Rental Policies and Procedures
NALP
National Apartment Leasing Professional

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Acknowledgments

The National Apartment Association Education Institute acknowledges the contributions of countless volunteers who made this program possible. From the first time pencil was put to paper, through development, revisions and updates, pilot programs and expert reviews, the servants of our industry have made the National Apartment Leasing Professional course and designation a reality. We extend our thanks and pledge to maintain the NALP designation as the premier standard apartment industry training program for all Leasing Professionals.
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Instructor's Guide</th>
<th>Participant Guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just for Instructors</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Course Objectives</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Policies and Procedures Opening Remarks</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Efficient Handling of Rental Policies and Procedures</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Statement of Rental Policy</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Completing the Application</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>Application Verification</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Rejecting an Application</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>Resident Processing Checklist</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>Efficient Lease Preparation and Signing</td>
<td>31</td>
<td>23</td>
</tr>
<tr>
<td>The Law of Contracts</td>
<td>32</td>
<td>24</td>
</tr>
<tr>
<td>Four Basic Elements of a Contract</td>
<td>32</td>
<td>24</td>
</tr>
<tr>
<td>Elements of Lease Agreements</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Avoiding Potential Lease Problems</td>
<td>37</td>
<td>29</td>
</tr>
<tr>
<td>Rental Lease Agreement Documents</td>
<td>39</td>
<td>30</td>
</tr>
<tr>
<td>The Move-in Process</td>
<td>40</td>
<td>31</td>
</tr>
<tr>
<td>Resident Relations</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>Fair Housing Implications</td>
<td>47</td>
<td>36</td>
</tr>
</tbody>
</table>
# Table of Contents (cont.)

<table>
<thead>
<tr>
<th></th>
<th>Instructor's Guide</th>
<th>Participant Guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>49</td>
<td>38</td>
</tr>
<tr>
<td>Examination</td>
<td>50</td>
<td>38</td>
</tr>
<tr>
<td>Glossary</td>
<td>51</td>
<td>39</td>
</tr>
</tbody>
</table>
Just for Instructors

The National Apartment Association Education Institute thanks you for your time, talent, and expertise in training and developing the next generation of Leasing Professionals.

Whether you are a subject matter expert or lay person…a seasoned instructor or a new teacher…this guide will help you become an even more engaging and effective trainer.

This education program was developed by Leasing, Operations, Marketing and Training Professionals working in the multifamily housing industry across the nation.

It was developed and revised at the request of Leasing Professionals and apartment association members, like you, who told us what they need to successfully perform their job responsibilities. It was also developed at the request of your managers, supervisors, owners and employers. They asked for this program because of your importance to the industry. They recognize you as the key to leasing, renewing and serving future and current residents of your communities and buildings.

In this course on rental policies and procedures, you will help Leasing Professionals:

► Effectively complete a rental application;

► Apply correct procedures in verifying a rental application;

► Describe the key elements in apartment contracts;

► Successfully complete a lease agreement;

► Identify tools and activities that help orient a new resident to the apartment community on move-in day; and

► Recognize the Fair Housing implications related to the processing of rental paperwork and policies.

Although this course is targeted at people with at least six months of leasing experience, it can also be used to teach those who would like to learn more about the legal aspects of our industry.

For more information about this program or any of NAAEI’s education programs, contact your local apartment association or contact NAAEI at 703/518-6141.
Fast Facts: The NALP Rental Policies and Procedures Course

This overview will help familiarize you with the educational approach for this course and ways you can enrich the training for participants.

Course Type

- Instructor-led classroom training
- Use short presentations, participant discussions, and learning activities to teach the course material

Course Materials

- This Instructor's Guide
- The Rental Policies and Procedures Participant Guide
- Sample Qualifications Criteria List, Rental Application Form, Application Verification Form (prior to this course, you may wish to ask students to bring the forms listed above)
- Sample Rental Lease Agreement
- Resident Handbook
- A pad of paper
- 3" x 5" note cards

Course Length

Approximately four hours

Course Tone

Fast paced, high-energy, experiential, fun
Legend:

- Instructional Direction

The NALP Rental Policies and Procedures PowerPoint Presentation includes a slide on this topic.

- Instructor's Guide page number (black/inside), with corresponding Participant Guide page number (gray/inside)

Key pieces of information that will be part of the examination – instructors should focus on these items.

Where this Course Fits in the NALP Curriculum

Rental Policies and Procedures is the sixth course in the NALP training series. The suggested order for delivery is as follows:

1. Keys to Success in Leasing
2. Telephone Presentations
3. Leasing and the Internet
4. The Leasing Interview
5. Leasing Demonstration & Follow-Up
6. Rental Policies and Procedures
7. Legal Aspects
8. The Market Survey
## Course Schedule-at-a-Glance

Here’s a quick look at the topics included in the Rental Policies course, the approximate time it will take to teach them, and a suggested schedule.

<table>
<thead>
<tr>
<th>Training Topic</th>
<th>Length</th>
<th>Suggested Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>15 minutes</td>
<td>8:30am–8:45am</td>
</tr>
<tr>
<td>Policies and Procedures Overview</td>
<td>30 minutes</td>
<td>8:45am–9:15am</td>
</tr>
<tr>
<td>The Application Process</td>
<td>45 minutes</td>
<td>9:15am-10:00am</td>
</tr>
<tr>
<td>Break</td>
<td>15 minutes</td>
<td>10:00am–10:15am</td>
</tr>
<tr>
<td>The Lease—A Legal Contract</td>
<td>60 minutes</td>
<td>10:15am–11:15am</td>
</tr>
<tr>
<td>The Move-in Process</td>
<td>30 minutes</td>
<td>11:15am-11:45am</td>
</tr>
<tr>
<td>Fair Housing Implications</td>
<td>15 minutes</td>
<td>11:45am–12:00pm</td>
</tr>
<tr>
<td>Summary and Wrap Up</td>
<td>15 minutes</td>
<td>12:00pm–12:15pm</td>
</tr>
</tbody>
</table>
Preparing to Teach the Course

To give course participants a first-rate learning experience, plan to spend several hours preparing to teach this class.

