

DO NOT restrict occupancy of a rental as a means of avoiding to renting to certain groups of people. Many states use an occupancy guideline of allowing 2 persons per bedroom (regardless of sex or age) plus one extra person for the unit as a whole. If your occupancy standard is more restrictive than that, you better have good reason or be supported by local occupancy standards, or else you are at much greater risk of having a discrimination investigation done on you.

DO have objective basis for support of any occupancy limitations, supported by city, county, state or federal standards.

DO NOT ask any questions dealing with the nature or severity of any handicap,

DO NOT refuse to rent to people with AIDS. Federal fair housing law makes it illegal to exclude such a person. The law requires landlords to resist what are considered "irrational" fears about the disease and treat people with AIDS the same way other prospective residents are treated. The law protects people with AIDS, including those who test positive for the AIDS virus (HIV), but don't have the full blown disease.

DO apply all your rules equally to all residents.

DO NOT engage in at all a discussion regarding protected subjects, such as age (unless primary applicant is under age), race, disabilities, etc., even if the tenant brings up the subject in reference to themselves when inquiring about your rental. If the applicant brings up one of the "protected" subjects, simply say that such information is not required from you for renting, or that all of your rentals are made available without regard to race, religion, age, sex, etc.

DO let all applicants know of any and all homes or rentals you have available if approached about just one of your rentals. Even if you do not think an applicant would not qualify for other rentals, let them know what else you have available. Providing an information sheet of all your available rentals is something you can provide to all applicants who approach you about renting.

DO NOT make notations on your application about the prospective applicant pertaining to one of the "protected" area. Notes like "minority", "has kids" or "atheist" on your application records can be used against you in an investigation.

DO date and time when all parts of your application process are completed by any applicant.

DO NOT just say "not accepted" if an applicant does not meet your credit criteria, because of information on their credit report. You are required to send a notice to the applicant. According to the Fair Credit Reporting Act, individuals denied credit are entitled to copies of their report from the credit agency - NOT FROM YOU.

DO write down the name, title and telephone number of any person providing requested information toward the application process.

DO NOT reveal details of credit report to applicant(s). In writing, simply provide name of credit reporting agency, address and phone number for the applicant to inquire about his credit report.

DO have in writing any rental policies requiring co-signers or guarantor to assist applicants in meeting acceptance requirements and make this part of your rental records.

DO NOT forbid waterbeds, if the resident is able to provide proof of adequate insurance and the building load factors are not exceeded.

DO ask all applicants if they are Fair Housing Testers. In most statements it is illegal for them to lie, and they must answer that question truthfully.

This information is designed to provide accurate and authoritative information in regard to its subject matter. It is provided with the understanding that the *Diversified Real Estate Investors Group* is not engaged in rendering legal advice. If legal assistance is required, the advice and services of a competent attorney should be sought.

DOs & DON'Ts WHEN SCREENING RENTAL APPLICANTS

DO keep a log of all people you talk to over the phone and in person. Get the name of everyone and any requests or comments related to renting. No exceptions!

DO NOT forbid a prospective resident from looking at any rental they wish to look at, even if you feel they would not be qualified to rent the property.

DO NOT reject anyone until you have a completed application and supporting documents from them, along with a sound legal reason for objection.

DO date and put the time on all applications completed by prospective residents.

DO NOT refuse to rent to disabled residents, or refuse to allow alterations to be made to the property (at their expense) if they desire to rent your property. Federal law specifically permits disabled individuals to make alterations to rental units at their own expense, as long as they agree to restore the property to its original condition when the tenancy is over. However, if the alterations will not affect the next resident, they do not have to restore the property.

DO have a standardized written application that incorporates an information verification agreement for all applicants.

DO NOT refuse to rent to families with children, have tougher occupancy standards, nor require additional deposits for families with children.

DO NOT refuse to rent to children on upper floors or near a pool because of alleged safety standards.

DO standardize all oral questions in your rental process, either over the phone or in person. Ask the exact same questions and thereby reduce the risk of you posing discriminatory questions.

DO NOT have any reference in your advertising to "adults only." All rentals must be available to families with children. Any communication that discourages families with children from applying to rent may lead to a discrimination complaint. Obviously landlords are concerned about damage children may cause, but parents remain responsible for any damage caused by their children or any of their guest or themselves, no matter the age. The latest change in the fair housing law added families with children as a "protected" class. Examples of discrimination against families include adults only policies, not renting to pregnant women, having limits on the age and number of children in a rental, although you can have reasonable occupancy limits, but not based on ages. Restricting families with children to certain buildings, floors or areas of a building are further examples of discriminatory practices.

DO have all your screening policies, criteria and your entire application process in writing.

DO NOT charge additional fees, charges or rent based on an extra number of children if the same amount is not charge for extra adults.

