

Residential Property Management Procedures Manual

A practical guide for developing a property-specific procedures manual

written by
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cic

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About the Author

LARRY McCARTHY,

Capacity Building Program Director for Community Investment Corporation, began his property management career in 1971. Recognizing that spiraling costs of building locked more families out of decent housing each year, McCarthy decided to work on finding solutions to the needs of lower income families. This decision led him to the Illinois Housing Development Authority (IHDA) in 1978. During his four years with IHDA, he was involved with the management of more than 6,600 affordable apartments throughout Illinois and was a member of the agency's team assigned to turn around troubled properties.

McCarthy is a nationally recognized affordable housing management expert. He served for nine years as the President of RESCORP Realty, Inc., which managed a multi-family rental housing portfolio in the Chicagoland area. Under McCarthy's guidance, that portfolio expanded from 1,600 to more than 4,000 rental units.

In July of 1991, a joint venture partnership that McCarthy formed between RESCORP Realty and Frank J. Williams Realty was awarded the management of the Chicago Housing Authority's innovative Lake Parc Place. Under McCarthy's leadership, Lake Parc Place received worldwide recognition for excellence in publicly funded housing. After touring Lake Parc Place, housing officials from virtually every state in the nation as well as dozens of foreign

countries praised the quality of the property management. Newsweek magazine called Lake Parc Place "A housing program that actually works" and CNN described the property as "the best managed public housing in the country".

McCarthy was the Chairman of the Chicago Board of Realtors' Property Management Council from 1988 to 1989. He co-founded and served as President of the Property Management Resource Center, a non-profit corporation formed to provide property management expertise to groups who develop low and moderate-income housing. In addition Mr. McCarthy has been a member and director of the Apartment Building Owners and Managers Association (ABOMA) and a director of the Chicago Association of Realtors, where he also served as Chairman of their Government Affairs Committee. He was a co-founder and served as a director of The Real Estate Job Bank, an organization dedicated to employment opportunities for minorities within the real estate industry.

Previously McCarthy worked for Draper & Kramer (D&K), Inc. where he oversaw a portfolio consisting of over 1,900 urban and suburban residential apartments and 400,000 + sq. ft. of retail shopping centers.

Prior to joining D&K, McCarthy was a regional Vice President with Security Pacific, Inc. a property owner based in Seattle, Washington. He was responsible for

the Midwest region, which included over 11,000 apartments in a five-state region.

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Foreword

COMMUNITY INVESTMENT CORPORATION

Community Investment Corporation (CIC) is a mortgage banking firm created in 1974, by Chicago's banking community. Fifty-one banks, plus Peoples Gas, Fannie Mae, and the United Methodist Pension Fund, share proportionally in each CIC loan.

CIC's mission is "to be the leading force in neighborhood revitalization through innovative financing programs." CIC is intended to serve as a catalyst for needed rehab lending and to foster the success of cost-effective developers.

CIC specializes in multifamily rehabilitation lending. In its first 15 years of multifamily lending, 1984 to 1999, CIC has made 1092 loans totaling \$415 million in CIC funds on buildings with 28,000 apartment units. CIC borrowers have received over \$500 million in various financing programs including no or low interest financing, tandem processed, and government second mortgages. About 20% of CIC loans have government second loans.

CIC takes pride in its ability to offer timely loan processing and support through its dedicated and experienced loan officer, construction review and closing staff.

CIC is committed to increasing the professional skills and knowledge of hands-on building owners and property managers. In 1999 CIC will conduct fifteen basic level courses in property management and maintenance. The courses will be conducted over four consecutive evenings, three hours per evening, throughout the Chicagoland area. Additional one evening courses are regularly held on seasonal topics such as landscaping (spring) or energy savings and heating systems (fall), plus regular topics related to rehabilitation.

In the first ten of its twenty-five years, CIC helped pioneer single family rehab lending in low and moderate income communities, providing \$15 million in loans to rehabilitate 989 single family units. CIC also provided home ownership counseling and technical assistance to 2,500 families.

Call CIC at (312) 258-0070 for information on loan products and rates, or to find out about training sessions near you.

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Introduction

There was a time when the ownership and management of an apartment building were largely unregulated. Landlords were virtually free to rent and operate their property in any fashion they deemed reasonable. All you really needed was the money for a down payment, a building to purchase, a cooperative lender and you were in business.

Times have changed. Today's apartment industry has become considerably more regulated. Landlords must comply with many Fair Housing laws. In addition, some municipalities regulate the way properties are managed as well as the manner and speed in which landlords service the maintenance needs of their tenants. Among the requirements today's landlords face are set minimum amounts of heat in the winter and the installation of early warning devices to protect against smoke inhalation and carbon monoxide poisoning.

The task of managing residential real estate has grown increasingly dependent upon the ability to skillfully operate within both the demands of the marketplace and the laws that regulate the industry. Today's property manager must be able to compete with the manager of the building down the street for suitable tenants and, at the same time, comply with federal, state, county and local fair housing laws. In many cities, including Chicago and smaller municipalities, landlords must comply with tenant/landlord ordinances and with rules concerning illegal activities committed by tenants. Failure to comply can, in some cases, result in seizure of the property.

The key to successful operation of any property is planning. All property owners need a written plan guiding the day-to-day operation of their buildings. In fact, the actual planning should start prior to purchasing a property. Pre-purchase planning should include deciding in what neighborhood or area you want to buy, what size building you want

to buy, and what mix of bedroom-size apartments you want. You will also have to decide whether you want to buy a fix-it-upper, a brand new building, or something in between. Additional planning should include how and where to finance your purchase, how much equity you have available and want to invest, and what improvements you want to make upon closing the purchase.

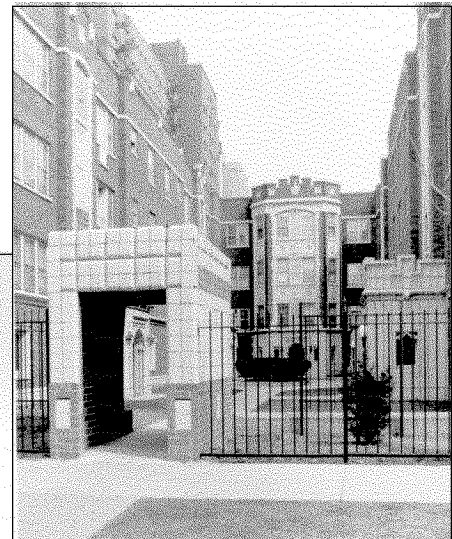
Once you've answered these questions, you're ready to decide on a host of management and maintenance issues including the preparation of written plan on how to address those issues. This manual is intended as a guide for owners and managers of multi-family buildings for use in creating an operations manual for their own specific property. This manual contains procedures and policies that have been employed in various types of buildings throughout the Chicago metropolitan area. With minor modifications, this procedures manual will serve the needs of *most* multi-family building owners and managers.

When it comes to rental policies, every owner must recognize that the rental policies you develop must be documented and enforced. Whether they are based on objective rules or subjective preferences, rental policies must be put in writing and applied in a fair and equal manner to everyone who inquires about, makes application for, or rents in your building

Negligence in the operation of a building can and often will result in legal liability for any violations. Ignorance of the laws is no defense. If you plan on owning or managing an apartment building, you must be

aware of the rules and regulations that affect the way in which you operate that building. Once you know those rules and regulations, you must manage yourself and your staff in a manner that will not jeopardize your business or the building.

This manual is intended to enable you to manage your property more skillfully. The end result is that you'll be better able to obey the law, achieve financial success, and be a valuable asset to the community.



1

New Property Take-Over Procedures

Taking over or assuming either the ownership or management of an apartment building requires a systematic approach to the many tasks that usually await a new manager or owner. There are numerous details beyond the closing table that you must learn and address in a timely and proper fashion in order to insure that you start out on the right path.

If you are purchasing an existing property, the first step to a smooth takeover is learning as much as possible from the seller. You'll usually find that sellers are cooperative and willing to take the time to answer questions about the property. To make your information gathering session as effective as possible, prepare questions in advance and keep detailed notes of the answers you receive. The *New Management Assignment Takeover Checklist* at the end of this section provides an excellent starting point. It contains a list of the key information you'll want to gather from the seller.

Tenants of a newly acquired building are also prime candidates to provide valuable information. Typically a property takeover will be the first meeting or communication between the new management team and the tenants of the building. This can be an excellent opportunity for you to set a positive tone for your future dealings with the tenants of the building. If not carefully planned, the first meeting could be poorly handled and result in a combative and potentially disruptive relationship with the tenants of the building.

Many novice property owners or managers start out with the belief that it's their building, and they'll run it the way they see fit. They often mistakenly start with attitudes such as—

- *"The tenants, after all, are just renters who can be easily replaced."*
- *"Why should I cooperate with renters? They're the enemy in the Tenant Landlord Wars. It's my building. I'll call the shots."*

When properly approached, the tenants of the building can be among your most valued allies. They typically are more familiar with the physical property than you are, and they are certainly more aware of potential problem tenants. Tenants help you pay your mortgage and operating expenses. If things go as planned, they will put profit dollars in your pocket. Many tenants take great pride in the place they have chosen to call home and will enthusiastically assist you in keeping the building up and finding new tenants when you have a vacancy. Why would you want to start out the relationship with your tenants on an antagonistic note when what you really need and should want is a long-term harmonious relationship?

When a building was previously mismanaged, has some tenants who may be involved in illegal activities, or was allowed to fall into disrepair, tenant cooperation at initial takeover is especially important. In these cases you will face some tenants who are skeptical of your intentions and others who don't wish to upset the status quo. You will need to quickly enlist the help of those tenants who are most likely to cooperate in your quest to improve the overall condition and reputation of the property.

