

Do you need a guarantor to rent an apartment in NYC? 6 reasons you might



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You might be mistaken for thinking that simply finding a New York City apartment you'd like to live in is the biggest hurdle when it comes to the cut-throat rental market here. But the truth is, you can have a million dollars in the bank (literally) and still get turned down for that cute one-bedroom asking \$3,000 a month.

“People who have no reason to expect a problem renting an apartment are turned down all the time,” says Charles Schoenau, managing director of Insurent Agency Corporation, the leading company that guarantees leases in New York, as well as in New Jersey, Boston, Chicago and Washington, D.C, Maryland, and Virginia.

Because of the competitive market, landlords can be picky, and there are multiple reasons — some logical and intuitive, some not as much — why you might get turned down for a New York City rental.

One solution is to reach out to relatives/wealthy friends to serve as your “co-signer”, meaning they take on the responsibility of your rent if you neglect to pay. That can work, but the requirements for co-signers are even higher (75 to 90 times the monthly rent) and many landlords won’t accept co-signers out of the tri-state area. (So if you have a really rich aunt in Los Angeles or London, that’s not going to work.)

The good news is that often times, these issues can be resolved by enlisting the services of a institutional guarantor, a company that guarantees you’re good for the rent.

“Normally, a co-signer is an individual — a mother, father, a relative,” says Jeffrey Geller, vice chairman and COO of Insurent. “We’re a company that does the same thing. We’re the institutional mommy and daddy. We enable people, who are qualified, to get the apartment they want.”

If any of the below criteria apply to you, you may need a guarantor:

1. You don’t meet the landlord’s annual income/monthly rent multiple, which in New York, is typically 40 times the monthly rent. (i.e., for that one bedroom, you need to be making \$120,000 or more.)
2. You are self-employed/freelance, which can be perceived as a risk due to fluctuating income.
3. You’re a foreigner relocating to the U.S. and have no U.S.-based credit history.

4. You have a high net worth — that hypothetical million dollars, or a robust stock portfolio — and so you don't work. Having liquid cash is different from have a job. (See reason number one.)

5. You are a retired. This same thinking applies to retirees, who may have a healthy nest egg, but whose monthly income falls short of the required minimum of 40 times the monthly rent.

6. You are an international student or U.S. student.

Insurent is currently accepted in around 4,000 NYC buildings representing over 400,000 rental units. The company will guarantee your lease for an average of between 65 and 85 percent of a month's rent if you have US credit, and around a month's rent if you are foreign with no U.S. credit.

Insurent Lease Guaranty is the first and leading institutional guarantor of residential leases in New York. To qualify and get the apartment you want, visit www.insurent.com or call 646-843-1712.