



9TH EDITION

Every Tenant's Legal Guide

Get the information and forms you need to:

- impress prospective landlords
- negotiate or break a lease
- get repairs made
- handle roommate problems

Attorney Janet Portman
& Marcia Stewart



Includes details on landlord-tenant laws for every state

This Book Comes With Lots of **FREE Online Resources**



Nolo's award-winning website has a page dedicated just to this book. Here you can:

KEEP UP TO DATE. When there are important changes to the information in this book, we'll post updates.

GET DISCOUNTS ON NOLO PRODUCTS. Get discounts on hundreds of books, forms, and software.

READ BLOGS. Get the latest info from Nolo authors' blogs.

LISTEN TO PODCASTS. Listen to authors discuss timely issues on topics that interest you.

WATCH VIDEOS. Get a quick introduction to a legal topic with our short videos.

And that's not all.

Nolo.com contains thousands of articles on everyday legal and business issues, plus a plain-English law dictionary, all written by Nolo experts and available for free. You'll also find more useful **books, software, online apps, downloadable forms, plus a lawyer directory.**



Get forms and more at
www.nolo.com/back-of-book/EVTEN.html





The Trusted Name

(but don't take our word for it)

"In Nolo you can trust."

THE NEW YORK TIMES

"Nolo is always there in a jam as the nation's premier publisher of do-it-yourself legal books."

NEWSWEEK

"Nolo publications... guide people simply through the how, when, where and why of the law."

THE WASHINGTON POST

"[Nolo's]... material is developed by experienced attorneys who have a knack for making complicated material accessible."

LIBRARY JOURNAL

"When it comes to self-help legal stuff, nobody does a better job than Nolo..."

USA TODAY

"The most prominent U.S. publisher of self-help legal aids."

TIME MAGAZINE

"Nolo is a pioneer in both consumer and business self-help books and software."

LOS ANGELES TIMES

9th Edition

Every Tenant's Legal Guide

Attorney Janet Portman and Marcia Stewart



NINTH EDITION	APRIL 2018
Cover Design	SUSAN PUTNEY
Book Design	SUSAN PUTNEY
Proofreading	IRENE BARNARD
Index	VICTORIA BAKER
Printing	BANG PRINTING

Names: Portman, Janet, author. | Stewart, Marcia, editor.

Title: Every tenant's legal guide / Attorney Janet Portman and Marcia Stewart.

Description: 9th edition. | Berkeley, CA : Nolo, 2018. | Includes index.

Identifiers: LCCN 2017047706 (print) | LCCN 2017050198 (ebook) | ISBN

9781413325065 (ebook) | ISBN 9781413325058 (paperbook)

Subjects: LCSH: Landlord and tenant--United States--Popular works.

Classification: LCC KF590.Z9 (ebook) | LCC KF590.Z9 P67 2018 (print) | DDC
346.7304/34--dc23

LC record available at <https://lcn.loc.gov/2017047706>

This book covers only United States law, unless it specifically states otherwise.

Copyright © 1997, 1999, 2002, 2005, 2007, 2009, 2012, 2015, and 2018 by Nolo.

ALL RIGHTS RESERVED. PRINTED IN THE U.S.A.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without prior written permission. Reproduction prohibitions do not apply to the forms contained in this product when reproduced for personal use.

Quantity Sales: For information on bulk purchases or corporate premium sales, please contact the Special Sales Department. For academic sales or textbook adoptions, ask for Academic Sales. Call 800-955-4775 or write to Nolo at 950 Parker Street, Berkeley, CA 94710.

Please note

We believe accurate, plain-English legal information should help you solve many of your own legal problems. But this text is not a substitute for personalized advice from a knowledgeable lawyer. If you want the help of a trained professional—and we'll always point out situations in which we think that's a good idea—consult an attorney licensed to practice in your state.

About the Authors

Janet Portman, an attorney and Nolo's Executive Editor, received undergraduate and graduate degrees from Stanford and a law degree from Santa Clara University. She is an expert on landlord-tenant law and the coauthor of *Every Landlord's Legal Guide*, *The California Landlord's Law Book: Rights & Responsibilities*, *California Tenants' Rights*, *Renters' Rights: The Basics, Leases & Rental Agreements*, and *Negotiate the Best Lease for Your Business*. As a practicing attorney, she specialized in criminal defense before joining Nolo.

Marcia Stewart is the coauthor of *Every Landlord's Legal Guide*, *Renters' Rights: The Basics, Leases & Rental Agreements*, *First-Time Landlord*, and *Nolo's Essential Guide to Buying Your First Home*. Marcia received a Master's degree in Public Policy from the University of California at Berkeley.

Table of Contents

	Your Tenant Companion	1
1	Finding a Place to Rent	3
	Setting Your Rental Priorities.....	4
	How to Find an Apartment or House for Rent.....	5
	Visiting Prospective Rentals	13
	Checking Out the Landlord and Manager	14
	Checking Out Other Tenants and the Neighbors	15
	Rental Applications and Credit Reports.....	16
	How Landlords Reject Tenants.....	26
	Finder’s Fees and Holding Deposits.....	27
	Choosing Roommates	30
2	Leases and Rental Agreements	31
	How Leases and Rental Agreements Differ.....	33
	Oral Leases and Rental Agreements.....	36
	Typical Provisions in Leases and Rental Agreements.....	36
	Negotiating With the Landlord.....	53
	Changing a Lease or Rental Agreement.....	56
	Signing a Lease or Rental Agreement.....	56
	Cosigners	57
3	Basic Rent Rules	59
	How Much Can Your Landlord Charge?.....	60
	Rent Control	61
	When Is Your Rent Due?.....	64
	Grace Periods for Late Rent.....	65
	Where and How Rent Is Due	66
	Late Charges and Discounts for Early Payments.....	68
	Returned Check Charges	70
	Negotiating Partial or Delayed Rent Payments.....	70
	Rent Increases	71
	Talking the Landlord Out of a Rent Increase.....	75

4 Security Deposits	77
Dollar Limits on Deposits	78
How Landlords May Increase Deposits	80
Last Month’s Rent.....	80
Nonrefundable Deposits and Fees.....	81
Interest on Deposits and Separate Accounts.....	82
How the Deposit May Be Used.....	83
If Your Landlord Sells the Property	83
5 Discrimination	85
Kinds of Discrimination Prohibited by Federal Laws	87
Kinds of Discrimination Prohibited by State and Local Law.....	97
How to Fight Back	99
6 Inspecting the Rental Unit and Moving In	107
How to Inspect the Rental Unit	108
Photographing the Rental Unit	114
How to Handle Problems	114
Clarifying Important Terms of the Tenancy	115
Organizing Your Rental Records.....	116
Using Email or Text Messages for Notice or a Letter of Understanding.....	116
7 Roommates, Guests, and Airbnb	119
Renting a Place With Others.....	120
Adding a New Roommate.....	129
Guests.....	131
Tenant Rights to Use Airbnb and Similar Vacation Rental Services	131
Taking In a Roomer	132
8 Major Repairs and Maintenance	133
Your Basic Right to Livable Premises.....	134
State Laws and Local Housing Codes.....	135
Court-Imposed Rules	136
Your Repair and Maintenance Responsibilities.....	137
Making Tenants Responsible for Repairs	137
How to Get Action From Your Landlord	138
What to Do If the Landlord Won’t Make Repairs.....	141

9	Minor Repairs and Maintenance	151
	Minor Repairs: What Are They?.....	152
	The Landlord’s Responsibilities.....	152
	Tenant Responsibilities.....	155
	Getting the Landlord to Make Minor Repairs.....	157
	Making Minor Repairs Yourself.....	161
10	Making Improvements and Alterations	163
	Improvements That Become Part of the Property.....	164
	Improving Your Rental Unit Without Enriching Your Landlord.....	165
	Cable TV Access.....	167
	Satellite Dishes and Other Antennas.....	168
11	Your Right to Privacy	173
	Entry by the Landlord.....	174
	Entry by Others.....	179
	Other Invasions of Privacy.....	181
	What to Do About Invasions of Privacy.....	182
12	Injuries on the Premises	187
	What to Do If You’re Injured.....	188
	Is the Landlord Liable?.....	191
	If You’re at Fault, Too.....	197
	How Much Money You’re Entitled To.....	198
13	Environmental Hazards	201
	Asbestos.....	203
	Lead.....	208
	Radon.....	217
	Carbon Monoxide.....	219
	Mold.....	221
	Bedbugs.....	225
14	Crime on the Premises	231
	The Landlord’s Basic Duty to Keep You Safe.....	232
	Problems With Other Tenants.....	235
	Illegal Activity on the Property and Nearby.....	237
	Getting Results From the Landlord.....	240
	Protecting Yourself.....	245

15	How Tenancies End or Change	247
	Changing Terms During Your Tenancy.....	248
	How Month-to-Month Tenancies End.....	250
	How Fixed-Term Leases End.....	254
	Retaliation and Other Illegal Tenancy Terminations	257
	How to Stay When Your Landlord Wants You Out	258
	Getting Out of a Lease	259
	Condominium Conversions.....	270
	If the Landlord Sells or Goes Out of Business	271
	If the Landlord Declares Bankruptcy.....	271
	If the Rental Property Is Foreclosed.....	272
16	Moving Out and Getting Your Security Deposit Back	275
	Basic Rules for Returning Deposits	276
	Deductions for Cleaning and Damage.....	279
	Deductions for Unpaid Rent.....	281
	Avoiding Fights Over Deposits.....	283
	Security Deposits From Cotenants.....	290
	How to Handle Deposit Disputes.....	291
	Suing Your Landlord in Small Claims Court	293
	If Your Deposit Doesn't Cover What You Owe.....	296
	Your Abandoned Property	297
17	Termination Notices Based on Nonpayment of Rent and Other Illegal Acts	303
	Termination Notices.....	304
	Other Violations of the Lease or Rental Agreement.....	306
	Violations of Your Legal Responsibilities as a Tenant	307
	Illegal Activity on the Premises	308
	Negotiating With the Landlord.....	308
	Getting Help From a Mediator.....	310
	Refusing to Move Out.....	310
	Cutting Your Losses and Moving.....	312
18	Evictions	315
	When to Fight—And When to Move	316
	Illegal “Self-Help” Evictions	316
	How Eviction Lawsuits Work.....	317
	Stopping Eviction by Filing for Bankruptcy.....	323