Existing employees, as well as vendors who previously provided services to the property are also valuable sources of information. In cases where little historic information about a building is available, these individuals can help you gain the information you need to make a smooth transition and get off to a positive start. They'll also help you answer questions like, "Where are the hidden flaws? What are the extra special maintenance needs? How were things handled in the past?" This is all important information that can assist you in future planning.

It can be useful to ask the same questions of each of the groups (sellers, employees, vendors and tenants). You may end up with completely different answers based on the varying perspectives. While that may appear to be troubling, it can also be insightful. For example, if you ask how well the hallways are maintained, it's not uncommon to receive different impressions from the janitor and the tenants. In this example, the tenants' impressions are more reliable.

You will want to learn about the tenants of the building from the seller, from the other tenants, and from the janitorial and maintenance staff. You'll learn which tenants are good neighbors and which aren't? You'll also find out who might have someone living with them who is not on the lease? Which apartments have a high number of visitors at all hours of the day? Who plays their music so loud that they disturb other tenants? Which tenants have guests that hang out in the hall and leave garbage about? The answers you gather can prove very valuable as you move forward.

New Management Assignment Takeover Checklist

Location(s) of Property _____

Take Over Date _____

Building Phone Number _____

Previous Management Firm _____

Contact Person(s) _____

Telephone # _____

Existing Personnel _____

Verify Occupancy:

Are fully executed current leases in place?

Yes ____ No ____

Are all rents current?

Yes ____ No ____

Is there a list of all residents with both home & work phone numbers?

Yes ____ No ____

Have the security deposit amounts been verified?

With Lease Agreements?

Yes ____ No ____

With Tenants?

Yes ____ No ____

Are there any pending legal actions involving tenants?

Yes ____ No ____

Have all vacant units been viewed to assure they are vacant?

Yes ____ No ____

Are all delinquent renters in possession of the units they lease?

Yes ____ No ____

Have all delinquent renters been served Termination Notices?

Yes ____ No ____

Services requiring assurance of continuation:

Has the electric company been notified of changes and made final readings?

Yes ___ No ___

Have you provided for ongoing janitorial services?

Yes ___ No ___

Has the gas company been notified of changes and made final readings?

Yes ___ No ___

Have you provided for ongoing maintenance services?

Yes ___ No ___

Has the water company been notified of changes and made final readings?

Yes ___ No ___

Have you provided for ongoing landscape services?

Yes ___ No ___

Has the scavenger company been notified of the change in ownership/management and billing?

Yes ___ No ___

Building Code Issues:

Are there any existing Notices of Violations?

Yes ___ No ___

Are there proper locks on windows and doors?

Yes ___ No ___

Does each unit have an operating smoke detector?

Yes ___ No ___

Are all windows and screens in good repair?

Yes ___ No ___

Are carbon monoxide detectors in place?

Yes ___ No ___

Has the building been properly registered with the city?

Yes ___ No ___

Emergency Procedures:

Have you contracted with an answering service for after hours?

Yes ___ No ___

Have emergency point people been identified and provide with your emergency procedures plan?

Yes ___ No ___

Have current residents been informed of any changes that they'll be required to make?

Yes ___ No ___

Have emergency service providers been identified and contracted with?

Yes ___ No ___

Reports from Previous Owner/Agent:

- Regulatory Agreements
- Financial Reports
- Inventory
- Security Deposit Listing
- Waiting Lists
- Legal Actions
- Current Billing
- Personnel Records

Service Contracts in Place:

_____ terms _____

_____ terms _____

_____ terms _____

_____ terms _____

Immediate Actions Needed:

Comments:

Completed By _____ Date _____

2

Tenant Selection

Selecting tenants is likely to be one of the first issues you face. It is also one of the most important issues in the operation of your building. You can limit management difficulties by properly preparing a Tenant Selection Plan and applying it to everyone who inquires about renting at your building. A well thought out plan will be far more effective than the *“gut instinct” approach to tenant selection*. Yet the common reaction to the suggestion that landlords need a Tenant Selection Plan is something like, *“Why do I need a Tenant Selection Plan? I’ll just place an ad in the paper and rent my vacant apartments to whoever responds to the ad so long as they look like they’ll be good tenants!”*

There are many reasons to develop a well thought out Tenant Selection Plan. A Tenant Selection plan will create objective measures that can be used to determine which applicants are more likely to be good tenants. A good plan will, at least, review an applicant’s:

- credit history
- previous landlord references
- number of people who will reside in the apartment and will verify:
- employment
- income information.

Failure to perform basic background checks can result in leasing an apartment to a bad tenant who not only won’t pay rent but may also destroy your building and its reputation. The end result is a combination of emotional stress, financial burdens from lost rental income, and possible

damage repair costs. A loud and obnoxious tenant may also drive good tenants from the building. Though it is possible to evict bad tenants, eviction can take months and hundreds of dollars to accomplish.

A good Tenant Selection Plan won’t guarantee that you will never rent to a bad tenant, but it can lessen that risk. A good plan carefully applied to every applicant will also provide safeguards against possible violation of fair housing laws.

The following sample tenant selection plan is intended as a guideline. The building owner and managers must set the standards for occupancy, income, and previous rental and credit history. The sections *in bold italics* are areas that you should modify to fit the standards you decide upon.

Sample Tenant Selection Plan

I. INTRODUCTION

This Tenant Selection Plan outlines procedures that will be followed in selecting new tenants for the *Your Apartments* building. All apartments within the property will be leased in accordance with all applicable fair housing laws regardless of race, color, creed, religion, sex, national origin, ancestry, familial status, military discharge status, marital status, age, sexual orientation, or handicap of the applicant(s).

II. RENTAL UNITS

Your Apartments will offer 6 rental units. The number of rental units at the property that are reserved for rental households are as follows:

Size of Unit	Number of Units
1 BR	2
2 BR	2
3 BR *	1

* One 3 BR apartment is designated as an *owner/manager/model/office* apartment and is not available for rent.

III. SCHEDULING SHOWINGS OF AVAILABLE UNITS

Contacting Interested Individuals

When a unit becomes available, a showing will be scheduled with interested individual, generated from a waiting list or an advertising program, on a first come, first served basis. Management will indicate what information the applicant should bring to complete a rental application.

IV. THE APPLICATION PROCESS

A. Application

Each prospective tenant will complete a written rental application. Management will charge a **\$100** application fee. If the applicant is accepted, the application fee will be credited toward the security deposit. If the applicant is rejected, the application fee will be refunded within **fourteen (14)** days of the date of the rejection notice. If the applicant is accepted for occupancy but refuses a unit, the application fee will be forfeited.

B. Credit Check Fee

In addition to the application fee, Management will charge a non-refundable credit check fee of **\$25.00**.

C. Verification of Information on Application

Management will take the following actions with respect to all written applications:

1. Order a written credit report.
2. Request a Verification of Employment or Income.

D. Home Visits

After Management has completed all other steps in the application process, Management will conduct a home visit on all applicants living within a 25-mile radius of the building at the time of the application.

V. ELIGIBILITY REQUIREMENTS

A. Income

Annual gross income of households in the building must be equal to or greater than the income guidelines attached to this PLAN.

B. Households/Unit Size Limitations

The unit applied for must have enough bedroom space to accommodate the applicant's household. As a guideline, no more than two people will be permitted to occupy a bedroom. In selecting a unit size for the applicant, management will balance the need to avoid over-crowding a unit with the objective of maximum utilization of space. (Chicago's building code requires a minimum of 125 sq. ft. of floor area per person)

VI. SELECTION AND REJECTION CRITERIA

The fact that an applicant meets the eligibility requirements does not mean that the applicant will be a suitable tenant. The prospective tenant must be able to fulfill lease obligations. In making this determination Management will consider various criteria, along with any related explanations offered by the applicant concerning the facts involved, including changes in circumstance. Rejection of an applicant may be based on one or more of the following criteria:

A. Insufficient/Inaccurate Information on Application

Management will consider whether the applicant refuses to cooperate fully in aspects of his/her application process, or whether the information supplied has been intentionally falsified.

B. Credit and Financial Standing

1. Management will consider the applicants' history of financial obligations, (including timely payment of rent, outstanding judgments or a history of late payment of bills). If Management rejects an application based upon the credit report, Management will give the applicant the reason for rejection and the name of the credit bureau that performed the credit check. Applicants will also be given the opportunity to have corrections made to the report.
2. Management will take into account inability to verify credit references. It will take into account special circumstances in which credit has not been established (income, age, marital status, etc.). Lack of credit history will not cause an applicant to be rejected, although, in such circumstances, Management may require that a person with a history of creditworthiness guarantee the lease.
3. Management will consider whether the applicant demonstrates financial ability to pay the monthly rent for the apartment.

C. History of Residency

Management will verify and document the previous two years of housing for each applicant, including applicants who were homeowners or lived with parents/guardians. *As part of this review, Management will consider whether the applicant or any other person who will be living in the unit either has a history of criminal conviction for acts that involved physical violence to persons or property, that endangered the health and safety of other persons; or that involved the manufacture or distribution of a controlled substance or is currently addicted to, or engaged in the illegal use of, a controlled substance. If an applicant is currently receiving treatment for addiction to a controlled substance, Management will not reject the applicant so long as he or she is acceptable as a tenant in all other respects. Management will consider all circumstances regarding criminal activity as well as the period during which it occurred.*

D. Unsanitary Housekeeping

Management will consider unsanitary housekeeping by the applicant. This criteria is not intended to exclude households whose housekeeping is only superficially unclean or disorderly if such conditions would not appear to affect the health, safety or comfort of other residents.

