



CALIFORNIA APARTMENT ASSOCIATION Industry Insights



Prospective Tenants and Screening Fees

When prospective residents apply for rental housing, they may be asked by the landlord to cover the cost of any credit reports and other available rental history gathered by the landlord. Effective January 1, 2025, landlords who wish to charge a screening fee must adopt one of two permissible policies – either a “first qualified, first approved” approach, with applicants being provided the landlord’s written screening criteria with the application to rent and only being charged a screening fee if their application is actually considered, or a policy of refunding the screening fee to any applicant who is not approved, regardless of the reason, within 7 days of selecting an applicant. It is important to note that a landlord is not obligated to adopt either of the two screening fee policies if they choose not to charge a screening fee. The California Apartment Association has developed forms to assist landlords in properly completing this transaction.

Two Permissible Policies for Landlords Who Charge Screening Fees:

As of January 1, 2025, a landlord who wishes to collect a screening fee **must** adopt one of the following two policies:

1. A “First Qualified, First Approved” approach:

- Applicants are provided with a copy of the landlord’s written screening criteria with the rental application;
- Completed applications are considered in the order received;
- A screening fee is only charged if an application is actually considered;
- The first applicant who meets the landlord’s established screening criteria is approved for tenancy; and,
- If an application fee is inadvertently charged as the result of multiple concurrent application submissions but not considered, a refund must be provided within 7 days to the applicant.

A landlord following the “first qualified, first approved” approach is **not** required to refund an application screening fee to an applicant whose application is denied, after consideration, because the applicant does not meet the landlord’s established screening criteria.

- #### 2. A policy to **refund any screening fees** collected to any and all applicants not approved, regardless of the reason, within 7 days of the landlord selecting an applicant. If a landlord selects this option, they must refund the screening fee to a denied applicant, even if reason for denial is because the applicant does not meet the landlord’s screening criteria (i.e., the landlord can only keep the screening fee from the approved applicant).

A landlord is only required to adopt and follow one of the above described policies, it is not required to adopt both policies. CAA recommends following a “first qualified, first approved” approach and developing written screening criteria with the assistance of an experienced fair housing attorney. See [Industry Insight – Screening: Establishing Criteria](#) for additional information.



Landlord Must Automatically Provide Copy of Consumer Reports:

Effective January 1, 2025, any landlord who collects a screening fee – regardless of the permissible screening policy adopted (as discussed above) – is required to provide applicants with a copy of their consumer credit report via personal delivery, mail, or email within 7 days of receipt of the report, even if not requested by the applicant.

Note that there are several different laws that give applicants a right to receive a copy of any screening reports obtained by the landlord. The requirement to automatically provide a copy of such reports within 7 days is just one such requirement. In many cases, more than one of these laws apply and the landlord is required to comply with all applicable requirements. See [Industry Insight – Screening Potential Tenants: Using Consumer Reports](#) for additional information.

What a Landlord Can and Cannot Do:

- The amount of the screening fee cannot be greater than the actual out-of-pocket costs of gathering information concerning the applicant, including, but not limited to:
 - The cost of using a tenant screening service or a consumer credit reporting service, and
 - The reasonable value of time spent by the owner or their agent to obtain the information.
- The initial law provided that in no case, however, can the amount of the application fee charged by the owner or their agent be greater than \$30 per applicant. This fee may be adjusted annually by the owner commensurate with an increase in the Consumer Price Index. As of December 2023, the adjusted rate is \$62.02. The chart for calculating this current figure appears below. Note that updated annual average CPI figures are not published by the Department of Industrial Relations until February of each year. This figure and the chart below will be updated when updated revised figures become available.
- Unless the applicant agrees in writing, the landlord cannot charge a fee when they knew or should have known that no rental unit is available at that time or will be available within a reasonable period of time.
- The landlord must provide the applicant with a receipt for the fee paid by the applicant. The receipt must itemize the out-of-pocket expenses and the time spent by the landlord to obtain and process the information. The receipt must be provided to the applicant in person or by mail, unless the applicant agrees to receive the receipt by email.
- Beginning January 1, 2023, an applicant can purchase their own reusable credit report and submit copies to multiple landlords within a 30-day window. However, a landlord is not required to accept such tenant-provided reusable credit reports. If a landlord decides to accept a reusable tenant credit report, the landlord is **not** permitted to charge the applicant either an application screening fee or a fee for the landlord to access the report from a third-party company that provides the service. In other words, when a landlord decides to accept a reusable tenant credit report, they waive their ability to be reimbursed for the reasonable value of time spent to obtain and verify all applicant screening information.



Year Ending	CPI (a)	Change in CPI over previous year	Change in fee	Adjusted Tenant Screening Fee
1997	160.5			\$30.00
1998	163.7	1.99%	0.60	30.60
1999	168.5	2.93%	0.90	31.50
2000	174.8	3.74%	1.18	32.67
2001	181.7	3.95%	1.29	33.96
2002	186.1	2.42%	0.82	34.79
2003	190.4	2.31%	0.80	35.59
2004	195.4	2.63%	0.93	36.52
2005	202.6	3.68%	1.34	37.86
2006	210.5	3.90%	1.48	39.35
2007	217.4	3.29%	1.29	40.64
2008	224.8	3.40%	1.38	42.02
2009	224.1	-0.31%	-0.13	41.89
2010	226.9	1.26%	0.53	42.41
2011	232.9	2.65%	1.13	43.54
2012	238.2	2.24%	0.98	44.51
2013	241.6	1.46%	0.65	45.16
2014	246.1	1.83%	0.83	45.99
2015	249.6	1.47%	0.67	46.67
2016	255.3	2.26%	1.05	47.72
2017	262.8	2.94%	1.40	49.12
2018	272.5	3.69%	1.81	50.94
2019	280.6	2.98%	1.52	52.46
2020	285.3	1.67%	0.87	53.33
2021	297.3	4.23%	2.25	55.58
2022	319.2	7.36%	4.09	59.67
2023	331.8	3.94%	2.35	62.02

Related Items and Information

- Form CA-001 – [Application to Rent](#) which has a "tear-off" screening fees receipt.
- Form CA-021 – [Offer to Rent](#)
- Form CA-012 – [Notice of Conditional Acceptance](#)
- CAA Industry Insight – [Screening: Establishing Criteria](#)
- Civil Code Sections 1950.1 and 1950.6.
- <https://www.dir.ca.gov/oprl/CPI/EntireCCPI.PDF>

