



On Target ScoreCard™
User Guide

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About - On Target Screening is your partner, and a proven leader, in Tenant Screening, Pre-Employment Screening, and Volunteer Screening solutions.

We offer affordable, accurate background screening services. In this fast paced industry, you have lots of choices when it comes to screening applicants, yet few are as focused and even fewer can offer you the expertise level that 14 years experience brings to the table.

No one can remove all the risk, but we can help by providing you with a 360 degree view into the past. With the right information at your finger tips you will find applicant decisions are easier, faster and in the long run, more profitable.

On Target Screening services don't stop when the screening is complete. We believe that it's our responsibility to keep you informed on the issues and changes through education, newsletters and special alerts.

About On Target ScoreCard **TM** - The On Target ScoreCard **TM** offers an automated, simple, powerfull leasing recommendation allowing you to quickly and efficiently analyze the Applicant's credit, criminal, and eviction history, then generate a "Accept Applicant", "Accept with Conditions", or "Reject Applicant" recommendation based on your customizable screening criteria. The On Target ScoreCard **TM** helps reduce exposure to fair housing complaints, improves decision turnaround time, reduces delinquency rates, and keeps your bottom line On Target.

On Target ScoreCard **TM** offers configurable criteria that includes credit scores, income to rent ratio, income to debt ratio, income to rent ratio, delinquent accounts, collection/charge off accounts, and bankruptcy records.

To help you comply with all requirements of the Fair Credit Reporting Act, you can choose for On Target Screening to mail the required Adverse Action Notification Letters, or you can print these while online to mail to the Applicant.

To learn more, or see sample reports, please [click here](#)

Contents

Overview	4
Configuring the On Target ScoreCard TM.....	4
Conditional Approval	5
Credit Scores	5
Income to Rent Ratio	5
Income to Debt Ratio.....	5
Income to Debt Including Rent Ratio.....	6
Delinquent Accounts	6
Collection/Charge Off Accounts	6
Bankruptcy Records	7
Review Criminal Records Searches	7
Review Eviction Records Searches	7
Review Residential Verification	7
Review Employment Verification.....	7
Processing the On Target ScoreCard TM	8
Manual Review.....	8
Decision	8

On Target ScoreCard Users Guide

Overview

The On Target ScoreCard **TM** is a simple, powerful recommendation tool for property managers and landlords. It provides an automated means to quickly and efficiently analyze the retail credit report, criminal history, and eviction history of your rental applicants. The ScoreCard will generate a “pass”, “fail”, or “conditional” recommendation based on your customizable screening criteria. The On Target ScoreCard **TM** helps improve decision turnaround time, reduce delinquency rates, and increase bottom line margins.

At the end of this Users Guide is a worksheet to help you setup your ScoreCard. Please let us know if you have any questions.

To learn more, or see sample reports, please [click here](#)

Configuring the On Target ScoreCard **TM**

The screenshot displays the configuration options for the On Target ScoreCard. It includes a dropdown menu for 'Tenant Scorecard' set to 'Opt'. Below this, several categories of screening criteria are listed with their respective values and checkboxes:

- Conditional Approval With:** Text box containing 'ADDITIONAL 3X RENT DEPOSIT'
- Credit Scores:** Fail Below 580, Approve Above 640
- Income to Rent:** Fail Below 2.00 :1, Approve Above 3.00 :1
- Income to Debt:** Fail Below 0.67 :1, Approve Above 1.00 :1
- Income to Debt incl Rent:** Fail Below 1.00 :1, Approve Above 1.33 :1
- Delinquent Accounts:** Consider Delinquent in Past 12 Months (dropdown), Tradelines (checkbox checked), Ignore Education/Student Loan Tradelines (checkbox checked), Ignore Medical Tradelines (checkbox checked), By Total: Fail Above 4, Approve Below 2, By Percent: Fail Above 20%, Approve Below 10%
- Collection/Charge Off:** Ignore Education/Student Loan Collections (checkbox unchecked), Ignore Medical Collections (checkbox unchecked), By Total: Fail Above 2, Approve Below 2, By Percent: Fail Above 10%, Approve Below 10%
- Bankruptcy Records:** Fail If Within 2 Years
- Include Manual Review for:** Criminal Records Searches (checkbox checked), Eviction Records Searches (checkbox checked), Residential Verification (checkbox checked), Employment Verification (checkbox checked)

Figure 1 - Configuration options for the On Target ScoreCard **TM**

The configurable screening criteria for the On Target ScoreCard **TM** include credit scores, income to rent ratio, income to debt ratio, income to debt including rent ratio, delinquent accounts, collection/charge off accounts, and bankruptcy records (see Figure 1). A text box for entering the additional condition for conditionally approved applicants is also

accessible. To enable a screening element for use in the On Target ScoreCard™, place a check in the checkbox next to it. The pass/fail thresholds are pre-populated with average values, but should be modified according to the specific needs of the property.