When to Prepare

Depending on your experience with this course, begin preparing one to two weeks before the scheduled course date. That is enough time to absorb the material without feeling rushed.

How to Prepare

- **Read the Instructor’s Guide carefully.** Get familiar with the organization and flow of the course, as well as the content itself.

- **Look for ways to personalize the instruction.** Add your own stories, examples, and insights. Make the material come alive for the participants.

- **Mark up this guide.** Write notes throughout. Highlight passages you want to emphasize. Add prompts for your examples and explanations.

- **Practice.** Do a dry run of the material (or at least some of it) in front of willing colleagues or family members. Get their feedback. Find out: What are you doing well? What is one thing you could improve?

- **Preview and practice the Covey video activities before class.** Some modules contain activities centered on Franklin Covey teaching videos. Each contains an introduction, the video clip, concept questions, an industry-related activity and a resource sheet. You will need to hit the “next” button to drive the programming through these steps:
  - Play the introduction
  - Play the video
  - Click on each of the three concept questions that review the material in the clip
  - Conduct the activity as described in your Instructor’s Notes
  - Review the Resource Page provided in the Covey material to close the activity

When it is Time to Teach the Course

- **Use this guide.** Refer to it often to keep the class on track. Using notes will make you look natural, relaxed, and yes, even confident.
Approach the course as a conversation, not as a presentation. Keep things open and easygoing. Pick yourself up if you make a “mistake.” Answer the questions you can. Most important, avoid the temptation to be the expert—simply share what you have learned.

Keep participants actively involved. Allow participants to ask questions, share ideas with one another, and get as much hands-on experience as possible. Remember: telling is not training.

Be yourself. Participants appreciate (and learn more from) instructors who are not only knowledgeable, but also approachable, personable, and dedicated.

Preparing the Classroom

To complete your final preparations, arrive at the training site at least one hour before class begins.

Find the Location of these Public Facilities or Services

- Restrooms
- Kitchen facilities or vending machines
- Emergency exits

Prepare Materials

- This Instructor’s Guide (with all your preparation notes in it)
- Rental Policies and Procedures Participant Guide (one for each participant)
- Rental Policies and Procedures PowerPoint Slides (these are optional; use them if you wish)
- Evaluation Forms
- Sign-in form (to be turned in to the affiliate office after class)
Prepare and Test Equipment

- Flipchart with stand or whiteboard
- Markers
- Microphone or sound system (if needed)
- Laptop computer with LCD projector (if using PowerPoint slides)

Prepare a Learning-Friendly Classroom

- Arrange the tables and chairs in the room so that participants will be able to talk with one another, work in small groups, and take notes.
- Make sure the room is not too hot or cold.
- Ensure that there is adequate lighting.
- Write the course agenda on the flipchart or whiteboard.

Welcome and Introduction

In this brief opening section, you will welcome participants, introduce yourself, and set the stage for the Rental Policies course.

Welcome participants to the course. Introduce yourself to the class and have them briefly introduce themselves. You may choose to conduct an ice breaker or warm-up exercise if necessary. Then, proceed with the script below.

Dive in…the material is great! And you are going to do just fine, too!
Introduction

This sixth course in the NALP training series concentrates on the Renal Policies and procedure skills to help you be an effective Leasing Professional. As your position in an organization grows, your knowledge of the industry becomes more important. In this class, we are going to focus on the administrative aspects of your job to help you become more effective in your position. When you leave, you will have the information required to become more comfortable with rental policies and procedures.

1 Turn to page 6 of your Participant Guide, so we can go through the day’s agenda, as well as cover a few housekeeping items.

Ground Rules

► Participate fully. What you get out of this class is fully dependent on what you put into it.

► Help us stay on track. We are going to cover a lot of ground today—at quite a fast pace—and to make sure you get the best training experience, we will need everyone to stay focused.

► Have fun. The amount of learning that will take place is directly proportional to the amount of fun you have.

Questions?

1 Does anyone have any questions about the agenda, the ground rules, or anything else about today’s session?
Course Objectives

At the end of this course, students will be able to:

► Effectively complete a rental application;

► Apply correct procedures in verifying a rental application;

► Describe the key elements in apartment home contracts;

► Successfully complete a lease agreement;

► Identify tools and activities that help orient a new resident to the apartment community on move-in day; and

► Recognize the Fair Housing implications related to the processing of rental paperwork and policies.
Policies and Procedures Opening Remarks

Up to the point where the prospect accepts the Leasing Professional’s personal invitation to join the apartment community, the emphasis has been on getting to know the prospect’s needs, matching the community’s features to the prospect’s wants and leasing in general.

Once the prospect makes a verbal commitment to lease, the Leasing Professional adds administration to the focus and becomes someone responsible for taking care of the many details that must be addressed before the prospect becomes a resident.

This added role should be seamless; that is, the prospect should not notice any difference in the Leasing Professional’s behavior. The conversational tone should remain professional and upbeat. The Leasing Professional continues to find out about the new resident so that the company can provide the level of service needed and expected.

This part of your job description is viewed by the customer as your commitment to delivering what was promised. The ease of this process will set the tone for the new resident’s expectation of service in the future. Continue to use your relationship and rapport building skills as the prospect transitions to resident. Remember, you never get a second chance to make a first impression!

This program helps students learn how to smoothly transition the prospect into a resident. It deals with the apartment community’s rental policies and procedures, the application and leasing procedures, the move-in process, and providing new resident service and follow up.
Efficient Handling of Rental Policies and Procedures

Ask students to read, highlight key points and follow along as together you discuss the Efficient Handling of Rental Policies and Procedures.

It is important to recognize the change in a Leasing Professional’s responsibilities once the prospective resident agrees to lease an apartment home. The Leasing Professional should concentrate on administrative tasks that focus on the accurate execution of the lease paperwork while continuing to use a professional sales posture.

