



TRS NEWS

WARNING SIGNS

August 2009

As experienced property managers, we have learned to recognize certain warning signs – or “red flags,” when marketing properties and taking applications.

Here are some we encounter while showing properties:

- The applicant is willing to pay more than the offered rent and security deposit.
- They will pay everything in cash, but do not have any current employment or income.
- They want to do the property owner a favor and do all the maintenance while living there.
- They fight the entire application process because they have “always owned their own property,” or they consider themselves “above” the process.
- They immediately degrade their current landlord, claiming they will not have a good reference, and that the property owner is discriminating against them.
- They left the property cleaner than they found it, but the owner cheated them out of their security deposit.

After taking applications, there can be further red flags:

- There is absolutely no credit record and they have been working and renting for years.
- Their relatives are the only landlord history listed.
- Their relatives are their employers.
- Their employers only have personal addresses and pay only in cash.
- The applicant does not have identification or has just “lost it.”
- The salary does not match the job position and/or length of time
- The social security number brings up conflicting information.

Many “red flags,” such as those listed above, could be legitimate facts, but it is important to investigate anything that gives out a warning signal. They might be a reason to deny the application and prevent bad tenancy. So, how do we handle red flags when they occur?

First, we maintain and use a good screening process we have developed over the years. There are solid business reasons

behind these procedures. They are often a result of encountering “red flags.” By applying the same process to all parties, we are protecting owners from Fair Housing complaints, and at the same time, working to place appropriate tenants in their properties.

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On-Line Payments

We recently teamed up with PayLease Inc. to streamline our rent collection by allowing online payments via credit/debit card or e-checks from checking or savings accounts. In addition to the rent payments, many of our clients have requested some way for us to accept credit cards when performing make readies on their properties. We now have that option right through our website. There is a small convenience fee (to PayLease, not TRS) to give us the ability to accept these transactions, but the amount is much smaller than the lost rent experienced by waiting until you can get the funds to us another way. In the short time we have had this our collection rates for our tenants has improved and we expect that to continue as more and more of them see the value of getting their rent paid on time and not having to pay late fees.

Looking for Management Elsewhere?

You, or someone you know, may need a property manager in other states. Because of our proud affiliation with NARPM, The National Association of Residential Property Managers, we have contacts throughout the country and may be able to assist you.

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We look for the “reasons” behind the red flags. It takes patience to handle a prospective tenant who feels they are above completing the “application” Many people have owned for many years and then sold their homes, only to feel this is an insulting practice since they have always been “good citizens.” Some applicants do work legitimately for their relatives and it takes more investigation. It often takes endurance to work with the high-powered executive, who claims to be above the entire screening process and refuses to disclose their personal information. Perhaps an applicant did legitimately lose their identification, but there are other means to prove their identity. In addition, their former landlord could have been unfair regarding their security deposit.

Sometimes the applicant who yells the loudest is only creating a smoke screen because they are the least qualified. It is finding the way through the “smoke” to the real facts that determine the truth. Once we achieve this, we can deny or accept the application, while complying with landlord/tenant laws.

The “red flags” we experience will keep occurring and there will be new ones to keep us on our toes. Therefore, we continue to use a solid application and screening process to place the best tenants in your property.