



2025 Mid-Year Multifamily

Fraud Report

Exposing New Threats.
Equipping the Industry.



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Introduction

Fraud Isn't Random Anymore. It's Organized, Scalable, and Evolving Daily.

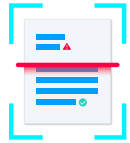
The days of isolated, opportunistic fraudsters are behind us. We're seeing something far more sophisticated now: fraud as a coordinated, scaled operation. It's no longer a handful of bad actors tweaking pay stubs; it's organized fraud rings using advanced tools, shared playbooks, and even customer service to support their devious scams.

These groups target multiple properties across regions, deploying convincing applications to bypass traditional screening methods. They know how the system works and how to exploit the gaps. With access to AI-generated documents, spoofed verification sites, and professional-grade PDF templates, they can operate at a volume and speed that overwhelms manual processes.

This shift marks a turning point for the multifamily industry. Fraud is no longer an occasional risk—it's a persistent, systemic threat. Without the right tools, teams are at a significant disadvantage.

Our mission at Snappt is to equip property operators with the data, tools, and insight needed to detect and prevent this new wave of fraud before it hits your bottom line. This Midyear Fraud Report offers a data-driven look at the trends shaping the rental landscape so far this year, including the most common types of fraud, the cost of missed red flags, and how leasing teams can adapt their strategies for the rest of 2025.

