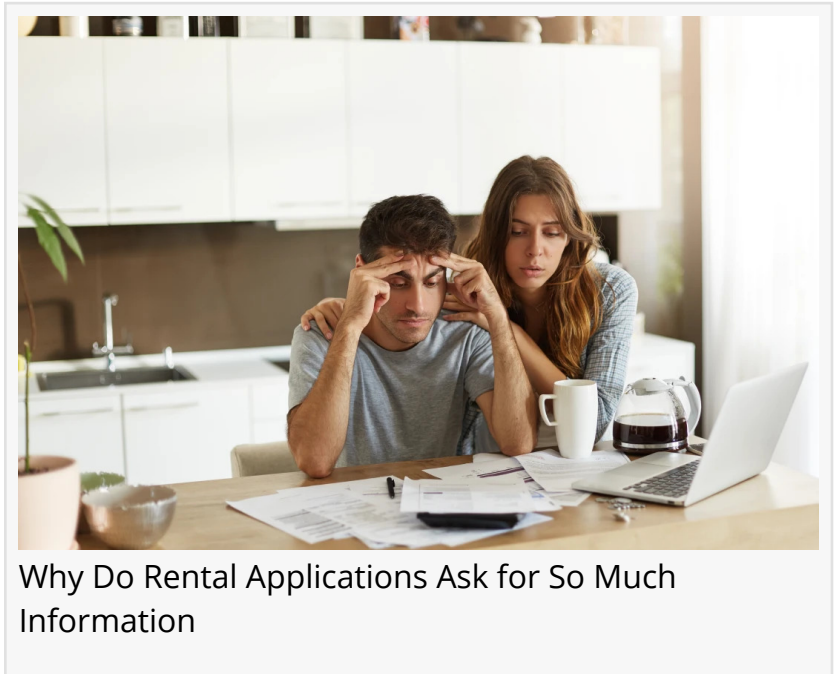


LeaseRunner Highlights Data Security Gaps in U.S. Rental Screening as Unencrypted Applications Remain Common Practice

As the FTC issues guidance on screening data disposal, LeaseRunner examines where traditional rental applications fall short on data security.

DENVER, CO, UNITED STATES, June 5, 2026 /EINPresswire.com/ -- The Federal Trade Commission has issued formal guidance on screening data disposal. This is a signal that data handling in U.S. rental applications carries measurable risk for applicants. As rental applications increasingly move online, millions of renters are submitting Social Security numbers, bank statements, and employment records through channels that offer little to no protection.



The Scope of the Problem

When a prospective tenant submits an application, they are handing over some of the most sensitive information they possess: Social Security numbers, bank statements, employment records, and full rental histories.

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Affordable, transparent, data-driven tenant screening that helps landlords make smarter decisions and gives applicants a fairer process.”

Joseph Buczkowski

A mishandled document or an unsecured email thread can expose applicants to identity theft and financial fraud. The Federal Trade Commission (FTC) directly addresses this risk by advising landlords on the secure disposal of consumer reports, an acknowledgment that screening data is sensitive enough to require formal guidelines around its destruction.

There are also legal protections that many tenants are unaware of. Under the Fair Credit Reporting Act (FCRA), background check companies are generally prohibited from reporting

negative information older than seven years. Tenants also hold the right to dispute inaccuracies in their consumer reports. In a competitive market where applicants feel pressured to comply quickly, knowing these boundaries is one of the few forms of leverage a tenant actually has. Approving a tenant is a financial and legal commitment that can span years. The FTC notes that landlords use consumer reports to evaluate applicants across three core areas: credit characteristics, rental history, and criminal background. Each serves a specific purpose in assessing tenancy risk - and landlords who use these reports are legally required to comply with the FCRA, including how decisions are communicated and how adverse action notices are issued.

Application fraud adds further pressure. According to a 2024 NMHC survey of rental housing providers, nearly all respondents (93.3%) reported encountering fraud in the past twelve months, with over 84% citing falsified income documentation as the most common tactic. The downstream effect is broader than individual cases: fraud inflates operational costs and, ultimately, contributes to higher rents across the market.

The data collection that frustrates tenants is, in large part, a response to a market where trust cannot be assumed on either side.

A tenant applying to multiple properties in the same month may encounter entirely different requirements, formats, and submission methods, with no consistent explanation of how their data will be protected. When applicants cannot predict what will be asked or how information will be handled, anxiety fills the gap that transparency should occupy.

The result is a process that serves neither side well: tenants feel exposed, and landlords carry compliance risk they may not fully recognize.

A secure, standardized application process meaningfully changes the dynamic. For tenants, it means knowing that sensitive information moves through encrypted channels, that data handling follows clear protocols, and that the process itself is consistent and explainable. For landlords, built-in FCRA compliance reduces legal exposure, and standardized screening reduces the margin for fraud to slip through.

If renters are navigating the rental process and want to understand what a more transparent application experience looks like, [LeaseRunner](#)'s online rental application is built around exactly that standard.

About LeaseRunner: LeaseRunner is a rental management platform founded in 2011 that serves landlords across all 50 states with tools designed to simplify the leasing process, from online rental applications and tenant screening to lease agreements and rent collection.

Learn more at leaserunner.com

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