VII. ACCEPTANCE/REJECTION PROCEDURES

A. Acceptance Notification

Each accepted applicant will receive a written notification indicating the date that the rental unit will be available for occupancy (Exhibit A).

B. Rejection Notification

Management will promptly send each rejected applicant a written rejection notice stating the reason(s) for rejection (Exhibit B).

VIII. DOCUMENTATION

Management will document every step of the tenant selection process. Applicant files will be maintained by Management which will include, but not limited to, copies of the following correspondence:

- Rental Application
- Credit report
- Housekeeping Report
- Employment/Income Verification (see page 17)
- Exhibit A - Acceptance Notice (see page 14)
- Exhibit B - Rejection Notice (see page 15)
- Exhibit C - Underwriting Worksheet (see page 16)
- Previous Landlord Verification (see page 19)

Prepared By: _____ Date: _____

The Rental Process

The following basic steps should be applied for everyone who makes application for an apartment at your building. Sample forms that you may use are included in this section.

RENTAL APPLICATIONS should be completed and signed by everyone interested in renting an apartment at your property. All sections of the application should be completed. Be certain that those individuals who will be responsible for rent payments sign the application and authorize you to investigate their credit history. Requesting and photocopying a photo ID can help verify the identity of an applicant. Attach the photocopy to the application.

The **UNDERWRITING WORK-SHEET** in this section is a form used to determine the applicants' ability to pay the rental amount you are charging. Information about the applicants' income, and existing debt should be measured against the rent and other associated housing expenses. A sample form is included along with suggested ratios of income to rent and income to rent and other debt. When you stay within the recommended ranges, your chances of receiving rents on a timely and regular basis are likely to increase.

VERIFICATION OF EMPLOYMENT/INCOME forms guide you through the process of determining the employment status of the applicants. This form should be filled in and signed by the applicant(s) in the appropriate spaces. The property owner/manager can then mail or fax the signed form to the personnel or human resource department of the employer. To ensure that the employer completes the form, do not allow the applicant to hand carry the verification form to and from the employer. You may have to perform a telephone follow-up in cases where a response is not received within five working days.

The **CURRENT OR PREVIOUS LANDLORD VERIFICATION FORM** is used to determine the applicants' current rental status as well as previous rental history. This form should be completed by the applicant(s) and signed. The form should then be faxed or mailed to the current and a least one previous landlord by the owner or manager. Again, do not allow the applicant to hand carry the form. Don't be surprised if telephone follow-up on your part becomes necessary.

CREDIT REPORTS should be conducted on every applicant who has sufficient income to qualify for your apartment. Select a Credit Bureau that can provide rapid service. Many companies can provide a report within hours, while others might require a day or two. Some bureaus can provide additional services such as eviction court searches and criminal background checks. However, it's important to realize that they are likely to charge additional fees for these services.

If you want to obtain access to public records such as eviction cases, judgments, liens, or criminal convictions, you may wish to visit the county building that serves your area. Often the public can use computer terminals for these background checks.

Whatever methods you decide to use, *you must apply the same procedure for screening everyone applying for residency at your property.* Failure to apply the same procedures can result in fair housing violations. The following forms can help in selecting tenants and may be modified for your specific property. We encourage you to choose selection criteria that can be employed consistently and speedily.

EXHIBIT "A"

ACCEPTANCE NOTICE

DATE: _____

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

RE: ***YOUR APARTMENTS***

Dear Mr./Ms.: _____

After careful consideration and review of your application and other tenant selection criteria, you have been accepted for occupancy at ***Your Apartments***. Your _____ bedroom apartment will be available on _____ . Please contact our management office at **(312) 555-1234** to make an appointment to sign your Lease Agreement and complete all other necessary paper work.

We look forward to your being an occupant at ***Your Apartments***.

Sincerely,

Manager/Owner

EXHIBIT "B"

REJECTION NOTICE

DATE: _____

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

E: APPLICATION FOR AN APARTMENT AT **YOUR APARTMENTS**

Dear Mr./Ms.: _____

Thank you for your recent application for a _____ bedroom apartment at **Your Apartments**. After careful consideration and review of your application, we regret that we are unable to accept your application for tenancy at this time for the following reason(s) marked with an (X) below:

- Your household size cannot be accommodated at **Your Apartments**.
- We have received a consumer credit report from **ABC CREDIT BUREAU**, a usually reliable credit reporting agency, which contained negative information. You may contact the credit reporting agency directly within 30 days to obtain the information supplied with us.
- Based upon our underwriting policies, the income of your household is insufficient after allowing for long-term obligations, to pay the rent and utilities for the apartment you applied for.
- We were unable to verify employment or a stable source of income.
- Your check for the credit report fee was returned to us by your bank marked "Insufficient Funds" or _____
- The information given us in your application is different from what we have gathered from reliable sources.
- The housekeeping report on your current apartment indicated a condition of unsanitary or hazardous housekeeping.
- We have been unable to verify a previous credit file.
- We obtained negative information from a previous landlord.
- A person who will be living with you, has a reputation for criminal conviction or criminal acts which we feel would adversely affect the reputation of the building or the health, safety, or welfare of other residents.
- _____

Sincerely,

Manager/Owner

EXHIBIT "C"

UNDERWRITING WORKSHEET

Applicant: _____ Unit Address _____

Rent (1) \$ _____ Utilities (2) \$ _____ Parking (3) \$ _____

Monthly Housing Cost (TMH) (1+2+3) = \$ _____ (4)

Income:

Source of Income:

Principal Wage Earner \$ _____ (5) _____

Spouse \$ _____ (6) _____

Other Income \$ _____ (7) _____

Other Income \$ _____ (8) _____

Total Monthly Income (TMI) (5+6+7+8) = \$ _____ (9)

Long-Term Obligations (LTO) (installment payments which will continue for 3 months or more)

Payee	Monthly Amount	Balance Owed
_____	\$ _____ (10)	_____
_____	\$ _____ (11)	_____
_____	\$ _____ (12)	_____
_____	\$ _____ (13)	_____
_____	\$ _____ (14)	_____

Total Long-Term Obligations (LTO) (10+11+12+13+14) = \$ _____ (15)

Ratios:

(a) $\text{TMH (4) / TMI (9) = } \underline{\hspace{2cm}} \%$ Housing expense to income ratio 25% - 35% is the desirable range

(b) $\text{TMH(4) + LTO(15) / TMI(9) = } \underline{\hspace{2cm}} \%$ 40% - 45% is a desirable range

VERIFICATION OF EMPLOYMENT

Name of Employer _____

Address _____

RE: _____ SSN: _____

Applicant/Tenant Name

Applicant/Tenant Address

City

State

Zip Code

The individual named above has made application for housing. In order for the individual to become eligible we must verify employment and income. The individual has authorized below your release of the requested information. The information you provide will be used only for the purpose of determining the individuals eligibility for housing. We are required to complete our verification process in a short time period and would appreciate your prompt attention and response. A self-addressed envelope has been included for your convenience. If you have any questions please feel free to contact our office.

Name Telephone Number

Employee Authorization

I, _____, hereby authorize _____
Applicant Employer
to release the information requested below regarding my employment and compensation.

Signature Date

TO BE COMPLETED BY EMPLOYER

Date of Employment _____ Position/Occupation _____

Date of Termination (if applicable) _____

Current Rate of Regular Pay \$ _____ per _____ (hour, week, month, etc.)

Current Rate of Overtime Pay \$ _____ per _____ (hour, week, month, etc.)

Number of hours/week employee normally works _____

Anticipated average earning of overtime per week \$ _____

Gross annual earnings you anticipate for this employee for the next twelve months.\$ _____

Gross amount including all tips, bonuses, overtime, commissions, etc.) \$ _____

Do you anticipate any changes in the employee's rate in the near future? Yes _____ No _____

If Yes: New Rate \$ _____ Effective Date _____

If the employee's work is seasonal or sporadic, indicate lay-off periods. _____

Additional Comments: _____

Employer Certification

I certify that the above information is true and correct:

_____	_____
Name	Title
_____	_____
Address	Telephone Number
_____	_____
Signature	Date

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

PLEASE RETURN THIS FORM TO:

Current or Previous Landlord Verification

TO: _____ DATE: _____

current or previous landlord

street address

city, state, zip

Applicant's Authorization

To Whom it May Concern:

I herein authorize you to provide information regarding my length of residency, rental payment history and any lease agreement infractions to the landlord named below.

I would appreciate your immediate attention to this request so that my application can be processed in a timely manner.

Sincerely,

applicant[']s signature

date

Dear Landlord:

The above named individual has made application for residency. As part of our routine background check we ask for the cooperation of current and previous landlords to provide information UPON [[from]] which we will base, in part, our decision on the on the suitability of the applicant for housing.

Any information that you provide will remain confidential.

Sincerely,

Owner/Manager

How much is (was) the tenant's rent? _____

Does (did) the tenant pay their rent on time? Yes _____ No _____

If no, how often is (was) the rent late? _____

Did you ever have to file a suit to collect rent? Yes _____ No _____

Does (did) anyone else live in the apartment? Yes _____ No _____ If yes, how many people? _____

What were their names? _____

How long has (was) the tenant at this address? Move-In _____ Move-Out _____

How did the tenant keep house? Good _____ Fair _____ Poor _____

Does (did) the tenant play loud music or throw loud parties? Yes _____ No _____

Does (did) the tenants children cause damage or disturbances? Yes _____ No _____

Are there any other problems, complaints, comments or issues you think we should be aware of?