Fraud Stats: January–June 2025



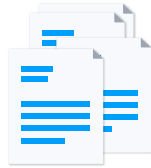
2,889,455
Total Documents Analyzed



767,519
Total Submissions Reviewed

Average Number
of Documents
Per Submission

4.1



49,821
Edited Submissions Found

Average Fraud Rate

6.5%



Potential Bad Debt Prevented*

\$93,414,375

Top 10 States with the Highest Volume of Fraud

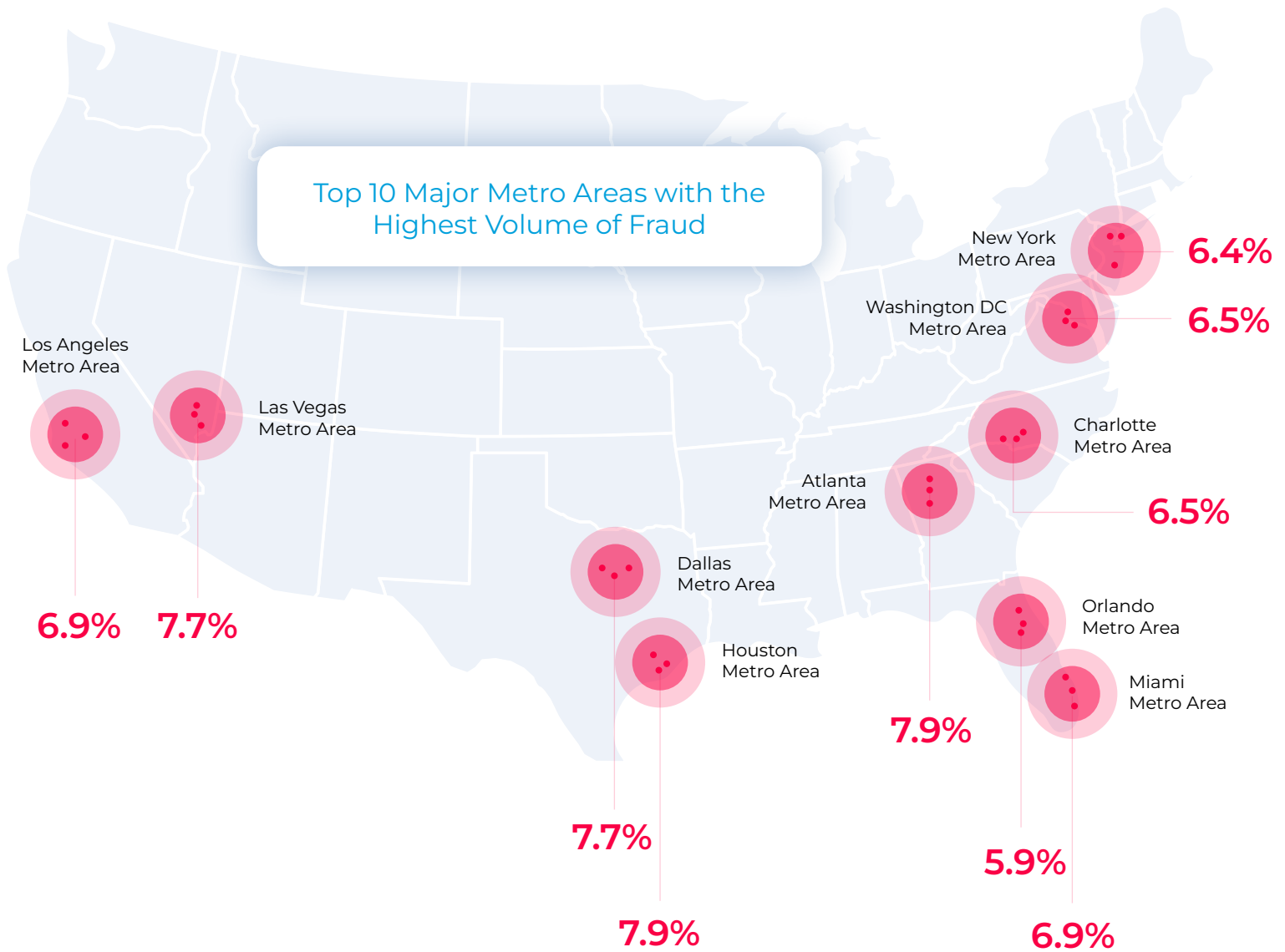
	State	Fraud Rate
1	Hawaii	10.0%
2	Idaho	9.6%
3	Delaware	9.3%
4	Mississippi	8.9%
5	Indiana	7.9%
6	Georgia	7.7%
7	Michigan	7.7%
8	Maryland	7.5%
9	Nevada	7.3%
10	Texas	7.2%

Top 10 Cities with the Highest Volume of Fraud

	City	Fraud Rate
1	Las Vegas, NV	7.9%
2	Los Angeles, CA	7.9%
3	Houston, TX	7.7%
4	Orlando, FL	7.7%
5	Atlanta, GA	6.9%
6	Dallas, TX	6.9%
7	Charlotte, NC	6.5%
8	Jacksonville, FL	6.5%
9	Denver, CO	6.4%
10	Miami, FL	5.9%

*Bad debt prevented is calculated by dividing total number of submissions by total number of edited submissions found.

Fraud Stats: January–June 2025



From January through June 2025, Snappt analyzed more than 2.8 million documents across over 767,519 rental applications, uncovering a persistent—and growing—trend of document fraud in the multifamily industry.

Out of 767,519 total submissions reviewed, 49,821 were identified as edited or tampered with, highlighting just how frequently applicants are manipulating financial documents to qualify for rentals. By flagging these fraudulent submissions before move-in, Snappt helped property owners and operators prevent more than \$93 million in potential bad debt—a significant savings that reflects the real financial impact of catching fraud early.



Top Fraud Methods

The top three methods used by fraudsters from January to June of 2025

1 Manual Document Manipulations

Over the past six months, the most prevalent form of fraud has been manual document manipulation. This method involves altering documents—such as modifying dates, adjusting fonts, inserting false information, or using fraudulent PDF templates—to misrepresent an applicant’s qualifications. These edits often leave behind detectable traces in the document’s metadata, exposing inconsistencies that are not typically present in authentic files.

