

The background of the page is decorated with several stylized, light green leaf outlines of varying sizes and orientations, scattered across the white space.

THE **Tomlin**
T E A M

Presents

LEASING
MADE
SIMPLE

Getting ready for your lease doesn't have to be complicated!

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Serving North Texas With Integrity!



Leasing Made Simple



Great News!

So, you are looking to lease a house or a town-home. Perhaps you are moving up from an apartment; or, you are new to the area and want to get your feet wet before deciding where you would like to live. Whatever your unique circumstance, if this is the first time you are leasing in Texas, then this booklet was written for you.

Leasing generally involves more responsibility than an apartment and to get into a lease takes a little bit of cash. These pages contain all you need to know to obtain a lease in Texas. Once you have read it you will know what to expect and when.

Okay, let's get started!

Be Prepared

In order to make your leasing experience run smoothly here are some things to take care of before you start looking for that perfect lease property.

Check your Credit Score

Landlords require an application for each tenant over the age of 18. Your landlord will check your credit looking for liens (like IRS liens) that would effect your ability to make your monthly lease payment. They are also looking for reports of non-payment, and lease non-payments. If your credit score is low, your landlord may request more security deposit.



You can find your credit score easily on the internet. Once you know your score check discrepancies and errors. If you have several errors on your credit report, or you have not used your credit wisely, you may want a credit repair professional to help you improve your score. A Credit Repair company will be able to tailor any actions to your unique situation generally for a fee.

Background Check

Many landlords and management companies run background checks. If you have a police record it will show up. If the incident occurred while a juvenile, be prepared with a letter explaining the situation. You will sign a separate document granting permission to do a credit and background check. **Don't forget to sign it.**

If you are planning to share a lease and you know you have even a minor incident on your police record, it is a good thing to discuss it with your potential house-mates. If one applicant fails, so do all the applicants.

Check Your Existing Lease

When I first began doing leases I commonly asked my clients, “When is your lease up?” But, I have learned this is the wrong question. What I ask now is, “How many days notice are you required to provide before you can terminate your lease?” Many



people think that when the lease ends and automatically goes on a month-to-month basis that they have to only give 30 days notice. But if the Lease says you must provide 60 or 90 days notice you must still comply. Make sure you know what your notification period is.

Find a Good Real Estate Agent

Perhaps you never considered working with a Real Estate Agent for a lease. Who wants to pay for an Agent if you can do it on your own? Having your own Agent, even when finding a Lease, provides you with a valuable and knowledgeable consultant and guide who can help you get the best deal and avoid pitfalls or mistakes that can cost you money.

Don't just call the Agent listed on the yard sign. Remember, although any licensed Real Estate Agent can do a Lease, many do not like to because the fee is often so small it doesn't cover the cost of doing the paperwork. Find an agent who is known for doing leases.



Preferably you want an Agent that either specializes in leases or does more than one or two a year. Tell your Agent what you are looking for in a home and how much you can afford.

If you don't know any agents that fit the bill, ask around, they are usually pretty easy to find.

Open Your Wallet



Landlords expect your income to be three times the amount of the rent. They expect that you will be able to pay for the first month, and the security deposit. To be prepared, determine if your income is 3x the rent and provide bank statements or pay stubs with your application to prove your ability to pay.

The typical fees you can expect to pay upfront are:

Application Fee—this pays for the credit and background check. The fee is not standard and will vary from agent to agent or management company but it is generally under \$100 per person.

First month's rent—this pays for commissions; basically the owner gives it up.

Security deposit—typically the same as the first month's rent. It can also be increased if the landlord adds a pet fee. This should be paid back to you if you leave the home in good condition when your lease expires.

Pet deposit—if your landlord allows pets typically they will require an additional deposit. The fee is usually multiplied by the number of pets you are allowed. More often than not the pet deposit is non-refundable at the end of the lease. In general this pays for a good cleaning of the home.

***Note:** Certain dog breeds are not covered by most insurance policies and in Texas both the landlord and tenant can be sued if there is a canine “incident”. Generally Pit-bull, Doberman, German Shepherd and Rottweiler are not allowed. Check with your insurance provider for their list. If your pet is on the list, it is likely your landlord will not lease their home to you.*



Make sure you have enough in savings to cover these expenses in addition to moving costs. Remember, it is customary for these deposits to be made with a cashier’s check or a money order. Ask your Agent what is required. Be prepared to run down to the local bank or Western Union to get a cashier’s check or money order.



Let's Go Hunting!

You have cleaned up your credit, set aside money, checked your lease, and selected an Agent that you feel you can work with and that has strong negotiating skills. Now let's focus on what you need to have ready to submit an application.