Based on your experience with this tenant would you rent to them again? Yes _____ No _____

If no please comment as to why. _____

Please mail or fax the completed form to: _____

3

Fair Housing

Many property managers believe that they both thoroughly understand the fair housing law and comply with it. Yet they are not aware that there are actually several fair housing laws. These laws go well beyond prohibiting the obvious racial discrimination that most people associate with fair housing. For instance, if your property is within the City of Chicago, you could be dealing with thirteen protected classes of individuals. Can you name all thirteen of those protected classes? If not, you are in serious risk of violating the fair housing laws. It is essential to learn the laws and to comply with them fully.

Fair housing complaints are most prevalent in rental housing. In Chicago, for example, the law includes prohibitions against discrimination on the basis of the source of income. While the law does not mandate that you accept prospective

renters who have a certificate or voucher from the federal section 8 housing assistance program, it does not allow you to reject them solely on the basis of their source of rental payment.

Fair housing laws do not allow you to bar families with children from your property by setting unrealistic occupancy limits. For instance, a two-bedroom apartment is generally felt to be adequate in size to house four individuals (two persons per bedroom). The key word is “**individuals**,” and their ages, sex, and legal relationship to one another are not relevant to their being housed.

Start by defining the appropriate maximum number of individuals permitted in each unit. While it is generally adequate to set a limit of two persons per bedroom, you should review the square footage and configuration of your apartments to determine if that level is fair and is not designed to avoid renting to

families with children. We suggest that you review the “Keating Memo” that is included in this section to gain a fuller understanding of how “number of occupants” relates to both the number of bedrooms and size of the unit.

The following are the laws and ordinances that may apply to the property you manage. Read them carefully. Then incorporate those laws that apply to your property into your overall management and marketing plan.

Use the information contained in these ordinances to make sure that you understand your local Fair Housing laws. Then, develop a tenant selection plan that is in compliance with those laws. Finally, follow that plan with every applicant to ensure compliance and to protect yourself from potentially costly violations.

Protected Classes

Protected Classes	1866 Civil Rights Act	1968 Fair Housing Act	Equal Credit Opportunity Act	Illinois Human Rights Act	Chicago Fair Housing Ordinance	Cook County Human Rights Ordinance
Race	x	x	x	x	x	x
Color	x	x		x	x	x
Religion		x	x	x	x	x
Sex		x	x	x	x	x
National Origin/Ancestry		x	x	x	x	x
Familial/ Parental Status		x		x	x	x
Disability/ Handicap		x		x	x	x
Age			x	x	x	x
Military Discharge				x	x	x
Marital Status			x	x	x	x
Sexual Orientation					x	x
Source of Income					x	x
Housing Status						x

FAIR HOUSING ENFORCEMENT POLICY: OCCUPANCY CASES (“KEATING MEMO”)

(Editor’s note: The following memo was issued on March 20, 1991, by HUD General Counsel Frank Keating. It provides guidance to HUD enforcement personnel for determining whether neutral occupancy limits are reasonable under the Fair Housing Act.

MEMORANDUM FOR: *All Regional Counsel*
FROM: *Frank Keating, General Counsel*
SUBJECT: *Fair Housing Enforcement Policy: Occupancy Cases*

On February 21, 1991, I issued a memorandum designed to facilitate your review of cases involving occupancy policies under the Fair Housing Act. The memorandum was based on my review of a significant number of such cases and was intended to constitute internal guidance to be used by Regional Counsel in reviewing cases involving occupancy restrictions. It was not intended to create a definitive test for whether a landlord or manager would be liable in a particular case, nor was it intended to establish occupancy policies or requirements for any particular type of housing.¹

However, in discussions within the Department, and with the Department of Justice and the public, it is clear that the February 21 memorandum has resulted in a significant misunderstanding of the Department’s position on the question of occupancy policies which would be reasonable under the Fair Housing Act. In this respect, many people mistakenly viewed the February 21 memorandum as indicating that the Department was establishing an occupancy policy which it would consider reasonable in any fair housing case, rather than providing guidance to Regional Counsel on the evaluation of evidence in familial status cases which involve the use of an occupancy policy adopted by a housing provider.

As you know, assuring Fair Housing for all is one of Secretary Kemp’s top priorities. Prompt and vigorous enforcement of all provisions of the Fair Housing Act, including the protections in the Act for families with children, is a critical responsibility of mine and every person in the office of General Counsel. I expect Headquarters and Regional Office staff to continue their vigilant efforts to proceed to formal enforcement in all cases where occupancy restrictions are used to exclude families with children or to unreasonably limit the ability of families with children to obtain housing.

In order to assure that the Department’s position in the area of occupancy policies is fully understood, I believe that it is imperative to articulate more fully the Department’s position on reasonable occupancy policies and to describe the approach that the Department takes in its review of occupancy cases.

¹ For example, there is a HUD Handbook provision regarding the size of the unit needed for public housing tenants. See Handbook 7465.1 REV-2, Public Housing Occupancy Handbook: Admission, revised section 5-1 (issued February 12, 1991). While that Handbook, provision states that HUD does not specify the number of persons who may live in public housing units of various sizes, it provides guidance about the factors public housing agencies may consider in establishing reasonable occupancy policies. Neither this memorandum nor the memorandum of February 21, 1991 overrides the guidance that Handbook provides about program requirements.

Specifically, the Department believes that an occupancy policy of two persons in a bedroom, as a general rule, is reasonable under the Fair Housing Act. The Department of Justice has advised us that this is the general policy it has incorporated in consent decrees and proposed orders, and such general policy is consistent with the guidance provided to housing providers in the HUD handbook referenced above. However, the reasonableness of any occupancy policy is rebuttable, and neither the February 21 memorandum nor this memorandum implies that the Department will determine compliance with the Fair Housing Act based solely on the number of people permitted in each bedroom. Indeed, as we stated in the final rule implementing the Fair Housing Amendments Act of 1988, the Department's position is as follows:

There is nothing in the legislative history which indicates any intent on the part of Congress to provide for the development of a national occupancy code.

On the other hand, there is no basis to conclude that Congress intended that an owner or manager of dwellings could reside in a dwelling. Thus, the Department believes that in appropriate circumstances, owners and managers may develop and implement reasonable occupancy requirements based on factors such as the number and size of sleeping areas or bedrooms and the overall size of the dwelling unit. In this regard, it must be noted that, in connection with a complaint alleging discrimination on the basis of familial status, the Department will carefully examine any such nongovernmental restriction to determine whether it operates unreasonably to limit or exclude families with children.

24 C.F.R. Chapter I, Subchapter A. Appendix I at 566-67 (1990)

Thus, in reviewing occupancy cases, HUD will consider the size and number of bedrooms and other special circumstances. The following principles and hypothetical examples should assist you in determining whether the size of the bedrooms of special circumstances would make an occupancy policy reasonable.

Size of bedrooms and unit

Consider two theoretical situations in which a housing provider refused to permit a family of five to rent a two-bedroom dwelling based on a two people per bedroom policy. In the first, the complainants are a family of five who applied to rent an apartment with two large bedrooms and spacious living areas. In the second, the complainants are a family of five who applied to rent a mobile home space on which they planned to live in a small two-bedroom mobile home. Depending on the other facts, issuance of a charge might be warranted in the first situation, but not in the second.

The size of the bedrooms also can be a factor suggesting that a determination of no reasonable cause is appropriate. For example, if a mobile home is advertised as a "two-bedroom" home, but one bedroom is extremely small, depending on all facts, it could be reasonable for the park manager to limit occupancy of the home to two people.

Age of Children

The following hypotheticals involving two housing providers who refused to permit three people to share a bedroom illustrates this principle. In the first, the complainants are two adult parents who applied to rent a one-bedroom apartment with their infant child, and both the bedroom and apartment were large. In the second, the complainants are a family of two adult parents and one teenager who applied to rent a one-bedroom apartment. Depending on the other facts, issuance of a charge might be warranted in the first hypothetical, but not the second.

Configuration of unit

The following imaginary situations illustrate special circumstances involving unit configuration. Two condominium associations each reject a purchase by a family of two adults and three children based on a rule limiting sales to buyers who satisfy a “two people per bedroom” occupancy policy. The first association manages a building in which a family of five sought to purchase a unit consisting of two bedrooms plus a den or study. The second manages a building in which the family of five sought to purchase a two-bedroom unit which did not have a study or den. Depending on the other facts, issuance of a charge might be warranted in the first situation, but not the second.

Other physical limitations of housing

In addition to physical considerations such as size of each bedroom and the overall size and configuration of the dwelling, the Department will consider limiting factors identified by housing providers, such as the capacity of the septic, sewer, or other building systems.

State and local law

If a dwelling is governed by State or local governmental occupancy requirements, and the housing provider’s occupancy policies reflect those requirements, HUD would consider the governmental requirements as a special circumstance tending to indicate that the housing provider’s occupancy policies are reasonable.

Other relevant factors

Other relevant factors supporting a reasonable cause recommendation based on the conclusion that the occupancy policies are pretextual would include evidence that the housing provider has: (1) made discriminatory statements; (2) adopted discriminatory rules governing the use of common facilities; (3) taken other steps to discourage families with children from living in its housing; or (4) enforced its occupancy policies only against families with children. For example, the fact that a development was previously marked as an “adults only” development would mitigate in favor of issuing a charge. This policy is an especially strong factor if there is other evidence suggesting that the occupancy policies are a pretext for excluding families with children.

An occupancy policy which limits the number of children per unit is less likely to be reasonable than one which limits the number of people per unit.

Special circumstances also may be found where the housing provider limits the total number of dwellings he or she is willing to rent to families with children. For example, assume a landlord owns a building of two-bedroom units, in which a policy of four people per unit is reasonable. If the landlord adopts a four person per unit policy, but refuses to rent to a family of two adults and two children because twenty of the thirty units already are occupied by families with children, a reasonable cause recommendation would be warranted.

