

**Hold Your Tenants Accountable!**  
**By Jeffrey Taylor, "Mr. Landlord"**

When we expose a problem, be it financial or social, we need to make the tenant aware of the consequences. By doing so, we can hold tenants accountable for their actions. When tenants are aware of the consequences and they know they will be held accountable for their actions, we greatly increase the chances that a tenant will not become a problem tenant and repeat offender. If he does, we must insure our colleagues don't ever get stuck with the tenant. I know then you will not get stuck because all "professional" landlords know the importance of, and take time to verify the tenant's rental history with current and previous landlords. Professionals also request information from credit/tenant reporting services available.

Let me ask you a few questions. Your answers will determine how cooperative your residents are in following your rental agreement, including how well they pay rent and take care of your property. Do you notify your current tenants when their conduct is unacceptable? Do you notify them that the record of their rental performance will follow them? Or do they know they can move anywhere unreported, despite their performance with you?

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What do you do to prevent your problem tenants from victimizing the next property? Do you throw your credibility away by failing to follow through on your notices? Do you always get a judgment against tenants who leave owing you money or cause unpaid-for damages? Do you try to collect what they owe after they leave? Do you report them to the maximum number of credit reporting bureaus? Do you turn them over to a collection agency? Do you report them to local and nationwide tenant reporting agencies? These are all steps you can take to show tenants they will be held accountable.

This simple, powerful, seemingly obvious, but extremely neglected concept of HOLDING YOUR TENANTS ACCOUNTABLE FOR THEIR PERFORMANCE is strongly encouraged by the Apartment Owners Association of California (AOA). First you should check an applicant's credit and eviction history with AOA before you hand over the keys. If a tenant moves out owing you for rent and/or damages, fill out your free "AOA Tenant Move-Out Report" form that puts their "crime" on a local file. Also, use AOA's "National Credit Alert Report TM". This report allows you to report the amount of money a tenant owes you to Experian and other national credit reporting bureaus (Refer to following form). When the tenant moves out of state, his debt to you follows and other apartment owners across the nation will be alerted to the fact that this tenant is a bad risk. Even if the tenant pays you the debt owed, the blemish will still remain on his credit report (only now reflecting paid). AOA charges only \$8 a report for making this valuable reporting tool available to its members. This report holds your former tenant accountable no matter where he moves.

The end result of not holding your tenants accountable is that they perform without any thought of consequences. The percentage of poor performing tenants continues to climb and the national average for collecting losses from problem tenants is only 1.6%. Colleague, wake up! As landlords, more of us have got to start doing things differently to better our odds. If you told an amateur criminal that he could start robbing banks and get away with it over 98% of the time, he would make armed robbery his career. Likewise, problem tenants, who are not held accountable for their actions, get away with breaking agreements, cause damage, and live rent free, become repeat offenders. You have to admit, with those kinds of odds, if you didn't have high ethical and moral standards, you might even be tempted.

I realize that most tenants do work out well. But the small percentage of tenants that cause headaches and financial stress moving from landlord to landlord is growing at an alarming rate. Unless we start holding tenants accountable, more will "discover" how easy it is to leave you high and dry and move right into another property.

What then do you do to stop tenants from becoming repeat offenders? Start by putting tenants on notice at the very beginning of your relationship that they will be held accountable for their performance. Also remind them at the very beginning of each year. Don't just lay down the ground rules in your lease. Also, make the consequences abundantly clear. Let each tenant know that it will not be a simple matter of denying that he ever lived at your property. Inform them you will notify local and national credit bureaus. You will have all performance information put on his credit reports and report him to local and nationwide tenant reporting agencies. By reporting their performance to all these sources, any negative reports will be made available to potential employers, banks, home mortgage companies, and other creditors who they may want to do business with in the future. You let the residents know up-front, that the reputation they establish with you will be with them for many years.

It's therefore important that you only rent to people who have a good credit history to protect! You will be far more effective getting cooperation from residents who are concerned about keeping a good credit record. They are more likely to do what's needed to avoid negative credit remarks. Especially remind them how such remarks will make it very difficult for them in the future to get a job, rent or buy another home, get a car loan, student loan or emergency medical loan, buy life, home or medical insurance or obtain any charge cards.

At the first indication of breaking any lease provisions, serve notice again to current residents, that they will be held accountable for their actions. Their performance will be reported to all the agencies previously outlined, which again will make renting, buying or borrowing very difficult for the next several years.

I challenge you and all my colleagues to start putting your tenants on notice and holding them accountable for their performance. If you start doing this consistently with your tenants and truly hold them accountable by following through on what you say you will do, you will have far more cooperative residents and all the rest of us will be grateful. As professional landlords, we will thoroughly check out your past tenants when they come to our door, and we will know from the information you reported, not to let them in.

*Jeffrey Taylor is the editor of the popular monthly newsletter, Mr. Landlord, which is published for do-it-yourself landlords and landladies. For a free copy, call 1-800-950-2250 and mention this AOA article.*

**[Editor's Note: Please use the AOA National Credit Alert Report form on the following page to report your tenants! Effective January 1, 2005, your cost for each report is only \$8.00.]**



**AOA National Credit Alert Report**

This form is for the reporting of one person only. Additional occupants and/or other debtors must be completed on a separate form. AOA will cause the information below to be reported to the credit reporting agencies, but does not warrant the time of, form of, or fact of inclusion into the consumer's credit profile. Any existing tenancies or any debts older than 6 ½ years should not be reported.

**Please enclose payment of \$8.00 payable to AOA for each debtor to be reported.  
Mail to: AOA, 6445 Sepulveda Blvd. #300, Van Nuys, CA 91411**

Your Name/Company Name: \_\_\_\_\_

Your Mailing Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Please Type or Print Clearly**

Debtor(s) Name(s)				Social Security	CA Drivers License	Date of Birth
Last	First	MI				
Debtor						
Address			Apt#	City		Zip
Member's Rental Address						
Prior Address						

This is a **new report** of a derogatory.

This is an **update** of a previous reported derogatory.

Date debt originated: \_\_\_\_\_

Amount owed: \$ \_\_\_\_\_

The law requires that the consumer be notified anytime before, or within 30 days after, you report a derogatory to a Credit Reporting Agency in substantially the following words: "You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit/rental obligations." Only one notification to the consumer is necessary.

**Have you given the debtor written notice that this debt can be reported?**

Yes

No

Have you tried to collect this debt?

Yes

No

Have you turned this debt over to a collection agency?

Yes

No

Have you obtained a judgment for this debt? (If yes, the case # is: \_\_\_\_\_)

Yes

No

Brief statement why the debt is owed: \_\_\_\_\_

**Debt Collection Alert Service:** Please notify me by mail when an eviction inquiry is made on the above debtor. I will receive the name and telephone number of the inquiring landlord, the debtor's employment data and a copy of the debtor's credit reports(s). I will immediately pay the current charge for this service when billed. (Check box if desired)

The undersigned declares that the above is true and correct and that the debt reported is a just and due debt of the consumer to the reporting party. The reporting party agrees to report the receipt of any payments and maintain accurate records regarding this debt for seven years and to immediately respond to written or oral inquiries about the status of this debt. I hereby indemnify AOA and the credit reporting agencies from any loss and/or liability incurred as a result of my submitting any false and/or incorrect information. That notice has been, or within 30 days will be given to the consumer that this debt can be reported to a consumer reporting agency in accordance with the credit laws. (See above)

Date: \_\_\_\_\_ By: \_\_\_\_\_ Membership #: \_\_\_\_\_

*Your Signature*