2026 EDITION · PEEL REGION GUIDE

The Ontario Landlord's *AAA Tenant Guide*

How to find, screen, and protect yourself — without an agent.

> One wrong tenant can cost you months of stress and thousands in legal fees. The best protection is not in the lease — it's in who you let in the door. This guide walks you through exactly **what to ask for, how to read it, and what to watch out for.**

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STEP ONE

Documents to Request

Ask for these from every adult applicant before showing the unit or running a credit check.

1	**Government-issued ID** Driver's licence, passport, or PR card. Every adult who will live in the unit. Verify name matches application.
2	**Signed rental application** Full form: current address, previous landlord contact, employer, income, and references. Use FrontLobby or SingleKey free templates.
3	**Pay stubs — 3 most recent** Confirms gross income, employer, and pay frequency. Ask for 6 months if income varies month to month.
4	**Bank statements — 3 months** Shows whether income actually deposits. Reveals NSFs, overdrafts, and chronic low balance — things a credit report won't show.
5	**Credit check consent — signed** Written consent is legally required before you pull any report. The form is included in Certn, FrontLobby, or SingleKey.
6	**Employment letter** On company letterhead: job title, start date, salary, and whether permanent or contract. Confirms stability.
7	**NOA — self-employed only** CRA Notice of Assessment for 2 consecutive years. Replaces pay stubs for freelancers and business owners.

> *Never ask for a Social Insurance Number. Credit bureaus identify applicants by name, address, and date of birth only.*

STEP TWO

Verifying Income

2.5×	3×	2 yrs
Minimum ratio	AAA threshold	Current employer

Gross income must be at least 2.5× the monthly rent. This is the floor, not the target.	At 3× the tenant has meaningful buffer if their income dips or expenses rise.	Two or more years at the same employer signals stability and commitment.

Example: Rent is $2,400/month. AAA threshold (3×) = $7,200/month gross = $86,400/year. Minimum (2.5×) = $6,000/month = $72,000/year. Always use gross, not net.

Salaried	**Salaried / permanent employee** Easiest to verify. Pay stubs + employment letter. Stable income = lowest risk.
Contract	**Contract employee** Request the contract end date. A contract expiring in 3 months creates real risk on a 1-year lease.
Self-employed	**Self-employed / freelancer** NOA for 2 consecutive years + 3 months of business bank statements. Net income, not gross revenue.
OHRC — Note	**ODSP / OW / social assistance** Source of income is protected under the Ontario Human Rights Code. You must apply the same income ratio test you use for everyone else.

STEP THREE

Reading the Credit Report

Below 600	**High risk** Proceed with extreme caution. Look closely for collections, judgments, and recent late payments.
600 – 679	**Fair — review closely** Look at the full picture. Recency of negative items matters more than the raw score.
680 – 749	**Good — solid foundation** A reliable applicant. Check for any recent collections before approving.
750+	**AAA — preferred range** Strong credit history. Still verify income and references — the score alone is not enough.

Four things to look at beyond the score

1	**Pattern over number** A 640 with no late payments in 3 years is often safer than a 680 with a recent collection. Recency is everything.

2	**Landlord and utility collections** These are the most relevant items on a rental credit check — more telling than an old missed credit card.
3	**Credit utilization** Carrying 90%+ on all cards alongside good income can signal cash flow problems even when the score looks fine.
4	**New to Canada / thin file** No Canadian credit history is not a red flag. Compensate with stronger income proof and bank statement review.

> *Use Certn, FrontLobby, or SingleKey to pull credit with tenant consent. Cost is $20–$40. It is common and acceptable in Ontario to ask the applicant to pay for their own report.*

STEP FOUR

Reference Calls

Call previous landlords directly — not just the number the applicant gives you. Look up the listed address on MPAC (mpac.ca) to find the actual owner. A coached friend answers very differently from a real landlord.

1	**Did they pay rent on time, every month?** Listen for hesitation. "Usually" is not yes. A clear, immediate yes is the only acceptable answer.
2	**Did they give proper notice before leaving?** Leaving without notice is a pattern, not a one-off mistake. It tells you exactly how they will treat you.
3	**Was the unit left in good condition?** Ask specifically about cleanliness, odours, and damage beyond normal wear. Vague positives are a soft no.
4	**Were there any complaints from neighbours?** Noise, disputes, or unauthorized guests — especially important in shared buildings or quiet streets.
5	**Why did they leave?** Compare to what the applicant told you. A mismatch between the two stories is meaningful.
6	**Would you rent to them again?** The most important question. A pause before "yes," or a pivot to vague praise, is a soft no.

STEP FIVE

Red Flags

URGENT	**Pressure to decide immediately** "I need to move in this weekend, I'll pay cash." Quality tenants don't pressure you. Urgency is always a warning sign.
URGENT	**Reluctance to provide documents** Any resistance to ID, pay stubs, or credit consent is serious. A legitimate applicant has nothing to hide.
CAUTION	**Multiple recent moves** Two moves in 18 months needs a clear explanation. Job relocation is fine. Conflicts with landlords are a pattern.
CAUTION	**Inconsistent story** Income shifts between the application and the showing. Reason for moving changes. These are meaningful signals.
CAUTION	**Coached or vague references** A "previous landlord" who fumbles dates, can't name the street, or sounds like a friend is not a real reference.
NOTE	**Offering several months upfront** Offering 3+ months to bypass screening is a known fraud signal. Accepting more than LMR + first month is also illegal in Ontario.

STEP SIX

Making the Decision

Score your applicant on four pillars. No single pillar approves or disqualifies on its own — look at the whole picture.

1 Income
Verified at 2.5–3× rent via pay stubs or NOA.

2 Credit
680+ with no recent collections or judgments.

3 References
Previous landlord confirms: paid on time, left clean.

4 Docs
All complete and consistent.

AAA — Approve
All 4 pillars strong. No red flags. Move forward.

Conditional
3 of 4 pass. Request more docs or a co-signer.

Decline
2+ pillars weak or red flags present.

When declining: you are not required to give a reason. Simply say the unit has been offered to another applicant. Never cite income source, family status, or any OHRC-protected characteristic.

Key Schedule A lease clauses

Add these to the standard Ontario lease form to protect yourself. Any clause that waives a tenant's RTA rights is void — these don't.

✓ Enforceable	**No smoking anywhere on the property** Covers cigarettes, cannabis, and vaping including balconies and common areas. Specify all three explicitly.
✓ Enforceable	**Renter's insurance required** Minimum $1M liability. Tenant provides proof within 14 days of move-in and at each lease renewal.
✓ Enforceable	**No pets / pet conditions** No-pet clauses are generally enforceable in Ontario. If allowing pets, state type, weight limit, and tenant liability.
✓ Enforceable	**No subletting without written consent** Under the RTA, consent cannot be unreasonably withheld — but it is still required in writing.
✓ Enforceable	**Notify landlord of repairs within 24h** Tenant must report leaks, appliance failures, or damage within 24 hours of discovery.
! Important	**LMR deposit is for rent only** The last month's rent deposit cannot be used for damages. Your move-in/move-out photo report is your only real damage protection.

Need a CMA, help finding a tenant, or thinking about listing your property? **Reach out — this is exactly what I do.**

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