DO NOT have any pictures of people in your advertising that implies you rent to one race of people.

DO keep written records and basis for legal rejection. Be ready to provide legal basis of rejection to applicant if requested.

DO NOT offer different lease periods or lease terms to only certain in types or groups of residents. For example, it is discriminatory to offer short-term periods to only families with children as a trial period.

DO keep all records pertaining to applicants for a minimum of three (3) years.

DO NOT deny housing to animals that provide needed assistance to a disabled individual.

EXAMPLES OF LEGAL REASONS TO REFUSE TO RENT

1. Bad Credit
2. No Credit
3. Not Previously Employed
4. Unstable Employment History
5. Cannot Verify Income
6. Cannot Provide Proper Identification
7. Fails To Sign Rental Application
8. Fails To Fully Complete Rental Application
9. Gives Information That Cannot Be Verified
10. Gives Incorrect Information
11. Fails To Provide Name Of Present Landlord
12. Fails To Provide Name Of Previous Landlord
13. Will Not Provide Documentation Of Having Waterbed Insurance
14. Does Not Meet Landlord's Minimum Income Requirements
15. Has A Pet
16. If Landlord Accepts Pets, Cannot Prove The Pet Has Been Neutered/Declawed
17. Been Convicted Of A Felony
18. Has A Judgment, Suit, Repossession And/Or Foreclosure Filed Against Them
19. Owns A Vehicle(s) Such As A Motorcycle, Boat, Trailer, 18 Wheel Truck, That You Do Not Wish To Have On Premises
20. Owns Excessive Number Of Vehicles
21. Has A History Of Damaging Property
22. Has A History Of Causing Problems With Neighbors
23. Owns Items Too Large To Be Stored On Premises
24. Has A Contagious Disease (Other Than Aids)
25. Filed Bankruptcy
26. Is A Smoker
27. Wants To Operate A Business Out Of The Premises
28. Previous Evictions
29. Excessive Financial Obligations
30. Too Short A Period Of Residence

This information is designed to provide accurate and authoritative information in regard to its subject matter. It is provided with the understanding that *Diversified Real Estate Investors Group* is not engaged in rendering legal advice. If legal assistance is required, the advice and services of a competent attorney should be sought.

GUIDELINES FOR TENANT SELECTION

1. Sufficient Income: Gross monthly income is 4 times rent plus utilities.
2. Same source of income or employment for 12 months.
3. The source of income or employment can be verified.
4. Credit report has no negative entries (late payments, bankruptcy, charge offs, closed accounts, etc.).
5. Has resided at current address for more than 12 months.
6. Financial obligations do not exceed 25% of gross monthly income.
7. Can provide 4 credit references.
8. Can provide name and phone number of current landlord.
9. Gave proper notice to current landlord.
10. Can provide name and phone number of previous landlord.
11. Has no prior evictions or bankruptcies.
12. Confirmed and was on time for showing.
13. Can provide a co-signer that owns real estate.
14. Filled out application completely and truthfully.
15. Failed to sign application.
16. Does not have a waterbed or fish tank.
17. Has not received notices of any kind from current or previous landlord concerning neighbor complaints, police reports, violations of any lease terms, etc.
18. If has a pet, can provide proof of license, tags, shots, etc.
19. Cannot provide proper identification (i.e. drivers license, social security card, vehicle registration and insurance card, etc.).
20. Has too many vehicles.
21. Has too many people for the size of the unit.
22. Has a history of property destruction.
23. Plans to use premises for other than residential living purposes.
24. Is a minor with no responsible adult to co-sign.
25. Falsified information on application.

QUESTIONS TO ASK NEW TENANTS' PREVIOUS LANDLORDS

1. Did they give you the required notice of moving?
2. Did they complete the full term of the lease?
3. Did they receive a full refund of their security deposit? If no, why not?
4. How long did they rent from you?
5. Did any fellow tenants or neighbors ever file a complaint about them?
6. Did they receive any notices from you for any reason during the past year? If yes, why?
7. Did they have any pets or animals. if yes, did they cause any damage?
8. In what condition was the apartment left after they moved?
9. From 1 to 5, how would you rate their housekeeping? (1 being the best)
10. Knowing what you know now would you re-rent to them?

QUESTIONS TO ASK NEW TENANTS' CURRENT LANDLORD

1. Are they current with rent?
2. Have they ever paid late?
3. How much notice must they give you to terminate the lease?
4. Have they given the required notice to vacate?
5. How long have they been renting from you?
6. Do they call often for repairs?
7. Rate their housekeeping skills from 1 to 5 (1 being immaculate).
8. Did you ever have to send a warning notice for any reason? If yes, Why?
9. Did any fellow tenants or neighbors ever file a complaint with you?
10. Knowing what you know now, would you re-rent to them?