For all criteria, numeric comparisons are made using strictly greater than and less than logic. If the data point is equal to the criterion, the condition will not be met. For example, if the Credit Scores element is set to fail below 580, and the credit score is equal to 580, the resulting recommendation will be conditional, not fail. In this example, a credit score of 579 or lower is necessary to generate a fail recommendation.

Conditional Approval

The Conditional Approval element specifies the additional requirement requested of the applicant when the ScoreCard™ recommendation is conditional. The additional requirement is generally a risk mitigating factor, such as an increased security deposit. Conditional recommendations are the result of data being equal to or falling between the fail and the pass thresholds for a given scoring criteria.

If no conditional range is desired, the pass/fail thresholds should be set respectively to the desired threshold value and the desired threshold value minus one. For example, to eliminate the conditional range for the Credit Scores element with a fail threshold of 580, the Fail Below value should be set to 580 and the Approve Above value should be set to 579.

Credit Scores

The Credit Scores element compares the average of all credit scores returned in the credit report with the pass/fail thresholds for making a recommendation. The checkbox labeled "Include Manual Review for Results with No Score Records" allows two different ways to handle "No Score" results. If the checkbox is checked and the applicant has no credit score, a drop down menu of recommendation values is made available so that a manual review of the credit file can be made. For joint reports, if either or both of the applicants have no credit score, the drop down menu is made available (see Figure 2). If the checkbox is not checked, any "No Score" results are ignored and are not used in computing the average credit score.

Income to Rent Ratio

The Income to Rent Ratio compares the quotient of the stated income and the stated rent amount with the pass/fail thresholds for making a recommendation. The Income to Rent Ratio indicates how much income the applicant has in relation to the proposed rent. For example, an Income to Rent Ratio of 1.92 indicates the applicant earns just under two times the proposed rent amount.

Income to Debt Ratio

The Income to Debt Ratio compares the quotient of the stated income and the applicant's monthly debt payment with the pass/fail thresholds for making a recommendation. The monthly debt payment is determined from the account history of the credit report. The Income to Debt Ratio indicates how much income the applicant has in relation to his or her

monthly debt obligations. For example, an Income to Debt Ratio of 6.70 indicates that the applicant earns almost seven times his or her monthly debt payment.

Income to Debt Including Rent Ratio

The Income to Debt Including Rent Ratio compares the quotient of the stated income and the sum of the applicant's monthly debt payments and the proposed rent payment with the pass/fail thresholds for making a recommendation. The monthly debt payment is determined from the account history of the credit report. The Income to Debt Including Rent Ratio indicates how much income the applicant has in relation to his or her monthly debt obligations *combined* with the proposed rent. For example, an Income to Debt Ratio of 1.49 indicates that the applicant earns one and a half times his or her total monthly debt payments and the rent amount.

Delinquent Accounts

The Delinquent Accounts element compares the total number or percentage of qualifying delinquent trade lines with the pass/fail thresholds for making a recommendation. The account late payment history is determined from the credit report. The element can be configured to consider currently delinquent accounts; accounts with delinquencies in the past six, twelve, eighteen, or twenty-four months; or all reported delinquencies. The element can also be configured to ignore education/student loan trade lines as well as medical trade lines.

Accounts with late payments that fall outside the configured time frame or that are excluded by type are not included in the total number of delinquent trade lines, nor are they included in the total number of all trade lines used in computing delinquency percentages.

If both Delinquent accounts By Total and Delinquent accounts By Percentage are enabled, the qualifying trade line data must pass both the total and the percentage thresholds for a pass recommendation. If the qualifying trade line data fails either the total or percentage thresholds, a fail recommendation results. Similarly, if the qualifying trade line data is in between the pass/fail thresholds for either the total or percentage thresholds, a conditional recommendation results.

Collection/Charge Off Accounts

The Collection/Charge Off Accounts element compares the total number or percentage of qualifying collection trade lines with the pass/fail thresholds for making a recommendation. The account collection or charge off status is determined from the credit report. The element can also be configured to ignore education/student loan trade lines as well as medical trade lines.

Accounts with a status of collection or charge off that are excluded by type are not included in the total number of trade lines, nor are they included in the total number of all trade lines used in computing the collection percentages.

If both Collection accounts By Total and Collection accounts By Percentage are enabled, the qualifying trade line data must pass both the total and the percentage thresholds for a pass recommendation. If the qualifying trade line data fails either the total or percentage thresholds, a fail recommendation results. Similarly, if the qualifying trade line data is in

between the pass/fail thresholds for either the total or percentage thresholds, a conditional recommendations results.

Bankruptcy Records

The Bankruptcy Records element considers bankruptcy records within the configured time frame. Bankruptcy records are determined from the public records section of the credit report. One or more qualifying bankruptcy records results in a fail recommendation.

Review Criminal Records Searches

If the Include Manual Review for Criminal Records Searches element is checked, a drop down menu of recommendation values may be made available to allow a manual review of the applicant's criminal record search results. The drop down menu is only made available if the applicant's file includes a County Criminal Records, Criminal Statewide, Criminal Multi-State, Criminal Research, or Sex Offender Records search (see figure 2).

