

Landlord Lotto

How NOT to Gamble on Tenants



Training Goals



- To make landlords aware of the importance of thorough tenant screening.
- To assist landlords in developing enforceable lease agreements.
- To help landlords better understand the legal process for lease enforcement.



Training Panelists

- Rhonda Wallace, Manager
Charleston Housing
- Jackie Szasz-Sowards, Site Manager
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- Ken Kelly, President
West Virginia Landlord Association



■ Tenant Selection Process

Landlord Screening

Importance of Screening

- **Landlords need to fill vacancies with tenants who will:**
 - Pay their rent on time.
 - Not create disturbances and annoy neighbors.
 - Maintain the property in good order.
- **Failure to properly screen prospective tenants may lead to:**
 - Unpaid rent.
 - Costly and time consuming evictions.
 - Damaged property.
 - Possible fair housing complaints.

The Goal of Screening

- Attract reliable tenants, while discouraging unreliable applicants from applying.
- Have a system to help discover if an unreliable person is applying.
- Develop a process that is legal, simple and fair.



Screening Prospective Tenants

Landlords need to develop consistent, written criteria for screening applicants even before they advertise an available unit.

- This enables a landlord to develop a fair process where the criteria is applied equally to all applicants.
- An applicant will know on what grounds they are being evaluated as a potential tenant.



Screening Standards

- **Require a complete application:** Insist that all questions are answered.
- **Rental history:** The best indicator of a tenant's future behavior is his or her past behavior.
- **Financial ability:** verifying the family's ability to pay their deposit and share of the monthly rent payment.





Screening Standards

- **Requiring two forms of ID:** This will verify the information being provided on the application.
- **Section 8 information access:** Contact the local PHA for the information they will release.
- **False information is grounds for denial.**
- **Criminal convictions for certain types of crimes will result in a denial.**
- **Poor credit report may result in denial.**
- **Will accept the first qualified applicant.**

Rental Application

- The best application is one that will give you all the information you need to meet your screening standards and not a bit more.



Rental Application

- Full name.
- Date of birth.
- Driver's license/I.D. #.
- Social security number.
- Name, date, birth of all who will occupy unit.
- Name, address, tel. # of last two landlords.
- Income/employment for the past year.
- Credit references.
- Bank references.
- Signed by all adult members of the household.



Complying With Federal Fair Housing

- Federal fair housing laws prohibit discrimination of the following protected classes:
 - Race
 - Color
 - Religion
 - Sex
 - Handicap
 - Familial status
 - National origin



Local Fair Housing Requirements



- In addition to the federal protected classes, the WV Fair Housing Law includes “Ancestry and Blindness”.
- The City of Charleston has adopted the state law and also included “Age” as a protected class against discrimination.

Avoiding Discriminatory Screening

- **Fair housing laws prohibit the following activities:**
 - Refusal to lease a property to a person of a protected class.
 - Advertising that states a preference, limitation or discrimination on the basis of one of the protected classes.
 - Discriminatory terms and conditions such as higher deposits for members of protected classes.
 - Steering- directing a tenant to a particular unit because you believe they are best suited for it.
 - Refusal to accommodate people with disabilities.

Reasonable Accommodation

- The WV Fair Housing law §5-11A-5 states that discrimination includes:
 - Refusing to permit a handicapped person from making reasonable modifications at their own expense so they may be able to fully enjoy the premises.
 - A landlord may condition the permission for a modification on the renter agreeing to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted.



Rental Agreements

Lease Requirements

Elements of a Lease Agreement



- According to the WV Code, if a lease conveys an interest in a property for more than a year it must be in writing. §36-1-3.
- A written lease is important because it defines the agreement between the landlord and tenant. It sets each party's responsibilities and states what action will be taken if the terms are broken.

