



# NATIONAL TENANT NETWORK

## Tips & Techniques

### TIPS & TECHNIQUES

**Take your time.** There are times when you really want to move fast, as when you are evicting a tenant. When you are screening to fill a vacancy, or a prospective one, you need to take your time. The essential bits of information you will need are the rental history, employment history, credit history, references, and, perhaps, a criminal background check. Take time to obtain all of the information you have decided ahead of time that you need, then take time to verify what needs verification, such as references. Don't hesitate to reject an applicant if he does not meet your minimum standards, and don't necessarily accept the first minimally qualified applicant who comes along. You wouldn't accept the first barely qualified applicant if you were offering a job; you would wait until you had several applicants to choose from and go after the most qualified one first. Offering an apartment is no different. It is true that you lose money every day the unit is vacant, but you will lose more in the long run by taking a marginally qualified applicant who turns into a problem. In addition, you will get very sore from kicking yourself for being in too big a hurry to wait for that ideal prospect who came in two hours after you accepted your first applicant. This process need not be open ended. Tell your prospects you will be taking applications for a week, or until a date certain, and then evaluating their applications side by side to find the most qualified one. There is nothing illegal about this, and it could save you a lot of money in the long run.

**Set policies and standards in advance.** Policies and standards are nothing more than decisions that have been made before the need to implement them arises. When the need does arise, you pull them off the shelf where they have been sitting, dust them off, and use them. In the tenant screening area policies and standards relate to the quality of tenant you desire, the type of rental arrangements you want to make, how you will go about finding and attracting such tenants, and so on. These policies and standards should be a realistic minimum that you are willing to accept in a long-term tenant. Policies and standards are critical if you delegate the task of qualifying prospects to employees or outside contractors. Even if you do not delegate, there are still sound reasons for having them. You can formulate these policies and standards when your units are all full and there is no pressure to fill a vacancy. That means that the decisions you make about the things mentioned in the last paragraph are more likely to be sound because they will not be colored by emotions, such as pity or fear, that may arise when you are confronted with a prospect's sob story or a negative cash flow due to a vacancy. Rationality is most likely to prevail in an atmosphere free of these and other similar pressures. Cool reason is what you need most when you are deciding on a prospect.

We must also consider the question of what will happen when - "when" is used deliberately - a disgruntled applicant complains he was rejected due to some form of invidious discrimination. That this must be considered is, perhaps, unfortunate, but it is nevertheless true. All of the gimmicks in the world will not shield you as effectively against discrimination litigation as will rational policies rationally enforced. If you are able to show that you have such standards, and that you apply them consistently, and that the disgruntled applicant did not meet them, or that another applicant for the same unit was more qualified, then you will put an end to any claim of invidious discrimination.

Write down your policies and standards and have a lawyer review them before you apply them.

The best way to show you have policies and standards is to show them. In other words, they should be visible, that is, in writing. Take the time to reduce your policies and standards to writing, then, have a lawyer review them. Once they are given the seal of approval by the lawyer, follow them.

There are three powerful reasons for spending a few dollars to get a lawyer to review and approve your policies and standards. First, lawyers are trained to foresee problems,

and your lawyer can review your policies and foresee Fair Housing and other pitfalls and avoid them before they appear. Second, in the event you are accused of a Fair Housing Law violation, you can produce the lawyer and credibly claim you were following his advice in good faith, which will mitigate and might eliminate potential monetary liability. Third, if you make a mistake you will pay for it out of your pocket directly or through higher insurance rates, but if your lawyer makes a mistake, he has an errors and omissions insurance policy that will make you whole.

**Do not be tyrannized by forms.** The biggest problem with forms is also their greatest strength. They can systematize the accumulation and presentation of information, assuring that all questions on the form are accounted for. But for this reason they also can exclude information. This problem can occur in particular if you delegate tenant screening to employees or contractors. If the question is not on the form, it may never be asked. If there is not an information field on the form, the information may not be disclosed, and not through any fault of the prospect. If you use one of our forms, do not hesitate to revise it so that you get all the information you think is important, and do not hesitate to eliminate some parts of it if you do not think the information is relevant. Just be careful to think through what you are doing, as experts have designed these forms based on experience. Then, use the form as a starting point. Read it, analyze it, understand the information it presents, and see how the various bits of data in it relate to each other.