If your review of the evidence indicates that these or other special circumstances are present, making application of a “two people per bedroom” policy unreasonably restrictive, you should prepare a reasonable cause determination. The Executive Summary should explain the special circumstances which support your recommendation.

Questions regarding occupancy cases should be directed to Dorothy Brown, Associate General Counsel (FTS 458-1240), or Harry Carey, Assistant General Counsel for Fair Housing (FTS 458-0570)

SUMMARY FAIR HOUSING LAWS

A. Federal Civil Rights Laws

1. **Fair Housing Act.** Housing discrimination based upon race, color, religion, sex, national origin, familial status or handicap is illegal under provisions of Title VIII of the Civil Rights Act of 1968, as amended in 1974, and 1988.

This law specifically prohibits the following acts:

- a. To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, national origin, familial status (children under the age of 18) or handicap.
 - b. To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, familial status, or handicap.
 - c. To make, print, or publish, or cause to be made, printed, or published any notice, statement or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.
 - d. To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.
 - e. For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, national origin, handicap, or familial status.
 - f. To refuse to permit, at the expense of a handicapped person, reasonable modifications of existing premises occupied or to be occupied by such person, if such modifications are necessary to afford such person full enjoyment of the premises, and to refuse to make reasonable accommodations in rules, policies, practices or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.
2. **Civil Rights Act of 1866** bans racial and ethnic discrimination in all housing transactions, private as well as state involved. (*Jones v. Mayer, 1968*)
 3. **Equal Credit Opportunity Act** outlaws discrimination in the issuance of credit based upon race, religion, national origin, sex, age, marital status or the fact that an applicant receives public assistance income.

B. Illinois Laws

1. The **Illinois Human Rights Act** effective July 1, 1980, and amended in 1989 implements the provisions of Section 17, 18 and 19 of Article 1 of the Illinois Constitution which prohibits discrimination in the sale or rental of residential property. Its housing discrimination provisions are essentially the same as those of the federal Fair Housing Act, except that it also prohibits discrimination based on ancestry, age, marital status and unfavorable discharge from military service.
2. **Illinois Revised Statutes, Chapter 38, Section 12-7.1** makes crimes such as assault, theft criminal trespass to residence or criminal damage to property by reason of the race, color, creed, religion, ancestry, sexual orientation, physical or mental disability, or national origin of another individual or group a Class A misdemeanor and is called a Hate Crime.

C. Local Fair Housing Statutes

Many cities and villages in the state of Illinois have fair housing ordinances enforced at the local level. Check with the local mayor's office, village clerk or human relations (rights) commission or department for a copy and for more information.

D. Real Estate License Act of 1989

Illinois Revised Statutes, Chapter III. par. 5818 (h) 22 and 23

The Department of Professional Regulation may refuse to issue or renew a license, may place, on probation, may suspend or may revoke any license, or may reprimand or impose a civil penalty not to exceed \$10, 000.00 upon any licensee:

Where the licensee in performing or attempting to perform or pretending to perform any act as a broker or salesperson, or where such licensee, in handling his own property, whether held by deed, option or otherwise, is found guilty of:

Influencing or attempting to influence, by any words or acts a prospective seller, purchaser, occupant, landlord or tenant of real estate, so as to promote, or tend to promote, the continuance or maintenance or racially and religiously segregated housing, or so as to retard, obstruct or discourage racially integrated housing on or in any street, block, neighborhood or community.

Engaging in any act that violates the fair housing provisions of the Illinois Human Rights Act whether or not a complaint has been filed with or adjudicated by the Human Rights Commission.

COOK COUNTY HUMAN RIGHTS ORDINANCE

In order to assure that all people who live and work in the County of Cook shall be protected from unequal treatment because of bigotry and bias, the Cook County Human Rights Ordinance prohibits unlawful discrimination and sexual harassment in employment, housing, credit transactions, public accommodations, access to County services, facilities and programs and County contracting. The Ordinance defines “unlawful discrimination” as discrimination or harassment based on a person’s *race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status*.

HOUSING

PROHIBITIONS

Article VI of the Ordinance prohibits unlawful discrimination in connection with the terms or conditions of the sale, occupancy or lease of residential real estate in Cook County. This prohibition includes discrimination in the provision of services or utilities in connection with the sale or lease of residential property, the brokering or appraising of residential property and the making of loans for the purchase, repair or improvement of residential property.

The Ordinance further prohibits:

- discrimination in the advertising and listing of residential property;
- blockbusting or the encouragement thereof; and
- the intentional creation of alarm in any community based on the present or prospective entry of individuals protected
- by his Ordinance into the neighborhood.

Sexual harassment in connection with any real estate transaction is also prohibited.

LIMITATIONS AND EXCEPTIONS

Housing restricted to a certain age group such as the elderly is permitted under the Ordinance

Religious organizations may limit the sale, occupancy or rental of housing they own to members of the same religion.

Restricting the rental of rooms to one sex is permitted.

Rental of rooms in a private home by an owner is exempt.

Landlords shall not be required to participate in the federal Section 8 housing assistance program or to lease or rent to any tenant using a Section voucher or certificate to pay a portion of their rent.

ADDITIONAL CIVIL RIGHTS VIOLATIONS

The Ordinance further prohibits:

- retaliation against anyone who opposes unlawful discrimination or sexual harassment or has filed or participated in an investigation under the Ordinance.
- aiding and abetting a person to commit a violation of the Ordinance; and
- interference with Commission members and staff in the exercise of their powers of performance of their duties.

ENFORCEMENT

The Ordinance creates an eleven member Human Rights Commission with the authority to investigate, adjudicate and conciliate complaints of violations of the Ordinance. The Commission shall have subpoena power and shall be authorized to seek temporary or preliminary injunctive relief.

Persons who believe they have been victims of unlawful discrimination may file a written complaint with the Commission with 180 days of the discriminatory act. The Commission will conduct a neutral fact-finding investigation and, if substantial evidence of a violation is found, will conduct a hearing.

The relief that may be awarded for violations of the Ordinance includes, but is not limited to: cease and desist orders; actual damages; hiring or reinstatement; leasing of housing; admission to a public accommodation; attorney fees; and fines of up to \$500 a day for each offense.

The Ordinance also creates a limited private right of action for violations of the Ordinance. Subsequent to a finding of substantial evidence that a violation of the Ordinance has occurred, a complaint or, in housing complaints only, the respondent may elect to have the complaint heard by a court of law. If granted and a complaint is filed in court, the Commission will cease to have jurisdiction over the matter.

The Commission's additional powers and duties include:

- conducting research, public forums and educational programs on discrimination and improving human relations;
- issuing rules and regulations;
- rendering an annual report; and
- entering into intergovernmental agreements regarding the referral and processing of complaints of discrimination.

APPLICABILITY

The Ordinance shall apply to County government and unincorporated Cook County. With respect to the villages and municipalities of Cook County, the Ordinance shall apply in the following manner:

1. In accordance with the Constitution, if a municipal ordinance is in conflict with this Ordinance, the municipal ordinance shall supersede this Ordinance.
2. If a municipal ordinance prohibits that same conduct prohibited by this Ordinance (or in other words is consistent with or duplicates the prohibitions of this Ordinance) this Ordinance shall not apply within that municipality with respect to such conduct. To the extent that a municipal ordinance is less comprehensive, this Ordinance shall be enforceable within the municipality.

**COOK COUNTY
HUMAN RIGHTS COMMISSION
69 WEST WASHINGTON ST., STE. 2900
(312) 603-1100**

CHICAGO FAIR HOUSING ORDINANCE

(Effective May 6, 1990)

Chapter 198.7B

“Be it Ordained by the City Council of the City of Chicago:

198.7B-1 It is hereby declared the policy of the City of Chicago to assure full and equal opportunity to all residents of the City to obtain fair and adequate housing for themselves and their families in the City of Chicago without discrimination against them because of race, color, sex, age, religion, disability, natural origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

198.7B-2 It is further declared to be the policy of the City of Chicago that have no owner, lessee, sublessee, assignee, managing agent, or other person, firm or corporation having the right to sell, rent or lease any housing accommodation, within the City of Chicago, or any agent of these, should refuse to sell, rent, lease, or otherwise deny to or withhold from any person or group of persons such housing accommodations because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income in the terms, conditions, or privileges or the sale, rental or lease of any housing accommodations or in the furnishing of facilities or services or services in connection therewith.

198.7B-3 It shall be an unfair housing practice and unlawful for any owner, lessee, sublessee, managing agent, or other person firm or corporation having the right to sell, rent, lease or sublease any housing accommodation, within the City of Chicago or any agent of any of these, or any real estate broker licensed as such.

- A. To make any distinction, discrimination or restriction against any person in the price, terms, conditions or privileges of any kind relating to the sale, rental, lease or occupancy of any real estate used for residential purposes in the City of Chicago or in the furnishing of any facilities or services in connection therewith, predicated upon the race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of any prospective buyer, lessee or renter of such property.
- B. To refuse to sell, lease or rent, any real estate for residential purposes within the City of Chicago because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of the proposed buyer or renter.
- C. To discriminate or to participate in discrimination in connection with borrowing or lending money, guaranteeing loans, accepting mortgages or otherwise obtaining or making available funds for the purchase, acquisition, construction, rehabilitation, repair or maintenance of any residential housing unit or housing accommodation in the City of Chicago because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.
- D. To solicit for sale, lease or listing for sale or lease, residential real estate within the City of Chicago on the ground of loss of value due to the present or prospective entry into any neighborhood of any person or persons of any particular race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.
- E. To distribute or cause to be distributed, written material or statements designed to induce any owner of residential real estate in the City of Chicago to sell or lease his property because of any present prospective changes in the race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income of persons in the neighborhood.
- F. To deliberately and knowingly refuse examination of any listing of residential real estate within the City of Chicago to any person because of race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income.