19	Resolving Problems Without a Lawyer	325
	How to Negotiate a Settlement	326
	Using a Mediator.....	327
	Suing in Small Claims Court.....	328
	Tenants Working Together	329
20	Lawyers and Legal Research	335
	How a Lawyer Can Help You	336
	Finding a Good Lawyer.....	336
	Fee Arrangements With Lawyers	339
	Resolving Problems With Your Lawyer	340
	Doing Your Own Legal Research	341

Appendixes

A	State Landlord-Tenant Law Charts	347
	State Landlord-Tenant Statutes.....	348
	State Rent Rules.....	349
	State Rules on Notice Required to Change or Terminate a Month-to-Month Tenancy.....	351
	State Security Deposit Rules.....	354
	Required Landlord Disclosures.....	364
	State Laws in Domestic Violence Situations	378
	State Laws on Rent Withholding and Repair and Deduct Remedies.....	383
	State Laws on Landlord's Access to Rental Property.....	385
	State Laws on Handling Abandoned Property.....	387
	State Laws Prohibiting Landlord Retaliation	388
	State Laws on Termination for Nonpayment of Rent.....	390
	State Laws on Termination for Violation of Lease.....	393
	State Laws on Unconditional Quit Terminations.....	395
	State Small Claims Court Limits.....	402
	Landlord's Duty to Rerent.....	408
	Consequences of Self-Help Evictions.....	410
B	How to Use the Downloadable Forms on the Nolo Website	413
	Editing RTFs.....	414
	List of Forms Available on the Nolo Website	414
	Index	415

Your Tenant Companion

Dealing with your landlord or property manager can be challenging, to say the least. Doing it successfully requires not only knowing the basics of landlord-tenant law, but also coping with your landlord's business policies and idiosyncrasies and keeping your cool at the same time you protect your rights.

This book is based on the view that your life will be much easier if you are both a responsible tenant and legally knowledgeable—that is, if you pay the rent on time and comply with your lease rules. It includes important state-specific information, with dozens of detailed charts on everything from state security deposit rules to state laws prohibiting landlord retaliation.

If you are also savvy enough to send written requests—for example, when repairs are needed or you want to add a roommate—your landlord is far more likely to respond positively to your request. And if you keep records of all communications with your landlord, you'll be in good shape if a dispute occurs later and you need backup documentation. (Just be careful you don't rely only on email or text messages for sending important notices and letters; we explain why in "Using Email or Text Messages for Notice or a Letter of Understanding" in Chapter 6.)

This book includes dozens of forms, sample letters, notices, and checklists to help you through the entire rental process—from a rental priorities worksheet to help organize your search for housing, to a notice informing your landlord of your intent to move out. Each form is easy to customize for your particular situation. There are filled-in samples in the text, and you'll find the key forms on the companion page for this book on the Nolo website (see below for details).

But let's face it—even a conscientious and knowledgeable tenant can't always get good results. Some landlords are stingy, petty, and obnoxious, bent on extracting the last dollar from their tenants at the least possible cost to themselves. Trying to deal with them reasonably just doesn't work. If that sounds like your landlord, this book may become a combat manual, something you study closely to discover legal weapons to protect your rights. You'll probably find there is much you can do to fight back.

But even if the law is 110% on your side, there may be times when avoiding conflict (finding a new place to live) is wiser than engaging in a drawn-out, costly, and risky legal dispute with your landlord.

We hope that by reading this book you'll find the information you need to make an intelligent decision about whether to stay or go—and even better, that you'll learn strategies that will help you avoid these conflicts in the first place.



CAUTION

Who shouldn't use this book? Don't use this book if you are renting commercial property or space in a mobile home park, hotel, or marina. If you are a tenant in government-subsidized or -owned housing (including the "Section 8" program), your lease may contain terms required by the government, which neither you nor your landlord can change. Tenants who lease a home in a condominium complex are generally on the same legal footing as those who rent single-family houses, which means that this book will apply to them. However, condo tenants are also subject to the condominium's operating rules and regulations (known as "CC&Rs"), which may impose obligations or restrictions on tenants and landlords in addition to those found in federal, state, and local law.

**Get Legal Updates, Forms, and More at This
Book's Companion Page on Nolo.com**

This book includes several useful forms, such as a rental application and a demand for the return of a security deposit. You can download any of the forms and worksheets in this book at

www.nolo.com/back-of-book/EVTEN.html

When there are important changes to the information in this book, we'll post updates on this same dedicated page. See Appendix B, "How to Use the Downloadable Forms on the Nolo Website" for a list of forms available on Nolo.com.



Finding a Place to Rent

Setting Your Rental Priorities	4
How to Find an Apartment or House for Rent	5
Personal Contacts.....	9
Craigslist.....	10
Pound the Pavement.....	10
Classified Ads.....	10
Online Apartment and Rental Listings.....	10
Advertising Yourself to Landlords.....	11
Real Estate Brokers.....	12
Management Companies.....	12
University, Alumni, and Corporate Housing Offices.....	12
Visiting Prospective Rentals	13
Checking Out the Landlord and Manager	14
Ask Current Tenants.....	14
Ask Neighbors in Nearby Buildings.....	15
Check Out www.apartmentratings.com	15
Google the Landlord or Manager.....	15
Check for Any Notices of Default.....	15
Checking Out Other Tenants and the Neighbors	15
Rental Applications and Credit Reports	16
Rental Applications.....	17
The Importance of Your Credit History.....	24
How Landlords Reject Tenants	26
Permissible Reasons for Rejecting Tenants.....	26
What Landlords Must Tell You.....	27
Illegal Discrimination.....	27
Finder's Fees and Holding Deposits	27
Finder's Fees.....	27
Holding Deposits.....	29
Choosing Roommates	30

It goes almost without saying that choosing a place to live is an extremely important decision. A good apartment or house should provide more than shelter, warmth, and a place to lay your head; it should be a true home. Yet many people make bad choices—spending too much money; picking the wrong location, landlord, or neighbors; or settling on a place that's too small, dreary, noisy, unsafe, or in bad shape. Sure, if you're in a tight rental market, such as those in New York City, San Francisco, or Chicago, you can have an extremely difficult time finding a good place to live at a reasonable price, but it's still possible to find decent housing.

Finding a good place to live is rarely a lucky accident. Whether rental housing is plentiful or scarce, there are specific steps you can take to find an apartment or house that meets your needs and budget. Most important, you need to take your time. One of the worst—and most costly—mistakes you can make is to sign a lease or put down a hefty deposit at the end of a long, frustrating day of apartment-hunting, only to realize later that the place is completely unsuitable. Even if it means staying with friends for a few weeks, finding a short-term rental or house-sitting arrangement, or (horrors) moving back in with your parents temporarily, it may be well worth it.

Whether you're looking for your first or tenth rental, living by yourself or with others, this chapter shows you how to find a good place to live within your price range, by:

- setting clear priorities before you start looking for a place to rent
- using a variety of resources to tap into available rentals, and
- beating the competition by pulling together the information landlords want to see—good references and credit information—before you visit prospective rentals.

This chapter also explains your legal rights and responsibilities regarding the rental application process, credit reports, credit-check fees, and holding deposits. (For details on antidiscrimination

laws that limit what landlords can say and do in the tenant selection process, see Chapter 5.)



RELATED TOPIC

Preparing for a move. If you're moving from one rental to another, be sure you understand all the legal and practical rules for ending a tenancy, getting your deposit returned, and moving out. See Chapters 15 and 16 for details.

Check Your Credit Rating Before You Start Your Housing Search

Your credit report contains a wealth of information that landlords use to choose (or reject) tenants—for example, the report lists any bankruptcy filings, uncollected child support, and unpaid debts that have been reported to the credit reporting agency. It will also reflect favorable information, such as your ability to pay your card balances and other debts on time. To make sure your credit report is accurate—or to give yourself time to clean it up if there are problems or errors—get a copy of your report before you start looking. “Rental Applications and Credit Reports,” below, provides complete details.

Setting Your Rental Priorities

While most people start their housing search with some general idea of how much they can afford to pay, where they want to live, and how big a place they need, that doesn't guarantee good results. The best way to find an excellent rental home is to set specific guidelines in advance, being realistic, of course, both as to your budget and what's available for rent.

Here's our approach to finding a rental house or apartment you can afford and will enjoy living in:

Step 1: Firmly establish your priorities—such as maximum rent, desired location, and number of bedrooms—before you start looking. The list below, Rental Priorities, will help you do this.



TIP

If you're renting with one or more other people, review the Rental Priorities list together and make sure you agree on the basics. Always consider each person's strong likes and dislikes when you're choosing a rental. For example, you might care most about a modern kitchen and a sunny deck or patio. If so, you'll surely be miserable if you allow your spouse or partner to talk you into renting an older apartment with its original 1960s kitchen because it has a great view (but no deck).

Step 2: Once you've set your priorities, you'll want to see how prospective rental units measure up. To make this simple, we've prepared a Rental Priorities Worksheet, shown below. There's space for you to write down your mandatory ("must have") priorities, as well as secondary ("it would be nice, but aren't crucial") priorities and your absolute "no ways." Try to limit your mandatory priorities to those features your rental unit must have, such as "less than \$1,000 a month rent," "two or more bedrooms," and "near the bus line to work." Take time developing your list of "no ways." Avoiding things you hate—for example, a high-crime area or noisy neighborhood—may be just as important as finding a place that meets all your mandatory priorities.



FORM

The Nolo website includes a downloadable copy of the Rental Priorities Worksheet. See Appendix B for the link to the forms in this book.

Step 3: Once you complete the priorities section of the Worksheet, make several copies for use when looking at apartments or rental houses.

Step 4: Complete a Worksheet for each rental unit you're seriously considering, as follows:

- Enter the address, contact person, phone number, email, rent, deposit, term (month-to-month or year lease), and other key information on the top of the form.