Accuracy is essential because these forms become an apartment community’s permanent legal record. It is critical to know and understand specific lease language, applicable laws, and the apartment community’s basic rental policy. At the same time, the Leasing Professional will continue to use the rapport already established with the prospect as he/she becomes a resident. This program will address the basics in handling rental policies and procedures, but each company will have their own signature policies, which the Leasing Professional must use to guide his or her activities.

Pay Close Attention to the Rental Policy

Qualifying procedures are vitally important to the success of every apartment community. Specifics about the qualification criteria are typically stated in a community’s written “Statement of Rental Policy” or “Resident Qualifications Criteria.” This statement is usually posted in clear view of all prospective residents in the leasing area of the Leasing Center.

In this way, the property is clearly communicating the qualifying standards that will be used to determine the eligibility of an applicant while adhering to Fair Housing laws. Many companies provide a copy of these policies to each prospect. It is the responsibility of the Leasing Professional to adhere to the Rental Policy and not deviate from its specifications.
Ask students to name some key components of an apartment community’s “Statement of Rental Policy.” List their answers on a flipchart. Keep this flipchart page posted in clear view for referencing when reviewing the rental policies.

Answers may vary and could include: availability, rental rates, fees, credit checks, occupancy guidelines, acceptable exceptions, parking, pets, roommates, subleasing, co-signers, etc.

Ask students to follow along as together you read, discuss and fill in the blanks for the Rental Policies section. Answers to the fill-in-the-blanks are underlined in the Instructor’s information.

Rental policies must:

1. **Be consistent with the lease documents.** An example of consistency between rental policy and lease policy is when both state exactly when the rent is due and when late fees begin.

   An inconsistency would be if the sign on the owner’s door stated a late rent policy that is different from the late rent policy stated in the lease agreement. *Example:* The lease states rent is due on the first, but the sign says the third because that is when the late fee is assessed. Such an inconsistency could undermine an attempt to evict a resident for late payment.

2. **Do not put the apartment community at risk for liabilities.** Rental policies should not put a resident at risk. An example of a policy that may put residents at risk: onsite management allows easy access to master keys or key box by a large number of people which could lead to an injury suffered by a resident attacked by someone who gained access to the property by using one of the unaccounted for master keys.

   Any rental policy that proves to be problematic must be changed or the owner is liable.
3. **Be reasonable, rational, and not unlawfully discriminatory.** Rental policies must ensure that the apartment community does not unlawfully discriminate against a protected class such as race, color, religion, sex, disability status, familial status, and national origin.

A reasonable policy restricts access to specific community amenities to unsupervised children under the age of six. A discriminatory policy restricts access or even steers prospects to particular buildings if the prospects are within the protected segment of the population.

4. **Do not lead to fraudulent misrepresentations.** Rental policies must not trick or fraudulently cause a resident to enter into a written lease. The home and features to which the prospects agreed should be the ones that result from signing the lease.

The rental policy must be displayed in a prominent place in the Leasing Center. By doing so the property, owner and staff are complying with the Fair Housing guidelines, which prohibit discrimination based on the protected classes and communicates the standards used in determining the eligibility of an applicant. It is critical that the Leasing Professional reviews every part of the rental policy with every prospective and actual resident.
Statement of Rental Policy Activity

Ask students to turn to the Statement of Rental Policy found in their Participant Guides and also to refer to the rental policies from their own apartment community if students brought them.

Equal non-discrimination on the basis of housing with regard to race, color, religion, sex, national origin, familial status or disability status (in accordance with the 1988 Fair Housing Amendment) should be the comprehensive policy of the management company or owner.

The company and owner must comply with all applicable local, state and federal Fair Housing laws. The following is a Sample Rental Policy and components specifically related to a particular apartment community:

Read each category of the Statement of Rental Policy and ask students to share what their rental policies say for that category. Which are the same and which differ? What might account for the differences? Ask if any additional categories are listed on their forms that are not on the sample form. Ask students to share these additions.

Example Statement of Rental Policy

Show Slides 7 and 8

- **Availability** - Based on availability of specific apartments.

- **Monthly Rent Ratio** - Can vary. Most experts agree it should not exceed 33 percent of gross monthly income. Allowances from parents, scholarships, student subsidies and/or inconsistent income such as alimony, commissions or tips will require written verification.

- **Fees and charges** - Penalties for late rent, insufficient fund checks, also charges for additional items such as storage sheds, covered parking, garages, and other amenities.
► **Application** - To be completed by each applicant, adult resident or occupant without omissions or falsifications and must be signed.

► **Credit Check** - A complete check of credit history will be made. No bankruptcies?

► **Residence** - Current and previous residences must report prompt payment record and sufficient notice given.

► **Employment** - Stable employment and income verification.

► **Credit Bureau** - Satisfactory credit bureau rating. What about evictions? What about medical account debt? What percentage of delinquent accounts will be allowed? This must be consistent with all residents.

► **Criminal Check** - Determine where and what crimes are disqualifying. Not all companies conduct these investigations.

► **Identity Documents** - Identify and confirm original photo ID documents using a government-issued ID.

► **Application Fee** - Paid by applicant for verification of information.

► **Age** - All lessees must be of legal age to contract.

► **Roommates** - Can vary. Some jurisdictions allow no more than two (2) residents per bedroom. Each is fully responsible for the entire rental payment and both must sign the lease.
Rental Policies and Procedures

Instructor’s Guide

National Apartment Leasing Professional

- **Occupants** - The difference between an occupant and a resident should be clearly identified. An adult occupant will generally not have financial responsibility for the rent, but an adult resident will. Be sure the distinction, if there is one, is clear.

- **Vehicles** - Two (2) vehicles per apartment. Covered parking will be assigned to residents when applicable.

- **Water Furniture/Aquariums** - Permitted on the first floor only. Residents must provide a copy of insurance coverage prior to scheduled move-in date.

- **Rental Payment** - The monthly rent is due on the first of each month. Will there be a flat fee late charge penalty for all rent paid after the late date plus a daily fee thereafter or just a flat fee? What is permitted by law? All returned checks will be assessed a $25 service charge plus applicable late charges as stated above.

- **Renters Insurance** - Some communities require renters insurance.

