

The Application Process

By: Stephanie Feuss

Landlords of Linn County, Treasurer

Director of Operations,
High Property Management



Background Information

- B.S. from Iowa State University in Housing with an emphasis in Property Management
- M.B.A. candidate from University of Phoenix, April 2008
- Worked for a national company for 5 years
 - Assistant Manager
 - Manager
 - Trainer & Mentor
- Worked for last 3 years for local firm
- The information provided is based on experience and training.



Fair Housing Overview

- **Must be an equal opportunity housing provider.**
- Must comply with federal housing laws.
- Cannot discriminate against any person because of race, color, religion, sex, national origin, familial status, or handicap.
- Must also comply with state and local fair housing laws.
- Must provide reasonable accommodations and permit reasonable modifications for individuals with disabilities.



Fair Housing Cont.

- Landlords Shall Not . . .
 - Refuse to rent or sell housing
 - Refuse to negotiate for housing
 - Make housing unavailable
 - Deny a dwelling
 - Set different terms, conditions or privileges for sale or rental of a dwelling
 - Provide different housing services or facilities

Courtesy of Cedar Rapids Civil
Rights Commission



- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, creed, age, sexual orientation or disability. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act
- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.

Courtesy of Cedar Rapids Civil
Rights Commission

Closing The Sale

- Always ask for the application
- Overcome objections with ease
 - Urgency Close – “I only have one 3 bedroom left.”
 - Personal Invitation Close – *You must do this one with everyone* – “I’d love to have you join our community.”
 - Comparison Close – “Is this the first apartment you have looked at?”
- In order to successfully land the deal, you need to ask for the application.

Overcoming Objections

- Too small – “Let’s take a look at how we could configure your furniture . . .”
- Too big – “You can always use more space.”
- Bad Location – Express the positives of nearby conveniences
- Be knowledgeable – the more you know, the better you will sell your product
- Be descriptive
 - Spacious floor plan, outdoor patio/balcony, full sized washer/dryer in every apartment

Make the Resident Feel at Home

- Refer to your tenants as residents
 - Makes the resident feel more at ease. Tenant sounds like the resident is more of a number than a person.
- Refer to your units as apartments or apartment homes.
 - Referring to the apartments or rentals as units makes the residents feel like a lab rat and not that you are not recognizing that they have a home with you.

Application Requirements

- Requirements and expectations must be laid out before hand. A rental criteria is a great way to do this. Have resident sign it to understand it.
 - Criminal requirements – no felons, etc.
 - Income requirements – 3 or 3 ½ times the monthly rent required as an income per month
 - Rental history – acceptable rental history; no more than 2 late payments or 1 NSF check in any 12 month period
 - Credit history – 75% good credit; of all open accounts, no more than 25% can have poor markings

Reasons for Requirements

- Increase quality of resident
- Decrease rental turnover
- Decrease likelihood of missed rent payments and evictions
- Criminal backgrounds can say a lot about resident
- If you deny one felon, you can deny all felons. They are not a protected class.

Rental Criteria Example

- Occupancy Requirements – for example, no more than 2 people per bedroom
- Rental History Expectations
- Criminal History Expectations
- Credit History Expectations
- Animal Restrictions

Filling Out the Application

- Get the basic information
 - Name
 - Birth Date
 - Social Security Number
 - Driver's License Number
- The above information makes it easier to place outstanding debts on the resident's credit report.

Additional Required Info

- Employment History – last 2 jobs or last 2 years which ever is the longer time period
 - Shows stability
 - Shows income
 - Require proof of last 3 pay stubs – this is easier than seeking employment reference due to changing employment laws
- Rental History – last 2 residences or last 2 years – which ever is the longer time periods
 - Shows stability
 - Sign written authorization to obtain information. Most landlords are requiring faxed authorization to release information.

Questions to Ask on Application

- Have you . . .
 - Ever been evicted or asked to move out?
 - Broken a rental agreement or lease contract?
 - Been or are currently delinquent to a previous landlord?
 - Had more than 2 late payments or 1 NSF check in any 12 month period?
 - Received deferred adjudication for a felony?
 - Been convicted of a felony?
 - Been arrested for a felon which has not been fully adjudicated (by dismissal, acquittal or conviction)?
- If you ask one resident, you must ask every resident under fair housing.

Answering Yes to Questions

- Wait for resident to sign application and rental criteria stating what they have done.
- Choose to accept or automatically deny all possible residents based on how questions are answered.
- Deny on the spot if so desired.

Processing the Application

- Credit – Check credit score from various organizations.
 - Culver Credit Resource
 - Secure Check
 - Rent Grow
- With all groups, you set the criteria.

