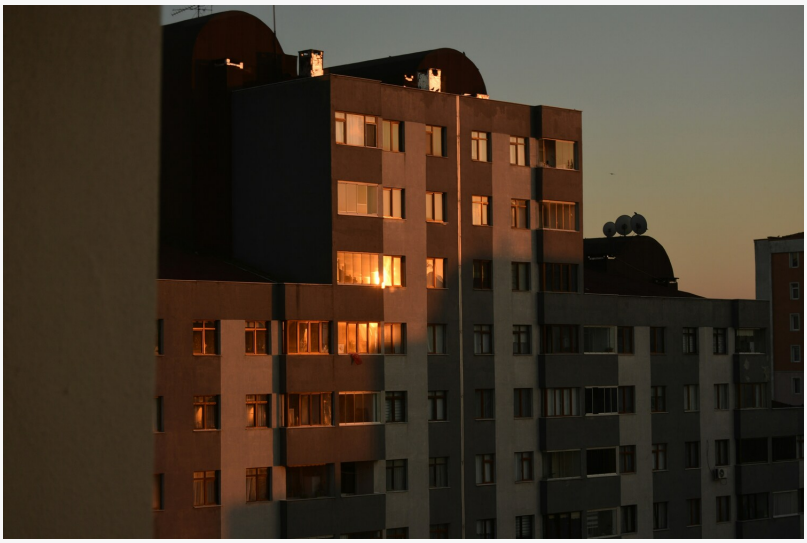
LeaseRunner Highlights Why Pay Stubs Tell Landlords Less Than Cash Flow Does

DENVER, CO, UNITED STATES, September 15, 2026 / EINPresswire.com/ -- LeaseRunner today released an analysis of public research on rental screening practices. Pay stubs and the "3x rent" income describe a measurement gap: income screening establishes what an applicant earns, while the capacity to pay rent depends on what an applicant has left after everything else is paid.



Why Pay Stubs Tell Landlords Less Than Cash Flow Does

Income does not equal affordability. The report of Harvard's Joint Center for Housing Studies (2025) points out that the share of renters earning $45,000 to $74,999 who are cost burdened has doubled since 2001 to 45%. Among renters earning $75,000 or more, 13% were cost burdened in 2023. The Center reports that the share of cost-burdened renters has risen across all income groups.

The data contradicts the assumption that applicants above an income threshold are not financially strained. An applicant earning $75,000 or more has cleared essentially every income screen in common use, and roughly one in eight such renters still spends more than 30% of income on housing. Two applicants with identical gross income and materially different debt loads produce identical results under a 3x screen.

Income volatility is not confined to lower-income households. JPMorganChase Institute data (Weathering Volatility 2.0, Earnings Instability - 2025) shows the highest levels of volatility appear among younger workers and among households in the top income quintile, where earnings often include bonuses, commissions, or contract income distributed unevenly across the calendar year. This means the applicants who clear a 3x threshold most comfortably are also the applicants a single pay stub describes least accurately.

For hourly workers, the typical month-to-month change in earnings is 9%, but one in four months brings a swing of at least 21%. It means roughly three months out of every twelve change. Separate Institute research estimates a middle-income household needs approximately

$4,800 in monthly buffer while holding typical liquid assets of about $3,000. When a swing exceeds the available buffer, the household must borrow, cut spending, or defer a payment. A pay stub records neither the frequency of these months nor the balance a renter holds to meet them.

None of this changes any figure on the pay stub. What changes is the cash flow remaining after debt obligations. This is the quantity the 3x rule does not measure.

The document itself has become less reliable. The National Multifamily Housing Council's Pulse Survey found that 93.3% of responding apartment owners, developers, and managers had encountered some form of fraud in the preceding 12 months, with more than 80% reporting fabricated pay stubs or doctored employment references.

Detection has historically relied on visual inspection - wrong fonts, misaligned fields, implausible spacing. Inscribe AI's 2026 State of Document Fraud Report finds that signal has weakened: generative tools can now produce a realistic pay stub in seconds, and template marketplaces sell editable bank statements for under ten dollars.

A genuine pay stub still records income at a single point in time and says nothing about cash flow after debt. A forged pay stub says nothing at all.

Cash flow data has been tested as a predictor. FinRegLab's 2025 research found that incorporating cash flow data into underwriting increased predictiveness and expanded credit access without increasing lenders' default risk — the situation a landlord faces when two applicants both clear 3x.

The principle has a federal precedent. The Department of Veterans Affairs applies a residual income test alongside debt-to-income ratios, publishing minimum thresholds by region and household size, and encourages lenders to weight residual income more heavily than the ratio. The Urban Institute notes that FHA and conventional lenders rely exclusively on debt-to-income, and observes that adding a residual income test appears to be an effective way to reduce default rates.

However, the rental market has no equivalent standard. Consumer-permissioned bank data sharing continues in the market. Still, its regulatory basis is unsettled: the CFPB's Section 1033 rules remain codified yet unenforceable following a Kentucky injunction now on appeal, according to analysis published by Ballard Spahr attorneys in Consumer Finance Monitor. No published affordability threshold for cash-flow screening exists comparable to the VA's residual income tables.

Income screening asks how much an applicant earns. The ability to pay rent depends on what remains. These are different quantities, and a pay stub measures only the first.

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