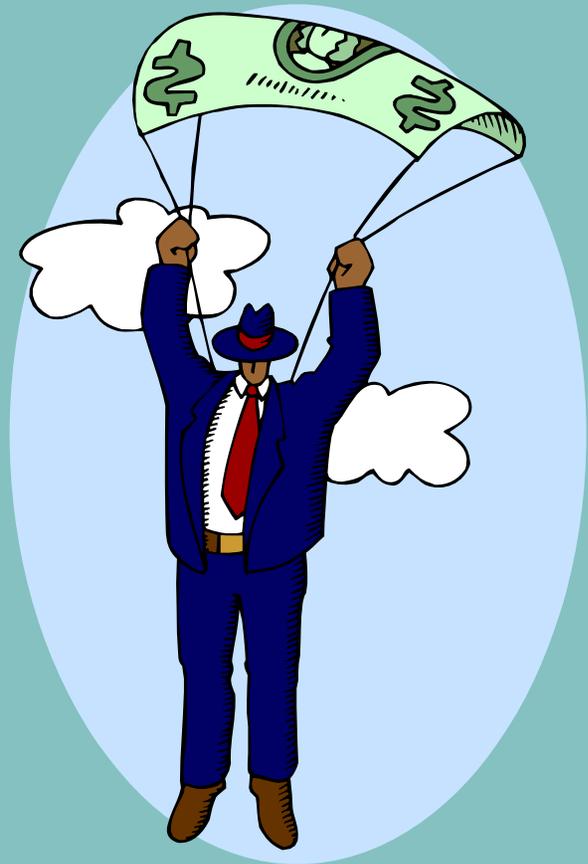
At minimum a lease must provide the address of the property to be rented, the amount of rent and the lease term.

Terms of a Lease Agreement

- The lease term can be either long-term (a year or more), or short-term (month to month).
- Leases used for HUD Section 8 renters must have an initial term of one year and then may be month to month afterward.
- The short-term lease provides a landlord with the most enforcement power because of their ability to evict on short notice. However, it also provides the tenant with the ability to quickly get out of the agreement, which can hurt an owner's rental income.

Security Deposits

- WV state law does not regulate security deposits or their return.
- The courts have interpreted security deposits as contractual parts of the lease agreement.
- The courts have steadily been increasing tenant rights over the past thirty years, so landlords need to have security deposit provisions spelled out in their leases.





Security Deposits

- The Lease should state the amount of the deposit (generally one month's rent).
- How the deposit shall be kept. (Interest bearing account?).
- The process for deciding how amounts will be deducted from the account at lease end.
- The landlord's ability to keep a reasonable portion for damages beyond normal wear and tear.
- The time frame after the lease end by which the owner must return all of the deposit or the amount less any deductions for damages.

Other Lease Provisions

- Subleasing: permissible under state law unless prohibited by the lease.
- Only those listed on the lease are permitted to live in the residence.
- No drug or illegal activity.
- Landlord will conduct regular inspections upon giving proper notice to the tenant.
- The tenants are responsible for the conduct of household members and their guests.
- The tenant will not unduly disturb neighbors.
- The tenant will maintain the property with regard to: cutting the grass, placing garbage in appropriate containers and setting it out on the day for pick-up.

Condition of the Rental Unit



- WV law requires the landlord to deliver the property in a habitable condition at the start of the lease term and maintain it throughout the term. §37-6-30.
- Maintenance means meeting local health, safety, fire and housing codes.



Property Management

Lease Enforcement

Landlord/Tenant Responsibilities

■ Landlords are to:

- Provide a clean, sanitary, safe rental unit.
- After move-in, make sure the unit remains habitable.
- Respect the tenant's right to privacy.
- Enforce the terms of the lease agreement.

■ Tenant's are to:

- Do basic housekeeping and not damage the unit.
- Comply with the lease terms.
- Pay rent timely.
- Hold the landlord responsible for their duties under the lease.

Lease Enforcement

- The key to ongoing management is the landlord's commitment to enforcing the lease agreement and local laws.
- As soon as you discover a lease violation give the tenant a written notice to correct the problem.