Step 1: Close your eyes and visualize what you are looking for. Write what you envision down. Here are other things to provide your Agent:

- Lease payment you can afford _____
- Minimum square footage _____
- How many bedrooms? _____
- How many full bathrooms? _____
- How many Pet(s)? ____ Pool? Y N
- Number of Children and ages? _____

- School District? _____
- Specific School(s)? E: _____
M: _____
H: _____
- Specific Neighborhood(s)? _____
- City or general area _____

This list will help your Agent match your needs to existing properties on MLS, or soon-to-be-leased properties not yet on the market.

Remember, your Agent cannot discriminate in regards to race, religion, etc. Do not ask your Agent to find a “good church going” neighborhood, or to seek for particular racial demographics. It is unethical for your Realtor® to do this.

Step 2: Complete Your Application First

If your agent doesn't suggest it, ask for an application and complete it except for the address, Lease amount, deposit amount, and move in date. Your Agent can photo copy your application and have one ready to go when you are visiting properties. With leases, quick submission of your application is always in your best interest! Know what you want and quickly submit your application when you find it.

Received on _____ (date) at _____ (time)

TEXAS ASSOCIATION OF REALTORS®
RESIDENTIAL LEASE APPLICATION
USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
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Each occupant and co-applicant 18 years or older must submit a separate application.

Property Address: _____
 Anticipated Move-In Date: _____ Monthly Rent: \$ _____ Security Deposit: \$ _____
 Applicant was referred to Landlord by:
 Real estate agent _____ (name) _____ (phone)
 Newspaper Sign Internet Other _____

Applicant's name (first, middle, last): _____
 Is there a co-applicant? yes no *If yes, co-applicant must submit a separate application.*
 Applicant's former last name (maiden or married): _____

E-mail: _____ Home Phone: _____
 Work Phone: _____ Mobile/Pager: _____
 Soc. Sec. No.: _____ Driver's License No.: _____
 Date of Birth: _____ Height: _____ Weight: _____ Eye Color: _____ (state)
 Hair Color: _____ Marital Status: _____ Citizenship: _____ (country)

Emergency Contact: Name: _____
 Address: _____
 Phone: _____ E-mail: _____

Name all other persons who will occupy the Property:
 Name: _____ Relationship: _____ Age: _____
 Name: _____ Relationship: _____ Age: _____
 Name: _____ Relationship: _____ Age: _____

Applicant's Current Address: _____ Apt. No.: _____ (city, state, zip)
 Landlord's Name: _____ Email: _____
 Phone: (no) _____ (no) _____ (no) _____
 Date Moved-In: _____ Move-Out Date: _____ Rent \$: _____
 Reason for move: _____

Applicant's Previous Address: _____ Apt. No.: _____ (city, state, zip)
 Previous Landlord's Name: _____ Email: _____
 Phone: (no) _____ (no) _____ (no) _____
 Date Moved-In: _____ Date Moved-Out: _____ Rent \$: _____
 Reason for move: _____

Applicant's Current Employer:
 Address: _____ (street, city, state, zip)
 Supervisor's Name: _____ Phone: _____ Fax: _____
 E-mail: _____
 Start Date: _____ Gross Monthly Income: \$ _____ Position: _____

Note: If Applicant is self-employed, Landlord may require one or more previous years tax return attested by a CPA, attorney, or other tax professional.

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Step 3: Your Application Packet



Here are the contents of a complete application package:

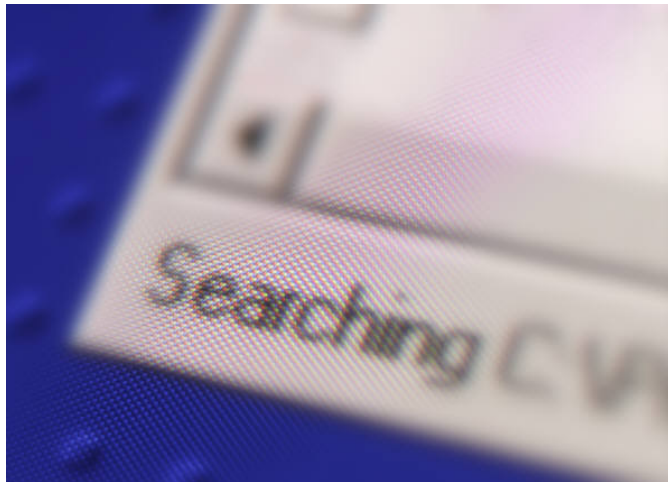
- Application (and Pet Agreement if pets)
- Application Fee
- 2-3 mo. proof of salary (bank statements, pay stubs, etc.)
- Copy of your driver's license
- Letters explaining bad credit or police record
- Letters from previous landlords if credit score is low

And don't forget, each tenant **over the age of 18** will be required to complete an application and each will be required to pay the application fee. And yes, each will have a credit and sometimes a background check. If any tenant fails the credit check or the background check all the other tenants will likely be denied the Lease. Its a good idea to know a little bit about who you are sharing a Lease with.

