

## How to Get Credit and Reference Checks and Why You Need Them

### Why is a credit check important?

When deciding whether to rent to a tenant, landlords want to be sure that the tenant will pay the rent. One way to do this is through a credit check. A credit score will tell a landlord your past ability at making payments on time. Visit the [Government of Canada website](#) for more information.

### Can a landlord do a credit check on me?

Credit bureaus keep track of when you borrow money and pay it back, and they have current and past information on where you live and work. The information they have is given to them by those companies that have lent you money, such as banks and credit card companies. There are two credit bureaus in Canada: Equifax Canada and Trans Union Canada. Visit [Equifax](#) or [Trans Union Canada](#) to order a free copy of your credit report.

### What is a credit rating and what does it mean?

You've likely heard people talk about a credit rating, which is a score that creditors use. You get points for each time you use credit responsibly, and your credit rating is the total of these points.

### Do I need to disclose my credit history to a potential landlord?

You don't have to disclose your full credit history if asked by a potential landlord. However, the landlord may decide not to rent to you if they have no way of confirming your full credit history. Transparency can go a long way in building a working relationship with your potential landlord.

### How do I build a good credit rating?

Be sure to make loan, bill, and credit card payments on time. Consistently missing payments, or making late payments, will lower your rating. Your credit rating will change over time, based on how you use your money and credit.

### How long is negative credit information kept on file?

In general, all payment history information remains on file for six years. Information on the date that you received the credit (credit cards, loans, etc.) remains in your file



permanently. Negative information, such as court judgements or late debt payments, remains for six years after the filing date. A bankruptcy typically remains on a credit file for six years from the date of discharge (unless there has been more than one).

### **How often should I check my credit file?**

Check the information in your credit file so that you can see any potential errors and have them corrected. Contact all credit bureaus to have it corrected.

If you missed a payment by accident, it will be reported as missed on your file and cannot be changed. You can ask to have a comment included with your file explaining why you missed the payment.

### **References and Other Checks**

Some landlords will check your references and your rental history or check to ensure you do not owe money to another landlord. Most often, they will ask former landlords about you and your past rent payment patterns.

### **What do I do if I have poor credit and housing history?**

Life happens and many landlords understand that. You can assure your landlord that you will pay the rent on time and provide examples of how you will make sure this happens.

Although you may encounter some challenges if you try to rent when you have a history of eviction and/or bad credit, it is still possible to secure housing – you just need to be flexible, creative, and open to making change:

- Consider having a roommate to split costs or find a co-signer who has a good credit history and income.
- If you are on Ontario Works or Ontario Disability Support Program, you can contact your worker to have a direct payment set up, so your landlord has proof they will receive rent on time each month.
- Be willing to adjust your expectations as you may need to accept your 3<sup>rd</sup> or 4<sup>th</sup> choice down the list in order to secure housing for yourself.
- You can ask a [housing outreach worker](#) for help.