- **Miscellaneous** - Boats and trailers, if permitted, must be parked in designated areas. Recreational vehicles may not be parked on the property. Discuss lock-out fees.
The Application Process

Completing the Application

A Leasing Professional must become proficient in helping the prospect complete the rental application. Completing the rental application requires patience, attention to detail and accuracy.

- **Patience** - It will take time to complete the rental application correctly. Both the Leasing Professional and the prospective residents may find it tedious, especially if the paperwork follows immediately after a demonstration. Avoid the tendency to rush. Try to alleviate tension by maintaining a friendly demeanor and make this required activity as pleasant as possible.

- **Attention to detail** - The rental application requests much information and provides very little space in which to write this information. Care should be taken to get all the information required and record it as legibly as possible. Remember the applicant is completing the form. The Leasing Professional acts as a guide for the applicant so long as it is within state and local laws for the Leasing Professional to assist.

- **Accuracy** - This information will be used to qualify the prospective resident. Failure to record information correctly may delay the move in, and in some cases, lead to the prospect living elsewhere.

As a tool for the Leasing Professional, the Glossary at the end of this chapter contains some common phrases asked while the application is being completed. The Glossary has been provided in English and Spanish.

*Ask students to refer to the Glossary in their Participant Guide to recognize some challenges faced by prospects with limited English proficiency who need to provide the Leasing Professional with information on a rental application. The material is part of a rental application and is written in Spanish.*
The Leasing Professional should carefully explain to the prospective resident why all of this information is being gathered—that it is being used to qualify the prospect for this apartment community. The Leasing Professional should explain why particular items are requested and how the information will help the prospect move in on time. The Leasing Professional should let the prospective resident know that they will be contacted periodically concerning the status of the application.

Leasing Professionals must acknowledge the additional anxiety of prospective residents who have not yet mastered English. The Leasing Professional should take extra care to communicate clearly and slowly, with frequent explanations so that all of the information needed may be accurately collected.

As a general rule, it is better for the prospects to complete the rental application and then have the Leasing Professional review it with the prospects. This means that any mistake made on the application would have been made by the applicant and the Leasing Professional will not be held accountable for the misinformation provided by the applicant.

The Leasing Professional should review the information. The prospect has ultimate responsibility for the accuracy of the information.

**“Why So Much Information?” Activity**

Ask students to refer to the sample Rental Application forms that you have provided and that they have brought to the class from their own apartment communities.

Go through a sample Rental Application in a “questioning” manner.

Ask students to justify the inclusion of each part of an application. Do not leave out anything.
Ask students why the Leasing Professional must know why each item of information is necessary.

Answers may vary and include: so that Leasing Professionals can answer the prospective resident’s questions and know what to look for when prospects complete the required information.

Note: Parts of an application may be specific to one apartment community and not others.

Application Verification

Ask students to follow along as together you read and discuss the Application Verification section.

After all the required information has been recorded on a rental application, the application has been signed by all parties, and the appropriate monies have been collected, it is time to begin an investigation of the applicant.

Many management companies and owners use a company specializing in this service to conduct an investigation and verification of the application while some apartment communities rely on Leasing Professionals to help with or actually complete the investigation.

It is helpful to know and understand the verification process. This aids in keeping the applicant informed of the progress of the verification process. Most management companies use an application verification form to ensure that the verification process is consistent and detailed for all prospective residents.
Typically an Application Verification Form includes:

- Rental history from present and previous apartment communities;
- Employment history from present and previous employers;
- Credit history from a local credit bureau;
- Banking and personal references;
- Criminal background check; and
- Identification documents and verification.

When the application has been approved, the applicant should be notified immediately to schedule an appointment to sign the lease agreement and accompanying paperwork.

The Leasing Professional should discuss all necessary arrangements that the resident will have to make prior to moving.

If the application is not approved, a document indicating the reason for rejection should be kept in a permanent file, and the applicant should be notified immediately and in writing.

Note that it is important to recognize that an application may be declined or rejected, not an applicant.

New resident keys should not be distributed until the lease agreement has been signed, the effective lease date has arrived, and the security deposit and rent monies are paid in full. The same rule applies for furnishings. Possession of an apartment home should coincide with the date of the lease agreement.
 Rejecting an Application

Ask students to read along with you as you discuss the following information.

It can be unpleasant and disappointing to call an applicant and tell them their application has been rejected. Sometimes there are mistakes made in the process, typically within the credit check, that prevent someone who may be qualified from being cleared to move in.

The Leasing Professional cannot disclose specific information regarding the applicant’s credit report to the applicant. The Leasing Professional should provide the credit bureau’s telephone number and encourage the applicant to contact the credit bureau for a credit report. The prospective resident will appreciate the concern and in the end, mistakes may be cleared up in time for the applicant to sign the lease and move in.

The Leasing Professional should be careful to follow the rules of the Fair Credit Reporting Act. The Act specifically requires a written notice to the prospect if any of the reporting companies returns a negative report and causes the application to be denied or require an additional deposit. The notice is called an “Adverse Action Notice”. The notice simply advises that the information was negative, where it was received and how the prospect can contact the consumer reporting agency direct. The Leasing Professional is not involved in correcting any problem on the report. Any applicant screening completed by a third party vendor is also covered by the law. Most screening companies will automatically print such a letter if an applicant is rejected due to failure of the company screening criteria.

In 2003, the FACT (Fair and Accurate Credit Transaction) Act was passed. Its focus is to stem the tide of identity theft. If a prospect is the victim of identity theft, or suspects that he or she is a victim, the prospect can register a “fraud alert” on the account or even “block” the account. This means that the credit report on that account cannot be used in evaluating the prospect credit standing. The Leasing Professional must be sure that he or she is aware of these issues and understands the company policy regarding them.
Third party screening companies also provide criminal checks. If the application is rejected due to criminal history, again the prospect should be referred to the screening company to resolve the issue if an error is suspected. Generally, the Leasing Professional is not given the details of the criminal rejection, which again, requires the prospect to deal with the agency, not the Leasing Professional.

Improper or invalid identification can be an additional reason to reject an application. These rejections should always be handled with the assistance or direction of the Property Manager.

