

Skill Check #1

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 1 of the Management of Residential Issues Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself

1. What are the three keys to good customer service?
 - **Communication**
 - **Attitude**
 - **Relationships**

2. In addition to rent, what other costs are incurred when there is unit turnover?
 - **Vacancy loss**
 - **Possible concessions**
 - **Refurbishing costs (painting, shampooing carpets, cleaning)**
 - **Leasing commissions**
 - **Potential referral fees**
 - **Staff time**

3. What are the 5 techniques to building rapport?
 - **Express a genuine interest in the other person.**
 - **Be genuinely friendly**
 - **Create physical rapport**
 - **Be an active listener**
 - **Seek agreement**

4. What are the 10 techniques for dealing with people from different cultures?
 - **Know it's all right to notice the cultural differences between people**
 - **Resist the temptation to stereotype**
 - **Do not lump groups together**
 - **A foreign accent does not indicate the speaker is uneducated or cannot understand you.**
 - **Non-native speaker of English may sound rude and demanding when they do not intend to**
 - **Choose your vocabulary carefully**
 - **Avoid negative phrasing**
 - **Watch for signs that you have not been understood**
 - **Participate in the communication process**
 - **Take time to build relationships slowly**

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Skill Check #1, Continued

5. Explain the benefit of building relationships with residents.
- **Building relationships with residents' results in high occupancy rates. When residents feel connected to the community, they are less likely to move.**
-
6. Which of the three elements of communication is the most meaningful: body, tone or words?
- **Body**
-
7. How do you make yourself ready to listen?
- **Decide that you want to hear what the speaker has to say.**
 - **Put aside your ego, expectations and prejudices**
 - **Greet the conversation as an opportunity to gain valuable information**
 - **Be willing to accept the information with an open mind**
-
8. What is paraphrasing and why is it important?
- **Paraphrasing is restating the speaker's comments in your own words**
 - **It helps avoid miscommunication and shows that you care about the speaker.**
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Skill Check # 2

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 2 of the Management of Residential Issues Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself

1. Who should complete an application?

- **The application is completed by the prospective resident.**
-

2. Explain the effects of the Fair Credit Reporting Act (FCRA) and Fair and Accurate Credit Transaction Act (FACTA) on the applicant screening process.

- **FCRA protects the privacy and insures the accuracy of consumer report information and guarantees that the information supplied by consumer reporting agencies is as accurate as possible.**
 - **FACTA reauthorizes FCRA and addresses consumer concerns about identity theft and gives consumers the right to limit how businesses can use their non-public personal information.**
-

3. Application fee checks and any administrative fee and deposit checks are handled differently. When should those checks be deposited?

- **Application fee checks should be deposited immediately.**
 - **Administrative fee and security deposit checks may be held for 3 days pending screening results.**
-

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4. What are the three possible outcomes of the screening process and how is each handled?
- **Approved – send an approval letter, and notify the person by telephone.**
 - **Approved with conditions – send an adverse action letter explaining the conditions of the approval, and that includes the contact information (name, address and phone number) for the credit reporting agency (CRA) that provided the adverse credit information. It must also include a statement that the agency that provided the report did not make the decision to take the adverse action, and a notice of the applicant's right to dispute the accuracy of the information furnished to the agency. If the adverse action is based on a credit score, the letter must include the numerical credit score, range of possible scores, the key factors that adversely affected the score, the date on which the credit score was created, and the name of the person or entity that provided the score.**
 - **Denied – call the applicant to let him or her know the status of the application, and immediately send an adverse action letter that includes the contact information (name, address and phone number) for the credit reporting agency (CRA) that provided the adverse credit information. It must also include a statement that the agency that provided the report did not make the decision to take the adverse action, and a notice of the applicant's right to dispute the accuracy of the information furnished to the agency. If the adverse action is based on a credit score, the letter must include the numerical credit score, range of possible scores, the key factors that adversely affected the score, the date on which the credit score was created, and the name of the person or entity that provided the score.**

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5. What are considered to be acceptable sources of documentation to use for income verification?

- **Most recent year's tax record**
 - **Three (3) most recent bank statements**
 - **Most recent pay stubs**
 - **Employment offer letters**
-

6. Define a lease.

- **A lease is a legally enforceable contract that grants a resident the rights and responsibilities of possession and use of an apartment for a specified period of time. It is often referred to as a rental agreement.**
-

7. What are some examples of emergency service requests and how should they be requested.

Examples of emergency service requests include:

- **no electricity**
- **no plumbing or water throughout the apartment house**
- **major water infiltration**
- **no heat in temperatures below 55-60°F**
- **no air conditioning in temperatures over 86-90°F**
- **smoke alarms and/or Carbon Dioxide detectors sounding, and**
- **apartment access problems such as broken**

Emergency service requests should be made by calling the office.

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8. Describe how to control access to keys.
- **Key systems should be un-mastered systems.**
 - **All keys should be locked in a key closet or key box that can only be accessed by designated employees.**
 - **Upon move-out all keys must be returned or a charge should be deducted from the security deposit.**
 - **Locks should be rekeyed prior to move-in.**
 - **Residents should complete a key release from which is retained in the resident's lease file. Without this written authorization, a key to an occupied unit should not be released.**
 - **All keys checked out should be noted on a Key Release log kept in the key closet or key box.**
-
9. Cosigners are always listed as occupants on the lease. True or False?
- FALSE. Cosigners are listed as a party to the agreement (a resident) but not listed as an occupant if they will not be residing there. Some companies do not accept cosigners.**
-
10. What are the three keys to ensuring residents pay their rent on time?
- **Be persistent**
 - **Be consistent**
 - **Be firm**
-
11. What are the acceptable methods of rent payment?
- **Personal checks**
 - **Money orders**
 - **Certified checks**
 - **Cashier checks**
-

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Skill Check # 2, Continued

12. What should be included in a move-out letter?
- **an explanation of any balances owed such as unpaid rent or late rent fees**
 - **specific cleaning requirements such as holes left from pictures, drapes, fleas from pets, etc.**
 - **a reminder that fixtures the resident has permanently attached to the wall must be left in place**
 - **final inspection details (how and when)**
 - **a request for forwarding address information, and**
 - **state law information that allows the owner to keep the deposit if the resident does not provide a forwarding address within a certain period of time.**
-
13. List the typical criteria used to screen an applicant
- **Credit history**
 - **Income**
 - **Rental history from previous owners**
 - **Eviction records**
 - **Criminal background**
 - **Social security number or individual tax identification number**
 - **Check writing history**
-

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Skill Check # 2, Continued

14. What are the steps to evicting a resident?
- **File a complaint with the court, listing the facts justifying the eviction.**
 - **Gather evidence in the form of photographs, letters and documents.**
 - **In some states, the resident then files an Answer document which will likely either dispute your claims or offer “good legal reasons” for the violations.**
 - **Many cases are resolved before going to trial. However, if the resident remains on the premises and you were unable to negotiate a settlement, the case would then go to a hearing or trial.**
 - **A judge typically decides the eviction lawsuit immediately after hearing a case.**
-
15. List three ways to deal with “holdovers.”
- The three (3) possible ways you can deal with holdovers:**
- **Renew the resident under the terms of the previous lease.**
 - **File court papers for possession of the apartment.**
 - **Offer the resident a shorter term or month to month lease. Some companies have policies limiting the number of month to month leases as a percentage of the total number of units on the property.**
-
16. List the typical credit reporting used to evaluate creditworthiness.
- **Acceptable accounts ratios**
 - **Debt to income ratios**
 - **Rent to income ratios**
 - **FICO score**
-

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Skill Check # 2, Continued

17. Explain what should be looked for during a move-out inspection.

Schedule an appointment with the resident, if possible and if required by State law. With a move-out check list, inspect the unit looking for the following:

- **Cleaning.** The apartment should be cleaned prior to move-out, including all:
 - floors
 - tubs
 - sinks
 - appliances, and
 - fireplaces.
- **Carpets** should be vacuumed, and trash should be removed.
- **Damages.** There should be no damages to the vinyl floor, carpet, sheetrock or wallpaper, other than items noted upon move-in as preexisting damages on the move-in checklist.
- **Equipment.** Be sure all equipment provided in the unit is accounted for, including items such as:
 - fireplace key
 - fireplace grate
 - fire extinguisher
 - sink stopper
 - broiler pans, and
 - shower rods.

Document the damages.

18. How does well-performed maintenance affect the property's financial health?

- **Increases maintenance efficiency**
- **Controls or reduces costs**
- **Extends the life of equipment**
- **Reduces unexpected problems**

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Skill Check # 2, Continued

19. Community policies may be a separate document as an addendum to the lease or incorporated into the lease document itself. True or False?
- TRUE – either way is acceptable so long as the addendum is referred to in the lease and incorporated into the lease by reference**
-
20. List typical deductions from security deposits for rent items.
- **Unpaid rent**
 - **Extended stay or holdover rent**
 - **Inadequate notice fees**
 - **Fixed term lease fees (termination)**
 - **Eviction fees**
-
21. List techniques that will aid you in the process of raising rents.
- **Be prepared to justify the increase**
 - **Use thoughtful ways of requesting rent increases**
 - **Inform residents of the high cost of moving**
 - **Show your appreciation to those who renew**
 - **Be prepared for angry residents**
 - **Give residents plenty of notice**
-

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Skill Check # 2, Continued

22. In resident-resident disputes, if management is aware of a potential danger to a resident or has been warned about disturbing behavior, which three actions may be appropriate?

- **Initiate eviction proceedings against the resident involved in the criminal activity**
 - **Warn other residents**
 - **Call the police**
-

23. What are rent increases used for?

- **Cover rising costs**
 - **Recover losses**
 - **Add amenities**
 - **Make repairs**
 - **Upgrade the property**
 - **Increase the value of the property**
 - **Meet the owners objectives**
-

24. Factors to consider when increasing the rent at renewal include

- **Current market rent on the resident's unit**
 - **Current occupancy on that unit type**
 - **The difference between market and net rent**
 - **The size of the potential increase as a dollar amount or percent of current rent**
-

Skill Check #3

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 3 of the Management of Residential Issues Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What are some types of things applicants can do online through an apartment communities' Web site?
 - **create an online service request as well as check on its status**
 - **make an online rent payment**
 - **post newsletters**
 - **post announcements**
 - **post policies, and**
 - **allow residents to reserve rooms/facilities.**

2. What four critical functions can a call center provide for a property?

A call center can:

 - **work as an extension to your existing leasing staff**
 - **create the impression for a prospect that the call was answered directly by a leasing professional in the community's leasing office**
 - **help capture prospective leads and converts more of those into leases, and**
 - **schedule appointments for the prospect to visit the community.**

3. What three features can make-ready and maintenance management software bring to your community?
 - **Speed up the process of servicing resident requests**
 - **Expedite the make-ready process**
 - **Regularly schedule routine preventive maintenance to keep properties running in top form**

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Skill Check #3, Continued

4. How can billing management services improve the property bottom line?

- **Improving the bottom line**
 - **Improving resident service**
 - **Offer built-in charge calculations**
-

5. What factors do yield/revenue management systems consider when pricing rents?

They use detailed past and present data to forecast key variables like supply, demand and economics to make pricing decisions based on current and future market conditions.

6. List the features that should be included in a basic Web site for a community.

- **Templates and color schemes that brand the property**
 - **Unit level rents and availability information**
 - **Lists of amenities**
 - **Photographs**
 - **Floor plan images**
 - **Site plans**
 - **Maps with directions**
 - **Guest cards**
 - **Links to Internet Listing Services**
-

Answer Key: Skill Check #1

1. What are the 5 phases of the rental process?
 - **Marketing and advertising**
 - **Screening and applications**
 - **Leases**
 - **Maintenance**
 - **Termination**

2. What is the main thing a property manager does during the screening and application phase of the rental process?
 - **Gather as much information about the applicant as possible in order to make the best rental decision for the community.**

3. Why must apartment managers be completely familiar with each paragraph of the lease used by their company?
 - **In order to respond to resident lease inquiries in a professional manner. For example, managers should know the minimum and maximum lease terms allowed by their state.**

4. Name 3 responsibilities that apartment managers have in regards to the maintenance of suitable living conditions?
 - **Perform all major (and possibly many minor) repairs in a complete and timely fashion.**
 - **Encourage residents to notify you of repair needs in a timely manner so they do not become more costly at a later time. Provide necessary phone numbers at the office and/or for after-hours emergencies to call in service requests. Where Web access is available, provide Internet address for receipt of non emergency service requests.**
 - **Promptly respond to service order requests (verbally and/or in writing) and arrange with residents to have maintenance performed.**
 - **Follow up with residents to ensure that repair work was carried out in a satisfactory manner.**
 - **Keep a record of all service order requests and your action response in case of future misunderstandings or legal actions against you.**
 - **Conduct a periodic (semi-annual or annual) inspection of all residences to ensure habitability**

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Answer Key: Skill Check #1, Continued

5. List 3 valid reasons for evicting a tenant.
- **non-payment of rent**
 - **keeping a pet in violation of a no-pets clause**
 - **the addition of an unauthorized resident**
 - **subleasing or assigning without permission**
 - **violation of rental agreement terms**
 - **misuse/illegal use of premises**
 - **providing false information of a material nature on the rental application or lease, and**
 - **damage or destruction of the premises**
-

Answer Key: Skill Check #2

1. What are valid reasons for terminating a contract offer?
 - **The person making the offer withdraws it**
 - **The specified time period for acceptance has been exceeded.**
 - **The other party rejects the offer.**
 - **The other party makes a counter offer (this creates a new offer that is itself subject to acceptance by the other party)**

2. When does “acceptance” occur in the rental process?
 - **When the applicant signs the lease.**

3. “Consideration” works both ways. There must be consideration on both sides to make a contract legal. What does the property management company offer as consideration and what does the tenant offer as “consideration”?
 - **Property management offers the apartment home as consideration and the tenant offers rent as consideration for the apartment.**

4. What is identified in the Scope of Work?
 - **the type of work that will be performed**
 - **the time frame for the work**
 - **the location of the work**

5. Why are oral leases inferior to written leases?
 - **Difficult to verify**
 - **Real estate management changes**
 - **Different perceptions of events**
 - **Different perceptions of agreements**
 - **Charges of discriminatory treatment**

Answer Key: Skill Check #3

1. When might you consider hiring a contractor?
 - **shortage of staff due to illness, vacation, termination**
 - **lack of specific skills (parking lot repairs/resurfacing, roofing, landscaping)**
 - **lack of specialized equipment (backhoes and welding equipment)**
 - **need for required licenses and permits for electrical and plumbing work**
 - **cost factor (materials or supplies may be included in contract prices and purchased at wholesale or bulk prices)**
 - **need for materials or supplies that may not be available locally**
 - **total cost issue (staff hours in terms of special insurance, licensing fees or payroll taxes may be more cost effective if borne by the contractor), or**
 - **cost and time issue (training staff is more expensive than hiring a contractor)**

2. Is there a danger that the property management could be held liable for the actions of a contractor that they hire?
 - **Courts have held that such contractors may be viewed as extensions of the property management team itself.**

3. What are some things you can do to avoid a dispute with a contractor?
 - **determine specifications and their impact**
 - **set payment guidelines**
 - **verify materials used and work completed**
 - **put it in writing, and**
 - **ensure vendors are aware of your compliance with Fair Housing laws, any drug-free or weapon-free policies and that they are advised to use discretion in the use of utilities in the performance of their assigned work**

4. When are contract bids not necessary?
 - **Contract bids are sometimes not necessary for very small contracts.**

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Answer Key: Skill Check #3, Continued

5.

What are 5 valid reasons for disqualifying a bidder?

- **failing to deliver or comply with bid specifications, contract terms and conditions**
 - **failing to deliver or perform in a timely manner**
 - **offering any fee, compensation, commission, gift, favor, or gratuity to any company employee exercising any purchasing responsibility that includes any discount or privilege not available to all company employees**
 - **failing to disclose a conflict of interest**
 - **having a criminal offense conviction involving public contracting**
 - **failing to timely pay applicable taxes**
 - **default on any company contract**
-

Answer Key: Skill Check #4

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 4 of the Legal Aspects and Responsibilities Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. A personal injury claim may be valid under what conditions?
 - **You were legally responsible for the “control area” and failed to repair the system or problem causing injury**
 - **An accident was foreseeable**
 - **The chances of an accident could have been sharply reduced with reasonable attention**
 - **Because of your lack of reasonable attention**
 - **Your failure to respond to the proper maintenance caused the injury**

2. The lack of habitability gives a resident the right to do what?
 - **Report the complaint to local authorities**
 - **File a court action**
 - **Make the repair or hire a professional to do the work and subtract it from rent due**
 - **Move out**
 - **Withhold rent**
 - **Pay rent, but file suit for difference between rent charged and the value of the defective dwelling.**

3. What are a manager’s criminal activity disclosure responsibilities and restrictions?
 - **Know the frequency and nature of crime in your area**
 - **Consult with local police**
 - **Keep residents reasonably informed of current criminal activity in your neighborhood**
 - **Conduct regular property inspections**
 - **Develop a responsive strategy to concerns and complaints**

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Answer Key: Skill Check #4, Continued

4. If a resident is injured through criminal activity, can they sue the apartment manager? Why or why not?

Yes. You can be liable if you acted unreasonably in the face of foreseeable risk.

5. What is a manager's responsibility for implied warranty of habitability?

- **Maintain roofs, windows and walls**
 - **Provide working water, heat, air conditioning, electric, plumbing, lighting**
 - **Clean and safe common areas**
 - **Address potential environmental hazards**
 - **Control excessive noise, insufficient ventilation and overcrowding.**
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Answer Key: Skill Check #5

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 5 of the Legal Aspects and Responsibilities Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. List the apartment manager's legal obligations when requesting a credit search for an applicant for residency?
 - **Inform applicants that a consumer report will be requested**
 - **Obtain a signed form from applicant authorizing the credit search**
 - **Provide a denied or conditionally accepted applicant with a written adverse action letter.**
 - **Maintain records in the event a claim is filed**

2. What are the property manager's disclosure requirements when sending an adverse action letter to a residency applicant?