Property Management Companies will often have their own custom lease application.

Step 4: Let The Internet Work For You

Most people start by searching for properties on the Internet. Research shows that more than 80% of people looking for a home use the internet to help in their search.



Be wary of internet information. I have had several lease listings put online as a For Sale in several of the Real Estate sites. Several of my For Sale listings have shown up as leases. Take what you find with a grain of salt, and ***verify everything with your Agent***. Odds are if you find a lease property on a free internet site other than a Realtor® site, the property will already be leased. Even if the information they present may not be accurate, they do prove to be useful in finding out going lease rates in particular neighborhoods.

As a Realtor® I use several internet tools such as Realtor.com, Zillow, and Trulia. I also create custom MLS searches for my clients creating a custom website for them to preview properties.

Step 5: Don't Expect Perfection

In a fast paced lease market many properties are leasing before they are on MLS. Keep this in mind: you are looking for a rental property, not your dream home. Don't expect everything to be perfect. Be willing to negotiate and work with your agent if repairs are needed, or a reduction in the lease price if you fix them, but be reasonable. Remember, most landlords will be happy to reimburse you for the cost (not the labor) of painting, and paint can make your lease feel like home.

Remember, anything you do to the house must be approved by the landlord in writing. Email will suffice. Also, if you attach anything permanently to the house (like a new TV mount) it becomes part of the property. Your landlord now owns whatever you attach. This includes plants, trees and fences. If you do not ask for permission to add these things, you cannot expect to be reimbursed at the end of your lease, and you cannot take them with you.





What To Expect After You Find The “One”

In a “hot” lease market, finding and securing a lease will seem like a mad dash to the finish line! Additionally, the leasing process can seem strange if you have never done it before. In many ways it is just like buying a house, but in many more ways it is not.

We have discussed getting ready to lease and then hunting for a lease. When you find the “One” your agent will submit your application and documents. Approval can take 1-2 days. Once you are approved the landlord’s agent will prepare a lease contract based on the information in your application and send it to your agent for your review.

Legal Contracts

A Lease is much more than a handshake and your signature on a piece of paper. Your Lease agreement is a **binding legal contract**. It can consist of several documents: the **Lease**, a **Pet Agreement**, and **Amendments**. Each must be signed or initialed.

It is recommended that if you do not understand the terms of a Lease, or any contract, you should consult with your attorney.

If you and the landlord agree on ANYTHING outside the scope of the Lease documents, get it in writing. It can be part of the Special Provisions paragraph. If you don’t, it is likely you will not get what you are expecting.

Here are the basic steps of making an offer and concluding the transaction:

- Submit **Application, Permission to do the credit check and Processing Fee** (cashier's check or money order)
- If accepted, a **Lease Contract** will be given to your Agent by the Listing Agent
- Review** and **accept** the Lease or negotiate (yes, you can negotiate on a Lease—that's why you have an Agent)
- Agree and sign the Lease and other documents
- Submit **Security Deposit** and Lease. You can include the **Pet Deposit** with the Security Deposit in many cases. Typically the Security Deposit is payable to the landlord or Management Company and the First Month's rent is payable to the listing Agent's office.
- The **Lease** will be signed by the landlord, and returned (get a copy).
- Once the Lease is signed, transfer **utilities** into your name starting the first day of occupancy and renter's insurance. Remember, some Utility companies take a few days to transfer so contact them early.
- Submit **First Month's** rent as a certified check to your Agent on the official start date of your lease. Your Agent will provide you with keys and garage door openers.
- You must **occupy** the property within five (5) days of the effective date on the Lease. You cannot move in before the occupancy date.
- Quickly complete and return your **Inventory Form**—your lease will state a deadline for submission. This form documents specifics about the condition of the property when you moved in.
- Settle in and **enjoy!**



Congratulations!

Now you know more than you ever wanted to about leasing. Being informed is the best way to avoid being taken advantage of. If you feel that your agent or landlord have been unethical or deceptive, you can report them.

http://www.trec.state.tx.us/complaintsconsumer/Complaint_instructions.asp

If you were happy with your Agent and the service they provided, do them a favor by referring them, and using them later when you may want to buy a house.

If you have any questions or concerns please feel free to contact me. I am happy to help in any way I can, even referring other agents outside of my area or state.



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