198.7B-4 Whenever used in this Chapter:

- (a) "Age" means chronological age of not less than 40 years.
- (b) "Disability" means (i) a determinable physical mental characteristic which may result from disease, injury, congenital condition of birth or functional disorder including; but not limited to, a determinable physical characteristic which necessitates a person's use of a guide, hearing or support dog; or (ii) the history of such a characteristic; or (iii) the perception of such a characteristic by the person complained against.
- (c) "Marital status" means the legal status of being single, married, divorced, separated or widowed.
- (d) "Military discharge status" means the status of living with one or more dependent minor or disabled children.
- (e) "Parental status" means the status of living with one or more dependent minor or disabled children.
- (f) "Religion" means all aspects of religious observance and practice, as well as belief, except that with respect to employers, "religion" has the meaning ascribed to it in Section 199.5.
- (g) "Sexual orientation" means the actual or perceived state of heterosexuality, homosexuality or bisexuality.
- (h) "Source of income" means the lawful manner by which an individual supports himself or herself and his or her dependents.

198.7B-4.1 No provision of this Chapter shall be construed to prohibit any of the following:

- (a) Restricting rental or sale of a housing accommodation to a person of a certain age group (1) when such housing accommodation is authorized, approved, financed or subsidized in whole or in part for the benefit of that age group by a unit of state, local or federal government; or (2) when the duly recorded initial declaration of a condominium or community association limits such housing person owning or renting a unit in such housing accommodation prior to the recording of the initial declaration shall not be deemed to be in violation of the age restriction as long as the person or the person's immediate family continue to own or reside in the housing accommodation.
- (b) A religious organization, association or society, or any not-for-profit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association or society, from limiting the sale, rental or occupancy of a dwelling which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.
- (c) Restricting the rental of rooms in a housing accommodation to persons of one sex.

198.7B-5 Any owner, lessee, sublessee, assignee, managing agent, or other person, firm or corporation having the right to sell, rent, or lease any housing accommodation within the City of Chicago who shall exercise any function of selling, renting, leasing or subleasing any housing accommodation within the City of Chicago shall be deemed subject to all applicable provisions hereof. Any real estate broker who shall exercise any function of a real estate broker within the City of Chicago shall be subject to all applicable provisions hereof.

198.78-6 Any person aggrieved in any manner by any violation of this Chapter may file a written complaint with the Commission on Human Relations. The complaint shall include the name and address of the complainant and of every person against whom the complaint is made and shall set out the facts giving rise to the complaint. No one person shall refuse or fail or comply with any subpoena, order or decision issued in the course of or as a result of an investigation of a complaint.

198.7B-11 If any provision of this ordinance or the application thereof to any person or circumstances is held unconstitutional or otherwise invalid by any court, such invalidity shall not affect the remaining provisions or applications of this ordinance to any person or circumstance.

198.7B-12 Any owner, lessee, sublessee, assignee, managing agent or other person, firm, corporation, or real estate broker who shall violate or fail to comply with any of the provisions of this ordinance shall be punished by a fine in any sum not exceeding five hundred dollars (\$500.00). Nothing herein contained shall be construed so as to preclude any aggrieved person from pursuing such other and further legal and equitable relief to which he may be entitled.

198.7B-13 The Corporation Counsel shall file with the Department of Professional Regulation of the State of Illinois a notice of the conviction of any licensed real estate broker or salesperson found guilty of violating this Chapter.

This ordinance shall be in force and shall take effect 30 days after its passage and publication"



THE EQUAL CREDIT OPPORTUNITY ACT

If you still think only of credit cards when you hear the word “credit” think again. Credit is used by millions of consumers for a variety of purposes: to finance educations, remodel homes, obtain small business loans, and pay for home mortgages.

A law passed by Congress ensures that all consumers will be given a chance to receive credit. The Equal Credit Opportunity Act says it is illegal for creditors to discriminate against applicants on the basis of their sex, race, marital status, national origin, religion, age, or because they get public assistance income. This doesn’t mean all consumers who apply for credit will get it. Creditors can still use factors such as income, expenses, debts, and credit history to judge applicants.

The law protects consumers when dealing with any creditor who regularly extends credit, including: banks, small loan and finance companies, retail and department stores, credit card companies, and credit unions. Anyone participating in the decision to grant credit, such as a *real estate broker who arranges financing*, is covered by the law. Businesses applying for credit are protected by the law, too. Consumers have equal rights in every phase of the credit application process. Here is a checklist of important rights to remember when credit is requested.

Creditors may not.....

- Discourage an applicant because of sex, marital status, age, religion, race, national origin, or because an applicant receives public assistance income.
- Ask an applicant to reveal sex, race, national origin, or religion. *Creditor may ask an applicant to voluntarily disclose this information if they are applying for a real estate loan.* This information helps federal agencies enforce anti-discrimination laws. A creditor may ask an applicant what his residence or immigration status is.
- Ask whether an applicant is divorced or widowed.
- Ask marital status if applicant is applying for separate, unsecured account. (Exceptions are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington—the “community property” states).
- Ask for information about husband or wife. A creditor may ask about spouse if : both spouses are applying; both spouses will be using the account; applicant is relying on spouse’s income or on alimony or child support income from a former spouse; or if applicant resides in a community property state (listed above).
- Ask about applicants plan for having or raising children.
- Ask if applicant receives alimony, child support, or separate maintenance payment. A creditor may ask for this information if applicant is first told that they don’t have to reveal it if applicant is not relying on it to get credit. A creditor may ask if applicant has to pay alimony, child support, or separate maintenance.

When Deciding Whether To Give Credit, Creditors May Not.....

- Consider sex, marital status, race, national origin, or religion.
- Consider whether a telephone is listed in applicants name. A creditor may consider whether there is a phone in the home.
- Consider the race of the people who live in the neighborhood where applicant wants to buy or improve a house with borrowed money.
- Consider applicants age, with certain exceptions:
 - Minors
 - Those 62 or over can be favored.
 - If it is used to determine the meaning of other factors which are important to credit-worthiness. (For example, a creditor could use applicants age to see if income might be reduced because of pending retirement).

When evaluating an applicants' income creditors may not:

- Refuse to consider reliable public assistance income in the same manner as other income.
- Discount income because of sex or marital status. (For example, a creditor cannot count a man's salary at 100% and a woman's at 75%). A creditor may not assume a woman of child-bearing age will stop work to have to raise children.
- Discount or refuse to consider income because it is derived from part-time employment or from pension
- Refuse to consider consistently-received alimony, child support, or separate maintenance payment A creditor may ask for proof that this income has been received consistently.

For more information on the Equal Credit Opportunity Act contact:

Federal Trade Commission
55 East Monroe Street Chicago, Illinois 60603
(312) 353-4423

There are a number of agencies and advocacy groups who are committed to insuring that Fair Housing Laws are complied with by all. Upon receiving a complaint these groups may send an investigator or in some cases send "TESTERS" to determine the validity of the complaint. If you are found to be in violation you can be fined or subject to civil penalties, including court costs and legal fees. Settlements exceeding \$100,000 are not uncommon.

We once again strongly urge you to read the Fair Housing information contained herein and practice Fair Housing as a normal routine at every property with which you are involved.

"TESTERS" IN FAIR HOUSING

"Aren't the actions and activities of real estate "tester", "checkers" or "auditors" entrapment and hence against the law?" This question comes up again and again in real estate fair housing training. The answer is that the federal courts have ruled repeatedly that "testers" 1) are not violating any law, 2) are often times obtaining evidence that can *only* be obtained by that process and 3) have standing in their own right to bring a civil action if they are denied truthful information about housing availability.

- (1) The U.S. Court of Appeals (Seventh Circuit) in a ruling on July 21, 1983, which involved a case brought by the Leadership Council, stated:

"It is frequently difficult to develop proof in discrimination cases and the evidence provided by testers is frequently valuable, if not indispensable. It is surely regrettable that testers must mislead commercial landlords and home owners as to their real intentions to rent or to buy housing. Nonetheless, we have long recognized that this requirement of deception was a relatively small price to pay to defeat racial discrimination. The evidence provided by testers both benefits unbiased landlords by quickly dispelling false claims of discrimination. We have discovered no case in which the credibility of testimony provided by a tester has been questioned simply because of the tester's "professional" status. Indeed, tester evidence may well receive more weight because of its source. Testers seem more likely to be careful and dispassionate observers of the events which lead to a discrimination suit than individuals who are allegedly being discriminated against".

- (2) The United States Supreme Court in the now famous "Heavens Case" ruled on February 24, 1982:

"Congress has thus conferred on all "person" a legal right to truthful information about available housing..... A tester who has been the object of a misrepresentation made unlawful under Sec. 804(d) has suffered injury in precisely the form the statute was intended to guard against, and therefore has standing to maintain a claim for damages under the Act's provisions. That the tester may have approached the real estate agent fully expecting that he would receive false information, and without any intention of buying or renting a home, does not negate the simple fact of injury within the meaning of Sec. 804(d)."

Richardson v. Howard, 712 F .2nd 319 (7th Circuit 1983)
Havens Realty Corp. v. Coleman, 102 S. Ct. 1114 (1982)

4

Marketing

Once your Tenant Selection Plan is in place, you're ready to find the right tenants for that vacant two-bedroom apartment on the second floor. Well, not exactly. There's a bit more involved including several factors that relate to tenant selection as well as marketing.

Let's start with the basics — the forms and paperwork that you'll need to do the actual renting of an apartment.