If you deny or conditionally accept an applicant based on information in a credit report, you must write an "adverse action" letter which should include:

 - **the name, address and phone number of the credit bureau you used,**
 - **a statement that the credit bureau did not make the rejection decision and cannot provide the reasons for the rejection adverse action to be taken,**
 - **a statement of the applicant's right to obtain a free copy of the report from the credit bureau if the applicant requests it within 60 days of your rejection,**
 - **a statement telling the applicant that he/she can dispute the accuracy of the report as provided in the Act (applicant can demand a reinvestigation and the insertion of a statement of dispute), and**
 - **any numerical credit score used in making the credit decision, the range of possible scores under the model used, the key factors that adversely affected the credit score, the date on which the credit score was created, and the name of the person or entity that provided the credit score.**

3. What are some of the adverse actions you can take if a resident application has a fraud alert or file blocks identified on their credit report?
- **Require co-signer on lease**
 - **Require deposit or last month's rent**
 - **Require larger deposit than other renters**
-
4. Under what conditions can you restrict a tenant from installing a satellite dish or antenna?
- **If the tenant wants to drill holes in outside walls, roofs or balconies**
 - **If the tenant wants to install a dish/antenna in a common area**
-
5. Can you prevent a tenant from installing a satellite dish if you have an agreement with a third party to provide television services?
- No**
-
6. What are the property manager's disclosure responsibilities in regards to a tenant who has a sex offense conviction?
- It depends on the specific state regulations. It is advisable to seek legal counsel.**
-
7. What are environmental hazards and who is responsible for correcting them?
- Environmental hazards are:**
- **Lead**
 - **Asbestos**
 - **Freon**
 - **Radon**
 - **Mold**
 - **Carbon Monoxide**
- Managers are responsible for correcting them even if they did not cause them.**
-

Skill Check #1 Answer Key

1. What are “federal posting requirements”?

- Many federal labor and employment laws require that notices must be conspicuously located in work locations available to employees.
 - The postings must not be altered, defaced or covered by other material.
-

2. As of early 2013, what are the seven postings that are required by federal laws?

Fair Labor Standards Act

Title VII of the Civil Rights Act and ADEA

Employee Polygraph Protection Act

OSHA – Occupational Safety and Health Act

Family Medical leave Act

Equal Pay Act

USERRA – Uniformed Services Employment and Re-Employment Rights Act

Employment Law	What It Covers	How to Comply
Fair Credit Reporting Act	<p>This law requires that employers</p> <ul style="list-style-type: none"> • provide written notice to, and obtain written authorization from, the subject of the report. • taking an adverse employment action due to information contained in a consumer report: <ul style="list-style-type: none"> ○ advise the applicant ○ provide a statement of FCRA rights, and ○ provide the name and address of the consumer-reporting agency that provided the report. 	<ul style="list-style-type: none"> • When conducting background checks on employees, you must notify them and get their permission to obtain a consumer report. • If the employee is not hired based on something in his or her report, you must provide: <ul style="list-style-type: none"> ○ the contact information for the Credit Reporting Agency, and ○ a Statement of FCRA Rights

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Title VII of the Civil Rights Act of 1964, as amended	In all stages of the employment process, you may not discriminate because of: <ul style="list-style-type: none">• Race• Color• Religion• Sex, or• National origin.	<ul style="list-style-type: none">• In advertisements and job descriptions, avoid words suggesting preference to race, sex, religion, or national origin.• Advertise in publications with a large circulation.• Make sure application complies with the law.• Ensure uniform job interviews.
The Civil Rights Act of 1991	Anyone suing for intentional discrimination can recover damages up to \$300,000, based on size of employer	<ul style="list-style-type: none">• Proceed cautiously with adverse employment actions.• Avoid situations in which an applicant or employee can assert emotional distress or willful discrimination.• Ensure that tests are validated for neutrality and do not create an adverse impact for minorities or females.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
California Fair Employment and Housing Act	<p>This law:</p> <ul style="list-style-type: none"> prohibits employment discrimination based on race, color, religion, sex, sexual orientation, age (40 years of age and older), ancestry, national origin, physical or mental disability, marital status, and medical condition (rehabilitated cancer), and gender. This classification includes specific protection for transsexual or transgender individuals. entitles Registered Domestic Partners to the same benefits, rights, and protection granted to spouses of other employees under the laws, regulations, or court decisions in California. This includes providing health benefits to domestic partners of an employee, if such benefits are provided to spouses of other employees. 	<p>Employers must:</p> <ul style="list-style-type: none"> “accommodate” a disabled person if the accommodation is “reasonable” and will enable the person to perform the essential duties of the job for which he or she is applying. “accommodate” to the religious needs of an employee or job applicant if the accommodation is “reasonable.” take “all reasonable steps” to prevent discrimination and harassment from occurring. provide leaves of absence for employees disabled because of pregnancy, maternity, or childbirth. display the poster entitled, “Harassment or Discrimination in Employment Is Prohibited by Law,” advising employees of their rights under the Act. It is available in English and Spanish from the Department. give each of their employees a copy of the pamphlet entitled “Sexual Harassment Is Prohibited by Law” or an equivalent document.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
California Fair Employment and Housing Act (continued)		Employers must not: <ul style="list-style-type: none">• adopt or enforce an “English-only” policy, unless such language restriction is justified by a “business necessity” and the employer has five (5) or more employees, and provides notice of the circumstances and time for such restrictions to be observed.• impose policies that restrict employees from discussing or disclosing their wages, salaries, or working conditions.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Age Discrimination in Employment Act (ADEA)	Prohibits employment discrimination to applicants or employees who are 40 or older	<ul style="list-style-type: none">• Do not question applicants regarding age• Do not advertise for a “recent college grad.”• Consistently consider job performance in reviews and promotions• Consider mature and experienced employees as valuable assets
Title I of the Americans with Disabilities Act	Prohibits employment discrimination against disabled applicants or employees who can perform the essential functions of the job, with or without reasonable accommodation	<ul style="list-style-type: none">• Make hiring decisions based on ability to do the job• Make sure job descriptions focus on essential functions• Avoid questions that focus on possible disabilities• Defer medical exams/inquires until after conditional job offer has been made• Exclusionary criteria must be “job related and consistent with business necessity”• Make reasonable accommodations• If an applicant is not hired for safety reasons, you must demonstrate that the individual poses a “direct threat” to himself or others.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
California Wage Laws	This law sets requirements for minimum wage and overtime, plus regulates the employment of child labor.	<p><i>Minimum wage requirements</i></p> <p>All employees in California must be paid the minimum of \$6.75 per hour. The minimum wage in California overtook the federal minimum wage.</p> <p><i>Minors</i></p> <p>If you hire youths (minimum age of 14) for part-time or summer help, you must follow the federal and state regulations for age and hours, and pay minimum wage. Minors below age 18 may only work three (3) hours on school days and no more than 18 hours a week, or eight (8) hours on non-school days and no more than 40 hours a week.</p> <p>No employee under 16 years of age, and no employee under 18 years of age who is legally required to attend school, may work more than eight (8) hours in a day or more than 40 hours in a week when school is not in session. These youthful employees simply are not permitted to work beyond the stated hours, and to work them beyond those hours is a violation of law which could subject an employer to fines or imprisonment.</p>

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Fair Labor Standards Act (FLSA)	<ul style="list-style-type: none">• Sets requirements for minimum wage and overtime eligibility• Regulates child labor	Be aware of those employees who are exempt from overtime pay requirements.
FLSA Overtime Rules	As of August 2004: <ul style="list-style-type: none">• Employees must be paid at least federal minimum wage• Employees must be paid 1.5 times their regular hourly rate for every hour over 40 in a workweek• Does not apply to “exempt” employees	Review position descriptions and compensation levels carefully to ensure that employees are properly classified and compensated.
Equal Pay Act	Requires employers to pay equal wages to male and female employees who perform similar work (equal skill, effort, responsibility)	Make sure that you do not pay an individual more or less because of their gender.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Occupational Safety and Health Act (OSHA)	<ul style="list-style-type: none">• Requires employers to have a safety program to protect employees from hazards• Requires information to be accessible to employees about hazardous materials they may use• Requires periodic safety training• Requires documentation of workplace injuries	<ul style="list-style-type: none">• Provide a workplace that is free from hazards that threaten health and safety• Comply with safety and health standards promulgated by OSHA• If you have more than 11 employees, maintain a log and summary of all injuries and illnesses, as well as a record of the incidents• Provide periodic safety training• Report any job-related fatality or injury of 5 or more employees to OSHA within 48 hours of the incident• Conduct inspections of your facilities• Maintain material safety data sheets• Require that all employees read and understand safety policy and receive instruction on how to work safely• Provide personal protective equipment and make sure it is used

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Employee Retirement Income Security Act (ERISA)	Regulates employee pension and welfare benefit plans	<ul style="list-style-type: none"> • Know the basics of your company retirement/pension plan • Appoint a plan administrator • Give employees a summary plan description within 90 days of employment • Know who your plan administrator is
Immigration Reform and Control Act (IRCA)	<ul style="list-style-type: none"> • Prohibits employment discrimination based on national origin or citizenship status • Requires the processing of an I-9 form to prevent the hiring of illegal aliens 	<ul style="list-style-type: none"> • Do not refuse to hire an individual because you believe they do not have legal employment status. Let the verification process of the I-9 form determine eligibility. • Do not ask to see more or different documents than those required for completion of the I-9.
National Labor Relations Act (NLRA)	<ul style="list-style-type: none"> • Regulates the labor management relationship • Prohibits discrimination based on union activity • Applies to private sector employers that have an impact on interstate commerce 	<ul style="list-style-type: none"> • Be familiar with the law and/or any applicable collective bargaining agreement specifics • You are prohibited from interfering, restraining, or coercing employees in regard to union participation, membership, or activities

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Uniformed Services Employment and Reemployment Rights Act of 1994	<ul style="list-style-type: none">Prohibits employment discrimination because of an applicant's or employee's military obligationsRequires employers to reinstate employees to their former jobs after honorably completing military duty	<ul style="list-style-type: none">You must allow a "uniformed services" employee an unpaid leave if called into dutyWhen an employee is honorably discharged, reinstate him or her into the former position, and allow the time absent to accrue toward seniority, benefits, and other provisions of employment
Jury Systems Improvement Act	Prohibits an employer from disciplining or terminating an employee for being called to serve on a federal jury	<ul style="list-style-type: none">You must grant unpaid leave to employees performing federal jury service and reinstate employees to their jobs when the service is over

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Employment Polygraph Protection Act	Prohibits employers from requiring applicants to submit to a polygraph exam	<ul style="list-style-type: none">• Do not use polygraphs as a means of pre-employment screening• Evaluate whether the facts allow for a polygraph
Family and Medical Leave Act (FMLA)	<ul style="list-style-type: none">• Requires employers to grant up to 12 weeks of unpaid leave during a 12-month period for:<ul style="list-style-type: none">• Birth or adoption• Employee's serious health condition• To care for a parent, spouse, or child with a serious health condition• Applies to employers with 50 or more employees at a worksite or at all sites within a 75-mile radius	<ul style="list-style-type: none">• Ensure your company has a policy regarding this law• Continue health insurance to employee with no extra charges• Reinstate employee to the same position when they return to work• Display the FMLA Leave Act of 1993 poster• Provide written guidance to anyone that requests it

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
California Family Rights Act/Pregnancy Leave	This law requires employers to grant employees up to 12 weeks of unpaid leave during any 12-month period because of the birth or adoption of a child, because the employee has a serious health condition, or because the employee has to care for a parent, spouse, or child with a serious health condition. In addition to a total “time away from work” leave, this act also allows for reduced work hours or days.	<ul style="list-style-type: none">• Ensure that your company has a policy regarding this law that clearly defines the limitations and requirements for the employee and the employer.• If health insurance is provided, continue it during the leave, with no extra charges to employees. Premium amounts paid by the employees by deducting from their checks must continue to be paid by employees, or a payback arrangement may be made.• Reinstate the employee to the same or equivalent position when she/he returns to work.• Display a poster titled “Your Rights Under the Family and Medical Leave Act of 1993” in the workplace and ensure that your employee handbook explains the FMLA and CFRA.• Provide written guidance on employee rights and responsibilities to anyone who requests leave.

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Skill Check #1 Answer Key, Continued

Employment Law	What It Covers	How to Comply
Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA)	Allows for the extension of group health insurance coverage to employees and/or dependents on a self-pay basis who would otherwise lose coverage	<ul style="list-style-type: none">• Notify employee of his or her right to continue coverage within 14 days of the employee's separation date• Require a return receipt for all notifications sent to employee• Collect the ex-employee's premium each month
Health Insurance Portability and Accountability act of 1996 (HIPAA)	<ul style="list-style-type: none">• Provides standards for an employee's new group health plan to limit or exclude pre-existing conditions• Applies to all employers who provide health coverage	<ul style="list-style-type: none">• Employer's medical insurance takes care of compliance
Worker's Compensation	<ul style="list-style-type: none">• Insurance system dealing with employee claims originating from workplace injury or illness• State laws define benefits, compensable injuries, cash benefit levels, waiting periods, filing and contesting claims procedures	<ul style="list-style-type: none">• Check with your state agencies responsible for workers compensation.

Answer Key- Course 3: Human Resource Management - Skill Check #2

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 2 of the Human Resource Management Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What components make up an employee's total cash compensation?
 - **Salary**
 - **Benefits**
 - **Incentive/Variable Pay**
 - **Recognition**
 - **Reward Programs**

2. Describe how base salaries are determined.

Base salaries determination can be made by:

 - **Median salary**
 - **Salary ranges to take into account experience, property size, and performance.**

3. What are the different components that may be included in a benefits package?
 - **Medical/dental/vision/prescription**
 - **Retirement programs**
 - **Employer contributions to Social Security and Unemployment**
 - **Life Insurance**
 - **Short and long term disability insurance**

4. What costs represent the largest share of the cost of employer-sponsored benefits packages?

Medical benefits

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Answer Key- Course 3: Human Resource Management - Skill Check #2, Continued

5. List the ways leasing professionals, managers, and maintenance personnel could earn incentive/variable pay.

- **Leasing commissions**
 - **Concessions**
 - **Flat rate compensation**
 - **Lease renewal**
 - **Team performance**
 - **Individual performance**
 - **Free or discounted housing**
 - **Reward and recognition**
-

6. Explain how employee records should be stored to maintain confidentiality.

Employee files should be kept in a locked filing cabinet in all locations.

7. List the three types of employees who should have restricted access to employee records.

- **HR employees with a business need to know**
 - **The direct supervisor or departmental manager of an individual employee with a business need to know**
 - **Company executives with business need to know**
-

8. What is incentive or variable pay?

This is pay that varies with individual performance and sometimes with team performance

9. Explain the federal requirements for processing time between a payroll period and actual payday

- **There are no federal requirements**
 - **Most states generally require that employees be paid weekly, biweekly, semimonthly or monthly**
-

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Answer Key- Course 3: Human Resource Management - Skill Check #2, Continued

10. There are laws in place to ensure employers provide the benefits of paid vacation, sick or holiday time. True or False?

FALSE There are no such laws. These benefits have become a competitive way to attract and retain employees

Answer Key- Course 3: Human Resource Management - Skill Check #3

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 3 of the Human Resource Management Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. List likely recruitment methods for onsite positions.

- **Current employees as candidates**
- **Current residents as candidates**
- **Networking**
- **Employee referral programs**
- **Advertising**
- **Employment agencies**

2. In the table below, select True (T) or False (F) for the statements below:

An employment application should contain information on:	True (T) or False (F)
work history, including salary history, dates of previous employment and name of previous employers	T
whether the applicant has potential conflict of interest	T
their marital/divorce status	F
whether the applicant meets the federal/state minimum working age	T
their attendance or graduation dates at school	F
if the applicant is pregnant or has children	F
whether they have documentation to verify employment eligibility in the United States	T
physical details of their weight and height, unless a bona fide occupational qualification exists	F

Continued on next page

Answer Key- Course 3: Human Resource Management - Skill Check #3, Continued

2. (continued)

An employment application should contain information on:	True (T) or False (F)
their education, including names of schools and/or degrees obtained (but not years of attendance/graduation)	T
memberships in organization that might reveal race, ethnicity, sex or religion	F
their military, reserve or Federal/State Guard status, unless necessary if related to ability to perform job	F
whether the applicant uses or has used another name in previous employment	T
whether the applicant can perform the essential functions of the job with or without reasonable accommodations	T
information regarding the applicant's sex, sexual preference, practices or orientation	F
age, other than if the applicant meets minimum state age work requirements	F

3. What accommodations may need to be made for people with disabilities during the interview process?

Accommodations for people with disabilities during the interview process might include wheelchair access, pencil and paper or a sign language interpreter, etc.

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Answer Key- Course 3: Human Resource Management - Skill Check #3, Continued

4. What are three purposes of an employee handbook?

The purpose of a handbook is to communicate:

- **company policies and practices**
 - **company history, mission and philosophy, and**
 - **employment-at-will status of employee and employer.**
-

5. What are the objectives of an employee new hire orientation?

- **Employee receives employee handbook**
 - **Employee and HR representative complete required paperwork**
 - **HR representatives provide pertinent information about the company**
 - **HR representative discusses in detail the employee's job description plus any goals, objectives and job expectations**
 - **HR representative discusses other pertinent workplace rules**
 - **HR representative introduces the employee to the staff and the physical aspects of the property.**
-

6. Employers are not required to consider unsolicited resumes or applications. True or False?

TRUE. Many companies have procedures in place to notify those applicants that the applications are not considered. Check to see if yours does too.

Continued on next page

Answer Key- Course 3: Human Resource Management - Skill Check #3, Continued

7. In the table below, list the pre-employment and employment documents that should be retained in an employee's file.

Pre-employment Documents	Employment Documents
Notice and Authorization Regarding Consumer Reports	Employee Change Form
Job Description Acknowledgement	W-4 Forms, Federal and State
Application and Resume	I-9 Form
Employment tests and result	Workers Compensation Form
Interview Evaluation Form	State-required Forms
Reference Verification Worksheet	Employee Policy/Benefit Documents

8. How long should you keep solicited resumes and applications?

One year from the date of receipt by the company

9. What are the ADA restrictions on interview questions and medical exams?

The ADA restricts the use of medical examinations and inquiries prior to making a conditional job offer to a candidate and prohibits discrimination on the basis of test results or information provided in response to such tests or inquiries.