Resident Processing Checklist

Ask students to highlight key information and to follow along as you read and discuss the Resident Processing Checklist.

Many companies use a Resident Processing Checklist. The purpose of this checklist is to make sure that all of the steps in the process are recorded in sequence and that nothing is omitted. Other companies allow the Leasing Professional to write directly on the application.

On the following page is a sample Resident Processing Checklist.

Note: There are steps in this checklist that may not have been covered yet in the participant’s sequence of the NALP program. Do not spend time at this point on topics that will be included later in the NALP program.

Alternative Activity: Instead of reviewing the checklist and talking about each segment, you might consider asking students to suggest the steps that should be on the checklist and the sequential order of these steps. You can record the answers on a white board or flipchart.

Once student suggestions are exhausted, refer to the sample Resident Processing Checklist and add those steps not contributed by the students.
Sample Resident Processing Checklist

<table>
<thead>
<tr>
<th>Resident’s Name:</th>
<th>Today’s Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apt. #</td>
<td>Bldg. #</td>
</tr>
<tr>
<td>Leased by:</td>
<td>Move-in Date:</td>
</tr>
<tr>
<td>Additional deposit for pet $</td>
<td>Security deposit $</td>
</tr>
<tr>
<td>Amount of Re-letting fee $</td>
<td>Pro-rated rent $</td>
</tr>
</tbody>
</table>

As each step below is completed, the person completing the work should sign their initials and date the appropriate column blank.

1. When the prospect agrees to join the apartment community, the following must occur:
   - A. Application prepared.
   - B. Application completed by applicant(s) and signed by all parties. Leasing Professional verified govt issued photo ID information on the application.
   - C. $ _______ Nonrefundable application processing fee collected.
   - D. $ _______ Application deposit and/or earnest money collected.
   - E. $ _______ “Welcome Card” with move-in instructions given to resident concerning utilities.
   - F. If resident was referred by a locator service, “Authorization For Payment of Locator Service Form” completed and placed in file.
   - G. Lease recorded on:
     - Apartments Available to Lease Form
     - Make Ready Board
     - Leasing Activity Board

2. Application processed and verified.

3. Application verification reviewed by Supervisor. The status of the applicant is:
   - Approved
   - Approved with co-signer
   - Rejected because:

4. Resident contacted regarding results of application. Appointment was scheduled for them to sign their lease on:

5. Lease and all applicable addenda properly and accurately typed.
   - Lease Contract
   - Pet Addendum
   - Lease Addendum
   - Family Addendum
   - Alphabet Addendum
   - Rolodex made
   - Name tag made for mailbox
   - Other addendums and

6. One day prior to move-in:
   - Apartment walked to verify market-ready.
   - If not ready, service request submitted to maintenance department concerning make-ready.
   - MRI Inventory report typed.
   - Welcome note and gift placed in apartment.

7. Day of move-in:
   - All applicable papers explained, signed and initialed by resident(s) and professional.
   - All copies of paperwork given to resident.
   - Mailbox tag and emergency numbers given to resident.
   - Collected full amount of security deposit.
   - Collected rent.

8. Resident called the day after move-in to verify everything in the apartment was satisfactory.

9. Manager reviewed completed file to verify all of the above was completed prior to filing in active residents file cabinet.
Resident Processing Checklist

Complete the information on the top part of the form:

- Resident's name
- Today’s date
- Apartment number
- Building number
- Move-in date
- Name of Leasing Professional
- Amount of security deposit required
- Additional amount of deposit (if any) required for pet
- Amount of pro-rated rent (if any)
- Amount of re-letting fee (if any)
Note: Each of the following other categories is initialed and dated when complete.

**Application:**

1. Completed and signed and government-issued photo IDs are confirmed.
2. Nonrefundable processing fee collected.
3. Application deposit money/earnest money collected.
4. Resident provided with instructions for move-in day.
5. Complete “locator form” if resident came from locator service.
6. Application information processed and verified.
7. Verified information approved by supervisor.
8. Upon approval, contact prospective resident to schedule an appointment to come to the office to sign all paperwork.
9. Upon disapproval, contact the prospective resident to state the reason for denial without getting into detail. Retain all records. Notify applicant in writing.

**Prepare all lease documents:**

2. Name tag made for mailbox.
3. Enter into resident database.
Complete the one day prior to move-in activities:

1. Check apartment home for move-in conditions and check all keys.


3. Welcome note/gift placed in apartment home.

4. Ensure utilities have been changed to resident's account.

Complete the move-in day activities:

1. Inspect the apartment home again.

2. All applicable papers explained, signed, and initialed by resident(s) and Leasing Professional – you may wish to do this BEFORE move-in day, so you can reduce the stress on the resident(s).

3. Resident given their copy of paperwork.


5. Mailbox tag and emergency number given to resident.

6. Give apartment home keys to resident.

7. Conduct move-in inspection and apartment home orientation with resident.

8. Follow-up call to verify that everything is satisfactory.

9. Manager reviews completed lease file for verification.
The Lease – a Legal Contract

Efficient Lease Preparation and Signing

Tell students that this section is not intended to turn Leasing Professionals into property management attorneys. It is essential that Leasing Professionals understand some basic contract principles that they will need to be effective in the area of Lease Agreements.

Ask students to pay close attention and follow along as together you read and discuss Efficient Lease Preparation and Lease Signing found in their Participant Guides.

Ask students to check out the leases of their own apartment communities in reference to the information discussed in this section.

The relationship between the apartment community management and the apartment resident is fundamentally an agreement created by and embodied in a lease.

In today’s environment of increasingly complex landlord/tenant law, it is critical that leases be drawn well and precisely and that they comply fully with applicable state laws.

In some areas, the state or local apartment association has developed leases that members may adopt. In general, though, the basic principals of landlord/tenant law apply widely throughout the country.

Review the leases of your own apartment communities in reference to the information discussed in this section.

