTC): Tenant level data. (HUD Office of Policy Development and Research). [Access here](#).

Credit History:

- Federal Trade Commission Report on Credit Education and the Credit Repair Organizations Act. (FTC, 2017). [Access here](#).
- Free rent reporting can boost your credit score. (Continental Finance Blog). [Access here](#). // Rent reporting will motive seven in 10 renters to make more on-time payments: TransUnion research finds rent payments reporting can benefit both renters and property managers. (TransUnion, 2019). [Access here](#). // How to report rent payments to the credit bureau: Landlord tips. (RentPrep, 2018). [Access here](#).

LOW-BARRIER SCREENING RESOURCES

Criminal History:

- Application of Fair Housing Standards to the Use of Criminal Records by Providers of Housing and Real-Estate Transactions. (Office of General Counsel, HUD, April 2016). [Access here](#).
- Success in housing: How much does criminal background matter? (Warren, January 2019). [Access here](#).

QUESTIONS?

EVICTIION PREVENTION

DEVELOPING AN EVICTION PREVENTION PLAN

The purpose of this plan is to ensure that eviction is the last resort. Why?

- Eviction is an overall costly and negative experience for tenants, property managers, owners, service providers, and communities
- Because there is a lack of affordable housing in many communities, tenants who are evicted from affordable properties have very limited rental housing alternatives
- Tenants who are evicted are at significantly higher risk for homelessness
 - A 2018 study found that evictions increase the likelihood of applying to a homeless shelter by 14%, increase the days spent in shelter during the two years after filing eviction by 5% (~36 days) [and]... “Importantly, all of the estimated effects are large and persist...through all the post filing years.”

The plan should include the following:

- Creation of an eviction prevention philosophy to guide operations and organizational culture
- Development and implementation of strategies and practices to address common lease violations
- Established use of individualized housing retention plans
- Eviction protocols

Sources: Center for American Progress, 2021;
Collinson and Reed, 2018; CSH, 2021.

EVICTIION PREVENTION PHILOSOPHY

Develop your eviction prevention philosophy:

- All stakeholders want tenants to be successful in their housing
- All stakeholders benefit when tenants are successful in their housing
- The tenant-property relationship will be mutually beneficial, not adversarial

How to develop this philosophy:

- Discuss how your approach will be unique to this property → learn about the community, the target population, and mitigation practices for the most common causes for eviction
- Using this dialogue, expand on the core tenets listed above
- Reinforce this philosophy through onboarding and periodic trainings, policy, etc. to ensure that in practice, eviction really is the last resort

PREVENTING & ADDRESSING LEASE VIOLATIONS

Provide education about tenancy requirements at move-in!

- Review the lease together. Highlight tenant obligations, especially as they relate to common lease violations (e.g., guest policy, illegal activity, abandonment, quiet hours, rent schedule, etc.)
- State that this is a binding document and be clear about the potential consequences of lease violations

Develop specific strategies for common lease violations, rather than employing the same approach for every violation.

- Meet with the tenant to understand the issue → focus on the violation, not the tenant
- Clearly identify the relevant section of the lease, and explain again the tenant's obligation to comply with lease terms
- Brainstorm solutions with the tenant and develop an individualized housing retention plan, focusing on both reactive and proactive actions that can be taken
- Document all meetings

STRATEGIES FOR ADDRESSING COMMON LEASE VIOLATIONS

Lease Violation	Potential Solutions
Non-payment of rent	<ul style="list-style-type: none">• Walk through rent collection process with the tenant• Provide payment or re-payment plan options until tenant is caught up, finds new employment, etc.• Connect the tenant to rental assistance or legal aid programs• Create housing retention plan that describes the meeting, education efforts by the property management, and plan for tenant responsibilities moving forward
Violation of guest policy/disruption to other tenants	<ul style="list-style-type: none">• Notify tenant of quiet hours, community expectations, etc. that they might not be aware of• Is it a safety or accessibility issue? Explore moving to a new unit or enforcing trespassing rules• Has household composition changed? Discuss options for an amendment• If applicable, connect tenant to community partners who can provide support for specific issues• Create housing retention plan that describes the meeting, issues addressed, and solutions to be pursued moving forward
Neglect or damage to the unit	<ul style="list-style-type: none">• If applicable, connect tenant to community partners who can offer support with maintaining unit or other challenges driving this behavior• Agree on periodic unit inspections• Discuss payment plan for damages, if applicable• Create housing retention plan that describes the meeting, issues addressed, and solutions to be pursued and by whom moving forward

HOUSING RETENTION PLAN

Housing retention plans should align with the eviction prevention protocol and would ideally include:

- Simple/straightforward description of the role of the plan to address lease violations, to be uniformly communicated to all tenants
- Complete and updated history of lease violations
- Documentation of education provided to tenant per lease violation
- Written plan of action(s) to be taken by tenant/property/other partners to address/correct each lease violation
- Documentation of follow-up meetings, if applicable
- Written confirmation when/that tenant has resolved issue leading to lease violation

HOUSING RETENTION PLAN (CONT.)

Individualized Housing Retention Plan

Information Coversheet

Tenant Name: Identifier/Address:
Lease Term:

History of Notifications:

Ref #	Date of Lease Violation	Violation	Action Taken
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Include here a standardized summary of the role of housing retention plans in the property's eviction prevention efforts. This summary may be used to describe the purpose of the housing retention plan as a tool to address lease violations when meeting with tenants.

HOUSING RETENTION PLAN (CONT.)