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Answer Key- Course 3: Human Resource Management - Skill Check #3, Continued

10. List the pre-employment tests typically utilized in hiring

- **Skills testing**
 - **Aptitude and honesty testing**
 - **Medical exams**
 - **Drug tests**
-

11. Pre-employment screening generally requires review of what background information?

- **Work history**
 - **Credit history**
 - **Public records**
 - **Driving record**
 - **Rental history**
 - **Criminal history**
 - **Personal references**
-

Answer Key- Course 3: Human Resource Management - Skill Check #4

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 4 of the Human Resource Management Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. In what ways can an employer be held liable for harassing, discriminatory or retaliatory acts?
 - **By the actions of its workplace supervisors**
 - **By the actions of its co-workers if the employer knew or should have known about the acts and failed to act.**
 - **By the actions of outsiders if the employer knew or should have known about the acts and failed to act.**

2. What things should you keep in mind when preparing written communications?
 - **Choose your audience and write as if you are speaking to them**
 - **Organize your thoughts and words**
 - **Get right to the point**
 - **Write easily understood sentences with simple words**
 - **Make clear how you want the reader to respond**
 - **Review what you have written for clarity and proof for errors**

3. List five things you can do to improve your management skills.
 1. **Anticipate problems and solve them before they affect productivity.**
 2. **Assess a situation in both formal and spontaneous ways.**
 3. **Subscribe to local or regional business publication.**
 4. **Develop a full range of skills and provide on-going training for staff.**
 5. **Be on-site regularly.**

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Answer Key- Course 3: Human Resource Management - Skill Check #4, Continued

4. List seven (7) ways you can reduce your stress.
 1. Do not live on any properties you supervise.
 2. Avoid hiring people that will have negative effect on goals.
 3. Have friends outside the industry.
 4. Have a hobby that helps you forget about work.
 5. Exercise regularly.
 6. Get yearly physical exams.
 7. Get plenty of sleep.
5. List six tips for ethical behavior.
 1. Do not make secret income at the expense of the owner.
 2. Keep the owner informed of all material facts.
 3. Obey lawful instruction.
 4. In case of emergency, act in the owner's interest.
 5. Act in the owner's interest, not you own.
 6. Do not gossip.
6. What are the five components of effective delegation?
 1. Determine the task to be delegated.
 2. Keep the lines of communication open between you and the person handling the task.
 3. Keep employees motivated.
 4. Supervise and maintain ultimate control over the task without taking it over.
 5. Evaluate whether or not the goals of the delegated task were met.

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Answer Key- Course 3: Human Resource Management - Skill Check #4, Continued

7. In the table below, describe the five approaches to resolving conflict.

Approach	Description
Avoidance	If the conflict is minor, sometimes it is best ignored.
Accommodate	If a solution can be reached with an easy accommodation, give it a try.
Win/Lose	Occasionally you to get to win and employee must lose.
Compromising	All parties give a little and a compromise is reached.
Problem Solving	Open communication can help develop a mutually beneficial solution.

8. In the table below, select True (T) or False (F) for the following statements on how to handle employee complaints.

What I should do when an employee files a complaint	Select True (T) or False (F)
Take the complaint seriously.	T
Conduct an investigation, regardless of whether or not you agree with an employee's allegations.	T
Take retaliatory or adverse action against the employee	F
Document every step of the investigation and conversation	T
Build a case against the employee.	F

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Answer Key- Course 3: Human Resource Management - Skill Check #4, Continued

9. When can conflict be healthy?
- When it causes employees to explore new ideas, test their beliefs or stretch their imagination.**
-
10. List what you can do if you suspect an employee has a substance abuse problem.
- **Get expert advice from Human Resources or attorney.**
 - **Do not accuse the employee.**
 - **Deal with the misconduct or performance problem itself.**
 - **Discuss the consequences of the continued problem.**
 - **Do not accept excuses or allow yourself to be manipulated.**
-
11. List four (4) things you should do when confronting an employee with a potential substance abuse problem.
1. **Make sure witnesses are present.**
 2. **Follow company policy.**
 3. **Do not allow the employee to drive if you have any reason to believe he or she may have drugs or alcohol in his or her system.**
 4. **Document the incident.**
-

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Answer Key- Course 3: Human Resource Management - Skill Check #4, Continued

12. How can you help to prevent workplace violence?

- **Create a corporate environment that is healthy, welcoming and promotes respect to others.**
 - **Use sound and consistent hiring practices.**
 - **Use subcontractors and hiring agencies that use the same hiring standards as those used by your company.**
 - **Use the highest level of physical security in you workplace.**
 - **Design and implement a violence protection program that conforms to your company size and needs.**
 - **Know the warning signs of potential problems.**
 - **Train on-site employees to identify potential problems and to respond to potential developing violent situations.**
-

13. What are some tips to keep in mind when actually handling workplace violence?

- **If you are faced with an out-of-line resident or employee you should warn others, leave the area and call the police.**
 - **Take all complaints seriously and intervene quickly and effectively.**
 - **Consider putting the employee on administrative leave with pay while the investigation is being performed.**
 - **Conduct termination interviews privately.**
-

14. What can you do to prevent injuries and illness-causing accidents?

- **Use safety related work practices throughout the workplace.**
 - **Have a safety training program in place.**
 - **Provide personal protective equipment.**
 - **Conduct periodic property inspections.**
 - **Have a zero tolerance policy for failing to obey safety rules and regulations.**
-

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Answer Key- Course 3: Human Resource Management - Skill Check #4, Continued

15. List what you can do to create a supportive work environment for employees.

- **Resist the urge to chastise an employee when a mistake is made.**
 - **Inspire people to use their own ideas while clearly defining your expectations for job performance.**
 - **Trust and respect your employees.**
 - **Focus on your employee's positive accomplishments and build upon them.**
 - **Acknowledge performance.**
-

16. What three features help an incentive program be successful?

An effective incentive program must:

- **Be matched to the employee**
 - **Be matched to the achievement**
 - **Be timely and specific**
-

17. What are typical advantages of having on-site resident staff?

- **Staff may live rent-free or with reduced rent.**
 - **Staff does not have to commute to work.**
 - **Staff can watch the property after hours.**
 - **A staff member can be available for after-hours problems and can provide faster emergency service.**
 - **There is a lower rate of employee absenteeism.**
 - **Onsite staff sees the community through the eyes of the residents and understands their concerns.**
 - **Residents are impressed that the staff likes the community enough to live there.**
-

Answer Key - Course 3: Human Resource Management - Skill Check #5

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 5 of the Human Resource Management Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What are the seven (7) benefits of training?

1. **Training helps provide consistent service to your residents.**
 2. **Training saves time.**
 3. **Training creates a team spirit**
 4. **Training helps solves problems.**
 5. **Training is for everyone.**
 6. **Training aids supervision.**
 7. **Training reduces expenses**
-

2. What points should you consider when training adults?

1. **Adults are experienced learners.**
 2. **Adults want practical, useful information and skills to do a better job.**
 3. **Adults prefer active, not passive, learners.**
 4. **Training should be clear and direct.**
-

3. What is task training and when should it be used?

Task training is when you conduct “hands-on” or “one-on-one” instruction. It should be used when an employee needs to learn a motor task like using a computer or key machine, etc.

Answer Key - Course 3: Human Resource Management - Skill Check #5, Continued

4. In the table below, list what should be done before, during and after group training to make it successful.

Before Group Training	During Group Training	After Group Training
Determine objectives and timing	Start promptly and follow agenda	Evaluate the results
Identify attendees	Answer questions clearly	Prepare/distribute a summary of the meeting
Reserve a training room	Limit unnecessary conversation	Personally take any action agreed to
Make arrangements for equipment and materials	Defuse conflict between participants	Follow-up on all action items.
If needed, arrange for a speaker/trainer	Clarify requested activities and actions	
Prepare and distribute sign-in sheet	Encourage interaction	
Let participants know start and end time	Use visual aids	
	Summarize discussions	
	Close meeting by recapping	

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Answer Key - Course 3: Human Resource Management - Skill Check #5, Continued

5. What are the two (2) things you should look for when reviewing and revising all policies and procedures?

1. **Fair treatment of all people**
 2. **The impact of the policy or procedure**
-

6. What are the two phases of the traditional performance evaluation?

1. **Writing the evaluation**
 2. **The performance evaluation conference**
-

7. Fill in the blanks.

When writing a performance evaluation you should be clear, specific and honest.

8. List four (4) problems that can undermine a performance evaluation conference.

1. **Using words that are too general and not conveying a clear message**
 2. **Being unclear about what you want the employee to do**
 3. **Failing to be honest about poor performance or misconduct**
 4. **Resistance and defensiveness from the employee**
-

9. What is the purpose of a counseling meeting?

To discuss a problem with an employee and arrive at a plan for resolution.

Answer Key - Course 3: Human Resource Management - Skill Check #5, Continued

10. What three bits of information should be recorded onto a log as a result of a counseling meeting?

An employee counseling log should be maintained to record who is being counseled, for what infraction, and the result.

11. What evaluations are typically included in a three-level program?

- **Self evaluation**
 - **Peer evaluation**
 - **Supervisor evaluation**
-

12. Fill in the table below to describe the step counseling process.

When the employee...	The employer...
incurs the first violation	gives a verbal warning
incurs the second violation	gives a written warning
incurs the third violation	Gives a written warning with period/suspension
incurs the fourth violation	Terminates employee

13. What are four (4) tips for handling discipline and its consequences in the workplace?

1. **Be consistent in administering consequences.**
 2. **Reprimand employees fairly.**
 3. **Discuss proposed solutions with another manager or your supervisor.**
 4. **Make the counseling action taken match the offense.**
-

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Answer Key - Course 3: Human Resource Management - Skill Check #5, Continued

14. Under what condition would you impose a suspension of leave?

When it is deemed in the company's best interest for the employee not to be present during an investigation.

15. Describe the suspension/leave determination process.

- 1. The employer gets the facts.**
 - 2. The employer interviews all that involved.**
 - 3. The employer seeks legal assistance, if necessary.**
 - 4. The employer makes the determination.**
-

16. Counseling employees consistently as needed provides three benefits to your company. What are these three benefits?

- By enforcing the rules, you strengthen them**
 - Imposing penalties reminds all employees of expectations and requirements and consequences**
 - Employees will learn the penalties associated with the conduct.**
-

Answer Key-Course 3: Human Resource Management - Skill Check #6

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 6 of the Human Resource Management Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What is employment-at-will?
Employment-at-will is the legal concept that governs how employment may be terminated. It means you have no written agreement or contract that dictates the length of employment or the reasons why employment might end. Employers and employees can cease at-will employment without notice or cause.
 2. What are the exceptions to employment-at-will?
 - **Federal and state administration laws**
 - **Anti-retaliation laws**
 - **Whistle-blower protection laws, and**
 - **State common law exceptions, such as public policy exception**
 3. What types of questions should you consider before terminating an employee (involuntary termination)?
Any of the following are acceptable:
 1. **Is the reason for discharge job-related?**
 2. **Is the reason for discharge consistent with the company's policy and practice?**
 3. **Was the employee given fair notice of what was expected of them, and adequate opportunity to correct the problem?**
 4. **Have the progressive steps from counseling to discharge been met?**
 5. **Are you sure of the facts behind the discharge?**
 6. **Have you been procedurally fair?**
 7. **Has the employee made a claim of employer wrong doing?**
 8. **Has the proposed decision been reviewed objectively by others?**
 9. **Is documentation proper and adequate?**
 10. **Is the termination retaliatory?**
 11. **Has the employee's privacy been invaded?**
 12. **Is there a pending governmental investigation or complaint?**
-

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Answer Key-Course 3: Human Resource Management - Skill Check #6, Continued

3.,
(continued)

13. Is the employee a member of a protected group?
 14. Is there an argument that the discharge involves an illegal act or is considered against public policy? Does the employee live onsite?
 15. Is the employee long term? Have company policies been followed?
 16. Is the employee sensitive?
 17. What is the timing of the termination?
 18. Are you being honest about the termination?
 19. Is there an indication of an extreme or outrageous circumstance?
-

4. Review the Tips for Successful Termination. List five (5) ways of those listed you can make the termination process go smoothly.

Any of the following are acceptable:

1. Know precisely why the employee is being terminated.
 2. Arrange for a private meeting.
 3. Dismiss on a Tuesday or Wednesday early in the day.
 4. Keep the meeting brief.
 5. Let employee discuss their feelings.
 6. Do not get angry or argue with an employee.
 7. If you anticipate a violent response, arrange to have a third party attend the meeting.
 8. Have the final paycheck prepared in advance.
 9. If the employee lives onsite, review the Employee Lease Agreement.
 10. Be sure the employee is clear on benefits.
 11. Offer professional assistance.
 12. Assist the employee in leaving the property.
 13. Avoid discussion with other employees regarding the change.
-

5. What are the three (3) purposes of an exit interview?

1. For voluntary terminations, to determine what steps the company can make to prevent further loss of employees
 2. For involuntary terminations, to determine where the employee or management went wrong.
 3. To give an employee an opportunity to express their perspective on why they are leaving.
-

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Answer Key-Course 3: Human Resource Management - Skill Check #6, Continued

6. What items are due to the employee in his or her final payment of wages?

1. **Earned but unpaid salary**
 2. **Unused vacation pay**
 3. **Severance pay**
 4. **Commission due**
-

7. What are the eligibility requirements for an employee to receive unemployment benefits?

- **The unemployed worker must have earned a minimum amount of wages within a specified period and/or worked for a minimum period in the past.**
 - **The unemployed worker must register for work with the state unemployment office.**
 - **The unemployed worker must be able and available for work.**
 - **The unemployed worker must be actively seeking employment.**
-

8. Is someone who is voluntarily terminating required to give notice?

No, employees are not required by law to give any type of notice before quitting.

9. Federal law requires that payment of final wages be made when they are due at the next regular payday. True or False?

True, but state law may override this.

10. What is a “service letter”?

A service letter is a requirement in some states and is provided after an employee has left employment. It states the nature of the former employees job, the length of employment and the reason for separation

Module 4: Fair Housing - Skill Check #1

1. What are the protected classes that the federal Fair Housing Act and its amendments recognize?

Race

- Color (shade of skin)
 - Religion
 - National Origin
 - Sex (including sexual harassment)
 - Familial Status
 - Handicap
-

2. What are some of the ways a company can comply with fair housing laws?

- Create a written fair housing policy.
 - Set occupancy standards conforming to applicable local and state laws/guidelines.
 - Post reasonable, non-discriminatory occupancy guidelines in offices in a conspicuous place where applicants will see them.
 - Establish specific, non-discriminatory rental criteria and apply them consistently. Make sure all applicants are aware of the criteria.
 - Treat all applicants and residents in a fair and consistent manner.
 - Consult local and state government agencies to verify if additional fair housing laws are in effect.
 - Display the required federal Fair Housing poster (11 inches by 14 inches) in a conspicuous location in all rental and sales offices if you have four or more rental units.
 - Maintain all records for a minimum of three years, maximum of four years.
-

3. What is Disparate Impact Discrimination?

This can occur when a neutral policy or procedure has a disproportionately negative impact on a protected class. An act or failure to act that has a disparate impact can still be found to be non-discriminatory if 1) there is a legitimate business necessity for the action or inaction and 2) there is no less discriminatory way to accomplish the business necessity.

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4. Who can be held liable for a violation of fair housing law?

Everyone can be held personally liable for a violation, including, but not limited to, the individual leasing consultant, assistant manager, maintenance personnel, community manager or property supervisor, property owner and management company. Ultimately, the owner is responsible for the acts of his or her agents, and that responsibility is non-delegable.

Liability follows the line of authority within the company. This means that supervisors should make certain everyone they supervise is trained and complying with fair housing laws.

5. To qualify as senior housing, what requirements must a property meet?

- The housing must be planned and managed for people 62 or 55 years of age or older.
 - It must make sure that it has policies and procedures in place that demonstrate its intent to qualify for the exemption.
 - These policies and procedures must be distributed and implemented, using the terms “Senior Housing,” “A 55 and older community” or “A 62 and older community” in order to comply with HOPA requirements.
-

6. In federally-assisted multifamily housing programs, what is a tenant-based subsidy?

- An example of a tenant-based subsidy would be the Section 8 Voucher program. In tenant-based subsidies, residents live in privately-owned properties and pay a portion or percentage of their household income for rent and utilities.
 - HUD or its local agent, a public housing authority or state agency enters into a Housing Assistance Payment Agreement (HAP) with the owner and pays the owner the difference between what the resident pays and what HUD considers a “fair” consideration. The tenant qualifies separately for the Voucher with the housing authority.
-

7. Can you give a notice of termination of tenancy to a household with a Section 8 Voucher or a household who lives in federally-subsidized housing without stating “cause”?

- Generally, the owner must be able to demonstrate good cause for the termination since the resident will lose his housing and/or voucher and in some cases may become homeless. An owner’s ability to terminate such tenancies without cause is limited by federal law and by the terms of the HUD-required lease addendum.
-

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Module 4: Fair Housing - Skill Check #1, Continued

8. What three (3) types of reviews does HUD perform to ensure that a property manager is adhering to the proper operating procedures and business practices?

- Physical inspections
 - Management reviews or on-site visits
 - Financial reviews
-

9. What type of housing does Section 504 of the Rehabilitation Act of 1973 cover?

- It provides protection against discrimination for persons with disabilities in subsidized housing and other federally assisted programs. It requires that federally funded housing programs be readily accessible to and usable by “qualified individuals with handicaps.”
-

10. What is the difference between the ADA (Americans with Disabilities Act) and the FHA (Fair Housing Act)?

- The ADA is an accessibility law, but not a fair housing law. It requires that portions of the property that are open to the public, such as your rental office, be accessible to persons with disabilities.
 - The Fair Housing Act covers accessibility in the private portions of the property that are used only by the residents and their guests, such as the apartment homes and the amenities.
-

11. What main things did the Fair Housing Amendments Act of 1988 add to the Federal Fair Housing Act of 1968?

- This amendment added extensive enforcement authority to federal, state and local governments to investigate and prosecute violations. The cap on punitive damages was removed for awards by federal courts, and civil penalties were added as a remedy for administrative enforcement actions.
 - Two (2) protected classes were added by this amendment: familial status and handicap, which we will discuss in depth in Sections 3 and 4.
-

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Module 4: Fair Housing - Skill Check #1

12. Are older properties (those built before the ADA became effective - January 26, 1993,) “grandfathered” in so that the rental office, for example, does not have to be made accessible to the disabled?