The National Apartment Association has developed a national lease template that has already been accepted for use in almost half of the United States. The format offers a complete and detailed description of the relationship between the resident and the owner. The template is a valuable software package and includes additional lease forms. It is recommended that the Leasing Professional review a copy of this template.
The Law of Contracts

Everyone is familiar with contracts such as those of professional athletes, negotiated agreements with the automotive industry and personal contracts with banks to secure home mortgages.

Ask students to define the term “contract.”

Answer: A contract is an agreement that the law recognizes as being legally binding on the signature parties.

Four Basic Elements of a Contract

There are four basic elements that must be present for a contract to exist:

1. The offer
2. The acceptance
3. The consideration
4. The capacity
Ask students to follow along with you as you review the four elements for a contract.

The **Offer** is an invitation to enter into a contract. It is a statement made with the intent that, if accepted, creates a binding contract. An offer must be clear so that if it is accepted, the responsibilities of each party will be clearly outlined and understandable to both parties.

The **Acceptance** – There is usually a time period between when the prospective resident made the offer by filling out the application and when the community accepts the offer. The intervening time is used to perform credit and background checks.

Unless the prospective resident has agreed not to withdraw the offer during a specified time period, the prospective resident may withdraw the offer at any time until the Property Manager accepts the offer by signing the contract.

Once an offer is made, it must be accepted absolutely and unconditionally in its entirety before a contract is deemed to exist. An offer cannot be accepted in part and rejected in part. If part of the offer is rejected and/or changed, you may have a counter offer.
Consideration means that something of value is given by one party in return for something of value from another party. In the multifamily housing industry, consideration consists of residents giving us money in return for us giving them the right to live in a specific apartment home for a certain period of time under certain conditions.

Consideration goes both ways; that is, a contract is not enforceable if both parties do not receive consideration. For example, if an owner promises to allow a resident to live in an apartment home for one month and the resident does not promise anything in exchange, the owner is not contractually obligated to provide the apartment and the contract fails for lack of consideration.

Interestingly, the values of the goods and services being exchanged do not have to be the same. The law allows us to make good deals and bad deals.

Capacity, the fourth element of the contract, is an important, enforceable concept.

Capacity is a legal term meaning the person had the competence to understand the nature and consequence of entering into a contract. To be considered competent, the party must be 18 years old or older, have sufficient mental capacity and not be under the influence of drugs or alcohol.

Once these four requirements have been satisfied, a contract will generally be deemed to be enforceable.
Ask students to follow along as you read and discuss the typical Elements of a Lease Agreement.

Leases involve a special combination of contract law and property law. A lease is a contract whereby the owner of a property permits another person (the resident) to use that property for a period of time in return for a rental payment. The elements of a valid lease are the same as the elements of a valid contract:

1. The offer is made when the application is complete;
2. The parties to a lease agree on the major terms of the lease;
3. There is consideration given; and
4. The parties are competent and have the capacity to contract.

Statute of Frauds

The "statute of frauds" usually requires that any lease for more than a period of one year be in writing. This means the major terms of the lease must be written down and signed by the parties. Major terms would include:
1. The address of the apartment to be leased;
2. The apartment number;
3. The amount of rent;
4. How often the rent is to be paid; and
5. The term of the lease.

If a provision in the lease has been left blank and a dispute arises over that provision, it will generally be construed against the owner in favor of the resident. This is because the owner has prepared the lease. The “obligations of the apartment owner” generally require the premises be maintained in a habitable condition. The “obligations of the resident” are to pay rent and return the premises to the owner in the same condition as received, reasonable wear and tear excepted.

Ask students to fill in the blanks for the three types of durations.

There are three types of length or duration of leases:

1. **Fixed Term**: in which the parties agree to the exact duration of the lease.
2. **Month to Month**: in which the initial term agreed upon is a short period of time, such as one month. It is agreed by the parties that, if neither party terminates within that month, the lease will automatically be renewed for another month.
3. **Lease at Will**: in which the parties agree that either side may terminate at any time, given reasonable notice of termination to the other party. This is similar to a month to month holdover but lacks a specified time period.

Also, the law recognizes permitted holdovers or extensions as implied leases under the identical terms of the expired lease with the exception of a defined rental period.
Lease Termination

A lease is terminated by either party at the expiration of the term of the lease. In the absence of a breach or breaking of the lease, the parties may not terminate a lease prior to the expiration of the term unless the lease contains an early termination provision that allows for an accord and satisfaction agreement permitting lease termination prior to expiration. Typically a lease document states the required notification procedures for the termination of a lease.

Avoiding Potential Lease Problems

Have participants read from the Participant Guide and summarize key points below.

- The lease should insist that all “residents” be identified and their ages given. This will prevent a later dispute about who is a resident and who is a guest. A single blank line for resident names may not be ample room for additional individuals’ names and dates of birth.

- The lease form is a good place to describe the delivery to the resident of keys, gate openers, and access cards.

- In light of the courts’ broadening definition of “foreseeable harm,” it may be wise for the lease to contain an acknowledgment that the owner has made no representation that the property is a secure community or that the resident is safe from theft, injury, or damage.
Leases will identify the required method by which one party should notify the other. Leases frequently require that notices from the resident to the owner be in writing and be delivered by certified mail. Notices from the owner to the resident should be delivered either by certificate of mailing or certified mail. In addition, states may have rules on how one party should give formal legal notice to the other. The Leasing Professional must know what method the company has determined to use.

Leases should include the resident’s acceptance of the premises and confirmation that the premises were delivered in good condition, subject to a limited time period in which the resident could submit a list of problems.

Leases should state the presence of smoke detection devices and require the resident to acknowledge in writing that at the time of initial occupancy, they were tested and worked properly. The resident should also acknowledge that the operation was explained and the resident is required to test the smoke detector at least once a week and to advise the owner in writing of any malfunction.

