

Taming the Paperwork Pile: The Rental Application by Kathy Lautz

The Application to Rent or Lease is the first document that your prospective tenants see. It, therefore, creates one of the first impressions of your management style. (Your rental property obviously creates another big first impression.)

The **AOA Application to Rent or Lease** is the tool you need to begin a good relationship with the tenant(s) you ultimately accept. It is a good idea to give your prospective tenant a good, crisp, clean and legible application form. The message you want to convey with this form is that you are serious about your rental business. A seventh generation fuzzy copied edition of a poorly written application creates the opposite impression. Your application form should say "I am all business about my business" to everyone who receives it.

Keep a list of names of everyone who looks at your vacant unit. Get phone numbers if possible. Everyone who looks at the unit should also be given the application form. The reason for this is that it is one little thing you can do to keep yourself away from an appearance of discrimination and fair housing claims. If everyone is given a form, then nobody can complain that they were weeded out of your system before they were even able to apply.

Have a copy of your House Rules in a sheet protector with you when you show the unit. If the language of the rules is neutral, and not accusatory, these rules will also establish the impression right away that you take the management of your property seriously.

If at all possible, have the people interested in your unit fill out the application on the spot. If they are seriously looking for an apartment, they should have all relevant information with them. You can say that the applications will be processed in the order they are received, and if they are really interested in your unit, they should complete the application right now in order to fix their position higher up in the queue of applicants. You also want to know that the person who is applying for the apartment is the person who actually filled out the form. Ask to see and get a copy of their driver's license for your file. You should also require that all fields in the application be filled out, even if it they write "not applicable". This will avoid any future "Oh, I forgot..." discussions.

You should also require that all prospective adult roommates fill out their own applications. If the applicants have children, be sure that all of the children's names and ages are listed on the application as well.

Renters who have their act together will bring you a "renter's resume" which they may offer you instead of the application. Although you can still ask them to complete the AOA Application, at least be sure to have them sign and date the application form which lists the address, unit number and rent amount that you have set. **The signature paragraph at the end of the application must be signed** as it is their authorization for you to obtain their credit report and to verify all the information that they have submitted.

When you receive a completed application, it is wise to look it over immediately, to make sure that all questions have been answered by the applicant. It is a good idea to read the last two paragraphs of the application before the signature section out loud with the applicant, in order to reinforce to them the seriousness with which you take these applications. Tell them that it is your practice to verify all of the information on the application, and that incomplete or unverifiable information is not acceptable.

Always collect an application fee in the form of cash or money order. If a prospective tenant can't come up with a small application fee, do you really want this person as a tenant?

After you have collected all applications into one file, make a copy of each one. This copy will be your working copy on which you can take notes. Keep the original clean in case you need to use it again, but also keep your working copy attached to the original.

Now we verify, verify, verify. Every detail of the application must be verified one way or another. Many of the details can be verified with a credit report. If you need to ask a question of the applicant, do not hesitate to call and ask them any follow-up questions that come up. This too, will reinforce the idea that you are a landlord that pays attention to details.

All the information should match. As you verify each section of the application, highlight or check off each item on the copy you made, and add the date and initial of the person doing the verification - if it is not yourself who is doing the verification legwork.

Use another color, say purple, to highlight sections which you cannot verify. Then a quick look through your applications will tell you which ones have the fewest, or no purple highlights, thus helping you to make your tenant selection decision. You will, of course, never discriminate or make any notations that would indicate any discrimination against anyone on your working copy of the application. You hope that this document never has to end up in court, but if it ever does, you want the document on your side, not the other guy's side.

It is also wise to keep all received rental applications on file. Although this article is not discussing retention times for documents, it is a good idea to keep them for a very long time! You can then file them in the unit address file that you will continuously maintain for each unit as long as you own the property.

In today's soft rental market, you may be fortunate to get even a few applicants. No matter. Please force yourself to do just as thorough a job verifying a prospective tenant's application as you would if you had lots of applicants and wanted to find the best one. Good, consistent rental application processes will keep you fair-housing compliant, and find you the best tenant for your property.

The information contained in this article is not to be considered legal advice, and the author strongly recommends that you consult with your own counsel as to any Fair Housing questions or problems you may have.

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