- Buildings constructed prior to that date need to be made accessible if “readily achievable” (interpreted to mean the building should be modified if the structural and/or financial costs of the modification would not create an undue burden for the owner). This means that the public areas of older properties are not “grandfathered” in by the ADA.
-

13. List 5 of the rental practices that would be considered violations of fair housing law.

- Refusing to rent or sell housing;
- refusing to negotiate a rental;
- falsely denying that housing is available for inspection or rental;
- making housing unavailable for sale or rental;
- refusing to make a reasonable accommodation for a resident with a disability;
- refusing to allow a resident with a disability to make a reasonable modification;
- asking questions about an applicant’s disabilities unless required for certain accessible units in subsidized properties;
- setting different terms, conditions or privileges for the rental of a dwelling;
- providing different housing services or use of amenities;
- establishing restrictive rules for children rather than neutral rules that affect residents of all ages;
- harassing a resident or allowing a resident to be harassed;
- directing a renter to a specific neighborhood or area of an apartment community based on the person’s protected class (this is “steering,” which is defined as trying to control the outcome of where the person will live based on the person’s protected class);
- denying an individual access to or membership in a facility or service, such as a multiple listing service, related to the rental of housing;
- advertising or making a statement that indicates a discriminatory preference; and
- having discriminatory covenants in contracts, i.e. in planned developments.

Module 4: Fair Housing - Skill Check #2

1. Who is protected under the category of familial status?

- Households containing one or more people under the age of 18 who live with a parent or guardian,
 - households with pregnant women,
 - adoptive or foster families,
 - people in the process of adopting or becoming a foster family, and
 - households in the process of acquiring legal custody of a child under the age of 18.
-

2. How can you determine what is a reasonable occupancy standard for your property?

The Keating Memorandum is the closest guidance to a national occupancy standard existing today. This memorandum is an internal HUD document that was published in 1998 in the Federal Register as public guidance to housing providers on what HUD would use for enforcement purposes. It states that a policy of two persons per bedroom can be considered reasonable unless there are special circumstances that may allow for additional persons.

When adopting reasonable occupancy standards for a property or a portfolio, several things should be taken into consideration:

- Does the occupancy standard in any way limit opportunities for families with children?
 - Are there additional rooms in the rental that could be used as a bedroom?
 - Are some of the rooms extra large so they could accommodate more people?
 - Are there any state or local ordinances or guidelines that dictate what the occupancy standard should be?
 - If there is a fair housing complaint which questions your occupancy standard, be sure you can support your policy through sound, non-discriminatory reasons.
-

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3. What are examples of reasonable restrictions that can be placed on children for health and safety reasons?

The two restrictions that apply only to children that are reasonable are

- Prohibiting children under (age) from swimming in the pool unless an adult is in attendance per state or local law, and
- Requiring adult supervision for children under (age) when using the spa per state law, unless there is a local ordinance which restricts age-related use. You should not require the supervising adult to be a parent. The adult could be a babysitter or a grandparent, for example.

Other age-restricted rules that *may* be reasonable on a case-by-case basis:

- Requiring supervision of children under a certain age in a fitness center based on specific, legitimate and verifiable health and safety risks and equipment manufacturer recommendations, or
 - Establishing age restrictions for use of certain playground equipment, such as in a tot-lot, again, based on manufacturer recommendations.
-

4. What guidelines should a company follow in establishing their community policies in order to avoid violating fair housing law regarding families with children?

- Do not prohibit children from using the amenities or common areas. Requiring adult supervision is acceptable only where there is a specific, legitimate and verifiable health or safety issue, such as the pool or spa. Don't require the adult to be a parent. Handle behavior issues (of any age) through good management techniques.
 - Establish restrictions that are reasonably necessary for the legitimate and verifiable health and safety of the children. Rules that are designed to protect the property should be neutral and apply to all residents, household members and guests. Always have rules reviewed by fair housing-knowledgeable counsel.
 - Ensure the property is internally and externally safe for all residents.
 - Use advertising materials that do not suggest a preference for applicants without children.
 - Do not charge a higher security deposit to households with children because there might be more wear and tear on the apartment.
 - Remove all references to children from the application, lease, occupancy standards, house rules and other documents, except where the rules are related to legitimate and verifiable health and safety provisions for use of the community's amenities, such as the pool and spa. These documents should be reviewed by fair housing-knowledgeable counsel.
-

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5. Under federal fair housing law, an individual is considered disabled if he or she

- has a physical or mental impairment which substantially limits one or more major life activities;
- has a record of such an impairment; or
- is regarded as having such an impairment.

“Major life activities” means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

6. What are the requirements of Section 504 of the Rehabilitation Act?

- Section 504 of the Rehabilitation Act mentioned earlier requires that federally funded housing programs be readily accessible to and usable by “qualified individuals with handicaps.” The Act requires such properties to conduct a “self-evaluation” of the property and prepare a transition plan that removes structural barriers.
 - It also requires the housing provider to pay for these changes as long as they do not result in a fundamental alteration in the nature of the housing program or pose an undue financial and administrative burden to the property. Another requirement is to select a “point” person to see that the requirements of Section 504 are carried out.
-

7. What are the seven (7) accessibility design and construction requirements for new construction?

- All covered units must be on an accessible route.
 - Public and common use areas must be easily accessible and usable by people with disabilities.
 - All doorways must be wide enough to allow entry by wheelchairs.
 - There must be accessible routes into and through the residence.
 - Light switches, thermostats and electrical outlets must be installed in accessible locations.
 - Bathroom walls must be reinforced to allow installation of grab bars if necessary.
 - Kitchens and bathrooms must be designed so that wheelchairs are easily maneuverable.
-

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8. What questions can be asked about an applicant's disability at a federally-funded community?

All applicants (not just those who appear to be disabled) at such communities can be asked the following questions:

- Do you qualify for a residence designed for an individual with physical disabilities?
- Do you qualify for a medical expense deduction or other allowances?
- Does a member of the household who will reside here qualify for a priority of admission available to individuals with disabilities?

The subsidized property's rental application may include the following:

- an opportunity to request an accessible apartment;
 - an opportunity to describe any accommodations and/or any accessible features needed;
 - a description of the definition of the eligibility criteria for the property followed by the question "do you meet this criteria?" with a choice of answers, yes or no; and
 - a question of whether the applicant wants the expenses for continuing prescriptions and other medical expenses considered for medical deductions from the applicant's income.
-

9. Who is responsible for the costs of accommodations or modifications?

In most cases in conventional housing, the resident

- is responsible for the cost of modifications made to the property,
- is responsible for acquiring proper permits and ensuring work is done in a workmanlike manner, and
- may be required to pay for removal of the alteration to the interior of a residence if the change interferes with a future resident's ability to enjoy the property and it is reasonable to do so.
- If the owner wants a more a more costly modification, beyond the modification requested by the resident, the owner must pay for the difference.
- If the modification is used only by the resident, such as a ramp to the front door or grab bars, the resident would maintain it. If the modification is used by others as well, such as a ramp to the laundry room, the owner is responsible for maintaining the modification.

Subsidized housing providers subject to Section 504 of the Rehabilitation Act must provide and pay for reasonable modifications unless to do so would result in an "undue financial or administrative burden."

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Module 4: Fair Housing - Skill Check #2, Continued

10. What is an accommodation?

Accommodations are changes in the rules, services, practices or policies that allow individuals with disabilities equal enjoyment of housing. Changes are reasonable if they do not change the nature of the program or pose *undue* financial or administrative burdens on the provider.

11. What are some examples of reasonable accommodations?

- Allowing an assistive animal to live in a rental unit with a “no pets” policy.
 - Providing a reminder that rent is due on the following day for a person with a developmental disability.
 - Providing a reserved parking space when reserved parking is not otherwise provided.
 - Using oral presentation of material normally presented in written form or providing written material in large print or Braille for the vision impaired.
 - Allowing a live-in caregiver in a unit with a disabled resident even if the presence of the caregiver exceeds the maximum occupancy standards for the property. Note that caregivers who reside on the property should not be considered “residents” but, rather, “occupants” and should not sign the rental agreement or lease. There should be a separate caregiver addendum that defines the responsibilities and rights in case rules are broken or the disabled resident vacates the unit.
 - Using less toxic chemicals used for pest control or maintenance, or if alternative chemicals are not effective, providing a notice period to a resident with allergies or chemical sensitivity several days prior to using the chemicals in their building so he or she can avoid them.
-

12. What is a modification?

A modification is a change to the physical characteristics of a residence or to the common areas of a building.

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Module 4: Fair Housing - Skill Check #2, Continued

13. What are some examples of reasonable modifications?

Facility	Modification
Entryways	<ul style="list-style-type: none">• ramps• sufficient width• accessible operating hardware• levered door handles
Corridors	<ul style="list-style-type: none">• non-slippery floors• sufficient width
Stairs	<ul style="list-style-type: none">• traction• handrails (on both sides of the stairway)• sufficient step width
Elevators	<ul style="list-style-type: none">• doors that remain open long enough• accessible controls• Braille floor numbers• audible floor signals
Drinking fountains	<ul style="list-style-type: none">• height requirements• knee space requirements
Bathrooms	<ul style="list-style-type: none">• roll-in showers• accessible mirrors• special door handles and grab bars• lowered sinks
Alarms	<ul style="list-style-type: none">• must be accessible• must be usable, such as flashing for the hearing impaired
Signs	<ul style="list-style-type: none">• raised letter and Braille signs, where needed
Phones	<ul style="list-style-type: none">• accessible height• volume control
Flooring	<ul style="list-style-type: none">• hard surfaces• low-nap carpeting
Kitchens	<ul style="list-style-type: none">• lowering cabinets

14. If the requested modification or accommodation is determined to be unreasonable by the company, what should the company then do?

An “interactive process” is required for all requests. If you are faced with a request that your company feels is unreasonable, the guidelines say that you must engage in an “interactive process” or negotiation with the resident to see if there is another way for the person’s disability-related needs to be met before denying the request. Document all such negotiations and involve fair housing-knowledgeable legal counsel before denying a request.

You can suggest an alternative accommodation but you cannot insist that your alternative be the only acceptable option.

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15. Can you automatically evict a mentally disabled resident whose behavior is creating problems for other residents and/or management?

- If a behavior would normally result in an eviction, you may need to accommodate a disabled resident if the behavior is the result of his or her disability. Even if the person doesn't ask for an accommodation, be prepared to give the person an opportunity to come into compliance with his or her lease.
- Warning letters indicating to the resident that compliance with the lease is required in order to avoid eviction can document this accommodation. If you proceed with an eviction and the issue of disability arises, you may have to delay or dismiss the eviction suit if the resident or his attorney raises the issue.
- The person, his doctor, case worker, attorney or other responsible person can provide satisfactory assurance that if he/she is given time to get counseling or proper medication; for example, he/she will be able to come into compliance with his/her lease. But if the resident refuses or is unable to come into compliance, you may go forward with the eviction. These decisions should be made with guidance from fair housing-knowledgeable legal counsel.
- You can deny an accommodation to a mentally ill resident who poses a direct threat to the residents or property. The HUD/DOJ guidelines say that if a resident with a disability is a direct threat to the health and safety of others or poses a risk of substantial damage to the property, he or she may not be entitled to a reasonable accommodation. However, if there is an accommodation that would eliminate or sufficiently mitigate the threat, it may have to be considered.

16. True or False? All persons who ask for reasonable modifications or accommodations must provide you with written verification that they are disabled and that they need what they are asking for.

False. If the person's disability is "apparent" or obvious, you may not ask for verification. If the need for what the person is asking is not "apparent" or obvious, you may ask for written verification that it is needed and is related to the disability.

Simply put: If it is obvious, no verification is necessary. If it isn't obvious, verification is necessary.

###

Module 4: Fair Housing – Skill Check #3

1. What are at least four (4) tips for creating a fair housing environment?

- Display the symbols of fair housing: the “Fair Housing” poster, the Equal Opportunity Housing symbol and accessibility symbols on signs, placards and any other marketing or printed material.
- Provide accessible parking places for applicants visiting the property as required by the ADA.
- Document everything.
 - All visits, calls and emails from prospects or residents.
 - All telephone calls and visits.
 - Traffic logs, guest cards, work orders, applications, leases and other lease documents and use of incentive programs.
 - Any deviations from established policy (who, when, what and why).
 - Keep all documents a minimum of three, and preferably four, years.
- Document the selection criteria used to approve applicants. Make copies available to all applicants. Make sure all selection decisions are in line with the written criteria.
- Treat all residents, applicants and staff equally, fairly, courteously and professionally.
- Do not permit insensitive or offensive jokes, pictures or slogans to be used anywhere on a rental property, by anyone, including staff, contractors or applicants.
- Do not have anything with symbolic meaning that might indicate a preference or limitation in the rental office.
- Have a policy that you won't tolerate any type of discriminatory behavior by residents, whether toward other residents, on-site staff or vendors. Check with fair housing-knowledgeable counsel if the activity is occurring between residents.

2. What are the different enforcing entities that can handle fair housing complaints?

- Federally, HUD (Housing and Urban Development) and DOJ (Department of Justice)
- State or locally, substantially equivalent state/local agencies
- Private fair housing agencies
- Private fair housing attorneys

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3. What are at least five (5) ways that you can reduce the risk of discrimination in leasing practices when handling inquiries and visits?

- Keep a record of the date and time of all phone calls and visitors with a brief description of the conversations and the name of the note taker. This is useful in harassment situations.
 - Use a standard welcoming greeting for both telephone and in-person visits. Be enthusiastic with everyone.
 - Establish a policy for timing and format of responses to all electronic leasing inquiries.
 - Establish a policy for returning all phone messages or voice mail.
 - Use the same procedures for all phases of the selling process, from greeting to qualifying. Document any necessary deviations.
 - Instruct staff not to answer questions regarding the demographic make-up of the residents and how to politely decline to discuss the issue. Even if a person of the same protected class asks about people like themselves, the question should not be answered other than with a polite refusal. We suggest that you answer the question by indicating that fair housing laws prohibit the tracking or keeping of such information. Further state that all residents who meet the property's rental criteria are welcome.
 - Provide all applicants with an equal quality tour. Document any necessary deviations.
-

4. What is the community manager's responsibility when it comes to staff training regarding fair housing laws?

- It is the community manager's responsibility to keep current on fair housing laws and regulations. He or she must also make sure that each staff member understands and practices fairness and equal opportunity principles. Providing annual refresher training to all on-site staff gives the community a better chance to minimize fair housing risks. All new on-site employees should receive training as soon after hiring as possible
 - Reminder: Each individual has personal liability in a fair housing complaint. Supervisors are liable for the actions of everyone they supervise. For this reason, it is also important that all on-site personnel receive training.
-

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5. What are five (5) things that you can do to minimize the risk of discrimination in your management to resident practices?

- Let disabled prospects and residents identify their needs. Do not presume or attempt to accommodate out of good intentions.
 - Never threaten or intimidate or otherwise pressure a resident because the resident's visitors or associates are from protected classes.
 - Always treat applicants and residents with respect. Make each one feel valued and proud of their apartment homes.
 - Policies for common area amenities should not discriminate against protected classes but should use fair rules for conduct, sanitation and safe operation.
 - Consider the manufacturer's recommendations for use of fitness or other equipment if establishing rules for use of the fitness center and/or other common area amenities.
 - Do not ban children from, or set unreasonable restrictions for, the use of recreational amenities. Require adult supervision only where appropriate based on legitimate and verifiable health and safety reasons.
 - Handle all complaints promptly, including harassment and sexual harassment.
 - Provide equal service to all residents. This includes having a written procedure for handling maintenance requests in a timely manner.
 - Follow that old management warning: be friendly, but never a friend, to your residents.
-

6. What is “testing” and why are testers used?

“Testing” is similar to shopping except it is conducted to compare the information and treatment provided to testers who pose as applicants strictly for fair housing purposes. It is carried out, in most cases, as a result of a complaint being filed. Two testers of different races or other protected classes, depending on the complaint, may be used to determine whether the staff treats a person from that protected class less favorably in the leasing process.

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Module 4: Fair Housing – Skill Check #3, Continued

8. What can you do to prevent discriminatory behavior towards residents by vendors or service providers?

Courts have held that contractors may be viewed as extensions of the property management team itself if the contractors are discriminating against prospects or residents.

- Vendors and other service providers who come on-site to perform certain duties and provide materials and services should be informed of the non-discriminatory operating policies of the property.
 - A vendor can be requested to sign a non-discrimination agreement that covers the statements and actions of the vendor's employees toward both residents and employees while on the property.
 - Encourage your vendors to send their employees to fair housing classes.
-

9. a. What is the time limit (statute of limitations) for filing a complaint with HUD?

- One year

b. What is the time limit for filing a complaint with the U.S. Department of Justice?

- 18 months

c. What is the time limit for filing a complaint with the federal or state court?

- Two years, although it can be as long as three years
-

10. Who can be named in a fair housing complaint?

Respondent – The entity or entities named as causing the alleged injury is called the Respondent. A Respondent can be any person having ownership, a lessor, sub-lessor, assignee, managing agent, salesperson or real estate broker. Essentially, anyone employed on the property or involved in the company could be named.

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11. What are some important fair housing tips when making offers to prospective residents?

- Keep a record of the date and time of all phone calls and visitors with a brief description of the conversations and the name of the note taker. This is useful in harassment situations.
- Use a standard welcoming greeting for both telephone and in-person visits. Be enthusiastic with everyone.
- Establish a policy for timing and format of responses to all electronic leasing inquiries.
- Establish a policy for returning all phone messages or voice mail.
- Use the same procedures for all phases of the selling process, from greeting to qualifying. Document any necessary deviations.
- Instruct staff not to answer questions regarding the demographic make-up of the residents and how to politely decline to discuss the issue. Even if a person of the same protected class asks about people like themselves, the question should not be answered other than with a polite refusal. We suggest that you answer the question by indicating that fair housing laws prohibit the tracking or keeping of such information. Further state that all residents who meet the property's rental criteria are welcome.
- Provide all applicants with an equal quality tour. Document any necessary deviations.