Housing Retention Meeting and Strategy Worksheet

A new workflow should be completed for each lease violation. For lease violations where multiple meetings/violations are involved, the staff member(s) conducting the meeting and date of meeting must be noted and documented for the corresponding workflows.

- **Lease Violation:** Clearly describe the lease violation, focusing on the violation as the central issue being addressed in this meeting. Include the reference number assigned to the lease violation in Section 1.
- **Education:** If necessary, review the section of the lease that was violated. Review the tenant's rights and responsibilities in terms of receiving notice, correcting the issue, participating in, or failing to participate in, a housing retention plan, etc.
- **Actions:** Share with the tenant what actions the property requires the tenant to take to correct the issue and discuss whether the tenant anticipates that they will need additional supports to make these changes. Additional supports may include being connected to a cleaning service; engagement with a community partner for assistance with medical, mental, or behavioral health needs; support from the property for enforcement of security/trespass policies; receipt of a payment plan and coaching for the payment system, etc. Clearly describe who will complete each action and the expected timeline for completion.
- **Follow-up:** Determine whether any follow-up is needed, and if so, when/where/how it will occur, what actions should be taken by the time of the follow-up, and by whom.

Name of Staff Member(s): Date of Meeting:

Lease Violation (Ref #)	Education	Actions	Follow-Up



HOUSING RETENTION PLAN (CONT.)

Individualized Housing Retention Plan: Check-in Worksheet

Tenant Name: Identifier/Address:
Staff Member: Date:

Action Item Report-Out:

Is the issue resolved? Yes No

If not resolved, clearly describe the actions required to resolve the lease violation, the date by which the resolution must occur, and supports to be provided, if applicable:

If resolved, describe any additional actions that the tenant, property, or partners intend to pursue individually or jointly to prevent future lease violations, if applicable:

Follow-up Meeting Scheduled: No Yes Date of Next Meeting:

Other comments:

EVICTION PREVENTION PROTOCOL

If the strategies pursued in the housing retention plan are ultimately unsuccessful, and the tenant's departure is necessary, consider:

- Pursuing an informal eviction process (e.g., nonrenewal of lease, lease termination, cash for keys, mediation, etc.) in lieu of filing

Consider establishing an Eviction Prevention Committee to review cases on an individualized basis, ensure organizational protocol was followed, hear appeals, and make recommendations for resolutions.

The Eviction Prevention Plan should:

- Transparently describe the process for initiating an eviction
- Detail the appeals process, which includes documentation and all possible resolutions (mediation or arbitration avenues, legal aid eviction prevention programs, etc.)
- Comply with all mandatory legal requirements and notices, Fair Housing, VAWA, and related nondiscrimination requirements

EVICTIION PREVENTION PLAN

Property Name

Eviction Prevention Philosophy

Summarize the property's eviction prevention philosophy, or commitment to eviction prevention, in two or three sentences.

Eviction Prevention Protocol

Purpose

The purpose of this plan is to establish a standardized framework through which PROPERTY will address lease violations with the goal of mitigating harm to the tenant and property and employing eviction only as a last resort.

Roles and Responsibilities

- **Property Management:** Include description.
- **Tenant:** Include description.
- **Service Provider or other Community Partners (if applicable):** Include description.
- **Other (if applicable):** Include description.

Education and Prevention Practices

Describe any efforts or practices that will be implemented at the property to provide tenants with education or housing stability tools prior to any lease violations occurring.

Include description of education and prevention practices here.

Addressing Lease Violations


Describe the property's policies and procedures for addressing lease violations, including but not limited to:


- The process whereby the tenant is notified in writing of the lease violation and requested to complete a housing retention plan
- The period when and method by which the housing retention plan is introduced and any resulting follow-up or check-in meetings
- Strategies for addressing specific lease violations (see Appendix A)
- Description of any informal eviction processes that will be pursued if a tenant must leave the property (e.g., nonrenewal of lease, mediation, arbitration, etc.)

- Description of formal eviction process, only to be used in very limited instances as a last resort
- Description of the role and composition of the Eviction Prevention Committee, if applicable
- Method by which tenants may appeal informal or formal eviction decisions prior to the decision being finalized

Include description of policies and procedures here.



We encourage and support the nation's affirmative housing program in which there are no barriers to obtain housing because of race, color, religion, sex, national origin, handicap, or familial status. 

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CITATIONS & RESOURCES

Research

- The effects of evictions on low-income households. (Collinson and Reed, December 2018). [Access here](#).
- Eviction record expungement can remove barriers to stable housing. (Center for American Progress, September 2021). [Access here](#).

Implementation

- Eviction prevention: Tips for effective resident engagement. (NeighborWorks, June 2020). [Access here](#).
- How to develop an eviction prevention plan in affordable, supportive, and integrated housing for property owners and their partners. (CSH, 2021). [Access here](#).
- Eviction prevention protocol: Worksheet. (CSH). [Access here](#).
- Eviction prevention: Toolkit of promising practices. (Institute of Urban Studies, University of Winnipeg, 2015). [Access here](#).

QUESTIONS?

NEXT STEPS

- Low-barrier screening criteria plans and Eviction Prevention Protocols using the IHCDCA Template should be completed and submitted for review at least one month prior to initial lease-up
- Plans will be reviewed for compliance as part of IHCDCA's ongoing compliance monitoring process
- IHCDCA can meet with any team to share resources, address concerns, and discuss developing a plan that meets our requirements and the needs of specific properties
- Required documentation and additional resources may be found on IHCDCA's Eviction Prevention Webpage (will link once live)
- All documentation must be submitted to Zach Gross, Supportive Housing Manager, at ZaGross@ihcda.in.gov

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