

NMHC Pulse Survey on Operational Impact of Rental Application Fraud and Bad Debt

The NMHC Pulse Survey on Operational Impact of Rental Application Fraud and Bad Debt was conducted from November 15, 2023, to January 9, 2024, and received responses from NMHC and National Apartment Association (NAA) members representing 75 leading apartment owners, developers and managers.

Have you experienced fraud in the past 12 months?		
	Frequency	%
Yes	70	93.3%
No	5	6.7%

Please select what types of fraud you've experienced: (Select all that apply) (Only asked of those who reported fraud in the past 12 months.)		
	Frequency	%
Falsifying or fabricated pay stubs, employment references or other income documentation	59	84.3%
Identity theft, fraudulent ID documents or use of another individual's personal information	49	70.0%
Misrepresenting Information on Applications	56	80.0%
Use of Fraudulent Checks or Other Payment Methods	44	62.9%
Unauthorized Cohabitants, Illegal Subletting or Other Actions to Evade Application or Leasing Process	47	67.1%

Have you experienced an increase in fraudulent applications and payments in the past 12 months?			
	Frequency	%	% (excluding N/A)
Yes	53	70.7%	79.1%
No	14	18.7%	20.9%
Don't know or not applicable	8	10.7%	-

Does this vary by jurisdiction? (Only asked of those who reported an increase in fraudulent applications.)			
	Frequency	%	% (excluding N/A)
Yes	32	66.7%	84.2%
No	6	12.5%	15.8%
Don't know or not applicable	10	20.8%	-

Approximately how much have your fraudulent applications increased in your portfolio in the past 12 months compared to the previous 12 months?
(Only asked of those who reported an increase in fraudulent applications.)

	Average	Median	# observations
	40.4%	25.0%	37

Can any of your nonpayment of rent in the past 3 years be attributed to the eviction moratorium?

	Frequency	%	% (excluding N/A)
Yes	54	73.0%	90.0%
No	6	8.1%	10.0%
Don't Know/Not Applicable	14	18.9%	-

Have you experienced an increase in nonpayment of rent due to fraud in the past 12 months?

	Frequency	%	% (excluding N/A)
Yes	24	58.5%	72.7%
No	9	22.0%	27.3%
Don't Know/Not Applicable	8	19.5%	-

Approximately what percentage of your eviction filings have been due to fraudulent applications and subsequent failure to pay rent?

	Average	Median	# observations
	23.8%	15.0%	46

Does this vary by jurisdiction?

	Frequency	%	% (excluding N/A)
Yes	34	47.2%	72.3%
No	13	18.1%	27.7%
Don't know or not applicable	25	34.7%	-

Approximately how much bad debt have you been required to write off in the past 12 months?			
	Average	Median	# observations
	\$4,195,711	\$800,000	51

Approximately what percentage of the bad debt has been a result of nonpayment of rent due to fraudulent applications?			
	Average	Median	# observations
	24.5%	15.8%	38