



The Importance of Conducting Thorough Tenant Vetting for Commercial and Residential Leases

As we continue to provide legal support to property owners, landlords, and managers throughout New York, we want to remind you of the critical importance of conducting thorough due diligence when vetting potential tenants for both commercial and residential leases. The leasing process can be complex, and it is essential to take the necessary steps at the outset to protect your investment and reduce the risks associated with tenant defaults.

Why Tenant Vetting is Essential

When entering into a lease agreement, your first line of defense is a thorough vetting process. Collecting detailed tenant information before executing a lease can help you assess the tenant's ability to meet their obligations and mitigate the potential for issues down the road. It also helps safeguard your ability to enforce any judgments that may arise if the tenant breaches the lease.

Key Information to Collect

To ensure that you have the right information from prospective tenants, we recommend collecting a detailed tenant application that includes:

Social Security Number (SSN) and Date of Birth

This information is crucial for running background checks and credit reports, which provide valuable insight into a tenant's financial responsibility and ability to meet lease obligations. In the event of a default, this data is also necessary for pursuing legal action and collecting on judgments.

Rental History

Understanding a tenant's rental history provides insight into their behavior as a tenant, including whether they have a record of late payments, disputes with landlords, or evictions. Previous landlords can be an excellent source of information about how the tenant may behave in your property.

Employment Information

Securing employment details, such as employer name, length of employment, and income, is vital in determining whether the tenant has the financial resources to cover rent and other financial obligations. Verifying this information by calling the employer is equally important, as fraudulent employment claims can sometimes occur.

Bank Information

Collecting bank information ensures that the tenant has an established financial history. It can also assist in future collection efforts if the tenant defaults and a judgment is rendered in your favor. Bank accounts provide a source for garnishing wages or seizing assets, helping you recover any losses.

Credit Report

Running a credit report provides a snapshot of a tenant's creditworthiness. A good credit score is a strong indicator that the tenant is likely to meet their financial obligations, while a poor score may signal a higher risk of default. Reviewing the credit report can also reveal red flags such as significant debt, bankruptcies, or delinquencies.

References

Don't overlook the value of references. Speaking with previous landlords, employers, and other professional or personal contacts can provide additional insights into the tenant's character, reliability, and past performance as a renter or lessee. Direct conversations can often reveal important details that may not surface in the tenant's application.

Protecting Yourself for the Future

While collecting this information upfront can seem time-consuming, it serves two critical purposes:

Prevention of Lease Violations: Having a well-vetted tenant reduces the risk of issues during the term of the lease, including late payments, property damage, or early lease termination. The more information you collect and verify, the more informed your decision-making will be in choosing the right tenant.

Enforcement and Collection: In the unfortunate event that a tenant breaches the lease or fails to meet financial obligations, the information you collected at the outset becomes invaluable. Social Security numbers, employment information, and bank details can be used to enforce a judgment, garnishing wages, or seizing assets if necessary. In New York, judgments can be enforced for up to 20 years, and having this information readily available can streamline the collection process.

Conclusion

Thorough tenant vetting is essential for protecting your investment and ensuring a smoother, more predictable leasing experience. By collecting comprehensive information upfront, you reduce the risk of tenant default and position yourself to better enforce your rights in the event of a breach.

If you need assistance reviewing or drafting tenant applications, or if you have questions about vetting tenants in compliance with New York laws, our firm is here to help.

Contact Us

For more information or to schedule a consultation, please contact James G. Dibbini & Associates, P.C. We are committed to assisting property owners, landlords, and managers in securing their investments and navigating the complexities of New York real estate law.

If you need assistance with due diligence and/or drafting leases, please contact our office at (914) 240-8270 or via email at jdibbini@dibbinilaw.com.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 50 years of experience providing legal services in the areas of:

- [Landlord & Tenant Law](#)
- [DHCR Representation](#)
- [Business Formations](#)
- [Commercial & Residential Real Estate Closings](#)
- [General Business Law](#)
- [Civil Litigation](#)
- [Zoning Issues and Variances](#)
- [Housing and Building Code Violation Matters](#)
- [Wills, Trusts & Estates](#)

James G. Dibbini & Associates, P.C.

570 Yonkers Avenue

Yonkers, NY 10704

(914) 240-8270

This James G. Dibbini & Associates, P.C. Newsletter is a publication of James G. Dibbini & Associates, P.C. All Rights Reserved. Quotation with attribution is permitted. This newsletter offers general information and should not be taken or used as legal advice for specific situations, which depend on the evaluation of precise factual circumstances. Please note that James G. Dibbini & Associates, P.C. does not undertake to update its publications after their publication date to reflect subsequent developments. Prior results do not guarantee a similar outcome. This publication may contain attorney advertising.



James G. Dibbini & Associates, P.C. | 570 Yonkers Avenue | Yonkers, NY 10704 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!