Criminal Background

- Iowa Courts Online
 - <http://www.iowacourts.state.ia.us/ESAWebApp/DefaultFrame>
 - Free
 - Not always accurate. I have found examples of incorrect information such as name & birth date
 - Iowa only
 - Search under trial court for criminal activities in Iowa.
- Companies will do national criminal checks along with credit checks.
 - Culver Credit Resource
 - Secure Check
 - Rent Grow

Iowa Courts Online Overview

- Items to watch for instantly in the case number:
- AG = Criminal - Aggravated Misdemeanor
- FE = Criminal - Felony
- SR = Criminal - Misdemeanor
- SM = Criminal – Simple Misdemeanor
- SW = Criminal – Moving Violation
- OW = OWI
- AR = Criminal
- DA = Domestic Abuse
 - For more listings, please visit Iowa Courts Online

Rental Verification

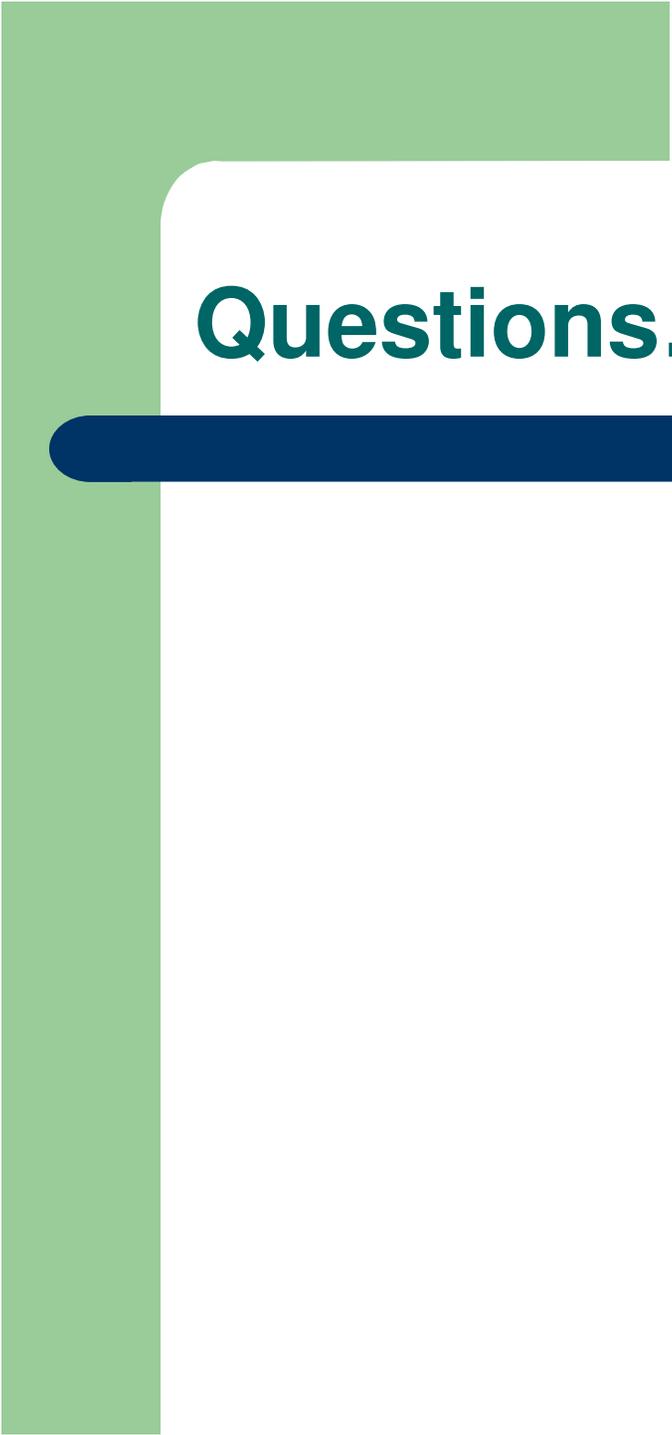
- Questions to ask:
 - Lease dates
 - Was rent paid on time?
 - Is the account delinquent at this time?
 - Any NSF's?
 - Any lease violations?
 - Did they give notice?
 - Current condition of apartment?
 - Would you rent to them again?
 - I feel this is the most important question . . .

Random Examples of Iowa Courts Online

- Click on Case ID for specific information
- Gather further info under criminal [Criminal Charges/Disposition]
- FECR036622 STATE OF IOWA VS JACKSON, 10/08/1964 DEFENDANT
 - Forgery – Felony
- SMSM046381 STATE VS JACKSON, 10/08/1964 DEFENDANT
 - Interference with official acts – Simple Misdemeanor
- SCSC137545 S & D PROPERTIES VS JONES 02/13/1973 DEFENDANT
 - FED – Eviction
- AGCR133889 STATE VS SMITH DEFENDANT
 - Assault – Aggravated Misdemeanor

Employment / Income Verification

- 3 payment stubs – proof of employment
- Bank statement or letter from bank declaring assets
 - Assets – stocks, CDs, bonds can be just as important as employment
- Leased Housing
 - Still require the 3+ times their portion of rent
 - Treat all the same
 - Outstanding balances can be reported to Leased Housing



Questions...