Rental Application

Obtain a supply of the rental applications you want to use. These vary in form and information requested. They are available from stationary stores and through office supply super stores such as Office Depot® or Staples®. We have also included one that you are free to copy and use. Once you've selected a Rental Application, you'll need to be sure you use it properly.

It is essential to have the prospective tenant(s) fully complete and sign the rental application. The applicant's signature authorizes you to conduct a credit investigation. NEVER RUN A CREDIT REPORT WITHOUT A SIGNED APPLICATION. Verifying the applicant's identity by requesting and photocopying a photo ID is another important step in the process. You will need answers to all the questions posed in the application in order to judge whether the applicant meets the guidelines established in your Tenant Selection Plan. You will also need to know the applicant is who he or she claims to be.

Credit Reports

Select a firm that can provide a credit report on the applicant as well as any additional information you may want. Some firms will be able to supply current information about pending eviction actions as well as checks on whether the applicant is a fugitive from justice. Choose a firm that can provide information within one business day. This is easily accomplished by most reputable companies.

Lease Agreements

You will need to decide upon and obtain a supply of Lease Agreements (conforming to local ordinances where required). With only very rare exceptions, avoid entering into a verbal agreement in place of signing a written lease. The key problem with a verbal agreement is the frequency with which on party suffers selective hearing or inaccurate memory.

These problems are eliminated by a Lease Agreement that clearly spells out the requirements and responsibilities of all parties to the lease. It will provide for a lease term, usually one-year, that makes clear to everyone when the lease will expire. Completion of the Lease Agreement ensures you have a valid lease for a given period of time.

Verbal agreements typically are renewed month to month. With a thirty-day notice, either party can break verbal agreements. For landlords, it is daunting, at best, to hear on November 1 that a tenant will move at the end of the month. This means that the apartment will become vacant on December 1st, traditionally one of the slowest months for rental activity. January

and February are also typically slow months. A written term lease can avoid this type of situation. Often owner or managers will write leases that are slightly shorter or longer than 12 months to avoid expiration dates occurring during December, January or February.

Lease Agreements are available at many business supply outlets. In addition many local Realtor® Boards, as well as attorneys specializing in evictions, have leases conforming to local ordinances. Be sure the lease agreement you select meets your needs and conforms to local ordinances.

Rental Rates

What will you charge for rent? This is a crucial issue for every property owner. Making a good determination requires careful analysis of the local market. Failure to do this analysis can result in having an overpriced apartment remain vacant or in earning too little on an apartment priced below its potential.

Determine the correct rent level by conducting a market survey. Your survey should review the rents at a minimum of eight comparable properties that are within your immediate market area. If your building is freshly rehabbed and has a well-manicured lawn; choose similar buildings as comparables. Don't choose a dilapidated building with a weed-choked yard or an elegant new construction as one of the eight

properties in your survey. For the market survey to be valid, properties must be within a reasonable distance as well as somewhat similar to your property.

A market survey will often begin with a "windshield survey." Simply drive around the neighborhood and view buildings that appear to be in a condition similar to yours. You will want to gather telephone numbers from the signs attached to the building so you can contact the managers with preliminary questions and to schedule a visit of your own (taking photos is also a good idea).

You will eventually need to make a visit to those buildings that most closely resemble the apartments you are offering. While much information can be gained over the telephone, a call alone will not determine how your property stacks up against the competition. You need to see how nice their apartments are compared to yours. Do they have similar amenities? Are they offering a frost-free refrigerator, self-cleaning oven, air conditioning, dishwasher, ceiling fans, modern bathrooms, on-site laundry facilities, or other features? Are they on a busy, noisy boulevard or a quiet tree-lined street? Are they close to public transportation? Is their two-bedroom unit larger or smaller than your two-bedroom unit? Is heat included, or does the tenant pay for the heat? All of these differences will have an

impact on the value of your particular apartment in its market.

Once you have identified buildings that are reasonably similar to yours in quality and appearance, determine if their rent levels are realistic. If the building never has a vacancy because no one ever moves out, chances are the rents may be too low. On the other hand, if they can't seem to rent the apartment, even though it is charming and market ready, then they may have overpriced the unit. Identify buildings that have apartments that come on the market occasionally and are rented within 30 days of their offering. The owners of these buildings have probably identified what rent levels the local marketplace will allow.

The rent you should charge should be based on the strengths and weaknesses of your property compared to those properties similar to your own. You'll need to consider both your in-person observations of the comparison of your units with others. In addition, you'll need to analyze the appropriateness of the rents for these similar apartments. Be certain not to match someone else's overinflated or undervalued rents.

***Note:** Certain financing programs, as well as real estate tax relief programs, will govern the maximum amount of rent you can charge for your apartments. If you fall into this category, it is important that you comply with those restrictions when setting rent levels.*

Curb Appeal

Any ads you run for your rental will be a waste of money if your building doesn't look good from the outside. If the exterior doesn't look good, potential renters may not take the time to come inside to see the beautifully refurbished apartment you have for rent. Keep the exterior and common areas of your building clean and litter free. If you have landscaping, keep it neat and trimmed. Grass seed and flowers require a relatively small investment that provides a surprisingly high return in appearance and tenant satisfaction. Most prospective tenants will shy away from a building that is otherwise well maintained if it is covered in graffiti. If your building ever falls victim to graffiti, remove it at once. If the graffiti reappears, remove it again. Eventually the person applying the graffiti will give up. In the City of Chicago, you can contact your alderman for city assistance in having graffiti removed.

Market or Rent-Ready

First impressions are often lasting impressions. If you show a dirty, unpainted apartment to a prospective tenant, you may very well never see that person again. People generally don't have the vision to see what the unit will look like after it has been fixed up. We've all heard about the landlord who promised the moon but on moving day delivered something far less. That prospective tenant may have heard about or experienced a similar situation and may be skeptical of the genuine promises you make.

Avoid the desire to rush to market with an unfinished unit. Fix it up first, then show it! If your plans call for fresh paint, new carpeting and a shiny new frost-free refrigerator, then complete those plans. You'll rent vacant apartments that are in a market-ready condition much faster than those that have not been readied. As a result, you'll spend less time showing the units and experience less loss of income.

Marketing Program

Any marketing program for residential buildings includes the following basic components:

- Identifying and understanding your target market.
- Creating awareness within your market segment about your apartments.
- Motivating or persuading your potential tenants to apply and move into your building.

Identifying and understanding your market

Your building is likely to appeal to certain groups of people, and you need to identify who they are. The likely renters for a building with only studio and one-bedroom apartments are single people or couples with no children. *Your property would probably not be appropriate for families with children simply because of the size of the available units.*

If your cheapest apartment rents for \$1,200 per month, it is too expensive for a household earning \$1,650 per month. *The rent is too high for that income level.*

A four-bedroom apartment in Chicago's Albany Park neighborhood would probably not appeal to a single female who works in Oak Brook. *It's too big an apartment and geographically inconvenient.*

You need to know both your target market and the size of your market — both the number of people and the geographic boundaries. The size of the market population can be determined from census data that provide information on household size and income for each census tract. The geographic size of your market is a bit more difficult to determine, but if the building is located within the boundaries of Chicago, your market most likely will not include suburban areas.

Creating awareness / Advertising

If you have just totally rehabbed your building, you need to let potential renters know. Signs, Signs, Signs, Signs, Signs, and Signs are the six best sources for rental prospects. Signs attracted prospects to approximately 60 percent of the apartments rented in Chicago. Since most of the signs used to advertise the availability of an apartment are relatively small (3 feet by 4 feet), you'll need to keep the information you're trying to convey to a minimum. An effective sign might read:



**APARTMENT FOR RENT
(773) 555-1111**

OR



**TWO BEDROOM
APARTMENT
FOR RENT
773-555-1111**

But wait, you have much more to say. After all you just rehabbed your building and put in the best of everything, and you want to tell the world, or at least anyone driving by your building, about it. You might feel compelled to put up a sign that reads:



Now Renting

Beautifully Rehabbed Apartments

**Hardwood Floors, Natural woodwork, Gas Range and Oven,
Frost Free Refrigerator, Dishwasher, Individually controlled
Heat & A.C. , Ceramic Tile Bath, Low "E" Insulated Glass
Windows, Vertical Blinds, Close to Schools, Churches and
Public Transportation, No Pets allowed**

(773) 555-2222

Can you read all the information contained in this advertising message in one or two seconds? Neither can a prospective renter who is traveling by your building in a car or bus traveling at 30 miles per hours. While they might get through part of your message, they probably won't get to that all-important telephone number. Even if you had a busload of speed readers going by, they would have difficulty with this lengthy message, since the printing would have to be fairly small to fit on a standard 3' X 4' sign.

Ads in local newspapers and church bulletins can be an effective means of attracting potential tenants. Perhaps, the most effective method is to encourage referrals from friends, other residents of the building, and employers in the area.

Public Relations

Public relations — getting attention through channels other than advertising — is an important part of any marketing program, especially if you're spending money on signs and paid advertisements. There are two really great things about publicity. First, it's usually free, if you do it yourself and not through a public relations agency. Second, either a story in a newspaper or a positive referral by individuals has higher credibility than any ad. Most people tend to believe what they read in the newspaper or hear from a friend or respected person in the community, and it's great if it's a positive story about your building. But how do you generate a positive story about your building?

The best method of obtaining media coverage is by sending out a press release. In fact, 75 percent of all news comes from press releases. In order to insure that your press release will be utilized, you need to do a few important things.

- Use an established format for your press release.
- Avoid making the release more than one or two pages long.
- Send a photo of your building or the interior of one of the apartments.
- Enclose extra materials, such as brochures, print ads, or flyers.
- Follow up with a telephone call.

