



How to Rent a Place When You Have Poor Credit

Landlords/Property owners look at 3 things when deciding if they will rent an apartment to someone:

1. They compare your income to the expected rent. Landlords expect that you will pay no more than 50% of your income on rent.
2. They do a credit check.
3. They check references from previous landlords.

Based on this information and their own **intuition and judgement**, they decide whether to accept you as a tenant.

Some ideas to get around your credit problem is:

- Obtain a copy of your credit report so you know exactly what your credit problems are.
- Write a letter of explanation for all the negative remarks in your file.
- Offer to have rent paid direct if you are receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP). If you are working offer to provide post-dated cheques or set up automatic payment from your bank account.
- Try to find a co-signer.
- Provide a list of references that can vouch for your credibility as a person. Your references can include a boss, a community leader, minister. Try to provide a landlord reference if possible.
- Consider sharing a unit where you will not be on the lease. Your roommate would be on the lease and you would pay rent to them. This is a good way to get a landlord reference for your next place.
- Provide proof of income (ie. Pay stubs)

- Rent from an owner, not a property management company or real estate agent.
- Be sensitive in your conversations with landlords. Find one that is sympathetic to your situation as they will be more likely to overlook some credit issues that you have had in the past.
- Look in older buildings – they may not have all the amenities and be less expensive.
- Be willing to accept a lesser place that you might otherwise. Think of it as temporary and after you establish a track record of paying your rent on time, you will have a good landlord reference for a nicer place.
- Time your search well. Look at the beginning of the month as most places get notice at the end of the month.
- Give your SIN anyway as not all landlords will actually do a credit check.
- Be polite, on time and dress appropriately. You only get one chance to make a good first impression.

And Remember: You will get many no's before you get a yes. You will have to look at more places than the average renter.

Try to clean up your credit as soon as possible. Start rebuilding your credit and have any old information removed from your credit file. Rebuilding your credit doesn't happen overnight. It is a slow and steady process that demands discipline. You can blame one incidence of financial catastrophe on a divorce or other. However after repeated financial problems, people will begin to assume that it's your personal financial irresponsibility and it will be harder and harder to recover from this.

