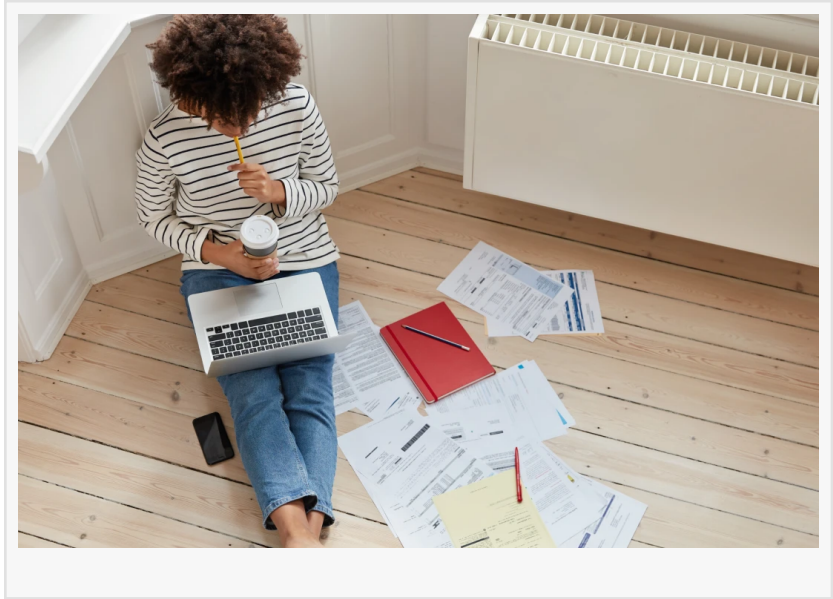


LeaseRunner's RS³ Scoring Model Addresses the Gap Between Credit History and Actual Rental Affordability

Bank transaction data and income verification provide what credit score was never designed to measure

CO, UNITED STATES, July 11, 2026 /EINPresswire.com/ -- FICO scores remain the default screening filter for most U.S. landlords. The model calculates reliability in repaying credit cards, auto loans, and mortgages. It does not factor in income. That gap has grown more consequential. The typical U.S. asking rent reached \$1,979/month as of September 2025, a 36.1% increase since the start of the pandemic (SoFi, 2026). Affordability conditions have shifted materially. Credit scoring methodology has not. Landlords using it as an affordability signal are screening on the wrong variable.



Atticus LeBlanc runs PadSplit across more than 11,500 residents. His platform has never required a credit score from applicants. It has maintained a 97% collection rate for four consecutive years. His conclusion is direct: FICO alone is not a reliable predictor of a tenant's ability to pay rent.

His internal data shows 88% of PadSplit residents are employed, and many work two jobs. Retail workers, security guards, gig drivers, teachers. They pay on time. But under a standard FICO-based screening process, most of them would be rejected before a landlord ever reviewed their application. LeBlanc describes FICO as an "easy button", a tool landlords use to decline quickly, not to evaluate accurately. When a screening filter eliminates more qualified applicants than risky ones, it stops functioning as risk management. It becomes a structural gap. The limitations below explain exactly how that gap operates.

The same 680 score looks completely different on an \$800/month lease versus a \$3,500/month

unit, because affordability is a ratio, not a number. A score tells a landlord nothing about whether the rent amount is 20% or 60% of a tenant's monthly income. That calculation falls entirely on the landlord, or gets skipped.

The coverage problem compounds this. The CFPB estimates 25 million U.S. adults carry no scorable credit file. They can be recent graduates, immigrants, or self-employed earners. Credit invisibility is not a financial red flag. It is simply an absence of the specific debt products FICO was built to measure. These applicants get filtered out before their actual financial behavior is ever reviewed.

What makes this stranger is that rental payment is almost absent from credit bureau data. Although it is the most relevant behavior for a rental decision. Urban Institute (2025) reports that only 3.5% of 77 million U.S. renters have rental trades in their credit file. A tenant with five years of on-time \$2,000/month payments may still score as thin-file, because that payment history never reached a bureau. FICO penalizes the absence of data that it was never designed to collect.

The risk miscalculation runs in both directions. TransUnion's analysis of nearly 3 million resident records found traditional credit scores miss 15% of evictions that rental-specific models catch, because roughly 28% of eviction filings never convert into a bureau entry.

HUD's April 2024 guidance identifies rigid credit cutoffs as a potential Fair Housing Act violation through disparate impact. Median scores currently sit at 727 for White applicants, 667 for Hispanic applicants, and 627 for Black applicants. A 700 minimum does not measure financial risk objectively. As HUD noted in its guidance, no studies have established that credit reports and scores accurately predict a successful tenancy.

A 2026 peer-reviewed study published in ScienceDirect confirms that transaction data captures ongoing financial behavior, where bureau data reflects only backward-looking repayment history.

Bank transaction data provides a different class of information: monthly income deposits, recurring payment patterns, account balance stability after fixed obligations, and overdraft frequency. The practical difference is significant for thin-file applicants. A freelancer with a 610 FICO score, consistent \$7,000/month deposits, zero overdrafts, and three years of on-time rent transfers presents lower actual risk than a salaried applicant with a 720 score and a debt load that leaves \$300 in monthly cash flow after fixed obligations.

LeaseRunner uses the RS³ (Rental Screening Science Score) as a rental-specific scoring model that evaluates tenant risk using verified bank income, cash flow stability, and rent-relative affordability. The model generates a score on the same 300–850 scale landlords already recognize from credit score, but the underlying inputs are different: verified bank transactions and rent-specific affordability, not credit utilization or loan history. RS³ evaluates thin-file applicants without penalizing limited credit history. Tenants access RS³ through LeaseRunner's Portable Tenant Screening Report, a single report generated once and shared across multiple

applications.

For tenants, RS³ means the screening process evaluates what they actually control: their income consistency and financial habits. For landlords, it replaces a single static number with a layered read of real affordability.

About LeaseRunner

Founded in Denver, Colorado, LeaseRunner is a tenant-screening and property-management platform serving independent landlords across all 50 states. With over 15 years of experience, LeaseRunner combines verified bank income data, cash flow analysis, and the RS³ (Rental Screening Science Score) model to deliver decision-ready screening reports, helping landlords reduce risk without turning away qualified renters.

Learn more at [leaserunner.com](https://www.leaserunner.com)

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