

Owners - Frequently Asked Questions

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1. What needs to be done to my house before it is ready for rent?

The better condition your property is in, the better quality tenant it will attract. Your property should be presented in the same condition you expect the tenants to return the property in. At the very least, it should be professionally cleaned. It is not always necessary to paint, but you should consider painting any room that has dirty or marred walls. A neutral color is best. It is best to provide clean and functional window coverings, such as blinds, because most tenants will expect some sort of window coverings for privacy and safety. The tenants are expected to maintain the yard in the condition in which it is provided to them. Therefore, the yard should be freshly mowed, weeded, trimmed and the leaves and debris removed. At the onset of our management agreement we will inspect your property, make note of the condition, and recommend necessary maintenance. Any building code, safety or liability items must be taken care of prior to tenant move in. Realty Management Associates will be happy to discuss any repairs or upgrades with you individually.

2. How will you find tenants and how long will it take?

Realty Management Associates aggressively markets your property "For Rent." The property is immediately added to our list of available properties and listed on our website and other local & national rental search websites. It will also be featured on our rental hotline where prospective tenants can hear information about your property 24

hours a day. Vacancy lists and professional promotional flyers are produced for distribution to prospective tenants. To maximize the inquiries from drive by traffic, a professional sign will be placed in front of the home.

As you can imagine, it is very difficult to speculate how long it will take to rent your property. Many factors must be taken into consideration, such as price, property condition, current market values, time of year and other variables. A property is added to the list of available properties as soon as we receive notice from the existing tenant. RMA will then create a specialized marketing plan and begin actively advertising the property approximately two weeks prior to the anticipated possession date.

3. Can I say whom I want as tenants for my house?

You may specify whether or not you want tenants with pets or tenants who don't smoke, however, you cannot discriminate against any protected class under the Federal Fair Housing or local fair housing laws. For example you cannot say you won't rent to someone with/without children, people with disabilities, or people of a particular nationality or race. The more restrictions placed on tenant approval, the longer it will take to rent your property; we encourage a study of risk versus benefit when considering prospective tenants. We are professionals in leasing and tenant screening, and we have specific criteria that every applicant must meet in order to rent a property. Realty Management Associates will not knowingly place a high-risk tenant in your property.

4. What happens if the tenant doesn't pay their rent on time?

More than 95% of tenants pay their rent on time. Rent is due on the first of each month and considered late after the fifth. If rent has not been paid by that time, we will take the first step in the eviction process, which is to contact the tenant. Unless satisfactory payment arrangements are made, RMA will deliver a "3-day Notice" to pay or vacate; the vast majority of Tenants will immediately pay upon receipt of this notice.

If the tenant has not paid by the end of the 3-day notice period, with the owner's approval we will instruct our attorney to file an Unlawful Detainer action. This is the court order to remove the tenant from the property and will occur within 12 days. We file Unlawful Detainer actions very infrequently; in 2007 only 3 cases were filed out of nearly 400 residents. Unless you subscribe to Realty Management Associates' Eviction Protection Service, all costs associated with an eviction are your responsibility.

6. What happens if the tenant leaves before the end of the lease?

The tenant is responsible for rent for the entire term of the lease. If they choose to vacate prior to the expiration date, they will be responsible for rent and other costs until a new tenancy is secured.

7. How am I protected if the tenant damages the property?

A security deposit taken at move-in is usually adequate to handle most damage that a properly screened tenant may cause. Tenants with excellent credit and references seldom cause much damage and almost never in excess of the security deposit. The horror stories you may have heard about a property being "trashed" generally are less expensive properties that have been rented without the proper application and screening process. Our screening process reports: checks payment history, national risk score, credit report, collection information, public record information, residence history, previous landlord verification, employment verification, social security alerts, and state wide criminal background check. Should the tenants leave the property owing more than is covered by the security deposit, they will be billed. If they do not pay, it will be turned over to a collection agency.