- As you walk around the rental unit and talk with the landlord or manager, indicate the pluses and minuses and the mandatory and secondary priorities (as well as "no ways") that apply.
- Make notes next to a particular feature that can be changed to meet your needs—for example, "Rent is high, but space is fine for an extra roommate."
- Jot down additional features in the section for Other Comments, such as "Neighbors seem very friendly" or "Tiny yard for kids to play, but great park is just a block away."

Step 5: If at all possible (but it may not be, especially in tight rental markets), insist that any apartment or house meets at least your most important priorities.

Check Out All Important Conditions of the Tenancy

Leases and rental agreements cover many issues, such as the amount of rent and deposits, length of the tenancy, number of tenants, and pets. In addition, some rental agreements may include provisions that you find unacceptable—for example, restrictions on guests, design alterations, or the use of an apartment for your home business. Ask for a copy of the lease or rental agreement early on, so you are not reading it for the first time with a pen in your hand. Be sure to read Chapter 2 for details on leases and rental agreements and how to negotiate terms before you sign on the dotted line.

How to Find an Apartment or House for Rent

You've just done an important part of the job of finding a place to live by creating your list of Rental Priorities. Now you need a plan to find a place that matches it as closely as possible. Focus on your time and financial constraints and consider how

Rental Priorities

When you're making your list of priorities, consider these issues:

Rent

Figure out the maximum you can afford to pay. Be sure to include utilities, Internet, and any additional charges, such as for parking. As a broad generalization, you probably don't want to spend more than 25% to 35% of your monthly take-home pay on rent, but this will obviously depend on your expenses. Be careful about overspending—you don't want to live in a penthouse if it means you need to eat popcorn for dinner every night.

Deposits

Depending on state law and landlord practices, you may need to pay as much as two months' rent as a security deposit. (Chapter 4 covers security deposits.) If you have limited cash to pay deposits and other up-front fees, include the maximum you can pay in the Priorities list on your worksheet.

Location and Neighborhood

Where you live is often more important than the size and amenities of the unit you rent. If you know the exact area you want, list it. If you don't, think of the features that are important. If living in a low-crime area or being able to walk to grocery stores, restaurants, athletic facilities, or a kid-friendly park are important, don't end up renting a nicer apartment in a neighborhood with none of these features.

Schools

If you have school-age children, the proximity and quality of local schools are very important considerations. If you're new to the area, start by contacting your state department of education. It should be able to provide data for individual schools and districts, including academic test scores, enrollment figures, racial and ethnic information, and even dropout rates. Your next step is to call and visit local schools and school districts to learn about class size, class offerings, instructional practices, and services. Finally, check out resources such as newspaper articles on the local school board or PTA at public libraries and online sites.

Work or School Commute

If you're looking at a potentially long commute, note the maximum times or distance you're willing to travel to and from work or school.

Ability to Work From Home

If you're planning to run a business from home, make sure local law or landlord policies don't prohibit your home-based business. See Chapter 2 for more information on this topic.

Public Transit

Do you need to be close to a bus line, subway, train, or airport? Write it down.

Pets

If you have a dog, cat, or other pet, you'll need to make sure the landlord allows pets. (See Chapter 2 for suggestions on how to negotiate with landlords who don't normally allow pets.)

Number of Tenants

If you want to live with an unusually large number of people, given the size of the rental you can afford, you must make sure the landlord will allow it. (Chapter 5 discusses occupancy standards many landlords set, limiting the number of tenants in a particular rental unit.)

Rental Term

Do you want the flexibility of a short-term rental agreement, or the security of a long-term lease? (Chapter 2 discusses the pros and cons of leases and rental agreements. Also, Chapter 15 discusses sublets, which may be a short-term rental option.)

Move-In Date

If you need a place immediately, write "Must be available now" in your priority list. But don't be too quick to pass up a great place that's not available for several weeks. It might be worth your while. (Remember the importance of patience.) Also, if a fantastic apartment is available now, but you have to give 30 days' notice on your current place, it might be worth paying double rent for a while rather than give up a terrific apartment.

Rental Priorities (continued)

Number and Type of Rooms

How many bedrooms, baths, or other rooms do you need? Do you need suitable space for your home office? Is a finished basement important—for your pottery studio or band practice or kids' playroom? Is a modern kitchen with lots of counter space and good light ideal? How about a large living room for entertaining? List what you can't live without.

Furnishings

If you want something completely furnished, make this a priority. Remember, however, you can always rent furniture yourself if you can't find a furnished apartment—in fact, it might be cheaper. A few calls to local furniture rental places will quickly give you the information you need.

Other Interior Needs

Other priorities may include good space separation for roommates, a fireplace, lots of closets, air conditioning, or laundry facilities in the building. For some people, satellite TV is important. (Chapter 10 explains your right to install a satellite dish.) If you need multiple phone lines, make sure your building (and budget) can accommodate them. If you are disabled and have special needs, and want a rental that is already compatible with your needs, mark these as priorities. (For more on rights of the disabled, see Chapter 5.)

Type and Style of Building and Rental Unit

Do you have a clear idea of the type of place you want to live in? One-family house, duplex, six-to-ten-unit apartment building, high-rise, or gated community? If you have your heart set on a flat in a Victorian house, a loft, a small cottage, or a modern apartment with lots of windows and a great view, note that, too.

Security

For many people, a top-notch security system for the building and rental unit is important—for example, bars on all windows, a doorman or a front gate security system with intercom that allows you

to screen visitors before they actually get to the front door of your apartment.

Quiet

If you can't stand the idea of living on a busy street with lots of traffic or in an apartment with paper-thin walls, make this a priority.

Yard and Outdoor Space

If you have a large dog or want room for a garden or for kids to play, a fenced-in yard will be important. Or maybe a deck, patio, or balcony ranks high on your wish list.

Parking

Parking can be a critical consideration, especially if you live in an urban area. Write down how many vehicles you have and whether you need garage parking or easy street parking with no restrictions.

Other Tenants

While we'd all like quiet, considerate neighbors, you may prefer a building with certain types of tenants—for example, mainly seniors, college students, or families with children. While your landlord cannot deliberately choose tenants because they belong to these groups (and exclude others) without courting a lawsuit, sometimes renters tend to choose, on their own, certain properties. For example, affordable housing near a college will be filled with students, and pricey buildings in spruced-up business or financial areas are likely to be peopled with older, professional types.

Landlord and Manager

Maybe you don't want to share a duplex house with the landlord. Or you want a place with an on-site manager who's always available to make repairs.

Purchase Potential

If you want to move into a rental you can eventually buy, such as a condo, co-op, or lease-option-to-buy house, investigate this from the start. This book does not cover these options, so you'll need to do additional research for advice on these subjects.

Rental Priorities Worksheet

Address: 178 Park St., #4F, Springsteen, New Jersey 00000

Contact: Emily Greenwood (Owner) Email: emily@greenwood.com Phone: (609) 555-1212

Rent: \$3,200/month Deposit: \$3,200 Other fees: _____

Term: one year lease Date seen: February 15, 20xx Date available: March 1, 20xx

Brief description of rental unit and building: Sunny three-bedroom apt. in four-story brownstone.
Recently remodeled kitchen. One and one-half baths. Lots of charm. Great location!

Mandatory Priorities:

- Close to university (a 10-minute walk!)
- Maximum \$3,000 rent (over our limit, but it's worth the price)
- Modern kitchen
- Lots of light
- Three bedrooms
- Two bathrooms
- _____

Secondary Priorities:

- Hardwood floors
- Small building
- Allows pets
- Fireplace
- _____
- _____

Absolute No Ways:

- High-crime area
- Run-down area
- _____
- _____
- _____
- _____

Other Comments: Neighbors seem very friendly. Noisy dog next door. Train station a few blocks away.
Last vacancy was two years ago.

they will influence your search. For example, the housing search of a well-paid couple with money in the bank who wants to move to a bigger apartment sometime in the next six months should differ tremendously from that of a graduate student on a limited budget with a small child who has only a few weeks to find a place before school starts.

What type of search will work best for you will also depend on a number of factors, most importantly where you want to live and whether you want a lease for a year or more or prefer a month-to-month rental agreement. In many cities, Craigslist is your best resource. In others, you may want to work with a real estate broker. In all areas, it always makes sense to assertively and creatively use your own personal contacts and networks. Of course, the tighter the rental market you face, the more important it will be to pursue as many search options as possible. Here's a rundown of your choices.

Personal Contacts

If you know people who live or work near where you want to live, ask them for leads. Using personal contacts as housing scouts can be quite effective, because when people plan to move, friends, neighbors, and business associates almost always know about it before a for-rent sign goes up.

Prepare a brief description of exactly what you want (your rental priorities). Send this to friends, coworkers, and your social media networks. Don't forget local businesspeople with whom you have a friendly relationship—doctors, shopkeepers, lawyers, and insurance brokers may all have good leads for available rentals. If your company has an employee grapevine (possibly part of your internal email system), get the word out this way. Let as many people know of your housing search as possible. You never know who may come through with the perfect apartment—it might be the woman with the flower stand down the block or your dental hygienist.

See the sample Apartment-Hunting Note, below, for a good way to describe your housing needs and priorities. This Sample Apartment-Hunting Note is for a couple with professional jobs and

excellent credit and references, who are looking in a moderately-priced rental market in northern New Jersey. If you are in your 20s and just out of college, have a limited budget, and are looking in an expensive and tight rental market, a detailed note like this to a handful of friends probably won't do the trick. Getting the word out on social media ("Help! I need a one-bedroom apartment that allows cats, in North Oakland by May 1, maximum \$1,500 per month.") might be your best bet.

If you decide to offer a reward, such as a \$50 restaurant gift certificate to the person who finds you the apartment you end up renting, mention this in your apartment-hunting note.

Sample Apartment-Hunting Note

Dear Friends:

We're in the market for a new apartment and hope you can help. We're looking for a three-bedroom, two-bath place near the university. We can afford up to \$3,000 per month. We'd like to move within the next few months, but definitely by April 1 when Hannah starts her new job in New Brunswick.

It is important that the apartment be light and airy, in good condition and in a secure building (doorman preferred). We love to cook, so a decent kitchen is a must. Hardwood floors and a fireplace would be great. We don't have any pets but are thinking of getting a cat in the future, so we'd like a place that allows pets.