What is newsworthy about your building that would warrant an article being published?

Look around, and you're bound to find something.

- The beginning or finishing of a rehab project.
- A Grand Opening.
- A progress report on renting a new or rehabbed building.
- Awards from community groups or leaders.
- An unusual renter moving into the building.

Find something about your building and prepare a press release. But, make sure that should the local editor drop by, your building is clean and neat.

Motivating or persuading

Moving a household is one of life's most stressful events. The stress begins when people decide to move and continues until well after they have found and moved into their new home. You need to remember this during all interactions with prospective tenants.

During my twenty-plus years in property management, I have often heard a developer talk about his newly constructed apartment building as being "so good that it will rent itself." There are few examples of this "field of dreams" syndrome. You may recall the movie by that name that starred Kevin Costner. In the movie a God-like voice is heard saying, "If

you build it, they will come." I don't know one property that rented itself, and all required some marketing to be successful.

Showing and demonstrating the apartment

Showing an apartment for rent should not be a self-service activity, where you toss the keys to the prospective renter and point at the door on the left at the top of the stairs. You will need to prepare for the showing before the prospect arrives. First, walk through the apartment to make sure everything is clean and in good condition. If you have shades drawn and it's a bright sunny day, open those shades and let the sunlight fill the apartment. If you'll be showing the apartment in the evening, turn on the lights prior to the prospect arriving. Do whatever else you can to make the apartment pleasant and inviting.

Never make a prospect feel like you're doing them a favor by showing the apartment. You need to be courteous, helpful and enthusiastic. If you've been working around the building and are covered in dirt, it is always advisable to clean yourself up prior to the prospective tenant's arrival so that you present a professional appearance.

Think and act like a salesperson. Demonstrate the features of the apartment and the building. If you have insulated windows, show people how well they work. Open doors,

point out features, like ceramic tile walls in the bathroom, on-site laundry facilities, or tenant storage lockers. Talk about the positive features of the building and the neighborhood, like the proximity of schools, churches, transportation, and shopping.

You should be prepared to provide accurate answers to questions prospective renters will ask. You need to know your building and your neighborhood. Know the square footage of your apartments, the utility costs (a requirement in Chicago for tenant-heated units), and other pertinent information. Find out where the churches and schools are, what public transportation will serve people, and where the closest grocery store and pharmacy are located.

Close the Sale

Many property managers find it difficult to close the sale. They don't get a definitive agreement to rent an apartment. When the prospect is at the building, you need to seize the moment and ask them to fill out an application and leave a deposit. Don't be shy! Create a sense of urgency. If you only have one apartment available and you've had other inquiries, let the prospect know. Let them know that if they take too long in making a decision the apartment might not be available. It's also a good idea to get a prospect's telephone number and address so you might call them later and ask them to rent at your building.

Reasons for Failure to Close

There are several reasons property managers fail to close the rental ... or even to attempt closing.

1. **Fear of Failing:** Most people don't like to hear "NO." If you don't hear NO, you have not yet failed. Unfortunately, it also means you haven't yet tried.
2. **Misunderstanding of the sales closure:** Most people need to be pushed to make their final commitment to rent an apartment. Often landlords don't close because they don't think it is necessary to push for that final closure. Renting an apartment is a major buying decision and one that requires encouragement.
3. **Cultural Taboos:** Tradition and the manners we have been taught tell us that it is not good to ask someone for something. You're not comfortable asking for the order. Unfortunately, many other property managers have overcome this taboo and will ask your applicants to sign their applications.

Of course, not every "looker" will rent on the first visit. This is not a cause for alarm. Many shoppers make several appointments to look at various apartments, including your competition. If you've taken a name and number, you'll be able to follow up with a telephone call or a brief note thanking them for visiting your building and inviting them to

become a resident. If you have properly prepared your apartment, priced it competitively and shown diligence in your marketing efforts, you have a good chance of getting the rental.

sample brochure/flyer

City View Apartments

Beautifully Rehabbed Vintage Apartments
featuring:

Hardwood Floors
Natural woodwork
Gas Range and Oven
Frost Free Refrigerator
Dishwasher
Individually controlled Heat & A.C.
Ceramic Tile Baths
Low "E" Insulated Glass Window
Vertical Blinds

Conveniently located close to Schools, Churches and Public Transportation.

One Bedroom Apartments priced from \$_____

Two Bedroom Apartments priced from \$_____

City View Apartments

1234 W. Main Street, Chicago, IL 60600
on-site management and maintenance
(773) 555-2222

Brochures

A simple brochure or flyer can tell a prospective tenant quite a bit about your apartments. Unlike a sign, a brochure can convey lots of information without being fancy or expensive.

5

Tenant Handbook

Most leases contain rules and regulations. Often times these rules and regulations are not specific to your particular property. A *Tenant Handbook* is a document that you can use to convey specific rules and regulations not conveyed within your written lease agreement. This document is also a means of providing helpful information to the tenants within your building. The *Tenant Handbook* does not need to be fancy or costly to produce. It should, however, convey pertinent information about the building, the community, care of apartment and its equipment, and the rules and regulations governing the property. The sections in *bold italics* in the following sample Handbook are particular areas where you, the property owner or manager, must make a decision as to the policy you wish to adopt.

Sample Resident Handbook

WELCOME...

We want to welcome you to your new home and are pleased that you chose our building. We want to make your stay with us as comfortable and enjoyable as possible. The purpose of this handbook is to let you know more about our building, and how, together, we can keep it an enjoyable place in which to live. You, as the resident, and we, as the building's managers, have certain responsibilities to each other. By clarifying these responsibilities at the very beginning, we can better achieve our objective of providing quality housing services to each of our residents. With this thought in mind, we have prepared this handbook. **THE PROVISIONS IN THIS HANDBOOK ARE PART OF YOUR LEASE. RETAIN IT FOR FUTURE USE WHILE YOU RESIDE IN OUR APARTMENT BUILDING.** Please take the time now to read through its pages, and don't hesitate to telephone or visit the Manager if you have questions.

ADMINISTRATIVE INFORMATION

Your Management Company

Your Apartments is managed by Your Apartment's Realty, Inc. Your Apartment's Realty, Inc., over the past five years, has been involved in the rehabilitation and management of over fifty residential units in four buildings throughout Chicago. All of these buildings have been instrumental in revitalizing and improving their respective neighborhoods.

Your Management Team

Your professional management team is discrete and efficient. The entire staff is professionally trained and skilled in their areas of responsibility.

Office Hours

Hours of office operation are **8:30 to 4:30 Monday to Friday and 9:00 to 12:00 Saturdays**. These hours have been established to provide service coverage during normal work periods. Please feel free to visit our office or call regarding service requests or to

obtain assistance. For the following emergencies during non-office hours, please call the emergency phone number (000-0000), and our answering service will contact the management representative assigned to emergency duty:

- No heat in the winter
- A plumbing leak or sewer stoppage which might damage personal belongings or apartment property.
- No electricity (contact ComEd first)
- Any condition that might cause a fire.
- An odor of gas.(contact Peoples Gas first)

Our employees want to do the best job possible in serving you. However, they also enjoy their time with their families. Please consider their time when calling after normal working hours.

THINGS YOU SHOULD KNOW UPON MOVING IN

PAYMENT OF RENT

You may pay your rent by bringing it to the management office during business hours or by mailing it to our office.

PLEASE MAIL YOUR RENT TO:

***Your Apartment's Realty, Inc.
1 East Main Street
Chicago, Illinois 60600***

You will receive a billing on approximately the 25th of the month for the rent payment[,] which is due on the first of the following month. Included in the billing will be an envelope for mailing your payment and a billing statement[,] which should be enclosed with your check or money order in the return envelope. Make your check payable to Your Apartments. Rent is due in the Your Apartment's Realty, Inc. office by the first day of each month. If rent is not received by the 5th day of the month, a late charge will be assessed and will be included in the next billing.

Security Deposit

Your security deposit is not rent but a deposit to ensure the fulfillment of lease conditions and to serve as a contingency payment against any damages to the apartment. The security deposit *may not* be applied to your last month's rent. If you fulfill your lease according to its terms, only charges for damages, excluding normal wear and tear, will be deducted from your security deposit. Following are the conditions for return of a security deposit:

- You must fulfill the terms and conditions of your lease and not owe the development any money.
- The apartment must be left clean with no damage beyond normal wear and tear.
- After you have removed all of your belongings from the apartment, both you and a representative from management will complete an inspection report. Both you and the management representative should sign this report. The management representative will clearly indicate on this form the items, if any, for which you will be charged.

- You must give our office a valid forwarding address.
- You are not considered officially vacated until all keys are turned in to the office.

Inspection Reports

When you move in, your apartment should be clean and ready for you. You and a management representative will inspect it together. You will receive a checklist of the equipment in your apartment and its condition. Anything damaged or in need of repair will be noted and corrected by management. From then on, the apartment is your responsibility. So make certain you inspect everything carefully. Be sure to check everything; such as the plumbing, lights, stove, refrigerator and sink. Check for any damage to things such as doors, doorknobs, locks, walls, ceilings, basins, toilets and tubs. Do not walk through the apartment just looking at how nice and new everything looks. *Carefully inspect everything.* After any problems you may find are corrected, any damage to your apartment or its equipment that is caused by you or members of your household, guests or visitors will be charged to you after consideration has been given for normal wear and tear. Please remember to contact the management office for a joint inspection prior to vacating your apartment. Management staff will inspect your apartment in your presence, if you request it. The "move-in" inspections prevent misunderstandings and your being charged for conditions that may have existed prior to your arrival. You will be provided with a written statement of any charges for which you are responsible.

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