64,034

documents found
using this tactic

2 Template Farms

A template farm is an operation that mass-produces fake documents—such as pay stubs, bank statements, or IDs—using pre-built templates. These operations are often used to commit fraud by creating convincing but fraudulent paperwork that can bypass traditional verification systems. In the context of tenant screening, template farms pose a serious risk by enabling applicants to misrepresent their income, employment, or identity.

24,949

documents found
using this tactic

3 Advanced Fraud Rings

This tactic involves tampering with the underlying code of a document—methods often linked to organized fraud rings. These groups are highly coordinated, using advanced tools and insider tactics to submit fraudulent applications that appear legitimate at first glance. They often target multiple properties at once, aiming to slip through traditional screening processes and cause significant financial damage. Because these manipulations are buried deep within the file structure, detecting them manually is nearly impossible, especially when leasing teams are reviewing hundreds of applications under time pressure.

21,540

documents found
using this tactic

Industry Insights

Snappt's surveys at Apartmentalize 2025 revealed just how concerned property professionals are about rental fraud—and how much opportunity there is to improve current screening methods.

Confidence in Screening

Only 7% of respondents feel very confident that their current screening process catches fake applications. The vast majority (61%) said they're only somewhat confident and see room for improvement.



How Teams Spot Fraud

Manual review remains the most common method (41%), while 24% of respondents use Snappt. Notably, 12% said they aren't doing anything to catch fraud, leaving a major gap in protection.

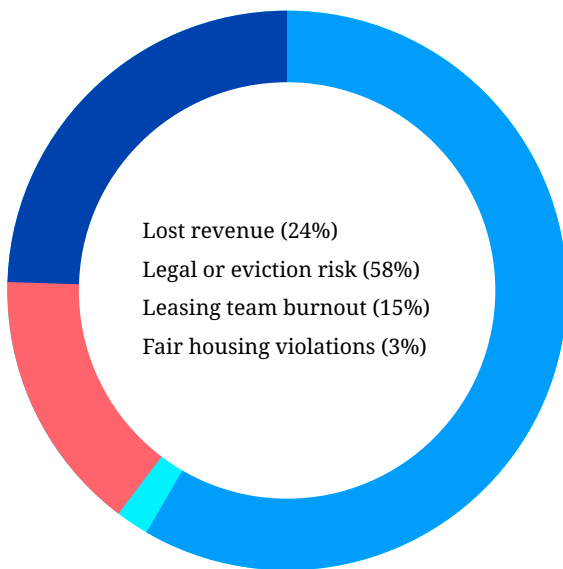
41%

of respondents use **manual review** to spot fraud.

- 41% said manual document review
- 24% said a third-party tool
- 12% said they don't do anything
- 24% said they use Snappt

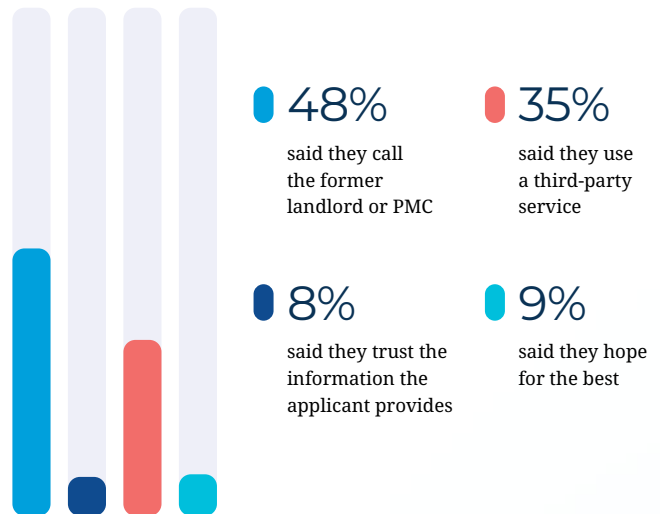
Top Concerns

The biggest fear? Legal or eviction risk, cited by 58% of respondents, followed by lost revenue (24%). A significant number also called out leasing team burnout, a growing issue tied to the strain of manual review processes



Rental History Verification Gaps

Nearly half of respondents (48%) still rely on phone calls to verify rental history, and 8% trust whatever the applicant provides. Alarmingly, 9% admitted to "crossing their fingers and hoping for the best."