We have always been good tenants and can provide excellent references and credit.

If you hear about a rental unit that seems likely, please phone us at 609-555-3789 (home). Here are our work numbers:

Dennis: phone 609-555-2345;
email Dennis@work.com

Hannah: phone 609-555-4567;
email Hannah@work.com

Thanks so much for your help!

Regards,

Dennis Olson and Hannah Silver

Craigslist

Craigslist is enormously popular in the hundreds of cities it serves, and is the best place to begin your housing search, whether on your computer (www.craigslist.org) or via an app on your smart phone. Craigslist is free to both landlords and tenants.

If you respond to a Craigslist ad, be on the lookout for scams. If there are no images or information on the rental location, or the place sounds too good to be true, be wary. In all cases, be cautious about giving out personal identifying information, such as your Social Security number and even your phone number, before you're reasonably sure that there's no shady business going on. While the majority of advertisers are legit, a few have used the service for scams and worse. Arrange to talk with the owner or property manager before you view the rental; once you're comfortable, you can proceed with an application.

Pound the Pavement

In addition to enlisting the help of friends, you can do much looking on your own. In some neighborhoods, landlords simply post "Apartment For Rent" signs in front of the building or in one of the windows. Others put notices on neighborhood bulletin boards, such as the local laundromat or coffee shop.

Many tenants find great apartments or houses to rent by posting their own "Apartment Wanted" signs (sometimes offering a finder's fee) in local stores or businesses, such as a dance studio, a health club, or even an auto repair shop. You might also consider buying a classified ad in the local weekly paper or putting a notice in the newsletter of a community organization. Some enterprising tenants go so far as to track down the owners of houses that have been for sale for a long time, hoping to work out a rental arrangement.

If you want to live in a particular apartment building or complex, but there's no sign listed, stop by anyway and talk to the manager or doorman. (A generous tip might just do the job!) Also, try to talk with some of the other tenants. You might just get a good lead on someone who's planning to

move soon. Spend a lot of time walking around the neighborhood you want to live in—this will give you a chance to meet local people who may know about available rentals before they're advertised.

Classified Ads

Many landlords in smaller cities advertise their rental units in the newspaper real estate classified ads. The largest section usually runs in the Sunday paper. The classifieds are usually organized by city or neighborhood and include basic information such as rent, location, number of bedrooms and baths, and any special features such as a fireplace or view.

Get early editions of papers (for example, Sunday papers are available late Friday night in some areas) and start calling as soon as possible to get a jump on the competition. Better yet, go online. Many papers post their classifieds before the information hits the streets.



RELATED TOPIC

Illegal ads. Classified ads run by landlords should never mention sex, race, religion, disability, or age (unless the rental is really legally sanctioned senior citizens housing). Chapter 5 discusses the topic of discriminatory advertising.

Online Apartment and Rental Listings

For many tenants, Craigslist will be the best place to find an apartment or rental housing. Local online services may also be available, particularly in large urban areas, such as Apartable.com in New York City and [Westside Rentals](http://WestsideRentals.com) in Southern California.

There are also many websites that offer national listings, including:

- www.hotpads.com (a Zillow company)
- www.zumper.com
- www.apartments.com
- www.apartmentguide.com
- www.rentals.com

- www.forrent.com
- www.apartmentsearch.com, and
- www.rent.com.

Many of these sites provide more than apartment listings, offering information and links covering renters' insurance, moving tips, and more. Useful iPhone and Android apps are free for some of these sites, such as apartmentguide.com.



CAUTION

Before you use any online apartment rental service, make sure it's reputable. Check how long the company has been in business, who owns it, and how they handle problems with apartment listings. Check for any consumer complaints, and avoid paying any hefty fees without thoroughly checking out a company and its services.

Advertising Yourself to Landlords

While the Internet is full of websites that landlords use to post rentals, only a few offer the opposite service: Letting people who are searching for a rental describe themselves, their needs, and their price range, hoping that a landlord in the area will see their post and contact them. The idea is similar to the practice in adoptions, where would-be adopting parents produce glossy and glowing descriptions of themselves and the family they want to raise, aimed at women who will choose the family that will get their child.

Craigslist offers this service, and their pages are chock-full of posts that run the gamut from sophisticated to self-defeating. If you decide to place an ad for yourself in this manner, follow the tips below. They're geared to these twin goals:

- giving a potential landlord relevant information about your needs and nature, so that the landlord doesn't waste time calling someone who isn't suited for the rental—and you don't waste time taking these calls, and
- painting an accurate picture of yourself that fits every landlord's search for tenants who are stable, clean, and honest.

With these goals in mind, design your ad as follows:

- Describe what you're looking for. Make it clear whether you need a quiet, secluded home, or a utilitarian studio downtown. But resist listing all of your "must-haves." You're likely to appear as a demanding tenant (a landlord's worst nightmare).
- Describe your job, your interests, and how you spend your free time carefully. Any activities that spell "property damage" or "party animal" may backfire. You'd be surprised at how many tenant-advertisers describe their love of alcohol and music (without mentioning that they use earbuds).
- Include a photo, and use some common sense. Far too many look like they were taken at a wild party or look downright scary.
- Don't play the sympathy card. You may be down on your luck, but don't expect landlords to choose you because they feel sorry for you. Instead, emphasize the positive—your respect for your neighbors, longevity at your current rental, and so on.

Use a new and dedicated email account for your posting. That way, you will avoid getting scammed by people who will use the email to find you on Facebook, intending to do all sorts of damage.

What the Words Really Mean

With online ads, as with print ads, you need to watch for misleading statements or just plain puffery. We took a look at ads for rentals in the Bay Area and came up with this gem for a Marin County apartment:

Closest train: BART

Distance to train: More than 5-minute drive.

Nearest highway: 101 Freeway

Distance to nearest highway: Less than 5-minute drive.

The real story: The closest BART station is in the next county, over a bridge that has poor public transit—more like an hour's trip on the bus. The freeway is, indeed, less than five minutes away—it's directly across the street!



TIP

Looking for a pet-friendly rental? Go to a local park or veterinarian's office and talk to people with animals. They may have some good leads. Also, check out www.humanesociety.org (search "renting with pets"). They provide helpful advice on how to put your best paw forward, with links to sites listing animal-friendly apartments.

Real Estate Brokers

Some local real estate offices, especially in large cities, also handle rental properties, often exclusively for a property owner. If you're moving into a new area, especially someplace like New York City, or have limited time to apartment-hunt, real estate brokers can be very useful. A good broker should do lots of legwork for you. The more prepared you are (by setting priorities as we discuss above), the more helpful a broker can be.

As with apartment-finding services, choose your broker carefully:

- **Get full information about all fees, which can be quite hefty.** In New York City, for example, real estate brokers often charge either a fee that is tied to the rent (for example, 15% of the first year's rent) or a flat fee of \$1,000 or more for a rental. Sometimes the property owner covers the real estate broker's fee, but typically the tenant pays.



CAUTION

Avoid brokers who try to pressure you into paying their fee before you sign a lease or rental agreement. Don't pay until the deal is final.

- **Ask about the type and exclusivity of the broker's listings.** Why pay a hefty fee if you can find the same place through Craigslist, or for a lower price through an apartment-finding service? And don't waste your time with a broker whose properties don't meet your needs as to neighborhood, type of unit, or budget.

- **Choose a broker with lots of experience and a good reputation.** The best way to do this is through recommendations from people who have used the particular broker in the last few years and whose judgment you trust. Interview a few brokers and ask a lot of questions about their services, how long they've been in business, and their knowledge of the area. Be sure to check Yelp reviews and see if any complaints are on file with the Better Business Bureau.

Management Companies

Property management companies often contract with landlords to rent units and manage all aspects of the rental property. In many areas, a handful of management companies control a significant number of rental properties. You can find the names of the bigger companies just by driving around and looking at signs posted outside apartment buildings. Or, check online (or in your local phone book) under "Real Estate Management."

You can usually approach management companies directly. When choosing a property management company, follow our advice on real estate brokers (discussed above).



TIP

Beat the competition by getting on a waiting list. If you want to rent in a particular big complex and you have a little time, you may be able to prequalify and get on a waiting list for the next available rental unit. To convince the landlord to screen you now (and to allay his fears that he would be wasting his time because you'll probably end up living elsewhere before he has a vacancy), assure him that you are in no hurry and are not considering other properties.

University, Alumni, and Corporate Housing Offices

College housing offices can be an excellent source of rentals, especially services geared to faculty members. If you want a short-term rental, you can often find places that never appear on

Craigslist—for example, the home of a professor who’s going on sabbatical for six months. If you’re not affiliated with a university, try to find someone who is. The same holds true for housing offices available to employees of local corporations. And don’t forget to check out your college alumni association. It may also provide information on rentals in the area (or you can contact fellow alumni for leads).

Renting a Place When You’re New in Town

If you’re completely unfamiliar with the area you’re moving to, you’re at an obvious and serious disadvantage—you simply don’t have the basic information normally considered essential to locating a good place in a congenial location at a fair price. Your HR office at work or college housing office are good places to start. Also, check online community resources and websites such as www.streetadvisor.com and City-Data.com for street, neighborhood, and city reviews.

But there’s no substitute for your own legwork. Ask your friends and colleagues, walk and drive around neighborhoods, talk to local residents and shop owners, read local newspapers, check the library’s community resources file, visit the local planning department and chamber of commerce, and do whatever else will help you get a better sense of a neighborhood or city. Also, a good real estate broker can be invaluable.

If you’re in a hurry to move, one sensible alternative is to leave your furniture in storage and stay in a hotel or take a short-term furnished rental. Check out Airbnb, VRBO, and similar services for good leads. While finding a temporary rental means moving twice, it’s far better than settling on an apartment or area that’s not to your taste.

Visiting Prospective Rentals

Everyone needs a home-hunting strategy—whether you make an appointment to see an apartment by yourself or attend an open house with dozens of others. Here are some basic tips:

Visit promising rentals as soon as they come on the market. Especially in college towns and popular neighborhoods, apartments and rental houses move fast. If a place sounds good, schedule a visit as soon as it’s listed.

