5 Ways to Help Guarantee a Lease

AAOA AMERICAN APARTMENT OWNERS ASSOCIATION

Today's Agenda

- ✓Pre-screening
- ✓Lease negotiation
- ✓Post lease signing
- ✓Q&A

When "good" tenants turn "bad

1. 3 day notices and late payments aren't public record
2. Most landlords don't bother taking a tenant to court
3. They just got evicted but it hasn't been recorded yet
4. They go by different alias names

A first impression and screening sometimes is not enough!

7 Reasons a tenant might not pay you

- Medical
- Unemployment
- Break a lease early
- Irresponsibility
- Bankruptcy
- Co-tenant stops paying
- Can't afford damages

What can you do?

#1 Tenant Screening – Set Criteria

Finding qualified applicants is the first step. Disclose your criteria upfront.

1. Credit Score
2. Collections
3. Evictions
4. Bankruptcies
5. Income to rent ratio

#1 Tenant Screening – Credit/Background

Don't forget credit, eviction, previous address history, AND criminal

RED PACKAGE TENANT SCREENING	$ 29.95
WHITE PACKAGE TENANT SCREENING	$ 35.95
BLUE PACKAGE TENANT SCREENING	$ 39.95
GOLD PACKAGE TENANT SCREENING	$ 49.95

#1 Tenant Screening – Documentation

- Use AAOA's free rental application
- Pay checks stubs
- References
- Copy of ID

#2 LeaseGuarantee

Get reimbursed for court judgments!

Quick Facts:

- Collection agencies have <17% success rate.
- 80% of judgments are never collected.

#2 LeaseGuarantee

- **LeaseGuarantee**
  - Intentional damages
  - No deductible
  - Paid upfront
  - Supplements a deposit
- **Renters Insurance**
  - Accidental damages
  - Deductibles
  - Paid monthly
  - Covers liability

#2 LeaseGuarantee - Activation

1. Order an AAOA screening package

- For NEW tenants
- Only one LeaseGuarantee per lease agreement
- 10 day offer expiration

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Activation - Options

- Tenant pay
  - In addition to a security deposit
  - Instead of a cosigner
  - Reduce the security deposit
- Landlord pay
  - Charge a tenant monthly
  - Use it as an investment

#2 LeaseGuarantee -Benefits

- Protect rental income
- Fill a vacancy faster
- Help tenants qualify
- PEACE OF MIND!

#3 Cosigner

- More responsible parties = more likely to get paid.
- Screen cosigners
- List cosigners on the lease and any notices

"Cosigner appoints Tenant as his or her agent for service of process in the event of any lawsuit arising out of this agreement."

#3 Cosigner

- In some states you can go directly to the cosigner without dipping into the tenant's security deposit.
- Make sure cosigner signs any renewals or revised leases.
- Combine with LeaseGuarantee!

#4 Extra Security Deposit

- There are limits in some states
- Some tenants can't afford it
- It may still not be enough to cover your losses
- Liquidated damages clauses

- https://www.american-apartment-owners-association.org/landlord-tenant-laws/

POST LEASE SIGNING

#5 Post-Lease

1. Give your tenants a separate handbook
2. Enforce late payment policies quickly
3. 2-4 inspections per year
4. Online rent/payment reporting
5. Rescreen for renewals

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Q&A

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