Most Common Fraud Types

Respondents pointed to AI-generated documents and employment misrepresentation as the top two concerns (28% each), followed closely by fraudulent PDF templates and inception fraud (22% each).

These insights show that while fraud awareness is high, confidence in current screening methods is low, leaving properties exposed. Operators have a clear opportunity to modernize their approach and adopt real-time, AI-powered verification tools.

The leading fraud types were:

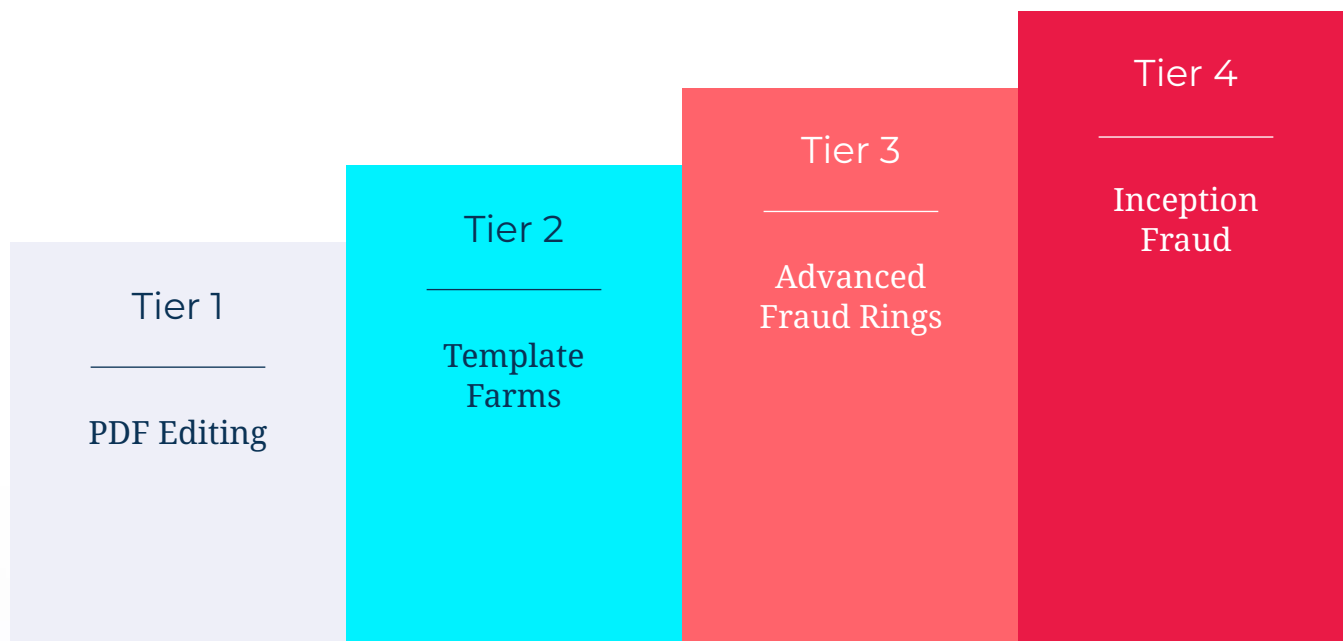
- 1 AI-generated documents
- 2 Employment misrepresentation

Levels of Fraud

From opportunistic or organized

The fraud landscape is no longer limited to a few quick forgeries; it's an ecosystem of rapidly escalating threats. Each tier represents a new level of sophistication, scale, and risk. What starts as simple visual forgeries in **Tier 1** quickly escalates into more dangerous territory. **Tier 2** introduces template farms churning out fake documents at scale. In **Tier 3**, advanced fraud rings use coordinated tactics and insider tools to slip through screening. **Tier 4** is inception fraud, where applicants submit real pay stubs from real companies—but they don't actually work there.