Be prepared. Come equipped with your own handy-dandy apartment-hunter’s kit. Include a street map, notebook, pen or pencil, pocket calculator, tape measure (to make sure the living room is big enough for your carpet), graph paper, and camera. (You may want to take pictures if it’s okay with the landlord.) Your smartphone may have everything you need. Most important, bring your Rental Priorities Worksheet as discussed above. Don’t forget your checkbook. (You may fall in love with a place and need to leave a holding deposit while the landlord checks out your credit history and references. Holding deposits are covered below.)

Impress the landlord by showing up with everything you need to fill out a rental application, including references and credit information. (See “Rental Applications and Credit Reports,” below, for more on these issues.)

Be on your best “good tenant” behavior. Clearly understand that while you’re looking at a rental unit, the landlord or manager will be looking at and evaluating you. This means showing up on time, dressing neatly, and presenting yourself as being both conscientious and agreeable. (This also means keeping your love of drums to yourself.) Realize that landlords live in fear of overly demanding and fussy tenants who will give them constant headaches by ceaselessly complaining about trivial things. So while we recommend checking out the rental unit’s condition (see below) and making sure significant defects are being remedied, it’s usually a mistake to ask for a long list of upgrades and repairs before you’re even offered the place. Better to save your requests until the landlord makes you an offer. But make sure you do your essential negotiating before you sign a lease or rental agreement.

Look around carefully for tell-tale signs of problems in the rental unit and building. While you don’t want to come across as a nit-picking housing inspector with white gloves, do keep your eyes open. Don’t broadcast your concerns (subtlety is a strong point

here), but try to check as many of the following things as possible:

- Look for obvious damage, such as loose steps, torn carpet, or shaky handrails.
- Check for dirt, mildew, and signs of insects or rodents. (But try to overlook the sloppiness of a current tenant. Piles of dishes in the sink and mounds of clothes on the floor are only temporary.)
- Flush the toilet and run water in the shower and sinks. Check the water temperature and pressure.
- Make sure the windows and doors are in good shape, open and close easily, and have secure locks.
- Walk around the building, checking out any elevators and common areas such as stairs, laundry rooms, and lobbies, as well as the parking area, garage, and yard. Again, check for general cleanliness and repair. Good lighting is especially important in common areas.
- Ask about building and neighborhood security, especially if you have concerns about the area. Get neighborhood crime stats from the local police department. If there have been criminal incidents on the property, find out what kind and when, and what steps have been taken to provide reasonable safety to tenants and guests. If you learn later that the answers were not accurate, you may have grounds for getting out of your lease or rental agreement. Chapter 14 gives more information on your rights to a safe place to live.

At this point, you're just trying to get a general sense of the place. Ask yourself: Does this feel safe and comfortable? Clean and in good repair? If you decide you want the rental unit, and before you actually sign a lease or rental agreement, you will want to do a more detailed inventory of the condition of the rental unit, completing the Landlord-Tenant Checklist we recommend in Chapter 6. (You want your landlord to acknowledge any existing defects so he or she can't blame you later for causing them.)

If there are some minor problems, or improvements you want—for example, a new coat of paint in the living room—you may be able to negotiate with the landlord on this before you move in. (Chapter 2 shows how.) Major problems, such as lack of heat, may be the landlord's legal responsibility to fix. (For details on housing standards and landlords' responsibility to provide habitable housing, see Chapter 8.) Also, see Chapter 2 for information on disclosures landlords must tell prospective tenants, such as the presence of lead-based paint in the rental unit.

Think of creative ways to use space. You may need to compromise on the number and type of rooms in exchange for a great location or lower rent. Use your imagination or check out home design books, magazines, and websites such as www.apartmenttherapy.com for ideas on how to make the most of your living space. For example, you might be able to carve out a study at the end of an extra-large living room, using bookcases or screens to divide the space. Rolling carts with butcher block tops can add instant space to a kitchen with limited counters.

Walk, drive, and/or bike around the neighborhood. If you're not familiar with the area, check out restaurants, shops, local businesses and schools, and bus, subway, and train stops. Do this at night (ideally, by car and with a friend) as well as the daytime. You might find that the neighborhood doesn't seem quite as safe and friendly at night as it does during the day.

Checking Out the Landlord and Manager

Your prospective landlord will probably check you out pretty thoroughly (asking for references and getting a credit report); turnaround is not only fair play, but is also a good way to find out what it's like to live in your landlord's building.

Ask Current Tenants

Visit the building after work and ask residents, especially the person whose unit you're considering, about pluses and minuses of living in the building. Inquire about security and noise in the building

or neighborhood and if there are any problems regarding repairs and basic services such as heat and hot water. See if you can get a sense of the landlord's personality and style of operating. An excellent indicator of whether you can expect smooth sailing is to find out how often there are vacancies in the building and, in particular, how often your prospective landlord has had to evict tenants. A low rate of turnovers and evictions suggests that tenants like living there and that the landlord has chosen considerate, law-abiding renters who will be good neighbors.

Ask Neighbors in Nearby Buildings

Other people and businesses in the neighborhood may know something about the reputation of the building, landlord, or manager. Ask if tenants seem to stay more than a year—if so, that's the mark of a well-run building. By speaking with neighbors, you can confirm the truthfulness of the landlord's or property manager's representations, such as a claim that there have been no recent incidents requiring a police response.

Check Out www.apartmentratings.com

This comprehensive website has hundreds of thousands of renter reviews of individual apartments and property managers nationwide. It includes other information useful to new tenants, such as noise and safety ratings of each rental.

Google the Landlord or Manager

Don't let your interest in a particular rental go too far without running a Google search on the owner and/or property manager, and even the address. If the property has been in the news lately, you'll read all about it, and chances are, the story won't be comforting. Likewise with the owner or manager—you don't want to rent a place whose management has been the subject of a feature article on the woes of renting, or a property with terrible Yelp reviews.

Check for Any Notices of Default

If you're concerned about the landlord's financial stability, find out whether the property you're considering is the subject of a notice of default (the first public step toward foreclosure). Banks and other lenders must file these notices, in the courthouse of the county in which the property is located, when the owner has failed to make payments on a loan or mortgage for a specified number of months (two is common). Obviously, renting a property that's liable to be foreclosed upon during your tenancy is not a good idea—even if you get to stay, you may end up with an owner (especially if it's the bank itself) who will not be a conscientious landlord.

Checking Out Other Tenants and the Neighbors

Not surprisingly, many tenants are as concerned about who their potential neighbors will be (and what kind of background they have) as they are about the physical aspects of the prospective rental. Anyone who has lived in close proximity to others, be they down the hall, on the other side of the wall, or over the fence, knows that a law-abiding, considerate neighbor is every bit as important as a view, a second bathroom, or a parking spot.

If you visited the rental and had a chance to talk with other residents, you may already have a rough impression of your prospective neighbors. But depending on your situation, you may want to learn more. In particular, if you're a single female or have young children, you may want reassurance that the tenant next door doesn't have a dangerous criminal background. How much information can you expect to learn from your landlord and from law enforcement? In general, here's what you can expect.

First, there is no law requiring your landlord to investigate the criminal history of his tenants. Of course, many landlords do inquire or run background checks, and most will decline to rent to those with violent criminal backgrounds. But if you ask and are told, "I have no idea," you have

no legal basis to press your landlord for more. And even if the landlord does know about a tenant's unsavory past, there is no law requiring him to disclose it to you (though the landlord may be held liable if you are later injured by this tenant, as the example below illustrates).

EXAMPLE: Nancy and her daughter rented an apartment from Lester. When Nancy applied for the apartment, she told Lester that she was not home in the afternoon and that her daughter would be on her own until Nancy came home from work. Nancy was concerned for her daughter's safety and asked Lester if any of the other tenants had criminal histories or had done anything to suggest that they would act inappropriately with children.

Lester told Nancy she had nothing to worry about from the neighbors. In fact, however, Lester knew that a downstairs tenant had a conviction, albeit an old one, for child molestation. Tragically, this neighbor molested Nancy's daughter. Nancy sued the offender and Lester, on the grounds that he knew about and failed to disclose a dangerous condition—namely, the presence of a known molester. Lester's insurance company settled the case in Nancy's favor for a large sum.

Although you cannot count on your landlord for a full answer to your questions, you may be able look online for help. Every state has a version of "Megan's Law," a federal law passed in 1996 and named after a young girl who was killed by a convicted child molester who lived in her neighborhood. The original law charged the FBI with keeping a nationwide database of persons convicted of sexual offenses against minors and violent sexual offenses against anyone (42 U.S.C. §§ 14701 and following). The state versions typically require certain convicted sexual offenders to register with local law enforcement officials, who keep a database on their whereabouts.

If you are concerned about whether prospective neighbors are registered sex offenders, you can search for their names on your state's database.

To find out how to access your state's sex offender registry, contact your local law enforcement agency, or call the Parents for Megan's Law Hotline at 888-ASK-PFML, or check www.parentsformeganslaw.org. Of course, it's unlikely that you'll know the full names of all the residents of a large apartment complex. Even when you do have that information, keep in mind that a database search may not give you accurate information. In many states, the databases are not current, or have mistaken information, which may result in both false positives (typical when dealing with common names) and false negatives.



TIP

Concerned about too many Airbnb guests in the rental property? Many tenants rent out their apartments on a short-term basis through websites such as Airbnb. While that might be fine with you (maybe you even hope to do the same), you may not want to live someplace where lots of different people are coming and going. At any rate, be sure you know your landlord's policies on Airbnb and common tenant practices. See Chapter 7, "Tenant Rights to Use Airbnb and Similar Vacation Rental Services," for more on the subject.

Report Deceptive Advertising

If a rental unit is unavailable, inferior, or higher priced than advertised, contact the consumer fraud division of the local district attorney's office. Such deceptive advertising is illegal, and many property owners have been prosecuted for such practices.

Rental Applications and Credit Reports

Once you find a place you like, you're part, but not all, of the way home. First, you will probably be asked to fill out a rental application. Landlords use rental applications to screen potential tenants and select those who are likely to pay the rent on time, keep the rental in good condition, and not cause

problems. Conscientious landlords will insist on checking your references and credit history before signing a lease or rental agreement. You should be happy they do so. You'll probably have fewer problems with other tenants in the building if the landlord is strict about screening. Who wants to move into a great building where one tenant is dealing drugs, holding midnight rehearsals for her rock band, or otherwise causing trouble that the landlord could have averted by proper screening?

