

## How Tenant Screening Tools Impact the Formerly Incarcerated

[Nation Outside](#) believes that **a person's conviction history should never be a barrier to housing**. While several cities have implemented Fair Chance Housing policies, we advocate for a comprehensive statewide initiative that delays background checks until after a conditional offer is made, allowing tenants the opportunity to secure housing.

### What are tenant screening tools?

Tenant screening tools automate the decision-making process for landlords. They compile information such as:

- Credit History
- Criminal Background
  - Past convictions
  - Arrests
  - Violent & non-violent offenses
- Eviction History

Landlords can purchase these reports *individually* or *bundled*. The bundled packages are attractive (see image from the [RentSpree](#) website) because they are less expensive than buying the reports individually; the landlord only has to make one purchase; and criminal background checks are included. **Important to note: credit reports can be purchased individually without a criminal background check.**

Comprehensive application packages	
✓ Rental application	Free
✓ Credit report	\$39.99
✓ Background check	Free
✓ Eviction history	Free
✓ Income verification	\$10.00

Up to \$49.99 for applicants  
\*FREE for agents & landlords

Example report package from RentSpree

Typically, landlords purchase reports from companies ( [E-Renter](#), [Avail](#), and more) and often pass this cost on to applicants. Landlords use the reports to decide whether to approve or deny a person's application for housing.

### Why are these tools concerning?

- **Criminal Background Over-reliance:** Individuals with criminal records are flagged as high risk, often leading to automatic denials of their applications. This process ignores factors such as time since conviction, nature of the offense, or efforts to rehabilitate.
- **Inaccurate Data:** The Consumer Finance Protection Bureau has issued reports analyzing 24,000 consumer complaints. These tools often display misleading or old

information that the applicants have no avenue to dispute.<sup>1</sup> Records from someone with a similar name can show up on a person's report even if they were not involved.<sup>2</sup>

- **Lack of Transparency:** The use of these tools may not be clear to applicants or how the tools are used to arrive at housing recommendations.
- **Discrimination:** These tools reinforce existing biases in housing. Communities of color are disproportionately represented in the criminal justice system, and therefore will be flagged as high-risk at a greater rate, further fueling racial disparities in housing access.

## Call to Action

People seeking housing should understand how the use of tenant screening tools and their reliance on criminal records affects them. Studies have shown that the majority of those with a past criminal conviction do not reoffend.<sup>3</sup> The perceived risks of renting to a person with previous convictions are largely based on assumptions rather than reality. Discrimination based on criminal records not only fuels recidivism, it also leaves many Michiganders struggling with housing insecurity, economic exclusion, and worsens racial inequities.

Nation Outside urges lawmakers to support [HB 4878](#) to create statewide fair housing access and to advocate for greater oversight of tenant screening tools. The following are tips to protect yourself and support the Fair Chance Access to Housing Act:

### When you apply for housing:

- [Know your rights](#) as a prospective tenant.
- Ask the landlord for a copy of your screening reports to ensure accurate information.
- If you are denied housing, you have the right to challenge it with the property manager. Your rejection letter will explain how to do this. If you suspect you've been discriminated against, contact your local [fair housing center](#).

### Support the Fair Chance Access to Housing Act

- Learn more about [Housing Not Hurdles](#), [join the Nation Outside mailing list](#), and/or reach out to Nation Outside at [admin@nationoutside.org](mailto:admin@nationoutside.org).
- Add your name to the [sign-on letter](#) urging legislators to support HB 4878.

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<sup>1</sup> "CFPB Reports Highlight Problems with Tenant Background Checks," Consumer Financial Protection Bureau, November 15, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-reports-highlight-problems-with-tenant-background-checks/>.

<sup>2</sup> Lauren Kirchner and Matthew Goldstein, "Access Denied: Faulty Automated Background Checks Freeze Out Renters," *The Markup* and *New York Times*, May 28, 2020, <https://themarkup.org/locked-out/2020/05/28/access-denied-faulty-automated-background-checks-freeze-out-renters>.

<sup>3</sup> Shawn D. Bushway, Brian G. Vegetabile, Nidhi Kalra, Lee Remi, Greg Baumann, "Resetting Recidivism Risk Prediction," Rand Corporation, January 6, 2022, [https://www.rand.org/pubs/research\\_briefs/RBA1360-1.html](https://www.rand.org/pubs/research_briefs/RBA1360-1.html).