Leases should explain to residents why frequent routine inspections are in everyone’s best interest. Residents may not see every little problem and even if they notice something, they may not report it.
Rental Lease Agreement Categories

Following are common lease terms and data:

- **Premises of Apartment Property** - legal description of the property
- **Date of Occupancy** - the date the prospect will be given the keys and move in
- **Full Legal Names of Lessee(s)** - all residents responsible for the rent
- **Names of Occupants Allowed and Relationship to Lessee(s)** - all occupants whether responsible for the rent or not
- **Address, Unit Number of Premises** - street address and apartment number
- **Description of Premises, Vehicles and Parking** - type of apartment, style, vehicles coming onsite, parking rules
- **Term of the Lease** - length of the lease, renewals or automatic renewal
- **Monthly Rental Amount** - payment schedule, date due, acceptable methods of payment, address for payment
- **Utilities and Services** - who pays what and what notices of service are required
- **Monies Received at Lease Signing** - Security Deposit, first month's rent/pro-rated, pets, other charges, and late payments/related charges
- **Lessees Inspection sign-off** - generally a separate form for a move-in inspection
- **Rental Application** - included as part of the lease package, completed in full and checked
- **Rules and Regulations** - generally referenced in the lease and presented as part of the lease terms, may be a separate document
- **Signatures** - all residents must sign
- **Suggested Renters Insurance** - some companies as well as jurisdictions now require proof of renters insurance
The Move-in Process

Ask students to list some tools that they use to assist the new resident in becoming comfortable with and oriented to the apartment community.

Answers may vary and include: Personal Welcome, Welcome Letter, Move-in Packet, Move-in Gift, Resident Handbook, etc.

Ask students to follow along and highlight important points as together you read and discuss the section regarding the Move-in Process.

Moving day is usually one of the most hectic, stress-filled days in a person’s life. The new resident may be frustrated if things do not go exactly as planned and will definitely be exhausted by the end of the day. The Leasing Professional can help soothe this transition by being prepared to help, using tools to help orient the new resident to the community and by offering diplomatic suggestions for potential challenges.

Welcome Letter

The Leasing Professional can provide the new resident with a personalized Welcome Letter. The apartment community should develop a warm, personalized letter of welcome and place it in a prominent place in the new apartment home. The letter should offer to provide help to the new resident in getting acclimated to the new apartment home and community.

A sample Welcome Letter is included on the next page.
Sample Welcome Letter

When you write your welcome note be sure to:

- Put it on note card stock
- Hand write it
- Check for spelling and grammatical errors

Dear (name of resident):

Welcome to your new home! I know move-in day can be hectic, but I just wanted you to know how happy we are to have you live here at (name of property).

Thank you for the privilege of working with you and please call me personally if I can further assist you.

See you soon!

(your name and signature)
Move-in Packet

The Move-in Packet is a practical and important resident orientation tool. The Leasing Professional uses a file folder, manila envelope or other specifically designed brochure to compile relevant information about the community and surrounding area. Instructor asks, “What items should be included in the Move-in Packet?”

- Welcome Letter, if it is not already placed in the new apartment home;
- Copies of all signed documents;
- Copy of a current newsletter;
- Copy of special coupons from local businesses;
- Area map;
- Location and information on schools;
- Location and information on places of worship;
- Public transportation schedules and routes;
- Change of address cards;
- Emergency phone numbers; and
- Written guidelines for proper operation of appliances.

Ask students to brainstorm additional items that may be included in a Move-in Packet.
Resident Handbook

The Leasing Professional distributes a Resident Handbook with community policies and procedures. The new resident will be informed of important community policies, why they are necessary, and what actions will be taken if the policies are not followed.

Ask what policies are addressed in the Resident Handbook.

- Clubroom use or rental;
- Recreational amenities;
- Clothes care centers;
- Laundry facilities;
- Car repairs and cleaning;
- Restrictions about pets;
- Parking specifics such as spaces, fire lanes, RVs, and towing;
- Locks and keys;
- Pest control;
- Emergency phone numbers;
- Debris disposal;
- Rental collection policy; and
- Office hours.
Resident Relations

Ask students to follow along and highlight important points as you read and discuss the section regarding Resident Relations.

Be Available on Move-in Day

Smart Leasing Professionals realize that their future relationship with the new resident will be greatly influenced by what happens on move-in day. After the rent has been paid, the keys issued, and the Move-in Packet given to the resident, the Leasing Professional should accompany the resident to their new apartment home to answer any questions, demonstrate appliances, locate the fuse box and breaker main switches and locate and demonstrate water cut-off valves.

The resident should feel comfortable contacting the Leasing Professional at any time during the move in for assistance.

- Ask students to name ways in which a Leasing Professional can demonstrate good customer service and enhance resident retention beginning with the resident's first week at their new apartment home.

- Answers may vary and could include: having refreshments available during move in day, stopping by the apartment home to check in, introducing the new resident to other staff members, referring the resident to area restaurants for the first meal, reminding the new resident of their professional commitment to assist them, inviting new residents to an upcoming resident event, having a pizza delivered to their apartment home, introducing them to some of the residents in their building, etc.

Research shows that happy residents will stay in the apartment community longer than unhappy residents, thus reducing the turnover ratio.

Good communication is the key in establishing good resident relations.
Reduced Turnover = Increased Profit

Maintain resident relationships on a professional level. Avoid discussing personal relationships with residents.

Ask students to list some ways to maintain an ongoing resident relations program.

Answers may include:

- Newsletter (show students examples and have them share theirs);
- Planned community activities such as potluck dinners, holiday parties, pool parties, book club, and dinner clubs;
- Provide special communications or rewards such as lease renewal incentives, birthday cards, sympathy cards for hospital stays;
- Initiate cosmetic improvements to the community such as landscaping, accent lighting, planter boxes with flowers;
- Properly handled resident’s service requests; and
- Respect the resident’s privacy.

Ask students to share other ideas, methods and resources regarding developing an effective resident relations programs.
Market Trust – Activity

1. Play the Covey video “Market Trust” beginning with the Objectives introduction. After listening to the video, answer the three concept questions as a class – encourage the students to offer their personal “takes” on the lesson points.

   Break the room into small groups (3-5 people) and ask each group to complete the following:

   Work with your group and describe 3 things that you can do in your role as a Leasing Professional to build market trust in resident relations.