Rental Applications

On a written rental application, you must provide information on your employment, income, credit history (including any bankruptcies), and rental housing history (including evictions), as well as any criminal convictions. If you are self-employed, the landlord may require the last few years' tax returns and other documentation of income. It's legal to ask for your Social Security number, driver's license number, or other identifying information (such as an Individual Taxpayer Identification Number, or ITIN). Except in California and New York City, landlords may also ask for proof of an applicant's right to be in the United States under U.S. immigration laws. Under federal fair housing laws, landlords who ask for such immigration information must ask all tenants, not just those whom they suspect may be in the country illegally. It is, however, illegal to discriminate on the basis of national origin. (See Chapter 5.)

A sample Rental Application is shown below, so that you can get an idea of the information you will need. It may be a good idea to complete this rental application and take it with you when you see a potential rental unit. This type of information is sure to impress a landlord.

Most careful landlords will make a few calls to confirm that the information you've supplied on the Rental Application is correct. Current and past landlords, credit sources, and employers will normally request permission from you before

they'll talk to a prospective landlord. Along with the Application, you'll want to give your landlord a Consent to Background and Reference Check, which supplies this permission. This consent form carefully limits the information that sources are authorized to give to that pertaining only to your qualifications as a tenant. In other words, you aren't giving the landlord *carte blanche* to inquire about extraneous matters, such as "Where is this fellow from?" or "Do you think there is a boyfriend in the picture?" While such irrelevant questions are often illegal (because they're discriminatory), they're annoying even if they're not. Hopefully, the wording on the form will remind (or instruct) both the reference and the inquiring landlord that only tenant-related questions should be asked.

The landlord can make copies and mail, email, or fax them to the sources he wishes to speak with. A sample Consent to Background and Reference Check is shown below; note how the applicant has filled in her own information but left blank the lines for the prospective landlord's name, the date, and her signature.

Keep in mind that even with your consent to a reference check, you cannot force a prior landlord or an employer to provide information.



FORM

The Nolo website includes a downloadable copy of the Rental Application and the Consent to Background and Reference Check forms. See Appendix B for a link to the forms in this book.



TIP

Fill out applications only when you're truly interested. Don't waste your time (or money, if the landlord charges a credit-check fee) filling out a rental application unless you really want a place. If you are interested, but still want to keep your options open, go ahead and fill out an application. Don't worry that this will lock you into taking a place—only signing a lease or rental agreement does so.

Rental Application

Separate application required from each applicant age 18 or older.

Date and time received by landlord _____

Credit check fee \$40 Received _____

THIS SECTION TO BE COMPLETED BY LANDLORD	
Address of Property to Be Rented: <u>178 Park St., Apt. 4F, Springsteen, NJ 00000</u>	
Rental Term: <input type="checkbox"/> month-to-month <input checked="" type="checkbox"/> lease from <u>March 1, 20xx</u> to <u>February 28, 20xx</u>	
Amounts Due Prior to Occupancy	
First month's rent	\$ <u>3,200</u>
Security deposit	\$ <u>3,200</u>
Credit-check fee	\$ <u>40</u>
Other (specify): _____	\$ _____
TOTAL.....	\$ <u>6,440</u>

Applicant

Full Name—include all names you use(d): Hannah Silver

Home Phone: 609-555-3789 Work Phone: 609-555-4567 Cell Phone: 609-555-6543

Email: hannah@coldmail.com Fax*: _____

Social Security Number: 123-00-4567 Driver's License Number/State: D123456/New Jersey

Other Identifying Information: _____

Vehicle Make: Toyota Model: Corolla Color: White Year: 2015

License Plate Number/State: NJ1234567/New Jersey

Additional Occupants

List everyone, including minor children, who will live with you:

Full Name	Relationship to Applicant
<u>Dennis Olson</u>	<u>Husband</u>

Rental History

FIRST-TIME RENTERS: ATTACH A DESCRIPTION OF YOUR HOUSING SITUATION FOR THE PAST FIVE YEARS.

Current Address: 39 Maple St., Princeton, NJ 00000

Dates Lived at Address: May 2011–date Rent: \$ 2,000 Security Deposit: \$ 4,000

Landlord/Manager: Jane Tucker Landlord/Manager's Phone: 609-555-7523

Reason for Leaving: New job in northern New Jersey

* By providing this fax number I agree to receive facsimile advertisements from the landlord or management company.

Previous Address: 1215 Middlebrook Lane, Princeton, NJ 00000

Dates Lived at Address: June 2008–May 2011 Rent: \$ 1,800 Security Deposit: \$ 1,000

Landlord/Manager: Ed Palermo Landlord/Manager's Phone: 609-555-3711

Reason for Leaving: Better apartment

Previous Address: 1527 Highland Dr., New Brunswick, NJ 00000

Dates Lived at Address: Jan. 2007–June 2008 Rent: \$ 800 Security Deposit: \$ 800

Landlord/Manager: Millie & Joe Lewis Landlord/Manager's Phone: 609-555-9999

Reason for Leaving: Wanted to live closer to work

Employment History

SELF-EMPLOYED APPLICANTS: ATTACH TAX RETURNS FOR THE PAST TWO YEARS.

Name and Address of Current Employer: Argonworks, 54 Nassau St., Princeton, NJ 00000

Phone: 609-555-2333

Name of Supervisor: Tom Schmidt Supervisor's Phone: 609-555-2333

Dates Employed at This Job: 2008–date Position or Title: Marketing Associate

Name and Address of Previous Employer: Princeton Times

13 Junction Rd., Princeton, NJ 00000 Phone: 609-555-1111

Name of Supervisor: Dory Krossber Supervisor's Phone: 609-555-2366

Dates Employed at This Job: June 2007–Feb. 2008 Position or Title: Marketing Associate

ATTACH PAY STUBS FOR THE PAST TWO YEARS, FROM THIS EMPLOYER OR PRIOR EMPLOYERS.

Income

1. Your gross monthly employment income (before deductions): \$ 8,000

2. Average monthly amounts of other income (specify sources): \$ _____

Note: This does not include my husband's income. See his application. \$ _____

_____ \$ _____

TOTAL: \$ 8,000

Bank/Financial Accounts

	Account Number	Bank/Institution	Branch
Savings Account:	<u>1222345</u>	<u>N.J. Federal</u>	<u>Trenton, NJ</u>
Checking Account:	<u>789101</u>	<u>Princeton S&L</u>	<u>Princeton, NJ</u>
Money Market or Similar Account:	<u>234789</u>	<u>City Bank</u>	<u>Princeton, NJ</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Credit Card Accounts

Major Credit Card: VISA MC Discover Card Am Ex Other: _____

Issuer: City Bank Account No.: 1234 5555 6666 7777

Balance: \$ 1,000 Average Monthly Payment: \$ 1,000

Major Credit Card: VISA MC Discover Card Am Ex Other: Dept. Store

Issuer: City Bank Account No.: 2345 0000 9999 8888

Balance: \$ 500 Average Monthly Payment: \$ 500

Loans

Type of Loan (mortgage, car, student loan, etc.)	Name of Creditor	Account Number	Amount Owed	Monthly Payment

Other Major Obligations

Type	Payee	Amount Owed	Monthly Payment

Miscellaneous

Describe the number and type of pets you want to have in the rental property: None now, but we might want to get a cat some time

Describe water-filled furniture you want to have in the rental property: None

Do you smoke? yes no

Have you ever: Filed for bankruptcy? yes no How many times _____

Been sued? yes no How many times _____

Sued someone else? yes no How many times _____

Been evicted? yes no How many times _____

Been convicted of a crime? yes no How many times _____

Explain any "yes" listed above: _____

Consent to Background and Reference Check

I authorize _____ to obtain information about me from my credit sources, current and previous landlords, employers, and personal references, to enable _____ to evaluate my rental application. I authorize my credit sources, credit bureaus, current and previous landlords, and employers and personal references to disclose to _____ information about me that is relevant to _____'s evaluation of me as a prospective tenant.

Applicant's Signature

Hannah Silver
Printed name

39 Maple Street, Princeton, NJ 00000
Address

609-555-3789
Phone Number

Date

How to Impress Prospective Landlords

Bringing the following information when you first meet prospective landlords will give you a competitive edge over other applicants:

- a completed rental application
- written references from landlords, employers, friends, and colleagues, and
- current copy of your credit report.

If you have a pet, you might even bring a completed pet application form (find one at www.humanesociety.org).

Landlord References

Landlords usually want references from your current and previous landlords, and details on your

rental history. In talking with your past landlord or manager, prospective landlords will ask the following types of questions:

- Did you pay rent on time?
- Were you considerate of neighbors (no loud parties; you cleaned up after your dog)?
- Did you make any unreasonable demands or complaints?
- Did you take good care of the rental property?
- In general, were you a good (ideally, great) tenant?

Do You Need References for Your Dog (or Cat)?

If you have a dog or cat, don't be surprised if the landlord wants to meet your pet, to make sure it's well-groomed and well-behaved, before making a final decision. If pet-friendly apartments are especially tight in your area, be prepared to make the best case you can for Max or Bella. Here are some ideas for doing so:

- Get written references from current and previous landlords and neighbors saying how sweet and well-mannered your dog (or cat) is.
- Bring a cat or dog résumé, describing your pet, favorite activities, and health. See the San Francisco SPCA website (www.sfspca.org) for samples.
- Pull together any materials that support your pet's good behavior, such as paperwork that shows your dog passed obedience training classes.

See the "Pets" section in Chapter 2 for more advice on negotiating with landlords on pets. Also, see the discussion of tenant rights when it comes to service and support animals in Chapter 5.

If you are leaving a current rental because the neighbors, the landlord, or the manager was awful, prepare your defense in advance—by mounting a preemptive offense. Explain the difficulty and offer evidence to bolster your version, such as a letter from other dissatisfied tenants, police reports chronicling disturbances at the property, a list of the times the former landlord was hauled before the local rent board for violations, or, if problems rose to the point of litigation, a copy of a court judgment in

your favor. No matter how righteous your position, however, be advised that it won't count for much unless you can show that, aside from your use of legal tenant remedies such as rent withholding, you always paid the rent on time, left voluntarily, and left a clean and undamaged apartment or house.