Don't Bend Your Rules



- If an unauthorized person is living in the unit take action immediately.
- When a tenant doesn't pay, address the issue promptly.
- If you get complaints from neighbors take them seriously and move on it quickly.
- Enforce housekeeping standards.

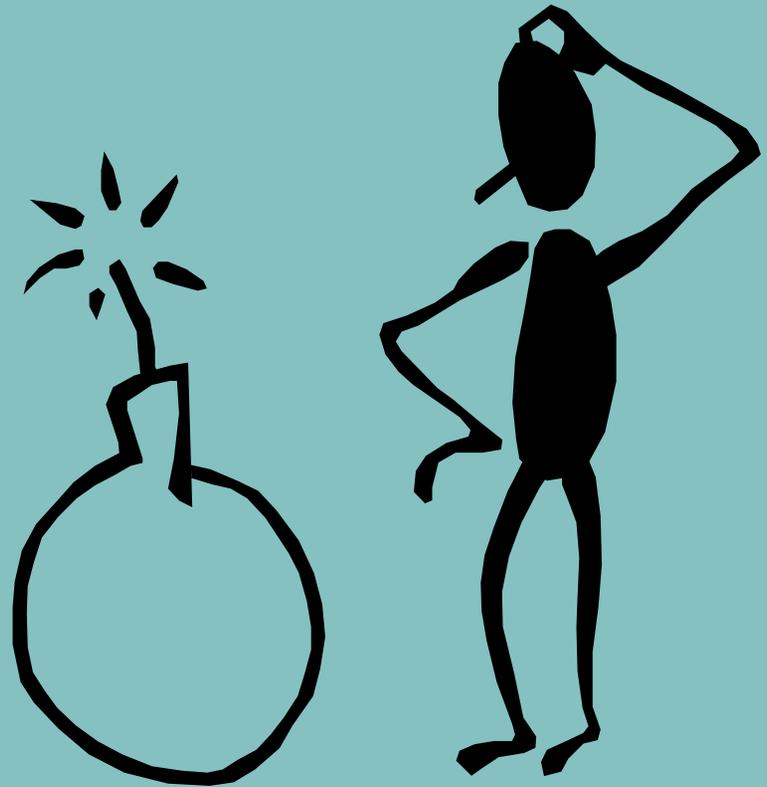
Be Pro-active

- Keep a paper trail of all notices or violations to the tenant.
- Conduct regular inspections (Make it a part of the lease and give proper notice).
- Develop a working relationship with neighbors.
- If the tenant is responsible for the utilities, periodically check with the utility company.



Serious Problems

- When serious problems arise many landlords hesitate to act due to fear of the legal process or concern over the tenant damaging their property.
- In many difficult situations, like with drug activity, the tenant has other lease violations to take action on.



Serving Notice to End the Lease



- When a written eviction notice is given many tenants move out in the time specified.
- An eviction notice may be given at the end of the lease term without a cause.
- Prior to the lease term, the written notice needs to specify the noncompliant behavior and the part of the lease that is being violated.

Court Process



- If after giving a written notice the tenant does not vacate the unit, the owner under W. Va. Law may petition the county magistrate or circuit court to regain possession.
- The first step is to file a Petition of Summary Relief for Wrongful Occupation. In Kanawha County, the filing fee starts at \$50 and increases up to \$70 depending on the amount owed by the tenant.

Court Process

- Upon filing the wrongful occupation petition the court has up to ten days to schedule a hearing.
- Once the hearing date and time is set it is up to the landlord to notify the tenant by certified mail (return receipt requested) or by a service processor of the hearing.
- If the tenant fails to appear at the hearing the landlord is awarded immediate possession.
- If the hearing goes forth and the court finds the tenant is in wrongful possession then it will set a date and time by which they must vacate or be set out by the sheriff.



In Conclusion



- Evictions are a time consuming and expensive way to resolve problems.
- It is better to spend the time and money upfront to properly screen tenants.

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Thank You for Attending!

*We Can All Make a Difference in
Making Our Neighborhoods a Better
Place to Live.*