

## **Must Read Tips for Rent Collection** **by Kevin Kiene**

The first and maybe the most important step is that you **properly screen applicants** before they become your tenants. It is always worth the time and money to obtain on all of your applicants the below:

- A credit report
- An eviction history and
- A criminal background check

Take the time to also call the current and/or previous landlord(s) for a reference; you may be very surprised at what they tell you. Another great screening method is to go and visit the property where the applicant is currently residing. Take note of the condition of the property and how clean the tenant keeps the property.

And after all this screening, don't end up settling for tenants who did not meet your qualifications. Take the time from the start to find a qualified applicant and save a lot of time, money and headaches in the future.

***[Editor's Note: AOA provides low-cost tenant screening for our members. A credit and eviction report, when obtained together, is only \$10.00. As of January 1, 2008, you can charge each tenant an application screening fee up to \$40.64 to cover your costs.]***

### Rent Collection

It is important for the landlord to be consistent right from the beginning of the tenancy. Explain to your tenants in detail the terms of payments and the consequences for paying rent late. **Send out a late notice the day after rent is due**, don't wait until your tenant incurs a late fee. This will help to enforce what you told your tenant from the beginning, that late rent payments are unacceptable.

Precedent must be set from the beginning, as soon as the rent is late. If you start to accept excuses from the tenant, you will lose footing. This will give the tenant the assumption that paying the rent late is okay if they had some kind of problem or came up with a good excuse. The next time the tenant is short on the rent, they will expect you will accept the situation, which is not the pattern you want to create. This will set the tone for the tenant and reinforce that late rent is unacceptable and will eventually lead to a legal matter.

Keep all communication in writing, either sent through the mail or email in order to avoid the "he said, she said" scenario. Send a letter out as soon as rent becomes late and the very first day after any grace period (late fee) specified in your lease. Include the late charge if there is one and do not make "deals". As soon as you negotiate with your tenant on late charges or fees, the tenant will tend to not take a landlord seriously and will likely try to push things farther.

It is a good idea to send a sequence of notices. Mark on a calendar when you will send these notices out, if need be.

Check with your local jurisdiction to find out the regulations for eviction. Each state, county and/or jurisdiction may institute requirements for how many days may pass before legal proceedings can be brought against the tenant. There may be certain notices required such as a “Notice to Quit” before you may even file in a local court. If after several attempts are made to collect the past due rent, follow your jurisdiction rules as soon as possible. Eviction can be a lengthy battle, especially in larger cities.

Be sure and remember it is important from the beginning of the landlord/tenant relationship to set an example in your collection efforts. Do not get emotionally involved. Keep it business; after all, you invested in order to make money, not lose money.

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