Extra-picky landlords may actually want to visit your current rental to see how it looks. If your place usually looks like a cyclone just hit it, either clean up or forget it.

Employer References

Conscientious landlords will usually want to speak with your current employer to verify your income and length of employment and to get a better sense of your character—for example, to see if you're a responsible person.

Before talking with a prospective landlord, your employer may require your written permission. Use the Consent to Background and Reference Check, explained above.

Character References

Some landlords also want character references from people (nonrelatives) who know you well. Below is an example of the type of letter that will help you beat the competition.



TIP

Alert references. Make sure that all of your references know to expect a call or email from a potential landlord. Even better, get written references first. And obviously, only give out the names of people who know you well and who have positive things to say about you—anticipate the crafty landlord who asks for four references and calls only the fourth one on the list.



CAUTION

Complete all rental applications truthfully. Prospective landlords will be able to verify much of the information you give by ordering a credit report. Nothing will hurt your chances of getting a place more than lying, whether it be by failing to reveal a previous eviction,

providing the name of a friend as a landlord reference, or overstating your income.

Sample Character Reference

February, 20xx

To Whom It May Concern:

I am writing to recommend Hannah Silver for the rental unit you have available. I have known Hannah for ten years and I cannot recommend her too highly. You won't find a better tenant.

I know Hannah as both a close personal friend and a colleague. We first met in 2009 when I started work as a technical writer at Argonworks in Princeton. Hannah has been the marketing director at Argonworks since 2008.

Hannah is extremely reliable and responsible. She's not the type of person who will pay her rent late (or come up with excuses why she needs a few extra days), bother you about small things, annoy other tenants with loud music, or generally cause you problems. I have been to her apartment many times, and she is a meticulous housekeeper and very organized. She will take excellent care of your rental property.

Hannah is trustworthy, and she keeps her commitments. She has always worked 100% plus on marketing Argonworks products, consistently meets her deadlines, and gives her best. She is a wonderful person to work with, a talented businesswoman, and a cooperative team player. I am confident that Hannah will be one of your best tenants.

All in all, Hannah is a fantastic person who will be greatly missed when she moves out of the area.

I will be happy to provide further information about Hannah. If you have any questions, please feel free to call me at work (609-555-1232) or home (609-555-4578), or email me at Joan @Joan.com.

Sincerely,

Joan Stanley

Joan Stanley

785 Spruce St.

Princeton, NJ 00000

The Importance of Your Credit History

Many landlords find it essential to check a prospective tenant's credit history with at least one credit reporting agency to see how responsible you are at managing money and whether you will be a reliable tenant who pays rent on time. This credit check can be the most important part of the rental application process.

How Far Can Credit Reporting Agencies Go?

Some landlords—especially those who rent luxury units or insist on long-term leases—may go beyond a routine credit report and ask a screening agency to pull together detailed information about your character, general reputation, personal characteristics, or mode of living.

Almost all such checks are considered “investigative consumer reports” under federal law (15 U.S.C. §§ 1681 and following, as amended by the Fair and Accurate Credit Transactions Act of 2003). Legally, a landlord does not need your permission before asking for one; however, a landlord who requests a background check on a prospective tenant must tell you within three days of requesting the report that the report may be made and that it will concern your character, personal characteristics, and criminal history. This gives you an opportunity to withdraw your rental application if you don't want the credit reporting agency to proceed with the report. The landlord must also tell you that more information about the nature and scope of the report will be provided upon your written request. The landlord must provide this added information within five days of your request.

If you are turned down wholly or in part based on information contained in the investigative report, the landlord must tell you this and give you the name and address of the agency that prepared the report.

A landlord can find out your credit history over the past seven years, including whether you have ever been:

- late or delinquent in paying rent or bills, including student or car loans
- convicted of a crime or, in many states, even arrested
- evicted, or
- involved in another type of lawsuit, such as a personal injury claim.

A credit report will also state whether you have filed for bankruptcy in the past ten years.

If a landlord does not rent to you because of negative information in your credit report, or charges you a higher rent because of such information, he is legally required (under the federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681 and following) to give you the name and address of the agency that reported the negative information. Landlords must tell you that you have a right to obtain a free copy of your file from the agency that reported the negative information. You must request it within 60 days of being rejected by the landlord. Landlords must also tell you that the credit reporting agency did not make the rejection decision and cannot explain it, and that if you dispute the information in the report, you can provide a consumer statement setting forth your position.

What Happens to Your Application

Tenants and applicants are justifiably concerned that the information landlords gather during screening be kept safe and secure from would-be identity thieves. A federal law, known as the “Disposal Rule,” addresses this concern. (Fair and Accurate Credit Transactions Act of 2003, 69 Fed. Reg. 68690.) Landlords and managers must share sensitive information only on a “need to know” basis, keep all documents in a locked, secure location, and destroy any unneeded documents. Applications and credit reports from rejected applicants should be destroyed routinely; whether landlords have a legitimate reason to hang on to tenants' applications and credit reports is not so clear.

Credit-Check Fees

It is legal for a prospective landlord to charge you a fee for the cost of the credit report itself and the landlord's time and trouble. Some states regulate the exact amount of the fee by statute; others require landlords to charge reasonably. Any credit-check fee should be reasonably related to the cost of the credit check—\$30 or \$50 is common. California sets a maximum screening fee and requires landlords to provide an itemized receipt when accepting a credit check fee. If you think you're being charged too high a fee, call your city or district attorney's office for advice.

Be sure you understand the purpose of any fee you are charged and whether or not it is any kind of guarantee that you will get the rental unit. Don't confuse the fee with a holding deposit, which is normally a separate charge.



CAUTION

Watch out for fraudulent credit-check fees.

Some landlords have been known to take credit-check fees from several prospective tenants and never run the credit checks, pocketing the money instead. You can easily find out if this has happened to you by contacting a credit reporting agency as soon as you've been rejected by a landlord. As discussed above, you're entitled to a free copy of your credit report if a landlord rejects you because of information in it, which should indicate who's requested your report recently. It is illegal for a landlord to charge a credit-check fee and not use it for the stated purpose. Problems can also develop if the landlord takes a long time to check a tenant's credit and the tenant, not knowing whether the rental will be approved, rents another place. To avoid these and other possible areas of dispute, it is wise to sign a brief agreement with a landlord, clarifying the purpose of any up-front fee and whether or not it will be refunded if you don't get the place. (See the discussion of holding deposits below.) If you have any problems, contact your city or district attorney's office or a tenants' rights group for advice.

Check Your Credit Rating and Clean Up Your File

Because your credit report is so important, you should always check it before you start your housing search. This will give you the opportunity to correct or clear up any mistakes, such as out-of-date or just plain wrong information. It's all too common for credit bureaus to confuse names, addresses, Social Security numbers, or employers. Especially if you have a common name (say John Brown), chances are good you'll find information in your credit file on other John Browns, or even John Brownes or Jon Browns. Obviously, you don't want this incorrect information given to prospective landlords, especially if the person you're being confused with is in worse financial shape than you are.

The three largest credit bureaus, with offices throughout the United States, are Experian, Equifax, and TransUnion. As mentioned above, you are entitled to a free copy of your report when you are denied credit (including a place to live) because of information in your credit report. You can also get a free copy once every 12 months. Go to www.annualcreditreport.com to place your request.

Once you get your report, if you find errors, check your files at the other two agencies. You have the right to insist that the credit bureau verify anything that's wrong, inaccurate, or out of date. Information that can't be verified must be removed.

If the credit reporting agency fails to remove inaccurate or outdated information, lists a debt you refused to pay because of a legitimate dispute with the creditor, or reports a bogus lawsuit against you that was abandoned, you have the right to place a 100-word statement in your file, giving your version of the situation. Do so immediately.

If the credit bureau fails to cooperate, and the information is really wrong, contact the creditor that reported the information for help in getting it out. If that doesn't work, you have several options:

- Contact the Federal Trade Commission (FTC) for advice. Check their website (www.ftc.gov) or the government section of your phone book, or call the national office at 877-FTC-HELP.
- Threaten to sue the credit reporting agency in small claims court. (Chapter 19 discusses small claims suits.)
- Complain to your Congressional representative, who might be able to put pressure on the FTC to fix your problem.



TIP

Bring copies of your recent credit report with

you when you apply for a rental. If you're submitting multiple applications, the credit check fees will mount up. Most landlords insist on running the check themselves, because they're afraid that applicants will doctor their reports, but you may be able to persuade some to accept yours. (In Wisconsin, a landlord cannot charge you for a report if, before the landlord asks you for the fee, you offer a report that's less than 30 days old from a consumer reporting agency. (Wis. Admin. Code ATCP 134.05(4)(b).) And in Washington, landlords must advise tenants whether they will accept a screening report done by a consumer reporting agency (in which case the landlord may not charge the tenant a fee for a screening report). Landlords who maintain a website that advertises residential rentals must include this information on the home page. (Wash. Rev. Code Ann. § 59.18.257)

How to Deal With Problems in Your Credit Report

If your credit file shows negative but accurate information, or you have no credit history because you're a first-time renter and have never borrowed money or used a credit card, there are steps you can take to look better to prospective landlords:

- Get a creditworthy person to cosign the lease or rental agreement. (See Chapter 2 for details on cosigners.)
- Pay a large deposit, or offer to prepay rent for several months. (Chapter 4 discusses security deposits and state limits.)
- Show proof of steps you've taken to improve bad credit—for example, your enrollment in a

debt counseling group, your recent history of making and paying for purchases on credit and maintaining a checking or savings account.

- Get more positive references from friends, colleagues, employers, and previous landlords.



RESOURCE

For more information on obtaining your credit file, getting out of debt, and rebuilding your credit, see *Solve Your Money Troubles: Strategies to Get Out of Debt and Stay That Way* and *Credit Repair*, both by Amy Loftsgordon and Cara O'Neill (Nolo). For useful articles or consumer credit and credit reports, see the Debt Management and Personal Finance sections of www.nolo.com.