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Module 4: Fair Housing – Skill Check #3, Continued

12. If a resident has a complaint about harassment or abuse by another resident, what steps should you take, if any?

- Don't automatically assume the issue is just a personality problem and ignore it.
- Don't automatically evict both parties in the dispute.
- Be cautious about taking eviction action based on behavior if a female resident could be a victim of abuse or harassment by a spouse or live-in. Such situations have been held to be sex discrimination by the housing provider against the female victim and should be considered on a case-by-case basis. Obtain legal advice before proceeding.
- Set a policy for responding consistently to resident complaints of other residents who are harassing him/her because of the resident's protected category. List the steps that should be taken in the procedure.
- Get the complaint in writing or document a witness' statement or write a confirming letter to the witness if necessary.
- Investigate the situation. If in doubt as to what to do, check with fair housing-knowledgeable counsel as to whether investigation is appropriate and how to proceed in the particular situation
- Consult fair housing-knowledgeable legal counsel for proper response to findings.
- Respond to the accused resident. Provide a warning if the findings support the claim that harassment occurred.
- Respond to the complaining resident by asking what they want done as a result. Do not promise compliance with the request.
- Document and follow up with all parties regarding the findings.
- Be prepared to evict the abusive resident if the evidence shows that harassment occurred.

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13. What are some of the possible penalties that can be imposed in the federal administrative process?

The respondent can be ordered to do any or all of the following:

- Compensate the complainant for actual damages, including humiliation, pain and suffering.
- Be subjected to injunctive or other equitable relief; for example, to make the housing available to the complainant.
- Pay the Federal Government a civil penalty to vindicate the public interest. (The maximum penalties are up to \$16,000 for a first violation, \$37,500 for a second violation within a five-year period and \$65,000 for more than two violations within the preceding seven years. These amounts are subject to frequent increase by the government.)
- Pay reasonable attorney's fees and costs.
- Turn over management of the property to professional property management and stay away from the property (common in sexual harassment cases).

###

Answer Key: Skill Check #1

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 1 of the Marketing Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define marketing.

Integrated and coordinated activities, such as research and promotion, which focus inside and outside the community to encourage recipients to rent or continue renting an apartment.

2. What is the community manager's responsibility with regards to marketing?

- **Prepare and implement market plan**
 - **Price and analyze marketing and advertising materials**
 - **Identify present and future markets**
 - **Measure and monitor marketing efforts**
 - **Educate and involve onsite personnel in marketing efforts**
-

3. What is a market?

All current and potential residents who want to live in the apartment community and who are qualified to live there

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Answer Key: Skill Check #1, Continued

4. What is a target market?

A specified group within a market, classified according to characteristics such as:

- **Geography**
 - **Demographics**
 - **Lifestyle**
 - **Product benefits**
-

5. What is the benefit of market segmentation?

- **Allows for tailoring of marketing efforts**
 - **Provides insight into how to reach the customer through advertising and promotion**
 - **Allows companies to maximize resources while increasing likelihood of success**
-

6. What factors impact apartment markets?

- **Location**
 - **Demographic characteristics**
 - **Unit size and layout**
 - **Price**
 - **Physical**
 - **Economic**
 - **Governmental**
 - **Social**
-

Continued on next page

Answer Key: Skill Check #1, Continued

7. Define marketing mix.
- Controllable variables the company blends to produce the desired market response**
-
8. What are the five P's?
- **Product**
 - **Price**
 - **Promotion**
 - **Place**
 - **People**
-
9. What are the nine characteristics of successful marketing?
- **Visionary**
 - **Goal oriented**
 - **Customer-focused**
 - **Team oriented**
 - **Communicated effectively**
 - **Consistent**
 - **Repetitive**
 - **Adaptable to change**
 - **Monitored and regularly evaluated**
-
10. Place marketing includes defining your "location" by what three methods?
- **Physical**
 - **Relative**
 - **Comparative**
-

Answer Key: Skill Check #2

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 2 of the Marketing Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define market analysis.

- a formal, planned approach to the collection, evaluation, interpretation and reporting of information required to make educated, strategic, and rational marketing decisions, and
 - an ongoing process, which helps you understand your customer, competitors and the industry in which you operate
-

2. When should market analysis be conducted?

Market analysis is often conducted prior to or in reaction to soft market conditions, such as

- new construction
 - rent increases
 - annual budget preparation
 - resident retention rate decrease for no apparent reason, and
 - unmet occupancy goals
-

3. What are the elements of a regional market analysis?

- age
 - household and per capita income levels
 - education
 - household size
 - occupations, and
 - population growth (or loss) trends
-

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Answer Key: Skill Check #2, Continued

4. What are the elements of a neighborhood analysis?

- **Boundary definition**
 - **Population characteristics and trends**
 - **Economic conditions**
 - **Property types**
 - **Amenity and educational opportunities**
 - **Crime activity**
-

5. What is a property and location analysis and why would you want to do one?

The property and location analysis contains information about the property's amenities and location, the positive and negative aspects of each, and how they affect rentals.

This analysis is performed to identify opportunities and key issues relating to the property and its location to plan enhanced marketing efforts. It is conducted to determine:

- if features and benefits of the apartment community are being fully exploited
 - how new trends, such as technology or government regulations impact the property, and
 - how residents view quality and reliability
-

6. What is a resident population analysis and why would you want to do one?

A resident population analysis contains information about the residents' satisfaction with service levels and their needs and wants, as well as demographic information about the residents

An analysis of the current resident population will help you identify your target market so that you can market to:

- people who fit your current resident profile, or
 - potential residents if you are repositioning your property and changing your resident profile
-

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Answer Key: Skill Check #2, Continued

7. What is a competitor analysis and why would you want to do one?

A competitor analysis includes information about other communities that compete with yours

The results of a competitor analysis will give you an understanding your competitor's product, services, and marketing strategies so you can improve your product, services, and marketing strategies

8. What is a market analysis plan?

The market analysis plan describes how you will conduct your market analysis

9. What are the five components of a market analysis plan?

- **A statement of the objectives of the plan, for example:**
 - **to explore the nature of an existing marketing problem**
 - **to plan for and avoid a trended marketing problem, or**
 - **to test possible cause and effect relationships, for example, if you lower your rent rates, what increased resident occupancy will you expect? Or, if you were to implement a specific set of services or customer service programs what effect would it have on resident retention?**
- **A description of how you will identify the marketing problems and opportunities.**
- **A description of how you will collect supporting data including:**
 - **population and household trends and forecasts**
 - **local rental apartment market data, and**
 - **new apartment supply under construction or permitted.**
- **A description of how you are going to analyze the results of your research and how you are going to use this analysis in the decision-making process.**
- **A detailed, realistic timeframe for completing the market analysis process.**

Answer Key: Skill Check #2, Continued

10. List some reports and documentation you would gather pertaining to your competition
- **Shoppers reports**
 - **Competitive survey**
 - **Personal visits**
 - **Photographs**
 - **Internet research**
 - **Competitors ads and collateral**
 - **Trade show displays**
 - **Written documentation like business publications, industry surveys and annual reports**
-

Answer Key: Skill Check #3

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 3 of the Marketing Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define marketing plan.

Detailed, written account and time table of the objectives and methods to be used to achieve the property's marketing goals

2. What are the nine components of a marketing plan?

- 1. Your community, amenities, and services**
 - 2. Pricing**
 - 3. Target market**
 - 4. Competitors**
 - 5. Marketing objectives**
 - 6. Marketing strategies**
 - 7. Budget**
 - 8. Promotional mix**
 - 9. Measurement and evaluation**
-

3. List typical marketing expense categories used in budgeting.

- **Advertising**
 - **Promotional items**
 - **Locator and resident referrals**
 - **Model apartment expense**
 - **Leasing payroll and bonuses**
 - **Resident retention items**
 - **Website and social media maintenance costs**
 - **Community outreach programs**
 - **Theme collateral – signs, banners, flags, ad specialty items**
-

Continued on next page

Answer Key: Skill Check #3, Continued

4. Define community image.
- **Image of the property perceived by the customer**
 - **Reflected in everything customers can see, hear, touch and feel**
 - **It is a team effort**
 - **Every aspect that employees have control over**
-

5. What are the factors impacting the impression your community makes?
- **Personnel**
 - **Quality of content of correspondence and collateral materials**
 - **Appearance of community areas**
-

6. What is curb appeal?
- Refers to the sensory signals someone receives about your apartment community by riding by or walking through the grounds.**
-

7. Name typical factors that may cause a marketing plan to be written
- **Critical need – new ownership and investment strategy**
 - **Repositioning – significant physical changes, new name**
 - **Problem-solving – community image, media issues**
 - **Sustaining plan – keeping the property in the buyer's eyes**
-

Continued on next page

Answer Key: Skill Check #3, Continued

8. What is a SWOT Analysis ?
- **SWOT Analysis is a common market research tool that identifies and defines the problems and opportunities that exist for enhancing your marketing efforts**
 - **SWOT stands for:**
 - **Strengths**
 - **Weaknesses**
 - **Opportunities**
 - **Threats**
-
9. What is a marketing objective?
- **Identifies a specific goal**
 - **Defines successful achievement of goal**
 - **Are clear, measurable, consistent, and time constrained**
-
10. What is a marketing strategy?
- **Outlines steps to take to achieve marketing objectives**
 - **Contains five goals:**
 - **Provides residents with what they want**
 - **Highly differentiated from competitors**
 - **Delivers high impact**
 - **Places product in appropriate distribution**
 - **Provides appropriate support**
-
11. To what other property reports should you marketing be aligned?
- **The property business plan and budget**
-

Continued on next page

Answer Key: Skill Check #3, Continued

12. No new marketing initiatives for a property should ever be undertaken without what key meeting?
- **A team meeting that describes the initiative and the impact to the onsite team.**
-
13. What are some factors for measuring success of marketing?
- **Actual results**
 - **Number of new leases signed**
 - **Number of residents retained**
 - **Cost/lease**
 - **Cost/traffic by source**
 - **Improved budget performance**
-
12. What are two critical aspects of measuring how your plan is progressing?
- **Tracking**
 - **Evaluation**
-

Answer Key: Skill Check #4

1. What are the five (5) specific fair housing concerns to be addressed in the marketing plan?

- **What will the message be?**
 - **How will the marketing be distributed?**
 - **Where will the marketing be located?**
 - **Which tools have more defined or narrow distributions?**
 - **Which tools send specific “imaging”?**
-

2. What are some tips for marketing to help avoid fair housing complaints?

Any of the following:

- **Practice inclusive marketing**
 - **Create and record marketing policies and plans.**
 - **Consider using media that caters to certain ethnic groups.**
 - **If direct mail is part of the marketing plan, avoid targeting certain demographics or zip codes.**
 - **Once the marketing plan is implemented, keep copies and records of ads, when and where they were placed, response and reasons for making any changes in the plan.**
 - **Include the Fair Housing logo and statement in all marketing materials.**
-

3. What are some phrases that might cause fair housing concerns if used in advertising?

- **An exclusive or private community**
 - **Latino or Asian neighborhood**
 - **Close to churches**
 - **Quiet, peaceful, restful community**
 - **Ideal for seniors**
 - **For the active lifestyle or active seniors**
 - **Adult community**
 - **Independent living**
 - **“Special needs”**
-

Continued on next page

Answer Key: Skill Check #4, Continued

4. How can you offer specials or concessions without creating a risk of a fair housing complaint?

Any of the following:

- **When implementing a program, be sure the start date and time are clearly noted and communicated to the staff. Consider posting the program, program dates and timing in the leasing office.**
 - **Ensure the staff offers the same program to all prospects.**
 - **Ensure each staff member is offering the same program.**
 - **Ensure the timing of any advertising that carries the special description matches the timeframe established for the program. Don't advertise a program after its ending date.**
 - **Monitor staff use of programs or adding incentives only to "close the deal." If you employ rent negotiations, consult legal counsel before implementing the program. There are fair housing risks associated with the practice.**
 - **Follow carefully state and local laws about paying referral fees.**
 - **Apply the same guidelines to programs associated with lease renewals.**
-

5. What should community managers consider when using human models in advertising?

They should consider the demographics of the larger geographical area where the advertisement will be placed and ensure that the models in the advertisement reflect the general population of the larger community, and not only the people that live in the specific apartment community that is being advertised or the immediate surrounding community.

6. Why is it important to avoid symbolic items in the rental office, such as religious, lifestyle, or even political items?

Symbolism in the rental office can indicate to applicants and residents that you prefer certain persons over others who have similar beliefs.

7. What is affirmative marketing?

Affirmative marketing is reaching out to those persons who wouldn't otherwise know about your housing opportunities.

Answer Key: Skill Check #4, Continued

8. When identifying issues in a marketing plan, what special care must be taken?

- **Any issues statements must identify non-discriminatory objectives and strategies.**
-

9. Do rent specials and concessions violate fair housing laws?

Generally no, but if not conducted correctly and consistently they can create a risk of a discrimination claim.

Answer Key: Skill Check #5

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 5 of the Marketing Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define promotional marketing.
 - **Form of communication that is used to inform and persuade people about a product or service**
 - **Used to improve public image**

2. List the four types of promotions.
 - **Advertising**
 - **Public relations**
 - **Sales promotions**
 - **Relationship selling**

3. List the four basic objectives of promotion. What is the acronym?

AIDA

 - **Attention**
 - **Interest**
 - **Desire**
 - **Action**

4. What is an advertising strategy?
 - **A carefully considered approach to let the community know about your property. It means connecting the advertising media with a message, target or goal**

5. Define “advertising campaign”
 - **This is a program of coordinated ads and other promotional activities intended to accomplish specific objectives**

Continued on the next page

Answer Key: Skill Check #5, Continued

6. Define advertising.
- Non-personal promotion of product, service or company in mass media that is openly paid for and/or sponsored by you**
-
7. What are the goals of advertising?
- **Establish and maintain awareness and positive image**
 - **Create a real or perceived need for product**
 - **Develop sales leads**
 - **Persuade customers that your product is best for them**
 - **Promote events**
 - **Lead potential residents to rent from you**
-
8. What are four questions to test an advertising strategy?
- **Is it simple?**
 - **Is it specific?**
 - **Is it durable?**
 - **Does the strategy maximize your ability to advertise?**
 - **Are the results measurable?**
-
9. What are four factors to consider in selecting advertising media?
- **Advertising objective**
 - **Target audience**
 - **The message and frequency**
 - **Budget**
-

Continued on next page

Answer Key: Skill Check #5, Continued

10.

List advertising tools and media

- **Apartment publications and rental magazines**
 - **Online or internet marketing**
 - **Newspapers**
 - **Direct mail**
 - **Visual traffic generators**
 - **Directive brochures**
 - **Radio and television**
 - **E-marketing**
 - **Outreach marketing through other merchants and vendors**
 - **Transit advertising**
 - **Outdoor billboard advertising**
-

11.

Public relations activities include what four areas?

- **Employee relations**
 - **Resident relations**
 - **Community relations**
 - **Publicity**
-

12.

What is internal marketing?

This refers to the onsite marketing practices that occur within the apartment community. This includes staff and resident involvement in marketing the homes, marketing open job positions and marketing the management company. The staff is talking up the staff, the community and the company

Continued on next page

Answer Key: Skill Check #5, Continued

13. Define public relations.
- **Ongoing relationships that exist between the apartment community and the public**
 - **Use to create a positive image**
-
14. Define sales promotion.
- Sales activities designed to consummate a sale or increase the size of the sale of goods or services by providing the incentive to make a positive purchase decision.**
-
15. Define relationship selling.
- **“Custom tailoring information to individual people” (NALP)**
 - **Flexible and individualized**
 - **Requires well-trained associates who can develop relationships with prospective residents and align wants and needs with features and benefits**
-
16. What is difference between marketing and selling?
- **Selling:**
 - **Communicates to a particular prospect how your community can fill their needs**
 - **Impact: Personal and relational**
 - **Addresses a specific opportunity**
 - **Marketing**
 - **Brings product in contact with current or prospective resident**
 - **Impact: broad and applies to many**
 - **Continuous**
-

Answer Key- Property Maintenance for Managers - Skill Check #1

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 1 of the Property Maintenance for Managers Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define maintenance.

Maintenance refers to the upkeep and repair of property and equipment.

2. List the four types of tasks involved in maintenance.

Maintenance involves different tasks, including:

- **make ready services**
 - **daily property, mechanical, and curb appeal inspections**
 - **preventive maintenance services and retrofitting, and**
 - **timely, quality responsiveness to resident service requests.**
-

3. What solutions might be appropriate for a garbage disposal not working?

- **Press reset button**
 - **Check fuse or circuit breaker**
 - **Check outlet plug and wall switch position**
-

4. List the benefits of a well-maintained property.

A well-maintained property costs less because of:

- **increased maintenance efficiency**
 - **expense control or reduction, and**
 - **scheduled preventive maintenance that extends the life of equipment, fixtures, and structures.**
 - **assists in the recruitment and retention of skilled maintenance personnel.**
-

Continued on the next page

Answer Key- Property Maintenance for Managers - Skill Check #1, Continued

5. List five (5) ways a manager can emphasize a team approach to maintenance.
- **Share information and decision making.**
 - **Inform the staff that maintenance and curb appeal is everyone's responsibility.**
 - **Make sure the office staff knows how to take accurate and detailed service requests.**
 - **Encourage residents to report maintenance needs promptly before they become more costly repairs or emergencies.**
 - **Follow up to make sure repairs were completed and that you have a satisfied resident.**
-
6. What are the ways you can actively seek input?
- **Make a point of speaking with the Maintenance Supervisor or staff every day.**
 - **Make sure a discussion about maintenance is part of every staff meeting.**
 - **Engage residents in conversations both on the grounds and in their homes.**
 - **Develop a network for finding help - use schools, temporary employees, contractors and vendors.**
 - **Listen, discuss and/or explain specific problems.**
 - **Seek input for possible decisions and timeframes. Not every problem is urgent.**
 - **Respect workloads and schedules. Work with your Maintenance Supervisor to set schedules for daily, weekly, monthly and overtime maintenance work.**
-
7. What are the ways you can show support for everyone on the team?
- **Treat everyone as an important part of the team.**
 - **Promote mutual respect for every team member.**
 - **Respect and understand cultural influences.**
 - **When situations arise that will make people feel uncomfortable, be involved in finding an agreeable solution.**
 - **Be aware of stereotypical attitudes and practices.**
-

Answer Key- Property Maintenance for Managers - Skill Check #2

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 2 of the Property Maintenance for Managers Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. List the ways that a property manager can set high quality standards for maintenance.
 - **Quality standards include the way you treat others. Be respectful, ethical and honest.**
 - **Ensure that repairs are completed correctly and in a timely manner.**
 - **Follow preventive maintenance schedules.**

2. A job description should include a detailed description of the work that the maintenance technician in this position will perform? True or False?