Review Eviction Records Searches

If the Include Manual Review for Eviction Records Searches element is checked, a drop down menu of recommendation values may be made available to allow a manual review of the applicant's eviction record search results. The drop down menu is only made available if the applicant's file includes an Eviction Records or Eviction Records search.

Review Residential Verification

If the Include Manual Review for Residential Verification element is checked, a drop down menu of recommendation values may be made available to allow a manual review of the applicant's residential verification. The drop down menu is only made available if the applicant's file includes a Residential Verification.

Review Employment Verification

If the Include Manual Review for Employment Verification element is checked, a drop down menu of recommendation values may be made available to allow a manual review of the applicant's employment verification. The drop down menu is only made available if the applicant's file includes an Employment Verification.

Processing the On Target ScoreCard TM

TENANT SCORECARD		
DECISION	PENDING REVIEW	
NAME(S) SEARCHED	SCORECARD, WANDA B	
DOB(S) SEARCHED	01/01/1971	
	RESULTS	RECOMMENDATION
PROPOSED RENT	1250	N/A
STATED INCOME	2400	N/A
CREDIT SCORE	NO SCORE	PENDING REVIEW
BANKRUPTCY (2 YEARS)	NONE REPORTED	PASS
ACCOUNTS WITH CURR DELINQUENCIES	1 (11.1%)	CONDITIONAL
COLLECTION/CHARGE OFF	0 (0.0%)	PASS
INCOME TO RENT RATIO	1.92:1	FAIL
INCOME TO DEBT RATIO	6.70:1	PASS
INCOME TO DEBT INCL. RENT RATIO	1.49:1	PASS
CRIMINAL CHECK(S)	SEE REPORT	PENDING REVIEW
OVERALL COMPOSITE		FAIL
COMMENTS		

Figure 2 - ScoreCard TM recommendations based on a credit report with no credit score; 9 trade lines, one of which is delinquent; and monthly debt payments totaling \$358.

The On Target ScoreCard TM analyzes the credit report and makes recommendations for each of the enabled screening criteria based upon the configuration settings. An overall composite recommendation is also made by combining each of the individual recommendations. One or more criteria with a fail recommendation will result in an overall fail recommendation. Similarly, one or more criteria with a conditional recommendation, in the absence of any fail recommendations, will result in an overall conditional recommendation. If there are no criteria with either a fail or conditional recommendation, the result is an overall pass recommendation.

Manual Review

Any screening criteria for which an automated recommendation cannot be made will instead have a drop down menu with the option to select “pass”, “fail”, “conditional”, or “N/A”. When enabled in the ScoreCard TM configuration, this manual review results for the Credit Scores element when the credit report does not contain a score. It also results for any report containing an investigative criminal search, investigative eviction search, residential verification, or employment verification when configured for manual review. The overall recommendation is recomputed each time a manual review drop-down is changed.

Decision

Once all screening criteria have been considered, a decision must be made with regards to the applicant. A drop down menu with the options to “decline”, “approve”, or “approve with conditions” is provided for this purpose. A field for any comments or notes that should be visible on the final report is also available (see Figure 2). After selecting the appropriate decision from the drop down menu, the product is completed by selecting the Complete button located at the bottom of the On Target ScoreCard TM editor page. The On Target ScoreCard TM is now completed and will be visible on the consumer report.

To learn more, or see sample reports, please [click here](#)

On Target ScoreCard Worksheet

OPT Client Name:

Conditional Approval Text Double Deposit

Mask Nothing

- Process Automatically
- Allow Client To Process

Credit Criteria

- Credit Scores: Fail Below 580 Approve Above 640
 - Ignore Results with 'No Score' Records
 - Fail Results with 'No Score' Records
 - Include Manual Review for Results with 'No Score' Records

- Income to Rent: Fail Below 2.00 :1 Approve Above 3.00 :1
- Income to Debt: Fail Below 0.67 :1 Approve Above 1.00 :1
- Income to Debt including Rent: Fail Below 1.00 :1 Approve Above 1.33 :1
- Delinquent Accounts: Consider Delinquent in Past 12 Months Trade lines
 - Ignore Education/Student Loan Trade lines
 - Ignore Medical Trade lines
 - By Total: Fail Above 4 Approve Below 2
 - By Percent: Fail Above 20 % Approve Below 10 %
- Collection/Charge Off:
 - Ignore Education/Student Loan Collections
 - Ignore Medical Collections
 - By Total: Fail Above 4 Approve Below 2
 - By Percent: Fail Above 20 % Approve Below 10 %
- Bankruptcy Records: Fail If Within 1 Years
 - Ignore Credit Elements with 'No Credit Record Found' Results
 - Fail Credit Elements with 'No Credit Record Found' Results
 - Include Manual Review for Credit Elements with 'No Credit Record Found' Results