



# BRICK UNDERGROUND

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## 6 ways to rent an NYC apartment when you have bad credit



New York landlords typically prefer renters with credit scores of 700 or above. *iStock*

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**I**t can be alarmingly easy to crater your credit. Falling behind on student loan or credit card repayments or having a health crisis that leaves you with steep medical bills you can't pay off is enough to send your score plummeting. And in New York, poor credit can interfere with your ability to secure housing, as most landlords

prefer scores of 700 or above, whereas an especially high score can mean an advantage over other renters vying for an apartment in a competitive market.

The stakes are high when your credit score is lacking. Fortunately, there are steps you can take to encourage landlords to see past the numbers and hand over the keys.

## 1. Check your credit ahead of time—and see if you can boost it

If you know you'll be looking for a place in the near future, check your credit ahead of time to see what might be dragging the score down. (Note that despite popular belief, requesting your score report won't further harm your score, according to [Credit Karma](#).)

If there are a number of line items damaging your score and you're not sure what to tackle first, you might consider using a credit repair service to help you get your score up. Rather than paying a larger security deposit, which some landlords ask for when a prospective renter's credit is poor, "invest some cash into credit repair," suggests Carole Armstrong, a broker with [DJK Residential](#). "And give yourself a month or two to work on improving the score."

It takes some strategizing when it comes to addressing damaging debts. For instance, you'll want to pay off the oldest ones first. See [Brick's guide to fixing your credit](#) for more on that.

## 2. Find a broker who can advocate for you

"Sometimes our role is a little misunderstood," Armstrong says. "We can help a lot. A good realtor will find avenues for you."

Working with a broker with whom you feel comfortable, and who will make the effort to advocate for you to landlords, could go a long way. Once you find the right match, inform the broker of your situation up front.

"Let the broker know about your credit before you're at the stage when you're ready to sign a lease, whether the problem is from medical bills, student loans, or something else," says Evan Rugen, a broker with [Citi Habitats](#). "It's better for when the broker presents your application to the owner to have that backup."

You should also seek out a broker who specializes in the neighborhood you'd like to rent in, as he or she will have insider knowledge of the landlords who are credit sticklers, and those who are more forgiving.

"I know which apartments have landlords that are looking for clients with perfect credit, and which ones aren't," says Omer Zaki, a broker with [Keller Williams](#). "When I work with clients, I can set their expectations. If a landlord expects an extra deposit or a guarantor, I can give them that information in advance."

Zaki advises renters to interview agents about whether they have worked with clients who have poor credit, and find out how well they know the area they're looking in.

### **3. Get your qualifications in writing**

Another way to boost your odds of landing a rental is to have reference letters from previous landlords who can confirm that despite your credit situation you always paid your rent on time and in full.

"A landlord can give a good reference," Armstrong says. "And if you have a good employment history, get references from your employers."

You can further demonstrate your reliability by describing your situation in your own words in a cover letter. Consider sharing a bit with your potential landlord about your history as a renter in New York, how you ended up with less than stellar credit, and financial information that might boost your prospects.

"Tell your story a little bit. Write about yourself, what you do, how long you've lived in your previous apartment, and how you always pay rent on time," Zaki says. "Some landlords really appreciate it. I had one case where I truly believe my client got the apartment because of their cover letter."

## **4. Show multiple income sources**

Some landlords will be willing to look past a low credit score if you can demonstrate that you have a solid financial foundation in other respects, whether it's via an IRA, 401k, royalties, other investments, or even a bank account in another country, Zaki says.

This last point applies especially to renters from abroad who may not have any credit at all in the U.S.

Zaki adds, "No credit is much better than bad credit. A lot of big landlords and management companies will take on international renters, but they won't take on someone with bad credit without a substantial security deposit."

## **5. Be strategic about timing, neighborhood, and building type**

As we head into the winter months, when the pace of New York's real estate market tends to slow down, it's a good time for renters whose credit isn't ideal to look for a new home.

In the winter, "owners tend to be a little more giving about who they approve," Rugen says. "In the summer, these owners have applications flying through their desks, but they're a lot more susceptible [to prospective renters] in the winter months. They don't want an apartment to sit vacant heading into the holidays."

Another factor to consider is the area you're looking in, as some neighborhoods are perpetually in demand, even during the slow season, which means you may be facing competition for apartments from renters with pristine credit.

"In Soho or the West Village, if you have less than a score of 700, it's going to be very hard for you," Zaki says. "But I represent a landlord in the Grand Concourse neighborhood [in the Bronx], and while credit is still important, she also looks at the story of the person. Who are you, what do you do, how long have you been living in your previous apartment, did you pay rent on time?"

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In many parts of Brooklyn your odds may be better as well, Rugen says, because a development boom has created an oversupply of units and landlords are eager to fill them. Note, though, that these tend to be at the high end.

Furthermore, keep in mind that certain types of buildings will be less flexible than others. Renting in a co-op, for instance, may be a no-go for those with bad credit, especially if you have to go through board approval. Zaki advises that you stick to rental buildings only, rather than rent in a building that also includes co-ops and condos.

## 6. Pay up or get roommates

If all else fails, you may have to pay the landlord extra to get those keys.

"Some landlords will want a larger security deposit, because they know in that case that if you can't pay a month's rent, they have your money to cover it," Armstrong says.

Other options include paying several months of rent up front, or signing a longer lease, sparing the landlord the trouble of having to look for a new tenant again in a year.

Finally, you may need to lean on a friend to mitigate your poor credit score.

"Roommates with higher credit could offset your score," Armstrong says. But with the market slowing, you may not have to go this route if you don't want to.

"The rental market now is very soft," Armstrong says. "It's more appropriate for landlords to take on tenants with lower credit."