True.

3. Reviewing and summarizing service requests will give you information about
 - **When service requests are occurring**
 - **Types of requests received**
 - **Who needs service**

4. Since the Maintenance Supervisor will report directly to you as property manager, you do not have to check a person's references before hiring him/her. True or False.

False.

5. *What four ways help to reduce risk in contracting with an independent contractor?*
 - **Lien waivers**
 - **Multiple payee payments**
 - **Payment and performance bonds**
 - **Certificates of insurance**

Continued on next page

Answer Key- Property Maintenance for Managers - Skill Check #2

6. List the three (3) questions you can use when evaluating the technical team's performance.

- **Is the employee properly assigned work for his skill level and experience?**
 - **Is the work completed correctly and in a timely manner?**
 - **Are any problems the result of lack of knowledge or lack of performance?**
-

7. List the maintenance technician information that should be included on a weekly service request summary.

- **Name and job title**
 - **Number of service requests completed**
 - **Types of work performed**
 - **Total number of hours worked**
 - **Space for comments**
-

8. Define contractor.

A contractor is a person or company, who is a separate business entity, that performs specific services or work and is hired to perform activities that your normal maintenance or housekeeping staff cannot do or where it has been determined that it is more cost effective to use such an outside vendor.

9. How is a contractor generally selected?

Contractors are generally selected by using a bidding process.

Answer Key- Property Maintenance for Managers - Skill Check #2, Continued

10. Identify sources for locating a good contractor.
- Researching the job to see what is needed.
 - Asking for referrals
 - Contacting the local apartment association
 - Contacting other apartment communities or management companies
 - Asking other contractors
 - Looking in the newspaper
 - Looking in trade magazines
 - Asking suppliers – lumber yards, paint companies
 - Asking utility companies
 - Reviewing who did prior work at your property or other apartment communities
 - Calling the Better Business Bureau
-

11. What is the purpose of the bidding process?
- The bidding process will help you to select the best contractor for the job.**
-

12. When selecting a contractor, always try to find the least expensive one to do the job. True or False?
- False.**
-

13. How many bids should you get?
- Three (3) bids from separate contractors.**
-

14. Who should review the contract prior to signing?
- An attorney should review contracts before they are signed to ensure compliance and reduce risk.**
-

Answer Key- Property Maintenance for Managers - Skill Check #2

15. What is a retainage fee?

A retainage fee is a percentage of the payment held until satisfactory completion of work.

16. How do payment and performance bonds reduce risk in contracts?

Payment and performance bonds ensure both the price and performance of a contractors work

17. What is the purpose of certificates of insurance?

Certificates of insurance prevents injury claims against the property and protects against damage caused by contractor negligence

18. What does a lien waiver protect against?

A lien waiver protects the property and management company from claims filed by a contractor.

19. List the types of maintenance that you might use a vendor for.

- **pool maintenance**
 - **landscaping**
 - **pest control**
 - **interior painting and carpet maintenance**
-

Answer Key- Property Maintenance for Managers - Skill Check #3

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 3 of the Property Maintenance for Managers Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define exterior maintenance.

Exterior Maintenance is the ongoing inspection, repair or replacement of those areas outside of your residential and other buildings.

2. List the elements of a property that fall under exterior maintenance.

- **Property grounds**
 - **Fences, retaining walls**
 - **Landscape irrigation**
 - **Exterior lighting**
 - **Building exteriors**
 - **Pools, ponds and other water features**
 - **Utility buildings, trash and mail areas**
 - **Parking lots and sidewalks, carports and garages**
 - **Tennis courts, spas, volleyball areas, playgrounds and picnic areas**
 - **All public accessibility areas with ADA and Fair Housing Act implications**
-

3. Explain the purpose and benefits of frequent property inspections.

- **Inspections can help you find problems when they are relatively small, easy, and inexpensive to repair**
 - **Frequent inspections also ensure the safety of the property and residents.**
-

4. State who should accompany you when you perform the exterior inspection.

The Maintenance Supervisor should accompany you.

Continued on next page

Answer Key- Property Maintenance for Managers - Skill Check #3, Continued

5. How can you document an exterior inspection?

Use a checklist to have a written record of the inspection, and use it for comparison with previous inspections.

Take photos. They provide excellent backup for inspections and “incidents” requiring photographs.

Answer Key- Property Maintenance for Managers - Skill Check #4

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 4 of the Property Maintenance for Managers Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define interior maintenance.

Interior Maintenance refers to the work required to inspect, repair or replace items that keep building interiors, including residential units, in excellent condition.

2. Make ready maintenance does not take much time or effort. True or false?

False. Make-ready maintenance is one of the most intensive activities in apartment management.

3. Describe the use of company “market-ready requirements”

Companies generally require a certain percentage of vacant units market-ready at any one time. These targets help ensure maximum effort and focus on the best possible, most complete apartment home inventory.

4. Describe the manager’s involvement and responsibility in make-ready maintenance.

- **The manager is involved in:**
 - **pre-inspecting the unit**
 - **deciding what maintenance and make-ready tasks are needed, and**
 - **post-inspecting the unit.**
-

5. Who is responsible for the “market-ready” condition of the property?

The Community Manager is responsible for the “market-ready” condition of the property.

Answer Key- Property Maintenance for Managers - Skill Check #4, Continued

6. Describe what is involved in a move-out inspection.

A move-out inspection involves:

- **Inspecting each vacant unit to determine the scope of the make ready process**
 - **Being thorough. A good inspection of appliances includes turning on the stove, dishwasher, exhaust fans and disposal, and opening the refrigerator door. Bring a flashlight and paper to make notes.**
 - **Working with your maintenance and housekeeping staffs to develop make-ready plans**
-

7. List the three (3) factors that a manager must take into consideration when prioritizing make-ready tasks.

- **The tasks and supplies required to “turn” a vacant unit.**
 - **Amount of time each task takes.**
 - **How many tasks can be done at the same time.**
-

8. Identify who is responsible for managing inventory of frequently used parts and supplies.

The Maintenance Supervisor is responsible for maintaining an inventory of frequently used parts and supplies, and

9. List ideas for keeping inventory costs down

- **Purchasing items in bulk and standard sizes**
 - **Product knowledge can save time and money**
 - **Understanding maintenance terminology**
 - **Using comparative shopping**
-

10. When purchasing items for inventory, is the least expensive item the best choice?

No.

Answer Key- Property Maintenance for Managers - Skill Check #4, Continued

11. Describe what a manager needs to consider in the proper storage of tools and supplies.

- **Controlling inventory costs is important.**
 - **Storage areas should be secure, conveniently located and well organized.**
 - **All OSHA standards should be followed for safety purposes.**
-

12. Explain vendor programs for purchasing inventory.

- **Allow you to purchase items at a lower prices**
 - **May have spending requirements to qualify for discounts**
 - **May include rebates that are tied to spending levels**
-

13. Explain why inventory management is so important.

- **Material purchasing contributes to the Net Operating Income and adds value**
 - **Maintenance and repairs can be handled more efficiently when tools and parts are readily available**
-

14. Maintenance management software programs help to do what functions?

- **Generate and track work orders**
 - **Schedule preventive maintenance**
 - **Produce inventories for parts and supplies**
 - **Categorize expenses**
 - **Analyze employee and contractor productivity**
 - **Provide histories for all property components**
-

Answer Key- Property Maintenance for Managers - Skill Check #5

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 5 of the Property Maintenance for Managers Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Define preventive maintenance.

Preventive maintenance is a proactive approach to protecting and maintaining the value of property assets.

2. List what preventive maintenance is designed to do.

- **Preventive maintenance is designed to:**
 - **extend the life of equipment**
 - **reduce unexpected problems, and**
 - **lessen the likelihood of normal problems becoming more costly ones.**
-

3. Describe what a manager is responsible for with regard to preventive maintenance.

Managers are responsible for planning and overseeing the implementation of preventive maintenance activities, but the success of PM is based on everyone's contributions. This includes the manager and the maintenance staff.

4. Describe what is involved in monitoring a preventive maintenance program.

A preventive maintenance program involves:

- **Keeping track of maintenance work records.**
 - **Making sure work is inspected.**
 - **If there is an action item, ensuring it gets completed by the deadline**
 - **Reviewing PM activities on a regular basis.**
-

Continued on next page

Answer Key- Property Maintenance for Managers - Skill Check #5, Continued

5. Explain what is involved in inspection and inventory.

A good preventive maintenance (PM) program begins with a thorough inspection of the property and a list of all items that are subject to regular inspection. This list can be developed or updated by walking through the property and taking note of maintenance equipment, structural components and the condition of the landscaping.

6. Lenders and insurers frequently require evidence of some kind of preventive maintenance program. True or False?

TRUE – it helps to preserve the asset they are funding

7. List the types of maintenance tasks that may require a licensed expert.

Hire a licensed expert for:

- **central air conditioning**
 - **elevators**
 - **swimming pool**
 - **pest control**
 - **landscaping**
 - **snow removal**
-

8. Define retrofitting.

Retrofitting is replacing worn, older less efficient parts and equipment with newer energy saving models.

9. List the five (5) benefits of retrofitting.

The five benefits of retrofitting are:

- **enhances the value of the property**
 - **better serves the residents**
 - **reduces operating costs**
 - **lengthens the time between service calls**
 - **conserves energy and resources**
-

Continued on next page

Answer Key- Property Maintenance for Managers - Skill Check #5, Continued

10. Are you allowed to install locked covers on thermostats in offices, clubhouses, fitness centers, and laundries?

Yes.

11. What kind of light bulbs are energy efficient and where should you install them?

Fluorescent light bulbs are energy efficient and should be installed in lamps in hallways and models.

12. List the five benefits of a properly administered preventive maintenance program

- **Reduce service requests**
- **Reduce expenses**
- **Extend the useful life of fixtures and equipment**
- **Increase resident satisfaction and resident retention**
- **Increase the value of the property**

Skill Check #1 Answer Key

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 1 and 2 of the Risk Management Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What are the three (3) property assets to protect through risk management?
 - **People**
 - **Property**
 - **Community goodwill**

2. What are the two federal agencies that enforce and regulate environmental safety standards?
 - **Environmental Protection Agency (EPA)**
 - **Occupational Safety and Health Administration (OSHA)**

3. What is the manager's responsibility for ensuring habitability?
 - **Conduct, document and maintain periodic inspections.**
 - **Follow a preventive maintenance program.**
 - **Keep current and comply with building, housing, health, and safety codes.**
 - **Keep records of all requested and completed repairs, inspections and preventive maintenance.**
 - **Encourage residents to notify management of needed repairs and make repairs quickly.**
 - **Inspect repairs upon completion.**
 - **Follow-up with residents to ensure the repair work was satisfactorily completed.**

4. What is the name of the new Freon that is replacing R-22 and why is this important?
 - **The name is R-410A**
 - **It is newly formulated to not deplete the ozone layer**

5. What areas should a risk management process address?
 - **Resident and staff safety**
 - **Emergency planning**
 - **Insurance**
 - **Liability**

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Skill Check #1 Answer Key Answer Key, Continued

6. What are the property hazards to guard against?
- a defective staircase causes resident to fall and suffer a broken leg
 - a puddle of oil-slicked rainwater in the garage results in resident fall and injury
 - a damaged plug in the wall outlet causes a resident to receive electrical burns
 - a defective heater causes a fire and a resident is injured and property is damaged
 - pesticide sprayed in common areas and on exterior walls causes a resident to get sick, and
 - wet grass cuttings left on a common walkway causes a resident to slip and fall resulting in injury.

7. Complete the following chart to identify the potential hazard and, if possible, identify where it is found or used, for each environmental hazard.

Environmental Hazard Name	Hazard	Where it is found/used
Freon	Depletes the ozone layer	Gas used in appliances and HVAC systems
Asbestos	When inhaled can cause the stiffening of lung tissue which contributes to heart disease and lung cancer.	Building materials
Radon	Radioactive gas that can become a lethal health threat	Trapped in residence with dense insulation and lacking good ventilation
Carbon Monoxide	Poisonous, colorless, odorless gas that can cause headaches, dizziness, nausea or death	Produced when fuel burns incompletely due to blocked ventilation and CO builds up
Lead	Lead poisoning, serious disabilities	Paint, soils, lead pipes and lead-based solder in copper pipes
Mold	Exacerbation of existing allergies and increased symptoms for existing asthma	anywhere

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Skill Check #1 Answer Key Answer Key, Continued

8. What are the five stages of analysis when managing risk?
- **Identify potential risks in company operations**
 - **Analyze the frequency and severity of past and potential losses**
 - **Working to eliminate or reduce risks**
 - **Building financial protection to cover risks**
 - **Setting up policies and procedures to carry out risk management**
-
9. What are some recommended precautions to take in order to prevent terrorism?
- **Know what's going on**
 - **Communicate with residents**
 - **Screen and check backgrounds**
 - **Strengthen relationships with local and federal law enforcement**
-
10. What is the name of the new set of regulations that owners of market rate properties built before 1978 must comply with in regard to lead-based paint?
- Renovation, Repair and Painting regulations – RRP**
-
11. What are some things a manager can do to discourage criminal activity and deter crime?
- **Stay informed of neighborhood crime**
 - **Respond quickly to neighborhood crime**
 - **Control building access and keys**
 - **Provide adequate lighting**
 - **Complete employee background checks**
 - **Involve residents**
 - **Trim shrubs and bushes**
-
12. What are the three common areas of risk?
- **Property hazards**
 - **Crime deterrence**
 - **Environmental Hazards**
-

Skill Check #2 Answer Key

Instructions Read the questions below and complete the answers. This skill check covers information in Chapter 3 and 4 of the Risk Management Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What are the five areas of the OSHA Hazard Communication Standard that employers are required to comply with?
 - **Hazard evacuation**
 - **Labeling**
 - **Material Safety Data Sheets**
 - **Information and Training Programs**
 - **Written Hazard Communication Plan**

2. What is the purpose of an emergency plan?

An emergency plan has been proven to minimize the risk to life and property. Experience has also demonstrated that uncoordinated actions taken during an emergency are not as effective as a planned strategy for action. A emergency plan can help:

 - **conserve limited resources during an emergency**
 - **prevent poor performance**
 - **limit or avoid negative media attention**
 - **limit liability for your multifamily housing community, and**
 - **help you meet regulatory requirements.**

3. What are the written requirements for the PPE standard?
 - **The standard does not require a written program, but does require a written assessment and documentation of exposures.**

4. Who is responsible for determining the hazards associated with products bought and used by management companies?
 - **The manufacturers and distributors**

5. Why is it important for managers to be informed of the OSHA regulations and perform regular inspections to ensure compliance?
 - **It may help you prevent a situation where you are not up to code when an OSHA inspection is performed and help you avoid any possible claims an injured employee might file against you.**

Skill Check #2 Answer Key, Continued

6. What are the employee groups who require training under the lockout/tagout standard?
- **Authorized employees (those actually performing service and maintenance)**
 - **Affected employees (those who are affected by actions of authorized employees)**
 - **Other employees (office employees)**
-
7. What is the name for smaller containers used to hold chemicals and cleaners drawn from larger original drums and what are the special labeling rules about them?
- **They are called portable containers**
 - **They must be labeled if they will not be emptied by the end of the work day or if more than one person will use them**
-
8. When it comes to SDS use, what two training requirements must the property meet?
- **Set up a training schedule for staff and hold periodic sessions**
 - **Provide records of training and attendance at training**
-
9. List the six types of energy that must be addressed in the lock-out tagout rules
1. **Electrical**
 2. **Hydraulic**
 3. **Chemical**
 4. **Pneumatic**
 5. **Mechanical**
 6. **Thermal**
-
10. What is the name of the form that must be visibly posted in the property work area recapping any injuries or illnesses from the previous year?

The OSHA 300A form

Continued on next page

Skill Check #2 Answer Key, Continued

11. What is the purpose of an emergency drill?
- **To ensure that all aspects of the evacuation can be fully executed.**
-
12. What are the five (5) criteria that OSHA uses in selection of facilities they inspect?
- **Imminent danger**
 - **Catastrophes and fatal accidents characterized by an accident causing a fatality or the hospitalization of three or more employees involving a single accident.**
 - **Employee complaints/referrals.**
 - **Programmed inspections (targeted at high hazard industries, occupations, health substances or other industries identified by OSHA's current inspection procedures.)**
 - **Follow-up inspections.**
-
13. What are the four (4) areas a manager needs to address in anticipating and planning for emergencies?
- **Develop a clear plan with specific procedures to follow for various types of emergencies.**
 - **Educate staff and residents about their roles in emergencies.**
 - **Train staff to respond to emergencies in specific ways.**
 - **Hold periodic drills.**
-
14. What are some of the factors to consider when determining the likelihood of an emergency?
- **Proximity**
 - **Adjacent properties**
 - **Weather and geography**
 - **Residents**
 - **Property arrangement**
 - **Property infrastructure**
-

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Skill Check #2 Answer Key, Continued

15. What are the three major impacted entities in an emergency?
1. **People**
 2. **Property**
 3. **Business**
-
16. What is the best way to respond to an emergency to ensure favorable media coverage?
- **The best way to ensure favorable media coverage is to respond to every emergency:**
 - **Quickly**
 - **Efficiently**
 - **Compassionately**
-
17. What is the Electrical Safety-Related Work-Practice Training Program standard, and who does it apply to?
- **This is a standard that is actually phase two of OSHA's Lockout/Tagout Standard. The standard requires employers to have a written training program for qualified and unqualified employees who perform electrical service and maintenance, including those who:**
 - **perform electrical service and maintenance, or**
 - **assist in the process on the property.**
-
18. What is the lockout/tagout standard?
- **The lockout/tagout standard requires the de-energizing of energy sources during service, maintenance, clearing jams or removing guards. Locking out literally means placing locks and tags on:**
 - **electrical switches**
 - **liquid or gas valves and**
 - **other control points to control energy.**
-

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Skill Check #2 Answer Key Answer Key, Continued

19. What must an employer do to comply with the bloodborne pathogen standard?
- **Surveying employee exposures.**
 - **Assignment of tasks to third party abatement specialists.**
 - **Investigating exposure accidents.**
 - **Offering employees the HBV vaccine.**
 - **Establishing a written exposure control plan**
 - **Communicating hazards to employees.**
 - **Training and retraining.**
-
20. What is an exposure incident?
- **An exposure incident is an occasion where an employee actually had blood or bodily fluids enter his or her body**
-
21. What are the seven (7) things an emergency plan should specify details for?
- **Determine which types of emergencies you are most likely to experience.**
 - **Identify the areas of high risk for experiencing an emergency.**
 - **Evaluate the impact of those emergencies.**
 - **Create a plan according to the impacts**
 - **Implement the plan.**
 - **Train and drill according to the plan.**
 - **Review and adjust the plan based on drill experiences.**
-
22. What are the five most common emergencies?
1. **Fire**
 2. **Natural disasters**
 3. **Technological disasters**
 4. **Criminal incidents**
 5. **First aid situations**
-
23. Who is responsible to determine if personal protective equipment should be used to protect someone?
- The employer**
-

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Skill Check #2 Answer Key Answer Key, Continued

24. Complete the chart below to list at least three ways a manager can prepare for each disaster/emergency.

Disaster/Emergency	Ways to Prepare
Fire	<p>Choose any three of the following:</p> <ul style="list-style-type: none"> • Meet with the fire department to discuss the community's fire response capabilities. Discuss your operations and identify processes and materials that could cause or fuel a fire. • Have the facility inspected for fire hazards. • Ask your insurance carrier to recommend fire prevention and protection measures. • Distribute fire safety information to residents and staff: how to prevent fires in the workplace, how to contain a fire, how to evacuate the facility, where to report a fire. • Conduct evacuation drills. Post maps of evacuation routes in prominent places. Keep evacuation routes including stairways and doorways clear of debris. • Establish procedures to prevent the accumulation of combustible materials. • Identify and mark all utility shutoffs so that personnel can shut off electrical power, gas or water quickly. • Check automatic sprinkler system, water control valves, and air and water pressure valves regularly. • Protect sprinkler heads from damage with metal guards. • Provide fire extinguishers in adequate numbers, type, and in readily accessible locations, professionally inspected and tagged. • Train the staff, periodically, in use of fire suppression and prevention procedures.
Flood	<p>Choose any three of the following:</p> <ul style="list-style-type: none"> • Contact your local FEMA office to determine: <ul style="list-style-type: none"> ○ if your community is located on a flood plain ○ history of flooding in your area, and ○ the elevation of your facility in relation to streams, rivers and dams. • Inspect areas on the property subject to flooding. • Identify records and equipment that can be moved to a higher location. • Ask your insurance carrier for information about flood insurance. Regular property and casualty insurance does not cover flooding.