The higher the tier, the harder the fraud is to detect—and the more costly the consequences. By the time fraud reaches Tier 3 or 4, it's nearly impossible to stop without advanced tools. It becomes a threat to your revenue, your compliance, and your ability to lease safely. Understanding these levels is the first step. Preparing for them is next.



Opportunistic —————> Organized

Leasing Teams Are on the Front Lines Without the Right Tools

As fraud becomes more advanced, automated, and organized, leasing professionals are being asked to spot forged documents, detect subtle red flags, and make high-stakes decisions at speed, often with nothing more than a PDF viewer and a gut check.

This isn't just a workflow issue. It's a leadership and operational challenge.

Leasing agents are under increasing pressure to fill units quickly while protecting revenue, staying compliant, and creating a positive applicant experience. When fraud slips through, it's their team that bears the brunt of the consequences: evictions, turnover, resident complaints, and burnout.

Expecting onsite teams to outmatch coordinated fraud rings without modern tools is not practical or sustainable. It's time to reframe fraud prevention as a strategic priority, not just a task delegated to the front desk. Empowering leasing teams with AI-driven tools, real-time data, and clear support lets your staff and applicants know that your property takes trust seriously.

Snappt helps shift fraud prevention from reactive to proactive, so your team can lease with confidence, not fear.

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Steps to Reduce Fraud Risk in the Second Half of 2025

As fraud tactics grow more sophisticated, property managers must evolve their screening strategies to stay ahead. The second half of 2025 presents a critical opportunity to tighten processes, adopt better tools, and empower onsite teams.

1 Adopt Tech That Does the Heavy Lifting

Fraudsters aren't slowing down, and your team can't afford to either. Manual review is no match for the speed and sophistication of today's scams. Implement AI-backed verification tools that can detect what the human eye can't: subtle document tampering, fake pay stubs, and forged identities. Automated platforms like Snappt's Applicant Trust Platform catch fraud in real time, reduce human error, and accelerate leasing decisions without sacrificing accuracy.

2 Rely on Trusted Data, Not Just What Applicants Provide

Applicant-supplied information isn't always reliable. Instead, verify rental payment history, employment, and income using third-party sources and verified data. Services that link directly to payroll providers or financial institutions provide a clearer, tamper-proof view of an applicant's ability to pay rent. The more objective data you incorporate into your screening process, the less vulnerable you are to deception.

3 Train Leasing Teams to Spot Red Flags

Technology is essential, but your leasing team should still know what to look out for. Equip them with the knowledge to recognize common fraud indicators: inconsistent document formatting, mismatched employer details, or vague rental history. Regular training sessions and sharing examples of recent fraud attempts can build awareness and sharpen instincts. Creating a culture of fraud awareness also reduces the burden on any one person to catch issues manually.

By combining smart technology, well-trained teams, and trusted data sources, operators can significantly reduce fraud risk and lease with greater speed and confidence for the rest of 2025 and beyond.

Fraud Isn't Slowing Down. It's Time to Act.

Fraud is a constant, evolving threat, and it's forcing the multifamily industry to rethink how it screens applicants, protects revenue, and builds communities.

In this new era, trust can't be assumed—it must be earned. Every applicant deserves a fair shot, but that trust needs to be backed by real, verifiable data. Relying solely on documents or outdated workflows exposes properties and overwhelms teams.

Snappt is leading a new movement rooted in verified trust, not blind assumption. The industry doesn't just need faster leasing, it needs smarter leasing. Leasing that's powered by real insights, protected against fraud, and designed to support both operators and honest applicants.

Snappt's Applicant Trust Platform is built for this moment. We're not just helping properties catch fraud, we're helping them build the kind of trust that strengthens operations, protects communities, and restores confidence in the leasing process.

**Trust every step, from application to approval.
Trust Snappt.**

➔ Learn more at snappt.com





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