How Landlords Reject Tenants

Federal and state antidiscrimination laws limit what landlords can say and do in the tenant selection process. (See Chapter 5.) Basically, a landlord is legally free to choose among prospective tenants as long as all tenants are evaluated more or less equally. For example, a landlord can probably refuse to rent to a smoker, as long as this no-smoking policy applies to all tenants.

Permissible Reasons for Rejecting Tenants

A landlord is entitled to reject you for any of the following reasons:

- poor credit history, which leads the landlord to believe that you will be unable to pay rent
- income that the landlord reasonably regards as insufficient to pay the rent
- negative references from previous landlords indicating problems—such as property damage or consistent late rent payments
- previous eviction lawsuits
- convictions for criminal offenses, unless the conviction was for past drug use (see Chapter 5 for a discussion of illegal discrimination on the basis of disability)
- current illegal behavior, such as dealing drugs

- your inability to meet terms of the lease or rental agreement—for example, if you want to keep a pet and the landlord’s policy is no pets (assuming you do not have a disability, as discussed in Chapter 5)
- more people than the landlord wants to live in the unit—assuming that the limit on the number of tenants is clearly tied to health and safety or legitimate business needs (Chapter 5 discusses occupancy limits), or
- untruthful responses on the rental application.

What Landlords Must Tell You

You are entitled to certain information from a landlord who turns you down based on information in your credit report, even if other factors also played a role in the rejection. Known as an “adverse action report,” the landlord must tell you the name and address of the agency that supplied the report, as well as that:

- you may request a copy of your report from the agency that reported the negative information, by asking within the next 60 days (or one year after receiving your last free annual credit report)
- the agency didn’t make the decision not to rent to you and cannot explain the reason for the rejection, and
- you can dispute the accuracy of the information in the report and attach your own consumer statement (Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003, 15 U.S.C. §§ 1681 and following).

Landlords must also supply an adverse action report when they rent to applicants but do so with negative or onerous qualifications, such as demanding a higher rent, larger security deposit, or a cosigner. If the landlord rejects you or demands tougher terms based on information the landlord developed or learned independent of the credit report or a background screening report, the landlord need not give you the adverse action report.

Illegal Discrimination

Antidiscrimination laws specify clearly illegal reasons to refuse to rent to a tenant. The federal Fair Housing Acts (42 U.S.C. §§ 3601–3619) prohibit discrimination on the basis of race, color, religion, national origin, gender, familial status (children), or physical or mental disability (including alcoholism and past drug addiction). Many states and cities also prohibit discrimination based on marital status, gender identity, or sexual orientation. (Chapter 5 discusses illegal discrimination and how to file a complaint with a fair housing agency.)

Also, landlords risk violating the law if they screen certain categories of applicants more stringently than others—for example, requiring credit reports or a higher income level only from racial minorities.

Finder’s Fees and Holding Deposits

Almost every landlord requires tenants to give a substantial security deposit. The laws concerning how much can be charged and when deposits must be returned are discussed in Chapters 4 and 16. Here we discuss some other fees and deposits that are occasionally required.

Finder’s Fees

Real estate brokers may legitimately charge a fee for their services. And there’s nothing wrong with a landlord charging you for the actual cost of performing a credit check.

Less legitimate, however, is the practice of some landlords, especially in cities with a tight rental market, of collecting “finder’s fees” just for renting the place to a tenant. Unlike brokers, which actually do some work for their money, a finder’s fee charged by a landlord just for the privilege of being offered a rental is nothing short of a rip-off. You should suspect this ploy if you’re told to pay a finder’s fee directly to the landlord or management company to get a particular unit. You should also be suspicious if you’re directed to pay a finder’s fee to an apartment locator “service” set up by the

Receipt and Holding Deposit Agreement

This will acknowledge receipt of the sum of \$ 500 by Jim Chow
 _____ ["Landlord"] from Hannah Silver
 _____ ["Applicant"] as a holding deposit to hold vacant
 the rental property at 178 Park St., #4F, Springsteen, NJ 00000

_____ ,
 until February 20, 20xx at 5 P.M.. The property will be rented to Applicant
 on a one-year basis at a rent of \$ 3,200 per month, if Applicant signs
 Landlord's written lease and pays Landlord the first month's rent and a
 \$ 3,200 security deposit on or before that date, in which event the holding deposit will be
 applied to the first month's rent.

This Agreement depends upon Landlord receiving a satisfactory report of Applicant's references and credit history. Landlord and Applicant agree that if Applicant fails to sign the lease or rental agreement and pay the remaining rent and security deposit, Landlord may retain of this holding deposit a sum equal to the prorated daily rent of \$ 103 per day plus a \$ 75 charge to compensate Landlord for his or her time and labor.

Hannah Silver
 Applicant

February 16, 20xx
 Date

Jim Chow
 Landlord/Manager

February 16, 20xx
 Date

landlord as a front to collect the fee (as opposed to really being in the business of locating apartments).

What can you do about this blatant nonsense? If the rental is a good one and the fee something you can afford without too much pain, perhaps it's in your best interests to shut up and pay up. However, if you want to challenge this “pay me for nothing” fee, consider the following avenues.

Read your state's security deposit statutes and the cases that have interpreted them. (The citations are found in “State Security Deposit Rules” in Appendix A; Chapter 20 explains how to find cases that explain statutes.) If your state prohibits nonrefundable security deposits (security deposits are explained at length in Chapter 4), look for a case where the judge ruled that the term “security deposit” includes a finder's fee. Because the fee is kept by the landlord, a landlord who collects a finder's fee violates the statute. This theory was used successfully by a group of tenants in California. (*People v. Sangiacomo*, 129 Cal.App.3d 364 (1982).)

Sue in small claims court. You might argue that you're being forced to pay for a nonexistent service—in legalese, it's a case of fraud. You could also point out that it's a matter of bait-and-switch: Charging a finder's fee is the same as charging a higher rent for the first month, which your landlord probably has not made clear in ads for the unit. (Chapter 19 gives advice on using small claims court.)

Contact your city attorney or district attorney's office (consumer fraud unit) for advice, or your local rent control board. Especially in areas with rent control, finder's fees may be illegal by statute or court decision.

Holding Deposits

Sometimes, if you make a deal with a landlord but don't actually sign a lease or rental agreement, she will want some type of cash deposit, then and there, to hold the rental unit. This might happen when the landlord wants time to do a credit check or call your references. Or it can happen if you need to borrow money (or wait for a paycheck) to come up with enough to cover the rent and security

deposit. For example, a landlord might ask for \$500 cash to hold the place for you until you bring your first month's rent and any deposits you agreed on, pending the results of a credit check.

If you give a landlord a holding deposit and later decide not to take the place, there is a good chance you won't get most or all of your deposit back. So be sure you really want the place before making this kind of deposit. The laws of most states are unclear as to what portion of a holding deposit a landlord can keep if a would-be tenant changes his mind about renting the property or doesn't come up with the remaining rent and deposit money, or if your credit doesn't check out to the landlord's satisfaction. And even if the law does limit the landlord to keeping a “reasonable” amount (often based on how long the unit was kept off the market), you may have to go to small claims court to force the landlord to actually return your money.

In California, for example, the basic rule is that a landlord can keep an amount that bears a “reasonable” relation to the landlord's costs—for example, for more advertising and for prorated rent during the time the property was held vacant. A California landlord who keeps a larger amount may be sued for breach of contract. A few states require landlords to provide a receipt for any holding deposit and a written statement of the conditions under which the fee or deposit is refundable.

Most states, however, do not have specific laws on holding deposits. So, whatever you and a landlord agree on, such as your right to get half of the holding deposit back if you decide not to take the place within a certain number of days, be sure to write your agreement down. Include:

- the amount of the deposit
- the dates the landlord will hold the rental property vacant, and
- the conditions for returning the deposit or applying it to the security deposit.

Also, be sure you and the landlord understand what is to happen to the deposit when you take the place. Usually, it will be applied to the first month's rent. To make this clear, have the landlord give you

a receipt for the deposit and have her write on the receipt what is to happen to the deposit when you come back with the rent.

A sample Receipt and Holding Deposit Agreement that you might want to adapt to your own situation is shown above.



FORM

The Nolo website includes a downloadable copy of the Receipt and Holding Deposit Agreement. See Appendix B for the link to the forms in this book.

Choosing Roommates

The greatest place in the world won't make up for an obnoxious, inconsiderate, or financially irresponsible roommate. Whoever you live with, make sure you're compatible, particularly with respect to issues such as neatness and privacy needs.

How to Find a Roommate

You may want to find a rental where current tenants need a roommate, or you may be looking for a roommate to share a rental you've found. Either way, there are lots of sources for finding roommates, including Craigslist and university housing offices. You may also want to check out roommate sites such as www.roomster.com or www.roommates.com. Check online under Roommate Assistance or Referral Services for others. Many services will screen and match compatible roommates, based on detailed questionnaires you fill out. Some groups—senior or religious organizations, for example—may keep lists or help you to find a compatible person.

Whether you're filling out an application with an agency that matches roommates, or responding to a "Roommate Wanted" notice at university housing, be honest and try to make sure you're getting clear answers from prospective roommates. It might sound excessive, but checking references is always a good idea. Talk to former landlords and other roommates, following our advice above on how landlords screen tenants.

Before you move in with roommates, or even friends, it's always a good idea to make a written agreement of important issues, including:

- neatness and cleaning standards
- financial responsibility
- privacy
- noise
- amount of entertaining, including overnight guests
- pets
- food tastes and sharing
- political preferences or strong personal beliefs
- children, and
- smoking.

No, this isn't overkill—after all, you routinely sign an agreement with the landlord, whom you won't see a fraction as often as a roommate. Roommate referral services often have form agreements, or you can use the sample roommate agreement in Chapter 7.



CAUTION

Always know your legal status when you move into an existing rental with roommates. Are you a full-fledged cotenant (having signed the lease or rental agreement) or a subtenant (responsible to the other tenant, not the landlord)? You have very different legal rights and responsibilities depending on your status. (See the detailed discussion of roommates in Chapter 7.)