Continued on next page

Skill Check #2 Answer Key, Continued

24. (continued)

Disaster/Emergency	Ways to Prepare
Hurricane	<p>Choose any three of the following:</p> <ul style="list-style-type: none">• Establish facility shutdown procedures.• Make sure the employee phone contact list is current. Establish a contact person for staff and a central number for employee contact.• Establish warning and evacuation procedures.• Purchase a weather radio with a warning alarm tone and battery backup.• Survey your property and make plans to protect outside equipment and structures.• Make plans to protect windows.• Provide residents and staff with:<ul style="list-style-type: none">○ hurricane maps○ evacuation routes, and○ instructions on how to secure the property.
Technological Disaster	<p>Choose any three of the following:</p> <ul style="list-style-type: none">• Identify all critical operations, including:<ul style="list-style-type: none">○ utilities○ security and alarm systems○ elevators○ lighting○ life support systems etc.○ communication and transportation systems• Determine the impact of service disruption.• Establish procedures for restoring systems.

Skill Check #3, Risk Management

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 5 of the Risk Management Participant Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What are three things covered by General Liability insurance? Please provide an example of each.
 - **bodily injury, e.g.**
 - **a ladder is left in the hallway by a maintenance employee and a resident trips over the ladder and suffers a broken arm.**
 - **a visitor is assaulted by an employee.**
 - **property damage, e.g.**
 - **the sprinkler system in the hallway comes on suddenly and a resident's sofa is ruined on move-in day.**
 - **a visitor's bike is smashed by a company lawn mower.**
 - **personal injuries, e.g.**
 - **False arrest**
 - **Invasion of privacy**

 2. What are the three (3) conditions under which property insurance may be canceled?
 - **failure to pay the premiums**
 - **failure to remedy an identified hazard.**
 - **new risk factors.**

 3. What is loss prevention?
 - **Loss prevention is being proactive in preventing losses.**

 4. What is a deductible?
 - **A deductible represents the amount the policyholder agrees to pay, per claim or per accident, toward the amount of the insured loss.**
-

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Skill Check #3, Risk Management, Continued

5. What is an incident?
- **An incident includes all accidents, crimes, reported losses and resident losses at a property.**
-
6. What does Workers' Compensation insurance cover?
- **employee medical and lost wage benefits in the event of a work related injury or illness.**
 - **Basic coverage includes:**
 - **Medical treatment**
 - **Rehabilitation costs**
 - **Lost-wage replacement**
 - **Regular salary replacement while the employee is out of work.**
-
7. Liability risk can be minimized through what three measures?
- **Loss prevention**
 - **Loss control**
 - **Risk transfer**
-
8. Describe the difference between all-risk and named peril insurance.
- **All-risk covers all risks of direct physical loss or damage, except risks that are excluded from the policy.**
 - **A named peril policy covers loss and damage only from those causes that are specifically identified in the policy.**
-
9. Offer examples of crime insurance
- **Fidelity insurance against employee theft**
 - **On the premises insurance for loss to property while on the property due to theft, false pretenses, misplacement, etc.**
 - **In transit insurance for loss of property while in transit due to theft, mysterious disappearance or damage.**
-

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Skill Check #3, Risk Management, Continued

10. What is the most common risk management strategy?
- **To finance the risk through insurance and deductibles**
-
17. Third party insurance involves what three parties?
- **The policyholder**
 - **The insurance company**
 - **Third party to the insurance contract, the claimant against the policyholder**
-
12. What is loss control?
- Doing everything you can to mitigate or lessen the impact of the loss once it occurs.**
-

Answer Key: Skill Check #1

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 1 of the Financial Management Reference Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Name the four (4) factors of investing

Risk
Income
Growth potential
Liquidity

2. Define Return on Investment (ROI) and provide the formula for calculating ROI.

Rate of return may be defined several ways, but for our purposes, it can be simply stated as the percentage of return on each dollar invested. It can be calculated as follows:

$$\text{Cash Flow/Investment} = \text{ROI}$$

3. Define investment

An investment is the use of funds to earn a profit

4. List the advantages of apartment investments.

- **Receiving periodic cash payments from the cash flow generated by the property.**
 - **Potential for investment appreciation (increase in value of the property).**
 - **Reduction in income taxes. Ownership of residential income property allows the owner to use depreciation when reporting taxable income.**
 - **The ability to invest using leveraged funds (borrowed money).**
-

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Answer Key: Skill Check #1, Continued

4.,
(continued)

List the disadvantages of apartment investments.

- **Real estate is one of the least liquid investments or assets.**
- **Many investors will be required to actively participate in management of the property. There are exceptions however, such as corporations, TICS, and REITs.**
- **Owning property involves some high risks such as property damage due to fire or flooding. There is also the risk of loss of income, rents and other revenues due to a property's location and/or market conditions.**

5.

The word "yield" is used interchangeably with what term?

Return

6.

Provide a brief description of each of the following types of ownership.

Type	Description
Direct ownership	One individual owns and manages the property.
Partnership	Two or more people jointly own and manage property.
Limited Liability Partnership	The limited partners contribute capital but do not actively manage the business.
S Corporation	A corporation that is taxed as if it were a partnership – the corporation's income is taxed only as the personal income of the shareholders. This is an effective way to avoid double taxation while retaining the legal benefits of incorporation.
Real Estate Investment Trust (REIT)	Established by federal law in 1960. The purpose of a REIT is to allow small investors to pool their investments in real estate while also diversifying their risks, obtaining professional management and maintaining liquidity.

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Answer Key: Skill Check #1, Continued

7. Provide a brief description of each of the following types of mortgages.

Type	Description
1. Fixed rate	Traditionally, fixed-rate mortgage loans are made for long terms of 20 to 30 years and carry a fixed interest rate. Level payments, meaning the same dollar amount of payment, are made each period for the entire loan term. The payments are applied to the principal and interest owed until the loan is paid in full. This process is referred to as amortization.
2. Variable rate	A variable rate mortgage or Adjustable Rate Mortgage (ARM) is a type of mortgage that has an interest rate that is adjusted periodically based on a financial index. The most common adjustment intervals range from one month to three, five and ten years.
3. Balloon	A balloon mortgage behaves like a fixed-rate mortgage for a set number of years (usually five, seven or ten) and then must be paid off in full in a single “balloon” payment. Balloon loans are popular today and often used by those expecting to sell or refinance their property within a definite period of time.
4. Bullet loan	Bullet loans are structured so that interest payments and the loan principal are paid off in one lump sum at a specified time. They may require monthly payments of interest. Bullet loans are frequently used in new construction and substantial rehabilitation situations where no income is received for a period of time from the property.

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Answer Key: Skill Check #1, Continued

8. List the different sources for obtaining a mortgage.

Mortgage loans may be obtained from:

- commercial banks
- finance companies
- savings and loan institutions
- insurance companies
- pension funds
- mutual funds, and
- the federal government through government sponsored enterprises or government chartered corporations, such as the
 - Federal Home Loan Mortgage Corporation (FHLMC) (Freddie Mac), and
 - Federal National Mortgage Association (FNMA) (Fannie Mae)

9. What is a cash-on-cash return?

Cash received each period against the original cash invested.

10. What is amortization?

The process of retiring a debt or recovering capital investment, typically through scheduled, systematic repayment of the principal.

Answer Key: Skill Check #2

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 2 of the Financial Management Reference Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. List the three (3) factors that affect rental income.

Rate (or Competitive market rents)
Percent occupancy (or physical occupancy)
Collection percent

2. What factors affect rental rates?

supply and demand
economic conditions
housing trends
competitor's offerings
property features

3. Explain the impact of concessions on rent.

Anytime concessions are provided the property will collect less rent than if the resident were paying scheduled market rent. This is called effective rent or net rent.

4. Name three (3) ways to manage lease expiration.

stagger monthly expiration dates (different months for different leases)
stagger expiration dates (day of month the lease expires)
offer different pricing for different lease terms (higher price for shorter lease term)

5. What does a delinquency report tell you?

Which residents are late with payments.

Continued on next page

Answer Key: Skill Check #2, Continued

6. Provide examples of the following:

Fixed expenses:

**Property taxes
Insurance payments
Depreciation**

Variable expenses:

- **utilities**
- **maintenance contracts**
- **landscaping**
- **turnover costs**
- **marketing (advertising and promotion)**
- **management fees**
- **recurring repairs and maintenance**
- **administrative costs, and**
- **payroll and benefits.**

Capital expenses:

Capital Expenses (CE) refer to items like appliances, HVAC equipment, and costs for large improvements such as replacing roofs or adding a swimming pool.

7. State the purpose of a replacement reserve account.

This account is a like a special savings account into which money is deposited on a monthly, quarterly or annual basis so that future funds are available for large capital projects.

Continued on next page

Answer Key: Skill Check #2, Continued

8. What is debt service?

The mortgage or loan payment

9. What two (2) things are you looking at when you perform a cost-benefit analysis?

Potential expense and potential income/benefit

10. What is important to remember when trying to balance rental rate and vacancy?

Remember that the goal is not 100% occupancy, but rather to maximize income

11. What information can be found on the rent roll?

- unit number
 - unit type
 - unit description
 - resident name(s)
 - status of resident
 - square footage in the unit
 - market rent rate
 - actual rent rate
 - move-in date
 - other recurring monthly charges
 - lease term
 - lease expiration date
 - notice (if applicable)
 - intended move-out date
 - amount of deposit(s)
 - any balance due
 - date of last rent increase, and
 - amount of last rent increase.
-

Answer Key: Skill Check #2, Continued

12. Before adjusting rent, you must analyze the four P's. What are they?

- **People**
 - **Product**
 - **Promotion**
 - **Price**
-

13. What considerations should be used when increasing rents?

- **When any floor plan is 95% or more occupied or that are full even when the property turnover averages below 55%**
 - **When rents fall below levels indicated by a market comp analysis**
 - **Anytime the community is full**
 - **Upon owner request**
-

14. What is the turnover ratio and how is it determined?

Turnover ratio is the total number of move-outs in a given period (usually annualized) divided by the total number of apartments.

15. Why do most companies use some form of a budget control log?

To minimize “financial statement shock” at the end of the month when unexpected expenses over budget appear on the financial statement reports

Answer Key: Skill Check #3

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 3 of the Financial Management Reference Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. What is an asset?

Assets are economic resources that benefit an investment. Assets would include real and personal property, and cash or bonds.

What is a liability?

Liabilities are the economic obligations to non-owners.

2. What does a balance sheet represent and what three sections are included?

The balance sheet is a representation of the financial status of a property at an instant of time. The sections are Assets, Liabilities and Equity.

3. What does an income statement measure?

The income statement measures performance for a span of time – a month, quarter or longer.

4. Define cash flow.

Cash flow is the amount of money left after all sources of income are collected and operating expenses, capital expenses including replacement reserve payments if required, and debt service have been paid.

Continued on next page

Answer Key: Skill Check #3, Continued

5. What is Gross Potential Rent (GPR)?

Gross potential rent is the current rent actually charged at 100% occupancy. It combines the sum of occupied units at current lease rates plus vacant units at market rates.

6. What is vacancy (VAC)?

VAC includes the total value of rent loss from vacant units, concessions given, collection losses as a result of writing off bad debt, and the total amount of rent loss from any non-revenue units.

7. Define each of the following terms and provide the formula for calculating each.

Term	Definition	Formula
Effective Gross Rent (EGI)	Effective gross income is the amount of GPR less vacancy, concession and collection loss (VAC). Effective gross income may also be called net rental income or total rental income.	$GPR - VAC = EGI$
Gross Operating Income (GOI)	Gross Operating Income (GOI) is the sum of the Effective Gross Income (EGI) and other income (OI). Stated in another manner, it is simply total revenue.	$EGI + OI = GOI$
Net Operating Income (NOI)	Net Operating Income is GOI or total revenue less OE.	$GOI - OE = NOI$

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8. What is the Operating Expense Ratio and how is it calculated?

The ratio calculates the percentage of the GPR that is being used to pay operating expenses. The ratio depends on the age of the property, its location, type and what expenses are included

The formula is OE/GPR

9. What is the break-even occupancy ratio and why is it important?

The break-even occupancy ratio describes the level of occupancy required to produce enough income to pay the operating expenses and debt service of a property.

It is important to evaluate occupancy levels relative to critical must-pay expenses.

The formula is $(OE + DS)/GOI$

10. What does a chart of accounts do?

The chart of accounts established account codes for each income and expense item and defines what should be posted into each account. Accounts are organized into recognizable groups like Marketing or Utilities.

Answer Key: Skill Check #4

Instructions

Read the questions below and complete the answers. This skill check covers information in Chapter 4 of the Financial Management Reference Guide. You may use your book to complete this skill check. Once complete, your instructor will provide you with an answer key and you will grade yourself.

1. Explain the purpose of a budget.

1. Estimates of expected income and expenses are made to determine what occupancy levels and other sources of income will be needed to cover expenses and provide a return on investment.

2. Budgets are also used to monitor a property's performance

3. Budgets may be used to evaluate the performance of personnel

2. Name 2 features of a lease-up budget.

- **Special attention will be paid to those activities and costs required to attract residents, get leases signed and generate income.**
 - **Projecting expenses during lease-up will be less precise than those for a stabilized property because there is no property history to which you can refer.**
-

3. Name 3 features of a modernization budget.

Any 3 of the following

- **will reflect larger allocations for capital expenses and labor than a stabilized property**
 - **must be more flexible if much of the work is dependent upon subcontractors' schedules and vendors' supplies**
 - **may include periods of no rental income for part or all of a building while major renovations take place, and**
 - **may be prepared separately from the operating budget of a property and may be as short as a few months or cover more than one year.**
-

Continued on next page

Answer Key: Skill Check #4, Continued

4. List 5 of the sources that you can use to get information for your budget.

Any 5 of the following

- the operating history for the property
 - the previous budget including notes
 - other properties (in the portfolio) of like size, age, condition, and geography(same city)
 - other owners or supervisors
 - current service contracts
 - National Apartment Association historical data
 - Institute of Real Estate Management historical data
 - vendors and contractors for expected labor and material costs
 - insurance agents
 - utility companies
 - taxing authority office, and
 - industry income and expense surveys.
-

5. What is the first thing you need to do when developing a budget?

Make sure that you understand the owner's investment goals for the property, and determine the long and short-term actions necessary for the result.

6. Define extrapolation.

To extrapolate is to estimate a number by extending known information. Before you forecast a number be sure the historical records don't contain any extremely high or low numbers due to extenuating circumstances.

7. List the questions you need to ask when analyzing budget variances.

- Have there been job layoffs?
 - Is a new or established competitor attracting people? If so, why?
 - Do they have lower rental rates or offer more amenities?
 - Did they run a successful advertising campaign?
 - Have you been able to raise rents compared to budget? If so, why?
 - Are your budget variances a timing issue or likely to be permanent; that is, for example, are your utility bills late in being received, was the cable revenue payment not received in the month budgeted, etc.
-

Research, Analysis and Evaluation

Skill Check #1

1. What will be one of the most critical competencies for leaders in the year 2030?

- Cognitive Abilities

2. What are typical examples of rental housing issues?

- Staff
- Need for Income
- Residents
- Market
- Owner's Strategy
- Physical Structure

3. Give two examples of typical "present conditions".

- Heightened OR failing weekly activity levels
- Underperformance of budgetary expectations
- Staff performance levels
- High staff turnover
- Significant market fluctuations
- Deterioration of the property, buildings and equipment
- A casualty loss and damage on the property
- New and aggressive compliance rules and regulations

Continued on next page

Skill Check #1, continued

4. Name some typical owner's goals:

- A specific rate of return
 - Regular cash flow
 - Tax benefits
 - Investment Diversification
 - Quick profit
 - Increased Property Value
 - Pride of Ownership
 - Improved Management Performance
-

5. What strategies might an owner use to achieve his or her goals?

- Refinancing
 - Renovation or retrofit
 - Property exchanges
 - Property improvements
 - Property conversion
 - Property liquidation
-

6. Explain the relationship between the owner's goals and strategies.

- Strategies are methods used to achieve goals. The strategy supports the goal
-

7. What does a problem statement accomplish?

- It illustrates a clear vision with regard to the issue
 - It describes current errors or shortcomings
 - It identifies the overall method that will be used to solve the problem
-

8. Describe the relationship between "present conditions" and the problem statement.

- Present conditions may be positive or negative. They are simply described, not editorialized. The problem statement would be written based upon the negative present conditions.