8. Why am I paying for utilities on my property? Don't the tenants pay for this?

Utility services around the Treasure Valley vary from community to community. All tenants are required to put gas & electricity in their names and as often as possible water as well, these are services that can be shut off for non-payment with no affect to the owner. However sewer and trash can not be terminated and a lien can be put on the property. With most single family homes we have a pass through utility charge that the tenants pay with there rent each month to cover this cost.

9. Can I do my own repairs/maintenance for my property?

Yes, an owner can do there own maintenance. However, no labor cost can be charged for work done on your own property. This can make it difficult to provide accurate invoices for tenant cost at move-out and sometimes slow the turn-over process. And in an emergency they must deal with it immediately.

10. Who does the repairs on the properties you manage? Can I use my own contractors?

The tenants do have responsibility for some of the maintenance on your property. They have to replace burnt out light bulbs, change furnace filters, and change batteries in the smoke detectors. Tenants are usually responsible for the lawn care unless they are in a multi-unit property, one that has a homeowners association with that responsibility, or owner provided gardening service. When repairs need to be done outside the scope of the tenant's responsibility, one of our vendor's handles the job. Anyone doing maintenance on your property is selectively screened and insured for liability and workers compensation to protect you from unnecessary exposure. Files are kept in our office on all sub-contractors with copies of liability and workers compensation insurance. Our workers are available for your property maintenance needs 24 hours a

day and their work is guaranteed. Because of the volume of work we do with them, we usually get lower rates than you would get if you called them directly.

If you have a preference we can use your contractor; however, as protection for you and us, they would need to provide RMA records for liability and workers compensation insurance & tax ID #'s before a check could be issued.

11. Who takes care of the yard at my property?

The tenants in single family homes are required to maintain the yard in the condition in which they receive it. Therefore, the yard should be freshly mowed, weeded, trimmed and the leaves and debris removed. It is very important that the sprinkler system be professionally maintained, this requires turn-on in the summer to make sure it is performing properly and blow-out in the winter; water left in the lines will freeze and break the pipes this can be very expensive to repair.

12. When do I get my money each month? Can I get Direct Deposit? What about Year End?

The rents are due on the first of the month and late after the fifth. The rental funds must have cleared their banks before we can disburse funds. It is prudent to wait two week for such clearance. We begin payment of bills on the 20th and the statements to owners along with their checks go out on the 26th of each month. The statement will include all activity on the account for that month. At this time we do not offer direct deposit, however hopefully in the near future this will be available to those who want it. We are happy to mail a check to a bank if that is more convenient.

The statement you receive at the end of December is your year end statement. This has all the year to date information you need for taxes. We do send a 1099 by January 31 as well.

13. What happens if my account balance is negative?

We require you to maintain a \$200 reserve balance at all times. Negative owner balances are a violation of Trust Accounting; the owner is required to reimburse Realty Management Associates, Inc. for the outstanding expenses.

14. When do I get my money each month?

Rents are due in our office on the first of each month and considered late on the 2nd. Our leases specify that if rent is not received by the 5th of the month, a late fee is assessed. In a recent audit, the California Department of Real Estate has recommended

that funds not be released to the owners prior to the 25th of the month; this is the policy of Realty Management Associates. This is due to the banks taking up to 20 days to process a check with non-sufficient funds. It is a violation of trust accounting laws for your account to go into a negative balance. We will collect the rent, pay the bills and then at the end of each month, provide you detailed monthly statements showing all the income and expenses for the month along with payment of any excess funds; a \$200.00 minimum reserve is required for all property accounts.

The rents are due on the first of the month and late after the fifth. The rental funds must have cleared their banks before we can begin disbursing funds and the Real Estate Division as deemed it necessary to wait two weeks for such clearance. We begin the payment of bills on the fifteenth and the statements to owners, along with their checks, go out between the 20th and 30th. The statement will have all activity on the account for that month.