2. Allow 10 minutes for groups to make their lists. Ask several groups to share their answers. Relate the answers specifically to resident relations – activities, programs, relationship-building.

   Refer to the Resource Page to reinforce the critical concepts.
Fair Housing Implications

Instruct students to name ways in which a Leasing Professional can remain in compliance with the Fair Housing laws while completing the lease process and accompanying policies. Flipchart student responses.

Answers may include: Be consistent. Treat everyone the same. Do not deny housing when it is available. Use the same qualification criteria for everyone. Do not steer. Do not overemphasize drawbacks. Offer the same assistance to all new residents in acclimating them to the community and apartment home. Use the same process in verifying and reviewing all applications.

Remind students of the two “Golden Rules” of Fair Housing:

- Be consistent

- Treat everyone the same
The following tips will help keep Leasing Professionals free of discriminatory actions:

- In dealing with prospective residents, applicants, and all residents, the Leasing Professional must provide equal service and demonstrate consistent adherence to all local, state and federal Fair Housing laws.

- Using the same defined process with every prospect is ideal but need not be robotic.

- Every effort should be made to handle all documents with professional consistency.

- While continuing through the paperwork, continue to practice Fair Housing principles and avoid treating any one person differently than another.

- A question asked of one prospect must be asked of all similar prospects.

- Services provided to one resident on move-in day must be provided to all residents on move-in day.

- Assisting one prospective resident to overcome problems with verification means that the Leasing Professional must assist all prospective residents with verification problems.

*Tell students that for more information, they should attend the Legal Aspects portion of the NALP program.*
Summary

1. Review with the students the key elements of this NALP course.

The students are now able to:

1. Effectively complete a rental application;

2. Apply correct procedures in verifying a rental application;

3. Describe the key elements in apartment home contracts;

4. Successfully complete a lease agreement;

5. Identify tools and activities that help orient a new resident to the apartment community on move-in day; and

6. Recognize the Fair Housing implications related to the processing of rental paperwork and policies.
Exam

The NALP exam is comprehensive and delivered online. The NALP Exam is 100 questions and timed for 1 hour and 30 minutes. All participants must enroll in the designation program to be eligible to sit for the exam. To enroll in the NALP course, direct participants to the NAA Web site at:

www.naahq.org/education

Participants will need an eligibility code to sit for the exam. The Eligibility Code will be emailed to each Affiliate after a participant enrolls in the course. Eligibility Codes are unique to each participant and are the key to unlocking the exam.

The passing point for the comprehensive exam is 70 or above.

Each participant will work individually on the exam. There should be no discussion among participants and no books are allowed to be used as reference.

For more detailed information on the exam and to download the Participant and Instructor Guides, please visit the NAA Web site:

www.naahq.org/education/designationprograms/Pages/OnlineExams
## Glossary

The following list of Spanish-English phrases is offered to assist the Leasing Professional when working with non-English speaking customers. Policies may vary with the management company.

<table>
<thead>
<tr>
<th>English</th>
<th>Spanish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation</td>
<td>Occupacion</td>
</tr>
<tr>
<td>Number of Children – Names - Ages</td>
<td>Numéro de hijos Nombre(s) Edad(es)</td>
</tr>
<tr>
<td>Names or others that live in the apartment</td>
<td>Nombre de otros que viven en el apartamento</td>
</tr>
<tr>
<td>Animals and description (only one animal per apartment)</td>
<td>Animales y descripción (Solamente un animal en cada apartamento)</td>
</tr>
<tr>
<td>Animals weighing more than 25 lbs. are prohibited</td>
<td>Se prohíben animales que pesen más que 25 libras</td>
</tr>
<tr>
<td>Employment History</td>
<td>Historia de Empleo</td>
</tr>
<tr>
<td>Employer’s name, address and telephone number</td>
<td>Aspirante Nombre de patrono dirección teléfono</td>
</tr>
<tr>
<td>Position and Supervisor’s name</td>
<td>Posición Nombre de superintendente</td>
</tr>
<tr>
<td>Gross monthly income – length of employment</td>
<td>Ingreso bruto mensual - Duración de empleo</td>
</tr>
<tr>
<td>Former employment – position – length of employment</td>
<td>Empleo Anterior - Posición - Duración de empleo</td>
</tr>
<tr>
<td>Other means of income</td>
<td>Otros bienes de fortuna</td>
</tr>
<tr>
<td>English</td>
<td>Spanish</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Bank Accounts</td>
<td>Comptes en Banque</td>
</tr>
<tr>
<td>Savings account number – bank – bank branch</td>
<td>Numero de compte d’epargne - Banque - Agence de Banque</td>
</tr>
<tr>
<td>Checking account number – bank – bank branch</td>
<td>Numero de compte de cheque - Banque - Agence de Banque</td>
</tr>
<tr>
<td>Cars/Other Vehicles</td>
<td>Autos/Autres Vehicules</td>
</tr>
<tr>
<td>Account number – Financed By – Vehicle 1</td>
<td>1. Numero de compte Financie par</td>
</tr>
<tr>
<td>Account number – Financed By – Vehicle 2</td>
<td>2. Numero de compte Financie par</td>
</tr>
<tr>
<td>Driver's license number – Make – Model – Registered to (Vehicle 1)</td>
<td>1. Numero de permis de conduire Marque Modele Immatriculee A</td>
</tr>
<tr>
<td>Driver's license number – Make – Model – Registered to (Vehicle 2)</td>
<td>2. Numero de permis de conduire Marque Modele Immatriculee A</td>
</tr>
<tr>
<td>If you have a motorcycle, a camper or a boat that you intend to keep here, please identify them by indicating the information and numbers.</td>
<td>Si vous avez une moto, une roulotte de camping, un batea, etc., que vous comptez garder id, s’il vous plait, identifiezles en donnant du renseignement et les numeros.</td>
</tr>
<tr>
<td>Local credit reference – address – account number</td>
<td>Reference locale de credit Adresse Numero de compte</td>
</tr>
<tr>
<td>Personal reference – address – telephone number</td>
<td>Reference personnelle Address Numero de telephone</td>
</tr>
</tbody>
</table>