Skill Check #2

1. What resources can you use to find information about the problem?

- Printed Materials
 - Interviewing People
 - The Internet
 - Company Reports and Documents
 - External Factors
 - Internal and Management Factors
-

2. What are some tips for conducting a fact-finding interview with someone?

- Capture unique personal experiences
 - Use your problem statement as a guide
 - Compose questions before the interview
 - Write or record everything
 - Stay on track
 - Allow for follow-up
-

3. What is a “gateway” source?

- These are dictionaries and encyclopedias that provide general information but can also supply additional resource links for deeper analysis.
-

Continued on next page

Skill Check #2, continued

4. How can external factors provide research data for property issues?

- External issues include economics, industries and employment information which affect jobs which in turn can impact the amount of traffic and resident retention at a property.
- Social trends, population demographics and earning capacity impact rental rates and occupancy.
- Roads, transportation and access are important factors in selling location to customers.
- Building codes, regulations and legislative issues can impact the ease with which to do business, develop property, manage the buildings and provide services with little restrictive licensing or miscellaneous fees.

5. When collecting data from research, what one tip will keep later organizing and analysis easy?

- Keep notes separated by topic as you write them
-

6. Why are internal factors so important in research?

- Internal factors include management reporting, company utilizing applications, best practices and the actual physical and financial condition of the property. It is essential to include internal factors in research to connect to what is already happening at the company and property. To omit this perspective would leave a gap in determining conclusions and writing recommendations.

Skill Check #3

1. Define analysis:

- Analysis is the process of breaking a complex topic or substance into smaller parts to gain a better understanding of it.
-

2. Identify examples of business analysis solutions:

- Process improvement
 - Organizational change
 - Strategic planning
 - Policy development
-

3. Demonstrate below the typical breakdown for a working outline:

- I. Major Topic
 - 1. First Subset Topic
 - 1. Second Subset
 - a. Third subset
-

4. Describe the difference between a working outline and a final outline:

- A working outline is an informal listing of topics and subtopics you have planned or discovered as a result of research.
 - It uses phrases, not sentences and is sorted into major and minor topics.
 - The final outline uses the working outline and fills in the facts and figures rather than just broad topics and areas.
-

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Skill Check #3, continued

5. Identify three common ways to divide data into major topics.

- By chronology
 - By cause-and-effect
 - By comparing or contrasting
-

6. Why would a professional prefer to use a concept map over an outline?

- A concept map provides a visual image to break down a problem into topics
 - Then the topics are visually connected together where they interact and data is filled into the boxes.
 - Boxes, circles and lines take the place of the outline format.
-

7. What are the five trendspotting techniques recommended by Sonicbids?

1. Stop talking and listen
 2. Look beyond your own business
 3. Visit your alma mater
 4. Kill your products before someone else does
 5. Think “yes”, not “no”
-

8. When reviewing reports for trends, what should you look for?

- Was the trend repeated?
 - Did it ever work?
 - Were people involved trained?
 - Were there external influences?
 - Are reports accurate?
 - Are others experiencing the same problem(s)?
-

9. List the types of questions to be asked in critical thinking.

- Clarification
 - Probing assumptions
 - Probe reasons and evidence
 - About viewpoints and perspectives
 - About the question
 - Probe implications and consequences
-

Continued on next page

Skill Check #3, continued

10. List below critical thinking questions you would ask for this issue:

- Social media outlets are everywhere! New ideas spring up almost daily. Many offer fantastic insight into our prospects and residents. Many ore promise improved branding and better market position.

Clarification	What social media outlet relates best to our brand?
Assumptions	Are all social media solutions always successful?
Reasons	What have been results at similar companies/properties?
Perspective	What direct effect could we anticipate?
Consequences	Can we monitor and record the results of using this media?
Question Itself	Can we ask more specifically about the deliverables?

Skill Check #4

1. What is the RAND definition of “assumption”?

- An assumption is an assertion about some characteristic in the future that underlies the current operations or plans of an organization.
 - To assume is to infer future results from past experiences.
-

2. Name some typical assumptions in our industry.

- The slowdown is temporary – traffic will be back to normal soon
 - Our residents want “x”
 - Our competitors can’t beat us at “x”
 - We can’t afford to do “x”
 - We tried “x” before and it didn’t work
-

3. Describe the difference between inductive and deductive reasoning.

- Inductive reasoning starts from **specific facts or observations** to arrive at a **general conclusion**.
 - Deductive reasoning uses a **general observation** and works back to a **specific example**.
-

4. Describe some basic assumptions for the following conditions

Work orders take longer than 24 hours

Staff is trained

Work orders are adequately recorded

Work orders are processed timely

Work order completion is up to date

Parts are available

Employees are requesting training

Employees know what they want

Training reduces expenses

Training builds teamwork

Staff will quit without training

Outsourced training will not work

Continued on next page

Skill Check #4, continued

5. Use this example to determine other potential outcomes to this reasoning.

If I don't give my staff opportunities to attend training, I won't be able to develop them so when I need to promote someone, they won't be ready.

- There could be many reasons why staff is not ready:
 - Staff may not be ready because they have not learned from the opportunities given to them;
 - There could be no new spots open up;
 - Development could come from delegation, job-shadowing or job sharing;
-

6. Conclusions are easier to draw using these practices. Explain why:

So What Game	Asks the question "so what?" for each statement from your conclusion to ensure you have a unique and credible solution.
Circle Back	Go back to the themes that you used to open the presentation to unite beginning and end
Synthesize	In the summary in your conclusion, don't just restate your findings. State, then link forward to the solution.
Course of Action	Be sure you propose action items – fix it.
Broad Implications	Close by pointing to the broader implications of the solution to the property, company, mission, etc.

7. What are some never's about writing conclusions?

- Never use overused phrases like "in conclusion," "in summary"
- Never state your proposal for the first time
- Never introduce a new topic or subtopic
- Never include evidence that should have been in the body

Skill Check #5

1. Explain how conclusions and recommendations are connected.
 - Conclusions are based on research, analysis and evaluation. Recommendations connect conclusions to solutions. They show how what was concluded can be corrected in practice and change.

2. Why is it important to consider the audience when making your recommendations?
 - Your audience likely represents some of your approvers and questioners.
 - If you are proposing expense or dramatic operating changes, you must consider the impact to the audience.
 - How do they want to hear this news?
 - Are there leaders who need to get on board?
 - Consider personal and owner needs when presenting to them.
 - Be sure to be clear on “What’s in it for Me” for each member of the audience.

3. Why do the stakeholders matter?
 - Stakeholders are the people that may be directly affected by your recommendations. How will they need to respond?
 - How will their workload change?
 - Think of the stakeholders in order to end up with a successful solution.

4. What debate skills are most effective in writing or presenting recommendations?
 - Persuasive verbal arguments
 - Confidence and clarity in thinking
 - Use a big picture perspective
 - Counter opposing arguments
 - Logical and Analytic thinking
 - Time management skills
 - Research skills
 - Reading the Audience

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Skill Check #5, continued

5. Identify the six characteristics of strong recommendations:
1. They restate the problem(s)
 2. They never believe they will be accepted as best solutions
 3. They connect directly to research
 4. They prove the conclusion is correct
 5. They are financially feasible
 6. They look and sound professional
-

6. Write three recommendations for the following conclusions:
Move-in inventory follow-up maintenance is excessive. The maintenance team is struggling to keep up and the first impression being made by the property is suffering. Since maintenance is working on new move-ins, daily work order service is lagging.

Recommendations:

- Perform final make-ready inspections with lead tech
- Determine who is doing final make-readies and level of training
- Is office doing move-in walk-throughs with new residents?
- Can we allot certain times of the day to move-in follow-up?
- Lead tech to contact new move-ins for personal follow-up
- Can office staff take clearer work order service requests from residents?

Applications Skill Checks

Use these questions to understand how to extract key issues and apply potential solutions that will be similar to the Part II CAM exam.

Present Condition Sample 1:

A new property in the neighborhood is in lease-up. This is the first new product to the area in years. Your property has always competed well with other apartment communities, but now the pressure is on. The market so far has been strong with increasing occupancies and rents. Your owner likes to take advantage of other properties raising rents first and then your property quickly follows.

1. What are the overall issues?
 - a. The market position
 - b. The competitive condition of our physical product
 - c. First impressions of property and staff
 - d. Staff skills must be excellent
 - e. Level of resident satisfaction
2. List the market issues
 - a. What are market occupancies and rental rates?
 - b. Are our market surveys current?
 - c. How is business in the neighborhood?
 - d. Are there plans for any roadwork, other new construction?
3. What areas of the physical property need to be addressed?
 - a. Curb appeal must be maximized
 - b. Enhance landscape as an option
 - c. Consider paint touch-up
 - d. Consider a multi-level unit upgrade program
 - e. Conduct a full unit type comparison with new product.
4. Assess first impressions
 - a. Office environment is exceptional
 - b. Signage and attention-getting street side displays
 - c. Assess website and ILS ads for AIDA
 - d. Models or show units are perfect
 - e. Community amenities are in excellent condition
 - f. Collateral is of good quality and available

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Applications Skill Checks, continued

5. Assess staff performance
 - a. Leasing performance evaluated through shops and observation
 - b. Review operations reports for closing ratios, renewals, etc.
 - c. Staff is appropriately attired with professional conduct
 - d. Phone appointments are being set
 - e. Electronic sources are monitored hourly
 - f. Tours include all amenities
6. Assess reputation and customer satisfaction
 - a. Determine what residents think of the service
 - b. Consider a satisfaction incentive or contest
 - c. Use surveys, “likes”, Google alerts to monitor and seek satisfaction opinions.
 - d. Conduct applicant surveys post visit

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Applications Skill Checks, continued

Present Condition Sample 2:

The third quarter is complete and year-to-date financials reflect significant negative variances in operating expenses. Income levels are within acceptable variance range. Your team has not earned the NOI incentive bonus all year and now the asset manager is looking for answers. As the year ends, it will be critical that the property get back on track and close the year with as little negative expense variance as possible.

1. What are the overall issues?
 - a. Operating expenses are excessively over budget
 - b. Income is within budget range
 - c. Staff is missing their incentive pay
 - d. Asset manager is pressuring for correction by yearend
 - e. If we can't get expenses under control, can we improve income to at least meet NOI budget.
2. Identify operating expense overages
 - a. What categories are over budget; which are under
 - b. Identify and explain any significant "surprises" in operating expense
 - c. Evaluate purchasing practice
 - i. Compliant with rules?
 - ii. Who is purchasing?
 - iii. Using authorized vendors and supplies?
 - d. Write an action plan to confine spending
3. Review performance to income budget
 - a. Identify any opportunities to increase positive variances
 - b. Identify negative variances that can be halted
 - c. Double check ability to raise market rents
 - d. Ensure renewals are being increased accordingly
 - e. Confirm fees and penalties are being properly charged and collected
4. Ensure staff is informed and engaged
 - a. Conduct team meeting regarding expense overages
 - i. Ask for ideas to hold expenses
 - ii. Explore reasons for excess spending
 - b. Engage leasing team in income building
 - c. Reconfirm access to bonus dollars
5. Engage asset manager
 - a. Meet with asset manager to identify wants and needs
 - b. Involve staff in bigger picture of portfolio needs
 - c. Communicate frequently as to ongoing status

CAM Part II Exam Sample Test Questions

1. From the most recent demographic reports, the leasing professional of XYZ Apartments observes that 40% of the prospective residents work at the local Air Force base, 20% work in the metropolitan downtown area, 10% work in law firms, 20% work in government offices, and 10% are unknown/other. Where would be the best place for XYZ Apartments to focus marketing outreach efforts? (Choose only one.)
- A. Local military base
 - B. Nearby colleges/universities
 - C. Government Internet site
 - D. Local law firms

2. Which marketing method is the least cost effective for traffic generation?

Method	Cost Per Month	Traffic Per Month	Leases Per Month
Radio advertisement	\$1,200	27	6
Online locator website	\$150	4	1
Unlicensed sign	\$1,200	16	3
Resident referral	\$800	4	2

- A. Online locator website
 - B. Radio advertisement
 - C. Unlicensed sign
 - D. Resident referral
3. Market conditions are driving current rents down by an average of 10%, and properties are experiencing an increase in the number of current residents giving notice to vacate. As a result, which of the following is most likely to occur? (Choose only one.)
- A. Increased economic occupancy
 - B. Increased use of concessions
 - C. Decreased economic occupancy
 - D. Decreased use of concessions

4. The cost to upgrade 25 units will be \$3,500 per unit. The owner wants to scale back by replacing only refrigerators instead of all appliances, reducing the cost to \$2,800. What is the payback period if the additional market rent is now \$54 per month? (Choose only one.)
- A. 52 months
 - B. 31 months
 - C. 39 months
 - D. 45 months
5. The following table contains unit type, rent, date vacated, made-ready date, and move-in date information for five units at XYZ Apartments.

Apt. No.	Unit Type	Rent	Vacated	Made Ready	Move In
104	1/1	\$850	Nov. 3	Nov. 8	Nov. 9
107	1/1	\$975	Nov. 6	Nov. 19	Nov. 19
212	2/2	\$1,450	Nov. 22	Nov. 30	Dec. 5
435	2/2, Den	\$1,855	Nov. 17	Nov. 23	Nov. 26
513	2/2	\$1,565	Nov. 11	Nov. 16	Nov. 17

Which unit lost the most rent? (use a 30-day month)

- A. 104
 - B. 107
 - C. 212
 - D. 435
6. XYZ Apartments is a 250-unit high-rise community. Two months into the new fiscal year, news is posted that the largest employer in the area is transitioning its business overseas. The market is saturated with newer multi-family construction while existing home ownership is declining due to more stringent lending standards. The choice to rent is overshadowing the desires of homeownership. Employees at the aforementioned company occupy 60% of the property's units.
- A. Reforecast the budget for the year
 - B. Conduct a market survey
 - C. Start a new aggressive resident referral program
 - D. Hold a strategic meeting with the owner

7. XYZ Apartments consists of 363 one-, two-, and three-bedroom units. Property amenities include a swimming pool, a pet park, a lighted tennis court, a fitness center, a playground, and three barbeque and picnic areas. The community also has 375 parking spaces and an on-site laundry care center with six washers and dryers. The resident profile is a blend of families, singles, and couples, with children present in more than half of the apartments. A majority of residents are upper blue collar to white collar workers in largely administrative and professional roles.

What resident event would most likely be a success?

- A. A wine tasting party
 - B. A barbeque cook-off and pot-luck
 - C. A bridge game competition
 - D. A tour bus trip to casinos in the next state
8. A property owner is concerned with the 60-day trend and low property closing ratio. Many prospective residents have leased at neighboring communities that have upgraded interiors but comparable rents (price per square foot). Leasing team members claim that they are having a hard time overcoming objections to old countertops and appliances. Your supervisor schedules a meeting to meet with the owner to discuss the best response. In preparing for the meeting, which of the following **is most essential**:
- A. Complete and recheck the year to date owner's reports for accuracy
 - B. Review leasing agent closing ratios for previous months to find problems
 - C. Recheck market comps with calls and undercover shops
 - D. Aggressively work renewals

9. The table below illustrates the rent schedule for an apartment community:

Unit Type	Number of Units	Square Feet per Unit	Total Square Feet	Monthly Rent per Unit	Total Monthly Rent	Rent per Square Foot
1x1	80	467	37,360	\$489	\$39,120	\$1.04
1x1	100	580	58,000	\$559	\$55,900	\$0.96
1x1	100	685	68,500	\$599	\$59,900	\$0.87
2x1	120	911	109,320	\$739	\$88,680	\$0.81
Total	400		273,180		\$243,600	

Which unit type would have the highest impact if rents were changed across the board?

- A. Small 1x1
- B. Large 1x1
- C. Medium 1x1
- D. Two bedrooms

10. XYZ Apartments is a 400-unit apartment community with 350,000 total square feet. The following operating statement for XYZ Apartments is for the period ending August 31. XYZ Apartments has experienced 140 move-outs as of August 31.

Account	MTD Actual	MTD Budget	\$ Variance	YTD Actual	YTD Budget	\$ Variance	Annual Budget
Revenue							
Rent	476,018	504,082	-28,064	3,706,704	3,816,507	-109,802	5,905,291
Vacancies	-83,409	-35,286	-48,123	-723,651	-372,784	-350,867	-518,999
Other Revenue	7,028	3,452	3,576	43,288	27,616	15,672	41,424
Total Revenue	399,637	472,248	-72,612	3,027,350	3,471,339	-443,989	5,427,716
Expenses							
Renting Expenses	12,160	11,730	-430	61,878	96,640	34,762	143,860
Management Fees	15,348	15,348	0	112,458	112,819	361	176,401
Administrative Expenses	7,638	6,080	-1,558	84,852	47,660	-37,192	71,100
Electric	1,276	8,100	6,824	52,047	48,500	-3,547	68,700
Gas & Oil	2,014	7,700	5,686	229,868	203,800	-26,068	269,500
Water & Sewer	-51	18,600	18,651	146,156	148,800	2,644	223,200
Maintenance	34,901	17,054	-17,847	200,427	170,760	-29,667	254,472
Salaries & Related Expenses	35,020	37,182	2,162	334,298	335,542	1,243	512,311
Taxes	27,048	27,048	0	219,275	216,383	-2,892	324,574
Insurance	8,853	8,853	0	72,342	70,825	-1,517	106,238
Total Operating Expenses	155,509	169,203	13,694	1,584,090	1,522,943	-61,147	2,257,952
Net Operating Income (NOI)	244,127	303,045	-58,917	1,443,260	1,948,396	-505,136	3,169,764

The 2013 NAA Income and Expense Report notes an average operating expense for market garden apartments at \$4.81 per square foot. What is the XYZ operating expense per square foot?

- A. \$4.53 per square foot
- B. \$4.35 per square foot
- C. \$6.45 per square foot
- D. \$6.79 per square foot

Answer Key

1. C
2. D
3. B
4. A
5. C
6. D
7. B
8. C
9. D
10. D