

Ask Dr. Cash Flow
by Nick Sidoti, R.A.M.

Q: Dear, Nick: I just lost four months rent because a tenant died in my rental unit and the Coroner's office sealed the apartment for four months while they searched for the tenant's next of kin. I finally got my apartment back, but only after a substantial loss. Is there anything I can do to prevent this from happening to me again in the future? K.C., Chicago

A: Dear K.C.: When renting an apartment you should always get some information about the tenant's relatives, and who to contact in case of emergency. Some of this can be asked on the rental application, and some can't because of the Fair Housing laws and the potential of being accused of discriminating on the basis of the information requested. In particular, questions about the relationship between the folks applying for the unit can't be asked on the application.

To start with, you should ask for their next of kin, employer, and who to contact in case of emergency.

You can and should ask for all the information you want, after you have rented to the person. You can do this by having them fill out a Tenant Information Form. To start with, you should ask for their next of kin, employer, and who to contact in case of emergency. This information is critically important in case of serious illness, injury, disappearance, or death of a tenant.

Some of the information on the Tenant Information Form used to be asked on rental applications. Because of the Fair Housing laws, you are not allowed to base your rental decision on this information, so you can't ask for it on your application. On the other hand, it is still critical to the safe operation of your property, and some of it may be needed if you have a problem with the tenant paying rent. You can, and should, ask for it upon acceptance of the tenant, as part of the move-in procedure.

The Tenant Information Form is also useful when you have purchased a building with the tenants already in place. You need to gather information from these tenants for your records. My form asks crucial questions like who owns the stove, refrigerator, drapes, rugs, washer, dryer, etc., how much rent they pay, when they moved in, how much security deposit they paid, when their lease or rental agreement ends, if they have a pet, who else lives in the apartment, and what the relationships are between tenants.

You should use the Tenant Information Form to verify information provided by the previous landlord. If you do this immediately upon acquiring a property, you have time to get the mess cleared up while the previous owner is still around.

Get your long term tenants to fill out the information every year, as the next of kin and emergency contacts may change.

If you would like a copy of my Tenant Information Form, send \$1 and a self-addressed #10 envelope to the Creative Investment Advisor, P.O. Box 495 Glen Ellyn, IL 60138.

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